UNITED STATES OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE *100th* CONGRESS

FIRST SESSION

VOLUME 133—PART 16

JULY 30, 1987 TO AUGUST 6, 1987

(PAGES 21579 TO 23020)

GENERAL SERVICES ADMINISTRATION
LAW
LIBRARY
CENTRAL OFFICE

JUL 30 [illegible]

UNITED STATES GOVERNMENT PRINTING OFFICE, WASHINGTON, 1987

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402

Congressional Record

United States of America

PROCEEDINGS AND DEBATES OF THE 100th CONGRESS, FIRST SESSION

HOUSE OF REPRESENTATIVES—*Thursday, July 30, 1987*

The House met at 10 a.m.

Rev. Dr. R. Earle Rabb, Trinity United Methodist Church, Palm Beach Gardens, FL, offered the following prayer:

Almighty God, who guided our forefathers to believe that the varied people of this land might become one nation, indivisible, with liberty, and justice for all: Grant that those who govern us and those who legislate for us may be of one mind to establish justice and promote the welfare of all our people. Endow all Members of Congress with a right understanding, pure purposes, and sound speech. Enable them to rise above all self-seeking and party zeal to the nobler concerns of public good and human brotherhood.

Bless our dear country that it may be a blessing to the world. Make us instruments of peace in this turbulent world. As we pray for all nations, help us to think today about what we can do to fulfill the dream of peace on Earth, good will among men, in Your name. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. BUECHNER. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BUECHNER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will inform absent Members.

The vote was taken by electronic device, and there were—yeas 288, nays 105, not voting 40, as follows:

[Roll No. 291]

YEAS—288

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Aspin
Atkins
AuCoin
Baker
Barnard
Bartlett
Bateman
Beilenson
Bennett
Bereuter
Berman
Bevill
Biaggi
Bilbray
Boggs
Boland
Bonior (MI)
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Broomfield
Bruce
Bustamante
Byron
Callahan
Campbell
Cardin
Carper
Carr
Chapman
Clarke
Clinger
Coats
Coelho
Coleman (MO)
Coleman (TX)
Collins
Combest
Conte
Conyers
Cooper
Coyne
Crockett
Darden
de la Garza
DeFazio
Dellums
Derrick
DeWine
Dicks
Dingell
Donnelly
Dorgan (ND)
Dowdy
Downey
Duncan
Durbin
Dwyer
Dyson
Early
Eckart
Edwards (CA)
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Feighan
Fish
Flake
Flippo
Florio
Foglietta
Foley
Ford (MI)
Frank
Frost
Garcia
Gaydos
Gejdenson
Gibbons
Gilman
Glickman
Gonzalez
Gordon
Gradison
Grandy
Grant
Gray (PA)
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Harris
Hatcher
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Hertel
Hochbrueckner
Holloway
Horton
Houghton
Howard
Hoyer
Huckaby
Hughes
Hutto
Hyde
Jeffords
Jenkins
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kastenmeier
Kennedy
Kildee
Kolter
Kostmayer
Lancaster
Lantos
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Livingston
Lloyd
Lowry (WA)
Lujan
Luken, Thomas
MacKay
Madigan
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McEwen
McHugh
McMillen (MD)
Meyers
Mfume
Mica
Miller (CA)
Miller (WA)
Mineta
Moakley
Mollohan
Montgomery
Moody
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal
Nelson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Packard
Panetta
Patterson
Pease
Pelosi
Pepper
Perkins
Petri
Pickett
Pickle
Porter
Price (IL)
Price (NC)
Pursell
Rahall
Rangel
Ravenel
Ray
Regula
Rhodes
Richardson
Rinaldo
Ritter
Robinson
Rodino
Roe
Rose
Rostenkowski
Rowland (GA)
Roybal
Russo
Sabo
Savage
Sawyer
Schaefer
Scheuer
Schneider
Schulze
Schumer
Sharp
Shaw
Shumway
Shuster
Sisisky
Skaggs
Skelton
Slattery
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (TX)
Solarz
Spratt
Staggers
Stallings
Stark
Stenholm
Stokes
Stratton
Studds
Sweeney
Swift
Synar
Tallon
Tauke
Taylor
Thomas (GA)
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weiss
Wheat
Whitten
Wise
Wolpe
Wortley
Wyden
Wylie
Yates
Yatron
Young (FL)

NAYS—105

Armey
Badham
Ballenger
Bilirakis
Bliley
Boehlert
Bonker
Boulter
Brown (CO)
Buechner
Bunning
Burton
Chandler
Cheney
Clay
Coble
Coughlin
Courter
Craig
Dannemeyer
Daub
Davis (IL)
Davis (MI)
DeLay
DioGuardi
Dornan (CA)
Dreier
Edwards (OK)
Emerson
Fields
Gallegly
Gallo
Gekas
Goodling
Gregg
Hansen
Hastert
Henry
Herger
Hiler
Hopkins
Inhofe
Ireland
Jacobs
Kolbe
Konnyu
Kyl
LaFalce
Lagomarsino
Leach (IA)
Lewis (CA)
Lewis (FL)
Lightfoot
Lowery (CA)
Lukens, Donald
Lungren
Mack
Marlenee
Martin (IL)
McCandless
McCollum
McGrath
McMillan (NC)
Michel
Miller (OH)
Molinari
Moorhead
Morella
Nielson
Oxley
Parris
Pashayan
Penny
Quillen
Ridge
Roberts
Rogers
Roth
Roukema
Saiki
Saxton
Schroeder
Schuette
Sensenbrenner
Sikorski
Skeen
Slaughter (VA)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solomon
Spence
Stangeland
Stump
Sundquist
Swindall
Thomas (CA)
Upton
Walker
Weber
Weldon
Whittaker
Wolf
Young (AK)

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

NOT VOTING—40

Barton
Bates
Bentley
Boner (TN)
Brown (CA)
Bryant
Chappell
Crane
Daniel
Dickinson
Dixon
Dymally
Ford (TN)
Frenzel
Gephardt
Gingrich
Gray (IL)
Hammerschmidt
Hawkins
Hubbard
Hunter
Johnson (CT)
Kasich
Kemp
Kennelly
Kleczka
Latta
Lott
Martin (NY)
McDade
Morrison (CT)
Nichols
Roemer
Rowland (CT)
St Germain
Tauzin
Torres
Vucanovich
Williams
Wilson

□ 1015

So the Journal was approved.

The result of the vote was announced as above recorded.

WELCOMING DR. RABB

(Mr. LEWIS of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEWIS of Florida. Mr. Speaker, I ask my fellow Members to please join me in welcoming Dr. R. Earle Rabb, our guest chaplain today.

My good friend Dr. Rabb is senior pastor of Trinity United Methodist Church in Palm Beach Gardens, FL.

Dr. Rabb is a 1961 graduate of the University of Florida and a 1964 graduate of the Theological School of Drew University.

In 1980, 4 years after his assignment to Trinity United Methodist Church, Dr. Rabb received his doctor of ministry degree from Drew University.

Under his leadership the membership at Trinity has grown from 1,000 members to more than 2,100.

Trinity has grown in many other areas under Dr. Rabb's guidance. The church is consistently in the top 25 of all churches in the Florida Conference. Four missionaries receive partial support and short-term mission volunteer teams continue to go out from Trinity on a variety of projects both in and out of the United States.

Dr. Rabb is a man of vision and strong leadership. He cares deeply about his family, his congregation, and his community. I would be remiss if I didn't mention his lovely wife Phyllis and their children Steve, Cheryl, and Lisa.

It is indeed a pleasure to have Dr. Rabb here to help begin our day.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 348. An act to amend title 39, United States Code, to extend to certain officers and employees of the U.S. Postal Service the same procedural and appeal rights with respect to certain adverse personnel actions as are afforded under title 5, United States Code, to Federal employees in the competitive service; and

H.R. 921. An act to require the Secretary of the Interior to conduct a study to determine the appropriate minimum altitude for aircraft flying over national park system units.

THE REAL CAUSE OF UNREST IN CENTRAL AMERICA IS POVERTY, DISEASE, AND ILLITERACY, NOT A MARXIST MINIPOWER

(Mr. KENNEDY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KENNEDY. Mr. Speaker, I rise in opposition to U.S. aid to the Contras, which has already cost over $1 billion. We are now improving our relationships with the Soviet Union. We have an arms control agreement in sight. We see wheat deals that allow the American consumer to subsidize the Soviet consumer. We see the Bolshoi Ballet here in Washington.

With regard to the People's Republic of China, we are now selling them sophisticated military equipment.

I just have one question: If we can handle the Communist superpowers, then why are we so afraid of a Marxist minipower in Central America?

The real cause of unrest in Central America is poverty, disease, and illiteracy. The United States has the technology, it has the compassion and it has the capital necessary to fight these.

If we are really interested in fighting the forces that are needed to develop the developing world, then we can invest in the people of Central America, not the fighting machines of Central America.

INTRODUCTION OF LEGISLATION TO REPEAL THE BUDGET ACT AND GRAMM-RUDMAN-HOLLINGS ACT

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, there are 18 legislative days left before the start of the fiscal year. Only eight appropriations bills have passed the House, and not a single one has been marked up in the Senate.

In September this House will consider the biggest continuing resolution in history. That CR grows with every day that passes without action on appropriation bills.

We will start the new fiscal year with a deficit estimated at $181 billion. That deficit grows with every day that passes without legislative action to control spending or raise revenues.

We are paralyzed by budget resolutions, reconciliation instructions, Gramm-Rudman fixes, and all of the other procedural gimmicks that we have constructed to avoid real legislative choices.

When we are not busy legislating, we hold meetings on budget reform—which means more procedural gimmicks—and we forget that the Budget Act and Gramm-Rudman were reforms when we passed them.

These reforms are directly responsible for large deficits and big CR's.

Next week I will propose a real reform by introducing a bill to repeal the Budget Act and the Gramm-Rudman-Hollings Act.

If you want Congress and the President to deal directly with the deficit—without Mickey Mouse as a referee—then I invite you to join me as a cosponsor.

□ 1030

A SALUTE TO THE SALT LAKE CITY TRAPPERS

(Mr. OWENS of Utah asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OWENS of Utah. Mr. Speaker, last Saturday night, history was made in Salt Lake City. A sellout crowd witnessed a historic moment in professional sports. The Salt Lake Trappers, barely 3 years old as a baseball team, and not affiliated with any major league team, won its 28th game and have since increased this record to 29 straight games. Until Saturday evening, the Baltimore Orioles have held the record of 27 wins since 1921. So the Salt Lake Trappers have broken a 66-year-old record in professional baseball.

We salute Ron Sabala, Bill Murray, and the other owners as well as manager-coach Jim Gilligan and the all-star team of players, Utah athletes who have genuinely distinguished themselves and have made us proud.

PROPOSED LEGISLATION WOULD IMPROVE SURPLUS COMMODITY DISTRIBUTION

(Mr. RIDGE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RIDGE. Mr. Speaker, let me say to my colleagues today that I will be introducing legislation to improve surplus commodity distribution to those most in need. We must renew our efforts to eliminate the disgrace of hunger in the world's wealthiest nation. Last year, while countless Americans went without adequate nutrition, 600 million pounds of cheese were available in federally supported warehouses, all of which could and should have been distributed to the poor and to emergency feeding organizations around the country.

My bill would allow food banks a greater role in distributing these commodities to those in need. Food banks already provide centralized accountability and management, and through their network of emergency feeding organizations, can distribute commodities to needy Americans in a prompt and efficient manner.

Section 1 of the bill reestablishes the food bank special nutrition project, which allows food banks to receive and distribute surplus commodities. This program proved to be very effective from 1982 through 1984. Although authority for this project has never ceased, the Department of Agriculture no longer operates it; my legislation reestablishes the project.

Section 2 of the bill will also allow at least one food bank demonstration project in each Federal region. Under this project, food banks could provide and redistribute section 32 commodities to needy individuals and families. Thus pasta, meat, poultry, flour, rice, and honey would reach those in need.

Food banks have a much higher level of accountability and superior management skills than are now practiced in the TEFAP Program. We should seize this opportunity to take advantage of the proven network already in place to improve the distribution of surplus commodities and feed the hungry of this Nation.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORT ON BILL MAKING APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES FOR FISCAL YEAR 1988

Mr. NATCHER. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight, Thursday, July 30, 1987, to file a privileged report on a bill making appropriations for the Department of Labor, the Department of Health and Human Services, and the Department of Education, and related agencies, for the fiscal year ending September 30, 1988, and for other purposes.

Mr. CONTE reserved all points of order on the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

THE GOAL OF IMPROVED READINESS IN THE ARMED FORCES

(Mr. McCURDY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCURDY. Mr. Speaker, we are facing a defense problem of increasing magnitude—and it is one that we cannot afford to overlook. Since 1981, the administration has put tremendous emphasis on RDT&E and procurement of new major weapons systems. I have supported most of these systems, but they will be worth our huge investment only if we provide the backup necessary to make them work.

Along with our 600-ship Navy, 37 tactical fighter wings, and 675 Apache attack helicopters, come challenges associated with new and complex weapon systems. To meet them, we are going to have to make some changes in the area of logistics.

The priority given to modernization over readiness has been apparent throughout the Reagan administration. Funding for investment has grown in real terms by 44 percent, while funding for support programs increased by only 13 percent. The tremendous growth in investment spending made new weapons systems possible. But now we need ammunition, spare parts, personnel, and operations and maintenance funding to make them work.

Many of our Air Logistics Command centers, such as Tinker Air Force Base in Oklahoma, simply don't have adequate funding to do the job that they are directed to do. The manpower, parts and spares they need to ready the fighters and bombers we depend on are not always available.

Mr. Speaker, high procurement spending doesn't necessarily mean high readiness. If we want a complete and capable Armed Forces structure, now is the time to concentrate on readiness and support.

INTRODUCTION OF LEGISLATION TO INSURE KUWAIT'S COOPERATION IN MINESWEEPING EXERCISES

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, I do not know how many of the Members are following the dynamics in the Persian Gulf, but America is sending eight minesweeping helicopters into the gulf to continue to try and protect our fighting men and our escorts.

Now, be advised that with all of this we are protecting Kuwaiti oil shipments. They have said they are not responsible and they will not allow our helicopters to land on their soil, and we have to service those helicopters from the Indian Ocean.

Mr. Speaker, this is an outrage. We spend $40 million to protect oil for nations all over the world. This is mainly to Kuwait's interest, and they will not even cooperate.

Yesterday I introduced H.R. 3039. It has 40 cosponsors, and it says, right to the point, that if Kuwait does not cooperate to help us protect the safety of our troops and their oil, we will take our flags off their tankers.

Mr. Speaker, I think that is the type of thing our body should be doing because we have become the laughing stock of the international community.

CONTRAS STILL BEHAVING LIKE LOSERS

(Mr. WHEAT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WHEAT. Mr. Speaker, in the near future the Congress does face difficult decisions in Nicaragua. The Sandinistas, certainly nobody's angels, are not every Nicaraguan's idea of good government. But in the battle for the hearts and minds of the Nicaraguan people, the Contras are still losers. Why? Consider their recruiting tactics.

If you're a Contra, drop in on an unsuspecting campesino and eat what little food he has. Establish your democratic credentials by getting violent with his family. In exchange, allow the eager campesino the chance to be a human land mine—let him walk the point of your brave Contra platoon. If he fails to detonate, send him home, but take his son with you. After all, you're not a Marine recruiter looking for a "few good men." You're a Contra recruiter—you'll settle for a "few good boys."

Sound like fiction? Ask the 13-year-old boy I met in a Nicaraguan Contra camp. He was no fiction. He was a Contra.

LT. COL. JAMES BASILE

(Mr. SLATTERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SLATTERY. Mr. Speaker, our country has suffered the loss of a distinguished and dedicated military officer.

U.S. Air Force Lieutenant Colonel James "Jim" Basile of Topeka, KS, was killed July 15 in a helicopter crash near San Salvador while serving as deputy group commander of the United States Southern Command in El Salvador.

The tragic accident, which claimed the lives of five other American servicemen, occurred during a flight in bad weather to pick up a wounded American military adviser.

A dedicated man, he endured separation from his family and friends, and the dangers of being in Central America to serve his country.

And he served his country with courage and commitment.

His long military career was marked with distinction.

Because of his outstanding contributions and accomplishments in the U.S. military, his family has been presented with a Distinguished Service Medal in his honor. The award is a superior service award and is the highest award given by the U.S. Defense Department in peacetime.

Lieutenant Colonel Basile's death is not only a loss to those who knew him, but to our country as well.

His dedication to protecting our basic freedoms is a proud, strong symbol of what is best in America. His loss of life while doing so is a poignant reminder of why these freedoms must never be taken for granted.

I extend my deepest sympathies to Lieutenant Colonel Basile's wife, Janie, and his three children, Anne, Steve, and David and his entire family.

CONGRESSIONAL CALL TO CONSCIENCE FOR SOVIET JEWS

(Mr. ANDREWS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANDREWS. Mr. Speaker, today, I join with my colleagues on both sides of the aisle in support of the call to conscience for Soviet Jews. As a member of the Congressional Caucus on Soviet Jewry, I am proud to hear so many Members of Congress keeping the hope alive for the hundreds of thousands of refuseniks in the Soviet Union.

This year has seen much success. So far, over 3,000 Soviet Jews have emigrated. The new era of glasnost in the Soviet Union offers the prospect of new opportunities for Soviet Jews. But despite these new opportunities, old problems remain.

No one can teach us the course for the future better than the recent emigrants. They have had to overcome accusations of holding state secrets when they have never had access to state secrets. They have been forced to leave children, parents, and spouses behind.

The Soviet Union has much progress to make before our vigil ends. I remain personally committed to Vladimir and Karmella Raiz. Their family has been continually denied exit visas since 1972.

Vladimir, a molecular biologist, and Karmella, a concert violinist, have been subject to many injustices. They have been the targets of slander in the Soviet press, have had personal property confiscated, and have lived under virtual house arrest.

I hope that the Soviet Union will recognize the plight of the Raizes and the other refuseniks that remain.

□ 1045

HOSPITAL-BASED RISK MANAGEMENT—A COMPONENT OF THE MALPRACTICE SOLUTION

(Mr. PORTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PORTER. Mr. Speaker, as the headlines from Dade County remind us, the medical malpractice crisis is far from over.

In June, GAO finished a 2-year study I commissioned on the malpractice problem, and they came out with a series of recommendations. The GAO, Mr. Speaker, advocates a broad-based approach to solving the medical malpractice problem—physicians, lawyers, insurers, and consumers must leave the field of combat and work together.

One component of that solution is hospital-based risk management programs. Since four out of five malpractice claims arise out of a hospital incident, the hospital is the logical place to establish such systems. Risk management serves as an early warning system within the hospital while providing a data base to point out possible problem areas. Computerized risk management systems that provide for incident screening, occurrence reporting, and specialized claim studies; and that educate providers on acceptable quality of care, and minimize the possiblity of malpractice are a critical component of the solution to the malpractice crisis. Such systems should be mandatory.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. McCurdy). The Chair desires to announce that pursuant to clause 4 of rule I, the Speaker signed the following enrolled bill and joint resolution on Wednesday, July 29, 1987:

H.R. 3022. An act to provide for a temporary extension of the public debt limit; and

S.J. Res. 151. Joint resolution to designate August 1, 1987, as "Helsinki Human Rights Day."

PRIVILEGES OF THE HOUSE—RETURNING TO THE SENATE THE BILL S. 829

Mr. ROSTENKOWSKI. Mr. Speaker, I rise to a question of the privileges of the House, and I send to the desk a privileged resolution (H. Res. 235) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 235

Resolved, That the bill of the Senate (S. 829) to authorize appropriations for the United States International Trade Commission, the United States Customs Service, and the Office of the United States Trade Representative for fiscal year 1988, and for other purposes, in the opinion of this House, contravenes the first clause of the seventh section of the first article of the Constitution of the United States and is an infringement of the privileges of this House and that such bill be respectfully returned to the Senate with a message communicating this resolution.

The SPEAKER pro tempore. The resolution presents a question of privilege, and the gentleman from Illinois [Mr. Rostenkowski] is recognized for 1 hour.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 235 is a simple resolution returning the Senate bill, S. 829, to the Senate because it contravenes the constitutional requirement that revenue measures originate in the House of Representatives. S. 829, which passed the Senate on March 30, 1987, is a bill to authorize appropriations for the U.S. Customs Service, the International Trade Commission, and the Office of the U.S. Trade Representative. Standing alone these authorizations do not constitute revenue measures. However, the Senate added as a floor amendment a provision relating to imports from the Soviet Union which amends current provisions of the Tariff Act of 1930. This change in our tariff laws does constitute a revenue measure in the constitutional sense.

While the House, by adopting this resolution, will preserve its prerogative to originate such matters, I want to make it clear to all Members that our action does not constitute a rejection of the Senate bill on its merits. In fact, the Committee on Ways and Means has approved the agency authorizations in question as part of the budget reconciliation process, while the Senate has added them as amendments to the House-passed trade bill. Our action today merely indicates that the appropriate procedure for dealing with tariff matters that affect revenues is for the House to act first on a revenue vehicle and the Senate to add its amendments and seek a conference. In fact, the omnibus trade bill, H.R. 3, does contain numerous changes in tariffs, and it would be appropriate to take up such matters in the course of our conference on that bill.

Mr. Speaker, I urge adoption of this resolution.

Mr. Speaker, I yield to the gentleman from Tennessee [Mr. Duncan].

Mr. DUNCAN. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in support of the motion offered by the gentleman from Illinois to return S. 829 to the other body. Section 5 of this measure prohibits the importation of gold ore, agricultural machinery, tractor generators, tea, crude petroleum, motor fuel, and kerosene from the U.S.S.R. on the grounds that these items are produced by indentured labor.

Duties on these products, which are assessed under column two of the tariff schedules, are relatively high. Thus, the measure would result in a significant loss of revenue to the U.S. Treasury. The Parliamentarian has ruled that, under the Constitution, such a measure should originate in this body.

Mr. Speaker, all of the issues raised by S. 829 have been included in H.R. 3, as passed by the Senate, and thus will be part of the upcoming conference on omnibus trade legislation. Therefore, I urge my colleagues to support the motion offered to return S. 829 to the other body in order to preserve the prerogatives of this House on matters relating to revenue.

Mr. **ROSTENKOWSKI.** Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The **SPEAKER** pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

MEDICARE AND MEDICAID PATIENT AND PROGRAM PROTECTION ACT OF 1987

Mr. **ROSTENKOWSKI.** Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 1444) to amend titles XI, XVIII, and XIX of the Social Security Act to protect beneficiaries under the health care programs of that act from unfit health care practitioners, and otherwise to improve the antifraud provisions to those programs, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE; REFERENCES IN ACT; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Medicare and Medicaid Patient and Program Protection Act of 1987".

(b) AMENDMENTS TO THE SOCIAL SECURITY ACT.—Except as otherwise specifically provided, whenever in this Act an amendment is expressed in terms of an amendment to or repeal of, a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

(c) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; references in Act; table of contents.
Sec. 2. Exclusion from medicare and State health care programs.
Sec. 3. Civil monetary penalties.
Sec. 4. Criminal penalties for acts involving medicare and State health care programs.
Sec. 5. Information concerning sanctions taken by State licensing authorities against health care practitioners and providers.
Sec. 6. Obligation of health care practitioners and providers.
Sec. 7. Exclusion under the medicaid program.
Sec. 8. Miscellaneous and conforming amendments.
Sec. 9. Clarification of medicaid moratorium provisions of Deficit Reduction Act of 1984.
Sec. 10. Limitation of liability of medicare beneficiaries with respect to services furnished by excluded individuals and entities.
Sec. 11. Definition of person with ownership or control interest.
Sec. 12. Conditional approval of renal dialysis facilities.
Sec. 13. Amendment relating to fraud involving medicare supplemental insurance.
Sec. 14. Standards for anti-kickback provisions.
Sec. 15. Effective dates.

SEC. 2. EXCLUSION FROM MEDICARE AND STATE HEALTH CARE PROGRAMS.

Section 1128 (42 U.S.C. 1320a-7) is amended to read as follows:

"EXCLUSION OF CERTAIN INDIVIDUALS AND ENTITIES FROM PARTICIPATION IN MEDICARE AND STATE HEALTH CARE PROGRAMS

"SEC. 1128. (a) MANDATORY EXCLUSION.—The Secretary shall exclude the following individuals and entities from participation in any program under title XVIII and shall direct that the following individuals and entities be excluded from participation in any State health care program (as defined in subsection (h)):

"(1) CONVICTION OF PROGRAM-RELATED CRIMES.—Any individual or entity that has been convicted of a criminal offense related to the delivery of an item or service under title XVIII or under any State health care program.

"(2) CONVICTION RELATING TO PATIENT ABUSE.—Any individual or entity that has been convicted, under Federal or State law, of a criminal offense relating to neglect or abuse of patients in connection with the delivery of a health care item or service.

"(b) PERMISSIVE EXCLUSION.—The Secretary may exclude the following individuals and entities from participation in any program under title XVIII and may direct that the following individuals and entities be excluded from participation in any State health care program:

"(1) CONVICTION RELATING TO FRAUD.—Any individual or entity that has been convicted, under Federal or State law, in connection with the delivery of a health care item or service or with respect to any act or omission in a program operated by or financed in whole or in part by any Federal, State, or local government agency, of a criminal offense relating to fraud, theft, embezzlement, breach of fiduciary responsibility, or other financial misconduct.

"(2) CONVICTION RELATING TO OBSTRUCTION OF AN INVESTIGATION.—Any individual or entity that has been convicted, under Federal or State law, in connection with the interference with or obstruction of any investigation into any criminal offense described in paragraph (1) or in subsection (a).

"(3) CONVICTION RELATING TO CONTROLLED SUBSTANCE.—Any individual or entity that has been convicted, under Federal or State law, of a criminal offense relating to the unlawful manufacture, distribution, prescription, or dispensing of a controlled substance.

"(4) LICENSE REVOCATION OR SUSPENSION.—Any individual or entity—

"(A) whose license to provide health care has been revoked or suspended by any State licensing authority, or who otherwise lost such a license, for reasons bearing on the individual's or entity's professional competence, professional performance, or financial integrity, or

"(B) who surrendered such a license while a formal disciplinary proceeding was pending before such an authority and the proceeding concerned the individual's or entity's professional competence, professional performance, or financial integrity.

"(5) EXCLUSION OR SUSPENSION UNDER FEDERAL OR STATE HEALTH CARE PROGRAM.—Any individual or entity which has been suspended or excluded from participation, or otherwise sanctioned, under—

"(A) any Federal program, including programs of the Department of Defense or the Veterans' Administration, involving the provision of health care, or

"(B) a State health care program,

for reasons bearing on the individual's or entity's professional competence, professional performance, or financial integrity.

"(6) CLAIMS FOR EXCESSIVE CHARGES OR UNNECESSARY SERVICES AND FAILURE OF CERTAIN ORGANIZATIONS TO FURNISH MEDICALLY NECESSARY SERVICES.—Any individual or entity that the Secretary determines—

"(A) has submitted or caused to be submitted bills or requests for payment (where such bills or requests are based on charges or cost) under title XVIII or a State health care program containing charges (or, in applicable cases, requests for payment of costs) for items or services furnished substantially in excess of such individual's or entity's usual charges (or, in applicable cases, substantially in excess of such individual's or entity's costs) for such items or services, unless the Secretary finds there is good cause for such bills or requests containing such charges or costs;

"(B) has furnished or caused to be furnished items or services to patients (whether or not eligible for benefits under title XVIII or under a State health care program) substantially in excess of the needs of such patients or of a quality which fails to meet professionally recognized standards of health care;

"(C) is—

"(i) a health maintenance organization (as defined in section 1903(m)) providing items and services under a State plan approved under title XIX, or

"(ii) an entity furnishing services under a waiver approved under section 1915(b)(1),

and has failed substantially to provide medically necessary items and services that are required (under law or the contract with the State under title XIX) to be provided to individuals covered under that plan or waiver, if the failure has adversely affected (or has a substantial likelihood of adversely affecting) these individuals; or

"(D) is an entity providing items and services as an eligible organization under a risk-sharing contract under section 1876 and has failed substantially to provide medically necessary items and services that are required (under law or such contract) to be provided to individuals covered under the risk-sharing contract, if the failure has adversely affected (or has a substantial likelihood of adversely affecting) these individuals.

"(7) FRAUD, KICKBACKS, AND OTHER PROHIBITED ACTIVITIES.—Any individual or entity that the Secretary determines has committed an act which is described in section 1128A or section 1128B.

"(8) ENTITIES CONTROLLED BY A SANCTIONED INDIVIDUAL.—Any entity with respect to which the Secretary determines that a person—

"(A)(i) with an ownership or control interest (as defined in section 1124(a)(3)) in that entity, or

"(ii) who is an officer, director, agent, or managing employee (as defined in section 1126(b)) of that entity—

is a person—

"(B)(i) who has been convicted of any offense described in subsection (a) or in paragraph (1), (2), or (3) of this subsection;

"(ii) against whom a civil monetary penalty has been assessed under section 1128A; or

"(iii) who has been excluded from participation under a program under title XVIII or under a State health care program.

"(9) FAILURE TO DISCLOSE REQUIRED INFORMATION.—Any entity that did not fully and accurately make any disclosure required by section 1124 or section 1126.

"(10) FAILURE TO SUPPLY REQUESTED INFORMATION ON SUBCONTRACTORS AND SUPPLIERS.—Any disclosing entity (as defined in section 1124(a)(2)) that fails to supply (within such period as may be specified by the Secretary in regulations) upon request specifically addressed to the entity by the Secretary or by the State agency administering or supervising the administration of a State health care program—

"(A) full and complete information as to the ownership of a subcontractor (as defined by the Secretary in regulations) with whom the entity has had, during the previous 12 months, business transactions in an aggregate amount in excess of $25,000, or

"(B) full and complete information as to any significant business transactions (as defined by the Secretary in regulations), occurring during the five-year period ending on the date of such request, between the entity and any wholly owned supplier or between the entity and any subcontractor.

"(11) FAILURE TO SUPPLY PAYMENT INFORMATION.—Any individual or entity furnishing items or services for which payment may be made under title XVIII or a State health care program that fails to provide such information as the Secretary or the appropriate State agency finds necessary to determine whether such payments are or were due and the amounts thereof, or has refused to permit such examination of its records by or on behalf of the Secretary or that agency as may be necessary to verify such information.

"(12) FAILURE TO GRANT IMMEDIATE ACCESS.—Any individual or entity that fails to grant immediate access, upon reasonable request (as defined by the Secretary in regulations) to any of the following:

"(A) To the Secretary, or to the agency used by the Secretary, for the purpose specified in the first sentence of section 1864(a) (relating to compliance with conditions of participation or payment).

"(B) To the Secretary or the State agency, to perform the reviews and surveys required under State plans under paragraphs (26), (31), and (33) of section 1902(a) and under section 1903(g).

"(C) To the Inspector General of the Department of Health and Human Services, for the purpose of reviewing records, documents, and other data necessary to the performance of the statutory functions of the Inspector General.

"(D) To a State medicaid fraud control unit (as defined in section 1903(q)), for the purpose of conducting activities described in that section.

"(13) FAILURE TO TAKE CORRECTIVE ACTION.—Any hospital that fails to comply substantially with a corrective action required under section 1886(f)(2)(B).

"(14) DEFAULT ON HEALTH EDUCATION LOAN OR SCHOLARSHIP OBLIGATIONS.—Any individual who the Secretary determines is in default on repayments of scholarship obligations or loans in connection with health professions education made or secured, in whole or in part, by the Secretary and with respect to whom the Secretary has taken all reasonable steps available to the Secretary to secure repayment of such obligations or loans, except that (A) the Secretary shall not exclude pursuant to this paragraph a physician who is the sole community physician or sole source of essential specialized services in a community if a State requests that the physician not be excluded, and (B) the Secretary shall take into account, in determining whether to exclude any other physician pursuant to this paragraph, access of beneficiaries to physician services for which payment may be made under title XVIII or XIX.

"(c) NOTICE, EFFECTIVE DATE, AND PERIOD OF EXCLUSION.—(1) An exclusion under this section or under section 1128A shall be effective at such time and upon such reasonable notice to the public and to the individual or entity excluded as may be specified in regulations consistent with paragraph (2).

"(2)(A) Except as provided in subparagraph (B), such an exclusion shall be effective with respect to services furnished to an individual on or after the effective date of the exclusion.

"(B) Unless the Secretary determines that the health and safety of individuals receiving services warrants the exclusion taking effect earlier, an exclusion shall not apply to payments made under title XVIII or under a State health care program for—

"(i) inpatient institutional services furnished to an individual who was admitted to such institution before the date of the exclusion, or

"(ii) home health services and hospice care furnished to an individual under a plan of care established before the date of the exclusion,

until the passage of 30 days after the effective date of the exclusion.

"(3)(A) The Secretary shall specify, in the notice of exclusion under paragraph (1) and the written notice under section 1128A, the minimum period (or, in the case of an exclusion of an individual under subsection (b)(12), the period) of the exclusion.

"(B) In the case of an exclusion under subsection (a), the minimum period of exclusion shall be not less than five years, except that, upon the request of a State, the Secretary may waive the exclusion under subsection (a)(1) in the case of an individual or entity that is the sole community physician or sole source of essential specialized services in a community. The Secretary's decision whether to waive the exclusion shall not be reviewable.

"(C) In the case of an exclusion of an individual under subsection (b)(12), the period of the exclusion shall be equal to the sum of—

"(i) the length of the period in which the individual failed to grant the immediate access described in that subsection, and

"(ii) an additional period, not to exceed 90 days, set by the Secretary.

"(d) NOTICE TO STATE AGENCIES AND EXCLUSION UNDER STATE HEALTH CARE PROGRAMS.—(1) Subject to paragraph (3), the Secretary shall exercise the authority under subsection (b) in a manner that results in an individual's or entity's exclusion from all the programs under title XVIII and all the State health care programs in which the individual or entity may otherwise participate.

"(2) The Secretary shall promptly notify each appropriate State agency administering or supervising the administration of each State health care program (and, in the case of an exclusion effected pursuant to subsection (a) and to which section 304(a)(5) of the Controlled Substances Act may apply, the Attorney General)—

"(A) of the fact and circumstances of each exclusion effected against an individual or entity under this section or section 1128A, and

"(B) of the period (described in paragraph (3)) for which the State agency is directed to exclude the individual or entity from participation in the State health care program.

"(3)(A) Except as provided in subparagraph (B), the period of the exclusion under a State health care program under paragraph (2) shall be the same as any period of exclusion under a program under title XVIII.

"(B) The Secretary may waive an individual's or entity's exclusion under a State health care program under paragraph (2) if the Secretary receives and approves a request for the waiver with respect to the individual or entity from the State agency administering or supervising the administration of the program.

"(e) NOTICE TO STATE LICENSING AGENCIES.—The Secretary shall—

"(1) promptly notify the appropriate State or local agency or authority having responsibility for the licensing or certification of an individual or entity excluded (or directed to be excluded) from participation under this section or section 1128A, of the fact and circumstances of the exclusion,

"(2) request that appropriate investigations be made and sanctions invoked in accordance with applicable State law and policy, and

"(3) request that the State or local agency or authority keep the Secretary and the Inspector General of the Department of Health and Human Services fully and currently informed with respect to any actions taken in response to the request.

"(f) NOTICE, HEARING, AND JUDICIAL REVIEW.—(1) Subject to paragraph (2), any individual or entity that is excluded (or directed to be excluded) from participation under this section is entitled to reasonable notice and opportunity for a hearing thereon by the Secretary to the same extent as is provided in section 205(b), and to judicial review of the Secretary's final decision after such hearing as is provided in section 205(g).

"(2) Unless the Secretary determines that the health or safety of individuals receiving services warrants the exclusion taking effect earlier, any individual or entity that is the subject of an adverse determination under subsection (b)(7) shall be entitled to a hearing by an administrative law judge (as provided under section 205(b)) on the determination under subsection (b)(7) before any exclusion based upon the determination takes effect.

"(3) The provisions of section 205(h) shall apply with respect to this section and sec-

tions 1128A and 1156 to the same extent as it is applicable with respect to title II.

"(g) APPLICATION FOR TERMINATION OF EXCLUSION.—(1) An individual or entity excluded (or directed to be excluded) from participation under this section or section 1128A may apply to the Secretary, in the manner specified by the Secretary in regulations and at the end of the minimum period of exclusion provided under subsection (c)(3) and at such other times as the Secretary may provide, for termination of the exclusion effected under this section or section 1128A.

"(2) The Secretary may terminate the exclusion if the Secretary determines, on the basis of the conduct of the applicant which occurred after the date of the notice of exclusion or which was unknown to the Secretary at the time of the exclusion, that—

"(A) there is no basis under subsection (a) or (b) or section 1128A(a) for a continuation of the exclusion, and

"(B) there are reasonable assurances that the types of actions which formed the basis for the original exclusion have not recurred and will not recur.

"(3) The Secretary shall promptly notify each appropriate State agency administering or supervising the administration of each State health care program (and, in the case of an exclusion effected pursuant to subsection (a) and to which section 304(a)(5) of the Controlled Substances Act may apply, the Attorney General) of the fact and circumstances of each termination of exclusion made under this subsection.

"(h) DEFINITION OF STATE HEALTH CARE PROGRAM.—For purposes of this section and sections 1128A and 1128B, the term 'State health care program' means—

"(1) a State plan approved under title XIX,

"(2) any program receiving funds under title V or from an allotment to a State under such title, or

"(3) any program receiving funds under title XX or from an allotment to a State under such title.

"(i) CONVICTED DEFINED.—For purposes of subsections (a) and (b), a physician or other individual is considered to have been 'convicted' of a criminal offense—

"(1) when a judgment of conviction has been entered against the physician or individual by a Federal, State, or local court, regardless of whether there is an appeal pending or whether the judgment of conviction or other record relating to criminal conduct has been expunged;

"(2) when there has been a finding of guilt against the physician or individual by a Federal, State, or local court;

"(3) when a plea of guilty or nolo contendere by the physician or individual has been accepted by a Federal, State, or local court; or

"(4) when the physician or individual has entered into participation in a first offender or other program where judgment of conviction has been withheld.".

SEC. 3. CIVIL MONETARY PENALTIES.

(a) GROUNDS FOR IMPOSITION.—(1) Section 1128A(a)(1) (42 U.S.C. 1320a-7a(a)(1)) is amended by striking "the Secretary determines" and all that follows through "; or" and inserting "the Secretary determines—

"(A) is for a medical or other item or service that the person knows or has reason to know was not provided as claimed,

"(B) is for a medical or other item or service and the person knows or has reason to know the claim is false or fraudulent,

"(C) is presented for a physician's service (or an item or service incident to a physician's service) by a person who knows or has reason to know that the individual who furnished (or supervised the furnishing of) the service—

"(i) was not licensed as a physician,

"(ii) was licensed as a physician, but such license had been obtained through a misrepresentation of material fact (including cheating on an examination required for licensing), or

"(iii) represented to the patient at the time the service was furnished that the physician was certified in a medical specialty by a medical specialty board when the individual was not so certified, or

"(D) is for a medical or other item or service furnished during a period in which the person was excluded under the program under which the claim was made pursuant to a determination by the Secretary under this section or under section 1128, 1156, 1160(b) (as in effect on September 2, 1982), 1862(d) (as in effect on the date of the enactment of the Medicare and Medicaid Patient and Program Protection Act of 1987), or 1866(b); or".

(2) Section 1128A(a)(2) is amended—

(A) in subparagraph (B) by inserting "(or other requirement of a State plan under title XIX)" after "State agency", and

(B) by inserting at the end "or (D) an agreement pursuant to section 1866(a)(1)(G), or".

(3) Subsection (a) of section 1128A is further amended—

(A) by inserting after paragraph (2) and before the end matter of such subsection the following new paragraph:

"(3) gives to any person, with respect to coverage under title XVIII of inpatient hospital services subject to the provisions of section 1886, information that he knows or has reason to know is false or misleading, and that could reasonably be expected to influence the decision when to discharge such person or another individual from the hospital;", and

(B) in the matter following paragraph (3)—

(i) by inserting "(or, in cases under paragraph (3), $15,000 for each individual with respect to whom false or misleading information was given)" before the period at the end of the first sentence, and

(ii) by adding at the end thereof the following new sentence: "In addition the Secretary may make a determination in the same proceeding to exclude the person from participation in the programs under title XVIII and to direct the appropriate State agency to exclude the person from participation in any State health care program.".

(b) STATUTE OF LIMITATION ON ACTIONS.—Subsection (c)(1) of section 1128A (as redesignated by section 9313(c)(1)(D) of the Omnibus Budget Reconciliation Act of 1986) is amended by adding at the end the following new sentences: "The Secretary may not initiate an action under this section with respect to any claim later than six years after the date the claim was presented. The Secretary may initiate an action under this section by serving notice of the action in any manner authorized by Rule 4 of the Federal Rules of Civil Procedure.".

(c) CONFORMING AMENDMENT.—Subsections (c), (d), (g), and (h) of section 1128A are each amended by striking "penalty or assessment" and inserting "penalty, assessment, or exclusion" each place it appears.

(d) PRO-RATED PAYMENT OF RECOVERIES TO STATE AGENCIES.—Subsection (f)(1)(A) of section 1128A is amended by striking "equal to the State's share of the amount paid by the State agency" and inserting "bearing the same proportion to the total amount recovered as the State's share of the amount paid by the State agency for such claim bears to the total amount paid".

(e) NOTICE TO STATE AGENCIES.—Subsection (h) of section 1128A is further amended by inserting "the appropriate State agency or agencies administering or supervising the administration of State health care programs (as defined in section 1128(h))," after "professional organization,".

(f) APPLICATION OF SUBPOENA POWER AND INJUNCTIVE POWERS.—Section 1128A is further amended by adding at the end the following new subsections:

"(j) The provisions of subsections (d) and (e) of section 205 shall apply with respect to this section to the same extent as they are applicable with respect to title II. The Secretary may delegate the authority granted by section 205(d) (as made applicable to this section) to the Inspector General of the Department of Health and Human Services for purposes of any investigation under this section.

"(k) Whenever the Secretary has reason to believe that any person has engaged, is engaging, or is about to engage in any activity which makes the person subject to a civil monetary penalty under this section, the Secretary may bring an action in an appropriate district court of the United States (or, if applicable, a United States court of any territory) to enjoin such activity, or to enjoin the person from concealing, removing, encumbering, or disposing of assets which may be required in order to pay a civil monetary penalty if any such penalty were to be imposed or to seek other appropriate relief.".

SEC. 4. CRIMINAL PENALTIES FOR ACTS INVOLVING MEDICARE AND STATE HEALTH CARE PROGRAMS.

(a) TECHNICAL AMENDMENTS.—Section 1909 (42 U.S.C. 1396h) is amended—

(1) by amending the heading to read as follows:

"CRIMINAL PENALTIES FOR ACTS INVOLVING MEDICARE OR STATE HEALTH CARE PROGRAMS";

(2) in subsection (a)(1), by striking "a State plan approved under this title" and inserting "a program under title XVIII or a State health care program (as defined in section 1128(h))";

(3) in the matter in subsection (a) following paragraph (4), by striking "this title" the first place it appears and inserting "the program";

(4) in the last sentence of subsection (a), by striking "this title" the first place it appears and inserting "title XIX", and by striking "this title" the second place it appears and inserting "that title";

(5) in paragraphs (1)(A), (1)(B), (2)(A), (2)(B), and (3)(A) of subsection (b), by striking "this title" and inserting "title XVIII or a State health care program" each place it appears;

(6) in subsection (b)(3)—

(A) by striking "and" at the end of subparagraph (A),

(B) by striking the period at the end of subparagraph (B) and inserting "; and", and

(C) by adding at the end the following:

"(C) any amount paid by a vendor of goods or services to a person authorized to act as a purchasing agent for a group of individuals or entities who are furnishing services reimbursed under title XVIII or a State health care program if—

"(i) the person has a written contract, with each such individual or entity, which specifies the amount to be paid the person, which amount may be a fixed amount or a fixed percentage of the value of the purchases made by each such individual or entity under the contract, and

"(ii) in the case of an entity that is a provider of services (as defined in section 1861(u)), the person discloses (in such form and manner as the Secretary requires) to the entity and, upon request, to the Secretary the amount received from each such vendor with respect to purchases made by or on behalf of the entity.";

(7) in subsection (c), by striking "or home health agency (as those terms are employed in this title)" and inserting "home health agency, or other entity for which certification is required under title XVIII or a State health care program"; and

(8) in subsection (d), by striking "this title" and inserting "title XIX" each place it appears.

(b) Criminal Penalties for Physician Misrepresentations.—Subsection (a) of such section is further amended—

(1) by striking "or" at the end of paragraph (3),

(2) by inserting "or" at the end of paragraph (4), and

(3) by inserting after paragraph (4) the following new paragraph:

"(5) presents or causes to be presented a claim for a physician's service for which payment may be made under a program under title XVIII or a State health care program and knows that the individual who furnished the service was not licensed as a physician,".

(c) Redesignation of Section 1877(d) as Section 1128B(e).—Subsection (d) of section 1877 (42 U.S.C. 1395nn) is redesignated as subsection (e) and is transferred and inserted in section 1909 at the end thereof.

(d) Redesignation of Section 1909 as Section 1128B.—Section 1909, as amended by subsections (a), (b), and (c) of this section, is redesignated as section 1128B and is transferred to title XI and inserted immediately after section 1128A.

(e) Repeal.—Section 1877 (other than subsection (d) thereof which was transferred under subsection (c) of this section) is repealed.

SEC. 5. INFORMATION CONCERNING SANCTIONS TAKEN BY STATE LICENSING AUTHORITIES AGAINST HEALTH CARE PRACTITIONERS AND PROVIDERS.

(a) Medicaid Plan Requirement.—Section 1902(a) (42 U.S.C. 1396a(a)) is amended—

(1) by striking "and" at the end of paragraph (46),

(2) by striking the period at the end of the paragraph (47) added by section 9407(a) of the Omnibus Budget Reconciliation Act of 1986 and inserting a semicolon and transferring and inserting such paragraph after paragraph (46),

(3) by striking the period at the end of the paragraph (47) added by section 11005(b) of the Anti-Drug Abuse Act of 1986 and inserting "; and", by redesignating such paragraph as paragraph (48), and by transferring and inserting such paragraph after paragraph (47), and

(4) by inserting after paragraph (48) the following new paragraph:

"(49) provide that the State will provide information and access to certain information respecting sanctions taken against health care practitioners and providers by State licensing authorities in accordance with section 1921.".

(b) Information Required.—Title XIX is amended by redesignating section 1921 as section 1922 and inserting after section 1920 the following new section:

"INFORMATION CONCERNING SANCTIONS TAKEN BY STATE LICENSING AUTHORITIES AGAINST HEALTH CARE PRACTITIONERS AND PROVIDERS

"Sec. 1921. (a) Information Reporting Requirement.—The requirement referred to in section 1902(a)(49) is that the State must provide for the following:

"(1) Information reporting system.—The State must have in effect a system of reporting the following information with respect to formal proceedings (as defined by the Secretary in regulations) concluded against a health care practitioner or entity by any authority of the State (or of a political subdivision thereof) responsible for the licensing of health care practitioners or entities:

"(A) Any adverse action taken by such licensing authority as a result of the proceeding, including any revocation or suspension of a license (and the length of any such suspension), reprimand, censure, or probation.

"(B) Any dismissal or closure of the proceedings by reason of the practitioner or entity surrendering the license or leaving the State or jurisdiction.

"(C) Any other loss of the license of the practitioner or entity, whether by operation of law, voluntary surrender, or otherwise.

"(2) Access to documents.—The State must provide the Secretary (or an entity designated by the Secretary) with access to such documents of the authority described in paragraph (1) as may be necessary for the Secretary to determine the facts and circumstances concerning the actions and determinations described in such paragraph for the purpose of carrying out this Act.

"(b) Form of Information.—The information described in subsection (a)(1) shall be provided to the Secretary (or to an appropriate private or public agency, under suitable arrangements made by the Secretary with respect to receipt, storage, protection of confidentiality, and dissemination of information) in such a form and manner as the Secretary determines to be appropriate in order to provide for activities of the Secretary under this Act and in order to provide, directly or through suitable arrangements made by the Secretary, information—

"(1) to agencies administering Federal health care programs, including private entities administering such programs under contract,

"(2) to licensing authorities described in subsection (a)(1),

"(3) to State agencies administering or supervising the administration of State health care programs (as defined in section 1128(h)),

"(4) to utilization and quality control peer review organizations described in part B of title XI and to appropriate entities with contracts under section 1154(a)(4)(C) with respect to eligible organizations reviewed under the contracts,

"(5) to State medicaid fraud control units (as defined in section 1903(q)),

"(6) to hospitals and other health care entities (as defined in section 431 of the Health Care Quality Improvement Act of 1986), with respect to physicians or other licensed health care practitioners that have entered (or may be entering) into an employment or affiliation relationship with, or have applied for clinical privileges or appointments to the medical staff of, such hospitals or other health care entities (and such information shall be deemed to be disclosed pursuant to section 427 of, and be subject to the provisions of, that Act),

"(7) to the Attorney General and such other law enforcement officials as the Secretary deems appropriate, and

"(8) upon request, to the Comptroller General,

in order for such authorities to determine the fitness of individuals to provide health care services, to protect the health and safety of individuals receiving health care through such programs, and to protect the fiscal integrity of such programs.

"(c) Confidentiality of Information Provided.—The Secretary shall provide for suitable safeguards for the confidentiality of the information furnished under subsection (a). Nothing in this subsection shall prevent the disclosure of such information by a party which is otherwise authorized, under applicable State law, to make such disclosure.

"(d) Appropriate Coordination.—The Secretary shall provide for the maximum appropriate coordination in the implementation of subsection (a) of this section and section 422 of the Health Care Quality Improvement Act of 1986.".

SEC. 6. OBLIGATION OF HEALTH CARE PRACTITIONERS AND PROVIDERS.

Section 1156 (42 U.S.C. 1320c–5) is amended—

(1) by striking "title XVIII" and "such title" in subsection (a) and inserting "this Act" in each instance, and

(2) by striking "title XVIII" in subsection (b) and inserting "this Act" each place it appears.

SEC. 7. EXCLUSION UNDER THE MEDICAID PROGRAM.

Section 1902 (42 U.S.C. 1396b) is amended by redesignating the subsection (l) added by section 3(b) of the Employment Opportunities for Disabled Americans Act as subsection (o) and by inserting after such subsection the following new subsection:

"(p)(1) In addition to any other authority, a State may exclude any individual or entity for purposes of participating under the State plan under this title for any reason for which the Secretary could exclude the individual or entity from participation in a program under title XVIII under section 1128, 1128A, or 1866(b)(2).

"(2) In order for a State to receive payments for medical assistance under section 1903(a), with respect to payments the State makes to a health maintenance organization (as defined in section 1903(m)) or to an entity furnishing services under a waiver approved under section 1915(b)(1), the State must provide that it will exclude from participation, as such an organization or entity, any organization or entity that—

"(A) could be excluded under section 1128(b)(8) (relating to owners and managing employees who have been convicted of certain crimes or received other sanctions), or

"(B) has, directly or indirectly, a substantial contractual relationship (as defined by the Secretary) with an individual or entity that is described in section 1128(b)(8)(B).

"(3) As used in this subsection, the term 'exclude' includes the refusal to enter into or renew a participation agreement or the termination of such an agreement.".

SEC. 8. MISCELLANEOUS AND CONFORMING AMENDMENTS.

(a) Maternal and Child Health Program.—Section 504(b) (42 U.S.C. 704(b)) is amended—

(1) by striking "or" at the end of paragraph (4),

(2) by striking the period at the end of paragraph (5) and inserting "; or", and

(3) by adding at the end thereof the following new paragraph:

"(6) payment for any item or service (other than an emergency item or service) furnished—

"(A) by an individual or entity during the period when such individual or entity is excluded pursuant to section 1128 or section 1128A from participation in the program under this title, or

"(B) at the medical direction or on the prescription of a physician during the period when the physician is excluded pursuant to section 1128 or section 1128A from participation in the program under this title and when the person furnishing such item or service knew or had reason to know of the exclusion (after a reasonable time period after reasonable notice has been furnished to the person).".

(b) Disclosure Requirements.—(1) Subsection (a) of section 1126 (42 U.S.C. 1320a-5) is amended—

(A) in the first sentence, by striking "or other institution" and all that follows through the period at the end and inserting "or other entity (other than an individual practitioner or group of practitioners) shall be required to disclose to the Secretary or to the appropriate State agency the name of any person that is a person described in subparagraphs (A) and (B) of section 1128(b)(8).", and

(B) in the second sentence, by striking "institution, organization, or agency" and inserting "entity".

(2) Subsection (b) of such section is amended by striking "institution, organization, or agency" and inserting "entity" each place it appears.

(c) Medicare Payments.—(1) Section 1862 (42 U.S.C. 1395y) is amended—

(A) by repealing subsection (d), and

(B) by amending subsection (e) to read as follows:

"(e) No payment may be made under this title with respect to any item or service (other than an emergency item or service) furnished—

"(1) by an individual or entity during the period when such individual or entity is excluded pursuant to section 1128 or section 1128A from participation in the program under this title; or

"(2) at the medical direction or on the prescription of a physician during the period when he is excluded pursuant to section 1128 or section 1128A from participation in the program under this title and when the person furnishing such item or service knew or had reason to know of the exclusion (after a reasonable time period after reasonable notice has been furnished to the person).".

(2) Section 1842(j) (42 U.S.C. 1395u(j)) is amended—

(A) in paragraph (2)—

(i) by amending subparagraph (A) to read as follows:

"(A) excluding a physician from participation in the programs under this title for a period not to exceed 5 years, in accordance with the procedures of subsections (c), (f), and (g) of section 1128, or", and

(ii) by striking "barred from participation in the program" in the second sentence and inserting "excluded from participation in the programs"; and

(B) by striking "bar" in paragraph (3)(A) and inserting "exclude".

(3) Section 1862(h)(4) (42 U.S.C. 1395y(h)(4)) is amended by striking "paragraphs (2) and (3) of subsection (d)" and inserting "subsections (c), (f), and (g) of section 1128".

(4) Paragraph (3) of section 1886(f) (42 U.S.C. 1395ww(f)) is amended to read as follows:

"(3) The provisions of subsections (c) through (g) of section 1128 shall apply to determinations made under paragraph (2) in the same manner as they apply to exclusions effected under section 1128(b)(13).".

(d) Termination of Provider Agreements Under Medicare.—Section 1866 (42 U.S.C. 1395cc) is amended—

(1) in subsection (a)—

(A) by striking paragraph (3), and

(B) by redesignating paragraph (4) as paragraph (3);

(2) by amending subsection (b) to read as follows:

"(b)(1) A provider of services may terminate an agreement with the Secretary under this section at such time and upon such notice to the Secretary and the public as may be provided in regulations, except that notice of more than six months shall not be required.

"(2) The Secretary may refuse to enter into an agreement under this section or, upon such reasonable notice to the provider and the public as may be specified in regulations, may refuse to renew or may terminate such an agreement after the Secretary—

"(A) has determined that the provider fails to comply substantially with the provisions of the agreement, with the provisions of this title and regulations thereunder, or with a corrective action required under section 1886(f)(2)(B),

"(B) has determined that the provider fails substantially to meet the applicable provisions of section 1861, or

"(C) has excluded the provider from participation in a program under this title pursuant to section 1128 or section 1128A.

"(3) A termination of an agreement or a refusal to renew an agreement under this subsection shall become effective on the same date and in the same manner as an exclusion from participation under the programs under this title becomes effective under section 1128(c).";

(3) in paragraphs (1) and (3) of subsection (c), by striking "an agreement filed under this title by a provider of services has been terminated by the Secretary" and inserting "the Secretary has terminated or has refused to renew an agreement under this title with a provider of services";

(4) by inserting "or nonrenewal" in subsection (c) after "termination" each place it appears; and

(5) by adding at the end the following new subsection:

"(h)(1) Except as provided in paragraph (2), an institution or agency dissatisfied with a determination by the Secretary that it is not a provider of services or with a determination described in subsection (b)(2) shall be entitled to a hearing thereon by the Secretary (after reasonable notice) to the same extent as is provided in section 205(b), and to judicial review of the Secretary's final decision after such hearing as is provided in section 205(g).

"(2) An institution or agency is not entitled to separate notice and opportunity for a hearing under both section 1128 and this section with respect to a determination or determinations based on the same underlying facts and issues.".

(e) Conforming Amendment.—Section 1869 (42 U.S.C. 1395ff) is amended by striking subsection (c).

(f) Medicaid Plan Revisions.—Section 1902(a) (42 U.S.C. 1396b(a)) is amended—

(1) in paragraph (23), by inserting "subsection (g) and in" after "except as provided in",

(2) in paragraph (38), by striking "respectively, (A)" and all that follows up to the semicolon at the end and inserting "the information described in section 1128(b)(9)", and

(3) in paragraph (39)—

(A) by striking "bar" and inserting "exclude",

(B) by striking "person" and inserting "individual or entity" each place it appears, and

(C) by inserting "or section 1128A" after "section 1128".

(g) Denial of Federal Financial Participation Under Medicaid.—Paragraph (2) of section 1903(i) (42 U.S.C. 1396b(i)) is amended to read as follows:

"(2) with respect to any amount expended for an item or service (other than an emergency item or service) furnished—

"(A) under the plan by any individual or entity during any period when the individual or entity is excluded from participation in the State plan under this title pursuant to section 1128 or section 1128A, or

"(B) at the medical direction or on the prescription of a physician, during the period when such physician is excluded pursuant to section 1128 or section 1128A from participation in the program under this title and when the person furnishing such item or service knew or had reason to know of the exclusion (after a reasonable time period after reasonable notice has been furnished to the person).".

(h) Medicaid Conforming Amendments.—(1) Subsection (n) of section 1903 (42 U.S.C. 1396b) is repealed.

(2) Paragraph (2) of section 1915(a) (42 U.S.C. 1396n(a)) is amended to read as follows:

"(2) restricts for a reasonable period of time the provider or providers from which an individual (eligible for medical assistance for items or services under the State plan) can receive such items or services, if—

"(A) the State has found, after notice and opportunity for a hearing (in accordance with procedures established by the State), that the individual has utilized such items or services at a frequency or amount not medically necessary (as determined in accordance with utilization guidelines established by the State), and

"(B) under such restriction, individuals eligible for medical assistance for such services have reasonable access (taking into account geographic location and reasonable travel time) to such services of adequate quality.".

(i) Title XX.—Section 2005(a) (42 U.S.C. 1397d(a)) is amended—

(1) by striking "or" at the end of paragraph (7),

(2) by striking the period at the end of paragraph (8) and inserting "; or", and

(3) by adding at the end thereof the following new paragraph:

"(9) for payment for any item or service (other than an emergency item or service) furnished—

"(A) by an individual or entity during the period when such individual or entity is excluded pursuant to section 1128 or section 1128A from participation in the program under this title, or

"(B) at the medical direction or on the prescription of a physician during the period when the physician is excluded pursuant to section 1128 or section 1128A from participation in the program under this *title and when the person furnishing such item or service knew or had reason to know of the exclusion (after a reasonable time period after reasonable notice has been furnished to the person).".*

(j) Denial, Revocation, or Suspension of Registration To Manufacture, Distribute, or Dispense a Controlled Substance for Entities Excluded From the Medicare Program.—Section 304(a) of the Controlled Substances Act (21 U.S.C. 824(a)) is amended—

(1) by striking "or" at the end of paragraph (3),

(2) by striking the period at the end of paragraph (4) and inserting "; or", and

(3) by inserting after paragraph (4) the following new paragraph:

"(5) has been excluded (or directed to be excluded) from participation in a program pursuant to section 1128(a) of the Social Security Act.".

SEC. 9. CLARIFICATION OF MEDICAID MORATORIUM PROVISIONS OF DEFICIT REDUCTION ACT OF 1984.

Section 2373(c) of the Deficit Reduction Act of 1984 (Public Law 98-369; 98 Stat. 1112) is amended to read as follows:

"(c)(1) The Secretary of Health and Human Services shall not take any compliance, disallowance, penalty, or other regulatory action against a State with respect to the moratorium period described in paragraph (2) by reason of such State's plan described in paragraph (5) under title XIX of the Social Security Act (including any part of the plan operating pursuant to section 1902(f) of such Act), or the operation thereunder, being determined to be in violation of clause (IV), (V), or (VI) of section 1902(a)(10)(A)(ii) or section 1902(a)(10)(C)(i)(III) of such Act on account of such plan's (or its operation) having a standard or methodology which the Secretary interprets as being less restrictive than the standard or methodology required under such section, provided that such plan (or its operation) does not make ineligible any individual who would be eligible but for the provisions of this subsection.

"(2) The moratorium period is the period beginning on October 1, 1981, and ending 18 months after the date on which the Secretary submits the report required under paragraph (3).

"(3) The Secretary shall report to the Congress within 12 months after the date of the enactment of this Act with respect to the appropriateness, and impact on States and recipients of medical assistance, of applying standards and methodologies utilized in cash assistance programs to those recipients of medical assistance who do not receive cash assistance, and any recommendations for changes in such requirements.

"(4) No provision of law shall repeal or suspend the moratorium imposed by this subsection unless such provision specifically amends or repeals this subsection.

"(5) In this subsection, a State plan is considered to include—

"(A) any amendment or other change in the plan which is submitted by a State, or

"(B) any policy or guideline delineated in the Medicaid operation or program manuals of the State which are submitted by the State to the Secretary,

whether before or after the date of enactment of this Act and whether or not the amendment or change, or the operating or program manual was approved, disapproved, acted upon, or not acted upon by the Secretary.

"(6) During the moratorium period, the Secretary shall implement (and shall not change by any administrative action) the policy in effect at the beginning of such moratorium period with respect to—

"(A) the point in time at which an institutionalized individual must sell his home (in order that it not be counted as a resource); and

"(B) the time period allowed for sale of a home of any such individual,

who is an applicant for or recipient of medical assistance under the State plan as a medically needy individual (described in section 1902(a)(10)(C) of the Social Security Act) or as an optional categorically needy individual (described in section 1902(a)(10)(A)(ii) of such Act).".

SEC. 10. LIMITATION OF LIABILITY OF MEDICARE BENEFICIARIES WITH RESPECT TO SERVICES FURNISHED BY EXCLUDED INDIVIDUALS AND ENTITIES.

Title XVIII is amended by adding at the end the following new section:

"LIMITATION OF LIABILITY OF BENEFICIARIES WITH RESPECT TO SERVICES FURNISHED BY EXCLUDED INDIVIDUALS AND ENTITIES

"Sec. 1890. Where an individual eligible for benefits under this title submits a claim for payment for items or services furnished by an individual or entity excluded from participation in the programs under this title, pursuant to section 1128, 1128A, 1156, 1160 (as in effect on September 2, 1982), 1862(d) (as in effect on the date of the enactment of the Medicare and Medicaid Patient and Program Protection Act of 1987), or 1866, and such beneficiary did not know or have reason to know that such individual or entity was so excluded, then, to the extent permitted by this title, and notwithstanding such exclusion, payment shall be made for such items or services. In each such case the Secretary shall notify the beneficiary of the exclusion of the individual or entity furnishing the items or services. Payment shall not be made for items or services furnished by an excluded individual or entity to a beneficiary after a reasonable time (as determined by the Secretary in regulations) after the Secretary has notified the beneficiary of the exclusion of that individual or entity.".

SEC. 11. DEFINITION OF PERSON WITH OWNERSHIP OR CONTROL INTEREST.

Section 1124(a)(3)(A)(ii) (42 U.S.C. 1320a-3(a)(3)(A)(ii)) is amended by striking "$25,000 or".

SEC. 12. CONDITIONAL APPROVAL OF RENAL DIALYSIS FACILITIES.

Section 1881 (42 U.S.C. 1395rr) is amended by adding at the end the following new subsection:

"(h)(1) In any case where the Secretary—

"(A) finds that a renal dialysis facility is not in substantial compliance with requirements for such facilities prescribed under subsection (b)(1)(A),

"(B) finds that the facility's deficiencies do not immediately jeopardize the health and safety of patients, and

"(C) has given the facility a reasonable opportunity to correct its deficiencies,

the Secretary may, in lieu of terminating approval of the facility, determine that payment under this title shall be made to the facility only for services furnished to individuals who were patients of the facility before the effective date of the notice.

"(2) The Secretary's decision to restrict payments under this subsection shall be made effective only after such notice to the public and to the facility as may be prescribed in regulations, and shall remain in effect until (A) the Secretary finds that the facility is in substantial compliance with the requirements under subsection (b)(1)(A), or (B) the Secretary terminates the agreement under this title with the facility.

"(3) A facility dissatisfied with a determination by the Secretary under paragraph (1) shall be entitled to a hearing thereon by the Secretary (after reasonable notice) to the same extent as is provided in section 205(b), and to judicial review of the Secretary's final decision after such hearing as is provided in section 205(g).".

SEC. 13. AMENDMENT RELATING TO FRAUD INVOLVING MEDICARE SUPPLEMENTAL INSURANCE.

Section 1882(d)(1) (42 U.S.C. 1395ss(d)(1)) is amended by striking "knowingly or willfully" and inserting "knowingly and willfully".

SEC. 14. STANDARDS FOR ANTI-KICKBACK PROVISIONS.

(a) Regulations.—The Secretary of Health and Human Services, in consultation with the Attorney General, not later than 1 year after the date of the enactment of this Act shall publish proposed regulations, and not later than 2 years after the date of the enactment of this Act shall promulgate final regulations, specifying payment practices that shall not be treated as a criminal offense under section 1128B(b) of the Social Security Act and shall not serve as the basis for an exclusion under section 1128(b)(7) of such Act. Any practices specified in regulations pursuant to the preceding sentence shall be in addition to the practices described in subparagraphs (A) through (C) of section 1128B(b)(3).

(b) Criminal Violation.—Section 1128B(b)(3), as amended and redesignated by section 4 of this Act, is further amended—

(1) by striking "and" at the end of subparagraph (B),

(2) by striking the period at the end of subparagraph (C) and inserting "; and", and

(3) by adding at the end thereof the following new subparagraph:

"(D) any payment practice specified by the Secretary in regulations promulgated pursuant to section 14(a) of the Medicare and Medicaid Patient and Program Protection Act of 1987.".

SEC. 15. EFFECTIVE DATES.

(a) In General.—Except as provided in subsections (b), (c), (d), and (e), the amendments made by this Act shall become effective at the end of the fourteen-day period beginning on the date of the enactment of this Act and shall not apply to administrative proceedings commenced before the end of such period.

(b) Mandatory Minimum Exclusions Apply Prospectively.—Section 1128(c)(3)(B) of the Social Security Act (as amended by this Act), which requires an exclusion of not less than five years in the case of certain exclusions, shall not apply to exclusions based on convictions occurring before the date of the enactment of this Act.

(c) Effective Date for Changes in Medicaid Law.—(1) The amendments made by sections 5 and 8(f) apply (except as provided under paragraph (2)) to payments under title XIX of the Social Security Act for calendar quarters beginning more than thirty days after the date of the enactment of this Act, without regard to whether or not final regulations to carry out such amendment have been published by such date.

(2) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet

the additional requirements imposed by the amendments made by this Act, the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act.

(3) Subsection (j) of section 1128A of the Social Security Act (as added by section 3(f) of this Act) takes effect on the date of the enactment of this Act.

(d) PHYSICIAN MISREPRESENTATIONS.—Clauses (ii) and (iii) of section 1128A(a)(1)(C) of the Social Security Act, as amended by section 3(a)(1)(F) of this Act, apply to claims presented for services performed on or after the effective date specified in subsection (a), without regard to the date the misrepresentation of fact was made.

(e) CLARIFICATION OF MEDICAID MORATORIUM.—The amendments made by section 9 of this Act shall apply as though they were originally included in the enactment of section 2373(c) of the Deficit Reduction Act of 1984.

(f) TREATMENT OF CERTAIN DENIALS OF PAYMENT.—For purposes of section 1128(b)(8)(B)(iii) of the Social Security Act (as amended by section 2 of this Act), a person shall be considered to have been excluded from participation under a program under title XVIII if payment to the person has been denied under section 1862(d) of the Social Security Act, as in effect before the effective date specified in subsection (a).

Mr. ROSTENKOWSKI (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

Mr. GRADISON. Mr. Speaker, reserving the right to object, and I shall not object, I would like to indicate to the Members that this measure, H.R. 1444, the Medicare and Medicaid Patient and Program Protection Act has, in effect, already passed this body twice.

Its first passage came in the 99th Congress, in the form of H.R. 1868, which was sponsored and developed primarily by our former colleague, Henson Moore of Louisiana. Only time prevented its approval by the other body.

The core of H.R. 1444 is the same as H.R. 1868. The measure has been refined and, I believe, improved during this session of Congress. It was passed earlier this year in this house by a vote of 402 to 0.

The other body has added an amendment with which I agree. Essentially, it provides in certain cases a hearing process which makes the bill even more reasonable.

Many Members, too many to thank adequately in this timeframe, have contributed to this legislation. It has been a team effort, and that effort is about to pay off with enactment and signature into law.

I think that everyone who has worked on the bill would agree that both the Medicare and Medicaid Programs, as well as their beneficiaries and recipients, will be much better off when the legislation does become law.

Mr. Speaker, further reserving the right to object, I yield to the gentleman from Tennessee [Mr. DUNCAN], the distinguished ranking Republican member of the Committee on Ways and Means.

Mr. DUNCAN. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I am pleased to join my colleague, Mr. GRADISON, in supporting the Medicare and Medicaid Patient and Program Protection Act of 1987, H.R. 1444, as amended by the Senate.

H.R. 1444 recodifies and strengthens the antifraud provisions of the Medicare and Medicaid law. The bill will protect program beneficiaries from unscrupulous or unfit physicians, hospitals, and other medical care providers.

The Senate amendment to H.R. 1444 adds in certain cases a hearing process which enhances the reasonableness of the bill.

The legislation before the Chamber has been developed by many Members of this body as well as the Senate. I want to congratuate them on work well done.

Mr. Speaker, I want to particularly cite the effort that my colleague, Mr. GRADISON, has made in the development of this measure. It is rare that a member of the minority successfully shepherds legislation through this body.

The fact that H.R. 1444 bears BILL GRADISON's name as primary author stands as a real tribute to his ability and the esteem with which he is held by his fellow Members of the House of Representatives.

I should also cite a former Member of the House, Representative Henson Moore. H.R. 1444 had its roots in the 99th Congress, in the bill H.R. 1868, which Henson Moore sponsored. He did a remarkable job in directing that legislation through the House. Unfortunately, the "clock ran out" at the end of the session before the bill could be passed by the Senate.

The Medicare and Medicaid Programs will be much improved with the passage of this legislation. BILL GRADISON and Henson Moore are due much credit for that and the many other contributions both gentlemen have made to the management of the most important Federal health programs.

Mr. GRADISON. Mr. Speaker, I yield to the gentleman from Illinois [Mr. ROSTENKOWSKI].

Mr. ROSTENKOWSKI. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, today I am pleased to join with Mr. GRADISON, the ranking member of the Ways and Means Health Subcommittee and the chief sponsor of the bill, with Mr. STARK and many other Members to adopt the Medicare and Medicaid Patient and Program Protection Act of 1987, H.R. 1444, as amended by the Senate.

In 1984 a General Accounting Office report documented gaps in existing law which allow unfit physicians to continue to provide services to medicare beneficiaries. Following hearings, the House unanimously approved legislation in 1985. Unfortunately, action was not completed in the 99th Congress.

On June 2, the House passed H.R. 1444 by unanimous consent. Last week, the Senate passed an amended version.

The Senate bill contains only one minor substantive change regarding a pretermination hearing. This Senate provision is reasonable.

I therefore urge the House to approve H.R. 1444 as amended by the Senate to strengthen protections against fraud and abuse in the Medicare and Medicaid Programs.

□ 1055

The gentleman from California [Mr. STARK], chairman of the Health Subcommittee, will further discuss the provisions of the bill.

Mr. GRADISON. Mr. Speaker, under my reservation of objection, I yield to the gentleman from California [Mr. STARK].

Mr. STARK. Mr. Speaker, today I am pleased to join with my colleagues to urge adoption of the Medicare and Medicaid Patient and Program Protection Act of 1987, H.R. 1444, as amended by the Senate.

The ranking member of the Health Subcommittee, Mr. GRADISON, is to be commended for taking the lead in developing this important legislation.

The Medicare and Medicaid Patient and Program Protection Act of 1987 has wide bipartisan support. With this legislation, the Secretary of Health and Human Services will have clear authority to protect patients from incompetent providers. At the same time, the Secretary will have new power to protect Federal health benefits programs from fraud and other abuses.

The bill requires the Secretary to exclude from Medicare and Medicaid those providers convicted of crimes related to—

Fraud or abuse in the provision of services under Medicare or Medicaid; and

Patient neglect or abuse.

The bill also authorizes exclusions in a variety of other situations, including—

Conviction of other crimes related to fraud, theft, or controlled substance abuse;

Revocation or suspension of license;

Submission of excessive charges, claims for unnecessary services, or substandard care;

Failure to provide necessary care in the case of a health maintenance organization;

Submission of false and fraudulent claims; and

Default on health professions education loans.

The bill would further strengthen the ability of the Secretary to deal with program and patient abuse by—

Establishing new grounds for criminal and civil penalties under Medicare and Medicaid;

Requiring Federal and State agencies to exchange information concerning individuals convicted of program abuse or subject to disciplinary action; and

Requiring the Secretary to promulgate regulations to clarify the circumstances that will serve as the basis for sanctions under the Medicare-Medicaid antikickback provision.

On June 2, the House passed H.R. 1444 by unanimous consent. Just last week, the Senate passed an amended version.

The Senate bill contains only one minor substantive change from the House bill. The Senate bill requires a predetermination hearing for exclusions from the Medicare program based on a violation of the antikickback provision. The House bill allows exclusions without a pretermination hearing. Because there is no threat to health or safety, the Senate provision is reasonable.

I therefor urge the adoption of H.R. 1444 as amended by the Senate to strengthen protections against fraud and abuse in the Medicare and Medicaid programs.

Mr. GRADISON. Mr. Speaker, in conclusion I want to thank my distinguished chairman of the Health Subcommittee, the gentleman from California [Mr. STARK], for his support and leadership on this important measure.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. MCCURDY). Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Illinois?

There was no objection.

A motion to reconsider was laid on the table.

PRICE-ANDERSON AMENDMENTS ACT OF 1987

The SPEAKER pro tempore. Pursuant to the provisions of House Resolution 234 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 1414.

□ 1058

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 1414) to amend the Price-Anderson provisions of the Atomic Energy Act of 1954 to extend and improve the procedures for liability and indemnification for nuclear incidents, with Mr. HOYER, Chairman pro tempore, in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. When the Committee of the Whole rose on Wednesday, July 29, 1987, section 2 of the text of H.R. 2994, which is considered as an original bill for the purpose of amendment, was open to amendment at any point.

Are there any further amendments to section 2?

Mr. UDALL. Mr. Chairman, I had promised the leadership on both sides that we would endeavor to finish this bill by early afternoon, and I hear the sound of jet engines roaring at National Airport, I think.

In order to expedite the business of the House today, Mr. Chairman, I ask unanimous consent that notwithstanding the rule, the gentleman from Minnesota [Mr. SIKORSKI], now be permitted to offer his amendment to section 11 and that the time be equally divided between himself and the gentleman from New York [Mr. LENT].

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Arizona?

Mr. LENT. Mr. Chairman, reserving the right to object, and I will not object, but I was going to suggest to the distinguished chairman that in view of the time of day and the pending weekend recess, perhaps the time on some of these amendments could be limited further.

Mr. UDALL. There is no statute that prevents or requires Members to take all of the time.

Mr. LENT. I would just ask the gentleman from Minnesota who will offer this first amendment, as I understand it, if he would agree to 40 minutes as a limitation rather than 1 hour?

Mr. UDALL. Mr. Chairman, I amend my request to 40 minutes.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Arizona?

Mr. SIKORSKI. The Chairman, there will be objections. We will stick with the agreement reached yesterday and today.

Mr. LENT. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Arizona that the Sikorski amendment be taken out of order, and that the time be limited to 1 hour, one-half to the gentleman from Minnesota [Mr. SIKORSKI], and one-half to the gentleman from New York [Mr. LENT].

There was no objection.

Mr. UDALL. Mr. Chairman, the second request is that following the Sikorski amendment the Walgren series of amendments be in order and debate be limited to 20 minutes, 10 minutes on each side.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

AMENDMENT OFFERED BY MR. SIKORSKI

Mr. SIKORSKI. Mr. Chairman, I offer an amendment pursuant to the unanimous-consent request just agreed to.

The Clerk read as follows:

Amendment offered by Mr. SIKORSKI: Page 28, strike lines 21 through 24 and insert the following:

"(D) A court may not authorize the payment of legal costs related to any nuclear incident from the amount of financial protection required by subsection b. unless—

"(i) the court in its discretion determines that the payment of such costs is equitable and would not jeopardize the compensation of victims of such incident; and

"(ii) such costs are authorized in accordance with paragraph (2).

Mr. SIKORSKI (during the reading). Mr. Chairman. I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The CHAIRMAN pro tempore. The gentleman from Minnesota [Mr. SIKORSKI] will be recognized for 30 minutes and the gentleman from New York [Mr. LENT] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. SIKORSKI].

Mr. SIKORSKI. Mr. Chairman, I yield myself 7 minutes.

Mr. Chairman, here is how Price-Anderson will work if the industry has its own way: You are the victim of a nuclear accident. You have lost your home. You have lost your business, your property, perhaps your loved ones. Your neighbors have suffered a similar fate. The immediate damage to your community and to its environs is measured in the tens of billions of dollars, and in the future inestimable damages await as radiation sickness and cancers run their terrible course.

Full compensation is needed for your very real damages, but Congress has passed a law, and it is called the Price-Anderson Act. That says that only a few cents on the dollar will be paid.

Oh, sure, the Government has made a paper promise that the taxpayers' pockets may well be tapped to bail out the nuclear utilities and pay you closer to a dollar for a dollar's damage. But everything from the runaway budget to the trade deficit gives you little faith in commitments like this.

Undaunted, you sue for the fraction that is your due for the devastation wreaked upon you and your family. And you and your neighbors face a battery of high paid industry lawyers. They delay compensation for your claim. Being good at their job, the lawyers employ an arsenal of legal tactics—pleasant and not so pleasant—all considered "reasonable" by our courts: discovery, depositions, motions.

Leaping over the hurdles strewn in your path after 5, maybe 15, years you finally prove the extent of your damages and injuries, their cause and your right to restitution.

You go to pick up the check but there, standing in front of you, is the pinstriped dandy whom you faced in court, the one that had you and your family video taped and deposed and examined. Smiling, he pockets a piece of paper with lots of big zeros on it. He turns to you and says, this is my fee. I did a good job defending my client."

He did. Then he climbs into his nice car and zooms away to his nice home to be with his nice family.

You step up to the window and ask for your check. Upon examination, you discover it has about half as many zeros as the check for the lawyer, and you ask, "Is that it?"

"That's it, "says the clerk. "You are just a victim. That guy was the industry lawyer."

"But this is for victims' compensation, and they did this to me. They burned up my property, they burned up my family, then the lawyers burned up my time and money in court. Why do I get less than the industry's lawyers?"

"Because this is the 1980's. Just because you had some bad luck, he should suffer, too?"

That is Price-Anderson without the Sikorski amendment.

Mr. Chairman, my amendment simply states that the court may not authorize payment of legal costs unless it determines three very good things. First, that the payment of such costs is equitable.

Second, that it would not jeopardize the compensation for victims.

Third, under the language of the legislation before us, the Moorhead language, that the costs are reasonable, the litigation not frivolous or duplicative, or taken in bad faith.

In short, if there is not enough money to go around after a nuclear accident for the victims from the victims' compensation fund, my amendment ensures that victims will be paid before industry lawyers.

This is one of those radical concepts that my colleagues were warned against in the early arguments made on this legislation—one of those strange ideas that our parents probably told us to stay away from as we were being reared. The strange idea that if there are sufficient funds to compensate victims, the court will award industry legal fees too, but if there are not, the victims come first. That is a compromise from the original legislation introduced by our colleagues, the gentleman from Arizona [Mr. UDALL] and the gentleman from Indiana [Mr. SHARP].

It is a compromise from the position adopted by Congress in 1975 which outlawed legal costs.

Some inaccurate charges have been leveled at my amendment and they come from very strange quarters. Those who have long opposed full compensation to victims, who cap the victims' fund, and want unlimited costs for the industry's lawyers taken out of the victims' compensations fund, now come to us and argue that their concern is for the victim, and this pure and noble and sterling concern for the victims leads them to oppose the Sikorski amendment.

Let us set the record straight. My amendment does nothing to restrict the rights of plaintiffs to free access to legal representation. Ask the lawyers and the advocates for the victims, they support the Sikorski amendment. My amendment makes sure that taxpayers do not have to pick up the expenses and costs of industry lawyers before victims. Ask the National Taxpayers' Union, and taxpayer advocates, they support the Sikorski amendment.

Mr. Chairman, it is simply crazy, it is simply wrong, that we would even consider, let alone vote to allow, full compensation for industry lawyers from the victims' funds but not for the ordinary citizens who are the victims of nuclear accidents.

To any of my colleagues who were 1 of the 300 who voted against the Eckart amendment yesterday to cap Price-Anderson, at least make sure that the victims get the money in the cap and not the industry lawyers who can turn to their clients for fees.

Industry lawyers can turn to their clients for fees and their clients can well afford to do without this legal subsidy. But victims of a nuclear accident under Price-Anderson have no place else to turn. There is only the amount of money we choose to make available.

Do members want to give it to the industry lawyers or to the victims?

If the Members want to give it to the lawyers, vote "no" on Sikorski. If the Members want to give it to the victims, vote "yes" on Sikorski.

Mr. LENT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, first of all, the issue that I wanted to raise with the distinguished author of this amendment concerns the point that he would have you believe that his amendment was only going to limit the payment of attorneys' fees to industry lawyers, the so-called pinstriped lawyers, as he characterized them.

As I read the amendment of the gentleman from Minnesota [Mr. SIKORSKI] it appears that it would limit the payment of all legal costs whether it be on behalf of plaintiff or the defendant.

Let me just quote very briefly from the gentleman's amendment.

"A court may not authorize the payment of legal costs—" and then it goes on. It does not say the defendant's legal costs, and if the gentleman would read the definition of legal costs, which is in the bill, legal costs means, "the costs incurred by a plaintiff or a defendant."

So the thrust of the amendment of the gentleman from Minnesota [Mr. SIKORSKI], and he may not realize this, and I would be happy for him to make an amendment to his amendment, is to limit the payment of legal fees that would be available out of this fund for either the plaintiff or the defendant.

So, Mr. Chairman, I oppose this amendment to change the way legal costs are handled under Price-Anderson. Despite the intentions of the proponents of this amendment, I do not believe this amendment will maximize compensation to victims of a nuclear accident.

H.R. 2994 provides for rigorous court supervision of all costs of both the defendants' and the plaintiffs' counsel to assure that only reasonable and equitable costs are paid.

□ 1110

In addition, the bill increases the amount of financial protection by 5 percent to cover claims and costs if necessary.

Mr. SIKORSKI's amendment would prohibit payment of attorney fees as I said including plaintiff attorney fees, in the event of a major accident. But it is in just such circumstances that a victim is least likely to have personal resources available to hire an attorney. If a victim cannot assure his or her attorney that he will be paid, then his ability to obtain representation when he is most in need will be hurt.

This amendment will also hurt legitimate plaintiffs by removing obstacles to the filing and payment of frivolous claims. If under Sikorski, the costs of investigating claims cannot be paid from Price-Anderson moneys, neither insurance companies nor utilities will investigate claims because it would be at their own expense. Consequently, claims will be paid as they are presented. Thus, frivolous claims could well use up the Price-Anderson fund and legitimate victims have to wait until congressional enactment of a supplemental compensation plan. This is a serious concern as frivolous claims we now know were filed after Three Mile Island and later withdrawn after investigation paid for by the fund revealed them to be frivolous.

Compensation of victims could be further impaired if insurance companies withdraw from the pools. Many foreign and domestic insurance companies have withdrawn from the pools in recent years. Enactment of this amendment could well be the final straw for remaining companies. If the costs of processing claims are not covered insurers will probably withdraw from the pools, thus decreasing the total amount of money available for claims. They might also decline to administer the second layer of reimbursement which would lead to delay in payment of claims while an alternate method to handle claims was developed.

So, the current provision requires that legal costs be supervised and minimized. It provides a workable system with sufficient safeguards to protect victims of a nuclear accident. I urge my colleagues to reject this amendment.

Mr. SIKORSKI. Mr. Chairman, will the gentleman yield?

Mr. LENT. I would be happy to yield to the gentleman from Minnesota for a question.

Mr. SIKORSKI. I thank the gentleman for yielding.

I just want to reply.

Mr. LENT. Just ask me a question. I am only going to yield for that purpose.

Mr. SIKORSKI. The gentleman is aware that I never made the claim that plaintiff's legal costs were not covered by the Moorhead language with regard to reasonableness and frivolity and the rest of it?

The gentleman must be aware, is he not, that I have made the claim that the plaintiff's attorneys are paid out of the victim's recovery. That is the contingency process. What the gentleman is proposing here and what I find unreasonable is that victims should not only pay their attorneys out of their recovery but they should pay the industry's lawyers for opposing their claims and they should be paid before the victims get any money.

Mr. LENT. Let me answer in this way: The gentleman's amendment by its clear wording, and you do not have to be a Harvard law school graduate to understand what the gentleman's amendment says, it says, "A court may not authorize the payment of legal costs," and then it goes on. It does not say only the defendant's legal cost. Then when you look at another section of this bill, which the gentleman does not purport to amend, which defines legal costs, the definition says that the term legal costs means "the costs incurred by a plaintiff or a defendant in initiating, prosecuting, investigating, settling or defending claims or suits for damages arising under such section." So I simply point out to the gentleman and to our colleagues who may be listening to this debate that the purport of the gentleman's amendment is to hurt the plaintiffs, the victims as well as the defendants.

Mr. Chairman, I reserve the balance of my time.

Mr. SIKORSKI. Mr. Chairman, I yield myself 1 minute to respond to the gentleman.

Here we have the "Mother Theresa" argument. We have the very people who come to us and want to cap victims so they do not get a full dollar on the full dollar's worth of damage and then they want to take money out of the victim's compensation fund to hire lawyers to labor to hurt victims again to make sure they do not get their claims processed, to make sure they do not get their full dollar on the dollar fund.

Now they are coming to us and telling us they are on the side of the victims. I simply suggest that if anyone has any confusion about where the plaintiffs are, where the victims are in terms of the Sikorski amendment, they should look to them. They are wholeheartedly, unanimously supporting the Sikorski amendment. It is those who oppose the victims, who oppose the plaintiffs, the defense lawyers, who are opposed to the Sikorski amendment.

Mr. Chairman, I yield 4½ minutes to the gentleman from Arizona [Mr. UDALL], the distinguished chairman of the Committee on Interior and Insular Affairs.

Mr. UDALL. It is easy to beat up on lawyers. I enjoy it myself. There is great temptation this morning to join in this party.

Mr. Chairman, as Speaker Sam Rayburn once said, "A town too small to support one lawyer can always support two."

We tried when Price-Anderson was written years ago, we tried to take the lawyers out of it. It is not a system with long delay, not a system where you see all the difficulties you have in the negligence field. The law was written so that you could get in and have this insurance pool that is operated fairly well by the major insurance companies, you get yourself in this pool and you do not have to have lawyers. Payment will be made promptly and adequately.

When Three Mile Island happened, the lawyers and the agents who were involved with this, who had experience with it, were paying money out in Pennsylvania to farmers and local residents within a matter of days. The problem has had some difficulties, some weaknesses. But I want to report that the biggest issue—in the Energy Committee and in our committee—the biggest issue was this business of attorney's fees. And we heard in our committee from Mr. SIKORSKI's allies and he very eloquently presented the case when he got to the Energy Committee and they made some further modifications in the direction needed.

So you now have in the bill a modified balanced treatment of claims. The court is given discretion under prior criteria.

You can read this in the report pages 121 to 123 I think it is, you can read in there—the weapons that they have available. In addition to that, we raised the limit to $7 billion which insures that there is less likelihood of money not being available to pay the claims of deserving citizens who have been damaged in one of these nuclear accidents.

Mr. Chairman, I am not the authorized spokesman for the administration on these matters, but I call to the attention of my colleagues a message which has just come to the Speaker's desk from the Department of Energy. I will put the entire letter in the RECORD. This message is signed by John S. Herrington, the Secretary of Energy. He says:

> I am writing to urge the House to reject any amendments to H.R. 1414, the Price-Anderson Amendments Act of 1987, which may be offered during floor consideration. We are particularly concerned about amendments that would reach beyond the basic compensatory purpose of Price-Anderson and would threaten to undermine the carefully fashioned consensus bill (H.R. 2994) worked out between the three cognizant House committees and the Administration.
>
> The legislation that has been sent to the House floor is the result of three years of extensive hearings, discussions, and negotiations. Price-Anderson is essential to the continued availability of nuclear power as an energy supply option and as an instrument to facilitate the Department's research and national security activities. The Administration supports reauthorization of Price-Anderson and supports the bill currently before the full House.
>
> However, we strongly oppose all efforts to add to the bill any provision to impose new liabilities on Department of Energy (DOE) contractors, such as subrogation or penalties, to establish unlimited liability in the unlikely event of an accident, or to waive the defenses available under the Federal Tort Claims Act. If such provisions are contained in the bill placed before the President, I will recommend to the President that he disapprove the legislation.
>
> Although we share the objective of ensuring that DOE contractors conform their conduct to the highest standard of safety and care, we are convinced that the inclusion of any subrogation or penalties provision would strongly discourage contractors from commencing or continuing their relationships with the Department. Such noncompensatory provisions would be totally inconsistent with the objectives of Price-Anderson and would impose severe burdens on the Department's research and national security activities.

We also object to any amendments that would eliminate the so-called "limitation on liability" by no longer requiring affirmative Congressional action to compensate the public when it appears that claims may exceed the statutory cap. Enactment of the House consensus bill without further amendment would provide the public more than a ten-fold increase in the amount of financial protection afforded under current law. If the cap were ever exceeded, the absence of Congressional involvement in the distribution of funds could lead to endless claims on the U.S. Treasury, rendering the system of compensation both inefficient and unpredictable.

In addition to these two provisions, the Administration strongly opposes any provision which would, for liability purposes, treat the Department as if it were one of its own contractors. Changing the rules of Government liability, struck long ago in the Federal Tort Claims Act, would represent a major departure from existing law, upsetting well-established principles that have governed this area of law for years.

In addition to these inimical provisions, we are also opposed to any amendment which would restrict payment of defense costs from the compensation fund until all other claims are paid. Defense costs in the unlikely event of an accident are extremely difficult to predict, making coverage of such costs under private insurance contracts virtually impossible to obtain. Coverage of these costs under Price-Anderson would prevent the inability to obtain such insurance from discouraging the continued operation of nuclear facilities and future investment in such facilities.

I encourage the House to renew the Price-Anderson Act without counterproductive provisions designed to legislatively address issues that are unrelated to the compensatory objectives of the Act.

What has troubled me during the process of this bill is that there has been a continuing attempt to make a complicated system out of Price-Anderson which was designed to be a simple system. Price-Anderson, you could write on the back of an envelope what it does.

It says we need nuclear plants, it is our national policy to build them. We want to assure people living around those plants who live in fear, that if an accident happens damages are going to be paid. There was a tradeoff here. The tradeoff is no fault, you do not have to prove fault. You get your money for the damage.

The other part of the bargain, apart from no fault is limitation on damages. Nobody, no insurance company is going to pay an unlimited amount under a no-fault system. So ours is a no fault provision with the sensible limitation on damages. We protect the plaintiff, the damaged people. The two committees of jurisdiction have considered and debated at great length versions of the Sikorski amendment and I urge my colleagues to defeat it as the two committees did.

Mr. LENT. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. MOORHEAD], the distinguished ranking member of the Subcommittee on Energy and Power.

Mr. MOORHEAD. I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in opposition to the proposal to prohibit payments of legal costs from Price-Anderson moneys. Despite the rhetoric accompanying the proposal, this amendment will actually harm victims of an accident by eliminating the deterrent which currently exists to the payment of frivolous claims and by causing the insurance companies, who provide swift compensation in the event of an accident, to abandon nuclear coverage.

Under H.R. 2994, in the event of a serious accident, all legal costs of both plaintiff and defendant attorneys, will be rigoroulsy scrutinized to assure that they are reasonable and not the result of delaying tactics or needless actions. Under the compromise agreed to in the Energy and Commerce Committee, if claims will exceed the limitation on liability, a surcharge of 5 percent will be assessed against the utilities to help pay claims.

The amendment before us now says that legal costs, even if reasonable, cannot be paid in the event of a major accident. At first reading, this sounds like a policy that will help victims of an accident. But in reality this provision will harm victims. This amendment will remove the check which now exists to prevent payment of frivolous claims. Under the current law and under H.R. 2994 insurance companies administer the program, distributing both insurance funds and retroactive assessments paid by utilities. If this amendment is adopted, the cost of investigating claims would no longer be reimbursed. No one—neither the insurance companies nor utilities—will have any incentive to investigate claims to assure their legitimacy. Instead, claims will be paid on a first-come-first-served basis, legitimate or not, until the limit on liability is reached. A real victim who files late in the process will find his compensation delayed until Congress enacts a supplemental plan.

Most of the defense costs involved under Price-Anderson's no-fault system are costs of investigating and settling claims incurred by insurers, not costs of numerous defense lawyers. Certainly regarding payment of these costs is necessary before an organization will run the system. If payment of legal costs are prohibited, many insurance companies will withdraw from the pools which provide the first layer of protection and will decline to administer the second layer of protection.

This will harm victims because the first layer of protection, $160 million, provided by the insurers who are experienced in processing claims, permits a rapid response to an accident. After Three Mile Island, the insurance companies set up offices within 72 hours of the accident to begin processing claims. If these insurers do not administer the deferred premium system, even greater delays in compensation victims will occur as an alternative system to pay victims is somehow organized.

This amendment could also harm the ability of a victim to hire an attorney because the victim may not be able to assure that his or her attorney will be reimbursed. And if a victim hires an attorney with money not from the Price-Anderson fund, then there will be no court supervision of those fees to assure that they are reasonable and as small as possible.

I urge my colleagues to vote against this amendment. The current provisions of H.R. 2994 contain an equitable compromise which assures strict court supervision and a fairly administered system.

Mr. SIKORSKI. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. EDWARDS].

Mr. EDWARDS of California. Mr. Chairman, I wholeheartedly support the Sikorski amendment to the Price-Anderson Act. This essential amendment would ensure that victims of a nuclear accident are compensated before the hired guns of the nuclear industry.

Attorneys working for the nuclear industry should not be compensated from a public fund that is needed to assist the victims of a nuclear accident. It is only fair and reasonable that those people who are the actual victims of a nuclear accident receive compensation for their suffering and trauma. The emphasis must be on helping the victims of the industry, not those working for the industry.

Without the Sikorski amendment, the Price-Anderson Act is little more than a public subsidy for the nuclear industry's legal costs. This contradicts basic concepts of equity and responsibility.

I urge my colleagues to support the Sikorski amendment which will introduce fairness into how people are treated under the Price-Anderson Act.

□ 1125

Mr. LENT. Mr. Chairman, I yield 4 minutes to the gentleman from Colorado [Mr. SCHAEFER].

Mr. SCHAEFER. Mr. Chairman, I thank the gentleman for yielding this time to me.

Not being an attorney, I have a certain amount of sympathy for what the gentleman from Minnesota [Mr. SIKORSKI] is trying to do in this particular amendment. My major concern is, if I put myself into a victim's spot, how am I going to obtain legal counsel if indeed what I am reading into this amendment is actually true.

If the author of the amendment, the gentleman from Minnesota, would be so kind, I would like to just ask him a couple of questions, and maybe I can get some of this cleared up.

Mr. SIKORSKI. Certainly, Mr. Chairman, if the gentleman will yield.

Mr. SCHAEFER. Mr. Chairman, does the gentleman intend this amendment to apply to victims' attorneys and lawyers as well as industry?

Mr. SIKORSKI. Mr. Chairman, if the gentleman will yield, that is a good question. The language of the law currently requires in most instances court approval of any costs. The language of the legislation that is before us that we are not amending requires court approval of legal costs of either the plaintiff or the defendant, that they be reasonable, and that they be incurred in a nonduplicative and nonfrivolous manner and not in bad-faith situations. I think that is great, that is reasonable, and that is not only the norm and standard practice but something that we should embrace here.

Mr. SCHAEFER. Mr. Chairman, may I ask the gentleman this question: I am looking at the amendment here, and I would ask the gentleman how he defines the word, "jeopardize"?

Mr. SIKORSKI. Mr. Chairman, if the gentleman will yield, his concern seems to be that somehow by the language, "jeopardize victim's compensation," we are impinging upon the ability of plaintiffs' lawyers to recover. That is just not the case. We know from the victims and the plaintiffs that they get their recovery in the contingency or class action process only after the victims have been paid. They are not harmed by this amendment. What we find unreasonable is that we are asking the victims to get any recovery from a capped fund of $7.3 billion—receiving less than a dollar for a dollar's worth of damage—and pay his or her attorney out of that recovery, and then have to pay, before they ever get that money, the attorneys for the people that do not want them to recover at all, that is unreasonable.

Mr. SCHAEFER. Mr. Chairman, if I may reclaim my time, when I look at the word, "jeopardize" and I read the gentleman's amendment, I see that this could be applied not only to cases where we would reach the $7 billion threshold but also where we have maybe 20 or 30 people involved in $2 million claims, and if indeed we kick the word, "jeopardize," into it, how is that victim going to ever employ an attorney to represent him, if indeed this is true?

Mr. SIKORSKI. Mr. Chairman, if the gentleman will yield, the victims or the plaintiffs, do not have any problem, I say for the 15th time, with this language. Their recovery comes on a contingency basis or, as in other cases, with a class action. I have been involved in litigation like that, and the court right now is involved in supervising their recovery, and the victim's compensation itself could very well be interpreted or is interpreted as victims compensation——

Mr. SCHAEFER. Mr. Chairman, if I may reclaim my time, I read in the gentleman's "Dear Colleague"—and we have exchanged a couple of those on this—that he is saying that this does not kick in until we reach the $7.3 billion threshold, am I correct?

Mr. SIKORSKI. No, no. With legal costs, the Moorhead language, which requires the judgment of reasonableness, kicks in at all times without my amendment.

Mr. SCHAEFER. The Moorhead language. Yes, I understand.

Does the Sikorski amendment limit payment of attorney fees only in major accidents where damages exceed the $7.3 billion as per the gentleman's "Dear Colleague"?

Mr. SIKORSKI. That is right. It is designed only to kick in in those certain circumstances.

The CHAIRMAN pro tempore (Mr. HOYER). The time of the gentleman from Colorado [Mr. SCHAEFER] has expired.

Mr. LENT. Mr. Chairman, I yield 1 additional minute to the gentleman from Colorado [Mr. SCHAEFER].

Mr. SCHAEFER. Mr. Chairman, my problem is this: if indeed we should have an accident of this magnitude, we are virtually going to have a class action. We are going to have a multitude of people out there who have claims against defendants. A judge is going to sit there and say, "I have 500 or 700 people out here, and I am not going to award any claims until I can see what the final version of this is going to be either as to claims or attorneys' fees or anything else."

Mr. SIKORSKI. Mr. Chairman, will the gentleman yield? That is exactly what the law says.

Mr. SCHAEFER. Just a moment.

The CHAIRMAN pro tempore. The gentleman from Colorado has not yielded to the gentleman.

Mr. SCHAEFER. Mr. Chairman, if we look at page 27, it is saying that the contingency fees can pay public liability claims and legal costs. What happens if we exceed all the $7 billion and all the contingency fees go to claims and there is nothing left for legal costs? Now, what is going to happen as far as the attorney fees are concerned?

Mr. SIKORSKI. Mr. Chairman, will the gentleman yield?

Mr. SCHAEFER. My time has just about expired. I appreciate the gentleman's intent on this, but I think that we are certainly getting to a point where there is going to be a problem.

Mr. SIKORSKI. Mr. Chairman, the gentleman asked me a question.

The CHAIRMAN pro tempore (Mr. HOYER). The time of the gentleman from Colorado has expired.

Mr. SCHAEFER. Mr. Chairman, I would be glad to yield if I have any time left.

The CHAIRMAN pro tempore. The gentleman's time has expired.

Mr. SIKORSKI. Mr. Chairman, I yield myself one-half minute.

Mr. Chairman, the gentleman of Colorado has stated concerns that make no criticism of what I am doing. The concerns he has with large cases and complex litigation are already handled in the law and in the legislation before us and those provisions are not affected by my amendment. I simply ask the gentleman to read the legislation. Section 170(n) describing judicial procedures is not affected by my amendment. And the language on the reasonableness of attorneys' fees in section 170(o) in this legislation is not affected by my amendment. The gentleman asks reasonable questions, but I am not changing the process to handle these huge lawsuits or the court review of reasonable legal costs, and I hope the gentleman does not damn my amendment for what the existing law and the pending legislation does, because it does not deserve it.

Mr. LENT. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. HALL].

Mr. HALL of Texas. Mr. Chairman, I rise in opposition to the Sikorski legal costs amendment. The proponents of this amendment have advanced at least two misleading arguments.

First, lawyers don't get paid first under Price-Anderson. Despite Congressman SIKORSKI's rhetorically appealing story, wealthy attorneys do not collect before the helpless victims.

In a major nuclear accident, the current Price-Anderson law mandates that claims and costs only be paid if they comply with a court-approved distribution plan. According to the statute, the distribution plan must prioritize claims to "insure the most equitable allocation of available funds." This equity-driven and court-approved distribution plan is the mechanism for paying claims—not a perverse notion of lawyers collecting before victims.

The committee bill, in addition, prohibits the award of any legal costs until after they are expressly approved by the court. This new provision also mandates that costs only be approved if they are reasonable, equitable, and not the product of bad faith, frivolity, duplication, or delay. These new court standards should deter any attorney from engaging in legal tactics designed to unnecessarily delay the speedy settlement of claims.

Second, the Sikorski amendment does not help the victims recover from injuries sustained in a nuclear accident. The amendment, if anything, complicates the task for the plaintiff by reducing the chances his attorney will be compensated.

The Sikorski amendment bars the awards of legal costs which are expressly defined in the committee bill to include both defendant and plaintiff costs. Accordingly, the court could refuse to award plaintiff attorney costs from the overall settlement even if they are reasonable and equitable. This amendment could harm the ability of a victim to hire an attorney when most needed, since attorneys would be unwilling to represent prospective accident victims unless there was an assurance that their costs and time would be paid for.

The Sikorski amendment is not as simple as it sounds. Upon close examination, it's clear that lawyers are not paid first under Price-Anderson and that the amendment could actually jeopardize the rights of victims because it applies to plaintiff attorneys.

I therefore urge my colleagues to vote against the Sikorski legal costs amendment.

Mr. SIKORSKI. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK. Mr. Chairman, I thank the gentleman for yielding this time to me, and I commend the gentleman from Minnesota [Mr. SIKORSKI] for a very thoughtful amendment.

I have been impressed that the Members who voted to keep a limit on recovery yesterday are today so worried about the impact the recovery they have imposed on the victims will have on the victims. In fact, as I hear today's concern for the plaintiffs over this amendment, I find that there is a new danger that people may face if they are the victims of a nuclear accident; they may drown in crocodile tears if they come anywhere near the House of Representatives.

All of a sudden the poor victims, whose interests, it seemed to me, did not seem to be terribly important yesterday, are, we are told, motivating the Members, and I am sure that is an honest mistake they are making.

What the gentleman from Minnesota is doing is perfectly sensible. What he is saying is that if the cap that was imposed against my objection in the face of his objection, if the very thoughtful amendment of the gentleman from Ohio [Mr. ECKART] had been adopted yesterday, we would not be here. We are here because of the cap, and as the gentleman from Minnesota said, some of the things Members are criticizing are not the result of his amendment; they are the result of the cap that was kept in the bill yesterday. So he is hardly to be blamed for that. We have got the cap, and he is trying now to deal with it. He is being subjected to very inconsistent arguments.

I know that you can plead in the alternative in court, where you can offer two totally opposite arguments and hope the judge will pick one. But I do not think we ought to do that on the floor of the House. One Member told the gentleman from Minnesota his amendment was going to be kicking in much too early, and another Member said it was unnecessary because we would never need it. I would hope there would be some method by which Members on the other side could pick one or another of those and sit on it.

What the gentleman said was very simple and straightforward. We know the plaintiff's lawyers are going to be paid in almost all the cases only from recoveries. So the argument that the plaintiffs will recover and there will be no money left to pay the lawyers is a mistake. The contingency fee is what will motivate them. What we are saying to the people in the nuclear industry is: "You are the ones who put the cap on. We didn't want a cap. We wanted you not to be subsidized by a cap. We wanted this to be open. But if you are going to have a cap after you voted one and there are going to be limits, you should not have your lawyers getting a piece of that limited pie before the victims are fully satisfied."

That is the only circumstance in which it would come into play. If the cap is reached and every claim cannot be satisfied fully, there would have to be an apportionment. What we are saying is that before you deny any victim any recovery to which he or she has been found to be entitled, you will not pay the defense lawyer.

Will the defense lawyers then be applicants for the homeless shelters? I do not think so. We are not talking about them; we are talking about the corporate concern about that, and I share the views of my good friend, the gentleman from Texas [Mr. HALL], that it is not a good idea to cuss the lawyers. None of us has a lifetime lock on this job. Who knows, we might be practicing one day, God forbid. But it is not cussing the lawyers to point out that these defense attorneys will not go hungry.

The CHAIRMAN pro tempore. The gentleman from New York [Mr. LENT] has 12 minutes remaining and the gentleman from Minnesota [Mr. SIKORSKI] has 13 minutes remaining.

□ 1140

Mr. LENT. Mr. Chairman, I yield 2 minutes to the gentlewoman from Tennessee [Mrs. LLOYD].

Mrs. LLOYD. Mr. Chairman, I thank the gentleman for yielding time to me.

I rise in opposition to this amendment.

Mr. Chairman, to me this is putting the cart before the horse, because the cost of administering claims and defending against nonmeritorious claims is as much a part of Price-Anderson as is the victims' compensation. This is the mechanism.

If we handicap the process by excluding reasonable legal costs, then we are going to be jeopardizing the amount of funds that will be available to pay the meritorious claims. This amendment could, therefore, harm the true victims.

If the utility cannot pay for administering claims, they will not get administered, and the victim will suffer again.

The mechanism in this bill to address a situation in which the $7 billion is inadequate to compensate the victims is for Congress to take appropriate action.

I do not think this amendment will provide adequate protection for the victims. Under the bill, as approved by the committees, the legal costs must be reasonably incurred.

I, therefore, oppose the amendment.

Mr. SIKORSKI. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia [Mr. BOUCHER].

Mr. BOUCHER. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in support of the gentleman from Minnesota's amendment. In the event of a nuclear accident which exceeds the bill's $7 billion cap on compensation, the Sikorski amendment would prohibit the payment of attorneys' fees from the compensation pool.

Equity, standard practice, and the spirit of compromise should guide our consideration of this amendment. If a nuclear accident exceeds the $7 billion cap—a not unlikely scenario—who wants to explain to their constituents that they won't be compensated fully because the industry's attorneys are the only ones guaranteed full compensation?

H.R. 1414 is touted as providing 7 billion dollars' worth of coverage to victims of nuclear accidents. This portrayal is not accurate. Since the bill allows attorney fees to be paid first, the funds remaining to compensate victims would obviously be less. The result under the present bill? Victims would not be fully compensated, but industry's attorneys would stand at the front of the line receiving checks providing full payment of their fees.

In normal litigation, defense costs are not deducted from insurance coverage for plaintiffs. Price-Anderson is the rare exception. That exception should be modified.

The Sikorski amendment is a fair compromise. The Udall-Sharp bill as introduced prohibited all payments to attorneys from the Price-Anderson compensation fund, and the bill before us today allows compensation of attorneys before victims. The Sikorski amendment strikes a balance between these two proposals by providing that when victims have been compensated fully without reaching the $7 billion liability cap, payment of attorneys' fees from the fund will be allowed. Otherwise it will not.

The Sikorski amendment provides equity to victims, is in line with standard insurance practice, and is a fair compromise. I urge the adoption of this amendment.

Mr. LENT. Mr. Chairman, I yield 2 minutes to the gentleman from Washington [Mr. MORRISON].

Mr. SCHAEFER. Mr. Chairman, will the gentleman yield?

Mr. MORRISON of Washington. I yield to the gentleman from Colorado.

Mr. SCHAEFER. I thank the gentleman for yielding.

Mr. Chairman, I rise in opposition to the amendment.

Although far too little attention has been paid to this fact, it is important to understand that this amendment prevents courts from compensating victims' attorneys in the event of a nuclear disaster.

The effect of doing so, depending on your interpretation of this amendment, is to either reduce victim compensation or severely jeopardize a victim's ability to retain counsel. Yet this is being billed as an amendment to protect victims. Take a second look.

The amendment before us states that the court may not authorize payment to a victim's attorney if such payment would jeopardize the victim's award. How does one define this vague term "jeopardize," which is the key word in the gentleman's amendment? Since even a legal fee of $1 would reduce, or jeopardize, the victim's payment, the court may determine that no legal fees are to be paid from Price-Anderson moneys. Try to get legal representation for nothing. It's not easy.

In the best case, although the amendment may prevent it, the victim may be able to retain counsel on a contingency basis. Without court supervision, however, the victim would be subject to unreasonable and duplicative legal fees. The victim could easily be charged far more than the actual value of the services provided.

In either case, the victim would be the loser—under an amendment supposedly designed to protect him. If you really want to assure victims full compensation for their injuries, vote against this amendment.

Mr. MORRISON of Washington. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, as a nonattorney, I rise in opposition to the Sikorski "legal cost" amendment.

This amendment would exclude from the Price-Anderson mechanism the costs of investigating, settling and defending claims. On the surface Mr. SIKORSKI's amendment appears to be simple lawyer-bashing—something most of us have done from time to time. The amendment appears to protect the public from ruthless attorneys. In reality it does nothing of the kind.

In the course of protecting us from lawyers, the amendment could hamper the rapid and efficient settlement of claims and leave the public with no protection at a time when it is most needed. This is because the definition of legal costs encompasses more than just attorneys' fees. Administrative costs include such things as medical evaluations, land appraisals, and establishing claims offices. These functions are essential for rapid, efficient, and effective compensation.

The rhetoric on this amendment has also created a misconception regarding existing Price-Anderson policy. Lawyers don't get paid first under Price-Anderson. In the event of an extraordinary nuclear accident, not only must the court approve a distribution plan, but the award of legal costs is prohibited until approved by the courts. This process worked most effectively and quickly under its only field test, at Three Mile Island.

The committee consensus bill already contains a fair and reasonable compromise on the "legal cost" issue. The bill subjects all costs in a major nuclear accident to rigorous court supervision to ensure that only reasonable and equitable costs are paid. In addition, the bill increases the financial protection available by 5 percent—about $350 million—to cover these costs.

I urge you to support this compromise which is included in the floor vehicle and to oppose this amendment that would exclude legal costs from Price-Anderson coverage.

Mr. SIKORSKI. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mr. MARKEY].

Mr. MARKEY. Mr. Chairman, I thank the gentleman for yielding me this time.

I rise in support of the Sikorski amendment. I have been here in Congress now for six terms, for 11 years.

One of the things that I am absolutely convinced of, this is one of the most lawyer-hating institutions that has ever been put together on the face of the Earth.

Regardless of what bill is passed, what new regulation is sought to be imposed, it is always called the lawyers relief fund, another attempt at putting regulation on the books to help lawyers get more fees for themselves.

It is a lawyer-hating institution. There is no question about it.

I know it is proud to be a lawyer-hating institution. We have now the Sikorski amendment. The gentleman from Minnesota comes up with this radical idea.

In the event of a nuclear meltdown at a powerplant in this country, after the cap of $7 billion has been imposed, and an accident that might cost $20 or $30 billion, that is all we are going to let victims recover? Who could come in first and get their money, the lawyers or the victims, not just any lawyers but the lawyers defending the utilities?

That is what money, amongst others we are talking about which will come out of this $7 billion fund, while the bill as presently drafted lets lawyers go to the front of the line.

The amendment of the gentleman from Minnesota says victims are at the front of the line. They get compensated and then lawyers can come in and be compensated.

A lot of Members historically have felt it necessary to attack lawyers on the floor, and I understand that. We are going to be checking votes here today. Any Member who votes against the amendment of the gentleman from Minnesota will be permanently estopped from any further lawyer-bashing in that Member's congressional career.

The Members will not be allowed, because they are allowing them to put their hand in and perhaps take out $2 or $3 billion out of a small fund of $7 billion which could potentially go to victims in the event of a nuclear accident, so all of you legislative assistants out there who are now deciding how to recommend to your bosses how to vote this afternoon, here is how it comes down.

A vote for victims of nuclear accidents is a "yes." A vote for lawyers is a "no." Victims are a yes vote. Lawyers are a "no" vote.

If you want to break it down in any other manner, shape or form, you are misrepresenting what this issue is all about.

Lawyers should go to the back of a line. In the event of a nuclear disaster, they should be the ones who come into Congress and ask the Congress to appropriate another $10, $20, or $30 billion to compensate them, because they have not been properly paid.

I think that they have a better chance of getting that additional money beyond the $7 billion than the victims would when they come before us and ask us to fund that additional help and assistance which is going to have to go to those who have in fact suffered because of that damage.

Mr. LENT. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. OXLEY].

Mr. OXLEY. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I always enjoy following the gentleman from Massachusetts [Mr. MARKEY], my good friend, on these important issues.

I do not think anybody can argue about where the gentleman stands on these particular issues. I just hope the gentleman has the same success with this amendment that the gentleman had with the two previous ones in the committee.

Clearly this case is far more than lawyer-bashing, although perhaps I wish it were that simple. The real simple fact is that the people that ought to be the most involved in this, and we ought to have the most concern about, are the potential victims in this kind of an accident.

Those people deserve full compensation, and nobody is arguing from any angle that they do not deserve full compensation.

That is why we went a tenfold increase in the limit on damages from $700 million to over $7 billion in this process, but everybody forgets about the victims.

It is very easy to bash the attorneys on this, and I would like to ask the gentleman from Texas who has practiced law like some of the Members, whether the gentleman would under the circumstances of the Sikorski amendment, if some victim came in and asked for his very eloquent efforts at representing him, whether the gentleman would consider representing a victim under this form of amendment that has been offered by the gentleman from Minnesota.

□ 1150

Mr. MARKEY. Mr. Chairman, would the gentleman from Ohio be willing to yield, since he mentioned my name?

Mr. OXLEY. Mr. Chairman, I yield to the gentleman from Texas [Mr. HALL].

Mr. HALL of Texas. Mr. Chairman, I certainly agree with the gentleman that they would have a very hard time getting an attorney, any type of attorney, on the plaintiff's side.

I think the gentleman is exactly right. I am not sure whether the gentleman from Massachusetts is for or against attorneys, but I think I am pretty sure I know where the gentleman stands on nuclear energy, and that is what it is all about.

Mr. OXLEY. Well, Mr. Chairman, I thank the gentleman for that response.

It seems to me that is what it is all about. The bill is carefully crafted to allow the Federal court to make a determination as to reasonable legal costs in this whole process. I think that is really what it is all about. The bill is fair. It deals fairly with victims. It deals fairly with attorneys.

Mr. Chairman, I think the Sikorski amendment should be defeated.

Mr. SIKORSKI. Mr. Chairman, I yield 2 minutes to the gentleman from Washington [Mr. SWIFT].

Mr. SWIFT. Mr. Chairman, there is a fascinating little problem of credibility here, I think. What we are being asked to believe here today is that the primary protectors of the public interest and the consumer here are the nuclear industry, the insurance industry, and the legal profession. The reason they are opposing this amendment is in the public interest, the consumer's interest, and that is possible.

It is also possible that the National Consumers League who supports this amendment, and the National Insurance Consumers Organization, who supports this amendment, and the National Taxpayers Union who supports this amendment, are really against the consumer, are really against the individual citizen in this country. That is possible.

It is also possible that once the tortoise beat the hare, but that is not the way to bet.

It just seems that if you apply a little common sense, you know that the nuclear industry, the insurance industry and the legal profession, is defending itself, which it has every right to do, and that the National Consumers League, the National Insurance Consumers Organization and the National Taxpayers Union, are defending the consumer.

So the choice is very clear. No one is going to be misled by that. This is a vote that will say how each of our colleagues chooses. Are they going to be on the side of the industries or on the side of the consumer?

Mr. LENT. Mr. Chairman, I yield 2 minutes to the gentleman from Louisiana [Mr. HUCKABY].

Mr. HUCKABY. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the amendment pending before the House. Let us review the bidding here. We have a three tier process. There is $160 million in the first tier. Every plant is required to have that.

We have a $7 billion second tier as a collective pool. We voted yesterday to cap this at $7 billion that the utilities pay.

Nowhere in this bill does that say that the lawyers will be paid before the claimants. It says the court shall decide and the court shall decide what are reasonable attorneys' fees.

The point we are missing here in this debate is that there is a third tier of insurance provided.

Is there any doubt in anyone's mind here in Congress that in a major catastrophic accident, this bill says Congress shall come forth and provide compensation for the claims. Everyone will receive their just claims. It is just that this bill says all of the people, instead of those right players who happen to operate and live under a nuclear powerplant would pay those claims.

The bill specifies a third tier that shall kick in to pay the just and adequate claims of all victims. So that is really not an argument here.

Mr. HALL of Texas. Mr. Chairman, will the gentleman yield?

Mr. HUCKABY. I yield to the gentleman from Texas.

Mr. HALL of Texas. Mr. Chairman, do I understand the gentleman opposes the Sikorski amendment?

Mr. HUCKABY. Yes, I oppose it.

Mr. HALL of Texas. And favors the bill that was worked out after long hours and much give-and-take that the committee recommends?

Mr. HUCKABY. That is exactly correct.

Mr. SIKORSKI. Mr. Chairman, I yield one-half minute to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK. Mr. Chairman, we give the gentleman from Texas an assist on the previous play, but I cannot score the gentleman errorless on his previous comments.

The notion that this amendment, if adopted, would deter you from taking a case up for the plaintiff is simply flatly and inconvertibly wrong, because the plaintiff's attorney would have the right under the Sikorski amendment to get a contingency fee recovery out of the plaintiff's share, so in no way, shape or form, would the Sikorski amendment deter a plaintiff's lawyer from taking this on a contingency fee basis. The plaintiff would get his or her recovery and pay the lawyer his contingency fee.

Mr. LENT. Mr. Chairman, I yield 2 minutes to the gentleman from Alabama [Mr. CALLAHAN].

Mr. CALLAHAN. Mr. Chairman, since under the Markey provision, since I am going to vote against the Sikorski amendment, I am going to be prohibited from bashing lawyers, I should like to start off before telling you that I am not going to be able to bash lawyers anymore because I am going to vote against the Sikorski amendment, but I will recall a conversation that took place on the floor of the Alabama Senate when a nonlawyer and a lawyer were in debate. The lawyer asked the nonlawyer if indeed he had a law degree. The nonlawyer said, "No, but if I had known how little sense it took to get one, I would have gone ahead and got one."

Mr. Chairman, I rise in opposition to the amendment.

I understand the concerns expressed by the gentleman from Minnesota. None of us would have attorneys receive payments to the detriment of the victims the Price-Anderson Act is designed to protect.

The bill before us allows payment of legal fees only if those fees are found to be reasonable by the courts and if the utilities had not attempted to delay claims settlements. If payments to victims for claims and authorized legal costs exceed the $7 billion limit, the utilities will be assessed an additional 5 percent to pay legal costs and claims.

Many of us have done our share of lawyer bashing. But I think we generally recognize that there is a need for legal work in many cases. I, for one, can't think of a more appropriate time for legal counsel than in the event of a nuclear accident. The amendment doesn't only limit payment of utilities' legal costs, it also limits payment of victims' attorneys fees. Now, I'm not a lawyer myself, but I strongly suspect that many attorneys will be reluctant to accept plaintiffs' cases when their right to compensation is in question.

Mr. Chairman, I just don't think this Congress wants to limit victims' rights to retain adequate legal counsel. We can bash lawyers and large utilities all we want, but we will be making a great mistake if we bash victims with the same stick.

Furthermore, adequate legal defense of claims will serve to prevent frivolous claims and thus will preserve the resources of the compensation pool for legitimate claims.

This amendment is unnecessary and I urge my colleagues to reject it.

The CHAIRMAN pro tempore (Mr. HOYER). The Chair would advise the gentleman from Minnesota [Mr. SIKORSKI] has 5½ minutes remaining, and the gentleman from New York [Mr. LENT] has 2 minutes remaining.

Mr. SIKORSKI. Let me just say in a recap, Mr. Chairman, that thus far we have had three arguments made by the opponents, and one argument I want to make stronger for the proponents.

The first argument by the opponents is that we are going to collapse the system. They say that if this amendment goes on, the system is going to collapse. It cannot function.

I call it the Apocalypse Now prediction. They are not worried about a nuclear event. Of course, they say that nuclear event is not going to occur. They are not concerned about victims with irradiation burns and cancers and the rest of it not getting compensation because industry lawyers are there. What they say they are concerned about is the system collapsing if we pass the Sikorski amendment. But we do not change the system at all.

The second argument they make is that they are concerned about plaintiffs getting proper legal representation. Now they come on like Mother Theresa. They view the victims whom they have capped from recovery, whom they want to take money away from and out of the victims compensation fund to hire lawyers to beat those victims up, they now say they are concerned about the victims.

The plaintiffs and the victims support the Sikorski amendment.

The third argument is just the reverse. After being St. Bernards coming to the aid of the victims in the last argument, they now come in and beat up and bash the victims by saying that they are going to file frivolous suits and that it is going to be terrible and a run on the fund. They now become pit bulls. Dr. Jekyll becomes Mr. Hyde and they say the victims are at fault and the Sikorski amendment would assist the victims to a terrible degree and result in the ruination of the fund.

It is neither Apocalypse Now—the system won't collapse—nor Mother Theresa, nor Dr. Jekyll or Mr. Hyde. If they want people to believe them—and I have no doubt of the sterling sincerity on the opponents side—but if they truly want people to believe that they are on the side of the plaintiffs and the victims, they should find someone a little bit more gullible or naive, like Chicken Little, who ended up gobbled up by the fox.

Let me just conclude with one point in favor of the proponents that the opponents steer away from. Let me read from the National Taxpayers Union:

> It is not the nuclear industry that is at stake here. It is the federal treasury. Should there ever be an accident that causes a sizable amount of damage, the public stands a good chance of not being able to recoup their losses. . . Many members of Congress believe these people will be compensated—if they are, it will be by taxpayers—footing the bill for private industry's mistakes. . . This inequity is particularly glaring with regard to attorney's fees. We should eliminate provisions that would pay industry attorneys' fees before victims are fully compensated—so taxpayers don't wind up paying for the industry's legal costs.

If you are for the taxpayers, vote "yes" on Sikorski. If you are for the victims, vote "yes" on Sikorski. And if you are not for the taxpayers and victims, go ahead and vote "no."

Mr. LENT. Mr. Chairman, I yield the balance of my time to the gentleman from Texas [Mr. FIELDS].

Mr. FIELDS. Mr. Chairman, I rise in opposition to the Sikorski amendment.

What we are considering today, Price-Anderson, is one of the most complicated pieces of legislation that this 100th Congress will consider.

The proponents of this amendment would like everyone to believe that this is a simple amendment, who gets paid first, attorneys, or the victims of a nuclear accident?

But you know, we just heard a great deal of emotionalism. We heard people talking about Dr. Jekyll, St. Bernard, Apocalypse Now, Mother Theresa, and I think it is important to say that there is a great deal of emotion that is always expressed on anything regarding the nuclear industry. Many of the people who express that emotion really want to see the nuclear industry disbanded.

Price-Anderson was enacted with two major objectives: to limit the liability of a fledgling commercial nuclear industry and to assure speedy and just compensation to victims in the event of a nuclear accident.

Compensation of victims is assured through a no-fault liability system. Under the system, all utilities with nuclear reactors would be required to contribute up to $63 million per reactor, per incident into the public compensation fund. The no-fault system and the public compensation fund—which would total $7 billion under H.R. 1414—ensure that victims will get speedy compensation. Without Price-Anderson, victims' claims would languish in court for years. Furthermore, there wouldn't be enough money to pay court awards since a single utility would almost certainly be bankrupted by a major nuclear accident.

If the Sikorski amendment passes and legal costs may not be paid from the compensation fund, the whole system to guarantee compensation to victims begins to fall apart.

The Sikorski amendment severely damages the Price-Anderson system. If the goal of the Sikorski amendment is to protect the victims' compensation fund from being drained by lawyers' fees, the bill before us already does that. H.R. 1414 contains strong provisions to protect against unreasonable lawyers' fees. The legal costs of both plaintiffs and defendants require court approval. Judges can throw out legal costs which are not reasonable or are duplicative or frivilous. So, the courts can already prevent legal fees from draining the compensation fund. We do not need the Sikorski to protect the victims' compensation fund.

I wish the Sikorski amendment were unnecessary, but harmless. But, it's not. The Sikorski amendment actually hurts the very victims he seeks to protect.

Under the Sikorski amendment, victims' attorneys would be excluded from receiving payment from the fund. So, victims who may not have the financial resources to hire an attorney to defend their claims would be left to fend for themselves.

Second, compensation for the real victims of a nuclear accident would be threatened by the Sikorski amendment. The Sikorski amendment prohibits not only defense and plaintiffs' lawyers' fees; the Sikorski amendment prohibits payment from the fund for the costs an insurance company incurs in investigating claims. Insurance companies only administer the disbursement of money from the second-tier victims' compensation fund; their own funds are not at stake. Insurance companies will not investigate claims for which their expenses cannot be reimbursed. Consequently, frivolous claims are likely to be approved, draining the compensation fund at the expense of actual victims. The victims' compensation fund is better protected by spending a fraction of a dollar weeding out spurious claims than risking the unlimited diversion of funds away from true victims.

Furthermore, without certain payment of investigatory, defense and settlement costs, many insurance companies would withdraw altogether from administering the distribution of funds. Again, victims would suffer since the prompt payment of claims would be disrupted.

Finally, the ranking minority member of the Energy and Power Subcommittee, Mr. MOORHEAD, offered a compromise amendment in subcommittee specifically to address the concern that legal costs might divert funds from victims. The Moorhead amendment provides that retroactive assessments on nuclear utilities would increase by 5 percent if it appears likely that the $7 billion cap will be exceeded.

Strict court supervision of legal costs combined with a potential 5-percent increase in utility assessments ensure that the fund is primarily a compensation fund, not a legal cost fund.

The Sikorski amendment may sound good, but if you want to be sure that the real victims of a nuclear accident are compensated, look beyond the superficial rhetoric.

I urge my colleagues to oppose the Sikorski amendment.

Mr. SIKORSKI. Mr. Chairman, I yield my remaining 3 minutes to the gentleman from Ohio [Mr. ECKART].

Mr. ECKART. Mr. Chairman, I thank my colleagues and I commend my friend, the gentleman from Minnesota, for offering this amendment.

You know, this isn't Burger King, you cannot have it both ways. Yesterday my colleagues said that it is an "unlikely event" that the accident would exceed the $7 billion cap but today we are told that this amendment poses a grave threat to Price-Anderson but its implementation is likely.

□ 1205

The fact of the matter is you cannot have it both ways. It cannot be unlikely yesterday and absolutely certain today. The fact is, that the Sikorski amendment only applies in the event that the cap is breached and then only under those circumstances as determined by a judge in his discretion as to whether or not the fees are reasonable and the action pursued is frivolous or dilatory.

Let us talk about the insurance companies and the huge pall of concern we have expressed so deeply today on their behalf. They collect annually without anything ever occurring, $50 million in fees. Nothing happens. They collect that $50 million every year for 3 years and reach $150 million which is $10 million short of their total liability for the entire Price-Anderson of $160 million.

Are my colleagues telling me now that insurance companies cannot afford the costs of handling payments to victims?

Let us focus on this for a minute. What we have in Price-Anderson is the most advanced form of corporate socialism known to mankind. We guarantee that the utilities are protected.

Oh, yes; we guarantee that the suppliers are protected and will never be brought into court even if they grossly negligently cause injury or death to someone and now while we are providing that statutory defense we say that the lawyers who defend them, those who cause the injury, are guaranteed to get paid first in that unlikely event of an accident.

Come on, folks we cannot have it both ways. I can assure this House that if we are concerned about the lawyers, that we are prepared to consider a Homeless Act that will take care of those few lawyers who may find themselves economically deprived as a result of the passage of the Sikorski amendment, but that is not likely the case.

Lest we be concerned we are talking small potatoes here in excess of the cap, fully appreciate the example of Three Mile Island in which between 16 and 18 percent of the payments made went to attorney's fees, attorneys who fought the victims' claims.

I continue to be amazed at those folks who advance product liability legislation, which contains a cap on attorneys' fees, a piece of legislation that I have some interest in, because it is necessary to do this to solve the liability crisis. But today they want to have it both ways: limit attorneys' fees for victims of faulty products but throw dollars to the lawyers when there is a nuclear accident.

Come on, folks, we cannot have it both ways. We cannot say fix the victims in product liability by limiting attorneys' fees and protect victims by taking their lawyers away from them. Support victims, support the Sikorski amendment.

Mr. MURPHY. Mr. Chairman, I was part of the beginning of the solution to this difficult issue back when the Interior Committee addressed Price-Anderson. I think it is important for my colleagues to know that all sides have worked hard to find a workable solution to this issue. No one is served by coming in at the 11th hour and disrupting the true compromise reached in this bill.

The solution that was reached was in favor of judicial supervision of both plaintiffs' and defendants' legal costs in order to maximize the compensation of victims from the first two tiers of Price-Anderson insurance proceeds.

Under H.R. 2994, the only legal costs paid are those that meet the following standards:

First, the costs are reasonable and equitable; and

Second, the person seeking reimbursement has: litigated in good faith; avoided unnecessary duplication of efforts with those of other parties similarly situated; not made frivolous claims or defenses; and not attempted to unreasonably delay the prompt settlement or adjudication of claims.

It is arbitrary to exclude, as the Sikorski amendment does, plaintiffs' or defendants' costs that are inevitable under our American tort system and that have met these tests.

Additionally, the Sikorski amendment is unnecessary to assure victim compensation since it is based on the false premise that these is an absolute limit on compensation funds. In the unlikely event the liability limit is reached, H.R. 2994 commits Congress to provide full compensation. Congress will be presented with a plan to provide additional compensation, and has reserved the right to tax licensees to reimburse the Treasury. Thus, coverage of legal costs will not impart the full compensation of victims.

However, the Sikorski amendment does impair the right to counsel. The legal costs that the amendment restricts are both plaintiffs' and defendants' costs approved by a court as reasonable under the criteria I have outlined.

Perhaps the most glaring deficiency in the Sikorski amendment is that it will render the Price-Anderson Act unworkable for the public. Questions will be raised as to why there is all of this money out there that victims can not get because there is no one to write the checks. The unclear liability insurers cannot continue to administer either of the two layers of liability insurance under the Sikorski amendment, and neither could any other private entity. The law must provide for the costs of administering the system.

In the one example of Price-Anderson after Three Mile Island, the insurance system worked. Within 72 hours after the accident the industry established claims facilities for evacuated families. Under this amendment, the expenses of assisting people quickly and efficiently would have been denied. The position in H.R. 2994, with a surcharge for these expenses on top of the retrospective premium assessment, represents a carefully crafted compromise by the authorizing committees.

This amendment wants to provide the public with the Cadillac of compensation systems, with $7 billion in the gas tank and the motor running, but with no transmission to get the power to the wheels. Thanks, but no thanks. I urge my colleagues to oppose the Sikorski amendment and thereby provide the public with a compensation system that will work if it is called upon.

The CHAIRMAN pro tempore (Mr. HOYER). The question is on the amendment offered by the gentleman from Minnesota [Mr. SIKORSKI].

The question was taken; and the Chairman pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. LENT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 183, noes 230, not voting 20, as follows:

[Roll No. 292]

AYES—183

Ackerman
Akaka
Alexander
Anderson
Aspin
Atkins
AuCoin
Bates
Beilenson
Bennett
Berman
Biaggi
Bilbray
Boehlert
Boggs
Boland
Bonior (MI)
Bonker
Borski
Bosco
Boucher

Boxer
Brennan
Bryant
Campbell
Cardin
Carper
Clay
Clinger
Coelho
Collins
Coughlin
Coyne
Crockett
Davis (IL)
DeFazio
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Downey
Durbin
Dwyer
Early
Eckart
Edwards (CA)
Evans
Fascell
Fazio
Feighan
Flake
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Garcia
Gekas
Glickman
Gray (IL)
Gray (PA)
Guarini
Gunderson
Hamilton
Hastert
Hayes (IL)
Hefley
Hertel
Hochbrueckner
Hoyer
Hughes
Hutto
Jacobs
Johnson (SD)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kastenmeier
Kennedy
Kildee
Kostmayer
LaFalce
Lancaster
Lantos
Leach (IA)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lipinski
Lowry (WA)
Luken, Thomas
Lukens, Donald
MacKay
Manton
Markey
Martinez
Matsui
Mavroules
McCloskey
McEwen
McHugh
McMillen (MD)
Meyers
Mfume
Miller (CA)
Miller (WA)
Mineta
Moakley
Moody
Mrazek
Nelson
Nowak
Oakar
Oberstar
Obey
Owens (NY)
Owens (UT)
Panetta
Patterson
Pease
Pelosi
Penny
Petri
Porter
Price (NC)
Rahall
Rangel
Ravenel
Richardson
Rodino
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Savage
Sawyer
Scheuer
Schneider
Schroeder
Schumer
Sikorski
Skaggs
Slattery
Slaughter (NY)
Smith (FL)
Smith, Robert (NH)
Snowe
Solarz
St Germain
Staggers
Stark
Stokes
Studds
Swift
Synar
Tauke
Torricelli
Towns
Traficant
Upton
Vento
Visclosky
Volkmer
Walker
Watkins
Waxman
Weber
Weiss
Wheat
Williams
Wise
Wolpe
Wyden
Yates
Yatron

NOES—230

Andrews
Annunzio
Applegate
Archer
Armey
Badham
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Bentley
Bereuter
Bevill
Bilirakis
Bliley
Boulter
Brooks
Broomfield
Brown (CO)
Bruce
Buechner
Bunning
Burton
Bustamante
Byron
Callahan
Carr
Chandler
Chapman
Chappell
Cheney
Clarke
Coats
Coble
Coleman (MO)
Coleman (TX)
Combest
Conte
Conyers
Cooper
Courter
Craig
Crane
Dannemeyer
Darden
Daub
Davis (MI)
de la Garza
DeLay
DeWine
Dickinson
DioGuardi
Dornan (CA)
Dowdy
Dreier
Duncan
Dyson
Edwards (OK)
Emerson
English
Erdreich
Espy
Fawell
Fields
Fish
Flippo
Frenzel
Frost
Gallegly
Gallo
Gaydos
Gejdenson
Gibbons
Gilman
Gingrich
Gonzalez
Goodling
Gordon
Gradison
Grandy
Grant
Green
Gregg
Hall (OH)
Hall (TX)
Hansen
Harris
Hatcher
Hayes (LA)
Hefner
Henry
Herger
Hiler
Holloway
Hopkins
Horton
Houghton
Howard
Huckaby
Hunter
Inhofe
Ireland
Jeffords
Jenkins
Jones (TN)
Kasich
Kleczka
Kolbe
Kolter
Konnyu
Kyl
Lagomarsino
Leath (TX)
Lent
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Livingston
Lloyd
Lowery (CA)
Lujan
Lungren
Mack
Madigan
Marlenee
Martin (IL)
Martin (NY)
Mazzoli
McCandless
McCollum
McCurdy
McDade
McGrath
McMillan (NC)
Mica
Michel
Miller (OH)
Molinari
Mollohan
Montgomery
Moorhead
Morella
Morrison (WA)
Murphy
Murtha
Myers
Nagle
Natcher
Neal
Nichols
Nielson
Olin
Ortiz
Oxley
Packard
Parris
Pashayan
Pepper
Perkins
Pickett
Pickle
Price (IL)
Pursell
Quillen
Ray
Regula
Rhodes
Ridge
Rinaldo
Ritter
Roberts
Robinson
Roe
Rogers
Rose
Rostenkowski
Roth
Roukema
Saxton
Schaefer
Schuette
Schulze
Sensenbrenner
Sharp
Shaw
Shumway
Shuster
Sisisky
Skeen
Skelton
Slaughter (VA)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (OR)
Solomon
Spence
Spratt
Stallings
Stangeland
Stenholm
Stratton
Stump
Sundquist
Sweeney
Swindall
Tallon
Taylor
Thomas (CA)
Thomas (GA)
Traxler
Udall
Valentine
Vander Jagt
Vucanovich
Walgren
Weldon
Whittaker
Whitten
Wilson
Wolf
Wortley
Wylie
Young (AK)
Young (FL)

NOT VOTING—20

Anthony
Boner (TN)
Brown (CA)
Daniel
Dymally
Gephardt
Hammerschmidt
Hawkins
Hubbard
Hyde
Johnson (CT)
Kemp
Kennelly
Latta
Lott
Morrison (CT)
Roemer
Rowland (CT)
Tauzin
Torres

□ 1220

Mr. EDWARDS of Oklahoma and Mr. BOULTER changed their votes from "aye" to "no."

Messrs. CLINGER, DONALD E. LUKENS, HUGHES, GEKAS, and Mrs. BOGGS changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. WALGREN

Mr. WALGREN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Walgren: Page 9, line 4, strike "(2) In" and insert "(2)(A) Except as provided in subparagraph (B), in".

Page 9, after line 14, add the following new subparagraph:

"(B)(i) The Secretary shall require as a condition of any agreement of indemnification entered into with a contractor under paragraph (1) covering public liability arising from nuclear waste transportation activities funded by the Nuclear Waste Fund established under section 302 of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222), that the contractor obtain the maximum amount of financial protection that the Secretary determines to be reasonably available.

"(ii) The amount of indemnity provided contractors under paragraph (1) shall not be effected by any amount of financial protection required under this subparagraph.

"(iii) The aggregate public liability under subsection e. (1)(B) for contractors described in this paragraph shall be increased by any amount of financial protection required under this subparagraph.

"(iv) The Secretary may, in accordance with clause (v), reduce the amount of financial protection required of any contractor under clause (i) by an amount equal to the amount of financial protection covering public liability described in clause (i) that such contractor is required to obtain under section 10927 of title 49, United States Code, or any other Federal law.

"(v) The Secretary may not reduce any amount of financial protection under clause (iv) for any contractor unless—

"(I) such contractor submits to the Secretary proof of financial protection obtained under section 10927 of title 49, United States Code, or any other Federal law; and

"(II) the Secretary determines that such financial protection is adequate to offset financial protection that would otherwise be required of such contractor under clause (i).

"(vi) Notwithstanding any other law, any amount paid by a contractor under clause (i) for financial protection required under such clause shall be considered a reimbursable cost of performing a contractual activity described in such clause.".

Page 14, line 10, insert "except as provided in subsection d. (2)(B)(iii)," before "in the case of".

Page 33, after line 7, insert the following new section (and redesignate the succeeding section accordingly):

SEC. 16. FINANCIAL ACCOUNTABILITY.

Section 170 of the Atomic Energy Act of 1954 (42 U.S.C. 2210), as amended by this Act, is further amended by adding at the end the following new subsection:

"u. Financial Accountability.—The Attorney General may bring an action in the appropriate United States district court to recover from a contractor of the Secretary (or subcontractor of such contractor) conducting nuclear waste transportation activities funded by the Nuclear Waste Fund established under section 302 of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222), an amount up to the lesser of, 3 times the amount of profit obtained under such contract, or 10 percent of the net worth of the entity performing such activities, for public liability resulting, in whole or part, from the bad faith, willful misconduct, or gross negligence of any corporate officer, manager, or supervisor of such contractor (or subcontractor of such contractor).".

Mr. WALGREN [during the reading]. Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN pro tempore (Mr. Murtha). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN pro tempore. Under the unanimous-consent agreement, the gentleman from Pennsylvania [Mr. Walgren] will be recognized for 10 minutes and a Member opposed will be recognized for 10 minutes.

The Chair recognizes the gentleman from Pennsylvania [Mr. Walgren].

Mr. WALGREN. Mr. Chairman, I yield myself such time as I may consume.

At the outset, on this amendment I want to give credit particularly to the gentleman from Missouri [Mr. BUECHNER] who has joined me in working on this proposal. He certainly deserves credit for much of the support that this amendment has to this point.

Mr. Chairman, this amendment takes its theme from the old song about the railroad that "runs through the middle of the house." It essentially says that when it comes to transporting nuclear waste "through the middle of the house" that railroads and trucking firms ought to have some financial stake in not having an accident and it ought to be carrying some private sector insurance.

Now both Mr. BUECHNER and I represent districts where nuclear waste from Three Mile Island has been brought through on the railroad.

Safe transportation of nuclear waste will soon be the direct concern of congressional districts in almost every State as we begin to move waste that is now held at reactors to interim or permanent repositories.

The Department of Energy estimates that more than 100,000 tons of nuclear waste will be shipped by the year 2020. And as we in Pittsburgh found out when the Three Mile Island debris was transported by rail through our community, we should make no mistake about it, it runs literally through the middle of the house.

Now under the present legislation, any DOE contractor is guaranteed blanket indemnity for any liability arising out of an accident involving nuclear materials. That means all those firms transporting nuclear waste, in many instances less than 20 yards from the bedrooms we sleep in, have essentially no stake in whether they have an accident.

Now in fairness, this bill was not focused on transportation and there are substantial and good arguments for limiting liability or providing indemnity for many aspects of the nuclear power industry, particularly those involved in government contracting. But regardless of how we view the liability questions for construction of facilities or for operation of facilities, transportation of nuclear materials is clearly a different matter; I think one that was largely not considered in the total large-scale frame work of this act that is focused on Price-Anderson liability of Government contractors in operating facilities and the like.

Common sense requires us not to give up the increased degree of care in transportation of nuclear materials that comes with some degree of private responsibility. Blanket indemnification, although appropriate for some other aspects of nuclear power and nuclear operations, is simply inappropriate for the transporters of nuclear waste.

Now, in honesty we should not overstate the impact of what this amendment would require. The amendment would create a limited amount of liability. The Justice Department would have the option to seek recovery of indemnification money in an amount up to three times the profits of the contract, or 10 percent of the contractor's net worth and, underlined, whichever is less.

□ 1235

Now, civil liability would exist only in those cases where damages were caused by willful misconduct, bad faith, or gross negligence. That kind of limited liability could not as a practical matter be considered a threat to any responsible private sector operation, but it does represent the kind of financial interest in safe operation that would be in the back of the minds of those involved in the actual transport of dangerous materials, and that would serve the public interest well.

In addition, the amendment would require those transporting dangerous nuclear materials to carry liability insurance in an amount designated by the Secretary of the Department of Energy as reasonable under the circumstances.

We all know that Government bureaucracy often fails miserably in safety regulation, and it only makes sense, therefore, to involve the additional interest in safe operation that private sector insurance carries would provide. Certainly the public would expect nothing less under the circumstances.

This amendment was approved by the Committee on Energy and Commerce, but since that time we have redrafted some of the provisions to attempt to address concerns that were raised by the railroads with respect to cost reimbursement since the Government is essentially paying these contracts under DOE and with respect to double insurance coverage and eliminating that possibility as being required that was raised by some of the trucking concerns.

Mr. Chairman, this is a reasonable effort to insure the greatest degree of care and safety in the transport of nuclear waste, and I urge all my colleagues to support the amendment.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN pro tempore (Mr. MURTHA). The Chair will inquire, does the gentleman from New York [Mr. LENT] rise in opposition to the amendment?

Mr. LENT. I do, Mr. Chairman.

The CHAIRMAN pro tempore. The gentleman from New York [Mr. LENT] is recognized for 10 minutes in opposition to the amendment.

Mr. LENT. Mr. Chairman, I am pleased to yield 1 minute to the distinguished chairman of the Committee on Public Works and Transportation, the gentleman from New Jersey [Mr. HOWARD].

Mr. HOWARD. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I would just like to point out that this amendment comes under the purview of the Committee on Public Works and Transportation, and our committee was not notified of this amendment. We have held no hearings on this amendment in our committee, and I think it would be unwise to pass legislation dealing with transportation via trucks without the proper committee of authorization and jurisdiction having held hearings and having made some determination on it.

So, Mr. Chairman, I hope that we will not agree to this amendment at this time.

Mr. WALGREN. Mr. Chairman, I yield such time as he may consume to the gentleman from Missouri [Mr. BUECHNER].

Mr. BUECHNER. Mr. Chairman, I am pleased to cosponsor the amendment offered by the gentleman from Pennsylvania. The issue of transportation of radioactive waste is something that Members of this body must address! I can assure my colleagues that until a permanent repository is built, much of this country's nuclear waste will be transported by rail, motor carrier, barge, and any other available means. Safe transportation of nuclear waste should be a direct concern of congressional districts in almost every State of the country.

Mr. WALGREN and I are particularly concerned with the high-level radioactive waste from the Three Mile Island reactor. This waste is being transported to a government research facility in Idaho. Alarmingly, this material is being transported through such highly populated areas as St. Louis and Pittsburgh. Neither the Department of Energy nor the Department of Transportation should be routing radioactive waste through such densely populated areas as the route of first choice. The chance of an accident is a very real and frightening possibility.

Safeguards must be implemented to ensure that the public is protected from radioactive waste. Unfortunately, safeguards do not exist in the bill at hand. The purpose of our amendment is to instill some common sense into this legislation. Our amendment will go a long way toward ensuring that the transporters of radioactive waste ship such material in a safe appropriate manner.

As the legislation is presently written, the DOE's nuclear waste transporters are totally exempt from any liability for damages to the public. These contractors are not required to purchase nuclear liability insurance. What would happen if the nuclear waste is spilled along the way? What would happen if it spilled in the middle of Pittsburgh? or St. Louis? or Kansas City? Scores of lives would be jeopardized. Billions of dollars worth of damages could be inflicted upon land and property! And what recourse would we have? Under current law, even if the transporting company caused the accident due to their own negligence, no matter how gross or willful, nothing could be done. This is unacceptable. Blanket indemnification is inappropriate for the transporters of nuclear waste. Blanket indemnification is an invitation to carelessness in an area where the highest standard should be the norm.

Our amendment would require transporters of nuclear materials to carry liability insurance and would also make these contractors liable for their own actions. It would permit the Department of Energy to recover any damages paid on behalf of a nuclear waste transporter if an accident is caused by the contractors willful misconduct, bad faith, or gross negligence. I believe that the present system of indemnification removes the safety incentive created by the tort system. To the extent liability can be passed to the Government, neither the contractors nor the insurers have an interest in ensuring that waste is transported with the safety of the public in mind.

Mr. Chairman, the St. Louis Post-Dispatch recently wrote a very telling comment on the nuclear power industry—

> With commercial nuclear power now entering its forth decade, it is time for Congress to break the umbilical cord that has nourished the nuclear industry thus far. The industry should be able to sustain itself without the expensive and counterproductive coddling of the existing Price-Anderson Act.

I agree! It is time for the contractors to be accountable for their actions and to ensure the safety of the public when transporting radioactive waste.

I urge my colleagues to support this public safety amendment. The time is now to act. It is imperative that Congress carry out the mandate of the people and stop courting disaster.

The CHAIRMAN pro tempore. The Chair wishes to state that the gentleman from Pennsylvania [Mr. WALGREN] has 1 minute remaining.

Mr. WALGREN. Mr. Chairman, I yield 30 seconds to the gentleman from Pennsylvania [Mr. GEKAS].

Mr. GEKAS. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I simply want to get a quick explanation. Suppose there would be no insurance coverage available and it is not even in the market. What happens then with respect to the contractor's liability under the gentleman's amendment?

Mr. WALGREN. Mr. Chairman, if the gentleman will yield, under the amendment the Secretary of the Department of Energy would set the amount of insurance required as reasonable under the circumstances. If none is available, there would be no requirement.

Mr. GEKAS. Mr. Chairman, I thank the gentleman.

Mr. LENT. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia [Mr. BLILEY].

Mr. BLILEY. Mr. Chairman, this is not the place for this amendment, as the chairman of the Committee on Public Works and Transportation, the gentleman from New Jersey [Mr. HOWARD], pointed out. This is a public compensation act, not a transportation act.

But getting to the merits of the case, this material would be transported in dry casks. They are very secure, under DOT rules. But what this well-intentioned amendment runs into is the law of unintended consequences. The railroads as ICC carriers have to carry it, there is no question about it, but they can set any rate. They can make the rate so unattractive that what is going to happen is that we will get all kinds of truckers, and a gypsy trucker will say, "I'm not concerned about liability. I don't have anything for them to sue anyway, so I'm going ahead and bid it and get a chance to make some money," and you are going to have this hauled over all the roads that way.

I say to the proponents of this amendment that the place to handle it is in the Surface Subcommittee or in the Transportation Committee and with a dedicated train, a dedicated train that goes from where you pick it up to where you drop it. Under the railroad's rules, on the dedicated trains, you have to clear the tracks so far in advance and clear the tracks so far behind.

Mr. Chairman, that is the place to handle it, not here with this amendment at this time on this bill. I urge a no vote on the amendment.

Mr. WALGREN. Mr. Chairman, I yield the balance of my time to the chairman of the Subcommittee on Energy and Power, the gentleman from Indiana [Mr. SHARP].

Mr. SHARP. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I just want to remind my colleagues that the Energy and Commerce Committee did adopt this amendment. We are going to have to piece together a solution to our nuclear waste problem, whether you are for or against nuclear power, and one piece of that is helping to assure the safe transportation, because there will have to be transportation of this fuel.

So, Mr. Chairman, I think we ought to support the Walgren amendment today.

Mrs. LLOYD. Mr. Chairman, I reluctantly rise in opposition to this amendment.

As the gentleman knows, I respect the gentleman's judgment and I value his work on the Committee on Science, Space, and Technology. However, I have concluded that this amendment is unfair to some waste transporters, will not achieve what the gentleman intends and will increase the costs of the Nuclear Waste Program to the detriment of virtually every utility ratepayer.

A key part in the transportation process is the DOE contractor who delivers the waste to the carrier for shipment. The DOE contractor must use an NRC licensed cask and use NRC and DOT approved routes.

Transportation of nuclear waste, when it occurs, will be the most regulated segment of activities in any aspect of DOE's work, waste or nonwaste. The transportation industry is already heavily regulated and DOE will add another layer of oversight to those already existing. For example, approval of cask and routing must come from the Nuclear Regulatory Commission; the certificate of carrier must come from DOT; and in some cases, States and Indian tribes will have oversight of waste shipments through their jurisdiction; and finally the shipments will be subject to direct firsthand scrutiny of the press and the general public.

This amendment would also be unfair to the railroads. Essentially, as a common carrier, a railroad must accept the waste for shipment, so they are not voluntarily involved in the waste transportation business. The railroads are large entities with sizable assets to satisfy the judgments rendered against them. Thus, they are normally self-insured against damages, including damages resulting from hazardous waste.

Railroads do everything in their power to avoid accidents, and greater liability and expense will give them no greater incentive.

For truck transporters, this amendment will also not achieve the desired enhancement of safety. All waste transporters are intensely regulated by the Department of Transportation and the Nuclear Regulatory Commission and are subject to fines and imprisonment for violations of their regulations. Additionally, the expense for any new insurance they are required to purchase will only be passed on to the shipper as an additional cost of doing business.

Finally, subrogation of any payments under Price-Anderson will subvert the purposes of Price-Anderson for prompt payment of public damages, and the promotion of participation in nuclear commerce by large, responsible corporations.

If the transporters of the waste must worry about being held liable for the damages resulting from an accident, they will seek to be independently represented by legal counsel in any claims for damages which will create an adversarial, rather than cooperative, relationship between them and the Department of Energy. This is likely to slow the administration of claims under the act.

If the large truck transportation companies get out of the business because of this contingent liability, what will be left is smaller companies with fewer assets to risk, and less incentive to avoid cutting corners on safety. This result would also achieve the opposite of what the gentleman intends.

For these reasons, Mr. Chairman, I must oppose the gentleman's amendment.

The CHAIRMAN pro tempore (Mr. MURTHA). The question is on the amendment offered by the gentleman from Pennsylvania [Mr. WALGREN].

The question was taken; and the Chairman pro tempore being in doubt, the Committee divided, and there were—ayes 4, noes 13.

Mr. WALGREN. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

Mr. UDALL. Mr. Chairman, I ask unanimous consent that the remaining portions of the bill be printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The text of the remainder of the bill is as follows:

SEC. 3. INDEMNIFICATION AGREEMENTS FOR LICENSEES OF NUCLEAR REGULATORY COMMISSION.

Section 170 c. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(c)) is amended by striking "August 1, 1987" each place it appears and inserting "August 1, 1997".

SEC. 4. INDEMNIFICATION AGREEMENTS FOR ACTIVITIES UNDERTAKEN UNDER CONTRACT WITH DEPARTMENT OF ENERGY.

(a) IN GENERAL.—Section 170 d. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(d)) is amended to read as follows:

"d. INDEMNIFICATION OF CONTRACTORS BY DEPARTMENT OF ENERGY.—(1)(A) In addition to any other authority the Secretary of Energy (in this section referred to as the 'Secretary') may have, the Secretary shall, until August 1, 1999, enter into agreements of indemnification with any person who may conduct activities under a contract with the Department of Energy that involve the risk of public liability and that are not subject to financial protection requirements under subsection b. or agreements of indemnification under subsection c. or k.

"(B)(i)(I) Agreements of indemnification under subparagraph (A) shall be the exclusive means of indemnification under this section for activities described in such subparagraph.

"(II) The Secretary may incorporate in agreements of indemnification under subparagraph (A) the provisions relating to the waiver of any issue or defense as to charitable or governmental immunity authorized in subsection n. (1) to be incorporated in agreements of indemnification. Any such provisions incorporated under this subclause shall apply to any nuclear incident arising out of nuclear waste activities subject to an agreement of indemnification under subparagraph (A).

"(ii) Public liability arising out of nuclear waste activities subject to an agreement of indemnification under subparagraph (A) that are funded by the Nuclear Waste Fund established in section 302 of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222) shall be compensated from the Nuclear Waste Fund in an amount not to exceed the maximum amount of financial protection required of licensees under subsection b. (except as provided in subsection e. (3)(B)) and subject to the limitations in section 302(e)(2) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222).

"(iii) Public liability subject to an agreement of indemnification under subparagraph (A) that arises out of activities not specified in clause (ii) shall be compensated in accordance with the provisions of this Act and, to the extent approved in appropriation Acts, from the general revenues of the Treasury.

"(2) In agreements of indemnification entered into under paragraph (1), the Secretary may require the contractor to provide and maintain financial protection of such a type and in such amounts as the Secretary shall determine to be appropriate to cover public liability arising out of or in connection with the contractual activity, and shall indemnify the persons indemnified against such claims above the amount of the financial protection required, to the full extent of the aggregate public liability of the persons indemnified for each nuclear incident, including such legal costs of the contractor as are approved by the Secretary.

"(3)(A) Notwithstanding paragraph (2), if the maximum amount of financial protection required of licensees under subsection b. is increased by the Commission, the amount of indemnity, together with any financial protection required of the contractor, shall at all times remain equal to or greater than the maximum amount of financial protection required of licensees under subsection b.

"(B) The amount of indemnity provided contractors under this subsection shall not, at any time, be reduced in the event that the maximum amount of financial protection required of licensees is reduced.

"(C) All agreements of indemnification under which the Department of Energy (or its predecessor agencies) may be required to indemnify any person, shall be deemed to be amended, on the date of the enactment of the Price-Anderson Amendments Act of 1987, to reflect the amount of indemnity for public liability and any applicable financial protection required of the contractor under this subsection on such date.

"(4) Financial protection under paragraph (2) and indemnification under paragraph (1) shall be the exclusive means of financial protection and indemnification under this section for any Department of Energy demonstration reactor licensed by the Commission under section 202 of the Energy Reorganization Act of 1974 (42 U.S.C. 5842).

"(5) In the case of nuclear incidents occurring outside the United States, the amount of the indemnity provided by the Secretary under this subsection shall not exceed $100,000,000.

"(6) The provisions of this subsection may be applicable to lump sum as well as cost type contracts and to contracts and projects financed in whole or in part by the Secretary.

"(7) A contractor with whom an agreement of indemnification has been executed under paragraph (1)(A) and who is engaged in activities connected with the underground detonation of a nuclear explosive device shall be liable, to the extent so indemnified under this subsection, for injuries or damage sustained as a result of such detonation in the same manner and to the same extent as would a private person acting as principal, and no immunity or defense founded in the Federal, State, or municipal character of the contractor or of the work to be performed under the contract shall be effective to bar such liability.".

(b) DEFINITIONS.—Section 11 of the Atomic Energy Act of 1954 (42 U.S.C. 2014) is amended by adding at the end the following new subsections:

"dd. The terms 'high-level radioactive waste' and 'spent nuclear fuel' have the meanings given such terms in section 2 of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10101).

"ee. The term 'transuranic waste' means material contaminated with elements that have an atomic number greater than 92, including neptunium, plutonium, americium, and curium, and that are in concentrations greater than 10 nanocuries per gram, or in such other concentrations as the Nuclear Regulatory Commission may prescribe to protect the public health and safety.

"ff. The term 'nuclear waste activities', as used in section 170, means activities subject to an agreement of indemnification under subsection d. of such section, that the Secretary of Energy is authorized to undertake, under this Act or any other law, involving the storage, handling, transportation, treatment, or disposal of, or research and development on, spent nuclear fuel, high-level radioactive waste, or transuranic waste, including (but not limited to) activities authorized to be carried out under the Waste Isolation Pilot Project under section 213 of Public Law 96-164 (93 Stat. 1265).".

SEC. 5. PRECAUTIONARY EVACUATIONS.

(a) COSTS INCURRED BY STATE GOVERNMENTS.—Section 11 w. of the Atomic Energy Act of 1954 (42 U.S.C. 2014(w)) is amended by inserting after "nuclear incident" the first place it appears the following: "or precautionary evacuation (including all reasonable additional costs incurred by a State, or a political subdivision of a State, in the course of responding to a nuclear incident or a precautionary evacuation)".

(b) DEFINITION.—Section 11 of the Atomic Energy Act of 1954 (42 U.S.C. 2014), as previously amended by this Act, is further amended by adding at the end the following new subsection:

"gg. The term 'precautionary evacuation' means an evacuation of the public within a specified area near a nuclear facility, or the transportation route in the case of an accident involving transportation of source material, special nuclear material, byproduct material, high-level radioactive waste, spent nuclear fuel, or transuranic waste to or from a production or utilization facility, if the evacuation is—

"(1) the result of any event that is not classified as a nuclear incident but that poses imminent danger of bodily injury or property damage from the radiological properties of source material, special nuclear material, byproduct material, high-level radioactive waste, spent nuclear fuel, or transuranic waste, and causes an evacuation; and

"(2) initiated by an official of a State or a political subdivision of a State, who is authorized by State law to initiate such an evacuation and who reasonably determined that such an evacuation was necessary to protect the public health and safety.".

(c) LIMITATION.—Section 170 of the Atomic Energy Act of 1954 (42 U.S.C. 2210) is amended by adding at the end the following new subsection:

"q. LIMITATION ON AWARDING OF PRECAUTIONARY EVACUATION COSTS.—No court may award costs of a precautionary evacuation unless such costs constitute a public liability.".

SEC. 6. AGGREGATE PUBLIC LIABILITY FOR SINGLE NUCLEAR INCIDENT.

Section 170 e. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(e)) is amended to read as follows:

"e. LIMITATION ON AGGREGATE PUBLIC LIABILITY.—(1) The aggregate public liability for a single nuclear incident of persons indemnified, including such legal costs as are authorized to be paid under subsection o. (1)(D), shall not exceed—

"(A) in the case of facilities designed for producing substantial amounts of electricity and having a rated capacity of 100,000 electrical kilowatts or more, the maximum amount of financial protection required of such facilities under subsection b. (plus any surcharge assessed under subsection o. (1)(E));

"(B) in the case of contractors with whom the Secretary has entered into an agreement of indemnification under subsection d., the maximum amount of financial protection required under subsection b. or the amount of indemnity and financial protection that may be required under paragraph (3) of subsection d., whichever amount is more; and

"(C) in the case of all other licensees of the Commission required to maintain financial protection under this section—

"(i) $500,000,000, together with the amount of financial protection required of the licensee; or

"(ii) if the amount of financial protection required of the licensee exceeds $60,000,000, $560,000,000 or the amount of financial protection required of the licensee, whichever amount is more.

"(2) In the event of a nuclear incident involving damages in excess of the amount of aggregate public liability under paragraph (1), the Congress will thoroughly review the particular incident in accordance with subsection i., and take whatever action is determined to be necessary (including approval of appropriate compensation plans and appropriation of funds) to provide full and prompt compensation to the public for all public liability claims resulting from a disaster of such magnitude.

"(3)(A) The limitation on aggregate public liability established under paragraph (1)(B) shall not apply to any nuclear incident arising from nuclear waste activities if—

"(i) a court, acting pursuant to subsection o., determines that public liability from such nuclear incident is likely to exceed the amount of aggregate public liability under subparagraph (B) of paragraph (1); and

"(ii) the Congress does not act to provide for the full and prompt compensation to the public for such public liability resulting from such nuclear incident within 1 year of the submission by the President to the Congress of a compensation plan under subsection i. (2)(C).

"(B) Public liability arising under subparagraph (A) shall be compensated in accordance with the provisions of this Act as follows:

"(i) Public liability arising from nuclear waste activities funded by the Nuclear Waste Fund established in section 302 of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222) shall be compensated from the Nuclear Waste Fund. If sufficient amounts are not available in the Nuclear Waste Fund to expeditiously compensate such claims, the Secretary shall exercise the authority provided in subsections (a)(4) and (e)(5) of section 302 of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222 (a)(4) and (e)(5)).

"(ii) Public liability arising from any activity subject to an agreement of indemnification under subsection d., not described in clause (i) shall be compensated from the general revenues of the Treasury.

"(4) No provision of paragraph (1) may be construed to preclude the Congress from enacting a revenue measure, applicable to licensees of the Commission required to maintain financial protection pursuant to subsection b., to fund any action undertaken pursuant to paragraph (2).

"(5) With respect to any nuclear incident occurring outside of the United States to which an agreement of indemnification entered into under the provisions of subsection d. is applicable, such aggregate public liability shall not exceed the amount of $100,000,000, together with the amount of financial protection required of the contractor.".

SEC. 7. COMPENSATION PLANS.

(a) IN GENERAL.—Section 170 i. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(i)) is amended to read as follows:

"i. COMPENSATION PLANS.—(1) After any nuclear incident involving damages that are likely to exceed the applicable amount of aggregate public liability under subparagraph (A), (B), or (C) of subsection e. (1), the Secretary or the Commission, as appropriate, shall—

"(A) make a survey of the causes and extent of damage; and

"(B) expeditiously submit a report setting forth the results of such survey to the Congress, to the Representatives of the affected districts, to the Senators of the affected States, and (except for information that will cause serious damage to the national defense of the United States) to the public, to the parties involved, and to the courts.

"(2) Not later than 90 days after any determination by a court, pursuant to subsection o., that the public liability from a single nuclear incident may exceed the applicable amount of aggregate public liability under subparagraph (A), (B), or (C) of subsection e. (1) the President shall submit to the Congress—

"(A) an estimate of the aggregate dollar value of personal injuries and property damage that arises from the nuclear incident and exceeds the amount of aggregate public liability under subsection e. (1);

"(B) recommendations for additional sources of funds to pay claims exceeding the applicable amount of aggregate public liability under subparagraph (A), (B), or (C) of subsection e. (1), which recommendations shall consider a broad range of possible sources of funds (including possible revenue measures on the sector of the economy, or on any other class, to which such revenue measures might be applied);

"(C) 1 or more compensation plans, that either individually or collectively shall provide for full and prompt compensation for all valid claims and contain a recommendation or recommendations as to the relief to be provided, including any recommendations that funds be allocated or set aside for the payment of claims that may arise as a result of latent injuries that may not be discovered until a later date; and

"(D) any additional legislative authorities necessary to implement such compensation plan or plans.".

(b) CONFORMING AMENDMENT.—Section 170 o. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(o)) is amended—

(1) in the matter preceding paragraph (1), by striking "subsection 170 e.:" and inserting "the applicable limit of liability under subparagraph (A), (B), or (C) of subsection e. (1):"; and

(2) by striking paragraph (4).

SEC. 8. DATE OF EXEMPTION FROM FINANCIAL PROTECTION REQUIREMENT.

Section 170 k. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(k)) is amended—

(1) by striking "August 1, 1987" each place it appears and inserting "August 1, 1997"; and

(2) by striking "excluding cost of investigating and settling claims and defending suits for damage;" in paragraph (1) and inserting "including such legal costs of the licensee as are approved by the Commission;".

SEC. 9. PRESIDENTIAL COMMISSION ON CATASTROPHIC NUCLEAR ACCIDENTS.

Section 170 of the Atomic Energy Act of 1954 (42 U.S.C. 2210) is amended by striking subsection l. and inserting the following:

"l. PRESIDENTIAL COMMISSION ON CATASTROPHIC NUCLEAR ACCIDENTS.—(1) Not later than 90 days after the date of the enactment of the Price-Anderson Amendments Act of 1987, the President shall establish a commission (in this subsection referred to as the 'study commission') in accordance with the Federal Advisory Committee Act (5 U.S.C. App.) to study means of fully compensating victims of a catastrophic nuclear accident that exceeds the amount of aggregate public liability under subsection e. (1).

"(2)(A) The study commission shall consist of not less than 7 and not more than 11 members, who—

"(i) shall be appointed by the President; and

"(ii) shall be representative of a broad range of views and interests.

"(B) The members of the study commission shall be appointed in a manner that ensures that not more than a mere majority of the members are of the same political party.

"(C) Each member of the study commission shall hold office until the termination of the study commission, but may be removed by the President for inefficiency, neglect of duty, or malfeasance in office.

"(D) Any vacancy in the study commission shall be filled in the manner in which the original appointment was made.

"(E) The President shall designate 1 of the members of the study commission as chairperson, to serve at the pleasure of the President.

"(3) The study commission shall conduct a comprehensive study of appropriate means of fully compensating victims of a catastrophic nuclear accident that exceeds the amount of aggregate public liability under subsection e. (1), and shall submit to the Congress a final report setting forth—

"(A) recommendations for any changes in the laws and rules governing the liability or civil procedures that are necessary for the equitable, prompt, and efficient resolution and payment of all valid damage claims, including the advisability of adjudicating public liability claims through an administrative agency instead of the judicial system;

"(B) recommendations for any standards or procedures that are necessary to establish priorities for the hearing, resolution, and payment of claims when awards are likely to exceed the amount of funds available within a specific time period; and

"(C) recommendations for any special standards or procedures necessary to decide and pay claims for latent injuries caused by the nuclear incident.

"(4)(A) The chairperson of the study commission may appoint and fix the compensation of a staff of such persons as may be necessary to discharge the responsibilities of the study commission, subject to the applicable provisions of the Federal Advisory Committee Act (5 U.S.C. App.) and title 5, United States Code.

"(B) To the extent permitted by law and requested by the chairperson of the study commission, the Administrator of General Services shall provide the study commission with necessary administrative services, facilities, and support on a reimbursable basis.

"(C) The Attorney General, the Secretary of Health and Human Services, and the Director of the Federal Emergency Management Agency shall, to the extent permitted by law and subject to the availability of funds, provide the study commission with such facilities, support, funds and services, including staff, as may be necessary for the effective performance of the functions of the study commission.

"(D) The study commission may request any Executive agency to furnish such information, advice, or assistance as it determines to be necessary to carry out its functions. Each such agency is directed, to the extent permitted by law, to furnish such information, advice or assistance upon request by the chairperson of the study commission.

"(E) Each member of the study commission may receive compensation at the maximum rate prescribed by the Federal Advisory Committee Act (5 U.S.C. App.) for each day such member is engaged in the work of the study commission. Each member may also receive travel expenses, including per diem in lieu of subsistence under sections 5702 and 5703 of title 5, United States Code.

"(F) The functions of the President under the Federal Advisory Committee Act (5 U.S.C. App.) that are applicable to the study commission, except the function of reporting annually to the Congress, shall be performed by the Administrator of General Services.

"(5) The final report required in paragraph (3) shall be submitted to the Congress not later than the expiration of the 2-year period beginning on the date of the enactment of the Price-Anderson Amendments Act of 1987.

"(6) The study commission shall terminate upon the expiration of the 2-month period beginning on the date on which the final report required in paragraph (3) is submitted.".

SEC. 10. WAIVER OF DEFENSES.

(a) Statute of Limitations.—Section 170 n. (1) of the Atomic Energy Act of 1954 (42 U.S.C. 2210(n)(1)) is amended in clause (iii) of the first sentence by striking the following: ", but in no event more than twenty years after the date of the nuclear incident".

(b) Applicability.—Section 170 n. (1) of the Atomic Energy Act of 1954 (42 U.S.C. 2210(n)(1)) is amended—

(1) by redesignating subparagraphs (a), (b), and (c) as subparagraphs (A), (B), and (C), respectively;

(2) by striking "or" at the end of subparagraphs (A) and (B); and

(3) by inserting after subparagraph (C) the following new subparagraphs:

"(D) arises out of, results from, or occurs in the course of, the construction, possession, or operation of any facility licensed under section 53, 63, or 81, for which the Commission has imposed as a condition of the license a requirement that the licensee have and maintain financial protection under subsection a.,

"(E) arises out of, results from, or occurs in the course of, transportation of source material, byproduct material, or special nuclear material to or from any facility licensed under section 53, 63, or 81, for which the Commission has imposed as a condition of the license a requirement that the licensee have and maintain financial protection under subsection a., or

"(F) arises out of, results from, or occurs in the course of nuclear waste activities.".

SEC. 11. JUDICIAL REVIEW OF CLAIMS ARISING OUT OF A NUCLEAR INCIDENT.

(a) Consolidation of Claims.—Section 170 n. (2) of the Atomic Energy Act of 1954 (42 U.S.C. 2210(n)(2)) is amended—

(1) in the first sentence—

(A) by striking "an extraordinary nuclear occurrence" each place it appears and inserting "a nuclear incident"; and

(B) by striking "the extraordinary nuclear occurrence" each place it appears and inserting "the nuclear incident";

(2) in the second sentence, by inserting after "court" the first place it appears the following: "(including any such action pending on the date of the enactment of the Price-Anderson Amendments Act of 1987)"; and

(3) by adding at the end the following new sentence: "In any action that is or becomes removable pursuant to this paragraph, a petition for removal shall be filed within the period provided in section 1446 of title 28, United States Code, or within the 30-day period beginning on the date of the enactment of the Price-Anderson Amendments Act of 1987, whichever occurs later.".

(b) Definition of Public Liability Action.—Section 11 of the Atomic Energy Act of 1954 (42 U.S.C. 2014), as previously amended by this Act, is further amended by adding at the end the following new subsection:

"hh. The term 'public liability action', as used in section 170, means any suit asserting public liability. A public liability action shall be deemed to be an action arising under section 170, and the substantive rules for decision in such action shall be derived from the law of the State in which the nuclear incident involved occurs, unless such law is inconsistent with the provisions of such section.".

(c) Special Caseload Management Panel.—Section 170 n. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(n)) is amended by adding at the end the following new paragraph:

"(3)(A) Following any nuclear incident, the chief judge of the United States district court having jurisdiction under paragraph (2) with respect to public liability actions (or the judicial council of the judicial circuit in which the nuclear incident occurs) may appoint a special caseload management panel (in this paragraph referred to as the 'management panel') to coordinate and assign (but not necessarily hear themselves) cases arising out of the nuclear incident, if—

"(i) a court, acting pursuant to subsection o., determines that the aggregate amount of public liability is likely to exceed the amount of primary financial protection available under subsection b. (or an equivalent amount in the case of a contractor indemnified under subsection d.); or

"(ii) the chief judge of the United States district court (or the judicial council of the judicial circuit) determines that cases arising out of the nuclear incident will have an unusual impact on the work of tme court.

"(B)(i) Each management panel shall consist only of members who are United States district judges or circuit judges.

"(ii) Members of a management panel may include any United States district judge or circuit judge of another district court or court of appeals, if the chief judge of such other district court or court of appeals consents to such assignment.

"(C) It shall be the function of each management panel—

"(i) to consolidate related or similar claims for hearing or trial;

"(ii) to establish priorities for the handling of different classes of cases;

"(iii) to assign cases to a particular judge or special master;

"(iv) to appoint special masters to hear particular types of cases, or particular elements or procedural steps of cases;

"(v) to promulgate special rules of court, not inconsistent with the Federal Rules of Civil Procedure, to expedite cases or allow more equitable consideration of claims;

"(vi) to implement such other measures, consistent with existing law and the Federal Rules of Civil Procedure, as will encourage the equitable, prompt, and efficient resolution of cases arising out of the nuclear incident; and

"(vii) to assemble and submit to the President such data, available to the court, as may be useful in estimating the aggregate damages from the nuclear incident.".

(d) Legal Costs.—

(1) Payment Criteria.—Section 170 o. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(o)), as previously amended by this Act, is further amended by—

(A) inserting after the subsection designation the following: "Plan for Distribution of Funds.—(1)";

(B) redesignating paragraphs (1) through (3) as subparagraphs (A) through (C); and

(C) adding at the end the following:

"(D) A court may authorize payment of only such legal costs as are permitted under paragraph (2) from the amount of financial protection required by subsection b.

"(E) If the sum of public liability claims and legal costs authorized under paragraph (2) arising from any nuclear incident exceeds the maximum amount of financial protection required under subsection b., any licensee required to pay a standard deferred premium under subsection b. (1) shall, in addition to such deferred premium, be charged such an amount as is necessary to pay a pro rata share of such claims and costs, but in no case more than 5 percent of the maximum amount of such standard deferred premium described in such subsection.

"(2) A court may authorize the payment of legal costs under paragraph (1)(D) only if the person requesting such payment has—

"(A) submitted to the court the amount of such payment requested; and

"(B) demonstrated to the court—

"(i) that such costs are reasonable and equitable; and

"(ii) that such person has—

"(I) litigated in good faith;

"(II) avoided unnecessary duplication of effort with that of other parties similarly situated;

"(III) not made frivolous claims or defenses; and

"(IV) not attempted to unreasonably delay the prompt settlement or adjudication of such claims.".

(2) Definition of legal costs.—Section 11 of the Atomic Energy Act of 1954 (42 U.S.C. 2014), as previously amended by this Act, is further amended by adding at the end the following new subsection:

"jj. Legal Costs.—As used in section 170, the term 'legal costs' means the costs incurred by a plaintiff or a defendant in initiating, prosecuting, investigating, settling, or defending claims or suits for damage arising under such section.".

SEC. 12. REPORTS TO CONGRESS4BY NUCLEAR REGULATORY COMMISSION AND DEPARTMENT OF ENERGY.

Section 170 p. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(p)) is amended—

(1) by inserting "(1)" after the subsection designation;

(2) by striking "shall submit to the Congress by August 1, 1983, a detailed report", and inserting the following: "and the Secretary shall submit to the Congress by August 1, 1993, detailed reports"; and

(3) by adding at the end the following new paragraphs:

"(2) Not later than April 1 of each year, the Commission and the Secretary shall each submit an annual report to the Congress setting forth the activities under this section during the preceding calendar year.

"(3) Not later than February 1, 1988, the Secretary shall submit a report to the Congress identifying and explaining the criminal and civil liabilities of all Department of Energy contractors and other persons indemnified who intentionally cause or attempt to cause a nuclear accident at a Department of Energy facility. The Secretary shall include in such report such recommendations as the Secretary determines to be appropriate for punishing such misconduct, enacting new provisions of law, or clarifying law in effect on August 1, 1987.".

SEC. 13. LIABILITY OF LESSORS.

Section 170 of the Atomic Energy Act of 1954 (42 U.S.C. 2210), as previously amended by this Act, is further amended by adding at the end the following new subsection:

"r. Limitation on Liability of Lessors.—No person under a bona fide lease of any utilization or production facility (or part thereof or undivided interest therein) shall be liable by reason of an interest as lessor of such production or utilization facility, for any legal liability arising out of or resulting from a nuclear incident resulting from such facility, unless such facility is in the actual possession and control of such person at the time of the nuclear incident giving rise to such legal liability.".

SEC. 14. PUNITIVE DAMAGES.

Section 170 of the Atomic Energy Act of 1954 (42 U.S.C. 2210), as previously amended by this Act, is further amended by adding at the end the following new subsection:

"s. Limitation on Punitive Damages.—No court may award punitive damages in any action with respect to a nuclear incident or precautionary evacuation against a person on behalf of whom the United States is obligated to make payments under an agreement of indemnification covering such incident or evacuation.".

SEC. 15. INFLATION ADJUSTMENT.

Section 170 of the Atomic Energy Act of 1954 (42 U.S.C. 2210), as previously amended by this Act, is further amended by adding at the end the following new subsection:

"t. Inflation Adjustment.—(1) The Commission shall adjust the amount of the maximum standard deferred premium under subsection b. (1) not less than once during each 5-year period following the date of the enactment of the Price-Anderson Amendments Act of 1987, in accordance with the aggregate percentage change in the Consumer Price Index since—

"(A) such date of enactment, in the case of the first adjustment under this subsection; or

"(B) the previous adjustment under this subsection.

"(2) For purposes of this subsection, the term 'Consumer Price Index' means the Consumer Price Index for all urban consumers published by the Secretary of Labor.".

SEC. 16. TECHNICAL AND CONFORMING AMENDMENTS.

(a) References to Nuclear Regulatory Commission.—

(1) Section 11 q. of the Atomic Energy Act of 1954 (42 U.S.C. 2014(q)) is amended by striking "Commission" each place it appears and inserting "Nuclear Regulatory Commission".

(2) Section 170 a. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(a)) is amended by striking "Commission" in the first sentence and inserting the following: "Nuclear Regulatory Commission (in this section referred to as the 'Commission')".

(b) References to Secretary of Energy.—

(1) Subsections j. and m. of section 11 of the Atomic Energy Act of 1954 (42 U.S.C. 2014) are amended by striking "Commission" each place it appears and inserting the following: "Nuclear Regulatory Commission or the Secretary of Energy, as appropriate,".

(2) Section 11 t. (2) of the Atomic Energy Act of 1954 (42 U.S.C. 2014(t)(2)) is amended by striking "Commission" and inserting "Secretary of Energy".

(3) Section 170 f. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(f)) is amended by inserting after "Commission" the first 2 places it appears the following: "or the Secretary, as appropriate,".

(4) Subsections g., h., j., and m. of section 170 of the Atomic Energy Act of 1954 (42 U.S.C. 2210) are amended by inserting after "Commission" each place it appears the following: "or the Secretary, as appropriate,".

(5) Section 170 n. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(n)) is amended—

(A) in paragraph (1)—

(i) by striking "Commission" in subparagraph (C) and inserting "Department of Energy"; and

(ii) by inserting after "Commission" the second place it appears the following: "or the Secretary, as appropriate,"; and

(B) in paragraph (2), by inserting after "Commission" the following: "or the Secretary, as appropriate".

(6) Section 170 o. (1)(C), as redesignated by section 11(d)(1) of the bill, is amended—

(A) by inserting after "Commission" the first place it appears the following: "or the Secretary, as appropriate,"; and

(B) by inserting after "Commission" the second place it appears the following: "or the Secretary, as appropriate".

(c) References to Revised Statutes.—

(1) Section 170 g. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(g)) is amended by inserting "(41 U.S.C. 5)" after "Statutes".

(2) Section 170 j. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(j)) is amended by striking "section 3679 of the Revised Statutes, as amended" and inserting the following: "sections 1341, 1342, 1349, 1350, and 1351, and subchapter II of chapter 15, of title 31, United States Code".

(d) Internal Cross-References.—

(1) Section 11 q. of the Atomic Energy Act of 1954 (42 U.S.C. 2014(q)) is amended by striking "subsection" each place it appears and inserting "section".

(2) Section 11 t. of the Atomic Energy Act of 1954 (42 U.S.C. 2014(t)) is amended by striking "subsection" each place it appears and inserting "section".

(3) Section 11 w. of the Atomic Energy Act of 1954 (42 U.S.C. 2014(w)) is amended by striking "subsections 170 a., c., and k." and inserting "subsections a., c., and k. of section 170".

(4) Section 170 a. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(a)) is amended—

(A) in the first sentence, by striking "subsection 2 i. of the Atomic Energy Act of 1954, as amended" and inserting "section 2 i.";

(B) in the first sentence, by striking "subsection 170 b." and inserting "subsection b."; and

(C) in the second sentence, by striking "subsection 170 c." and inserting "subsection c.".

(5) Section 170 k. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(k)) is amended in the first sentence by striking "subsection 170 a." and inserting "subsection a.".

(6) Section 170 n. (1) of the Atomic Energy Act of 1954 (42 U.S.C. 2210(n)(1)) is amended in the last sentence by striking "subsection 170 e." and inserting "subsection e.".

(7) Section 170 o. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(o)) is amended in subparagraph (B), as redesignated by section 11 (d)(1) of the bill, by striking "subparagraph (3) of this subsection (o)" and inserting "subparagraph (C)".

(e) Subsection Captions.—

(1) Section 170 a. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(a)) is amended by inserting after the subsection designation the following: "Requirement of Financial Protection for Licensees.—".

(2) Section 170 b. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(b)) is amended by inserting after the subsection designation the following: "Amount and Type of Financial Protection for Licensees.—".

(3) Section 170 c. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(c)) is amended by inserting after the subsection designation the following: "Indemnification of Licensees by Nuclear Regulatory Commission.—".

(4) Section 170 f. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(f)) is amended by inserting after the subsection designation the following: "Collection of Fees by Nuclear Regulatory Commission.—".

(5) Section 170 g. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(g)) is amended by inserting after the subsection designation the following: "Use of Services of Private Insurers.—".

(6) Section 170 h. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(h)) is amended by inserting after the subsection designation the following: "Conditions of Agreements of Indemnification.—".

(7) Section 170 j. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(j)) is amended by inserting after the subsection designation the following: "Contracts in Advance of Appropriations.—".

(8) Section 170 k. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(k)) is amended by inserting after the subsection designation the following: "Exemption from Finan-

CIAL PROTECTION REQUIREMENT FOR NONPROFIT EDUCATIONAL INSTITUTIONS.—".

(9) Section 170 m. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(m)) is amended by inserting after the subsection designation the following: "COORDINATED PROCEDURES FOR PROMPT SETTLEMENT OF CLAIMS AND EMERGENCY ASSISTANCE.—".

(10) Section 170 n. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(n)) is amended by inserting after the subsection designation the following: "WAIVER OF DEFENSES AND JUDICIAL PROCEDURES.—".

(11) Section 170 p. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(p)) is amended by inserting after the subsection designation the following: "REPORT TO CONGRESS.—".

SEC. 17. EFFECTIVE DATE.

(a) Except as provided in subsection (b), the amendments made by this Act shall become effective on the date of the enactment of this Act and shall be applicable with respect to nuclear incidents occurring on or after such date.

(b) The amendments made by section 11 shall apply to nuclear incidents occurring before, on, or after the date of the enactment of this Act.

AMENDMENT OFFERED BY MR. GEKAS

Mr. GEKAS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GEKAS: Page 32, line 21, strike "not less" and all that follows through "period" on line 22 and insert "once during each one year period".

Mr. GEKAS. Mr. Chairman, the amendment before us is a very unique idea. I believe we ought to adopt it. I would like to have the committees just tell me that they are going to adopt the amendment. As I understand it, this particular amendment was discussed in the committee, and I would like to conduct a colloquy at the appropriate time with any one of the Members so I might understand the sense of why this particular amendment was rejected in committee.

The amendment simply substitutes for adjusting the upward limitations for inflation every 5 years and brings it to a yearly adjustment of inflation. So the cap that we have at $7 billion would gradually increase if it increases at all on a yearly basis to adjust for inflation under my amendment, rather than every 5 years as the bill now calls for.

What this would do, if my amendment were adopted, would be to allow companies who are going to establish new nuclear facilities to be able to plan their cost outlays and their entire asset-liability sheet on a yearly basis. The quotient of every 5 years that is put into this bill may not give them enough projection ability to determine the cost of a new nuclear facility, for instance.

I would like to conduct a dialog and talk with any Member who wants to respond in order to inquire why the committee rejected this in the first place. Was it just a compromise for the sake of getting it through, or was it a good idea that was trampled on? I would like to know the answer.

Mr. SHARP. Mr. Chairman, will the gentleman yield?

Mr. GEKAS. I yield to the gentleman from Indiana.

Mr. SHARP. Mr. Chairman, what may not be apparent to Members who were not on the relevant committees last year was the enormous battle to move the cap from what some thought was a high level of $2 billion, as some Members advocated, to the $7 billion that we achieved. At that time those of us who wished to go on and have cost of living added on annually were continually defeated in that effort.

☐ 1250

There was no cost-of-living increase as the bill was about to come to the House floor in the last Congress.

This year there has been some further improvement from the gentleman's point of view, since it is a 10-year authorization, a 5-year increment that will have a cost-of-living at that time. There is no principled reason. It had to do with the opposing forces.

Mr. GEKAS. It is a good idea whose time is yet to come.

Mr. SHARP. Some of the Members feel like we had a major victory to get the 5-year increment in, and we do admire what the gentleman is trying to do, but there have been some major victories the gentleman may not be aware of at this point.

Mr. LENT. Mr. Chairman, will the gentleman yield?

Mr. GEKAS. Mr. Chairman, I yield to the gentleman from New York.

Mr. LENT. Mr. Chairman, I thank the gentleman for yielding.

I would also like to commend the gentleman for his thoughtfulness in preparing this amendment, but I would like to concur in the remarks of the gentleman from Indiana [Mr. SHARP], the distinguished chairman of the Subcommittee on Energy and Power.

It is a very complicated bill, a very delicate mosaic; and if we start moving the pieces around, and perhaps this is why all of the amendments that have been thus far offered have been shot down, because we do not want to disturb the compromise that has been very carefully worked out between the various committees, three of them, that have been working on this for 2 years.

We are right now at the threshold of passing this bill, and this is an 11th-hour amendment; and frankly I am going to have to regretfully oppose the gentleman's amendment.

Mr. MOORHEAD. Mr. Chairman, will the gentleman yield?

Mr. GEKAS. I yield to the gentleman from California.

Mr. MOORHEAD. Mr. Chairman, I thank the gentleman for yielding.

The idea sounds good. When we take up an amendment such as this, the costs of rearranging the finances on a yearly basis are much greater. We do not know what it would be exactly.

It is a different formula, a different situation that the compliance would have to adjust to.

We have got the 5-year adjustment. It was a hard thing for many people to swallow to get that 5-year adjustment into the bill, and also to raise the total limits from $800 million to $7 billion.

I think we have a much better chance of getting this bill through in the form that it is in. While the gentleman has an idea that may be adopted in the future, I think it would be a mistake to put it in the bill at this time.

Mr. ECKART. Mr. Chairman, will the gentleman yield?

Mr. GEKAS. I yield to the gentleman from Ohio.

Mr. ECKART. Mr. Chairman, I thank the gentleman for yielding.

I think the gentleman's amendment is thoughtful, and it is intellectually and economically honest.

Around here we index all sorts of things, Social Security, defense contract payments; but we cannot do this.

The CHAIRMAN pro tempore (Mr. MURTHA). The time of the gentleman from Pennsylvania [Mr. GERKAS] has expired.

(On request of Mr. ECKART, and by unanimous consent, Mr. GEKAS was allowed to proceed for 1 additional minute.)

Mr. ECKART. Mr. Chairman, will the gentleman yield further?

Mr. GEKAS. I yield to the gentleman from Ohio.

Mr. ECKART. Mr. Chairman, I thank the gentleman for yielding.

The gentleman is approaching this matter in a very thoughtful and intelligent way.

I would only hope being very good at reading the tea leaves around here, I am used to swimming upstream, but not swimming up the Niagara Falls.

The gentleman's amendment is very good, very thoughtful, and hopefully we can keep pressure on.

Mr. GEKAS. Mr. Chairman, I thank the gentleman. I do want to place this on the record.

I can sense what the outcome will be on the voice vote that is about to occur, but I am going to yell as loudly as I can "yes" when the Chair asks for a vote and would hope that your noes would be muffled.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. GEKAS].

The amendment was rejected.

AMENDMENT OFFERED BY MRS. COLLINS

Mrs. COLLINS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. COLLINS: Page 7, after line 3, add the following new subsection:

(e)(1) PASS-THROUGH OF DEFERRED PREMIUM COSTS.—Section 170 b. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(b)) is amended by adding at the end of the following new paragraph:

"(5)(A) The regulatory authority for any electric utility may exclude all or part of any amount paid as a deferred premium by a utility from the rates which the utility would otherwise be authorized to charge to its customers only in accordance with subparagraph (B).

"(B) If the net income of a utility increases by an amount equal to or greater than 10 percent during the period beginning 2 years prior to the payment of a deferred premium and ending in the year immediately preceding the payment of such deferred premium, then—

"(i) the regulatory authority shall balance the financial impact of such an exclusion on the utility and on the customers of such utility; and

"(ii) determine whether all or part of any deferred premium amount may be excluded from such rates.

"(C) For purposes of this paragraph, the net income of an electric utility for a year shall be determined by the regulatory authority based on annual accounting statements submitted by the utility to the regulatory authority.

"(D) As used in this paragraph—

"(i) The term 'regulatory authority' means the Federal Energy Regulatory Commission or the State regulatory authority (as defined in section 3(21) of the Federal Power Act (16 U.S.C. 796 (21)), as appropriate.

"(ii) The term 'year' means the fiscal year of the utility used for purposes of submitting accounting statements to the regulatory authority.".

Mrs. COLLINS [during the reading]. Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentlewoman from Illinois?

There was no objection.

Mrs. COLLINS. Mr. Chairman, my amendment goes to the issue of whether a regulatory commission should routinely allow a utility to pass through its cost of paying Price-Anderson insurance premiums to ratepayers.

In the past, to whom did a utility turn to pay its allegedly higher Federal income tax bills? Ratepayers.

Today, to whom are utilities looking to pay for the exorbitant cost of new plants or even those that have been abandoned? Ratepayers.

And, in the future, to whom are utilities going to turn to pay their Price-Anderson premiums if a nuclear accident occurs? Ratepayers.

Well, now it's time for Congress to tell utilities, "You have picked the pockets of ratepayers long enough. It's time you who run the utility companies, management and shareholders, really felt the financial consequences of your decisions."

My amendment protects the interests of ratepayers in a simple, straightforward way: It encourages a regulatory commission to balance the financial ability of a utility to pay these premiums, against the ability of its ratepayers to pay this expense. It simply states that if a utility's net income increases by 10 percent or more during the 2-year period prior to its payment of a deferred premium, and ending in the year immediately preceding such payment, then a commission would have the discretion to decide whether to exclude some or all of a utility's premiums from rates.

The need for this amendment is clear because it is uncertain that regulatory commissions have this discretion.

One fact, however, is certain. Ratepayers are facing higher and higher electric bills. Between 1981 and 1986, the average residential utility bill rose nearly $200 annually. Within the last year, ratepayers in Arkansas, Pennsylvania, Kansas, and Montana have been shocked to see their electric bills rise anywhere from 10 to 20 percent.

If ratepayers are left holding the bag for these premium payments, this will grossly aggravate their financial predicament. In my State of Illinois, and in States like Connecticut, California, Pennsylvania, Ohio, Washington, Arizona, Texas, Nebraska, Minnesota, Arkansas, Louisiana, Mississippi, Alabama, Florida, Georgia, South Carolina, North Carolina, Tennessee, Virginia, Maryland, New Jersey, New York, Massachusetts, Indiana, Michigan, and Wisconsin—all of which have more than one nuclear generating plant—ratepayers will owe a considerable sum. For example, Chicago's utility, Commonwealth Edison, owns, or shares in the ownership of, 12 nuclear facilities. Therefore, Chicago ratepayers could be potentially liable for nearly $760 million in premium payments, or over 10 percent of the total compensation pool provided by this act. Clearly, this is an unconscionably disproportionate share that will have to be borne by Chicago's already overburdened ratepayers.

I believe this is grossly inequitable because ratepayers had no say whatsoever in their utility's decision to construct a particular type of generating plant. Such decisions were made by the utility's management, with the concurrence of its shareholders who ought to at least help bear the cost.

Now some will argue that utility management teams made this decision because nuclear power promised ratepayers a host of benefits, but these promises have proven to be largely illusory. Nuclear powerplants have been plagued by cost overruns. The construction of many have been delayed considerably, if they have been built at all. Yet, in each of these circumstances, utilities insist that ratepayers pay for these abandoned or nonfunctioning plants which won't generate a single kilowatt of electricity. Now they are asking ratepayers to pick up the tab if one of those that is operating has an accident. I say, again, "enough is enough."

Given the industry's current financial position, a sharing of the payment of Price-Anderson premiums will not work a hardship on companies. Overall, the utility industry posted a healthy 12-percent gain in net income in 1986—a substantial improvement over the 15-percent drop they suffered in 1985.

The financial health of this industry is so good that utilities are diversifying into a number of nonutility ventures, ranging from investments in aircraft leasing equipment, to running banks, to operating the Nation's largest drugstore chain. In fact, diversification has become such a hot idea in the industry that one utility analyst predicts more utilities will participate once they generate the needed cash. Therefore, there is absolutely no reason why this excess cash could not be used to pay some, if not all, of a utility's Price-Anderson premiums.

This amendment will cause little, if any, diminution in the attractiveness of utility stocks. On the contrary, Standard and Poor's current analysis of the electric utility says "benefiting from improved cash flow, investors can expect higher dividends for the balance of this decade." Indeed, shareholders are reaping these financial gains from the financial hardships that are being imposed on senior citizens, the poor and those on fixed incomes. Again, Mr. Chairman, there is no reason why shareholders cannot share in the payment of these premiums if it only means a small reduction in the higher dividends they will be receiving.

Finally, in addition to balancing the financial interests of ratepayers and shareholders, this amendment will promote greater safety and accountability in the nuclear industry. If utilities know their shareholders could be liable for paying Price-Anderson, they are likely to keep a closer watch over contractors to ensure plants are built properly, and over employees to make sure facilities are operated correctly.

Mr. Chairman, I offered this amendment in committee and it was defeated because my distinguished colleague, the chairman of the Energy and Power Subcommittee, Mr. SHARP, said utility commissions already have the discretion to do what my amendment asks them to do.

For too long, Illinois ratepayers, and ratepayers throughout this Nation, heard the hollow words of their regulatory commissions that they would protect them from exorbitant utility bills; but bills continued to go up, until

State legislatures and consumer groups put Commissioners on notice that they weren't going to tolerate the routine passthrough of utility expenses. And now, thank goodness, the Illinois Commerce Commission, like many State commissions, is carefully scrutinizing a utility's expenses before they are charged to ratepayers.

I think the same situation applies here. The mere suggestion that utility commissions have the discretion to apportion these costs is not enough. Congress has to put regulators on notice that ratepayers have paid enough and it is time utilities shared in the financial burden of their decisions.

Indeed, that is exactly the intent of my amendment. It sets out in positive law that, under certain financial circumstances, commissions shall balance the interests of ratepayers and utility shareholders, and make sure neither pays a disproportionate share of the costs associated with Price-Anderson.

I urge my colleagues to support my amendment.

Mr. UDALL. Mr. Chairman, I rise in opposition to the amendment.

Price-Anderson was a simple idea, and it has been renewed every 10 years since 1957.

We are dealing with a dangerous technology, and people have strong views, and it is not surprising that many extraneous issues are being injected into this debate.

This is not the time or place to decide the transportation issues in the nuclear field. It is not the time or place to fix new relationships between DOE contractors and the Department of Energy itself.

□ 1300

It is not the place to deal with the subrogation of liabilities issue that we have discussed here over the last 24 hours. Particularly I would think this is not the proper time, not even the proper committees, all of them involved in a broad move to single out additional changes in the laws governing the use of nuclear energy; so if we have something there that needs to be changed, let us change it, but let us have some hearings and some orderly procedure, because make no mistake, this is a very wide ranging major change in the authority of State utility commissions and their relationships to nuclear utility rates; so I urge that the amendment be defeated.

Mr. SHARP. Mr. Chairman, I move to strike the requisite number of words.

It is with regret that I must oppose the gentlewoman's amendment. The gentlewoman from Illinois has been a strong and vigorous champion of the consumer, especially on energy matters that we have in the Energy and Commerce Committee.

Two things I think should be pointed out. First of all, this is Federal intervention with State regulatory authority. The fact is that the State of Illinois, or any other State, can at this point in their regulatory apparatus and through their Public Utility Commission, choose not to allow the passthrough or state under what conditions it would be allowed.

I would clearly want the record to show that if we do reject the gentlewoman's amendment and it is not accepted today, that is not an endorsement by the Federal Congress of how the public utility commissions should handle these costs should they ever have to be paid. That is a question that is currently left to the State public utility commissions, and which the bill before us will leave to the public utility commission. The gentlewoman raises some serious concerns and she would like to try to solve that problem, but we have decided not to deal with these in the bill. If we do not accept her amendment, that does not mean we deal with it, either; my point being that no one should therefore interpret the record as an endorsement of passthrough.

If we got to the merits of her proposal, which she has worked very hard on, one of the difficulties that we would have in doing this at the Federal level is that we would be dealing with only one very narrow spectrum of potential costs in a electric utility system.

Therefore, the public utility commission of Illinois or any other State could frustrate what we are doing, because of its ability in the regulation of the complex finances of that utility to find other ways to pass through these costs if it were so inclined to do so.

So we are somewhat inhibited in our ability to reach the desired impact, even though I know raising the tough issue may help get a strong point across, Mr. Chairman.

Mrs. COLLINS. Mr. Chairman, will the gentleman yield?

Mr. SHARP. I am happy to yield to the gentlewoman from Illinois.

Mrs. COLLINS. My concern, Mr. Chairman, is that even though we are leaving it to the States, there is no language whatsoever that addresses this question and provides a guideline for States to make those kinds of decisions. Surely they have the ability to do that, but they have not done it thus far. I cannot see in any language where it is said that they have this discretion. It is a positive statement to let them know in fact that it is there and they can use it as an alternative should they want to.

Mr. SHARP. Well, the gentlewoman is correct. There is no addressing of the issue in the bill before us either way.

Mrs. COLLINS. That is right.

Mr. SHARP. The gentlewoman correctly points this out, and I realize that creates distress for her. I do want the record here to be clear, whatever the outcome is on her amendment, that the bill has addressed her point, and by that I mean we have not endorsed the passthrough by passage of this legislation.

Mrs. COLLINS. Mr. Chairman, I thank the gentleman for yielding.

Mr. HASTERT. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the amendment offered by the gentlewoman from Illinois.

Mr. Chairman, I support and commend the gentlewoman from Illinois for bringing this issue before the body. I certainly hate as a freshman to disagree with the learned and certainly acclaimed gentleman from the other side of the aisle, the gentleman from Utah, who was talking about that this is not the time.

What we have done in this piece of legislation is to put tremendous costs out there on the backs of somebody, and the somebody happens to be the ratepayer, the same somebody in the State of Illinois from which I come that happens to have paid for utility plants back in the 1960's that were supposed to cost $500 million and today cost $5 billion. They are picking up that cost.

I hate to disagree with the other gentleman who stood up in opposition to this bill, but it just so happens that I wrote the Public Utility Act, or rewrote the Public Utility Act in the State of Illinois during my tenure in the general assembly. I can tell you, Mr. Chairman, that if we remain silent on this issue, the commerce commissions will not pick that issue up.

I think it behooves us as Members of this Congress addressing this very, very important issue, that we do bring this issue before and allow commerce commissions to our various States to at least visit that issue, to make a decision whether they will pick up that cost and share it between ratepayers or utility companies or if the utility companies, in fact, can pay all of it, or if they cannot pay all of it then it should go to the ratepayer, but it should be a decision that is made by that utility company.

This language in this bill, and it is excellently drawn, actually allows a decision to be made. It does not mandate, but it tells the utility commerce commissions in each and every State that they have the right to come and visit this issue, that they are not foreclosed from visiting this issue and discussing it.

I think the language that the gentlewoman from Illinois put in this issue and in this bill is excellent, because it says if these utility companies, who for years have on the backs of the ratepayers been taking dollars, millions and millions of dollars to build these plants, and not giving anything back, all of a sudden they are in a cash rich situation.

The gentlewoman brought out the fact that they are diversifying. They have so much money they cannot pass those dollars on to their stockholders. They need to take those dollars, and if they can share the cost and the burden of paying the insurance costs on this issue, then that is where that decision should be made; but the Utility Commerce Commissions in those States should not be foreclosed from making that decision. That is all that the gentlewoman from Illinois is asking to be done in this amendment.

It is an excellent amendment. It has a great deal of forethought. I support it very, very strongly.

Again I say as the person who wrote the Public Utility Act for the State of Illinois that told those commissions how to draw utility rates, we cannot afford to be silent on this issue. We must make a statement in this act that it is the intention of the Congress that they should have a right and they should have the ability to visit this issue and make their decisions.

Mr. Chairman, I rise in support of the amendment offered by the gentlewoman from Illinois.

As a fellow Member of Congress from Illinois, a State with 12 nuclear power facilities—more than any other State—I have seen the financial hardship placed on ratepayers as the result of the direct passthrough of utility insurance premiums. Illinois is particularly hard hit in that we are the largest contributor to the insurance pool for nuclear facilities which was established under Price-Anderson.

This amendment simply establishes that individual State utility commissions do indeed have the discretion to balance rate increases resulting from insurance premiums between both the ratepayer and the utility. In the past we have seen the direct passthrough of these costs with little attention paid to the ability of the utility to assume a greater portion of these costs.

Price-Anderson, when it was first established in 1957, was a regulatory document, but also a vehicle with which to provide incentives to private industries and utilities to venture into the development of nuclear energy. It has succeeded in large part because it served to protect these industries from financial dangers associated with the development of this new energy source. But I have a question: Who is protecting the consumer of this new product? The ratepayer seems to have been left out of the economic equation. We have a responsibility to not only protect the safety of our citizens, but to protect their pocketbooks as well.

This amendment is not an effort to steal profits from our electric utilities, but rather an effort to clarify the intent of Price-Anderson with regard to how our States regulate the passthrough of premium payments under this act. This amendment would only apply to utilities that show increases in net income of 10 percent or more for the 2 years proceeding the payment of the premium, thus insuring that the utilities are not asked to assume costs which they are simply unable to pay.

I think it is further important to note that the language of this amendment is really quite simple, it does nothing more than clarify that the States, and their regulatory authorities, have the right—and yes the responsibility—to do more than rubberstamp the passthrough of these insurance premiums to customers. However, and this is important, it does not require specific action, but leaves such actions to the discretion of the State regulatory body.

I know how my constituents feel about rate increases—helpless. The rules are made, the costs decided, and then the ratepayer is told to pay for something that he or she has had little or no opportunity to influence. It's time to give the consumer a little muscle in dealing with ever-increasing utility costs, and I believe that this amendment will provide our State regulatory agencies with a clear message as to the intent of Congress in this regard.

Mr. HAYES of Illinois. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, first let me commend the gentlewoman for introducing this amendment.

Mr. Chairman, I rise in support of the gentlewoman's amendment.

As we discuss and debate the merits of extending the 1957 Price-Anderson Act, it has become all too clear that we are not nurturing an infant industry. It appears to me that the industry is alive and well and prospects for future profitability appear to be good. As my colleague from Chicago has pointed out, the utility industry posted a 12-percent gain in net income in 1986.

What we are talking about is a redistribution of the burden of liability. I believe this amendment strikes at the very essence of the whole aspect of assigning the cost of nuclear power risk to those who stand to profit from its success.

Granted, ratepayers have benefited from this source of power, but they have also paid a high and unequitable price for those benefits. Not only have they had to bear the burden of financing utility investments in nuclear powerplants, they have also had to pay for the risk those plants pose to their communities. Why? Because of the bottom line—the profit margin and the dividend margin.

It comes down to a basic question of economic fairness. Should a utility shareholder get increased dividends or should a low-income family do without food to pay their utility bill? Should a utility company protect their investors from a lower rate of return or should American wage earners fork out millions upon millions in higher utility payments to pay for the financial burden incurred by the decisions of shareholders and utility industry officials? In short should the poor get poorer while the rich get richer? Of course not.

That is why this amendment should be easy for all of my colleagues to support. It does not impose any undue financial burden on any particular party. It takes into consideration, which has all too often been disregarded, the financial situation of a utility company prior to any assessment of financial burden. That is only fair. If a company is making a good profit, it and its stockholders should be willing to share in the cost of insuring that it meets its liability expenses.

Ratepayers have paid enough. It is time to share the financial responsibilities which are currently being imposed on our Nation's senior citizens, the poor, and those on fixed incomes.

Let's give utility commissions the incentives they need to stop routine passthroughs of rate increase requests. Ratepayers have paid enough. The time to act on their behalf is now and I urge my colleagues on both sides of this Chamber to support this amendment.

Thank you.

Mrs. COLLINS. Mr. Chairman, will the gentleman yield?

Mr. HAYES of Illinois. I yield to my colleague, the gentlewoman from Illinois.

Mrs. COLLINS. Mr. Chairman, I thank the gentleman very much.

I just want to take the opportunity to mention that apart from balancing the financial interests of the ratepayers and shareholders, this amendment is certainly going to promote greater safety and accountability in the nuclear industry. If utilities know their shareholders could be liable for paying Price-Anderson premiums, they are likely to keep a closer watch over contractors to ensure that their plants are built properly and over employees to make sure that facilities are operated correctly. It makes a lot of sense for this amendment to be approved, and I certainly thank the gentleman for yielding.

Mr. KENNEDY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the Collins amendment which would shift the risk of loss from ratepayers alone to an equitable burden shared by ratepayer and shareholders alike. Public utility commissions set rates based on the cost of generating electricity, plus a return to the shareholders that own those utilities.

Many Members argued effectively yesterday that the risk of nuclear accident should not be shifted to the utilities if the ratepayers will inevitably pay the price. Every person who made that case yesterday should vote in favor of this amendment today.

This amendment would encourage State utility commissions to make the shareholders pay a fair portion of the premiums required by Price-Anderson.

If you think increased liability is a bum deal for the ratepayers, then come down here and vote in favor of sharing that burden equitably between ratepayers and shareholders.

This is peculiar industry, a regulated natural monopoly. The principle of free enterprise has always been that investors accept the chance of risk and reward. Investors in a capitalist system should bear that part of the risk.

Enough of this policy of socialism for the rich, free enterprise for the poor and the working Americans and the ratepayers alike.

Mrs. COLLINS. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY. I yield to the gentlewoman from Illinois.

Mrs. COLLINS. Mr. Chairman, I thank the gentleman.

I just wanted to point out another thing, that the mere assurance commissions have this authority is insufficient. These words are hollow. Ratepayers have been promised protection in the past by regulatory commissions and nothing was done until State legislators and consumer groups got together and made sure something was done. In Chicago, IL, we have something called the Citizen Utility Board [CUB], a regulatory watchdog organization.

□ 1315

Although States have this right, they have not exercised that right. They have not used it. They have not worked on behalf of ratepayers and it makes sense for the House to pass this amendment. We are tired of socking it to the ratepayer. Ratepayers have the right not to be shafted every time a utility decides it wants to do something, such as building a new generating plant, which then fails to be completed.

I mentioned before that not 1 kilowatt of electricity has in fact been generated by some of these powerplants. If ratepayers cannot escape this liability altogether, certainly shareholders, who are deriving great financial benefits, and utilities who have all this money because they are cash rich right now, ought to be willing to give ratepayers a break for a change.

Mr. KENNEDY. Mr. Chairman, if I can follow up on the comments of the gentlewoman from Illinois, the fact is that for many years my company, before I came to this Congress, testified before many public utility commissions and without this kind of exchange on the floor of the House we would not be able to win in public utility commission meetings.

I very much appreciate on behalf of ratepayers the remarks that the gentlewoman from Illinois [Mrs. COLLINS] has put into the RECORD and I hope that those PUC's begin to read the message that this Congress is sending out that we are sick and tired of socking it to the ratepayers while the shareholders and the stockholders go free.

The CHAIRMAN pro tempore (Mr. MURTHA). The question is on the amendment offered by the gentlewoman from Illinois [Mrs. COLLINS].

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

Mrs. COLLINS. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

Mr. SWIFT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, this bill has an anomaly in it. It is an anomaly that simply says that if a victim is harmed by a contractor working for DOE, it goes through the orderly mechanisms and the victim is compensated. If that same victim is injured in the same way by an employee rather than a contractor of DOE they cannot go through that orderly mechanism. They have to go through the Tort Claims Act, which is an extraordinarily difficult and sometimes impossible process.

Mr. Chairman, that little glitch in this bill is irrational. It is unreasonable. It is unfair. It is unjust. It is inequitable. It is exactly the kind of thing that brings discredit on law and lawyers and legislators and governments. It is the kind of thing you cannot go home and explain to your mother, or your kids, or your constituents, let alone explain it to a victim, "I am sorry, Madam, if that guy who works for the contractor of DOE had caused your problem rather than that person who works directly for DOE, you would be compensated, but because of that little glitch you cannot be."

That is what people say makes people say frequently along with Dickens, "The law is an ass." It does not make any sense.

An amendment was offered in the committee, and it was passed in the committee, but the Justice Department opposed that amendment on the grounds that it was a violation of the doctrine of sovereign immunity. The amendment I was going to offer today deals with this same problem, this anomaly, in a way that answers every single one of the written objections of the Department of Justice. It had the support informally behind the scenes of other agencies that are working on this bill but not from the Justice Department. They are still hanging tough, coming up with a new set of reasons.

What they threatened is to have a veto of the entire bill if this one little glitch is not fixed in a way that is entirely to their satisfaction.

I have had many Members say that they would support this amendment. These are Members who have voted against the other amendments offered to this bill but they say this anomaly is ridiculous and they would support the amendment in this instance but, very frankly, I do not want to limit the House's flexibility in conference by running a risk of having an amendment defeated today and putting the House in a less flexible position.

My original proposal is in the Senate language and will be an issue in conference.

As one of my colleagues said, we are swimming up Niagara Falls today and I just do not want to risk having this amendment defeated. But I do want to say this to the leaders on both sides of the aisle and to the leaders of all three committees, no one has told me this is not a real glitch. Is there not some way we can get the Department of Justice to suggest how we can fix this problem in a way that is acceptable to them?

They have not been forthcoming with providing any suggestions of how to fix it. When we come up with suggestions they go down and tell us what is wrong with it and say if you do that, we are going to veto this, leaving us in the position of having no alternative but to pass a bill with something that is inherently ridiculous.

Mr. Chairman, I do not think we should be put in that position and I do not believe the Department of Justice should be permitted to continue to say they are against everything we come up with and not offer some kind of proposal that they can live with that deals with this anomaly.

Until they do, until the Justice Department is willing to come forward and make some proposal as to how we can deal with this anomaly, what are we going to call that agency? Are we going to call the agency the Department of Legalistic Nit-Picking? Are we going to call that agency the Department of Hair-Splitting and Instructionism? Are we going to call that agency the Department of Stubborn Silliness? Because until they come forward and tell us how to eliminate this anomaly we certainly cannot call it the Department of Justice.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. Are there any further amendments to the bill?

AMENDMENT OFFERED BY MR. CRANE

Mr. CRANE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRANE: Beginning page 19, line 19, strike section 9.

Mr. CRANE. Mr. Chairman, my amendment is designed to abolish a provision of the bill that calls for the creation of a Presidential commission at a cost to the taxpayer of $1 million over 2 years, and the commission's function would be to in the event of an extraordinary nuclear occurrence or meltdown or liabilities exceeded the $7 billion figure that the bill provides for, this commission would do three things.

First, it would recommend to Congress changes in civil procedures needed for prompt disposition of claims.

Second, it would establish standards for establishing priorities amongst claims.

Third, it would establish provisions for addressing latent injury claims.

My contention is, Mr. Chairman, that these are all functions in fact of the very committee that has brought this legislation before us today, and it is certainly within the realm of responsibilities of the Congress of the United States, and therefore it seems to me an extraneous and wasteful expenditure of taxpayer money to call for this special Commission when those responsibilities are vested here, and based upon a potential contingency that may be irrelevant after this Commission expires, which is after 2 years.

Mr. Chairman, after the Commission has expired and it has made these kinds of recommendations, if 20 years later we had an extraordinary nuclear occurrence and we exceeded the liability coverage that is contained in the legislation before us, we might have to create a new commission or certainly go back and do the work that the committees of the Congress are responsible for doing in the first place.

I would suggest, Mr. Chairman, that this is redundant, it is wasteful, it is unnecessary and for that reason I would urge my colleages to support the amendment.

Mr. UDALL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would ask the Members to just bear in mind the purpose again of Price-Anderson. It is designed to provide compensation for people who live near nuclear plants, at the perimeters. If you have a meltdown or serious accident these people get hurt. That is why we have strict liability and we have all the other protections. But we did a new thing. This law is renewed every 10 years. We did a different thing, which I think was solid and good and which would be disrupted and ended by this amendment. We said the first level of accidents can be handled by the company itself. If Commonwealth Edison has an accident in a plant about like the Three Mile Island accident, they have $700 million to take care of the people who are injured.

The second level is one that I would compare to Chernobyl, and that goes up to $7 billion, with extensive property damage, people killed, serious injuries. That is covered by the second layer.

But the question kept coming up, what about the occurrences beyond that where you have three or four nuclear powerplants involved and a serious meltdown and radiation all over southern Illinois and northern Illinois, and maybe two or three other States. What do you do then?

Nobody is smart enough or good enough to figure out 10 years from now what will happen if you have a real major disaster with several reactors involved and $7 billion is peanuts. So we set up a commission and we say, let us not have that happen and have to go back to the drawing board and figure out how we accomplish that. Let us put in place a structure now so that we will have the ability to sort out the different factors and decide what is a fair way of payment on this third level, this real disaster level.

The Commission does not cost very much, it does not last very long, and it might be the most important thing in our national life if it ever really comes to a serious disastrous event.

So I ask that the amendment be voted down.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Illinois [Mr. CRANE].

The amendment was rejected.

Mr. SHARP. Mr. Chairman, I move to strike the last word.

Mr. Chairman, it appears we are at the end of our extended discussion of this piece of legislation. I wanted to remind our colleagues of the status of things, should this bill fail to pass this afternoon.

I know that a number of our colleagues have worked very hard and in a very determined way to make additional changes in the Price-Anderson legislation. I participated in one of those proposals.

Mr. Chairman, I know that many are disappointed that they were not successful in that effort. I would suggest to those who have that feeling that they remember that failure to pass Price-Anderson today does not mean that there is protection available for the potential victim. What in fact happens is the current status quo obtains in all of the 110 powerplants that are somewhere in the process of producing power.

If we pass this legislation, we will be assuring that at least 7 billion dollars' worth of insurance is available to cover potential victims if there should be an accident. If we do not pass this legislation, there will simply be 710 million dollars' worth.

So there is a tenfold increase in terms of protection under this bill. Whatever your view is of how good a job we have done in improving the legislation, make no mistake about it, this bill is a substantial improvement over what will be the situation if we let it slip from our hands today.

So I would urge my colleagues to pass this legislation.

Mr. GEJDENSON. Mr. Chairman, I am pleased to rise in support of H.R. 2994, the Price-Anderson Amendments Act of 1987. As a member of the Interior Committee I have worked on Price-Anderson for over 2 years and am very gratified to see the bill finally reach the floor of the House of Representatives. I commend Chairman UDALL, Chairman DINGELL, Chairman SHARP, and Chairman ROE for their leadership in bringing this bill to the floor.

H.R. 2994 is a true compromise. The $7 billion liability limit in the bill falls far short of the unlimited liability limit supported by many Members. It is also much higher than the $1 billion liability limit that many other Members initially supported during the 99th Congress.

During the long debate on Price-Anderson I never supported unlimited liability, but I have supported a liability limit far higher than $7 billion. However, in the spirit of compromise I am willing to accept the $7 billion figure if no weakening amendments are attached to H.R. 2994.

I have always had a special interest in Price-Anderson because I represent a district that has four large commercial nuclear reactors within its boundaries, more than any other congressional district in the country. People all over New England receive the benefits of the electricity generated in eastern Connecticut, but it is the people of eastern Connecticut who carry virtually the entire burden of the risks.

One reason that I have some reservations about the $7 billion liability limit in H.R. 2994 is that the value of the property alone within a 10-mile radius of the three Millstone plants in my district is over $10 billion. In the unlikely event that a catastrophic accident occurred at Millstone, total damages could be far more than $10 billion in property losses because of damages resulting from personal injuries.

Nevertheless, the $7 billion in compensation authorized by H.R. 2994 offers far more financial protection to the residents of eastern Connecticut than the $700 million provided by the current Price-Anderson law. If the compromise agreement on a $7 billion liability limit unravels, then Price-Anderson will not be reauthorized and the liability limit for existing plant will remain at $700 million. It is in the interests of all Americans who live near nuclear plants that Price-Anderson be reauthorized and that the liability limit be raised to $7 billion.

H.R. 2994 also strengthens the commitment of the Congress to fully compensate victims for damages in excess of the liability limit. The bill gives the Congress the discretion to either levy an additional surcharge on the nuclear industry to pay for damages or pay damages from general revenues. If appropriations are needed to pay for damages in excess of the liability limit, the Congress and the President must respond with deliberate speed. The appropriations process should take days, not years.

Price-Anderson was first passed by Congress in 1957 to encourage the development of the infant nuclear power industry. Faced with a new uncertain technology, utilities, investors, and insurers were unwilling to build nuclear powerplants without an assurance from the Government that they would not be held liable for unlimited damages in the event of an accident.

Thirty years later the nuclear industry is no longer an infant. Over 100 commercial nuclear plants are generating electricity in the United States. It is the only industry in the United States with a limit on financial liability in the event of an accident. Other potentially hazardous industries, such as the chemical industry, must bear the entire financial burden of the consequences of their actions. In the future, the nuclear industry should volunteer to take full financial responsibility for its actions.

As Price-Anderson has slowly worked its way through the legislative process during the 99th and 100th Congresses I have offered many amendments to it. Two provisions are contained in H.R. 2994 which I successfully attached as amendments to Price-Anderson legislation during the 99th Congress.

H.R. 3653, the original Price-Anderson legislative vehicle in the 99th Congress, required victims of a nuclear accident to file suits for damages within 3 years of the discovery of an injury, but in no event more than 30 years after the accident. The current Price-Anderson system has a 20-year statute of limitations. I offered an amendment to strike the 30-year statute of limitations and replace it with a requirement that victims file suit for compensation for damages within 3 years from the date they discovered an injury.

A discovery standard is preferable to a 20- or 30-year statute of limitations because of the latent and long-term effects of radiation. Radiation caused cancer often does not develop until 30 to 40 years after radiation exposure. A 20-year, or 30-year statute of limitations could arbitrarily prevent some accident victims from receiving compensation.

I also attached an amendment to H.R. 3653 to allow the NRC to borrow funds from the Treasury to compensate accident victims in advance of the collection of deferred premiums from nuclear utilities. This provision will significantly expedite the compensation for accident victims. In both H.R. 3653 and H.R. 2994 the $7 billion victim compensation fund is collected from utilities over a 7-year period. The borrowing authority provision allows NRC to borrow $7 billion immediately from the Treasury if it is needed to compensate victims. Utilities would then be required to pay both the principal and interest on the borrowed funds.

Throughout the 2-year Price-Anderson debate I have devoted a great deal of time to the issue of whether or not utilities should be allowed to pay for their defense costs with money from the victim compensation fund. My primary goals throughout this debate have been to prevent utility defense costs from significantly reducing the amount of money in the fund available to compensate victims, and to prevent utilities from engaging in litigation to delay the payment of victim compensation.

During the 99th Congress I successfully attached an amendment to H.R. 3653 to bar utilities from taking their defense costs from the victim compensation fund. This amendment was later struck from H.R. 3653 by the Energy and Commerce Committee. However, H.R. 1414, the original Price-Anderson legislative vehicle in the 100th Congress, did bar utilities from taking their defense costs from the victim compensation fund. During Interior Committee consideration of H.R. 1414 I fought to keep this provision in the bill, but was unsuccessful.

H.R. 2994 does not bar utilities from taking defense costs from the victim compensation fund. However, it does mandate strict court supervision over the use of the victim compensation fund for defense costs. Defense costs can only be taken from the fund if the court determines that the defense has litigated in good faith, has not made frivolous claims or defenses, and has not attempted to unreasonably delay prompt settlement of claims. In addition, the size of the victim compensation fund has been increased by 5 percent to help defray some of the costs of litigation.

When a single individual fights against a large powerful institution such as a utility, that individual is often overwhelmed. It is the responsibility of the court to redress this imbalance when it supervises the use of the victim compensation fund to pay from defense costs.

Mr. Chairman, I urge my colleagues to support H.R. 2994, the Price-Anderson Amendments Act of 1987. This bill significantly improves the Price-Anderson system and increases the pool of funds available to compensate victims from $700 million to $7 billion. H.R. 2994 deserves the support of all the Members of the House of Representatives.

Mr. MILLER of Washington. Mr. Chairman, today the House passed legislation reauthorizing the Price-Anderson Act. I voted for this bill, but did so with some significant reservations.

The bill does take us further along the road to making the nuclear power industry responsible for their actions. It raises the ceiling on liability for civilian nuclear powerplants from $700 million to $7 billion. It takes us further along the road to making safety the No. 1 concern of nuclear powerplant operators. But it does not take us as far along the road as we should have gone.

Mr. Chairman, I was disappointed that a number of the strengthening amendments like the Wyden-Sharp-Synar amendment making operators of Federal nuclear facilities responsible did not pass. It should have passed. We are the landlords of these Federal nuclear plants and we should demand that our contractors bear responsibility for their actions.

Having expressed these reservations, Mr. Chairman, let me say that we did make our deadline of passing a reauthorization bill before the August 1 deadline. I hope that when this bill goes to conference with the Senate, the conferees will take a second look at several of these provisions and return to us a bill which takes us further along the road to safer and more responsible operation of our Nation's nuclear powerplants.

Mr. SKAGGS. Mr. Speaker, three decades ago, the Congress decided that the nuclear power industry merited special protection during its infancy. For that reason, it passed the Price-Anderson Act of 1957 to limit the liability of nuclear utilities in the event of an accident. The Congress gave that law a lifespan of 10 years, expecting the industry would mature enough during that time to be able to stand on its own.

Thirty years later, the nuclear industry still relies on the Price-Anderson law to exempt itself from full liability in the event of an accident. Thirty years later, contractors who operate DOE nuclear facilities still enjoy total exemption from liability, even in the event of an accident caused by the contractor's gross negligence or willful misconduct. Thirty years later, we are still left with the dilemma that some victims of a major nuclear accident may go unpaid, and the taxpayer may foot much of the bill.

So, in the debate over amending and renewing Price-Anderson legislation, we need to determine whether the renewal law measures up to three standards:

Will the law give reasonable assurances of prompt and full compensation to victims of nuclear accidents?

Will it protect taxpayers from picking up the tab in the event of a catastrophic nuclear accident?

Will the law uphold basic American principles of justice and economics by holding nuclear industries accountable for their actions, and so provide sound incentives for safer operations?

The answer to each of the first two questions is a qualified "yes"; the answer to the last one, in too many instances, is "no." Although our country is clearly better off with this bill than without it, I am greatly disappointed that my colleagues did not join me in voting for several measures that would have significantly improved the bill's incentives for safer operation of nuclear facilities.

This is a bill that provides us better insurance if a nuclear accident happens, but does not provide us any better assurance that it won't.

On the positive side, these Price-Anderson amendments take an important step forward by increasing tenfold the compensation pool funded by nuclear power companies in the event of an accident, from $700 million to about $7 billion. This offers those who live near nuclear facilities—that is, almost all Americans—a better insurance policy, a greater certainty that damages caused by such facilities would be recompensed.

Similarly, the taxpayer would enjoy greater protection due to this increased compensation limit. Under Price-Anderson, damages above the compensation pool limit may be paid out of the U.S. Treasury. Obviously, the higher the compensation pool is, the less likely that our tax dollars would be used to pay for the damages caused by a major nuclear accident.

However, these can only be termed qualified improvements because the potential damages that a major nuclear accident could cause are well above the $7 billion limit. Back in the 1950's and 1960's, a compensation pool of $7 billion might have been enough, according to studies performed at that time by the Atomic Energy Commission, the predecessor of today's Nuclear Regulatory Commission. More recent estimates of potential property damage range from $15 billion upward. If these numbers seem high, imagine the damage that a complete meltdown of any nuclear powerplant could cause.

The place where the renewal bill could have made real progress was in improving incentives for the safe operation of DOE nuclear facilities and in the safe transportation of nuclear wastes. I am very disappointed that efforts to do this failed.

I strongly supported the Wyden-Sharp-Synar amendment that would have held contractors at Department of Energy [DOE] nuclear facilities liable for damages caused by gross negligence or willful misconduct on the part of corporate management. Under current law, contractors at DOE nuclear facilities are entirely shielded from liability—in the event of an accident, they wouldn't owe a dime to the victims.

As common sense dictates, and as the Departments of Defense and Justice have testified regarding other Federal contractors, total indemnification of contractors removes normal safety incentives. If I were a contractor, I'd be embarrassed to admit to the public that my company refused all responsibility for its actions, and especially actions that were grossly negligent. This amendment would have made DOE contractors, such as the one that operates the Rocky Flats nuclear weapons facility in my district, that much more concerned about safety.

I also supported the Walgren amendment that would have had a similar effect with respect to nuclear waste transportation. It would have imposed a limited liability on firms transporting nuclear waste, but only for grossly negligent or intentionally harmful conduct. It would also have required these transporters to carry reasonable amounts of insurance.

In the event a nuclear waste storage site is located in a Western State, tens of thousands of tons of medium- and high-level nuclear wastes could be shipped through Colorado. Common sense tells us that a company that has some corporate funds at stake is going to be more safety-conscious than one that is entirely off-the-hook financially. Unfortunately, this amendment was also defeated.

Because of the greatly increased insurance this bill offers, I supported it. The protection it gives to accident victims and taxpayers is an important improvement over the current act. However, the safety gaps I have mentioned leave this bill flawed, and I intend to keep working in this area to make our Nation's commercial and DOE plants as safe as possible.

These safety gaps also serve to underscore the need for better-funded research and development efforts in energy technologies that are truly safe, such as solar power and renewable energies, and in technologies such as superconductivity, that promise to make better use of the energy supplies we have.

The CHAIRMAN pro tempore. The question is on the amendment in the nature of a substitute.

The amendment in the nature of a substitute was agreed to.

The CHAIRMAN pro tempore. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. Gray of Illinois] having assumed the chair, Mr. Murtha, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1414) to amend the Price-Anderson provisions of the Atomic Energy Act of 1954 to extend and improve the procedures for liability and indemnification for nuclear incidents, pursuant to House Resolution 234, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

☐ 1330

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED

Mr. LUJAN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore (Mr. Gray of Illinois). Is the gentleman opposed to the bill?

Mr. LUJAN. I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

> Mr. Lujan moves to recommit the bill, H.R. 1414 to the Committees on Interior and Insular Affairs, Energy and Commerce, and Science, Space, and Technology.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. LUJAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 396, nays 17, not voting 20, as follows:

[Roll No. 293]

YEAS—396

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Armey
Aspin
AuCoin
Badham
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Bates
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Biaggi
Bilbray
Bilirakis
Bliley
Boehlert
Boggs
Boland
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boulter
Brennan
Brooks
Broomfield
Brown (CO)
Bruce
Bryant
Buechner
Bunning
Burton
Bustamante
Byron
Callahan
Campbell
Cardin
Carper
Carr
Chandler
Chapman
Chappell
Cheney
Clarke
Clay
Clinger
Coats
Coble
Coelho
Coleman (MO)
Coleman (TX)
Collins
Combest
Conte
Conyers
Cooper
Coughlin
Courter
Coyne
Craig
Crane
Crockett
Dannemeyer
Darden
Daub
Davis (IL)
Davis (MI)
de la Garza
DeLay
Derrick
DeWine
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Dowdy
Downey
Dreier
Duncan
Durbin
Dwyer
Dyson
Early
Edwards (CA)
Edwards (OK)
Emerson
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flake
Flippo
Florio
Foglietta
Foley
Ford (TN)
Frank
Frenzel
Frost
Gallegly
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Gordon
Gradison
Grandy
Grant
Gray (IL)
Gray (PA)
Green
Gregg
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harris
Hastert
Hatcher
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hertel
Hiler
Hochbrueckner
Holloway
Hopkins
Horton
Houghton
Howard
Hoyer
Huckaby
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
Jeffords
Jenkins
Johnson (CT)
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kildee
Kleczka
Kolbe
Kolter
Konnyu
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Lowery (CA)
Luken, Thomas
Lukens, Donald
Lungren
Mack
MacKay
Madigan
Manton
Markey
Martin (IL)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCurdy
McDade
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
Meyers
Mfume
Mica
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Morella
Morrison (WA)
Mrazek
Murphy
Murtha
Nagle
Natcher
Neal
Nelson
Nichols
Nielson
Nowak
Oakar
Oberstar
Olin
Ortiz
Owens (NY)
Owens (UT)
Oxley
Packard
Panetta
Parris
Pashayan
Patterson
Pease
Pelosi
Penny
Pepper
Perkins
Petri
Pickett
Pickle
Porter
Price (IL)
Price (NC)
Pursell
Quillen
Rahall
Rangel
Ravenel
Ray
Regula
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Sawyer
Saxton
Schaefer
Scheuer
Schneider
Schroeder
Schuette
Schulze
Schumer
Sensenbrenner
Sharp
Shaw
Shumway
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solomon
Spence
Spratt
St Germain

Staggers
Stallings
Stenholm
Stokes
Stratton
Studds
Stump
Sundquist
Sweeney
Swift
Swindall
Tallon
Tauke
Taylor
Thomas (CA)
Thomas (GA)
Torricelli
Towns
Traficant
Traxler
Udall
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Walker
Watkins
Waxman
Weber
Weldon
Whittaker
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wortley
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)

NAYS—17

Atkins
Boxer
DeFazio
Dellums
Eckart
Goodling
Lowry (WA)
Lujan
Marlenee
Myers
Obey
Sikorski
Solarz
Stark
Synar
Weiss
Wheat

NOT VOTING—20

Boner (TN)
Brown (CA)
Daniel
Dickinson
Dymally
Ford (MI)
Gephardt
Hammerschmidt
Hawkins
Hubbard
Kemp
Kennelly
Latta
Lott
Morrison (CT)
Roemer
Savage
Stangeland
Tauzin
Torres

□ 1345

Mr. LOWRY of Washington changed his vote from "yea" to "nay."

Mr. CRAIG changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SHARP. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore (Mr. GRAY of Illinois). Is there objection to the request of the gentleman from Indiana?

There was no objection.

PERMISSION FOR COMMITTEE ON RULES TO FILE PRIVILEGED REPORT ON CONFERENCE REPORT ON H.R. 27, FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION RECAPITALIZATION ACT OF 1987

Mr. BONIOR of Michigan. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until 5 p.m. today to file a privileged report on the conference report on H.R. 27.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

Mr. CHENEY. Mr. Speaker, reserving the right to object, if the gentleman would explain this further, I would ask, is this the conference report on the FSLIC legislation?

Mr. BONIOR of Michigan. Mr. Speaker, if the gentleman will yield, this is the FSLIC conference report. We are completing it right now, and we hope to get it done before the session is over, but we have no assurance that that can be done.

Mr. CHENEY. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. CHENEY asked and was given permission to address the House for 1 minute.)

Mr. CHENEY. Mr. Speaker, I have taken this time for the purpose of discussing the program with the distinguished acting majority leader, and for that purpose I am happy to yield to the distinguished acting majority leader, the gentleman from California [Mr. COELHO].

Mr. COELHO. Mr. Speaker, I am happy to respond to the acting minority leader, the gentleman from Wyoming [Mr. CHENEY].

On Monday we will take up six suspensions, as follows:

H.R. 2672, VA Home Rehabilitation and Programs Improvement Act of 1987;

H.R. 2957, to enhance the VA National Cemetery System;

H.R. 1340, Agriculture Commodity Distribution Act of 1987;

H.R. 2309, Christopher Columbus Quincentenary Jubilee Commission amendments;

H.R. 1948, to designate a certain U.S. Post Office building as the "Oscar Garcia Rivera Post Office Building"; and

H.R. 2629, Alaska National Interests Lands Conservation Act amendments.

Following those suspensions, we will then take up the rule and the conference report on the FSLIC bill. Then following that, we will have the votes on any suspension bills that we might have.

On Tuesday, August 4, we will meet at noon, and we will consider H.R. 1315, the Nuclear Regulatory Commission Authorization for Fiscal Year 1988, subject to a rule; and House Joint Resolution 132, National Day of Remembrance of the Armenian Genocide of 1915-23, subject to a rule.

On Wednesday, August 5, we will meet at 10 a.m., and we will take up the Labor-HHS appropriations for fiscal year 1988.

On Thursday, August 6, and Friday, August 7, we will meet at 10 a.m., and we will consider H.R. 2686, the Public Works and Economic Development Act amendments, subject to a rule being granted.

Members should be put on alert that we will need to take further action on the debt limit bill, and we would hope to do that some time next week.

Mr. CHENEY. Mr. Speaker, I wonder if the gentleman might enlighten the Members as to what time we might expect votes on Monday to begin occurring?

Mr. COELHO. Mr. Speaker, as the gentleman knows, we cannot promise any particular time, but we intend to go through all six suspensions and go to the FSLIC conference report and then have a vote on FSLIC, if there is to be one, and then we will have any votes that will be required on the six suspensions. So it should be late in the day.

Mr. CHENEY. Mr. Speaker, I thank the gentleman.

With respect to the conference report on the debt limit, when does the gentleman expect to go to conference on the debt limit extension that we passed just earlier this week?

Mr. COELHO. Mr. Speaker, we hope to have it on Monday, but, of course, as the gentleman knows, we cannot guarantee anything because we do not know when the other body would consider it again. However, we would hope it would be on Monday so that we would be able to go to conference on Monday.

Mr. CHENEY. Mr. Speaker, finally, if the gentleman would answer this, I noted earlier on the proposed schedule for the next week that the farm credit legislation was on the schedule for later in the week, and I notice it is no longer on the schedule. Can the gentleman enlighten us as to when we might expect legislation dealing with the urgent farm crisis in America?

Mr. COELHO. Mr. Speaker, if the gentleman will yield further, there was some dispute in the Committee on Agriculture, and the leadership on this side worked out with the leadership on the gentleman's side an agreement that we would not put the farm credit bill on for next week, that we would put it on for the first week we are back in September, so that the Agriculture Committee would be able to work today and report out a bill by Wednesday of next week so that we would have it ready and so that with that the minority on the Agriculture Committee would withdraw their objections to proceeding under current order.

Mr. CHENEY. Mr. Speaker, would the gentleman anticipate that the Members should plan on votes next Friday, August 7?

Mr. COELHO. We would hope not, but there is no way we can guarantee to the membership that there will not be votes. The only thing that could occur would be one on the debt limit bill, but we have no idea of indicating to the membership as to when we would conclude that conference or have another extension, if necessary.

Mr. CHENEY. Mr. Speaker, I thank the gentleman, and I yield back the balance of my time.

ADJOURNMENT TO MONDAY, AUGUST 3, 1987

Mr. COELHO. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at noon on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. COELHO. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1195

Mr. RAVENEL. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of the bill, H.R. 1195.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

AGRICULTURAL NITROGEN MANAGEMENT ACT OF 1987

(Mr. STANGELAND asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STANGELAND. Mr. Speaker, I am pleased to introduce the Agricultural Nitrogen Management Act of 1987. This legislation will add an important, though missing component to existing ground water protection programs and to the pending array of ground water research and information bills before Congress.

My bill is designed to minimize the impact of agricultural nitrogen and fertilizers on ground water and surface water quality by establishing a nationwide educational program aimed at the American farmer. Through increased education, public information, and the adoption of agricultural best management practices, this Nation can prevent many of its ground water and surface water quality problems right from the start. The American farmer, the fertilizer industry, the scientists, the appropriate Federal, State, and local officials—all of those groups will play a key role. My bill brings each of these players together to get the ball rolling and to emphasize the role of agricultural nitrogen in ground and surface water quality protection.

The need for this legislation is well documented. Today, agricultural activities are known to be one of the heaviest contributors to nonpoint source pollution of both ground water and surface water. We have come to realize that the overapplication of fertilizer can, in certain instances, contaminate ground water and lead to serious health problems. Farmers and other rural residents are the population at most risk, since they often depend on the private, untreated well water located below the farmed land. Minnesotans are particularly aware of this dilemma since ground water serves as a potable water supply for three-fourths of the population. Mr. Speaker, we are faced with difficult policy questions. In light of the environmental and public health concerns, how should we alter widely accepted farming practices without losing far-reaching benefits of crop nutrition?

The answer is to provide increased research, technical information, and site-specific best management practices.Proposals such as H.R. 791, the U.S. geological survey research bill, and H.R. 2253, the Environmental Protection Agency research and development bill, are helpful but do not fill all the gaps or meet all the information needs. As a farmer, I know we need to develop more information, spread the wealth of knowledge, and implement agricultural best management practices on a greater scale. These efforts, however, will undoubtedly require close coordination among Federal, State, and local authorities. And an some cases, farmers may need to make fundamental changes to their normal agricultural practices. I believe my bill will help get us started in the right direction at the right pace.

Section 1 of the bill states the act may be cited as the "Agricultural Nitrogen Management Act of 1987."

Section 2 contains various authorities and provisions related to the Department of Agriculture and establishes an agricultural nitrogen best management task force. Subsection (a) states that the purpose of the section is to authorize the Department of Agriculture to develop educational programs on agricultural best management practices to minimize nitrogen losses from all potential agricultural sources and practices.

Subsection (b) contains various findings including the finding that careful selection of agricultural best management practices will help farmers reduce the effect of agricultural practices on ground and surface water quality through judicious use of plant nutrients.

Subsection (c) which is the heart of the bill, directs the Secretary of Agriculture to establish an agricultural nitrogen best management practices task force consisting of eight specified members. Together, these representatives of the Department of Agriculture, the EPA, the Tennessee Valley Authority, and the American farmer should be able to coordinate a comprehensive approach to fertilizers and nitrogen management.

Subsection (d) provides that the functions of the task force are: First, to develop agricultural best management practices for agricultural nitrogen utilization in crop production; second, to develop educational and training material; and third, to disseminate educational materials to farmers.

Subsection (e) requires the task force to give a progress report to Congress within 2 years of enactment and describes specific contents of the report.

Subsection (f) defines the term "agricultural nitrogen" and the term "agricultural best management practices" for purposes of the act.

Subsection (g) authorizes such sums as may be necessary for each of the first 5 fiscal years after date of enactment.

Section 3 provides two amendments to section 319 of the Clean Water Act, which establishes a new nonpoint source management program within the Environmental Protection Agency. Subsection (a) amends the Clean Water Act to require that any State assessment report and any State Management Program be developed in consultation with the agricultural nitrogen best management practices task force established by section 2 of this bill. Similarly, subsection (b) amends the act to require the Administration of EPA to consult with the task force in preparing the Administrator's annual and final reports to Congress.

These amendments will highlight the important link between nonpoint source pollution and agricultural best management practices. Section 3 will also encourage greater consultation with and coordination among Federal, State, and local agencies. Since the recent enactment of the Water Quality Act of 1987, we are already beginning to see greater cooperation and consistency between the States and EPA. My own State of Minnesota is setting a fine example in this area.

Just recently, the State enacted the Minnesota Clean Water Partnership Act to meet its nonpoint source pollution needs, develop best management practices, and satisfy other requirements under the Clean Water Act. The new Minnesota law will help to identify the combination of education, incentives, and best management practices to tackle ground water and surface water problems across the State. My bill is intended to build upon these efforts, emphasizing the connection between agricultural and nonpoint source pollution strategies, and strengthening the ties among Federal, State, and local agencies, and the American farmer.

Mr. Speaker, based on my experiences as a farmer and on testimony received by the Public Works and Transportation Committee, the Agriculture Committee, and others, I see a tremendous need for this bill. We must place greater emphasis on nitrogen management, agricultural practices, and their overall impact on water quality. My bill takes an important first step to address this need and provides a good springboard for further legislation. I hope in the coming weeks members of the Agriculture and Public Works Committees will take a close look at my legislation as we consider comprehensive ground water research bills. I believe the Agricultural Nitrogen Management Act of 1987 is something all of us can and should support.

CBS' FLAWLESS "TOUR OF DUTY" GETS HIGH MARKS

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN of California. Mr. Speaker, let me say to my colleagues that they are in for a pleasant and remarkable surprise on television this fall on Thursday nights at 8 o'clock hopefully for the whole season. It is a new series on the CBS fall schedule titled "Tour of Duty." Imagine, CBS is putting on the air a series on Vietnam—every week. I saw this superb pilot film a week ago last night, and I was shocked beyond words because the story does such unbroken honor to our combat forces—our men who served in Vietnam.

Those of you in this Chamber who are Vietnam veterans or Vietnam-era veterans will certainly be proud. Everybody in America who follows the proceedings in this Chamber should listen. I want you to know that I salute Laurence Tisch, the new CEO of CBS, and his programming staff. And I salute the creative producer, Zev Braun, who has years of experience as an officer in the Israeli Defense Forces, most of his service as an intelligence officer. These people have portrayed our men loving one another even under the unbearable stress of combat in Vietnam.

This pilot film is a remarkable accomplishment. There are no drugs, no foul mouths. There are officers who look and act and perform like leaders, and the enlisted men truly not only depending on one another and caring for one another but show love for one another—blacks, Hispanics, farm kids, California surfers, people of every type of background pulling together. Everything that I saw in my eight trips to Vietnam, seven as a journalist and one as a pilot ferrying airplanes over there, everything I saw for a decade on observing that tragic struggle for freedom is finally put on film in a positive but apolitical way. I cannot believe this is finally going to happen on television. Our men, and our Army nurses I trust, shown in an upbeat positive manner.

With all the rotten, mean-spirited films in circulation like "Full Metal Jacket" and "Platoon"—the dishonest lie that I call "Spittoon"—with their degradation of our servicemen, finally we have something of honor that we can watch, and share the experience—the sacrifice. I highly recommend this noble effort. I pray it sustains. It is coming into your homes in about 7 weeks. Look for "Tour of Duty". Watching this you can hold your head high if you are a Vietnam veteran—as can any American. Again, Mr. Tisch, thank you. Mr. Braun I salute you. Director, writers, actors, and crew, well done. God bless all of you, and good luck.

Mr. Speaker, here are some thoughts on "Tour of Duty":

Of the war, executive producer Braun states "genuine relationship of love and understanding developed between men of all backgrounds."

Another Braun quote "That we've managed to get a television series on the air is an important step in the country's maturing relationship with the war and the men who fought there."

Writers for the pilot include L. Travis Clark, and Steve Duncan. Clark was a "grunt" in the war and Duncan served as a naval officer on an aircraft carrier.

Takes "grunts" point of view because they wanted to deal with the reality of the war and the inherent dramatic quality of men in a wartime situation.

Show illustrates the blending of men from different cultures and geographic regions that war does. A black from the rural South, a black from the big city, a Jew from middle-class New York, a Hispanic from the Bronx and a "white bread" kid from California—Anaheim.

Of the chemistry of the show Braun notes "This led to a natural comraderie, a kind of male bonding of guys as they came to understand and like one another. Coming to love one another."

Says Braun, "We decided we are not going to sugar coat the language. It'll be tough, gutsy, and expressive, but it won't be the profanities we're used to hearing."

This pilot TV film was made at Schofield Barrack in Hawaii. M. Sgt. James A. Stephens, Vietnam veteran aided as technical consultant.

IRAN-CONTRA HEARINGS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. Solomon] is recognized for 5 minutes.

Mr. SOLOMON. Mr. Speaker, now that the Iran-Contra hearings are winding down, and a smoking pistol is nowhere to be found, the sum and substance of the whole matter can be summed up in one question that is yet unanswered: Has more money been spent on organizing the select committees and staging the hearings than was diverted to the Contras in the first place? And remember, we're talking American taxpayer dollars here, too—not the few bucks belonging to the Ayatollah that may have found their way to the Contras.

In a July 17 op-ed piece in the Washington Post, syndicated columnist Charles Krauthammer described the Iran-Contra hearings as being a show trial masquerading as a fact-finding mission. In keeping with that time-honored principle that the public has a right to know, I am today calling upon the majority leadership in the House to provide an itemized accounting of what this whole affair has cost.

How much has been spent on salaries and benefits for the committee staff and support personnel? How much has gone into supplies, equipment, and other office-keeping expenses? And what about the hearings themselves? How much has it cost to stage a television miniseries that has enjoyed a longer run than "Roots," "Shogun," and "Rich Man, Poor Man" put together?

Mr. Speaker, the public has a right to know. Congress may get away with exempting itself from the Ethics in Government Act, equal employment opportunities laws, occupational safety and health, and all of the other laws we impose on other branches of government, as well as the American people, but we have to come clean on this one. Is Congress any more reputable in the conduct of its business than is the executive branch which we so delight in investigating? Let's get out the facts concerning the Iran-Contra show trial and let the American people decide.

□ 1400

REPORT ON CONSTITUTIONAL CONVENTION IN PHILADELPHIA

The SPEAKER pro tempore (Mr. Gray of Illinois). Under a previous order of the House, the gentleman from Pennsylvania [Mr. Gekas] is recognized for 5 minutes.

Mr. GEKAS. Mr. Speaker, it is now July 30, 1787. I am reporting to you from the floor of the Constitutional Convention in Independence Hall, Philadelphia.

The delegates have taken a recess and will reconvene sometime next week; but in the meantime the delicate work of putting the documents together is going on right at this very moment. As I stand here in the Chamber to the side of the main hall, there is a little library section, and there five delegates who will constitute the Committee on Detail are pulling together all the resolutions, all the votes, all the minutes, all the proceedings of the previous time spent in the convention for full presentation to the entire delegation when it reconvenes next week.

This Committee on Detail is perhaps doing the most important work of the convention thus far. There has been ferocious debate on how the Congress of the United States should be made up. There has been vitriolic and heated debate on whether or not the chief executive should be allowed to be President or king for life, or what term of office that chief executive should have.

The Committee on Detail has the job, along with James Madison and his notes, of putting this thing together in preparation for some final votes and final revisions leading up to the day that everybody hopes will produce a final basic document for the new government of the now governing colonies under the Articles of Confederation.

George Washington, who up to now has been very pessimistic about the outcome of this Convention, and who very reluctantly agreed to chair the Convention, realizing that the interests of the Thirteen Colonies were so widely disparate, that nothing could possibly come of another convention such as this; nevertheless, now he seems a little more optimistic.

I talked to him yesterday before he left on a fishing trip during this recess when he went over to Valley Forge, and he went to some fishing streams nearby. He went back to Valley Forge for the express purpose of standing among the mounds that remain of the time that he spent there with his valiant soldiers during the hectic times of the War of Independence; but more important and nearby there were some fishing streams. Gouverneur Morris of Pennsylvania guided him to those areas, so they could conduct a little fishing expedition. This shows something about General Washington. He could have returned to Mount Vernon; and if he had returned to Mount Vernon, he felt that that might have been a signal to all the other delegates that he is through with the convention and has no hope for any product.

His going to Valley Forge and sticking around nearby Philadelphia was a signal that indeed he has confidence that the work can be completed.

We are anxiously awaiting the final product of the Committee on Detail; and when we put that together, I believe it will be presented to the full delegation next week when they reconvene.

This is Congressman GEKAS reporting to you 200 years ago today from a hot summer in Philadelphia.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DANNEMEYER] is recognized for 60 minutes.

[Mr. DANNEMEYER addressed the House. His remarks will appear hereafter in the Extension of Remarks.]

FUNCTION 500—EDUCATION ISSUES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Montana [Mr. WILLIAMS] is recognized for 60 minutes.

Mr. WILLIAMS. Mr. Speaker, much has been made recently of international competitiveness and this country's decline in the general area of productivity.

Among those factors which contribute to our ability to compete internationally is the condition of America's public education system.

I think most Americans agree with that, and one would find very few in this Chamber that would disagree with it.

Yet, this administration, whose policies have in large measure generated the deficits with which we are concerned, has consistently met this national crisis with only rhetoric accompanied by budget requests that would cut the funding for those education programs which underlie our national competitiveness.

I am going to provide for the RECORD a chart that outlines for fiscal years 1981 through 1987 a comparison of President Reagan's budget requests for education with the congressional budget resolution for education, and that chart also contains within it the final appropriations that the Congress passed for education.

In order to give this House some sense of that chart, and inasmuch as I do not have an enlarged replica of that chart to show today, let me share the numbers for just three of those years.

In 1981, the President's request for education was $13.5 billion. The final appropriation that year from the Congress was $14.8 billion.

Going down the chart and selecting the year 1984, the President's request was for $13.2 billion. The Congress appropriated $2,200,000,000 more than that or $15.4 billion.

The fiscal year 1988 Presidential budget request called, believe it or not, for a 46-percent cut in student aid funding, and limitation of most of the other programs supporting higher education.

Recommendations were also made incredibly to end, to abolish all Federal support for vocational education.

The Congress, however, has responded to the American public's demand for a first-class public education system.

Since 1981, the Congress has passed budget resolutions that have protected the high-priority education programs that this administration has sought to reduce or eliminate.

The fiscal year 1988 budget resolution is no exception to the congressional tradition of providing somewhat adequately for the Nation's education.

Within the budget, we have the function 500. That is the function that contains education funding, and function 500 assumes slightly more than $19 billion for all education programs, as opposed to the President's request, which is only $14 billion for fiscal year 1988.

This includes a 5-percent inflation increase for all education programs, and additional funds in higher-priority programs such as chapter 1, math and science, special education, Pell grants.

Our commitment to education funding comes at a time when this Congress is forced to deal with a record Federal deficit in budget targets that restrict growth in even the most essential programs.

The Congress' education budget will allow the continued funding for the high-priority education programs that have a proven track record of providing education opportunity for students at the elementary, secondary, and postsecondary levels.

Our budget also provides the breathing room to fund some of the new initiatives such as the education provisions that were included in the House-passed trade bill.

In spite of the more than $19 billion that will be spent on education by the Federal Government this year, we still have students who are eligible for programs who want to participate in those programs, but who cannot because of a lack of Federal funds.

Let me give you a couple of examples. Last year 80 percent of the American children who were eligible for Head Start could not get in. Eighty percent of America's low-income children who under the law are eligible to enter a Head Start Program were unable to do so because of not enough Federal Head Start money.

The Members of the House and the other body, and I believe most members of the administration, understand that the Job Corps is accepted now as a successful American education effort.

Ninety-five percent of the young people in this country who are eligible to participate in Job Corps cannot get in.

□ 1410

They cannot get it because there is inadequate Federal financial participation. Low income students are helped enormously to go to college by the Federal effort called Pell grants. Those are the grants that support America's neediest students to go to college. Those grants are limited to $2,300 per year. That is an inadequate amount to cover the cost of attendance, particularly in these times of rising college costs and the result, of course, is that many of America's neediest students, bright young men and women, are denied the opportunity to go to college because of inadequate Federal funding of the Pell Grant Program.

We know these programs work. They have worked now for a quarter of a century. We just are not putting enough money in them to allow enough Americans to participate.

We really should be, I guess the term is throwing more money at these programs, because these are efforts that we know work. It is just the lack of funds that prevents even half of the young people who would be eligible to participate in these programs from doing so; but given the current fiscal situation, combined with the lack of willingness, we have to focus on the successes of these programs and our educational system, the successes that we have already experienced.

In a partnership with State and local governments, the Congress has worked to transform this Nation into a place of highly educated citizenry. We need to continue to protect this environment even in times of limited resources.

I look forward to the day, as do most of my colleagues, when this Congress and also a President will once again move toward more adequate funding of the education efforts that have proven themselves and that work. We may have to wait until we are more successful at reductions in the deficit. We may have to wait until there is a new President with a new economic effort or program, but so be it. We should not, however, wait too long, because we no longer live in a world as America is automatically because of the strength of our resources and our people that No. 1 unchallenged competitor. Rather, we now live in a world where other nations are competing with us very well indeed, and in some ways they are No. 1. In some areas they are first and we have fallen to second or beyond.

If America is going to be first in the marketplace of goods, it must be first in the marketplace of ideas. The world wants and hopefully still does honor America not only because of the glitter of our wealth, but because of the splendor of our ideals.

The Federal Government has been a good partner in making sure that our citizenry was appropriately educated to make and keep us No. 1 in the marketplace of ideas.

The deficit and an administration not fully committed to America's schools now challenges that tradition. I am hopeful that my colleagues will join in once again having an America that fully meets the challenge of making America first in competitiveness.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. SHUMWAY] is recognized for 60 minutes.

[Mr. SHUMWAY addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. RANGEL] is recognized for 60 minutes.

[Mr. RANGEL addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland [Mrs. BENTLEY] is recognized for 60 minutes.

[Mrs. BENTLEY addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

PERMISSION TO HAVE UNTIL MIDNIGHT, FRIDAY, JULY 31, 1987, TO FILE CONFERENCE REPORT ON H.R. 27, FEDERAL SAVINGS AND LOAN RECAPITALIZATION ACT OF 1987

Mr. ST GERMAIN. Mr. Speaker, I ask unanimous consent that the managers may have until midnight, Friday, July 31, 1987, to file a conference report on H.R. 27, Federal Savings and Loan Recapitalization Act of 1987.

The SPEAKER pro tempore. (Mr. GRAY of Illinois). The Chair would ask the ranking minority member the gentleman from Ohio [Mr. WYLIE] has this matter been cleared with the minority?

Mr. WYLIE. It has, Mr. Speaker. It has been cleared with the gentleman from Illinois [Mr. MICHEL].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

RIGHTS OF AMERICANS TO A CLEAN AND SAFE ENVIRONMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. FLORIO] is recognized for 60 minutes.

(Mr. FLORIO asked and was given permission to revise and extend his remarks.)

Mr. FLORIO. Mr. Speaker, the President of the United States announced several weeks ago in his version of America's economic bill of rights what it is he thought was important for this Nation. As I read the President's statement, I was somewhat dismayed to see no mention anywhere whatsoever of the rights of Americans to have a clean and a safe environment. In its zeal to deregulate every aspect of our American economy, this administration seems determined to return us to the day of the belching smokestack and the polluted rivers, all in the name of some idealized concept of the "free market."

The American economy needs help. That is beyond dispute. We have to do everything we can to rejuvenate it. Sensible environmental protection will help improve our economy, rather than hurt it. We cannot pretend that there will be no costs associated with cleaning up pollution. But likewise, we cannot pretend that there are no costs associated with not cleaning up pollution. We can deal with, to use one example, the cost of asbestos cleanup, or we can deal with the cost of the problems associated with failing to clean up asbestos.

The American people have made it abundantly clear that they are unwilling to relinquish their fundamental right to a clean and unpolluted environment. Every public opinion survey that I have seen shows a deep public commitment to a safer, cleaner environment. One survey that I observed even shows that the American people are willing, by a 3-to-2 margin, to sacrifice economic growth for the sake of environmental quality.

We need to look no further than the Democratic 1988 environmental budget and the Republican alternative to see which party is more committed to protecting the Nation's national environment. The President has offered the American people an environmental budget for 1988 that gives Federal environmental authorities the same purchasing power as EPA had in 1976.

The President has ignored the fact that there are at least nine major new environmental laws that have been enacted since 1976 to protect the Nation's drinking water, to regulate hazardous waste disposal, and to clean up thousands of the Nation's toxic waste dumps. While the Federal environmental workload has essentially doubled in the last decade, the administration has continued in its unending efforts to erase environmental protection from the national agenda.

The numbers speak for themselves. Comparing the Environmental Protection Agency's 1981 budget to the President's 1988 proposal, we see that in nearly every major environmental program expenditures would be substantially cut. Resources to regulate toxic air pollutants would be cut by 24 percent. Water regulation would be slashed by 47 percent. Pesticide regulation would be cut by 19 percent, and funds to protect the public from deadly radiation exposure, such as radon gas, would be cut by 21 percent.

While comparing, as I was, the 1981 budget with the President's 1988 budget proposal provides us with a grim picture of the administration's commitment to environmental protection. It only gets worse when we compare the President's proposal with EPA's current funding needs. After examining EPA's own data on budget needs, the watchdog, the environmental safety organization, found that the President's budget proposal gave EPA less than half what it needs to fulfill its statutory obligations to protect the environment.

The President's budget would require our Federal officials to implement the environmental laws effectively with one hand tied behind their backs. It is little wonder that the American people have lost faith in this administration's willingness to protect the environment.

While the administration is seeking to gut funding of the Nation's environmental programs, we, the Congress, are putting money back into those programs. Appropriation bills for 1988 have given the Environmental Protection Agency some $600 million more than the President requested and some $1.1 billion more than EPA had in its 1987 budget.

In program after program, we have reasserted a Federal commitment to environmental protection. We have called for more money for programs to clean up asbestos in our schools.

By the way, this is done in the face of an administration effort this year to rescind, that is, to take back $50 million in this program to clean up the Nation's schools that the Congress allocated and authorized and appropriated last year, so it is not only that the administration wants not to go forward with this program, they literally want to take back money that has already been authorized and appropriated to clean up the Nation's schools of asbestos that is flaking in those schools. EPA has said that there are 15 million schoolchildren in 30,000 schools in the Nation. Those children are at risk unless we get about cleaning up those schoolrooms.

Likewise, we have provided for more money to meet the requirements of the Clean Water Act, to beef up enforcement of the Federal hazardous waste regulations and to clean up contaminated waste dumps under the Superfund cleanup program.

The effort to keep these environmental protection programs adequately funded is more than an issue of mere dollars and cents. We can only guess at the number of lives saved by giving EPA and other Federal agencies the funds they need to clean up contaminated drinking water, to regulate toxic pesticides, and to control dangerous air pollutants.

Mr. Speaker, it is time to set the record straight. We in the Congress have taken the tough steps necessary to protect the environmental rights of the American people. The sad truth is that this administration has set out a bill of rights which implies that as far as the environment is concerned, the American people have no rights at all.

Let me conclude with one last example, actually two last examples of environmental dilemmas that we have already in place that the policies of this administration are making worse.

I think it is fairly clear from talking to my colleagues and talking to constituents that the environmental problem of airport noise, and it is an environmental and in some instances a public health problem, is growing worse. The Environmental Protection Agency, under the 1972 Noise Control Act and the 1978 Quiet Communities Act has certain statutory responsibilities to work with the FAA, to try to monitor and evaluate airport operations, to minimize noise problems associated with airports.

It is clear that EPA is not performing these responsibilities. The explanation is fairly clear. This administration did not see fit to go and repeal those laws; rather, what they did was to defund, that is, to take away all of the money, that is, every single penny of the money for the noise program at EPA. Therefore, we have statutory responsibilities. We have a law, but the law is not being followed because the Agency which is charged with the responsibility for enforcing that law has been unfunded. Therefore, there is no one dealing with this type of a problem. As a result of increased air traffic, as a result of a reduced number of air traffic controllers, as a result of deregulation gone to an extreme, the noise levels, at airports around this Nation are getting worse and the system that we have put in operation to deal with it, to monitor it, is not working.

The last example I would give of a policy that is being pursued by this administration that is starting to be fully appreciated by the American people as a great impediment to the public interest being served is in the area of solid waste, a euphemism, of course, for garbage.

□ 1425

The garbage barge that we all saw on network television in one sense may very well be a blessing in disguise because it lifted for the public to see a serious problem to the national attention that some of us had been tracking but no one in the administration, particularly in EPA, has been particularly paying attention to. As we run out of space for the disposal of garbage in a traditional way of disposing of garbage, literally to dig a hole in the ground and put it in the ground with all of the environmental problems associated with using dumps, no one at the Federal level in the Environmental Protection Agency has been working to prepare the ground for the new types of high-technology disposal systems, resource recovery facilities.

If we are going to move in that direction, and I suspect it is inevitable, it is important that the Environmental Protection Agency put in place appropriate environmental safeguards to make sure that as we move in that direction we do not cause more environmental problems as we try to resolve one of our environmental problems. I have introduced legislation to deal with that problem by requiring EPA to spell out national uniform air emission standards for resource recovery facilities as well as testing standards for residual ash that results from incineration of garbage. Likewise, to spell out regulations for the safe operation of resource recovery facilities and worker accreditation systems so that those who will be operating these facilities will know what they are doing.

Mr. Speaker, in these brief few minutes I have tried to give a sense of the deficiencies that we see clearly flowing out of an environmental policy from an administration that has been very candid in suggesting that their approach to environmental protection is to get the Government off our back.

Mr. Speaker, that is not a legitimate approach to environmental protection. If the Government, if the public sector does not play a role in cleaning up our environment no else will. If there is anything the American people want it is not less environmental protection, it is more environmental protection.

In this regard the administration is totally out of step with what the American people want, expect, and I trust in the long run and hopefully not too much in the long run and I trust not too much beyond 1988, will insist upon and will get.

A BIPARTISAN FAIR HOUSING COMPROMISE PROPOSAL FOR THE 100TH CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin [Mr. SENSENBRENNER] is recognized for 60 minutes.

Mr. SENSENBRENNER. Mr. Speaker, virtually everyone is in agreement that the existing enforcement mechanisms in the Federal fair housing law-title VIII of the 1968 Civil Rights Act—are wholly inadequate. The law was born at a time of crisis, following the tragic assassination of the Reverend Dr. Martin Luther King. Since its enactment, we have seen, because of defects in the law, a serious chasm between the dream and the reality of equal housing opportunity for all Americans. Existing fair housing law lacks an effective means of enforcement and relies heavily on informal methods of voluntary conciliation to achieve its ends. The current law apparently has shortcomings when a party or parties enter into conciliation in bad faith

As a former Secretary of Housing and Urban Development [HUD], Carla Hills, stated:

> The most serious obstacle to an effective title VIII program is the lack of adequate enforcement provisions * * *

President Reagan noted as well that:

> The gap in enforcement is the lack of a forceful backup mechanism which provides an incentive to bring the parties to the conciliation table with serious intent to resolve the dispute then and there. When conciliation fails, the Secretary [of HUD] has no place to go. In those few cases where good will is absent, the exclusive reliance on voluntary resolution is, in the words of former Secretary Carla Hills, an "invitation to intransigence."

The alternative legal remedy for a victim of housing discrimination is to resort to the courts. However, we know this is costly, time consuming, and not a realistic one for the typical complainant.

Virtually everyone agrees the key to new fair housing legislation is strengthened fair housing enforcement. Unfortunately, agreement on a mechanism strengthening fair housing enforcement has proven elusive. For a decade, Congress has searched for a workable and politically viable solution without producing needed law.

THE CONTROVERSY OVER ALJ'S

The search for an enforcement mechanism has also been a divisive one. In 1980, the last time the full House of Representatives voted on this issue, a pitched battle was waged on the use of administrative law judges [ALJ's] with litigation authority for HUD as a backup enforcement mechanism.

The Leadership Conference on Civil Rights favored the use of ALJ's because of speed and efficiency. The National Association of Realtors opposed ALJ's because they felt the ALJ's were inefficient and lacked sufficient independence from HUD. After a 33-minute rollcall vote, the ALJ proposal prevailed by a vote of 295 to 204. This was in a House of Representatives with 17 more Democrats than in the current Congress. There was also a Democratic President lobbying heavily for ALJ's for 4 days prior to the vote. Despite victory on the narrowest of margins in the House, the ALJ proposal proved too controversial in the other body and the fair housing bill died there.

I was a freshman Congressman in 1980, and I opposed the proposal of ALJ's with expanded litigation authority for HUD. I remember that time well and I think it can be safely said that no one wants to repeat that battle in the Congress. Unfortunately, this divisive proposal is once again included in this year's fair housing bill, H.R. 1158.

Significantly, there have been several developments since that 1980 battle promising to make ALJ's an even more controversial and troublesome issue in the 100th Congress.

First, the political climate since 1980 has somewhat changed. There are 17 fewer Democratic Members in this Congress and a Republican President—critical political differences from 1980.

Second, the legal climate surrounding ALJ's has made the question of constitutionality more controversial. Even in 1980, constitutional questions abounded concerning ALJ's for fair housing cases. In 1978, a legal opinion from the Office of Legal Counsel in the Carter Justice Department concluded that the ALJ provisions in the 1977 fair housing bill were "suspect under the recent Supreme Court decisions interpreting the seventh amendment." These views were echoed by Drew Days, Assistant Attorney General for Civil Rights in the Carter Justice Department, in the 1979 hearings.

> Since the Supreme Court has held that rights currently conferred under the Act are in the matters of individual legal rights, and actions for damages for violations of those rights are triable by jury, *Curtis* v. *Loether,* 415 U.S. 189 (1974), *it would risk unconstitutionality (emphasis added)* to provide for damages in both courts and administrative forums.

In a 1978 letter to a Judiciary Committee counsel, the noted administrative law authority, Prof. Walter Gellhorn of Columbia Law School, agreed with the Carter Justice Department. He stated as follows:

> As the bill is now drafted, I fear that it would evoke strong constitutional challenges, and I think *the likelihood of successful challenge is significantly large. (emphasis added.)*

He concluded by stating that:

> [W]hat must be avoided, however, is too naked a transfer of power from the judiciary to the executive, which is what I think is wrong with the present proposal. A determination in an enforcement proceeding might well inure to the benefit of identified individuals (as happens, for example, when the National Labor Relations Board orders reinstatement, with payment of back wages) upon a finding that an employee has been discharged for a forbidden reason). That is different, however, from stirring judicial resentment by simply moving conventional *inter partes* litigation from one forum (a court) to another (an executive department).

Even advocates of the ALJ proposal conceded it is legally controversial. In testimony in 1979 hearings, E. Richard Larson of the American Civil Liberties Union [ACLU] stated:

> The ACLU is aware that any administrative awards of monetary relief may raise an arguable conflict with the right to a jury trial guaranteed by the Seventh Amendments.

Since the 1980 battle, the Supreme Court has handed down major separation-of-power decisions—Northern Pipelines, Chadha, Bowsher, for example—that raise questions whether Congress can delegate article III judiciary power over fair housing cases to nonarticle III forums. In testimony last year before the Judiciary Subcommittee on Civil and Constitutional Rights, John Knapp, then general counsel for HUD, observed:

> The constitutionality of having an administrative law judge, a non-Article III judge, award damages of that sort, it seems to me, is still unresolved. If anything I think it has been further complicated by subsequent judicial decisions, some of the ones that came out of the Bankruptcy Court or the bankruptcy judge cases like *Northern Pipeline.* I think when you read or at least to me when you read that case's description of what are private rights and public rights, the private rights being reserved to Article III, and if you lay that alongside the Supreme Court's decision in the Fair Housing Act case, *Curtis* v. *Loether,* which I think is the case which determines that a Fair Housing Act damage case invokes the consititutional right to a jury trial, if you lay those together, I think you get a somewhat fuzzy picture.

The risk of unconstitutionality was further heightened April 28, 1987, by the Supreme Court in its decision in Tull versus United States. The Court in Tull ruled unanimously that persons or companies sued by the Federal Government in civil cases for fines or damages have a consititutional right to a jury trial to decide whether they are at fault. This holding, of course, has major significance on the constitutionality of ALJ's deciding whether a landlord or seller has engaged in an unfair housing practice.

This significance was recognized in the other body where two hearings were held concerning the constitutionality of ALJ's in light of Tull. At the first hearing, a panel of law professors disagreed on the impact of Tull on ALJ's in the fair housing bill. One of the panelists, Paul Kamenar, a law professor at Georgetown Law School, member of the Administrative Conference of the United States, and executive legal director of the Washington Legal Foundation, summed up the constitutional problem:

> It is our view that, based on the reasoning and holdings of *Tull* v. *U.S.* and *Curtis* v. *Loether,* a respondent in any such action would have a right to a jury trial notwithstanding the role of the administrative law judge and the court of appeals provided in the bill. In other words, S. 558 does not expressly deny the right to trial, it attempts to undermine that right by providing for an administrative mechanism and judicial review procedure that would not functionally accommodate a jury trial. There are no juries that assist ALJ's in any agency nor are there juries in the courts of appeals. The question, therefore, is whether Congress can constitutionally short-circuit a person's right to a jury trial in such a manner. *If Congress can do it in this context, then the right to a jury trial could be extinguished altogether by the Congress by merely authorizing ALJs to adjudicate any matter under federal law with review limited to the court of appeals.* (Italics added.)

The fears of unconstitutionality were confirmed on July 1, 1987, when the Justice Department's Office of Legal Counsel released its legal opinion concerning the constitutionality of ALJ's deciding fair housing cases. In a comprehensive legal analysis, the Office of Legal Counsel concluded the fair housing bill in its current form is and "would likely be declared unconstitutional on Article III and Seventh amendment grounds." The opinion also adds:

> All concerns under the Seventh amendment and Article III would be alleviated, of course, by deletion of the provisions establishing an administrative hearing process.

We now have legal opinions on the constitutionality of ALJ's for fair housing cases from the Carter and Reagan Justice Departments. They both conclude that ALJ's for fair housing cases are probably unconstitutional. The question for this House is whether it wants to take the extraordinary step of defying the legal opinions of two different administrations and enact a fair housing bill with ALJ's. Do we want to go down the road the way we did with bankruptcy judges and Gramm-Rudman? Is it fair to victims of discrimination to enact a fair housing bill promising immediate relief, but which will in all likelihood have its enforcement stayed for several years while constitutional questions are litigated?

Third, ALJ's are objectionable on policy grounds. It is manifestly unfair to include adjudicatory functions in HUD. Just last year, the realtors reached a compromise on the issue of testers and agreed to allow funding of testers by HUD. Thus, if the ALJ proposal were adopted, HUD would in effect be tester, investigator, conciliator, prosecutor, adjudicator, and executioner.

Moreover, ALJ's have been touted as more efficient than the overcrowded Federal courts. However, research by the Justice Department suggests the contrary. Assistant Attorney General William Bradford Reynolds testified to the following this year:

> Our research demonstrates that the administrative law judge process simply does not provide speedy resolution of disputes. A survey of government agencies employing administrative law judges or their equivalent revealed the following average times for the processing of complaints: the National Labor Relations Board in FY 1986 averaged 767 days (25.6 months); the Social Security Administration in FY 1986 averaged 421 days (14 months); the Federal Labor Relations Authority averaged 467 days (15.5 months); and the Department of Labor averaged 398 days (13.3 months) in black lung cases. These numbers do not include the time required for judicial review of the ALJ's decision. While this survey is not exhaustive, it is representative and demonstrates that the ALJ process does not offer a speedy dispute resolution alternative than can realistically be counted on to provide meaningful relief to an individual who has been denied an apartment because of race and simply wants to be allowed to lease that apartment.

Prof. Rodolphe J.A. de Seife of Northern Illinois Law School recently observed in a working paper published by the Washington Legal Foundation:

> The administrative process has largely become the antithesis of what we had in mind: it is cumbersome, expensive, duplicative, and represents an enormous waste of time and effort on the part of all the participants involved in administrative proceedings with little resulting benefits to anyone except the lawyers. Indeed, overjudicialization of the administrative process and the adversarial mentality, both syndromes of the legal profession's lack of creativity and reluctance to accept changes, have all but destroyed the usefulness of the administrative process as envisaged by its original proponents half-a-century ago.

There are problems concerning the independence of ALJ's. This is why an independent corps of ALJ's has been advocated by some Members of Congress and some administrative law judges themselves.

ALJ's are also inappropriate for civil rights cases. There is a lot of emotionalism over a discrimination case which one wouldn't find in the typical cases decided in ALJ's now. Jury trials have been successfully used in discrimination cases. This month's Trial magazine notes that, "experience shows that juries are responsive in race discrimination cases." Civil rights practitioners admit more trust in a jury system rather than in an administrative system. Jack Greenberg of NAACP Legal Defense and Educational Fund, Inc. indicated such a view in 1979 concerning the fair housing bill. He said:

> Our reason for urging this change (de novo proceeding in federal court for a prevailing complainant in an ALJ proceeding) is grounded in our lack of confidence in the ability of the bureaucracy to handle adequately the high volume of complaints with which we will be faced. To say this is not to express a criticism of Secretary Harris. The fact is that there are no successful models in terms of organization and expertise among our civil rights agencies in the federal bureaucracy charged with similar enforcement responsibility. Given the relative importance of the rights with which Congress is concerned and our experiences with the other agencies, it is more appropriate to err on the side of caution.

A COMPROMISE TO BREAK THE DEADLOCK

Basically, there has been a deadlock on the enforcement issue—with the leadership conference favoring administrative enforcement—ALJ's—and the National Association of Realtors favoring judicial enforcement—the Justice Department bringing suits in Federal district courts. I readily concede I have contributed to the deadlock. Last year, I introduced the administration's fair housing bill which proposed judicial enforcement.

Mr. Speaker, I come here today to announce that I believe it have a compromise which can break this deadlock. The basic notion behind my proposal is that it could achieve the same goals of the ALJ system in this year's fair housing bill, H.R. 1158: strengthened HUD enforcement, expeditious resolution of the discrimination issue, emergency relief for discrimination victims, and a process which would not require money or a great deal of time from the victim.

I believe my proposal has important advantages over the ALJ system: First, it does not appear to be controversial on constitutional grounds and thus not as likely as the ALJ system to invite litigation staying enforcement of a new fair housing law for several years; second, it is faster—cases could be heard within 45 days of filing an action rather than 120 days; third, it is likely to be acceptable to the National Association of Realtors and could command a veto-proof consensus that important civil rights legislation deserves.

My proposal centers around HUD enforcement through consolidation of an action for an injunction or temporary restraining order with a jury trial on the issue of discrimination. The jury's decision would be res judicata on the discrimination issue in a subsequent lawsuit for damages. This enforcement mechanism provides for expedited treatment of unsettled housing discrimination cases because the Federal courts are required to put these cases at the top of their calendar. It also preserves the right of a jury trial on the issue of liability in accordance with Tull. With the jury's decision being res judicata on the discrimination issue, the complainant's interest in damages is aided because respondents are likely to settle at this point. Even in the case of no settlement, the complainant should be able to secure counsel on a contingency fee basis to bring a lawsuit for damages. Finally, HUD's ability to obtain settlements during the conciliation process is strengthened because it now could go to Federal court for expedited enforcement.

The enforcement action would come into play after conciliation failed. The action for injuctive relief or a TRO could provide a home for an aggrieved party who needs housing immediately. It could also prevent the respondent from renting or selling the dwelling in question.

It should be noted that this proposal would include a provision protecting innocent third parties. In addition, the aggrieved party would still have the right to intervene in the proceeding.

My proposal requires significant concessions by me and the realtors. Despite my past opposition, I will support granting authority to HUD to bring not only temporary restraining orders or other preliminary relief but actual fair housing cases in Federal courts under a unique procedure assuring prompt relief for discrimination victims. HUD litigation authority is a crucial ingredient to this year's fair housing bill. Indeed, in their January 21, 1987, "Dear Colleague" letter supporting H.R. 1158, the distinguished vice chairman of the House Judiciary Committee, HAMILTON FISH, Jr., and the distinguished chairman of the Judiciary Subcommittee on Civil and Constitutional Rights, DON EDWARDS, stated the following:

> Mr. President,
>
> *Importantly* (italics added), the powers of the HUD Secretary would be expanded by granting him the authority to seek a temporary restraining order or other preliminary relief in discrimination cases when he determines that prompt judicial action is necessary.

Moreover, my proposal signifies that I am willing to oppose the administration of my own party on this particular issue. It was only last year I introduced a fair housing bill on behalf of this administration. This is a substantive change in an attempt to make fair housing a reality in the 100th Congress.

Mr. Speaker, I have worked closely with Chairman EDWARDS, the National Association of Realtors, and the Leadership Conference on Civil Rights over the past 2 months in crafting a bipartisan compromise to bring us a stronger Federal fair housing law in the Congress. I believe the tireless efforts of the realtors should not go unrecognized. By conceding on an important item—HUD litigation authority—the realtors have made it possible for me to offer something new and different to break the logjam on fair housing. The realtors have gone the extra mile so that this Congress can reach agreement on a vital civil rights bill. They have simply asked for fairness entitled to them and all other Americans under our Constitution.

I also compliment Congressman EDWARDS, the chairman of the Judiciary Subcommittee on Civil and Consitutional Rights, for his patience, understanding, and willingness to reach a compromise. He is a good friend and I look forward to continuing to work with him on a compromise. I hope he will agree that the issue of ALJ's is too controversial and, as a practical matter, detrimental to the cause of strengthened fair housing enforcement.

Finally, I appreciate the Leadership Conference on Civil Rights for their efforts and willingness to hear my proposal. They acknowledged to me personally the merit in my proposal and, in fact, have not rejected it outright. They recognize it goes further than any alternative to ALJ's they have seen. They know I have conceded something on which I previously have taken a strong public position in order to bring something new and different to the bargaining table. In addition to this, I have indicated a willingness to make concessions on other contentious issues in the fair housing bill. The leadership conference position to date has been unyielding. I gave up something important. What I am asking the leadership conference to compromise is not unreasonable—give up the controversial ALJ approach and join a HUD litigation proposal which does the job better than ALJ's. It is difficult to unilaterally make concessions while the other side does not reciprocate.

I think the choice on fair housing in the 100th Congress is clear: either we go to war over ALJ's like we did in 1980, or we go with a compromise proposal to reach a bipartisan consensus as we did in 1982 in extending the Voting Rights Act. I am looking for a fair housing law, not a fight over fair housing. Members of this body should know I, and the realtors, offered a viable compromise. The clear opportunity to avoid a conflict over badly needed fair housing legislation rests with the Leadership Conference on Civil Rights.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts [Mr. FRANK] is recognized for 60 minutes.

[Mr. FRANK addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. BONIOR] is recognized for 60 minutes.

[Mr. BONIOR of Michigan addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

ORDER OF BUSINESS

Mr. KOSTMAYER. Mr. Speaker, I ask unanimous consent to proceed for 10 minutes with the permission of the gentleman from Texas [Mr. GONZALEZ] who had reserved this time previously.

The SPEAKER pro tempore (Mr. GRAY of Illinois). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

DEFICIENCY IN THE PRESIDENT'S FISCAL YEAR 1988 BUDGET REQUEST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. KOSTMAYER] is recognized for 10 minutes.

Mr. KOSTMAYER. Mr. Speaker, I rise today to participate in this important special order and to note serious shortcomings in the President's fiscal year 1988 budget request. Today we are focusing on the President's environmental budget. In my opinion the administration's record in this area has been nothing short of a national disgrace.

One aspect of our environmental debate concerns the preservation of our natural and cultural resources. This is one of the important challenges facing our country today. Unfortunately, however, the administration has failed to recognize the seriousness of this issue and has instead thwarted the efforts of both the Congress and the private sector. The elimination of funding for new land acquisition and the Historic Preservation Fund are just two examples of the administrtion's short sightedness and ill fated attempts at policymaking.

Established in 1976 as a means to provide a continuing source of funding for historic preservation, the Historic Preservation Fund has allowed us to develop a system for the identification, evaluation, and protection of our historic and cultural resources. Examples of programs funded through the Historic Preservation Fund include: Operation of a Main Street downtown revitalization program, development of statewide historic preservation comprehensive plans, and distribution of and instruction in technical preservation information. In addition, another major area provided for by the Historic Preservation Fund is the evaluation of resources for listing in the National Register. In 1986 alone, State historic preservation officers were able to make 3,153 nominations to the National Register, adding 55,268 structures to that distinguished list.

However, since 1983, the administration has requested no appropriations from the fund. Only strenuous opposition from the Congress and the public has prevented these cuts from going through. Although Congress has appropriated approximately $26 million annually, this modest sum does not come close to meeting our national need. Estimates for the cost of restoring endangered national registered properties alone exceed $300 million. It is imperative that we provide adequate funding for the Historic Preservation Fund if we are to ensure that all aspects of our culture are brought into our resource protection process. I encourage the administration to improve its very bad record in this area.

The issue of preserving open space is another important issue facing us today and yet the administration has sought, year after year, to practically halt new parkland acquisition. In fact, this year's budget request for acquiring parkland is 82 percent below the amount approved by Congress last year. The administration's request provides only enough funding for emergency and hardship acquisitions. Quite simply, the fiscal year 1988 budget request completely eliminates funding for new acquisitions from the Land and Water Conservation Fund. The LWCF is the single most important source of money for the purchase of public outdoor recreation areas. This action is particularly disturbing considering the fact that the 1986 report of the President's own Commission on Americans Outdoors recommended action to set aside adequate land for future recreation use and urgently noted the loss of 1.4 million acres of open space each year.

The consequences of this decision to fund no new acquisitions is disturbing to say the least. The Land and Water Conservation Fund is perhaps the best example of an effective and cost efficient Federal-State partnership. Since 1965, with its matching grants to States program, the LWCF has funded 33,886 projects which resulted in the acquisition and preservation of some 2,330,068 acres. In that period, the Federal Government has made available over $3 billion to fund these projects. This money has not only been matched but often surpassed by State and local funds. Nevertheless, in the very year that the President's Commission on Americans Outdoors has said that our parks are overused and overcrowded, the administration's budget proposal prevents the acquisition of any new lands to meet our increasing needs.

This decision is ill advised and, quite frankly, makes no economic sense. It is estimated that the current backlog for the National Park Service alone is $1 billion. Land prices for unacquired land continue to escalate at an approximate rate of 7 percent annually. Thus, the National Park Service needs $100 million per year just to stay even with inflation. Using these assumptions, it would follow that it would take 15 years to take care of the current $1 billion backlog even if the NPS received $100 million per year. Sadly, unless we identify and protect our Nation's natural areas, we will be forced to watch them disappear one by one to competing uses. It is therefore of the utmost importance that we provide for a continual income stream dedicated solely to the preservation of our Nation's magnificent outdoor heritage.

Mr. Speaker, we must do better and the administration must carefully reexamine its priorities. The preservation of our natural and cultural heritage is, as it should be, a high priority and it is time that the administration recognized this.

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 27, FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION RECAPITALIZATION ACT OF 1987, AND AGAINST CONSIDERATION OF SUCH CONFERENCE REPORT

Mr. PEPPER, from the Committee on Rules, submitted a privileged report (Rept. No. 100-255) on the resolution (H. Res. 236) waiving certain points of order against the conference report on the bill (H.R. 27) to facilitate the provision of additional financial resources to the Federal Savings and Loan Insurance Corporation and, for purposes of strengthening the reserves of the Corporation, to establish a forbearance program for thrift institutions and to provide additional congressional oversight of the Federal Home Loan Bank Board and the Federal Home Loan Bank System, and against the consideration of such conference report, which was referred to the House Calendar and ordered to be printed.

MY ADVICE TO THE PRIVILEGED ORDERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, today I proceed along the lines I had initiated some time back in my advice to the privileged orders. I had quite a number of inquiries the last time I referred in that sense to the style, and the reason is that the style of addressing the privileged orders is adopted from a great Revolutionary cause, a man who served as George Washington's Army chaplain for a while, who was also a great pamphleteer and a companion in that day and time of Tom Paine and the other celebrated radicals of the day and pamphleteers of the day who, after the beginning of the American struggle for independence, went to continental Europe and found themselves immersed in the midst of the French Revolution which at that time we could roughly consider and equate by saying that it would be quite proper in trying to correlate comparisons, if that is possible.

We could equate the French Revolution in that day and time, the Jacobins, and their ferociousness as pictured in England, with the 20th-century Russian Revolution and the bolshevism so much feared in the 1920's, and up to World War II, and since then the obsession with anticommunism and the misperceptions of that outer world that has been the scene of so much cost in blood and treasure to us as sequela wars after World War II.

The reason is that Joel Barlow, the name of this great revolutionary figure, who by the way was of those that had such a vast imaginative mind that he could write an entire epic poem which he styled, "The Columbiad" which peering into the future he foresaw what turned out to be the costly Civil War. He predicted that based on the existence and tolerance of slavery at the time that the day of reckoning was inevitable, as he said in his words, as he peered into the future.

He envisioned in his epic "Columbiad" Columbus coming back in a later century and viewing what had been wrought since his discovery and so Joel Barlow addressed his essays to the privileged orders of a Europe even anticipating the terrible civil war known as the French Revolution and the consequent concerns in the then English establishment which of course was reflected in its colonies in the New World.

I think that we should at this time of recollection, and ironically a time in which we are being called at the point of 200 years almost of celebrating the anniversary of our form of government, to ponder on those minds and their writing and their thinking and see if we, too, in our day and time can be capable of rising to the point of reaffirming. At this point I have developed three main attempts to express my concern about the developments that are now involving our Nation in what I consider to be one of the most serious, or series of most serious constitutional crises we have confronted.

□ 1440

If indeed some 13 years ago we were embroiled in a first-class constitutional crisis, it was certainly due to the fact that we were allowing a period of time that had elapsed in our refusal to confront prime constitutional issues as envisioned by the men who 200 years ago were in the midst of preparing the document we call our fundamental law or the Constitution.

It was the biggest fear of all of these men that the country would result with a national executive, the words they used during the constitutional debates were "chief magistrate." Finally the word "President" evolved as it was recognized that one of the biggest failures for the period of the Articles of Confederation was the absence of a unified, unitary power that could execute or carry out the policies that the Continental Congresses had wrought or had sought to bring about.

But the fundamental issues then, again historically speaking, ironically confront us today. The setting is different, a world never once in the most imaginative mind ever conceived by that generation of Americans. I think the significant thing, as I said earlier, is that the first 10 years of our national existence, the first and second Continental Congresses, there was no such thing as an office of an executive agent much less of a President-type of office because of the fear. Now one of the big fears and one of the big reasons impelling the migration not only at that time but even up to 100 years later, almost, the revolutionary wars in Europe, the last one which erupted and propelled hundreds of thousands of immigrants to our country was the 1848 revolution, and those subsequent upheavals in Europe. And every one of them, even as late as the Kaiser in his day and time, at the turn of the century, developed because of the fear of king-made wars over which the people had no control. So the constitutionalists, those writing the Constitution, placed article II, executive branch, the Presidency in article II, not in article I. Article I is the Congress, the people's agents, the people's representatives supposedly.

But what has happened here, and this is the reason that I very much perhaps presumably and presumptuously offer the advice of the privileged orders which in previous remarks I have included my colleagues in the Congress as being a part of that hierarchial structure in our society today that we could call privileged orders, because we are privileged. Even from an economic standpoint, our wages would rank in that upper 10 percent.

But above all, what has happened though, almost imperceptively has been a corruption in the processes. It was intended that if indeed and in fact such an office as the Presidency should have to be provided for it would be so restricted, it would be so hemmed in that under no circumstances would a President ever on his own get the country involved in a way. So the power to declare war was exclusively, exclusively placed in the Congress and nobody else.

When, after 1940 and the first peacetime draft and subsequent to that, the declaration of war in December 1941, a President was given the power to conscript an American and impress him into service. The fact that an amendment had had to be offered and accepted in the 1940 debates on the first peacetime draft in the history of our country, provided that under no circumstances could an unwilling American be conscripted to serve outside of the continental United States except and unless a declaration of war, naturally by the Congress, or explicitly provided so by the Congress. But we lost sight of that proviso with the "hot" phase of this great conflagration known as World War II.

I recall vividly that there was nobody doing anything but rushing to the enlistment stations to volunteer. The ones who were the most unhappy were those who, for whatever reason, were not permitted to serve, either physical or otherwise. But subsequent to World War II and the "hot" shooting phase of that war terminated, what was overlooked was that we continued a system of improvised conscription. Therefore, we developed the twilight wars, the Presidential wars, if you please, which today is the great prime question confronting the American people and which, hanging over our head like Damocles' sword, endangers the very, very ability to reaffirm our traditional constitutional representative form of Government first and foremost.

Now we have not reached the 200-year mark yet. This year we are celebrating the writing of the Constitution which actually will not really be the 200th year mark until September, at which time we can properly say that it was 200 years before that it was completed. But it was not adopted by two-thirds or three-fourths of the Colonies, our States, until later.

So the first Congress did not convene until March 4, 1789. Even George Washington, who at that time could have through his tremendous moral suasive power, and in fact that was the fear expressed by John Adams, a bitter enemy of George Washington. We like to think that those were halcyon days of great comradery and respect, but there were bitter altercations. And John Adams used to compare George Washington by describing him as "That tall Virginian who believes he was heaven sent, Buddhaed and spurred, ready to ride on the hapless backs of mankind." And he feared "Well, is George Washington going to try to become some kind of a king here?" In fact, there was debate at the time as to just what would be the title of such an office as the President, even though the words they debated back and forth were "a chief magistrate" and some thought of "His Excellency." Others said, "No, that is too much, the trappings of aristocracy and not of democracy nor one of representation."

So they just said a plain, "Mister" suffices. But George Washington, of course, being of the stature that he was, respected the very, very document that he had helped to construe and construct and therefore that did not develop.

But almost instantly, soon after and as the party cleavages developed and George Washington in his farewell address expressed fear about the partisan spirit that was liable to develop but at that time the two main streams of political factionalism developed into the Federalists and the Whigs. Roughly speaking, one became the fountain or source or the channel through which the Democratic party, as we recognize it today, is called and the other was perhaps, roughly speaking, the predecessor of the Republican Party. But even then and not long after, we had the first constitutional crisis, when a group of Federalists thought that they could subvert the Constitution, steal the Constitution, as President Nixon wittingly or unwittingly would have had us accept and as I charge in a far more dangerous fashion, because of his popularity, because of his charm, unlike Richard Nixon who even his own supporters had some reluctance to accept full faith, he did not have that word they throw around, charisma of President Reagan. So President Reagan in my mind represents a far greater danger. And the actions that he has taken, some of them very little known, very little publicized, some of his domestic security, his national advisory, the National Security Advisories they call them, which have the force of an executive decree, are far-reaching, ominous, ominous indeed. But we should not be surprised, because in 1974 during that crisis we had even far more elaborate plans that the executive branch and officials within the executive branch had developed. And what are those? Those were to even suspend national elections if there was public turmoil and tumult. Well, who would take over, though? But what about today? What is very little noted that way but which, thanks to the congressional sense of responsibility, at least is being reviewed by a joint committee of the Congress. It remains to be seen whether it will end in total frustration as the first committee, the so-called Harris committee of the Senate, looking into what turned out to be the preliminaries leading to the so-called Watergate scandal, and what was that? Well, very similar to what the witnesses today, the highest ranking members of the executive branch of the Government are saying. Secretary Shultz, even lately the Attorney General, all picture an executive branch in somewhat of disarray. The Tower Commission before that dramatically pointed out, and this was an executive branch-selected commission, this was not a congressional commission, but let us go back to these troublesome days emerging in the late 1971 and then flowering into 1972.

In the autumn of 1971, Secretary of State Kissinger became obsessed with the notion that he could not trust anybody and that there were very, very serious leaks of documents or internal security matters.

The Joint Chiefs of Staff Chairman, Moore, distrusted Kissinger and considered him a tool of the Communist Russian regime.

So there was a tremendous spirit of distrust among the palace guard in the Nixon administration. Then the President decided to appoint what later was called the "plumbers" but which in reality was a group of individuals headed by a very young man by the name of Bennett who was not over 34 years of age, to try to plug the leaks. This is why they got the name plumbers. In fact, in a joking manner one day late in 1971 Bennett placed a little sign on his desk that said, "Plumbers. We stop leaks." It was soon after that that such individuals as E. Howard Hunt presumably retired from the CIA—though I doubt that—he was still pretty much on the payroll and James McCord also presumably ex-CIA, through their friendship with such people as Erlichmann and others in the Nixon administration joined that Commission or group to plug the leaks, to find out who was leaking and why.

□ 1455

Secretary Kissinger became so fearful that he would not trust even his own internal security but went to Naval Intelligence to get their help to give him security. In the meanwhile, this group attracted also one, E. Gordon Liddy. So they were meeting in the last month of 1971, in December, in a room in the Executive Building, trying to figure out what they could do about some of the individuals they were accusing of having leaked security information. One of them was the columnist, Jack Anderson.

So one night they met, and Liddy said, "We've got to do something about that guy. Now, I know the CIA has techniques. I know a doctor that has worked over there, and he has since retired, and he has means."

So they brought him over. But what Liddy had in mind was actually doing to an American what these other individuals in their CIA work offshore of the United States had been doing against foreign officials—that is, executive action, that is, bumping them off.

So when this doctor was informed, he said, "Hey, no, wait. I don't want to have anything to do with that. If what you want to do is discredit a guy like Anderson, yes, we've developed some substances that, if you can find a way to have Anderson ingest them, say half an hour before he starts a speech at the Press Club, I will guarantee you that in the middle of his speech he will be a blithering idiot, and that will discredit him."

Liddy said, "What's the matter with you? That's not enough. I want to get a profile on him. Let's get a psychological profile on him. Let's find out how he lives. Does he jog? Does he jog over there in Georgetown? Because if he does, we can always find a truck that will come around a corner at the right time."

Now, this was in the U.S.A., across the street from the White House, by an executive bunch hired by the President, who was just about as aware of that as Ronald Reagan is as to what is going on in the basement of the White House today, as revealed by everybody from Colonel North to Poindexter and Meese and everybody else.

But what does that mean to us? It means that we allowed the creation of a runaway agency accountable to nobody, even its own director, because the office of the security of the CIA is free-wheeling. Nobody knows what is going on there, including the director of the CIA, even today, as well as in 1971.

That means that we are no better off, as far as being an open society, as far as ultimately being a free people, than some other countries that we look down on as having lost their democracy and having lost their freedoms. And the reason is simple. Nobody ever followed through on the violation, because shortly after that meeting the CIA detailed a dozen agents to have an around-the-clock surveillance of the columnist, Jack Anderson, at his home by CIA agents, from January until April 1972.

That is a breach of the law. It is a breach of the National Security of 1947 that set up the CIA. The Congress did not set up the CIA as an unaccountable agency, any more than it did the Federal Reserve Board, but they are now both totally out of control. They do not respond to anybody. They are not accountable to the Congress.

When the Boland amendment was placed in the law in 1984, did the CIA give a hoot about being prohibited from using funds? Of course not. Because the President merely increased his own executive discretionary fund 750 percent. Now, that is something that someday I hope those very, very diligent sleuths of budgetary accountability will follow through on. Forget about funds from the Iranian deal. I think this is more significant because this followed in the tradition of the constitutional crisis in 1974.

Now, it is true that the full dimensions of a constitutional crisis are not as dramatic as a battle in which you have somebody shooting at somebody and sombody bombarding back. Of course not. But from the standpoint of freedom, from the standpoint of constitutional integrity, it is an important war. In fact, it is a vital war, and I think that to the degree the American people are informed, we will be working against a backdrop of support and understanding. It is a failure of information. It is the ability of an administration such as this to have almost total control of the dissemination and the quality of dissemination of information, almost total, because for the first time that vast corporate upper structure of great wealth in our country is in total control of the decision-making processes.

Just today, before the Banking Committee's Subcommittee on Financial Institutions and Regulations, of which I am now a member, we had the outgoing chairman of the Federal Reserve Board, Mr. Volcker. He was asked to come before us by the chairman of the full committee to discuss the international financial banking situation, the question of the mega-financial institutions that are now transnational and multinational and that have no allegiance to any one nation. Some of them may have American citizenship, some may not.

But I asked one question. I said, "It has been estimated that every day there are about $200 billion of financial resources, chasing each other around the financial capitals of the world, London, New York, Paris, Bonn, Sydney, Australia, and Tokyo."

"Oh," he said, "there's a lot more than that."

I said, "All right. But this money, this vast resource of credit, what is it being used for? What is the reason for its traveling around? Is it to produce goods? Is it to enhance international commerce and barter? Is it going to produce goods ultimately?"

"No, it's purely speculative. These are dollars going after higher-priced or lower-priced dollars in order to be sold for higher prices that same day." But he said it was over that. I figured from the way he talked that $200 billion was a very conservative estimate.

I said, "Well, what can you do to control that?"

He hung his head, and he said, "The only thing is if we can just devise policies that will make it unprofitable."

Well, how can you do that when the same Federal Reserve Board has created the environment in our own country that has killed off hundreds of thousands of small businesses through usurious interest rates, extortionist interest rates? That is what attracts the foreign capital which has financed this. It has been the borrowed foreign money in this country which is fickle, which is very, very volatile, which is the one that precipitated the downfall of Continental Illinois just a few years ago and which cost the taxpayers so much. That is, they do not want to put it that way but it cost the Feds about $6 billion. We nationalized it. If this were a country like Mexico, we would say that Mexico nationalized it, but being that we do not believe in such things, we do not call it that, any more than we like to think we had temporarily a military junta here calling the shots. But as I said the other day, if we were to change the locale and say it was not our country but one of these other countries we do derogatorily look down on, a banana republic, we would just transfer the names around and say it was Colonel so-and-so and Admiral so-and-so and we would say, "Oh, that's just a military junta."

Well, that is what we have had here. But how can you have that under the Constitution? Because the Congress has been unwilling to even oversee its own laws such as the War Powers Limitation Act of 1974.

I have introduced three resolutions. The first was in 1982, in the case of the detachment of Marines sent to Beirut. And I kept asking for 14 months, "Mr. President, what is the military mission of the Marines?"

It also so happened that I was privy to the knowledge that the Joint Chiefs of Staff—these are our chief military experts in our country, the outstanding experts that we have provided for their military expertise—unanimously advised the President against that.

So my advice to the privileged orders is: Will you now at this point and juncture, for the safety of not rocking the boat, reconsider? When I introduced my impeachment resolution on last March 5, one of the Members said to me, "You know, I think you made a case there, but even if you can, HENRY, the man has just about another year in his term, a year and a half or two, and we can't afford to precipitate a constitutional crisis."

I just could not believe it. What does anybody think we are in the middle of? We are, in this month of August, which is a time when the climate is favorable, in only 1 month in the Nicaraguan area, when it is dry and it is convenient, preparing for an invasion, and just as surely as I am here talking today, I predict that the Persian Gulf crisis right now may or may not continue, but I think it will fade, but if it has not, it will be overshadowed by the developments next month, in August, in Nicaragua.

I sat here and listened to the debates the other day on this one bill that would provide recognition of the need to address from a humanitarian standpoint the great en-masse exodus of Central Americans for the first time in our history, en masse from El Salvador into the United States, and this has created or produced a nucleus of men of God, men of the cloth, who, out of their duties in their vocation, as called for, were crying out to recognize the need to give hospice and hospitality and refuge to some of these unfortunates whom I have seen with my own eyes and who live in pathetic circumstances in our midst, only to be jailed.

We have now in our prisons more than one religious American who is either a priest or a layman. We had one lady who was ordered to jail late last year because of her joinder in the so-called refugees or hospitality houses of a church in what we call the Valley of Texas, and she was pregnant. Nevertheless it took us 3½ months before we could persuade the judge and finally make everybody see that it was ridiculous to have a pregnant woman jailed on such a basis. It is really policy; it is nothing else. What else is it? Since when is it right that we in America would allow our agents, our immigration agents and Customs agents, to invade a church as in Arizona and round up the priests and ministers and workers and try them and convict them and jail them because they were giving hospitality to Salvadoran refugees, some of whom had come up through Mexico and some of whom had died in the deserts of Arizona?

□ 1510

If we have already given up, and we have, for what, given the American birthright of freedom, of constitutionally based and defined freedom and rights. Even to those most powerless and impoverished, that has been the theory. My advice to the privileged orders would be just right along the lines of Joel Barlow's advice to those leaders, some of whom were beheaded after his essays, to look around and to just have compassionate, humanitarian consideration, nothing else.

As a result, we had what to this day is still recalled in history as the bloodiest of revolutions.

There is nothing that can be done to redress that movement of the seething millions south of the border which for the last 15 years or so now exceed our total population by almost 100 million—that did not used to be the case—but for which our leadership and unperceived, imperceptibly, and in a very, very dislocated fashion have failed to even analyze the history of those areas.

There is nothing we can do, and I believe nothing we should try to do that is going to impede the march of those downtrodden masses that have been submerged, subjected to the worst despots on the face of the Earth, the worst forces of tyranny for 300 to 400 years. It is no longer the same world.

Our misperceptions are such that even our own constitutional framework of reference has become distorted, so that if in our own home, we ignore the basic principles, how then can we recognize the dignity and the freedom that we ought to respect, and those willing to die for it, and we are not going to define the Nicaraguan revolution for them. They have died over many years. They have suffered; they have been tortured, and they have been imprisoned.

I never heard one voice arising from either the Congress or the Office of the Presidency about human rights charges, because those despotism charges were the handmaidens of our economic interests there.

Honduras, for instance, which we are occupying today against the will of the Honduran people, all we have to do is read what their people are writing since 1982.

They do not want us there militarily, but we are there because United Fruit has always been there. United Fruit has owned Honduras, the railroad, the housing, the jobs, everything. It is now known as Standard Brands. It is J. Peter Grace, the multibillionaire who has the conglomerate that now owns that. He has the biggest input with the Reagan administration as to defining the Latin American policy.

What would be his definition of a Communist down there? It would be interesting to know, but since when is it in our tradition to take sides with the despots merely because they say we are anti-Communists?

I am anti-Communist, and these people are a bunch of Communists; but you can say fine, so you have a bunch of moguls there that are preaching something called dialectic Marxist-Leninism; but the average citizen, those who fought the revolution, are still willing to fight the revolution, those that have been given guns to have in their household. Obviously, if that regime imposed, the very guns that regime has given these households to resist the common Yankee invasion, that is what they call it.

Their song is, as you see them march in green as I have seen them in newsreels, and I have not gone down there. I have not done the same thing as so many Members did during Vietnam. I was offered time after time a chance to go over to Vietnam.

I said that I would wait awhile. "Will you dress me up in fatigues and let me go up there with my constituents on Hamburger Hill? Of course, you will not."

That is where I would go if I was going to go there. In the meanwhile, I did not order them there, and if I had it in my power, just like right now, my critics say, "Well, what would you do in Nicaragua?"

I say, "What I would do if I had the power, I would pull out every single soldier we have down there all the way from Mexico on down to Honduras, down to Panama." Instead of an Army tank, we are going to send them a water tank. Instead of letting the Cubans send the doctors and the nurses and the teachers or the priests and missionaries who have been there, talk to them and see what they tell you.

Are they fearful of a Communist takeover? No, they are more fearful that we are about to commit the worst atrocities that we have been committing that forever and a day, and in the future, condemn our children, grandchildren, and great-grandchildren to a rebirth of the old feuds of the European continent which led to more war, more fratricide.

Actually if we have the wit and the will, and I have been asking my leaders since April 1, 1980, when Jimmy Carter was President, a fellow Democrat, and for those who say that I am partisan, this is what my advice was then: "Mr. President, my advice is that, use the last vestiges still remaining of the great American moral persuasive power with your colleagues in regional organizations such as the OAS, the Organization of American States, that we took the leadership in, for we still have a little bit left that we can use, and together can help resolve as we did in 1957."

President Eisenhower did not have any compunction in allowing his Secretary of State to go down to the same group, the Contradora group, to help resolve the border dispute that had been flaring up for decades between Nicaragua and Honduras.

Once we joined them, they made our American Secretary of State the head of the group; and we went to the World Court, and it was resolved.

There was peace between those two countries until Alexander Haig in his few months as Secretary of State introduced Argentinian troops, the first ones we put on Honduras, to try to destabilize the Sandinista junta, because that was the one that prevailed before the elections in Nicaragua of November 1984.

We got the then Argentinian military despots to lend us some of their troops. That is why they thought that they could go into the Falklands, and we would be on their side. What was the end result of that folly?

Less than 2 years later, those same military that had been considered by Mr. Haig the most anti-Castro around were in Havana toasting Fidel Castro. Does that mean he is a great leader, a great diplomat?

No, it means that we have fouled up through misperception, through prejudice, through ignorance of history and culture what could be ours as a natural leadership, for I have maintained all along that there is a parallel development.

The whole story about the flag follows trade and vice versa, of course, between 1975 and 1980 or thereabouts, the American business investment in Latin America dropped from 37, 38 percent to about 17 percent. We abandoned that area. We turned our backs.

We are reaping a whirlwind and the exportation, the injustice that we have permitted has given rise to the fulfillment of the very fear; that is, communism.

Communism, the only time it takes hold is when the processes are blocked. Social justice is not afforded, and the cry can be made just as much as it was in Germany at the time of the Weimar Republic, and I remember seeing pictures of emaciated German mothers holding a pail out to receive milk in a dole line for their children.

I would see men with their heads resting on an iron rail of a big building, and this was a homeless shelter for the German unemployed man.

Hitler came and promised and said, "I will redeem you."

If the Devil had come with pitchforks and horns and tails and said he would do this, they would have followed the Devil. We forget these things, so whether it is communism, Nazism or democracy for that matter, the people know the difference between one who is for them and one who is not.

There is nothing we can do by trying to find a military solution. One of the latest articles in the New York Times which I would like to offer for the Record, and another one in a French newspaper which I offer the translation of that for the Record, in which the report on El Salvador is as ominous as anything.

The articles referred to follow:

[From the New York Times, July 26, 1987]

Rebels Gain While Duarte Flounders

(By James LeMoyne)

San Salvador.—The Salvadoran guerrillas are practicing what they call "prolonged popular war" with a vengence, as the country slides into its eighth year of civil conflict.

In a tactical shift, the Marxist-led rebels of the Farabundo Marti National Liberation Front are rebuilding their political and military presence in the capital, moving to exploit Government failures and severe economic strain.

The Government of President José Napoleón Duarte, which had the rebels on the run two years ago, has now given them room to gain. It has failed to offer social and economic programs that work and, after three years of formal electoral democracy, the average Salvadoran feels worse off. "This Government does not realize that it is fighting a revolutionary war," a senior military officer said. "It has failed to apply the social and economic programs the country needs and it is losing its social base among workers and peasants."

Because Salvadorans are weary of killing and war, the rebels may well fail to find new supporters among disgruntled urban workers and slum dwellers. But they clearly intend to try, saying they have returned to San Salvador to sharpen political and economic tensions. According to captured rebel documents, the guerrillas hope to spark a general strike before the American and Salvadoran elections in 1988 and 1989.

Such a strike seems highly unlikely but the documents, which both rebel and diplomatic sources say are authentic, outline step by step how the guerrillas intend to pursue it. The strategy calls for the formation of front groups in labor unions, student organizations and human rights committees. These groups would serve as a base to seek wider support, while they hold strikes, sit-ins, embassy occupations and the street demonstrations that are already under way. At the same time, the documents show, rebel military cells are infiltrating the capital to raise "the level of violence" and further weaken the Government. Several bombings and an effective rebel-imposed ban on public transport two weeks ago attest to the rebel presence.

They have been assisted by the lifting of the longstanding state of siege that permitted the police to detain suspects for two weeks and prohibited street demonstrations. Suspected rebels can now be detained for only three days, after which they are usually released. Government officials say the civil courts are afraid to convict suspected guerrillas, who are capable of retribution.

Nearly every week 200 to 500 rebel supporters demonstrate in the capital. In two recent incidents, the police wounded demonstrators wielding nail-studded clubs as they tried to break through police lines. The police also opened fire when demonstrators began destroying Government vehicles. But the authorities' overall response has been cautious.

It is highly debatable whether the rebels' new tactics can be successful. People resent bans on public transport and attacks in the largely tranquil capital. They also fear a possible return of Government repression. Several bystanders last week criticized club-carrying students for being violent. The size of demonstrations is diminishing, not growing.

But unemployment and inflation are rising and the Government is widely seen by Salvadorans as incompetent and corrupt. At a time when Mr. Duarte's popularity seems to be lower than ever, the rebels are making their political presence felt. They have spray-painted most of the city's walls and the American Embassy with slogans. And in poorer neighborhoods, residents showed greater sympathy for demonstrators.

For their part, the guerrillas say they had no alternative but to return to the streets after four years in which, for most city dwellers, they had become little more than a faceless military force somewhere in the distant hills. They are trying to recover the political base they had in 1980 before the Government cracked down on them, a probably unattainable goal.

The rebels have also been working for two years to perfect a new military strategy. They infilitrate army units and then launch precise and devastating attacks by specially trained forces, backed by highly accurate mortar fire. Military officials say they believe the army is now thoroughly infiltrated by the rebels.

Meanwhile, the guerrillas have continued to use land mines and, more recently, remote-controlled mines to great effect. According to captured guerrilla documents and rebel deserters, most of the top commanders have been trained in Cuba and, in several cases, Vietnam. After eight years of polishing the techniques of revolutionary war, they are unquestionably the most able practitioners of it in Latin America. With probably no more than 4,000 armed rebels and perhaps 30,000 committed supporters, they have been able to cripple this small country of more than six million people.

While they are effective in battle, the rebels have yet to show that they can be more than spoilers. But given Government incompetence and their will to fight, it would be a mistake to underestimate their capacity to grow stronger.

[From World Press Review, August 1987]

Remember El Salvador? the Army is Becoming the New Oligarchy

(By Rene Backmann)

Fingers on the triggers, their M-16s trained on the houses of the main street, half a dozen troops of army detachment No. 5, in green camouflage fatigues and wide-brim bush hats, have just entered the town of Tenancingo. Bent under their packs, they inch forward along the walls, keeping an eye on the closed windows and doors.

Tenancingo, 30 miles from the capital city of San Salvador, was to be a model village, an island of peace and tolerance, a spot of hope in the heart of this country ravaged by civil war for eight years. Twice occupied by the guerrillas, in June and September, 1983, twice retaken by the army after savage shellings, the village, once a prosperous farming town of 3,000 people, has paid a heavy tribute to war.

Along the main street, large splotches of fresh cement on the pink and green houses, and a face glimpsed here and there among the shadows, confirm that there is life again in Tenancingo. But the guerrillas and soldiers play cat and mouse in the village. I arrived in the early afternoon. The muchachos had come through during the night, and the army came in on my heels. For more than a year, Tenancingo has been muddling through, between fear and hope, as if peace could not quite take root in this blood-soaked soil.

In El Salvador, the worst almost always comes true. In eight years of war between the army and the 6,000 guerillas, this country of 6 million people has suffered 60,000 dead, 6,000 missing, and thousands mutilated. A million Salvadorans have chosen exile, and 500,000 have fled from the strife into the shantytowns of San Salvador. Despite the good will proclaimed by Christian Democratic President José Napoleón Duarte, who has spent millions of dollars and a wealth of eloquence on improving the disastrous image of El Salvador, democracy remains a dangerous dream, and war remains the reality.

The period of large-scale massacres, the matanzas of the early 1980s when more than 40,000 were killed in three years, is now over. There is still killing, torturing, and kidnapping, but more selectively. The death squads, which did the army's dirty work anonymously, have not disappeared, but seem to prefer intimidation to executions for the time being, although from time to time there is a bloody blunder.

A few months ago, garbage collectors discovered a garbage can filled with human limbs, suggesting the existence in the neighborhood of an underground detention and torture center. On April 14, a student leader was executed in broad daylight on the campus of the University of Santa Ana. Two weeks later, the tortured and decapitated body of Antonio Jesús Hernández Martinez, secretary-general of the National Association of Farm Workers, was found at the edge of a river near San Luis de la Reina.

"Durate says that we are a democracy and that we must unite against guerrilla terrorism, but he has not even been able to arrest and bring to justice the murderers of Monsignor [Archbishop] Romero, nor those of the American nuns, even though many people know who they are," charges Maria Rosana Bonilla, leader of the Committee of Mothers of Missing Persons [Comadres], which is to El Salvador what the Mothers of the Plaza de Mayo are to Argentina.

"There are underground prisons," she says. "We want to know if our children are in them. They were kidnapped alive; we want them back alive. But Durate does not even want to listen to us. He has never consented to receive us." "To accuse Durate of having accomplished nothing would be unfair." says a foreign diplomat. "He has set in motion agrarian and foreign trade reforms that have earned him the image of a Marxist among the right-wing coffee planters. But he has not gone very far. He is virtually in the hands of the army."

"Formerly, the army obeyed the oligarchy," observes Father Ignatius Illacurai, the Jesuit rector of Central American University. "Today, it obeys the American embassy, and it is itself becoming the new oligarchy," he adds. The rich have stayed rich, but the 14 families who ran the country 10 years ago—the Hills, the Regalados, the Deiningers, the Vilanovas—now number 200. The secret of this metamorphosis: a flood of U.S. aid dollars.

After the Sandinista victory in Nicaragua, the Pentagon decided that El Salvador was the last line of defense in Central America. Washington has since poured $2 billion in economic and military aid into this tiny country.

The Salvadoran army, which in 10 years has grown from 16,000 to 60,000 men, receives $500,000 a day. The share of defense in the national budget was 19 percent in 1983. Today it is 30 percent. The little coup machine, reorganized and trained by 300 U.S. advisers, has become a well-equipped, well-armed anti-guerrilla force boasting 200 light tanks and 70 combat helicopters. It lacks only conviction.

But how does one make raging Rambos out of illiterate 16-year-old kids wrenched from their villages or shantytowns, rounded up by the police from the exits of stadiums and movie theaters, and drafted into combat against other kids as poor as they are? This is a problem the U.S. advisers have not resolved. The Salvadoran body politic is not even aware of it.

The capital, where California-style country houses stand beside vast slums, can give one illusions. The rubble of the 1986 earthquake has still not been cleared, and buildings shaken by the tremor still stand askew here and there throughout the town and sometimes collapse on unfortunate squatters. But the BMWs and the Mercedes have never been more numerous. The chic restaurants and nightclubs of the Zona Rosa are filled. The movie theaters are showing "Platoon," "Under Fire," "Delta Force," and "The Executioner."

While guerrillas expand their attacks on military positions and fire mortar shells and anti-tank rockets on the army headquarters in downtown San Salvador, the city's upper crust, high on violence and money and dulled by a servile press and television, dance the cha-cha and make small talk. For these wet-behind-the-ears capitalists—who dream of purifying the local white race by shedding the Indian influence, who admire Chilean dictator Augusto Pinochet, and who see Corazon Aquino as a communist—the weak José Napoléon Duarte, with his timid reformist notions, has become an embarrassment.

"He is like a watermelon," says Maj. Roberto D'Aubuisson, one of the bosses of the death squads. "On the outside, green, the color of the Christian Democrats; but on the inside, red."

The Association of Coffee Planters, one of the most powerful employers' groups, is calling upon the army to overthrow its head of state and set up a governmental junta, Chilean-style. It suggests reactivating the paramilitary organization Orden, which was responsible for some of the massacres committed between 1980 and 1983. In the past three years, Duarte has had to cope with 24 attempted coups. And twice it has proved necessary for the U.S. ambassador, Edwin Corr, to intercede with the military in order to get Duarte out of trouble.

"For the last five or six years the Americans have decided virtually everything," says an underground guerrilla leader. "Still, it is true that El Salvador is not in Africa but in Central America. We will get nowhere if we do not admit that the U.S. is the dominant power in this region. We are ready to talk with everyone. What is impossible with Reagan may be possible tomorrow with the Democrats."

There are pragmatists among the guerrillas. There are pragmatists, too, among the army officers in the field, far from the command posts, who slosh through the social reality of the country.

"In this war there can be no strictly military solution, because the problem is not of a military nature," says Col. Mauricio Vargas, who commands the 1,800 men of the Fourth Army Detachment. In the provinces of Morazán and Chalatenango, the people live day and night on war footing. Helicopters with American pilots swirl over the rooftops, machine guns aimed at the ground, then suddenly surge toward the hills. Lines of armored vehicles and sections of new recruits maneuver under the eye of a U.S. adviser.

"The politicians have to become aware of the realities," adds Col. Vargas, a short, stocky man dressed in a carefully ironed olive-drab uniform. On the bookshelf behind him stands a five-volume work, "The Theory of Low-Intensity War."

"In this country," he says, "three-quarters of the peasants are landless. An agrarian reform is indispensible. There are people in power who will neither leave nor share, but they are going to have to choose. All of these sumptuous mansions, swimming pools, luxury cars, jewel-bedecked women, all of the pleasure is indecent when so many people lack the means to survive.

"It is with all of that in mind that I am making war here. If I wanted to, I could stage a destruction operation in the Perquin sector, where there are terrorists, and kill 2,000 people. That is not my method. I prefer to reopen the schools that have been closed, rebuild power lines, set up medical clinics. That is how I regained control of this region. I have protected myself against a surprise attack like that staged by the guerrillas against the El Paraíso barracks on March 31 that took 70 lives.'"

Five days after this conversation, more than 300 guerrillas staged a surprise nighttime attack on the San Francisco Gotera barracks. The toll: 36 dead and 40 wounded among the soldiers, seven dead among the muchachos.

Here is Salvador. Every one of the Members says we put in a man there that is a great leader and democrat. We are not any closer to a solution after 4 billion dollars' worth of military and other aid and imposing our regime there. We are no closer to a solution than we were in 1981 when Alexander Haig drew the line in El Salvador, the smallest country of all.

Here we are talking about Nicaragua. We are ready to invade, no question in my mind. The course has been set.

The President has too much at stake to reverse himself. He has already made speeches in which he has said, I will not let my successor inherit Nicaragua.

What has been his doctrine? Has he ever tried diplomatic approaches? Never once. It has been strictly military.

We are not shooting ourselves into the hearts of the Latin-American people. It is just that simple.

Suppose even the Contras, which they cannot, and they will start moving pretty soon, I predict, and suppose they do physically take over. Will they govern Nicaragua? Never, never.

There will be guerrilla warfare not confined to Nicaragua, but all up and down those extensions. In the meanwhile, the other erstwhile friends of ours in Latin America are scared, that if this is the way we approach the matter, sooner or later they will be victimized by our intrusion, so we have lost allies that have been with us in time of war, World War II.

They were with us, because Franklin Roosevelt developed a Good Neighbor Policy to offset the Calvin Coolidge action of sending the Marines to Nicaragua, keeping them there 13 years, imposing the Somoza regime.

Of course, we have to anwer for our collective sins, just like we answer for our individual sins.

Who would have told Calvin Coolidge in 1929 that some 50 years later, he would have such an awesome development that could not be put down by a detachment of marines?

□ 1525

Nobody, but it is inevitable, because as we are individuals, collectively we must answer. I say there may still be time, but I do not think so, becuase I am convinced that the President is irreversibly dedicated to a course of unilateral military intervention, whether it takes our troops or not. In fact, colleagues of mine and the President himself has said, "You give us the money for the Contras, because if you don't, we're going to have to use our troops."

My contention is that no matter how much money we give the Contras, it will not be until we have American troops in there that we will actually occupy Nicaragua, but then we will have to sit there. We will have to occupy it. We will have to have our troops facing guerrilla warfare snipers and everything else and a tide of hatred. Why?

How can we constructively do anything that way, when we could win everything through other means, cooperatively, through corporate addressing it. Five of those nations have been offering that cooperation for 5 years. We have undermined every effort they have made. Every time they had reached the point where they thought they have an understanding, it was our Secretary of State that pulled the rug from underneath the group.

I say let us reaffirm the Constitution. Let us be loyal to the Constitution and the American traditions and ideals. This is what the world wants.

The average citizen south of the border, from Mexico on down, still has a residual aspiration, looks to the United States. It is the land of hope. It is the land of freedom. They cannot reconcile why we would align ourselves with those who would hold them down constantly.

We are not going to be able to win any more than we did in Vietnam, and more than we did in Korea. We still have 45,000 troops in Korea. We have 300,000 in Germany.

We are now prepared, in full violation of the War Powers Limitation Act, to patrol the Persian Gulf, fully armed. The Secretary of State has declared that we are on "ready 3 state." That means that we are ready for action. He has also said we are prepared to attack any missile base Iran puts up.

Why should we do that? In the case of Honduras, if we are going to want our boys to go die for Chiquita Banana, that is fine, but I want to know how many of my colleagues who are all out for intervention are willing to send their sons to die for Chiquita Banana?

In the case of the Persian Gulf, it is the oil that belongs not to Kuwait, but belongs to British Petroleum and Standard Oil of California. That is what our sailors will be dying to protect.

Kuwait has nationalized its oil production for years, but they do not market it and they do not transport it. That is what we are protecting.

And who are the merchants making money? Socal and British Petroleum.

And yet under what circumstances, what are the rules of engagement? It is folly and an act of injustice to fire the captain of the *Stark* and then as of yesterday two of the officers forced to resign. Why? They are scapegoats. They were on the ship. They have the rules of engagement that they can change only on high command orders. There was not anything they could do. The rules of engagement did not call for them to fire back or do anything else.

What are the rules of engagement now? I asked the same question of the executive branch. What is the military mission of our warships in the Persian Gulf now? There is a war raging there, a bloody, cruel war between an Arabic nation and a non-Arabic nation.

We are now involved, as we were when we sent the marines and for 14 months I tried to warn that they could not be peacekeepers. In the first place, marines are not diplomats. They are not politicians. They are warriors. They were put in a militarily untenable situation.

Mr. Speaker, I just say that the catastrophe resulting in Beirut is clear and ample proof of the bankruptcy of the administration's policy. The catastrophe to come and to continue in Central America is clear proof that those policies are bankrupt and they are bankrupt in direct proportion as we have strayed from our constitutional provisions and doctrines and precedents.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. ROWLAND of Connecticut (at the request of Mr. MICHEL), until 1:30 p.m. today, on account of attending a funeral.

Mr. HAMMERSCHMIDT (at the request of Mr. MICHEL), for today, on account of a death in the family.

Mrs. JOHNSON of Connecticut (at the request of Mr. MICHEL), until 1:30 p.m. today, on account of attending a funeral.

Mr. DANIEL (at the request of Mr. FOLEY), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. SLAUGHTER of Virginia) to revise and extend their remarks and include extraneous material:)

Mr. GEKAS, for 5 minutes, today.

Mr. SOLOMON, for 5 minutes, today.

Mr. SENSENBRENNER, for 30 minutes, today.

(The following Members (at the request of Mr. GONZALEZ) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Ms. KAPTUR, for 60 minutes, on August 3.

Mr. JONTZ, for 5 minutes, on August 5.

Mr. HAYES of Illinois, for 5 minutes, on August 5.

Mr. OWENS of New York, for 5 minutes, on August 5.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. SLAUGHTER of Virginia) and to include extraneous matter:)

Mr. ARCHER.

Mr. DANNEMEYER.

Mr. SOLOMON.

Ms. SNOWE.

Mr. LEWIS of California.

Mr. GOODLING.

Mr. MICHEL in two instances.

Mr. GEKAS.

Mr. LUNGREN.

Mr. MILLER of Ohio.

Mr. JEFFORDS.

Miss SCHNEIDER.

(The following Members (at the request of Mr. GONZALEZ) and to include extraneous matter:)

Mr. BATES.

Mr. AUCOIN.

Mr. FRANK.

Mr. LANTOS in two instances.

Mr. DARDEN.

Mr. LAFALCE.

ENROLLED BILL SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found a truly enrolled bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 3022. An act to provide for a temporary extension of the public debt limit.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J. Res. 151. Joint resolution to designate August 1, 1987, as "Helsinki Human Rights Day."

BILL PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on the following date present to the President, for his approval, a bill of the House of the following title:

On July 29, 1987:

H.R. 3022. An act to provide for a temporary extension of the public debt limit.

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 30 minutes p.m.), under its previous order, the House adjourned until Monday, August 3, 1987, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1875. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 7-67, "Soil and Water Conservation District Reestablishment Amendment Act of 1987," and report, pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

1876. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 7-70, "Closing of a Portion of a Public Alley in Square 431, S.O. 86-203, Act of 1987," and report, pursuant to D.C.

Code section 1-233(c)(1); to the Committee on the District of Columbia.

1877. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 7-69, "Closing of Public Alleys in Square 66, S.O. 86-175, Act of 1987," report, pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

1878. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 7-66, "Litter Control Expansion Amendment Act of 1987," and report, pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

1879. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 7-68, "Helicopter Landing Pad Public Nuisance Act of 1987," and report, pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

1880. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 7-65, "D.C. Taxicab Commission Fund Amendment Temporary Act of 1987," pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

1881. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 7-64, "Precinct Boundary Changes Approval and Procedural Amendment Act of 1987," and report, pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

1882. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 7-63, "D.C. Nursing Shortage Study Commission Act of 1987," and report, pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

1883. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 7-59, "Penalty for Prostitution Amendment Act of 1987," and report, pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

1884. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 7-60, "Nurses Training Corps Establishment Act of 1987," and report, pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

1885. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 7-61, "Citizens Energy Advisory Committee Extension Amendment Act of 1987," and report, pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

1886. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 7-62, "Pedestrian Protection Amendment Act of 1987," and report, pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

1887. A letter from the Secretary of Education, transmitting a copy of final regulations—Drug-Free Schools and Communities Program—training and demonstration grants to institutions of higher education, and Federal Activities Grants Program—general provisions; training and demonstration grants to institutions of higher education; and Federal Activities Grants Program, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

1888. A letter from the Director, Office of Management Analysis, Department of the Interior, transmitting the Department's notice of a proposed new Federal records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1889. A letter from the Acting Assistant Administrator for Administration and Resources Management, Environmental Protection Agency, transmitting the Agency's notice of a proposed new Federal records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1890. A letter from the Secretary of the Interior, transmitting the Secretary's notice of an application for a loan by the Montana Department of Natural Resources and Conservation, State of Montana, Middle Creek Dam Rehabilitation Project in the amount of $3,121,925, pursuant to 43 U.S.C. 4221; to the Committee on Interior and Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ST GERMAIN: Committee on Banking, Finance and Urban Affairs. H.R. 2686. A bill to amend the Pubic Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965; with amendments (Rept. 100-237, Pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. DYMALLY: Committee on Post Office and Civil Services. H.R. 2309. A bill to amend the Christopher Columbus Quincentenary Jubilee Act; with amendments (Rept. 100-254). Referred to the Committee of the Whole House on the State of the Union.

Mr. PEPPER: Committee on Rules. House Resolution 236. Resolution waiving certain points of order against the conference report on the bill (H.R. 27) to facilitate the provision of additional financial resources to the Federal Savings and Loan Insurance Corporation and, for purposes of strengthening the reserves of the Corporation, to establish a forbearance program for thrift institutions and to provide additional congressional oversight of the Federal Home Loan Bank Board and the Federal home loan bank system, and for other purposes, and against the consideration of such conference report (Rept. 100-255). Referred to the House Calendar.

Mr. NATCHER: Committee on Appropriations. H.R. 3058. A bill making appropriations for the Department of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1988, and for other purposes (Rept. 100-256). Referred to the Committee of the Whole House on the State of the Union.

Mr. MONTGOMERY: Committee on Veterans' Affairs. H.R. 2672. A bill to amend title 38, United States Code, for the purpose of improving veterans' housing programs, with an amendment (Rept. 100-257). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. RIDGE:

H.R. 3057. A bill to reestablish food bank special nutrition projects, to establish food bank demonstration projects, and for other purposes; to the Committee on Agriculture.

By Mr. NATCHER:

H.R. 3058. A bill making apropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1988, and for other purposes.

By Mr. ARCHER:

H.R. 3059. A bill to extend the filing period for reliquidation of certain imports; to the Committee on Ways and Means.

By Mr. AuCOIN:

H.R. 3060. A bill to establish a reservation for the Confederated Tribes of the Grand Ronde community of Oregon, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 3061: A bill to establish a reservation for the Confederated Tribes of Grand Ronde community of Oregon, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BATES:

H.R. 3062. A bill to amend the Controlled Substances Act to regulate transactions involving ephedrine and certain other substances; jointly, to the Committees on Energy and Commerce and the Judiciary.

By Mr. CARPER (for himself and Mr. WORTLEY):

H.R. 3063. A bill to enhance the competitiveness of commercial banks and bank holding companies; to the Committee on Banking, Finance and Urban Affairs.

By Mr. HENRY:

H.R. 3064. A bill to amend the Internal Revenue Code of 1986 to exclude from gross income the interest on certain savings bonds used to pay college tuition expenses; to the Committee on Ways and Means.

By Mr. LaFALCE (for himself, Mr. McDADE, Mr. JENKINS, and Mr. DAUB):

H.R. 3065. A bill to increase the amount of deduction for health insurance costs of self-employed individuals; to the Committee on Ways and Means.

By Mr. McCOLLUM (for himself, Mr. CHENEY, Mr. BROOMFIELD, Mr. HYDE, Mr. COURTER, and Mr. DeWINE):

H.R. 3066. A bill to amend title 18, United States Code, to make the knowing disclosure of classified information by Federal officers and employees a criminal offense; to the Committee on the Judiciary.

By Mr. REGULA:

H.R. 3067. A bill to amend the Employee Retirement Income Security Act of 1974 with respect to the treatment of certain terminated plans; jointly, to the Committees on the Judiciary and Education and Labor.

By Mr. SKELTON:

H.R. 3068. A bill to amend title 32, United States Code, to authorize Federal support of State defense forces; to the Committee on Armed Services.

By Mr. STANGELAND (for himself, Mr. ROBERTS, Mr. DE LUGO, Mr. LIGHTFOOT, Mr. UPTON, and Mr. WEBER):

H.R. 3069. A bill to minimize the impact of agricultural nitrogen on ground water and surface water quality by establishing a nationwide educational program aimed at the American farmer, urging adoption of agricultural best management practices and to amend section 319 of the Clean Water Act;

jointly, to the Committees on Agriculture and Public Works and Transportation.

By Mr. SYNAR (for himself, Mr. Skelton, Mr. Clinger, and Mr. Wheat):

H.R. 3070. A bill to amend the Toxic Substances Control Act to require persons handling polychlorinated biphenyls to comply with the manifest and financial responsibility requirements of the Solid Waste Disposal Act and to require persons carrying out certain intermediate activities with respect to polychlorinated biphenyls to obtain approval from the Environmental Protection Agency; to the Committee on Energy and Commerce.

By Mr. WAXMAN (for himself, Mr. Jeffords, Mr. Aspin, Mr. Berman, Mrs. Boxer, Mrs. Byron, Mr. Cardin, Mr. Coelho, Mrs. Collins, Mr. Dingell, Mr. Dixon, Mr. Dymally, Mr. Eckart, Mr. Edwards of California, Mr. Fazio, Mr. Foley, Mr. Frank, Mr. Garcia, Mr. Gilman, Mr. Green, Mr. Guarini, Mr. Hawkins, Mr. Hoyer, Mr. Leland, Mr. Levine of California, Mr. Lowry of Washington, Mr. Markey, Mr. Miller, of Washington, Mr. Mineta, Mr. Montgomery, Mr. Owens of New York, Mr. Panetta, Ms. Pelosi, Mr. Richardson, Mr. Rowland of Georgia, Mr. Roybal, Mr. Scheuer, Mrs. Schroeder, Mr. Sikorski, Mr. Studds, Mr. Swift, Mr. Synar, and Mr. Weiss):

H.R. 3071. A bill to amend the Public Health Service Act to establish a grant program to provide for counseling and testing services relating to acquired immune deficiency syndrome and to establish certain prohibitions for the purpose of protecting individuals with acquired immune deficiency syndrome or related conditions; jointly, to the Committees on Energy and Commerce, the Judiciary, and Education and Labor.

By Mrs. JOHNSON of Connecticut (for herself, Mr. Bliley, Mr. Boland, Mr. Olin, Mr. St Germain, Mr. Montgomery, Mr. Mrazek, Mrs. Collins, Mr. Wortley, Mr. Lagomarsino, Mr. Carr, Mr. Boner of Tennessee, Mr. Daub, Mr. Oberstar, Mr. Levin of Michigan, Mrs. Vucanovich, Mr. de la Garza, Mr. Anderson, Mr. Smith of Florida, Mr. Kasich, Mr. Espy, Mr. Gunderson, Mr. Volkmer, Mr. Roe, Mrs. Roukema, Mr. Crockett, Mr. Nielson of Utah, Mr. Conte, Mr. Lancaster, Mr. Gray of Illinois, Mr. Scheuer, Mrs. Kennelly, Mr. Bevill, Mrs. Boxer, Mr. Young of Alaska, Mr. Dwyer of New Jersey, Mr. Lewis of Georgia, Mr. Green, Mr. Savage, Mr. Dickinson, Mr. Brooks, Mr. Owens of New York, Mr. Lipinski, Mr. Dowdy of Mississippi, Mr. Frost, Mr. Weiss, Mr. Fish, Mr. Hefner, Mr. Dornan of California, Mr. McDade, Mr. Watkins, Mr. Cooper, Mr. Henry, Mr. Robinson, Mrs. Patterson, Mr. Martinez, Mr. Coats, Mr. Fauntroy, Mr. Kostmayer, Mr. Guarini, Mr. Pursell, Mr. Stump, Mr. Jenkins, Ms. Slaughter of New York, Mr. Mazzoli, Mr. Traficant, Ms. Oakar, Mr. Waxman, Mr. Hutto, Mr. Akaka, Mr. Anthony, Mr. Schulze, Mr. Smith of New Jersey, Mr. Shumway, Mrs. Bentley, Mr. Berman, Mr. Rowland of Georgia, Mr. Lehman of Florida, Mr. Duncan, Mr. Barnard, Mr. Traxler, Mr. Fuster, Mr. Murphy, Mr. Towns, Mr. Boucher, Mr. Jones of North Carolina, Mr. Howard, Mr. Yatron, Mr. Sabo, Mr. Rhodes, Mr. Hatcher, Mr. Dymally, Mr. Gekas, Ms. Kaptur, Mrs. Lloyd, Mr. Courter, Mr. Pashayan, Mr. Tauke, Mr. Hughes, Mr. Matsui, Mr. Kemp, Mr. Donnelly, Mr. Porter, Mr. Moakley, Mr. Williams, Mr. Eckart, Mr. Blaz, Mr. de Lugo, Mr. Bennett, Mr. Hastert, Mr. Wolf, Mr. Daniel, Mr. Ford of Michigan, Mr. Borski, Mr. DeFazio, Mr. Sunia, Mr. Chandler, Mr. Harris, Mr. Lewis of Florida, Mr. McEwen, Mr. Coleman of Missouri, Mr. Ravenel, Mr. Torricelli, Mr. Walgren, Mr. Weldon, Mr. Tallon, Mr. Erdreich, Mr. Chapman, Mr. Vento, Mr. Solomon, Mr. Smith of Iowa, Mr. Hammerschmidt, Mr. Richardson, Mr. Grandy, Mr. Clay, Mr. Brennan, Mr. Early, Mr. Garcia, Mr. Lungren, Mr. Lewis of California, Mr. Bryant, Mr. DeWine, Mr. Clinger, Mr. McMillen of Maryland, Mr. Valentine, Mr. Jeffords, Mr. Manton, Mr. Hiler, Mr. Leland, Mr. Hertel, Mr. Cardin, Mr. Hall of Ohio, Mr. Roemer, Mr. Kildee, Mr. Leach of Iowa, Mr. Tauzin, Mr. Spence, Mr. Baker, Mr. Taylor, Mr. Livingston, Mr. Derrick, Mr. Hoyer, Mr. Morrison of Connecticut, Mr. Holloway, Mr. Atkins, Mr. Gregg, Mr. Madigan, Mr. Florio, Mr. Flake, Mr. Bunning, Mr. Parris, Mr. Mfume, Mr. Fascell, Mrs. Morella, Mr. Ireland, Mr. Udall, Mr. Nelson of Florida, Mr. Hubbard, Mr. Hayes of Louisiana, Mr. Vander Jagt, Mr. Visclosky, Mr. Coughlin, Mr. Fazio, Mr. Lightfoot, Mr. Gejdenson, Mr. Neal, Mr. Bartlett, Mr. Bosco, Mr. Burton of Indiana, Mr. Darden, Mr. Conyers, Mrs. Byron, Mr. Dixon, Mr. Carper, Mr. Shaw, Mr. Roberts, Mr. Frank, Mr. Gilman, Mr. Lantos, Mr. Moorhead, Mr. McCollum, Mr. Rinaldo, Mr. Skelton, Mr. Smith of New Hampshire, Mr. Spratt, Mr. Stark, Mr. Thomas of Georgia, Mr. Wilson, Mr. Yates, Mr. Gray of Pennsylvania, Mr. Huckaby, Mr. McGrath, Mr. Schuette, Mr. Quillen, Mr. Foglietta, Mr. Rowland of Connecticut, Mr. Levine of California, Mr. Pepper, Mr. LaFalce, Mr. Lent, Mr. Kanjorski, Mr. Lehman of California, and Mr. Wylie):

H.J. Res. 346. Joint resolution designating the month of October 1987 as "Lupus Awareness Month"; to the Committee on Post Office and Civil Service.

By Mr. LEVINE of California (for himself, Mr. Wolpe, Mr. Solarz, and Mr. Leach of Iowa):

H. Con. Res. 171. Concurrent resolution expressing the sense of the Congress on future United States assistance to Pakistan; to the Committee on Foreign Affairs.

By Mr. ROSTENKOWSKI:

H. Res. 235. Resolution returning to the Senate the bill S. 829; considered and agreed to.

By Mr. PEPPER:

H. Res. 236. Resolution waiving certain points of order against the conference report on the bill (H.R. 27) to facilitate the provision of additional financial resources to the Federal Savings and Loan Insurance Corporation and, for purposes of strengthening the reserves of the Corporation, to establish a forbearance program for thrift institutions and to provide additional congressional oversight of the Federal Home Loan Bank Board and the Federal home loan bank system, and against the consideration of such conference report; House Calendar No. 66; House Rept. No. 100-255.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 653: Mr. Kolter.

H.R. 920: Mr. Frank.

H.R. 1095: Mr. Schaefer.

H.R. 1122: Mr. Durbin, Mr. Donnelly, Mr. Rodino, Mr. Gejdenson, Mr. Schumer, Mr. Torricelli, Mrs. Byron, Mr. Garcia, Mr. Moakley, Mr. Swift, and Mr. Sunia.

H.R. 1349: Mr. Henry, Mr. Fazio, Mrs. Bentley, Mr. Biaggi, Mr. Ackerman, Mr. Florio, Mr. Fawell, Mr. Levin of Michigan, and Mr. Inhofe.

H.R. 1356: Mr. Kolter.

H.R. 1371: Mr. Kolter.

H.R. 1536: Mr. Leath of Texas.

H.R. 1597: Mrs. Bentley, Mr. Hawkins, Mr. Horton, Mr. Smith of New Hampshire, Mr. Hughes, and Mr. Martinez.

H.R. 1635: Mr. Manton, Mr. Dellums, Mr. Miller of Washington, Mr. Synar, and Ms. Pelosi.

H.R. 1707: Mr. Torricelli, Mrs. Byron, Mr. Schaefer, Mr. Lewis of California, Mr. Panetta, Ms. Slaughter of New York, Mr. Derrick, and Mr. Dymally.

H.R. 1726: Mr. Schuette.

H.R. 1786: Mr. MacKay and Mr. Gunderson.

H.R. 1794: Mr. Richardson.

H.R. 1974: Mr. Kolbe.

H.R. 2032: Mr. Kolter.

H.R. 2062: Mr. Kolter.

H.R. 2067: Mr. Whitten, Mr. Taylor, Mr. Emerson, Mr. Morrison of Washington, Mr. Hamilton, Mr. Wolpe, Mr. Mineta, Mr. Gordon, Mr. Horton, Mr. Wortley, Mr. Gingrich, Mr. Wilson, Mr. Wyden, Mr. Grant, Mr. Young of Florida, Mr. Frost, Mr. Clarke, Mr. Lagomarsino, Mr. Fascell, Mr. Natcher, Mr. Ireland, Mr. Leach of Iowa, Mr. Martinez, Mr. Lancaster, Mrs. Bentley, Mr. Lantos, Mr. de la Garza, Mr. Gray of Illinois, Mr. Vento, Mr. Dorgan of North Dakota, Mr. Nelson of Florida, Ms. Snowe, Mr. Mack, Mr. Lott, Mr. Dwyer of New Jersey, Mr. Howard, Mr. Madigan, Mr. Volkmer, Mr. Gallegly, Mr. Sweeney, Mr. Chappell, Mr. Denny Smith, Mr. Lewis of California, Mr. Coble, Mr. Mazzoli, Mr. Edwards of Oklahoma, Mr. Lewis of Florida, Mr. Brown of California, Mr. Shuster, and Mr. MacKay.

H.R. 2496: Mr. Murphy and Mr. Gunderson.

H.R. 2672: Mr. Montgomery, Mr. Solomon, Mr. Edwards of California, Mr. Hammerschmidt, Mr. Applegate, Mr. Wylie, Mr. Mica, Mr. Stump, Mr. Dowdy of Mississippi, Mr. McEwen, Mr. Evans, Mr. Smith of New Jersey, Mr. Penny, Mr. Bilirakis, Mr. Staggers, Mr. Ridge, Mr. Bryant, Mr. Dornan of California, Mr. Gray of Illinois, Mr. Kanjorski, Mr. Robinson, Mr. Stenholm, Mr. Kennedy, Mr. Johnson of South Dakota, Mr. Jontz, Mr. Leath of Texas, Mr. Jenkins, Mr. Richardson, and Mr. Hefner.

H.R. 2680: Mr. Ackerman, Ms. Pelosi, Mr. Owens of New York, Mr. Daniel, Mr. Fauntroy, and Mr. Stokes.

H.R. 2717: Mr. MacKay, Mr. Downey of New York, Mr. Fascell, Mr. Hayes of Illinois, Mr. Hall of Ohio, and Mr. Conyers.

H.R. 2788: Mr. Daub and Mr. Foglietta.

H.R. 2790: Mr. Kolter.

H.R. 2826: Mr. Kolter.

H.R. 2866: Mrs. Boxer, Mr. Biaggi, Mr. Garcia, Mr. Lewis of Georgia, and Mr. Morrison of Connecticut.

H.R. 2870: Mr. Perkins.

H.R. 2883: Mr. Garcia, Mr. Traficant, Mr. Roe, Mr. Wilson, Mr. Hughes, Mr. Coelho, and Mrs. Boxer.

H.R. 2893: Mr. Kolter.

H.R. 2897: Mr. Walgren, Mr. Bilirakis, Mr. Wyden, Mr. Madigan, Mr. Rinaldo, Mr. Scheuer, Mr. Waxman, and Mr. Markey.

H.R. 2970: Mr. Hopkins.

H.R. 2992: Mr. Ackerman, Mr. Berman, Mr. Bryant, Mr. Fauntroy, Mr. Frank, Mr. Guarini, Mr. Hamilton, Ms. Kaptur, Mr. Kastenmeier, Mr. Kildee, Mr. Lancaster, Mr. Levin of Michigan, Mr. Morrison of Connecticut, Mr. Mrazek, Mr. Murphy, Ms. Oakar, Mr. Owens of New York, Mr. Penny, Mr. Scheuer, Mr. Solarz, and Mr. Wilson.

H.R. 3039: Mr. Hughes, Mr. Towns, Mr. Wheat, Mr. Weiss, Mr. Rangel, Mrs. Collins, Mr. Coyne, Mr. Jontz, Mr. Kolter, Mr. Lehman of Florida, Mr. Alexander, Mr. Biaggi, Mr. Guarini, Mr. Crockett, Mr. Mineta, Mr. Frank, Mr. Eckart, Mr. Lancaster, Mr. Ackerman, Mr. Sikorski, Mr. Panetta, Mr. Moody, Mr. Hall of Ohio, Mr. Howard, Mr. Nelson of Florida, Mr. Natcher, Mr. Synar, Mr. Fazio, Mr. Kanjorski, Mr. Dellums, Mr. Ford of Tennessee, Mr. Bryant, Mr. Bruce, and Mr. Annunzio.

H.J. Res. 50: Mr. Wylie, Mr. Sabo, and Mr. DeWine.

H.J. Res. 191: Mr. Livingston, Mr. Hutto, Mr. Cardin, Mr. Bustamante, Mr. Bonker, Mrs. Collins, Mr. Flake, Mr. Hammerschmidt, Mr. Saxton, Mr. Savage, and Mr. Wilson.

H.J. Res. 227: Mr. Gonzalez, Mr. DeFazio, Mr. Gilman, Mr. Fish, Mr. Montgomery, Mr. Dowdy of Mississippi, Mr. Hefner, Mr. Lewis of Florida, Mr. McDade, Mr. Foglietta, Mr. Barnard, Mr. Traficant, Mr. Daniel, Mr. McCollum, Mr. Grandison, Mr. Towns, and Mr. Dornan of California.

H.J. Res. 228: Mr. Morrison of Connecticut, Mr. Buechner, Mr. Dwyer of New Jersey, Mr. Cardin, Mr. Coyne, Mr. DeFazio, Mr. Badham, Mr. Clay, Mrs. Johnson of Connecticut, Mr. Smith of New Hampshire, Mr. Fuster, Mr. Moakley, Mr. DioGuardi, Mr. Jones of North Carolina, Mr. Udall, Mr. Rowland of Connecticut, Mr. Chapman, Mr. Foglietta, Mr. Gephardt, Mr. Robinson, Mr. Schuette, Mr. Gejdenson, Mr. Sikorski, Mr. Hunter, Mr. Berman, Mr. Cheney, Mr. McMillen of Maryland, Mr. Matsui, Mr. Boland, Mr. Rinaldo, Mr. Atkins, Mr. Young of Alaska, Mr. Anderson, Mr. Traxler, Mr. Hamilton, Mrs. Kennelly, Mrs. Lloyd, Mr. Mineta, Mr. Annunzio, Mr. Gilman, Mr. Yatron, Mr. Hammerschmidt, Mr. Smith of Iowa, Mr. Myers of Indiana, Mr. Fascell, Mr. Hefner, Mr. Carr, Mr. Vander Jagt, Mr. Rhodes, Mr. Bennett, Mr. Sharp, Mr. Miller of California, Mr. Gradison, Mr. Wilson, Mr. Bartlett, Mr. Stratton, Mr. Studds, Mr. McCloskey, Mr. Rahall, and Mr. Fields.

H.J. Res. 241: Mr. Hertel and Mr. McMillen of Maryland.

H.J. Res. 243: Mr. Martinez, Mr. Dixon, Mrs. Bentley, Mr. Dellums, Mr. Anderson, Mr. Kostmayer, Mr. Levine of California, Mr. Brown of California, Mr. Atkins, Mr. Akaka, Mr. Barnard, Mr. Boner of Tennessee, Mr. Carper, Mr. Bennett, and Mr. Conyers.

H.J. Res. 256: Mr. Martinez and Mr. Bateman.

H.J. Res. 313: Ms. Slaughter of New York, Mrs. Kennelly, and Mr. Rangel.

H.J. Res. 314: Mr. McGrath, Mr. Torricelli, Mr. Ritter, Mr. Johnson of South Dakota, Mr. DioGuardi, Mr. Waxman, Ms. Slaughter of New York, Mr. Molinari, Mr. DeWine, Mr. Slattery, and Mr. Smith of New Jersey.

H.J. Res. 317: Mr. Lancaster, Mr. Ackerman, Mr. Gray of Illinois, Mr. Traficant, Mr. Kildee, Mr. Brown of California, Mr. Oberstar, Mr. Hayes of Louisiana, Mrs. Bentley, Mr. Frost, and Ms. Slaughter of New York.

H.J. Res. 328: Mr. Traxler, Mr. Lipinski, Mr. Roe, Mr. Walgren, Mrs. Collins, Mr. McMillen of Maryland, Mr. Dyson, Mr. Sisisky, Mr. Fazio, Mr. Boehlert, and Mr. Kildee.

H. Con. Res. 126: Mr. Fazio, Mr. Garcia, and Mr. Martinez.

H. Con. Res. 143: Mr. Conyers, Mr. Garcia, Mr. Morrison of Connecticut, and Mr. Mica.

H. Res. 141: Mr. Synar.

H. Res. 184: Mr. Courter, Mr. Shaw, Mr. Lujan, Mr. Stump, Mr. Wortley, Mr. Lewis of California, Mr. Murtha, Mr. Sabo, Mr. Hochbrueckner, Mr. Bartlett, Mr. Pickett, Mr. Frenzel, and Mr. Daub.

H. Res. 229: Mr. Hefley and Mr. Brown of California.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 1195: Mr. Ravenel.

CONFERENCE REPORT ON H.R. 27

Mr. ST GERMAIN, pursuant to the order of the House on July 30, 1987, submitted the following conference report and statement on the bill (H.R. 27) to facilitate the provision of additional financial resources to the Federal Savings and Loan Insurance Corporation and, for purposes of strengthening the reserves of the Corporation, to establish a forbearance program for thrift institutions and to provide additional congressional oversight of the Federal Home Loan Bank Board and the Federal home loan bank system:

CONFERENCE REPORT (H. REPT. 100-261)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 27) to facilitate the provision of additional financial resources to the Federal Savings and Loan Insurance Corporation and, for purposes of strengthening the reserves of the Corporation, to establish a forbearance program for thrift institutions and to provide additional congressional oversight of the Federal Home Loan Bank Board and the Federal home loan bank system, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Competitive Equality Banking Act of 1987".

(b) TABLE OF CONTENTS.—

TITLE I—FINANCIAL INSTITUTIONS COMPETITIVE EQUALITY

Sec. 100. Short title.
Sec. 101. Amendments to the Bank Holding Company Act of 1956.
Sec. 102. Amendments to the Federal Reserve Act.
Sec. 103. Securities affiliations of nonmember insured banks.
Sec. 104. Amendments to savings and loan holding company provisions of the National Housing Act.
Sec. 105. Amendment to the Federal Home Loan Bank Act.
Sec. 106. Securities affiliations of FSLIC insured institutions.
Sec. 107. Mutual holding company amendments.
Sec. 108. Leasing authority of national banks.
Sec. 109. NOW accounts.
Sec. 110. Exemption from affiliate transaction restrictions.
Sec. 111. Consideration of certain acquisitions.

TITLE II—MORATORIUM ON CERTAIN NONBANKING ACTIVITIES

Sec. 201. Moratorium on certain nonbanking activities.
Sec. 202. Authority of Federal banking agencies.
Sec. 203. Intent of Congress.
Sec. 204. Amendments to the International Banking Act of 1978.
Sec. 205. Amendments to the Bank Holding Company Act of 1956.

TITLE III—FSLIC RECAPITALIZATION

Sec. 301. Short title.
Sec. 302. Financing corporation established.
Sec. 303. Mixed ownership government corporation.
Sec. 304. Recapitalization of FSLIC.
Sec. 305. FSLIC authority to charge premiums reduced by amount of financing corporation assessments.
Sec. 306. Miscellaneous provisions.
Sec. 307. Secondary reserve provisions.

TITLE IV—THRIFT INDUSTRY RECOVERY PROVISIONS

Sec. 401. Short title.
Sec. 402. Thrift institution accounting, appraisal, and reserve standards.
Sec. 403. Audit of Federal Asset Disposition Association.
Sec. 404. Thrift industry recovery regulations.
Sec. 405. Capital instrument purchase program.
Sec. 406. Minimum capital requirements.
Sec. 407. Improvements in the supervisory process.
Sec. 408. Prevention of insolvencies.
Sec. 409. Feasibility study relating to establishment of asset holding corporation.
Sec. 410. Notice and disapproval procedure required for all applications to the Bank Board.
Sec. 411. Guidelines for asset disposition.
Sec. 412. Expansion of use of underutilized minority thrift institutions.

Sec. 413. Authority of independent contractors, consultants, and counsel.
Sec. 414. Extension of forbearance previously provided in the acquisition of troubled thrift institutions.
Sec. 415. Congressional oversight.
Sec. 416. Sunset.

TITLE V—FINANCIAL INSTITUTIONS EMERGENCY ACQUISITIONS

Sec. 501. Short title.
Sec. 502. FDIC assisted emergency interstate acquisitions.
Sec. 503. Bridge banks.
Sec. 504. Conversions.
Sec. 505. Federal depository institutions regulatory agencies not subject to apportionment of funds provisions.
Sec. 506. Federal depository institutions regulatory agencies not subject to sequestration.
Sec. 507. Liquidation proceedings.
Sec. 508. Capital pools.
Sec. 509. Permanent extension of certain temporary provisions of law; 5 year extension of net worth certificates.

TITLE VI—EXPEDITED FUNDS AVAILABILITY

Sec. 601. Short title.
Sec. 602. Definitions.
Sec. 603. Expedited funds availability schedules.
Sec. 604. Safeguard exceptions.
Sec. 605. Disclosure of funds availability policies.
Sec. 606. Payment of interest.
Sec. 607. Miscellaneous provisions.
Sec. 608. Effect on State law.
Sec. 609. Regulations and reports by Board.
Sec. 610. Administrative enforcement.
Sec. 611. Civil liabilities.
Sec. 612. Parity in clearing.
Sec. 613. Effective dates.

TITLE VII—CREDIT UNION AMENDMENTS

Sec. 701. Short title.
Sec. 702. Second mortgage and home improvement loans.
Sec. 703. Ownership interest.
Sec. 704. Faithful performance.
Sec. 705. Membership officers.
Sec. 706. Nonparticipation.
Sec. 707. Property acquisition flexibility.
Sec. 708. Treatment of NCUAB funds.
Sec. 709. Technical and clarifying amendments; removal and prohibition authority.
Sec. 710. Effect of removal or suspension.
Sec. 711. Imposition of conservatorship.
Sec. 712. Reduction in State comment waiting period.
Sec. 713. Authority as conservator.
Sec. 714. Liquidation proceedings.
Sec. 715. Transfer of FTC jurisdiction to NCUAB.
Sec. 716. Assets which may be pledged.

TITLE VIII—LOAN LOSS AMORTIZATION

Sec. 801. Loan loss amortization for agricultural banks.

TITLE IX—FULL FAITH AND CREDIT OF FEDERALLY INSURED DEPOSITORY INSTITUTIONS

Sec. 901. Reaffirmation of security of funds deposited in federally insured depository institutions.

TITLE X—GOVERNMENT CHECKS

Sec. 1001. Report on difficulty in cashing Treasury checks.
Sec. 1002. Time limit on payment of Treasury checks.
Sec. 1003. Cancellation of Treasury checks.
Sec. 1004. Limitation on reclamation actions and claims.
Sec. 1005. Regulations.
Sec. 1006. Effective date.

TITLE XI—INTEREST TO CERTAIN DEPOSITORS

Sec. 1101. Interest to certain depositors.

TITLE XII—MISCELLANEOUS PROVISIONS

Sec. 1201. High yield bond study.
Sec. 1202. Study of competitive issues in the payments mechanism.
Sec. 1203. Study and reports concerning direct investments.
Sec. 1204. Adjustable rate mortgage caps.
Sec. 1205. Separability of provisions.

TITLE I—FINANCIAL INSTITUTIONS COMPETITIVE EQUALITY

SEC. 100. SHORT TITLE.

This title may be cited as the "Competitive Equality Amendments of 1987".

SEC. 101. AMENDMENTS TO THE BANK HOLDING COMPANY ACT OF 1956.

(a) DEFINITIONS.—

(1) AMENDMENT TO DEFINITION OF BANK.—Section 2(c) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(c)) is amended to read as follows:

"(c) BANK DEFINED.—For purposes of this Act—

"(1) IN GENERAL.—Except as provided in paragraph (2), the term 'bank' means any of the following:

"(A) An insured bank as defined in section 3(h) of the Federal Deposit Insurance Act.

"(B) An institution organized under the laws of the United States, any State of the United States, the District of Columbia, any territory of the United States, Puerto Rico, Guam, American Samoa, or the Virgin Islands which both—

"(i) accepts demand deposits or deposits that the depositor may withdraw by check or similar means for payment to third parties or others; and

"(ii) is engaged in the business of making commercial loans.

"(2) EXCEPTIONS.—The term 'bank' does not include any of the following:

"(A) A foreign bank which would be a bank within the meaning of paragraph (1) solely because such bank has an insured or uninsured branch in the United States.

"(B) An insured institution (as defined in subsection (j)).

"(C) An organization that does not do business in the United States except as an incident to its activities outside the United States.

"(D) An institution that functions solely in a trust or fiduciary capacity, if—

"(i) all or substantially all of the deposits of such institution are in trust funds and are received in a bona fide fiduciary capacity;

"(ii) no deposits of such institution which are insured by the Federal Deposit Insurance Corporation are offered or marketed by or through an affiliate of such institution;

"(iii) such institution does not accept demand deposits or deposits that the depositor may withdraw by check or similar means for payment to third parties or others or make commercial loans; and

"(iv) such institution does not—

"(I) obtain payment or payment related services from any Federal Reserve bank, including any service referred to in section 11A of the Federal Reserve Act; or

"(II) exercise discount or borrowing privileges pursuant to section 19(b)(7) of the Federal Reserve Act.

"(E) A credit union (as described in section 19(b)(1)(A)(iv) of the Federal Reserve Act).

"(F) An institution which—

"(i) engages only in credit card operations;

"(ii) does not accept demand deposits or deposits that the depositor may withdraw by check or similar means for payment to third parties or others;

"(iii) does not accept any savings or time deposit of less than $100,000;

"(iv) maintains only one office that accepts deposits; and

"(v) does not engage in the business of making commercial loans.

"(G) An organization operating under section 25 or section 25(a) of the Federal Reserve Act.

"(H) An industrial loan company, industrial bank, or other similar institution which is—

"(i) an institution organized under the laws of a State which, on March 5, 1987, had in effect or had under consideration in such State's legislature a statute which required or would require such institution to obtain insurance under the Federal Deposit Insurance Act—

"(I) which does not accept demand deposits that the depositor may withdraw by check or similar means for payment to third parties;

"(II) which has total assets of less than $100,000,000; or

"(III) the control of which is not acquired by any company after the date of the enactment of the Competitive Equality Amendments of 1987; or

"(ii) an institution which does not, directly, indirectly, or through an affiliate, engage in any activity in which it was not lawfully engaged as of March 5, 1987,

except that this subparagraph shall cease to apply to any institution which permits any overdraft (including any intraday overdraft), or which incurs any such overdraft in such institution's account at a Federal Reserve bank, on behalf of an affiliate if such overdraft is not the result of an inadvertent computer or accounting error that is beyond the control of both the institution and the affiliate.

"(I) The Investors Fiduciary Trust Company, located in Kansas City, Missouri, so long as such institution—

"(i) engages only in trust, fiduciary, and agency activities in which it was lawfully engaged on March 5, 1987;

"(ii) engages in such activities only at the same number of locations at which such activities were conducted on such date;

"(iii) does not accept demand deposits other than demand deposits which are maintained by such institution in—

"(I) a trust or fiduciary capacity;

"(II) the institution's capacity as a custodian or as a paying, transfer, shareholder servicing, securities clearing, escrow, or dividend disbursing agent; or

"(III) any capacity which is incidental to the trust or fiduciary activities of the institution;

"(iv) does not engage in the business of making commercial loans;

"(v) does not exercise discount or borrowing privileges pursuant to section 19(b)(7) of the Federal Reserve Act; and

"(vi) is not directly or indirectly controlled by any company other than a company which directly or indirectly controlled such institution on March 5, 1987.

"(J) A savings bank (as defined in section 3(g) of the Federal Deposit Insurance Act) which—

"(i) is an insured bank (as defined in section 3(h) of such Act);

"(ii) is a subsidiary of the Great Western Financial Corporation as a result of an approval in writing by the State bank supervisor of the State of New York before June 30, 1987;

"(iii) meets or exceeds the investment requirements which an insured institution must meet in order to be a qualified thrift lender under section 408(o) of the National Housing Act; and

"(iv) does not, directly, or through insurance products such savings bank receives from or provides to the Great Western Financial Corporation, engage in the sale or underwriting of insurance,

except that this subparagraph shall cease to apply with respect to such savings bank or any successor institution if any deposits of any other subsidiary or affiliate of the Great Western Financial Corporation which are subject to an assessment of an insurance premium under subsection (b) or (c) of section 404 of the National Housing Act are, directly or indirectly by any device whatsoever, transferred to or acquired by such savings bank or any successor institution which would have the effect of materially reducing such premium assessments. The exemption provided by this subparagraph shall cease to apply if Great Western Financial Corporation uses such savings bank or any successor institution as a vehicle to move such Corporation from Federal Savings and Loan Insurance Corporation insurance to Federal Deposit Insurance Corporation insurance.

"(3) DISTRICT BANK.—The term 'District bank' means any bank operating under the Code of Law for the District of Columbia.".

(2) AMENDMENT TO DEFINITION OF THRIFT INSTITUTION.—Section 2(i) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(i)) is amended to read as follows:

"(i) THRIFT INSTITUTION.—For purposes of this Act, the term 'thrift institution' means—

"(1) any domestic building and loan or savings and loan association;

"(2) any cooperative bank without capital stock organized and operated for mutual purposes and without profit;

"(3) any Federal savings bank; and

"(4) any State-chartered savings bank the holding company of which is registered pursuant to section 408 of the National Housing Act.".

(3) ADDITIONAL DEFINITIONS.—Section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841) is amended by adding at the end thereof the following new subsections:

"(j) INSURED INSTITUTION.—For purposes of this Act, the term 'insured institution' has the meaning given to such term in section 408(a)(1) of the National Housing Act.

"(k) AFFILIATE.—For purposes of this Act, the term 'affiliate' means any company that controls, is controlled by, or is under common control with another company.

"(l) SAVINGS BANK HOLDING COMPANY.—For purposes of this Act, the term 'savings bank holding company' means any company which controls one or more qualified savings banks if the aggregate total assets of such savings banks constitute, upon formation of the holding company and at all times thereafter, at least 70 percent of the total assets of such company.

"(m) QUALIFIED SAVINGS BANK.—For purposes of this Act, the term 'qualified savings bank'—

"(1) means any savings bank (as defined in section 3(g) of the Federal Deposit Insurance Act) which was organized on or before March 5, 1987; and

"(2) includes any cooperative bank that is an insured bank (as defined in section 3(h) of the Federal Deposit Insurance Act) and any interim savings bank that is established to facilitate a corporate reorganization, or the formation of a holding company, involving a savings bank described in paragraph (1).".

(b) IMMEDIATE DIVESTITURE REQUIREMENT.—Section 4(a)(2) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(a)(2)) is amended by adding at the end thereof the following sentence: "Notwithstanding any other provision of this paragraph, if any company that became a bank holding company as a result of the enactment of the Competitive Equality Amendments of 1987 acquired, between March 5, 1987, and the date of the enactment of such Amendments, an institution that became a bank as a result of the enactment of such Amendments, that company shall, upon the enactment of such Amendments, immediately come into compliance with the requirements of this Act.".

(c) CERTAIN COMPANIES NOT TREATED AS BANK HOLDING COMPANIES; LIMITATIONS ON CERTAIN BANKS.—Section 4 of the Bank Holding Company Act of 1956 (12 U.S.C. 1843) is amended by adding at the end thereof the following new subsections:

"(f) CERTAIN COMPANIES NOT TREATED AS BANK HOLDING COMPANIES.—

"(1) IN GENERAL.—Except as provided in paragraph (9), any company which—

"(A) on March 5, 1987, controlled an institution which became a bank as a result of the enactment of the Competitive Equality Amendments of 1987; and

"(B) was not a bank holding company on the day before the date of the enactment of the Competitive Equality Amendments of 1987,

shall not be treated as a bank holding company for purposes of this Act solely by virtue of such company's control of such institution.

"(2) LOSS OF EXEMPTION.—Paragraph (1) shall cease to apply to any company described in such paragraph if—

"(A) such company directly or indirectly—

"(i) acquires control of an additional bank or an insured institution (other than an insured institution described in paragraph (10) of this subsection) after March 5, 1987; or

"(ii) acquires control of more than 5 percent of the shares or assets of an additional bank or an insured institution other than—

"(I) shares acquired in a bona fide fiduciary capacity;

"(II) shares held temporarily pursuant to an underwriting commitment in the normal course of an underwriting business;

"(III) shares held in an account solely for trading purposes;

"(IV) loans or other accounts receivable acquired in the normal course of business; and

"(V) shares or assets of an insured institution described in paragraph (10) of this subsection; or

"(B) any bank subsidiary of such company fails to comply with the restrictions contained in paragraph (3)(B).

"(3) LIMITATION ON BANKS CONTROLLED BY PARAGRAPH (1) COMPANIES.—

"(A) FINDINGS.—The Congress finds that banks controlled by companies referred to in paragraph (1) may, because of relationships with affiliates, be involved in conflicts of interest, concentration of resources, or other effects adverse to bank safety and soundness, and may also be able to compete unfairly against banks controlled by bank holding companies by combining banking services with financial services not permissible for bank holding companies. The purpose of this paragraph is to minimize any such potential adverse effects or inequities by temporarily restricting the activities of banks controlled by companies referred to in paragraph (1) until such time as the Congress has enacted proposals to allow, with appropriate safeguards, all banks or bank holding companies to compete on a more equal basis with banks controlled by companies referred to in paragraph (1) or, alternatively, proposals to permanently restrict the activities of banks controlled by companies referred to in paragraph (1).

"(B) LIMITATIONS.—Until such time as the Congress has taken action pursuant to subparagraph (A), a bank controlled by a company described in paragraph (1) shall not—

"(i) engage in any activity in which such bank was not lawfully engaged as of March 5, 1987;

"(ii) offer or market products or services of an affiliate that are not permissible for bank holding companies to provide under subsection (c)(8), or permit its products or services to be offered or marketed by or through an affiliate (other than an affiliate that engages only in activities permissible for bank holding companies under subsection (c)(8)), unless such products or services were being so offered or marketed as of March 5, 1987, and then only in the same manner in which they were being offered or marketed as of that date;

"(iii) after the date of the enactment of the Competitive Equality Amendments of 1987, permit any overdraft (including an intraday overdraft), or incur any such overdraft in such bank's account at a Federal Reserve bank, on behalf of an affiliate, other than an overdraft described in subparagraph (C); or

"(iv) increase its assets at an annual rate of more than 7 percent during any 12-month period beginning after the end of the 1-year period beginning on the date of the enactment of the Competitive Equality Amendments of 1987.

"(C) PERMISSIBLE OVERDRAFTS DESCRIBED.—For purposes of subparagraph (B)(iii), an overdraft is described in this subparagraph if—

"(i) such overdraft results from an inadvertent computer or accounting error that is beyond the control of both the bank and the affiliate; or

"(ii) such overdraft—

"(I) is permitted or incurred on behalf of an affiliate which is monitored by, reports to, and is recognized as a primary dealer by the Federal Reserve Bank of New York; and

"(II) is fully secured, as required by the Board, by bonds, notes, or other obligations which are direct obligations of the United States or on which the principal and interest are fully guaranteed by the United States or by securities and obligations eligible for settlement on the Federal Reserve book entry system.

"(4) DIVESTITURE IN CASE OF LOSS OF EXEMPTION.—If any company described in paragraph (1) loses the exemption provided under such paragraph by operation of paragraph (2), such company shall divest control of each bank it controls within 180 days after such company becomes a bank holding company due to the loss of such exemption.

"(5) SUBSECTION CEASES TO APPLY UNDER CERTAIN CIRCUMSTANCES.—This subsection shall cease to apply to any company described in paragraph (1) if such company—

"(A) registers as a bank holding company under section 5(a) of this Act;

"(B) immediately upon such registration, complies with all of the requirements of this Act, and regulations prescribed by the Board pursuant to this Act, including the nonbanking restrictions of this section; and

"(C) does not, at the time of such registration, control banks in more than one State, the acquisition of which would be prohibited by section 3(d) of this Act if an application for such acquisition by such company were filed under section 3(a) of this Act.

"(6) INFORMATION REQUIREMENT.—Each company described in paragraph (1) shall, within 60 days after the date of enactment of the Competitive Equality Amendments of 1987, provide the Board with the name and address of such company, the name and address of each bank such company controls, and a description of each such bank's activities.

"(7) EXAMINATION.—The Board may, from time to time, examine a company described in paragraph (1), or a bank controlled by such company, or require reports under oath from appropriate officers or directors of such company or bank solely for purposes of assuring compliance with the provisions of this subsection and enforcing such compliance.

"(8) ENFORCEMENT.—

"(A) IN GENERAL.—In addition to any other power of the Board, the Board may enforce compliance with the provisions of this Act which are applicable to any company described in paragraph (1), and any bank controlled by such company, under section 8 of the Federal Deposit Insurance Act and such company or bank shall be subject to such section (for such purposes) in the same manner and to the same extent as if such company or bank were a State member insured bank.

"(B) APPLICATION OF OTHER ACT.—Any violation of this Act by any company described in paragraph (1), and any bank controlled by such company, may also be treated as a violation of the Federal Deposit Insurance Act for purposes of subparagraph (A).

"(C) NO EFFECT ON OTHER AUTHORITY.—No provision of this paragraph shall be construed as limiting any authority of the Comptroller of the Currency or the Federal Deposit Insurance Corporation.

"(9) TYING PROVISIONS.—A company described in paragraph (1) shall be—

"(A) treated as a bank holding company for purposes of section 106 of the Bank Holding Company Act Amendments of 1970 and section 22(h) of the Federal Reserve Act and any regulation prescribed under any such section; and

"(B) subject to the restrictions of section 106 of the Bank Holding Company Act Amendments of 1970, in connection with any transaction involving the products or services of such company or affiliate and those of a bank affiliate, as if such company or affiliate were a bank and such bank were a subsidiary of a bank holding company.

"(10) EXEMPTION UNAFFECTED BY CERTAIN EMERGENCY ACQUISITIONS.—For purposes of clauses (i) and (ii)(V) of paragraph (2)(A), an insured institution is described in this paragraph if—

"(A) the insured institution was acquired (or any shares or assets of such institution were acquired) by a company described in paragraph (1) in an acquisition under section 408(m) of the National Housing Act; and

"(B) either—

"(i) the insured institution is located in a State in which such company controlled a bank on March 5, 1987; or

"(ii) the insured institution has total assets of $500,000,000 or more at the time of such acquisition.

"(g) LIMITATIONS ON CERTAIN BANKS.—

"(1) IN GENERAL.—Notwithstanding any other provision of this section (other than the last sentence of subsection (a)(2)), a bank holding company which controls an institution that became a bank as a result of the enactment of the Competitive Equality Amendments of 1987 may retain control of such institution if such institution does not—

"(A) engage in any activity after the date of the enactment of such Amendments which would have caused such institution to be a bank (as defined in section 2(c), as in effect before such date) if such activities had been engaged in before such date; or

"(B) increase the number of locations from which such institution conducts business after March 5, 1987.

"(2) LIMITATIONS CEASE TO APPLY UNDER CERTAIN CIRCUMSTANCES.—The limitations contained in paragraph (1) shall cease to apply to a bank described in such paragraph at such time as the acquisition of such bank, by the bank holding company referred to in such paragraph, would not be prohibited under section 3(d) of this Act if—

"(A) an application for such acquisition were filed under section 3(a) of this Act; and

"(B) such bank were treated as an additional bank (under section 3(d)).

"(h) TYING PROVISIONS.—

"(1) APPLICABLE TO CERTAIN EXEMPT INSTITUTIONS AND PARENT COMPANIES.—An institution described in subparagraph (D), (F), (G), (H), (I), or (J) of section 2(c)(2) shall be treated as a bank, and a company that controls such an institution shall be treated as a bank holding company, for purposes of section 106 of the Bank Holding Company Act Amendments of 1970 and section 22(h) of the Federal Reserve Act and any regulation prescribed under any such section.

"(2) APPLICABLE WITH RESPECT TO CERTAIN TRANSACTIONS.—A company that controls an institution described in subparagraph (D), (F), (G), (H), (I), or (J) of section 2(c)(2) and any of such company's other affiliates, shall be subject to the tying restrictions of section 106 of the Bank Holding Company Act Amendments of 1970 in connection with any transaction involving the products or services of such company or affiliate and those of such institution, as if such company or affiliate were a bank and such institution were a subsidiary of a bank holding company.".

(d) SAVINGS BANK ACTIVITIES.—Section 3 of the Bank Holding Company Act of 1956 (12 U.S.C. 1842) is amended by adding at the end thereof the following new subsection:

"(f) SAVINGS BANK SUBSIDIARIES OF BANK HOLDING COMPANIES.—

"(1) IN GENERAL.—Notwithstanding any other provision of this Act (other than paragraphs (2) and (3)), any qualified savings bank which is a subsidiary of a bank holding company may engage, directly or through a subsidiary, in any activity in which such savings bank may engage (as a State chartered savings bank) pursuant to express, incidental, or implied powers under any statute or regulation, or under any judicial interpretation of any law, of the State in which such savings bank is located.

"(2) INSURANCE ACTIVITIES.—Except as provided in paragraph (3), any insurance activities of any qualified savings bank which is a subsidiary of a bank holding company shall be limited to insurance activities allowed under section 4(c)(8).

"(3) SAVINGS BANK LIFE INSURANCE.—Any qualified savings bank permitted, as of March 5, 1987, to engage in the sale or underwriting of savings bank life insurance may sell or underwrite such insurance after such savings bank is a subsidiary of a bank holding company if—

"(A) the savings bank is located in the State of Connecticut, Massachusetts, or New York;

"(B) such activity is expressly authorized by the law of the State in which such savings bank is located;

"(C) the savings bank retains its character as a savings bank;

"(D) such activity is carried out by the savings bank directly and not by—

"(i) any subsidiary or affiliate of the savings bank; or

"(ii) the bank holding company which controls such savings bank;

"(E) such activity is carried out by the savings bank in accordance with any residency or employment limitations set forth in the savings bank life insurance statute in effect on March 5, 1987, in the State in which such bank is located; and

"(F) such activity is otherwise carried out in the same manner as savings bank life insurance activity is carried out in the State in which such bank is located by savings banks which are not subsidiaries of any bank holding company registered under this Act.

"(4) SUBSECTION SHALL CEASE TO APPLY UNDER CERTAIN CIRCUMSTANCES.—If any company which is not a savings bank or a savings bank holding company acquires control of a qualified savings bank, such savings bank shall cease to engage in any activity authorized under paragraph (1) or (3) before the end of the 2-year period beginning on the date such company acquires control, unless such activity is otherwise authorized pursuant to this Act.

"(5) SPECIAL ASSET AGGREGATION RULE FOR PURPOSES OF PARAGRAPH (3).—For the sole purpose of determining whether a qualified savings bank may continue to sell and underwrite savings bank life insurance in accordance with this subsection after control of such savings bank is acquired by a bank holding company, the assets of any other bank affiliated with, or under contract to affiliate with, such savings bank as of March 5, 1987, shall be treated as assets of the savings bank in determining whether such bank holding company is a savings bank holding company.".

(e) THRIFT INSTITUTIONS' BANK.—Section 2(a)(5)(E) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(a)(5)(E)) is amended to read as follows:

"(E) No company is a bank holding company by virtue of its ownership or control of any State-chartered bank or trust company which—

"(i) is wholly owned by thrift institutions or savings banks; and

"(ii) is restricted to accepting—

"(I) deposits from thrift institutions or savings banks;

"(II) deposits arising out of the corporate business of the thrift institutions or savings banks that own the bank or trust company; or

"(III) deposits of public moneys.".

(f) EFFECT ON STATE AUTHORITY TO REGULATE.—Section 7 of the Bank Holding Company Act of 1956 (12 U.S.C. 1846) is amended—

(1) by striking out "The enactment by the Congress of the Bank Holding Company Act of 1956 shall not" and inserting in lieu thereof "No provision of this Act shall"; and

(2) by inserting "companies," before "banks".

(g) AMENDMENT TO FEDERAL DEPOSIT INSURANCE ACT.—

(1) IN GENERAL.—Section 3(g) of the Federal Deposit Insurance Act (12 U.S.C. 1813(g)) is amended to read as follows:

"(g) SAVINGS BANK.—The term 'savings bank' means a bank (including a mutual savings bank) which transacts its ordinary banking business strictly as a savings bank under State laws imposing special requirements on such banks governing the manner of investing their funds and of conducting their business.".

(2) TECHNICAL AND CONFORMING AMENDMENT.—Section 27(a) of the Federal Deposit Insurance Act is amended by striking out "and insured mutual savings banks".

(h) 1987 AMENDMENT TRANSITION RULE.—

(1) DELAY IN APPLICATION OF AMENDMENT TO CERTAIN INSTITUTIONS.—If—

(A) on March 5, 1987, an institution was not a bank (as defined in section 2(c) of the Bank Holding Company Act of 1956), as in effect on such date; and

(B) any person which had a controlling interest in such institution on March 5, 1987, made a public announcement before such date that the transfer or other disposition of such person's controlling interest in such institution was being considered,

the institution shall not become a bank (for purposes of the Bank Holding Company Act of 1956) due to the amendment made to such section 2(c) by this section before the date on which such institution fails to meet any requirement of paragraph (2).

(2) REQUIREMENTS FOR APPLICATION OF SUBSECTION.—This subsection shall not apply with respect to any institution described in paragraph (1) unless—

(A) the transfer or other disposition of the controlling interest referred to in such paragraph is completed, or an agreement to make such transfer or other disposition is in effect (or is subject only to final approval by the appropriate Federal and State regulatory agencies), before the end of the 180-day period beginning on the date of the enactment of this title;

(B) a written notice by the person acquiring a controlling interest in such institution (pursuant to the transfer or other disposition described in subparagraph (A)) of such person's intention to operate such institution as an institution described in section 2(c)(2)(F) of the Bank Holding Company Act of 1956, as in effect after the enactment of this title is filed with the Board before the end of the 7-day period beginning on the later of the date of such transfer (or other disposition) or the date of the enactment of this title; and

(C) the operation of such institution as an institution described in such section 2(c)(2)(F) begins before the end of the 180-day period beginning on the date the transfer (or other disposition) described in subparagraph (A) is completed.

(3) CONTROLLING INTEREST.—For purposes of this subsection, a person has a controlling interest in any institution if such person controls—

(A) such institution; or

(B) any company which controls such institution,

as determined in accordance with the provisions of subsections (b) and (g) of section 2 of the Bank Holding Company Act of 1956.

SEC. 102. AMENDMENTS TO THE FEDERAL RESERVE ACT.

(a) IN GENERAL.—The Federal Reserve Act is amended by inserting after section 23A the following:

"RESTRICTIONS ON TRANSACTIONS WITH AFFILIATES

"SEC. 23B. (a) IN GENERAL.—

"(1) TERMS.—A member bank and its subsidiaries may engage in any of the transactions described in paragraph (2) only—

"(A) on terms and under circumstances, including credit standards, that are substantially the same, or at least as favorable to such bank or its subsidiary, as those prevailing at the time for comparable transactions with or involving other nonaffiliated companies, or

"(B) in the absence of comparable transactions, on terms and under circumstances, including credit standards, that in good faith would be offered to, or would apply to, nonaffiliated companies.

"(2) TRANSACTIONS COVERED.—Paragraph (1) applies to the following:

"(A) Any covered transaction with an affiliate.

"(B) The sale of securities or other assets to an affiliate, including assets subject to an agreement to repurchase.

"(C) The payment of money or the furnishing of services to an affiliate under contract, lease, or otherwise.

"(D) Any transaction in which an affiliate acts as an agent or broker or receives a fee for its services to the bank or to any other person.

"(E) Any transaction or series of transactions with a third party—

"(i) if an affiliate has a financial interest in the third party, or

"(ii) if an affiliate is a participant in such transaction or series of transactions.

"(3) TRANSACTIONS THAT BENEFIT AN AFFILIATE.—For the purpose of this subsection, any transaction by a member bank or its subsidiary with any person shall be deemed to be a transaction with an affiliate of such bank if any of the proceeds of the transaction are used for the benefit of, or transferred to, such affiliate.

"(b) PROHIBITED TRANSACTIONS.—

"(1) IN GENERAL.—A member bank or its subsidiary—

"(A) shall not purchase as fiduciary any securities or other assets from any affiliate unless such purchase is permitted—

"(i) under the instrument creating the fiduciary relationship,

"(ii) by court order, or

"(iii) by law of the jurisdiction governing the fiduciary relationship; and

"(B) whether acting as principal or fiduciary, shall not knowingly purchase or otherwise acquire, during the existence of any underwriting or selling syndicate, any security if a principal underwriter of that security is an affiliate of such bank.

"(2) EXCEPTION.—Subparagraph (B) of paragraph (1) shall not apply if the purchase or acquisition of such securities has been approved, before such securities are initially offered for sale to the public, by a majority of the directors of the bank who are not officers or employees of the bank or any affiliate thereof.

"(3) DEFINITIONS.—For the purpose of this subsection—

"(A) the term 'security' has the meaning given to such term in section 3(a)(10) of the Securities Exchange Act of 1934; and

"(B) the term 'principal underwriter' means any underwriter who, in connection with a primary distribution of securities—

"(i) is in privity of contract with the issuer or an affiliated person of the issuer;

"(ii) acting alone or in concert with one or more other persons, initiates or directs the formation of an underwriting syndicate; or

"(iii) is allowed a rate of gross commission, spread, or other profit greater than the rate allowed another underwriter participating in the distribution.

"(c) ADVERTISING RESTRICTION.—A member bank or any subsidiary or affiliate of a member bank shall not publish any advertisement or enter into any agreement stating or suggesting that the bank shall in any way be responsible for the obligations of its affiliates.

"(d) DEFINITIONS.—For the purpose of this section—

"(1) the term 'affiliate' has the meaning given to such term in section 23A (but does not include any company described in section (b)(2) of such section or any bank);

"(2) the terms 'bank', 'subsidiary', 'person', and 'security' (other than security as used in subsection (b)) have the meanings given to such terms in section 23A; and

"(3) the term 'covered transaction' has the meaning given to such term in section 23A (but does not include any transaction which is exempt from such definition under subsection (d) of such section).

"(e) REGULATIONS.—The Board may prescribe regulations to administer and carry out the purposes of this section, including—

"(1) regulations to further define terms used in this section; and

"(2) regulations to—

"(A) exempt transactions or relationships from the requirements of this section; and

"(B) exclude any subsidiary of a bank holding company from the definition of affiliate for purposes of this section,

if the Board finds such exemptions or exclusions are in the public interest and are consistent with the purposes of this section.".

(b) CONFORMING AMENDMENTS.—Section 18(j) of the Federal Deposit Insurance Act (12 U.S.C. 1828(j)) is hereby amended—

(1) by inserting "and section 23B" after "section 23A" at each place it appears in paragraph (1); and

(2) by inserting ", 23B," after "23A" in paragraph (3)(A).

(c) TREATMENT OF EDGE ACT AND AGREEMENT CORPORATIONS FOR PURPOSES OF THE BANK HOLDING COMPANY ACT.—

(1) IN GENERAL.—The paragraph of section 25(a) of the Federal Reserve Act which begins "Except as otherwise provided in this section, a majority" (the 11th full paragraph) (12 U.S.C. 619) is amended by adding at the end thereof the following: "Any company, other than a bank as defined in section 2 of the Bank Holding Company Act of 1956, that after March 5, 1987, directly or indirectly acquires control of a corporation organized or operating under the provisions of this section or section 25 shall be subject to the provisions of the Bank Holding Company Act of 1956 in the same manner and to the same extent that bank holding companies are subject thereto, except that such company shall not by reason of this paragraph be deemed a bank holding company for the purpose of section 3 of the Bank Holding Company Act of 1956.".

(2) EXCEPTION.—The amendment made by paragraph (1) does not apply to an acquisition pursuant to the application by Midland

Bank, plc, London, England, pending before the Board of Governors of the Federal Reserve System on July 1, 1987, to acquire a corporation organized or operating under section 25(a) of the Federal Reserve Act. If Midland Bank, plc, London, England, is not otherwise subject to section 4 of the Bank Holding Company Act of 1956, the financial activities of Midland Bank, plc, London, England, in the United States shall, upon the determination of the Board of Governors of the Federal Reserve System made at any time, be subject to section 4 of the Bank Holding Company Act of 1956.

SEC. 103. SECURITIES AFFILIATIONS OF NONMEMBER INSURED BANKS.

(a) In General.—Section 18(j) of the Federal Deposit Insurance Act (12 U.S.C. 1828(j)) is amended by redesignating paragraph (3) (as amended by section 102(b)(2)) and paragraph (4) as paragraphs (4) and (5), respectively, and by inserting after paragraph (2) the following new paragraph:

"(3) Securities affiliations of insured nonmember banks.—

"(A) In general.—The provisions of section 20 of the Banking Act of 1933 (relating to affiliations between member banks and organizations engaged principally in certain securities activities), and the provisions of section 32 of the Banking Act of 1933 (relating to certain officer, director, or employee relationships involving a member bank and a person or organization primarily engaged in certain securities activities) shall apply to every insured nonmember bank in the same manner and to the same extent as if such insured nonmember bank were a member bank.

"(B) Continuation of certain affiliations.—This paragraph shall not prohibit the continuation of such an affiliation or relationship which commenced before March 5, 1987, or the establishment of such an officer, director, or employee relationship in connection with any affiliation established before March 5, 1987.

"(C) 2-year period.—An affiliation or officer, director, or employee relationship that becomes unlawful as a result of the enactment of this paragraph may continue for a period of 2 years after the date of enactment of this paragraph.

"(D) Foreign banks.—The provisions of this paragraph shall not apply to any foreign bank, as defined in section 1(b)(7) of the International Banking Act of 1978, solely because it has an insured branch in the United States, except that the provisions of section 32 of the Banking Act of 1933 shall apply to an insured branch as if it were an insured bank.

"(E) Exceptions.—The provisions of this paragraph shall not apply to any institution described in subparagraph (D), (F), or (I) of section 2(c)(2) of the Bank Holding Company Act of 1956.

"(F) Applicability.—This paragraph shall apply during the period beginning on March 6, 1987, and ending on March 1, 1988.".

(b) Technical and Conforming Amendment.—Section 18(j)(4)(A) of the Federal Deposit Insurance Act (12 U.S.C. 1828(j)) (as redesignated by subsection (a)) is amended by inserting "or any provision of section 20 of the Banking Act of 1933," after "or any lawful regulation issued pursuant thereto,".

SEC. 104. AMENDMENTS TO SAVINGS AND LOAN HOLDING COMPANY PROVISIONS OF THE NATIONAL HOUSING ACT.

(a) Definitions.—Section 408(a)(1) of the National Housing Act (12 U.S.C. 1730a(a)(1)) is amended—

(1) by striking out "and" at the end of subparagraph (I);

(2) by striking out the period at the end of subparagraph (J) and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following new subparagraphs:

"(K) the terms 'bank holding company' and 'bank' have the meanings given to such terms in subsections (a) and (c), respectively, of section 2 of the Bank Holding Company Act of 1956; and

"(L) the term 'acquire' has the meaning given to such term in section 13(f)(8)(E) of the Federal Deposit Insurance Act.".

(b) Holding Company Activities.—Section 408(c) of the National Housing Act (12 U.S.C. 1730a(c)) is amended to read as follows:

"(c) Holding Company Activities.—

"(1) Prohibited activities.—Except as otherwise provided in this subsection, no savings and loan holding company and no subsidiary (of such company) which is not an insured institution shall—

"(A) engage in any activity or render any service for or on behalf of an insured institution subsidiary for the purpose or with the effect of evading any law or regulation applicable to such insured institution;

"(B) commence any business activity, other than the activities described in paragraph (2), after the date of the enactment of the Competitive Equality Amendments of 1987; or

"(C) continue any business activity, other than the activities described in paragraph (2), after the later of—

"(i) the end of the 2-year period beginning on the date of the enactment of the Competitive Equality Amendments of 1987; or

"(ii) the date on which such company received approval under subsection (e) of this section to become a savings and loan holding company.

"(2) Exempt activities.—The prohibitions of subparagraphs (B) and (C) of paragraph (1) shall not apply to the following business activities of any savings and loan holding company or any subsidiary (of such company) which is not an insured institution:

"(A) Furnishing or performing management services for an insured institution subsidiary of such company.

"(B) Conducting an insurance agency or escrow business.

"(C) Holding, managing, or liquidating assets owned or acquired from an insured institution subsidiary of such company.

"(D) Holding or managing properties used or occupied by an insured institution subsidiary of such company.

"(E) Acting as trustee under deed of trust.

"(F) Any other activity—

"(i) which the Board of Governors of the Federal Reserve System, by regulation, has determined to be permissible for bank holding companies under section 4(c) of the Bank Holding Company Act of 1956, unless the Corporation, by regulation, prohibits or limits any such activity for savings and loan holding companies; or

"(ii) in which multiple savings and loan holding companies were authorized (by regulation) to directly engage on March 5, 1987.

"(3) Certain limitations on activities not applicable to certain holding companies.—Notwithstanding paragraphs (4) and (6) of this subsection, the limitations contained in subparagraphs (B) and (C) of paragraph (1) shall not apply to any savings and loan holding company (or any subsidiary of such company) which controls—

"(A) only 1 insured institution, if the insured institution subsidiary of such company is a qualified thrift lender (as determined under subsection (o)); or

"(B) more than 1 insured institution, if—

"(i) all, or all but 1, of the insured institution subsidiaries of such company were acquired pursuant to an acquisition under subsection (m) of this section or section 406(f); and

"(ii) all of the insured institution subsidiaries of such company are qualified thrift lenders (as determined under subsection (o)).

"(4) Prior approval of certain new activities required.—

"(A) In general.—No savings and loan holding company and no subsidiary (of such company) which is not an insured institution shall commence, either de novo or by an acquisition (in whole or in part) of a going concern, any activity described in paragraph (2)(F)(i) of this subsection without the prior approval of the Corporation.

"(B) Factors to be considered by Corporation.—In considering any application under subparagraph (A) by any savings and loan holding company or any subsidiary of any such company which is not an insured institution, the Corporation shall consider—

"(i) whether the performance of the activity described in such application by the company or the subsidiary can reasonably be expected to produce benefits to the public (such as greater convenience, increased competition, or gains in efficiency) that outweigh possible adverse effects of such activity (such as undue concentration of resources, decreased or unfair competition, conflicts of interest, or unsound financial practices);

"(ii) the managerial resources of the companies involved; and

"(iii) the adequacy of the financial resources, including capital, of the companies involved.

"(C) Corporation may differentiate between new and ongoing activities.—In prescribing any regulation or considering any application under this paragraph, the Corporation may differentiate between activities commenced de novo and activities commenced by the acquisition, in whole or in part, of a going concern.

"(D) Approval or disapproval by order.—The approval or disapproval of any application under this paragraph by the Corporation shall be made in an order issued by the Corporation containing the reasons for such approval or disapproval.

"(5) Grace period to achieve compliance.—If any insured institution referred to in paragraph (3) fails to maintain the status of such institution as a qualified thrift lender, the Corporation may allow, for good cause shown, any company which controls such institution (or any subsidiary of such company which is not an insured institution) up to 3 years to comply with the limitations contained in paragraph (1)(C).

"(6) Special provisions relating to certain companies affected by 1987 amendments.—

"(A) Exception to 2-year grace period for achieving compliance.—Notwithstanding paragraph (1)(C)(i), any company which received approval under subsection (e) of this section to acquire control of an insured institution between March 5, 1987, and the date of the enactment of the Competitive Equality Amendments of 1987 shall not continue any business activity other than the activities described in paragraph (2) after such date of enactment.

"(B) Exemption for activities lawfully engaged in before March 5, 1987.—Notwithstanding paragraph (1)(C) and subject to subparagraphs (C) and (D), any savings and

loan holding company which received approval, before March 5, 1987, under subsection (e) of this section to acquire control of an insured institution may engage, directly or through any subsidiary (other than an insured institution subsidiary of such company), in any activity in which such company or such subsidiary was lawfully engaged on such date.

"(C) TERMINATION OF SUBPARAGRAPH (B) EXEMPTION.—The exemption provided under subparagraph (B) for activities engaged in by any savings and loan holding company or a subsidiary of such company (which is not an insured institution) which would otherwise be prohibited under paragraph (1)(C) shall terminate with respect to such activities of such company or subsidiary upon the occurrence (after the date of the enactment of the Competitive Equality Amendments of 1987) of any of the following:

"(i) The savings and loan holding company acquires control of a bank or an additional insured institution (other than an insured institution acquired pursuant to subsection (m) of this section or section 406(f)).

"(ii) Any insured institution subsidiary of the savings and loan holding company fails to qualify as a domestic building and loan association under section 7701(a)(19) of the Internal Revenue Code of 1986.

"(iii) The savings and loan holding company engages in any business activity—

"(I) which is not described in paragraph (2); and

"(II) in which it was not engaged on March 5, 1987.

"(iv) Any insured institution subsidiary of the savings and loan holding company increases the number of locations from which such insured institution conducts business after March 5, 1987 (other than an increase which occurs in connection with a transaction under subsection (m) of this section or section 406(f)).

"(v) Any insured institution subsidiary of the savings and loan holding company permits any overdraft (including an intraday overdraft), or incurs any such overdraft in its account at a Federal Reserve bank, on behalf of an affiliate, unless such overdraft is the result of an inadvertent computer or accounting error that is beyond the control of both the insured institution subsidiary and the affiliate.

"(D) ORDER BY CORPORATION TO TERMINATE SUBPARAGRAPH (B) ACTIVITY.—Any activity described in subparagraph (B) may also be terminated by the Corporation, after opportunity for hearing, if the Corporation determines, having due regard for the purposes of this title, that such action is necessary to prevent conflicts of interest or unsound practices or is in the public interest.

"(7) FOREIGN SAVINGS AND LOAN HOLDING COMPANY.—Notwithstanding any other provision of this section, any savings and loan holding company organized under the laws of a foreign country as of June 1, 1984 (including any subsidiary thereof which is not an insured institution), which controls a single insured institution on the date of enactment of the Competitive Equality Amendments of 1987 shall not be subject to this subsection with respect to any activities of such holding company which are conducted exclusively in a foreign country.".

(c) REQUIREMENTS FOR TREATMENT AS A QUALIFIED THRIFT LENDER.—

(1) IN GENERAL.—Section 408 of the National Housing Act (12 U.S.C. 1730a) is amended by adding at the end thereof the following new subsection:

"(o) QUALIFIED THRIFT LENDER REQUIREMENTS.—

"(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), any insured institution shall have the status of a qualified thrift lender if—

"(A) the qualified thrift investments of such insured institution equal or exceed 60 percent of the total tangible assets of such institution; and

"(B) the qualified thrift investments of such insured institution continue to equal or exceed 60 percent of the total tangible assets of such institution on an average basis in 3 out of every 4 quarters and 2 out of every 3 years.

"(2) TRANSITION RULE FOR CERTAIN INSTITUTIONS.—

"(A) IN GENERAL.—If any insured institution—

"(i) which was chartered as a savings bank or a cooperative bank under State law before October 15, 1982; or

"(ii) the principal assets of which were acquired from an institution which was chartered as a savings bank or a cooperative bank under State law before October 15, 1982,

meets the requirements of subparagraph (B), such insured institution shall be treated as a qualified thrift lender during the 10-year period beginning on January 1, 1988.

"(B) SUBPARAGRAPH (B) REQUIREMENTS.—An insured institution meets the requirements of this subparagraph if, in the determination of the Corporation—

"(i) the actual thrift investment percentage of such institution does not, after the date of the enactment of the Competitive Equality Amendments of 1987, decrease below the actual thrift investment percentage of such institution on such date of enactment; and

"(ii) the amount by which—

"(I) the actual thrift investment percentage of such institution at the end of each period described in the following table, exceeds

"(II) the actual thrift investment percentage of such institution on such date of enactment,

is equal to or greater than the applicable percentage (as determined under the following table) of the amount by which 60 percent exceeds the actual thrift investment percentage of such institution on such date of enactment:

"For the following period:	*The applicable percentage is:*
The 2½-year period beginning on such date of enactment	*25 percent*
The 5-year period beginning on such date of enactment	*50 percent*
The 7½-year period beginning on such date of enactment	*75 percent*

"(3) EXCEPTIONS GRANTED BY CORPORATION.—Notwithstanding paragraph (1), the Corporation may grant such temporary and limited exceptions from the minimum actual thrift investment percentage requirement contained in such paragraph as the Corporation deems necessary if—

"(A) the Corporation determines that extraordinary circumstances exist, such as when the effects of high interest rates reduce mortgage demand to such a degree that an insufficient opportunity exists for an insured institution to meet such investment requirements; or

"(B) the Corporation determines that—

"(i) the grant of any such exception will facilitate an acquisition under section 406(f) or 408(m); and

"(ii) the acquired institution will comply with the transition requirements of paragraph (2)(B).

"(4) FAILURE TO MAINTAIN QTL STATUS.—Any insured institution which fails to maintain its status as a qualified thrift lender, as determined by the Corporation, may not thereafter be a qualified thrift lender for a period of 5 years.

"(5) DEFINITIONS.—For purposes of this subsection—

"(A) ACTUAL THRIFT INVESTMENT PERCENTAGE.—The term 'actual thrift investment percentage' means the percentage determined by dividing—

"(i) the amount of the qualified thrift investments of an insured institution, by

"(ii) the total amount of tangible assets of such insured institution.

"(B) QUALIFIED THRIFT INVESTMENTS.—The term 'qualified thrift investments' means, with respect to any insured institution, the sum of—

"(i) the aggregate amount of loans, equity positions, or securities held by the insured institution (or any subsidiary of such institution) which are related to domestic residential real estate or manufactured housing;

"(ii) the value of property used by such institution or subsidiary in the conduct of the business of such institution or subsidiary;

"(iii) subject to paragraph (6), the liquid assets of the type required to be maintained under section 5A of the Federal Home Loan Bank Act; and

"(iv) subject to paragraph (6), 50 percent of the dollar amount of the residential mortgage loans originated by such insured institution or subsidiary and sold within 90 days of origination.

"(6) LIMITATION ON TREATMENT OF CERTAIN ASSETS AS THRIFT INVESTMENTS.—The aggregate amount of the assets described in clauses (iii) and (iv) of paragraph (5)(B) which may be taken into account in determining the amount of the qualified thrift investments of any insured institution shall not exceed the amount which is equal to 10 percent of the tangible assets of such institution.

"(7) ADDITIONAL TRANSITION RULE.—The insured institution described in subsection (r)(2)(C) shall be treated as a qualified thrift lender during the 10-year period beginning on January 1, 1988, if the requirements of paragraph (2)(B) are met by such institution.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on January 1, 1988.

(3) REGULATIONS.—The Federal Savings and Loan Insurance Corporation shall prescribe, under the authority of section 408(h)(1) of the National Housing Act, regulations to carry out the provisions of the amendment made by paragraph (1) before January 1, 1988.

(d) TRANSACTIONS BETWEEN INSURED INSTITUTION SUBSIDIARIES AND CERTAIN AFFILIATES.—

(1) IN GENERAL.—Section 408 of the National Housing Act (12 U.S.C. 1730a(d)) is amended by adding after subsection (o) (as added by subsection (c) of this section) the following new subsection:

"(p) RESTRICTIONS ON ACTIVITIES OF CERTAIN INSURED INSTITUTION SUBSIDIARIES.—

"(1) TRANSACTIONS WITH CERTAIN AFFILIATES.—

"(A) IN GENERAL.—Transactions between any insured institution subsidiary of a savings and loan holding company and any affiliate (of such insured institution subsidiary) which is engaged only in business activities described in subsection (c)(2)(F)(i)—

"(i) shall not be subject to subsection (d); and

"(ii) shall be subject to the limitations and prohibitions specified in sections 23A and 23B of the Federal Reserve Act in the same manner and to the same extent as if such insured institution were a member bank.

"(B) Regulations.—The Corporation may prescribe regulations for the purpose of defining and clarifying the applicability of the limitations and prohibitions described in subparagraph (A).

"(2) Cross-marketing practices.—

"(A) In general.—Notwithstanding any other provision of this section, an insured institution subsidiary of a diversified savings and loan holding company may not offer or market products or services of an affiliate that are not permissible for bank holding companies to provide under section 4(c)(8) of the Bank Holding Company Act of 1956 or permit its products or services to be offered or marketed by or through an affiliate (other than an affiliate that engages only in activities permissible for bank holding companies under section 4(c) of that Act), unless such products or services were being so offered or marketed as of March 5, 1987, and then only in the same manner in which they were being offered or marketed as of that date.

"(B) Exception.—This paragraph shall not apply so as to prohibit an insured institution subsidiary of a diversified savings and loan holding company from offering or marketing the products or services of an affiliate or from permitting its products or services to be offered or marketed by or through an affiliate if—

"(i) the savings and loan holding company is a reciprocal interinsurance exchange that acquired control of the insured institution before January 1, 1984; and

"(ii) at least 90 percent of the customers of the savings and loan holding company and its subsidiaries and affiliates are active or former officers in the United States military services or the widows, widowers, divorced spouses, or current or former dependents of such officers.".

(2) Technical amendment.—Section 408(d) of the National Housing Act (12 U.S.C. 1730a(d)) is amended by striking out "No savings and loan" and inserting in lieu thereof "Except as provided in subsection (p), no savings and loan".

(e) Tying Restrictions.—Section 408 of the National Housing Act (12 U.S.C. 1730a) is amended by inserting after subsection (p) (as added by subsection (d) of this section) the following new subsection:

"(q) Tying Restrictions.—

"(1) State chartered insured institution subsidiaries.—A State chartered insured institution subsidiary of a savings and loan holding company shall be subject to section 5(q) of the Home Owners' Loan Act of 1933, and regulations prescribed under such subsection, in the same manner and to the same extent as an association (as defined in section 2(d) of such Act).

"(2) Holding companies and certain affiliates.—A savings and loan holding company and any of its affiliates (other than an insured institution) shall be subject to section 5(q) of the Home Owners' Loan Act of 1933, and regulations prescribed under such subsection, in connection with transactions involving the products or services of such company or affiliate and those of an affiliated insured institution as if such company or affiliate were an association (as defined in section 2(d) of such Act).".

(f) Savings Bank as Insured Institution.—

(1) In general.—Section 408(n) of the National Housing Act (12 U.S.C. 1730a) is amended to read as follows:

"(n) Treatment of FDIC Insured State Savings Banks and Cooperative Banks as Insured Institutions.—

"(1) In general.—Notwithstanding any other provision of law, a savings bank (as defined in section 3(g) of the Federal Deposit Insurance Act) and a cooperative bank that is an insured bank (as defined in section 3(h) of the Federal Deposit Insurance Act) upon application shall be deemed to be an insured institution for the purpose of this section, if the Corporation determines that such bank is a qualified thrift lender (as determined under subsection (o)).

"(2) Failure to maintain QTL status.—If any savings bank which is deemed to be an insured institution under paragraph (1) subsequently fails to maintain its status as a qualified thrift lender, as determined by the Corporation, such bank may not thereafter be a qualified thrift lender for a period of 5 years.".

(2) Technical and conforming amendment.—Section 408(a)(1)(A) of the National Housing Act (12 U.S.C. 1730a(a)(1)(A)) is amended by adding before the semicolon at the end thereof the following: "and a savings bank which is deemed by the Corporation to be an insured institution under subsection (n)".

(g) Thrift Acquisitions.—Section 408(e)(3) of the National Housing Act (12 U.S.C. 1730(e)) is amended to read as follows:

"(3) Interstate Acquisitions.—No acquisition shall be approved by the Corporation under this subsection which will result in the formation by any company, through one or more subsidiaries or through one or more transactions, of a multiple savings and loan holding company controlling insured institutions in more than one State, unless—

"(A) such company, or an insured institution subsidiary of such company, is authorized to acquire control of an insured institution subsidiary, or to operate a home or branch office, in the additional State or States pursuant to subsection (m);

"(B) such company controls an insured institution subsidiary which operated a home or branch office in the additional State or States as of March 5, 1987; or

"(C) the statute laws of the State in which the insured institution, control of which is to be acquired, is located are such that an insured institution chartered by such State could be acquired by an insured institution chartered by the State where the acquiring insured institution or savings and loan holding company is located (or by a holding company that controls such a State-chartered insured institution), and such statute laws specifically authorize such an acquisition by language to that effect and not merely by implication.".

(h) Emergency Acquisitions.—Section 408(m)(1)(A)(i) of the National Housing Act (12 U.S.C. 1730a(m)(1)(A)(i)) is amended by inserting "(c)," before "(e)(2)".

SEC. 105. AMENDMENT TO THE FEDERAL HOME LOAN BANK ACT.

Section 10 of the Federal Home Loan Bank Act (12 U.S.C. 1430) is amended by adding at the end thereof the following:

"(e) Reduced Eligibility for Advances for Certain Members Which Are Not Qualified Thrift Lenders.—

"(1) In general.—Except as the Board may prescribe, a member that is not a qualified thrift lender may not receive advances in excess of the amount determined by multiplying—

"(A) the total amount of advances that such member would be eligible to receive in the absence of this subsection; by

"(B) such member's actual thrift investment percentage.

"(2) Exceptions.—Paragraph (1) does not apply to—

"(A) a savings bank as defined in section 3(g) of the Federal Deposit Insurance Act;

"(B) an insured institution which was chartered prior to October 15, 1982, as a savings bank under State law; or

"(C) an insured institution which acquired its principal assets from an institution which was chartered prior to October 15, 1982, as a savings bank under State law.

"(3) Definitions.—As used in this subsection—

"(A) Insured institution.—The term 'insured institution' has the same meaning as in section 408(a)(1)(A) of the National Housing Act.

"(B) Qualified thrift lender.—The term 'qualified thrift lender' has the same meaning as in section 408(o) of the National Housing Act.

"(C) Actual thrift investment percentage.—The term 'actual thrift investment percentage' has the same meaning as in section 408(o)(5)(A) of the National Housing Act.".

SEC. 106. SECURITIES AFFILIATIONS OF FSLIC INSURED INSTITUTIONS.

(a) In General.—Section 408 of the National Housing Act (12 U.S.C. 1730a) is amended by inserting after subsection (q) (as added by section 104(e) of this title) the following new subsection:

"(r) Securities Affiliations.—

"(1) In general.—The provisions of section 20 of the Banking Act of 1933 (relating to affiliations between member banks and organizations engaged principally in certain securities activities) and the provisions of section 32 of the Banking Act of 1933 (relating to certain officer, director, or employee relationships involving a member bank and a person or organization primarily engaged in certain securities activities) shall be applicable to every insured institution in the same manner and to the same extent as if such insured institution were a member bank.

"(2) Exceptions.—This subsection does not prohibit—

"(A) the continuation of such an affiliation or relationship which commenced prior to March 5, 1987, or the establishment of such an officer, director, or employee relationship in connection with any affiliation established before such date;

"(B) the Washington Mutual Savings Bank, located in the State of Washington, from acquiring control of one or more insured institutions or establishing an officer, director, or employee relationship between such an insured institution and any affiliate of the savings bank referred to in section 18(j)(3)(B) of the Federal Deposit Insurance Act;

"(C) the acquisition of Peoples Savings and Loan Association of Owatonna, Minnesota, by Miller and Schroeder Holdings, Inc. (or any affiliate of such company), or the establishment of any officer, director, or employee relationship between such association and such company or any affiliate of such company, including Miller and Schroeder Financial, Inc.; or

"(D) such an affiliation or officer, director, or employee relationship which results from the acquisition by an organization described in paragraph (1) of an insured institution under subsection (m) of this section,

if such institution has total assets of $500,000,000 or more at the time of such acquisition.

"(3) TWO-YEAR PERIOD.—An affiliation or an officer, director, or employee relationship that becomes unlawful as a result of the enactment of this subsection may continue for a period of 2 years after the date of the enactment of this subsection.

"(4) EXEMPT ACTIVITIES OF CERTAIN INSTITUTIONS.—Nothing in this subsection or section 18(j)(3) of the Federal Deposit Insurance Act prohibits an affiliation or an officer, director, or employee relationship between an insured institution or an institution which is eligible to become a member of a Federal Home Loan Bank, and an organization engaged principally in the issuance, sale, underwriting, or distribution, at wholesale or retail, or through syndicate participation, of—

"(A) securities representing or secured by interests in real estate or real estate loans or pools of real estate loans;

"(B) interests in partnerships formed primarily to own, operate, manage, or invest in real estate;

"(C) insurance products deemed to be securities, including without limitation variable annuities and variable life insurance;

"(D) securities of an investment company, as such term is defined in the Investment Company Act of 1940; and

"(E) any securities to the extent such issuance, sale, underwriting, or distribution is permitted for national banks.

"(5) REGULATIONS.—

"(A) IN GENERAL.—The Corporation is authorized to issue rules and regulations and to publish interpretations governing the implementation of this subsection, and shall enforce the provisions of this subsection.

"(B) FEDERAL DEPOSIT INSURANCE CORPORATION AUTHORITY.—For the purpose of paragraph (4), the Federal Deposit Insurance Corporation is authorized to issue rules and regulations and publish interpretations with respect to savings banks and other institutions subject to section 18(j)(3) of the Federal Deposit Insurance Act.".

(b) EXPIRATION DATE.—The amendment made by subsection (a) shall cease to be effective on March 1, 1988.

SEC. 107. MUTUAL HOLDING COMPANY AMENDMENTS.

(a) IN GENERAL.—Section 408 of the National Housing Act (12 U.S.C. 1730a) is amended by inserting after subsection (r) (as added by section 106(a) of this title) the following new subsection:

"(s) MUTUAL HOLDING COMPANIES.—

"(1) IN GENERAL.—Notwithstanding any provision of Federal law other than this title, an insured institution operating in mutual form may reorganize so as to become a holding company by—

"(A) chartering an interim savings institution, the stock of which is to be wholly owned by the mutual institution; and

"(B) transferring the substantial part of its assets and liabilities, including all of its insured liabilities, to the interim savings institution.

"(2) DIRECTORS AND CERTAIN ACCOUNT HOLDERS' APPROVAL OF PLAN REQUIRED.—A reorganization is not authorized under this subsection unless—

"(A) a plan providing for such reorganization has been approved by a majority of the board of directors of the mutual savings institution; and

"(B) in the case of an institution in which holders of accounts and obligors exercise voting rights, such plan has been submitted to and approved by a majority of such individuals at a meeting held at the call of the directors in accordance with the procedures prescribed by the institution's charter and bylaws.

"(3) NOTICE TO THE CORPORATION; DISAPPROVAL PERIOD.—

"(A) NOTICE REQUIRED.—At least 60 days prior to taking any action described in paragraph (1), an insured institution seeking to establish a mutual holding company shall provide written notice to the Corporation. The notice shall contain such relevant information as the Corporation shall require by regulation or by specific request in connection with any particular notice.

"(B) TRANSACTION ALLOWED IF NOT DISAPPROVED.—Unless the Corporation within such 60-day notice period disapproves the proposed holding company formation, or extends for another 30 days the period during which such disapproval may be issued, the insured institution providing such notice may proceed with the transaction, if the requirements of paragraph (2) have been met.

"(C) GROUNDS FOR DISAPPROVAL.—The Corporation may disapprove any proposed holding company formation only if—

"(i) such disapproval is necessary to prevent unsafe or unsound practices;

"(ii) the financial or management resources of the insured institution involved warrant disapproval;

"(iii) the insured institution fails to furnish the information required under subparagraph (A); or

"(iv) the insured institution fails to comply with the requirement of paragraph (2).

"(D) RETENTION OF CAPITAL ASSETS.—In connection with the transaction described in paragraph (1), an insured institution may, subject to the approval of the Corporation, retain capital assets at the holding company level to the extent that such capital exceeds adequate reserves as prescribed pursuant to section 403(b) or the comparable provisions of State or Federal law.

"(4) OWNERSHIP.—Persons having ownership rights in the mutual institution pursuant to section 5(b)(1)(B) of the Home Owners' Loan Act of 1933 or State law shall have the same ownership rights with respect to the mutual holding company.

"(5) PERMITTED ACTIVITIES.—A mutual holding company may engage only in the following activities:

"(A) Investing in the stock of an insured institution.

"(B) Acquiring a mutual institution through the merger of such institution into an insured institution subsidiary of such holding company or an interim savings institution subsidiary of such holding company.

"(C) Subject to paragraph (6), merging with or acquiring another holding company, one of whose subsidiaries is an insured institution.

"(D) Investing in a corporation the capital stock of which is available for purchase by an insured institution under Federal law or under the law of any State where the subsidiary insured institution or institutions have their home offices.

"(E) Engaging in the activities described in subsection (c)(2), except subparagraph (B).

"(6) LIMITATIONS ON CERTAIN ACTIVITIES OF ACQUIRED HOLDING COMPANIES.—

"(A) NEW ACTIVITIES.—If a mutual holding company acquires or merges with another holding company under paragraph (5)(C), the holding company acquired or the holding company resulting from such merger or acquisition may only invest in assets and engage in activities which are authorized under paragraph (5).

"(B) GRACE PERIOD FOR DIVESTING PROHIBITED ASSETS OR DISCONTINUING PROHIBITED ACTIVITIES.—Not later than 2 years following a merger or acquisition described in paragraph (5)(C), the acquired holding company or the holding company resulting from such merger or acquisition shall—

"(i) dispose of any asset which is an asset in which a mutual holding company may not invest under paragraph (5); and

"(ii) cease any activity which is an activity in which a mutual holding company may not engage under paragraph (5).

"(7) REGULATION.—Unless the context otherwise requires, a mutual holding company shall be subject to the other requirements of this section regarding regulation of holding companies.

"(8) DEFINITIONS.—For purposes of this subsection—

"(A) MUTUAL HOLDING COMPANY.—The term 'mutual holding company' means a corporation organized as a holding company under this subsection.

"(B) MUTUAL INSTITUTION.—The term 'mutual institution' means—

"(i) an insured institution; or

"(ii) a savings bank (as defined in section 3(g) of the Federal Deposit Insurance Act), which is operating in mutual form.

(b) AMENDMENT TO THE BANK HOLDING COMPANY ACT.—Section 3 of the Bank Holding Company Act of 1956 (12 U.S.C. 1842) is amended by adding at the end thereof the following:

"(g) MUTUAL BANK HOLDING COMPANY.—

"(1) ESTABLISHMENT.—Notwithstanding any provision of Federal law other than this Act, a savings bank or cooperative bank operating in mutual form may reorganize so as to form a holding company.

"(2) REGULATION.—A corporation organized as a holding company under this subsection shall be regulated on the same terms and be subject to the same limitations as any other holding company which controls a savings bank.".

SEC. 108. LEASING AUTHORITY OF NATIONAL BANKS.

Section 5136 of the Revised Statutes (12 U.S.C. 24) is amended by adding at the end thereof the following:

"Tenth. To invest in tangible personal property, including, without limitation, vehicles, manufactured homes, machinery, equipment, or furniture, for lease financing transactions on a net lease basis, but such investment may not exceed 10 percent of the assets of the association.".

SEC. 109. NOW ACCOUNTS.

Section 2(a)(2) of Public Law 93-100 (12 U.S.C. 1832(a)(2)) is amended by inserting the term "political," immediately after "educational,".

SEC. 110. EXEMPTION FROM AFFILIATE TRANSACTION RESTRICTIONS.

Section 408 of the National Housing Act (12 U.S.C. 1730a) is amended by inserting after subsection (s) (as added by section 107(a) of this title) the following new subsection:

"(t) EXEMPTION.—

"(1) IN GENERAL.—Subject to paragraph (2), but notwithstanding any other provision of law, an insured institution that is a subsidiary of an insured institution or insured institutions the voting stock of which is 80 percent owned by the same company shall not be subject—

"(A) to the provisions of subsection (d) of this section as to transactions with such *parent insured institution or affiliate insured institutions (and their subsidiaries), or*

"(B) to the provisions of subsections (f) and (g).

"(2) LOW QUALITY ASSETS.—An insured institution (or its subsidiary) may not purchase a low quality asset, as such term is defined in section 23A of the Federal Reserve Act, from another insured institution (or its subsidiary) in a transaction exempted by this subsection and any transaction with another insured institution (or its subsidiary) under this subsection shall be on terms and conditions that are consistent with safe and sound financial practices.

"(3) DEFINITION.—For purposes of this subsection, an 'insured institution' includes an institution that was chartered prior to October 15, 1982, as a savings bank or cooperative bank under State law and that is or becomes a savings and loan holding company or is or becomes a subsidiary of a savings and loan holding company.".

SEC. 111. CONSIDERATION OF CERTAIN ACQUISITIONS.

(a) AMENDMENT TO SECTION 408.—Section 408(e) of the National Housing Act (12 U.S.C. 1730a(e)) is amended—

(1) by redesignating paragraph (4) as paragraph (5);

(2) by inserting a new paragraph (4) to read as follows:

"(4) CONSIDERATION OF LOSS OF CERTAIN TAX BENEFITS.—

"(A) IN GENERAL.—In each case in which a filing of any type is required by this section, or regulations prescribed under this section, before the acquisition of stock of an insured institution, the Corporation, in evaluating such filing, may consider the likelihood that the proposed acquisition will result in the loss or reduction of the tax benefits of the insured institution's net operating loss carryforwards under section 382 of the Internal Revenue Code of 1986.

"(B) REQUIRED CONSIDERATION IN CERTAIN CASES.—The Corporation shall, with respect to any acquisition, give consideration to the likelihood of future loss or reduction of the tax benefits of an insured institution's net operating loss carryforwards under section 382 of the Internal Revenue Code of 1986 if such net operating loss carryforwards result from the insured institution's acquisition of one or more insured institutions under subsection (m) of this section or section 406(f) or pursuant to acquisitions that are otherwise deemed to be supervisory cases by the Corporation.

"(C) PERMITTED TRANSACTIONS.—Notwithstanding subparagraph (A) or (B), the Corporation may permit—

"(i) acquisitions in which the proposed acquirer commits itself in writing to maintain the ratio of tangible equity capital to liabilities of the insured institution to be acquired, as determined in accordance with generally accepted accounting principles, in an amount equal to the ratio in existence at the time of filing with the Corporation,

"(ii) acquisitions which are approved by the holders of a majority of the voting stock of the institution to be acquired, or

"(iii) acquisitions pursuant to subsection (m) of this section or section 406(f) or pursuant to acquisitions that are otherwise deemed to be supervisory cases by the Corporation.".

(b) AMENDMENT TO SECTION 407.—Section 407(q) of the National Housing Act (12 U.S.C. 1730(q)) is amended—

(1) by redesignating paragraphs (8) through (18) as paragraphs (9) through (19), respectively;

(2) by inserting a new paragraph (8) to read as follows:

"(8) CONSIDERATION OF LOSS OF CERTAIN TAX BENEFITS.—

"(A) IN GENERAL.—In each case in which a filing of any type is made under this subsection, or regulations prescribed under this section, before the acquisition of stock of an insured institution, the Corporation, in evaluating such filing, may consider the likelihood that the proposed acquisition will result in the loss or reduction of the tax benefits of an insured institution's net operating loss carryforwards under section 382 of the Internal Revenue Code of 1986.

"(B) REQUIRED CONSIDERATION IN CERTAIN CASES.—The Corporation shall, with respect to any acquisition, give consideration to the likelihood of future loss or reduction of the tax benefits of an insured institution's net operating loss carryforwards under section 382 of the Internal Revenue Code of 1986 if such net operating loss carry forwards result from the insured institution's acquisition of one or more insured institutions under section 406(f) or 408(m) or pursuant to acquisitions that are otherwise deemed to be supervisory cases by the Corporation.

"(C) PERMITTED TRANSACTIONS.—Notwithstanding subparagraph (A) or (B), the Corporation may permit—

"(i) acquisitions in which the proposed acquirer commits itself in writing to maintain the ratio of tangible equity capital to liabilities of the insured institutions to be acquired, as determined in accordance with generally accepted accounting principles, in an amount equal to the ratio in existence at the time of filing with the Corporation,

"(ii) acquisitions which are approved by the holders of a majority of the voting stock of the institution to be acquired, or

"(iii) acquisitions under section 406(f) or 408(m), or are acquisitions that are otherwise deemed to be supervisory cases by the Corporation.".

TITLE II—MORATORIUM ON CERTAIN NONBANKING ACTIVITIES

SEC. 201. MORATORIUM ON CERTAIN NONBANKING ACTIVITIES.

(a) APPLICABILITY.—The provisions of this section shall apply during the period beginning on March 6, 1987, and ending on March 1, 1988.

(b) MORATORIUM.—

(1) A foreign bank or other company covered by subsection (c) of section 8 of the International Banking Act of 1978 (12 U.S.C. 3106(c)) shall not, under any provision of law which is not applicable to domestic bank holding companies, expand any activity in which it is engaged pursuant to that subsection by acquiring an interest in, or the assets of, a going concern. This paragraph shall not apply to any "domestically-controlled affiliate covered in 1978" as defined in that subsection.

(2) A Federal banking agency may not authorize or allow by action, inaction, or otherwise any bank holding company or subsidiary or affiliate thereof, any foreign bank or other company subject to the Bank Holding Company Act of 1956 (12 U.S.C. 1841 et seq.) under section 8(a) of the International Banking Act of 1978 (12 U.S.C. 3106(a)), or any insured bank or subsidiary or affiliate thereof to engage in the United States to any extent whatever—

(A) in the flotation, underwriting, public sale, dealing in, or distribution of securities if that approval would require the agency to determine that the entity which would conduct such activities would not be engaged principally in such activities,

(B) in any securities activity not legally authorized in writing prior to March 5, 1987, or

(C) in the operation of a nondealer marketplace in options.

Subparagraph (B) shall not affect (i) activities in which any bank holding company or subsidiary or affiliate thereof, any foreign bank or other company subject to the Bank Holding Company Act of 1956 under section 8(a) of the International Banking Act of 1978, or any insured bank or subsidiary or affiliate thereof acts only as an agent; (ii) activities which had been lawfully engaged in prior to March 5, 1987; or (iii) sales or transactions closed on or before June 30, 1987.

(3) A Federal banking agency may not issue any rule, regulation, or order that would have the effect of increasing the insurance powers of banks, bank holding companies, foreign banks or other companies subject to the Bank Holding Company Act of 1956 under section 8(a) of the International Banking Act of 1978, or banking or nonbanking subsidiaries thereof with respect to any activities in the United States, either with respect to specific banks or bank holding companies or subsidiaries thereof or generally beyond those expressly authorized for bank holding companies under subparagraphs (A) through (G) of section 4(c)(8) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(c)(8)(A) through (G)).

(4) Except as provided in section 3(f) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(f)), as added by section 101(d) of this Act, the Board of Governors of the Federal Reserve System may not approve the acquisition by a bank holding company or by a foreign bank or other company subject to the Bank Holding Company Act of 1956 under section 8(a) of the International Banking Act of 1978, of any company, including a State-chartered bank, unless the bank holding company, foreign bank, or other company has agreed to limit the insurance activities in the United States of the company to be acquired to those permissible under section 4(c)(8) of the Bank Holding Company Act of 1956. This paragraph shall not apply to the acquisition of a State-chartered bank that upon acquisition would be subject to the Bank Holding Company Act of 1956, pursuant to a reorganization plan under which the stockholders of the bank exchange their shares for shares in a newly created bank holding company which is not a subsidiary of any other company or to the acquisition of a State-chartered bank by a bank holding company that on March 6, 1987, controlled one or more State-chartered banks that have engaged in insurance activities identical to those of the newly acquired institution so long as the bank holding company agrees that it will—

(A) within 2 years of the consummation of its acquisition of the State-chartered bank, divest or terminate that bank's impermissible insurance activities, and

(B) limit the bank's insurance activities during that 2-year period to the renewal of existing policies.

(5) A national bank or a Federal branch or agency of a foreign bank may not expand its insurance agency activities pursuant to the Act of September 7, 1916 (12 U.S.C. 92), into places where it was not conducting such activities as of March 5, 1987.

(6) A Federal banking agency may not issue any rule, regulation, or order that would have the effect of increasing real estate powers in the United States of banks,

bank holding companies, foreign banks or other companies subject to the Bank Holding Company Act of 1956 under section 8(a) of the International Banking Act of 1978, or of any banking or nonbanking subsidiaries of any such banks or companies.

(c) DEFINITIONS.—As used in this section and section 202—

(1) the term "affiliate" has the same meaning as in section 2(j)(2) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(j)(2)), as added by section 101(a) of this Act;

(2) the term "bank holding company" has the same meaning as in section 2(a) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(a));

(3) the term "Federal banking agency" has the same meaning as the term "appropriate Federal banking agency" has in section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. 1813(q)); and

(4) the term "insured bank" has the same meaning as in section 3(h) of the Federal Deposit Insurance Act (12 U.S.C. 1813(h)).

(d) INSURANCE AUTHORITY OF BANKING ORGANIZATIONS.—Nothing in this section may be construed to increase or reduce the insurance authority of bank holding companies or banking or nonbanking subsidiaries thereof or of national banks under current law.

(e) INSURANCE AUTHORITY OF CERTAIN STATE-CHARTERED BANKS.—

(1) FREESTANDING STATE-CHARTERED BANKS.—Nothing in this section shall be construed to deny any State the authority to permit its State-chartered banks that are not controlled by bank holding companies from engaging in any insurance activity.

(2) STATE-CHARTERED SUBSIDIARIES OF BANK HOLDING COMPANIES.—In addition, neither the existence of the moratorium nor its expiration shall be construed to increase, decrease, or affect in any way the authority of State-chartered bank subsidiaries of bank holding companies with respect to insurance activities.

SEC. 202. AUTHORITY OF FEDERAL BANKING AGENCIES.

Nothing in section 201 may be construed to prevent a Federal banking agency from issuing any rule, regulation, or order pursuant to its legal authority in existence on the day preceding the date of enactment of this Act to expand the securities, insurance, or real estate powers of banks or bank holding companies that are subject to the moratorium established under section 201 if the effective date of such rule, regulation, or order is delayed until the expiration of such moratorium.

SEC. 203. INTENT OF CONGRESS.

(a) COMPREHENSIVE CONGRESSIONAL REVIEW OF BANKING AND FINANCIAL LAWS.—It is the intent of the Congress, through the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives, to conduct a comprehensive review of our banking and financial laws and to make decisions on the need for financial restructuring legislation in the light of today's changing financial environment both domestic and international before the expiration of such moratorium.

(b) CONGRESSIONAL INTENT NOT TO RENEW OR EXTEND MORATORIUM.—It is the intent of the Congress not to renew or extend the moratorium established under section 201 whether or not subsequent banking legislation is passed by the Congress.

SEC. 204. AMENDMENTS TO THE INTERNATIONAL BANKING ACT OF 1978.

(a) TERMINATION OF CERTAIN NONBANKING ACTIVITIES.—Section 8(c) of the International Banking Act of 1978 (12 U.S.C. 3106(c)) is amended by adding at the end thereof the following new paragraph:

"(2) The authority conferred by this subsection on a foreign bank or other company shall terminate 2 years after the date on which such foreign bank or other company becomes a 'bank holding company' as defined in section 2(a) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(a)); except that the Board may, upon application of such foreign bank or other company, extend the 2-year period for not more than one year at a time, if, in its judgment, such an extension would not be detrimental to the public interest, but no such extensions shall exceed 3 years in the aggregate.".

(b) CLERICAL AMENDMENT.—Section 8 of the International Banking Act of 1978 is amended by striking out "(c) After" and inserting in lieu thereof "(c)(1) After".

SEC. 205. AMENDMENTS TO THE BANK HOLDING COMPANY ACT OF 1956.

(a) EXCEPTION TO NONBANKING PROHIBITIONS.—Section 2(h) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(h)) is amended by striking out paragraph (2) and by adding after paragraph (1) the following new paragraphs:

"(2) Except as provided in paragraph (3), the prohibitions of section 4 of this Act shall not apply to shares of any company organized under the laws of a foreign country (or to shares held by such company in any company engaged in the same general line of business as the investor company or in a business related to the business of the investor company) that is principally engaged in business outside the United States if such shares are held or acquired by a bank holding company organized under the laws of a foreign country that is principally engaged in the banking business outside the United States. For the purpose of this subsection, the term 'section 2(h)(2) company' means any company whose shares are held pursuant to this paragraph.

"(3) Nothing in paragraph (2) authorizes a section 2(h)(2) company to engage in (or acquire or hold more than 5 percent of the outstanding shares of any class of voting securities of a company engaged in) any banking, securities, insurance, or other financial activities, as defined by the Board, in the United States. This paragraph does not prohibit a section 2(h)(2) company from holding shares that were lawfully acquired before the date of enactment of the Competitive Equality Banking Act of 1987.

"(4) No domestic office or subsidiary of a bank holding company or subsidiary thereof holding shares of a section 2(h)(2) company may extend credit to a domestic office or subsidiary of such section 2(h)(2) company on terms more favorable than those afforded similar borrowers in the United States.

"(5) No domestic banking office or bank subsidiary of a bank holding company that controls a section 2(h)(2) company may offer or market products or services of such section 2(h)(2) company, or permit its products or services to be offered or marketed by or through such section 2(h)(2) company, unless such products or services were being so offered or marketed as of March 5, 1987, and then only in the same manner in which they were being offered or marketed as of that date.".

TITLE III—FSLIC RECAPITALIZATION

SEC. 301. SHORT TITLE.

This title may be cited as the "Federal Savings and Loan Insurance Corporation Recapitalization Act of 1987".

SEC. 302. FINANCING CORPORATION ESTABLISHED.

The Federal Home Loan Bank Act (12 U.S.C. 1421 et seq.) is amended by inserting after section 20 the following new section:

"SEC. 21. FINANCING CORPORATION.

"(a) ESTABLISHMENT.—Notwithstanding any other provision of law, the Board shall charter a corporation to be known as the Financing Corporation.

"(b) MANAGEMENT OF FINANCING CORPORATION.—

"(1) DIRECTORATE.—The Financing Corporation shall be under the management of a directorate composed of 3 members as follows:

"(A) The Director of the Office of Finance of the Federal Home Loan Banks (or the head of any successor to such office).

"(B) 2 members selected by the Federal Home Loan Bank Board from among the presidents of the Federal Home Loan Banks.

"(2) TERMS.—Each member appointed under paragraph (1)(B) shall be appointed for a term of 1 year.

"(3) VACANCY.—If any member leaves the office in which such member was serving when appointed to the Directorate—

"(A) such member's service on the Directorate shall terminate on the date such member leaves such office; and

"(B) the successor to the office of such member shall serve the remainder of such member's term.

"(4) EQUAL REPRESENTATION OF BANKS.—No president of a Federal Home Loan Bank may be appointed to serve an additional term on the Directorate until such time as the presidents of each of the other Federal Home Loan Banks have served as many terms on the Directorate as the president of such bank (before the appointment of such president to such additional term).

"(5) CHAIRPERSON.—The Chairman of the Federal Home Loan Bank Board shall select the chairperson of the Directorate from among the 3 members of the Directorate.

"(6) STAFF.—

"(A) NO PAID EMPLOYEES.—The Financing Corporation shall have no paid employees.

"(B) POWERS.—The Directorate may, with the approval of the Board, authorize the officers, employees, or agents of the Federal Home Loan Banks to act for and on behalf of the Financing Corporation in such manner as may be necessary to carry out the functions of the Financing Corporation.

"(7) ADMINISTRATIVE EXPENSES.—

"(A) IN GENERAL.—All administrative expenses of the Financing Corporation shall be paid by the Federal Home Loan Banks.

"(B) PRO RATA DISTRIBUTION.—The amount each Federal Home Loan Bank shall pay shall be determined by the Board by multiplying the total administrative expenses for any period by the percentage arrived at by dividing—

"(i) the aggregate amount the Board required such bank to invest in the Financing Corporation (as of the time of such determination) under paragraphs (4) and (5) of subsection (d) (as computed without regard to paragraph (3) or (6) of such subsection); by

"(ii) the aggregate amount the Board required all Federal Home Loan Banks to invest (as of the time of such determination) under such paragraphs.

"(C) ADMINISTRATIVE EXPENSES DEFINED.—For purposes of this paragraph, the term 'administrative expenses' does not include—

"(i) issuance costs (as such term is defined in subsection (g)(5)(A));

"(ii) any interest on (and any redemption premium with respect to) any obligation of the Financing Corporation; or

"(iii) custodian fees (as such term is defined in subsection (g)(5)(B)).

"(8) REGULATION BY BOARD.—The Directorate shall be subject to such regulations, orders, and directions as the Board may prescribe.

"(9) NO COMPENSATION FROM FINANCING CORPORATION.—Members of the Directorate shall receive no pay, allowances, or benefits from the Financing Corporation by reason of their service on the Directorate.

"(c) POWERS OF FINANCING CORPORATION.—The Financing Corporation shall have only the following powers, subject to the other provisions of this section and such regulations, orders, and directions as the Board may prescribe:

"(1) To issue nonvoting capital stock to the Federal Home Loan Banks.

"(2) To invest in any security issued by the Federal Savings and Loan Insurance Corporation under section 402(b) of the National Housing Act.

"(3) To issue debentures, bonds, or other obligations and to borrow, to give security for any amount borrowed, and to pay interest on (and any redemption premium with respect to) any such obligation or amount.

"(4) To impose assessments in accordance with subsection (f).

"(5) To adopt, alter, and use a corporate seal.

"(6) To have succession until dissolved.

"(7) To enter into contracts.

"(8) To sue and be sued in its corporate capacity, and to complain and defend in any action brought by or against the Financing Corporation in any State or Federal court of competent jurisdiction.

"(9) To exercise such incidental powers not inconsistent with the provisions of this section or section 402(b) of the National Housing Act as are necessary or appropriate to carry out the provisions of this section.

"(d) CAPITALIZATION OF FINANCING CORPORATION.—

"(1) PURCHASE OF CAPITAL STOCK BY FEDERAL HOME LOAN BANKS.—

"(A) IN GENERAL.—Each Federal Home Loan Bank shall invest in nonvoting capital stock of the Financing Corporation at such times and in such amounts as the Board may prescribe under this subsection.

"(B) PAR VALUE; TRANSFERABILITY.—Each share of stock issued by the Financing Corporation to a Federal Home Loan Bank shall have par value in an amount determined by the Board and shall be transferable only among the Federal Home Loan Banks in the manner and to the extent prescribed by the Board at not less than par value.

"(2) AGGREGATE DOLLAR AMOUNT LIMITATION ON ALL INVESTMENTS.—The aggregate amount of funds invested by all Federal Home Loan Banks in nonvoting capital stock of the Financing Corporation shall not exceed $3,000,000,000.

"(3) MAXIMUM INVESTMENT AMOUNT LIMITATION FOR EACH FEDERAL HOME LOAN BANK.—The cumulative amount of funds invested in nonvoting capital stock of the Financing Corporation by each Federal Home Loan Bank shall not exceed the aggregate amount of—

"(A) the sum of—

"(i) the reserves maintained by such bank on December 31, 1985, pursuant to the requirement contained in the first 2 sentences of section 16; and

"(ii) the undivided profits (as defined in paragraph (7)) of such bank on such date; and

"(B) the sum of—

"(i) the amounts added to reserves after December 31, 1985, pursuant to the requirement contained in the first 2 sentences of section 16; and

"(ii) the undivided profits of such bank accruing after such date.

"(4) PRO RATA DISTRIBUTION OF 1ST $1,000,000,000 INVESTED IN FINANCING CORPORATION BY HOME LOAN BANKS.—With respect to the first $1,000,000,000 which the Board may require the Federal Home Loan Banks to invest in capital stock of the Financing Corporation under this subsection, the amount which each Federal Home Loan Bank (or any successor to such bank) shall invest shall be determined by the Board by applying to the total amount of such investment by all such banks the percentage appearing in the following table for each such bank:

"Bank	Percentage
Federal Home Loan Bank of Boston	1.8629
Federal Home Loan Bank of New York	9.1006
Federal Home Loan Bank of Pittsburgh	4.2702
Federal Home Loan Bank of Atlanta	14.4007
Federal Home Loan Bank of Cincinnati	8.2653
Federal Home Loan Bank of Indianapolis	5.2863
Federal Home Loan Bank of Chicago	9.6886
Federal Home Loan Bank of Des Moines	6.9301
Federal Home Loan Bank of Dallas	8.8181
Federal Home Loan Bank of Topeka	5.2706
Federal Home Loan Bank of San Francisco	19.9644
Federal Home Loan Bank of Seattle	6.1422

"(5) PRO RATA DISTRIBUTION OF AMOUNTS REQUIRED TO BE INVESTED IN EXCESS OF $1,000,000,000.—With respect to any amount in excess of $1,000,000,000 which the Board may require the Federal Home Loan Banks to invest in capital stock of the Financing Corporation under this subsection, the amount which each Federal Home Loan Bank (or any successor to such bank) shall invest shall be determined by the Board by multiplying such excess amount by the percentage arrived at by dividing—

"(A) the sum of the total assets (as of the most recent December 31) held by all insured institutions which are members of such bank; by

"(B) the sum of the total assets (as of such date) held by all insured institutions which are members of any Federal Home Loan Bank.

"(6) SPECIAL PROVISIONS RELATING TO MAXIMUM AMOUNT LIMITATIONS.—

"(A) IN GENERAL.—If the amount any Federal Home Loan Bank is required to invest in capital stock of the Financing Corporation pursuant to a determination by the Board under paragraph (5) (or under subparagraph (B) of this paragraph) exceeds the maximum investment amount applicable with respect to such bank under paragraph (3) at the time of such determination (hereinafter in this paragraph referred to as the 'excess amount')—

"(i) the Board shall require each remaining Federal Home Loan Bank to invest (in addition to the amount determined under paragraph (5) for such remaining bank and subject to the maximum investment amount applicable with respect to such remaining bank under paragraph (3) at the time of such determination) in such capital stock on behalf of the bank in the amount determined under subparagraph (B);

"(ii) the Board shall require the bank to subsequently purchase the excess amount of capital stock from the remaining banks in the manner described in subparagraph (C); and

"(iii) the requirements contained in subparagraphs (D) and (E) relating to the use of net earnings available for dividends shall apply to such bank until the bank has purchased all of the excess amount of capital stock.

"(B) ALLOCATION OF EXCESS AMOUNT AMONG REMAINING HOME LOAN BANKS.—The amount each remaining Federal Home Loan Bank shall be required to invest under subparagraph (A)(i) is the amount determined by the Board by multiplying the excess amount by the percentage arrived at by dividing—

"(i) the amount of capital stock of the Financing Corporation held by such remaining bank at the time of such determination; by

"(ii) the aggregate amount of such stock held by all remaining banks at such time.

"(C) PURCHASE PROCEDURE.—The bank on whose behalf an investment in capital stock is made under subparagraph (A)(i) shall purchase, annually and at the issuance price, from each remaining bank an amount of such stock determined by the Board by multiplying the amount available for such purchases (at the time of such determination) by the percentage determined under subparagraph (B) with respect to such remaining bank until the aggregate amount of such capital stock has been purchased by the bank.

"(D) LIMITATION ON DIVIDENDS.—The amount of dividends which may be paid for any year by a bank on whose behalf an investment is made under subparagraph (A)(i) shall not exceed an amount equal to ½ of the net earnings available for dividends of the bank for the year.

"(E) TRANSFER TO ACCOUNT FOR PURCHASE OF STOCK REQUIRED.—Of the net earnings available for dividends for any year of a bank on whose behalf an investment is made under subparagraph (A)(i), such amount as is necessary to make the purchases of stock required under subparagraph (A)(ii) shall be placed in a reserve account (established in such manner as the Board shall prescribe by regulations) the balance in which shall be available only for such purchases.

"(F) NET EARNINGS AVAILABLE FOR DIVIDENDS DEFINED.—For purposes of this paragraph, the term 'net earnings available for dividends' means the net earnings of a bank for any period as computed after reducing the amount of earnings for such period by the amount required to be carried (for such period) to reserves maintained by such bank pursuant to the first two sentences of section 16 of this Act.

"(7) UNDIVIDED PROFITS DEFINED.—For purposes of paragraph (3), the term 'undivided profits' means retained earnings minus the sum of—

"(A) that portion required to be added to reserves maintained pursuant to the first two sentences of section 16 of this Act; and

"(B) the dollar amounts held by the respective Federal Home Loan Banks in special dividend stabilization reserves on December 31, 1985, as determined under the following table:

"Bank	Dollar amount
Federal Home Loan Bank of Boston	$3.2 million
Federal Home Loan Bank of New York	7.7 million
Federal Home Loan Bank of Pittsburgh	5.2 million
Federal Home Loan Bank of Atlanta	12.3 million
Federal Home Loan Bank of Cincinnati	5.9 million
Federal Home Loan Bank of Indianapolis	37.4 million
Federal Home Loan Bank of Chicago	6.0 million
Federal Home Loan Bank of Des Moines	32.7 million
Federal Home Loan Bank of Dallas	45.0 million
Federal Home Loan Bank of Topeka	13.7 million
Federal Home Loan Bank of San Francisco	21.9 million
Federal Home Loan Bank of Seattle	33.6 million

"(e) OBLIGATIONS OF THE FINANCING CORPORATION.—

"(1) LIMITATION ON AMOUNT OF OUTSTANDING OBLIGATIONS.—The aggregate amount of obligations of the Financing Corporation which may be outstanding at any time (as determined by the Board) shall not exceed the lesser of—

"(A) an amount equal to the greater of—

"(i) 5 times the amount of the nonvoting capital stock of the Financing Corporation which is outstanding at such time; or

"(ii) the sum of the face amounts (the amount of principal payable at maturity) of securities described in subsection (g)(2) which are held at such time in the segregated account established pursuant to such subsection; or

"(B) $10,825,000,000.

"(2) ANNUAL LIMITATION ON NET NEW BORROWING.—Net new borrowing by the Financing Corporation—

"(A) shall not exceed an amount equal to $3,750,000,000 in the 1-year period beginning on the date of the enactment of the Federal Savings and Loan Insurance Corporation Recapitalization Act of 1987; and

"(B) shall not exceed an amount equal to $3,750,000,000 in each 1-year period beginning after the 1-year period described in subparagraph (A).

"(3) NET PROCEEDS TO BE INVESTED IN CAPITAL OF FSLIC.—Subject to such terms and conditions as may be approved by the Board, the net proceeds of any obligation issued by the Financing Corporation shall be used to—

"(A) purchase capital certificates or capital stock issued by the Federal Savings and Loan Insurance Corporation under section 402(b)(1)(A) of the National Housing Act; or

"(B) refund any previously issued obligation the net proceeds of which were invested in the manner described in subparagraph (A).

"(4) LIMITATION ON TERM OF OBLIGATIONS.—No obligation of the Financing Corporation may be issued which matures—

"(A) more than 30 years after the date of issue; or

"(B) after December 31, 2026.

"(5) INVESTMENT OF UNITED STATES FUNDS IN OBLIGATIONS.—Obligations issued under this section by the Financing Corporation with the approval of the Board shall be lawful investments, and may be accepted as security, for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer of the United States.

"(6) MARKET FOR OBLIGATIONS.—All persons having the power to invest in, sell, underwrite, purchase for their own accounts, accept as security, or otherwise deal in obligations of the Federal Home Loan Banks shall also have the power to do so with respect to obligations of the Financing Corporation.

"(7) NO FULL FAITH AND CREDIT OF THE UNITED STATES.—Obligations of the Financing Corporation and the interest payable on such obligations shall not be obligations of, or guaranteed as to principal or interest by, the Federal Home Loan Banks, the United States, or the Federal Savings and Loan Insurance Corporation and the obligations shall so plainly state.

"(8) TAX EXEMPT STATUS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), obligations of the Financing Corporation shall be exempt from tax both as to principal and interest to the same extent as any obligation of a Federal Home Loan Bank is exempt from tax under section 13.

"(B) EXCEPTION.—The Financing Corporation, like the Federal Home Loan Banks, shall be treated as an agency of the United States for purposes of the first sentence of section 3124(b) of title 31, United States Code (relating to determination of tax status of interest on obligations).

"(9) OBLIGATIONS ARE EXEMPT SECURITIES.—Notwithstanding paragraph (7), obligations of the Financing Corporation shall be deemed to be exempt securities (within the meaning of laws administered by the Securities and Exchange Commission) to the same extent as securities which are direct obligations of the United States or are guaranteed as to principal or interest by the United States.

"(10) MINORITY PARTICIPATION IN PUBLIC OFFERINGS.—The Chairman of the Board and the Directorate shall ensure that minority owned or controlled commercial banks, investment banking firms, underwriters, and bond counsels throughout the United States have an opportunity to participate to a significant degree in any public offering of obligations issued under this section.

"(f) ASSESSMENT AUTHORITY OF THE FINANCING CORPORATION.—

"(1) IN GENERAL.—The Financing Corporation may, with the approval of the Board, assess on each insured institution an assessment, except that the aggregate amount assessed under this paragraph on any insured institution for any year may not exceed an amount equal to $\frac{1}{12}$th of 1 percent of the aggregate amount of all accounts of insured members of such insured institution.

"(2) SUPPLEMENTAL ASSESSMENT AUTHORIZED.—Upon the unanimous vote of the Directorate that additional funds are needed to pay the interest on the obligations of the Financing Corporation because no other funds are available, the Financing Corporation may, with the approval of the Board and in addition to any assessment assessed under paragraph (1), assess on each insured institution an assessment, except that the aggregate amount assessed under this paragraph on any insured institution for any year may not exceed an amount equal to $\frac{1}{8}$th of 1 percent of the aggregate amount of all accounts of insured members of such insured institution.

"(3) TOTAL AMOUNT OF ASSESSMENTS MAY NOT EXCEED INTEREST AND FINANCING COSTS.—The aggregate amount of all assessments assessed under paragraphs (1) and (2) for any year may not exceed—

"(A) the aggregate amount of—

"(i) issuance costs (as such term is defined in subsection (g)(5)(A)) incurred with respect to obligations issued during such year;

"(ii) interest paid on (and any redemption premium paid with respect to) obligations of the Financing Corporation during such year; and

"(iii) custodian fees (as such term is defined in subsection (g)(5)(B)) incurred during such year; minus

"(B) the aggregate amount of any payments under subsection (g)(4) during such year.

"(4) TERMINATION ASSESSMENTS.—

"(A) ASSESSMENT AUTHORIZED.—The Financing Corporation shall, with the approval of the Board, assess a termination assessment on any insured institution which ceases to be an insured institution.

"(B) MAXIMUM AMOUNT OF ASSESSMENT.—The amount of the assessment on any institution under subparagraph (A) shall be the amount which is equal to the sum of—

"(i) the amount which is equal to 2 times the last annual insurance premium payable by such institution under section 404(b) of the National Housing Act (including the amount of any assessment imposed under paragraph (1) of this subsection in lieu of any such premium); and

"(ii) the amount which is the product of—

"(I) the aggregate amount of all accounts of insured members of such institution (as of the date the institution ceases to be an insured institution); and

"(II) 2 times the rate (expressed as an annual rate) at which the supplemental assessment under section 404(c) of the National Housing Act was assessed against insured institutions by the Federal Savings and Loan Insurance Corporation in 1986.

"(C) REDUCTION IN ASSESSMENT ALLOWED FOR WEAKENED INSTITUTIONS.—The amount of any assessment which the Financing Corporation may otherwise impose under this paragraph on an institution (which ceases to be an insured institution) may be reduced by such amount as the Financing Corporation, with the approval of the Board, may deem appropriate when—

"(i) the institution poses a substantial risk to the assets of the Federal Savings and Loan Insurance Corporation; and

"(ii) such reduction is necessary to assist in the sale or other disposition of the institution.

"(D) TIME FOR PAYING ASSESSMENT.—

"(i) DUE WITHIN 30 DAYS.—If an assessment is imposed on an institution under subparagraph (A), the institution shall be obligated to pay such assessment before the end of the 30-day period beginning on the date on which such institution ceases to be an insured institution.

"(ii) SEMIANNUAL INSTALLMENTS WITH INTEREST.—Notwithstanding the requirement of clause (i), an institution may elect to pay the amount of any assessment imposed under subparagraph (A) in semiannual installments during the period beginning no later than the end of the 30-day period referred to in clause (i) and ending no later than the end of the 2-year period beginning on the date such assessment is imposed, together with interest accruing on the unpaid balance of such amount at a variable rate equal to the sum of—

"(I) the bond equivalent yield on 6-month United States Treasury bills; and

"(II) 100 basis points.

"(E) EXIT FEE EQUALIZATION.—If any institution described in subparagraph (F) paid any exit fee, or the equivalent thereof (as determined by the Corporation), on or before *the date of the enactment of the Federal Savings and Loan Insurance Corporation Recapitalization Act of 1987, the Corporation shall repay to such institution an amount equal to the amount by which the amount of such fee exceeds the amount which such institution would be required to pay if the amount of such fee were determined under this paragraph as of the date of the enactment of this Act.*

"(F) PROVISIONS APPLICABLE TO CERTAIN INSTITUTIONS.—Except as provided in subparagraph (E), no assessment under this paragraph or insurance premium under section 407(d) of the National Housing Act may be imposed on an insured institution which, on or before March 31, 1987, had—

"(i) its status as an insured institution terminated voluntarily, involuntarily, or by operation of law in connection with a conversion into, merger with, acquisition by, consolidation with, reorganization into, or combination by any means with, an institution the deposits of which are insured by the Federal Deposit Insurance Corporation;

"(ii) filed an application or notice with any State banking agency or authority, or with the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, the Corporation or the Federal Home Loan Bank Board pursuant to a transaction which, upon consummation thereof, will result in the termination of the institution's status as an insured institution in connection with its conversion into, merger with, acquisition by, consolidation with, reorganization into, or combination by any means with, an institution the deposits of which are insured by the Federal Deposit Insurance Corporation; or

"(iii) entered into a letter of intent or a written memorandum of understanding, pursuant to a transaction which will result in the termination of the institution's status as an insured institution in connection with its conversion into, merger with, acquisition by consolidation with, reorganization into, or combination by any means with, an institution the deposits of which are insured by the Federal Deposit Insurance Corporation.

"(G) ADDITIONAL PROVISION.—Notwithstanding any other provision of law, the Federal Savings and Loan Insurance Corporation shall repay to Comerica, Inc. of Detroit, Michigan, an amount equal to any exit fee or equivalent thereof paid by Comerica, Inc.

"(5) PAYMENT TO FINANCING CORPORATION.—All assessments assessed by the Financing Corporation under paragraph (1), (2), or (4) shall be paid to the Financing Corporation.

"(g) USE AND DISPOSITION OF ASSETS OF THE FINANCING CORPORATION NOT INVESTED IN FSLIC.—

"(1) IN GENERAL.—Subject to such regulations, restrictions, and limitations as may be prescribed by the Board, assets of the Financing Corporation, which are not invested in capital certificates or capital stock issued by the Federal Savings and Loan Insurance Corporation under section 402(b)(1)(A) of the National Housing Act, shall be invested in—

"(A) direct obligations of the United States;

"(B) obligations, participations, or other instruments of, or issued by, the Federal National Mortgage Association or the Government National Mortgage Association;

"(C) mortgages, obligations, or other securities for sale by, or which have been disposed of by, the Federal Home Loan Mortgage Corporation under section 305 or 306 of the Federal Home Loan Mortgage Corporation Act; or

"(D) any other security in which it is lawful for fiduciary and trust funds to be invested under the laws of any State.

"(2) SEGREGATED ACCOUNT FOR ZERO COUPON INSTRUMENTS HELD TO ASSURE PAYMENT OF PRINCIPAL.—The Financing Corporation shall invest in, and hold in a segregated account, noninterest bearing instruments—

"(A) which are securities described in paragraph (1); and

"(B) the total of the face amounts (the amount of principal payable at maturity) of which is approximately equal to the aggregate amount of principal on the obligations of the Financing Corporation,

to assure the repayment of principal on obligations of the Financing Corporation.

"(3) DOLLAR AMOUNT LIMITATION ON INVESTMENT IN ZERO COUPON INSTRUMENTS FOR SEGREGATED ACCOUNT.—The aggregate amount invested by the Financing Corporation under paragraph (2) shall not exceed $2,200,000,000 (as determined on the basis of the purchase price).

"(4) EXCEPTION FOR PAYMENT OF ISSUANCE COSTS, INTEREST, AND CUSTODIAN FEES.—Notwithstanding the requirements of paragraph (1), the assets of the Financing Corporation referred to in paragraph (1) which are not invested under paragraph (2) may be used to pay—

"(A) issuance costs;

"(B) any interest on (and any redemption premium with respect to) any obligation of the Financing Corporation; and

"(C) custodian fees.

"(5) DEFINITIONS.—For purposes of this subsection—

"(A) ISSUANCE COSTS.—The term 'issuance costs'—

"(i) means issuance fees and commissions incurred by the Financing Corporation in connection with the issuance or servicing of any obligation of the Financing Corporation; and

"(ii) includes legal and accounting expenses, trustee and fiscal and paying agent charges, costs incurred in connection with preparing and printing offering materials, and advertising expenses, to the extent that any such cost or expense is incurred by the Financing Corporation in connection with issuing any obligation.

"(B) CUSTODIAN FEES.—The term 'custodian fee' means—

"(i) any fee incurred by the Financing Corporation in connection with the transfer of any security to, or the maintenance of any security in, the segregated account established under paragraph (2); and

"(ii) any other expense incurred by the Financing Corporation in connection with the establishment or maintenance of such account.

"(h) MISCELLANEOUS PROVISIONS RELATING TO FINANCING CORPORATION.—

"(1) TREATMENT FOR CERTAIN PURPOSES.—Except as provided in subsection (e)(8)(B), the Financing Corporation shall be treated as a Federal Home Loan Bank for purposes of sections 13 and 23.

"(2) FEDERAL RESERVE BANKS AS DEPOSITARIES AND FISCAL AGENTS.—The Federal Reserve banks are authorized to act as depositaries for or fiscal agents or custodians of the Financing Corporation.

"(3) APPLICABILITY OF CERTAIN PROVISIONS RELATING TO GOVERNMENT CORPORATION.—Notwithstanding the fact that no Government funds may be invested in the Financing Corporation, the Financing Corporation shall be treated, for purposes of sections 9105, 9107, and 9108 of title 31, United States Code, as a mixed-ownership Government corporation which has capital of the Government.

"(i) FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION INDUSTRY ADVISORY COMMITTEE.—

"(1) ESTABLISHMENT.—There is hereby established the Federal Savings and Loan Insurance Corporation Industry Advisory Committee (hereinafter in this subsection referred to as the 'Committee').

"(2) MEMBERSHIP.—

"(A) APPOINTMENT.—The Committee shall consist of 13 members selected as follows:

"(i) 1 member appointed by the Chairman of the Board from among individuals who are officers of insured institutions and who are not members of the Board or employees of the Board, the Federal Savings and Loan Insurance Corporation, or the Board of Directors of any Federal Home Loan Bank.

"(ii) 1 member elected from each Federal Home Loan Bank district (by the members of the Board of Directors of each such bank who were elected by the members of such bank) from among individuals who are officers of insured institutions.

"(B) TERMS.—Members shall be appointed or elected for terms of 1 year.

"(C) CHAIRPERSON.—The member appointed under subparagraph (A)(i) shall be the chairperson of the Committee.

"(D) VACANCIES.—Any vacancy on the Committee shall be filled in the manner in which the original appointment was made.

"(E) PAY AND EXPENSES.—Members of the Committee shall serve without pay but each member of the Committee shall be reimbursed, in such manner as the Board may prescribe by regulation, by the Federal Home Loan Bank which elected such member (and, in the case of the member appointed by the Chairman of the Board, by the Board) for expenses incurred in connection with attendance of such members at meetings of the Committee.

"(F) MEETINGS.—The Committee shall meet from time to time at the call of the chairperson or a majority of the members.

"(3) DUTIES OF THE COMMITTEE.—The duties of the Committee are as follows:

"(A) To review the reports and budgets prepared pursuant to section 402(k) of the National Housing Act and any other matter which the Board may present for the Committee's consideration.

"(B) To confer with the Board on the reports, budgets, and other matters reviewed under subparagraph (A).

"(C) To prepare written comments and recommendations for the Board and the Federal Savings and Loan Insurance Corporation with respect to the reports, budgets, and other matters reviewed under subparagraph (A) (which shall be submitted to the Board in a timely manner after each meeting).

"(4) ANNUAL REPORT.—

"(A) REQUIRED.—Not later than January 15 of each year, the Committee shall submit a report to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate.

"(B) CONTENTS.—The report required under subparagraph (A) shall describe the activities of the Committee during the preceding year and the reports and recommendations made by the Committee to the Board and the Federal Savings and Loan Insurance Corporation during such year.

"(5) REGULATIONS.—The Board shall prescribe such regulations as the Board determines to be appropriate to avoid conflicts of interest with respect to the disclosure to and use by members of the Committee of information relating to the Board, the Federal Savings and Loan Insurance Corporation, the Federal Home Loan Banks, and the Federal Asset Disposition Association.

"(6) FEDERAL ADVISORY COMMITTEE ACT DOES NOT APPLY.—The Federal Advisory Committee Act shall not apply to the Committee.

"(7) TERMINATION.—The Committee shall terminate when the Financing Corporation terminates under subsection (j).

"(j) TERMINATION OF THE FINANCING CORPORATION.—

"(1) IN GENERAL.—The Financing Corporation shall be dissolved, as soon as practicable, after the earlier of—

"(A) the date by which all stock purchased by the Financing Corporation in the Federal Savings and Loan Insurance Corporation has been retired; or

"(B) December 31, 2026.

"(2) BOARD AUTHORITY TO CONCLUDE THE AFFAIRS OF FINANCING CORPORATION.—Effective on the date of the dissolution of the Financing Corporation under paragraph (1), the Board may exercise, on behalf of the Financing Corporation, any power of the Financing Corporation which the Board determines to be necessary to settle and conclude the affairs of the Financing Corporation.

"(k) REGULATIONS.—The Board may prescribe such regulations as may be necessary to carry out the provisions of this section, including regulations defining terms used in this section.

"(l) DEFINITIONS.—For purposes of this section—

"(1) INSURED INSTITUTION.—The term 'insured institution' has the meaning given to such term by section 401(a) of the National Housing Act.

"(2) INSURED MEMBER.—The term 'insured member' has the meaning given to such term by section 401(b) of the National Housing Act.

"(3) DIRECTORATE.—The term 'Directorate' means the directorate established in the manner provided in subsection (b)(1) to manage the Financing Corporation.".

SEC. 303. MIXED OWNERSHIP GOVERNMENT CORPORATION.

Section 9101(2) of title 31, United States Code, is amended by adding at the end thereof the following new subparagraph:

"(K) The Financing Corporation.".

SEC. 304. RECAPITALIZATION OF FSLIC.

Section 402(b) of the National Housing Act (12 U.S.C. 1725(b)) is amended to read as follows:

"(b) ISSUANCE AND SALE OF CAPITAL CERTIFICATES AND STOCK TO FINANCING CORPORATION.—

"(1) AUTHORIZATION TO ISSUE.—

"(A) IN GENERAL.—Notwithstanding any other provision of law, the Corporation may issue—

"(i) nonredeemable capital certificates; and

"(ii) redeemable nonvoting capital stock.

"(B) REQUIREMENT RELATING TO AMOUNT OF STOCK.—The aggregate amount of stock issued by the Corporation under subparagraph (A)(ii) shall be equal to the aggregate amount of the investments made by the Federal Home Loan Banks in the capital stock of the Financing Corporation under section 21 of the Federal Home Loan Bank Act.

"(C) CERTIFICATES AND STOCK MAY BE SOLD ONLY TO FINANCING CORPORATION.—Capital certificates and stock issued under subparagraph (A) may be sold only to the Financing Corporation in the manner and to the extent provided in section 21 of the Federal Home Loan Bank Act and this subsection.

"(D) PROCEEDS OF SALE ARE PART OF PRIMARY RESERVE.—The proceeds of any sale of capital certificates or stock under this paragraph shall be considered part of the primary reserve established by the Corporation pursuant to section 404(a).

"(E) NO DIVIDENDS.—The Corporation shall pay no dividends on any capital certificates or stock issued under this paragraph.

"(2) EQUITY RETURN ACCOUNT.—

"(A) IN GENERAL.—The Corporation shall establish and maintain (until all capital stock issued under subparagraph (A)(ii) of paragraph (1) has been paid off and retired) an equity return account—

"(i) which shall consist only of amounts contributed in accordance with the requirements of subparagraph (B);

"(ii) which shall not be treated as reserves of the Corporation; and

"(iii) the earnings accruing in which shall be transferred in the manner provided in subparagraph (D).

"(B) CONTRIBUTIONS TO ACCOUNT.—

"(i) NO CONTRIBUTION IF RESERVES-TO-ACCOUNTS RATIO IS LESS THAN 0.5 PERCENT.—No contribution shall be made to the equity reserve account established pursuant to subparagraph (A) in any year in which the reserves-to-accounts ratio is less than 0.5 percent.

"(ii) ANNUAL CONTRIBUTIONS REQUIRED.—Except as provided in clause (i), the Corporation shall make contributions to the equity reserve account established pursuant to subparagraph (A)—

"(I) at the end of each year beginning after 1996 through the final payoff year (as defined in clause (vii)); and

"(II) in amounts determined under clauses (iii), (iv), (v), and (vi) of this subparagraph.

"(iii) AMOUNT OF PRIMARY CONTRIBUTION.—The primary contribution to the equity return account for any year for which a contribution is required to be made shall be the amount determined by dividing—

"(I) the aggregate amount of capital stock issued by the Corporation and purchased by the Financing Corporation under paragraph (1)(A); by

"(II) the number of years between the first year beginning after 1996 in which the reserves-to-accounts ratio is equal to or greater than 0.5 percent and the final payoff year (taking into account the first and last year described).

"(iv) AMOUNT OF ADDITIONAL CONTRIBUTION ALLOWED IF RESERVES-TO-ACCOUNTS RATIO DOES NOT EXCEED 1.25 PERCENT.—In any year in which the reserves-to-accounts ratio is equal to or greater than 1 percent but less than 1.25 percent, the Federal Home Loan Bank Board may require the Corporation to make an additional contribution of an amount not to exceed the amount determined by dividing—

"(I) the investment return amount (as defined in clause (viii)) computed at an annual compound rate not to exceed 6 percent; by

"(II) the number of years between the first year beginning after 1996 in which the reserves-to-accounts ratio was equal to or greater than 1 percent and the final payoff year (taking into account the first and last year described).

"(v) AMOUNT OF ADDITIONAL CONTRIBUTION ALLOWED IF RESERVES-TO-ACCOUNTS RATIO DOES NOT EXCEED 1.75 PERCENT.—In any year in which the reserves-to-accounts ratio is equal to or greater than 1.25 percent but less than 1.75 percent, the Federal Home Loan Bank Board may require the Corporation to make an additional contribution of an amount not to exceed the amount determined by dividing—

"(I) the investment return amount computed at an annual compound rate not to exceed 8 percent, minus the sum of any amounts contributed under clause (iv); by

"(II) the number of years between the first year beginning after 1996 in which the reserves-to-accounts ratio was equal to or greater than 1.25 percent and the final payoff year (taking into account the first and last year described).

"(vi) AMOUNT OF ADDITIONAL CONTRIBUTION ALLOWED IF RESERVES-TO-ACCOUNTS RATIO EXCEEDS 1.75 PERCENT.—In any year in which the reserves-to-accounts ratio is equal to or greater than 1.75 percent, the Federal Home Loan Bank Board may require the Corporation to make an additional contribution of an amount not to exceed the amount determined by dividing—

"(I) the investment return amount computed at an annual compound rate not to exceed 10 percent, minus the sum of any amounts contributed under clause (iv) or (v); by

"(II) the number of years between the first year beginning after 1996 in which the reserves-to-accounts ratio was equal to or greater than 1.75 percent and the final payoff year (taking into account the first and last year described).

"(vii) FINAL PAYOFF YEAR DEFINED.—For purposes of this subparagraph, the term 'final payoff year' means the year of maturity of the last maturing obligation of the Financing Corporation (which was issued under section 21 of the Federal Home Loan Bank Act and matures before January 1, 2027).

"(viii) INVESTMENT RETURN AMOUNT.—For purposes of clauses (iv), (v), and (vi), the term 'investment return amount' means the amount which would be realized on the aggregate amount invested by the Financing Corporation in capital stock issued by the Corporation under paragraph (1) over the period of the investment if the return on the investment is computed at the rate described in subclause (I) of the respective clauses.

"(C) INVESTMENT OF AMOUNTS IN ACCOUNT.—Amounts accumulating in the equity return account may be invested in such manner as the Corporation determines.

"(D) TRANSFER OF EARNINGS TO PRIMARY RESERVE.—Earnings accruing on any investment (under subparagraph (C)) of amounts in the equity return account shall be transferred to the primary reserve account of the Corporation established pursuant to section 404(a) as such earnings are realized by the Corporation and shall not be treated as amounts in the account.

"(E) RETIREMENT OF CAPITAL STOCK USING BALANCE IN ACCOUNT.—Upon maturity of all obligations of the Financing Corporation under section 21 of the Federal Home Loan Bank Act, the Corporation shall pay off and retire any capital stock issued under paragraph (1)(A)(ii) using only amounts accumulated in the equity return account.

"(F) RESERVES-TO-ACCOUNTS RATIO DEFINED.—For purposes of this paragraph, the term 'reserves-to-accounts ratio' means, with respect to any year, the amount determined by dividing—

"(i) the amount of reserves of the Corporation (determined as of December 31 of the preceding year); by

"(ii) the aggregate amount of all accounts of all of its insured members (determined as of such date).

"(3) FINANCING CORPORATION DEFINED.—For purposes of this subsection, the term 'Financing Corporation' means the Financing Corporation established under section 21 of the Federal Home Loan Bank Act.

"(4) NO REDUCTION OR SUSPENSION OF INSURANCE PREMIUMS WHILE STOCK IS OUTSTANDING.—Notwithstanding any other provision of law, the provisions of subsections (b)(2) and (g) of section 404 shall not apply as long as any share of capital stock issued under paragraph (1)(A)(ii) is outstanding.".

SEC. 305. FSLIC AUTHORITY TO CHARGE PREMIUMS REDUCED BY AMOUNT OF FINANCING CORPORATION ASSESSMENTS.

Section 404 of the National Housing Act is amended by adding at the end thereof the following new subsection:

"(j) AUTHORITY TO CHARGE PREMIUMS REDUCED BY AMOUNT OF FINANCING CORPORATION ASSESSMENTS.—Notwithstanding any other provision of this section, the sum of—

"(1) the amount of any premium required to be paid by any insured institution under subsection (b)(1); and

"(2) the amount of any premium authorized to be assessed by the Corporation under subsection (c) with respect to such institution,

for any period shall be reduced by the amount of any assessment paid for such period by such insured institution to the Financing Corporation pursuant to section 21(f) of the Federal Home Loan Bank Act.".

SEC. 306. MISCELLANEOUS PROVISIONS.

(a) FEDERAL HOME LOAN BANK DIVIDENDS.—Section 16 of the Federal Home Loan Bank Act (12 U.S.C. 1436) is amended by adding at the end thereof the following new subsection:

"(c) EXCEPTION IN CASE OF LOSSES IN CONNECTION WITH FINANCING CORPORATION STOCK.—

"(1) IN GENERAL.—Notwithstanding subsection (a) of this section, if—

"(A) a Federal Home Loan Bank incurs a chargeoff or an expense in connection with such bank's investment in the stock of the Financing Corporation under section 21;

"(B) the Board determines there is an extraordinary need for the member institutions of the bank to receive dividends; and

"(C) the bank has reduced all reserves (other than the reserve account required by the first 2 sentences of subsection (a)) to zero,

the Board may authorize such bank to declare and pay dividends out of undivided profits (as such term is defined in section 21(d)(7)) or the reserve account required by the first 2 sentences of subsection (a).

"(2) REQUIREMENTS OF SECTION 21 NOT AFFECTED.—Notwithstanding any payment of dividends by any Federal Home Loan Bank pursuant to an authorization by the Board under paragraph (1), the applicable provisions of section 21 shall continue to apply with respect to such bank, and to such bank's investment in the Financing Corporation, in the same manner and to the same extent as if such payment had not been made.".

(b) CONFORMING AMENDMENT.—Section 402(h) of the National Housing Act (12 U.S.C. 1725(h)) is amended—

(1) by striking out "After the effective date" and inserting in lieu thereof "(1) After the effective date"; and

(2) by adding at the end thereof the following new paragraph:

"(2) The first three sentences of paragraph (1) shall not apply to stock issued by the Corporation to the Financing Corporation under subsection (b)(1)(A).".

(c) LIMITATION ON SPECIAL ASSESSMENT.—Section 404(c) of the National Housing Act (12 U.S.C. 1727(c)) is amended—

(1) by striking out "(c) The Corporation" and inserting in lieu thereof "(c)(1) SPECIAL ASSESSMENT.—Subject to paragraph (2), the Corporation"; and

(2) by adding at the end thereof the following new paragraph:

"(2) LIMITATIONS ON AMOUNT OF ASSESSMENT.—The amount of any additional premium assessed by the Corporation against any insured institution under paragraph (1) in any of the following years shall not exceed the amount listed in connection with each such year in the following table (unless the Federal Home Loan Board determines that severe pressures on the Corporation exist which necessitate an infusion of additional funds):

"For year:	The amount of the additional premium may not exceed:
1987	$\frac{5}{48}$ of 1 percent of the total amount of the accounts of the insured members of such institution
1988	$\frac{1}{12}$ of 1 percent of the total amount of the accounts of the insured members of such institution
1989	$\frac{1}{16}$ of 1 percent of the total amount of the accounts of the insured members of such institution
1990	$\frac{1}{24}$ of 1 percent of the total amount of the accounts of the insured members of such institution
1991	$\frac{1}{48}$ of 1 percent of the total amount of the accounts of the insured members of such institution".

(d) PRIORITY OF SECURED INTERESTS.—Section 10 of the Federal Home Loan Bank Act (12 U.S.C. 1430) is amended by adding at the end thereof the following new subsection:

"(e) PRIORITY OF CERTAIN SECURED INTERESTS.—Notwithstanding any other provision of law, any security interest granted to a Federal Home Loan Bank by any member of any Federal Home Loan Bank or any affiliate of any such member shall be entitled to priority over the claims and rights of any party (including any receiver, conservator, trustee, or similar party having rights of a lien creditor) other than claims and rights that—

"(1) would be entitled to priority under otherwise applicable law; and

"(2) are held by actual bona fide purchasers for value or by actual secured parties that are secured by actual perfected security interests.".

(e) COORDINATION OF TERMINATION ASSESSMENT WITH FINAL INSURANCE PREMIUM.—Section 407(d) of the National Housing Act (12 U.S.C. 1730(d)) is amended—

(1) by striking out "(d)" and inserting in lieu thereof "(d)(1) FINAL INSURANCE PREMIUM"; and

(2) by adding at the end thereof the following new paragraph:

"(2) EXCEPTION RELATING TO FINAL INSURANCE PREMIUM.—If an institution (whose status as an insured institution is terminated) pays an assessment to the Financing Corporation under section 21(f)(4) of the Federal Home Loan Bank Act with respect to such termination, the institution shall not be obligated to pay the final insurance premium described in the third sentence of paragraph (1).".

(f) SECTION 404(f) DOES NOT APPLY TO INSTITUTIONS WHICH CEASE TO BE FSLIC INSURED.—Section 404(f) of the National Housing Act (12 U.S.C. 1727(f)) is amended—

(1) by striking out "(f) If" and inserting in lieu thereof "(f)(1) PRO RATA DISTRIBUTION ON TERMINATION OF INSURED STATUS.—If"; and

(2) by adding at the end thereof the following new paragraph:

"(2) EXCEPTION.—In the case of an institution which—

"(A) ceases to be an insured institution; and

"(B) is required to pay an assessment to the Financing Corporation under section 21(f)(4) of the Federal Home Loan Bank Act with respect to the termination of such insured status,

paragraph (1), the last sentence of subsection (e)(1), and subsection (i)(4) shall not apply with respect to such institution.".

(g) SECONDARY RESERVE.—Section 404 of the National Housing Act (12 U.S.C. 1727) is amended by striking out subsection (h).

(h) 1-YEAR PROHIBITION ON TERMINATION OF FSLIC INSURED STATUS.—

(1) IN GENERAL.—No association or insured institution may take any action which would result in the voluntary termination of its status as an insured institution during the 1-year period beginning on the date of the enactment of this Act.

(2) EXCEPTION.—Paragraph (1) shall not apply with respect to any association or institution described in section 21(f)(4)(F) of the Federal Home Loan Bank Act (as added by section 302 of this title).

(3) AUTHORITY OF FSLIC TO ARRANGE EMERGENCY ACQUISITIONS NOT AFFECTED.—Paragraph (1) shall not affect the authority of the Federal Savings and Loan Insurance Corporation to arrange for the acquisition of an association or insured institution under section 406(f) or 408(m) of the National Housing Act.

(4) DEFINITIONS.—For purposes of this subsection—

(A) ASSOCIATION.—The term "association" has the meaning given to such term under section 2(d) of the Home Owners' Loan Act of 1933.

(B) INSURED INSTITUTION.—The term "insured institution" has the meaning given to such term in section 401(a) of the National Housing Act.

(i) FSLIC REPORT REQUIREMENTS.—Section 402 of the National Housing Act is amended by adding at the end thereof the following new subsection:

"(k) REPORTS AND BUDGETS REQUIRED.—

"(1) QUARTERLY REPORTS AND BUDGETS.—Before the end of the 2-week period beginning on the first day of each calendar quarter, the Corporation shall complete a detailed written report and budget describing and explaining—

"(A) planned or anticipated activities and estimates of receipts and expenditures for such calendar quarter; and

"(B) the activities, receipts, and expenditures for the preceding calendar quarter.

"(2) SEMIANNUAL REPORT.—Before the end of the 30-day period beginning on the first day of each semiannual period, the Corporation shall complete a detailed written report and *budget describing and explaining the activities, receipts, and expenditures for the preceding semiannual period.*

"(3) SUBMISSION OF SEMIANNUAL REPORT TO CONGRESS.—The Corporation shall submit a copy of each semiannual report required under paragraph (2) to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate.

"(4) ACTIVITIES, ETC., OF FEDERAL ASSET DISPOSITION ASSOCIATION.—Activities, receipts, and expenditures of the Federal Asset Disposition Association (or any successor thereto) shall be included in any report or budget required under this subsection.

"(5) DEFINITIONS.—For purposes of this subsection—

"(A) ACTIVITIES.—The term 'activities' includes any activity engaged in with respect to any insured institution in financial difficulty.

"(B) SEMIANNUAL PERIOD.—The term 'semiannual period' means—

"(i) the period beginning on January 1 of any calendar year and ending June 30 of such year; and

"(ii) the period beginning on July 1 of any calendar year and ending December 31 of such year.".

SEC. 307. SECONDARY RESERVE PROVISIONS.

(a) OFFSETS AGAINST PREMIUMS AUTHORIZED.—Section 404(e) of the National Housing Act (12 U.S.C. 1727(e)) is amended—

(1) by striking out "(e) The Corporation" and inserting in lieu thereof "(e)(1) The Corporation"; and

(2) by adding at the end thereof the following new paragraph:

"(2) SECONDARY RESERVE OFFSETS AGAINST PREMIUMS.—

"(A) OFFSETS IN PREMIUM YEARS BEGINNING BEFORE 1993.—Subject to the maximum amount limitation contained in subparagraph (B) and notwithstanding any other provision of law, an insured institution may offset such institution's pro rata share of the statutorily prescribed amount against any premium assessed against such insured institution under subsection (c) for any premium year beginning after 1987 and before 1993.

"(B) ANNUAL MAXIMUM AMOUNT LIMITATION.—The amount of any offset allowed for any insured institution under subparagraph (A) for any premium year referred to in subparagraph (A) shall not exceed an amount which is equal to 20 percent of such institution's pro rata share of the statutorily prescribed amount (as computed for the calendar year in which such premium year begins).

"(C) OFFSETS IN PREMIUM YEARS BEGINNING AFTER 1992.—Notwithstanding any other provision of law, an insured institution may offset such institution's pro rata share of the statutorily prescribed amount against any premium assessed against such insured institution under this section for any premium year beginning after 1992.

"(D) STATUTORILY PRESCRIBED AMOUNT DEFINED.—For purposes of this paragraph, the term 'statutorily prescribed amount' means—

"(i) with respect to calendar year 1988, the sum of $823,705,000; and

"(ii) with respect to any calendar year beginning after 1988, the sum contained in clause (i) minus the aggregate amount of offsets made by all insured institutions before the beginning of the calendar year for which such computation is being made.

"(E) INSURED INSTITUTION'S PRO RATA AMOUNT.—For purposes of this paragraph, an insured institution's pro rata share of the statutorily prescribed amount is the percentage which is equal to such institution's pro rata share of the secondary reserve as determined under this subsection on the day before the date on which the Corporation ceased to recognize the secondary reserve.

"(F) PREMIUM YEAR DEFINED.—For purposes of this paragraph, the term 'premium year' means, with respect to any insured institution, the 1-year period for which a premium is assessed against such insured institution under subsection (b) or (c).".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 404(d)(1) of the National Housing Act (12 U.S.C. 1727(d)) is amended—

(A) by striking out the second sentence of subparagraph (A);

(B) by striking out paragraph (B); and

(C) by striking out "(1)(A)" and inserting in lieu thereof "(1)".

(2) Section 404(g) of the National Housing Act (12 U.S.C. 1727(g)) is amended by striking out the second sentence.

TITLE IV—THRIFT INDUSTRY RECOVERY PROVISIONS

SEC. 401. SHORT TITLE.

This title may be cited as the "Thrift Industry Recovery Act".

SEC. 402. THRIFT INSTITUTION ACCOUNTING, APPRAISAL, AND RESERVE STANDARDS.

(a) FEDERALLY CHARTERED THRIFTS.—The Home Owners' Loan Act of 1933 (12 U.S.C. 1461 et seq.) is amended by redesignating section 9 as section 11 and by inserting after section 8 the following new section:

"SEC. 9. ACCOUNTING PRINCIPLES AND OTHER STANDARDS AND REQUIREMENTS.

"(a) IN GENERAL.—The Board shall prescribe regulations which make the following provisions applicable to associations for regulatory purposes:

"(1) ASSET CLASSIFICATION SYSTEM.—An asset classification system shall be established which is consistent with the asset classification system established by the Federal banking agencies, except that such system shall provide that the principal supervisory agent of the Board for each Federal home loan bank district may, in such agent's discretion—

"(A) require an association to create additional general loss reserves on the basis of an evaluation of such institution's assets; or

"(B) determine whether a restructured loan asset which is in a nonperforming status or with respect to which the borrowers have otherwise failed to remain in compliance with the repayment terms at the time of such restructuring shall be classified.

"(2) APPRAISAL STANDARD.—An appraisal standard shall be established which is consistent with the appraisal standard established by the Federal banking agencies.

"(3) REAPPRAISAL UPON FORECLOSURE.—Generally accepted accounting principles shall apply to any reappraisal of the value of property securing any loan or other extension of credit upon any foreclosure on such property by an association (or any other action by the association in lieu of foreclosure).

"(4) AUTHORIZING USE OF FASB 15 FOR TROUBLED DEBT RESTRUCTURING.—If—

"(A) an association engages in troubled debt restructuring with respect to any loan by the association; and

"(B) the troubled debt restructuring complies with Statement of Financial Accounting Standards Numbered 5 and Statement of Financial Accounting Standards Numbered 15 (as issued by the Financial Accounting Standards Board),

regulatory accounting principles shall allow the association to account for the effects of the troubled debt restructuring and to account for such association's investment in the original debt instrument (or other agreement which is subject to such restructuring) in the manner provided in such statements.

"(5) CERTAIN LOAN LOSS RESERVES TREATED AS CAPITAL FOR CERTAIN PURPOSES.—Any amount which an association holds in any account as a general loss reserve may be treated, at the option of the association, as capital of the association for purposes of determining regulatory capital or regulatory net worth with respect to such association, to the extent such treatment is consistent with the procedures established by the Federal banking agencies.

"(b) UNIFORM GAAP ACCOUNTING STANDARDS REQUIRED.—

"(1) IN GENERAL.—Except as otherwise provided in this section, the Board shall prescribe, by regulation, uniformly applicable accounting standards to be used by all associations for the purpose of determining compliance with any rule or regulation issued by the Board or the Federal Savings and Loan Insurance Corporation to the same degree that generally accepted accounting principles are used to determine compliance with rules and regulations of the Federal banking agencies.

"(2) EXCEPTION FOR CERTAIN INSTITUTIONS AND TRANSACTIONS.—Notwithstanding the requirement contained in paragraph (1)(A), the Board may suspend the application of any such standard with respect to any association or transaction if—

"(A) the application of such standard to an association and a company that controls such association would result in such association and company being treated differently than a bank and such bank's holding company considered on a consolidated basis; and

"(B) the transaction was consistent with generally accepted accounting principles when such transaction was completed.

"(c) ASSET EVALUATIONS.—The Board may not require an association to establish reserves against, or write down the value of, any asset in an amount in excess of the amount which would result from an evaluation of such asset which is consistent with generally accepted accounting principles, except that evaluations which are consistent with the practice of the Federal banking agencies may be used for supervisory purposes.

"(d) ACCOUNTING FOR SUBORDINATED DEBT AND GOODWILL.—No provision of this section shall affect the authority of the Board to authorize associations to utilize subordinated debt and goodwill in meeting reserve and other regulatory requirements.

"(e) LOSS DEFERRALS.—Notwithstanding any other provision of this section—

"(1) associations may continue, for purposes of determining regulatory net worth and capital, to defer and amortize gains and losses from the disposition of assets pursuant to regulations of the Board in effect before the enactment of the Thrift Industry Recovery Act; and

"(2) the use of such deferrals and amortizations, consistently with the regulations referred to in paragraph (1), shall not reduce the ability of an association to comply with any other rule issued or regulation prescribed by the Board.

"(f) FEDERAL BANKING AGENCY DEFINED.—For purposes of this section, the term 'Federal banking agency' means the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation.".

(b) STATE CHARTERED, FEDERALLY INSURED THRIFTS.—Title IV of the National Housing Act (12 U.S.C. 1724 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 415. ACCOUNTING PRINCIPLES AND OTHER STANDARDS AND REQUIREMENTS.

"(a) IN GENERAL.—The Corporation shall prescribe regulations which make the following provisions applicable to insured institutions for regulatory purposes:

"(1) ASSET CLASSIFICATION SYSTEM.—An asset classification system shall be established which is consistent with the asset classification system established by the Federal banking agencies, except that such system shall provide the principal supervisory agent of the Federal Home Loan Bank Board for each Federal home loan bank district may, in such agent's discretion—

"(A) require an insured institution to create additional general loss reserves on the basis of an evaluation of such institution's assets; or

"(B) determine whether a restructured loan asset which is in a nonperforming status or with respect to which the borrowers have otherwise failed to remain in compliance with the repayment terms at the time of such restructuring shall be classified.

"(2) APPRAISAL STANDARD.—An appraisal standard shall be established which is consistent with the appraisal standard established by the Federal banking agencies.

"(3) REAPPRAISAL UPON FORECLOSURE.—Generally accepted accounting principles shall apply to any reappraisal of the value of property securing any loan or other extension of credit upon any foreclosure on such property by an insured institution (or any other action by the insured institution in lieu of foreclosure).

"(4) AUTHORIZING USE OF FASB 15 FOR TROUBLED DEBT RESTRUCTURING.—If—

"(A) an insured institution engages in troubled debt restructuring with respect to any loan by the insured institution; and

"(B) the troubled debt restructuring complies with Statement of Financial Accounting Standards Numbered 5 and Statement of Financial Accounting Standards Numbered 15 (as issued by the Financial Accounting Standards Board),

regulatory accounting principles shall allow the insured institution to account for the effects of the troubled debt restructuring and to account for such insured institution's investment in the original debt instrument (or other agreement which is subject to such restructuring) in the manner provided in such statements.

"(5) CERTAIN LOAN LOSS RESERVES TREATED AS CAPITAL FOR CERTAIN PURPOSES.—Any amount which an insured institution holds in any account as a general loss reserve may be treated, at the option of the insured institution, as capital of the insured institution for purposes of determining regulatory capital or regulatory net worth with respect to such insured institution, to the extent such treatment is consistent with the procedures established by the Federal banking agencies.

"(b) UNIFORM GAAP ACCOUNTING STANDARDS REQUIRED.—

"(1) IN GENERAL.—Except as otherwise provided in this section, the Corporation shall prescribe, by regulation, uniformly applicable accounting standards to be used by all insured institutions for the purpose of determining compliance with any rule or regulation issued by the Corporation or the Federal Home Loan Bank Board to the same degree that generally accepted accounting principles are used to determine compliance with rules and regulations of the Federal banking agencies.

"(2) EXCEPTION FOR CERTAIN INSTITUTIONS AND TRANSACTIONS.—Notwithstanding the requirement contained in paragraph (1)(A), the Corporation may suspend the application of any such standard with respect to any insured institution or any transaction if—

"(A) the application of such standard to an insured institution and a company that controls such insured institution would result in such insured institution and company being treated differently than a bank and such bank's holding company considered on a consolidated basis; and

"(B) the transaction was consistent with generally accepted accounting principles when such transaction was completed.

"(c) ASSET EVALUATIONS.—The Corporation may not require an insured institution to establish reserves against, or write down the value of, any asset in an amount in excess of the amount which would result from an evaluation of such asset which is consistent with generally accepted accounting principles, except that evaluations which are consistent with the practice of the Federal banking agencies may be used for supervisory purposes.

"(d) ACCOUNTING FOR SUBORDINATED DEBT AND GOODWILL.—No provision of this section shall affect the authority of the Corporation to authorize insured institutions to utilize subordinated debt and goodwill in meeting reserve and other regulatory requirements.

"(e) LOSS DEFERRALS.—Notwithstanding any other provision of this section—

"(1) insured institutions may continue, for purposes of determining regulatory net worth and capital, to defer and amortize gains and losses from the disposition of assets pursuant to regulations of the Corporation in effect before the enactment of the Thrift Industry Recovery Act; and

"(2) the use of such deferrals and amortizations, consistently with the regulations referred to in paragraph (1), shall not reduce the ability of an insured institution to comply with any other rule issued or regulation prescribed by the Corporation.

"(f) FEDERAL BANKING AGENCY DEFINED.—For purposes of this section, the term 'Federal banking agency' means the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation.".

(c) REPORT TO CONGRESS.—Not later than the end of the 90-day period beginning on the date of the enactment of this Act—

(1) the Federal Home Loan Bank Board shall submit a copy of the proposed regulations required to be prescribed under the amendment made by subsection (a) to the Congress; and

(2) the Federal Savings and Loan Insurance Corporation shall submit a copy of the proposed regulations required to be prescribed under the amendment made by subsection (b) to the Congress.

(d) EFFECTIVE DATE OF REGULATIONS.—

(1) IN GENERAL.—Except as provided in paragraph (2), any regulation required to be prescribed under the amendment made by subsections (a) and (b) shall be implemented not later than the end of the 150-day period beginning on the date of the enactment of this Act.

(2) UNIFORM GAAP ACCOUNTING STANDARDS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the regulations required to be prescribed pursuant to subsection (b) of the amendments made by subsections (a) and (b) of this section shall take effect on December 31, 1987.

(B) COMPLIANCE AT A LATER DATE.—If any association or insured institution demonstrates to the satisfaction of the Home Loan Bank Board or the Federal Savings and Loan Insurance Corporation, as the case may be, that it is not feasible for such association or institution to achieve compliance with the regulations referred to in subparagraph (A) by the date contained in such subparagraph, the Board or Corporation may approve a plan submitted by an association or insured institution which allows such association or institution to comply with such regulations at a later date to the extent such later date is the earlier of—

(i) the date by which, in the determination of the Board or Corporation, it is feasible for such association or insured institution to achieve compliance with such regulations; or

(ii) December 31, 1993.

SEC. 403. AUDIT OF FEDERAL ASSET DISPOSITION ASSOCIATION.

Section 9105(a) of title 31, United States Code (relating to audits) is amended by inserting at the end thereof the following new paragraph:

"(3)(A) Notwithstanding any other provision of law and under such regulations as the Comptroller General may prescribe, the Comptroller General shall perform a financial audit of the Federal Asset Disposition Association on whatever basis the Comptroller General determines to be necessary.

"(B) The Federal Asset Disposition Association shall—

"(i) make available to the Comptroller General for audit all records and property of, or used or managed by, the Association which may be necessary for the audit; and

"(ii) provide the Comptroller General with facilities for verifying transactions with the balances or securities held by any depositary, fiscal agent, or custodian.

"(C) For purposes of this paragraph, the term 'Federal Asset Disposition Association' means the savings and loan association established by the Federal Savings and Loan Insurance Corporation under section 406 of the National Housing Act to manage and liquidate nonperforming assets on behalf of such Corporation in accordance with such section.".

SEC. 404. THRIFT INDUSTRY RECOVERY REGULATIONS.

(a) FEDERALLY CHARTERED THRIFTS.—The Home Owners' Loan Act of 1933 (12 U.S.C. 1461 et seq.) is amended by adding after section 9 (as added by section 402(a) of this title) the following new section:

"SEC. 10. THRIFT INDUSTRY RECOVERY REGULATIONS.

"(a) IN GENERAL.—The Board shall prescribe capital recovery regulations for regulating and supervising troubled but well-managed and viable associations in a manner which will maximize the long-term viability of the thrift industry at the lowest cost to the Federal Savings and Loan Insurance Corporation.

"(b) CAPITAL RECOVERY.—The regulations required to be prescribed under subsection (a) shall provide that an association with net worth of 0.5 percent or more, as determined in accordance with regulatory accounting principles, may be allowed to con-

tinue to operate and be eligible for capital forbearance if—

"(1) the Board determines that the association's weak capital condition is—

"(A) primarily the result of losses recognized on, the nonperforming status of, or the failure of borrowers to otherwise remain in compliance with the repayment terms of loans, or participations in loans, the value of the collateral for which has been adversely affected by economic conditions in a designated economically depressed region; or

"(B) primarily the result of losses recognized on, the nonperforming status of, or the failure of borrowers to otherwise remain in compliance with the repayment terms of loans, or participation in loans, made by a minority association 50 percent or more of whose loan assets are minority loans and 50 percent or more of whose originated loans are construction or permanent loans for 1 to 4 family residences;

"(2) the Board determines that the association's weak capital condition is not the result of imprudent operating practices, such as practices that were speculative at the time the practices were undertaken, insider abuses, excessive operating expenses, dividends paid by the association, or actions taken solely for the purpose of qualifying for capital recovery under this subsection;

"(3) the Board approves a plan submitted by the association for increasing such association's capital; and

"(4) the association—

"(A) adheres to the plan approved under paragraph (3); and

"(B) submits regular and complete reports on such association's progress in meeting the association's goals under such plan.

"(c) Associations With Net Worth of Less Than 0.5 Percent May Participate in Capital Recovery.—In the regulations required to be prescribed under subsection (a), the Board may provide that a well-managed association with a net worth of less than 0.5 percent, as determined in accordance with regulatory association accounting principles, may, in the discretion of the Board, be allowed to continue to operate and be eligible for capital forbearance if—

"(1) the conditions described in each paragraph of subsection (a) have been met with respect to such association; and

"(2) the association has reasonable and demonstrable prospects of returning to a satisfactory capital level, as determined by the Board.

"(d) Definitions.—For purposes of this section—

"(1) Designated economically depressed region defined.—The term 'designated economically depressed region' means any geographical region which the Board determines, by regulation, to be a region within which real estate values have suffered serious declines due to severe economic conditions, such as a decline in energy or agricultural values or prices.

"(2) Minority.—The term 'minority' means any Black American, Native American, Hispanic American, or Asian American.

"(3) Minority association.—The term 'minority association' means any association of which—

"(A) more than 50 percent of the ownership or control (of such association) is held by minority individuals; and

"(B) more than 50 percent of the net profit or loss (of such association) accrues to minority individuals.

"(4) Minority loan.—The term 'minority loan' means any obligation or other extension or advance of credit which is made to 1 or more minority individuals or to any person which is owned or controlled by 1 or more minority individuals.".

(b) State Chartered, Federally Insured Thrifts.—Title IV of the National Housing Act (12 U.S.C. 1724 et seq.) is amended by adding after section 415 (as added by section 402(b) of this title) the following new section:

"SEC. 416. THRIFT INDUSTRY RECOVERY REGULATIONS.

"(a) In General.—The Corporation shall prescribe capital recovery regulations for regulating and supervising troubled but well-managed and viable insured institutions in a manner which will maximize the long-term viability of the thrift industry at the lowest cost to the Corporation.

"(b) Capital Recovery.—The regulations required to be prescribed under subsection (a) shall provide that an insured institution with net worth of 0.5 percent or more, as determined in accordance with regulatory accounting principles, may be allowed to continue to operate and be eligible for capital forbearance if—

"(1) the Corporation determines that the insured institution's weak capital condition is—

"(A) primarily the result of losses recognized on, the nonperforming status of, or the failure of borrowers to otherwise remain in compliance with the repayment terms of, loans, or participations in loans, the value of the collateral for which has been adversely affected by economic conditions in a designated economically depressed region; or

"(B) primarily the result of losses recognized on, the nonperforming status of, or the failure of borrowers to otherwise remain in compliance with the repayment terms of, loans, or participation in loans, made by a minority institution 50 percent or more of whose loan assets are minority loans and 50 percent or more of whose originated loans are construction or permanent loans for 1 to 4 family residences;

"(2) the Corporation determines that the insured institution's weak capital condition is not the result of imprudent operating practices, such as practices that were speculative at the time the practices were undertaken, insider abuses, excessive operating expenses, dividends paid by the insured institution, or actions taken solely for the purpose of qualifying for capital recovery under this subsection;

"(3) the Corporation approves a plan submitted by the insured institution for increasing such institution's capital; and

"(4) the insured institution—

"(A) adheres to the plan approved under paragraph (3); and

"(B) submits regular and complete reports on such institution's progress in meeting the institution's goals under such plan.

"(c) Thrifts With Net Worth of Less Than 0.5 Percent May Participate in Capital Recovery.—In the regulations required to be prescribed under subsection (a), the Corporation may provide that a well-managed insured institution with a net worth of less than 0.5 percent, as determined in accordance with regulatory accounting principles, may, in the discretion of the Corporation, be allowed to continue to operate and be eligible for capital forbearance if—

"(1) the conditions described in each paragraph of subsection (a) have been met with respect to such insured institution; and

"(2) the insured institution has reasonable and demonstrable prospects of returning to a satisfactory capital level, as determined by the Corporation.

"(d) Definitions.—For purposes of this section—

"(1) Designated economically depressed region defined.—The term 'designated economically depressed region' means any geographical region which the Corporation determines, by regulation, to be a region within which real estate values have suffered serious declines due to severe economic conditions, such as a decline in energy or agricultural values or prices.

"(2) Minority.—The term 'minority' means any Black American, Native American, Hispanic American, or Asian American.

"(3) Minority institution.—The term 'minority institution' means any insured institution of which—

"(A) more than 50 percent of the ownership or control (of such insured institution) is held by minority individuals; and

"(B) more than 50 percent of the net profit or loss (of such insured institution) accrues to minority individuals.

"(4) Minority loan.—The term 'minority loan' means any obligation or other extension or advance of credit which is made to 1 or more minority individuals or to any person which is owned or controlled by 1 or more minority individuals.".

(c) Implementation Report to Congress.—The Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation shall each submit a report to Congress containing the proposed regulations required to be prescribed under subsection (a) or (b), as the case may be, not later than the end of the 90-day period beginning on the date of the enactment of this Act.

(d) Effective Date of Regulations.—The regulations required to be prescribed under the amendments made by subsections (a) and (b) shall be implemented not later than the end of the 150-day period beginning on the date of the enactment of this Act.

(e) Agency Study and Report on, and Congressional Review of, Capital Recovery.—

(1) Study and report required.—Not later than January 31, 1989, the Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation shall jointly—

(A) conduct a detailed evaluation of the effectiveness of the regulations required to be prescribed under the amendments made by subsections (a) and (b) in achieving an increased level of capitalization for thrift institutions; and

(B) submit a report to the Congress containing the findings and conclusions of the Board and the Corporation in connection with the study required under subparagraph (A).

(2) Congressional review.—The Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate shall, upon receipt of the report under paragraph (1)(B), review the regulations and recommend such revisions to the regulations as may be appropriate.

SEC. 405. CAPITAL INSTRUMENT PURCHASE PROGRAM.

Section 406(f) of the National Housing Act (12 U.S.C. 1729(f)) is amended by adding at the end thereof the following new paragraph:

"(6) Capital instrument purchase program.—

"(A) In general.—Notwithstanding any other provision of Federal law (other than subparagraph (C)) and without limitation on any other authority of the Corporation

or the Federal Home Loan Bank Board, the Corporation may exercise its authority to purchase capital instruments in the case of any insured institution for which a plan for increasing capital has been approved by the Corporation pursuant to section 416 or by such Board pursuant to section 10 of the Home Owners' Loan Act of 1933.

"(B) TERMS AND CONDITIONS.—Except as provided in subparagraph (C), the purchase of capital instruments under subparagraph (A) shall be subject to such terms and conditions as the Corporation may prescribe.

"(C) WARRANT REQUIREMENT.—

"(i) IN GENERAL.—In the case of an insured institution with capital stock, the Corporation shall require such institution to negotiate with the Corporation warrants for the purchase of shares of stock as a condition for the purchase of capital instruments by the Corporation, on such terms and conditions as the Corporation may prescribe.

"(ii) MUTUAL INSTITUTIONS.—If any insured institution—

"(I) which is organized on a mutual basis; and

"(II) with respect to which the Corporation has purchased capital instruments,

converts to a stock charter, such insured institution shall comply with the requirements of clause (i) immediately upon such conversion.

"(iii) MAXIMUM AMOUNT.—The amount of shares for which warrants are negotiated under subparagraph (A) with respect to any insured institution shall not exceed the total number of shares outstanding at the time such warrants are issued to the Corporation.

"(iv) REDEMPTION BY INSURED INSTITUTION.—Upon the full redemption of the capital instruments by an insured institution, including all accumulated unpaid dividends, the Corporation may, at the discretion of the Corporation, tender the warrants for redemption by the insured institution.

"(v) PAYMENT ON REDEMPTION.—Upon any redemption of warrants under clause (iv), the insured institution shall pay the Corporation the difference between the fair market value of the warrants on the date of redemption and the exercise price of such warrants.

"(vi) PROCEEDS FROM REDEMPTION OF WARRANTS.—The proceeds of any sale or redemption of warrants under clause (iv) shall be deposited in and be considered a part of the primary reserve established under section 404(a).

"(D) DIVIDENDS.—Capital instruments purchased by the Corporation under subparagraph (A) shall pay dividends at a reasonable rate, as determined by the Corporation, and the rate shall be indexed to obligations issued by the Secretary of the Treasury under subchapter I of chapter 31 of title 31, United States Code.

"(E) PRIORITY.—

"(i) IN GENERAL.—In the event of the liquidation or reorganization of any insured institution with respect to which the Corporation holds capital instruments under this paragraph, the Corporation shall have priority over—

"(I) any claim, other than a claim described in clause (ii), arising out of any equity interest in such insured institution; and

"(II) any right of any holder of an equity interest in such insured institution to participate in future earnings.

"(ii) DIVIDENDS.—

"(I) NO OTHER DIVIDENDS.—No dividends may be paid on any class of equity instruments of any insured institution (other than a capital instrument held by the Corporation) until all dividends, including accumulated unpaid dividends, on the capital instruments are paid.

"(II) PROHIBITION CEASES IF PAYMENT REDEMPTION PAYMENTS AND DIVIDENDS ARE CURRENT.—If all payments on capital instruments held by the Corporation with respect to any insured institution, including redemption payments and dividends, are current, dividends on other classes of equity instruments of such insured institution may be paid, notwithstanding subclause (I).".

SEC. 406. MINIMUM CAPITAL REQUIREMENTS.

(a) FEDERALLY CHARTERED THRIFTS.—Section 5 of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464) is amended by adding at the end thereof the following new subsection:

"(s) MINIMUM CAPITAL REQUIREMENTS.—

"(1) IN GENERAL.—Consistent with the purposes of section 908 of the International Lending Supervision Act of 1983 and the capital requirements established pursuant to such section by the appropriate Federal banking agencies (as defined in section 903(1) of such Act), the Board shall require all associations to achieve and maintain adequate capital by—

"(A) establishing minimum levels of capital for associations; and

"(B) using such other methods as the Board determines to be appropriate.

"(2) MINIMUM CAPITAL LEVELS MAY BE DETERMINED BY BOARD ON CASE-BY-CASE BASIS.—The Board may establish the minimum level of capital for an association at such amount or at such ratio of capital-to-assets as the Board determines to be necessary or appropriate for such association in light of the particular circumstances of the association.

"(3) UNSAFE OR UNSOUND PRACTICE.—In the Board's discretion, the Board may treat the failure of any association to maintain capital at or above the minimum level required by the Board under this subsection as an unsafe or unsound practice within the meaning of subsection (d).

"(4) DIRECTIVE TO INCREASE CAPITAL.—

"(A) PLAN MAY BE REQUIRED.—In addition to any other action authorized by law, including paragraph (3), the Board may issue a directive requiring any association which fails to maintain capital at or above the minimum level required by the Board to submit and adhere to a plan for increasing capital which is acceptable to the Board.

"(B) ENFORCEMENT OF PLAN.—Any directive issued and plan approved under subparagraph (A) shall be enforceable under subsection (d)(8) to the same extent and in the same manner as an outstanding order which was issued under subsection (d)(2) and has become final.

"(5) PLAN TAKEN INTO ACCOUNT IN OTHER PROCEEDINGS.—The Board may—

"(A) consider an association's progress in adhering to any plan required under paragraph (4) whenever such association or any affiliate of such association (including any company which controls such association) seeks the approval of the Board for any proposal which would have the effect of diverting earnings, diminishing capital, or otherwise impeding such association's progress in meeting the minimum level of capital required by the Board; and

"(B) disapprove any proposal referred to in subparagraph (A) if the Board determines that the proposal would adversely affect the ability of the association to comply with such plan.".

(b) STATE CHARTERED, FEDERALLY INSURED THRIFTS.—Section 407 of the National Housing Act (12 U.S.C. 1730) is amended by adding at the end thereof the following new subsection:

"(t) MINIMUM CAPITAL REQUIREMENTS.—

"(1) IN GENERAL.—Consistent with the purposes of section 908 of the International Lending Supervision Act of 1983 and the capital requirements established pursuant to such section by the appropriate Federal banking agencies (as defined in section 903(1) of such Act), the Corporation shall require all insured institutions to achieve and maintain adequate capital by—

"(A) establishing minimum levels of capital for insured institutions; and

"(B) using such other methods as the Corporation determines to be appropriate.

"(2) MINIMUM CAPITAL LEVELS MAY BE DETERMINED BY CORPORATION ON CASE-BY-CASE BASIS.—The Corporation may establish the minimum level of capital for an insured institution at such amount or at such ratio of capital-to-assets as the Corporation determines to be necessary or appropriate for such insured institution in light of the particular circumstances of the insured institution.

"(3) UNSAFE OR UNSOUND PRACTICE.—In the Corporation's discretion, the Corporation may treat the failure of any insured institution to maintain capital at or above the minimum level required by the Corporation under this subsection as an unsafe or unsound practice within the meaning of subsection (e).

"(4) DIRECTIVE TO INCREASE CAPITAL.—

"(A) PLAN MAY BE REQUIRED.—In addition to any other action authorized by law, including paragraph (3), the Corporation may issue a directive requiring any insured institution which fails to maintain capital at or above the minimum level required by the Corporation to submit and adhere to a plan for increasing capital which is acceptable to the Corporation.

"(B) ENFORCEMENT OF PLAN.—Any directive issued and plan approved under subparagraph (A) shall be enforceable under subsection (k) to the same extent and in the same manner as an outstanding order which was issued under subsection (e) and has become final.

"(5) PLAN TAKEN INTO ACCOUNT IN OTHER PROCEEDINGS.—The Corporation may—

"(A) consider an insured institution's progress in adhering to any plan required under paragraph (4) whenever such insured institution or any affiliate of such insured institution (including any company which controls such insured institution) seeks the approval of the Corporation for any proposal which would have the effect of diverting earnings, diminishing capital, or otherwise impeding such insured institution's progress in meeting the minimum level of capital required by the Corporation; and

"(B) disapprove any proposal referred to in subparagraph (A) if the Corporation determines that the proposal would adversely affect the ability of the insured institution to comply with such plan.".

SEC. 407. IMPROVEMENTS IN THE SUPERVISORY PROCESS.

(a) ENHANCED FLEXIBILITY IN THE SUPERVISORY PROCESS.—The Federal Home Loan Bank Board (acting as such under the Federal Home Loan Bank Act and in the Board's capacity as the board of trustees of the Federal Savings and Loan Insurance Corporation under section 402(a) of the National Housing Act) shall issue guidelines which provide greater flexibility for supervisory agents, examiners, and other employees and agents of the Board, the Federal Savings

and Loan Insurance Corporation, and the Federal home loan banks in applying regulations, standards, and other requirements of the Board or such Corporation with regard to particular situations or particular thrift institutions.

(b) Particular Guidelines Required.—The guidelines issued under subsection (a) shall contain the following provisions:

(1) Flexible approval process for renegotiated loans.—A provision establishing a flexible procedure for obtaining supervisory approval of the terms of loans renegotiated by thrift institutions if a supervisory agreement is in effect between such institution and the principal supervisory agent of the Federal home loan bank district where such institution is located.

(2) Recognition of additional financial capability of a borrower.—A provision permitting examiners and other employees and agents of the Board, the Federal Savings and Loan Insurance Corporation, and the Federal home loan banks to take into account, to the extent consistent with the practices of the Federal banking agencies, other financial resources of a borrower (in addition to the financial assets of the borrower which are pledged to secure a loan) in classifying the assets of the thrift institution which holds a loan made to such borrower or with recourse to the borrower.

(3) Appraisal review.—A provision establishing an appraisal review system to avoid overly optimistic or conservative appraisals with the goal of achieving appraisals that are more consistent in reflecting underlying values.

(4) 1-to-4 family residences.—A provision eliminating the scheduled item system except as such system relates to 1-to-4 family residences.

(c) Definitions.—For purposes of subsections (a) and (b)—

(1) Thrift institution.—The term "thrift institution" means—

(A) any association (within the meaning given to such term in section 2(d) of the Home Owners' Loan Act of 1933);

(B) any insured institution (within the meaning given to such term in section 401(a) of the National Housing Act); and

(C) any member (within the meaning given to such term in section 2(4) of the Federal Home Loan Bank Act).

(2) Board.—The term "Board" means the Federal Home Loan Bank Board.

(3) Federal banking agency.—The term "Federal banking agency" means the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation.

(d) Nonadversarial Review of Certain Supervisory Decisions.—The Federal Home Loan Bank Act (12 U.S.C. 1421 et seq.) is amended by inserting after section 22 the following new section:

"SEC. 22A. INFORMAL REVIEW OF CERTAIN SUPERVISORY DECISIONS.

"(a) Review of Certain Supervisory Decisions.—The Board shall establish an informal review procedure under which any association, insured institution, or member may obtain a review, by the principal supervisory agent for the Federal home loan bank district in which such association, institution, or member is located, of any decision by any examiner or supervisory agent of the Federal home loan bank for such district with respect to—

"(1) the appraisal value of—

"(A) any loan held by the association, insured institution, or member; or

"(B) any property serving as collateral to secure the repayment of any loan (held by the association, institution, or member);

"(2) the classification of any loan held by the association, institution, or member; or

"(3) any requirement imposed on the association, institution, or member to establish or to add to a reserve or allowance for a possible loss on any loan held by such institution.

"(b) Standards for Review.—The review procedure established pursuant to subsection (a) shall provide that the principal supervisory agent for the appropriate Federal home loan bank district, after taking into account the report described in subsection (c)(2) by the arbiter (or panel of arbiters), shall approve, modify, or set aside any decision for which a review has been requested on the basis of the supervisory agent's review of all the facts and the regulations applicable to such decision and shall take such action as such agent may determine to be necessary or appropriate in light of such review.

"(c) Appointment of Independent Arbiter.—The review procedure established pursuant to subsection (a) shall provide for the appointment (by the principal supervisory agent for the appropriate Federal home loan bank district, upon the filing of a request for a review under this section by an association, insured institution, or member) of an independent arbiter (or, upon the request of such association, institution, or member, a panel of independent arbiters) who shall—

"(1) review the decision which is the subject of the review in light of all the facts of the case and the regulations applicable to such determination; and

"(2) report the conclusions and recommendations of the independent arbiter (or the panel) with respect to the decision under review to the principal supervisory agent for the appropriate Federal home loan bank district and the association, insured institution, or member.

"(d) Consolidation of Reviews of Related Decisions.—The principal supervisory agent may consolidate requests for review under this section of related decisions and conduct a single review of all such related decisions.

"(e) 25-Day Arbiter Review Period; 20-Day PSA Review Period.—

"(1) Arbiter review.—The review procedure established pursuant to subsection (a) shall provide that any review described in subsection (c) by an arbiter (or panel of arbiters) shall be completed before the end of the 25-day period beginning on the date the request for the review was filed with the principal supervisory agent.

"(2) Review by PSA.—The review procedure established pursuant to subsection (a) shall provide that any review by the principal supervisory agent of an arbiter's report described in subsection (c)(2) (or the report of a panel of arbiters) shall be completed before the end of the 20-day period beginning on the date the agent receives such report.

"(3) Only business days included.—Saturdays, Sundays, and holidays shall not be taken into account in determining the periods described in paragraphs (1) and (2).

"(f) Clarification of Relationship Between Informal Review and Other Available Review.—

"(1) Informal review not exclusive.—The informal review procedure established pursuant to subsection (a) for reviewing any decision referred to in such subsection shall be in addition to, and not in lieu of, any other procedure established by law, or any regulation of the Board, which provides for formal administrative or judicial review of such decision.

"(2) Only the original decision is within scope of administrative and judicial review.—If any association, insured institution, or member seeks administrative or judicial review of any examiner or supervisory agent decision for which such association, insured institution, or member obtained an informal review under the procedure established pursuant to subsection (a), such administrative or judicial review shall be carried out—

"(A) without regard to the fact that such informal review was made; and

"(B) without admitting into evidence, or otherwise taking into account, the findings, recommendations, or conclusions of the principal supervisory agent and the independent arbiter (or the panel of independent arbiters) which conducted the informal review.

"(3) Informal review not subject to formal review.—The findings, recommendations, or conclusions of any principal supervisory agent who conducted a review under the procedure established pursuant to subsection (a) are not decisions which may be subject to review by the Board or any court under any regulation of the Board or any law.

"(g) Expenses of Review Borne by Association, Institution, or Member.—All reasonable expenses incurred as a direct or indirect result of any review under the procedure established pursuant to subsection (a) shall be paid by the association, insured institution, or member which requested the review.".

SEC. 408. PREVENTION OF INSOLVENCIES.

Before the end of the 6-month period beginning on the date of the enactment of this Act, the Federal Home Loan Bank Board shall submit a report to the Congress containing—

(1) a detailed description of the steps the Board has taken and is planning to take to prevent additional failures of thrift institutions; and

(2) such recommendations for legislation as the Board may determine to be appropriate.

SEC. 409. FEASIBILITY STUDY RELATING TO ESTABLISHMENT OF ASSET HOLDING CORPORATION.

(a) Study Required.—The Federal Home Loan Bank Board shall study the feasibility of establishing an asset holding corporation to relieve thrift institutions of the burden of carrying and maintaining troubled real estate assets by providing for the acquisition of such assets by such corporation.

(b) Factors To Be Considered.—In studying the feasibility of establishing an asset holding corporation, the Federal Home Loan Bank Board shall—

(1) estimate the cost of establishing and operating such corporation for the purposes intended;

(2) consider whether sufficient capital for the establishment and operation of the corporation can be obtained from the private sector or from the Federal home loan bank system without any Government investment in the corporation;

(3) develop standards for determining the type and condition of real estate assets which would be eligible for acquisition by such corporation and estimate the total value of such real estate; and

(4) develop a proposal for allowing participating thrift institutions to obtain an equity participation in the corporation.

(c) Report Required.—The Federal Home Loan Bank Board shall prepare and submit to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate, not later than 6 months after the date of the enactment of this Act, a report containing the findings and conclusions of the Board with respect to the study required under subsection (a) and any recommendation of the Board for legislation which the Board determines may be necessary or appropriate.

SEC. 410. NOTICE AND DISAPPROVAL PROCEDURE REQUIRED FOR ALL APPLICATIONS TO THE BANK BOARD.

(a) In General.—The Federal Home Loan Bank Board shall promulgate guidelines which provide that with respect to each type of completed application (other than an application under section 408(g) of the National Housing Act) by any person for approval by the Federal Home Loan Bank Board or the Federal Savings and Loan Insurance Corporation, the application shall be deemed to be approved as of the end of the period prescribed under such guidelines unless the Board or the Federal Savings and Loan Insurance Corporation, as the case may be, approves or disapproves such application before the end of such period.

(b) Application for Holding Company Indebtedness.—Section 408(g) of the National Housing Act (12 U.S.C. 1730a(g)) is amended by adding at the end thereof the following new paragraph:

"(7) Any completed application under this subsection shall be deemed to be approved as of the end of the 60-day period beginning on the date such application was filed, unless the Corporation issues notice of approval or disapproval of the application before the end of such period.".

(c) Report to Congress.—Before the end of the 60-day period beginning on the date of the enactment of this Act, the Federal Home Loan Bank Board shall submit to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a report containing the guidelines required to be promulgated under subsection (a).

(d) Effective Date.—The guidelines required to be promulgated under subsection (a) shall take effect at the end of the 60-day period referred to in subsection (c).

SEC. 411. GUIDELINES FOR ASSET DISPOSITION.

Not later than 6 months after the date of the enactment of this Act, the Federal Home Loan Bank Board shall submit to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a report containing appropriate new guidelines which—

(1) prevent the dumping of assets over which it has direct or indirect control; and

(2) the Board shall promulgate at the end of such period.

SEC. 412. EXPANSION OF USE OF UNDERUTILIZED MINORITY THRIFT INSTITUTIONS.

(a) Consultation on Expanded Use.—The Secretary of the Treasury shall consult with the Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation on methods for increasing the use of underutilized minority thrift institutions as depositaries or financial agents of Federal agencies.

(b) Designation of Minority Thrift Institutions Involved in Capital Recovery Program as Underutilized Thrift.—If the Federal Home Loan Bank Board approves any plan submitted under regulations prescribed under section 10 of the Home Owners' Loan Act of 1933 (as added by section 404(a) of this title) or section 416 of the National Housing Act (as added by section 404(c) of this title) by any minority institution (as defined in each such section), such minority institution shall be designated by the Board as an underutilized thrift institution for purposes of increasing the use of such association as a depositary or financial agent of other Federal agencies.

(c) Report to Congress.—Before the end of the 6-month period beginning on the date of the enactment of this Act, the Secretary of the Treasury, the Federal Home Loan Bank Board, and the Federal Savings and Loan Insurance Corporation shall each submit a report to the Congress on actions taken by such Secretary or agency pursuant to subsection (a) or (b).

(d) Thrift Institution Defined.—For purposes of this section, the term "thrift institution" has the meaning given to such term in section 407(c)(1).

SEC. 413. AUTHORITY OF INDEPENDENT CONTRACTORS, CONSULTANTS, AND COUNSEL.

(a) Federally Chartered Thrift Institutions.—Section 5(d)(6) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(d)(6)) (relating to appointments of receivers and conservators) is amended by adding at the end thereof the following new subparagraph:

"(E) Disclosure requirement for those acting on behalf of conservator.—A conservator shall require that any independent contractor, consultant, or counsel employed by the conservator in connection with the conservatorship of an association pursuant to this section shall fully disclose to all parties with which such contractor, consultant, or counsel is negotiating, any limitation on the authority of such contractor, consultant, or counsel to make legally binding representations on behalf of the conservator.".

(b) Federally Insured State Chartered Thrift Institutions.—Section 406(b) of the National Housing Act (12 U.S.C. 1730) (relating to involuntary termination of insurance) is amended by adding at the end thereof the following new paragraph:

"(4) Disclosure requirement for those acting on behalf of corporation.—The Corporation shall require that any independent contractor, consultant, or counsel employed by the Corporation in connection with the management or liquidation of an insured institution shall fully disclose to all parties with which such contractor, consultant, or counsel is negotiating, any limitation on the authority of such contractor, consultant, or counsel to make legally binding representations on behalf of the Corporation.".

SEC. 414. EXTENSION OF FORBEARANCE PREVIOUSLY PROVIDED IN THE ACQUISITION OF TROUBLED THRIFT INSTITUTIONS.

Section 408(m)(1)(A) of the National Housing Act (12 U.S.C. 1730a(m)(1)(A)) is amended by adding at the end thereof the following new clause:

"(iv) If, in connection with a merger, consolidation, transfer, or acquisition of an insured institution under this subparagraph before March 31, 1987, forbearance measures have been included in the agreement governing the supervisory action with respect to such transaction, the period of forbearance in such agreement shall be extended for an additional 5 years upon a showing by the acquiring or resulting insured institution that any failure to meet any requirement, restriction, or limitation specified in such agreement with respect to any such forbearance measure is attributable to the assets or liabilities (of the acquired or merged insured institution) which were acquired by or assumed by the acquiring or resulting insured institution.".

SEC. 415. CONGRESSIONAL OVERSIGHT.

(a) Banking Committee Review of Panel Actions.—The Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate shall monitor and review the actions taken by each review panel established pursuant to the amendment made by section 407(d) of this Act.

(b) Other Congressional Oversight.—The Federal Home Loan Bank Board shall submit a report to the Committee on Banking, Finance and Urban Affairs of the House of Representatives, at the end of the 6-month period beginning on the date of the enactment of this title, at the end of the 1-year period beginning on such date, and on an annual basis after the end of such 1-year period, containing—

(1) a description of the Board's existing manpower and talent;

(2) an estimate of the Board's projected manpower and talent needs for the year, including the cost of such projected needs;

(3) a description and explanation of the goals and objectives, of the Board and all its related entities (including the Federal Asset Disposition Association), for the coming year and the management strategies to be employed by such entities in accomplishing such goals and objectives;

(4) a summary of the operations, receipts, expenses, and expenditures, of the Board and all its related entities (including the Federal Asset Disposition Association), during the preceding year; and

(5) a summary of the operations and the aggregate receipts, expenses, and expenditures of any other person not referred to in paragraph (4), including receivers, conservators, accountants, attorneys, and consultants, who is engaged in any activity on behalf of the Board or any other entity which is referred to in such paragraph, to the extent such operations, receipts, expenses, and expenditures are in connection with such activity.

(c) Appearance.—The Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation shall, before the beginning of each fiscal year, appear before the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate to describe and explain each such agency's plans and proposals with respect to administrative expenses for such fiscal year.

(d) Guidelines For Employment of Outside Accountants, Attorneys, Conservators, and Other Consultants.—Before the end of the 6-month period beginning on the date of the enactment of this Act, the Federal Home Loan Bank Board shall submit to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a report containing guidelines to improve the management of and control over all outside accountants, attorneys, conservators, consultants, and other persons whose services are employed by the Board, the Federal Savings and Loan Insurance Corporation, the Federal Asset Disposition Association, the principal supervisory agent for any Federal home loan bank district, or any other entity created, owned, or controlled by the Board

in connection with any function for which the Board has direct or indirect regulatory or supervisory responsibility.

SEC. 416. SUNSET.

(a) IN GENERAL.—The following provisions shall cease to be effective on the date that a notice is published in the Federal Register by the Financing Corporation pursuant to subsection (b):

(1) Paragraphs (2), (3), and (5) of—

(A) section 9(a) of the Home Owners' Loan Act of 1933; and

(B) section 415(a) of the National Housing Act,

(as added by subsections (a) and (b), respectively, of section 402 of this title).

(2) Section 10 of the Home Owners' Loan Act of 1933 and section 416 of the National Housing Act (as added by subsections (a) and (b), respectively, of section 404 of this title).

(3) Paragraph (6) of section 406(f) of the National Housing Act (as added by section 405 of this title).

(4) Section 22A of the Federal Home Loan Bank Act (as added by section 407(d) of this title).

(5) Section 411 of this title.

(b) NOTICE OF COMPLETION OF NET NEW BORROWING BY FINANCING CORPORATION.—When the Financing Corporation established pursuant to section 21 of the Federal Home Loan Bank Act has completed all net new borrowing under such section, the Financing Corporation shall publish a notice of such fact in the Federal Register.

(c) SAVINGS PROVISION.—The termination by subsection (a) of the effectiveness of any provision described in such subsection shall not be construed to affect or limit any authority of the Federal Home Loan Bank Board or the Federal Savings and Loan Insurance Corporation to prescribe any regulation or engage in any activity with respect to any association or insured institution under any other provision of law.

TITLE V—FINANCIAL INSTITUTIONS EMERGENCY ACQUISITIONS

SEC. 501. SHORT TITLE.

This title may be cited as the "Financial Institutions Emergency Acquisitions Amendments of 1987".

SEC. 502. FDIC ASSISTED EMERGENCY INTERSTATE ACQUISITIONS.

(a) GENERAL PROVISIONS.—Section 13(f)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1823(f)(1)) is amended to read as follows:

"(f) ASSISTED EMERGENCY INTERSTATE ACQUISITIONS.—(1) This subsection shall apply only to an acquisition of an insured bank or a holding company by an out-of-State bank or out-of-State holding company for which the Corporation provides assistance under subsection (c).".

(b) EMERGENCY INTERSTATE ACQUISITIONS OF BANKS IN DANGER OF CLOSING.—Section 13(f)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1823(f)(3)) is amended to read as follows:

"(3) EMERGENCY INTERSTATE ACQUISITIONS OF INSURED BANKS IN DANGER OF CLOSING.—

"(A) ACQUISITION OF INSURED BANKS IN DANGER OF CLOSING.—One or more out-of-State banks or out-of-State holding companies may acquire and retain all or part of the shares or assets of, or otherwise acquire and retain—

"(i) an insured bank in danger of closing which has total assets of $500,000,000 or more; or

"(ii) 2 or more affiliated insured banks in danger of closing which have aggregate total assets of $500,000,000 or more, if the aggregate total assets of such banks is equal to or greater than 33 percent of the aggregate total assets of all affiliated insured banks.

"(B) ACQUISITION OF A HOLDING COMPANY OR OTHER BANK AFFILIATE.—If one or more out-of-State banks or out-of-State holding companies acquire 1 or more affiliated insured banks under subparagraph (A) the aggregate total assets of which is equal to or greater than 33 percent of the aggregate total assets of all affiliated insured banks, any such out-of-State bank or out-of-State holding company may also, as part of the same transaction, acquire and retain the shares or assets of, or otherwise acquire and retain—

"(i) the holding company which controls the affiliated insured banks so acquired; or

"(ii) any other affiliated insured bank.

"(C) REQUEST FOR ASSISTANCE BY CORPORATE BOARD OF DIRECTORS.—The Corporation may assist an acquisition or merger authorized under subparagraph (A) only if the board of directors or trustees of each insured bank in danger of closing which is being acquired has requested in writing that the Corporation assist the acquisition or merger.

"(D) CERTAIN ACQUISITIONS AUTHORIZED AFTER ASSISTANCE IS PROVIDED.—Notwithstanding paragraph (1), if—

"(i) at any time after the date of the enactment of the Financial Institutions Emergency Acquisitions Amendments of 1987, the Corporation provides any assistance under subsection (c) to an insured bank; and

"(ii) at the time such assistance is granted, the insured bank, the holding company which controls the insured bank (if any), or any affiliated insured bank is eligible to be acquired by an out-of-State bank or out-of-State holding company under this paragraph,

the insured bank, the holding company, and such other affiliated insured bank shall remain eligible, subject to such terms and conditions as the Corporation (in the Corporation's discretion) may impose, to be acquired by an out-of-State bank or out-of-State holding company under this paragraph as long as any portion of such assistance remains outstanding.

"(E) STATE BANK SUPERVISOR APPROVAL.—The Corporation may take no final action in connection with any acquisition under this paragraph unless the State bank supervisor of the State in which the bank in danger of closing is located approves the acquisition.

"(F) OTHER REQUIREMENTS NOT AFFECTED.—This paragraph does not affect any other requirement under Federal or State law for regulatory approval of an acquisition under this paragraph.

"(G) ACQUISITION MAY BE CONDITIONED ON RECEIPT OF CONSIDERATION FOR CORPORATION'S ASSISTANCE.—Any acquisition described in subparagraph (D) may be conditioned on the receipt of such consideration for the Corporation's assistance as the Board of Directors deems appropriate.".

(c) SPECIAL PROVISIONS APPLICABLE TO EMERGENCY INTERSTATE ACQUISITIONS.—

(1) COORDINATION WITH CERTAIN STATE LAWS.—Section 13(f)(4) of the Federal Deposit Insurance Act (12 U.S.C. 1823(f)(4)) is amended—

(A) by redesignating clauses (i), (ii), and (iii) as subparagraphs (A), (B), and (C), respectively;

(B) by amending subparagraph (A) (as so redesignated) to read as follows:

"(A) ACQUISITIONS NOT SUBJECT TO CERTAIN OTHER LAWS.—Section 3(d) of the Bank Holding Company Act of 1956, any provision of State law, the constitution of any State, and section 408(e)(3) of the National Housing Act shall not apply to prohibit any acquisition under paragraph (2) or (3), except that an out-of-State bank may make such an acquisition only if such ownership is otherwise specifically authorized."; and

(C) by adding at the end thereof the following new subparagraphs:

"(D) SUBSEQUENT NONEMERGENCY INTERSTATE ACQUISITIONS SUBJECT TO STATE LAW.—

"(i) IN GENERAL.—Any out-of-State bank holding company which acquires control of an insured bank in any State under paragraph (2) or (3) may acquire any other insured bank and establish branches in such State to the same extent as a bank holding company whose insured bank subsidiaries' operations are principally conducted in such State may acquire any other insured bank or establish branches.

"(ii) DELAYED DATE OF APPLICABILITY.—Clause (i) shall not apply with respect to any out-of-State bank holding company referred to in such clause before the earlier of—

"(I) the end of the 2-year period beginning on the date the acquisition referred to in such clause with respect to such company is consummated; or

"(II) the end of any period established under State law during which such out-of-State bank holding company may not be treated as a bank holding company whose insured bank subsidiaries' operations are principally conducted in such State for purposes of acquiring other insured banks or establishing bank branches.

"(iii) DETERMINATION OF PRINCIPALLY CONDUCTED.—For purposes of this subparagraph, the State in which the operations of a holding company's insured bank subsidiaries are principally conducted is the State determined under section 3(d) of the Bank Holding Company Act of 1956 with respect to such holding company.

"(E) CERTAIN STATE INTERSTATE BANKING LAWS INAPPLICABLE.—Any holding company which acquires control of any insured bank or holding company under paragraph (2) or (3) or subparagraph (D) of this paragraph shall not, by reason of such acquisition, be required under the law of any State to divest any other insured bank or be prevented from acquiring any other bank or holding company.".

(2) RECIPROCAL BANK PACTS AND MINORITY BANK OWNERSHIP TAKEN INTO ACCOUNT IN BIDDING PRIORITIES.—Section 13(f)(6) of the Federal Deposit Insurance Act (12 U.S.C. 1823(f)(6)) is amended—

(A) in subparagraph (B), by striking out clause (ii) and all that follows through clause (iv) and inserting in lieu thereof the following new clauses:

"(ii) Second, between depository institutions of the same type—

"(I) in different States which by statute specifically authorize such acquisitions; or

"(II) in the absence of such statutes, in different States which are contiguous.

"(iii) Third, between depository institutions of the same type in different States other than the States described in clause (ii).

"(iv) Fourth, between depository institutions of different types in the same State.

"(v) Fifth, between depository institutions of different types—

"(I) in different States which by statute specifically authorize such acquisitions; or

"(II) in the absence of such statutes, in different States which are contiguous.

"(vi) Sixth, between depository institutions of different types in different States

other than the States described in clause (v).''; and

(B) by amending subparagraph (C) to read as follows:

''(C) MINORITY BANK PRIORITY.—In the case of a minority-controlled bank, the Corporation shall seek an offer from other minority-controlled banks before proceeding with the bidding priorities set forth in subparagraph (B).''.

(3) REAFFIRMATION OF THE RULE THAT NO ASSISTANCE IS AUTHORIZED FOR NONBANK SUBSIDIARIES OF HOLDING COMPANIES.—Section 13(f) of the Federal Deposit Insurance Act (12 U.S.C. 1823(f)) is amended by adding at the end thereof the following new paragraph:

''(9) NO ASSISTANCE AUTHORIZED FOR NONBANK SUBSIDIARIES OF HOLDING COMPANIES.—

''(A) IN GENERAL.—The Corporation shall not provide any assistance to a subsidiary of a holding company which is not an insured bank in connection with any acquisition under this subsection.

''(B) INTERMEDIATE HOLDING COMPANY PERMITTED.— This paragraph does not prohibit an intermediate holding company from being a conduit for assistance ultimately intended for an insured bank.''.

(4) REPORTS REQUIRED.—Section 13(f) of the Federal Deposit Insurance Act (12 U.S.C. 1823(f)) is amended by adding after paragraph (9) (as added by paragraph (3) of this subsection) the following new paragraph:

''(10) ANNUAL REPORT.—

''(A) REQUIRED.—In its annual report to Congress the Corporation shall include a report on the acquisitions under this subsection during the preceding year.

''(B) CONTENTS.—The report required under subparagraph (A) shall contain the following information:

''(i) The number of acquisitions under this subsection.

''(ii) A brief description of each such acquisition and the circumstances under which such acquisition occurred.''.

(5) DETERMINATION OF TOTAL ASSETS.—Section 13(f) of the Federal Deposit Insurance Act (12 U.S.C. 1823(f)) is amended by adding after paragraph (10) (as added by paragraph (4) of this subsection) the following new paragraph:

''(11) DETERMINATION OF TOTAL ASSETS.—For purposes of this subsection, the total assets of any insured bank shall be determined on the basis of the most recent report of condition of such bank which is available at the time of such determination.''.

(d) BANK IN DANGER OF CLOSING DEFINED.—Section 13(f)(8) of the Federal Deposit Insurance Act (12 U.S.C. 1823(f)(8)) is amended—

(1) by adding at the end thereof the following new subparagraph:

''(D) the term 'bank in danger of closing' means an insured bank with respect to which the appropriate Federal or State chartering authority certifies in writing that—

''(i)(I) the bank is not likely to be able to meet the demands of such bank's depositors or pay the obligations of the bank in the normal course of business, and

''(II) there is no reasonable prospect that the bank will be able to meet such demands or pay such obligations without Federal assistance; or

''(ii)(I) the bank has incurred or is likely to incur losses that will deplete all or substantially all of the capital of the bank, and

''(II) there is no reasonable prospect for the replenishment of the bank's capital without Federal assistance;'';

(2) by striking out ''and'' at the end of subparagraph (B); and

(3) by striking out the period at the end of subparagraph (C) and inserting in lieu thereof a semicolon.

(e) ACQUIRE DEFINED.—Section 13(f)(8) of the Federal Deposit Insurance Act (12 U.S.C. 1823(f)(8)) is amended by adding after subparagraph (D) (as added by subsection (d) of this section) the following new subparagraph:

''(E) the term 'acquire' means to acquire, directly or indirectly, ownership or control through—

''(i) an acquisition of shares;

''(ii) an acquisition of assets or assumption of liabilities;

''(iii) a merger or consolidation; or

''(iv) any similar transaction;''.

(f) AFFILIATED INSURED BANK DEFINED.—Section 13(f)(8) of the Federal Deposit Insurance Act (12 U.S.C. 1823(f)(8)) is amended by adding after subparagraph (E) (as added by subsection (e) of this section) the following new subparagraph:

''(F) the term 'affiliated insured bank' means—

''(i) when used in connection with a reference to a holding company, an insured bank which is a subsidiary of such holding company; and

''(ii) when used in connection with a reference to 2 or more insured banks, insured banks which are subsidiaries of the same holding company; and''.

(g) SUBSIDIARY DEFINED.—Section 13(f)(8) of the Federal Deposit Insurance Act (12 U.S.C. 1823(f)(8)) is amended by adding after subparagraph (F) (as added by subsection (f) of this section) the following new subparagraph:

''(G) the term 'subsidiary' has the meaning given to such term in section 2(d) of the Bank Holding Company Act of 1956.''.

(h) WAIVER OF NOTICE AND HEARING REQUIREMENTS.—

(1) APPLICATION RELATING TO ACQUISITIONS.—Section 3(b) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(b)) is amended—

(A) by striking out ''(b) Upon'' and inserting in lieu thereof ''(b)(1) NOTICE AND HEARING REQUIREMENTS.—Upon''; and

(B) by adding at the end thereof the following new paragraph:

''(2) WAIVER IN CASE OF BANK IN DANGER OF CLOSING.—If the Board receives a certification described in section 13(f)(8)(D) of the Federal Deposit Insurance Act from the appropriate Federal or State chartering authority that a bank is in danger of closing, the Board may dispense with the notice and hearing requirements of paragraph (1) with respect to any application received by the Board relating to the acquisition of such bank, the bank holding company which controls such bank, or any other affiliated bank.''.

(2) APPLICATION RELATING TO NONBANKING ACTIVITIES.—Section 4(c)(8) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(c)(8)) is amended by striking out the semicolon at the end and inserting in lieu thereof a period and the following new sentences: ''If an application is filed under this paragraph in connection with an application to make an acquisition pursuant to section 13(f) of the Federal Deposit Insurance Act, the Board may dispense with the notice and hearing requirement of this paragraph and the Board may approve or deny the application under this paragraph without notice or hearing. If an application described in the preceding sentence is approved, the Board shall publish in the Federal Register, not later than 7 days after such approval is granted, the order approving the application and a description of the nonbanking activities involved in the acquisition;''.

(3) EARLY ANTITRUST REVIEW IN CASE OF EMERGENCY ACQUISITION OF FAILING BANK.—Section 11(b) of the Bank Holding Company Act of 1956 (12 U.S.C. 1849(b)) is amended—

(A) by striking out ''(b) The Board'' and inserting in lieu thereof ''(b) ANTITRUST REVIEW.—

''(1) IN GENERAL.—The Board'';

(B) by moving all that follows 2 ems to the right; and

(C) by adding at the end thereof the following new paragraph:

''(2) SECTION 13(f) CASES.—(A) If—

''(i) the Federal Deposit Insurance Corporation learns that a bank insured by such Corporation is in danger of closing; and

''(ii) the Corporation is considering assisting the acquisition of such bank and its affiliated banks by another bank or holding company under section 13(f) of the Federal Deposit Insurance Act and such acquisition is subject to the approval of the Board under section 3 of this Act,

the Corporation shall immediately notify the Board of such facts.

''(B) Upon receipt of notice from the Federal Deposit Insurance Corporation under subparagraph (A) or at such earlier time as deemed appropriate by the Board, the Board shall immediately notify the Attorney General of the United States of the facts concerning the possible acquisition.

''(C) Within 5 days of receiving notice under subparagraph (B), the Attorney General shall notify the Board in writing of the Attorney General's preliminary finding as to the consistency of the possible acquisition with the antitrust laws.

''(D) The Board may reduce or eliminate the post-approval waiting period established under paragraph (1) for an acquisition to which this paragraph applies, except that such period may not be eliminated or reduced to less than 5 days without the concurrence of the Attorney General.''.

(i) TECHNICAL AND CONFORMING AMENDMENTS.—Section 13(f) of the Federal Deposit Insurance Act (12 U.S.C. 1823(f)) is amended—

(1) in paragraph (5), by striking out ''to permit''; and

(2) in paragraph (6)(A)—

(A) by striking out ''where the closed bank'' and inserting in lieu thereof ''where the bank''; and

(B) by striking out ''in-State bank holding company'' and inserting in lieu thereof ''in-State holding company''.

SEC. 503. BRIDGE BANKS.

(a) ESTABLISHMENT OF BRIDGE BANKS.—Section 11 of the Federal Deposit Insurance Act (12 U.S.C. 1821) is amended—

(1) in subsection (h) by striking out ''(h) As soon as'' and inserting in lieu thereof ''(h) NEW BANKS.—(1) As soon as'';

(2) by redesignating subsections (i), (j), (k), and (l) as paragraphs (2), (3), (4), and (5) of subsection (h), respectively; and

(3) by inserting after subsection (h)(5) (as redesignated by paragraph (2)) the following new subsection:

''(i) BRIDGE BANKS.—

''(1) ESTABLISHMENT.—When an insured bank is closed, the Corporation, in the Corporation's discretion and subject to the conditions established in paragraph (2), may establish a bridge bank to—

''(A) assume the deposits of the closed bank;

"(B) assume such other liabilities of the closed bank as the Corporation, in the Corporation's discretion, may determine to be appropriate;

"(C) purchase such assets of the closed bank as the Corporation, in the Corporation's discretion, may determine to be appropriate; and

"(D) perform any other temporary function which the Corporation may prescribe in accordance with this Act.

"(2) CONDITIONS.—A bridge bank may be established under paragraph (1) only if the Board of Directors determines that—

"(A) the amount which is reasonably necessary to organize and operate such bridge bank will not exceed the amount which is reasonably necessary to save the cost of liquidating, including paying the insured accounts of, the closed bank or banks;

"(B) the continued operation of such insured bank is essential to provide adequate banking services in the community where such bank is located; or

"(C) that the continued operation of such insured bank is in the best interest of the depositors of the closed bank and the public.

"(3) TRANSFER OF ASSETS AND LIABILITIES.—

"(A) IN GENERAL.—Upon the organization of a bridge bank pursuant to this subsection, the Corporation, as receiver, or any other receiver appointed with respect to the closed insured bank may, subject to the approval of any such transfer by a court of competent jurisdiction, transfer any assets and liabilities of the closed insured bank to the bridge bank.

"(B) INTENT OF CONGRESS RELATING TO CONTINUING OPERATIONS.—It is the intent of the Congress that, in order to prevent unnecessary hardship or losses to the customers of the closed bank with respect to which a bridge bank is established, especially creditworthy farmers, small businesses, and households, the Corporation should—

"(i) continue to honor commitments made by the closed bank to creditworthy customers, and

"(ii) not interrupt or terminate adequately secured loans which are transferred under subparagraph (A) and are being repaid by the debtor in accordance with the terms of the loan instrument.

"(4) ORGANIZATION.—

"(A) ARTICLES OF ASSOCIATION.—The articles of association and the organization certificate of a bridge bank shall be executed by representatives designated by the Corporation.

"(B) INSURED NATIONAL BANK.—Each bridge bank shall be a national bank and shall be insured from the time of the organization of the bridge bank.

"(C) MANAGEMENT.—Each bridge bank shall be under the management of a board of directors consisting of 5 members appointed by the Board of Directors of the Corporation.

"(5) POWERS OF BRIDGE BANKS.—Each bridge bank established under this subsection shall have all corporate powers of, and be subject to the same provisions of law as, a national bank, except that—

"(A) the Corporation may—

"(i) remove the directors of any bridge bank;

"(ii) fix the compensation of members of the board of directors of any bridge bank; and

"(iii) waive any requirement established under section 5145, 5146, 5147, 5148, or 5149 of the Revised Statutes (relating to directors of national banks) or section 31 of the Banking Act of 1933 which would otherwise be applicable with respect to directors of a bridge bank by operation of paragraph (4)(B);

"(B) the Corporation may indemnify the directors of a bridge bank on such terms as the Corporation determines to be appropriate;

"(C) no requirement under section 5138 of the Revised Statutes or any other provision of law relating to the capital of a national bank shall apply with respect to any bridge bank;

"(D) the Comptroller of the Currency may establish a limitation on the extent to which any person may become indebted to any bridge bank without regard to the amount of the bank's capital or surplus;

"(E) the board of directors of the bridge bank shall elect a chairperson who shall also serve in the position of chief executive officer;

"(F) no bridge bank shall be required to purchase stock of any Federal Reserve bank; and

"(G) the Comptroller of the Currency may waive any requirement for a fidelity bond.

"(6) CAPITAL.—

"(A) NO CAPITAL REQUIRED.—The Corporation shall not be required to—

"(i) issue capital stock on behalf of any bridge bank established under this subsection; or

"(ii) purchase any capital stock of any bridge bank.

"(B) OPERATING FUNDS IN LIEU OF CAPITAL.—Upon the organization of a bridge bank, and thereafter as the Board of Directors may in its discretion deem necessary or advisable, the Corporation shall promptly make available to the bridge bank, upon such terms and conditions and in such form and amounts as the Board of Directors may prescribe, sufficient funds for the bridge bank to operate.

"(C) AUTHORITY TO ISSUE CAPITAL STOCK.—Whenever in the judgment of the Board of Directors it is desirable to do so, the Corporation shall cause capital stock of any bridge bank to be issued and offered for sale on such terms and conditions as the Corporation determines to be appropriate and in an amount sufficient (in the discretion of the Corporation) to make possible the conduct of the business of the bridge bank on a sound basis.

"(7) NO FEDERAL STATUS.—

"(A) AGENCY STATUS.—A bridge bank is not an agency, establishment, or instrumentality of the United States.

"(B) EMPLOYEE STATUS.—Directors, officers, employees, or agents of the bridge bank are not officers or employees of the United States for purposes of title 5, United States Code, or any other provision of law.

"(8) ASSISTANCE AUTHORIZED.—The Corporation may, in its discretion, provide assistance under section 13(c) to facilitate the sale or merger of the bridge bank with another insured depository institution in the same manner and to the same extent as such assistance may be provided under such section with respect to a closed insured bank.

"(9) ACQUISITION BY OUT-OF-STATE BANK HOLDING COMPANY.—Any depository institution, including an out-of-State bank, or any out-of-State holding company may acquire and retain the shares or assets of, or otherwise acquire and retain a bridge bank which has assumed the insured deposits of one or more closed banks which had total assets aggregating $500,000,000 or more (determined in the manner provided in section 13(f)(11) at the time such insured bank was closed) in the same manner and to the same extent as such depository institution or such out-of-State holding company may acquire a closed insured bank under section 13(f)(2).

"(10) TERMINATION OF BRIDGE BANK.—

"(A) IN GENERAL.—A bridge bank shall terminate upon the occurrence of the earliest of the following:

"(i) The bridge bank merges or consolidates with another bank that is not a bridge bank.

"(ii) The bridge bank sells all or substantially all of the stock of the bridge bank other than to the Corporation or to another bridge bank.

"(iii) A holding company or another bank that is not a bridge bank assumes all, or substantially all of the deposits or other liabilities of a bridge bank.

"(iv) A period of 2 years following the date the bridge bank was organized expires without any other disposition of the assets and liabilities of the bank having occurred.

"(B) EXTENSION ALLOWED FOR 1 YEAR.—If the Board of Directors finds, after consultation with the Comptroller of the Currency, that an extension of time for winding up the affairs of the bank is in the best interest of the depositors of the closed bank and the public, the Corporation may extend the time period specified in subparagraph (A)(iv) for not to exceed one year.

"(11) 2 OR MORE BANKS.—The Corporation, in the Corporation's discretion, may establish a bridge bank under this subsection to assume the deposits of, assume any other liabilities of, and purchase any assets of 2 or more closed banks.".

(b) DEFINITIONS.—Section 3(i) of the Federal Deposit Insurance Act (12 U.S.C. 1813(i)) is amended to read as follows:

"(i) NEW BANK AND BRIDGE BANK DEFINED.—

"(1) NEW BANK.—The term 'new bank' means a new national bank, other than a bridge bank, organized by the Corporation in accordance with section 11(h).

"(2) BRIDGE BANK.—The term 'bridge bank' means a new national bank organized by the Corporation in accordance with section 11(i).".

SEC. 504. CONVERSIONS.

(a) AMENDMENT TO THE NATIONAL HOUSING ACT.—Section 403 of the National Housing Act (12 U.S.C. 1726) is amended by adding at the end thereof the following:

"(e) If, upon application, and pursuant to a plan of conversion to an institution of a type eligible to be an insured institution, the Corporation, in its discretion, determines to grant insurance of accounts to a savings bank that is an insured bank (as the term 'insured bank' is defined in section 3(h) of the Federal Deposit Insurance Act), such insurance shall become effective at such time as the Corporation stipulates, at which time such institution automatically shall lose its status as such an insured bank. No change of deposit insurance agencies from the Federal Deposit Insurance Corporation to the Corporation shall be treated, for the purposes of section 18(i) of the Federal Deposit Insurance Act, as involving a conversion to a noninsured bank or institution, except that the Corporation shall provide the Federal Deposit Insurance Corporation with notification of any application that, if granted, would involve such a change of deposit insurance agencies, shall consult with the Corporation before disposing of the application, and shall provide the Federal Deposit Insurance Corporation with notification of the determination with respect to such application.".

(b) Amendments to the Federal Deposit Insurance Act.—

(1) Section 18(c) applicability.—Section 18(c)(12) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)(12)) is amended to read as follows:

"(12) The provisions of this subsection shall not apply to any transaction where the acquiring, assuming, or resulting institution is an insured Federal savings bank or an institution insured by the Federal Savings and Loan Insurance Corporation, except that any insured bank involved in the transaction shall notify the Corporation in writing at least 30 days prior to consummation of the transaction and, if any approval by the Federal Home Loan Bank Board or the Federal Savings and Loan Insurance Corporation is required in connection therewith, such approving authority shall provide the Corporation with notification of the application for approval, shall consult with the Corporation before disposing of the application, and shall provide notification to the Corporation of the determination with respect to said application.".

(2) Section 18(i) applicability.—Section 18(i) of such Act is amended by adding at the end thereof the following:

"(5) Nothing in this subsection shall apply to a conversion of an insured bank to an insured institution pursuant to section 403(e) of the National Housing Act (12 U.S.C. 1726(e)).".

SEC. 505. FEDERAL DEPOSITORY INSTITUTIONS REGULATORY AGENCIES NOT SUBJECT TO APPORTIONMENT OF FUNDS PROVISIONS.

(a) Federal Deposit Insurance Corporation.—Section 7(b) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)) is amended by adding at the end thereof the following:

"(9) Apportionment.—Notwithstanding any other provision of law, amounts received pursuant to any assessment under this section and any other amounts received by the Corporation shall not be subject to apportionment for the purpose of chapter 15 of title 31, United States Code, or under any other authority.".

(b) The Comptroller of the Currency.—The second paragraph of section 5240 of the Revised Statutes (12 U.S.C. 481) is amended by inserting after the fifth sentence the following: "Such funds shall not be subject to apportionment for the purpose of chapter 15 of title 31, United States Code, or under any other authority.".

(c) The Federal Savings and Loan Insurance Corporation.—Section 404 of the National Housing Act (12 U.S.C. 1727) is amended by adding at the end thereof the following:

"(k) Apportionment.—Notwithstanding any other provision of law, amounts received by the Corporation pursuant to any assessment under this Act, deposits required under this section and any other monies received by the Corporation shall not be subject to apportionment for the purpose of chapter 15 of title 31, United States Code, or under any other authority.".

(d) The Federal Home Loan Bank Board.—The Federal Home Loan Bank Act (12 U.S.C. 1421 et seq.) is amended by inserting after section 19 (12 U.S.C. 1439) the following:

"SEC. 19A. APPORTIONMENT.

"Notwithstanding any other provision of law, amounts received pursuant to any assessment under this Act and any other monies received by the Board shall not be subject to apportionment for the purpose of chapter 15 of title 31, United States Code, or under any other authority.".

(e) The National Credit Union Administration.—Title I of the Federal Credit Union Act (12 U.S.C. 1751 et seq.) is amended by adding at the end thereof the following:

"SEC. 128. APPORTIONMENT.

"Notwithstanding any other provision of law, funds received by the Board pursuant to any method provided by this Act, and interest, dividend, or other income thereon, shall not be subject to apportionment for the purpose of chapter 15 of title 31, United States Code, or under any other authority.".

SEC. 506. FEDERAL DEPOSITORY INSTITUTIONS REGULATORY AGENCIES NOT SUBJECT TO SEQUESTRATION.

(a) In General.—Paragraph (1) of section 255(g) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) by inserting after the item relating to compensation of the President the following new item:

"Comptroller of the Currency;";

(2) by inserting after the item relating to the exchange stabilization fund the following new items:

"Federal Deposit Insurance Corporation;

"Federal Home Loan Bank Board;

"Federal Home Loan Bank Board, Federal Savings and Loan Insurance Corporation;"; and

(3) by inserting after the item relating to intragovernmental funds the following new items:

"National Credit Union Administration;

"National Credit Union Administration, central liquidity facility;

"National Credit Union Administration, credit union share insurance fund;".

(b) Certain Expenses.—Section 256(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end thereof the following new paragraph:

"(4) Notwithstanding any other provision of law, this subsection shall not apply with respect to the following:

"(A) Comptroller of the Currency.

"(B) Federal Deposit Insurance Corporation.

"(C) Federal Home Loan Bank Board.

"(D) Federal Savings and Loan Insurance Corporation.

"(E) National Credit Union Administration.

"(F) National Credit Union Administration, central liquidity facility.".

SEC. 507. LIQUIDATION PROCEEDINGS.

Section 11 of the Federal Deposit Insurance Act (12 U.S.C. 1821) is amended by inserting after subsection (i) (as added by section 503(a)(3) of this title) the following new subsection:

"(j) Conditions Applicable to Liquidation Proceedings.—

"(1) Consideration of local economic impact required.—The Corporation shall fully consider the adverse economic impact on local communities, including businesses and farms, of actions to be taken by it during the administration and liquidation of loans of a closed bank.

"(2) Actions to alleviate adverse economic impact to be considered.—The actions which the Corporation shall consider include the release of proceeds from the sale of products and services for family living and business expenses and shortening the undue length of the decisionmaking process for the acceptance of offers of settlement contingent upon third party financing.

"(3) Guidelines required.—The Corporation shall adopt and publish procedures and guidelines to minimize adverse economic effects caused by its actions on individual debtors in the community.".

SEC. 508. CAPITAL POOLS.

(a) Findings.—The Congress hereby finds that—

(1) the Federal Deposit Insurance Corporation has the statutory authority to engage in open bank assistance for failing banks under section 13(c) of the Federal Deposit Insurance Act to minimize losses to the insurance fund and to provide for the stability of the community;

(2) communities in depressed regions of the Nation have had increasing difficulty in raising capital to infuse into locally operated, failing banks;

(3) States have the authority to establish capital pools to supplement Federal Deposit Insurance Corporation funds and outside capital in arranging open banks assistance plans; and

(4) it is not in the public interest to have a fire sale of assets acquired by the Federal Deposit Insurance Corporation as a part of their acquisitions of nonperforming loans of failed banks.

(b) Sense of the Congress.—It is the sense of the Congress that the Federal Deposit Insurance Corporation should—

(1) exercise its discretionary authority to work with States which authorize capital pools described in subsection (a)(3) to save community banks during this time of great economic distress in certain regions of the country; and

(2) use its discretionary authority to negotiate sale of loans in the Corporation's capacity as receiver for a closed insured bank to banks in the area in which such closed bank is located in order to prevent further asset devaluation.

SEC. 509. PERMANENT EXTENSION OF CERTAIN TEMPORARY PROVISIONS OF LAW; 5 YEAR EXTENSION OF NET WORTH CERTIFICATES.

(a) Permanent Extension.—Part D of title I of the Garn-St Germain Depository Institutions Act of 1982 is repealed.

(b) 5-Year Extension of Net Worth Certificates.—Section 206(a) of such Act (12 U.S.C. 1729 note) is amended by striking out "October 13, 1986" and inserting in lieu thereof "October 13, 1991".

(c) Prior Amendments Not Effective.—No amendment made by part D of title I or section 206 of the Garn-St Germain Depository Institutions Act of 1982, as in effect before the date of the enactment of this Act, to any other provision of law shall be deemed to have taken effect before the date of the enactment of this Act and any such provision of law shall be in effect as if no such amendment had been made before such date of enactment.

TITLE VI—EXPEDITED FUNDS AVAILABILITY

SEC. 601. SHORT TITLE.

This title may be cited as the "Expedited Funds Availability Act".

SEC. 602. DEFINITIONS.

For purposes of this title—

(1) Account.—The term "account" means a demand deposit account or other similar transaction account at a depository institution.

(2) Board.—The term "Board" means the Board of Governors of the Federal Reserve System.

(3) Business day.—The term "business day" means any day other than a Saturday, Sunday, or legal holiday.

(4) Cash.—The term "cash" means United States coins and currency, including Federal Reserve notes.

(5) Cashier's check.—The term "cashier's check" means any check which—

(A) is drawn on a depository institution;

(B) is signed by an officer or employee of such depository institution; and

(C) is a direct obligation of such depository institution.

(6) CERTIFIED CHECK.—The term "certified check" means any check with respect to which a depository institution certifies that—

(A) the signature on the check is genuine; and

(B) such depository institution has set aside funds which—

(i) are equal to the amount of the check; and

(ii) will be used only to pay such check.

(7) CHECK.—The term "check" means any negotiable demand draft drawn on or payable through an office of a depository institution located in the United States. Such term does not include noncash items.

(8) CHECK CLEARINGHOUSE ASSOCIATION.—The term "check clearinghouse association" means any arrangement by which participant depository institutions exchange deposited checks on a local basis, including an entire metropolitan area, without using the check processing facilities of the Federal Reserve System.

(9) CHECK PROCESSING REGION.—The term "check processing region" means the geographical area served by a Federal Reserve bank check processing center or such larger area as the Board may prescribe by regulations.

(10) CONSUMER ACCOUNT.—The term "consumer account" means any account used primarily for personal, family, or household purposes.

(11) DEPOSITORY CHECK.—The term "depository check" means any cashier's check, certified check, teller's check, and any other functionally equivalent instrument as determined by the Board.

(12) DEPOSITORY INSTITUTION.—The term "depository institution" has the meaning given such term in clauses (i) through (vi) of section 19(b)(1)(A) of the Federal Reserve Act. Such term also includes an office, branch, or agency of a foreign bank located in the United States.

(13) LOCAL ORIGINATING DEPOSITORY INSTITUTION.—The term "local originating depository institution" means any originating depository institution which is located in the same check processing region as the receiving depository institution.

(14) NONCASH ITEM.—The term "noncash item" means—

(A) a check or other demand item to which a passbook, certificate, or other document is attached;

(B) a check or other demand item which is accompanied by special instructions, such as a request for special advise of payment or dishonor; or

(C) any similar item which is otherwise classified as a noncash item in regulations of the Board.

(15) NONLOCAL ORIGINATING DEPOSITORY INSTITUTION.—The term "nonlocal originating depository institution" means any originating depository institution which is not a local depository institution.

(16) PROPRIETARY ATM.—The term "proprietary ATM" means an automated teller machine which is—

(A) located—

(i) at or adjacent to a branch of the receiving depository institution; or

(ii) in close proximity, as defined by the Board, to a branch of the receiving depository institution; or

(B) owned by, operated exclusively for, or operated by the receiving depository institution.

(17) ORIGINATING DEPOSITORY INSTITUTION.—The term "originating depository institution" means the branch of a depository institution on which a check is drawn.

(18) NONPROPRIETARY ATM.—The term "nonproprietary ATM" means an automated teller machine which is not a proprietary ATM.

(19) PARTICIPANT.—The term "participant" means a depository institution which—

(A) is located in the same geographic area as that served by a check clearinghouse association; and

(B) exchanges checks through the check clearinghouse association, either directly or through an intermediary.

(20) RECEIVING DEPOSITORY INSTITUTION.—The term "receiving depository institution" means the branch of a depository institution or the proprietary ATM in which a check is first deposited.

(21) STATE.—The term "State" means any State, the District of Columbia, the Commonwealth of Puerto Rico, or the Virgin Islands.

(22) TELLER'S CHECK.—The term "teller's check" means any check issued by a depository institution and drawn on another depository institution.

(23) UNITED STATES.—The term "United States" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands.

(24) UNIT OF GENERAL LOCAL GOVERNMENT.—The term "unit of general local government" means any city, county, town, township, parish, village, or other general purpose political subdivision of a State.

(25) WIRE TRANSFER.—The term "wire transfer" has such meaning as the Board shall prescribe by regulations.

SEC. 603. EXPEDITED FUNDS AVAILABILITY SCHEDULES.

(a) NEXT BUSINESS DAY AVAILABILITY FOR CERTAIN DEPOSITS.—

(1) CASH DEPOSITS; WIRE TRANSFERS.—Except as provided in subsection (e) and in section 604, in any case in which—

(A) any cash is deposited in an account at a receiving depository institution staffed by individuals employed by such institution, or

(B) funds are received by a depository institution by wire transfer for deposit in an account at such institution,

such cash or funds shall be available for withdrawal not later than the business day after the business day on which such cash is deposited or such funds are received for deposit.

(2) GOVERNMENT CHECKS; CERTAIN OTHER CHECKS.—Funds deposited in an account at a depository institution by check shall be available for withdrawal not later than the business day after the business day on which such funds are deposited in the case of—

(A) a check which—

(i) is drawn on the Treasury of the United States; and

(ii) is endorsed only by the person to whom it was issued.

(B) a check which—

(i) is drawn by a State;

(ii) is deposited in a receiving depository institution which is located in such State and is staffed by individuals employed by such institution;

(iii) is deposited with a special deposit slip which indicates it is a check drawn by a State; and

(iv) is endorsed only by the person to whom it was issued;

(C) a check which—

(i) is drawn by a unit of general local government;

(ii) is deposited in a receiving depository institution which is located in the same State as such unit of general local government and is staffed by individuals employed by such institution;

(iii) is deposited with a special deposit slip which indicates it is a check drawn by a unit of general local government; and

(iv) is endorsed only by the person to whom it was issued;

(D) the first $100 deposited by check or checks on any one business day;

(E) a check deposited in a branch of a depository institution and drawn on the same or another branch of the same depository institution if both such branches are located in the same State or the same check processing region;

(F) a cashier's check, certified check, teller's check, or depository check which—

(i) is deposited in a receiving depository institution which is staffed by individuals employed by such institution;

(ii) is deposited with a special deposit slip which indicates it is a cashier's check, certified check, teller's check, or depository check, as the case may be; and

(iii) is endorsed only by the person to whom it was issued.

(b) PERMANENT SCHEDULE.—

(1) AVAILABILITY OF FUNDS DEPOSITED BY LOCAL CHECKS.—Subject to paragraph (3) of this subsection, subsections (a)(2), (d), and (e) of this section, and section 604, not more than 1 business day shall intervene between the business day on which funds are deposited in an account at a depository institution by a check drawn on a local originating depository institution and the business day on which the funds involved are available for withdrawal.

(2) AVAILABILITY OF FUNDS DEPOSITED BY NONLOCAL CHECKS.—Subject to paragraph (3) of this subsection, subsections (a)(2), (d), and (e) of this section, and section 604, not more than 4 business days shall intervene between the business day on which funds are deposited in an account at a depository institution by a check drawn on a nonlocal originating depository institution and the business day on which such funds are available for withdrawal.

(3) TIME PERIOD ADJUSTMENTS FOR CASH WITHDRAWAL OF CERTAIN CHECKS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), funds deposited in an account in a depository institution by check (other than a check described in subsection (a)(2)) shall be available for cash withdrawal not later than the business day after the business day on which such funds otherwise are available under paragraph (1) or (2).

(B) 5 P.M. CASH AVAILABILITY.—Not more than $400 (or the maximum amount allowable in the case of a withdrawal from an automated teller machine but not more than $400) of funds deposited by one or more checks to which this paragraph applies shall be available for cash withdrawal not later than 5 o'clock post meridian of the business day on which such funds are available under paragraph (1) or (2). If funds deposited by checks described in both paragraph (1) and paragraph (2) become available for cash withdrawal under this paragraph on the same business day, the limitation contained in this subparagraph shall apply to the aggregate amount of such funds.

(C) $100 AVAILABILITY.—Any amount available for withdrawal under this paragraph

shall be in addition to the amount available under subsection (a)(2)(D).

(4) APPLICABILITY.—This subsection shall apply with respect to funds deposited by check in an account at a depository institution on or after September 1, 1990, except that the Board may, by regulation, make this subsection or any part of this subsection applicable earlier than September 1, 1990.

(c) TEMPORARY SCHEDULE.—

(1) AVAILABILITY OF LOCAL CHECKS.—

(A) IN GENERAL.—Subject to subparagraph (B) of this paragraph, subsections (a)(2), (d), and (e) of this section, and section 604, not more than 2 business days shall intervene between the business day on which funds are deposited in an account at a depository institution by a check drawn on a local originating depository institution and the business day on which such funds are available for withdrawal.

(B) TIME PERIOD ADJUSTMENT FOR CASH WITHDRAWAL OF CERTAIN CHECKS.—

(i) IN GENERAL.—Except as provided in clause (ii), funds deposited in an account in a depository institution by check drawn on a local depository institution that is not a participant in the same check clearinghouse association as the receiving depository institution (other than a check described in subsection (a)(2)) shall be available for cash withdrawal not later than the business day after the business day on which such funds otherwise are available under subparagraph (A).

(ii) 5 P.M. CASH AVAILABILITY.—Not more than $400 (or the maximum amount allowable in the case of a withdrawal from an automated teller machine but not more than $400) of funds deposited by one or more checks to which this subparagraph applies shall be available for cash withdrawal not later than 5 o'clock post meridian of the business day on which such funds are available under subparagraph (A).

(iii) $100 AVAILABILITY.—Any amount available for withdrawal under this subparagraph shall be in addition to the amount available under subsection (a)(2)(D).

(2) AVAILABILITY OF NONLOCAL CHECKS.—Subject to subsections (a)(2), (d), and (e) of this section and section 604, not more than 6 business days shall intervene between the business day on which funds are deposited in an account at a depository institution by a check drawn on a nonlocal originating depository institution and the business day on which such funds are available for withdrawal.

(3) APPLICABILITY.—This subsection shall apply with respect to funds deposited by check in an account at a depository institution after August 31, 1988, and before September 1, 1990, except as may be otherwise provided under subsection (b)(4).

(d) TIME PERIOD ADJUSTMENTS.—

(1) REDUCTION GENERALLY.—Notwithstanding any other provision of law, the Board shall, by regulation, reduce the time periods established under subsections (b), (c), and (e) to as short a time as possible and equal to the period of time achievable under the improved check clearing system for a receiving depository institution to reasonably expect to learn of the nonpayment of most items for each category of checks.

(2) EXTENSION FOR CERTAIN DEPOSITS IN NONCONTIGUOUS STATES OR TERRITORIES.—Notwithstanding any other provision of law, any time period established under subsection (b), (c), or (e) shall be extended by 1 business day in the case of any deposit which is both—

(A) deposited in an account at a depository institution which is located in Alaska, Hawaii, Puerto Rico, or the Virgin Islands; and

(B) deposited by a check drawn on an originating depository institution which is not located in the same State, commonwealth, or territory as the receiving depository institution.

(e) DEPOSITS AT AN ATM.—

(1) NONPROPRIETARY ATM—TEMPORARY SCHEDULE.—

(A) IN GENERAL.—Not more than 6 business days shall intervene between the business day a deposit described in subparagraph (B) is made at a nonproprietary automated teller machine (for deposit in an account at a depository institution) and the business day on which funds from such deposit are available for withdrawal.

(B) DEPOSITS DESCRIBED IN THIS PARAGRAPH.—A deposit is described in this subparagraph if it is—

(i) a cash deposit;

(ii) a deposit made by a check described in subsection (a)(2);

(iii) a deposit made by a check drawn on a local originating depository institution (other than a check described in subsection (a)(2)); or

(iv) a deposit made by a check drawn on a nonlocal originating depository institution (other than a check described in subsection (a)(2)).

(C) APPLICABILITY.—This paragraph shall apply with respect to funds deposited at a nonproprietary automated teller machine after August 31, 1988, and before September 1, 1990.

(2) NONPROPRIETARY ATM—PERMANENT SCHEDULE.—

(A) CASH, GOVERNMENT CHECKS, AND LOCAL CHECKS.—Not more than 1 business day shall intervene between the business day on which a deposit described in paragraph (1)(B) (i), (ii), or (iii) is made at a nonproprietary automated teller machine (for deposit in an account at a depository institution) and the business day on which funds from such deposit are available for withdrawal.

(B) NONLOCAL CHECKS.—Not more than 4 business days shall intervene between the business day a deposit described in paragraph (1)(B)(iv) is made at a nonproprietary automated teller machine (for deposit in an account at a depository institution) and the business day on which funds from such deposit are available for withdrawal.

(C) DETERMINATION OF "LOCAL ORIGINATING DEPOSITORY INSTITUTION".—For the purpose of this paragraph, a check is drawn on a local originating depository institution if that depository institution is located in the same check processing region as the receiving nonproprietary ATM.

(D) APPLICABILITY.—This paragraph shall apply with respect to funds deposited at a nonproprietary automated teller machine on or after September 1, 1990.

(3) PROPRIETARY ATM—TEMPORARY AND PERMANENT SCHEDULES.—The provisions of subsections (a), (b), and (c) shall apply with respect to any funds deposited at a proprietary automated teller machine for deposit in an account at a depository institution.

(4) STUDY AND REPORT ON ATM'S.—The Board shall, either directly or through the Consumer Advisory Council, establish and maintain a dialogue with depository institutions and their suppliers on the computer software and hardware available for use by automated teller machines, and shall, not later than September 1 of each of the first 3 calendar years beginning after the date of the enactment of this title, report to the Congress regarding such software and hardware and regarding the potential for improving the processing of automated teller machine deposits.

(f) CHECK RETURN; NOTICE OF NONPAYMENT.—No provision of this section shall be construed as requiring that, with respect to all checks deposited in a receiving depository institution—

(1) such checks be physically returned to such depository institution; or

(2) any notice of nonpayment of any such check be given to such depository institution within the times set forth in subsection (a), (b), (c), or (e) or in the regulations issued under any such subsection.

SEC. 604. SAFEGUARD EXCEPTIONS.

(a) NEW ACCOUNTS.—Notwithstanding section 603, in the case of any account established at a depository institution by a new depositor, the following provisions shall apply with respect to any deposit in such account during the 30-day period (or such shorter period as the Board may establish) beginning on the date such account is established—

(1) NEXT BUSINESS DAY AVAILABILITY OF CASH AND CERTAIN ITEMS.—Except as provided in paragraph (3), in the case of—

(A) any cash deposited in such account;

(B) any funds received by such depository institution by wire transfer for deposit in such account;

(C) any funds deposited in such account by cashier's check, certified check, teller's check, depository check, or traveler's check; and

(D) any funds deposited by a government check which is described in subparagraph (A), (B), or (C) of section 603(a)(2),

such cash or funds shall be available for withdrawal on the business day after the business day on which such cash or funds are deposited or, in the case of a wire transfer, on the business day after the business day on which such funds are received for deposit.

(2) AVAILABILITY OF OTHER ITEMS.—In the case of any funds deposited in such account by a check (other than a check described in subparagraph (C) or (D) of paragraph (1)), the availability for withdrawal of such funds shall not be subject to the provisions of section 603(b), 603(c), or paragraphs (1) and (2) of section 603(e).

(3) LIMITATION RELATING TO CERTAIN CHECKS IN EXCESS OF $5,000.—In the case of funds deposited in such account during such period by checks described in subparagraph (C) or (D) of paragraph (1) the aggregate amount of which exceeds $5,000—

(A) paragraph (1) shall apply only with respect to the first $5,000 of such aggregate amount; and

(B) not more than 8 business days shall intervene between the business day on which any such funds are deposited and the business day on which such excess amount shall be available for withdrawal.

(b) LARGE OR REDEPOSITED CHECKS; REPEATED OVERDRAFTS.—The Board may, by regulation, establish reasonable exceptions to any time limitation established under subsection (b), (c), or (e) of section 603 for—

(1) the amount of deposits by one or more checks that exceeds the amount of $5,000 in any one day;

(2) checks that have been returned unpaid and redeposited; and

(3) deposit accounts which have been overdrawn repeatedly.

(c) REASONABLE CAUSE EXCEPTION.—

(1) In general.—In accordance with regulations which the Board shall prescribe, subsections (a)(2)(F), (b), (c), and (e) of section 603 shall not apply with respect to any check deposited in an account at a depository institution if the receiving depository institution has reasonable cause to believe that the check is uncollectible from the originating depository institution. For purposes of the preceding sentence, reasonable cause to believe requires the existence of facts which would cause a well-grounded belief in the mind of a reasonable person. Such reasons shall be included in the notice required under subsection (f).

(2) Basis for determination.—No determination under this subsection may be based on any class of checks or persons.

(3) Overdraft fees.—If the receiving depository institution determines that a check deposited in an account is a check described in paragraph (1), the receiving depository institution shall not assess any fee for any subsequent overdraft with respect to such account, if—

(A) the depositor was not provided with the written notice required under subsection (f) (with respect to such determination) at the time the deposit was made;

(B) the overdraft would not have occurred but for the fact that the funds so deposited are not available; and

(C) the amount of the check is collected from the originating depository institution.

(4) Compliance.—Each agency referred to in section 610(a) shall monitor compliance with the requirements of this subsection in each regular examination of a depository institution and shall describe in each report to the Congress the extent to which this subsection is being complied with. For the purpose of this paragraph, each depository institution shall retain a record of each notice provided under subsection (f) as a result of the application of this subsection.

(d) Emergency Conditions.—Subject to such regulations as the Board may prescribe, subsections (b), (c), and (e) of section 603 shall not apply to funds deposited by check in any receiving depository institution in the case of—

(1) any interruption of communication facilities;

(2) suspension of payments by another depository institution;

(3) any war; or

(4) any emergency condition beyond the control of the receiving depository institution,

if the receiving depository institution exercises such diligence as the circumstances require.

(e) Prevention of Fraud Losses.—

(1) In general.—The Board may, by regulation or order, suspend the applicability of this title, or any portion thereof, to any classification of checks if the Board determines that—

(A) depository institutions are experiencing an unacceptable level of losses due to check-related fraud, and

(B) suspension of this title, or such portion of this title, with regard to the classification of checks involved in such fraud is necessary to diminish the volume of such fraud.

(2) Sunset provision.—No regulation prescribed or order issued under paragraph (1) shall remain in effect for more than 45 days (excluding Saturdays, Sundays, legal holidays, or any day either House of Congress is not in session).

(3) Report to congress.—

(A) Notice of each suspension.—Within 10 days of prescribing any regulation or issuing any order under paragraph (1), the Board shall transmit a report of such action to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate.

(B) Contents of report.—Each report under subparagraph (A) shall contain—

(i) the specific reason for prescribing the regulation or issuing the order;

(ii) evidence considered by the Board in making the determination under paragraph (1) with respect to such regulation or order; and

(iii) specific examples of the check-related fraud giving rise to such regulation or order.

(f) Notice of Exception; Availability Within Reasonable Time.—

(1) In general.—If any exception contained in this section (other than subsection (a)) applies with respect to funds deposited in an account at a depository institution—

(A) the depository institution shall provide notice in the manner provided in paragraph (2) of—

(i) the day the funds shall be made available for withdrawal; and

(ii) the reason the exception was invoked; and

(B) except where other time periods are specifically provided in this title, the availability of the funds deposited shall be governed by the policy of the receiving depository institution, but shall not exceed a reasonable period of time as determined by the Board.

(2) Time for notice.—The notice required under paragraph (1)(A) with respect to a deposit to which an exception contained in this section applies shall be made by the time provided in the following subparagraphs:

(A) In the case of a deposit made in person by the depositor at the receiving depository institution, the depository institution shall immediately provide such notice in writing to the depositor.

(B) In the case of any other deposit (other than a deposit described in subparagraph (C)), the receiving depository institution shall mail the notice to the depositor not later than the close of the next business day following the business day on which the deposit is received.

(C) In the case of a deposit to which subsection (d) or (e) applies, notice shall be provided by the depository institution in accordance with regulations of the Board.

(3) Subsequent determinations.—If the facts upon which the determination of the applicability of an exception contained in subsection (b) or (c) to any deposit only become known to the receiving depository institution after the time notice is required under paragraph (2) with respect to such deposit, the depository institution shall mail such notice to the depositor as soon as practicable, but not later than the first business day following the day such facts become known to the depository institution.

SEC. 605. DISCLOSURE OF FUNDS AVAILABILITY POLICIES.

(a) Notice for New Accounts.—Before an account is opened at a depository institution, the depository institution shall provide written notice to the potential customer of the specific policy of such depository institution with respect to when a customer may withdraw funds deposited into the customer's account.

(b) Preprinted Deposit Slips.—All preprinted deposit slips that a depository institution furnishes to its customers shall contain a summary notice, as prescribed by the Board in regulations, that deposited items may not be available for immediate withdrawal.

(c) Mailing of Notice.—

(1) First mailing after enactment.—In the first regularly scheduled mailing to customers occurring after the effective date of this section, but not more than 60 days after such effective date, each depository institution shall send a written notice containing the specific policy of such depository institution with respect to when a customer may withdraw funds deposited into such customer's account, unless the depository institution has provided a disclosure which meets the requirements of this section before such effective date.

(2) Subsequent changes.—A depository institution shall send a written notice to customers at least 30 days before implementing any change to the depository institution's policy with respect to when customers may withdraw funds deposited into consumer accounts, except that any change which expedites the availability of such funds shall be disclosed not later than 30 days after implementation.

(3) Upon request.—Upon the request of any person, a depository institution shall provide or send such person a written notice containing the specific policy of such depository institution with respect to when a customer may withdraw funds deposited into a customer's account.

(d) Posting of Notice.—

(1) Specific notice at manned teller stations.—Each depository institution shall post, in a conspicuous place in each location where deposits are accepted by individuals employed by such depository institution, a specific notice which describes the time periods applicable to the availability of funds deposited in a consumer account.

(2) General notice at automated teller machines.—In the case of any automated teller machine at which any funds are received for deposit in an account at any depository institution, the Board shall prescribe, by regulations, that the owner or operator of such automated teller machine shall post or provide a general notice that funds deposited in such machine may not be immediately available for withdrawal.

(e) Notice of Interest Payment Policy.—If a depository institution described in section 606(b) begins the accrual of interest or dividends at a later date than the date described in section 606(a) with respect to all funds, including cash, deposited in an interest-bearing account at such depository institution, any notice required to be provided under subsections (a) and (c) shall contain a written description of the time at which such depository institution begins to accrue interest or dividends on such funds.

(f) Model Disclosure Forms.—

(1) Prepared by board.—The Board shall publish model disclosure forms and clauses for common transactions to facilitate compliance with the disclosure requirements of this section and to aid customers by utilizing readily understandable language.

(2) Use of forms to achieve compliance.—A depository institution shall be deemed to be in compliance with the requirements of this section if such institution—

(A) uses any appropriate model form or clause as published by the Board, or

(B) uses any such model form or clause and changes such form or clause by—

(i) deleting any information which is not required by this title; or

(ii) rearranging the format.

(3) Voluntary use.—Nothing in this title requires the use of any such model form or clause prescribed by the Board under this subsection.

(4) Notice and comment.—Model disclosure forms and clauses shall be adopted by the Board only after notice duly given in the Federal Register and an opportunity for public comment in accordance with section 553 of title 5, United States Code.

SEC. 606. PAYMENT OF INTEREST.

(a) In General.—Except as provided in subsection (b) or (c) and notwithstanding any other provision of law, interest shall accrue on funds deposited in an interest-bearing account at a depository institution beginning not later than the business day on which the depository institution receives provisional credit for such funds.

(b) Special Rule for Credit Unions.—Subsection (a) shall not apply to an account at a depository institution described in section 19(b)(1)(A)(iv) of the Federal Reserve Act if the depository institution—

(1) begins the accrual of interest or dividends at a later date than the date described in subsection (a) with respect to all funds, including cash, deposited in such account; and

(2) provides notice of the interest payment policy in the manner required under section 605(e).

(c) Exception for Checks Returned Unpaid.—No provision of this title shall be construed as requiring the payment of interest or dividends on funds deposited by a check which is returned unpaid.

SEC. 607. MISCELLANEOUS PROVISIONS.

(a) After-Hours Deposits.—For purposes of this title, any deposit which is made on a Saturday, Sunday, legal holiday, or after the close of business on any business day shall be deemed to have been made on the next business day.

(b) Availability at Start of Business Day.—Except as provided in subsections (b)(3) and (c)(1)(B) of section 603, if any provision of this title requires that funds be available for withdrawal on any business day, such funds shall be available for withdrawal at the start of such business day.

(c) Effect on Policies of Depository Institutions.—No provision of this title shall be construed as—

(1) prohibiting a depository institution from making funds available for withdrawal in a shorter period of time than the period of time required by this title; or

(2) affecting a depository institution's right—

(A) to accept or reject a check for deposit;

(B) to revoke any provisional settlement made by the depository institution with respect to a check accepted by such institution for deposit;

(C) to charge back the depositor's account for the amount of such check; or

(D) to claim a refund of such provisional credit.

(d) Prohibition on Freezing Certain Funds in an Account.—In any case in which a check is deposited in an account at a depository institution and the funds represented by such check are not yet available for withdrawal pursuant to this title, the depository institution may not freeze any other funds in such account (which are otherwise available for withdrawal pursuant to this title) solely because the funds so deposited are not yet available for withdrawal.

(e) Employee Training on and Compliance With the Requirements of this Title.—Each depository institution shall—

(1) take such actions as may be necessary fully to inform each employee (who performs duties subject to the requirements of this title) of the requirements of this title; and

(2) establish and maintain procedures reasonably designed to assure and monitor employee compliance with such requirements.

SEC. 608. EFFECT ON STATE LAW.

(a) In General.—Any law or regulation of any State in effect on September 1, 1989, which requires that funds deposited or received for deposit in an account at a depository institution chartered by such State be made available for withdrawal in a shorter period of time than the period of time provided in this title or in regulations prescribed by the Board under this title (as in effect on September 1, 1989) shall—

(1) supersede the provisions of this title and any regulations by the Board to the extent such provisions relate to the time by which funds deposited or received for deposit in an account shall be available for withdrawal; and

(2) apply to all federally insured depository institutions located within such State.

(b) Override of Certain State Laws.—Except as provided in subsection (a), this title and regulations prescribed under this title shall supersede any provision of the law of any State, including the Uniform Commercial Code as in effect in such State, which is inconsistent with this title or such regulations.

SEC. 609. REGULATIONS AND REPORTS BY BOARD.

(a) In General.—After notice and opportunity to submit comment in accordance with section 553(c) of title 5, United States Code, the Board shall prescribe regulations—

(1) to carry out the provisions of this title;

(2) to prevent the circumvention or evasion of such provisions; and

(3) to facilitate compliance with such provisions.

(b) Regulations Relating To Improvement of Check Processing System.—In order to improve the check processing system, the Board shall consider (among other proposals) requiring, by regulation, that—

(1) depository institutions be charged based upon notification that a check or similar instrument will be presented for payment;

(2) the Federal Reserve banks and depository institutions provide for check truncation;

(3) depository institutions be provided incentives to return items promptly to the depository institution of first deposit;

(4) the Federal Reserve banks and depository institutions take such actions as are necessary to automate the process of returning unpaid checks,

(5) each depository institution and Federal Reserve bank—

(A) place its endorsement, and other notations specified in regulations of the Board, on checks in the positions specified in such regulations; and

(B) take such actions as are necessary to—

(i) automate the process of reading endorsements; and

(ii) eliminate unnecessary endorsements;

(6) within one business day after an originating depository institution is presented a check (for more than such minimum amount as the Board may prescribe)—

(A) such originating depository institution determine whether it will pay such check; and

(B) if such originating depository institution determines that it will not pay such check, such originating depository institution directly notify the receiving depository institution of such determination;

(7) regardless of where a check is cleared initially, all returned checks be eligible to be returned through the Federal Reserve System;

(8) Federal Reserve banks and depository institutions participate in the development and implementation of an electronic clearinghouse process to the extent the Board determines, pursuant to the study under subsection (f), that such a process is feasible; and

(9) originating depository institutions be permitted to return unpaid checks directly to, and obtain reimbursement for such checks directly from, the receiving depository institution.

(c) Regulatory Responsibility of Board for Payment System.—

(1) Responsibility for payment system.—In order to carry out the provisions of this title, the Board of Governors of the Federal Reserve System shall have the responsibility to regulate—

(A) any aspect of the payment system, including the receipt, payment, collection, or clearing of checks; and

(B) any related function of the payment system with respect to checks.

(2) Regulations.—The Board shall prescribe such regulations as it may determine to be appropriate to carry out its responsibility under paragraph (1).

(d) Reports.—

(1) Implementation progress reports.—

(A) Required reports.—The Board shall transmit a report to both Houses of the Congress not later than 18, 30, and 48 months after the date of the enactment of this title.

(B) Contents of report.—Each such report shall describe—

(i) the actions taken and progress made by the Board to implement the schedules established in section 603, and

(ii) the impact of this title on consumers and depository institutions.

(2) Evaluation of temporary schedule report.—

(A) Report required.—The Board shall transmit a report to both Houses of the Congress not later than 2 years after the date of the enactment of this title regarding the effects the temporary schedule established under section 603(c) have had on depository institutions and the public.

(B) Contents of report.—Such report shall also assess the potential impact the implementation of the schedule established in section 603(b) will have on depository institutions and the public, including an estimate of the risks to and losses of depository institutions and the benefits to consumers. Such report shall also contain such recommendations for legislative or administrative action as the Board may determine to be necessary.

(3) Comptroller General evaluation report.—Not later than 6 months after section 603(b) takes effect, the Comptroller General of the United States shall transmit a report to the Congress evaluating the implementation and administration of this title.

(e) Consultation.—In prescribing regulations under subsections (a) and (b), the Board shall consult with the Comptroller of the Currency, the Board of Directors of the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, and the National Credit Union Administration Board.

(f) Electronic Clearinghouse Study.—

(1) Study required.—The Board shall study the feasibility of modernizing and accelerating the check payment system

through the development of an electronic clearinghouse process utilizing existing telecommunications technology to avoid the necessity of actual presentment of the paper instrument to a payor institution before such institution is charged for the item.

(2) CONSULTATION; FACTORS TO BE STUDIED.—In connection with the study required under paragraph (1), the Board shall—

(A) consult with appropriate experts in telecommunications technology; and

(B) consider all practical and legal impediments to the development of an electronic clearinghouse process.

(3) REPORT REQUIRED.—The Board shall report its conclusions to the Congress within 9 months of the date of the enactment of this title.

SEC. 610. ADMINISTRATIVE ENFORCEMENT.

(a) ADMINISTRATIVE ENFORCEMENT.—Compliance with the requirements imposed under this title, including regulations prescribed by and orders issued by the Board of Governors of the Federal Reserve System under this title, shall be enforced under—

(1) section 8 of the Federal Deposit Insurance Act in the case of—

(A) national banks, by the Comptroller of the Currency;

(B) member banks of the Federal Reserve System (other than national banks), by the Board of Governors of the Federal Reserve System; and

(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System), by the Board of Directors of the Federal Deposit Insurance Corporation;

(2) section 5(d) of the Home Owners' Loan Act of 1933, section 407 of the National Housing Act, and section 17 of the Federal Home Loan Bank Act, by the Federal Home Loan Bank Board (acting directly or through the Federal Savings and Loan Insurance Corporation), in the case of any institution subject to any of those provisions; and

(3) the Federal Credit Union Act, by the National Credit Union Administration Board with respect to any Federal credit union or insured credit union.

(b) ADDITIONAL POWERS.—

(1) VIOLATION OF THIS TITLE TREATED AS VIOLATION OF OTHER ACTS.—For purposes of the exercise by any agency referred to in subsection (a) of this section of its powers under any Act referred to in that subsection, a violation of any requirement imposed under this title shall be deemed to be a violation of a requirement imposed under that Act.

(2) ENFORCEMENT AUTHORITY UNDER OTHER ACTS.—In addition to its powers under any provision of law specifically referred to in subsection (a) of this section, each of the agencies referred to in such subsection may exercise, for purposes of enforcing compliance with any requirement imposed under this title, any other authority conferred on it by law.

(c) ENFORCEMENT BY THE BOARD.—

(1) IN GENERAL.—Except to the extent that enforcement of the requirements imposed under this title is specifically committed to some other Government agency under subsection (a) of this section, the Board of Governors of the Federal Reserve System shall enforce such requirements.

(2) ADDITIONAL REMEDY.—If the Board determines that—

(A) any depository institution which is not a depository institution described in subsection (a), or

(B) any other person subject to the authority of the Board under this title, including any person subject to the authority of the Board under section 605(d)(2) or 609(c),

has failed to comply with any requirement imposed by this title or by the Board under this title, the Board may issue an order prohibiting any depository institution, any Federal Reserve bank, or any other person subject to the authority of the Board from engaging in any activity or transaction which directly or indirectly involves such noncomplying depository institution or person (including any activity or transaction involving the receipt, payment, collection, and clearing of checks and any related function of the payment system with respect to checks).

(d) PROCEDURAL RULES.—The authority of the Board to prescribe regulations under this title does not impair the authority of any other agency designated in this section to make rules regarding its own procedures in enforcing compliance with requirements imposed under this title.

SEC. 611. CIVIL LIABILITY.

(a) CIVIL LIABILITY.—Except as otherwise provided in this section, any depository institution which fails to comply with any requirement imposed under this title or any regulation prescribed under this title with respect to any person other than another depository institution is liable to such person in an amount equal to the sum of—

(1) any actual damage sustained by such person as a result of the failure;

(2)(A) in the case of an individual action, such additional amount as the court may allow, except that the liability under this subparagraph shall not be less than $100 nor greater than $1,000; or

(B) in the case of a class action, such amount as the court may allow, except that—

(i) as to each member of the class, no minimum recovery shall be applicable; and

(ii) the total recovery under this subparagraph in any class action or series of class actions arising out of the same failure to comply by the same depository institution shall not be more than the lesser of $500,000 or 1 percent of the net worth of the depository institution involved; and

(3) in the case of any successful action to enforce the foregoing liability, the costs of the action, together with a reasonable attorney's fee as determined by the court.

(b) CLASS ACTION AWARDS.—In determining the amount of any award in any class action, the court shall consider, among other relevant factors—

(1) the amount of any actual damages awarded;

(2) the frequency and persistence of failures of compliance;

(3) the resources of the depository institution;

(4) the number of persons adversely affected; and

(5) the extent to which the failure of compliance was intentional.

(c) BONA FIDE ERRORS.—

(1) GENERAL RULE.—A depository institution may not be held liable in any action brought under this section for a violation of this title if the depository institution demonstrates by a preponderance of the evidence that the violation was not intentional and resulted from a bona fide error, notwithstanding the maintenance of procedures reasonably adapted to avoid any such error.

(2) EXAMPLES.—Examples of a bona fide error include clerical, calculation, computer malfunction and programming, and printing errors, except that an error of legal judgment with respect to a depository institution's obligation under this title is not a bona fide error.

(d) JURISDICTION.—Any action under this section may be brought in any United States district court, or in any other court of competent jurisdiction, within one year after the date of the occurrence of the violation involved.

(e) RELIANCE ON BOARD RULINGS.—No provision of this section imposing any liability shall apply to any act done or omitted in good faith in conformity with any rule, regulation, or interpretation thereof by the Board of Governors of the Federal Reserve System, notwithstanding the fact that after such act or omission has occurred, such rule, regulation, or interpretation is amended, rescinded, or determined by judicial or other authority to be invalid for any reason.

(f) AUTHORITY TO ESTABLISH RULES REGARDING LOSSES AND LIABILITY AMONG DEPOSITORY INSTITUTIONS.—The Board is authorized to impose on or allocate among depository institutions the risks of loss and liability in connection with any aspect of the payment system, including the receipt, payment, collection, or clearing of checks, and any related function of the payment system with respect to checks. Liability under this subsection shall not exceed the amount of the check giving rise to the loss or liability, and, where there is bad faith, other damages, if any, suffered as a proximate consequence of any act or omission giving rise to the loss or liability.

SEC. 612. PARITY IN CLEARING.

(a) IN GENERAL.—Section 11A of the Federal Reserve Act (12 U.S.C. 248a) is amended by adding at the end thereof the following:

"(e) All depository institutions, as defined in section 19(b)(1) (12 U.S.C. 461(b)(1)), may receive for deposit and as deposits any evidences of transaction accounts, as defined by section 19(b)(1) (12 U.S.C. 461(b)(1)) from other depository institutions, as defined in section 19(b)(1) (12 U.S.C. 461(b)(1)) or from any office of any Federal Reserve bank without regard to any Federal or State law restricting the number or the physical location or locations of such depository institutions.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of enactment of this title.

SEC. 613. EFFECTIVE DATES.

(a) DATE OF ENACTMENT.—Except as provided in subsection (b), this title shall take effect on the date of the enactment of this title.

(b) 1 YEAR AFTER DATE OF ENACTMENT.—Sections 603, 604, 605, 606, 610, and 611 shall take effect on September 1, 1988.

TITLE VII—CREDIT UNION AMENDMENTS

SEC. 701. SHORT TITLE.

This title may be cited as the "Credit Union Amendments of 1987".

SEC. 702. SECOND MORTGAGE AND HOME IMPROVEMENT LOANS.

Section 107(5)(A)(ii) of the Federal Credit Union Act (12 U.S.C. 1757(5)(A)(ii)) is amended by striking out "fifteen years" and all that follows and inserting in lieu thereof "15 years or any longer term which the Board may allow;".

SEC. 703. OWNERSHIP INTEREST.

Section 107(6) of the Federal Credit Union Act (12 U.S.C. 1757(6)) is amended by inserting ", representing equity," after "payments".

SEC. 704. FAITHFUL PERFORMANCE.

(a) FINANCIAL OFFICER.—Section 112 of the Federal Credit Union Act (12 U.S.C. 1761a) is amended by striking out the third sentence and inserting in lieu thereof the following: "The board shall elect from their number a financial officer who shall give adequate fidelity coverage in accordance with section 113(2) of this Act.".

(b) ADEQUATE FIDELITY COVERAGE.—Section 113 of the Federal Credit Union Act (12 U.S.C. 1761b) is amended by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) provide adequate fidelity coverage for officers and employees having custody of or handling funds according to regulations issued by the Board;".

SEC. 705. MEMBERSHIP OFFICERS.

Section 113(1) of the Federal Credit Union Act (12 U.S.C. 1761b(1)) is amended by striking out "of the board of directors" and inserting in lieu thereof "of the credit union".

SEC. 706. NONPARTICIPATION.

Section 118 of the Federal Credit Union Act (12 U.S.C. 1764) is amended—

(1) by striking out "Subject to" in subsection (a) and inserting in lieu thereof "Except as provided in"; and

(2) by inserting "and enforce" after "adopt" in subsection (b).

SEC. 707. PROPERTY ACQUISITION FLEXIBILITY.

Section 120(i)(2) of the Federal Credit Union Act (12 U.S.C. 1766(i)(2)) is amended—

(1) by inserting after "reimbursement," the following: "acquire and dispose of, by lease or purchase, real or personal property, without regard to the provisions of any other law applicable to executive or independent agencies of the United States,"; and

(2) by inserting after "this Act" the following: ", in accordance with the rules and regulations or policies established by the Board not inconsistent with this Act".

SEC. 708. TREATMENT OF NCUAB FUNDS.

Title I of the Federal Credit Union Act is amended by adding at the end thereof the following:

"SEC. 129. TRUST FUND.

"Notwithstanding any other provision of law, all moneys of the Board shall be treated as trust funds for the purpose of section 256(a)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985. This section is effective for fiscal year 1986 and every fiscal year thereafter.".

SEC. 709. TECHNICAL AND CLARIFYING AMENDMENTS; REMOVAL AND PROHIBITION AUTHORITY.

Section 206(g) of the Federal Credit Union Act (12 U.S.C. 1786(g)) is amended—

(1) in paragraph (1), by striking out "director, officer, or committee member" each time it appears and inserting in lieu thereof "director, officer, committee member, or employee";

(2) in paragraph (2), by striking out "director, officer, or committee member" each place it appears and inserting in lieu thereof "director, officer, committee member, or employee";

(3) in paragraph (2), by striking out "any other person" and inserting in lieu thereof "any agent or other person"; and

(4) in paragraph (2), by inserting "employee, agent," before "or other person".

SEC. 710. EFFECT OF REMOVAL OR SUSPENSION.

Section 206(g) of the Federal Credit Union Act (12 U.S.C. 1786(g)) is amended by adding at the end thereof the following:

"(7)(A) Any person who, pursuant to this subsection, is removed, suspended, or prohibited from participation in the conduct of the affairs of an insured credit union shall also be removed, suspended, or prohibited from participation in the conduct of the affairs of any insured institution, any bank holding company or subsidiary of a bank holding company, any organization organized and operated under section 25(a) of the Federal Reserve Act or operating under section 25 of the Federal Reserve Act, and any savings and loan holding company or subsidiary of a savings and loan holding company (as those terms are defined in the National Housing Act), and any institution chartered by and subject to regulation by the Farm Credit Administration without the prior written approval of the appropriate Federal regulatory agency.

"(B) As used in subsection (g), the term 'insured institution' means an insured credit union or a depository institution whose accounts are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation.".

SEC. 711. IMPOSITION OF CONSERVATORSHIP.

Section 206(h)(1) of the Federal Credit Union Act (12 U.S.C. 1786(h)(1)) is amended—

(1) by striking out "or" at the end of subparagraph (A);

(2) by striking out the period at the end of subparagraph (B) and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following:

"(C) there is a willful violation of a cease-and-desist order which has become final; or

"(D) there is concealment of books, papers, records, or assets of the credit union or refusal to submit books, papers, records, or affairs of the credit union for inspection to any examiner or to any lawful agent of the Board.".

SEC. 712. REDUCTION IN STATE COMMENT WAITING PERIOD.

Section 206(h)(2)(B) of the Federal Credit Union Act (12 U.S.C. 1786(h)(2)(B)) is amended by striking out "ninety" and inserting in lieu thereof "30".

SEC. 713. AUTHORITY AS CONSERVATOR.

Section 206(h) of the Federal Credit Union Act (12 U.S.C. 1786(h)) is amended—

(1) by redesignating paragraph (8) as paragraph (9); and

(2) by inserting after paragraph (7) the following:

"(8) The conservator shall have all the powers of the members, the directors, the officers, and the committees of the credit union and shall be authorized to operate the credit union in its own name or to conserve its assets in the manner and to the extent authorized by the Board.".

SEC. 714. LIQUIDATION PROCEEDINGS.

(a) APPLICATION FOR SHOW CAUSE ORDER.—Section 207(a)(1) of the Federal Credit Union Act (12 U.S.C. 1787(a)(1)) is amended—

(1) by inserting "(A)" after "(1)"; and

(2) by adding at the end thereof the following:

"(B) Not later than 10 days after the date on which the Board closes a credit union for liquidation pursuant to paragraph (1), or accepts appointment as liquidating agent pursuant to subsection (b), such insured credit union may apply to the United States district court for the judicial district in which the principal office of such insured credit union is located or the United States District Court for the District of Columbia, for an order requiring the Board to show cause why it should not be prohibited from continuing such liquidation. Except as otherwise provided in this subparagraph, no court may take any action for or toward the removal of any liquidating agent or, except at the instance of the Board, restrain or affect the exercise of powers or functions of a liquidating agent.".

(b) LIQUIDATIONS SUBJECT TO REGULATION OF THE BOARD.—Section 208(c) of the Federal Credit Union Act (12 U.S.C. 1788(c)) is redesignated as subsection (j) of section 207 (12 U.S.C. 1787) and is amended by striking out "subject to the regulation of the court or other public body having jurisdiction over the matter" and inserting in lieu thereof "subject only to the regulation of the Board, or, in cases where the Board has been appointed liquidating agent solely by a public authority having jurisdiction over the matter other than said Board, subject only to the regulation of such public authority".

(c) CONFORMING AMENDMENT.—Section 208(d) of the Federal Credit Union Act (12 U.S.C. 1788(d)) is redesignated as section 208(c).

SEC. 715. TRANSFER OF FTC JURISDICTION TO NCUAB.

(a) IN GENERAL.—

(1) Sections 5(a)(2) and 6(a) of the Federal Trade Commission Act (15 U.S.C. 45(a)(2) and 46(a) are amended by inserting immediately after "section 18(f)(3)," the following: "Federal credit unions described in section 18(f)(4),".

(2) Section 6(b) of the Federal trade Commission Act (15 U.S.C. 46(b)) is amended by inserting immediately after "section 18(f)(3)," the following "Federal credit unions described in section 18(f)(4),".

(b) INVESTIGATIONS OF FOREIGN TRADE CONDITIONS; REPORTS.—The second proviso in section 6 of the Federal Trade Commission Act (15 U.S.C. 46) is amended—

(1) by inserting immediately after "section 18(f)(3)," the following: "Federal credit unions described in section 18(f)(4),"; and

(2) by inserting immediately after "in business as a savings and loan institution," the following: "in business as a Federal credit union,".

(c) REGULATIONS TO BE PRESCRIBED BY NCUAB.—

(1) The second sentence of section 18(f)(1) of the Federal Trade Commission Act (15 U.S.C. 57a(f)(1)) is amended by inserting immediately after "paragraph (3))" the following: "and the National Credit Union Administration Board (with respect to Federal credit unions described in paragraph (4))".

(2) The last sentence of section 18(f)(1) of the Federal Trade Commission Act (15 U.S.C. 57a(f)(1)) is amended—

(A) by striking "either such" and inserting in lieu thereof "any such";

(B) by inserting "or Federal credit unions described in paragraph (4)," immediately after "paragraph (3)," each place it appears therein; and

(C) by inserting immediately after "with respect to banks" the following: ", savings and loan institutions or Federal credit unions".

(3) Section 18(f) of the Federal Trade Commission Act (15 U.S.C. 57a(f)) is amended by redesignating paragraphs (4), (5), and (6) as paragraphs (5), (6), and (7), respectively, and by inserting immediately after paragraph (3) the following:

"(4) Compliance with regulations prescribed under this subsection shall be enforced with respect to Federal credit unions under sections 120 and 206 of the Federal

Credit Union Act (12 U.S.C. 1766 and 1786).".

SEC. 716. ASSETS WHICH MAY BE PLEDGED.

(a) In General.—Section 121 of the Federal Credit Union Act (12 U.S.C. 1767) is amended by adding at the end thereof the following new subsection:

"(b) Any Federal credit union, upon the deposit with it of any funds by the Federal Government, an Indian tribe, or any State or local government or political subdivision thereof as otherwise authorized by this Act, is authorized to pledge any of its assets securing the payment of the funds so deposited.".

(b) Conforming Amendment.—Section 121 of the Federal Credit Union Act (12 U.S.C. 1767) is amended by striking out "Each" in the first sentence and inserting in lieu thereof "(a) Each".

TITLE VIII—LOAN LOSS AMORTIZATION

SEC. 801. LOAN LOSS AMORTIZATION FOR AGRICULTURAL BANKS.

Section 13 of the Federal Deposit Insurance Act (12 U.S.C. 1823) is amended by adding at the end thereof the following:

"(j) Loan Loss Amortization for Certain Banks.—

"(1) Eligibility.—The appropriate Federal banking agency shall permit an agricultural bank to take the actions referred to in paragraph (2) if it finds that—

"(A) there is no evidence that fraud or criminal abuse on the part of the bank led to the losses referred to in paragraph (2); and

"(B) the agricultural bank has a plan to restore its capital, not later than the close of the amortization period established under paragraph (2), to a level prescribed by the appropriate Federal banking agency.

"(2) Seven-year loss amortization.—(A) Any loss on any qualified agricultural loan that an agricultural bank would otherwise be required to show on its annual financial statement for any year between December 31, 1983, and January 1, 1992, may be amortized on its financial statements over a period of not to exceed 7 years, as provided in regulations issued by the appropriate Federal banking agency.

"(B) An agricultural bank may reappraise any real estate or other property, real or personal, that it acquired coincident to the making of a qualified agricultural loan and that it owned on January 1, 1983, and any such additional property that it acquires prior to January 1, 1992. Any loss that such bank would otherwise be required to show on its annual financial statements as the result of any such reappraisal may be amortized on its financial statements over a period of not to exceed 7 years, as provided in regulations issued by the appropriate Federal banking agency.

"(3) Regulations.—Not later than 90 days after the date of enactment of this subsection, the appropriate Federal banking agency shall issue regulations implementing this subsection with respect to banks that it supervises, including regulations implementing the capital restoration requirement of paragraph (1)(B).

"(4) Definitions.—As used in this subsection—

"(A) the term 'agricultural bank' means a bank—

"(i) the deposits of which are insured by the Federal Deposit Insurance Corporation;

"(ii) which is located in an area the economy of which is dependent on agriculture;

"(iii) which has assets of $100,000,000 or less; and

"(iv) which has—

"(I) at least 25 percent of its total loans in qualified agricultural loans; or

"(II) fewer than 25 percent of its total loans in qualified agricultural loans but which the appropriate Federal banking agency or State bank commissioner recommends to the Corporation for eligibility under this section, or which the Corporation, on its motion, deems eligible; and

"(B) the term 'qualified agricultural loan' means a loan made to finance the production of agricultural products or livestock in the United States, a loan secured by farmland or farm machinery, or such other category of loans as the appropriate Federal banking agency may deem eligible.

"(5) Maintenance of portfolio.—As a condition of eligibility under this subsection, the agricultural bank must agree to maintain in its loan portfolio a percentage of agricultural loans which is not lower than the percentage of such loans in its loan portfolio on January 1, 1986.".

TITLE IX—FULL FAITH AND CREDIT OF FEDERALLY INSURED DEPOSITORY INSTITUTIONS

SEC. 901. REAFFIRMATION OF SECURITY OF FUNDS DEPOSITED IN FEDERALLY INSURED DEPOSITORY INSTITUTIONS.

(a) Findings.—The Congress finds and declares that—

(1) since the 1930's, the American people have relied upon Federal deposit insurance to ensure the safety and security of their funds in federally insured depository institutions; and

(2) the safety security of such funds is an essential element of the American financial system.

(b) Sense of Congress.—In view of the findings and declarations contained in subsection (a), it is the sense of the Congress that it should reaffirm that deposits up to the statutorily prescribed amount in federally insured depository institutions are backed by the full faith and credit of the United States.

TITLE X—GOVERNMENT CHECKS

SEC. 1001. REPORT ON DIFFICULTY IN CASHING TREASURY CHECKS.

Not later than 6 months after the date of enactment of this Act, the Comptroller General of the United States shall conduct a study and transmit a report to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate on the extent to which individuals who receive Treasury checks have difficulty cashing such checks.

SEC. 1002. TIME LIMIT ON PAYMENT OF TREASURY CHECKS.

Section 3328 of title 31, United States Code, is amended—

(1) by striking out subsection (a) and inserting in lieu thereof the following:

"(a) Time Limit on Treasury Checks.—

"(1) In general.—Except as provided in sections 3329 and 3330 of this title—

"(A) the Secretary shall not be required to pay a Treasury check issued on or after the effective date of this section unless it is negotiated to a financial institution within 12 months after the date on which the check was issued; and

"(B) the Secretary shall not be required to pay a Treasury check issued before the effective date of this section unless it is negotiated to a financial institution within 12 months after such effective date.

"(2) Deferral pending settlement.—Notwithstanding the time limitations imposed by paragraph (1), if the Secretary is on notice of a question of law or fact about whether a Treasury check is properly payable when the check is presented for payment, the Secretary may defer payment or such check until the Comptroller General settles the question.

"(3) Nothing in this subsection shall be construed to affect the underlying obligation of the United States, or any agency thereof, for which a Treasury check was issued."; and

(2) by adding at the end thereof the following:

"(f) Authority To Decline Payment.—Nothing in this section limits the authority of the Secretary to decline payment of a Treasury check after first examination thereof at the Treasury.".

SEC. 1003. CANCELLATION OF TREASURY CHECKS.

Chapter 33 of title 31, United States Code, is amended by adding at the end of subchapter II the following new section:

"§ 3334. Cancellation and Proceeds Distribution of Treasury Checks

"(a) In General.—(1) The Secretary shall provide monthly to each agency that authorizes the issuance of Treasury checks a list of those checks issued for such agency on or after such effective date that have not been paid and have become more than 12 months old during the preceding month, beginning with the fourteenth month following the effective date of this section.

"(2) Such checks shall be canceled by the Secretary and the proceeds thereof shall be returned to the agency concerned and credited to the appropriation or fund account initially charged for the payment.

"(b) Checks Issued Before Effective Date.—(1) Not later than 18 months after the effective date of this section, the Secretary shall identify and cancel all Treasury checks issued before such effective date that have not been paid in accordance with section 3328 of this title.

"(2) The proceeds from checks canceled pursuant to paragraph (1) shall be applied to eliminate the balances in accounts that represent uncollectible accounts receivable and other costs associated with the payment of checks and check claims by the Department of the Treasury on behalf of all payment certifying agencies. Any remaining proceeds shall be deposited to the miscellaneous receipts of the Treasury.

"(c) No Effect on Underlying Obligation.—Nothing in this section shall be construed to affect the underlying obligation of the United States, or any agency thereof, for which a Treasury check was issued.".

SEC. 1004. LIMITATION ON RECLAMATION ACTIONS AND CLAIMS.

(a) In General.—Section 3712(a) of title 31, United States Code, is amended to read as follows:

"(a) Claims Over Forged or Unauthorized Endorsements.—

"(1) Period for claims.—If the Secretary of the Treasury determines that a Treasury check has been paid over a forged or unauthorized endorsement, the Secretary may reclaim the amount of such check from the presenting bank or any other endorser that has breached its guarantee of endorsements prior to—

"(A) the end of the 1-year period beginning on the date of payment; or

"(B) the expiration of the 180-day period beginning on the close of the period described in subparagraph (A) if a timely claim is received under section 3702.

"(2) Civil actions.—(A) Except as provided in subparagraph (B), the United States may bring a civil action to enforce the liability of an endorser, transferor, depository, or

fiscal agent on a forged or unauthorized signature or endorsement on, or a change in, a check or warrant issued by the Secretary of the Treasury, the United States Postal Service, or any disbursing official or agent not later than 1 year after a check or warrant is presented to the drawee for payment.

"(B) If the United States has given an endorser written notice of a claim against the endorser within the time allowed by subparagraph (A), the 1-year period for bringing a civil action on that claim under subparagraph (A) shall be extended by 3 years.

"(3) EFFECT ON AGENCY AUTHORITY.—Nothing in this subsection shall be construed to limit the authority of any agency under subchapter II of chapter 37 of this title.".

(b) CLAIMS PRESENTED TO AGENCIES.—Section 3702(c) of title 31, United States Code, is amended to read as follows:

"(c) ONE-YEAR LIMIT FOR CHECK CLAIMS.—(1) Any claim on account of a Treasury check shall be barred unless it is presented to the agency that authorized the issuance of such check within 1 year after the date of issuance of the check or the effective date of this subsection, whichever is later.

"(2) Nothing in this subsection affects the underlying obligation of the United States, or any agency thereof, for which a Treasury check was issued.".

SEC. 1005. REGULATIONS.

The Secretary of the Treasury may prescribe such rules, regulations, and procedures as the Secretary deems necessary to implement the amendments made by sections 1002, 1003, and 1004, including the recertification of Treasury checks which have been canceled or for which a claim has been asserted or barred.

SEC. 1006. EFFECTIVE DATE.

The amendments made by sections 1002, 1003, and 1004 shall become effective 6 months after the date of enactment of this Act or on such later date as the Secretary of the Treasury may prescribe in regulations.

TITLE XI—INTEREST TO CERTAIN DEPOSITORS

SEC. 1101. INTEREST TO CERTAIN DEPOSITORS.

(a) PAYMENT OF INTEREST REQUIRED.—Notwithstanding any other provision of law, the Federal Deposit Insurance Corporation shall pay interest in accordance with the requirements of subsection (b) on nonnegotiable certificates (commonly referred to as "yellow certificates") which—

(1) were issued by the Golden Pacific National Bank of New York, New York, before such bank was declared to be insolvent by the Comptroller of the Currency on June 21, 1985; and

(2) have been determined to be insured deposits (as such term is defined in section 3(m)(1) of the Federal Deposit Insurance Act) in any judicial action or agency proceeding.

(b) COMPUTATION OF INTEREST.—Interest required to be paid under subsection (a) with respect to any certificate described in such subsection shall be computed—

(1) on the principal amount of that portion of such certificate which was determined to be an insured deposit;

(2) at the statutory rate of interest in effect under the law of the State of New York; and

(3) for the period beginning on June 21, 1985, and ending on the date on which the holder of such certificate, or the holder's representative, receives the payment of deposit insurance on account of such certificate from the Federal Deposit Insurance Corporation.

TITLE XII—MISCELLANEOUS PROVISIONS

SEC. 1201. HIGH YIELD BOND STUDY.

(a) IN GENERAL.—The Comptroller General, in consultation with the Securities and Exchange Commission, the Federal Home Loan Bank Board, the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Savings and Loan Insurance Corporation, the Federal Deposit Insurance Corporation, the Secretary of the Treasury, and the Secretary of Labor shall study on a comparative basis to other types of investments made by federally insured institutions the issuance of and investment in high yield, noninvestment grade bonds during the 5 years prior to the date of enactment of this Act, including—

(1) the identity and rating (as determined by Moody's, Standard and Poor's, or other nationally recognized bond rating house) of the issuers of these bonds;

(2) the identity of the major purchasers of these bonds, including but not limited to federally insured depository institutions;

(3) the percentage of the total amount of high yield, noninvestment grade bonds that are issued as a method of financing corporate takeovers;

(4) the identity of the purchasers including, but not limited to, federally insured depository institutions that invest in high yield, noninvestment grade bonds that are issued as a method of financing corporate takeovers;

(5) the purposes for which high yield, noninvestment grade bonds are issued other than for financing corporate takeovers;

(6) a summary and analysis of the adequacy of current State and Federal laws that regulate investment in high yield, noninvestment grade bonds, by investors including, but not limited to, federally insured depository institutions and pension funds; and

(7) a review of the impact of the issuance of and investment in high yield, noninvestment grade bonds upon corporate debt as it relates to Federal monetary policy.

(b) OTHER TYPES OF DIRECT INVESTMENT.—In preparing this study, the Comptroller General, in consultation with the aforementioned Federal agencies, shall also examine all other types of direct investments made by Federally insured institutions and the effect these investments have had on Federal insurance funds.

(c) PUBLIC HEARING.—In addition to the collection of information through surveys, public document review, interviews, and other information-gathering methods, at least one joint public hearing shall be held during the course of conducting the study.

(d) REPORTING DATE.—The Comptroller General shall transmit a report containing the results of the study under this section to the Congress not later than 6 months after the date of enactment of this Act.

SEC. 1202. STUDY OF COMPETITIVE ISSUES IN THE PAYMENTS MECHANISM.

(a) IN GENERAL.—The Comptroller General, in coordination and consultation with the Board of Governors of the Federal Reserve System, shall conduct a study of—

(1) the Federal Reserve System's exemption from the imposition of presentment fees;

(2) the impact of the imposition of presentment fees on the efficiency of the check collection system; and

(3) whether the Federal Reserve System requires check clearinghouses to provide services to Federal Reserve banks and whether Federal Reserve banks should pay check clearinghouses for any such services.

(b) REPORTING DATE.—The Comptroller General shall submit its report to Congress not later than 6 months after the date of enactment of this Act.

SEC. 1203. STUDY AND REPORTS CONCERNING DIRECT INVESTMENTS.

(a) STUDY REQUIRED.—The Federal Home Loan Bank Board shall conduct a study of the effect of direct investment activities on insured institutions, including comparative analyses of the effect of direct investment activities on—

(1) different sized insured institutions;

(2) State chartered insured institutions;

(3) federally chartered insured institutions; and

(4) insured institutions in each of the Supervisory Examinations Rating Classifications.

(b) REPORT REQUIRED.—Not later than 18 months after the date of enactment of this Act, the Federal Home Loan Bank Board shall submit to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate, a report containing the findings and conclusions of the Board with respect to the study required under subsection (a), including—

(1) the findings and conclusions of the Board concerning the losses to the insurance fund and the degree to which such losses were the result of direct investment activities with respect to each of the classes of institutions described in subsection (a); and

(2) a comparison of the effects of direct investment activities prior to April 16, 1987, and the effect of such activities on or after April 16, 1987, for each of the classes of institutions described in subsection (a) and the losses to the insurance fund as a result of such activities.

(c) PRIOR REPORTS TO CONGRESS ON CHANGES TO DIRECT INVESTMENT REGULATIONS.—

(1) IN GENERAL.—Not less than 90 days before final approval is given by the Federal Home Loan Bank Board to any regulation which repeals or modifies (or has the effect of repealing or modifying) any regulation limiting direct investment activities, the Board shall submit to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a report describing the proposed regulation and the reasons for the proposed regulation, including the effect of such regulation on the insurance fund.

(2) PROSPECTIVE APPLICATION OF RULE.—Paragraph (1) shall not apply with respect to Board Resolution Numbered 87-215 and Board Resolution Numbered 87-215A.

(d) DIRECT INVESTMENT ACTIVITY DEFINED.—For purposes of this section, the term "direct investment activities" means activities which are limited under Board Resolution Numbered 87-215 and Board Resolution Numbered 87-215A.

SEC. 1204. ADJUSTABLE RATE MORTGAGE CAPS.

(a) IN GENERAL.—Any adjustable rate mortgage loan originated by a creditor shall include a limitation on the maximum interest rate that may apply during the term of the mortgage loan.

(b) REGULATIONS.—The Board of Governors of the Federal Reserve System shall prescribe regulations to carry out the purposes of this section.

(c) ENFORCEMENT.—Any violation of this section shall be treated as a violation of the Truth in Lending Act and shall be subject to

administrative enforcement under section 108 or civil damages under section 130 of such Act, or both.

(d) DEFINITIONS.—For the purpose of this section—

(1) the term "creditor" means a person who regularly extends credit for personal, family, or household purposes; and

(2) the term "adjustable rate mortgage loan" means any loan secured by a lien on a one- to four-family dwelling unit, including a condominium unit, cooperative housing unit, or mobile home, where the loan is made pursuant to an agreement under which the creditor may, from time to time, adjust the rate of interest.

(e) EFFECTIVE DATE.—This section shall take effect upon the expiration of 120 days after the date of enactment of this Act.

SEC. 1205. SEPARABILITY OF PROVISIONS.

If any provision of this Act or the application thereof to any person or circumstances is held invalid, the remainder of the Act and the application of the provision to other persons not similarly situated or to other circumstances shall not be affected thereby.

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same.

FERNARD J. ST GERMAIN,
FRANK ANNUNZIO,
CARROLL HUBBARD,
DOUG BARNARD, JR.,
MARY ROSE OAKAR,
BRUCE F. VENTO,
CHARLES SCHUMER,
RICHARD H. LEHMAN,
BUDDY ROEMER,
MARCY KAPTUR,
BILL NELSON,
CHALMERS P. WYLIE,
JIM LEACH,
STAN PARRIS,
GEORGE C. WORTLEY,
BILL MCCOLLUM,

As additional conferees only for consideration of title I of the House bill and title III of the Senate amendment:

STEVE NEAL,
STEVE BARTLETT,
Managers on the Part of the House.

BILL PROXMIRE,
ALAN CRANSTON,
DON RIEGLE,
PAUL SARBANES,
CHRISTOPHER J. DODD,
ALAN J. DIXON,
JAKE GARN,
JOHN HEINZ,
ALFONSE D'AMATO,
PHIL GRAMM,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 27) to facilitate the provision of additional financial resources to the Federal Savings and Loan Insurance Corporation and, for purposes of strengthening the reserves of the Corporation, to establish a forbearance program for thrift institutions and to provide additional congressional oversight of the Federal Home Loan Bank Board and the Federal home loan bank system, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment to the text of the bill struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

TITLE I—COMPETITIVE EQUALITY AMENDMENTS

Conferees' Note: Many of the provisions contained in Title I of this Act were reported out by the House Committee on Banking, Finance and Urban Affairs in the 98th and 99th Congresses. Issues covered by the House Banking Committee which are similar to Title I include, among other things, the closing of the nonbank bank loophole, extension of certain sections of the Glass-Steagall Act to nonmember insured banks and thrifts, anti-tying and cross-marketing provisions, and a qualified thrift lender test. The bills considered by the House Banking Committee were H.R. 5734 and H.R. 5916 (98th Congress) and H.R. 20 (99th Congress).

SECTION 101—AMENDMENTS TO THE BANK HOLDING COMPANY ACT OF 1956

SECTION 101(a)—CLOSING THE NONBANK BANK LOOPHOLE

The Senate amendment closes the nonbank bank loophole in the Bank Holding Company Act by redefining the term "bank". The Act currently defines a bank as an institution that meets a two-part test: it must both accept deposits that the depositor has a legal right to withdraw on demand and be engaged in the business of making commercial loans.

The Senate amendment redefines the term "bank" to include an FDIC-insured institution whether or not it accepts demand deposits or makes commercial loans. The new definition also includes non-FDIC insured institutions that both accept demand deposits or transaction accounts and are engaged in the business of making commercial loans. Thus the bill would not cover as a bank an uninsured institution that did not, for example, offer demand deposit or transaction accounts, or one that offered such accounts but did not engage in the business of making commercial loans.

The Senate amendment maintains the express exclusions from the definition of "bank" found in current law for FSLIC-insured or federally chartered thrift institutions and certain institutions operating outside of the United States. In addition, the amendment provides further limited exceptions for credit unions, credit card banks, certain trust companies, and certain industrial banks, industrial loan companies and other similar institutions.

The House bill contains no similar provision. The House recedes to the Senate with amendments as specified below, which the Senate accepts.

TRUST COMPANY EXEMPTION

SECTION 2(C)(2)(D) OF BANK HOLDING COMPANY ACT

Under the Senate amendment, in order to qualify for exclusion from the definition of "bank," a trust company must function solely in a bona fide trust or fiduciary capacity. The Senate amendment clarifies that a trust company acting in such a bona fide trust or fiduciary capacity must comply with the following restrictions:

(1) it must receive all or substantially all of its deposits as trust funds;

(2) it may not permit its insured deposits to be offered or marketed by or through an affiliate;

(3) it may not accept demand deposits or transaction accounts or make commercial loans; and

(4) it may not obtain payment or payment-related services from the Federal Reserve or exercise most discount or borrowing privileges with the Federal Reserve.

The term "trust or fiduciary capacity" used in the trust company exclusion includes serving as trustee, executor, custodian, administrator, registrar of stocks and bonds, guardian of estates, or committee of estates of incompetents.

The House bill contains no similar exemption. The House recedes to the Senate with an amendment, which the Senate accepts. The House amendment adds an additional exemption for Investors Fiduciary Trust Company (IFTC), an institution controlled by certain diversified companies. IFTC was engaged in lawful trust, fiduciary, and agency activities as of March 5, 1987, but would have been precluded from engaging in some of those activities under the Senate provision.

The House amendment permits IFTC to continue deposit-taking activities in which it was lawfully engaged on March 5, 1987, in connection with its trust, fiduciary, and agency activities. The amendment prohibits IFTC from accepting any demand deposits other than those maintained in a trust, fiduciary, or agency capacity and further prohibits IFTC from being in the business of making commercial loans. The latter prohibition is not intended to prevent IFTC from making normal and customary advances in a trust or fiduciary capacity, such as advancing funds for the payment of distributions by unit investment trusts for which it serves as trustee.

CREDIT CARD BANK EXEMPTION

SECTION 2(C)(2)(F) OF BANK HOLDING COMPANY ACT

Under the Senate amendment, in order to qualify for the exemption from the definition of "bank", a credit card bank may engage only in credit card operations, and may not accept demand deposits or transaction accounts, accept time deposits in amounts less than $100,000, engage in the business of making commercial loans, or maintain more than one office that accepts deposits.

The word "office" is not defined in the Senate amendment. The purpose of limiting a credit card bank to one office is to prohibit it from having deposit-taking offices throughout a State or nationally. A credit card bank could maintain additional offices that engage in back-room activities typically associated with a credit card operation.

A credit card bank may make loans only through credit cards. Loans made to individuals through credit cards are not commercial loans. The prohibition against commercial loans does not limit a credit card bank from purchasing credit card receivables directly from establishments where such credit cards are accepted.

The House bill contains no similar exemption. The House recedes to the Senate with two amendments, which the Senate accepts.

The first amendment clarifies that backroom operations are not included in the one-office limitation in the Senate amendment. Credit card banks will continue to be subject to the one-office limitation for offices which accept deposits.

The second amendment adds a new section 101(h) that exempts the following from the definition of "bank": a nonbank bank whose owner made a public announcement before March 5, 1987, of its intention to convert the bank into a credit card bank within 180 days of enactment of this Act and which takes certain statutorily prescribed actions.

INDUSTRIAL LOAN COMPANY EXEMPTION

SECTION 2(C)(2)(H) OF BANK HOLDING COMPANY ACT

The Senate amendment exempts from the definition of "bank" certain industrial banks, industrial loan companies, or other similar institutions.

The House recedes to the Senate.

EXEMPTION FOR PENDING SAVINGS BANK ACQUISITION

SECTION 2(C)(2)(J) OF BANK HOLDING COMPANAY ACT

The House recedes to the Senate with an amendment, which the Senate accepts.

The amendment exempts from the definition of a "bank" a particular New York savings bank whose recent acquisition by the Great Western Financial Corporation (Great Western) has been approved by the New York State Banking Commissioner. But for the exemption, the savings bank subsidiary would be a "bank" under section 2(c) of the Bank Holding Company Act, thus making Great Western a bank holding company.

The House amendment exempts the savings bank subsidiary from the definition of a "bank" under the Act, thereby allowing Great Western to retain the savings bank subsidiary without becoming a bank holding company. However, the House amendment specifically prohibits the savings bank subsidiary from engaging in the future, directly or through insurance products it receives from or provides to Great Western, in the sale or underwriting of insurance. Subject to this limitation, the Conferees do not intend to limit any insurance activities otherwise permitted to Great Western itself, or any of its other affiliates.

Further, the savings bank subsidiary would lose its exemption if any deposits subject to insurance premium assessment under the National Housing Act of any Great Western subsidiary or affiliate are directly or indirectly transferred to or acquired by the savings bank subsidiary if the effect were to materially reduce the amount of those premium assessments.

The House amendment subjects the savings bank subsidiary to the anti-tying restrictions of the Bank Holding Company Act Amendments of 1970, and the insider and preferential lending restrictions of the Federal Reserve Act.

OTHER DEFINITIONS

The Senate amendment defines the following terms:

AFFILIATE

SECTION 2(K) OF BANK HOLDING COMPANAY ACT

The term "affiliate" is defined as any company that controls, is controlled by, or is under common control with another company.

DEMAND DEPOSITS

The term "demand deposits" is intended to encompass all types of deposits that can be withdrawn on demand, regardless of the means of withdrawal. Any deposit account from which funds are transferred automatically pursuant to the depositor's instructions (e.g., a sweep account) is also a "demand deposit".

"Deposits that the depositor may withdraw by check or similar means for payment to third parties" includes accounts from which funds may be transferred to third parties by negotiable order of withdrawal (NOW), share draft, wire, computer order, or other electronic means, regardless of whether the depository institution has the right to require notice before permitting such withdrawals.

COMMERCIAL LOAN

A "commercial loan" includes any extension of credit by a bank to a person for business purposes. Thus, for example, broker call loans, the purchase of retail installment paper, and loans to dealers in government or other securities are commercial loans because they are loans made for a business purpose in which the creditworthiness of the borrower is an important factor in determining whether to grant the extension of credit. Likewise, an overdraft in an account of a business customer or for business purposes at the bank, including an intra-day overdraft, is a commercial loan. Overdrafts in business accounts are commercial loans because they provide financing for the customer's business operations. Even intra-day overdrafts permit business customers to avoid more formal extensions of credit to meet their payment obligations.

No person shall be deemed to have made a "commercial loan" solely because of effecting purchases of commercial paper (or other obligations, instruments, or securities) as agent for the accounts of fiduciary customers.

SECTION 2(I) THRIFT INSTITUTION

The term "thrift institution" is currently defined as a building and loan or savings and loan association, a cooperative bank, a Federal savings bank, or a mutual savings bank. The Senate amendment would amend the definition to include any State-chartered savings bank whose holding company is registered as a savings and loan holding company under the Savings and Loan Holding Company Act.

SECTION 2(L) & (M)—SAVINGS BANK HOLDING COMPANY AND QUALIFIED SAVINGS BANK

The definitions of "savings bank holding company" and "qualified savings bank" are discussed below in section 101(d), where they are used.

SECTION 101(B) IMMEDIATE DIVESTITURE REQUIREMENT

Under the Senate amendment, a company which acquired a nonbank bank after March 5, 1987, must immediately comply with the Bank Holding Company Act or divest its bank subsidiary. Such a company would not be permitted to utilize the 2-year period currently provided in the law for newly formed bank holding companies to conform to the requirements of the Bank Holding Company Act.

The House bill contains no similar provision. The House recedes to the Senate.

SECTION 101(C) GRANDFATHER PROVISIONS

Under the Senate amendment, companies that acquired nonbank banks on or before March 5, 1987, are permitted to retain the bank and not be regarded as a bank holding company so long as the company does not directly or indirectly either (1) acquire control of an additional bank or thrift institution; or (2) acquire more than 5 percent of the shares or assets of another bank or a thrift institution, except for loans or other accounts receivable acquired in the ordinary course of business and for shares acquired in a bona fide fiduciary capacity or held temporarily pursuant to an underwriting commitment in the ordinary course of business or in an account established solely for trading purposes. The prohibition on acquiring the shares or assets of a bank or thrift prevents a grandfathered nonbank bank from expanding through acquisition of, or merger with, banks or thrifts.

A company would not lose its grandfather rights by acquiring a thrift institution or more than 5 percent of its shares as a result of a transaction arranged by the Federal Savings and Loan Insurance Corporation under the emergency thrift acquisition provisions of section 408(m) of the National Housing Act if the institution has assets of at least $500 million or is located in a State in which the acquiring company controlled a bank on March 5, 1987.

Furthermore, regarding the 5 percent limit, a company does not hold shares in the normal course of an underwriting business if it attempts to exercise any control over the management or policies of the bank or thrift through its ownership of those shares.

The fiduciary exemption in section 4(f)(2)(A)(ii) is intended to cover situations in which a trust or agency account managed by a bank trust department affiliated with a company, or an SEC-registered diversified investment company within the meaning of Section 5(b)(1) of the Investment Company Act of 1940 managed by an investment adviser affiliated with a company, makes passive investments in the ordinary course of business and thereby does not acquire "control" as determined under the Bank Holding Company Act or the Change in Bank Control Act. Interlocking officer, director, or employee relationships between the bank trust department or investment adviser and its affiliates, and the bank or insured institution in which the passive investment is made, would not be permitted.

The exemption for shares acquired in a bona fide fiduciary capacity includes shares in separate accounts of insurance companies that must be managed for the sole benefit of pension plan participants under the Employee Retirement Income Security Act of 1974 or for the sole benefit of annuitants or policyowners with variable annuity or variable life contracts.

RESTRICTIONS ON GRANDFATHERED NONBANK BANKS

SECTION 4(F)(3)(B)(II) OF THE BANK HOLDING COMPANY ACT

In view of the potential for the ownership of nonbank banks by commercial firms to result in conflicts of interest, concentration of resources, or other effects adverse to bank safety and soundness, and in order to avoid the potential for unfair competition with regulated bank holding companies, the section provides that the company will lose its grandfather rights and thereby become subject to the Bank Holding Company Act if the nonbank bank:

(1) engages in any activity in which it was not lawfully engaged as of March 5, 1987 (thus preventing the nonbank bank from, for example, both offering demand deposits and engaging in the business of making commercial loans);

(2) offers or markets products or services of an affiliate that are not permissible for

bank holding companies, or permits its products or services to be marketed by or through an affiliate engaged in impermissible nonbanking activities, unless the products and services in question were being offered or marketed by the bank or affiliate as of March 5, 1987, and then only in the same manner as they were offered or marketed as of that date;

(3) permits any overdraft, including an intra-day overdraft, on behalf of an affiliate, or incurs any such overdraft in its account at a Federal Reserve bank, unless such an overdraft results from an inadvertent computer or accounting error that is beyond the control of both the bank and the affiliate; or

(4) increases its assets at an annual rate of more than 7 percent beginning 1 year after the date of enactment of the Competitive Equality Banking Act of 1987.

Grandfathered institutions may sell assets to remain within the statutory limit. If, for example, a bank's credit card accounts receivable grow at a 10 percent rate, the bank can remain in compliance with the 7 percent limitation by selling other assets and distributing the proceeds as a dividend.

The Conferees intend that the Federal Reserve Board, in determining compliance with the 7 percent growth rate, utilize a procedure which computes the grandfathered institution's growth rate on an average basis.

A company that fails to comply with the grandfather restrictions is given 180 days to comply with the Bank Holding Company Act by divesting the bank or by registering as a bank holding company and conforming its activities to those permitted under the Bank Holding Company Act for bank holding companies. The Conferees expect the Federal Reserve Board, in administering those restrictions, to issue cease-and-desist orders or take other administrative action to bring about compliance before issuing a final order to divest or register as a bank holding company.

In order not to disrupt established business affiliations in existence before March 5, 1987, and in conformity with the other grandfather provisions of the Bank Holding Company Act, grandfather rights under this section are granted only for affiliations in existence on March 5, 1987. Therefore, these grandfather privileges may not be transferred to another organization, and will terminate if another company acquires, directly or indirectly, the bank involved.

The House bill contains no similar provisions. The House recedes to the Senate provision, with amendments as described below, which the Senate accepts.

JOINT MARKETING RESTRICTIONS

SECTION 4(F)(3)(B)(II) OF THE BANK HOLDING COMPANY ACT

The Senate amendment imposes certain restrictions on joint marketing between a grandfathered company and its nonbank affiliate. The joint marketing of products and services between an insured depository institution and a company engaged in general commerce presents a significant risk to the public in the form of potential conflicts of interest, unsound banking practices, unfair competition, and lack of impartiality in the credit granting process. The Bank Holding Company Act addresses those concerns by requiring the separation of banking and commerce. If, however, affiliations between banks and commercial enterprises are allowed to continue, as under the grandfather provision, those concerns must be addressed through restrictions designed to ensure objectivity in the credit granting process and the avoidance of other adverse effects.

The joint marketing restrictions are designed to achieve this objectivity and to lessen the risks of conflicts of interest and other adverse effects the Act was designed to prevent by limiting transactions between the bank and its affiliates that raise a significant potential for those abuses. The joint marketing restrictions also minimize the unfair competitive advantage that grandfathered commercial companies owning nonbank banks might otherwise enjoy over regulated bank holding companies and over competing commercial companies that have no subsidiary bank.

The joint marketing restrictions apply to two categories of products and services: (1) products and services of an affiliate that are not permissible under section 4(c)(8) of the Bank Holding Company Act for a bank holding company; and (2) products and services of the grandfathered nonbank. In category (1), the restrictions on an affiliate's products and services are such that, for example, a company could not market life insurance or automotive supplies through its bank subsidiary, since those products are not permissible for bank holding companies generally under section 4(c)(8) of the Act. Likewise, in category (2), the grandfathered nonbank may not permit its products or services to be offered or marketed through an affiliate that engages in nonbanking activities that are prohibited for bank holding companies generally under section 4 of the Bank Holding Company act. Thus the life insurance affiliate or the automobile parts retailer could not market the bank's insured deposits or trust accounts. On the other hand, the grandfathered nonbank bank could offer its customers loans from an affiliated mortgage banking or consumer finance company, and such an affiliate could offer its customers the products or services of the bank, because these activities are permitted under section 4(c)(8) of the Bank Holding Company Act.

The joint marketing restrictions do not apply in the case of products or services that were being jointly marketed by the affiliates as of March 5, 1987. The exemption from the joint marketing restrictions applies only to a specific company that was engaged in the activity as of March 5, 1987. An affiliate that was not engaged in a given joint marketing activity as of March 5, 1987, may not commence that activity even if it was being conducted by another affiliate as of March 5, 1987.

The bill grandfathers joint marketing activities of the type and in the manner engaged in by a nonbank bank and its affiliates on March 5, 1987. However, these grandfather provisions do not lock into place the specific terms or conditions of the particular grandfathered product or service.

The House bill contains no comparable provision. The House recedes to the Senate.

OVERDRAFTS

The restrictions on overdrafts are designed to reduce the risk to the Federal Reserve System, the depositors and creditors of nonbank banks, and the Federal Deposit Insurance Corporation presented by nonbank banks' access to Federal Reserve payment services. Where nonbank banks provide payment services, including funds transfer, book-entry securities transfer, automated clearing house, and check-collection services to their affiliates, the nonbank bank will, as a practical matter, be unable to independently evaluate the creditworthiness of the affiliate using the service.

Without the independent credit evaluation that banking institutions routinely perform on their unaffiliated customers, there is a clear danger that affiliates of nonbank banks could incur excessive overdrafts on the books of the nonbank bank, which in turn may cause the nonbank bank to overdraw its account at the Federal Reserve bank.

For example, a troubled affiliate of a nonbank bank could direct the nonbank bank to make final, irrevocable funds transfers to pay its creditors far in excess of the balance in the affiliate's account at the nonbank bank or even the nonbank bank's account at the Federal Reserve. Those transfers could precipitate the failure of the nonbank bank, causing loss to the depositors, creditors, and the FDIC.

These overdraft restrictions reduce those risks by providing that grandfathered nonbank banks lose their grandfathered status if they permit affiliates to incur overdrafts at the nonbank bank. Overdrafts in an affiliate's accounts at a nonbank bank are difficult to police, particularly in times of financial difficulty of the affiliate, when the potential for overdrafts resulting in losses is highest. Accordingly, the overdraft restrictions provide that nonbank banks lose their grandfathered status if they incur overdrafts at Federal Reserve banks. Federal Reserve banks are in a position to monitor such overdrafts on a real time basis. The overdraft restrictions exclude inadvertent overdrafts that are beyond the control of the nonbank bank and its affiliate.

The House bill contains no similar provision. The House recedes to the Senate with an amendment exempting Federal Reserve-designated primary dealers from the overdraft restrictions. The Senate accepts the House amendment with an amendment requiring that the overdrafts incurred by primary dealers be, as required by the Federal Reserve, fully secured by securities eligible for settlement under the Federal Reserve Look-entry system, including securities of the U.S. Government, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Farm Credit Administration, Federal Home Loan Banks, and the newly created FSLIC Financing Corporation. The Conferees agreed.

The Federal Reserve has authority to determine the extent (if at all) to which overdrafts are permitted on the Federal Reserve, including Fedwire overdrafts. The amendment in no way impairs this. The amendment neither requires nor suggests that a bank's running overdrafts for an affiliated primary dealer is necessarily appropriate on a continuing basis. The bank's decision to permit such overdrafts would remain subject to supervision by appropriate federal and state banking regulators.

NOTICE OF GRANDFATHERED AFFILIATIONS AND ENFORCEMENT

SECTION 4(F) (5), (6), (7) & (8) OF THE BANK HOLDING COMPANY ACT

A company qualifying for grandfather treatment must provide the Federal Reserve Board, within 60 days of the date of enactment of the bill, with its name and address, the name and address of each bank it controls, and a description of the bank's activities. The board is given authority to examine and require reports from the company or the bank, but only in order to monitor and enforce compliance with the grandfather provisions. The Board may not examine those institutions for safety or soundness or for compliance with any laws other than the grandfather provisions of the Act.

In addition to its enforcement authority under section 5 of the Bank Holding Company Act, the Board has authority to use civil enforcement powers, such as cease-and-desist orders, to assure compliance with the grandfather provisions. This authority may not be used against companies or banks grandfathered under this Act for any other purpose, and does not limit the authority of the Comptroller of the Currency or the FDIC over national banks and nonmember insured banks, respectively.

The House bill contains no similar provisions. The House recedes to the Senate.

ANTI-TYING RESTRICTIONS

SECTION 4(F)(9) OF THE BANK HOLDING COMPANY ACT

Although a company controlling a bank under the grandfather privilege is not treated in the Senate amendment as a bank holding company under the Bank Holding Company Act, it is made subject to the anti-tying restrictions of section 106 of the Bank Holding Company Act Amendments of 1970 and the insider and preferential lending restrictions of section 22(h) of the Federal Reserve Act as if it were a bank holding company. Therefore, the subsidiary bank of such a grandfathered company may not condition the grant of credit or the provision of any other service or product on the purchase of a product or service from the parent company or one of its affiliates.

Further, the grandfathered company and its nonbanking affiliates are also made subject to those anti-tying provisions, but only with respect to transactions involving the bank affiliate. Therefore, the company could not condition the grant of its products or services on a requirement that the customer purchase a product or service from its affiliate bank.

The anti-tying restrictions of section 106 of the Bank Holding Company Act Amendments of 1970 are in no way intended to apply to the four traditional banking services—loans, including loans made on credit cards, discounts, deposits, and trust services. Thus, the anti-tying restrictions would not be violated by tying one of these traditional banking services offered by a grandfathered nonbank bank to another traditional banking service offered by an affiliate.

A company eligible for the grandfather privilege may give up the privilege at any time by registering as a bank holding company and complying with all of the provisions of the Bank Holding Company Act.

ANTI-TYING PROVISIONS APPLICABLE TO CERTAIN INSTITUTIONS

SECTION 4(H) OF THE BANK HOLDING COMPANY ACT

Under the Senate amendment, although trust companies, Edge Act companies, credit card banks, and industrial loan companies are not treated as banks under the Bank Holding Company Act, they are made subject to the anti-tying provisions of the Bank Holding Company Act Amendments of 1970 and to the insider and preferential lending prohibitions of section 22(h) of the Federal Reserve Act. Thus those institutions—like other banks—may not require their customers to purchase or use the products or services of an affiliated company as a condition for obtaining a service or receiving a product at a favorable price from the institutions. Companies that control those exempted institutions are also made subject to the anti-tying restrictions, but only in connection with transactions involving the products and services of the exempt institution. Thus the parent companies of such exempted institutions and other affiliates cannot provide their products or services on condition that the customer obtain a product or service from the exempted institution.

The anti-tying provisions of the Bank Holding Company Act Amendments of 1970 are not made applicable to marketing practices of the parent holding company, or its affiliates, that do not involve the products or services of the exempted institution.

The House bill contains no similar provision. The House recedes to the Senate with an amendment, which the Senate accepts. The House amendment applies the anti-tying restrictions of the Bank Holding Company Act Amendments of 1970 and the insider and preferential lending prohibitions of the Federal Reserve Act to certain named exempted institutions.

NONBANK BANKS OWNED BY BANK HOLDING COMPANIES

SECTION 4(G) OF THE BANK HOLDING COMPANY ACT

The Senate amendment imposes restrictions on a bank holding company that controls a nonbank bank. The bank holding company may retain the bank provided that the institution does not both accept demand deposits and engage in the business of making commercial loans, and does not increase the number of locations from which it conducts its business after the date it becomes a bank. Those restrictions would no longer apply once the bank holding company could obtain approval under the Douglas Amendment to acquire the bank in question. Under the Douglas Amendment, this would occur when the State in which the bank is located authorizes its acquisition by the out-of-State bank holding company.

The House bill contains no similar provision. The House recedes to the Senate.

SECTION 101(D)—STATE AUTHORIZED ACTIVITIES OF SAVINGS BANKS

SECTION 3(F) OF THE BANK HOLDING COMPANY ACT

The Senate amendment establishes a special rule for State-chartered, FDIC-insured savings banks which are controlled by, or become controlled by, savings bank holding companies.

The term "savings bank" is defined to include cooperative banks that are FDIC insured.

The House bill contains no similar provision. The House recedes to the Senate with an amendment, which the Senate accepts, providing a special rule for State-chartered, FDIC-insured savings banks that are controlled by savings bank holding companies.

Under the House amendment, such a savings bank may engage in any nonbanking activity, except insurance activities (described below), either directly or through a subsidiary, that it is permitted to conduct directly as a State-chartered savings bank, even if those activities are not otherwise permissible for bank holding companies.

In order to engage in those activities, however, such a savings bank must remain a savings bank and a subsidiary of a savings bank holding company. If such a savings bank is acquired or controlled by a company that is not a savings bank or a savings bank holding company, then the activities conducted pursuant to section 101(d) must be terminated within two years, except that the savings bank may engage in any nonbanking activities otherwise permissible under the Bank Holding Company Act.

INSURANCE ACTIVITIES

SECTION 4(F)(2) & (3) OF THE BANK HOLDING COMPANY ACT

The insurance activities of savings bank holding companies are treated separately. The Senate amendment would have limited insurance activities to those permissible under section 4(c)(8) of the Bank Holding Company Act and the sale of savings bank life insurance (SBLI) for savings banks that were engaged in selling SBLI as of March 5, 1987, so long as the following four conditions were met: (1) the activity was expressly authorized by the States of Connecticut, Massachusetts, or New York and the bank was located in the State that authorizes the activity; (2) the activity was carried out by the savings bank and not by any subsidiary or affiliate of the savings bank or its holding company; (3) the activity was carried out by the savings bank in accordance with any residency or employment limitations set forth in the savings bank life insurance statute in effect on March 5, 1987; and (4) the activity was carried out in the same manner as the SBLI activity of savings banks in the same State that are not part of a holding company. As with the other activities permitted by this section, SBLI activities must be terminated within two years if a qualified savings bank is acquired by a company other than a savings bank or a savings bank holding company.

The House bill contains no similar provision. The House recedes to the Senate with an amendment, which the Senate accepts.

The amendment made the following major changes in this provision: First, savings banks that are eligible to participate in SBLI activities include all savings banks that were permitted to engage in such activities as of March 5, 1987, subject to the same four conditions. Thus savings banks in the listed States that were not actually engaging in SBLI activities on March 5, 1987, could thereafter commence such activities so long as they were permitted to do so on March 5, 1987. However, savings banks in other States could not do so because their laws did not specifically authorize SBLI activities as of that date.

Second, permissible SBLI activities were clarified to include the underwriting as well as the sale of SBLI. This provision was added to reflect the fact that State law in the three SBLI States permits both such activities.

Third, the phrase "retains its character as a savings bank" was added to reflect the intent that savings banks that are permitted to engage in SBLI activities continue to operate as State-chartered, FDIC-insured savings banks and not become in effect commercial banking institutions.

The Senate amendment defines the term savings bank holding company to mean any company that controlled one or more qualified savings banks if the assets of the subsidiaries constituted as of March 5, 1987, and thereafter, at least 70 percent of the total assets of the holding company.

The House bill contains no similar provision. The House recedes to the Senate with an amendment, which the Senate accepts.

The House amendment makes three major changes in the Senate amendment. First, the 70 percent test is to be applied as of the time of the formation of the savings bank holding company, not as of March 5, 1987.

Second, the amendment defines the 70 percent test more broadly solely for the purpose of determining whether a qualified savings bank may continue to sell and underwrite SBLI after its acquisition by a bank holding company. For this purpose alone, the assets of any other bank affiliated or under contract to affiliate with such qualified savings bank as of March 5, 1987, shall be considered to be the assets of the savings bank. This provision is intended to apply to two specific instances in the State of New York and one in Massachusetts, in which bank holding companies have acquired savings banks authorized to engage in the business of SBLI.

The Conferees note that there are three other instances in which savings banks have been acquired by, or are under contract to affiliate with, bank holding companies that already control one or more commercial banks. As these savings banks are not located in any of the three Northeastern States that provide for the sale of SBLI, they could not avail themselves of the special 70 percent test for SBLI activities. However, the Conferees wish to make clear that any qualified savings bank that is acquired by such a bank holding company can continue to exercise nonbanking powers granted by section 4(c)(8) of the Bank Holding Company Act. Thus, for example, certain savings banks in the State of Washington that have been, or are in the process of being, acquired by bank holding companies can continue to engage in any real estate activities permitted by the Federal Reserve Board under section 4(c)(8). For example, in *Rainier Bancorporation (United Bank)*, 73 Fed. Res. Bull. 216 (1987), the Federal Reserve Board approved the acquisition of a Washington savings bank that had engaged in certain real estate investment and development activities authorized by State law. Based on commitments made by the bank holding company, the Board permitted those activities to continue.

Third, the House amendment adds to the definition of "qualified savings bank" the phrase "any interim savings bank that is established to facilitate a corporate reorganization for the formation of a holding company involving a savings bank which was chartered on or before March 5, 1987." This provision creates temporary authority in order to permit corporate reorganizations; it does not grant any permanent authority.

SECTION 101(E)—EXEMPTION FOR THRIFT INSTITUTIONS' BANK

SECTION 2(A)(5)(E) OF THE BANK HOLDING COMPANY ACT

Current law exempts from the Bank Holding Company Act companies that control a State bank or trust company which is wholly owned by thrift institutions and which restricts itself to performing certain limited services for thrift institutions. This section allows savings banks to participate in the ownership of such banks or trust companies and allows the bank or trust company to provide its limited services to savings banks as well as to thrift institutions.

The House bill contains no similar provision. The House recedes to the Senate.

SECTION 101(F) ON STATE AUTHORITY TO REGULATE

The House recedes to the Senate with an amendment, which the Senate accepts, clarifying that States retain their regulatory authority over companies doing business within their borders.

By adding "companies" to the reservation of State authority found in section 7 of the Bank Holding Company Act, the amendment clarifies that grandfathered institutions which are not banks for purposes of the Act and their parent companies must comply with otherwise applicable State law. In closing a loophole in Federal law, the Conferees do not intend to preempt State authority.

Section 7 does not confer on States any new authority over the activities of bank holding companies. To the extent that States have authority over these activities under current law, such authority is retained.

TITLE I—PART 2

SECTION 102—AMENDMENTS TO THE FEDERAL RESERVE ACT

SECTION 102(A)—RESTRICTIONS ON TRANSACTIONS WITH AFFILIATES

The Senate amendment amends the Federal Reserve Act to add a new section 23B, restricting the range of permissible transactions between a member bank and an affiliated company. Although section 23B applies to transactions between a member bank and all of its affiliates, the Federal Reserve Board is authorized to exempt certain affiliates from the provisions of section 23B. As with section 23A, new section 23B applies to federally insured nonmember banks through section 18(j) of the Federal Deposit Insurance Act. Furthermore, as provided in section 104(d)(1) of the Senate amendment, the provisions of sections 23A and 23B apply to transactions between a federally insured thrift and its savings and loan holding company affiliates engaged in the newly authorized nonbanking activities that are permissible to bank holding companies under section 4(c)(8) of the Bank Holding Company Act.

The section 23B provides that a member bank and its subsidiaries may engage in certain transactions (including loans and purchases of assets) with any affiliate only if the terms and conditions of the transaction, including credit standards, are substantially the same as, or at least as favorable to the bank as, those prevailing at the time for comparable transactions with nonaffiliated companies. Thus, for example, underwriting standards may not be relaxed in comparison to underwriting standards for transactions with nonaffiliated companies. If there are no comparable transactions, the terms and conditions of the transaction must be the same as those that, in good faith, would be offered to or would apply to nonaffiliated companies.

Section 23B(b) requires that a majority of the outside directors of the bank approve the purchase of securities by the bank from an underwriting affiliate in certain circumstances. This requirement could be satisfied either by prior approval of the specific acquisition or by the establishment in advance of specific standards by the outside directors for such acquisitions. If the outside directors establish such standards, they must regularly review acquisitions to assure that the standards have been followed, and they must periodically review the standards to assure that they continue to be appropriate in light of market and other conditions.

A member bank or subsidiary of a member bank is not a "fiduciary" for purposes of section 23B(b)(1)(B) if it acts solely as a broker.

The House bill contains no similar provision. The House recedes to the Senate.

SECTION 102(B)—APPLICABILITY OF SECTION 23B TO INSURED NONMEMBER BANKS

The Senate amendment amends the Federal Deposit Insurance Act to make the restrictions of section 23B of the Federal Reserve Act applicable to FDIC-insured nonmember banks.

The House bill contained no similar provision. The House recedes to the Senate.

SECTION 102(C)—EDGE ACT AND AGREEMENT CORPORATIONS

The Senate amendment provides that any company, other than a bank, which directly or indirectly acquires an Edge Act or Agreement corporation after March 5, 1987, is to be considered a bank holding company for all purposes of the Bank Holding Company Act except section 3, which relates to the acquisition of additional banks. Thus, if a company acquires an Edge Act or Agreement corporation, either directly or through a subsidiary (including a bank), the company will be required to conform its activities to those permissible for bank holding companies under section 4 of the Bank Holding Company Act.

The Senate amendment does not in any way affect companies that currently own Edge Act or Agreement corporations or the ability of banks or bank holding companies to acquire additional Edge Act or Agreement corporations.

If an entity is subject to the Bank Holding Company Act only because it controls an Edge Act or Agreement corporation, it will cease to be subject to the Bank Holding Company Act if it divests that Edge Act or Agreement corporation. It will, of course, be subject to other applicable laws.

The House bill contains no similar provision.

The House recedes to the Senate with an amendment, which the Senate accepts, providing that the requirement that any company purchasing an Edge Act corporation must conform its activities to those permissible under section 4 of the Bank Holding Company Act shall not apply to an application by Midland Bank, plc, pending before the Board on July 1, 1987. The Board, however, may subject the financial activities in the United States of the acquiring company to section 4 of the Bank Holding Company Act.

SECTION 103—SECURITIES AFFILIATIONS OF NONMEMBER INSURED BANKS

Section 20 of the Banking Act of 1933 prohibits a member bank from being affiliated with a company principally engaged in underwriting securities, and section 32 of the Banking Act prohibits an officer, director, or employee of a member bank from serving as an officer, director, or employee of a company primarily engaged in underwriting securities. Those restrictions do not apply to nonmember banks.

The Senate amendment applies these restrictions, and any regulations promulgated by the Board thereunder, to FDIC-insured nonmember banks until March 1, 1988. Affiliations or relationships which commenced before March 5, 1987, are not affected and may continue.

Further, those restrictions are not applicable to a foreign bank solely because it has an insured branch in the United States. However, section 32 would apply to such an insured branch as if it were an insured bank. The restrictions similarly do not apply to trust companies or credit card banks.

The moratorium on new affiliations of insured State nonmember banks with firms principally engaged in certain securities activities is not intended to prohibit securities firms, insurance companies, or other companies already affilated with such banks from continuing to sponsor, organize, establish, distribute, or underwrite new mutual funds, limited partnerships, separate accounts, or other commingled investment vehicles in the ordinary course of their securities, insurance, or other business. Although these entities would be affiliated with a State nonmember bank, their formation would not constitute the type of new affilation that this provision is intended to prohibit during the moratorium, but rather is consistent with the maintenance of the status quo. Similarly, changes in directors, officers, and other personnel of insured State nonmember banks and their securities firm affilates may continue to be effected as long as they do not cause a new affiliation between such a bank and a securities firm.

The House bill contains no similar provision. The House recedes to the Senate.

SECTION 104(a)—DEFINITIONS; SAVINGS AND LOAN HOLDING COMPANY ACT

The Senate amendment amends the definition section of the Savings and Loan Holding Company Act (SLHCA) by adding definitions for the terms "bank holding company" and "bank". Those terms are defined in the SLHCA to have the same meaning as in the Bank Holding Company Act.

The House bill contains no similar provision. The House recedes to the Senate.

SECTION 104(b)—SAVINGS AND LOAN HOLDING COMPANY ACTIVITY AND GRANDFATHER PROVISIONS

The Senate amendment provides that the current exemption from the nonbanking activity restrictions in the SLHCA for unitary savings and loan holding companies (companies that control only a single insured thrift institution) will be available only if the subsidiary thrift institution meets the "qualified thrift lender" ("QTL") test. The QTL test requires the thrift to devote at least 60 percent of its assets to housing and related activities. If the subsidiary thrift meets the QTL test, its parent unitary savings and loan holding company would remain, as it is now, with no limits on its direct or indirect nonbanking activities. Grandfather rights for unitary savings and loan holding companies formed before March 5, 1987, would allow such companies to continue to engage in nonbanking activities engaged in on the grandfather date even if their subsidiary thrifts fail to meet the QTL test.

The Senate amendment amends the Savings and Loan Holding Company Act to provide that no savings and loan holding company may commence, or continue for more than 2 years after the date it becomes a holding company or the date of enactment of the Competitive Equality Banking Act (whichever is later), any activity other than those now permissible for a multiple savings and loan holding company as well as additional activities determined by the Federal Reserve Board to be permissible for bank holding companies under section 4(c)(8) of the Bank Holding Company Act (but subject to any FSLIC limitations and restrictions).

This restriction does not apply to a unitary savings and loan holding company whose subsidiary thrift meets the QTL test. Thus such a unitary savings and loan holding company may engage in any nonbanking activity without regard to the nonbanking restrictions of the Savings and Loan Holding Company Act. Moreover, those nonbanking restrictions will not apply to a unitary savings and loan holding company that becomes a multiple savings and loan company by acquiring additional thrift institutions pursuant to section 406(f) or 408(m) of the National Housing Act, so long as all such additional institutions satisfy the QTL test.

Even if a unitary savings and loan holding company formed before March 5, 1987, does not meet the QTL test, it is exempt from the nonbanking restrictions of the Savings and Loan Holding Company Act so long as:

(1) the company does not acquire a bank or an additional insured thrift by means other than a FSLIC-assisted acquisition under section 406(f) or 408(m) of the National Housing Act;

(2) its existing subsidiary thrift continues to meet the asset test found in section 7701(a)(19) of the Internal Revenue Code after the grandfather date;

(3) the unitary savings and loan holding company does not engage in an activity in which it did not engage on the grandfather date and which is not permissible for savings and loan holding companies whose thrifts do not meet the QTL test;

(4) the subsidiary does not increase the number of locations from which it does business, except through a transaction under section 406(f) or 408(m) of the National Housing Act; and

(5) the insured institution does not permit any overdraft, including an intra-day overdraft, on behalf of an affiliate, or incur any such overdraft in its account at a Federal Reserve bank, unless such an overdraft results from an inadvertent computer or accounting error that is beyond the control of both the insured institution and the affiliate.

The FSLIC may eliminate or modify grandfather rights under this provision and require a grandfathered unitary savings and loan holding company to terminate any of its nonbanking activities, after giving the parties an opportunity for a hearing, if it determines that such action is necessary to prevent conflicts of interest, or unsafe or unsound practices, or is in the public interest.

The Senate amendment also provides that no savings and loan holding company may engage in a nonthrift or securities underwriting activity without the prior approval of the FSLIC. The FSLIC must consider, in approving such an application, the same factors as the Federal Reserve Board considers when approving an application under section 4(c)(8) of the Bank Holding Company Act. The prior approval requirement does not apply to a unitary savings and loan holding company whose subsidiary thrift meets the QTL test.

The House bill contains no similar provision. The House recedes to the Senate.

SECTION 104(C)—QUALIFIED THRIFT LENDER TEST

The Senate amendment permits a unitary savings and loan holding company to continue to engage in any activity, without the prior approval of the FSLIC, if its sole insured institution subsidiary meets the QTL test. This test requires that the thrift have at least 60 percent of its tangible assets, including investments made by a subsidiary of such institution, invested in loans, equity positions, or securities related to domestic residential real estate or manufactured housing and property used by the institution in the conduct of its business or to facilitate acquisitions and mergers under sections 406(f) and 408(m) of the National Housing Act.

This test must be met on an average basis in 3 out of every 4 quarters and 2 out of every 3 years. In addition, in meeting the 60 percent requirement, cash and other liquid assets specified in section 5A of the Federal Home Loan Bank Act, and one-half of the dollar value of mortgages originated and sold within 90 days, may be included, up to 10 percent of the thrift's assets.

It is the intent of the conferees that the Federal Home Loan Bank Board use its existing authority under section 408(h)(i) of the Savings and Loan Holding Company Act to adopt regulations implementing the requirements of the QTL test that would be effective on or before January 1, 1988.

It is expected that these regulations will, to the extent practicable, and without imposing undue administrative burden on insured institutions, define terms and implement the requirements of the QTL test, including the averaging requirement, so as to accomplish the basic objectives of committing insured institutions to the unique, congressionally defined role of providing housing-related finance. It is also expected that the Board will be especially cognizant of the dangers of evasion that may be represented by various options for the calculation of the QTL test, and will adopt regulations that minimize, to the extent feasible and without imposing undue burden on insured institutions, the risk of evasions of the QTL test. Specifically, these regulations should provide that compliance with the qualified thrift lender requirements be determined on the basis of data that accurately and currently reflect investments made by insured institutions, and should prevent or disregard short-term investment portfolio changes designed to evade or circumvent the intent of the QTL test.

As noted above, thrift institutions generally are given until January 1, 1988, to satisfy the QTL test. In contrast to the manner in which the QTL test is imposed on thrift institutions generally, a 10-year phase-in of the QTL standard is provided for thrift institutions chartered as State savings banks before October 15, 1982. During this 10-year period, such an institution must not decrease its percentage of qualifying assets below the percentage it held on the date of enactment, and must increase its percentage of assets devoted to housing pursuant to a prescribed formula.

The FSLIC may grant temporary exceptions from the QTL test when extraordinary circumstances exist, such as when high interest rates reduce mortgage demand to such a degree that an insured institution lacks sufficient opportunity to meet the asset requirements or to facilitate acquisitions and mergers under sections 406(f) and 408(m) of the National Housing Act.

Once an institution fails to maintain its status as a qualified thrift lender, it cannot qualify again for that status for a period of 5 years. For good cause, the FSLIC may grant the holding company of such an insured institution up to 3 years to comply with the activity restrictions that would automatically be imposed on the company.

Any savings and loan holding company organized under foreign law as of June 1, 1984, which controls a single insured institution on the date of enactment of the Competitive Equality Banking Act, is not subject to the activity restrictions with respect to activities conducted exclusively in a foreign country.

The House bill contains no similar provision. The House recedes to the Senate with an amendment which the Senate accepts that makes the insured institution acquired under section 106(c) of the Competitive Equality Banking Act eligible for the 10-year phase-in period to meet the requirements of the OTL test.

SECTION 104(d)—AFFILIATE TRANSACTION AND MARKETING RESTRICTIONS

The Senate amendment provides that prohibitions on inter-affiliate transactions currently applicable to savings and loan holding companies shall not apply to transactions between a subsidiary thrift institution and affiliates engaged in activities permissible for a bank holding company under the Bank Holding Company Act. Those transactions will, instead, be subject to the restrictions of sections 23A and 23B of the Federal Reserve Act. This has the effect of providing parity between a bank and a thrift holding company with respect to dealings between the depository institution and affiliates engaged in activities permitted under section 4(c)(8).

However, in adopting these provisions the conferees do not intend to override any Bank Board or FSLIC safety and soundness regulation. The Bank Board should review its safety and soundness regulations in this area and preserve any or all of them necessary to ensure safety and soundness of thrift institutions. Such regulations, however, should not conflict with statutory provisions, such as section 408(d)(6) of the National Housing Act, which require the prior approval of the FSLIC on a case-by-case basis of certain transactions between an insured institution and its affiliates.

This section also amends the Savings and Loan Holding Company Act to prohibit diversified savings and loan holding companies and their subsidiary thrift institutions from engaging in joint marketing activities of the type prohibited for grandfathered companies and their nonbank bank subsidiaries under section 101(c) of this bill. Thus, under this provision, a thrift institution owned by a diversified savings and loan holding company may not offer or market products or services of an affiliate that are not permissible for a bank holding company under section 4(c)(8) of the Bank Holding Company Act, or permit its products or services to be offered or marketed by or through such an affiliate, unless the bank or affiliate in question was offering or marketing the particular product or service as of March 5, 1987. Thus, for example, a diversified holding company that owns an insured institution and an automobile company, could not market the loans of its insured institution through its parent company, and its thrift subsidiary could not take orders for cars produced or sold by the parent company unless such activities were being conducted as of March 5, 1987. If so, the activity may be continued but only in the same manner as conducted as of March 5, 1987.

A diversified savings and loan holding company is currently defined as a savings and loan holding company whose subsidiary insured institution and related activities as permitted for a multiple savings and loan holding company represented, on either an actual or pro forma basis, less than 50 percent of its consolidated net worth at the close of its preceding fiscal year and of its consolidated net earnings for such fiscal year, as determined in accordance with regulations issued by the FSLIC.

The Senate amendment provides an exception for a diversified savings and loan holding that is a reciprocal interinsurance exchange and that acquired its subsidiary insured institution before January 1, 1984. The company covered by this exception, United States Automobile Association, provides its services almost entirely to active or former officers of the United States military services and their current and former dependents.

The House bill contains no similar provision. The House recedes to the Senate.

SECTION 104(e)—ANTI-TYING RESTRICTIONS

The Senate amendment provides that the anti-tying provisions currently applicable to Federal thrift institutions and their affiliates shall also apply to any insured thrift institution which is a subsidiary of a savings and loan holding company and to the parent savings and loan holding company, and its nonbanking affiliates, with respect to products and services offered by the thrift subsidiary. The Senate amendment does not restrict the conditioning of products and services by a savings and loan holding company and its nonbanking affiliates when a thrift product or service is not involved.

The House bill contains no similar provision. The House recedes to the Senate.

SECTION 104(f)—TREATMENT OF FDIC-INSURED SAVINGS BANKS AND COOPERATIVE BANKS AS FSLIC-INSURED INSTITUTIONS

The Senate amendment establishes a procedure under which companies that own only State-chartered savings banks and cooperative banks, which are normally treated as "banks" under the Bank Holding Company Act, may be regulated as savings and loan holding companies rather than as bank holding companies under the Bank Holding Company Act. Under this provision, a savings bank that is either uninsured or insured by the FDIC, and that meets the QTL test, may apply to the FSLIC to be treated as an "insured institution" for purposes of the Savings and Loan Holding Company Act. Upon submitting such an application, the institution will be considered to be an insured institution, and the holding company will thereafter be regulated as a savings and loan holding company rather than as a bank holding company under the Bank Holding Company Act.

The House bill contains no similar provision. The House recedes to the Senate.

SECTION 104(g)—INTERSTATE ACQUISITIONS

Existing law generally prohibits the FSLIC from approving an acquisition if the acquisition would result in a multiple savings and loan holding company controlling insured institutions in more than one State. The Conferees agreed to an amendment that would incorporate an existing exception to this general prohibition and add two new ones. These three exceptions are as follows:

First, as under existing law, the FSLIC may approve such an interstate acquisition under 406(f) or 408(m) of the National Housing Act.

Second, the FSLIC may approve such an interstate acquisition if as of March 5, 1987, the acquiring company controls an insured institution subsidiary with a home or branch office in the state of the institution to be acquired.

Third, paralleling the application of the Douglas Amendment to bank holding companies, the FSLIC may approve such an acquisition if the laws of the State in which the institution to be acquired is located specifically permit one of its State-chartered, FSLIC-insured institutions to be acquired by State-chartered institutions located in the State where the acquiring entity is located. This provision is very specific in how the FSLIC shall determine the location of the acquiring institution. This provision requires that the Corporation can approve the acquisition only if the laws of the State in which the institution to be acquired is located permits such an institution to be acquired by (1) a State-chartered institution located in the State where the acquiring State-chartered institution is located, (2) a savings and loan holding company located in the State where the acquiring savings and loan holding company is located, or (3) a holding company that controls the acquiring State-chartered institution located in a State where such holding company is located.

The Conferees intend that the law of the State in which the acquired institution is located must specifically provide for the acquisition of FSLIC insured institutions by entities not located in the state. Therefore the FSLIC may approve acquisitions only where the authority for such acquisition is determined solely from direct reading of the statute law of the State and not from interpretation, or implication of the statute.

No provision of section 104 should be construed as exempting any bank holding company (or any subsidiary or affiliate of a bank holding company) from the provisions of the Bank Holding Company Act.

SECTION 104(h)—EMERGENCY ACQUISITIONS

Section 104(h) amends section 408(m) of the National Housing Act to provide that acquisitions made under that authority will be subject to the requirements of section 408(c), which includes the qualified thrift lender test.

Except as noted in the paragraph below, section 408(m)(A)(i) preempts other provisions of Federal and State law that would have the effect of preventing a company from acquiring a failing thrift institution. Thus, for example, if a life insurance company invested in or acquired a thrift institution under section 408(m), that section would preempt any State law that would prevent the company from continuing to engage in the life insurance business because of that investment or acquisition. That section would not, however, preempt State restrictions on the percentage of an insurance company's assets that may be invested in any one subsidiary, or similar type safeguards.

Section 408(m) does not preempt section 408(e)(2), (l), or (m)(1)(A)(iii), or the provisions of Federal law with which those provisions are concerned. Thus, for example, under section 408(m)(1)(A)(iii), the acquisition of a thrift institution by a bank holding company requires the prior approval of the Federal Reserve Board under section 4(c)(8) of the Bank Holding Company Act and is subject to the Glass-Steagall Act and the nonbanking activity restrictions of section 4(c)(8).

SECTION 105—ADVANCES

The Senate amendment provides that, except as the Federal Home Loan Bank Board may prescribe, no member of a Federal Home Loan bank is eligible for advances from that bank unless the member meets the QTL test, or has acquired its principal assets from a savings bank chartered under State law before October 15, 1982, or is an FDIC-insured savings bank as defined in section 3(g) of the Federal Deposit Insurance Act.

The House bill contains no similar provision. The House recedes to the Senate with an amendment, which the Senate accepts.

The House amendment permits a member institution which does not meet the QTL test to receive advances from its Federal Home Loan bank but restricts the amount of the advance. Such an institution would be eligible for advances only to the extent that it holds QTL assets. For example, an institution with a 60 percent investment in QTL assets would satisfy the QTL test and therefore be eligible for 100 percent of the advances that it would otherwise be eligible to receive but for section 105. By contrast, an institution with a 59 percent investment in QTL assets would not satisfy the QTL test, but would nevertheless be eligible for 59 percent of the advances that it would otherwise be eligible to receive but for section 105.

This provision is intended to apply only prospectively. It does not affect advances or other extensions of credit made, or to be made, pursuant to binding agreements which were entered into by the Federal Home Loan banks prior to the enactment of this section.

For purposes of advances, the QTL requirement does not apply to (1) a savings bank as defined in section 3(g) of the Federal Deposit Insurance Act; (2) an insured institution, as defined in section 408(a)(1)(A) of the National Housing Act, which was chartered prior to October 15, 1982, as a savings bank under State law; or (3) an institution which acquired its principal assets from an institution which was chartered prior to October 15, 1982, as a savings bank under State law.

The phrase "Except as the Board may prescribe" appearing at the beginning of section 105 is intended to authorize the Board to exempt an institution from the QTL test requirement for obtaining Federal Home Loan bank advances in situations in which severe financial conditions threaten the stability of the institution.

SECTION 106—SECURITIES AFFILIATIONS OF FSLIC-INSURED INSTITUTIONS

The Senate amendment applies sections 20 and 32 of the Banking Act of 1933 to insured thrift instituions until March 1, 1988, in the same manner as if the insured institutions were member banks. The amendment does not affect affiliations or officer, director, or employee relationships established before March 5, 1987.

The moratorium on new affiliations of insured thrift institutions with firms principally engaged in certain securities activities is not intended to prohibit securities firms, insurance companies, or other companies already affiliated with such thrifts from continuing to sponsor, organize, establish, distribute, or underwrite new mutual funds, limited partnerships, separate accounts, or other commingled investment vehicles in the ordinary course of their securities, insurance, or other business. Although these entities would be affiliated with an insured thrift, their formation would not constitute the type of new affiliation that this provision is intended to prohibit during the moratorium, but rather is consistent with the maintenance of the status quo. Similarly, changes in directors, and other personnel of insured State nonmember banks and their securities firm affiliates may continue to be effected as long as they do not cause a new affiliation between such a bank and a securities firm.

The House bill contains no similar provision. The House recedes to the Senate with an amendment, which the Senate accepts.

The House amendment permits the Washington Mutual Savings Bank, located in the State of Washington, a State-chartered savings bank which has a securities affiliate operation grandfathered under section 103 of this Act, to acquire one or more savings and loan associations. The Conferees do not intend to prohibit the acquisition of savings and loans solely because the acquiring institution, Washington Mutual Savings Bank, located in the State of Washington, has an affiliation with an organization principally engaged in securities activities.

The House amendment also exempts from this section the affiliation which would result from the acquisition of Peoples Savings and Loan Association of Owatonna, Minnesota, by Miller & Schroeder Financial Holdings, Inc.

The Conferees adopted an additional exemption for failed or failing FSLIC-insured thrift institutions, with total assets of at least $500 million, acquired under the emergency acquisition provisions of section 408(m) of the National Housing Act.

SECTION 107—MUTUAL HOLDING COMPANY AMENDMENTS

The Senate amendment authorizes the establishment of holding companies for FSLIC- or FDIC-insured mutual thrift institutions under the Savings and Loan Holding Company Act. The powers of such a parent include those of a multiple savings and loan holding company (except insurance activities) and of a bank holding company.

Under this seciton, an organization operating in mutual form may reorganize into a holding company by forming an interim stock savings bank to be wholly owned by the mutual, and transferring the assets and liabilities of the mutual to the stock. An insured mutual seeking to reorganize in this manner must provide the Federal Home Loan Bank Board 60 days prior written notice. Unless the Bank Board disapproves within the 60-day period, or extends the time, the application shall be deemed approved.

A corporation organized as a holding company under this subsection will be regulated as a savings and loan holding company, except that it may engage only in the activities permitted a savings and loan holding company (other than acquiring an insurance agency or escrow business). It may also invest in the stock of an insured institution, acquire a mutual institution through merger, merge with or acquire another savings and loan holding company (except that the resulting company will be subject to the activity restrictions of this section), and invest in a corporation whose stock is available for purchase by an insured institution pursuant to Federal or State law.

The Senate amendment also amends section 3 of the Bank Holding Company Act to provide that a FDIC-insured mutual savings bank or cooperative bank may reorganize to form a mutual bank holding company pursuant to the provisions available for the FSLIC-insured mutual association. The resulting mutual savings bank holding company will be regulated on the same basis as a stock savings bank holding company.

The House bill contains no similar provision. The House recedes to the Senate.

SECTION 108—LEASING AUTHORITY OF NATIONAL BANKS

The National Bank Act has been construed as allowing national banks to lease personal property to others only if the lease is the functional equivalent of a loan. See *M & M Leasing Corporation* v. *Seattle First National Bank*, 563 F.2d 1377 (9th Cir. 1977), cert. denied, 436 U.S. 956 (1978). To ensure that national bank leasing transactions meet the functional equivalency requirement, the Comptroller of the Currency has imposed a strict "residual value" limitation—that is, a limitation on the extent to which a national bank may rely on the residual value of the leased property in order to recover its full investment in the property.

Section 108 provides national banks additional authority to engage in lease financing. This new authority would permit national banks to enter into such transactions on a "net " lease basis, as defined in the regulations of the Comptroller of the Currency (12 C.F.R. 7.3400), up to ten percent of the bank's assets. National banks would continue to be subject to the requirement that all leases be "net" leases, under which the bank may not provide maintenance, repair, or servicing of leased property. Section 108 is not intended to allow national banks to engage in the daily or short-term equipment or automobile rental business.

Section 108 provides leasing authority in addition to that already possessed by national banks, and would not limit the existing authority of national banks to engage in leasing transactions that are the functional equivalent of loans and satisfy the residual value and other limitations in the Comptroller's regulations.

The House bill contains no similar provision. The House recedes to the Senate.

SECTION 109—NOW ACCOUNTS FOR POLITICAL ORGANIZATIONS

The Senate amendment permits banks to offer interest-bearing demand deposit (NOW) accounts to non-profit organizations operated primarily for political purposes.

The House bill contains no similar provision. The House recedes to the Senate.

SECTION 110—EXEMPTION FROM AFFILIATE TRANSACTION RESTRICTIONS

The Senate amendment exempts FSLIC and FDIC-insured thrift institutions that are not controlled by a company and that are or become savings and loan holding companies from the statutory restrictions of section 408 (d), (f), and (g) of the National Housing Act.

The House bill contains no similar provision. The House recedes to the Senate with an amendment which the Senate accepts.

The House amendment covers FSLIC-insured institutions and FDIC-insured institutions (organized as state-chartered savings banks or cooperative banks before October 15, 1982) which are subsidiaries of such institutions or whose voting stock is 80% owned by any company. The House amendment exempts such institutions from section 408 (d), (f), and (g) of the National Housing Act's restrictions on affiliate transactions, prohibits such institutions from purchasing a low-quality asset, as that term is defined in Section 23A of the Federal Reserve Act, and requires that transactions among affiliated institutions be on terms that are consistent with safe and sound practices.

In adopting these provisions the Conferees do not intend to override any Bank Board or FSLIC safety and soundness regulation. The Bank Board should review its safety and soundness regulations in this area and preserve any or all of them necessary to ensure safety and soundness of thrift institutions. Such regulations, however, should not conflict with statutory provisions, such as section 408(d)(6) of the National Housing Act, which require the prior approval of the FSLIC on a case-by-case basis of certain transactions between an insured institution and its affiliates.

SECTION 111—CONSIDERATION OF FSLIC-ARRANGED AND EMERGENCY ACQUISITIONS

The Senate amendment requires the FSLIC, in reviewing acquisitions or mergers of insured institutions, to consider the likelihood of loss or reduction of tax benefits of the institution's net operating loss carryforwards under sections 382 of the Internal Revenue Code of 1986 if the loss results from an acquisition or merger under section 406 (FSLIC-arranged acquisitions or mergers) or subsection 408(M) (emergency thrift acquisitions) of the National Housing Act. It specifies that FSLIC may disregard such potential loss of tax benefits if the acquirer provides written commitment to inject sufficient capital into the institution to maintain the rate of tangible equity capital to liabilities which exists at the time of the acquisition; if the acquisition is approved by holders of a majority of the voting stock of the institution; or if the acquisition is pursuant to section 406(f), section 408(m) or is otherwise deemed a supervisory case by FSLIC.

The House bill contains no similar provision.

The House recedes to the Senate with an amendment providing that, in addition to other factors which the FSLIC must consider, the FSLIC may consider the likelihood that the proposed acquisition will result in the loss of reduction of the insured institution's Net Operating Loss carryforward under Section 382 of the Internal Revenue Code of 1986. FSLIC may disregard such potential loss of tax benefits if the acquirer provides written commitment to inject sufficient capital into the institution to maintain the rate of tangible equity capital to liabilities which exists at the time of the acquisition; if the acquisition is approved by holders of a majority of the voting stock of the institution; or if the acquisition is pursuant to section 406(f), section 408(m), or is otherwise deemed a supervisory case by FSLIC.

SECTION 112—NATIONAL COMMISSION ON COMPETITIVENESS IN THE FINANCIAL SERVICES INDUSTRY

The Senate amendment required the President to appoint a commission on competitiveness in the financial services industry.

The House bill contains no similar provision. The Senate recedes to the House.

TITLE II—MORATORIUM ON CERTAIN NONBANKING ACTIVITIES

SECTION 201—MORATORIUM ON CERTAIN NONBANKING ACTIVITIES

The Senate amendment imposes a moratorium on certain securities, insurance, and real estate activities. The moratorium is retroactive to March 6, 1987, and ends on March 1, 1988.

The House bill contains no similar provision. The House recedes to the Senate with amendments as described below, which the Senate accepts.

SECTION 201(b)(1)—FOREIGN BANKS

The Senate amendment would have prohibited a foreign bank, or a foreign company controlling a foreign bank ("parent company"), that has grandfather rights under section 8(c) of the International Banking Act from expanding any activity in which it is engaged pursuant to that section and from commencing any new activity pursuant to that section. The Senate amendment would also have prohibited a foreign bank or parent company from acquiring additional shares of nonbanking companies pursuant to the investment authority accorded to foreign banks and bank holding companies by section 2(h)(2) of the Bank Holding Company Act. Section 2(h)(2) permits such a bank or company to engage in, or to invest in a nonfinancial company that engages in, nonfinancial activities in the United States.

The House bill contains no similar provision. The House recedes to the Senate with amendments as described below, which the Senate accepts.

Moratorium on Expansion of Grandfathered Activities by Acquisition

Section 8(c) of the International Banking Act permits a foreign bank or parent company to continue to engage in nonbanking activities in the United States in which it was lawfully engaged on July 26, 1978, even if those activities (e.g., underwriting corporate securities) are not permissible for U.S. banks or bank holding companies. Although section 8(c) does not authorize a foreign bank or parent company to expand its grandfathered activities by acquiring a going concern, the Federal Reserve Board has authority to permit such an acquisition under section 4(c)(9) of the Bank Holding Company Act.

The prohibition in the Senate amendment against expanding grandfathered activities has been modified so as to permit expansion de novo or by internal growth, but not by acquisition. Thus section 201(b)(1) prohibits a foreign bank or parent company that has grandfather rights under section 8(c) of the International Banking Act from expanding an activity in which it is engaged pursuant to that section by acquiring an interest in, or the assets of, a going concern during the moratorium period.

The prohibition in the Senate amendment against commencing new activities pursuant to grandfather rights under section 8(c) has been deleted as unnecessary. By their very terms, such rights can be used only to engage in those activities in which the foreign bank or parent company in question was engaged on the grandfather date; they cannot be used to commence a new and different activity.

Section 201(b)(1) does not apply to any "domestically-controlled affiliate covered in 1978", as defined in section 8(c). This exclusion is consistent with the decision made by the Congress in the Garn-St Germain Depository Institutions Act of 1982 to permit such a company to expand its activities by acquiring a going concern.

Application of Other Moratorium Provisions to Foreign Banks and Parent Companies

The securities, insurance, and real estate moratorium provisions (section 201(b)(2)-(6)) are amended to make it clear that they apply to the U.S. activities of foreign banks and parent companies, consistent with the policy of national treatment reflected in the International Banking Act. A foreign bank that maintains a U.S. branch, agency, or commercial lending company is treated like a bank holding company for purposes of the domestic nonbanking activity restrictions of the Bank Holding Company Act even if it does not control a U.S. bank.

Grandfather Rights Under the International Banking Act

Section 8(c) of the International Banking Act is amended to make it clear that a foreign bank or parent company loses its grandfather rights if it acquires control of a U.S. bank. The amendment to section 8(c) is made in section 204.

Investments Under Section 2(h)(2) of the Bank Holding Company Act

The Conferees deleted the provision of the Senate amendment that would have prohibited a foreign bank or parent company, during the moratorium period, from acquiring additional shares pursuant to section 2(h)(2) of the Bank Holding Company Act. Instead, section 2(h)(2) is amended to make it clear that that section cannot be used to acquire shares of a company engaged in any banking, securities, insurance, or other financial activities. The amendment to section 2(h)(2) is made in section 205.

SECTION 201(B)(2)—SECURITIES

The Senate amendment prohibits any Federal banking agency from taking any final action to approve an application by a bank holding company or insured bank to engage, during the moratorium period, to any extent whatever in the flotation, underwriting, public sale, or distribution of securities if the Federal banking agency could approve the activity in question only by determining that the entity that would conduct that activity would not be engaged principally in that activity.

The House bill contains no similar provision. The House recedes to the Senate with amendments as described below, which the Senate accepts.

The securities moratorium provision of the Senate amendment was broadened because of concern that the Federal banking agencies, particularly the Comptroller of the Currency, might expand securities activities of banks and their subsidiaries during the moratorium period based on a determination other than that specified in the Senate amendment (relating to the "engaged principally" standard). The Conferees were also concerned about a bank holding company's proposal to operate a system for trading options on U.S. Government securities.

During the moratorium period, section 201(b)(2) prohibits a Federal banking agency from authorizing or allowing (by action, inaction, or otherwise) a bank holding company, an insured bank, a foreign bank or parent company, or a subsidiary or affiliate of any of the foregoing from engaging in the United States to any extent whatever in any of the following:

(1) the flotation, underwriting, public sale, dealing in, or distribution of securities, if a Federal banking agency could approve the activity in question only by determining that the entity that would conduct that activity would not be engaged principally in that activity;

(2) any securities activity not legally authorized in writing before March 5, 1987; or

(3) operating a nondealer marketplace in options.

Item (2) does not, however, affect activities in which a bank holding company, an insured bank, a foreign bank or parent company, or a subsidiary or affiliate of any of the foregoing acts only as an agent; activities which were lawfully engaged in before March 5, 1987; or sales or transactions closed on or before June 30, 1987.

Section 201(b)(2) does not affect grandfather rights under section 8(c) of the International Banking Act, which are dealt with in sections 201(b)(1) and 204.

The moratorium should not be construed as effecting any permanent change in the law, or as a congressional judgment on whether a Federal banking agency does or does not have authority to permit a particular securities activity when the moratorium expires.

SECTION 201(b)(3)-(5)—INSURANCE

The Senate amendment prohibits a Federal banking agency from taking any final action to approve any rule, regulation, or order that would have the effect of increasing the insurance powers of banks, bank holding companies, or their subsidiaries, during the moratorium period, beyond those expressly authorized under section 4(c)(8)(A)-(G) of the Bank Holding Company Act.

Section 201(b)(4) specifically prohibits the Federal Reserve Board from approving, during the moratorium period, the acquisition by a bank holding company of any company, including a State-chartered bank, unless the bank holding company agrees to limit the acquired company's insurance activities to those permissible under section 4(c)(8). The prohibition is intended to ensure that a bank holding company cannot take advantage of the so-called "South Dakota loophole" during the moratorium by contending that the insurance restrictions in section 4(c)(8) do not apply to the activities of the holding company's subsidiary banks.

There are two limited exceptions to the general prohibition of section 201(b)(4). The Federal Reserve Board may (1) permit a State-chartered bank to be acquired by a bank holding company that is not a subsidiary of any other company, pursuant to a reorganization plan under which the bank's stockholders exchange their shares of a newly created bank holding company that is not a subidiary of any other company; and (2) permit a State-chartered bank to be acquired by a bank holding company that on March 6, 1987, controlled one or more State-chartered banks that have engaged in insurance activities identical to those of the newly acquired bank, even if the acquiring bank holding company does not agree to limit the bank's insurance activities to those permissible under section 4(c)(8). But neither of the exceptions is available unless the bank holding company agrees (A) to divest or terminate the bank's impermissible insurance activities within two years after acquiring the bank and (B) to limit the bank's insurance activities during that two-year period to the renewal of existing policies.

Section 201(b)(4) would not affect the authority of a bank holding company to engage in insurance activities permissible under section 4(c)(8), such as agency activities in a place of 5,000 or fewer people or by a bank holding company with total assets of $50 million or less.

Section 201(b)(5) provides that, during the moratorium period, a national bank may not expand its insurance agency activities into places where it was not conducting such activities as of March 5, 1987. Thus a national bank now operating an insurance agency in a place of 5,000 or fewer people may not expand its activities beyond that place. And a national bank engaged in activities beyond the place of 5,000 may not expand its insurance activities into places where it was not engaged in insurance activities as of March 5, 1987. The Conferees recognize that there is a court challenge to the Comptroller's authority to permit national banks in places of 5,000 or fewer to sell insurance outside that place. The moratorium is not intended to resolve the issue of the Comptroller's authority, which is a matter for the courts. That section does not, however, bar a national bank located in a place with a population of 5,000 or fewer from establishing, for the first time, an insurance subsidiary in such a place, so long as the insurance activities of that subsidiary remain confined to that place.

The House bill contains no similar provision. The House recedes to the Senate.

SECTION 201(B)(6)—REAL ESTATE

Section 201(b)(6) prohibits a Federal banking agency from taking any final action to approve any rule, regulation, or order that would have the effect of increasing the real estate powers of banks, bank holding companies, or their subsidiaries during the moratorium period.

The House bill contains no similar provision. The House recedes to the Senate.

SECTION 201(d)—INSURANCE AUTHORITY OF BANKING ORGANIZATIONS

Section 201(d) provides that the moratorium is not intended to resolve substantive issues involving the insurance powers of banks, bank holding companies, and their subsidiaries. Thus the expiration of the moratorium will not alter existing law regarding insurance powers, and no inference about existing powers should be drawn from the expiration.

The House bill contains no similar provision. The House recedes to the Senate.

SECTION 201(e)—INSURANCE ACTIVITY OF STATE-CHARTERED BANKS

The Senate amendment specifies that nothing in section 201 is to be construed so as to deny any State the authority to permit its State-chartered banks to engage in any insurance activity. It further specifies that neither the existence nor the expiration of the moratorium is to be construed as increasing, decreasing, or otherwise affecting the insurance authority of State-chartered bank subsidiaries of bank holding companies.

The House bill contains no similar provision. The House recedes to the Senate with an amendment, which the Senate accepts. The amendment clarifies that section 201(e)(1) (relating to State authority over the insurance activities of State-chartered banks) applies only to State-chartered banks that are not subsidiaries of bank holding companies.

SECTION 202—AUTHORITY OF FEDERAL BANKING AGENCIES

The Senate amendment provides that nothing in section 201 is to be construed to prevent a Federal banking agency from issuing, pursuant to its existing authority, a rule, regulation, or order granting expanded securities, insurance, or real estate powers to banks or bank holding companies subject to the moratorium under section 201 if the agency specifies that the powers in question may not be exercised before the moratorium has expired. To come within this provision, the rule, regulation, or order must contain or otherwise be subject to such a specification. Thus if an application were approved by operation of law during the moratorium period (e.g., under section 3(b) or 4(c)(8) of the Bank Holding Company Act) because a Federal banking agency failed to approve or deny the application within the time provided by law, the approval would not authorize the applicant to engage after the mortatorium expires in activities proscribed under section 201.

The House bill contains no similar provision. The House recedes to the Senate.

SECTION 203—INTENT OF CONGRESS

The Senate amendment declares that the Senate, through its Committee on Banking, Housing, and Urban Affairs, intends to conduct a comprehensive review of banking and financial laws, and to make decisions on the need for financial restructuring legislation before the moratorium expires. The Senate amendment further declares that the Senate does not intend to renew or extend the moratorium.

The House bill contains no similar provision. The House recedes to the Senate with an amendment, which the Senate accepts. The amendment (1) broadens the provision so that it declares the intent of the Congress (and not simply that of the Senate), and (2) inserts a reference to the Committee on Banking, Finance and Urban Affairs of the House of Representatives parallel to the reference to the Committee on Banking, Housing, and Urban Affairs of the Senate.

SECTION 204—AMENDMENTS TO THE INTERNATIONAL BANKING ACT

In administering the International Banking Act, the Federal Reserve Board has consistently maintained that grandfather rights under section 8(c) terminate if the foreign bank or parent company that has such rights acquires control of a U.S. bank and thus becomes a bank holding company for purposes of the Bank Holding Company Act. Section 204 amends section 8(c) so as to codify that interpretation.

After acquiring control of a U.S. bank, a foreign bank or parent company has two years in which to bring its U.S. nonbanking activities into full compliance with section 4 of the Bank Holding Company Act (with the exception provided by section 2(h)(2) of that Act). Any activity grandfathered under section 8(c) that is not otherwise permissible for U.S. bank holding companies must be divested or discontinued; any grandfatherd activity that is permissible for U.S. bank holding companies may be continued only with appropriate regulatory approval or pursuant to exemptions otherwise available. The Federal Reserve Board has discretion to grant limited extensions of the two-year period. Both the two-year period and the authority for limited extensions are drawn from, and intended to have the same meaning as, the corresponding provisions of section 4(a)(2) of the Bank Holding Company Act, which apply to bank holding companies generally.

The changes made to existing law by sections 204 and 205 are permanent; they do not expire on March 1, 1988.

Section 204 was adopted in connection with the House amendment to section 201(b)(1).

SECTION 205—AMENDMENTS TO THE BANK HOLDING COMPANY ACT

Restriction of Investments Under Section 2(h)(2) to Nonfinancial Companies

Section 2(h)(2) of the Bank Holding Company Act permits a foreign bank or bank holding company that is "principally engaged" in banking outside the United States to acquire shares of a foreign company (the "investor company") that is principally engaged in business outside the United States, and permits the investor company to acquire shares of any company engaged in the same general line of business as the investor company or in a business related to that of the investor company. The Federal Reserve Board has interpreted "principally engaged" in section 2(h)(2) as meaning "more than 50 percent" engaged. 12 C.F.R. 211.23(f)(5)(i). Although the Conferees accept that interpretation for purposes of section 2(h)(2), they do not intend to express any judgment on the meaning of "engaged principally" in the Glass-Steagall Act.

In keeping with the Federal Reserve Board's longstanding interpretation of section 2(h)(2), new section 2(h)(3) would specify that a company whose shares are held pursuant to section 2(h)(2) ("section 2(h)(2) company") cannot engage in—or hold more than 5 percent of the outstanding shares of any class of voting securities of a company engaged in—any banking, securities, insurance, or other financial activities in the United States. The Board is authorized to define "banking, securities, insurance, or other financial activities". The Conferees anticipate that the Board will define "other financial" activities in a manner similar to that in section 211.23(f)(5)(iii)(B) of the Board's Regulation K, which classified as "financial" certain real estate and other activities not specifically mentioned in new section 2(h)(3).

Section 2(h)(2) currently refers to "financial operations or types of activities". The corresponding provision of new section 2(h)(3) refers only to "financial activities". The Conferees deleted "operations or types of" as redundant; they did not thereby intend to narrow the prohibition.

Section 2(h)(3) does not prohibit a section 2(h)(2) company from continuing to hold shares that were lawfully acquired under section 2(h)(2) and applicable regulations as in effect before the date of enactment of the Competitive Equality Banking Act.

In amending section 2(h) of the Bank Holding Company Act, the Conferees do not intend to restrict the Federal Reserve Board's authority to grant further exemptions under section 4(c)(9) of the Bank Holding Company Act, including the exemption for noncontrolling interests held by a foreign bank holding company in a foreign nonbanking company principally engaged in business outside the United States. 12 C.F.R. 211.23(f)(5)(i). The amendments to section 2(h) are not intended to affect the scope of that and other exemptions available to foreign banks or bank holding companies under section 4 of the Bank Holding Company Act as currently implemented by the Board.

Joint Marketing Restrictions on Section 2(h)(2) Companies

Section 205 also limits joint marketing between (1) U.S. branches and agencies and U.S. bank subsidiaries of foreign banks or bank holding companies, and (2) U.S. nonfinancial companies controlled pursuant to section 2(h)(2). The restrictions are similar to those applicable under this Act to grandfathered nonbank banks and their affiliates.

Section 205 was adopted in connection with the House amendment to section 201(b)(1).

TITLE III—RECAPITALIZATION OF FSLIC

With several exceptions, the House bill and the Senate amendment are virtually identical. Rather than separately describing the provisions of each bill, the description below explains only the conference-reported bill, except when significant differences exist between the House and Senate.

SECTION 301—SHORT TITLE

This section designates this title as the "Federal Savings and Loan Insurance Corporation Recapitalization Act of 1987."

SECTION 302—FINANCING CORPORATION ESTABLISHED

Section 302 amends the Federal Home Loan Bank Act to add a new section 21 that requires the Federal Home Loan Banks ("FHLBanks" or "Banks") to invest in the newly created "Financing Corporation," which in turn will be required to invest in the Federal Savings and Loan Insurance Corporation ("FSLIC"). The Banks' investment will be lawful, notwithstanding limitations found elsewhere in the Federal Home Loan Bank Act.

Directorate

Under new section 21(b)(1), the Financing Corporation will be under the management of a Directorate, composed of three members, one of whom will be the Director of the Office of Finance of the Federal Home Loan Banks or his successor, and two of whom will be selected by the Federal Home Loan Bank Board from among the presidents of the FHLBanks. Each of the two FHLBank presidents selected to serve as members will be appointed for a term of one year. If any member leaves office, the member's service will terminate on the date such member leaves office and the successor to such member will serve the remainder of the member's term.

The president of any FHLBank cannot be appointed to serve an additional term on the Directorate until the president of each of the other FHLBanks has served as many terms as the president being selected to serve the additional term. The Chairman of the Federal Home Loan Bank Board will select the chairperson of the Directorate from among the three members.

Employees

The Financing Corporation will have no paid employees, and the Directorate can, with the approval of the Board, authorize the officers, employees, or agents of the FHLBanks to act on behalf of the Financing Corporation to perform the Financing Corporation's functions. Members of the Directorate will not receive any compensation from the Financing Corporation for their service on the Directorate.

Administrative Expenses

All administrative expenses of the Financing Corporation will be paid by the FHLBanks. The amount each FHLBank will pay will be determined by the Board with each bank paying a pro rata amount based upon its required stock investment in the Financing Corporation. Administrative expenses of the Financing Corporation do not include custodian fees in connection with the Financing Corporation's segregated account maintained to assure repayment of the principal of its obligations or the issuance costs of and the interest on its obligations.

The Directorate will be subject to the Board's regulations, orders, and directions.

Powers of the Financing Corporation

Under section 21(c), the Financing Corporation, subject to the other provisions of this section and to the regulations, orders and directions prescribed by the Board, is provided with corporate powers necessary and apropriate for its operations as a specialized corporate entity. Such corporate powers include the power to issue obligations in the form of nonvoting capital stock to the FHLBanks; to invest in any securities issued by the FSLIC; to borrow from the capital markets by issuing debt and to pay interest thereon and give security therefore; to impose assessments pursuant to subsection (f); and to exercise incidental powers necessary or appropriate to carry out the provisions of this section.

Capitalization of the Financing Corporation

Under section 21(d), each FHLBank will be required, as prescribed by the Board, to invest in the nonvoting capital stock of the Financing Corporation. Stock issued by the Financing Corporation to the FHLBanks will have a par value determined by the Board and will be transferable only among the FHLBanks as prescribed by the Board at not less than par. The cumulative amount of the Banks' investment in the Financing Corporation will be limited to $3.0 billion.

Limit on Investment by Each FHL Bank

Section 21(d)(3) limits the cumulative investment in the Financing Corporation by each Bank to the agregate of its legal reserves plus "undivided profits." This limitation will be calculated by adding each Bank's legal reserves on December 31, 1985, "undivided profits" on December 31, 1985, legal reserves after December 31, 1985, and "undivided profits" after December 31, 1985. Thus "legal reserves" and "undivided profits" for purposes of this calculation will include all retained earnings of the FHLBanks minus those amounts held in the dividend stabilization reserve as of December 31, 1985.

Pro Rata Distribution of First $1 Billion

Under section 21(d)(4), each FHLBank is required to purchase a specified percentage of the first $1 billion of stock in the Financing Corporation. The percentage of the first $1 billion that each Bank is required to invest in nonvoting capital stock of the Financing Corporation is derived from a formula taking into account each Bank's individual share of total FHLBank System retained earnings (minus their "dividend stabilization reserves") and the share of FSLIC-insured deposits held by each Bank's member institutions. By taking into account the shares of FSLIC-insured deposits held by a Bank's member institutions, the formula accommodates Bank's member institutions that are insured by the Federal Deposit Insurance Corporation.

Pro Rata Distribution of Amounts in Excess of $1 Billion

Allocation of the remaining stock purchases is based on the percentage of total assets of FSLIC-insured members represented at each bank under section 21(d)(5); however, no Bank will be required to exceed the limitation set forth in paragraph (d)(3). The aggregate amount of Financing Corporation stock that must be purchased by all of the FHLBanks is not reduced because of the limitation in that paragraph. Section 21(d)(6), described below, provides for a reallocation of stock purchases among Banks that have not reached their limits.

Section 21(d)(6) provides that if a FHLBank cannot purchase the full amount of stock in the Financing Corporation because that amount exceeded its legal reserve plus undivided profits, the amount that the Bank cannot purchase will be prorated for investment among the remaining Banks based upon their stock holdings in the Finance Corporation, as long as the cumulative amount of funds required to be invested by the remaining Banks does not exceed their legal reserves and undivided profits.

Any FHLBank that did not purchase the full amount of Financing Corporation stock as required under the formula in section 21(d)(5) will be required to purchase, annually at the issuance price, from those Banks to which such stock was reallocated, the stock originally allocated to it. The amount of such stock repurchases among the FHLBanks, based upon the amount reallocated to and purchased and held by such Banks, the amount available for such purchases. The "amount available" includes all retained earnings of the Bank on whose behalf an investment has been made under subparagraph (A)(i), less certain amounts. The "amount available" does not include the Bank's special dividend stabilization reserve (as of December 31, 1985) listed under subparagraph (d)(7)(B), nor an amount of retained earnings equal to the amount of Financing Corporation capital stock already purchased by the Bank. Until the restricted Bank has fulfilled this repurchase obligation, it is prohibited from paying dividends in excess of one-half of its "net earnings available for dividends". Such funds not paid out in dividends are to be placed in a reserve account required by the Board.

Definitions: Net Earnings Available for Dividends; Undivided Profits

For purposes of subparagraph (F), "net earnings available for dividends" means net earnings after computing transfers to legal reserves. "Undivided profits" means retained earnings minus legal reserves and amounts held in the dividend stabilization reserve as of December 31, 1985. The dividend stabilization reserve is excluded from investment in the Financing Corporation because it includes funds, above the legal reserves, that had been determined not to be distributed in the year earned, so as to create a possible supplement to further years' dividends. This special dividend reserve will, however, have to be used completely before a FHLBank, subject to Board approval, can ever draw on its legal reserves under the circumstances outlined under section 206 of this title. To ensure that only the amount held in the dividend stabilization reserve as of December 31, 1985, is excluded from the amounts that may be invested in the Financing Corporation, the legislation specifically lists the amounts held by each FHLBank in its dividend stabilization reserve as of December 31, 1985.

Limitation on the Amount of Outstanding Obligations

Section 21(e)(1) sets forth the aggregate outstanding amount of obligations issued by the Financing Corporation, as determined by the Board. The House bill limits the borrowing authority to $5.0 billion. The Senate amendment limits the borrowing authority to $7.5 billion. The conference-reported title provides that the amount will not be permitted to exceed the lesser of (1) $10.825 billion or (2) the greater of (a) five times the Financing Corporation's outstanding nonvoting capital stock, or (b) the sum of the face amounts (which for zero-coupon instruments will be the principal payable at maturity) of obligations invested by the Financing Corporation and held in a segregated account pursuant to subsection (g)(2), whichever is less. The principal of all obligations shall be covered by zero coupon bonds as described in section 21(g)(2) set forth below. The second restriction described above permits the Financing Corporation to exceed a five-to-one leverage only if it purchased and held securities whose face amounts or amounts payable at maturity will at least equal the principal amount payable on all the outstanding Financing Corporation's debt, thereby ensuring that the debt principal will be repaid.

Annual Limitation on Net New Borrowing

Section 21(e)(2) sets forth limits on the annual amount of net new borrowing. The House bill limits the net new borrowing to $2.5 billion a year with a two-year sunset period. The Senate amendment limits the net new borrowing to $3.75 billion per year, also with a two-year sunset provision. The conference-reported title limits the net new borrowing authority to $3.75 billion annually, but without a sunset period.

Net Proceeds To Be Invested in Capital of FSLIC

Under section 21(e)(3), the net proceeds of obligations issued by the Financing Corporation are required, subject to terms and conditions approved by the Board, to be used to purchase capital certificates or capital stock issued by the FSLIC or to refund any previously issued obligation whose net proceeds were invested in capital certificates or capital stock of the FSLIC.

Limitation on Maturities

Under section 21(e)(4), no obligation of the Financing Corporation can be issued which will mature more than 30 years after the date of issue or after December 31, 2026.

Investment of United States Funds in Obligations

Pursuant to section 21(e)(5), obligations of the Financing Corporation (which will be issued only with the approval of the Board), like FHLBank obligations, will be lawful investments and can be accepted as security for all fiduciary, trust, and public funds, whose investment or deposit will be under the authority or control of the United States or any officers thereof.

Market for Obligations

Under section 21(e)(6), all persons having authority to invest, sell, underwrite, purchase, use as collateral, or deal in FHLBank obligations will have the same authorities with respect to Financing Corporation obligations. For example, such authority is given to commercial banks pursuant to 12 U.S.C. 24, paragraph 7, to State member banks pursuant to 12 U.S.C. 335, to federally-chartered thrift institutions pursuant to 12 U.S.C. 1464(c)(1)(D), and to Federal credit unions pursuant to 12 U.S.C. 1757(7). This gives these financial institutions the same authorities with respect to obligations of the Financing Corporation as they have with respect to obligations of the FHLBanks.

No Full Faith and Credit

Under section 21(e)(7), the Financing Corporation bears exclusive liability for its obligations and interest thereon. The Financing Corporation's obligations and interest thereon are not obligations of or guaranteed by the FHLBanks, the United States, or the Federal Savings and Loan Insurance Corporation.

Tax Exempt Status

Under section 21(e)(8), obligations of the Financing Corporation have the same tax status as obligations of the FHLBanks. Thus interest earned on those obligations is taxable as income at the Federal, but not the State level.

Obligations Are Exempt Securities

Under section 21(e)(9) instruments issued by the Financing Corporation are exempt securities under the provisions of the Federal securities laws administered by the Securities and Exchange Commission. This exemption is the same as that enjoyed by obligations of the FHLBanks.

Participation in Public Offerings

The conference-reported bill contains a provision which requires the Chairman of the Board and the Directorate of the Financing Corporation to ensure that minority-owned or minority-controlled commercial banks, investment banking firms, underwriters, and bond counsels throughout the United States have an opportunity to participate significantly in any public offering of bond obligations. Both Senate and House bills contained language on this subject. The only difference between the Senate and House language is that the Senate language included minority commercial banks as eligible participants. Whereas the House receded to the Senate language in order to include the term minority commercial banks, it was agreed to by the Conferees that the House colloquy between Congressman St Germain and Congressman Gonzalez on the similar House provision which includes the definition of "minority" shall be the legislative history for this section. It is the intent of the Conferees that the term "minority" means any Black American, Native American, Hispanic American, or Asian American.

Assessment Authority of the Financing Corporation

The first part of section 21(f) authorizes the Financing Corporation to impose assessments on each FSLIC-insured institution. The Financing Corporation is authorized to assess each institution insured by the FSLIC an amount for each semiannual period equal to an amount not to exceed one-twelfth of 1 per centum of the total amount of all accounts of the insured members of such institution on an annual basis. The Financing Corporation is provided with additional exceptional authority to assess against each insured institution an additional amount for each semiannual period equal to an amount not to exceed one-eighth of 1 per centum of the total amount of all accounts of the insured members of such institution on an annual basis. This exceptional authority may be exercised only with Board approval and a vote by all the members of the Directorate of the Financing Corporation confirming that such assessments are necessary in order for the Financing Corporation to meet its interest payment obligations because no other sources of income are available.

On an annual basis, the maximum assessment rate is one-twelfth of 1 per centum plus one-eighth of 1 per centum, or 5/24 of 1 per centum of all accounts of the insured members of an institution. However, the assessment authority is further limited as described in the paragraph below.

The Financing Corporation may not collect assessments, whether regular or exceptional, in excess of the amount necessary to pay the interest on and issuance costs of its obligations, and custodian fees for the segregated account described in subsection (g). While the assessment rates are calculated on an annual basis, the assessments are authorized to be collected on a semiannual basis.

Exit Fees

Section 21(f)(4) addresses so-called "exit fees". The Senate bill contains no similar provision. The conferees adopt the House provision with the amendments noted below.

Section 21(f)(4) requires the Financing Corporation, with the approval of the Board, to assess an exit fee on any insured institution which ceases to be an institution insured by the FSLIC. Such exit fee is not to exceed the sum of 2 times the last annual insurance premium plus the product of (1) the aggregate amount of all accounts of insured members of such institution (as of the date the institution ceases to be an insured institution) and (2) two times the rate at which the supplemental assessment was assessed against insured institutions by the FSLIC in 1986.

Reduction for Weakened Institutions

Also, the Financing Corporation may, at its sole discretion, reduce the amount of any exit fee imposed on an institution that ceases to be insured by FSLIC. The Financing Corporation may reduce such fees where the exiting institution poses a substantial risk to the assets of FSLIC and such reduction is necessary to assist in the sale for other disposition of the institution.

Total Exemption From Exit Fees

The House bill includes a "Grandfather Clause" which exempts from the imposition of this exit fee those institutions which, before March 31, 1987, have: been converted into, merged with, acquired by or combined with an FDIC-insured institution; filed an application or notice with the appropriate regulatory body pursuant to such conversion, merger, acquisition or combination; or, entered into a letter of intent or memorandum of understanding pursuant to such a transaction. The conferees adopted an amendment changing the grandfather date from *before* March 31, 1987, to *on or* before March 31, 1987.

It is the intention of the Conferees that Shelton Savings and Loan Association, Inc., meets the requirements of section 21(f)(4)(F)(iii).

Partial Refund of Exit Fee Paid

The House bill further provides that exit fees (or the equivalent thereof) paid prior to March 31, 1987 by grandfathered institutions in excess of those exit fees which would have been required under the present provision will be reimbursed to those exiting institutions. The conferees adopted a provision which moves the effective date from March 31, 1987 to date of enactment for purposes of this partial refund provision only.

Moratorium on Exiting FSLIC

The conference-reported title also provides in section 306(h) for a one-year moratorium beginning on the date of enactment during which no insured institution may voluntarily leave the FSLIC. The Conferees do not intend, however, to affect the authority of the FSLIC to liquidate or arrange emergency acquisitions of an association or insured institution. The moratorium also does not affect the ability of institutions grandfathered under section 21(f)(4)(F) to leave the FSLIC.

The Conferees do not intend to prevent institutions or the FSLIC from taking any preliminary steps necessary to effectuate a termination of FSLIC insurance upon expiration of the moratorium.

Permissible Investment Vehicles

Section 21(g) sets forth the use and disposition of assets of the Financing Corporation not invested in the FSLIC. Paragraph (1) authorizes the Financing Corporation to invest such assets in the same set of obligations and under the same conditions as FHLBanks are permitted to invest their reserves under the current Section 16 of the Federal Home Loan Bank Act. These investments include: (1) investments in zero-coupon instruments held in a segregated account as described below; and (2) short-term investments of the net proceeds of debt issued by the Financing Corporation prior to the purchase of FSLIC capital stock and certificates.

Zero Coupons To Assure Repayment of Principal

Under section 21(g)(2), the Financing Corporation will be required to invest in and hold in a segregated account, Treasury STRIPS or other noninterest bearing securities as described above, of which the total principal payable at maturity is approximately equal to the aggregate amount of principal on the Financing Corporation's obligations. The purpose of this segregated account is to assure the repayment of principal on the Financing Corporation's obligations.

Limitation on Investments in Zero Coupons

Paragraph (3) of this subsection limits the aggregate amount invested by the Financing Corporation under paragraph (2) and held in the segregated account to $2.2 billion.

Definitions

Issuance Costs

For purposes of section 21, "issuance costs" means issuance fees and commissions incurred by the Financing Corporation in connection with the issuance or servicing of any of the Financing Corporation's obligations, and includes legal and accounting expenses, trustee and fiscal and paying-agent charges, costs incurred in connection with preparing and printing offering materials, and advertising expenses. Each of these costs must be incurred in connection with issuing any obligation.

Custodian Fees

For purposes of section 21, "custodian fees" means any fee incurred by the Financing Corporation in connection with the transfer of or maintenance of any security in the segregated account established under paragraph (2), and any other expense incurred in connection with the establishment and maintenance of the segregated account.

Tax Status of Financing Corporation

Under section 21(h)(1), the Financing Corporation will have the same tax status as the FHLBanks. The Secretary of the Treasury is authorized to prepare the necessary forms of stock, debentures, bonds, as approved by the Board, pursuant to section 23 of the Federal Home Loan Bank Act, for obligations of the Financing Corporation, as the Secretary of the Treasury is also so authorized for obligations of the FHLBanks.

Under section 21(h)(2), the Federal Reserve Banks will be authorized to act as depositories, custodians, and fiscal agents for the Financing Corporation in the general performance of its powers under this Act.

Treatment Under the Government Corporation Control Act

Section 21(h)(3) accords the Financing Corporation the same coverage under the Government Corporations Control Act as the FHLBanks are accorded under that Act pursuant to Section 11(j) of the Federal Home Loan Act (12 U.S.C. 1431(j)). Thus audits of the Financing Corporation by the General Accounting Office can be conducted although the Financing Corporation will have no Government capital invested in it. In addition, the Secretary of the Treasury, a Federal Reserve Bank, or a bank designated as a depository or fiscal agent of the United States Government has the authority to keep the Financing Corporation's accounts (although the Secretary of the Treasury can waive this provision regarding accounts).

In addition, before the Financing Corporation can issue obligations and offer them to the public, the Secretary of the Treasury will prescribe the various conditions to which the obligations will be subject (including the form, denomination, maturity, and interest rate), the way and time the obligations will be issued, and the price for which the obligations will be sold. This procedure is currently in place for the issuers who are subject to Section 9108(a) of title 31, United States Code (part of the Government Corporations Control Act) and in practice the Treasury generally approves the terms and conditions on obligations as proposed by these issuers.

Finally, before the Financing Corporation can buy or sell a direct obligation of the United States Government, or an obligation on which the principal, interest, or both, is guaranteed, of more than $100,000, the Secretary of the Treasury has to approve the purchase or sale, although the Secretary can waive this requirement. All of these authorities also pertain to the FHLBanks' issuance of debt.

Industry Advisory Committee

Pursuant to section 21(i), a Federal Savings and Loan Insurance Corporation Industry Advisory Committee will be created to review and make recommendations concerning the Board's activities, expenditures and receipts. Creation of the Committee offers FSLIC-insured institutions a means of contributing input, in a constructive and responsible manner, to the FSLIC. To enable the Committee to perform this function, it will have access to the new quarterly reports that the FSLIC will be required to prepare pursuant to section 402(k) of the National Housing Act.

The Committee, which is exempt from Federal Advisory Committee Act coverage, will consist of 13 members, one from each FHLBank District (to be elected annually by the selected members of each Bank's board of directors), plus the Chairman, who will be appointed each year by the chairman of the Board. All members have to be officers of FSLIC-insured institutions. Expenses incurred by members in connection with attending Committee meetings will be paid for by the FHLBanks, as specified by regulations issued by the Board. The Board is also empowered to prescribe regulations to guard against possible conflicts of interest that might arise from providing sensitive FSLIC data to industry representatives.

The Committee is required to report annually to Congress, and will cease to exist upon the dissolution of the Financing Corporation.

Termination of Financing Corporation

Section 21(j) requires dissolution of the Financing Corporation no later than the earlier of: (1) the date by which all stock purchased by the Financing Corporation in FSLIC has been retired; or (2) December 31, 2026. The Board, on behalf of the FLHBanks, is the successor to the powers of the Financing Corporation deemed necessary to settle and conclude the affairs of the Financing Corporation.

SECTION 303—MIXED OWNERSHIP GOVERNMENT CORPORATION

Section 303 will establish the status of the Financing Corporation as a "mixed ownership" government corporation, which is the same status accorded to FHLBanks, under the Government Corporations Control Act.

Although there is no government capital invested in the Financing Corporation, this category of "mixed ownership" has been accorded to the Financing Corporation to provide it with parallel legal status to that of the FHLBanks as described in the paragraph above analyzing section 21(h)(3).

SECTION 304—RECAPITALIZATION OF FSLIC

Issuance of Capital Certificates and Stock

Section 304 authorizes the FSLIC to issue equity in the form of redeemable non-voting capital stock and non-redeemable capital certificates. The non-voting capital stock will be issued in an amount equal to the aggregate investment by the FHLBanks in the Financing Corporation. The Financing Corporation will be the sole purchaser of both the capital certificates and the capital stock issued by the FSLIC, and proceeds paid to the FSLIC from that purchase will be included as part of the primary reserve of the FSLIC. The FSLIC will be prohibited from paying any dividends to the Financing Corporation on the capital certificates and stock.

Retirement of Stock; Equity Return Account

This section also will authorize the FSLIC to pay off and retire its capital stock upon maturity of all the obligations issued by the Financing Corporation. Since the FSLIC's capital certificates will be non-redeemable, the FSLIC will extinguish them with no payoff at the time the FSLIC retires the capital stock. FSLIC will be authorized to make such payoff of the retired capital stock solely with its contributions accumulated in its "equity return account," an account created under this title that can include annual contributions made by the FSLIC according to statutorily prescribed formulae. Any such contributions will be made at the end of each year beginning in 1997 and ending in the year during which the last obligation of the Financing Corporation matures.

Contributions made to the equity return account will not be included as FSLIC reserves. Such contribution amounts will be the only monies included in the equity return account. Any interest earned on the funds in the equity return account will be for the account of the FSLIC and will not be included as part of the equity return account, but will be added to the reserves of the FSLIC. While the contributions to the equity return account will be made annually as prescribed above, no payoff and retirement of FSLIC stock will be authorized to be made until the maturity of all Financing Corporation obligations.

Annual Contribution to the Equity Return Account

The formulae for the annual contributions are described below. No annual contributions can be required to be made if the FSLIC's reserves are less than 0.5 percent of all accounts of all insured members (as of December 31 of the preceding year). In any year in which the FSLIC's reserves are equal to 0.5 percent of all accounts of all insured members or greater (as of December 31 of the previous year), the contribution will be the amount invested by the Financing Corporation in FSLIC capital stock, divided by the number of years from the first year after 1996 that the reserves to accounts ratio reached 0.5 percent to the year in which the last obligation of the Financing Corporation matures (which can be no later than 2026).

Additional Contributions

Under certain circumstances, the title provides for additional contributions as determined by the Board. In any year in which the FSLIC's reserves are equal to 1.0 percent of all accounts of all insured members or greater up to and including 1.25 percent of all such accounts (as of December 31 of the preceding year), the additional contribution as determined by the Board can be a maximum of 6 percent per year compounded on the amount invested by the Financing Corporation in FSLIC capital stock computed from the year the investment was made to the year in which the last obligation of the Financing Corporation matures (not later than 2026), divided by the number of years from the first year after 1996 that the reserves to accounts ratio reached 1.0 percent to the year in which the last obligation of the Financing Corporation matures.

The title sets forth two other formulae for possible additional contributions if the reserves to accounts ratio of FSLIC were to increase, raising the percentage compounded and subtracting from these in the numerator of the fraction, the amounts already paid out in additional contributions. All these additional contributions, which will be above the repayment of the amount invested by the Financing Corporation in FSLIC capital stock will be subject to the discretion of the Board.

Section 304 also makes clear that the term "Financing Corporation" refers to the corporation chartered pursuant to section 302 of this legislation, new section 21 of the Federal Home Loan Bank Act.

SECTION 305—FSLIC AUTHORITY TO CHARGE PREMIUMS REDUCED BY AMOUNT OF FINANCING CORPORATION ASSESSMENTS

This section limits the FSLIC's authority to collect premiums and assess additional premiums by reducing it by the amount the Financing Corporation assesses. Thus no institution can be required to pay on an annual basis more than a premium of one-twelfth of one percent, plus an additional premium of one-eighth of one percent, whether the premiums are paid to the FSLIC, the Financing Corporation, or a combination of both. As under current law, the imposition of the one-eighth of one percent assessment will be limited to special circumstances.

SECTION 306—MISCELLANEOUS PROVISIONS

Section 306 will amend section 16 of the Federal Home Loan Bank Act to allow the Board, under certain circumstances, to authorize a FHLBank to declare and pay dividends out of its undivided profits or legal reserves, but only after such Bank has reduced all other reserves (e.g., the dividend stabilization reserve) to zero. Such an extraordinary dividend may be permitted where (1) a FHLBank incurs a charge off related to its investment in the Financing Corporation and (2) the Board determines there is an extraordinary need for payment of such dividends. Any such use of undivided profits or legal reserves will not affect the requirements for FHLBanks' investments in Financing Corporation stock.

Section 306(b) is meant to clarify that the sentences referring to the retirement of capital stock in subsection 402(h) of the National Housing Act do not cover either FSLIC stock or FSLIC certificates issued pursuant to this Act.

Phase-Down of the Special Assessment

Section 305(c) provides for a five-year phase-down (from 1987 through 1991) of the Special Assessment that FSLIC may charge (but not the special assessment that the Financing Corporation may charge), unless the Federal Home Loan Bank Board determines that severe pressures on the Corporation exist which necessitate an infusion of additional funds to the FSLIC. The Conferees believe that it is consistent with the Board's authority under section 404(c) for the Board to postpone the reduction in the special assessment until 1988, if the Board determines that such a postponement will improve the financing environment for selling obligations of the Financing Corporation.

Priority Lien Position for FHL Banks

Section 306(d) recognizes the special position of the FHLBanks as a lender of last resort and grants the FHL Banks a priority line position, unless another creditor has obtained a perfected security interest in the property.

Section 306 (e), (f) and (g) contain technical and conforming amendments.

Moratorium on Exiting FSLIC

Section 306(h) contains the FSLIC exit fee and insurance termination moratorium discussed above.

Reports to Congress

Section 306(i) requires the FSLIC to report to Congress.

SECTION 307—SECONDARY RESERVE

The Conferees adopted an amendment offered by the House which permits insured institutions to offset against assessments the amounts that were previously part of the so-called "secondary reserve". The amount of the secondary reserve is referred to as the "statutorily prescribed amount". This amount is currently approximately $824 million but will decrease each year by the amount restored to FSLIC-insured institutions.

Under the amendment, institutions would be permitted to reduce or offset the amount of premiums they would otherwise pay to FSLIC—not the Financing Corporation—each year. There are two limitations to the premium offset during the initial 5 years. First, the offset may only apply to the special assessments charged by the FSLIC under section 404(c) of the National Housing Act, and not to the regular assessments charged under section 404(b) of the National Housing Act. Second, the offset will be limited in each of these 5 years to no more than 20% of the "statutorily prescribed amount".

After 5 years, the institution's pro rate share of the remaining "statutorily prescribed amount" may be offset against both special and regular assessments imposed by the FSLIC without any annual maximum amount limitation.

TITLE IV—THRIFT INDUSTRY RECOVERY ACT

The House Bill and the Senate amendment provide an approach for dealing with troubled but well-managed and viable thrifts in those areas of the country which have weakened economies due to slumps in the energy, agricultural, and real estate markets. The overall objective of the two approaches is to maximize the long-term viability of the thrift industry at the lowest cost to the Federal Savings and Loan Insurance Corporation (FSLIC). The House bill seeks, by specific statutory criteria, to deal with potential areas for regulatory changes and supervisory reforms. The Senate approach fully preserves the independent regulatory agency concept and suggested guidelines in a number of areas.

The Senate recedes to the House with an amendment which the House accepts with an amendment which the Senate accepts.

The conference-reported bill requires the Fedeal Home Loan Bank Board (Bank Board) to promulgate thrift accounting requirements consistent with Generally Accepted Accounting Principles (GAAP), as modified by the commercial bank regulators; provides capital forbearance to viable and well-managed thrifts, including the use of Capital Certificates and Warrants; and establishes an appeals process for the timely review of grievances related to the determination of appraisals, asset classifications, and loss allowances.

The bill provides for audits of the Federal Asset Disposition Association by the General Accounting Office; new appraisal standards consistent with the practices of commercial bank regulators; increased utilization of minority thrifts as depositories for Government funds; improved disclosure and control of outside consultants, counsel, and contractors; oversight and reporting requirements, and authority for the Bank Board to establish capital requirements consistent with the commercial bank regulators.

SECTION 402—THRIFT INSTITUTION ACCOUNTING, APPRAISAL, AND RESERVE STANDARDS

This section requires the Bank Board and FSLIC to formulate regulations for the eventual application of GAAP to all thrift institutions. These regulations are to be applied to thrifts to the same degree that GAAP standards are used by the regulators of commercial banks, while recognizing that the regulatory accounting principles prescribed by the various federal financial regulatory agencies may not be uniform.

The Bank Board must implement a new classification of assets regulation that is consistent with the practices of the commercial bank regulators. Under this new system, the Principal Supervisory Agent is to have the option to direct the creation of additional general loss reserves based on a review of an insured thrift's overall portfolio.

Thrifts are to be allowed to use Financial Accounting Standards Board (FASB) pronouncement numbers 15 and 5 for troubled debt restructuring. Current Bank Board regulatory practices do not encourage institutions to restructure problem loans and account for their restructuring with FASB-15 and FASB-5, accounting methods consistent with GAAP. With real estate portfolios suffering in many states, the use of FASB-15 may allow a savings institution to avoid loan loss recognition where economic conditions require that borrowers restructure or work out their loans.

The Bank Board may not require an institution to write down assets or establish reserves against assets if these regulatory actions would result in an amount that would be greater than the amount required under GAAP, unless that practice is consistent with commercial bank regulatory actions. The Bank Board's R41(c) memorandum, and its accompanying classification of assets regulations, have given the Bank Board the authority to require a thrift to obtain a "current market" value appraisal on a property and then adjust the loan value to the new R41(c) appraisal. In a depressed economy, where market values are a fraction of what they were several years ago, regulations such as the R41(c) memorandum and the classification of assets regulation have resulted in severe write-downs of many institutions' net worth. This devaluation occurs even though the underlying collateral is income-producing and the debt servicing may have been maintained. The use of GAAP allows a loan to be carried at the lesser of cost or either (1) net realizable value (discounted value based on cash flow), or (2) a carrying value in accordance with FASB-15 debt restructuring where the original obligor has remained in place. This section requires a change of Bank Board regulations and mandates the use of GAAP to the same degree to which GAAP is used by commercial banking regulators.

SECTION 403—AUDIT OF FEDERAL ASSET DISPOSITION ASSOCIATION

This section clarifies that the Federal Asset Disposition Association (FADA) is required to submit to audits by the Comptroller General of the United States (General Accounting Office). Currently, FADA reports to the Bank Board.

SECTION 404—THRIFT INDUSTRY RECOVERY REGULATIONS

This section provides a capital recovery program for thrift institutions suffering from a weakened financial condition primarily related to the depressed economy in the regional areas in which the institutions operate. Thrifts wishing to receive forbearance must submit a plan to the Bank Board. Regulations implementing this program are to be written with the intent to maximize the long-term viability of the thrift industry at the lowest cost to the FSLIC.

The capital recovery program is not intended to restrict any authority of the Bank Board to correct any fraud, criminal activity, imprudent operating practices or managerial incompetence.

The capital recovery program is also specifically expanded to include well-managed and viable minority thrift institutions primarily serving minority communities.

SECTION 405—CAPITAL INSTRUMENT PURCHASE PROGRAM

This section affirms Congressional support for the Bank Board's use of capital certificates for thrifts participating in the capital recovery program. The Bank Board will negotiate warrants and acquire capital certificates that will allow a savings and loan the opportunity to achieve a workable capital level.

SECTION 406—MINIMUM CAPITAL REQUIREMENTS

This section provides the FSLIC with the same authority held by the commercial bank regulators with respect to minimum capital requirements, under section 908 of the International Lending Supervision Act of 1983.

SECTION 407—IMPROVEMENTS IN THE SUPERVISORY PROCESS

The Bank Board is required to issue guidelines which:

(a) expedite or eliminate the approval process for renegotiated loans where a supervisory agreement is in effect,

(b) provide that other sources of credit be considered in analyzing the financial capability of a borrower for recourse loans,

(c) establish an appraisal review system, and

(d) eliminate, in large part, the scheduled item system.

In addition to the foregoing improvements in the supervisory process, this section also provides for the establishment of an informal review process for certain supervisory decisions. Any institution may obtain a prompt review by an independent arbiter—or a panel of independent arbiters—of any determination made by an examiner or supervisory agent related to the appraisal values, asset classification or loan loss reserves. Upon receipt of recommendations by the arbiter or panel of independent arbiters, the Principal Supervisory Agent (PSA) makes a final decision which is nonappealable. The conferees expect that the request for review be brought in food faith and not for the purpose of attempting to forestall as appropriate supervisory determination.

To expedite the appeals process and reduce costs, the PSA may consolidate multiple appeals by one institution or related appeals by different institutions.

SECTION 408—PREVENTION OF INSOLVENCIES

This section requires the Bank Board to transmit a report six months following the date of enactment on the steps the Bank Board has taken to prevent any further insolvencies. In the report required by this section, the Bank Board must provide recommendations for possible further legislative action to maintain and strengthen the savings and loan industry.

SECTION 409—FEASIBILITY STUDY RELATING TO ESTABLISHMENT OF ASSET HOLDING CORPORATION

The Bank Board is required to perform a feasibility study on establishing an asset holding corporation that would acquire assets of troubled or failed thrift institutions. Findings and conclusions of the study, including any suggestions for legislative changes must be submitted to the House and Senate Banking Committees no later than 6 months after enactment. Factors such as cost of such an operation, standards for eligible real estate assets and equity participants in such a corporation by thrift institutions must be considered.

SECTION 410—NOTICE AND DISAPPROVAL PROCEDURE REQUIRED FOR ALL APPLICATIONS TO THE BANK BOARD

Not later than 60 days after enactment, the Bank Board shall submit a report to the House and Senate Banking Committees and promulgate guidelines on the appropriate time period for processing all applications. Also, with regard to the application for debt issuance, any such application shall be deemed to be approved if not disapproved by the Board within 60 days.

SECTION 411—GUIDELINES FOR ASSET DISPOSITION

This section requires that, six months following passage of this Act, the Bank Board provide a report to the Congress and implement guidelines to ensure that assets taken from closed savings and loans are not "dumped" into already depressed markets.

SECTION 412—EXPANSION OF USE OF UNDERUTILIZED MINORITY THRIFT INSTITUTIONS

This section requires Treasury to consult with the Bank Board regarding methods to increase the use of underutilized minority thrift institutions as depositaries or financial agents of federal agencies.

SECTION 413 AUTHORITY OF INDEPENDENT CONTRACTORS, CONSULTANTS, AND COUNSEL

This section requires a standard disclosure of the legal status of consultants, counsel and contractors hired by FSLIC-authorized conservatorships or receiverships to manage or liquidate the assets of troubled or failed institutions. The intent of this section is to make such information more readily available to those negotiating with consultants and others hired to manage a failing or failed institution.

SECTION 414—EXTENSION OF FORBEARANCE PREVIOUSLY PROVIDED IN THE ACQUISITION OF TROUBLED THRIFT INSTITUTIONS

This section extends, for an additional 5 years, recovery measures originally granted to an institution as a result of an agreement governing a supervisory action with respect to a merger, consolidation, transfer, or acquisition of an insured institution on or before March 31, 1987. The recovery measures will be extended only if the acquiring or resulting insured institution can show that the failure to meet any requirement, restriction, or limitation specified in the original agreement is attributable to the assets or liabilities which were acquired or assumed.

SECTION 415—CONGRESSIONAL OVERSIGHT

The Committees on Banking, Finance and Urban Affairs of the House of Representatives and Banking, Housing, and Urban Affairs of the Senate will monitor and review the implementation of the appeals process pursuant to section 407 of the Act. The Bank Board is required to report on the activities of the Federal Home Loan Bank System and all its related entities, including the Federal Asset Disposition Association, on an annual basis, except that reports shall be filed at six-month intervals during the first year.

The Bank Board is required to appear annually before the House Committee on Banking, Finance and Urban Affairs and the Senate Committee on Banking, Housing and Urban Affairs to describe and explain each such agency's plans and proposals with respect to administrative expenses for such fiscal year.

SECTION 416—SUNSET

The Conferees agree to an amendment that would sunset certain provisions of Title IV. The sunset would take effect when the Financing Corporation issues the last obligations under its $10.825 billion borrowing authority. (With the $3.75 billion annual borrowing cap, the sunset could not occur for at least 2.5 years.)

The sunsetted provisions are parts of sections 402(a) and (b); sections 404(a) and (b); section 405; section 407(d); and section 411. The relevant parts of sections 402 (a) and (b) are new sections 9 (a)(2), (a)(3), and (a)(5) of the Home Owners Loan Act for federally chartered thrifts, and the parallel provisions for State-chartered thrifts, new sections 415 (a)(2), (a)(3), and (a)(5) of the National Housing Act.

The sunset of these provisions does not affect the authority of the Federal Home Loan Bank Board or the FSLIC under other provisions of law to prescribe rules or regulations in the areas covered by these provisions. Thus they may reinstate, modify, or delete any rules or regulations promulgated before the sunset in these areas to the extent permitted by other provisions of law.

TITLE V—FINANCIAL INSTITUTIONS EMERGENCY ACQUISITIONS

Conferees Note: During the 99th Congress, the House passed legislation to enhance and expand the emergency interstate acquisition provisions of the Garn-St Germain Depository Institutions Act of 1982 and to exempt banking regulators from apportionment by the Office of Management and Budget (See Title II of H.R. 5576, the FSLIC Recapitalization Act, and Section 3 of H.R. 4917, the Depository Institutions examination Improvement Act.) The provisions of the House-passed legislation are generally similar to the provisions of Title V of this Act.

SECTION 501—SHORT TITLE

The Senate amendment designates this title of the Act as the "Financial Institutions Emergency Acquisitions Amendments of 1987."

The House bill contains no similar provision. The House recedes to the Senate.

SECTION 502—FDIC-ASSISTED EMERGENCY INTERSTATE ACQUISITIONS

The House bill does not contain any amendments to the Federal Deposit Insurance Act similar to the Senate amendment described below. The House recedes to the Senate on these provisions.

Section 13(f) of the Federal Deposit Insurance Act, which was enacted in 1982 as part of Title I of the Garn-St Germain Depository Institution Act of 1982 and would be reinstated by section 509, permitted interstate acquisitions of banks with assets of $500 million or more—but only under limited conditions. Stock institutions, including all eligible commercial banks, could be acquired only if they were closed. An eligible mutual savings bank could be acquired prior to closing—but only if its board of trustees and chartering authority specified in writing that it was in danger of closing and requested the FDIC to assist in acquisition or merger. If a bank was acquired by an out-of-state bank holding company the bank could branch throughout the State to the same extent as an in-state national bank. Without specific State authorizing legislation, however, bank holding companies could not be acquired by out-of-state holding companies and an out-of-state holding company that acquired a bank under section 13(f) could not expand in the State other than by branching of the newly acquired bank. This meant in unit banking States, the out-of-state bank holding company's entry was limited to the existing office site of the bank it acquired.

The Senate Amendment amends section 13(f) of the Federal Deposit Insurance Act to change the 1982 Garn-St Germain legislation in three crucial areas. First, the amendments permit out-of-state holding companies to acquire qualified stock institutions, as well as mutual savings banks, before they fail. Second, the amendments permit a holding company to be sold, in whole or in part, to an out-of-state holding company if the in-state holding company has a bank subsidiary or subsidiaries with aggregate banking assets of $500 million or more "in danger of closing" and such bank or banks represents 33% or more of the holding company's banking assets. Finally, they allow an acquiring out-of-state bank holding company expansion rights in the State of acquisition through the bank holding company structure and they prevent regional compact restrictions from applying to a holding company that makes an acquisition under the emergency authority. More specifically, section 13(f) would be amended by section 502 as follows:

ASSISTED EMERGENCY INTERSTATE ACQUISITIONS

SECTION 13(F)(1) OF THE FEDERAL DEPOSIT INSURANCE ACT

The Senate Amendment to subsection 13(f)(1) provides that the provisions of the section shall be used only where the FDIC provides financial assistance for an out-of-state acquisition or merger: otherwise the section is not applicable.

The Senate bill contained a paragraph that specified the enactment of the emergency interstate acquisition provisions did not prevent the FDIC from assisting an interstate acquisition under state law, where permitted. The conferees deleted this paragraph as unnecessary. The emergency acquisition provisions are intended to provide the FDIC with greater flexibility in handling closed or failing banks. The conferees recognize that alternatively the FDIC may use applicable state laws for an interstate acquisition, where it determines such laws are more advantageous toward resolving an existing problem.

CLOSED BANK ASSISTANCE

SECTION 13(f)(2) OF THE FEDERAL DEPOSIT INSURANCE ACT

Section 13(f)(2) is unchanged from existing law.

EMERGENCY INTERSTATE ACQUISITIONS OF INSURED BANKS IN DANGER OF CLOSING

SECTION 13(f)(3)(A) OF THE FEDERAL DEPOSIT INSURANCE ACT

The Senate Amendment extends the emergency interstate acquisition provisions to all banks with assets of $500 million or more that, although not closed, have been determined by their Federal or State chartering authority to be "in danger of closing." It allows out-of-banks and holding companies to either establish a new bank to acquire the bank in danger of closing or to allow an acquisition to be done directly. It also permits the acquisition of two or more affiliated insured banks in danger of closing which have aggregate total assets of $500 million or more and if the aggregate total assets of the acquired banks is equal to or greater than 33 percent of the aggregate total assets of all insured banks.

Experience has demonstrated that by the time a bank has actually been closed, the value of its franchise may have been dissipated, if not eliminated. In addition, the process of decline into insolvency can adversely affect the financial community. By permitting an interstate acquisition of a commercial bank in danger of closing, but before it is actually closed, the potential for finding a private solution with a lesser commitment of FDIC funds is substantially improved. Such a process would also help maintain the stability of and confidence in the banking system as a whole.

EMERGENCY ACQUISITION OF A HOLDING COMPANY OR OTHER BANK AFFILIATE

SECTION 13(f)(3)(B) OF THE FEDERAL DEPOSIT INSURANCE ACT

The Senate amendment extends the emergency interstate acquisition provisions to hoiding companies that have a subsidiary bank or banks with aggregate assets of $500 million or more in danger of closing and such bank or banks represent 33% or more of the total assets of the holding company's banking subsidiaries. If the Federal or State chartering authority has determined that such a bank or banks are in danger of closing, an out-of-state bank or holding company may (a) purchase the stock of or otherwise acquire the holding company that controls such banks or banks as well as all of such holding company's other subsidiary banks or (b) acquire the only bank or banks in danger of closing.

An out-of-state bank or holding company that purchases from another holding company a bank or banks in danger of closing with aggregate assets of $500 million or more under item (b) above would be permitted to acquire other bank subsidiaries of the holding company. Under this subparagraph, more than one out-of-state holding company may acquire portions of a single holding company, so long as the out-of-state holding companies combined purchase subsidiary banks, each of which is in danger of closing, that have total assets of $500 million or more, and provided that those subsidiary banks account for at least 33% of the assets of all bank subsidiaries of the holding company.

Request for Assistance by Corporate Board of Directors

SECTION 13(f)(3)(C) OF THE FEDERAL DEPOSIT INSURANCE ACT

The Senate amendment requires the Board of Directors of the bank in danger of closing to request in writing that the FDIC assist a merger or purchase before the FDIC can provide such assistance.

Certain Acquisitions Authorized After Assistance Is Provided

SECTION 13(f)(3)(D) OF THE FEDERAL DEPOSIT INSURANCE ACT

The Senate amendment provides that if a bank holding company is eligible to be acquired by an out-of-state bank or holding company under subparagraph (B), so long as FDIC assistance remains outstanding, the bank, its holding company, and its bank affiliates can be sold to an out-of-state bank or holding company to the same extent it could have been when assistance was given. This provision applies only when the FDIC provides financial assistance after the date of enactment of the Emergency Acquisition Amendments of 1987. Such acquisitions would require the consent of the FDIC.

State Bank Supervisor Approval

SECTION 13(f)(3)(E) OF THE FEDERAL DEPOSIT INSURANCE ACT

The Senate amendment provides that the FDIC may not authorize a merger or acquisition of a failing bank or its holding company without the concurrence of the State bank supervisor of the State in which the bank in danger of closing is chartered.

Other Requirements Not Affected

SECTION 13(f)(3)(F) OF THE FEDERAL DEPOSIT INSURANCE ACT

The Senate amendment provides that where otherwise lawfully required, an emergency acquisition under this paragraph is subject to the same approval process by the primary Federal or State supervisor of each party to such acquisition as would be required if the acquisition were not an acquisition under this paragraph.

Acquisitions Not Subject to Certain Other Laws

SECTION 13(f)(4)(A) OF THE FEDERAL DEPOSIT INSURANCE ACT

The Senate amendment confirms that a multiple savings and loan holding company can acquire an FDIC-insured Federal savings bank across State lines.

Subsequent Nonemergency Acquisitions Subject to State Law

SECTION 13(f)(4)(D) OF THE FEDERAL DEPOSIT INSURANCE ACT

The Senate amendment provides that an out-of-state holding company that acquires a bank or holding company under section 13(f) may, two years after the acquisition or any earlier time that may be allowed by State law for out-of-state holding companies that have acquired in-State banks, acquire additional banks and establish branches in the State to the same extent that a holding company located in each of those States may expand.

Certain State Interstate Banking Laws Inapplicable

SECTION 13(f)(4)(E) OF THE FEDERAL DEPOSIT INSURANCE ACT

The Senate amendment provides that an out-of-state bank or holding company that acquires and retains control, directly or indirectly, of a bank under this subsection shall not be required under State law, as a result of such acquisition, to divest any other bank or be prevented from acquiring any other bank in a different State. This paragraph does not prevent requiring divestiture to comply with competitive, antitrust, and similar standards imposed under Federal law.

This provision, which was not contained in the 1982 law, is in response to State law developments after passage of Garn-St Germain, and is necessary to enable a number of banks to make acquisitions under Garn-St Germain. The regional interstate banking laws of several States require that all of a bank holding company's subsidiary banks be located within a defined region. Accordingly, an out-of-state holding company prevented from further expansion within the region which has acquired a bank in such a State would be required to divest that bank if it made an acquisition under Garn-St Germain outside the region. This provision would preempt such State laws only with respect to interstate acquisitions under section 13(f).

Reciprocal Bank Pacts and Minority Bank Ownership Taken Into Account in Bidding Priorities

SECTION 13(f)(6)(B) AND (C) OF THE FEDERAL DEPOSIT INSURANCE ACT

Under current law, there are certain priorities to be considered before assisting an interstate merger. Among these were geographic and structural considerations. In general, those priorities were as follows:

institutions of the same type within the same State;

institutions of the same type in different States;

institutions of different types in the same State; and

institutions of different types in different States.

Also, in considering offers from different States the FDIC was to give a priority to offers from adjoining States.

The Senate amendment modifies this by providing that in considering the various specified priorities, the order of geographic priorities is changed to prefer institutions from States with laws that specifically authorize interstate acquisitions (or, in the absence of such laws, institutions in contiguous States) over institutions from other States. Also, the Senate Amendment provides that, in the case of minority-controlled banks, the FDIC must seek an offer from another minority-controlled bank before applying the geographic priorities.

No Assistance Authorized for Nonbank Subsidiaries of Holding Companies

SECTION 13(f)(9) OF THE FEDERAL DEPOSIT INSURANCE ACT

The Senate amendment confirms that FDIC assistance in a transaction authorized under section 13(f) shall not be provided to any subsidiary of a holding company which is not an insured bank. This amendment is not, however, intended to prevent an intermediate holding company from being a conduit for FDIC assistance ultimately intended for an insured bank.

Bank in Danger of Closing and When Banks Are Affiliated for Purposes of Holding Company Acquisitions Defined

SECTION 13(f)(8)(D) OF THE FEDERAL DEPOSIT INSURANCE ACT

The Senate amendment defines when a bank is "in danger of closing" and defines when banks are affiliated for purposes of holding company acquisitions.

Reports Required

SECTION 13(f)(10)

The Senate amendment requires that the FDIC's annual report to the congressional banking committees include a report on transactions that have taken place under section 13(f) during the prior year.

Waiver of Notice and Hearing Requirements—Amendments to the Bank Holding Company Act

The Senate amendment authorizes the Federal Reserve Board to waive the requirements of notice to the appropriate chartering authority and opportunity for hearing ordinarily applicable to the acquisition by a bank holding company of a bank under section 3 of the Bank Holding Company Act for any acquisition authorized under the emergency provisions of section 13(f) of the Federal Deposit Insurance Act. This would enable the Federal Reserve to waive the notice and hearing requirements of the Bank Holding Company Act in the event an out-of-state bank holding company has acquired not only the failing bank but also the parent holding company and its other subsidiary banks. In addition the Federal Reserve is authorized to shorten the post-approval waiting period required under section 11 of the Bank Holding Company Act for an acquisition pursuant to section 13(f) and to waive that period entirely to permit immediate acquisition of any or all of the banks to be acquired where the Federal Reserve, with the concurrence of the Attorney General, finds that immediate action is necessary to prevent the probable failure of any of the banks acquired under section 13(f).

Finally, section 502 permits the Federal Reserve Board to waive the provisions of section 4(c)(8) of the Bank Holding Company Act that require notice and opportunity for hearing prior to the acquisition by a bank holding company of a nonbanking company where the proposed acquisition is in connection with an application by a bank hold company to acquire a bank in danger of closing.

The House bill contains no similar provision: The House recedes to the Senate with an amendment which the Senate accepts.

The House amendment insures review of assisted mergers, acquisitions, or consolidations for consistency with the antitrust laws. The provision limits the authority of the Federal Reserve Board to preclude the filing of an action under the antitrust laws.

The FDIC is required to immediately notify the Federal Reserve Board when the FDIC considers assisting a specific transaction in order to prevent the failure of a bank or a bank holding company. Upon receiving such notice, the Federal Reserve Board shall immediately notify the Attorney General and provide to the Attorney General and provide to the Attorney General the information available to the Board and the FDIC which bears upon the antitrust implications of the tranaction. Within five days the Attorney General must provide the Federal Reserve Board with preliminary findings.

The Federal Reserve Board may reduce the post-approval waiting period from 30 days to 5 days. Since antitrust actions can only be filed during the post-approval waiting period, the Conferees believe that less than 5 days would be insufficient time for interested parties to review the transaction and to file actions. The Conferees recognize that extraordinary circumstances may warrant the immediate consummation of the transaction. Therefore, the House amendments permits the Federal Reserve Board to reduce the post-approval waiting period to less than five days but only if the Attorney General concurs in that action.

The House amendment strikes prudent balances between antitrust considerations and the need to facilitate a rapid transaction. By withholding his concurrence, the Attorney General can preserve the opportunity for interested parties to file an action under the antitrust laws. If in the opinion of the Attorney General no substantial antitrust considerations are raised by the transaction, it can be consummated immediately.

SECTION 503—BRIDGE BANKS

SECTION 11(I) OF THE FEDERAL DEPOSIT INSURANCE ACT

The Senate amendment creates a new vehicle, called a "bridge bank", for dealing with bank failures. This vehicle enables the FDIC to bridge the gap between the failed bank and a satisfactory purchase-and-assumption or other transaction that cannot be accomplished at the time of failure.

A bridge bank is a new national bank established by the FDIC to take over the assets and liabilities of a failed bank and to carry on its business for a limited time. The FDIC may establish a bridge bank only if it finds that:

(1) the net cost of reorganizing and operating a bridge bank will not exceed the cost of liquidating the failed bank, including paying its insured accounts;

(2) the continued operation of the failed bank is essential to provide adequate banking services in its community; or

(3) the continued operation of the failed bank is in the best interest of the depositors of the closed bank and the public.

Although bridge banks have all the power of other national banks, they do not always have capital. Accordingly, they are excepted from various statutory limits based on bank capital, and instead the Comptroller of the Currency is empowered to set appropriate limits.

The FDIC must dispose of the stock of a bridge bank within two years. The FDIC may, after consulting with the Comptroller of the Currency, extend that deadline for up to one year.

The FDIC may assist the sale or merger of a bridge bank in the same way as any other bank. In addition, the FDIC is specifically authorized to provide assistance to a bridge bank or to any company that will acquire control of a bridge bank.

When a bridge bank has taken over a bank that was eligible for an interstate acquisition pursuant to section 13(f) of the Federal Deposit Insurance Act, the bridge bank remains eligible for an interstate acquisition under the provisions of section 13(f).

The House bill contains no similar provision. The House recedes to the Senate.

SECTION 504—CONVERSIONS TO FSLIC INSURANCE BY FDIC-INSURED SAVINGS BANKS

SECTION 403(E) OF THE NATIONAL HOUSING ACT

The Senate amendment provides that when an FDIC-insured bank converts into an institution that is eligible for FSLIC insurance and applies to the FSLIC for such insurance, the bank's FDIC insurance terminates automatically when the FSLIC insurance begins. The Senate amendment clarifies that FDIC has no authority to review and prohibit such conversions. Under the amendment, however, the FSLIC must notify the FDIC when a bank files an application of that kind, must consult with the FDIC about the application, and must notify the FDIC of the result.

Again, the FHLBB or the FSLIC must notify the FDIC when it receives any applications of that kind, must consult with the FDIC about those applications, and must notify the FDIC of the result.

The House bill contains no similar provision. The House recedes to the Senate.

SECTION 505—FEDERAL DEPOSITORY INSTITUTIONS REGULATORY

Agencies Not Subject to Apportionment of Funds Provisions

The Senate amendment exempts the FDIC, FHLBB and FSLIC, Comptroller of the Currency, and NCUA from the apportionment requirements of the Anti-Deficiency Act.

The House bill contains no similar provision. The House recedes to the Senate with an amendment contained in section 506 and which the Senate accepts.

SECTION 506—FEDERAL DEPOSITORY INSTITUTIONS REGULATORY AGENCIES NOT SUBJECT TO SEQUESTRATION

The agencies mentioned above are exempted from the sequestration requirements of the Balanced Budget and Emergency Deficit Control Act of 1985.

SECTION 507—LIQUIDATION PROCEEDINGS

SECTION 11(J) OF THE FEDERAL DEPOSIT INSURANCE ACT

The Senate amendment requires the FDIC, in its actions in supervising or as receiver of closed banks, to consider possible adverse effects upon the local communities as well as to issue guidelines minimizing such effects upon individual borrowers. Examples of the kinds of actions that could ameliorate adverse community effects include accelerated processing of transactions involving family living or business financing.

The House bill contains no similar provision. The House recedes to the Senate.

SECTION 508—CAPITAL POOLS

Acknowledging that the FDIC's authority to aid failing banks allow it to consider both community stability and protecting the insurance fund, it is the sense of the Congress that selling assets only to maximize return or to minimize losses is not in the public interest. In view of the difficulty experienced by communities in raising capital for failing local banks and the authority of the States to establish capital pools to supplement FDIC funds for open bank assistance, the Congress encourages the FDIC to work with States having such capital pools and to use its authority to negotiate the sale of loans to area banks to prevent further asset devaluation.

The House bill contains no similar provision. The House recedes to the Senate.

SECTION 509—EXTENSION OF GARN-ST GERMAIN ACT

The Senate amendment reinstates the provision of the Garn-St Germain Depository Institutions Act of 1982 that expired in 1986, including the extraordinary acquisition authority of that Act, and extends them until March 1990. The House bill extends Titles I and II of the Garn-St Germain Act permanently. The Senate recedes to the House with an amendment, which the House accepts limiting the extension of Title II to no more than five years.

TITLE VI—EXPEDITED FUNDS

The Conferees agreed to an expedited funds availability title which represents a compromise between the Senate title on deposit availability and H.R. 28, the House passed bill on expedited funds availability. This title reflects a consensus between the Senate and the House that the check processing system be improved, at a minimum, to meet the goals and the funds availability schedules in this title.

SECTION 601—SHORT TITLE

The short title of this title is the "Expedited Funds Availability Act."

SECTION 602—DEFINITIONS

Section 602 sets forth definitions relevant to this title. Of particular importance are the definitions of "local originating depository institution" and "check processing region," which, combined, establish the basis for the distinction in the schedules contained in the bill for local and nonlocal checks.

Local Originating Depository Institution

A "local originating depository institution" is defined as "any originating depository institution which is located in the same check processing region as the receiving depository institution."

Check Processing Region

A "check processing region" is defined as "the geographical area served by a Federal Reserve bank processing center or such larger areas as the Board may prescribe by regulations." Of course, a "nonlocal originating depository institution" is defined as any originating depository institution which is not a local depository institution. Thus the definitions that create the distinctions between local and nonlocal checks are based on the existing check processing system.

Furthermore, with regard to the definition of "check processing region," it is the intent of the conferees that this area be no smaller than the existing geographical areas currently being served by a Federal Reserve bank check processing center.

Check

The term "check" is defined as "any negotiable demand draft drawn on or payable through an office of a depository institution located in the United States." Thus the provisions of the bill apply to all depository institutions located in the United States, regardless of ownership.

Noncash Items

The definitions of "check" above excludes "noncash items." An example of a noncash item would be a photocopy of a check with an indemnity agreement. If checks are lost, photocopies may be presented in lieu of the originals. An indemnity agreement may be attached to the photocopy, specifying that the original is lost, that the photocopy should be accepted in lieu of the original, and that all endorsements are guaranteed. The photocopy plus indemnity agreement serves as the replacement for the original check.

Another example would be a document attached to an item, such as sight draft. A sight draft may be used to close an account at one institution and transfer the funds to another institution. A passbook, CD, or other identification of the account may be attached to the sight draft.

SECTION 603—EXPEDITED FUNDS AVAILABILITY SCHEDULES

Section 603 sets forth the expedited funds availability schedules. Subsection (a), which takes effect on September 1, 1988, requires depository institutions to provide next business day availability for cash deposits and wire transfers; for government checks; for the first $100 of a day's check deposits; for checks deposited in one branch of a depository institution and drawn on the same or another branch of the same institution; and for cashiers' checks, certified checks, tellers' checks and depository checks.

A temporary schedule takes effect September 1, 1988, and remains in effect until the permanent schedule is implemented which is on September 1, 1990. The Federal Reserve may, by regulation, make the permanent schedule or any part of it applicable earlier than September 1, 1990. The temporary schedule requires that there be not more than 2 intervening business days between the day a local check is deposited and the day that such finds are available for withdrawal, and not more than 6 intervening business days for nonlocal checks.

The permanent schedule, which takes effect on or before September 1, 1990, requires that there be not more than 1 intervening business day between the day a local check is deposited and the day such funds are available for withdrawal and not more than 4 intervening business days for nonlocal checks.

Sections 603(b) and 603(c) provide a modification in the schedule for cash withdrawals. The first $100 of any deposit would be available for cash withdrawal on the opening of the next business day after the deposit is made. The next $400 of any deposit would be available for cash withdrawal by no later than 5:00 p.m. on the same business day as other funds are made available—funds made available to pay checks written to third parties. The remainder of any deposit would be available for cash withdrawal no later than the opening of the business day after other funds are made available—again, funds made available to pay checks written to third parties.

For example, in the context of $900 worth of local checks deposited on a Monday under the permanent schedule, $100 in cash of the aggregate amount of such checks would be available at the opening of business on Tuesday, the next business day pursuant to section 603(a). By no later than 5:00 p.m. on Wednesday, an additional $400 of cash would be available. The remaining balance of funds for purposes of cash withdrawal represented by those local checks—$400—would then be available at the opening of business on Thursday.

In addition, a similar modification applies in the schedule for cash availability to the temporary schedule, in the case of check deposits drawn on a local originating depository institution which, although in the same check processing region, is outside of the same check clearinghouse association as the receiving depository institution.

Under both sections 603 (b) and (c), the maximum amount of cash available for withdrawal at 5:00 p.m. on any one business day under the special provisions would be $400.

This title also provides that the Federal Reserve shall shorten any of the time periods in the Act's schedules in Section 603(d)(1). The conferees agreed to a melding of the provisions of the House and Senate versions to require that the Federal Reserve make such reductions to as short a time period as possible and equal to the period of time achievable under the improved check clearing system for a receiving depository institution to reasonably expect to learn of the nonpayment of most items for each category of check. The title adopts a test tied to depository institutions' ability to reasonably expect to learn of the nonpayment of a significant number of checks under the improved check clearing system. For example, if the new system makes it possible for two-thirds of the items of a category of checks to meet this test in a shorter period of time, then the Federal Reserve must shorten the schedules accordingly.

There are situations where transportation networks or geographic proximity will permit the Federal Reserve to provide shorter times than the schedules for nonlocal checks would require. For example, shorter times would be possible for checks transported between such nearby territories as New York City and Jericho, Long Island, and for checks transported between banks in cities with Federal Reserve check processing offices, such as banks in Boston and San Francisco. It is expected that the Federal Reserve will use this authority on a continuing basis to reduce hold periods to the shortest times possible given evolving technology and improved processing methods.

The schedules relating to availability of cash withdrawals, at a minimum, must be shortened when there is a reduction in time periods in the other schedules. It is the intent of the conferees that the differential between the availability of cash and other funds be reduced or eliminated as improvements are made in the check clearing system.

Section 603(d)(2) specifically provides for a one day extension of the schedules for any deposit in an account at a depository institution in Alaska, Hawaii, Puerto Rico, or the Virgin Islands for checks drawn on institutions located outside of those states, commonwealths or territories.

Section 603(e) provides for a different time schedule for deposits at nonproprietary automated teller machines (ATM's), by allowing up to 6 intervening business days for all deposits, including cash deposits, at such ATM's from September 1, 1988 until August 31, 1990. This different schedule reflects the fact that nonproprietary ATM's today do not distinguish among check deposits or between check and cash deposits.

At the same time, the conferees believe it is reasonable to expect the owners and operators of such ATMs to develop the necessary technology to make such differentiations within a reasonably short time. Therefore, the bill would require the availability for such deposits to conform with the aforementioned permanent funds availability schedule, namely one day for local checks and four days for nonlocal checks. However, the deposits outlined in section 603(a), such as cash and government checks, are to be treated as local checks under the permanent funds availability schedule and be accorded availability after one intervening business day, rather than next day availability when deposited at nonproprietary ATMs.

These special provisions apply only to nonproprietary ATMs which are defined as all ATMs that are not proprietary ATMs. Proprietary ATMs include those owned or operated by, or operated exclusively for a receiving depository institution, as well as any ATM within, attached to, located at or adjacent to a depository institution.

The conferees intend that ATM's located at or adjacent to a depository institution be treated the same as a manned teller station for the purposes of the availability schedule. The conferees recognize that in some areas, such as shopping centers, there may be a number of ATM's located nearby a depository institution, but not actually "Located at or adjacent to" the depository institution so as to be properly defined as a proprietary ATM. In these situations, the Federal Reserve is given the authority to promulgate regulations to recognize this distinction.

Because nonproprietary ATMs may be located in different states throughout the country, the bill defines local and nonlocal check deposits at such ATMs based upon the location of the ATM, rather than the branch of the depository institution with which the depositor has an account.

This section also requires the Federal Reserve to establish and maintain a dialogue with depository institutions and their suppliers on computer software and hardware available for ATM's. The Federal Reserve must report to the Congress regarding this software and hardware and on the potential for improving the processing of ATM deposits by September 1 of each year in the first three years after enactment.

SECTION 604—SAFEGUARD EXCEPTIONS

Section 604 establishes certain safeguard exceptions from the funds availability schedules. These include an exception for new account holders; for the excess of amounts represented by deposits by check or checks in any one day aggregating over $5,000 and a "reasonable cause" exception if the receiving depository institution has reasonable cause to believe a check is uncollectible.

For new accounts, the general rule is that the schedules do not apply during the first 30 days after an account is opened. However, the title contains several exceptions that provide for speedy availability. Thus, it requires next day availability for cash and funds represented by wire transfers, for cashier's checks, certified checks, teller's checks, depository checks, traveler's checks, and for government checks. Except for cash and wire transfers, there would be a limit of $5,000 for next day availability of the funds represented by the above-mentioned checks, with the proviso that not more than 8 business days intervene before the excess amount over $5,000 shall be available for withdrawal.

Also, in addition to the exceptions discussed above, the title allows the Federal Reserve by regulation to establish reasonable exceptions for checks that have been returned unpaid and redeposited and for repeatedly overdrawn accounts. While the title does not define accounts that have been overdrawn repeatedly, the conferees believe that a reasonable definition would be one that specifies that an account (or a successor account) be overdrawn at least on 3 separate and distinct occasions within any 6 month period. The funds availability schedule would not apply to any such account for a period of six months following the last occasion involved.

Finally, the title also provides exceptions for emergency conditions and to prevent fraud losses.

Section 604(f) establishes procedures for notice to the depositor whenever an exception is invoked, for the contents of such a notice, and where exceptions are invoked for reasonable cause a requirement that depository institutions keep a record of each notice (Section 604(c)(4)). Furthermore, when an exception is invoked, the availability of the funds shall be governed by the policy of the depository institution, but shall not exceed a reasonable time period, as determined by the Board.

SECTION 605—DISCLOSURE OF FUNDS AVAILABILITY POLICIES

Section 605 governs when depository institutions have to disclose their funds availability policies. The title requires disclosure to new account holders, on all preprinted deposit slips, at manned teller stations and at automated teller machines either by posting or by providing a general notice on depository envelopes that funds may not be immediately available for withdrawal. In addition, depository institutions must have their policies available in written form at the depository institutions and, upon request, must send the information to any person who requests it. Existing customers must receive a notice of the institution's specific funds availability policy within 60 days after the temporary schedule goes into effect, on September 1, 1988. Depository institutions using model disclosure forms published by the Federal Reserve shall be deemed in compliance with the disclosure provisions.

For subsequent changes to these policies, depository institutions must send written notice to customers 30 days before implementation, except that changes that expedite funds availability may be disclosed 30 days after implementation.

SECTION 606—PAYMENT OF INTEREST

Section 606 of the title provides that interest shall accrue on interest-bearing accounts not later than the day on which a depository institution receives provisional credit for a deposit, with the following special rule for credit unions.

If a credit union begins computation of interest or of dividends at a later date than the time when it receives provisional credit with respect to all funds, including cash, into an account, and provided that adequate notice of this interest payment policy is provided under the disclosure provisions, then it would be exempted from the requirements of interest accruing from the day of provisional credit. It is also intended that meaningful disclosure to depositors of such a "payment of interest procedure" occur, by requiring a written description of the time at which such a credit union starts to compute interest or dividends on deposits to such accounts to new customers, and to existing customers in the first mailing after enactment.

The conferees wish to stress that the exemption for computing interest from the day of provisional credit on check deposits is intended only to accommodate the unique operating procedures of credit unions whose traditional accounting practices have often included partial dividends on funds not on deposit for an entire dividend period. Any such practices regarding check deposits may be continued by credit unions under this title provided that cash deposits continue to receive identical treatment. However, it is not intended that individual credit unions change existing practices in order to avoid compliance.

This special rule applies only to credit unions, and is not to be used to otherwise evade compliance with the requirement of interest accruing when a depository institution receives provisional credit.

SECTION 607—MISCELLANEOUS PROVISIONS

Section 607 specifies that deposits made after hours shall be deemed to have been made on the next business day, and that, generally, funds shall be available on the start of any specified business day, except as outlined under Section 603(b) (the permanent schedule) or under Section 603(c) (the temporary schedule).

SECTION 608—EFFECT ON STATE LAW

Section 608 addresses the relationship between the provisions of the title and state laws. It provides that those states with shorter funds availability statutes or regulations in effect before September 1, 1989, shall supercede the provisions of this title and any regulations of the Federal Reserve to the extent such provisions relate to the time by which deposits shall be available for withdrawal. The purpose of this section is to assure that the shortest time schedule in effect—be it as a result of the Federal legislation or the State law—apply, so long as the State law is enacted by September 1, 1989 and remains in effect thereafter.

Except as provided above, the provisions of this title and the Federal Reserve's regulations supercede any provisions of state laws which are inconsistent with this title or such regulations.

SECTION 609—REGULATIONS AND REPORTS BY FEDERAL RESERVE

Section 609 requires the Federal Reserve to prescribe regulations to carry out the provisions of this title. Such authority begins upon the date of enactment and continues even beyond the time of implementation of the final schedules if the Federal Reserve chooses to make further improvements in the check collection system.

The section also contains a noninclusive list of options for the Federal Reserve to use to improve the check processing system. The list consists of options presented during the House and Senate Committee hearings.

In addition, the section requires the Federal Reserve to report to the Congress on the implementation of the funds availability schedules not more than 18 months after enactment. Such reports are also due 2½ years after enactment, and then again 4 years after enactment to monitor both progress in implementation and the impact of the legislation. Further the title requires the GAO to evaluate the Federal Reserve's effort to implement this title in a report due 6 months after the implementation of the final schedule. A Federal Reserve study of the electronic clearing house process is also required.

SECTION 610—ADMINISTRATIVE ENFORCEMENT

This section requires the Federal banking regulators to use existing administrative enforcement mechanisms to enforce compliance with this title. It also authorizes the Federal Reserve to prevent Federally insured institutions from doing business with payment system participants not in compliance with the title or its implementing regulations and not regulated by one of the Federal banking agencies.

SECTION 611—CIVIL LIABILITY

The title includes civil liability provisions in section 611 with statutory damages in individual actions limited to additional amounts as the court may allow but not less than $100 nor more than $1,000. In a class action there shall be no minimum recovery for individuals but total recovery shall not be more than the lesser of $500,000 or 1 percent of the net worth of the depository institution involved.

Subsection (f) of section 611 authorizes the Federal Reserve to establish liability among depository institutions for violation of the regulations or failure to meet the standards imposed by the regulations promulgated under section 609. It permits the Federal Reserve to allocate the risks of loss and liability in connection with any aspect of the payment system, including the receipt, payment, collection, or clearing of checks, and any related function of the payment system with respect to checks.

For example, under this subsection, the Federal Reserve may allocate or impose liability on depository institutions for risks of losses incurred by other depository institutions, their accountholders, or other owners or holders of a check due to a depository institution's failure to handle the check in accordance with regulations imposed under section 609.

This subsection does not limit causes of action brought by accountholders or the amount of damages recoverable by accountholders under any other action.

SECTION 612—PARITY IN CLEARING

Section 612 of the title would add new subsection (e) to 11A of the Federal Reserve Act, 12 U.S.C. 248a, providing that all depository institutions may receive for deposit and as deposits any evidences of transaction accounts (e.g., checks, NOW drafts, share drafts, and similar instruments) from other depository institutions or from any office of any Federal Reserve Bank without regard to federal or state branching restrictions.

Federal and state branching restrictions can impede private sector correspondent banks from competing with the Federal Reserve for check clearing business, because such restrictions limit the number of locations from which a correspondent can receive from its customers checks and other cash items that the customers want collected. For example, a relay point where a courier accepts checks from customers for forwarding to the correspondent for processing would, under some interpretations, be viewed as a branch of the correspondent. The Federal Reserve System, on the other hand, has a nationwide presence and is not subject to such restrictions.

The parity in clearing provision which was part of the Senate Bill would clarify the law by stating that federal and state branching restrictions do not apply to depository institutions that are collecting checks and similar instruments for depository institutions. Thus, correspondents could operate relay points nationwide without fear of violating federal or state branching restrictions. This proposal would remove this perceived competitive advantage of the Federal Reserve.

This section, however, is not intended to be used to circumvent or evade federal and state branching restrictions, and is only meant to accomplish the purposes outlined above.

SECTION 613—EFFECTIVE DATES

This section specifies that sections 603 (the expedited funds availability schedules), 604 (safeguard exceptions), 605 (disclosure), 606 (payment of interest), 610 (administrative enforcement), and 611 (civil liability) of this title shall take effect on September 1, 1988. Except as provided above, this title is effective upon date of enactment.

TITLE VII—CREDIT UNION AMENDMENTS

The Senate amendment contains a variety of provisions to streamline and assist in the operations and regulation of credit unions.

The House recedes to the Senate with an amendment which the Senate accepts. The House amendment contains the Senate provision in section 701-715 and an amendment contained in 716. The provisions are as follows:

SECTION 701—SHORT TITLE

The Senate amendment sets forth the short title of this title as the "Credit Union Amendments of 1987."

SECTION 702—SECOND MORTGAGE AND HOME IMPROVEMENT LOANS

The Senate amendment is intended to help consumer/members with a dilemma sometimes occurring at the term completion of an adjustable-rate second mortgage or home improvement loan. Because of market interest rate fluctuations near the end of the loan, members are currently confronted with either a balloon payment or higher monthly payments in order to pay off the loan by the end of the current 15-year term. This section authorizes the NCUA to extend the term of such loans to permit more level loan payouts.

SECTION 703—OWNERSHIP INTEREST

The Senate amendment clarifies that funds in shares, share certificates, and share draft accounts constitute a member's ownership interest in the credit union.

SECTION 704—FAITHFUL PERFORMANCE

The Senate amendment eliminates the existing requirement that Federal credit unions obtain "faithful performance" coverage for financial officers. Basic fidelity coverages (e.g., fraud, dishonesty, embezzlement) continues to be required for all officials and employees.

SECTION 705—MEMBERSHIP OFFICERS

The Senate amendment provides that membership officers may be selected from the credit union's membership, rather than having only members of the board of directors eligible to be membership officers.

SECTION 706—NONPARTICIPATION

The Senate amendment contains a technical amendment to clarify that paragraphs (a) and (b) of Section 118 of the Federal Credit Union Act are alternative methods of expelling a member of a credit union. There has been confusion as to whether (a) and (b) were alternatives or linked. A credit union may either adopt its own policy for expulsion, as set forth in paragraph (b), or it may simply expel a member under paragraph (a).

SECTION 707—PROPERTY ACQUISITION FLEXIBILITY

The Senate amendment provides the NCUA Board with needed flexibility to obtain office space and equipment so as to respond more precisely to the nature and location of the agency's needs at substantial cost savings.

SECTION 708—TREATMENT OF NCUAB FUNDS

The Senate amendment clarifies the status of the NCUA's funds, thus negating the transfer of any such funds to OMB. This section would be effective for fiscal year 1986 and each fiscal year thereafter.

SECTION 709—TECHNICAL AND CLARIFYING AMENDMENTS; REMOVAL AND PROHIBITION AUTHORITY

The Senate amendment clarifies that the NCUA's prohibition authority extends to both employees and agents of federally insured credit unions, and conforms the NCUA's jurisdiction in prohibition actions to its jurisdiction in cease-and-desist actions.

SECTION 710—EFFECT OF REMOVAL OR SUSPENSION

The Senate amendment provides that if a person is removed, suspended or prohibited from participating in the conduct of the affairs of an insured credit union, he is also removed, suspended, or prohibited from all federally insured depository institutions, all bank holding companies, and all institutions chartered by the Farm Credit Administration. This would eliminate the need for the Federal Reserve Board, OCC, FDIC, or FSLIC to take separate enforcement actions against a person removed from a federally insured credit union.

SECTION 711—IMPOSITION OF CONSERVATORSHIP

The Senate amendment allows the NCUA to impose conservatorship: when there is a willful violation of a cease-and-desist order which has become final; and, when there is a concealment of or refusal to submit documents or other records of a credit union to an NCUA examiner or other lawful agent of the NCUA Board.

SECTION 712—REDUCTION IN STATE COMMENT WAITING PERIOD

The Senate amendment reduces from 90 days to 30 days the period the NCUA must allow State regulators to respond to the NCUA's proposed imposition of conservatorship in the case of a State-chartered, NCUA-insured credit union. Events today often compel quicker and more decisive action by regulators such as the NCUA than the 90-day consultation period allows.

SECTION 713—AUTHORITY AS CONSERVATOR

The Senate amendment declares that the NCUA, in exercising its conservatorship authority, has all the power of the credit union members, directors, officers, and committees.

SECTION 714—LIQUIDATION PROCEEDINGS

The Senate amendment clarifies the Board's authority to act ex parte without notice when a credit union is determined to be insolvent or bankrupt. As in Section 206 of the Federal Credit Union Act, the credit union can challenge the action within 10 days at a show-cause hearing in district court. At such a hearing the Board would be required to establish that the statutory grounds for liquidation (e.g., bankruptcy or insolvency) were present when it acted.

SECTION 715—TRANSFER OF FTC JURISDICTION TO NCUA

The Senate amendment permits Federal credit unions the same exemptions from the Federal Trade Commission's enforcement and investigative authority as is currently allowed banks and savings and loan associations. Thus, the FTC is no longer able, under the Federal Trade Commission Act, to declare practices of Federal credit unions unfair trade practices, or to investigate such practices of Federal credit unions. Such authority is transferred to the NCUA.

SECTION 716—ASSETS WHICH MAY BE PLEDGED

The House recedes to the Senate with an amendment to this section which the Senate accepts. The House amendment permits credit unions to pledge any of their assets to secure the deposits specified in section 207(c) of Federal Credit Union Act, including federal, state, and local government entities, Indian tribes, and political subdivisions.

TITLE VIII—LOAN LOSS AMORTIZATION FOR AGRICULTURAL BANKS

SECTION 801—LOAN LOSS AMORTIZATION FOR AGRICULTURAL BANKS

The Senate amendment permits agricultural banks to write down their loan losses over ten years rather than to deduct the amount of loss from capital as soon as the loss is recognized. Appropriate Federal bank regulating agencies may permit any agricultural banks that they supervise to amortize any loss on any qualified agricultural loan for any year between December 31, 1983, and January 1, 1992, over as much as a ten-year period, provided the agency finds no evidence of fraud or criminal abuse on the part of the bank leading to the loss. Under the same condition, the bank supervisory agencies may permit any agricultural bank to reappraise the real estate or other property acquired coincident to the making of a qualified agricultural loan, that it owned on January 1, 1983, and any such additional property acquired before January 1, 1992. Any loss in connection therewith may be amortized over as much as a ten-year period.

Agricultural Banks

The Senate amendment defines "agricultural banks" as those whose deposits are insured by FDIC, that are located in an agricultural area, the economy of which is dependent upon agriculture, that have $100,000,000 or less in assets; and that have at least 25% of their total loans in qualified agricultural loans.

Qualified Agricultural Loan

"Qualified agricultural loan" is defined as a loan made to finance production of agricultural products or livestock in the United States, a loan secured by farmland or farm machinery, or any other category of loans as the appropriate Federal banking agency deems eligible.

In order to be eligible for the extended loan loss provision, a bank must maintain at least as great a percentage of agricultural loans in its portfolio as it had in its portfolio on January 1, 1986. The appropriate bank supervisory agency may waive the requirement that at least 25 percent of loans be agricultural loans. The appropriate bank supervisory agencies are to issue implementing regulations.

The House bill contains no similar provision. The House recedes to the Senate with an amendment which the Senate accepts.

The House amendment reduces the loan loss amortization period from 10 years to 7 years. In addition, the amendment to the Senate amendment requires that as a condition of eligibility of the extended loan loss amortization period, the institution have a plan approved by the appropriate Federal banking agency to restore the institution's capital within the seven-year amortization period. The appropriate federal banking agencies must publish, within 90 days of the date of enactment, regulations regarding the restoration of capital.

TITLE IX—FULL FAITH AND CREDIT OF FEDERALLY INSURED FINANCIAL DEPOSITORY INSTITUTIONS

SECTION 901—CONGRESSIONAL FINDINGS

This section declares that Congress finds that since the 1930's the American people have relied upon Federal deposit insurance to insure safety and security of their funds in federally insured depository institutions and the security of such funds is an essential element of the American financial system.

SECTION 902—REAFFIRMATION OF FULL FAITH AND CREDIT BACKING OF FEDERALLY INSURED FUNDS

This section declares it the sense of Congress to reaffirm that deposits up to the statutorily prescribed amount, in federally insured depository institutions are backed by the full faith and credit of the United States.

The House bill and Senate amendment were virtually identical. The Senate recedes to the House.

TITLE X—PAYMENT OF GOVERNMENT CHECKS

The Senate amendment requires any depository institution that cashes checks for customers to cash checks issued by the United States Government, any State, any unit of local government, or any agency thereof, provided the individual who issued the check is registered with the depository institution. The Senate amendment establishes enforcement authority in federal banking regulatory agencies and provides for civil liability for actual damages, punitive damages, and attorney's fees for failure to comply with requirements of this section.

The House bill contains no similar provision. The House recedes to the Senate with an amendment which the Senate accepts.

The House amendment requires the General Accounting Office to study and report back to the Banking Committees within six months on the extent to which individuals who receive Treasury checks have difficulty cashing such checks. It is anticipated that this study will assist the Committees in judging whether legislation may be needed to mandate that depository institutions and others cash government checks.

The House amendment also establishes a system to promote the orderly payment of Treasury checks by (1) placing a one-year limit on the negotiability of a Treasury check and (2) reducing from six years to one year the time the federal government has to recover from a depository institution the amount of a Treasury check paid over a forged endorsement.

Although a Treasury check will be canceled if not cashed within 12 months of issuance, the conferees stress that nothing in this title affects either the underlying obligation of the Government to make a payment to any person or the entitlement of any person to the issuance of a replacement check for a check that has been lost, stolen, or canceled.

TITLE XI—PAYMENT OF INTEREST REQUIRED

The Conference reported bill requires the Federal Deposit Insurance Corporation to pay interest on the so-called "yellow certificates" issued by the former Golden Pacific National Bank of New York, New York before the bank was declared insolvent on June 21, 1985. Such certificates must have been determined to be deposits, as defined in the Federal Deposit Insurance Act, pursuant to any judicial action or agency proceeding.

The interest is to be paid at the statutory rate of interest in effect under the law of the State of New York. Currently, this rate of interest is 9 percent, pursuant to NY Civ. Prac. Law Section 5004 (McKinney Supp. 1987), which sets forth the statutory rate of interest to be paid on a cause of action from accrual until verdict.

TITLE XII—HIGH YIELD BOND STUDY

SECTION 1201—HIGH YIELD BOND STUDY

The Senate amendment requires the Comptroller General, by July 1, 1987, to make a comparative study between the issuance of and investment in high yield noninvestment grade bonds and other types of investments made by federally insured institutions during the 5-year period prior to this legislation. The Comptroller General is to coordinate and consult with the Securities Exchange Commission, the Federal Home Loan Bank Board, the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Savings and Loan Insurance Corporation, the FDIC, the Secretary of the Treasury, and the Secretary of Labor.

The study is to include the identity and a nationally recognized bond rating house rating of the issuer, identity of major purchasers of the bonds, percentage of total amount of issued as a method of financing corporate takeovers, identity of purchasers investing in such bonds issued as a method of financing corporate takeovers, other purposes for which such bonds are issued, a summary and analysis of current laws regulating investment in such bonds, and a review of the impact of issuance of such bonds on corporate debt as it relates to federal monetary policy.

The House bill contains no similar provision. The House recedes to the Senate with an amendment which the Senate accepts.

The House amendment requires the Comptroller General to also examine all other types of direct investments made by federally-insured institutions and the effect these investments have had on the federal deposit insurance funds. In addition, the House amendment requires that the study be submitted to Congress within six months after date of enactment.

For purposes of the study, the phrase "other types of investments made by federally insured institutions" includes, but is not limited to, commercial and industrial loans; loans secured by real estate; credit card activities; investment grade debt securities; consumer loans; federal debt securities; mortgage-backed securities; direct investments; and single family home mortgages. In analyzing each type of investment, the Comptroller General should:

(1) Compare the various forms of risk, including default, interest rate, liquidity, and others, of each type of investment, both for S&Ls and other financial institutions;

(2) Determine and compare the profitability, both in terms of yield and return, of a typical portfolio of each type of investment;

(3) Determine the total dollar amount of each type of investment held by insured institutions and percentage of total assets each such category of investment represents;

(4) Determine and rank by type the investments that have resulted in or pose the greatest threat in the future for the most insolvencies leading to the closing of an insured institution or the placing of such an institution in receivership; and

(5) Include such other data as the committees of jurisdiction and the Comptroller General may require prior to the conclusion of the study.

SECTION 1202—STUDY OF COMPETITIVE ISSUES IN THE PAYMENTS MECHANISM

The Senate amendment clarified that nothing in section 13 of the Federal Reserve Act should be interpreted to prohibit or exempt the Federal Reserve Board or any Federal Reserve bank from paying fees on a nondiscriminatory basis to privately operated payments providers.

The House bill contains no similar provision. The House recedes to the Senate with an amendment which the Senate accepts.

The House amendment directs the Comptroller General to conduct, in coordination and consultation with the Federal Reserve, a study of the Federal Reserve's exemption from the imposition of presentment fees, the impact of the imposition of such fes on the efficiency of the check collection system, whether the Federal Reserve requires check clearinghouses to provide services to Federal Reserve banks, and whether Federal Reserve banks should pay check clearing houses for such services. The Comptroller General must submit this report to Congress no later than six months after the date of enactment.

SECTION 1203—STUDY AND REPORTS CONCERNING DIRECT INVESTMENTS

The House bill requires the Bank Board to conduct a study of the effect of direct investment activities on insured institutions and report, not later than 18 months after the date of enactment, to the House and Senate Banking Committees on the findings and conclusions with respect to the study. Also, the Bank Board shall submit to the House and Senate Banking Committees, not less than 90 days before final approval, a report describing any repeals or modifications of regulations pertaining to direct investment activities, including the effect of such proposed changes on the insurance fund.

The Senate amendment contains no similar provision. The Senate recedes to the House.

SECTION 1204—ADJUSTABLE RATE MORTGAGE

The Senate amendment requires that adjustable rate mortgages include a limitation on the maximum rate of interest applicable to the loan. It applies only to loans secured by a lien on a one-to-four-family dwelling unit made by persons who regularly extend credit for personal, family, or household purposes. A family dwelling unit may be a condominium or cooperative housing unit or a mobile home.

Definition—Adjustable Rate Mortgage

"Adjustable rate mortgage" is defined as a loan pursuant to an agreement under which the creditor may periodically adjust the rate of interest.

Rulemaking authority is delegated to the Federal Reserve Board. Violations are to be enforced by the primary regulators of each type of financial institution and by the Federal Trade Commisison. Each of the agencies may use any of its administrative enforcement powers to enforce this legislation and may, under the authority of the Truth in Lending Act, adjust finance charges where erroneously disclosed. Creditors failing to comply with the provisions of this legislation may be held civilly liable to individuals for actual damages and, to classes, for up to $500,000, under the enforcement provisions of the Truth in Lending Act.

The House bill contains no similar provision. The House recedes to the Senate.

FERNAND J. ST GERMAIN,
FRANK ANNUNZIO,
CARROLL HUBBARD,
DOUG BARNARD, Jr.,
MARY ROSE OAKAR,
BRUCE F. VENTO,
CHARLES SCHUMER,
RICHARD H. LEHMAN,

BUDDY ROEMER,
MARCY KAPTUR,
BILL NELSON,
CHALMERS P. WYLIE,
JIM LEACH,
STAN PARRIS,
GEORGE C. WORTHY,
BILL MCCOLLUM,

As additional conferees only for consideration of title I of the House bill and title III of the Senate amendment:

STEVE NEAL,
STEVE BARTLETT,
Managers on the Part of the House.

BILL PROXMIRE,
ALAN CRANSTON,
DON RIEGLE,
PAUL SARBANES,
CHRISTOPHER J. DODD,
ALAN J. DIXON,
JAKE GARN,
JOHN HEINZ,
ALFONSE D'AMATO,
PHIL GRAMM,
Managers on the Part of the Senate.

SENATE—*Thursday, July 30, 1987*

(Legislative day of Tuesday, June 23, 1987)

The Senate met at 9:45 a.m., on the expiration of the recess, and was called to order by the Honorable Harry Reid, a Senator from the State of Nevada.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Bless the Lord, O my soul: and all that is within me, bless His holy name. Bless the Lord, O my soul, and forget not all His benefits:

Gracious God, our Father, it is interesting to contemplate the dilemma, the trauma, the helplessness of the Senators should their staffs suddenly disappear. How quickly we would be aware of the limitations of power. Not to think any less of the Senators who live under relentless pressure of schedules far too oppressive and demanding—but it is to realize how indispensable the men and women are who serve the Senators faithfully, so efficiently, so diligently. Thank You, Father, for all the beautiful people who spend their lives as servants to the Senators and the Senate. Help us never to ignore or minimize their incalculable service to the Nation and to the world. Bless them, bless their patient spouses and children, with the boundless gift of Your inexhaustible grace. In His name whose perfect love is unconditional, universal, eternal. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore. [Mr. Stennis].

The assistant legislative clerk read the following letter:

> U.S. Senate,
> President pro tempore,
> *Washington, DC, July 30, 1987.*
>
> *To the Senate:*
>
> Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable Harry Reid, a Senator from the State of Nevada, to perform the duties of the Chair.
>
> John C. Stennis,
> *President pro tempore.*

Mr. REID thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the standing order the majority leader of the Senate is now recognized.

Mr. BYRD. Mr. President, I wish to at this point reserve my time until later.

The ACTING PRESIDENT pro tempore. That will be ordered.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the standing order, the Republican leader is recognized.

Mr. DOLE. I make the same request.

The ACTING PRESIDENT pro tempore. That is the order without objection.

The Senator from Wisconsin is recognized.

HOW TO USE NUCLEAR WEAPONS TO ACHIEVE SUPERPOWER PEACE

Mr. PROXMIRE. Mr. President, the American people and the Congress widely recognized the importance of deterrence in keeping the peace. Why? Why do we believe that the possession of thousands of nuclear weapons on both sides will keep the peace? Because nuclear deterrence is precisely what has given us the longest period of peace in Europe and between superpowers in the past 400 years. Deterrence has worked. It continues to work now. It has worked almost by itself alone with little help from arms control. There is every reason to believe that it will work for years to come in the future.

Is it enough? Is the possession of infinitely destructive nuclear weapons by both sides enough to guarantee peace? No, indeed.

First, in this tremendously complex nuclear world an accident could occur at any moment. Such an accident could trigger a super holocaust. Second, deterrence in practice is not stable. It is dynamic. Both the Soviet Union and the United States are hard at work to achieve nuclear superiority. Both spend billions every year to advance their nuclear technology. Weapons become more destructive, capable of delivery at speeds approaching the speed of light. As the nuclear weapons technology progresses these weapons become far more prone to accident. Third, if we rely exclusively on deterrence without arms control, "improved" nuclear weapons are likely to become smaller and cheaper as the technological nuclear arms race continues. More and more countries like Syria and Libya will be able as time passes to afford them, and to afford to build their own nuclear arsenal. Fourth, sometime, somewhere some "patriot" with love for his country and hate for the adversary in his heart will find a way to trigger this nuclear fire—waiting to explode, and we will kiss goodbye to civilization.

So, is deterrence enough? No. We need arms control. We need arms control to supplement deterrence. First, that arms control must bring both superpowers into agreement on an agenda to prevent a fatal accident. This requires limiting the numbers, the complexity and the control of nuclear weapons by mutual, verifiable agreement. Second, it means fulfilling the promise first made in 1963 by both the United States and the Soviet Union in solemnly ratified treaties to stop the technological nuclear arms race by ending the testing of nuclear weapons. Fourth, we need a constant communication between the heads of the two superpowers, so both will frankly understand any action that might be misinterpreted as so hostile and so threatening that it could justify a nuclear response.

Does all this mean that deterrence and arms control together are enough to give us the best shot at a peaceful world? No, indeed. What is the driving force that has so regularly pushed nations into the insanity of war? Is it technology? No. Is it the absence of treaties designed to limit and control military build-ups? No. So what is it? Joseph Nye, a professor of government at Harvard recently wrote in the Harvard International Review:

> It is not the weapons that are the greatest threat. It is the hostility in which they are embedded that poses the greatest danger. (Britain and France have nuclear weapons but we lose little sleep over them.)

Professor Nye is right. It is hate and fear stoked by the fury of superpatriotism that could drive these armed-to-the-teeth superpowers to the final war. We are seeing these qualities on display daily in the Iran-Contra hearings. We know they animate too many Americans. But on the Soviet side the threat is even greater. No one can deny that the Soviet Union suppresses any real fragment of freedom for its people. We know its brutal record of

● **This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.**

subjugation of the people who live in the countries of eastern Europe. We know at this very moment the Soviet Union is hip-deep in a cruel ravaging of Afghanistan. We know the Soviet's excessive buildup of tanks and planes, of submarines and mobile artillery—far beyond any conceivable need for the defense of the Soviet homeland. We know the "book" on the Soviet Union is clear and consistent. It will move promptly into any vacuum of power.

If the North Atlantic Treaty members should lose any of their will to defend their countries, if the leadership of the NATO alliance by the United States should weaken, if we should significantly reduce our deterrent, the Soviet Union might very well sweep to the channel in a very few days.

Is it true that the evidence of offensive intent in the simple and honest language of weapons—ready to roll—is all on the side of a Soviet offensive? Of course, it is. But does any of this mean that the Soviets do not understand that a superpower nuclear war would leave nothing but losers? Of course, not. There is an even more hopeful prospect. Professor Nye concludes his article on arms control and the risks of nuclear war with these words:

> Given the secret and autocratic nature of Soviet society, it is not easy to imagine a rapid transformation in our political relationship. But change does occur, albeit slowly. Gorbachev's Soviet Union is very different from Stalin's; a strategy of societal contact may speed the process. Contrary to popular conception, both sides have learned a good deal about jointly managing their nuclear relationship over the course of the past three decades. The increased transparency and communications stimulated by negotiated arms control is part of that learning process.

So there is hope thanks to deterrence and with a vigorous renewal of arms control. But that hope hinges on developing an understanding and a will to cooperate by both superpowers. Arms control will come with a new American administration. But the replacement of hate and fear by mutual respect will take far more time and effort than either government or the people of either nation have engendered to date.

THE ACTING PRESIDENT pro tempore. The majority leader is recognized.

MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that there now be a period for morning business in which Senators may be permitted to speak therein. I ask that the period not extend beyond 10:30 a.m.

THE ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I yield the floor.

Mr. HATCH addressed the Chair.

THE ACTING PRESIDENT pro tempore. The Senator from Utah.

THE DANGERS OF POLITICIZING SUPREME COURT SELECTIONS: A RESPONSE TO SENATOR BIDEN

Mr. HATCH. Mr. President, last week, Senator JOSEPH BIDEN of Delaware, the chairman of the Judiciary Committee, delivered a thoughtful address on this floor concerning the constitutional duties of the Senate with respect to Supreme Court nominations. At that time, I expressed my desire to respond in detail to his interesting remarks. Unfortunately the Iran-Contra hearings have prevented me from taking the floor earlier, but at this time I would like review the constitutional history and Senate precedents discussed by Senator BIDEN.

I commend Senator BIDEN for turning to the Constitution in search of the Senate's function with regard to confirmation of Justices to the highest judicial body under our system of governance. In this year of the Constitution's bicentennial, we have looked back on history a great deal. This is appropriate. Although my conclusions may differ from Senator BIDEN's on some points, those looking back at us should at least judge that we have taken our counsel from the most important sources.

Before embarking on a reexamination of the language and history of our Nation's foundational document, I would like to underscore the importance of this historical exchange. Each Senator, pursuant to article VI of the Constitution, has taken an oath to uphold the Constitution. It is significant that a Senator's highest duty, and indeed the highest loyalty of every citizen in this Republic as well, is owed not to any person, political persuasion, or public position, but to a law. As Chief Justice John Marshall stated in the famous Marbury versus Madison case, we live under a "government of laws, not of men."

In that same case, Justice Marshall established that "It is emphatically the province and duty of the judicial department to say what the law is." The power to interpret the law is an awe-inspiring responsibility—a responsibility which must be entrusted only to those worthy of the task. For this reason, the duty of the President to nominate and the duty of the Senate to give its advice and consent to Supreme Court Justices are among the most important functions of our constitutional government. The framers of the Constitution did not leave us without some guideposts for the execution of these duties.

I will argue that the language and history of the Constitution as well as Senate precedent lead toward a far different conclusion than that reached by the Senator from Delaware. Moreover I will contend that politicizing the sensitive Supreme Court selection process carries the danger of permanently injuring the independence, integrity, and institutional individuality of the third branch.

THE LANGUAGE AND HISTORY OF THE CONSTITUTION

Senator BIDEN argues that the "framers intended the Senate to take the broadest view of its constitutional responsibility." In support of that proposition, he quotes several of the framers' apprehensions about the powers of the executive branch.

Parenthetically, I would note that the framers rarely adopted or advocated the "broadest" extreme of any question. Indeed a careful reading of the 1787 debates reveals that Senator BIDEN relied primarily on only one side of the debate. Moreover, the side of the debate on which he primarily relies was the losing side. Senator BIDEN draws at length from the early attempts in the 1787 Convention to vest appointment power in the Senate. He apparently overlooks the views that unanimously prevailed and vested the appointment power in the President with the advice and consent of the Senate. The Convention vested the nomination power in the President, and the President only, by a unanimous vote. Senator BIDEN's address depreciates significantly the Convention's decision to reject any Senate role in the nomination of Justices.

Senator BIDEN is correct that Pennsylvania's James Wilson first questioned the clause of the Virginia plan which gave judicial appointments to the legislature. He asserted that "experience shewed the impropriety of such appointments by numerous bodies." (1 Farrand 119) Senator BIDEN is also correct that South Carolina's John Rutledge opposed giving the appointment power "to any single person," (1 Farrand 119) but the Senator's assertion that James Madison of Virginia agreed with Rutledge fails to tell the whole story. Indeed it is Madison who made the motion to strike "appointment by the legislature" from the Virginia plan which he drafted. Madison records his own response to Rutledge as follows:

> Mr. Madison disliked the election of the Judges by the Legislature or any numerous body. Besides the danger of intrigue and partiality, many of the members were not judges of the requisite qualifications. The legislative talents which were very different from those of a judge, commonly recommended men to the favor of legislative assemblies * * * On the other hand, he was not satisfied with referring the appointment to the Executive. He rather inclined to give

it to the Senatorial branch * * * He hinted this only and moved that 'appointment by the Legislature' might be struck out. (1 Farrand 120)

This Madison speech deserves a brief digression. Senator **Biden**'s comments give the misimpression that James Madison supports the Biden "broadest view" theory. Madison ought not to be co-opted in this fashion. Although the "Father of the Constitution" made no declaration directly relevant to the current Bork confirmation, including no endorsement of the Biden theory, his language brings to mind an issue crucial to the current confirmation. Madison pointedly notes the distinction between lawmaking and judging. In Madison's words, "legislative talents * * * [are] very different from those of a judge." Judge Bork has been assailed primarily because he, along with Madison, holds to that distinction. As we shall see, Madison struggled for some time to find the best insitutional means to select judges possessing legal, not lawmaking, qualifications.

At this point in the Convention, James Madison had simply not made up his mind about the best way to appoint judges with legal, as opposed to policymaking, skills, but he clearly did not agree with Rutledge. After all, he moved to delete the language defended by Rutledge. It is important, however, to emphasize the factors that concerned Madison about the appointment process. He was concerned about the "intrigue and partiality" of the political process. Furthermore, he was apprehensive that the legislature might lack the ability to weigh the "requisite qualification" for judgeship. Based on his address, Madison must be placed in the camp of those who fear political intrigue and partiality and who favor wise assessment of qualifications in connection with the judicial selection process. This is hardly a ringing endorsement for the Biden theory of "broadest" political intervention by the Senate.

More important than Madison's views, however, is the actual vote of the Convention. Madison's motion to strike the legislature from the appointment process carried by the overwhelming margin of 9 States to 2. (1 Farrand 120) Senator **Biden** called the final language of the Constitution on appointments an "11th hour compromise" and asserted confidently that "up until now (July 18 when he gave his remarks on the floor) no single vote at the Convention gave the Executive any role to play in this process." This might mislead those who do not know that on the 7th day of debate in 1787, June 5, the Convention had already decided conclusively that judges would not be selected by the legislature. The Convention would consider many other formulations before arriving in July at the formulation that would later prevail.

Incidentally, this debate produced one of the most humorous moments of the Convention. Commenting on the appointment process, Ben Franklin of Pennsylvania spoke favorably of the Scottish system, "in which the nomination proceeded from the lawyers, who always selected the ablest of the profession in order to get rid of him, and share his practice amongst themselves." I would like to note that Franklin's observation seems to hold true still today. The American Bar Association has declared Judge Robert Bork to be "exceptionally well qualified." Unlike Ben Franklin, I will not speculate on the motives of that austere body.

Franklin's anecdote is important for another reason. It highlights that all the delegates—both those favoring senatorial appointment and those favoring Presidential appointment—were actually seeking the system that would best supply qualified nominees. They were not interested in a system that screened nominees for adherence to a political orthodoxy. They were not interested in a system that screened nominees for ideological purity. They were looking for "the ablest of the profession."

In that regard, I think you will have to look long and hard to find anybody that would reach the ability and the ableness of Judge Robert Bork whether you agree with him or not.

The successful Madison motion left the appointment process unspecified. This opened the way for Delegates Pinckney and Sherman to move to restore the appointment-by-the-legislature clause. Madison objected. He reasserted his concerns that the legislature was an "incompetent judge[s] of the requisite qualifications * * * too much influenced by * * * partialities." (1 Farrand 232) As a preferable alternative, Madison suggested that the Senate be given the appointment power. This was accepted on June 13 without a recorded vote.

The issue was far from decided at that point. When it arose again on July 18, Massachusetts' Delegate Ghorum opined that the Senate was "too numerous, and too little personally responsible to ensure a good choice." (2 Farrand 41) He proposed instead appointment by the Executive with the advice and consent of the Senate as was specified in the Massachusetts' Constitution.

The debate at that juncture became very involved. James Wilson preferred that the Executive make appointments without Senate participation. Delegates Martin, Bedford, and Sherman preferred that the Senate make appointments without executive branch participation. Delegates Mason and Morris discussed the impropriety of judges presiding over the impeachment of the Executive who appointed them. James Madison, ever the conciliator, had still another suggestion: "Judges might be appointed by the Executive with the concurrence of one-third at least of the Senate." (2 Farrand 42) These views are all interesting, but none of them was eventually adopted.

Delegate Ghorum's views were destined, at length, to prevail, although they suffered a temporary setback on this particular day. Because his views eventually won, they deserve special attention. Delegate Ghorum responded by noting that "the Executive * * * will be careful to look through all the States for proper characters * * * Rhode Island is a full illustration of the insensibility to character produced by a participation of numbers, in dishonorable measures, and of the length to which a public body may carry wickedness and cabal." (2 Farrand 42) It almost sounds as if he had foreseen the recent Rehnquisition.

After a rather lengthy debate by 1787 Convention standards, two votes were taken. Wilson's motion to have the President alone make appointments failed 2-6. Ghorum's motion for Executive nomination with senatorial advice and consent failed on a tie vote 4-4. A consensus was beginning to form around Ghorum's apprehensions about potential difficulties of a senatorial appointment system. Madison followed the Ghorum tie-vote with another motion for an advice and consent plan. The Convention decided unanimously to postpone the issue. The last action was an indication that the Convention had turned the corner. Delegate Ghorum had achieved only a tie vote, but he had won the day. The influential Madison was now in his camp and the Convention had agreed to revisit the issue. It was only a matter of time.

Accordingly, this issue was assigned to the Special Committee on Postponed Matters, or the Committee of Eleven as it was called in both the Official Journal and Madison's notes. The September 4 report of that committee contained the current language of section 2 of the Constitution: The President "shall nominate, and by and with the advice and consent of the Senate, shall appoint * * * judges of the Supreme Court." This language was accepted unanimously.

This was not an 11th hour compromise. As we have discussed, the Convention voted twice on a similar plan on July 18. The first vote was a tie. The second was a unanimous vote to postpone an advice and consent formulation. The clearest indication that this matter was settled by the Convention well before the report of the Committee of Eleven is that the committee's recommendation was embraced without a dissent. The only sense in which this was an "11th hour compromise" is that the Committee of Eleven did believe the final language.

This is also an indication that the arguments of Madison and Ghorum had prevailed. Moreover the views of these leading farmers are hardly consistent with the Biden "broadest view" theory. On the contrary. Madison and Ghorum prevailed by arguing against broad Senate powers. They had apprehensions about committing the appointment power into the hands of a numerous body. Madison stressed the inadequacy of legislators as judges of the distinction between legal and lawmaking skills. Madison and Ghorum both expressed apprehensions about the danger of political intrigue and partiality. Perhaps most important is their emphasis of finding a system that would adequately screen judicial candidates for the "requisite qualifications." This is an important guideline from the Father of the Constitution himself. He sought, and eventually secured, an appointment system that would ensure the selection of judges with "requisite qualifications." He deliberately avoided a system frought with political intrigue.

Senator BIDEN concludes his review of the 1787 Convention with the statement that "it is difficult to imagine that * * * the framers intended anything less than the broadest role for the Senate—in choosing the Court and checking the President in every way." It is determined where Senator BIDEN found this in the 1787 debates. In the first place, the "broadest role" for both the President and the Senate was rejected by the Convention. The Convention arrived at a compromise that Madison, the framer of the compromise, designed to achieve the result just discussed. This is hardly the "broadest role" for the Senate. Furthermore, the Senate was given no nominating authority whatsoever. Indeed the Senate's appointment authority was rejected by the Convention. This hardly argues for the broadest Senate role "in choosing the Court." Finally, Senator BIDEN contends that the Senate must check the President. The advice and consent power is clearly a check on the President, but none of Madison's language—indeed none of the language of the 1787 delegates—suggest that it is a check "in every way."

The 1787 debates provide little, if any, basis for BIDEN's "check in every way" notion. Moreover Alexander Hamilton, fighting to win ratification of the Constitution, articulated the limits of the "advice and consent" power in terms which firmly rebut the Senator's "in every way" myth. Hamilton states in Federalist 76 that the likelihood of "stigma upon the individual rejected" would make it unlikely that the Senate would refuse consent often unless there arise "special and strong reasons for the refusal." The necessity of funding "special and strong reasons" for rejecting a nominee does not have quite the same ring as Senator BIDEN's "in every way" standard.

Hamiltion proceeds to narrow further the categories of special and strong reasons that would suffice to warrant rejection of the Chief Executive's selection. He describes the advice and consent power as "an excellent check upon a spirit of favoritism in the President, and would tend greatly to prevent the appointment of unfit characters from State prejudice, from family connection, from personal attachment, or from a view to popularity." In other words, Hamilton, like Madison, is concerned about finding judicial candidates with the requisite qualifications. The advice and consent power, in the view of these authors of the Constitution, is a guard against "unfit characters" that nepotism or Presidential favoritism might produce. Once again, this is a far cry from Senator BIDEN's "in every way" standard.

Even a cursory review of the 1787 debates leaves one firm conclusion. Not even the most ardent proponents of a Senate appointment system argued for ideological inquisitions and inquiries. These delegates, like Luther Martin of Maryland, favored Senate appointments because they believed that the Senate would be "best informed of characters and most capable of making a fit choice." (2 Farrand 41) In other words, they thought the Senate would choose the most qualified candidates. All of the delegates at Philadelphia were seeking a selection system that would produce judges with the "requisite qualifications." None of them discussed, or apparently even considered, the notion of checking the Executive "in every way" or the senatorial "duty to consider judicial philosophy," to use another of Senator BIDEN's phrases.

Senator BIDEN's formula for the "broadest view" of restraining the President "in every way" not only misconstrues constitutional history, it is also dangerous to the independence, integrity, and instutional individuality of the third branch. Senator BIDEN boldly articulates a role for the Senate in "scrutinz[ing] Supreme Court nominees on the basis of their political and judicial philosophies." This is another way of saying he desires political partisanship and ideological inquisitions. Ideological involvement in the selection of Justices is a two-edged sword whose backswing is likely to injure the prestige and standing of the Court far more than its thrusts will reshape jurisprudential directions. The history of the Constitution's drafting discloses that the framers foresaw some of these dangers.

In the first place, an ideological inquisition could precipitate a constitutional confrontation that will deprive the President of his prerogative of nominating Justices. The Convention gave the President the sole power of nominating. As Hamilton stated in Federalist 76, "But might not [the President's] nomination be overruled? I grant it might, yet this could only be to make place for another nomination by himself * * * The Senate could not be tempted by the preference they might feel to another, to reject the one proposed; because they could not assure themselves that the person they might wish would be [subsequently] nominated." If the Senate were to insist on ideological inquisitions and other ways of "checking the President in every way," it would precipitate an interbranch confrontation not contemplated by the framers whose primary objective for the advice and consent function was to prevent the nomination of "unfit characters."

The eminent Harvard scholar Lawrence Tribe acknowledges this principle in these words:

> In Supreme Court appointments the Constitution allows only the President his "druthers." Allowing each Senator to confirm solely from the Senator's own "short list" would prescribe paralysis in the Supreme Court appointment process. ("God Save this Honorable Court," 107)

Thus, Professor Tribe recognizes a fundamental distinction between the functions of the Senate and the President. As the Professor states, "The appointment process requires the Senate only to react, not to create." (Id at 131) If the Senate insisted on confirming only Justices likely to vote in accordance with a majority of the Senate on Judicial issues, it would deny the President his constitutional prerogative of nomination and virtually assert a power to select nominees that the Senate was not intended to possess.

As we have repeatedly noted, the 1787 Convention rejected the Senate appointment system. In the long run, the Senate must concede that it is not entitled to choose Justices. Thus, the prudence of avoiding an interbranch confrontation, as well as the purpose of article II, counsel against the Senate employing its advice and consent function as a virtual appointment authority. Otherwise, there is a deadlock—a deadlock that is difficult to see as a benefit to the Supreme Court or the Nation.

A second danger from this kind of ideological inquisition is the potential of injury to the independence of the Supreme Court. If the selection of Justices becomes just another political question, the Supreme Court risks losing its distinct place of esteem and becoming regarded as just another political entity. This was a part of Madison's message when he discussed the distinction between legal and lawmaking skills. He recognized that the Supreme Court was destined to play a role in our Government distinct from those of the political branches. Yet, if Senators treat the Supreme Court as a political institution which they expect to hew to a particular ideological line, then the public is likely to adopt that view of the Court and, to a lesser degree, so is the Court itself.

Prof. Richard D. Friedman identifies this danger in these terms:

> Rarely is public attention focused on the Court as intensely as during a confirmation struggle. Extended debates, both within the Senate and beyond, concerning recent decisions and the political philosophy of a nominee cannot help but diminish the Court's reputation as an independent institution and impress upon the public—and indeed upon the Court itself—a political perception of its role * * * A Justice who reaches the Court only in the face of doubts concerning his ideological acceptability may bear scars that will affect his judicial behavior. Prehaps more clearly and more importantly, if unpopular Supreme Court decisions tend to lead to nasty confirmation controversies that put the Court in an unfavorable light, then it is natural to expect that the Court will be less willing to render such decisions. (95 Yale L.J. 1283 (1986))

We simply cannot risk impairing the independence of the Court with petty political tinkering. Yet it would not be hard to see the likelihood of Professor Friedman's prediction if evey Supreme Court vacancy became the focus of extensive filibusters, delay tactics, overblown political rhetoric, and the other attributes of partisan gamesmanship.

A third danger inherent in partisan and ideological approaches to the advice and consent process is the risk of political reprisals. If blocking a nomination on ideological grounds is fair game for one President and party, it is fair game for the other as well. This could degenerate quickly into an endless cycle of revenge and retribution which can only damage the institutional standing of both the Senate and the judiciary. Senator BIDEN disregards the potential costs of political vendettas.

The framers wisely devised a system of selection designed to produce a qualified and independent judiciary. This system authorizes the President, and only the President, to make nominations. The Senate was granted the advice and consent function to prevent the appointment of "unfit characters." Applied reasonably, these constitutional rules will avoid the dangers of political inquisitions and supply the benefits of a strong and independent judicial branch.

THE SENATE PRECEDENTS

When discussing Senate precedents, Senator BIDEN contends that "[o]ver and over, [the Senate] has scrutinized the political views and the constitutional philosophy of nominees." In support of this proposition, Senator BIDEN submitted for the RECORD a list of all 26 Supreme Court nominations that have failed to gain confirmation. With regard to that list, Senator BIDEN asserts that "[i]n only one case * * * does it appear that substantive questions played no role whatsoever." This tends to suggest that 25 of the 26 were ideological inquisitions wherein the nominee failed to meet the political expectation of the Senate. This is far from the case.

Actually Senator BIDEN's list betrays far too much from the standpoint of building the case that the Senate routinely weights political and ideological factors in Supreme Court nomination. Most damaging is the list's revelation that since 1893, only five nominations have failed to win confirmation. In other words, in the last 103 years, 53 nominations have won confirmation without serious political or ideological interference. In fact, 36 of those confirmations came by a unanimous vote. Another 13 won confirmation with fewer than 25 dissenting votes. Of the remaining four confirmations, the highwater mark of opposition was 33 votes against Chief Justice Rehnquist last year. For more than a century the Senate has not routinely engaged in confrontations with the executive or ideological inquisitions with regard to Supreme Court nominees.

This record is significant in another sense as well. During this period of more than a century, the Senate confirmed:

Two Cleveland nominees, one McKinley nominee, three Theodore Roosevelt nominees, six Taft nominees, three Wilson nominees, four Harding nominees, one Coolidge nominee, three Hoover nominees, nine Franklin Roosevelt nominees, four Truman nominees, five Eisenhower nominees, two Kennedy nominees, two Johnson nominees, four Nixon nominees, one Ford nominee, and three Reagan nominees.

This is a clear indication that the Senate, aware of the dangers of politicizing the confirmation process, has confirmed 53 Justices from Presidents with widely divergent political and judicial ideologies. This is strong evidence against routine political and ideological campaigns against judicial candidates in the Senate.

An examination of the five rejected nominees over this 103-year period also shows that the Senate, even in these exceptional instances, was not conducting political vendettas. While some overtones of ideology tainted some of these rejections, more significant ethical or competence issues were, with one exception, always dispositive of the outcome. For instance, Carswell, a Nixon nominee, was rejected primarily due to his mediocre legal qualifications. When his nomination was considered on the Senate floor, his primary defender noted that "Even if he is mediocre there are a lot of mediocre judges and people and lawyers. They are entitled to a little representation * * *" (Abraham, H, "Justices and Presidents") This faint praise damned the nominee far more than any political or ideological considerations.

The other rejected Nixon nominee was Haynsworth. Judge Haynsworth demonstrated during hearings a "patent insensitivity to some financial and conflict-of-interest improprieties." (Id. at 15) As the eminent Supreme Court scholar, Henry Abraham, writes, "How could the Senate confirm Haynsworth when it has played such an admirable activist-moralist role in causing Fortas's resignation?" A combination of bad timing in the wake of the Fortas confirmation and ethical improprieties, not ideological concerns, caused this rejection.

Johnson's nomination of Fortas was questioned most scrupulously for ethical improprieties—cronyism for his close relationship with the President, judicial impropriety for extrajudicial service as a close counselor to the President, acceptance of exorbitant lecture fees, and after the Senate vote, revelations of inappropriate paid legal association with a convicted stock manipulator, Louis Wolfson. Another factor was also important, President Johnson had already announced that he would not seek renomination and consequently was a lameduck.

Thornberry lost his chance for a Supreme Court seat when the Fortas nomination failed leaving no vacancy for him to fill.

The only rejection in the last century creating an exception to the rule came in 1980 when Hoover's nomination of J.J. Parker failed by two votes. A single exception is hardly license to create a rule of ideological inquisitions. In a time of heated concern over labor issues, Judge Parker was accused of insensitivity to labor because he affirmed a lower-court opinion upholding yellow-dog contracts. According to Henry Abraham, Judge Parker's questioned opinion indicated "neither approval or disapproval of yellow dog contracts." In fact, Judge Parker had only upheld Supreme Court precedent as he was bound to do. (Id. at 42-43.) The other issue against Judge Parker was a racist statement made as a gubernatorial candidate 10 years earlier. Ironically, Judge Parker continued to serve on the fourth circuit and wrote some of the earliest and most significant problack opinions on desegregation. Indeed he sustained the opinion which outlawed racial voting abuses in South Carolina in 1947 and followed with an opinion in 1955 refusing to reduce sanctions against discrimination in the face of "massive resistance." The ideological inquiry that took place failed to accurately discern or predict the nominee's ideology.

Thus, the single example in this century of a nominee rejected solely for ideology was, by all reliable indications, a mistake.

In any event, Senator Biden's list is far from an adequate justification for ideological inquisitions. On the other hand, its disclosures about the last century are excellent evidence against that proposition. This assessment remains even when the 21 rejections that occurreed between 1795 and 1893 are examined.

Even a cursory examination of the 21 rejections in our first century does not leave convincing evidence of a Senate practice of conducting ideological inquisitions against nominees. Where political vendettas did occur during that era, however, the concomitant damage to the Supreme Court was evident.

The first category of rejections during this period that fall outside the ideological category are instances of opposition to the nominating President rather than the nominee. In these instances, the Senate rejected the nomination to punish or warn the President, not because it had any disqualifying objections to the nominee. For instance, in 1828, John Crittenden's nomination was "postponed" on a partisan vote. This foiled President Adams' last minute attempt to fill the seat and preserved the vacancy for President Andrew Jackson's appointment. President Tyler had five nominations defeated "chiefly because of the mistaken expectation of the Clay Whigs that their revered leader would defeat James K. Polk in the Presidential election of 1844." (Abrahams, id. at 40) The three rejections suffered by President Fillmore were prompted by similar tactics; namely "to preserve court vacancies for incoming Democratic President Franklin Pierce." (Id.) In a familiar pattern, Buchanan's nomination of Jeremiah Black failed in order to permit Lincoln to fill the vacancy. The highwater mark of this hostility toward a President came, however, in 1866 when the Congress eliminated the vacant seat on the Supreme Court rather than allow Andrew Johnson to nominate Henry Stanbery. Thus, 11 of the 21 rejections in our first century had little, if anything, to do with the ideology of the nominee. Rather, these were partisan attempts to thwart a lameduck or unpopular President.

Another category that falls outside ideology is lack of qualifications. In the words of Professor Tribe, "Alexander Wolcott, a Connecticut boss of the Democratic Republican Party, was the first nominee to be rejected primarily because he was not up to snuff." (Tribe, supra at 81.) Another was George Williams, a Grant nominee, who was attacked by both the bar and the press as clearly mediocre. Stung by the criticism, the nominee asked the President to withdraw his name.

A third category independent of ideology is senatorial courtesy. Henry Abrahams notes that this "appears to have been the sole factor in Grover Cleveland's unsuccessful nominations of William B. Hornblower (1893) and Wheeler H. Peckham (1894)." (Supra at 27-28.) In each instance, the Senator from New York felt that the President had snubbed him in filling a seat vacated by a New Yorker and invoked his privileges as a Member of the Senate protecting his State prerogatives to defeat the nominations. Similarly, Rueben Walworth, one of Tyler's nominees, was defeated primarily due to senatorial courtesy. (Id) Finally, Polk's nomination of George Woodward ran afoul of Pennsylvania Senator Cameron.

This narrows Senator Biden's list of 21 down to 5. Ideology played a larger role in these cases and in a few instances even caused the rejection.

The first of these was John Rutledge who was opposed by his fellow Federalists in the Senate because he had ardently opposed one of their favorite projects—the Jay Treaty of 1794.

Next came Roger Taney, who was opposed largely because of President Jackson's antibank policies which Taney carried out. The Senate "postponed" the Taney nomination on its last day in session and simultaneously passed a bill to eliminate the seat on the Court. The court-depacking bill failed in the House and John Marshall passed away in the interim. This allowed Jackson to appoint Taney to the Chief Justiceship. This time ideological and political issues thankfully did not bar his masterful 28 years of service in John Marshall's footsteps. Ironically one of the foremost Senators who fought Taney on ideological grounds, Henry Clay, underscored the folly of his opposition when he later told the Chief Justice, "I am now satisfied that no man in the United States could have been selected more abundantly able to wear the ermine which Chief Justice Marshall honored." (Swisher, "Roger B. Taney" 450) This is further evidence that Senators are no better than Presidents when it comes to predicting how past ideology will translate into judicial performance. Fortunately ideological inquisition did not deprive the Nation of Roger Taney's service.

Ebenezer Hoar was rejected in 1870 partially due to his opposition to the impeachment of Andrew Johnson and partially due to geographical considerations. Geographical considerations were important when the Justices also "rode the circuits." Hoar, from Massachusetts, was appointed to a seat assigned to a southern circuit. The vote was 34-24 against Hoar. Professor Friedman points out that Hoar lost several votes on the impeachment issue, but that the absence of votes from southern Republicans (who voted against him 13-3) cost him the nomination. (Friedman at 34) The geographical issue apparently provided the margin.

Grant's nomination of Caleb Cushing was also defeated on the basis of a unique mix of ethical and political considerations. Cushing was ideologically satisfactory to the postwar Republican Senate. In fact, he had helped draft their masterpiece, the 14th amendment. During the war, however, Cushing allegedly objected to patriotic music and hoisted a rebel flag on one of his ships. These allegations would not have been fatal if a letter he had written to newly elected Confederate President Jefferson Davis had not come forth. This letter asked Davis to arrange a meeting with one of Cushing's former law clerks. In the atmosphere of postwar hysteria, Cushing could not overcome allegations of disloyalty. (Friedman 24-25)

Stanley Matthews was nominated by Hayes in 1881. He was controversial because he had lobbied against a popular antirailroad bill sponsored by the chairman of the Senate Judiciary Committee. The committee failed to act on the nomination prior to expiration of Hayes' term. President Garfield renominated Matthews. He was approved by the Senate on this second try and served for 7 years on the Court.

It should also be noted that political and ideological considerations played some role in the Wolcott and Woodward rejections discussed above. The primary problems with the nominations, however, were, respectively, incompetence and senatorial courtesy.

In any event, of the last five names on the Biden list, two were only temporarily delayed in their confirmations as Justices, one failed for lack of loyalty more than judicial ideology, and another failed for lack of geographical purity more than personal preferences. The list compiled by Senator Biden is hardly a mandate for the Senate to undertake ideological inquisitions. The list is more convincing evidence of the alternative; namely, a Senate disposed to accept the guidelines of the 1787 Convention and remain within their traditional advice and consent function.

Before leaving the list and Senate precedents, in general, I cannot help noting that the most persuasive message of this record is a stern warning of the dangers of politicizing the appointment process. The list discloses that the decade of the Reconstruction featured the most prominent cases of political inquisitions. These were accompanied by other hazards to the Court's independence. During that period, political checks on the Court were not merely brandished but actually employed. The number of seats on the Court was reduced to prevent appointments. Nominations were considered political patronage or were allocated according to geography. Nominees were compelled to march in lockstep on litmus test war loyalty questions. Selection of Justices was just another political question and the Court was just another political entity. Congress even stripped the Supreme Court of jurisdiction to hear a case on which it had already heard oral arguments. *Ex Parte McCardly,* 73 U.S. 318 (1868). The Court concomitantly lost status as an independent institution with a nonpolitical constitutional mission distinct from the policymaking and administrative branches. The history recounted by Senator Biden is more of a caution against than an endorsement for "scrutinizing nominees on the basis of their political and judicial philosophies."

Senator Biden seeks political confrontation. In particular, he argues, the Senate must engage the President on the basis of a nominee's political or judicial philosophy. This policy resembles, though in a more moderate form, the depacking of the Supreme Court by which Andrew Johnson was prevented from making appointments. Like the Court-packing, it is an attempt to control the decisions of the Court through the use of a Senate function in a manner never contemplated by the framers of the Constitution.

Senator Biden also used his Senate precedents section to refer to quotes from several current and past Senators on these issues. In response, I would only like to note two quotes. One comes from Senator Edward Kennedy during the confirmation of Thurgood Marshall. Senator Kennedy expressed the views of many Senators on both sides of the aisle when he declared:

> I believe it is recognized by most Senators that we are not charged with the responsibility of approving a man to be Associate Justice of the Supreme Court only if his views coincide with our own. We are not seeking a nominee for the Supreme Court who will express the majority view of the Senate on every given issue, or on a given issue of fundamental importance. We are interested really in knowing whether the nominee has the background, experience, qualifications, temperament, and integrity to handle this most sensitive, important, responsible job.

Incidentally this quote is found in an article written by Senator McConnell of Kentucky before he was elected to the Senate. (59 Ky. L. J. 7, 16–20).

The other quote comes from Senator Biden himself who noted in connection with the appointment of Judge Abner Mikva to the court of appeals. Senator Biden stated at that time:

> This hearing is not to be a referendum on any single issue or the significant opposition that comes from any specific quarter * * * as long as I am chairing this hearing that will not be the relevant issue. The real issue is your competence as a judge and not whether you voted rightly or wrongly on a particular issue * * * If we take that attitude, we fundamentally change the basis on which we consider the appointment of persons to the bench.

These statements briefly embody the viewpoint, wisely derived from the Constitution, that has, as Senator Biden's list demonstrates, predominated in Senate confirmation proceedings. To avoid the dangers of politicizing the process and to reap the benefits of an independent Supreme Court, the advice found in these statements ought to be followed hereafter as well.

SENATOR BIDEN'S BALANCE ARGUMENTS

After discussing these historical points, Senator Biden proceeds to argue that:

> The Senate's right to consider judicial philosophy becomes a duty to consider judicial philosophy: When the President attempts to use the Court for political purposes; when the President and Congress are deeply divided; or when the Court is divided and a single nomination can bend it in the direction of the President's political purposes.

Senator Biden notes that "in recent years, it has struck many of us that the ground rules have changed * * *." Specifically he notes that he objects when a "President attempts to remake the Court in his own image." In the first place, Senator Biden needs to review his list to discover that few, if any, Presidents have had any objective in their Supreme Court nomination other than to affect the jurisprudential vistas of the Court. This is not something related at all to "recent years." President Jackson made six appointments with an eye to curtailing the nationalist impulses of the Marshall Court. President Lincoln made appointments with an eye to national monetary policies. He failed miserably due to the surprise factor. Lincoln went so far as to appoint the Secretary of the Treasury who had drafted his legal tender laws in order to ensure the success in court of his monetary policies. Once on the Court, however, the author of Lincoln's greenback legislation, Salmon Chase, struck down the laws as unconstitutional. In all Lincoln made five appointments. On two other leading issues of that era, the authority of military courts to supplant civilian justice during wartime and the scope of post-Civil War amendments, the Lincoln appointees split by a vote of 3 to 2. So much for the ability of Presidents to predict how a nominee will vote.

To continue, President Franklin Roosevelt made nine appointments to the Court with an eye to eliminating judicial impediments to the New Deal. President Kennedy made two appointments with an eye to solidifying the working majority in behalf of Warren Court policies. In sum, there is nothing recent about a President exercising his nominating power with an eye to important legal trends and issues. Senator Biden surely makes no headway with the insinuation that President Reagan is doing anything other than his predecessors have routinely done.

Moreover Senator Biden makes no headway with the insinuation that a President who makes appointments with an eye to current issues has prompted the Senate to undertake an ideological or political inquisition. Of all the nominations made by those Presidents mentioned above who openly sought to influence the Court by nominations, only one appointment was rejected—Jackson's appointment of Taney. As we have discussed, that was merely a postponement because Taney was confirmed for the even higher office of Chief Justice the following year. Once again, the opposite seems to be the case. President Roosevelt who even went so far as to recommend the court-packing plan to remake the Court in his own image had a total of 20 votes cast against his nine nominees. President Kennedy appointed two Justices who were both approved unanimously. A total of one vote was cast against Lincoln's five nominees. Senator Biden has chosen to argue from history, but once again, history offers him no solace. Clearly there is no historical precedent for Biden's innovative theory about the Senate intervening politically when a President makes judgments based on jurisprudential directions.

The capstone of Senator Biden's theory is that the balance of the Court must be protected, that if a single nomination might upset that delicate balance, it must be rejected. This notion, derived from a prominent theme in Professor Tribe's book, "God Save This Honorable Court," deserves an examination. The balance notion immediately suffers from one flaw in light of the historical analysis which Senator Biden has defined as the parameter of the debate. If past Presidents had felt obliged to preserve the ideological balance of the Court, the vile "separate but equal" doctrine would still be the law of the land. Moreover the abuses of the Court's Lochner era would also still govern.

Again turning to history as a rebuttal of the balance notion, is Senator Biden suggesting that a Senator in 1941 should have voted against one of the giants of the Court, Robert Jackson, simply because the Court already was overbalanced with Roosevelt liberals? How about a vote against Thurgood Marshall in 1967 because the Warren Court majority was already secure? To the contrary, Jackson and indeed the last five appointments of

President F. Roosevelt, were unanimously approved. The Senate has never found a use for a balance notion.

With this history in mind, it seems likely that Senator Biden's concern is not so elusive a concept as "balance." Rather, his goal is more likely to ensure that, to the extent possible, the Court is composed of Justices who think the way that he does. This suspicion is more verifiable in the case of Senator Kennedy who has openly criticized President Reagan's nomination of Robert H. Bork because of the abortion issue, criminal rights issues, the death penalty issue, the obscenity issue, and a variety of other liberal litmus test issues. At the same time, based on his castigations of the Rehnquist and Burger courts, Senator Kennedy would obviously welcome a far more liberal court. The underlying theory of "balance" seems to be that the judicial philosophy espoused by the Court can only move in a single direction.

The question might be justifiably be asked of Senator Biden: where were the advocates of the "balance" theory in the 1960's when Justices Goldberg, Fortas, and Marshall were placed on the Supreme Court resulting in a body consisting of (at best) two judical conservatives. Presumably the "balance" theory has nothing to say when a judicial philosophy is so predominant on the Court that an additional appointment, rather than shifting the balance, will merely solidify the dominance of the existing balance.

The balance notion is also delinquent in its pure result orientation. It assumes that judges are always predictable in their opinions on the basis of their personal, philosophical perspectives. Thus, this theory depreciates the dignity of the detached judicial role and reduces the Court's functioning to mundane political maneuvering. Ironically, the assumptions and results of the balance theory would not save the Court—as Professor Tribe, its original author, suggests—but would strip the Court of those qualities of reason, judgment, and unbiased detachment for which it is most esteemed. In other words, judges—whether judicial liberals or judicial conservatives—ought to confine themselves to interpreting the law as given to them by the statute or Constitution. To the extent that this is done, there is no need to worry about the "balance" of the Court. To the extent that it is not done, requiring political balancing will exacerbate, rather than correct, the politicization of the nonpolitical branch.

Senator Biden maintains that his case is "rooted in history, precedent, and common sense." It is hard to find in the history of the drafting of the Constitution any warrant for ideological and political inquisitions. Indeed the Framers of 1787 sought a system that would provide nominees with the "requisite qualifications" in terms of intellect, character, and legal—as opposed to lawmaking—experience. The advice and consent function of the Senate—far from being a means to supplant and frustrate the President's nomination power—was seen as a means to the Framer's second guidepost for the nomination process.

Specifically, they foresaw the Senate as an excellent check to ensure no "unfit characters" attained high judicial office. In other words, nominees had to be screened for qualities of morality, integrity, and ethical sensitivity. Finally, the most important qualification of nominees is their willingness and ability to uphold the Constitution and laws of the United States, as required by the oath administered pursuant to article VI of our organic document. Nowhere in the language of the Constitution or in the debates of the 1787 Convention, however, do we find hints of the need for ideological inquisitions to maintain the balance of the Nation's highest court. Nowhere do we find hints of the need for political purity as a qualification for the nonpolitical task of judging.

The precedents of the Senate offer little, if any, more comfort to Senator Biden's notions. In fact, only one justice has been rejected in the last 103 years on unequivocally political and ideological grounds—and that was a mistake. In the history of the Nation, fewer than a half dozen Supreme Court nominations have been chopped off by a dull political axe. And, as the record indicates, in those cases, it was the Court that was left bleeding. It was the Court that suffered a loss of independence, integrity, and institutional individuality.

In conclusion, I would like to once again thank and commend Senator Biden for focusing this debate on the history of the Constitution and the Senate. As I stated at the outset, we are fortunate to be a Nation of laws. The history of our Constitution and of the Senate lie at the foundation of those laws. A careful study of that history offers insightful counsel for Senators dedicated to preserving the strength and independence of the Federal judiciary.

BORK NOMINATION

In the few moments that remain, I would like to attempt to place Judge Bork's nomination in this historical framework. In the first place, Judge Robert Bork is one of the most qualified individuals ever nominated to the Supreme Court. He is one of the preeminent legal scholars of our time; a practitioner who has argued and won numerous cases before the Supreme Court; and a judge who for 5 years has been writing opinions that faithfully apply law and precedent to the cases that come before him.

As Lloyd Cutler, President Carter's counsel, has recently said "In my view, Judge Bork is neither an idealogue nor an extreme right-winger, either in his judicial philosophy or in his personal position on current social issues. * * * The essence of (his) judicial philosophy is self-restraint." Mr. Cutler, one of the Nation's most distinguished lawyers and a self-described "liberal democrat and * * * advocate of civil rights before the Supreme Court," compared Judge Bork to Justices Holmes, Brandeis, Frankfurter, Stewart, and Powell, as one of the few jurists who rigorously subordinate their personal views to neutral interpretation of the law. It is, of course, very high praise to place Bork in the company as Holmes, Brandeis, Frankfurter, Stewart, and Powell. This is an individual who falls easily within the requisite qualifications standard and will undoubtedly prove himself to be among the great justices of history.

Perhaps the best indication of how Judge Bork will perform as a judge is how he has already performed as a judge for 5 years on the court of appeals. As a member of the court of appeals, Judge Bork has been solidly in the mainstream of American jurisprudence. His record is almost unassailable.

Not one of his more than 100 majority opinions has been reversed by the Supreme Court. No appellate judge in the United States has a finer record.

In his 5 years on the bench, during which Judge Bork heard hundreds of cases, he has written only nine dissents and seven partial dissents in those cases. This is despite the fact that when he took his seat on the bench, 8 of his 10 colleagues were democratic appointees, as are 5 of the 10 now. Moreover, the reasoning of several of his dissents was adopted by the U.S. Supreme Court when it reversed opinions in line with the way Judge Bork had preferred. Once again, this is the type of individual the framers hoped to produce by vesting the nomination power in the President and the check in the Senate.

Despite these qualifications, we have heard threats that Judge Bork may be subjected to the kind of political or ideological inquisiton that the framers tried to avoid and the Senate has only rarely, and unsuccessfully, conducted. This threat is based on the fear of some that Judge Bork will seek to hold back many existing precedents. There is little, if any, basis for this view. As a law professor, Judge Bork often criticized the reasoning of Supreme Court opinions; that is what law professors do. But as a judge, he has faithfully applied the legal precedents of both the Supreme Court and his own circuit court. That is why he is almost always in the majority on the court of appeals and why he has never been reversed by the Supreme Court. Judge Bork understands that in the American legal system, which places a premium on the orderly development of the law, the mere fact that one may disagree with a prior decision does not mean that that decision ought to be overruled.

Judge Bork is the leading proponent of "judicial restraint." He believes, in essence, that judges should set aside the decisions of the democratically elected branches of Government only when there is warrant for doing so in the Constitution itself. He further believes that a judge has no authority to create new rights based upon his own personal philosophical views, but must instead rest his judgment solely on the principles set forth in the Constitution.

This is an important distinction and is directly relevant to Madison's observations about the distinction between lawmaking and legal skills. While it is well known form some of his academic writings that Judge Bork has considered questions of politics as well as law, he has never let his political views intrude upon his judicial decisions. This is the fundamental difference between a judicial conservative and a political conservative. Precisely because he is a judicial, as opposed to a political, conservative, Judge Bork deserves the support of the entire Senate. As a judicial conservative, he will enforce the will of Congress without allowing his own political preferences to frustrate the legislative will. Accordingly, Senators who are confident that their own views will prevail in Congress have no reason to fear that Judge Bork will second guess their political judgment. Judge Bork's judicial philosophy, in line with Madison's comment about legal skills, will require him to enforce what Congress dictates.

His opinions on the Court of Appeals reflect a consistent application of this form of judicial restraint, and he has upheld and enforced liberal laws and agency decisions as often as conservative ones. Senators have nothing to fear in Judge Bork. He will allow them to set policy for the country, and thereby place the responsibility to make political choices where it belongs.

The rush to judgment against this nominee by several Senators and outside groups is unseemly and unfair. It is unfortunately reminiscent of the worst days of the Reconstruction when the Court was viewed as a political tool. Though the nomination is supposedly so complex and important that hearings on it cannot be held for months, opponents of the nomination waited only days or, in some cases, hours before attacking it. Given their performance, one of their major complaints in ironic: The nominee is said to lack "an open mind."

Such a politicization of the confirmation process, in which Senators seek to determine how a nominee will vote in the specific cases they care about, detracts from the independence of our judiciary and weakens that central institution of our Government.

Judge Bork should be to no other standard than the traditional one for evaluating judicial nominees—competence, integrity, judicial temperament, and willingness to remain within the bounds of the duties of a judge, namely upholding the Constitution and laws as written. When Judge Bork has had an opportunity to respond fully to the Senate's questions, I am confident he will demonstrate his overwhelming qualifications to be confirmed as an Associate Justice of the Supreme Court. He is an individual worthy of the office. He is a tribute to the system which produced his nomination, a system which we have reviewed in detail today and which we hope will last in all its detail past some misguided efforts of the present.

I believe that after this statement is reviewed by those who are interested in this nomination, they will realize there are alternative views of great substance to those expressed by my distinguished friend and colleague from Delaware. He has served this debate well by bringing these issues to the attention of the Senate. On the other hand, I think that my remarks today will correct the record in many respects.

I believe we should proceed at the earliest possible convenience to resolve this nomination. I do believe that waiting until the middle of September makes it the longest delay in the last 25 years of any person nominated to the U.S. Supreme Court, and I find that not only incomprehensible, I find it to be wrong.

I thank the distinguished majority leader for giving me this time.

Mr. BYRD. The Senator is welcome.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, I believe I reserved my time under the order; is that right?

The ACTING PRESIDENT pro tempore. That is correct.

Mr. BYRD. So I have 10 minutes plus some time in morning business. I understand the distinguished Senator from New Jersey wants me to yield for a moment. I will be glad to.

Mr. BRADLEY. I thank the majority leader for yielding.

NEW JERSEY BLUEBERRIES

Mr. BRADLEY. Mr. President, it is blueberry harvest time in New Jersey. For the next few weeks, Americans will avail themselves of fresh blueberries to complement pies or muffins or just to eat by the spoonful. While blueberries are grown around the country—Michigan, North Carolina, Florida, Oregon, and elsewhere—I remind my colleagues that it was in New Jersey that the cultivated blueberry was first developed.

In the heart of the New Jersey Pinelands, Elizabeth White first attempted to cultivate blueberries in the early part of this century. She turned to local farmers and woodsmen to locate the best wild blueberry cuttings, and she acknowledged their efforts by naming many of the cultivated blueberries after the New Jerseyans who found them. According to Miss White, the "keystone" of the cultivated blueberry was the Rubel, named for Rube Leek of Chatsworth.

Today's blueberries, which are so enjoyed by all Americans, developed through the crossbreeding of these original varieties. It is with considerable pride that I point to the cultivated blueberry as a true fruit of New Jersey industry and initiative.

Mr. President, Senator LAUTENBERG and I will be sending around to our colleagues today some of these fine New Jersey blueberries. I wish them good eating.

IN DEFENSE OF THE CONGRESS: THE POLARIZATION OF OUR POLITICAL PROCESS

Mr. BYRD. Mr. President, in recent weeks there has been a great deal of speculation about the relationship between the White House and the Congress, particularly with reference to our relationship on matters of foreign policy.

In addition, the President, under the guise of calling for an "economic bill of rights" has been traveling around the country blaming the Congress for the basic ills of the Nation.

It is not too far fetched to say that the Congress is supposed to be the next designated "fall guy" for the President.

The actions of the President might be considered the natural state of affairs if we were in normal political times. However, we are not in normal political times. The very nature of the relationship between the executive and the legislature has been called into question by habits of power that have little to do with our constitutional system of checks and balances.

It is in this context that I feel compelled to speak in defense of the Congress, as a body, against the continuing invective of the White House. It is my belief that these attacks will lead to an untimely and unhealthy polarization of our political process well before the 1988 election—a polarization that by its nature is destructive to the spirit of bipartisanship that has been the base of the progress Congress has made in the last few years.

Earlier this year the President vetoed the Clean Water Act and the highway bill. These vetoes were considered highly unusual, given the broad bipartisan support for both of these pieces of legislation. The President's actions, taken against the advice of many Members of his own party, were seen as an extraordinary effort to regain his political standing. In both cases the Congress over-rode the President's veto.

Now, we are informed, the President has the clear intention of vetoing almost every piece of major legislation sent to him for his signature. The trade bill just passed by the Senate by a broad bipartisan majority of 71 Senators, including 19 Republican Senators, is to be vetoed, we are told. The banking bill to secure the fiscal good health of the savings and loan industry is to be vetoed, we are told. Catastrophic health insurance legislation to help the sick and elderly is earmarked, we understand, for the veto pen.

Every President, including President Reagan, has the right and the power under the Constitution to use his powers, his authority, to veto. However, the use of a broad-gauged strategy of veto after veto after veto is inherently confrontational. This is the politics of polarization. For this President in particular, a President who has lost great credibility with the American people, to adopt such a strategy of confrontation seems highly counterproductive.

For the past 8 months the American people have been witness to a great national debacle. A President's credibility has been damaged. The Nation's credibility has been damaged. The American people have been left unsure and uncertain about the leadership of our country. And our Nation's Arab allies have been forced to take radical action—requesting the reflagging of Kuwaiti oil tankers—to emphasize our sincerity. America must now prove its credibility in the most dangerous of waters—in a war zone where the initiative lies with Iran.

Most disturbingly, in the course of the Iran-Contra hearings, we have discovered in the testimony of Colonel North and Admiral Poindexter a deep hostility toward the legislative branch of this Government—a hostility grounded on a narrow, one-sided, viewpoint that the Congress has little, if any, role to play in the making of our Nation's foreign policy.

From this perspective, the Congress should simply be part of the military chain of command, limited to standing up and saluting every Presidential foreign policy initiative. Indeed, we have discovered in the testimony of these two witnesses an aversion to any advice, both within the administration and from the Congress, that dissented from the secret plan to swap arms for hostages and to give aid to the Contras.

As a result, the White House became a haven for a conspiracy of silence, fundamentally at odds with our constitutional system of openness and checks and balances. The rule of law was flagrantly disregarded, and habits of power inherently undemocratic were fostered and encouraged.

A culture of lying, a willingness to deceive even the Secretary of State, followed by an epidemic of amnesia, led to the wholesale diminution and corruption of the public estate. Yet, as it must be clear to all Americans, a denial of democracy in defense of democracy is no virtue.

Jefferson eloquently summed up the difficulty of trusting a government which is not measured by a fundamental commitment to the truth. I quote Jefferson: "He who permits to tell a lie once, finds it much easier to do it a second and third time, till at length it becomes habitual; he tells lies without attending to it and truths without the world's believing him."

The President may believe that the lack of a smoking gun will lead to an early restoration of his credibility. The President should not jump to such a quick conclusion. Both the American people and the Congress as a body have yet to be fully convinced that the President did not in someway countenance and authorize the secret arms for hostage policy.

The President's credibility was first damaged when he announced that he had secretly gone against his own public policy of not selling arms to terrorists. The President may continue to assert that his was an attempt at a strategic opening toward Iran. The truth, however, is simple—there was a secret arms for hostage deal that failed. It is this policy and the denial that such a policy existed that has caused the President to lose the trust of so many American people.

The public exposure of this secret policy of dealing in arms for hostages and the discovery of the secret aid to the Contras led to a subsequent attempt to give President Reagan "plausible deniability." There is, however, nothing plausible about the story of deniability that has enshrouded the Oval Office these many months. The American people, and rightly so, do not believe that junior officials, such as Colonel North and Admiral Poindexter, should take the fall in order to protect the President.

Put simply, the American people do not believe that a President of the United States should hide behind the weak reed of conflicting testimony, shredded memos, and assertions of "plausible deniability." Colonel North and Admiral Poindexter no longer occupy offices in the White House. The President, however, still has his desk in the Oval Office. The buck is still supposed to stop with him.

All Americans, regardless of their political persuasion, want to hold their President in high esteem. The road back for the President in regaining the esteem of the American people ought to begin with his awareness of just how far he has to travel to regain his credibility. Sometimes every President should do the unsusual and ignore the politics of power—the politics of invincibility—for the deeper truth of recognizing just how troubling their mistakes can be to the citizens they govern.

There are, no doubt, some Americans who have come to believe in the course of these hearings that the Congress is the "fly in the ointment"—that the Congress should automatically defer to the President on issues of foreign policy. The President is clearly Commander in Chief; he speaks for America to the rest of the world. But every President speaks more strongly when he speaks for a policy openly arrived at, one that all Americans understand and support.

In the white heat and glare of television lights, the role of the Congress, the complexity of our system of checks and balances, may seem difficult to comprehend. The demonstration of bravado—the moment of confrontation—reducing what is complex down to the easy cliche, makes for better television.

But a lie said on television is still a lie. A flawed policy, however well articulated, is still flawed. And the denial of what is plausible and indeed the truth—whether it is made in private or in a televised hearing—still diminishes the truth, the public estate, and the Presidency.

As the public hearings of the select committee begin to wind down, we should remember that the committee has only finished the most public aspect of the committee's work. The committee must reflect on the hundreds of hours of testimony it has heard. The committee must give the American people a broad understanding of how a policy without moorings can damage our Nation's long-term security interests. And the committee, as Secretary of State Shultz so wisely reflected, must use its report to educate the American people on the changing world in which we live.

I have spoken at some length about the repercussions of the Iran-Contra affair to place my remaining remarks in a proper context. The President and the Congress, despite the fall-out from the Iran-Contra affair, must still find a way of cohabitating—of developing a proper and positive relationship that fosters trust and confidence.

The President, as I have said before, is now advocating a politics of polarization. The President is prepared to exercise his veto power in a broad-gauged strategy of confrontation with the congress. Any congressional initiative is to be met with a loud "no."

Having taken the country through one traumatic experience, the President is now proposing to polarize it, in order that he may once again be preceived as the "top gun". The Congress is supposed to be the next "fall guy".

This is unwise and, in my opinion, counterproductive to restoring the credibility to restoring the credibility of the executive with the legislature. It also cuts this President off from his own established record of success.

One of the clear lessons we have learned from the whole Iran-Contra affair is that when this President is cut off from, or ignores, good advice and counsel, his Presidency is hurt.

When the President ignored the advice of the Joint Chiefs of Staff and sent marines into Lebanon, he was forced, at the price of 241 lost lives in one night to pull them out. When the President ignored the advice of Secretary Shultz and Secretary of Defense Weinberger and went ahead with the Iran arms-for-hostage deal, he embroiled his Presidency and the country in the greatest scandal of his administration.

I would suggest that when this President deviates from the wisdom of checks and balances—of listening to wise counsel—his administration is dealt a blow. This is no more evident than in his relations with the Congress.

The President's adamant refusal to listen to the alarm bell of the Congress regarding aid to the Contras led his advisers, even if he did not know, down the dark road of covert and illegal aid to the Contras—a dark road of secret bank accounts and profit-taking middlemen—that has led to a deep suspicion among many Members of the Congress that this administration cannot be trusted.

Yet, if one looks at the broad record of the Reagan Presidency, it is clear that its greatest successes in foreign policy have come when the President has worked with the full support of the Congress to encourage democracy using diplomatic means.

The reestablishment of democracy in the Philippines, America's reversal of it's policy toward South Africa, the toppling of Baby Doc in Haiti, and the recent turn-about in Korea, are all indications that diplomatic tools are this administration's greatest asset. Put in proper context, the administration's support for the Contras is the very exception to the rule—the exception that goes against the administration's own model of success.

The President's strategy of polarization also seems counterproductive to his own hopes that the Senate give its speedy "advice and consent" to a proposed arms control treaty with the Soviet Union. The Reagan administration has a long history of confrontation with the Congress with regard to arms control. Indeed, many Members of Congress feel short-changed and locked out.

This feeling of being locked out, coupled with the surprise of Reykjavik, has left many Members of Congress concerned about the direction of the administration's arms control policy; about whether the White House is seeking a treaty just for the sake of signing a treaty.

My point should be clear, having gone through one long exercise in ignoring the Congress, the President seems determined to go down the road toward confrontation with the Congress over the next 18 months. This is not a positive approach to governing. It is an approach that ignores the reality that more often than not, it has been the Congress rather than the Executive that has taken the initiative and forged the legislative agenda of the Nation.

The achievements of the last few years—tax reform—the idea having been first promulgated by Senator BRADLEY, who just spoke a moment ago, and Mr. GEPHARDT; the refunding of Superfund; reform of our immigration laws; reauthorization of the Clean Water Act; responding to the AIDS crisis; reform of the Pentagon—our current efforts to reform our Nation's trade policy—all these and more are strong indications of congressional initiative.

This initiative, fostered by a spirit of responsibility and seriousness of purpose—on both sides of the aisle—may be in jeopardy of being lost because of the continuing desire of the White House to polarize the political process. Yet, the agenda and the creativity of the Congress remain unabated.

Welfare reform, catastrophic health insurance, campaign finance reform, getting the budget deficit down, our continued encouragement of democracy and human rights around the world—are all items that the Congress seeks to address with the help and cooperation of the President. No where is this help more needed than in coming to terms with the budget deficit.

For all the President's talk about "economic rights," what is left unsaid is that the President's policy of borrow and debt has stolen the economic future from the next generation. This is unfair and is unwise. We can no longer continue the economic policy of borrowing from Peter to pay Paul. The Congress has made an honest effort to give the American people a real budget. It is a budget that recognizes that for a great nation to remain great, it must begin paying some small price. Calling for $19.3 billion in new revenue to lower the budget deficit is a step in the right direction.

The President's own budget—rejected in this Senate by a vote in support thereof of only 19 votes—contained new revenues, new taxes, although the President would never admit it. He has never said so.

I am aware that partisan tensions were naturally encouraged on both sides of the aisle when the American people made the decision to put the Democrats back in control of the Senate.

Those tensions are natural and they are expected to be under our Constitution. But, as I have said many times before, and I am talking about tensions between the executive branch and the legislative branch, these are built-in tensions by the Constitution. But as I have said many times before, clearly something happened on election day. The American people voted for change. As Democrats, we are required to reflect that change of attitude.

Clearly, we Democrats will have our strong differences with the President. I had strong differences with the President of my own party, Mr. Carter.

The issues of controversy—the Bork nomination, catastrophic health insurance, Grove City, Contra aid, SDI, the budget deficit, and trade policy—are clearly areas where the President and many Democrats disagree.

There is, however, a clear difference between the reckless politics of confrontation and the politics of checks and balances. The President does not want his Presidency to be a lame duck or to use the new coinage a potted plant. And neither do I. Every American wants a President who is credible and respected by the American people. But I am unwilling to accept the role that the Congress should be the next fall guy in the effort to restore the President's stature. We have had enough of hollow bravado.

So, it is my strong hope that the President will not go willy-nilly down the road toward the politics of polarization—the politics of veto. It is up to the President to decide how he wants to play the game. The Congress is a coequal branch of government. Coequal. Congress is not above the Presidency. The Congress is not below the Presidency. Without the President as an equal and active partner, the Congress is stymied. But with the President, the Congress can pull America forward.

Mr. President, I yield the floor.

RECOGNITION OF THE REPUBLICAN LEADER

The ACTING PRESIDENT pro tempore. The minority leader is recognized.

THE TWO-PARTY SYSTEM

Mr. DOLE. Mr. President, I have been listening with interest to the distinguished majority leader. I must say I do not share the views expressed by the majority leader but, again, I guess that is what makes the system work. We have a strong two-party system.

I can appreciate the majority leader's frustration. I have said many times, the leaders are sort of powerless to make things happen. The Senate is made up of 100 strong, and strong-willed individuals. And we have a strong President at 1600 Pennsylvania Avenue.

So agreeing on major policy issues have never been easy, whether we had Democratic Presidents and Congresses, or Republican Presidents and Congresses, or divided as we have now.

I think President Reagan has gone the extra mile in many, many cases to meet with Members of Congress.

I have been in Washington for a few years and, as the majority leader indicated, there is always going to be spirited debate. We are going to have our differences. While the Democrats were picking up eight Senate seats in 1986, the Republicans were picking up eight governorships. So I am not certain what the message of the 1986 election was.

We like being in the majority. We hope to be back in the majority in 1989, but that will depend on what happens in 1988.

We believe in a strong two-party system, as does the distinguished majority leader. We believe in a strong Presidency, I think we mean by that, we do not expect the President to be silent or to play dead, or not to have his own ideas, his own philosophy. The message of Ronald Reagan has been consistent.

I find as I travel around the country the reason for the President's hard-core support, and it is still pretty high, regardless of the Iran-Contra hearings is that the President has been consistent. He has told the American people precisely what he would do and what he would not do in nearly every instance.

I think the American people respect that. They did not elect Ronald Reagan to agree with Democrat Members of Congress or Republican Members of Congress. They elected President Reagan to provide the leadership, to set the agenda, and he has done that.

In 1984, the President had, I think, by all standards a mandate.

Now the President has said he was going to veto some of these bills. In fact, he came up for a policy luncheon as guest of Republican Senators about a month ago and we gave him a big veto pencil. He said he could hardly wait to use it; he said he would put it under his pillow at night. But that does not indicate that he is not willing to work with the Congress.

While we continue to complain up here about the deficit, the two bills mentioned by the majority leader were both budget busters, the Clean Water Act and the highway bill. And the President vetoed them. He was not sustained, but he vetoed the bills so he could sleep better at night knowing that he had not contributed to the deficit.

In each of those cases, I supported the President. He did not win. But the President made it clear that those bills were budget busters, they added to the deficit, and he was not going to willingly do that; he was not going to try to have it both ways; he was not going to veto a bill, or sign a bill, and then talk about the deficit.

But I think, with very few exceptions, the President has been a player. Obviously, Congress is important. This Senator does not always agree with President Reagan. I was not elected to always agree with President Reagan or President Carter or President Ford or any other President.

But I am the Republican leader, and I do support the President in most cases. But whether it was tax reform in 1981 or whether it was the next tax bill in 1982 or again 1984 or again in 1986, the President's fingerprints are there. There would not have been any Tax Reform Act in 1986 if Ronald Reagan had not gone to the American people.

Nearly everyone in this Senate, including members of the Senate Finance Committee, including the chairman at that time, had just about given up on tax reform; but not Ronald Reagan. He kept going to college campuses, traveling around the country, talking about tax reform. And, lo and behold, because of his persistence and endurance and willingness, we passed the tax reform bill. It was bipartisan, as it should have been.

The President has proposed trade legislation, the President has proposed catastrophic health insurance coverage, the President has taken the initiative on AIDS. He has appointed an AIDS Commission. The President helped us on drug legislation. And he helped us on Gramm-Rudman-Hollings when some on each side did not think that was a very good idea. The President has tried to negotiate with Congress on the budget deficit.

But there is one thing the President will not do, and that is raise taxes. He did submit a budget. He did have increased revenues or user fees and asset sales. But he has said no increase in the tax rates for individuals or corporations. The President said, "No."

Now I am not certain what is going to happen to this year's reconciliation bill, if the Finance Committee will be able to raise $19.3 billion. Because I have not seen many groups coming in to volunteer to have their taxes raised. Funny how that works. Very few individuals have written me saying, "Please raise my taxes." And I cannot recall any business groups saying, "We would like to have a little increase on the excise taxes on our products," or "We think our rates are too low and we want to join the Democrats in urging you to raise our taxes." Ronald Reagan has said he is going to veto a tax increase. And that is one veto I do not think there is any question would be sustained.

I have been asked if there is a difference in the parties. And I said, "Well, I like Republicans and Democrats and I do not go around haranguing anybody, because we all have our problems in this business." But there is a difference on tax policy, defense policy, nondefense spending policy. We all have the same goals and objectives, but we would take different routes to get there. Nobody has a corner on wisdom in this country. The Democrats could be right part of the time, we could be right part of the time, we could both be wrong all the time. But I think the President can be right part of the time, too.

There is no doubt in my mind that, with the Shultz-Shevardnadze meeting being announced this morning in September, we will have an opportunity to ratify an arms control agreement in this body this fall or early next year. And there is no doubt in my mind that without the strong leadership of the President we would not be doing that—or that without his insistance on SDI we would not be doing that.

We have seen Gorbachev trying to destroy the Western Alliance. We have seen the Soviets walk out on arms control talks. We have seen the Soviets try to hold the whole arms control process hostage to us giving up SDI. We have seen a lot of obstacles thrown in the way of a good arms control agreement by the Soviets.

When Gorbachev reluctantly gave up some of his demands, that is called a concession. And we start getting the pressure on the President to do something in return, to give away something because the Soviets made a concession. There have been repeated attempts to legislate parts of the Soviet arms control agenda, particularly in terrms of SALT, SDI, and Asat. And I have had the view, which I think is bipartisan, that we ought to do that at the negotiating table. We should not strip the President of the United States of any tool that he might use to negotiate by legislating on the Senate or the House floor. We should not tell him, "Now, Mr. President, you can't do this, you cannot do that, you cannot do that, but you go make a good agreement and if we like it, we will ratify it."

But Ronald Reagan has never given up. There may be some who think we should not have an arms control agreement; I do not know. But if it is a good agreement, one that can be verified and one that is in our interest, then there is no question in my mind it is going to be ratified.

Now, Ronald Reagan is not going to be a fall guy for Congress, and I do not think we are going to be fall guys for the President. I believe in strong congressional leadership. And we have it with the distinguished majority leader, we have it in the House with the Speaker, JIM WRIGHT—men with ideas and integrity and a purpose. They want to keep the majority and we want to take it away from them. That is the way the system works.

It does not work in the way we had an example of yesterday involving the distinguished Senator from Ohio, Senator METZENBAUM. It should not work that way. That is beneath the dignity of any of us.

We're in a rough and tumble business. We have a right to go out and contest one another and talk about our philosophy, but not to spread venom in a campaign.

So I would conclude by saying I appreciate the majority leader's statement. I am going to be seeing the President in a few minutes. I do not think he will take umbrage. I think he believes in debate.

The majority leader spelled out precisely what he believes are shortcomings in this administration. And he does not do it recklessly.

But I guess all I could say is, as I travel around the country—I do a lot of that on weekends—I have not found all that many people saying we have a crisis in Washington. Many of them when they see me think we are not meeting and for them that is good news.

I find a lot of support for Ronald Reagan. The President's credibility has suffered some by the Iran-Contra hearings. But there are going to be, probably, 20 intervening events between now and next November. Memories will fade and something else will be on the front page and the evening news and somebody else may be in the spotlight.

I want to be constructive—I think we have had the beginning of a debate that might continue. I want to help the majority leader. I want the President to help the Congress. I want Congress to help the President.

We have got a lot of issues to deal with in the next 3 months: the Bork nomination, for one; reconciliation; catastrophic health insurance.

There are a number of other issues: Grove City, which will be controversial—Contra aid, and other matters that the distinguished majority leader alluded to. But I happen to believe that nobody should be a shrinking violet—not Congress, not the President. You can have differences. You can feel strongly about your differences. You can even have confrontation from time to time, and that is not unhealthy.

The President can veto bills. He can ask that those vetoes be sustained. Sometimes they will be sustained, sometimes they will be overriden. We do have this system of checks and balances. That is why a lot of us went to Philadelphia on the 16th of July—we went to talk about the Connecticut compromise and a lot of other things. But many of us sat around, at least I did, trying to think what Benjamin Franklin might have been thinking 200 years ago that day; or what George Washington might have been thinking about 200 years ago that day. George Washington went on to become a strong President. I think the American people will agree, whether they agree or disagree with his policies, that President Reagan has been strong, he has been consistent and that he knows where he wants to take America.

I respectfully disagree with the distinguished majority leader.

Mr. BYRD. Mr. President, I thank the distinguished Republican leader. I am not so sure that we are disagreeing very much. I think the distinguished Republican leader may have missed the point of my speech.

I have not sought to take credit away from the President where he should be given great credit. As a matter of fact, in my statement I mentioned the fact that what is happening here is that the President's approach in dealing with the Congress and the approach in developing and pursuing the secret policy which led to the Iran arms for hostages deal and the hidden conduits for aid to the Contras, and those things were getting in the way of the good record that the administration had established in other areas.

The whole thrust of my statement today is that the President is taking us down the road to the politics of polarization when he threatens to veto the major pieces of legislation that are going to be coming before him. The President is going to be confronted with a trade bill. That is something he ran away from for 6 years. He did not want any trade legislation, and this Senate did not force him to sign or veto a trade bill, but he is going to have that oppportunity.

So, it is the politics of confrontation in that sense—not in the sense of checks and balances which is the built-in tension and confrontation in our constitutional system—we all understand there is going to be that tension. But it is the publicly-announced deliberate and calculated strategy of veto after veto after veto—that is a policy of polarization, and that is not going to help this President. That is not going to help this country.

The distinguished Republican leader has done what he should do and what he would be expected to do and he does it well. But he is doing a little shadow boxing here. I think the distinguished Republican leader probably missed the real thrust of my speech. He said the President told the people what he would do and that the American people like that. He said that in nearly every instance the President told the American people what he would do.

But it is that instance in which he did not tell the American people what he would do that got him into trouble—that instance in which he said to the world:

> This is our policy. We will not get involved in the Iran war one way or the other. We will not take sides. We won't sell any arms to Iran. We won't make any deals with terrorists. There will be no concessions to terrorists. We will not go down that road.

That was the right policy. That was the public policy. That was the policy that he and the administration departmental heads were going around the world and advocating. That is what they advocated in Japan at the summit when seven of the industrialized nations of the world signed an agreement that there would be no deals with terrorists, no arms sales to Iran.

But all the while, underneath, there was a secret policy, a secret policy of doing just the opposite: selling arms to Iran, one of the participants in the war in the Persian Gulf; approving of the sale of arms to Iran in exchange for hostages; and instructions to the CIA to avoid telling the Congress.

That was in the January 17 finding of last year, 1986. It is in the finding. It had the signature of Ronald Reagan.

He did not tell the American people what he intended to do then and that is what has hurt this President. That is what has hurt this Nation. It hurt the credibility of this country with our allies around the world and it gave succor and comfort to our adversaries.

So when the distinguished Republican leader said "in nearly every instance the President told the people what he would do," that exception was the fatal instance; when he told the American people one thing and told the world one thing and did precisely the opposite, under the table, secretly. That January 17 finding, of 1986, carries the signature of Ronald Reagan in which he approved the shipments of arms to Iran—one of the purposes being to secure the release of the hostages.

Written out in that finding is the instruction to the CIA not to tell the Congress, and if there is one thing the administration should have learned out of this whole fiasco it is that if you do not trust the American people they will not trust you.

Franklin Roosevelt said: If we should do away with the Congress, ours would no longer be a Republic. We can have all the Congress bashing that we want—and we are getting plenty of that these last 6 years, and going to get more over the next 18 months—but, if you eliminate the Congress, said Roosevelt, this would no longer be a Republic.

Congress is the people's branch. It is the first branch that is mentioned in the Constitution. It is mentioned in the first sentence of the first article of the Constitution.

When the President gave written instructions to the CIA to avoid telling the Congress he was also saying: "Don't tell the American people."

Of course we hear it said, well, he cannot tell 535—Secretaries of State up on the Hill. Nobody is suggesting that.

There are a few people on the Hill on both sides of the aisle who know a good many Government secrets, and have known over the years, and have not divulged them and will not ever divulge them.

The distinguished Republican leader talks about tax reform. Again, he seems to miss my point. I included tax reform as one of the initiatives of Congress. I do not say that Congress was entitled to all the credit for tax reform. I said it was one of the initiatives. I specifically referred to Bradley-Gephardt. They were talking about this tax reform a long time before the President picked up on it, and, of course, he did pick up on it and he did do a splendid job in going around the country advocating tax reform.

But I cite that tax reform legislation as an example to my good friend, the Republican leader—an example of the President and Congress working together. They were not working at odds. They were not pulling in different directions. That is a good example of their working together. That is what my whole speech is about, working together.

Mr. President, this President had taxes in his budget. I have never read or heard of his admitting it. Whether they are in the form of user fees or something else, they are taxing somebody. And there were, indeed, taxes, and there were increased taxes, by the way—taxes on black lung payments to coal miners in my State of West Virginia. That was in the President's budget. Increased excises on coal mined in West Virginia—that was in the President's budget.

So there are taxes in the President's budget. He will not admit it. Maybe he does not know it. Perhaps he has not been told.

Mr. President, I will tell you, nobody is volunteering to raise taxes. I do not want my taxes raised either. But I will tell you something else, Mr. President, there is something more important to me than raising my taxes. What is more important to me is my grandsons and granddaughters and their grandchildren. It is time that we learn to pay a little as we go. Picture that television prop where the President cut up the false credit card. That was a joke. That is a phony way to go about dealing with this budget deficit. The budget deficit has been triple-digit for the first time in our Nation's history, triple-digit in every year of this President's administration, and a public debt that has more than doubled under this administration. It increased $1.3 trillion. That is a $1 and 12 zeroes, or $1.3 and 11 zeroes.

What does that mean? Very little. But it takes 32,000 years to count $1 trillion at $1 per second. And the interest on that debt should mean also something. That is $140 billion this year. That is 37 cents out of every income tax dollar, Mr. Republican Leader, that you and I and every other individual taxpayer pays, 37 cents. That is a hidden tax. That is a hidden tax on the American people, 37 cents out of every income tax dollar goes for interest on that public debt. That is 13 percent of the Federal budget.

The Republican leader says, "I have not heard anybody saying, 'Raise my taxes.'" Neither have I. I agree with the distinguished Republican leader. Nobody is volunteering for that. But we have the responsibility of leadership. This President cannot avoid history's verdict. This President has the responsibility of leadership. He has a duty to work with Congress in dealing with this problem. It did not all occur on his watch, but the triple-digit deficits occurred on his watch, and the doubling of the public debt occurred on his watch. He has accumulated more public debts in these 6 years than was accumulated in 39 administrations over 191 years. It is somebody's responsibility to deal with these deficits.

So we cannot shirk our duty by saying "nobody has volunteered to me to raise taxes." No, nobody is going to volunteer to raise taxes. But we have to think of those grandchildren. They cannot write to us. They cannot call us on the telephone. Those who are not even yet knocking at the gates cannot call up their Congressmen and say, "Pay as you go. Lift some of this burden off us."

That is what I am talking about here. It is about time we began to pay the check for the meal. We all have eaten at the table.

There comes a time when we have to be responsible to somebody other than just to ourselves. We have to put aside the selfish way of thinking, "Well, how much is going to be out of my pocketbook?"

We should be thinking about that poor grandchild who is going to ask, "Who were they? They were our forefathers. They had a credit card. They did not pay the bills. Now I am going to have to pay their bills."

Mr. President, in closing, the Iran-Contra hearings have not been the basic hurt of this Presidency. The President hurt himself. Somebody should have advised him of that. Neither the Republican leader nor I were there to do it. But I will tell you one thing. If the President had taken into his confidence that Republican leader there and this Democractic leader here and said, "We are contemplating doing this, we are contemplating selling arms to Iran," he would have gotten a loud negative from that Senator, and he would have gotten one from this Senator. He could have gone on in spite of us, but he might have been spared the misery and the discomfort and the embarrassment that he brought on himself.

The President got the wrong advice from somebody. If he had just taken a few of us into his confidence, he would have gotten some different advice and it might have saved him all the pain he has since suffered; more importantly, it might have saved this Nation the pain, the embarrassment, and the loss of credibility that have accrued as a result of that ill-fated, ill-advised action in selling arms to Iran for hostages.

Mr. President, I close by saying I have great respect for my colleague, Senator DOLE, and I not only hold him in fondness, but he understands, as I understand, that when we speak as we have, it is nothing personal. When I walk out that door there, I forget the passions and the debates here. I go home and say to my troubles, "Good night. You have had your chance. I will never see you again."

But I can understand the Republican leader's strong and passionate support for the President. I support the President when I think he is right. I admire the Republican leader. I welcome this debate. And I know I can be wrong. I like to remember that, as I try to point out what I think are the errors of others.

I thank the distinguished Republican leader. I am happy to yield the floor.

The PRESIDING OFFICER (Mr. BREAUX). The Senator from Kansas.

Mr. DOLE. I will just take 30 seconds. I know other colleagues are waiting and I need to be at the White House—not permanently, just temporarily. I think this has been a good discussion. But there is one point the majority leader made that I certainly would recommend to all Presidents—to keep in mind that there are only four leaders in this Congress, two Republicans and two Democrats. And if we cannot be trusted, we are in bad shape in this country. I think many Presidents make that mistake. Maybe the reason is time, maybe it is pressures. But I remember the distinguished majority leader telling me on at least one or two occasions—I think I could paraphrase it—"If I am not there on the takeoff, don't invite me in for the crash landing."

I happen to have a view—maybe it is because I have been in Congress 27 years—that there are honorable men and women in this body on both sides of the aisle. I think Presidents would save themselves a lot of grief sometimes if they just confided in four leaders—two Republicans, two Democrats. Sometimes you cannot reach us, but that would be very rare. Any President would be well advised to consult with the leadership when he has a real problem because it might be beneficial down the road.

Mr. BYRD. Mr. President, I do not want to keep the Republican leader waiting, but if Mr. Carter, as I have said before and will say again, had taken into his confidence a few Members, he might have been better advised in the ill-fated attempt to rescue the hostages in Iran. He vaguely spoke of the fact that there had been some exercises in the Far West, in a simulated area, and that someone had gone to Iran and taken some soil samples and so on, but he did not tell me that the rescue attempt was actually going to occur. And he told me that the whole exercise would take I believe it was 11 days, 12 days, something like that, from beginning to the critical point, and it could be aborted up to the last 24 hours, I believe. What he did not tell me was that the action had already been put in motion and we were already into the final 48-hour period, or even the 36-hour period—never said a word about it. My advice to him was, "Mr. President, if you ever intend to do this, I would suggest that you call Howard Baker down—lock the door and get his advice. You don't have to call me back but let me know, and I will give you one or two other names. Call him down and tell him what your plans are. You need his help. If the action succeeds, good. If it fails, you will have some support from the Congress." But he did not do that.

I thank the Republican leader.

NEW JERSEY BLUEBERRIES

Mr. LAUTENBERG. Mr. President, I would like to turn to a subject lighter in dimension, less divisive, less argumentative than the budget and the Iran-Contra affair. I would like to talk about blueberries. Senator BRADLEY and I are pleased today to share a special treat with each of our Senate colleagues, freshly picked New Jersey blueberries.

The blueberry is a special fruit. Few foods offer such a combination of great taste, nutrition, versatility, and visual appeal. Whether eaten by themselves, over ice cream or cereal, in a pie, a muffin, or a cobbler—blueberries add a little something special to summer.

Blueberries have quite a history. Botanists tell us that a relative of the blueberry plant is the oldest living thing on Earth, an ancient 13,000 years of age. But although the original wild blueberry may have originated in the Garden of Eden, the cultivated blueberry was born in the Garden State—New Jersey.

It was in New Jersey, in 1906, that botanist Frederick Coville began experimenting with wild plants. With the help of Miss Elizabeth White of Whitesbog, NJ, he produced some remarkable results. They created the modern blueberrry—plump, juicy, sweet, and easy to pick.

I am proud to note that many of the cultivated blueberries consumed by Americans each year are produced in my State of New Jersey. In fact, each summer New Jersey produces about 40 million pounds of blueberries. These contribute about $32 million to the State economy.

The blueberry industry owes some of its success to research conducted at the Rutgers University Center for Cranberry and Blueberry Research in Oswego Lake, NY. The center's many research contributions have improved the quality and increased the production of blueberries and cranberries. Yet at its current funding level the center lacks the resources to operate a truly national facility. That's why I am supporting an increased Federal commitment to the center, to supplement the financial support already being provided by the industry and the State of New Jersey.

In celebration of the New Jersey blueberry, Senator BRADLEY and I are sending a sample tray of these delicious New Jersey blueberries to each Senate office—compliments of the New Jersey Blueberry Association and the Jersey Fresh Program.

I hope my colleagues will enjoy these delicious summertime treats.

I thank the chair. I yield the floor.

EXTENSION OF MORNING BUSINESS

Mr. BYRD. Mr. President, I see the distinguished Senator from Kansas [Mrs. KASSEBAUM] and the distinguished Senator from Idaho [Mr. SYMMS] on the floor. I would like to extend morning business.

I ask unanimous consent to extend morning business 15 minutes and that Senators be permitted to speak therein.

The PRESIDING OFFICER. Without objection it is so ordered. The Chair recognizes the Senator from Kansas [Mrs. KASSEBAUM].

Mrs. KASSEBAUM. I thank the majority leader.

(The remarks of Mrs. KASSEBAUM are printed under Submission of Concurrent and Senate Resolutions.)

THE REAGAN DOCTRINE

Mr. SYMMS. Mr. President, I thank the majority leader for extending morning business.

I sat on the floor and heard the spirited debate between the distinguished majority leader and the distinguished Republican leader, and I could not help but think that it was pertinent to what I was going to speak about on the floor this morning.

Both Senators, although they said they are friends—which they are—make it very clear that they are adversaries. One is the majority leader; the other was the majority leader. The majority leader now would like to protect his position and stay majority leader, and the current Republican leader would like to restore the Republican Party to the majority. So there is no question that they are adversaries, and they do not share the same agenda at all times.

Mr. President, that leads me to what I rose to speak about this morning—the Reagan doctrine, which is something I happen to believe in firmly. It was instituted by this President when he first took office. It came to its pinnacle, I suppose, on the liberation of Grenada. The Reagan doctrine, simply, is to expand the frontiers of freedom and to roll back the borders of communism.

You would think that President Reagan's own administration, his own departments of the executive branch, would in fact not be adversaries to his position but would be proponents of his position. That calls to mind two articles that I want to place in the RECORD at the appropriate point, but I would like to make some comments on them first.

I want to make reference to the "Korean Games" editorial which appeared in the Wall Street Journal of July 29, 1987. It starts out by saying:

> One of the nuttier notions being advanced in the diplomatic world these days is that some of the events of the 1988 Summer Olympics should be moved from their host city in Seoul, South Korea, to the capital of the Communist North.

With friends like these, Ronald Reagan does not need any enemies, because last week, Assistant Secretary of State Gaston Sigur declared in a New York speech that the United States would be willing to send athletes to the north for some games.

I wonder if Secretary Shultz has taken leave of his senses, to allow

Under Secretaries or Assistant Secretaries to go around and take positions such as this, because it leads one to wonder where their memory was of the outright military invasion of peaceful South Korea 37 years ago and the military dictatorship that happens to be in place in North Korea today, where there is no freedom. It is one of the hardest dictatorships in the world.

It leads one to ask this question: Who is the biggest opponent of the Reagan doctrine? Is it Fidel Castro? Is is Kim Sung? Is it Mikhail Gorbachev? Is it the Kremlin? Or is it the U.S. State Department, which constantly takes positions that weakens the offense of the ideological correctness, in my view, of the Reagan doctrine, which is to expand the borders of freedom and roll back the borders of communism?

Mr. President, I ask unanimous consent to have the "Korean Games" editorial printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

KOREAN GAMES

One of the nuttier notions being advanced in the diplomatic world these days is that some of the events of the 1988 summer Olympics should be moved from their host city in Seoul, South Korea, to the capital of the communist north, Pyongyang. Negotiations have been under way in Switzerland. The other day the International Olympic Committee proposed that the North be offered yet another event on top of the four it already has rejected as insufficient. Last week, an assistant U.S. secretary of state, Gaston Sigur, declared in a New York speech that the U.S would be willing to send athletes north for some games. He urged North and South Korea to share proudly in celebrating the Olympics and to forget the past.

What really needs to be done with Korea's past is to remember it—particularly the Communist attack on free Korea that took place only two generations ago, which was one of the darkest chapters in warfare. Until the Pyongyang regime offers clear evidence that it is ready to join the civilized world, there is no reason for the IOC, the U.S. or South Korea to forget—or to concede or to cooperate in—anything.

Since the war, two governments—one communist, one relatively free—have faced off across the tank traps and land mines of the demilitarized zone. They have been competing in the arenas of military power, modernization and world recognition. In the last two categories the communist government clearly is losing.

North Korea remains a murderous recluse. It is known chiefly for the genuinely totalitarian extremes of its "Great Leader," Kim Il Sung, and for ventures such as the 1983 Rangoon bombing that killed 17 high officials of South Korea.

The North's bid to horn in on the games has to be seen against its record for that kind of terror. The argument made by some in South Korea and in the diplomatic world is that North Korea must be given a share in the Games to prevent if from leading a Communist-bloc boycott or starting a second war during the proceedings. That strongly suggests that the current negotiations are simply a straight protection payoff to Pyongyang.

The most dismaying aspect of the episode however is that Mr. Sigur is apparently carrying out the diplomatic gropings of the State Department. This represents a change from U.S policy of refusing bilateral contact with the North. In September 1983 State revised its stance, telling U.S diplomats they could converse on matters of substance with North Koreans who initiated the talk in neutral settings. That policy undercut South Korea. It was revoked a month later—after the infamous Rangoon bombing. Around March this year, it was back in effect.

It is well to remember that what keeps North Korea from invading the South is not the Olympic spirit but the roughly 640,000 South Korean and American troops on active duty below the 38th parallel. To suggest to North Korea that it can get something—prestige as an Olympic host—for nothing is to invite the miscalculations that do lead to war. South Korea has pressures enough right now, with a democratic transition to work out and a U.S. trade bill targeted on its economy. The Olympic Games were not awarded to North Korea, or even to South Korea, but to the city of Seoul. The jump to Pyongyang is too long.

Mr. SYMMS. Mr. President, I must bring to the attention of my colleagues a headline story in this morning's Washington Times.

A secret State Department proposal on arms control compliance recommends minimizing or ignoring past Soviet treaty violations as a first step in gaining Senate approval of a new medium-range missile treaty.

In other words, the détente-at-any-cost people in the State Department are now saying: "Don't say anything that might upset the Soviets at this point in time, because we want to get an arms control treaty with them."

I wish to quote Richard Perle, our former arms control expert, who was schooled in this part of the Government by our late, beloved colleague, Senator Jackson, from my neighboring State. The article states:

Richard Perle, a former Pentagon arms control expert, denounced the proposal as "utterly inconsistent with administration philosophy.

"We are not about to sweep arms control violations under the rug," Mr. Perle said. "The resolution of past disputes has got to be part of the process of any new agreement."

Mr. President, I think it is just astounding that, day after day, the State Department gives aid to Mozambique, where they recognize and embrace the Communist government. They have given credibility—the Secretary of State has—to the ANC, a Communist-front organization, the "necklace" people in the southern African continent who burn people with rubber tires and petroleum because they disagree with those people.

They give lipservice to support Jonas Savimbi in Angola but never want to recognize him as the legitimate leader of Angola.

In Nicaragua, the State Department continues to recognize a Communist dictatorship that has no respect for freedom or human rights, and yet says it is a threat to our security, which I happen to think it is, and at the same time refuses to recognize the freedom fighters as a legitimate government.

It is such an inconsistent policy that makes one wonder if President Reagan does not need friends like this, if he really wants to see the initiative he started, and rightly so, upon his election in 1980, and taking office in 1981, and that is the Reagan doctrine.

Mr. President, I ask unanimous consent that the article from today's Washington Times entitled "State Arms Limit Plan Goes Easy on Soviets" be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATE ARMS LIMIT PLAN GOES EASY ON SOVIETS

A secret State Department proposal on arms control compliance recommends minimizing or ignoring past Soviet treaty violations as a first step in gaining Senate approval of a new medium-range missile treaty.

At the same time, the proposal, outlined in a memorandum obtained by The Washington Times, acknowledges that Soviet strategic missile forces have stepped up concealment efforts to prevent U.S. intelligence monitors from collecting information on weapons systems.

The memorandum criticizes the U.S. position of demanding complete corrective measures for past Soviet treaty violations and states that "we have not been willing to advance compromise solutions of our own."

The six-page document was circulated to senior State Department officials in May in preparation for an anticipated July meeting between Secretary of State George Shultz and Soviet Foreign Minister Edward Shevardnadze. The meeting is now planned for September.

Reagan administration charges of Soviet cheating on previous arms control agreements remain a major obstacle to an arms control agreement. But the State Department proposal appears to undercut administration efforts to expose Soviet violations of the 1972 antiballistic missile and Salt I treaties and the 1979 SALT II treaty, among others.

Richard Perle, a former Pentagon arms control expert, denounced the proposal as "utterly inconsistent with administration philosophy.

"We are not about to sweep arms control violations under the rug," Mr. Perle said. "The resolution of past disputes has got to be part of the process of any new agreement."

Sen. Pete Wilson, California Republican and a member of the Armed Services Committee, which will review any proposed treaty, said in an interview he disagreed "very strongly" with the thrust of the memorandum.

Any new agreement limiting medium-range missiles should include provisions spelling out penalties for anticipated treaty violations, he said.

"I think that should be part of the agreement, and if it's not we ought to wonder whether the agreement is worth ratifying," Mr. Wilson said.

State Department officials confirmed the authenticity of the document but sought to minimize its importance.

Officials, who declined to be named, said the early proposal was not sent to Mr. Shultz because of disagreements among senior arms control and policy advisers on how best to deal with the issue.

Disclosure of the proposal comes amid new intelligence reports showing deployments of missile interceptors and mobile radars in the Western Soviet Union. The reports suggest the Soviets may have committed recent violations of the ABM treaty, according to U.S. government sources.

The SALT II treaty was abandoned last year by the administration as a result of continued Soviet cheating on the arms pact.

The State Department acknowledges the question of the Soviets' past treaty compliance remains unresolved and could derail administration efforts to win Senate ratification of any new treaty limiting Intermediate-range Nuclear Forces.

In a cover letter to the memorandum, Richard H. Solomon, chairman of the policy planning council, recommends sending Mr. Shultz the memorandum because "the time is now right" to push for the initiative with the Soviets "because ratification [of a new arms treaty] would be facilitated by improving the compliance situation."

The memorandum calls for introducing a comprehensive initiative on arms control compliance to include meetings between the top U.S. and Soviet defense leaders.

A State Department official described the compliance problem as "a live issue" that will be an agenda item at the upcoming September talks between Mr. Shultz and Mr. Shevardnadze.

The official declined to say what elements of the May proposal will be included in the discussions.

"Failure to improve the current compliance situation could become costly," the memorandum states. "In the near term, it could complicate the ratification of an INF Treaty or other arms control agreements we may conclude."

According to the memorandum, "Any such agreements will inevitably have controversial features, including verification provisions considered by some to be inadequate."

But the memorandum also notes "a continuing and expanding pattern of Soviet concealment activities—camouflage, deception, concealment, and other data-denial or data-distorting practices aimed at preventing us from acquiring accurate information about Soviet military programs."

James Hackett, a former U.S. Arms Control and Disarmament Agency official, now an arms control expert for The Heritage Foundation, said the increased mobility of Soviet nuclear forces will make any new agreements "very, very difficult to verify.

"And why sign new agreements with a country that has violated past arms agreements?" he said. "It doesn't make any sense to me, or, I believe, to the American people."

On the proposed INF treaty, Mr. Hackett said signing the pact-"would amount to a great leap of faith, because we really can't verify such agreements."

Several annual reports to Congress have outlined numerous allegations of treaty violations and apparent violations.

Among the most serious charges is the allegation that a Soviet radar station in Krasnoyarsk violates the ABM treaty.

Apparent Soviet violations of the ABM treaty, including the mobility of ABM interceptors and radars, surface-to-air missile improvements, rapid reloading exercises and concurrent operations of ABM and non-ABM systems are to be played down under the State Department plan.

"Regarding the variety of unresolved ABM issues, we would have to decide which ones even to include in the initiative, which to handle by proposing new understandings and which simply to set to rest in some mutually agreeable manner," according to the State Department memorandum.

As for the Krasnoyarsk radar, U.S. negotiators "will probably have to settle for something less" than expecting the Soviet Union to dismantle the system that is considered one of the most serious and flagrant violations of the ABM treaty, the memorandum states.

LIBERTARIANS' STORIED GURU

Mr. SYMMS. Mr. President, I wish to submit for the Record an article from today's Washington Times, called Libertarians' Storied Guru.

I have had the privilege of visiting Dr. Rothbart and his lovable wife Joey in their home in New York City. The article, I think, is one that all Senators from both sides of the aisle here in this Chamber could do well to read. It is about an economist who is a guru of the Libertarian Party, the third largest political party in this country.

The distinguished occupant of the chair and I had privilege of serving in the other body with Ron Paul, a Congressman of Texas, who worked closely with Dr. Rothbart, who has a lot of ideas and a lot of ideas that make a lot of sense.

I will ask unanimous consent to have this article printed in the Record so more people can be aware that there is a growing movement of people who believe in private solutions to solve the problems as opposed to this mass hysteria for more government that seems to go on in both the Republican and the Democratic Parties as a way to do business. We continue to expand the role of government into our lives. We go from one administration to the next and government continues to grow, and it is very frustrating, I know, to many of us. But I think we should always welcome new ideas because ideas, after all, do have consequences, and one of the original thinkers of the 20th century certainly is Dr. Rothbart.

This article, makes reference to our former colleague in the House, and I might just read a quote from Congressman Paul. He says:

> Like Mr. Rothbard, Mr. Paul isn't concerned that a Libertarian candidate might draw more Republican than Democratic votes.

And I quote Mr. Paul:

> Actually, it would be a benefit for the conservatives if that happens, Mr. Paul reasons. Anyone who's been in Congress knows a conservative Republican is much more effective with a Democratic president. Who would have let *Carter* get away with a $220 billion deficit?

This is a quote from our former Republican colleague in the House. I only say that not that I totally agree with what he is saying, but I think it is food for thought for all of us, that oftentimes a good strong political divisiveness in opposition to a President in the White House may be good for the country because it slows the Government down and throws rocks in the progress of the bureaucracy which most often just interferes with the workings of the private sector and, after all, it is the private sector that provides for the lights to be turned on, provides for the hungry, provides medicine for the sick, and provides all the things that make life on this Earth a much better, easier environment than it was at an earlier time.

Mr. President, I ask unanimous consent to have that article printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Libertarians' Storied Guru

(By Scott Sublett)

Murray Rothbard, according to his disciples, is an intellectual giant who will be remembered as the 20th century's answer to Karl Marx.

Eccentric and often shocking, Mr. Rothbard, 61, is an academic who dresses as though fashion were an impediment to serious thought. He mixes double knits, plaids and striped bow ties and winds up looking like a jaunty, cartoon bullfrog. New West magazine once referred to him as the "potato-faced Lenin" of libertarianism.

So profound is his faith in free markets that he urges privatization of America's roads, schools, sewers, courts—in sum, the whole kit and caboodle. Once the state withers away—a goal Mr. Rothbard shares with Marx—a structure of private businesses and institutions will remain. This will achieve for mankind the liberty which Mr. Rothbard feels the "statists" on the left and right are ever eager to appropriate.

His iconoclastic turn of mind is reflected in his stand on insider trading.

"It's perfectly legitimate," he states in his honking, native New Yorker voice. "It's advancing those who are most knowledgeable. I'm very indignant about the fact that people who are indicted for this sort of thing get much stiffer sentences than muggers or murderers even. Nobody worries about their home life and whether they had no playgrounds as a kid."

He says insider trading is a victimless crime.

"Supposing I have a tip that there's going to be a merger of two companies," he reasons. "I buy the stock. You sell me the stock—you haven't got the tip. Well, so what? You haven't lost anything. You were going to sell the stock anyway. If I didn't have the tip, you would have sold it to somebody else, a third guy. Well, the third guy would have had a windfall profit when it came out the merger was going on. The other way, I get the profit because I knew what was going on!"

Considering his views, it comes as no surprise that Mr. Rothbard is the adored guru of the Libertarian Party and, some say, the father of modern libertarianism. He is also economic adviser to Ron Paul, the former Republican congressman whom libertarian activists predict will be named the party's presidential candidate at the Libertarian convention in September. Mr. Paul's major competitor so far is Indian-rights activist Russell Means.

At present, the Libertarians are America's strongest third party. In their peak year, 1980, presidential nominee Ed Clark attracted just short of a million votes—about 1 percent of the total. He did even better in Alaska, snaring almost 12 percent of the vote. (Libertarian candidate David Bergland dipped to 235,619 votes in 1984.) Next year Libertarians hope for greater success than in '80, reckoning that Mr. Paul's background as a former congressman would give his candidacy "legitimacy" in the eyes of the public.

"An honest person doesn't make predictions this early, but I don't think it's unreasonable to believe the Libertarian Party could do as well as a John Anderson," says Mr. Paul, a Texan who recently switched from the Republican to the Libertarian Party. "We're going to be a significant force, I'm convinced."

Like Mr. Rothbard, Mr. Paul isn't concerned that a Libertarian candidate might draw more Republican than Democratic votes.

"Actually, it would be a benefit for the conservatives if that happens," Mr. Paul reasons. "Anyone who's been in Congress knows a conservative Republican is much more effective with a Democratic president. Who would have let *Carter* get away with a $220 billion deficit?"

Moreover, he fears that "the coming financial catastrophe"—what he regards as the inevitable result of deficit spending—will be blamed on the "good conservatives" if a Republican is in office when it happens. From the libertarian perspective, Republican or Democratic, a spender is a spender, and deficit spending is the road to hell.

"One of the major reasons I've switched parties is to emphasize that people who believe in limited government should separate themselves from the Reagan politics," Mr. Paul says. "I'd prefer they become Libertarians, but if the principled conservatives can't do that they should at least align themselves with a Howard Phillips."

For Mr. Paul, the alliance with Mr. Rothbard represents a move away from the mainstream. For Mr. Rothbard, however, it perhaps represents a minute step toward center, though he would recoil in horror at this suggestion. Mr. Paul may be a libertarian, but he differs from Mr. Rothbard on several issues, especially abortion. Mr. Paul opposes it. Mr. Rothbard believes in choice.

Still, Mr. Rothbard plays down their differences. Some libertarian observers are surprised that Mr. Rothbard would support a candidate whom he may regard as less than 100 percent pure. Mr. Rothbard is known as an uncompromising advocate who does not brook opposition patiently, especially within libertarian ranks. His feuds are legendary.

For instance, in 1981 Mr. Rothbard and Edward Crane, president of the Cato Institute, a think tank founded on a commitment to libertarian ideas, had a falling out over the direction to be taken by the institute. The row began when the institute hired an economist who was not of the "Austrian School," as is Mr. Rothbard. It escalated into a war over how far libertarians should go in compromising with the realities of American politics.

Mr. Rothbard broke with the institute. Mr. Crane is still Cato's president. Their battle was stunningly personal and acrimonious. Mr. Rothbard publicly decried "Edward Crane's cynical and power-hungry disregard of principle."

On the other hand, at a social function of the Libertarian National Committee, Mr. Crane reportedly had to be physically restrained from slugging Mr. Rothbard. Mr. Crane denies this rumor and prefers to make no comment on the subject of Murray Rothbard. In any case, Mr. Rothbard considers Mr. Crane's support for former Delaware Gov. Pete DuPont for president in 1988 to be utter heresy.

Another legendary Rothbard feud was with Roy Childs, erstwhile editor of the Libertarian Review and now editorial director of Laissez Faire Books. Mr. Childs says that Mr. Rothbard, who has no children, regarded him as "sort of an intellecfoundered in 1979 when they disagreed over the best strategy for advancing libertarian goals.

"He holds his convictions with an extreme intensity and he's willing to draw blood to get his way," says Mr. Childs. "Anyone who finds himself on the opposite side of an issue from Rothbard can expect to find himself savaged in any number of ways."

Just as long is the list of staunch supporters.

Bill Evers, a former editor of the libertarian magazine Inquiry, is a political science professor at Atlanta's Emory University and a great admirer of Mr. Rothbard.

"I think that one of the things that strikes people when they read his writings is that they sense a diamondlike brilliance and toughness to his mind," says Mr. Evers, "and when they meet him he's like a jolly elf. Always laughing and making jokes. It's a lovely incongruity."

"He is the founder of modern libertarianism," says Llewellyn Rockwell Jr., president of The Mises Institute, a Washington think tank named for Austrian free-market economist Ludwig von Mises. He says that Mr. Rothbard, The Mises Institute's vice president for academic affairs, is "the greatest Misian economist in the world, bar none." Mr. Rockwell adds that there's an old saying in libertarian circles: "The modern libertarian movement was founded in Murray Rothbard's living room."

Mr. Rothbard's wife of 34 years, JoAnn, is called "Joey" by almost everyone. She is famously devoted to her husband and his work but agrees that he lacks tact.

"It's mostly censorship," she says of her contribution to her husband's prolific stream of prose. "He's too tough on people he's writing about. Insulting. Things like that. And I try and get him to take it out or soften it."

The Rothbards met in the late '40s when Mrs. Rothbard, a history major from the University of Virginia, spent a summer at Columbia University.

Mr. Rothbard was a student in economics at Columbia and one of "only two Republicans" in the department. He claims everyone else was either a communist or a social democrat.

"He seemed very right-wing to me," recalls Mrs. Rothbard. "At first it was a minus, but I got used to it."

Exposure to publications from the Foundation for Economic Education (beginning with an anti-rent-control pamphlet co-authored by a very young Milton Friedman) started Mr. Rothbard down the road to libertarianism. For a time he joined the coterie surrounding Ayn Rand, the author whose quasi-libertarian "objectivist" philosophy informed "The Fountainhead" and other novels, but he eventually found Miss Rand intellectually oppressive.

"A cobra-type personality—coiled and ready to strike," he says of Miss Rand. "She had hypnotic eyes and fantastic energy. I'm a night person. She was a day person. She could sit there at five or six in the morning, discussing philosophy, spearing you with her eyes, with a cigarette holder and sitting on the couch. She was a totalitarian personality."

Though he had a doctorate, Mr. Rothbard spent many years without an academic position. Mrs. Rothbard says that for the first 15 years of their marriage he made his living as a free-lance writer, working at home. He finally got a teaching job at Brooklyn Polytechnic, a school that didn't offer a major in economics. He has recently gained a professorship at the University of Nevada, Las Vegas, and it seems somehow apt that he should end up living amid the neon light of capitalism's gaudiest jewel.

Mrs. Rothbard says it's deeply satisfying for her husband to be in a real economics department with actual colleagues. The Rothbards now divide their time between Las Vegas and Manhattan, where they occupy a rent-controlled apartment.

A libertarian living in a rent-controlled apartment?

"Indeed I do," says Mr. Rothbard, his dignity offended by the implied criticism. "I'm not responsible for rent control. I've written many things urging the repeal of it. Why is it my fault I'm living in a rent-controlled apartment? It's like saying it's my fault I fly from a government-owned airport. Well, there are no free-market airports."

Mr. SYMMS. So, Mr. President, I thank the distinguished occupant of the chair and I yield the floor.

The PRESIDING OFFICER. The Senator yields the floor.

Does the Senator from Idaho suggest the absence of a quorum?

Mr. SYMMS. Mr. President, I just wanted to inquire, was the distinguished Senator from Mississippi seeking recognition?

Mr. STENNIS. No.

Mr. SYMMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, I have just talked with Senator CHILES and it seems it will be a little while before the amendment will be ready. I think I will put the Senate in recess for a half-hour so as to give him time.

Mr. STENNIS. Mr. President, will the Senator yield to me for one question?

Mr. BYRD. Yes.

Mr. STENNIS. I understood the majority leader called the name of the

Senator from Florida there. We have a matter pending downstairs that he knows about. I believe we have that in good shape now. We cannot put a time limitation on it, but maybe in an hour and a half anyway we can complete and finish it up.

Mr. BYRD. Is that the meeting of the Appropriations Committee to occur soon or is that this afternoon?

Mr. STENNIS. That is the one I talked to the majority leader about yesterday, this afternoon at 2 o'clock.

Mr. BYRD. Two o'clock.

Mr. STENNIS. Yes.

Mr. BYRD. Very well.

I thought in the meantime I would recess the Senate for a half-hour. The chairman of the Budget Committee, Mr. CHILES, is preparing to come to the floor to speak on the amendment that he and Mr. DOMENICI and others have been working on to the debt limit extension matter. He is not quite ready and his staff and the other staffs are working to put the amendment in shape.

I believe that if the Senator from Mississippi has no problem with it, I would just recess the Senate for a half-hour and may have to recess it again to give them time. As the Senator from Mississippi has said, there will be a meeting of the Appropriations Committee at 2 o'clock and Senator CHILES is very much involved in that——

Mr. STENNIS. Yes.

Mr. BYRD [continuing]. As is Senator DOMENICI, a member of the committee.

So at this time, I feel that if no Senator seeks recognition, I will put the Senate in recess for 30 minutes.

Mr. STENNIS. Excuse me. I did not catch the last part.

Mr. BYRD. If no Senator seeks recognition at this point I will put the Senate in recess for 30 minutes.

Does the Senator wish to speak?

Mr. STENNIS. No, I do not wish to speak. I came here frankly to see the majority leader about this matter, continuing what we had yesterday.

Mr. BYRD. Very well.

Mr. STENNIS. We have had several meetings of this committee and really we can get it, I think, voted on and passed out this afternoon.

Mr. BYRD. Yes, I hope so. And the distinguished chairman has been so considerate, so considerate of Mr. CHILES' dual problems at this moment.

Mr. STENNIS. I know.

Mr. BYRD. That is the problem of dealing with the debt limit and the problem that is involved in the meeting at 2 o'clock.

I want to thank the chairman for being so considerate of the leadership also in that matter. He has delayed at my request the meeting of the Appropriations Committee to take up the problem. And I thank him for that. So I will just ask consent at this time that the Senate stand in recess until the hour of 12 noon and I will be happy to talk then with the distinguished chairman about the appropriations problem.

Mr. STENNIS. All right. If we could have just 1 hour, say, at 2 o'clock, I believe that would wrap it all up.

Mr. BYRD. Very well.

Mr. STENNIS. I believe it might take a little more time. We are all familiar with the facts now.

Mr. BYRD. Yes. Once Mr. CHILES and Mr. DOMENICI and the two leaders lay down their amendment that they are going to jointly back, jointly support, that debate can be going on during the time the Appropriations Committee meeting is going forward and Mr. CHILES can attend the Appropriations Committee while the debate goes forward on the floor on the other matter, on the debt limit extension.

Mr. STENNIS. If he could do that, why, that largely solves the whole problem.

Mr. BYRD. I just talked with him a few minutes ago and he has indicated he will be at the Appropriations Committee.

Mr. STENNIS. Well, that is fine. I will just be there and be there ahead of time to try to notify all the membership the earlier they come the better. It has been worked on a great deal. I think we will pass it out. But if we do not, we will go over into next week.

Mr. BYRD. Yes. I hope it will be worked out, because it is the desire of the leadership to get some of appropriations bills up before the Senate in September and get some of them passed before the beginning of the next fiscal year.

Mr. STENNIS. I am glad you mentioned that, because it is absolutely necessary to get these measures moved out and filed here with the Senate before we can take up even the first one of the appropriations bill. So we are going to have to do it before we can move those bills forward.

Mr. BYRD. Yes.

Mr. STENNIS. So we can look forward to that at 2 o'clock then, and Mr. CHILES will be present?

Mr. BYRD. Yes.

Mr. STENNIS. Thank you very much. That will take care of that.

Mr. BYRD. I thank the chairman. And I thank him for his zealous efforts to press forward on the appropriations bills. I am going to join him in that effort after the recess. At some point after the recess, we will try to move those appropriations bills on the floor.

Mr. STENNIS. Well, that is fine. Thank you very much.

Mr. BYRD. I thank my distinguished chairman and my very good friend, Senator STENNIS.

RECESS FOR 30 MINUTES

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 30 minutes.

There being no objection, the Senate, at 11:32 a.m., recessed until 12:02 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. ADAMS).

The PRESIDING OFFICER. The Chair suggests the absence of a quorum. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THIRTY-MINUTE RECESS

Mr. BYRD. Mr. President, our budget negotiators and workmen need a little more time. Seeing no Senator seeking recognition, I ask unanimous consent that the Senate stand in recess for 30 minutes.

There being no objection, the Senate recessed at 12:15 p.m. until 12:45 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. ADAMS).

The PRESIDING OFFICER. The Senate will come to order.

The Chair, acting in its capacity as a Senator, suggests the absence of a quorum. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WARNER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Virginia.

Mr. WARNER. Mr. President, a parliamentary inquiry. Is it proper at this time to proceed with a statement?

The PRESIDING OFFICER. The Senate is in morning business, as extended.

A QUEST FOR EXCELLENCE—IMPLEMENTATION OF RECOMMENDATIONS

Mr. WARNER. Mr. President, I have received a copy of a letter to the President from Mr. David Packard, former Chairman of the President's Blue Ribbon Commission on Defense Management, and I ask unanimous consent that the letter be inserted into the RECORD immediately following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. WARNER. As most of my colleagues are aware, the Packard Commission was established by Executive order on July 15, 1985. The Commission was charged with examining a wide range of issues surrounding defense management and organization, including the defense budget and acquisition process, defense organization, and the legislative oversight process. The 16 members of the Commission included some of the most respected and experienced policymakers in the national security arena.

After a series of interim reports, the Packard Commission issued their final recommendations in June 1986, in a report entitled "Quest for Excellence." One year later, at the President's request, the Commission conducted an assessment of the implementation of their final recommendations. That assessment is the subject of Mr. Packard's letter.

Mr. President, I would like to invite the attention of my colleagues to the fact that at the top of Mr. Packard's list of recommendations for further improvement in defense management is the urgent need for increased stability in defense planning and budgeting. Mr. Packard states that: "more defense can be provided per dollar appropriated within a stable program, sustained and predictable over several years." That is a very wise observation.

But, Mr. President, the truth is that the Congress has failed to provide that stable, predictable and sustained level of defense funding for the past several years. We have promised real growth for defense but failed to deliver, and the Congress must therefore bear its share of the blame for the consequences of its annual inconsistency. Mr. Packard and the distinguished members of his Commission understand those consequences well—perhaps even better than many Members of Congress—and he warns us:

> Opposition in the Congress to adequate and stable levels of funding for defense . . . is beginning to pose serious problems for our long-term national security.

Mr. President, that is a timely warning—but I wonder if we will heed it. Regrettably, our track record over the past several years does not provide much encouragement. What that record reveals is a history of budget resolutions which promise real growth for defense, but instead end up cutting defense below the previous year's level. In 5 of the last 6 years, the Congress appropriated less for defense than was projected in our own congressional budget resolution targets. In other words, in each of those 5 years we said, while formulating the budget, that we would spend a certain amount for defense—but when we got around to appropriating the necessary funds, we reneged, and ended up short-changing defense. To make matters even worse, in the last 2 years alone, the defense budget has actually declined in real terms by almost 7 percent because of congressional reductions. This is not a healthy trend. If it continues, we will find ourselves in the same predicament we faced in the late 1970's when we discovered that our underfunding the defense budget had resulted in a hollow Army, a Navy whose ships could not safely put to sea, and an Air Force filled with hangar queens.

But I am sorry to report, Mr. President, that this negative trend does continue in the Democratic budget resolution for fiscal year 1988-90, which would reduce that level of defense funding by an additional 8 percent. If this proposal becomes reality, the fiscal year 1990 defense level will be 15 percent below the fiscal year 1985 level. That, Mr. President, is a prescription for disaster.

Without reliable projections for future defense funding levels, the Department of Defense cannot possibly formulate defense budgets in a balanced and cost-effective manner. Budget instability results in program stretchouts, unit cost increases, costly contract modifications, and undermines the accountability of program managers. Because of congressional inconsistency, we are not buying more bang for the buck; we are instead buying less and paying more.

I would like to repeat, Mr. President, that "Opposition in the Congress to adequate and stable levels of funding for defense * * * is beginning to pose serious problems for our long-term national security." These are the words, Mr. President, of the Packard Commission and its Chairman who are experts in the field of defense management. The Congress has ignored this expert advice in the past, to the detriment of our national security. I wonder, are we listening any better this time?

EXHIBIT 1

HEWLETT-PACKARD CO.,
PAGE MILL ROAD,
Palo Alto, Cal., July 10, 1987.

The PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: One year ago the Blue Ribbon Commission on Defense Management reported to you its findings and recommendations. Those recommendations were intended to be a framework to assist the Executive and Legislative branches as well as industry in implementing a broad range of needed improvements, both for efficient use of defense funds and for maintaining a strong defense industrial base. At that time you asked that we give you an assessment this year on the extent of progress in implementing the recommendations. We have four major points to make.

First, I am pleased to report that, organizationally, much has been accomplished in the Department of Defense during the past year. Considering the scope and complexity of the problems involved, we believe that an excellent start has been made. Organizational changes that were recommended are now in place to streamline both the national military command structure and acquisition mnagement within the Department of Defense. In this arena Congress and the Executive branch have largely worked with common purpose, and the Goldwater-Nichols Act, your directives, and Defense Department implementation all support a common theme: bringing authority together with responsibility and thus improving accountability, particularly in the important area of military command and control.

The implementation of our recommendations to improve stability in defense programs can, however, receive no such across-the-board approbation. Although the Administration has worked hard to institute a two-year budget process and to increase multi-year contracting, these efforts have met with resistance in important Committees of the Congress, where the attachment to detailed annual reviews remains strong. In addition, for the last three years the actual Congressional appropriations for defense have been significantly less than the amount in the budget forecast made by Congress the previous year. Our recommendations last year stated that more defense can be provided per dollar appropriated within a stable program, sustained and predictable over several years. That stability has not been achieved. Opposition in the Congress to adequate and stable levels of funding for defense—however understandable as part of our normal, vigorous democratic debate over such issues as deficits, spending, and revenues—is beginning to pose serious problems for our long-term national security.

Third, none of the reforms that we proposed and that the government has begun to implement can be effective without able people serving in government. Personnel policy is the keystone of virtually all of these reforms. With able people operating them, even second-rate organizational structures and procedures can be made to work; and without able people, even first-rate ones will fail. Last year an effort was made to obtain a government-wide reform of the Civil Service system. That effort failed. This year we would urge in the strongest possible terms that specific legislation be proposed to ensure that senior civilian acquisition personnel in the Department of Defense—scientists, engineers, contracting officers and the like—can be promoted, paid, and educated adequately. The present system does not even allow for educational criteria for contracting officers. We pointed out last year how the Navy's China Lake experiment had thoroughly tested and pointed the way to a new system for senior career civilians in acquisition.

It is also quite important to implement, with regard to Presidential appointees, the reforms we described that have been set forth by the National Academy of Public Administration. These reforms would make it possible for those with experience in, and understanding of, the relevant industries to serve in acquisition-related jobs in government. Current divestiture rules and their tax consequences and revolving-door legislation virtually prohibit such service for most people who have the relevant types of industrial experience. Continuation of these current constraints on personnel virtually assures a steady downward spiral of competence among civilians involved in acquisition. Under current law and practices, uniformed acquisition managers will not be able to compensate for this deterioration. The implications for national security are profound.

Fourth, although we are impressed with the organizational and procedural steps taken in the Defense Department as noted above, we cannot say the same for the implementation of the acquisition policy changes we recommended.

The Under Secretary of Defense for Acquisition has not been given adequate authority. Policy decisions have been made, for example, that severely undercut the role of contracting officers and the ability of program managers to direct programs successfully. Auditors have been given responsibilities outside their competence and have been afforded a separate chain of command in a way that, in effect, makes them rivals of contracting officers, undercutting the acquisition plan we set forth to you—a plan that was based on strong program offices capable of effective management. This problem results both from legislation which gives authority for audit policy to the Inspector General instead of the Under Secretary of Defense for Acquisition, and from Defense Department implementation which assigns to Defense auditors contractual responsibilities previously held by the contracting officer.

A continuing problem is that debarment and suspension of contractors can still be used punitively. Suspension, for example, upon indictment and before conviction, is a clear violation of the principle of the presumption of innocence. Some flexibility is in the process of being implemented, but the new regulations have not yet taken effect.

Finally, the apparent overall policy of increasing contractors' risks—for example, by using firm fixed-price contracts for development of systems—while at the same time reducing their ability to deal with this risk by changes in progress payments and other policies, will lead to reduced contractor investments in capital equipment and reduced Independent Research and Development. We are seeing today the same sorts of acquisition policy mistakes that characterized the enthusiasm for total package procurement in the 1960s—mistakes that produced the bitter contract claims disputes, contract restructuring, and bail-out charges of the 1970s.

The present and future impact of these acquisition policy decisions are a major component of the poor relations between the Department of Defense and industry, and in time could seriously weaken our defense industrial base.

There is one important positive trend in the field of Defense-industrial relations. Significant efforts have been made by industry and the Defense Department in the fields of industry self-governance and voluntary disclosure. These efforts should be publicly endorsed by you and the Secretary of Defense as a foundation on which a new and constructive partnership may be built between government and industry.

I would close on a positive note. Much has been done—in many ways the hardest and most complex parts. What remains to be done can be accomplished with your leadership and, on some issues, with the cooperation of the Congress. Many of the Commission's recommendations may be implemented by regulatory changes, often by eliminating regulations. We would suggest that the Presidential Task Force on Regulatory Reform, chaired by the Vice President, should oversee such implementation. The Task Force should also oversee the drafting of legislation providing for simplified procurement statutes and legislation establishing a preference for the acquisition of commercial products. In addition, we believe that further Presidential direction would be useful in order to provide additional impetus to implementation of the Commission's 1986 recommendations. A detailed list of recommendations which require further action is attached.

Former members of the Commission appreciate the opportunity you have given us to provide this informal, follow-up report. We have every confidence that in the next year, through your leadership, we will see this major effort at improving defense management through to fruition.

Sincerely,

David Packard.

Recommendations Requiring Further Action

The following is a list of specific actions related to the Commission's 1986 recommendations that deserve the highest priority:

1. Work must continue to increase long-term stability in national security planning and budgeting, particularly in providing a more stable Congressional budget process.

2. Legislation to establish an alternate personnel management system for senior acquisition personnel and contracting officers as well as scientists and engineers must be supported.

3. Reforms recommended in November 1985 by the National Academy of Public Administration, and endorsed in our final report, with regard to the senior-level personnel appointment system must be implemented.

4. Actions underway to increase training and professional qualifications of Defense acquisition personnel must be continued.

5. The responsibilities and authority of the new Under Secretary of Defense (Acquisition) must be clarified to ensure that he is the single manager of Defense acquisition policy.

6. The authority of Department of Defense program managers and contracting officers must be strengthened.

7. The entire system of contractor auditing must be reviewed, and modified if necessary, to ensure that audits are cost-effective and that they support the contracting officers.

8. The policy regarding debarment and suspension of contractors must be based on the principle of the presumption of innocence.

9. An integrated Defense acquisition policy must be developed that matches compensation with risk to the contractor and reverses the current trend toward practices such as making firm fixed-price contracts for systems development and concurrent reductions in progress payments.

10. A national industrial responsiveness policy must be established, and industrial, responsiveness requirements must be incorporated in acquisition policy.

11. Actions taken by major defense contractors to subscribe voluntarily to a code of ethics and conduct, and to improve their internal auditing systems, must be continued and publicly endorsed by the President and Secretary of Defense.

12. Relevant recommendations made in the Commission's 1986 final report should be included within the current review of procurement regulations being conducted by the President's Task Force on Regulatory Reform chaired by the Vice President.

13. Greater emphasis must be placed on using commercial products rather than products made to military specifications.

14. Work begun on data rights must be carried through to establish a policy that balances the government's needs with the private sector's proprietary rights.

THANK YOU TO VOLUNTEERS FOR KIDS' HOT AIR BALLOON RALLY

Mr. WARNER. Mr. President, this is to commend the volunteers associated with KIDS, Inc., a charity which ranks among the largest of the national, nonprofit organizations that fulfill the dreams of gravely ill children. I am privileged to serve as a member of the KIDS board of advisers.

A group of nearly 100 dedicated volunteers organized and operated the Third Annual KIDS Hot Air Balloon Rally June 5-7, 1987, in Clarksburg, MD. In spite of a tragic accident at the event's opening, 50 balloonists and their crews, generous sponsors and supporters and civic emergency teams all worked together with these dedicated volunteers to ensure that the KIDS balloon rally was enjoyable for the several thousand spectators who attended.

In particular, I wish to commend U.S. Capitol Police Officer Bob Fitzpatrick, who served as balloonmeister, Dave Sweeney of WJLA-TV 7, who served as Master of Ceremonies, KIDS Rally Committee members Mr. Paul Bley, Sgt. Lee Brierly, Mrs. Jan Campbell, Mr. David Clem, Mrs. Christine Covey, Mrs. Mary Lou Duggan, Mrs. Beth Fitzpatrick, Mr. Alan Morris, Mr. Rick Pasciuto, Mr. Brian Sherrill, Ms. Maureen Sherrill, Brian and Tracy Southard, Ms. Marie Tracz, and Officer Thomas Williams, as well as members of the U.S. Capitol Police, the Montgomery County Fire and Rescue Services and the Montgomery County Ladies Auxiliary.

The generous sponsors of the organization and the event include Apple Motors, Auger Enterprises, Comsat, Criswell Chevrolet, Dravo, First American Bank of Virginia, Harvey Construction Co., Hughes Aircraft Co., Lipsen Hamberger Whitten & Hamberger, Manufacturers Financial Services, Penwalt, Philip Morris, Inc., PRC, Ramada Hotels, RE/MAX, Smith Kline Beckman, Stidham Tires, Virginia Financial Group, the George Washington University Health Plan, and WLTT-FM.

I am confident that I share the sentiments of all the members of the KIDS board of advisers in commending all those volunteers and sponsors who worked so capably on behalf of children who have so little time left to dream.

BICENTENNIAL MINUTE

JULY 30, 1911: NEW SENATORS IGNORE TRADITIONS

Mr. DOLE. Mr. President, on July 30, 1911, 76 years ago today, the combination of an oppressive summer heat wave, and a large new class of freshmen Senators, provoked the Washington Sunday Star to publish a feature article entitled "Smashing the Time-honored Precedents of the Senate." The article provided a tongue-in-cheek account of recent and alarmingly unsenatorial innovations. Accounting, in part, for this break with the past was the extraordinary statistic that 41 percent of the Senate's Members had begun their service within the past 4 years. Among them, according to the article, were "a whole drove of unruly and upstart young men, who move, with a pitiful and openly admitted lack of knowledge of rules and precedents, and with a shameless disregard of their own ignorance, to denounce the time-honored precedent and courtesy of the Senate, and to bait the few survivors of the old dignity."

The results of this new attitude could be seen in the work of Utah's Reed Smoot who arranged for the hanging of four "plebeian propeller-blade electric fans" from the ceiling of the Senate Chamber. This followed Vice President James Sherman's earlier unprecedented action of installing a noiseless electric fan on the Presiding Officer's desk. The writer asked, "has not the palm leaf fanned the Senate through untold summers? Is one heated spell more or less to induce the abandonment of honorable customs of a century or so, and the adoption of the vulgar attributes of the modern age?"

Sweltering July sessions prompted newer Members to suggest that the Senate conclude its seemingly endless debate on pending legislation, vote, and go home. In earlier times, this irreverent attitude would surely have brought swift rebuke from party elders. Despite the twin pressures of heat and indifference to tradition, the Senate of 1911 lumbered on for another 6 weeks into the dog days of August before adjourning.

THE DEATH OF BILL SAAD

Mr. DOMENICI. Mr. President, on Monday of this week, the Energy Committee's Subcommittee on Public Lands, National Parks, and Forests held a hearing in Santa Fe.

One of our key witnesses was Bill Saad, treasurer-manager of the Elephant Butte Irrigation District. Bill spoke forcefully and articulately, offering the District's views on an important water issue in New Mexico.

Yesterday morning, suddenly and without warning, Bill Saad suffered a heart attack and passed away.

Mr. President, Bill Saad was a fine gentleman. He managed one of the best run and most productive irrigation districts in the nation. He was a dynamic and outstanding leader for the agricultural and water interests of southern New Mexico. Although trained as an accountant, he became an outstanding leader on the water resources issues that confront the farmers of Southern New Mexico.

Not only did he hold water rates stable, but he spoke eloquently on issues such as the need for additional water storage, and opposing interstate transfers of water.

My wife, Nancy, and I extend to Bill's widow, Ellen, and to their four children, our very deepest sympathies.

All New Mexicans will miss Bill Saad.

Mr. President, I ask unanimous consent that an obituary from today's El Paso Times be printed in the RECORD.

There being no objection, the obituary was ordered to be printed in the RECORD, as follows:

[From the El Paso Times, July 30, 1987]

FIGHTER FOR WATER RIGHTS DEAD AT 52

(By Joan Morris)

Bill Saad, the treasurer-manager of Elephant Butte Irrigation District and one of the state's staunchest protectors of farmers' water rights, died early Wednesday after a heart attack at home.

Saad, a resident of El Paso, was 52.

Area residents and officials praised Saad as an effective administrator and as a kind and caring person.

Jesse Gilmer, Rio Grande Compact commissioner for Texas, said Saad's work and contributions to the water management business will be missed and will be hard to replace.

"He did a fine job as manager and that's a tough job. That's almost an around-the-clock job. You know water doesn't stop flowing at quitting time," Gilmer said. "Bill was always working, always available to us in the water business."

Saad was the chief witness for the Elephant Butte Irrigation District in its case opposing El Paso's water applications in the Hueco Basin. He also was expected to testify during hearings on applications El Paso has in the Lower Rio Grande (Mesilla) Basin.

The water hearings, which began in November, were cancelled for the rest of this week in honor of Saad.

The board of directors for Elephant Butte Irrigation District met in special session Wednesday morning, appointing Gary Esslinger interim treasurer-manager. Esslinger has been assistant manager of the district for five years. He lives in La Mesa, N.M.

In a written statement from the board, the district stated Saad had kept water prices at the same level for the past six years while increasing operation and maintenance on the district's mazes of canals and ditches.

"The district has never run more efficiently in its history," the board said.

Saad came to the El Paso-Las Cruces area as an Army captain from West Virginia, stationed at Fort Bliss. After leaving the Army, Saad became comptroller for an El Paso clothing manufacturer.

In 1978, Saad, who was trained as an accountant, joined the irrigation district. Within a year he was named acting manager, and then treasurer-manager.

Las Cruces Mayor David Steinborn said Saad was a stabilizing force for the district.

"The district will miss him and I personally am going to miss seeing him. He was a nice, sincere, smiling person."

Rosary will be at 7:30 p.m. today in the Harding-Orr & McDaniel Montana Avenue Chapel in El Paso. Funeral mass will be at 9:30 a.m. Friday at the Queen of Peace Catholic Church. Burial will be with military honors at Fort Bliss National Cemetery.

IMPROVEMENTS FOR U.S. AIRSPACE SYSTEM

Mr. FORD. Mr. President, during my tenure as chairman of the Aviation Subcommittee, I have probably been exposed to every conceivable problem that exists with this country's airspace system. I have listened to or heard from airline management groups, unions, general aviation interest groups, passengers, local governments, State governments, Federal agencies and departments, aircraft manufacturers, and my fellow colleagues here in Congress. Every one of the aforementioned has his own set of unique complaints about our aviation system and most are more than willing to propose their own biased solutions. But one thing that all of these groups do agree upon, Mr. President, is that air travel today is not as safe and efficient as it should or could be. One of the most difficult and frustrating challenges has been to derive some sort of commonality from this kaleidoscope of viewpoints from which would come a strategic plan which fixes the system for everyone's benefit. Well, Mr. President, I think a gigantic first step toward that end has been taken.

Yesterday, I had the pleasure of meeting with a unique gathering of aviation professionals. For the first time anyone can recall, the leaders of the groups representing the people who operate in our national air transportation system on a daily basis have put aside their differences and joined in a common undertaking to focus on what needs to be done to correct deficiencies in our air transportation system. They represent the professional pilots, the airlines, the corporations and businesses which operate aircraft as well as the private user. Frankly, I am impressed. Their document "a Call to Action—How Professional Users View Safety and Efficiency of the Air Transportation System's is a thoughtful and focused plan for improvement of our strained system. Their plan and their ideas deserve the support of the Congress, the administration, and the flying public. It focuses on and provides recommended improvement for six major components of the U.S. airspace system: First, ATC system capacity; second, airport capacity; third, national airspace system plan; fourth, aviation weather; fifth, collision avoidance; and sixth, air-ground communications.

Mr. President, as this group continues to spread its message here on the Hill, I urge my colleagues to join me in supporting its efforts.

Mr. WARNER. Mr. President, I see no Senator seeking recognition. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER (Mr. WIRTH). Without objection, it is so ordered.

RADIO MARTI COUNTERS CASTRO'S LIES

Mr. DOLE. Mr. President, Radio Marti—the voice of America affiliated station broadcasting the truth into Cuba—has been on the air 2 years. During that time, the quality of its programming has steadily increased; its listenership in Cuba has steadily grown, and now numbers about 2 million.

Recently Mr. Jorge Mas, the Chairman of the President's Advisory Board on Broadcasting to Cuba, wrote me about Radio Marti and its growing record of accomplishments. I wish to share with the Senate Mr. Mas' comments. I ask unanimous consent that his letter—and four press articles on Radio Marti—be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ADVISORY BOARD FOR RADIO,
BROADCASTING TO CUBA,
July 17, 1987.

Hon. ROBERT DOLE,
U.S. Senate, Washington, DC.

DEAR SENATOR DOLE: Radio Marti has been on the air two years, and in that short period of time it has had a substantial impact. The Radio Marti Program of the VOA is the first and only successful informational effort of the United States in countering Castro's hostility.

As Chairman of the Presidential Advisory Board on Broadcasting to Cuba, I am writing to let you know some of Radio Marti's accomplishments. I am also attaching recent newspaper clippings on Radio Marti from *The New York Times, The Washington Post, The Washington Times* and *The Christian Science Monitor.*

Attached is a summary of Radio Marti's important undertakings. They include such accomplishments as:

Radio Marti was able to get the first public statement by General del Pino and broadcast the first of the four-part series on June 25 the day after Castro made a dramatic five hour speech on the seriousness of the defection of General del Pino. For the first time the Cuban people heard from a high ranking military officer criticism of the commitment of Cuban troops to Angola, Cuba's role in Nicaragua and the high rate of desertions in the military. It is the majority opinion of the Cuban army general staff that the war in Angola is lost.

"Radio Marti has achieved credibility and is always a factor in the decision-making and assessment process of the average Cuban as well as the Castro regime." (US Interest Section Havana)

The Radio Marti Program has gained an audience in Cuba estimated at more than two million listeners.

Radio Marti has brought to light information suppressed by the Cuban government such as the incidence of AIDS in Cuba because of the 400,000 Cuban troops stationed in Angola over the past decade;

"Radio Marti management has been able to create a surrogate radio station that has captured the imagination of the Cuban people." (1987 programming evaluation by professor Churchill Roberts)

I hope this information answers some of the questions you may have about Radio Marti. I would be happy to provide additional information or arrange for a tour and briefing on Radio Marti for you or your staff.

Sincerely,

JORGE MAS.

RADIO MARTI

(By John Hughes)

Radio Marti, the Voice of America's (VOA) special broadcasting service to Cuba, marks two years on the air next week, and that is cause for celebration.

Born in confusion and controversy, the service was buffeted by conservatives—many Cuban exiles among them—who wanted it to take a hard-line propaganda approach against Cuba, and by liberals who saw it as a Ronald Reagan provocation against Fidel Castro. Those totally opposed to its creation lost the day. The radio came into being but was placed by a wary Congress under the umbrella of the VOA. The thinking was that this would prevent the radio from becoming a blatantly anti-Castro propaganda machine and would oblige it to conform to the journalistic standards of VOA.

Few would have given strong odds on its survival. Congressional critics have snipped away at Radio Marti's budget. This year the radio service seeks $12,000,000 for its operations. Suggestions that its budget be cut to $10,000,000 would cause its broadcasts to Cuba to be cut from some 17 to 12 hours daily.

But despite all the vicissitudes, Radio Marti is still plugging away from its transmitter in Marathon, Florida, with a mix of world news, news about Cuba, music, and entertainment that, according to Radio Marti research, makes it one of the most popular radio stations heard in Cuba.

Radio Marti has had much success with long-running Spanish-language soap operas. Another popular program is "Family Bridge," which broadcasts messages to relatives in Cuba from Cuban exiles in the United States. Because mail and phone communication between the U.S. and Cuba is uncertain, Cubans in the U.S. call an 800 number at Radio Marti to tape messages about births, and deaths, and marriages, and other family news. The tapes are then broadcast to Cuba on a much-listened-to program.

Radio Marti's director, Cuban-born Ernesto Betancourt, knows his audience. After the Cuban revolution he served as Castro's spokesman in Washington. But he became disenchanted with Castro's Soviet connections. Now he seeks to tell the truth about Cuba and the world to Cubans whose own government-controlled media shield them from the facts.

Does Radio Marti broadcast any scoops? Says one Radio Marti executive: "That's not hard to do, given the controls over the Cuban press."

Thus Radio Marti told Cubans for the first time about the incidence of AIDS among Cuban troops serving in Angola, Ethiopia, and other foreign lands. The Cuban press has been obliged to follow up cautiously, publishing stories alerting Cubans to the problem of AIDS among returning soldiers.

Radio Marti pinpoints deficiencies in Cuba's Marxist economy, but even Castro himself has been doing this recently. However, while some other communist countries have been experimenting with some capitalist-style incentives, Castro has been going in the opposite direction, demanding more austere adherence to socialism. Radio Marti's birth and survival have proved irritating to Castro. Relations between Cuba and the U.S. are currently at a low point. The U.S. chief of mission in Havana, Curtis W. Kamman, has been withdrawn to Washington and Cuban officials say there is no prospect of an improvement in relations until after the Reagan administration.

The fact is that relations were not good before Radio Marti went on the air. If Castro would like to muzzle Radio Marti, that may be a very good reason for ensuring that it celebrates more anniversaries in the years to come. Or at least until Cubans are told the truth by their own press and radio.

[From the Washington Post, July 1, 1987]

DEFECTOR SAYS PUBLIC OPINION LIMITS CASTRO'S MOVES: CUBAN ROLE IN NICARAGUA HAMPERED BY OPPOSITION TO ANGOLAN WAR, RADIO MARTI TOLD

(By David S. Hilzenrath)

The Cuban air force general who fled to the United States last month said widespread domestic opposition to Cuba's involvement in the Angolan civil war has prevented Fidel Castro from intervening more forcefully in Nicaragua.

President Castro knows the Cubans will not accept a massive infusion of troops in another country. Gen Rafael del Pino Diaz said, and has therefore limited the Cuban presence in Nicaragua to 300 or 400 "advisers."

Del Pino made his statements to Radio Marti, part of the Voice of America, in nine hours of interviews edited for broadcast to Cuba. A summary of the interviews was made available yesterday.

The Cuban strategy in Nicaragua is to "weed out" members of the Sandinista leadership who oppose Cuban influence and thereby establish a "robot" regime controlled from Havana, del Pino said.

"This will provide Castro a non-Cuban contingent, still under his control, to carry out internationalist missions while disclaiming direct Cuban involvement," he said.

Del Pino denied reports attributed to him that Nicaraguan pilots are training in Cuba and that Nicaraguan MiGs are based on the island.

Government officials yesterday maintained the secrecy that has surrounded del Pino since he arrived in Florida May 28, refusing to discuss his whereabouts or his debriefing by U.S. intelligence agencies. White House spokesman Dan Howard would say only that "the information we have obtained from the general is extremely valuable."

In his interviews with Radio Marti, del Pino described deepening Cuban disillusionment with the war in Angola, which has left

10,000 Cuban soldiers killed, wounded or missing in action, he said.

"The prevailing opinion within the Cuban military command is that the war is lost," del Pino said, adding. "Only Fidel and Raul Castro [Cuba's first vice president] have any faith in victory."

Del Pino, who headed the Cuban air force in Angola during 1975 and 1976 and returned frequently in later years, said Cuba remains mired in the African conflict to repay debts to the Soviet Union by helping it secure a base in the South Atlantic, to alleviate growing Cuban unemployment and to provide a place to send military officers to be punished.

Cuba's ruling elite are insulated from the human cost of their policy because their sons are exempt from military service, the general said. But if a bureaucratic foul-up should land them in Angola, "Things are fixed so they serve [away from the fighting] where the greatest danger to them is getting malaria from a mosquito bite."

Del Pino said Angola has come to be viewed as "the Cuban Vietnam" and told stories of young Cuban soldiers perishing on arbitrary missions for which they were ill-prepared. He accused the Cuban leadership of "playing with the life of youngsters" and said the government's treatment of soldiers as "cannon fodder" contributed to his disaffection.

On another subject, del Pino said Cuban soldiers are tested for the AIDS virus when they return from Africa and are imprisoned in an isolated facility south of Havana if they test positive. High-ranking officers regard this policy as "unfair and inhumane," he said.

According to Radio Marti Director Ernest F. Betancourt, who conducted the interviews, del Pino attended high school for two years in Knoxville, Tenn., and knew that he would be able to "say all he felt and unmask the reality of what is happening in Cuba" if he reached this country.

[From the Washington Post, May 8, 1987]

Cuba's AIDS Dilemma

(By Cord Meyer)

Nobody knows the full extent of the AIDS epidemic that may eventually force the long-suffering Cuban people to pay dearly for President Fidel Castro's vaulting African ambitions.

When the Cuban leader first ordered his expeditionary force of 15,000 troops into Angola in 1975 to establish a Marxist regime in power with the help of Soviet arms, he had no way of knowing that the rotation of 300,000 Cuban soldiers through two years of duty in Africa over a decade would eventually threaten his own population with the spread of an incurable disease.

However, in the 1984-85 period, medical evidence accumulated that the AID's disease originated in Central Africa and had spread to Zaire, Angola, Zambia and other African countries. On Sept. 23, 1965, the special Cuban service of Voice of America, Radio Marti broadcast to the Cuban people its first extensive program on AIDS, pointing out that in Africa the disease is transmitted by heterosexual contacts and by blood transfusions.

Throughout 1965, the response of the official Cuban media was to maintain that AIDS was a homosexual disease originating in the United States, where it had reached epidemic proportions, and that there was not a single case of AIDS in Cuba.

Under continual prodding from Radio Marti, broadcasts quoting expert opinion on the spread of the disease and its threat to the Cuban population, the Cuban government staged a reluctant step-by-step retreat from its assertion that there was no problem. In April 1986, the Cuban government announced the first death of a Cuban AIDS victim, who was said to have contracted the disease in New York.

In May 1986, the official Cuban newspaper, Granma, finally published an article, prepared by the Cuban Ministry of Health six months earlier, that answered some basic questions about the disease but entirely omitted any mention of the illness among veterans returned from Africa. On June 24, the Cuban regime belatedly announced that testing of blood banks in Cuba for the disease would begin.

Last month the official Cuban press claimed that only three AIDS deaths had occurred and that only 108 AIDS carriers had been identified out of 677,000 persons tested. A detention center for isolating AIDS patients was mentioned but there has been no admission yet that Cuban veterans of the African wars are the main source of infection.

According to the latest medical research, there are three ways through which Cuban soldiers serving in Africa may have contracted AIDS and brought it home with them to contaminate their wives and families over a long incubation period. Dr. Jonathan Mann, director of the program on AIDS, points out in a recent article that in some African countries the incidence of AIDS among urban prostitutes is now as high as 59 percent. This infected population may turn out to be a major cause of the disease among Cuban soldiers, in view of the fact that the troops were not adequately warned for years.

A second tragic cause of contamination was the fact that Cuban wounded received transfusions from local African blood banks until the middle of 1986. The evidence suggests that as much as 20 percent of this blood was contaminated and that one-fifth of the approximately 15,000 Cuban wounded might have been infected in this manner.

For almost two years after the danger was apparent, the Cuban government failed to insist on the use of tested Cuban blood banks for transfusions in Africa.

Finally, the multiple use of needles for injections is widely practiced in Africa, for financial reasons, and also in many Cuban homes, and the sterilization methods used are often inadequate to cope with the AIDS virus. It is impossible to estimate the number of Cuban soldiers and their relatives who have become infected in this way.

As the delayed time bomb of AIDS works its way through the Cuban bloodstream, the Castro regime is confronted with an unresolvable and deepening dilemma.

A far-reaching program of public education that stresses the unique vulnerability to AIDS of the returned African veterans is essential to curb the spread of the disease throughout the general population.

On the other hand, Fidel Castro's determination to maintain and increase his troop strength in Angola to bolster the beleaguered Marxist regime against the UNITA guerrillas has forced him to avoid drawing a direct connection between service in Africa and the incidence of AIDS.

It is conservatively estimated that, in failing to provide prompt preventive advice to the families of returned soldiers, the Cuban leader has created a potential exposed population of 1.5 million persons.

[From the New York Times, May 29, 1987]

1180 on the AM Dial and a Thorn in Castro's Side

(By Joseph B. Treaster)

HAVANA.—According to a joke making the rounds here these days. Vilma Espin, the highest-ranking woman in the Communist Party and the wife of Fidel Castro's brother Raul, knocks on the door of a family in the capital.

A housewife asks. "Who's there?" and Miss Espin replies brightly. "The best known woman in Cuba."

With that, the housewife calls over her shoulder. "Children, come quickly Esmeralda is here!"

Esmeralda is not an endearing nickname for Miss Espin Esmeralda is the title character in a soap opera that was broadcast daily for months on Radio Marti, a branch of the Voice of America transmitting exclusively to Cuba.

Esmeralda has been superseded by other Radio Marti soap operas. But as the special programming to Cuba goes into its second year. Cubans still tell the joke to illustrate the scope of Radio Marti's audience.

"Everybody listens," said a taxi driver, who added that he would prefer not to have his name published in connection with a broadcast service that has infuriated Mr. Castro and chilled the already cool relations between the United States and Cuba.

NEWS AND FAMILY MESSAGES

Radio Marti is on the air 17½ hours daily from studios in Washington with music, news, entertainment, sports, discussions of such things as politics, religion and health, horoscope readings and, once a week, an hour of taped personal messages from Cubans in the United States to relatives and friends back home.

The soap operas and music shows seem to have the largest following. But Cubans and foreign residents in Cuba say many people also seem to be tuning to Radio Marti's news and commentary programs, which pepper the island with things Mr. Castro would rather his people did not hear: interviews with recent defectors, accounts of the AIDS epidemic in Africa, where 30,000 Cuban troops are stationed, and charges by United States officials—which the Cuban Government has denied—that Cuban officals are involved in narcotics trafficking.

Some senior Cuban officials grudgingly concede that Radio Marti is being listened to widely. But the formal Government position is that listenership is low and that most Cubans do not take the broadcasts seriously.

COST IS $12 MILLION A YEAR

Western diplomats say the broadcasts clearly are providing information to Cubans that was not previously available. But some of them question whether it is worth the nearly $12 million in annual operating expenses and the friction it has created between the United States and Cuba.

A few months before Radio Marti went on the air, May 20, 1985, the United States and Cuba signed their first major accord in seven years. The agreement was to enable 20,000 Cubans to leave for the United States annually, providing a social pressure valve for Mr. Castro, and permitting the United States to deport 2,700 Cuban undesirables, criminals and mental patients who landed in the United States in 1980 and, to the embarrassment of the United States, were being held in prisons.

With the signing of the agreement, the Cubans began to think that, in the spirit of conciliation, the Reagan Administration would find a way to quietly drop the idea of Radio Marti, which had been approved by Congress nearly two years earlier.

CASTRO SUSPENDED ACCORD

When that proved to be a mistaken assumption, Mr. Castro acted as if he had been doubled-crossed and suspended the emigration agreement. Last summer, he sent word through the Soviet Union that he felt he had overreacted. But negotiations to revive the agreement went nowhere.

Emesto F. Betancourt, a onetime Castro supporter who is director of Radio Marti, and others who take pleasure in annoying Mr. Castro are pleased with the way the broadcasting is going.

"We know we're making an impact," Mr. Betancourt said in a recent interview in Miami.

One indication of the Cuban Government's concern about Radio Marti, he says, is that the Government has livened up its own radio and television broadcasting and has announced plans to spend twice as much in this field over the next five years as it spent in the first 25 years of Mr. Castro's rule.

CUBANS JAM BROADCASTS

From the start, the Cuban Government has been jamming Radio Marti by transmitting a humming noise on the station's 1180 AM frequency. The noise is annoying, but does not block the programs.

Mr. Betancourt says he believes that it was a stream of Radio Marti broadcasts on AIDS that led the Cuban Government to disclose in mid-April that three Cubans had died of the disease and that 168 others, found to have the virus, had been quarantined in a spcial medical unit near Havana.

Knowledgeable Cubans say that the Cuban Government has assigned a staff to monitor Radio Marti and that summaries of its news reports and commentaries are distributed to radio, television and newspaper offices.

Sometimes the Government recasts Radio Marti items from Havana's points of view without a hint of the material's origin. Other times the Government uses the Radio Marti material as a point of departure. The name Radio Marti is never memtioned in Government broadcasts or publications; the reference is often something like "the Yankee imperialist radio broadcasts against Cuba."

AN ANTI-CASTRO TONE

Some Cubans and foreigners living in Havana say that the tone of Radio Marti and its selections of news and commentary are clearly anti-Castro and that this gives it less credibility than its predecessor, the Latin American service of the Voice of America. Mr. Betancourt said it was inevitable that the station would be regarded as partisan because its mandate was to provide material that, "for whatever reason, the Cuban Government didn't want to come out."

Since the first of this year, an unusually high number of Cubans—more than 50—have fled across the treacherous Gulf Stream to Florida on flimsy craft made of inner tubes. The Cuban Government charges that this is being encouraged by Radio Marti.

Mr. Betancourt says it is true that Radio Marti broadcasts interviews with those who make it to Florida. But he says the station is careful not to give any details on how the refugees arrive. Furthermore, he says the station has carried interviews with United States Coast Guard officials underlining the dangers of such a crossing.

Mr. DOLE. Mr. President, I take this occasion to cite Jorge Mas' remarkable efforts on Radio Marti—and, indeed, on so many other issues involving Cuba and the Cuban-American community. He is an outstanding leader and a good friend. I want to publicly acknowledge his great work and thank him for it.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

RECESS UNTIL 1:30 P.M.

Mr. BYRD. Mr. President, Mr. CHILES is ready to discuss a proposal around 1:30 today.

I ask unanimous consent that the Senate stand in recess until 1:30; that at 1:30, if Mr. CHILES is not at the moment prepared to proceed, there be morning business; that Senators be permitted to speak therein; and that such morning business not extend beyond 30 minutes.

There being no objection, at 1:12 p.m., the Senate recessed until 1:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. WIRTH).

The PRESIDING OFFICER. The Chair, in his capacity as a Senator from Colorado, notes the absence of a quorum.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. FOWLER). Without objection, it is so ordered.

FIFTEEN-MINUTE RECESS

Mr. BYRD. Mr. President, there is still hope that we can have the amendment be laid down to the debt limit extension measure. Right now, Mr. CHILES is involved in the appropriations meeting.

I hope we can get some other matter up, at least make some progress, while we are awaiting the major item, the debt limit.

For the moment, rather than just have a long quorum call, I ask unanimous consent that the Senate stand in recess for 15 minutes.

There being no objection, the Senate recessed at 2:19 p.m. until 2:34 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. FOWLER).

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SANFORD). Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF SENATE RESOLUTION 248

Mr. BYRD. Mr. President, we are still waiting for something to happen on the debt limit legislation. In the meantime, Mr. President, perhaps we can make some kind of progress on other matters.

Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order 270, and that the debt limit measure be temporarily laid aside without prejudice to my calling for a return to the debt limit measure on a call for regular order.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

SUPPORTING THE PEOPLE OF HAITI IN THEIR EFFORTS TO OBTAIN RESPECT FOR HUMAN RIGHTS AND TO HOLD FREE ELECTIONS

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to the consideration of Senate Resolution 248, which the clerk will state by title.

The legislative clerk read as follows:

A resolution (S. Res. 248) supporting the people of Haiti in their efforts to obtain respect for human rights and the holding of free and fair elections in Haiti, and for other purposes.

The Senate proceeded to consider the resolution which had been reported from the Committee on Foreign Relations with amendments.

Mr. BYRD. Mr. President, I ask unanimous consent that, in addition to the committee amendments, only one amendment be in order; that of Mr. SYMMS.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I ask unanimous consent that there be a time limitation on the resolution of 30 minutes to be equally divided in accordance with the usual form and that there be a time limitation on the Symms amendment of not to exceed 30 minutes, and that the agreement be in the usual form as to the control and division of time.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. BYRD. Mr. President, I suggest the absence of a quorum. I ask that the time not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SYMMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 644

(Purpose: sense of Senate to void certain agreements relating to the site of the Soviet Union's Embassy in D.C.)

Mr. SYMMS. Mr. President, I have an amendment I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the committee amendments will be laid aside. The clerk will report the amendment.

Mr. SYMMS. Mr. President, before the clerk reads, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Idaho [Mr. SYMMS] proposes an amendment numbered 644:

The Senate finds that:

(1) Soviet espionage agents have installed listening devices in the structure of the new American Embassy in Moscow in blatant defiance of the spirit of the Embassy agreements and certain recognized norms of international relations;

(2) this Soviet espionage effort has been so extensive and insidious as to require the virtual rebuilding of a large part of the new American Embassy in Moscow, the construction of which has cost American taxpayers tens of millions of dollars;

(3) it is well known that Soviet espionage agents intend to use the new Soviet Embassy in this country as a platform to conduct highly sophisticated electronic surveillance of the United States Government offices and even private telephone calls of American citizens;

(4) the purpose of this surveillance can be none other than to undermine the national security of the United States and further the expansionist ambitions of the Soviet Union;

(5) the location of the new Soviet Embassy at a site nearly three hundred and fifty feet above sea level is ideal for this type of surveillance, having been offered to the Soviets at a time when electronic surveillance techniques and potentials were not fully understood in the West.

(6) subsection (b) of section 4305 of title 22, United States Code, specifically allows the Secretary of State to "require any foreign mission to divest itself of . . . real property . . . where otherwise necessary to protect the interests of the United States"; and

(7) Congress, through enactment of such subsection, has clearly expressed the desire that the Secretary exercise such authority when necessary to protect the vital security interests of the United States.

Therefore be it declared, That it is the sense of the Senate that the President shall—

(1) void the current Embassy agreements; and

(2) enter into negotiations for a new agreement under which the Soviet Union will move its new Embassy to a site in the District of Columbia that is not more than ninety feet above mean sea level;

For the purpose of this section the term "Embassy agreements" means—

(1) the "Agreement between the United States of America and the Union of Soviet Socialist Republics on Reciprocal Allocation for Use Free of Charge of Plots of Land in Moscow and Washington", entered into force on May 16, 1969; and

(2) the "Agreement between the United States of America and the Union of Soviet Socialist Republics on Conditions of Construction of Complexes of Buildings of the Embassy of the United States of America in Moscow and the Embassy of the Union of Soviet Socialist Republics in Washington", entered into force on December 4, 1972.

The PRESIDING OFFICER. Who yields time?

Mr. SYMMS. Mr. President, I make a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SYMMS. Will the Chair state what the time agreement is?

The PRESIDING OFFICER. One-half hour equally divided on the amendment.

Mr. SYMMS. On the Symms amendment?

The PRESIDING OFFICER. On the Senator's amendment.

Mr. SYMMS. I thank the Chair. I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator is recognized.

Mr. SYMMS. Mr. President, the sense-of-the-Senate resolution that I lay before the Senate today is similar to a resolution that was introduced as Senate Joint Resolution 120, which I introduced on April 30, 1987. The cosponsors of Senator Joint Resolution 120 include the distinguished majority leader, Senator BYRD, Senators CONRAD, HELMS, NICKLES, GRASSLEY, MCCAIN, and D'AMATO. So that is a bipartisan joint resolution, now offered only as a sense-of-the-Senate resolution, which will send a statement from the U.S. Senate to the administration.

Mr. President, I believe the amendment is self-explanatory.

The amendment would void the 1969 and 1972 Embassy site and Embassy construction agreements between the United States and the Soviet Union. That is what we are recommending. If it became law, it would in fact do such.

Second, it would require the President to enter into new negotiations with the Soviets to relocate their new Embassy to a site not more than 90 feet above mean sea level.

The new Embassy on Mount Alto is 350 feet above sea level, and it is the third highest point in Washington, D.C. From that vantage point the Soviets have direct line of sight of some of our most sensitive Government installations such as the Capitol, the White House, the Pentagon, and the State Department.

Prior to the introduction of Senate Joint Resolution 120, Congressman DICK ARMEY and I held a press conference on this important issue on top of Howard Johnson's Wellington Hotel right across the street from the Soviet Embassy. Joining us was Stansilav Levchenko, who is the highest ranking Soviet KGB official to defect and his specialty was electronics surveillance. He said that the Soviets had the ability to monitor phone calls from the State Department, the Pentagon, the White House, and Congress.

I think it is high time the U.S. State Department woke up and started promoting American interests. Furthermore, it is time the President started taking charge of the State Department.

As stated in the amendment, the President has the full authority under current law, to require the Soviets to vacate the Mount Alto site. Subsection 4305 of title 22, United States Code, specifically allows the Secretary of State to require any foreign mission to divest itself of real property where otherwise necessary to protect the interests of the United States. There is plenty of authority in the laws.

The truth of the matter is that the State Department wants to have détente at all costs. They do not want to ruffle the fur of the Soviet bear because they are afraid the bear might not sign an arms agreement it will not abide by anyway. They want the appearance, whether it is real or not. This is despite objections from the CIA and the National Security Agency.

Mr. President, in espionage there is no such thing as détente. It goes on every day, and we are absolutely foolish to allow this to continue. We should close that building immediately. They could put the homeless in it, as far as I am concerned, sell the building to private enterprise, make a motel of it.

It is absolutely pathological and irrational for the U.S. Government to allow the biggest adversary, the biggest totalitarian dictatorship in the world, the country that represses more human rights, has lied more and murdered more than any other country in human history, to occupy an Embassy there, when their goal is to dominate the world.

Here we are letting them have an Embassy right on top of Mount Alto.

I think, Mr. President, in light of recent revelations of a massive bugging of our Embassy in Moscow, it is time for Congress and the administration to reassess the strategic value of the Mount Alto Embassy site.

If we fail to act now we will be condoning a sustained and unguarded attack on the ability of the American people and representatives to act within the sovereign authority within our borders.

I think it is unmistakably clear what we are trying to do. I only regret this amendment is only a sense-of-the-Senate resolution, but it does give Senators a chance to object to this wishy-washy stance of the U.S. State Department.

The **PRESIDING OFFICER**. The time has expired.

Mr. **SYMMS**. I reserve the remainder of my time.

The **PRESIDING OFFICER**. Who yields time?

Mr. **PELL**. Mr. President, I think we ought to look at the background of how the Soviet Embassy got to where it is in Mount Alto. Originally, the Soviets wanted to move out to Chevy Chase, and they were turned down there. Then they wanted to move to another site in midtown Washington and were turned down there.

We then found the Mount Alto site and persuaded them to move there. It was not that they found it. But we found it for them and persuaded them to go. They were not enthusiastic about doing so at the time.

By the same token, in the Soviet Union we were originally offered a site on the outskirts of Moscow up in the hills and we turned it down because we wanted to be more conveniently located near Red Square, near the Kremlin and near the Embassy building that we were then occupying, a chancery building we were then occupying as well as to the Ambassador's residence.

So it was not an evil plot that our site is in the swamp where it is and their site is in Mount Alto where it is. It was no plot. It was just the result of perhaps poor judgment on our part, but it was a negotiation between our two countries, in which the Soviets gained a certain advantage.

Now, when one gets into this whole area of line of sight and eavesdropping it is a very sensitive area indeed, that obviously cannot be talked about in any depth on the floor of the Senate, the capabilities that the Soviets may have, the capabilities that conceivably we might have. These are subjects that are not suitable for public discussion on the floor of the Senate.

We do have efforts being made to see what we will do about the situation. In this regard, there are three separate boards or reports that are in play. There is the Schlesinger report, the report from the President's Foreign Intelligence Advisory Board and also the Laird report from former Defense Secretary Melvin Laird.

I think when these reports are all examined, then the appropriate decision can be made as to what we should do and how we should go about it.

I do believe that the subject is a very, very complicated one made even more complicated by the fact that there is a warren of tunnels going underneath the buildings, both the buildings at Mount Alto presumably and the buildings in Moscow. And it is a situation that is not a good one, and we are seeking to find the most sensible, feasible course out of it at this time.

My own view is that this amendment does not help in this decisionmaking process and that it would be wrong to call for the cancellation of the present agreements before the administration has completed its review of the various options.

I think we should bear in mind, with regard to our Embassy in Moscow, that when you are behind the curtain in that part of the world, the presumption is that unless you are in a completely secure room everything that one says is liable to be reported or taped.

I know I am probably the only Member of this body who has served behind the Iron Curtain. I presumed when I was there, in Czechoslovakia as a diplomat, that anything one said, except if you were out of doors or in the middle of running water or something of that sort, was expected to be overheard and you just guided yourself accordingly.

The amount of truly sensitive business that is done in a mission abroad is not all that great. There is a good deal of work to do in consular matters, trade matters, U.S. information matters, things of that sort, that do not require any security whatsoever. So those activities could be left in the building as it is now, and have a more secure or fully secure building built or added on to it.

In this regard, I think being secure is very much like a lady who is pregnant. She is either pregnant or not pregnant. You presume you are in an absolutely secure room or you presume you are not in a secure situation at all and you guide your conversation accordingly.

I yield the floor.

The **PRESIDING OFFICER**. Who yields time?

Mr. **MOYNIHAN** addressed the Chair.

The **PRESIDING OFFICER**. Who yields time to the Senator from New York?

Mr. **PELL**. How much time do I have remaining?

The **PRESIDING OFFICER**. Ten minutes.

Mr. **PELL**. I yield 5 minutes to the Senator from New York.

The **PRESIDING OFFICER**. The Senator from New York.

Mr. **MOYNIHAN**. Mr. President, I rise to support the position of the distinguished chairman of the Committee on Foreign Relations in this matter. I wish to speak in particular to his point concerning the degree to which, in any Embassy situation, you assume the presence or absence of security as if it were an absolute matter one way or the other; total risk or no risk. However, that risk is always intermediate.

I can speak with some specificity about the American Embassy in the United States. I served as our Permanent Representative to the United Nations in 1973 and 1974 under President Ford. Perhaps the only specific instruction I received when I took that position came from the Vice President of the United States, Nelson A. Rockefeller. He asked me into his offices in the Executive Office Building and said: "Now the one thing you must know is that anything that you say on the telephone from the mission or the Ambassador's suite in the Waldorf Towers is likely to be intercepted by the Soviet Union," they having built extensive intercept facilities in a high-rise building in Riverdale, in Glen Cove and in their own mission on the East Side of Manhattan.

The degree to which the United States has been willing to accommodate such activity is appalling, and it has now begun, of course, from Mount Alto.

During a public hearing, I once asked the general counsel of the Central Intelligence Agency whether he did not think that the Soviet interception of telephone calls in the New York area, in the Chicago area, and here in Washington, violated the fourth amendment rights of Americans? He said, "No, sir."

I said, "How could that be?"

He said, "Well, sir, the fourth amendment only protects you against the invasion of privacy by your own government."

We have been very lax about this, Mr. President. The successive administrations since Mr. Ford have buried their own telephone lines out of and into this city; yet, they leave ours open.

I think the chairman is right in his suggestion that this is something we must attend to not just in Moscow but here. On the other hand, we ought to do it in cooperation with the administration, rather than through direct instructions as suggested by my good friend Senator SYMMS.

I have offered legislation on this matter, and I will say to my friend that since the day I joined the Senate in 1977, I have had no success with Republican administrations and Democratic administrations and a succession of Secretaries of State. Yet I do think that the administration is finally seized with the realization that something needs to be done.

I hope that we might work with them privately and publicly toward that end rather than simply seek to instruct them.

I know that the chairman of the Committee on Foreign Relations, who has served behind the Iron Curtain and knows the matters with which we are dealing, would like to see this matter resolved in a cooperative mode, and I hope that might be the case.

I thank the Chairman.

The PRESIDING OFFICER. (Mr. GRAHAM). Who yields time?

Mr. SYMMS. Mr. President, how much time is remaining?

The PRESIDING OFFICER. The Senator has 11 minutes remaining. The Senator from Rhode Island has 5 minutes remaining.

Mr. SYMMS. I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator yields 5 minutes. The Senator from Idaho.

Mr. SYMMS. Mr. President, the distinguished occupant of the chair has before the Senate a resolution dealing with Haiti and it would be this Senator's wish that after we dispose of the Symms amendment—and I hope that Senators will all vote for it—that we will be able to separate it from the Haiti amendment so the Senator from Florida will have a clear, clean resolution.

But I just want to say that I am shocked to hear from one of my distinguished colleagues—one who I have learned a great deal from with respect to foreign policy—that he is actually here on this floor advocating tabling this sense-of-the-Senate resolution.

Around the day I introduced this on April 30, 1987, I quoted from what I thought was an excellent article written by a very sound and outstanding intellectual U.S. Senator by the name of DANIEL PATRICK MOYNIHAN from the State of New York. The article begins by saying: "When the Reagan administration sent 55 Russian technicians packing last fall, it only put a slight dent in the Russians' U.S. spy network."

I will not go into the entire article that our distinguished colleague wrote. But it was an article that certainly had an impact on this Senator and helped cause me to offer this resolution which would encourage the State Department to get some backbone in their dealings with the Soviets.

But I want to read what our colleague's solution is. On page 104 of Popular Mechanics, April 1987:

> My solution: Throw the bastards out if they are listening to our microwave signals. Nothing technical about it. On three occasions I have introduced legislation requiring the President to do just that, unless doing so he might compromise an intelligence source. On June 7, 1985, this measure was adopted as title VII to the Foreign Relations Authorization Bill . . ."

I think the distinguished Senator from New York has been one of the leaders to have us firm up this question. I caution my colleagues who may vote to table the Symms amendment today, that it would be an unmitigated disaster and send the wrong signal. A vote to table the Symms amendment says that you approve of having the Soviet bugging our offices from Mount Alto and we are not willing to stand up and renegotiate the 1969 and 1972 Embassy agreements that has been made between the United States and the Soviet Union.

Now, what I think we should do is throw the Soviets off of Mount Alto, and not allow them to move back into that piece of property, but let them renegotiate a settlement for a piece of property that is not above 90 feet above mean sea level. A vote to table the Symms amendment is going to be interpreted by the Soviet Union and the world that the United States Senate does not have the courage to back up what Senator MOYNIHAN is saying in his article and statement.

All we are doing is passing a sense-of-the-Senate resolution here. I urge my colleagues to vote for the Symms amendment to send a strong, clear message to put some backbone in the State Department, as well as to send a message to the Soviets that we will not condone an unguarded attack on United States security. My advice would be to go to the Soviet Union and demolish the American Embassy and then send an American construction company over and rebuild it so we can have an Embassy that is bugproof. Moreover, I believe we should not allow the Soviets to reoccupy the Mount Alto Embassy and we should use that building for some other purpose. We should put them in a location in this town where they are not absolutely riddling the conversations of high-ranking Government officials and elected officials with microwave systems.

I will say to my colleagues that this vote is going to be interpreted as whether or not you are for or against letting this dastardly action continue—and I just want to repeat again what my distinguished colleague, Senator MOYNIHAN, said in his article. His solution was: "Throw the bastards out if they are listening to our microwave signals. Nothing technical about it."

I think Senator MOYNIHAN is right when he says that, and it is exactly what I am saying.

I hope my good friend will vote yes on this resolution. Then, I think, at the appropriate time, after the Senate votes on the issue, if we could get unanimous consent to set the issue as a freestanding resolution, then we can go ahead and pass the Graham resolution so he has a clean, freestanding resolution to take to Haiti.

I reserve the balance of my time.

The PRESIDING OFFICER. Who yields time?

Mr. PELL. I yield 2 minutes to the Senator from New York.

Mr. MOYNIHAN. Mr. President, may I say to my friend, Senator SYMMS, that I absolutely agree with his sense of outrage at the Soviets' use of Mount Alto as a listening post.

I have a letter from Mr. Nolan, the Assistant Secretary of State responsible for this subject, that says we are prepared, if need be, simply to turn off the power at Mount Alto if the Soviets persist. I would like to see the Secretary of State come before us and say that.

As the Senator says, I have stated that the Soviets must not use their Embassy for interception. You said it and I said it. And I would hope we will get the Secretary of State here for further discussions of this problem. If he does not come and will not agree to take the necessary action, I will be with the Senator. I hope the Senator would be with me. I have been up this stream from the moment I came here. I only wish to support our distinguished chairman who wants this negotiated with the Secretary and the Department, rather than issuing instructions at this time.

Reasonable persons might take a different view. I fully understand that. I do not in the least bit denigrate the Senator's desire to see something done.

Mr. PELL. Mr. President, I thank my friend from New York for his remarks. I would also want to add that a resolution of this sort is one that is pressing the President to make a decision when he does not have all the facts. As I mentioned earlier, the Schlesinger report is in, but Congress does not have the report from Mel Laird, and the report from the President's Foreign Intelligence Advisory Board is available only through the Intelligence Committee.

I would invite the attention of my colleagues to provisions that are already included in the State Department authorization bill, which is on the calendar and which I hope will be taken up before too long.

Also, if this proposal were implemented, it would then mean that the Soviets would be in their very secure though perhaps uncomfortable building on 16th Street and we, by the same token, would be left in our very equally or more uncomfortable chancery, a dilapidated building, and one that is as insecure as the one that is being built in Moscow. So I think that would be harmful to our interests.

I intend to move to table this when we have yielded back our time. I am prepared to yield back the balance of my time.

The PRESIDING OFFICER. The Senator from Rhode Island yields back his time.

Mr. PELL. No, I am prepared to yield back.

Mr. SYMMS. I still want to use a little more time.

Mr. President, I yield myself 3 more minutes. How many more minutes do I have?

The PRESIDING OFFICER. Four minutes.

Mr. SYMMS. I yield myself 3 more minutes.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. SYMMS. Mr. President, I just want to make the point again that I have the greatest admiration for the distinguished Senator from New York who made his points. I appreciate what he said about shutting off the power.

But it takes a very simple diesel-powered generator or gasoline-powered generator to generate enough electricity that could be run internally in that building to run these highly sophisticated microwave and computer-type listening devices. They are not high-powered use. They are receivers, not transmitters. So it is very simple to do that.

I know my colleagues would rather we did not bring this amendment up. My distinguished colleague says there are reports due—my understanding was, Mr. President, that those reports are in the hands of the Intelligence Committee. We have had people investigate the Embassy in the Soviet Union and have gotten up to speed on the Embassy here.

If we fail to act now, the U.S. Senate will be condoning a sustained and unguarded attack on the ability of the American people and their representatives to act within the sovereign authority within our border. I would appeal to my colleagues to not vote to table the Symms amendment. Because, if you do, it is going to be interpreted, not only by the Soviets but the entire world, that the United States of America is intimidated by the Soviet Union. Your constituents at home are going to think you have taken leave of your senses if you actually vote to table the Symms amendment. Any common sense, hard-working, red-blooded American would agree with the Symms amendment which simply says we should not allow ourselves to constantly have our guard down and constantly be apologizing for trying to protect and defend our interests and our freedom in this country.

Mr. President, I ask unanimous consent that an article I wrote on Tuesday, May 19, that was published in the Washington Times and titled, "Can We Bump the Bear Off the Hill?" be printed in the RECORD. Also, Mr. President, I ask unanimous consent that Senator D'AMATO be included as a cosponsor of the Symms amendment.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Times, May 19, 1987]

CAN WE BUMP THE BEAR OFF OUR HILL?

The discoveries of Soviet espionage at the U.S. Embassy in Moscow have brought to the forefront a problem that, although acknowledged in the past, has been continually pushed aside—the location of the new Soviet Embassy in Washington, DC.

The new embassy sits atop Mount Alto at an elevation of 350 feet, the third-highest point in Washington (only Tenley Town and the National Cathedral are higher), and it has a panorama view that National Geographic would envy.

It overlooks the U.S. Capitol (at 90 feet elevation), the White House (at 51 feet), the State Department (at 32 feet), and the Pentagon (at 21 feet). One only has to go to the roof of the Wellington Hotel across the street from the embassy to get a look at the view Soviet diplomats and their listening devices enjoy every day.

When the Mount Alto site was selected in 1969, the FBI, CIA and the National Security Agency opposed the decision. But in the end, the State Department's consistent "detente-at-any-cost" mentality won out, the other agencies gave in, and the Soviets took possession in 1980. While they have occupied only the domestic quarters, you can be sure that they already have their "diplomatic machinery" in motion.

But their presence hasn't raised much concern in the city they watch because our foreign policy gurus have yet to learn that with or without glasnost, there is no detente in espionage.

It is no secret that nearly half of all Soviet diplomats are full-time intelligence agents—as in KGB. They are well-versed in the latest surveillance technology and have only one objective: to gather any and all intelligence available by any and every means possible. In view of these irrefutable facts, why in the world were the Soviets given Mount Alto?

A survey of Soviet embassies around the world will show that the Soviets seek high ground wherever they build diplomatic facilities. And evidence provided by KGB defectors shows they use the facilities to gather intelligence.

Stanislav Levchenko, who defected in 1979, has said the top floor of the new Mount Alto embassy is full of antennas that collect micro- and radio waves, waves emanated by all electronic equipment. According to surveillance technology specialists, that equipment includes computer terminals, electronic telephones and electronic typewriters, not to mention the many kinds of communications devices commonly used by our national security agencies.

The strength of these signals need not be great. Current technology enables scientists on Earth to receive signals of less than one watt from space vehicles hundreds of millions of miles away. The Soviet Embassy is within five miles of the most strategic buildings in our national security system, from which thousands of signals emanate each day.

The first thing necessary to gather and sort these emanations is a clear line of sight to their source. The only other needs are listening devices to receive them and a computer system to reconstruct them into usable data. The Soviets have the last two, and the United States has provided the first—the Mount Alto location.

It took revelations about embassy espionage—about how the U.S. Embassy in Moscow had been turned into a virtual antenna—to focus serious attention on the new Soviet Embassy here, because the mentality that allowed both to happen drives our State Department.

While State bears the primary responsibility for embassy security, they have expressed little concern about the Mount Alto problem. If it is to be resolved, Congress must force them to act.

And the time to act is now. Current embassy agreements must be canceled and new agreements must require the Soviets to move off Mount Alto to another location in Washington no more than 90 feet above sea level.

The Symms resolution in the Senate (Rep. Dick Armey's in the House) will do just that. It will fill a gaping hole in our national security policy by escorting the Soviets from their hilltop perch before they do further serious damage to our national security.

Mr. WARNER. Mr. President, it is my intention to support the distinguished chairman of the Foreign Relations Committee. I have been working with him and others to try to resolve this issue, raised about not only our Embassy but also the Soviet Embassy, for some time.

Just this week, the distinguished chairman, I, and other Members of the Senate met with Mr. Whitehead, the Deputy Secretary of State, on this issue, reviewed in some way the preliminary reports of two former Secretaries of Defense, under both of whom I served and for whom I have the highest respect—Melvin Laird and Dr. Schlesinger.

A great deal of serious, conscientious work is being done on this issue, and I think that eventually this administration will come forward with a recommendation, hopefully following extensive and full consultation procedure with the Senate and other Members of Congress who have an interest, and that we will reach a fair and equitable resolution of these thorny issues.

Mr sentiments in many respects rest with the thrust of the Symms amendment. But I believe that this question is so serious that it can only be resolved after careful and painstaking analysis, both by the executive and the legislative branches.

Mr. SYMMS. Mr. President, I yield back the balance of my time.

Mr. PELL. I yield back the balance of my time.

The PRESIDING OFFICER. The Senator from Idaho and the Senator from Rhode Island have yielded back the balance of their time.

Mr. PELL. I would move to table and would ask—does the Senator wish the yeas and nay?

Mr. SYMMS. The yeas and nays have been ordered.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Is there further debate?

There being no further debate, the question is on agreeing to the motion of the Senator from Rhode Island. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Illinois [Mr. SIMON] and the Senator from Mississippi [Mr. STENNIS] are necessarily absent.

I also announce that the Senator from Alabama [Mr. SHELBY] is absent because of illness in the family.

I further announce that, if present and voting, the Senator from Alabama [Mr. SHELBY] would vote "nay."

The PRESIDING OFFICER (Mr. LAUTENBERG). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 26, nays 71, as follows:

[Rollcall Vote No. 215 Leg.]

YEAS—26

Adams
Biden
Bumpers
Chafee
Chiles
Cranston
Danforth
Daschle
Dodd
Durenberger
Evans
Glenn
Gore
Hatfield
Inouye
Kennedy
Leahy
Lugar
Matsunaga
Mikulski
Moynihan
Pell
Sarbanes
Stafford
Warner
Weicker

NAYS—71

Armstrong
Baucus
Bentsen
Bingaman
Bond
Boren
Boschwitz
Bradley
Breaux
Burdick
Byrd
Cochran
Cohen
Conrad
D'Amato
DeConcini
Dixon
Dole
Domenici
Exon
Ford
Fowler
Garn
Graham
Gramm
Grassley
Harkin
Hatch
Hecht
Heflin
Heinz
Helms
Hollings
Humphrey
Johnston
Karnes
Kassebaum
Kasten
Kerry
Lautenberg
Levin
McCain
McClure
McConnell
Melcher
Metzenbaum
Mitchell
Murkowski
Nickles
Nunn
Packwood
Pressler
Proxmire
Pryor
Quayle
Reid
Riegle
Rockefeller
Roth
Rudman
Sanford
Sasser
Simpson
Specter
Stevens
Symms
Thurmond
Trible
Wallop
Wilson
Wirth

NOT VOTING—3

Shelby
Simon
Stennis

So the motion to lay on the table amendment No. 356 was rejected.

The PRESIDING OFFICER. Who yields time?

Mr. SYMMS. I move to reconsider the vote by which the motion was rejected.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SYMMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. SYMMS. I ask unanimous consent that we vitiate the pending vote on the Symms amendment. The yeas and nays have been ordered.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. I ask unanimous consent that the Symms amendment be separated from the pending resolution and be considered a freestanding resolution immediately following the disposition of the Haiti resolution and that there be no time for debate on the resolution, no amendments thereto, and no motions to recommit be in order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PELL. Mr. President, I ask unanimous consent that the committee amendments to Senate Resolution 248, the Haiti resolution, be considered en bloc.

The PRESIDING OFFICER. Is there an objection? Without objection, it is so ordered. The question is on agreeing to the amendments.

The committee amendments were agreed to.

Mr. DODD. Mr. President, on July 23, the Subcommittee on Western Hemisphere and Peace Corps Affairs, of the Committee on Foreign Relations held a hearing on the current situation in Haiti. The subcommittee had as its witnesses Senator BOB GRAHAM of Florida, Mr. Richard Holwill, Deputy Assistant Secretary of State for Caribbean Affairs; Mr. Allan Ebert, Washington Office on Haiti; and Mr. Michael S. Hooper, National Coalition for Haitian Refugees. As chairman of the subcommittee I felt that recent events in Haiti warranted a careful review, so that Members of the committee might be better prepared to make an assessment of the appropriateness of current United States policy with respect to Haiti.

Last year when so called President for life Jean-Claude (Baby Doc) Duvalier fled Haiti in the early hours of February 7, the American people shared in the jubilation of the Haitian people who had finally been released from 29 years of Duvalier tyranny. For the first time in nearly three decades the aspirations of the Haitian people to live in a democracy seemed a realistic and realizable goal.

Pledges by Gen. Henri Namphy, President of the interim government, that the National Council of Government was willing and eager to relinquish power to a freely elected civilian government, at an early date, were greeted with enthusiasm both at home and abroad.

We in the Congress have tried to do our part as the people of Haiti struggle to become a member of the family of democratic nations—a goal we all strongly support. Last year, Congress authorized economic assistance for Haiti, in order to aid the Haitian Government in its transition to democracy, and to assist in efforts to cope with the severe economic problems confronting the poorest nation in the hemisphere. Even then, we were not unmindful of the fact that the transition to democracy was not a sure thing. For that reason, stiff conditions were placed upon U.S. aid to ensure that the Namphy government did not simply follow in the footsteps of Duvalier.

Nearly 18-months have now passed since the Namphy government assumed power. Unfortunately its commitment to democracy is by no means unimpeachable. Actions always speak louder than words. Certain benchmarks on the way to a full and functioning democracy have been reached—a constituent assembly did take place last year, a constitution has been drafted and approved by national referendum, and Presidential and legislative elections have been scheduled for later this year.

Other actions by Haitian authorities have been disturbing and cause for serious concern. Human rights abuses by the military persist. On June 22, the governing council usurped authority over the electoral process and banned the existence of a well known labor union, both in apparent violation of the constitution. This led to wide spread protests, violence and loss of life. While it is true that the June 22 decisions had now been reversed. They never should have happened in the first place.

Such actions cannot but raise serious doubts in the minds of Haitians and Americans about the sincerity of the Commitment. Furthermore, should similar actions occur in the future which threaten the integrity of the electoral process or the sanctity of the Constitution, I for one would seriously consider an immediate suspension of United States aid to Haiti.

In the context of the hearing on the situation in Haiti, witnesses strongly endorsed Senate Resolution 248—a sense of the Senate resolution introduced by Senator BOB GRAHAM reaffirming United States interest in and support for a smooth and speedy transition to democracy in Haiti. At that time, witnesses provided what I believe were some very helpful suggestions for making the very important message conveyed by Senate Resolution 248 even clearer.

Therefore, when the Committee on Foreign Relations considered this resolution on July 28, I offered several perfecting amendments reiterating the conditions placed upon United States assistance to Haiti in October of last year, in order to remind the Namphy government of those conditions as it proceeds over the coming months toward elections and the difficult but highly desirable transition to democracy. One of my amendments in particular is intended to send a signal to the Haitian Armed Forces that human rights abuses by members of the military against the Haitian people must cease. I hope these messages are received "loud and clear" by those in authority.

The committee unanimously order Senate Resolution 248 reported favorably with these amendments. I believe this resolution puts the Senate on record on a very important issue and urge my colleagues to support it.

Mr. President, I ask unanimous consent that background information on the situation in Haiti which was prepared by the staff of the Foreign Relations Committee be printed in the Record in order to provide additional information on the situation in Haiti.

There being no objection, the material was ordered to be printed in the Record, as follows:

Background Information Concerning the Situation in Haiti Prepared by the Staff of the Committee on Foreign Relations

INTRODUCTION

On February 7, 1986, President-for-life Jean-Claude Duvalier went into exile in the face of massive popular demonstrations against his regime. This ended twenty-nine years of dictatorship by the Duvalier family. Following his departure, an interim five man military-civilian ruling council was established—the National Council of Government (CNG).

The CNG, headed by Lt. General Henri Namphy, immediately took a number of actions to dismantle the repressive institutions which existed during the Duvaliers reign and made public commitments to relinquish power following the adoption of a constitution and the democratic election of a civilian government.

The CNG was initially greeted with popular support by the Haitian people. That support however proved short-lived when the CNG failed to prosecute a number of Duvalier associates who were allowed to leave Haiti. Two of the five man CNG were also perceived to be close supporters of the Duvalier regime and therefore their sincerity in supporting a transition to democracy was questioned. These individuals were removed in March 1986 by Namphy.

Almost from the beginning voices called for the resignation of the governing council. The first calls for the interim government to step down came in April of last year in response to the killing of a number of demonstrators by the army. Those calls were renewed in June of last year when the council had not yet publically proposed a schedule for assembly elections needed to begin drafting a constitution or for local, legislative and presidential elections.

Some effort has been made on the part of the CNG to address these criticisms. Several Duvalier aides were placed on trial, an assembly election was scheduled and held, and a constitution was drafted, and adopted by national referendum in March of this year. Among other things, the new constitution contains significant safeguards designed to prevent the rule of another dictator. It also provides guarantees of individual liberties, legalizes labor unions, and political parties, and it provides for the establishment of an independent election council—the Provisional Election Council (PEC)—to draft the electoral laws to govern upcoming local, legislative and presidential elections.

CONGRESS PLACES CONDITIONS ON FY 1987 AID

Concerns over the course of events in Haiti during 1986 led Congress to tie the provision of FY 1987 economic and military assistance to Haiti to progress and reforms in a broad range of areas, including demonstrated improvement in the human rights situation there, tangible progress in the transition to a democratic form of government, and reorganization of the Haitian armed forces consistent with a democratic form of government.

In March 1987 the Reagan Administration made the necessary determinations that the interim government has met the statutory conditions and the second half of the proposed $107.6 million in economic aid was unfenced. A small amount of IMET funds also have been disbursed.

The Administration has requested $94 million in economic and military assistance for Haiti for FY 1988 as part of its foreign aid request.

VIOLATIONS OF CONSTITUTIONAL GUARANTEES CREATE NEW CRISIS

The present turmoil and heightened violence in Haiti over the past month was triggered on June 22 when the CNG seized control of the electoral process, ignoring the proposed elections laws which had been submitted to it for promulgation by the PEC—the independent body constitutionally established and charged with this responsibility. On the same day the interim government also banned the Autonomous Confederation of Haitian Workers (CATH), in violation of constitutional guarantees.

Human rights organizations have called for a suspension of U.S. assistance to Haiti, in light of recent events. They have also called for the withdrawal of the U.S. Ambassador for consultations in protest for these actions. Aid has not been suspended.

The demonstrations have taken on an increasingly anti-American tone with charges that the United States is propping up the Namphy "dictatorship." Although the Reagan Administration has not suspended aid to Haiti, on June 30, the Assistant Secretary of State for InterAmerican Affairs, Elliott Abrams publically warned the Namphy Government that "our assistance to Haiti will continue, and will continue to enjoy bipartisan support, only as long as Haiti remains on the democratic path." Additional warnings were issued on July 9 by the Administration in connection with the proposal for the replacement of the current CNG, stating that such a change would prompt at least a suspension and review of U.S. aid.

Within Haiti, a broad based coalition of unions, political parties, and church groups have continued to call for the Namphy government to step down and be replaced by a five person governing council composed of four individuals drawn for "democratic sectors" of Haitian society, as well as one representative of the general staff of the army. Strikes and violence have continued since June 22 even after the CNG rescinded its decisions to takeover the electoral process and ban a well known labor union. On July 15, the PEC issued a decree on electoral procedures and set the date for presidential and legislative elections for November 29.

S. RES. 248

On July 10 Senator Graham introduced S. Res. 248—with Senators Kerry, Sanford, Durenberger, and DeConcini as original cosponsors. This resolution expresses the sense of the Senate that the President should make clear U.S. support for a full and functioning democracy in Haiti, that the CNG should abide by provisions of the constitution which mandate an independent body to organize and conduct elections, that Haitian armed forces should respect human rights and refrain from violence, and that all Haitians should work to avoid further violence in the transition to democracy.

Mr. MOYNIHAN addressed the chair.

The PRESIDING OFFICER. Who yields time?

Mr. PELL. I yield 2 minutes to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. I thank the distinguished Presiding Officer.

Mr. President, in the course of the debate over the previous amendment, I referred to a letter I had received from Mr. James E. Nolan, Director of the Office of Foreign Missions. It is undated. It states:

> At the hearing before the Foreign Relations Committee on April 30, 1987, you asked what action the Department of State would take were the Soviets to use their Chancery Building for intelligence collection activities prior to simultaneous occupancy of both the US and USSR chancery buildings. Any use of the chancery building, including its use for technical collection, would seriously violate the basic agreement.
>
> How the Department would respond to a specific violation would, of course, depend on the nature of the violation. The Department would not hesitate to declare persona-non-grata and expel any Soviet using the chancery building and would take such additional steps as terminating power on utilities to bring an immediate halt to any use of the chancery building prior to our being able to use our new chancery building in Moscow.

Mr. President, I am not clear whether the term "prior" is a qualification that ought to be pursued, but Mr. Nolan's letter is clear and straightforward. We will not accept the use by the Soviet Union of their chancery on Mount Alto for the interception of telecommunications and other such communications in the Washington area.

I wish I could get the same agreement concerning the New York area, and I wish I could get the same agreement concerning San Francisco. But we do have a commitment here; I hope it is that. Such commitments are hard to get from the State Department. I believe the Department supports the position of the Committee on Foreign Relations in this matter; and with good faith on both sides of this issue, I think we can keep our minds open to what actually is done in the future.

Mr. DODD. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Who yields time?

Mr. PELL. I yield 5 minutes to the Senator from Connecticut.

Mr. DODD. I just want to inquire of the Senator from New York, who just provided a very valuable service to this body by introducing this letter, which makes quite clear, it seems to me, the position of our Government as it relates to the difficulties that exist between our respective embassies.

My understanding is that that is an ongoing process; that a former Secretary of Defense, Mr. Schlesinger, has recently issued a report on this particular problem. There is an ongoing process, trying to determine exactly how we ought to deal with the tragedy of Moscow and how we ought to respond in this country.

It seems to me that on the basis of that, for those of us who voted to table the Symms resolution, it is not because we disagree with the substance of the Symms resolution, but it would be disruptive of an ongoing process that exists at this moment. Am I correct?

Mr. MOYNIHAN. The Senator from Connecticut, in my view, is completely correct.

If the Soviets proceed to do what they can do from Mount Alto and we do nothing about it, then I would support tearing down their Embassy on Mount Alto and their Embassy on 16th Street, as well as ours in Moscow.

But first, I would like to give the Secretary of State a chance.

A whole series of Secretaries of State from the time of President Ford have done nothing to protect the right of Americans not to have a foreign power listening to their conversations. It is a crime if Americans do such eavesdropping in this country. We have been letting the Soviets do it with contempt since the early 1970's. Read the memoirs of Arkady Schevchenko. He defected to us when I was at the United Nations. He describes Glen Cove on Long Island as being stuffed with radio intercept equipment.

If the United States lets this go on and the Soviets know that we know, then we have earned their contempt, which we should never do.

We stood with the chairman of the Foreign Relations Committee because we can get a commitment from the administraiton. I think the Senator from Connecticut is right: I think we should see whether a good faith effort during the remainder of this year produces a reasonable reaction. If not, then we should legislate.

Mr. DODD. I thank my colleague.

Mr. HOLLINGS. Mr. President, will the Senator from Virginia yield?

Mr. WARNER. I yield such time as the Senator requires.

Mr. HOLLINGS. I thank the Senator from Virginia.

The **PRESIDING OFFICER.** Will the Senator suspend?

The Senate is not in order. Senators will take their seats, and conversations by staff in the rear of the Chamber will cease.

Mr. HOLLINGS. Mr. President, responding to the distinguished Senator from Connecticut, as chairman of the Senate Appropriations Subcommittee for the Department of State, we have had this problem on an ongoing basis. We have known, going back to 1979, that the Soviets had the capability to penetrate the new American facility willy-nilly, with impunity.

I cannot under Intelligence Committee rules go into all the details, but as a member of the State, Justice, Commerce, Appropriations Subcommittee, having had a closed session with Secretary Shultz on this matter, the bottom line is you simply cannot cleanse that Moscow Embassy building unless you physically and completely tear the building down.

In the wake of the ballyhooed studies by former Secretary Laird and former Secretary Schlesinger, Secretary Schlesinger comes with a report that says we should keep five floors in the main embassy building. Yesterday afternoon, we learned that the National Security Council now believes we should retain three floors and rebuild five. Maybe if we wait another 2 weeks, they will finally arrive at the bottom line, which is that we should tear down and rebuild the whole blooming building. There simply is no way to get an authoritative certificate that this is the clean building which we contracted.

Yet we must endure all these diplomatic nuances and so-called subtleties. They say we have to be very careful. Do nothing precipitous. But what is precipitous, after 8 years, about acknowledging what has been obvious since 1979? No one can dispute the categorical statement that I have made that there can be no certificate that the Moscow Embassy building is clear unless it is torn down.

Now our only saving grace, Mr. President, is that the Soviets have expended as much money bugging the building as we have constructing it. But we must not accept that building unless it is in conformance with the contract itself, and the contract itself calls for a building without defects.

The Soviets are the ones who installed the defects, and the only way to get those defects out is tear the building down. So if we call them on their contract, they must pay for it.

But we must suffer the State Department's fancy talk about reciprocity. "Why, Senator, if we have to tear that building down and move over into Moscow with our new prefabricated building, then reciprocitywise they can then come back in here and do the same."

That is nonsense. We have given them what they contracted for, and, in return, we have had a violation by the Soviets. This is the fact we must confront. It is time for people of common sense with the security of this country at heart to say to the Soviets, "Here it is, you contracted for it, you violated your contract, cleanse the building." And then we must tear the building down, start anew, and give the Soviets the bill.

Instead, cut through all the fancy footwork, and what you have is another fuzzy State Department decision that politically interpreted says, "when in doubt do nothing and stay in doubt all the time." That gets around a lot of problems in politics. I readily admit we have been doing that 8 years now and spending millions and millions of dollars in this particular endeavor. The time has come to make a decision, and the only viable decision is to tear that building down and build a security facility that Americans can have confidence in.

I thank the distinguished Senator from Virginia for yielding me the time.

The **PRESIDING OFFICER.** The Senator from Idaho.

Mr. SYMMS. How much time has the minority remaining?

The **PRESIDING OFFICER.** Five minutes and fifty seconds.

Mr. SYMMS. Mr. President, I yield myself 2 minutes.

I will be very brief because I know the distinguished Senator from Florida wants to get to his resolution which I am happy to cosponsor. I support it, and I salute him for his interest and efforts in that area. I want to compliment the Senator from South Carolina. He is exactly right on the issue. The agreement has been signed in good faith by this country. We have fulfilled our part of the obligation and our law already clearly allows for our Secretary of State to take action on this and force a renegotiation and cancel the agreements.

If we wish to we can go over and demolish the Embassy in Moscow and we can take possession of this Embassy here.

I want to thank all my colleagues for the last vote and the demonstration of support that they rendered. Also, I want to say to my colleagues that there will be another opportunity where we will vote on this same issue, but we will vote on it not as a sense-of-the-Senate resolution, rather as a resolution that would carry with it the force of law.

Let's get our State Department to stop their namby-pamby talk, as the Senator from South Carolina says, and let's negotiate new embassy agreements that common working people who have good commonsense will support.

We are talking about the difference between the way we view agreements in honesty and the lack thereof of our adversaries, the Soviet Union, view the same agreements.

I think it is high time that the State Department stops fooling around.

I appreciate the remarks of the Senator from South Carolina and salute him and compliment him. I reserve the remainder of the time.

Mr. PELL. Mr. President, I yield 5 minutes to the Senator from Florida whose resolution we are considering.

Mr. GRAHAM. Thank you, Mr. President.

Mr. President, the resolution we are considering is a sense-of-the-Senate resolution, Senate Resolution 248, which would direct our attention to another issue of the U.S. relationship with the world.

We have been talking about circumstances between the United States and the other world superpower, the Soviet Union.

The resolution which is before us now talks about the United States and its relationship to a country which has a very different status. There has been a movement, Mr. President, across this hemisphere and particularly in the area of the hemisphere—the Caribbean Basin—in which many of our closest neighbors are located and that has been a movement toward democracy, whether it is in Central America, with countries like Guatemala, Honduras and El Salvador, or whether it is in the Caribbean, with countries like Haiti. There is a spirit of democracy afire in the Caribbean Basin. It is a spirit which we applaud and which we have nurtured. For many in this region we have stood as the model that they now desire to emulate.

That hope in Haiti has been long aborning. Haiti is a nation which has suffered as much as any in the world through a succession of authoritarian governments, and suffered from wrenching poverty, and a denial of basic human rights. In the last 18 months Haiti has thrown off three decades of dictatorship and started on a course that promises an election this year and the installation early next year of a new government and a new President.

Sadly, in the last few weeks, and escalating in the last few days, there has been a serious threat to the emergence of democracy in Haiti. The provisional government retreated from commitments that had been made through the newly adopted constitution.

That decision sparked a series of civil unrest, incidents which have continued to mount with violence beginning to reach all sections of the country. Within the last 48 hours at least eight new deaths have been reported in Haiti.

Mr. President, this resolution is an attempt by this Senate to send a message to the people of Haiti that we are their brethren, that we share their concern and that we want to be a strong ally in their effort to bring democracy to that country.

This resolution has been approved by a broad range of Senate membership, Republican and Democratic. My colleagues have come together in a spirit of bipartisanship to support democratic change in Haiti. This resolution also is supported by the administration. So it is not only bipartisan but also represents the full strength of the U.S. Government.

The resolution was heard before the Senate Foreign Relations Subcommittee on the Western Hemisphere, was carefully considered, was amended in a very useful way. Added to the resolution were the existing commitments between the United States and Haiti as they relate to the continued availability of United States financial aid and support to that country. Key to continuing United States aid to Haiti is respect for human rights.

Mr. President, this is not necessarily the last statement that we will make on Haiti. This statement represents the considered judgment of what is the appropriate message for the United States, the people of this country, through their representatives in the U.S. Senate, to send at this point in late July 1987. I hope that it will be the last message that we will have to send, other than one of congratulations for the successful completion of Haiti's transformation to Democratic government. Should conditions, however, deteriorate further, and should it be necessary for us to send a stronger, more targeted message, we stand ready to do so. We stand ready to monitor developments and to continue to indicate at the appropriate level the United States' concern and the United State's common purpose for democracy in Haiti.

Mr. DODD. Mr. President, will my colleague from Florida yield briefly?

The PRESIDING OFFICER. The 5 minutes of the Senator from Florida has elapsed.

Mr. DODD. I ask unanimous consent for 30 additional seconds.

Mr. PELL. I yield 1 minute to the Senator.

Mr. DODD. Mr. President, I just want to compliment our colleague from Florida—he has done a remarkably good job on this—and to thank our full committee chairman for allowing the time to bring this resolution up expeditiously in the committee. This is one where, unlike so many other circumstances where the administration and the Congress or the Congress is divided, this is one where we find all our branches of Government are united.

The Senator from Florida deserves credit for bringing this all together and bringing it to the floor. We hope it will have the type of effect it is intended to have.

Mr. GRAHAM. Mr. President, I wish to thank my colleague from Connecticut and the distinguished chairman of the committee for the gracious treatment that they have given in expediting the extremely thoughtful consideration of this resolution.

The PRESIDING OFFICER. Who yields time?

Mr. PELL. How much time remains?

The PRESIDING OFFICER. One minute and twenty seconds.

Mr. PELL. I yield one-half minute to the Senator from Florida.

Mr. GRAHAM. Mr. President, we saw in Panama the positive effects which a statement from the United States Senate can have by giving hope and encouragement and a sense to Panamanians that they are not alone, but part of a common cause of democracy. I believe that we can have the same effect by the adoption of this resolution in Haiti. We can make a contribution toward the peace, toward democracy, and toward the restoration of those values that we share with the Haitian people.

The PRESIDING OFFICER. The 30 seconds have expired.

Mr. PELL. Mr. President, this resolution, ably called for by Senator GRAHAM and amended in the Foreign Relations Committee, is well balanced and supports democracy in Haiti. It serves as a reminder to the present government that continuing aid to Haiti is linked by our law to observance of human rights and progress toward democracy. The resolution has the bipartisan support of the Foreign Relations Committee and I would urge its adoption by the Senate.

The PRESIDING OFFICER. Who yields time?

Mr. PELL. How much time do I have?

The PRESIDING OFFICER. You have 12 seconds.

Mr. PELL. I yield that back.

Mr. WALLOP. Mr. President, the minority yields back the balance of its time.

The PRESIDING OFFICER. All time is yielded back.

The question is on agreeing to the pending resolution, as amended.

The resolution (S. Res. 248) as amended, was agreed to.

The preamble was agreed to.

The resolution, as amended, with its preamble, reads as follows:

S. RES. 248

Whereas the people of Haiti have long suffered under the brutal and arbitrary rule of dictatorship rather than the democratic rule of law;

Whereas in 1986 Haitians from all sectors of society showed great courage in joining together to oust President-For-Life Jean-Claude Duvalier;

Whereas the Haitian people have reaffirmed through their brave actions their resolute and determined rejection of the Duvalier past and their commitment to democracy, human rights, self determination, and economic development;

Whereas an overwhelming majority of Haitians have declared themselves in support of democratic government by approving a new constitution establishing a legal framework for the return to elected civilian government;

Whereas the new Haitian constitution clearly establishes an independent civilian election responsible for conducting local, legislative, and presidential elections;

Whereas the National Council of Government aroused great concern among the Haitian public as to its commitment to free elections by limiting the authority of the Provisional Election Council; and

Whereas public pressure on the National Council of Government and its welcomed decisions to restore full authority to the Provisional Election Council underscores the determination of the Haitian people to break with the past and hold free and fair elections in the future: Now, therefore, be it

Resolved, That is the sense of the Senate that—

(1) the President should continue to make clear the unequivocal support of the United States for the people of Haiti in their efforts to establish a full and functioning democracy;

(2) Haiti's ruling National Council of Government should respect and abide by decisions made by the Provisional Election Council in conducting elections called for under the new Haitian constitution;

(3) The National Council of Government should be mindful of and responsive to conditions placed upon the provision of United States economic and military assistance to Haiti by Public Law 99-529—

(A) with particular attention to the following conditions on economic asssitance that mandate that the interim Government of Haiti—

(i) is improving the human rights situation;

(ii) is implementing its timetable for completion of a new constitution;

(iii) is establishing a framework for free and open elections leading to a democratically elected civilian government, which would include free and functioning political parties and associations, free labor unions, and freedom of the press;

(iv) is continuing its investigiation of alleged human rights abuses and corruption by the Duvalier government and is prosecuting, in accordance with due process, those responsible for human rights abuses and corruption;

(v) is maintaining a free and independent judiciary system;

(B) and with particular attention to the following conditions on military assistance that mandate that the Government of Haiti is making substantial efforts—

(i) to prevent the involvement of the Haitian armed forces in human rights abuses and corruption;

(ii) to ensure that freedom of speech and assembly are respected;

(iii) to conduct investigations into the killings of unarmed civilians;

(iv) to provide education and training to the Haitian armed forces with respect to internationally recognized human rights and the civic and political rights essential to democracy, in order to enable those forces to function consistent with those rights; and

(v) to take steps to implement the policy of the Government of Haiti requiring former members of the Volunteers for National Security to turn in their weapons and to take the necessary actions to enforce this requirement;

(4) the Haitian armed forces should respect human rights and exercise restraint in carrying out their duties;

(5) in light of recent events in Haiti, the National Council of Government should redouble its efforts to demonstrate clear and tangible progress in investigations into past human rights abuses by members of the Haitian Armed Forces, and to put into place safeguards against future abuses; and

(6) the National Council of Government and the Provisional Election Council, having agreed that the Election Council must remain fully independent, all Haitians need to work to avoid further violence and allow the democratic transition to proceed in a peaceful atmosphere.

Sec. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President.

Mr. PELL. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. WALLOP. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOIDING CERTAIN AGREEMENTS RELATING TO THE SITE OF THE SOVIET UNION'S EMBASSY IN WASHINGTON, DC

The PRESIDING OFFICER. Under the previous order, the clerk will report the resolution.

The legislative clerk read as follows:

A resolution (S. Res. 261) expressing the sense of the Senate that the United States should void certain agreements relating to the site of the Soviet Union's embassy in Washington, D.C.

The Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 261) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. Res. 261

Whereas, Soviet espionage agents have installed listening devices in the structure of the new American Embassy in Moscow in blatant defiance of the spirit of the Embassy agreements and certain recognized norms of international relations;

Whereas, this Soviet espionage effort has been so extensive and insidious as to require the virtual rebuilding of a large part of the new American Embassy in Moscow, the construction of which has cost American taxpayers tens of millions of dollars;

Whereas, it is well known that Soviet espionage agents intend to use the new Soviet Embassy in this country as a platform to conduct highly sophisticated electronic surveillance of the United States Government offices and even private telephone calls of American citizens;

Whereas, the purpose of this surveillance can be none other than to undermine the national security of the United States and further the expansionist ambitions of the Soviet Union;

Whereas, the location of the new Soviet Embassy at a site nearly three hundred and fifty feet above sea level is ideal for this type of surveillance, having been offered to the Soviets at a time when electronic surveillance techniques and potentials were not fully understood in the West.

Whereas, subsection (b) of section 4305 of title 22, United States Code, specifically allows the Secretary of State to "require any foreign mission to divest itself of . . . real property . . . where otherwise necessary to protect the interests of the United States"; and

Whereas, Congress, through enactment of such subsection, has clearly expressed the desire that the Secretary exercise such authority when necessary to protect the vital security interests of the United States: Therefore be it

Resolved, That it is the sense of the Senate that the President shall—

(1) void the current Embassy agreements; and

(2) enter into negotiations for a new agreement under which the Soviet Union will move its new Embassy to a site in the District of Columbia that is not more than ninety feet above mean sea level.

For the purpose of this section the term "Embassy agreements" means—

(1) the "Agreement between the United States of America and the Union of Soviet Socialist Republics on Reciprocal Allocation for Use Free of Charge of Plots of Land in Moscow and Washington", entered into force on May 16, 1969; and

(2) the "Agreement between the United States of America and the Union of Soviet Socialist Republics on Conditions of Construction of Complexes of Buildings of the Embassy of the United States of America in Moscow and the Embassy of the Union of Soviet Socialist Republics in Washington", entered into force on December 4, 1972.

Mr. PELL. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. WALLOP. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WALLOP. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, what is the pending business before the Senate?

The PRESIDING OFFICER. The pending business is House Joint Resolution 324.

Mr. BYRD. Which is?

The PRESIDING OFFICER. The joint resolution will be stated.

The legislative clerk read as follows:

House Joint Resolution 324, increasing the statutory limit on the public debt.

Mr. BYRD. Did the Senator from Hawaii wish to speak?

EXTENSION OF MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that morning business proceed for 5 minutes and after the close of 5 minutes, Mr. Chiles be recognized to call up his amendment to the debt limit.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Hawaii.

(The remarks of Mr. MATSUNAGA and Mr. INOUYE are printed in the RECORD under Statements on Introduced Bills and Joint Resolutions.)

The PRESIDING OFFICER. Under the previous order, the Senator from Florida is to be recognized.

Mr. MELCHER. Mr. President, I ask unanimous consent to proceed at this time.

Mr. BYRD. Mr. President, I will not object at this time, but I will object to any further morning business today. I will not object at this time because the distinguished Senator from Montana came to the floor and wanted to speak. The Senate was put into recess before he could speak. That was not his fault. I will not object at this time.

We have to get on with the bill. I know Senators will be asking, once we get onto it, "Why can we not go home?" So they will all be mad because we have to stay here the rest of the day and do our work.

I do not say this because of the distinguished Senator from Montana.

Mr. President, I have not been able to get this amendment going. We had a meeting today of the Appropriations Committee that I thought would last only about an hour but it lasted for over 2 hours. It kept Mr. CHILES off the floor because he was directly involved in that matter.

Mr. President, I hope we will get onto the debt limit. I will not object in this instance. If we can get this debt limit going, we will not call it off for morning business. We can do that tomorrow.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. MELCHER. Mr. President, I thank the majority leader.

A NEW GAME PLAN

Mr. MELCHER. Mr. President, an analogy would be useful for folks to understand the intricate, sometimes confusing and conflicting testimony they are hearing on the Iran arms sales.

With the start of the football season, we can translate all of it into a comparison of our U.S.A. team losing the first game of the season, and what needs to be done to bring the whole squad back together to get in shape for the next game and to have a winning season.

Rookie quarterback Oliver North, in his first big professional game after a good record on his college team, was immediately fired after the game. The head coach, Ronald Reagan, announced after firing North that he was a fine young quarterback. But it was obvious to most of the fans that North had to go after throwing five interceptions and fumbling the ball on a quarterback sneak. However, a lot of fans who love North's flashy style, pluck and loyalty to the team, called on Head Coach Reagan to reconsider. But both North and fullback Poindexter are out. Poindexter was waived after losing 50 yards in a dozen running attempts during the game, and had to take much of the blame for the upset.

Line Coach Schultz admitted after the loss that he had not gotten the entire game plan from Head Coach Reagan, and Schultz said his linemen were not able to do all the blocking they should have.

Backfield coach Meese freely admitted he had not been called on to complete his checkout of North's passing and Poindexter's running, but he had assumed that Head Coach Reagan had confidence in their ability to call all the plays.

All of the coaching staff have lamented the game plan as being faulty and a disaster. But continuous dissection of the failed game plan, both Reagan and Meese warn, will not get the team ready for the big games to come. Most fans agree. There is the tricky Ayatollah team in the Persian Gulf, the pesky Ortega team down in Nicaragua, and others our team must face in a long season. Then the Super Bowl looms against the big Gorbachev squad, and our team must promptly pull itself together.

This is the last year of Head Coach Reagan's contract, and his assistant coaches are not expected to be retained by the new head coach. But there are a lot of good, solid veterans—stars in their own right—on the team who are digging in hard so the rest of this season will be successful. And that is exactly what all the fans want, too.

So, this first game plan failed. It was a big loss, but better coaching with a new game plan can put a great team back in the win column. It is a long season with tough games ahead. Veterans on the team, both defensive and offensive, know that bickering in the locker room leads to dissension on the field. They know the capability of the team, and that we can have a winning team this year and, with the depth and vitality, we will have winning teams in the seasons to come. While coaches and players come and go, the veterans know that the franchise continues and the team fights on.

That is what the fans are paying for.

Mr. President, I yield the floor.

Mr. BYRD. Mr. President, I hope that we can move forward with the debt limit extension.

The PRESIDING OFFICER. Under the previous order, the Senator from Florida is to be recognized.

DEBT LIMIT EXTENSION

Mr. BYRD. Mr. President, by way of explanation of why we are waiting, we are hoping that the Senators can be prepared to present their amendment to the debt limit extension bill. They have been working hard to get that done. They have had interruptions during the afternoon. The Appropriations Committee had to meet to resolve some problems. So it is just taking time, and I am sorry for that.

It is a little after 5 o'clock. Senators are going to be mad now if they have to stay awhile. They will want to know what we have been doing all day; why do we have to wait all day and stay after 5 o'clock and work. This is I guess about the best day of the week, Thursday. I am hopeful that we can get going on the amendment.

I understand that there is another little glitch. I think we ought to get going on the amendment and let the glitches be resolved out here on this floor because, if we continue to wait until we resolve every glitch, there will be some new glitch found every 15 minutes. Staff, although they are very good and faithful and dedicated, can find all kinds of glitches. I think it ought to be out here where the Senators can work on these glitches and resolve them.

Tomorrow is Friday and then we will be into Monday. We are in Monday. Then we are into next week. The drop-dead date is the close of business next Wednesday, I believe, and we ought to be making headway on this debt limit extension.

I am sorry for the delay; it is unavoidable, but if we do not get something started pretty soon, I will just put the Senate out or have a live quorum. Perhaps I ought to have a live quorum and get all Senators over here so we can find out where we are going, whether we are going and, if not, why not. I will be wanting to get consent to take up the catastrophic illness legislation tomorrow if we are not going to be working on the debt limit.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BREAUX). The absence of a quorum is noted.

Mr. BYRD. It could become live.

The PRESIDING OFFICER. The clerk will please call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. BYRD. Mr. President, I inquire of the distinguished acting Republican leader if the following nominations have been cleared on his side of the aisle: Calendar Order No. 272 on page 3 of the Executive Calendar; Calendar

Order No. 173; and the nomination at the desk of Lt. Gen. Charles D. Franklin, to be placed on the retired list in the grade of lieutenant general.

Mr. DOMENICI. Mr. President, I respond to the distinguished majority leader by indicating that those items have been cleared on this side.

Mr. BYRD. I understand that there are other nominations that are ready to be called up on this side.

In inquire of the acting Republican leader if the following items have been cleared: Calendar Order No. 275, Calendar Order Nos. 277 through 279, Calendar Order Nos. 281 through 284, Calendar Order Nos. 286 through 288; and nominations placed on the Secretary's desk in the Foreign Service, appearing on page 7 of the Executive Calendar.

Mr. DOMENICI. I respond to the distinguished majority leader by saying that all except the last mentioned item have been cleared.

The last mentioned item is all right. We have no objection.

Mr. BYRD. I thank the Senator.

Mr. President, I ask unanimous consent that the Senate go into executive session; that it consider the aforementioned enumerated nominations en bloc; that they be confirmed en bloc; that the motion to reconsider be laid on the table; that the President be notified of the confirmation of the nominations, and that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered, and the Senate will proceed to the consideration of executive business; and, without objection, the nominations are considered en bloc and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

Department of Commerce

Charles E. Cobb, Jr., of Florida, to be an Assistant Secretary of Commerce.

National Institute of Building Sciences

Arnold L. Steinberg, of California, to be a member of the Board of Directors of the National Institute of Building Sciences for a term expiring September 7, 1988.

Federal Home Loan Bank Board

Roger F. Martin, of Wisconsin, to be a member of the Federal Home Loan Bank Board for the remainder of the term expiring June 30, 1989.

National Railroad Passenger Corporation

Charles Luna, of Texas, to be a member of the Board of Directors of the National Railroad Passenger Corporation for a term expiring April 27, 1990.

Darrell M. Trent, of Kansas, to be a member of the Board of Directors of the National Railroad Passenger Corporation for a term expiring April 27, 1990.

Robert D. Orr, of Indiana, to be a member of the Board of Directors of the National Railroad Passenger Corporation for a term expiring April 27, 1990.

Department of State

Mark L. Edelman, of Missouri, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Cameroon.

W. Nathaniel Howell, of Virginia, a career member of the senior Foreign Service, class of counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the State of Kuwait.

Michael Gordon Wygant, of Massachusetts, a Foreign Service officer of class 1, to be the U.S. Representative to the Federated States of Micronesia.

Samuel Eldred Lupo, of California, a career member of the senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Guinea.

Robert G. Rich, Jr., of Florida, a career member of the senior Foreign Service, class of minister-counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Belize.

Roscoe Seldon Suddarth, of Maryland, a career member of the senior Foreign Service, class of minister-counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Hashemite Kingdom of Jordan.

Theresa Anne Tull, of New Jersey, a career member of the senior Foreign Service, class of minister-counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Co-operative Republic of Guyana.

In the Army

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Charles D. Franklin, xxx-xx-xxxx, U.S. Army.

Foreign Service

Foreign Service nominations beginning James L. Blow, and ending Emilio F. Iodice, which nominations were received by the Senate and appeared in the Congressional Record on July 15, 1987.

NOMINATIONS TO THE AMTRAK BOARD OF DIRECTORS

Mr. LAUTENBERG. Mr. President, the Senate today is confirming the nominations of three persons to the board of directors of Amtrak. Two of the nominees, Charles Luna and Robert Orr, have been on the board, and are being confirmed to continue their service. The third nominee, Darrell Trent, has not served on the board before.

Mr. Trent was nominated to take the seat of board member Ross Rowland, of New Jersey. Mr. Rowland, in 4 years of service, consistently demonstrated his support for Amtrak. In fact, the level of that support may have been the reason he was not renominated by the President, and cost him his position on the board.

These nominations have gone through the committee review process, and the nominees have been approved for action by the full Senate. I do not intend to stand in the way of these nominations. However, I do want to take this opportunity to voice my concern over the administration's attitude toward Amtrak.

It is no secret that the administration does not support the continued existence of Amtrak. For the last several years, the President has sent up a budget requesting no funds for Amtrak. For the fiscal year 1988, the administration seeks not only to eliminate funding for Amtrak, but also to sell off Amtrak's Northeast Corridor assets.

Each year, the Congress has rejected the administration's attempts. And, each year, Amtrak has continued to improve its status. Since 1981, revenues to cost ratio has increased from 48 percent to an expected 65 percent this year. Amtrak usage continues to rise. Last year, 21 million people used Amtrak. Total passenger miles also reached new highs.

Amtrak is a vital link in a balanced national transportation network. In order to continue to thrive economically, we must have a viable passenger rail network. Other modes of transportation, such as highways and aviation, could not absorb Amtrak's passenger load. It is truly in the national best interest to continue to support Amtrak.

Mr. Luna and Mr. Orr have served as board members, and have demonstrated their support for passenger rail service. And they can share in the credit for making Amtrak better and more efficient.

Mr. Trent does not have such a record. As a former official in the Reagan Department of Transportation, and as a nominee of this administration, it is likely that he shares many of the views of the administration. It is for this reason that I had some reservations about Mr. Trent's nomination.

I do not know Mr. Trent, and hold nothing against him personally. However, I do feel that it is appropriate to be concerned about the intentions of a nominee to the Amtrak board. Any nominee should go on the board with the intention of supporting Amtrak, and should be intent on making the system better and more self-sufficient.

In hearings before the Commerce Committee, Mr. Trent satisfied the committee that he is committed to a strong rail passenger network, and that he would not take a spot on the board with preconceived ideas and intentions about eliminating funding for Amtrak.

Mr. President, Mr. Trent was stated his support for a viable Amtrak. And he is today being confirmed for membership on the board of directors. We are taking Mr. Trent at his word, and entrusting him with an important role in the day to day operations of Amtrak. I urge Mr. Trent to be true to his words, and to support the national rail passenger system that is Amtrak.

Mr. BYRD. Mr. President, I thank the distinguished Senator.

Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER**. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. **CHILES**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it so ordered.

DEBT LIMIT EXTENSION

Mr. **CHILES**. Mr. President, in just a few minutes we are going to be sending an amendment to the desk, the Good Lord willing, and if the creek does not rise we are, and that will be an amendment by the Senator from Texas, the Senator from Florida and the Senator from New Mexico. The distinguished majority leader and minority leader will be also on that amendment.

Mr. President, while we are waiting to do that I just want to say if we have proven one thing these past few weeks, I think it is that the U.S. Senate is serious about deficit reduction. It has taken an awful lot of time and a lot of hard work.

But, for the first time this year, we've had genuine involvement from both parties. When you talk, when you work together, you improve the odds on progress.

This amendment reflects genuine progress.

This amendment makes sequester truly automatic, and that's at the heart of the deficit reduction progress.

Over the last several weeks, we've all said sequester would be awful. It would put Congress and the President right between the crosshairs of the gunsight. And if it ever comes to that, that's exactly where we'll be.

But we've talked so much about automatic sequester, it almost sounds like Congress is throwing in the towel and abdicating its responsibility. Actually, it's exactly the reverse.

Congress itself is imposing this discipline. It is not being imposed on us from the outside. We are doing it ourselves. We are saying to the Nation—as loud and clear as we can—we are serious. We are either going to do this deficit reduction, or you will know the reason why, and the people responsible.

The amendment revises the original Gramm-Rudman-Hollings targets by about $50 billion a year. I said, "revises." Let's not hedge. It raises the targets. Nobody should mistake that change for a step backward.

We need to revise the targets because they were wrong to begin with. When Gramm-Rudman-Hollings was approved, it was approved on the basis of a deficit estimate that was off by $50 billion. So right from the beginning, the law came with an economic and political blasting cap. And it did not take long for it to go off.

We spent the first half of this year haggling over targets and who met them. Nobody met them. Not the Congress and not the President. We established that. But it does not do any good to blame each other for not doing something that was not doable in the first place. So the targets are finally revised in line with realistic estimates.

The target for fiscal 1988 is $150 billion. That is $36 billion below the current CBO baseline estimate. That is real money. Those are real savings. And that is very important.

If we were to depend on just the fixed target for fiscal 1989—and we ran into a recession—the target would not be credible. It could even feed a recession.

As the economy gets worse, the baseline deficit goes up. That puts more distance between an increasing deficit and the deficit target. It means we would have to cut even more.

For fiscal 1989, automatic sequester can be avoided if we achieve $36 billion in deficit reduction.

Under the terms of the amendment the deficit reduction targets are $130 billion for fiscal 1989; $90 billion for fiscal 1990; $45 billion for fiscal 1991, and zero for fiscal 1992.

Mr. President, it is very important to keep in mind what those targets mean. What they mean is a reaffirmation of our commitment to wiping out the deficit on a 5-year timetable. That was at the center of the Gramm-Rudman-Hollings plan, and it is at the center of this amendment.

As to the actual procedure under this amendment, it includes a combined review by the Congressional Budget Office, the Office of Management and Budget, and the General Accounting Office. They will assess the economics and give us a report on how much has been saved, and how much more has to be done. For 1988, the amendment sets up an expedited review of the sequester situation.

For fiscal 1989 and beyond, there are provisions for congressional setting of economic assumptions.

Mr. President, this amendment gives us the opportunity to test a 2-year appropriations cycle on selected subfunctions of the budget.

It will prevent us from using the gimmick of delaying or advancing Government payments to achieve mere ledger savings.

Under this amendment, we will move toward sound financial management reform. Right now we have over 400 accounting systems throughout the Government and they do not all fit together. This amendment will give us the chance to get that house in order.

We will talk about these and other provisions throughout the course of the debate.

But let us keep some central facts in mind.

This amendment wrings out the pretense and shadows from the budget process. The orders of the day are changing. We want to reduce politics as usual down to the core which is deficit reduction because it's essential.

This amendment puts the deficit targets in focus. They are not fuzzy anymore. They aren't bloated any more. They are there for us to reach, and the amendment gives us the tools to reach them.

This amendment irons out the constitutional problems and redirects them back where they belong—to the Congress and to the President who have to cooperate on the deficit or face the consequences of sequester.

Make no mistake. This is no excursion in the tool box. These are basic changes to the engine.

The question that is always asked—given the widespread interest in the process—is this: Is it perfect? No. I think it can be improved. It does not have everything I want, and does not do things exactly the way I would do them.

But we will take this to conference, and we will see what more can be done to make it better. But this is really the first bipartisan budget initiative of the year in the Senate. There are many minds, and plenty of work in it.

I hope the Senate will approve the amendment, stick to the changes it makes, and get rid of the deficit once and for all.

The **PRESIDING OFFICER**. The Senator from New Mexico.

Mr. **DOMENICI**. Mr. President, I think the amendment will be ready shortly and, obviously, we will send it to the desk and start down the path of seeing what the U.S. Senate thinks about it.

Mr. President, I had occasion during the debate on the trade bill to talk about the future. Frankly, I am thinking back on that statement which I spent a lot of time on. And I remember saying the future for the United States and, as a matter of fact, the future for the world—because of major changes in the world economy and fantastic evolution of the free industrial countries and the great economy that the United States possesses which seems to be resilient enough to change and adjust to almost everything and almost anything—I remember saying the one thing that is not very good as we enter the next two or three decades and is a real drag on my optimism and obviously on the future as I see it, is the lingering deficit of the U.S. Government; the fact that we just have been absolutely unable, almost historically unable, to produce balanced budgets where we are living within our means.

And since I really believe that, and since I really believe the most important ingredients in our future are the interest rates our people pay, both individuals and businesses and the international community—and they must come down, not up—the formation of capital to be used by business, large and small, so that we can make the kind of changes and create the kind of jobs that our people deserve, and our participation in a world economy on a footing that permits us to use our ingenuity and really compete, all of those things that I have mentioned that are positive are inextricably tied to our national deficit and our constant, lingering inability to control it.

So I hope that whether it is this evening late, or sometime tomorrow, that the fact that we have put together a bipartisan, enforceable budget process which will bring these deficits down under the threat of chaos and commotion in our Government—I have frequently called it a planned train wreck in the past—the fact that we have, in a bipartisan manner, been able to put this together, through complicated, difficult, hard negotiations, is intended by me, at least to send a very clear signal. While we may differ on how to get there, while we may differ on what we ought to do to reduce this deficit, that we stand together, the leadership of the Democratic Party—and they are on this amendment—the leadership of the Republican Party—and they are on this amendment—we stand shoulder to shoulder on this one commitment. Since we are unable, between the executive and legislative branches of Government to get together year in and year out and produce budgets that are constrained and bring the deficit under control, that we are going to do the very next best thing and that is to adopt an automatic budget control mechanism.

Automatic not in the sense that we are going to put anything on automatic pilot, but, rather, there will be an automatic reduction of the deficit if we collectively—the U.S. Senate, U.S. House, President of the United States—are unable annually to arrive at a deficit and tax plan to provide for our national defense, our domestic needs, and the revenue for it. If we are unable, then Congress has set in motion a process which will do it for us in an automatic, arbitrary kind of way, a way that none of us want to see happen and a way that we are committing ourselves in a sense today, I think, or at least when we adopt it—committing ourselves to avoid, not avoid in the sense of finding ways out of it, but avoid it by doing our job.

Mr. President, we will soon introduce the amendment and we will go into detail, but let me suggest right here at the outset that this was difficult. I am most appreciative of the cooperation that existed between the distinguished chairman of the Budget Committee, the distinguished original cosponsor of this concept, and it is intact—its targets are changed because of the reality of things and a few other concepts are changed but it is basically intact—I thank him, Senator GRAMM, for his cooperation.

If we look and sound a bit ragged around the edges tonight and if we are not totally filled with laughter and smiles, it is because we are tired and because it has been rough and because it is complicated.

Having said that, I am very hopeful that those who have questions about it will come down and ask them. We think we can explain most of them. We think they are reasonable.

I would like a few minutes later on to go through a few of the details as I see them that make this a very good plan, one that if we were finished with it, if there were no amendments and we come through both Houses and we are sending to the President, I would be very proud to be there when he signed it.

I hope there are not people around that think we can change it willy-nilly and do all kinds of other things and still have my support. I think we have done about as good a job as we can. We surely want to produce something that can become law and that will work.

Now I would yield the floor. I see the Senator from Texas here. I do not know if the amendment is ready yet, but I assume he would like to speak on what we are about to do.

The PRESIDING OFFICER. The Senator from Texas, Senator GRAMM, is recognized.

Mr. GRAMM. Mr. President, we will be ready to propose the amendment in a minute. I look forward to sending it to the desk more than I have looked forward to sending any amendment or provision to the desk since I have been in the Senate or the Congress.

I would like to join my two distinguished colleagues in thanking the people who have worked to make this possible. It has taken a long time. We have been intensely negotiating on this amendment for several weeks and the reason negotiations have been so difficult is that: First, this issue is important. We are setting out a 5-year program to do something that has happened only once since 1960 and that is to balance the Federal budget.

Second, this issue is complicated. The concepts may be simple and straightforward, but the process of trying to convert those simple ideas into laws that people can understand, laws that can be enforced by the bureaucracy that forms the backbone of this process, is very difficult and very complicated. I want to thank the distinguished chairman of the Budget Committee, the Senator from Florida, Mr. CHILES, and the distinguished Senator from New Mexico, Senator DOMENICI, for their patience, leadership, knowledge, and dedication to this process.

Mr. President, on December 11, 1985, Congress adopted and sent to the President, which he signed into law, the Balanced Budget and Emergency Deficit Control Act of 1985, otherwise known as the Gramm-Rudman-Hollings law.

It was an ambitious law. It was a law passed out of desperation and frustration with a process that had clearly failed. The budget deficit had skyrocketed. The deficit was being projected at $200 billion as far as the eye could see, in the words of one who was standing on the mountaintop looking out and probably had as good a view of it as anyone else.

We adopted the bill as a way of committing ourselves to dealing with the deficit problem. There were those at the time who said this law was an abdication of responsibility, that we ought to just be balancing the budget instead of talking about it; that this was process and not substance. In fact, some people still make those comments.

But, as we have learned, as part of the genius of the American experiment, process is substance.

The problem with the current system is that every time a spending bill or amendment comes to the floor, all the groups who want something from the Federal Government are looking over the Congressman's right shoulder, and are sending letters back home telling people whether he cares about the old, the poor, the sick, the tired, the bicycle rider, and the list goes on and on and on.

Very seldom, as we vote to spend money, is anybody looking over the left shoulder telling people whether we care about those who do the work, pay the taxes, pull the wagon, and care about the future of America.

So we decided to put into place a binding system that forced us to reduce the deficit in five equal parts to zero over a 5-year period. We required the President to submit budgets that met those deficit targets; and we made it not in order to adopt budgets that did not meet the deficit targets. We made the budget binding for the first time ever by creating supermajority points of order to try to enforce.

We ran into a problem almost immediately because, as part of the political compromise, we had to have some outside authority determine the size of the deficit to determine if, in fact, we met the targets. We chose the General Accounting Office because we had confidence in it, because it certified accounts on behalf of the Federal Government, and because we felt that

GAO would be an objective third party.

We all knew that there had been a constitutional dispute for 60 years, going back to the Budget and Accounting Act of 1921, concerning whether the Director of the General Accounting Office, the Comptroller General of the United States, worked for Congress or for the President.

In fact, we had had several courts rule both ways on the issue, but we decided as part of a compromise to let him be the final arbiter of the size of the deficit. Then we included a backup provision so that if the GAO involvement were struck down by the courts, then Congress would vote to certify the deficit and the President would sign it into law. We would then go from an automatic procedure to one of congressional discretion.

When the Supreme Court rules that the Comptroller General was indeed an officer of the legislative branch, thereby taking away many responsibilities that he carried out other than those under Gramm-Rudman-Hollings, we were forced to implement the backup mechanism.

The disciplining agent of the original Gramm-Rudman-Hollings law was a combination of a club in the closet and a shield. The club in the closet was that not only did the President have to submit budgets that met the targets, not only could we not consider the budgets if they did not meet the targets, not only were the budgets binding; but also at the end of the budget process, which is the beginning of the fiscal year, we had this film that we had taken which told the American people what a pretty picture it was, and then we had it developed. The developed film told us whether or not we had done the job.

The way the bill was initially adopted, if we did not meet the targets, then there were across-the-board cuts that took place automatically. We then had 45 days to come to our senses and go back and reduce the deficit or the cuts became permanent. That club in the closet was a very strong disciplining device, because no one wants the automatic across-the-board cuts to go into effect.

It was also a political shield, Mr. President, because if we are all beseiged by special interests that want something from the Federal Government, every Member is in the position to say, "I would like to vote to give you this, but we are under a binding budget constraint and if I voted to give you this money, it might trigger an across-the-board cut that would hurt everybody."

We have not achieved everything with the original law we had hoped for, partly because the club in the closet and the shield were eliminated by the Supreme Court ruling. Congress knew that it did not have to pull the trigger on the sequester order and, as a result, we did not do the job that was required to reduce the deficit.

But I think it is very important to reinvigorate the Gramm-Rudman-Hollings law. I think it is important to note two things: First, we are here because after 2 years of experience we are convinced as an overwhelming bipartisan majority, I predict before a vote is taken, that this is the only way that we are going to balance the Federal budget. Unless we can fix this law or come up with something better, which we have not done, we are not going to get the job of controlling the Federal deficit done.

The second reason we are here is that while we did lose the club in the closet in the law, that is, we have been hitting only on three cylinders instead of six, the plain truth is we have made remarkable success. The budget adopted and put into place before the law was adopted resulted in a deficit of $233 billion, the largest deficit in American history. That deficit resulted from a budget that was adopted and in place and which had been appropriated before the Gramm-Rudman-Hollings law was enacted.

Under this law, will all of its imperfections and with the weakened process that came from the Supreme Court decision, we have reduced that deficit from $233 billion down to $161 billion. That is the largest deficit reduction in American history. That $72 billion has gone into the private sector to build new homes, new farms, new factories, and to generate new economic growth.

I am not claiming for a minute that the Gramm-Rudman-Hollings law did all that by itself, but I do not think there is anybody here who would argue that the deficit would not have fallen by $72 billion without the enforced budget process, without the targets, or without the limited discipline we have had even in lieu of the Supreme Court decision.

So we are here today to put the teeth back into the Gramm-Rudman-Hollings law.

First, we are going to make the targets realistic. The distinguished chairman of the Budget Committee alluded to the fact that when we wrote the bill, we were projecting a deficit of $172 billion. We already knew the deficit was higher, but when we went to conference we were unable to accept that fact into law. As a result, the law started to bring the deficit down from $172 billion when, in fact, at that time the deficit was $233 billion. What we are doing here is recognizing the fact that we were $50 billion behind the power curve when we started.

Second, we are here because during the last 7 or 8 months we have seen a new surge in spending. The markets initially reacted to the passage of the Gramm-Rudman-Hollings law by believing that there was going to be something done to reduce the deficit and as a result interest rates declined, housing starts were up, the economy started moving forward and the deficit began going down. As a result of a belief in the last few months that all that pressure on spending was being reversed, interest rates are back up and the deficit has started to rise again. If we do nothing, the deficit will rise next year to $186 billion and, if we do nothing during fiscal year 1988, it will rise to $198 billion by 1989. In other words, we will be right back where we started. This law will have been a 2-year blip on the trend line and it will have had no long-term impact.

We are committing ourselves here to lower the deficit in an orderly fashion from $150 billion to zero in fiscal year 1992. I believe that this is a program that can and will work. I think it is a good proposal, it is practical, and the targets are achievable. I believe that if we can adopt this amendment, if we can go to conference and come out with something very close to this, and if it is signed into law, then we can make it work. We will give the American people what over 80 percent of them say in every poll they want, a balanced Federal budget.

I want to say a little bit about the process changes in the amendment. The process is basically the same process that we adopted last year which died in conference. It is a process that has the Director of the Office of Management and Budget be the final certifier of the deficit since he is appointed by the President, and that meets the constitutional requirement. But CBO is still involved in the process. GAO is involved in auditing the joint report. Then Congress has a final opportunity to come back in with the last bite out of the apple if we think that OMB has not produced realistic projections.

We have also imposed some very real constraints on the Office of Management and Budget in terms of spendout rates, and in terms of what they can assume. We have mandated, for example, since we all know that agriculture deficiency payments are going to be advanced, that they be counted that way from the beginning.

We have realism in the budget set of assumptions.

To the extent possible within the constitutional constraints, we have converted OMB's function to a green eyeshade function of simply projecting what the deficit is.

This is a package that I believe can be successful. I commend it to Members of the Senate. I hope we get broad-based bipartisan support for it.

It is going to be difficult to live up to the commitments we make. Since this process will be binding and if the Congress and the President cannot meet the targets, there will be an across-the-board cut, then we will have an opportunity to come to our senses and reduce the deficit. If we fail to do that, the across-the-board cuts will go into effect. For the 5 years that this law is kept in force, that will be the sword of Damocles that hangs over the Congress.

But what are the payoffs? The payoff is that the $200 billion a year that is going to finance the Federal deficit can go into the private sector of the economy. This $200 billion a year can generate new technology and new economic growth in the United States. It can make us competitive on the world market again and can give our children and grandchildren and all those future generations who will call themselves Americans the opportunity that we have always expected, that we have always had in the past, and that I believe we can always have in the future. The choice we are making here is a choice about America's future. I believe that by adopting this commitment to balance the Federal budget, we are doing something that may not be popular over the next 5 years. Before we balance the budget, in terms of public perception, we must go through Valley Forge before we get to Yorktown.

In supporting this agreement you are committing yourselves to a lot of hard votes, votes that will be unpopular back home. But I believe that you are also committing the Nation to a course that is going to produce a brighter future for all of our citizens. That is why this is the right thing to do. I urge my colleagues to adopt the amendment which we will be introducing soon.

Mr. DIXON addressed the Chair.

The PRESIDING OFFICER (Mr. DASCHLE). The Senator from Illinois.

Mr. DIXON. Mr. President, I wonder if my friend from Texas would accommodate me by answering a few questions that will clarify for this Senator what has been accomplished.

I congratulate my friend from Texas, my friend from South Carolina, who I now see on the floor, my friend from New Mexico, and the manager from Florida, for the work they have done to bring about this compromise, because I support the concept. Speaking on my own behalf only, I am absolutely delighted that the conflicting points of view have been resolved. Now I would like to clarify what has been accomplished.

First of all, I understand that the $36 billion, sort of floating reduction option that had been made available in the so-called Chiles amendment, which was rejected the other night, is out of this accommodation now; that is no longer part of this amendment?

Mr. GRAMM. If the distinguished Senator will yield, we have fixed targets now but we do have one element of the Chiles approach in the bill. In fiscal year 1989, we have two ways that you can avoid a sequester.

The reason for the dual approach in fiscal year 1989 is because the tax reform bill gave us a revenue surge this year and we do not know what the revenue impact of tax reform is going to be next year. Basically we have the fixed targets of $150, $130, $90, $45, and zero, with no deviation except in fiscal year 1989. Because of uncertainty about revenues under the tax reform package, if the deficit is reduced by more than $36 billion by policy changes; that is, actions taken by the President or by the Congress, and we still do not meet the targets because something like a huge revenue shortfall occurs, then there would be no sequester order for that year. However, we would be right back committed to $90 billion the next year.

Mr. DIXON. I understand that. In other words, the second question I think has been answered. Your firm threshold requirements for the 5 years are $150, $130, $90, $45, and zero. The explanation the Senator has given me to question 1 is that in the second year, where the target is $130 billion, the alternative in that year only would be a $36 billion reduction if you could not achieve the 130 that year by virtue of the tax reform legislation.

Mr. GRAMM. That is right.

Mr. DIXON. Is that the answer?

Mr. GRAMM. Basically, that is the answer.

Mr. DIXON. One other question just for my own information. Maybe others will not be this concerned about it. I am curious how you arrived at those numbers—for instance, a $20 billion drop from 150 to 130, a $40 billion drop from 130 to 90, then a $45 billion drop, and finally another $45 billion drop, as distinguished from the other legislation by the Senator from Texas and my colleague from South Carolina where it was in $36 billion increments a year.

Mr. GRAMM. Let me explain what happened. The Senator may remember an amendment that the Senator from New Mexico and I offered together to the tax reform bill. Under the tax reform bill, we were projecting about a $20 billion increase in revenue in the first year and then in the next two years, a fall of about $20 billion in revenues. Senator DOMENICI and I offered an amendment that said in the first year you cannot count the $20 billion overage towards deficit reduction that year; you have to apply it to the deficit in the second and third years. We adopted that amendment in the Senate. Unfortunately it died in conference.

Thus, we ended up with a revenue surge that makes the first year of deficit reduction easier, but the second year it is virtually impossible to reduce the deficit given the revenue decline. The current services, deficit projection for fiscal year 1988 that CBO has released is about $186 billion. Therefore, unless something improves by the time we take these snapshots for the sequester report, we are going to have to reduce the deficit by $36 billion to meet the $150 billion target. But because of the tax reform bill and because of the increase in interest rates, the deficit, with no action by Congress, will go up to $198 billion in fiscal year 1989. So even if we got the $36 billion in reductions to meet the $150 target, we would still have to get $36 billion more to meet the $130 target in fiscal year 1989. Then as the impact of the tax reform bill winds its way through the system, by the time we get to 1990, the deficit will start to come back down. This results in a $40 billion reduction from the previous year's deficit, but only a $36 billion reduction from the current services deficit.

The same result occurs between fiscal years 1990 and 1991. While we are requiring a $45 billion reduction between years, the deficit is decreasing so that the required policy changes are again about $36 billion. That is the logic behind these numbers.

Mr. DOMENICI. Will the Senator yield?

Mr. GRAMM. I will be happy to yield.

Mr. DOMENICI. Will my good friend from Illinois yield?

I think the Senator recalls the very lengthy debate on the tax bill; there was a famous expression that it was "tax neutral." But if you did not listen carefully the phrase that was added at the end of it was, it was tax neutral "over 5 years." Nobody told us that in each of the years it would follow the current policy projections of tax revenues but, rather, if you wanted to buy the assumptions and you added up all 5 years you ought to come out with the same total of revenues. One of the big reasons it was inevitable, in my opinion, that you have to not only change the targets but you could not have exactly $36- or $40- or $45-billion increments is because of that.

Also, the truth of the matter is that right now, at least according to CBO—I think it is going to change. I think it is going to come down, but nonetheless they say the deficit is $186 billion. But 150 puts you right back into the ball park in terms of numbers. I do not think it is that big, but we had to do something. We had arrived, the majority and the minority—that is, the chairman and myself, Senator GRAMM—at the 150 on our own with our respective bills. If the Senator recalls, Senator CHILES had 150 in it also. Ours now follows the old format, 150 plus a $10 billion window, 130 plus a $10 billion window, for errors, miscalculations, and missed estimating. Each one has that $10 billion built in.

But they are firm. I hope no one votes against this because they do not think it is enough deficit reduction.

There may be some, and some may come down there and say, "We're not so sure we're going to cut enough in the first year."

I suggest that what our community out there wants, our people, and those who respond to our deficit lack of credibility, are fixed targets that are rational, not political, that are reasonable.

Mr. DIXON. If I may interrupt, the Senator touched on something that may be my next question.

Do you still have now in this amendment the protection in Congress if they miss the target within that $10 billion escape clause, as I call it, that we had in the prior law? Is that in this as well?

Mr. DOMENICI. It is in this, in each target year.

Mr. DIXON. There seems to be some misinterpretation by some I have heard talk about this. But my understanding is that you still have in the existing law, even without the amendment here, the protection of two no-growth quarters. Is that right?

Mr. GRAMM. That would not be changed.

Mr. DIXON. And it is still in here. I have heard people comment that some of these cuts might be too great in difficult times. I suggested at least twice—and the Senator from South Carolina was present—in our conferences that that is still part of the law. We have that escape clause.

Mr. GRAMM. Not only do we have the escape clause if there are two back-to-back quarters of no economic growth, but also, we have an escape clause if there is a projection of no economic growth.

Mr. DIXON. We still have the war emergency exemption?

Mr. GRAMM. Yes. In case of a declaration of war, we have a war emergency exemption.

Mr. DIXON. I am not clear—although the amendment, when we see it, may clarify this for me—but I am still not quite clear who checks on OMB. I have heard the Senator say that CBO and OMB are still involved in discussion about the numbers. But if OMB were to take, under some administration, a highly partisan position in respect to this that we disagree with, I am not clear how Congress gets in the picture by virtue of what you folks have agreed to in the compromise, and that is important.

Mr. GRAMM. First of all, for fiscal year 1988 we have agreed to take the CBO and OMB estimates of the 13 economic variables that ultimately determine what the deficit is and write the average of those into law. Those economic variables are set in fiscal year 1988.

Mr. DIXON. Yes, in the first year.

Mr. GRAMM. In the first year.

Mr. DIXON. And the second year?

Mr. GRAMM. In the second year, come the middle of August, hopefully we are through with the budget process. At that point, we have CBO and OMB meet together and make their projections of the deficit. Then we look at targets and say, "Did we meet them or did we not?"

The General Accounting Office then comes in and reviews OMB and CBO joint report, audits the accounts of the Federal Government and, reports its own projection of the deficit.

At that point, with CBO and OMB already having reported, and GAO having given its comments to Congress and the President and the American people, then this report of GAO goes back to OMB, and they certify the size of the deficit.

Mr. DIXON. Let us assume at that point that what OMB certifies is not harmonious with what CBO or, in particular, the General Accounting Office has said.

Mr. GRAMM. If it is not, then OMB must give a detailed explanation of any deviation between its report and the GAO report.

Mr. DIXON. OK.

Mr. GRAMM. Then we have a highly expedited, privileged procedure whereby if the temporary Joint Committee on Deficit Reduction feels that OMB has moved outside the range of legitimate projection—remember, we set out in law what the spend-out rates are; we set out in law how they have to consider advance deficiency payments; and we severely limit discretion—it may report alternative economic assumptions.

If it is felt by the committee that OMB went outside the bounds of being reasonable, then there is a highly expedited procedure whereby Congress could adopt a joint resolution setting out a baseline between what CBO said initially and what OMB said initially.

Mr. DIXON. When you say "between," it could be anywhere. It is not "split the difference." In other words, Congress would have the ultimate power to say, by virtue of a joint resolution that was authored by the Budget Committees of the two Houses, that insofar as that difference of, let us say, $18 billion between OMB on the one hand and CBO and GAO on the other hand—let us say they agree—we can take any number in there; and if we can persuade them—is it a simple majority?

Mr. GRAMM. A simple majority.

Mr. DIXON. If you can persuade a simple majority in both Houses that there was a different baseline number that should obtain, that would obtain.

Mr. GRAMM. It is set forth in a joint resolution. Remember, to get around the constitutional problem, it has to be a law.

Mr. DIXON. So it would be signed by the President.

Mr. GRAMM. That is right. Remember this——

Mr. DIXON. Let me see if I understand. The resolution is a joint resolution; it reflects the work product of the two committees; a majority vote of both Houses; and must be signed by the President.

Mr. GRAMM. Yes. It is unamendable. It cannot be recommitted. It cannot be filibustered. It has to come to the floor. It has to have an up or down vote. It is a totally privileged process.

Mr. DIXON. And if the President does not sign?

Mr. GRAMM. If the President does not sign, then we would have the opportunity to override the President's veto.

But if I might make two additional comments——

Mr. DIXON. The concern I obviously have is that some of us have had problems with OMB because we think it can be an administrative functioning arm of the Chief Executive.

I see a little bit of a dichotomy in some of the things you are talking about here. I have a little difficulty imagining Congress disagreeing in some fairly substantial amount with OMB and having the President then agree with Congress. That troubles me a little.

Mr. GRAMM. First of all, on the only sequester order we have ever had, the economic assumptions—what we would have the right under this expedited provision to rewrite—the difference between OMB and CBO was $500 million.

Mr. DIXON. I realize that. That was the first year, and when the sequestration actually took place, that is what the Senator refers to.

Mr. GRAMM. Remember, if you make it easy one year with the fixed targets, then you simply compound the problem the second year. There is a cumulative effect, which is one of the advantages of a fixed target. This cumulative effect prevents either Congress or the President from trying to influence their relative budget arm to cheat on the system.

Mr. DIXON. I might only make this observation to my distinguished friend, that by and large I like everything so far. If I sense one place where at least this Senator sees some weakness, it might be addressing this subject because I am not persuaded the President is going to sign a joint resolution that is in particularly substantial disagreement with OMB. I do not say that will dissuade me from what is being done.

Mr. GRAMM. If I might respond one more time. After GAO has audited CBO and OMB and once they have released their initial reports, you are going to have a tremendous amount of pressure in terms of public opinion and congressional opinion, and some constraint on the administration and the Director of the Office of Management and Budget who will have been appointed by the President, approved by the Congress; which will act as a constraint on the willingness of the administration and OMB to deviate from something within reason.

Mr. DIXON. OK. Let me ask two final questions and I will conclude.

This is important to me. My colleague from Texas knows that we both serve on the Armed Services Committee. We have certain fixed opinions about what our sense of priorities are with respect to our national security interests.

I think the Senator from Texas knows that I am very, very strongly opposed to giving the Chief Executive discretionary power with respect to the weapons system. I do not have too much problem with respect to personnel. Is it implicit, I ask my colleague from Texas, in the discussions that have transpired between the three principals that are on the floor, the Senator from New Mexico who is off it, that we are not going to go through some separate distinct other exercise where we are divided on that question?

Mr. GRAMM. If I might say to my distinguished colleague, we worked out what I believe is a reasonable compromise and one that I intend to support.

Mr. DIXON. I thank the Senator, and I interpret that to mean that the Senator will support this concept, leaving to the Congress those who might be of the very liberal persuasion subject to the deep bite on the domestic social programs and the President who might be disposed to some of his pet choices in the defense initiatives subject to that same deep bite without any discretionary authority.

Mr. GRAMM. I might say, if the distinguished Senator from Illinois is going to support the proposal on that basis, then I will certainly defend it with all my strength.

Mr. DIXON. The Senator is a generous, generous man.

My final question is this. I have heard so many different numbers that I am not quite clear. What is the number working from this year in working toward the threshold number? What does the Senator say that number is?

Mr. GRAMM. Well, we only have one estimate and even that estimate is being revised that estimate protects the deficit to be, and not including the sale of REA loans, about $186 billion. Now this bill, if adopted, is going to require that CBO and OMB report on their economic baselines so they can actually be written into the conference report that will accompany this debt resolution. I understand that CBO is now making it's final determination, and OMB is making it's final determination, so I do not believe that CBO has officially set out the $186 billion, but that is the only estimate we have for the first year and $198 billion for the second.

Mr. DIXON. But do I understand from what the Senator has said that the Senator and my distinguished friend and colleague, the manager and the Republican manager, and others, have made the kind of inquiries that make them feel that is a fairly reliable figure on the basis of what we know on this day?

Mr. GRAMM. As of right now it is the only figure we have.

Mr. DIXON. I simply want to say, Mr. President, that I thank the Senator from Texas for clarifying for this Senator what this amendment does and I feel sincerely that the distinguished manager, the Senator from Florida, the Senator from Texas, the Senator from New Mexico, the Senator from South Carolina, have made a very important and substantial contribution in the efforts that they have been devotedly involved in for the last few days, and certainly I will support with great enthusiasm, may I say, this amendment when it is appropriately offered at the appropriate time by my friend and colleague, the distinguished senior Senator from Florida, and I congratulate them all on a job very well done.

Thank you.

I yield back the floor, Mr. President.

Mr. CONRAD. Mr. President, will the Senator from Texas yield for a question?

Mr. GRAMM. I am happy to answer a question.

Mr. CONRAD. My understanding for fiscal 1988 in the proposal that will be before us soon is that the deficit target would be $150 billion plus a tolerance level of $10 billion. Is that correct?

Mr. GRAMM. If I might explain, if the deficit in the final determination by CBO, OMB, and GAO was $150 billion plus a margin of error of $10 billion, then there would be no sequester order. If it was $150 billion plus $11 billion, then you would sequester all the way back to the $150 billion.

Mr. CONRAD. You would sequester all the way back to the $150 billion?

Mr. GRAMM. That is right.

Mr. CONRAD. But you would not have a sequester if you were below or equal to $160 billion. Is that correct?

Mr. GRAMM. The way it is written, the $10 billion provides a margin of error and so if you were below $160 billion, you would not have a sequester order. If you were above $160 billion, you would sequester all the way back to $150 billion.

Mr. CONRAD. Let me continue then and just express my own concern, that in fiscal 1986 we were headed for a budget deficit, CBO has just told us, of $161 billion. In fiscal 1988, there would be no sequester if we have a deficit of $160 billion or below. In other words, through this mechanism we have no assurance of year-to-year deficit reduction from fiscal 1987 to fiscal 1988. Is that a correct construction?

Mr. GRAMM. That is correct.

If the distinguished Senator would yield further, you need to realize that this $161 billion deficit is produced in part by a one-time windfall in fiscal 1987 of $20 billion of revenues from tax reform. So the deficit on the basis of the revenues we are expecting for the coming year would be $181 billion, not $161 billion. Interest rates have gone up and not down, and that is catching only the tail end of fiscal year 1987, but it is going to hit fiscal year 1988 from the start and the combination of the two means that the fiscal year 1988 deficit, with current interest rates and without that tax windfall will be about $186 billion.

Mr. CONRAD. I understand that. My concern, as I think the distinguished Senator from Texas knows well, is that we are sending a clear and distinct message to the American people that we are committed to year-to-year deficit reduction. If we go back to Gramm-Rudman-Hollings that existed last year, there was year-to-year deficit reduction. There was an understanding then that the tax bill would have certain unintended effects but there was, nonetheless, a commitment to year-to-year deficit reduction.

I for one am disturbed that we do not have that same commitment in the first year of this proposal. I think that hurts the credibility of the proposal with the American people.

I am further concerned that in fiscal 1989, as I understand it, we have a target of $130 billion. Is that correct?

Mr. GRAMM. That is correct.

Mr. CONRAD. $130 billion. But that is not a fixed target in the sense that, as I understand it, if there is $36 billion of program changes, then we need not reach that target in order to avoid a sequester. Is that correct?

Mr. GRAMM. That is correct. The reason is that in 1989 because of the tax reform package, there is a tremendous amount of uncertainty with regard to what revenues are going to be, as a result, we have included this one-time provision until we gain some experience with the new tax policy. If Congress and the President make a $36 billion reduction in fiscal 1989 as a result of policy changes in the deficit, in that year there would not be a sequester.

Mr. CONRAD. Again, my concern flows from the fact that again we are not assured then of year-to-year deficit reduction in the first 2 years of this plan and yet at the end of the plan in the last 2 years of the plan, then we have fixed targets set out in this fix. Is that correct in the last years there were fixed targets?

Mr. GRAMM. It is correct. If I may say to the distinguished Senator, I go back to the point that I made earlier about the tax bill. We had a requirement that it be deficit neutral over 5 years, but we all knew that there were year to year fluctuations. In fact, an amendment that I offered with the distinguished Senator from New Mexico, which was adopted by the Senate, said do not count as deficit reduction the $20 billion windfall the first year because during the next 2 years you have a $20 billion loss. Our amendment said we should set aside the $20 billion and only score it in those years with revenue losses. Unfortunately, the amendment was not retained in conference.

The reason that you can project a $36 billion deficit reduction from current services in fiscal year 1988, but can get a $45 billion reduction between 1990 and 1991 is because we are estimating that revenues will start rising again and the deficit will start falling without any congressional action. That is where this kink comes from in the targets.

Mr. CONRAD. I understand that. We were in a posture, however, when we had the original Gramm-Rudman-Hollings of uncertainty about revenue. There is always uncertainty about revenue, certainly greater uncertainty when we introduce a tax reform measure. But in that bill, we had clear targets set out year to year and it was clear year-to-year deficit reduction.

And now, in the first year of this new plan, what concerns me greatly is that we have no assured deficit reduction in the first year. In the second year, we have an unfixed target which means we might be faced with a situation in which we have no deficit reduction the second year. And then we start getting fixed targets. And I am a little concerned that we have got a bifurcated approach here, one in which you have assured deficit reduction toward the end of the program, but at the front end of the program, no year-to-year reduction from the 1987 to 1988 and no fixed target in 1989. And it is hard to tell in 1990 and 1991 that you are on a fixed target basis.

Mr. GRAMM. May I respond to that before the distinguished Senator continues? Let me make this point, and I say this as one who I believe has had a credible record at least in my efforts to reduce the deficit.

Our basic problem is that in 1985 we did not have a new tax system. We had a long experience with the existing tax system. Now we have adopted a new system. We all knew it was going to have a $20 billion revenue surge in fiscal 1987, so we are all celebrating the deficit decrease to $161 billion down from $233 billion and assisted by that nonrecurring $20 billion revenue. Second, there is that uncertainty I mentioned about revenues in 1989.

But I want to say this to my distinguished colleague, if we do not fix Gramm-Rudman, the deficit is not going to be $161 billion this year, because we are going to see a surge of spending here at the end of the year and it is going to be $170 billion. If we do not fix the Gramm-Rudman-Hollings law, the deficit is not going to be $186 billion next year, it is going to be $200 billion.

Maybe we do not reduce the deficit as fast as some would like. Quite frankly, I would have supported tougher targets, but I am not sure they would have been realistic. What I want to get out of this is a system that we have a fighting chance to try to make work.

As we know in my part of the country, you do not put a boot on by putting the tightest part of it on first. You slip your foot into the top of the boot. And it is real easy until you get down to where your foot starts to turn to go in the bottom of the boot. And then, if it is a good boot, you have straps on the side and you have to pull on those to get the boot on. If it is not that way, it does not wear well.

I hope my colleague will look beyond all the technical explanations—and I can justify these numbers on technical estimates, on tax reform, and on what has happened to interest rates, but it goes beyond that.

We spend around here on a back loaded basis. We pass a bill and we say, "Oh, this is only $100 million." And the first year it is $250 million, the next year it is $500 million, the next year it is a billion dollars and the next year it is $2 billion. And if anybody had known it was going to be $2 billion, they would never have voted for it.

I am just saying that, are we to believe that if you cannot spend money except by back loading programs, that you can save money in any other way? If we are going to get Congress to make this truly significant commitment to put itself under the gun, you cannot reach out the first year and seek some kind of economic miracle. And I think that, the fact that we could put in place a system that forces a discipline we do not now have would be a big enough justification to begin the process slowly.

But, the reality is that we are not going into it slowly. This is going to be tough. It is going to be hard to meet these targets. With next year's Presidential election, there is going to be an incentive to spend the taxpayer's money. In election years for the last 20 years Federal spending has grown by 11 percent a year. The incentive for the administration, any administration, to spend all this money in States with electoral votes is going to be huge. The incentive for Congress to spend money is going to be huge. Meeting that $130 billion target in fiscal 1989 is going to be the toughest challenge that any Congress in a decade is going to have, in my opinion, or going to have had.

Mr. CONRAD. And we have a target there that is not fixed, so we probably will not meet it at all. And that is of great concern to this Senator.

I must say I am not asking for an economic miracle. You talk about putting on boots. We put on boots in my part of the country, too. And I can tell you when you put on boots, the best way to put them on is to put them on.

What I am concerned about here is the very first year we are not making any year-to-year deficit progress. And I just think that sends the wrong signal.

I do not think it would be out of place to have a lower target than the one that is put in this particular measure. I would be interested in knowing the reaction of the Senator from Texas to a deficit target of, say, $135 billion with $5 billion in tolerance, or $140 billion with $5 billion of tolerance in the first year, instead of having the target of $150 billion plus $10 billion of tolerance which assures us, virtually assures us, we are going to have no year-to-year deficit reduction.

Mr. GRAMM. If the distinguished Senator will yield on that, and I will be brief, we are going to recess next Friday and then we are coming back in the middle of September. Then roughly 2½ weeks later we either meet the target or we have a sequester. So, we now have only about 3½ weeks to bring the deficit down by $36 billion to avoid a sequester.

I am simply saying that that is going to be a lot of heavy lifting. Even if CBO revises its estimate downward, because the economy is getting stronger in some areas, we are still looking at $25 or $30 billion. And trying to come up with $25 or $30 billion of deficit reduction in 3 weeks is going to be very, very difficult.

Mr. CONRAD. Will the Senator yield on that point?

Mr. GRAMM. I am happy to yield.

Mr. CONRAD. That brings me to the next question I have about this proposal. I would like at some point to ask the Senator from Florida about it as well.

But I would like to start with the reference that you have just made. My understanding is the budget resolution that we have put in place would take us to a fiscal 1988 deficit of approximately $152 billion. That is CBO's new number, about $152 billion. The numbers in this plan mean no sequester if you are $160 billion or below. So, based on the budget resolution we have already passed and worked months on, there would be no sequester. That assumes the $19 billion of revenue that the President says he will have no part of.

And let me just ask if what we have put in place here does not actually remove virtually all of the pressure on the President to go along with any revenue, and let me just set the stage as to how I get there. If we have $160 billion in this proposal before there is any sequester—$160 billion—and we are at $152 billion with revenue, $171 billion without revenue, that would leave the President with about a $20 billion potential sequester facing him; is that correct?

Mr. GRAMM. If Congress lived within the constraints of the spending it adopted in the budget resolution you would be looking, if you took your numbers, at about $171 billion deficit, which would be a $21 billion sequester.

But I remind my colleague that the Appropriations Committee, even today, could not come to a firm agreement on the allocation of the discretionary spending in budget.

So I am just simply saying that we cannot assume that the discipline of that budget is going to be fulfilled if we do not have some kind of binding constraint. But that is right, $21 billion is sequestered.

Mr. CONRAD. That is my understanding. Let me ask one other question. On the $10 billion tolerance level, it is my understanding that in the original Gramm-Rudman there was a $10 billion tolerance; in the additional Chiles' fix there was no $10 billion tolerance—is that correct? In the original Gramm-Rudman there was a $10 billion tolerance every year?

Mr. GRAMM. There has always been a $10 billion margin of error in the Gramm-Rudman-Hollings law. There was not in the initial Chiles' proposal this year.

Mr. CONRAD. All right. Now, is it not correct—it was my understanding, at least—that the $10 billion margin of error or tolerance level, call it what you will, in the original Gramm-Rudman, was so that when we had the summer correction, or the summer update by CBO and OMB, following the January or February numbers, that that $10 billion would be the margin of error or the tolerance level for the changes that one might find from the January or February forecast to the summer forecast?

Mr. GRAMM. It was a combination of things. First, The idea behind it was to provide a statistical margin of error. And second, a sequester is very expensive. It disrupts thousands of programs, affects millions of people, costs a lot of money.

So, the logic was that if you came within $10 billion of meeting the target, that it would be counterproductive to sequester anything less than $10 billion.

On the other hand, if you miss the target by more than 10 billion, you must cut all the way back to the target.

And remember, we are projecting what is going to happen economically over the next year, and we certainly would not be achieving our goals if we put everything through a cut only to have it turn out that all these economists at CBO and OMB were wrong.

So, we thought having a margin of error in the original bill of $10 billion, was a reasonable approach, remembering that we are not going to find perfection in any bill. What we are simply trying to do is come up with a workable program.

Mr. CONRAD. Well, let me just conclude by saying that I am concerned about not having year-to-year deficit reduction. I would much prefer and I think this proposal would be much stronger if you had a lower target, say $140 billion plus $5 billion of tolerance, rather than the $150 and 10.

At least then you would be able to go to the American people and say these are realistic targets that keep the commitment that was made previously to assure year-to-year deficit reduction.

I just do not think it sends a very good message to put in place a fix that in the very first year, right out of the box, we do not show year-to-year deficit reduction.

That concerns me. I would be interested in knowing if an amendment were offered that would lower the first year targets—not some draconian lowering, but something that would assure us of year-to-year deficit reduction, say $140 plus $5 billion of tolerance, if the Senator from Texas could accept that?

Mr. GRAMM. Well, it is like the question the distinguished Senator from Illinois asked me: Was I going to vote for something to allow more defense flexibility, which is something I believe in; and I told him no because I supported this package.

For the same reason I support the targets in this package, because they are part of the bipartisan compromise that we put together.

But I remind my colleague that if we went to a target of $140 billion just so we could go home and say we have guaranteed a reduction of the deficit from this year by $20 billion, which by the way would actually be $46 billion on the basis of what we are going to be scored on initially, we would have to reduce the deficit, between now and October 1, by $3 billion for every day we are in session in order to meet the target.

Mr. CONRAD. The Senator from Texas perhaps knows I have a plan that would do that. We can do it in a half hour, $3 billion, with not much pain associated with it, really, either. It would be 2 or 3 percent on budget authority. That is not a draconian reduction in spending. But that would get you those kinds of savings.

Then you could go to the American people and stand up tall and be forthright, look them in the eye and say, "We kept the faith. We gave you precisely what we promised to give you when we started down this road several years ago and that is year-to-year deficit reduction."

If it was acceptable on the other side of the aisle, would the Senator from Texas be willing to accept a smaller target, a lower target, greater deficit reduction in the first year and the second year for that matter?

Mr. GRAMM. If I might respond, this is a compromise that has been put together to try to get support on both sides of the aisle, to try to get a bill that the President will sign, and I just would like to conclude, unless there is another question, by saying this: We all have to ultimately decide: do we want to be judged on the basis of what we say we are for or for what we actually do? On our speeches or on our actions? That is the real question, I think.

I believe that if we choose to be judged on the basis of what actually happens to America and on the basis of our leadership, that this package that we have here, despite its imperfections, is a package that should be supported, and which, if implemented, is going to dramatically change the Congress and is going to dramatically change America.

We can all be for more than this, but I think, quite frankly, that this is all we have any realistic chance of getting. We may not get it.

So I am for this package. I think it is a good package. I am proud of it. I wish the deficit were coming down more quickly, but I want to tell you, it is hard to get the deficit to come down at all. I think that this bill, if adopted, is going to dramatically change the way we do business and that, at the end of your term, in 6 years, if we adopt this bill, the deficit is going to be dramatically lower than it is today—hopefully we will be balancing the budget.

On the other hand, I think that we might all come up with more that we would want to do but I think the reality instead would be that the deficit would probably be $200 billion a year without this kind of binding constraint. And that is the question we all have to ask, because legislation is compromise.

Do you want to be judged on what you say you prefer, so you can go back home and say well, I wanted to cut $50 billion or $60 billion? Or do you want to be judged on what actually happens to America?

It is on that basis that I urge my colleague—because I have a great deal of respect for him and for his sincerity on this budget issue, and I welcome both of those in this battle because it is going to be a long and hard one—that I urge my colleague to look at this. I hope he decides to support it because it is a step in the right direction; it is a very firm step and it is going to be a very difficult one before it is over, even this year. It is going to be very difficult.

Mr. CONRAD. Let me just conclude by saying I think the Senator from Texas knows—and the Senator from New Mexico—that I am very eager to see a fix. I am personally convinced that it is going to take a mechanism like this one to provide the discipline both down the street and here for us to achieve deficit reduction.

But I do think this particular package could be improved somewhat. I am not talking about some dramatic difference but I do think we would do well to think a little bit longer before we close out the possibility of revising the targets in the first 2 years so that we could absolutely assure the American people that we are going to have year-to-year deficit reduction.

Given the fact that we are still in a period of economic expansion, this is the time to bite the bullet. We do not know what the economy is going to be like 4 years down the road. I am a little concerned with fixed targets because of the economic implications. If we are in a period of recession, I understand there is some way of dealing with that in this provision. I have not seen those provisions yet. But I am concerned that we do not bite more of the bullet right now and assure the people that we are going to have year-to-year deficit reduction.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I think the distinguished Senator from Florida will be on the floor shortly. When he arrives, my friend from Texas will send the amendment to the desk. I think we should await the arrival of Senator Chiles because he will want to be here at that time.

Mr. President, I was discussing this measure in general terms and, frankly, in my remarks I said there will probably be some who would come down here and suggest that we ought to lower the targets to reduce the deficit more rapidly.

I might say to my friend from North Dakota I thought of you because I figured you would be here and that you would raise that point. I heard you ask whether lower targets would be acceptable. Let me suggest, not to me. I do not think it would be acceptable to those who have worked on the measure. But obviously, one of the really exciting things about the United States is that 51 Senators or a majority can make that kind of decision. I frankly would argue against it.

I can say to the U.S. Senate without any fear whatsoever, not an ounce or even a fraction of trepidation, that if we are concerned about the reaction of the American marketplace to our efforts here, that probably the most significant thing we can do is to pass a bipartisan, mandatory sequester to enforce fixed targets. I do not have one ounce of fear that they would not think, that marketplace looking at us, that with what they know about the projections that $150 billion for next year with a $10 billion float, and $130 billion the next year, with a maximum of $36 billion and right on down for 5 years—not one ounce of concern on this Senator's side that they are going to think that is not enough. What they are really going to be looking at is whether we are even going to do this. We are not sure we are even going to pass this, not at $140 billion or $130 billion for the first year, or $150 billion. There is no assurance that it is going to pass. We still have to go to conference. These measures have some way, somehow or another, of getting complicated and causing people to choose sides over issues that have far less to do with the reality of getting a real handle on the deficit in a way that will work, that is practical. They have a way of getting off on other things.

I predict before we are finished to night there will be discussions on the defense sequester question. There may be a few votes just on that issue.

So I say to may good friend from North Dakota who is a valued member on the majority side on the Budget Committee: I know of your genuine interest in reducing the deficit. Although you are a recent arival, I am absolutely complimentary of your quick grasp of this issue and of your willingness to make tough votes. I compliment you for that. I only hope that if this needs an extra vote, whenever it is that we finally say yea or nay to this bipartisan proposal, I hope you are on the yea side. I hope you have had an opportunity to try what you may to fix it, if that is what you want, but that you will be on the side of saying let us do this, rather than let this opportunity pass.

Now, Mr. President, I understand the distinguished Senator from Florida is here and we are ready to proceed.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

AMENDMENT NO. 645

(Purpose: To revise the procedures set forth in the Balanced Budget and Emergency Deficit Control Act of 1985, and for other purposes)

Mr. GRAMM. Mr. President, I sent an amendment to the desk on behalf of myself, Mr. Chiles, Mr. Dominici, Mr. Dole, Mr. Hollings, and Mr. Rudman, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Texas (Mr. Gramm), for himself, Mr. Chiles, Mr. Domenici, Mr. Dole, Mr. Hollings, and Mr. Rudman, proposes an amendment numbered 645.

Mr. GRAMM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

The text of amendment number 645 is printed in today's Record under Amendment Submitted.)

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SIMPSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SIMPSON. Mr. President, while our colleagues continue to work on this issue and they are doing that very capably—and I certainly hope we can reach a result—I want to commend them for the long hours and very hard work they have put into the effort which is now before the Senate.

All of us wait anxiously for the final product, and I look forward to a solid and bipartisan effort to address these real concerns about the Federal budget. It is obviously one of the most vexing things we do.

Each of us can point to provisions in this proposal that we might want to alter to fit our own preference, but this is a good compromise, and I believe it is one that we should all try to support. It is certainly not perfect, but no legislation is so devised. It is odd that people continue to expect perfection of us and do not have it in their own lives. That has been a very curious thing to me. I have also discovered in my tenure here that we are institutionally incapable of saying "no," and that is why we are working today to fix the budget straitjacket of Gramm-Rudman-Hollings.

When people say, "If you would just use your willpower and selfdiscipline," that is impossible, because the constituent groups of the United States have become as sophisticated as the machinery of Government and the machinery of commerce.

So, contrary to what some critics say of the Gramm-Rudman-Hollings law, our efforts in that direction have borne some fruit. We have begun to see a downward path on deficits. The only way we will ever get it done is through this kind of heavy-handed activity pressed upon ourselves.

The reinstatement of the sequestration mechanism will take us one step further along the road to some type of appropriate final product.

This package does not meet the original deficit targets which we established 2 years ago, but it will serve to meet the objectives of having a balanced budget by 1992. The original law has already forced Congress to begin paying for the programs it wants enacted by requiring a supermajority. I would hate to lose that provision. The new proposal corrects that and gives us the supermajority for any legislation which breaches the deficit targets, and that amendment will tighten that requirement.

This is not a popular step we take today. I do not want to see my favorite programs ripped up any more than the next person does, but I think we have to take the heavy medicine of the across-the-board sequestrations if we fail to do our job and we have failed.

I particularly thank Senators CHILES, DOMENICI, and GRAMM. Their efforts are absolutely tireless in trying to devise a mechanism whereby we can put the teeth back into Gramm-Rudman-Hollings. They work well together. The more interesting part is that we rely on them. There are other players: The Senator from Louisiana [Mr. JOHNSTON] and many others. But we have come to rely on Senators CHILES, DOMENICI, and GRAMM for our expertise and our background to prepare for the appropriateness of the debate.

ATTACK ON SENATOR METZENBAUM

Mr. SIMPSON. Mr. President, I also want to comment about the exchange on the floor yesterday among the Majority leader, the minority leader, Senator BOSCHWITZ, and Senator METZENBAUM regarding what I think was a most unfortunate "background memo" that had been prepared for potential opponents of Senator METZENBAUM.

I do not intend to revisit that issue in depth. I have not read the memo in question, nor do I intend to.

I agree with the Senators who said yesterday that there is really no place for this sort of thing even in the most competitive of political activity. Make no mistake, Mr. President: this is a pretty competitive place. Even more competitive is the heat of battle during a campaign. It is during campaigns that the tensions and pressures and frenetic activity reach a fever pitch.

I have come to know the Senator from Ohio [Mr. METZENBAUM], a remarkable gentleman, a colleague who knows a lot about toughness and competitiveness. Indeed, he does! He and I have been in some rather titanic scraps over the years that we have spent here together, particularly on the Judiciary Committee and on some energy and natural resource issues.

I also recall that we have been at odds a time or two with regard to Federal judges and Supreme Court judges and water policy and water projects!

From time to time, the Senator from Ohio and I have found ourselves on the same sides of certain issues, while one or the other of us might not have always been aware of that when we found ourselves too closely allied.

I have come to find that he can be an extraordinary ally to have on your side, in some tough, hard-fought battles, especially in conference committees.

I remember particularly in a bankruptcy conference committee and especially in the immigration conference committee, where Senator METZENBAUM would give me great support and counsel and encouragement in difficult times. I found that having him on your side can also give you quite a different perspective when you are next lined up against him.

You could see that no matter how maddening, intransigent, and frustrating he may get, at least as I read it, on any particular issue, there is a certain appropriateness to the manner in which he carries out his side of the scrap, at least if one tries to view it from his side.

So, I would rather deal with a man like that who comes right straight at you and whether you are for him or against him you have to respect that.

The latest episode was not straightforward, it was not credible and worst of all it was really not relevant. It is certainly not necessary to go back 30 or 40 years or even more "looking for dirt" on anyone, and all of us would flunk that test anyway in this place.

So, I just wanted to say that about my friend. His record is something his constituents can examine each year and they will do that and see whether they will be supportive or whether they will not, but there is certainly no need to dredge up irrelevancies and crudeness of the long past, and I regret that the entire episode occurred. It was most unfortunate.

I want to very much commend Senator BOSCHWITZ for the way he responded to the incident since once the memo was brought to his attention—although he was not previously aware of it—he stood on the floor of the Senate and took full responsibility and made full apologies to the Senator from Ohio. He would have done nothing less. It is typical of my dear friend, Senator BOSCHWITZ, and his graciousness.

There are some who would not have met that responsibility quite so "head-on" and he is to be commended for that.

Mr. President, I thank all Senators. I thank the Chair and I will yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from South Carolina.

Mr. BYRD. Mr. President, will the Senator yield to me?

Mr. HOLLINGS. I am glad to, and I will yield the floor.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, I have been discussing the outlook for the evening with the manager and the ranking manager and with Mr. JOHNSTON, who has an amendment to the pending amendment, and I was about to say that I think we ought to just go out and start again in the morning, start at 9:30 a.m. on the amendment.

Mr. JOHNSTON, I believe, has indicated that he believes he can be ready by 9:30 to begin to present his amendment and explain it.

Mr. JOHNSTON. Mr. President, if the Senator will yield, I will be ready to begin debate on the pending amendment, that is, what I would call the Gramm-Rudman amendment. I do not know that I will lay down an amendment at that time. I may want to discuss the principal amendment. I may have motions or I have not decided, frankly, on what the tactics will be, but I will be ready to begin on the bill at 9:30.

Mr. BYRD. At 9:30.

Could there be some debate tonight? Does the Senator want to speak on the pending amendment tonight?

Mr. JOHNSTON. I would not mind speaking a while if the Senator would like me to. But I will have to repeat it tomorrow because part of this is an educational process. I want Senators to understand what is in this amendment. I may end up, as I said a moment ago, getting educated myself. This is a very difficult, far-reaching amendment. It is so many pages, and to get an answer to it you have to go pull out the law book because it refers to various statutes. So I may end up getting educated myself.

But I think that the Members do not understand really what this is doing and I will want to have a full discussion on that before we vote.

I think the moment we say the Members are not going to be here, they will be long gone and, as an educational forum, this will not be very helpful.

Mr. BYRD. Very well.

Mr. President, I should state there will not be any more rollcall votes today.

The Senate will resume consideration of the pending amendment at 9:30 a.m. tomorrow morning. Tomorrow is Friday. I think we all should keep in mind that this resolution has to go to conference after the Senate acts on it. It still has to go to conference and the differences between the two Houses have to be resolved there and the conference reports have to come back from both Houses, and the deadline now, the new deadline, I believe, is Thursday at midnight, this coming Thursday, and we all have been told that if we do not complete our work on the debt limit extension by the time that deadline arrives, we have to stay, we have to be around in August until we complete work on this matter. We just cannot simply go off to the four corners and leave this matter pending because the Government will shut down and it cannot pay its debts and cannot meet its obligations and the Social Security recipients will not receive their checks and the veterans will not receive their checks.

So I hope we all fully understand that there is a gun at our heads and I hope we will come in in the morning at 9:30 and get busy and stay on this matter and have a long day of work tomorrow.

We really ought to come in Saturday if we are not going to finish tomorrow. We can make that decision at the close of business tomorrow, I suppose, or sometime tomorrow.

I thank the Senator for yielding.

ORDER FOR RECESS UNTIL 9 A.M. TOMORROW

Mr. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RESUMPTION OF H.J. RES. 324 TOMORROW

Mr. BYRD. Mr. President, I ask unanimous consent at the hour of 9:30 tomorrow morning the Senate resume its consideration of the pending business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I thank the distinguished Senator for yielding.

DEBT LIMIT EXTENSION

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I commend our chairman, Senator CHILES, our ranking member, Senator DOMENICI, and Senator GRAMM. They have done a yeoman's task. It has been an extraordinarily difficult assignment to come up with this compromise and they can be proud of their work.

Mr. President, from the White House we have heard a lot of talk about the need for budget process reform, streamlining the budget, and so on. But the real issue, here, is not process. The issue is politics. We are not faced with a challenge of legislative technique and skill. We are faced with a challenge of political will.

The fact is, we are pretty much back to square 1 in our budget reduction effort. We are back to where we were in December of 1985, when we passed the original version of Gramm-Rudman-Hollings. In late 1985, Congress and the President confessed the obvious. We confessed that—absent some dire external threat—we were unwilling to take the tough measures required to shrink the deficit. In G-R-H I, we said, in effect: Save us from ourselves. Stop us before we kill again.

And, lo and behold, G-R-H I worked. Thanks to Gramm-Rudman-Hollings, we have witnessed a virtual freeze on Federal spending during the current fiscal year. Consider that from 1965 through 1985, Federal spending inceased an average of 11 percent per year. By contrast, from 1985 to 1986, the first year of Gramm-Rudman-Hollings, spending increased by 5 percent. And between 1986 and 1987, thanks largely to Gramm-Rudman-Hollings, spending increased only 2 percent—roughly equal to the rate of inflation.

But this very real progress is now in jeopardy. The hard reality is that when the Supreme Court struck down the Gramm-Rudman-Hollings sequester trigger, the discipline was effectively broken. Yes, we pretended to meet the Gramm-Rudman-Hollings target of $144 billion for fiscal 1987, but the smoke and mirrors fooled no one. The teacher had declared recess. The punch bowl was freshly spiked.

Accordingly, we now hear a hue and cry from Congress that the deficit target of $108 billion is "impossible." CBO warns us that the budget resolution for 1988 will leave us with a deficit of $152 billion—and even that assumes Mr. Reagan will sign off on the proposed $19 billion in new taxes.

I repeat, we are back to the desperate straits of December 1985. Congress refuses to make necessary spending cuts. And the President—still wandering in his woozy supply-side wonderland—is dead-set against a tax increase. We are confronted by a conspiracy of the weak, a coalition of the irresponsible.

The simple fact is that Congress and the President lack a compelling incentive to do the painful, thankless job of slashing the deficit. There is simply no political payoff in cutting popular programs or in raising taxes. So we bemoan the killer deficits, but refuse to do anything meaningful to reduce them.

Therein, Mr. President, lies the beauty and necessity of the Gramm-Rudman-Hollings sequester threat. It creates a very powerful incentive for politicians to do their duty. We have seen it before: faced with the potential holocaust of a sequester, this Congress can work wonders. Faced with deep cuts in his beloved defense budget, the President will step up to the batter's box and play ball.

Mr. President, it appears to be the consensus view of Congress and the executive branch that the original Gramm-Rudman-Hollings target of $108 billion is no longer feasible. I disagree with that consensus. Indeed, I have previously offered a budget plan that met the $108 billion target for 1988—a plan that had 8 supporters in the Budget Committee from both sides of the aisle.

But I also realize that the political winds have decisively shifted. As a practical matter, the $108 billion target for 1988 is dead. Yet the central thrust of Gramm-Rudman-Hollings—to compel deficit cuts under threat of sequester—is stronger than ever, more necessary than ever.

Accordingly, I support the tradeoff that is embodied in this bill. By restoring an effective sequester trigger, this bill puts the starch of enforcement back into Gramm-Rudman-Hollings. Indeed, this amendment is $99\frac{9}{10}$ percent pure Gramm-Rudman-Hollings as we originally wrote it in 1985, with only two differences: first, we have put in a new set of fixed targets, revised in light of current Congressional Budget Office budget projections, and, second, instead of the General Accounting Office signing off on the sequester order—the procedure that was ruled unconstitutional by the Supreme Court—that role is now played by the Office of Management and Budget. And we have taken great pains to limit OMB's renowned creativity with budget numbers—we have explicitly spelled out a whole series of economic assumptions which OMB must conform to. And let me note, too, that there is no backsliding in this new Gramm-Rudman-Hollings. Its targets and requirements remain extraordinarily ambitious, leading to a balanced budget in fiscal year 1992.

Mr. President, I am heartened by the bipartisan support in Congress for G-R-H II, for a restored sequester trigger. G-R-H II represents a renewed declaration of Congress's commitment to ratcheting down the deficits. I urge Mr. Reagan to join us in this renewed commitment. He has toured the country preaching the virtues of a balanced-budget amendment. That's fine and dandy. But the real-world solution lies in Gramm-Rudman-Hollings. As a practical political matter, Gramm-Rudman-Hollings is the only game in town. It's time to close ranks and make it work.

Mr. DOMENICI. Mr. President, might I say to Senator HOLLINGS before I leave that I heard his brief remarks and I am sure his extended remarks will serve a very useful purpose in analyzing the history and the significance of this, but I could not let this moment pass without saying how much we appreciate his work. He has been consistent for doing something like this that would make us bite the bullet.

I thank him for his help and consistency in all respects with reference to this.

Mr. HOLLINGS. I thank the Senator very, very much.

THE CALENDAR

Mr. BYRD. Mr. President, I inquire of the distinguished acting Republican leader if Calendar Order No. 273 has been cleared on his side of the aisle.

Mr. EVANS. I say to the majority leader, yes, it has been cleared on this side of the aisle.

Mr. BYRD. I thank the acting leader.

JOHN E. GROTBERG POST OFFICE BUILDING

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 273.

The PRESIDING OFFICER. The clerk will report.

A bill (H.R. 1403) to designate the United States Post Office Building located in Saint Charles, Illinois, as the "John E. Grotberg Post Office Building."

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 646

(Purpose: To provide that certain periods of service as an air traffic controller shall be included in annuity computations under subchapter III of chapter 83 and chapter 84 of title 5, United States Code)

Mr. BYRD. Mr. President, I send an amendment to the desk on behalf of Mr. PRYOR.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from West Virginia (Mr. BYRD) on behalf of Mr. PRYOR proposes an amendment numbered 646.

Mr. BYRD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment reads as follows:

At the end of the bill add the following new section:

CLARIFICATION RELATING TO CONSIDERATION OF PRE-1987 SERVICE AS AN AIR TRAFFIC CONTROLLER FOR RETIREMENT PURPOSES

SEC. 2. (a) For purposes of subchapter III of chapter 83 of the title 5, United States Code, and chapter 84 of such title—

(1) service as an air traffic controller shall, with respect to any annuity which is based on a separation from service, or death, occurring on or after January 1, 1987, include any service as an air traffic controller whether performed before, on, or after January 1, 1987; and

(2) the Office of Personnel Management shall accept the certification of the Secretary, or the designee of the Secretary, in determining the amount of any service performed by an individual as an air traffic controller.

(b) For purposes of this section—

(1) the term "air traffic controller" has the meaning given such term by section 2109(1) of title 5, United States Code, as amended by section 207(b) of the Federal Employees' Retirement System Act of 1986 (Public Law 99-335; 100 Stat. 594); and

(2) the term "Secretary" has the meaning given such term by section 2109(2) of title 5, United States Code.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 646) was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. EVANS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Are there further amendments? If not, the question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, shall it pass?

So the bill (H.R. 1403) was passed.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. EVANS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER TO PLACE H.R. 2974 ON THE CALENDAR

Mr. BYRD. Mr. President, I ask unanimous consent that when the Senate receives H.R. 2974, a bill dealing with technical corrections to the Military Retirement System, it be placed on the calendar.

The PRESIDING OFFICER. Is there objection? Hearing none, it is so ordered.

MESSAGES FROM THE HOUSE

At 9:51 a.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill, without amendment:

S. 1198. An act to authorize a certificate of documentation for the vessel F/V CREOLE.

At 1:03 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the bill (H.R. 1444) to amend titles XI, XVIII, and XIX of the Social Security Act to protect beneficiaries under the health care programs of that act from unfit health care practitioners, and otherwise to improve the antifraud provisions relating to those programs.

The message also announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 146. A concurrent resolution supporting the initiative of President Oscar Arias Sanchez of Costa Rica to end armed conflict in Central America and Encouraging the participation of all regional states in a timely meeting to pursue a negotiated settlement of the conflict in Central America; and

H. Con. Res. 170. A concurrent resolution relating to adjournment to a date certain during the remainder of the One Hundredth Congress.

MEASURES REFERRED

The following concurrent resolution was read, and referred as indicated:

H. Con. Res. 146. A concurrent resolution supporting the initiative of President Oscar Arias Sanchez of Costa Rica to end armed conflict in Central America and encouraging the participation of all regional states in a timely meeting to pursue a negotiated settlement of the conflict in Central America; to the Committee on Foreign Relations.

MEASURES PLACED ON THE CALENDAR

The following bill, previously received from the House of Representatives for concurrence, was read the first and second times by unanimous consent, and placed on the calendar by unanimous consent:

H.R. 2974. An act to amend title 10, United States Code, to make technical corrections in the provisions of law enacted by the Military Retirement Reform Act of 1986.

ENROLLED BILL AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, July 30, 1987, he had presented to the President of the United States the following enrolled bill and joint resolution:

S. 958. An act to dedicate the North Cascades National Park to Senator Henry M. Jackson; and

S.J. Res. 151. Joint resolution to designate August 1, 1987, as "Helsinki Human Rights Day."

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1618. A communication from the Acting Secretary of Agriculture transmitting, pursuant to law, the annual Horse Protection Enforcement Report; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1619. A communication from the Secretary of Defense transmitting, pursuant to law, a report on three violations of law involving overobligations of funds in the Air Force; to the Committee on Appropriations.

EC-1620. A communication from the Deputy Commander of the Naval Facilities Engineering Command transmitting, pursuant to law, a report on the restriction of competition for construction at Clark AFB, Philippines to a joint venture of United States and Philippine companies; to the Committee on Armed Services.

EC-1621. A communication from the Director of the Defense Security Assistance Agency transmitting, pursuant to law, a report on a foreign military assistance sale to the Netherlands; to the Committee on Armed Services.

EC-1622. A communication from the Acting Secretary of the Navy transmitting, pursuant to law, a report on the Navy's intent to process the request for the loan of a silver service punch bowl from the U.S.S. *Sam Rayburn* for display in the Sam Rayburn Library, Bonham, Texas; to the Committee on Armed Services.

EC-1623. A communication from the Comptroller General of the U.S. transmitting, pursuant to law, an assessment of the Secretary of Commerce's report to Congress on extending existing foreign policy controls; to the Committee on Banking, Housing, and Urban Affairs.

EC-1624. A communication from the Secretary of Commerce transmitting a draft of proposed legislation to repeal certain laws relating to vessels or shoreside facilities used in the fisheries trade or industry; to the Committee on Commerce, Science, and Transportation.

EC-1625. A communication from the Deputy Associate Director of the Minerals Management Service transmitting, pursuant to law, a report on five refunds of excess oil and gas royalty payments to certain corporations; to the Committee on Energy and Natural Resources.

EC-1626. A communication from the Deputy Associate Director of the Minerals Management Service transmitting, pursuant to law, a report on 25 refunds of excess oil and gas lease royalty payments to certain corporations; to the Committee on Energy and Natural Resources.

EC-1627. A communication from the Deputy Associate Director of the Minerals Management Service transmitting, pursuant to law, a report on 25 refunds of excess oil and gas lease royalty payments to certain corporations; to the Committee on Energy and Natural Resources.

EC-1628. A communication from the Deputy Associate Director of the Minerals Management Service transmitting, pursuant to law, a report on refunds of 26 excess oil and gas lease royalty payments to certain corporations; to the Committee on Energy and Natural Resources.

EC-1629. A communication from the Deputy Associate Director of the Minerals Management Service transmitting, pursuant to law, a report on 25 refunds of excess oil and gas lease royalty payments to certain corporations; to the Committee on Energy and Natural Resources.

EC-1630. A communication from the Assistant Secretary of the Army transmitting a draft of proposed legislation to permit temporary use of certain Department of the Interior lands by Federal departments and agencies; to the Committee on Energy and Natural Resources.

EC-1631. A communication from the general counsel of the Department of Energy transmitting, pursuant to law, notice of a meeting related to the International Energy Program, July 29, 1987 at the Department of State; to the Committee on Energy and Natural Resources.

EC-1632. A communication from the Secretary of Energy transmitting, pursuant to law, a report on rebate payments under the Low-Level Radioactive Waste Policy Act; to the Committee on Energy and Natural Resources.

EC-1633. A communication from the Secretary of Commerce transmitting a draft of proposed legislation to authorize appropriations under the National Ocean Pollution Planning Act; to the Committee on Environment and Public Works.

EC-1634. A communication from the chairman of the Cultural Property Advisory Committee, USIA, transmitting, pursuant to law, a report relative to a request by El Salvador that the United States impose import restrictions on archaeological material coming into the United States from certain sites in that country; to the Committee on Finance.

EC-1635. A communication from the Secretary of Health and Human Services transmitting, pursuant to law, a report on necessary modifications in section 1884 of the Social Security Act to conform it to the prospective payment system; to the Committee on Finance.

EC-1636. A communication from the Assistant Secretary of State transmitting a draft of proposed legislation to authorize the President to maintain membership of the United States in the International Tropical Timber Organization; to the Committee on Foreign Relations.

EC-1637. A communication from the Assistant Secretary of State transmitting, pursuant to law, travel advisories for Tibet/Nepal and Panama; to the Committee on Foreign Relations.

EC-1638. A communication from the D.C. Auditor transmitting, pursuant to law, a report on receipt and disbursement of D.C. appropriated funds by the Washington Teachers Union for optical and dental benefits; to the Committee on Governmental Affairs.

EC-1639. A communication from the Director of the Office of Personnel Management transmitting, pursuant to law, a report on a productivity demonstration project involving personnel of a military installation; to the Committee on Governmental Affairs.

EC-1640. A communication from the Chairman of the Federal Labor Relations Authority transmitting a draft of proposed legislation for a pay raise for the chairman, members, and general counsel of the Federal Labor Relations Authority; to the Committee on Governmental Affairs.

EC-1641. A communication from the chairman of the D.C. Council transmitting, pursuant to law, a copy of D.C. ACT 7-58; to the Committee on Governmental Affairs.

EC-1642. A communication from the Commissioner of Social Security transmitting, pursuant to law, a report on an altered Privacy Act system of records; to the Committee on Governmental Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. FORD, from the Committee on Rules and Administration, without amendment:

S. 1574: An original bill to combine the Senators' Clerk Hire Allowance Account and the Senators' Official Office Expense Account into a combined single account to be known as the "Senators' Official Personnel and Office Expense Account", and for other purposes (Rept. No. 100-134).

Mr. FORD. Mr. President, I am pleased to report to the Senate today a bill that will provide my colleagues greater flexibility in the administration of their office accounts. This bill proposes to consolidate Senators' official office expense allowance and their administrative, clerical, and legislative assistance allowance. This will create one new account upon which to draw from to pay staff salaries and necessary office expenses. This account will become effective January 1, 1988, and after a 9-month transitional period, will operate on a fiscal year basis. I wish to emphasize that this bill does not increase or decrease any allowances, appropriate any new moneys, and does not change the formulas or limits that are the basis for computing the amount of authorized funds a Member receives. It would simply add the two separately calculated amounts together into one account, providing Senators the opportunity to set their own priorities in the fiscal management of their offices.

This bill also revises the categories of official office expenses, creating separate categories for certain expenses that are currently charged to a Member's 10 percent discretionary funds. The present categories have not been modified in the past 14 years. Certain types of expenses that were once an infrequent occurrence in a Senator's office have now become routine. This bill recognizes these expenditures as recurring and legitimate, and removes them from the 10 percent category. My colleagues may wish to note that their 10 percent discretionary funds will still be assessed only on the basis of that portion of the new account calculated for official office expenses.

Finally, the legislation also repeals several provisions of law as noted in the report. The most significant is the repeal of the requirement for reducing the legislative assistance allowance of a member by one-third if that Member is the chairman or ranking minority member of a committee.

Mr. President, this bill has been drafted with thoughtful and careful consideration by the Rules Committee and I urge its prompt passage.

By Mr. FORD, from the Committee on Rules and Administration, without amendment:

H. Con. Res. 125: A concurrent resolution authorization the printing of the revised edition of the pamphlet entitled "The Constitution of the United States of America".

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. NUNN, from the Committee on Armed Services:

Mr. NUNN. Mr. President, from the Committee on Armed Services, I report favorably the attached listing of nominations.

Those identified with a single asterisk (*) are to be placed on the Executive Calendar. Those identified with a double asterisk (**) are to lie on the Secretary's desk for the information of any Senator since these names have already appeared in the Congressional Record and to save the expense of printing again.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the Record of June 23, June 26, July 7, July 13, July 14, and July 15, 1987 at the end of the Senate proceedings.)

* Lieutenant General Philip C. Gast, U.S. Air Force, to be placed on the retired list in the grade of lieutenant general (Ref. 451)

* In the Air Force Reserve there are 15 appointments to the grade of major general and below (list begins with Wayne B. Adams, Jr.) (Ref. 452)

* Major General Charles W. Brown, U.S. Army, to be lieutenant general (Ref. 453)

* Rear Admiral William D. Smith, U.S. Navy, to be vice admiral (Ref. 454)

** Shirley O. Ford, U.S. Army, to be lieutenant colonel (Ref. 455)

** In the Army there will be 5 promotions to the grade lieutenant colonel and below (list begins with Peter R. Levine) (Ref. 456)

** Gary D. Barnes, U.S. Army, to be major (Ref. 457)

** In the Army there are 3 promotions to the grade of major (list begins with John J. Bombard) (Ref. 458)

* Major General Hansford T. Johnson, U.S. Air Force, to be lieutenant general (Ref. 468)

** In the Navy there are 21 appointments to the grade of ensign (list begins with German S. Arcibal) (Ref. 469)

** In the Air Force there are 409 appointments to the grade of second lieutenant (list begins with Brent J. Adams) (Ref. 470)

* Lieutenant General Harry A. Goodall, U.S. Air Force, to be reassigned in the grade of lieutenant general (Ref. 482)

* Rear Admiral John A. Baldwin, Jr., U.S. Navy, to be vice admiral (Ref. 483)

* Colonel William A. Navas, Jr., U.S. Army National Guard, to be brigadier general and to be appointed as Deputy Director, Army National Guard (Ref. 484)

** Charles J. Lockwood, Jr., U.S. Army, to be colonel (Ref. 485)

* Vice Admiral James E. Service, U.S. Navy, to be placed on the retired list in the grade of vice admiral (Ref. 489)

* Lieutenant General Charles D. Franklin, U.S. Army to be placed on the retired list in the grade of lieutenant general (Ref. 498)

* Major General Harold M. Davis, Jr., U.S. Army, to be lieutenant general (Ref. 499)

* Colonel John Ronald Carey, U.S. Army Reserve, to be brigadier general (Ref. 500)

** In the National Guard there are 21 promotions to the grade of lieutenant colonel (list begins with Jerome T Bellen) (Ref. 501)

** In the Army Reserve there are 22 appointments to the grade of colonel and below (list begins with William D. Anderson) (Ref. 502)

** William Brown Deal, U.S. Navy Reserve, to be commander (Ref. 503)

** Donald Patrick Greene, U.S. Navy, to be lieutenant commander (Ref. 504)

** In the Navy there are 1,421 promotions to the grade of lieutenant commander (list begins with Ronald Lee Aasland) (Ref. 505)

** Paul E. Backs, U.S. Marine Corps, to be lieutenant colonel (Ref. 508)

* Major General James E. Thompson, U.S. Army, to be lieutenant general (Ref. 512)

Total: 1,935.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BUMPERS (for himself, Mr. Chafee, Mr. Pell, Mr. Conrad, Mr. Proxmire, Mr. Weicker, and Mr. Dodd):

S. 1567: A bill to provide for refunds pursuant to rate decreases under the Federal Power Act; to the Committee on Energy and Natural Resources.

By Mr. MATSUNAGA (for himself and Mr. Inouye):

S. 1568. A bill to require the construction or acquisition of facilities for a new Veterans' Administration medical center in Hawaii; to the Committee on Veterans Affairs.

By Mr. REID:

S. 1569. A bill to guarantee the control and safety of polluted high level waste repository water; to the Committee on Environment and Public Works.

By Mr. WILSON:

S. 1570. A bill to withdraw and reserve for the Department of the Navy certain Federal lands within Inyo, Kern, San Bernadino, and Imperial Counties, CA, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. PRYOR (for himself and Mr. Bumpers):

S. 1571. A bill to modify the McClennan-Kerr Arkansas River navigation project for the purpose of making water supply an authorized purpose of such project, and for other purposes; to the Committee on Environment and Public Works.

By Mr. PELL (for himself, Mr. Kennedy, and Mr. Stafford):

S. 1572. A bill to create a National Education Savings Trust; to prescribe the powers and duties of the Trust and of its Board of Trustees; to provide for advance tuition payment plan agreements; to establish an advance tuition payment fund and to provide for its administration, and for other purposes; to the Committee on Finance.

By Mr. McCLURE (for himself and Mr. Thurmond):

S. 1573. A bill to amend Section 1853 of the Act of June 25, 1948; to the Committee on the Judiciary.

By Mr. FORD, from the Committee on Rules and Administration:

S. 1574. An original bill to combine the Senators' clerk hire allowance account and the Senators' official office expense account into a combined single account to be known as the Senators' official personnel and office expense account, and for other purposes; placed on the calendar.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mrs. KASSEBAUM (for herself and Mr. Inouye):

S. Res. 260. Resolution to amend the rules of the Senate to improve legislative efficiency, and for other purposes; to the Committee on Rules and Administration.

By Mr. SYMMS:

S. Res. 261. Resolution expressing the sense of the Senate that the United States should void certain agreements relating to the site of the Soviet Union's Embassy in Washington, DC; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BUMPERS (for himself, Mr. Chafee, Mr. Pell, Mr. Conrad, Mr. Proxmire, Mr. Weicker, and Mr. Dodd):

S. 1567. A bill to provide for refunds pursuant to rate decreases under the Federal Power Act; to the Committee on Energy and Natural Resources.

REGULATORY FAIRNESS ACT

● Mr. BUMPERS. Mr. President, I rise to introduce the Regulatory Fairness Act of 1987, on behalf of myself and my cosponsors Senators Chafee, Pell, Conrad, Proxmire, Weicker, and Dodd. This legislation would amend the Federal Power Act to ensure that electric consumers receive timely and effective relief when their wholesale electric rates are too high.

Electric rates go up and down in response to a number of factors, such as interest rates, construction costs, wages, fuel costs, and tax rates. When a utility's costs go up, it is entitled to a rate increase to reflect that fact. And when costs go down, as they have been recently, the consumers are entitled to a rate decrease. The Federal Energy Regulatory Commission is the agency that determines just and reasonable rates for wholesale electricity, and has the responsibility to adjust the rates to respond to changes in the cost of doing business. Unfortunately, the Federal Power Act does not provide the Commission with the authority to make timely rate adjustments in both directions, that is, rate decreases as well as increases.

Under the Federal Power Act, if a wholesale supplier files for a rate increase, FERC must let the new rate go into effect—subject to possible refund—after a suspension period of from 1 day to 5 months. However, if a wholesale customer seeks a rate decrease, the new rate can go into effect only prospectively, after the entire FERC regulatory examination is completed and FERC has made a final determination. That determination can take years and there is absolutely no incentive for the wholesale supplier to expedite the process.

Our legislation would amend section 206 of the Federal Power Act so that the system for bringing utility rates down is similar to the system for bringing rates up. The amendment would direct FERC to set a refund effective date for section 206 rate decrease complaints. The refund effective date would be set no earlier than 60 days from the filing of the complaint and no later than 5 months after the expiration of that 60-day period. If, after completing its investigation and proceedings, FERC decides that a wholesale rate is too high, the decrease would go into effect retroactively to the refund effective date.

Mr. President, today there are several factors that indicate that wholesale electric rates may be too high. The corporate tax rate has been reduced, interest rates are down, fuel costs are down and many utility construction programs have been completed. There are more than 900 local, publicly owned electric systems and more than 500 rural electric cooperatives that purchase all or part of their electric power from investor-owned utilities. In addition, a number of investor-owned utilities are wholesale customers of generating utilities whose rates fall under FERC jurisdiction. Yet, because section 206 proceedings are so time consuming and so costly, these wholesale customers have little incentive to pursue rate decreases.

The Regulatory Fairness Act will provide important equitable relief for the millions of consumers served by all utilities that depend on wholesale power purchases to serve their loads. The legislation is endorsed by the American Public Power Association, the Consumer Federation of America, Environmental Action, and the National Rural Electric Cooperative Association. Identical legislation has been introduced in the House of Representatives. I urge my Senate colleagues to support this bill.

I ask unanimous consent that the text of the bill be printed in the Record following my remarks.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1567

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Regulatory Fairness Act".

SEC. 2. REFUNDS IN PROCEEDINGS UNDER SECTION 206 OF THE FEDERAL POWER ACT.

(a) Refund Effective Date.—Section 206 of the Federal Power Act (16 U.S.C. 824e) is amended by designating subsection (b) as (c) and by inserting the following new subsection after subsection (a):

"(b) At the conclusion of any proceeding under this section, the Commission shall order the public utility to make refunds of such amounts as have been paid, for the period subsequent to the refund effective date, in excess of those which would have been paid under the just and reasonable rate, charge, classification, rule, regulation, practice, or contract which the Commission orders to be thereafter observed and in force. The refunds shall be made, with interest, to those persons who have paid those rates or charges which are the subject of the proceeding. The Commission shall establish the refund effective date. In the case of a hearing instituted on complaint, the refund effective date shall not be earlier than the date 60 days after the filing of such complaint nor later than 5 months after the expiration of such 60-day period. In the case of a hearing instituted by the Commission on its own motion, the refund effective date shall not be earlier than the date 60 days after the publication by the Commission of notice of its intention to initiate such hearing nor later than 5 months after the expiration of such 60-day period.".

(b) Pending Proceedings.—

(1) In general.—Except as provided in paragraph (2), the amendment made by subsection (a) shall not apply to any proceeding under section 206 of the Federal Power Act which commenced before the enactment of this Act.

(2) Complaints filed after July 1, 1987.—The amendment made by subsection (a) shall apply in the case of a complaint under section 206 of the Federal Power Act brought after July 1, 1987, and on or before the enactment of this Act if the complaint is refiled after the enactment of this Act.●

● Mr. CHAFEE. Mr. President, I am pleased to join Senator Bumpers as a cosponsor of the Regulatory Fairness Act of 1987, which will bring needed and prompt relief to millions of consumers who are now suffering from excessively high utility rates.

This legislation amends the Federal Power Act to make the system for utility rate reduction consistent with the system used by wholesale power suppliers to obtain rate increases. This will not change the system for increasing utility rates.

Under the current law, wholesale energy suppliers file applications for rate increases pursuant to section 205 of the Federal Power Act. Conversely, if wholesale customers wish to contest an existing rate, they must file a complaint under section 206. However, section 205 and section 206 filings are not treated in the same manner, and this inequality serves to favor the wholesale supplier over the wholesale customers and their residential and commercial customers as well.

In Rhode Island, over 70 percent of the electrical utility costs are a product of the rate structure of two major wholesale suppliers. Under the current law, Federal Energy Regulatory Commission [FERC] approved charges cannot be contested at State level hearings of the Rhode Island Retail affiliates. Of all the 50 States, therefore, Rhode Island is one of the most deeply affected by FERC regulation.

Under FERC regulation, when a utility files for a rate increase, the increase is suspended for a period of between 1 day and 5 months. At the end of the suspension period, the filed rate goes into effect and may be collected, "subject to refund." FERC eventually determines what amount of increases is "just and reasonable," and the difference between the filed rate and the just and reasonable rate collected is refunded with interest to the customers. Thus a utility collects a rate increase in full, prior to any hearings, beginning on the effective date of the filing.

This legislation will address the problem that occurs when the utility's customers are entitled to a decrease in rates because of declining costs of the wholesale producer, such as lower interest rates, cheaper fuel, fewer new plant investments, or lower corporate taxes.

The current law covering a decrease in rates is simply inequitable. It takes well over 2 years for FERC to process a petition for a decrease in rates, and after that relief is granted to the consumer prospectively, not retroactively. That means that consumers are not given any compensation for paying as many as 3 years of utility rates which the Government has determined are too high.

This legislation establishes a more level playing field at FERC for wholesale consumers seeking rate reductions, by requiring FERC to set an effective date for the refund, similar to the one in section 206. The refund effective date will be established as 60 days following the filing of the petition for the decrease, which is similar to the procedure for granting increases. This will mean that wholesale electric consumers and their customers will receive full and appropriate rate relief both prospectively and retroactively.

All electric consumers benefit when the regulatory process is responsive and when utilities can only charge rates that are just and reasonable. More than 900 public power systems and several hundred rural electric cooperatives purchase power from FERC-regulated utilities. Retail customers of investor-owned utilities can also benefit. State regulatory commissions and consumer advocates are increasingly participating in section 206 proceeding before FERC. Reform of this regulatory deterrent will help these parties seek lower electric rates for consumers of utilities within their State.

This legislation assures that consumers who deserve utility rate decreases receive full, just, and prompt relief. This is a bipartisan effort supported by the Consumer Federation of America, the American Public Power Association, and the National Rural Electric Co-op Association. I urge my colleagues to join us as cosponsors of the Regulatory Fairness Act.●

By Mr. MATSUNAGA (for himself and Mr. INOUYE):

S. 1568. A bill to require the construction or acquisition of facilities for a new Veterans' Administration medical center in Hawaii; to the Committee on Veterans' Affairs.

AUTHORIZATION OF A VETERANS' ADMINISTRATION MEDICAL FACILITY IN HAWAII

Mr. MATSUNAGA. Mr. President, with the cosponsorship of my senior colleague from Hawaii, Senator INOUYE, I am today introducing legislation to authorize the construction of a Veterans' Administration Medical Center in Hawaii. Identical legislation is being introduced in the other body by my colleague from Hawaii, Congressman AKAKA.

Mr. President, the need for a veterans' hospital in my State in unquestioned. On April 14 of this year I chaired an unprecedented Senate Veterans' Affairs Committee day-long field hearing in Hawaii on a variety of health care issues affecting veterans in the State. The testimony from representatives of major veterans' organizations, the University of Hawaii, private health care providers and associations, State health agencies, the Department of Defense, and the Veterans' Administration confirmed the long-kown fact that extremely serious deficiencies exist in the extent and quality of health care provided Hawaii veterans, many of which can be attributed to the lack of a VA hospital.

Although Hawaii has over 110,000 veterans, fully a tenth of the State's population, and possesses the highest ratio of veterans per capita in the Nation as well as the highest ratio of disabled veterans who are 65 years of age or older, it receives less VA medical dollars than any other jurisdiction, and ranks next to the lowest in VA medical spending per veterans. To top it all, Hawaii is the only State, other than Alaska, without a VA hospital or nursing home. In fact, the only VA health facility in Hawaii is a small outpatient clinic located in Honolulu. Veterans seeking medical or psychiatric treatment, either on the central island of Oahu or the neighbor islands, are therefore forced to rely on a highly fragmented delivery system utilizing a combination of the outpatient clinic, private facilities, and Tripler Army Medical Center in Honolulu.

Mr. President, the adverse consequences of Hawaii's presently fragmented health care delivery system for veterans and lack of a VA hospital are many. First, faced with a bewildering array of private and public health care providers, each of which is geographically distant from the other, veterans find it difficult to identify if and where VA-sponsored health care is available.

Second, because the system is highly fragmented, continuous and high quality care is problematic. Rather than remaining in one facility for treatment, veterans who may require acute and nursing care are forced to move from one facility to another, each of which has a different medical protocol.

Third, because, with the exception of the outpatient clinic, none of the units which comprise the VA's health care system in Hawaii devotes itself exclusively to the treatment of veterans, veterans are often assigned low treatment priority. For example, at Tripler Army Medical Center, the VA's primary referral in Hawaii for inpatient care, veterans are at the very bottom of the priority scale—behind active duty personnel and their dependents, and retired military and their dependents.

Fourth, because these health care providers also treat non-VA patients, they cannot fully address the special needs of veterans. For example, Tripler's military mission is geared toward the goal of returning young soldiers to the field, with little emphasis on the geriatric needs of older veterans. Similarly, Tripler's military setting is inappropriate for veterans suffering from post traumatic stress disorder.

Fifth, the lack of a VA medical center has diverted needed resources from Hawaii—to the extent that absolute medical spending is the lowest of any VA district. Without a VA hospital, Hawaii has been unable to compete institutionally for resources at the regional or national level. All the resources that accompany a hospital and which enhance the quality and quantity of health care—satellite clinics, teaching relationships with local medical and public health schools, research money, and so forth—are thus denied Hawaii veterans. This lack of resources is particularly aggravating because Hawaii veterans comprise a unique population with a set of health care needs entirely different from those of mainland veterans.

In summary, Mr. President, the poor quality and inaccessibility of care which characterizes the current system of care for Hawaii veterans often forces them to seek treatment elsewhere at their own expense or to forgo treatment entirely. Combined with institutional, cultural, and geographic factors unique to Hawaii, this fragmented health care system traps Hawaii veterans in a vicious cycle of neglect. The single greatest action which can break this cycle is construction of a VA hospital in Hawaii.

I am not alone in thinking that a veterans' hospital is needed in Hawaii. A VA task force, appointed by the VA's Chief Medical Director in the wake of the April 14 oversight hearing in Hawaii, recently completed its preliminary report on Hawaii veterans' health care needs. In strongly echoing the litany of problems brought out by witnesses at the April 14 hearing, it has recommended that a VA hospital be constructed in Hawaii by 1993 or 1994.

Mr. President, Hawaii's veterans are not asking for special consideration, despite their special needs. They are not asking for any better health care than veterans receive currently in Kansas or New Mexico or New York. What they seek is access to the same type and level of care their more fortunate brethren on the mainland receive—in a word, equity. The single greatest factor standing in the way of achieving equity is the lack of a full-fledged VA medical center in Hawaii. Mr. President, out of concern for the men and women who faithfully and courageously served this Nation in uniform, I urge my colleagues to support this legislation to authorize construction of a VA hospital in the 50th State.

Mr. President, I ask unanimous consent that a statement in support of the bill by the senior Senator from Hawaii [Mr. INOUYE], and that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1568

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) not later than October 1, 1993, the Administrator of Veterans' Affairs shall construct or acquire facilities for a new Veterans' Administration medical center on the island of Oahu in the State of Hawaii and shall commence operations at such new medical center.

(b) The Administrator may acquire by donation, purchase, condemnation, or otherwise such land and facilities as are necessary to carry out subsection (a).

Mr. INOUYE. Mr. President, I am pleased to join my colleague from Hawaii in introducing a very important measure which authorizes the establishment of a veterans hospital for the State of Hawaii. Passage of this bill would bestow equity upon Hawaii's veterans who fought as courageously and proudly as veterans of any other State.

Hawaii has a higher ratio of veterans, per capita, than any other State in the Union. However, we are one of two States currently without a veterans hospital. All that is available to Hawaii's veterans is an outpatient clinic. Alaska, the only other State without a VA hospital, has half the veterans population of Hawaii. However, Alaska has a veterans center and three satellite centers. Additionally, Alaska receives approximately $740 per veteran for medical services. Hawaii, on the other hand, receives only $211 per veteran, a disparity of 3 to 1. President Roosevelt put it best when he said:

> A man who is good enough to shed blood for his country is good enough to be given a square deal afterwards.

This bill marks the first step toward giving Hawaii's veterans the square deal they rightly deserve.

Following the Senate Veterans' Affairs Committee hearing held in Honolulu, the Veterans Administration's Chief Medical Director established a task force to ascertain the health care needs of Hawaii's veterans, to evaluate the level of services currently provided, and to make recommendations for improvement of the quality, continuity and access to health care services.

I would like to commend the task force for its very thorough investigation. The task force members conducted extensive interviews with the VA outpatient clinic staff, State public health officials, and representatives of veterans associations; they visited 14 medical centers located throughout the four major Hawaiian islands. During their investigation, task force members learned of and became sensitive to the diverse cultural influences affecting the utilization of health care services. They commented that:

> [S]ome of the same attributes that make the "Island State" so attractive to visitors—distance from the mainland, the isolation of its outer islands, its cultural heritage—single out Hawaii for special attention to planning health care services for U.S. veterans seeking treatment there.

The task force, in its report to the VA Chief Medical Director, recommends that the Veterans' Administration "construct a free-standing VA medical center on Oahu that encompasses hospital, outpatient clinic and nursing home capability." In support of its recommendation, the task force rendered the following conclusions. First, Hawaii's veteran population is underserved for inpatient services. Second, nursing home utilization is substantially below the national average indicating that the veteran population is underserved:

> Hawaii's community nursing home utilization is unquestionably the lowest in the VA system.

Third, the low priority that the Tripler Army Medical Center accords to veterans results in delays as long as 6 months for a clinic appointment. The task force was not convinced that additional VA funds spent in purchasing services from Tripler would improve veteran patient care. It commented, "Tripler's duty of care for veterans is subservient to the Army's basic medical mission." Fourth, 56.35 FTEE new positions are needed to correct the immediate staffing and workload inadequacies. The task force qualified its statement by stating that this short-term recommendation addressed only the "most urgently needed positions." If 56.35 FTEE new positions are needed to bring the clinic up to the minimum staffing level necessary to meet its immediate and urgent needs, one can only imagine the dismal prospect of receiving adequate health care services presently facing Hawaii's veterans.

Lastly, the only situation the task force found to be more desperate was on the neighbor islands. Throughout its report, numerous references are made to the sheer lack of health care services available for those veterans residing on the neighbor islands. These veterans are in critical need of inpatient care, outpatient care, nursing home facilities and care, alcohol and substance abuse rehabilitation, and readjustment counseling programs. The task force goes so far as to state that "[t]his is a significant and serious flaw in veterans' programs, and must be addressed as an urgent priority."

President John F. Kennedy once stated, "Ask not what your country can do for you, ask what you can do for your country." Hawaii's veterans have not asked what this country can do for them. They have courageously defended our Nation's principles of democracy and liberty. Hawaii's brave men and women should not have to ask this country to do what it has promised to provide—proper health care services.

The authorization of a veterans hospital for the State of Hawaii would begin to rectify the grave inequity evident between Hawaii's veterans and their mainland counterparts. The task force summed it up most eloquently when it stated that a VA medical center would give the Veterans' Administration a greater presence in Hawaii, and would make Hawaii's veteran "a first-class citizen as far as his/her care is concerned."

By Mr. REID:

S. 1569. A bill to guarantee the control and safety of polluted high level waste repository water; to the Committee on Environment and Public Works.

HIGH LEVEL WASTE REPOSITORY WATER POLLUTION CONTROL AND GUARANTEE ACT

Mr. REID. Mr. President, a beast is loosed upon this land and its name is plutonium. This way and that it stalks, as arrogant as Satan, in its appeal to fear, ignorance, and local interest. It has turned brother against brother, and eastern utility user against western rancher, as the Federal Government, the States, and their representatives in this Congress search for a victim to sacrifice to this new demon of technology.

I fear that they have found that sacrificial lamb and that its name is Nevada. The word is out that an agreement has been privately reached by which Nevada will become the location which is chosen for a high-level dump for America's radioactive poisons. The process is to be rewritten so that Nevada will have this poison forced down the throats of its citizens, with no thought of fairness, or of Nevada's wishes.

I want my colleagues in this body to remember that the slope down which they are starting is a dangerous one. The Department of Energy has been less than forthcoming throughout the site selection process. Eventually there will be another dump. If you force my State to accept it now which of you will be the victims in the future.

Many of my colleagues in this body look on my State as a convenient dumping ground for the trash their citizens generate in pursuit of ever more affluent lifestyles. Many in Congress think that because we have accepted the necessity of nuclear testing in Nevada's central ranges, the people of my State will permit our beautiful land to be despoiled for any purpose, and at any price.

There are those who believe that the people of Nevada will sell out our birthright for a promise of guaranteed income; sell out our State's high mountain lakes, lone pine trees, glittering cities, and vast ranchlands; sell out heritage for a mess of pottage.

To those who believe that of Nevada I have a simple message: go elsewhere. We will not sell our children's future for a hundred million pieces of silver. We will not accept the possibility of pollution of our water with the deadliest poison known to man for any price or under any threat.

I recently read an article in a Las Vegas newspaper dated June 21, 1987. That article discusses the very real probability that the central and southern portions of my State are joined by deep aquifers through which any leakage of plutonium could spread with stunning rapidity. The results of any dispersion of plutonium would be devastating and incalculable.

Those of you who represent the West know that water is the prime resource upon which we all rely, and the loss of which we face with dread. What I am telling you today, is that if you attempt to press a high level nuclear waste dump upon Nevada's brow, you will have crucified my State as surely as if you whipped her through the streets bearing a glowing radioactive cross upon her back.

Some of my colleagues in this body may not recognize the threat with which you face Nevada's citizens. Many may well believe that I exaggerate the possibilities of contamination, or the dangers of nuclear poisons. I do not believe there is a Member of this body who would admit that he or she would knowingly permit the construction of a facility which could devastate the lives of hundreds of thousands of Americans. I certainly hope that every Member would refuse to permit the construction of a high level radioactive waste facility in any State, unless they were morally certain it would not contaminate the State's land and water.

Today, I am giving you the opportunity to back up your moral certainty with action.

I am introducing the High Level Waste Repository Water Pollution Control and Guarantee Act. I urge every Member of this body, and the Congress to cosponsor that bill.

The bill is simple enough. In essence it does two things. First, it guarantees that if water in any State or group of States is polluted by leakage from a high level nuclear waste repository, every other State in this Nation, whether or not it generates nuclear waste, will provide a prorata share of its water resources to fully and completely replace the lost water resources. It also guarantees that the Federal Government will pay for construction of whatever physical facilities are necessary to transfer that water to the affected States.

Second, it guarantees that if residential, commercial, or agricultural land becomes effectively unusable due to high level waste leakage, the individual States will provide equivalent property, on a prorata basis, if necessary by the exercise of the power of eminent domain, as a replacement for citizens of the affected areas. The Federal Government would guarantee that all other property and individual rights other than land, such as buildings, business replacement values, and emotional distress would be compensated at full value by the United States.

The bill creates a commission empowered by the States and the Federal Government to designate land and other compensation to be awarded, and to appropriate water under the bill.

It provides for ratification by individual States, and that no waste may be shipped to any high level waste facility until the act has been approved and acceded to by the legislatures of 40 of the 50 States. No State would be permitted to ship waste to the facility if they had not acceded to the compact.

For those of you who believe that there is no threat from a nuclear waste facility, and no possibility of a leak into our water supplies, there should be no difficulty at all in cosponsoring and voting for this act. For those who hesitate in cosponsoring and voting for this bill, I ask you to be intellectually honest. If you think this act represents a danger to your State's future, then in your heart you must believe the possibility exists that my State will be destroyed.

Mr. President, you have asked Nevada to put herself at risk. I think the time has come to bind yourselves to the same burdens you ask us to carry in your stead. For those in the West who may be affected by nuclear leakage I say this. Give your people a voice. If you are worried about losing precious water rights then perhaps this bill should give you pause; we fear the loss of our homes, our businesses, and our very lives.

The time has come, my fellow Members, to cease this charade, and instead to act with the decency, honor, and intellectual integrity by which this honorable body has so long been characterized. You can make us bear the burden alone no longer; you can not intimidate, bribe or coerce us into becoming America's silent spring. Live with the danger which you so freely offer to us, or go forth from this House with your threats and promises and come no more with offers of nuclear poison on a silver platter.

By Mr. WILSON:

S. 1570. A bill to withdraw and reserve for the Department of the Navy certain Federal lands within Inyo, Kern, San Bernardino, and Imperial Counties, CA, and for other purposes; to the Committee on Energy and Natural Resources.

WITHDRAWAL OF CERTAIN FEDERAL LANDS FOR MILITARY AND OTHER PURPOSES

● Mr. WILSON. Mr. President, today I am introducing a bill to withdraw certain Federal lands in the State of California for military and other purposes for a 25-year period.

This bill is similar to one introduced in the other body last March by Congressman BYRON. It is designed to allow for the continued, unimpeded use of certain Federal lands in the California desert for vital military purposes of training, research, and development.

This bill is modeled after last year's Omnibus Military Lands Withdrawal Act and is necessitated by the expiration of the existing withdrawal status of the China Lake Naval Weapons Center and the Chocolate Mountain Aerial Gunnery Range. China Lake is the Navy's principal center for research, development, testing, and evaluation of air warfare and missile weapons systems. As the largest Defense Department gunnery range in the continental United States, Chocolate Mountain is an important Marine Corps training base for pilots in air combat, gunnery, and ordnance delivery.

Due to the full-time, extensive military use of these approximately 1,200,000 acres, this withdrawal is indispensable. These lands have been dedicated to military purposes since the 1940's and failure to reinstate the withdrawal status will seriously cripple DOD's capability to test new weapons and train new military personnel.

This bill contains an added feature that was not the part of the previous withdrawal that will enable greater utilization of the land by allowing mining and geothermal development activity to the extent consistent with military uses. It would permit limited access to potentially valuable geothermal and mineral resources under the cooperative management of the Secretary of the Navy and the Secretary of the Interior.

Although we can't know what is out there until the miners are given a chance to do their exploration work, we do know that gold, silver, tungsten and other valuable minerals have been found throughout this section of California. It makes sense to allow these minerals to be extracted if it can be done in such a way as not to impair the military mission at China Lake and Chocolate Mountains. Under the terms of this bill, whatever lands deemed suitable by the Secretary of the Interior in concurrence with the Secretary of Navy will be opened for miners to stake claims in the traditional manner allowed by the 1872 mining law. The location and operation of these mines will be subject to whatever limitations are deemed necessary by the Secretary of Navy.

This bill has been prepared in consultation with representatives of the mining industry, the Bureau of Land Management, and the Navy. I would hope that my colleagues will give this legislation the prompt consideration that it deserves.

I ask unanimous consent that the full text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1570

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, (a) subject to valid existing rights, the federal lands located within the boundaries of the Naval Weapons Center, within Inyo, Kern, and San Bernardino Counties, California, comprising approximately 1,100,000 acres, as generally depicted on a map entitled

"China Lake Naval Weapons Center Withdrawal-Proposed" dated January 1985, (hereinafter referred to as "China Lake") are hereby withdrawn from all forms of appropriation under the public land laws, but not the mineral and geothermal leasing laws and to the extent provided in section 2 hereof the mining laws, and are reserved for use of the Naval Weapons Center, China Lake, of the Department of the Navy as a research, development, test and evaluation laboratory and range for air warfare weapons and weapon systems, a high hazard training area for aerial gunnery, rocketry, electronic warfare and countermeasures, tactical maneuvering and air support, and for other defense related uses consistent therewith.

(b) Subject to valid existing rights, approximately 132,928 acres of public land in Imperial County, California, as generally depicted on a map entitled "Chocolate Mountain Aerial Gunnery Range Withdrawal—Proposed" dated January 1985, and all other lands within the boundaries of the Chocolate Mountain Aerial Gunnery Range that are now or may become subject to the operation of the public land laws (hereinafter referred to as "Chocolate Mountain") are hereby withdrawn from all forms of appropriation under the public land laws, but not the mineral and geothermal leasing laws and to the extent provided by section 2 hereof the mining laws, and are reserved for use of the Department of the Navy as a testing and training area for aerial bombing, missile firing, tactical maneuvering and air support, and for other defense related uses consistent therewith.

(c)(1) As soon as practicable after the date of enactment of this Act, the Secretary of the Interior shall:

(A) Publish in the Federal Register a notice containing the legal description of the lands withdrawn and reserved by this act; and

(B) File maps and the legal description of the lands withdrawn and reserved by this Act with the Committee on Energy and Natural Resources of the United States Senate and with the Committee on Interior and Insular Affairs of the United States House of Representatives.

(2) Such maps and legal descriptions shall have the same force and effect as if they were included in this Act: Provided, that the Secretary of the Interior may correct clerical and typographical errors in such maps and legal descriptions.

(3) Copies of the maps and legal descriptions that are filed with the Committees shall be available for public inspection in the office of the Director, Bureau of Land Management, Washington DC; the office of the Director, California State Office of the Bureau of Land Management, Sacramento, California; the Office of the Commander, Naval Weapons Center, China Lake, California; and the Office of the Commanding Officer, Marine Corps Air Station—Yuma, Arizona.

(4) The Secretary of the Navy shall reimburse the Secretary of the Interior for the cost of implementing section 1(c) of this Act.

SEC. 2. (a) As soon as possible after the enactment of this Act and at least every five years thereafter, the Secretary of the Interior shall determine, with the concurrence of the Secretary of the Navy, which public and acquired lands covered by the first section of this Act the Secretary of the Interior considers suitable for opening to the operation of the Mining Law of 1872, and the Mineral Leasing Act for Acquired Lands of 1947, or either of such Acts. The Secretary of the Interior shall publish a notice in the Federal Register listing the lands determined suitable pursuant to this section and specifying the opening date.

(b) On the day specified by the Secretary of the Interior in a notice published in the Federal Register pursuant to subsection (a), the land identified under subsection (a) of this section as suitable for opening to the operation of the laws specified in subsection (a) shall automatically be open to the operation of such laws subject to an orderly opening procedure identified in regulations promulgated under subsection (d).

(c) No deposit of minerals or materials of the types identified by section 3 of the Act of July 23, 1955 (69 Stat. 367), whether or not included in the term "common varieties" in that Act, shall be subject to location under the Mining Law of 1982 on lands described in section 1.

(d) The Secretary of the Interior, with the advice and concurrence of the Secretary of the military department concerned shall promulgate such regulations to implement this section as may be necessary to assure safe, uninterrupted, and unimpeded use of the lands described in section 1 for military purposes. Such regulations shall also contain guidelines to advise mining claimants of what environmental or other requirements shall be required on lands opened pursuant to this section.

(e) In the event of a national emergency or for purposes of national defense or security, the Secretary of the Interior, at the request of the Secretary of the military department concerned, shall close any lands that have been opened to mining pursuant to this section.

(f)(1) Except as otherwise provided in this Act, mining claims located pursuant to this Act shall be subject to the provisions of the mining laws. In the event of a conflict between those laws and this Act, this Act shall prevail.

(2) All mining claims located under the terms of this Act shall be subject to the provisions of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.).

(g)(1) Patents issued pursuant to this Act for locatable minerals shall convey title to locatable minerals only, together with the right to use so much of the surface as may be necessary for purposes incident to mining under the guidelines for such use established by the Secretary of the Interior by regulation.

(2) All such patents shall contain a reservation to the United States of the surface of all lands patented and of all nonlocatable minerals on those lands.

(3) For the purposes of this section, all minerals subject to location under the Mining Law of 1872 are referred to as "locatable minerals".

SEC. 3. The responsibilities for the Management of the natural resources of the lands withdrawn by this Act are established as follows:

(a) Except as provided in subsection (b) of this section, the Secretary of the Interior shall manage the lands and their resources, to the extent possible in accordance with the provisions of the Federal Land Policy and Management Act of 1976 (90 Stat. 2743, as amended; 43 U.S.C. 1701 et seq.), and other applicable laws, for uses which may include, but are not limited to, grazing, management of wildlife habitat, mineral leasing, control of predatory animals, and the prevention and suppression of brush and range fires resulting from nonmilitary activities, and shall be responsible for the issuance of all easements, leases, permits, and rights-of-way over the lands withdrawn and reserved by this Act. All such uses, and the issuance of all leases, easements and rights-of-way, shall be secondary to the military use of the lands and shall be authorized only with the concurrence of the Secretary of the Navy.

(b) In recognition of the successful management of the lands and resources of China Lake, by the Department of the Navy since 1943, under a cooperative arrangement with the Department of the Interior, the Secretaries of the Navy and the Interior are authorized to continue such cooperative management practices, with the Secretary of the Interior assigning to the Secretary of the Navy the authority to manage the lands and resources withdrawn and reserved by section 1(a) of this Act, and the authority to issue all easements, nonmineral leases, permits and rights-of-way on such lands, so long as such actions are consistent with the plan and program required by subsection (d) of this section. Leases, permits and rights-of-way that traverse the perimeter of the lands withdrawn by this Act and are required for activities administered by the Secretary of the Interior shall be issued by the Secretary of the Interior, with the consent of the Secretary of the Navy and subject to such conditions as the Secretary of the Navy may prescribe.

(c) Within 5 years after the date of the enactment of this Act, the Secretary of the Interior in consultation with the Secretary of the Navy shall develop a land use plan and management program in accordance with the provisions of the Federal Land Policy and Management Act for the use and management of Chocolate Mountain.

(d) Within 5 years after the date of enactment of this Act, the Secretary of the Interior and the Secretary of the Navy shall develop a land use plan and management program for the use and management of China Lake.

(e) The Secretary of the Navy shall prepare and submit to the Secretary of the Interior, on an annual basis, a report on the status of the natural resources of the lands in China Lake.

SEC. 4. The responsibilities of the Secretary of the Navy for management of the lands withdrawn and reserved by this Act are established as follows:

(a) The Secretary of the Navy shall have the authority to control the military use of the lands and may authorize use of the lands by the other military departments and agencies of the Department of Defense, as appropriate.

(b) In accordance with the provisions of section 2(b) of this Act, the Secretary of the Navy may manage the lands and resources withdrawn and reserved by this Act for China Lake and may also be responsible for the issuance of all easements, nonmineral leases, permits and rights-of-way on such lands.

(c) When military operations, public safety or national security, as determined by the Secretary of the Navy, require the closure of roads and trails commonly in public use, the Secretary of the Navy is authorized to take such action: *Provided,* That such closures shall be limited to the minimum areas and periods required for the purposes specified in this subsection. A reasonable effort shall be made to maintain warning notices during closures.

(d) The Secretary of the Navy shall take necessary precautions to prevent and suppress brush and range fires occurring within and outside the lands as a result of military activities and may seek assistance from the Bureau of Land Management in the suppression of such fires. The memorandum of understanding required by section 4 of this Act shall provide for Bureau of Land Management assistance in the suppression of such fires, and for a transfer of funds from the Department of the Navy to the Bureau of Land Management as compensation for such assistance.

(e) On China Lake, the Secretary of the Navy (1) shall have responsibility for the management of the wild horses and burros and is authorized to utilize helicopters and motorized vehicles for the management and control of such animals; (2) and may utilize sand, gravel or similar mineral or mineral material resources when the use of such resources is required for construction needs of China Lake.

(f) With respect to China Lake, nothing in this Act shall affect the geothermal exploration and development authorities granted to the Secretary of the Navy by section 6(c)(1) of the Act of July 12, 1982 (10 U.S.C. 2689), except that the Secretary of the Navy is required to obtain the concurrence of the Secretary of the Interior prior to taking any action under that section.

SEC. 5. The Secretary of the Interior and the Secretary of the Navy shall enter into a memorandum of understanding to implement the plan and program developed for Chocolate Mountain in accordance with section 2(c) of this Act and may continue the cooperative arrangement referred to in section 2(b) of this Act. The term of the memorandums of understanding shall be the same as the term of the withdrawal and reservation established by this Act; however, the provisions of the memorandum of understanding may be amended by the Secretaries.

SEC. 6. The withdrawals and reservations established by this Act are not intended to (a) reserve or otherwise withdraw any water for use in connection with the uses identified in the first section of this Act; (b) affect in any manner the future appropriation under State law, by the United States or others, of water in, under, or upon the lands withdrawn and reserved by this Act; (c) affect water rights acquired by the Department of the Navy or other components of the Department of Defense prior to the enactment of this Act for use in connection with military operations at China Lake and Chocolate Mountain.

SEC. 7. (a) Except as provided otherwise in the section, the withdrawals and reservations established by this Act shall terminate 25 years from the effective date of this Act.

(b) At least 3 years prior to the termination of the withdrawals and reservations established by this Act, the Secretary of the Navy shall advise the Secretary of the Interior as to whether or not the Department of the Navy will have a continuing military need for any of the lands after the termination date.

(1) If the Secretary of the Navy concludes that there will be a continuing military need for any of the lands after the termination date, he shall file an application for extension of the withdrawal and reservation of such lands in accordance with the regulations and procedures of the Department of the Interior applicable to the extension of withdrawals. Upon the filing of an application for extension, the withdrawals and reservations established by this Act shall remain in full force and effect pending processing of the application and a decision and action on the proposed withdrawals and reservations by the Secretary of the Interior, and, if the application for extension is subject to the requirement of section 2 of the Act of February 28, 1958 (72 Stat. 28; 43 U.S.C. 156), by the Congress.

(2) If the Secretary of the Navy concludes that, after the termination date established by subsection (a) of this section, there will be no military need for all or any of the lands withdrawn and reserved by this Act, or if, during the period of withdrawal and reservation, the Secretary of the Navy decides to relinquish all or any of the lands withdrawn and reserved by this Act, the Secretary of the Navy shall file a notice of intention to relinquish with the Secretary of the Interior.

(3) Prior to the filing of a notice of intention to relinquish pursuant to paragraph (2) of this subsection, the Secretary of the Navy shall prepare a written determination as to whether and to what extent the lands are contaminated with explosive, toxic or other hazardous materials. A copy of the determination made by the Secretary of the Navy shall be supplied with the notice of intention to relinquish. Copies of both the notice of intention to relinquish and the determination concerning the contaminated state of the lands shall be published in the Federal Register by the Secretary of the Interior.

(A) If the lands are contaminated and the Secretary of the Navy, in coordination with the Secretary of the Interior, determines that decontamination is practicable and economically feasible, taking into consideration the potential future use and value of the lands, and that upon decontamination the lands could be opened to operation of the public land laws, including the mining laws, the Secretary of the Navy shall decontaminate the lands, unless Congress declines to appropriate funds for the project.

(B) If the Secretaries of the Navy and the Interior conclude either that decontamination of any or all of the lands proposed for relinquishment is not practicable or economically feasible, or that the lands cannot be decontaminated sufficiently to allow them to be opened to operation of the public land laws, or if Congress declines to appropriate funds for the decontamination of the lands, the Secretary of the Interior shall not be required to accept the lands proposed for relinquishment.

(c) If, because of their contaminated state, the Secretary of the Interior declines to accept jurisdiction over the lands proposed for relinquishment, the withdrawal and reservation established by this Act shall continue indefinitely and the lands shall be retained and managed in accordance with the provisions of this Act. In such case, beginning with the fifth anniversary of the publication date of the Federal Register notice required by section 7(b)(3) of this Act, and every 5 years thereafter, the Secretary of the Navy, in coordination with the Secretary of the Interior, shall determine whether decontamination of any or all of the lands is both practicable and economically feasible. If the Secretaries conclude that decontamination is both practicable and economically feasible, taking into consideration the potential future use and value of the lands, and that upon decontamination the lands could be opened to operation of the public land laws, including the mining laws, the Secretary of the Navy shall decontaminate the lands, unless Congress declines to appropriate funds for the project. Following decontamination and upon certification by the Secretary of the Navy that the lands are safe for all nonmilitary uses, the Secretary of the Interior shall reconsider accepting jurisdiction over the lands.

(d) Notwithstanding any other provisions of law, the Secretary of the Interior, upon deciding that it is in the public interest to accept jurisdiction over the lands proposed for relinquishment, is authorized to revoke the withdrawals and reservations established by this Act, as they apply to the lands proposed for relinquishment. Should the decision be made to revoke the withdrawals, the Secretary of the Interior shall publish in the Federal Register an appropriate order which shall terminate the withdrawals and reservations, constitute official acceptance of full jurisdiction over the lands by the Secretary of the Interior, and shall state the date upon which the lands will be opened to the operation of the public land use, including the mining laws.

SEC. 8. (a) The functions of the Secretary of the Navy under this Act may be delegated.

(b) The functions of the Secretary of the Interior under this Act may be delegated, except that the order referred to in section 6(b) of this Act, may be approved and signed only by the Secretary of the Interior, the Under Secretary of the Interior, or an Assistant Secretary of the Department of the Interior.

SEC. 9. The United States, all departments or agencies and their officers and employees thereof shall be held harmless and shall not be liable for any injuries or damages to persons or property suffered in the course of any mining, mineral or geothermal leasing activity conducted on lands described in section 1 of this Act.●

By Mr. PRYOR (for himself and Mr. BUMPERS):

S. 1571. A bill to modify the McClellan-Kerr Arkansas River navigation project for the purpose of making water supply an authorized purpose of such project, and for other purposes; to the Committee on Environment and Public Works.

MODIFICATION OF MC CLELLAN-KERR ARKANSAS RIVER NAVIGATION PROJECT

● Mr. PRYOR. Mr. President, I send to the desk on behalf of my senior colleague, Mr. BUMPERS, and myself, legislation that will permit the U.S. Army Corps of Engineers to expand the beneficial uses of the McClellan-Kerr Arkansas River navigation project to include, as a part of their overall mission on this system, consideration of agricultural, industrial, and municipal interests.

This bill would not cost one red penny, would not interfere in any way with the other authorized purposes of the McClellan-Kerr project, and would not adversely affect the interests of any other State.

It would simply give the Army engineers statutory authority to manipulate navigation pool levels on the Arkansas River to the extent practicable to benefit other potential users of the water. I don't think that anyone can argue against multiple usage of the river.

For years now summer droughts have been the bane of Arkansas farmers in our agriculture based delta lands. The levels of the Arkansas River at the different segments of the navigation system affect the levels of water in the tributaries that flow into and out of the Arkansas River. Experience has proven that pool levels can be controlled to a certain extent, and that raising the level of some pools, even by one foot, can raise the levels of a tributary high enough to allow irrigation of drought stricken farm lands. We have seen it happen, Mr. President.

But the Army engineers insist that statutory authorization is the only way that this can be done as a purposeful action. This legislation will simply increase the problem-solving capability of this great navigation system, and allow it to become an even greater asset to our taxpayers who support it. I ask expeditious consideraction by the responsible committee.●

By Mr. PELL (for himself, Mr. KENNEDY, and Mr. STAFFORD):

S. 1572. A bill to create a National Education Savings Trust; to prescribe the powers and duties of the Trust and of its Board of Trustees; to provide for advance tuition payment plan agreements; to establish an advance tuition payment fund and to provide for its administration, and for other purposes; to the Committee on Finance.

NATIONAL EDUCATION SAVINGS TRUST ACT

● Mr. PELL. Mr. President, on behalf of Mr. KENNEDY, Mr. STAFFORD, and myself, I am introducing the National Educational Savings Trust Act [NEST].

Our country's long-held tradition of the family beaing a major responsibility in financing a post-secondary education is endangered. Rising college costs are causing many Americans to question whether or not they can afford to pay for a college education for their children. In his recent study for the Carnegie Foundation, "College, The Undergraduate Experience in America," Ernest Boyer said:

> In the end, money, for most families, is the crucial issue. Indeed, the growing gap between tuition and family resources is one of the most urgent challenges colleges and universities confront.

There are many reasons for the current cost crisis. During the last 6 years, this administration has waged war on our entire system of student financial assistance. This includes proposals to cut the Pell Grant Program by as much as 25 percent, to restructure and cut back our student loan programs, and to wipe out our campus based grant, loan and college work study programs. It is a tragedy that Congress has had to spend the last 6 years defending programs that have opened the doors of educational opportunity for millions upon millions of deserving young men and women.

The Pell Grant Program, for example, has not kept pace with either the general cost of living or the escalating costs of a college education. Over the past 5 years, the value of a Pell Grant has actually declined while college costs have steadily risen. The same is true with supplemental grants, loan programs, and college work study. This, coupled wtih rising tuitions, has resulted in increased economic burdens for families attempting to finance their children's education.

I remain hopeful that this year's budget will provide for some much needed increases in student assistance. This is not to say, however, that moneys will be adequate. Indeed, the increase in the budget deficit since this administration has come into office poses a threat more severe to the future of educational funding than any of the threats we have faced in the last 6 years. For while rebuilding educational programs may be a long and tedious process, it will take longer still to pay the bills left from the irresponsible budget policies of this administration.

In addition, over the last decade we have experienced a very disconcerting increase in student indebtedness. Ten years ago grants comprised 75 percent of the student aid package; loans made up only 25 percent. Today, however, loans outdistance grants and comprise about two-thirds of the student aid package.

Increasingly, students are completing their academic work and beginning their professional careers with an enormous debt hanging over their heads. That debt has a very definite impact on the career choices made by students who have had to borrow heavily to finance their college education. In many instances, they feel they must choose the career where financial reward is the greatest simply because they face the immediate need to begin repaying their student loans. This poses a particularly serious threat to public service positions, such as teaching, where pay may not be sufficiently high to permit graduates to choose such a profession and also be able to repay their student loans.

The bill I am introducing today will help guarantee that the educational opportunities we have struggled to broaden will not be narrowed. This measure provides for the establishment of an educational trust fund to help families save for expenses associated with post secondary education. Under this plan, families would be able to make tax-deductible contributions to a trust fund account for each of their children. These funds could be used when the child reaches college age for tuition and related costs at an institution of higher education.

Contributions to the trust fund would be limited to $2,000 per child per year. Rate of deductibility would depend upon a family's income. The trust would be overseen by a Board of Trustee's appointed by the President and confirmed by the Senate. The Board would have powers to develop innovative savings plans, enter into individual savings agreements with families, and make benefit payments directly to postsecondary institutions on the behalf of qualified beneficiaries. Trust funds would be invested in Government securities.

Recently, many different college investment accounts have been developed at universities and in States throughout our Nation. In my home State of Rhode Island, General Treasurer Roger Begin and Representative Lawrence Ferguson have proposed an innovative savings plan for the citizens of our State called the Rhode Island Tuition Trust Fund.

The Federal Government is in a unique position to establish a similar plan. As a Federal program, such a plan could provide complete portability to every postsecondary institution in the country. Whether a child were to choose to attend an Ivy League college, a State university, a community college or a trade and technical school, the same educational benefits would apply. Tax advantages would be equitably applied to all citizens.

It is the concept of the plan I introduce which is most important. I look forward, therefore, to hearing thoughts and suggestions from my colleagues in the Senate, from those in the higher education community, and from the general public on how best to design this trust fund to benefit all our citizens.

Mr. President, I ask unanimous consent that the text of the legislation I am introducing be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1572

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—ESTABLISHMENT OF NATIONAL EDUCATION SAVINGS TRUST

SECTION 101. SHORT TITLE.

This Act shall be known and may be cited as the "National Education Savings Trust Act of 1987".

SEC. 102. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) it is an essential function of Government to encourage education;

(2) it is an essential function of Government to encourage attendance at institutions of postsecondary education in order to have a more educated citizenry; and

(3) it will become more difficult for many families to afford the costs of a postsecond-

ary education, and because such costs are difficult to predict.

(b) Purposes.—In order to assist the Nation's development and to help individuals and families to plan for their future educational needs, the purpose of this Act is to establish a National Education Savings Trust which may enter into advance tuition payment plan agreements with individuals and families in order—

(1) to provide students and their parents assistance in financing postsecondary education;

(2) to provide students and their parents protection against rising tuition costs;

(3) to provide wide and affordable access to postsecondary education institutions; and

(4) to encourage education and the means of education so as to benefit the Nation.

SEC. 103. DEFINITIONS.

As used in this title:

(1) The term "advance tuition payment plan agreement" means an agreement entered into by the Trust and a purchaser pursuant to this Act to yield future resources to assist in providing for the postsecondary education of a qualified beneficiary through payments to meet part or all of the costs of attendance at a postsecondary education institution.

(2) The term "Board" means the Board of Trustees of the National Education Savings Trust established by section 104.

(3) The term "cost of attendance" has the same meaning given that term by section 472 of the Higher Education Act of 1965.

(4) The term "Fund" means the Advance Tuition Payment Fund established by section 104.

(5) The term "Managing Trustee" means the Managing Trustee of the Board.

(6) The term "postsecondary education institution" means an institution of higher education as described in section 1201(a) of the Higher Education Act of 1965.

(7) The term "purchaser" means a person who makes or is obligated to make advance tuition payments pursuant to an advance tuition payment plan agreement.

(8) The term "qualified beneficiary" means any individual named in the advance tuition payment plan agreement who meets the eligibility criteria established by the Trust.

(9) The term "Trust" means the National Education Savings Trust created by section 104.

SEC. 104. NATIONAL EDUCATION SAVINGS TRUST.

(a) Establishment.—(1) There is established a public body corporate to be known as the National Education Savings Trust. The Trust shall have succession until dissolved. It shall maintain its principal office in the District of Columbia and shall be deemed, for purposes of venue and jurisdiction in civil actions, to be a resident and citizen thereof. Offices may be established by the Trust in such other place or places as it may deem necessary or appropriate for the conduct of its business.

(2) The Trust, including its franchise, capital, reserves, surplus, mortgages, or other security holdings, and income shall be exempt from all taxation now or hereafter imposed by any State, territory, possession, Commonwealth, or dependency of the United States, or by the District of Columbia, or by any county, municipality, or local taxing authority, except that any real property of the Trust shall be subject to State, territorial, county, municipal, or local taxation to the same extent according to its value as other real property is taxed.

(b) Board of Trustees.—(1) With respect to the National Education Savings Trust, there is hereby created a board to be known as the Board of Trustees of the Trust. The Board shall be composed of—

(A) the Secretary of Education and the Secretary of the Treasury, serving ex officio,

(B) 5 representatives of postsecondary education institutions and 5 members of the general public (not more than half of whom may be from the same political party), who shall be appointed by the President, by and with the advice and consent of the Senate, and

(C) 1 chairman, who shall be appointed by the President, by and with the advice and consent of the Senate.

(2)(A) The members of the Board appointed under paragraph (1)(B) shall be appointed for no more than 2 terms of 4 years each, except that—

(i) of the members first appointed after enactment of this Act, 3 shall be appointed for terms of 4 years, 3 for terms of 3 years, 2 for terms of 2 years, and 2 for terms of 1 year (as designated by the President at the time of appointment); and

(ii) a member appointed to fill a vacancy shall be appointed to serve the remainder of the predecessor's term.

(B) The chairman shall be appointed for a term of 5 years and shall not be eligible for reappointment.

(3) The Secretary of the Treasury shall be the Managing Trustee of the Board with respect to managing the assets of the Trust. The Assistant Secretary for Postsecondary Education shall serve as Secretary of the Board. The Board shall meet not less frequently than twice each calendar year.

(c) Establishment of Fund.—There is created under the jurisdiction and control of the Board an Advance Tuition Payment Fund. Payments received by the Trust from purchasers on behalf of qualified beneficiaries or from any other source, public or private, shall be placed in the Fund. The Fund may be divided into separate accounts.

(d) General Duties of the Board.—It shall be the duty of the Board—

(1) to hold the funds of the Trust;

(2) to establish policies, procedures, and eligibility criteria to implement this Act, including policies and procedures—

(A) to enable purchasers to alter the amount of funds invested in advance tuition payment plan agreements to better conform such agreements to meet the changing postsecondary education needs of eligible beneficiaries;

(B) for combining payments, when one purchaser has signed agreements to provide for more than one eligible beneficiary;

(C) for receiving periodic installment payments on advance tuition payment plan agreements; and

(D) for enabling purchasers to have their installment payments deducted from salary;

(3) to pay money from the Trust directly to a postsecondary education institution for cost of attendance at the postsecondary education institution, upon receipt of appropriate documentation, as provided for in the advance tuition payment plan agreement of an eligible beneficiary enrolled in that institution;

(4) to charge, impose, and collect administrative fees and charges in connection with any transaction and provide for reasonable penalties, including default, for delinquent payment of fees or charges or for fraud;

(5) to impose reasonable time limits on use of the tuition benefits provided by the Trust, in accordance with the terms provided in the agreement;

(6) to define and incorporate in the agreement, consistent with section 106 and sections 135 and 220 of the Internal Revenue Code of 1986, the terms and conditions under which money may be withdrawn or refunded from the Trust, including reasonable charges or fees for any such withdrawal or refund;

(7) to obtain for such goods and services and employ such personnel as is necessary and to engage the services of private consultants, actuaries, managers, legal counsel, and auditors for rendering professional, management, and technical assistance and advice, payable out of any money of the Trust;

(8) to make the reports required by subsection (j);

(9) to report immediately to the Congress whenever the Board is of the opinion that the amount of funds in the Trust is inadequate to meet its obligations; and

(10) to review the general policies followed in managing the Trust, and recommend changes in such policies, including necessary changes in the provisions of the law which govern the way in which the Trust is to be managed.

(e) Duties of Managing Trustee.—(1) It shall be the duty of the Managing Trustee to invest such portion of the funds in the Fund as is not, in his or her judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose, such obligations may be acquired (A) on original issue at the issue price, or (B) by purchase of outstanding obligations at the market price.

(2) The purposes for which obligations of the United States may be issued under chapter 31 of title 31, United States Code, are hereby extended to authorize the issuance at par of public-debt obligations for purchase by the Trust. Such obligations issued for purchase by the Trust shall have maturities fixed with due regard for the needs of the Trust and shall bear interest at a rate equal to the average market yield (computed by the Managing Trustee on the basis of market quotations as of the end of the calendar month next preceding the date of such issue) on all marketable interest-bearing obligations of the United States then forming a part of the public debt which are not due or callable until after the expiration of 4 years from the end of such calendar month. Where such average market yield is not a multiple of one-eighth of 1 per centum, the rate of interest of such obligations shall be the multiple of one-eighth of 1 per centum nearest such market yield.

(3) The Managing Trustee may purchase other interest-bearing obligations of the United States or obligations guaranteed as to both principal and interest by the United States, on original issue or at the market price, only where he or she determines that the purchase of such other obligations is in the public interest.

(4) Any obligations acquired by the Trust (except public-debt obligations issued exclusively to the Trust) may be sold by the Managing Trustee at the market price, and such public-debt obligations may be redeemed at par plus accrued interest.

(5) The interest on, and the proceeds from the sale or redemption of any obligations

held in the Fund shall be credited to, and form a part of, the Fund.

(f) Payment of Costs of Administration.—(1) After the close of each fiscal year, the Secretary of Education shall determine the portion of the costs of administration of this Act incurred during such fiscal year, and the Secretary of Education shall certify to the Managing Trustee these amounts, if any.

(2) Upon certification by the Board of the amounts provided by the Secretary of Education, the Managing Trustee is directed to pay from the Fund into the Treasury such amounts as is necessary to pay the costs of the administration of this Act.

(g) Acceptance of Donations—The Managing Trustee is authorized to accept on behalf of the Trust money, gifts, and bequests made unconditionally.

(h) Check Clearance and Payment.—(1) The Secretary of the Treasury shall implement procedures to permit the identification of each check issued for benefits under this Act that has not been presented for payment by the close of the sixth month of its issuance.

(2) The Secretary of the Treasury shall, on a monthly basis, credit the Trust for the amount of all tuition checks (including interest thereon) drawn on the Fund more than 6 months previously but not presented for payment and not previously credited to the Fund.

(i) Restrictions on Uses of Fund.—The assets of the Fund shall be preserved, invested, and expended solely pursuant to and for the purposes set forth in this Act and shall not be loaned or otherwise transferred or used by the Federal Government for any purpose other than the purposes of this Act. Unless otherwise provided by the Board, assets of the Fund shall be expended in the following order of priority—

(1) to make payments to postsecondary education institutions for costs of attendance on behalf of qualified beneficiaries;

(2) to make refunds upon termination of an advance tuition payment plan agreement; and

(3) to pay the costs of administration and organization of the Trust and the Fund.

(j) Annual Reports.—(1) The Board shall report to the Congress not later than the first day of April of each year on the operation and status of the Fund during the preceding fiscal year and on its expected operation and status during the next ensuing 5 years. This report shall include—

(A) a statement of the assets of, and the disbursements made from, the Fund during the preceding fiscal year;

(B) an estimate of the expected future income to, and disbursements to be made from, the Fund during each of the next ensuing 5 fiscal years;

(C) a statement of actuarial status of the Fund; and

(D) an actuarial opinion by recognized experts certifying that the techniques and methodologies used are generally accepted within the actuarial profession and that the assumptions and cost estimates used are reasonable.

(2) Such report shall be printed as a Senate document of the session of the Congress to which the report is made.

(3) A person serving on the Board shall not be considered to be a fiduciary and shall not be personally liable for actions taken in such capacity with respect to the Trust or the Fund.

SEC. 105. TUITION PAYMENT TERMS AND CONDITIONS.

(a) Authority To Enter Into Agreements.—A purchaser may enter into an agreement with the Trust, on behalf of itself and the Federal Government for the purchase of an advance tuition payment plan for use by a qualified beneficiary to pay a portion of the costs of attendance at a postsecondary education institution to which the qualified beneficiary is admitted.

(b) Contents of Agreement.—An advance tuition payment plan agreement shall set forth all of the following:

(1) The amount of the payment or installments required from the purchaser on behalf of the qualified beneficiary, subject to the limitations contained in section 220(c) of the Internal Revenue Code of 1986.

(2) The terms and conditions for making such payment or installments, including the date or dates upon which the payment or installments shall be due. Such terms and conditions may include provisions to permit another person to make such payment or installments in the event that the purchaser, becomes disabled, or otherwise becomes unable to make such payment or installment.

(3) Provisions for late payment charges and for default.

(4) The name and date of birth of the qualified beneficiary under the agreement. The agreement may permit the purchaser, with the approval of the Trust and on conditions set forth in the agreement, to substitute another qualified beneficiary for the qualified beneficiary originally named, in lieu of termination of the agreement under section 106.

(5) The name of the person entitled to terminate the agreement, which, as provided by the agreement, may be the purchaser or a person to act on behalf of the purchaser.

(6) The terms and conditions under which the agreement may be terminated and the conditions and the method of computation of the amount of any refund to which the person terminating the agreement, or specifically the purchaser or designated qualified beneficiary if the agreement so provides, shall be entitled upon termination.

(7) The assumption of a contractual obligation by the Trust to the qualified beneficiary, on its own behalf and on behalf of the Federal Government, to provide for the costs specified in an advance tuition payment plan agreement described in subsection (c).

(8) The period of time from the beginning to the end of which the qualified beneficiary may receive the benefits under the agreement, such period ending no later than the date upon which any qualified beneficiary under the agreement attains the age of 30 years.

(9) The agreement may permit the purchaser who has been unemployed for more than 1 year and who has been eligible for unemployment compensation benefits during such year to direct the payment of the cost of attendance by the purchaser at a postsecondary education institution for the purpose of job training or retraining. Such payment may only occur during the period described in paragraph (8).

(10) Other terms, conditions, and provisions as the Trust considers in its sole discretion to be necessary or appropriate.

(c) Design of Agreements.—(1) The Trust shall offer a purchaser a plan that will, on the basis of actuarial projections, attempt to achieve sufficient return to pay costs of attendance at a postsecondary education institution. In order to achieve this objective, the Trust shall determine, using appropriate actuarial projections, the average future costs of attendance charged by public postsecondary education institutions and private postsecondary education institutions.

(2) The Trust shall provide that a purchaser may purchase an advance tuition payment plan for an eligible beneficiary at any time following the birth of the eligible beneficiary, varying the amount of the purchaser payments accordingly with the age of the eligible beneficiary at time of purchase. The face amount of the payment or installments, plus any interest or dividends accrued thereon, shall be refunded by the Trust upon termination of the agreement pursuant to section 106 and in accordance with the terms of the agreement.

SEC. 106. AUTHORIZED AGREEMENT TERMINATION.

(a) Termination Events.—An advance tuition payment plan agreement shall terminate whenever one of the following occurs:

(1) The qualified beneficiary dies.

(2) The qualified beneficiary has attained the age of 30.

(3) The purchaser certifies to the Trust that the qualified beneficiary, after attaining the age of majority, has decided not to attend a postsecondary education institution and requests, in writing, that the advance tuition payment plan agreement be terminated.

(4) The purchaser certifies to the Trust that the qualified beneficiary, after attaining such age, has completed as much of the course of postsecondary education as the qualified beneficiary intends to complete and has not exhausted the benefits to which the qualified beneficiary is entitled under the advance tuition payment plan agreement.

(5) Other circumstances, determined by the Trust and set forth in the advance tuition payment plan agreement, occur.

(b) Refunds Upon Termination.—An advance tuition payment plan agreement shall provide for a refund pursuant to this section to the purchaser upon termination of the agreement in accordance with subsection (a). The amount of such refund shall be determined in accordance with the agreement, shall be disbursed in a single payment, and shall be reported to the Secretary of the Treasury for purposes of section 135 of the Internal Revenue Code of 1986.

SEC. 107. RESTRICTIONS.

Nothing in this Act or in an advance tuition payment plan agreement shall be construed as a promise or guarantee by the Trust or the Federal Government that a person will be admitted to any postsecondary education institution, will be allowed to continue to attend any postsecondary education institution after having been admitted, or will be graduated from any postsecondary education institution.

SEC. 108. ADVANCE TUITION PAYMENT PLAN AGREEMENTS AND STUDENT ASSISTANCE.

Part F of title IV of the Higher Education Act of 1965 is amended by inserting after section 479B the following new section:

"ADVANCE TUITION PAYMENT PLAN AGREEMENTS AND STUDENT ASSISTANCE

"Sec. 479C. No portion of any corpus or income under any advance tuition payment plan agreement from the National Education Savings Trust shall be considered as income or resources with respect to any student in determining eligibility for assistance under any program funded in whole or in part under title IV of this Act, other than

75 percent of the corpus and income under any such agreement with respect to which such student is a qualified beneficiary.".

SEC. 109. NONDISCRIMINATION PROVISIONS.

Nothing in this Act shall be construed to—

(1) permit any postsecondary education institution to request information concerning the existence of an advance tuition payment plan agreement entered into with the Trust unless such information relates to eligibility for Federal financial assistance under title IV of the Higher Education Act of 1965 or under some other similar provision of Federal law; or

(2) permit any postsecondary education institution to charge any differential in the cost of attendance at such institution for students who are the qualified beneficiaries of such a plan agreement.

SEC. 110. AUTHORIZATION OF APPROPRIATIONS.

To enable the Trust to begin operations and to provide sufficient funds to continue operations for a period not to exceed 7 fiscal years after the date of the enactment of this Act, there are authorized to be appropriated such sums as may be necessary. Whenever, prior to the end of the period described in the preceding sentence the Board determines that the Trust is self supporting, the Board shall, in the report required by section 104(j), so notify the Congress.

TITLE II—TAX TREATMENT OF ADVANCE TUITION PAYMENT PLAN AGREEMENTS

SEC. 201. DEDUCTION FOR AMOUNTS PAID UNDER CERTAIN ADVANCE TUITION PAYMENT PLAN AGREEMENTS.

(a) In General.—Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to additional itemized deductions for individuals) is amended by redesignating section 220 as section 221 and by inserting after section 219 the following new section:

"SEC. 220. PAYMENTS UNDER CERTAIN ADVANCE TUITION PAYMENT PLAN AGREEMENTS.

"(a) Allowance of Deduction.—

"(1) In general.—There shall be allowed as a deduction an amount equal to the applicable percentage of the amount paid in cash during such year by the taxpayer to the National Education Savings Trust pursuant to any advance tuition payment plan agreement.

"(2) Applicable percentage.—

"(A) In general.—For purposes of paragraph (1), the applicable percentage shall be determined by the following table:

"If the adjusted gross income of the taxpayer is:	The applicable percentage is:
Not over $25,000	100
Over $25,000 but not over $60,000.	50
Over $60,000 but not over $100,000.	25
Over $100,000	0.

"(B) Special rule for married individuals filing separate returns.—In the case of a married taxpayer filing a separate return, the dollar amounts in subparagraph (A) shall be reduced by 50 percent.

"(C) Inflation adjustment for years after 1988.—In the case of any taxable year beginning in a calendar year after 1988, the dollar amounts in subparagraph (A) shall be increased by an amount equal to—

"(i) such dollar amount, multiplied by

"(ii) the cost-of-living adjustment determined under section 1(f)(3), for any calendar year in which the taxable year begins.

"(b) Only Certain Taxpayers Eligible for Deduction.—The deduction allowable by subsection (a) shall be allowed to a taxpayer for payments pursuant to any advance tuition payment plan agreement only if—

"(1) except as provided in subsection (d)(2), the taxpayer is the qualified beneficiary under such agreement, or

"(2) the taxpayer is entitled to a deduction under section 151(c) with respect to the qualified beneficiary under such agreement for the taxable year.

"(c) Dollar Limitation on Amount Deductible.—The amount allowable as a deduction under subsection (a) with respect to payments under each advance tuition payment plan agreement for each qualified beneficiary shall not exceed—

"(1) $2,000 for any taxable year, and

"(2) $48,000 for all taxable years.

"(d) Special Rules.—

"(1) Death of beneficiary or attainment of age 30.—No deduction shall be allowed under subsection (a) for payments pursuant to any advance tuition payment plan agreement with respect to a qualified beneficiary for the taxable year in which such beneficiary dies or attains age 30 or for any year thereafter.

"(2) Taxpayer who is dependent of another taxpayer.—No deduction shall be allowed to a taxpayer under subsection (a) if such taxpayer is a dependent of any other person for a taxable year beginning in the calendar year in which the taxable year of the taxpayer begins.

"(3) Spouse of taxpayer.—No deduction shall be allowed under subsection (a) for payments pursuant to any advance tuition payment plan agreement with respect to a qualified beneficiary who is the spouse of the taxpayer at the close of the taxable year unless—

"(A) the taxpayer is entitled to an exemption for his or her spouse under section 151(b) for the taxable year, and

"(B) the taxpayer files a joint return with such spouse for the taxable year.

"(4) Contributions made within 2½ months after close of taxable year.—For purposes of this section, a taxpayer shall be deemed to have made a payment pursuant to an advance tuition payment plan agreement on the last day of the preceding taxable year if such payment is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (not including extensions thereof).

"(5) Marital status.—For purposes of this section, marital status shall be determined under section 7703.

"(e) Definitions.—For purposes of this section, the terms 'advance tuition payment plan agreement' and 'qualified beneficiary' have the respective meanings given such terms under section 103 of the National Education Savings Trust Act of 1987.".

(b) Deduction Also Allowable To Taxpayers Who Do Not Itemize Deductions.—Subsection (a) of section 62 of such Code (defining adjusted gross income) is amended by adding at the end thereof the following new paragraph:

"(13) Payments under advance tuition payment plan agreements.—The deduction allowed by section 220.".

(c) Clerical Amendments.—The table of sections for part VII of subchapter B of chapter 1 of such Code is amended by striking out the item relating to section 220 and inserting in lieu thereof the following new items:

"Sec. 220. Payments under certain advance tuition payment plan agreements.

"Sec. 221. Cross reference.".

(d) Effective Date.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

SEC. 202. INCOME TAX TREATMENT OF BENEFITS FURNISHED BY AND REFUNDS FROM NATIONAL EDUCATION SAVINGS TRUST.

(a) In General.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to items specifically excluded from gross income) is amended by redesignating section 135 as section 136 and by inserting after section 134 the following new section:

"SEC. 135. TREATMENT OF BENEFITS FURNISHED BY AND REFUNDS FROM NATIONAL EDUCATION SAVINGS TRUST.

"(a) Exclusion for Educational Benefits Furnished.—No amount shall be included in the gross income of any person by reason of the payment from the National Education Savings Trust to any postsecondary education institution pursuant to any advance tuition payment plan agreement.

"(b) Other Amounts Included in Gross Income.—

"(1) In general.—Any amount paid from the National Education Savings Trust which is not described in subsection (a) shall be included in the gross income of the person to whom such amount is paid for the taxable year in which received by such person.

"(2) Penalty.—

"(A) In general.—Except as provided in subparagraph (B), if an amount is includible in the gross income of any person under paragraph (1) for any taxable year, such person's tax under this chapter for such year shall be increased by an amount equal to 20 percent of the amount required to be included in gross income under paragraph (1) (10 percent, if such amount is includible in gross income in any taxable year ending before the qualified beneficiary of the advance tuition payment plan agreement attains the age of 25 years).

"(B) Exception where beneficiary under agreement dies.—Subparagraph (A) shall not apply to any amount includible in gross income on the termination of an advance tuition payment plan agreement if such termination occurs by reason of the death of the qualified beneficiary under such agreement.

"(C) Definitions.—For purposes of this section, the terms 'advance tuition payment plan agreement' and 'qualified beneficiary' have the respective meanings given such terms under section 103 of the National Education Savings Trust Act of 1987.".

(b) Clerical Amendment.—The table of sections for such part III is amended by striking out the item relating to section 135 and inserting in lieu thereof the following new items:

"Sec. 135. Treatment of benefits furnished by and refunds from National Education Savings Trust.

"Sec. 136. Cross references to other Acts.".

(c) Effective Date.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.●

THE NATIONAL EDUCATIONAL SAVINGS TRUST ACT

● Mr. KENNEDY. Mr. President, since 1980, college tuitions have increased 75 percent, much faster than any other major good or service that American families purchase. At the same time, because of Federal budget pressures, middle income families are increasingly being excluded from financial aid programs. These developments threaten to make higher education less accessible than it has been in recent years.

We cannot allow this to happen. Education is the Nation's most important vehicle for economic growth and social progress. Access to excellent higher education is essential if we are to maintain a competitive stance in the world economy. If able students cannot afford to attend a college or university, our social and economic progress will be threatened.

Rising costs have already prompted much discussion on alternative ways to finance higher education. Some colleges have taken initiatives in this area, including Duquesne University and Calvin College. State governments have also been active and there is great interest in the Baccalaureate Education System Trust [BEST] program launched in Michigan. Florida, Wyoming, and Tennessee have passed legislation similar to Michigan, and Massachusetts, along with a number of other States, is considering a college savings plan.

State and institutional plans are clearly important, but a Federal initiative is essential. A Federal program would be portable and allow students to take benefits to any institution in the country. A Federal initiative could be more easily combined with existing Federal student aid programs aimed at low-income and disadvantaged individuals.

I am pleased to join today in introducing a bill today which will help accomplish these objectives. The National Education Savings Trust [NEST] would allow parents to make tax deductible payments into an Advance Tuition Payment Fund to be used to help meet their children's cost of attending a higher education institution.

Under the program, parents could invest $2,000 annually and $48,000 total for each qualified beneficiary. A tax deduction would be available for these contributions, and the percentage of the investment that could be claimed as a deduction would be based on the adjusted gross income of the family. The tax benefits are reduced for families with an annual income above $25,000 and are eliminated completely for families above $100,000.

The Trust would be overseen by a Board of Trustees that would be authorized to offer several plans with different rates of return to meet family financial circumstances and education objectives. The Board will make payments from the trust directly to the postsecondary institution in the name of the beneficiary. The Board is responsible for establishing the policies and procedures of the trust. There is also a time limit on how long the beneficiary can allow the funds to accrue interest before either terminating the contract or using the funds.

I emphasize that this program is not designed to replace or supplement existing student aid programs for the needy. The Federal Government's role in financing higher education must first and foremost focus on financially needy students. Our intention with this bill is to explore appropriate and affordable ways to assist middle-income families to begin saving for their children's college expenses.

There is little doubt that the public needs help planning for higher education expenses. A 1983 study by the Roper Organization showed over 4 in 10 parents said they would save more than they are now saving if the Federal Government gave people a tax break in the form of deductions or tax credits for money put into an education savings account. This is an idea well worth considering.

There are many questions about an initiative such as this that will need to be explored before we create such a system. But I believe this bill is an excellent vehicle for further debate and discussion and I look forward to having the suggestions of my colleagues in the Senate, educators and the public as we develop this idea.●

By Mr. McCLURE (for himself and Mr. THURMOND):

S. 1573. A bill to amend section 1853 of the Act of June 25, 1948; to the Committee on the Judiciary.

FOREST USERS PROTECTION ACT

● Mr. McCLURE. Mr. President, today I am introducing a bill entitled "The Forest User Protection Act of 1987" which addresses an urgent problem within our Nation's forests.

Last month, I expressed in a statement on the Senate floor, my disgust and horror about an activity that will eventually claim lives if we do not take action to prevent it. Tree spiking, the act of driving steel or ceramic spikes into trees in order to damage the equipment of anyone attempting to cut the tree down or to saw it into lumber, is the despicable activity about which I speak and which is addressed in this legislation.

It is an act of terrorism carried out by a handful of cowardly individuals in the name of protecting the environment. This terrorism has been encouraged and fueled by an organization known as Earth First! and its leader, Mr. Dave Foreman of Tucson, AR.

The individuals who commit these heinous acts generally do so under cover of darkness or through other means in order to avoid detection. They do so with full knowledge of the possible, dreadful consequences of their actions.

Earlier this spring, a young California man was severely injured as the result of some radical environmentalist's action. Since that time, there have been numerous other incidents that, had they not been discovered, might well have resulted in the death or serious injury of unsuspecting, innocent victims.

In Montana, hikes on a National Forest found spikes buried in the trail and a length of fishing line strung across it at neck high level. This incident occurred in an area where various interest groups are openly and honestly debating their differences over land use policies in a way that is lawful and relies on our systems of due process to resolve differences.

If some less observant man, woman or child had happened onto the situation on horseback or via an off-road vehicle, the results would likely have been tragic.

In northeastern Washington, an anonymous caller informed the U.S. Forest Service that tree spiking had occurred in a controversial area where a timber sale was planned. Obviously, the person doing the spiking had determined that the process was wrong, he was right, and he obviously had decided to take matters into his own hands.

In central Idaho, an eco-terrorist has attempted to stop the use of a backcountry, federally owned airstrip by destroying its landing surface. Such airstrips have been used for decades as a means of supplying hunting parties, supplying National Forest work crews and firefighters, and to provide emergency evacuation services. Many of these strips are located in extremely remote areas allowing access to medical facilities and treatment for injured persons that might take hours or even days to reach by horseback or on foot.

In southern Idaho, a National Forest trail was spiked in an incident similar to that in Montana.

These incidents are all the results of activities of radical environmentalists. I hope that responsible environmental organizations who have worked hard and long to demonstrate their credibility with both the Congress and the public will make every effort to disassociate themselves from this radical, fringe element.

A death resulting from the activities of these terrorists is nothing less than premeditated murder and should be treated as such. Their intent is to kill or maim. The injuries inflicted from their actions are no less deadly, painful or gruesome than that of a bullet, knife, or hatchet.

Mr. President, my bill, entitled "Forest Users Protection Act of 1987" is a companion to a House bill prepared by Congressman PASHAYAN. I am pleased that Senator THURMOND has already chosen to join me as original cosponsor.

My bill, which amends section 1853 of the Act of June 25, 1948 (18 U.S.C. 1853), will make it a misdemeanor to spike any tree on any property owned or held in trust by the Federal Government. A conviction carries a penalty of not more than $1,000 and 1 year in prison.

Further, it makes it a felony to spike a tree that results in injury or in property damage of $500 or more. The penalties in such cases are a fine not to exceed $20,000 and/or a prison sentence not to exceed 5 years for a first offense. A second conviction under the same circumstances will result in a fine of up $100,000 or a sentence not to exceed 25 years in prison or both.

Finally, because of the covert nature of the people involved in these terrorist activities, the bill provides for a reward to be paid to anyone providing information leading to the arrest and conviction of a terrorist tree spiker. The reward paid will be equal to one-half of any penalty or fine collected, not to exceed $5,000.

It is my hope that this bill, if enacted into law, will be a deterrent to eco-terrorism as well as an effective enforcement mechanism.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1573

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 1. SHORT TITLE.

This Act may be cited as the "Forest Users' Protection Act of 1987".

SEC. 2. AMENDMENTS TO SECTION 1853.

Section 1853 of the Act of June 25, 1948 (18 U.S.C. 1853) is amended to read as follows:

"(a) Whoever unlawfully cuts, or knowingly or willfully inserts any spiking device, or want only injures or destroys any tree growing, standing, or being upon any land of the United States which, in pursuance of law, has been reserved or purchased by the United States for any public use, or upon any Indian reservation, or lands belonging to or occupied by any tribe of Indians under the authority of the United States, or any Indian allotment while the title to same shall be held in trust by the Government, or while the same shall remain inalienable by the allottee without the consent of the United States, shall be fined not more than $1,000 or imprisoned not more than one year, or both.

"(b) Whoever knowingly or willfully inserts such a spiking device that results in physical injury to a person or damage to property in excess of $500 shall be fined not more than $20,000 or imprisoned not more than five years, or both. In the case of a second or subsequent such violation upon conviction, such person shall be fined not more than $100,000, or imprisoned not more than twenty-five years, or both.

"(c) Upon the certification of the Federal land manager concerned, the Secretary of the Treasury is directed to pay from penalties and fines collected an amount equal to one-half of such penalty or fine, but not to exceed $5,000, to any person who furnishes information which leads to the finding of a civil violation, or the conviction of criminal violation, with respect to which such penalty or fine was paid. If several persons provided such information, such amount shall be divided among such persons. No officer or employee of the United States or of any State or local government who furnishes information or renders service in the performance of his official duties shall be eligible for payment under this subsection."●

ADDITIONAL COSPONSORS

S. 79

At the request of Mr. METZENBAUM, the name of the Senator from Tennessee [Mr. GORE] was added as a cosponsor of S. 79, a bill to notify workers who are at risk of occupational disease in order to establish a system for identifying and preventing illness and death of such workers, and for other purposes.

S. 84

At the request of Mr. JOHNSTON, the name of the Senator from Tennessee [Mr. GORE] was added as a cosponsor of S. 84, a bill to amend the Land and Water Conservation Fund Act of 1965.

S. 260

At the request of Mr. THURMOND, the name of the Senator from New Mexico [Mr. DOMENICI] was added as a cosponsor of S. 260, a bill to reform procedures for collateral review of criminal judgments, and for other purposes.

S. 277

At the request of Mr. THURMOND, the name of the Senator from New Mexico [Mr. DOMENICI] was added as a cosponsor of S. 277, a bill to establish constitutional procedures for the imposition of the sentence of death, and for other purposes.

S. 278

At the request of Mr. THURMOND, the name of the Senator from New Mexico [Mr. DOMENICI] was added as a cosponsor of S. 278, a bill to amend title 18 to limit the application of the exclusionary rule.

S. 450

At the request of Mr. ARMSTRONG, the name of the Senator from Arizona [Mr. MCCAIN] was added as a cosponsor of S. 450, a bill to recognize the organization known as the National Mining Hall of Fame and Museum.

S. 533

At the request of Mr. THURMOND, the names of the Senator from Florida [Mr. GRAHAM], and the Senator from Delaware [Mr. ROTH] were added as cosponsors of S. 533, a bill to establish the Veterans' Administration as an executive department.

At the request of Mr. THURMOND, the name of the Senator from Texas [Mr. GRAMM] was withdrawn as a cosponsor of S. 533, supra.

S. 582

At the request of Mr. KARNES, his name was added as a cosponsor of S. 582, a bill to provide for improved air transportation to small communities, and for other purposes.

At the request of Mr. EXON, the name of the Senator from Minnesota [Mr. DURENBERGER] was added as a cosponsor of S. 582, supra.

S. 757

At the request of Mr. LAUTENBERG, the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of S. 757, a bill to require each commercial air carrier engaged in the transportation of passengers to report its on-time performance record to the Secretary of Transportation, and for other purposes.

S. 824

At the request of Mr. SPECTER, the name of the Senator from Minnesota [Mr. BOSCHWITZ] was added as a cosponsor of S. 824, a bill to establish clearly a Federal right of action by aliens and United States citizens against persons engaging in torture or extrajudicial killing, and for other purposes.

S. 863

At the request of Mr. KENNEDY, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 863, a bill to provide for the admission of the State of New Columbia into the Union.

S. 1103

At the request of Mr. WEICKER, the names of the Senator from Connecticut [Mr. DODD], and the Senator from Louisiana [Mr. JOHNSTON] were added as cosponsors of S. 1103, a bill for the relief of Ivan Lendl.

S. 1120

At the request of Mr. MELCHER, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 1120, a bill to amend the Mineral Lands Leasing Act of 1920 to improve the administration of the Federal Coal Leasing Program, and for other purposes.

S. 1142

At the request of Mr. SHELBY, the name of the Senator from Montana [Mr. MELCHER] was added as a cosponsor of S. 1142, a bill to provide Federal recognition of the Mowa Band of Choctaw Indians of Alabama.

S. 1239

At the request of Mr. ARMSTRONG, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 1239, a bill to amend the Internal Revenue Code of 1986 with respect to the treatment of certain short-term loans.

S. 1270

At the request of Mr. DECONCINI, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 1270, a bill to improve the Government's debt collection and credit management practices, to implement certain recommendations of the President's Private Sector Survey on Cost Control, and for other purposes.

S. 1390

At the request of Mr. Baucus, the names of the Senator from Arkansas [Mr. Pryor], the Senator from Delaware [Mr. Biden], the Senator from Arkansas [Mr. Bumpers], the Senator from North Carolina [Mr. Sanford], and the Senator from South Carolina [Mr. Hollings] were added as cosponsors of S. 1390, a bill to amend the Social Security Act to make viable the provision of health care in rural areas under titles XVIII and XIX of that Act, and for other purposes.

S. 1397

At the request of Mr. Cranston, the name of the Senator from Washington [Mr. Evans] was added as a cosponsor of S. 1397, a bill to recognize the organization known as the Non Commissioned Officers Association of the United States of America.

S. 1398

At the request of Mr. DeConcini, the name of the Senator from Delaware [Mr. Roth] was added as a cosponsor of S. 1398, a bill to amend title 10, United States Code, to clarify the authority of the Secretary of the Air Force to permit female members of the Air Force to receive fighter pilot training.

S. 1408

At the request of Mr. Chafee, the name of the Senator from Hawaii [Mr. Matsunaga] was added as a cosponsor of S. 1408, a bill to amend the Immigration and Nationality Act to waive the continuous residence requirement under the legalization program for spouses and children of qualified legalized aliens.

S. 1438

At the request of Mr. Durenberger, the name of the Senator from New Mexico [Mr. Domenici] was added as a cosponsor of S. 1438, a bill to assist rural hospitals facing unfair Medicare payment policies.

S. 1464

At the request of Mr. Cranston, the name of the Senator from Illinois [Mr. Simon] was added as a cosponsor of S. 1464, a bill to amend title 38, United States Code, to provide eligibility to certain individuals for beneficiary travel payments in connection with travel to and from Veteran's Administration facilities.

S. 1475

At the request of Mr. Melcher, the names of the Senator from Montana [Mr. Baucus], and the Senator from North Dakota [Mr. Conrad] were added as cosponsors of S. 1475, a bill to establish an effective clinical staffing recruitment and retention program, and for other purposes.

S. 1501

At the request of Mr. Cranston, the name of the Senator from New Mexico [Mr. Bingaman] was added as a cosponsor of S. 1501, a bill to amend title 38, United States Code, to eliminate the requirement that the Administrator of Veterans' Affairs carry out a transition under which community-based Vet Centers would be moved to Veterans' Administration medical facilities and to provide standards and procedures governing any closures or moves of Vet Centers, and for other purposes.

S. 1510

At the request of Mr. Kerry, the name of the Senator from Illinois [Mr. Simon] was added as a cosponsor of S. 1510, a bill to require the Administrator of Veterans' Affairs to arrange for the review by the National Academy of Sciences of scientific evidence, studies, and literature pertaining to the human health effects of exposure to agent orange and its component compounds and the issuance of a report on the Academy's conclusions as to the weight of the evidence regarding the health effects in humans of exposure to agent orange, and for other purposes.

S. 1511

At the request of Mr. Moynihan, the names of the Senator from Nevada [Mr. Reid], and the Senator from Montana [Mr. Melcher] were added as cosponsors of S. 1511, a bill to amend title IV of the Social Security Act to replace the AFDC program with a comprehensive program of mandatory child support and work training which provides for transitional child care and medical assistance, benefits improvement, and mandatory extension of coverage to two-parent families, and which reflects a general emphasis on shared and reciprocal obligation, program innovation, and organizational renewal.

SENATE JOINT RESOLUTION 53

At the request of Mr. Cranston, the names of the Senator from Maine [Mr. Mitchell], the Senator from Kansas [Mrs. Kassebaum], and the Senator from Georgia [Mr. Nunn] were added as cosponsors of Senate Joint Resolution 53, a joint resolution to designate the period commencing November 22, 1987, and ending November 28, 1987, as "American Indian Week".

SENATE JOINT RESOLUTION 98

At the request of Mr. Hatch, the names of the Senator from Rhode Island [Mr. Chafee], the Senator from Georgia [Mr. Fowler], the Senator from Arizona [Mr. DeConcini], the Senator from New York [Mr. Moynihan], the Senator from New Jersey [Mr. Bradley], the Senator from Vermont [Mr. Stafford], and the Senator from Oklahoma [Mr. Nickles] were added as cosponsors of Senate Joint Resolution 98, a joint resolution to designate the week of November 29, 1987, through December 5, 1987, as "National Home Health Care Week".

SENATE JOINT RESOLUTION 178

At the request of Mr. Kennedy, the name of the Senator from Hawaii [Mr. Matsunaga] was added as a cosponsor of Senate Joint Resolution 178, a joint resolution designating the first day of August as "National Day of Peace".

SENATE CONCURRENT RESOLUTION 23

At the request of Mr. Cranston, the names of the Senator from California [Mr. Wilson], the Senator from Connecticut [Mr. Weicker], and the Senator from Ohio [Mr. Metzenbaum] were added as cosponsors of Senate Concurrent Resolution 23, a concurrent resolution designating jazz as an American national treasure.

SENATE CONCURRENT RESOLUTION 31

At the request of Mr. Pressler, the names of the Senator from Michigan [Mr. Levin] was added as a cosponsor of Senate Concurrent Resolution 31, a concurrent resolution commending the Czechoslovak human rights organization charter 77, on the occasion of the 10th anniversary of its establishment, for its courageous contributions to the achievement of the aims of the Helsinki Final Act.

SENATE RESOLUTION 260—AMENDING THE STANDING RULES OF THE SENATE TO IMPROVE LEGISLATIVE EFFICIENCY

Mrs. KASSEBAUM (for herself and Mr. Inouye) submitted the following resolution; which was referred to the Committee on Rules and Administration:

S. Res. 260

Resolved, That rule XXV of the Standing Rules of the Senate is amended to read as follows:

"STANDING COMMITTEES"

"1. The following standing committees shall be appointed at the commencement of each Congress, and shall continue and have the power to act until their successors are appointed, with leave to report by bill or otherwise on matters within their respective jurisdictions:

(a)(1) Committee on National Priorities, to which committee shall be referred all concurrent resolutions on the budget (as defined in section 3(a)(4) of the Congressional Budget Act of 1974) and all other matters required to be referred to committee under titles III and IV of that Act, and messages, petitions, memorials, and other matters relating thereto.

(2) Such committee shall have the duty—

(A) to report the matters required to be reported by committee under title III and IV of the Congressional Budget Act of 1974;

(B) to make continuing studies of the effect on budget outlays of relevant existing and proposed legislation and to report the results of such studies to the Senate on a recurring basis;

(C) to request and evaluate continuing studies of tax expenditures, to devise methods of coordinating tax expenditures, policies, and programs with direct budget outlays, and to report the results of such studies to the Senate on a recurring basis; and

(D) to review on a continuing basis, the conduct by the Congressional Budget Office of its functions and duties.

(b)(1) Committee on Agricultural Policy, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating primarily to the following subjects:

1. Agricultural economics and research.
2. Agricultural extension services and experiment stations.
3. Agricultural production, marketing, and stabilization of prices.
4. Agriculture and agricultural commodities.
5. Animal industry and diseases.
6. Crop insurance and soil conservation.
7. Farm credit and farm security.
8. Food from fresh waters.
9. Inspection of livestock, meat, and agricultural products.
10. Pests and pesticides.
11. Plant industry, soils, and agricultural engineering.
12. Rural development, rural electrification, and watersheds.

(2) There shall also be referred to such committee all proposed legislation, messages, petitions, memorials, and other matters relating to the appropriation, or to the rescission of the appropriation, of revenue for the support of government programs, projects, or activities relating primarily to the subjects specified in paragraph (b)(1), except as provided in subparagraph (a).

(c)(1) Committee on Defense Policy, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating primarily to the following subjects:

1. Aeronautical and space activities peculiar to or primarily associated with the development of weapons systems or military operations.
2. Common defense.
3. Department of Defense, the Department of the Army, the Department of the Navy, and the Department of the Air Force, generally.
4. Maintenance and operation of the Panama Canal, including administration, sanitation, and government of the Canal Zone.
5. Military research and development.
6. National security aspects of nuclear energy.
7. Naval petroleum reserves, except those in Alaska.
8. Pay, promotion, retirement, and other benefits and privileges of members of the Armed Forces, including overseas education of civilian and military dependents.
9. Selective service system.
10. Strategic and critical materials necessary for the common defense.

(2) There shall also be referred to such committee all proposed legislation, messages, petitions, memorials, and other matters relating to the appropriation, or to the rescission of the appropriation, of revenue for the support of government programs, projects, or activities relating primarily to the subjects specified in paragraph (c)(1), except as provided in subparagraph (a).

(d)(1) Committee on Commercial Policy, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating primarily to the following subjects:

1. Coast Guard.
2. Coastal zone management.
3. Communications.
4. Construction and maintenance of highways, and highway safety.
5. Inland waterways, except construction.
6. Interstate Commerce.
7. Marine and ocean navigation, safety, and transportation, including navigational aspects of deepwater ports.
8. Marine fisheries.
9. Merchant marine and navigation.
10. Nonmilitary aeronautical and space sciences.
11. Oceans, weather, and atmospheric activities.
12. Regulation of consumer products and services, including testing related to toxic substances, other than pesticides.
13. Regulation of interstate common carriers, including railroads, buses, trucks, vessels, pipelines, and civil aviation.
14. Science, engineering, and technology research and development and policy.
15. Sports.
16. Standards and measurement.
17. Transportation.
18. Transportation and commerce aspects of Outer Continental Shelf lands.
19. Regional economic development.
20. Financial aid to commerce and industry.
21. Public works, bridges, and dams.

(2) There shall also be referred to such committee all proposed legislation, messages, petitions, memorials, and other matters relating to the appropriation, or to the rescission of the appropriation, of revenue for the support of government programs, projects, or activities relating primarily to the subjects specified in paragraph (d)(1), except as provided in subparagraph (a).

(e)(1) Committee on Economic Policy, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating primarily to the following subjects:

1. Bonded debt of the United States, except as provided in the Congressional Budget Act of 1974.
2. Deposits of public moneys.
3. Revenue measures generally, except as provided in the Congressional Budget Act of 1974.
4. Revenue measures relating to the insular possessions.
5. Banks, banking, and financial institutions.
6. Deposit insurance.
7. Federal monetary policy, including Federal Reserve System.
8. Issuance and redemption of notes.
9. Money and credit, including currency and coinage.

(2) There shall also be referred to such committee all proposed legislation, messages, petitions, memorials, and other matters relating to the appropriation, or to the rescission of the appropriation, of revenue for the support of government programs, projects, or activities relating primarily to the subjects specified in paragraph (e)(1), except as provided in subparagraph (a).

(f)(1) Committee on Energy Policy, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating primarily to the following subjects:

1. Coal production, distribution, and utilization.
2. Energy policy.
3. Energy regulation and conservation.
4. Energy related aspects of deepwater ports.
5. Energy research and development.
6. Extraction of minerals from oceans and Outer Continental Shelf lands.
7. Hydroelectric electric power, irrigation, and reclamation.
8. Mining education and research.
9. Mining, mineral lands, mining claims, and mineral conservation.
10. Naval petroleum reserves in Alaska.
11. Nonmilitary development of nuclear energy.
12. Oil and gas production and distribution.
13. Solar energy systems.

(2) There shall also be referred to such committee all proposed legislation, messages, petitions, memorials, and other matters relating to the appropriation, or to the rescission of the appropriation, of revenue for the support of government programs, projects, or activities relating primarily to the subjects specified in paragraph (f)(1), except as provived in subparagraph (a).

(g)(1) Committee on Environmental Policy, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating primarily to the following subjects:

1. Air pollution.
2. Environmental aspects of Outer Continental Shelf lands.
3. Environmental affects of toxic substances, other than pesticides.
4. Environmental policy.
5. Environmental research and development.
6. Fisheries and wildlife.
7. Flood control and improvements of rivers and harbors, including environmental aspects of deepwater ports.
8. Noise pollution.
9. Nonmilitary environmental regulation and control of nuclear energy.
10. Ocean dumping.
11. Solid waste disposal and recycling.
12. Water pollution.
13. Water resources.
14. Forestry, and forest reserves and wilderness areas.
15. National parks, recreation areas, wild and scenic rivers, historical sites, military parks and battlefields, and on the public domain, preservation of prehistoric ruins and objects of interest.
16. Public lands and forests, including farming and grazing thereon, and mineral extraction therefrom.

(2) There shall also be referred to such committee all proposed legislation, messages, petitions, memorials, and other matters relating to the appropriation, or to the rescission of the appropriation, of revenue for the support of government programs, projects, or activities relating primarily to the subjects specified in paragraph (g)(1), except as provided in subparagraph (a).

(h)(1) Committee of Foreign Policy, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating primarily to the following subjects:

1. Acquisition of land and buildings for embassies and legations in foreign countries.
2. Boundaries of the United States.
3. Diplomatic service.
4. Foreign economic, military, technical, and humanitarian assistance.
5. Foreign loans.
6. International activities of the American National Red Cross and the International Committee of the Red Cross.
7. International aspects of nuclear energy, including nuclear transfer policy.
8. International conferences and congresses.
9. International law as it relates to foreign policy.
10. International Monetary Fund and other interntional organizations established

primarily for international monetary purposes.

11. Intervention abroad and declarations of War.

12. Measures to foster commercial intercourse with foreign nations and to safeguard American business interests abroad.

13. Trusteeships of the United States, including territorial possessions of the United States.

14. Oceans and international environmental and scientific affairs as they relate to foreign policy.

15. Protection of United States citizens abroad and expatriation.

16. Relations of the United States with foreign nations generally.

17. Treaties and executive agreements.

18. United Nations and its affiliated organizations.

19. World Bank group, the regional development banks, and other international organizations established primarily for development assistance programs.

20. Foreign trade promotion, export, and export controls.

21. Interoceanic canals generally, unless otherwise provided.

22. Customs and ports of entry and delivery.

23. Reciprocal trade agreements.

24. Tariffs and import quotas, and matters related thereto.

25. Organization and management of United States nuclear export policy.

(2) There shall also be referred to such committee all proposed legislation, messages, petitions, memorials, and other matters relating to the appropriation, or to the rescission of the appropriation, of revenue for the support of government programs, projects, or activities relating primarily to the subjects specified in paragraph (h)(1), except as provided in subparagraph (a).

(i)(1) Committee on Governmental Policy, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating primarily to the following subjects:

1. Archives of the United States.

2. Budget and accounting measures, except as provided in the Congressional Budget Act of 1974.

3. Census and collection of statistics, including economic and social statistics.

4. Congressional organizations, except for any part of the matter that amends the rules of order of the Senate.

5. Federal Civil Service.

6. Government information.

7. Intergovernmental relations.

8. Municipal affairs of the District of Columbia.

9. Organization and reorganization of the executive branch of the Government.

10. Postal Service.

11. Status of officers of the United States, including their classification, compensation, and benefits.

12. Renegotiation of Governmental contracts.

13. Public buildings and improved grounds of the United States generally, including Federal Buildings in the District of Columbia.

(2) There shall also be referred to such committee all proposed legislation, messages, petitions, memorials, and other matters relating to the appropriation, or to the rescission of the appropriation, of revenue for the support of government programs, projects, or activities relating primarily to the subjects specified in paragraph (i)(1), except as provided in subparagraph (a).

(j)(1) Committee on Judicial Policy, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating primarily to the following subjects:

1. Apportionment of Representatives.

2. Bankruptcy, mutiny, espionage, and counterfeiting.

3. Civil liberties.

4. Constitutional amendment.

5. Federal courts and judges.

6. Holidays and celebrations.

7. Immigration and naturalization.

8. Interstates compacts generally.

9. Judicial proceedings, civil and criminal, generally.

10. Local courts in the territories and possessions.

11. Measures relating to claims against the United States.

12. National penitentiaries.

14. Patent Office.

15. Patents, copyrights, and trademarks.

16. Protection of trade and commerce against unlawful restraints and monopolies.

17. Revisions and codification of the statutes of the United States.

18. State and territorial boundary lines.

(2) There shall also be referred to such committee all proposed legislation, messages, petitions, memorials, and other matters relating to the appropriation, or to the rescission of the appropriation, of revenue for the support of government programs, projects, or activities relating primarily to the subjects specified in paragraph (j)(1), except as provided in subparagraph (a).

(k)(1) Committee on Social Policy, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating primarily to the following subjects:

1. Measures relating to education, labor, health, and public welfare.

2. Arts and humanities.

3. Biomedical research and development.

4. Child labor.

5 Domestic activities of the American Red Cross.

6. Equal employment opportunity.

7. Gallaudet College, Howard University, and Saint Elizabeths Hospital.

8. Handicapped individuals.

9. Labor standards.

10. Mediation and arbitration of labor disputs.

11. Occupational safety and health, including the welfare of miners.

12. Private pension plans.

13. Public health.

14. Railroad retirement program.

15. Regulation of foreign laborers.

16. Student loans.

17. Wages and hours of labor.

18. Food stamp programs.

19. Human nutrition.

20. School nutrition programs.

21. Public housing.

22. Nursing homes including construction.

23. National social security.

24. Public health programs including health programs under the Social Security Act.

(2) There shall also be referred to such committee all proposed legislation, messages, petitions, memorials, and other matters relating to the appropriation, or to the rescission of the appropriation, of revenue for the support of government programs, projects, or activities relating primarily to the subjects specified in paragraph (k)(1), except as provided in subparagraph (a).

(l)(1) Committee on Native American Programs, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating primarily to Native Americans generally, and Native American Programs.

(2) There shall also be referred to such committee all proposed legislation, messages, petitions, memorials, and other matters relating to the appropriation, or to the rescission of the appropriation, of revenue for the support of government programs, projects, or activities relating primarily to the subjects specified in paragraph (l)(1), except as provided in subparagraph (a).

(m)(1) Committee on Senior American Programs, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating primarily to Senior Americans generally, and to the Older Americans Act.

(2) There shall also be referred to such committee all proposed legislation, messages, petitions, memorials, and other matters relating to the appropriation, or to the rescission of the appropriation, of revenue for the support of government programs, projects, or activities relating primarily to the subjects specified in paragraph (m)(1), except as provided in subparagraph (a).

(n)(1) Committee on Veteran American Programs, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating primarily to the following subjects:

1. Compensation of veterans.

2. Life insurance issued by the Government on account of service in the Armed Forces.

3. National Cemeteries.

4. Pensions of all wars of the United States, general and special.

5. Readjustment of servicemen to civil life.

6. Soldiers and sailors civil relief.

7. Veterans' hospitals, medical care and treatment of veterans.

8. Veterans' measures generally.

9. Vocational rehabilitation and education of veterans.

(2) There shall also be referred to such committee all proposed legislation, messages, petitions, memorials, and other matters relating to the appropriation, or to the rescission of the appropriation, of revenue for the support of government programs, projects, or activities relating primarily to the subjects specified in paragraph (n)(1), except as provided in subparagraph (a).

(o)(1) Committee on Entrepreneurial American Programs, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the Small Business Administration.

(2) Any proposed legislation reported by such committee which relates to matters other than the functions of the Small Business Administration shall, at the request of any standing committee having jurisdiction over the subject matter extraneous to the functions of the Small Business Administration, be considered and reported by such standing committee prior to its consideration by the Senate; and likewise measures reported by other committees directly relating to the Small Business Administration shall, at the request of the Committee on Entrepreneurial American Programs for its consideration of any portions of the measure dealing with the Small Business Administration, and be reported by this committee prior to its consideration by the Senate.

(3) There shall also be referred to such committee all proposed legislation, messages, petitions, memorials, and other matters relating to the appropriation, or to the

rescission of the appropriation, of revenue for the support of government programs, projects, or activities relating primarily to the subjects specified in paragraphs (o)(1) and (o)(2), except as provided in subparagraph (a).

(p)(1) Committee on Senate Rules, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating primarily to the following subjects:

1. Administration of the Senate Office Buildings and the Senate wing of the Capitol, including the assignment of office space.

2. Congressional organization relative to rules and procedures, and Senate rules and regulations, including floor and gallery rules.

3. Corrupt practices.

4. Credentials and qualifications of Members of the Senate, contested elections, and acceptance of incompatible offices.

5. Federal elections generally, including the election of the President, Vice President, and Members of Congress.

6. Government Printing Office, and the printing and correction of the Congressional Record, as well as those matters provided under rule XI.

7. Meetings of the Congress and attendance of the Members.

8. Payment of money out of the contingent fund of the Senate or creating a charge upon the same (except that any resolution relating to substantive matter within the jurisdiction of any other standing committee of the Senate shall first be referred to such committee.)

9. Presidential succession.

10. Purchase of books and manuscripts and erection of monuments to the memory of individuals.

11 Senate Library and statuary, art, and pictures in the Capitol and Senate Office Buildings.

12. Services to the Senate, including the Senate restaurant.

13. United States Capitol and congressional office buildings, the Library of Congress, the Smithsonian Institution (and the incorporation of similar institutions), and the Botanic Gardens.

(2) There shall also be referred to such committee all proposed legislation, messages, petitions, memorials, and other matters relating to the appropriation, or to the rescission of the appropriation, of revenue for the support of government programs, projects, or activities relating primarily to the subjects specified in paragraph (p)(1), except as provided in subparagraph (a).

2. (a) Except as otherwise provided by paragraph 4 of this rule, the Leadership Committee, known as the Committee on National Priorities, shall consist of not less than 28 Senators nor more than 33 Senators.

(b) Except as otherwise provided by paragraph 4 of this rule, each of the following standing committees shall consist of not more than the number of Senators set forth in the following table on the line on which the name of that committee appears:

Legislative Policy Committees

Committee:	*Members*
Agricultural Policy	17
Defense Policy	17
Commercial Policy	17
Economic Policy	17
Energy Policy	17
Environmental Policy	17
Foreign Policy	17
Governmental Policy	17
Judicial Policy	17
Social Policy	17

(c) Except as otherwise provided by paragraph 4 of this rule, each of the following standing committees shall consist of not more than the number of Senators set forth in the following table on the line on which the name of that committee appears:

Legislative Program Committees

Committee:	*Members*
Native American Programs	9
Veteran American Programs	11
Senior American Programs	19
Entrepreneurial American Programs	19

(d) Except as otherwise provided by paragraph 4 of this rule, each of the following committees and standing committees shall consist of the number of Senators set forth in the following table on the line on which the name of that committee appears:

Administrative Committees

Committee:	*Members*
Senate Rules	15
Senate Ethics	6
Senate Intelligence	15

3. (a) Notwithstanding the provisions of paragraph 4, and except as otherwise provided by this paragraph—

(1) each Senator shall serve on no more than two committees listed in subparagraph (2)(b).

(2) each Senator serving as either a chairman or a ranking member on any committee listed in subparagraph (2)(b) shall not serve on any other committee listed in subparagraph (2)(b), but shall serve on the committee listed in subparagraph (2)(a).

(3) each Senator serving as either a chairman or a ranking member of any committee listed in subparagraph (2)(c) shall also serve on the committee listed in subparagraph (2)(a).

(4) in addition to those Senators serving on the committee listed in subparagraph (2)(a) by virtue of their serving as chairman or ranking member of a committee listed in subparagraph (2)(b), not more than 5 Senators shall be appointed by the majority leader of the Senate to serve on the committee listed in subparagraph (2)(a) for the purpose of making the overall balance of majority and minority members on the committee the same as the relative balance between the majority and minority members of the Senate.

(5) service by a Senator on any committee listed in subparagraph (2)(c) shall not limit the ability of such Senator to serve on any other committee or standing committee.

(b) By agreement entered into by the majority leader and the minority leader, the membership of one or more standing committees may be increased temporarily from time to time by such number or numbers as may be required to accord to the majority party a majority of the membership of all standing committees, members of the majority party in such numbers as may be required for that purpose may serve as members of three standing committees listed in subparagraph (2)(b). No such temporary increase in the membership of any standing committee under this subparagraph shall be continued in effect after the need therefor has ended. No standing committee may be increased in membership under this subparagraph by more than two members in excess of the number prescribed for that committee by paragraph (2)(b).

(c) No Senator shall serve at any one time as chairman of more than one subcommittee of each standing committee of the Senate.

4. Notwithstanding any provision of rule XXIV of the standing rules of the Senate, the appointment of committees or standing committees as prescribed by this title shall be on the bases of each Senators continuous service in the Senate, except that such appointment shall be in accordance with the following limitations:

(a) Only those Senators who on the day preceding the effective date of this title were serving as members of the Committee on Agriculture, Nutrition, and Forestry, or who were serving on the Subcommittee on Agriculture, Rural Development and Related Agencies of the Committee on Appropriations may serve on the Committee on Agricultural Policy.

(b) Only those Senators who on the day preceding the effective date of this title were serving as members of the Committee on Armed Services, or who were serving on the Subcommittee on Defense or the Subcommittee on Military Construction of the Committee on Appropriations may serve on the Committee on Defense Policy.

(c) Only those Senators who on the day preceding the effective date of this title were serving as members of the Committee on Commerce, Science, and Transportation, or who were serving on the Subcommittee on Transportation and related Agencies of the Committee on Appropriations may serve on the Committee on Commercial Policy.

(d) Only those Senators who on the day preceding the effective date of this title were serving as members of the Committee on Finance, or the Committee on Banking, Housing and Urban Affairs, may serve on the Committee on Economic Policy.

(e) Only those Senators who on the day preceeding the effective date of this title were serving as members of the Committee on Energy and Natural Resources, or who were serving on the Subcommittee on Energy and Water Development of the Committee on Appropriations, may serve on the Committee on Energy Policy.

(f) Only those Senators who on the day preceeding the effective date of this title were serving as members of the Committee on Environment and Public Works, or who were serving on the Subcommittee on Interior and Related Agencies of the Committee on Appropriations, may serve on the Committee on Environmental Policy.

(g) Only those Senators who on the day preceeding the effective date of this title were serving as members of the Committee on Foreign Affairs, or who were serving on the Subcommittee on Foreign Operations of the Committee on Appropriations, may serve on the Committee on Foreign Policy.

(h) Only those Senators who on the day preceeding the effective date of this title were serving as members of the Committee on Governmental Affairs, or who were serving on the Subcommittee on Treasury, Postal Service, and General Government, or the Subcommittee on the District of Columbia, or on the Subcommittee on HUD-Independent Agencies of the Committee on Appropriations, may serve on the Committee on Governmental Policy.

(i) Only those Senators who on the day preceeding the effective date of this title were serving as members of the Committee on the Judiciary, or who were serving on the Subcommittee on Commerce, State, Justice, and Related Agencies of the Committee on Appropriations, may serve on the Committee on Judicial Policy.

(j) Only those Senators who on the day preceeding the effective date of this title were serving as members of the Committee on Labor and Human Resources, or who were serving on the Subcommittee on Labor, Health and Human Services, Education, and Related Agencies of the Committee on Appropriations, may serve on the Committee on Social Policy.

(k) Only those Senators who on the day preceeding the effective date of this title were serving as members of the Committee on Rules and Administration, or who were serving on the Subcommittee on Legislative Branch of the Committee on Appropriations, may serve on the Committee on Senate Policy.

(l) Only those Senators who on the day preceeding the effective date of this title were serving as members of the Select Committee on Indian Affairs, may serve on the Committee on Native American Programs.

(m) Only those Senators who on the day preceeding the effective date of this title were serving as members of the Committee on Veterans Affairs, may serve on the Committee on Veteran American Programs.

(n) Only those Senators who on the day preceeding the effective date of this title were serving as members of the Special Committee on Aging may serve on the Committee on Senior American Programs.

(o) Only those Senators who on the day preceeding the effective date of this title were serving as members of the Committee on Small Business may serve on the Committee on Senior American Programs.

5. Upon the effective date of this title, the Select Committee on Ethics shall become the Commmittee on Senate Ethics and the Select Committee on Intelligence shall become the Committee on Intelligence Oversight, however the membership, functions and duties of such committees shall remain unchanged.

SEC. 2. Paragraphs 1, 2, 3, 4, 6, and 7 of Rule XVI of the Standing Rules of the Senate are repealed, and paragraphs 5 and 8 are renumbered as paragraphs "1" and "2" respectively.

SEC. 3. Subparagraph (b) of paragraph 4 of Rule XVII of the Standing Rules of the Senate is amended by striking out "(except the Committee on Appropriations)".

SEC. 4. Rule XXVI of the Standing Rules of the Senate is amended—

(a) by striking out "(except the Committee on Appropriations)" in each instance where it appears,

(b) by striking out "(except the Committee on Appropriations and the Committee on the Budget)" in each instance where it appears, and inserting in lieu thereof the following "(except the Committee on National Priorities)",

(c) by striking out "The prohibition contained in the preceding sentence shall not apply to the Committee on Appropriations or the Committee on the Budget." in subparagraph 5(a), and inserting in lieu thereof "The prohibition contained in the preceding sentence shall not apply to the Committee on National Priorities.",

(d) by striking out the last sentence of subparagraph 10(b), and

(e) by striking out "(except those by the Committee on Appropriations)" in subparagraph 11(b).

SEC. 5. The provisions of this resolution shall take effect on the first day of the first Congress following the date of enactment.

SENATE COMMITTEE AND PROCEDURAL REFORM

Mrs. KASSEBAUM. Mr. President, I would like to speak for a few moments about an issue that I think is of great importance. These comments are not made out of frustration but out of respect for this institution as we struggle to meet the agenda.

Last month, I joined with the Senator from Hawaii [Mr. INOUYE], in introducing legislation that we both hoped would provide the basis for a constructive dialog on the need for congressional procedural reform. Since the introduction of that measure, S. 1362, "the Fiscal Procedures Reform Act of 1987," I am pleased to report that indeed, such a dialog has begun. We received a great number of comments and suggestions from both Members of this body, and from congressional scholars regarding the scope and direction of our proposal, as well as observations about the underlying need for reform.

Based on those comments and suggestions, Senator INOUYE and I are today introducing a revised procedural reform proposal. While neither Senator INOUYE nor I would subscribe to every provision and every change included in the measure we are introducing today, we both continue to believe that the need for dialog is best served by putting specific reform suggestions before this body. In that spirit, we have modified and narrowed the scope of our original proposal.

The Kassebaum-Inouye initiative being introduced today is limited to modifications in the Standing Rules of the Senate. Through this narrow focus, we hope to provide a vehicle conducive to further dialog. In addition we hope to make it possible for that dialog to continue before the Committee on Rules and Administration.

Mr. President, since I have just a few more minutes, I should like to describe briefly what this measure does, because it is of some interest, and any of us who have attempted to look at the procedures and changes within the Senate know it is not an easy task, particularly when we change the makeup of any of the committees.

Being sensitive to that, Senator INOUYE and I have tried to totally revise the committee designations, beginning with the Committee on National Priorities, which would be made up of all the chairmen and ranking members of the other committees. Without going into great detail, it would be this committee that would assume the responsibilities of the budget, laying out the priorities of our budget responsibilities.

This would be followed by legislative policy and programs committees. Legislative Policy Committees would consist of the Committee on Agricultural Policy, Committee on Commercial Policy, Committee on Defense Policy, Committee on Economic Policy, Committee on Energy Policy, Committee on Environmental Policy, Committee on Foreign Policy, Committee on Governmental Policy, Committee on Judicial Policy, and Committee on Social Policy.

Additionally, there would be four legislative program committees: Committee on Native American Programs, Committee on Veteran American Programs, Committee on Senior American Programs, Committee on Entrepreneurial American Programs.

There would still be the Committee on Rules, Committee on Ethics, and Committee on Intelligence.

The heart of this legislation would be to combine authorizing and appropriating responsibilities within one committee, one policy committee, so that when we engage in debate on appropriation and authorizing measures, they are taken to the floor as single pieces of legislation. I believe this process would greatly benefit a committee's ability to give thoughtful oversight necessary to legislation, and would also allow Senators to engage on the floor in the kind of thoughtful and constructive debate that is necessary within a time frame conducive to determining the priorities for which each of these important committees are assigned.

This initiative is not taken without many considerations: As I said, the Senate should be very sensitive to some of the fundamental changes here. But Senator INOUYE and I hope that this resolution will be the beginning of taking a serious look at this matter. I hope that there will be hearings soon in the Rules Committee, so that we can better analyze specific procedural changes that would enhance the work of the U.S. Senate.

In addition, we hope to make it possible for that dialog to continue before the Committee on Rules and Administration.

Mr. President, I ask unanimous consent to have printed at the conclusion of my remarks a description of this revised measure, entitled "Senate Committee on Procedural Reform."

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE COMMITTEE AND PROCEDURAL REFORM

PURPOSE

To revise Senate committee structure to increase the influence of the leadership of standing committees in setting overall national priorities, and to consolidate authorizing and appropriating responsibilities within individual legislative committees.

Restructured legislative committees, known as Policy Committees and Program Committee, will be responsible for implementing policy priorities, as determined by a Leadership Committee, through legislative authorizations and appropriations for programs, projects, and activities within their jurisdiction.

LEADERSHIP COMMITTEE

The Committee on National Priorities

The Committee on National Priorities will establish overall policy direction for the

Senate by setting spending priorities for Legislative Committees through its jurisdiction over the Budget Act and its responsibility for reporting and enforcing annual budget resolutions.

Those who chair or serve as ranking members of legislative committees, will serve on the Committee on National Priorities, and will therefore have direct influence over formulation of policy priorities and spending levels for the Senate legislative agenda. Broad policy decisions will flow from the leadership level to the legislative level where such decisions will be transformed into legislative programs.

LEGISLATIVE COMMITTEES

Legislative Committees would be of two types: Legislative Policy Committees and Legislative Program Committees.

LEGISLATIVE POLICY COMMITTEES

Legislative policy committees will have legislative, oversight, and appropriations responsibility for substantive areas of national policy and for national programs of importance to the Senate. These committees will perform both the authorization and appropriation functions for programs within their jurisdiction. Their exercise of the appropriation function, however, must conform to the national policy decisions of the Leadership Committee. Those committees are:

Committee on Agricultural Policy

The jurisdiction of the Committee on Agricultural Policy would include all existing responsibilities of the Committee on Agriculture, except those relating to nutrition and forest lands.

Those eligible for membership on the committee would include current members of the Committee on Agriculture and current members of the Subcommittee on Agriculture, Rural Development, and Related Agencies of the Committee on Appropriations.

Committee on Commercial Policy

The jurisdiction of the Committee on Commercial Policy would include all existing responsibilities of the Committee on Commerce except those relating to interoceanic canals generally, plus responsibility for highway programs and for regional economic development.

Those eligible for membership on the committee would include current members of the Committee on Commerce, Science, and Transportation and the Subcommittee on Transportation and Related Agencies of the Committee on Appropriations.

Committee on Defense Policy

The jurisdiction of the Committee on Defense Policy would include all existing responsibilities of the Committee on Armed Services.

Those eligible for membership on the committee would include current members of the Committee on Armed Services and the Subcommittees on Defense and on Military Construction of the Committee on Appropriations.

Committee on Economic Policy

The jurisdiction of the Committee on Economic Policy would include all areas relating to revenue and bonded debt currently under the jurisdiction of the Committee on Finance, and all areas relating to banking, monetary, coinage, and the Federal Reserve currently under the jurisdiction of the Committee on Banking, Housing and Urban Affairs.

Those eligible for membership on the committee would include current members of the Committee on Finance, and the Committee on Banking, Housing, and Urban Affairs, and the Committee on the Budget.

Committee on Energy Policy

The jurisdiction of the Committee on Energy Policy would include all current responsibilities of the Committee on Energy and Natural Resources except those relating to national parks, wilderness lands, historical lands in general, public lands, and territorial possessions of the United States.

Those eligible for membership on the committee would include current members of the Committee on Energy and Natural Resources and of the Subcommittee on Energy and Water Development of the Committee on Appropriations.

Committee on Environmental Policy

The jurisdiction of the Committee on Environmental Policy would include current Committee on the Environment areas of jurisdiction except those relating to highways, public buildings, public works, and regional economic development. In addition, the committee would have responsibility for forest lands, public lands, national parks, and historical and scenic areas.

Those eligible for membership on the committee would include current members of the Committee on the Environment and of the Subcommittee on Interior and Related Agencies of the Committee on Appropriations.

Committee on Foreign Policy

The jurisdiction of the Committee on Foreign Policy would include all current areas of responsibility of the Committee on Foreign Relations, plus responsibility for foreign trade including reciprocal trade agreements, export promotion and export controls, interoceanic canals, territorial possessions and trusteeships of the United States, and U.S. nuclear export policy.

Those eligible for membership on the committee would include current members of the Committee on Foreign Relations and the Subcommittee on Foreign Operations of the Committee on Appropriations.

Committee on Governmental Policy

The jurisdiction of the Committee on Governmental Policy would include all areas currently under the jurisdiction of the Committee on Governmental Affairs, plus responsibility for renegotiation of government contracts, and public buildings and improved grounds of the United States.

Those eligible for membership on the committee would include current members of the Committee on Governmental Affairs, plus members of the Subcommittee on Treasury, Postal Service, and General Government of the Committee on Appropriations.

Committee on Judical Policy

The jurisdiction of the Committee on Judical Policy would include all current responsibilities of the Committee on the Judiciary.

Those eligible for membership on the committee would include current members of the Committee on the Judiciary and of the Subcommittee on Commerce, State, Justice, and Related Agencies of the Committee on Appropriations.

Committee on Social Policy

The jurisdiction of the Committee on Social Policy would include all current responsibilities of the Committee on Labor and Human Resources except the discretionary spending programs under the Older Americans Act, plus responsibility for nutrition programs generally, including school nutrition and food stamp programs, public and private housing, social security and railroad retirement, and health programs under the Social Security Act.

Those eligible for membership on the committee would include current members of the Committee on Labor and Human Resources and of the Subcommittee on Labor, Health and Human Services, Education, and Related Agencies of the Committee on Appropriations.

LEGISLATIVE PROGRAM COMMITTEES

Legislative program committees will have legislative, oversight, and appropriations responsibility for specific program areas of national concern. These committees will perform both the authorization and appropriations function for programs within their jurisdiction. Their exercise of the apporpriation function however, must conform to the national program decisions of the leadership committee. Those committees are:

Committee on Native American Programs

The jurisdiction of the Committee on Native American Programs would include all existing responsibilities of the Select Committee on Indian Affairs. The committee would become a standing committee.

The membership on the committee would be composed of all current members of the Select Committee on Indian Affairs.

Committee on Veteran American Programs

The jurisdiction of the Committee on Veteran American Programs would include all existing responsibilities of the Committee on Veterans' Affairs.

The membership on the committee would be composed of all current members of the Committee on Veterans' Affairs.

Committee on Senior American Programs

The jurisdiction of the Committee on Senior American Programs would include all existing responsibilities of the Special Committee on Aging, plus legislative responsibility for all discretionary spending programs under the Older Americans Act. The committee would become a standing committee.

The membership on the committee would be composed of all current members of the Special Committee on Aging.

Committee on Entrepreneurial American Programs

The jurisdiction of the Committee on Entrepreneurial American Programs would include all existing responsibilities of the Committee on Small Business.

The membership on the committee would be composed of all current members of the Committee on Small Business.

ADMINISTRATIVE COMMITTEES

Administrative committees have basically nonlegislative functions. The chairman and ranking members of administrative committees would not serve on the leadership committee—unless such service should happen to be as an at-large member.

Committee on Senate Rules

Serves the same function as the Committee on Rules and Administration, with members drawn from that committee.

Committee on Senate Ethics

Serves the same function as the Committee on Ethics, with members drawn from that committee.

Committee on Intelligence

Serves the same function as the Committee on Intelligence, with members drawn from that committee.

COMMITTEE CHAIRMEN

Chairman and ranking-member status would be based on seniority, as would the integration of the entire membership of each new committee. Those selected to chair legislative committees would, consistent with provisions of the rules of the Senate allowing for election of committee chairman, be the senior-ranking chairman and ranking members of the merged committees and subcommittees forming each new committee.

COMMITTEE ASSIGNMENTS

Leadership Committee

All chairmen and ranking members of legislative policy committees and legislative program committees would automatically be accorded membership on the leadership committee. In addition a specified number of members of the Senate at large will be appointed to the committee to bring party balance on the committee correspond with party balance in the Senate.

Legislative Policy Committees

Committee assignments would be based on prior committee service with members allowed to select the committees on which they desire to service, subject to the limitations below, and to the maximum committee membership limitation (17 members for each legislative policy committee).

Legislative Program Committees

Committee assignments would be based on prior committee service with the membership of predecessor committees transfering in total to each new legislative program committee.

Administrative Committees

Committee assignments would be based on prior committee service with the membership of predecessor committees transfering in total to each new legislative program committee.

COMMITTEE MEMBERSHIP LIMITATIONS

Members could serve on no more than two legislative policy committees. Service on either a legislative program committee or an administrative committee would not limit a member's ability to serve on any other committee.

Any member who either chairs, or serves as the ranking member of a legislative policy committee will not serve on another legislative policy committee, although they may serve on legislative program committees or administrative committees without restriction.

SENATE RESOLUTION 261—SENSE OF THE SENATE RELATING TO THE SITE OF THE SOVIET EMBASSY

Mr. SYMMS submitted the following resolution; which was considered and agreed to:

S. Res. 261

Whereas, Soviet espionage agents have installed listening devices in the structure of the new American Embassy in Moscow in blatant defiance of the spirit of the Embassy agreements and certain recognized norms of international relations;

Whereas, this Soviet espionage effort has been so extensive and insidious as to require the virtual rebuilding of a large part of the new American Embassy in Moscow, the construction of which has cost American taxpayers tens of millions of dollars;

Whereas, it is well know that Soviet espionage agents intend to use the new Soviet Embassy in this country as a platform to conduct highly sophisticated electronic surveillance of the United States Government offices and even private telephone calls of American citizens;

Whereas, the purpose of this surveillance can be none other than to undermine the national security of the United States and further the expansionist ambitions of the Soviet Union;

Whereas, the location of the new Soviet Embassy at a site nearly three hundred and fifty feet above sea level is ideal for this type of surveillance, having been offered to the Soviets at a time when electronic surveillance techniques and potentials were not fully understood in the West.

Whereas, subsection (b) of section 4305 of title 22, United States Code, specifically allows the Secretary of State to "require any foreign mission to divest itself of . . . real property . . . where otherwise necessary to protect the interests of the United States"; and

Whereas, Congress, through enactment of such subsection, has clearly expressed the desire that the Secretary exercise such authority when necessary to protect the vital security interests of the United States:

Therefore be it *Resolved*, that it is the sense of the Senate that the President shall—

(1) void the current Embassy agreements; and

(2) enter into negotiations for a new agreement under which the Soviet Union will move its new Embassy to a site in the District of Columbia that is not more than ninety feet above mean sea level.

For the purpose of this section the term "Embassy agreements" means—

(1) the Agreement between the United States of America and the Union of Soviet Socialist Republics on Reciprocal Allocation for Use Free of Charge of Plots of Land in Moscow and Washington", entered into force on May 16, 1969; and

(2) the "Agreement between the United States of America and the Union of Soviet Socialist Republics on Conditions of Construction of Complexes of Buildings of the Embassy of the United States of America in Moscow and the Embassy of the Union of Soviet Socialist Republics in Washington", entered into force on December 4, 1972.

AMENDMENTS SUBMITTED

SUPPORTING THE PEOPLE OF HAITI IN EFFORTS TO OBTAIN RESPECT FOR HUMAN RIGHTS AND FREE AND FAIR ELECTIONS

SYMMS (AND D'AMATO) AMENDMENT NO. 644

Mr. SYMMS (for himself and Mr. D'Amato) proposed an amendment to the resolution (S. Res. 248) supporting the people of Haiti in their efforts to obtain respect for human rights and the holding of free and fair elections in Haiti, and for other purposes; as follows:

The Senate finds that:

(1) Soviet espionage agents have installed listening devices in the structure of the new American Embassy in Moscow in blatant defiance of the spirit of the Embassy agreements and certain recognized norms of international relations;

(2) this Soviet espionage effort has been so extensive and insidious as to require the virtual rebuilding of a large part of the new American Embassy in Moscow, the construction of which has cost American taxpayers tens of millions of dollars;

(3) it is well known that Soviet espionage agents intend to use the new Soviet Embassy in this country as a platform to conduct highly sophisticated electronic surveillance of the United States Government offices and even private telephone calls of American citizens;

(4) the purpose of this surveillance can be none other than to undermine the national security of the United States and further the expansionist ambitions of the Soviet Union;

(5) the location of the new Soviet Embassy at a site nearly three hundred and fifty feet above sea level is ideal for this type of surveillance, having been offered to the Soviets at a time when electronic surveillance techniques and potentials were not fully understood in the West.

(6) subsection (b) of section 4305 of title 22, United States Code, specifically allows the Secretary of State to "require any foreign mission to divest itself of . . . real property . . . where otherwise necessary to protect the interests of the United States"; and

(7) Congress, through enactment of such subsection, has clearly expressed the desire that the Secretary exercise such authority when necessary to protect the vital security interests of the United States: Therefore be it

Resolved, That it is the sense of the Senate that the President shall—

(1) void the current Embassy agreements; and

(2) enter into negotiations for a new agreement under which the Soviet Union will move its new embassy to a site in the District of Columbia that is not more than ninety feet above mean sea level.

For the purpose of this section the term "Embassy agreements" means—

(1) the "Agreement between the United States of America and the Union of Soviet Socialist Republics on Reciprocal Allocation for Use Free of Charge of Plots of Land in Moscow and Washington", entered into force on May 16, 1969; and

(2) the "Agreement between the United States of America and the Union of Soviet Socialist Republics on Condition of Construction of Complexes of Buildings of the Embassy of the United States of America in Moscow and the Embassy of the Union of Soviet Socialist Republics in Washington", entered into force on December 4, 1972.

INCREASE IN PUBLIC DEBT LIMIT

GRAMM (AND OTHERS) AMENDMENT NO. 645

Mr. GRAMM (for himself, Mr. Chiles, Mr. Domenici, Mr. Dole, Mr. Hollings, and Mr. Rudman) proposed

an amendment to the joint resolution (H.J. Res. 324) increasing the statutory limit on the public debt; as follows:

At the end, add the following new titles:

TITLE II—BUDGET AND FISCAL PROCEDURES

PART A—DEFICIT REDUCTION

SHORT TITLE; REFERENCE

SEC. 201. (a) This title may be cited as the "Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987".

(b) Except as otherwise specifically provided, whenever in this part an amendment is expressed in terms of an amendment to a section or other provision, the reference shall be considered to be a reference to a section or other provision of the Balanced Budget and Emergency Deficit Control Act of 1985.

SEQUESTRATION PROCEDURES

SEC. 202. (a)(1) Section 251(b) is amended to read as follows:

"(b) REPORTS BY THE COMPTROLLER GENERAL AND THE DIRECTOR OF OMB.—

"(1) REPORT TO THE DIRECTOR OF OMB AND THE CONGRESS BY THE COMPTROLLER GENERAL.—

"(A) REPORT TO GIVE DUE REGARD TO OMB-CBO REPORT.—The Comptroller General shall review and consider the report issued under subsection (a) by the Directors for the fiscal year and, with due regard for the data, assumptions, and methodologies used in reaching the conclusions set forth therein, shall issue a report to the Director of the Office of Management and Budget and the Congress on August 25 of the calendar year in which such fiscal year begins, estimating the budget base levels of total revenues and total budget outlays for such fiscal year, identifying the amount of any deficit excess for such fiscal year, stating whether such deficit excess will be greater than $10,000,000,000 (zero in the case of fiscal year 1992), specifying the estimated rate of real economic growth for such fiscal year, for each quarter of such fiscal year, and for each of the last two quarters of the preceding fiscal year, indicating whether the estimate includes two or more consecutive quarters of negative economic growth, and specifying (if the excess is greater than $10,000,000,000, or zero in the case of fiscal year 1992) the percentages by which defense and non-defense accounts must be reduced during such fiscal year in order to eliminate such deficit excess. Such report shall give due regard to the estimates, determinations, and specifications contained in the report submitted by the Directors under subsection (a) and shall use the budget base, criteria, and guidelines set forth in subsection (a)(6) and in sections 255, 256, and 257.

"(B) CONTENTS OF REPORT.—The report of the Comptroller General under this paragraph shall contain such views as the Comptroller General considers appropriate concerning the estimates, determinations, and specifications contained in the report submitted by the Directors under subsection (a). The report of the Comptroller General shall explain fully any differences between the contents of such report and the report of the Directors under subsection (a).

"(2) REPORT TO PRESIDENT AND CONGRESS BY THE DIRECTOR OF OMB.—

"(A) REPORT TO GIVE DUE REGARD TO GAO REPORT.—The Director of the Office of Management and Budget shall review and consider the report issued by the Comptroller General under paragraph (1) of this subsection for the fiscal year and, with due regard for the data, assumptions, and methodologies used in reaching the conclusions set forth therein, shall issue a report to the President and the Congress on September 1 of the calendar year in which such fiscal year begins, estimating the budget base levels of total revenues and total budget outlays for such fiscal year, identifying the amount of any deficit excess for such fiscal year, stating whether such deficit excess will be greater than $10,000,000,000 (zero in the case of fiscal year 1992), specifying the estimated rate of real economic growth for such fiscal year, for each quarter of such fiscal year, and for each of the last two quarters of the preceding fiscal year, indicating whether the estimate includes two or more consecutive quarters of negative economic growth, and specifying (if the excess is greater than $10,000,000,000, or zero in the case of fiscal year 1992), by account, for non-defense programs, and by account and programs, projects, and activities within each account, for defense programs, the base from which reductions are taken and the amounts and percentages by which such accounts must be reduced during such fiscal year in order to eliminate such deficit excess. Such report shall give due regard to the estimates, determinations, and specifications, and views of the Comptroller General under paragraph (1) and shall use the budget base, criteria, and guidelines set forth in subsection (a)(6) and in sections 255, 256, and 257.

"(B) CONTENTS OF REPORT.—The report of the Director of the Office of Management and Budget under this paragraph shall—

"(i) provide for the determination of reductions in the manner specified in subsection (a)(3);

"(ii) contain estimates, determinations, and specifications for all of the items contained in the report submitted by the Directors under subsection (a); and

"(iii) state whether the estimates, determinations, and specifications contained therein are consistent with the views contained in the report of the Comptroller General under paragraph (1)(B), and, if not, shall explain the reasons for any deviation.".

(2) Section 251(c) is amended—

(A) in subparagraph (A) of paragraph (1), by inserting ", as of October 1," after "indicating";

(B) by striking out "President" in subparagraph (A) of paragraph (2) and inserting in lieu thereof "Director of the Office of Management and Budget";

(C) by striking out "subsection (b)" in such subparagraph and inserting in lieu thereof "subsection (b)(1)"; and

(D) by adding at the end of such subparagraph the following new sentence: "Such report shall be based upon the same economic and technical assumptions, employ the same methodologies, and utilize the same definition of the budget base and the same criteria and guidelines as the report submitted by the Comptroller General under subsection (b)(1) (except that subdivision (II) of subsection (a)(6)(D)(i) shall not apply)."; and

(D) by striking out subparagraph (B) of paragraph (2) and inserting in lieu thereof the following new subparagraph:

"(B) The report of the Comptroller General under this paragraph shall revise (to the extent necessary) the views contained in the report submitted pursuant to subsection (b)(1)(B)."; and

(E) by adding at the end thereof the following new paragraph:

"(3) REPORT BY THE DIRECTOR OF OMB.—

"(A) On October 15 of the fiscal year, the Director of the Office of Management and Budget shall submit to the President and the Congress a report revising the report submitted by the Director of the Office of Management and Budget under subsection (b)(2), adjusting the estimates, determinations, and specifications contained in that report to the extent necessary in the light of the revised report submitted to the Director of the Office of Management and Budget by the Comptroller General under paragraph (2) of this subsection.

"(B) The revised report of the Director of the Office of Management and Budget under this paragraph shall provide for the determination of reductions as specified in subsection (a)(3), shall contain all of the estimates, determinations, and specifications required (in the case of the report submitted under subsection (b)(2)) pursuant to subsection (b)(2)(B)(ii), and shall explain any deviation between the revised report of the Director under this paragraph and the report of the Comptroller General under paragraph (2).

"(C) The revised report of the Director under this paragraph shall contain estimates, determinations, and specifications for all of the items contained in the initial report and shall be based on the same economic and technical assumptions, employ the same methodologies, and utilize the same definition of the budget base and the same criteria and guidelines as those used in the report submitted by the Director under subsection (b)(2) (except that subdivision (II) of subsection (a)(6)(D)(i) shall not apply), and shall provide for the determination of reductions in the manner specified in subsection (a)(3).

"(D) The revised report of the Director under this paragraph for a fiscal year shall not contain, with respect to any item, an amount of budget authority, outlays, spending authority (as defined in section 401(c)(2) of the Congressional Budget Act of 1974), revenues, obligation limitation, obligated balances, unobligated balances, loan guarantee commitments, or direct loan obligations, which is different than the amount of budget authority, outlays, spending authority (as so defined), revenues, obligation limitation, obligated balances, unobligated balances, loan guarantee commitments, or direct loan obligations specified for such item in the report of the Director under subsection (b)(2) for such fiscal year unless, after the Director submits the report required under such subsection (b)(2)—

"(i) legislation is enacted,

"(ii) a final regulation is promulgated, or

"(iii) a notice of a sale of assets is published in accordance with subsection (l), which requires a change in the estimate of such budget authority, outlays, spending authority (as so defined), revenues, obligation limitation, obligated balances, unobligated balances, loan guarantee commitments, or direct loan obligations for such item.".

(3)(A) Section 251(e) is amended by striking out "Directors or the Comptroller General" and inserting in lieu thereof "Directors, the Comptroller General, or the Director of the Office of Management and Budget".

(B) Section 251(f) is amended by striking out "subsections (b) and (c)(2)" and inserting in lieu thereof "subsections (b)(1) and (c)(2), and the reports of the Director of the Office of Management and Budget submitted to the Congress under subsections (b)(2) and (c)(3),".

(b)(1) Section 252(a) is amended—

(A) by striking out "Comptroller General" the first place it appears in paragraph (1) and inserting in lieu thereof "Director of the Office of Management and Budget";

(B) by striking out "section 251(b)" each place it appears in paragraphs (1) and (3) and inserting in lieu thereof "section 251(b)(2)";

(C) by striking out "September 1" in paragraph (1) and inserting in lieu thereof "September 3"; and

(D) by striking out "Comptroller General's" in the heading for paragraph (3) and inserting in lieu thereof "Director's".

(2) Section 252(b) is amended—

(A) by striking out "Comptroller General" each place it appears and inserting in lieu thereof "Director of the Office of Management and Budget";

(B) by striking out "section 251(b)" each place it appears and inserting in lieu thereof "section 251(b)(2)";

(C) by striking out "section 251(c)(2)" each place it appears and inserting in lieu thereof "section 251(c)(3)"; and

(D) by striking out "October 15" in paragraph (1) and inserting in lieu thereof "October 20".

(3) Flexibility with Respect to National Defense.—Paragraph 2 of section 252(a) is amended to read as follows:

"(2) Special Sequestration Procedures for National Defense.—

"(A) Flexibility with respect to military personnel accounts.—

"(i) Notwithstanding subparagraph (B)(i) of paragraph (1), the order issued by the President under paragraph (1) with respect to any fiscal year may, with respect to any military personnel account—

"(I) exempt any program, project, or activity within such account from the order;

"(II) provide for a lower uniform percentage to be applied to reduce any program, project, or activity within such account than would otherwise apply; or

"(III) take actions described in both subclauses (I) and (II).

"(ii) If the President uses the authority under clause (i), the total amount by which outlays are not reduced for a fiscal year in military personnel accounts by reason of the use of such authority shall be determined. Reductions in outlays under defense programs in such total amount shall be achieved by a uniform percentage sequestration of new budget authority and unobligated balances in each program, project, and activity within each account within major functional category 050 other than those military personnel accounts for which the authority provided under clause (i) has been exercised, computed on the basis of the outlay rate for each such program, project, and activity determined under section 251(d).

"(B) Flexibility among programs, projects, and activities.—

"(i) Subject to Congressional approval provided in clause (iv), new budget authority and unobligated balances for any program, project, or activity within major functional category 050 (other than a military personnel account) may be reduced under an order issued by the President under paragraph (1), subject to clauses (ii) and (iii) of this subparagraph. To the extent such reductions are made under such an order, the President may provide in the order for an increase in new budget authority and unobligated balances for another program, project, or activity within major functional category 050.

"(ii) No order issued by the President under paragraph (1) may result in a domestic base closure or realignment that would otherwise be subject to section 2687 of title 10, United States Code.

"(iii) If the President exercises the authority provided under subparagraph (A) for a fiscal year, the President may, under this subparagraph, only propose decreases (in addition to the decreases required by the President under subparagraph (A)) and increases of new budget authority and unobligated balance for non-military personnel accounts such that the total reduction of outlays for defense programs for such fiscal year required under section 251(a)(3)(B) is achieved.

"(iv) The President may not exercise the authority provided by this subparagraph unless, prior to the issuance of an order under paragraph (1) or under subsection (b)—

"(I) the President submits a report to Congress specifying changes proposed to be made pursuant to this subparagraph; and

"(II) a joint resolution affirming the changes proposed by the President pursuant to this subparagraph becomes law.

"(v) Within 5 days after the President submits a report to Congress under clause (iv)(I) for a fiscal year, but before October 19 of such fiscal year, the majority leader of each House of Congress shall each introduce a joint resolution which contains provisions affirming the changes proposed by the President pursuant to this subparagraph. A joint resolution introduced under this clause shall be considered in accordance with the procedures specified in subsection (b) of section 258, and for purposes of such subsection, shall be deemed to be a joint resolution introduced under subsection (a) of such section.

"(c) The authority granted to the President under this paragraph shall not be construed to reduce the total amount of reductions in outlays required under section 251(a)(3)(B) for defense programs for any fiscal year.".

(c) Part C is amended by adding at the end thereof the following new section:

"SEC. 258. PREVENTION OR MODIFICATION OF PRESIDENTIAL ORDER.

"(a) Introduction of Joint Resolution.—At any time after the Director of the Office of the Office of Management and Budget issues a report under section 251(c)(3) for a fiscal year, but before October 19 of such fiscal year, the majority leader of each House of Congress may each introduce a joint resolution which contains provisions directing the President to—

"(1) in any case in which an initial order has not been issued under section 252(a) for such fiscal year, to issue a final order under section 252(b) in order to reduce the deficit excess for such fiscal year by the deficit excess for such fiscal year specified in such joint resolution;

"(2) to modify the most recent order issued under section 252 for such fiscal year in order to implement such deficit excess for such fiscal year; or

"(3) to cancel the implementation of an order issued under section 252(a)—

"(A) with respect to any fiscal year other than fiscal year 1989, if the deficit excess for such fiscal year specified in the joint resolution will be less than $10,000,000,000; or

"(B) only with respect to fiscal year 1989, if, as a result of the enactment of laws and the promulgation of final regulations which change spending and revenue policies for such fiscal year, the deficit for such fiscal year is reduced below the baseline estimate of the deficit for such fiscal year by an amount which is not less than $36,000,000,000.

"(b) Procedures for consideration of joint resolutions.—

"(1) Exercise of rulemaking power.—The provisions of this subsection are enacted—

"(A) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in the Senate in the case of joint resolutions described by subsection (a) of this section; and they supersede other rules only to the extent that they are inconsistent therewith; and

"(B) with full recognition of the constitutional right of either House to change such rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

"(2) No referral to committee.—A joint resolution introduced in the Senate or the House of Representatives under subsection (a) shall not be referred to a committee of the Senate or the House of Representatives, as the case may be, and shall be placed on the appropriate calendar pending disposition of such joint resolution in accordance with this subsection.

"(3) Immediate consideration.—At any time after a joint resolution is introduced under subsection (a), notwithstanding any rule or precedent of the Senate, including Rule 22 of the Standing Rules of the Senate, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) for any Member of the respective House to move to proceed to the consideration of the resolution, and all points of order against the resolution (and against consideration of the resolution) are waived. The motion is highly privileged in the House of Representatives and is privileged in the Senate and is not debatable. The motion is not subject to amendment, or to a motion to postpone, or to a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the resolution is agreed to, the resolution shall remain the unfinished business of the respective House until disposed of.

"(4) Debate.—Debate on a joint resolution introduced under subsection (a), and on all debatable motions and appeals in connection therewith, shall be limited to not more than ten hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is in order and not debatable. A motion to postpone, or a motion to proceed to the consideration of other business, or a motion to recommit the resolution is not in order. A motion to reconsider the vote by which the resolution is agreed to or disagreed to is not in order.

"(5) Vote on final passage.—Immediately following the conclusion of the debate on a joint resolution introduced under subsection (a), and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the appropriate House, the vote on final passage of the resolution shall occur. Such vote shall occur no later than October 19 of the fiscal year to which the joint resolution relates.

"(6) APPEALS.—Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a joint resolution described in subsection (a) shall be decided without debate.

"(7) RESOLUTION FROM OTHER HOUSE.—If, before the passage by the Senate of a joint resolution of the Senate introduced under subsection (a), the Senate receives from the House of Representatives a joint resolution introduced under subsection (a), then the following procedures shall apply:

"(A) The joint resolution of the House of Representatives shall not be referred to a committee.

"(B) With respect to a joint resolution introduced under subsection (a) in the Senate—

"(i) the procedure in the Senate shall be the same as if no resolution had been received from the House; but

"(ii) the vote on final passage shall be on the resolution of the House.

"(C) Upon disposition of the resolution received from the House, it shall no longer be in order to consider the resolution originated in the Senate.

"(8) SENATE ACTION ON HOUSE RESOLUTION.—If the Senate receives from the House of Representatives a joint resolution introduced under subsection (a) after the Senate has disposed of a Senate originated resolution, the action of the Senate with regard to the disposition of the Senate originated resolution shall be deemed to be the action of the Senate with regard to the House originated resolution, provided that this section shall not take effect should either House amend such resolution.".

(d)(1) Section 251 is amended by adding at the end thereof the following new subsection:

"(h) SPECIAL RULES RELATED TO FISCAL YEAR 1989.—

"(1) DEFICIT EXCESS.—For purposes of this part, with respect to fiscal year 1989, the deficit excess shall be the lesser of—

"(A) the amount equal to the difference between the estimated deficit for such fiscal year minus the maximum deficit amount for such fiscal year; or

"(B) the amount equal to the difference between the amount equal to the sum of $36,000,000,000 and $10,000,000,000, minus the amount by which the deficit for such fiscal year is reduced below the baseline estimate of the deficit for such fiscal year as a result of the enactment of laws and the promulgation of final regulations which change spending and revenue policies for such fiscal year, except as provided in the last sentence of this paragraph. Under subparagraph (B), the deficit excess for fiscal year 1989 shall not exceed $36,000,000,000.

"(2) BILLS AND RESOLUTIONS TO BE CONSIDERED.—In preparing any report with respect to fiscal year 1989 under this section, the Directors, the Comptroller General, and the Director of the Office of Management and Budget, for purposes of making a determination under paragraph (1)(B) shall—

"(A) analyze, only provisions of law enacted, and final regulations promulgated, during the period beginning on October 1, 1987, and ending on the date on which the report is made; and

"(B) exclude from the baseline estimate of the deficit any changes in the deficit which resulted from the enactment of provisions of law and the promulgation of final regulations during the period beginning on October 1, 1987, and ending—

"(i) in the case of a report under this section by the Director of the Congressional Budget Office, on the date on which such Director submits the report for fiscal year 1989 required under section 202(f)(1) of the Congressional Budget Act of 1974;

"(ii) in the case of a report under this section by the Director of the Office of Management and Budget, on the date on which such Director submits the statement for fiscal year 1989 required under section 1105(g) of title 31, United States Code; and

"(iii) in the case of a report under this section by the Comptroller General submits the report required for fiscal year 1989 under section 259(a).

"(3) ECONOMIC ASSUMPTIONS.—Only with respect to any determination under paragraph (1)(B) for fiscal year 1989—

"(A) the Director of the Office of Management and Budget, in preparing any report under subsection (a)(2), (b)(2), (c)(1), or (c)(3) for such fiscal year, shall use the same economic and technical assumptions specified in the statement required for such fiscal year under section 1105(g) of title 31, United States Code;

"(B) the Director of the Congressional Budget Office, in preparing any report under subsection (a)(2) or (c)(1) for such fiscal year, shall use the same economic and technical assumptions specified in the report required for such fiscal year under section 202(f)(1) of the Congressional Budget Act of 1974; and

"(C) the Comptroller General, in preparing any report under subsection (b)(1) or (c)(2) for such fiscal year, shall use the same economic and technical assumptions specified in the report required for such fiscal year under section 259.".

(2)(A) Part C (as amended by subsection (c) of this section) is further amended by adding at the end thereof the following new section:

"SEC. 259. ECONOMIC ASSUMPTIONS FOR FISCAL YEAR 1989.

"(a) REPORT.—By March 1, 1988, the Comptroller General of the United States shall, after analyzing the report of the Director of the Congressional Budget Office under section 202(f)(1) of the Congressional Budget Act of 1974 for fiscal year 1989 and the statement of the Director of the Office of Management and Budget under section 1105(g) of title 31, United States Code, for such fiscal year, issue a report specifying, with respect to fiscal year 1989 and fiscal year 1988—

"(1) the baseline estimate of the deficit;

"(2) the baseline estimate of budget authority and budget outlays for each major functional category;

"(3) revenues by major type, including individual and corporate income taxes, social insurance taxes and contributions, excise taxes, estate and gift taxes, customs duties, and miscellaneous receipts;

"(4) key technical assumptions relating to the budget estimates; and

"(5) economic assumptions relating to the budget estimates, including—

"(A) the level of real gross national product for each such fiscal year;

"(B) the level of nominal gross national product for each such fiscal year;

"(C) the level of the gross national product deflator index for each such fiscal year;

"(D) the level of merchandise imports for each such fiscal year;

"(E) the level of taxable personal income for each such fiscal year;

"(F) the level of wage and salary disbursements for each such fiscal year;

"(G) the level of corporate profits (economic) for each such fiscal year;

"(H) the level of the CPI-W for each such fiscal year;

"(I) the level of the CPI-U for each such fiscal year;

"(J) the average level of the capital consumption adjustment for each such fiscal year;

"(K) the average level of the inventory valuation adjustment for each such fiscal year;

"(L) the interest rate on 91-day Treasury bills, the interest rate on 10-year Treasury notes, and the interest rate on 30-year Treasury bonds, for each such fiscal year;

"(M) the average refiners' acquisition price for oil for each such fiscal year; and

"(N) the civilian unemployment rate for each such fiscal year.

"(b) PREPARATION OF REPORT.—In preparing the baseline estimate of the deficit to be included in the report required under subsection (a) for fiscal year 1989, the Comptroller General shall—

"(1) apply the provisions of section 251(a)(6) of the Balanced Budget and Emergency Deficit Control Act of 1985 (other than subparagraph (C) of such section) with respect to all accounts other than appropriated accounts; and

"(2) with respect to each appropriated account, apply the provisions of subparagraph (D) of such section and assume that the level of appropriations for the fiscal year for which the report is made will be equal to the level of appropriations for such account for the preceding fiscal year, adjusted by the gross national product deflator or such other measure of inflation as the Comptroller General considers appropriate.".

(B) Section 202(f) of the Congressional Budget Act of 1974 is amended—

(i) by striking out "and (B)" in paragraph (1) and inserting in lieu thereof "(B) the baseline estimate of the deficit, and (C)";

(ii) by adding at the end of paragraph (1) the following: "The report prepared under this paragraph for fiscal year 1989 shall also include a specification of each of the items, for the fiscal year for which the report is made and the fiscal year preceding such fiscal year, which are described in paragraphs (1) through (5) of section 259(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 and which are used in preparing such report.";

(iii) by redesignating paragraphs (2) and (3) as paragraphs (4) and (5), respectively; and

(iv) by inserting after paragraph (1) the following new paragraph:

"(2) On or before August 15 of each year, the Director shall submit to the Committees on the Budget of the House of Representatives and the Senate a report, for the fiscal year commencing on October 1 of that year, which—

"(A) updates the most recent economic forecast and budget outlook, including the most recent aggregates for revenues, budget authority outlays, and related surpluses and deficits; and

"(B) includes the baseline estimate of the deficit for such fiscal year calculated based on the update of such estimates of revenues, budget authority, and outlays.

"(3) In preparing the baseline estimate of the deficit to be included in each report required under paragraph (1) or (2) for a fiscal year, the Director shall—

"(A) apply the provisions of section 251(a)(6) of the Balanced Budget and Emergency Deficit Control Act of 1985 (other than subparagraph (C) of such section) with respect to all accounts other than appropriated accounts; and

"(B) with respect to each appropriated account, apply the provisions of subparagraph (D) of such section and assume that the level of appropriations for the fiscal year for which the report is made will be equal to the level of appropriations for such account for the preceding fiscal year, adjusted by the gross national product deflator or such other measure of inflation as the Director considers appropriate.".

(4) Section 1105(f) of title 31, United States Code, is amended—

(A) by inserting before the period in paragraph (1) a comma and "or, in the case of fiscal year 1989, in such a manner to ensure that that the deficit for fiscal year 1989 is reduced below the baseline estimate of the deficit for such fiscal year by $36,000,000,000";

(B) by striking out "The" in paragraph (2) and inserting in lieu thereof "(A) Except as provided in subparagraph (B), the"; and

(C) by adding at the end of paragraph (2) the following new subparagraph:

"(B) Subparagraph (A) shall not apply to the budget transmitted under subsection (a) for fiscal year 1989 if such budget sets forth a deficit for such fiscal year which is less than the estimated baseline of the deficit for such fiscal year by at least $36,000,000,000.".

(C) Section 1105 of title 31, United States Code, is amended by adding at the end thereof the following new subsection:

"(g)(1) The budget submitted under subsection (a) for fiscal year 1989 shall include a separate statement, prepared by the Director of the Office of Management and Budget, of—

"(A) each of the items, for the fiscal year for which the budget is submitted and the fiscal year preceding such fiscal year, which are described in paragraphs (1) through (5) of section 259(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 and which are used in preparing such budget.

"(2) In preparing the baseline estimate of the deficit to be included in each statement required under paragraph (1) of this subsection for a fiscal year 1989, the Director of the Office of Management and Budget shall—

"(A) apply the provisions of section 251(a)(6) of the Balanced Budget and Emergency Deficit Control Act of 1985 (other than subparagraph (C) of such section) with respect to all accounts other than appropriated accounts; and

"(B) with respect to each appropriated account, apply the provisions of subparagraph (D) of such section and assume that the level of appropriations for the fiscal year for which the report is made will be equal to the level of appropriations for such account for the preceding fiscal year, adjusted by the gross national product deflator or such other measure of inflation as the Director considers appropriate.".

(e)(1) Section 301(i) of the Congressional Budget Act of 1974 is amended—

(A) by striking out paragraph (1)(A) and inserting in lieu thereof the following:

"(1)(A) Except as provided in paragraph (2), it shall not be in order in either the House of Representatives or the Senate to consider any concurrent resolution on the budget for a fiscal year under this section, or to consider any amendment to such a concurrent resolution, or to consider a conference report on such a concurrent resolution, if—

"(i) the level of total budget outlays for such fiscal year that is set forth in such concurrent resolution or conference report—

"(I) exceeds the recommended level of Federal revenues set forth for that year by an amount that is greater than the sum of the maximum deficit amount for such fiscal year as determined under section 3(7); and

"(II) in the case of fiscal year 1989, would cause the reduction in the deficit for such fiscal year below the baseline estimate of the deficit for such fiscal year to be less than $36,000,000,000; or

"(ii) the adoption of such amendment would—

"(I) result in a level of total budget outlays for such fiscal year which exceeds the recommended level of Federal revenues for such fiscal year by an amount that is greater than the sum of maximum deficit amount for such fiscal year as determined under section 3(7); and

"(II) in the case of fiscal year 1989, cause the reduction in the deficit for such fiscal year below the baseline estimate of the deficit for such fiscal year to be less than $36,000,000,000."; and

(B) by striking out "MAXIMUM DEFICIT AMOUNT MAY NOT BE EXCEEDED" in the heading for such subsection and inserting in lieu thereof "ENFORCEMENT OF DEFICIT REDUCTION".

(2) Section 301 is amended by inserting at the end thereof the following:

"(j) DETERMINATIONS BY BUDGET COMMITTEES.—For purposes of this section, the levels of revenues and outlays and the level of the deficit for a fiscal year for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the House of Representatives or the Senate, as the case may be.".

(3) Section 311(a) of such Act is amended by inserting after "section 3(7)" the following: "and would cause the reduction in the deficit for such fiscal year to be less than $36,000,000,000, in the case of fiscal year 1989".

(f)(1) Section 251(d) is amended by striking out paragraph (3).

(2) The last sentence of section 251(c)(1) is amended by striking out "and authorized under subsection (d)(3)(D)(i)".

(3) Section 256(l)(2) is amended by striking out ", in accordance with section 251(d)(3),".

(g)(1) Section 254(b)(1)(A) is amended by striking out "Comptroller General under section 251(c)(2)" and inserting in lieu thereof "Director of the Office of Management and Budget under section 251(c)(3)".

(2) Section 274(f)(5) is repealed.

(3) Section 274(h) is amended—

(A) by striking out "Comptroller General" the first place it appears and inserting in lieu thereof "Director of the Office of Management and Budget"; and

(B) by striking out "Comptroller General under section 251 (b) or (c)(2)" and inserting in lieu thereof "Director of the Office of Management and Budget under section 251 (b)(2) or (c)(3)".

(h)(1) Section 251 (as amended by subsection (d) of this section) is further amended by adding at the end thereof the following new subsections:

"(i) ECONOMIC ASSUMPTIONS.—

"(1) FISCAL YEAR 1988.—In preparing each report required under this section for fiscal year 1988, the Directors, the Comptroller General, and the Director of the Office of Management and Budget shall each use the following economic assumptions for fiscal years 1987 and 1988:

"(A) The level of real gross national product is the amount determined by the committee of conference on the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987.

"(B) The level of nominal gross national product is the amount determined by the committee of conference on the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987.

"(C) The level of the gross national product deflator index is the amount determined by the committee of conference on the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987.

"(D) The level of merchandise imports is the amount determined by the committee of conference on the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987.

"(E) The level of taxable personal income is the amount determined by the committee of conference on the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987.

"(F) The level of wage and salary disbursements is the amount determined by the committee of conference on the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987.

"(G) The level of corporate profits (economic) is the amount determined by the committee of conference on the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987.

"(H) The level of the CPI-W is the amount determined by the committee of conference on the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987.

"(I) The level of the CPI-U is the amount determined by the committee of conference on the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987.

"(J) The interest rate on 91-day Treasury bills, the interest rate on 10-year Treasury notes, and the interest rate on 30-year Treasury bonds, are the amounts determined by the committee of conference on the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987.

"(K) The average level of the capital consumption adjustment is the amount determined by the committee of conference on the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987.

"(L) The average level of the inventory valuation adjustment is the amount determined by the committee of conference on the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987.

"(M) The average refiners' acquisition price for oil is the amount determined by the committee of conference on the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987.

"(N) The civilian unemployment rate is the amount determined by the committee of conference on the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987.

"(2) FISCAL YEAR 1989 AND SUBSEQUENT FISCAL YEARS.—

"(A) REPORTS BY THE DIRECTORS AND THE COMPTROLLER GENERAL.—By July 25 of the calendar year in which a fiscal year begins (beginning with fiscal year 1989), the Director of the Office of Management and Budget, the Director of the Congressional Budget Office, and the Comptroller General shall each submit to the Temporary Joint Committee on Deficit Reduction established by section 274 a report proposing, for each of the items specified in subparagraph (E), an amount for use by the Directors and the Comptroller General in preparing each report required by subsections (a), (b), and (c) for such fiscal year, except as provided in section 258(h)(3).

"(B) Reporting of joint resolution.—The Temporary Joint Committee on Deficit Reduction established under section 274 may, at any time before September 15 of the calendar year in which a fiscal year begins, report to the Senate and the House of Representatives a joint resolution for such fiscal year which—

"(i) specifies, for one or more of the items specified in subparagraph (E), the amount (within the range of the amounts proposed for each such item by the Director of the Office of Management and Budget, the Director of the Congressional Budget Office, and the Comptroller General in the reports required under paragraph (1)) for such item for such fiscal year;

"(ii) directs the Directors and the Comptroller General to use the amount specified in such joint resolution for each such item in preparing each report required under subsections (a), (b), and (c) for such fiscal year, and with respect to the determination of the baseline estimate of the deficit for fiscal year 1989, to consider changes in the deficit resulting from the enactment of laws and the promulgation of final regulations which change spending and revenue policies for such fiscal year; and

"(iii) directs the President to modify the most recent order (if any) issued under section 252 for such fiscal year in a manner which implements the amount specified in such joint resolution for each such item.

"(C) Procedures.—The provisions relating to the consideration of joint resolutions under section 254(a)(4) shall apply to the consideration of a joint resolution reported pursuant to subparagraph (B), except that debate in each House shall be limited to two hours.

"(D) Action if item is not specified by joint resolution.—In any case in which a joint resolution is not enacted under this subsection specifying an amount for an item specified in subparagraph (E) for a fiscal year, the Director of the Office of Management and Budget and the Director of the Congressional Budget Office shall, in preparing the reports required by subsections (a), (b), and (c) for such fiscal year, use the amount that was proposed by such Director for such item in the report required under subparagraph (A) for such fiscal year. The Comptroller General may, in preparing the reports required by subsections (b) and (c), use any amount within the range of amounts that was proposed for such item in the reports of each such Director and the Comptroller General in the report required by subparagraph (A).

"(E) Specified items.—The items specified in this paragraph are:

"(i) the baseline estimate of the deficit;

"(ii) the baseline estimate of budget authority and budget outlays for each major functional category;

"(iii) revenues by major type, including individual and corporate income taxes, social insurance taxes and contributions, excise taxes, estate and gift taxes, customs duties, and miscellaneous receipts;

"(iv) key technical assumptions relating to the budget estimates; and

"(v) economic assumptions relating to the budget estimates, including, for a fiscal year and the fiscal year preceding such fiscal year—

"(I) the level of real gross national product for each such fiscal year;

"(II) the level of nominal gross national product for each such fiscal year;

"(III) the level of the gross national product deflator index for each such fiscal year;

"(IV) the level of merchandise imports for each such fiscal year;

"(V) the level of taxable personal income for each such fiscal year;

"(VI) the level of wage and salary disbursements for each such fiscal year;

"(VII) the average level of the capital consumption adjustment for each such fiscal year;

"(VIII) the average level of the inventory valuation adjustment for each such fiscal year;

"(IX) the level of corporate profits (economic) for each such fiscal year;

"(X) the level of the CPI-W for each such fiscal year;

"(XI) the level of the CPI-U for each such fiscal year;

"(XII) the interest rate on 91-day Treasury bills, the interest rate on 10-year Treasury notes, and the interest rate on 30-year Treasury bonds for each such fiscal year;

"(XIII) the average refiners' acquisition price for oil for each such fiscal year; and

"(XIV) the civilian unemployment rate for each such fiscal year.

"(6) Definition.—For purposes of this subsection, the term 'range of amounts' means, with respect to an item, any of the amounts for such item which is—

"(A) not less than the lesser of the amounts proposed for such item by either Director or by the Comptroller General in the reports required by paragraph (1)(A) for a fiscal year; or

"(B) not more than the higher of the amounts proposed for such item used by either Director or the Comptroller General in such reports.

"(j) Budgetary Resource-Outlay Ratios.—

"(1) In general.—

"(A) Basic rule.—Except as provided in paragraph (2) and in subparagraph (E), in preparing each report required under this section for a fiscal year, the Director of the Office of Management and Budget, the Director of the Congressional Budget Office, and the Comptroller General shall calculate budget outlays resulting from each item of budgetary resources (specified in subclauses (I) through (VII) of subparagraph (F)(i)) for an account in accordance with this subsection, for purposes of—

"(i) determining under subsection (a) budget base levels of budget outlays for such fiscal year;

"(ii) determining the amount of budget outlays for such fiscal year for defense programs to which subsections (a)(3)(E)(ii) and (d) apply; and

"(iii) determining the amount of budget outlays for such fiscal year for non-defense programs to which subsection (a)(3)(F)(iv) applies.

"(B) Computation rules.—For purposes of subparagraph (A), in order to determine the amount of budget outlays for a fiscal year resulting from an item of budgetary resources for each account to which clause (i), (ii), or (iii) of such subparagraph applies, the Director of the Office of Management and Budget, the Director of the Congressional Budget Office, and the Comptroller General shall make the following determinations:

"(i) The amount of such item of budgetary resources for such account for such fiscal year shall be determined.

"(ii) The ratio described in subparagraph (C) shall be determined for such item of budgetary resources for such account.

"(iii) The amount of budget outlays resulting from such item of budgetary resources for such account for such fiscal year shall be equal to the product of the amount determined under clause (i) of this subparagraph for such item of budgetary resources multiplied by the ratio determined under clause (ii) of this subparagraph for such item of budgetary resources.

"(C) Determination of ratio.—For each item of budgetary resources for each account, the ratio referred to in clause (ii) of subparagraph (B) shall be equal to the quotient of—

"(i) the amount of budget outlays specified as the average of the amounts of budget outlays proposed by each of the Directors for fiscal year 1986 for such account in the first appendix of the report submitted by the Directors under subsection (a) for fiscal year 1986 (as such report was modified by the report of the Comptroller General under subsection (b) for such fiscal year and reaffirmed by H.J. Res. 672, as adopted on July 17, 1986), except as provided by subparagraph (D) of this paragraph, divided by

"(ii) the amount for such item of budgetary resources specified as the average of the amounts for such item proposed by each of the Directors for fiscal year 1986 for such account in such appendix.

"(D) Accounts with more than one item of budgetary resources.—In any case in which, in the appendix described in subparagraph (C)(i), there is—

"(i) more than one item of budgetary resources for an account to which clause (i), (ii), or (iii) of subparagraph (A) applies;

"(ii) or an excluded budgetary resource for such an account,

the amount of budget outlays for each such item of budgetary resources, for purposes of subparagraph (C)(i), shall be the amount of budget outlays determined by the Director of the Office of Management and Budget, the Director of the Congressional Budget Office, or the Comptroller General, as the case may be, that was associated with such item of budgetary resources for fiscal year 1986 in the preparation of such appendix.

"(E) Exception.—

"(i) Subparagraph (A) shall not apply to the calculation of budget outlays resulting from an item of budgetary resources for an account if the appendix described in clause (i) of subparagraph (C) does not specify the amount of budget outlays described in such subparagraph or the amount for an item of budgetary resources described in clause (ii) of such subparagraph.

"(ii) In preparing the reports under subsections (a) and (c)(1) for a fiscal year, the Director of the Office of Management and Budget and the Director of the Congressional Budget Office shall calculate the budget outlays resulting from an item of budgetary resources described in clause (i) in the same manner as the budget outlays resulting from such item were calculated by such Director for purposes of determining the budget base level of total outlays under subsection (a)(1)(A) for fiscal year 1986.

"(F) Definition.—For purposes of this subsection—

"(i) the term 'item of budgetary resources' means—

"(I) budget authority;

"(II) spending authority (as defined in section 401(c)(2) of the Congressional Budget Act of 1974);

"(III) offsetting collection amounts for spending authority (as so defined);

"(IV) direct loan limitations;

"(V) obligation limitations;

"(VI) unobligated balances for defense programs; and

"(VII) budget authority for programs subject to special sequestration rules; and

"(ii) the term 'excluded budgetary resource' means—

"(I) spending authority (as defined in section 401(c)(2) of the Congressional Budget Act of 1974) for automatic spending increases;

"(II) direct loan floors;

"(III) guaranteed loan limitations;

"(IV) guaranteed loan floors;

"(V) unobligated balances for administrative expenses; and

"(VI) budget authority for automatic spending increases.

"(2) PROPOSAL OF ALTERNATIVE RATIOS.—

"(A) IN GENERAL.—By September 9 (in the case of fiscal year 1988) or by June 20 (in the case of fiscal year 1989 or any subsequent fiscal year), the Directors may submit a joint report, or either Director may submit a separate report, to the Temporary Joint Committee on Deficit Reduction established under section 274(f) which proposes, for one or more items of budgetary resources, the use, for purposes of paragraph (1), of a ratio for such fiscal year which is different than the ratio prescribed by subparagraph (C) of such paragraph. The report shall include, for each such item for which a different ratio is recommended, an explanation of the reasons why the ratio prescribed by paragraph (1)(C) is no longer adequate for purposes of paragraph (1) and a justification for the ratio proposed for such account.

"(B) REPORTING OF JOINT RESOLUTION.—Within 5 days after either or both Directors have submitted a report under subparagraph (A), the Temporary Joint Committee may report to the Senate and the House of Representatives a joint resolution affirming all or part of the contents of the report or reports submitted under subparagraph (A). The provisions relating to the consideration of joint resolutions under section 254(a)(4) shall apply to the consideration of a joint resolution reported pursuant to this subparagraph, except that debate in each House shall be limited to two hours.

"(C) EFFECT OF JOINT RESOLUTION.—If a joint resolution is enacted under subparagraph (B) for a fiscal year, the Director of the Office of Management and Budget, the Director of the Congressional Budget Office, and the Comptroller General shall each, in preparing each report required to be submitted under this section on or after the date of the enactment of the joint resolution (and before the date of the enactment of a subsequent joint resolution under such subparagraph affirming a different ratio with respect to that item), use the ratio affirmed with respect to that item by the joint resolution.

"(k) COMPUTATION OF BUDGET BASE OUTLAYS RESULTING FROM OBLIGATED BALANCES.—In determining the amount of budget base outlays resulting from obligated balances for defense programs and nondefense programs for a fiscal year for purposes of the reports required under subsections (a) and (c)(1)—

"(1) the Director of the Office of Management and Budget shall use the methodology used by such Director in determining such budget base outlays in the report required under subsection (a) for fiscal year 1986; and

"(2) the Director of the Congressional Budget Office shall use the methodology used by such Director in determining such budget base outlays in the report required under subsection (a) for fiscal year 1986.

"(l) FEDERAL REGULATIONS.—Except as provided in subsection (a)(6)(D)(ii), in preparing each report required under this section for a fiscal year, the Director of the Office of Management and Budget and the Director of the Congressional Budget Office shall assume the impact of only those regulations which have been promulgated as final regulations—

"(1) in case of fiscal year 1989 or any succeeding fiscal year, by August 15 of the calendar year in which such fiscal year begins (with respect to reports required under subsection (a) or (b) for such fiscal year), or by October 1 of the fiscal year with respect to reports required under subsection (c) for such fiscal year; or

"(2) in the case of fiscal year 1988, by the date which is 2 weeks after the date of enactment of the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987.

"(m) ASSET SALES.—In preparing each report required under this part for a fiscal year, the Director of the Office of Management and Budget, the Director of the Congressional Budget Office, and the Comptroller General shall assume that the sale of an asset by the Federal Government will occur during such fiscal year only if—

"(1) a final notice of sale during such fiscal year that includes a description of the asset to be sold and the date of sale was published in the Federal Register on or before—

"(A) for fiscal year 1988, the date which is 2 weeks after the date of enactment of the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987; or

"(B) for fiscal year 1989 and each subsequent fiscal year, August 15 of the calendar year in which such fiscal year begins;

"(2) the receipts from such sale were assumed by the Director of the Congressional Budget Office in the baseline estimate of the deficit contained in the report of such Director entitled 'An Analysis of the President's Budgetary Proposals for Fiscal Year 1988', issued February 19, 1987; or

"(3) such savings are the result of reconciliation savings assumed in the joint explanatory statement of the managers of the committee of conference on House Concurrent Resolution 93 (100th Congress, 1st Session, approved June 24, 1987).

Within 2 weeks after the date of enactment of the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987, the Director of the Congressional Budget Office shall cause to be published in the Federal Register a list of the asset sales for which receipts were assumed in the baseline estimate of the deficit contained in the report described in paragraph (2).

"(n) PAY INCREASES.—

"(1) IN GENERAL.—In preparing each report required under this section for a fiscal year, the Director of the Office of Management and Budget, the Director of the Congressional Budget Office, and the Comptroller General shall—

"(A) include amounts of budgetary resources and budget outlays necessary to pay for any Federal pay adjustments for statutory pay systems if such adjustments have been recommended by the President or, notwithstanding subsection (a)(6)(D)(i), have been enacted by law;

"(B) include amounts of budgetary resources and budget outlays necessary to pay for any pay adjustments for elements of military pay if such adjustments occur pursuant to law or are specifically enacted by law; and

"(C) assume that the percentage of the amounts of budgetary resources and budget outlays necessary to pay for such adjustments that will be absorbed by all Federal agencies will not exceed the average (for the three most recently completed pay adjustment absorption fiscal years) of the percentages of such amounts absorbed by Federal agencies for such fiscal years.

"(2) DETERMINATION OF AGENCIES ABSORBING PAY ADJUSTMENTS.—For purposes of paragraph (1)(C), a Federal agency shall be treated as having absorbed a percentage of pay adjustment for a fiscal year only if—

"(A) a pay adjustment becomes effective with respect to the agency in such fiscal year, and

"(B) a bill or joint resolution making supplemental appropriations for pay (including, in the case of members of the uniformed services, elements of military pay) was enacted with respect to the agency for such fiscal year.

"(3) DEFINITIONS.—For purposes of this paragraph—

"(A) the term 'budgetary resources' includes any of the types of budgetary resources described in clauses (i) and (ii) of subsection (i)(1)(F);

"(B) the term 'pay adjustment absorption fiscal year' means a fiscal year in which—

"(i) a pay adjustment becomes effective with respect to any Federal agency, and

"(ii) a bill or joint resolution making supplemental appropriations for pay (including, in the case of members of the uniformed services, elements of military pay) for such fiscal year is enacted for any Federal agency with respect to which such an adjustment becomes effective;

"(C) the term 'statutory pay system' has the same meaning as in section 256(g)(2)(A); and

"(D) the term 'elements of military pay' has the same meaning as in section 256(g)(2)(B).

"(o) FARM DEFICIENCY PAYMENTS.—

"(1) Except as provided in paragraph (2), in preparing each report required under this section for a fiscal year, the Director of the Office of Management and Budget, the Director of the Congressional Budget Office, and the Comptroller General shall assume that advance deficiency payments will be made available to producers who agree to participate in an acreage limitation or set-aside program for the crop year relating to such fiscal year based on an amount under section 107C(a)(2)(F)(iii) (7 U.S.C. 1445b-2(a)(2)(F)(iii)) of—

"(A) in the case of wheat and feed grains, 40 percent of the projected payment rate, as determined by the Secretary of Agriculture; and

"(B) in the case of upland cotton and rice, 30 percent of the projected payment rate, as determined by such Secretary.

"(2) Paragraph (1) shall not apply to the preparation of a report for a fiscal year, if as of the date on which the report is required to be prepared, legislation has been enacted that—

"(A)(i) limits or prohibits the making of advance deficiency payments for the crop year relating to the fiscal year involved, or "(ii) alters the amounts on which such payments are based, and

"(B) specifically waives the application of such paragraph to report for the fiscal year involved.".

(i) Section 251(a)(6)(A) is amended—

(1) by inserting "(i)" after "(A)",

(2) by striking the semicolon at the end thereof and inserting in lieu thereof ", and", and

(3) by adding at the end thereof the following:

"(ii) assuming, in the case of entitlements funded in annual appropriations, and in the case of the program established by the Food Stamp Act of 1977, the continuation of the current law governing the terms and conditions of such entitlements and such program (and assuming the continuation of only those provisions of appropriation Acts that impose or modify, for a period of more than one fiscal year, the terms and conditions of such an entitlement or such program).".

(j) Section 253 is amended to read as follows:

"SEC. 253. COMPLIANCE REPORT BY COMPTROLLER GENERAL.

"On or before November 15 of each fiscal year, the Comptroller General shall submit to the Congress and the President a report on—

"(1) the extent to which the President's order issued under section 252(b) for such fiscal year complies with all of the requirements contained in section 252, either certifying that the order fully and accurately complies with such requirements or indicating the respects in which it does not;

"(2) the extent to which each report of the Director of the Office of Management and Budget under section 251 (b)(2) and (c)(3) for such fiscal year complies with all of the requirements contained in this part, either certifying that the report fully and accurately complies with such requirements or indicating the respects in which it does not; and

"(3) any recommendations of the Comptroller General for improving the procedures set forth in this part.".

(k) Section 255(g)(1) is amended—

(1) by inserting after the item relating to private donations, bequests, or voluntary contributions to the Government, the following new item:

"Administration of territories (14-0412-0-1-806);";

(2) by inserting after the item relating to the Bonneville Power Administration fund the following new item:

"Bureau of Indian Affairs, miscellaneous payments to Indians (14-2303-0-1-452);";

(3) by inserting after the item relating to the coinage profit fund the following new item:

"Compact of free association (14-0415-0-1-806);";

(4) by inserting after the item relating to the foreign military sales trust fund the following new item:

"Guarantee reserve fund (11-4121-0-3-152);";

(5) by inserting after the item relating to health professions graduate student loan insurance fund the following new items:

"Higher education facilities loans and insurance (91-0240-0-1-502);

"Internal revenue collections for Puerto Rico (20-5737-0-2-852);";

(6) by inserting after the item relating to intragovernmental funds the following new items:

"Medical facilities guarantee and loan fund (75-4430-0-3-551);

"Panama Canal Commission, operating expenses (95-5190-0-2-403);";

(7) by inserting after the item relating to payments to health care trust funds the following new item:

"Payments to widows and heirs of deceased Members of Congress (00-0215-0-1-801);";

(8) by inserting after the item relating to payments to trust funds from excise taxes the following new item:

"Payments to the United States territories, fiscal assistance (14-0418-0-1-806);"; and

(9) by inserting after the item relating to the Tennessee Valley Authority fund the following new items:

"Federal Retirement Thrift Investment Board, thrift savings fund (26-8141-0-7-602);

"Trust Territory of the Pacific Islands (14-0414-0-1-806);

"United States Customs Service, miscellaneous permanent appropriations (20-9922-0-2-852);

"Washington Metropolitan Area Transit Authority, interest payments (46-0300-0-1-401);".

(l) Section 274(f) is amended—

(1) in paragraph (1) by inserting "on or after the date of the enactment of the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987" after "invalidated"; and

(2) in paragraph (2)—

(A) by striking out "Upon the invalidation of any such procedure there" in the first sentence and inserting in lieu thereof "There";

(B) by striking out "and" before "to report" in the fourth sentence and inserting in lieu thereof a comma; and

(C) by inserting before the period in the fourth sentence a comma and "and to carry out the functions specified in subsections (h) and (i) of section 251".

REVISION OF MAXIMUM DEFICIT AMOUNT

SEC. 203. (a) Section 3(7) of the Congressional Budget Act of 1974 is amended to read as follows:

"(7) The term 'maximum deficit amount' means—

"(A) with respect to the fiscal year beginning October 1, 1987, $150,000,000,000;

"(B) with respect to the fiscal year beginning October 1, 1988, $130,000,000,000;

"(C) with respect to the fiscal year beginning October 1, 1989, $90,000,000,000;

"(D) with respect to the fiscal year beginning October 1, 1990, $45,000,000,000; and

"(E) with respect to the fiscal year beginning October 1, 1991, zero.".

(b) The Act is amended by striking out "1991" each place it appears in sections 251(a)(1)(B), 251(a)(2), 251(a)(3)(A)(i), 252(a)(1), 252(a)(6)(B), and 252(a)(6)(C)(ii) and inserting in lieu thereof "1992".

(c) Section 275(b)(1) is amended by striking out "September 30, 1991" and inserting in lieu thereof "September 30, 1992".

PENALTIES UNDER STATUTE

SEC. 204. If the President fails to implement an order in compliance with section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985, notwithstanding a failure to prevent such an order under section 258 of such Act, officers or employees of the United States Government who thereafter make or authorize expenditures or obligations shall be liable to the extent provided in sections 1341, 1350, 1517, and 1519 of title 31, United States Code. Nothing in this section shall be construed as limiting the manner in which any other statutes apply to such activity.

APPLICABILITY

SEC. 205. The amendments made by this title shall apply with respect to any report required to be submitted, and any order issued, under part C of the Balanced Budget and Emergency Deficit Control Act of 1985 after the date of enactment of this joint resolution.

SUBMISSION OF PRESIDENT'S BUDGET

SEC. 206. (a) Section 1105(a) of title 31, United States Code, is amended by striking out "first Monday after January 3 of each year (or on or before February 5 in 1986)" and inserting in lieu thereof "first Monday after January 17 of each year".

(b) Section 300 of the Congressional Budget Act of 1974 is amended by striking out "First Monday after January 3" and inserting in lieu thereof "first Monday after January 17".

(c) Section 1109(a) of title 31, United States Code, is amended—

(1) by striking out all beginning with "On or before" through "in 1986)" and inserting in lieu thereof "Concurrently with each budget submitted pursuant to section 1105(a)", and

(2) by striking out "the budget for the following fiscal year" and inserting in lieu thereof "such budget".

SUBMISSION TO FEDERAL REGISTER

SEC. 207. Section 251(f) is amended by striking out the matter beginning after the dash through and including the semicolon and inserting in lieu thereof the following: "Each report submitted under this section shall be submitted to the Federal Register on the day that is is issued and printed as promptly as possible;".

PART B—BUDGET PROCESS REFORMS

REFERENCE

SEC. 221. Except as otherwise specifically provided, whenever in this part an amendment is expressed in terms of an amendment to a section or other provision, the reference shall be considered to be a reference to a section or other provision of the Congressional Budget and Impoundment Control Act of 1974.

REPEAL OF EXCEPTIONS TO SECTION 311 POINTS OF ORDER

SEC. 222. Section 311 is amended—

(1) in subsection (a) by striking out ", in the Senate,"; and

(2) by striking out subsection (b) and redesignating subsection (c) as subsection (b).

EXTENSION OF SECTION 302 TO OUTLAYS

SEC. 223. Section 302 is amended—

(1) in subsection (a)(1) by inserting "budget outlays" after "divide" and striking out ", and shall make the same division for estimated outlays that would result from such new budget authority";

(2) in subsection (f)(1) by inserting "budget outlays" after "providing"; and

(3) in subsection (f)(1) by inserting "budget outlays" after "for such fiscal year of".

TWO-YEAR APPROPRIATIONS

SEC. 224. It is the sense of the Congress that the Congress shall adopt, as part of reconciliation legislation required pursuant to the concurrent resolution on the budget for fiscal year 1988, legislation that will experiment with two-year appropriations for selected subfunctional areas of the budget.

Such legislation shall provide for an evaluation of the efficacy and desirability of such two-year appropriations to be conducted by the appropriate agencies at the end of the second fiscal year of such two-year period.

PROHIBITION OF COUNTING AS SAVINGS THE TRANSFER OF GOVERNMENT ACTIONS FROM ONE YEAR TO ANOTHER

Sec. 225. (a) For purposes of titles III and IV of the Congressional Budget and Impoundment Control Act of 1974 and the Balanced Budget and Emergency Deficit Control Act of 1985, any action of the United States Government that is transferred from one fiscal year to an adjacent fiscal year, including a payment, expenditure, receipt of funds from the sale of an asset, and the collection of revenues and other receipts, shall not be treated as causing a reduction in the deficit for the fiscal year from which the transfer was made except to the extent that such transfer reduces the sum of the deficits for the two fiscal years by at least $100,000,000. For purposes of this section, an action shall be considered to have been transferred when the action is taken in a different fiscal year and such change in the year is not—

(1) a necessary but secondary result of a significant policy change;

(2) to provide for contingencies; or

(3) to achieve savings made possible by or through changes in requirements or greater efficiency of operations.

(b) For purposes of the application of this section to the Congressional Budget and Impoundment Control Act of 1974, the level of outlays and the deficit for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the House of Representatives or the Senate, as the case may be.

FINANCIAL MANAGEMENT REFORM

Sec. 226. It is the sense of the Congress that the Congress shall adopt, as part of reconciliation legislation required pursuant to the concurrent resolution on the budget for fiscal year 1988, legislation to reform the financial management of the United States Government.

EXTENSION OF STATE AND LOCAL COST ESTIMATES

Sec. 227. The State and Local Government Cost Estimate Act of 1981 is amended by striking out section 4.

EXTRANEOUS PROVISIONS

Sec. 228. (a) Section 20001 of the Consolidated Omnibus Budget Reconciliation Act, as amended by section 7006 of the Omnibus Budget Reconciliation Act of 1986, is amended in subsection (c) by striking out "January 2, 1988" and inserting in lieu thereof "September 30, 1992".

(b) Subsection (d)(1)(A) of such section is amended by inserting before the period at the end thereof "and, (E) a provision shall be considered to be extraneous if it increases, or would increase, net outlays or if it decreases, or would decrease, revenues during a fiscal year after the fiscal years covered by such reconciliation bill or reconciliation resolution, and such increases or decreases are greater than outlay reductions or revenue increases, respectively, resulting from other provisions in such title in such year".

(c) Nothing in the amendment made by subsection (a) shall be construed as limiting the manner in which S. Res. 286 (99th Congress, 1st session), as amended by S. Res. 509 (99th Congress, 2d session), shall apply to reconciliation bills and reconciliation resolutions considered on or after the date of the enactment of this joint resolution.

CODIFICATION OF LAW REGARDING DEFERRAL AUTHORITY

Sec. 229. (a) Section 1013 is amended to read as follows:

"PROPOSED DEFERRALS OF BUDGET AUTHORITY

"Sec. 1013. (a) Transmittal of Special Message.—Whenever the President, the Director of the Office of Management and Budget, the head of any department or agency of the United States, or any officer or employee of the United States proposes to defer any budget authority provided for a specific purpose or project, the President shall transmit to the House of Representatives and the Senate a special message specifying—

"(1) the amount of the budget authority proposed to be deferred;

"(2) any account, department, or establishment of the Government to which such budget authority is available for obligation, and the specific projects or governmental functions involved;

"(3) the period of time during which the budget authority is proposed to be deferred;

"(4) the reasons for the proposed deferral, including any legal authority invoked by him to justify the proposed deferral;

"(5) to the maximum extent practicable, the estimated fiscal, economic, and budgetary effect of the proposed deferral; and

"(6) all facts, circumstances, and considerations relating to or bearing upon the proposed deferral and the decision to effect the proposed deferral, including an analysis of such facts, circumstances, and considerations in terms of their application to any legal authority, including specific elements of legal authority, invoked by him to justify such proposed deferral, and to the maximum extent practicable, the estimated effect of the proposed deferral upon the objects, purposes, and programs for which the budget authority is provided.

A special message may include one or more proposed deferrals of budget authority. A deferral may not be proposed for any period of time extending beyond the end of the fiscal year in which the special message proposing the deferral is transmitted to the House and the Senate.

"(b) Consistency With Legislative Policy.—Deferrals shall be permissible only—

"(1) to provide for contingencies;

"(2) to achieve savings made possible by or through changes in requirements or greater efficiency of operations; or

"(3) as specifically provided by law.

No officer or employee of the United States may defer any budget authority for any other purpose.

"(c) Exception.—The provisions of this section do not apply to any budget authority proposed to be rescinded or that is to be reserved as set forth in a special message required to be transmitted under section 1012.".

(b) Sections 1015 and 1016 are reaffirmed.

CLARIFICATION OF CONGRESSIONAL INTENT REGARDING RESCISSION AUTHORITY

Sec. 230. Section 1012(b) is amended by adding at the end thereof "If the Congress has failed to complete action on the rescission bill within the prescribed 45-day period, the President may not within one year transmit a special message under this section regarding substantially the same budget authority upon which the Congress has so failed to complete action.".

ECONOMIC AND TECHNICAL ASSUMPTIONS

Sec. 231. (a) Section 301(g) is amended to read as follows:

"(g) Economic Assumptions.—

"(1) It shall not be in order in the Senate to consider any concurrent resolution on the budget for a fiscal year, or any amendment thereto, or any conference report thereon, that sets forth amounts and levels that are determined on the basis of more than one set of economic and technical assumptions.

"(2) The joint explanatory statement accompanying a conference report on a concurrent resolution on the budget shall set forth the common economic assumptions upon which such joint statement and conference report are based, or upon which any amendment contained in the joint explanatory statement to be proposed by the conferees in the case of technical disagreement, is based.

"(3) Subject to periodic reestimation based on changed economic conditions, determinations under titles III and IV of the Congressional Budget Act of 1974 shall be based upon such common economic and technical assumptions.".

(b) Section 304 of the Congressional Budget Act of 1974 is amended by inserting at the end thereof the following:

"(c) Economic Assumptions.—The provisions of section 301(g) shall apply with respect to concurrent resolutions on the budget under this section (and amendments thereto and conference reports thereon) in the same way they apply to concurrent resolutions on the budget under such section 301(g) (and amendments thereto and conference reports thereon).".

CLARIFICATION OF CONGRESSIONAL INTENT REGARDING TIME LIMITS FOR CONFERENCE REPORTS ON CONCURRENT RESOLUTIONS ON THE BUDGET

Sec. 232. Section 305(c)(2) of the Congressional Budget Act of 1974 is amended by inserting "and all amendments in disagreement, and all amendments thereto, and debatable motions and appeals in connection therewith" after "budget,".

APPEALS OF CERTAIN RULINGS IN THE SENATE

Sec. 233. (a) Section 271 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end thereof the following new subsection:

"(d) Appeals of Rulings.—An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under section 301(i), 302(c), 302(f), 304(b), 306, 310(d), 310(g), or 311(a) of the Congressional Budget Act of 1974.".

(b) Section 275(b)(2)(D) of such Act is amended by striking out "section 271(b)" and inserting in lieu thereof "subsections (b) and (d) of section 271."

WAIVER OF SECTION 302(a) RELATING TO COMMITTEE ALLOCATIONS

Sec. 234. Section 271(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by inserting "302(c)," after "301(i),".

EXERCISE OF RULEMAKING POWER

Sec. 235. The amendments made by this part are enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to

which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner and to the same extent as in the case of any other rule of such House.

TITLE III—CREDIT REFORM

SHORT TITLE

SEC. 301. This title may be cited as the "Federal Credit Reform Act of 1987".

PURPOSES

SEC. 302. The purposes of this title are to—

(1) measure accurately the costs of Federal credit programs;

(2) place the cost of credit programs on a budgetary basis equivalent to other Federal spending;

(3) encourage the delivery of benefits in the form most appropriate to the needs of beneficiaries;

(4) improve the allocation of resources among credit programs and between credit and other spending programs;

(5) establish in the Department of the Treasury a Federal Credit Management Agency; and

(6) modify the legislative and executive budgetary processes to carry out these purposes.

DEFINITIONS

SEC. 303. For purposes of this title—

(1) The term "Federal agency" means an executive department, an independent Federal establishment, or a corporation or other entity established by the Congress that is owned in whole or in part by the United States. The term does not include the Board of Governors of the Federal Reserve System or the College Construction Loan Insurance Association.

(2) The term "direct loan" means a disbursement of funds by the Federal Government to a non-Federal borrower under a contract that requires the repayment of such funds with or without interest. Such term includes the purchase of, or participation in, a loan made by another lender. Such term does not include the acquisition of a federally guaranteed loan in satisfaction of default claims. For the purpose of carrying out the provisions of this title, direct loans may be grouped and treated as a single loan as agreed to by the Secretary and the head of the affected agency.

(3) The term "direct loan obligation" means a binding agreement entered into by a Federal agency for the Government under which a Federal agency agrees to make a direct loan once specified conditions are fulfilled by the borrower.

(4) The term "loan guarantee" means any guarantee, insurance, or other pledge with respect to the payment of all or a part of the principal or interest on any debt obligation of a non-Federal borrower to a non-Federal lender, but does not include the insurance of deposits, shares, or other withdrawable accounts in financial institutions. For the purposes of carrying out the provisions of this title, loan guarantees may be grouped and treated as a single loan as agreed to by the Secretary and the head of the affected agency.

(5) The term "loan guarantee commitment" means a binding agreement entered into by a Federal agency for the Government under which a Federal agency agrees to guarantee a loan once specified conditions are fulfilled by the borrower, the lender, and any other parties to the guarantee agreement.

(6) The term "subsidy" means the estimated long-term cost to the Government of the loan, calculated on a net present value basis. Subsidy estimates shall take into account direct outlays and delay in, or loss of, repayments of principal or interest, less any fee or premiums received. For loan guarantees with an interest payment by the Government, the subsidy calculation shall also include the present value of those interest payments. To the extent that Federal Government charges fees to beneficiaries, such fees shall be taken into account in estimating the required appropriations for subsidies. The term "subsidy" also means the cost to the Government resulting from any change or modification in direct or guaranteed loan terms that result in additional expenditures by the Government or loss of receipts to the Government. Estimates made by the Secretary or by agencies under rules prescribed by the Secretary shall constitute the appropriate computation of the subsidy.

(7) The term "subsidy account" means the budget account or accounts into which subsidies are appropriated to cover the net long-term Government cost of a loan program.

(8) The term "financing account" means the budget account or accounts which provide the nonsubsidized funding for Government loans made or obligated on or after October 1, 1988, and subsidized funding for loans made or obligated prior to October 1, 1988. The financing account disburses direct loans to borrowers and, in accordance with agency loan agreements, makes claim payments for guaranteed loans in default. The financing account receives payments of principal and interest and fees and premiums from borrowers and subsidy payments from subsidy accounts.

(9) The term "Secretary" means the Secretary of the Treasury.

DIRECT LOAN PROGRAMS

SEC. 304. (a) For each fiscal year, beginning with fiscal year 1989, each Federal agency shall include in its budget proposal (1) the planned level of new direct loan obligations, and (2) the estimated subsidy associated with the proposed direct loan obligations.

(b) Beginning October 1, 1988, a Federal agency shall not make a direct loan obligation unless an appropriation has been made to the Federal agency for the subsidy or a limitation is enacted in an annual appropriations Act on the use of funds otherwise available to the Federal agency for the subsidy.

(c) At the time a direct loan obligation is incurred, the Federal agency shall obtain an estimate of the subsidy of the loan from the Secretary or, at the discretion of the Secretary, shall make such an estimate based upon guidelines established by the Secretary. For the purposes of section 1501 of title 31, United States Code, (1) the amount of such estimate shall constitute an obligation of the subsidy account; and (2) the difference between such estimate and the face value of the loan shall constitute an obligation of the financing account.

(d) The subsidy associated with the direct loan as determined in subsection (c) shall be paid from the subsidy account into the financing account as the loan is disbursed.

(e) No direct loan agreement may be modified unless a subsidy is obligated.

(f) Nothing in this title shall be construed as changing the authority or the responsibility of a Federal agency to determine the terms and conditions of eligibility for, or the amount of assistance provide by direct loans made by the Federal Government.

LOAN GUARANTEE PROGRAMS

SEC. 305. (a) For each fiscal year, beginning with fiscal year 1989, a Federal agency authorized to make loan guarantee commitments shall include in its budget proposal (1) the level of new loan guarantee commitments and (2) the estimated subsidy associated with the proposed loan guarantee commitments.

(b) Beginning October 1, 1988, a Federal agency shall not guarantee a loan unless an appropriation has been made to the Federal agency for the subsidy, or a limitation is enacted in an annual appropriations Act on the use of funds otherwise available to the Federal agency for the subsidy.

(c) At the time a loan guarantee commitment is made, the Federal agency shall obtain an estimate of the subsidy of the loan guarantee from the Secretary or, at the discretion of the Secretary, shall make an estimate of the subsidy based upon guidelines provided by the Secretary. The amount of such estimate shall constitute an obligation of the Federal agency for the purposes of section 1501 of title 31, United States Code.

(d) The subsidy associated with the loan guarantee determined in subsection (c) shall be paid from the subsidy account into the financing account at the time the underlying loan agreement is executed.

(e) No loan guarantee agreement may be modified unless a subsidy is obligated.

(f) Nothing in this title shall be construed as authorizing or requiring the purchase of reinsurance for a Federal guarantee from private insurers.

(g) Nothing in this title shall be construed as changing the authority or the responsibility of a Federal agency to determine the terms and conditions of eligibility for, or the amount of assistance provided by, guaranteed loans made by the Federal Government.

ESTABLISHMENT OF A FEDERAL CREDIT MANAGEMENT AGENCY WITHIN THE DEPARTMENT OF THE TREASURY

SEC. 306. (a) There is established within the Department of the Treasury a Federal Credit Management Agency (hereafter in this title referred to as the "Agency").

(b) With regard to direct loans and loan guarantees, the Secretary shall—

(1) estimate the subsidy, or require estimates to be made by the Federal agencies, for each new direct loan and loan guarantee or for groups of similar new direct loans and loan guarantees, taking into account the factors specified in section 303(6);

(2) estimate the subsidy, or require estimates to be made by the Federal agencies, for changes or modification in the provisions of existing direct loan and loan guarantee agreements that result in increased cost to the Government;

(3) furnish the appropriate Federal agency with the subsidy estimates in a timely fashion; and

(4) require timely uniform reporting from Federal agencies on the actual long-term cost to the Government of these loans, calculated on a basis prescribed by the Secretary and consistent with this title, and on loan performance and borrower characteristics, monitor due diligence debt collection efforts, assess Federal agency performance, and otherwise study and recommend im-

provements in Federal agency credit management.

(c) The Secretary is authorized to appoint such officers, attorneys, employees, agents, consultants, and financial advisors as may be required, to define their duties, to fix and to pay such compensation for their services as may be determined, subject to the civil service and classification laws, to require bonds for them and pay the premium thereof, to carry out the functions of the Agency.

AGENCY RESPONSIBILITIES

SEC. 307. The head of each Federal agency authorized to make or guarantee loans covered by this title shall—

(1) provide the Secretary in a timely fashion with information about the Federal agency's direct loan or loan guarantee programs sufficient to enable the Secretary to calculate the estimated subsidy, or shall, as required by the Secretary, estimate the subsidy in accordance with the Secretary's guidance;

(2) request annual appropriations, or limitations on funds otherwise available, for the subsidies attributable to that Federal agency's direct loan or loan guarantee program in each fiscal year;

(3) carry out the Federal agency's direct loan or loan guarantee programs within the lesser of (A) applicable appropriations Act limitations on direct loan obligations or loan guarantee commitments, or (B) annual appropriations or funds otherwise available to cover subsidy costs for the program;

(4) maintain reserves within the financing account to cover loan guarantee defaults; and

(5) to the extent authorized and subject to such limitations as provided in annual appropriations Acts, use guarantee or other fees for the purpose of administering direct or guaranteed loan programs.

BUDGETARY TREATMENT

SEC. 308. (a) For the purposes of chapter 11 of title 31, United States Code, and of titles III and IV of the Congressional Budget Act of 1974, in the case of any direct loan made by a Federal agency on or after October 1, 1987, the subsidy shall be included in the budget function of the direct loan program.

(b) For the purposes of chapter 11 of title 31, United States Code, and of titles III and IV of the Congressional Budget Act of 1974, in the case of any loan commitment guarantee made by a Federal agency on or after October 1, 1987, the subsidy shall be treated as an obligation of the subsidy account. The subsidy shall be included in the budget function of the guaranteed loan program.

(c) For the purposes of chapter 11 of title 31, United States Code, and of titles III and IV of the Congressional Budget Act of 1974, financing requirements of Federal credit programs in excess of subsidies paid by agencies shall be treated as obligations of the financing account. Financing requirements of loans made or obligated prior to October 1, 1988, shall also be treated as obligations of the financing account. Such financing transactions shall be recorded in a budget function entitled "credit financing activities".

AUTHORIZATION OF APPROPRIATIONS

SEC. 309. (a) There are authorized to be appropriated to each Federal agency otherwise authorized to make obligations for direct loans, such sums as may be necessary for the subsidies associated with proposed direct loan obligations.

(b) There are authorized to be appropriated to each Federal agency otherwise authorized to make guaranteed loan commitments, such sums as may be necessary for the subsidies associated with proposed loan guarantee commitments.

(c) If at any time the monies available in its financing account are insufficient to enable the head of a Federal agency to discharge its responsibilities under this title, the head of a Federal agency shall issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions, as may be prescribed by the Secretary of the Treasury. Redemption of such notes or obligations shall be made by the head of such agency from monies otherwise available to its financing account or from appropriations made pursuant to section 309(d). Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, which shall not be less than the average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of notes or other obligations. The Secretary of the Treasury shall purchase any notes or other obligations issued hereunder and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act and the purposes for which securities may be issued under that Act are extended to include any purchase of such notes or obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligation acquired by such Secretary under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.

(d) At any time funds are insufficient to liquidate debts incurred under section 309(c), agencies shall request appropriations to repay such debt.

(e) There are authorized to be appropriated to the Secretary such sums as may be necessary for the salaries and expenses incurred to carry out the responsibilities of the Secretary under the title.

TREATMENT OF DEPOSIT INSURANCE AGENCIES

SEC. 310. (a) Notwithstanding any other provision of this title, the credit activities of the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, the National Credit Union Administration, the Pension Benefit Guaranty Corporation, and the Securities and Exchange Commission shall be treated as follows:

(1) Obligations to make direct loans to the public or to assume loan assets shall remain obligations of the agencies.

(2) Commitments to guarantee a loan shall remain commitments of the agencies.

(3) For each fiscal year, beginning with fiscal year 1989, each such agency shall include in its budget proposal the estimated subsidy cost associated with proposed direct loan obligations, including acquisitions of loan assets.

(4) For each fiscal year, beginning with fiscal year 1989, each such agency shall include in its budget proposal the estimated subsidy cost with proposed loan guarantee commitments. The estimated subsidy costs associated with proposed loan guarantee commitments shall constitute an obligation of the agency.

(5) No appropriations or limitations on the use of funds otherwise available shall be required for subsidies.

(6) Authority to borrow from the Treasury provided under section 309(c) shall not apply to the agencies described in the matter preceding clause (1).

(c) Nothing in this section shall be construed as changing the responsibility of such agencies to determine the terms and conditions of eligibility for, or the amount of assistance provided by such agencies.

EFFECT ON CONGRESSIONAL BUDGET ACT AND CONFORMING AMENDMENTS

SEC. 311. (a) Section 3(a)(2) of the Congressional Budget and Impoundment Control Act of 1974 is amended by adding at the end thereof the following: "Such term includes the subsidy for direct loan and loan guarantee programs, as those terms are defined by the Credit Reform Act of 1987".

(b) Section 402 of the Congressional Budget Act of 1974 is amended by redesignating subsection (b) as (c), and by inserting after subsection (a) the following new subsection:

"(b) It shall not be in order in either the House of Representatives or the Senate to consider any appropriation bill or joint resolution providing continuing appropriations as reported to its House, or any conference report thereon, or any amendment thereto, which provides new credit authority which does not also provide an appropriation for the subsidy value of such new credit authority as required by the Federal Credit Reform Act of 1987.".

(c) Amounts recorded in the budget function entitled "credit financing activities" pursuant to section 308(c) shall not be included—

(1) for purposes of determining, in accordance with section 311(a) of the Congressional Budget Act of 1974, whether the maximum deficit amount for a fiscal year has been exceeded;

(2) for purposes of other points of order under section 311 of the Congressional Budget and Impoundment Control Act of 1974;

(3) for purposes of reconciliation under section 310 of the Congressional Budget and Impoundment Control Act of 1974; or

(4) for purposes of allocations and points of order under section 302 of the Congressional Budget and Impoundment Control Act of 1974.

(d) Section 255(g) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end thereof the following new paragraph:

"(3) The financing account or accounts as defined by subsection 303(8) of the Federal Credit Reform Act of 1987 and the activities of those accounts shall be exempt from reduction under any order issued pursuant to this part.".

EFFECT ON OTHER LAWS AND CONFORMING AMENDMENTS

SEC. 312. (a) Nothing in this title shall be construed as limiting the authority of any Federal agency to enter into agreements to make or to guarantee loans under statutes that were in effect prior to the enactment of this title or that may be enacted subsequently. All such agreements shall be contingent upon meeting the requirements of this title.

(b) This title shall supersede, modify, or repeal any provision of law heretofore enacted to the extent such provision is inconsistent with this title.

(c) All assets and liabilities resulting from direct loans obligated and loan guarantees committed prior to October 1, 1988, shall be transferred to the financing accounts of Federal agencies.

(d) Collections resulting from direct loans obligated or loan guarantees committed prior to October 1, 1988, shall be credited to the financing accounts of Federal agencies. Amounts so credited shall be available, to the same extent that they were available prior to the enactment of this title, to liquidate obligations arising from such direct loans obligated or loan guarantees committed prior to October 1, 1988, including repayment of any obligations held by the Secretary of the Federal Financing Bank. From time to time, the unobligated balances of such accounts that are in excess of current needs shall be transferred to the general fund of the Treasury.

JOHN E. GROTBERG POST OFFICE BUILDING

PRYOR AMENDMENT NO. 646

Mr. BYRD (for Mr. PRYOR) proposed an amendment to the bill (H.R. 1403) to designate the U.S. Post Office Building located in St. Charles, IL, as the "John E. Grotberg Post Office Building," as follows:

At the end of the bill add the following new section:

CLARIFICATION RELATING TO CONSIDERATION OF PRE-1987 SERVICE AS AN AIR TRAFFIC CONTROLLER FOR RETIREMENT PURPOSES

SEC. 2. (a) For purposes of subchapter III of chapter 83 of title 5, United States Code, and chapter 84 of such title—

(1) service as an air traffic controller shall, with respect to any annuity which is based on a separation from service, or death, occurring on or after January 1, 1987, include any service as an air traffic controller whether performed before, on, or after January 1, 1987; and

(2) the Office of Personnel Management shall accept the certification of the Secretary, or the designee of the Secretary, in determining the amount of any service performed by an individual as an air traffic controller.

(b) For purposes of this section—

(1) the term "air traffic controller" has the meaning given such term by section 2109(1) of title 5, United States Code, as amended by section 207(b) of the Federal Employees' Retirement System Act of 1986 (Public Law 99-335; 100 Stat. 594); and

(2) the term "Secretary" has the meaning given such term by section 2109(2) of title 5, United States Code.

NOTICES OF HEARINGS

SUBCOMMITTEE ON GOVERNMENT CONTRACTING AND PAPERWORK REDUCTION

Mr. BUMPERS. Mr. President, I would like to announce that the hearing scheduled for Wednesday, August 5, 1987, by the Subcommittee on Government Contracting and Paperwork Reduction, has been rescheduled for Tuesday, September 15, 1987. The purpose of the hearing is to receive testimony concerning the expected impact of a series of amendments to the Small Business Act contained in Public Law 99-661, the fiscal year 1987 Department of Defense Authorization Act. The hearing will commence at 9 a.m. and will be held in room 428A of the Russell Senate Office Building. For further information, please call William B. Montalto, procurement policy counsel for the committee at 224-5175, or Christine Lundregan of Senator DIXON's staff at 224-5334.

SUBCOMMITTEE ON WATER AND POWER

Mr. BRADLEY. Mr. President, I would like to announce for the information of the Senate and the public a change in the subject matter of a public hearing scheduled before the Subcommittee on Water and Power of the Senate Committee on Energy and Natural Resources.

The hearing to be held on August 5, 1987, beginning at 2 p.m. in room SD-366 of the Dirksen Senate Office Building on S. 641, for the relief of the city of Minot, ND; and S. 649, to amend the Reclamation Authorization Act of 1976, will also include S. 1549, to increase the authorization ceiling for the closed basin division, San Luis Valley Project, CO.

For further information regarding the hearing, you may wish to contact Russell R. Brown of the subcommittee staff at 224-2366. Those wishing to testify or who wish to submit a written statement for the hearing record should write to the Subcommittee on Water and Power, room SD-364, Dirksen Senate Office Building, Washington, DC 20510.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS AND FORESTS

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Public Lands, National Parks and Forests of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Thursday, July 30, 1987, at 2 p.m. to receive testimony concerning miscellaneous park and public land related bills.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on July 30, 1987, to hold a hearing on and to mark up S. 549, the Textile and Apparel Trade Act of 1987 and to consider modification, for purposes of compliance with the Budget Act, of the committee amendment to S. 1127, the Medicare Catastrophic Loss Prevention Act and approval of committee allocation report under section 302(b) of the Budget Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Thursday, July 30, 1987 at 2 p.m. to conduct a hearing on Family Planning.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON EDUCATION

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Education, of the Committee on Labor and Human Resources, be authorized to meet during the session of the Senate on Thursday, July 30, 1987 to conduct a hearing on "Magnet Schools and Impact Aid."

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be given permission to meet during the session of the Senate Thursday, July 30, 1987, to conduct oversight hearings on the history of the Glass-Steagall Act and its current relevance.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Thursday, July 30, 1987, at 10 a.m. and 2 p.m. to hold a hearing on S. 1516, FIFRA reform of 1987.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON AVIATION

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Aviation, of the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on July 30, 1987, to hold hearings on S. 582 and S. 876, legislation authorizing essential air service programs.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENERGY REGULATION AND CONSERVATION

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Energy Regulation and Conservation of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Thursday, July 30, 1987, to receive testimony concerning S. 1382, a bill to amend the National Energy Conservation Policy Act to improve Federal Energy Management Program, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON GOVERNMENT EFFICIENCY, FEDERALISM, AND THE DISTRICT OF COLUMBIA

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Government Efficiency, Federalism, and the District of Columbia of the Committee on Governmental Affairs, be authorized to meet during the session of the Senate on Thursday, July 30, 1987, to hold a hearing on S. 1530, to extend for 5 years the authorization granted under the State and Local Government Cost Estimate Act of 1981.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON WESTERN HEMISPHERE AND PEACE CORPS AFFAIRS

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Western Hemisphere and Peace Corps Affairs of the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, July 30, 1987, at 2:30 p.m. to receive a closed briefing by administration officials on the situation in Panama.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. BYRD. Mr. President, I ask unanimous consent that the Select Committee on Indian Affairs be authorized to meet during the session of the Senate on Thursday, July 30, 1987, to hold a markup on the following bills:

H.R. 1567, Cow Creek Judgment funds;

S. 887 and H.R. 1451, Older Americans Act; and

S. 1360, To amend the Indian Finance Act of 1974.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on July 30, 1987 to consider the following nominations:

U.S. COURT OF APPEALS

Hon. Anthony J. Scirica (Pennsylvania), U.S. Court of Appeals for the third circuit.

Hon. William D. Hutchinson (Pennsylvania), U.S. Court of Appeals for the third circuit.

U.S. DISTRICT COURT

Hon. Charles R. Wolle (Iowa), U.S. District Court, Southern District of Iowa.

T. S. Ellis III (Virginia), U.S. District Court, Eastern District of Virginia.

U.S. ATTORNEYS

Robert H. Edmunds, Jr. (North Carolina), U.S. attorney for the middle district of North Carolina.

U.S. MARSHALS

Jesse R. Jenkins (North Carolina), U.S. marshal for the western district of North Carolina.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

NEWARK'S RAY DANDRIDGE ENTERS BASEBALL HALL OF FAME

● Mr. LAUTENBERG. Mr. President, I rise today to pay tribute to Ray Dandridge, who was inducted into baseball's Hall of Fame last Sunday. Ray was a long-time resident of Newark, and I join all New Jerseyans in saluting him on this great occasion.

Ray Dandridge never got the publicity he deserved. Unfortunately, he was never able to play in the then all-white major leagues where his talents would have been more widely showcased and recognized. But he played 21 great seasons in the Negro leagues, compiling a lifetime batting average of .319. And he is regarded by many as being one of the finest third basemen ever to play the game, no matter what league they were in. The fact that he batted .347 in 13 all-star games against white major leaguers is proof of the type of player Ray Dandridge was.

He is the 11th player from the Negro leagues to be inducted into the Hall of Fame, and the first since 1981. His selection is richly deserved, and I congratulate him on it.

Between 1933 and 1954, Ray Dandridge played for a number of teams throughout the country, as well as in Mexico and Cuba. He played with many greats, including Willie Mays, Larry Doby, Monte Irvin, and Don Newcombe. His abilities matched well with them all. In 1950, playing in Minneapolis, he was named most valuable player in the American Association, with a batting average of .311.

But it was with the Newark Eagles that he began to make his mark. And, although he later played with teams far away, he chose to make Newark his home. Until a few years ago, when he retired to Florida, Newark continued to be his home.

Tomorrow, the city of Newark will welcome Ray Dandridge home. Although I will not be able to attend the ceremony, I want to pay tribute to a great ballplayer. He is a man who was among the best in the game, and on Sunday will take his place in Cooperstown with the other greats. All of us in New Jersey can take pride in calling Ray Dandridge one of our own.●

HERBERT HOOVER AND THE BOXER REBELLION

● Mr. HATFIELD. Mr. President, the newlyweds arrived in Tientsin, China, in the spring of 1899. Fourteen months later, in June of 1900, they would be trapped in the city. The Boxer Rebellion had begun, and with it the siege of the foreign quarter of Tientsin.

The newlyweds were Herbert and Lou Henry Hoover. He would become the 31st President of the United States several decades later, but in 1900 the young engineer was a consultant in the Chinese Government's efforts to mine the gold and coal in the provinces surrounding Peking. When the siege came, however, neither the job nor his future mattered much. What mattered was survival.

In his recently discovered personal account of the siege, Herbert Hoover recounts the story of a city turned into "canals of moving lead." But, even in the midst of adversity—in the midst of the fear which must have gripped him as the xenophobic Boxers tore through China—Herbert Hoover found an opportunity to learn. "For here the fear stripped all of their outside veneer," he wrote. "All were brought to the same test, profession, religion, social status had no bearing".

"Such an opportunity to study human character comes to a few in this world," he wrote. Mr. President, that was Herbert Hoover—turning adversity into opportunity.

It was in that adversity that the strength of Mrs. Hoover's character shone too. During the Boxers' siege of Tientsin, she refused to be evacuated with the women and children, insisting she stay behind to nurse the wounded and feed those trapped in the foreign quarter.

Lou Henry Hoover seemed to take the fight in stride. One day an artillery shell fell in the Hoovers' yard, prompting her to investigate where it had landed. A moment later, a second shell exploded nearby. Before long came a third shell—this one landing inside the Hoovers' home at the foot of the stairs. When American war correspondent Frederick Palmer rushed into the house to see if the shell had caused any casualties, he discovered Lou Henry calmly playing solitaire amid the dust.

The siege ended a month after it began, and Herbert and Lou Henry Hoover soon left China. The experience and the observations, however, would stay with them. In "Herbert Hoover and the Boxer Rebellion," Tom Walsh, the assistant director of the Hoover Presidential Library Association, captures the little known chapter in the Hoovers' life with great eloquence. I ask that it be printed in the RECORD.

The material follows:

HERBERT HOOVER AND THE BOXER REBELLION

(By Tom Walsh)

The news reaching Tientsin on May 27, 1900, was not good. The Boxers, intent on ridding northern China of "foreign devils" such as Herbert Hoover and his young bride, Lou Henry, were not far off. "Received word of the massacre of 80 Christians at Kao Li, a village about 100 miles west," young Herbert Hoover jotted in a note for that date contained in his recently discovered account of the Boxers' assault on Tientsin. Ever since winter, reports of havoc in-cited by armed bands of antiforeign zealots had surfaced in Tientsin. The militants took the name I-ho-ch'uan—"righteous harmonious fists." Those who were targets of their attacks called them simply the "Boxers."

Things would soon get worse for the Hoovers. As newlyweds they had arrived in China fourteen months earlier so that Herbert, a twenty-four-year-old mining engineer, could begin work as a consultant in the Chinese government's efforts to find gold and coal in provinces surrounding Peking. By mid-June the Boxers had reached Tientsin, then a city of five hundred thousand, approximately sixty miles southeast of Peking. On June 17, the explosion of an artillery shell in the midst of Tientsin's hastily fortified foreign settlement signaled the beginning of what would become a month-long siege.

Hoover wrote in his account of the first week of the siege:

The first mental shock of the bombardment was most severe—we knew it was Chinese troops foreign drilled with most modern arms and we knew they outnumbered us say 20 to one. And with them were hordes of fanatics who now armed with foreign weapons were even more feared for they had what the soldiers possessed little of—courage to assault. We knew we were on a perfectly open plain with no natural defense. And we knew if they came . . . it meant suicide.

The Hoovers and other civilians caught inside the foreign settlement—nine hundred men, women, and children by Herbert Hoover's count—relied on a mixed bag of twenty-three hundred troops to fend off both mobs of Boxers and the Chinese army units that had joined the Boxer Rebellion's crusade of xenophobic hate. Most of their defenders were Russians—seventeen hundred soldiers whose efforts to reach another foreign settlement under similar assault in Peking sixty miles away had been stalled June 15 by the Boxers' presence in Tientsin. At times during the assault, Hoover wrote, the settlement's cross streets "were simply canals of moving lead."

Herbert Hoover would survive the siege of Tientsin to be elected twenty-eight years later the thirty-first president of the United States. He would also later write his "History of Inside Circle," an account of the month-long siege in which, by his estimate, sixty thousand artillery shells rained down on the foreign settlement, including five on his own home. In his handwritten manuscript, which surfaced only recently with the public release of his wife's personal papers, Hoover describes displays of human nature at its best—and worst—brought on by the siege.

"It was in the center that the melodrama and comedy were played—the rim was all tragedy," he wrote. "The majority of the residents removed to Gordon Hall (the city hall), a strong stone building with bomb proof catacombs underneath and here our 200 women and children with 60 or 80 men lived for ten days."

The large room within the hall, used in calmer times as the settlement's theater, became a bedroom, drawing room, kitchen and dining room combined—"not a pleasant place," Hoover wrote.

The formerly peacable social element became sadly dismembered for did not Mrs. A's baby steal Mrs. B's can opener and did not Mrs. C's canned milk disappear very very much too rapidly? Did not Mrs. D hold the library for herself exclusively? And no one will again dare to organize a dinner party in Tientsin without consulting an inmate of Gordon Hall for how could Mrs. E ever sit to meat again with Mrs. F—who slapped Mrs. E's Peking pug.

Though ill temper was too often a symptom of "the black fear," there were others huddled in Gordon Hall, Hoover notes, whose "brave words helped everywhere and who always had a can opener and something in her portmanteau to please somebody's crying baby."

"Such an opportunity to study human character comes to a few in this world," Hoover wrote.

For here the fear stripped all of their outside veneer and many proved that underneath it was honest worth to care. Others were left naked barbarians and more cowardly as any Boxer outside the lines. All were brought to the same test, profession, religion, social status had no bearing—for in places where one expected the worst came often the best and often—too often—the reverse.

Hoover viewed the privations—real and imagined—endured by the "inmates" of Gordon Hall as minor compared to the hardships of the three to four thousand Chinese within the settlement—household servants, Christian refugees, and employees of government bureaus and railway, mining and telegraph firms. The Chinese who had taken refuge in the foreign settlement, Hoover noted, were caught in the middle. To the foreigners they had served, they were suddenly suspect. The Chinese main quarters in both the English and French areas of the settlement were burned for fear these barracks would provide cover for the approaching Boxers. Hoover saw the Chinese who lived there forced onto the streets with nothing to eat or wear.

From the Boxers and their sympathizers the Chinese within the Tientsin foreign settlement could expect no mercy, having committed the unpardonable offense of having lived and worked among foreigners. Chinese within the settlement who were government officials could expect to be special targets of revenge, especially those who had made any efforts to quash the Boxer movement.

"The terrors of bombardment were greater to these people than the foreigners," Hoover wrote, "for cooped up in fragile Chinese houses not only were many killed but none had the sense of safety that the foreigners nor the encouragement of defenders. . . . They were all subjected to great suffering for none had laid in provisions for a siege."

After a French officer was murdered on a foreign settlement street by a Chinese who had presented a pass, the belief that every Chinese was a would-be assassin flourished, Hoover reported.

Chinese ignorant of regulations were arrested on the streets, rushed to military headquarters, lined up and with no form of trial it was demanded in a loud voice who has anything to say for these men? And those foreigners who ventured to defend for humanity sake alone were immediately accused of traitorship. There were executed 10 or 12 Coolies who were suspicioned and convicted on evidence that merits rank with the Salem witchcraft—and again demonstrates that the foreigner himself can be a barbarian. And to those foreigners who held up the warning hand and to whose efforts many Chinese owe their lives there is also a tribute to Western Civilization.

Ever the engineer, Herbert Hoover took note in his account of the siege that the quantities of shells and bullets pumped into the settlement day after day by the Boxers and their allies "certainly exceeded the mathematical amount of lead necessary to have thrown to accomplish the end." The reasons there were not more civilian casualties than two dead and five or six wounded, Hoover said, could be traced to the use of brick and stone in building the settlement's houses and their surrounding walls, rendering them bulletproof. Most houses, he said, also had cellars where residents could take shelter from the hailstorm of bullets and shrapnel.

"Of the 900 civilians in the settlement, not more than 100 ever went out during the firing so that we may say that only 100 were exposed and those scattered over one square mile," he wrote. "So that supposing the hittable area of a person is 7 square feet, then a person had one chance in about 1,800,000 of being hit by any given missel or the 100 persons exposed would need 18,000 missels before one was hit."

Virtually every house in the settlement was struck by at least three shells during the seige, Hoover wrote. Houses in the French area where the fire was heaviest, took as many as thirty shells each, he said.

"The Chinese missels consisted of plain shell & shrapnel of all sorts and some solid shot," he said in his manuscript. "They varied in size from little 1 lbs. to 3.8 inch shell weighing 35-55 lbs. +. And the amount of mess that one of the larger ones could make by exploding in one's parlor was marvelous."

Hoover also reflected on the eerie sound of artillery shells passing overhead.

Much has been written in description of modern shell fire, but no description yet written conveys to the unexperienced any idea of the sensations. It could perhaps be better put to music than prose. Most soldiers dodge at the shriek of the shell that has passed—we were told always it had passed long before we hear the shriek. There is something diabolic about the shriek itself that makes one dodge even if it had never seen a shell. And the zip of a passing bulllet had the same terrors as a hornet and even if one didn't know it was a bullet it is disagreeable.

Close calls were a matter of course during the siege, he said. "In fact anything less than the puncture of one's hat or bicycle tyres by a bullet was considered of no especial moment," he wrote. Hoover's account tells of people walking the streets with umbrellas during a storm of bulllets and others closing the blinds on the exposed sides of their houses so that bullets in the rooms would not disturb their sleep.

Despite such risk-taking, the settlement's civilians fared better than the troops protecting them.

Every night when darkness came on, a line of stretchers of dead and wounded would come across the pontoon bridge—at night because the bridge was simply alive with lead from the salt piles above in the daytime—the toll that our defenders paid daily for our defense. So that at the end of the seven days 300 of these men were dead and wounded or about one man in every five of them. In holding this position no dramatic effect has ever been assumed by either officers or men—such as heros in such crucial position sometimes do—and none but soldiers know what it is to lay day after day exposed to terrific fire, to see one's companions drop all around. It is always said that less bravery is required to charge than to lay still under fire—and these men lay still and never wasted ammunition, never fired until the enemy came up to his execution for seven steady days.

The siege did not end until July 14, after the arrival of reinforcements that boosted the foreign troop strength to 5,650 men allowed a rush on Tientsin's walled inner city. Herbert Hoover accompanied the U.S. First Marine Regiment during the assault, which cost the Marines six lives.

When the ordeal was over, Herbert Hoover credited his survival to the Russian troops, who throughout the siege had relentlessly held their lines.

"Although the others defended a longer line it was never so difficult nor so exposed as that held by the Russians—and besides holding the station—the keystone of our defense and thus forming the breakwater of every tide that surged against us," Hoover wrote. "They formed the reserve for all weak points. To them we owe most—without them and their bravery we would have been—."

Hoover went on:

> The Russian soldier is a phlegmatic slow moving individual with tremendous boots and pockets made for 6 days provisions and he took his big chunk of black bread and walked over to the station daily in the most matter of fact way—worked his mauser with the same slow decision and earnestness that he ate his bread. It may be doubted that the private soldier appreciated all that depended on his actions—it was his business to hold the position and he held it.
>
> To those 60 Americans who went through this siege such headlines in the American and English papers as The Russians Behind the Boxers etc. make our blood boil with shame for if these two nations owe anything for their nationals for saving an eternal disgrace to their flags they owe Colonels Wogack, Shirinsky and their 1,700 Russian soldiers.

Like the Boxer Rebellion, the Hoovers have been an aspect of American history that everyone has heard of but few seem to know much about. Herbert Hoover's recently discovered account of the siege of Tientsin, just one item among Lou Henry Hoover's personal papers, reveals a new, and particularly human, facet of the global adventures that preceded the couple's White House years.●

A TRIBUTE TO EIGHT SENIORS AT SUSSEX COUNTY VOCATIONAL SCHOOL

● Mr. BRADLEY. Mr. President, I would like to bring to the attention of my colleagues a very remarkable group of New Jersey high school seniors, whose generosity may help to save the life of another student.

Ken Kissam, Donna Rhinesmith, Renee Michaud, Mark Bolles, Joseph Lamicella, Bryon Goodman, Robin Bell, and Wendy Blevins are seniors majoring in commercial baking at Sussex County Vocational School in Sparta, NJ. For the past 3 years, they have been working in their shop to earn money for their senior shop trip and have succeeded in saving $4,000 for an ocean cruise.

Recently they learned about the plight of Allison McCartney, a freshman at a neighboring high school, who is suffering from congenital heart/lung disease. Without a heart/lung transplant, Allison has no hope of surviving. When the seniors learned that Allison had initiated a fundraising campaign to pay for the cost of the operation, they voted unanimously to donate their savings to her. Although they do not know Allison personally, they felt that giving her a chance to live a full life was far more important than their trip.

Through their efforts, these students have shown themselves to be exemplary citizens—citizens who see their own well-being tied to the well-being of others. They have answered the question "What do we owe another human being?" very directly and personally. They will serve as an excellent role model for all young people today. I am extremely proud of the students at Sussex County Vocational School and take great pleasure in commending their generosity.●

NATIONAL SKIING DAY

● Mr. GARN. Mr. President, on May 29, 1987, my colleague, Senator WIRTH introduced Senate Joint Resolution 146 designating Friday, January 8, 1988, as "National Skiing Day." Today I rise to join him.

I have served for over 12 years in the Senate, and during that period, it has been my policy to encourage economic development in an environmentally responsible way. This is precisely the reason why I am cosponsoring this ski resolution. It helps citizens to foster a respect and appreciation of the outdoors, while at the same time allowing the economies of the regions that are fortunate enough to have ski resorts an opportunity to grow.

Skiing is a very important part of recreation and tourism in my State's economy and the economies of 40 other States. It is estimated that over 21 million Americans from almost every State in the Union enjoy skiing. Last year, ski areas around the country generated over $1.6 billion. Skiing in Utah brought in over $350 million and over $27 million in tax receipts. Over 53 percent of the 2.5 million lift tickets sold in Utah last year were sold to out-of-State skiers. Skiing is Utah's No. 1 private industry and No. 3 employer in the tourist industry. Utah was also a finalist when bids were presented to the U.S. Olympic Committee for the 1992 Winter Olympics.

Mr. President, the people of my State are spoiled. Driving from Salt Lake City takes just 30 minutes to reach any one of our 7 world class canyon resorts. Every license plate in Utah proudly reads "The Greatest Snow on Earth." The resolution that Senator WIRTH and I have introduced is good for the vitality of America. No sport can so clear the senses and envigorate the body. I urge my distinguished colleagues to join us in this fitting recognition of an important and every growing industry.●

A TRIBUTE TO DOUG HEIR OF CHERRY HILL, NJ

● Mr. BRADLEY. Mr. President, I would like to bring to the attention of my colleagues the story of a brave and determined young man from Cherry Hill, NJ, who has overcome severe physical limitations to become a successful attorney, world champion athlete, and exemplary citizen.

Eight years ago, on Father's Day, while working as a lifeguard, Doug Heir suffered a broken neck when he tried to save a boy who appeared to be drowning. As a result of that accident, Doug was rendered a paraplegic and from that day has required the use of a wheelchair. Despite the fact that doctors gave him little hope for leading a normal life, Doug has overcome those odds. Today he is an attorney handling personal injury cases and one of the world's greatest wheelchair athletes. At the recent 30th National Wheelchair games in Houston, TX, Doug won gold medals in shot put and discus and will represent the United States at the 1988 Olympic games in Korea. At last summer's World Championships, Doug won four gold medals, setting a new world record and earning the title "Best Overall Wheelchair Athlete in the World."

But Doug Heir's story is one of far more than personal triumph. The real story is his selfless devotion to others, to our country, and particularly to our youth.

Doug is a board member of TARGET, a campaign against drug and alcohol abuse; a spokesperson for rehabilitation and suicide prevention; and an impressive lecturer on helping people face adversity. He has helped me on many programs I have organized to help New Jersey's young people.

Doug Heir is a truly remarkable individual, who is an inspiration to all of us, but particularly our teenagers. He has found strength in the face of tragedy, and he has shown that through hard work and determination a person can improve his or her quality of life. Despite his handicaps, Doug has worked hard to reach his full potential—to be the best that he can be—and he is willing to help others lead a happy and productive life.

I urge my colleagues to join me in commending Doug Heir for his many accomplishments during the last 8 years. He serves as an excellent role model for all young people today.●

SUPPORT FOR RAISING VA TO CABINET DEPARTMENT

● Mr. ROTH. Mr. President, today I rise to announce my cosponsoring of S.

533, a bill to raise the Veterans' Administration to the level of Cabinet Department. This measure was introduced by Senator THURMOND on February 17 of this year, and has been referred to the Governmental Affairs Committee, of which I am ranking minority member. The major veterans' organizations have called for this change for years and have gone all out to make it a top priority in the 100th Congress. The veterans of this country deserve this higher profile, which would more accurately reflect the character of military service.

The bill is truly bipartisan, with one quarter of the Senate and about half of the House of Representatives cosponsoring this initiative and its House companion. We have long recognized the sacrifices of our men and women in the armed services through the Veterans' Administration. The time has come to acknowledge properly those who have given special service to their country with a Department of Veterans' Affairs.

The veterans of this country are many, and touch each of us in some way. There are 27.7 million veterans in this country and 51 million dependents and survivors who are served by the Veterans' Administration. These men and women have given for their country more than we can ever repay. We owe it to them to give them the status and access available to a Cabinet level Department.

The Veterans' Administration is the largest independent agency in the Federal Government. With over 220,000 employees, the VA is second only to the Department of Defense in number of personnel. It has budget authority of over $27 billion in order to offer a wide range of veterans' benefits seeking to compensate former service members for the interrupted lives and disabilities incurred while in the Armed Forces.

The agency administers the largest health care system in the free world. The compensation and pension program has an annual expenditure of $14 billion for disabled, low-income veterans, their survivors and dependents. The VA's GI Home Loan Program is one of the largest housing endeavors ever undertaken and administered by the Federal Government. In addition, the GI education programs the VA runs have contact with virtually every institution of higher learning in this country. Certainly programs of this magnitude deserve to be placed under a full executive department. The head of the Veterans' Administration must be able to work with the Secretaries of other Departments as an equal.

Our veterans from both war and peace time have sacrificed to preserve the rights that we hold so dear, and our repayment of that debt should be housed in an organization of a stature to reflect our pride.●

MAPLE LEAF FARMS

● Mr. LUGAR. Mr. President, I ask that an article of July 15, in the New York Times about Maple Leaf Farms in my home State of Indiana be printed in the CONGRESSIONAL RECORD. Maple Leaf Farms is located near Milford in northern Indiana and produces approximately 11 million ducks each year. This accounts for about half of the national market and makes Indiana the largest duck producing State in the United States.

The innovation and leadership in the American and world duck market is a tribute to the hard work and initiative of Maple Leaf Farms' proprietor Terry Tucker. As a Senator, as an admirer of Tucker's ducks, and as a small businessman myself, I commend Maple Leaf Farms for its success in an increasingly competitive American marketplace. I recommend this article—and these ducks—to each of my Senate colleagues.

The article follows:

[From the New York Times, July 15, 1987]

MAPLE LEAF FARMS: THE DUCKS STOP HERE

(By Jonathan Probber)

MILFORD, IND.—The picture is all very ominous, especially if you are a duck. Down drifting like snow through a warm Indiana sky. Truckloads of other webfeet, all heading to the same large factory-like building. And refrigerated trucks going the other way, full of boxes destined for supermarkets and food brokers.

Maple Leaf Farms is the name of the place, and if you have a bill, this is where you pay. The president of this operation is Terry Tucker. On his desk is a little sign that says, "The Duck Stops Here." And it does—along with 11 million others of its kind this year. That is roughly half of all the ducks sold in this country.

By contrast, Long Island produces about 4 million ducks yearly, according to David Tuttle, a spokesman for the Long Island Duck Farmers Cooperative. Flocks are also coming out of North Carolina, with Concord Farms in Concord, N.C., producing some 6 million ducks a year, according to Jack Clune, the national sales manager. There is some duck action in California, but that seems to be for local markets only.

Maple Leaf Farms, which had revenues of $75 million in 1986, is a vertically integrated duck cartel. There are two processing plants, one in the northern Indiana town, the other in Wisconsin; two hatcheries; 13 farms where ducks are raised until they are 49 days old, and a group of affiliated companies that process 5 million pounds of feathers and down each year. Everything is used but the quack. And considering that about 3,000 ducks an hour walk the final mile, the noise level is considerable. At the beginning.

That is when the trucks, which deliver the ducks from company farms and contract growers, pull up to the factory entrance and unload their cargo. The excitable ocean of ducks is gradually reduced to a single, orderly duck-by-duck queue. They are hung upside down and passed briefly through a tank of electrified water, which stuns them. Then, without putting too fine a point on it, they get the Sweeney Todd treatment. The carcasses are then whisked by a conveyor through scalding water, followed by a series of hot wax dips.

The water and wax loosen the feathers, which are then beaten out by drums with rubber fingers attached. Mr. Tucker said duck feathers are harder to remove than chicken feathers, for which a quick scalding usually suffices.

Then comes the cleaning. Mr. Tucker has done for duck carcasses what Henry Ford did for the automobile. In a large room, with 100 employees, the carcasses are cleaned at a staggering rate of 3,000 an hour. The workers use knives of various sorts, or specially designed hand tools. Most of the entrails are washed down a trough, put in large tanker trucks and sold for mink feed.

Some parts, though, are treated with special care. Feet are removed and tongues are "harvested"; both are exported to China, where they are served as delicacies.

By now, what is left of the duck is beginning to resemble what you see at your supermarket. Some ducks go on to further processing. The company markets various cooked duck products to retail and food services nationwide, including a cooked whole duck with its own packet of orange sauce tucked inside. (Uncooked ducks range from 89 cents to $1.19 a pound, while cooked half-ducks average $3.79 a pound.)

Whole ducks—frozen or fresh—are bathed in brine to rapidly lower their temperature. Workers shrink-wrap and weigh the ducks, and place them in boxes. Then off they go to either a refrigerator or a blast freezer, which can hold up to 23,000 ducks.

Besides the processing plant, there are four grow-out sheds on the 550-acre farm. Ducks are moved from shed to shed as they age, eating feed formulated to produce maximum growth and prevent disease. After seven weeks the ducks weigh six to eight pounds. They gain 1¼ to 1½ pounds the final week.

Geneticists at Maple Leaf Farms are trying to produce a duck with more meat, less fat and softer, downier feathers. This super duck would also convert feed more economically; currently it takes 2.6 to 2.8 pounds to feed to add 1 pound to a growing duck.

Mr. Tucker said the market for fully cooked meats of all sorts, including ducks, is expanding. But unlike chicken, duck is not a fixture on the American dinner table. Moreover, duck has a French-accented, white tablecloth reputation (as in duck à l'orange), which Maple Leaf Farms officials find beneficial.

"That upscale image is a great place to have started," said Kirk Heng, the company's director of marketing and product development. "It's a good perception for us."

With store demonstrations and recipe and nutrition information enclosed with its ducks, the company is seeking to counter the duck's hard-to-cook, fatty image.

The company suggests roasting the duck breast on a rack in an uncovered roasting pan at 375 degrees for 30 minutes a pound. That is probably sounder advice than the recipe provided for a quick cherry sauce: one 21-ounce can of cherry pie filing, heated and served from a sauce dish.

There are also plans to sell various convenience duck products. Mr. Tucker would not be specific, except to say that one such item was aimed at the "duck salad market."

If that sounds suspiciously big-city, the company is also marketing a French duckling called the Barbarie. Said to have up to 40 percent less fat and 50 percent more breast meat than the white Peking (a breed that originated in China and is now the duckling standard), it is supposed to be for consumers who have progressed from a desiccated duck leg covered with orange glop to slices of breast fanned out over a U.F.O.-size plate.●

The 100TH ANNIVERSARY OF FORSTER MANUFACTURING CO.

● Mr. MITCHELL. Mr. President, on behalf of myself and my colleague Senator Bill Cohen I would like to call the Senate's attention to a particularly historic event in our State of Maine.

Next month, the Forster Manufacturing Co. of Wilton, ME, will celebrate its 100th anniversary. And it gives us immense pleasure to honor and recognize this great accomplishment and to have the opportunity to praise publicly this distinctly Maine Company.

Forster, which also has plants in East Wilton, Strong and Mattawamkeag, ME, is responsible for that particularly useful personal item, the toothpick, in addition to manufacturing wooden and plastic clothespins, croquet sets and other wood and plastic products.

Forster's beginning was, like the toothpick, humble indeed. But the story behind that indispensable item is one of typical American ingenuity, quite representative of the enterprising spirit for which our Nation is famous.

Although the disposable wooden toothpick can now be found in nearly every home and eating establishment across these United States, 100 years ago in 1887 it was not so. The toothpick was considered a very personal item which was in the owner's possession at all times. In those days it was most commonly made of ivory, quill, or a precious metal.

In 1869, Charles Forster, an uncommonly inventive and ambitious young man, fabricated the first toothpick workshop in the cellar of his Boston area home. Forster first hit on the idea of a commercially produced wooden toothpick while on a trip to Brazil. The Brazilians had been whittling toothpicks from pieces of orange trees for generations. Forster believed this idea would easily catch on in America. Unfortunately, try as he might, Forster was unable to market his product. The restaurants he approached were not willing to give this new item a chance. Disappointed, but not defeated, he was determined to pursue his dream, and rejection only spawned another brilliant idea.

Forster hired several suave, successful-looking young men to visit prominent Boston restaurants where, after finishing an elegant dinner, they would ask for disposable wooden toothpicks. When they were told there was none to be had, they would demand to see the manager and protest loudly. To quiet the indignant gentlemen, restaurant managers would ask how they had learned of these toothpicks and where they could be purchased. Thus, demand was created and Forster Manufacturing was born.

Through trial and error Charles Forster determined that white birch was the best wood for his toothpicks. Because white birch was found in abundance in western Maine, his first load was shipped from Wilton, ME to Boston by rail. As the demand for his product grew, Forster realized that it would be more economical to locate his manufacturing operation near the source of the raw material. In 1887 he moved his business to Maine, where it has flourished ever since.

At the turn of the century Forster introduced the first round toothpick at the world's fair. Appropriately enough it was named the World's Fair Toothpick. Since then, Forster Manufacturing has changed hands a few times and has diversified extensively. It not only manufactures toothpicks but also a sturdy, dependable spring clothespin, a full line of croquet sets for backyard as well as professional use, and a number of other good wood products such as rolling pins, shish kebab skewers, and various building products. Forster's is also known for plastic items such as clothespins and eating utensils.

Forster Manufacturing owes its recent successes to progressive, innovative business practices promoted by its owner, Mrs. Joan Gould, and chief executive officer, Richard J. Corbin, and to its dedicated work force of over 700 employees who uphold the traditional Maine work ethic.

Charles Forster began with an idea that dared to be different, and that same spirit pervades the company today. Forster was a man who instilled in his employees well-deserved pride in their accomplishments, the ambition to work together for growth and prosperity, the ability to use American-made materials in the production process whenever possible, and the importance of each employee to the success of the company.

Mr. President, Forster Manufacturing still adheres to these great principles today. All who are a part of the company can take great pride in its accomplishments. We share in their joy and satisfaction as they celebrate 100 years of achievement, and look toward an even more successful tomorrow.●

EDUCATION SECRETARY WILLIAM BENNETT'S SPEECH IN WEST BERLIN

● Mr. ARMSTRONG. Mr. President, every so often the words of someone of considerable insight deserve to be memorialized in the pages of the Congressional Record for the benefit of present and future generations. Today, I'd like to insert the remarks delivered by Education Secretary William Bennett on July 9 to the Amerika Haus in West Berlin.

Secretary Bennett spoke of perhaps the greatest challenge facing Western civilization: the need to instill in our children an abiding appreciation for freedom and democracy. The Secretary spoke at a place in the world which more starkly than any other proves the difference between freedom and totalitarianism. And yet, as he discussed that day, many in the West risk affliction with "more equivalence syndrome"—the belief there is no real difference between life in a democracy and that in a totalitarian state.

The Secretary's message is that our educational system should endeavor to explain that freedom and democracy stand superior to the existence imposed by totalitarian rules behind the Berlin Wall and elsewhere. That is not the teaching of propaganda, but of the truth of democratic values.

The greatest threat to freedom is that it is sometimes taken for granted by those fortunate to live it. One way to cure that indifference is to visit the Berlin Wall. Absent that, one can read Secretary Bennett's remarks, and think about the lesson they hold.

I ask that the Secretary's speech be printed in the Record.

The speech follows:

Address to Amerika Haus

(By William J. Bennett)

It is a pleasure and an honor to address you on what is my first visit to Berlin, this great symbol of liberty, this defended island of freedom. I know that over the last several months, dignitaries from throughout the Western world have paid tribute to Berlin on this, its 750th birthday. This is due in part to the long and distinguished history of this ancient city.

But it is also due in large measure to Berlin's contemporary history. Over the last four decades the Western sector of Berlin has been on the front line of freedom. A city under siege, it has been subject to blockade, threats, and harassment. And yet, drawing strength from a courageous and dedicated people, Berlin has refused to buckle or to bow before totalitarian pressures. Today, the fate of this city is undeniably and inextricably tied to the larger cause and fate of freedom. The entire Western world has stake and a claim in Berlin, where freedom and tyranny stand face to face, and where a people—one people, the German people—artificially divide.

What divides your city is, of course, the Berlin Wall. The Wall has become a universal symbol; an affront not just to Germans but to every believer in liberty; the most visible and obvious demonstration of the failures not just of one particular communist nation, but of the communist system in general.

For as long as the Berlin Wall stands, it will bear this witness to the world: If you seek to know the truth about the differences between democracy and communism, between freedom and tyranny, between West and East, then come here, 110 miles inside German Democratic Republic, to this city separated by the wall.

With the Berlin Wall serving as a backdrop, I would like in the next few minutes to reflect on what I believe to be one of the great challenges facing contemporary Western civilization: the need to instill in our children an appreciation, even a reverence, for democratic values; for our "Western Community of Values." More specifically, I would like to address the question of what democracies should teach our students about the idea of democracy itself.

Let me begin the substance of my remarks by admitting to having been troubled in recent years by a tendency among some in the West—on both sides of the Atlantic—to blur the distinctions between democratic and totalitarian governments. These individuals have suspended moral judgment against an intrinsically evil system (communism), a system responsible for the subjugation of the entire Eastern half of the European continent. There has arisen a reluctance by some in the West to face up to the harshness of the precepts and the practices of totalitarianism—precepts and practices like the absolute primacy of the state over the rights of the individual; the unlimited use of coercive state power to transform society, culture, and personality; and systematic attempts to deny individuals their most basic human rights: the right to dissent, the right of self-government, and the freedoms of speech, press, association, assembly, and religion.

At the same time, the West is in danger of losing something solid at the core: Faith in the justice and truth of our democratic cause. We have seen over the years troubling signs of indifference to the cause of preserving and defending freedom. There are signs that the West is in danger of suffering an erosion in what Aleksandr Solzhenitsyn—the great and prophetic Solzhenitsyn—called "civic courage."

There is a good deal of evidence to support these claims. Let me offer you just two examples. The first are the results of a poll taken in Western Europe late last year. In response to the question: "Which country do you believe is making a greater effort to bring about a nuclear arms control agreement—the United States or the Soviet Union?", the responses broke down this way: In Britain, twenty percent said the United States was making a greater effort, while forty-six percent said the Soviet Union; in France, thirty-five percent said the United States, while twenty percent said the Soviet Union; and in the Federal Republic of Germany, eighteen percent said the United States, while forty-two percent said the Soviet Union.

In response to the question, "Who is more trustworthy, President Reagan or Soviet leader Gorbachev", twenty-nine percent of those polled in Britain said President Reagan was more trustworthy, while twenty-one percent said Gorbachev. In France, forty-seven percent said Mr. Reagan, while ten percent said Mr. Gorbachev. And in the Federal Republic of Germany, twenty-six percent said President Reagan was more trustworthy, while thirty-three percent said General Secretary Gorbachev. According to this poll, then, more Germans trust Mikhail Gorbachev than trust Ronald Reagan. These poll data are worth reflection—hard reflection.

But this "moral equivalence" syndrome, this malady, does not afflict Europe alone. I will recall for you a story from my own country that helps illustrate my point. A substitute teacher in a high school asked the students in his three advanced government classes what they saw as the most significant difference between the United States and the Soviet Union.

When it come to the facts, he found that the students knew the Soviet record. They knew about the Soviet Union's form of government. But he also found that they distrusted American institutions. And when he called for a show of hands, this substitute teacher found that only two out of fifty-three students felt that the United States is a morally superior system to the Soviet Union. That is, fifty-one of fifty-three of this high school's brightest seniors saw no moral difference between a democratic and a totalitarian government.

I will tell you now that Western democracies are not without fault; our history is not spotless; mistakes have been made. Nevertheless, I find it difficult—even perplexing—to understand the refusal by some to make elementary, and even self-evident, moral and political distinctions between those who seek, sometimes imperfectly, to liberate the human spirit against those who would seek—in a manner consistent with the dogmas of Marxism-Leninism—to subjugate the human spirit. The words that President Kennedy spoke in Berlin almost a quarter of a century ago still ring true today: "Freedom has many difficulties," he said, "and democracy is not perfect, but *we have never had to put a wall up to keep our people in, to prevent them from leaving.*" (Emphasis added.)

This essential truth should not be lost. There are some very real, and some very tragic, examples we can look to. We need only look to the victims of Soviet tyranny in Budapest, and Prague, and Kabul. We need only look to Lech Walesa and the people of Warsaw. And yes, we need only look to the people trapped inside the Eastern sector of Berlin.

Still and all, even as the brick and mortared symbol of what divides East from West stands in full view, we have witnessed a troubling paradox emerge. While democratic nations of the West have made gigantic strides in the direction of greater freedom and social justice, totalitarian states have produced wars, holocaust, economic misery, concentration camps, and gulags. Yet in spite of this record, the paradox is that faith and belief in the principles of liberal democracy—and those who would defend liberal democracy—has wavered in the West. In the words of the eminent American philosopher and social critic Professor Sidney Hook, "unless that faith and that belief can be restored and revivified, liberal democracy will perish."

How, then, do we restore and revivify our faith in liberal democracy? A good place to start, the best place to start, is with the education of our young. Let me suggest to you that many of the contemporary intellectual and moral failures we are now experiencing are the logical outcome of not teaching students the differences between democracies and other, less worthy forms of government, of not teaching students *why* they should cherish democratic ideals. Children are not born knowing these things instinctively. They do not spontaneously apprehend them. They do not imbibe them from the air. A love of democratic principles, and an understanding of why they are so important, must be taught explicitly. They must be taught explicitly in the schools of any democracy that wishes to survive, no matter how old or new that democracy may be. They must be passed, in short, from generation to generation.

Two different but persuasive authorities are worth calling on here. One is Richard Lowenthal, former professor of international relations—and now professor emeritus—at the Free University of Berlin. According to Professor Lowenthal, the West faces a "crisis in our civilization" due in part to a: "rejection of any time perspective in the name of a cult of immediacy; for the sense of measured time and the gearing of action to foresight have been basic for all Western civilization from the age when Western church-towers were first endowed with clocks to the latest achievements of science and industry. In other words, *we are witnessing a major failure to transmit an important part of our basic values to a significant part of the young generation.*"

The second authority I would like to call on is Thomas Jefferson. Jefferson, in addition to being one of the fathers of my country, was also one of the fathers of our system of education in the United States. He knew that an educated, informed citizenry is vital to the well-being of every democracy, because democracies depend on individuals making intelligent decisions, both on election day and in the day-to-day conduct of their affairs. Jefferson therefore knew, for example, how important it is that the citizens of a democracy be literate.

But he also knew that literacy in itself is not enough for the survival of a democracy; it is a necessary but not sufficient condition. Jefferson, in listing for the citizens of his day what he saw as the fundamental aims of education in his new country, wrote that schools should teach every student: "to understand his duties to his neighbors and country, and to discharge with competence the functions confided to him by either . . . To know his rights . . . And in general, to observe with intelligence and faithfulness all the social relations under which he shall be placed. To instruct the mass of our citizens in these, their rights, interests and duties, as men and citizens, [is] the object of education."

Jefferson, of course, had lived through one revolution, and he knew that liberty is a difficult commodity to obtain. But he also knew that, once acquired, it is just as difficult to hold on to freedom; the task requires, as he put it, the "diligence, candor, and judgment" of each new generation. As Goethe observed, "You must labor to possess what you have inherited." It is the unique responsibility of educators in a democracy, then, to teach democratic principles to their students.

What are the essential assumptions and values of democratic civilization that our schools must teach? I think you will agree with me that they are things that should be common to all Western nations.

I begin with certain political principles to which all democrats would subscribe. These principles travel under different names from time to time—natural rights, individual rights, human rights—but Jefferson called them "inalienable rights," and I don't think anyone has ever improved on that phrase. We of the democracies believe in liberty, and we believe in equality. We believe in the freely given, uncoerced consent of the governed. We believe that all men and women are entitled to civil and political equality without discrimination based on race, sex, or creed. We cherish certain rights such as freedom of speech, freedom of the press, freedom of assembly, and freedom of religion. And we believe that government should be limited in its powers, and that government's essential purpose is to protect these inalienable rights of its citizens. These are the things in which the citizens of all democracies believe, and our children should be taught these things in our schools.

Democratic civilization is also built around respect for certain institutions. We of the democracies believe in the crucial importance of representative government based on free, competitive elections. We believe in an independent judiciary upholding the rule of law. We affirm the centrality of the family, the first and foremost agent in the rearing of children. We all affirm the importance of church and synagogue. And in all our institutional arrangements, citizens of democracies seek to maximize individual freedom and choice.

Beliefs about institutional arrangements and political principles are not the whole of the democratic way of life. There are also certain beliefs about ourselves and our universe in which democratic civilization has put its faith. These include belief in the centrality of reason; in the spiritual nature of man; in learning, scholarship and free inquiry; in the proposition that the human condition can be bettered; and in the moral imperative to better it.

And finally, the preservation of democracy depends on schools helping to foster in individuals certain traits of character. Jefferson wrote that schools must improve students' "morals and faculties" because he understood, as the ancient Greeks understood, that the entire community ultimately depends on the character of its individual citizens. And Jefferson understood that the democratic way of life is possible only when individual citizens possess a certain kind of character. That character must be shaped, above all, by parents and family. But teachers must help, by the examples they set, and by the habits they teach—habits like self-discipline and hard work. They must teach respect for the law, willingness both to offer and accept criticism, and the value of individualism. They must show students the difference between honesty and dishonesty, ambition and greed, loyalty and servitude, liberty and license. And they must teach students not only to recognize what is best and right among these things, but to *love* what is best and right among them. For the *theory* of democracy can always exist in the statement of these absolutes, but the *life* of a democracy exists only when its citizens cherish these things and will not let them go.

These, then, are some of the principles, beliefs, and values that schools must teach if democracies are to survive. Some people—and these people will often claim for themselves qualities of open-mindedness, tolerance, and critical thinking—will argue that to teach these things is to indoctrinate. They will argue that the notion of democracy itself implies the absence of a set of prescribed ends in the education of free men and women. And they will argue that if citizens are really to be free to make their own choices, they must not be told to love one set of values or one system of government above others—for this is merely indoctrination, and indoctrination violates the tenets of democracy itself.

But they are wrong; they are teaching a lie. I submit to you that this city, and the wall that divides this city gives witness to the lie.

Refusing to make meaningful distinctions between antithetical political systems is intellectually vacuous. Yes, democracy, as a political theory, gives people the greatest possible freedom in choosing how they will conduct their affairs. But democracy is not a doctrine of moral relativism. There is nothing in the political theory of democracy that rules out the assertion that some forms of human behavior are more worthy than others. And there is nothing in the political theory of democracy that rules out the assertion that some systems of government are better than others. Otherwise, a devotion to democracy as a form of government would be self-contradictory. The truth is that democratic government is morally superior to totalitarian government. Our students should be taught this truth; our students should be taught to appreciate this truth; and then, perhaps, our students will learn more fully to cherish this truth. And I would add that there is a great deal of difference between teaching children the truth and indoctrinating them.

I would like to offer one more school story to illustrate my point. I had gone out to San Jose, California, to teach an eleventh grade class. We were talking about the writings of James Madison, and we were discussing what it means that in a democracy, unlike other kinds of nations, liberty is the fundamental political principle. A young girl, sixteen or seventeen years old, raised her hand and asked: "Mr. Bennett, do you think the United States is really a better place to live than the Soviet Union?" I said, "Yes, it is."

"Well," the young lady continued, "I'd like to know why you think so—but maybe I shouldn't ask you because you're from the government, so probably you can't tell me the truth."

I asked, "Why don't you think I can tell the truth? Who told you this about your government? Who told you this about the people whom you elected and who are working for you?"

Well, we talked for a few minutes, and in the end I said, "Look, there are a lot of things you should study, a lot of things you should read." And I mentioned some books on United States history and Soviet history, on our government and on their government. Then I said, "But try this test for a society. It's what I call the gates test. If a society has gates, and you raise the gates, which way do the people run? Do they run out, or do they run in? And I think you know that when the Soviet Union raises its gates even a little bit—when the Soviet Union raises its Iron Curtain—people stampede to get out. And every time we raise the gates, people come in. And even when our gates aren't raised, people stand outside and wait as long as it takes to get in." The young lady promised me she would look into these matters.

The Czech novelist Milan Kundera writes in his novel, "The Book of Laughter and Forgetting," that "the struggle of man against power is the struggle of memory against forgetting." The Berlin Wall makes forgetting a difficult task. The Berlin Wall reminds us of what totalitarianism—stripped of its doublespeak and public relations ploys—is really all about. It is an evil system.

The Berlin Wall should also remind us that the threat to our freedom—to our "Western Community of Values"—is very real, and that we are engaged in a struggle with an adversary that is backed by incredible armed strength, an adversary that does not shrink from using that strength. Those of you who are students of history know that democracies are fragile and perishable institutions. There is no immutable law of history that guarantees their survival. John Stuart Mill, one of the greatest modern exponents of liberty, wrote, "It is a piece of idle sentimentality that truth, merely as truth, has any inherent power denied to error of prevailing against the dungeon and the stake."

So, let me conclude by telling you that as important as educating our students about democracy is, education—even truth—is not enough. *The citizens of democracies must also be willing to support the arsenals of democracy.* We must be willing to maintain our defenses in a manner consistent with the threat posed against us. In the end, our survival and the survival of all we believe in and care most about—the defense of Western civilization and the protection and nurture of our children—will depend on whether we are vigilant and strong and committed in purpose.

If I might end with a personal observation: My visit to Berlin has been a deeply moving experience. Like so many who have gone before me, I have found that one cannot fully take in the special meaning of this city until you arrive here, and witness for yourself the history and significance of Berlin. It is truly a city apart.

And when I return to the United States, the message I will take to my countrymen is this: If you ever begin to believe that the cost of maintaining freedom is too high; if you ever begin to believe that democracies may no longer be worth preserving, and protecting, and defending; if you ever begin to lose sight of what makes totalitarianism unique, and uniquely evil, then go to Berlin, go to the wall that divides Berlin, and look east. Peer into the long, dark night that has descended upon the Eastern half of this city. And remind yourself that what separates our world from theirs—what separates the sun and the shadow—is freedom alone. It is to that cause, our common hope, that we must dedicate ourselves anew.●

PROPOSED ARMS SALES

● **Mr. PELL.** Mr. President, section 36(b)(1) of the Arms Export Control Act requires that Congress receive formal notification of proposed arms sales under the act in excess of $50 million, or in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be reviewed. The provision stipulates that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is available to the full Senate, I ask to have printed in the RECORD the notification I have received.

The notification follows:

Defense Security Assistance Agency,
Washington, DC, July 28, 1987.
In reply refer to: I-03451/87ct.
Hon. Claiborne Pell,
Chairman, Committee on Foreign Relations, Washington, DC.

Dear Mr. Chairman: Pursuant to the reporting requirements of section 36(b)(1) of the Arms Export Control Act, we are forwarding herewith transmittals No. 87-30, concerning the Department of the Army's proposed letter(s) of Offer to Morocco for defense articles and services estimated to cost $68 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,
Philip C. Gast,
Director.

[Transmittal No. 87-30]

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b)(1) of the Arms Export Control Act

(i) Prospective purchaser: Morocco.

(ii) Total estimated value:

	Millions
Major defense equipment [1]	$49
Other	19
Total	68

[1] As defined in section 47(6) of the Arms Export Control Act.

(iii) Description of articles or services offered: One hundred M48A5 tanks with machine guns, ammunition, radios, spare parts, support equipment and maintenance support.

(iv) Military department: Army (UPD, UPE).

(v) Sales commission, fee, etc., paid, offered, or agreed to be paid: None

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: None.

(vii) Section 28 report: Case not included in section 28 report.

(viii) Date report delivered to Congress: July 28, 1987.

Policy Justification

Morocco—M48A5 Tanks With Machine Guns and Radios

The Government of Morocco has requested the purchase of 100 M48A5 tanks with machine guns, ammunition, radios, spare parts, support equipment and maintenance support. The estimated cost is $68 million.

This sale will contribute to the foreign policy and national security of the United States by helping to improve the security of a friendly country which has been and continues to be an important force for economic progress in North Africa.

These tanks will be used by the Government of Morocco to increase its armored capability. Morocco already has M48A5 tanks in its inventory; therefore, it will have no difficulty absorbing them into its armed forces.

The sale of this equipment and support will not affect the basic military balance in the region.

There will be no prime contractor because these tanks will be provided from U.S. Army stocks.

Implementation of this sale will not require the assignment of any additional U.S. Government or contractor personnel to Morocco.

There will be no adverse impact on U.S. defense readiness as a result of this sale.●

TRIBUTE TO EDWARD P. CLIFF, FORMER CHIEF OF USDA, FOREST SERVICE

● Mr. GARN. Mr. President, today I rise to pay tribute to Edward P. Cliff, former Chief of the U.S. Department of Agriculture, Forest Service who died July 18, 1986, at the age of 77.

Edward P. Cliff was one of Utah's outstanding native sons and an internationally known forestry expert. He will be missed not only by family and friends, but also be his many colleagues around the world who he assisted in trying to resolve world forestry problems.

Although Ed Cliff left his birthplace, Heber City, UT, many years ago, he took with him many of the traditions and values held by Utahns. These values, combined with his personality, left a vivid impression on everyone he met throughout his long career of public service.

Chief Cliff had two distinguished careers. His first career, which covered a span of 41 years, was in the Forest Service. He advanced from the position of Assistant District Ranger to become the head of the agency for his last 10 years of Government service. He was Chief of the Forest Service from 1962 to 1972.

As Chief of the Forest Service, Ed Cliff guided the agency through a decade of major change and growth. During this time, Chief Cliff said his major goal was to establish a multiple-use program that worked. In the document "Framework for the Future," he ordered new emphasis on the noncommodity values of the National Forests, without diminishing the production of commodities vital to the Nation's needs. He dramatically expanded forest and rangeland management research and took great strides toward balancing management among the many uses of the national forests. He was also instrumental in doubling recreational use on the national forests, and helped play a key role in establishing the National Wilderness Preservation System, the National Wild and Scenic Rivers System, and the National Trails System.

His second career was in the role of consultant and adviser. Between 1972 and 1986, he completed 18 assignments involving work and travel in the United States and 26 countries in Latin America, Africa, Asia, the Near East, Europe, and the Caribbean to provide advice concerning appropriate forest policies and the setting up of public and private programs to put those policies into effect. This work was done in response to requests from the Food and Agriculture Organization of the United Nations and the countries themselves.

Listed among his many honors are an honorary doctor of science degree from Utah State University, the USDA's Distinguished Service Award, the highest award granted by the Department, the Society of American forestry's Gifford Pinchot Medal for outstanding service to the forestry profession, the American Forestry Association's Bernard Fernow Award for his achievements in international forestry, a Distinguished Service Award from Tuskegee Institute, and the Landscape Architecture Foundation's Alfred B. LaGasse Medal for his contributions to resource conservation and public land management.

Mr. President, I stand to pay tribute to Ed Cliff for his many years of public work, and to extend my deepest sympathy to his wife, Kathryn, and his family.●

VIEWS OF SENATE HEARING ON EXPORT CONTROLS

● Mr. DANFORTH. Mr. President, on July 27, Senator Heinz addressed an important Heritage Foundation seminar on U.S. export control policy. As a key architect of congressional and United States export control activities, Senator Heinz spoke of the need to strike a balance between United States commercial interests and our desire to prevent certain technologies from falling into Soviet hands. In the wake of the Toshiba case, involving the transfer of sensitive submarine technology to the Soviets, he went on to discuss the importance of foreign participation in any successful export control program.

Senator Heinz' statement offers an excellent insight into the complexities of the export control issue. I recommend it highly to my Senate colleagues.

The statement follows:

Statement of Senator John Heinz

Heritage Foundation Seminar on U.S. Export Control Policy

It should be clear to anyone worried about our national security that a major source of U.S. military strength and the key to preserving the strategic balance with the Soviet Union is our edge in high technology. For example, it is our technological edge that assures that our nuclear deterrent is appreciated for the terrible weapon that it is. It is our technological edge that permits us to face military forces far larger than our own with confidence. And it is our technological edge that permits us to track, and to destroy, that most dangerous strategic weapon, the nuclear submarine.

In setting U.S. export control policy for the 1990's, the key question we face is how to maintain the technological lead that we now enjoy? In simplest terms, we can maintain our lead by simply outrunning the competition, slowing their rate of advance, or preferrably both.

I think it is obvious that in the fast moving world of high tech, our surest course is to maintain our position at the cutting edge of technology. Therefore, our first goal must be to ensure that our U.S. high tech industries are strong and competitive. The private sector is our innovation leader. It will remain so only if our companies are capable of earning the profits necessary to fund new research and development. With our high tech industries running a trade deficit for the first time in history, this is major concern.

The second goal of our export control policy must be to keep the Soviets from gaining on us. Since primary research and engineering are not their forte, this primarily involves limiting the flow of militarily critical technologies from the West to the Soviet Union. It is, of course, impossible totally to deny Soviet access to our technology. Technology diffuses too quickly and there are always dedicated salesman intent on circumventing our controls. However, our system must "filter" the flow of technology to catch as much of the critical technology as possible, making its acquisition by the Soviet difficult and costly.

Unfortunately, our two goals create competing claims in our export control system. All of our COCOM allies and a growing number of developing countries produce advanced technologies as good or better than our own. In a world of universal technology, maintaining our competitive edge in high technology argues for open trade; denying technology to the Soviets argues for limits. If our system is to work, it must resolve this contradiction.

This requires, first of all, fine judgements on the proper balance between U.S. national security and economic interests. An excess of control over our industries may endanger their ability to compete and to innovate. This will be more damaging in the long-run to our technological position than slow leakage of technology.

To put the problem in context, in 1985 it is estimated that roughly $80 billion of U.S. foreign sales were covered by export controls. Fully 70 percent of those licensed sales in value terms involved technologies below the PRC Green Line, and the same proportion sales to COCOM countries. If our controls retard sales of some $56 billion of lower level technologies and sales to COCOM countries, rather than stopping diversion of critical technologies to the Soviets, the sales and earnings of our high tech companies suffer with no offsetting national security benefit. It is the profits earned on U.S. technology sales abroad—including $56 billion in sales below PRC Green Line—that finance our technological competitiveness.

Second, it requires that controls be multilateral. No matter how tightly we control access to our machine tools, there is nothing we can do directly to control the actions of a Toshiba before the fact.

If my thesis is correct, meeting our twin objectives of competitiveness and appropriate control requires two things: agreement with our allies on the critical technologies to be controlled, and effective and universal enforcement.

How do we develop an agreed list of critical technologies? In bureaucratic terms, balancing economic and security interests requires a strong export control emphasis within the Department of Commerce and a strong role for the Department of Defense in the decisionmaking process. We have preserved this balance through successive reauthorizations of the Export Administration Act. Within the last two weeks, we have had to fend off efforts in the trade debate to upset this balance by reducing the role of the Defense Department.

We need the support of industry and our allies. We can delude ourselves that controls on every technology from the most mundane to the most advanced represent an appropriate excess of caution to preserve our national security. But if we attempt to place national security controls on items available in any Radio Shack, our allies will question the seriousness of the effort and our exporters will lose heart.

Setting aside the issue of consensus, we must realize that it is senseless to spread our control effort too thin, especially at the low end of the technology spectrum where foreign availability through rapid diffusion of technology makes control impossible. The notion that foreign availability should guide our export control judgments is a longstanding principle in the law, but one honored more in the breach than in the observance in our export control decisions.

Once we have agreed on the technologies requiring control, we come to the real keystone of the control issue—effective, universal licensing and enforcement. We must provide our exporters clear policy guidance and efficient licensing services. We must demonstrate that those attempting to evade controls will be caught and punished severely. And we must ensure that our allies do likewise.

The Congress recognized the need for sufficient resources to ensure both efficient licensing and effective enforcement. Over the last 10 years, resources in the Commerce Department devoted to export administration have grown from $6 million to $27 million, and staff resources from 157 people to 542. Computerization of license review is increasingly the norm rather than the rare exception.

As a result of these efforts, average processing time for a license application at Commerce has been reduced by 25 percent since the fourth quarter of 1985, from 28 to 21 days, and overdue licenses by more than half.

Deterrence is also an essential element of any system based on unmonitored compliance by those controlled. The government cannot track the thousands of trade transactions undertaken every day. It is the exporters themselves who must read the regulations and apply for the licenses. To ensure faithful compliance under these circumstances, U.S. export control laws have been given real teeth.

While the United States has been increasing the effectiveness of its controls, strict enforcement is hardly the norm in COCOM. Our experience with the Toshiba case demonstates that basic export control laws in other COCOM countries are a weak reed. Many are based on post-war short supply or foreign exchange concerns, with modest civil penalties and rare criminal lability. Statutes of limitation can be as short as 6 months. Licensing and customs checks are cursory and carried out by tremendously overworked staffs. This is clearly unacceptable in matters of our national security.

The amendments to the Export Administration that I sponsored and the Senate recently adopted address directly the two key issues I have identified. They attempt to focus the system on critical technologies and to ensure effective, universal licensing and enforcement. I believe that they will make an important contribution to effective export control.

The amendments would eliminate individual licensing for shipment of low level technologies to free world destinations. These are technologies now freely shipped to the East bloc with only notification to COCOM by our allies, and available at your corner electronics store. Prior approval to ship would be eliminated for exports to, and reexports within, COCOM involving goods already freely available there. We also streamlined procedures for making foreign availability determinations so that decontrol of items freely available abroad can be accomplished in a timely fashion.

Even while eliminating some individual licenses, we maintained basic reporting and notification requirements under a General License. The "paper trail" created permits us to block Soviet targetting and support enforcement efforts if problems arise. In addition, for shipment to COCOM of a short list of "highly critical" technologies, such as some VAX process control computers, end-user restrictions and advance reporting requirements would apply. Finally, (1) individual licenses were maintained for black-listed companies and (2) for shipments to COCOM countries not meeting their obligations under the COCOM agreement.

Our amendments also reduced licensing requirements for U.S. component parts that have resulted in U.S. components being "designed out" of foreign products. Under our language, exporters would be able freely to ship U.S. components of larger systems that are not themselves controlled. Foreign suppliers would also be able to build up to 20 percent U.S. content into their products without seeking reexport licenses.

Taken together, these changes would eliminate 25-30,000 individual licenses each year, a reduction of about 25 percent. They would remove controls whose principal effect is to limit our own ability to compete without affecting the strategic balance. In no case are essential controls on high technology flows to the East removed.

The second principal element of our export control amendments is aimed at ensuring universal, effective enforcement. Since we cannot enforce laws throughout COCOM ourselves, we have adopted the second-best solution of deterring foreign violators by threatening them with loss of the U.S. market. I have long favored such sanctions to put teeth in our export control laws. In 1985, I successfully pressed for discretionary import sanctions as part of the EAA amendments. I added debarment from U.S. Government procurement for five years in our draft Committee bill. And finally, after Committee hearings on the Toshiba-Kongsberg case, it became clear that even sterner measures were needed. I joined Senator Garn in arguing for 2-5 year mandatory sanctions against COCOM violators that would include both denial of U.S. procurement and an import ban.

This may be the most important amendment passed by the Senate; it is certainly the one that has gotten the most attention. Other amendments in the bill call for improving the multilateral basis for our controls through negotiations in COCOM. But the key provisions provide that where serious violations occur, violators must pay a high price for their betrayal.

While this is not the preferred method for promoting improved COCOM enforcement, this provision has very definitely gotten the attention of our COCOM allies. The Japanese are taking export controls seriously for perhaps the first time in history. Even the Norwegians, who have traditionally been viewed as strong COCOM supporters, quickly realized the weaknesses in their export control laws and procedures and have taken strong measures to deal with them. But the guilty parties must be punished as sternly as we possibly can in order to deter future diverters.

In closing, let me reiterate that we cannot control everything; and we cannot control even the most critical technologies alone. Toshiba and Kongsberg shipped their own technology to the Soviets, and did it in violation of the laws of their own country. This was a technology on which we maintained controls by consensus. It was beyond the reach of U.S. law. We can only avoid such cases in the future if all COCOM countries, and other cooperating countries, dedicate themselves to control of critical technologies. I am hopeful that the amendments recently passed by the Senate will help in achieving that end.●

STEEL INDUSTRY SHOWS PRODUCTIVITY GAINS

● Mr. HEINZ. Mr. President, the domestic steel industry has always been one of my primary concerns. Lately, I have been especially worried as company after company follows each other into bankruptcy.

In order to address this disturbing problem, I recently proposed the Steel Revitalization Act which would give the Federal Government responsibility for paying special supplemental and shutdown benefits in the steel industry. As I said during my June 16, 1987, speech before the United Steel Workers of America, we need to make it possible for the steel industry to reduce costs without going through chapter 11.

Yet with all this talk of bankruptcy, we run the danger of dismissing the whole steel business as a lost cause. But that view is both naive and dangerous. A closer look at the industry shows that it has made significant progress in the right direction. Thus far in the 1980's, productivity in the U.S. steel industry has increased impressively by nearly 50 percent.

These gains were the result of steps taken by both management and labor to adjust to changes in the demand and supply of steel. Some major factors which have influenced these productivity gains include the development and deployment of new technologies, the elimination of obsolete capacity, the growth of electric furnace capacity, and changes in labor-management relations in the industry.

In a well written and intelligent analysis, David Cantor takes a closer look at the factors behind the industry's productivity increases. I urge all my colleagues to study this report which I found very informative and interesting.

I ask that the text of the study be printed in the RECORD.

The study follows:

THE U.S. STEEL INDUSTRY: FACTORS INFLUENCING GAINS IN INDUSTRY PRODUCTIVITY

The U.S. steel industry is often identified as being insensitive to market conditions and to consideration of efficiency in production. The dominant part of the industry—the integrated firms that produce steel mill products from raw materials—is regarded as insensitive to demand and prone to pricing its products by passing along increases in costs of production.[1] But dramatic changes in the U.S. steel market over the past decade or so have forced change in the industry: not only has demand for steel dropped in the past decade, but the increase in the number of suppliers of steel mill products resulted in intense competition in the smaller market. Steel industry management has become acutely sensitive to the necessity of reducing costs and increasing productivity.

As a result, the steel industry was able to reduce the labor input per ton of output—a commonly used measure of productivity—by nearly 50 percent between 1980 and 1985. This report identifies some of the steps taken by management and labor to achieve this significant increase in steel industry efficiency.

INCREASED PRODUCTIVITY IN THE U.S. STEEL INDUSTRY, 1980-1985

In their recent book, *Up From The Ashes*, economists Donald Barnett and Robert Crandall indicated that the amount of labor (of both production and nonproduction workers) embodied in a ton of cold-rolled steel sheet output fell from about 9.4 hours in 1980 to about 5.8 hours in 1985.[2] This drop in labor input per ton brings America's steel industry into line with the steel industries of major competitors—in particular, according to Barnett and Crandall, Japan and West Germany. In 1985, 5.4 hours of labor per ton of finished output were required in Japan, and about 5.9 hours in West Germany's steel industry.[3] If the Barnett-Crandall data are correct, labor productivity in the production of cold-rolled sheet in the U.S. steel industry increased by about 39 percent from 1980 to 1985.

Barnett and Crandall do not provide data on the labor input required to produce cold-rolled sheet for either Japan or West Germany in 1980. Thus, no comparison of the improvements in labor productivity in the production of this product can be made. They do, however, provide data on labor input in the production of wire rod in integrated mills (those that manufacture steel products after processing raw material inputs) in the United States and Japan for 1981 and 1985; wire rod is a product that requires less processing than cold-rolled sheet. In the United States, the labor input per ton of output in 1981 was 6.5 hours; in 1985, this input dropped to 5.0 hours, a gain in labor productivity of about 23 percent. In Japan, labor input per ton of output fell from about 4.5 hours in 1981 to about 4.0 hours in 1985, an increase in labor productivity of about 10 percent.[4]

These data indicate that America's steel industry has become increasingly efficient in the 1980s. Furthermore, they imply that efficiency in the U.S. steel industry proceeded at a faster pace than in the steel industry of major competitors. Several factors combine to explain the absolute and relative gains in efficiency in America's steel industry; among them are: the proliferation of continuous casting technology; elimination of obsolete capacity; expansion of electric furnace production; and, a more flexible approach to labor-management relations among production workers.

PROLIFERATION OF CONTINUOUS CASTING TECHNOLOGY

In spite of changes in the size of its market and the number of suppliers in the marketplace, the U.S. steel industry has made a significant effort in the development and deployment of new steel technologies. From 1980 through 1986, investment in steel totalled nearly $13 billion, even though the industry suffered financial losses aggregating nearly $9.3 billion.[5] More than 60 percent of this investment was made from 1982 through 1986, a period when the industry experienced losses in each year.

These investments were made in a wide variety of technologies intended to improve the quality of the steel produced and the yield of steel shipped from raw steel produced (that is, the ratio of shipments to raw steel, the first solid shape into which molten steel is formed). Among the various technologies developed and installed in steel mills, none has been so dramatic as the continuous caster. Its widespread use in the steel industry in the 1980s is an example of the effort of the industry to increase efficiency, and has had significant results in achieving higher productivity in the industry.

The rapid expansion of the use of continuous casters in the U.S. steel industry explains much of the improvement in industry efficiency. In 1980, continuous casters produced about 20 percent of America's raw steel output; by 1985, they accounted for about 44 percent of the industry's raw steel output.[6] In 1986, the share of continuously cast output rose to 52 percent, and is projected to rise to 57 percent in 1987.[7]

Continuous casting contributes to increased efficiency in the steel industry by eliminating one stage of the production of steel. Prior to the use of this technology, molten steel was first poured from the steelmaking furnace into ingots. The ingots were then reheated and rolled into other semifinished shapes—slabs, blooms, and billets; these shapes are then rolled into various finished steel mill products. In continuous casting, the molten metal is poured directly into the caster that forms the semifinished shapes. Thus, the process of casting ingots and milling them into usable semifinished shapes is eliminated.

The National Academy of Engineering and the National Research Council estimate that continuous casting increases efficiency in the production of semifinished shapes by nearly 10 percent. In the ingot casting process, 1.15 tons of molten metal are required to produce 1 ton of semifinished shapes (slabs, blooms, and billets); in the continuous casting process, 1.05 tons of molten metal are needed to turn out 1 ton of these shapes.[8] Also, the input of production labor is nearly cut in half: the ingot casting process would use about 0.82 man-hours to produce seminfinished shapes, while the continuous casting process uses about 0.48 man-hours per ton.[9] Continuous casting technology results, therefore, in both an increase in the yield of output and a reduction in labor (and other) inputs; less molten metal has to be produced to yield a certain level of semifinished steel output, and less labor is required to produce these outputs.

In the early 1980s, the U.S. steel industry was expanding the use of continuous casting at a faster rate than most major steel producing countries. Even during the 1982 recession, the use of continuous casters was expanding in the United States while stagnant in such major steel producing countries like Japan, France, Germany, and Canada.[10] Furthermore, during this period, many companies were committing investment capital to the construction of continuous casters: Wheeling-Pittsburgh Steel Cor-

---

Footnotes at end of article.

poration opened two casters: Jones & Laughlin Steel Corporation and Republic Steel Corporation (now LTV Steel Corporation) put three casters into operation; Bethlehem Steel Corporation commissioned two casters.[11]

While considerable progress was being made by America's steel industry in expanding the use of continuous casting technology in the early 1980s, it should be noted that the U.S. industry was, in a very real sense, "catching up" with the industries of other countries. In 1979, the share of continuously cast steel of Japan's steel indsutry was about three times greater than the U.S. industry's share; the share in Italy was nearly three times the U.S. share; and, similar differences appeared for Germany, France, Spain, Taiwan, and South Korea, among others.[12] What is important is the fact that the U.S. steel industry did move aggressively to at least catch up with the rest of the world in the use of this technology.

ELIMINATION OF OBSOLETE CAPACITY

Another significant factor explaining the increased productivity of the U.S. steel industry is the shedding of obsolete and aging capacity. In particular, the industry has effectively eliminated the open hearth furnace steelmaking process. In 1976, open hearth furnaces produced over 18 percent of total raw steel output in the United States; in 1986, this process contributed about 4.1 percent of U.S. total raw steel output.[13] In the 1980s alone, 24 open-hearth furnaces were shut down; not all of these furnaces were necessarily in operation at the time of their shut-down.[14]

The open hearth process was the dominant steelmaking technology from the end of World War II through the mid-1960s. In the 1960s, the basic oxygen process was increasingly adopted by integrated steel companies, and replaced the open hearths. While the open hearth furnaces could produce upwards of 400 tons of molten metal at a time, the process required about 8 hours; the basic oxygen furnace can produce upwards of 200 tons at a time, but this process takes about 45 minutes. The basic oxygen furnace, therefore, can produce more than five times as much steel in an eight hour period as the open hearth furnace. The basic oxygen furnace is estimated to use 40 percent less labor per ton than the open hearth furnace.[15] [16]

In general, open hearth furnaces today are used mainly for backup capability. They might be used when the demand for a particular mill product at a plant exceeds the capacity of its basic oxygen furnaces; that is, the open hearths might be used to satisfy occasional peak demand periods. Or, they might be used when the basic oxygen furnaces are shut down for relining or other major maintenance.

Some basic oxygen capacity has also been closed as well. At least 18 basic oxygen furnaces were closed in the 1980s.[17] These closures represent announced company decisions. It is likely that there are several basic oxygen furnaces that have not been officially taken out of operation, but that are effectively closed owing to the decline in the markets for the finished products manufactured at their locations. Available data do not permit us to assess the vintage of the basic oxygen capacity that has been closed down.

In any event, the industry has reduced its effective capacity considerably over the past decade. In 1977, the industry had the capability to produce 160.0 million tons; it entered 1987 with the ability to produce about 118.7 million tons, and, in mid-1987, is estimated to have reduced capacity to about 112 million tons.[18] Most of this reduction occured after 1983: in 1983, the industry could produce about 150.6 million tons. From 1983 to the start of 1987, it eliminated nearly 32 million tons of capacity, or about 21.3 percent of its 1983 production capability.

EXPANSION OF ELECTRIC FURNACE CAPACITY

The expansion of electric furnace capability also contributed to the significant improvements in steel industry productivity in the 1980s. Electric furnaces produce steel using scrap metal as the basic raw material. Thus, companies using this process have no need to maintain and operate coke batteries or blast furnaces to produce pig iron. The labor required to operate these facilities is obviously not needed in a plant using electric furnaces. Barnett and Crandall estimate that the total labor input per ton of steel produced in such facilities was about 4.0 hours in 1980 and about 2.8 hours in 1985.[19]

From 1980 to 1986, electric furnace output of raw steel was more or less constant. In 1980, it stood at about 31.2 million tons; in 1986, these furnaces produced about 30.4 million tons of raw steel.[20] But the share of electric furnace production of total raw steel output rose by more than one-third: from about 27.9 percent in 1980 to about 37.3 percent in 1986. As a result of the increased role of the electric furnace operations, the labor input to the production of a ton of steel would fall.

Electric furnaces are operated in every segment of the steel industry—large integrated companies, specialty steel companies that produce stainless steel and certain alloy steel products, and the small "minimills" that produce a relatively narrow range of products, mainly rod, bars, and light structurals. Critical factors in the decision to use electric furnaces, where this could be an option, include the quantity of steel being produced, the quality specified by the customer, and the price and availability of the scrap metal.

Much of the electric furnace capability is operated by relatively small companies, the so-called "minimills", that could produce in the range of less than 100,000 tons to about 500,000 tons.[21] Specializing as they have in the production of rod, bar, and light structurals, they would require new and larger rolling mills and the land on which to house them to expand their range of products to include flat-rolled items. At least one "minimill" company, Nucor Corporation, is investing heavily in the research and development of technologies to produce the quality of steel needed for flat-rolled products (sheet and strip).[22]

The question can be raised, therefore, as to their ability to obtain the capital needed to install such facilities. Nucor, for example, has had to enter into a joint venture with a Japanese firm, Yamato Kogyo, to finance the construction of a structural product mill in Arkansas.[23] Considerations of finance and technology could well affect the expansion of the electric furnace share of total steel output in the United States. In any event, this sector of the U.S. industry has contributed significantly to the improved overall productivity of the industry.

LABOR-MANAGEMENT RELATIONS IN THE STEEL INDUSTRY

Since 1983, as a result of its financial difficulties stemming from the 1982 recession and the increasing competition of foreign steel imports, the steel industry sought to renegotiate its contracts with the United Steelworkers of America (USW) to obtain reduced wages and other forms of compensation and changes in work rules.[24] In 1983, wage concessions were negotiated. In 1986, when contracts with all of the major integrated steel companies were to be renegotiated, concessions on both wages and operating procedures were sought and generally obtained by the various companies in their contract negotiations.

In a memorandum to congressional staff, the USW highlighted two elements, among others, of the union's bargaining approach in 1986: "linkage between productivity and participation-team production"; and "relationship between changes in work practices and contracting provisions."[25] The union recognized and was agreeable to negotiating provisions of its contracts with the several steel companies that would enhance productivity and, simultaneously, job security.

For example, the agreement with National Steel Corporation establishes at every level of operations Joint Labor/Management Cooperation Committees to discuss concerns of mutual interest to labor and management. These committees, which must meet at least once per quarter, may discuss business and investment plans of the company, manpower planning, marketing plans, technology and automation, and a wide variety of other matters.[26] A productivity gain-sharing program is established to provide for bonus payments based on productivity gains; the bonus, paid quarterly as a percentage of base earnings, could range from 1 percent to 17 percent.[27] In the event of changes in manning that could result in layoffs, employees would be placed in an employment security pool from which they would be assigned to other tasks for which they are qualified and at the wage rate of their last job.[28] The company agreed not to contract work out to other firms that employees were capable of performing; the contract provides a detailed set of criteria to evaluate the decision to contract out.[29]

The contract with Bethlehem Steel Corporation provides for a gain-sharing bonus plan tied to productivity. It reduces the number of job classifications to as few as eight depending on the plant. The contract attempts to strengthen the labor-management participation team process at each plant. Like the National Steel and other contracts, it establishes limits on contracting out of work that could be performed by employees.[30] The agreements with the other major integrated companies, while differing on details, have similar provisions.

Just how well these contracts are being implemented cannot be judged here. What is important is that the industry and its labor force have entered into agreements that offer the potential for flexibility and for improving the cost competitiveness of the industry.

CONCLUSIONS

The decade of the 1980s has been one of progress in enhancing productivity in the U.S. steel industry. The rapid adoption of state-of-the-art technology, the shedding of obsolete capacity, the increased use of electric furnace technology and, with it, the relative specialization of both integrated and non-integrated mills, and a commitment on behalf of labor and management to increased productivity and cost competitiveness have all combined to bring about this progress.

But the progress that has been made might not be sufficient. While much capacity has been shed, either more capacity has to be closed or demand for domestic steel substantially raised. While new technology has been installed, the ability to finance research, development, and deployment of future technologies remains a question mark. Note, for example, that domestic steelmakers, finding the domestic financial markets reluctant at best to invest in the steel industry except at high rates of return, turn to foreign sources of capital. Furthermore, while the 1986 labor contract negotiations may have created an environment of co-operation between the companies and their labor forces, the filing for reorganization under Chapter 11 of the bankruptcy code by LTV Corporation may cloud the new atmosphere of labor-management relations in the industry owing to the pension and health benefit issue. Finally, much of this progress has taken place when the pressure from imports was reduced owing to the President's steel program. If import restraints are lifted in 1989 when the President's program expires, it is quite possible that increased imports of foreign steel could result, creating still more uncertainty over the prospects for America's steel industry.

FOOTNOTES

[1] Acs, Zoltan J. The Changing Structure of the U.S. Economy: Lessons From The Steel Industry. New York, Praeger Publishers, 1984. p. 122.

[2] Barnett, Donald F., and Robert W. Crandall. Up From The Ashes: The Rise of the Steel Minimill in the United States. Washington, The Brookings Institution, 1986. p. 98. (Hereinafter cited as Barnett and Crandall, Up From The Ashes.)

[3] Ibid., p. 46.

[4] Ibid., p. 21.

[5] American Iron and Steel Institute. Statistical Highlights U.S. Iron and Steel Industry. Washington, 1987. 1 p.; and, American Iron and Steel Institute, by telephone, June 3, 1987.

[6] American Iron and Steel Institute. 1985 Annual Statistical Report. Washington, 1986. p. 71. Raw steel output is defined as the first solid shape of steel—ingots or semifinished shapes, such as slabs, blooms, or billets.

[7] DRI Steel Service. Forecast Summary 1987-89. Lexington, Data Resources, Inc., May 1987. p. 11.

[8] National Academy of Engineering and the National Research Council. The Competitive Status of the U.S. Steel Industry. Washington, National Academy Press, 1985. p. 156 f. (Hereinafter cited as NAE-NRC, Competitive Status of the Steel Industry.)

[9] Ibid.

[10] U.S. Library of Congress. Congressional Research Service. America's Steel Industry: Modernizing To Compete. Report No. 84-786 E, by David J. Cantor. Washington, 1984. p. 19 f.

[11] Ibid., p. 21.

[12] Ibid., p. 20.

[13] American Iron and Steel Institute. 1985 Annual Statistical Report. Washington, 1986; and, American Iron and Steel Institute. Pig Iron and Raw Steel Production. Final—1986. Washington, April 3, 1987. 1 p.

[14] American Iron and Steel Institute. Shutdowns of Steel Plants and Producing Facilities. Completed or Authorized 1971-1987. Washington, May 1, 1987. 19 p. (Hereinafter cited as AISI, Shutdowns of Steel Plants).

[15] Russell, Clifford, S., and Wiliam J. Vaughan, Steel Production: Processes, Products, and Residuals. Baltimore, Johns Hopkins University Press, 1976. p. 126.

[16] There are conditions when the use of open hearth furnaces may be cost effective. Unlike the basic oxygen furnace, open hearths can produce raw steel using a larger share of scrap metal in combination with pig iron; the scrap share could be 50 percent or greater, as compared with a scrap share of about 30 pecent in basic oxygen furnaces. Thus, when scrap prices are sufficiently depressed, the economics of raw steelmaking may justify the use of open hearths. This information was developed in a telephone conversation with Milton Deaner, President, American Iron and Steel Institute, June 3, 1987.

[17] AISI, Shutdowns of Steel Plants.

[18] American Iron and Steel Institute. Steel Mills to Reduce Production Capability Further in 1987. Steel News, Washington, January 15, 1987. p. 2; and, American Iron and Steel Institute, by telephone, June 3, 1987.

[19] Barnett and Crandall, Up From The Ashes, p. 91.

[20] American Iron and Steel Institute. Statistical Highlights. U.S. Iron and Steel Industry. Preliminary Edition. Washington, 1987, 1 p. (Hereinafter cited as AISI, Statistical Highlights.)

[21] Barnett and Crandall, Up From The Ashes, p. 8 f.

[22] We Feel Confident We Can Make High-Quality HR. 33 Metal Producing, v. 25, February 1987. p. 32.

[23] In Search of the Right Stuff. 33 Metal Producing, v. 25, February 1987. p. 37.

[24] U.S. Library of Congress. Congressional Research Service. Steel Industry Bargaining in 1986. Report No. 86-707 E, by Linda LeGrande and David J. Cantor. Washington, 1986. p. 4 f.

[25] United Steelworkers of America. Memorandum, dated August 6, 1986.

[26] United Steelworkers of America. Summary. Proposed Agreement. United Steelworkers of America and Natioanl Steel Corporation. Pittsburgh, 1986. p. 10.

[27] Ibid., p. 7.

[28] Ibid., p. 5.

[29] Ibid., p. 9.

[30] United Steelworkers of America. Summary Proposed Agreement. United Steelworkers of America and Bethlehem Steel Corporation. Pittsburgh, 1986. 20 p.●

INFORMED CONSENT: COLORADO

● Mr. HUMPHREY. Mr. President, today I would like to insert into the Record two letters from women who support my informed consent legislation, S. 272 and S. 273. Today's letters come from the State of Colorado.

I ask that these letters from women in Colorado be inserted in the Record.

The letters follow:

El Jebel, CO,
February 13, 1987.

Dear Senator Humphrey: I had an abortion when I was 21 and foolish enough to believe that my baby was not a person. I had no counseling, it wasn't even an issue! (1975)

Years later, I learned the truth, that I had killed that tiny baby. It took me over two years of spirit-wrenching grief to overcome my guilt and sadness. Only God's help got me out of that terrible place.

I have since had several miscarriages and a premature baby (we are paying off her $11,000 bill). Doctors claim the abortion didn't cause the abnormal pregnancies, but I wonder.

We need to tell these precious women what they are doing!

Sincerely,

A Colorado Woman.

—

Boulder, CO,
January 27, 1987.

Dear Senator: I have had two legal abortions through Planned Parenthood, both in Denver, Colorado, in the years 1977 and 1978. In both cases, I was "counselled" concerning the decision I was making. The first time, the counsellor made no mention whatever of the developing baby which was then eight or nine weeks old, nor of the possible complications which could follow the procedure. She did ask me about the circumstances of my marriage, and why I felt abortion was the answer for me. She asked me what alternatives I thought I had, but did not offer any alternative help or make suggestions. She discussed the procedure as if it was just like getting a tooth pulled.

The next abortion was with Planned Parenthood. I was questioned about my birth control methods, and asked if this was something I felt all right about in my conscience. I was asked if I had any concern that I might have a hard time with guilt feelings afterward. I knew what they wanted me to say, and I said it, because I had to get through their counsellor to get the abortion, and I felt an abortion was the only way out of my situation. So I told them that I really felt I was doing the right thing for my marriage and family, and therefore I wouldn't have undue guilt feelings later. When I asked about how developed my baby was, they used words which made me think it was just a very primitive, undeveloped mass which was undeserving of the term "human".

Two years later, after going through some very deep changes in my spiritual orientation toward life and God, I began to slowly awaken to the reality of what I had done, and what abortion really means. Seeing a picture of an eight to nine-week old developing child was extremely shocking and enlightening to me. I could not allow myself to feel the full impact of what it meant that I had killed these human children at first. It took years, many prayers, much soul-searching and love from those who know me to begin dealing with that pain and reality.

Then, life did not have much value to me, when I disregarded the value of my unborn children. My own life and self esteem were deeply wounded by what I had done. My relationships, too were stunted and damaged. I have needed much counselling, and now have a deep desire to help other women who have been through similar experiences.

So many times I have thought, "If I had only known—if only someone had told me about my unborn children—that they were so human then, with a beating heart and brain waves, and limbs and a face." But really, too, I needed to be fully informed of the repercussions in my personal life and relationships that could occur, and the regrets that could be know all there is to know about abortion. Ignorance spawns heartache and regret and pain.

Thank you for this opportunity,

Catherine Buchanan.●

PROGRAM

Mr. BYRD. Mr. President, let me reiterate, the Senate will come in at 9 o'clock tomorrow morning and at 9:30 tomorrow morning, the Senate will resume consideration of the pending business, House Joint Resolution 324, the joint resolution increasing the statutory debt limit. The pending question will be on the amendment that has been offered by Mr. Gramm, Mr. Chiles, Mr. Dole, and Mr. Domenici. I anticipate rollcall votes for tomorrow. I believe that there could be such a thing as a Saturday session, but I am not going to say that for a fact at this time.

I hope that all Senators will keep in mind the fact that this measure has to be passed by both Houses. It has been passed by the House. It has to be passed by the Senate. It will have to go to conference between the two Houses to resolve the differences. And then it has to come back to both

Houses. If, indeed, the House does not accept the amendments that presumably would be adopted here, it has to come back to both Houses and go to the President and be signed before we can go out for the August break. It is just that serious. So it may necessitate our being in session some long hours.

The Senate will be in on this Monday, for sure. So I would suggest to Senators that they not pack their bags as of yet.

RECESS UNTIL 9 A.M. TOMORROW

Mr. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order that has been entered, that the Senate stand in recess until 9 o'clock tomorrow morning.

The motion was agreed to; and, at 7:35 p.m., the Senate recessed until Friday, July 31, 1987, at 9 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 30, 1987:

DEPARTMENT OF COMMERCE

Charles E. Cobb, Jr., of Florida, to be an Assistant Secretary of Commerce.

NATIONAL INSTITUTE OF BUILDING SCIENCES

Arnold L. Steinberg, of California, to be a member of the Board of Directors of the National Institute of Building Sciences for a term expiring September 7, 1988.

FEDERAL HOME LOAN BANK BOARD

Roger F. Martin, of Wisconsin, to be a member of the Federal Home Loan Bank Board for the remainder of the term expiring June 30, 1989.

NATIONAL RAILROAD PASSENGER CORPORATION

Charles Luna, of Texas, to a member of the Board of Directors of the National Railroad Passenger Corporation for a term expiring April 27, 1990.

Darrell M. Trent, of Kansas, to be a member of the Board of Directors of the National Railroad Passenger Corporation for a term expiring April 27, 1990.

Robert D. Orr, of Indiana, to be a member of the Board of Directors of the National Railroad Passenger Corporation for a term expiring April 27, 1990.

DEPARTMENT OF STATE

Mark L. Edelman, of Missouri, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Cameroon.

W. Nathaniel Howell, of Virginia, a career member of the senior Foreign Service, class of counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the State of Kuwait.

Michael Gordon Wygant, of Massachusetts, a Foreign Service officer of class 1, to be the U.S. Representative to the Federated States of Micronesia.

Samuel Eldred Lupo, of California, a career member of the senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Guinea.

Robert G. Rich, Jr., of Florida, a career member of the senior Foreign Service, Class of minister-counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Belize.

Roscoe Seldon Suddarth, of Maryland, a career member of the senior Foreign Service, class of minister-counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Hashemite Kingdom of Jordan.

Theresa Anne Tull, of New Jersey, a career member of the senior Foreign Service, class of minister-counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Co-operative Republic of Guyana.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provision of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Charles D. Franklin, [redacted], U.S. Army.

FOREIGN SERVICE

Foreign Service nominations beginning James L. Blow, and ending Emilio F. Iodice, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on July 15, 1987.

EXTENSIONS OF REMARKS

GEORGE SOROS ON RETHINKING THE GLOBAL ECONOMY

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 30, 1987

Mr. LANTOS. Mr. Speaker, George Soros is Wall Street's most creative historian, intellectual, and financier. The August 13, 1987, issue of the New York Review of Books includes a tour de force by Mr. Soros of United States foreign economy policy since the end of World War II and an innovative proposal for future action. Mr. Speaker, I commend this important article to my colleagues.

A GLOBAL NEW DEAL

(By George Soros)

Since the Second World War, America has been the undisputed leader of the world economy. In military power, we had to share the first place with the Soviet Union because of our mutual ability to destroy each other; but in economic matters our hegemony was complete. The international trading and financial system reflected this fact. The dollar served as international currency and the economic policy of the United States set the course for the world economy. The United States did not fully live up to the obligations implicit in this arrangement because it did not restrict the supply of dollars sufficiently. In the 1960s U.S. corporations and other investors amassed assets abroad flooding the world with unwanted dollars. As a consequence the currency system established at Bretton Woods, which effectively tied both the value of gold and the value of other currencies to the dollar, broke down. The dollar was cut loose from the price of gold in 1971 and the fixed exchange rate system was abandoned in 1973.

After the first oil crisis, which also occurred in 1973, the commercial banks recycled the dollar surplus of OPEC countries by making loans to the oil-importing countries. Eventually, the process deteriorated into a binge of uncontrolled credit creation as the banks re-lent the deposits that their own borrowing had generated. The indebtedness of the less-developed countries reached unprecedented levels and the dollar declined in value.

After the second oil crisis, in 1979, inflationary pressures accelerated to such a degree that the Federal Reserve decided to call a halt by imposing a strict limit on the growth of the money supply. A sharp rise in interest rates precipitated a worldwide recession in 1980 and an international debt crisis in 1982.

Fortuitously President Reagan embarked on a huge rearmament program while cutting taxes at the same time. The resulting budget deficit saved the world economy from depression by providing a much-needed fiscal stimulus. In an ironic twist of fate the United States became, in effect, both the borrower and the spender of last resort.

The policy was highly successful in the short term. The domestic economy prospered and at the same time the US acquired a vast military arsenal. President Reagan could strike a strong military pose, which seemed to appeal to the electorate, especially since it provided a contrast to President Carter's vacillation. But, as in the case of every policy based on borrowing, there was a heavy price to be paid in the long run, which in this case has not been very long. Even before the end of President Reagan's second term, the painful aftereffects are beginning to make themselves felt. The federal government is running a large budget deficit and the economy is running a large trade deficit. Both deficits are covered by borrowing from abroad. The trade imbalance has played havoc with US manufacturing industry and the accumulating budget deficit has turned the US into a debtor nation.

Japan has emerged as the leading creditor nation in the world. Ever since they lost the Second World War, the Japanese have consumed less than they produced. For the first three decades, this surplus was used to build up Japanese industry to a point where it enjoys a comparative advantage over other nations in producing many products, and the world economy has difficulty in absorbing Japanese exports. Japanese industry has acquired a vast stock of modernized capital equipment, but Japan continues to run a savings surplus that is available for accumulating assets abroad. That is a winning formula for building economic power, and Japan is fast becoming the leading economic power in the world. Whether it has already overtaken the United States depends on the measure we use. If we look at the size of the domestic market. Japan has a long way to go; but if we look at the volume of exports or, even more to the point, the volume of overseas investment, Japan is clearly in the lead. Japan's net external assets rose by $50 billion during 1986 and reached $180 billion by the end of the year, breaking the previous world record of $150 billion set by the United States at the end of 1982.[1]

There have been other occasions when leadership has passed from one nation to another; the fact that Japan is so much smaller than the United States is not an insuperable obstacle. After all, England is even smaller than Japan and it was the undisputed leader of the world economy in the nineteenth century.

The transfer of leadership is usually a troubling and dislocating process. The most recent occurrence was during the interwar period, when England lost its preeminent position, causing turmoil first in currencies and eventually in international trade. But there has been no previous example of a transfer of economic power as rapid as the one now taking place. As a consequence, both the international financial system and international trade are under great strain. Having become overvalued during the heady days of Reagan's first term, the dollar has been declining since 1985, and its decline has been increasingly difficult to arrest.

The trade deficit shows only small signs of improvement, and protectionist pressures are strong. The willingness of foreign investors to buy our debt has been eroding and, as a result, interest rates have started to rise, posing the prospect of a recession and the specter of wholesale default by less-developed countries. Brazil has already declared a moratorium on debt repayment. Although it recently embarked on an austerity program, Brazil will not be able to resume payments if export markets shrink and interest rates rise. The morning after, President Reagan's borrowing binge looks very bleak indeed.

What is to be done? Protectionism through tariffs, quotas, and other barriers to the entry of foreign products is the counsel of despair. We have seen the consequences of the Hawley-Smoot Tariff Act of 1930, which provoked retaliatory tariffs in foreign countries and caused US trade to suffer a sharp decline. The proponents of protectionism can argue that the current imbalance is too great to allow our trading partners to retaliate effectively against US exports, and they have a point. But retaliation would take the form of a refusal to lend, and we have become far too dependent on foreign capital to allow that to happen. The imposition by the US of countervailing duties on $300 million worth of Japanese electronic goods on April 17, 1987, precipitated an eighty-point drop in the Dow Jones averages the next morning. This is a foretaste of what would be in store if serious protectionist measures were imposed by the US.

Protectionism is the counsel of despair in another sense as well. A reduction in international trade would result in a reduction in living standards throughout the world. It would also acknowledge our failure as the leading economic power in the world. Britain introduced the principle of "Imperial preference," conferring trade advantage on imports from its overseas territories, in 1904. That was the precise moment when Britain lost its hegemony: ironically, it was also the beginning of the end of the British Empire. We ought to be able to do better. Unfortunately, protectionism appeals to certain elemental instincts, whereas a constructive policy is bound to be hard to grasp because the problems confronting us are complex.

To put matters in the simplest possible terms, the United States consumes more than it produces and Japan produces more than it consumes. Hence the imbalance in both trade and payments. To be sure, the imbalances need not be eliminated. The international economic system is flexible enough to accommodate capital flows and the transfer of economic power. What creates problems is the vehemence of the change and the rapidity of the transition. The question we must raise is why we are allowing our economic position to deteriorate at an unprecedented rate. The answer is painfully clear: we have been abandoning our economic superiority in order to achieve military superiority. We have been borrowing abroad to finance rearmament. The current account of the US, which reflects the

---

[1] From *Comments on Credit*, a weekly commentary issued by Salomon Brothers, May 29, 1987.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

balance of trade, declined by $155 billion between 1980 and 1986, while the defense budget rose by $138 billion between the same years.

This policy is very shortsighted. Many empires have maintained their military superiority by exacting tributes; but no great power has managed to maintain its position by borrowing from its allies. As our economic position deteriorates, we shall have to reduce our military expenditures, whether we like it or not. As Japan becomes stronger, it will have to increase its military expenditures, whether we like it or not. The sooner we confront that issue, the better. One way or another, we must eliminate or drastically reduce the budget deficit now, not at some distant date. And we must consider carefully what part the military budget ought to play in that reduction.

Our military plans were designed to protect the free world from the ever-looming and worldwide threat of communism. This policy is wholly outdated; communism no longer presents a worldwide threat. Communism as an international ideology has lost much of its appeal. It survives largely in the virulent anticommunism it has spawned in our own country, and in a few aberrant strains such as the Sandinistas in Nicaragua and the Sendero Luminoso in Peru. China today is more friendly with the United States than with the Soviet Union. Both Vietnam and Cuba face the prospect of a cutback in Soviet aid. The Soviet Union itself is in an acute economic crisis caused by the rigidity of its political system and exacerbated by the priority it places on military spending. In some respects, the two military superpowers suffer from the same economic disease, namely military overspending, although in the case of the Soviet Union the disease is incomparably more debilitating because its economy is so much weaker.

The United States and the Soviet Union are able to destroy each other. Consequently, arms reduction must also be mutual and the military balance must be maintained. Fortunately, Gorbachev seems to want to move in this direction. If both countries could reduce their military spending simultaneously and proportionately, both countries would be better off and the world become a much safer place to live in.

What would happen to the world economy, and to our own, if we managed to sharply reduce our military budget? Other sources of demand would have to take its place. Where are they to be found? In the United States higher exports and lower imports would go part of the way to compensate for reduced military spending; and industrial investment may eventually revive, encouraged by the combination of lower interest rates and greater demand for domestic products. But the US could no longer serve as the locomotive for the world economy as it has since 1982.

As for Europe, if the missile treaties currently under consideration are successfully concluded, the European nations would have to increase their expenditures for conventional armaments. Alternatively, Gorbachev may offer to reduce the military strength of the Warsaw pact countries in exchange for increased trade and credit. Either way, the European economy would be stimulated.

The outlook for Japan is much more clouded. The government has announced a variety of supplemental spending measures for stimulating domestic demand but they do not seem to have much effect. The key question is housing. Living conditions in Japan are extremely poor and wholly inappropriate to the wealth that the country has amassed. The reason is to be found in the price of land, which is rising much faster than earnings. A Japanese family must therefore save an increasing proportion of its income in order to put a down payment on a house or apartment. That is why the savings rate is so high.

The first task of Japanese economic policy ought therefore to be to create additional living space. This could be done, first, by reducing or abandoning the subsidies and tariffs that protect Japanese agriculture and converting some of the agricultural land to other uses; and, second, by removing the sunshine laws and other restrictions that prevent the construction of high-rise buildings in urban areas.

The protection of farmers is as deeply ingrained in the Japanese political system as it is in our own. To abandon that protection would mean sacrificing Japan's self-sufficiency and allowing Japan to become dependent for agricultural commodities on the vagaries of the world economy. The choice is a difficult one for the Japanese. If Japan wants to become the leading economic power in the world, it must abandon agricultural protection just as, in 1846, England repealed the Corn Laws, prohibiting imports of grain. If it is unwilling to do so, what right has it to expect the rest of the world to keep its markets open to Japanese imports?

If Japan made more living space available to its citizens, consumption would greatly increase. Not only would there be a construction boom, but purchases of other consumer goods would pick up as well. Both Japan's savings surplus and its trade surplus would decline. In the US, a reduction in the budget deficit would move both the savings rate and the trade balance in the opposite direction. As a consequence, the imbalance between the two countries in both trade and capital flows would be greatly reduced.

We are in a strong position to press such a case on the Japanese. We are still the largest market for Japanese exports, and we provide Japan with military protection. Moreover, the policies I have outlined would, I believe, hold considerable appeal for the Japanese voters (apart from Japanese farmers), if their leaders were willing to present them. Such a shift in policy would not preclude Japan from becoming the leading economic power in the world; it would only slow down the process to a more tolerable pace.

The rise of Japan need not be accompanied by the decline of the United States. We could have an international economic system based on not one but three economic superpowers: the United States, Japan, and Europe (especially if the United Kingdom were to join the European Monetary System). For such a new system to function, however, the US would have to negotiate far-reaching reforms. Our present system has been based on the dollar as the international currency. This is quite inappropriate to changing circumstances. We need to develop a genuine multicurrency system; and to make it work, we need a genuine international central bank.

Such an institution could play a central role in resolving the debt problem of the developing world. Latin America, in particular, is badly in need of an imaginative scheme like the Marshall Plan; but the United States on its own can no longer afford a scheme of this kind. Relief has to be international and Japan has to have a prominent part in it. It should be handled by an international agency; otherwise Japan would gain a degree of influence in Latin America that the US and the European nations would not accept.

The details of a debt-relief scheme are highly complex and technical. Here I can only sketch the broad outlines. The outstanding debt would be converted to obligations issued and guaranteed by the international central bank. This would let the commercial banks off the hook and they would be required to pay for such relief by accepting an interest rate below the one prevailing in the market; or even better, they would accept a reduction in the face value of their loans. The discount in value would vary according to the creditworthiness of the debtor country in question—there is a fledgling market in third-world debt that could serve as a guide. For instance, Mexican debt can now be acquired at a discount of about 43 percent and Brazilian debt at a discount of 41 percent. Banks have begun to set up reserve against potential losses on third-world debt. At present, they amount to about 25 percent of the outstanding debt. A doubling of these reserves ought to be more than sufficient to convert the currently outstanding bank debt into obligations of the international central bank. Commercial banks would no longer be required to provide loans to less-developed countries. That task would be taken over by the newly formed institution. Commercial banks may hold the obligations of that institution just as they hold government obligations—and both kinds of obligations would rank equally in calculating the banks' reserves.

The international central bank would provide credit to sovereign countries on a continuing basis. That is to say, it would refinance the debt rather than insist on repayment, just as the national debt of the industrial countries is continually refinanced. At the same time, the present anomaly, that developing countries cannot refinance their debt, would be eliminated and Latin America would open up again as an export market. With the debt problem on the way to being resolved, private investment could also be expected to pick up again, but it would take the form of buying the shares and bonds of selected foreign enterprises rather than providing bank loans. As the main source of credit, the international central bank would be in a position to ensure that the developing countries do not once again acquire excessive debts. If foreign profit investment rose, or domestic budget deficits got out of hand, the central bank could cut back its lending.

The capital of the international central bank would be underwritten by the major industrial nations. The size of their financial commitments would be determined partly by the respective voting rights they would negotiate when they set up a central bank and partly by their trade balances. Thus, so long as the trade imbalance between the US and Japan persists, Japan would contribute more and the US less than their respective voting rights. The present allocation of voting rights in the World Bank could serve as a starting point for negotiations; but the United States can no longer expect to retain the blocking minority rights that it currently holds in the World Bank.

The institutions of the Bretton Woods system—the World Bank and the International Monetary Fund—fell short of a genuine international central bank. Strange as it may seem in retrospect, the Bretton Woods system did not envisage large-scale international capital movements and it broke down when they occurred. The free movement of vast sums among the world's capital markets is now a fact of life and a return to fixed exchange rates has become desirable because currency fluctuations are disrupting the world economy. Speculative transactions far outweigh in importance the balance of trade in determining exchange rates; and trends in exchange rates tend to become exacerbated by speculation. As a consequence, fluctuations in exchange rates are carried to extremes, investment in fixed assets is discouraged, and "hot money" accumulates.[2]

An international central bank that engages in continuous large-scale borrowing operations would make a system of fixed exchange rates possible. The bank's obligations would be issued in a new international unit of account—similar to the European ECU—which would link the major currencies of the world together and allow them to fluctuate only within a narrow band. Moreover, the new institution would be able to control the worldwide money supply through its borrowing operations, much as national central banks do at present.

With the Plaza Agreement of September 22, 1985, the monetary authorities of the leading nations abandoned the system of freely floating currencies, but they have not been able to develop a better system in its place. Clearly the creation of an international central bank would infringe on the sovereignty of every nation. In all probability, only a financial crisis would induce the nations of the world to sacrifice part of their sovereign rights. History shows that every step in the development of central banking as an institution has been preceded by a crisis.

It would require an act of strong leadership to short-circuit the process. Fortunately, the United States is still in a position to provide such leadership. The US has been the linchpin of the financial system ever since the end of the Second World War. By sponsoring an international central bank it could consolidate its position at a time when it seems destined to lose it.

HENRY KISSINGER: AMERICA, THE CONTRAS AND FOREIGN POLICY

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 30, 1987

Mr. MICHEL. Mr. Speaker, when the history of this decade is written, no chapter will be more strange than the one telling of American policy toward Nicaragua. Perhaps never before in our history, not even in Vietnam, has there been such confusion as to goals, motives, methods, and the character of public debate. If it were merely a battle between two branches of the Government, the debate over Central American policy might be better understood. But we have a unique situation: A Republican conservative President, a House dominated by liberal Democrats, a Senate that once had a slight Republican majority and now with a slightly larger Democratic majority.

Add to this the public confusion as to the nature and the goals of the Communist Sandinistas in Nicaragua—some polls show that as many Americans believe the Sandinistas are right-wing dictators as those that believe they are Communists, and the rest are not sure—and we have a formula for foreign policy stalemate, rhetorical overkill on both sides and a total collapse of rational debate on the issues.

We have come a long way since the argument could be made—with a straight face—that the Sandinistas are not Communists, but merely beleaguered nationalists who want only to educate children and cure illness. No one who understands the situation any longer believes that myth, which we heard so often when this debate started.

But now that we have all but universal agreement in Congress—except among the more exotic elements on the left—as to the nature of the regime in Managua, what are we going to do about it?

Given the realities of history and the facts of the current situation, we cannot seriously expect a disciplined, fervent band of self-avowed believers in the Leninist theory of a "vanguard" political party to give up power just for the sake of what they perceive as "bourgeois" reform and hypocritical liberal democracy. If this is the case—and I know of no argument that has been made that could convince any informed person to the contrary—we have to support the democratic resistance in Nicaragua. And we have to support it adequately, consistently and openly.

This isn't a right-wing or conservative view—it is the reality of the situation, transcending any ideological preconceptions. The existence of a Communist-dominated military power in Central America is wholly unacceptable to the United States and to the democracies of Central America.

Where do we go from here? Henry Kissinger, former Secretary of State, has addressed that question in an article in the Washington Post. In his typically lucid and forceful style, he lays out the policy options and calls for a return to sanity and genuine understanding between the branches.

At this point I wish to insert in the RECORD, "America's Contra Muddle" by Henry Kissinger, the Washington Post, Tuesday, July 28, 1987.

AMERICA'S CONTRA MUDDLE

(By Henry Kissinger)

As the Iran-contra hearings alternate between mind-numbing detail and star performances, the central issue of the balance between the executive branch and Congress is in danger of being neglected.

The conventional wisdom that modern-day presidents and their agents in the executive branch have a tendency to break laws is too simple and too self-denigrating. The overwhelming majority of public officials endure the pressures and harassments of official life because they want to make a contribution to a better world.

The real issue is not whether officials are entitled to substitute their judgment for that of Congress—not even the most zealous White House staffer would claim that—but whether our system of checks and balances is moving excessively toward the former with ever less concern for balance between the coequal branches of government. Nearly insoluable constitutional and personal dilemmas arise when each branch of the government acts on the premise that the other is producing disaster and must be thwarted at all costs.

There were serious errors of judgment in the Iran-contra affairs, ranging from the decision to ransom hostages with arms to the arming of a country whose victory would imperil the interests of the industrial democracies, to pursuing covert policies totally contradictory to publicly stated positions. But these do not amount to a crisis of institutions.

These arise when each branch of government pushes its prerogatives to the limit, destroying the self-restraint without which the system cannot work. The conduct and funding of contra operations clearly fall into this category.

On the formal level the case is obvious. The executive branch cannot be allowed—on any claim of national security—to circumvent the congressional prerogative over appropriations by raising its own funds through the sale of government property. But equally, Congress has an obligation to put forward a clear-cut expression of what it desires. And both branches must seek to settle controversial issues not by legalisms and subterfuges but by a serious national debate setting forth premises, opportunities and risks. This is emphatically not what has happened.

The administration is of the view—which I share—that Sandinista rule in its current form is a long-term threat to the stability of Central America and hence to the security of the United States. It has therefore sought to bring pressure on the Sandinista regime, either to induce it to become more democratic or, failing that, to overthrow it (though that latter objective has never been made explicit). The administration considers the contras a key element of a new political structure in Nicaragua.

The reaction of Congress has ben ambivalent. The Vietnam-born reluctance to be drawn into a conflict in Nicaragua has been matched by a hesitation to assume the blame for a collapse of the Nicaraguan anti-communist resistance.

The result has been a series of compromises, which is the way Congress decides on legislation. This process in foreign policy tends to combine the disadvantages of all policy choices. Thus the impression created by the Iran-contra hearings that the administration violated a clear-cut congressional mandate is misleading, for the mandate has been anything but clear-cut.

There have been at least six different versions of legislation affecting contra aid, each of them authorizing support for the contras but encumbering that aid with restrictions that varied from year to year and that largely contradicted congressional consent to the principle of support for the Nicaraguan resistance.

From Dec. 21, 1982, to Dec. 7, 1983, there was a prohibition against using funds to "overthrow" the Nicaraguan government; by implication other contra activities were permitted if not encouraged, and the term "overthrow" was never defined.

From Dec. 8, 1983, to Oct. 3, 1984, there was a ceiling of $24 million on intelligence support for military or paramilitary activity inside Nicaragua, thus blessing as well as financing these enterprises.

From Oct. 3, 1984, to Dec. 19, 1985, Congress reversed course and prohibited military or paramilitary support. Indeed for nine months no new funds were provided for any purpose, though existing funds could continue to be expended. After Aug. 15, 1985, humanitarian aid to the contras was reinstated to the extent of $27 million.

---

[2] See George Soros, *The Alchemy of Finance*, Chapter 3 (Simon and Schuster, 1987).

From Dec. 19, 1985, to October 1986, intelligence support was again permitted, though it was limited to advice and to communications equipment. At the same time the State Department was authorized to solicit humanitarian assistance from third countries.

On Oct. 13, 1986, Congress appropriated $100 million in humanitarian and military assistance after a 10-week hiatius while a meeting to reconcile technical differences between the versions of the two houses was stalled by opponents of contra aid.

What message was Congress seeking to send? What was the rationale for approving assistance to the contras but constantly changing the amounts and the conditions for using them? What rationale underlay the amounts approved? And how was the administration to interpret a congressional intent that changed so often? Did Congress approve the contras, leaving only the scale of support at issue? Or was Congress seeking to destroy the Nicaraguan resistance while being unwilling to assume responsibility?

Clearly Congress provided neither continuity nor criteria to which even the most scrupulous administration could orient itself. And all the while the contras in the field, not governed by congressional cycles, were in danger of collapsing before a new congressional appropriation could be passed. Of such stuff are institutional crises made.

This in no way seeks to justify the specific measure the Reagan administration took to deal with its very real dilemma of how to keep the contras alive from congressional cycle to congressional cycle. Neither self-financing nor lies to Congress can be excused. Nor were the administration requests to Congress free of disingenuousness. For example, were the sums requested by the executive branch based on an achievable strategy, or did they reflect a judgment of what the traffic would bear? Be that as it may, to focus exclusively on administration transgressions is one-sided and misleading; congressional incoherence and ambivalence require comparable attention.

The fundamental mistake made by the Reagan administration was to seek to achieve by indirection what it should have faced head on. It should have bent every effort to bring about a national debate on the choices before the country with regard to Nicaragua and to force a congressional vote on the minimum means required to achieve its view of national objectives.

There were at least three choices:

To coexist with the Sandinista regime unless it introduced high-performance Soviet military equipment into Nicaragua.

To bring pressure on Nicaragua to return to the inter-American system by expelling foreign—especially Cuban—advisers and reducing its military forces to traditional Central American levels in return for the United States' not challenging the Sandinista political structure.

To overthrow the Sandinista regime or at a minimum (and improbably) to change its character so that the Sandinistas became one political party in an essentially pluralistic process in which the contras also participate.

The only option achievable without military pressure—contra or United States—is the acceptance of the Sandinista regime without any conditions other than the exclusion of Soviet high-performance military equipment. The overthrow of the Sandinistas, on the other hand—the third option—would almost certainly require U.S. troops.

The irony of the American political process is that each of the two coequal branches of the government chose an option at the opposite end of the spectrum, but supplied means inconsistent with its preferences. A large militant minority in Congress pursued the illusion that diplomacy was an alternative to pressure. But while it is possible to debate the nature of the pressure, and of reasonable objectives, diplomatic success pressupposes a balance of penalties and incentives. In the end, a hesitant majority recognized this reality and voted reluctantly for some contra aid, though never enough for even minimum objectives. This institutionalized ambivalence.

On the other hand, the administration's real objective has been the overthrow of the Sandinista political structure. This is unachievable by the means it has requested, which at best are enough for the second option: the expulsion of foreign advisers and reduction of Nicaraguan military forces. This institutionalized stalemate.

I make these criticisms with considerable sympathy and diffidence, for the administration in which I served reacted with similar ambivalence to comparable congressional challenges. In retrospect the Nixon administration's crucial mistake over the war in Vietnam (which it inherited) was not to insist on an up-or-down vote regarding its judgment on how to conclude the war. This would have required Congress to assume responsibility for its actions, would have avoided prolonged national anguish and would have brought a clear-cut resolution one way or the other. The Reagan administration will face the same endless controversy, and I fear the same unfortunate outcome, if it continues to finesse a national debate over Nicaragua.

Restoration of a sense of direction in foreign policy requires an end to hypocrisy and sanctimony. The administation must either ask for resources consistent with its objectives or reduce its objectives to attainable resources. Congress must stop carrying water on both shoulders, approving the principle of contra aid but salving its conscience by restrictions that doom it. It is, as well, time to stop the self-righteous claims that secrecy is in itself evil, especially in covert operations. What makes an operation covert is that parts of the government and Congress are excluded from full disclosure. It is imperative to debate the nature of the group that must be privy to information; it definitely must include some element from Congress. But in a world where the lines between domestic and foreign policy are eroding, the United States cannot be the only major country without a covert capability.

The United States urgently needs three things: 1) a compact between the executive and legislative branches defining the proper role for each with some precision; 2) a reassessment of how to conduct covert operations, and 3) a long-term program for Central America.

A vital democracy must be able to set realizable goals, and that must begin with mutual respect between branches of the government based on the conviction that serious people are dealing seriously with each other for the good of this country.

INSURING THAT VICTIMS OF A NUCLEAR ACCIDENT RECEIVE FULL COMPENSATION

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 30, 1987

Mr. AuCOIN. Mr. Speaker, today the House of Representatives is considering legislation reauthorizing the Price-Anderson Act. Originally enacted in 1957 to temporarily encourage the growth of the nuclear power industry, Price-Anderson states that if there is ever an accident at a nuclear powerplant, all utilities with commercial reactors would contribute $5 million to a fund to compensate the victims of that accident. Under this scheme, the total amount of compensation provided to the victims of a nuclear accident would be approximately $700 million.

The bill before the House today raises the liability cap to $7 billion. In the event of a nuclear reactor accident, each utility in the country would begin to pay approximately $10 million a year for approximately 7 years to cover victim compensation costs. But not one dime would be paid into a compensation fund unless and until an accident actually occurred.

Although this bill is a significant improvement over the current law, I believe that any cap is too arbitrary. Where do you draw the line on liability? What makes $7 billion the magic number?

Our policy should be that all victims will be adequately compensated for their injuries, and even the best estimates tell us that in the tragic event of a nuclear accident the costs will far exceed $7 billion. So I support the Eckart amendment to this legislation, which would provide unlimited compensation for victims of a nuclear accident. Under this plan, utilities would pay approximately $10 million a year for as long as it takes to compensate every person who is harmed in an accident.

Mr. Speaker, several months ago I visited the site of the Chernobyl nuclear powerplant accident in the Soviet Union. It is not a pretty site. My observations of the site and the surrounding area and my conversations with the Soviet officials convinced me that the damage wrought by a nuclear accident would be much higher than $7 billion.

My observations at Chernobyl are confirmed by several reports. For example, the 1975 reactor safety study estimated that the worst-case accident consequences could be 3,300 early deaths and $14 billion in property damage. A June 1987 report by the General Accounting Office found that damages from an accident, under average weather conditions, could reach $15 billion. And a Federal Insurance Administration study estimates that a more severe accident at the Three Mile Island site could have caused $17 billion in property damage alone.

Under current law, and under the proposed bill, it's clear that, in the event of the unthinkable, some survivors of a nuclear accident will not be compensated for damage done to their property and person. And who is going to choose who the winners and losers are in such a situation? How are we going to explain giving a check to a person on one side of the street and a "sorry, but we've run out of money" to their neighbor?

The American system of tort law is based on the premise that a person should be made whole when injured by another party. When someone departs from the reasonable person standard, the victim should be able to seek compensation for that behavior. And the threat of being held liable for these actions provides a deterrent to engage in irresponsible behavior.

But a cap on the liability of the nuclear power industry does not provide an incentive for the industry to perform in the safest way possible. For years, we've been told by supporters of the nuclear power industry that it is a safe industry, that everything is under control. If that is the case, then the industry should not fear unlimited liability. The bottom line here is accountability and safety. That's why I support the Eckart amendment, which would require that all utilities contribute $10 million a year until such time as all victims are compensated after an accident.

In addition to the issue of unlimited liability, another issue of concern to me is the accountability of contractors employed by the Department of Energy.

Under current law, contractors at DOE nuclear facilities—like the Hanford Nuclear Reservation—are not required to buy nuclear liability insurance and they are not accountable to members of the public injured in an accident. In other words, DOE contractors at Hanford are totally shielded from liability, even if the contractor has engaged in willful misconduct.

I support the Wyden/Sharp/Synar amendment to this bill that would close this egregious loophole. This amendment would essentially hold contractors liable for damages in cases where injuries were caused by gross negligence or willful misconduct by corporate management. Without this amendment, a blanket exemption from liability removes any safety incentive created by the tort system. And to the extent that liability is absent, the contractor does not have any financial interest in ensuring that a product is designed and made with the safety of the user in mind.

Oregonians who live in the shadow of the Hanford Nuclear Reservation in Washington have a particular interest in encouraging safety in nuclear powerplants.

That's because they have been put at risk by poorly maintained, technically outdated facilities at the reservation and several components of the Hanford complex have, in fact, been shut down. But that's a result more of public pressure, rather than concern by the contractors over safety of the operation. Clearly, contractors should be held responsible for ensuring the safety of the operations conducted for the Department of Energy.

Last year, Congressman NORM DICKS, Senator MARK HATFIELD, and I won a $20 million increase in appropriations for defense waste management at the Hanford Reservation. This year, Congressman DICKS and I have won approval of a similar increase for the Energy Department's 1988 operations.

But if DOE contractors were subject to potential liability, we probably would not have 1,000 hazardous waste hot spots on the Hanford Reservation today. There might not be millions of gallons of mixed radioactive wastes sitting in 149 single-shell steel tanks, several dozen of which are leaking extraordinarily dangerous material. And, it might not have had to take several independent analyses and substantial congressional and public pressure to put the N-Reactor into an extended shutdown mode.

Once again, the issue is accountability and safety.

This amendment will restore the incentive for DOE contractors to perform in the safest manner possible. For me, that's the bottom line.

COMPETITION CHALLENGES ODYSSEY OF MIND STUDENTS

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 30, 1987

Mr. FLORIO. Mr. Speaker, earlier this year, the Odyssey of the Mind Finals were held on the campus of Central Michigan University in Mount Pleasant, MI. This year marked the eighth time that the competitions of creativity and problem-solving have been sponsored by the Odyssey of the Mind Association, Inc. of Glassboro, NJ.

I would like to take this opportunity to commend the team members from my home State of New Jersey who participated in the finals and came up winners for both their determination and their achievement.

Garnering a first place prize in the Division II Chain Reaction competition, the Pitman Middle School roster was as follows: Jennifer Abbott, Matt Danadio, Andrew Levan, Laura Williams, Susan Bartelt, Christopher Genter, and Jon Mollenhauer, and their coach, Brian Farr.

In the Division I Cro-Magnon puzzle, the Sparta Elementary Enrichment Teams, consisting of Scott Thomas Illingsworth, Jessica McIntyre, Jesse Damon Wilbur, Alysha Merideth Myronuk, Allyson Jane Bainbridge, Lisa Hamer, and their coach, Elaine Pace, won second place.

Also winning second place in the Division II Poetic License competition was the Sayreville Middle School with Keith Barrack, Dana Bialow, Lori Brower, Carrie Czernikowski, Kristin Mioduszewski, Portia Resnick, Jennifer Statelman, and their coach, Gina Herdegen comprising the winning team.

Ramsey High School also came up in the winning tradition with third place in the Division III Chain Reaction contest at the finals. That team includes Bobby Chin, Joseph DelRio, Craig De Young, Gary De Young, James Hoppin, David Suzuki, Karen Suzuki, and their sponsor and coach, Barbara Hoppin.

There were many other students participating in the competition from throughout the State of New Jersey. Their determination to put their skills and their knowledge to work in the challenging contest is a victory for them, their parents, and their teachers.

The Odyssey of the Mind is no mere puzzle. Rather, it is a series of challenges that students working as teams try to solve within time and cost limits. Left to their creative devices, students from across the Nation compete.

Their novel and creative approaches to problem-solving demonstrate time and time again that, when equipped with the educational tools, students can tackle tough, mind-boggling problems in innovative ways.

I commend these students and the many other students from New Jersey and from schools all over the Nation and the North American continent for making the effort in this competition.

Praise is also due to the organizers and sponsors, the Odyssey of the Mind Association, Inc., as well as the coaches who gave their best to their students in this contest.

In the competition to make education work on a practical level, these students have succeeded.

TAIWAN: MOVING CLOSER TO FULL DEMOCRACY

HON. MIKE ESPY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 30, 1987

Mr. ESPY. Mr. Speaker, as the whole world focused its attention on the dramatic developments toward democratization in South Korea, in recent days and weeks, even greater movements toward a full democracy were taking place in the Republic of China on Taiwan.

On July 15, 1987, Taiwan ended 38 years of martial law and enacted a new National Security Law. From my discussions with Prof. Nathan Mao of Shippensburg University, an authority on Taiwan affairs, and members of Taiwan Ambassador Fredrick F. Chien's staff, I understand that the new security law restores the rights of assembly and association of the people, and even more importantly, the law specifies that citizens are to be tried in civilian instead of military courts.

In a recent article, J. Terry Emerson explains that the 10-article security law compares favorably with U.S. statutes governing immigration, coastal defense, and restricted zones and that the passage of the security law is a clear indication of Taiwan's determination to become a fully democratic country.

Indeed, no movement toward democratic reforms would have been possible without the determined efforts of President Chiang Ching-kuo. It was President Chiang who convinced the conservatives within the ruling Kuomintang that the martial law, first imposed in 1949, had served its purpose in bringing about Taiwan's economic success and that the time had come for the country to move toward constitutional democracy.

In fact, in last fall's election, Taiwan's first opposition party, the Democratic Progressive Party, with the blessing of the Kuomintang, elected its own members to the national legislature and has been functioning as the major opposition party ever since.

Not only was President Chiang committed to see the formation of the new political party, he was equally determined to end martial law and pass the new security law. On June 24, he commented that the law's passage "was the first step toward promoting democratic politics in the Republic of China. Promoting democratic politics must be done step by step within the framework of the laws of society. We have a lot of things to do, and I hope that everybody can abandon their differences and unite to overcome all hardships and problems and bring the ROC into a new era."

A step-by-step approach is what I would like to see taking place in Taiwan. Despite its booming economy, Taiwan still faces an hostile neighbor across the Taiwan Straits. Mainland China has not abandoned the threat of using force to overtake Taiwan. National security and social stability must therefore be first among considerations as Taiwan moves toward constitutional democracy.

Such a movement requires the cooperation of everyone, and full cooperation, especially from members of the Democratic Progressive Party.

Mr. Speaker, like my friends and colleagues in Congress, I applaud the recent political developments in Taiwan. In the words of Ambassador Fredrick Chien:

> The passage of the new Security Law is an historic event for the Chinese people. It was a triumph for the people and the government. It meant that the Chinese people on Taiwan will soon be enjoying freedoms and rights common to all Western democracies. In incorporating the spirit of the United States Constitution, the new Security Law will serve the Chinese people well, as the American people have been so ably served by its Constitution for the last two hundred years.

In closing Mr. Speaker, I wish the Chinese people on Taiwan, President Chiang Ching-kuo and Vice President Lee Teng-hui of the Republic of China the best of luck as they embark upon their "new era of democracy."

CONGRESSMAN BARTON'S 1987 ANNUAL QUESTIONNAIRE

HON. JOE BARTON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 30, 1987

Mr. BARTON of Texas. Mr. Speaker, earlier this year I mailed out my 3d annual Sixth District questionnaire. As of today more than 11,000 Sixth District residents have returned their completed surveys. This year's survey clearly proves that the residents of the Sixth Congressional District have strong opinions on issues before the 100th Congress. The information from the completed surveys has been, and will continue to be extremely valuable in assisting me in forming my positions on many bills before the Congress. At this point, I would like to insert the final results of my 1987 questionnaire for the information of our colleagues.

QUESTIONNAIRE RESULTS

	Percent
1. President Reagan recently announced his support for the Superconducting Super Collider (SSC). This major facility will put the U.S. at the forefront of basic scientific research and create jobs. The cost of the SSC is estimated to be $4–6 billion. Do you support this project?	
Yes	82
No	15
No response	3
2. A.I.D.S. is a very serious, communicable disease with no known cure. Should the same public health standards, policies, and procedures be applied to A.I.D.S. as are applied to other deadly communicable diseases?	
Yes	90
No	9
No response	1
3. Many nations place high tariffs and restrictive import regulations on American products. Do you favor establishing equal tariffs and regulations, on a nation by nation basis, for foreign imports to the U.S., even if this action causes higher prices for imported goods?	
Yes	79
No	19
No response	2
4. Do you support an import fee on all crude oil shipped into the United States?	
Yes	62
No	36
No response	2
5. The goal of the Strategic Defense Initiative (SDI or "Star Wars") is to develop a non-nuclear missile defense system that destroys attacking enemy missiles before they reach our nation. If proven feasible, should we begin to deploy this missile defense system?	
Yes	82
No	15
No response	3
6. The line-item veto would allow the President to veto specific parts of spending bills without vetoing the entire bill. Do you favor giving the President this authority to control spending?	
Yes	77
No	22
No response	1
7. Last year the Supreme Court overturned the automatic enforcement provision of the Gramm-Rudman deficit reduction bill. Subsequently, the Congress did not meet the Gramm-Rudman deficit target. Is it important to amend the Gramm-Rudman law so that the annual deficit target must be met?	
Yes	79
No	16
No response	5
8. Should Congress raise the national minimum-wage, currently set at $3.35 per hour, even if this results in higher unemployment?	
Yes	23
No	76
No response	1
9. President Reagan recently vetoed the Clean Water Bill and the Highway Reauthorization Bill because he felt they contained too much wasteful spending. I supported both presidential vetoes. Should President Reagan continue to veto spending bills that exceed budget targets?	
Yes	85
No	11
No response	4
10. Soviet spying devices have been discovered in the New U.S. Embassy in Moscow. What should be done about this? (a) debug and refurbish if possible; (b) reclaim the new Soviet-Washington Embassy, return the new American-Moscow Embassy and start over; (c) demolish the new Moscow embassy and rebuild on the same site.	
A	36
B	48
C	11
No response	5
11. What is the best way to provide catastrophic health coverage for senior citizens? (a) through existing federal government programs such as Medicare; (b) by establishing private sector incentives such as tax credits and/or special savings plans like I.R.A.'s; (c) combination of both "a" and "b".	
A	30
B	17
C	48
No response	5
12. If the Federal Government is the provider of catastrophic health care for senior citizens, which method do you most support to pay for such coverage? (a) premium increase in Medicare (Bowen Plan); (b) tax benefit recipients (Stark-Gradison Plan); (c) general tax increase (Pepper Plan).	
A	33
B	23
C	31
No response	13

A TRIBUTE TO MALCOLM BALDRIGE

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 30, 1987

Mr. LEWIS of California. Mr. Speaker, we were all shocked by the tragic death of Malcolm Baldrige on July 25, 1987. Last evening in her commentary, Nancy Dickerson, a commentator for Fox Television News, captured the essence of this outstanding public servant and human being. I submit it to the CONGRESSIONAL RECORD for your consideration:

> It's ironic that the Iranian Arms scandal hearings had to be interrupted for Malcolm Baldrige's Memorial Service. What a contrast! Whereas the hearings are filled with lying and deceit, Baldrige, Secretary of Commerce, was just the opposite. He was the quintessential straight shooter, loved for his honor and trust.
>
> As we sat in the big cathedral, waiting for the President to arrive, I thought of those hearings and the contradictions they posed: how our foreign policy suffered massive blows at the hands of deception, while in the same period Baldrige was negotiating equally difficult matters at the highest levels with success, in part because of his own personal integrity.
>
> I've covered a lot of funerals, starting with Martin Luther King, the Kennedy brothers, and Eisenhower: and this one was distinguished in that it was not so much a sad farewell as a celebration of a life that was all a life should be. First of all, President Reagan's eulogy was superb. A-plus. My Irish grandmother, an expert on these matters, would have declared that no one could have done better. The President told how Mac, as he called him, how Mac was a member of the Cowboy Hall of Fame, who had died with his boots on, roping steers; how Mac had ordered that there were only two people in the whole world who could interrupt his meetings at all times: one was the President (meaning himself) and the other was any cowboy who happened to call.
>
> In life, Baldrige taught us how to live. His death, tragic as it was, became a time for the President and for this city to forget the hearings and to focus on our greatness and to be proud that Malcolm Baldrige was part of us.
>
> I'm Nancy Dickerson and that's my commentary.

ON THE CUTTING EDGE IN THE LEHIGH VALLEY OF PENNSYLVANIA

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 30, 1987

Mr. RITTER. Mr. Speaker, the Lehigh Valley of Pennsylvania, which I represent, is once again on the cutting edge of technological innovation. Years ago, the first transistor was manufactured at the Allentown Bell Laboratory. Today, AT&T is constructing an $85 million research laboratory in nearby Breinigsville to conduct fundamental and applied research on photonics—the use of light to carry information. Photonics will be the key to unlock vast new potential of the Information Age.

The following is a July 21, 1987, article which appeared in the Philadelphia Inquirer describing the Lehigh Valley facility and what it will mean to the future of the telecommunications industry and to the ability of Lehigh Valley citizens to contribute to the information age. I trust my colleagues will find it both as interesting and exciting as I did.

The article follows:

[From the Philadelphia Inquirer, July 21, 1987]

In Pennsylvania, Bell Planning a New Vision of the Future

(By Jim Detjen)

Breinigsville, PA.—On a ridge looking out over cornfields here in rural Lehigh County, more than 300 construction workers clang and pound and weld in the hot summer sun as one of the nation's most important scientific facilities slowly takes shape.

It is the $85 million AT&T Bell laboratory, where, in 1988, 800 scientists, engineers and other employees will begin the kind of work that could dramatically change the way most people live.

Bell scientists say advances here might someday lead to television images as clear as color slides, machines that type letters merely by being talked to and vastly faster and more intelligent computers.

They foresee the day when their work here can help people to inexpensively send and retrieve movies, music and information from anywhere in the world. And when people, using inexpensive videophones, can see whom they are talking to thousands of miles away.

Specifically, what will go on in the 450,000-square-foot facility about 60 miles northwest of Philadelphia is fundamental and applied research on photonics—the use of light to carry information.

Executives with Bell Labs believe that photonics will be the most important communications technology in the coming decades. With the use of advanced lasers and ultrathin glass fibers, they say, it is possible to transmit far more information faster and less expensively than with conventional electronics.

Photonic, says T.R. Thomsen, president of Bell Labs' technology systems group, is "the world's newest, most promising technology." And Mark Melliar-Smith, executive director of the Labs' electronic and photonic devices division, said the new laboratory would make the Lehigh Valley "one of the world's centers for photonics."

John Mayo, executive vice president of AT&T Bell Laboratories, calls photonics a "killer technology" with the potential to kill off existing communications technologies such as coaxial cables. He noted that in a recent experiment, the equivalent of the entire Encyclopaedia Britannica was transmitted on fiber-optic cables in less than one second.

"The center of gravity of photonics for Bell Labs is already in Pennsylvania, and it is growing steadily," said Melliar-Smith. "The development of electronic technology at our labortories has clearly shifted to Pennsylvania."

AT&T Bell Laboratories is recognized worldwide as one of the premier centers for basic and applied scientific research. During the last half-century its scientists have invented the transistor, digital computer, laser, solar cell, communications satellite and countless other devices that are important strands in the fabric of our technological society.

Its scientists hold more than 21,000 patents—an average of one a day since the labs were founded in 1925. Seven of its scientists have been awarded the Nobel Prize in physics; no other scientific operation comes close.

AT&T Bell Laboratories employs 20,500 people at 22 different sites. It has 11 facilities in New Jersey, where it is headquartered. Other Bell facilities are located in Illinois, Georgia, Ohio and Massachusetts.

The new laboratory, which is known in the Solid State Technology Center, is being erected on a 205-acre site about 10 miles southwest of Allentown, where two other Bell laboratories already exist. A third Bell laboratory in the state is located in Reading. About 1,400 Bell employees work in Pennsylvania. The 800 employees at the new lab will be transferred from other Bell labs in Pennsylvania and New Jersey.

AT&T executives say they selected the Lehigh Valley site for its new laboratory for several reasons: It is centrally located between Bell Labs' major facilities in northern New Jersey and AT&T's manufacturing plants in Reading and Allentown; it has good educational facilities such as Lehigh University, and it is far less expensive than northern New Jersey.

Housing in the Lehigh Valley is one half of what it costs in northern New Jersey," said Arnold Durham, a spokesman for AT&T Bell Laboratories in Pennsylvania. "And with the completion of Route 78 in two years, we'll be able to drive to New York City within 1½ hours."

For more than a century, scientists have known of the vast potential of sending information by light waves. But it was not until 1960, with the invention of the laser, that Bell engineers began focusing their attention on photonics.

Melliar-Smith said that two developments in the 1970s helped to pave the way for the commercial development of this technology. One was the development of the semiconductor laser, which makes it possible to shoot out bursts of focused light at room temperatures. The second was the development of ultrapure glass by Corning Gas Works, which has enabled light to be sent long distances.

In photonic systems, information is transmitted as pulses of highly focused light from tiny lasers and light-emitting diodes no bigger than grains of salt. The light pulses are carried over incredibly transparent glass fibers. Scientists say that if sea water were as clear you could see to the bottom of the deepest oceans.

Melliar-Smith said that a series of advances had caused the cost of photonics technology to plunge a hundredfold during the last five years. "And we are continuing to cut the cost of this new technology in half every year," he said.

To make the chips used in photonics, scientists use highly precise machines. One device, known as molecular beam epitaxy, can place layers of atoms on a chip—tailor-making new materials. But these machines need extraordinary clean and vibration-free environments in order to work properly.

Mickey Brown, the laboratory's construction project manager, said the new facility was being built upon shale because these rocks could absorb vibrations. Noisy air conditioning and heating equipment is being placed in a separate building. And engineers are using twice as much steel and 8,000 to 10,000 more cubic yards of concrete than normal to make the structure as stiff as possible.

To minimize dust particles that can damage chips, engineers have designed three special "clean rooms," which are 100,000 times cleaner than the most spotless hospital operating room. Special ventilation systems will filter out dust particles from the air.

When the facility is operating workers will be covered except for their eyes with special white suits to make sure they don't track in dirt and dust. Cosmetics, deodorants and hair sprays will be banned to keep these substances from contaminating the air. Pencils and paper that give off tiny dust particles and fibers when used will be prohibited.

To make the new facility as flexible as possible, laboratories will be built in 10 "pods" that can be altered quickly when new research needs emerge.

Bell executives say they expect that many of the important developments in photonics in the years to come will be made at the new Lehigh Valley laboratory. For example, they say that components of optical computers—faster, more powerful computers that scientists predict will be developed in the next quarter-century—will probably be developed here.

"It is fitting to recall that the first transitor was manufactured at our Allentown factory, launching the age of modern electronics and micro-electronics," said Mayo. "With this facility, Pennsylvania will once again be the focus for a world-changing technology."

THE GILBO FAMILY—REUNITE THEM WITH THEIR DAUGHTER IN THE UNITED STATES

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 30, 1987

Mr. LANTOS. Mr. Speaker, recently, I have come to have doubts about the promise of "glasnost." While it is true that Jewish emigration has increased from the Soviet Union, these figures are still far below the peak year of emigration of 1979 when over 51,000 Jews were granted permission to leave.

Today, I would like to bring the case of the Gilbo family to the attention of this House. Evgeny Gilbo, his wife, Tatiana, his mother Rachel, and brother Joseph, have been refused permission to emigrate since their first application to leave in 1981. Their only daughter, Olga, was granted permission to emigrate and now resides in California with her husband Michael Solomon. I find it tragic that the Soviet Government allows Olga to emigrate but forbids her family to leave and subjects them to continued harassment.

The continued pattern of persecution of refuseniks is evident in the treatment of the Gilbos. Subsequent to their application to emigrate, Evgeny was stripped of his academic degrees for "activity incompatible with the image of a Soviet scientist." Tatiana was fired from her job, on the rumor that her family planned to emigrate, Olga was expelled from school, and Joseph was fired from his job.

The disturbing story of the Gilbo family is compounded by the fact that Olga is pregnant. I cannot think of a better midwife to take care of Olga's child than her mother, Tatiana. Unfortunately for the Gilbos, they will probably spend this year, and perhaps, others, separated from their daughter and new grandchild.

Recently, Mr. Speaker, the Soviet Union made a pledge to work to reunify divided families. Soviet law provides that a first degree relative must live abroad in order to extend an invitation to emigrate. Olga is a first degree relative and the family is most anxious to be reunited. When the Helsinki Agreement was signed in 1975, the Soviets agreed to help reunify families.

Mr. Speaker, I am deeply concerned that significant violations of human rights still continue in the Soviet Union despite the positive signs of "glasnost." It is my sincere hope that leaders of the Soviet Union will come to realize the importance of the observance of human rights—and in particular the rights of the Gilbo family to emigrate in order to be reunited with their daughter.

CALL TO CONSCIENCE VIGIL FOR SOVIET JEWS

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 30, 1987

Mr. CONTE. Mr. Speaker, I rise today in response to the Congressional Call to Conscience Vigil for Soviet Jews. As a member of the Massachusetts Union of Council for Soviet Jews, I have consistently supported and will continue to support letters written to General Secretary Gorbachev and other world leaders on behalf of Soviet Jews and all others being oppresed by their governments and being denied permission to emigrate to the country of their choice. I can't tell you how many "Dear Colleague" letters I have sent or cosigned dealing with Soviet Jewry.

I am always moved by anger and sympathy whenever I read of Soviet citizens resorting to hunger strikes, as Les and Ina Elbert did, as a last attempt to gain their freedom. And why? Simply because they do not practice the religion their leaders say they must, or because they hold different views than their government does.

Many of the applicants are refused because of alleged charges used to rid the authorities of the responsibility of processing the application. The case of Yuli Edelshtein is, unfortunately, a common example of how the Soviet Government deals with such cases. Mr. Edelshtein, a teacher of Hebrew, was convicted on trumped-up charges of drug possession in 1984. He was also asked to sign a confession to a crime he did not commit in exchange for needed medical attention. He refused. This is just one example of how the Soviet Government deals with the applicants. They create charges to convict the applicants so they no longer are eligible to emigrate. Thankfully, through persistent efforts, Mr. Edelshtein was recently released and allowed to emigrate from the Soviet Union.

Others, like Dr. Benjamin Charney, suffer from grave maladies such as cancer and are constantly denied permission to emigrate to receive the urgent, necessary, medical treatment they desperately need.

Many letters cross my desk on behalf of the same families—Mr. Lev Blitshtein, Vladimir Lifsfhitz, Vladimir and Izolda Tufeld, Vladimir Slepak, and Semion Kats, to name a few. These names I see over and over, and each time I cosign a letter on their behalf, I do so with more vehemence that the time before.

Vladimir and Izolda Tufeld stick in my mind the most because, like so many other Soviet Jews, they are denied exit visas even though they have family in the country they wish to emigrate to. The Tufelds have only one son, Igor, who lives in Israel. Both Vladimir and Izolda are in extremely poor health and wish to see their son, but still aren't allowed to emigrate to Israel. Many of you know Igor Tufeld who has tirelessly pursued his dream of one day being with his parents in Israel. I hope we will soon see his dream come true.

Despite General Secretary Gorbachev's claims of glasnost hundreds of Soviet Jews are being refused permission to emigrate not because of their alleged access to "state secrets", but rather because of their religious beliefs and their differences in political or social opinion to those of their government.

It seems to me that the new Soviet glasnost policy is not all it appears to be once one gets over the initial shock of hearing about Soviet reform. I recently learned of eight Soviet Jews who were told, a mere 16 days after Mr. Gorbachev initiated the glasnost program, that they would never be allowed to leave the Soviet Union because of alleged exposure to "state secrets." This does not sound like a policy of openness to me.

The Soviet refuseniks are subject to terrible discriminations by the Soviet Government. They are often demoted in their jobs or lose them entirely. They lose their telephone service. They become targets for KGB harassment. And they are subject to KGB searches of their homes.

The oppression of Soviet citizens also directly affects citizens of the United States. Keith Braun, an American citizen, met his Russian wife, Svetlana, while visiting the Soviet Union as a law student. However, when he returned to the United States, he was not accompanied by his new bride because she was denied permission to emigrate. She has applied for and has been denied permission on five separate occasions. They still have not been reunited, as is the case of several other couples.

Other families, such as David Gusak and his wife Clara Dudnik, who have families living here in America, are denied exit visas for no apparent reason. Mr. Gusak has never committed any crimes against the Soviet Government, nor has he been exposed to any state secrets, yet on two occasions he and his wife have been denied permission to emigrate to the United States to join their daughter and son-in-law who reside in Pennsylvania.

Sometimes families are granted exist visas, only to be turned aside just before they are due to leave. The Lurie family has been applying for emigration since 1978. In 1980, the entire family was granted visas, but they were rescinded about a month later, utterly destroying the morale and confidence of the family. There is no doubt that the building up of their hopes, only to destroy them is a terrible form of psychological harassment.

Soviet oppression of people is not limited to the Soviet Union, but has spread to other countries behind the Iron Curtain such as East Germany, Romania, and Bulgaria. Time and time again I hear about people whose human rights have been violated. I recently signed a letter on behalf of Nikolay Cocev who currently resides in the United States. His wife and two children, however, have repeatedly been denied permission to emigrate. These people need not be of the Jewish faith to be discriminated against. They need only to have views or beliefs that differ from those of the government. These oppressive governments do not want their people to leave simply because they hold different political and social opinions or religious faiths than the government does.

Mr. Speaker, I would just like to conclude by saying that it is our duty not only to uphold the issue of Human Rights, but to spread it to countries like the Soviet Union, East Germany, Bulgaria, and Romania. This Congress must continue to apply pressure to the Soviet Union and all other nations who keep their citizens in oppression to uphold and ensure what Thomas Jefferson wrote in the Declaration of Independence more than 200 years ago: "That All Men Are Created Equal."

REBUILDING THE FARM CREDIT SYSTEM FROM THE GROUND UP

HON. VIRGINIA SMITH

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 30, 1987

Mrs. SMITH of Nebraska. Mr. Speaker, I rise to call my colleagues' attention to the continuing financial distress facing the Farm Credit System. How Congress should address this problem is one of the most intensely discussed issues of this decade, not only on Capitol Hill, but in every coffee shop in every rural community across this Nation.

In each of the last 2 years, we have passed legislation hoping to avoid directly bailing out the Farm Credit System. The 1985 Farm Credit Amendments created the Capital Corporation to help facilitate the transfer of the System's surplus assets between Farm Credit districts. Last year, we allowed the System to use accounting practices that spread the System's losses out over a 20-year period.

Both times, Mr. Speaker, Congress completely neglected the borrower. The Farm Credit System is facing such huge losses simply because so many farmers are unable to meet the original terms of their Land Bank or Production Credit Association loans. The System is losing nearly 13,000 customers, and $1 billion in business each month.

Mr. Speaker, while the patient has been steadily bleeding to death, we have simply said that the doctor bills could be put off for twenty years. This time, we need to administer the medicine and heal the wounds that threaten the very existence of the Nation's largest agricultural lender.

Not long ago, the Farm Credit System created a new logo that is found on its letterhead. The logo depicts a plant with three leaves and a root system. The leaves represented the three separate banks within the System, while the roots represent the member-borrowers who sustain and anchor the structure.

In many ways, the Farm Credit System is only strangling itself. Of all the major agricultural lenders, it is the last to realize that it could no longer indiscriminately foreclose on every loan, prune every root, and still survive.

My district is made up of 62 rural counties in the western two-thirds of Nebraska. I visit each of these counties at least once each year. On these visits, I am approached by farmers and ranchers who are angry, disillusioned, and sometimes even frightened at the recklessness of the Farm Credit System.

Past management decisions, the deterioration of its competitive position, and the erosion of investor and borrower confidence have undermined the overall health of the System and will continue to affect its ability to maintain the System's traditional role as a source of sound and reliable credit for several years.

Mr. Speaker, the House Agriculture Committee has been asked to markup Farm Credit legislation and present it to the full House for passage before the August recess. I would urge my colleagues to support a bill that would rebuild the Farm Credit System from the ground up, by aiding the farmers and ranchers who sustain it. I have presented the Agriculture Subcommittee on Conservation, Credit, and Rural Development with a very detailed statement indentifying many of the System's underlying weaknesses and possible solutions.

My statement emphasizes that the Farm Credit System will not recover without the participation and support of its member-borrowers. With your permission, Mr. Speaker, I would like to enter that statement in the RECORD:

THE FARM CREDIT SYSTEM: PROPOSED REFORMS SUBMITTED TO THE HOUSE AGRICULTURAL SUBCOMMITTEE ON CONSERVATION, CREDIT, AND RURAL DEVELOPMENT

(Statement of Hon. Virginia Smith)

Mr. Chairman and Members of the Subcommittee: The 100th Congress again is trying to address the plight of the Farm Credit System, the Nation's largest agricultural lender. The continuing financial distress of this system is one of the most challenging and persistent agricultural issues of this decade.

For the third year in a row, the Farm Credit System is soliciting Congress for assistance to deal with a very difficult agricultural situation. The combined System has operated $4.2 billion in the red over the last two years alone and may lose that amount again by the end of the decade. These unprecedented losses threaten the very viability of an institution once considered as solid as agriculture itself.

Mr. Chairman, it is clear an assistance plan will need to be in place by the end of this year. If Congress does not act quickly, eight System banks will be insolvent by the end of the year and another eleven may follow in 1988.

I realize we are restrained by two considerations—how to make the System accountable for the assistance provided and whether we can afford that assistance—but any further delays could prove fatal. Without any reserves, the System's lenders have no alternative to liquidating their remaining troubled loans. The loss of loan volume and further deterioration of the Systems reputation for soundness would make our rescue efforts even more difficult and costly.

Reflecting the needs of borrowers and the Farm Credit System, here are the basic elements of desperately needed System reform that should accompany granting federal assistance:

1. Restructure troubled loans under carefuly defined circumstances on a case-by-case basis.
2. Restore soundness of the system through prudent and conservative lending policies for all new loans.
3. Establish minimum capital reserves in each bank available for borrower stock retirement and other usual obligations.
4. Establish a Rural Credit Insurance Corporation to protect borrowers' stock investments and the System's bond obligations while funneling any federal assistance through this insurance fund and into the System itself.
5. Insist that all assistance be repaid.
6. Abolish the Capital Corporation.
7. Retire the Farm Credit System's remaining high-interest bonds with federal assistance.
8. Assist individual banks with federal aid whenever reserves fall below five percent of outstanding loans.
9. Grant limited authority of the insurance corporation to issue government guaranteed bonds.
10. Authorize the insurance corporation to underwrite bonds of individual banks whose assets fall below a level that would prevent participation in the bond market.
11. Provide for adequate federal oversight to make the System accountable, and liable, for federal assistance received.
12. Encourage and reinforce stockholder participation in the management of System institutions.
13. Encourage borrower-stockholders to re-establish local banks and associations if feasible.
14. Allow mergers of unlike entities but only at the subdistrict level.
15. Offer borrowers alternatives to purchasing B-stock as a condition for obtaining a loan.
16. Reimburse in full the original value of borrowers' B-stock in Production Credit Associations that were liquidated in Nebraska and elsewhere.
17. Create a secondary market for agricultural loans made by all lenders, including commercial banks as well as the Farm Credit System and other lending institutions.

In this statement, I have discussed each of these elements in greater detail.

The Farm Credit System was created as a borrower-owned cooperative whose business decisions were made by local boards of directors consisting of the very farmers and ranchers it served. Today, farm and ranch families who have relied on the System's lenders for years, and even decades, find they have borrowed from, and invested in, a bureaucracy that is often unable or unwilling to see them through a difficult period in agriculture.

1985 AND 1986 FARM CREDIT AMENDMENTS

Mr. Chairman, we have passed legislation twice within the last two years to buy time for the System. In 1985 and again in 1986, Congress attempted to avoid a direct federal bailout by providing the System with the means to help itself. Unfortunately, the System's dilemma was bigger than even many knowledgeable people understood.

The Farm Credit Amendments Act of 1985 created the Capital Corporation to facilitate the transfer of surpluses and sharing of capital throughout the System. Last year, we permitted the System to use accounting procedures that allowed losses from any single year to be stretched out over a twenty-year period.

However, the System's fundamental problems have not changed. It is still plagued by a high level of nonaccruing loans and other non-earning assets on one hand, while burdened with high cost of debt on the other. Despite mergers and consolidations, the System still suffers from excessive operating costs while it loses nearly $1 billion worth of business each month.

It is time to return to the fundamental structure that has been the System's traditional strength. We should keep in mind that no amount of federal aid, oversight, or further consolidation of the Farm Credit System will restore the System to a position of long-term viability without the participation of its existing and potential borrowers.

The Farm Credit System still lends to more than 600,000 producers nationwide. Its $50 billion loan portfolio represents nearly one third of all agricultural debt. A certain degree of social responsibility is inherent in an institution of this size. Yet, as I testified before your committee earlier this year, the cards and letters I receive almost daily in my office from heartbroken borrowers indicate that the Farm Credit System's lenders have shunned this role far too often.

LOAN RETRUCTURING

It is true the Farm Credit System is itself hostage to an often volatile agricultural economy. However, to a certain extent it is a victim of its own self-defeating policies. Despite the steady attrition of its borrowers, the System continues to pursue, with some notable exceptions, economic expediency.

Last year, the System restructured only 3,741 of more than 50,000 nonaccruing loans, loans that the borrowers were unable to meet at the original terms. Forty-two percent of these were in the St. Paul Farm Credit District alone. This is a poor record of responding to the economic realities agriculture faces today.

Even the Farmers Home Administration, with an even riskier loan portfolio, extended some sort of debt relief to almost 100,000 farmers in need in 1986. So far this year, the FmHA has made extra special efforts to assist 53,000 borrowers by reworking loans to a level that the farmer is better able to repay.

Because of the Farm Credit System's relative inertia, Congress must take the initiative to expand the loan restructuring programs some Farm Credit Districts have already begun. Any farm credit legislation passed by Congress this year should contain incentives and explicit instructions that require the System's lenders to adopt a broad loan restructuring policy that reflects current market value of collateral and the borrower's ability to repay.

When it is found that the restructuring of an individual loan is less costly than foreclosing on that loan, taking into consideration all attending legal costs, collateral depreciation, and lost income potential from keeping the loan in existence, every effort should be made to rework the loan to repayable terms.

SOUND LENDING POLICIES AND OPERATING PROCEDURES

But we should remember, the System's primary role is to provide producers with a sound, reliable, and affordable source of financing. While debt restructuring is preferable to liquidation, especially when the costs of foreclosure exceed the costs of forebearance, establishing sound operating guidelines and prudent lending practices is a more sustainable long-term policy.

Past mismanagement, particularly the System's unchecked expansion of the late 1970's and early 1980's, overexposed the System to the fluctuating misfortunes of agriculture. In addition, basing loan quality on the value of collateral is proving painful to say the least. The System's managers did not foresee the need for prudent lending guidelines in the past, but we have that foresight today.

More than ever, the System must assure both borrowers and investors that it will be viable in the long run. I urge your committee to include in the assistance package you are considering specific steps to require each lending institution to develop a conservative loan policy that includes adequate lending limits and bases loan decisions on the borrower's projected equity and realistic ability to repay.

The facts are that many current borrowers, caught unexpectedly in the crunch between lower property values and lower commodity prices, would be unable to obtain Farm Credit System financing under these proposed standards. Therefore, they should apply only to new loans and follow an appropriate phase-in period. Any loan policy plan developed by the board of directors of a System institution should be approved by its voting stockholders.

I also join those who have suggested that the Farm Credit Administration (FCA) be given authority to require each bank to establish an adequate capital reserve that may not be used to make new loans. This is common precaution followed by most responsible banks that should be strictly enforced with respect to the Farm Credit System.

While the System's lenders may be forced to be more cautious in making loans in the future, I do not foresee them becoming too restrictive considering the System could use all the business it can get. The overall benefits from restored borrower and investor confidence in the stability of the System would more than outweigh any inconveniences.

RURAL CREDIT INSURANCE CORPORATION

To complement the rebuilding efforts of individual banks in each district, Congress should consider the establishment of a Rural Credit Insurance Corporation, drawing from the experience of certain federal regulatory agencies of commercial banks, including the Federal Deposit Insurance Corporation (FDIC) that protects depositors when an insured institution fails. The Rural Credit Insurance Corporation would protect the value of the individual borrower's stock investment.

To accomplish this, each bank would be required to keep an insurance reserve of at least 5% of its outstanding loans (i.e. par value of B-stock) plus an amount adequate to protect the institution from a dramatic decline in the value of the security behind its loans.

The System's remaining cash in hand, about $1.2 billion, could provide the initial funding for the Rural Credit Insurance Corporation. The reserve would be built by requiring each institution to pay a yearly premium determined by the Farm Credit Administration.

When the fund has been built to a level with which the Corporation could easily meet its obligation, any excess reserves would then be available to lenders as a source of low-interest capital for future loans.

However, there are some valid objections to the etablishment of a System-wide insurance fund. Requiring each System lender to contribute to a central reserve fund ties up a substantial amount of capital that would otherwise be available for making loans. Also, until the reserve fund is fully established, the yearly premiums would be an additional expense that would be passed on to the borrower.

You have heard several sources proposing the type of system-wide reserve fund I have outlined here. I would also caution you, Mr. Chairman, to be sure we are not establishing another permanent layer of bureaucracy to the Farm Credit System's structure. The board of directors of any central reserve fund should not become another regulatory agency.

Despite the potential shortcomings of a Rural Credit Insurance Corporation, the alternative is much worse. Until now, the System has relied on "joint and several liability" to guarantee the timely payment of principal and interest of any bonds issued by its individual institutions.

Simply stated, joint and several liability means that each institution must come to the aid of any other should the troubled insitution be in danger of default on its obligations. Some have described joint and several liability as meaning "all for one and one for all."

The Omaha Farm Credit District has been a net recipient of aid over the past few years. Without joint and several liability, the Omaha Federal Land Bank would now be insolvent. I am naturally reluctant to endorse the elimination of the provisions of the Farm Credit Act that have kept the Omaha banks afloat.

In the Omaha district's current weakened condition, I also strongly oppose any legislation whose net effect would be to allow bond investors to discriminate against bonds issued by the Omaha district. With the relative risk involved, investors would demand a substantially higher rate of return to buy Omaha bonds, resulting in higher interest rates for borrowers in Iowa, Nebraska, South Dakota, and Wyoming.

I am aware, however, that joint and several liability has run its course. The concept has been successfully challenged in the federal courts, and in any case, the System has very little remaining surplus to share among the Districts. Some districts have given so much assistance that they too are in need of help. It is senseless to continue to drain the resources of the entire System when a federal rescue is unavoidable after all.

It will be some time, though, before the System will be able to guarantee the timely payment of system bonds through a central reserve fund. Without a government guarantee of System bonds in the interim, bond rates would rise, and borrowers would pay the price in higher interest rates. The resulting loss in business would cripple the System beyond repair.

CAPITAL CORPORATION

With the establishment of a central insurance corporation, the Capital Corporation would become obsolete and should be eliminated. The Capital Corporation was created by the 1985 Farm Credit Amendments to enhance the cooperative nature of the Farm Credit System. The 1985 plan, as envisioned by Congress, called for the Capital Corporation to collect assessments from the Districts to be used to buy the nonearning loan and real estate of the financially distressed districts. In exchange for much-needed financial assistance, the Corporation took over management of the loans it purchased.

There is almost unanimous disappointment on Capitol Hill with the performance of the Capital Corporation. The Corporation saw itself primarily as a liquidator, showing very little sensitivity to the unique needs of agricultural borrowers. In addition, it is inherently alien to the standard structure of the Farm Credit System as it does not answer directly to member-borrowers.

Bank officials at all levels complain that the Corporation has interfered with their own rebuilding and restructuring initiatives and is an unnecessary burden on the System's resources. And finally, due to court cases that have successfully challenged its authority, it is essentially ineffective.

FEDERAL ASSISTANCE

Funneling federal assistance to the Farm Credit System through the Rural Credit Insurance Corporation would be much more acceptable than using the Capital Corporation for this purpose, as some have suggested. Like others who have spoken about legislation pertaining to the Farm Credit System, I feel the Capital Corporation should be required by law to wind down its activities, including returning the loans and property it has acquired back to the banks where they originated. Any remaining assets should be deposited in the central reserve fund controlled by the Rural Credit Insurance Corporation.

The resources available to the Insurance Corporation should be used to meet the two most immediate needs of the System. The first of these is paying interest expense on the relatively high interest bearing bonds issued by the System during its rapid expansion in the 70's and early 80's. Federal relief could be provided to an individual bank if meeting its interest obligations would deplete the banks reserves below 5% of the value of its outstanding loans. This is the equivalent to assuring that each bank has sufficient reserves to retire borrower stock at par value.

THE SYSTEM'S INTEREST EXPENSE

The Government Accounting Office reported to your committee last year that the interest alone on these high-interest bonds have cost the System over $4 billion in unnecessary interest expense over the past two years and will cost an additional $4.5 billion over the next twenty. This is interest expense that is inevitably passed on to the borrower.

Every effort should be made to retire these bonds early to save this tremendous expense. Bondholders are willing to sell back these bonds before they mature, but only at a premium. The Insurance Corporation should have the authority to contact those bondholders and negotiate a purchase price if this would be cost effective.

In order to raise enough funds to meet its obligations, the Insurance Corporation may eventually need to have the authority to issue Treasury guaranteed bonds. Strict annual limits should be placed on this authority to avoid an outright handout. This would also give Congress the ability to anually review the progress of our assistance efforts and would go a long way in encouraging economy in the System's activities and enforcing any legislative reforms.

THE SYSTEM'S CAPITAL PROBLEMS

The other problem to be addressed by the Insurance Corporation is the potential collateral shortage faced by several individual banks. The law requires each institution to have sufficient assets, or collateral to back the bonds issued by that institution. The Insurance Corporation should have the authority to back the bonds of individual banks if the banks assets would not be sufficient to allow it to go to the bond market.

I am suspicious of any scheme to allow the Insurance Corporation to use government-held assets such as Commodity Credit Corporation surplus crops or farmland owned by the FmHA as collateral to back bonds issued by the System. The System is already financially overburdened managing the 2.2 million acres of farmland it has acquired through foreclosure.

If our assistance efforts should eventually fail and the System is forced to sell these assets to meet its obligations, land and grain prices would plunge just as they are beginning to stabilize. At best, with commodity traders aware of the grain pledged to the Farm Credit System as security on its bonds, grain prices would tend to reflect the System's health. For the next few years at least, this could have a negative effect on the grain markets.

FEDERAL OVERSIGHT AND REPAYMENT OF ASSISTANCE RECEIVED

Some method of federal oversight of the activities of the Insurance Corporation may be appropriate; however, I do not agree that a federal takeover of the System is necessary. Farmers do not want the Federal Government telling them how to run their own banks.

As long as any bank's directors are made accountable to its member borrowers and the System is required to repay the assistance it receives in full, the System should have the self-discipline to overcome its difficulties.

When it is determined that a System bank that has received assistance is no longer in danger of impairing borrower stock, or defaulting on its bond obligations, it will then be required to assume responsibility for as many of the bonds issued by the Insurance Corporation in its behalf as it is able. Almost everyone agrees with the premise that federal assistance should not be a handout, including the System itself.

The federal oversight role should be sufficient to monitor the System's progress in resolving its problems, rebuilding its customer base through responsible banking procedures, and determining if further aid would eventually lead to the System's financial independence.

ENCOURAGING BORROWER PARTICIPATION IN SYSTEM MANAGEMENT

The better alternative to federal management of the System is to encourage the active participation of its owners, the member-borrowers who are directly tied to its fortunes. This time around, it may be wiser to reorganize the System at the subdistrict level. Past mergers of System institutions into a single district-wide bank have proven unpopular with borrowers and often did not achieve the efficiency promised.

Congress should give stockholders the option to re-establish independent local banks or associations that have a reasonable chance to be self-sustaining. The stock and bond protection provided to individual banks by the Insurance Corporation, as I have discussed earlier, would help encourage farmers to take this step.

There has also been a great deal of discussion in Congress this year about amending the Farm Credit Act to allow the mergers of unlike entities within the System, such as allowing Production Credit Associations to merge with Federal Land Banks. In general, farmers are opposed to further consolidation of the System because the resulting merged bank is even further removed from their direct control.

However, there is some merit in this proposal. Allowing a single bank to offer loans to producers for both operating capital and for purchases of farmland would help to diversify the bank's loan portfolio and would be more convenient to the borrower.

Mr. Chairman, mergers of this type may help reorganize the System at the local level, but producers would not welcome consolidating all banks into one district-wide institution if it can be avoided.

STOCK ALTERNATIVES

Producers should also be given the opportunity to consider alternatives to purchasing stock as a condition for obtaining a loan through the Farm Credit System. Some options include establishing annual participation fees, requiring the borrower to purchase loan insurance, or perhaps simply allowing the borrower the option to pay a slightly higher interest rate in lieu of purchasing stock.

The System has traditionally used B-stock as security in case of a borrower's default on a loan. The stock also provides the System with free capital to make new loans which helps to hold down overall interest rates.

In recent years, however, many borrowers have been reluctant to apply for new loans from System lenders because they are afraid their stock may not be returned at full value, if at all. Future built-in safeguards, such as the Rural Credit Insurance Corporation, loan quality standards, and sound operating procedures that I have described would protect the borrowers' interest.

To promote further discipline in the operation of System banks, borrower stock may be at risk in the future. "At risk" borrower stock would be phased in to correspond with the ability of the Insurance Corporation to meet its obligations. Until that time, the government guarantees that would allow banks to continue to retire borrower stock at full par value would be maintained.

In the future, the System may need greater flexibility in order to attract new business. Any changes, including allowing the System's banks to issue conventional shares of common stocks, should be at the discretion of the stockholders of each bank.

LIQUIDATION OF CERTAIN PRODUCTION CREDIT ASSOCIATIONS

Mr. Chairman, the future of the Farm Credit System is secure if it can regain the confidence of the farmers and ranchers of this nation who sustain it.

As I testified earlier this year, and again emphasized in a personal letter to each member of your subcommittee, the necessary trust between lender and borrower has been seriously undermined in the Omaha Farm Credit District by the liquidation of two Production Credit Associations in my congressional district.

The resulting loss of or freezing of borrower stock in these defunct institutions created a bitter wave of doubt and anger among the entire System's existing and potential borrowers.

The Farm Credit System will not be respected on Wall Street if it is not trusted on Main Street. Restoring the full value of the borrowers' stock lost in the few liquidated Production Credit Associations in Nebraska and elsewhere would go a long way in erasing the credibility gap that lingers over the System. Therefore, it is absolutely vital that these borrowers be compensated through the legislation you are currently shaping.

SECONDARY MORTGAGE MARKET

And finally Mr. Chairman, I urge your committee to include legislation that would create a secondary market for agricultural real estate loans. Secondary markets have proven beneficial to other sectors of the economy, such as the housing industry, and could benefit agriculture even more.

The secondary market would allow rural banks to sell farm real estate loans to investors. The Farm Credit System, backed by the Federal Government, would guarantee that investors who purchased these loans would receive the principal and interest as agreed in the original terms of the loan. Rural banks would then use the money from the sale of real estate loans to finance future real estate loans.

Not only would banks have more money available to help farmers purchase farmland, but in the long run, farmers would potentially benefit from lower overall interest rates. A secondary market would also allow rural banks to offer long-term, fixed-interest real estate loans. A farmer's interest expense would be set for the life of the loan and would not rise or fall with inflation.

Mr. Chairman, the Farm Credit System is still very much integrated into the rural economy and is vital to the future success of agriculture. The Omaha Farm Credit District alone has invested an average of $15 million in each of the 281 counties it serves. Fully 213 producers in each county are stockholders of at least one System institution.

Saving the System is certainly going to be a very difficult task that will take a number of years and will require the cooperation of the Federal Government, the System's managers, and most importantly, the member-borrowers themselves. My proposal I have outlined in this statement would allow the borrowers to take the initiative in reforming the System. Without their active support, all our efforts will be in vain.

The failure of the Farm Credit System would reach deep into every rural community. We have witnessed the hardship caused by the failure of just a few institutions in the past, and I urge this subcommittee to take action soon to prevent an even wider crisis in the future.

TRIBUTE TO JAMES J. KEHOE

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 30, 1987

Mr. LANTOS. Mr. Speaker, I wish to pay tribute today to James J. Kehoe, the retiring Postmaster of San Mateo, CA. Jim has served the city of San Mateo with integrity and with a deep sense of commitment as its Postmaster since 1946. It is with gratitude and great personal pleasure that I honor Jim Kehoe today for his 40 years of dedicated public service to the people of San Mateo.

Jim has deep roots on the peninsula. He attended the College of San Mateo and received his L.L.B. from the Law School of the University of San Francisco. During World War II he served for 3½ years as a lieutenant commander in the Navy. Jim saw combat at Saipan, Palau, and Guadalcanal and received the Presidential Unit Citation for the Saipan invasion.

Also, Jim has a distinguished record of public service. He was elected to the San Mateo City Council in 1940 and served as acting mayor for a time. He has been a member of the San Mateo City Planning Commission and of the Child Guidance Committee. Jim's public service has also been recognized on the national level as well. He was one of the Presidential electors for California in the 1946 Presidential election and he was appointed a member of the President's Committee for Traffic Safety.

Voluntary community service has been one of Jim's greatest contributions to the peninsula. He was chairman of the San Mateo County Community Chest and President of the San Mateo County Chapter of the March of Dimes. His dedication to Boy Scouts includes service as district chairman of the San Mateo County Council of the Boy Scouts and a member of the National Finance Committee of the Boy Scouts of America. He was also a charter member of the San Mateo Boys Club of America.

Jim has been active as a veteran and has been dedicated to veterans' causes. Jim has been a member of the Disabled American Veterans, the American Legion, Veterans of Foreign Wars, and the California Veterans Jockey Club Foundation. He was California State Commander of Amvets and a member of the Amvets National Executive Committee. He has also served as chairman of the Navy Day, Commandant Representative for San Mateo County, and San Mateo County recruiting officer for the U.S. Navy Reserve.

Mr. Speaker, I am delighted today to recall the many accomplishments of Jim Kehoe and to pay tribute to him in recognition for his service to San Mateo. As he retires from his position as Postmaster, we hope this provides additional time for service to all of us on the peninsula. Mr. Speaker, we wish him well on his retirement.

HUMAN RIGHTS IN NICARAGUA

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 30, 1987

Mr. MICHEL. Mr. Speaker, media reports about a recent report of the Nicaraguan Association for Human Rights emphasize that the association—funded by the United States—uncovered human rights abuses among the democratic resistance forces fighting communism in Nicaraguan.

This much is true. What the newspaper reporter did not stress, however, is that in its report, the association stated:

> To the credit of the resistance, the NR (Nicaraguan Resistance) is probably the only revolutionary movement that allows human rights monitors within its ranks—for ideological reasons identified with its democratic principles and objectives and because of the source of the funds for resistance operations.

The fact that this human rights organization refers to the "democratic priniciples and objectives" of the NR is all-important because such a statement helps to put into perspective the difference between the resistance and the Sandinistas.

One way of understanding this difference is to recognize the difference between the two opposing forces concerning the concept of legitimate authority.

To what other body of legitimate authority in Sandinista-dominated Nicaragua can Nicaraguans turn in order to get an authoritative and binding moral or political judgment, if such judgment disagrees with the current policies of the Sandinista leadership?

The answer, of course is that there is no authority in Nicaragua recognized by the Sandinistas except themselves, not only in terms of running the country, but in setting the guidelines within which all activity—political, cultural, educational, business, military, economic, and governmental—can operate. In short, when an atrocity is committed by a Sandinista soldier, it is possible that the Sandinista government may punish him for it. But they are not punishing him because he has transgressed against some principle of Sandinista rule, but because for the moment such punishment is seen to be in the best interests of the revolution. If punishment of human rights violations is not seen as being in the interests of the revolution, then no punishment is called for. What matters are not rights of the people but the interests of the Sandinistas.

There is no authority outside the Sandinista regime to which a Nicaraguan can—from the Sandinista point of view—legitimately appeal, since the Sandinistas, as the "vanguard" party has the historical right and duty to guide Nicaraguan people. This "right and duty" come from the fact that in Marxist-Leninist theory, the Sandinistas and the Sandinistas alone know what is good for the people because the Sandinistas, as good Marxist-Leninists, have a scientific knowledge of the way in which society works, economies operate, government policies are set, and, most importantly, history works.

Therefore, a human rights violation by a Contra, horrible as it might be, can be investigated and appeared against, because the Contras have, as the report said, "democratic principles and objectives," which means at the very least a pluralistic system in which no one party or group can claim total control because of some supposed historical "right" to rule and to determine the moral as well as political standards of society.

The question isn't whether or not isolated human rights violations have occurred among the Contras. In an internecine war of stealth and ambush, fighting elite Communist troops in the treacherous world of the guerrilla war, where yesterday's noncombatant becomes today's government informer, the probability of human rights violation arising from criminality, fear, mistakes, and just plain stupidity, are high.

All such facts are to be not only deplored and condemned but, wherever possible, investigated so that the facts can be established and, if criminal acts have been shown to have occurred, the criminals brought to justice.

But, as the report points out: "The Sandinista government continues to deny permission to conduct investigations inside Nicaragua * * *."

Thus, while the following allegations of Sandinista atrocities cannot be verified in the same methodical fashion used to investigate alleged human rights abuses by members of the Nicaraguan democratic resistance, they should be read to give some idea of what Nicaraguan citizens believe their current rulers are capable of.

What follows is annex C, pages 31-35, of the "Six-Month Report on Human Rights in the Nicaraguan Resistance," made by the Nicaraguan Association for Human Rights [ANPDH]:

> ANNEX C—ALLEGATIONS AGAINST THE SANDINISTA GOVERNMENT RECEIVED BY THE ANPDH FROM NOVEMBER 1986 TO JUNE 1987
>
> In accordance with the measure that provides funding for the Association, the primary task of the ANPDH is to report on violations of human rights within the resistance. Nevertheless, the ANPDH, as an additional function, has recorded allegations against the Sandinista government received by staff members in Honduras and Costa Rica. These allegations were recorded in the course of other investigaions and taken from individuals who visited the Association's offices.
>
> Since the Association has neither the means nor the charter to investigate these charges, it forwards them to organizations which are appropriately prepared to handle them. These organizations include: a) the Inter-American Commission on Human Rights (IAHCR) of the Organization of American States in accordance with the San Jose Pact and the American Convention of Human Rights, b) Amnesty International, and c) other national and international organizations concerned with human rights.
>
> The following is a list of cases from ANPDH and earlier UNO-CDH files passed to the organizations mentioned above. Allegations received with little or no supporting material are kept in Association files until such information is available.
>
> Diego Manuel Munoz, 52 of San Carlos, Nicaragua—captured by Sandinista troops in July 1979. Two months later, his body was delivered to relatives. Also, his wife Candida was imprisoned and tortured, according to daughter Maria del Carmen Munoz Espinosa.
>
> Manual de Jesus Mejia Flores of Esteli—robbed of 160 head of cattle by a Sandinista army patrol on May 15, 1981. When he complained to authorities, he was imprisoned for 27 days. Two years later a farm belonging to him in Wamblan was confiscated. When he complained about the confiscation, he was imprisoned for two months. On May 9, 1985, all of his property was confiscated.
>
> Fausto Saenz Sosa, 42, of El Cano de los Martinex (Waslala), Nicaragua—shot by Sandinista soldiers in the left leg March 10, 1982.
>
> Reynaldo Cerda, 21, naturalized Costa Rican citizen living in Upala, Costa Rica—abducted by Sandinista troops from his boat in the San Juan River in June 1982. When his father, Manuel Cerda Estrella went to San Carlos (Nicaragua) to inquire about him, he was reportedly imprisoned and tortured.
>
> Francisco Chavarria Meza—tortured mutilitated, and murdered near El Cua by Sandinista troops on August 18, 1982, according to Silvio Pens Olivas.

Juan Rayo Centeno, a farmer from Quebrada Arriba (Nueva Segovia)—captured and mistreated by State Security agents and the Sandinista army in January 1983. Later escaped to Honduras.

Cesar Alejandro Garcia Rocha, a naturalized Costa Rican citizen captured by Sandinistas near San Carlos in January 1983. Reportedly tortured during a 45-day imprisonment and interrogated by Cubans.

Rufino Eliseo Obando Vanegas, 39, farmer from Belen—shot in the left leg by Sandinista troops during a forced recruitment attempt. Was jailed 15 days without medical care, then taken to Managua's Military Hospital where his leg was amputated. February 1983.

Leonardo Castro Olivas of La Cana (Wiwili)—tortured and killed by Sandinista troops on February 16, 1983, according to Ceferino Castro Castro. The patrol allegedly tied his hands and feet and threw him into the Wamblan River.

Francisco Villagra Medina, 20, of San Juan de Aguas (Wiwili)—eyes gouged out, tongue cut off, castrated, and beheaded by Sandinista soldiers on March 6, 1983. IACHR case number 9899.

Rafael Lopez Salarruz, 36, of Birmania, Costa Rica—reportedly taken under false pretenses to the Nicaraguan border by a Sandinista agent posing as a cattle purchaser. Disappeared since March 1983, and, according to Nicaraguan ex-prisoners, seen in Sandinista jails.

Denis Morales, Guillermo Morales, and Bayardo Ruiz Silva, farmers from Granada—reportedly captured by Sandinista soldiers on March 8, 1983. Denis Morales was killed, Guillermo Morales remains in a Sandinista jail, and Bayardo Ruiz Silva was beaten on the spine.

Jose Ramon Perez Calderon was allegedly tortured by Sandinista soliders in Esteli on March 9, 1983.

Marcial Sobalvarro Picado was murdered by Sandinista troops at Aguas Calientes (San Jose de Bocay) on March 11, 1983.

Marcos Barrios, of El Corral (San Carlos)—seized by Sandinista soldiers, forced to dress as a soldier, and murdered in April 1983.

Tomas Perez Peralta and Jose Angel Rivera of El Triunfo (Wiwili)—captured at home on May 18, 1983 was murdered by Sandinista troops. After being shot, both were tied to a horse and dragged.

Pedro Loria Garcia, 29, a Costa Rican from Upala and resident of Las Azucenas—captured by Sandinista forces in June 1983, taken to San Carlos, jailed, and tortured. While in prison, he was shot in the left leg and crippled. He was repatriated with the help of the Costa Rican consul in 1984.

Pablo Altamirano Castro of Los Planes de Vilan (Jinotega)—shot to death by soldiers, June 8, 1983.

Marcos Herrera Murillo, 25, of Tola (Rivas)—murdered at his brother's farm in Nancimi on August 17, 1983.

Hilario Garmendia Gonzalez, of San Juan de Limay (Esteli)—allegedly murdered by Sandinista troops on August 22, 1983. His son, Lorenzo, was reportedly wounded.

Jamilet Sequeira and Guillermo Loria, a married couple from Los Pantanos—murdered by a Sandinista soldier alias "William" on September 17, 1983. IACHR case number 9900.

Gerardo Acuna Gonzalez, 28, a farmer from Upala, Costa Rica—wounded by a mine placed by Sandinista forces on a farm in Costa Rican territory on September 28, 1983. Mario Martinez was also wounded.

Camilo Sequeira, 26, from Macho Coyol (Rio San Juan)—reportedly seized October 15, 1983 and taken to San Carlos where he was tortured. Later, transferred to the Carcel Modelo prison in Tipitapa where he remains. IACHR case number 9854.

Auxiliadora Rivas Urbina, 28, of El Tamboral (Rio San Juan)—captured by Sandinista State Security on November 20, 1983. She was found three months later in the Carcel Modelo prison, and claimed she had been tortured. IACHR case number 9856.

Edmundo and Leocadio Cardenas Gomez—beheaded by Sandinista elements at La Llorona (Wiwili) on December 11, 1983, according to Jose Gonzalez Cardenas.

Herberto Blandon Celedon, 19, from Matiguas (Matagalpa)—reportedly murdered at the Sandinista military base Mulukuku in December 1983. He had been forcibly recruited on November 22, 1983 from the Instituto Nacional in Matiguas.

Roberto Amador Narvaez, a pilot, was captured in 1983 when his plane was shot down delivering supplies to the Nicaraguan resistance. Seized with other crewmembers who died from lack of medical attention. Sentenced to 30 years in prison, he is confined in the Carcel Modelo. Denied medical treatment, he suffers from a serious spinal condition, as well as partial paralysis. IACHR case number 9202.

Silvio Robelo Ortiz, 27, an industrialist from Managua—taken from his home on January 10, 1984 by State Security agents who broke in. Taken to El Chipote prison and sentenced to 30 years for alleged counterrevolutionary activities with a law retroactively applied. IACHR case number 9036.

Leon Ulises Valdivia Gonzalez, 21, a farmer from El Zapote Kum (Matagalpa)—killed by Sandinista elements January 27, 1984.

Carmela Mairena Pomares, 87—murdered by a Sandinista military patrol commanded by Captain Gerardo Arce Castano, brother of Sandinista comandante Bayardo Arce Castano, in front of the Catholic Church in San Jorge (Rivas), April 10, 1984.

Juan Jacinto Rodriguez Guillen—allegedly killed by Sandinista elements in Susucayan on April 15, 1984, according to brother Pedro Ortez Guillen.

Humberto Urbina Chavarria, guard of Sandinista President Daniel Ortega until December 1982—seized in June 1984 and accused of counterrevolutionary activities. Sentenced and pardoned in May 1985. Recaptured in November 1985 along with his wife Tomasa Hernandez. His wife was released in January 1986, but he was forced to bear false witness against himself and is being processed by the Tribunales de Excepcion.

Manual Adan Rugama Suazo, a physician—captured on June 3, 1984 and sentenced to nine years in prison by political tribunals. His brother is Comandante Aureliano in the resistance. Despite cardiac problems, he is kept in isolation cells without medicine. Since June 1987, he has disappeared from the Carcel Modelo. IACHR case number 9365.

Aquiles Obregon Garcia of Rivas—killed by a patrol led by Captain Gerardo Arce Castano, brother of Sandinista comandante Bayardo Arce Castano on August 2, 1984. When the victim refused to be recruited by the patrol, he was ordered shot in front of his family. Captain Arce reportedly warned family members to keep quiet or they would suffer the same fate.

Laureano Rodriguez Solano, 33, of Acoyapa (Chontales)—seized at the hacienda El Coral In November 1984. Sandinista captors tortured him by pulling out fingernails and forcing him to witness the death and mutulation of three peasants. He later evaded his guards and escaped.

Jose Ramon Centeno Garcia and Pedro Antonio Centeno Garcia, natives of Auguas Sarcas—allegedly killed by Sandinista soldiers because their father did not keep an appointment on August 17, 1984.

Gerardo Price Sinclair, 38, from Bluefields—seized by State Security agents on several occasions for counterrevolutionary activity. Claims Sandinista troops burned five houses in September 1984 in El Torreon (Zelaya). IACHR case number 9869.

Juan Enrique Gutierrez Cruz from Tomayunca (Jinotega)—killed by a State Security member while driving his jeep on October 1, 1984.

Edwardo Paredes Martinez of Chinandega—taken on October 8, 1984. A Tribunal de Excepcion sentenced him to eight years in prison. He was reportly tortured in capitivity. IACHR case number 9691.

Cesar Augusto Flores Miranda, 23, was first captured by Sandinista authorities in 1984 and kept in prison six months. On November 19, 1985, State Security apprehended him again. He remains in the Zona Franca prison. IACHR case 9692.

Cristobal Rivera Herrera, 33, of Santa Teresa de Kilambe (Jinotega)—seized near Rancherias, and later transferred to Leon for detention. Was held in Leon until the end of 1984, and has since disappeared.

Cristobal Rosales Granados, 22, a farmer from Santo Tomas—killed by Sandinista troops on May 2, 1985 in El Serrano in Nueva Segovia department. His body was found by neighbors several days later.

Francisca Ofelia Marin Jarquin of El Valle de los Arados (Nueva Segovia)—reportedly killed on May 12, 1985 by Sandinista soldiers. Five soldier are said to have raped her sister in a nearby field.

Vicente Vanegas Suarez, 60, of Boca Tapada—killed with 18 others on June 22, 1985. Three of the victims were children. Family member Felicito Vanegas claimed the killing had no logical motivation. IACHR case number 9877.

Miguel Gonzalez and Guillermo Reyes of Boca Tapada were tortured and killed by Sandinista soldiers on June 25, 1985. According to eyewitness Edwing Gonzalez, Reyes was castrated and stomped in the abdomen with a bayonet. Gonzalez was killed by a shot to his head, and his brother Lugardo was also shot. IACHR case number 9878.

Fermin Mairena Rizo—allegedly killed by Sandinista elements at San Jose de Bocay on August 1, 1985, according to Diego Krauz.

Juan Jose Garcia Hernandez, a human rights activist—arrested on September 17, 1985 and confined in the Zona Franca * * * according to his brother Cruz.

Jose Mairena Quezada—illegally arrested in * * * September 22, 1985. He is now at the Carcel Modelo according to Angela Mairena Reyes.

Pedro Sequeira Ramirez, 40, of Mancha Coyol (Rio San Juan)—reportedly killed by Sandinista forces on October 26, 1985 at a bean plantation. Wounded by shots, Sequeira Ramirez was beheaded and his body was hung from a pole next to his house. IACHR case number 9767.

Salomon Telleria Salinas, 52—taken from his house in Leon on December 6, 1985 by State Security agents. No charges were specified and he died in detention February 14, 1987 as a result of injuries received while being tortured. IACHR case number 9711.

Ramon Garcia Silva from Upala, Costa Rica—wounded by an alleged Sandinista mine on a Costa Rican farm on December 13, 1985.

Daniel Obando Centeno, an evangelical pastor from El Diamante (Zelaya)—reportedly murdered along with his son, Omar Obando, by Sandinista troops on December 20, 1985 for refusing to renounce religious beliefs. Witness Pablo Julian Hernandez Zavala, 41, also a pastor, claimed that the Sandinista army also killed 13 other persons in that area.

Cecilio Rivas—arrested and confined at Boaco from December 19, 1985 to June 1987 without charges. He is the father of resistance comandante Quiche. IACHR case number 9701.

Hugo Hernandez Ochomogo, 58, a physician from Leon living in Matiguas (Matagalpa)—seized by Sandinista State Security agents without being charged in 1985, and tortured in prison. Later released. IACHR case number 9752.

Rafael Roca Pena, 49, of Cardenas (Rivas)—allegedly kidnapped on March 5, 1986. Has remained in Sandinista jails without a trial. IACHR case number 9702.

Simeon Sequeira, 46, of El Fajardo (San Miguelito)—killed by a Sandinista army patrol on June 20, 1986. Also killed were his son Juan Sequeira Moran, nephew Gregorio Sequeira Lazo, and an unidentified 5-year-old granddaughter. Eyewitness Jose Rivas Urbina said the soldiers entered Sequeira's house firing automatic weapons without any explanation. IACHR case number 9866.

Teofilo Sevilla Centeno—reportedly killed by Sandinista elements at San Juan de Aguas Sucias, Jinotega department, on June 20, 1986, according to Susana Sevilla Rodriguez.

Maria Munoz Costurera of El Trompezon (Jinotega)—seized from her house by Sandinista soldiers on July 15, 1986 and taken into the countryside where she was shot to death.

Calixto Centeno—allegedly murdered by Sandinista elements near San Jose de Bocay on August 29, 1986.

Buenaventura Osorio Ponce—robbed and murdered by a Sandinista patrol in Wamblan in August 1986, according to Hortencia Reyes Gonzalez.

Miguel Angel Rodriguez Garcia, a native of La Concordia (Jinotega)—seized in his house by a Sandinista patrol on October 24, 1986. They allegedly tied his hands and shot him to death.

Marcos Castellon Perez—beheaded by Sandinista forces at Sabana Grande near Ocotal on January 20, 1987, according to Roger Centeno Perez.

Maximino Lopez, 12 of Kukara Arriba (Bluefields)—ambushed with his family and approximately 20 others on their way to seek asylum in Costa Rica on February 28, 1987. Lopez swam to safety across the San Juan River and later stated that most of the group had been killed.

Jeronimo Vasquez, 37, of Caisigua (San Jose de Bocay)—captured, murdered, and beheaded by Sandinista forces [no date].

Tulio Moreno, 40, native of El Cua de Abajo (Wiwili)—allegedly captured by Sandinista forces and tortured to death [no date].

Marcos Antonio Cerna, a peasant from Los Laureles (Wiwili)—captured and tortured by Sandinista soldiers who cut off a finger before releasing him.

Marcos Jose Sevilla, 13 of Juigalpa was allegedly murdered by State Security agents. [No date].

Iran Cabezas Flores—sentenced to 30 years in prison. Allegedly singled out because his father was a lieutenant in the National Guard and his brothers flew in the Somoza Air Force. He is now at the Carcel Modelo.

"WRITE YOUR CONGRESSMAN" INC.

HON. GEORGE (BUDDY) DARDEN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 30, 1987

Mr. DARDEN. Mr. Speaker, the effectiveness of the House of Representatives and the Senate in reflecting the views and interest of our constituents depends on regular contact—both in person and in writing—between those constituents and Members of Congress.

Encouraging that vital communication is the purpose of National "Write Your Congressman" Inc. This organization, founded almost 30 years ago and based in Dallas, TX, is devoted to fostering regular, effective correspondence between the American people and their elected representatives in Washington.

National "Write Your Congressman" Inc. is not a lobby. It does not promote any particular point of view on any national issue. It does encourage individuals holding all points of view on those issues to convey wishes and opinions to Congress.

The organization provides its members with a monthly Opinion Ballot covering several major issues, and includes a preaddressed envelope to make it easier to send the completed ballot on to us. In recent months, that ballot has covered such important topics as trade, welfare reform, the minimum wage, and the Gramm-Rudman-Hollings balanced budget law.

National "Write Your Congressman" also keeps its members posted about our actions on these issues. Here again, the approach is unbiased, with each members vote listed as simply "Yea," "Nay" or "Did Not Vote."

Mr. Speaker, I invite my colleagues to join me in congratulating Mr. David N. Adamson, the president and founder of National "Write Your Congressman," for his efforts to keep Americans in touch with their elected representatives in Washington. And, I urge each Member of Congress to carefully review the correspondence they receive through the efforts of this fine organization.

STATEMENT OF CONGRESSMAN LES AuCOIN

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 30, 1987

Mr. AuCOIN. Mr. Speaker, today I am introducing two bills to reestablish a reservation for the Confederated Tribes of the Grand Ronde Community located in Yamhill County, OR. Oregon's senior Senator, MARK HATFIELD, is introducing identical bills in the other body.

These bills represent two alternative ways to establish a needed reservation for the Grand Ronde. They are intended to frame the debate over the specific elements of a tribal reservation. I will hold a public meeting on these bills, to hear the views of the people I represent, in Grand Ronde on August 10.

The Grand Ronde tribe has a long history in western Oregon. It is a tribe which has maintained a core membership and has retained its identity in spite of efforts—some well-intentioned, some not—to abolish many Indian tribes. The 1954 Termination Act ended Federal recognition of the Grand Ronde tribe and was the last blow in the liquidation of the tribe's reservation. Realizing the mistake made by passing the 1954 Termination Act, Congress in 1983 restored Federal recognition of the Grand Ronde tribe.

At the same time, the non-Indian population in this area of Yamhill County have a long history of attachment to the land, supporting families and communities on farming, forestry, and other resource-based work. The land is important to all who have settled in this area.

It is my intention that a reservation in this area accomplish two goals: first, that it provide the Grand Ronde tribe with a resource that it can manage, producing income for tribal purposes and promoting self-sufficiency; and, second, that it make a positive contribution to the economy of the greater Sheridan-Willamina area. Everyone who lives in the area should and must benefit from what Congress does.

I believe those two goals can be reached by creating a carefully and responsibly conceived reservation. At the same time, I want the benefit of public comment on this issue to help me decide the specific components of the reservation. Thus, I have introduced two bills which I believe set reasonable points on a spectrum.

The first bill is similar to the proposal developed by the Grand Ronde tribe in November 1985. One major difference is that, in ensuring that there is an equal-value redesignation of BLM Public Domain Land to O&C Grant Land status to compensate for the change of land now classified as O&C lands into the reservation lands, 1,823 acres have been deleted from the tribe's proposal. Thus, the reservation envisioned in this bill would now consist of 15,665 acres. A total of 23,293 acres would be redesignated as O&C to keep the counties whole.

The second bill would create a reservation of approximately 5,116 acres from O&C lands, with an equal value redesignation again mandated, in this case 5,631 acres, to keep the O&C counties whole. This proposal is not as small as, but closer to the range of acreage that has been suggested to me by public officials and private citizens in the area who are skeptical of the merits of the tribe's much larger proposal.

Both bills make it clear that no new hunting, fishing, or trapping rights are conferred on the tribe or its members due to creation of a reservation. And, both bills confer traditional civil and criminal jurisdiction for activities on the reservation.

Since the areas under consideration for the reservation are heavily timbered, a number of concerns have been raised about the future use of this land. This is extremely important to my second essential goal for this legislation; namely, that it must generate additional economic opportunities without jeopardizing those already-productive sectors of the local economy.

Since the purpose of creating a timber-based reservation is for the tribe to manage the resource and generate revenues from timber sales, I think it clear that creating a reservation will result in an influx of new money into the local economy. It is important to remember that only 50 percent of the receipts from O&C timber sales are returned to the counties, and less than 5 percent of the receipts from timber sales on BLM Public Domain lands are returned to the area. No such receipt-sharing exists with Indian timber sales. Since the tribe intends to use these revenues for economic development, educational, and social projects in the three-county area, the economic boost from this proposal to the local economy should be substantial.

On the other hand, there is a lot of local concern over the potential loss of raw material—logs—for wood products manufacturers in the area. I have that concern, too. This is one of the most productive, competitive areas for the wood products industry in the Nation.

The tribe has made some efforts to accommodate those concerns in the event that a reservation bill is enacted, and those first steps are encouraging. I hope that my field hearings will help clarify these concerns and I believe can result in satifactory answers to them.

Mr. Speaker, creating this reservation can be a constructive process that benefits the whole community, not just that segment represented by the tribe. The strength, interest, and civic pride of the area were abundantly evident to me as Senator HATFIELD and I worked with the leaders and people of the local Sheridan and Willamina communities on the new Federal prison which is being built in Sheridan. I look forward to continuing to work with the good people of Sheridan, Willamina, Grand Ronde, and other communities in the area to help another part of the community, the Grand Ronde, in a way that is in everyone's interest.

AFGHAN SOVIET "DEFECTOR PIPELINE" RESOLUTION—HOUSE CONCURRENT RESOLUTION 169

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 30, 1987

Mr. RITTER. Mr. Speaker, I am pleased to announce the introduction of House Concurrent Resolution 169, expressing the sense of the Congress, that the President of the United States should establish a defector pipeline through which Soviet Red Army soldiers could gain freedom in the West.

This resolution asks the President to establish a system to bring Soviet POW's in Afghanistan to the United States, grant them political asylum, help them to make the transition to American life, and broadcast to the Soviet Union—particularly those areas near Afghanistan—and to Afghanistan details of this program and general information regarding Soviet activities in Afghanistan. The idea is to communicate directly with Soviet troops to encourage defection.

While the desirability of establishing such a policy is intuitively evident, I would like to discuss the rationale for such an effort.

The immensity of the Afghan people's suffering caused by the Soviet Union's invasion is beyond measure. Nearly 1 million Afghans have been brutally killed by Soviet bombs, napalm, chemical weapons, artillery, and other means of modern warfare, and another 5 million Afghans have fled the country. MI-24 Hind D helicopters the so-called flying tanks have been raining death for years on the Afghan population.

But the Afghan conflict has also been tragic for many people in the Soviet Union—soldiers who engage in a far-away and unjust war and families whose sons die in a war in which they don't believe. And, the Afghan conflict has created the hopeless situation of the Soviet POW's.

Ludmilla Thorne, a staff member of Feedom House in New York, has interviewed two dozen Soviet POW's on the Afghan-Pakistani border and inside Afghanistan. Most of the soldiers were deserters, and some were captured, but practically all of them asked for political asylum in the United States. So far, the United States has brought only six Soviet Army deserters to this country, while in 1985 alone, 22 others were killed during desperate attempts to escape or to gain asylum. That is not a very good record.

Freedom House has the names and biographical information on a dozen Soviet POW's who are still inside Afghanistan who have asked for asylum. It has been estimated by Soviet defectors, that there are approximately 250 Soviet POW's currently being held by the Mujahedeen.

Besides humanitarian considerations, there are important political reasons why we should give political asylum to those Soviet soldiers who have asked for it. It is our moral obligation to help these young men. Among the defectors are Soviet citizens of various nationalities, including Russian, Ukrainian, Uzbek, and others, and all of them deserve our support. Once a Soviet soldier in Afghanistan has taken the crucial step of defecting, we should work to see that every obstacle that seeks to thwart his attempt for freedom is removed. We cannot expect the Afghan resistance, which is involved in its own life and death struggle, to carry the burden of holding Soviet POW's for long periods. For those who go hungry, it is difficult to share their last meager rations with their Soviet captives.

The following is a quote from a letter written from Afghanistan to President Reagan by Mr. Busov, a former Red army deserter who was brought to Canada last November. It aptly describes the situation of many other Soviet prisoners who are still in Afghanistan:

> We have spent many sleepless, anxious nights together with the mujahedeen . . . we have shared the last crumbs of bread and the last drops of water. . . . Is it possible that after all of this, my friends and I are destined to live a life of anguish and suffering, without freedom? Can it be, that this is all we deserve?

A systematic method for screening, processing, and transporting Red army deserters out of Afghanistan could be devised, similar to the program that was set up by the allies for Soviet Army defectors and prisoners at the end of World War II. There will be numerous obstacles to creating such a program, but none of these are insurmountable, and the humanitarian and political advantages for our country and the free world will be of great importance. An underground railroad worked during our own Civil War, it can work now.

If $1 billion in United States funds have been spent and some 100,000 Soviet soldiers have been killed in the Soviet invasion and subsequent occupation of Afghanistan, then each Soviet casualty is costing $100,000. Why don't we spend far less to gain more. The program recommended in this legislation would be far less costly, far more compassionate and far more clever. It convinces rather than condemns.

Many journalists who have been to Afghanistan have described to the West, the brutality that is visted upon the Afghan people by Soviet occupation forces, and numerous Mujahedeen leaders have condemned what is happening in their country, but what could be more devastating than a condemnation of the Kremlin's actions in Afghanistan by its own Soviet soldiers? We should bring more of these soldiers to the West to tell their stories.

The stories these defectors have to tell are compelling. Having hundreds of these stories told in the United States and Europe would have a significant international impact. The Soviets don't take kindly to such publicity, especially now as they seek to change their image in the United States and elsewhere. Having their own native sons discussing Soviet atrocities against civilian populations, documenting mass-scale genocidal actions, could add a great deal to the mounting pressure already brought on by the success of the resistance and the existing international outrage. This mounting political pressure is essential to encourage the Soviets to pull out of Afghanistan.

There needs to be a support system set up for those Soviet Army defectors who arrive in this country. These Soviet young men are 19 to 20 years old, they know that they cannot return to their country, but adjusting in this one is not easy. They do not speak English, they have no professions, and they have no families on whom to rely for advise and support. They must overcome all of these difficulties and adapt to a completely different culture, at the same time that Soviet agents approach them in various devious ways and urge them to return home, with the promise that nothing will happen to them. We need a proactive, compassionate effort to assist them in making the difficult adjustments.

One such soldier, Nikolay Ryzhkov, did return to the U.S.S.R. after being repeatedly urged to do so by Soviet KGB agents in New York and is now serving a 13-year strict regime prison camp sentence in Mordovia. But if a special bit of care is offered these young men, they can make it. Five others in Canada are doing well.

I have sought to encourage the administration to establish a Defector Pipeline Program for years and, without success. My efforts, along with the efforts many other Members of Congress and the general public to establish this new program have not yet brought the appropriate response from policymakers.

It is my hope that the bipartisan support for this legislation—which is demonstrated by the cosponsorship of Representative BARNEY FRANK, Representative ROBERT LAGOMARSINO and Representative CHARLES WILSON—will grow and that other Members will see this resolution as an opportunity to help these young soldiers and go on record as supporting the Mujahedeen resistance forces' attempt to expel the Soviet occupation army.

The following is the text of H. Con. Res. 169:

AFGHAN SOVIET "DEFECTOR PIPELINE" RESOLUTION—HOUSE CONCURRENT RESOLUTION 169

To express the sense of the Congress concerning Soviet prisoners of war in Afghanistan.

Whereas for more than 7 years the armed forces of the Soviet Union have illegally occupied the formerly independent nation of Afghanistan;

Whereas on numerous occasions the United States has expressed support for the struggle of the Afghan people and the Afghan freedom fighters against the Soviet occupation troops;

Whereas of an estimated 115,000 soldiers comprising the occupation troops, several hundred are believed to be held captive by Afghan resistance forces;

Whereas the Soviet Government does not admit the presence in Afghanistan of Soviet prisoners of war (POWs), therefore, a Soviet POW is subject to imprisonment for up to 15 years for treason;

Whereas at the close of the Second World War many Red Army defectors and Soviet prisoners of war fleeing Stalin's tyranny were forcibly repatriated to the Soviet Union and subsequently sentenced to imprisonment and death for alleged collaboration with the enemy;

Whereas at least several dozen Soviet POWs have indicated a desire to leave Afghanistan and resettle in the West; and

Whereas leaders of the Afghan resistance have indicated a willingness to release Soviet POWs to the custody of responsible representatives of the free world: Now therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress that—

(1) the President should direct the appropriate agencies of the United States Government to establish, insofar as logistically feasible, a systematic method for encouraging, screening, and processing Soviet defectors and prisoners of war in Afghanistan, and that such persons should be provided with proper information concerning the Geneva Conventions and United States law regarding political asylum;

(2) Soviet defectors and prisoners of war in Afghanistan who request political asylum and are eligible under United States law should be granted political asylum and be transported to the United States by the proper agencies of the United States Government;

(3) the President should seek to establish a framework, utilizing governmental and private resources, under which Soviet defectors would be helped in adapting to American life, which would include the opportunity to receive counseling, learn English, gain an education, and acquire the necessary skills to obtain gainful employment; and

(4) the President should direct the appropriate agencies of the United States Government to broadcast into the Soviet Union and Afghanistan such information as may be necessary to inform Soviet troops and the Soviet people of the facts about their government's actions in Afghanistan, the impact of such actions on the Afghan people, and the provisions of this resolution.

THE FRIENDLY AND NOISY SKIES

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 30, 1987

Mr. FLORIO. Mr. Speaker, recently our Nation has become aware of a problem afflicting hundreds of communities from coast to coast. The problem is airport noise.

In assessing noise pollution levels, airports are assigned ratings based on a year-long study. If during that year, the rating is excessive, then the airport has a noise problem.

That noise problem for the airport translates into a noise problem for the community that has to bear the brunt of aircraft roaring into and out of the runways.

Yet there are methods which have been proven effective in blunting the brunt of airport noise. Among those methods are a rerouting of traffic over severely affected neighborhoods, soundproofing for the homes in the flight path of airplanes, and changes in the operating hours of the airport or the aircraft.

What makes it possible for the airport authorities to undertake both the studies and the remedial approach to solving the noise problem in surrounding neighborhoods is the availability of Federal funding.

Since 1979, with my help, Congress directed the Federal Government to take an active interest in reducing the problem of airport noise.

Recently, the noise problem has been exacerbated by attempts to reduce another problem in the air traffic industry, flight delays and safety.

In northern and central New Jersey, the Federal Aviation Administration put into effect its Expanded East Coast Plan in February of this year. Among the components of that plan was a rerouting of traffic over neighborhoods that had previously been immune to the roar of aircraft overhead.

Those neighborhoods are immune no longer. Across the country, at least five million individuals wake up in the morning noise of the flight path of planes. During the day, they must learn to ignore the disturbing rattle of the unpleasant passage of aircraft.

Our colleague from California, NORMAN MINETA, has introduced legislation in the Airport and Airway Improvement Amendments of 1987 requiring that airports undertake noise monitoring studies or face losing 10 percent of their Federal funding, which would then be redirected to the community itself for noise abatement projects.

I recently asked several airports in New Jersey, Pennsylvania, and New York to participate in noise level monitoring.

The key to restoring some peace and quiet to our neighborhoods is in asking airports to address the problem face-on. About 100 airports have already participated in the available programs since 1979.

Many others have yet to address the issue.

If our communities are to cope with the airports in their midst, the noise levels should be compatible with the neighborhoods.

I am including below an article from the Daily Journal in New Jersey in the hope that we can move forward in addressing the problem of airport noise:

[From the Daily Journal, July 7, 1987]

UPROAR OVER JETS' NOISE

(By Heidi Dratt)

KEARNY.—The Port Authority of New York and New Jersey should conduct a study of the region's airports in an attempt to cut down on jet noise plaguing area residents, a congressman said yesterday.

Rep. James J. Florio, D-N.J., called on the bi-state agency to volunteer itself to conduct the study at Newark International and LaGuardia airports and "determine the most efficient way to minimize what has become not only a disturbing problem," but a "potential health hazard," Florio said.

He made the proposal in a letter he co-authored with Rep. Frank Guarini, D-N.J., and sent to Stephen Berger, executive director of the bi-state agency.

Florio, widely considered a 1988 Democratic gubernatorial candidate, was flanked by local officials, including Sen. Thomas Cowan, D-Hudson, Kearny Mayor Henry Hill and Hudson County Freeholder Angelo Citelli, a Democrat from Harrison, at the press conference held yesterday under open skies at Gunnell Oval, a ballpark, on Schuyler Avenue in the Hudson County community. The interruption of jets rumbling overhead punctuated the meeting.

Despite the existence of the federal funding program, only 100 airports have conducted a "Part 150 study" nationwide, said Florio.

"Unfortunately, the Port Authority has not availed itself of this federal funding and has not conducted the Part 150 study," he said.

In 1979, Congress authorized a Noise Compatibility Program which permits airports to obtain the funding. The study, which may take up to 18 months to complete, would be used to devise a noise abatement program. Participating airports would be eligible for up to 60 percent of federal funds to implement noise reducers.

The Port Authority has not conducted a formal study, but in the past five years has devised a comprehensive noise abatement program, which has won the approval of the Federal Aviation Administration to receive federal funding, said Janice Muldoon, general manager of aviation technology and service for the agency.

The agency was able to convince the administration that its study was similar enough to the prescribed Part 150 study, that federal funds have been secured to soundproof eight schools, four in Elizabeth and four in Newark, Muldoon said.

Much of the jet noise disturbance, which has prompted strong citizen protest, stems from the expanded East Coast Plan, a program put into place in mid-February by the Federal Aviation Administration, which has rerouted traffic onto four new routes over North and Central Jersey.

The plan has cut down on traffic delays at Newark International Airport, but has created a noise problem that residents describe as unbearable.

A Cranford resident, Katherine Cowperthwaite, who said she has logged planes flying overhead at a rate of one every 30 seconds, called this noise "bloody Thursday, Saturday or Sunday."

In a meeting last month, legislators, federal officials, residents and members of the aviation community formed three subcommittees to zero in on the problem, said Angel Garcia, co-chairman of People Against Newark Noise, a citizens' group.

Garcia will chair the Noise Measurement Subcommittee. The others include studying new routes and frequency of flights and a legislative subcommittee, he said. The effort had been launched by Assemblywoman Maureen Ogden, R-Union, he said.

A spokesman for the Federal Aviation Administration said the Part 150 study would not be an effective way to combat noise in the outer areas of the state.

"The Part 150 study examines the present usage of the airport operations in its immediate area, and within a few miles of its location", said Kathleen Bergen, a spokesman for the agency.

MRS. MARY JANE KIRK: 103 YEARS OLD

HON. MIKE ESPY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 30, 1987

Mr. ESPY. Mr. Speaker, I am honored to share this brief statement with my friends and colleagues in Congress. On February 18, 1987, Mrs. Mary Jane Kirk celebrated her 103d birthday, and celebrated with the blessing of good health.

Born Mary Jane Mewel in 1884 in Crystal Springs, MI, at age 26 she married Mr. Marshall Kirk in 1910. Mrs. Kirk is the mother of 5, a grandmother to 28, and a great grandmother to 55 children.

Mrs. Kirk moved to Yazoo County, MI, in 1930. She has been a friend to many and a mother figure to all of the community. As a member of the Baptist church, Mrs. Kirk has served as a lay leader and admired Christian model.

Mr. Speaker, I hope we all have the opportunity to know and learn from the life and history of people like Mrs. Mary Jane Kirk. We should all pray for such a blessing of longevity.

DR. JAN D. DOZIER

HON. RONNIE G. FLIPPO

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 30, 1987

Mr. FLIPPO. Mr. Speaker, in June of this year NASA announced the selection of Dr. Jan D. Dozier as a candidate for America's astronaut corps. Jan is a resident of Huntsville, AL, and the first Marshall Space Flight Center employee to be selected for the astronaut program.

I want to extend to Jan and her parents, Bryce and Dolly Davis of Huntsville, my hearty congratulations and best wishes on being selected for this high honor. I know that her fellow employees at Marshall and the citizens of Huntsville are very proud of this achievement.

On August 7, Dr. Dozier will be honored by her hometown as they celebrate "Dr. Jan D. Dozier Day." She will also be the honoree at a banquet hosted by the National Space Club in Huntsville.

Jan Dozier joined NASA in 1979 and has worked on several projects managed by the Marshall Center including the Hubble Space Telescope, the Advanced X-Ray Astrophysics Facility, and the shuttle solid rocket booster program.

Jan is a graduate of Huntsville High School. She received her B.S. degree in biomechanics from Georgia Tech, a B.M.E. from Auburn, a M.S.E. and a Ph.D. in mechanical engineering from the University of Alabama in Huntsville.

It is interesting to note that as a astronaut Jan may have the opportunity to fly a mission involving the Hubble Space Telescope, a project that she is intimately familiar with. She received the Marshall Center's Special Service Award for her outstanding work on the space telescope project.

For a young woman who was born in the space town of Cocoa Beach, FL, grew up in the space town of Huntsville, AL, and has already made significant contributions to our Nation's space program, to be selected as an astronaut candidate must be the ultimate in personal and career satisfaction.

I look forward to the day when the television picture from space shows Dr. Jan Dozier working diligently in the bay of the space shuttle as thousands of her friends and neighbors in north Alabama cheer our fellow Alabamian on.

It is every child's dream to be able to reach out and touch the stars. Jan Dozier's career must be one of the best examples for any child to follow if they want to make that dream a reality.

LUPUS AWARENESS WEEK

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 30, 1987

Mrs. JOHNSON of Connecticut. Mr. Speaker, today I am proud to introduce legislation which would designate October 1987, as Lupus Awareness Month. On behalf of the bill's 223 cosponsors and the Lupus Foundation of America, I am introducing this bill to renew efforts to increase the public's knowledge of lupus and the medical community's resolve to eradicate it.

Lupus erythematosus was first described by Hippocrates around 400 B.C. There are approximately 500,000 people suffering from lupus in the United States, with Ferdinand Marcos and Flannery O'Connor among its more famous victims. Lupus is more prevalent than better-known diseases like leukemia and multiple sclerosis, yet many Americans are unfamiliar with the disease. Lupus Awareness Month will help us turn our attention to this disease, as well.

The manifestations of lupus are horrible. It has been known as the great imitator because it can afflict any part of the body. Its symptoms can be frighteningly similar to the diseases I have just mentioned, as well as kidney disease, epilepsy, cancer, or psychosis.

The side effects from medications used to treat lupus can be devastating. Paradoxically, the most effective medications in treating lupus carry the worst side effects. An antimalarial drug used to treat the skin rash caused by lupus may cause blindness over time. Steroids, used to reduce inflammation and joint pain, may cause permanent damage to the bones and the joints. No less devastating psychologically to its victims—9 our of 10 whom are young women—steroids can be physically disfiguring, causing patients to gain weight sharply, even as much as 100 pounds.

Advances are being made in the treatment of lupus, but slowly. Because of better techniques for diagnosis, evaluation, and management of patients and medications, the life expectancy for the lupus victims today is 10 years or more, whereas 20 years ago, lupus victims could expect to live only 3. But lupus is still fatal to 5,000 of its victims every year, and there is still no cure.

For lupus patients and their families, this is an important piece of legislation. It says that the Congress is aware of their suffering and that the Nation is united in their behalf. Designating October as Lupus Awareness Month will provide them with hope for the future.

The Senate has already approved an identical measure designating October as Lupus Awareness Month. I look forward to this bill's swift passage in the House of Representatives, and especially to the day when, like polio and smallpox, lupus will remain well-known, but only in our history books.

CAN ANYONE IN WASHINGTON KEEP A SECRET?

HON. CLARENCE E. MILLER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 30, 1987

Mr. MILLER of Ohio. Mr. Speaker, there has been much in the news lately concerning the difficulty of keeping sensitive information confidential on Capitol Hill. Yesterday's revelation makes one wonder if anyone in this town can keep a secret. Yesterday's story on page one of the Washington Post that the former Vice-Chairman of the Senate's Select Committee on Intelligence shared a confidential report on the Iran/Contra investigation with an NBC reporter points up the extent of this problem.

If you can't trust Members of the Congress' Intelligence Committees, the committees charged with the responsibility of overseeing our country's most sensitive secrets, who can you trust?

Is it any wonder that our country's foreign policy initiatives are constantly being compromised?

CONSTRUCTION DIFFERENTIAL SUBSIDY REPAYMENT

HON. RALPH REGULA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 30, 1987

Mr. REGULA. Mr. Speaker, some questions have arisen concerning the effect section 505 of Public Law 100-71, the Supplemental Appropriations Act of 1987, would have on a Maritime Administration [MarAd] final rule promulgated June 22, 1987, entitled "Construction Differential Subsidy Repayment" final rule. The Supplemental Appropriations Act was signed by the President on July 10, 1987.

As a member of the House Appropriations Committee, I had occasion to closely study section 505 and discuss it with my colleagues in subcommittee, full committee, and during the course of the House-Senate conference. I vote against inclusion of section 505 when it was brought before my committee as part of the fiscal year 1987 supplemental.

As a member of the House-Senate conference, I believe that the deliberations and actions of the conference committee indicate that section 505 was intended to be prospective in nature. The conference committee considered section 505 during the week of June 22, 1987, after the effective date of the rule. Those conferees who opposed the rule, realizing that passage of section 505 after promulgation of the final rule, would be closing the barn after the horse got out, could have altered that section so as to specifically abrogate the final rule. They made no formal attempt to do so, although it is my understanding that they discussed the prospective nature of section 505 and had even readied and amendment to section 505 which would have explicitly overturned the final rule.

It is significant to note that no report language was added to the bill to the effect that section 505 had the effect of retroactively nullifying the final rule issued by MarAd. It is also significant that the conferees did not have any discussion regarding possible retroactivity of section 505 during the conference committee deliberations. It was my intent based on conversations with staff and other members of the House-Senate conference that section 505 would be prospective in nature and would not in any way effect the legal viability of the final rule.

The President clearly believes this to be the case. To quote from his statement issued July 11, 1987, on signing Public Law 100-71 into law:

> Section 505 of this bill contains a restriction on the use of funds that is designed to prevent the Secretary of Transportation and the Maritime Administration from adopting rules on the subject of Construction Differential Subsidy (CDS) repayment. I have signed this bill into law based on the understanding that because this restriction on their authority is not retroactive, it will have no effect on vessel owners who previously repaid their subsidies pursuant to a CDS repayment rule published in the Federal Register on June 22, 1987. Instead, this provision of section 505 will affect only further repayments by vessel owners. Were it otherwise, a restriction on rule-making in this area could cost the taxpayers more than $100 million in payment to vessel owners who have previously repaid their subsidies.

Clearly, the rule was fully implemented upon its publication on June 22, 1987. No further expenditure of funds was needed or made on the rule after that time. Section 505 could not, and does not, affect the June 22 rule, except to the extent that it purports to prevent DOT from defending the rule in court. This latter issue presents a serious separation of powers issues, and I doubt that it would withstand constitutional scrutiny.

METHAMPHETAMINE CAPITAL OF THE UNITED STATES

HON. JIM BATES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 30, 1987

Mr. BATES. Mr. Speaker, I would like to call my colleagues' attention to the legislation I recently introduced. I am concerned with the illicit use and abuse of the drug methamphetamine and its threat to the health of our Nation. According to several drug enforcement agencies, methamphetamine or "meth" has become as great a threat, if not more of a threat, than cocaine or "crack." Though the drug is predominantly produced on the west coast, it is marketed nationwide. There is no doubt that strong Federal legislation is necessary to stem the tide of the illegal manufacturing of methamphetamine.

On November 11, 1986, the San Diego Union published an article stating that the Drug Enforcement Administration [DEA] considered San Diego the "methamphetamine capital of the United States." Almost 25 percent of all illegal laboratories seized between 1984 and 1986 were in San Diego. Approximately 50 percent of these labs were in California. I am certainly considering the reputation of the 44th District, but it is not just San Diego and the State of California at risk. The threat and effects of methamphetamine reach across America.

At the root of this problem are legitimate chemical companies who sell the precursor chemicals necessary for the production of methamphetamine. Illegal drug producers buy the precursor chemicals, crossing State lines if necessary, produce July 29, methamphetamine and then market the drug nationally. By federally regulating the sale of these chemicals for legitimate use, illicit drug producers would be shutdown or at the very least, severely impeded.

The bill amends the Controlled Substances Act by imposing regulations on the sale of certain precursor chemicals commonly used for producing methamphetamine. It would require chemical companies to report the sale of ephedrine, pseudoephedrine, norpseudoephedrine, phenylpropanolamine, ether, and hydriodic acid. Certain combinations of chemicals intended for the production of "meth" are also included in this bill. This amendment would not interfere with lawful transactions of the drug manufacturing industry or medical research facilities. The penalty for violation of this law is a 10-year prison term without the possibility of parole.

The amendment will not end the production and use of methamphetamine, but it will certainly give the drug enforcement agency and other related agencies a great advantage over illicit drug producers. I urge my colleagues to join me in the war drug abuse and support me on this piece of legislation.

A SALUTE TO POLICE CHIEF MAURICE T. TURNER, JR.

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 30, 1987

Mr. FAUNTROY. Mr. Speaker, I am privileged today to bring to the attention of my colleagues that on Friday July 31, 1987, the D.C. Metropolitan Police Department will honor Chief Maurice T. Turner, Jr., for 30 years of distinguished service.

Chief Turner is indeed deserving of this appreciation celebration and I join with the D.C. Metropolitan Police Department and fellow citizens of the Nation's Capital in recognizing this native Washingtonian, who has made the safety and security of his fellow citizens his No. 1 concern throughout his service with the metropolitan police department.

I would like to outline for my colleagues the career path that has led Police Chief Turner to his current position. He is a graduate of the FBI National Academy (83d session), and studied law enforcement and the administration of justice at the American University and the University of Maryland. Police Chief Turner served his country in the U.S. Marine Corps from 1954 to 1957.

In 1957, Maurice Turner was appointed as a police officer with the metropolitan police department. He was granted his first promotion in 1965, and was assigned as a supervisory sergeant in the fifth precinct on Capitol Hill. In 1969, he was made a lieutenant and in 1970, then Lieutenant Turner was transferred to the special operations division. This division is a unit which handles Presidential security details, riots and crowd control, demonstrations and protest marches.

His promotion to captain in 1971, took Mr. Turner to the fifth district, where his leadership was rewarded with a promotion to inspector in 1974, and in 1976, he rose to the rank of deputy chief and was transferred to command the youth division. In 1978, then Captain Turner was named to head the administrative services bureau as the assistant chief. He was later transferred to the field operations bureau to command and direct all of the department's field units. On July 1, 1981, Maurice T. Turner, Jr., was appointed as the 24th chief of police to the Metropolitan Police Department of Washington, DC.

This is supportive testimony to the wide ranging training and experience in the unique police work required by the metropolitan police department in the Nation's Capitol.

Chief Turner's creativity in effecting law enforcement innovations that have brought the message of law, justice and order to everyone in the community has made him a lawman who serves as a model for all big city police forces. His word is respected by his officers and others in the criminal justice system.

As the police chief, Maurice Turner is required by the duties of his office to coordinate national and metropolitan task forces involving Federal, State and local enforcement agencies dealing with major problems of drugs, prostitution, international piracy of commercial products, and many other such task forces. A major metropolitan area concern has been the structuring of the metropolitan emergency system. Chief Turner's leadership in developing and executing this vital metropolitan function continues to strengthen that operation.

Police Chief Maurice T. Turner, Jr., is one who exemplifies the best in a public servant, and I know that my colleagues join me in commending him for 30 years of outstanding service and in wishing him continued success in his future years of service to the District of Columbia, and the Nation's Capital.

INTRODUCTION OF PCB LEGISLATION

HON. MIKE SYNAR

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 30, 1987

Mr. SYNAR. Mr. Speaker, today my colleagues Mr. CLINGER, Mr. SKELTON, Mr. WHEAT, and I have introduced legislation to provide long-overdue improvements in the regulation of polychlorinated biphenyls, commonly known as PCB's.

The manufacture of PCB's was banned by Congress in 1976. Since that time, EPA has set deadlines for removing certain PCB materials from the environment and established regulations governing PCB disposal.

In 1983, 1986, and again in April of this year, the Environment, Energy and Natural Resources Subcommittee, which I chair and which Mr. CLINGER serves as ranking minority member, has held investigative hearings to review PCB disposal activities. These hearings have focused on several instances where PCB materials have been mishandled, improperly disposed or simply unaccounted for. The hearings have also identified a number of serious shortcomings in the PCB disposal regulations.

Today's legislation will correct many of these shortcomings. It will:

First, require uniform manifests to track PCB materials from the owner to final disposal;

Second, require PCB brokers—the middlemen in disposal operations—to have EPA permits, and;

Third, require all PCB disposers and brokers to maintain adequate insurance to cover accidents and the costs of cleanup when facilities are closed.

I strongly believe that these changes will provide substantially increased assurances that the public is adequately protected from the health hazards of PCB's.

Why are we legislating on this issue? For two reasons. First, in 1984 EPA Administrator Lee Thomas acknowledged deficiencies in the PCB regulations. He promised to take care of these problems administratively and urged against a legislative solution. Three years later, we are still waiting for EPA to act. Second, EPA's own estimates show that PCB disposal demand will peak over the next couple of years as deadlines are reached for removing from service and disposing of certain electrical equipment. We simply cannot wait another couple of years for EPA to get its act together.

Today, the gentleman from Pennsylvania [Mr. CLINGER] and I have also released a report by the General Accounting Office citing the need for improvements in EPA's PCB program. I will not detail the report's findings, but I do want to highlight one of GAO's recommendations: PCB brokers—or intermediate operators—should be required to obtain an EPA permit. Obviously, this recommendation supports a critical feature of our legislation.

In the end, the law and the regulations are effective only to the extent to which they are enforced. Our subcommittee hearings and this GAO report have identified serious PCB enforcement deficiencies at EPA. We will continue to monitor EPA's progress in improving its enforcement record.

Meanwhile, I urge my colleagues to join in support of this legislation in order that we may immediately correct several critical PCB regulatory shortcomings.

BICKEL, NOT DICKELL

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 30, 1987

Mr. FRANK. Mr. Speaker, the reporters of debate who transcribe our words so they can be printed in the CONGRESSIONAL RECORD do a superb job. As one who occasionally talks too fast, and whose diction is not always pristine, I'm particularly appreciative of the scrupulous care they show in reporting what I occasionally say.

Unfortunately, because I do not always speak as clearly as I should, occasional errors creep in when even the most capable individuals try to take down everything I say. Ideally, I should edit those transcripts for this sort of inevitable occasional error, but I find when I reread what I have said, I become so self critical that my inclination is to change everything and I do not think I ought to be purporting to say in the CONGRESSIONAL RECORD things that are very different from what I did say. So I have found it to be best not to edit what I have said and rather to rely on the high degree of competence of the reporters. The occasional error that creeps in does not seem to me to be at all serious.

But there was one error that resulted from my uncertain diction in the transcription of the speech I gave during special orders on Monday. I referred several times to the late Alexander Bickel, former Professor at Yale, and a colleague of Judge Robert Bork. Because I nowhere spelled out that name in any documents I submitted, the reporter understandably misheard me and Professor Bickel appears as Professor Dickell in the CONGRESSIONAL RECORD. There may well be a Professor Dickell somewhere in the world, but if there is, he is not the person to whom I was referring and I ask this be printed here to correct that error.

TRIBUTE TO MS. SUSAN SMOLKO

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 30, 1987

Mr. GOODLING. Mr. Speaker, today I would like to pay tribute to a constituent of mine, Ms. Susan Smolko, who was one of the winners of the 1987 Public Service Scholarships given by the Public Employees Roundtable. I would like to share with my colleagues her essay on "How Public Service Affects the Quality of American Life."

The essay follows:

HOW PUBLIC SERVICE AFFECTS THE QUALITY OF AMERICAN LIFE

(By Susan Smolko)

The United States is amidst a year of celebration for the 200th birthday of its Constitution. The remarkable endurance and modern applicability of our nation's Supreme Law of the Land attest to the responsive nature and strength of the American system itself. Less celebrated, perhaps, are other facets of the American system which also contribute to its strength and modern vitality. Most notably, the field of public service participates daily in the system and succeeds in upgrading the quality of American life.

If the U.S. Constitution is thought of as the bare skeleton of the American system, public servants are like the millions of living cells functioning and replenishing themselves continuously to sustain the living national body. Individually, public servants can do little to affect the quality of American life. In sum, however, the public service sector is a major, positive force in virtually all areas of American life. Examples of the effects of public service can be seen at every level—national, state, and local. Military services protect and safeguard American liberties at the national level while police do at state and local levels. Indigent persons accused of a crime may enlist the aid of public defenders. Many basic services such as postal delivery and social services are provided. Also given are opportunities to utilize the services of elected representatives from state and national legislators to local township supervisors. The myriad facets of the field of public service deliver assistance and services and perform functions without which the national body could not survive.

Through my experiences in state and local government, I have seen directly how public service affects the quality of American life for the better. At the local level, our township supervisors and staff were continuously called upon to answer questions, to solve problems, and to listen to residents' concerns. We were involved daily in the provision of basic services such as zoning and licensing, refuse and sewer services, and police protection.

At the state level, the scope of public service broadens significantly to include health, legal, educational, social, financial, and many other services. My internship in the Refugee Resettlement Program has shown me the extensive role of private social service agencies in states' implementation of their public service responsibilities. A notably unique point of this public service program is its focus on refugees and its attempt to upgrade their quality of life as persons newly-arrived in the United States and to help them attain social and economic self-sufficiency. Thus, public service truly does want to affect for the better the quality of American life for all our citizens as well as for all who reside here.

Public servants make the difference in America today. They are the living cells which quietly run the daily functions of our national body. As we celebrate the Constitution's 200th birthday, the extensive public service sector, too, deserves a celebration for its vital, enduring role in the American system. Our public servants are a living institution here to serve us and to protect, maintain, and improve the quality of American life.

THE PRESIDENT'S STRUGGLE WITH FACTS

HON. AL SWIFT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 30, 1987

Mr. SWIFT. Mr. Speaker, as we learned the other day by his reaction to our colleague BILL NELSON "telling the truth on him," the President does not like to have his statements called duplicitous or, to use his own words, "double talk." But then no one likes to get caught when they're fudging around the edges.

But Ronald Reagan distorts facts or simply makes them up all the time. And BILL NELSON is not the only one that is beginning to point that out.

Recently, in one of his Saturday radio broadcasts, the President was ragging on Congress—a favorite weekend pastime of his—when he said:

Did you know that your Congress wants to spend millions of dollars to purchase submerged lands—that's right, thanks to your representatives, the federal government could become the proud owner of 1,000 acres of underwater property.

It was certainly hard to know from the way the President worded it that he was talking about acquisition of tidelands connected with an existing national park. I think people could be forgiven if they got the impression that someone here was trying to sell the Government a few acres of swamp land.

Wallie Funk, editor of the Whidbey News-Times, a weekly newspaper serving an area affected by the proposal, set the record straight and in the process caught the President again. The editorial read:

INEXCUSABLE

President Ronald Reagan's offhand jab at efforts to purchase and preserve Keystone Spit and tidelands along Washington's coast was inappropriate and undeserved.

Reagan, in a radio address from Camp David, painted the current Congress as fools for purchasing "underwater property."

That reference is to tidelands the federal government will receive from the state in a trade for Keystone Spit. The Congress recently approved the appropriation of funds to buy Keystone Spit and make the trade possible.

The acquisition of the tidelands by the federal government and the preservation of the spit for the state is a wonderful transaction.

Far from being the scam Reagan made it out to be, both acquisitions preserve for public use valuable natural resources.

We understand politics, and the usual rhetoric which accompanies the process. Politicians on both sides of the fence often collect more praise and lay more blame than is deserved.

But for Reagan to so mislead the public on this issue is inexcusable.

Within the operation of the federal government, and in the appropriations bill which contains the Keystone Spit money, are many debatable issues.

But rather than make a legitimate criticism, Reagan seized on an old joke and compared Congress to a sleazy real estate salesman selling submerged property in Florida.

In this case, the president sacrificed the facts to attain his political goals, and in the process misled many who look to him for reassurance and honesty.

Acquiring Keystone Spit is not folly. Allowing the federal government to take over management of the tidelands just makes good sense.

In the future the president should reserve his ridicule for real wastes in federal spending, not imagined ones.

It was a great Republican President who told the truth about fooling the people. You can't fool all the people all the time, he said. This President should think upon that observation and see if he can't make his points without fudging the truth.

ABOVE THE BATTLE, DEMOCRACY GAINS

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 30, 1987

Mr. SOLOMON. Mr. Speaker, there is an article in U.S. News & World Report that should be read by any Members who may have missed it. Entitled "Above the Battle, Democracy Gains," this article reinforces what many of us have always said: that President Ronald Reagan is to be congratulated, not criticized, for his consistent work to protect and nurture democracy in the developing world.

Democracy is not something that can be installed overnight, like some Communist Party dictatorship. It depends above all on the presence of a large number of people who appreciate its benefits, who repudiate radical, quick-fix solutions, and who provide the stability democracy requires. In other words, it needs a strong middle class that has experienced the economic freedom that goes hand in hand with the introduction of free markets and respect for private property.

And who has consistently fought for economic liberalization and gradual democratization in the developing world? It hasn't been General Secretary Gorbachev; it hasn't been those leftwing economists who cling to the failures of communism; it's been President Ronald Reagan. I recommend that my colleagues read this article. As it says, "Democracy is on a roll," And that's thanks to President Reagan.

ABOVE THE BATTLE DEMOCRACY GAINS

Across an otherwise bleak foreign-policy landscape, there is some good news for Ronald Reagan. Rising above the chill of terrorism, allied bickering, bloodletting in a score of countries and the Iran-Contra scandal at home, democracy is on a roll. South Korea, the Philippines, Argentina and Brazil are the most dramatic evidence. Haiti and Panama are now on the way. What Anthony Maingot of the Rand Corporation calls a "worldwide phenomenon" is putting more people than ever under democratic systems. Even some nonadmirers of the President give him a generous measure of credit.

It is far more than an American or Western-driven trend. Yet it reflects, directly or indirectly, Reagan's deep conviction that the free market and free political institutions go hand in hand. As the Japan Times has put it: "Liberal democracy constitutes the perfect complement to 'user friendly' capitalism."

DIFFERENT SYSTEMS, SAME GOALS

Which comes first, political or economic liberalization, is not always consistent. But more and more authoritarian governments are leaning toward democracy as they tinker with failed economies. Sometimes, too, rising political expectations follow economic progress. Limited political freedoms thus appear in nations as disparate as Communist China and capitalist Taiwan, the Soviet Union and its restless allies, and in remote corners of the Third World. "We are an American baby, a showcase for development," James Soong, a leader of Taiwan's dominant Kuomintang, declared long before his government announced last week an end to 38 years of martial law.

The transitions can be painful—and unexpected. South Korea's military leaders created the climate that forced them toward liberalization by building a literate middle class to fuel economic development, only to have the middle class join radical students in demanding political reform. The Korean military now is hardly driven by dewy-eyed idealism in its concessions to democratic forces. Indeed, the concessions that tantalize a disunited opposition offer President Chun Doo Hwan's followers far greater promise of unbroken power than does the mailed fist—without destroying the economy.

Many jubilant Koreans resent outside comparisons with events last year in the Philippines. But they seem unavoidable. There, Ferdinand Marcos's insatiable corruption, economic failure and impotence against insurgency fueled Corazon Aquino's "people power" revolution. Its future is still uncertain, but "the Philippines is now a full-fledged democracy," argues Richard Haass of Harvard's John F. Kennedy School of Government. "The issue is whether the economy and the security situation in the country can be improved so democracy can improve."

In South America, democracy's surge may be less volatile for the moment, but no less fragile. In Brazil, the military boasts that it walked away from power in the early '80s. In Argentina, the 1982 defeat by Britain in the Falklands War so disgraced the armed forces that civilian government became inevitable. Yet sheer administrative incompetence, especially in running the economy, also contributed to change in both countries. Today, Brazilian and Argentine generals hover in the wings while their civilian successors grapple with the familiar problems. Any faltering—above all in restoring economic stability—could easily see the revival of military rule.

Democracy in Central America is more a direct, recent U.S. creation, except for the enduring example of Costa Rica. In El Salvador, the unsteady government of José Napoleón Duarte, fighting Communist revolution, depends on Washington for survival. Guatemala, facing ultimately the same threat, converted military dictatorship to uneasy democracy only under American pressure last year. There may be less idealism than strategic interest—overthrow of Marxist government in Nicaragua and the security of the Panama Canal—in administration policy in the region, but the effect is the same. Now, Panama is center stage as the country's middle class, applauded by Washington, rises against corrupt dictatorship. Orderly transition is critical: Of all countries in the area, Panama could most easily face direct American intervention if freedom of the canal is threatened.

American interests are not always that clearly defined, and at times the U.S. role in transitions is obscure. Pressure from the United States had no part in bringing down the Argentine military, for example. But when Argentine officers launched a brief barracks revolt last year, says Bruce McColm of Freedom House, "the U.S. weighed in quickly but quietly to good effect."

Not always and not everywhere. Out of strategic interest, the U.S. has backed many unbending governments for years in the face of democratic pressures, as in South Korea and the Philippines. It switched to the other side when, as a State Department official puts it, "democratic ideals coincided with national interest." In some cases, it has leaped too late, as in Nicaragua and Iran in the late 1970s—though the alternative in Iran was unclear. "It's always easy to say we waited too long," says Haass of the Kennedy School. "But this country has to be sure the time is ripe. It makes no sense to unsettle an authoritarian regime without a democratic alternative." The fact is, a senior U.S. diplomat concerned with Latin America argues, "our influence is frequently overestimated. There is no way we can force democracy on Chile, for example, We can keep the pressure on, and we're doing that."

The U.S. might more readily have switched sides and forced change without penalty in Haiti, long before desperate Haitians finally had enough of "Baby Doc" Duvalier early last year. Yet even now, nearly 18 months later, the alternative is not certain. If there is a single lesson from those countries where the American impact is greatest, it is that hanging on to democracy can be as traumatic as achieving it.

But what of liberalization where the ability of the West to mold events appears least? In fact, its influence as a model often may be greater than it seems. Both China and the Soviet Union, for example, now experiment with freer expression and economic incentives on the road to modernization—acknowledging implicity the failures of their Marxist systems. Neither is likely to credit the democracies, and both realize that the forces they unleash could be hard to control.

RUNNING AGAINST THE TIDE

Not all trends are toward liberalization. In Eastern Europe, some of Mikhail Gorbachev's satraps resist change. Cuba's Fidel Castro has become more oppressive. There have been setbacks in Kuwait, Nigeria and Tunisia. Pakistan's military regime—backed by the U.S. out of strategic interest—is unyielding. Prosperous Singapore, destitute Mexico and developing Kenya observe the mechanics of democracy, but in fact are ruled by authoritarian leaders or unyielding single parties. The threat of Islamic fundamentalism is at least partly responsible for the isolation of many Moslem countries from liberalization.

Nonetheless, the democratic surge is strong enough to send academics and diplomats in a search for its source. "If you're idealistic enough, you can say it comes from an inherent yearning for democracy," muses Helmut Sonnenfeldt of the Brookings Institution, once a senior aide to Henry Kissinger. He and most other analysts, however, look for more pragmatic reasons and generally find them in the linkage of political freedoms with economic progress. "Authoritarianism and totalitarianism have proved themselves bankrupt," Bruce McColm of Freedom House says firmly. "People are turning to democracy as the way to deal with development issues."

Other democracies advertise their charms more discreetly than does the United States. But as the democratic superpower, Washington can take a bow for the successes as well as the brickbats for failures. It may be ironic that more progress has come on Ronald Reagan's watch than on that of Jimmy Carter, who made human rights a standard for his administration. But in reality, the distinction is not so great. The central message of American democracy is constant whichever party is in power.

Reagan is far from consigning Communism to the "ash heap of history," his declared goal in a 1982 paean to democracy in London. It may, however, be drifting in his direction. But when the debate over cause and effect becomes too speculative, a foreign-policy tactician such as Sonnenfeldt brings it quickly back to earth. "I don't know whether there's a single reason for the trend," he says. "But you're going to hear a lot about it in our political campaign, because the administration is going to claim credit for it." Democracy is, after all, a form of politics.

HOW PUBLIC SERVICE AFFECTS THE QUALITY OF AMERICAN LIFE

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 30, 1987

Mrs. MORELLA. Mr. Speaker, those of us who have been in the Washington area and have an interest in Federal employees know well the work and enthusiasm of the Public Employees Roundtable, a nonprofit educational organization which represents 22 professional employee groups. This organization, for the past 6 years, has promoted and encouraged interest in civil service careers by informing the public of the caliber of Government employees and the valuable services they render, and by developing a pride among employees which in turn improves their performance and productivity.

One of the positive programs sponsored by the Public Employees Roundtable is a yearly public service scholarship for college students who compete by writing an essay on "How Public Service Affects the Quality of American Life." These essays are judged by an expert panel. I am proud to report that these judges selected Denise Douglas as one of their 8 winners out of a field of 95 participants.

Denise is studying Russian at the University of Virginia, with a goal of serving our Nation in the Foreign Service. She is a resident of Rockville, MD, which is the county seat of Montgomery County. In my Eighth Congressional District.

I am pleased to share her essay with you.

HOW PUBLIC SERVICE AFFECTS THE QUALITY OF AMERICAN LIFE

(By Denise Douglas)

Commercials come to mind when I think about "The American Way"—especially that upbeat, get-up-and-dance Miller Beer tune with which almost every sports fan can scream. I suppose most people could not exactly define the American Way; maybe a lot of images come to mind: yuppies celebrating a business success at happy hour, the Statue of Liberty, a family reunion on the Kansas farm that grandfather established, and a Vietnam immigrant graduating as the valedictorian at Harvard. I do not, however, think of a federal government employee proofreading a piece of correspondence for his/her signature, yet he/she, too, is a part of the American Way of life.

For ages, America has been the platitudinously stereotyped land of opportunity in which immigrants who came over with nothing could manipulate capitalism and become millionaires. Freedoms of all types allowed people of all classes to "move up the ladder" of success and wealth. Yet, workers in the federal government often cannot advance rapidly in a bureaucracy that sometimes denies their individualism. My brother works for the Department of Agriculture's research center and tells stories of brilliant scientists who make needed revolutionary discoveries that might earn them millions in the private sector where they could patent it themselves. Instead it becomes a public patent, with little recognition, if any, going to the employee. I have a friend who is a brilliant lawyer and wins million dollar lawsuits for his federal agency but still lives in a small house with roommates in a rather undesirable neighborhood. If people are willing to work diligently so that they can accomplish something, why do they choose the federal government when the rewards are almost unrewarding?

Then again, if no hardworking people chose the federal government, where would America be? It cannot be denied that America needs its civil servants, those that serve the public, not themselves. Because our government allows us so much freedom in choosing our style of life, we can encounter inequalities and deficiencies in our nation—problems that our federal agencies try to solve. My agency provides assistance in housing those who could not otherwise own or rent a safe, decent and sanitary home. Other agencies ensure the existence of valued ideals such as justice, and equal employment opportunity, or maintain necessary regulatory policies such as fair labor standards, and safe environmental protections. It is easy for Americans to complain about "the Bureaucracy" that seems to hinder their lives or waste all their tax money, but what would they scream if one day NIH was no longer interested in AIDS research? A democracy should not be anarchy and in a country that covers the area America does, a strong, effective federal government is needed to protect its populace from injustice, to plan for the safe and healthy future of its citizens and to establish fair policies for revenue collection and expenditure. There are Offices of the Inspector General established in many of the agencies to monitor both internal and external activities that may deter their agencies' goals. I work for one of their OIGs, and I have typed memos regarding fraudulent schemes that steal millions of dollars of the taxpayers' money. (That is a waste of tax money worthy of complaints!) And I have heard an auditor yell with joy when one criminal was convicted—the joy of a job done well and justice restored.

Maybe that very same auditor could earn more in the private sector, just as my lawyer friend and those PhDs at Agriculture might. Yet, they stay with the federal government, helping America be the safe, free, powerful and just nation that it is. Why? Because, like volunteers in soup kitchens and political campaigns they believe in the American Way, a way that relies on capitalism, individualism and other American ideals, but also asks its believers to help fellow Americans enyoy the freedoms and rights that the 200 year old Constitution allows them. There "feds" believe in this way strongly enough to sacrifice some of the benefits available in the private sector in order to serve their country by housing the homeless, fighting disease, conquering injustice, ensuring quality education, and generally providing for the kind of life we enjoy. And that's how the American Way of life should be.

THE ARANDA FAMILY

HON. DAN LUNGREN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 30, 1987

Mr. LUNGREN. Mr. Speaker, on Monday, July 27 President Reagan welcomed the Aranda family of Torrance, CA, to the White House, and saluted them as one of America's "Six Great Families." It's an honor they richly deserve.

In a society seemingly besieged by familial turmoil, the Arandas have made the home the bastion of their personal and community lives. Eight years ago, Ben Aranda had a successful and lucrative private law practice. But he decided he needed more time with his family, so he accepted an appointment to the South Bay Municipal Court. Ben and his wife Emma now find time for family nights on Tuesdays and Fridays, and try to spend time with each of their 11 children every evening. Amazingly, Ben manages to prepare breakfast and lunch for nine of his children before he leaves for work each morning. In what remains of his free time, he works as a volunteer for the Blue Cross of California and chairs Save Our California Kids, an anti-drug and anti-violence organization.

Ben and Emma place a premium on love and individual attention in their home and their children clearly reap benefits from that approach. The family follows two rules to maintain its close-knit character. First, they always have dinner together. Second, each person hugs the one going to bed and says, "God Bless You." Ben and Emma also ask their children to support and help each other. Their daughter Maria, for example, usually comes home from college each weekend and helps the younger children with school projects. Her siblings Ben, Ruth and Andrea also assist the younger children with reading, math, religion and social studies homework.

I can't discuss every child in the short amount of time I have, but I can note that several of the children are Presidential Fitness Winners, have excelled in team sports like soccer, and have been outstanding achievers in school. I would like to draw special attention to Carlos, Tania, Fred, and Eric, the Arandas' adopted children, all of whom have overcome obstacles to reach remarkable levels of achievement in school and in sports.

Mr. Speaker, we in this House often talk about leadership. We expect our President and the senior members of this body to seize the initiative and transform ideas into policy and then into law. Yet we often don't appreciate the importance of leadership in our local communities. In "Democracy in America," Alexis de Tocqueville pointed out that community activists form the backbone of this country. You can't have a government of the people, by the people, and for the people, if the people don't commit their time and talents to the daily operation of their democracy.

And that's the great thing about Ben and Emma Aranda. They not only inspire leadership on an individual basis, but they inspire it in a collective context in their family. When Ben teaches religion for the Confraternity of Christian Doctrine, his family helps with housecleaning, dinner, set up, and clean up. The family collects clothing for the needy for the St. Vincent DePaul Society four times per year, newspapers for St. James School and participates in numerous candy sales, subscription sales, Christmas tree ornament sales, and raffle ticket sales for their various athletic teams, PTA's and parochial schools. Each year the Aranda family sponsors a block party and Independence Day Parade in which over 100 of their neighbors participate. The entire family plans and organizes the event and then cleans up after it has ended.

Ben Aranda says that he has participated in the Great American Family and Hispanic Family of the Year programs in large part because of his commitment to adoption programs. "All of the kids we have adopted have been 'unadoptable.' No one else wanted them," he has observed. "They have all done so well and meant so much to us it shows there is no such thing as an 'unadoptable child.' " The Aranda family has twice received awards from the Los Angeles County Department of Adoptions.

Mr. Speaker, I'm proud that the Arandas are my constituents. Our society desperately needs more people fully committed to their families and their communities—Americans who recognize that the home functions as the foundation of our society, and that our country grows stronger in direct proportion to the sense of community in our neighborhoods. When management guru Tom Peters writes his next sequel to "In Search of Excellence," he should start with Arandas.

DALLAS HOUSING AUTHORITY AND ITS EXPENDITURES ON PUBLIC RELATIONS

HON. JOHN BRYANT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 30, 1987

Mr. BRYANT. Mr. Speaker, it has come to my attention that the Dallas Housing Authority has undertaken a campaign to improve its tarnished image by spending $2,500 per month on public relations. This is an outrageous affront to the American taxpayers and the low income Dallas area residents in desperate need of decent housing.

Yesterday I introduced legislation to prevent such expenditures in the future. Wasting limited public housing funds or rent receipts on an expensive public relations campaign is unconscionable and downright wrong.

The Dallas Housing Authority justifiably has been criticized for being insensitive to the needs of the population it was created to serve. Its recent decision to demolish 2,600 much needed low-income housing units coupled with its announcement of a $62 per hour contract to bolster its sagging reputation does not enhance its image—especially with the homeless or underhoused who would have preferred to see the units rehabilitated or the $2,500 per month spent to shorten waiting lists.

I do not know if public housing agencies in other cities have engaged public relations firms to make them look good in the eyes of the taxpayers. if they have, they also should be criticized and prohibited from making such expenditures in the future. My goal is to ensure that all public funds for low income housing and all rent receipts be spent for the purpose intended by the Congress and the American taxpayers—to house the poor and homeless.

I would welcome the support of my colleagues and look forward to a broad discussion of this issue with them.

IN SUPPORT OF HELSINKI HUMAN RIGHTS DAY

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 30, 1987

Mr. GARCIA. Mr. Speaker, I want to express my support for House Joint Resolution 282, "Helsinki Human Rights Day." Twelve years ago 30 countries, including the Soviet Union and the United States, signed the Helsinki accords which, among other things, guarantee the human rights of the signatories.

As chairman of the North Atlantic Assembly's Civilian Affairs Committee, I have had an opportunity to work with my fellow NATO parliamentarians on the problem of human rights abuses in Eastern Europe. In fact, the committee has a special subcommittee that deals with the accords. In addition, I was a member of a United States delegation that attended the Vienna review conference of the CSCE.

Through my work at the assembly and in Congress, I have come to appreciate just how important it is to keep a lifeline open to the people living in Eastern Europe and the Soviet Union. Although progress has been made in the area of human rights because of the accords, more needs to be done. Soviet Jewish immigration has fallen from 51,000 in 1979 to about 1,500. Thousands of individuals remain in Soviet prisons, not because of any criminal acts they may have committed, but because of their religious or political beliefs.

In Poland, millions of people risk their lives every day for rights that we in the United States take for granted. We must show these people that we are behind them. By passing this resolution we are doing precisely that.

I am hopeful that glasnost will lead to an improvement for the people in the Soviet Union and throughout Eastern Europe. I hope that because of this policy they will be able to worship freely and express themselves without fear of reprisal. This does not mean that we can give up our fight for human rights in the East. We can't. We must always let our families and friends in the Eastern Bloc nations know that we will not forget them, that we will not let them down.

The North Atlantic Assembly's Civilian Affairs Committee issues a quarterly publication known as the bulletin that gives a list of human rights abuses in the Soviet Union and Eastern Europe. The Bulletin serves as a stark reminder of how far we have to go before human rights are no longer a problem in the East.

If my colleagues are interested in receiving a copy of the Bulletin, I would be happy to put them in touch with the assembly's secretariat in Brussels.

Finally, I want to congratulate the chief sponsors of this resolution, most particularly my friend and colleague from Maryland, STENY HOYER, who has worked tirelessly on the issue of human rights. As chairman of the CSCE, he has done a great deal to keep this issue alive in Congress and the assembly. His fine work is reminiscent of another great CSCE chairman, DANTE FASCELL, the distinguished chairman of the Foreign Affairs Committee.

SUCCESSFUL PRIVATE SECTOR LITERACY INITIATIVE

HON. CLAUDINE SCHNEIDER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 30, 1987

Miss SCHNEIDER. Mr. Speaker, I want to commend to you and my colleagues an outstanding program which I am proud to say was born in my home State of Rhode Island. It is an effort that on the one hand engenders a contagious community spirit, engaging young and old to celebrate their common heritage. In a broader sense, it is a program that addresses one of the most fundamental challenges facing our entire Nation: improving literacy among all Americans. And in another respect, "it's a heckovalotta fun."

The program is "Leap Into Literature," a children's reading effort sponsored by one of Rhode Island's most longstanding, philanthropic business leaders, Old Stone Bank.

Old Stone conceived "Leap Into Literature" in 1985, aimed at sparking among children in kindergarten through sixth grade an interest in both Rhode Island history and in reading.

Working with the Library of Congress, State libraries, and a local theater group, the program has grown creatively and productively. It has commissioned a children's book, "Puritans, Pioneers and Pacesetters: Eight People Who Shaped Rhode Island." It has produced a radio series on historic Rhode Islanders. And it has adapted selected stories for dramatizations performed at libraries all over the State. In fact, over 200 performances have been staged in 50 libraries each year. The shows were attended by more than 17,000 children and parents.

All of these numbers add up to many hours of fun and enjoyment for thousands of Rhode Island children. But the more telling numbers, the more significant statistics, are those that show the significant increase in the lending of history books and the popularity of library programs. And, interestingly enough, over 85 percent of the donated copies of the specially commissioned Rhode Island history book were in circulation following the first performance in each library.

As an emblem of its achievement, "Leap Into Literature" has received many awards and recognitions. I want to extend those plaudits by recognizing here in the House of Representatives the program's many meaningful contributions. I am especially proud of this effort, not merely because it opens wider the door to Rhode Island history.

As cofounder and cochair of the Congressional Competitiveness Caucus, I recognize the precious value of literacy in our country today. In a State where a hard-toiling, blue collar work ethic moved generations of young people to forego academics to enter the work force before reaching their full potential, we are cognizant of the need to challenge today's youth to meet the critical and complex demands of the future. With programs like "Leap Into Literature" leading the way, we can accomplish that mission by instilling in our young people a fascination for learning, a curiosity for history, and a thirst for reading.

Mr. Speaker, I am pleased to convey an offer of free assistance by Old Stone Bank to any thrift institution in our country interested in starting a "Leap Into Literature" program in its own community. It is the bank's hope, and I share it, that this spirit for learning will spread through towns and cities all over our great country.

I ask you, Mr. Speaker, and other Members of this eloquent body, to join me and my constituents in saluting Old Stone Bank and "Leap Into Literature."

LEGISLATION TO EXTEND THE FILING PERIOD FOR RELIQUIDATION OF CERTAIN IMPORTS

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 30, 1987

Mr. ARCHER. Mr. Speaker, today, I am introducing legislation to extend the filing period for the reliquidation of certain entries of semiconductors. The contents of my bill are contained in the recently passed Senate version of the 1987 trade legislation.

As part of the Trade and Tariff Act of 1984, Congress gave the President authority to proclaim mutually eliminated import tariffs on certain semiconductors as agreed to by Japan and the United States. However, one tariff item number which should have been included by the authority was omitted. In the 1986 Tax Act, Congress corrected the omission, making the correction retroactive to March 1, 1985—the date on which other semiconductors became duty-free under the original legislation. Importers were given 90 days to apply for the reliquidation of earlier entries and thereby receive a refund for duties paid.

It has been brought to my attention that many importers were unaware of the 1986 Tax Act provision until after the filing deadline. The fact that this provision was contained in a tax bill rather than a trade bill may have contributed to the provision going largely unnoticed by affected parties.

My legislation allows importers an additional 90 days to file a proper request with the U.S. Customs Service for the reliquidation of entries that were the subject of the technical correction.

IMPROVING REGULATORY REQUIREMENTS FOR PCB'S

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 30, 1987

Mr. SKELTON. Mr. Speaker, today, along with my colleagues Congressmen SYNAR, CLINGER, and WHEAT, I introduce a bill, which will improve and strengthen the regulatory requirements for polychlorinated biphenyls [PCB's] disposal activities.

Mr. Speaker, I take this opportunity to tell you and this body why Holden, a small town in Missouri, exemplifies just why the bill is needed.

For many of my constituents who live in and around Holden and Johnson County, MO, PCB's have become a very serious issue. At least 13 million pounds of contaminated PCB's were abandoned right in the middle of that small town. Just last week, after a major effort by a great many people, the removal of the PCB's—which could cost between $25 and $50 million—finally got underway.

The chemical company which operated the facility at Holden is in bankruptcy. They have no money available to clean up their closed facility. Therefore, the original companies who generated the hazardous waste—and who have already paid once for its disposal—will now be required to pay for disposal of these PCB's again. Plus, these originating firms are liable for the cost of cleaning up the bankrupt facility and its grounds.

The citizens of Holden have had to live with this carcinogen for more than 1 year as investigators attempted to track down who sent just how much waste to Holden. The investigators have been hampered by a missing link—three is no system to track the waste from owner to disposer.

The bill we are introducing today is designed to close some glaring loopholes in Federal law and tighten up controls of these hazardous materials.

Current regulations do not require the tracking of PCB material from cradle to grave. Our bill would change that. It would require uniform manifests to accompany all regulated PCB material once it leaves the owner's final storage facility for disposal. For a community such as Holden, the bill also will assist in identifying how much waste has been abandoned and will target the originators of such waste.

Further, the bill requires financial responsibility of those handling the toxic material for closure of the facility and accidental occurrences.

This bill is not a cure all, but it does close a significant loophole that threatens the health and well being of citizens.

LEGISLATION TO IMPROVE THE HANDLING OF PCB'S

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 30, 1987

Mr. CLINGER. Mr. Speaker, it is a real pleasure to join my colleagues this morning to announce the introduction of bipartisan legislation designed to strengthen the laws governing the handling of PCB's.

Virtually every State in this Nation has PCB's transported on its roads and stored in its warehouses. The vast majority of the PCB material is handled and disposed of in a safe and responsible manner.

However, during the course of the subcommittee's investigations, it has become apparent that there are serious shortcomings in the laws governing those firms that serve as intermediary handlers, or "brokers", of PCB's. Under current law it is almost impossible to identify which firms are serving as brokers, much less ensure the safe handling of PCB's by those firms.

Disturbing evidence was presented to the subcommittee earlier this year, regarding firms which had lost their PCB disposal permit due to storage and disposal violations, turning right around and opening up shop as PCB brokers. The legislation we are introducing today is designed to put an end to these practices and to get irresponsible unreliable firms out of the business of handling PCB's.

As Chairman SYNAR has already mentioned, the bill would establish manifest requirements, require brokers to receive EPA approval, and would establish financial responsibility requirements to ensure that taxpayers are not left "holding the bag" for the clean-up and disposal of PCB's.

Much of the groundwork for this legislation has been laid through the subcommittee's numerous hearings and through the work of members like Mr. SKELTON and Mr. WHEAT. In addition, many hours of discussion have taken place with representatives of the environmental community, officials from chemical manufacturers and utilities, and personnel from the Environmental Protection Agency, in an attempt to achieve a cooperative consensus on this issue. I am confident that these efforts will contribute not only to the speedy passage of this legislation, but also to the effective implementation of the bill's provisions.

DISPLACED HOMEMAKERS: OUR MOTHERS, OUR AUNTS, OUR SISTERS, OUR FRIENDS

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 30, 1987

Ms. SNOWE. Mr. Speaker, yesterday the Displaced Homemakers Network released a new study, based on the 1980 census, showing that there are approximately 11.5 million displaced homemakers in America, and I would like to share the opening statement made by the executive director of the organization, Jill Miller, with you. The last study, done by the Department of Labor in 1976, showed that there were 4.1 million displaced homemakers.

For those of my colleagues who are not familiar with this group, a displaced homemaker is defined as a woman whose principal job has been homemaking and who has lost her main source of income because of divorce, separation, widowhood, disability, or long-term unemployment of a spouse, or loss of eligibility for public assistance. The Displaced Homemakers Network and its State and local members help provide support and information prevocational training—including personal development, career exploration, and job readiness skills—and a variety of courses and workshops. These services, along with the support offered by the staff, are enabling displaced homemakers to overcome otherwise insurmountable obstacles to rebuilding their lives and become self-sufficient.

In my own State of Maine, this study found 58,445 displaced homemakers. While this number is sobering and points out the continuing need to help these women, I would like to bring to your attention the work being done by the Maine displaced homemakers project. Since its founding in 1978, the program has helped over 10,500 women. For this reason, I believe it was particularly fitting for the founder of the Maine program, Gilda Nardon, to be present at the press conference. Through her hard work, and that of others involved with the Maine project, 2,000 to 3,000 women a year are being helped.

The displaced homemaker, as shown by this study, is not just one or two women, but 11.5 million women. These women are not statistics, they are our mothers, our aunts, our sisters and our friends, and they need our help.

STATEMENT OF JILL MILLER, EXECUTIVE DIRECTOR, THE DISPLACED HOMEMAKERS NETWORK, JULY 29, 1987

Good morning, I am Jill Miller, executive director of the Displaced Homemakers Network. We are a voluntary association of nearly one thousand programs nationwide that work to help displaced homemakers become financially independent.

What is a displaced homemaker? Let me give you the operational definition first. A displaced homemaker is a woman whose principal job has been homemaking and who has lost her main source of income because of divorce, separation, widowhood, disability or long-term unemployment of a spouse, or due to loss of eligibility for public assistance.

Now the view from the kitchen table. Displaced homemakers are our widowed aunts, our mothers, our divorced sisters and friends. They are welfare mothers and country club matrons. They are widowed, divorced, homeless, battered and abandoned. They are black, white, Hispanic, Asian and native American women from rural and urban areas. Some still support young children. Some have children who have been out of the home for years. In short, all kinds of women can be displaced.

These are the women who drove the car pools, ran the bake sales, and organized the Scout troops and the baseball leagues. And for their very sizable contributions to their families, our communities and our country, they have gotten a very raw deal.

In the words of one of our founders, the late Tish Sommers, displaced homemaker means "forcibly exiled. As in refugees. And that's precisely what these women are."

Our purpose in issuing this report is to outline for you the status of displaced homemakers in America today. Let me trace for you the genesis of this report, in order to put our findings in context.

When Tish Sommers coined this term in 1974, she founded a movement. Out of the shadows came women from all walks of life who had not known their situation was a national problem of epidemic proportions. These women had no political clout to take their problems to the Halls of Congress. They had no voice, no organization. And, for the most part, they were too busy trying to make ends meet to worry about their collective misfortune.

The displaced homemakers network became their voice. We went to Congress and told their stories—the stories of women who had fallen through the cracks in our Nation's support services. Their stories go something like this: they are unemployed because they have no recent job history, training or education. They are frequently too young for Social Security and many will never qualify because they have been divorced from the family's wage-earner. They may be ineligible for Federal welfare assistance if they are not physically disabled and if their children are eighteen or older. They cannot collect unemployment insurance because they have been engaged in unpaid labor in the home. Too often they lack protection from health insurance or pension plans, without their husbands' presence.

We told these stories in the Halls of Congress and policymakers asked us repeatedly: How many of these women are there? Most policymakers doubted there could be many left, since everyone knows that women have entered the paid workforce in record numbers. In short, displaced homemakers are the dark side of the women's movement: Silent victims of the misperception that the much publicized progress of their professional sisters is actually progress for all women.

In 1976, the women's bureau of the Department of Labor gave us the numbers we needed. Their study identified 4.1 million displaced homemakers in America. Since that time, those same policymakers whom we have lobbied over the years have asked repeatedly, "Isn't this problem going away? Surely, these women are being replaced by women who are entering the paid workforce."

We knew this was not the case. In the last two years alone, the number of displaced homemaker programs increased from roughly 400 to nearly 1,000—and the demand continues. Far from a shrinking population, displaced homemakers appeared to be growing daily. But again, we needed numbers.

Today we are here to tell you that, unfortunately, the news of our demise has been greatly exaggerated. There are 11.5 million displaced homemakers in America today, according to our analysis of census data. This represents nearly a three-fold increase since the last count. But the numbers are only part of the picture. Those who work with these women every day know the senseless waste of human potential that our national indifference has created.

HUMAN RIGHTS VIOLATIONS IN BULGARIA

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 30, 1987

Mr. YATRON. Mr. Speaker, I rise to take this opportunity to discuss human rights violations in Bulgaria, particularly the situation involving the ethnic Turkish minority. As chairman of the House Foreign Affairs Subcommittee on Human Rights and International Organizations, I have been closely monitoring this matter and am becoming increasingly alarmed over the treatment of Turks in Bulgaria. Information contained in Amnesty International's recent report on Bulgaria indicates that abuses targeted against the Turks are increasing. Helsinki Watch and other international human rights organizations, as well as the State Department's human rights reports also continue to document the severe treatment of Turks.

Hopes that glasnost will reverberate in a positive way in Bulgaria as it seems to have in some other East European countries are quickly dissipated with the realization that the Government's forced assimilation and name-change campaign continues to subject the Turkish population to unspeakable human rights crimes, including murder, torture, and forced starvation. While the plight of the Turks is indeed most bleak, the Bulgarian people also suffer an extreme repression under a small clique which tightly controls all fundamental freedoms such as speech, press, religion, association, travel, emigration, and due process, in violation of the Universal Declaration of Human Rights, the Helsinki accords, and other international covenants.

Unfortunately, the Bulgarian Government has been totally unresponsive to international entreaties, congressional demands and State Department representations. Notwithstanding the limits of United States influence with Bulgarian authorities, the situation is so grave as to demand a more assertive policy. During my involvement with human rights issues, I have seen too many instances where anything less than constant and continual pressure will fail to yield results.

I have contacted Assistant Secretary of State for Human Rights and Humanitarian Affairs, Richard Schifter, in order to develop a bipartisan effort promoting greater respect for human rights in Bulgaria and to ease the plight of the Turkish minority. I am hopeful that we can encourage Bulgarian authorities to be more forthcoming on human rights issues.

SENATE—*Friday, July 31, 1987*

(Legislative day of Tuesday, June 23, 1987)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the Honorable KENT CONRAD, a Senator from the State of North Dakota.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

For thine is the kingdom and the power and the glory forever. Amen.—Matthew 6:13.

Almighty God, all powerful, all wise, we pray for Your servants in the Senate, some of the most powerful people in the world, who bear the burden of decision, often cosmic in implications. You know Father, the pain of indecision which they sometimes experience—the ambivalence—equivocation—as they labor under momentous issues which do not yield to simple solutions. You know the emotions aroused when the power of one collides with the power of another—like an irresistible force meeting an immovable object. You know the conflict between conscience and constituents, between principle and pragmatics. You know, Mighty Lord, the frustration felt when these powerful people become aware of the powerlessness of the best they can do in light of legislative limitation—the intransigence of people and the human disposition to laissez-faire morality. Grant, Gracious Lord, Your wisdom and strength in this present struggle. Bring glory to Yourself and just benefits to all. In His name who is light and love and truth. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. STENNIS].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, July 31, 1987.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable KENT CONRAD, a Senator from the State of North Dakota, to perform the duties of the Chair.

JOHN C. STENNIS,
President pro tempore.

Mr. CONRAD thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the standing order, the majority leader is recognized.

THE JOURNAL

Mr. BYRD. Mr. President, I ask unanimous consent that the Journal proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SCHEDULE

Mr. BYRD. Mr. President, today the Senate will be working on the debt limit extension. The debt limit extension, the short-term expires, I believe, at midnight next Thursday. If the Senate has not completed its work by midnight next Thursday—and I say the Senate, the House and the Senate because this measure goes from the Senate, if the measure is amended, goes back to the House and if the House does not accept the Senate amendments, then there will be a conference, and unless the measure itself is put on the President's desk and signed by midnight Thursday, then the Government will be unable to meet its responsibilities, unable to pay its bills, unable to borrow money. Social Security checks will not go out, the veterans' checks will not go out and we are going to be in a heck of a mess.

This is a thorny matter. I hope that Senators understand that we may have to be in this Saturday. We may have to be in next Saturday. We may have to have long evenings. We may have to cut into the August break. I have said that before. Because this is one thing we cannot leave here and just walk off and go home.

We might leave an appropriation, an interior appropriation bill here or some other piece of legislation and go on and work on it when we get back.

So, Senators need to understand that there will be votes. They need to understand that we need to make haste in acting on this bill.

I do not recommend haste to the point of being reckless and careless. But it is a matter that we have to attend to before this Senate goes out for the August recess.

I hope that Senators will be prepared to stay late this evening and we will be in Monday, as I say.

Once the Senate passes this measure it goes to conference and I hope, then, that we can get up other matters. I have mentioned before that I would like to take up the catastrophic illness legislation. Our distinguished Republican leader has been trying to help me get that up. The 2-day rule prevented its coming up yesterday because we could not get unanimous consent. That rule will not stand in the way today. Of course, we have the debt limit matter up today.

But at such time as the debt limit matter is sent back to the House, then we will need to go to catastrophic illness legislation. That deals with the poor and the elderly in this country and it is a very important piece of legislation.

I take the floor at this time merely to underline the seriousness of the matter that is before us and I hope that all Senators will govern themselves accordingly. If I have any time remaining, I ask unanimous consent that I may reserve it until later.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Under the standing order, the Republican leader is recognized.

Mr. DOLE. Let me underscore what the distinguished majority leader just said about the debt limit extension. We have had a brief discussion of this. I would hope that except for germane amendments, we might have some agreement on both sides that all will be tabled. We have not reached that. I talked to Senator DOMENICI, the ranking Republican, to see if that would be his wish. I think the manager is going to have enough difficulty just with germane amendments.

I am not certain how many there are but, hopefully, we can dispose of the entire matter today. I know that is the majority leader's wish. I will be consulting with Senator DOMENICI. I have been discouraging nongermane amendments on this side. If they are germane amendments to the Gramm-Rudman fix or something of that kind, I assume certainly Senators have every right to offer those. They have a right to offer them at any time. But the majority leader has made the point—in my own case, I guessed we would be here Saturday of this weekend and Saturday of next week, so my schedule reflects that, and I think everyone is on notice that it could happen. But I would assume if we complete action on the debt ceiling today, that would not be necessary.

Second, with reference to the catastrophic illness bill, there is one provision in particular that is causing us problems on this side and I think to some extent on the other side and that is the prescription drug provision.

I have indicated that if Senator BENTSEN had the time today we would be happy to sit down with him, four or five on this side who have raised that question, because it seemd to me that there may be some way to resolve that. If that is the case then we can go to that. So we are trying to help the distinguished majority leader.

There ought to be some other things that we might be helpful on if that gets stalled.

But we have on this side indicated that there is a good possibility that any nongermane amendments will be tabled. I hope that might discourage a lot of those. There will be other opportunities which we are prepared to assist with in any way we can.

This is important. The majority leader is correct. Next Thursday night at midnight as I understand it, unless I misunderstand it, that is the drop-dead time as far as meeting our obligations.

Mr. BYRD. Mr. President, distinguished minority leader, I am glad the leader has mentioned the nongermane amendments.

This bill is not the vehicle and this is not the time to call up nongermane amendments.

I know, sometimes a Senator or a House Member gets so excited about his amendment he thinks it would be just as well to let the Government shut down as to forgo the opportunity for him to call up his amendment. I hope that we will not take that attitude and I hope that Senators will not offer nongermane amendments, and I hope if they do, that they will be tabled because this is just not the time for them.

I want to join with the Republican leader in pressing to table nongermane amendments.

There are too many other things which are much more important on the catastrophic illness bill. I hope the matter can be resolved. In any event, I think we should go ahead and let the matter be resolved right here on the floor. Sometimes that heightens the pressure on Senators and we get down to business and work out these matters. Otherwise, we have too many staff people involved and it is always easier to put it off on either side, and we continue to wait and wait.

Mr. DOLE. Let me further underscore the nongermane amendments. As far as the administration is concerned, they would just as soon have a debt ceiling that is clean. I want my colleagues on this side to know that it is not just the two leaders, but it also is the hope of the administration to keep off nongermane amendments. We have indicated that on our side. The President has indicated that to me, and the Secretary of the Treasury and the chief of staff, Howard Baker. They know the problems that would be created if the Government came to a halt and we could not meet our obligations.

BICENTENNIAL MINUTE

JULY 31, 1953: ROBERT TAFT DIES IN OFFICE

Mr. DOLE. Mr. President, on July 31, 1953, 34 years ago today, the Senate mourned the death of one of its great leaders, Ohio's Senator Robert A. Taft. Senate Minority Leader Lyndon Johnson wrote that Taft, known to his contemporaries as "Mr. Republican," "was characterized by a rocklike integrity, unconquerable common sense at all times, and an unswerving devotion to the principles in which he believed." In 1957, a special Senate committee chaired by Senator John F. Kennedy chose Taft as one of the five most significant Senators in the institution's history, and his portrait is one of the five to grace the Senate reception room.

Coming from a long family tradition of public service, Taft served in both houses of the Ohio Legislature before winning election to the Senate in 1938. Here, he vigorously opposed the foreign and domestic policies of the "new deal," believing instead in decentralization at home, and nonintervention abroad. He sponsored the Taft-Hartley Act, designed to limit the powers of labor unions, which became law in 1947 over President Truman's veto. He also persuaded his colleagues to create the Republican Steering Committee—later the Republican Policy Committee—which he chaired.

Robert Taft tried, unsuccessfully, to win the Republican Presidential nomination three times, losing the last and closest contest in 1952 to Dwight Eisenhower. With his hopes for the Presidency behind him, Taft seemed more conciliatory. He and Eisenhower agreed to an agenda for foreign and domestic policies. When Taft became majority leader in January 1953, he was Eisenhower's strongest Senate supporter. Four months later, at the height of his power, Taft learned that he had cancer. During his last months, he walked the Capitol's halls with the aid of crutches. After his death on July 31, a memorial service was held in the Capitol rotunda, where 30,000 people filed by to pay tribute to this extraordinary Senator.

Mr. President, I reserve the remainder of my time.

MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that there now be a period for morning business until 9:30 a.m., and that Senators may be permitted to speak therein.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Wisconsin.

TIME TO SAVE MORE, BORROW LESS, AND SPEND LESS

Mr. PROXMIRE. Mr. President, how serious a threat is the present level of public and private debt to our financial institutions and our economy? The facts are painful. Let us look at them. Bank failures have sharply increased in the past 2 years. In 1985 the country suffered the largest number of bank failures in more than 50 years. That is since the depth of the Great Depression of the 1930's. The number of failures in 1986 was even higher. And 1987 is running ahead of the 1986 pace. Is this a matter of concern? Yes. Does this represent a trend that could foretell a return to the disastrous bank failures of the 1930's? Maybe no. Maybe yes. Why maybe no? First, although the number of bank failures has been high, the proportion is still a bare 1 percent of the Nation's banks. It is an even smaller percent of the Nation's banking assets. Second, there have been approximately as many new banks chartered as there have been established banks that failed. Third, no depositor who has deposited less than $100,000 in any of these failed banks has lost a nickel. Fourth, almost none of the largest depositors have suffered losses. Fifth, most of the employees of the failed banks have continued to hold their jobs under new management in the great majority of failures. Sixth, in virtually every community where banks have failed people who live and work in the community have continued to have access to banking facilities in about the same proportion as before. In spite of more than 2 years of the highest number of bank failures in 50 years, banking services throughout the country remain as widely available as ever. The United States still leads the countries of the world by a very wide margin in the dispersion of its banking institutions and the vigorous competition among individually owned banks. Seventh, a public survey by the publication the American Banker reported on May 11 found that while five times as many Americans have more confidence in the safety and soundness of commercial banks than savings and loan, 82 percent answered yes to the question: "Do you feel it is safe to keep your money in a savings and loan?" Obviously an even greater proportion of the public is convinced of the safety of their commercial bank.

Does all this mean we are home free? Does this mean there is no safety and soundness problem for American banking? No, it does not. Since the great depression our banking system has not been tested. Since the early 1940's our country has enjoyed a long period of relatively stable growth. There have been regular, relatively mild recessions. There have been no depressions. Until 1980 the level of public and private borrowing was both moderate and stable. The level of savings was also stable, varying between 6 and 7 percent. Since 1980 the situation has changed and radically changed. It has changed so dramatically that this country could easily be on the verge of economic developments including a long and deep depression that would profoundly test our system and especially our financial institutions.

Here is why: Our country has plunged very deeply in debt. Much of that debt is held by our financial institutions. The Federal Government has doubled the national debt from less than $1 trillion in the fall of 1981 to more than $2.3 trillion today. Household debt is even worse. It has streaked to more than $2.8 trillion and rising, in fact rapidly rising. The biggest American debtors of all are the corporations. American nonfinancial corporations today owe more than $3 trillion in debt. Now contrast this vast ocean of debt with the dramatic contraction of American savings. The roughly 6½ percent of income that Americans had put away as savings on the average since shortly after the end of World War II has dwindled last year to little more than 3 percent. This year it is even less. American corporations partly pushed on by the threat of hostile takeovers have traded equity for debt in a very big way.

What does all this mean? It means that American consumers and American corporations will be specially vulnerable come the next recession. The Federal Government—itself strapped and limited by its colossal national debt can no longer play its automatic and traditional role with a counter cyclical fiscal policy to pull the economy out of recessions. How can we increase spending and cut taxes—without running up deficits of such magnitude that would torpedo business confidence? The Federal Reserve has—for the past 18 months—poured credit into the economy as never before. Our economy is floating on a sea of liquidity. The Fed can take no further action to ease the pain of an oncoming recession. Result: When recession strikes—as it must periodically in every free economic system, we will see record individual bankruptcies. We will also see deep and widespread corporate failures. The personal savings cushion that bailed out Americans before has little leeway today. The equity cushion that kept our corporations above water through many months or years of losses will sink much more quickly this time.

And who will be holding the bag? The banks, that is who. The banks hold much of this mountain of debt. As householders are unable to pay their mortgage interest, as corporations fail to meet their debt service it is the banks that will come up short. In spite of strong action by the Federal Reserve to persuade to strengthen their capital ratio, our banks today generally have a lower ratio of equity to debt than they have had traditionally. A serious recession could shake many an American bank. A depression would put our financial system in serious jeopardy. The Federal Deposit Insurance system has been a credit bulwark against widespread financial panic and collapse in the past. The next recession will test it as never before. Our country needs a strong dose of Ben Franklin conservatism. Not ony does our Federal Government need to follow much more conservative fiscal policies, so do our citizens and our corporations.

THE NATIONAL SECURITY CONCERNS OF A WALL STREET RAID ON BOEING

Mrs. KASSEBAUM. Mr. President, it has recently been announced that the Boeing Company might be subject to a hostile takeover. I think it should be pointed out that this would be the first hostile takeover of a major military contractor. I have long criticized Wall Street raids on well capitalized corporations. From a national security standpoint, however, I think a raid on Boeing is particularly alarming.

Boeing is one of the Nation's most respected and reliable military contractors. It provides essential equipment, parts, and supplies for national defense and is in the midst of several classified programs for the Defense Department and the National Aeronautics and Space Administration. Do we really want it controlled by any Tom, Dick, or Boone, whose only concern is a temporary stock price increase? Should we not also be concerned about our long-term national security.

The consequences of hostile raids on military contractors can be very serious. In the past, companies subjected to such Wall Street raids have either lost their independence or have been restructured by liquidating assets and taking on enormous debt. Stock market analysts are already suggesting these scenarios for Boeing.

In the interest of our national security, I do not think we can ignore the possible consequences of a hostile raid on Boeing. A well-priced but productively stagnant Boeing is not in our national interest. Nor is a reduction in the number of well-capitalized and independent military suppliers. To ensure that our long-term national security interests are protected against disruptive actions on Wall Street, I urge the Defense and Justice Departments to review the Boeing situation carefully.

To the extent the Boeing situation represents yet another attempt by a raider whose only intention is to put a company in play so as to make a quick gain, I think it highlights the defects of our current securities laws. In this regard, I support the efforts by Senator PROXMIRE and his committee on Banking, Housing, and Urban Affairs to correct these defects. It is my hope that proposals to correct the problems associated with this kind of tender offer will be brought forward in a timely and expedited manner.

DECLINE IN POVERTY RATES

Mr. DOMENICI. Mr. President, I read with great interest today the headline in the New York Times: "Poverty Rate Dips as Median Family Income Rises," and the headline in the Washington Post: "Percentage of Poor Americans at Lowest Level Since 1980."

The stories report the good news from the Census Bureau that the proportion of Americans living in poverty dropped to 13.6 percent last year, the lowest level since 1980. That is 700,000 fewer people in poverty.

The percentage of poor elderly, children, blacks and hispanics, all vulnerable groups, declined from 1985 to 1986.

When in-kind benefits like food stamps, housing assistance, and Medicaid are counted, the percentage of poor people declines to 9 percent.

At the same time the number of poor people was declining, family income was rising. Median family income in America rose to $29,458 in 1986. That is a 4.2-percent increase after inflation. It is also the fourth year in a row that family income has risen.

Mr. President, we are seeing today the fruits of 4 years of sustained economic growth, low inflation, and more people working.

There are, of course, areas where we need to make more progress. The poverty rate among children, though declining, is still too high. The number of female headed households in poverty increased. These are related phenomena, and we ought to direct our energy to improving this situation.

The Census Bureau report also said that the distribution of income was changing, with higher income households gaining a greater share and lower income households receiving a smaller share.

This issue has been of concern to many and to me for a long time. As a matter of fact, it has been showing up for a number of years. In fact, while I was chairman of the Budget Committee, I requested that the Congressional Budget Office study this matter, and that study is pending. We understand that it will be ready this fall. They will attempt to tell us why that phenomenon is occurring while the other positive phenomena that I have just indicated are moving in what appears to be the opposite direction.

The report contains good news about our achievements in lowering poverty and increasing American incomes over the last several years. We should be proud of that progress but we must also work to sustain it and where there are shortcomings, as I have indicated, we ought to see if it is our role to do something about it and, if it is, we ought to try.

THE SUCCESS OF THE NAVAJO ECONOMIC SUMMIT

Mr. DOMENICI. Mr. President, 120 years ago the legendary Navajo Chief Manuelito led the "Long Walk" from the Fort Sumner prison to Tohatchi, NM. This was the beginning of the Navajo Nation. Last Saturday, July 25, 1987, in Tohatchi, the Navajos began what I hope will be a rewarding and profitable second "Long Walk."

The challenge is appropriate. There is no question that the Navajo people and their leadership seek to improve their economic standing. The Navajo Nation has vast human and natural resources ripe for development.

On Saturday, I was honored to cosponsor the Navajo Economic Summit with Navajo Tribal Council Chairman Peter MacDonald and my good friend from Arizona [Mr. DECONCINI].

As I told the Navajo people and the summit participants, the second "Long Walk" is a challenging commitment to walk "out of poverty and into mainstream American opportunities for all Navajo men and women in the future."

This was the first such summit ever held among Indian peoples, based on an idea that I initiated with Navajo Tribal Council chairman, Peter MacDonald, in late March of this year. The Navajo Economic Summit was organized to identify and promote public policies and private initiatives to enhance economic self-reliance for America's largest Indian tribe.

I told the summit participants and the large Navajo audience that the "United States of America has gone through an industrial revolution and is entering perhaps a second industrial revolution where American prosperity is raised," and jobs of all kinds are created. But American prosperity has bypassed this island about the size of West Virginia, known as the Navajo Nation. It remains an economic island outside the American economic mainstream.

I reminded the summit that our national trustee policies toward the Navajos have been protective of their mineral resources for good reason. "Navajo leaders in the past have wanted to protect the Navajo people from exploitation," I said. "The history of trying to prevent exploitation has set in place an environment which is not conducive to the development of the private sector, because it was never intended to be."

"But I submit we will not succeed unless we come together, strive to make the environment on Navajo for business as close to that in non-Indian country as possible. That does not mean that we give up our tribal ways, it does not mean that we must give up our reservation. But, it does mean that we must use innovative and creative ways" to pool our resources, attract capital, and assure the private sector of a stable business environment.

The wonderful Navajo people can be trained in the art of entrepreneurship so they can "prosper as individuals do throughout America." Navajos "need not leave here to be businessmen and businesswomen." "All of this will require commitment, dedication, and change, and that is why we are here." "Let's get on with helping the Navajo people."

Interest and participation were high in Tohatchi. Five Senators, several Congressmen, two Governors, a number of prominent businessmen, and many high Federal officials attended. Their names and affiliations will be inserted in the RECORD at the end of this statement.

The dramatic setting featured a huge hand-woven Navajo rug—45 feet by 60 feet—as a backdrop. After a bicultural and bilingual—Navajo and English—blessing, plus my opening call for greater economic independence, we watched a video message from President Reagan.

The President reminded us that the 120-year-old trust relationship, "instead of fostering independence, the Government ended up doing just the opposite." He also told the business leaders present, "Today, your very presence at the Navajo Economic Summit is sending a message through corporate boardrooms across this country: The Navajo can be competitive also."

My good friend, Senator INOUYE, chairman of the Senate Select Committee on Indian Affairs, added a real spark of enthusiasm to the summit. Senator INOUYE had been initiated into the Navajo Tribe by an elder medicine man in a predawn ceremony on sacred Navajo land. When he told the Navajos that he could now call them "brother and sister," the crowd cheered.

Navajo Tribal Council Chairman MacDonald delivered an eloquent discourse about the need for new opportunity on his reservation. "For more than a century," he said, "commercial time has virtually stood still on the Navajo Reservation."

Chairman MacDonald reminded us that it is the Navajo youth "who have the most at stake by what we are here to do today." "The Navajo," he reminded us, "are an extraordinarily young people" with a median age of 18. Each year 3,000 Navajos finish high school and seek higher education or work.

The Navajo Nation chairman challenged the youth to state their visions of the future in an essay contest. The three winners all displayed an acute awareness of the need for new opportunity. I will submit their fine efforts for the RECORD after these remarks.

I would like to extend my heartfelt gratitude to Chairman MacDonald. His leadership was acknowledged many times during the summit, and with good reason. He organized an excellent day of activity and planning for the future benefit of all Navajos. I look forward to working with the chairman in his efforts to make this historic change of course for the Navajo Nation.

In our summary of the summit to the tribal council, Chairman MacDonald, Senator DECONCINI, Representatives NIELSON and KYL, and I highlighted the most vital decisions made.

The first is an issue I have strongly stressed for many years. Indian enterprise must be distinct and separate from Indian tribal government. In other words, the tribal government cannot and should not be the center of entrepreneurial activity. Separate corporations must be established. The business relationships must not flow into the tribal government. Business must be able to make decisions without the extra burdens of tribal government goals and objectives.

The second major finding of the summit is the clear need for tax incentives, capital formation, and Government procurement opportunities. I suggested a possible pilot demonstration program for the Navajo Tribe that would incorporate all of these vital elements. Such a pilot could include ideas from Senator INOUYE's Indian Development Finance Corporation proposal, Senator MCCAIN's Indian Economic Development Act proposal, and changes in the existing Indian Self-Determination Act and the Indian Finance Act. My idea would be a new Federal statute to promote private development on the Navajo Nation as a pilot example for all Indian tribes.

The third major finding of the summit is the immediate need to reduce the redtape that requires, for example, some 46 approval steps in each single tribal land lease approval. This is further complicated by the

Federal trustee's legal ability to add even more bureaucracy to this process. The Navajo Tribe under Chairman MacDonald's leadership, is working to simplify its commercial codes. The intent is to design the new code to be immune from every political whim. Stability will attract business.

A fourth major agreement at the summit is the need to establish a new framework for working with the States of Utah, Arizona, and New Mexico. The umbrella type compact for highway development, tourism, and marketing proposed by Governor Carruthers of New Mexico will be the model for pursuing common interests.

Robert A. Pritzker, president of the Marmon Group—a $3 billion international complex of corporations as diverse as mining, manufacturing, international marketing, and computer services employing about 27,000 people—made the case for the fifth and final major finding of the summit—the need for business to take a hard look at Navajo potential.

A self-described "hard-nosed businessman," Mr. Pritzker gave an excellent tone-setting address to the kickoff banquet in Gallup, NM. He outlined the key factors important to business and the fact that we did not gather for "an exercise in philanthropy." He stressed the importance of giving the Navajo Nation a chance to compete by asking business to bring its bottom line to the Navajos before deciding to locate overseas or south of the border.

If the Navajos "can be competitive," he concluded, "I will invest my dollars among the First Americans." I will ask that the text of Mr. Pritzker's remarks be printed in the Record for the benefit of all those who are interested in the challenge of bringing private enterprise to the Indian reservations of America.

The presence and active participation of our summit cochairman, Senator DeConcini added a vital dimension of much knowledge and experience with the Navajo Nation. He knows the problems of the Navajos and was still able to offer a sense of hope for a tribe embarking on a new course.

Senator DeConcini reminded us about the 40 percent of Navajos living below the poverty level. He also stressed the fact that one out of two Navajos seeking a job cannot find one. He expressed his pride in the fact that the Navajos were not asking for a handout or a new give-away program. "What they want," he said, "is a level playing ground, an opportunity to compete, an opportunity to be productive."

Senator Bingaman pointed out the "tremendous mineral resources, timber resources and a history of use of those resources to a very limited extent." He recommended more attention to this vital Navajo potential. But the most vital resource of all, he told us, is the "human infrastructure." He linked the building of this infrastructure to the health and education investments of the Federal Government. "In short," he summarized, "economic self-sufficiency needs to be our goal but in adopting that goal we cannot use it as an excuse to neglect or reduce our commitment to developing that human infrastructure."

Senator John McCain of Arizona discussed the potential and status of his proposed Indian Economic Development Act, better known as the "Indian Enterprise Zone" bill. This concept is an incentive package of employment credits, tax credits for construction and infrastructure development, accelerated cost recovery deductions, and small issue bonds. The zone would be designated for 24 years. He also described a vital process in his bill whereby the Secretary of the Interior would be able to resolve differences between tribes and businesses in the zone.

Senator McCain also stressed the importance of stable tribal politics. He cited two important examples of binding contracts that were changed with the changing of tribal administrations. "We cannot have those kinds of things exist," he said, "and expect businessmen to locate on Indian reservations." He pointed out that "a strong and healthy economy is the best way to preserve and continue the Navajo culture and tradition."

Representative Richardson, whose district includes the eastern portion of the Navajo Nation in New Mexico, was an active participant. He made the needed observation that the unresolved Navajo-Hopi relocation problems "drain efforts and attention which otherwise could be devoted to creating jobs for the Navajo people." He also drew our attention to the "very fine job that the wife of the vice chairman of the Navajo Nation, Johnny R. Thompson, has done to try to create a corps of Navajo women entrepreneurs" as a "key group" for future development.

Governor Carruthers of New Mexico was energetic in his commitments for better cooperation in highway building and developing tourism. He made an offer to exchange tourism staff for 6 months to improve communications and opportunities. He suggested investing State funds in ventures on the Navajo Nation, plus a joint marketing effort with the State of New Mexico.

The business community was very astute and frank. Company presidents and top executives came to the summit table from General Dynamics, General Motors, the Grabill Corp., the Marmon Group, and Rodale Press. Oliver Boileau, president of General Dynamics, stressed the positive 20-year experience his company has had with a 480-employee plant. The "exacting demand for quality, accuracy and consistent performance are nonwaivering," he said, and the Navajos "are dedicated to top performance."

Financial advice came from David Paulus, senior vice president of First Chicago Corp., and Takuro Isoda, chairman, Daiwa Securities America, Inc. Mr. Paulus discussed the spectrum of capital needs on the reservation and the fact that the decentralized nature of the reservation would require special attention. Mr. Isoda issued an invitation to Chairman MacDonald to seek capital backing in Japan, South Korea, and Taiwan.

Perhaps the most direct and heartfelt appeal came from famed designer Oleg Cassini. As president of Oleg Cassini, Inc., he stressed the simple and basic concept of ownership. Navajo enterprises should be owned by Navajos, he told a cheering crowd. He made an appeal for immediate action. "I believe that if an effort was made immediately to have a resort that was purely Navajo," he said, "the world would come here. You'd be surprised to know that in Europe they know more about the Indians than many, many Americans."

Eddie Basha, president of Basha's Market, has invested over $4 million on the Navajo reservation, and is launching another $4.5 million development in Window Rock. Mr. Basha stressed his belief in the Navajo people. "We have today approximately 300 Navajo members who are part of the Basha family of companies, and we are so proud of the cultural enrichment, and the cultural enhancement that we have gained from that association," he said.

The summit received national and international media coverage. The NBC and ABC television networks were there, as were representatives of the New York Times, the Christian Science Monitor, the Journal of Commerce, National Public Radio, the 9-million-circulation Japanese newspaper Yomiuri Shimbun, and the largest newspaper in Germany, the Frankfurter Allgemeine. Local New Mexico and Arizona coverage was also extensive, as represented by the articles I will submit for the Congressional Record.

New business ideas are already in the works. Government initiatives and changes are being studied. The summit managed to pull together some key players who can help to create a new atmosphere of "Navajo means business" on the reservation. The Navajo Tribal Council unanimously passed a resolution the afternoon of the summit. This resolution endorses the summit commitment to encourage more private business on the reservation.

In the next year, I expect to see new businesses started on the Nation's

largest reservation. In the next few years, I hope to see major changes in the relationship between the Navajo Tribe and its trustee, the U.S. Government. By no means do I advocate relinquishing our trust responsibilities. On the contrary, we are seeking ways to direct the Federal investment on the reservation into ways charted by the new Navajo leadership. The Navajo leadership wants to encourage—rather than discourage—private business activities on the reservation.

Mr. President, I would now like to share some of the press coverage of this historic event with my colleagues. I ask unanimous consent that the attached articles from the Independent, Gallup, NM, the Albuquerque Tribune, the Albuquerque Journal, the Christian Science Monitor, and the New York Times be printed in full in the RECORD.

I also ask unanimous consent that the winning essays on Navajo economic development which were prepared for the summit, be printed in the RECORD. The insights and hopes for the future by these young Navajos are a remarkable example of the new thinking inspired by the historic Navajo Economic Summit. Finally, Mr. President, I ask that the excellent remarks of Mr. Robert A. Pritzker, president and chief executive officer of the Marmon Group, the remarks of President Ronald Reagan, and the Navajo Economic Summit Participant List be printed in full in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Independent (Gallup, NM), July 25, 1987]

NAVAJO SUMMIT KICKS OFF

(By Richard Sitts)

GALLUP.—Politicians, business leaders and journalists gathered together here Friday night and got the first-ever Navajo Economic Summit off to a galloping start.

At least 500 filled the brand new Chaco Convention Center Atrium at the Holiday Inn to share a buffet dinner and listen to a brief welcoming program.

The city of Gallup footed the bill for Friday's dinner and Mayor Edward Munoz gave the welcoming remarks.

Munoz presented a fishing hat to Ralph Watkins, one of the commissioners on the Navajo-Hopi Relocation Commission, to give to Arizona Gov. Evan Mecham. Mecham's wife is ill and he did not attend.

Munoz also offered Watkins a deal; "I won't believe what I read in the newspapers about you if you don't believe what you read about me."

Master of ceremonies Boe Bowman explained to visitors the message of traditional songs that were sung. Ray Carlos Nakai provided soothing Navajo flute melodies during dinner.

Congressman Bill Richardson, D-N.M., spoke briefly, saying that a partnership between the private sector and the Navajo Nation will be explored at great length over the weekend.

Flying in from Chicago, Richardson said he sat next to fashion designer Oleg Cassini, who told him he could use some help with his clothes. Cassini also is attending the summit.

Friday evening's featured speaker was Robert Pritzker, president and chief executive officer of the Marmon Group, an international complex comprised of 60 corporations.

Pritzker said he remembered when he first heard about the Navajo Tribe.

"I wondered if a friendly takeover was possible," he said.

"I was surprised that the Navajo Nation was untouched by the forces of free enterprise. I thought every inch (of America) had been touched by McDonald's and catalogued by Sears," he said.

Looking for successful businesses means searching out locations that offer the best natural and man-made resources, he added.

Pritzker mentioned a recent trip he took to Singapore, saying the people there were workaholics who worked for less than half of the American minimum wage.

He said American industry, however, is not looking for the cheapest labor, but "the best workers we can find at the best price."

Industries are looking for a stable political environment, Pritzker said, adding that "taxes are always a factor in today's competitive environment," alluding to the tax breaks that the tribe can offer.

Pritzker said Navajo Tribal Chairman Peter MacDonald's message is "if business can make a profit here, then Navajos can profit too."

"Free enterprise has not failed the Navajo people. We have, by creating an imaginary line around the Navajo reservation," Pritzker said.

He issued a challenge to all businesses and industries to hear out the Navajos' bottom line before moving to another location.

"We do owe these people this much and nothing less," Pritzker said.

After the program guests and participants mingled freely, making introductions and shaking hands like old friends.

The dapper Cassini was perhaps the most popular guest in attendance, signing autographs for nearly every woman in the room.

[From the Independent (Gallup, NM), July 27, 1987]

SUMMIT SUCCEEDS—MACD

(By Richard Sitts)

TOHATCHI.—Saturday was the Navajo Nation's day in the sun, though the morning was spent under bright theatrical lights and the afternoon behind closed security guarded doors.

The first-ever Navajo Economic Summit, hailed as a historic occasion, was considered a success by its participants.

"I feel very good in my heart that the summit has been a success," said Navajo Tribal Chairman Peter MacDonald. "The participants agree that today's undertaking has been highly successful."

Though the summit offered little more than talk, it was positive talk. Participants insist the results will come later.

In the post-summit press conference, MacDonald read from a prepared statement, "If our meeting today had achieved no more than to provide a high-level forum for the frank exchange of views, summit participants would consider it a success. But it did much more."

MacDonald then outlined four issues on which participants and the Navajo Tribal Council agreed:

First, is that Indian enterprises can and should be separate from tribal government administration.

"Our concentration must be on strengthening Navajo enterpreneurship. Navajo ownership of Navajo enterprises is our goal," MacDonald said.

However, not a single Navajo business owner was invited to participate in the summit conference and perhaps as a result, only a few attended the event.

The only area businessman on the list of participants was Eddie Basha Jr., chairman of the board of Bashas' Markets, Inc.

Using federal tax incentives to reward businesses that locate in tribal "enterprise zones," creating an Indian finance development bank, and encouraging U.S. defense contractors to subcontract projects to Indian businesses were other points of agreement.

Thirdly, eliminating unnecessary red tape and bureaucracy from the tribe's commercial laws and seeking assistance of an "action group" of outside business experts is another goal.

And a strengthened framework for state tribal relations is "absolutely essential," MacDonald said. "This will help both parties enormously, to pursue our regional commercial interests," he added.

"The summit participants have not solved, or attempted to solve every obstacle, but the participants have identified those obstacles," MacDonald said.

Creating "a self-sustaining, job-generating reservation private sector" is essential, participants agreed, and it also is essential to increase Navajo per capita incomes to the level of surrounding states.

MacDonald said an economic summit action group will begin working on suggestions derived from the summit.

The tribe is now talking with six companies, three seriously, about locating on the reservation, MacDonald said during a question and answer session following the post-summit statement.

During the press conference MacDonald was flanked by co-hosts Sens. Pete Domenici, R-N.M., and Dennis DeConcini, D-AZ.

A detailed question dealing with environmental protection regulations on prospective reservation industries was met with a prolonged silence and critical looks among the three, indicating the subjected had not been covered during the afternoon session.

Domenici said that reservation industries would be subject to the same environmental regulations as the states and that the days of "smokestack industries" are over.

"I believe that Chairman MacDonald and the Navajo people will succeed. Businesses will come to the reservation," Domenici said during the press conference.

What only a few months ago was a dream is now a reality. Domenici said, claiming that "thousands" of young Navajo are going to have jobs over the next decade.

For this to happen, all the Democratic red tape must be eliminated in order to keep the private sector separate from the tribal government, Domenici said.

"We must make it possible for the Navajo people to get in business and prosper," he added.

Sen. DeConcini also spoke highly of the summit.

"What we had truly was a real beginning of a new direction for the development of jobs on the reservation," DeConcini said. "I could witness, feel and see that the direction is moving in the right direction."

He said short term goals are to see things change "in the very near future," and a long term vision is to establish an offensive environment for businesses on the Navajo Reservation.

[From the Albuquerque Tribune, July 24, 1987]

NAVAJOS LOOKING TO LURE INDUSTRY

TOHATCHI.—After years of building barriers to keep their resources from being exploited by big business, the Navajos now are trying to lure industry to their reservation by promoting those same resources.

A Navajo Nation Economic Summit began here and in Gallup today with Indian, government and industry leaders meeting to discuss ways the tribe can improve its economic position and that of its members.

Tribal Chairman Peter MacDonald said private sector investment was discouraged not by intention, but through some of the issues the tribe was facing at the time.

"We created barriers to keep those energy companies at a distance," he said. "Consequently, tribes have created bureaucracies to slow down exploitation attempts. But it also slowed attempts by other industries to locate on the reservation."

Business leaders will meet with tribal, federal and state officials to discuss what changes are needed to attract industry to the reservation.

Sen. Pete Domenici, R-N.M., said for years the tribe had regulations that inhibited such growth. This is the first time in 15 years of working with the Navajos that the tribe's leadership has sought to set a firm policy on economic development, Domenici said.

[From the Albuquerque Journal, July 25, 1987]

JOBS FOCUS OF NAVAJO CONFERENCE

(By Susan Landon)

TOHATCHI, NM—The day before the Navajo Economic Summit was scheduled to convene in this small town on the eastern edge of the reservation, visitors at the Tohatchi Chapter House on Friday were greeted by this sign: "Sorry, No More Jobs."

The sign is a reminder of the big talks awaiting participants in today's summit at Tohatchi High School, about 30 miles north of Gallup.

A high-powered group, including the governors of New Mexico and Utah, is scheduled to meet with tribal officials to find ways of bringing more jobs to the nation's largest Indian tribe. Gov. Evan Mecham of Arizona on Friday canceled his trip because his wife, Florence, became ill, the governor's spokesman said.

Among the other participants are U.S. Sens. Pete Domenici, R-N.M., Dennis DeConcini, D-Ariz., and the officers of major corporations such as General Dynamics and General Motors.

In several speeches, tribal Chairman Peter MacDonald has called the Navajo reservation America's "last economic frontier." Unemployment ranges from 30 percent to 70 percent across the reservation.

The rate in Tohatchi is about 40 percent. Several short-term jobs that had been offered by the Tohatchi Chapter House earlier in the summer had already been filled, prompting chapter Manager Lee Rodgers to put up the "no jobs" sign.

"We're hoping the summit will amount to something," Ms. Rodgers said, as she grabbed a quick hamburger lunch in her office.

"But I know the summit will only be a minor cornerstone in economic development. It will require lots of paperwork and working through the bureaucracy before we will ever see a company move out here."

Businesses trying to set up shop on the reservation have been faced with as many as 125 different tribal requirements before they received a site lease. MacDonald has promised to cut that red tape.

The Tohatchi Chapter House, located along the town's dusty main road, was filled with activity Friday.

Men nailed tree branches together outside, making a graceful lattice that was then covered with leaves. Underneath their creation the earth was cool—a spot that will serve as a makeshift restaurant for some summit visitors. The town's women have prepared a traditional feast that includes mutton and fry bread.

Meanwhile, the gym at Tohatchi High School was being decorated with rugs and plants by tribe members Friday afternoon. The gym will be the site of this morning's opening general session at 8 a.m.

Tohatchi was chosen as the summit site because of its modern high school facilities and because Domenici wanted the summit to be held in New Mexico. The summit was Domenici's idea.

Participants are scheduled to watch a videotaped message from President Reagan recorded especially for the summit.

Later in the afternoon, business and political leaders will meet with MacDonald in closed session to discuss specific ways of bringing jobs to the reservation.

[From the Albuquerque Journal, July 26, 1987]

TRIBAL CHIEF SEEKS MORE JOBS—LEADERS AT NAVAJO ECONOMIC SUMMIT OFFER IDEAS FOR ENDING POVERTY

(By Susan Landon)

TOHATCHI.—Calling the Navajo Nation "America's economic orphan," tribal Chairman Peter MacDonald said Saturday that his tribe must lure jobs to the reservation to overcome poverty and despair.

"For more than a century commercial time has virtually stood still on the Navajo reservation," MacDonald told government and business leaders at the first Navajo Economic Summit. "As wards of the federal government, Navajos were never exposed to the risks or incentives of the marketplace."

At the conclusion of the all-day summit, MacDonald and the Tribal Council unanimously agreed to try to make the reservation a hospitable home for the private sector.

Too often private businesses have involuntarily become ensnared in tribal politics when they've tried to set up shop on the reservation, Sen. Pete Domenici, R-NM, said. The tribe agreed to try to separate private business affairs from tribal government as much as possible.

"Never before have I felt this kind of unity and enthusiasm on the reservation," said a happy Domenici, who came up with the idea for the summit.

The first economic summit held by an American Indian tribe got a lot of attention.

Television lights flooded the Tohatchi High School gymnasium as the governors of New Mexico and Utah and the chief executive officers of some of America's largest corporations gave suggestions for improving the Navajo economy.

Reporters from the 9 million-circulation Japanese newspaper Yomiuri Shimbun and the largest newspaper in Germany, the Frankfurter Allgemeine, were among journalists at the meeting.

There had been suspicion among some Navajos that the summit would just be a "media event."

But Sen. Daniel Inouye, a Hawaii Democrat who chairs the Senate Select Committee on Indian Affairs, gave the summit high marks.

"The summit is already a success," Inouye said during a break in the meeting. "The fact that you can get two governors, five U.S. senators and several top CEOs in one place is quite an accomplishment."

Inouye said the summit brought international attention to the economic problems of not just the Navajos, but all Indians.

The meeting also brought a proposal from New Mexico Gov. Garrey Carruthers. He asked the Navajo Nation to sign an "economic treaty" with the state that would spell out how the two governments can help each other.

For example, Carruthers offered to "loan" two members of the New Mexico Economic Development and Tourism Department to the tribe for six months in an attempt to boost tourism on the reservation.

The Navajo Nation has a long, difficult task facing it in attracting businesses that are also being lured by much more prosperous parts of the U.S., summit participants agreed.

"One of the major impediments to business development is the vagaries of tribal politics," Sen. John McCain, R-Ariz, said.

Specifically, McCain criticized the MacDonald administration for recently challenging a contract with a private firm that wants to set up a marina on Navajo land in Utah. MacDonald has said the contract, agreed to by the administration of former Chairman Peterson Zah, shortchanges Navajos.

However, McCain said, "We can't have these kinds of things happen and expect businesses to locate on the Navajo reservation."

The summit opened with a videotaped message from President Ronald Reagan.

"Yah ta hey," the president said, offering the traditional Navajo greeting.

He praised the summit as a move away from dependence on the federal government by Navajos.

The president told the business leaders: "Today, your very presence at the Navajo Economic Summit is sending a message through corporate boardrooms across this country: The Navajo can be competitive also."

MacDonald told the crowd that he hoped the summit would mark a "rebirth" of the Navajo Nation. He noted that Tohatchi, located 30 miles north of Gallup, was the place where a rebirth of the Navajos began 120 years ago following the tribe's imprisonment at Ft. Sumner.

The legendary Navajo chief Manuelito was from Tohatchi, and lead his people from "concentration camp" conditions at Ft. Sumner to Tohatchi.

"We have returned in the 120-year-old footsteps of our forefathers, to take stock of our situation, to confront our economic deprivation and to plan for our economic future," MacDonald said.

The president of General Dynamics said the high quality of the Navajo workforce has been a well kept secret. Oliver Boilean, head of the firm, said General Dynamics is happy with the output of its 20-year-old plant in Ft. Defiance, Ariz.

"The quality of work performed on our electrical systems here has matched or exceeded the quality of work at our other plants," Boilean said.

Takuro Isoda, chairman of one of Japan's largest securities firms, offered to talk to his associates in Japan about the possibility of inviting MacDonald to his country. Isoda said MacDonald could explain to the Japanese firms the benefits of bringing jobs to the Navajo Nation.

[From the Christian Science Monitor, July 27, 1987]

Navajos Envision an Economic Miracle—Summit on Tribal Development Draws Heavyweight Support

(By George Hardeen)

Tohatchi, N.M.—While much of rural America suffers from loss of business and industry, the Navajo Indian Reservation has never had much.

Traveling across the huge reservation, one is impressed as much by the emptiness as by the surrounding desert beauty. For about half of the 160,000 Navajos living here, the openness of the landscape translates into unemployment and lack of opportunity.

On Saturday, however, the Navajo nation launched a new initiative to fill some of the emptiness. At an "economic summit" here, Navajo chairman Peter MacDonald participants in exploring ways to make the reservation more attractive to industry. Sens. Pete Domenici (R) of New Mexico and Dennis DeConcini (D) of Arizona co-hosted the summit.

The Navajo Economic Summit brought together some 40 corporate executives and top state and federal leaders to analyze how to put the tribe's large, underemployed labor force to work.

Supporters of the summit ranged from operators of small reservation mobilehome parks to President Reagan, who sent a videotaped message congratulating Navajo leaders for sponsoring the event. Mr. Reagan said it took courage for the tribe "to set a policy that, for the first time, says a partnership with the private sector is the future."

While Washington's trust relationship with the Navajo Tribe is almost 120 years old, the President said, "instead of fostering independence, the government ended up doing just the opposite."

Mr. MacDonald, who returned to office in January after a four-year absence, has made economic development and the creation of jobs his administration's top priority in order to fight his reservation's 30-to-50 percent unemployment rate.

For months, MacDonald has crisscrossed the United States meeting the chiefs of America's largest companies, encouraging them to "bring your bottom line to Navajo" before locating a new factory overseas. He said he wants to "beat the pants off" the tribe's competition in Taiwan and elsewhere.

Senator Domenici, who said that for 15 years he had watched the Navajo nation struggle in political turmoil, praised MacDonald's leadership and termed the summit "a miracle."

A controversial figure who previously served 12 years as tribal chairman, MacDonald has promised his people he will create "1,000 to 2,000 jobs per year." He says he wants to see large segments of his tribe's young population transformed into Indian entrepreneurs, service professionals, and industrial workers.

But starting practically from scratch, with but a handful of companies composing the current Navajo private sector, the obstacles the tribe faces are formidable. Foremost is its rural obscurity. The 25,000-square-mile Navajo reservation is located mostly in the northeast corner of Arizona, comprising about one-sixth of the state's land area. It also lies across substantial portions of northern New Mexico and southern Utah. Yet it is not well-known to industry leaders.

"If they are patient enough," said Takuro Isoda, chairman of Daiwa Securities America Inc., "they'll have a great future, I believe." He said the reservation's clean air and water and its reputation for excellent craftsmanship is what is most attractive to his company.

While the reservation is isolated from any major city by hundreds of miles, summit participants touted its centralized location as ideal to reach approximately 20 million consumers in Phoenix, Albuquerque, Denver, Salt Lake City, and Los Angeles.

New Mexico Gov. Garrey Carruthers said he would see if highway and development funds from his state could be used to assist the tribe. He suggested a six-month exchange of state and tribal tourism personnel.

Another participant in the summit, renowned designer Oleg Cassini, declared that if the Navajo built a resort it would become world-famous.

Sen. Daniel K. Inouye (D) of Hawaii, said legislation to create an Indian Development Bank "would set up the mechanism for guaranteeing loans that are made by other banks.

"The federal government is watching this summit meeting," said Senator Inouye, "and all the other Indians are watching. If this works, this will be the solution to all the problems."

At this point the reservation's private-sector economy consists primarily of the few stores in its seven major communities of a few thousand people each. State, tribal, and federal jobs provide the bulk of employment. Navajos drive every weekend to thriving towns surrounding the reservation's borders, where over the course of a year they spend millions of dollars.

Layers of federal and tribal bureaucracy have blocked many would-be reservation businesses and discouraged innumerable would-be Navajo entrepreneurs. According to figures presented by Navajo leaders at the summit, 47 various kinds of approval, taking years to acquire, are needed for even a small business to begin.

Sen. John McCain (R) of Arizona, who three years ago first sponsored a bill to create "enterprise zones" on Indian reservations, said that in exchange for employment and tax credits for industry, tribes should be willing to come up with a way to quickly resolve conflicts when they arise, as they frequently do.

He said business would not be interested in moving to Indian reservations if tribes could not dispense with the "vagaries of tribal politics."

His comment referred to the Navajos' current problem with a developer who last week said he would sue the tribal government because it is stalling development of a $30 million marina and resort project on Lake Powell. The former Navajo administration agreed to the development.

[From the New York Times, July 27, 1987]

Navajo Seeks Industries

Gallup, N.M., July 26.—The chairman of America's largest Indian tribe urged private businesses to "bring us your bottom line" before pursuing business ventures in developing nations.

The chairman, Peter MacDonald, said at a weekend conference here that Federal budget cuts have made the Navajo, with 200,000 members, "America's economic orphan." The meeting, sponsored by Senators Pete V. Domenici, Republican of New Mexico, and Dennis DeConcini, Democrat of Arizona, was attended by politicians and executives.

Besides budget cuts, the Navajo reservation—16 million acres in Arizona, New Mexico and Utah—has also been affected by a depressed energy market and a shift in an economic base that once relied on raising sheep.

According to the Census Bureau, 40 percent of Navajos, live below the poverty level. The Navajos, Mr. MacDonald said, are hoping for prosperity through large-scale private-sector development.

The Indian Economic Development Act, introduced by Senator John McCain, Republican of Arizona, would create enterprise zones that offer Federal and tribal tax incentives for businesses locating in them.

The Navajo Nation—Essay Winners

1st place—Kimberly Ross, daughter of Dr. and Mrs. Kenneth Ross, Student at University of New Mexico—Gallup Branch.

2nd place—Lisa Jones, Student at Navajo Pre-College Program; Holbrook, Arizona, Holbrook High School.

3rd place—Michelle Dotson, daughter of James Dotson and Rebecca Martgan, Student at Arizona State University, Tempe, Arizona.

Kimberly Ross

IDEAS FOR CONSIDERATION

1. Private Partnership Program: This idea deals with a four why partnership between individuals; local banking or lending institutions; the Navajo Nation and the state and/or Federal Government. Individuals would be expected to financially capitalize 20% of the original operating costs for any proposed business through personal resources and/or bank loans with interests capped at no more than 10% on borrowed funds. The Navajo Nation would provide 30% of the required capital as a loan to be paid off from capital net profits of the proposed business over a period not to exceed 30 years. The Federal Government in turn would contribute up to 50% of the initial investment and operational capital needed for the first three years of the business venture as a grant. The types of small businesses eligible for such a private partnership start up would be:

a. Fast food franchize operations, such as Pizza Hut, MacDonald's, Wendys, Burger King, Long John Silvers, Taco Bell, Dunkin Donuts, Kentucky Fried Chicken.

b. Started under this shared initial investment concept would be small retail/whole sale outlets such as Auto Motive Part Stores, Midas Muffler Shops, Insta Tire, Speedy Lube, etc.

c. Franchized clothing and apparel stores and outlets for major clothing manufacturing businesses such as Levi Strauss, Wrangler, Lee, etc.

d. Hardware and small appliance convenience stores.

e. Home Improvement Centers, inclusive of self-help style pre-fabricated pre-designed homes where the initial cost is for a basic floor plan and structural kit to be provided by the home center and the finishing work to be completed by the home owner. There will be minimal labor union intervention to inspect and approve construction.

There are numerous large companies and corporations which could be enticed to work with private entrepreneurs to set up such businesses.

2. Poultry Ranches: This idea deals with capitalizing on a commodity which is basically void of local competition. Schools, hospitals and the general public purchase large quantities of poultry products each year. These goods are produced in adjacent states, basically off of the Navajo Reservation. Most, if not all, of these products must be treated with preservatives and trucked to local outlets. Chickens, ducks, geese and turkeys need feed, water, gravel, and calcium all of which are readily available. Also, there are large poultry farms in Texas which can be contacted to ascertain specifics of operational management. If conditions yield positive indications for such an endeavor on the Navajo Reservation, this can be a good investment and means for creative jobs for the local people. With successful operation there can be additional operations involving the use of feathers for making pillows, comforters, sleeping bags, etc.

3. Silicone Byproducts: The Navajo Nation is rich with sand. A major component of sand is silicone. When heated to sufficient degrees, silicone can be extracted and used to make many useful byproducts like windowpanes, car windows, ceramics, glassware, stained glass ornaments or useful household items as well as other items. Efforts should be made to test the quality of sand and specific technologies required for extracting the silicone base and other ingredients needed to make glassware. This could be started on a small pilot scale evolving into larger operations.

4. Small Family Fruit and Vegetable Farms: The Navajo Irrigation Project could be modified to permit lease assignments to individual families to farm portions of the land on a pilot basis. Small vegetable farms, fruit farms, etc., could provide a stable economy for these families and defray purchase of food commodities since they would have the opportunity to consume personal products they have labored to produce. It is also recommended that the Navajo Tribe look at the possibility of elimination of the Federal Law dealing with Congressional Restriction prohibiting Federal employees from dealing with Indians.

Even efforts to procure congressional exemptions for Federal Indian employees to work with Indian groups would be beneficial to the Tribe. This would permit an incentive for Federal Indian workers to become motivated to pursue private businesses which would add to the overall beneficial economy of the Tribe.

LISA JONES

An economic plan to improve the Navajo Tribe's economy would cost a lot and it would involve a big sacrifice but it would be very beneficial to us in our future.

Among several important factors that need to be changed to help the economy would be to increase the businesses or industries across our nation. This would change most of the other problems of the nation. The unemployment rate would decrease and productivity would increase. We will also learn to make the most of our leisure time.

When the industries and businesses are developed, there would be more emphasis on education for all of our people including younger students, undergraduates, graduates and even the elderly. The industries can also put more support into advanced educational methods for us. The value of this education will increase and continue to keep our nation strong. Besides, these examples, other special programs could be developed and even scholarships could be made available and would give all the people an incentive to gain even more knowledge. By taking away some of the leisure time of the people and putting it into good use as in the industries, which are to be developed, the alcoholism problem of our people would also be decreased. We could also encourage the people in this category to help our economy and still, at the same time, try to help them deal with their problems, too.

By developing these new industries and businesses, some of our nation's basic problems could be solved. We can economize on the funds provided by the Government to use to build up the industries on the Reservation. We can begin our own industries using our own natural resources such as coal, agricultural goods, traditional jewelry and art, and even our best natural resource—our people. This can be done through small shops where the outside people, like tourists, can be easily attracted to shop. We could be our own producers and distributors.

We could also build more shopping centers, or other profitmaking businesses such as recreation centers, small teen-age centers or hangouts, day-care centers, etc.

I hope that the thoughts and suggestions that I have put into typing to help our nation's economy will help us and that you, our Honorable Chairman, would give them due consideration.

MICHELLE DOTSON

IDEAS OF THE ECONOMIC FUTURE OF THE NAVAJO NATION

The Navajo People, as history notes, have endured countless hardships. An example of just one hardship would be the Long Walk. Our people were forced off their land at the hands of the government. Many lives were lost due to starvation and disease. Additionally, we've faced racial discrimination in the past, and in many instances, still do today. Presently, we are faced with the very emotional, frustrating issue of the Navajo-Hopi land dispute. Nevertheless, the Navajo People, have had the ability to overcome many obstacles to become a major Indian tribe in the United States. Furthermore, I feel that because we are a strong nation, we have the ability to become a leading industrial area, as well as, the most powerful tribe, economically, in the United States.

With visions of power and influence, I feel that the economic future of the Navajo Nation depends on a variety of important objectives. One objective, for example, would be to provide land to various industries that want to come onto the reservation. Secondly, in addition to the promotion of industrial development, we must also promote community businesses. Thirdly, the Navajo Tribe must set and enforce regulations regarding environmental protection. Lastly, housing should be provided for both Indians and non-Indians.

With the lack of adequate jobs, and high unemployment on the Reservation industry, of any kind, should be welcomed. However, I feel that in order to promote industry onto the Navajo Nation, the Tribal Council must be willing to set aside some land that would enable various industries to easily move onto the reservation. But there should be an important condition that tribal members will be employed and they will receive all the fringe benefits other employees receive outside of the reservation.

In addition, Community businesses should also be a main objective for the Navajo leaders. I feel that the Navajo Tribe has too much influence on what the small businessman does. To attract the development of community businesses, we should loosen some of the insignificant regulations involved in starting a business. The small businessman is a very important part of the economic future of the Navajo Nation. We should be giving assistance to the small businessman in every way possible, rather than preventing his efforts or putting up obstacles, which is, after all, defeating our very purpose at economic development.

If industries are going to move onto the reservation, the Navajo Tribe must set and enforce environmental protection regulations on all pollution causing industries. This will prevent excessive air pollution, illegal dumping of toxic waste products, and water pollution.

Lastly, adequate housing must be provided for people on the Reservation. There should be also the option available to buy the home, for both Indians and non-Indians.

Granted, many other areas need to be also taken into consideration, I feel that the four objectives I mentioned-setting aside land for industries to move onto the reservation, making community business a priority of the Navajo Tribe, setting and enforcing environmental protection regulations, and providing adequate housing—are among the most significant ones.

Overall, the Navajo Nation does have the ability to become a leading industrial area. However, much detailed planning, hard work, and especially communication is going to be the basis of what the future holds economically for the Navajo Nation.

A VIEW FROM THE PRIVATE SECTOR

(By Robert Pritzker, CEO)

Nobody likes sitting through dinner speeches, much less giving them, but I jumped at the chance to address you tonight. Not just because being the first speaker at a summit is a tough honor to pass up . . . but because the subject of this summit is one no one should pass up.

Not long ago, I was just another Chicago-based executive minding my own business, the Marmon Group, of which I am President, is an international complex of some 60 corporations which do business in areas as diverse as mining, manufacturing, international marketing and computer services. In 1986 our combined revenues neared $3 billion and we employed approximately 27,000 people in the United States and in many countries throughout the world.

I guess I am what in the Lexicon of American industrial history has come to be known as a hard-nosed businessman. Well, I never thought of myself as that, but our company's success means there must be some truth.

So, it came as quite a shock one day when this hard-nose was pinched, figuratively speaking, by a good friend of mine, Tom Miner. Tom heads a Chicago-based association of CEO's called the Mid-America Committee. He has travelled the world opening new doors for American business.

And Tom, that day, brought to my attention that—for reasons beyond my comprehension—a substantial part of this great country had somehow gone untouched by the forces of free enterprise.

Thus, began my introduction to the Navajo Nation. It also began the initiation of someone who believed that every inch of America has been fed by MacDonald's, and catalogued by Sears, and credited by MasterCard . . . to the fact that a substantial slice of the Southwest had managed to escape the mark of the markeplace.

I can only tell you that I was profoundly shocked to learn that a land the size of the state of West Virginia . . . with a population nearing 200,000 people . . . right in the middle of a Sunbelt market of about 20 million consumers . . . had managed to elude the laws of supply and demand, risk and reward, assets and liabilities and profit and loss, for so long. My initial instincts were, of course, totally innocent: I wondered whether a friendly takeover was possible.

And then, I met Peter MacDonald, and I learned what many of you have known longer than I—how truly wondrous and unique the Navajo Nation is in the history and the present day reality of the United States of America.

Chairman MacDonald, it's not in my nature—nor that of most businessmen—to speak in grand generalities or sweeping propositions, but I'll make an exception tonight. I'll say that I am very, very proud to welcome all of you to the first gathering of its kind in this country.

A summit gathering of leaders from federal, state and tribal governments and from our private sector. A summit called to focus top-level attention on the economic life of a nation within a nation and to forge an historic and productive partnership.

We'll talk about the challenge which faces us all day tomorrow. But for now, let me state it as simple as possible:

The Navajo Nation is the largest Indian tribe in this land. Since its recognition by treaty 120 years ago the Navajo have enjoyed, on paper, certain protection for their health and against hunger . . . for their land, and against encroachment on their traditional rights and resources. And they have been protected against the risks and rewards of the private sector.

I hope Chairman MacDonald and the other Navajo officials in this room will indulge my saying that in travelling across America, no where have I ever seen an area so large and so clearly delineated by the absence of a self-sufficient private sector. To the south 340 miles is Phoenix . . . to the east 160 miles is Albuquerque, the most livable city in the U.S. . . . to the west 500 miles away is Los Angeles . . . and the same distance to the north lies Salt Lake City. The compass needle spins literally above us . . . and, it would appear, unaware of us. One hundred twenty years of progress and change . . . of frontier development, urban migration, tourism explosion, high technology incubation, the rumble seat, the bucket seat and the five-way seat . . the prop, the jet, the rocket . . . the tube, the transistor, the chip . . . the radio, the TV, the PC . . . the vaccine, the anti-biotic, the light bulb, the laser . . . have transformed this nation from coast-to-coast and north-to-south. While carving out a land the size of West Virginia and declaring:

You are beyond the bounds of the American dream.

You are protected from the American dream.

You are saved from the risks and rewards of the free marketplace.

And, thus protected, you shall look to us, and depend upon us, forever.

After meeting Peter MacDonald, I must admit that for the first time, I thought about the fact that as an American, albeit a Midwest American, I was part of a heritage of a nation which promised another nation, "trust us, and we will do what is best for you."

I am here today because of that promise, and what it means to me personally. And I know many of you are here today for the same reason.

Let's not be hypocritical.

Let's not be fatuous.

Let's be brutally, candidly honest.

If business does not make money it won't be in a business long. And it won't pay wages. So, to ensure our viability we try to calculate the potential risk and reward. The higher the potential return on our investment, the more the venture attracts us. The greater the risk relative to that return, the less likely we are to make the investment.

And let's also candidly admit that companies like each of yours, suffer no shortage of proposals. Every state promotes its competitive niche, and every country advertises its comparative advantage. Other nations across Latin America, Asia and the Pacific Rim offer wages a fraction of our own U.S. minimum wage of $3.35 an hour.

Long tax holidays are standard fare . . . as are free worker training, housing for executives, factory buildings and other essential prerequisites of business, location and expansion. One governor recently put in the hands of a would-be investor a bank book with a $15 million balance, explaining you know how to apply this to your bottom line better than we do, so go to it. That sort of talk goes on . . . and that's the competition out there, enticing the private sector today.

Make no mistake. Those of us who are in business go where we can survive. We will go where our costs will make us competitive. The American consumer demands top value, defined as the best quality at the lowest possible price. If we don't give it to them, our competitors surely will. And that means searching out those locations which offer us the very best package of natural and man-made incentives we can find, often anywhere in the world.

Ten days ago I was in Singapore being romanced by the Economic Development Commission of that country.

Beside all the incentives they offered, they showed me a vocational training school in which they had the most modern equipment I have ever seen in a school, such as vision-directed robotic welding, artificial intelligence, and the like.

Their students attended 44 hours a week of class plus significant homework, and then went 48 weeks per year. The academic standards were high, and these workaholics will work for less than half of our minimum wage. That's a challenge but we are here in America—so what do we look for:

We look for the availability of an appropriately skilled labor pool. The cheapest labor?—No. The best workers we can find at the best price?—Yes, of course, because that's what the consumer expects of us.

We also look for market access. That means adequate, assured transportation systems. It also means minimizing barriers to those markets in the form of tariffs, quotas and otherwise. It also means selecting locations based on proximity to our consumers.

We look for availability of land, resources and utilities. Rarely do we site a new plant without making sure that there is room to grow, and abundant raw materials to work with. Existing plant facilities are a definite attraction.

And we look for a variety of man-made incentives, too. Taxes are always a factor. In today's competitive environment, not only are we accustomed to finding complete exemption from state or local property or income taxes for up to five years or more . . . we are being trained to expect tax breaks above and beyond that which we can apply to profits earned on existing operations.

We also look to the availability of innovative financial packages to develop our new facilities, and to a regulatory environment which goes out of its way to encourage our arrival, rather than one which, by its apathy or weight, inhibits progress. A stable political environment is a sine-qua-non. And only in extremely rare and compelling cases will we invest our own capital without adequate insurance against political or other man-made risks.

Finally, we scrutinize the quality of life that awaits us. We look for a hospitable infrastructure. We expect the taxes we pay and our employees pay, to fund schools and medical facilities and recreation and entertainment, and police and fire protection and roads and other basic elements of a commercial infrastructure. We do not expect, except in the rarest of cases, to pay for these ourselves.

These are not the ravings of a spoiled corporate brat. These are the simple facts of modern day commercial reality. And as much as any business executive believes in Navajo, he or she will continue to be guided by shareholders' legitimate demands that our capital travels where risk is minimized and reward is greatest.

We are not here in an exercise in philanthropy. If I were a Navajo I would be suspicious of corporate philanthropy. The first time the company has a bad quarter, they may not be so reliable. However, if the corporation feels its best opportunity is on the Navajo Nation, then a bad quarter will improve your situation.

We are here because we share a vision of the Navajo Nation as a business location potentially competitive with any in the world.

The intrinsic value of the Navajo Nation to business has virtually nothing to do with altruism. It has everything to do with good business sense.

Here is a land base of 25,000 square miles . . . as varied and inviting as any of you will find in this country.

Here are natural resources unmatched in their scope and accessibility. From critical minerals like coal and oil and natural gas, and priority rights to water, and timber and agricultural lands. Navajo is naturally endowed with a wealth of manufacturing.

The Navajo workforce has been famed for generations for the details and precision of their weaving, their jewelry, basketry and pottery. The same detail is reflected in NASA space suits made by Utah Navajo Industries in Montezuma Creek, and in the precision military hardware turned out by the General Dynamics factory at Fort Defiance, Arizona.

And most fundamentally, the willingness of the Navajo Tribal Government to do everything in its power to make its environment attractive to business. The attitude of the MacDonald-Thompson Administration is simply stated—if business can make a profit here. Then Navajo can profit too . . . in employment for tribal members, and in economic growth and development.

With this in mind, I urge you to sit back, enjoy your coffee and the camaraderie of the evening . . . for early tomorrow morning the real challenge began 120 years ago, the Navajo were a self-sufficient, prosperous people. They attended abundant herds of sheep. They farmed millions of acres of fertile lands and knew no physical or economic boundaries. They exchanged much of those lands . . . and as it turns out, their natural state of economic independence . . . for our promise not to sacrifice them to our own economic ambitions.

The free enterprise system hasn't failed the Navajo people. We have—for forming an imaginary line around the Navajo reservation and declaring the marketplace not dare enter within.

In the spirit of correcting that historic injustice, I would like to conclude tonight by issuing a challenge to every bottom-line minded businessman in this room, as well as to those who will read or hear about what we accomplish at this summit.

And that challenge is simply this—before I invest another dollar outside this country . . . before I determine that I have maximized my return and minimized my risk elsewhere . . . I will bring my bottom line to Chairman Peter MacDonald and the Navajo people. I will give them a chance to demonstrate that they can assemble a package as promising and competitive as any I will find in any other state or any other country.

They deserve that chance. And if they can meet my business needs—if they can be competitive—I will invest my dollars among the first Americans, and be proud to sow the seeds of a truly self-sustaining and thriving private sector in this, the very last untapped economic frontier, in these United States.

I urge you to make the same commitment. We do owe these people much more . . . and no less . . . than the chance to share in the growth and prosperity that has made us the greatest, richest land on earth.

Thank you very much.

REMARKS BY THE PRESIDENT TO THE NAVAJO ECONOMIC SUMMIT

The PRESIDENT. I was deeply honored when Chairman Peter MacDonald asked that I open the Navajo Economic Economic Summit, and I regret that I can't be in Tohatchi to take part in this historic event. But although I can't be with you in person, I'm very much there with you in spirit.

Early in this administration we established a firm commitment to conduct our relations with all Indian tribes as one government to another. I want to renew that pledge to you today. The Navajo Nation, with nearly 200,000 members and a land base of nearly 15 million acres, deserves a special place as a valuable economic force in America.

Your labor force, for example, is known around the world for its skilled artisanry and painstaking attention to detail. In fact, when NASA was looking for someone to make spacesuits for our astronauts, they looked to Navajo, and Navajo never let them down. And yet, with all of the talent and energy your young men and women have to offer, too many of them are without jobs. This is particularly disturbing because you have something to offer that no other people can, whatever their resources and location. Your culture, traditions and Navajo quality of life are an important part of America.

The federal trust relationship with the Navajo Nation was created by treaty almost 120 years ago, and while historically the federal government has had good intentions where Native Americans are concerned, instead of fostering independence, the government ended up doing just the opposite.

I hope that this economic summit can be a beginning to change all that. Your future certainly is not here in Washington. It does not stem from more federal programs. I know the purpose of your summit is to examine how existing federal programs can be made less bureaucratic and better suited to your goal of economic growth.

In addition, I understand the Navajo Nation has been looking at ways of streamlining its government processes. It has taken courage to set a policy that, for the first time, says a partnership with the private sector is the future.

As you know, I have always been and always will be a supporter of increased local control, because certainly, the best government is the government closest to the people. I'm very pleased with your efforts thus far and would encourage you not only to continue to improve existing programs, but to continue to assume responsibility for more federal programs. Believe me, I want this administration to help you gain true economic self-sufficiency.

Chairman MacDonald, distinguished members of the Navajo Tribal Council, your call to action at Window Rock, that "Navajo Means Business!," has been heard back here in Washington. We want to assist you in every way we can to build a secure, prosperous private sector on the Navajo Reservation.

And now, I'd like to thank Senator Domenici, to whom we're indebted for the very idea of this summit. The dedication of all the participants, including co-sponsor Senator DeConcini, to promoting economic development on the Navajo Reservation is to be commended. I know that we can all help Native Americans achieve greater economic independence.

Finally, I'd like to address a word to the business leaders gathered in Tohatchi. All of you, throughout long and successful careers, have demonstrated your acumen, energy and foresight. Today, your very presence at the Navajo Economic Summit is sending a message through corporate boardrooms across this country: The Navajo can be competitive also.

You've made the commitment to look to Navajo before you look abroad for your next factory. You've taken up the challenge to spur a Navajo economic recovery, from federal dependence to economic independence. And you have a very strong supporter right here in Washington.

Thank you, and to all of you go my best wishes for a very successful summit.

NAVAJO ECONOMIC SUMMIT PARTICIPANT LIST

Mr. Ben W. Agee, President and Chairman of the Board, CP National.

Ms. Cristena L. Bach, Special Assistant, The White House.

Governor Norman Bangerter, Utah.

Mr. Eddie Basha, President, Bashas' Market, Inc.

Mr. Ernest Becenti, Jr., Council Delegate, Navajo Tribal Council.

Mr. Richard Begaye, Council Delegate, Navajo Tribal Council.

Senator Jeff Bingaman, New Mexico.

Mr. Oliver C. Boileau, President, General Dynamics Corporation.

Governor Garrey Carruthers, New Mexico.

Mr. Oleg Cassini, President, Oleg Cassini, Inc.

Major General Leo M. Childs, Deputy Commander, U.S. Army Information Systems Command.

Mr. Raymond Combs, Special Assistant to the Secretary, Department of Housing and Urban Development.

Mr. Robert W. Craig, Moderator.

Mr. Percy Deal, Council Delegate, Navajo Tribal Council.

Senator Dennis DeConcini, Arizona.

Senator Pete Domenici, New Mexico.

Mr. John Ehrmann, Moderator.

William Lynn Engles, Commissioner, Administration for Native Americans, Department of Health and Human Services.

Mr. Mel Fischer, Executive Vice President, Occidental International Exploration and Production.

Senator Daniel K. Inouye, Hawaii.

Mr. Takuro Isoda, Chairman, Daiwa Securities America, Inc.

Representative Jon Kyl, Arizona.

Chairman Peter MacDonald, Navajo Tribal Council.

Dr. Thomas G. Marx, General Director, Market Analysis and Forecasting, General Motors.

Mr. Paul Mayrand, Director, Special Targeted Programs, Department of Labor.

Senator John McCain, Arizona.

Governor Evan Mecham, Arizona.

Representative Howard Nielson, Utah.

Mr. David Paulus, Senior Vice President, First Chicago Corporation.

Mr. Marshall Plummer, Council Delegate, Navajo Tribal Council.

Mr. Robert A. Pritzker, President and Chief Executive Officer, The Marmon Group.

Representative John Rhodes III, Arizona.

Representative William Richardson, New Mexico.

Mr. Alex Riggs, Sr., Council Delegate, Navajo Tribal Council.

Mr. Robert Rodale, Chief Executive Officer, Rodale Press.

Mr. Albert Ross, Jr., Council Delegate, Navajo Tribal Council.

Mr. William Stoecker, Chairman of the Board, Grabill Corporation.

Mr. Ross O. Swimmer, Assistant Secretary of the Interior, Bureau of Indian Affairs.

Vice Chairman Johnny R. Thompson, Navajo Tribal Council.

PRICE-ANDERSON REAUTHORIZATION

Mr. BURDICK. Mr. President, I would like to note that yesterday the other body approved legislation to reauthorize the Price-Anderson Act. The Price-Anderson Act governs liability and compensation in the event of a radiological accident at nuclear powerplants or involving Department of Energy nuclear contractors.

This legislation provides substantial benefits to persons that might be injured as a result of a nuclear accident. It also provides substantial protections from crippling liability for persons engaged in nuclear activities. The act's benefits provide good reasons to reauthorize the act.

I believe that the act should be extended as soon as possible. The authority under the act to provide Price-Anderson coverage for new activities expires this Saturday, August 1. Activities presently covered will continue to be covered, but no new activities will be able to receive the act's benefits.

In order to reauthorize the act in a timely manner, the Environment and Public Works Committee is scheduled next week to mark up legislation concerning the act's applicability to commercial nuclear powerplants. At this time I hope we can both extend and improve the act's provisions regarding these reactors.

In my opinion, the bill passed by the House contains substantial improvements over current law. We will be considering these improvements and others next week. It is my intent that the full Senate have the opportunity to consider the act's reauthorization and extension as soon as possible.

MINE COUNTERMEASURE SHIPS

Mr. KASTEN. Mr. President, naval mines have been used successfully against ships as early as the 16th century. However, this lesson seems to have been forgotten. The United States has fallen dangerously behind in our capability to engage in mine countermeasure activities.

In fact, if we were in a major conflict today, the United States would only be able to keep two of its major ports open with our current minesweeping capability.

This situation has come to a head in the Persian Gulf, and I am relieved that the threat has at long last been recognized and that something is being done about it. There are, nevertheless, serious doubts in some quarters as to whether the current plans to increase our mine countermeasure capabilities will meet future threats.

Mine warfare has, for many years, been the Cinderella of the Navy. We have not built a minesweeper since the Korean war. I have been trying to convince the Navy and Congress for 6 years that it is one of our biggest threats.

It is relatively easy for a poor nation to engage in mine warfare. Mines are poor man's weapons. They do not cost a lot compared to other weapons. There is hardly any maintenance required. And no people are needed to detonate them. It's a low risk inexpensive weapon for anyone.

Although efforts are at last being directed toward improving U.S. mine countermeasures systems—it is not enough. I do not believe we have enough minesweepers and special helicopters to keep our ports open at home, let alone the Persian Gulf.

With almost 5,000 miles of coastline, the United States is particularly vulnerable to mine warfare. Mines have become more sophisticated, smaller and deadlier.

While the U.S. ability to protect its coastal waters has fallen dangerously behind, the Soviets have an 18-to-1 edge in minelaying strength.

The Soviet Union also has the largest stockpile of sea mines in the world. I believe they have over 400,000 mines as well as the means to deliver them—by aircraft, by submarine, or by surface ship—naval or merchant—anywhere in the world.

To counter that threat, the United States has available a totally inadequate force of about 20 minesweeping helicopters and 3 active and 18 reserve minesweepers. That is a ratio of 10,000 mines to 1 countermeasure platform.

Let me give the Senate an idea of what I am talking about. Operation Starvation was our World War II mining campaign against Japan. It caused the sinking of, or severe damage to, 1,075 enemy commercial and naval ships. That is one vessel for every 23 mines.

The mines used in World War II are primitive by today's standards. Improvements in explosives technology make modern mines much more lethal per pound while new electronic techniques, minicomputers, and advances in electronics systems have combined to make sea mines less detectable.

I think the problem begins with the fact that there is no vested interest in the Navy for mine warfare.

Unlike submarines and surface warships, our mine warfare forces do not have the benefit of the specialized officer community to look after their interests and welfare. The commanding officers of the minesweeping flotillas come from the surface-warfare community, who view their tours of duty as early commands en route to command of a "real" warship.

No careers in the minewarfare forces are going to make you Chief of Naval Operations.

Mr. President, we must have a Navy which meets the threat. Buying billions of dollars of submarines and aircraft carriers is not going to do us much good if we cannot even get them out of the harbor.

It's going to require ships like minesweepers that are not as exciting and an organization to support them. If it takes changing how we treat the mine warfare community, like we did with special operations, then that is what we ought to do.

In recent years, the Navy's mine warfare program has gone from dead in the water to full ahead slow. I would say it is time to shift to all ahead flank speed.

TOSHIBA/KONGSBERG: THE SHIINA REPORT

Mr. HELMS. Mr. President, this morning, in Tokyo, Prime Minister Nakasone's Cabinet approved a proposal to the Japanese Diet that substantial changes be made in Japanese export control laws and procedures.

Maximum criminal penalties would increase from 3 years of imprisonment to 5. Likewise the statute of limitations would increase from 3 years to 5. Possible fines go up to five times the value of the export. Government authority to ban a company from trading with the Soviets would increase from 1 year to 3.

Of particular note is the inclusion of attempted diversion as a crime for the first time. Ideally we would like enforcement authorities to prevent diversions by catching perpetrators in the act but under current Japanese law it is very difficult, if not impossible to charge such persons with a crime. They must actually deliver the goods to the Soviets before they can be charged. This change, if adopted, would give the Japanese police and customs officials the tools they have needed.

Mr. President, in the final analysis perhaps the changes having the biggest impact will be bureaucratic and attitudinal. Until this proposal becomes law, the Japanese ministry with responsibility for export promotion will be in charge of export controls. This ministry is very effective at its primary mission but export controls has been an undermanned, underfunded backwater. Those Japanese ministries and agencies with responsibility for national security such as the Ministry of Foreign Affairs, the Japan Defense Agency and the National Police Agency have been excluded from the export control process.

Under the new process an interagency committee will be set up similar to our Senior Interagency Group on the Transfer of Strategic Technology. The hardliners at the Ministry of Foreign Affairs and the National Police Agency will no longer be frustrated observers but rather will become active participants in their nation's vital national security export control policy.

Mr. President, at this point the proposal is only a proposal. It will be vigorously debated in the Diet. It is not everything we would like to see. For my part, I am convinced that the Japanese will eventually have to face the facts of life with regard to rampant Soviet espionage in Japan and the need for an espionage statute. The sooner this happens, the better.

Further there remains the question of who will have to pay for cleaning up the Toshiba-Kongsberg treachery. Preliminary estimates from the U.S. Department of Defense suggest the bill will be a minimum of $8 billion to a possible maximum of $60 billion. But, the proposal to the Cabinet is a useful beginning and will make an important contribution to the national security of the free world.

A lot of the credit for this positive development should go to Japanese Dietmember Motoo Shiina. It was his

Ad Hoc Committee on Illegal Technology Diversion which made the proposal adopted by the Cabinet. His task was not an easy one. On the one hand he was pressed by an outraged Japanese public and the Japanese press. On the other, there was understandable resistance from Japanese business interests and an entrenched bureaucracy which was on the defensive for its handling of the Toshiba case and anxious to avoid sharing power with other ministries.

Since interest had been expressed in our export control system, Senators PROXMIRE, GARN, SARBANES, HEINZ, and I sent a joint letter to Mr. Shiina outlining our procedures. Senator MURKOWSKI contributed an excellent op-ed piece to a major Japanese newspaper. Our intent was not to interfere in internal Japanese policies but to explain our system and inferentially indicate our concerns.

What really matters is implementation. If the proposal survives the Diet debate intact but loses in the implementation, the free world will have gained nothing and we will have to wait for the next egregious case. The Toshiba/Kongsberg case illustrates the realities for the free world alliance. We are even more mutually dependent because of the diffusion of high technology. A chain is only as strong as its weakest link. Other countries are watching to see if Japan truly implements this proposal. If it does not, they will draw a natural conclusion and the alliance will suffer.

The issue goes beyond Toshiba and Kongsberg, Japan and Norway. In fact, I would not be surprised to see other companies and other countries revealed to have major export control violations. Soviet spies are trying to fill their strategic technology requirements wherever they can. Two weeks ago the Norwegian Government expelled three Soviet KGB officers who were looking for hydroacoustics technology.

Mr. President, I ask unanimous consent that the following materials be printed in the RECORD at the conclusion of my remarks: A letter dated July 24 from Senators PROXMIRE, GARN, SARBANES, HEINZ, and HELMS to Japanese Dietmember Motoo Shiina; Mr. Shiina's reply of July 29 with attachment entitled "Measures to Prevent Illegal Technology Diversion"; a page 1 article from the Tokyo, Japan, newspaper Sankei dated July 27, 1987; and a page 3 article from Sankei dated July 28, 1987.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE, COMMITTEE ON
BANKING, HOUSING, AND URBAN
AFFAIRS,
Washington, DC, July 24, 1987.

Hon. MOTOO SHIINA,
Deputy Chairman, Policy Affairs Research Council, Chairman, Ad Hoc Committee on Illegal Technology Diversion, Liberal Democratic Party, Daini-Giin-Kaikan, Nagata-Cho, 2-2-1, Chiyoda-ku, Tokyo 100.

DEAR MR. SHIINA: Please accept our congratulations on the establishment of the Liberal Democratic Party Ad Hoc Committee on Illegal Technology Diversions and your assumption of its chairmanship. Establishment of your committee demonstrates the resolve of the Japanese people to strengthen Japanese export controls so that Japanese national security and Western security goals embodied in COCOM regulations are adequately protected.

There has been considerable interest expressed by the Japanese government and Japanese industry about American export control procedures in the wake of the recent diversion furor. The United States has adopted an approach that involves all relevant government agencies in questions of national security export controls. It has been our experience that the best system is one which balances the views of the agency with export promotion responsibilities, in our case the Department of Commerce, with those agencies which have primary national security responsibilities such as the Department of State and the Department of Defense.

For example, our highest level policy making body in this area is the Senior Interagency Group on the Transfer of Strategic Technology (SIG-TT) chaired by the Undersecretary of State for Security Assistance, Science and Technology, Edward Derwinski. The Departments of Commerce, Defense and Treasury as well as the United States Trade Representative are represented on this Group. A further indication of the prominence our country gives national security export controls is the fact that there exists in the White House a Special Assistant to the President for Technology Transfer Affairs, Ambassador Robert Dean.

Given the importance we in the United States attach to the national security implications of trade in advanced technology, we welcome the movement in Japan towards including a security clause as an amendment to the Japanese law affecting high tech exports, the Foreign Exchange and Foreign Trade Law. We hope our description of the American system will be helpful in the further deliberations of your committee on this matter.

Sincerely,

JAKE GARN,
JOHN HEINZ,
BILL PROXMIRE,
JESSE HELMS,
PAUL SARBANES.

TOKYO, JAPAN,
July 29, 1987.

Hon. JESSE A. HELMS,
Senate Dirksen Office Building,
Washington, DC.

DEAR SENATOR HELMS: Thank you for your letter of July 24, in which you expressed your keen interest in the current discussions in Japan concerning the amendment of the Foreign Exchange and Foreign Trade Control Law. I especially appreciate your description of the American export control system of technologically sensitive items, which was very useful as reference for our discussion on this issue.

As you rightly pointed out, I consider it vital to establish clear recognition about the importance of sensitive technology to the national security and to strengthen the effective export control mechanism, so that we could prevent recurrence of illegal diversion in the future. To this end, the Ad Hoc Committee on Illegal Technology Diversion of LDP has worked hard to formulate general guidelines based on which the Japanese Government is expected very shortly to propose specific measures to strengthen the export control regime with due regard to national security considerations.

I am pleased to enclose herewith the findings of the Ad Hoc Committee. I trust you will recognize in the findings our seriousness and determination on this matter.

Thank you again for sharing the concern with us.

Sincerely,

MOTOO SHIINA,
Chairman, Ad Hoc Committee on Illegal Technology Diversion, Liberal Democratic Party.

MEASURES TO PREVENT ILLEGAL TECHNOLOGY DIVERSION

(Ad Hoc Committee on Illegal Technology Diversion, Policy Affairs Research Council, Liberal Democratic Party, July 29, 1987)

The recent illegal export of milling machines by Toshiba Machine Co. is a case which should be given serious scrutiny from the viewpoint of Japan's national defense and the security of the Western countries as a whole.

The circumstances surrounding this incident clearly indicate that it was caused by defects in Japan's existing export control regime. Japan has become one of the forerunners in high technology and the export of high technology may have direct bearing on national security. It is now a matter of urgency for the government to unite itself and review the whole control regime.

Although there is general recognition in Japan of the importance of national security, it is still to be substantiated by domestic regime and political awarness. It is indispensable for the security of our own existence that we make incessant endeavors both individually and collectively with the United States. Priority should, therefore, be given to the basic measures necessary for this purpose.

1. PRESENT SITUATION

(1) Seen from the viewpoint of the security of Japan and the West as a whole, the illegal export of milling machines by Toshiba Machine Co. has raised fundamental questions as to Japan's export control regime and aroused strong doubts that security interests have not been given sufficient consideration in dealing with economic matters.

(2) This incident may cause suspicion to rapidly spread among foreign countries, especially the United States, that Japan is pursuing economic benefits at the cost of the security of the West. There is, therefore, a danger, depending on the future handling of the issue, that the management of Japan-U.S. relationship and confidence in Japan among the Western nations may be seriously damaged.

(3) Based on the recognition described above, the following specific measures should be promptly implemented.

2. SPECIFIC MEASURES

(1) Strengthening of the Export Control Regime from the Viewpoint of National Security.

Legal grounds for implementing export control in Japan is the Foreign Exchange and Foreign Trade Control Law which, as it stands, falls short of proper and coherent export control regime, from the viewpoint of securing "international peace and security." The central task to be undertaken at this time should be, therefore, to address this question and to make necessary legal amendments.

(a) Explicit reference to the control for the purpose of maintaining "international peace and security" should be established in the relevant clauses of the law.

(b) Moreover, it is indispensable to establish an effective consultation system, from the above point of view, between governmental agencies responsible for national security affairs and agencies implementing export control. This is also important for demonstrating to other countries our resolve to secure objectiveness in the export control regime. At the same time, such a regime will facilitate the balance between promotion of trade and its control based on national security considerations.

(c) It is clear that violation of export control based on national security is particularly damaging to Japan's national interests. In order to prevent such violation it is necessary to strengthen existing criminal and administrative penalties.

(d) It is necessary to strengthen the consultation mechanism among governmental agencies related to foreign affairs, defense, export control and judiciary in order to enhance coherence between COCOM related activities and Japan's export control.

(e) It is crucial to enhance public recognition of the security implications which technology transfer carries and of the importance of proper export control from the viewpoint of maintaining international peace and security.

(f) Governmental agencies directly and indirectly involved in export control should drastically increase relevant personnel (including those at customs and in charge of COCOM) and promptly strenghten organization within each agency.

(2) Strengthening COCOM Related Activities

Japan should play a more active role in COCOM in future. For this purpose, institutional improvement for conducting COCOM affairs is needed.

(3) Strengthening Cooperation in the Japan-U.S. Security Arrangements.

In order to cope with quieter Soviet submarines and the threat they pose to our security, Japan should cooperate with the United States, within the framework of the Japan-U.S. Security Arrangements, to improve anti-submarine capabilities, which constitutes a vital element in national security of Japan. For this purpose, Japan should be actively engaged in the anti-submarine research project to be implemented in cooperation with the United States.

U.S. SENATOR MURKOWSKI'S FOUR PIECES OF ADVICE ON TOSHIBA PROBLEM

The case of the violation of COCOM by Toshiba Machine and others has incurred the strong repulsion of the US, on the grounds that it brought about serious damage to the security of the West. The problem is steadily becoming more serious, such as the US Senate's adopting a sanction bill for shutting out Toshiba Machine, its parent company Toshiba Corporation, and the Norwegian State-operated munitions manufacturer, Kongsberg Corporation, which were involved in the illegal exports, from the US market. Senator Frank Murkowski (Republican) sent a contribution to the Sankei Shimbun on the 27th concerning this illegal exports case, and clarifying the details of the problematical points of this case, offered concrete advice in the direction of the prevention of a recurrence of this kind of case. As an influential leader of the US Senate in its policies toward Asia, Senator Murkowski once served as Chairman of the Senate Foreign Relations Committee's East Asia and Pacific Affairs Sub-Committee, and he sets forth views which represent the conservative faction of the US Congress, concerning this case. (The following is the full text of Murkowski's advice).

More Personnel for Export Control; Should Demand "Certificate of Destination of Exports"; Should Increase COCOM Operation Funds; Should Re-study Ways for Deciding on Export Policies.

The damage is tremendous. The problems spread from the spy case of the year before last, involving US Naval Engineer Walker and his family, to Norwegian State-owned munitions manufacturer Kongsberg to Toshiba (Machine). In the course of this process, a group of companies engaging in international trade betrayed the Free World in exchange for money. In other words, these two companies sold to the Soviet Union machines for the milling of high-performance submarine screws.

The two companies exported eight large-size machine tools, attached with numerical-control equipment, which can mill submarine screws at a precision degree of one-one-hundredth of a millimeter, destined for the Soviet Union's Baltic Fleet Shipyard. This was a violation of an international export restriction agreement and the laws of the two countries.

In the North Pacific, NATO has established a system of imbedded hydrophones and sonar buoys, which float on the sea-surface, backed by attack-type submarines.

Until recently, NATO's anti-submarine teams were able to catch the screw noise of Soviet submarines even at a distance of 200 miles (about 320 kilometers). However, (as a result of the exports of machine tools by Toshiba Machine and others), this tracking scope has narrowed to 10 miles (about 16 kilometers). As the sea areas which must be covered extend to several million square miles, the losing sight of Soviet ballistic missiles and attack-type submarines has now become unavoidable. In short, due to the machine tools exported by Kongsberg and Toshiba (Machine), one-third of NATO's strategy deterrent power against the Soviet Union has been forced into dismantlement.

The repairing of this damage has now become a life-or-death problem. Even in order to make persons who try to do the same thing in the future, re-consider, the persons who committed the crime this time must be punished. The Walker Family, the spy group, is now placed in detention. John Walker, the ringleader, is now serving a life sentence in a Federal prison, where the guard is most strict. Other remaining members of the family have also been sentenced to long prison terms. In Japan, two Toshiba (Machine) leaders were arrested, and charges were brought against seven other persons. Japan's extremely able Metropolitan Police Board is pushing investigations of the case, even now. As for the Norwegian side, it is still in the midst of investigations. Only one Englishman has been indicted so far in connection with the Kongsberg side. This has resulted in giving rise to some degree of doubt toward the Norwegian Government's handling of the case, in the case of its own people coming to surface as suspects in the investigations. Even so, however, the Norwegian police authorities concerned are pushing investigations into related cases, in the same way as Japan's Metropolitan Board.

The US Senate adopted a demand for compulsory sanctions and damage compensation toward Kongsberg and Toshiba, with 91 votes for and 5 votes against it, on June 30. In regard to sanctions and compensation for damage, the House of Representatives is also expected to secure similar support.

It is clear that, for both Japan and Norway, their respective export control systems are inadequate, and both Government's have promised improvement.

In view of Japan's economic scale and its leadership in the high technology field, it is necessary for us to check the Japanese side's measures in greater detail. The first thing needed is the Japanese Government's assigning a larger number of personnel to its export control system. ITI Minister Tamura increased export control inspectors from 10 to 15. In the US, however, there are 140 inspectors in the Defense Department alone, and there are also 500 inspectors in the Commerce Department.

The second point is that the Japanese Government should demand the presentation of certificates for the destination of exports, for trade with the Western side. The present situation is that Japanese Government officials concerned are not giving thought as to what purposes high-technology machines and equipment, which are exported to non-communist nations, are put, after they are exported.

The third point is that as Japan has a trade surplus balance of as much as 100 billion dollars a year, it should be able to contribute more than its present contribution of 40,000 dollars (about 6 million yen) a year for the operation of COCOM. The US is contributing more than 500,000 dollars a year.

The last and most important point is the need to change the posture (toward trade with the Communist Bloc) within Japan. Trade with the Soviet bloc must not be conducted from the economic viewpoint alone any further. No matter how good the situation, it is no easy thing for bureaucrats to cede their own rights and interests. However, MITI should carry out the work of deciding on export control policies jointly with the Foreign Ministry and the JDA. Veteran Diet members should ask themselves whether it is really permissible for a country which desires to participate in the SDI (Strategic Defense Initiative) (in a positive way, to continue to be a paradise for Soviet spies. Judging from the fact that Japanese newspapers took an extraordinarily tough posture toward Toshiba Machine) over the case this time, it is thought that public opinion in Japan is mentally prepared to take the leadership for the promotion of measures (to prevent the recurrence of this kind of situation).

In the case of Norway, the problem is its overcoming its blind spots. Norway's contribution to NATO can be said to be generally exemplary. For example, Norway adopts a military conscription system (which the US does not adopt), and among the various NATO member nations, including the US, it has the highest percentage of population which can be mobilized. However, Norway takes the posture of regarding trade with the Soviet bloc as "normal business," in the same way as Japan does. Judging from Norwegian newspapers (reporting the case this time), it is viewed that public opinion has started to re-study that kind of posture.

I am not saying that it is just Norway and Japan alone which are lacking in attention toward export control. Since the Free World relies on offsetting the Soviet Union's quantitative superiority (in the military field) with technological superiority, we must have a sense of guardedness. Viewed in the light of the mood of public opinion in the US, it is a natural obligation of the Governments of all our allies to re-study their own export control systems. (Translation by Reporter Masatake SO)

Revision of Foreign Exchange Law at MITI's Initiative Will Not Have Real Effects; Should Be Carried Out on Joint Responsibility of Foreign Ministry and JDA; Five Influential US Senators Send Letter to LDP; Appreciate Incorporation of Security Clause

A revision of the "Foreign Exchange and Foreign Trade Control Law" (Foreign Exchange Law) as a counter-measure toward the case of Toshiba Machine's violation of the COCOM Rules is the focus of discussions. On the 25th, five influential US Senators sent a letter to the LDP's "Study Council on Measures to Cope With the Illegal Outflow of Technology" (Chairman: Motoo Shinna), and transmitted the advice to the effect that, even if a security clause is established through a revision of the Foreign Exchange Law, it will not have real effects if MITI, whose primary task is the promotion of exports, takes the leadership, and it is desirable to take the form of the Foreign Ministry and the JDA shouldering joint responsibility. In order to avoid the criticism that it is interference in internal affairs, the advice takes the form, to the last, of making known the actual substance of the US side's export control system. However, this kind of letter concerning a bill which is to be deliberated on at the Japanese Diet in the future, is extremely unusual, and it reflects the US Congress' strong concern over this problem and its distrust toward MITI.

This letter is co-signed by a total of five Senators, namely Chairman of the Senate Banking Committee, which handles the exports control problem, intertwined with security, William Proxmire (Democrat) and Members Paul Sarbanes (Democrat), Jake Garn (Republican) and John Heinz (Republican) and the Foreign Relations Committee's big-name member Jesse Helms (Republican). This letter, which is addressed to Chairman Shiina, first welcomes the LDP's establishing a new "Study Group of Measures to Cope with Illegal Outflow of Technology" on the 21st, for the prevention of COCOM violations, and expresses the view that the revising of the Foreign Exchange law for the incorporation of a security clause is very desirable, when consideration is given to the effects which the exports of high technology have on security.

The letter next says definitely, in connection with the point that the views of MITI and the Foreign Ministry are in conflict over the authority over the security clause, that "The best system must be one which comprehensively co-ordinates the views of Government offices, whose primary task is the promotion of exports, and the views of Government offices, whose main mission is responsibility for State security." The letter says that, in the case of the US, "the Government office for the promotion of exports" is the Commerce Department, and "the Government offices which are responsible for State security" are the State Department and the Defense Department. Although it avoids setting forth clearly the names of Japan's MITI and the Foreign Ministry, the view that it will not be "the best system" if MITI takes the initiative, is expressed clearly in the context of the letter.

The letter which further introduces the system in the US, explains as follows: "The highest-level policy-deciding organ is the 'SIGTT' (high-level inter-Departmental group on strategic technology transfer), the chairman of which is the Assistant Secretary of State for Security Assistance and Science and Technology, and the representatives of the Commerce, Defense and the Treasury Departments also take part in this group. Still further, there is a Special Assistant to the President in charge of the technology transfer problem, in the White House." In this part, too, the view of opposition to a security clause in the Foreign Exchange Law under which MITI alone has authority, is expressed, although in a roundabout way.

The five Senators who signed this letter are all influential Senators from both the Democratic and the Republican Parties, and they have also been fulfilling big roles in the deliberations on the Trade Bill, which include sanctions against Toshiba.

According to a US source, who is well-versed in the background of this letter, the problem of a revision of Japan's Foreign Exchange Law was also taken up at the National Security Council meeting on the 23rd, and the danger of the implementation of the law, after its revision, coming under MITI's exclusive authority, was pointed out. It can be said that there is the US side's distrust in MITI also in the background of this letter, signed by the five Senators.

MERTON G. HENRY

Mr. COHEN. Mr. President, I rise to call the Senate's attention to the outstanding record of service of Merton G. Henry, a Portland, ME, attorney who has just stepped down after 25 years of service on the governing boards of my alma mater, Bowdoin College.

In addition to his tenure at Bowdoin, Mert Henry has for many years been a trusted adviser to Republican public servants, including that venerable daughter of Maine, Senator Margaret Chase Smith, and Senator Frederick Payne.

The Portland Evening Express newspaper has published this month a tribute to Mr. Henry, outlining the many contributions he has made to Bowdoin through the years. I think this article is worthy of the Senate's attention and I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Henry Taught Bowdoin the Meaning of Service

(By Dieter Bradbury)

The Bowdoin College Board of Overseers robbed the cradle when it elected Portland lawyer Merton G. Henry to membership back in 1962.

While the other members had an average age of 70, Henry was only 36.

Twenty-five years later, Henry has just stepped down from Bowdoin's Board of Trustees after a remarkable record of continuous service on the school's governing boards.

During his tenure—including 12 years as an overseer and 13 years as a trustee—Henry helped to guide the college through one of the most tumultuous periods in its nearly 200-year history.

It was an era that encompassed the inaugurations of three presidents; the admission of women; the construction of serveral major buildings; three capital campaigns; major changes in curriculum; and a management upheaval that triggered a reorganization of the governance structure.

Henry and his wife, District Court Judge Harriet P. Henry, live on the shores of Sebago Lake, where the family moved in 1978 after the youngest of their three children graduated from Deering High School.

At age 61, he has a history of professional and civic activity in southern Maine that makes his name a familiar one in many circles.

Henry is known as an influential member of the Republican Party's inner circle, as a former Portland School Committee member who handles legal affairs for many school districts, and as the long-time moderator at Standish town meetings.

But it is in his capacity as a policy-maker at Maine's oldest post-graduate institution that Henry has perhaps exerted the most influence.

In an interview at his Monument Square office, where inscribed photographs of Ronald Reagan and George Bush hang, Henry said his future as a Bowdoin man was sealed when he was graduated from South Portland High School.

"All the top administrators in South Portland were Bowdoin graduates," he said, "so in those days you didn't apply to Bowdoin—you were sent there."

He enrolled after two years' service in the Army, graduated magna cum laude with a history degree in 1950 and was active in college alumni groups until his nomination to the board of overseers in 1962.

Reflecting on his long involvement with Bowdoin, Henry said the school has always instilled a great deal of loyalty in its students.

"I was a country boy, basically," he said. "Bowdoin served to show me the real world, I guess—and I got a great education there. I had a constitutional law class at Bowdoin that was better than the one I took in law school."

With his long record of service to the college, Henry has seen the ebb and flow of all the philosophical and political trends that have affected higher education in the past three decades.

At Bowdoin, those trends included the addition of new buldings and faculty; the admission of women to the previously all-male school in 1971; and the abolition and eventual reinstatement of core course requirements.

Bowdoin didn't escape the turmoil that engulfed American colleges 20 years ago, and he vividly recalls demonstrations and threats to shut down the campus in 1969.

"There was a lot of talking and a lot of listening going on," he said. "Everybody in my generation was concerned about what was going to happen."

But the greatest challenge he faced was during a management crisis in 1980, when the college president and another top administrator stepped down as a result of a clash with board members.

Henry headed a committee that rewrote the governance laws to clarify lines of authority and reduce the potential for policy-making and administrative conflicts in the future.

"I think he (Henry) understood that part of the problem had been the boards themselves and the way they had been organized," said college President A. LeRoy Greason.

"He took the initiative in revising the structure of the boards, and it has worked very well," Greason said.

"He expects people to fill the roles assigned to them and fill them well, so that he doesn't take over other's roles. On the other hand, he's always available to provide insight and talk over a problem."

Greason called Henry an able person who "seems to have almost total recall," and will take a liberal position on some issues and a conservative one on others—without being inconsistent.

At the board level, Henry led a successful charge to tighten up a resolution that Bowdoin divest its endowment fund holdings in firms that do business in South Africa.

His support for the measure was as much pragmatic as ideological.

"I think it's a symbolic gesture," he said. "I concluded we were spending an inordinate amount of time on it. At some point in time, even symbolic gestures become important."

Although his tenure on the governing boards is over, Henry's activities on behalf of his alma mater are merely entering a new phase.

His retirement announcement was coupled with the news he would be heading a committee which will spend the next seven years planning for Bowdoin's bicentennial celebration in 1994.

"It will be a major event," Henry said. "We hope to have a new history of the college written, and the Walker Art Museum, which will be celebrating its centennial, will be a central focus.

"I suspect there will also be a major academic focus . . . we hope to bring in some major academic figures."

Noting that one of his two sons graduated from Bowdoin in 1980 and his daughter in 1982, Henry observed that "when people reminisce about Bowdoin, they tend to think of the past."

Henry is clearly one who also thinks about the future.

APOLOGY TO SENATOR METZENBAUM

Mr. HEINZ. Mr. President, like my colleagues I was shocked and disgusted by the revelation this week of a Republican campaign document that characterized one of our Senate colleagues, Senator HOWARD METZENBAUM of Ohio, in a totally reprehensible fashion. There is no place for this kind of character assassination in America. I, too, want to join with Senator DOLE and Senator BOSCHWITZ in apologizing to Senator METZENBAUM.

Let me say at the same time that this incident is an aberration which was as unprecedented as it was unplanned or unintended. Such an attack is totally uncharacteristic of the Republican Senatorial Campaign Committee, its staff and most of all, its Chairman, Senator BOSCHWITZ. As someone who has chaired the Republican Senate Campaign Committee on two separate occasions for a period totaling 4 years, I have always taken great pride in the professionalism and integrity of the staff and all the committee's work. Indeed, I cannot recall any incident even remotely parallel to this as long as I have been in the Senate. The report in question is, let me repeat, a totally uncharacteristic aberration which should never and will never be repeated.

Now I want to say a word about Senator BOSCHWITZ.

It is typical of RUDY BOSCHWITZ' good character that when this document came to light he promptly came here, to the Senate floor, to apologize, to take full responsibility and to discredit this exceptionable material. Mr. President, RUDY BOSCHWITZ is a man who to the very marrow of his bones abhors the idea of attacking or besmirching another human being by slur, innuendo, guilt-by association or any other un-American technique. As a Jew whose family emigrated from Germany to escape an all too similar assault on people of his own religion, RUDY BOSCHWITZ is a man that would never have tolerated the preparation of this document had he known of it. That this incident has occurred is a fully undeserved embarrassment for him with which we should all identify and sympathize.

I hope that we can all consider this unfortunate chapter closed.

ROY NYBERG: AN AMERICAN SUCCESS STORY

Mr. DASCHLE. Mr. President, anyone who follows the wintertime weather reports knows the notoriety of International Falls, MN. International Falls is distinguished frequently every winter as the coldest reporting location in America.

It is a tough place to get a start, but it is the place where a 6-year-old named Roy Nyberg started his business career with two separate, freezing cold daily newspaper delivery routes.

Last month Roy Nyberg was elected president of the National Retail Hardware Association, a federation of 21 regional hardware associations in the United States and Canada representing some 40,000 retailers. This is a tremendous and well-deserved honor for one of South Dakota's business leaders.

The 55 years between Roy's start in Minnesota and his national recognition this summer read like a primer on the American dream. Roy Nyberg worked his way up. He pumped gas to earn tuition money. He stocked shelves to learn the hardware business. He bought a small store to get a start and brought that enterprize through tough times and wrenching changes.

Today Nyberg's Ace Hardware is a business leader in Sioux Falls, SD, and Roy Nyberg is both a community and national leader in his profession and in a host of civic activities as well. When we talk of preserving and strengthening the ideals that have built our Nation we are talking about people like Roy Nyberg, about their lives and the values they embody.

I am proud to commend Roy for his achievement and to commend the strength of his lifetime story to my colleagues and my country. He, his wife Rodora, and his family are South Dakotans in whom I take strong personal pride in calling friends.

DON DICKEY DAY

Mr. STEVENS. Mr. President, today is Don Dickey Day in Juneau, AK.

Don Dickey, Alaska's director of tourism since 1981, and unofficial toastmaster, is retiring today. A recent editorial in the Juneau Empire noted, "that if there were ever a perfect ambassador for our State, Mr. Dickey would be it."

Don and I met first when he was with the Fairbanks Chamber of Commerce in the early 1950's. Since then Don served for 21 years as president of the Alaska Chamber of Commerce before taking over as tourism director. He led a national television advertising campaign to promote Alaska as a tourism destination. And back when Alaska was fighting for statehood, Edna Ferber modeled an appealing and enthusiastic character in Ice Palace after Don, helping to highlight struggle to join the Union.

I ask unanimous consent that the text of the Juneau Empire editorial, "Bon Voyage, Don Dickey" be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Juneau Empire, July 8, 1987]

BON VOYAGE, DON DICKEY

Alaska's unofficial toastmaster, ambassador and all-around good guy is retiring from state government at the end of the month. Don Dickey, for six years the state's director of tourism, will be ending his tenure on July 31.

If there were ever a perfect ambassador for our state, Mr. Dickey would be it. He is one of those rare individuals who can win over anyone under virtually any circumstance. Individually, he is charming, quick-witted and funny, with a joke for every occasion. But he can also stand up in front of any group anywhere and keep any program interesting, entertaining and on track.

That talent has won him the title of Alaska's unofficial toastmaster. During his years in Alaska—he was president of the Alaska State Chamber of Commerce for 21 years before joining the Division of Tourism—he has probably emceed more dinners and special occasions than anyone in the state. More than that, few people could hope to match his quick wit or his self-effacing humor.

Several years ago, he was the emcee at a local chamber of commerce banquet. At the last minute, the featured speaker had to cancel, leaving Mr. Dickey with the job of entertaining several hundred people for the rest of the evening. Most people would have started to recite the Gettysburg Address or resorted to every tired joke in the book. He didn't. Not only did he succeed in making the evening a success, but most of the time he had everyone rolling in the aisles.

That's the sort of person he is. He can perform the toughest public-speaking job with an ease that baffles those of us who wouldn't even think of trying it.

No announcement of his successor has yet been made, but it's a safe bet that no matter who it is, life around the Division of Tourism will be a lot more subdued in his absence.

We wish Mr. Dickey, his wife, Gen, and their family all the best. As some of Juneau's favorite people, hopefully they'll be staying in town—when they aren't out taking part in the tourism industry themselves.

Oh, by the way, have you heard the one about.

FAREWELL TO ROGER MENTZ

Mr. PACKWOOD. Mr. President, the administration is about to lose an outstanding public official, who was centrally involved in the historic tax reform bill of 1986. Today Roger Mentz is leaving his post as Assistant Secretary of the Treasury for Tax Policy to recommence the practice of law at Cadwalader, Wickersham & Taft here in Washington, DC.

Roger is a native of New Jersey, and practiced law in New York City at Mudge, Rose, Guthrie, Alexander & Ferdon until April 1985. At that time he joined the administration in Washington, DC, and was soon named to serve as its top tax policy advocate.

During his tenure we saw enactment of perhaps the most sweeping tax law in U.S. history. Roger could not have picked a better time to make his mark in Government.

And make his mark he did. As you recall, the tax-writing committees devoted enormous time and effort to tax reform in 1985 and 1986. We met over and over in committee meetings and strategy sessions and technical working groups. And every day of every week Roger Mentz was there, advising us on alternatives, giving ideas, reacting fairly to our concerns, and never losing his enthusiasm no matter how long the days or frustrating the process.

Our job was made easier with Roger's help. Some days we wouldn't have accomplished our goal without his fertile imagination, knowledge of tax and good humor.

In the 9 months since the end of the tax bill, Roger has led Treasury's efforts to facilitate taxpayer compliance and understanding of the new law. He has had a good effect on that process as well, helping lead Treasury toward reasonable and commonsense application of hundreds of pages of new tax law.

Mr. President, I thank Roger for taking time out from private practice for a couple of years of Government service. The Finance Committee, the Congress, and the public are better for it.

RETIREMENT OF RAYMOND E. HOOPER, CHIEF, SENATE STAFF CONGRESSIONAL LIAISON SERVICE, VETERANS' ADMINISTRATION

Mr. CRANSTON. Mr. President, as the chairman of the Committee on Veterans' Affairs, I want to take this opportunity to congratulate Raymond E. Hooper, chief, Senate staff, VA Congressional Liaison Service, on the occasion of his retirement from the Federal Government.

Ray has devoted 21 years of dedicated service to the Federal Government, 17 of which have been with the Veterans' Administration's Congressional Liaison Service. For the past 12 years, as chief of the VA congressional liaison Senate staff, he has very ably assisted Members of the Senate in their efforts to provide the best possible services and benefits to our Nation's veterans. I have been chairman or ranking minority member of the Senate Veterans' Affairs Committee throughout those 12 years and can personally attest to his unswerving commitment to his work.

I, and members of the Senate Veterans' Affairs Committee, all Senators, and our staffs have always been able to count on Ray Hooper for accurate, timely responses to our many requests for assistance. We could depend on him to provide the information requested, steer us to the appropriate VA official, track down that obscure statistic we needed at the last minute, and otherwise respond efficiently and thoroughly to the many other requests for assistance we made over the years.

In notifying me of his pending retirement, Ray said he has "always looked forward to coming to work." That attitude was certainly evident in his unfailing willingness to perform his duties with efficiency, great, good cheer, and a high degree of competence.

I know that all of the members of the Senate Committee on Veterans' Affairs join me in saluting Ray Hooper upon his retirement from Federal service. Ray will be greatly missed by all of us, but I'm certain that he and his family are looking forward to an opportunity to spend more time together.

I congratulate Ray on a splendid VA career and wish him a happy and healthy retirement.

It was my great pleasure to present to Ray at our committee meeting this morning a resolution of the Committee on Veterans' Affairs commending him for his dedicated service to the Federal Government. Mr. President, I ask unanimous consent that a copy of that July 31, 1987, resolution appear in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RAYMOND E. HOOPER

Whereas, Ray Hooper has served with distinction the Veterans' Administration and America's veterans from August 24, 1970, to August 1, 1987,

Whereas, he has assisted Members of the Committee on Veterans' Affairs and other Members of the United States Senate faithfully and well for 12 years as Chief of the Senate Staff, Congressional Liaison Service, and

Whereas, the Members of the Committee on Veterans' Affairs wish to record their high esteem and regard for his cooperation, knowledge, judgment, ability, and diligence in executing and carrying to successful completion the many requests for assistance made of him over these past 12 years; now therefore, be it

Resolved, That the Members of the Committee on Veterans' Affairs unanimously commend and express their appreciation to Raymond E. Hooper for the distinguished service rendered by him to the Committee on Veterans' Affairs.

Mr. President, I yield the floor.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

INCREASE IN STATUTORY LIMIT ON THE PUBLIC DEBT

The ACTING PRESIDENT pro tempore. Under the previous order, the hour of 9:30 having arrived, the Senate will now resume consideration of the pending business, House Joint Resolution 324, which the clerk will report.

The legislative clerk read as follows:

A joint resolution (H.J. Res. 324) increasing the statutory limit on the public debt.

The Senate proceeded to consider the joint resolution.

PENDING: AMENDMENT NO. 645

The ACTING PRESIDENT pro tempore. The pending question is on amendment No. 645, which the clerk will report.

The legislative clerk read as follows:

The Senator from Texas [Mr. GRAMM], for himself and others, proposes an amendment numbered 645.

Mr. JOHNSTON. Mr. President, at about 6 o'clock last night, we finally were able to get a copy of the amendment proposed by Mr. GRAMM, et al. I have been describing that amendment, based upon what I thought it would do, and I must say that I was totally mistaken.

What I thought the proponents of the amendment were going to do is to create a so-called legislative train wreck, where this terrible sequestration was going to come in this year and face Congress this fall with one of those difficult faceoffs with the White House, where the White House would have all the cards and where the possibility of the sequestration was great.

What I find is that this amendment really takes the White House off the hook. It is the take-the-White-House-off-the-hook amendment, or you might call it the sweep-it-under-the-rug amendment, or you might call it pin the tail on the Democrats.

Mr. President, it is going to take a little concentration of my colleagues to understand this, but it is just as clear as the noonday sun on a cloudless day exactly what this amendment does.

The proponents of this amendment are honest, they are well-meaning, they are bright, there is not a bad motive in their bodies; so please understand that I have the very highest respect for the proponents and their motives.

Having said that, Mr. President, I submit that this is the legislative equivalent of Irangate. Why? Because it is a policy confected in secret between just a few Members—again, well-meaning, honest, hard-working legislators—but they confected this policy in secret, as I guess you must do. I guess it is necessary to put these policies together in secret. But they put it together and plopped it out here on the floor at 6 o'clock yesterday evening. They really wanted us to adopt it yesterday evening, without consultation with Congress, without really serious debate, without any committee having a chance to look at it. They just want you to accept it.

Do you know what it does? The first thing it does is make impossible taxes this year. It makes it just impossible. Is sequestration anything to be feared this year? Absolutely not. As I calculate it, the amount that we might have to save this year may be as low as $5 billion—it more likely is around $10 billion—and that is all. That is a lot less than our budget resolution provides for. Our budget resolution, which we fought for and tugged back and forth between Members of the Senate, saves $38 billion, and we got 19.3 billion dollars' worth of taxes in that budget resolution—tough, difficult cuts—but one that we voted for in the Senate, which the House voted for, and which we think we are about ready to implement. But do you know what this package does? It wipes that out.

It says: "No, Congress; no, Mr. President; you don't have to save $38 billion. All you have to save is about—well, let's say $10 billion."

Now, if that is preposterous, Mr. President, let me explain step by step how this thing works.

What it does is it sets a new target. If those Senators who are listening have a piece of paper, the figures will show you exactly what I am talking about. The new target, Mr. President, is $150 billion. So if you write down the new target of $150 billion, then that is what you are supposed to save this year; that is the target for saving.

You do not actually have to get down to $150 billion because the law explicitly provides for what we call a $10 billion cushion.

So it is not $150 billion; it is $160 billion.

Now, we know, Mr. President, that the present deficit is somewhere between $181 billion, according to CBO, or I think they just recorrected that to $186 billion, because of some REA correction. I believe I am correct in that, that it is $186 billion.

So, Mr. President, you have the difference between a maximum amount of $186 billion and $160 billion which purports to be $26 billion. That is the outside amount that we have to save, not $38 billion which was required to be saved, but a maximum of $26 billion.

But, Mr. President, there is another real cooker in this situation, and that is what we call the role of OMB. What it provides is that the figures as to the deficit and the figures as to economic projections between OMB and CBO shall be averaged and you take the midpoint of those.

Now, Mr. President, you know what OMB does—they play what Dave Stockman described as the smoke and mirror game. Dave Stockman did it. He said it explicitly.

I have some quotes here that during the course of the debate today I want to quote from Mr. Stockman. But he described it explicitly.

They would put up phony figures to the tune of $25 or $30 billion.

Did you know, Mr. President, that the difference between the latest estimate of the deficit of OMB and by CBO is $26 billion difference? The latest OMB estimate was an estimate of January and it is $150 billion; and the latest estimate of CBO is $186 billion. Did I say it was $26 billion off? It is $36 billion off. If you average those two, you get a difference of $36 billion. So you get a correction of $18 billion.

So subtract $18 billion from the $26 billion, which you wrote down which was what you had to save and it will give you $8 billion which under that proposal is all you would have to save, $8 billion. That is this tough, new Gramm-Rudman fix, $8 billion.

You say, well, those are not the correct figures because OMB will give you a new estimate of the deficit and it is likely to be higher. Mr. President, if the difference in the estimates on the deficit is not the figure you want to use, just look at the President's budget submitted in January. You know how much difference there was in CBO's and OMB's estimates at that time—$27 billion difference.

If you want to take half off that amount, that is $13½ billion difference. Subtract $13½ billion from the $26 billion which it says you have to save and you get what? You get $13½ billion you have to save this year.

Mr. President, do my colleagues understand what I am saying? This amendment now pending provides in effect that you have to save only $6 billion to $12 billion or $13 billion this year.

Mr. CHILES. Mr. President, will the Senator yield?

Mr. JOHNSTON. Yes, I will yield.

Mr. CHILES. I wonder if the Senator realizes—I guess maybe he does—that the way the bill is crafted, it provides that this year, the year 1988, rather than the way the process works in other years, we are calling for CBO and OMB to give us a new estimate of their estimate of the baseline. We will have those figures at the conference. This is the failsafe. If OMB tries to differ, as the Senator said they might, $20 billion or something from CBO, then we have those figures at the conference, and we then can adjust the glidepath, can adjust what the sequester number will be, can adjust any of those things because we know what their numbers are. If those numbers come out the same, if those numbers are at $186 or $187 billion and it looks like the deficit numbers are going up, then, as the Senator knows, there is not validity to the argument he is making.

Mr. JOHNSTON. May I ask the Senator when is this conference?

Mr. CHILES. The conference will be during the next week, but they have to produce the figures before we complete the conference.

So, the Senator would be right if you could have a number that OMB could do sometime prior to sequester. If they had an opportunity to do that and CBO had to produce their number, if they then gave the final result, but now if OMB comes out with a number and if they say we think the deficit is only $155 billion and CBO says we think the number is $180 billion, and that number would be halfway in between, I can guarantee you we are going to be sitting at that conference, we are going to be the majority at that conference in both the House and the Senate, and if there are any shenanigans or if they are trying to flimflam the numbers, we simply can adjust the lower number.

Mr. JOHNSTON. Mr. President, I am familiar with that process.

Mr. CHILES. Yes.

Mr. JOHNSTON. Although I must say it is a scramble to try to learn at this late date how the process works, but we are familiar with that process.

I would point this out, that if what the Senator says is correct, and by the way that process of adjustment applies just to this year, from here on out you cannot do it, am I right on that?

Mr. CHILES. Yes, I agree, except Congress has the right to change the numbers in the intervening years. There is time in which Congress can pass——

Mr. JOHNSTON. Even in an election year.

Mr. CHILES. Even in this year as well and there is a fast-track process for Congress to make that change.

Mr. GRAMM. Mr. President, will the Senator yield?

Mr. JOHNSTON. I want to finish this and then I will yield.

What the Senator is saying on this other process is that you get an election year next year and you get these cooked numbers that we have gotten every single year in Gramm-Rudman and the Congress has a right here at the last minute to come in and adjust the numbers upward—fat chance. Fat chance, Mr. President.

Now, let us be clear about what the Senator is saying. First of all, he is admitting, you are cutting down the amount that you have to save from the $38 billion we saved in the budget resolution down to $26 billion at best. Are we right? Am I correct?

Mr. CHILES. The $38 billion we have had to save in the budget resolution still had the $10 billion leeway so it was actually $38 billion.

Mr. JOHNSTON. I know, but we made an actual $38 billion saving, did we not?

Mr. CHILES. What the Senator is talking about is whether we are going to avoid a sequester or not?

Mr. JOHNSTON. What I am saying is the budget resolution that we confected and we voted out of here saved projected $38 billion including $19.3 billion in taxes.

Mr. CHILES. Absolutely, but it has not become law as the Senator from Louisiana knows.

Mr. JOHNSTON. It has not become law, but the purpose——

Mr. CHILES. And there will be no sequester unless you are above $28 billion. So the same $10 billion is there. There is no difference there.

Mr. JOHNSTON. Oh, no, there is a big difference. There is a very big difference because our budget resolution already voted with reconciliation instruction contained 38 billion dollars' worth of savings.

And you actually have instructions going out to the Ways and Means Committee and the Senate Finance Committee to save or to raise 19.3 billion dollars' worth of taxes. When those instructions go out, they do not say, "Raise $19.3 billion worth of taxes, but, by the way, you can miss the target $10 billion." Those instructions do not say that. Those instructions say, "Raise exactly $19.3 billion." And if they report a resolution back to the Congress which does not raise $19.3 billion, it is subject to a point of order.

Mr. CHILES. What I think the Senator from Louisiana needs to explain to the Senator from Florida is how does this differ? When you say we are changing the numbers, how does this differ from the resolution that we are under now? And remember, we used CBO's economics, so we got ours up to that 136 equals 108. We got ourselves in that posture.

Mr. JOHNSTON. The Senator asked me a question. I would like to answer it.

Mr. CHILES. The question is: How does this differ from where we find ourselves now? If we do not save $28 billion, we will have a sequestration?

Mr. JOHNSTON. I can tell you exactly.

Under the present law, the target is not $150 billion with a $10 billion leeway, the target is $108 billion with a $10 billion leeway. That is the difference. So what we have done is we had this real tough target under the present Gramm-Rudman law and we are going to make Ronald Reagan toe the line. I have heard it said, "Boy, we are going to come in there and it is going to be so tough. We are going to bring Ronald Reagan to the bargaining table and he is going to have to accept some taxes." And in that spirit, we voted out a tough resolution saving $38 billion.

And I have even heard the Senator from Florida say, "We have got to have this new fix, this automatic sequester, so that we can make Rostenkowski produce $19.3 billion worth of taxes."

And do we then implement this tough policy which is going to make Rostenkowski vote out the taxes and is going to make Ronald Reagan accept the taxes? Oh, no. No, Mr. President, we cut it down to $26 billion, at most. And then if OMB does anything like they have done every single year, every single year we have been here, they are going to cook the numbers again. And that is going to bring that $26 billion down to maybe as low as I say, $6 billion if you use the difference in the deficit figures, or $12 billion if you use the difference in economic projections already done this year in the President's budget which is the difference between OMB and CBO—$27 billion, the difference between economic projections between OMB and CBO.

We are assured that, "Well, the Congress is going to be able to change that if they want to." Well, you give the Congress a get-off-the-hook proposal and then you say, "Well, but Congress can be tough, Congress is somehow going to be tougher than they have ever been and up that amount of the deficit, up the amount of savings you have to make."

Why, Mr. President, this is so patently, so obviously a let-Ronald Reagan-off-the-hook proposal that I do not see how my friends, brilliant and well motivated as they are, can talk about it with a straight face. It is amusing.

And, Mr. President, the funny thing about it is we are asked to accept this without debate. Do not send it to the Budget Committee, where it can survive the light of day. Oh, no. Let us vote it in right now. Let us reduce these targets. Let us reduce the amount you have got to save by $42 billion, the difference between the targets, or, if you want to use the difference of what we have already voted here—we have already voted for $38 billion in savings—reduce that to a maximum of $26 billion, or a more likely amount of somewhere between $6 billion and $12 billion will be all we have to save.

Let me repeat those last two figures because I want my colleagues to understand. Under this proposal, the only amount that the Congress will have to save, in my view at least, under the scenario which I think is proper is somewhere between $6 billion and $12 billion. And that is all you have to do to avoid the sequester. Why, of course, that lets Ronald Reagan off the hook. Of course, that lets Rostenkowski off the hook. And if you want taxes, Mr. President—and I think most of the authors of this amendment do not want taxes—this is the way to avoid the taxes.

Now, Mr. President, that is the current year. In the current year, it lets Ronald Reagan off the hook. How about next year? What does it do with respect to Ronald Reagan next year?

Well, Mr. President, next year we provide for a target of $130 billion. So, under the present Gramm-Rudman law, if I recall correctly, the target for fiscal year 1989 is $72 billion; is that correct?

Mr. HOLLINGS. Yes.

Mr. JOHNSTON. It is $72 billion, that is the target under the present law. Now, under this amendment, that target is up to $130 billion. So Ronald Reagan is supposed to come down to $150 billion and then to $130 billion.

So, on the face of it, you have got only $20 billion to save. Between this coming fiscal year 1988 and the final year of the Reagan administration, fiscal year 1989, $20 billion is all you have to save on the face of it.

But just to be sure, Mr. President, just to be sure, they provide that in no event will you have to save more than $36 billion from current policy. That is a special Ronald Reagan get-off-the-hook provision. It applies only to the Ronald Reagan administration. It does not apply after that.

My colleagues, understand what I am saying: There is a special provision for this year for Ronald Reagan and a special provision next year for Ronald Reagan. Next year it says the most you will have to save is $36 billion. You know, your target is only $20 billion difference between fiscal years 1988 and 1989—only $20 billion difference—but just to be sure there is this special provision that says "but in no event more than $36 billion."

Now, Mr. President, what happens when, as at least the polls show—and I do not want to make any predictions as to who is going to be elected President the next time, whether it will be a Democrat or a Republican, but I can tell you the polls presently show that the Democrats are ahead. So let us assume that those polls are correct—and I grant you they may not be. But suppose they take control, then what are the Democrats going to have to do on our watch?

Well, the first thing to understand, Mr. President, is there is no fail-safe mechanism. You do not have this $36 billion limit. The sky is the limit. When the Democrats come in, in fiscal year 1990, the sky is the limit. If it is a $60 billion difference, whatever it is, there is no limitation when the Democrats come in.

And look at what happens to the deficit. I mentioned that from fiscal year 1988 to fiscal year 1989, the budget deficit targets go down only $20 billion. But look what happens between fiscal year 1989 and fiscal year 1990. They go down $40 billion.

Mr. President, it is kind of amusing. As I mentioned, this year, fiscal year 1988, you probably do not have to save more than $6 billion to $12 billion. In the next year of Ronald Reagan's administration there is only $20 billion difference in the target with a $36 billion special provision relating only to the Ronald Reagan administration, but then you get to the next year and you have to save not $20 billion difference in the targets, but $40 billion.

And guess what, Mr. President, these accumulated errors—and, remember that each year we missed the target by an average of over $20 billion, over $20 billion we missed that target—and so you have to add that in as well. It says $40 billion you have got to save in fiscal year 1990, plus whatever is left over from the prior year. That is why the $36 billion limitation is so important.

If we run true to form in fiscal year 1990, which will be the first year of the Democratic administration, you will have to save $40 billion plus the accumulation from the prior year, which is expected to be, if we run true to form, at least $20 billion.

So the first year the Democrats come in, you have got to save $60 billion; $60 billion.

This year, Mr. President, you have got to save about $6 billion. This year, with Ronald Reagan, you have to save about $6 billion. When the Democrats come in the first year, you have got to save about $60 billion. Why, it is preposterous.

If you really want to know, this thing gets more and more absurd, Mr. President. You get to fiscal year 1991, and there is a $45 billion difference in the targets between fiscal year 1990 and fiscal year 1991. If you add to that the usual expectable difference in missing the target of $20 billion, fiscal year 1991, you have got to save $65 billion.

The same thing is true of fiscal year 1992, which is, again, a $45 billion difference in the target, and on your ordinary expectable difference of $20 billion and you get $65 billion you have to save.

Mr. President, I hope my colleagues understand what I am saying when I say this is a let-Ronald-Reagan-off-the-hook amendment; when I say that it is a smash-the-Democrats amendment; when I say it is a sweep-it-under-the-rug amendment. Because the 2 years of Ronald Reagan, you have got to save about, oh, $10 billion; $10 billion the first year, about $20 billion the second year. And then with a guarantee of not more than $36 billion. Then you come in the first year under the Democrats and it is going to be about $40 billion plus 20—probably $60 billion and then you go $65 billion. Mr. President, I think I am correct in these figures.

The distinguished Senator from Texas wanted to ask me a question and I am certainly ready to yield and have a discussion. If I am wrong about this, I would like to know just where I am wrong.

Does the Senator from South Carolina wish to ask a question?

Mr. HOLLINGS. No, I wish to give an answer when you get through. I will be glad to tell you why you are wrong.

Mr. JOHNSTON. If the Senator would do it by question, I will yield the floor in just a minute.

Mr. HOLLINGS. I will await the distinguished Senator.

Mr. JOHNSTON. Very well, Mr. President, I will yield the floor at this point to be instructed where I am wrong.

The PRESIDING OFFICER (Mr. BREAUX). The Senator from Louisiana yields the floor. The Senator from South Carolina is recognized.

Mr. HOLLINGS. I regret I was not able to hear the full comments of my distinguished colleague from Louisiana. I had to open a hearing of the Commerce Committee this morning, but I have now turned it over to the distinguished Senator from Tennessee. Arriving here on the floor, I listened to the Senator from Louisiana saying we are letting the President off the hook.

I am astounded. Of course, I've been trying to get him on the hook. If it were possible, I would have long since done it.

I thought we found a way last June when we had the House-Senate conference on the budget. The distinguished Senator from Louisiana agreed to the conference report. We had to voice vote it late that evening. The Senator from Ohio, Senator GLENN, and I, paired on the floor there around midnight, objecting because the assumptions, the economic projections were all kiltered in favor of letting the President and the Congress off the hook.

I tried to keep the President on the hook and voted against it. The distinguished Senator from Louisiana voted for it. Now he complains that we are going to review the present amendment without reference to the Budget Committee. But what would happen if we referred it to the Budget Committee?

My distinguished colleague and I are both members of that committee. Earlier this year in the Budget Committee we marked up a bill. I set forth proposals to keep the President on the hook, including proposals that are only now gaining headlines here in August. Of course, I'm talking about taxes.

The distinguished former Governor of Arizona has made a media splash this week by proposing a national consumption tax. Welcome to the club. I proposed precisely such a tax back in early spring, and I did so not hypothetically as a candidate but concretely as a ranking member of the Budget Committee.

There were seven votes in committee for this proposal, a proposal that would indeed have kept the President on the hook. We dedicated my plan and, if my memory serves me well, the "keep-the-President-on-the-hook" Senator from Louisiana was not there in committee nor did he vote on my proposal.

I was asking for a value added tax—the same tax that, politically, was the kiss of death for our good friend from Oregon, the former chairman of the Ways and Means Committee, Al Ulman. The proposal was voted down and, instead, we have proceeded down the path of cutting and pasting, nickling and diming, a little bit here and a little a bit there, but now we have run out of smoke and we have run out of mirrors. The deficit, as the Senator from Louisiana points out, continues to grow and grow.

Nonetheless, I take heart from the bipartisan support in the Budget Committee for my proposal. It would have put the President on the hook. I only wish the Senator from Louisiana had been there.

Then day before yesterday we had the voice vote on the motion to table the alleged get-the-President-off-the-hook amendment offered by the Senator from Louisiana. That amendment said let us have a clean debt limit running through May of 1989. Of course the President would just love to be put on that hook. He'd love to be thrown into that briar patch. It would permit him to sit back with his veto pen, and the Congress would be just like tying two cats together by the tail and hanging them over a clothesline and letting them claw at each other between now and January 1989. The President would have a fine time talking about balanced budget amendments, line item vetoes, economic bills of rights, and so on, while he vetoes any measure that really does something to reduce the deficit.

So, day before yesterday, we kill the alleged get-the-President-off-the-hook amendment by the Senator from Louisiana. Because it was really a throw-the-President-into-the-briar-patch amendment. The President would have signed it in a skinny minute.

Now, the Senator from Louisiana makes a valid point when he notes that the proposed Gramm-Rudman-Hollings fix does not cut enough in fiscal 1988. The Senator is welcome to put in an amendment to correct that fault.

But I prefer to operate in the real world. The art and science of the Senate are compromise. We do not get all we want. Moreover, I dare say that even if the Senator from Louisiana's approach were adopted by the Senate as an amendment in the next 10 minutes, it would not get more than 20 votes over on the House side. And, remember, we are dealing with a two-bodied arrangement here and as a practical matter, we are going to be lucky to get a majority vote on the Gramm-Rudman-Hollings fix on the House side. It is frought with political undercurrents and opposition.

Our best hope is what the Senators from Florida, New Mexico, and Texas have fashioned for us: A good, constructive compromise, fashioned after what was already enacted by the Senate on a 63 to 36 vote in the original Gramm-Rudman-Hollings II. We have revised it, brought it up to date. I grant the Senator from Louisiana that we have eased up on some of the deficit targets. Likewise, my druthers would have been to reduce the $10 billion fudge factor down to $5 billion.

But Senator CHILES' approach has been reasonable throughout. For example, he insisted,

> I am not going to agree on a deficit target for fiscal 1987 until, in conference, we get from the Office of Management and Budget, and the Congressional Budget Office, their separate economic projections.

Yes, OMB and CBO have their bags of tricks. But let us not be unduly paranoid that OMB will abuse its role in the Gramm-Rudman-Hollings II process, or in the conference. In that conference, OMB will present its economic projections, and we will be sitting there in the majority. We will be able to confront OMB's figures with the already-stated figures by OMB and, thereby, you have a pretty good rein on the Office of Management and Budget.

I commend the Senator from Florida for fashioning that particular provision in this amendment. Mr. President, I urge my colleague from Louisiana not to hold up progress on the Gramm-Rudman-Hollings fix. As they say, a man convinced against his will is of the same opinion still. The fact is, the Senator from Louisiana was not for Gramm-Rudman-Hollings in any way, shape, or form. After all, Gramm-Rudman-Hollings is designed to get the President on the hook.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. HOLLINGS. Yes.

Mr. JOHNSTON. Am I correct that the deficit figure this year is set by OMB subject only to the right of this conference and later to the floor to change that deficit figure?

Mr. HOLLINGS. GAO will review a joint OMB/CBO report and issue its own estimate of the deficit. OMB will then issue the final deficit estimate explaining its differences with GAO. Congress will specify 15 economic variables that OMB, CBO, and GAO must use in estimating the deficit and would have 5 days to change the final OMB deficit estimate through expedited procedures before a sequester took effect.

Mr. JOHNSTON. There are 14 variables I believe that are set out in the statute.

Mr. HOLLINGS. Fourteen.

Mr. JOHNSTON. Those are determined by OMB subject to the right of this conference.

Mr. GRAMM. If the distinguished Senator will yield, this first year we will have CBO and OMB both report in advance and we will write the average of those two baselines into this law.

Mr. HOLLINGS. And we could write in conference the actual deficit. That is our discretion.

Mr. JOHNSTON. All right. That only makes my point. It is an average between OMB and CBO, which can be changed in conference or by the full body but it is an average for this year. Is that correct?

Mr. HOLLINGS. Right.

Mr. JOHNSTON. All right.

Mr. BYRD. Will the Senator yield right there?

Mr. JOHNSTON. Yes.

Mr. BYRD. When talking about an average, cannot that be skewed? Talking about an average, let us say one says 10; one says 20. The average is 15. Suppose one says 10 and the other one says 16, or the other one says 14.

Mr. JOHNSTON. The majority leader makes the point. They not only can do it; they have done it every time. And the figures right now show that the latest CBO estimate is $186 billion for the deficit; the latest OMB figure for the deficit is $150 billion. To be sure, that was granted in January and they have not given us a late figure. But every time they have come out with skewed figures. They were $27 billion off in the economic projections as reported by CBO when the President submitted his budget. That is right, is it not? I mean not only can they do it, they do it every time. And we are building——

Mr. HOLLINGS. We were, too, and we loved it. That is how we got where we are this minute—trying to catch and keep ourselves on the hook. I objected. The Senator from Louisiana used OMB figures, not the Senator from South Carolina. I objected as vigorously as I knew how to our using OMB's bogus numbers in our budget resolution. In that fight, the Senator from Louisiana beat me. Yes, to meet constitutional requirements, OMB will play a major role in the new Gramm-Rudman-Hollings process. This is the best approach we have. If the Senator has a better idea, I would be glad to look at it.

Mr. CHILES. I would like to respond to the majority leader's question and I think it is a legitimate question. The question, as I understand it, is, should we be concerned about OMB skewing the average because where you say it is the average between OMB and CBO, then if OMB wants to take an absurd number or a different number, yes, they can skew it.

The Senator from Florida was concerned about that point and that is why in the year we were dealing with now the Senator from Florida had us write in that before the conference is completed CBO has to give us their new number, OMB has to give us their new number, and those numbers then become fixed. They cannot be changed again this year. So we are not allowing them to in September come up with another number, in October come up with another number. They give us their number. Now, it is the average of those numbers. So, yes, OMB can give us a bad number if they want to but it is the average.

Remember, we are in the conference. We are there where we can then change the baseline number. We can change the sequester number. We sit in that conference in the majority, because we are the majority, in the House and Senate. The majority leader knows how the House feels about this question. I think he knows how the Senate feels about this question. He knows how the Senator from Texas, who will be chairing the conference on our side, feels about this question. So if they want to give that distorted average, we sit there, lock the number in so it cannot be changed any more, and if that number is wrong at the top end, we adjust the bottom. So that is the protection.

Is the $10 billion cushion there? It is. The $10 billion cushion is there. It can be taken out. The 150 can be adjusted to 140, 130. So however they want to cook the numbers—and we have OMB, which we trust, to give us a valid number—we are going to look at that number——

Mr. BYRD. We do not trust them.

Mr. CHILES. Excuse me. CBO. We have CBO there that we trust. And if you look at the language, it says, "The level of the gross national product is the amount determined by the committee of conference on the Balanced Budget and Emergency Control Act." So we are going to sit there and at that conference we are going to write that number.

You can raise a lot of fears about this, and the Senator from Louisiana has done that. I do not remember the Senator from Louisiana being a strong proponent of this process ab initio, from its beginning. And so I think he tends to look at it through a certain set of lenses. I do not think he tends to look at it as roses. I think he is looking for form. I think you can voice these concerns. They are legitimate. We need to try to answer them. But the concern about OMB cooking this number and us getting the President off the hook is a concern that I do not think is there because of the fact that we lock in that number. We in conference determine what that number is going to be: Where do we stand now? That is where I think it always has come back. How do you like your mother-in-law? Compared to whom? I think you have to ask that question. Where are we now? We are with what is supposed to be a target of 108 and we know we are not there. Next year that target goes down to 72. That is an election year. If we are talking about election year and about Democrats, how Democrats are concerned, I can read those TV ads next year: the target is supposed to be $72 billion. Democrats are in control of the House and the Senate. Where are they in regard to the deficit?

Mr. JOHNSTON. Will the Senator yield?

Mr. GRAMM. Will the Senator yield?

The PRESIDING OFFICER. The distinguished Senator from South Carolina has the floor.

Mr. HOLLINGS. Mr. President, the Senator from Louisiana has legitimate concerns. We all do. But we are now in the process of trying to find solutions to those particular concerns. We are not about in presenting this solution to foursquare the accuracy of the Office of Management and Budget. I objected in January that it was $27 billion off. It took them until June to acknowledge that. So I of all Senators understand the point being made by the Senator from Louisiana. But having made his particular points, now we have to get on with some kind of solution. It is a compromise. I do not happen to think we have much of a hook for President Reagan. If there is any, it is this Gramm-Rudman-Hollings procedure and it is only a symbol in a sense at the moment now effecting some discipline, but what we really need to do is put lead in the pencil.

Mr. GRAMM. Will the distinguished Senator yield?

Mr. HOLLINGS. Yes.

Mr. GRAMM. I would like to remark on some facts that I think are very relevant to the debate we are having right now. I have a page from the fiscal year 1987 sequester report printed in the Federal Register, Volume 51, No. 161, for Wednesday, August 20, 1986, that shows the difference between the OMB and CBO projections in 1986 of the fiscal year 1987 deficit. The report also explains what caused the difference. I think this is very revealing. About a year ago, a year minus 20 days or so, OMB said the deficit for fiscal year 1987 was going to be $156.2 billion. CBO said it was going to be $170.6 billion. These were the numbers that the Gramm-Rudman-Hollings process produced.

There were reasons for the difference between the two projections. Those reasons dealt with things like how to calculate appropriated entitlements, agriculture deficiency payments, Federal pay assumptions, and budget authority-to-outlay ratios. But I want my colleagues to take note of the fact that if you averaged the two deficit projections made last year by OMB and CBO, you get a deficit of $163.8 billion. In fact, the newest CBO preliminary estimate for the fiscal year 1987 deficit is $161 billion. The difference between the average of the projections made last year and the current CBO estimate is only $3 billion.

So I think it is important to note that last year, with no real constraints on any of the many items which you could differ on, such as deficiency payments and Federal pay, the process worked pretty well.

Mr. CONRAD. Mr. President, will the Senator yield?

Mr. GRAMM. Let me finish this point, because I think it is vitally important.

OMB projected a deficit of $156.2 billion; CBO projected a deficit of $170.6 billion. Today, the newest deficit estimate by CBO for fiscal year 1987 is $161 billion, while the average of the two deficit projections last year was $163.8 billion.

As the old cliche goes, "That isn't bad for Government work." In fact, if you wanted to give somebody credit for being the less inaccurate forecaster, OMB was closer to the current projections of the deficit than CBO was last year.

However, the point I want to make is not that the process worked pretty well last year. The point is that the measure before us eliminates the ability of the two agencies to treat many of the conflicting items, such as appropriated entitlements, differently.

In the amendment before us, we set out in law how OMB and CBO must estimate appropriated entitlements. Last year, appropriated entitlements accounted for $1.7 billion worth of the difference between the projections. We set out in law that OMB and CBO must assume that we advance the deficiency payments because we know we are going to do so. That was $1.5 billion of difference in the deficit estimates. We set out in law that OMB and CBO cannot overestimate Federal pay assumptions. Treatment of Federal pay explained $2.8 billion of the difference. We set out in law procedures for calculating the BA-to-outlay ratios; that caused $5 billion of the difference between the two projections.

In addition, there was a $2 billion difference in estimating revenues, with OMB being more conservative than CBO on tax revenues.

The point I want to make—and I hope my colleagues understand this—is that the amendment before us mandates procedures related to the treatment of farm deficiency payments, BA-to-outlay ratios, and appropriated entitlements; and those items explain most of the differences between the two estimates. These differences, that will be eliminated by the adoption of this amendment, explained $12 billion of the $14.2 billion of the differences in the projections last year.

In other words, had the current amendment before us been in effect, we would have eliminated virtually $12 billion of the $14.5 billion in the difference between the estimates. Interestingly enough, we would have increased the projection of the deficit and we would have failed to meet the target, and the headlines today would read, "Budget Outperforms Projection; Federal Deficit Lower."

Quite frankly, I think that is a nice headline that I would like to see.

I want to summarize two important points. First, the process worked last year: $163.8 billion for the OMB/CBO average was only $2.8 billion greater than the current projection of the deficit. That is very good for anybody's work. In fact, my guess is that private estimators outside Government did not do as well in estimating the deficit.

Second, by setting out in law procedures dealing with appropriated entitlements, farm deficiency payments, Federal pay, and BA-to-outlay ratio, we eliminate $12 billion of the $14.5 billion difference between the deficit estimates calculated by OMB and CBO.

Finally, the distinguished Senator from Louisiana talks about meeting the deficit targets is easier this year and next year and harder in the future. Remember, that because of the tax reform bill and the projected fluctuation in revenues, the deficit estimate for fiscal year 1989 has increased by $17 billion. Then, between 1989 and 1990, the current services deficit declines by $15 billion; between 1990 and 1991, it decreases by $10 billion; between 1991 and 1992, the deficit is lower by $13 billion.

So the truth is that the easiest year to meet the target, if you want to call any year of deficit reduction easy, is going to be in the 1990 budget, and that is going to occur while we have a new President.

Mr. HOLLINGS. Mr President, the Gramm-Chiles-Domenici amendment has included a far greater dose of discipline than what we had in last year's version of Gramm-Rudman-Hollings II. It is a great improvement. It has been well fashioned. Our colleagues have waited all week. It has been a lot of hard work, and I commend them on their presentation.

Back to the original point made by my distinguished friend from Louisiana: I do not think that, even as good as it is, this new process is going to make OMB 100 percent accurate and honest. Nor do I think it is going to make Congress 100 percent accurate and honest. Likewise, I do not think it is going to put the President on the hook. But our best shot at binding the President and Congress into a mutuality of budget discipline is this Gramm-Rudman-Hollings II fix that we have before us.

The Senator from Louisiana had his chance the day before yesterday. We considered his proposed solution, and voted it down. Now let us get on with consideration of Gramm-Rudman-Hollings II. Let us get a time agreement so we can expedite debate, take a vote and get it to the House; because the rough work lies ahead of us in the conference with our colleagues on the other side of the Capitol.

Mr. CONRAD. Mr. President, will the Senator from South Carolina yield for a question?

Mr. HOLLINGS. I yield for a question by the distinguished Senator from North Dakota.

Mr. BYRD. Mr. President, before the Senator yields, will he yield to me?

Mr. HOLLINGS. I yield.

ORDER FOR RECESS

Mr. BYRD. Mr. President, we want to have a little conference at 10:30. I wonder if we could recess in 10 minutes for 30 minutes or so.

Mr. CONRAD. My question is fairly brief.

Mr. BYRD. Mr. President, if there is no problem with that, I ask unanimous consent that at 10:40 a.m. the Senate stand in recess for 45 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. I yield to the distinguished Senator from North Dakota.

Mr. CONRAD. Mr. President, I think the Senator from South Carolina is to be applauded for the efforts he has made over the years to bring about deficit reduction.

I come at this from a little different direction than does the senior Senator from Louisiana, but I reach the same conclusion. That is, I favor a fix. I think we have to have the discipline by both the President and Congress in order to have deficit reduction. So I am in complete agreement with the Senator from South Carolina on that.

I think the concern I have may be shared by the Senator from South Carolina, and that is that we are not imposing enough discipline on the President or ourselves with this particular fix. The reason I come to that conclusion, which is the conclusion of the Senator from Louisiana, is the numbers. The numbers are very clear.

The target for fiscal 1988 is $150 billion, plus $10 billion of tolerance. That is $160 billion. In our budget resolution that has been passed, we are at $152 billion of deficit with the revenue, with the $19 billion of revenue. Without the revenue, we take away the $19 billion, and we are at $171 billion. So we have only $11 billion of difference between the budget resolution without the revenue and the Gramm-Rudman target for fiscal 1988 as contained in this fix.

It seems to me that it is a pretty easy matter to cook the numbers and the numbers have been cooked. It is a pretty easy matter to get a little bit of revenue to meet the $162 billion. That means you are taking this President off the hook. It also means you are taking this Congress off the hook because in 1987 the deficit is going to be $161 billion according to CBO. This target is $160 billion.

So it seems to me this resolution has two serious weaknesses: No. 1, no year-to-year deficit reduction from 1987 to 1988 which was contained as a central part of the previous Gramm-Rudman-Hollings deficit reduction plan. No year-to-year deficit reduction. And, No. 2, it takes the President off the hook on revenue with respect to this fiscal year and it takes us off the hook as well with that in that regard because we are so close on the budget resolution that has already passed.

It seems to me the fix would be an amendment that would lower the target for this year and perhaps next year as well.

I know the Senator from South Carolina had a proposal that had a lower target, and I am wondering if the Senator from South Carolina would be amenable to an amendment that would lower the target for this year.

Mr. HOLLINGS. The Senator from North Dakota is correct. I proposed just slipping this year's target of $144 billion 1 year for 1988 and put in $144 billion rather than $150 billion and put in only a $5 billion cushion rather than the $10 billion.

But I am committed to the Gramm-Chiles-Domenici-Hollings compromise. We are trying our best to get everyone together.

The Senator from North Dakota and I both support more discipline.

But coming from the North, he knows that we in the South feel like a minority. We are in a minority. Likewise, on this Gramm-Rudman-Hollings fix, we do not have the votes. We must get the cooperation of the White House. I would think the White House would resist very strongly on exactly the grounds expressed on this floor, on the grounds that it backs him into new taxes. So let us tread very carefully.

Let me repeat, I just do not think that we can do better than what the package proposed here by Senator CHILES, Senator DOMENICI, and Senator GRAMM.

Mr. CONRAD. Let me conclude by saying that I can understand why the Senator from Louisiana sees this as a bit of a sucker punch, that is, you take the pressure off the President this year and I am very much fearful that is precisely what this does.

Beyond that, frankly, from my perspective it also takes the pressure off Congress on year-to-year deficit reduction. So on both counts this fix disturbs me. I would much prefer lower targets for fiscal 1988, keep the pressure on both of us, keep the pressure on the President to accept revenue which he ought to do and keep the pressure on us to reduce spending which we ought to do.

Mr. HOLLINGS. Mr. President, I think it is a mistaken perception that there is pressure to slash the deficit. It is a most frustrating experience. We only really act in the Congress when our feet are to the fire. The fact is, there is not enough popular outcry and pressure on the issue of the deficit. How else do you explain the President's ability to get away with his traveling carnival show—cutting up credit cards and so on—at the same time he is presenting budgets that are $27 billion over the deficit target. I would be embarrassed at so brazen a misrepresentation.

I am dismayed by it, but I am equally dismayed about the public's apparent willingness to tolerate it.

I talked to a member of the New York Stock Exchange yesterday afternoon. He said "We are counting on you on that fix." I said, "Baloney. You are not counting on us. Stocks are soaring with or without a fix." There is no real pressure from Wall Street to deal with the deficit.

And in the absence of any strong popular pressure, the Senator from North Dakota and I are not strong enough as individual Senators from our good States to create that pressure.

I thank the Senator and yield the floor.

The PRESIDING OFFICER. The Senator yields the floor.

The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, this is an interesting debate. I set out a series of figures and then tried to discuss those figures with my colleagues, and my colleagues have flown like a covey of quail.

Instead of getting real argument on the questions of whether my figures were correct, I was told things like, well, the senior Senator from Louisiana has opposed this bill all along; therefore, his motives must be suspect. He is looking at this through dark-colored glasses; therefore, the figures must not be correct.

Mr. President, that does not have anything to do with the figures nor does it have much to do with history.

First of all, let us deal with this question of whether you can trust OMB. Mr. President, OMB has consistently missed the targets by looking at this thing with rose-colored glasses.

Mr. President, in 8 of the last 9 years CBO has adjusted upwards OMB's deficit projections by an average of 16 percent, in 8 of the last 9 years. That includes not just Republicans but Democratic OMB's as well. It is endemic to OMB. The difference right now is actually OMB deficit projection this year was $150 billion which include 3 percent defense real growth. If you take out that defense real growth which has already been taken out by the committees, OMB's latest projects is $142 billion, CBO's is $186 billion. There is a $44 billion difference.

Mr. President, they have stated it right up front. You know what Dave Stockman said? He said, and this is from his book:

> Bookkeeping invention thus began its wondrous works. We invented the "magic asterisk." If we could not find the savings in time, and we could not, we would issue an IOU. We would call it future savings to be identified. It was marvelously created, a magic asterisk item would cost negative $40 billion, whatever it took to get to a balanced budget in 1984 after we toted up all the individual budget cuts we actually approved.

That is an interesting revelation by Mr. Stockman as to what they did, and it has been continued under this OMB director, too.

We are asked to trust these OMB directors. They are going to be OK. They are going to give us the right figures.

I say history shows something different.

Mr. President, I see the majority leader I think wants to put us in recess. We will be prepared to continue this discussion later today.

Mr. BYRD. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. BYRD. Mr. President, if the Senator wishes to retain the floor I ask unanimous consent after the following request the Senator retain the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESSES

The PRESIDING OFFICER. The hour of 10:40 having arrived, under the previous order, the Senate stands in recess for 45 minutes.

The Senate, at 10:40 a.m., recessed until 11:25 a.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. Breaux].

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess an additional 20 minutes.

There being no objection, at 11:25 a.m. the Senate recessed until 11:45 a.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. Breaux].

The PRESIDING OFFICER. The Chair in his capacity as a Senator from the State of Louisiana, asks unanimous consent that the Senate stand in recess for an additional 10 minutes.

There being no objection, the Senate, at 11:45 a.m., recessed until 11:55 a.m., whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. Breaux].

The PRESIDING OFFICER. The Chair, in his capacity as a Senator from Louisiana, asks unanimous consent that the Senate stand in recess an additional 10 minutes.

There being no objection, the Senate at 11:55 a.m., recessed until 12:04 p.m., whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. Reid].

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BYRD. Mr. President, under the order Mr. Johnston is to retain the floor. While he is getting to the floor—he has been tied up—let me say that we have had a good conference. It took 1 hour and 25 minutes but I think we have saved time in the long run. The emphasis, I think, is on getting this measure adopted and sent to the conference. We do not have a lot of time or many days. So I fully anticipate rollcall votes this afternoon.

May I say once again, the joint leadership—I think I can say this, I have talked with Mr. Dole and both managers—are opposed to nongermane amendments. This is no time; this is no vehicle for that. This is not just an ordinary—if I may use that word—debt-limit extension.

I hope Senators will schedule their afternoon accordingly. If we do not finish today, then we ought to stay in tomorrow, because this matter has to go to conference, it has to go back to both Houses, it has to go to the President's desk, it has to be signed by the President by midnight, next Thursday. It is a serious matter. So let us get busy this afternoon, stay in this evening if necessary, finish it, and then we will be out tomorrow.

Otherwise, I see no alternative but to say until we get this done.

Mr. President, Mr. Johnston is in the process of writing an amendment, and Mr. Chiles, the distinguished manager of the resolution, is assisting Mr. Johnston, through his staff, so as to expedite the writing of the amendment, and that will take possibly one-half hour or some such.

In the meantime, I urge other Senators who have amendments to come to the floor and call them up. I also urge Senators not to pack their bags too early this afternoon. I would not want to be away from this Senate when the votes occur this afternoon, and I would not want it said that this Senate packed up and went home leaving such a serious matter as this unfinished.

So this is not just an ordinary Friday afternoon. It is not an ordinary debt-limit extension. If the Social Security checks stop after next Thursday night and the veterans' checks stop and the United States is unable to meet its obligations, that will be the shot that will be heard around the world. It is going to recoil upon all of us. There are certainly some things that are more important than getting out this afternoon at 3 o'clock or 4 o'clock or 5 o'clock or 6 o'clock. I would think that Senators would rather choose between finishing this measure today then coming in tomorrow or having to erode the August break.

Again, I say if this measure is not on the President's desk by midnight next Thursday, then we are in trouble. So Senators who have amendments, now is the time. This is the place. The hour is here. So do not come in at 4 o'clock saying, "I haven't had a chance to call up my amendment. Why don't we wait until Monday or Tuesday?" We are not going to do that. I would also urge those with nongermane amendments not to call them up.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, we have just had a caucus. Based on extended discussions in that caucus, I and Senator CONRAD and Senator WIRTH and several others will have an amendment, which is now being drafted, which will seek to give symmetry in treatment of the fiscal year 1988-89 with the other years.

It seems to me that the amendment now pending is the worst of absolutely all worlds, because under the rubric of being tough, of having a mandatory sequestration, what the amendment actually does is reduce the amount of savings that must be made to a point well below that which has already been voted in the form of the resolution by the Senate and by Congress—reduces it well below that which would cause the President to come to the table and seriously negotiate; and certainly, in my view, makes it totally impossible to get any real taxes.

The amendment we will propose will require real action in the first year as well as in the second year. So that we just do not sweep the problem under the rug.

Having said that, I am still an unreconstructed nonfan of the Gramm-Rudman process, whose main accomplishment I think has been to delay rather than to save money. It is perfectly true that the deficit has come down from about $220 billion the first year to maybe $186 billion this year, if you take CBO's latest number. But to attribute that to Gramm-Rudman targets, which is the essence of Gramm-Rudman, I think is totally a non sequitur, because Gramm-Rudman has clearly not worked to make the targets, and the essence of Gramm-Rudman is the targets.

The budget process already provided for a reconciliation process, for a savings process, and Congress was already persuaded that we needed to cut the deficit. So to say that the only reason you come down in the deficit is because of the existence of these targets, when we missed the targets by light years, I think simply does not follow.

Nevertheless, Mr. President, I do not propose to spend a great deal of time today—although I will debate it somewhat further—on the question of the advisability of Gramm-Rudman, because I think the Senate has probably made up its mind and I want to get my views on that clearly spread upon the RECORD. Once having done that, I do not propose on that point to delay the Senate.

So we will have an amendment, I would guess, in about an hour on that subject, and will bring it up and will debate it at that time.

In the meantime, I think Senators know that I had planned to offer an amendment to change the date of expiration of the debt limit, and I hope that amendment will not receive a great deal of opposition.

The present date in the pending amendment is October 1, 1988. So if the present legislation were passed and signed into law, the debt limit would expire in October 1, which happens to be the week on which I am sure the majority leader would like to adjourn the Senate for the elections of 1988.

I do not think I have to draw a picture or persuade Senators that that is about as bad a date as you could possibly pick.

The debt limit is always a piece of "must pass" legislation; and Senators, sensing that everybody knows that they will have to leave, could put on their little pet project to that debt limit, and there would be enormous pressure to adjourn the Senate and get out. So, Mr. President, we certainly should not do it at that time.

AMENDMENT NO. 647

Mr. JOHNSTON. Mr. President, in this interregnum, while we are waiting for the other amendments, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The Chair asks the Senator from Louisiana if this amendment is to the pending amendment or to the bill.

Mr. JOHNSTON. I would have to ask the Chair: Where is it that the debt limit is stated?

The PRESIDING OFFICER. It is stated in the bill.

Mr. JOHNSTON. This would be, then, an amendment to the bill.

The PRESIDING OFFICER. The Senator is advised that it will take unanimous consent to set aside the first-degree amendment offered by the junior Senator from Texas.

Mr. JOHNSTON. Mr. President, I ask unanimous consent to do that. My purpose in doing it at this time is to use this time appropriately while we are waiting for the other amendment. I ask unanimous consent to do that.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Louisiana [Mr. JOHNSTON] proposes an amendment numbered 647.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 1 line 3, strike all after the word "That" and insert in lieu thereof the following: "during the period beginning on the date of the enactment of this Act and ending on May 1, 1989, the public debt limit set forth in subsection (b) of section 3101 of title 31, United States Code, shall be equal to $2,800,000,000,000."

Mr. JOHNSTON. Mr. President, what the amendment does is to extend the date to May 1, 1989, and to alter the amount of the debt ceiling to conform with that date.

The rationale for May 1, 1989, is to get it past the election and far into the next administration, so that the administration team can be in place. May is usually a time when we are not into the emergency part of the session, and I think it would be an appropriate time to deal with an extension of the debt ceiling.

I think the argument is well understood, and I yield the floor.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. DOMENICI. Mr. President, as the distinguished Senator from Louisiana knows, the debt limit part of this bill is within the jurisdiction of the Finance Committee, not the Budget Committee. I need a few moments to clear this with the distinguished ranking member, Senator PACKWOOD, and to speak with Senator CHILES, the chairman of the Budget Committee.

We have negotiated long and hard on this Gramm-Rudman-Hollings fix, and I have assumed all along that our negotiations encompassed the underlying extension, not the amended one as suggested by Senator JOHNSTON.

I want to make sure that in anything I say, I am living up to my commitment to Senator CHILES, the Senator from Texas, and others. Obviously, if we got the fix in place and it was binding, the Senator from New Mexico is on record that he would like to see the debt limit extended as recommended in the amendment of the Senator from Louisiana. But also, I would like us not to extend the debt limit if the Gramm-Rudman-Hollings fix were not in place.

That is not the issue. I am just saying that it is kind of foolhardy to have the debt limit come up all the time if we do have something fixed.

For now, I must indicate that we are not prepared for a few moments to proceed with the matter, either to debate it or to vote. It will not take us long, just a couple of minutes.

Mr. JOHNSTON. Would the Senator like to lay it aside for a few minutes?

Mr. BYRD. Mr. President, will either Senator suggest a time?

Mr. DOMENICI. For purposes of advising the distinguished ranking member, I would like just a few minutes to talk with him, and I am sure we can arrange something either on time limit or procedure rather rapidly with a vote.

Mr. JOHNSTON. Yes. If the majority leader will yield, I am prepared to vote at this time. As a matter of fact, if it is unacceptable, I am prepared to accept a voice vote. It depends. I do not know if there is opposition.

Mr. BYRD. I am just hoping we can stay on the bill and not drift away into morning business, Mr. President. There are times when morning business is fine.

We have a serious matter here and I hope we will not have Senators rushing to the floor wanting to make morning business speeches because that is the very way to discourage other Senators from coming to the floor. It does take time and it kind of lends the appearance that, well, we are going to spend the afternoon talking, we might as well go ahead and catch our planes.

So I have to say that I will object to any morning business speeches for the time being.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PACKWOOD. Mr. President, I have been conversing with Senator CHILES, Senator JOHNSTON, and Senator DOMENICI.

Personally, I support a debt extension through May 1989. I think it will give us a little more continuity than going month to month, week to week, or day to day, or even year to year.

I do not want to in any way interfere or jeopardize the agreement that has been reached among the Senator from Texas, the Senator from Louisiana, the Senator from New Mexico and the Senator from Florida, which I regard as very important.

So to the extent that the extension of the debt ceiling through May 1989 does not jeopardize the agreement between the principals, I support it. I will support it, clearly understanding that if it does jeopardize the agreement then I would pretty much leave it to the Senator from Florida and the Senator from New Mexico as to how they personally feel about it.

But from the standpoint of public policy, I think it is good policy to go to May 1989.

Mr. CHILES. Mr. President, let me say that the Senator from Florida actually wanted a much shorter date. I wanted a date of October 15 of this year, and I wanted that date for a very clear reason. I wanted there to be a supernova in which the reconciliation would come due and the debt ceiling would come due, and all those matters would meet at the intersection of the track, and then I was going to call my brother, because he had never seen a train wreck, either.

I wanted to bring those things into being. There were parties that did not agree with me on that. And sometimes parties do not always see the wisdom of my action. And so the date was set for September 1988.

I will have to say, just be frank with my friend from Louisiana and to the people on the other side, I do not consider this as a major break in the other parts of the agreement that we have negotiated. The Senator from Louisiana has raised concerns that I think could concern people that here we are going to have the country running out of the authority for its borrowing capacity just prior to an election. How that cuts, I do not know. I think we would agree with the remarks that others have made that I suspect both sides would be hasty to extend that, at least temporarily. I have seen that happen many times here.

I would like to find out what my good friend from Texas, who has just come on the floor, feels about that, and that is the amendment to extend it from September 1988 to May 1989. I do not know whether the Senator from Florida sees anything that changes. The September 1988 date I think, came out of the Finance Committee.

I would be persuaded by what the Senator from Texas felt on that. I think I should wait on his feelings on that.

Mr. BENTSEN. As I understand it, the proposed amendment is a simple temporary extension until May 1989; is that correct?

Mr. JOHNSTON. Yes.

Mr. BENTSEN. Mr. President, I believe that all Senators recognize that this country is facing a long series of unacceptably large deficits. This is a problem we must deal with. And in passing the deficit control legislation which has been proposed by the chairman and ranking member of the Budget Committee, we are taking important and difficult steps to deal with that problem. I do not know whether that legislation will have its desired effect. I am inclined to believe that it will, and I certainly hope that it will.

In any case, I think we need to give the new process a chance to work, and I think that one way to do that is to put aside for a protracted time our practice of having the debt limit come due periodically. I don't think it would be particularly fruitful to debate at this point the merits or demerits of the debt limit as a restraint on deficits. The important point is that we are, as a Senate, opting to throw our efforts behind a different type of mechanism—the automatic sequestration process.

It can, in my view, only confuse and undermine that process to continue to have debt limit crises while we are trying to achieve deficit reduction in another way. I realize that the bill before us continues the debt limit through a little more than a year from now, but I think under the circumstances that is too short. Next year will be the first one in which the entire budget process will be carried out in the context of an automatic sequestration law. It would be confusing—and possibly disruptive—to have a debt limit crisis arriving at about the same point as sequestration.

Consequently, it seems to me that the most reasonable approach is to extend the debt limit even further. I therefore support the amendment by the senior Senator from Louisiana to House Joint Resolution 324 which will increase the debt limit to $2.8 trillion through May 1, 1989. This amount is, in fact, the administration's recommendation transmitted in a letter to me, as chairman of the Finance Committee, from Secretary of the Treasury James A. Baker III. This action will give the new processes we are adopting here a chance to show their strengths or weaknesses. I hope the amendment will be adopted.

I ask unanimous consent that the letter from Secretary Baker supporting such an increase be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF THE TREASURY,
Washington, July 8, 1987.

Hon. LLOYD BENTSEN,
Chairman, Committee on Finance, U.S. Senate, Washington, DC.

DEAR LLOYD: I am writing to request that the Congress act by July 17 on legislation to extend the debt ceiling. The temporary debt limit enacted May 15 expires at midnight on July 17. The ceiling then reverts to the $2.1 trillion permanent ceiling—about $195 billion below the amount of debt that we estimate will be outstanding.

The Congress enacted only a two-month extension of the temporary debt limit in May to assure that there would be no other choice but to revisit the debt limit in mid-July. Enactment of a debt limit extension by July 17 is crucial to prevent disruptions in Treasury debt management that would begin immediately. As described below, in the absence of timely Congressional action the Government could well default on its obligations on July 30, and almost certainly will do so on July 31.

The following actions must be taken if the Congress delays enactment of a debt limit increase. On July 17, we would have to (1) notify the 44,000 savings bond issuing agents not to sell any more bonds and (2) notify the Federal Reserve Banks to stop issuing State and local government series (SLGS) Treasury securities. Interruption in the availability of SLGS will result in lost interest earnings and interest arbitrage rebate problems for municipal entities. Furthermore, Treasury will be unable to invest or roll over maturing investments of trust funds and other Government accounts. For many of these accounts, Congressional action will be required if any resultant losses of investment income are to be restored.

Disruptions in Treasury's normal market financing will begin on July 20 with the postponement of the weekly bill auction. On July 23, $13.7 billion maturing bills will have to be redeemed in full. We will notify the thousands of smaller investors who use the Treasury book-entry system that they may receive a check instead of their requested reinvestment of the redemption proceeds in new bills. This will be done so that they can plan alternative investments. Smaller investors in book-entry Treasury bills maturing July 30 would also have to be notified, with the additional warning that the checks may not be honored on July 30.

The Treasury may well not have enough cash to pay off $13.7 billion of maturing weekly bills on July 30. Even if the Treasury managed to get through July 30, our balance would be perilously small and we would almost certainly run out of cash the next day. On July 31, in addition to defaulting on $10.2 billion of maturing marketable Treasury notes, the United States would not be able to honor $2.1 billion of benefit payments to veterans and supplemental security income beneficiaries. Further, on August 3, $17.1 billion of social security benefit payments could not be honored, nor could $4.2 billion of benefit payments to railroad, military and civil service retirees.

I should stress that defaulting on already outstanding, validly incurred obligations has far graver effects than halting operations of the Government when spending authority is allowed to lapse, such as when there is a delay in action on appropriations. A failure to pay what is *already* due will cause certain and serious harm to our credit, financial markets and our citizens, it is not remotely similar to a lapse in authority to incur *new* obligations.

I urge you to seek cooperation of your colleagues and to act quickly on a debt limit increase in order to prevent unnecessary problems and later default on the Government's obligations. We are requesting an increase in the current debt ceiling to: (a) $2,800 billion, an amount sufficient to get through May 1989, and avoid the burden of dealing with this time-consuming issue in the midst of election year schedules; or (b) $2,578 billion, the amount estimated in the President's Budget to be necessary for FY 1988.

I cannot overemphasize the damage that would be done to the United States' credit standing in the world if the Government were to default on its obligations, nor the unprecedented and catastrophic repercussions that would ensue. Market chaos, financial institution failures, higher interest rates, flight from the dollar and loss of confidence in the certainty of all United States Government obligations would produce a global economic and financial calamity. Future generations of Americans would have to pay dearly for this grave breach of a 200-year old trust.

Sincerely,

James A. Baker III.

Mr. CHILES. I would say that that answers any questions anybody poses to me. I would also support it. I would say I have no reservation or no concern if the body decided to vote that way.

Mr. DOMENICI. Mr. President, I want to indicate, as I said earlier, my only reluctance in supporting the Johnston amendment for further extension of the debt limit to the date specified was that we had negotiated our bipartisan approach to a budget fix over a shorter period of time for the debt extension. But I, too, believe that it should not interfere, especially since we still have to go to conference. And we are going to conference with the House debt extension that is shorter than the Johnston proposal and that, too, would have to be ironed out there along with the entire Gramm-Rudman-Hollings fix.

So I hope the Senate would adopt the Johnston amendment and I, too, support it.

The PRESIDING OFFICER. Is there further debate?

Mr. JOHNSTON. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment of the Senator from Louisiana [Mr. Johnston]. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Washington [Mr. Adams], the Senator from Delaware [Mr. Biden], the Senator from Vermont [Mr. Leahy], the Senator from Hawaii [Mr. Matsunaga], and the Senator from Illinois [Mr. Simon] are necessarily absent.

I also announce that the Senator from Alabama [Mr. Shelby] and the Senator from New Mexico [Mr. Bingaman] are absent because of illness in the family.

I further announce that, if present and voting, the Senator from Alabama [Mr. Shelby], would vote nay.

The PRESIDING OFFICER. (Mr. Harkin). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 58, nays 35, as follows:

[Rollcall Vote No. 216 Leg.]

YEAS—58

Bentsen
Bond
Boschwitz
Bradley
Breaux
Bumpers
Byrd
Chafee
Chiles
Cochran
Cohen
Cranston
D'Amato
Danforth
Daschle
Dodd
Dole
Domenici
Durenberger
Evans
Graham
Gramm
Hatfield
Heinz
Inouye
Johnston
Karnes
Kassebaum
Kennedy
Kerry
Lautenberg
Levin
Lugar
McConnell
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Nunn
Packwood
Pell
Reid
Rockefeller
Roth
Sanford
Sarbanes
Simpson
Specter
Stafford
Stennis
Stevens
Thurmond
Trible
Wallop
Weicker
Wilson
Wirth

NAYS—35

Armstrong
Baucus
Boren
Burdick
Conrad
DeConcini
Dixon
Exon
Ford
Fowler
Garn
Glenn
Gore
Grassley
Harkin
Hatch
Hecht
Heflin
Helms
Hollings
Humphrey
Kasten
McCain
McClure
Murkowski
Nickles
Pressler
Proxmire
Pryor
Quayle
Riegle
Rudman
Sasser
Symms
Warner

NOT VOTING—7

Adams
Biden
Bingaman
Leahy
Matsunaga
Shelby
Simon

So the amendment (No. 647) was agreed to.

Mr. BYRD. Mr. President, if we may have the attention of all Senators, and I would particularly want the attention of the distinguished Republican leader and the two managers, I want to see if they agree with me on some matters here this afternoon.

Mr. President, this resolution has to be on the President's desk and signed by the President by midnight next Thursday or the whole thing collapses. We need to get this resolution passed this afternoon or be in tomorrow. Now, we cannot fiddle-faddle around with all kinds of nongermane amendments. This is not the vehicle for them, and it is not the time for them. I hope that the joint leadership will join in moving to table any, I say any, nongermane amendment.

I am sure there are nongermane amendments that are very important to Senators who have them, and they are important amendments. But if we do not get this resolution adopted and sent to the conference—and it has problems in conference with the House—and back to both Houses and on the President's desk by midnight next Thursday, Social Security checks are not going to go out, veterans' checks are not going to go out. This Government will not be able to pay its bills and it will not be able to borrow money. So I urge Senators, please do not call up nongermane amendments.

I hope I can get some expression of support from the Republican leader and from both managers. I hope they will join me in urging Senators to stay around today and finish the work on this measure. Those who leave and are out of town when these important votes occur, may regret that. I would not want to be out of town when votes are occurring on this resolution today.

So I am going to yield to the distinguished Republican leader or either of the managers. I want Senators to understand that it is not just the majority leader standing up here saying we have to get the job done. I want others who are managing this resolution to state whether or not it is their intention to move on this afternoon and to do all we can to press for final action.

Mr. DOLE. Will the majority leader yield?

Mr. BYRD. Yes, I yield.

Mr. DOLE. Let me underscore what the majority leader has said. It is my understanding that not only the managers of the so-called Gramm-Rudman-Hollings fix amendment, but also the managers of the debt limit, Senators BENTSEN and PACKWOOD, share the view that we ought to do it as quickly as we can. I know a lot of our colleagues on both sides have important appointments later in the day. I understand there are 13 amendments floating around. There may be two or three of those that are germane obviously and there is no quarrel with those. But I wanted to indicate my support for the position taken by the majority leader, and I hope that is shared by the managers on each side. I think it is safe to say I can speak for Senator PACKWOOD that he feels the same.

Mr. BYRD. I thank the Republican leader.

Mr. CHILES. I welcome the majority leader's comments. I welcome those of the minority leader. I think it is possible for us to buckle down and to finish this bill today, this evening, tonight. I think it could be done quickly if the spirit is here and people understand. The issues before us are clear. Certainly, I do not think we should have any nongermane amendments. There are even some that are in the realm of maybe calling them germane that I hope Members would decide now is not the propitious time to offer those with this question before us.

Mr. BYRD. I thank the Senator.

Mr. DOMENICI. Will the distinguished majority leader yield?

Mr. BYRD. Yes; I yield.

Mr. DOMENICI. I not only support what the Senator has just indicated but I welcome it. Actually, there are, from what I can tell, 8 or 10 amendments that are spurious to the underlying issue. We are trying on our side to narrow down even those amendments which are relevant to one or two with reference to such items as rescission authority and the like. Maybe we can get those down to only one. We are not there yet. But clearly we would like to finish today. We think we have struck a pretty good deal after an awful lot of work and we are now waiting. It seems that Senator JOHNSTON has the principal amendment which would alter the Gramm amendment. He says he will be ready shortly. Obviously, it his amendment will be debated. I know of no other amendments on our side to the proposal itself. Senator EVANS has amendments that are germane in the area of appropriation bills, line-item veto, and the like. I am not speaking about those. We know of no amendments on our side to the Gramm-Rudman fix deal that has been struck between Senator CHILES, myself, and the Senator from Texas.

Mr. BYRD. Mr. President, I would question as to whether or not a line-item veto amendment would be germane. I doubt that.

Mr. DOMENICI. Relevant.

Mr. BYRD. Well, relevant is one thing; a good many things can be relevant, but being germane. I say they have no business on this resolution. Now, if we get a line-item veto up here and it passes this Senate, we might as well go home because we are not going to get any time agreement on this resolution if that is adopted. So Senators had better sober up and prepare to vote to table some very attractive amendments perhaps. But we just cannot fiddle-faddle and get this resolution to conference and have it on the President's desk. I say that with a great deal of regret and trepidation. I know there will be some amendments probably that will be called up that I would like to support, too, but I am not going to support them.

Mr. DOMENICI. Will the distinguished majority leader yield?

Mr. BYRD. Yes.

Mr. DOMENICI. I want to make it clear from my standpoint in my negotiations and discussions with the distinguished Senator from Florida, perhaps I have improperly made a distinction between amendments that were clearly relevant to the processes that are involved such as rescission enhancement, line-item veto. I am not telling the leader that I support all of those. But when I said I will try to keep all nongermane amendments off, I did not have those two or three amendments in mind. I am trying to limit those, process related amendments to a very, very few—if possible one. Hopefully that one will not be the line-item veto. I did not include the line-item veto in the strict definition of germaneness and to that extent I have misstated myself and I want the leader to understand.

Mr. BYRD. Yes. Mr. President, I do understand. I respect the Senator. I still am going to oppose such amendments and I hope that the Senate will oppose them. Senators have a right to call them up. That is of course true, but we better think twice. And I hope Senators will join in tabling nongermane amendments.

The PRESIDING OFFICER. The question now occurs on the Gramm amendment.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, this is just to inform the Senate that in a short while, I hope to offer the Social Security trust funds management amendment bill, which was introduced on the first day of the 100th Congress by my distinguished colleague from Michigan, Mr. RIEGLE, and myself.

This is a measure which passed the Senate in the last Congress, only to fail in conference with the House.

As the distinguished managers of the legislation will know, this is a genuine problem as we deal with this debt ceiling situation. In 1984, during an impasse on the debt ceiling, the Treasury found itself cashing in some $5 billion in Social Security trust fund bonds, with a loss to the trust funds of some $382 million in interest payments, which was subsequently paid back.

Then, in September through November 1985, in a protracted crisis, the Treasury cashed in, in sequence, $6.9 billion in September, $4.8 billion in October, and $13.7 billion in November.

In round terms, some $25 billion in trust funds were cashed in to use for the general purposes of Government, which of course is not what they were there for. Yet, it is also the case that the Secretary of the Treasury may not have had any choice. We put him in this position.

Mr. President, may we have order?

The PRESIDING OFFICER. The Senator is correct. The Senate is not in order.

The Senate will please come to order. The Senator from New York will suspend while the Senate is brought to order. Will Senators please cease audible conversation?

Mr. MOYNIHAN. I thank the Chair. The Presiding Officer is very thoughtful to bring silence to the Chamber on this subject.

We are talking about the Social Security Trust Fund. There is not one Member of this body, we hope, who will not draw Social Security someday, and we represent some 33 million Americans who are drawing it. They have paid their money into this trust fund, and they have a right to know if it is being kept in trust.

On December 5, 1985, the General Accounting Office found that the Secretary's actions were "in violation of the Social Security Act." But then it went on to say: "We cannot say that the Secretary acted unreasonably, given the extraordinary situation in which he was operating."

He found himself with the choice of cashing in Social Security trust funds or letting the U.S. Government default on its debt, an intolerable choice for a Secretary of the Treasury.

If there was a mistake made in 1984 and 1985, and there was, it is this: That Congress was not notified of this action of cashing in the trust funds. The trustees were not notified. We established in 1983 two public trustees. They were not notified. That was wrong. We wish they had not done that. Under Secretary Gould, in May 1987 testimony before the Finance Committee, said that the Treasury prefers this version to the House proposal, which would prohibit disinvestment under any circumstances.

My amendment simply says to the Secretary that he may not disinvest—except to pay out social security benefits. This amendment puts him out of the situation where he could disinvest for other reasons, but ought not.

This temptation will be large, Mr. President. The trust funds are in surplus now and will grow. The surplus will reach $1 trillion in the next decade. The temptation to use these moneys for a crisis situation, knowing that the crisis comes and there is this money to use, will grow. It is agreed that as the practice continues, confidence in the trust fund will diminish.

What will you say if your Social Security trust funds are used to pay for the Commodity Credit Corporation or to buy ships for the Navy or to subsidize the mass transit here and there—all things that are legitimate in Government but, nonetheless, not a legitimate use of trust funds?

The amendment provides, very simply, that bonds may be cashed in but only for the purpose of paying Social Security benefits. That is what they are there for.

What does this do for the Secretary of the Treasury? In this Senator's view—and I am chairman of the Subcommittee on Social Security and Family Policy—it removes the Secretary from an intolerable situation where he can, in effect, violate a trust, which he does not want to do, or he can let the Government default on its debt, which he does not want to do, and the only way he can avoid default is to violate the trust. That is not a position in which an officer of the U.S. Government should be placed.

So what this really does, Mr. President, is to put Congress on notice that when the debt ceiling is reached, the Secretary has no option: He cannot dip into Social Security to meet other Government obligations.

I emphasize that in the years ahead, this is going to be a very considerable temptation. In this legislation we will be talking about fiscal year 1991, which is not far away. In 1991, we now project a surplus of $260 billion—a quarter of a trillion dollars. That is why I am happy to be able to say, and honored to be able to say, that the distinguished chairman of the Committee on Finance supports this legislation. From the first, he has understood, to repeat, the intolerable position in which we put the Secretary of the Treasury and the question of the sanctity of these funds. These funds are for Social Security benefits and nothing else. They are a trust fund.

Under law, the most binding of the obligations is for a trustee to see that the trust funds are properly managed. The managing trustee, the Secretary of the Treasury, is—according to a statement from the General Accounting Office, the Comptroller—at risk of having to violate this obligation.

Our Secretary of the Treasury is a man of honor and impeccable standards in this kind of matter, and he ought not be put in that position. Our purpose here is to see that he is not.

Mr. BENTSEN. Mr. President, will the Senator yield?

Mr. MOYNIHAN. I am happy to yield.

Mr. BENTSEN. If I might state as chairman of the Finance Committee I support the amendment that the Senator will be offering. As I recall we passed that through the Finance Committee last year.

Mr. MOYNIHAN. The Senator is right.

Mr. BENTSEN. It passed through the Senate twice and we went to conference with it.

I think its underlying objective—to keep those funds inviolate—is shared by all Members of the Congress.

There was, as I recall, some difference of viewpoint as to how you achieve that objective with the Members of the House. I am confident, if we pass it this time and take it to conference, we can resolve those differences and put it into the law.

I certainly support the objective of the distinguished Senator from New York in that regard.

Mr. MOYNIHAN. I thank the chairman, who could not be more supportive in this throughout.

I see my distinguished cosponsor is here and, Mr. President, in the presence of the Senator from Michigan I yield the floor.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. I thank the Chair.

Mr. President, I want to say to my colleague from New York that I am very pleased that we are able to join together in offering this today.

I thank the chairman of the Finance Committee for his support of the amendment and his belief that this can be worked out in a satisfactory way in conference.

It is just wrong to constantly hold people on Social Security hostage to these extensions of the debt limit. The Social Security Fund is separately financed. The money is there for that purpose and that purpose alone. It ought to be used. It ought not to be in any way threatened, jeopardized, or interrupted because of these needs to extend the debt limit.

So I am very hopeful we can see this enacted into law. We have passed it before. It is something that our seniors want and deserve and they ought not be be held hostage in these circumstances, and this is a way to correct that problem.

I yield the floor.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I would like to emphasize a point that has been made by my friend, the Senator from Michigan. With this amendment and with our prospective surplus in the trust fund, whatever happens with these periodic, systematic debt-ceiling crises, it will not be a crisis for the Social Security recipients. In a situation where a debt ceiling has been reached and the Assistant Secretary of Treasury is saying either we get this debt ceiling changed or no Social Security checks go out Monday morning, he has a right to disinvest, that is to cash in sufficient trust fund assets in order to send out the checks. That is what the trust fund is for.

The Senator from Michigan is quite right. Senior citizens have every reason to expect that their benefits are there, they are paid for, and they will be paid out. Suddenly, they have to read in the paper they will not go out this Monday. What on earth is happening?

In all truth, most persons in retirement understand it and there will not be any great difficulty. But there are many persons who are frail and apprehensive generally about their situation who will not understand it and who should not have to understand it. What those citizens most need is the assurance: do not worry about that, that is taken care of, we have nothing to worry about here.

Indeed they ought not to worry and with this legislation they will not.

Mr. President, as the distinguished managers of the legislation know, we are waiting only for clearance from the other side of the aisle before we proceed, and we know that clearance will be forthcoming.

I see my chairman emeritus is on the floor.

Mr. DOMENICI. Mr. President, will the Senator from New York yield?

Mr. MOYNIHAN. I am happy to yield.

Mr. DOMENICI. I am in a predicament in that I am not a ranking member of the Finance Committee, and Senator Packwood is in the process of reviewing the Senator's amendment. We are supposed to hear from him shortly as to whether or not he has any objection. I think that will be forthcoming rather quickly.

Obviously, I cannot speak for him. I do not feel disposed to say OK until at least he has had a chance to look at it. I feel, as the Senator does, rather positive that he is not going to have any objection. I think he deserves an opportunity to review it.

Mr. MOYNIHAN. Of course.

Does anyone have a suggestion how we might proceed?

Mr. DOMENICI. We understand he is on the phone at this moment with his staff being briefed and we should just be momentarily delayed.

Mr. MOYNIHAN. If that is the case, Mr. President, then it would not be inappropriate for me to hold the floor unless the distinguished Senator from Texas wishes to speak.

Mr. BENTSEN. No. That is fine.

Mr. MOYNIHAN. We will be dealing with this matter shortly.

I would like to take the opportunity to note, with respect to the availability of the Social Security Trust Fund assets to pay benfits, that under this amendment, such assets would also be available to pay administrative expenses. The point here would be that it would be of little avail that there are moneys to cover the checks if, in fact, there is nobody working in the Social Security offices to send them out. So we provide that the work force continue in the same manner.

We also provide that in the situation where FICA taxes are received by the Treasury as they are continuously, they cannot be invested if we have reached the debt ceiling, they just have to be held. However, the amendment requires that these tax receipts be invested as soon as possible and that there is a permanent appropriation to restore the trust funds to the level at which they would have been had no disinvestment occurred

It would also restore assets that were redeemed, as well as any interest lost as a result of the redemption.

May I just walk the Senate through that point. Moneys are constantly coming in from FICA taxes, payroll taxes, and those moneys are typically turned over and paid out in benefits. Any surplus not needed is invested in this particular bond that was established half a century ago, which is always redeemable at par. It is a Treasury bond, but it never drops below par. It is the safest possible investment in the world, I would like to think, but in normal circumstances there is no need to cash those bonds because the cash flow is quite sufficient for what is needed. As a matter of fact, on a regular basis now each month more money comes into the trust funds than goes out. So if a bond is cashed in because incoming tax receipts that are arriving in the mail cannot be invested, you lose interest. Well, we have provided that such lost interest be paid back. The trust fund is made whole for any interruptions in its normal operations that come about because the debt ceiling has been reached and it is not possible to invest the FICA taxes and the trust fund assets have to be disinvested.

If this seems an abstraction, please remember that it happened in 1984 and it happened in 1985, and in not small sums, $5 billion, $25 billion. As that distinguished Senator from Illinois once said on this floor, a billion here and a billion there and pretty soon you are talking about real money. And this is indeed real money.

The great failing in 1984 and 1985 is that Congress was not told. It was embarrassing to the Treasury, painful to the Treasury. It is not their manner. They do not proceed in such ways. But in this case they did.

So we, therefore, provide in this measure that the managing trustee will be required to notify the Social Security Board of Trustees and the Congress 15 days in advance of an anticipated disinvestment.

I do not think I make legislative history through a statement on the floor, but perhaps I could note at this time that when we say "notify the Congress," what we have in mind is notifying the Finance Committee in the Senate and the Committee on Ways and Means in the House. These are the tax committees, and they have jurisdiction over this legislation, and when everything is in the open, we will feel secure and there is no need to be apprehensive. It is when things are done that are not reported and indeed when things are done that do not have any pre-prepared solution that you get in trouble.

When the trust funds were disinvested in 1984 and again in 1985, there was no established procedure for making up the lost interest. We created such a procedure. We enacted legislation. Today, we propose to refine that procedure by prohibiting the premature disinvestment of the Social Security Trust Funds, except to pay out Social Security benefits.

AMENDMENT NO. 648

(Purpose: To specify the treatment of the Social Security Trust Funds in the event that the statutory limit on the public debt is reached)

Mr. MOYNIHAN. Mr. President, in the circumstance, and seeing the cheerful confidence of my friend, Senator Domenici, I send this amendment to the desk and ask for its immediate consideration for myself and Mr. Riegle.

The PRESIDING OFFICER. Is the Senator from New York asking consent to set aside the pending amendment?

Mr. MOYNIHAN. Mr. President, I regret that I did not ask for consent to set aside the pending amendment that we might consider this one item I would now send to the desk.

The PRESIDING OFFICER. Is there objection to setting aside the present amendment? Without objection, it is so ordered.

The amendment will be stated.

The legislative clerk read as follows:

The Senator from New York [Mr. Moynihan], for himself and Mr. Riegle, proposes an amendment numbered 648.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, add the following new title:

TITLE .—SOCIAL SECURITY TRUST FUNDS

SEC. . SHORT TITLE.

This title may be cited as the "Social Se-

SEC. . INVESTMENT AND RESTORATION OF TRUST FUNDS.

(a) Subsection (d) of section 201 of the Social Security Act (42 U.S.C. 401(d)) is amended—

(1) by striking out "(1) on original issue" and inserting in lieu thereof "(A) on original issue",

(2) by striking out "(2) by purchase" and inserting in lieu thereof "(B) by purchase";

(3) by striking out "It shall be" and inserting in lieu thereof "(1) It shall be", and

(4) by adding at the end thereof the following new paragraphs:

"(2) If—

"(A) any amounts in the Trust Funds have not been invested solely by reason of the public debt limit, and

"(B) the taxes described in clause (3) or (4) of subsection (a) with respect to which such amounts were appropriated to the Trust Funds have actually been received into the general fund of the Treasury of the United States,

such amounts shall be invested by the Managing Trustee as soon as such investments can be made without exceeding the public debt limit and without jeopardizing the timely payment of benefits under this title or under any other provision of law directly related to the programs established by this title.

"(3)(A) Upon expiration of any debt limit impact period, the Managing Trustee shall immediately—

"(i) reissue to each of the Trust Funds obligations under chapter 31 of title 31, United States Code, that are identical, with respect to interest rate and maturity, to public debt obligations held by such Trust Fund that—

"(I) were redeemed during the debt limit impact period, and

"(II) as determined by the Managing Trustee on the basis of standard investment procedures for such Trust Fund in effect on the day before the date on which the debt limit impact period began would not have been redeemed if the debt limit impact period had not occurred, and

"(ii) issue to each of the Trust Funds obligations under chapter 31 of title 31, United States Code, that are identical, with respect to interest rate and maturity, to public debt obligations which—

"(I) were not issued during the debt limit impact period, and

"(II) as determined by the Managing Trustee on the basis of such standard investment procedures, would have been issued if the debt limit impact period had not occurred.

"(B) Obligations issued or reissued under subparagraph (A) shall be substituted for obligations that are held by the Trust Fund, and for amounts in the Trust Fund that have not been invested, on the date on which the debt limit impact period ends in a manner that will ensure that, after such substitution, the holdings of the Trust Fund will replicate to the maximum extent practicable the obligations that would be held by such Trust Fund if the debt limit impact period had not occurred.

"(C) In determining, for purposes of this paragraph, the obligations that would be held by a Trust Fund if the debt limit impact period had not occurred, any amounts in the Trust Fund which have not been invested, and any amounts required to be invested under paragraph (2), shall be treated as amounts which were required to be invested upon transfer to the Trust Fund.

"(4) The Managing Trustee shall pay, on the first normal interest payment date that occurs on or after the date on which any debt limit impact period ends, to each of the Trust Funds, from amounts in the general fund of the Treasury of the United States not otherwise appropriated, an amount determined by the Managing Trustee to be equal to the excess of—

"(A) the net amount of interest that would have been earned by such Trust Fund during such debt limit impact period if—

"(i) amounts in such Trust Fund that were not invested during such debt limit impact period solely by reason of the public debt limit had been invested, and

"(ii) redemptions and disinvestments with respect to such Trust Fund which occurred during such debt limit impact period solely by reason of the public debt limit had not occurred, over

"(B) the sum of—

"(i) the net amount of interest actually earned by such Trust Fund during such debt limit impact period, plus

"(ii) the total amount of the principal of all obligations issued or reissued under paragraph (3)(A) at the end of such debt limit impact period that is attributable to interest that would have been earned by such Trust Fund during such debt limit impact period but for the public debt limit.

"(5) For purposes of this section—

"(A) The term 'public debt limit' means the limitation imposed by subsection (b) of section 3101 of title 31, United States Code.

"(B) The term 'debt limit impact period' means any period for which the Secretary of the Treasury determines that the issuance of obligations of the United States sufficient to orderly conduct the financial operations of the United States may not be made without exceeding the public debt limit.".

(b) Subsection (a) of section 201 of the Social Security Act is amended by adding at the end thereof the following new sentence: "All amounts so transferred shall be immediately available exclusively for the purpose for which amounts in the Trust Fund are specifically made available under this title or under any other provisions of law directly related to the programs established by this title.".

SEC. . REPEAL OF NORMALIZED TAX TRANSFER.

(a) Subsection (a) of section 201 of the Social Security Act is amended by striking out the matter following clause (4) and inserting in lieu thereof the following: "The amounts appropriated by clauses (3) and (4) shall be transferred from the general fund of the Treasury of the United States to the Federal Old-Age and Survivors Insurance Trust Fund, and the amounts appropriated by clauses (1) and (2) of subsection (b) shall be transferred from the general fund of the Treasury to the Federal Disability Insurance Trust Fund, upon receipt by the general fund of taxes specified in clauses (3) and (4) of this subsection (as estimated by the Secretary). Proper adjustments shall be made in amounts subsequently transferred to the extent amounts previously transferred were in excess of, or were less than, the taxes specified in such clauses (3) and (4). All amounts so transferred shall be immediately available exclusively for the purpose for which amounts in the Trust Fund are specifically made available under this title or under other provisions of law directly related to the programs established by this title.".

(b) The amendment made by subsection (a) shall take effect on July 1, 1990.

SEC. . FAITHFUL EXECUTION OF DUTIES BY MEMBERS OF BOARD OF TRUSTEES OF TRUST FUNDS.

Section 201(c) of the Social Security Act is amended by striking the last sentence and inserting the following: "A person serving on the Board of Trustees (including the Managing Trustee) shall not be considered to be a fiduciary, but each such person shall faithfully execute the duties imposed on such person by this section. A person serving on the Board of Trustees (including the Managing Trustee) shall not be personally liable for actions taken in such capacity with respect to the Trust Funds.".

SEC. . REPORTS REGARDING THE OPERATION AND STATUS OF THE TRUST FUNDS.

Subsection (c) of section 201 of the Social Security Act is amended—

(1) by striking "once" in the fourth sentence and inserting "twice",

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively,

(3) by redesignating paragraphs (3), (4), and (5) as subparagraphs (D), (E), and (F), respectively,

(4) by inserting after subparagraph (B) (as redesignated by paragraph (2) of this section) the following:

"(C) Report to the Congress as soon as possible, but not later than the date that is 30 days after the first normal interest payment date occurring on or after the date on which any debt limit impact period for which the Managing Trustee is required to take action under paragraph (3) or (4) of subsection (d) ends, on—

"(i) the operation and status of the Trust Funds during such debt limit impact period, and

"(ii) the actions taken under paragraphs (3) and (4) of subsection (d) with respect to such debt limit impact period;",

(5) by striking out "in paragraph (2) above" and inserting in lieu thereof "in subparagraph (B) above",

(6) by inserting "(1)" after "(c)", and

(7) by adding at the end thereof the following:

"(2) The Managing Trustee shall report monthly to the Board of Trustees concerning the operation and status of the Trust Funds and shall report to Congress and to the Board of Trustees not less than 15 days prior to the date on which by reason of the public debt limit, the Managing Trustee expects to be unable to fully comply with the provisions of subsection (a) or (d)(1), and shall include in such report an estimate of the expected consequences to the Trust Funds of such inability.".

SEC. . ELIMINATION OF UNDUE DISCRETION IN THE INVESTMENT OF TRUST FUNDS.

(a) Section 201(d) of the Social Security Act is amended, in the first sentence—

(1) by inserting "immediately" after "to invest"; and

(2) by striking ", in his judgment,".

(b)(1) Paragraph (2) of section 201(d) of the Social Security Act, as added by this title, is amended to read as follows:

"(2) If any amount in either of the Trust Funds is not invested solely by reason of the public debt limit, such amount shall be invested as soon as such investment can be made without exceeding the public debt limit and without jeopardizing the timely payment of benefits under this title or under any other provision of law directly related to the programs established by this title."

(2) The amendment made by paragraph (1) shall take effect on July 1, 1990.

SEC. . SALES AND REDEMPTIONS BY TRUST FUNDS.

Section 201(e) of the Social Security Act is amended—

(1) by inserting "(1)" after "(e)"; and

(2) by adding at the end the following:

"(2)(A) The Managing Trustee may effect any such sale or redemption with respect to either Trust Fund only for the purpose of enabling such Trust Fund to make payments authorized by this title or under any other provisions of law directly related to the programs established by this title. If either of the Trust Funds holds any amounts which are not invested by reason of the public debt limit, the Managing Trustee is nevertheless directed to make such sales and redemptions if, and only to the extent, necessary to assure timely payment of benefits and other payments authorized by this title or by any other provisions of law directly related to the programs established by this title, but the principal amount of obligations sold or redeemed pursuant to this sentence shall not exceed the principal amount of obligations that would have been sold or redeemed under normal operating procedures in order to make such payments.".

SEC. . EFFECTIVE DATE.

Except as otherwise provided by this title, the amendments made by this title shall take effect on the date of enactment of this Act.

Mr. RIEGLE. Mr. President, I am pleased to join with the Senator from New York [Mr. MOYNIHAN], in offering an amendment to the debt ceiling legislation which would protect Social Security beneficiaries and the Social Security trust fund from being used as political pawns when the Government reaches the debt limit ceiling. This amendment would prevent a repeat of events that took place 2 years ago when the Treasury Department redeemed assets from the trust fund to keep the Government from running out of money. It would also prevent Social Security beneficiaries from being frightened that their Social Security checks will not be issued every time the Congress uses the extension of the debt limit ceiling for political objectives.

For several months in 1984, and again in 1985, the Treasury Department failed to invest the amounts that were credited to the Social Security trust funds. Instead of being invested to ensure that the program would meet the future needs of workers, surplus revenues from workers' contributions were used to pay for general government activities and a non-interest-bearing credit was assigned to the trust fund. This resulted in interest losses estimated at about $875 million. In response to our questions about these unauthorized raids, Congress discovered the astounding fact that the same abuse had occurred with the debt ceiling was reached in 1984, resulting at that time in a $440 billion loss of interest. It is unconscionable that neither Congress nor the Board of Trustees had been informed of any of these episodes and that no steps had been taken to ensure repayment of the lost interest. Fortunately, Congress has since mandated that these losses be repayed.

However, these highly disturbing activities by the Treasury Department must not be allowed to occur in the future. Not only do they threaten the financial stability and structure of the Social Security System, but they undermine public confidence in the program and indeed confidence in the integrity and competence of government. Millions of Americans who contribute to the Social Security System and depend on it to provide them with a decent standard of living in their retirement years would agree that the current practice is not a proper way to ensure that the funds owed them will be there when they need them.

I believe that ultimately Congress should restructure the Social Security System by making the Social Security Administration an independent agency. This would largely do away with the conflict of interest that allowed the Secretary of the Treasury to believe he could authorize these raids. In the meantime, however, there is urgent need for action to ensure that this particular threat cannot occur again. There is currently nothing to prevent Treasury from engaging in the same kind of manipulation again. For this reason, I am cosponsoring this amendment by Senator MOYNIHAN. Several provisions in this legislation would ensure protection of the trust funds.

Mr. MOYNIHAN. Mr. President, I believe we have set forth the provisions.

Mr. DOMENICI. Mr. President, I have conferred with the distinguished ranking member of the Finance Committee, Senator PACKWOOD. He has no objection.

My understanding is the Senate has adopted this approach to Social Security trust fund investment heretofore but it has not been acceptable to the House in conference. We have no objection to it.

Mr. BENTSEN. Mr. President, as the manager of the bill for the majority, let me point out that we passed this amendment twice last year in the Senate, and had approved it in the Finance Committee. I think the objective of the amendment is excellent. I strongly support it.

What we want to do is be sure that Social Security funds are held inviolate. That is the purpose. I am confident in going into conference that the House shares those objectives. The problem before was a difference over the means of achieving them. I feel confident that we can reconcile those.

I urge the adoption of the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment?

If not, the question is on agreeing to the amendment of the Senator from New York.

The amendment (No. 648) was agreed to.

Mr. BENTSEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MOYNIHAN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BENTSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. KASTEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 649

(Purpose: To lower the deficit targets for fiscal years 1988 and 1989)

Mr. JOHNSTON. Mr. President, I send an amendment to the desk on behalf of myself; the Senator from North Dakota, Mr. CONRAD; and the Senator from Colorado, Mr. WIRTH and Mr. KERRY and ask for its immediate consideration.

The PRESIDING OFFICER. If the amendment is not an amendment to the pending Gramm amendment, a unanimous-consent request would have to be granted to set-aside the pending amendment.

Mr. JOHNSTON. Mr. President, parliamentary inquiry: Is the Gramm amendment presently pending?

The PRESIDING OFFICER. Yes, the Gramm amendment is the pending amendment.

Mr. JOHNSTON. Then this amendment is to the Gramm amendment.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Louisiana [Mr. JOHNSTON], for himself, Mr. CONRAD, and Mr. WIRTH, proposes an amendment numbered 649 to amendment No. 645.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 58 strike lines 1 through 5 and insert the following:

"(7) The term 'maximum deficit amount' means—

"(A) with respect to the fiscal year beginning October 1, 1987, the lower of $140,000,000,000 or $36 billion less than the baseline estimate of the deficit in a manner to be determined by the conferees;

"(B) with respect to the fiscal year beginning October 1, 1988, $120,000,000,000;"

and section (d)(1) of the Balanced Budget Act of 1985 is amended by striking out "$10,000,000,000" each place it appears and inserting in lieu thereof "$5,000,000,000".

(2) The amendment made by paragraph (1) shall be in effect only with respect to fiscal year 1988.

Mr. JOHNSTON. Mr. President, what this amendment does is require that, in fiscal year 1988, at least $36 billion in policy reductions be made from the baseline deficit.

The way we achieve that is to amend the fiscal year 1988 target and to make that target $140 billion in lieu of the $150 billion stated in the present amendment and to reduce the cushion from $10 to $5 billion.

With present economics, that is assuming a deficit which is CBO's current number of $186 billion, that would give you a policy reduction of $41 billion.

But we also have language that says $36 billion below the baseline, whichever is less.

So that if the baseline deficit turns out to be not $186 billion but something higher than that, or indeed $186 billion, then the $36 billion language would govern.

We also provide that with respect to the fiscal year 1989 deficit, that the target shall be $120 billion instead of $130 billion. We do not change the fail-safe of $36 billion for the second year.

Mr. President, I discussed at some length this morning the fact that the pending amendment, while cloaked in strong language of making the President come to the bargaining table and that it is taking a strong swipe at the size of the deficit—actually it is a step backward.

If you believe in the Gramm-Rudman process or if you do not believe in the Gramm-Rudman process, you must accept the fact which is stated in the figures printed in this amendment that the Gramm amendment is a step backward because it has a maximum reduction of $26 billion. A minimum reduction, depending on the economics, depending on what OMB does, depending on what the conferees do—it may require zero reduction. But is has a maximum reduction of $26 billion because that assumes that the biggest deficit projection, which is now the projection of the Congressional Budget Office at $186 billion, if you use that projection then you only have to make a savings of $26 billion and that is compared to the Senate budget resolution, which has already been passed and reconciliation instructions have already been issued to the various committees, which require a cut of $38 billion.

So, why should we take a step backward from that strong action to a weaker action? If we cannot take that action in this, a nonelection year, what are we going to do next year when it is an election year? We will do zero next year and not much this year and present, indeed, an ever-growing crisis for the following year.

Mr. President, to me the idea of stepping back, the idea of saying we cannot act this year, would be to confirm the worst suspicions that Gramm-Rudman skeptics had all along, and that is that you are going to talk tough about procedure, but when you get up to the actual cutting of the deficits, you are going to wilt like the roses in the sunlight; you are going to step back from that tough challenge and not do what can be done.

It can be done this year, Mr. President. The Congress has already made all those decisions, at least in the budget resolution.

We have taken the tough votes. We have said by a majority vote of both Houses, $19.3 billion worth of taxes. That is tough action.

It is time to carry that out, it seems to me, by not reducing the size of the action already taken. I think it is just as clear as it can be and I hope my colleagues will see it the same way.

I hope that the authors of this amendment, of the Gramm amendment, will come with us and have a bigger cut and not a lesser cut.

Mr. President, I send a modification to the desk and ask the modification be reported.

The PRESIDING OFFICER (Mr. DIXON). The amendment as modified will be stated.

The bill clerk read as follows:

The Senator from Louisiana [Mr. JOHNSTON] proposes a modified amendment (No. 649).

Mr. JOHNSTON. I ask unanimous consent that further reading of the amendment as modified be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment, as modified, is as follows:

On page 58 strike lines 1 through 5 and insert the following:

"(7) The term 'maximum deficit amount' means—

"(A) with respect to the fiscal year beginning October 1, 1987, the lower of $140,000,000,000 or $36 billion less than the baseline estimate of the deficit in a manner to be determined by the conferees;

"(B) with respect to the fiscal year beginning October 1, 1988, $120,000,000,000;"

At the appropriate place, insert "and section (d)(1) of the Balanced Budget Act of 1985 is amended by striking out '$10,000,000,000' each place it appears and inserting in lieu thereof '$5,000,000,000' ".

(2) The amendment made by paragraph (1) shall be in effect only with respect to fiscal year 1988.

Mr. JOHNSTON. This is a technical correction, second page, submitted to add on line 14 the words "At the appropriate place, insert".

The PRESIDING OFFICER. The Senator has a right to modify his amendment.

Mr. JOHNSTON. So it does not change the substance of the amendment just described.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI I wonder if I may ask the principal sponsor of the amendment if he would like to enter into a time agreement with reference to the amendment.

Mr. JOHNSTON. Mr. President, I do not intend to speak a long time and Senator WIRTH is not here on the floor. At this point, I do not know whether he is going to want time.

I would rather not enter into that at this time. I think, frankly, we can dispose of this quickly.

I think the issue is clear and understandable. We discussed it in our caucus.

Why do we not debate it for a little while and if it looks like it is getting out of hand, I will agree to any reasonable time limit.

Mr. DOMENICI Mr. President, I am not going to speak very long on this amendment. Let me just suggest to the U.S. Senate that those of us who were totally committed to reinstating a mandatory trigger have negotiated hard and long to come up with a bipartisan compromise. I regret to say my friend from Louisiana, the principal sponsor of this amendment, is not one of those. He has never been for it. He is not for it and said he was not for it yesterday.

Now this Gramm-Rudman-Hollings automatic trigger is before the Senate. The distinguished Senator from Louisiana indicated clearly yesterday that he does not favor the Gramm-Rudman-Hollings sequester. He went to great lengths to discuss with us that he thought the process would work without it. As a matter of fact, he read language from a year ago saying that Gramm-Rudman-Hollings would work without an automatic trigger.

So, let me remind the Senate that those who really want to make the trigger work have gone to the bargaining table, not once, and not 1 day, not 1 week, but for 2 weeks. From that negotiating as best we could with us full understanding, not only of the budget, of the numbers, but of the institution and of the support—and from whence the support for Gramm-Rudman-Hollings automatic sequester comes in the U.S. Senate—we came forth with an agreement that we think is a fair one.

It puts the United States on a path of deficit reduction. As I said yesterday, we could sit around here and quibble about whether $5 billion more a year is better for America; $10 billion more a year in deficit reduction is better for America. But I do not think there is any question that if we can implement the compromise that Senators CHILES, DOMENICI, and GRAMM, working with others—if we can implement that, that would be historic. I do not believe the marketplace would quibble one bit with a $150 billion target and a $130 billion target, and thereafter a path to zero.

I think they would raise the flag of victory saying we have finally got something.

Frankly, along comes the Senator, my good friend, a very distinguished Senator who does not even support the process and he is now down here telling the Senate he has the fix for it. He has the cure for it.

Well, he sure does. I guarantee what it is calculated to do is to get no Gramm-Rudman-Hollings sequester process because there is not support, there would not be support for the numbers that he has put in and the way he has approached it. Those who are going to vote for it, I hope they are prepared if they are going to vote to change the compromise. I hope they are prepared to vote for a Gramm-Rudman-Hollings sequester, Johnston-style? Because that is what they are going to have to do.

If they vote in the first round for that, they better be prepared to stand up and vote yea for a mandatory $36 billion sequester this coming year, 6 weeks from now, mandatory and unequivocal, or $140 billion with a $5 billion window.

Let me tell the Senate, my good friend from Louisiana and a few others have told the Senate that there will not be any major sequester, that they have this all figured out, that we have somehow got some gimmicks here trying to bail out Ronald Reagan and avoid a sequester.

There has even been some contention that it can be pushed off into 2 years from now when the other side of the aisle says it is being pushed off to a President who will be a Democrat President.

Well, let me tell the Chair and the Members of the Senate, I really think that is going pretty far. First of all, the November election a year from now has not already occurred.

Frankly, from this Senator's standpoint, if the Senate wants to know the truth, the difficult part of a U.S. budget from the standpoint of fixed targets just happens, Mr. President, to be 1988 and 1989. If you are talking about the years following when the other side of the aisle assumes there is going to be a President of their party, it just happens, because of the tax bill, that the deficit starts coming down then even if we do not do anything.

The current policy deficit—that is with no deficit reduction at all—goes down starting in 1990 and 1991 this is the case even under the new CBO preliminary numbers. That is why the distinguished chairman, Senator CHILES, myself and Senator GRAMM concentrated so heavily on this year for 1988 and 1989.

I am not going to go into baselines and all kinds of details. Let me just suggest if the distinguished Senator from Louisiana and his cosponsors think we are so far off the mark, just listen to this simple explanation of why $150 billion plus $10 billion and $130 billion plus $10 billion as the fixed targets, with all the vagaries of change, cannot be far off the mark.

Mr. President, if we were to just go back to the original Gramm-Rudman-Hollings days and remember that the first deficit, the $220 billion one that we were unaware of was $50 billion higher than we thought. I think everybody would say, "Well, at least, we ought to slip the targets a year."

And if there were no other changes, if we had not found out anything new, do you know where the targets would be this year? $144 billion plus 10. That would be the effect of simply slipping the targets one a year, without any recognition that interest rates have gone up and we lost $11 billion in additional interest costs, or to include the effects of lower revenues or any of the other changes that have made the dificits we project $17 billion higher in fiscal year 1988 and $34 billion higher in fiscal year 1989 than we thought just 4 or 5 months ago.

So I just want to open this discussion by dispelling any notion that we have done something radical in order to avoid sequester, in order to help anyone. What we have really done is face reality.

I make no bones about it. That is the first point.

The second point: the majority of support for the Gramm-Rudman-Hollings sequester happens by coincidence to be on this side of the aisle. I am sure my good friend, the chairman, went to his caucus and got a lot of advice from marvelous Senators. I regret to say that he probably got some great advice from a lot of Senators who are not for the Gramm-Rudman-Hollings fix.

I hate to be in his position, going to a caucus where everybody is picking on his compromise and, in particular, those who do not want it at all. They are most astute about its impact and they have the most penetrating questions. They do not have any answers because they are not going to vote for it anyway.

So, by a strange coincidence, even though we are in a minority, it is recognized that a majority of the votes for this proposition are going to come from this side of the aisle, not that side of the aisle. We hope a lot of them support it.

Now, Mr. President, if I got a blackboard up here I could show you why $150 billion plus $10 billion is a very logical follow-on to the original Gramm-Rudman-Hollings. I want everyone to know that the $150 billion first year target was arrived at because the Congressional Budget Office is telling us that the deficit is much higher than we had contemplated when we had the budget resolution here on the floor. Indeed, they are telling us that a full implementation of a Democratic-passed budget would not even hit the targets. That is an interesting observation. The Democrat budget would be substantially off.

Mr. JOHNSTON. Will the Senator yield?

Mr. DOMENICI. My third point is, and I want to make it clear. We on this side of the aisle did not enter the negotiations on the automatic sequester because we support the budget plan as the Senate passed it or Congress adopted it. I know my good friend Senator JOHNSTON is looking at this debate on the automatic sequester from the point of view of the budget that passed the Senate and then was conferenced and adopted. Recall, Mr. President, we did not vote for that budget. I do not want to bring up old tales, but we did not sit down in a conference with the House on the budget. Senator GRAMM and Senator DOMENICI, with their side of the aisle in the minority, are going to provide most of the votes for sequester, not—I emphasize not—because we are saying "How in the world can we draw a sequester that will absolutely, unequivocally mandate that the budget adopted will be enforced in its totality?" We do not come to this issue from this perspective, I assure you. So, I assume anyone who has any sense would say, "Why did you do it?"

We have worked to provide mandatory targets that are reasonable, practical, achievable, and probably will require a significant sequester in order to assure that something in the way of realistic deficit reduction gets done this year.

Mr. JOHNSTON. Will the Senator yield?

Mr. DOMENICI. Let me finish, please.

This Senator, if this amendment is passed as is and goes to the President's desk, I will urge that he sign it. I will also tell him that in 1988 we have to maximize our efforts to deficit reduction because the next year will be plenty tough. To get to $130 billion plus $10 billion will be almost impossible unless we make some real efforts this year. As a matter of fact, the $36 billion maximum in the second year was put in there at the suggestion of the distinguished chairman because he knew how difficult that one would be to achieve.

Now, Mr. President, let me conclude. If there are those on the other side of the aisle who want to do substantially more than the compromise, and if they really think we can get it done, then they should vote for this. They better be prepared to vote for its final passage because there will be plenty on this side who will not, and you can unequivocally count this Senator among them.

I am interested in getting something done that can pass both Houses and get signed by the President of the United States, that is constitutional, that will do the job. I repeat, this may be some issue from the standpoint of the distinguished Senator from Louisiana as to just how big the sequester will be. I do not know how big it will be. But I do know this: It is not calculated to throw any extraordinary burden on a Democrat or Republican President 2 years hence. I can tell you that unequivocally. Second, from the standpoint of the marketplace of the United States—and I think I have as good a communication with them as anyone around—they do not have any argument about $5 or $10 billion more or less. They are saying, "Get the automatic trigger in. And if it is $150 billion plus $10 billion and then $130 billion plus $10 billion, hallelujah. Just do it."

I am suggesting that with the amendment in its current form we have the votes to do it. We have bipartisan support to do it. We have a chairman of a Budget Committee from the other side of the aisle willing to do it. We have broad support on this side of the aisle ready to do it. It is just as simple as that. Are we going to quibble about $10 billion when the sequester itself is at stake? Or do we get it done or not?

I will be pleased not only to yield for questions but I am pleased to yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico will yield to the Senator from Louisiana.

Mr. JOHNSTON. I thank the Senator for yielding and I would like to ask him a question. That is, Does he agree with me that under the pending Gramm amendment, as I recall it, the maximum deficit reduction this year that could be contemplated would be in the neighborhood of $26 billion, perhaps less? And if that is not correct, I wish he would explain how it could be more.

Mr. DOMENICI. If the deficit, when we finally arrive at it, is $186 billion and if you ultimately seek $160 billion, which is the $150 billion plus the margin of error, arithmetic yields $26 billion and that is the answer.

Mr. JOHNSTON. Mr. President, I thank the Senator for that answer. It is very plain and it is what I have been trying to establish all morning, that the outside limit of this amendment is $26 billion. And the Senate is stepping back from its own passed budget resolution, passed in this Congress, which calls for reconciliation of $38 billion.

Now, Mr. President, I have distilled the argument of the distinguished Senator from New Mexico, and the argument against this amendment is as follows: The senior Sentor from Louisiana has not been for Gramm-Rudman, and that is an argument repeated fives times. Now, I wonder what relevance it is to this amendment as to whether I did vote for, whether I approve of the present process, or whether I think it is likely to work in the future. It is totally irrelevant. I would be glad to debate that subject. In fact, I have, some would say, ad nauseam. But if we are going to have a process—and I think we have one and are going to have one. I recognize that. The other day I did not even ask for a record vote. I wanted my views to be known. I did not even ask for a record vote. But to repeat five times that JOHNSTON was not for Gramm-Rudman-Hollings is no argument against this amendment. I would say that my friend from Colorado, a coauthor, is and has been for Gramm-Rudman, so let us dismiss that argument.

Argument No. 2. This is a sacred agreement between the negotiators and therefore any amendments to it cannot be tolerated. The negotiators are Senator GRAMM, Senator DOMENICI, and Senator CHILES. Well, that is very nice—three Senators meet in private. I do not mean to say that they met in secret, but they met privately. I do not think the press was there. I do not think the interest groups were there. They did not call on people to testify. They did not seek public comment. They just worked together as three well-meaning, hard-working, bright Senators and fashioned a compromise. And full blown, it appears on the Senate floor last night at 6 o'clock and we are not supposed to change a jot or a tittle of that amendment.

Now, Mr. President, that is absurd written large across the Halls of this Congress. I think the whole process is bad—to present something this far-reaching without going to committee. This is not a new issue, Mr. President. The issue has been hanging around all year long. This same negotiation which took place in secret, or privately is a better word, between three Senators and their staffs could have been out there in the full light of day where people could have debated it back and forth and where people could fully have known. But the fact that it was not and the fact that they have made their agreement is no reason to say it cannot be changed one bit.

Now, when we get to the question of the substance of the numbers, we are told—and I think this is a direct quote—"I'm not going into baselines. If we slipped it for 1 year, we would be about here, or a 1-year slip would be about 144 and this is 140, so it must be right."

What relevance is it that somebody says what we should have done is slip it a year and we would be about here?

That is irrelevant, Mr. President. And we are also told, "If I had a blackboard, I could show you why 150 plus 10 is a logical followon to the present amendment."

Well, Mr. President, I can tell you we have waited in vain as to where the logic is in retreating from a $38 billion cut in the deficit already approved by this Congress. Where is the logic of saying reduce that $38 billion to $26 billion other than the fact that, "Well, I would vote against your amendment because I guess it saves more money and Republicans would vote against your amendment and therefore you better be ready to produce the votes."

Well, just where is the logic? There is no logic, Mr. President. If there is some logic, if the Senator would deal with the question at issue—the question at issue is very precise and very narrow: should we cut this deficit by $38 billion as called for in our amendment and as already passed by the Congress at least in the budget resolution, or should we reduce that to $26 billion or less. Now, that is the question and I wait, I wait, I wait like Evangeline under the oak for the logic that says we should retreat on the size of the deficit.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I am sure others want to discuss this issue. I just want to also remind the Senate that the amendment of the distinguished Senator from Louisiana with reference to the $36 billion—and he is fully aware of how difficult that concept is—says that we do not even decide that here. The manner to determine that will be decided, if I read the amendment right, by the conferees. That is what I read here.

Mr. JOHNSTON. Mr. President, will the Senator yield at that point.

Mr. DOMENICI. Is that what I read or did I read it incorrectly?

Mr. JOHNSTON. The Senator read that exactly right, which is precisely the concept as contained in his amendment, that the 14 economic indicators are to be determined by the conferees. But the important point is that you must have $36 billion less than the baseline estimate of the deficit. So there has to be $36 billion less than that, whatever it is.

Mr. DOMENICI. In a manner to be determined in the conference.

Mr. JOHNSTON. Just as your amendment does. Precisely as your amendment does.

Mr. DOMENICI. Our amendment provides that for the averaging of the two sets of economics that are given and known, and that is why we have agreed to it. Then we will have an objective determination of what that averaging will be.

Mr. JOHNSTON. Will the Senator yield at that point?

Mr. DOMENICI. I regret that, when I made my explanation of why 150 is a reasonable number, and I talked about slipping Gramm-Rudman-Hollings a year, my friend from Louisiana assumes I am talking there about something that is rather insignificant or trivial.

Mr. President, the point I was making was that things have changed over the 2 years since the original Gramm-Rudman-Hollings bill was enacted. Interest rates went up. We know the consequences of the tax bill. My point was that the deficit when we started justified our slipping the targets a year. That has been commonly understood.

So I am saying that that is $150 billion plus $10 billion is pretty close to the $144 billion plus $10 billion that we had figured on 2½ years ago, before we knew the new economics that would raise the deficit. That is why I gave that particular discussion to the U.S. Senate.

Mr. CONRAD. Mr. President, I rise in support of this amendment, which I coauthored with the distinguished Senator from Louisiana and the distinguished Senator from Colorado.

I am someone who is clearly on record as favoring a fix for the Gramm-Rudman-Hollings mechanism; because I am convinced that unless we have the pressure at the head of the President, the pressure of a gun cocked at the head of Congress, we will not make a significant deficit reduction, which is precisely what this country needs.

The reason we need it—and sometimes I think we need to remind ourselves why we need it—is that this deficit has led to higher real interest rates than we would otherwise have, which has driven up the dollar, driven us out of export markets.

The other day, Senator MOYNIHAN, in discussions of the trade deficit, indicated that our real problem is a mistake that has been made in economic policy in Washington—a staggering mistake of thinking that we could cut revenue, increase spending, and somehow it will add up. It has not added up. As a result, the deficit in this country has doubled in the last 6 years, and as a result, we have a trade deficit out of control. As a result of a trade deficit out of control, we have a burgeoning international debt. We have become the biggest debtor nation on the face of the globe, in a matter of months.

So it becomes incumbent upon us to engage in serious deficit reduction. That is the bottom line.

Now let us look at what the amendment before us does. I am not talking about the Johnston amendment, which I coauthored. I am talking about the Gramm-Domenici-Chiles amendment. That amendment would provide a target of $150 billion in fiscal 1988, with a fudge factor of $10 billion. In other words, if we were to reach a deficit of $160 billion in fiscal 1988, there would be no sequester.

Well, what was the deficit like in fiscal 1987? We are to see if we are making progress at reducing this deficit. The answer is that in the amendment of Senators GRAMM, DOMENICI, and CHILES, we make no progress on the deficit.

The fiscal 1987 deficit is $161 billion. Now we are given a target of $150 billion plus $10 billion of fudge factor—$160 billion. Absolutely no progress on the deficit from fiscal 1987 to fiscal 1988.

There are those of us who believe—just as sincerely as those on the other side might believe—that we cannot tamper with this amendment, that we ought to lower the target, that we should assure ourselves and the American people that there will be deficit reduction from fiscal 1987 to fiscal 1988, and that is what the amendment offered by Mr. JOHNSTON does. It does promise the American people that we are going to have deficit reduction from fiscal 1987 to 1988; that we are going to have a $140 billion target, plus $5 billion of fudge factor, or $36 billion of program reductions, whichever is lower.

I think that is the sum and substance of the amendment before us. It pledges what the old Gramm-Rudman-Hollings construct promised—that is, year-to-year deficit reduction. We are going to make progress on this deficit. That is precisely what the American people expect us to do. It is what we ought to do. I hope we will adopt this amendment.

Mr. GRAMM. Mr. President, I want to address issue of progress on the deficit.

Under the original Gramm-Rudman-Hollings law, with all of its flaws, including the Supreme Court decision that the GAO role was unconstitutional, we reduced the deficit from $233 billion to $161 billion. But we have had some dramatic changes since then. These dramatic changes have occured because during the last 8 months, it has become obvious to the financial markets that Gramm-Rudman-Hollings is no longer binding on this Congress.

All that produced, in large part, that dramatic improvement in the deficit—both long- and short-term interest rates going down, stimulating the economy—has been reversed. It has been reversed because the people who had rejoiced in December 19 months ago that we had really done something about reducing the deficit have discovered that the progress that was made during the 99th Congress was not continuing.

I know that everybody wants to use statistics to support their argument, but you reach the point of being a little disingenuous when the same arguments are made over and over again. We have explained that the tax reform bill produced a one-time $20 billion increase in revenues in fiscal year 1987. This is one of the reasons why the fiscal year 1987 deficit is down and why we are estimating a revenue loss next year.

Mr. CONRAD. Mr. President, will the Senator yield?

Mr. GRAMM. I will yield in a moment. I want to finish my point.

By setting a target of $150 billion for fiscal year 1988, we are committing ourselves to $36 billion of deficit reduction from the CBO baseline estimate of the deficit.

We hear this talk about only $26 billion of deficit reduction. I remind my colleagues that the $10 billion built into Gramm-Rudman-Hollings is not a fudge factor. It is simply a margin of error. If you get that close to the deficit target, it is not worth putting the economy and the people who depend on the Federal Government through the wringer of experiencing a sequester order. But if you do not get within $10 billion of the target, you do not sequester back to $150 billion plus $10. You sequester all the way back to $150 billion.

What we have before us is an amendment that says we are going to decide later between two options to avoid a sequester in fiscal year 1988. In one of the options we must meet a $140 billion deficit target, with a $5 billion margin of error.

Do you realize that if the President were willing to sign your reconciliation bill, put your budget into place, you would still have a sequester order under this target, that we would still have an across-the-board cut, and this sequester would cut spending all the way to $140?

I go back and make the point that was made by the distinguished Senator from New Mexico earlier: By setting targets that we know we cannot meet, we are engaging in the political game of assuring that there is not going to be any permanent workable system in place.

Quite frankly, since January this Congress has constantly voted to spend money, we have seen our own pay increase, we have passed a deficit-increasing supplemental appropriation bill, and we have passed a budget that raises domestic spending by almost $45 billion while proposing a tax increase of $21 billion. We have only 3 weeks in session before there would be an across-the-board cut in spending, only 3 weeks to do something about this large deficit, and yet we have people stand up and say that $36 billion in deficit reduction is not enough.

I find it completely unacceptable that after spending money like it was going out of style, following one of the greatest displays of fiscal responsibility in American history, Members are on this floor saying that cutting $36 billion from the deficit in 3 weeks is not enough progress on the deficit.

Mr. CONRAD. Mr. President, will the Senator yield?

Mr. GRAMM. I want to make one other point and then I will yield the floor.

I want to return to the issue that OMB is a constant engine of deceit. We keep hearing people complain that OMB is going to be involved in the Gramm-Rudman-Hollings process and they can tilt the numbers.

I wish my colleagues would go back and review the facts. I have the data from the sequester report for fiscal year 1987, reprinted in the Federal Register, of the OMB and CBO projected deficits for last year.

How well did CBO and OMB forecast last year under the old process? OMB said the deficit was going to be $156.2 billion. CBO said it was going to be $170.6 billion. Their average was $163.8 billion. Guess what? The deficit is currently estimated by CBO to be $161 billion, a $2.8 billion difference from the average of the projections. That is not bad for Government work.

Some may note that OMB said the deficit was $14 billion less than CBO said. That is true. But do you know that OMB was closer to the current estimate than CBO was? Furthermore, under the compromise that we have offered, we have eliminated the differences regarding the treatment of appropriated entitlements. We have required that farm deficiency payments be scored as being advanced because we know we are going to advance the payments just as we have in the past. We have written in assumptions about pay rate absorption, and we have written into law how to calculate BA-to-outlay ratios. Had the amendment pending before us today, the amendment that I have offered with Senator CHILES and Senator DOMINICI, been in place, the difference between OMB and CBO's estimate last year, constrained by the amendment that we have before us, would have been lowered to about $2 billion.

Interestingly enough, under our new constraints, the estimate would have been more inaccurate. In other words, as it is turning out, we would have forced the deficit to be overestimated.

I am not raising that as any big problem, but I want our colleagues to understand that we have imposed very severe restrictions on OMB. We have eliminated the areas where there are real discretion in estimating the deficit. We have eliminated the ability to decide how you are going to deal with appropriated entitlements, an item that accounted for $1.7 billion of the difference last year. We have eliminated discretion about deficiency payments. That was responsible for $5.1 billion of the difference last year. We have eliminated discretion regarding Federal pay absorption. That was $2.8 billion of the difference last year. We have set constraints on BA-to-outlay ratios.

Reiterating, had the constraints in our current amendment been in law last year, the deficit estimate by CBO and OMB would have been within about $2.5 billion of each other.

So please remember when everybody is saying that we have given OMB a free hand, the reality is that we have imposed very strict constraints on OMB. Their discretion really boils down to estimates about what is going to happen in the economy, and we have included in this amendment the opportunity for us to come back and rewrite those assumptions if we choose. We have converted the OMB role into a green eyeshade function.

And as a final point, and then I will yield the floor, I ask you to remember that last year with no constraints whatsover, the average of CBO and OMB deficit projections came within $2.8 billion of what we today think is the fiscal year 1987 deficit. That is pretty good work.

The PRESIDING OFFICER. The Senator from Texas yields to the Senator from North Dakota for a question.

Mr. DOMENICI. Mr. President, will the Senator yield for a question?

Mr. GRAMM. I am happy to yield. Let me yield first to the Senator from North Dakota and then come back.

Mr. CONRAD. Let me first say that I am surprised to hear the Senator from Texas on the other side of this question because now we have the Senator from Texas arguing against a lowering deficit which surprises me and disappoints me.

We are seeking to have a lower target for 1988. The Senator makes the point that we have had a lot of deficit reduction under Gramm-Rudman. We have gone from $221 billion to $161 billion. The fact is we have had very little reduction in the structural deficit. That reduction from $221 billion to $161 billion is largely illusory and the Senator when he cites the one-time revenue bump as a result of the Tax Reform Act points out the fact that we have had a one-time revenue bump of $20 billion which reduced that deficit was part of the reduction that we get. Another $18 billion of the reduction comes from one-shot spending savings.

But the numbers that we just got from CBO tell the story. There has been very little reduction in the structural deficit. There has been a big reduction because of one-time revenue, one-time spending savings, but if we are going to get serious about this deficit, we should be true to the commitment that was in the original Gramm-Rudman-Hollings Act that called for year-to-year deficit reduction.

I, for the life of me, do not understand why, when we still have a recovery going that there are those supporting continuation of the deficit level from 1987 into 1988 going back on the commitment to year-to-year deficit reduction. That is my question. Why are we going back on that commitment?

Mr. GRAMM. If I may respond, and then I will yield the floor, it depends on whether you want to fight deficits with words or actions.

If I wanted to send a letter to my momma this afternoon telling her how I was for balancing the budget this year, I could sit down and write it and it would be pretty easy. But the problem is that my momma is going to read in the newspaper what the deficit actually turns out to be. The question here is are we trying to make law, are we trying to set policy, or are trying to let the world know where we stand individually?

Now I happen to believe that I have a very responsible record on trying to do something about reducing the deficit. But I think that it is not for that record, that the people of Texas elected me or that the people of the United States elected us. They elected us to make things happen, and to compromise, if necessary, to move things in the direction that they believe they should go. Ultimately they judge us not on the basis of what we say we want to happen but on the basis of what actually does happen.

My point here is simply this: we have bitten off about all we can chew given that we must go to conference with the House and given that we must pass something that the President will sign into law.

Now, we can spit this compromise out, take a bigger bite, and choke on it if our objective is not to swallow it. My objective is to swallow. I want to have a system which will force us to balance the budget over a 5-year period. Killing it off before we ever get started is not the way to make that happen.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. DOMENICI. Mr. President, I wonder if the Senator will yield for 1 minute for an explanation.

Mr. WIRTH. I am happy to yield.

Mr. DOMENICI. I want to explain to my friend from Louisiana. He asked me a hypothetical question.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. He said maximum sequester using $186 billion which was the CBO deficit.

Mr. JOHNSTON. Not maximum sequester. The maximum requirement for deficit reduction to avoid the sequester.

Mr. DOMENICI. But I think the question that I answered, I answered improperly. I said the maximum sequester is 26. That is not so. The maximum sequester is 36. In order to meet the target you can get by with 26. And I would just add to the Senators who are wondering about that, that is exactly the same situation that existed heretofore when you had fixed $36 billion reductions under Gramm-Rudman-Hollings. If you got, by action, 26 of it so that you used up that $10 billion window, you were OK. It is the same here under the hypothetical asked by the Senator from Louisiana of the Senator from New Mexico. The sequester goes all the way down to the target, but to fix it you have got a grace window of $10 billion.

The PRESIDING OFFICER. The Senator from Colorado was recognized.

Mr. WIRTH. Thank you, Mr. President.

I am happy to be joining with the distinguished Senator from Louisiana and our new colleague from North Dakota in supporting this very important amendment.

I served for many years on the House Budget Committee and was in a lot of battles with the now Senator from Texas [Senator GRAMM] and with the distinguished Senator from New Mexico [Senator DOMENICI] and find myself truly very surprised that those people that I had worked with—and we fought and argued and so on, but they were and have been so deeply committed to deficit reduction—that they are not supporting what is on its face such a simple proposition in terms of helping us to reduce the deficit.

It seems to me that the debate that we have here, Mr. President, is only a debate between two approaches. The one that has been agreed to, which is an approach for budget procrastination, and the one which we are offering, which is a budget for real budget deficit reduction. We can procrastinate some more and vote down this amendment or we can vote for this amendment and commit ourselves to some very significant deficit reduction.

Now the argument has been made by the opponents of this that a deal was cut, that a deal has been agreed to, and that they are "ready to do it," ready to go in there and sit down with the House conferees. It seems to me all they are ready to do is to procrastinate some more on the deficit. I do not think we have to do that. We do not have to do that. We have a wonderful opportunity available right here. The Senator from Texas said it is time for us to make things happen. Now I think we can make things happen by voting yes on this amendment.

We all know that everybody in this Chamber, every single Member of this body—and I will bet you every Member of the House, as well—has talked about the evils of deficit. They have gone up and down their States and districts and said how bad the deficit is; and send them back here and they will do the job; they will commit themselves to really moving on the deficit. They have talked about the evils of the deficit, talked about the problems that it causes for trade, talked about the pressure that it puts on interest rates, talked about how it is eroding the very fabric of the economy. We have all heard the rhetoric.

But, from time to time, it is time to set aside that rhetoric, Mr. President. It is time to set that rhetoric aside. We have all done it. The time comes when you have a unique opportunity to really make a difference with one vote. And I think right now we can make a difference with one vote. And what is that difference?

Let me get into the numbers a little bit and see if I can help to explain to my colleagues what those numbers are. In summary, you are going to get at least $36 billion by voting for the Johnston-Wirth-Conrad amendment, or you can vote no and probably end up getting much closer to zero.

I want to come back and explain that, but first of all just to put another matter to rest, if I can.

The argument was made a little earlier, when the Senator from Louisiana was explaining the amendment, the argument was made that all he was trying to do, as I remember, was to really destroy Gramm-Rudman-Hollings; that the Senator from Louisiana had always been an opponent of Gramm-Rudman-Hollings and this was just another chapter in opposition to Gramm-Rudman-Hollings.

Well, let me fill that out a little bit by explaining that this Senator, cosponsoring the amendment with the Senator from Louisiana, has been a long-time supporter of Gramm-Rudman. This is not an effort to destroy Gramm-Rudman. I have been a supporter of Gramm-Rudman not because I think it is a perfect mechanism, not because I think we ought to have automatic formulas around here, but because I believed when this first came up and in every vote since, I believed that this was a mechanism that we had to get behind and make work. So I think to suggest that this is destroying Gramm-Rudman-Hollings is really not a worthy argument and it certainly is untrue.

I would also remind the opponents of this amendment that I was not only supporting it but was one of only 14 Members of the House when I was there, Mr. President, 1 of only 14 Members who voted to put teeth back in Gramm-Rudman, only 1 of 14 Democrats to do so. Not a very large number. But I only cite that to support that one of the authors of the amendment has been a consistent supporter of Gramm-Rudman and to argue that this is an effort to gut Gramm-Rudman is simply not the case.

The opponents, as I remember a little bit earlier, also suggested that what was in this was it unfortunately only allowed the conferees to go in there and to negotiate. That is what we would do, is just negotiate and leave it to them—you cannot trust them—while under the current legislation in front of us they would go into the conference with "two sets of economics that are given and known."

The opponents are telling us that they would go into this with two sets of economics that are given and known. Well, that is hardly the case. And understanding that they are not given and known is essential to understand another piece of our amendment and why you have to vote for the Johnston-Wirth-Conrad amendment. And let me explain that.

The assumption that our opponents are making is that somehow CBO and OMB have specific sets of numbers. You submit the difference between the two and you go into conference with that as the agreed-upon baseline. That assumes that the given and known are the OMB numbers. OMB numbers, however, are not given and known. They are not given and known. This is not to suggest that OMB is trying to do something sleight of hand or cut a corner. They just have not made any decisions since their initial figures were out in January.

In January, Mr. President, their initial figures were $150 billion. That is OMB's number. Their initial number was $150 billion. That assumed a 3-percent defense increase, which is defense growth of about $8 billion. And we know that is not going to happen. So let us factor that into OMB's number just to get a sense, the best we can, of what OMB's numbers are. Factor the 3-percent defense back in there and the deficit comes down to $142 billion because we are not going to spend that number.

They also do not factor in the REA financing. That is another $7 billion. So if you just take defense and REA financing, the OMB number would go down to 135. That is their baseline. If you average that with the baseline of 180 coming out of CBO, you end up with the difference—with the average of 135 and 180—of 150-plus. Now, what they are suggesting against that 150 is that we have a deficit of 150. We are going to set the budget at 150. In order words, you take this average and you take their deficit, plus the $10 billion fudge factor.

And what do you end up with in terms of deficit reduction under the plan presented to us? Zero. There is no deficit reduction. There is not any deficit reduction. I would just urge my colleagues to do the simple mathematics. Average where OMB is today, which is approximately 135, along with what CBO has, about 160, and you end up with 156, 157, something in that neighborhood. Take away from that the fudge factor of 10 and what have we got? Almost no reductions whatsoever.

That is what this debate is all about. That is what this debate is all about. Just do the arithmetic.

Now, even if we do not do the arithmetic, we should not fool ourselves by pursuing and listening to the arguments that if we support this amendment, we are going to be "engaging in targets we cannot meet." We could meet a target of zero. We could meet a target of 10. In fact, I think we could meet, and we agreed in the budget resolution to meet, a target of at least 38. We agreed to do that. A majority of this body agreed to do that.

Now, when we agreed to do that, did we say that we were going to try to meet a target that was not unmeetable? Of course not. We said we are going to go ahead and do that; we are going to get into the high 30's. That is what we agreed we were going to do.

The argument against this amendment made on the other side says, "Well, you all have bitten off more than you can chew." Well, what I would like to do is to chew on this deficit and chew on it hard. We are biting off in this amendment essentially what we have agreed to in the budget resolution. We have not bitten off more than we can chew.

Now, Mr. President, on the front page of the newspaper the other day was a picture of a vast credit card. And there was our leader with a big pair of shears cutting the congressional credit card. Well, I want to tell you, if you do not support the Johnston-Wirth-Conrad amendment this afternoon, you are going to be going home in this August recess and giving the taxpayers another $40 billion, a little less than $40 billion of deficit. That congressional credit card is going to be cranking up $40 billion more. You have an opportunity by voting for this amendment to cut, finally to cut, that congressional credit card in half.

Now, would it not be nice to stop talking about it, stop putting it on the front pages of the newspapers, but, in fact, to do something about it?

In summary, where we are, Mr. President, is with a very, very simple choice: Members going back and looking at the numbers and looking at doing the averaging, doing the arithmetic, it is not complicated, it is not difficult, it is basic arithmetic: averaging and subtracting. That is all you have to do to understand this amendment and to understand why this gets us away from the disease of budget procrastination, which we have had for so long, Mr. President, and right into some very, very real deficit reduction.

So I would urge my colleagues to support this amendment. This offer does not come very often. We do not have a chance very often where we can sit down, understand a simple amendment, not a lot of gobblydegook, not a whole lot of rules, just some simple arithmetic. That same arithmetic will show how you can make some very significant differences in that budget and cut up that congressional credit card by voting for this amendment. I hope we will support this amendment. I want to thank the distinguished Senator from Louisiana for offering it. He has done a very, very good job, good service, and I am pleased to be able to join with you in cosponsoring this and supporting it in every way I can. I yield the floor.

The **PRESIDING OFFICER**. The Senator yields the floor, the Chair recognizes the Senator from Washington, Senator EVANS.

Mr. EVANS. Thank you, Mr. President. Some of the debate this afternoon sounded a little like the Mad Hatter tea party.

Those who on many occasions advocated more spending and higher taxes are now advocating a lower deficit target and those who have advocated no new taxes and cutting the budget are advocating a smaller target to shoot at.

I hope we can bring just a touch of reality back to the debate. I am not going to speak now directly for or against this amendment, but, rather, to what we are really talking about.

I think we are captured far too often by the numbers. Whether they come from OMB or whether they come from CBO, they are looked at as sacrosanct, accurate. They will be what happens.

In fact, I can look ahead with numbers that have just come out this month, the July numbers from CBO. They very carefully calculate that based on current baselines, clear into fiscal year 1992, the deficit will be precisely $160 billion.

I do not know what they know but I do know they are guessing. They may be guessing with all of the wisdom and the accuracy that they can, but they are guessing.

When you are looking 6 years ahead, that is not even estimating. That is guessing what the economy will do.

In order to guess that, they are suggesting that the growth in the gross national product each year for the next 6 years will be, and listen to this, precisely 2.5; 2.5; 2.5; 2.6; 2.6; and 2.6.

That sounds more like the scores that are put up after a diving tournament than it does the absolute and extraordinary and steady 2.5 or 0.6 percent growth that occurs for the next 6 years.

We all know that there has been no time in our history when any such thing has occurred.

Mr. President, these just give us some targets to shoot at. I prefer not to even look with very much care at anything more than a year out. After all, even for fiscal year 1988 we are talking about a long time from now to predict an economy.

So, Mr. President, I do not believe that necessarily by the end of fiscal year 1988, which is more than a year away, the deficit would necessarily be $181 billion, $151 billion, $171 billion, or any other figure except somewhere in that general neighborhood.

But, as long as we have the Gramm-Rudman Act, and as long as we are working in the way we are, we need something to shoot at. That is true.

Let us not kid ourselves. In real terms, we will be measured by what we do in our appropriations acts, and whatever tax or revenue acts we may choose to pass.

We will not be measured by this artificial target which sits out there. We will be measured by what we actually do. I suggest, Mr. President, that we are wide open for every Member of this Senate or at least a majority to join together to bring the deficit down. The way to bring it down is to vote, when each appropriation act comes in front of us, for appropriations that will help bring it down.

If necessary, and if we believe after going through the spending patterns, that tax increases are required in order to bring that deficit down, we can vote for those tax increases. It does not really make any difference whether this budget target is set at $150 or $140 billion.

If this amendment fails and the deficit target stays at $150 billion, it does not prevent us from still shooting at $140 or $130 or $120 billion or any other figure below that target.

Admittedly, the temptation, the extraordinary temptation, is to spend right up to the limits. I have not decided at this moment whether I will vote for this amendment or not. It has some great potential merit, I think, because I have always believed that we must move more strongly than we have been willing to move in terms of bringing a deficit down. But I would suggest that if this amendment fails, I hope those who do support it will vote for the necessary reductions to get to the $140 billion anyhow.

I hope that they will be willing to vote for the necessary tax increases, to get us to $140 billion anyhow. For even if this amendment failed, it does not prevent us from doing the job we would like to do.

So, I will be delighted to see what happens to this amendment. If it has strong support, then I presume there will also be strong support at the time of appropriation bills and at the time of revenue bills, to hit that target of $140 billion, even if we have not ensconced it into law.

The **PRESIDING OFFICER** (Mr. BREAUX). The Senator from Washington yields. The Senator from Louisiana is recognized.

Mr. JOHNSTON. I ask unanimous consent that the Senator from Nebraska [Mr. EXON], be added as a cosponsor to the amendment.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, it is getting late on Friday afternoon. Our colleagues are anxious to get out of town.

I think we have had an excellent debate and I am ready to sum up and bring it to a vote.

Mr. CHILES. I wonder if the Senator would yield? I want to make a few remarks on the Senator's amendment, but do not want to deprive him of the chance to make the final statement.

Mr. JOHNSTON. I appreciate that courtesy, Mr. President, and I will yield to the Senator from Florida.

The **PRESIDING OFFICER**. The Senator from Florida is recognized.

Mr. CHILES. Mr. President, I find myself in somewhat of a dilemma on this amendment. It has a flavor of an amendment I presented to the Senate. In fact, it does not go quite as far as the amendment I presented to the Senate, but it has a familiar flavor.

It happens, therefore, to be something that I believed in, trying to get $36 billion in deficit reduction.

I also believe in trying to get everything that we can in the first year.

Therefore, it would seem, that I would be for this. There is only one reason that restrains me.

The Senator from Florida got 25 votes for his amendment. The Senator from Colorado, who was a cosponsor of this amendment and spoke eloquently on it, was 1 of the 25 votes my amendment received.

He has been persistent in that. There are a few other converts to this amendment that were not among the 25 who did not vote for the amendment I offered last week. I do not think the Senator from North Dakota did. I do not think the Senator from Louisiana did. I do not think the Senator from Nebraska did.

I am not sure about the Senator from Nebraska. I do not think he did, either.

I hope there is nothing personal against me, but when the poor Senator from Florida tried to break something like that out they did not support it.

The point, Mr. President, is I would like to have this, and I also want to see us have a fix on Gramm-Rudman-Hollings. Realizing that the amendment of the Senator from Florida, when proposed, got 25 votes, persuades me that if this amendment were adopted today, I am not sure how many more than 25 votes we would get on final passage. We may get some more.

It may be that these new converts would see things differently. The Senator from North Dakota has changed and now thinks that while this bill is not quite as thorough as the Chiles amendment with $36 billion, it suddenly has a new flavor. Maybe the Senator from Louisiana, the Senator from Nebraska, and some of these other people will now take a different look.

I offered the amendment, worked for a number of days before that trying to persuade the other side on it, went to a vote and got only 25 votes. I have to conclude that although this is something I like and I want and I wish was in there, I think it would not allow us to be successful.

The Senator from Louisiana has been the first to say he does not favor Gramm-Rudman-Hollings. He has been very consistent and very forthright in his opposition to it. I understand that. I think he is also sincere in feeling that perhaps we need more savings in the first year.

It is interesting, if we did not have this discussion, that this provides we arrive at some of these figures in a manner to be determined by the conferees.

That shows me that the Senator from Louisiana and his supporters believe that we need to leave something up to the conferees.

I would say that the fix we have before us also provides that the conferees will ultimately decide what the baseline number is going to be, after they hear from OMB, after they hear from CBO, as to what their latest projections are. It is going to be up to the conferees to decide that. That is why I feel we do not have to worry about whether there is going to be a small number or not. I think they define the target. They have the authority to define the target.

I am persuaded we have a much better chance to strengthen this by the conferees than we do by an amendment that, if passed, might keep us from getting any automatic sequester at all.

Mr. President, much as I would like to vote for this amendment, I will not be able to. As I say, I have tried that and I wish when the Chiles amendment was up I had had the support of the Senator from Louisiana, the Senator from North Dakota, and the Senator from Nebraska.

Mr. JOHNSTON. Will the Senator yield?

Mr. CHILES. Yes.

Mr. JOHNSTON. I would suggest the Senator's amendment has never been up. There was a point of order to waive the Budget Act, but his amendment has never been up and has never been voted upon. Am I not correct?

Mr. CHILES. I think the Senator is not correct. We did waive the Budget Act with the help of my friend. I think he helped me out—o-u-t. We had that and got 25 votes.

Mr. WIRTH. Will the Senator yield?

Mr. JOHNSTON. I yield.

Mr. WIRTH. I thank the Senator. I was pleased to support the Chiles amendment and I hope his amendment is adopted. On the question of giving the conferees a voice, we all have to think of what they can come up with on deficit targets. What we are talking about here is assuring that our Senate conferees going into conference with the House have the strongest possible position. That, it seems to me, is what this amendment does. It provides a much firmer base going into conference.

Mr. CHILES. I do not argue with that at all. What I am not persuaded on, I would say, is we only got 25 votes, and the Senator from Colorado joined with me on that vote. I am not persuaded that if this amendment passes, we will have the votes on our side to carry.

Mr. WIRTH. As Mark Twain said, if you always do the right thing, you will gratify some people and astonish the rest.

Mr. CHILES. I do not know if he said that, but I do know he said once burned, twice shy. I got burned.

Mr. CONRAD. If the Senator will yield, I want to say that I think there is a good chance for us to carry the day. I do not think it is the same situation we faced earlier. I am a convert not because I changed position. I have not changed position. I wanted fixed targets in there. Now we have fixed targets. I also wanted a lower target for this year, which is included in this amendment.

I am convinced that one of the reasons the Senator did not get the votes is because he did not have fixed targets. Now we have the best of all worlds, fixed targets and a lower target for this year. It would be nice to support this.

Mr. JOHNSTON. Mr. President, I shall sum up in a couple of minutes. I hope we can vote at that time.

First of all, let me say, Mr. President, that this is not the same amendment as the Senator from Florida had, but if it is, on the fact he may have been right at that time and did not get enough votes, if the amendment is right the amendment is right.

I am reminded of that story of the lawyer who argued one side of a case in the morning before a judge and he made a passionate argument. That afternoon he was representing another client and he happened to have exactly the opposite side of that same point of law, and he vociferously argued the opposite side. After the case was over, the judge said, "Counselor, how in the world could you argue so strong one way in the morning and another way in the afternoon?"

He said, "Your Honor, this morning I thought I was right and this afternoon I know I am right."

Mr. President, it boils down to this: the Senator from Florida says this is the right thing to do, but somehow it violates the agreement of the triumverate executed privately, in good faith to be sure, but executed privately. I say if it is a good thing to do, we ought to do it.

The sole, narrow question presented here is: What is the proper size of the deficit reduction to be made in the coming year?

The Senate has settled that, the Congress has settled that, in the reconciliation agreement, and in the reconciliation agreement, which provides for all the cuts, we said $38 billion.

This amendment says $36 billion, so we are right on target, with the action already taken by this body, approved by the House of Representatives, and now the budget resolution with which we operate.

Second, it is consistent with the Gramm amendment now pending. The Gramm amendment says that the appropriate reduction to be made next year is $36 billion. They say the appropriate reduction in the year after that is $40 billion and the year after that is $45 billion and the year after that is $45 billion, but not this year, he says. This year, he says, we can do a maximum of $26 billion. And when you ask the Senator from Florida why, he says, "Well, I tried that and it didn't work. I still believe it is right, but I am not going to vote for it." You ask the Senator from New Mexico why and he says, "Well, I could give you some good logical reasons." He says, "This is about where we would be if we slipped it a year." He says, "I'm not going to go into baselines."

In effect, there is no good reason to reduce that deficit reduction target from $36 billion or $38 billion down to $26 billion or less. I believe the Senator from Colorado is right when he says it is really not $26 billion. By the time this amendment matriculates through the process, it will be closer to zero. But even if it is the maximum amount of $26 billion, that is too little. It is inconsistent with their own amendment. It is inconsistent with what the Congress has done. And I think we ought to stand up and make this cut.

One final word. Much has been said about my opposition to Gramm-Rudman. My opposition to Gramm-Rudman in the past, and which continues now, has not been because I think it cuts the budget too much. Not at all. As a member of the Budget Committee over the past 10 years, I have consistently voted for lower deficits. I have not been one of the big spenders. My opposition to Gramm-Rudman has been because simply I do not believe it has worked and I fear it will not work. But I can tell you this, Mr. President. I will try to make it work and this amendment for sure makes it work better because it gives us as big a bite as we can take. We have already taken a $38 billion bite in the budget resolution, and I say let us stick to what we have already done. I say let us make a $36 billion deficit reduction in the coming year. We can do it and that is what this amendment accomplishes.

Mr. LEVIN. Will the Senator yield for a question?

Mr. JOHNSTON. Yes, indeed.

Mr. LEVIN. As my friend from Louisiana knows, I have been a supporter of Gramm-Rudman and I very much support the Chiles amendment as being better than nothing. I also happen to like the Senator's amendment. I think it improves the Chiles amendment. My fear is that if it is adopted, however, Chiles may not then have enough votes to pass. That is a real consideration for me. I have not heard the Senator from Louisiana address that issue, including his own position if he is free to say so, on the Chiles amendment if it is amended by the Senator's amendment successfully. Is the Senator free to tell us at that time either what his own position would be on the Chiles amendment or whether or not he believes firmly that the Chiles amendment can pass if it is amended by his amendment? Because his whole claim is, rightfully so, that his amendment is greater deficit reduction than the Chiles amendment. I think that is true and that is why I like his amendment.

Mr. JOHNSTON. I think it is an appropriate question. I am prepared to answer the Senator directly. I still do not believe in Gramm-Rudman. However, given the choice of having this package passed with my amendment, if I must vote for it to pass it, as opposed to passing without my amendment, I would be prepared to vote for the Chiles package holding my nose. Though I might be for the rest of the provisions of it, I am prepared to vote for it to pass it, and I believe we can pass it.

Mr. LEVIN. One additional question, if I could. We all have talked to each other a lot about this amendment because it is critical as to where we are going as a Congress and as a nation, I think as a nation being far more important. Can the Senator predict with any confidence—and I am not going to hold him to his predictions as to how others would vote, but does the Senator have any degree of confidence, if his amendment passes, we can get 51 votes to pass the Chiles amendment as amended by Johnston? Is the Senator at all confident of that?

Mr. JOHNSTON. I believe we can. I believe we can. And I can tell the Senator that it is not a final action. In other words, if we try and fail to pass the Chiles amendment, it is further amendable. So it is not as if it is a final action. I say if you believe that $36 billion is the appropriate target as opposed to $26 billion or less, and you are worried about whether it will sink the ship, I say come with us, give us a try, and if we fail, then the debt limit is further amendable so it will not be final action. The Johnston amendment, believe me, is not going to sink this ship. In fact, it may make it sail out on a fresh new tide of budget reduction.

The PRESIDING OFFICER. Is there further debate?

Mr. DOMENICI. Mr. President, we are ready to vote.

The PRESIDING OFFICER. If there is no further debate——

Mr. DOMENICI. We ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays are requested. Is there a sufficient second? Obviously there is.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Washington [Mr. Adams], the Senator from Delaware [Mr. Biden], the Senator from Vermont [Mr. Leahy], the Senator from Illinois [Mr. Simon] are necessarily absent.

I also announce that the Senator from Alabama [Mr. Shelby] and the Senator from New Mexico [Mr. Bingaman] are absent because of illness in family.

I further announce that, if present and voting, the Senator from Alabama [Mr. Shelby] would vote "nay."

Mr. DOLE. I announce that the Senator from Wyoming [Mr. Simpson] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 41, nays 52, as follows:

[Rollcall Vote No. 217 Leg.]

YEAS—41

Baucus
Bentsen
Boren
Breaux
Bumpers
Burdick
Byrd
Conrad
Cranston
Daschle
DeConcini
Dixon
Dodd
Exon
Ford
Fowler
Gore
Graham
Harkin
Inouye
Johnston
Kennedy
Kerry
Lautenberg
Levin
Matsunaga
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Nunn
Pell
Proxmire
Pryor
Reid
Riegle
Rockefeller
Sarbanes
Sasser
Wirth

NAYS—52

Armstrong
Bond
Boschwitz
Bradley
Chafee
Chiles
Cochran
Cohen
D'Amato
Danforth
Dole
Domenici
Durenberger
Evans
Garn
Glenn
Gramm
Grassley
Hatch
Hatfield
Hecht
Heflin
Heinz
Helms
Hollings
Humphrey
Karnes
Kassebaum
Kasten
Lugar
McCain
McClure
McConnell
Murkowski
Nickles
Packwood
Pressler
Quayle
Roth
Rudman
Sanford
Specter
Stafford
Stennis
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Weicker
Wilson

NOT VOTING—7

Adams
Biden
Bingaman
Leahy
Shelby
Simon
Simpson

So the amendment (No. 649), as modified, was rejected.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. CHILES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Are there other amendments?

Mr. BINGAMAN. Mr. President, I am opposed to the Gramm-Rudman-Hollings "fix" that is being considered today and I plan to vote against it.

The provision before us today is needed to reinstate the automatic sequester and to bring it into compliance with the recent constitutional ruling that the original provision was an unlawful delegation of legislative power to the executive branch and therefore unconstitutional. The sequester would, of course, require automatic spending cuts across the board if Congress and the White House fail to meet their deficit targets. As I understand this provision, Congress and the White

House would have to achieve a deficit of $150 billion in fiscal 1989, $90 billion in 1990, $45 billion in 1991, and zero in 1992.

I am as much in favor of reducing the budget deficit as any Senator, and if I thought the so-called Gramm-Rudman-Hollings procedure or any other procedure would balance the budget, I would vote for it and join in the chorus telling the country we have fixed the deficit problem. But I simply don't believe this procedural fix or any other one, for that matter, will seriously work. It simply will not fix the deficit problem.

This latest procedure is fraught with inequities—imposing greater hardship for some than others, and it has more loopholes than the tax codes to avoid action. The only action that will seriously reduce the deficit is real action by the Congress to bring spending and revenues into balance. Procedural fixes will not work. I ask unanimous consent that a fact sheet from the Center on Budget and Policy Priorities be inserted in the RECORD following my remarks.

In summary, I believe the Gramm-Rudman-Hollings Act represents an extremely complex procedural effort to deal with a substantive problem. As it is further modified by this amendment under consideration, I believe Gramm-Rudman- Hollings would serve real injustices on some groups while protecting others and it could actually serve to deepen and accelerate any economic downturn we might experience by attempting to tie the hands of Congress, this President and future Presidents by limiting economic options. Finally, the action is simply an effort to paper over with legislative language the deficit problem instead of taking the action which is really needed.

Mr. RIEGLE. Mr. President, I have grave reservations about the wisdom of the course we seem to be heading down. The Gramm-Rudman-Hollings approach to controlling Federal deficits is a failed policy. During the first year of this law, deficits exceeded the targets by $50 billion in fiscal year 1986. The deficit for the current fiscal year will exceed the Gramm-Rudman target by at least $20 billion, and would be substantially higher except for a unanticipated one-time capital gains tax revenue windfall—a result of last year's tax reform legislation, a matter totally unrelated to the budget procedure.

The Gramm-Rudman approach is a Rube Goldberg device that is no substitute for setting Federal priorities and making hard budget choices. As we have learned since GRH went into effect, there's always a way around elaborate decision-avoiding procedure like Gramm-Rudman. Federal deficits can only be reduced by honest budgets and painful choices, not by slashing randomly at programs regardless of their effectiveness or importance.

Contrary to the stated intent of its authors, this amendment actually reduces the incentives for the President to work with Congress to solve the deficit problem. There are not sufficient guarantees to prevent OMB from manipulating the level of a sequester by using overly optimistic economic assumptions to reduce the estimated deficit. This potential, together with raising the 1988 deficit target to $150 billion with a $10 billion cushion, seriously reduces the incentive for the President to work with the Congress to come up with a workable reconciliation bill that makes real, lasting reductions in the Federal deficit.

Mr. President, rather than try to jerry-rig this failed system, we need to take steps to confront the deficit head on. The President should convene a budget summit with congressional leaders this year before more time is lost and put all options on the table. We must deal with the deficit problem now in a direct head-on manner. If we continue to rely on procedural sidesteps rather than direct action, we will continue to add to the growing mountain of Federal debt which is placing America's economic future in great jeopardy.

Mr. LEVIN. Mr. President, I will vote in favor of the Gramm-Chiles-Domenici amendment to fix the Gramm-Rudman law in spite of the imperfections of the fix and with the firm hope that these imperfections can be cleared up in conference with the House of Representatives.

It is important to have the underlying Gramm-Rudman law because the unfortunate history over the past few years is that if the President and the Congress have a choice between hard decisions on spending and revenues on the one hand, and inaction resulting in a higher deficit on the other hand, inaction and a higher deficit win out. So, what is needed is an immediate incentive to make hard choices. What is needed is something which makes inaction painful in the immediate sense and not just with respect to the long term economic health of the country. The Gramm-Rudman law establishes the process which prevents inaction on the deficit from being the path of least resistance.

It is important to have an automatic sequester mechanism as part of the underlying Gramm-Rudman law because unless the Congress has the ugly monster of sequester on the horizon—certain that the monster will attack if their is no action by the Congress, and unless the President also sees that monster on the horizon—certain that the monster will also pounce upon him, then neither the Congress nor the President will act to reduce the deficit and, thereby chain the monster. If either the Congress or the President see a way out of sequester other than by reducing the deficit through hard choices, then we can be certain that those hard choices will not be made.

The automatic sequester mechanism represented by this amendment is marginally adequate for this stage in the legislative process. It is vital to fixing the Gramm-Rudman law that we pass this amendment and this debt limit and send it all on to a conference with the House. However, let me make clear that I believe this fix can and must be improved in the conference with the House.

Specifically, I am troubled by the degree of defense flexibility in the sequester order that could be exercised by the President as a result of this amendment. The conference report accompanying the original Gramm-Rudman law made clear that the sequester order's flexibility for defense in that original law was a one time thing for fiscal year 1986. To quote from the report:

> The conferees have included language which provides for limited flexibility in regard to sequestration of defense spending for fiscal year 1986 only. This flexibility is not intended as a precedent for similar flexibility in future years in which sequestration might occur.

It is true that, unlike the fiscal year 1986 flexibility for defense, the defense flexibility in this amendment that is available to the President is conditioned on a majority vote of the Congress. In other words, if the Congress does not approve the President's exercise of this defense flexibility, then the President will have no actual ability to modify the across-the-board cuts as they affect defense programs, projects, and activities. Nevertheless, to the extent that the possibility of exercising this flexibility gives the President the flicker of hope that a sequester order might be less onerous to his cherished defense programs, the underlying rationale of Gramm-Rudman of putting us all in the soup together is undermined.

I am also troubled by the deficit targets for fiscal year 1988 and fiscal year 1989. I believe that they should be $10 billion less in each year if we are going to be serious about deficit reductions and if we are to reduce the prospect that the Office of Management and Budget will game the numbers in such a way as to artificially eliminate the threat of a sequester order in those years. Furthermore, I believe that this modification would provide a smoother glidepath for fiscal year 1990 than does the amendment as it now stands. The vote on the Johnston amendment, which would have made these changes, indicates that a substantial number in the Senate has similar concerns. I trust that the Senate conferees will understand this message as they engage in their discussions with the conferees from the House.

Finally, Mr. President, I want to make clear that no one should conclude from my voting for the Gramm-Chiles-Domenici amendment that, if this amendment comes back from the conference unchanged, that I am committed to vote for the conference report. The concerns I have expressed go to the core of the workability of the Gramm-Rudman process. As I indicated to the chairman of the Budget Committee, I am willing to vote for this amendment as a way of revitalizing that process, but I am not willing to vote, in the final analysis, for legislation which would only create an illusion that Gramm-Rudman exists if in reality it has died or if it has been revised to point the gun it threatens to trigger more in one direction than another.

DEFENSE FLEXIBILITY PROVISIONS

Mr. STEVENS. Mr. President, before we take a final vote on the so-called Gramm-Rudman-Hollings fix amendment, I want to bring to the Senate's attention some issues relating to the defense flexibility provisions.

As enacted 2 years ago, Gramm-Rudman-Hollings provided for special defense flexibility rules for fiscal year 1986, only.

Those provisions permitted the President, at his discretion, to adjust sequestration amounts within the defense function.

Specifically, military personnel accounts were permitted to have a reduced sequester, or non at all, provided that any lost outlay savings were offset by raising the precentage reduction applied to all other defense programs, projects, and activities.

In addition, for nonpersonnel defense accounts, the sequester applied to one program within an account could be reduced by increasing the sequester of another program in that same account, so long as total outlay reductions sequestered from the defense function remain the same.

The amendment before us today, similar to the special rules for fiscal year 1986, provides for defense flexibility for both personnel and nonpersonnel defense accounts. However, the flexibility with respect to nonpersonnel accounts is made subject to congressional approval.

The congressional approval would be expedited under special procedures.

Mr. President, the conference on the Gramm-Rudman-Hollings fix ought to take a very careful look at these new rules on defense flexibility. At a time of tight defense budgets, a sequester would hit our Nation's defense very hard. We need to be absolutely certain that if we do have a sequester, the Department of Defense at least has the flexibility to mitigate the damage to its defense programs.

Specifically, several issues ought to be addressed in conference:

First, is it advisable to make the flexibility subject to congressional approval? If we do reach a point where a sequester is triggered by Congress' failure to meet its self-imposed deficit targets, is it then fair to tell the Department of Defense that any plant it has to make the sequester less damaging must be approved by Congress?

In connection with this, it appears that the pending amendment has made a tradeoff. Whereas, in fiscal year 1986, reductions in sequester amounts had to be offset within the same defense account, under the pending amendment, the offset can occur anywhere in the defense function. The conference ought to examine whether it is worthwhile to trade off increased flexibility, for the constraint of congressional approval.

With regard to congressional review, an option which ought to be considered in conference is whether it might be more reasonable to permit the flexibility, subject to congressional disapproval, as opposed to congressional approval. This would leave the Defense Department with needed flexibility, but give Congress an opportunity to overturn the Defense Department's sequester modification, if it so chose.

A key provision of the defense flexibility arrangement in the pending amendment, is the fast-track procedure for congressional approval. In reading over the provision, I noticed that although floor debate is severely limited, amendments are not. Because of the very tight timeframe for an approval resolution to be completed, permitting amendments to such resolutions could kill the approval process. Attention ought to be given in conference to making approval resolutions nonamendable.

In fiscal year 1986, defense flexibility was precluded form using base closures to add money back to other defense programs. In the pending amendment, this constraint is limited to domestic base closures. The conferees ought to consider whether we want to permit foreign base closures to occur as part of a sequester modification.

Finally, the pending amendment provides in part that: "new budget authority and unobligated balances for any program, project, or activity within major functional category 050 (other than a military personnel account) may be reduced under an order * * *." I assume this means "reduced by a greater percentage," but that ought to be clarified.

Mr. President, I urge my colleagues to take a serious look at these issues in conference. If another sequester does occur during the next several years, we need to make sure that it will do the least possible damage to our national security and the morale of our Armed Forces. I thank my colleagues for their attention.

Mr. WARNER. Mr. President, I rise today to express my concerns with the prospects this corrective amendment to the Gramm-Rudman-Hollings deficit reduction process will hold for our Nation's defense readiness.

In the original Gramm-Rudman-Hollings deficit reduction process, the President was given flexibility in where to cut the defense budget.

In fiscal year 1986 the President could, with a particular defense program, reduce the budget up to twice the required reduction in order to protect funding for another program within the same account.

This limited flexibility allowed him, for instance, to cut one Navy aircraft program up to twice as much as required in the interest of preserving a different Navy aircraft program.

By the same token, however, the President was not permitted to trim the Navy program to preserve funding for an Air Force aircraft program.

This flexibility was explicit for fiscal year 1986 in the original Gramm-Rudman-Hollings legislation.

Today we are considering an amendment which would allow some flexibility in defense manpower accounts, while requiring congressional concurrence to obtain flexibility in other accounts.

Although the 1986 provision was only for 1 year, the decision to grant this flexibility has not lost its logic or good sense.

Suppose there was no such discretion.

Large, well-established programs for which procured items are already being efficiently produced and which have not already been subjected to reductions in funding would be in the strongest position to absorb Gramm-Rudman-Hollings imposed reductions.

Small, newly initiated research and development programs, in contrast, might be crippled by budget reductions.

Thus, across the board equal percentage reductions will affect programs differently.

The Gramm-Rudman-Hollings deficit reduction process intentionally restricts Presidential discretion in achieving the budget reduction goals this law established.

I urge my colleagues to consider some of the unintended side effects which may occur as a result of passage of this amendment.

I would like to highlight some points which were contained in a Congressional Research Service [CRS] report dated January 6, 1986.

CRS illustrates in this report some of the effects which a sequester might have on the budget authority for the defense function.

Despite a requirement that outlays be reduced by a uniform percentage, the reality will be quite different.

The outlays saved as a percentage of the budgetary resources that had to be cut to reach the outlay targets for the following two examples.

As you will see in these two examples, these percentage reductions reflect the first year so-called blended spendout rates for two programs of 97 and 5 percent, respectively.

However, as I said, the outlays reduced as a percentage of total outlays subject to reduction for both the personnel and procurement program are 10 percent, and the reductions in budgetary resources are a uniform percentage—10 percent—as well.

Example I: Nearly all the funds appropriated by Congress for personnel programs are spent in the first year they are available to be spent. Assume, for example, $1.03 billion in budgetary resources for a personnel program and the need to reduce personnel program outlays by 10 percent, or $100 million in savings from total projected outlays of $1 billion. One would need to reduce budgetary resources—given the blended spendout rate—by $103 million, an amount only slightly greater than the outlay savings target.

However, look at another program.

In example II: Funds provided for most procurement programs, in contrast, are spent much more slowly. In the case of ship procurement, for example, only 5 percent of new budget authority is expended in the first year it is available to be spent. Assume, for example, $4 billion in budgetary resources for a shipbuilding program and the need to generate an outlay reduction of 20 percent from total projected outlays of $80 million, which means an outlay savings of $8 million. One would need a considerably larger reduction in total budgetary resources, perhaps $400 million, to produce the required outlay savings.

Thus, in example II, the cut in budget authority would be much larger, by a factor of almost 50, to achieve the required savings.

While I do not intend to oppose the pending amendment, I believe we must make every effort to give the President discretion in how to apportion cuts within defense programs, projects and activities.

Mr. President, I don't mean to focus solely on the sequester.

Obviously, my hope is that this very painful trigger will never have to be pulled, that Congress and the President will work together to make the necessary, well thought-out policy adjustments which will result in a deficit at or below the statutory maximum defict amounts.

That is the point of Gramm-Rudman-Hollings.

And it is a point with which I strongly agree.

Mr. HEINZ. Mr. President, I applaud my colleagues on the Budget Committee for including credit reform legislation in their package of essential budget reform measures for fiscal year 1988. This is an issue I have been pursuing over the last 2 years and a reform that is long overdue.

The credit reform issue has been around at least since the creation of the Federal financing bank in 1974. But neither the FFB nor a succession of other budget innovations over the years have achieved real reform. In recognition of this problem, the Senate at my urging adopted a resolution in April 1986 calling for comprehensive credit reform that became part of the 1987 budget resolution. Hearings have been held in the Governmental Affairs and Budget Committees. The administration has now submitted its credit reform proposal and the essential elements of reform have been endorsed by our Budget Committee colleagues.

The plan before us represents a comprehensive reform of the process for budgeting and managing Federal credit programs. It would provide a uniform basis for measuring the cost of credit, and would for the first time permit accurate tradeoffs among credit programs and between credit and direct spending programs. The proposal incorporates much of my credit reform plan, and the best elements of the plan presented by the administration in March. At the same time, controversial issues like forced asset sales have not been allowed to detract from our reform goals.

Some may ask why, at a time of record budget deficits, we should even worry about an arcane issue like the credit budget—a matter of concern to only a few technicians at OMB and CBO. I believe very firmly that credit reform is not merely a technical issue, but is essential to any effort to control the budget deficit.

The reasons are obvious. There is more than $1.2 trillion of Federal credit outstanding that affects nearly every sector of the U.S. economy. In dealing with very tight budget constraints, we have shifted direct spending programs to loan programs and subsituted guarantees for direct loans in search of budget savings. We have restructured entire Federal programs on the basis of budget accounting rules for credit that provided only the vaguest notion of the costs involved.

Such misrepresentation and misdirection of credit in the budget cannot be allowed to continue. It adversely affects the operation of the Federal Government. It hides spending from the deficit calculation. It serves both our constituents and the welfare of the American people poorly.

The credit plan before us differs in some respects from the approach that I proposed, but it has the essential elements necessary for effective control of Federal credit and an end to budget gimmicks. It is a solid workable plan that I support, and I urge the support of my colleagues for the Federal Credit Reform Act of 1987.

Mr. CRANSTON. Mr. President, as the chairman of the Veterans' Affairs Committee, I wonder if the distinguished chairman of the Budget Committee would clarify for me three matters regarding the pending Chiles-Domenici-Gramm-Byrd-Dole amendment.

First, would anything in the pending amendment impose or provide for any ceiling or other restriction either on the numbers or total amounts of loans made or guaranteed under the VA Home Loan Program under chapter 37 of title 38, United States Code, or on the numbers or amounts of education loans under section 1798 of title 38 or of rehabilitation loans under section 1512 of title 38?

Second, would anything in the pending amendment impose or provide for any ceiling or other restriction on the making of so-called insurance policy loans under the various veterans' and service members' insurance programs under chapter 19 of title 38?

Third, would anything in the pending amendment alter or affect in any way the sequestration exemptions and special rules applicable in current law to various veterans' benefits and services?

Mr. CHILES. Mr. President, I thank the Veterans' Affairs Committee chairman for raising these concerns. The answer to each of his questions is no.

Mr. CRANSTON. Mr. President, I thank the Senator and would like to raise one additional matter on which I would like to have his response.

It is my understanding that there is no intention on the part of the Senators who will be serving as conferees on this legislation to agree on any provisions in conference as to which those same three questions would be answered any differently. Is that understanding correct—that is, would it be the Senate conferees' intention to maintain in conference the positions indicated by the answers to my three questions?

Mr. CHILES. Mr. President, the answer to the Senator's question is yes, I intend to maintain in conference the position indicated in my answer to the Senator's earlier questions.

Mr. GLENN. Mr. President, I opposed the Gramm-Rudman budget measure when it was originally introduced, and I rise today to express my opposition to the pending proposal to revise it. I do so because I believe that Gramm-Rudman is a terrible piece of legislation that undermines our constitutional system of government.

Mr. President, I agree with the authors of this proposal that reducing our budget deficit is the overriding domestic challenge we face. We agree that these huge deficits are keeping real interest rates high, devastating our balance of trade, and holding down economic growth. And we agree that without decisive action to reduce Government borrowing, this situation can only grow worse.

We also agree, Mr. President, that solving our budget problem is an extraordinarily difficult and painful task. But the Iran-Contra hearings of recent weeks have reminded us of an important lesson—there is a grave danger in resorting to extra-constitutional means to solve problems just because they appear difficult.

This is not just rhetoric. I truly worry about what this proposal does to our system of government. The Constitution gives Congress both the authority and the responsibility to appropriate Federal funds. It does this so that Congress, as the elected representatives of the American people, can establish our national priorities.

It's important to remember that the budget deficit is not the first serious problem our country has ever faced. Indeed, we have faced many serious problems over the past 200 years. And we have managed to solve them because our Constitution provides us with an orderly and workable process of government. Certainly, it has sometimes seemed tempting to use short cuts to solve tough problems. But in this, our Constitution's bicentennial year, we should be particularly attuned to the importance of observing the proper procedures.

In the context of our deficit problem, I believe that Congress' performance has been far better than some people think. Although Congress must accept part of the blame for the deficit, the major share of responsibility rests with the Reagan administration. During its first 6 years in office, the administration successfully pushed for the largest revenue loss in our history, pushed for the largest spending increase in our history, and submitted the most unbalanced budgets in our history. Significantly, Congress has actually appropriated several billion dollars less in budget outlays than President Reagan has requested since he took office.

The administration is continuing to lead us down a path to fiscal ruin. It is continuing to support increased defense spending, oppose equitable revenue increases, and argues that budget cuts should come from domestic programs. And in so doing, it is continuing to ignore the wishes of the American people—expressed both through their elected representatives and through public opinion polls—that they are unwilling to accept further cuts in domestic programs. President Reagan's unwillingness to face these basic facts remains the largest obstacle to real deficit reduction.

I have twice offered an amendment that responds to this problem by imposing financial discipline on the President. The amendment says that the President must either submit a balanced budget to Congress or send us a roadmap showing us how to get there.

My amendment, which I expect to offer at a later time, is not inconsistent with Gramm-Rudman. In fact, almost every Senator who supported Gramm-Rudman voted for my amendment as well; it passed by a vote of 93 to 4 in 1985 and by a voice vote in 1986. But I believe that my amendment provides three distinct advantages over Gramm-Rudman. First, it would force the administration to choose specifically among the many competing Federal priorities; Gramm-Rudman, by contrast, would make automatic, across-the-board, meat-cleaver cuts. Second, it would impose a permanent requirement, while Gramm-Rudman would expire in a few years. Third, and most important, it would allow Congress to continue to fulfill its constitutionally mandated appropriations role, whereas Gramm-Rudman would substitute a mathematical formula for human judgment.

Mr. President, this year we face some of the toughest choices we have ever had to make in setting national priorities. But setting national priorities is our job. And in this, the bicentennial year of the Constitution, it is not a job we can responsibly quit. I urge my colleagues to join me in rejecting any and all versions of the Gramm-Rudman proposal.

AMENDMENT NO. 645

Mr. DOMENICI. Mr. President, have we asked for the yeas and nays on the pending amendment?

The PRESIDING OFFICER. The yeas and nays have not been requested.

Mr. DOMENICI. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Are there further amendments?

If not, the question is on agreeing to the amendment of the Senator from Texas [Mr. Gramm]. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Washington [Mr. Adams], the Senator from Delaware [Mr. Biden], the Senator from Vermont [Mr. Leahy], and the Senator from Illinois [Mr. Simon] are necessarily absent.

I also announce that the Senator from Alabama [Mr. Shelby] and the Senator from New Mexico [Mr. Bingaman] are absent because of illness in family.

I further announce that, if present and voting, the Senator from Alabama [Mr. Shelby] would vote "yea."

Mr. DOLE. I announce that the Senator from Wyoming [Mr. Simpson] and the Senator from Connecticut [Mr. Weicker] are necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming [Mr. Simpson] would vote "yea."

The PRESIDING OFFICER (Mr. Graham). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 71, nays 21, as follows:

[Rollcall Vote No. 218 Leg.]

YEAS—71

Armstrong
Baucus
Bentsen
Bond
Boren
Boschwitz
Breaux
Byrd
Chafee
Chiles
Cochran
Cohen
Conrad
D'Amato
Danforth
Daschle
DeConcini
Dixon
Dodd
Dole
Domenici
Durenberger
Evans
Ford
Fowler
Garn
Graham
Gramm
Grassley
Hatch
Hecht
Heflin
Heinz
Helms
Hollings
Humphrey
Inouye
Karnes
Kassebaum
Kasten
Kennedy
Levin
Lugar
Matsunaga
McCain
McClure
McConnell
Mitchell
Murkowski
Nickles
Nunn
Packwood
Pressler
Proxmire
Pryor
Quayle
Reid
Rudman
Sanford
Sasser
Specter
Stafford
Stennis
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Wilson
Wirth

NAYS—21

Bradley
Bumpers
Burdick
Cranston
Exon
Glenn
Gore
Harkin
Hatfield
Johnston
Kerry
Lautenberg
Melcher
Metzenbaum
Mikulski
Moynihan
Pell
Riegle
Rockefeller
Roth
Sarbanes

NOT VOTING—8

Adams
Biden
Bingaman
Leahy
Shelby
Simon
Simpson
Weicker

So the amendment (No. 645) was agreed to.

Mr. GRAMM. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. THURMOND. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Washington.

AMENDMENT NO. 650

(Purpose: To provide that during a two-year period each title of any joint resolution making continuing appropriations that is agreed to by both Houses of the Congress in the same form shall be enrolled as a separate joint resolution for presentation to the President, and for other purposes)

Mr. EVANS. Mr. President, on behalf of myself, Senator Humphrey, and others, I send an amendment to the desk and ask for its immediate consideration.

The **PRESIDING OFFICER.** The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Washington [Mr. Evans], for himself, Mr. Humphrey, Mr. Exon, Mr. Boren, Mr. Gramm, Mr. Domenici, Mr. Proxmire, Mr. Nickles, Mr. Hecht, Mr. McCain, Mr. Roth, Mr. Garn, Mr. Murkowski, Mr. Boschwitz, Mr. Trible, Mr. Symms, Mr. Warner, Mr. Kasten, Mr. D'Amato, Mr. Bond, and Mr. Karnes, proposes an amendment numbered 650.

Mr. **EVANS.** Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, add the following new title:

TITLE —TREATMENT OF CONTINUING RESOLUTIONS

SEC. . ENROLLMENT OF CERTAIN JOINT RESOLUTIONS.

(a) In General.—

(1) Notwithstanding any other provision of law, when any joint resolution making continuing appropriations is agreed to by both Houses of the Congress in the same form, the Secretary of the Senate (in the case of a joint resolution originating in the Senate) or the Clerk of the House of Representatives (in the case of a joint resolution originating in the House of Representatives) shall cause the enrolling clerk of such House to enroll each title of such joint resolution as a separate joint resolution.

(2) A joint resolution that is required to be enrolled pursuant to paragraph (1)—

(A) shall be enrolled without substantive revision,

(B) shall conform in style and form to the applicable provisions of chapter 2 of title 1, United States Code (as such provisions are in effect on the date of the enactment of this section), and

(C) shall bear the designation of the measure of which it was a title prior to such enrollment, together with such other designation as may be necessary to distinguish such joint resolution from other joint resolutions enrolled pursuant to paragraph (1) with respect to the same measure.

(b) Procedures.—A joint resolution enrolled pursuant to paragraph (1) of subsection (a) with respect to a title shall be deemed to be a bill under Clauses 2 and 3 of Section 7 of Article 1 of the Constitution of the United States and shall be signed by the presiding officers of both Houses of the Congress and presented to the President for approval or disapproval (and otherwise treated for all purposes) in the manner provided for bills and joint resolutions generally.

(c) Definition.—For purposes of this section, the term "title" means any division of a joint resolution making continuing appropriations that is designated as a title.

(d) Application.—The provisions of this section shall apply to joint resolutions agreed to by the Congress during the two-calendar-year period beginning with the date of the enactment of this section.

SEC. . POINT OF ORDER.

(a) In General.—Notwithstanding any other provision of law, the Standing Rules of the Senate, or the Rules of the House of Representatives—

(1) it shall not be in order to consider any joint resolution making continuing appropriations for a fiscal year unless each title of the joint resolution corresponds to a regular appropriation bill,

(2) any general provisions of the joint resolution are contained in the appropriate title or titles of the joint resolution (rather than in a separate title).

"(b) For purposes of this section, the term 'regular appropriation bill' means any regular appropriation bill (within the meaning given to such term in section 307 of the Congressional Budget Act of 1974 (2 U.S.C. 638)) making appropriations, otherwise making funds available, or granting authority, for any of the following categories of projects and activities:

"(1) Agriculture, rural development, and related agencies programs.

"(2) The Departments of Commerce, Justice, and State, the judiciary, and related agencies.

"(3) The Department of Defense.

"(4) The government of the District of Columbia and other activities chargeable in whole or in part against the revenues of the District.

"(5) The Departments of Labor, Health and Human Services, and Education, and related agencies.

"(6) The Department of Housing and Urban Development, and sundry independent agencies, boards, commissions, corporations, and offices.

"(7) Energy and water development.

"(8) Foreign assistance and related programs.

"(9) The Department of the Interior and related agencies.

"(10) Military construction.

"(11) The Department of Transportation and related agencies.

"(12) The Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies.

"(13) The legislative branch.".

Mr. **EVANS.** Mr. President, let me be brief. I know it is late on Friday afternoon but this is, in my view, an important amendment and one which ought to be enthusiastically adopted by this Senate and all of its Members.

There has been much talk about item veto and I know there is considerable concern about item veto, but I think we have come to a point, especially during the last year, where we lumped all 13 of the traditional appropriations bills together in one massive continuing resolution and sent to the President $580 billion worth of spending. In doing so we have virtually eliminated the responsible use of the veto by a Chief Executive.

No one, either this one or future Presidents, could afford to engage in a veto knowing that the Government of the United States would literally come to a halt if he exercised that veto. This amendment is very simply. I would introduce it as the Individual Appropriations Act. It achieves not a dramatic difference from how we now do business but, in effect, takes us back to the traditions we have had in the Senate over many years.

We have 13 subcommittees in the Appropriations Committee. We have 13 separate titles which come forward. This bill would require that any continuing resolution, or any attempt by the Congress to put those 13 bills or any number of them together, would then be separated back into their original titles bfore being presented to the President.

In essence, it would divide continuing resolutions into separate titles where each title is identified as a regular appropriations bill.

This amendment identifies those as the 13 appropriations bills we are most familiar with.

It would require that any general provisions of a continuing resolution would be contained in the appropriate title so there would be no separate title for general provisions. It retains the constitutionally mandated two-thirds veto override by both Houses of Congress. It includes a 2-year sunset clause.

So this gives us a chance to try something which, in my view, is nothing more or less than taking us back to the traditional balance we have enjoyed over many, many years in this Congress between the Congress and the Chief Executive.

There may be arguments against a line item veto, but I do not believe that those arguments hold in this case against the dividing of bills into their individual titles.

There was an argument, for instance, that the line item veto would give too much authority to an enrolling clerk. This clearly would not be the case where the individual titles are readily identifiable and separable and, in fact, commonly are separated.

Those who suggest that a continuing resolution leverages the President I suppose would object to this proposal. I do not think it is a question of leveraging a President or giving undue power or authority to one branch or another of our Government but merely restoring a balance which has existed traditionally and which I think ought to be reinstituted.

Mr. President, I think this would be a challenge to a President who has long sought a line item veto saying, "All right, here is an opportunity for you." It would retain an even balance, but it would retain the protection of broad legislation contained in each one of these titles for those Members who are concerned that an individual item that they are deeply interested in, might be picked out of an appropriations bill by a President who enjoyed full line item authority.

Mr. President, I shall take no more time other than to answer any questions that there might be. I think it is a simple and straightforward amendment. It deserves to be on this bill which contains many similar proposals for making our whole budget and appropriations process a little more understandable, a little more straightforward.

The PRESIDING OFFICER. Who seeks recognition?

The Senator from New Hampshire.

Mr. HUMPHREY. Mr. President, earlier in a prior session, a bill S. 402, was introduced giving line item veto to the President. The method which we are now talking about is not S. 402 and does not create line item veto authority. It does not extend that to the President. I can assure my colleagues who support S. 402 that we intend to re-offer that legislation to the Senate at the earliest possible date.

The amendment now before us, however, is badly needed and would make a constructive contribution to the budget process. As Members will recall, with some shame I would think, for fiscal year 1987, we passed not one single appropriations bill. Not one of the regular 13 appropriations bills was separately passed by the Senate. Instead, in the 11th hour, plus 59 minutes, I guess you could say, we passed a continuing resolution which encompassed all 13 appropriations bills, and then we sent it down to the White House. Thirteen appropriations bills all rolled into one continuing resolution worth $576 billion, one spending bill, the largest in the history of the world, is what we plopped on the doorstep of the White House before we rode out of town leaving the President no realistic choice at all but to sign that gargantuan appropriations bill even though he objected to a multitude of its provisions, even though if separately presented to him many of those appropriations would have merited and probably received his veto.

It was an act of gross irresponsibility in the view of this Senator and one which the amendment now before us seeks to prevent from recurring. The amendment now before us is not line item veto authority, would not give the President, as I wish it could under the circumstances but does not, authority to pick out individual items and veto them.

That is not at all what is before the Senate. It simply requires that any continuing resolution containing 2 or more, 2 or more, of the regular 13 appropriations bills be broken down into whatever number of appropriations bills there are in the continuing resolution.

If this had been in effect last year with respect to the fiscal year 1987 budget, it would have required this continuing resolution, this gargantuan continuing resolution which we presented the President, worth 576 big ones, billions, to have been broken down into 13 categories, subsections which corresponded to the regular bills. That way the President would have had some reasonable, barely reasonable under the circumstances of the calendar, but some barely reasonable opportunity to exercise his veto under the Constitution.

As things now stand, as practices have developed, Congress has devised a way of precluding the President, practically speaking, from vetoing appropriations bills. We chunk them all together. We send them down there at the 11th hour, 59th minute, 59th second and say to the President, "OK, it is your baby, sign it or throw the entire Government into chaos."

Meanwhile, of course, we have all gone home. It is an unreasonable procedure as it has developed, whether that development was conscious or deliberate or whatever. It is an unreasonable proposal, an irresponsible practice.

That is what this amendment seeks to address. It would simply require, once again, that any continuing resolution containing two or more regular appropriations bills be broken down to present those appropriations bills in effect separately to the President so that he can veto one or as many of them as he thinks merit his veto. This would, under this new practice which has developed, restore the President's practical ability to veto appropriations bills. It is badly needed, and I hope that the Senate will adopt this amendment. It is not the line item veto authority which the majority leader hoped would not be presented. The majority leader's hopes, as so often seems to be the case, have been realized. This is not the terrible thing he was expecting. It is something much milder, much meeker, but nonetheless badly, urgently needed. It is a reasonable measure, a measure that would restore fiscal responsbility to the Senate. I would think that on the day we have under consideration the bill which raises the national debt limit—I refer to billions as big ones, but they are even small compared to what we are asked to do in the way of raising the national debt limit by this bill to $2.57 trillion, terrifically big ones, trillion—Senators would want to ameliorate to some extent their vote for raising this debt limit by embracing now in the same bill a budget reform that is badly needed and that will help to curb some, some, of the budgetary abuses that have grown up through practice. I thank the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire has yielded the floor. Are there others who wish to debate?

Mr. NICKLES. Mr. President, I will be very brief, but I wish to congratulate my colleague and friend from Washington, also from New Hampshire, for offering this amendment. I also have been advocating this approach. I think we need to restore checks and balances, and certainly in the Constitution as set up by our forefathers they never envisioned Congress encompassing all appropriations bills in one package and giving the President the option to sign or veto that entire package.

That is exactly what happened last year. The chairman of the Appropriations Committee is on the floor. Last year, we passed one bill, one tremendously large continuing resolution. It was $576 billion. It had all 13 of the appropriations bills in it. We sent it to the President and said, "Mr. President, you sign it all or veto it all," knowing full well that if he vetoed it all we were not going to be paying the military, we were going to have obligations that we had definite commitments on that we would not be fulfilling. We basically offered him no choice. We offered no checks and balances. Basically, all the checks were being held and written by Congress with no balance whatsoever. Congress was holding all the cards, in my opinion was dealing in a manner that was not equitable, not fair. It made no sense and it was not a good deal, not for this administration, not for any administration, and certainly not good for the taxpayers. This amendment, in my opinion, is a bare minimum of restoring the checks and balances. I think it is very positive and I hope we will adopt it.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma has yielded the floor. Are there others who wish to debate? The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I do not rise to speak to this subject in its spirit, but I rise to make the point, this is a good way to keep us here for quite a while on this debt ceiling measure. This is a very controversial measure. It is a proposal that does not belong on the debt ceiling bill.

There is no Member of the Senate for whom I have more respect than the distinguished Senator who has offered this amendment. But the fact is that this presents some real policy questions, policy questions for the Appropriations Committee, policy questions for the Budget Committee, policy questions for the Finance Committee.

I believe the question is: Maybe we should do this, maybe we should not. I think I lean toward not doing it. I believe it places in the hands of the President the opportunity to say: "I want more defense spending and less domestic spending," and maybe some other day, "more domestic spending and less defense spending."

I do not believe that is the way the Government should run. I think it would demean the process so far as Congress is concerned. I believe we would be giving up many of the powers we presently have. I believe it is an issue that should be debated when we have adequate time to do so. I do not believe it belongs on the debt ceiling bill, and I hope the author will see fit to withdraw it and make arrangements with the appropriate committees to have it go through the appropriate processes. Many of us have strong feeling that it is not an appropriate measure on the debt ceiling bill.

Mr. STENNIS. Mr. President, I shall not take much time.

This matter has not been called to my attention, at least. The substance of it is of the greatest importance. I was going to suggest to the authors of it that if they would withdraw or take whatever steps are necessary, I think there can be a chance for the Appropriations Committee to thoroughly go over the entire matter and see if they have major suggestions. I think when that is done, it certainly should have representation on the Appropriations Committee.

We have been tied up very closely here lately with reference to getting preparations made to take up the appropriations bills. We are hoping to have separate bills. That will be our position.

I am not trying to defeat this matter. Something ought to be done in this field. We would be greatly strengthened by the committee having a chance in trying to control it.

Mr. PRYOR. Mr. President, I will not take long.

I have the greatest esteem and admiration for the distinguished Senator from Washington, who has proposed this amendment.

There may be a day when I am willing to vote for such an amendment. It has not arrived.

I am not willing today to support an amendment to a bad policy. In supporting the Evans amendment which is before the Senate today—and I say this with the greatest respect—I think what we are doing is elevating a bad system into basically what is going to be accepted practice. I think that when we accept the practice of a continuing resolution year after year and session after session, we are endangering the very foundation, the root structure, of our system.

Mr. President, I think that we are doing something to the appropriations process—I know what the Senator is trying to do. I think it will do just the opposite.

I can see us a year or 2 years or 3 years from now getting to the same place we are going to be in the last part of September. By the last part of September, we will have experienced a massive train wreck in the Senate of the United States and in the House of Representatives. It is not the fault of any person. It is not the fault of any leader. It is the fault of the system that we have become involved with and bogged down with, which is paralyzing the system itself.

I keep saying that we are not elected to sit at the airport or wait at the railroad station day after day, waiting for the train to come back. It is not the train that is at fault. It is the structure of the track system, it is the crossties, it is the foundation that we have to change.

What we are doing is elevating a very, very bad practice that we have fallen into in the last 13 years—we are elevating that to a system of standard procedure.

A lot of people call this the CR, and we are going to have another CR—let us face facts. A lot of people say "CR" stands for "continuing resolution." "CR" does not stand for "continuing resolution." "CR" stands for "combined retreat." That is when the House and the Senate of the United States finally, at year's end, admit our failure.

Look at us: 1985, five appropriation bills; 1984, four appropriation bills; 1983, one appropriation bill; 1982, no appropriation bills; 1981, one appropriation bill; 1980, three appropriation bills.

What has happened to the appropriation process? It has been paralyzed—and I say this with respect to my friends on the Budget Committee. I see the distinguished chairman and the ranking member on the committee on the floor at this time. The appropriations process has been paralyzed, has been suffocated by the Budget Act and the budget processes that we have adopted pursuant to 1974.

So, we adopt, at the end of every session, something that is instant government. It was not cooked in a stove. It was cooked in a microwave oven. Last year's CR weighed 18 pounds. Very few of us knew what was in the CR. It was, I repeat, our admission of failure that we go through and admit at the end of each fiscal year, when we get ready to go home.

It is these reasons, Mr. President, elevating this bad system to a permanent practice, which force me to poppose the amendment of the distinguished Senator at this time.

I yield the floor.

Mr. BYRD. Mr. President, this is not a line item veto amendment. I have considerable sympathy for the amendment per se. I regret that in recent years we have seen more and more resort to a continuing resolution, as we have been unable to pass the various regular appropriation bills.

Last year, not a single one of the 13 regular appropriation bills passed Congress and was sent to the President.

Having said, that, however, I would hope that we would wait until another day and use another vehicle or approach to this amendment. I think it would be an additional burden on the conferees of the Senate to have to carry this amendment to conference.

We know the time is short. I would hope that we would not support this amendment on this debt limit resolution. As I say, it is not a line item veto, so I do not have the visceral reaction against it that I would have to a line item veto.

Let us try, however, to ease the burden on our conferees. They have a lot of work to do. Let us not add to their burdens.

This amendment is not germane. It is relevant. Germaneness is more restrictive than relevance. We could probably craft a Contra aid amendment or a Persian Gulf amendment that would be relevant, but it would not be germane to this debt limit resolution.

So I hope that my colleagues will support a motion to table, which I understand will be made by the distinguished Senator from Mississippi, the chairman of the committee. I will support his motion to table.

Mr. STENNIS addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON addressed the Chair.

Mr. STENNIS. I did not understand the Chair.

The PRESIDING OFFICER. Was the Senator from Mississippi asking for recognition?

Mr. STENNIS. Yes.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. STENNIS. Mr. President, I say to the members of the committee I do not know whether the experiences have carried them fully through the real meaning of this proposal. If the committee has to go over to the pattern there of long time bills every year and put it all into one bill and then go to a conference with the House, fine as they are, it is virtually an impossible situation to get down to the real merits. I am talking about the appropriation pattern that carries the money for all the Government for the calendar year.

It is virtually impossible to get down and give a conference the utmost consideration by the most experienced Members that we have to really go to the bottom of all those matters and work out the agreements. I do not know of any good that it would do toward reaching the desired ends to have this cumbersome method that I did not know—well, it is a matter of judgment, of course—but I do not know of any procedural matter that could be thought of that would come nearer to diminishing the effectiveness of the committee and those who are affected by it and the departments of the Government that have to be heard, of course, and considered with reference to each of these bills.

It justified a separation of the entire matter and proceeding then with the staff and with members of that committee that are experienced.

When you deny both of those, you deny the best chance to get the best bill.

I am not going to jump to try to table a bill ahead of time or anything like that, but if we do not have a chance—there has been no notice I do not think to any Member, I know I have not had any notice of any kind about this matter—so I would feel justified and would at the proper time make a motion to table the matter with the hope that will give a chance for something to be worked out, and I believe if we can get the ear of the Members there is no doubt about the result.

So, in the interest of saving time, I yield the floor, Mr. President.

The **PRESIDING OFFICER.** The Senator from Florida.

Mr. **CHILES.** Mr. President, I look at this amendment really in two ways: one is the rationale and on the merits. And like the Senator from Arkansas and the Senator from Mississippi and others, I do not find myself totally opposed to this concept on the merits.

I think it is different from a line item veto which I happen to oppose very strongly. I do not like that we are involved in continuing resolutions also.

I take a little different view than our Senator from Arkansas that the reasons for a continuing resolution are all the Budget Act. I do not think that is true. I think part of the reason for a continuing resolution is that we have and have had for the last 7 years a battle between the administration and the Congress as to whether we were going to do something about spending, what we were going to do with spending, and I think the continuing resolution has been a device primarily used, started by the House where they hold back their bills many times to try to strengthen the Congress' hand in that battle. I think if you really look through the history of each continuing resolution—I would like to go back and take you through some when we have the time, I will not do it tonight—and sort of portray how that comes through.

Now, we are talking about changing this, and it is budget reform, no doubt about that. But I said to my good friend from New Mexico when we started this, I thought that we should put in some good efforts at budget reform, good faith efforts, and we did those that we would agree on. I thought there were others that had to do with real powers that we were talking about and this is power that we are talking about. Right now the President thinks this gives us more power, and we use the continuing resolution because we think it adds to our power. So we are talking about basic power now.

And if we are going to talk about this I think we ought to sit at the conference table when we are talking about are we going to do something for real on this deficit and is the President really ready to do that. Have we not asked over and over and over again this year, the majority leader, the Speaker, everyone else, "Please, Mr. President, sit down with us, please negotiate with us, please do not make us go over the cliff or to the edge of the cliff before we negotiate that."

Now I have heard Director of OMB Miller and I have heard others say: "We will negotiate anything on budget reform. You do all these budget reforms and then maybe we will talk to you on something else."

I think this is one of those items that if we are ready to talk seriously, yes, let us talk, let us put this one on the table, let us put revenues on the table, let us put whether we are serious about doing something to the deficit on the table, and let us have a table layered with a lot of things on it where everybody can sit down and negotiate.

But this is an item that the Senator from Florida does not think we ought to change right now. It has not been through any of our processes. You can make all kinds of good argument for it. Yes, you can. I can, too. I do not think this is one of the things we should change now when we do not know whether the President will ever deal with us or not. We do not know whether we are ever going to get a chance to negotiate or not.

I think the Senator from Mississippi is right that this is an amendment that we should table, and I think it will sure keep this bill going a long, long time if we do not do that tabling.

The **PRESIDING OFFICER.** Does the Senator from Mississippi wish to offer a motion to table?

Mr. **STENNIS.** Not at this time.

Mr. **EXON.** Mr. President, I suggest the Chair is out of order making suggestions to the Members of the body. The Senator from Nebraska sought recognition from the Chair. He recognized me earlier. I yielded to my friend from Mississippi because I thought he had asked for recognition earlier. But I frankly object to the Chair suggesting from the Chair's station a tabling motion at the same time that the Senator from Nebraska is seeking recognition to speak on this matter.

The **PRESIDING OFFICER.** I had interpreted from statements the Senator from Mississippi indicated his intention to offer but did not, in fact, offer a motion to table, and I believe that is correct.

The Senator from Nebraska is recognized.

Mr. **EXON.** I thank the Chair. I think it was very clear, and I was sitting right next to my good friend from Mississippi, that he indicated that he would offer a tabling motion at an appropriate time. I think it was clear he did not intend to offer it at that time. I think it is his usual consideration that he is showing to the other Members of the body by our distinguished colleague from Mississippi.

I thank the Chair for recognition.

Mr. President, I rise in support of the amendment offered by my colleague from the State of Washington. I think it is a step in the right direction. There are all kinds of arguments that could be offered as to why we should not take this up at this time.

I say, Mr. President, that there could be no more appropriate time to take this matter up in view of the overwhelming and I emphasize the word "overwhelming" endorsement of a piece of legislation that was very much opposed by this Senator on the last rollcall vote.

So I think this all fits into the picture. We have a financial crisis on our hands. I, for one, would not wish to overburden any further the excellent work that is done time and time again by our Appropriations Committee led so ably by our colleague from Mississippi, and the ranking member, my friend and colleague from the State of Oregon.

I have heard comments here on the floor today that this whole mess we are in is because of the budget process. That is ridiculous, Mr. President, on its face.

I think that the budget process has not worked as it was originally envisioned when it passed this body before this Senator was a Member.

But I would suggest that we would be in much worse fiscal shape today had we not had the budget process.

So the budget process will continually be under attack and if the budget process is wished to be criticized for this mess we are in now, then so be it.

The budget process, I am sorry to say, has produced the so-called Gramm-Rudman bill, that this Senator thinks is an ill-advised piece of legislation. But, of course, that is not shared by the vast majority of my colleagues.

I appreciate the fact that the Senate has a responsibility to work its will. But I am going to take a few minutes right now, Mr. President, to set the record clear on how this Senator feels not only about this piece of legislation which I think helps correct to a minor extent the fiscal situation that this country faces, that I do not think that the Gramm-Rudman bill itself can handle.

Mr. President, once again the U.S. Senate worked its stealthy magic behind the skirts of the Gramm-Rudman proposal. In 1985, all will remember, this same gimmickry was the cloak to cover the historic breakthrough, the $2 trillion debt level. The record will show that that is the case.

The same pattern is used again this year with an extra frill here and there, but the same tragic result, the horrendous new 1987 debt level of $2.8 trillion.

Many of us who are very, very concerned about this faulted process have worked hard and have appealed time and time again for true fiscal responsibility. We have worked through the budget process, through the caucuses, individual conversations, and other responsible actions, including amendments to cease prolonging the agony by putting things off until later. And we have done this to little avail, despite our efforts.

This action today that we are taking on the amendment offered by the Senator from Washington is indeed a proper follow-on, Mr. President, to help correct the mistakes and the shortcomings of the Gramm-Rudman proposal, in the opinion of this Senator. This action that we took earlier today with the Gramm-Rudman proposal is the same song, second verse, sung loudly to cover up the sour notes.

We have even added a new wrinkle by setting up to May 1989, after the election—I emphasize, Mr. President, after the election—the time to break through the $3 trillion debt ceiling limit of the United States of America.

Let no one be fooled. Today, history is simply repeating itself.

I have a great amount of respect for the sponsors of the Gramm-Rudman legislation. I share their abhorrence for deficit spending and have often stood shoulder to shoulder with them in supporting a number of deficit reduction efforts. The budget deficit threatens the very economic health of generations of Americans. It has weakened our financial independence, made the United States the largest debtor nation, and has helped produce the record trade deficits of recent years.

Certainly, the Gramm-Rudman law did institute some good and important budget reforms. It put the Congress on a tight timetable for the consideration of the budget and instituted a system where the Congress must provide offsets for new spending. Those reforms have been good and have improved the congressional budget process.

In spite of these positive factors, much of the Gramm-Rudman scheme is pure folly. I have consistently opposed the Gramm-Rudman law because it is an abdication of congressional responsibility; it delays meaningful action on the deficit; the result it produces is grossly unfair; and after 2 years of operation, it has not worked.

Mr. President, the Gramm-Rudman approach is an abdication of congressional responsibility. The Constitution of the United States grants the Congress the power to lay and collect taxes, pay debts, and provide for the national defense. Rather than face our responsibility to manage the fiscal affairs of the Nation, the Congress now spends valuable hours reconstructing Gramm-Rudman's Rube Goldberg automatic sequester mechanism to turn our responsibility over to the Office of Management and Budget. If a series of economic forecasters determines that the Congress has not reduced the deficit by a sufficient amount, the authority to make a portion of the Federal budget is turned over to the head bureaucrat in the Office of Management and Budget.

I simply do not believe that the American people elected the Congress to turn over its constitutional fiscal responsibilities to a nameless, faceless, unelected bureaucrat.

In addition, the Gramm-Rudman process actually delays serious action on the deficit. The budget reconciliation bill passed in 1986 is a prime example of the type of deficit reduction the Gramm-Rudman process inspires. The bill was loaded with spending shifts, one-time asset sales, and accounting gimmicks which reduced the deficit projections for the purposes of avoiding a sequester, but did very little to reduce Federal borrowing or reduce the structural deficit. Rather than force action, the Gramm-Rudman law fakes action.

Perhaps most disturbing is the fact that, if the Gramm-Rudman procedure were played out, it would produce a result which is grossly unfair. In its basic and theoretical form, there is great appeal to taking across-the-board action to reduce the deficit. I have worked over the years with my good friend from South Carolina to formulate across-the-board freeze budgets. If Congress is unable to reduce the deficit, it does make a good deal of sense to freeze or reduce each program by a uniform amount to deal with a budget shortfall. Such a procedure spreads the burden of deficit reduction and preserves the relative priority of each program.

I say, Mr. President, that it does; it does, indeed, make a great deal of sense for an across-the-board cut if that is the only way we can solve the problem.

Unfortunately, Gramm-Rudman is not an across-the-board deficit reduction. Over one-half of all Federal spending is exempt from the Gramm-Rudman formula reductions. Those nonexempt programs must absorb a disproportionate share of the deficit reduction burden. Agriculture is a typical example. Agriculture takes an extremely heavy hit in a sequester scenario.

The other day, the chairman of the Senate Budget Committee described Gramm-Rudman as the nuclear deterrent of the budget process. I suspect that it is more akin to the policy of mutual assured destruction. It seems ridiculous for the Congress to invent a process which produces a result which is bad for the country and that the Congress and the President do not support. We should attempt to design a workable budget process, not a suicide pact.

Mr. President, it is time to face the facts. After 2 years of operation, by and large, Gramm-Rudman has not worked. In its first year of operation, the United States rolled up a $220 billion deficit, the largest ever. The Congressional Budget Office just reported that in 1987, the deficit will likely exceed $160 billion, about $20 billion above the Gramm-Rudman target. However, the Acting Director of CBO acknowledged that this slight improvement in the deficit picture is largely temporary and due to an unexpected windfall from tax reform, spending shifts, and one-time asset sales. After 1987, the baseline once again takes an upward path and hovers indefinitely in the $200 billion area. Now even the authors of the Gramm-Rudman law are backing away from their commitment to move the deficit down year to year and to balance by 1991.

Mr. President, we are simply kidding ourselves. Congress, in passing its $2.8 trillion debt ceiling, and reinstating the automatic sequester, is patting itself on the back for having fiscal "courage." And I use that word advisedly.

Mr. **KERRY.** Will the Senator yield for a quick question?

Mr. **EXON.** Certainly.

Mr. **KERRY.** I know the Senator is making an important statement and I am sorry to interrupt. I just wanted to make a personal judgment about the use of time. I was wondering if the Senator could inform me how long he might expect.

Mr. **EXON.** I intend to take about 3 additional minutes.

Mr. **KERRY.** I thank the Senator very much.

Mr. **EXON.** The Gramm-Rudman plan reduces deficit estimates, but time has proved it is a meager tool for reducing deficits.

I support budget process reform. I have authored a constitutional amendment to require that the President submit and the Congress pass a balanced budget; I have authored a debt ceiling reform which would incorporate debt ceiling legislation into reconciliation, and if Congress or the administration exceeds their planned borrowing, a three-fifths vote would be necessary to increase the debt ceiling above the level contained in the budget; I am a cosponsor of the Quayle-Exon enhanced rescission bill; and I support line-item veto for the President. And that, basically, is why I am supporting the amendment offered by my friend from Washington.

In closing, Mr. President, let me simply say that, having said that, I realize that all the budget reform in the world will not solve the deficit crisis.

There are only three ways to reduce the deficit: That is cutting spending, improving receipts, or pursue a combination of both.

Mr. President, here the process reform is used as a camouflage for dramatic increase in Federal borrowing. Rather than reducing the deficit, we are tinkering with the procedure. The real problem is not procedure, it is people. The deficit crisis will not be solved until the Congress and the President sit down, as the distinguished chairman of the Budget Committee has just indicated to the Senate, and work out a program of shared sacrifice.

As a former Governor who put together eight balanced budgets I can attest to the fact that there are no procedural magic wands; no painless way to cut spending. Only with hard work through negotiations and good faith and good efforts, Mr. President, can we reach a consensus that produces the result that the authors of the Gramm-Rudman proposal seek.

This Senator and the American people, I think, seek a similar solution.

Mr. President, that concludes my remarks. I understand a tabling motion——

Mr. STENNIS addressed the Chair.

Mr. EXON. Mr. President, I still have the floor, I believe. Mr. President, I still have the floor. I will yield the floor after advising the Chair that I think there are those of us who know that some people want to move ahead and get this tabled and move on about the process of government but I say most of us have been here working very hard all week and this is a matter that I think should not be disposed of hurriedly.

I see that there are at least two Senators on the floor, my friend from Washington and my friend from New Hampshire, that I suspect would like to speak briefly on this.

While I have the floor, to protect my friends, I would like to seek a unanimous-consent agreement that, before a tabling motion is made that will allow 5 minutes—5 additional minutes for the proponents of the amendment offered by the Senator from Washington, and 5 minutes for the opponents and at that time a tabling motion would be in order.

The PRESIDING OFFICER. Is there——

Mr. STENNIS. If I am in order, I would certainly agree to what has been suggested here about the 5 minutes. Otherwise, I would make a motion.

Mr. KERRY. I would certainly object. Can I suggest there has been a long debate——

The PRESIDING OFFICER. Does the Senator——

Mr. KERRY. I was going to ask the Senator if he would modify his request to a total time of 5 minutes equally divided. Five minutes equally divided.

Mr. EXON. We are talking about 5 minutes, Senator.

Mr. KERRY. We have been talking now for almost an hour.

Mr. EXON. If there is an objection, there is an objection. I suspect——

The PRESIDING OFFICER (Mr. DASCHLE). Does the Senator from Massachusetts object?

Mr. BYRD. Mr. President, I suggest we let the Senator get recognition. He is the author of the amendment. He is entitled to get a little bit of time, but I wonder if we could limit that to 5 minutes and then let the Senator from Mississippi make the motion.

Mr. EVANS. Mr. Leader, I will not take 5 minutes.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request made by the Senator from Nebraska which was that there be 5 minutes on each side?

Mr. BYRD. We do not need 5 minutes on each side.

Mr. HUMPHREY. I object.

The PRESIDING OFFICER. The Senator from New Hampshire objects.

The Senator from Nebraska retains the floor.

Mr. EXON. The Senator from Nebraska yields the floor.

The PRESIDING OFFICER. The Senator from Washington.

Mr. EVANS. Mr. President, let me just take 2 minutes and I hope we can get to a vote quickly. I know many Members, including this one, are anxious to leave here but let me only respond to several of the arguments that have been used in opposition.

This is simple, straightforward, understandable. It is not in any respect elevating a CR to an art form, as my distinguished colleague from Arkansas suggested.

Quite the contrary, this bill would not even take effect or have any effect whatsoever on any appropriations act that came forward, if it came forward separately.

If, however, they were combined together in a CR which had passed both Houses in the same form, then and only then would the elements of that CR be divided into its separate appropriations bills.

I do not think that is hard to understand. I do not think that it is unusual. It is merely returning us to a tradition we have enjoyed in this Senate in years past and one that I think that is responsible.

It in no respect is so unusual. It would be a trial with a sunset for only a 2-year period and I hope that this evening, knowing that it is late, knowing that it is a Friday, we simply will not take the easy way out and duck what I believe is simply a small step forward.

A continuing resolution was, in my understanding at least, utilized when we could not reach agreement on an appropriation bill and must then allow continued spending for a period of time until a final Appropriations Act could be passed.

However, in recent years and particularly this last year, conference committees met separately on their own individual parts of the bill. They reached agreement on what the spending patterns ought to be for the next year. They could have been brought back as separate conference reports to the Senate and the House, but the choice was to put them all together in what really is not a continuing resolution but what is, in reality, a broad, huge, omnibus appropriation bill.

Mr. President, I hope we do not duck from this one small step and I certainly hope we do not table this step forward.

Mr. HUMPHREY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. HUMPHREY. Mr. President, I, too, understand the wish of Senators to move on, but I would point out, even though this is Friday afternoon, this is, first of all, a very important matter. It is a measure that is badly needed and with respect to the issue of time, we have waited hours upon hours, if not days upon days this week, in various kinds of recesses. Why could we not have been offering amendments during those periods? That is a mystery to this Senator.

But the effect of that decision is to put us right up into the corner in which we so often find ourselves when worthy amendments are shoved aside and Senators cast as villains if they seek to exercise their legitimate rights.

With respect to the amendment before us, Mr. President, the Senator from Arkansas said he thought he had a new definition for the abbreviation CR: not continuing resolutions, but continuing retreats. That is not bad, but I think I have got one better.

CR stands for congressional reelection. Congressional reelection. This process of jamming all 13 appropriations bills into one, dropping it on the President's doorstep on the eve of the new fiscal year, indeed perhaps several days into the new fiscal year, is just the latest clever strategy the Members of Congress have devised to get themselves reelected; have devised to avoid at all costs cutting spending anywhere at any time; have devised to enable themselves to continue jamming into the barrel more and more pork until the stuff is oozing through the cracks between the staves.

CR stands for congressional reelection. Some talk about the need for electoral reform. Well, let us cast this as an electoral reform issue instead of a budget issue. The Senator from Illinois makes a point that is ordinarily valid. But I make the point that the effect of this amendment is to restore the Budget Act with respect to the intent of the Congress providing the President 13 separate appropriations bills. There is nothing new about that proposal. The debate, those hearings were held 13 years ago, in 1974, when the Budget Act was passed which, among other things, required 13 separate appropriations bills.

Congress has learned how to defeat that for various reasons. We seek to restore that requirement. It is simple. It is straightforward. Highly respected Members of the Senate, including the chairman of the Budget Committee, seem to say that they sympathize with us except with respect to offering it now.

Well, we always have excused why we should put off doing things that badly need to be done. Senators have to catch airplanes. This is not the right bill. It should have hearings. Always there are excuses.

As I said, this issue has been debated. The Congress back in 1974 thought the issue was settled. But with respect to human nature, nothing is ever settled and no constitution and no statutes will ever overcome the defect which created this horrendous national debt and these continuing annual deficits, which is human nature itself.

Mr. President, this a badly needed provision. It is reasonable. It would restore the Budget Act with respect to the requirement that Congress present 13 appropriations bills.

This would prevent the Congress from doing what it did last year, lumping them all together, lumping a $570 billion single appropriations bill. Can you imagine that, a $570 billion appropriations bill presented to the President when he had no real option to veto?

Mr. President, that is the highest act of fiscal irresponsibility which we can correct if we adopt this amendment.

Mr. STENNIS. Mr. President, if no other Senator wishes to speak, I move to lay the amendment on the table, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table amendment No. 650. The motion is not debatable. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Washington [Mr. ADAMS], the Senator from Delaware [Mr. BIDEN], the Senator from Vermont [Mr. LEAHY], and the Senator from Illinois [Mr. SIMON], are necessarily absent.

I also announce that the Senator from Alabama [Mr. SHELBY] and the Senator from New Mexico [Mr. BINGAMAN] are absent because of illness in family.

I further announce that, if present and voting, the Senator from Vermont [Mr. LEAHY] would vote "yea."

Mr. DOLE. I announce that the Senator from Wyoming [Mr. SIMPSON] and the Senator from Connecticut [Mr. WEICKER] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 43, nays 49, as follows:

[Rollcall Vote No. 219 Leg.]

YEAS—43

Baucus
Bradley
Breaux
Bumpers
Burdick
Byrd
Chiles
Conrad
Cranston
D'Amato
DeConcini
Dodd
Ford
Fowler
Glenn
Gore
Graham
Harkin
Hatfield
Inouye
Johnston
Kennedy
Kerry
Lautenberg
Levin
Matsunaga
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Nunn
Pell
Pryor
Reid
Riegle
Rockefeller
Sanford
Sarbanes
Sasser
Stennis
Stevens
Wirth

NAYS—49

Armstrong
Bentsen
Bond
Boren
Boschwitz
Chafee
Cochran
Cohen
Danforth
Daschle
Dixon
Dole
Domenici
Durenberger
Evans
Exon
Garn
Gramm
Grassley
Hatch
Hecht
Heflin
Heinz
Helms
Hollings
Humphrey
Karnes
Kassebaum
Kasten
Lugar
McCain
McClure
McConnell
Murkowski
Nickles
Packwood
Pressler
Proxmire
Quayle
Roth
Rudman
Specter
Stafford
Symms
Thurmond
Trible
Wallop
Warner
Wilson

NOT VOTING—8

Adams
Biden
Bingaman
Leahy
Shelby
Simon
Simpson
Weicker

So the motion to lay on the table amendment No. 650 was rejected.

Mr. EVANS. Mr. President, I move to reconsider the vote by which the motion was rejected.

Mr. THURMOND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. STEVENS. Mr. President, I have not voted with my good friend and southern neighbor on this amendment because I sought the advice of our Rules Committee counsel.

As a member of the Appropriations Committee, I have the feeling that this kind of amendment should apply, if it applies at all, to all legislation.

The trade bill has recently passed this body with separate titles, and I felt that we should have sent separate bills to the President rather than one omnibus bill covering everything from plant closings to Soviet fur imports.

However, without regard to whether it is appropriations or substantive legislation coming from the legislative committees, I feel compelled to raise the issue of constitutionality so far as this amendment is concerned.

Only a bill that has been voted upon by both Houses affirmatively can go to the President; yet, if this amendment carries, there would be separate bills, none of which would have been voted upon separately by either House of Congress, which would be sent to the President.

Second, the amendment presumes that every continuing resolution has 13 separate sections. On the contrary, in many instances, our continuing resolutions have not always covered each 1 of the 13 separate subcommittees in our Appropriations Committee.

I share the frustration that the Senator from Washington has expressed by offering this amendment, but I say to the Senate that, in my judgment, the counsel of the Rules Committee who advised me is correct.

This amendment would not result in sending the President bills that had complied with the Constitution; and under that interpretation—and I believe the constitutionality issue needs to be addressed—I think it would be unwise for us to adopt a procedure that does not comply with the Constitution.

If the Senate and the House wished to do this and create a procedure whereby once a bill is passed on a vote by each House, the bill that has been passed can be separated by title and individual bills sent to the President, then I think it would comply with the Constitution. This amendment does not do that.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. STENNIS. Mr. President, let me assure everyone I am not going to take a lot of time. I have been fortunate to be on the committee a long time. I am certain in my mind that this resolution as prepared now will be a distinct handicap to put on the Appropriations Committee to be abided by.

I know as a fact that the membership of the committee, most of them, try awfully hard to get the bills in time in the old way and move them along, move them along to the President in the natural course, not pile them up and send a whole year's appropriations in one basket. That has been going on but it has been over the opposition of many of the Members.

I am not one to quickly complain. Here is an institution, ladies and gentleman, an institution within an institution. The Appropriation Committee is as old as the Constitution itself, and has an unbroken line of service all these 200 years.

They have taken today, and I speak with deference to the individual, but without any notice, without any warning, without any kind of ordinary courtesies to some of the Members at least, and it is proposed to largely abolish the institution as we know it now.

So I hope that we can take enough thought and rethink this matter and give a chance. There has not been a chance here this afternoon after it was announced they had such a proposal, not a chance in the world to really prepare to refute it.

There are many Members who are not here, so it is with every handicap almost that you could have.

I do not like to be in a frame of mind that will condemn anyone for voting to abolish it, which is what it means, but I do pray and hope that you will not in a rushing moment here greatly maim and mutilate the fine institution that is within the Senate itself as an institution.

Let us not do that until we have had a chance for a second thought and an examination of the facts. It is just ordinary justice to give the membership a chance to look into the facts and at least read over the proposed amendment. I have not seen yet a copy of this proposal.

So I hope there will be a chance to make this second choice. The ones who are looking for veto power, selected veto, are going to be sadly disappointed and it will not be a practical remedy for that purpose.

So I hope that second thought will save this.

I yield the floor.

The **PRESIDING OFFICER**. The Senator from Oregon.

Mr. **HATFIELD**. Mr. President, I wonder if the Senator from Washington will yield for a question or two?

Mr. **EVANS**. I will be delighted to yield to my distinguished colleague.

Mr. **HATFIELD**. If I could direct the Senator's attention to page 3 of his proposal and in line 15 relating to the character of this continuing resolution that will be acceptable or appropriate under his provisions. Do I understand that beginning on line 18 there would have to be 13 separate references in a continuing resolution to 13 separate regular appropriations bills?

Mr. **EVANS**. That is the essence of sub 1 which is merely to assure that if there is a continuing resolution. Let me emphasize that, this bill does not even apply to any one of the traditional appropriation bills as they go through and are submitted to the President. It is only some share of them or all of them are whipped together in a continuing resolution that this provision merely requires that they be put in some place where they are easily understood and the titles themselves can then be divided.

Mr. **HATFIELD**. Mr. President, I understand what the Senator from Washington State is attempting to do. I can understand the logic behind it.

But let me tell you how this will totally cripple the Senate and the whole appropriations process. Let me remind you that the times we have been faced with a continuing resolution initially we get basically a short-term extension and that has only reference to the current programs and activities of the Congress or of the Government. So we cannot function thereby under this provision if and until we get the full continuing resolution with each of the separate bills. At that time and place, let me remind the Senate, it is only brief history that we have not acted upon 13 bills. We have not gotten to the point where they could even be referenced in a continuing resolution.

We get up to the deadline and we have a clean, short continuing resolution that merely is a time extension. That will no longer be possible. How are we going to finance, how are we going to fund the functions of Government beyond that October 1 when we are required to put that into a reference of 13 separate appropriation bills when they have not evolved at that point in time for reference?

So I think we ought to look at this because I think it is deeply flawed on this one point. We get to October 1 and we usually have a 5-day clean, short, brief statement which we call a continuing resolution and that says the current level and functions and programs of Government will continue until October 5, October 6, or whatever time we are merely extending the timeframe into which we can put together 13 bills or 10 or 11 or whatever into a continuing resolution.

I would urge the Senator to look carefully at this particular thing in light of recent history which would literally cripple the whole Congress and the whole Government as it would relate to being able to extend merely the time factor until we can put the 13 bills together in the continuing resolution to fund for that fiscal year.

Mr. **EVANS**. If I may respond to my colleague from Oregon, I think that is quite simple. The continuing appropriations even for a short period of time are continuing appropriations for purposes of Government which are readily recognized which have fallen within the various 13 functions of our separate appropriations bills for previous years and for the then current year, and it is quite easy, simply to merely keep them in those same confines and even for a short continuing resolution to readily be done in those 13 categories.

There are continuing appropriations of expenditures in the previous year which have been clearly identified in those 13 separate appropriations bills.

Mr. **HATFIELD**. The Senator is not correct on that point.

The **PRESIDING OFFICER**. The majority leader.

Mr. **BYRD**. Mr. President, I read, in part, from article I, section 7, paragraph 2 of the Constitution of the United States as follows:

> Every Bill which shall have passed the House of Representatives and the Senate, shall, before it become a Law, be presented to the President of the United States;

Mr. President, that Constitution does not make any exceptions. It says "every bill" which shall have passed both Houses shall before it becomes law be presented to the President of the United States.

What we are doing here, if we adopt this amendment and if it were indeed to become law, we would be saying that a continuing resolution which is the equivalent of a bill, of course, which is passed by both Houses, would be broken down into its several parts. Several titles thereof would be separated out by some enrolling clerk and those separate bills or resolutions would be sent to the President severally.

The one continuing resolution which in reality passed both Houses would be thrown in the wastebasket or filed away somewhere by some filing clerk. However, that resolution which passed both Houses, according to the Constitution, should go to the President of the United States. Yet, if we adopt this amendment, we are going to say, "No, in spite of the Constitution, that resolution which passed both Houses will never get to the President's desk."

It is my intention, later this year, to try to bring as many of the regular appropriations bills before the Senate as possible. Not a single one of the 13 reached the President's desk last year. And I can understand the justification of those who want to see separate measures sent to the President. I do not consider this as a line-item veto.

Mr. **JOHNSTON**. Will the Senator yield?

Mr. **BYRD**. Yes; if I could just proceed for a minute.

I have some sympathy with the idea but not with this amendment.

In the first place, I do not think it ought to be tacked onto this particular resolution. That will just compound the problems of the conferees on the debt limit.

It seems to me this ought to be thought out carefully, ought to be taken through the committees, should have hearings, let us get some constitutional experts on it, and then make our decision. Let us not make it on this measure.

I do not think it will ever see the light of day when it reaches the conference. But surely Senators who would read the Constitution of the United States would not want to support this proposal.

Yes, I am glad to yield.

Mr. JOHNSTON. Mr. President, I thank the Senator for yielding.

I am glad he is on the floor, because he is a repository of the Senate rules and the Constitution of the United States. He has pointed out that this bill would require the waiver of the provisions of the Constitution, which is interesting.

Now, I have another little matter here that would be waived under the Constitution. On the first page, line 10, they say that the Secretary of the Senate, in the case of a joint resolution originating in the Senate, shall enroll the bill.

Now, I ask my dear friend from West Virginia, is it now possible to originate a joint continuing resolution making appropriations in the Senate?

Mr. BYRD. The Senator makes a good point.

This amendment also applies specifically to regular appropriation bills. Now we are not talking about an emergency appropriation bill or a deficiency appropriation bill. We are talking about regular appropriation bills. There are 13 of them. And, by custom, they start in the House of Representatives. They do not start in this Senate. They do not originate here. That is the point the Senator is making.

Mr. JOHNSTON. I am pointing out, of course, that the Constitution requires revenue measures to originate in the House and, therefore, this language about the Secretary of the Senate enrolling the bill is contrary to the Constitution.

So I ask my friends, particularly on that side of the aisle, to consider what this means. If you could waive the constitutional provision that the Senator has talked about and give light into this, it would mean that the Clerk of the House would enroll the bill. It would be he who would decide, for example, where all the amendments would go, if we put on a Boland amendment, or put on an—oh, gosh, there are so many legislative measures that we attach on appropriation bills as an amendment that do not fit in a regular appropriation bill. So you give it to the Clerk of the House over there to decide which of those bills those measures would go in.

And I want to ask the Senator one more question, and that is: Does he not agree that the point of order provided for on page 3 that says, "It shall not be in order to consider any joint resolution making continuing appropriations for a fiscal year unless each title of the joint resolution corresponds to an appropriation bill"—does he not agree that that would make it impossible for us to do as we do each year as we approach the October 1 deadline, realize that the functions of Government cannot continue, and put in a short term continuing resolution for 30 days, or something like that, that provides for the continuation of each function of Government at the levels then provided for? It would make that impossible, would it not? We could not even consider it. There would be a point of order against that, would it not?

Mr. BYRD. I think the Senator is probably correct. I have not had an opportunity to concentrate on that aspect, but I am sure that the Senator has carefully thought about it. I think he has a point that is certainly worth consideration, serious consideration, and I would trust his opinion.

But I wonder how many Senators have read this amendment?

Mr. STEVENS. Will the majority leader yield?

Mr. EVANS. Will the majority leader yield?

Mr. BYRD. Yes, I will be glad to yield to the distinguished Senator from Alaska and then to the Senator from Washington.

Mr. STEVENS. I have been wondering what happens to the supplemental appropriation bill? Is that a continuing resolution or is it a regular appropriation bill under the provision of this amendment?

Further, I would ask my good friend what would have happened to the crime bill that became part of the defense section of the continuing resolution. This bill had little, if anything, to do with the Department of Defense—and it really had more to do with the Department of the Treasury than it did Justice? Where would the crime bill go in one of these 13 bills for purposes of separating the continuing resolution for submission to the President, Defense, Justice, or Treasury?

I want to remind the Senate of the number of pieces of independent legislation that have been added to continuing resolutions in past years or have also been added to supplemental appropriations bills. How will these be treated?

Somehow or other, I say advisedly to the Senate, there appears to be a feeling that the Appropriations Committee members contrived to bring all of these bills together. What has happened, more than anything else, has been single issues—I remember the days of busing legislation or of abortion that have held up bill after bill after bill until we were forced to put them together in one bill. Where would abortion legislation go if it were added as a rider to the defense bill under this amendment?

Mr. HUMPHREY. Will the Senator yield?

Mr. STEVENS. I am asking my good friend a question. I do not have the floor.

This proposal is within the jurisdiction of the Rules Committee. I believe this is an amendment to the rules. There is a specific rule dealing with the appropriation bills.

Again, I share the frustration that many people feel that all these bills are forced together into a continuing resolution and we should avoid that whenever possible. But I ask my good friend: What will we do? We just passed the supplemental bill. I did not have 13 separate sections. Yet, this amendment says, notwithstanding any other provision, there ought to be a point of order against that bill unless it had 13 separate titles.

I really think the Senate needs to reconsider this proposition. I, for one, am very much opposed to this being passed without proper review by the Rules Committee. I say to my friend, I think this proposal needs Rules Committee review.

Mr. BYRD. Mr. President, I would join with the Senator.

Mr. EVANS. Will the Senator yield?

Mr. BYRD. Yes, I yield to the distinguished Senator from Washington.

Mr. EVANS. I thank the majority leader.

It is a little difficult to have all of the comments which have been made, but I think there is a suitable answer to each one of them.

First, on the question of the constitutionality, I would not attempt to match my experience and history on the Constitution with that of the majority leader.

But while he read accurately from one provision of the Constitution, it is also true that in Article I, section 5, of the Constitution, it states:

> Each House may determine the rules of its proceedings, punish its members for disorderly behavior, and, with the concurrence of two-thirds, expel a member.

Mr. President, several of the leading constitutional lawyers in the country whom we talked with in developing the original item veto constitutional amendment—the item veto proposal, which is much more complex than this and calls for much more independent action of an enrolling clerk than this, indicated that they thought that this had a very good likelihood of being declared constitutional under that provision of the Constitution that says that each House, or the Congress in total, has control over its own rules of procedure.

This goes by no means to the same length that an item veto would. It merely says that those titles which are readily understood and distinguishable should be separated when they are sent to a President.

Interestingly enough, it is my understanding, Mr. President, and I do not see the distinguished senior Senator from Florida on the floor—but it is my understanding in talking of what enrolling clerks do now, that the budget resolution which we passed and sent over to the House, the enrolling clerk spun off House Joint Resolution 324 and sent it back to us.

That did not pass the House. It was sent back to us by a spinoff from the enrolling clerk and if I am wrong I can be corrected but it is my understanding that that is what was done.

This would not call for any unusual action by an enrolling clerk or anyone else. The titles are simple. They are easy to understand. They are easy to categorize and I would say to my colleague from Alaska that, if this had been in effect and a choice had to be made as to where to put the crime bill, I am confident that it would have been put on the section of the continuing resolution that relates to justice and the judiciary so that when it was presented as a separate matter to the President, the functions would be there in their appropriate places.

Mr. STEVENS. Would the Senator yield on that point?

Mr. EVANS. Certainly, but I do not have the floor.

Mr. BYRD. I hope the Chair will protect my right to the floor.

The PRESIDING OFFICER. The majority leader has the floor.

Mr. EVANS. If I might continue——

Mr. BYRD. Mr. President, I have no problem with the Senator from Washington yielding to the Senator from Alaska, so my rights to the floor are protected.

Mr. STEVENS. I appreciate that.

In regard to the comment the Senator has just made, you realize if this becomes the law, we are dealing with the rules of the Senate, which we waive from time to time. A majority of the Senate can waive a rule of the Senate.

We cannot waive this provision of law which becomes a part of the standing rules. As a matter of fact, if you look at the point of order section on page 3, "Notwithstanding any other provisions of law, the Standing Rules of the Senate, or the rules of the House of Representatives." Then it says it is not in order, "to consider any joint resolution making continuing appropriations—unless each title—corresponds to a regular appropriation bill."

There is no provision in this section for a supplemental. And there is no provision in this section for any general legislation that does not correspond to a committee that is a standing subcommittee of the Appropriations Committee.

There are 15 separate committees in addition to the Appropriation Committee that deal with the subjects that are listed on page 4.

My point is, we have many things that wind up in the appropriations process that are not listed in those 13.

Where is the enrolling clerk going to put these items that are new?

Mr. EVANS. The enrolling clerk would not have to do that. If the Senator from Alaska would read the next item on page 3, sub 2, starting on line 22, "any general provisions of the joint resolution are contained in the appropriate title or titles of the joint resolution—rather than in a separate title."

That would be up to the Senate and the House and the conference committee to make those decisions. They would make those decisions as to which one of the 13 titles they would choose to put what otherwise would be considered general provisions in.

Most of those general provisions do have a relationship to one or another of the separate appropriations bills and it would be rather simple to divide them in that respect and I would say to my colleague from Oregon, who talked about the difficulties of a short-term resolution, I still think that it could be readily handled under this language. But if that is the only problem, it would be simple and I would certainly be willing to modify the amendment to say something like: Any short-term appropriations to fund Government for less than 15 days shall be exempt from provisions of this amendment, if that—or something like it—would be necessary. I am not sure that it would be but if that is the only problem that is a simple one to fix.

Mr. STEVENS. Would my friend yield once more and then I shall not ask——

Mr. EVANS. I understand the majority leader still has the floor.

The PRESIDING OFFICER (Mr. WIRTH). Without objection.

Mr. STEVENS. Let me read to you from article I, section 7 of the Constitution, in part.

It says, "But in all such cases the votes of both Houses shall be determined by yeas and nays, and the names of the persons voting for and against the bill shall be entered on the Journal of each House respectively. If any bill shall not be returned by the President within 10 days * * * after it shall have been presented to him, the same shall be a law * * *" and so forth.

The Senator is saying that this Senator would vote on one bill; a continuing resolution. And a clerk would separate this one bill down into 13 separate bills and present those bills to the President.

That is the presumption. I vote for the one bill that contains so many extraneous provisions—but many times I have refused to vote for bills that I supported parts of and opposed others. And many times I have voted for bills that I did not agree with entirely. In fact, just recently I voted against the trade bill because it contained so many different bills beyond that which came from the Finance Committee.

I share your frustration. But that frustration applies to legislation as well as appropriations bills and this is an unconstitutional way to try to correct the problem that both of us would like to correct. I tell you advisedly, in my judgment, this is not constitutional.

The Constitution requires that the names of persons voting for or against a bill presented to the President shall be recorded in the Journal. This amendment would not do that and I appeal to the Senate not to do this.

Mr. EVANS. If I may respond to my colleague from Alaska?

Mr. GRAMM. Would the Senator yield on that point?

Mr. EVANS. The majority leader has the floor.

The PRESIDING OFFICER. The majority leader has the floor and has yielded to the Senator from Washington.

Mr. GRAMM. Would you yield very briefly?

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. It is not an uncommon occurrence here for unanimous consent to be asked and bills to be voted on en bloc. Those bills then go to the President, the President either signs them or vetoes them, in which case no individual Member is recorded on each one of those bills.

So, not every day, but it is not a rare occurrence, that we vote on bills en bloc, in which case no one has raised a constitutional question and the constitutional provision referred to has nothing to do with this situation.

Mr. EVANS. I am delighted with that, in fact, I was going to mention that point and also to remind my colleagues that not one word not one jot, not one title would be changed in the act which had been passed by each House of this Congress after such conference committee as might be necessary.

All that is done is for us to use our internal procedures to divide them into 13 parts to present to the President.

He may or may not return several of those. This Senator's vote would not have been recorded on the bills that the President signs because his vote would have been recorded on a bill, a continuing resolution.

This is not a constitutional amendment. Every bill that is presented to the President must be recorded in the Journal and on it must be recorded the names of those people who voted for or against the bill.

You cannot have an amendment which will divide a bill that I voted on into 13 separate bills and have it be presumed that I would have voted for all 13.

I suppose an argument could be made that it is unconstitutional. I hear that argument made on the floor all the time by those opposed to a measure; that this measure is unconstitutional.

Fortunately, there are some other elements of the Constitution which provide for separation of powers between the several branches of Government. Our job is to pass laws. Sure, we try to have them constitutional when we pass them but we are not the ultimate judge of that.

It is the Supreme Court across the street that will make that decision. We do what we think we ought to do and I believe that this will withstand the constitutional test.

I believe that this will withstand the constitutional test.

I might just add finally before returning the floor to the majority leader, that there has been a lot of talk here about all these extraneous items which are in the appropriations bills, the crime bill and all the other things, which many of us from time to time like to have in an appropriations bill. I am sure my colleague from Oregon, the former chairman, and the current chairman, Senator STENNIS, of Mississippi, which there were a way to keep separate legislation off appropriations bills. It is not in order to offer legislation to an appropriations bill. We just waive that from time to time in order to get legislation on an appropriations bill.

I think this might have the effect of slowing some of that down and might be of some considerable benefit to the Appropriations Committee itself.

The PRESIDING OFFICER. The majority leader.

Mr. BYRD. Mr. President, let us think a little further about what we are doing. I am reading from the amendment, page 2, line 6.

> A joint resolution required to be enrolled pursuant to paragraph (1).
>
> (A) shall be enrolled without substantive revision.

Who is going to make the judgment as to whether or not a separate resolution has been enrolled "without substantive revision?" It is going to be done by the enrolling clerk, according to the amendment.

Let me also point out to the Senate, and I would be happy to have anyone answer this question, any Senator, suppose a continuing resolution is passed by both Houses. I have already pointed out that that resolution passed by both Houses will not go to the President in accordance with the requirements of the Constitution. You can talk about rules all you want, and I may give some attention to the rules in a few minutes. Right now, though, I do not think we need to call attention to the rules of the Senate. I shall call upon a greater authority than the rules of the Senate. The Constitution of the United States is the organic instrument of this Republic and no rules of any legislative body are going to have preeminence over this Constitution.

Yes, it also says that both Houses shall determine the rules of their own procedures and all of that. But it does not say that, in determining the rules of procedure, either body may circumvent the Constitution of the United States.

This Constitution is very clear in what I read earlier with respect to the necessity for every bill to pass both Houses before it goes to the President of the United States. I do not know how anyone can get around that.

> Every bill which shall have passed the House of Representatives and the Senate, shall, before it become a law, be presented to the President of the United States.

Can anyone tell me how a continuing resolution, which is passed by both Houses, according to this amendment by the distinguished Senator from Washington, is ever going to become law? How will it ever become law without its being presented to the President of the United States for his signature? There is no way that it can become law. Yet, according to this amendment, such a continuing resolution would never go to the President. It would only go to an enrolling clerk and there it would stay.

Well, let us leave that point for a moment.

The continuing resolution would go to some enrolling clerk, who would break that continuing resolution into its several parts, and those several parts are to be enrolled and sent to the President of the United States.

Not one of them would have passed either House, as such. What number would be put on each of them? Suppose there are 13 separate appropriation bills involved in that one continuing resolution. That continuing resolution bears a House number, House Joint Resolution 24 or 244, or whatever. You break that continuing resolution down into 13 separate resolutions and send all of them down. What numbers will be given to them?

Well, let us call it a bill for the moment.

That is what the Constitution speaks of, a bill, but it applies to a joint resolution, just as well.

Let us say it is H.R. 348. That is Andy Gump's old license number. How many Senators can remember Andy Gump?

All right, H.R. 348. We break it down into 13 parts. How will they be numbered? Will they be numbered H.R. 348-1, H.R. 348-2, H.R. 348-3, H.R. 348-A, H.R. 348-B, H.R. 348-C? Remember, too, that not one of those bills carrying those numbers, will have passed either body.

I hope that Senators, especially Senators who have had some opportunity to study constitutional law, will think seriously about this question. I hope they will have their answers when they go back to their constituencies and they are asked by some college professor who is a teacher of constitutional law, or by a lawyer, or by a State legislator, "Senator, how do you explain your vote on this matter in the light of this Constitution? How do you explain it?"

I would expect that, the next time the Senators get up before a civic organization, someone in that civic organization may say, "Senator, I have always had great respect for your knowledge of the law. You passing the bar exam a good many years ago. You have even appeared before the Supreme Court of the United States. But tell me, Senator, have you read paragraph 2, section 7, article I of the Constitution of the United States? How do you square that with your vote in support of the Evans amendment?"

Think about it. Stay with the Constitution and vote against this amendment.

Mr. HATFIELD. Will the Senator yield for a comment on the point he is making without losing his right on the floor?

Mr. BYRD. Yes.

Mr. HATFIELD. Mr. President, let me just give a little bit of history of the last few weeks. The clerks in the House of Representatives enrolled a supplemental appropriations bill we passed a few weeks ago, a far simpler vehicle than what we get into when we talk about a continuing resolution. It was sent over to the Senate. The White House made a communication to the Appropriations Committee saying, "We thought we had a provision or two on the foreign operations part of that supplemental and it is not in this supplemental you have up for approval.

Lo and behold, upon review of the situation, the clerks in the House had omitted two paragraphs in the supplemental appropriations bill, quite by mistake.

But of the work; the cut and paste that goes into this whole process, I am sure none of us are fully aware of the complexity of that. The clerks, by mistake, left out two paragraphs of a supplemental appropriations and we had to pass a concurrent resolution to correct that situation in order to validate what the conferees had agreed to, because of a clerical error.

Now you get into the matter of a CR with all of its complexities.

As the majority leader has indicated, this becomes a monumental task that gets down to the simple point of how do we validate the appropriations process under the Constitution.

I just think we ought to look at not only the legal concerns—and I am not qualified to speak for the constitutional legal points—and certainly I can share this experience of the mechanics of a clerk having this kind of authority and responsibility when under the current clerical role that clerks play we have these errors that happen, and not too infrequently, either.

Mr. FORD. Mr. President, will the distinguished Senator from Oregon yield to me without the majority leader losing his right to the floor?

Mr. HATFIELD. I do not have the floor.

Mr. FORD. Without losing his right to the floor, is that all right with the Senator?

Mr. BYRD. That is all right with me. I have said enough and I will sit down. I hope we can vote soon.

Mr. FORD. Will the distinguished Senator yield?

Mr. HATFIELD. Yes.

The PRESIDING OFFICER. The Chair recognizes the Senator from Kentucky.

Mr. FORD. I ask the distinguished Senator from Oregon—and we are talking about procedure now—are we giving any more authority to the Clerk of the House than we have normally?

Mr. HATFIELD. We are giving far more authority to the enrolling clerk because of the fact the enrolling clerk will have to place these, what we call general provisions, general amendments and administrative provisions into the proper separate vehicle that goes down to the White House. At the present time the enrolling clerk has very specific instructions. It comes on the basis of each section, each chapter. But then under the general section—because these are all broken up—the enrolling clerk will have the additional reponsibility to select the vehicle in which the enrollment will occur to send to the White House.

Mr. FORD. Would I be correct then to say we are putting entirely too much responsibility on the Clerk of the House or the Secretary of the Senate because then those who would want a little piece of money instead of going into section 1, would want it over in the Defense Department section or something? Would not people be lined up in front of the clerk's door all the way down Pennsylvania Avenue trying to get the clerk to put this in this area and be changing it around? It just seems to me it would be an unending thing; they cut and paste, somebody else says change it, cut and paste, put it someplace else. The mechanics are horrible under this amendment.

Mr. HATFIELD. The Senator has put his finger on another point and that is we get continuing signals from the White House on each part of the appropriation bill, continuing resolution, or a single bill. We know pretty well what the White House is going to do—veto, support, and sign. Can you imagine what happens under a continuing resolution when there are sections of that which the White House would obviously say we do not like and everybody is saying keep the general provision off of that vehicle and put it on the defense bill because that is the one they will sign for sure or put it on some other because that is the one they will sign for sure? It leads to all kinds of problems and possibilities of things we do not want to discuss.

Mr. FORD. I thank the Senator. We have heard a marvelous discussion of the constitutional problem we have. I am not a lawyer and I listened very intently to the discussion. I read the Constitution with amazement and interest. But I think this amendment has gone beyond the constitutional question; it has put into the hands of the Clerk the opportunity to put anything in any section that he or she may want. I can see that the strongest individual in either the House or the Senate will be the nonelected individual. They would have the ability to put provisions in one section of the bill or the other. I am not sure the distinguished Senator from Washington understands what this amendment is doing as I read it and as substantiated by the distinguished ranking member of the Appropriations Committee. I hope my colleagues, under the circumstances, would vote to defeat this amendment.

Mr. NICKLES addressed the Chair.

Mr. EVANS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Oklahoma.

Mr. NICKLES. Mr. President, I will be very brief. I think the debate that we have had the last hour or so on this amendment shows there is a great deal of frustration. A lot of us believe that the appropriations process and budget process is broke. It is not working. Last year we had one appropriation bill, a CR, $576 billion. It had a lot of things we needed. It had a lot of things we did not need. It had a lot of items that were germane. It had a lot of items that were not germane. The Senator from Alaska said it was not just the appropriations process that abuses the normal process. The Constitution, as pointed out by the majority leader, says every bill shall have been passed by the House and Senate and signed by the President. Every bill. I wonder if they envisioned bills that would be $576 billion large. I wonder if they envisioned a trade bill that had so many miscellaneous items and entire bills attached, a trade bill reported from eight or nine different authorizing committees, had plant-closing legislation, had repeal of the windfall-profits tax, over a thousand pages large. The process that we have today is broke.

I happen to concur with many of the things my friend from Alaska said. I think this should apply in general to other pieces of legislation, not just appropriations bills. I think breaking it down and giving the President the chance to sign or veto 13 different appropriations bills as they are, as they are recorded, as they come out of each individual subcommittee, is not an abuse of power. I think it would restore some of the checks and balances that we desperately need. Right now Congress is holding a stacked deck. It is holding all the cards. It puts all the appropriations bills together and I think abuses the process. We need to fix it. The majority leader may be right. Maybe this is not the best way. Maybe it does not meet every fine point of constitutional discretion. I am not sure. But we need to fix this system. It is broke. The system is not working. It is not working when we have a 1,000 page trade bill. I know the Senator from Missouri worked hard on that trade bill. That trade bill was too large. It had too many items that were not germane, too many items that the President should have a chance to sign or veto individually. And the same thing for the crime bill that we passed. It was over a thousand pages. And again and again Congress has resorted to that trainload mentality—if there is a train moving through, let us tack on whatever—amendments, bills. Not amendments. We call them amendments but they are entire, separate, complete bills. I think the President should have the opportunity to sign or veto and then if we disagree we can override.

Mr. BYRD. Mr. President, I wonder if we could vote in 5 minutes.

Mr. EVANS. I would be delighted to vote, if I could just——

Mr. BYRD. Or vote now.

Mr. EVANS. No. If I could just have time enough——

Mr. BYRD. Mr. President, I ask unanimous consent that the Senator speak for 5 minutes and the Senate then vote.

The PRESIDING OFFICER. Is there objection?

Mr. HUMPHREY. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. HUMPHREY. The opponents have been speaking for an hour and they want to limit us to 5 minutes. That is not fair.

The PRESIDING OFFICER. Objection is heard. The Chair recognizes the Senator from Washington.

Mr. EVANS. I thank the Chair. I fear that this Chamber has been flooded with red herrings this afternoon. We have heard about all of the problems and difficulties of the current system and what might happen under this rather simple proposal. Frankly, I am astounded. I am amazed to hear my colleague from Oregon say that the Enrolling Clerk made a big error and it had to be corrected. That can happen no matter what our rules are or how we choose to put our bills together.

I suggest, Mr. President, that things are broke, as the Senator from Oklahoma has said. And one of the reasons they are broke is because we have engaged in this penchant of putting everything into one huge pot. They are not any more really continuing resolutions. It is more accurate to say that they are omnibus appropriations bills. Last year it is my understanding—and I do not serve on the Appropriations Committee, but I follow it pretty carefully—we passed most of the appropriations bills separately in the Senate, they passed virtually all of them in the House, and the conference committees joined together and reached agreement in each of their separate categories and then the decision was made to wrap all of those together along with the ones which had not been finished. It was done deliberately to make than an omnibus appropriations bill. I cannot think of any stronger argument for reseparating them than the deliberateness of that concept, that suddenly now we should have an omnibus appropriation which for all practical purposes eliminates the constitutional veto authority of a President.

Just consider: Almost $600 billion and a good amount of other legislation hooked aboard, facing the President on the eve of a new fiscal year. He cannot veto it. There is no way the President can use his constitutional veto under those circumstances.

The question has been brought up about the extraordinary power of an enrolling clerk. Well, if this amendment is adopted, as I hope it will be, and if it becomes law, as I hope it will be, then it is up to the Appropriations Committees on both sides to be careful enough to do the job well; to identify clearly what each title is; if necessary, to give a number to each title and say, "When this bill is presented to the President, this will be the number for the military construction proposal." That is easy enough to do.

You can draft what you want in those bills as they are passed by the Senate and by the House clearly and carefully enough so that the enrolling clerk would have no task further than to put them into 13 parts. I think that is precisely what we ought to be doing.

It is bad to give unusual power to someone not elected, and I fear that is what we are doing now by creating such an extraordinarily large and complex bill that we cannot hope to follow all its elements. We do make mistakes. The very best of people make mistakes. But we tend to make more mistakes as we get something more and more complex.

If we could separately take each one of these items, each one of the appropriations bills, as we once did, adequately go through the conference committee on a military construction bill, on the legislative appropriations bill—for Heaven's sakes, on the District of Columbia bill, which certainly should not be too difficult—and on each of the other bills as they come along. Certainly, there are two or three which are of extraordinary difficulty and complexity. I understand full well that the foreign operations bill, the defense authorization bill, and the Health and Human Services side of the bill are going to be complex. But far better to deal with them separately and independently than wrapping them all together in a highly complex continuing resolution.

Mr. President, this is not a complex bill. I do not believe it is an unconstitutional bill. I believe it is worth trying as a small step back toward fiscal sanity. The Judges across the street will make the determination as to whether it is constitutional or unconstitutional, as they often do. But it is worth trying. It is worth trying, if even for only 1 year we end up doing what we once did.

All this is restoring the balance to take us back to the traditions we had in 13 separate bills. I think it would be refreshing and worthwhile. I would hope that each of those 13 bills would be brought to the floor of the Senate and dealt with separately, so that we could analyze each one in its own framework, rather than facing, as we have this last year, a huge and enormous continuing resolution which no Member of the Senate outside of the Appropriations Committee—and I suspect many inside the Appropriations Committee—knew from cover to cover.

We may not know bills from cover to cover if we deal with them separately, but at least we have a chance, and that is all we are asking for in the Senate—a chance to analyze and understand what we are doing, so that we can represent our people and this country better. This is a small step in that direction. It is not overly complex, and I hope it will be adopted by this body and made part of our procedure for just the next 2 years.

This has a sunset clause in it. It is a low-risk trial to see if we can do something better than we are doing today.

I urge the adoption of the amendment.

The **PRESIDING OFFICER.** Is there further discussion of the amendment?

Mr. **HUMPHREY** addressed the chair.

The **PRESIDING OFFICER.** The Senator from New Hampshire.

Mr. **HUMPHREY.** Mr. President, I assure my colleagues that I will be brief.

Mr. **BYRD.** Mr. President, will the Senator yield without losing his right to the floor?

Mr. **HUMPHREY.** I yield.

Mr. **BYRD.** Mr. President, the Senator wanted to speak earlier and should have an opportunity to speak, and he has been recognized. I wonder if we could vote after the Senator from New Hampshire completes his statement.

I ask unanimous consent that the Senator from New Hampshire speak for 5 minutes and that then the Senate vote.

The **PRESIDING OFFICER.** Is there objection? The Chair hears none and it is so ordered.

The Senator from New Hampshire is recognized.

Mr. **BYRD.** I thank the Senator.

Mr. **HUMPHREY.** Mr. President, it is astounding how much obfuscation arises whenever the Senate is on the verge of doing something to enforce fiscal responsibility.

The measure which the Senator from Washington has presented to us is eminently sound and badly needed. Let us recall the context in which it is offered.

Last year, we had one appropriations bill, 576 billion dollars' worth of one bill, the largest appropriations bill in history. It was placed on the President's doorstep at the 11th hour, the 59th minute. He had no practical choice but to sign it, pork and all. That was an act of irresponsibility and malfeasance on the part of Congress.

This measure would enforce some discipline to prevent a recurrence of such an abomination.

A number of objections have been raised. Some have raised the constitutional issue in the context of what defines a bill. I wish to quote from a study by Judith Best, distinguished teaching professor of political science at the University of New York. She says, in part—and I use her words because they are better than mine would be at this moment:

> If Congress may define as a bill a package of distinct programs and unrelated items, it can define distinct programs and unrelated items to be separate bills. Either Congress has the right to define a bill or it does not.

With respect to the objection raised by the ranking member of the Appropriations Committee, in which he alleges that this provision would give new and unwarranted powers of discretion to the enrolling clerks, Senators should read the language of the amendment. It says on page 3, in the provision "In General":

> Notwithstanding any other provision of law, the Standing Rules of the Senate, or the Rules of the House of Representatives—
>
> (1) it shall not be in order to consider any joint resolution making continuing appropriations for a fiscal year unless each title of the joint resolution corresponds to a regular appropriation bill,
>
> (2) any general provisions of the joint resolution are contained in the appropriate title or titles of the joint resolution * * *.

In other words, the Appropriations Committee has to decide, before it discharges the bill, where those general appropriations go. It cannot have a separate section, an addendum at the end of the bill, entitled "General Provisions." It must incorporate general provisions into one of the titles of the bill.

Mr. President, this is an excellent proposal. It is not a line item veto. I wish it were. It is an excellent proposal that will be salutary and will enforce discipline in this place, where there is virtually none, it would seem, as evidenced by the horrible record we have with respect to continuing resolutions and the abomination that in one resolution we passed last year in such a way that we left the President no choice but to sign the whole conglomeration worth $576 billion.

Mr. BYRD. Mr. President, the Senator has 30 seconds remaining. Will he yield it to me?

Mr. HUMPHREY. Yes.

Mr. BYRD. Mr. President, I am told by the managers that there are only three more amendments, and I have good reason to believe that each of them will not take much time as we take on this. So if we can stay a little longer, we can finish action on this joint resolution this evening.

I thank the Senator, and I yield the floor.

The PRESIDING OFFICER. Does the Senator from New Hampshire yield back his remaining time?

Mr. HUMPHREY. I yield back the time.

The PRESIDING OFFICER. The time now expires. The vote now occurs on the amendment offered by the Senator from Washington.

Mr. BUMPERS. Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Hampshire.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DIXON. Mr. President, Senator LEAHY is absent. Were he present, he would vote "no." In view of that, Mr. President, I ask that my vote be paired. I would vote "aye."

Mr. CRANSTON. I announce that the Senator from Washington [Mr. ADAMS], the Senator from Delaware [Mr. BIDEN], the Senator from Vermont [Mr. LEAHY], the Senator from New York [Mr. MOYNIHAN], and the Senator from Illinois [Mr. SIMON], are necessarily absent.

I also announce that the Senator from New Mexico [Mr. BINGAMAN] and the Senator from Alabama [Mr. SHELBY], are absent because of illness in family.

Mr. DOLE. I announce that the Senator from Arizona [Mr. MCCAIN], the Senator from Wyoming [Mr. SIMPSON], and the Senator from Connecticut [Mr. WEICKER], are necessarily absent.

I further announce that, if present and voting, the Senator from Arizona [Mr. MCCAIN] would vote "yea."

The PRESIDING OFFICER (Mr. BREAUX). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 41, nays 48, as follows:

[Rollcall Vote No. 220 Leg.]

YEAS—41

Armstrong
Bentsen
Bond
Boren
Boschwitz
Cohen
Danforth
Daschle
Dole
Domenici
Durenberger
Evans
Exon
Garn
Gramm
Grassley
Hatch
Hecht
Heinz
Helms
Humphrey
Karnes
Kassebaum
Kasten
Lugar
McClure
McConnell
Murkowski
Nickles
Pressler
Proxmire
Quayle
Roth
Rudman
Specter
Symms
Thurmond
Trible
Wallop
Warner
Wilson

NAYS—48

Baucus
Bradley
Breaux
Bumpers
Burdick
Byrd
Chafee
Chiles
Cochran
Conrad
Cranston
D'Amato
DeConcini
Dodd
Ford
Fowler
Glenn
Gore
Graham
Harkin
Hatfield
Heflin
Hollings
Inouye
Johnston
Kennedy
Kerry
Lautenberg
Levin
Matsunaga
Melcher
Metzenbaum
Mikulski
Mitchell
Nunn
Packwood
Pell
Pryor
Reid
Riegle
Rockefeller
Sanford
Sarbanes
Sasser
Stafford
Stennis
Stevens
Wirth

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Dixon, for.

NOT VOTING—10

Adams
Biden
Bingaman
Leahy
McCain
Moynihan
Shelby
Simon
Simpson
Weicker

So the amendment (No. 650) was rejected.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. BREAUX). The Senator from North Dakota.

AMENDMENT NO. 651

(Purpose: To reduce spending for fiscal year 1988 by 2 percent)

Mr. CONRAD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from North Dakota [Mr. CONRAD] proposes an amendment numbered 651.

Mr. CONRAD. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the joint resolution, add the following:

TITLE—2 PERCENT REDUCTION OF SPENDING FOR FISCAL YEAR 1988

SEC. 01. 2 PERCENT REDUCTION OF APPROPRIATE LEVELS.

Pursuant to section 304 of the Congressional Budget and Impoundment Act of 1974, section 4 of the concurrent resolution on the budget for fiscal year 1988 (H. Con. Res. 93, 100th Congress, 1st Session) is amended by adding at the end thereof the following new subsection:

"(t)(1) Notwithstanding any other provision of law but subject to the provisions of paragraphs (2), (3), and (4)—

"(A) for purposes of determining, in accordance with section 311(a) of the Congressional Budget Act of 1974, whether the maximum deficit amount for a fiscal year has been exceeded;

"(B) for purposes of other points of order under section 311 of the Congressional Budget and Impoundment Control Act of 1974;

"(C) for purposes of reconciliation under section 310 of the Congressional Budget and Impoundment Control Act of 1974; or

"(D) for purposes of allocations and points of order under section 302 of the Congressional Budget and Impoundment Control Act of 1974,

each appropriate level of total new budget authority for each major functional category and aggregate set forth for fiscal year 1988 in the concurrent resolution on the budget for fiscal year 1988 (H. Con. Res. 93, 100th Congress, 1st Session) shall be deemed to be reduced by 2 percent, and outlay levels shall be deemed to be reduced by appropriate amounts corresponding to a 2 percent cut in budget authority.

"(2) The reduction imposed by paragraph (1) and paragraph (3) shall not apply to the major functional categories for Social Security (650) and that portion of budget authority and outlays which are under any functional category and which are attributable to the enforcement activities of the Internal Revenue Service, and shall apply only to that portion Medicare (570) attributable to general records.

"(3) In addition to other changes specified in this subsection, the committees of the House of Representatives and the Senate that have jurisdiction over budget authority and outlays (other than budget authority and outlays within functional categories for Social Security (650) or under any function categories which are attributable to enforcement activities or the Internal Revenue Service) shall report changes in laws within their jurisdiction that provide budget authority and outlays (other than budget authority and outlays within functional category for Social Security (650) and the functional categories which are attributable to enforcement activities or the Internal Revenue Service) sufficient to reduce budget authority or, where applicable, outlays (other than budget authority and outlays within functional category for Social Security (650) and the functional categories which are attributable to enforcement activities or the Internal Revenue Service) by two percent.

"(4) The Chairmen of the Committees on the Budget of the House of Representatives and the Senate shall file with their respective Houses appropriately revised allocations under section 302(a) of the Congressional Budget Act of 1974 and revised functional levels and aggregates to carry out this subsection. Such revised allocations, functional levels, and aggregates shall be considered for the purposes of such Act as allocations, functional levels, and aggregates contained in a concurrent resolution on the budget within the meaning of title III of such Act, and the appropriate committees of such Houses shall report revised allocations, pursuant to section 302(b) of such Act for fiscal year 1988 to carry out this subsection."

Mr. CONRAD. May I have order?

The PRESIDING OFFICER. The Senate will be in order. The Senate is not in order. The Senator will please suspend until the Senate is in order.

The Senator will please begin.

The Senator from North Dakota.

Mr. CONRAD. Mr. President, this amendment seeks to reduce budget authority and, where appropriate, outlays 2 percent across the board with certain limited exceptions. Those exceptions are as follows.

No. 1, Social Security; No. 2, the functions of the Special Revenue Service; and No. 3, the 2-percent reduction applies to the general revenue portion of Medicare.

Mr. President, let me just briefly read from the amendment itself.

> For the Impoundment Control Act of 1974, each appropriate level of total new budget authority for each major functional category and aggregate set forth for fiscal year 1988 in the concurrent resolution on the budget for fiscal year 1988 (H. Con. Res. 93, 100th Congress, 1st Session) shall be deemed to be reduced by 2 percent, and outlay levels shall be deemed to be reduced by appropriate amounts corresponding to a 2 percent cut in budget authority.

Mr. President, since we adopted our budget resolution the underlying assumptions on revenue have changed dramatically.

When we passed the budget resolution we thought we would have a deficit in fiscal 1988 of $134 billion.

Mr. DOMENICI. May we have order?

The PRESIDING OFFICER. Those Senators desiring conversation will please retire to the cloakroom. The Senate will please be in order.

The Senator from North Dakota.

Mr. CONRAD. I thank the Chair and I thank the Senator from New Mexico.

As I was saying, when we passed the budget resolution we thought we were providing a deficit of $134 billion for fiscal 1988. Now we know with the new estimate by CBO that that estimate is $152 billion.

In addition, we know that over the next 5 years the deficit is increased by $238 billion from the previous projections. That is the reason I am offering this amendment. Very simply, it does the following:

First, it saves $10.4 billion over the previous budget resolution.

Second, it reduces the ending deficit from $151.1 billion to $140.7 billion; and

Third, it improves the balance of the deficit reduction package that we passed.

The deficit reduction package that we passed had $19 billion in revenue; $8 billion in cuts. The additional $10.4 billion in cuts provides some greater balance between revenues on the one hand and cuts on the other.

The next point I want to make is that this is not a draconian cut.

Mr. JOHNSTON. Would the Senator yield for a question? I hate to interrupt his train of thought but would he mind yielding?

Mr. CONRAD. I would be happy to yield.

Mr. JOHNSTON. I am advised that this section violates section 306 of the Budget Act because it involves matters within the jurisdiction of the Budget Committee which have not been referred to that committee.

Since that point of order does lie, I wonder if the Senator wants to fully discuss it before that point of order is made?

Mr. CONRAD. Yes. I would like to complete the case. Let me advise the Senator that I am very near the end. I have exercised restraint, noticing the lateness of the hour and the eagerness of Senators to leave. But I would just like to complete the case and then I will move to waive the Budget Act provisions.

Let me just pick up where I left off by indicating this is not some draconian cut. In fiscal 1987 we had outlays of $1.008 trillion; in fiscal 1988 the conference agreed to $1.069 trillion.

We cut that back to $1.058 trillion in outlays. In other words, we are going up in outlays from last year by $50 billion.

Let me also indicate that in an area that is as sensitive as education, this 2-percent reduction still leaves you $900 million above the CBO baseline.

There is one thing that I would like to advise Senators, because I circulated to all Senators what the effect of these cuts would be in each functional area.

The conference left Medicare at $81.6 billion. The sheet distributed indicated the cuts would take us back to $79.8 billion. Now that we are just applying the reduction to the general revenue portion of revenue that number is now $81 billion.

Finally, let me indicate that in each of the major functional areas, defense is reduced $3.4 billion, nondefense discretionary is reduced $2 billion, entitlements are reduced $4.6 billion, net interest is reduced $400 million, for a total savings of $10.4 billion, according to CBO.

I urge adoption of the amendment. I am prepared to move to waive.

The PRESIDING OFFICER. Does the Senator move to waive or does the Senator yield the floor at this time?

Mr. CONRAD. Pursuant to section 904(c) of the Congressional Budget Act of 1974, I move that section 306 of that act be waived with respect to the consideration of the Conrad amendment as offered.

The PRESIDING OFFICER. Is there debate on the motion?

Mr. JOHNSTON. Mr. President, I make a point of order under section 306 of the Budget Act.

The PRESIDING OFFICER. The point of order is made and the Chair will say that the Senator from North Dakota has moved to waive the provisions of the Budget Act. That motion is debatable. It must be disposed of before any other matters can be taken up. So the debate, if there is any, is on the motion of the Senator from North Dakota.

Is there debate on the motion?

Mr. BOSCHWITZ. Mr. President, I rise to support the amendment and hope that the Budget Act will be waived. I subscribe to the amendment because I believe that the only way we are going to control expenditures is by an across-the-board approach. In my years on the Budget Committee as we have debated various aspects of it, we approached each element, each function and subfunction learning that they are all very appealing. In the end, unless you take an approach that is almost somewhat mindless in the sense that it is across the board, you just do not make any progress at all.

So I do indeed support the idea that we go across the board. The approach of the Senator from North Dakota would not mean that people would receive less than the year before. They would receive as much as they did the year before. They simply in some instances would not receive more or the increase would be diminished.

I applaud the idea that the across-the-board approach on the budget is necessary if we are going to control expenditures. I hope the Senate will support the Senator from North Dakota in his attempt to waive the Budget Act at this time.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, I thank the Senator from Minnesota, who is cosponsoring this amendment. I know there are those who think that an across-the-board cut is not the preferable way to proceed. I agree with that.

But we have spent months carving up the pie. Now the question is whether we reduce the size of the pie somewhat. In this amendment we have given maximum flexibility to the committees to determine how these cuts might be made in light of the numbers from CBO. This seems to be the only way that we can achieve further budget deficit reduction in fiscal 1988. For that reason I urge my colleagues to support it. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Is there further debate?

Mr. DOMENICI. Mr. President, I assume the distinguished Senator from Louisiana who made the point of order obviously joins me in urging that we not waive in this instance. Am I correct?

Mr. JOHNSTON. Mr. President, the Senator is correct. There is a long argument to be made about this. I support the thrust of the amendment, but, believe me, this will not work. Rather than make a long speech to tell you why it will not work, it is just very plain that it violates the Budget Act and we should not give the 60 votes to waive the Budget Act.

I think the Senator will agree with me that it applies only to budget authority. If you could get around it so easily, it is like the proverbial hole in the line that is so wide you can drive a Mack truck through it.

Rather than go into the long argument as to why it will not work, I think it is better, as the Senator suggests, not to waive the Budget Act.

Mr. DOMENICI. I would like to say that it seems to me that the Senator who offered this amendment is most diligent in trying to restrain the budget. I have complimented him in the committee and here on the floor. But Senators should know we just passed the budget resolution. We went to conference. Whether you like the budget resolution or not, within 3 weeks after you have adopted a budget resolution when these kinds of amendments to reduce the budget resolution would have been in order, if you come along after the budget resolution and cut just the Senate's portion we say now we are going to have a brand new budget resolution, in essence, if this amendment is adopted.

In addition, since you are only applying it on the budget authority side you have nothing but confusion. So if ever the 60-vote rationale was very valid and you should use it—obviously, it is there to be waived—this is one where you should not waive it. Obviously, you are changing the budget resolution within 3 weeks in a manner that will not work. If you were going to cut it in the budget, cut it in the budget resolution that just passed. Do not deem it a month later to be changed, which essentially is what we are doing.

I thank the Senator from Louisiana for making the point of order and I hope we will not waive the Budget Act in this instance.

The PRESIDING OFFICER. The question is on waiving the budget resolution provisions. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Washington [Mr. Adams], the Senator from Delaware [Mr. Biden], the Senator from Arkansas [Mr. Bumpers], the Senator from Vermont [Mr. Leahy], the Senator from New York [Mr. Moynihan], and the Senator from Illinois [Mr. Simon] are necessarily absent.

I also announce that the Senator from New Mexico [Mr. Bingaman] and the Senator from Alabama [Mr. Shelby] are absent because of illness in family.

Mr. DOLE. I announce that the Senator from Arizona [Mr. McCain], the Senator from Wyoming [Mr. Simpson], and the Senator from Connecticut [Mr. Weicker] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 36, nays 53, as follows:

[Rollcall Vote No. 221 Leg.]

YEAS—36

Armstrong
Baucus
Bond
Boren
Boschwitz
Burdick
Byrd
Chiles
Conrad
Danforth
Daschle
DeConcini
Dixon
Exon
Fowler
Gramm
Grassley
Harkin
Hatch
Heflin
Humphrey
Karnes
Kasten
Levin
McClure
McConnell
Melcher
Nickles
Pressler
Proxmire
Pryor
Roth
Sanford
Symms
Wilson
Wirth

NAYS—53

Bentsen
Bradley
Breaux
Chafee
Cochran
Cohen
Cranston
D'Amato
Dodd
Dole
Domenici
Durenberger
Evans
Ford
Garn
Glenn
Gore
Graham
Hatfield
Hecht
Heinz
Helms
Hollings
Inouye
Johnston
Kassebaum
Kennedy
Kerry
Lautenberg
Lugar
Matsunaga
Metzenbaum
Mikulski
Mitchell
Murkowski
Nunn
Packwood
Pell
Quayle
Reid
Riegle
Rockefeller
Rudman
Sarbanes
Sasser
Specter
Stafford
Stennis
Stevens
Thurmond
Trible
Wallop
Warner

NOT VOTING—11

Adams
Biden
Bingaman
Bumpers
Leahy
McCain
Moynihan
Shelby
Simon
Simpson
Weicker

The PRESIDING OFFICER. On this vote, the yeas are 36, the nays are 53. The motion is not agreed to and the amendment of the Senator from North Dakota which proposes to change matter within the jurisdiction of the Budget Committee has been offered to a joint resolution not reported by the Budget Committee and in violation of section 306 of the Budget Act and, therefore, the amendment must fall.

AMENDMENT NO. 652

(Purpose: To repeal the pay raises granted to Members of Congress and certain officers and employees of the Federal Government)

Mr. HUMPHREY. Mr. President, on behalf of Senators Burdick, Helms, Proxmire, DeConcini, McCain, and Roth, and on my own behalf I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from New Hampshire (Mr. Humphrey) for himself, Mr. Burdick, Mr. Helms, Mr. Proxmire, Mr. DeConcini, Mr. McCain, and Mr. Roth, proposes an amendment numbered 652.

At the appropriate place, add the following new section:

Sec. . (a) The rates of pay for all offices and positions which were increased pursuant to the recommendations of the President relating to rates of pay for offices and positions within the purview of section 225(f) of the Federal Salary Act of 1967, as included (pursuant to section 225(h) of such Act) in the budget transmitted to Congress for the fiscal year ending on September 30, 1988, are reduced to the rate of pay for each such office and position which was in effect before such recommendations became effective.

(b) The provisions of subsection (a) shall become effective on the first day of the first applicable pay period which begins on or after the date of enactment of this Act.

(c) The provisions of subsection (a) shall not apply to any judge, justice, or magistrate serving in the Judiciary Branch of the Federal Government.

Mr. HUMPHREY. Mr. President, I am aware that Senators have family obligations. I am, myself, concerned about making good on a promise I made my little boy that I would be at home when he wakes up tomorrow. I need to catch an airplane like other people. But public business—I hope I do not sound to pious—public business comes first, and this is our best opportunity to offer this amendment, and that is why I am offering it.

I do not wish to be a nuisance. But, Mr. President, let me say this, and I will keep it brief because the case has been well argued. There is no need to reargue the case. Senators are acquainted with the situation.

Here is why I am once again offering this amendment, Mr. President. Senators know that the Senate for its part on several occasions voted against the pay raise which ultimately went into effect recently, several months ago, which accounted for a $12,100 increase in the salary of Members of Congress which is a 15.6-percent increase.

The Senate voted under the procedure to decline the pay raise. Under the new law, both Houses must decline the pay raise. The House for its part claimed to decline the pay raise, but the leadership in the shabbiest of scams scheduled the vote the day following the deadline for such a vote. In the debate on the House floor at the time, members of both parties analyzed that the vote was utterly without meaning, utterly without effect, because it was occurring 1 day too late; it was occurring after the deadline.

I have to say very frankly that the House perpetrated a grievous scam in which the people of the United States suffered. A great breach of faith with the people of the United States was opened up, which breach remains open and will until something is done to close it. That is why I offer this amendment.

The amendment returns the rate of pay of Members of Congress and certain executive officers, but not the judiciary—may I point out, they are exempted in the judiciary, including judges, justices, and magistrates—and restores the rate of pay for Members of Congress and certain members of the executive to the rate which existed prior to the passage of the automatic increase in pay which occurred recently.

We are asking Senators only to do what they have done before, and that is to vote down this pay raise—in this case to repeal it—in hopes that by attaching it to this bill the Representatives of the House will be forced at last to act in a timely fashion one way or the other and address this important matter.

Mr. President, I believe the Senator from North Dakota wishes to speak, and for that matter I yield the floor.

The PRESIDING OFFICER. The Senator yields the floor and the Chair will recognize the Senator from North Dakota.

Mr. BURDICK. Mr. President, I rise today in support of ongoing efforts to rectify the situation caused by the $12,000 pay raise. As my colleagues may recall, I have taken every opportunity to express my strong opposition to this unwarranted and backhanded raise. We have had 4 months' increased pay.

For each Senator and Representative, the raise has accounted for an increase of more than $1,000 in gross monthly pay and nearly $500 in monthly take-home pay. Because I am committed to deficit reduction, I have returned this amount to the U.S. Treasury each month, totaling just under $2,000.

I was against this raise when it was approved. I remain opposed to it. I will vote for every measure which crosses this floor to repeal this raise, and will return every penny to the U.S. Treasury, where it belongs.

If every Senator and every Representative did the same, we would reduce the deficit by more than a quarter of a million dollars every month. That's more than $3 million a year. This issue will not go away. Let us deal with it fairly. Let us do the right thing during this period of deficits.

The PRESIDING OFFICER. Who seeks recognition? Is there further debate?

Mr. PACKWOOD. Mr. President, we are on the verge, I think, of adopting a historic change in our budget procedure with the Gramm-Rudman-Hollings fix that we have adopted. I am very, very hesitant to do anything that might jeopardize an extraordinary step forward that this Senate has taken and I hope the House is going to be amendable to and after all the work that Senators CHILES, DOMENICI, and GRAMM have gone to and the fact that all of the other amendments that have been brought up, except for the Bennett Johnston amendment to extend the debt ceiling, have been tabled or points of order not waived. It is my intention on behalf of Senators BYRD, DOLE, BENTSEN, PACKWOOD, STEVENS, CHILES, DOMENICI, and CRANSTON to table this amendment.

I will so move in just a moment, but I want to emphasize again how strongly I feel that we not jeopardize one of the extraordinary fiscal restraint mechanisms that we may ever have the chance to adopt.

I fear if this amendment is put on this bill and we go to the House with this amendment, we are taking a very slight step in exchange for risking the loss of the most significant budget restraint procedure we have put on the budget since the Budget Act was passed, and for that reason——

Mr. BYRD. Not only that, we are running the risk of this expiring Thursday.

Mr. PACKWOOD. Oh, yes. The majority leader very carefully recalls that we do run again out of money on Thursday and we are no longer talking about the old days of the debt ceiling where we could go on several more days. We cannot redeem any bonds, pay Social Security checks, period. We just cannot pay them.

So we are not fooling ourselves here into thinking we can get ourselves into September by not passing anything.

I see the Senator from Alaska is here. I just waited. I would be prepared and a number of people to move to table, but I understood the Senator from Alaska may also be wanting to make the same motion.

Mr. HUMPHREY. Mr. President, will the Senator from Oregon yield for 1 minute.

Mr. PACKWOOD. Yes. I do not want to shut the main sponsor of the amendment off.

Mr. HUMPHREY. I simply want to make the point. The Senator suggested that no amendments have been adopted controversial in nature.

I remind the Senate that the amendment offered by the Senator from New York that deals with the Social Security trust fund is a very weighty matter indeed and of some controversy.

I thank the Senator.

Mr. PACKWOOD. Now, Mr. President, I do move on behalf of Senators BYRD, DOLE, BENTSEN, PACKWOOD, STEVENS, CHILES, DOMENICI, and CRANSTON to table the amendment of the Senator from New Hampshire.

Mr. HUMPHREY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from North Dakota. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Washington [Mr. ADAMS], the Senator from Delaware [Mr. BIDEN], the Senator from Vermont [Mr. LEAHY], the Senator from New York [Mr. MOYNIHAN], the Senator from Maryland [Mr. SARBANES], and the Senator from Illinois [Mr. SIMON] are necessarily absent.

I also announce that the Senator from New Mexico [Mr. BINGAMAN] and the Senator from Alabama [Mr. SHELBY] are absent because of illness in family.

Mr. DOLE. I announce that the Senator from Arizona [Mr. MCCAIN], the Senator from Wyoming [Mr. SIMPSON], and the Senator from Connecticut [Mr. WEICKER] are necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming [Mr. SIMPSON] would vote "nay."

The PRESIDING OFFICER (Mr. REID). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 49, nays 40, as follows:

[Rollcall Vote No. 222 Leg.]

YEAS—49

Bentsen
Boschwitz
Breaux
Bumpers
Byrd
Chafee
Chiles
Cochran
Conrad
Cranston
D'Amato
Dixon
Dodd
Dole
Domenici
Durenberger
Evans
Fowler
Garn
Glenn
Graham
Harkin
Hatfield
Inouye
Johnston
Kassebaum
Kennedy
Kerry
Levin
Lugar
Matsunaga
McClure
Mikulski
Murkowski
Nunn
Packwood
Pell
Pryor
Quayle
Reid
Rockefeller
Sanford
Stafford
Stennis
Stevens
Symms
Wallop
Warner
Wirth

NAYS—40

Armstrong
Baucus
Bond
Boren
Bradley
Burdick
Cohen
Danforth
Daschle
DeConcini
Exon
Ford
Gore
Gramm
Grassley
Hatch
Hecht
Heflin

Heinz
Helms
Hollings
Humphrey
Karnes
Kasten
Lautenberg
McConnell
Melcher
Metzenbaum
Mitchell
Nickles
Pressler
Proxmire
Riegle
Roth
Rudman
Sasser
Specter
Thurmond
Trible
Wilson

NOT VOTING—11

Adams
Biden
Bingaman
Leahy
McCain
Moynihan
Sarbanes
Shelby
Simon
Simpson
Weicker

So the motion to lay on the table amendment No. 652 was agreed to.

Mr. JOHNSTON. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. BYRD. Mr. President, I move to lay the motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 653

(Purpose: To prevent increases in the rates of pay of Members of Congress and certain other officers and employees of the Federal Government under the Federal Salary Act of 1967 without the approval of Congress)

Mr. GRASSLEY. Mr. President, before I send my amendment to the desk, I want to say to my colleagues that I am well aware of the fact that anybody in this body who brings an amendment dealing with pay raises, particularly if they bring it up at 8:30 on Friday night, probably is as welcome in this body as some skunk is at a Sunday school picnic on a hot, sunny day. I am well aware of that.

My amendment is entirely different from the amendment on which we just voted. My amendment deals with a more basic issue. I am well aware that my constituents are more concerned that the pay raise is received through the back door. That is unless Congress takes negative action, the pay raise goes into effect.

So, Mr. President, in the spirit of changing this procedure, I send this amendment to the desk. I do not expect to make long remarks on it.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY], for himself and others, proposes an amendment numbered 653.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following new section:

SEC. . Paragraph (1) of section 225(i) of the Federal Salary Act of 1967 (2 U.S.C. 359) is amended to read as follows:

"(1) Each recommendation of the President which—

"(A) is transmitted to the Congress pursuant to subsection (h) of this section; and

"(B) is approved by a joint resolution agreed to by the Congress,

shall be effective as provided in paragraph (2) of this subsection.".

Mr. GRASSLEY. Mr. President, this amendment is cosponsored by Senators HUMPHREY, BURDICK, DECONCINI, PROXMIRE, MCCAIN, HELMS, KARNES, THURMOND, NICKLES, EXON, DOMENICI, ROTH, HECHT, BOND, REID, and WILSON.

Our amendment concerns an issue which the Senate has addressed before, but which requires our consideration again. My amendment would require Congress to cast an affirmative vote before we could receive a pay raise.

This amendment would invalidate the backdoor method by which Congress received its pay raise this past April. Congress was able to receive this pay raise despite the Senate's objection by a vote of 88-6 and despite the House's objection on a voice vote. Congress, and other Federal officials, received the pay raise because the House of Representatives voted 1 day late.

Under the existing method, Congress defers to the Quad Commission, which we created in the Postal Revenue and Salary Acts of 1967. The Quad Commission, as we all know, meets every 4 years to study and recommend an appropriate salary increase for top officials in all three branches of Federal Government.

Mr. President, up until 1977, a one House veto of the recommendation would prevent the pay raise from going into effect. Now however, Congress need do nothing but sit for 30 days after the President transmits the recommendation to Congress, in order to receive the salary increase. If Congress wants to create an appearance of accountability, it need only act too late, after the 30-day limit has expired.

That process is wrong, and it raises the hackles of our constituents. I have received over 3,500 letters from Iowans who oppose the pay raise and the procedure by which we got it. That slight of hand process lacks accountability and it lacks character.

As you are all aware, a case is being heard in the courts to determine whether our action—or lack of action—is constitutional. My colleague, the Senator from New Hampshire, Mr. HUMPHREY, and five of our colleagues in the House of Representatives, have filed this petition. They have pledged to continue the fight to rescind this ill-gotten raise.

I'll let Senator HUMPHREY address the court case, if he chooses. The case, which I support, specifically addresses the pay raise we have just recently received. However, the amendment I offer today addresses only future raises and makes sure that future pay increases will not occur again through the back door.

If we believe we deserve a pay raise, we should be willing to go on record to approve it during that 30-day period. We should be willing to say to our constituents, "Yes, we deserve this raise." Instead of being open and forthright, our past actions tell voters that we want our raises dropped in our laps, rather than taking responsibility for them.

I would like to be able to look the people of Iowa in the eye and say, "A mistake was made when the House did not vote in a timely manner to stop the raise." I want to be able to tell them that we've taken care of it, and it will not happen again."

I, and my colleagues who join me as cosponsors, introduce this amendment because we believe it serves the best interest of the people, and ultimately of Members of Congress themselves. We must be responsive to the people we serve. They regard the present procedure as a gutless one.

Every appropriation bill to pass Congress is put to a vote. Not one dime is spent without the approval of Congress. When it comes to our own pay, why the exception—why no vote? That's what the public does not understand.

So, Mr. President, I urge my colleagues to support this amendment. It is very reasonable. On January 29 the Senate passed, on a vote of 88-6, a resolution sponsored by Senator THURMOND to disapprove the recommended pay raise. In February the House voted, although on a voice vote, to also disapprove the pay raise. Yet, because of a technicality in the law, the pay raise was awarded to us in April.

Our amendment will change this law so that Federal officials, including Members of Congress, cannot receive salary increases unless the Senate and the House vote to approve the salary increase. Future pay increases could not go into effect through a back door. Pay raises will have to go through the front door of Congress, the same as every other budget increase, in full view of the entire Nation.

Mr. President, action, or inaction as the case may be, speaks louder than words. I urge my Senate colleagues to change their posture of inaction into one of action. I urge your support of this amendment.

Mr. President, the amendment is this simple: That in 1990 or into the future, the report of the Quadrennial Commission must be voted upon by this body before it can go into effect.

Mr. STEVENS. Mr. President, if the Senator will yield, does he mean by this body or by each body?

Mr. GRASSLEY. By each body.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. PACKWOOD. Can we not just accept it?

Mr. GRASSLEY. I say to the manager of the bill that I had thought we could. On the advice of some of my friends, however, I am taking their advice now in asking for a vote.

The PRESIDING OFFICER. There is a sufficient second.

Mr. HUMPHREY. Mr. President, I support the amendment offered by Senator GRASSLEY to restore accountability to the pay raise process. The current process is a direct circumvention of the intent of the founders to hold Members accountable to the voters for pay raises. Indeed, I believe it is unconstitutional—1987 was the first year, and hopefully the last, in which the new procedure for determining congressional pay raises was utilized.

This procedure was included—without consideration or debate—in the huge continuing resolution enacted for fiscal year 1986. The procedure, I believe, is unconstitutional. Article I, section 6 of the Constituiton requires "the Senators and Representatives shall receive a compensation for their services, to be ascertained by law. * * *" This means a law passed by both Houses of Congress, affirmatively "ascertaining" the salaries to be paid.

The current process allows a pay raise to go into effect while the Congress sits on its hands. This circumvention of the letter and intent of the Constitution is being challenged in the courts.

Mr. President, it is too late to reform the process in regard to the pay increases recommended by the President in this year's budget. We must deal with those recommendations separately. However, the time has come to restore accountability to the way we do things around here. Aside from the constitutional issues involved, this amendment should be approved simply because it provides for the only responsible manner in which to raise our salaries.

While it may be politically convenient for Congress to pass the buck to the President on this sensitive issue, it is a violation of the most basic principles of accountability in Government. It takes positive action on the part of the Congress to increase every other Federal expenditure, with a few exceptions, such as entitlement programs. Why should our own salaries be any different? Do Senators believe their salaries are a new entitlement program?

The amendment offered by Senator GRASSLEY will restore accountability and place the burden where it squarely belongs. The issue is whether the Congress will fulfill its constitutional duty to set the salary of its Members. Just as importantly, will we restore the accountability to the process that our constituents, correctly, demand? I believe that we must. I hope that my colleagues will support this effort.

Mr. DECONCINI. Mr. President, I am proud to be a cosponsor of the amendment brought before this body by my colleague, Senator GRASSLEY. The amendment upon which we are about to vote is probably one of the more clear-cut, commonsense votes we will take during this historic 100th Congress. I feel that it is high time that Congress take the ambiguity out of the procedure which is followed in awarding itself an increase in pay. The amendment of the Senator from Iowa would accomplish this goal.

Earlier this year, a headline on the front page of the Washington Post read "Pay Issue Straddled by House; Deft Moves Keep Raise Alive Despite Senate Bid to Kill It." The current procedure for voting or not voting pay raises is confusing to the point of farce. Members of Congress—those who are masters of parliamentary procedure and floor maneuvering—can be recorded as voting against a pay raise and yet still receive the raise. We unfortunately saw this demonstrated this year when the Senate voted overwhelmingly against the Reagan administration's proposed pay raise only to see it become effective because of a lack of timely action by our colleagues in the other body.

We need to ensure that these clever, sleight-of-hand movements do not occur in the future. We need to bring our actions into the open glare of public scrutiny. We must demonstrate to the American people that we are willing to be held accountable for our doings. We must be held accountable for our actions.

The amendment upon which we will vote would require Congress to make an up or down vote on the issue of future pay raises. Instead of having the recommendation of the President's Commission on Executive, Legislative, and Judicial Salaries become effective only if both Houses of Congress vote to disapprove the proposed pay raise, this amendment would require both the House of Representatives and the Senate to vote in favor of the salary increase before it could go into effect; thus removing the ability of Congress to obtain an increase in pay through the back door. It is good government and responsible legislation. I strongly urge my colleagues to vote to bring light into the congressional pay raise process and overwhelmingly pass this amendment.

Mr. BYRD. Mr. President, I believe that after this amendment there are no more amendments. I ask the managers if that is correct.

Mr. DOMENICI. We know of no other amendments on our side.

Mr. BYRD. Mr. President, does any Senator want a rollcall vote on final passage?

Mr. STEVENS. Mr. President, I want the RECORD to show that I will vote "no." This body has never failed to vote for a pay raise, since I have been in this Senate, when it has become effective. This amendment amounts to changing the procedure in the House, in which in some instances a pay raise vote is not required. So I will vote "no." I do not believe we ought to tell the House how to run its business.

The PRESIDING OFFICER. The majority leader has the floor.

Mr. BYRD. Mr. President, there will be a rollcall vote on final passage.

I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Is there further debate on the amendment of the Senator from Iowa?

Mr. BYRD. Mr. President, I ask unanimous consent that there be 10 minutes on this rollcall vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment. On this question the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Washington [Mr. ADAMS], the Senator from Delaware [Mr. BIDEN], the Senator from New Jersey [Mr. BRADLEY], the Senator from Vermont [Mr. LEAHY], the Senator from New York [Mr. MOYNIHAN], and the Senator from Illinois [Mr. SIMON] are necessarily absent.

I also announce that the Senator from New Mexico [Mr. BINGAMAN] and the Senator from Alabama [Mr. SHELBY] are absent because of illness in family.

I further announce that, if present and voting, the Senator from New Jersey [Mr. BRADLEY], would vote "yea."

Mr. DOLE. I announce that the Senator from Arizona [Mr. MCCAIN], the Senator from Wyoming [Mr. SIMPSON], the Senator from Connecticut [Mr. WEICKER], and the Senator from Pennsylvania [Mr. HEINZ] are necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming [Mr. SIMPSON] would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 84, nays 4, as follows:

[Rollcall Vote No. 223 Leg.]

YEAS—84

Armstrong
Baucus
Bentsen
Bond
Boren
Boschwitz
Breaux
Bumpers
Burdick
Byrd
Chafee
Chiles

Cochran
Cohen
Conrad
D'Amato
Danforth
Daschle
DeConcini
Dixon
Dodd
Dole
Domenici
Durenberger
Evans
Exon
Ford
Fowler
Garn
Gore
Graham
Gramm
Grassley
Harkin
Hatch
Hatfield

Hecht
Heflin
Helms
Humphrey
Inouye
Johnston
Karnes
Kassebaum
Kasten
Kennedy
Kerry
Lautenberg
Levin
Lugar
Matsunaga
McClure
McConnell
Melcher
Metzenbaum
Mikulski
Mitchell
Murkowski
Nickles
Nunn

Packwood
Pell
Pressler
Proxmire
Pryor
Quayle
Reid
Riegle
Rockefeller
Roth
Rudman
Sanford
Sarbanes
Sasser
Specter
Stafford
Stennis
Symms
Thurmond
Trible
Wallop
Warner
Wilson
Wirth

NAYS—4

Cranston
Glenn

Hollings
Stevens

NOT VOTING—12

Adams
Biden
Bingaman
Bradley

Heinz
Leahy
McCain
Moynihan

Shelby
Simon
Simpson
Weicker

So the amendment (No. 653) was agreed to.

Mr. BYRD. Mr. President, a bit of good news for Senators. I want to thank them. It has been a long day and a hard day and I think they have been patient. I thank them for that.

But I should announce that the Senate will not be in tomorrow.

Mr. President, on Monday, I hope that we can take up the catastrophic illness.

ORDER FOR RECESS UNTIL MONDAY, AUGUST 3, 1987

Mr. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 12 noon on Monday.

The PRESIDING OFFICER. Without objection, that is the order.

Mr. BYRD. There will be no more rollcall votes tonight, provided the measure passes. [Laughter.]

Mr. CHILES. Mr. President, we reached a bipartisan compromise because people of good will found the road to accommodation. But while working out agreement on broad policy issues was demanding for the Senators involved, converting the agreement into legislative language was incomparably arduous work.

We owe special thanks to the attorneys in the Office of Senate Legislative Counsel. In particular, let me single out Susan V. McNally for her tenacity, dedication, and scholarship. She was often here so late at night and back so early in the morning, it was hard to tell where one stopped and the other began.

A graduate of Barnard College and the Columbia University School of Law, she's a genuine professional who blends good humor and technical excellence. I appreciate all she had done, and she has done a great deal throughout the evolution of the amendment to Gramm-Rudman-Hollings.

My thanks also go to William F. Jensen of the counsel's office who came to this issue in its latter stages, but brought so much of value to the job. Let me also acknowledge the early work of Richard A. Luaderbaugh, formerly with the counsel's office, for his early contributions to this amendment.

CONRAD AMENDMENT NO. 651

Mr. LEVIN. Mr. President, I voted in support of the Conrad amendment because it is clear that the budget resolution for fiscal year 1988 that the Congress recently approved is inadequate to meet the task of deficit reduction that is before us. When we passed that budget resolution we assumed that it would result in a deficit of $134 billion. However, according to the latest projection by the Congressional Budget Office, that resolution would now produce a deficit of at least $150 billion. We need to do more than we had planned on if we are to meet our original commitment for deficit reduction. I have long believed that across-the-board cuts are a matter of last resort. I am afraid we are approaching the last resort if we are to meet our commitment.

Mr. DOLE. Mr. President, I want to again congratulate Senators DOMENICI, GRAMM, and CHILES on their successful effort to remedy the constitutional problem with the so-called Gramm-Rudman-Hollings law.

Their tireless effort and persistence achieved what few believed possible, and a compromise that addressed the very legitimate concerns of both sides of the aisle and the administration.

The conference with the House will not be easy, especially since we face on important deadline with respect to the debt limit. But serious efforts to address the deficit cannot continue to be side tracked by debates over process.

There were problems with the original statute—our attempt to put into place a real trigger fell short. Today, however, we achieved a reasonable and responsible solution.

My congratulations are also extended to Senators PACKWOOD and BENTSEN. Debt limit legislation is never easy or pleasant but it is necessary so we can meet our fiscal obligations and avoid the very damaging effect of a default.

Mr. WARNER. Today the Senate is completing a bill working toward breaking a deadlock in the Federal budget process. Just before voting on final passage, an amendment was offered to repeal pay raises—awarded last January—to senior civil servants and Members of Congress.

The Senate leadership, both Democrat and Republican, advised Senators that adoption of this amendment would likely kill the budget bill containing provisions leading toward a balanced budget. I voted with the leadership, for a breakdown in this budget procedure could have resulted in delayed Social Security checks and military retirement checks.

A subsequent amendment would require the Congress, when future pay raises are considered, to vote for or against such a raise prior to a raise becoming effective. There is a straight forward and open approach to any future raises. Again, I voted with the leadership to support this measure becoming law. In this way public opinion can be clearly expressed prior to congressional action.

The PRESIDING OFFICER. Are there further amendments? If not, the question is on the engrossment of the amendments and third reading of the joint resolution.

The amendments were ordered to be engrossed, and the joint resolution to be read a third time.

The joint resolution was read a third time.

The PRESIDING OFFICER. The joint resolution having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Washington [Mr. ADAMS], the Senator from Delaware [Mr. BIDEN], the Senator from New Jersey [Mr. BRADLEY], the Senator from Vermont [Mr. LEAHY], the Senator from New York [Mr. MOYNIHAN] and the Senator from Illinois [Mr. SIMON] are necessarily absent.

I also announce that the Senator from New Mexico [Mr. BINGAMAN] and the Senator from Alabama [Mr. SHELBY] are absent because of illness in family.

I further announce that, if present and voting, the Senator from alabama [Mr. SHELBY] would vote "nay."

Mr. DOLE. I announce the the Senator from New York [Mr. D'AMATO], the Senator from Washington [Mr. EVANS], the Senator from Pennsylvania [Mr. HEINZ], the Senator from Arizona [Mr. MCCAIN], the Senator from South Dakota [Mr. PRESSLER], the Senator from Wyoming [Mr. SIMPSON], and the Senator from Connecticut [Mr. WEICKER] are necessarily absent.

On this vote, the Senator from Pennsylvania [Mr. HEINZ] is paired with the Senator from Arizona [Mr. MCCAIN].

If present and voting, the Senator from Pennsylvania would vote "yea" and the Senator from Arizona would vote "nay."

The PRESIDING OFFICER (Mr. BURDICK). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 54, nays 31, as follows:

[Rollcall Vote No. 224 Leg.]

YEAS—54

Baucus
Bentsen
Bond
Boren
Boschwitz
Breaux
Byrd
Chafee
Chiles
Cochran
Cohen
Danforth
Daschle
Dixon
Dodd
Dole
Domenici
Durenberger
Ford
Fowler
Garn
Graham
Gramm
Hatch
Hecht
Helms
Hollings
Inouye
Karnes
Kassebaum
Kennedy
Levin
Lugar
Matsunaga
McClure
Mitchell
Nunn
Packwood
Pell
Pryor
Quayle
Reid
Rudman
Sanford
Specter
Stafford
Stennis
Stevens
Symms
Thurmond
Wallop
Warner
Wilson
Wirth

NAYS—31

Armstrong
Bumpers
Burdick
Conrad
Cranston
DeConcini
Exon
Glenn
Gore
Grassley
Harkin
Hatfield
Heflin
Humphrey
Johnston
Kasten
Kerry
Lautenberg
McConnell
Melcher
Metzenbaum
Mikulski
Murkowski
Nickles
Proxmire
Riegle
Rockefeller
Roth
Sarbanes
Sasser
Trible

NOT VOTING—15

Adams
Biden
Bingaman
Bradley
D'Amato
Evans
Heinz
Leahy
McCain
Moynihan
Pressler
Shelby
Simon
Simpson
Weicker

So the joint resolution (H.J. Res. 324), as amended, was passed.

Mr. CHILES. Mr. President, I move to reconsider the vote by which the joint resolution passed.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CHILES. Mr. President, I ask unanimous consent that the Senate insist on its amendments and request a conference with the House on the disagreeing votes of the two Houses and the Chair be authorized to appoint the conferees on the part of the Senate.

There being no objection, the Presiding Officer appointed Mr. Bentsen, Mr. Moynihan, Mr. Matsunaga, Mr. Chiles, Mr. Hollings, Mr. Levin, Mr. Packwood, Mr. Dole, Mr. Armstrong, Mr. Domenici, and Mr. Gramm conferees on the part of the Senate.

FUTURE U.S. ASSISTANCE TO PAKISTAN

Mr. BYRD. Mr. President, the distinguished Senator from Ohio [Mr. Glenn] has a Senate resolution which he wishes to call up. It has been cleared on both sides of the aisle. I ask unanimous consent that the Senate proceed to its immediate consideration when he offers it.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. GLENN. Mr. President, I send to the desk a sense-of-the-Senate resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The Clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 266) expressing the sense of the Senate on future United States assistance to Pakistan.

The Senate proceeded to consider the resolution.

Mr. GLENN. Mr. President, over the past four decades the United States has steadily pursued two vital objectives: a stable security partnership with Pakistan and a halt to the global spread of nuclear arms. I believe that both policies remain in our national interest, as well as in the interests of regional and global security. In order to advance these goals, as well as to understand why they are so crucial, it is helpful to reflect on where we have been, where we are now, and where we should be heading in the years ahead.

WHERE WE HAVE BEEN

As an early member of the South East Asia Treaty Organization and the Baghdad Pact, Pakistan long ago joined the United States in opposing Soviet aggression in the region. Today, Pakistan continues to pursue this goal, a mission that includes sheltering some 3 million Afghan refugees. Pakistan has earned our friendship and our respect for having made, and stood by, this commitment.

The United States has been equally steadfast in its commitment to prevent the spread of nuclear weapons as it has been in its support for Pakistan. In its promotion of the Baruch Plan, the creation of the International Atomic Energy Agency, and the Nuclear Non-Poliferation Treaty—with its 132 nonweapon-state parties—the United States has demonstrated that such commitments are essential to national and international security.

Our domestic nuclear laws have echoed these commitments:

In 1976 and 1977, the Symington-Glenn amendments to the Foreign Assistance Act were enacted to bar U.S. assistance to any nation that receives unsafeguarded nuclear technology, or detonates or transfers a nuclear explosive device.

The Nuclear Non-Proliferation Act of 1978 further tightened our nuclear export controls, at a time when international restraint appeared to be threatened by commercial competitiveness among the nuclear suppliers, and by growing international interest in the bomb.

Then in 1985, the Solarz-Boschwitz amendment prohibited U.S. foreign aid to any nonweapon-state that illegally attempts to export from the United States any nuclear equipment or technology useful in manufacturing nuclear weapons.

We have written these domestic laws, ratified international treaties, and pledged the solemn word of the United States, to underscore our commitment to stop the spread of nuclear weapons—and that includes nonproliferation at home as well as abroad. Why have eight U.S. Presidents and dozens of U.S. Congresses stood by these objectives? The answer is very simple: The spread of nuclear weapons violates both our ideals and our national self interest.

Historically, these two policies—maintaining a security partnership with Pakistan and blocking the spread of nuclear weapons—have worked together to reinforce U.S. national security interests, both in South Asia and globally.

WHERE WE ARE NOW

In recent years, however, Pakistan's clandestine nuclear weapons program has undermined both of these interests.

Pakistan's repeated violations of the Symington-Glenn amendments led to a cutoff of U.S. assistance in 1979, shortly before the Soviets invaded Afghanistan. Aid was restored in 1981 under a unique 6-year waiver of the amendments, but Pakistan was put on notice that its continued development of nuclear weapons would jeopardize U.S. aid. In 1985, this linkage was made explicit by legislation requiring the President to certify annually that Pakistan does not possess the bomb, as a prerequisite for future assistance.

With the waiver of Symington-Glenn due to expire this fall, evidence indicates that Pakistan has still not gotten the message. To the contrary, reports since 1981 suggest that Pakistan has—year by year—moved perilously close to becoming a de facto nuclear power. Consider the following:

In 1981: Pakistan is reported to be preparing a nuclear test site in its remote Baluchistan province.

In 1982: Pakistan illegally obtains Swedish flash x-ray machines useful in perfecting the design of Nagasaki-type nuclear weapons.

In 1983: The Washington Post reports that Pakistan has acquired a workable nuclear weapon design from China, allowing Pakistan to forgo nuclear testing.

In 1984: Three Pakistani nationals are arrested in Houston attempting to smuggle krytrons—high-speed electronic switches used to trigger nuclear explosives—to Pakistan.

In 1985: Pakistan reportedly tests a nonnuclear trigger package used in the detonation of nuclear bombs.

In 1986: The Washington Post reports that Pakistan has succeeded in producing highly enriched uranium—a nuclear explosive material—at its secret Kahuta facility.

In 1987: Pakistan's top nuclear scientists boasts in an interview that Pakistan "posesses" the bomb.

Particularly disturbing are recent criminal indictments linking Islamabad to illegal attempts to procure nuclear weapon-related materials from U.S. companies. Earlier this month, a Pakistani-born businessman was arrested on charges of attempting to purchase 50,000 pounds of maraging steel—a metal used in the manufacture of centrifuges for enriching uranium—for his "Kahuta client." Kahuta, as you know, Mr. President, is Pakistan's top-secret facility for producing bomb-grade uranium.

This attempt followed a direct effort by the Pakistani Embassy in London to obtain the same quantity of specially hardened steel from the same company, according to recent reports. A week after the arrest, three more purchasing agents were indicted in California for illegally exporting to Pakistan electronic equipment used to make nuclear bombs. In addition, Swiss and West German officials are currently investigating similar charges of Pakistani nuclear smuggling, this time involving plans and equipment to expand Pakistan's capability to produce bomb-grade uranium.

Clearly, these incidents do not represent "free-lance" operations, but a well orchestrated campaign by Islamabad to augment their nuclear weapons capability.

As we seek to extend our security partnership with Pakistan, we must recognize that, when it comes to nuclear restraint, we can no longer rely upon Pakistan's word alone. Pakistan has repeatedly pledged—publicly and privately, formally and informally—that its nuclear program is for peaceful purposes only. Yet the U.S. Ambassador to Pakistan candidly acknowledged this year that, in his words, "there are developments in Pakistan's nuclear program which we see as inconsistent with a purely peaceful program."

If we are to stabilize our military relationship with Pakistan, as well as our aid to the Afghan resistance, we must insist that this gap between words and deeds be closed once and for all. We simply cannot continue rewriting or waiving our laws, and condoning unfulfilled pledges to our President, to accommodate the needs of Pakistan's nuclear weapons program.

Mr. President, the resolution before you is a first step toward putting our relations with Pakistan back on track. It expresses the Senate's strong support for the administration's forthcoming negotiations with Pakistan on gaining Pakistan's compliance with its past commitments. Furthermore, it puts Pakistan on notice that verifiable compliance with these commitments—including its pledge not to produce weapon-grade nuclear materials—is vital to the provision of further military assistance.

I have long heard Members of this body express the need to avoid undercutting the President's bargaining position when it comes to arms control negotiations. Here is an opportunity to send a clear message to Pakistan that the Congress stands shoulder to shoulder behind the President in his efforts to hold Pakistan to its word.

Mr. President, this Senate resolution expresses the sense of the Senate on future United States assistance to Pakistan. We spent several days talking this over with our colleagues on both sides of the aisle and getting agreement. The distinguished chairman of the Foreign Relations Committee, Senator PELL, is with us on the floor tonight. He agrees with the approach we have taken. We have had Senator HELMS, and we have had Senator HUMPHREY on the other side of the aisle with whom we have worked. I also want to pay special tribute to my colleague, Senator BRADLEY, of New Jersey, who has worked tirelessly on this the last several days because of his interest in this and because of his shared concern along with me and along with many of us in this body, certainly Senator PELL and others, that one of the most vexing and difficult, long-term problems for our country is what we do about the spread of nuclear weapons to other nations around the world.

Mr. President, the reason this is so timely and the reason we want to bring it up tonight even though the hour is late and even though it has been a long day is because the Under Secretary of State for Political Affairs, Mike Armacost, is now on his way to Islamabad to meet with Pakistani officials, with the head of state, I believe, with President Zia-ul-Haq, of Pakistan, to discuss the situation in which we find ourselves with regard to aid to Pakistan and with regard to our assistance and how that fits into our nuclear nonproliferation policy.

We resolve with this resolution the following. I will not read all the whereases that lead up to this, but we resolve that:

(1) The Senate strongly supports the President in his forthcoming efforts to gain Pakistan's compliance with its past commitments, including commitments of record, not to produce weapon-grade nuclear materials.

(2) The Senate strongly urges the President to inform Pakistan that Pakistan's verifiable compliance with these past commitments is vital to any further United States military assistance.

(3) The Senate urges the President to pursue vigorously an agreement by India and Pakistan to provide for simultaneous accession by India and Pakistan to the Nuclear Non-Proliferation Treaty, simultaneous acceptance by both countries of complete International Atomic Energy Agency safeguards for all nuclear installations, mutual inspection of one another's nuclear installations, renunciation of nuclear weapons through a joint declaration of the two countries, and the establishment of a nuclear weapons free zone in the Sub-continent.

I think that is a good combination for Under Secretary Armacost to be taking to Pakistan, to be showing the resolve of the Senate in this regard and show that we mean business with regard to nonproliferation.

Mr. President, on March 23, 1987, I appeared before the Senate Foreign Relations Committee to present my views on the administration's proposal for an extension of economic and military assistance to Pakistan.

Mr. President, in essence, I argued that the United States would be abandoning its historic commitment to nonproliferation if we failed to attach new conditions on Pakistan's Nuclear Weapons Program in return for extending our military assistance for 6 years. The Foreign Relations Committee did not accept this approach.

Mr. President, I ask unanimous consent to have the following material printed in the RECORD at the conclusion of my remarks:

My floor statement and my March 23 testimony; an article from the July 11, 1987, National Journal entitled "The Pakistan Conduit"; an article from the March 31, 1987, issue of India Today, entitled "Pakistan's Nuclear Bomb: India's Options;" an article from the London Financial Times, headlined "Cologne Company Raided Over Supply of Nuclear Equipment Plans to Pakistan;" and two recent articles from the London Sunday Times, entitled "A-Bomb Plot Is Linked to Embassy" and "Foiled: Bid to Buy Steel for A-Bombs."

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. GLENN. Mr. President, I will answer any questions anyone might have in this regard.

I might add one thing: The fact that we are not going to have a record rollcall vote on this matter tonight should not be an indication to anyone who looks at this material that the Senate has any less resolve on this because it is going to be a voice vote.

We have worked hard the last couple of days and were able to get unanimous consent to bring this up on the floor tonight, without sending it to committee, only because 100 U.S. Senators agreed to what we are doing. One hundred Senators agreed with this or we would not have had unanimous consent to bring this to the floor.

So I do not want anyone to think that this is any less resolved for the U.S. Senate because we are not having a record rollcall vote. We have already had that, in effect, in the form of their approval of bringing this up by unanimous consent tonight. So we have approval for this; and when Under Secretary Armacost brings this up with officials in Pakistan, I hope he is able to make note that this statement has the unanimous consent of the U.S. Senate.

EXHIBIT 1

FLOOR STATEMENT OF SENATOR GLENN

I want today to bring my colleagues' attention to some recent developments relating to Pakistan's pursuit of a nuclear weapons capability. The news provides further evidence that Pakistan is continuing its bomb program despite our quiet diplomatic protests. Some of which have even been delivered at the Presidential level. Although the Foreign Relations Committee recently proposed extending our aid for 2 years without any new condition for nuclear restraint, new information has come to light since the committee's vote that requires us to reconsider the wisdom of that approach.

Though we are less than half way through 1987, this has been a busy year for Pakistan's nuclear weapons program. Here is a sampling of the developments just from the last 4 months:

On January 28th, Pakistan's top nuclear scientist gave an interview to Indian and Pakistani journalists in which he was reliably reported as saying, "What the CIA has been saying about our possessing the bomb is correct and so is the speculation of some foreign newspapers."

On February 16th, the U.S. Ambassador to Pakistan delivered a lengthy speech in Islamabad in which he noted that (quote) "there are developments in Pakistan's nuclear program which we see as inconsistent with a purely peaceful program."

On March 23rd, President Zia echoed the views of his top nuclear scientist, by boasting to a Time magazine interviewer that (quote) "Pakistan has the capability of building the bomb. . . you can write today that Pakistan can build a bomb whenever it wishes."

On April 27th—shortly after the Foreign Relations Committee approved a Pakistan aid package that my colleague from California has called "not only toothless, but gumless"—the Indian Minister of Defense solemnly informed his lower House of Parliament that (quote) "the emerging nuclear threat to us from Pakistan is forcing us to review our options. . . [adding] I need not remind members of the manner in which the United States has chosen to ignore Pakistan's search for nuclear capability." Although India had detonated a nuclear explosive in 1974, the country chose not to develop a nuclear weapons arsenal—this decision now appears to be under review.

That brings me to the month of May. A state prosecutor's office in Cologne, West Germany just announced that a major criminal investigation was underway involving a large West Germany firm that is suspected of illegally exporting plans and equipment related to uranium enrichment activities to Pakistan. The investigation will build upon information that was gathered during a raid by West Germany customs authorities on two factories and a private residence on April 27th, and on information gathered by the Swiss during a raid of their own on another firm back in January 1986. I would like to submit for the record further details on these raids.

I am deeply concerned about the administration's failure to notify Congress about these most recent efforts by Pakistan to acquire supplies for its unsafeguarded uranium enrichment program. The scale of the Swiss and West German investigations raises the now-familiar questions: What did the administration know, and when did they know it? If the illicit activities that inspired these investigations were known to the administration prior to April 23rd—when the vote in the Foreign Relations Committee took place—then the administration purposely withheld information that could have affected that vote. If the administration was not aware, this raises questions about how well we are monitoring Pakistan's secret nuclear supply network.

It is important to note that the West German firm that is the target of these investigations—Leybold Heraeus—was cited in the 1981 book, "The Islamic Bomb," as a major supplier of vacuum pumps and gas purification equipment to Pakistan's uranium enrichment program. West German and American press reports have identified the same firm in subsequent nuclear dealings with Pakistan. Given the notoriety of this particular firm, I find it hard to believe that the administration was not aware of its continuing involvement with Pakistan's nuclear program.

After all that has occurred in 1987 alone, I shudder to think what the month of June has in store for us. But I will make at least two predictions: First, Pakistan's nuclear weapons program will roll right along, unfettered by any new restraints from Washington. And second, the administration will earnestly maintain that its very, very quiet diplomacy with Pakistan is succeeding in persuading Pakistan to stop its efforts to acquire the bomb.

Now, I am well aware that out policy toward Pakistan is not entirely based upon our strategic interest in nuclear nonproliferation. Our interests also require Pakistan's assistance in opposing Soviet aggression in Afghanistan, and our objectives include the promotion of economic and political development as well as human rights. None of these objectives can be met, however, if the next months herald the start of a nuclear arms race in South Asia. Should that occur, we will be facing not only the prospect of another war between India and Pakistan, but the threat that President Zia himself made in March 1986: "(Quote) and when we acquire this technology, the Islamic world will possess it with us."

We cannot use our diplomacy to resolve the deep-rooted mistrust that exists between India and Pakistan. Yet by using our diplomacy to encourage Pakistan to stop producing weapons-grade nuclear materials, we can stop this imminent nuclear arms race in South Asia, before it escalates out of control. We must also encourage India to take positive steps in this direction by ending its stubborn and provocative refusal to adopt international safeguards at its own nuclear facilities. Over 130 nations have agreed to these safeguards, and it would well serve the security interests of both countries if they were applied to all nuclear facilities in South Asia.

I do not need to remind my colleagues that we are running out of time. Events are in the saddle. We cannot wish Pakistan's nuclear weapon program out of existence. We cannot just cross our fingers that India and Pakistan will be able to avoid a nuclear arms race. Instead, we must do what our forefathers would have done: we must have the courage to take action to preserve our national interests and our national values. When the Pakistan aid package comes to the floor for your votes, I will offer an amendment requiring Pakistan to reaffirm its peaceful nuclear intentions by agreeing to stop production of weapon-grade nuclear materials. We cannot afford to drift along any farther with the administration's bland assurances on Pakistan's nuclear program. Who knows, after all, what July will bring?

STATEMENT BY SENATOR JOHN GLENN ON U.S. ASSISTANCE TO PAKISTAN BEFORE THE SENATE FOREIGN RELATIONS COMMITTEE

Thank you, Mr. Chairman, for this opportunity to discuss the administration's proposed aid package to Pakistan. Webster defines dilemma as: "A situation requiring a choice between equally undesirable alternatives." "Dilemma" perfectly describes the situation we are in with regard to the administration's proposed six year aid program to Pakistan.

Dilemma, in that we want to aid Pakistan. We share common objectives with Pakistan in the Asian sub-continent; limiting Soviet influence, encouraging political and economic development, and reducing prospects for another war between India and Pakistan.

Of course we understand their concerns about India.

Of course we share their concerns about the Soviet invasion of Afghanistan and whether that is but preface to even further Soviet moves into South Asia.

Of course we share their concern about the difficulties in coping with the more than three million Afghan refugees now in Pakistan.

And, of course it is in our mutual interest to continue the arms flow to the "Mujaheddin," the Afghan freedom fighters trying to drive Soviet invaders from their homeland.

But those are current concerns. Much as we want and value all the above, there are longer term worldwide nuclear weapons proliferation considerations that must be carefullly weighed, lest short term considerations effectively wreck the Non-Proliferation Treaty (NPT), the Nuclear Non-Proliferation Act (NNPA), the provisions of the Foreign Assistance Act, and in the process encourage the spread of nuclear weaponry.

These are not easy decisions, and "horns-of-a-dilemma" well describes my view regarding approval or disapproval—"exigencies of the moment" versus the even greater potential of future nuclear Holocaust. It's that stark.

To understand this fully, we need to briefly review what has happened with nuclear control efforts through the years.

The post WWII proposal of Baruch and Lilienthal to put all-things-nuclear under some form of international control did not materialize.

But in the ensuing years, if the United States was occasionally misguided and naive in its rush to spread nuclear technology for the benefit of mankind, we made up for it with our leadership in nuclear non-proliferation activities.

It was the United States that took up the challenge to create and bring into force the Nuclear Nonproliferation Treaty. More than 130 non nuclear weapon states are now signatories to the treaty, which went into force in 1970. Nations around the world had become increasingly concerned that with the spread of nuclear technology and the very sophisticated equipment to exercise that technology, it would not be many years before small border conflicts that might have received comparatively little notice, might now involve such weapons of mass destruction that millions of lives could go in a flash, and the potential for escalation into nuclear WWIII would be enormously increased.

The NPT bargain, simply put, was for nuclear weapons states to cooperate with non-weapons states in the peaceful uses of nuclear energy in return for the non-weapons state's agreement to give up any programs leading to nuclear weapon capability. The other part of the agreement requires the weapons states to negotiate in good faith to try to reduce existing weapons stockpiles, negotiations that have received far too little emphasis in the years since 1970.

In addition to the NPT, the global nonproliferation regime includes supplier agreements, safeguards arrangements through the IAEA, and national nuclear export laws like our own Nuclear Nonproliferation Act, and the Symington-Glenn amendments to the Foreign Assistance Act.

The Symington and Glenn amendments should be particularly noted, since their requirements are those which President Reagan seeks to waive. They basically provide that after enactment in 1976 and 1977, aid would be terminated to any non-nuclear weapons state that imported, without safeguards, enrichment or reprocessing equipment and technology. President Carter made his evaluation under those laws and cut off aid to Pakistan in 1979.

In the wake of the Soviet invasion of Afghanistan, President Reagan proposed fully repealing the amendments mainly so aid to Pakistan could resume. Congress refused the full waiver, but gave a six year waiver for Pakistan only with certain conditions attached. At the moment these conditions are that the President must certify each year that (1) "Pakistan does not possess" an explosive nuclear device, and (2) that U.S. aid would help steer Pakistan away from pressing for the nuclear option.

While 132 nations have placed their interests under the umbrella of NPT, a number of countries of particular proliferation concern have refused to sign the NPT. Among these are Pakistan, India, South Africa, Israel, Argentina, Brazil.

U.S policy decisions in the nuclear area, even when made in the context of one country such as Pakistan, have a serious ripple effect on the entire nonproliferation regime. The regime is fragile, and requires constant vigilance to keep it intact. There are signers of the NPT who, prior to last years five year review of NPT were reported in the press to be openly wondering whether the bargain has been worth it. Any lack of resolve on the part of the United States toward preventing the spread of nuclear weapons—any relaxation of commitment by the world's nonproliferation leader—dangerously weakens the global regime. If the regime were to collapse, the hopes of mankind for a world without or even with few nuclear nations would collapse with it.

This is the prism through which one must view both facts and policy decisions about Pakistan. What are the facts?

Following the Indian "Peaceful Nuclear Explosion" (PNE) in 1974, Pakistan President Bhutto vowed Pakistanis "would eat grass" if necessary, to gain a similar capability, and their program was launched.

Through the years, Pakistani officials have repeatedly denied having a nuclear weapons program although available information indicated just the opposite. I personally received such assurances two years ago from Pakistan President Zia and other top officials during a visit to Pakistan.

Such assurances have been used by the administration to justify aid to Pakistan, even though such assurances were believed to be highly suspect by most interested observers.

But presidential ability to honestly "certify" Pakistan's non-nuclear weapons condition is changing drastically.

In 1979, as a result of Pakistan's violation of the Symington-Glenn amendments to the Foreign Assistance Act, the Carter administration, as stated, halted economic and military assistance to Pakistan. Following the Soviet invasion of Afghanistan, the Reagan administration succeeded in convincing Congress to restore this aid as a quid pro quo for Pakistani cooperation in allowing weapons to be funneled to the Afghan rebels. But the administration failed at that time to pressure Mr. Zia into providing any guarantees that Pakistan would halt development of the bomb in return for the aid. Nonetheless, the administration led Congress to believe that nuclear restraint on the part of Pakistan would be a consequence of the U.S. aid program. In 1981, then Secretary of State Alexander Haig said, in a letter to then Senator Percy:

"* * * By providing Pakistan with conventional military equipment in the framework of a bilateral relationship of confidence and mutual understanding, the United States will be in a better position to influence the shape and direction of Pakistan's nuclear program in the future."

Six years and more than $3 billion later, we see Pakistan poised at the nuclear threshold. Very credible press reports indicate that Pakistan is manufacturing and testing components for nuclear weapons. A newly released authoritative study by the carnegie endowment—along with recently reported statements by Pakistan's president and its top nuclear scientist—suggest that Pakistan is now capable of manufacturing a nuclear explosive device. These are but two recent additions to the long history of Pakistan's pursuit of the bomb. I would like to submit for the record a 26 page chronology of these events that has been prepared by the Congressional Research Service, to appear at the end of my statement.

It is now amply clear that Pakistan gained the status of "nuclear threshold state" during the period when U.S. assistance was at its highest level. The American taxpayer has a right to ask how much "nuclear restraint" his previous tax dollars have purchased in Pakistan, before another four billion are provided.

Administration spokesmen point to Pakistan's failure to test a nuclear device as an indicator of the restraint that our aid has produced, which ignores numerous press reports that Pakistan has been working with a "proven" Chinese design. The administration has given indications of a willingness to bend over backwards to avoid an honest application of the test of "possession" of a nuclear device by Pakistan in order to keep the aid flowing. It is apparent by their refusal to give a clear interpretation of the meaning of "possession" that they would have us believe that a country does not possess nuclear weapons until it has assembled every last components in a bomb casing. Before we accept this curious definition. We would be well advised to recall that the entire United States nuclear arsenal in the 1940's and the early 1950's was stored in separate components. I would like to submit for the record an excerpt from a 1984 U.S. Army report on the safe storage of nuclear weapons.

One of the fundamental problems in this affair is the complete lack of credibility of the Pakistani government's repeated assurances about the nature of their nuclear program. More than a year ago. The President elicited additional assurances from Pakistan that they would not produce uranium enriched to more than 5%. By their own admission, they have now produced bomb grade uranium enriched to more than 90%. And America, the nation that has supposedly been standing tall for the past six years, has let this mendacious behavior go unchallenged.

Why? Because the administration has made the decision that, as former Pakistan President Bhutto termed it, the "Islamic bomb" is less important to us than ensuring military assistance to the Afghan rebels. Much as I want to see assistance continue to the Afghans, that evaluation is wrong.

Let me give just one illustration.

To use President Bhutto's words again, an "Islamic bomb" is the ultimate threat to Israel's existence. Pakistani nuclear weapons production will sooner or later, whether by design or by espionage, result in the wider transfer of nuclear weapons technology to countries in the Middle East. Israel, regardless of the state of her own nuclear capabilities, will have her existence threatened. The flash point for nuclear war will be lowered through the combination of religiously-based conflict with the means for mass destruction.

Amazingly, however, it isn't only the Pakistani bomb the administration wants us to swallow in order to guarantee aid to the Afghan rebels through Pakistan. They want us also to continue—without any new nuclear restrictions—supplying Pakistan with F-16's and perhaps AWACS so that Pakistan will have what could be an American made nuclear weapons delivery system and an ability to protect her nuclear weapons facilities from raids by those who might not think an Islamic bomb is a benigh development.

Mr. Chairman, in recent months we have seen what can happen when a nation forsakes an important global policy principle for narrow, illusory benefits. We sacrificed our global anti-terrorism policy in the hope that we could trade arms to Iran for American hostages. Now we are being asked to sacrifice our global nonproliferation policy in the hope that we can trade arms to Pakistan for Pakistani cooperation on Afghanistan and nuclear restraint. What do we then say to Argentina or Brazil or South Africa or the nations of the Far East or any of the 132 NPT signers about credibility of the United States and trust in U.S. nuclear nonproliferation policy?

Mr. Chairman, I, like the President, want to aid the Afghans. Just as I, like the President, wished for the release of American hostages. But we cannot and should not allow ourselves to be blackmailed into making a deal that will do irreparable damage to our long-term global efforts to stop the spread of nuclear arms. The basic objective of nuclear nonproliferation should not be so easily bargained away.

Accordingly, on March 5, I urged President Reagan to suspend military aid to Pakistan pending a thorough review of the Pakistani nuclear program. I argued that this aid should not be resumed until we have obtained reliable assurances that Pakistan is no longer producing nuclear explosive materials.

My purpose here today, however, is to suggest legislative action on the proposed 6-year aid package to Pakistan to begin in fiscal year 1988. The administration has requested approval of this package without any restrictions on Pakistani nuclear behavior. This is completely unacceptable. The question isn't "should there be restrictions?" but "what should these restrictions be?"

Proposals to limit the amount of military assistance, or the length of the proposed aid program—for example, 2 years instead of 6 years—simply fail to confront the ongoing progress of Pakistan's nuclear weapons program. In 2 years, we will be faced with the same tough choices between nonproliferation and other foreign policy interests that we are facing today. The only difference will be that Pakistan, as well as India, and probably Israel, will have proceeded even further down the nuclear path. With Pakistan now attempting to straddle the nuclear threshold, Congress cannot afford to defer—once again—our responsibility to make these choices.

I am proposing a 6-year extension of the present waiver of section 669 of the Foreign Assistance Act to allow both economic and military assistance to Pakistan. Under current law, which I favor continuing, this assistance would cease if the President is unable to certify that Pakistan does not possess a nuclear explosive device. This condition should be supplemented with the following additional requirement: "Military assistance should not be provided unless the President is able to certify annually to Congress that he has received reliable assurances that Pakistan has ceased producing weapons-grade nuclear material."

By "reliable assurances," I mean a formal, written commitment by Pakistan's political leadership, verified by onsite inspections of relevant facilities by designated representatives of the United States or by any other technical means the United States finds acceptable.

In addition, I am proposing to amend section 670 of the same act to require that, in the event of a nuclear detonation by a non-nuclear weapon state, funds provided under all U.S. legislation—rather than just the foreign assistance and arms export control acts—would be terminated. This would increase the cost of a nuclear test to all non-nuclear weapon states, including India, not just those with which we have close military ties.

What is the likelihood of Pakistan accepting this new condition for continued U.S. conventional military assistance? Islamabad is seeking our aid because it has sensibly determined that such assistance would serve its national security interests. Pakistan's security reward for truncating its production of nuclear explosive materials would be substantial; I am proposing not a scaled down or shortened aid package, but a full 6-year, $4 billion assistance program complete with a Presidential option to provide an airborne early warning system.

Under my proposal, Islamabad would have to decide between an extended security partnership with the United States and the production of nuclear weapons. The rational choice is obvious. Nuclear weapons will not settle border clashes between Pakistan and India any more than they did between China and the Soviet Union. Nor will they assure victory if a conventional war breaks out, as illustrated by the United States experience in Vietnam. They will, however, raise the prospect of a conventional conflict escalating to the level of mass, mutual destruction. Furthermore, by goading India into a nuclear arms race that Pakistan could not hope to win. A decision by Islamabad to pursue nuclear weapons would severely undercut Pakistan's national security.

Of course. I hasten to add, we cannot guarantee acceptance by the Pakistanis of this proposal. Should the condition on ceasing production of nuclear weapons materials be spurned or violated by the Pakistanis, we must recognize at that point that no diplomatic action by the United States is likely to deter Pakistan from triggering a nuclear arms race in South Asia. In that case, we should reluctantly end our military assistance, including the sending of spare parts for the F-16's—those superb nuclear weapons platforms we have been providing to Pakistan for the past 6 years—and concentrate on diplomatic activities and on repairing our tattered nonproliferation policy as it applies to other countries of concern to us. For if we fail to take a stand on Pakistan, we will be on a slippery slope that will make it increasingly difficult for us to take a stand against any proliferator.

Both India and Pakistan are now just a step away from the ability to create armageddon. As a friend of both nations, we must redouble our efforts to prevent this nuclear nightmare. Ultimately, we should seek a verifiable Indian commitment that it too is not producing nuclear materials—especially plutonium—for weapons purposes.

We should encourage Pakistan to place its current stocks of highly enriched uranium under multilateral auspices. Consideration should also be given to a joint pledge by the United States, Soviet Union, and China not to use, or threaten to use, nuclear weapons against India or Pakistan.

The course that I am proposing, though not an easy one, seems better oriented to our long-term national security interests in South Asia than is the current policy. We must never lose sight of our long-term national objectives in the region, which include limiting Soviet influence, and promoting the political stability, economic prosperity, and territorial integrity of all nations in South Asia. I cannot emphasize more strongly that a nuclear arms race in South Asia would endanger all of these objectives.

Mr. Chairman, our choice is not between Afghanistan and the Pakistani bomb—it is between accepting or relinquishing our great power responsibility to contain the threat of nuclear war. The time is running out. A choice must be made.

One last word, Mr. Chairman. The view of non-nuclear weapon nations that we have no right to pressure them not to strive for a nuclear capability that we and other nations already possess, is a valid one. It can only be answered by saying it is in the interests of all humanity to do our best to control the nuclear dangers by not only preventing nuclear proliferation, the main theme of these remarks, but by also showing far more progress in scaling down existing nuclear weapons stockpiles of the superpowers. That was part of the NPT agreement with 132 nations. They will not be patient forever. Time is, indeed, running out.

THE PAKISTAN CONDUIT

(By Christopher Madison)

It is not a textbook example of foreign relations, but it bears the convincing logic of success. With very little fanfare or public debate, Pakistan in the past decade has become a major U.S. ally in south Asia.

In fact, judging from U.S. aid levels—more than $500 million in economic and military assistance for next year and $4 billion over the next six years—it has become one of the most important U.S. allies worldwide. Only Egypt and Israel get more foreign aid each year.

A sign of Pakistan's growing clout in Washington came earlier this year when the House Foreign Affairs Committee and the Senate Foreign Relations Committee voted to remove for two more years a persistent thorn in Pakistan's side: legislated restrictions on U.S. military and economic aid.

The restrictions, known as the Glenn-Symington Amendment and aimed at preventing Pakistan from developing nuclear weapons, were enacted in 1978, and aid to Pakistan was cut off pursuant to the amendment the following year.

Soon after President Reagan took office, however, aid was restored when Congress waived the amendment for six years, beginning in 1981.

Though the latest two-year waiver, if finally enacted would continue that policy, it is not a total victory for Pakistan or for the Reagan Administration, which had sought another six-year waiver.

But it was significant because support for the waiver was led by liberal Democrats—Stephen J. Solarz of New York, in the House and Christopher J. Dodd of Connecticut and John F. Kerry of Massachusetts in the Senate. Dodd and Kerry, who serve on the Foreign Relations Committee, joined with the panel's Republicans to approve the waiver.

Committee approval of the waiver is seen as a sign not only of Pakistan's closer relationship with the United States but also of the fact that the relationship is no longer dominated by the nuclear issue.

"The relationship always has had more dimensions that the nuclear issue," said Denis M. Neill, a lobbyist whose firm represents the government of Pakistan. "But in the past, the Congress has not seen fit to address the other issues."

The legislative battle is not over yet; opponents of the nuclear nonproliferation waiver will bring the battle to the full House and Senate later in the year.

But John Glenn, D-Ohio, the Senate's most knowledgeable and active member on the nonproliferation issue said in an interview, "When you oppose a committee [decision] out on the floor, you are going against the tide, so I'm not going to predict how I'm going to do."

High aid levels and the waiving of nuclear restrictions are not the only signs of close U.S.-Pakistani relations. Discussions are under way between the two governments about the sale to Pakistan of a sophisticated air defense system similar to the Airborne Warning and Control System (AWACS) aircraft that were sold to Saudi Arabia.

The reason for all this is obvious: Pakistan is supporting the Afghan rebels who have been fighting their Soviet invaders since the beginning of the decade.

Not only is Pakistan supporting the Afghan rebels, known as mujahedeen, but it is also the conduit through which covert U.S. assistance flows to the rebels.

And it is the war in Afghanistan that supersedes the nonproliferation question in the minds of most Members when Congress considers aid to Pakistan.

"There's no question that Afghanistan drives the Pakistan aid bill issue," said a House foreign policy aide who has been following the issue closely.

Solarz affirmed that the Foreign Affairs Committee's vote for the waiver reflects a strong commitment to the Afghan cause.

But Glenn believes that view is shortsighted. "Short-term concerns are warping the thinking on the long-term concerns," he said.

THE NUCLEAR ISSUE

For Glenn, long-term issues are nuclear issues, and they have been a controversial element of U.S. relations with Pakistan, as well as with India, for more than a decade. Through international organizations, treaties and less formal arrangements, the United States and other nuclear powers have tried to prevent nations such as Pakistan from developing the capability to construct nuclear weapons.

Pakistan has refused to sign the 1978 Nuclear Nonproliferation Treaty that more than 100 nations have signed so far. As a result, Congress in 1978 adopted the Glenn-Symington Amendment, which required a cutoff of U.S. aid to countries that received enriched uranium material, technology or equipment and did not subscribe to international safeguards to ensure that the materials were not used to produced nuclear weapons and were not transferred to other countries.

Pakistan, which was receiving the enrichment materials, refused to accept the international safeguards, and U.S. aid was terminated. In 1981, Congress restored the aid by waiving the Glenn-Symington Amendment, but it also stipulated that the President must give Congress assurances that Pakistan was not using its unclear program to produce material that could be used for a bomb. Reagan provided those assurances.

Since then, there have been many indications, including statements by Pakistani officials, that weapons-grade material is being produced and that the President could not credibly certify otherwise to Congress.

To put some teeth into the U.S. non-proliferation policy, liberal Senate and House Democrats this year sought to condition the U.S. aid program on some form of international inspection to ensure that weapons-grade material was not being produced.

A majority of Foreign Relations Committee Democrats wrote in the committee report, "We felt it imperative that Congress send Pakistan a signal that flouting nonproliferation commitments to the United States will not be tolerated."

But the committee defeated the proposal by a single vote when Dodd and Kerry defected and supported a two-year waiver of the restrictions.

Some said Dodd's vote was cast in part through pique as well as substance because he was upset that the committee staff had drafted the proposal without sufficient consultation with the Senators, on the assumption that it would be adopted.

In the Foreign Affairs Committee, similarly tough nonproliferation language went down to defeat after Solarz drafted an alternative and gained the support of the committee's leaders—chairman Dante B. Fascell, D-Fla., Lee H. Hamilton, D-Ind., and several others, as well as the committee's Republicans. The panel, over the objections of a majority of its Democratic members, voted for a two-year waiver of the Glenn-Symington Amendment, similar to that adopted by the Senate committee.

Two considerations drove this somewhat lenient approach to Pakistan: doubts that a tough approach would work on the nuclear issue, and concern over the fate of the Afghan rebels.

UP THE REBELS

Congressional support for the rebels contrasts significantly with the attitude on Capitol Hill toward other rebel groups, particularly the Nicaraguan contras.

Congress, by approving large aid packages to Pakistan, by waiving the Glenn-Symington Amendment for two more years and by considering the sale of an AWACS-type system to Pakistan, is affirming the Administration's policy of rewarding Pakistan for its efforts on behalf of the Afghan rebels.

Although the amount of the covert assistance funneled to the rebels is classified, published reports estimate it at $250 million-$300 million annually.

That aid is separate from the direct U.S. economic and military aid to Pakistan, which that country uses to beef up its own military forces and to strengthen its economy.

In addition to serving as a conduit for assistance to the rebels, Pakistan has played host to Afghan refugees and allowed the Afghan rebels to stage their military actions from the Pakistani side of the border.

A House foreign policy aide said: "There is widespread support for giving Pakistan a generous package because of the Afghan issue. There is a consensus in favor of U.S. support for the Afghan freedom fighters, a consensus that they are good guys."

The Foreign Relations Committee, in approving the aid package for Pakistan as part of the fiscal 1988 foreign aid bill, said it was "mindful of the fact that for over seven years, Pakistan has been the generous host to more than 2.5 million Afghan refugees. It is also a frontline state facing a real threat from Soviet forces occupying neighboring Afghanistan. It deserves full U.S. support."

And in rejecting a proposal to condition some of the aid on Pakistan's acceptance of nuclear safeguards, the committee said, "A punitive approach would be particularly unfortunate at a time when Soviet cross border aerial attacks are increasing and when United Nations-sponsored Afghanistan negotiations appear to be entering a new, and possibly crucial, phase."

A related reason for support of Pakistan is its proximity to the Soviet Union. "There's a general sense that if you don't shore up Pakistan, they may be forced to reach some accord with the Soviets because of their activity in Afghanistan," said a House foreign policy aide.

There is also a more cynical interpretation. Throughout the six years of the Reagan Administration, liberal Democrats have been skeptical at best about the Administration's policy of supporting "freedom fighters" in places such as Angola, Cambodia and Nicaragua. But they have been willing to support the Afghan rebels, in part because they are clearly fighting an invasion from another country rather than an internal revolution.

Strong support for Pakistan, despite the nuclear proliferation question, "allows a lot of liberals to cast an anti-Soviet vote," said a pro-Pakistan sources.

A BLANK CHECK?

Glenn in an interview described the Pakistan issue as "very vexing. I don't want to see aid to Afghanistan stopped in any way. But I'm more concerned about long-term aspects of it. . . . Are the the Pakistanis really going to cut off the flow of aid to the Afghans? It's in their own interest to continue it."

Both Solarz and Kerry, according to aides, voted for the two-year waiver because they believed that forcing Pakistan to confront the nuclear issue on U.S. terms would be counterproductive at best, just as it was in 1979.

Rather than give in to U.S. demands to receive aid, they are said to believe, Pakistan instead would abandon entirely its pledge to the United States not to develop nuclear weapons.

"Pakistan is not going to pay the nuclear price that we would like it to pay," a Solarz aide said. "We could say we'll cut off the aid, and that would merely push them into an open nuclear program, an open explosion."

Kerry, according to a knowledgeable source, "spent an awful lot of time with [undersecretary of State Michael H.] Armacost and became convinced that there was a risk that as it did in 1979, Pakistan would take a walk."

But Glenn rejected this analysis, in part, he said, because it amounts to an admission that "the U.S. has no policy" and that the Glenn-Symington Amendment no teeth. "I have said, what good is it to keep it on the books if we always find a detour around it," Glenn said. But he added that he was not yet ready to recommend that the amendment be repealed.

Solarz argues that the two-year waiver gives the United States some leverage—an aide described it as "a shorter tether."

In an interview, Solarz said, "The real alternative to a two-year waiver was a six-year waiver, which would have been counterproductive."

The two-year waiver, he said, is meant to reflect "a continuing concern over the Pakistani nuclear program and the extent to which Congress does not want to give a six-year blank check to Pakistan."

A foreign policy lobbyist said that supporters of the two-year waiver have "taken a very sophisticated position—staying in the game but making it clear that it is not a blank check."

But looked at from another viewpoint, it is hard to contend that the United States has any leverage left; Pakistan, in fact, seems to be holding most of the cards.

Critics such as Glenn argue that the Pakistanis have successfully used the Afghanistan issue to force the United States to abandon its nonproliferation policy.

Glenn called the two-year waiver "a dodge, . . . a way of ducking the issue," and said he would seek to replace it with restrictions that would deny U.S. aid to Pakistan next year unless that country certified that it was not producing weapons-grade uranium and agreed to allow outside inspection.

Glenn's view was backed up by most Foreign Relations Committee Democrats, who, following their defeat on the issue, drafted somewhat bitter language to include with the foreign aid bill report.

In a "minority views" section of the committee report, the Democrats wrote that the language the committee adopted creates "the perception of a United States willing to supply Pakistan with very sophisticated weapons and yet unwilling to hold Pakistan to its nonproliferation commitments."

Separately, Sen. Brock Adams, D-Wash., wrote: "Several of my colleagues . . . pointed to the impact restrictions on aid might have on Pakistan's ability to deal with the Soviet threat in Afghanistan. . . . They argued we could not afford to weaken Pakistan or run the risk of losing their continued cooperation. . . . Certainly, I agree that the Soviet threat in Afghanistan is real. But so is the destructive potential of the nuclear arms race in South Asia. A realistic policy must deal with both threats. This bill doesn't."

Glenn and others will try to amend the committee language on the Senate floor. They are thought to have a better chance there than their fellow critics will have in the House. But it is not clear where or when the two-year waiver will come up. It is now attached to the House and Senate versions of the foreign aid authorization bill, but there is no certainty that those bills will make it to the floor.

Instead, as in previous years, the foreign aid program may be passed as part of a catch-all appropriations bill at the end of the session. In that case, sponsors of the waiver would seek approval of the provision from the two Appropriations Subcommittees on Foreign Operations.

In the past, the subcommittees, chaired by Daniel K. Inouye, D-Hawaii, on the Senate side and David R. Obey, D-Wis., on the House side, have looked favorably on the Administration's requests for aid to Pakistan. This year is expected to be no different.

PAKISTAN'S NUCLEAR BOMBSHELL

Within the tightly-knit nuclear establishment he is known as Dr. Strangelove—after the fictional Hollywood character obsessed with the nuclear bomb. To others, he is a sort of Islamic James Bond, a mysterious and shadowy figure whom the London *Observer*, way back in December 1979, called "the most successful nuclear spy since Klaus Fuchs and Alan Nunn took their secrets to the Kremlin". Inside Pakistan, he is hailed as a national hero, second only to its founder, Mohammed Ali Jinnah. And, as a civilian, he is the most heavily-guarded individual after the country's military ruler, General Zia-ul-Haq. His twin-bungalow house on the outskirts of Islamabad swarms with armed personnel of the crack Inter-Services Intelligence unit.

But to the world at large, Dr. Abdul Qader Khan, 51, has a greater claim to dubious fame. He is, as international headlines have repeatedly proclaimed, the father of the Islamic bomb. And last fortnight, Dr. Khan finally filed for paternity. In a sensational interview to an Indian journalist that exploded around the world, Khan made the tacit admission that Pakistan had a nuclear bomb. As *Newsweek* later commented: "The interview brought to critical mass the evidence that Pakistan has become the latest member of the world's nuclear-arms club."

Just how critical is now the haunting question. Despite the clumsy denials issued by Khan and Pakistani government officials after the interview appeared in the London Observer, it was patently obvious that he had not only given the interview—his first to a foreign journalist—but also said exactly what was attributed to him by Kuldip Nayar, a veteran journalist generally considered sympathetic to Pakistan. In fact, the immidiate fallout of Khan's sensational revelations was the fate of Mushahid Hussain, the dynamic and widely-respected editor of the Muslin, an Islamabad daily, who had arranged the 70-minute interview and was present when it was conducted. Hussain publicly confirmed that Khan was interveiwed by Nayar and also what transpired. "For too long the Government here has been trying to deny what is obvious to most," said Hussain, who resigned after his paper was forced to print a statement that the interview was a fake.

But in the larger context, Khan's bombshell raised serious and disturbing questions, not the least being its curious timing, its effect on the strategic balance in the subcontinent and the likely response from India, already a member of the nuclear club. The interview was actually conducted on January 28 when the border tension between the two traditional adversaries was still a serious issue. It also appeared just before the US Congress was scheduled to discuss the passage of the new US $4.02 billion (Rs 5,523 crore) military aid package for Pakistan.

In the context of the existence of the 1977 Symington Amendment, which outlaws a direct US foreign assistance programme to any country which delivers or receives unsafeguarded nuclear enrichment, reprocessing equipment or technology. Khan's statements seemed suicidal. He stated, for instance: "We have upgraded it (highly-enriched or weapons-grade uranium) to 90 per cent to achieve the desired results." And, asked if Pakistan had tested the bomb, he retorted: "Is it necessary? America has threatened to cut off all its aid. The testing does not have to be on the ground. It can be done in a laboratory through a simulator."

South Block is convinced that Khan's statement was not an impulsive outburst by a brilliant scientist frustrated with having to hide his light under a semi-transparent bushel. It was, instead, a carefully calculated and specifically directed message with the covert blessings of Pakistan's military establishment. "It is impossible that a man as heavily guarded and as important to Islamabad as Dr. Khan could meet an Indian journalist for over an hour to discuss their nuclear programme without some sort of green signal from the military leadership," says a foreign office official.

In fact, Nayar says that he has been visiting Pakistan every year for the past four years and each time has requested an interview with Khan which was refused. This year, when he arrived, Hussain said: "This time he will see you." Hussain had met Dr. Khan earlier and informed him of Nayar's impending arrival. The day after his arrival, Nayar was told that the interview was arranged for that evening. "For 70 minutes we spoke of the bomb and nothing else. He knew that every trip to Pakistan I had asked to see him and he also knew I was a journalist," says Nayar.

All this suggests that Khan had obtained clearance from higher authorities in which case, his pronouncements acquire special significance. Barely a month ago, on February 16, US Ambassador to Islamabad Dean Hinton delivered a hard-hitting speech to the Pakistan Institute of Strategic Studies which seemed like the first official public warning from the US about the path of Pakistan's nuclear programme since President Carter used the Symington Amendment in 1979 to suspend military and economic aid to Pakistan. "There are developments in Pakistan's nuclear programme which we see as inconsistent with a purely peaceful programme," declared Hinton, adding: "There are indications that Pakistan may be seeking a weapons capability." He went on to remind Pakistan of the 1985 Congressional legislation that requires the US President to annually certify that Pakistan does not possess a nuclear explosive device for the continuance of US aid and suggested that Pakistan sign the nuclear Non-Proliferation Treaty (NPT) as a precondition to the aid package.

Hinton's speech caused an immediate furore in the Pakistani media as well as the National Assembly and Islamabad was quick to lodge strong objections to his statements. The forceful message emanating from Islamabad in the wake of the Hinton speech was that Pakistan was not going to allow itself to be "browbeaten and pressurised" by the US in pursuit of its national objectives and that its "peaceful" nuclear programme was in no way tied to US military and economic aid. In that sense, Indian officials are convinced that Pakistan's military establishment embarked on a deliberate strategy of ambiguously informing the Reagan Administration that any extension of the waiver of the Symington Amendment has to be based on considerations other than Islamabad's nuclear quest.

Indian officials believe that Pakistan's strategy was three-fold. One, to reassure the Pakistani people that Pakistan is an independent country which is not tied to the coat-tails of Uncle Sam. There has been considerable public and media criticism recently of Pakistan being too subservient to US interests, and special concern has been expressed about the presence of three million Afghan refugees on Pakistani soil and its attendant socio-economic dangers. At an international level, the strategy was directed at the US Congress, the message being that if the US wanted to continue to use Pakistan as a conduit for arms supplies to the Afghan rebels and to provide them sanctuary, it would have to approve the aid package. The third target for the message was obviously New Delhi.

Mushahid Hussain echoes that viewpoint. "The message given by Dr. Khan is directed against all detractors of Pakistan's Islamic bomb. To the Indians, it is a 'hands off' warning at a time when Delhi has been carrying massive warlike exercises along our border. Concurrently, it is a signal to the Americans not to link the nuclear issue with the aid package since the former is now a fait accompli."

But a senior Foreign Ministry official pointed out: "I doubt that Islamabad would have embarked on such a strategy had a moralist like Carter been President. But with Reagan in the chair, they are quite confident that the U.S. needs them more than the other way round. The U.S. is also worried about the direct talks between Pakistan and the Soviets and the recent improvement in Pakistani-Soviet relations." Adds K. Subrahmanyam, director of the influential Institute for Defence Studies and Analysis (IDSA): "I think most people in India do not realise the extraordinary leverage Pakistan has gained vis-a-vis the U.S."

This has now been confirmed by last week's *Washington Post* story which revealed that the Reagan Administration has ensured that the $4.02 billion aid package to Pakistan is almost certain to be passed by the U.S. Congress later this month. In any event, as far as South Block is concerned, all past revelations in the American media regarding the path of Pakistan's nuclear programme—and its effect on the Reagan Administration—have rendered the annual certification by the U.S. President's a meaningless ritual. Examples:

In 1983, American Columist Jack Anderson, quoting CIA sources, reported that China was helping Pakistan in designing nuclear triggers.

In February 1985, Pulitzer prize-winning investigative journalist Seymour Hersh produced a documentary that conclusively proved that Nazir Ahmed Vaid, a Pakistani national posing as an innocent businessman, had illegally tried to smuggle 50 timing devices used to trigger nuclear bombs out of the U.S. at the behest of the Pakistani Government. The devices, called Krytrons, are such sensitive items that their sale is tightly restricted and their purchase by outsiders can only be okayed by the State Department. Vaid was tried, found guilty, given a mild sentence and deported to Pakistan.

In June 1986, John Scalley, a veteran reporter for ABC News, revealed that Pakistan had successfully tested a nuclear trigger.

In November 1986, star reporter Bob Woodward of Watergate fame, now managing editor of the *Washington Post*, announced that Pakistan had succeeded in enriching uranium to 93.5 percent (confirmed by Dr. Khan in his interview) and that it had tested the trigger in a high explosive device between September 1 and September 18, 1986. Woodward confirms that Pakistan is "two screw-driver turns away from the bomb".

On February 23, 1987, Leonard Spector of the U.S.-based Carnegie Endowment for International Peace and a leading nuclear specialist, released a report *based on U.S. Administration sources* that stated: "Pakistan now has the components for its first nuclear device . . . and has arrived at the nuclear-weapons threshold." The report said that Pakistan has enriched uranium to over 90 percent, tested a triggering device and acquired the capability to produce all of a nuclear device's components.

Meanwhile, officials of the US State Department's policy planning unit told India today that Hinton's warning speech in Islamabad was drafted by the State Department and was specifically aimed at a sop to the US Congress as a reassurance that the US Administration was keeping a close watch on Pakistan's nuclear programme and that any concern about it should not come in the way of the military aid package.

But the more immediate concern is in the Indian context. Having just recovered from a situation that took the two countries to the edge of war. Khan's claim that Pakistan has the bomb has triggered off considerable debate and public consternation. In both houses of Parliament, MPs from the ruling party and the Opposition raised a concerted demand that India should make a nuclear bomb to counter the Pakistani threat. In a snap poll conducted by a Sunday newspaper, a vast majority (69 per cent) of those interviewed believed Pakistan had the bomb and 68 per cent felt India should take a similar path.

And, though a wide range of scientists involved in India's nuclear programme interviewed by India today scoffed at Dr Khan's claims of having produced the bomb and warned against India being forced to "mortgage its future development and go in for a nuclear arsenal", all available evidence seems to indicate that they are ignoring reality. With its 13-year headstart in the nuclear race, India is still undoubtedly miles ahead of Pakistan in terms of technology. But Khan's boastful statements seem to confirm that they have considerably narrowed the gap.

The BBC Panorama team's documentary film The Islamic Bomb remains the best-researched investigation into how and where the Pakistanis acquired the material and technology to build the bomb (see box). starting with the top-secret meeting of Pakistani scientists in Multan convened by the late Pakistan President Z.A. Bhutto when he asked them how long they would take to build him a bomb. That meeting took place in January 1972, a full two years before India exploded a nuclear device at Pokharan in the Rajasthan desert in 1974. The film establishes that the money to finance Project 706, the Pakistan bomb, was provided by Libya in 1973, a year before the Indian nuclear explosion took place. Since then, Pakistan has employed an intricate network with the help of European middlemen and their own nuclear spies like Dr. Khan to acquire sensitive western technology and embark on its dual route to the bomb. Says Subrahmanyam: "Pakistan is aware that it cannot keep pace with India's defence medernisation programme. Nor can it depend on U.S. military support forever. It has decided that the cheapest defence operation is for it to go nuclear."

Presuming that Pakistan now has the bomb, what then are the options open to India? Indian intelligence sources are convinced that Pakistan is readying for a Pokharan-type nuclear explosion before the year is out. Edward Luttwak, the Pentagon analyst who predicted the Israeli attack on Iraq's Osirak research reactor, says that a nuclear detonation by Pakistan would be a warning that it could soon have a weaponised device. "During that intervening period, the pressure on India to act, to disarm the Pakistanis, would be enormous. There is always the possibility that the Indians will not allow Pakistanis to make the transition from a crude device to a bomb," he said.

Knowledgeable circles within the Indian defence and intelligence establishment confirm that Israel had made an offer to the Indian Government to bomb the Pakistani nuclear facility at Kahuta provided their F-16s were allowed to operate from an airfield in India. Successive Indian governments under Mrs. Gandhi, Morarji Desai and recently, Rajiv Gandhi, have rejected the offer though sources say the option remains open. But analysts and officials now discount the possibility of Israel via India or Indian Air Force Jaguars or Mirage 2000s launching a pre-emptive attack on Kahuta. "That would be criminally stupid," says Subrahmanyam, the most vocal advocate of the bomb, who recently chaired a UN committee on nuclear deterrence. "We can destroy Kahuta but it won't hurt their programme," he insists.

Pakistan is well aware of that particular threat. Khan stated that "India knows what price it would have to pay for attacking Kahuta. In any case, the plant is well protected and we have not put all our eggs in one basket," indicating that Pakistan may have other secret installations. Last week, Pakistan Prime Minister Mohammed Khan Junejo issued a stern warning that Pakistan "would go to war if Kahuta was bombed". In fact, defence analysts say that India is much more vulnerable because it has a number of plutonium-fuelled reactors which if bombed, would spread radio-activity over heavily-populated areas. An attack on the Dhruva reactor at Trombay would render the entire city of Bombay unliveable. In any event, both countries have recently signed an agreement eschewing an attack on each other's nuclear facilities.

The other option is for India to go ahead and build the bomb. Though top government officials interviewed by India Today discount the possibility, they also admit that were public opinion and domestic political compulsions to coincide, it cannot be ruled out completely. Written in the IDSA journal, top nuclear expert R.R. Subramaniam, who has recently joined the Ministry of External Affairs (MEA), had said: "If Pakistan succeeds in conducting a nuclear test, popular opinion in this country will not tolerate a government which does not take immediate steps to overtake Pakistan in nuclear-weapons capability. No one expects Indian leaders to announce beforehand what steps they would take, but anyone who believes that after a Pakistani nuclear test India could continue to remain non-nuclear weapons-wise is totally out of touch with reality." In fact, there are many analysts inside and outside the country who believe that India, notwithstanding its protestations to the contrary, already has the bomb. Khan himself said that "India has carried on with its weapons research programme and they now have a much bigger bomb" (The Pokharan device was around 12 kilotons). Leonard Spector, in his latest report, notes that "India has gone to extraordinary lengths to develop a supply of plutonium beyond the reach of international inspection and control".

And, some Indian analysts argue that the country's massive nuclear energy programme was always intended to fuel a weapons arsenal. The leading proponent of this view is Professor Dhirendra Sharma of Jawaharlal Nehru University and convenor of the Committee for a Sane Nuclear Policy. In his most recent book, The Indian Atompower and Proliferation, Sharma states that "the policy in India has shifted secretly from one of developing nuclear energy for avowedly peaceful purposes to one including political and military aims". The burden of Sharma's argument is that Indian nuclear scientists have opted for pressurized heavy water reactors (PHR) which produce plutonium, the most convenient fissile material for a bomb. It was a plutonium device that India exploded in 1974.

However, scientists of the Atomic Energy Commission (AEC) say the choice of PHR technology does give India a weapons option but this is not the reason why it was selected. Pressurized heavy-water reactors fuelled by Uranium 238 are part of the AEC's long-term plan to use indigenously available fuels to generate a large chunk of the nation's electric power. "We have to have a base of reactors of the pressurised heavy water type to produce a certain output of plutonium which will fuel our fast breeder reactors. The plutonium-based fast breeders will irradiate thorium (which is available in large quantities in India) and produce Uranium 233, which can then be put back into the PHR to complete the fuel cycle," says N. Srinivasan, former head of the AEC's heavy-water projects.

In fact, after the hawkish K. Subrahmanyam left the Defence Ministry, the Indian Government appears to have no identifiable bomb lobby. Subrahmanyam himself says that, going by public pronouncements, the only bomb lobby he can identify is the Army Chief General K. Sundarji. In the Order of the Day he issued on taking over as chief of army staff on February 1, 1986. Sundarji highlighted the army's concern abour the "nuclear weapon capability of our potential adversaries". Asking the army to be prepared to face both a conventional and a nuclear threat. Sundarji said: "Our government is aware of the threat and I can assure you that if a war is forced upon us they will not make us fight our adversary at a disadvantage". Sundarji's concern goes back to the days when, as head of the College of Combat, he wrote a well-received paper on nuclear asymmetry. In fact, the College of Combat's Combat Papers 1 and 11 clearly state that "conventional superiority vis-a-vis nuclear Pakistan would be no effective deterrent".

Apart from frequent we-are-keeping-our-options-open statements by the prime minister and the minister for external affairs, Sundarji's remarks are the first real admission that India would not allow itself to be caught in a situation of nuclear asymmetry vis-a-vis Pakistan. Though neither Sundarji nor anyone else in the Government may openly announce it, the army chief's assurance clearly means that once Pakistan fabricates a nuclear weapon, India will have no other option. Political analyst Hari Jaisingh says: "The Congress(I) is keeping its options open. The BJP's stand is crystal clear. It wants a swadeshi bomb. Even the Janata Party has said the country cannot afford to be caught unguarded. The leftist parties, notwithstanding certain reservations would by and large, go along with the bomb lobby. In fact, barring certain groups of pacifists, any decision by Rajiv Gandhi's Government to publicly commit the country to the nuclear (weapons) path will have popular support."

The Indian bomb lobby has always emphasized certain obvious dangers in a nuclear-armed Pakistan as against a non-nuclear-armed India. These include the fact that:

a nuclear-armed Pakistan will project an image of power far in excess of India;

it will naturally assume the leadership of the Islamic world, attract oil money and the loyalty of Muslims beyond its borders, including in India;

Pakistan can afford to take more risks with India. It will be seen as a far safer haven for Indian extremist forces;

it will signify a weak leadership in India, leading to domestic and political upheavals and reduce India's clout with other neighboring countries;

the cost of India not going nuclear will be to put all New Delhi's eggs in the Soviet basket, damaging India's international image and rendering it critically vulnerable in defence terms should the Soviets back out for their own reasons.

But if India does decide to switch nuclear routes, how long will that take? And what will be the cost? Even experts do not agree on the time-frame, primarily because this is the most closely-guarded secret in the Government. While a Defense Ministry scientist said perfecting a *deliverable* nuclear weapon would take anything from six to eight months. K. Subrahmanyam feels that from the point of decision, it would require five to six weeks.

The relevant issue at this moment is the availability of a delivery system, and the related question about the size of the device. If India has been working at perfecting a weapons capability, then it would now have, or be in a position to fabricate, a sophisticated, small-size tactical nuclear weapon weighing around 1,000 lbs or less which could be carried to the target by the IAF's Mirage 2000s and Jaguars.

The same applies to Pakistan, only more so. It is more likely that Pakistan's device is large, crude and heavy and the Pakistani Air Force (PAF) will therefore be hard put to deliver it over a target with available delivery systems. For this reason, Pakistan has been trying to get the F16C from the US. The F16C, which has a strengthened centreplate pylon capable of carrying a weight of 4,000 lbs, is likely to be Pakistan's preferred delivery system. Alternatively, warned a senior officer of the IAF, Pakistan could modify some of its longer range surface to air (SAM) missiles for a surface-to-surface (SS) role which would give it a range of up to 200 km, enough to threaten a large number of border towns with destruction.

India, however, does not lack a delivery system for carrying heavier bombs. This is ensured by the ongoing programme to perfect a range of rockets capable of putting satellites in orbit. These rockets could also carry nuclear warhears to any target in Pakistan. The Defense Ministry's missile-testing range at Baliapal in coastal Orissa could also possibly be meant to test missiles capable of delivering nuclear warheads. Says a top Defense Ministry scientist: "Deterrents must be viewed not by numbers but by the certainty of retribution. A credible arsenal depends not on numbers but on the range and accuracy of the delivery systems. As far as Pakistan is concerned, we have to ask the question: Will Pakistan survive if two of its major cities like Lahore and Rawalpindi are destroyed? That would be unacceptable damage as far as Pakistan is concerned."

But the cost for India to take the bomb route—financial annd diplomatic—could be astronomical. According to experts, an effective weapons programme of 150 or so warheads in 10 years would cost around Rs 200 crore a year to start with, increasing to Rs 600 crore a year later. However, a traditional rule of thumb in the West is to compute the cost of a nuclear component at 10 per cent to 12 percent of the total defense expenditure. In India 12 percent of the 1987-88 defense budget of Rs 12,000 crore, comes to Rs 1,440 crore a year. Bhabani Sengupta in his book *Nuclear Weapons—Policy options for India* puts the cost of a second-generation nuclear deterrent for India at Rs 15,000 crore. But, he adds: "The cost of conventional defence cannot remain at the current level if Pakistan goes nuclear. The armed forces will, if nothing else, have to be equipped to fight a nuclear war. That means that all the western front divisions will have to be mechanised, and that alone would cost Rs 10,000 crore over 10 years."

Bhabani Sengupta and K. Subrahmanyam, however, agree on one vital point; that a situation in which Pakistan has the bomb and India doesn't, would be unacceptable to India. Says Sengupta: "We could never tolerate a Pakistan with nuclear weapons if India has none. No government in India could resist public pressure to respond in kind to a nuclear Pakistan. India will therefore inevitably make nuclear weapons." Subrahmanyam is equally direct. "We are hostages to Pakistan on the nuclear issue," he says. "It (Pakistan) has the bomb and we don't, we can be subjected to nuclear blackmail. They can make us do what they want."

Most advocates of the bomb, however, view nuclear weapons for India as an insurance policy with costly annual premiums but long-term security. Officials in the Defence Ministry and MEA are not prepared to commit themselves on what India's response will be. But in off-the-record conversations, the general consensus is that India will most probably adopt a policy of covert nuclearisation like that followed by Israel and South Africa. In other words, publicly deny the bomb but go ahead and obtain it and covertly let potential adversaries know you have it. "In fact, do exactly like Pakistan did but less clumsily," is how one official described it.

The other option, for the two countries to sign the NPT, also seems remote. India has strongly opposed the NPT on the grounds that it is heavily biased in favour of the nuclear powers and because countries like Israel and South Africa carry on their nuclear programmes unhindered. Pakistan has refused to sign till India signs. The logical option is for India and Pakistan to come to a mutual agreement on the nuclear weapons issue. Even Dr Kahn told Nayar; "You have it (the bomb) and now we have it. Now you must come to a *faisla* (understanding) with us." But again, India is hardly likely to sign a nuclear weapons agreement that does not include China.

The result is a critical stand-off. By last fortnight, it was clear that India was keeping its nuclear card close to its chest and any decision would have to wait till the current state elections were over. When India set off its underground nuclear blast in 1974, the code phrase used to announce its success was "The Buddha is smiling". All that can be said regarding the Indian response is that the Buddha is no longer smiling but, in fact, looking decidedly worried. —Dilip Bobb and Ramindar Singh.

[From the London Financial Time, April 30, 1987]

COLOGNE COMPANY RAIDED OVER SUPPLY OF NUCLEAR EQUIPMENT PLANS TO PAKISTAN

(By Simon Henderson)

West German customs officers have raided a Cologne-based engineering company while investigating the alleged export of plans to help Pakistan build a uranium enrichment plant suitable for making nuclear weapons.

More than 20 officials, including two state attorneys, took part in simultaneous raids on Monday at the offices in Cologne of Leybold-Heraeus and its factory at Hanau outside Frankfurt. The home of one of its directors was also searched.

Leybold-Heraeus is an important contractor to the Urenco consortium—jointly owned by Britain, West Germany and the Netherlands—which operates high-speed centrifuges to produce low-enriched uranium for use in nuclear power plants.

There was a security scandal at Urenco in the late 1970s when it was realised that a Pakistani scientist, Dr. Afedel Qadar Khan, may have had access to centrifuge secrets while working for a Dutch subcontractor several years earlier. A parliamentary inquiry was held and security was tightened.

Dr. Khan now heads a facility at Kahuta outside Islamabad where Western officials believe Pakistan is trying to produce high-enriched uranium suitable for nuclear weapons. A Dutch attempt to prosecute him for trying to acquire information after his return to Pakistan failed on a technicality.

Western officials believe that they have discovered a Pakistani attempt to buy virtually an entire enrichment plant for Kauta, except for the centrifuges which Pakistan can now make itself. The plant would dramatically expand Pakistan's ability to produce nuclear weapons, to perhaps 10 per year. Last year, U.S. officials acknowledged that Kahuta could produce bomb-grade material, but only in small quantities.

The Customs inquiry began in early 1986, when the Swiss authorities disrupted the export of autoclaves used to heat solid uranium hexafluoride, converting it into a gas which is then passed through centrifuges in an enrichment plant. Several were successfully exported via France.

Experts at Uranit, the West German arm of Urenco located at Gronau, found that some of the plans were for components of a design which only started operation at Gronau at the end of 1985. Others appeared to be of a special design, part of which seemed intended to make highly enriched uranium.

Leybold-Heraeus is making no comment, other than to admit its premises were searched. Dr. Khan says he was not involved in any attempt to import autoclaves and that Pakistan's nuclear programme is only for peaceful purposes.

[From the London Sunday Times, July 19, 1987]

FOILED: BID TO BUY STEEL FOR A-BOMBS

(By Mark Hosenball, Washington)

A London businessman and a retired Pakistani general are named in American court documents as suspected participants in a plot to illegally export nuclear bomb materials to Pakistan.

A Canadian businessman of Pakistani origin was remanded in custody last week by an American court after being arrested as a key member of the scheme.

President Zia of Pakistan has always denied that his country has a nuclear-weapons programme, but there have been many reports that Pakistani scientists are far advanced with such a programme and have used smuggled materials and scientific data in their research.

An American customs invetigator, in a sworn statement obtained by the Sunday Times, alleges that last November the London businessman, Mohammed Iqbal Fareed, got in touch with a Pennsylvanian company seeking to buy 16 tons of a special metal called maraging steel. This metal is used in the centrifuges that are needed to make nuclear bombs.

According to the customs document Fareed told the Pennsylvanian firm, Teledyne Vasco, that the steel would be used in "high speed turbines and compressors". But when he asked Teledyne to use a misleading description of the steel when applying for an American export license the company refused and Fareed's inquiry was dropped.

The document says that Fareed told Teledyne that his London company, Burkin Trade Links, was affiliated with an unnamed comapny in the Toronto suburb of Woodland.

This town is also the location of AP Enterprises, whose proprietor, Arshad Z Pervez, was arrested by customs in Philadelphia 10 days ago on charges of trying to buy and illegally export 25 tons of the same special steel to Pakistan. Pervez was denied bail and is still in an American jail.

Customs' investigators began to investigate Pervez last November after he approached a Pennsylvanian company about buying maraging steel.

The steel company informed U.S. Customs about Pervez's inquiries. An undercover "sting" operation began with customs agents posing as steel executives and government export control bureaucrats.

During the nine-month investigation, Pervez told undercover agents that he was buying the steel for Inam Ul-Haq of Lahore, whom he described as a retired Pakistani brigadier now working for the multinational corporation of 24-B Gulberg, at Lahore II, Pakistan. The building is a house in the city's most expensive residential area.

When approached by the Sunday Times in Lahore yesterday, the brigadier denied all knowledge of Pervez. "I don't know anything about the matter," he said, banging down the telephone.

After Pervez's arrest, Canadian customs raided his company's office and seized documents which indicated that the company had been interested in nuclear materials for five years.

They also found evidence of dealings between the Canadian firm and Brigadier Ul-Haq.

Fareed has been convicted before, for gun running. According to David Hattem, an assistant federal prosecuting-attorney in Brooklyn, New York, Fareed was arrested in September 1985 by undercover U.S. Customs' agents after an earlier "sting operation" when they discovered that he was trying to buy weapons and ammunition for Iran.

Hattem told the Sunday Times that in late 1985 Fareed pleaded guilty to charges of conspiring to export 100,000 rounds of 106mm ammunition and 1,000 50-calibre machineguns to Iran. He served six months in prison and then returned to Britain.

Fareed, 55, is a Canadian national but has strong contacts in Britain. Since the mid-1970s he has run Burkin Trade Links in London's Regent Street. Yesterday a person who answered the telephone at the company's office said Burkin Trade Links had gone into liquidation and the premises now belonged to a firm called Visorbeck with which Fareed was connected.

The new American revelations are the latest in a series of disclosures about Pakistani attempts to obtain nuclear bomb materials. Last April, customs in West Germany raided a Cologne company in connection with the alleged export of plans to help Pakistan build a uranium enrichment plant suitable for making nuclear bombs.

An American nuclear-weapons expert says the evidence from the German and American investigations indicates that the Pakistanis have a highly-sophisticated and well-directed programme for obtaining bomb materials from Western countries.

Mr. WILSON. Mr. President, there is certainly no objection by the majority. We join the Senator from Ohio in his clearly expressed intent.

Mr. PELL. Mr. President, I strongly endorse the initiative of the Senator from Ohio. He made an excellent presentation of the problem.

Pakistan is treating the United States with disdain. In its pursuit of a nuclear weapons capability, Pakistan has brazenly broken its promise to the United States and has flouted our laws.

Most recently, a Pakistani agent was arrested in Philadelphia for attempting to export illegally maraging 350 steel for use in Pakistan's nuclear program. Pakistan's action violated an explicit pledge not to acquire nuclear technology in the United States.

So far the administration has responded to Pakistan's actions with excuses and pleas for understanding. Pakistan has taken advantage of our forebearance. Patently, the soft approach has not worked.

Under Secretary Michael Armacost will be in Pakistan on Sunday. He will be seeking verifiable Pakistani assurances that it will not develop nuclear weapons or the fissile material for such weapons. This resolution will give Mr. Armacost useful support.

Pakistan must be made to understand that the United States expects it to keep its commitments. This resolution sends a signal of our resolve.

Mr. BRADLEY. Mr. President, I believe this resolution is one of the most important measures to come before the Senate. The role of Congress in foreign policy is often reactive. We respond with approbation or dismay to events that have already happened. Today, we are taking concrete steps to avert developments, which, left unchecked, could precipitate a nuclear arms race in south Asia, embroil the United States in a nuclear crisis, and result in an unfortunate and unwanted disruption of our relationship with Pakistan.

If this resolution achieves its purpose, we will have made a major contribution to promoting stability in a politically volatile region, while cementing our friendship with Pakistan.

Let me explain what the resolution does. Put simply, it says to Pakistan that we look to them to define what is in their self interest and to act accordingly. The resolution does not dictate anything. It does not impose demeaning terms or conditions on another sovereign state. At the same time, it avoids what I believe has been a weakness and a source of friction in our previous efforts in this area.

In the past, we have put ourselves in the position of having to choose between two desirable, but conflicting, goals: renewing security assistance to Pakistan on the one hand, and limiting the spread of nuclear weapons on the other. Frankly, it is in our interest to have both. We want to aid Pakistan, but we do not want a nuclear arms race. Make no mistake: living in a nuclear armed crowd will surely be very threatening and it is not a development in which we should lightly acquiesce. Still, it is not in our interest to sacrifice either of these important policy goals. Yet in the past, that is what we have done. And in the process, we have put ourselves in the position of seeming to dictate to Pakistan.

Pakistan has, understandably, found this offensive. Pakistan is a sovereign state, capable of figuring out where its best interests lie, and this resolution is intended to encourage Pakistan to do just that. Whatever Pakistan chooses, we must live with. And so must they.

Let me say, Mr. President, that I have the deepest respect for Pakistan and for its determined stand against Soviet aggression in Afghanistan. Pakistan's support for the Afghan resistance has imposed heavy burdens upon its people, burdens they have borne with courage and dignity. Those of us who share Pakistan's commitment to a free Afghanistan—and I count myself among them—must also do our part. This means providing economic and security assistance to help Pakistan meet its legitimate need for self-defense, withstand Soviet intimidation, and continue to champion the Afghan cause.

At the same time, Pakistan and the United States share long-term interests in the stability of the subcontinent and in Pakistan's economic growth. There is growing concern that both these interests will be jeopardized by Pakistan's further acquisition of the material as well as the technology for nuclear explosives. Notwithstanding Pakistan's assurances that its nuclear program is intended solely for peaceful purposes, some of its activities seem inconsistent with these assurances. Unfortunately, these activities are straining our relationship.

The purpose of this resolution is to suggest a way out of this dilemma so that we can refocus the United States-Pakistan relationship on promoting our mutual interest in stability and growth. The resolution states that the most effective way of accomplishing this would be for Pakistan to make an unequivocal commitment to forgo both the making or testing of a nuclear bomb and the production or stockpiling of nuclear materials that could be readily turned into weapons. Such a commitment would demonstrate Pakistan's genuine support for a nonnucler peace, focus international concern on India's unsafeguarded nuclear activities, facilitate efforts to establish a nuclear weapons-free zone on the subcontinent, and remove the major source of strain on the United States-Pakistan relationship.

Why is it in Pakistan's interest to follow this course? I believe there are several reasons.

First, Pakistan has already achieved the fundamental objectives that have motivated its nuclear research. It has satisfied itself that it could do what India did in 1974. Moreover, the rest of the world now understands that it is Pakistan's deliberate restraint, not its lack of ability or means, that keeps it from duplicating India's unnecessary display of nuclear power. And Pakistan has gained respect for rejecting the temptation to resort to a "peaceful nuclear explosion."

However, there is still widespread concern over Pakistan's intentions. Now that Pakistan has achieved its main nuclear objectives, both our countries should place a very high premium on avoiding the misunderstandings and suspicions of the past. An unequivocal disclaimer that Pakistan has any intention to produce or stockpile unsafeguarded nuclear materials that are readily convertible to nuclear weapons would go a long way toward accomplishing this.

Pakistan has already declared that it is committed to a peaceful nuclear program. At the same time, there is no longer any doubt about Pakistan's capacity to make one or two nuclear bombs if it sees a security requirement to do so. But, acting in its own national interest, Pakistan has refrained from making or testing a nuclear explosive device. Yet, in the world's eyes, there is a question as to Pakistan's definition of "peaceful" and its future intentions.

These concerns are not unfounded. Pakistan has engaged in activities that have equipped it with the technology and components for nuclear explosive devices. This is beyond dispute. And further activities of this sort would create the basis for an arsenal of nuclear weapons, belying Pakistan's own claims that its program is peaceful.

In the past, Pakistan has justified these activities by invoking India's example. It is true that India's nuclear activities raise similar suspicions and pose similar dangers. India's stockpiling of unsafeguarded nuclear materials is a serious concern. And those of us who are committed to the goals of nonproliferation are deeply disturbed by, and critical of, India's activity in this area. India's explosion in 1974 and subsequent stockpiling of unsafeguarded nuclear material have increased political pressures in Pakistan to seek a nuclear deterrent. Few would argue that it has been a serious mistake for India to have gone this route. It is unfortunate that India's leaders cannot see this, but it would be tragic if Pakistan repeated India's errors. One should learn from the mistakes of others, not emulate them. And were Pakistan to attempt to match India's capabilities to produce or deploy nuclear weapons, the costs to all of us, including Pakistan, would be very high.

This resolution is premised on the understanding that Pakistan must and will do what it perceives to be in its national interest. So will the United States. But the resolution also says that the Congress hopes that Pakistan and the United States will see that we share an overriding mutual interest that can best be promoted by Pakistan's decision to comply with its own stated policy, namely that its nuclear program will be strictly peaceful.

IT'S TIME FOR PAKISTAN TO CHOOSE

Mr. BYRD. Mr. President, Pakistan is under siege. Not only has it spent the past 7½ years countering over 100,000 Soviet troops in Afghanistan, but in recent weeks, it has been stunned by terrorist bombings, ethnic riots, and violence spilling over its borders from Iran, India, and Afghanistan.

I have great sympathy for Pakistan. In the face of the Soviet invasion of Afghanistan, Pakistan has been a staunch supporter of the Afghan freedom fighters. Pakistan has willingly harbored over 3 million Afghan refugees who fled from Soviet terror and destruction. Pakistan has been a staunch and invaluable ally of the United States.

But the close and mutually supportive relations between the United States and Pakistan are being jeopardized by Islamabad's drive to develop a nuclear capability. Three years ago, Pakistan promised the United States that it would not enrich uranium beyond the low level required to run civilian power reactors. Since then, there has been much evidence to suggest that Pakistan is pushing the enrichment level up to weapons grade and is expanding its weapons capacity.

Earlier this month, a Pakistani native was arrested in Philadelphia and then indicted for attempting to illegally procure and export 25 tons of highly specialized steel from the United States to Pakistan. Pakistani officials have called it a rogue operation for which the Government bears no responsibility. I certainly hope that is the case.

But my confidence in assurances by the Government of Pakistan that it is not trying to build nuclear weapons and that it is not involved in attempts to smuggle nuclear materials is eroding. Shortly after the Philadelphia arrest, two Americans and a Hong Kong businessman were indicted in California for illegally exporting to Pakistan computer equipment that can be used to make nuclear weapons.

These are not isolated incidents. In 1984, a Pakistani citizen was arrested for trying to smuggle krytrons, the electronic switches that can trigger nuclear bombs, to Pakistan.

This weekend, Under Secretary of State Armacost arrives in Pakistan to make it clear that Pakistan's verbal assurances must be matched by concrete action. This resolution, which I strongly support, is intended as a firm message that the Senate backs the administration's efforts.

I do not want to see aid to Pakistan cut off. But the time has come for Pakistan to choose. The Government of Pakistan promised that it would not enrich uranium at a level higher than 5 percent. It has repeatedly declared that its nuclear facilities will be used for peaceful civilian purposes only. Recent events cast doubt on Pakistani promises.

The time has come to choose. If it wants to build nuclear weapons, under U.S. law, it cannot have U.S. foreign assistance. It is time for the Government of Pakistan to take concrete action to bring its nuclear program in line with its assurances.

Mr. President, I support this resolution and urge its adoption.

The PRESIDING OFFICER. Is there further debate?

Mr. HUMPHREY. Mr. President, as the Senator from Ohio has stated, the wording of this resolution has been under negotiation among interested Senators now for several days. There has been a very careful and intense effort to arrive at wording on which we can all agree and I believe we have. The wording was chosen very carefully.

I would point out that the Senate is not making any new demands upon the Government of Pakistan, simply calling upon the Government of Pakistan to make good on promises which it has already extended in the past years.

Mr. President, there has been a great deal of care involved in the wording of this resolution because Senators recognize the important role that Pakistan is playing today in standing as a bulwark against Soviet imperialism in South Central Asia.

Senators know some 120,000 Soviet troops armed with the most modern weaponry, including jet fighters, attack helicopters, tanks, and artillery, chemical and perhaps biological weapons, as well, are being used to occupy Afghanistan which once stood as a bulwark between the Soviet Union and the plains of India and Pakistan.

As things now stand Afghanistan is no longer that bulwark. We hope that ultimately, and I believe ultimately the Soviets will withdraw in the face of brave and continued resistance by the people of Afghanistan. But in the meantime there is no country that is more supportive of the Afghans than Pakistan. There is no country that I believe in the world playing a more principal and courageous role in standing up to Soviet brutality and bullying and criminal behavior of every kind than Pakistan.

For her trouble, Pakistan is the target of almost daily aerial attacks by aircraft of the puppet Government of Afghanistan, some of them we believe flown by Soviet pilots. But irrespective of the nationality of the pilot, the carnage wrought in Pakistan is tragic.

Last year the Soviet puppet regime aircraft violated Pakistan airspace 757 times and of those 256 involved outright release of weapons, that is to say attacks, in which 45 civilians were killed and 77 wounded. This year the situation is very much worse. Hundreds already this year have been killed and wounded, innocent civilians, by attacks along the border.

The Soviets and their puppets further have supported deadly acts of terrorism within Pakistan. Last year there were 233 wanton acts of sabotage resulting in 162 deaths and more than 500 wounded. This year the terrorism continues and it is worse, as most recently witnessed by a devastating car bomb in Karachi that killed more than seven people earlier this month.

Quite apart from her courageous role or vital role, very valuable role in supporting the people of Afghanistan against the Soviet invasion, Pakistan is a country important in her own right, important to the security of that part of the world, important indeed to America's security if we value the oil resources of the Middle East, if we value the independence of Pakistan as a nation which stands in the way of the historic Soviet lust for a warm water port on the Persian Gulf.

Pakistan is located near the apex of the funnel that leads into the Persian Gulf. Were Pakistan to fall in Soviet hands it would be a disaster for the West. Were Pakistan to be taken over by a government unfriendly to the West, it would likewise be a disaster of almost equal proportions.

So we must proceed with great caution and care and I believe that we have.

Presently the security assistance, economic and military assistance for Pakistan is pending. It is an important question of the President and the military assistance program of that package is now threatened by renewed concern over Pakistan's military nuclear program.

Mr. President, we had better continue to be very careful as we proceed. There is not one Senator who favors nuclear proliferation, not one Member of Congress. The question we must ask is this: If, by our actions, such as the withholding of military assistance we undermine Pakistan's confidence in our commitment to her security, is that likely to make Pakistan more or less inclined to opt for force multiplier weapons, is that more or less likely to result in Pakistan going for the military nuclear option? I think the answer is obvious.

Pakistan is in a difficult situation. She has been in three wars with India, a nation of much larger resources, much greater military capability. She has concern that now her neighbor to the north is occupied by the Soviet Union with the effects increasingly spilling over into Pakistan, not only military attacks, not only sabotage but the whole matter of the burden which 3 million Afghan refugees within the borders of Pakistan represent in the way of social difficulties, economic difficulties, political difficulties.

And let us remember, Pakistan, in a great humanitarian gesture, is sheltering upwards of more than 3 million Afghan refugees who, incidentally, are not confined by barbed wire fences, who instead are free to move about to engage in businesses, to sell their labor.

Pakistan has done a magnificant job, despite all of her own enormous problems, has done a magnificent job in harboring and sheltering this refugee population which is now the largest single refugee population in the world. So we must be very careful in how we proceed.

I think it is well that we adopt this resolution tonight to undergird the mission of Secretary Armacost. But I want to point out the wording has been very carefully chosen. I want to point out again we are not making any new demands on Pakistan in this resolution. We are expressing our wish, our demand, that Pakistan make good on her earlier promises.

I want also to call attention to the fact, finally, that this resolution is quite balanced with respect to India and Pakistan. This is not a resolution that mentions only Pakistan, because the proliferation problem is a regional problem. We must recall that it was India which exploded a nuclear weapon, not Pakistan.

And so in two of the whereas clauses we specifically mention India and in the third and last resolve clause we also mention India. And we call upon India and Pakistan to simultaneously accede to the Nuclear Nonproliferation Treaty.

I want to make the point that President Zia, in meeting with Prime Minister Gandhi, has offered to do just that and more, provided that India will do likewise. But India has refused, and that is important to take into account in our deliberations over the next several months.

So I support this resolution. I have to say with all modesty that I have secured some changes which I think render the resolution more balanced, more consistent with our national interests. And for the cooperation of my colleagues in that respect, I offer my thanks.

Mr. President, I yield the floor.

The **PRESIDING OFFICER.** Is there further debate on the resolution?

Mr. GLENN. Mr. President, I want to express my appreciation to the distinguished Senator from New Hampshire for his efforts on this and for his cooperation and that of his staff. He was very cooperative in working out the language on this so it was more satisfactory and added some things that I think were very important to this resolution. So I wanted to make sure that he got full credit for that.

I think, Mr. President, we find ourselves in somewhat of a dilemma, quite frankly. I want to see aid continue to flow through Pakistan to Afghanistan. I share the same concerns as expressed by the distinguished Senator from New Hampshire. No one wants to see our aid to the Afghan resistance fighters, who are doing such a magnificent job with very little help, cut back. Most of the arms there flow in through Pakistan, and we do not want to see that end. We could term this aid a short-term interest.

But right along with that we have a long-term interest that has been a commitment of this country to see that nuclear nonproliferation does not go on. And pursuant to that we sponsored the Nonproliferation Treaty. We have 132 non-nuclear-weapon states that have signed up under the Nonproliferation Treaty and said they would forswear the development of nuclear weapons if we cooperate with them. We have not seen that kind of cooperation out of Pakistan.

I do not want to see a nuclear weapons race on the subcontinent. India some years ago, in 1974, to be exact, had what they termed a peaceful nuclear explosion. Well, a bomb is a bomb is a bomb is a bomb by any other means or any other name. At that time, Pakistan's President Bhutto said that Pakistanis would "eat grass," to use his words, to get a bomb so they could be the equal of India. They have been pursuing their bomb since that time, and this progress is what we address in this resolution today.

So we are on the horns of a dilemma. We want to see Afghan freedom fighters get the help that we know that they deserve, and to provide this aid, we need Pakistan's help.

At the same time, we have a long-term responsibility to live up to our commitments to the 132 other non-nuclear-weapon nations that have signed up on the nonproliferation treaty. So it is a dual interest here and it is a difficult balance.

I hope, right along with the Senator from New Hampshire, that India can heed some of the words in this so that we do get a balance. Nothing would be better than declaring that part of the world a nuclear weapons free zone.

Meanwhile, the other nations of the world have put their faith in the United States to take the lead in trying to scale down the weapons belonging to the superpowers. At long last, maybe sometime soon we have a little bit of progress in that area.

We all wish we could go back to the days of Lilienthal and Baruch, perhaps, and put things nuclear under some sort of international aegis of one kind or another, but we cannot unring that bell, to put it in other terms.

So we are trying to make the best in two areas, trying to scale down nuclear weapons among the superpowers and, at the same time, preventing the spread of weapons to more and more countries around the world until the whole thing gets completely out of control. And we do not want to see us get to the state when, one of these days, any nation that wants a nuclear weapon will be able to get one. When that day comes, we will see nuclear weapons being utilized in little border wars or incidents that we, at least, would think are not worthy of the use of such expenditure of weapons of that type.

So, I congratulate the Senator from New Hampshire again and thank my colleagues for their cooperation in helping us work this out in getting it to the floor tonight so it can be useful in the negotiations that will be going on in Islamabad in just a few days.

Mr. GLENN. Mr. President, if there is no further debate I would move to—

Mr. HUMPHREY. Mr. President, before the Senator does that, may I just briefly thank the Senator for his kind comments and likewise thank the Senator for his openmindedness and graciousness, and patience—most of all patience which he exhibited during the sometimes frustrating negotiations over some of the language.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the resolution.

The resolution (S. Res. 266) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. Res. 266

Whereas production of weapon-grade nuclear materials in Pakistan and India constitutes a threat to regional and international security; and

Whereas the United States desires to maintain a long-term security partnership with Pakistan; and

Whereas the greatest threat to this partnership arises from activities in Pakistan's nuclear program that are viewed as being inconsistent with a purely peaceful program; and

Whereas a Pakistani choice to eliminate this threat would serve our mutual interests in promoting stability in South Asia and assisting the Afghan people; and

Whereas the Government of Pakistan has repeatedly stated that it is not producing weapon-grade nuclear materials, and that it would respect U.S. nuclear export control laws; and

Whereas information exists that Pakistan is producing weapon-grade nuclear material; and

Whereas in the absence of any other action by the Congress or the President, United States laws require a cessation of assistance in the event of violations of the nuclear export control laws of the United States; and

Whereas further U.S. assistance to Pakistan or India in the face of continued violations would undermine U.S. efforts to contain the spread of nuclear weapons, including U.S. commitments to the 132 non-weapon-state parties to the Nuclear Non-Proliferation Treaty: Now, therefore, be it

Resolved That:

(1) The Senate strongly supports the President in his forthcoming efforts to gain Pakistan's compliance with its past commitments, including commitments of record, not to produce weapon-grade nuclear materials.

(2) The Senate strongly urges the President to inform Pakistan that Pakistan's verifiable compliance with these past commitments is vital to any further United States military assistance.

(3) The Senate urges the President to pursue vigorously an agreement by India and Pakistan to provide for simultaneous accession by India and Pakistan to the Nuclear Non-Proliferation Treaty, simultaneous acceptance by both countries of complete International Atomic Energy Agency safeguards for all nuclear installations, mutual inspection of one another's nuclear installations, renunciation of nuclear weapons through a joint declaration of the two countries, and the establishment of a nuclear weapons free zone in the Sub-continent.

ORDER TO PRINT DEBT LIMIT EXTENSION MEASURE

Mr. BYRD. Mr. President, I ask unanimous consent that the debt limit resolution (H.J. Res. 324) be printed as passed.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, I inquire of the distinguished acting Republican leader, Mr. WILSON, if Calendar No. 208, S. 1068, has been cleared on his side of the aisle.

Mr. WILSON. Mr. President, it has. We are ready to proceed.

INTERLOCKING DIRECTORATES AND OFFICERS

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 208.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 1068) to amend the Clayton Act regarding interlocking directorates and officers, with an amendment.

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on the Judiciary with an amendment. On page 2, line 22, strike "annual average," and insert "annual."

So as to make the bill read:

S. 1068

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8 of the Clayton Act is amended to read as follows:

SEC. 8. (a)(1) No person at the same time shall be a director or officer of any two corporations, each of which has capital, surplus and undivided profits aggregating more than $10,000,000, as adjusted pursuant to this subsection, engaged in whole or in part in commerce, other than banks, banking associations, trust companies, and common carriers subject to subtitle IV of title 49, United States Code, if such corporations are by virtue of their business and location of operation, competitors so that the elimination of competition by agreement between them would constitute a violation of any of the provisions of any of the antitrust laws.

"(2) Notwithstanding the provisions of paragraph (1), simultaneous service as a director or officer of two corporations shall not be prohibited by this section if (A) the aggregate competitive sales of either corporation are less than $1,000,000, as adjusted pursuant to this subsection, (B) the aggregate competitive sales of either corporation are less than 1 percent of that corporation's total sales, or (C) the aggregate competitive sales of each corporation are less than 4 percent of that corporation's total sales. For purpose of this paragraph, 'aggregate competitive sales' means the aggregate gross revenues for all products and services sold by one corporation in competition with the other, determined on the basis of annual gross revenues for such products and services over the last completed fiscal year. For purposes of this section, 'total sales' means the aggregate gross revenues for all products and services sold by one corporation over the last completed fiscal year.

"(3) The eligibility of a director or officer under the provisions of paragraph (1) shall be determined by the capital, surplus, and undivided profits of each corporation at the end of that corporation's last completed fiscal year.

"(4) For purposes of this section, the term 'officer' means an officer elected or chosen by the Board of Directors.

"(5) For each fiscal year commencing after September 30, 1987, the $10,000,000 and $1,000,000 thresholds in this section shall be increased (or decreased) as of October 1 each year by an amount equal to the percentage increase (or decrease) in the Gross National Product, as published by the Department of Commerce or its successor, for the year then ended, over or under the level so established for the year ending September 30, 1986. At the beginning of October of each year, the Federal Trade Commission shall publish the adjusted amounts required by this paragraph.

"(b) When any person elected or chosen as a director or officer of any corporation subject to the provisions of this Act is eligible at the time of his election or selection to act for such corporation in such capacity, his eligibility to act in such capacity shall not be affected and he shall not become or be deemed amendable to any of the provisions hereof by reason of any change in the capital, surplus and undivided profits, or affairs of such corporation from whatsoever cause, whether specifically excepted by any of the provisions hereof or not, until the expiration of one year from the date on which an event causing ineligibility occurred, or, if practical, the next regularly scheduled election of directors, whichever occurs first.".

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

AMENDMENT NO. 654

Mr. BYRD. Mr. President, I send an amendment by Mr. METZENBAUM to the desk and ask it be reported.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from West Virginia (Mr. BYRD), for (Mr. METZENBAUM), proposes an amendment numbered 654.

Mr. BYRD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill insert the following new sections:

SECTION . Section 7A of the Clayton Act is amended by adding at the end thereof the following new subsection:

"(k) For purposes of this section, the annual net sales and total assets of a person shall include, in the case of a partnership, the annual net sales or total assets of any general partner and any partner having the right to 50 per centum or more of the profit of the partnership, or having the right in the event of dissolution to 50 per centum or more of the assets of the partnership.".

SEC. . This Act and the amendments made by this Act shall become effective sixty days after the date of enactment of this Act.

SEC. . Section 7A(a) of the Clayton Act is amended—

(1) in paragraph (2), by striking out "$10,000,000" each place it appears in subparagraphs (A), (B), and (C) and inserting in lieu thereof "$15,000,000"; and

(2) in paragraph (3)(B), by striking out "$15,000,000" and inserting in lieu thereof "$20,000,000".

SEC. 2. (a) Section 7A(b)(1)(B) of the Clayton Act is amended—

(1) by substituting "twenty" for "fifteen"; and

(2) by striking out "or (g)(2)" and inserting in lieu thereof the following ", (g)(2), or (g)(3)".

(b) Section 7A(e) of the Clayton Act is amended—

(1) by substituting "20-day" for "15-day" each place it appears;

(2) in paragraph (2) by striking out "(or in the case of a cash tender offer, 10 days)"; and

(3) by striking out the word "only" from the last sentence of paragraph (2) and inserting at the end thereof the following: "or (g)(3)".

(c) Section 7A(g) of the Clayton Act is amended by adding the following at the end thereof: "(3) The court may extend the additional period for up to 25 days if, due to the complexity or scope of the information or documentary material to be evaluated, the Federal Trade Commission or the Assistant Attorney General reasonably requires such additional time to determine whether the proposed acquisiton may, if consummated, violate the antitrust laws."

SEC. 3. This Act and the amendments made by this Act shall become effective one hundred twenty days after the date of enactment of this Act.

Mr. METZENBAUM. Mr. President, S. 1068 represents the culmination of extended discussions and negotiations with the ranking minority member of the Judiciary Committee, Senator THURMOND, as well as members of the business community and others. This bill modernizes section 8 of the Clayton Act, which has not been significantly changed since it was passed in 1914.

S. 1068 increases the basic jurisdictional threshold for applying this section from $1 million in net worth to $10 million. It also creates a number of "safe harbors" which allow common directors of competing corporations as long as the competitive overlap is so small that there is no realistic potential for competitive harm. Finally, it expands the basic coverage of the section to include officers of corporations.

Section 8 of the Clayton Act has served a useful purpose in preventing situations which have the potential for competitive harm. The prohibitions of section 8 have been "per se" in nature, that is, the prohibited conduct is unlawful without a need for a showing of anticompetitive effect. This standard is a good one because it makes the law clear to those companies who must comply with it and it avoids lengthy litigation over the circumstances in which the section applies.

While the "per se" standard is appropriate, its aplication has had the undesirable effect of preventing any common director even if the competitive overlap was so small as to be insignificant. As a result, qualified directors have sometimes been unable to serve on boards of directors when no potential for competitive harm exists. Thus, the "safe harbors" in the bill allow more flexibility for corporations to choose directors without weakening the standards preventing harm to competition.

The bill also expands the prohibitions of the section to officers chosen by the board of directors. The potential for sharing of sensitive information and coordinating market behavior is at least as great in the case of a common officer as in the case of a common director. Thus, the bill will strengthen the law in this area.

S. 1068 represents a constructive reform of section 8 of the Clayton Act. It responds to the needs of American corporations to have greater flexibility in their ability to choose directors while expanding the scope of the law to cover potentially anticompetitive situations which are now addressed.

Mr. President, the amendment to S. 1068 which I have sent to the desk addresses two other facets of antitrust reform. The first part of the amendment consists of S. 431, legislation passed by the Judiciary Committee to close a loophole in enforcement of the Hart-Scott-Rodino Antitrust Premerger Notification System. The loophole currently enables wealthy individuals and corporations to structure mergers so that they need not be reported to the Government under the premerger notification system. The attempted takeover of Goodyear by Sir James Goldsmith and the attempted takeovers of Phillips Petroleum and Shamrock Oil by T. Boone Pickens were structured to take advantage of this loophole. While currently sanctioned, these evasions of the review mandated by the antitrust laws are unacceptable.

All the testimony addressing this issue received by the subcommittee, including statements from the U.S. Department of Justice, representatives of the business community, and T. Boone Pickens, recognizes the existence of this loophole and the need to close it. Indeed, since the introduction of and hearings on S. 431, the Federal Trade Commission has promulgated a rule designed to close the partnership loophole. Their stated goal of closing the loophole, of course, is commendable. However, their action comes late and leaves substantial parts of the loophole open.

For example, the FTC's regulation would still allow a merger by an equal partnership, composed of Exxon, Texaco, and Mobil, with Socal to slip by unreported for antitrust scrutiny. This is unacceptable.

The first part of the amendment closes the loophole. At the same time, however, it maintains agency flexibility and discretion to promulgate regulations implementing the act.

The second part of the amendment consists of S. 432, another bill recently approved by the Judiciary Committee. S. 432 is a bipartisan compromise bill containing needed reforms of the Hart-Scott-Rodino Premerger Notification System.

First, the bill increases the monetary threshold requirements, figures which have not been updated since the law was enacted in 1976. This provision relieves the reporting burden on small businesses that would probably not be involved in transactions raising antitrust issues.

Second, the bill lengthens the time the antitrust enforcement agencies have to conduct their review of mergers accomplished by cash-tender offer. It strikes a careful balance between the need for thorough antitrust scrutiny of transactions and the desire not to unduly encumber cash tender offers.

Finally, the bill establishes a process by which the enforcement agencies may seek additional time to review particularly complex mergers. Under the provision, the agencies may apply to a court for up to 45 more days to examine a transaction.

These reforms will greatly enhance the effectiveness of the premerger notification system. The bill enjoys the support of the administration as well as the business community. I would like to thank Senator THURMOND, in particular, for his help in framing S. 432.

I am sure that my colleagues see the urgent need for this amendment and will vote in favor of it.

Mr. THURMOND. Mr. President, I want to express my support for S. 1068, and for the provisions of S. 432, which are being considered with S. 1068. However, I have strong reservations about the provisions of S. 431, also being considered as a part of this legislation. These objections were set forth in the minority views on S. 431, Senate Report 100-88, and were joined in by Senators HATCH, SIMPSON, and HUMPHREY. This legislation amends section 7A of the Clayton Act by requiring that the assets and sales of controlling partners and general partners be included in determining the size of a partnership.

My concerns about the bill are not based on any opposition I have to closing the "partnership loophole." Rather, they are based on the fact that this legislation is now unnecessary and is over-broad. The Federal Trade Commission, which has authority to promulgate regulations concerning the Hart-Scott-Rodino Act's premerger notification program, has already issued regulations dealing with this very problem. I believe that FTC rulemaking is the correct way to proceed. Legislation which seeks to expand or revise rules already issued by the FTC, may only cause confusion and preclude subsequent efforts on the part of the enforcement agencies to refine the treatment of partnership acquisitions.

My second objection to this legislation is to its breadth. S. 431 covers not only those partners with a controlling interest, that is, those partners having the right to 50 percent or more of the profits of the partnership, but also general partners. The rule promulgated by the FTC reaches only controlling partners. In that respect it is consistent with the treatment generally accorded corporate transactions. Those at the FTC most familiar with the consequences of this provision, indicate that it is likely to result in the required reporting of competitively insignificant transactions, thus increasing the burden of private parties and the FTC. It is felt by those at the FTC with premerger experience, that addressing the problem through the controlling partner, will reach the most significant transactions currently slipping through the loophole. I agree.

Mr. President, as I indicated at the beginning, I will support the entire bill, including the two amendments. Nevertheless, I retain serious reservations about the wisdom of the provisions of S. 431.

Mr. HATCH. Mr. President, as I expressed in my concurring views accompanying the report of S. 432, I have some concerns that the bill may be interpreted to direct the court to order an additional period of antitrust review simply because the agencies claim they need the additional time. In particular, I am concerned that delaying the consummation of acquisitions, based on cash tender offers, may interfere unduly with the parties' ability to complete these transactions.

Would the author of the bill explain the intention of the committee regarding this point?

Mr. METZENBAUM. The committee was aware of the need to avoid undue delays in the case of cash tender offers, as well as other acquisitions. The language of the bill as originally introduced provided for a longer review period for very large mergers and provided that the longer period was automatic without the need for court review. Subsequently, the time period for review was reduced and the committee provided that the antitrust agencies should apply to the court for the extension in cases of large or complex mergers.

The Senator from Utah raised the valid point that the court should not approve an application for further time for review simply because the agencies claimed the need for such an extension of the waiting period. The Senator from Utah pointed out that the antitrust agencies could unduly interfere with cash tender offers and other acquisitions in cases where the additional time was not "reasonably required."

The resolution of this issue was to include the language "reasonably required" in the provision regarding the additional waiting period. This phrase means the agencies must justify to the court the need for the additional time for adequate antitrust review.

Just because a 25-day delay is authorized does not mean that such delay would be appropriate in any given case. It is expected that the agencies will efficiently and expeditiously complete their work in normal fashion, and that this additional time period will be granted only when necessary.

It is, of course, easy to envision circumstances where such an extension would be desirable. For instance, if a second request for additional information produces thousands of documents which must be meticulously examined, delay may easily be justified. On the other hand, where a relatively few documents are involved or, perhaps, where a simple or straightforward competition analysis is required, the agencies should be hard-pressed to justify an extension.

Mr. HATCH. I thank the Senator from Ohio and would only say that I concur in his explanation of this point. I would also note that it is clear only the Department of Justice will be present in court seeking an extension, not the parties to the merger. The Department must carry the burden of sharing the necessity of the extension in light of all circumstances however. I do have one further question of the Senator from Ohio. Is it his understanding that the agencies would not have to make some showing as to the likelihood of bringing an enforcement action—or the success of such action—in order to receive an extension.

Mr. METZENBAUM. That is correct. The only criterion that must be met by the agencies is a showing that such delay is necessary to complete its investigation.

Mr. BIDEN. I have listened to the colloquy between the Senator from Ohio and the Senator from Utah. I agree with their statements.

Mr. THURMOND. I also agree with the statements of the Senator from Ohio and the Senator from Utah.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment of the Senator from Ohio.

The amendment (No. 654) was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendments to be proposed, the question is on the engrossment and the third reading of the bill.

The bill (S. 1068) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 1068

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8 of the Clayton Act is amended to read as follows:

"SEC. 8. (a)(1) No person at the same time shall be a director or officer of any two corporations, each of which has capital, surplus and undivided profits aggregating more than $10,000,000, as adjusted pursuant to this subsection, engaged in whole or in part in commerce, other than banks, banking associations, trust companies, and common carriers subject to subtitle IV of title 49 United States Code, if such corporations are by virtue of their business and location of operation, competitors so that the elimination of competition by agreement between them would constitute a violation of any of the provisions of any of the antitrust laws.

"(2) Notwithstanding the provisions of paragraph (1), simultaneous service as a director or officer of two corporations shall not be prohibited by this section if (A) the aggregate competitive sales of either corporation are less than $1,000,000, as adjusted pursuant to this subsection, (B) the aggregate competitive sales of either corporation are less than 1 percent of that corporation's total sales, or (C) the aggregate competitive sales of each corporation are less than 4 percent of that corporation's total sales. For purposes of this paragraph, 'aggregate competitive sales' means the aggregate gross revenues for all products and services sold by one corporation in competition with the other, determined on the basis of annual gross revenues for such products and services over the last completed fiscal year. For purposes of this section, 'total sales' means the aggregate gross revenues for all products and services sold by one corporation over the last completed fiscal year.

"(3) The eligibility of a director or officer under the provisions of paragraph (1) shall be determined by the capital, surplus and undivided profits of each corporation at the end of that corporation's last completed fiscal year.

"(4) For purposes of this section, the term 'officer' means an officer elected or chosen by the Board of Directors.

"(5) For each fiscal year commencing after September 30, 1987, the $10,000,000 and $1,000,000 thresholds in this section shall be increased (or decreased) as of October 1 each year by an amount equal to the percentage increase (or decrease) in the Gross National Product, as published by the Department of Commerce or its successor, for the year then ended, over or under the level so established for the year ending September 30, 1986. At the beginning of October of each year, the Federal Trade Commission shall publish the adjusted amounts required by this paragraph.

"(b) When any person elected or chosen as a director or officer of any corporation subject to the provisions of this Act is eligible at the time of his election or selection to act for such corporation in such capacity, his eligibility to act in such capacity shall not be affected and he shall not become or be deemed amenable to any of the provisions hereof by reason of any change in the capital, surplus and undivided profits, or affairs of such corporation from whatsoever cause, whether specifically excepted by any of the rovisions hereof or not, until the expiration of one year from the date on which an event causing ineligibility occurred, or, if practical, the next regularly scheduled election of directors, whichever occurs first.".

At the end of the bill, insert the following new sections:

SEC. 2. Section 7A of the Clayton Act is amended by adding at the end thereof the following new subsection:

"(k) For purposes of this section, the annual net sales and total assets of a person shall include, in the case of a partnership, the annual net sales or total assets of any general partner and any partner having the right to 50 per centum or more of the profits of the partnership, or having the right in the event of dissolution to 50 per centum or more of the assets of the partnership.".

SEC. 3. Section 2 and the amendments made by section 2 shall become effective sixty days after the date of enactment of this Act.

SEC. 4. Section 7A(a) of the Clayton Act is amended—

(1) in paragraph (2), by striking out "10,000,000" each place it appears in subparagraphs (A), (B), and (C) and inserting in lieu thereof "$15,000,000"; and

(2) in paragraph (3)(B), by striking out "$15,000,000" and inserting in lieu thereof "$20,000,000".

SEC. 2. (a) Section 7A(b)(1)(B) of the Clayton Act is amended—

(1) by substituting "twentieth" for "fifteenth"; and

(2) by striking out "or (g)(2)" and inserting in lieu thereof the following ", (g)(2), or (g)(3)".

(b) Section 7A(e) of the Clayton Act is amended—

(1) by substituting "20-day" for "15-day" each place it appears;

(2) in paragraph (2) by striking out "(or in the case of a cash tender offer, 10 days)"; and

(3) by striking out the word "only" from the last sentence of paragraph (2) and inserting at the end thereof the following: "or (g)(3)".

(c) Section 7A(g) of the Clayton Act is amended by adding the following at the end thereof: "(3) The court may extend the additional period for up to 25 days if, due to the complexity or scope of the information or documentary material to be evaluated, the Federal Trade Commission or the Assistant Attorney General reasonably requires such additional time to determine whether the proposed acquisition may, if consummated, violate the antitrust laws."

SEC. 5. Section 4 and the amendments made by section 4 shall become effective one hundred twenty days after the date of enactment of this Act.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. WILSON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President I ask unanimous consent that Calendar Order No. 207 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

BILL PLACED ON CALENDAR—S. 1577

Mr. BYRD. Mr. President, I ask unanimous consent that S. 1577, introduced earlier today by Mr. METZENBAUM and others, dealing with retiree health and life insurance benefits, be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

HOUSE CONCURRENT RESOLUTION 170—PERTAINING TO ADJOURNMENT OF CONGRESS

Mr. BYRD. Mr. President, House Concurrent Resolution 170 is at the desk. I ask unanimous consent that the Senate proceed with its immediate consideration.

The PRESIDING OFFICER. The concurrent resolution will be stated.

The legislative clerk read as follows:

H. CON. RES. 170

Resolved by the House of Representatives (the Senate concurring), That notwithstanding the provisions of section 132(a) of the Legislative Reorganization Act of 1946 (2 U.S.C. 198), as amended by section 461 of the Legislative Reorganization Act of 1970 (Public Law 91-510; 84 Stat. 1193), the House of Representatives and the Senate shall not adjourn for a period in excess of three days, or adjourn sine die, until both Houses of Congress have adopted a concurrent resolution providing either for an adjournment (in excess of three days) to a day certain, or for adjournment sine die.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration.

The Senate proceeded to consider the concurrent resolution.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 170) was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. WILSON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

BILL PLACED ON CALENDAR—H.R. 1414

Mr. BYRD. Mr. President, I ask unanimous consent that H.R. 1414, a bill to amend the Price-Anderson provisions of the Atomic Energy Act of 1954 just received from the House, be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF JUSTICE AUTHORIZATION, FISCAL YEARS 1988 and 1989

Mr. BYRD. Mr. President, I inquire of the distinguished acting Republican leader as to whether or not Calendar

Order 168, S. 938, the Department of Justice authorization bill, has been cleared on his side of the aisle.

Mr. WILSON. Yes, Mr. President, it has been.

Mr. BYRD. I thank my friend.

Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order 168.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 938) to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal years 1988 and 1989, and for other purposes.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the immediate consideration of the bill.

The Senate proceeded to consider the bill.

AMENDMENT NO. 655

(Purpose: To make certain technical amendments)

Mr. BYRD. Mr. President, I send to the desk an amendment on behalf of Messrs. BIDEN and THURMOND and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD], for Mr. BIDEN and Mr. THURMOND, proposes an amendment numbered 655.

Mr. BYRD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 3, line 10 strike "until September 30, 1989" and insert "for two fiscal years".

On page 4, line 3 strike "1988" and insert "1989".

On page 5, line 5 strike "1988" and insert "1989".

On page 5, line 19 after "For the Assets Forfeiture Fund:" and insert "in each fiscal year".

On page 5, line 22 and line 23 strike "not to exceed a total of $50,000,000 shall be available to pay for those expenses" and insert "the Attorney General shall provide a special report to the Judiciary Committees of both Houses of Congress regarding the expenditures of the Fund if expenditures exceed a total of $50,000,000 for those expenses".

On page 7, line 11 after "appropriation" insert "in each fiscal year".

On page 9, line 16 after "$140,270,000" insert "in each fiscal year".

On page 11, between lines 17 and 18, insert the following new section:

"SEC. 104. Notwithstanding the provisions of Public Law 99-591 making continuing appropriations for the fiscal year 1987, the amount made available in the Department of Justice Appropriations Act for Salaries and expenses, Community Relations Service (100 Stat. 3341-47) for grants, contracts, and reimbursable agreements and other expenses necessary under section 501(c) of the Refuge Education Assistance Act of 1980 is changed from $23,266,000 to $23,026,000."

On page 18, strike lines 20 and 21 and insert the following:

"(2) necessary expenses in attending to the safety of Judicial proceedings and the execution of court orders;".

On page 26, lines 13 and 14 strike "publish in the Federal Register for notice and comment" and insert "issue". On page 26, line 21 after "activities." strike the remainder of the section (through page 27, line 3) and insert the following paragraph:

"Any proposed guidelines and any changes thereto shall be made available to Congress at least thirty days prior to final adoption. In addition, following enactment of this statute, the Attorney General shall report to Congress, at intervals of one hundred and twenty days, regarding the Department's progress in drafting and issuing comprehensive guidelines."

On page 27, lines 13 and 14, strike "conduct" and insert "approval".

On page 28, between lines 11 and 12, insert the following new section: "Sec. 206. Section 567 of Title 28, United States Code, is hereby repealed."

On page 29, line 23, strike "Sec. 305" and insert "Sec. 303.".

On page 32, line 9, strike "Section 263" and insert "Section 263a".

On page 35, lines 3 and 4 strike "semiannually" and insert "annually".

On page 36, line 2 insert the following: "; provided that the Attorney General report annually to Congress regarding the number of private, for profit, contracts entered into for full detention services; such reports shall provide the name of the contractor, the location of the contractor's facility, the number of prisoners at each contract facility and their security level(s), and the cost and duration of each such contract.".

On page 36, line 22, after "unless the" insert "Judiciary and".

On page 37, line 13, after "unless the" insert "Judiciary and".

On page 41, between lines 3 and 4, insert the following:

"SEC. 504. The table of sections for Chapter 37 of Title 28, United States Code, is amended by deleting at the reference to section 567 the words 'Expenses of marshals' and substituting in lieu thereof the word 'Repealed'.

On page 41, line 4, strike "Sec 504." and insert "Sec. 505.".

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 655) was agreed to.

Mr. LAUTENBERG. Mr. President, I had intended to offer the text of S. 1075 as an amendment to the Justice Department authorization bill which deals with the entry of Cuban political prisoners and Cuban immigrants to the United States.

However, the chairman and ranking minority member of the committee and the Subcommittee on Immigration have asked me to postpone offering this amendment in return for their assurances that they will act speedily on this bill in committee.

They have expressed the desire to work with me on this issue, and have given me a commitment that this bill will be considered by the subcommittee and the full committee as soon as possible.

A hearing on this legislation was held June 30, at which I testified. The chairman and ranking minority members of the full committee and the subcommittee have agreed to do everything possible to mark up this bill before the August recess.

I thank the chairman of the subcommittee and full committee for their cooperation and look forward to working with them on this matter.

Mr. KENNEDY. Senator LAUTENBERG's understanding is correct. I agree with the thrust of S. 1075, and look forward to moving it through the subcommittee. I am committed to making every effort to mark this bill up in the subcommittee before the August recess.

Mr. SIMPSON. Senator LAUTENBERG has my commitment to work with him on this bill. In principle, I do not have serious problems with the thrust of the bill's provisions on political prisoners, or the provisions on family reunification. I pledge to work with him to move this bill through the subcommittee, and to work with the ranking member of the full committee, Senator THURMOND, in order to try to iron out an acceptable bill.

Mr. BIDEN. I generally support this bill, and am committed to moving this bill through my committee. I thank the Senator from New Jersey for withdrawing the amendment he planned to offer on this issue, and give him my pledge to move expeditiously on this bill. I understand that the subcommittee plans to consider the bill soon, and I will move it in the full committee soon after that time.

● Mr. BIDEN. Mr. President, I ask my colleagues to support the passage of S. 938, the Department of Justice Authorization Act for Fiscal Years 1988 and 1989.

On Febuary 5, 1987, the ranking minority member and I introduced—by request—S. 517, the Department of Justice's proposed authorization. In considering the Department's budget request, the committee conducted the most extensive series of oversight hearings since 1979. During these 8 days of hearings, the committee heard from the Attorney General, numerous Assistant Attorneys General, and the heads of the major bureaus and offices within the Department of Justice. These hearings allowed the committee to consider thoroughly each of the activities included in the 17 separate appropriations within the Department.

After these hearings were concluded, I worked with the ranking minority member, and the subcommittee chairman and members of the minority, to develop a compromise authorization bill. This legislation, S. 938, was introduced on April 7, 1987, and by unanimous vote, the committee reported the bill favorably, without amendment, on April 9, 1987.

This bill provides $5.5 billion in budget authority in fiscal 1988 for the activities of the Department of Justice. The Department is charged with some of the most important functions of the Federal Government—enforcing the Federal Criminal Code, protecting the civil rights and civil liberties of American citizens, and representing the Federal Government in civil matters.

The committee has provided significant increases in funding for the Department of Justice to implement several important statutes enacted by the 99th Congress. Specifically, additional funding is provided for the Immigration and Naturalization Service to carry out the massive new responsibilities imposed by the Immigration Reform and Control Act of 1986. In addition, the committee has provided funding for the Department to implement and enforce the numerous new criminal provisions enacted as part of the Anti-Drug Abuse Act of 1986.

The committee has rejected the administration's proposal to eliminate State and local criminal and juvenile justice assistance programs in the Department. I believe that Federal, State, and local governments must operate as partners in the effort to reduce crime, drug abuse, and juvenile delinquency. By rejecting the administration's cuts to the State and local assistance programs, the committee has reiterated its support for providing limited funding as "seed money" for innovative and promising criminal and juvenile justice programs.

Finally, in regard to funding, the committee's authorization bill does not include the administration's proposed reduction of 100 positions in the Antitrust Division.

One of the most important new provisions contained in this bill extends the Department's authorization from 1 to 2 years. I believe a 2-year authorization will force the Department to produce long-range plans and will enhance congressional oversight by allowing the Judiciary Committee to review a more comprehensive presentation of the Department's activities.

A 2-year authorization will also allow the Judiciary Committee to focus in greater detail during the outyear on administration requests that exceed the previous year's budget targets. In addition, the hastened timetable for the appropriations process under Gramm-Rudman-Hollings almost mandates a 2-year process if we in the Judiciary Committee are going to fulfill our oversight responsibilities.

Since this is the first year of the 2-year process, the committee has agreed to set only a baseline funding level—the 1988 level plus uncontrollable expenses—for fiscal 1989. In fairness to the Department, which is not yet geared up for a 2-year budgeting process, there probably will be budget adjustments to consider next year.

The Department of Justice has gone without a new authorization bill for 7 years. As a result, the Judiciary Committee essentially has relinquished its responsibility for authorizing programs to the Appropriations Committee. The Appropriations Committee, with its broad responsibilities, should not be expected to carry out the in-depth budgetary and oversight review of the Department that is warranted.

The ranking member, Senator THURMOND, and I have worked together on this legislation, as we have in moving previous crime legislation. As with the Comprehensive Crime Control Act of 1984, we have pursued action on those aspects of the bill on which we could agree. Based on our experience and mutual goals, the ranking member and I have agreed that controversial and substantive legislative proposals would not be included as part of this authorization bill.

The committee has also agreed to consider making less controversial matters—like the purchase of cars and firearms or the conducting of meetings, and so forth—a part of permanent law. A similar approach was used 3 years ago when we last reported an authorization bill.

This is one of the most important pieces of legislation that the committee will consider this session, and the bill and accompanying report should be extremely useful in affirming this committee's desire to carry out its oversight responsibility of the operation of the Department of Justice. The bill represents a compromise that is the result of consideration of changes suggested by the subcommittee chairmen and by members of the minority. I would like to thank the ranking minority member, Senator THURMOND, for his cooperation on this bill.●

Mr. THURMOND. Mr. President, I am pleased that today the Senate is considering S. 938, the Department of Justice Authorization Act for fiscal years 1988 and 1989.

This legislation, which I was pleased to cosponsor with the distinguished chairman of the Judiciary Committee, Senator BIDEN, would provide for a 2-year authorization, rather than the usual 1-year period. For fiscal year 1988, it would authorize spending levels very similar to those requested by the Department of Justice. For fiscal year 1989, it would authorize spending at the 1988 levels plus uncontrollable increases.

For a number of years, the Justice Department has sought to make permanent various authorities previously granted on an annual basis. Many of these permanent authorities are included in S. 938, and should improve the Department's ability to meet its responsibilities. Although everything the Department requested is not included in S. 938, it is my understanding that, overall, they are pleased with the bill and support its passage.

Mr. President, unfortunately, Congress has not enacted a Department of Justice authorization in 8 years, leaving it to the appropriation process. In 1984, the Senate managed to pass a Justice authorization, but it did not receive House approval. I commend Chairman BIDEN for his efforts to reestablish the appropriate process for funding one of the most vital agencies of the Government. It has been my pleasure to have worked with him in developing this bill, as he assisted me in our similar effort in 1984.

Mr. WILSON. Mr. President, if the majority leader will indulge me, I have a statement of my own on this bill.

Mr. President, we have just agreed to an amendment. That amendment addressed the very serious problem that seems, unhappily, recurring, the consideration of what we in Congress shall do with those funds that are seized from drug traffickers, those assets seized from drug traffickers.

Mr. President, the asset forfeiture funds, as they are termed, are administered by the Department of Justice and the Customs Service and are vital parts of our national effort against drug trafficking. They are, therefore, integral to our efforts to ending drug abuse, and they are the result of a very basic concept. Some might call it poetic justice, but what it is in more prosaic terms is that the ill-gotten gains of drug traffickers and pushers should be seized and then used to support further antidrug law enforcement efforts.

This basic concept has yielded tens of millions of dollars which have been disbursed to local law enforcement agencies on the Federal, State, and local levels in fewer than 3 years. That is a lot of money, Mr. President, money for Federal law enforcement efforts which has helped enhance the activities of the Customs Service, the Federal Bureau of Investigation, and the Drug Enforcement Administration.

Through what is quite properly termed the equitable sharing program, money has also been returned to State and local law enforcement agencies throughout the country in recognition of their efforts which have led to the seizure of these assets from drug traffickers.

Mr. President, as part of last year's omnibus drug legislation a provision which I offered was adopted which made important changes in the conduct of the proceedings under the asset forfeiture funds. These changes were necessary to provide that all of the money seized from criminals be used for law enforcement purposes and not for other less important, unrelated Federal purposes. Furthermore, that same provision which I offered took from the Customs fund the cap that was then inserted. Instead, a much higher cap was offered to replace, it, which meant that more of those funds could be used for law-enforcement purposes and at the same time the cap on the Department of Justice asset forfeiture fund was removed altogether so that all of those funds might be used for law enforcement.

Now, because of that, Mr. President, it is all the more disturbing that despite the changes made by last year's drug bill the integrity of the asset forfeiture program seems to be still at risk.

As reported by the Judiciary Committee, section 101(3) of S. 938, the fiscal year 1988 Department of Justice authorization act, would have placed a cap on disbursements from the Department of Justice fund for Federal law enforcement and administrative purposes. Happily, the amendment which we have just adopted will change that.

Now, I appreciate fully the responsibility of the committee to ensure that all disbursements which it makes are cost effective, that they are for legitimate purposes, but the cap that would have been in this legislation, had we not just wisely amended it, was entirely inappropriate because it put us back into that same ill-considered box from which we had removed ourselves just last year.

Mr. President, accordingly, I wish to express my appreciation to the very able chairman of the Judiciary Committee, Senator BIDEN, and to his staff for their willingness to craft an alternative provision to replace that unwise absolute cap. What they have come up with is a reporting requirement, one that will not place an expenditure cap on the asset forfeiture fund but one that will provide the committee with information which will be useful to them in their task of ensuring proper oversight.

Mr. President, while the objectionable provision in the reported bill capping the asset forfeiture fund disbursements has been deal with, I am saddened to tell you that it seems almost contagious that there is an effort to try to place a cap upon the expenditure of these funds for the purpose that we have dwelled upon at some strength, and I think justifiably, and that is the fighting of crime at the local level. In particular, if you talk to any police chief or sheriff, you will learn from them that an inordinate amount of time and effort in their departmental expenditures is expended in drug-related or directly in drug cases. So there is a certain irony, it would seem, in our inability to deal with this problem and say that the assets seized from drug traffickers will be used to fight them.

Now, I would simply ask, Mr. President, of those who continually resist this effort, be they in the Office of Management and Budget or somewhere else, what other program can be so important that we should prevent the assets seized from criminals from being used to enhance our law enforcement efforts? What else is more important? What other program is so important that we should fund it at the expense of those law enforcement efforts? What other program is so important that we should deny State and local law enforcement agencies, those on the front line of our war on drugs, the benefits that can be obtained from our wise use of these assets seized from the criminals who are engaged in that poisonous traffic?

Mr. President, I respectfully submit that there is no program offered for authorization of funding in the Department of Commerce or Department of State or Department of Justice authorization bill that could justify disrupting the operation of a program as vital and as clearly effective as this program for equitable sharing of seized assets distributed to local law enforcement so that we can make what we call the war on drugs, in fact the real war, and not an empty slogan. If we are to give that war more than lip service, Mr. President, we must give it real resources.

After all, the money disbursed under the equitable sharing program is not money from the general fund. It is not some new Federal grant. It is not something that they are applying for that they have not earned, these sheriffs, these policy chiefs. It is payment in a very real sense for services rendered, payment that recognizes that but for the investigative efforts of local law enforcements, the criminals might very well not have been caught and the assets themselves never seized.

Mr. President, the equitable sharing program encourages cooperation between Federal, State, and local officials that is essential. We are dealing with the most sophisticated of criminals when we attempt to stem the drug traffic. It is an international traffic. It is one that employs the latest in high technology.

All too often, we have seen that our officers and agents are not as well equipped as those against whom they must go in the effort to first detect and then to apprehend those engaged in the traffic. The equitable sharing program responds to that imbalance and seeks to redress it. It says that when these investigations are successful, the credit and the reward should be spread among those who have been part of the successful apprehension.

To abolish the equitable sharing program even for 1 year not only undercuts the effectiveness of our law enforcement agencies, but also, it is an insult to those State and local law enforcement officers. It says that somehow we value something more than the efforts they make, literally placing life and limb at risk. Mr. President, that is wrong. I do not believe anything is more important than that we give to those on that firing line in this war on drugs all possible assistance.

Some would say that the assets that are seized in this forfeiture fund are a windfall. Some would say that they need to be counted as we count everything else in our budget process—creating, I might add, the possibility of a freeze on the funds. I really do not agree with that. But, at the very least, if the fund is to remain on budget, it should be placed at the very top of the list when the appropriations committees start carving up the Federal budget pie.

Mr. President, I believe that the House of Representatives made a very grave error when it included in its bill a freeze on the asset forfeiture fund. Not only does this action undermine the position established by Congress in last year's omnibus drug bill, and specifically that contained in the amendment which I offered, but also, it disrupts the antidrug efforts of law-enforcement agencies at all levels of government—Federal, State, and local.

In my State of California, which, because of its proximity to the Mexican border, has the unhappy distinction of being a major transit point in the United States for drug smuggling, local law enforcement agencies have long awaited the equitable sharing, which we have given as the name to this fund. They have become discouraged by the long delays in receiving the money under this program. The very prospect of these funds now being blocked by a statutory freeze has quite justifiably outraged them.

Mr. President, in response to their justifiable outrage, I urge my colleagues to contact their State attorneys general, their police chiefs, and their sheriffs, to fully appreciate from their first-hand testimony the importance of retaining the asset forfeiture fund equitable sharing program without a cap and certainly without the moratorium proposed by the House.

Mr. President, it is my sincere hope that our Appropriations Committee will see very clearly the need for removing the House-passed cap. I hope they will. I will say right now that I enlist among my colleagues all the aid they may be prepared to give me, because I am dedicated to working for the removal of a cap provision and definitely to remove that unwise moratorium. It is not only unfair to law enforcement. More important, as law enforcement people will tell you, it is unfair to those whom those sheriffs, those police chiefs, and those law enforcement officers risk their lives to protect every day.

Mr. President, I thank my friend, the distinguished majority leader. There is nothing more on our side. We are ready for third reading.

Mr. BYRD. Mr. President, I thank my friend.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (S. 938) was passed, as follows:

S. 938

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of Justice Appropriation Authorization Act, Fiscal Years 1988 and 1989".

TITLE I

1988 AND 1989 FISCAL YEAR AUTHORIZATIONS

SEC. 101. There are authorized to be appropriated for the fiscal year ending September 30, 1988, and the fiscal year ending September 30, 1989, to carry out the activities of the Department of Justice (including any bureau, office, board, division, commission, or subdivision thereof) the following sums:

(1) For General Administration, Salaries and Expenses: $103,513,000 for the fiscal year 1988 and $138,000,000 for the fiscal year 1989;

(2) For additional capital for the General Administration Working Capital Fund: $4,000,000 for the fiscal year 1988;

(3) For the United States Parole Commission: $12,253,000 for the fiscal year 1988 and $12,865,000 for the fiscal year 1989;

(4) For General Legal Activities: $303,485,000 for the fiscal year 1988 and $315,114,000 for the fiscal year 1989; which shall include—

(A) not to exceed $75,000 in each fiscal year which may be transferred from the "Alien Property Funds, World War II", for the general administrative expenses of alien property activities;

(B) not to exceed $20,000 in each fiscal year for unusual expenses necessary in the collection of evidence, to be expended under the direction of the Attorney General and accounted for solely on the certificate of the Attorney General or Deputy Attorney General;

(C) not to exceed $6,000,000 of those funds appropriated in each fiscal year for litigation-support contracts, which amount shall remain available for two fiscal years; and

(D) not to exceed $24,718,000 of those funds appropriated in each fiscal year for automation of legal activities, including legal activities of the Antitrust Division and the United States Attorneys and the activities of offices funded under the General Administration, Salaries and Expenses, appropriation, which amount shall remain available until expended;

(5) For the Antitrust Division: $48,510,000 for the fiscal year 1988 and $51,497,000 for the fiscal year 1989;

(6) For the Foreign Claims Settlement Commission: $510,000 for the fiscal year 1988 and $504,000 for the fiscal year 1989;

(7) For the United States Marshals Service: $216,092,000 for the fiscal year 1988 and $230,000,000 for the fiscal year 1989; which shall include not to exceed $1,350,000 in each fiscal year for planning, construction, renovation, maintenance, remodeling, and repair of buildings and the purchase of equipment incident thereto for protected witness safesites;

(8) For the Support of United States Prisoners in non-Federal institutions: $76,914,000 for the fiscal year 1988 and $80,000,000 for the fiscal year 1989; which shall remain available until expended and which amounts shall include sums available for reimbursements to appropriate health care providers for the care, diagnosis and treatment of United States prisoners and persons adjudicated in Federal courts as not guilty by reason of insanity: *Provided,* That such services shall be provided at rates that, in the aggregate, do not exceed the full cost of these services; and of which not to exceed $5,000,000 in each fiscal year shall be available until expended under the Cooperative Agreement Program for the purpose of renovating, constructing, and equipping state and local correctional facilities;

(9) For Fees and Expenses of Witnesses: $37,359,000 for the fiscal year 1988 and $38,400,000 for the fiscal year 1989; which shall remain available until expended;

(10) For the Community Relations Service: $29,123,000 for the fiscal year 1988 and $30,273,000 for the fiscal year 1989, of which $21,740,000 in each fiscal year shall remain available until expended to make payments in advance for grants, contracts and reimbursable agreements and other expenses necessary under section 501(c) of the Refugee Education Assistance Act of 1980, (Public Law 96-422);

(11) For United States Attorneys: $413,555,000 for the fiscal year 1988 and $431,194,000 for the fiscal year 1989;

(12) For the United States Trustee System Fund: $53,525,000 for the fiscal year 1988 and $60,400,000 for the fiscal year 1989: *Provided,* That deposits to the fund are available in such amounts as may be necessary to pay refunds due depositors;

(13) For the Assets Forfeiture Fund: in each fiscal year such sums, to be derived from the Fund, as may be necessary for the payment of expenses as authorized by section 524 of title 28, United States Code: *Provided,* That, the Attorney General shall provide a special report to the Judiciary Committees of both Houses of Congress regarding the expenditures of the Fund if expenditures exceed a total of $50,000,000 for those expenses authorized by section 524(c)(1) (B), (C), (F) and (G) of title 28, United States Code, and by that portion of section 524(c)(1)(A) of title 28, United States Code, which was added by Public Law 99-570.

(14) For the Federal Bureau of Investigation: $1,484,421,000 for the fiscal year 1988 and $1,512,121,000 for the fiscal year 1989; which shall include—

(A) not to exceed $70,000 in each fiscal year to meet unforeseen emergencies of a confidential character to be expended under the direction of the Attorney General and to be accounted for solely on the certificate of the Attorney General or Deputy Attorney General;

(B) not to exceed $3,000,000 of those funds appropriated in each fiscal year for research relating to investigative activities, which portion shall remain available until expended;

(C) not to exceed $10,000,000 of those funds appropriated in each fiscal year for automated data processing and telecommunications and not to exceed $1,000,000 of those funds appropriated in each fiscal year for undercover operations, which amounts shall remain available for two fiscal years;

(D) not to exceed $13,000,000 of those funds appropriated for fiscal year 1988 for the construction of the Engineering Research Facility, which amount shall remain available until expended;

(E) not to exceed $11,358,000 of those funds appropriated for fiscal year 1988 for the construction of a system to assist in language translation and recording for the New York field office, which amount shall remain available until expended; and

(F) not to exceed $45,000 in each fiscal year for official reception and representation expenses:

Provided, That, not to exceed $17,500,000 may be credited to this appropriation in each fiscal year from fees collected for the processing of fingerprint identification records pursuant to section 577(b)(2) of title 28, United States Code.

(15) For the Drug Enforcement Administration: $522,047,000 for the fiscal year 1988 and $563,046,000 for the fiscal year 1989; which shall include—

(A) not to exceed $70,000 in each fiscal year to meet unforeseen emergencies of a confidential character to be expended under the direction of the Attorney General and to be accounted for solely on the certificate of the Attorney General or the Deputy Attorney General;

(B) not to exceed $1,200,000 of those funds appropriated in each fiscal year for research, which amount shall remain available until expended;

(C) not to exceed $1,700,000 of those funds appropriated in each fiscal year for the purchase of evidence and for payments for information, which amount shall remain available for two fiscal years;

(D) not to exceed $4,000,000 of those funds appropriated in each fiscal year for automatic data processing and telecommunications and not to exceed $2,000,000 of those funds appropriated in each fiscal year for technical equipment; which amounts shall remain available for two fiscal years; and

(E) not to exceed $45,000 in each fiscal year for official reception and representation expenses;

(16) For the Immigration and Naturalization Service: $1,093,520,000 for the fiscal year 1988 and $1,066,433,000 for the fiscal year 1989; which shall include—

(A) not to exceed $50,000 in each fiscal year to meet unforeseen emergencies of a confidential character to be expended under the direction of the Attorney General and to be accounted for solely on the certificate of the Attorney General or the Deputy Attorney General;

(B) not to exceed $400,000 of those funds appropriated in each fiscal year for research, which amount shall remain available until expended;

(C) not to exceed $400 per annum per employee for members of the Border Patrol and not to exceed $300 per annum per employee for immigration inspectors and detention officers of the Immigration and Naturalization Service who are required by regulations or statute to wear a prescribed uniform in the performance of official duties; and

(D) not to exceed $140,270,000 in each fiscal year for detention and deportation.

(17) For the Federal Prison System, including the National Institute of Corrections: $981,694,000 for the fiscal year 1988 and $1,056,500,000 for the fiscal year 1989; which shall include—

(A) $760,851,000 for the fiscal year 1988 and $835,500,000 for the fiscal year 1989 for Salaries and Expenses;

(B) $10,509,000 of those funds appropriated for the fiscal year 1988 and $11,000,000 of those funds appropriated for the fiscal year 1989, for carrying out the provisions of sections 4351 through 4353 of title 18, United States Code, which established a National Institute of Corrections; which amounts shall remain available until expended;

(C) $210,334,000 of those funds appropriated for the fiscal year 1988 and $210,000,000 of those funds appropriated for the fiscal year 1989 for planning, acquisition of sites and construction of new facilities; and for the purchase and acquisition of facilities and remodeling and equipping of such facilities for penal and correctional institutions; and for the payment of United States prisoners for work performed in these activities; which amount shall remain available until expended; and

(D) not to exceed $300 per annum per employee for those employees of the Federal Prison System who are required by regulation or statute to wear a prescribed uniform in the performance of official duties.

SEC. 102. A total of not to exceed $75,000 from funds authorized to be appropriated in each fiscal year to the Department of Justice by this title shall be available for official reception and representation expenses in accordance with distributions, procedures, and regulations established by the Attorney General.

SEC. 103. (1) There are authorized to be appropriated for fiscal years 1988 and 1989, such sums as may be necessary for increases in salary, pay, retirement, and other employee benefits authorized by law, and for other nondiscretionary costs.

(2) The Administration may submit, and the Committees on the Judiciary shall consider, requests for increases in the amount of appropriations authorized by this Act for fiscal year 1989. Any such request shall be accompanied by a report detailing the Administration's justification for the requested increase in appropriations' authorization.

SEC. 104. Notwithstanding the provisions of Public Law 99-591 making continuing appropriations for the fiscal year 1987, the amount made available in the Department of Justice Appropriations Act for "Salaries and expenses, Community Relations Service" (100 Stat. 3341-47) for grants, contracts, and reimbursable agreements and other expenses necessary under section 501(c) of the Refuge Education Assistance Act of 1980 is changed from $23,266,000 to $23,026,000.

TITLE II

PERMANENT ENABLING LEGISLATION

SEC. 201. Part II of title 28, United States Code, is amended by inserting after chapter 37 the following new chapter:

"CHAPTER 38—GENERAL AUTHORIZATIONS—DEPARTMENT OF JUSTICE

"Sec.

"577. General authorizations.

"578. Authorizations and exemptions available for undercover investigative operations.

"§ 577. General Authorizations—Department of Justice.

"(a) The Attorney General is authorized to use Department of Justice appropriations to make payments for the conduct of the activities of the Department of Justice. Such payments may include payments for—

"(1) expenses, mileage, compensation, and per diem in lieu of subsistence, of witnesses as authorized by law, without regard to the competitive procurement requirements of title 15 and title 41, United States Code; provided that no witness shall be paid more than one attendance fee for any one calendar day;

"(2) advances of public moneys under section 3324 of title 31, United States Code; provided that travel advances to law enforcement personnel engaged in undercover activity shall be deemed public monies within the meaning of section 3527 of title 31, United States Code;

"(3) planning, acquisition of sites and construction of special purpose law enforcement type facilities; and construction, operation, remodeling and repair of law enforcement type buildings and facilities used for law enforcement purposes; and the purchase of necessary equipment and the payment of necessary expenses directly related to the conduct of these activities;

"(4) the lease or purchase of passenger motor vehicles; provided that motor vehicles for police type use may be purchased for law enforcement purposes without regard to the general purchase price limitation for the fiscal year during which such a purchase is effected;

"(5) the purchase of firearms and ammunition for use by law enforcement officers and trained security personnel, and the participation in firearms competitions;

"(6) the confidential lease of surveillance sites for law enforcement purposes;

"(7) the acquisition, lease, maintenance and operation of aircraft for law enforcement purposes;

"(8) miscellaneous and emergency expenses authorized or approved by either the Attorney General, the Deputy Attorney General or the Associate Attorney General;

"(9) official reception and representation expenses;

"(10) attendance at meetings;

"(11) services of experts and consultants as authorized by section 3109 of title 5, United States Code, and at rates of pay for individuals up to but not exceeding the daily rate payable for GS-18 of the General Schedule in section 5332 of title 5, United States Code;

"(12) services of interpreters and translators who are not citizens of the United States;

"(13) payment of rewards, the purchase of evidence and payment for information in connection with law enforcement;

"(14) the purchase of insurance for motor vehicles, boats and aircraft operated in official Government business in foreign countries; and

"(15) benefits for employees serving overseas as authorized under section 901 (3), (5), (6), (8), (9), (15) and section 904 of the Foreign Service Act of 1980 (22 U.S.C. 4081 (3), (5), (6), (8), (9), (15) and section 4084 of title 22, United States Code), and under the regulations issued by the Secretary of State.

"(b)(1) The Attorney General is authorized to use appropriations for the Federal Bureau of Investigation to make payments for the conduct of its activities. Such payments may not be used to pay the compensation of any employee in the competitive service but may include payments for—

"(A) expenses necessary for the detection and prosecution of crimes against the United States;

"(B) protection of the person of the President of the United States and the person of the Attorney General;

"(C) investigations regarding official matters under the control of the Department of Justice and the Department of State, as may be directed by the Attorney General; and

"(D) acquisition, collection, classification, and preservation of identification and other records and their exchange with, and for the official use of, the duly authorized officials of the Federal Government, of States, cities and such other institutions, as authorized by law, such exchange to be subject to cancellation if dissemination is made outside the receiving departments on related agencies.

"(2) The Federal Bureau of Investigation may establish and collect fees for the processing of noncriminal employment and licensing fingerprint cards. Such fees shall represent the full cost of furnishing the service. The funds collected shall be credited to the Salaries and Expenses, Federal Bureau of Investigation appropriation without regard to section 3302(b), of title 31, United States Code, and shall be available, to the extent specified in appropriations Acts, until expended, to pay for salaries and other expenses incurred in operating the Federal Bureau of Investigation Identification Division. No fee shall be assessed in connection with the processing of requests for criminal history records by criminal justice agencies for criminal justice purposes or for employment in criminal justice agencies.

"(c) The Attorney General is authorized to use appropriations for the Drug Enforcement Administration to make payments for the conduct of its activities. Such payments may include payments for—

"(1) expenses necessary for the detection and prosecution of crime against the United States within its investigative jurisdiction; and

"(2) contracting with individuals for personal services abroad: *Provided*, That such individuals shall not be regarded as employees of the United States for the purpose of any law administered by the Office of Personnel Management.

"(d) The Attorney General is authorized to use appropriations for the Immigration and Naturalization Service to make payments for the conduct of its activities. Such payments may include payments for—

"(1) distribution of citizenship textbooks to aliens without cost to such aliens;

"(2) allowances to aliens for work performed while held in custody under the immigration laws;

"(3) cash advances to aliens for meals and lodgings upon departure from the United States;

"(4) refunds of maintenance bills, immigration fines and other items properly returnable, except deposits of aliens who become public charges and deposits to secure payment of fines and passage money;

"(5) the lease of horses from officers or employees of the Service;

"(6) acquisition of land as sites for enforcement fences, and expenses incident to the construction of such fences;

"(7) expenses and allowances incurred in tracking lost persons, as required by public exigencies, in aid of State or local law enforcement agencies; and

"(8) expenses necessary for the detection and prosecution of crimes against the United States within its investigative jurisdiction.

"(e) The Attorney General is authorized to use appropriations for the Bureau of Prisons to make payments for the conduct of its activities. Such payments may include payments for—

"(1) the administration, operation, and maintenance of Federal penal and correctional institutions, including supervision and support of United States prisoners in non-Federal institutions; and for inmate legal services within the Federal prison system;

"(2) construction of buildings at prison camps and acquisition of land as authorized by section 4010 of title 18, United States Code;

"(3) the labor of the United States prisoners performed in the construction or remodeling of prison buildings or facilities;

"(4) assistance to State and local governments to improve their correctional systems; and

"(5) the purchase and exchange of farm products and livestock.

"(f) The Attorney General is authorized to use appropriations for the United States Marshals Service to make payments for the conduct of its activities. Such payments may include payments for—

"(1) the actual and necessary expenses associated with the offices established under section 561 of this title;

"(2) necessary expenses in attending to the safety of Judicial proceedings and the execution of court orders;

"(3) the expense of transporting prisoners, including the transportation between the United States and foreign countries of persons charged with crime, and including the cost of necessary guards and the travel and subsistence expenses of prisoners and guards;

"(4) the operation and maintenance for official use of vehicles seized and forfeited to the United States Government;

"(5) the supervision of United States prisoners in non-Federal institutions;

"(6) expenses incurred for the use of facilities in the protection of witnesses and in the planning, acquisition, construction, renovation, maintenance, remodeling, and repair of buildings and the purchase of equipment incident thereto for protected witness safesites;

"(7) expenses incurred pursuant to contracts and cooperative agreements for security guards and for the service of summonses on complaints, subpoenas and notices in lieu of service by United States marshals or deputy marshals; and

"(8) such other expenditures as may be necessary in the performance of its responsibilities to the judicial and executive branches.

"(g) As used in this section the term 'law enforcement' refers to the activities of the Federal Bureau of Investigation; the Drug Enforcement Administration; the Immigration and Naturalization Service; the Bureau of Prisons; and the United States Marshals Service; except that for the purposes of subsection (a)(3), 'law enforcement' refers only to the activities, in the United States, of the Bureau of Prisons and subject to the provisions of section 1252(c) of title 8, United States Code, and section 4003 of title 18, United States Code, of the Immigration and Naturalization Service.

"§ 578. Authorizations and exemptions available for undercover investigative operations.

"(a) The authorizations and exemptions provided below may be utilized for undercover operations conducted by the following bureaus of the Department of Justice: the Federal Bureau of Investigation and the Drug Enforcement Administration. As used herein, the head of a bureau refers, respectively, to the Director of the Federal Bureau of Investigation and the Administrator of the Drug Enforcement Administration.

"(b)(1) An exempt undercover operation refers to any operation designed and necessary to detect and prosecute crimes against the United States as to which the head of a bureau, or his designee, and the Attorney General, or his designee, have certified in writing that any action authorized by this section is necessary for the conduct of that undercover investigation.

"(2) The designee of the Attorney General, or any alternate designee, must be an official in a position of, or a position superior to that of, a Deputy Section Chief of the Criminal Division. The designee of the Director of the Federal Bureau of Investigation, or any alternate designee, must be an official serving in a position of, or a position superior to that of, a Deputy Assistant Director of the Criminal Investigative Division. The designee of the Administrator of the Drug Enforcement Administration, or any alternate designee, must be an official serving in a position of, or a position superior to that of, a Deputy Assistant Administrator of the Operations Division.

"(3) An exempt undercover operation also refers to any operation of the Federal Bureau of Investigation designed and necessary to collect foreign intelligence or to conduct foreign counterintelligence, as to which the Director of the Federal Bureau of Investigation, or the Assistant Director of the Intelligence Division if so designated by the Director, and the Attorney General, or the Counsel for Intelligence Policy if so designated by the Attorney General, have certified in writing that any action authorized by this section is necessary for the conduct of that undercover investigation.

"(4) The type of exemptions sought for each operation shall be specified on the certification and the use of the exemptions for each operation will be reviewed during the operation by the official designated by the head of the bureau pursuant to subsection (b)(1) or (2) of this section.

"(c)(1) Appropriations may be used for purchasing or leasing property, buildings, facilities, space, goods, insurance, licenses, and any equipment necessary to establish and/or operate an undercover operation. These acquisitions shall be made in accordance with prevailing commercial practices so long as such practices are consistent with the purposes of the undercover operation. Laws applicable to Federal acquisitions, Federal property management and Federal appropriations shall not apply to any acquisition for an exempt undercover operation where compliance with such laws would risk compromise of the undercover nature of the investigation.

"(2) Appropriations may be used to establish, acquire, and/or operate proprietary corporations or business entities in accordance with prevailing commercial practices so long as such practices are consistent with the purposes of the undercover operation. Laws applicable to Federal personnel, Federal appropriations, and Government corporations shall not apply to any transaction for an exempt undercover operation where compliance with such laws would risk compromise of the undercover nature of the investigation.

"(3) The Attorney General shall, within ninety days of the effective date of this statute, and annually thereafter, transmit to Congress a report listing all Federal personnel, Federal acquisition, Federal property management, Federal appropriation, and Government corporation laws as to which a determination has been made that compliance with such laws would risk compromise of the undercover nature of an investigation. The Attorney General shall, consistent with maintaining the security of ongoing undercover investigation, promptly report to Congress regarding any determination that compliance with additional Federal personnel, Federal acquisition, Federal property management, Federal appropriation, or Government corporation laws would risk compromise of the undercover nature of an investigation.

"(4) Appropriations and the proceeds from an exempt undercover operation may be deposited in banks or other financial institutions and may be used to offset necessary and reasonable expenses incurred in such operation without deposit in the Treasury: *Provided*, That, as soon as any such proceeds are no longer necessary for the conduct of such operation, such proceeds or the balance of such proceeds remaining at the time shall be deposited in the Treasury of the United States as miscellaneous receipts.

"(d) If a corporation or business entity established or acquired as part of an undercover operation under subparagraph (2) of paragraph (c) with a net value of over $150,000 is to be liquidated, sold, or otherwise disposed of, the head of the bureau, as much in advance as he or his designee determines is practicable, shall report the circumstances to the Attorney General. The proceeds of the liquidation, sale, or other disposition, after obligations are met, shall be deposited in the Treasury of the United States as miscellaneous receipts.

"(e)(1) The Attorney General shall direct and supervise a detailed financial audit of each undercover investigative operation which is closed in fiscal year 1988, and each fiscal year thereafter, and shall, not later than one hundred and eighty days after such undercover operation is closed, submit a report to the Congress concerning such audit.

"(2) For purposes of these audit and reporting requirements:

"(A) the term 'closed' refers to the point in time at which—

"(i) all criminal proceedings (other than appeals) are concluded, or

"(ii) covert activities are concluded, whichever occurs later;

"(B) the terms 'undercover investigative operation' and 'undercover operation' mean any undercover investigative operation of a bureau (other than a foreign counterintelligence undercover investigative operation)—

"(i) in which—

"(a) the gross receipts (excluding interest earned) exceed $150,000, or

"(b) expenditures (other than expenditures for salaries of employees) exceed $150,000, and

"(ii) which is exempt from laws applicable to Federal appropriations and Government corporations.

"(f) The Attorney General shall submit a report annually to the Congress specifying, as to the Federal Bureau of Investigation and the Drug Enforcement Administration—

"(i) the number, by programs, of undercover investigative operations pending as of the end of the one-year period for which such report is submitted,

"(ii) the number, by programs, of undercover investigative operations commenced in the one-year period preceding the period for which such report is submitted, and

"(iii) the number, by programs, of undercover investigative operations closed in the one-year period preceding the period for which such report is submitted and, with respect to each such closed undercover operation, the results obtained. With respect to each such closed undercover operation which involves any of the sensitive circumstances specified in the Attorney General's Guidelines on Federal Bureau of Investigation Undercover Operations, such report shall contain a detailed description of the operation and related matters, including information pertaining to—

"(I) the results,

"(II) any civil claims, and

"(III) identifications of such sensitive circumstances involved, that arose at any time during the course of such undercover operation.".

SEC. 202. Section 578 of title 28, United States Code, is hereby repealed, effective October 1, 1989: *Provided*, That any certification of exemption for an undercover investigation issued pursuant to that section prior to that date shall remain in effect for the duration of that undercover investigation.

SEC. 203. The Attorney General shall issue comprehensive guidelines for the authorization of undercover investigations, other than foreign counterintelligence undercover investigations, by: the Federal Bureau of Investigation, the Drug Enforcement Administration, the Immigration and Naturalization Service, the United States Marshals Service and any other component of the Department of Justice that may conduct such activities. Any proposed guidelines and any changes thereto shall be made available to Congress at least thirty days prior to final adoption. In addition, following enactment of this statute, the Attorney General shall report to Congress, at intervals of one hundred and twenty days, regarding the Department's progress in drafting and issuing comprehensive guidelines.

SEC. 204. Sums authorized to be appropriated by this Act for the Immigration and Naturalization Service and the United States Marshals Service may be used by those bureaus for the conduct of undercover investigations in accordance with the authorizations and exemptions available for undercover investigative operations contained in section 578 of title 28: *Provided*, That—

(1) such authorizations and exemptions shall not be available until the head of the bureau issues, and the Attorney General accepts, guidelines for the approval of undercover investigations by that bureau;

(2) any request for the Attorney General's certification of exemption for an undercover investigation pursuant to section 578(b)(1) of title 28, United States Code, shall specify the expected time period for utilizing the exemptions, the expected resources to be committed, a description of the circumstances for using the exemptions, and a specification of the scope of the investigative effort;

(3) any exemptions provided pursuant to this section shall remain in effect for ongoing undercover investigations without regard to the expiration of any fiscal year; and

(4) any individual acting pursuant to section 578(b)(1) of title 28, United States Code, as the designee of the head of the bureau be an official holding a position comparable to the positions specified with respect to the Federal Bureau of Investigation and the Drug Enforcement Administration in section 578(b)(2) of title 28, United States Code.

SEC. 205. Section 6 of the Act of July 28, 1950 (64 Stat. 380; 8 U.S.C. 1555), is hereby repealed.

SEC. 206. Section 567 of Title 28, United States Code, is hereby repealed.

TITLE III

ADDITIONAL PERMANENT LEGISLATION

SEC. 301. The Attorney General or his designee is authorized to use Department of Justice appropriations to make payments for assistance to individuals under section 501(c) of the Refugee Education Assistance Act of 1980 (Public Law 96-422) without regard to section 501(e)(2)(B) of that Act, which prohibits such assistance to individuals with respect to whom a final, nonappealable, and legally enforceable order of deportation or exclusion has been entered. Such payments may include grants which shall be administered by the Community Relations Service.

SEC. 302. (a) Paragraph (1) of subsection 245(a) of title 18, United States Code, is amended by substituting a comma for the word "or" following the words "Attorney General" and by inserting "the Associate Attorney General or any Assistant Attorney General specially designated by the Attorney General" after the words "Deputy Attorney General";

(b) Section 1073 of title 18, United States Code, is amended by inserting ", the Deputy Attorney General, the Associate Attorney General," after the words "Attorney General";

(c) Subsection 1961(10) of title 18, United States Code, is amended by inserting, "the Associate Attorney General of the United States," after the words "Deputy Attorney General of the United States";

(d) Subsection 3331(a) of title 18, United States Code, is amended by inserting ", the Associate Attorney General," after the words "Deputy Attorney General",

(e) Section 514 of title II of the Controlled Substances Act (21 U.S.C. 884(c)) is amended by inserting ", the Associate Attorney General," after the words "Deputy Attorney General"; and

(f) Section 14 of Public Law 96-456 (18 U.S.C. App. IV 14) is amended by inserting ", the Associate Attorney General," after the words "Deputy Attorney General".

SEC. 303. Chapter 301 of title 18, United States Code, is amended by adding the following new section:

"§ 4002A. Support of United States prisoners in non-Federal institutions.

"The Attorney General or his designee is authorized to make payments from appropriations available for the support of United States prisoners in non-Federal institutions for—

"(1) necessary clothing;

"(2) medical aid and necessary guard hire;

"(3) payment of rewards for assistance in the capture or information leading to the capture of a Federal fugitive; and

"(4) entering into contracts or cooperative agreements with any State, territory, or political subdivision thereof, for the necessary construction, physical renovation and acquisition of equipment, supplies, or materials required to establish acceptable conditions of confinement and detention services in any State or local government which agrees to provide guaranteed bed space for Federal detainees within that correctional system, in accordance with regulations issued by the Attorney General and which are comparable to the regulations issued under section 4006 of title 18, United States Code, except that amounts made available for this purpose shall not exceed the average amortized per-inmate-cost of constructing similar confinement facilities for the Federal prison population: *Provided further*, That the availability of such federally assisted facility shall be assured for housing Federal prisoners, the per diem rate charged for housing such Federal prisoners shall not exceed allowable costs, and the service provided meets other conditions specified in the contract or cooperative agreement.".

SEC. 304. Chapter 307 of title 18, United States Code, is amended by deleting the first paragraph of section 4121 and inserting a new first paragraph as follows:

"'Federal Prison Industries', a Government corporation, shall be administered by a board of six directors, appointed by the President to serve at the will of the President. Members of the board who are not employees of the Federal Government or the District of Columbia shall be paid for their services at the daily equivalent of the rate payable for GS-18 of the General Schedule in section 5332 of title 5, United States Code.".

SEC. 305. Chapter 307 of title 18, United States Code, is amended by adding the following new section:

"§ 4129. General authorizations—Federal Prison Industries, Incorporated.

"Federal Prison Industries, Incorporated, is authorized to make such expenditures and to make such contracts and commitments, without regard to fiscal year limitation, as may be necessary in carrying out the program set forth in the budget for the current fiscal year for such corporation, including purchase and hire of passenger motor vehicles.".

SEC. 306. Section 4204(b) of title 18, United States Code, pertaining to the United States Parole Commission, is amended by adding at the end thereof the following new subsection:

"(9) the lease or purchase of passenger motor vehicles.".

SEC. 307. Section 263a of title 22, United States Code, is amended by inserting the following at the end thereof: "The Attorney General or his designee is also authorized to make payments from Department of Justice appropriations for expenses necessary to host, at intervals of ten years or longer, the annual meeting of the General Assembly of INTERPOL and to periodically sponsor INTERPOL conferences on topics of international crime.".

SEC. 308. Section 1622d of title 22, United States Code, pertaining to the Foreign Claims Settlement Commission, is amended by adding at the end thereof the following new paragraph:

"The Commission is authorized to hire passenger motor vehicles, for field use only, and to purchase insurance for official motor vehicles used abroad. The Commission may advance funds abroad and may advance funds to other Government departments or agencies in connection with reimbursable agreements. The Commission is also authorized to employ aliens abroad and, with the approval of the Secretary of State, to acquire necessary office space and living quarters abroad and to maintain, repair, furnish, and provide utilities for such properties.".

TITLE IV

ADDITIONAL AUTHORIZATIONS AND REQUIREMENTS FOR FISCAL YEARS 1988 AND 1989

SEC. 401. During fiscal years 1988 and 1989:

(1) The Attorney General is authorized to accept and utilize, on behalf of the United States, any gift, donation, or bequest of real or personal property for the purpose of aiding or facilitating the work of the Department of Justice, including Federal Prison Industries, Incorporated. No gift may be accepted—

(A) that attaches conditions inconsistent with applicable laws or regulations, or

(B) that is conditioned upon or will require the expenditure of appropriated funds unless such expenditure has been authorized by Act of Congress.

(2) The Attorney General shall promulgate rules for accepting gifts pursuant to this provision, to ensure, among other things, that no gifts are accepted under circumstances that will create a conflict of interest for the Department of Justice.

(3) Gifts and bequests of money, as well as the proceeds from sales of property received as gifts or bequests that were not immediately usable by the Department of Justice, shall be credited to any appropriation or fund and shall remain available until expended, upon order of the Attorney General.

(4) Gifts, bequests of property, and property acquired from the proceeds credited to appropriations or funds pursuant to subsection (3), and which are no longer required by the Department of Justice for its needs and the discharge of its responsibilities, shall be reported to the Administrator of General Services for transfer, donation, or other disposal in accordance with the provisions of the Federal Property and Administrative Services Act of 1949, as amended.

(5) Property accepted pursuant to this section and the proceeds credited to appropriations of funds pursuant to subsection (3) shall be used as nearly as practicable in accordance with the terms of the gift or bequest.

(6) For the purpose of Federal income, estate, and gift taxes, property accepted under subsection (1) of this section shall be considered as a gift or bequest to or for the use of the United States.

(7) The Attorney General shall report annually to Congress regarding all gifts that have been accepted pursuant to this section. Such reports shall specify the nature and value of any gift that has been accepted, the identity of the donor, the nature of any terms of restrictions attached to the gift, and the reasons why acceptance of the gift does not give rise to an actual or potential conflict of interest.

SEC. 402. Sums authorized to be appropriated by this Act may be used for training in the United States and abroad for foreign law enforcement personnel, with the concurrence of the Secretary of State, as a counterpart to similar training programs designed for State and local officers: *Provided*, That the Attorney General report annually to Congress regarding all training of foreign law enforcement personnel conducted by the Department of Justice pursuant to this statute; such reports shall specify the number, by country, of foreign law enforcement personnel who have received training, the foreign countries in which training has been conducted, and the nature and extent of any such training.

SEC. 403. Sums authorized to be appropriated by this Act may be used for contracting or engaging in cooperative agreements with public or private organizations or entities for the safekeeping, evaluation, treatment, care, and subsistence of persons held under any legal authority: *Provided*, That the Attorney General report annually to Congress regarding the number of private, for profit, contracts entered into for full detention services; such reports shall provide the name of the contractor, the location of the contractor's facility, the number of prisoners at each contract facility and their security level(s), and the cost and duration of each such contract.

SEC. 404. None of the sums authorized to be appropriated by this Act may be used for any activity the purpose of which is to overturn or alter the per se prohibition of resale price maintenance, in effect under the Federal antitrust laws, except that nothing in this section shall prohibit any employee of the Department of Justice from presenting testimony on this matter before appropriate committees of the House of Representatives and the Senate.

SEC. 405. (a) None of the funds provided under this Act shall be available for obligation or expenditure through a reprogramming of funds which—

(1) creates new programs;

(2) eliminates a program, project, or activity;

(3) increases funds or personnel by any means for any project or activity for which funds have been denied or restricted;

(4) relocates an office or employees;

(5) reorganizes offices, programs, or activities; or

(6) contracts out any functions or activities presently performed by Federal employees; unless the Judiciary and Appropriations Committees of both Houses of Congress are notified fifteen days in advance of such reprogramming of funds.

(b) None of the funds provided under this Act shall be available for obligation or expenditure for activities, programs, or projects through a reprogramming of funds in excess of $250,000 or 10 per centum, whichever is less, that:

(1) augments existing programs, projects, or activities;

(2) reduces by 10 per centum funding for any existing program, project, or activity, or numbers of personnel by 10 per centum as approved by Congress; or

(3) results from any general savings from a reduction in personnel which would result in a change in existing programs, activities, or projects as approved by Congress, unless the Judiciary and Appropriations Committees of both Houses of Congress are notified fifteen days in advance of such reprogramming of funds.

SEC. 406. (a) The Attorney General shall perform periodic evaluations of the overall efficiency and effectiveness of the Department of Justice programs and any supporting activities funded by appropriations authorized by this Act and annual specific program evaluations of selected subordinate organization's programs, as determined by priorities set either by the Congress or the Attorney General.

(b) Subordinate Department of Justice organizations and their officials shall provide all necessary assistance and cooperation in the conduct of the evaluation, including full access to all information, documentation, and cognizant personnel, as required.

(c) Completed evaluations shall be made available to the Committees on the Judiciary of the Senate and House of Representatives, and other appropriate committees.

(d) If the Committee on the Judiciary of either the Senate or the House of Representatives requests the Attorney General to perform an evaluation of the kind described in subsection (a) of this section, the Attorney General shall submit to the committee making the request, not later than thirty days after the date the request is made, a design and timetable for making the requested evaluation. If the projected time period for completing the evaluation exceeds six months, the Attorney General shall, during the course of the evaluation, submit intermittent reports on the progress of the evaluation to the committee making the request.

(e) The Attorney General's annual report on Department of Justice activities shall be made available to the Committees on the Judiciary of the Senate and House of Representatives, and other appropriate committees, within six months after the end of the fiscal year to which it pertains.

SEC. 407. (a) The Attorney General shall, during the fiscal years for which appropriations are authorized by this Act, transmit a report to each House of the Congress in any case in which the Attorney General—

(1) establishes a policy to refrain from the enforcement of any provision of law enacted by the Congress, the enforcement of which is the responsibility of the Department of Justice, because of the position of the Department of Justice that such provision of law is not constitutional; or

(2) determines that the Department of Justice will contest, or will refrain from defending, any provision of law enacted by the Congress in any proceeding before any court of the United States, or in any administrative or other proceeding, because of the position of the Department of Justice that such provision of law is not constitutional.

(b) Any report required in subsection (a) shall be transmitted not later than thirty days after the Attorney General establishes the policy specified in subsection (a)(1) or makes the determination specified in subsection (a)(2). Each such report shall—

(1) specify the provision of law involved;

(2) include a detailed statement of the reasons for the position of the Department of Justice that such provision of law is not constitutional; and

(3) in the case of a determination specified in subsection (a)(2), indicate the nature of the judicial, administrative, or other proceeding involved.

(c) If, during the fiscal year for which appropriations are authorized by this Act, the Attorney General determines that the Department of Justice will contest, or will refrain from defending, any provision of law enacted by the Congress in any proceeding before any court of the United States, or in any administrative or other proceeding, because of the position of the Department of Justice that such provision of law is not constitutional, then the representative of the Department of Justice participating in such proceeding shall make a declaration in such proceeding that such position of the Department of Justice regarding the constitutionality of the provision of law involved constitutes the position of the executive branch of the United States with respect to such matter.

TITLE V

TABLES OF CHAPTERS AND SECTIONS

SEC. 501. The table of sections for chapter 301 of title 18, United States Code, is amended by inserting after the item relating to section 4002 the following new item:

"4002A. Support for United States prisoners in non-Federal institutions.
"4043. Repealed.
"4044. Repealed.".

SEC. 502. The table of sections for chapter 307 of title 18, United States Code, is amended by inserting after the item relating to section 4128 the following new item:

"4129. General authorizations—Federal Prison Industries, Incorporated.".

SEC. 503. The table of chapters for part II of title 28, United States Code, is amended by inserting after the item relating to chapter 37 the following new item:

"38. General authorizations...................... 577.".

SEC. 504. The table of sections for Chapter 37 of Title 28, United States Code, is amended by deleting at the reference to section 567 the words "Expenses of marshals" and substituting in lieu thereof the word "Repealed".

SEC. 505. The table of sections for chapter 38 of title 28, United States Code, shall read as follows:

"577. General authorizations.
"578. Authorizations and exemptions available for undercover investigative operations.".

Mr. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. WILSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

GLASNOST AND THE PLIGHT OF SOVIET JEWRY

Mr. ROCKEFELLER. Mr. President, I rise today to lend my voice to the Congressional Call to Conscience on behalf of Soviet Jewry. Regrettably, in spite of new leadership in the Soviet Union, the right of the Soviet Jews to emigrate—a right guaranteed under Basket Three of the Helsinki Conference on Security and Cooperation in Europe—continues to be denied.

Mr. Gorbachev's rise to power in the Soviet Union in March 1985 brought with it bold new appeals for openness, creativity, and self-criticism. And, indeed, some major changes have been made.

Soviet workers are now being publicly criticized for their lack of discipline and dedication. The gates of cultural expression, closed for so long, have begun to open. Artists and writers, who, for 20 years have been forced to publish their works underground, are now experiencing their first taste of cultural and expressive freedom. Long banned works by such writers as Vladimir Maboko and Boris Pasternak are being published by the state-run printing establishment. And a group of dissidents has even been permitted to publish an unofficial journal of news and opinion—appropriately entitled "Glasnost".

Andrei Sakharov, upon his release from Gorky last December, characterized the new atmosphere of openness by saying, "Something real is happening and the situation has changed—'glasnost' is not just propaganda or window dressing."

However, we cannot allow ourselves to become so captivated by the vibrance of the new Soviet leadership that we overlook the continuing injustice committed against those who are prisoners of conscience, particularly Soviet Jews.

Unlike his predecessors, Gorbachev has talked openly about Soviet Jews. But, while Gorbachev extolls the rewarding cultural lifestyle Soviet Jews enjoy, the emigration figures reveal a somewhat different picture. During the past 2½ years of the Gorbachev regime the emigration numbers have fluctuated significantly. In 1985 only 1,140 refuseniks were granted exit visas. By 1986 the number of emigres declined to 986. Although the figures have risen to more than 3,300 during the first half of 1987, emigration regulations continue to be exceedingly restrictive.

One of the excuses most often used in denying exit visas is that of "state security." Although Gorbachev declared that a wait of 5 to 10 years should be the limit for visa applicants, those privy to state secrets, regardless of how long ago, are often permanently denied exist visas. Emigration visa denials based on claims of "state security" often belie the reality.

In 1986, Foreign Minister Schevernadze announced a new emigration policy. Under this policy, applicants must be sponsored by spouses, parents, and children or siblings living abroad. However, many applicants who fall within these guidelines are still denied permission to emigrate—most with no explanation.

Yosef Yosovich is one of those who was refused without explanation. Yosef was the chief agronomist in a collective farm until 1970. He then became an assistant director of a souvenir factory. His wife was a laboratory technician. Yosef and his family wanted to emigrate to Israel to be with Yosef's parents and brother. In March 1980, he submitted the required documents, including the invitations from his relatives living in Israel. The family waited 1 year for a response, but none came. When Yosef inquired as to the status of his application, he was told that if he had not received an answer it meant he had been refused. No explanation was given and he was told not to trouble himself by making further inquiries. To this day the Yosoviches are waiting to be reunited in Israel.

The case of Yosef Yosovich is not atypical. It is an all too common and tragic situation for those who desire to leave the Soviet Union. The new face of Gorbachev's Russia should not hide the fact that the Soviet Union continues to deny fundamental and internationally recognized human rights. Therefore, it is important that we in Congress continue to pressure the Soviet Government and let those who are prisoners of conscience know that their plight remains very much on our minds.

And it is not only in Congress that concern for the plight of Soviet Jewry is registered. As a gesture of concern and solidarity, Mr. and Mrs. Paul Sherman of Charleston, WV, symbolically paired the Bar Mitzvah of their son, Jack, with the Yosoviches' son, Igor, on May 23, 1987. This was but one of many similar outpourings of concern on the part of Americans across the Nation.

Glasnost has, indeed, opened some new doors for the Soviet Union. However, the touchstone of an open society remains the freedom of choice. Whether Gorbachev's Russia is making true strides toward greater openness is yet to be seen. Actions speak louder than words, and increased emigration is one action that can give real meaning to a new direction in the Soviet Union.

Mr. President, an excellent article on the subject of "glasnost" and the Soviet Jewry by Jim Hoagland appeared in today's Washington Post. I ask unanimous consent that it appear in the RECORD immediately following my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 31, 1987]

LOOSENING THE CHAINS

(By Jim Hoagland)

MOSCOW.—By loosening the chains that hold his nation's intellectuals in thrall, Mikhail Gorbachev has gained vital support from Soviet writers, editors, scientists and even dissidents in rallying public opinion. This implicit bargain is the political essence of *glasnost*.

But it is far from being the whole story of *glasnost*, a story in which chains that are slightly loosened can too easily become more newsworthy than the chains the dictatorship keeps tightly in place.

To understand that more fully, sit down at the dining room table of Valery Soyfer, professor of molecular biology, refusenik and engaging host. On hand is a friend of Soyfer, also a brilliant scientist and also Jewish.

Soyfer proudly discloses that he received a phone call a few days ago for which he had waited nearly a decade. His once-taboo manuscript detailing the bastardization of Soviet science under Stalin political henchman, T.D. Lysenko, is finally on its way to being published.

Under prodding from his friend, Soyfer acknowledges that this could not have happened without the spirit of national debate and criticism that Gorbachev has encouraged as the core of *glasnost*, which is usually if inadequately translated as openness. "It is true he has put normal people with normal mentality in some positions," Soyfer says grudgingly.

"When the journals ask me to do articles about what's wrong with our scientists," the friend reports, "they say now they want me to write stronger, to hit harder at officials than I have." The friend declines to do so for the same reason that he did not permit his name to be used in this column. He does not want to endanger his strong position on the academic fast track here.

"It means that self-censorship is replacing censorship," the friend, now prodded by Soyfer, concedes. "These are powerful people in science, and who knows if you will always be protected against them if you criticize them too much?"

Adding to the friend's reluctance to make waves is a conviction that *glasnost* includes a commitment by Gorbachev to oppose official anti-Semitism. "I know this, Valery, I see the promotions that are happening and are going to happen," he says to a profoundly disbelieving Soyfer.

Soyfer, who is 50, jumped off the science fast track nearly 10 years ago by applying to emigrate from the Soviet Union. He quickly lost his job and opportunities to publish his views here. The prospect that his Lysenko manuscript will be published is almost as dramatic a reversal as the release last January of Andrei Sakharov from internal exile.

For Soyfer, glasnost will remain a dangerous illusion until the refuseniks—people who visibly challenge the official refusal of their application to emigrate to Israel or other countries—are let go. Until then, he refuses to join his friend and Sakharov in viewing Gorbachev's changes as genuine.

"Perhaps I would begin to believe there was real change if they would just start telling the truth about refuseniks," Soyfer says. "They make up ridiculous stories that we came into contact with state secrets and that is why we can't leave, but they won't say how long we have to wait before these secrets are useless."

Soyfer gently criticizes foreign correspondents based in Moscow for not testing and identifying the limits of glasnost through their dispatches. The litmus test for him, obviously enough, is what they say, and don't say, about the refuseniks.

His point reflects one of the sharpest dilemmas that western correspondents face in Gorbachev's changing Soviet Union. In the 1970s, journalists here tended to exaggerate the importance of Soviet dissidents, in part because they were dramatic copy and they were accessible at a time when few other Soviets were.

Today, the daily drama is in the avalanche of changes that Gorbachev has rolled down onto domestic and foreign policies. Officials who understand the premium that their leader attaches to public opinon in the West are slowly opening up to reporters. In all of this, the continuing story of the refuseniks and the tight police control of the society tends to get lost in the shuffle.

Gorbachev's reforms are perhaps the most far-reaching changes that the West could hope for in the Soviet Union today. But it is likely that these are efforts to make the heavy chains Soviet citizens wear more comfortable, and less visible, rather than to lift them completely. Letting Valery Soyfer and the other refuseniks go would help prove that judgment wrong.

WAR HERO SENATOR NOW

Mr. DOLE. Mr. President, on July 29 the Chicago Tribune ran a profile of freshman Senator JOHN MCCAIN of Arizona entitled "The War Hero is a Senator Now."

The piece outlined the Senator's personal history—including the fact that one of his ancestor's served on the staff of Gen. George Washington during the Revolutionary War. But the focus of the story was on JOHN MCCAIN's "5½ brutal, painful, dehumanizing years as a prisoner of war" and the impact that experience has had on his life and career.

Senator MCCAIN's story is an inspiring one. He has and continues to serve this country with distinction. I ask that the full text of the Chicago Tribune story be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Chicago Tribune, July 29, 1987]

THE WAR HERO IS A SENATOR NOW

EX-POW JOHN MCCAIN CAN SEE "IRANGATE" AS FEW OTHERS COULD

(By Michael Kilian)

WASHINGTON.—Bemedaled marines testifying before congressional investigating committees under limited immunity from prosecution are not the only Vietnam War heroes to be found on Capitol Hill these days.

More than a dozen combat veterans of the war have been elected to Congress. One of the most admired of them, who last year won the Senate seat vacated at the retirement of Barry Goldwater, is an Arizona Republican who also served alongside Adm. John Poindexter—not as a document shredder but as a fellow student in the Class of 1958 at the Naval Academy at Annapolis, Md.

He is John Sidney McCain III, a former Navy combat pilot who was awarded the Silver Star, the Bronze Star, the Distinguished Flying Cross, the Purple Heart and the Legion of Merit. His tour in Vietnam was extended by 5½ brutal, painful, dehumanizing years as a prisoner of war, courtesy of the North Vietnamese, a Soviet surface-to-air missile and his own unwillingness to gain freedom by handing the enemy a propaganda coup.

His experience in Vietnam provides him with an unusual insight into the impulses that led to the Iran-contra scandal, particularly the beliefs of people such as Marine Lt. Col. Oliver North. He says North and people like him were profoundly affected by their experiences in a war they believe they could have won were it not for untrustworthy politicians.

The senator named after two other John Sidney McCains, his father and grandfather, both famous seadogs who rose to flag rank and high command. The senator all but certainly would have become an admiral also but was medically retired from the service in 1981 with the rank of captain because of the crippling injuries he suffered from being shot down, imprisoned and tortured.

As he noted ruefully, he bears the "dubious distinction" of being the most injured pilot to have survived the North Vietnamese prison camps.

"I can't bend this knee," he said, demonstrating this fact in a recent interview in his Russell Building office. "And this knee is pretty banged up, too. I can't lift this arm."

He shrugged as best he could.

A friendly, easy-going man soon to turn 51, at 5 feet 9 inches he is carrying too much weight, and his hair has thinned and turned silver. He moves with obvious discomfort. But he considers himself lucky.

"A lot of my comrades never got a second chance to serve their country," he said sadly.

Already a highly influential member of the Senate Armed Services Committee, McCain previously served two terms in the House and in his final military years, as the Navy's liaison with the Senate.

As a senator he has won a reputation as the sailor's, soldier's and airman's friend, willing to stand up to the Reagan administration in arguing against the deployment of marines in Lebanon and taking on top Pentagon brass in opposing controversial pet weapons systems.

McCain comes from one of the most military families in America. An ancestor, Capt. William Young, served on the staff of Gen. George Washington in the Revolutionary War. As the oldest surviving son of his father, who died the year McCain got out of the Navy, he has assumed the family's place in the Society of the Cincinnati, whose members must be descendants of Washington's officers and is about as exclusive an organization as there is.

Settling in Mississippi, McCain's family throughout most of the nation's history produced generals and admirals practically every generation, including some of the leading commanders in the Civil War and World Wars I and II. His oldest son, Doug, is a Navy lieutenant junior grade who flies A-6 attack bombers.

His grandfather, the first John Sidney McCain, became commander of all aircraft carriers in the Pacific under legendary Adm. William "Bull" Halsey. He stood with Halsey and other World War II leaders in the front rank of those present at the Japanese surrender aboard the battleship Missouri. The grandfather then returned stateside, where shortly after a welcome-home party he suffered a heart attack and died. McCain speaks of him reverently:

"He was a very colorful guy," the senator said. "Very non-reg. Very profane. He rolled his own cigarettes with one hand. He, Halsey and [Adm. Chester] Nimitz were all at the Naval Academy at the same time. These guys all knew each other. When the selection boards met, they didn't look at the record. They just asked who was eligible for promotion. That leadership—the classes of '04, '05, '06, '07—they were all admirals when the war broke out. They all fought together. There was a very close relationship."

A destroyer and a naval-air facility were named for the grandfather. McCain recalled that Halsey was the main speaker at the destroyer's launching in 1952.

"He stood up and started talking about my grandfather. At this time, his [Halsey's] health was very poor. He only spoke for a few minutes. He started crying. Tears started coming out of his eyes. He said, 'I just can't talk about him anymore.' "

McCain's father, whom an acquaintance recently described as "so salty you got seasick talking to him," was a submariner. As crusty and irreverent as the grandfather, he was put into what hitherto had been a retirement job as a naval representative on the staff of the United States delegation to the United Nations. But he took the post so seriously and performed so ably that he won further promotion and eventually became commander in chief of U.S. naval forces in the Pacific in 1968, at the height of the Vietnam War.

By then, his son had been a POW for nearly a year. As a propaganda gesture, the North Vietnamese offered the young pilot an early release. He refused, to deprive his captors of a propaganda opportunity, and suffered for it terribly. He calls it his lowest time as a captive.

The senator said he never had a choice about entering the service.

"It wasn't that I was forced into it. It was just an assumption since I was a very young man. I was a child of the '50s. It was a decade later that men started questioning their future."

He said he turned to naval aviation because it seemed so glamorous, noting that nearly all of his classmates who were able to pass the rigorous physical examination did the same.

McCain, however, was as "non-reg" as his father and grandfather and collected so many demerits for such indiscretions as sneaking out for beers after lights-out that he ended up graduating fifth from the bottom of his class. Fellow midshipman Poindexter, whom superiors later described as perhaps the Pentagon's consummate bureaucrat, graduated at the very top.

The senator got to Vietnam in 1967, flying hardy A-4 Skyhawk attack bombers from the carrier Forrestal. On July 29 of that year, while McCain was in the cockpit awaiting takeoff, a rocket from another plane misfired and hit his fuel tank, starting fires and explosions that killed 130 men. McCain escaped, but the carrier was so badly damaged it had to return to the U.S. for repairs.

But a sister ship, the carrier Oriskany, was short of pilots and asked for volunteers. Despite what he had just experienced, McCain was among the first to raise a hand.

He flew mostly bombing raids similar to those in the short story and movie "Bridges at Toko-ri"—tough, low-level attacks at painfully slow speeds. Three months later, on his 23d mission, the first against a target within the city limits of Hanoi, his plane was hit by a missile. The right wing was blown off, and the A-4 went into a screaming dive.

Ejecting from the plane under nearly impossible circumstances, McCain suffered severe fractures of his right leg and arm, and his left shoulder was dislocated. Captured after parachuting into a lake, he was treated to rifle-butt blows and bayonet stabs, then thrown into a cell without medical attention. Though the North Vietnamese subsequently allowed not-very-successful operations on his leg, his arm was left to heal itself.

He was beaten regularly and tortured during the rest of his imprisonment, especially after his refusal of early release but also for such transgressions as tapping code messages to other POWs and declining to meet with American antiwar activists touring North Vietnam.

He was among the third group of American POWs to be released after the Paris talks brought an "honorable peace" to the conflict in 1973. He weighed less than 100 pounds. His hair had gone white. Though he has written about his experience, he speaks somewhat haltingly about it.

A photograph taken by a visiting Frenchman a short time after his capture speaks eloquently. McCain's face bears the haunting expression known in the military as "the 1,000-yard stare." It has been seen frequently on the faces of combat men shortly before their deaths.

McCain returned to Vietnam in 1985 in the company of CBS' Walter Cronkite and a camera crew preparing a broadcast marking the 10th anniversary of the fall of Saigon. He found that a monument had been erected in the lake where he was captured commemorating that event. A photo of the monument hangs above his desk.

"They got nearly everything wrong," he said, including his name. "The greatest insult of all—it says, 'USAF.' They say they captured 'the American Air Pirate *Major* John McCain.'"

He was a Navy lieutenant commander at the time.

McCain noted that the Vietnamese people who gathered around them treated him as more of a celebrity than Cronkite.

The former POW, who said his main interest in making the trip was to bring visibility to Americans still listed as missing in action, added that he was able to visit the prison where he had suffered for so many years.

"I didn't have a particularly emotional experience," he said. "I went into the cell I had been in. I made sure they didn't close the door."

As happened to a number of Vietnam War POWs, McCain was divorced from his first wife, Carol, in 1980. They had been married since 1965, and he had adopted her two sons from a previous marriage, Doug and Andy. A daughter, Sidney Ann, was born in 1966 and now attends North Carolina State University.

Shortly before his medical retirement from the Navy, he accompanied members of the Senate on a Pacific trip and was a guest at a reception in Hawaii. It was there he met his second wife, Cindy. They now have two children—Meghan, 2½, and Jack, 1.

Born in the Panama Canal Zone, McCain grew up and lived as an adult all over the country—and planet. Upon retirement, he decided to move to his new wife's home state of Arizona, taking a job with his father-in-law's beer distributorship.

But his work with the military and Congress had fostered a desire for further public service. Though warned he was being overly ambitious, he decided to run in 1982 for the congressional seat of House Minority Leader John Rhodes, who was retiring. He was elected with 66 percent of the vote and re-elected in 1984 with 78 percent. His Senate victory last year came despite substantial Democratic gains in the rest of the country.

Despite his terrible wartime experiences and significant subsequent achievements, he is unassuming, soft-spoken and given to punctuating his statements with quiet laughter.

But he can be fiercely independent. His votes in Congress sided with President Reagan 80 percent of the time in 1983 but only 68 percent of the time in 1985.

He called for the withdrawal of the "peacekeeping" force of marines Reagan had dispatched to Lebanon in 1983.

"It is said we are there to keep the peace," he said on the House floor. "I ask, what peace? It is said we are there to aid the government. I ask, what government?"

When the administration quietly tried to transfer $28 million from a program that provides food for the needy to pay for raises for Agriculture Department appointees earlier this year, McCain discovered the move in budgetary fine print and introduced legislation to block it.

While highly critical of Democratic opposition to American involvement and activities in Central America, McCain has urged the White House to switch from its effort to overthrow the Nicaraguan Sandinistas to one of bringing pressure to bear to restore the democratic process and human rights in that country.

Despite all the flag-waiving going on in Congress, McCain hardly condones all the actions that took place in the National Security Council basement in the Iran-contra affair. According to some reports, he urged his classmate Poindexter not to become the first admiral in history of the Navy to take the 5th Amendment.

He said the most disturbing aspect of the Iran-contra affair and the congressional reaction to it is how much it represents the ultimate breakdown of cooperation between the executive and legislative branches on the formulation and implementation of foreign policy. A breakdown that began during the Vietnam War has been marked by increasingly rampant and dangerous leaking of information about covert operations, he argued.

He complained that some members of Congress now attempt to halt or change presidential policy by threatening to leak sensitive information to the press and public.

McCain said he could understand why former NSC assistant Lt. Col. Oliver North did the things he did—understanding perhaps as few other members of Congress can.

"I admire him as an American and as a soldier," the senator said after a thoughtful pause. "I would suggest that he would not have made some of the mistakes he made if he had not been given the latitude to do so."

After another pause, he said: "I made the statement a couple of days ago that I felt some officers were affected—severely affected—by their experience in combat in the Vietnam War when they perceived that their elected leadership had deprived them of the opportunity for victory in Vietman.

"I was a pilot. It's vastly different. But some of these people like Ollie North, who saw their comrades and friends spill blood and die on the battlefields in a war that they believe the politicians wouldn't let them win—I think that leads to a mine-set which could rationalize deviating from the established rules and regulations."

THE CRUEL KINDNESS OF THE MINIMUM WAGE

Mr. HATCH. Mr. President, the Labor and Human Resources Committee has been holding hearings on S. 837, a bill introduced by our colleague from Massachusetts, Senator KENNEDY. The bill would increase the minimum wage nearly 40 percent over the next 3 years and thereafter would index the minimum wage to one-half the average hourly wage.

This is a tough issue, Mr. President, because the minimum wage is often perceived as symbol of our concern for the working poor. It is tough, Mr. President, because we all want to help those who are trying earnestly to help themselves. The difficulty is that this legislation not only fails in that goal, it also sacrifices hundreds of thousands of job opportunities for those who most need the experience and the training.

There is considerable economic research indicating the serious negative ramifications of such legislation as well as the ineffectiveness of the minimum wage as a means to help those in poverty. Though the estimates of disemployment vary, the plain fact is that someone has to pay for these wage increases. The losers are most likely going to be those people we are ostensibly trying to help—which is reason enough to question the wisdom of this approach to helping them get ahead.

Mr. President, I would like to call Senators' attention to the column by James J. Kilpatrick which appeared in the Washington Post on July 15, 1987, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 15, 1987]

THE "CRUEL KINDNESS" OF THE MINIMUM WAGE

(By James J. Kilpatrick)

Joann Peters, 18, is an attractive young woman, not overly endowed in the brains department, who was graduated a few weeks ago from her smalltown high school. She has no great interest in college and no funds for tuition. She is living at home with her mother and a younger brother. Her mother earns $9,360 a year as an ironer in a local laundry.

James Kennon, 41, is manager of the Steamboat restaurant at 23rd and Main streets. His franchised fast-food operation is in heavy competition with the Sizzlin' Steak and the Happy Crab. Kennon works seven days a week, but his food costs are rising and his rent just went up. In slow weeks he has a tough time meeting his payroll.

The Steamboat now employs 10 persons per shift at the minimum wage of $3.35 an hour and two others at $4 an hour. This figures out to labor costs of $41.50 an hour or $332 for an eight-hour shift. He really could use an 11th worker to clear tables and wash dishes, but he hesitates to add to his payroll when his margin of profit is so small.

Very well, Joann Peters and James Kennon, meet Sen. Edward Kennedy. The gentleman from Massachusetts is about to complicate your lives. He and Rep. Augustus Hawkins (D-Calif.) are pushing hard for a bill to increase the minimum hourly wage in 1988 from $3.35 to $3.85. It would mandate a minimum of $4.65 in 1990.

Joann would like to work at the Steamboat. Jim Kennon would like to hire Joann. This would be her first job, and there's an opening on the floor. She's good-hearted but a little careless; she needs the experience of holding a job and showing up on time. All of us know such Joanns.

But this is how Jim Kennon looks at it: the Kennedy-Hawkins bill would require him to pay his 10 lowest-level employees $3.85 an hour, or $38.50 per day. The two cooks would have to be raised to $4.50 an hour to preserve a reasonable differential. If he keeps everyone employed, he is now looking at labor costs of $380 a shift, two shifts a day, compared with his present $332 a shift. He is looking at added labor costs of $35,000 a year, with no increase in productivity or service.

Goodbye, Joann, and tough luck, kid. Instead of 10 full-time hired hands at $3.35, Kennon will hire eight persons full-time and one to work six hours a shift at the required $3.85. Assuming the raise of 50 cents an hour for the cooks, the Steamboat will now have labor costs of $341.50 per shift. The manager will be spending roughly $7,000 more a year for labor, he will have nothing to show for it, and Joann will be just kind of, you know, hanging around home.

The example is hypothetical, of course, but this is how the real world works. In the idealistic world of Kennedy and Hawkins, an increase in the statutory minimum wage is a great thing for the poor folks. Don't you believe it. Every study that has been made of the economic "benefits" of a higher minimum wage demonstrates that an increase harms the very class of unskilled workers it is intended to help.

Who are these workers on minimum wage? The Department of Labor says there are about 5 million of them, of whom 3 million are in the 16-to-24 age bracket. Nearly 40 percent are teen-agers. Two-thirds are women. Only about 1.7 million work full-time; the rest work part-time.

For the great majority, a minimum wage job is their first job. It's the bottom rung for persons who lack higher education and sophisticated skills. Clearing tables at the Steamboat may not sound like much, but it marks the beginning of real-world responsibility. Here the willing Joanns have an opportunity to earn an honest wage, to acquire experience, and to demonstrate to the Jim Kennons that they have the ambition and the personality to move up.

Kennedy and Hawkins, with the very best intentions, suppose that a higher minimum wage will reduce welfare costs and lower the number of families at the so-called poverty level. No evidence supports this surmise. On the contrary, for every increase of 10 percent in the minimum wage, we may anticipate a loss of 80,000 to 240,000 jobs for teenagers.

Grammarians define an "oxymoron" as a combination of contradictory words. The example usually given is "cruel kindness." That says all that needs to be said of the Kenndey-Hawkins bill.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

UNITED STATES ARCTIC RESEARCH PLAN: MESSAGE FROM THE PRESIDENT—PM-57

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Governmental Affairs:

To the Congress of the United States:

In accordance with Section 109 of Public Law 98-373, the Arctic Research and Policy Act of 1984, I transmit herewith the United States Arctic Research Plan. It is submitted on behalf of the Interagency Arctic Research Policy Committee, which is chaired by the National Science Foundation. The Plan was developed in consultation with the Arctic Research Commission, the Governor of the State of Alaska, residents of the Arctic, the private sector, and public interest groups. It is a comprehensive statement of national needs and priorities in the areas of national security, rational resource development, and acquisition of new scientific knowledge in the Arctic. As noted in the report, the Plan is intended to serve as a guide to the Federal agencies as they plan and perform their Arctic programs and missions; it is not intended to be a commitment by the Administration.

RONALD REAGAN.

The White House, *July 31, 1987.*

PRESIDENTIAL APPROVALS

A message from the President of the United States announced that the President has approved and signed the following joint resolutions:

On June 29, 1987:

S.J. Res. 86. Joint resolution to designate October 28, 1987, as "National Immigrants Day."

On July 6, 1987:

S.J. Res. 117. Joint resolution designating July 2, 1987, as "National Literacy Day."

On July 10, 1987:

S.J. Res. 15. Joint resolution designating the month of November 1987 as "National Alzheimer's Disease Month";

S.J. Res. 51. Joint resolution to designate the period commencing on July 27, 1987, and ending on August 2, 1987, as "National Czech American Heritage Week"; and

S.J. Res. 75. Joint resolution to designate the week of August 2, 1987, through August 8, 1987, as "National Podiatric Medicine Week."

On July 15, 1987:

S.J. Res. 138. Joint resolution to designate the period commencing on July 13, 1987, and ending on July 26, 1987, as "U.S. Olympic Festival-1987 Celebration", and to designate July 17, 1987, as "U.S. Olympic Festival-1987 Day."

On July 20, 1987:

S.J. Res. 85. Joint resolution to designate the period commencing on August 2, 1987, and ending on August 8, 1987, as "International Special Olympics Week", and to designate August 3, 1987, as "International Special Olympics Day."

On July 24, 1987:

S.J. Res. 88. Joint resolution to designate the period commencing November 15, 1987, and ending November 21, 1987, as "Geography Awareness Week."

On July 28, 1987:

S.J. Res. 160. Joint resolution to designate July 25, 1987 as "Clean Water Day."

On July 31, 1987:

S.J. Res. 76. Joint resolution to designate the week of October 4, 1987, through October 10, 1987, as "Mental Illness Awareness Week."

MESSAGES FROM THE HOUSE

At 1:23 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that pursuant to the provisions of House Resolution 235, the bill of the Senate (S. 829) entitled "An Act to authorize appropriations for the United States International Trade Commission, the United States Customs Service, and the Office of the United States Trade Representative for fiscal year 1988, and for other purposes," is respectfully returned to the Senate.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 1414. An act to amend the Price-Anderson provisions of the Atomic Energy Act of 1954 to extend and improve the procedures for liability and indemnification for nuclear incidents.

MEASURES PLACED ON THE CALENDAR

The following bill was read the first and second times by unanimous consent, and placed on the calendar:

H.R. 1414. An act to amend the Price-Anderson provisions of the Atomic Energy Act of 1954 to extend and improve the procedures for liability and indemnification for nuclear incidents.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated.

POM-271. A joint resolution adopted by the Legislature of the State of Alabama favoring support for the Department of Agriculture'a Africanized Bee Barrier Proposal; to the Committee on Appropriations.

"H.J. Res. 359

"Whereas, the Africanized bee quickly supplanted European stock, expanding their range 200 to 300 miles a year from the original epicenter in Brazil (1957), and have now reached Guatemala and are soon to cross over into Mexico if this has not already occurred; and

"Whereas, leading scientific experts have indicated that, if the Africanized bee continues to advance as predicted, it will be in the United States by 1990; and

"Whereas, studies in Venezuela, Colombia, and Central America found that the bee has retained virtually all of its African characteristics as it has spread; and

"Whereas, the Africanized bee has the potential to have a devastating impact on Alabama's agricultural industry and to threaten public health and safety; and

"Whereas, Alabama ranks high in the nation in honey production; and

"Whereas, assuming pure European stock can still be produced in Alabama after Africanized bees become established, research has shown that the European bees may be unable to compete with a potentially high density of wild Africanized bees foraging on the limited pollen and nectar sources; and

"Whereas, Africanized bees could have a serious effect on the commercial beekeeping industry for queen and package bee production as well as honey production; and

"Whereas, a substantial number of cases have been reported in which animals and people have been severely or fatally stung because of the abundance and special behavioral characteristics of the Africanized bee; and

"Whereas, the public could encounter Africanized bees in the form of wild colonies and swarms in urban and suburban areas as well as rural areas where increased incidences of stinging could occur; and

"Whereas, public awareness programs, as well as continuous permanent programs to control wild colonies of Africanized bees would need to be established by public agencies at a great expense to the taxpayer; and

"Whereas, to date, the Africanized bee has not been eradicated from any area in which it has become established; and

"Whereas, the United States Department of Agriculture's Agriculture Research Service and Animal and Plant Health Inspection Service have developed the Africanized Bee Barrier Proposal not as the ultimate solution, but as a way to provide our scientists with the time needed for research to be completed to provide a long-term genetic solution; and

"Whereas, recent sightings indicate that the Africanized bee has migrated up to the barrier point proposed by the United States Department of Agriculture which may make any delay in implementing the barrier proposal more hazardous: Now, therefore, be it

"Resolved by the Legislature of Alabama, both houses thereof concurring, That we respectfully memorialize the President and the Congress of the United States to give their full support to the speedy implementation of the United States Department of Agriculture's Africanized Bee Barrier Proposal by appropriating the funds necessary from the department's current 1986-87 budget: Be it further

Resolved, That we respectfully memorialize the legislatures of the States of Arizona, Florida, Illinois, Kansas, Louisiana, North Carolina, Ohio, South Carolina and Texas to act expeditiously in memorializing the President and the Congress of the United States to give their full support to the speedy implementation of the United States Department of Agriculture's Africanized Bee Barrier Proposal.

"Resolved Further, That the Clerk of the House of Representatives transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to each Senator and Representative from Alabama in the Congress of the United States, and to the respective leaders of the legislatures of the States of Arizona, Florida, Illinois, Kansas, Louisiana, North Carolina, Ohio, South Carolina and Texas."

POM-272. A joint resolution adopted by the Legislature of the State of California; to the Committee on Energy and Natural Resources:

Assembly Joint Resolution No. 12

"Whereas, United States Secretary of the Interior Donald P. Hodel has announced new revisions to a proposed five-year offshore oil and gas leasing plan for California; and

"Whereas, Secretary Hodel's proposals were immediately criticized by several members of California's congressional delegation, including both of the state's senators; and

"Whereas, As recently revised, the five-year plan would open to development about 6,450,000 acres—about 13 percent of the total California offshore area—which had been excluded from drilling by a congressional moratorium that expired in 1985; and

"Whereas, The fields opened to development under the plan would provide for the nation's energy supply for no more than, and possibly many fewer than, 39 days; and

"Whereas, The proposed five-year plan has been released against a backdrop of growing public concern and local actions affecting the process of offshore oil and gas development and regulations; and

"Whereas, Voters in a number of California coastal communities have overwhelmingly approved initiatives to limit onshore support facilities for offshore oil and gas development; and

"Whereas, California Department of Fish and Game statistics for 1982 indicate California fishermen earned two hundred forty-one million dollars ($241,000,000) and the commercial fishing industry and related industries contributed approximately seven hundred twenty-five million dollars ($725,000,000) to this State's economy in 1982; and

"Whereas, Some twenty-two billion five hundred million dollars ($22,500,000,000) are spent annually by tourists in California coastal communities, and studies conclude that offshore oil and gas development has a negative effect on tourist expenditures; and

"Whereas, The Department of the Interior proposal continues to reject the need for the inclusion in the five-year plan of protective provisions requiring that offshore oil and gas development activities comply with onshore air quality standards, the ability to demonstrate oil spill preparedness, and limitations on ocean discharges of drilling muds and other material from offshore operation; and

"Whereas, The offshore oil and gas development plan fails to require the transport of any produced oil by pipeline, the safest method from the standpoint of oil spill prevention and protection of air quality; and

"Whereas, Migratory animals such as ducks, geese, whales, and sea lions feed and rest in California's coastal wetlands in large enough numbers to make these wetlands irreplaceable habitat areas; and

"Whereas, California's multi-billion dollar tourist industry has considerable national significance and is in large part dependent on a spectacular, highly scenic, and world renowned shoreline which demands a sensitive and carefully planned offshore energy development program; and

"Whereas, The offshore oil and gas development plan fails to assure the protection of unique and sensitive coastal environments, as well as of endangered and sensitive species, such as the elephant seal and other marine mammals, and is particularly inadequate with respect to lease tracts adjacent to state-designated areas of special biological significance for national marine sanctuaries: Now, therefore, be it

"Resolved by the Assembly and the Senate of the State of California, jointly, That the Legislature of the State of California urges the United States Secretary of the Interior to revise the proposed five-year offshore oil and gas leasing plan for California so that this state's coastal environment may be more effectively preserved; and be it further

"Resolved, That the Legislature urges the Congress of the United States to enact appropriate legislation in protection of California's coastal environment; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the United States Secretary of the Interior, to the Speaker of the United States House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-273. A petition from a citizen of New York, NY, praying for a redress of grievances; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation and the Committee on Labor and Human Resources, jointly, with an amendment:

S. 1196. A bill to provide for the enhanced understanding and wise use of ocean, coastal, and Great Lakes resources by strengthening the National Sea Grant College and by initiating a Strategic Coastal Research Program, and for other purposes (Rept. No. 100-135).

By Mr. KENNEDY, from the Committee on Labor and Human Resources:

Report to accompany the bill (S. 887) to extend the authorization of appropriations for and to strengthen the provisions of the Older Americans Act of 1965, and for other purposes (Rept. No. 100-136).

By Mr. BENTSEN, from the Committee on Finance, without recommendation without amendment:

S. 549. A bill to remedy injury to the United States textile and apparel industries caused by increased imports.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. BIDEN, from the Committee on the Judiciary:

William D. Hutchinson, of Pennsylvania, to be U.S. circuit judge for the third circuit;

Anthony J. Scirica, of Pennsylvania, to be U.S. circuit judge for the third circuit;

T.S. Ellis III, of Virginia, to be U.S. district judge for the eastern district of Virginia;

Charles R. Wolle, of Iowa, to be U.S. district judge for the southern district of Iowa;

Robert H. Edmunds, Jr., of North Carolina, to be U.S. attorney for the middle district of North Carolina for the term of 4 years; and

Jesse R. Jenkins, of North Carolina, to be U.S. marshal for the western district of North Carolina for the term of 4 years.

By Mr. PELL, from the Committee on Foreign Relations:

Nicholas Platt, of the District of Columbia, a career member of the Senior Foreign Service, class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States to the Republic of the Philippines (Exec. Rept. 100-4).

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Nicholas Platt.
Post: Manila.
Contributions, amount, date, and donee:
1. Self, $100, 10/11/84, Mike Strang/Congress.
2. Spouse, $200, 10/06/86, Mike Strang/Congress.
3. Children and Spouses: Adam, none; Oliver, none; Nicholas Jr., none.
4. Parents: Geoffrey Platt, deceased; Helm Choate Platt, deceased.
5. Grandparents: Cora Choate, deceased; Joseph Choate, deceased, Charles Platt, deceased; Eleanor Platt, deceased.
6. Brothers and Spouses:
Geofrey Platt, Jr.:
1982—10/21, $25, Les Aucoin for Congress.
1984—6/5, $100, Mike Strang for Congress.
1984—10/14, $10, Mike Strang for Congress.
1984—10/30, $100, Colorado Republican Party.
1986—3/2, $100, Colorado Republican Party.
1986—10/26, $50, Kramer '86 Committee.
Hope Platt:
1984—8/24, $200, Mike Strang for Congress.
1985—12/27, $200, Mike Strang for Congress.
1986—10/3, $200, Mike Strang for Congress.
7. Sisters and Spouses: Penlope Platt Littell, deceased; Walter Littell, none.

Richard Noyes Viets, of Florida, a career member of the Senior Foreign Service, class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States to the Republic of Portugal (Exec. Rept. N. 100-5).

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Richard Noyes Viets.
Post: Lisbon, Portugal.
Contributions, amount, date, and donee:
1. Self, none.
2. Spouse, none.
3. Children and spouses: Alexandra, none; Katrina, none; Marynka, none.
4. Parents: Natalie N. Viets, none; John B. Viets, deceased more than five years.
5. Grandparents: Both sets of grandparents deceased more than five years.
6. Brothers and spouses: John B. Viets, Jr., none; Breck T. Viets, none.
7. Sisters and spouses: None.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. KENNEDY (for himself, Mr. Weicker, Mr. Stafford, Mr. Gore, Mr. Simon, Mr. Cranston, Mr. Wirth, Mr. Kerry, and Mr. Riegle):

S. 1575. A bill to amend the Public Health Service Act to establish a grant program to provide for counseling and testing services relating to acquired immune deficiency syndrome and to establish certain prohibitions for the purpose of protecting individuals with acquired immune deficiency syndrome or related conditions; to the Committee on Labor and Human Resources.

By Mr. HELMS:

S. 1576. A bill to amend the Internal Revenue Code of 1986 to repeal the income taxation of corporations, to impose a 10-percent tax on the earned income (and only the earned income) of individuals, to repeal the estate and gift taxes, and for other purposes; to the Committee on Finance.

By Mr. METZENBAUM (for himself, Mr. Heinz, Mr. Glenn, Mr. Specter, Mr. Levin, Mr. Riegle, Mr. Byrd, Mr. Heflin, Mr. Shelby, Mr. Lugar, Mr. Bumpers, Mr. Inouye, Mr. Durenberger, Ms. Mikulski, Mr. Rockefeller, Mr. Boschwitz, and Mr. Sarbanes):

S. 1577. A bill to extend certain protections under title 11 of the United States Code, the Bankruptcy Code, by unanimous consent, placed on the calendar.

By Mr. STEVENS:

S. 1578. A bill to amend chapter 83 of title 5, United States Code, to provide civil service retirement credit for service performed under the Railroad Retirement Act, and for other purposes; to the Committee on Governmental Affairs.

By Mr. KENNEDY (for himself, Mr. Dodd, Mr. Matsunaga, and Mr. Pell):

S. 1579. A bill to amend the Public Health Service Act to revise and extend the Block Grant Program, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. WALLOP (by request):

S. 1580. A bill to amend the medical assistance program under title XIX of the Social Security Act to limit Federal financial participation in State program and administrative expenditures, to increase State flexibility to administer the State program, to make additional administrative improvements, and for other purposes; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. WALLOP:

S. Res. 262. Resolution to amend the Standing Rules of the Senate to provide that no tax increase may be enacted except with the approval of two-thirds of the Senators present and voting; to the Committee on Rules and Administration.

S. Res. 263. Resolution relative to the enrollment of certain appropriations bills; to the Committee on Rules and Administration.

S. Res. 264. Resolution to amend S. Res. 400 (94th Congress), a resolution establishing a Select Committee on Intelligence; to the Committee on Rules and Administration.

S. Res. 265. Resolution to amend paragraph 1 of rule XVI of the Standing Rules of the Senate; to the Committee on Rules and Administration.

By Mr. GLENN (for himself, Mr. Bradley, Mr. Cranston, Mr. Pell, Mr. Helms, Mr. Quayle, Mr. Moynihan, Mr. Kennedy, Mr. Humphrey, Mr. Kerry, Mr. Hatfield, Mr. Boschwitz, Mr. Simon, Mr. Adams, Mr. Mitchell, Mr. Sarbanes, Mr. Sanford, Mr. Proxmire, and Mr. Graham):

S. Res. 266. Resolution expressing the sense of the Senate on future United States assistance to Pakistan; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. KENNEDY (for himself and Mr. Weicker, Mr. Stafford, Mr. Gore, Mr. Simon, Mr. Cranston, Mr. Wirth, Mr. Kerry, and Mr. Riegle):

S. 1575. A bill to amend the Public Health Service Act to establish a grant program to provide for counseling and testing services relating to acquired immune deficiency syndrome and to establish certain prohibitions for the purpose of protecting individuals with acquired immune deficiency syndrome or related conditions; to the Committee on Labor and Human Resources.

AIDS FEDERAL POLICY ACT OF 1987

● Mr. KENNEDY. Mr. President, I am proud to join my colleagues in the Senate and House in sponsoring this critically important bipartisan legislation. Senators Weicker and Stafford will join me in introducing a companion bill today in the Senate.

AIDS is a public health emergency of unprecedented severity and complexity. It is a threat to millions of Americans—to men and women, black and white, young and old. What is most dangerous about this enemy is its ability to conceal itself. The overwhelming majority of people carrying the AIDS virus do not know that they are infected. The principal allies of this devious killer are ignorance and fear—ignorance by those who are infected; ignorance by far too many Americans about how AIDS is and is not transmitted; fear of death, fear of infection; fear of the unknown. And for those who have the disease or carry the virus, there is the fear that they will be isolated, abandoned and discriminated against if others become aware of their predicament. In too many instances, these kinds of fears are coming true today.

As long as ignorance, fear and discrimination are permitted to persist, America will be battling AIDS in the dark. We cannot afford to continue to allow the AIDS virus to lurk in the shadows. We must provide the resources to create an expanded, national program of voluntary AIDS counseling and testing. All Americans who suspect they are infected must be given the opportunity to receive confidential testing and counseling. Every individual who volunteers to be tested deserves assurance that the result will be confidential and will not lead to discrimination in critical areas such as jobs, housing and Government services.

The only way to conquer AIDS is to bring this devastating illness into the open. We will not succeed unless infected individuals believe that it is in their own interest to come forward and obtain the guidance and assistance of health professionals. Intensive education and counseling are essential to achieve the changes in behavior that are urgently needed to halt transmission of AIDS.

The legislation we are introducing today reflects the carefully developed recommendations of the Centers for Disease Control, the U.S. Surgeon General, the American Medical Association, and a broad range of other health organizations. Perhaps the most important and impressive aspect of this legislation is that it has the virtually unanimous support of the professional public health community in the United States.

The bill provides funding for the immediate, nationwide expansion of testing and counseling programs. It provides strict safeguards for the confidentiality of test results, while giving discretion to physicians and professional counselors to disclose test information on a limited basis when there is genuine medical need.

Most importantly, this legislation establishes a clear prohibition against discrimination based on AIDS.

Enacting this sound and sensible policy is the most important step our society can take in curtailing the pain, the suffering and the dying that AIDS has unleashed on our Nation. The endorsement we have received from doctors, nurses, mental health professionals, hospitals and other health organizations is a clear signal that America is prepared to deal with AIDS as a public health issue, not an ideological issue. We intend to do all we can to speed passage of this legislation in the Congress. The health and the very lives of millions of Americans depend on it.

I ask unanimous consent that the full text of the bill be entered into the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1575

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "AIDS Federal Policy Act of 1987".

SEC. 2. ESTABLISHMENT OF GRANT PROGRAM FOR COUNSELING AND TESTING RELATING TO ACQUIRED IMMUNE DEFICIENCY SYNDROME AND ESTABLISHMENT OF CERTAIN PROHIBITIONS FOR PURPOSE OF PROTECTING INDIVIDUALS WITH ACQUIRED IMMUNE DEFICIENCY SYNDROME OR RELATED CONDITIONS.

The Public Health Service Act (42 U.S.C. 201 et seq.) is amended—

(1) by redesignating title XXIII as title XXIV;

(2) by redesignating sections 2301 through 2316 as sections 2401 through 2416, respectively; and

(3) by inserting after title XXII the following new title:

"TITLE XXIII—ACQUIRED IMMUNE DEFICIENCY SYNDROME

"SEC. 2301. DEFINITION OF ACQUIRED IMMUNE DEFICIENCY SYNDROME.

"For purposes of this title, the term 'infection with the etiologic agent for acquired immune deficiency syndrome' includes any condition arising from, or associated with, acquired immune deficiency syndrome.

"Part A—Grants for Counseling and Testing

"SEC. 2311. ESTABLISHMENT OF PROGRAM.

"The Secretary, acting through the Director of the Centers for Disease Control, may make grants for the purposes of—

"(1) counseling individuals with respect to acquired immune deficiency syndrome in accordance with section 2317, including counseling relating to measures for the prevention of exposure to, and transmission of, the etiologic agent for acquired immune deficiency syndrome; and

"(2) testing individuals in order to determine whether the individuals are infected with such etiologic agent.

"SEC. 2312. MINIMUM QUALIFICATIONS OF GRANTEES.

"The Secretary may not make a grant under section 2311 to an applicant unless the applicant—

"(1) is a grantee pursuant to section 317(j)(2), section 318(c), section 329, section 330, section 509A, or section 1001;

"(2) has under any appropriations Act received funds as an alternate blood testing site; or

"(3) is a public general hospital.

"SEC. 2313. PREFERENCES IN MAKING GRANTS.

"The Secretary shall, in making grants under section 2311, give preference to qualified applicants that will provide counseling and testing pursuant to such section in any geographic area in which the incidence of cases of acquired immune deficiency syndrome, as indicated by the number of such cases reported to and confirmed by the Secretary, constitutes a significant percentage of the total population of the geographic area.

"SEC. 2314. REQUIREMENT OF SUBMISSION OF APPLICATION CONTAINING CERTAIN AGREEMENTS.

"(a) In General.—The Secretary may not make a grant under section 2311 to an applicant unless the applicant has submitted to the Secretary an application for such a grant containing agreements in accordance with—

"(1) section 2315, relating to the confidentiality of records;

"(2) section 2316, relating to informed consent;

"(3) section 2317, relating to the provision of counseling services;

"(4) section 2318, relating to the provision of opportunities to receive anonymous counseling and testing;

"(5) section 2319, relating to requiring testing as a condition of receiving other health services;

"(6) section 2320, relating to the use of grant funds to increase the availability of counseling and testing; and

"(7) section 2321, relating to the administration of grants.

"(b) ADDITIONAL REQUIRED INFORMATION.—An application required in subsection (a) shall, with respect to agreements required to be contained in such an application, provide assurances of compliance satisfactory to the Secretary and shall otherwise be in such form, be made in such manner, and contain such information in addition to information required in subsection (a) as the Secretary determines to be necessary to carry out this part.

"SEC. 2315. REQUIREMENT WITH RESPECT TO CONFIDENTIALITY.

"The Secretary may not make a grant under section 2311 to an applicant unless the applicant agrees that the applicant will, in accordance with Federal, State, and local law, ensure the confidentiality of information and records with respect to individuals counseled or tested pursuant to such section.

"SEC. 2316. REQUIREMENT WITH RESPECT TO INFORMED CONSENT.

"The Secretary may not make a grant under section 2311 to an applicant unless the applicant agrees that the applicant, in conducting testing pursuant to such section, will test an individual only after obtaining from the individual a statement, made in writing and signed by the individual, declaring that the individual has undergone counseling described in section 2317 and declaring that the decision of the individual with respect to undergoing such testing is voluntarily made.

"SEC. 2317. REQUIREMENT OF PROVISION OF CERTAIN COUNSELING SERVICES.

"(a) COUNSELING BEFORE TESTING.—The Secretary may not make a grant under section 2311 to an applicant unless the applicant agrees that the applicant, before testing any individual pursuant to such section, will provide to the individual appropriate counseling with respect to—

"(1) measures for the prevention of exposure to, and transmission of, the etiologic agent for acquired immune deficiency syndrome;

"(2) the accuracy and reliability of testing for such etiologic agent;

"(3) the significance of the results of such testing, including the potential for developing acquired immune deficiency syndrome;

"(4) applicable provisions of law relating to the confidentiality of the fact that the individual is undergoing counseling or testing and the confidentiality of information provided by the individual during the process of such counseling or testing, including information with respect to any disclosures that may be authorized under applicable law and information with respect to the availability of anonymous counseling and testing pursuant to section 2318;

"(5) applicable provisions of law relating to the confidentiality of the results of such counseling or testing, including information with respect to any disclosures that may be authorized by law;

"(6) applicable provisions of law relating to the reporting to, and use by, State public health authorities of the results of such testing; and

"(7) applicable provisions of law relating to discrimination against individuals infected with the etiologic agent for acquired immune deficiency syndrome.

"(b) COUNSELING OF INDIVIDUALS WITH NEGATIVE TEST RESULTS.—The Secretary may not make a grant under section 2311 to an applicant unless the applicant agrees that, if the results of testing conducted pursuant to such section indicate that an individual is not infected with the etiologic agent for acquired immune deficiency syndrome, the applicant will review for the individual the information provided under subsection (a) with respect to measures for the prevention of exposure to, and transmission of, such etiologic agent and with respect to the accuracy and reliability of testing for such etiologic agent.

"(c) COUNSELING OF INDIVIDUALS WITH POSITIVE TEST RESULTS.—The Secretary may not make a grant under section 2311 to an applicant unless the applicant agrees that, if the results of testing conducting pursuant to such section indicate that the individual is infected with the etiologic agent for acquired immune deficiency syndrome, the applicant will provide to the individual appropriate counseling with respect to—

"(1) measures for the prevention of the transmission of the etiologic agent for acquired immune deficiency syndrome;

"(2) the availability in the geographic area of any appropriate services with respect to health care, including mental health care and appropriate social and support services;

"(3) the benefits of locating and counseling any individual by whom the infected individual may have been exposed to the etiologic agent for acquired immune deficiency syndrome and any individual whom the infected individual may have exposed to such etiologic agent; and

"(4) the availability, if any, of the services of public health authorities with respect to locating and counseling any individual described in paragraph (3).

"(d) CONSTRUCTION OF SECTION.—Agreements entered into pursuant to subsections (a) through (c) may not be construed to prohibit any grantee under section 2311 from providing counseling services described in such subsections to an individual who will not undergo testing described in section 2311(2) as a result of the grantee or the individual determining that such testing of the individual is not appropriate.

"SEC. 2318. REQUIREMENT OF PROVISION OF OPPORTUNITIES FOR ANONYMOUS COUNSELING AND TESTING.

"The Secretary may not make a grant under section 2311 to an applicant unless the applicant agrees that the applicant will, to the extent permitted under applicable State law, offer substantial opportunities for an individual—

"(1) to undergo professional counseling and testing pursuant to such section without being required to provide any information relating to the identity of the individual; and

"(2) to undergo such professional counseling and testing through the use of a pseudonym.

"SEC. 2319. PROHIBITION AGAINST REQUIRING TESTING AS CONDITION OF RECEIVING OTHER HEALTH SERVICES.

"The Secretary may not make a grant under section 2311 to an applicant unless the applicant agrees that, with respect to an individual seeking health services from the applicant, the applicant will not require the individual to undergo testing described in section 2311(2) as a condition of receiving the health services unless such testing is medically necessary in the provision of the health services sought by the individual.

"SEC. 2320. REQUIREMENT OF INCREASED AVAILABILITY OF COUNSELING AND TESTING.

"With respect to any applicant for a grant under section 2311 that, during the majority of the 180-day period preceding the effective date of this title, carried out a program of counseling or testing with respect to acquired immune deficiency syndrome, the Secretary may not make a grant under such section to the applicant unless the applicant agrees that grant funds will be expended only for the purpose of significantly increasing the availability of such counseling and testing provided by the applicant above the level of availability provided during such period.

"SEC. 2321. REQUIREMENTS WITH RESPECT TO ADMINISTRATION OF GRANT.

"The Secretary may not make a grant under section 2311 to an applicant unless the applicant agrees that—

"(1) the applicant will not expend amounts received pursuant to such section for any purpose other than the purposes described in such section;

"(2) if the applicant imposes a charge for providing counseling and testing described in such section, the applicant will provide such counseling and testing without regard to the ability of the individual involved to pay such charge;

"(3) the applicant will establish such procedures for fiscal control and fund accounting as may be necessary to ensure proper disbursement and accounting with respect to the grant; and

"(4) the applicant will not expend more than 10 percent of amounts received under such section for the purpose of administering such amounts.

"SEC. 2322. PROVISION BY SECRETARY OF SUPPLIES AND SERVICES IN LIEU OF GRANT FUNDS.

"(a) IN GENERAL.—Upon the request of a grantee under section 2311, the Secretary may, subject to subsection (b), provide supplies, equipment, and services for the purpose of aiding the grantee in providing counseling and testing described in section 2311 and, for such purpose, may detail to the grantee any officer or employee of the Department of Health and Human Services.

"(b) LIMITATION.—

"(1) With respect to a request described in subsection (a), the Secretary—

"(A) may not comply with such a request unless the Secretary has not yet disbursed the full amount of the grant to the grantee and the portion not yet disbursed is not less than an amount equal to the fair market value of any supplies, equipment, or services to be provided by the Secretary; and

"(B) shall reduce the amount to be disbursed under section 2311 to the applicant by an amount equal to such fair market value.

"(2) Amounts withheld by the Secretary under paragraph (1)(B) shall be available to the Secretary for the payment of expenses incurred in providing supplies, equipment, or services under subsection (a).

"SEC. 2323. AUTHORIZATIONS OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this part $400,000,000 for each of the fiscal years 1988 through 1990.

"Part B—Confidentiality With Respect to Counseling and Testing

"SEC. 2331. PROHIBITION AGAINST DISCLOSURE OF CERTAIN INFORMATION OBTAINED FROM PROCESS OF COUNSELING OR TESTING.

"(a) In General.—Except as provided in section 2332, 2333, or 2334, a person described in subsection (b) may not disclose identifying information with respect to a protected individual or a contact of such individual.

"(b) Persons Subject to Prohibition.—A person referred to in subsection (a) is a person who obtains identifying information with respect to a protected individual or a contact of such individual as a result of—

"(1) direct or indirect involvement in the process of providing to the protected individual professional counseling with respect to acquired immune deficiency syndrome, which professional counseling is provided in relation to testing described in paragraph (2) (including such counseling provided as a result of a referral from a person carrying out such testing) and is provided under conditions in which the protected individual can reasonably expect that information provided by the individual will remain confidential;

"(2) direct or indirect involvement in the process of testing a protected individual for the purpose of determining whether the individual is infected with the etiologic agent for acquired immune deficiency syndrome;

"(3) direct or indirect involvement in the process of carrying out a purpose for which an authorized disclosure is made under section 2332, 2333, or 2334; or

"(4) reading any record containing identifying information with respect to a protected individual or a contact of such individual, which record is developed in the process of such counseling or testing or is developed in the process of carrying out such a purpose.

"(c) Establishment of Civil Money Penalty, Civil Causes of Action, and Criminal Penalty for Violation of Prohibition.—

"(1)(A) Any person who violates the prohibition established in subsection (a) shall be liable to the United States for a civil penalty in an amount not to exceed $2000 for each such violation.

"(B) A civil penalty under subparagraph (A) for a violation of subsection (a) shall be assessed by the Secretary by an order made on the record after opportunity for a hearing in accordance with section 554 of title 5, United States Code. The Secretary shall provide written notice to the person who is the subject of the proposed order informing the person of the opportunity to receive a hearing on the record with respect to the proposed order. Such person may not receive such a hearing unless, before the expiration of the 15 day-period beginning on the date such notice is received by the person, the person makes a request for the hearing.

"(C) The Secretary may compromise, modify, or remit, with or without conditions, any civil penalty imposed pursuant to subparagraph (A).

"(D) If the Secretary issues an order pursuant to subparagraph (B), the person who is the subject of the order may not seek judicial review of the order after the expiration of the 30-day period beginning on the date the order is issued.

"(E)(i) If a person fails to pay a civil penalty assessed pursuant to subparagraph (A), the Secretary may, subject to clause (ii), commence a civil action in any court of competent jurisdiction for the purpose of recovering the amount assessed and an amount representing interest computed in accordance with prevailing interest rates. In such an action, the decision of the Secretary to issue the order, and the amount of the penalty assessed by the Secretary, shall not be subject to review.

"(ii) The civil action referred to in clause (i) may be commenced only after an order under this paragraph has become final and—

"(I) the person who is the subject of the order fails to seek judicial review of the order within the period described in subparagraph (D); or

"(II) with respect to any judicial review, the reviewing court has entered final judgment against the person.

"(2) The Secretary may commence a civil action in any court of competent jurisdiction for the purpose of obtaining temporary or permanent injunctive relief with respect to preventing a person from making a disclosure of identifying information in violation of subsection (a).

"(3) Any person who knowingly violates the prohibition established in subsection (a) may for each violation be fined in accordance with title 18, or imprisoned for not more than one year, or both.

"(4) A protected individual, or a contact of such individual, who is aggrieved as a result of the disclosure of identifying information in violation of subsection (a) may in a civil action against any person making such a disclosure obtain appropriate relief, including actual and punitive damages and a reasonable attorney's fee and cost. Such damages shall be not less than the liquidated amount of $2,000.

"SEC. 2332. AUTHORIZED DISCLOSURES BY PERSONS INVOLVED IN PROCESS OF COUNSELING OR TESTING.

"(a) Consent to Disclosure.—

"(1) A person described in paragraphs (1) or (2) of section 2331(b) may disclose identifying information with respect to a protected individual and a contact of such individual if—

"(A) prior to the disclosure, the protected individual has obtained the legal age of majority under the law of the State in which the individual resides and has, in accordance with paragraph (3), consented to the disclosure; or

"(B) prior to the disclosure, the protected individual is legally incompetent under the law of the State in which the individual resides and the guardian of the individual consents, in accordance with paragraph (3), to the disclosure.

"(2) A consent under paragraph (1) shall be void to the extent that the consent authorizes the recipient of the disclosure to make subsequent disclosures in the discretion of the recipient.

"(3) A consent under paragraph (1) shall—

"(A) be in writing and be dated;

"(B) be signed by the protected individual pursuant to subparagraph (A) of such paragraph or by the guardian of such individual pursuant to subparagraph (B) of such paragraph;

"(C) specify the information that is to be disclosed;

"(D) specify the person, persons, or class of persons whom the consent authorizes to make the disclosure; and

"(E) specify the person, persons, or class of persons to whom the disclosure is to be made.

"(b) Disclosure Without Consent With Respect to Counseling and Testing.—A person described in paragraphs (1) or (2) of section 2331(b) may disclose identifying information with respect to a protected individual and a contact of such individual if the disclosure is made—

"(1) to a health care professional for the purpose of providing to the protected individual counseling or testing described in such paragraphs; or

"(2) to the protected individual.

"(c) Disclosure Without Consent to State Public Health Officer.—A person described in paragraphs (1) or (2) of section 2331(b) may disclose identifying information with respect to a protected individual and a contact of such individual if the disclosure is made to the State public health officer and the law of the State in which testing described in section 2331(b) is carried out requires such disclosure to the officer.

"(d) Disclosure Without Consent With Respect to Bodily Fluids and Organs of Protected Individuals.—A person described in paragraphs (1) or (2) of section 2331(b) may disclose identifying information with respect to a protected individual if the disclosure is made to a medical facility (including a blood bank) that has received or will receive blood from the protected individual for the purposes of blood transfusions, has received or will receive semen from the individual for the purposes of artificial inseminations, has received or will receive breast milk from the individual for the purposes of distribution, or has received or will receive a donation from the individual of an organ for the purposes of transplantation.

"(e) Disclosures Without Consent Under Federal Guidelines.—A person described in paragraphs (1) or (2) of section 2331(b) may disclose identifying information with respect to a protected individual if the disclosure is made to a health care professional or provider that will provide health care to the protected individual under conditions in which, as determined under guidelines issued by the Secretary, the professional or provider will be occupationally exposed to the etiologic agent for acquired immune deficiency syndrome.

"(f) Certain Intraorganization Disclosures Without Consent.—With respect to an organization to which an authorized disclosure is made under any of subsections (a) through (e), a person receiving on behalf of the organization the identifying information involved may disclose within the organization such identifying information with respect to the protected individual (and, if authorized under the subsection involved, any contact of such individual) as may be medically necessary with respect to carrying out the purpose for which the authorized disclosure is made.

"SEC. 2333. AUTHORIZED REDISCLOSURE BY PERSONS RECEIVING DISCLOSURES WITH RESPECT TO PROCESS OF COUNSELING OR TESTING.

"(a) Redisclosure of Information Received From Counseling or Testing Facility.—Any person who, under any of subsections (a) through (f) of section 2332, receives an authorized disclosure may disclose the identifying information involved to any other person to whom such an authorized disclosure may be made under any of such subsections.

"(b) Redisclosure of Information Received From Recipient of Disclosure From Counseling or Testing Facility.—Any person who, under subsection (a), receives an authorized disclosure may disclose the identifying information involved to any other person to whom such an authorized disclosure may be made under any of subsections (a) through (f) of section 2332.

"SEC. 2334. COURT ORDERS WITH RESPECT TO DISCLOSURE OF IDENTIFYING INFORMATION.

"(a) IN GENERAL.—A court of competent jurisdiction may, upon appropriate application to the court by the State public health officer, order any person described in section 2331(b) to make a disclosure to the health officer of identifying information with respect to a protected individual and a contact of such individual if the court determines that the disclosure is necessary with respect to preventing a clear and imminent danger of the transmission of the etiologic agent for acquired immune deficiency syndrome.

"(b) OPPORTUNITY TO PARTICIPATE IN PROCEEDINGS.—Before requiring a disclosure under subsection (a), the court shall provide to the protected individual (and to any contact of such individual with respect to whom identifying information is sought) a reasonable opportunity to participate in the proceedings for determining whether a disclosure will be ordered.

"(c) CONFIDENTIALITY OF PROCEEDINGS.—Proceeding under subsection (a) shall be conducted in camera. Any references in court documents to the the parties in such proceeding shall be references to pseudonyms for the parties. Records developed in such proceeding shall be sealed at the close of such proceeding.

"(d) EXTENT OF ORDERED DISCLOSURE.—A court shall, in requiring a disclosure under subsection (a), order such disclosure only to the extent necessary to provide the requested relief and shall prohibit any unnecessary such disclosure.

"SEC. 2335. DISCLOSURES WITHOUT CONSENT WITH RESPECT TO CERTAIN CONTACTS OF PROTECTED INDIVIDUALS.

"A person described in paragraphs (1) or (2) of section 2331(b) may disclose identifying information with respect to a protected individual if—

"(1) such person is a physician or a professional counselor;

"(2) the disclosure is made to the spouse of the protected individual or to an individual whom the protected individual has, during the process of professional counseling or testing described in such paragraphs, identified as being a sexual partner of the protected individual; and

"(3) such person reasonably believes that—

"(A) the disclosure is medically appropriate; and

"(B) the protected individual will not inform such spouse or sexual contact with respect to the identifying information involved.

"SEC. 2336. REQUIREMENT OF CERTAIN NOTIFICATIONS WITH RESPECT TO DISCLOSURE OF IDENTIFYING INFORMATION.

"(a) IN GENERAL.—Except as provided in subsection (b), any person who, under section 2332, 2333, or 2334, discloses any identifying information with respect to a protected individual shall—

"(1) ensure that such disclosure, whether made orally or in writing, is accompanied by a written statement declaring that any subsequent disclosure of the information provided may be prohibited by law; and

"(2) with respect to a living protected individual, notify such individual in writing of the fact of such disclosure.

"(b) EXCEPTIONS.—The requirements established in subsection (a) shall not apply to any authorized disclosure made under section 2322 or 2333 to a person who is part of the same organization as the person who makes the authorized disclosure.

"SEC. 2337. DEFINITIONS.

"For purposes of this part:

"(1) The term 'contact of a protected individual' means any individual with respect to whom a protected individual has, during the process of professional counseling or testing described in section 2331(b), provided information indicating that the individual is, or may be, infected with the etiologic agent for acquired immune deficiency syndrome.

"(2) The term 'identifying information' means any information—

"(A) relating to the identity of an individual who is a protected individual, or who is a contact of such individual, whichever is indicated by the context of usage; and

"(B) provided in a context indicating that the individual has undergone, is undergoing, or will undergo, professional counseling or testing described in section 2331(b) (including a context indicating the results of such professional counseling or testing of the individual).

"(3) The term 'protected individual' means an individual—

"(A) who has undergone professional counseling or testing as described in section 2331(b), regardless of whether such counseling or testing has been Federally funded; or

"(B) who has, with respect to undergoing such professional counseling or testing, disclosed his or her identity to a person who provides such professional counseling or testing.

"(4) The term 'records' includes electronic recordings and any other method of storing information.

"(5) The term 'testing for the purpose of determining whether an individual is infected with the etiologic agent for acquired immune deficiency syndrome' includes any diagnosis of such infection made by a health care professional licensed to make such a diagnosis under the law of the State in which the diagnosis is made.".

"PART C—INAPPROPRIATE USE OF CERTAIN INFORMATION RELATING TO ACQUIRED IMMUNE DEFICIENCY SYNDROME

"SEC. 2341. PROHIBITION AGAINST DISCRIMINATION.

"(a) IN GENERAL.—

"(1) A person may not discriminate against an otherwise qualified individual in employment, housing, public accommodations, or governmental services, solely by reason of the fact that such individual is, or is regarded as being, infected with the etiologic agent for acquired immune deficiency syndrome.

"(2) A person may not discriminate against an otherwise qualified individual in the provision of benefits under any program or activity that receives or benefits from Federal financial assistance solely by reason of the fact that such individual is, or is regarded as being, infected with the etiologic agent for acquired immune deficiency syndrome.

"(b) CONSTRUCTION.—With respect to an individual who is infected with the etiologic agent for acquired immune deficiency syndrome, the individual may not under subsection (a) be considered to be otherwise qualified if—

"(1) under guidelines issued by the Secretary, a bona fide medical determination is made that the individual will, under the specific circumstances involved, expose other individuals to a material risk of being infected with such etiologic agent; or

"(2) the individual, with reasonable accommodation, cannot satisfy bona fide essential criteria for—

"(A) employment, housing, public accommodations, or governmental services; or

"(B) the receipt of benefits under any program or activity that receives or benefits from Federal financial assistance.

"(c) PROGRAM OR ACTIVITY.—As used in this section the term 'program or activity' shall be applied in the same manner as prescribed by section 504 of the Rehabilitation Act of 1973, including amendments enacted after the date of enactment of this title.

"SEC. 2342. ESTABLISHMENT OF CIVIL MONEY PENALTY AND CIVIL CAUSES OF ACTION FOR VIOLATION OF PROHIBITION.

"(a) CIVIL MONEY PENALTY.—

"(1) Any person who violates the prohibition established in section 2341 shall be liable to the United States for a civil penalty in an amount not to exceed $2000 for each such violation.

"(2) A civil penalty under paragraph (1) for a violation of section 2341 shall be assessed by the Secretary by an order made on the record after opportunity for a hearing in accordance with section 554 of title 5, United States Code. The Secretary shall provide written notice to the person who is the subject of the proposed order informing the person of the opportunity to receive such a hearing with respect to the proposed order. Such person may not receive such a hearing unless, before the expiration of the 15 day-period beginning on the date such notice is received by the person, the person makes a request for the hearing.

"(3) The Secretary may compromise, modify, or remit, with or without conditions, any civil penalty imposed pursuant to paragraph (1).

"(4) If the Secretary issues an order pursuant to paragraph (2), the person who is the subject of the order may not seek judicial review of the order after the expiration of the 30-day period beginning on the date the order is issued.

"(5)(A) If a person fails to pay a civil penalty assessed pursuant to paragraph (1), the Secretary may, subject to subparagraph (B), commence a civil action in any court of competent jurisdiction for the purpose of recovering the amount assessed and an amount representing interest computed in accordance with prevailing interest rates. In such an action, the decision of the Secretary to issue the order, and the amount of the penalty assessed by the Secretary, shall not be subject to review.

"(B) The civil action referred to in subparagraph (A) may be brought only after an order under this subsection has become final and—

"(i) the person who is the subject of the order fails to seek judicial review of the order within the period described in paragraph (4); or

"(ii) with respect to any judicial review of the order, the reviewing court enters final judgment against the person.

"(b) INJUNCTIVE RELIEF.—The Secretary may commence a civil action in any court of competent jurisdiction for the purpose of obtaining temporary or permanent injunctive relief with respect to preventing a person from being discriminated against in violation of section 2341. Any aggrieved party shall have an unconditional right to intervene in an action pursuant to this subsection, in accordance with the provisions of Rule 24(a) of the Federal Rules of Civil Procedure.

"(c) CIVIL CAUSE OF ACTION FOR DAMAGES.—Any person who is discriminated against in violation of section 2341 may in a civil action against any person engaging in such discrimination obtain appropriate relief, including actual and punitive damages. Such damages shall be not less than the liquidated amount of $2,000.

"(d) ATTORNEYS' FEES.—In an action under this section, the prevailing party shall be awarded a reasonable attorneys' fee and costs.

"SEC. 2343. CONSTRUCTION OF PROHIBITION.

"Section 2341 may not be construed to prohibit any business organization providing life insurance or health insurance from requiring any applicant for such insurance to undergo testing for the purpose of determining whether the applicant is infected with the etiologic agent for acquired immune deficiency syndrome.".

SEC. 3. CONFORMING AMENDMENTS.

The Public Health Service Act (42 U.S.C. 201 et seq.) is amended—

(1) in section 465(f), by striking "2301" and inserting "2401";

(2) in section 497, by striking "2301" and inserting "2401"; and

(3) in section 305(h), by striking "2313" each place it appears and inserting "2413".

SEC. 4. EFFECTIVE DATE.

The amendments made by this Act shall take effect October 1, 1987, or upon the date of the enactment of this Act, whichever occurs later.●

● Mr. GORE. Mr. President, I am honored to join with my distinguished colleagues in introducing the AIDS Federal Policy Act of 1987. The bill is the result of an enormous amount of hard work by many devoted people. It offers no magic solutions. But at least it will provide the tools to act.

Public health experts have agreed for some time on what to do about AIDS. But the administration was not willing to do it. They have spent the past 6 years crossing their fingers and hoping that AIDS would go away.

Two months ago, the President finally addressed the issue of AIDS for the first time in his administration. Public Health experts recommended that he focus attention on expanded research and public education. But instead, the President made testing a goal in itself—doing more to set back AIDS policy in 1 day than he had already done in 6 years of silence.

Testing is not a solution. At best, it is only the means to an end. The question is not whether to test, but just what testing will enable us to do. If we test, what will we do with those who are infected?

In the absence of proper safeguards, what would happen when employers, insurers, landlords, and classmates find out? Testing would surely drive those most likely to be infected underground.

The legislation we are introducing today confronts those hard questions.

To keep testing programs from doing more harm than good, we need to enact strong laws that assure confidentiality of test results and prohibit discrimination against those who test positive. This bill will give us that reassurance—not as a matter of individual rights but as a matter of sound public health. To protect the health of the general public, we must break down the barriers that keep those most likely to be infected from obtaining proper counseling.

Tough confidentiality and antidiscrimination laws will also make clear that this fight is against a disease, not against other Americans.

Testing and counseling should be available for everyone. But in many cities, it takes as long as 3 months to be tested. This bill provides the resources, so that those most at risk will receive the one-to-one education most likely to make a difference.

The tragedy of AIDS is not only that thousands have died, or that hundreds of thousands more will suffer. It is also tragic that millions of Americans live in fear of a disease they don't understand. We know what to do about AIDS—but we need to give Americans answers, and move boldly on a strategy that will work.

This bill will work. It is only one step. But it is a sound step forward and a better answer than paralysis or fear. By joining with the Congress and the organizations represented here today to enact this bipartisan legislation, the administration has a chance to make up for lost time and lost lives.●

● Mr. WEICKER. Mr. President, today, I join my colleague, Senator KENNEDY, and others in introducing a bill to expand the availability of voluntary AIDS testing and counseling; to protect the confidentiality of AIDS testing and counseling records; and to prohibit discrimination against those who test positive for the AIDS virus. The bill we introduce today is based upon the recommendations of public health officials and the men and women of the medical community. It does not treat AIDS as a matter of politics but rather as a public health crisis that demands policies and programs based on fact and not fear.

To date, the response of Congress to the AIDS crisis has been based on information and recommendations provided by public health officials. Proposals for AIDS testing should be no exception. The Surgeon General, the Centers for Disease Control, and the National Academy of Sciences Institute of Medicine have all clearly stated that the most effective way to expand AIDS testing is to provide a large-scale voluntary testing program that incorporates counseling before and after the test is performed.

The bill we introduce this morning does just that. It authorizes a grant program for a broad spectrum of health care facilities to provide voluntary AIDS testing with pre-test and post-test counseling.

In addition to greatly expanding the availability of testing sites and services, this legislation establishes Federal protections concerning confidentiality. The bill prohibits, with limited exceptions, the disclosure of information that could identify a person who has been tested for AIDS and received counseling or could identify such persons' contacts in high-risk behavior. The exceptions provided in this bill are few and strictly limited.

Protections regarding the confidentiality of AIDS testing and counseling records are essential if we are to encourage those who have been afraid to seek such services to come forward. The confidentiality protections in the bill include penalties for violations of these protections.

Finally, this bill addresses another fear that may be discouraging many people from seeking testing—the fear of losing a job or housing or services most of us take for granted. The nondiscrimination provisions in this bill prohibit discrimination against a person who tests positive for the AIDS virus in employment, housing, public accommodations, and government services. Exceptions are allowed if a public health officer makes a bona fide medical determination that, accoridng to Centers for Disease Control guidelines, the infected person can expose another individual to a significant possibility of AIDS infection.

Some may say these protections go too far, well beyond the civil rights protections offered other members of our society. In fact, the AIDS epidemic is an extraordinary problem. It requires protections that encourage broader voluntary testing to help stop the transmission of a disease that no one wants to talk about; some fear finding out about; and still others wish to use to divide society into two classes—the infected and the uninfected. This has never been our response to those in society who are sick or who need special protections from fear and ignorance. And this should not be our response today.

Today, we must provide the dollars needed to find the treatments and cures for those already infected. We need to increase the funding for broad-based and targeted education and prevention programs that encourage—not discourage—people to come forward to be tested and receive counseling.

I have often argued that too much of the political focus on AIDS has been on who should be tested and whether the testing should be mandatory or voluntary. These debates have often obscured the real issue of thousands of deaths in our midst. We need to set our sensibilities aside and effectively help those who are already infected and limit further spread of the disease to others who are not.

This bill does both. I urge its timely adoption by the Senate.●

● Mr. WIRTH. Mr. President, today I am pleased to join Senator KENNEDY and several of my esteemed colleagues in introducing legislation to increase AIDS testing and counseling for high-risk groups, protect the confidentiality of testing and counseling records, and prevent discrimination against AIDS victims.

Acquired immune deficiency syndrome [AIDS] has afflicted more than 36,000 Americans. By 1991, it is expected that 270,000 individuals will be diagnosed as having AIDS. Add to those cases the 1.5 million Americans who are estimated to have been exposed to the AIDS virus and the dimensions of the public health crisis faced by this Nation take on overwhelming proportions.

While we do not yet know how to arrest the virus itself or cure its victims, we do know how AIDS is spread and what to do to stop it. We should use this knowledge to avoid contracting the disease by behaving in responsible ways; we should avoid spreading panic and unnecessary anxiety through misinformation and prejudice. As of now, education is the key to stopping the spread of AIDS.

However, for individuals to feel free to seek the information needed to effectively combat the spread of this fatal disease, we must ensure that testing and counseling can be sought without fear of reprisal or discrimination. This legislation provides that assurance by increasing funding for AIDS testing and counseling services and requiring that information about the recipients of those services be kept strictly confidential. Only in situations where there is a clear medical need to know, can any information about AIDS patients, or an individual's antibody status, be divulged.

Finally, this legislation takes the most important step in protecting both society and AIDS sufferers by prohibiting discrimination against them in employment, housing, public accommodations, and government services. Such broad protection has but two exceptions that I believe are both reasonable and necessary: an AIDS victim could not claim unfair job discrimination if, first, the illness limits the victim's physical capacity to perform job responsibilities, or second, the Secretary of Health and Human Services determines that transmission of the disease might occur if AIDS victims perform certain job functions.

If we believe that widespread voluntary testing and counseling are the key to bringing the AIDS epidemic under control, then we must be able to offer the individuals who cooperate something more than an eviction notice, a pink slip, and a slammed door. The specter of discrimination only serves to keep potential AIDS carriers underground, depriving them, in many cases, of any knowledge of their own infectiousness.

The Federal Government must use all of the resources at its disposal in tackling this dread disease. The effort must be multifaceted, as this legislation and other proposals introduced by Senator KENNEDY have underscored. We must continue to intensify our research efforts, increase support for education, counseling, and testing programs and provide adequate protection for AIDS victims.

I commend this measure to my colleagues and encourage its swift passage.●

By Mr. HELMS:

S. 1576. A bill to amend the Internal Revenue Code of 1986 to repeal the income taxation of corporations, to impose a 10-percent tax on the earned income (and only the earned income) of individuals, to repeal the estate and gift taxes, and for other purposes; to the Committee on Finance.

TITHE TAX ACT OF 1987

Mr. HELMS. Mr. President, recently I visited with Jim and Karen Quick, a delightful young couple from Greensboro, NC. Karen is a 12-year veteran of the Internal Revenue Service; she currently works in the IRS's Greensboro district problem resolution office.

I invited Karen and her husband to come by so that I could congratulate her and discuss with her the international award-winning essay she had written on tax policy. The essay is titled, "Tax Simplification: Let's Play Flat Ball."

In her essay, Karen compares U.S. tax laws to a frustrating ball game with constantly changing rules and few winners. "Americans are tired of playing Bracketball," she writes. "One of the most infuriating aspects of 'Bracketball' is the constant movement of the goal line. When the players get near it, the officials move it." The solution she proposes is "a simple, fair, efficient game called 'Flatball.' "

Mr. President, I have mixed feelings about the Tax Reform Act of 1986. On the one hand, Congress made a significant improvement by lowering the tax rates and reducing the number of brackets. On the other hand, many provisions were included simply to raise revenue in order to keep the bill "revenue neutral." These changes were based neither on logic nor on sound tax policy. The result was to make the tax laws even more complex and cause a number of problems for various sectors of the economy. I predict that we will have to address these problems and continue to modify the Tax Code for many years to come.

Mr. President, we have a long way to go to achieve a tax system which is simple and fair and in which the American people can have confidence. With that goal in mind, I am today introducing a 10 percent flat tax bill. I hope this bill can and will be the basis, a starting point, for a continued comprehensive study of our ever-complex tax code. The bill is similar to legislation which I proposed in the 97th Congress. A similar bill has been introduced in the House of Representatives by my distinguished friend and colleague from Illinois, PHIL CRANE.

The first part of the bill would eliminate the income tax on corporations. This recognizes the economic reality that corporations don't pay taxes, people do. Corporations only pass taxes on to consumers in the form of higher prices and to workers in the form of reduced wages. This burden falls most heavily on the poor because the poor spend a larger percentage of their income on consumption.

The corporate income tax is also passed on to shareholders in the form of reduced dividends and reduced corporate savings and investment. Since pension plans are major shareholders, the corporate tax can drastically reduce potential pension benefits to workers.

Reduced corporate savings and investment have a negative impact on economic growth and thus reduce employment opportunities. This constitutes a further hidden tax on America's workers.

Mr. President, elimination of the corporate income tax will promote efficiency in the market because all businesses will be placed on a level playing field. Tax considerations will no longer affect business decisions. Furthermore, elimination of this cost to business will also make U.S. business more competitive in the world market.

A second aspect of this plan proposes a reform of the income tax on individuals. The bill would eliminate all deductions, credits, and exemptions; provide a single exemption of $10,000 per taxpayer; and impose a 10-percent tax on all earned income.

Earned income is defined as the compensation one receives for performing work. This includes wages, salaries, fees, and fringe benefits. This does not include passive income, such as capital gains, interest income, and dividends. Furthermore, while fringe benefits are taxable, the bill eliminates valuation problems by valuing all fringe benefits at the actual cost to the employer of providing the benefit.

Mr. President, implementation of a flat tax will have a profound effect on the economy by stimulating growth in several ways. First, it will stimulate economic growth through increased savings resulting from the elimination of the tax on interest income. The increased savings will put downward pressure on interest rates and thus reduce the cost of capital.

Second, it will stimulate economic growth through the elimination of tax on capital gains. This will encourage investment and expansion of capital funds, which will lead to more businesses and more jobs.

Third, a flat tax will stimulate economic growth by eliminating the tax on dividends. This eliminates the penalty for investing in stock and will stimulate greater capital availability for economic growth.

Finally, a flat tax brings greater efficiency to the economy by eliminating preferences in the Tax Code that interfere in economic decisions.

The exemption from taxation of the first $10,000 of earned income for each taxpayer will provide relief for low-income individuals while also providing an incentive for individuals to enter the work force. The flat 10 percent rate eliminates the disincentive for one to increase one's income that results with a highly progressive system.

Mr. President, I cannot imagine what could be more fair than a flat 10 percent tax. It makes sense both economically and administratively. Furthermore, true simplification of our tax code will go a long way toward restoring faith in our tax system.

Mr. President, I ask unanimous consent that the text of the bill and the essay entitled "Tax Simplification: Lets Play Flat Ball" that I mentioned earlier, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1576

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Tithe Tax Act of 1987".

SEC. 2. REPEAL OF TAXATION OF CORPORATIONS.

The following provisions of the Internal Revenue Code of 1986 are hereby repealed:

(1) section 11 (relating to corporate income tax),

(2) section 55 (relating to alternative minimum tax) to the extent it applies to corporations,

(3) section 511 (relating to unrelated business income tax),

(4) section 531 (relating to accumulated earnings tax),

(5) section 541 (relating to personal holding company tax),

(6) section 594 (relating to alternative tax for certain mutual savings banks),

(7) section 801 (relating to tax imposed on life insurance companies),

(8) section 821 (relating to tax imposed on certain mutual insurance companies),

(9) section 831 (relating to tax on certain other insurance companies),

(10) section 852 (relating to tax on regulated investment companies),

(11) section 857 (relating to tax on real estate investment trusts), and

(12) section 882 (relating to tax on income of foreign corporations connected with United States business).

SEC. 3. 10 PERCENT INCOME TAX RATE FOR INDIVIDUALS.

Section 1 of the Internal Revenue Code of 1986 (relating to tax imposed on individuals) is amended to read as follows:

"SECTION 1. TAX IMPOSED.

"(a) IN GENERAL.—There is hereby imposed on the income of every individual a tax equal to 10 percent of the excess of the earned income of such individual for the taxable year over the exemption amount for such year.

"(b) DEFINITIONS.—For purposes of this section—

"(1) EXEMPTION AMOUNT.—

"(A) IN GENERAL.—The term 'exemption amount' means, for any taxable year, $10,000 increased (for taxable years beginning after December 31, 1988) by an amount equal to $10,000 multiplied by the cost-of-living adjustment for the calendar year in which the taxable year begins.

"(B) COST-OF-LIVING ADJUSTMENT.—For purposes of this paragraph—

"(i) IN GENERAL.—The cost-of-living adjustment for any calendar year is the percentage (if any) by which—

"(I) the CPI for October of the preceding calendar year, exceeds

"(II) the CPI for October of 1987.

"(ii) CPI.—The term 'CPI' means the last Consumer Price Index for all-urban consumers published by the Department of Labor.

"(C) ROUNDING.—If the increase determined under this paragraph is not a multiple of $10, such increase shall be rounded to the nearest multiple of $10 (or if such increase is a multiple of $5, such increase shall be increased to the next highest multiple of $10).

"(2) EARNED INCOME.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'earned income' means—

"(i) wages, salaries, and other employee compensation,

"(ii) the amount of the taxpayer's net earnings from self-employment for the taxable year, and

"(iii) the amount of dividends which are from a personal service corporation or which are otherwise directly or indirectly compensation for services.

"(B) EXCEPTIONS.—The term 'earned income' does not include—

"(i) any amount received as a pension or annuity, or

"(ii) any tip unless the amount of the tip is not within the discretion of the service-recipient.

"(C) FRINGE BENEFITS VALUED AT EMPLOYER COST.—The amount of any fringe benefit which is included as earned income shall be the cost to the employer of such benefit."

SEC. 4. REPEAL OF SPECIAL DEDUCTIONS, CREDITS, AND EXCLUSIONS FROM INCOME FOR INDIVIDUALS.

Chapter 1 of the Internal Revenue Code of 1986 is amended by striking out all specific exclusions from gross income, all deductions, and all credits against income tax to the extent related to the computation of individual income tax liability.

SEC. 5. REPEAL OF ESTATE AND GIFT TAXES.

Subtitle B of the Internal Revenue Code of 1986 (relating to estate, gift, and generation-skipping taxes) is hereby repealed.

SEC. 6. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in subsection (b), the amendments made by this Act shall apply to taxable years beginning after the date of the enactment of this Act.

(b) REPEAL OF ESTATE AND GIFT TAXES.—The repeal made by section 5 shall apply to estates of decedents dying, and transfers made, after the date of the enactment of this Act.

(c) TECHNICAL AND CONFORMING CHANGES.—The Secretary of the Treasury or his delegate shall, as soon as practicable but in any event not later than 90 days after the date of the enactment of this Act, submit to the Committee on Ways and Means of the House of Representatives a draft of any technical and conforming changes in the Internal Revenue Code of 1986 which are necessary to reflect throughout such Code the changes in the substantive provisions of law made by this Act.

TAX SIMPLIFICATION

"LET'S PLAY FLATBALL"

(By Karen Quick, July 30, 1986)

(Pseudonym: Kacy Cody)

Americans are tired of playing Bracketball. Who wants to keep playing this "tax game" which has unfair, complicated rules; an unlimited fourth quarter with no time-outs; and is affiliated with an inefficient association at the point of bankruptcy? Complaints are commonplace; motivation is low; and initiative is almost nonexistent. It is a confusing and biased game. The players are involuntarily drafted for participation despite their physical conditions. Their contracts automatically renew annually requiring longer and longer playing periods. The more influencial athletes manage to gain preferential treatment from the promoters and officials. Some are allowed to sit the bench for extensive periods of time and some are even paid not to show up at all. Needless to say, this does little for team morale and enthusiasm. This favoritism puts an unnecessary burden on the rest of the team. The few remaining dedicated players, who show up for all the practices come rain or shine and who give it their best shot, look forward to high scores. It gets to be a tough game as these dedicated players are forced to compensate for the "bench sitters" and "game cutters." There is a noncommittal attitude spreading among the ranks. Partly to blame is the large staff of inconsistent coaches who have different ideas of how the game is to be played. More and more of the officials are using poor judgment to call the plays. Many illegal substitutes, illegal blockings, and intentional fouls go uncalled. A lot of bloody noses result. Nobody, including the promoters and officials, seems to know how the game is to be played. One of the most infuriating aspects of Bracketball is the constant movement of the goal line. When the players get near it, the officials move it. There are strong rumors circulating in the locker rooms that a players' strike is in the works. They are tackling an enorumous task in their efforts to change to a simple, fair, efficient game called "Flatball."

This fictitious analogy of our current system of American taxation may be somewhat exaggerated in pointing out the inherent problems. Yet, it brings to light the need for simplicity, fairness, and efficiency in our system of taxation. Such a tax reform referred to above as "Flatball" would not only provide needed revenue, it would also stimulate the economy, lighten the administrative load, and improve compliance. The most noteworthy result would be a boost to those precious intangibles; morale, motivation, and ingenuity.

To better understand the need for tax reform, some brief background information on the definition and history of American taxation will be given first. Numerous indictments of the current income tax system will follow. The last section will contain workable methods of sound income tax reform.

DEFINITION OF TAXATION

"The art of taxation consists of plucking the greatest number of feathers from a goose with the least amount of squawking." [1] This popular saying equates the unpleasant task of collecting taxes with the plucking of feathers. It implies the need for an economically balanced method that is viewed by the populous as simple, fair, and efficient.

What is a tax and why is it levied? "Tax" is defined as a compulsory contribution levied upon persons, property, or businesses for the support of government.[2] This basic definition makes not implication that taxes are imposed to resolve all the nation's financial and social problems. The tax laws were not intended to legalize social engineering as a government business. In a July 8, 1982 Wall Street Journal article by Christopher Conte, the following quotation from Senator Hatfield was given; "By attempting to solve every social and economic problem through the tax code, we have put a greater burden on the average taxpayer." [3] Taxes are not defined as vehicle to be used to subsidize special interest groups regardless of their merits. The meaning is clear and simple. Taxes are collected to pay the necessary military and civil expenses [4] that provide goods, services and order without stifling economic growth or human ingenuity.

HISTORY OF AMERICAN TAXATION

Chief Justice John Marshall stated in 1819 during the famous case of McCulloch v. Maryland "the power to tax is the power to destroy." The power to tell the citizenry how much money they must pay to make their government work must be jealously guarded.[5] The writers of the Constitution were very much aware of this fact. They knew one of the major causes of the War of Independence was the imposition of taxes by the British Parliament on the colonies without their consent.[6]

In the United States, the first income tax was enacted in 1861 to help finance the Civil War. It allowed a $600.00 exemption and levied a 3% charge on incomes below $10,000 and a 5% charge on incomes above that level. In 1864, the rates were increased to 5% and 10%.[7] Tax receipts peaked in 1866 when income tax accounted for about 25% of federal revenue. In 1871, Representative Dennis McCarthy of New York expressed the view of the income tax opponents in these words, "unequal, perjury-provoking, and crime-encouraging, because it is at war with the right of a person to keep private and regulate his business affairs and financial matters." Senator John Sherman of Ohio responded with these remarks: "When you come to examine the income tax you will find that it applies, it is true, to only about 60 thousand people; but they do not pay their proper share of other taxes. WHY? Can a rich man with an overflowing revenue consume more sugar or coffee or tea, or drink more beer or whiskey, or chew more tobacco, than a poor man? You tax tobacco at the same rate per pound, whether it is the tobacco for the wealthiest or the poorest. . . . But when in a system of taxation you are compelled to reach out to many objects, you must endeavor to equalize your general results. . . . Therefore, when it is complained that the tax on an article consumed is unjust upon the poor, because the poor have to consume a greater proportion of their income in its purchase than the rich, we answer that to countervail that we have levied a reasonable income tax upon such incomes as are above the wants and necessities of life. That is the answer and it is a complete answer; because, if you leave your system of taxation to rest solely upon consumption, without any tax upon property or income, you do make an unequal and unjust system." [8] These words of Sherman and other supporters of an income tax failed to gain a renewal of the tax. Thus, the income tax law expired in 1872 [9] because it was considered an invasion of privacy with socialistic tendencies.[10]

Between 1873 and 1893, members of Congress introduced 68 different income tax bills. In 1894, a 2% income tax on incomes over $4,000 was finally passed with much controversy. But the U.S. Supreme Court declared the tax unconstitutional and in violation of Article 1, Section 2, Paragraph 3 which says that all direct taxes must be levied among the states in proportion to their population. Congress circumvented the Supreme Court's decision by proposing a constitutional amendment on July 12, 1909.[11] The well-known sixteenth amendment was ratified on February 29, 1913 by 42 states.[12] This removed the constitutional hurdle and gave Congress the authority to tax incomes from whatever source derived; without apportionment among the several states and without regard to any census or enumeration."

After more than 40 years from the expiration of the Civil War income tax, the first legal income tax was enacted under the leadership of President Woodrow Wilson.[13] It granted a $3,000 exemption for single person and a $4,000 exemption for married couples. The graduated rate began at 1% on the first $20,000 of taxable income and ranged to a top rate of 7% on taxable incomes over $500,000. Net profits of corporations were taxed at a flat rate of 1%. Only about 0.4% of the population filed tax returns in 1913. All federal receipts amounted to about 2.6% of GNP.[14]

The next 40 years was just as stormy for the income tax. From 1913 to 1954 the income tax was part of America's struggle for survival through war and depression. By the time WWI had ended, three separate tax bills had increased tax rates nearly tenfold and exemptions had dropped significantly. But only 8% of the population paid taxes. President Warren G. Harding's Secretary of Treasury, Andrew Mellon, argued persuasviely for tax reduction to foster economic growth. He stated, "Any man of energy and initiative in this country can get what he wants out of life. But when that initiative is crippled by legislation or by a tax system which denies him the right to receive a reasonable share of his earnings, then he will no longer exert himself and the country will be deprived of the energy on which its continued greatness depends. . . . On the other hand, a decrease of taxes causes an inspiration to trade and commerce which increases the prosperity of the country. . . " [15]

With a large part of the population tired of war and taxes, Mellon's proposals gained ground. In 1921, the maximum tax rate was cut from 77% to 58% and in 1926 it was finally cut to 25%. Credit is given to Mellon and his support for tax cuts that spurred the economic boom of the 1920's. A get-rich-quick attitude pervaded the scene and many people had their shirts riding on the stock market.[16] This speculative fever prevented sound financial decisions and resulted in a rocky financial structure. Frantic transactions were prevelent. "Even the professional analyst of financial properties was sometimes bewildered when he found Co A holding a 20% interest in Co B, and Co B an interest in Co C, while C in turn invested in A, and D held shares in each of the others. But few investors seemed to care about actual worth. . . ." [17]

Until the Great Depression of the 1930's, Americans practiced the notion of a limited role for federal government with correspondingly low taxes. Except for periods of war or recession, revenues from excises and customs were sufficient to finance those activities widely regarded as federal functions. But when the Great Depression took hold, President Herbert Hoover sponsored tax increases in a vain effort to balance the budget that reduced personal allowances and pushed the top tax bracket from 25% to 63%.[18] The economy was too weak to provide sufficient revenue. Increased rates just made matters worse. Taxes were now spent on human needs as well as national defense. When World War II broke out, millions of Americans went back to work and taxes were increased. Before the war was over, rates exceeded 90% and three-fourths of the population had to pay income taxes. A "class tax" had been replaced by a "mass tax." [19] After World War II, rates were not greatly reduced. This was the first time marginal peacetime rates, even for the middle classes and corporate businesses, exceeded 40% and even 50%. The role of government had become more involved creating a much larger establishment requiring continuously larger revenue for its ever-increasing expenditures.[20] With the acceptance of a larger government establishment, people realized high tax rates were inevitable. The Internal Revenue Code of 1954 preserved high tax rates ranging from 20% to 91%. It laid the foudnation for the slow downhill slide to our current complicated, unfair tax system.

The end of the 1950's ushered in a new business term "tax planning" (a euphemism for tax avoidance) and a new profession appeared on the scene—"tax consultant." A reform introduced by President Kennedy lowered the top rate to 70%. Another tax cut, in 1969, lowered the top rate for salary income to 50%.[21] In 1981, legislation was passed to enact President Reagan's three-year 25% across the board tax cut that reduced the range to 11%-50% for all types of income [22] and introduced inflation indexing.[23] These reductions only slightly modified the progressivity of the income tax system and preserved the unfair tax expenditures and loopholes.

Tax revenue from federal, state, and local governments amounts to approximately one-third of the Gross National Product. About 35% of all government revenue is collected by the state and local levels. It is in the form of individual income taxes, corporated income taxes, sales taxes, property taxes, and various fees and charges.[24] Recent dramatic events such as Proposition 13 in California and Proposition 2½ in Massachusetts have brought some needed reform. Although reforming state and local government taxes is an important controversial subject, this paper will focus on the federal tax policies that generate about 65% of all government receipts.

---

[1] Footnotes at end of article.

What are the sources of federal revenue? Nearly one-half is derived from individual income taxes. This category amounted to 49% of all federal receipts in 1982. This percentage has been as low as 12% in 1940 and stayed around 45% during the 1960's and 1970's. The fastest growing category in the federal system is the social security taxes that provided about 34% of the total revenue in 1982. Corporate income taxes as a shape of federal receipts steadily dropped throughout the 1970's. In 1982, this category generated about 8% of the revenue. Excises provided approximately 5%; estate and gift taxes brought in barely over 1% and other miscellaneous charges were just under 3% of the total receipts.[25]

Federal income taxes for individuals have increased from about $120 billion in 1974 to about $300 billion in 1982. During this same period, corporate income taxes stayed relatively flat at about $50 billion causing a decline in their share of overall federal receipts. To provide sufficient revenue for the current level of government operations, a simplified tax system would have to be capable of generating approximately $350 billion if both the individual and corporate income tax structures were overhauled.[26]

The proposal that will be recommended in this paper would replace the existing individual and corporate income taxes leaving the other aspects of the federal tax structure intact.

Why is a tax reform needed? The answer to this question could easily exceed 2,000 pages which is the approximate length of the Internal Revenue Code. Only the main indictments against the current income tax system will be covered in this paper. The four main dimensions to the inefficiency of the present system encompass economic barriers, complexity, stiffled intangibles and administrative difficulty.

Going back to the basic definition of taxation, we are reminded that the reason for the collection of taxes is to support the government as it provides necessary goods, services, and order *without* stifling economic growth or human ingenuity. Our current income tax system fails to meet the fundamental purpose of its existence. It produces too little revenue. The United States government spends more on defense and domestic programs than it collects in tax revenue. Federal taxes went from a level of 3% of the Gross National Product in 1929 to about 19% in 1982. However, government spending amounted to approximately 24% of the Gross National Product in 1982. Chronic deficits over the last two decades not only offend the notion of good fiscal housekeeping, but also injure the economy and create unnecessary distortions.[27] In fiscal year 1982, after the enactment of a large budget reduction, the federal budget still had a deficit for the 13th straight year and for the 19th time in the last 20 years. Deficits have grown in recent years at such a rate that three-fourths of the 486 billion dollars in deficit accumulated from 1962-1982 resulted since 1974. From fiscal year 1946 through 1960, deficits as a percent of Gross National Product averaged about 0.4%. Over the next ten years the deficit equivalent averaged 0.8% of the Gross National Product. But over the next eleven years, the average magnitude of the deficit rose to 2.4% of the Gross National Product.[28]

Budget deficits reduce the growth of productive capacity when the economy is operating at a high level of employment. Deficits absorb over one-half of national savings leaving less savings available for investments in productive expansions. To maintain high levels of investment, the United States must borrow from abroad. If present trends continue, the United States could easily become a net debtor to the rest of the world.[29]

Because deficits force the government to complete for available saving, interest rates remain artificially high. These high rates discourage purchases of long-term assets such as housing. They also overvalue the dollar causing a competitive disadvantage for the United States in the world market.[30]

Closely tied to the problem of persistent, chronic deficits is the accusation that the federal government has become bloated, disorganized, wasteful, and inefficient. Is the federal government too big? Donald Lambro, Washington correspondent for United Press International, would shout an emphatic "yes"! Mr. Lambro concludes, "Americans have more government than they need, more than they want, and more than they can afford. Like a riderless locomotive whose throttle has been pulled wide open, the federal government is running out of control." [31] This paper will not attempt to address the issue concerning the excessiveness of the federal government. An organized and efficient use of income taxes directly relates to the amount of revenue needed and the existence of a balanced budget.

Another economic indictment against the current tax system is that increased earnings with progressive rates cause "Bracket Creep." Inflation pushes income into higher marginal tax rates making the overall effect of "Bracket Creep" worse. Millions of Americans face high marginal tax rates that were intended for those with much higher incomes. The Treasury Department reported that in 1965 a family of four earning a median income had a tax rate of 17% which increased to 24% in 1980. For families with twice the median income the rate almost doubled from 22% to 43%. This increase was due to the progressive rate structure and inflation. "Bracket Creep" is leaving many families with less real purchasing power after taxes.[32]

For the last 20 years, each time family income rose by 10%, government receipts increased approximately 15%.[33] High marginal tax rates affect people's incentive to produce additional earnings. It impacts upon the worker's decision to work overtime or to go play tennis. The higher the marginal rate, the cheaper the price of leisure. High rates reduce capital formation and economic growth.[34] Professor Authur Laffer illustrates the relation between taxes and incentives with "Laffer Curve." He restates the concept of diminishing returns. "At some point, additional taxes so discourage the activity being taxed, such as working or investing, that they yield less revenue rather than more. There are two rates that yield the same amount of revenue: high taxes on low production; or low taxes on high production. . . . There is, however, at any one time, some rate that allows the government maximum revenue and yet does not discourage maximum production." [35] Congressman Jack Kemp in his book entitled, *An American Renaissance,* gave the following illustration: "Consider the baker who is taxed 20% on the first loaf of bread, 40% on the second loaf, 60% on the third, 80% on the fourth, and 100% on the fifth and who can produce only one loaf per day. His objective would be to increase his output and increase his income. His rewards for pushing forward on the frontiers of baking technology are reduced again and again for each additional loaf he bakes. When he is at the level of four loaves—or at the margin, the 100% tax rate—all incentive to increase his baking productivity ends because if the baker were to produce a fifth loaf of bread, it would be taxed entirely away." [36]

A fourth economic indictment against the present tax system is that loopholes and tax shelters are allowing many Americans to avoid their fair share of the tax burden. Since 1979, there has been a rapid increase in the number of tax preferences and in their revenue loss. According to the Joint Committee on Taxation and the Congressional Budget Office, there were 104 tax preferences in effect in the fiscal year 1982. These preferences caused the tax base to shrink to less than one-half of the 1982 national income. In 1981, these 104 preferences cost $229 billion in lost revenue.[37] According to the IRS publication, *Statistics of Income for 1981,* the category of itemized deduction alone reduced adjusted gross income by 24% that year or by $254.4 billion. Interest expense was the single largest itemized deduction claimed in 1981 amounting to $108.7 billion.[38] Senator Bill Bradley of New Jersey gave an example of the largest syndicated tax shelters in history. He included it in his book entitled, *The Fair Tax,* Chapter 3 appropriately subtitled, "True Tales of Amazing Tax Shelters." The example follows: "The largest syndicated tax shelters in history allows the partners to purchase 45,000 old billboards for $485 million and depreciate them over the 15-year write-off period for real estate. When the billboards are sold, they will generate a long-term capital gain taxed at preferential rates. Each investor must put up $150,000, so this shelter is only available to the big hitters. However, each was promised net tax benefits over a six-year period worth $181,950; that is the tax benefits exceeded the original investment. It this what the President meant by supply-side economics? Obviously not. No economic growth results from simple reshuffling the ownership of 45,000 existing billboards." [39] With this example it is easy to see how families who reported income in 1981 of more than $1 million paid an effective rate of only 17.7% through the use of tax shelters.[40]

In order to manipulate transactions to avoid tax, some keen minds had to connive the schemes. Out of the aproximate 46,000 active tax professionals needed to interpret the complex tax law, several thousand specialize in tax shelters.[41] Think of the talent and time expended in this tax shelter industry. It is sad to admit but our income tax system has created an industry devoted to the inefficient use of investment of capital. Our tax system encourages people to lose money for tax purposes and it encourages special interests to lobby for more and more selective relief.

To better understand the existence of tax preferences, we must recall the squeeze of inflation and the pain of high tax rates. Many groups have lobbied for selective relief before their selected representatives. The most powerful and influential got an exclusion, deduction, or credit to suit their special interest.[42] Legislators keep succumbing to the pressures of the lobbyists who keep repeating the "little ditty" made famous by Senator Russell Long of Louisiana; "Don't tax you, don't tax me, tax that fellow behind the tree." [43] President Reagan even abandoned his "clean bill" principles to join the crowd supporting special interests before the passage of the Economic Recovery Tax Act of 1981. A New York Times editorial said; "Greed and politics are running wild on Capitol Hill, and the Nation's great economic difficulties, which were supposed to be the object of budget and tax reductions, are recklessly ignored." [44] Once again the well-being and prosperity of the nation lost out to the flawed logic of special interest groups. When will the legislators stop playing Santa Claus to influential lobbyists?

Evidenced by a newspaper article as recent as June 7, 1986, the Senate Finance Committee still insists on playing Santa Claus. The Greensboro News and Record article stated the Committee was proposing to give away more than 170 "toys" to special interest beneficiaries, such as "cellular telephones," "strawberry square," and "Chanel." Senator Howard Metzenbaum of Ohio said, "There is blatant concealment in this bill. . . . We're still trying to find all the special provisions that are hidden in those 2,847 pages." Senator Metzenbaum listed 16 specific provisions that warranted further study. What about the remaining 154 special interest provisions?" [45] Another article, one week later in the same newspaper, gave some specifics on one of the loopholes that had been proposed by the Senate. Unocal of Los Angeles was to forego paying up to $50 million of federal taxes because they had incurred a $4.4 billion debt fighting off an attempted takeover. This loophole was killed by Senator Metzenbaum's amendment but what about the remaining loopholes? [46] The whole legislative process seems to "degenerate into a scramble to see who can get the largest slices of a shrinking pie." Nobody wins in this sport of mutual plunder. Real economic expansion through fair and simple tax reform is the surest remedy for this divisive sport.[47]

Taking into consideration the high tax rates of our progressive structure, the high level of inflation, and the large number of unfair tax preferences, is it any surprise that the underground economy in the United States is growing so rapidly? A fifth indictment against the present tax system is that it encourages tax evasion. "Sheep may stand still while they are sheared, but taxpayers do not."[48] An estimated 25 million working Americans engage in both legal and illegal activities to hide all or a portion of their income from taxation. The magnitude of this problem is described by Sylvia Porter in the following manner: "A veiled economy more vast in scope than most of the individual economies of most other countries on this globe lies underneath the in-the-open economy in which tens of millions of us in the United States live. An immense proportion of all the transactions that occur in our country take place in this underground—but they are untraced in any fashion, thus uncounted, unreported and most significant, untaxed. You yourself may well be a part of it, without even being aware that you are." [49] The Internal Revenue Service estimated the 1981 loss of revenue from legal activities to be $74.7 billion. In addition, the Internal Revenue Service estimated a $9 billion tax evasion from illegal activities such as drug traffic and prostitution.[50] Some experts think the legal and illegal sources of income that do not appear in the Gross National Product is much higher than these Internal Revenue estimates. Some analysts claim that unreported income in the United States is close to a trillion dollars. For every four dollars of legal income reported, there is another one hidden from view.[51]

Why is tax cheating so prevalent? People are very dissatisfied with unfair loopholes that favor special interest, poor fiscal policies that contribute to inflation, steep graduated rates that cause "Bracket Creep" during inflationary times, government waste, and the unresponsiveness of the tax legislators to the national interest.[52] The cure for these ills is not cheating. The solution is a complete overhaul of the federal income tax system. This would not only boost the Gross National Product but remove some of the incentives to join the underground economy. Less participation in the underground economy would increase the tax base already riddled with unfair, excessive loopholes, and reduce the burden on taxpayers.

A sixth economic indictment against the current system of taxation is the disincentives and distortions it causes on saving, investing, working, and prices. High marginal tax rates discourage every productive activity. The incentives to take a risk, accept added responsibilities, and expand our Gross National Product, are dulled when a big hunk of the prize goes to somebody else.[53] "When individuals bear the full cost of their actions and are able to reap fully the gains that occur from their activities, they use resources wisely. When I bear the full cost of food, clothing, telephone service, recreation facilities and thousands of other items, you can be reasonably sure that I will conserve on my use of these items. I will not consume them unless I value the services that they provide more than the cost of the provision. Similarly, when I am able to reap the full benefits of my productive activities, you can be sure that I will undertake even unpleasant tasks when the benefits (usually personal income) exceed the costs. When individuals bear the full cost and reap the full benefits, they will use resources in a wealth-creating manner. They will engage in positive-sum economic activity. . . . Problems arise when a sizeable share of the benefits or costs emanating from economic activity accrues to nonparticipating parties. High marginal tax rates make it possible for individuals to enjoy tax deductible items at a fraction of their cost to our economy. . . . However, deductibility does not reduce the cost *to society* of the valuable resources used to produce these commodities." [54] The marketplace is far more efficient in allocating resources and setting prices than the Internal Revenue Code. The present system makes us less competitive in the world economy and prevents us from reaching our economic potential as a nation. A tax deduction is of little benefit if there is no income to subtract it from.[55]

The tax laws interfere with business decisions in an unwise, haphazard way. High marginal tax rates make consumption cheap and encourage debt instead of equity. This causes saving to decline and in turn reduces investment which is the foundation for future growth.[56] This disincentive is aggravated by inflation which pushes people into higher marginal tax brackets even though their real pre-tax income does not change.[57] Tax policy distorts income during real economic growth and inflationary periods causing consumption to become cheaper and saving more expensive.[58] "The current tax code distorts investment decisions so that economically desirable investments often appear less attractive than those where tax incentives inflate profitability. Section after section tells new investors what lines of business to enter, tells existing corporations how to go about their work, and puts a heavy tax on the profits of successful and productive corporations. The whole system makes no economic sense." [59] To improve incentives and reduce investment distortions, a tax system is needed with a much broader base that permits a low tax rate.

The second main dimension to the inefficiency of the current tax system is the complexity of the Internal Revenue Code. The legal complexity makes comprehension, compliance, and administration difficult. Transactional complexity encourages individuals and businesses to engage in complicated maneuvers to avoid taxes.[60] The lack of simplicity makes the uniform application of the tax laws difficult to achieve. It also imposes a high cost of taxation.

"It was a bizarre trial, a tax protest case. The defense lawyer didn't have a chance, but his closing argument was a humdinger. It went like this: The lawyer hefted the Internal Revenue Code and leaned on the jury box. 'I wish this book could talk,' he said plaintively. 'I wish this book could talk because it would crawl over this rail, it would crawl up into your laps, it would look up at you and it would cry, 'Nobody understands me.' "

The above segment was taken from a May 13, 1983 *Wall Street Journal* article by Caryl Conner, who was a speechwriter in the Carter White House. In her article entitled "Offering Incentives to Tax Evaders," she realizes the essential function of the Internal Revenue Code is to raise revenue but it creates tax evasion by its complexity and "revenue hemorrhage." She is critical of the Code's ambiguity, chaos, loopholes, social engineering, and unenforceability.[61] Let's not take Ms. Conner's word for it, let's go right to the source—Section 1302. "Definitions of Averageable Income; Related Definitions" states:

(a) Average Income.—

(1) In general.—For purposes of this part, the term "averageable income" means the amount by which income for the computation year (reduced as provided in paragraph 2) exceed 120% of average base period income.

(2) Reduction.—The taxable income for the computation year shall be reduced by—

(A) The amount (if any) to which section 72(m)(5) applies; and

(B) The amounts included in the income of a beneficiary of a trust under section 667(a).

(b) Average Base Period Income.—For purposes of this part—

(1) In general.—The term "average base period income" means one-fourth of the sum of the base period incomes for the base period.

It is surprising less than one-third of those eligible to reduce their tax computation by income averaging actually do so? [62] In short, Section 1301 means that if a person has a lot more income in 1984 than he (she) had in the past four years, then income averaging may lower the tax amount. Phrases such as "averageable income" and "base period income" are contained in this Code Section. The word "income" is also used. Nowhere in the two thousand pages of the Internal Revenue Code is the word "income" defined. Since tax is imposed on "income," it would be logical to expect a definition in the beginning of the Code. Congress threw darts all around the bullseye with definitions of "gross income," "adjusted gross income," "taxable income," "earned income," "unearned income," "ordinary income," "averageable income" and others.[63]

Tax law terminology is difficult to understand but the problem is aggravated by the use of such long sentences. A sentence in Section 170(b)(i)(A) contains 379 words; another sentence in Section 7701(a)(19) has 506 words. The Connecticut statute forbids the use of sentences longer than an average of 22 words and no sentence can be longer than 50 words.[64] To comprehend the exact meaning of some of these long Code sentences, the reader would need to construct flow charts. What kind of grade would the English high school teacher of those tax legislators give her ex-students on clarity and sentence structure?

The application of tax law is not uniform. In an attempt to understand and fairly apply the more than 2,000 pages of basic tax law, there are about 10,000 pages of tax regulations and thousands of pages of interpretations and judicial opinions.[65] Even with all this research material available, most taxpayers do not understand the tax laws. Judges do not interpret the laws uniformly. Consider the two separate cases of a Minnesota state trooper and a New Hampshire state trooper. The argument was that since the state was his employer, all the highways were the "premises" of his employer. Since he was required to eat at restaurants on the highway, the meals were "furnished for the employer's convenience on his premises." The Minnesota state trooper won the court case. Unfortunately, the state trooper in New Hampshire fared worse. The court there stated that it did not go along with this "metaphysical concept" concerning the state's territory being the "premises" of the employer. The court further stated that the meals must be "furnished in kind." With the same facts, the different states had two different rulings.[66]

Former Commissioner of the Internal Revenue Service, Jerome Kurtz, stated the Service was aware of 3.8 million taxpayers who underreported their 1979 income but an astonishing 2 million overstated their income. In addition to the confusing, verbose language of the Code, the taxpayer has to contend with complicated, lengthy forms. People turn to commercial tax preparers, IRS employees, and certified public accountants for help. Facing up to the complexity of the Code, it is understandable that these assistors and preparers do not always get the right tax amounts. Certified Public Accountants have the best record for accuracy but they are a very expensive source of help. In 1981, about 41% of all filers had their returns prepared by tax professionals with a price tag of over $1 billion.[67] To obtain a true picture of the cost of taxation, the time spent collecting and recording data must be considered as well as the time spent filling out the various forms. Taxpayers must also fund the operations of the Internal Revenue Service. Its budget grew from about $2 billion in 1978 to approximately $3 billion for 1983. Lumping all these direct and indirect costs together, taxpayers bear between $9 and $10 billion for preparing and verifying their taxes, above what they pay in income taxes.[68]

The tax laws are complex and ambiguous. They need to be reformed to impose a low flat rate on a much broader base. The laws could be simple if there were no exceptions.

The third dimension to the inefficiency of the present tax system is the negative impact upon human intangibles. In some way, all the previously discussed indictments have a stifling effect upon those precious intangibles. When disincentives and dissatisfaction are high, morale and initiative are low. This puts a damper on human ingenuity which is one of the greatest sources of improved productivity. History has proven reward, not deprivation, to be the best method for motivating people to be aspiring, risk-taking, and enterprising. Congressman Jack Kemp, in his book entitled An American Renaissance, summarizes the way our current tax system operates. Human ingenuity "isn't just amazing inventors like Edison or dramatic managerial innovators like Henry Ford. Improvements in efficiency spring from millions of creative workers, supervisors, and managers whose intimate knowledge of their tasks leads to new methods of improving products or saving costs. From this vast pool of dispersed knowledge, a market economy draws people who gamble that they have a better idea about how to provide more or better goods with fewer or cheaper resources. But they won't take those risks unless they will be rewarded if they succeed. By continually removing the incentives which reward achievement, we have created a system which taxes the imagination, ingenuity, and enterprise of the American people.[69]

The last dimension to the inefficiency of the present system of taxation is administrative difficulty. The economic barriers, excess burdens, unfair rules and repressed intangibles pose problems in collection and enforcement. Complexity, combined with inflation and high marginal rates, encourage tax avoidance and evasion. These factors increase the administrative burdens. The Internal Revenue Service employed about 85,000 people in 1983, which was about the same number as in 1979. During this same period, returns being audited because of tax shelter issues increased from 183,000 to 335,000.[70] The proportion of returns examined in 1984 was only 1.3%.[71] Administrative expenditures of the Internal Revenue Service dropped from 0.54% of revenue collected in 1975 to 0.41% in 1981 before reaching 0.48% in 1984. Over this same period, the ratio of IRS employees to total returns filed declined by 19%.[72] With taxpayers devoting more time and resources in avoidance techniques, administrative costs must increase to ensure proper compliance.

An income tax reform removing special deductions, credits and allowances would simplify enforcement. Compliance costs could be utilized more effectively if the tax system had a broad base with a low flat rate. Internal Revenue Service could concentrate on unreported income without being bogged down with verifying a proliferation of credits, exclusions, allowances and deductions. With understandable rules and low rates, a sense of fairness would be present that would foster voluntary compliance.

Having reviewed the numerous inefficiencies of the American income tax system, it is refreshing to present some workable recommendations for sound tax reform. The simplification proposals set forth in this paper will suggest fundamental changes to tax laws, forms, and procedures for the individual and corporation income taxes.

Tax legislators, accountants, administrators, most other taxpayers, and even some of the guilty tax evaders want tax reform. They just can not seem to agree on how to reform the tax laws. Some people have even developed a strong dislike for the phrase "tax reform." They cannot help but recall the numerous changes made in prior years that started out as tax simplification measures but resulted in another lost battle for efficiency and fairness.

An Internal Revenue employee shared her astonishment at the size of one estate tax return that was about two inches thick, complete with index tabs. The next day she realized that estate return was not so long compared to other tax returns that were filed in the Greensboro District of the Internal Revenue Service. Tax returns had been received that individually filled the contents of a cardboard box one foot deep. It is time to raise the confidence of all taxpayers in the income tax system. True tax reform without loopholes, steep rates, and complicated rules is urgently needed.

How could true federal income tax reform be achieved? The basic steps to true reform follow:

a. Abolish loopholes
b. Broaden the tax base
c. Change to a low, flat rate
d. Deduct a personal allowance
e. Exempt an amount for each dependent
f. File simplified forms 1040 and 1120

What are the goals of sound tax policy? After implementation of the above tax simplification, the following would result:

a. Administrative ease
b. Boosted intangibles
c. Conserved resources
d. Dynamic economy
e. Efficiency
f. Fairness

To achieve these goals for individual income taxes, the following tax law changes are recommended:

1. Repeal all individual adjustments to income, exclusions, deductions, and credits (except withholding and excess FICA credits). Depreciation would be allowed at a rate that provides an adequate cushion for inflation but would not favor one asset over another.

2. Include employee compensation, such as wages, salaries, tips, pensions, bonuses, prizes, fringe benefits, workman compensation and the market value of non-cash items.

3. Exclude employee reimbursements for business expenses and employer provided medical benefits.

4. Include income (loss) from business activities and any other income sources.

5. Allow a personal allowance of $6,000.00 for married taxpayers; $4,500.00 for head of household status, and $3,000.00 for single status.

6. Allow dependent allowances of $1,000.00 each.

7. Apply a low, flat rate against taxable income.

8. File on simplified form 1040.

9. Require residential leasor information. (Space is provided on form 1040)

10. Require withholding at the source whenever possible.

The individual income tax return, form 1040, would be used primarily to report employee compensation, dividends, interest, capital gains (losses), and the net income (loss) from sole proprietorships, partnerships, and small business corporations. Rents, royalties, and other sources of individual income would be included on form 1040. The personal and dependent allowances would provide a floor so that the poorer families would pay little or no income tax. After combining all sources of income and subtracting the allowance(s), taxable income would remain. If the amount was positive, then the flat rate would be applied to arrive at a total income tax.[73]

The goals previously listed could be achieved by implementing the following major revisions to the corporate income tax structure:

1. Gross revenue would be reduced by ordinary and necessary business expenses provided such items were included in receipts.
2. Business expenses would include the cost of purchases of goods and services used for business purposes during the tax year.
3. Dividends paid to shareholders and reported on their returns would be excluded on the corporate return. Federal income tax would be withheld on dividends which would be reflected on the 1099-DIV forms sent to shareholders.
4. Depreciation and amortization would be allowed at a rate that provides an adequate cushion for inflation but would not favor one asset over another.
5. Exemptions and exclusions, such as the capital gain exclusion, would no longer be allowed.
6. Tax credits would be repealed. This includes investment tax credit, jobs credit, research and development credit, and business energy credit.
7. Tax would be computed on the simplified form 1120 using the same low, flat rate assessed on the individual income tax return.
8. If negative income resulted, the loss would be carried forward and interest income allowed. There would be no limit to the amount of the loss of the number of years carried forward.[74]

The underlying foundation for income tax reform for individual and corporate incomes is a much broader base with a low flat rate. The most unfair aspect of our current system is the large array of complicated loopholes that haphazardly and uneconomically grant selective relief. A wise economist commented several years ago, "Taxpayers using loopholes are a lot like a crowd of people standing tip-toed watching a parade. They are all very uncomfortable on their toes, but no one can stand flat on his feet because he would lose his view. Yet, if they all could agree to get off their toes together, they all would see just as well, and they would feel much better too."[75] Loopholes must be abolished in order to restore a sense of fairness and to encourage economic growth.

The flat rate income tax system would be fined tuned for maximum efficiency. The lowest possible rate would be applied against a broad tax base to provide sufficient revenue to fund the fiscal budget. (A temporary source of revenue to pay off the accumulated deficits will be discussed later.) A low flat rate of 10% on a very broad base has been proposed by Senator Jesse Helms.[76] Robert Hall and Alvin Rabushka first published in the Wall Street Journal their proposal for a flat tax that closely fits the consumption tax concept.[77] They are confident that a low, flat rate of 19% on individual and corporate incomes would generate more revenue than the current system and would, thus, take less time to balance the federal budget. The recommendations outlined in this paper conform to the rules of comprehensive income taxation instead of consumption taxation. The flat rate would be lower than 19% because the base would be broader. The flat rate could hoover around 10% and generate sufficient revenue to fund an efficient federal government operation.

To clean up some of the results of poor fiscal housekeeping, the flat rate could be increased. But to interfere as little as possible with saving, investing, and working decisions, a temporary source of revenue could be implemented. A national retail sales tax on nonessential, luxury goods could supplement the income taxes collected. These funds would be earmarked for paying off the accumulated deficits. Implementation would be faster and more efficient if the states were used as administrative agents. The rates should be set high enough to cover existing state retail sales taxes. This supplemental tax system could be a powerful tool to wipe out the accumulated deficits. The importance of previously discussed problems, such as reduced investments, economic distortions, and high interest rates have serious repercussions on the entire nation. Whether these deficits are funded by a slightly higher flat tax or a national retail sales tax is not as important a decision as the need to pay them off.

With simplier and fairer laws, the costs that taxpayers bear to prepare, verify, and pay their income taxes would be greatly reduced. The removal of loopholes and the expansion of the tax base would also reduce administrative costs. A low, flat tax would restore a sense of fairness that would make administration much easier. It would improve the integrity of the administrators which is the heart of voluntary compliance.

One of the key concepts to efficient tax administration is withholding at the source. Wages, pension, interest, dividends, etc., would be subject to the low flat rate. Using a withholding chart, the payer would retain and remit the income tax to the Internal Revenue Service via the quarterly employment tax return (form 941). The recipient would be issued an information document such as W-2 or 1099 showing the total income and withholdings. If the recipients had only wage and salary income, it could be possible that they would have the corret amount remitted to IRS and would not have to file a 1040 form. They would, however, be required to claim the correct filing status and number of dependents on their withholding certification (form W-4). This form would be updated annually and could require copies of birth certificates for each dependent. Annual wage statements, forms W-2, would still be issued.

Former IRS Commissioner Mortimer Chaplin estimated the following percentages of income types go unreported:

1. 35-50% of royalty and rental income.
2. 20-40% of all self-employed income.
3. 17-22% of capital gains.
4. 8-16% of dividend and interest income.[78]

The flat tax proposals would help compliance in the last category by requiring withholding at the source. Payers of royalty income would also be required to withhold at the source. Payers of residential rental income would submit an information from stating the amount and recipient of the rental income. Individual payers would be provided space on their form 1040 to give this information. A large amount of capital gain income results from real estate and stock transactions. Consideration could be given to the collection at the local government level for the income tax on real estate sales at the time the deeds are recorded. The seller could present documentation of the basis. It could be compared to the sales price to obtain the withholding amount for income taxes. When corporations sell stock, they could also compare the basis to the selling price and withhold the appropriate amount of income taxes at the flat rate. Withholding at the source and better utilization of information documents, would improve compliance.

With the repeal of loopholes, IRS would no longer utilize resources to verify a mass of deductions, exclusions, and credits. They could concentrate on sources of unreported income, the proper filing of returns, and the prompt payment of all taxes. With the implementation of the flat tax supplemented by a national retail sales tax on a temporary basis, the folks at IRS would find the laws easier to understand and enforce. Tax simplification would also improve public understanding of the tax laws and boost public confidence. Tax administrators would smile as they noticed the taxpaying public moving toward a model state of voluntary self-assessment.[79]

The proposed tax simplification set forth in this paper would establish a fair and efficient income tax system. A redirection of efforts and capital would produce real growth. A growing, efficient economy would raise national output, stimulate human intangibles, and increase the standard of living. The American dream is not a scramble for a larger piece of a shrinking pie. In the words of Congressman Jack Kemp, "We must have economic growth . . ., which means we must press ahead to gain the necessary tax . . . reforms that will permit growth. We want to excite the elusive but vital qualities of human ingenuity and effort. Qualities important not only to an economy increasingly dominated by sophisticated services, but to the well-being and happiness of our nation's people. Ingenuity is discovered only through *effort,* and intangible substance which certainly means more, much more, than putting hours. After all some people manage to retire on the job. Effort encompasses such things as a continual eagerness to acquire new knowledge and skills, a willingness to accept new responsibilities, to take the risk of initiating change. *Effort* can only be measured indirectly, by results, and the results are not only measured by personal prosperity but by the enrichment of community life as well."[80]

FOOTNOTES

[1] Robert E. Hall and Alvin Rabushka, *The Flat Tax* (Stanford, Calif.: Hoover Institution Press, Stanford University, 1985), p. 1.

[2] Sidney I. Landau, ed. in chief, *Doubleday Dictionary* (Garden City, N.Y.: Doubleday and Company, Inc., 1975.)

[3] Christopher Conte, *Wall Street Journal,* 8 July 1982.

[4] Hall and Rabushka, *The Flat Tax,* p. 1.

[5] Patricia C. Archeson, *Our Federal Government How It Works,* An Introduction to the United States Government, 4th ed. (New York: Dodd, Mead, 1984), p. 11.

[6] Ibid., p. 17.

[7] Hall and Rabushka, *The Flat Tax,* p. 19.

[8] Senator Bill Bradley, *The Fair Tax* (New York: Pocket Books, 1984), p. 70.

[9] Ibid., p. 71.

[10] Hall and Rabushka, *The Flat Tax,* p. 19.

[11] Ibid., p. 20.

[12] Senator Bill Bradley, *The Fair Tax,* p. 24.

[13] Ibid., p. 74.

[14] Hall and Rabushka, *The Flat Tax,* p. 20.

[15] Senator Bill Bradley, *The Fair Tax,* p. 75.

[16] Ibid., p. 77.

[17] Ibid., p. 78.

[18] Hall and Rabushka, *The Flat Tax,* p. 21.

[19] Senator Bill Bradley, *The Fair Tax,* p. 80.

[20] Dan Brawley, *The Subterranean Economy* (New York: McGraw-Hill, 1982), p. 4.

[21] Hall and Rabushka, *The Flat Tax,* p. 5.

[22] Ibid., P. 21.

[23] "Tax Foundation's Tax," *Features* 30 (March 1986): 2.

[24] Hall and Rabushka, *The Flat Tax,* p. 7.

[25] Ibid., p. 7.

[26] Ibid., p. 8.

[27] Henry J. Aaron and Harvey Galper, *Assessing Tax Reform* (Washington, D.C.: The Brookings Institution, 1985), p. 7.

[28] John W., Ellwood, "Balancing the Federal Budget and Limiting Federal Spending: Constitutional and Statutory Approaches," September 1982. Congress of the U.S. Congressional Budget Office, Washington, D.C., p. 9.

[29] Aaron and Galper, *Assessing Tax Reform, p. 8.*

[30] Ibid., p. 8.

[31] Donald Lambro, *Fat City: How Washington Wastes Your Taxes* (South Bend, Ind., 1980), p. xv.

[32] Hall and Rabushka, *The Flat Tax*, p. 23.

[33] Jack Kemp, *An American Renaissance: A Strategy for the 1980's* (New York: Harper & Row, 1979), p. 100.

[34] *Fairness and the Reagan Tax Cuts.* Hearing before the Point Economic Committee Congress of the U.S. 98th Congress Second Session, 12 June 1984 (Washington, D.C.: U.S. Government Printing Office, 1984), p. 8.

[35] Kemp, *An American Renaissance: A Strategy for the 1980's*, p. 50.

[36] Ibid., P. 52.

[37] Bradley, *The Fair Tax*, p. 87.

[38] Hall and Rabushka, *The Flat Tax*, p. 25.

[39] Bradley, *The Fair Tax*, p. 39.

[40] Ibid., p. 12.

[41] Ibid., p. 26.

[42] Ibid., p. 49.

[43] Ibid., p. 56.

[44] Ibid., p. 58.

[45] *Greensboro News and Record*, 7 June 1986, Washington AP.

[46] *Greensboro News and Record*, 14 June 1986, Washington AP.

[47] Kemp, *An American Renaissance: A Strategy for the 1980's*, p. 79.

[48] *Fairness and Reagan Tax Cuts*, p. 52.

[49] Jerome Tuccille, *Inside the Underground Economy* (New York: Signet, 1982), p. 68.

[50] Joseph A. Pechman, ed., *Options for Tax Reform* (Washington, D.C.: The Brookings Institution, 1984), p. 21.

[51] Tuccille, *Inside the Underground Economy*, p. 69.

[52] Pechman, *Options for Tax Reform*, p. 21.

[53] Bradley, *The Fair Tax*, p. 48.

[54] *Fairness and the Reagan Tax Cuts*, p. 54.

[55] Bradley, *The Fair Tax*, p. 51.

[56] *Fairness and the Reagan Tax Cuts*, p. 6.

[57] Ibid., p. 10.

[58] Ibid., p. 7.

[59] Ibid., p. 35.

[60] Aaron and Galper, *Assessing Tax Reform*, p. 42.

[61] Caryl Conner, "Offering Incentives to Tax Evaders," *Wall Street Journal*, 13 May 1983.

[62] Bradley, *The Fair Tax*, p. 19.

[63] Michael Savage, *Everything You Always Wanted to Know About Taxes But Didn't Know How to Ask* (New York: Dial Press, 1982), p. 3.

[64] Brawly, *The Subterranean Economy*, p. 42.

[65] Bradley, *The Fair Tax*, p. 18.

[66] Savage, *Everything You Always Wanted to Know About Taxes But Didn't Know How to Ask*, p. 34.

[67] Bradley, *The Fair Tax*, p. 26.

[68] Robert E. Hall and Alvin Rabushka, *Low Tax, Simple Tax, Flat Tax* (New York: McGraw-Hill, 1983), p. 6.

[69] Kemp, *An American Renaissance: A Strategy for the 1980's*, p. 54.

[70] Internal Revenue Service, *Annual Report of the Commissioner and Chief Counsel of the Internal Revenue Service*, 1980, p. 27; 1983, p. 11; 1984.

[71] Ibid., 1984, Table 7.

[72] Ibid., 1984, Tables 6 and 22.

[73] Archeson, *Our Federal Government How It Works, An Introduction to the United States Government*, p. 35.

[74] Ibid., p. 122.

[75] Bradley, *The Fair Tax*, p. 102.

[76] Pechman, *Options for Tax Reform*, p. 30.

[77] Hall and Rabushka, *Low Tax, Simple Tax, Flat Tax*, p. 19.

[78] Robert Buechner, *Prosper Through Tax Planning* (New York: Coward-McCann, 1983). p. 1.

[79] Brawly, *The Subterranean Economy*, p. 27.

[80] Kemp, *An American Renaissance: A Strategy for the 1980's*, p. 194.

BIBLIOGRAPHY

Aaron, Henry J., and Galper, Harvey. *Assessing Tax Reform.* Washington, D.C.: The Brookings Institution, 1985.

Archeson, Patricia C. *Our Federal Government: How It Works, An Introduction to the United States Government.* 4th ed. New York: Dodd, Mead, 1984.

Bowskey, Charles A., Comptroller General. *An Analysis of Fiscal and Monetary Policies.*, Washington, D.C.: U.S. Government Accounting Office, August 31, 1982.

Boskin, Michael J., ed. *Federal Tax Reform: Myths and Realities.* San Francisco, Calif.: Institute for Contemporary Studies, 1978.

Bradley, Senator Bill. *The Fair Tax.* New York: Pocket Books, 1984.

Brawly, Dan. *The Subterranean Economy.* New York: McGraw-Hill, 1982.

Break, George F. *Financing Government in a Federal System: Studies of Government Finance.* Washington, D.C.: The Brookings Institution, 1980.

Buechner, Robert. *Prosper Through Tax Planning.* New York: Coward-McCann, 1983.

Cullinan, Paul. *The Combined Effects of Major Changes in Federal Taxes and Spending Programs Since 1981.* Staff Memorandum, April 1984.

Conner, Caryl. "Offering Incentives to Tax Evaders." *Wall Street Journal*, 13 May 1983.

Conte, Christopher. *Wall Street Journal*, 8 July 1982.

Dworak, Robert J. *Taxpayers, Taxes, and Government Spending: Perspectives on the TP Revolt.* Praeger Publishers, 1980.

Ellwood, John W. *Balancing the Federal Budget and Limiting Federal Spending: Constitutional and Statutory Approaches.* Washington, D.C.: Congress of the United States, Congressional Budget Office, September 1982.

Fairness and the Reagan Tax Cuts. Hearing before the Point Economic Committee, Congress of the United States 98th Congress Second Session. Washington, D.C.: Government Printing Office, 1984.

Friedman, Milton. *Tax Limitation, Inflation and the Role of Government.* Dallas, Texas: The Fisher Institute, 1978.

Greensboro News and Record. Washington AP. Greensboro, N.C., June 7 and June 14, 1986.

Hall, Robert E., and Rabushka, Alvin. *Low Tax, Simple Tax, Flat Tax.* New York: McGraw-Hill, 1983.

Hall, Robert E., and Rabushka, Alvin. *The Flat Tax.* Stanford, Calif.: Hoover Institute Press, Stanford University, 1985.

Internal Revenue Service. *Annual Report of the Commissioner and Chief Counsel of the Internal Revenue Service, 1980, 1983, 1984.*

Kemp, Jack. *An American Renaissance: A Strategy for the 1980's.* New York: Harper & Row, 1979.

Lambro, Donald. *Fat City: How Washington Wastes Your Taxes.* South Bend, Ind.: Regnery/Gateway, Inc., 1980.

Landau, Sidney, I., ed. in chief. *Doubleday Dictionary.* Garden City, N.Y.: Doubleday, 1975.

Levitan, Sar A., and Werneke, Diane. *Productivity: Problems, Prospects, and Policies.* Baltimore and London: Johns Hopkins University Press, 1984.

McClure, Charles E., Jr. *Must Corporate Income Be Taxed Twice?* Washington, D.C.: The Brookings Institution, 1979.

National House Democratic Caucus. "Renewing America's Promise: A Democratic Blueprint for Our Nation's Future," January 1984.

Pechman, Joseph A., ed. *What Should Be Taxed: Income or Expenditure?* Washington, D.C.: The Brookings Institution, 1980.

Pechman, Joseph A., ed. *Options for Tax Reform.* Washington, D.C.: The Brookings Institution, 1984.

Publication 79, 1982 Statistics of Income: Individual Income Tax Returns. Washington, D.C.: U.S. Government Printing Office, 1982.

Savage, Michael. *Everything You Always Wanted to Know About Taxes But Didn't Know How to Ask.* New York: Dial Press, 1982.

Statistical Abstract of the United States. 105th ed. Washington, D.C.: U.S. Department of Commerce, Bureau of Census, 1985.

Strengthening the Federal Revenue System: Implications for State and Local Taxing and Borrowing. Washington, D.C.: Advisory Commission on Intergovernmental Relations, 1984.

"Tax Foundation's Tax." *Features* 30 (March 1986): 2.

Tuccille, Jerome. *Inside the Underground Economy.* New York: Signet, 1982.

By Mr. STEVENS:

S. 1578. A bill to amend chapter 83 of title 5, United States Code, to provide civil service retirement credit for service performed under the Railroad Retirement Act, and for other purposes; to the Committee on Governmental Affairs.

RAILROAD SERVICE RETIREMENT CREDIT ACT

Mr. STEVENS. Mr. President, the legislation I am introducing today would provide retirement credit under the Civil Service Retirement System [CSRS] for certain Federal employees with Railroad Retirement Act service.

Since 1911, the Federal Government has employed a small number of individuals recruited from the railroad industry to implement Government rail transportation programs. These experts, all highly knowledgeable in the construction, maintenance, and operation of railroads, have been employed in five agencies of the Federal Government—the Interstate Commerce Commission [ICC], the Federal Railroad Administration [FRA], the National Transportation Safety Board [NTSB], the National Mediation Board [NMB], and the Railroad Retirement Board [RRB]. In addition, the Alaska Railroad, formerly a part of the FRA, employs individuals who have Railroad Retirement Act service.

In creating these agencies, Congress authorized the employment of these experts to promote safe rail transportation. Within the Federal Government there is now a small group of 460 employees in these agencies.

Unfortunately, those who have pursued this dual career face a serious disadvantage at retirement. During their years of railroad service, these employees contributed to and are vested in the railroad retirement system. When they were recruited into the Federal Government, however, they also contributed to and became vested in the Civil Service Retirement System. Unfortunately, Mr. President, the combined annuity for these employees from railroad retirement and civil service retirement is significantly less than if all the service had been covered continuously under either one of the two systems. In other words, the railroad worker is penalized for moving to the civil service.

Mr. President, as pointed out by Senator Mathias with whom I cosponsored this legislation last year, this is an anomalous situation affecting a finite number of Federal employees. Just as railroad retirement is portable between railroad jobs, and civil service retirement portable between civil service jobs, railroad retirement should be portable to the civil service in this particular situation. The recruitment of qualified employees for the Federal Government is difficult enough without maintaining such counterproductive barriers to movement between the various sectors of our economy.

This legislation would allow these Federal employees, including 62 current employees of the Alaska Railroad, to deposit into the Civil Service Retirement Fund the difference between what they contributed under the Railroad Retirement Act and what they would have contributed to the Fund if they had been subject to the Civil Service Retirement System during those years of railroad service and receive one retirement from the Civil Service Retirement System.

This is a straightforward solution to what, in my judgment, is a inequitable situation for a small number of Federal employees. It is not offered without precedent. Just last year, for instance, we provided Civil Service Retirement System credit for three similarly situated groups: certain employees of DOD nonappropriated fund instrumentalities; Federal employees with pre-1969 National Guard technician service; and cadet nurses who served during World War II.

Mr. President, I ask unanimous consent that the text of my bill be included in the RECORD following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1578

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Railroad Service Retirement Credit Act of 1987".

SEC. 2. SERVICE CREDIT COMPUTATION.

Subsection (b) of section 8332 of title 5, United States Code, is amended—

(A) by striking out "and" at the end of paragraph (15);

(B) by striking out the period at the end of paragraph (16) and inserting in lieu thereof "; and"; and

(C) by inserting after paragraph (16) the following new paragraph:

"(17) in the case of any individual who first becomes an employee of the Department of Transportation, the Interstate Commerce Commission, the National Mediation Board, the National Transportation Safety Board, or the Railroad Retirement Board on or before December 31, 1983, service performed on or after December 31, 1935, as an employee subject to the provisions of the Railroad Retirement Act of 1935, the Railroad Retirement Act of 1937, or the Railroad Retirement Act of 1974 (45 U.S.C. 231 et seq.), if such employee—

"(A) acquires 5 years or more of creditable civilian service (other than service performed on or after December 31, 1935, as an employee subject to the provisions of such Railroad Retirement Acts); and

"(B) makes a deposit to the Fund in an amount equal to the excess of the amount which would be required under section 8334(c) of this title, but for section 8334(g)(7) of this title, over the total amount contributed by such employee under such Railroad Retirement Acts.".

SEC. 3. DEPOSITS.

Section 8334(g) of title 5, United States Code, is amended—

(1) by striking out "or" at the end of paragraph (5);

(2) by striking out the period at the end of paragraph (6) and inserting in lieu thereof "; or"; and

(3) by adding at the end thereof the following new paragraph:

"(7) service creditable under paragraph (17) of section 8332(b) of this title, except to the extent provided in subparagraph (B) of such paragraph.".

SEC. 4. INELIGIBILITY FOR ANNUITY UNDER RAILROAD RETIREMENT ACT OF 1974.

Section 2 of the Railroad Retirement Act of 1974 (45 U.S.C. 231a) is amended by adding at the end the following new subsection:

"(i) An individual who is entitled to an annuity under subchapter III of chapter 83 of title 5, United States Code, is not eligible to receive an annuity under this section on the basis of the same service.".

By Mr. KENNEDY (for himself, Mr. DODD, Mr. MATSUNAGA, and Mr. PELL):

S. 1579. A bill to amend the Public Health Service Act to revise and extend the Block Grant Program, and for other purposes; to the Committee on Labor and Human Resources.

REAUTHORIZATION OF PREVENTIVE HEALTH AND HEALTH SERVICES BLOCK GRANTS

● Mr. KENNEDY. Mr. President, I am very pleased to introduce the reauthorization of the Preventive Health Services Block Grant in title XIX of the Public Health Service Act. As the Surgeon General stated in 1979 "improvement in the health status of our citizens will not be made predominantly through the treatment of disease, but rather though its prevention." In many cases the prevention block grant is the only source of funding for States to educate their citizens to prevent the development of disease.

We have already made considerable progress. Heart disease, cancer, stroke, and accidents, which are the leading causes of death and have high mortality rates in this country have declined significantly due to organized efforts on the local level. Since 1970 heart disease deaths have decreased by one-third, and stroke mortality has decreased by almost 50 percent. We must develop our preventive programs and step up our fight against the leading causes of death so that we can achieve our goals of decreased morbidity and the improved health status of our people. Preventive health funds are vital in our communities where programs reach the public directly.

The National Cancer Institute has set forth a strategy to reduce cancer mortality by 50 percent by the year 2000. Half of the progress will come through preventive strategies. Though national efforts and national leadership are essential, real progress will occur only if local programs follow suit. Local health departments must exercise their leadership by promoting health, supporting activities which promote healthy practices and working to arrest the causes of disease.

State and local health departments receive approximately one-third of their budget from the Federal Government. Though the preventive health block grant accounts for a little over 1 percent of these funds, it accounts for 66 percent of expenditures for rape prevention programs, 58 percent for hypertension control programs, and 27 percent for rodent control programs. In some States, the prevention block grant supplies nearly all the funds for these programs.

The statutory mandate requires that funds go to eight different areas, including hypertension, fluoridation, emergency medical services, community based risk reduction, rape counseling, and prevention services, demonstrations of home health services, education services, and planning of comprehensive public health services. The reauthorization I am introducing today would increase the funding for this program from $98 million to $128 million in 1988, with current service increases for 1989 and 1990.

The reauthorization would add chronic disease to the subjects of community risk reduction and prevention activities. It would also require that States present to the Secretary of Health and Human Services the goals and objectives which they intend to accomplish with the new funds.

In 1985 and 1986, the preventive block grants were responsible for the implementation of many vital programs around the country. In Maryland a "Diabetes Hotline" was established. In Iowa, 10 cities and 1 rural water association implemented community water fluoridation. In New Hampshire, there have been two pap smear screenings programs and a program of counseling and community education projects. In Washington State, an automated referral reminder system was designed so that pharmacies could remind customers about renewals of antihypertensive medications. In South Carolina, additional water systems servicing approximately

12,000 people became fluoridated. These are just a few of the varied projects developed this past year which have benefited the citizens of these States.

In the current fiscal year, many States have equally impressive projects. Some of these include: teaching safety techniques for preschool, elementary and junior high school students to decrease sexual assault in Hawaii; creating accessible care for all patients with tuberculosis who require hospitalization in Mississippi; and increasing the number of health departments conducting comprehensive health risk appraisal programs in Ohio. Two other activities this year include a project in Rhode Island for 90,000 school-age children on smoking and alcohol, and risk reduction plans for 700 community agencies, schools, businesses and industries in Connecticut.

It is obvious that preventive block grants provide a valuable service to the community. Without these funds many States would be unable to continue necessary preventive programs or to develop new ones. We have accomplished much. But we cannot be content to stop here. With increased funding for 1988-90, preventive health activities can be expanded to enable States to undertake additional public health projects to improve the health of their citizens.

I urge my colleagues to support the reauthorization of the preventive health and health services block grant.

Mr. President, I have included a longer list of the accomplishments of this program which I would like inserted in the record.

I ask unanimous consent that the list of program accomplishments, and the text of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1579

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AUTHORIZATION OF APPROPRIATIONS.

Section 1901(a) of the Public Health Service Act (42 U.S.C. 300w(a)) is amended—

(1) by striking "and"; and

(2) by inserting before the period at the end thereof the following: ", $128,500,000 for the fiscal year ending September 30, 1988, $133,600,000 for the fiscal year ending September 30, 1989, and $138,900,000 for the fiscal year ending September 30, 1990".

SEC. 2. USE OF ALLOTMENTS.

Section 1904(a)(1)(C) of the Public Health Service Act (42 U.S.C. 300w-3(a)(1)(C)) is amended by inserting before the period at the end thereof the following: ", including programs designed to reduce the incidence of chronic diseases".

SEC. 3. STATE PLANS.

Section 1905 of the Public Health Service Act (42 U.S.C. 300w-4) is amended by adding at the end thereof the following new subsection:

"(e) To receive an increased allotment for fiscal year 1988 under section 1902, a State must—

"(1) prepare a plan that shall—

"(A) detail the manner in which the State will utilize the additional funds received;

"(B) contain a minimum of three and a maximum of five disease prevention areas, from the areas outlined in the Surgeon General's Report on Healthy People, to be benefited with the additional funds; and

"(C) limit the scope of operations and the size of the population to be served with the additional funds to an amount appropriate under the circumstances;

"(2) submit the plan prepared under paragraph (1) to the Secretary; and

"(3) monitor the progress of the State in meeting the objectives set forth in the plan submitted under paragraph (2).".

PROGRAM ACCOMPLISHMENTS

Mr. President, I would like to introduce for the record, this list of very fine accomplishments of this program as reported to the Association of State and Territorial Health Officials.

Arizona is revising and testing a skin cancer prevention curriculum for sixth grade students. In addition, public information is being provided throughout the State on the prevention of skin cancer.

Connecticut initiated water utility inspections and follow-up inspections. Violations that were found resulted in enforcement orders.

The District of Columbia implemented a community based cancer prevention campaign.

Firefighters on Oahu, in West Hawaii, and on Maui and Molokai in Hawaii have been trained to provide blood pressure screening at their stations and have sponsored several mass screening sites.

Ten cities and one rural water association in Iowa have implemented community water fluoridation.

In Maine 39,104 residents were screened, educated, referred and followed-up for high blood pressure.

Maryland developed a "Diabetes Hotline" which has served 162 patients and has demonstrated reductions in emergency room visits and hospital admissions among participants.

In Saginaw, Michigan rat control project 91 percent of 563 block target area have been protected.

In Alabama four branch clinical laboratories conducted 214,971 examinations on milk, water and shellfish specimens.

Minnesota implemented a comprehensive plan for the promotion of nonsmoking.

The Mississippi Rape Crisis Project responded to over 300 hotline calls and provided direct services to more than 222 individuals.

Nevada screened 12,000 individuals for hypertension.

New Hampshire has designed and funded two Pap Smear screenings, counselling and community education (on cancer risk factor reduction) projects.

More than 4,000 car seats are available for lease through local public health offices in New Mexico to medically indigent families.

Ohio provided information through a toll free AIDS Hotline to approximately 1,000 callers per month.

Oregon implemented a pilot project to collect data on all patients who are hospitalized due to injuries in order to develop prevention strategies.

In South Carolina additional water systems began fluoridating, adding an estimated 12,103 people receiving fluoridated water.

In Washington State a system was designed for an automated referral reminder system through pharmacies for their customers on hypertensive medications.

Wisconsin launched a multi-media osteoporosis awareness campaign. "Stop the Ladykiller" to reach women and health professionals in the state.

Many states have also planned impressive objectives for FY 1987. Some of these are listed below.

Alaska proposes to reduce the useage of smokeless tobacco by 15 percent of preschool and school-aged children presently "chewing."

Connecticut will assist 700 community agencies, schools, businesses and industries to adopt risk reduction programs.

Hawaii will provide primary education on violence techniques, safety techniques and sex role clarification for pre-school, elementary and junior high students in an effort to decrease the incidence of sexual assault.

Iowa will continue to offer a smoking cessation course for State of Iowa employees.

Kentucky will provide educational intervention programs for 500 special needs children and their families on alcohol abuse.

Maine will continue to monitor the effectiveness of the 1986 Workplace Smoking Law and continue enforcement procedures.

Maryland will provide high blood pressure detection referral, follow-up and education programs aimed at males under 50 and black males over 50 and in nine local health departments and through four area agencies.

Massachusetts will implement comprehensive educational workshops for 175 individuals on occupational health and safety issues affecting office workers at worksites.

Michigan proposes to increase the level of immunization of migrant children by 10 percent.

Mississippi will provide accessible care of appropriate level to all patients with tuberculosis whose medical condition requires hospitalization.

Missouri will provide influenza vaccine to 100,000 elderly and/or chronically ill persons who are at increased risk of complications from influenza.

Montana will develop low birth weight prevention pilot programs in four communities.

New Hampshire will improve public access to emergency medical care, improve radio communication between hospital, pre-hospital personnel and public safety communication center.

North Dakota will be developing a comprehensive school health curriculum (K-12) resource guide.

Rhode Island will provide a primary project for 90,000 schoolage children in 17 communities on smoking and alcohol.

South Carolina will reduce the rate of gonorrhea to 620-635 per 100,000.

South Dakota will prevent the incidence level of tuberculosis disease from exceeding 35 cases statewide.

Texas will increase the population served by fluoridated water to 257,000 people.

West Virginia will produce 26 television programs on health topics.

Wyoming will provide community public health service agencies with antibiotics for distribution to indigent sexually transmitted disease patients. ●

By Mr. WALLOP (by request):

S. 1580. A bill to amend the medical assistance program under title XIX of the Social Security Act to limit Federal financial participation in State program and administrative expenditures, to increase State flexibility to administer the State program, to make additional administrative improvements, and for other purposes; to the Committee on Finance.

MEDICAID REFORM AMENDMENTS

● **Mr. WALLOP.** Mr. President, today, I am introducing, at the request of the administration, the Medicaid Reform Amendments of 1987. The bill, in three titles, is designed to control program costs, provide greater flexibility to the States, and simplify administration.

I would ask that Secretary Bowen's letter of transmittal, an analysis of the bill, and the bill itself be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1580

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE, REFERENCES IN ACT, AND TABLE OF CONTENTS

SECTION 1. (a) This Act may be cited as the "Medicaid Reform Amendments of 1987".

(b) The amendments in the Act apply to the Social Security Act, unless otherwise specifically stated.

TABLE OF CONTENTS

Sec. 1. Short title, references in Act, and table of contents.

TITLE I—LIMITS ON FEDERAL FINANCIAL PARTICIPATION IN STATE EXPENDITURES; INCREASED STATE FLEXIBILITY

Sec. 101. Limitation on States' entitlement to Federal payments for medical assistance.
Sec. 102. Flexibility in determining eligibility and benefits.
Sec. 103. Eligibility of certain individuals who become ineligibile for supplemental security income or State supplemental payments.
Sec. 104. Statewideness requirement retained only for mandatory services to mandatory eligibles.
Sec. 105. "Freedom of choice" limited to mandatory services to mandatory eligibles.
SEC. 106. Amendments concerning copayments.
SEC. 107. Elimination of Federal requirements concerning State payment rates.
SEC. 108. State plan requirement to verify that medical services were furnished as claimed.
SEC. 109. Elimination of penalty for failure to pay premiums for individuals eligible for Medicare part B benefits.
SEC. 110. Effective dates.

TITLE II—LIMITS ON MATCHING OF ADMINISTRATIVE COSTS

SEC. 201. Elimination of increased matching rates for administrative costs.
SEC. 202. Reductions in matching rates for excess administrative costs.
SEC. 203. Effective dates.

TITLE III—OTHER COST SAVING PROPOSALS AND ADMINISTRATIVE IMPROVEMENTS

SEC. 301. Amendments concerning third-party payments for medical expenses.
SEC. 302. Claims payment review.
SEC. 303. Reimbursement limits on nonemergency physician services furnished in hospital emergency rooms.
SEC. 304. Authority to waive requirements with respect to the territories.
SEC. 305. Transfer of Medicare part B premiums to supplementary medical insurance trust fund.
SEC. 306. Interest payments by States on disputed claims.
SEC. 307. Ineligibility of inmates of correctional institutions.
SEC. 308. Authority to require additional information relating to extension of "freedom of choice" waivers.
SEC. 309. Transfers of assets.
SEC. 310. Repeal or requirement for coordinated audits.
SEC. 311. Eligibility of certain recipients of Veterans' Administration pensions.
SEC. 312. Technical and clarifying amendments.
Sec. 313. Effective date; grace period for State legislative action.

TITLE I—LIMITS ON FEDERAL FINANCIAL PARTICIPATION IN STATE EXPENDITURES; INCREASED STATE FLEXIBILITY

LIMITATION ON STATES' ENTITLEMENT TO FEDERAL PAYMENTS FOR MEDICAL ASSISTANCE

SEC. 101. (a) Section 1903 (42 U.S.C. 1396b) is amended by adding after subsection (v) the following new subsection:

"(w)(1) Notwithstanding any other provision of this section, no State (other than Puerto Rico, Guam, the Virgin Islands, the Northern Mariana Islands, or American Samoa) shall be entitled to payment with respect to expenditures for medical assistance under paragraph (1) of subsection (a), for fiscal year 1988 or any succeeding fiscal year, in excess of such State's allotment under paragraph (2).

"(2)(A) For fiscal year 1988, the allotment of each State subject to this subsection shall be an amount which bears the same ratio to $25,246,451,000 as the amount the State is entitled to receive under paragraph (1) of subsection (a) for medical assistance expenditures for fiscal year 1986 bears to the total amount all such States are entitled to receive for such expenditures.

"(B) For fiscal year 1989 and each subsequent fiscal year, each State's allotment shall be an amount equal to its allotment for the preceding fiscal year, multiplied by the change in the MCPI (as defined in subparagraph (C)) for such subsequent fiscal year.

"(C) For purposes of this paragraph, the 'change in the MCPI' for a specified fiscal year means the ratio of (i) the annual average index of the medical care expenditure category of the Consumer Price Index for all urban consumers (U.S. city average) published by the Bureau of Labor Statistics for the first fiscal year preceding such specified fiscal year, to (ii) such index as so measured for the second such preceding fiscal year.

"(3) For purposes of paragraph (2), the amounts States are entitled to receive under paragraph (1) of subsection (a) for medical assistance expenditures for fiscal year 1986 shall be the amounts approved by the Secretary before October 1, 1987, on the basis of expenditure reports received by the Secretary on or before January 31, 1987.".

(b)(1) Notwithstanding the provisions of section 1903(w) of the Social Security Act, the Secretary shall make payments totaling $300,000,000 to qualifying States, for fiscal year 1988 only, in addition to payments subject to the limitation under section 1903(w)(1), in accordance with this subsection.

(2) For purposes of this subsection, the term "qualifying State" means a State (other than Puerto Rico, Guam, the Virgin Islands, the Northern Mariana Islands, or American Samoa)—

(A) which applies to the Secretary before January 1, 1988, for funding under this subsection, and

(B) the Federal share of whose medical assistance expenditures for fiscal year 1988, as approved by the Secretary before July 1, 1989, in the basis of expenditure reports received by the Secretary before January 1, 1989, exceeds 108 percent of the State's allotment as determined under section 1903(w)(2)(A), and

(C) which can demonstrate either—

"(i) that the rate of increase in the Federal share of medical assistance expenditures from the 12-month period ending on September 30, 1985 to the 12-month period ending on September 30, 1987 did not exceed the percentage increase in the annual average index of the medical care expenditure category of the Consumer Price Index for all urban consumers (U.S. city average) published by the Bureau of Labor Statistics (MCPI) from the 12-month period ending on September 30, 1985 to the 12-month period ending on September 30, 1987, or

(ii) that the percentage change in the Federal share of medical assistance expenditures from fiscal year 1987 to fiscal year 1988 is less than the average of the percentage changes in the Federal share of medical assistance expenditures from fiscal year 1986 to fiscal year 1987.

(3) The amount payable to a qualifying State under this subsection shall be that amount which bears the same ratio to $300,000,000 as the excess of the Federal share of the State's medical assistance expenditures for fiscal year 1988 (as determined under paragraph (2)(A)) over 108 percent of its allotment under section 1903(w)(2)(A) bears to the total of all such excess amounts for all qualifying States.

(4)(A) The Secretary shall make interim payments totaling $300,000,000 in accordance with paragraph (3) not later than July 1, 1988, to those States that appear to be qualifying States on the basis of the most recent estimates received by the Secretary as of January 1, 1988.

(B) The Secretary shall make final adjustments in payments under this subsection (including reductions and increases as necessary in payments made under subparagraph (A)) not later than July 1, 1989.

FLEXIBILITY IN DETERMINING ELIGIBILITY AND BENEFITS

SEC. 102. (a) Section 1902(a)(10) (42 U.S.C. 1396a(a)(10)) is amended—

(1) in subparagraph (A), in the matter preceding clause (i)(I), to read as follows:

"(A)(i) for making medical assistance available, including at least the care and services listed in paragraphs (1) through (5) and (17) of section 1905(a) (except as provided in paragraph (17)(F)), to all individuals—".

(2) by redesignating subparagraph (a)(ii) and subparagraph (B) as subparagraph (A)(ii), respectively, and by relocating subparagraph (B), as redesignated, below subparagraph (A)(ii), as redesignated;

(3) in subparagraph (A)(ii), as redesignated—

(A) by inserting ", with respect to the care and services listed in paragraphs (1) through (5) and (17) of section 1905(a)" after "any individual described in subparagraph (A)"; and

(B) by striking out "subparagraph (A)" each place it occurs and inserting instead "clause (i)";

(4) in subparagraph (B), as redesignated—

(A) by moving the left margin one em to the left;

(B) in the matter preceding clause (I), by inserting "for making medical assistance available" before "at the option of the State";

(C) by striking out "clause (i) of this subparagraph" and "clause (i)" each place they occur and inserting instead in each place "subparagraph (A)";

(D) by redesignating subclauses (I) through (VI) as clauses (i) through (vi); and

(E) by adding at the end "and"; and

(5)(A) by striking out "and" at the end of subparagraph (C); and

(B) in subparagraph (D), by striking out all that follows "for any individual" and inserting instead "age 21 or over described in subparagraph (A)(i);".

(b) Section 1902(a)(10)(C) (42 U.S.C. 1396a(a)(10)(C)) is amended—

(1) in clause (i), by striking out "for all such groups" and all that follows and inserting instead "for all groups not described in subparagraph (A) or (B) (which shall be reasonable, and may differ with respect to income levels based on the variations between shelter costs in urban areas and rural areas);";

(2) in clause (ii), by inserting "and" at the end;

(3) in clause (iii) by striking out "and" at the end; and

(4) by striking out clause (iv).

(c) Section 1902(a)(17) (42 U.S.C. 1396a(a)(17)) is amended to read as follows:

"(17) include reasonable methods for determining eligibility for each group of individuals covered under the plan and (except as permitted under subparagraph (F)) not described in paragraph (10)(A) or subsection (1), and the amount of medical assistance that the State will pay on behalf of each covered individual, which—

"(A) except as provided in subparagraph (F), shall be the same methodology for determining income and resource eligibility for each group as would be employed under the cash assistance program described in paragraph (10(A) in effect in the State to which such group is most closely categorically related (or, in any case where the Secretary has determined in regulations that the methodology employed under such cash assistance program is inconsistent with the purposes of the program under this title, shall be such other methodology consistent with the purposes of this title as the Secretary may permit);

"(B) except as provided in subparagraph (F), provide for taking into account only such income and resources as are, as determined in accordance with regulations of the Secretary, available to the applicant or recipient;

"(C) except as required by subparagraph (A), do not take into account the financial responsibility of any individual for any applicant or recipient of assistance under the plan unless such applicant or recipient is such individual's spouse or such individual's child who is under age 21 or (with respect to States eligible to participate in the State program established under title XVI), is blind or permanently and totally disabled, or is blind or disabled as defined in section 1614 (with respect to States which are not eligible to participate in such program);

"(D) take into account, in accordance with regulations of the Secretary, the costs of the applicant or recipient (or of individuals whose income is taken into account in determining the eligibility of the applicant or recipient), whether in the form of insurance premiums or otherwise, for medical care or for any other type of remedial care recognized under State law;

"(E) in determining the amount of income which an individual residing in a medical institution who has been determined to be eligible may be required to contribute to the cost of medical care covered under the State plan, take into account income of the applicant or recipient (other than income equal to the maximum amount of income permitted under section 1611(e)(1)(B) to an individual residing in a medical institution and eligible for supplemental security income under title XVI) to the extent that may be required by the Secretary; and

"(F) may require as a condition of eligibility of an applicant or recipient residing in a medical institution (including any applicant or recipient described in paragraph (10)), that individuals financially responsible for the applicant or recipient (as described in subparagraph (C)) pay an amount consistent with such standards as the Secretary may by regulation prescribe, which shall in no event exceed 20 percent of that portion of the total annual income of individuals financially responsible for the applicant or recipient that exceeds 200 percent of the poverty line as revised by the Secretary pursuant to section 652 of the Head Start Act and, in any case in which such individuals are required to pay, payment shall be made directly to the State;".

(d) Section 1902(f) (42 U.S.C. 1396a(f)) is amended by striking out "incurred medical expenses" each place it occurs and inserting instead "medical expenses".

(e) Section 1903(f) (42 U.S.C. 1396b(f)) is amended in paragraph (3) by striking out "incurred by such family" and inserting instead "of such family".

ELIGIBILITY OF CERTAIN INDIVIDUALS WHO BECOME INELIGIBLE FOR SUPPLEMENTAL SECURITY INCOME OR STATE SUPPLEMENTAL PAYMENTS

SEC. 103. Section 503 of the Unemployment Compensation Amendments of 1976, Public Law 94-566, is amended by inserting ", and for every month since April 1977 for which such individual was entitled to a monthly insurance benefit under title II," after "if for such month".

STATEWIDENESS REQUIREMENT RETAINED ONLY FOR MANDATORY SERVICES TO MANDATORY ELIGIBLES

SEC. 104. Section 1902(a)(1) (42 U.S.C. 1396a(a)(1)) is amended by inserting ", with respect to the care and services listed in paragraphs (1) through (5), (7), and (17) of section 1905(a) and furnished to individuals listed in paragraph (10)(A)," after "provide that".

"FREEDOM OF CHOICE" LIMITED TO MANDATORY SERVICES TO MANDATORY ELIGIBLES

SEC. 105. Section 1902(a)(23) (42 U.S.C. 1396a(a)(23)) is amended by striking out "any individual eligible for medical assistance (including drugs) may obtain such assistance" and inserting instead "any individual listed in paragraph (10)(A) may obtain medical assistance for any of the care and services listed in paragraphs (1) through (5), (7), and (17) of section 1905(a)".

AMENDMENTS CONCERNING COPAYMENTS

SEC. 106. (a) Section 1916 (42 U.S.C. 1396o) is amended to read as follows:

"SEC. 1916. (a) The State plan shall provide, with respect to the care and services listed in paragraphs (1) through (5), (7), and (17) of section 1905(a) and furnished to individuals listed in subparagraphs (A) and (E) of paragraph (10), that—

"(1) no enrollment fees, premiums, deductibles, or similar charges will be made, and

"(2) any coinsurance or similar charges will be nominal (except that the charge for nonemergency services furnished in a hospital emergency room may be twice the nominal amount established under the State plan for hospital outpatient services).

"(b) The State plan may, at State option, provide that no deduction, cost sharing, or similar charge will be imposed under the plan with respect to any or all of the following:

"(1) services furnished to individuals under 18 years of age (and, at the option of the State, individuals under 21, 20, or 19 years of age, or any reasonable category of individuals 18 years of age or over but under age 21),

"(2) services furnished to pregnant women, if such services relate to the pregnancy or to any other medical condition which may complicate the pregnancy (or, at the option of the State, any services furnished to pregnant women),

"(3) services furnished to any individual who is an inpatient in a hospital, skilled nursing facility, intermediate care facility, or other medical institution, if such individual is required, as a condition of receiving services in such institution under the State plan, to spend for costs of medical care all but a minimal amount of his income required for personal needs, or

"(4) emergency services (as defined by the Secretary), or

"(5) services furnished to such an individual by a health maintenance organization (as defined in section 1903(m)) in which he is enrolled.

"(c) The State plan may provide, with respect to care and services furnished under the State plan (other than the care and services listed in paragraphs (1) through (5), (7), and (17) of section 1905(a) and furnished to individuals listed in subparagraphs (A) and (E) of paragraph (10), for—

"(1) enrollment fees, premiums, deductibles, or similar charges, in amounts left to State discretion, and

"(2) coinsurance or similar charges, in amounts left to State discretion.".

(b) Section 1902(a)(10) (42 U.S.C. 1396a(a)(10)), as previously amended by this Act, is further amended, in clause (IV) in the matter following subparagraph (E), to read as follows:

"(IV) the furnishing of an item or service to an individual without the imposition of a deductible, cost sharing, or similar charge under a State plan in accordance with subsection (a) or (b) of section 1916 shall not require the furnishing of that item or service without the imposition of such charge to an individual not exempted from such charge under the State plan;".

ELIMINATION OF FEDERAL REQUIREMENTS CONCERNING STATE PAYMENT RATES

SEC. 107. (a) Section 1902(a)(13) (42 U.S.C. 1396a(a)(13)) is amended—

(1) in the matter preceding subparagraph (B), to read as follows:

"(13)(A) provide assurances satisfactory to the Secretary for the filing of uniform cost reports by each hospital, skilled nursing facility, intermediate care facility, and hospice, and for periodic audits by the State of such reports; and";

(2) in subparagraph (B), by striking out "that the State shall provide" and inserting instead "a description of the methodology to be used by the State in setting payment rates for hospitals, skilled nursing facilities, intermediate care facilities, and hospices, and"; and

(3) by striking out subparagraphs (D) and (E).

(b) Section 1902(a) (30) (A) (42 U.S.C. 1396a(a)(30) (A)) is amended—

(1) by striking out ", and the payment for,", and

(2) by striking out "efficiency, economy, and quality of care" and inserting instead "efficiency and economy".

(c) Section 1903(h) (42 U.S.C. 1396b(h)) is repealed.

STATE PLAN REQUIREMENT TO VERIFY THAT MEDICAL SERVICES WERE FURNISHED AS CLAIMED

SEC. 108. Section 1902(a) (42 U.S.C. 1396a(a)) is amended—

(1) by striking out "and" at the end of paragraph (47),

(2) by striking out the period at the end of paragraph (48) and inserting instead "; and" and

(3) by inserting after paragraph (48) the following new paragraph:

"(49) provide for an effective method of verifying, by sampling techniques or other methods approved by the Secretary, whether services billed by all participating providers were furnished as claimed to individuals entitled to medical assistance under the State plan.".

ELIMINATION OF PENALTY FOR FAILURE TO PAY PREMIUMS FOR INDIVIDUALS ELIGIBLE FOR MEDICARE PART B BENEFITS

SEC. 109. Section 1903(b) (42 U.S.C. 1396b(b)), as previously amended by section 102(c) of this Act, is further amended by striking out paragraph (1), and by striking out the paragraph designation "(2)".

EFFECTIVE DATES

SEC. 110. (a) The amendments made by section 101 shall become effective upon enactment.

(b) The amendments made by section 102 through 109 shall not be effective with respect to any calendar quarter for which section 101 is not in effect.

TITLE II—LIMITS ON MATCHING OF ADMINISTRATIVE COSTS

ELIMINATION OF INCREASED MATCHING RATES FOR ADMINISTRATIVE COSTS

SEC. 201. Section 1903(a) (42 U.S.C. 1396b(a)) is amended by striking out paragraphs (2), (3), and (6), and redesignating paragraphs (4), (5), and (7) as paragraphs (2), (3), and (4).

REDUCTIONS IN MATCHING RATES FOR EXCESS ADMINISTRATIVE COSTS

SEC. 202. Section 1903(a) (42 U.S.C. 1396b(a)), as amended by section 201, is further amended—

(1) by striking out the period at the end of paragraph (4) and inserting a comma instead; and

(2) by adding at the end the following: "except that, in the case of any Sate other than Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, and American Samoa, for any fiscal year after 1987, the provisions of subsection (x) (rather than the rate specified in paragraph (2), (3), or (4) shall be applied to determine the amount payable to a State with respect to that portion of its total administrative costs, after reduction of such total by the amount of adjusted core administrative costs (as defined in subsection (x)(2)(D)) that results from adjusted per recipient administrative costs (as defined in subsection (x)) in excess of 135 per centum of the national median amount of such costs for all the States.".

(b) Section 1903 of the Act is further amended by adding after and below subsection (w) the following new subsection:

"(x)(1) For purposes of applying the limitation on payments for State administrative costs prescribed in subsection (a), there shall be payable to any State to which such limitation applies an amount equal to 25 per centum of that portion of the State's adjusted per recipient administrative costs (as defined in paragraph (2)) that exceeds 135 per centum but not 160 per centum of the national median of such costs for all such States (such medians being determined as prescribed in paragraph (3)), and no amount with respect to that portion of such costs that exceeds 160 per centum of such national median.

"(2) For purposes of this section—

"(A) a State's 'per recipient administrative costs' in a fiscal year means the ratio of the amounts expended by such State during such fiscal year for the proper and efficient operation of the State plan, and for which Federal financial participation is claimed and allowed, to the unduplicated annual number of individuals receiving assistance under the State plan in such year (such ratios to be established by the Secretary on the basis of the best data available to him before April 1 of the succeeding fiscal year);

"(B) a State's 'adjusted per recipient administrative costs' in a fiscal year means that State's per recipient administrative costs (i) divided by the ratio of that State's annual average wages for State employees for such year to the median of such annual averages for all the States, using the most recent data available to the Secretary as published by the Bureau of Labor Statistics, Department of Labor, and (ii) further adjusted to the extent found necessary by the Secretary to improve the equivalence of such State's per recipient administrative costs to those of the other States, with respect to any class or classes of costs attributable to a significant change in circumstances or in required administrative activity, incurred by the State in such fiscal year for reasons that the Secretary finds (I) have affected that State disproportionately to the experience of the States generally and (II) were beyond that State's ability to control or avoid; and

"(C) the national median of the adjusted per recipient administrative costs of all the States for any fiscal year to which the limitation in subsection (a) applies shall be determined by establishing, on the basis of State claims allowed by the Secretary before the end of such fiscal year (regardless of the amount of payment, if any, under this section with respect to such claim), the median of such costs for the second preceding fiscal year, and adjusting such median by the change in the GNP deflator (as defined in subparagraph (E)) for such fiscal year;

"(D) a State's 'adjusted core administrative costs' shall be—

"(i) with respect to fiscal year 1988, $1,000,000, and

"(ii) with respect to each fiscal year thereafter, $1,000,000 adjusted by the change in the GNP deflator for such fiscal year, as defined in subparagraph (E); and

"(E) the 'change in the GNP deflator' means—

"(i) for purposes of subparagraph (D)(ii), the ratio of (I) the gross national product implicit price deflator, measured for the second quarter of the fiscal year concerned, published by the Bureau of Economic Analysis, Department of Commerce, before August 31 of such fiscal year, to (II) such deflator, as so measured, for fiscal year 1988; and

"(ii) for purposes of paragraph (2)(C), the ratio of the gross national product implicit price deflator, measured as described in clause (i)(I), to (II) such deflator, as so measured, for the second fiscal year preceding the fiscal year concerned.

"(3)(A) If, in any fiscal year after 1987, a State's adjusted per recipient administrative costs do not exceed 135 per centum of the national median of such costs for all the States, or exceed 135 per centum of such national median but not 160 per centum of such median, the Secretary shall determine (i) the additional maximum amount that, had it been expended by the State for the proper and efficient operation of the plan approved under this title, and been claimed and allowed, would have been included for purposes of determining payment under subsection (a) at the 50 percent rate pursuant to paragraph (3) thereof, and (ii) the additional maximum amount that, had it been so expended by the State, would have been so included, at the 25 percent rate specified in paragraph (1) of this subsection, and shall notify the State of the additional amounts, if any, determined under clauses (i) and (ii).

"(B) If, for any fiscal year, a State has been advised by the Secretary that, under a provision of part A of title IV relating Federal payments to the State for expenditures necessary for the proper and efficient operation of the plan approved under that part to a percentage of the national median of such expenditures, there are additional amounts that could have been included for determining payment at the 50 percent rate, or for determining payment at the 25 percent rate, then the Secretary shall also include for payment at the 50 percent rate, or at the 25 percent rate, under this section, an amount of expenditures made under the plan approved under this title equal to such additional amount or amounts (including amounts expended to carry out such plan with respect to which payment at the 25 percent rate, but not the 50 percent rate, is available).

"(C) If, for any fiscal year, the State has been notified by the Secretary of Agriculture that, under a provision of the Food Stamp Act of 1977 relating Federal payments to the State for the costs of carrying out the food stamp program under such Act to a percentage of the national median of such costs, there are additional amounts that could have been included for determining payment at the 50 percent rate, or at the 25 percent rate, the Secretary shall include for payment under this section, at the

50 percent rate, or at the 25 percent rate, an amount of expenditures made under the plan approved under this title, in a like manner as is described in subparagraph (B).

"(D) The Secretary (together with the Secretary of Agriculture, if the Food Stamp Act of 1977 contains a provision relating Federal payments for State administrative costs to a percentage of the national median of such costs) shall prescribe regulations to carry out this paragraph, but such regulations shall allow the State to determine the amounts it wishes to claim at the 50 percent and 25 percent rate, except that if the State has chosen to claim expenditures under this title for payment, or for payment at a higher rate, by reason of having adjusted per recipient administrative costs below the applicable percentage of the national median under its plan approved under part A of title IV, or below the national median of costs to carry out the Food Stamp program, then a reduction in the amount available under the Food Stamp Act of 1977 (with respect to additional costs that could have been claimed), or under part A of title IV (with respect to additional expenditures that could have been claimed), as the case may be, equal to such expenditures claimed under this title, at the appropriate matching rate, shall be applied by the Secretary of Agriculture or the Secretary, or both if appropriate.".

(c) Section 1903(b)(1) of the Act (42 U.S.C. 1396a(b)(1)) is amended by striking out "subsection (a)" and inserting instead "subsection (a) and (x)".

(d) Section 1903(b)(3) (42 U.S.C. 1396b(b)(3)) is repealed.

(e) Section 1903(r) (42 U.S.C. 1396b(r)) is repealed.

EFFECTIVE DATES

Sec. 203. (a) The amendments made by section 201 and by subsections (a), (b), (d), and (e) of section 202 shall be effective with respect to calendar quarters beginning on or after October 1, 1987.

(b) The amendment made by section 202(c) shall become effective upon enactment.

TITLE III—OTHER COST SAVING PROPOSALS AND ADMINISTRATIVE IMPROVEMENTS

AMENDMENT CONCERNING THIRD-PARTY PAYMENTS FOR MEDICAL EXPENSES

Sec. 301. Section 1902(a)(25)(A) (42 U.S.C. 1396a(a)(25)(A)) is amended by striking out "including—" and all that follows and inserting instead "including the collection of sufficient information (as specified by the Secretary in regulations) to enable the State to pursue claims against such third parties, with such information being collected at the time of any determination or redetermination of eligibility for medical assistance;".

CLAIMS PAYMENT REVIEW

Sec. 302. (a) Section 1902(a)(37) (42 U.S.C. 1396a(a)(37)) is amended in clause (B) by inserting "in accordance with regulations of the Secretary under section 1903(r)" after "prepayment and postpayment claims review".

(b) Section 1903 (42 U.S.C. 1396b), as amended by section 102 of this Act, is further amended by inserting after subsection (q) the following new subsection:

"(r)(1) The Secretary is authorized to promulgate regulations setting requirements for performance of prepayment and postpayment claims reviews by States pursuant to section 1902(a)(37), including requirements for monitoring and auditing payments made, and for developing and providing information to the Secretary on rates of erroneous payments.

"(2) If a State fails to perform adequate prepayment and postpayment claims reviews, in accordance with regulations pursuant to paragraph (1), the Secretary, directly or through contractual or such other arrangements as he may find appropriate, may perform such claims reviews for that State, and may establish the error rate for that State on the basis of the best data reasonably available to him.

"(3) In any case in which it is necessary for the Secretary to exercise his authority under paragraph (2), the amount that would otherwise be payable to such State under this title for quarters in which in exercises such authority shall be reduced by the costs incurred by the Secretary in performing (directly or otherwise) such claims reviews.".

REIMBURSEMENT LIMITS ON NONEMERGENCY PHYSICIAN SERVICES FURNISHED IN HOSPITAL EMERGENCY ROOMS

Sec. 303. Section 1902(a) (42 U.S.C. 1396a(a)), as amended by section 110 of this Act, is further amended—

(1) by striking out "and" at the end of paragraph (48),

(2) by striking out the period at the end of paragraph (49) and inserting instead "; and"; and

(3) by inserting after paragraph (49) the following new paragraph:

"(50)(A) provide for the establishment of limitations on reimbursement of physician services provided on an outpatient basis by hospitals (other than bona fide emergency services as defined in paragraph (B)), which limitations—

"(i) shall be reasonably related to the charges in the same area for similar services provided elsewhere, and

"(ii) shall provide for exceptions in cases where similar services are not generally available in physicians' offices in the area to individuals eligible for medical assistance under the State plan.

"(B) For purposes of paragraph (A), the term 'bona fide emergency services' means services provided in a hospital emergency room after the sudden onset of a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that the absence of immediate medical attention could reasonably be expected to result in—

"(i) placing the patient's health in serious jeopardy;

"(ii) serious impairment to bodily functions; or

"(iii) serious dysfunction of any bodily organ or part."

AUTHORITY TO WAIVE REQUIREMENTS WITH RESPECT TO THE TERRITORIES

Sec. 304. Section 1902(j) (42 U.S.C. 1396a(j)) is amended by striking out "American Samoa" the first place it occurs and inserting instead "Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, and American Samoa".

TRANSFER OF MEDICARE PART B PREMIUMS TO SUPPLEMENTARY MEDICAL INSURANCE TRUST FUND

Sec. 305. (a) Section 1903(a)(1) (42 U.S.C. 1396b(a)(1)) is amended by striking out "(including expenditures for premiums under part B of title XVIII" and all that follows and inserting instead "(including expenditures for insurance premiums, other than premiums under part B of title XVIII, for medical or any other type of remedial care or the cost thereof), reduced by an amount equal to the non-Federal share of premiums under part B of title XVIII described in subsection (y); plus".

(b) Section 1903 (42 U.S.C. 1396b), as amended by sections 101 and 202 of this Act, is further amended by adding at the end the following new subsection:

"(y) From the sums appropriated therefor, the Secretary shall pay to the Federal Supplementary Medical Insurance Trust Fund, on behalf of each State which has a plan approved under this title, for each quarter, an amount equal to the total cost of premiums under part B of title XVIII, for individuals—

"(1) who are eligible for medical assistance under the plan, and

"(2)(A) who are receiving aid or assistance under any plan of the State approved under title I, X, XIV, or XVI, or part A of title IV, or with respect to whom supplemental security income benefits are being paid under title XVI, or

"(B) with respect to whom there is being paid a State supplementary payment, and who are eligible for medical assistance equal in amount, duration, and scope to the medical assistance made available to individuals described in section 1902(a)(10)(A).".

INTEREST PAYMENTS BY STATES ON DISPUTED CLAIMS

Sec. 306. Section 961(b) of the Omnibus Reconciliation Act of 1980 (concerning interest payments on disputed claims pursuant to section 1903(d)(5)) is amended by striking out "with respect to expenditures for services furnished on or after October 1, 1980" and inserting instead "with respect to amounts claimed by the State on or after October 1, 1980".

INELIGIBILITY OF INMATES OF CORRECTIONAL INSTITUTIONS

Sec. 307. Section 1905(a) (42 U.S.C. 1396d(a)) is amended in clause (A) by striking out "an inmate of a public institution (except as a patient in a medical institution)" and inserting instead "an inmate of a correctional institution under the control of a Federal, State or local government entity (including a private institution under contract or agreement with a State or local government)".

AUTHORITY TO REQUIRE ADDITIONAL INFORMATION RELATING TO EXTENSION OF "FREEDOM OF CHOICE" WAIVER

Sec. 308. Section 1915(d) (42 U.S.C. 1396n(d)) is amended by striking out all that follows "unless the Secretary" and inserting instead", within 90 days after the date of its receipt by the Secretary, either denies such request in writing or informs the State agency in writing with respect to any additional information which is needed in order to make a final determination with respect to the request. After the date the Secretary receives such additional information, the request shall be deemed granted unless the Secretary, within 90 days of such date, denies such request.".

TRANSFERS OF ASSETS

Sec. 309. (a) Section 1917(c)(1) (42 U.S.C. 1396p(c)(1)) is amended to read as follows:

"(c)(1)B Notwithstanding any other provision of this title, the State plan may provide for a waiver of denial of medical assistance to an individual who would otherwise be determined to be ineligible because he has disposed of resources for less than fair market value, in any instance where the State determines that such denial would work an undue hardship.".

(b) Section 1917(b)(3) (42 U.S.C. 1396p(c)(3)) is repealed.

REPEAL OF REQUIREMENT FOR COORDINATED AUDITS

Sec. 310. (a) Section 1129 (42 U.S.C. 1320a-8) is repealed.

(b) Section 1902(a)(42) (42 U.S.C. 1396a(a)(42)) is amended—

(1) by striking out "(A)", and

(2) by striking out "(B)" and all that follows and inserting a semicolon instead.

ELIGIBILITY OF CERTAIN RECIPITENTS OF VETERANS' ADMINISTRATION PENSIONS

Sec 311. Section 1133 (42 U.S.C. 1320b-3)) is amended—

(1) in subsection (a), by striking out "subsection (b)" and inserting instead "subsections (b) and (c)"; and

(2) by adding at the end the following new subsection:

"(c) The provisions of subsection (a) shall be applicable only with respect to an individual who, before October 1, 1987, either declined to make, or disaffirmed, an election under section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978 with respect to a pension paid by the Veterans' Administration, and thereby established or retained eligibility for medical assistance under a State plan under title XIX.".

TECHNICAL AND CLARIFYING AMENDMENTS

Sec. 312. (a) Section 1902(a)(27) (42 U.S.C. 1396a(a)(27)) is amended by striking out all that follows "(B)" and inserting instead "to furnish to the Secretary and the State agency such information as each may request regarding any payments claimed by such person or institution for providing services under the State plan;".

(b) Section 1903(i)(4) (42 U.S.C. 1396b(i)(4)) is amended by striking out"; the Secretary is authorized to waive the requirements of this paragraph if the State agency demonstrates to his satisfaction" and inserting instead "except where the State agency has demonstrated to the Secretary's satisfaction."

(c) Section 1903(u)(1)(C) (42 U.S.C. 1396b(u)(1)(C)) is amended by striking out "subsection (d)(3)" and inserting instead "subsection (d)(2)".

(D) Section 1905(d) (42 U.S.C. 1396d(d)) is amended in the matter preceding paragraph (1)—

(1) by striking out " 'intermediate care facility services' may include services in" and inserting instead " 'intermediate care facility' may include", and

(2) by adding", and the term "intermediate care facility services' may include services furnished in such institution (or distinct part) to such persons," before "if—".

(e)(1) Section 1910 (a)(1) (42 U.S.C. 1396i(a)(1)) is amended by striking out "certifies an institution in a State to be qualified as" an inserting instead "enters into a provider agreement with".

(2) Section 1910(a)(2) (42 U.S.C. 1396i(a)(2)) is amended by striking out "any institution which has applied for certification by him as a qualified skilled nursing facility" and inserting instead "the application of any institution to enter into a provider agreement under section 1866 as a skilled nursing facility."

(3) Section 1910 (b)(1) (42 U.S.C. 1396i(b)(1)) is amended—

(A) by striking out "certifies a facility in a State to be qualified" and inserting instead "determines that a facility in a State is qualified", and

(B) by striking out "standards for certification" and inserting instead "requirements for qualification."

(4) Section 1910(b)(2) (42 U.S.C. 1396i(b)(2)) is amended by striking out "any facility in that State which has applied for certification by him as a qualified rural health clinic" and inserting instead "the application of any facility in that State for qualification as a rural health clinic under title XVIII."

(5) Section 1910 (42 U.S.C. 1396i) is amended in the title by striking out CERTIFICATION AND".

EFFECTIVE DATE; GRACE PERIOD FOR STATE LEGISLATIVE ACTION

Sec. 313. (a) Except as otherwise explicitly provided, the amendments made by this title shall be effective with respect to calendar quarters beginning on and after October 1, 19987.

(b) In the case of a State plan for medical assistance under title XIX which the Secretay of Health and Human Services determines requires State legislation in order for the plan to meet additional requirements imposed by the amendments made by this title, the State plan shall not be regarded as failing to comply with the requirements of title XIX solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of enactment of this Act.

SUMMARY OF PROPOSED MEDICAID REFORM AMENDMENTS OF 1987

SHORT TITLE, REFERENCES IN ACT, AND TABLE OF CONTENTS

Section 1 would assign the draft bill the short title the "Medicaid Reform Amendments of 1987".

TITLE I—LIMITS ON FEDERAL FINANCIAL PARTICIPATION IN STATE EXPENDITURES; INCREASED STATE FLEXIBILITY

Limitation on States' entitlement to Federal payments for medical assistance

Section 101 would limit States' entitlement to Federal matching payments with respect to medical assistance expenditures under title XIX of the Social Security Act ("the Act"). For FY 1988 Federal matching payments would be limited to $25,246,451,000; each State's share of this amount would be proportional to its share of Federal matching payments for FY 1986. For FY 1989 and succeeding fiscal years, each State's limit would be its FY 1988 ceiling, indexed by the medical care component of the Consumer Price Index (MCPI). This amendment would not apply to the territories, whose Federal matching payments are already capped.

For FY 1988 only, the Secretary would be authorized to distribute additional funds appropriated, up to a ceiling of $300 million, in additional grants to States whose Federal medical assistance payments, but for their ceiling, would be more than 108 percent of such payments as limited by the ceiling, and that either (1) held increases in program costs below the increase in the MCPI, or (2) kept the percentage change in the Federal share of medical assistance expenditures from FY 1987 to FY 1988 below the average of the percentage changes from FY 1985 to FY 1986 and from FY 1986 to FY 1987.

Flexibility in determining eligibility and benefits

Section 102(a) would eliminate most minimum benefit requirements for the current "categorically needy" groups, retaining the requirements only for current mandatory services for the mandatory eligibles.

Subsection (b) would amend paragraph (10)(C) of section 1902(a) of the Act to eliminate the requirement that a State whose "medically needy" program includes care in institutions for mental diseases or in intermediate care facilities for the mentally retarded provide to all "medically needy" groups a minimum benefit package in accordance with statutory requirements. This subsection would also eliminate from paragraph (10(C) provisions concerning income and resource determinations for individuals other than mandatory eligibles which duplicate or overlap provisions of section 1902(a)(17) of the Act.

Subsection (c) would amend section 1902(a)(17) of the Act to contain all requirements concerning methods for determining eligibility and benefits of individuals other than mandatory eligibles.

Section 1902(a)(17)(A) would maintain the general requirement that the methodology used to determine income and resource eligibility must be the same as that of the cash assistance program for the group most closely categorically related to the optional medical assistance group, but would add authority for the Secretary to require use of alternative methodologies where he determines that the cash program rule is inconsistent with the purposes of the Medicaid program. This subparagraph would also permit departure from the cash assistance program rules with respect to proposed new authority under subparagraph (F) to permit States to require contributions from family members financially responsible for institutionalized individuals.

Section 1902(a)(17)(B) would maintain the requirement to take into account only income and resources actually available to the applicant or recipient (with the same exception as above with respect to subparagraph (F)).

Section 1902(a)(17)(C) would maintain the requirement not to take into account the financial responsibility of any other individual (other than a spouse or parent), with an amendment to clarify that the income and resources of additional individuals (such as siblings in the same filing unit and sponsors of resident aliens) may also be taken into account as needed to comply with the requirement to use the eligibility rules of related cash assistance programs in determining Medicaid eligibility.

Section 1902(a)(17)(D) would maintain the requirement to take into account costs of medical or remedial care, but would eliminate the reference to "costs incurred" in order to allow States to consider also costs for which payment has not yet been made and foreseeable future costs.

Section 1902(a)(17)(E) would explicitly require States to require eligible individuals residing in medical institutions to contribute to the cost of their care income above the amount an institutionalized SSI recipient is permitted to keep, to the extent the Secretary provides in regulations. (This is a clarifying amendment; the rule is necessarily implied to avoid results inconsistent with the intent of the Congress. Institutionalized recipients have been required to participate in the cost of their care since the inception of the program in 1965, but the absence of an explicit statement is a source of recurring confusion.)

Section 1902(a)(17)(F) would permit States to require, as a condition of eligibility of individuals residing in medical institutions, payment by a financially responsible individual (as defined in subparagraph (C)) not in excess of 20 percent of that portion of such individual's annual income that exceeds 200 percent of the Federal poverty line. (This is new authority.)

Subsections (d) and (e) would amend section 1902(f) of the Act (the "section 209(b) eligibility provision") and section 1903(f) (which limits Medicaid eligibility to those whose income and resources do not exceed 133⅓ percent of the cash assistance standard for families with dependent children) to eliminate the restriction of spenddown to incurred medical costs, in order to include also costs for which payment has not yet been made and foreseeable futrue costs.

Pursuant to section 110, this amendment would not be effective with respect to any calendar quarter for which section 101 of the bill is not in effect.

Eligibility of certain individuals who become ineligible for supplemental security income or State supplemental payments

Section 103 would clarify that the disregard of certain income provided by section 503 of P.L. 94-566, for purposes of determining Medicaid eligibility, applies only to those individuals who become ineligible for supplemental security income (SSI) as a direct result of a cost-of-living increase in social security benefits, and who would therefore, without this section, be ineligible for Medicaid as well. It is clear from the legislative history of section 503 (despite the contrary outcome in *Lynch* v. *Rank*) that this provision was never intended to afford relief to individuals who lost SSI eligibility for reasons apart from the cost-of-living increase, but who, if that increase were deducted from their total income, would qualify for SSI.

Pursuant to section 110, this amendment would not be effective with respect to any calendar quarter for which section 101 of the bill is not in effect.

Statewideness requirement retained only for mandatory services to mandatory eligibles

Section 104 would amend the present requirement that the State plan be in effect throughout the State to apply only with respect to mandatory services to those groups the State is required to cover.

Pursuant to section 110, this amendment would not be effective with respect to any calendar quarter for which section 101 of the bill is not in effect.

"Freedom of choice" limited to mandatory services to mandatory eligibles

Section 105 would limit applicability of the requirement that recipients have freedom of choice in selection of a provider from whom to receive covered services to mandatory services for the categorically needy.

Pursuant to section 110, this amendment would not be effective with respect to any calendar quarter for which section 101 of the bill is not in effect.

Amendments concerning copayments

Section 106 would amend provisions concerning copayments by Medicaid recipients. No premiums or like charges could be made for mandatory services for the mandatory groups, and copayments for such services could only be nominal. States would have the option to exempt from copayment requirements services furnished to children, pregnant women, and residents of medical institutions who are required to bear a share of the costs of their care, HMO services, and emergency services. There would be no restrictions on copayments for optional services for any individuals.

Pursuant to section 110, this amendment would not be effective with respect to any calendar quarter for which section 101 of the bill is not in effect.

Elimination of Federal requirements concerning State payment rates

Section 107 would eliminate all statutory requirements with respect to minimum payment rates for Medicaid services, but States would be required to include in their plans a description of the methods used to set payment rates for hospitals, skilled nursing facilities, intermediate care facilities, and hospices.

Pursuant to section 110, this amendment would not be effective with respect to any calendar quarter for which section 101 of the bill is not in effect.

State plan requirement to verify that medical services were furnished as claimed

Section 108 would require the State plan to provide an adequate method for verifying whether services for which payment is claimed under the State plan were actually furnished to covered individuals (this would replace a requirement, intended to achieve the same purpose, that would be eliminated by repeal of enhanced MMIS matching rates).

Pursuant to section 110, this amendment would not be effective with respect to any calendar quarter for which section 101 of the bill is not in effect.

Elimination of penalty for failure to pay premiums for individuals eligible for Medicare part B benefits

Section 109 would eliminate the reduction in Federal reimbursement with respect to expenditures which would not have been incurred by the State if it had exercised its option to pay Medicare part B premiums on behalf of eligible Medicaid recipients.

Pursuant to section 110, this amendment would not be effective with respect to any calendar quarter for which section 101 of the bill is not in effect.

Effective dates

Section 110 would provide that amendments made by section 101 of the bill would be effective upon enactment, and that amendments made by sections 102 through 109 would be effective with respect to calendar quarters beginning on and after the first day of the first fiscal year for which section 101 is in effect.

TITLE II—LIMITS ON MATCHING OF ADMINISTRATIVE COSTS

Elimination of increased matching rates and administrative costs

Section 201 of the draft bill would amend section 1903(a) of the Act to eliminate all special matching rates for administrative costs, other than the 90 percent rate for family planning, and the 100 percent matching rate for activities related to alien immigration status verification (added by section 121 of the Immigration Reform and Control Act of 1986). This section would eliminate the 75 percent matching rate for compensation and training of skilled medical personnel and supporting staff; the 90 percent and 75 percent matching rates for various Medicaid management information systems (MMIS) activities; and the 90 percent and 75 percent matching rates for fraud control units.

Reductions in matching rates for excess administrative costs

Section 202 of the draft bill would further amend section 1903 of the act to reduce the matching rate for excess State administrative costs (including costs relating to family planning services or alien status verification). Federal matching would be reduced to 25 percent for a State's administrative costs that exceeded 135 percent of the national median of such costs; there would be no matching for that portion of a State's administrative costs that exceeded 160 percent of the national median. This amendment would not apply to the territories, whose Federal matching is already capped.

Subsection (a) of this section would amend the authority for Federal matching of State administrative costs at 90 percent for family planning-related costs, 100 percent for alien status verification, and 50 percent for other costs, to provide that the special rules of subsection (x) of section 1903 (added below) apply to so much of a State's administrative costs as result from "adjusted per recipient administrative costs" (a term defined in the new subsection (x)) in excess of 135 percent of the national median of such costs. Further, before applying the terms of subsection (x), a State's administrative costs are reduced by a standard amount referred to as "core administrative costs" (a common amount that each State must incur in administering a Medicaid program).

Subsection (b) would add the new subsection (x) to section 1903 of the Act, as follows:

Subsection (x)(1) states that 25 percent Federal matching will be provided for that portion of a State's "adjusted per recipient administrative costs" that exceed 135 percent but not 160 percent of the national median of such costs, and that no amount will be payable for that portion of the per recipient costs that exceed 160 percent of the national median.

Paragraph (2) defines various key terms used in section 1903:

Subparagraph (A) provides that "per recipient administrative costs" means the ratio of the amount expended by the State to administer its Medicaid plan in a year to the unduplicated annual number of individuals receiving assistance under the plan in the same year.

Subparagraph (B) defines "adjusted per recipient administrative costs" in the case of a particular State as that State's per recipient administrative costs, (i) adjusted by the ratio of the State's annual average wages for public employees to the median of that figure for all States (based on the most recent Bureau of Labor—Statistics data available to the Secretary), and (ii) further adjusted, if the Secretary finds it necessary, to improve the equivalence of that State's costs to those of other States, with respect to specific categories of costs, because of significant changes in circumstances, or required administrative activities, that affected the State more than all States generally, and that were beyond the State's ability to control.

Subparagraph (C) specifies that the national median of adjusted per recipient administrative costs of the States will be the median of those costs for the second fiscal year preceding the fiscal year for which the limitation on matching is being applied, on the basis of claims allowed by the Secretary before the end of the relevant fiscal year (i.e. within the two year period allowed for filing of claims), with the median then being adjusted by the change in the GNP deflator between the relevant fiscal year and the second preceding fiscal year.

Subparagraph (D) specifies that the amount of a State's adjusted core administrative costs will be (i) $1,000,000 for fiscal year 1988, or (ii) for any subsequent fiscal year, $1,000,000, adjusted by the change in the GNP deflator.

Subparagraph (E) provides that the "change in the GNP deflator," for purposes of adjusting the amount of the core administrative costs for years after 1988, will be the ratio of the GNP deflator for the second quarter of the fiscal year concerned, to the GNP deflator for the second quarter of fiscal year 1988, and for purposes of adjusting the national median of adjusted per recipient administrative costs (which is based on those costs in the second fiscal year preceding the relevant fiscal year), it means the ratio of the GNP deflator for the relevant fiscal year (measured in the same way as for adjusting core administrative costs) to the GNP deflator for the second preceding fiscal year.

Paragraph (3) reflects the parallel limitations on administrative costs that are being proposed as amendments to the AFDC and food stamp programs. Those provisions are essentially the same as this Medicaid proposal, except that, in the AFDC and food stamp programs, the ceilings on 50 percent and 25 percent reimbursement are to be set at 125 percent and 150 percent, respectively, of the national median of adjusted per recipient administrative costs. This difference reflects the greater complexity of Medicaid program administration and the greater potential for variation in the content of State programs.

Subparagraph (A) provides that if a State, in its Medicaid program, contains its administrative costs such that a greater amount could have been claimed for 50 percent, or 25 percent, reimbursement, the Secretary will determine the additional dollar amount for which reimbursement could have been claimed at each of those rates and notify the State.

Subparagraph (B) provides that if a State has been notified, under the parallel provision of title IV-A, that a greater amount could have been claimed for 50 percent or 25 percent matching than was actually claimed, the State may claim a like amount of Medicaid expenditures for matching at the applicable rate under the Medicaid program, in addition to the amount that the ceiling of 135 percent and 160 percent of national median Medicaid administrative costs would have otherwise allowed.

Subparagraph (C) affords the State the same option to use "credits" from efficient administration of its food stamp program to cover expenditures for Medicaid administration beyond the limit for which 50 percent or 25 percent Medicaid matching would otherwise be provided.

Subparagraph (D) directs the Secretary (together with the Secretary of Agriculture, assuming enactment of the parallel amendment to the food stamp program) to prescribe regulations to implement paragraph (3), allowing use of "credits" (i.e. total claims below the applicable ceilings in AFDC or food stamps) to create additional amounts of Medicaid reimbursement above the Medicaid ceilings. However, the regulations must permit the State to determine how it wishes to match up excess Medicaid administrative costs with "credits" from either or both of the other two programs, with the restriction that a "credit" can only be used once.

Subsection (c) of section 202 would amend section 1903(b) of the Act to include a reference to the newly added subsection (x). Section 1903(b) authorizes the process by which the Secretary makes quarterly estimates of the amounts that will be payable to a State under section 1903(a), and makes advance payments to the State, subject to necessary adjustment on account of previously made overpayments or underpayments. The inclusion of the reference to subsection (x) will make clear that the Secretary, in making such an estimate of the amount which will be made available to the State for the coming quarter, must take account of limitations on reimbursement for administrative costs under this new provision.

Subsection (d) would repeal section 1903(b)(3) of the Act (which sets a limit on Federal matching costs of a State fraud control unit).

Subsection (e) would repeal section 1903(r) of the Act (which establishes requirements and penalties relating to operation of State Medicaid management information systems).

Effective dates

Section 203 would provide that the amendments made by section 201 and by subsections (a), (b), (d), and (e) of section 202 would be effective with respect to quarters beginning on or after October 1, 1987. The amendment to section 1903(b) of the Act made by section 202(c) of the bill would be effective on enactment so that it would apply to the estimates made for, but prior to, the first quarter of fiscal year 1988.

TITLE III—OTHER COST SAVING PROPOSALS AND ADMINISTRATIVE IMPROVEMENTS

Amendment concerning third-party payments for medical expenses

Section 301 would repeal provisions recently added by the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), P.L. 99-272, that require States to submit to the Secretary a plan for pursuing third party liability (TPL) collections, and that limit the Secretary to enforcement of the State's TPL collection efforts through the Medicaid Management Information Systems (MMIS) sanctions.

Claims payment review

Section 302 would authorize the Secretary to promulgate regulations setting minimum standards for State prepayment and postpayment claims reviews, and would authorize the Secretary to perform such reviews, directly or through contractual or other arrangements, and to reduce the State's Federal matching by costs incurred for such reviews, in any case where the State failed to meet the minimum standard for claims payment reviews under those regulations.

Reimbursement limits on nonemergency physician services furnished in hospital emergency rooms

Section 303 would require States to limit reimbursement to physicians for nonemergency outpatient services provided in hospital emergency rooms to the reimbursement for the same service provided elsewhere. The amendment is designed to discourage physicians from providing in hospital emergency rooms services which could be provided less expensively elsewhere.

Authority to waive requirements with respect to the territories

Section 304 would permit the Secretary to waive or modify any title XIX requirement with respect to any territory participating in the program (other than requirements concerning Federal medical assistance percentage, limits on Federal matching payments, or the limitations on scope of program applying to American Samoa).

Transfer of Medicare part B premiums to supplementary medical insurance trust fund

Section 305 would require the Secretary to transfer quarterly from the Medicaid appropriation account to the Medicare SMI trust fund sums representing the entire amounts due from States for Medicare part B "buy-in" premiums. State grant awards would not include any amount for the Federal share of part B premiums, and would be reduced by the State share of such premiums. (Under current law, States pay the premiums directly to the SMI trust fund, and receive payment for the Federal share in their grant awards.)

Interest payments by States on disputed claims

Section 306 would redefine the disputed claims on which States are required to pay interest to be "amounts claimed" on or after October 1, 1980, rather than "expenditures for services furnished" on or after that date. This amendment is needed because Federal matching payments are based on the date the State expenditure was made, irrespective of the date the service was rendered.

Ineligibility of inmates of correctional institutions

Section 307 would amend the provision precluding medical assistance to inmates of institutions to preclude eligibility of all individuals in correctional institutions, including those in private arrangements under contract with State or local governments.

Authority to require additional information relating to extension of "freedom of choice" waiver

Section 308 would amend the provisions for waiver of the requirement to give recipients "freedom of choice" of provider. Under current law, a request for continuation of the waiver is deemed granted unless the Secretary denies it in writing within 90 days. The amendment would permit the Secretary the alternative of requesting additional information needed to make a determination; the request would then be deemed granted unless denied in writing within 90 days from receipt of the additional information.

Transfer of assets

Section 309 would eliminate the provision permitting States to apply rules less restrictive than SSI rules in limiting Medicaid eligibility of individuals who have transferred assets for less than fair market value. The effect of eliminating this language would be to require States, except as otherwise explicitly provided, to apply the SSI rules to transfer of assets cases. States' authority to apply rules more restrictive than SSI rules in certain cases, and to waive the rules in cases of hardship, would be retained.

Repeal of requirement for coordinated audits

Section 310 would repeal the requirement for coordinated audits of entities providing services on a cost-related reimbursement basis under both Medicare and Medicaid. This requirement is no longer reasonable, in light of amendments to Medicaid permitting State payments on bases other than cost, and amendments to Medicare establishing the prospective payment system.

Eligibility of certain recipients of Veterans' Administration pensions

Section 311 would limit the special provision which permits individuals to decline to accept increased veterans' pension benefits enacted in 1978 in cases where the increased benefits would make them ineligible for certain cash assistance benefits, and therefore for Medicaid, in a State that has only a categorically needy program. The proposed amendment would limit the application of this provision to individuals who have elected to decline the increased pensions, as permitted by this provision, before October 1, 1987.

Technical and clarifying amendments

Section 312(a) would clarify the Secretary's entitlement to obtain payment information upon request from providers.

Subsection (b) would clarify the interaction between the utilization review requirements under Medicare and Medicaid.

Subsection (c) would correct a cross-reference.

Subsection (d) would clarify that the term "intermediate care facility" includes an intermediate care facility for the mentally retarded, and that the term "intermediate care facility services" includes such services in a facility for the mentally retarded.

Subsection (e) would correct terminology concerning the approval of skilled nursing facilities and rural health clinics for participation in Medicare and Medicaid.

Effective date; grace period for state legislative action

Section 313(a) would provide that, except as otherwise explicitly provided, the amendments made by title III of the bill would be effective with respect to calendar quarters beginning on and after October 1, 1987.

Subsection (b) would provide that, where the Secretary determines that State legislation is needed to meet additional requirements imposed by this title, State plans would not be considered out of compliance for failure to meet those requirements until after the close of the next regular session of the legislature meeting after enactment of this bill.

THE SECRETARY OF
HEALTH AND HUMAN SERVICES,
Washington, DC, July 7, 1987

Hon. GEORGE BUSH,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: Enclosed for consideration by the Congress is a draft bill, the "Medicaid Reform Amendments of 1987".

Title I of the draft bill would limit total Federal financial participation in State expenditures for medical assistance under title XIX of the Social Security Act; the bill would increase States' flexibility in operation of their programs, in order to enable them to establish their program priorities within the limitations on Federal funding. Title II of the bill would limit Federal matching of State costs of administering the Medicaid program. Title III of the bill would make other amendments designed to control costs and simplify administration of the Medicaid program.

Title I of the draft bill would limit Federal Medicaid payments to States for medical assistance costs, beginning with fiscal year 1988. Payments to States for fiscal year 1988 would be limited to $25,246,451,000; for fiscal year 1989 and succeeding years each State's payment limit would be determined by indexing its allotment for the prior fiscal year by the medical care component of the Consumer Price Index. For FY 1988 only, the Secretary would be authorized to distribute additional funds appropriated, up to a ceiling of $300 million, in grants to States whose Federal matching payments, but for the ceiling, would be more than 8 percent higher, but that did not exceed certain limits on cost increases.

The draft bill would increase States' flexibility with respect to coverage, cost sharing, and provider reimbursement under their Medicaid programs. States would continue to be required to provide the current mandatory services to the current "mandatory categorically needy" groups, but other coverage requirements would be relaxed. Federal requirements for "state-wideness" and "freedom of choice" would be retained only for mandatory services to mandatory groups; States could assess nominal copayments on mandatory services for mandatory groups, and other restrictions on copayments would be eliminated; and all minimum requirements concerning provider reimbursement rates would be repealed.

The draft bill would also make various other amendments to increase State flexibility and to eliminate administrative requirements that would become unnecessary if Federal matching of program costs were subject to ceilings.

The amendments expanding State flexibility are intended to give States sufficient discretion to establish their program priorities within the limitations on Federal financial assistance, and not merely to allow expansion by States of their Medicaid programs. Therefore, these additional State options would only be available for calendar quarters for which the limitations on Federal financial participation were in effect.

Title II of the draft bill would eliminate enhanced matching rates for certain State administrative costs, including the 75 percent rate for compensation and training of skilled medical personnel and supporting staff; the 90 and 75 percent rates for Medicaid management information systems; and the 90 and 75 percent rates for Medicaid fraud control units. Federal matching for these activities would be limited to 50 percent.

Title II of the bill would also reduce the Federal matching rate from 50 to 25 percent for State administrative costs that exceed 135 percent of the national median of such costs, and would eliminate matching for State administrative costs that exceed 160 percent of the national median.

The limitations on Federal funding of medical assistance costs, and on Federal matching of excess administrative costs, would not apply to the territories, whose Federal matching for Medicaid costs is already capped.

Title III of the draft bill would make additional amendments designed to control costs and improve program administration. The bill would limit reimbursement for nonemergency physician services furnished in hospital emergency rooms. It would eliminate the State option to apply rules less restrictive than those in the supplemental security income (SSI) program under title XVI of the Act in determining whether an individual is ineligible for Medicaid because of transfer of assets for less than fair market value. The bill would authorize the Secretary to set minimum standards for State claims payment reviews, and to perform the reviews at State expense where a State failed to meet those standards in its reviews. This title would also make various other administrative improvements.

The provisions of the draft bill are described in detail in the enclosed section-by-section summary.

We estimate that enactment of the draft bill would result in Federal saving of $1,390 million for fiscal year 1988, rising to $6,460 million by fiscal year 1992. A detailed savings table is enclosed.

We urge the Congress to give the draft bill its prompt and favorable consideration.

We are advised by the Office of Management and Budget that there is no objection to the submission of this legislative proposal to the Congress, and that its enactment would be in accord with the program of the President.

Sincerely,

OTIS R. BOWEN, M.D.,
Secretary.

MEDICAID REFORM AMENDMENTS OF 1987 ESTIMATED FEDERAL SAVINGS

[In millions of dollars]

	Fiscal years—				
	1988	1989	1990	1991	1992
Section 101	1,000	2,544	3,591	4,768	6,152
Section 201	255	265	273	280	286
Section 202	20	21	21	22	22
Section 303 [1]	80				
Section 307 [1]	15				
Section 309 [1]	20				
Total	1,390	2,830	3,885	5,069	6,460

[1] These proposals will produce no additional savings for fiscal years after fiscal year 1988, because of the limitation on funding established by the amendment made by section 101.●

By Mr. METZENBAUM (for himself, Mr. HEINZ, Mr. GLENN, Mr. SPECTER, Mr. LEVIN, Mr. RIEGLE, Mr. BYRD, Mr. HEFLIN, Mr. SHELBY, Mr. LUGAR, Mr. BUMPERS, Mr. INOUYE, Mr. DURENBERGER, Ms. MIKULSKI, Mr. ROCKEFELLER, Mr. BOSCHWITZ, and Mr. SARBANES):

S. 1577. A bill to extend certain protections under title 11 of the United States Code, the Bankruptcy Code; which was ordered placed on the calendar by unanimous consent.

EXTENSION OF CERTAIN PROVISIONS OF THE BANKRUPTCY CODE

● Mr. METZENBAUM. Mr. President, last year Congress enacted an emergency measure to protect retiree health and life insurance benefits when companies file for bankruptcy. Earlier this year we extended these protections through September 15.

The purpose of this measure has been to afford Congress an opportunity to enact a permanent change in the bankruptcy code. Last Friday the Senate passed such a measure which is now pending in the House.

In order to provide the House an ample opportunity to deal with this complex legislation I am today, along with 16 cosponsors, introducing a 30-day extension of the stop-gap measure.

I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Public Law 100-41 is amended by striking out "September 15, 1987" and inserting in lieu thereof "October 15, 1987".●

ADDITIONAL COSPONSORS

S. 39

At the request of Mr. MOYNIHAN, the name of the Senator from Florida [Mr. CHILES] was added as a cosponsor of S. 39, a bill to amend the Internal Revenue Code of 1986 to make exclusion from gross income of amounts paid for employee educational assistance permanent.

S. 182

At the request of Mr. RIEGLE, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 182, a bill to amend title 3, United States Code, and the Uniform Time Act of 1966 to establish a single poll closing time in the continental United States for Presidential general elections.

S. 685

At the request of Mr. QUAYLE, the names of the Senator from Illinois [Mr. SIMON], the Senator from Kansas [Mr. DOLE], and the Senator from South Carolina [Mr. THURMOND] were added as cosponsors of S. 685, a bill to amend the Deficit Reduction Act of 1984 to make permanent the administrative offset debt collection provisions with respect to education loans.

S. 708

At the request of Mr. PROXMIRE, the name of the Senator from Tennessee [Mr. GORE] was added as a cosponsor of S. 708, a bill to require annual appropriations of funds to support timber management and resource conservation on the Tongass National Forest.

S. 715

At the request of Mr. HARKIN, the names of the Senator from Arkansas [Mr. BUMPERS] and the Senator from Iowa [Mr. GRASSLEY] were added as cosponsors of S. 715, a bill to prohibit any active duty, commissioned officer of the Armed Forces of the United States from serving as the Assistant to the President for National Security Affairs, and for other purposes.

S. 801

At the request of Mr. JOHNSTON, the name of the Senator from California [Mr. WILSON] was added as a cosponsor of S. 801, a bill to facilitate the national distribution and utilization of coal.

S. 837

At the request of Mr. KENNEDY, the name of the Senator from Washington [Mr. ADAMS] was added as a cosponsor of S. 837, a bill to amend the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate, and for other purposes.

S. 961

At the request of Mr. HEINZ, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of S. 961, a bill to amend title XVIII of the Social Security Act to allow medicare coverage for home health services provided on a daily basis.

S. 1172

At the request of Mr. PRYOR, the name of the Senator from Minnesota [Mr. BOSCHWITZ] was added as a cosponsor of S. 1172, a bill to amend the Farm Credit Act of 1971 to provide a secondary market for agricultural mortgages, and for other purposes.

S. 1196

At the request of Mr. HOLLINGS, the name of the Senator from North Carolina [Mr. SANFORD] was added as a cosponsor of S. 1196, a bill to provide for the enhanced understanding and wise use of ocean, coastal, and Great Lakes resources by strengthening the National Sea Grant College and by initiating a Strategic Coastal Research Program, and for other purposes.

S. 1217

At the request of Mr. MURKOWSKI, the names of the Senator from Texas [Mr. GRAMM], the Senator from Oklahoma [Mr. NICKLES], and the Senator from Idaho [Mr. SYMMS] were added as cosponsors of S. 1217, a bill to amend the Mineral Leasing Act of 1920 to authorize the Secretary of the Interior to lease, in an expeditious and environmentally sound manner, the public lands within the Coastal Plain of the North Slope of Alaska for oil and gas exploration, development, and production.

S. 1297

At the request of Mr. GRAHAM, the names of the Senator from Georgia [Mr. NUNN] and the Senator from Texas [Mr. BENTSEN] were added as cosponsors of S. 1297, a bill to amend the National Trails System Act to provide for a study of the De Soto Trail, and for other purposes.

S. 1323

At the request of Mr. PROXMIRE, the name of the Senator from Kansas [Mrs. KASSEBAUM] was added as a cosponsor of S. 1323, a bill to amend the Securities Exchange Act of 1934 to provide to shareholders more effective and fuller disclosure and greater fairness with respect to accumulations of stock and the conduct of tender offers.

S. 1366

At the request of Mr. KENNEDY, the name of the Senator from Texas [Mr. BENTSEN] was added as a cosponsor of S. 1366, a bill to revise and extend the programs of assistance under title X of the Public Health Service Act.

S. 1402

At the request of Mr. KENNEDY, the name of the Senator from Maryland [Mr. SARBANES] was added as a cosponsor of S. 1402, a bill to amend title VIII of the Public Health Service Act to establish programs to reduce the shortage of professional nurses.

S. 1440

At the request of Mr. EVANS, the names of the Senator from California [Mr. CRANSTON] and the Senator from Tennessee [Mr. SASSER] were added as cosponsors of S. 1440, a bill to provide consistency in the treatment of quality control review procedures and standards in the Aid to Families with Dependent Children, Medicaid and Food Stamp Programs; to impose a temporary moratorium for the collection of penalties under such programs, and for other purposes.

S. 1441

At the request of Mr. KENNEDY, the name of the Senator from Pennsylvania [Mr. HEINZ] was added as a cosponsor of S. 1441, a bill to reduce the incidence of infant mortality.

S. 1490

At the request of Mr. SARBANES, the names of the Senator from Rhode Island [Mr. PELL] and the Senator from Vermont [Mr. STAFFORD] were added as cosponsors of S. 1490, a bill to designate certain employees of the Librarian of Congress as police, and for other purposes.

S. 1510

At the request of Mr. KERRY, the name of the Senator from Pennsylvania [Mr. SPECTER] was added as a cosponsor of S. 1510, a bill to require the Administrator of Veterans' Affairs to arrange for the review by the National Academy of Sciences of scientific evidence, studies, and literature pertaining to the human health effects of exposure to agent orange and its component compounds and the issuance of a report on the Academy's conclusions as to the weight of the evidence regarding the health effects in humans of exposure to agent orange, and for other purposes.

S. 1557

At the request of Mr. HOLLINGS, the name of the Senator from West Virginia [Mr. BYRD] was added as a cosponsor of S. 1557, a bill to require the Secretary of Transportation to promulgate rules regarding certain operating transponders on aircraft, and for other purposes.

SENATE JOINT RESOLUTION 106

At the request of Mr. BINGAMAN, the names of the Senator from Nevada [Mr. REID], the Senator from North Dakota [Mr. BURDICK], the Senator from Washington [Mr. ADAMS], the Senator from Florida [Mr. CHILES], the Senator from Alabama [Mr. HEFLIN], and the Senator from South Carolina [Mr. HOLLINGS] were added as cosponsors of Senate Joint Resolution 106, joint resolution to recognize the Disabled American Veterans' Vietnam Veterans' National Memorial as a memorial of national significance.

SENATE JOINT RESOLUTION 168

At the request of Mr. Melcher, the names of the Senator from California [Mr. Cranston], and the Senator from Maryland [Ms. Mikulski] were added as cosponsors of Senate Joint Resolution 168, joint resolution designating the week beginning October 25, 1987, as "National Adult Immunization Awareness Week."

SENATE JOINT RESOLUTION 173

At the request of Mr. Reid, the names of the Senator from Delaware [Mr. Biden], the Senator from Arkansas [Mr. Bumpers], the Senator from North Dakota [Mr. Burdick], the Senator from Florida [Mr. Chiles], the Senator from Mississippi [Mr. Cochran], the Senator from South Dakota [Mr. Daschle], the Senator from Arizona [Mr. DeConcini], the Senator from Kansas [Mr. Dole], the Senator from Utah [Mr. Hatch], the Senator from Indiana [Mr. Lugar], the Senator from Montana [Mr. Melcher], the Senator from Ohio [Mr. Metzenbaum], the Senator from Oklahoma [Mr. Nickles], the Senator from Michigan [Mr. Riegle], the Senator from Delaware [Mr. Roth], the Senator from North Carolina [Mr. Sanford], the Senator from Maryland [Mr. Sarbanes], the Senator from Alabama [Mr. Shelby], the Senator from Mississippi [Mr. Stennis], the Senator from California [Mr. Wilson], and the Senator from Colorado [Mr. Wirth] were added as cosponsors of Senate Joint Resolution 173, joint resolution to commemorate the 200th anniversary of the signing of the U.S. Constitution.

SENATE JOINT RESOLUTION 175

At the request of Mr. Trible, the names of the Senator from Minnesota [Mr. Boschwitz], the Senator from Louisiana [Mr. Breaux], the Senator from Mississippi [Mr. Cochran], the Senator from Nevada [Mr. Hecht], the Senator from Wisconsin [Mr. Kasten], the Senator from Indiana [Mr. Lugar], the Senator from Georgia [Mr. Nunn], the Senator from Wyoming [Mr. Wallop], the Senator from Virginia [Mr. Warner], and the Senator from California [Mr. Wilson] were added as cosponsors of Senate Joint Resolution 175, joint resolution to recognize the efforts of the U.S. Soccer Federation in bringing the world cup to the United States in 1994.

SENATE CONCURRENT RESOLUTION 32

At the request of Mr. Grassley, the name of the Senator from Vermont [Mr. Leahy], was added as a cosponsor of Senate Concurrent Resolution 32, concurrent resolution to express the sense of Congress that volunteer work should be taken into account by employers in the consideration of applicants for employment and that provision should be made for a listing and description of volunteer work on employment application forms.

SENATE RESOLUTION 246

At the request of Mr. Moynihan, the name of the Senator from Mississippi [Mr. Cochran] was added as a cosponsor of Senate Resolution 246, resolution to honor Irving Berlin for the pleasure he has given to the American people through almost a century of his music.

SENATE RESOLUTION 262—TO AMEND THE STANDING RULES OF THE SENATE RELATIVE TO THE ENACTMENT OF TAX INCREASE MEASURES

Mr. WALLOP submitted the following resolution; which was referred to the Committee on Rules and Administration:

S. Res. 262

Resolved, That rule XVI of the Standing Rules of the Senate is amended—

(1) by adding at the end thereof the following new paragraph:

"9. No bill, joint resolution, report made by a committee of conference, amendment, or other matter providing for a tax increase may be enacted except by the affirmative vote of two-thirds of the Senators present and voting.", and

(2) by adding at the end of the heading thereof a semicolon and the following: "TAX INCREASE MEASURES".

SENATE RESOLUTION 263—TO AMEND THE STANDING RULES OF THE SENATE WITH RESPECT TO THE ENROLLMENT OF CERTAIN APPROPRIATIONS BILLS

Mr. WALLOP submitted the following resolution; which was referred to the Committee on Rules and Administration:

S. Res. 263

Rule XVI of the Standing Rules of the Senate, as amended by section 1 of this resolution, is further amended by adding at the end thereof the following new paragraph:

"10. (a)(1) When any general or special appropriation bill or any bill or joint resolution making supplemental, deficiency, or continuing appropriations passes both Houses of the Congress in the same form, the Secretary of the Senate (in the case of a bill or joint resolution originating in the Senate) shall cause the enrolling clerk of the Senate to enroll each item of such bill or joint resolution as a separate bill or joint resolution, as the case may be.

"(2) A bill or joint resolution that is required to be enrolled pursuant to clause (1)—

"(A) shall be enrolled without substantive revision,

"(B) shall conform in style and form to the applicable provisions of chapter 2 of title 1, United States Code (as such provisions are in effect on the date of the enactment of this resolution), and

"(C) shall bear the designation of the measure of which it was an item prior to such enrollment, together with such other designation as may be necessary to distinguish such bill or joint resolution from other bills or joint resolutions enrolled pusuant to clause (1) with respect to the same measure.

"(b) A bill or joint resolution enrolled pursuant to clause (1) of subparagraph (a) with respect to an item shall be deemed to be a bill under Clauses 2 and 3 of Section 7 of Article 1 of the Constitution of the United States and shall be presented to the President for approval or disapproval (and otherwise treated for all purposes) in the manner provided for bills and joint resolutions generally.

"(c) For purposes of this rule, the term "item" means any numbered section and any unnumbered paragraph of—

"(1) any general or special appropriation bill, and

"(2) any bill or joint resolution making supplemental, deficiency, or continuing appropriations.".

SENATE RESOLUTION 264—TO AMEND SENATE RESOLUTION 400 (94TH CONGRESS) ESTABLISHING A SELECT COMMITTEE ON INTELLIGENCE

Mr. WALLOP submitted the following resolution; which was referred to the Committee on Rules and Administration:

S. Res. 264

Resolved, That Section 2 of Senate Resolution 400 (94th Congress) is amended by deleting subsection (b) and redesignating subsection (c) as subsection (b) and redesignating subsection (d) as subsection (c).

SENATE RESOLUTION 265—TO AMEND THE STANDING RULES OF THE SENATE RELATIVE TO CONSIDERATION OF AMENDMENTS TO APPROPRIATIONS MATTERS

Mr. WALLOP submitted the following resolution; which was referred to the Committee on Rules and Administration:

S. Res. 265

Resolved, That paragraph 1 of Rule XVI of the Standing Rules of the Senate is amended to read as follows:

1. On a point of order made by any Senator, no amendments shall be received to any general appropriation bill the effect of which will be to increase an appropriation already contained in the bill, or to add a new item of appropriation, unless it be made to carry out the provisions of an authorization for such appropriation previously enacted into law.

SENATE RESOLUTION 266—RELATIVE TO FUTURE UNITED STATES ASSISTANCE TO PAKISTAN

Mr. GLENN (for himself, Mr. Bradley, Mr. Cranston, Mr. Pell, Mr. Helms, Mr. Quayle, Mr. Moynihan, Mr. Kennedy, Mr. Humphrey, Mr. Kerry, Mr. Hatfield, Mr. Boschwitz, Mr. Simon, Mr. Adams, Mr. Mitchell,

Mr. Sarbanes, Mr. Sanford, Mr. Proxmire, and Mr. Graham) submitted the following resolution; which was considered and agreed to:

S. Res. 266

Whereas production of weapon-grade nuclear materials in Pakistan and India constitutes a threat to regional and international security; and

Whereas the United States desires to maintain a long-term security partnership with Pakistan; and

Whereas the greatest threat to this partnership arises from activities in Pakistan's nuclear program that are viewed as being inconsistent with a purely peaceful program; and

Whereas a Pakistani choice to eliminate this threat would serve our mutual interests in promoting stability in South Asia and assisting the Afghan people; and

Whereas the Government of Pakistan has repeatedly stated that it is not producing weapon-grade nuclear materials, and that it would respect U.S. nuclear export control laws; and

Whereas information exists that Pakistan is producing weapon-grade nuclear material; and

Whereas in the absence of any other action by the Congress or the President, United States laws require a cessation of assistance in the event of violations of the nuclear export control laws of the United States; and

Whereas further U.S. assistance to Pakistan or India in the face of continued violations would undermine U.S. efforts to contain the spread of nuclear weapons, including U.S. commitments to the 132 nonweapon-state parties to the Nuclear Non-Proliferation Treaty: Now, therefore, be it

Resolved, That:

(1) The Senate strongly supports the President in his forthcoming efforts to gain Pakistan's compliance with its past commitments, including commitments of record, not to produce weapon-grade nuclear materials.

(2) The Senate strongly urges the President to inform Pakistan that Pakistan's verifiable compliance with these past commitments is vital to any further United States military assistance.

(3) The Senate urges the President to pursue vigorously an agreement by India and Pakistan to provide for simultaneous accession by India and Pakistan to the Nuclear Non-Proliferation Treaty, simultaneous acceptance by both countries of complete International Atomic Energy Agency safeguards for all nuclear installations, mutual inspection of one another's nuclear installations, renunciation of nuclear weapons through a joint declaration of the two countries, and the establishment of a nuclear weapons free zone in the Sub-continent.

AMENDMENTS SUBMITTED

INCREASE IN STATUTORY LIMIT ON THE PUBLIC DEBT

JOHNSTON AMENDMENT NO. 647

Mr. JOHNSTON proposed an amendment to the joint resolution (H.J. Res. 324) increasing the statutory limit on the public debt; as follows:

On page 1, line 3, strike all after the word "That" and insert in lieu thereof the following: "during the period beginning on the date of the enactment of this Act and ending on May 1, 1989, the public debt limit set forth in subsection (b) of section 3101 of title 31, United States Code, shall be equal to $2,800,000,000,000."

MOYNIHAN (AND RIEGLE) AMENDMENT NO. 648

Mr. MOYNIHAN (for himself and Mr. Riegle) proposed an amendment to the joint resolution (H.J. Res. 324), supra; as follows:

At the appropriate place, add the following new title:

TITLE ___—SOCIAL SECURITY TRUST FUNDS

SEC. ___. SHORT TITLE.

This title may be cited as the "Social Security Trust Funds Management Act of 1987.

SEC. ___. INVESTMENT AND RESTORATION OF TRUST FUNDS.

(a) Subsection (d) of section 201 of the Social Security Act (42 U.S.C. 401(d)) is amended—

(1) by striking out "(1) on original issue" and inserting in lieu thereof "(A) on original issue",

(2) by striking out "(2) by purchase" and inserting in lieu thereof "(B) by purchase";

(3) by striking out "It shall be" and inserting in lieu thereof "(1) It shall be", and

(4) by adding at the end thereof the following new paragraphs:

"(2) If—

"(A) any amounts in the Trust Funds have not been invested solely by reason of the public debt limit, and

"(B) the taxes described in clause (3) or (4) of subsection (a) with respect to which such amounts were appropriated to the Trust Funds have actually been received into the general fund of the Treasury of the United States,

such amounts shall be invested by the Managing Trustee as soon as such investments can be made without exceeding the public debt limit and without jeopardizing the timely payment of benefits under this title or under any other provision of law directly related to the programs established by this title.

"(3)(A) Upon expiration of any debt limit impact period, the Managing Trustee shall immediately—

"(i) reissue to each of the Trust Funds obligations under chapter 31 of title 31, United States Code, that are identical, with respect to interest rate and maturity, to public debt obligations held by such Trust Fund that—

"(I) were redeemed during the debt limit impact period, and

"(II) as determined by the Managing Trustee on the basis of standard investment procedures for such Trust Fund in effect on the day before the date on which the debt limit impact period began would not have been redeemed if the debt limit impact period had not occurred, and

"(ii) issue to each of the Trust Funds obligations under chapter 31 of title 31, United States Code, that are identical, with respect to interest rate and maturity, to public debt obligations which—

"(I) were not issued during the debt limit impact period, and

"(II) as determined by the Managing Trustee on the basis of such standard investment procedures, would have been issued if the debt limit impact period had not occurred.

"(B) Obligations issued or reissued under subparagraph (A) shall be substituted for obligations that are held by the Trust Fund, and for amounts in the Trust Fund that have not been invested, on the date on which the debt limit impact period ends in a manner that will ensure that, after such substitution, the holdings of the Trust Fund will replicate to the maximum extent practicable the obligations that would be held by such Trust Fund if the debt limit impact period had not occurred.

"(C) In determining, for purposes of this paragraph, the obligations that would be held by a Trust Fund if the debt limit impact period had not occurred, any amounts in the Trust Fund which have not been invested, and any amounts required to be invested under paragraph (2), shall be treated as amounts which were required to be invested upon transfer to the Trust Fund.

"(4) The Managing Trustee shall pay, on the first normal interest payment date that occurs on or after the date on which any debt limit impact period ends, to each of the Trust Funds, from amounts in the general fund of the Treasury of the United States not otherwise appropriated, an amount determined by the Managing Trustee to be equal to the excess of—

"(A) the net amount of interest that would have been earned by such Trust Fund during such debt limit impact period if—

"(i) amounts in such Trust Fund that were not invested during such debt limit impact period solely by reason of the public debt limit had been invested, and

"(ii) redemptions and disinvestments with respect to such Trust Fund which occurred during such debt limit impact period solely by reason of the public debt limit had not occurred, over

"(B) the sum of—

"(i) the net amount of interest actually earned by such Trust Fund during such debt limit impact period, plus

"(ii) the total amount of the principal of all obligations issued or reissued under paragraph (3)(A) at the end of such debt limit impact period that is attributable to interest that would have been earned by such Trust Fund during such debt limit impact period but for the public debt limit.

"(5) For purposes of this section—

"(A) The term 'public debt limit' means the limitation imposed by subsection (b) of section 3101 of title 31, United States Code.

"(B) The term 'debt limit impact period' means any period for which the Secretary of the Treasury determines that the issuance of obligations of the United States sufficient to orderly conduct the financial operations of the United States may not be made without exceeding the public debt limit.".

(b) Subsection (a) of section 201 of the Social Security Act is amended by adding at the end thereof the following new sentence: "All amounts so transferred shall be immediately available exclusively for the purpose for which amounts in the Trust Fund are specifically made available under this title or under any other provisions of law directly related to the programs established by this title.".

SEC. ___. REPEAL OF NORMALIZED TAX TRANSFER.

(a) Subsection (a) of section 201 of the Social Security Act is amended by striking out the matter following clause (4) and inserting in lieu thereof the following: "The amounts appropriated by clauses (3) and (4) shall be transferred from the general fund of the Treasury of the United States to the Federal Old-Age and Survivors Insurance Trust Fund, and the amounts appropriated by clauses (1) and (2) of subsection (b) shall be transferred from the general fund of the Treasury to the Federal Disability Insurance Trust Fund, upon receipt by the general fund of taxes specified in clauses (3) and (4) of this subsection (as estimated by the Secretary). Proper adjustments shall be made in amounts subsequently transferred to the extent amounts previously transferred were in excess of, or were less than, the taxes specified in such clauses (3) and (4). All amounts so transferred shall be immediately available exclusively for the purpose for which amounts in the Trust Fund are specifically made available under this title or under other provisions of law directly related to the programs established by this title.".

(b) The amendment made by subsection (a) shall take effect on July 1, 1990.

SEC. ___. FAITHFUL EXECUTION OF DUTIES BY MEMBERS OF BOARD OF TRUSTEES OF TRUST FUNDS.

Section 201(c) of the Social Security Act is amended by striking the last sentence and inserting the following: "A person serving on the Board of Trustees (including the Managing Trustee) shall not be considered to be a fiduciary, but each such person shall faithfully execute the duties imposed on such person by this section. A person serving on the Board of Trustees (including the Managing Trustee) shall not be personally liable for actions taken in such capacity with respect to the Trust Funds.".

SEC. ___. REPORTS REGARDING THE OPERATION AND STATUS OF THE TRUST FUNDS.

Subsection (c) of section 201 of the Social Security Act is amended—

(1) by striking "once" in the fourth sentence and inserting "twice",

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively,

(3) by redesignating paragraphs (3), (4), and (5) as subparagraphs (D), (E), and (F), respectively,

(4) by inserting after subparagraph (B) (as redesignated by paragraph (2) of this section) the following:

"(C) Report to the Congress as soon as possible, but not later than the date that is 30 days after the first normal interest payment date occurring on or after the date on which any debt limit impact period for which the Managing Trustee is required to take action under paragraph (3) or (4) of subsection (d) ends, on—

"(i) the operation and status of the Trust Funds during such debt limit impact period, and

"(ii) the actions taken under paragraphs (3) and (4) of subsection (d) with respect to such debt limit impact period;",

(5) by striking out "in paragraph (2) above" and inserting in lieu thereof "in subparagraph (B) above",

(6) by inserting "(1)" after "(c)", and

(7) by adding at the end thereof the following:

"(2) The Managing Trustee shall report monthly to the Board of Trustees concerning the operation and status of the Trust Funds and shall report to Congress and to the Board of Trustees not less than 15 days prior to the date on which by reason of the public debt limit, the Managing Trustee expects to be unable to fully comply with the provisions of subsection (a) or (d)(1), and shall include in such report an estimate of the expected consequences to the Trust Funds of such inability.".

SEC. ___. ELIMINATION OF UNDUE DISCRETION IN THE INVESTMENT OF TRUST FUNDS.

(a) Section 201(d) of the Social Security Act is amended, in the first sentence—

(1) by inserting "immediately" after "to invest"; and

(2) by striking ", in his judgment,".

(b)(1) Paragraph (2) of section 201(d) of the Social Security Act, as added by this title, is amended to read as follows:

"(2) If any amount in either of the Trust Funds is not invested solely by reason of the public debt limit, such amount shall be invested as soon as such investment can be made without exceeding the public debt limit and without jeopardizing the timely payment of benefits under this title or under any other provision of law directly related to the programs established by this title."

(2) The amendment made by paragraph (1) shall take effect on July 1, 1990.

SEC. ___. SALES AND REDEMPTIONS BY TRUST FUNDS.

Section 201(e) of the Social Security Act is amended—

(1) by inserting "(1)" after "(e)"; and

(2) by adding at the end the following:

"(2)(A) The Managing Trustee may effect any such sale or redemption with respect to either Trust Fund only for the purpose of enabling such Trust Fund to make payments authorized by this title or under any other provisions of law directly related to the programs established by this title. If either of the Trust Funds holds any amounts which are not invested by reason of the public debt limit, the Managing Trustee is nevertheless directed to make such sales and redemptions if, and only to the extent, necessary to assure timely payment of benefits and other payments authorized by this title or by any other provisions of law directly related to the programs established by this title, but the principal amount of obligations sold or redeemed pursuant to this sentence shall not exceed the principal amount of obligations that would have been sold or redeemed under normal operating procedures in order to make such payments.".

SEC. ___. EFFECTIVE DATE.

Except as otherwise provided by this title, the amendments made by this title shall take effect on the date of enactment of this Act.

JOHNSTON (AND OTHERS) AMENDMENT NO. 649

Mr. JOHNSTON (for himself, Mr. Conrad, Mr. Wirth, Mr. Exon, and Mr. Kerry) proposed an amendment, which was subsequently modified, to amendment No. 645 proposed by Mr. Gramm (and others) to the joint resolution (H.R. Res. 324), supra; as follows:

On page 59 strike lines 1 through 5 and insert the following:

"(7) The term 'maximum deficit amount' means—

"(A) with respect to the fiscal year beginning October 1, 1987, the lower of $140,000,000,000, or $36 billion less than the baseline estimate of the deficit in a manner to be determined by the conferees, and

"(B) with respect to the fiscal year beginning October 1, 1988, $120,000,000,000;"

At the appropriate place, insert and section (d)(1) of the Balanced Budget Act of 1985 is amended by striking out "$10,000,000,000" each place it appears and inserting in lieu thereof "$5,000,000,000".

(2) The amendment made by paragraph (1) shall be in effect only with respect to fiscal year 1988.

EVANS (AND OTHERS) AMENDMENT NO. 650

Mr. EVANS (for himself, Mr. Humphrey, Mr. Exon, Mr. Boren, Mr. Gramm, Mr. Domenici, Mr. Proxmire, Mr. Nickles, Mr. Hecht, Mr. McCain, Mr. Roth, Mr. Garn, Mr. Murkowski, Mr. Boschwitz, Mr. Trible, Mr. Symms, Mr. Warner, Mr. Kasten, Mr. D'Amato, Mr. Bond, and Mr. Karnes) proposed an amendment to the joint resolution (H.J. Res. 324), supra; as follows:

At the appropriate place, add the following new title:

TITLE —TREATMENT OF CONTINUING RESOLUTIONS

SEC. . ENROLLMENT OF CERTAIN JOINT RESOLUTIONS.

(a) In General.—

(1) Notwithstanding any other provision of law, when any joint resolution making continuing appropriations is agreed to by both Houses of the Congress in the same form, the Secretary of the Senate (in the case of a joint resolution originating in the Senate) or the Clerk of the House of Representatives (in the case of a joint resolution originating in the House of Representatives) shall cause the enrolling clerk of such House to enroll each title of such joint resolution as a separate joint resolution.

(2) A joint resolution that is required to be enrolled pursuant to paragraph (1)—

(A) shall be enrolled without substantive revision,

(B) shall conform in style and form to the applicable provisions of chapter 2 of title 1, United States Code (as such provisions are in effect on the date of the enactment of this section), and

(C) shall bear the designation of the measure of which it was a title prior to such enrollment, together with such other designation as may be necessary to distinguish such joint resolution from other joint resolutions enrolled pursuant to paragraph (1) with respect to the same measure.

(b) Procedures.—A joint resolution enrolled pursuant to paragraph (1) of subsection (a) with respect to a title shall be deemed to be a bill under Clauses 2 and 3 of States and shall be signed by the presiding officers of both Houses of the Congress and presented to the President for approval or disapproval (and otherwise treated for all purposes) in the manner provided for bills and joint resolutions generally.

(c) Definition.—For purposes of this section, the term "title" means any division of a joint resolution making continuing appropriations that is designated as a title.

(d) Application.—The provisions of this section shall apply to joint resolutions agreed to by the Congress during the two-calendar-year period beginning with the date of the enactment of this section.

SEC. —. POINT OF ORDER.

(a) In General.—Notwithstanding any other provision of law, the Standing Rules of the Senate, or the Rules of the House of Representatives—

(1) it shall not be in order to consider any joint resolution making continuing appropriations for a fiscal year unless each title of the joint resolution corresponds to a regular appropriations bill,

(2) any general provisions of the joint resolution are contained in the appropriate title or titles of the joint resolution (rather than in a separate title).

"(b) For purposes of this section, the term 'regular appropriation bill' means any regular appropriation bill (within the meaning given to such term in section 307 of the Congressional Budget Act of 1974 (2 U.S.C. 638)) making appropriations, otherwise making funds available, or granting authority, for any of the following categories of projects and activities:

"(1) Agriculture, rural development, and related agencies programs.

"(2) The Departments of Commerce, Justice, and State, the judiciary, and related agencies.

"(3) The Department of Defense.

"(4) The government of the District of Columbia and other activities chargeable in whole or in part against the revenues of the District.

"(5) The Departments of Labor, Health and Human Services, and Education, and related agencies.

"(6) The Department of Housing and Urban Development, and sundry independent agencies, boards, commissions, corporations, and offices.

"(7) Energy and water development.

"(8) Foreign assistance and related programs.

"(9) The Department of the Interior and related agencies.

"(10) Military construction.

"(11) The Department of Transportation and related agencies.

"(12) The Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies.

"(13) The legislative branch.".

CONRAD (AND BOSCHWITZ) AMENDMENT NO. 651

Mr. CONRAD (for himself and Mr. BOSCHWITZ) proposed an amendment to the joint resolution (H.J. Res. 324), supra; as follows:

At the end of the joint resolution, add the following:

TITLE —2 PERCENT REDUCTION OF SPENDING FOR FISCAL YEAR 1988

SEC. 01. 2 PERCENT REDUCTION OF APPROPRIATE LEVELS.

Pursuant to section 304 of the Congressional Budget and Impoundment Act of 1974, section 4 of the concurrent resolution on the budget for fiscal year 1988 (H. Con. Res. 93, 100th Congress, 1st Session) is amended by adding at the end thereof the following new subsection:

"(t)(1) Notwithstanding any other provision of law but subject to the provisions of paragraphs (2), (3), and (4)—

"(A) for purposes of determining, in accordance with section 311(a) of the Congressional Budget Act of 1974, whether the maximum deficit amount for a fiscal year has been exceeded;

"(B) for purposes of other points of order under section 311 of the Congressional Budget and Impoundment Control Act of 1974;

"(C) for purposes of reconciliation under section 310 of the Congressional Budget and Impoundment Control Act of 1974; or

"(D) for purposes of allocations and points of order under section 302 of the Congressional Budget and Impoundment Control Act of 1974.

each appropriate level of total new budget authority for each major functional category and aggregate set forth for fiscal year 1988 in the concurrent resolution on the budget for fiscal year 1988 (H. Con. Res. 93, 100th Congress, 1st Session) shall be deemed to be reduced by 2 percent, and outlay levels shall be deemed to be reduced by appropriate amounts corresponding to a 2 percent cut in budget authority.

"(2) The reduction imposed by paragraph (1) and paragraph (3) shall not apply to the major functional categories for Social Security (650) and that portion of budget authority and outlays which are under any functional category and which are attributable to the enforcement activities of the Internal Revenue Service, and shall apply only to that portion Medicare (570) attributable to general revenues.

"(3) In addition to other changes specified in this subsection, the committees of the House of Representatives and the Senate that have jurisdiction over budget authority and outlays (other than budget authority and outlays within functional categories for Social Security (650) or under any function categories which are attributable to enforcement activities or the Internal Revenue Service) shall report changes in laws within their jurisdiction that provide budget authority and outlays (other than budget authority and outlays within functional category for Social Security (650) and the functional categories which are attributable to enforcement activities or the Internal Revenue Service) sufficient to reduce budget authority or, where applicable, outlays (other than budget authority and outlays within functional category for Social Security (650) and the functional categories which are attributable to enforcement activities or the Internal Revenue Service) by two percent.

"(4) The Chairmen of the Committees on the Budget of the House of Representatives and the Senate shall file with their respective Houses appropriately revised allocations under section 302(a) of the Congressional Budget Act of 1974 and revised functional levels and aggregates to carry out this subsection. Such revised allocations, functional levels, and aggregates shall be considered for the purposes of such Act as allocations, functional levels, and aggregates contained in a concurrent resolution on the budget within the meaning of title III of such Act, and the appropriate committees of such Houses shall report revised allocations, pursuant to section 302(b) of such Act for fiscal year 1988 to carry out this subsection.".

HUMPHREY (AND OTHERS) AMENDMENT NO. 652

Mr. HUMPHREY (for himself, Mr. BURDICK, Mr. HELMS, Mr. PROXMIRE, Mr. DECONCINI, Mr. MCCAIN, and Mr. ROTH) proposed an amendment to the joint resolution (H.J. Res. 324), supra; as follows:

At the appropriate place, add the following new section:

SEC. . (a) The rates of pay for all offices and positions which were increased pursuant to the recommendations of the President relating to rates of pay for offices and positions within the purview of section 225(f) of the Federal Salary Act of 1967, as included (pursuant to section 225(h) of such Act) in the budget transmitted to Congress for the fiscal year ending on September 30, 1988, are reduced to the rate of pay for each such office and position which was in effect before such recommendations became effective.

(b) The provisions of subsection (a) shall become effective on the first day of the first applicable pay period which begins on or after the date of enactment of this Act.

(c) The provisions of subsection (a) shall not apply to any judge, justice, or magistrate serving in the Judiciary Branch of the Federal Government.

GRASSLEY (AND OTHERS) AMENDMENT NO. 653

Mr. GRASSLEY (for himself, Mr. HUMPHREY, Mr. BURDICK, Mr. DECONCINI, Mr. PROXMIRE, Mr. MCCAIN, Mr. HELMS, Mr. KARNES, Mr. THURMOND, Mr. NICKLES, Mr. EXON, Mr. DOMENICI, Mr. ROTH, Mr. HECHT, Mr. BOND, Mr. REID, and Mr. WILSON) proposed an amendment to the joint resolution (H.J. Res. 324), supra; as follows:

At the end of the bill, add the following new section:

SEC. . Paragraph (1) of section 225(i) of the Federal Salary Act of 1967 (2 U.S.C. 359) is amended to read as follows:

"(1) Each recommendation of the President which—

"(A) is transmitted to the Congress pursuant to subsection (h) of this section; and

"(B) is approved by a joint resolution agreed to by the Congress, shall be effective as provided in paragraph (2) of this subsection.".

INTERLOCKING DIRECTORATES AND OFFICERS

METZENBAUM AMENDMENT NO. 654

Mr. BYRD (for Mr. METZENBAUM) proposed an amendment to the bill (S. 1068) to amend the Clayton Act regarding interlocking directorates and officers; as follows:

At the end of the bill, insert the following new sections:

SEC. . Section 7A of the Clayton Act is amended by adding at the end thereof the following new subsection:

"(k) For purposes of this section, the annual net sales and total assets of a person shall include, in the case of a partnership, the annual net sales or total assets of any general partner and any partner having the right to 50 per centum or more of the profits of the partnership, or having the right in the event of dissolution to 50 per centum or more of the assets of the partnership.".

SEC. . This Act and the amendments made by this Act shall become effective sixty days after the date of enactment of this Act.

SECTION 7A(a) of the Clayton Act is amended—

(1) in paragraph (2), by striking out "$10,000,000" each place it appears in subparagraphs (A), (B), and (C) and inserting in lieu thereof "$15,000,000"; and

(2) in paragraph (3)(B), by striking out "$15,000,000" and inserting in lieu thereof "$20,000,000".

SEC. 2. (a) Section 7A(b)(1)(B) of the Clayton Act is amended—

(1) by substituting "twentieth" for "fifteenth"; and

(2) by striking out "or (g)(2)" and inserting in lieu thereof the following ", (g)(2), or (g)(3)".

(b) Section 7A(e) of the Clayton Act is amended—

(1) by substituting "20-day" for "15-day" each place it appears;

(2) in paragraph (2) by striking out "(or in the case of a cash tender offer, 10 days)"; and

(3) by striking out the word "only" from the last sentence of paragraph (2) and inserting at the end thereof the following: "or (g)(3)".

(c) Section 7A(g) of the Clayton Act is amended by adding the following at the end thereof: "(3) The court may extend the additional period for up to 25 days if, due to the complexity or scope of the information or documentary material to be evaluated, the Federal Trade Commission or the Assistant Attorney General reasonably requires such additional time to determine whether the proposed acquisition may, if consummated, violate the antitrust laws."

SEC. 3. This Act and the amendments made by this Act shall become effective one hundred twenty days after the date of enactment of this Act.

DEPARTMENT OF JUSTICE AUTHORIZATION ACT

BIDEN (AND THURMOND) AMENDMENT NO. 655

Mr. BYRD (for Mr. BIDEN, for himself and Mr. THURMOND) proposed an amendment to the bill (S. 938) to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal years 1988 and 1989, and for other purposes; as follows:

On page 3, line 10 strike "until September 30, 1989" and insert "for two fiscal years".

On page 4, line 3 strike "1988" and insert "1989".

On page 5, line 5 strike "1988" and insert "1989".

On page 5, line 19 after "For the Assets Forfeiture Fund:" and insert "in each fiscal year".

On page 5, line 22 and line 23 strike "not to exceed a total of $50,000,000 shall be available to pay for those expense" and insert "the Attorney General shall provide a special report to the Judiciary Committees of both Houses of Congress regarding the expenditures of the Fund if expenditures exceed a total of $50,00,000 for those expenses".

On page 7, line 11 after "appropriation" insert "in each fiscal year".

On page 9, line 16 after "$140,270,000" insert "in each fiscal year".

On page 11, line between lines 17 and 18, Insert the following new section:

SEC. 104. Notwithstanding the provisions of Public Law 99-591 making continuing appropriations for the fiscal year 1987, the amount made available in the Department of Justice Appropriations Act for "Salaries and expenses, Community Relations Service" (100 Stat. 3341-47) for grants, contracts, and reimbursable agreements and other expenses necessary under section 501(c) of the Refuge Education Assistance Act of 1980 is changed from $23,266,000 to $23,026,000.

On page 18, strike lines 20 and 21 and insert the following:

"(2) necessary expenses in attending to the safety of Judicial proceedings and the execution of court orders;".

On page 26, lines 13 and 14, strike "publish in the Federal Register for notice and comment" and insert "issue". On page 26, line 21 after "activities." strike the remainder of the section (through page 27, line 3) and insert the following paragraph:

"Any proposed guidelines and any changes thereto shall be made available to Congress at least thirty days prior to final adoption. In addition, following enactment of this statute, the Attorney General shall report to Congress, at intervals of one hundred and twenty days, regarding the Department's progress in drafting and issuing comprehensive guidelines.

On page 27, lines 13 and 14, strike "conduct" and insert "approval".

On page 28, between lines 11 and 12, insert the following new section:

SEC. 206. Section 567 of Title 28, United States Code, is hereby repealed.

On page 29, line 23, strike "Sec. 305" and insert "Sec. 303.".

On page 32, line 9, strike "Section 263" and insert "Section 263a".

On page 35, lines 3 and 4 strike "semiannually" and insert "annually".

On page 36, line 2 insert the following: "; provided that the Attorney General report annually to Congress regarding the number of private, for profit, contracts entered into for full detention services; such reports shall provide the name of the contractor, the location of the contractor's facility, the number of prisoners at each contract facility and their security level(s), and the cost and duration of each such contract.".

On page 36, line 22, after "unless the" insert "Judiciary and".

On page 37, line 13, after "unless the" insert "Judiciary and".

On page 41, between lines 3 and 4, insert the following:

"SEC. 504. The table of sections for Chapter 37 of Title 28, United States Code, is amended by deleting at the reference to section 567 the words "Expenses of marshals" and substituting in lieu thereof the word "Repealed"."

On page 41, line 4, strike "SEC. 504." and insert "Sec. 505.".

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON VETERANS' AFFAIRS

Mr. BENTSEN. Mr. President, I ask unanimous consent that the Committee on Veterans' Affairs be authorized to meet during the session of the Senate on Friday, July 31, 1987, for an open meeting to consider legislation relating to various veterans' benefits and programs.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON COMMUNICATIONS

Mr. BENTSEN. Mr. President, I ask unanimous consent that the Subcommittee on Communications, of the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on July 31, 1987, to hold hearings on S. 889, the Satellite Television Fair Marketing Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. BENTSEN. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Friday, July 31, 1987, to hold a hearing on annex V, of the Maritime Pollution Convention (Treaty Doc. 100-3).

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON FEDERAL SERVICES, POST OFFICE, AND CIVIL SERVICE

Mr. BENTSEN. Mr. President, I ask unanimous consent that the Subcommittee on Federal Services, Post Office, and Civil Service, Committee on Governmental Affairs, be authorized to meet during the session of the Senate on Friday, July 31, 1987, to resume hearings on S. 508, the Whistleblowers Protection Act of 1987.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

MILITARY MEDICAL MALPRACTICE

● Mr. SASSER. Mr. President, several years ago, I learned about two tragic cases of medical malpractice involving active duty military personnel from my State. While investigating these cases, I discovered serious flaws in the military medical system.

I found that the Feres doctrine—a 1950 Supreme Court decision—bars active duty military personnel from filing medical malpractice suits against the Government. In other words, a military person in peacetime can be subject to the most negligent military malpractice, but he or she cannot seek redress in the courts of this land. This struck me as grossly unfair. Frankly, it relegates our military personnel to second-class citizenship.

To remedy this inequity, I introduced legislation in the 99th Congress and again in the 100th Congress which gives active duty personnel the right to file medical malpractice suits against the government in peacetime. I hope Congress will act on my legislation this year.

This legislation will give our service men and women the same right as all other citizens of this land to their day in court. However, it does not address the much deeper problem at stake here—that is, the issue of substandard care in military medical facilities.

When I began my investigation into the military health care system 3 years ago, my goal was to improve the quality of care in the military system to a level equal to that found in the civilian sector. That is why I requested the General Accounting Office to identify patterns of problems in the military medical system and to make recommendations for correcting these problems.

Last month, the GAO published the first part of its findings. That report makes specific recommendations on how the Department of Defense can better use malpractice data to improve the quality of its medical care system.

First, GAO recommends strongly that DOD develop a centralized medical malpractice information system. Such a system—the GAO report concludes—would provide consistent data on actual claims and potential claims and identify individual providers responsible for malpractice. A central tracking system is critical in the military, because military physicians are transferred periodically from one hospital to another. By tracking individual physicians who are involved in malpractice, DOD can better identify those responsible for substandard care.

The GAO report also recommends that information about all claims or potential claims—even those involving active duty personnel—be included in the centralized system. This is an important point, because at present there is no assurance that malpractice incidents involving active duty service members will even be investigated or reviewed by the military claims services.

Army claims service officials have told GAO that their responsibility is to investigate claims for settlement purposes. Since, under the Feres doctrine, active duty personnel are not compensated for malpractice, their claims are typically not investigated. In essence, the Army tells its active duty personnel that since we do not have to compensate you for medical malpractice we are not interested in investigating why you suffered from negligent care. It is incomprehensible that the Army could be so disinterested in these often tragic cases of substandard care.

The GAO report sets out a clear path of corrective action for DOD officials. Yet, reports I have received suggest that DOD may continue to balk at these suggestions. This would be a tragic mistake. The GAO recommendations give the Department of Defense an excellent opportunity to improve its medical care system. I have written Secretary Weinberger urging DOD to make use of this opportunity and to implement the GAO recommendations as soon as possible.

DOD has made good progress in the fight to upgrade military medicine, but there is still plenty of room for improvement. I firmly believe the GAO recommendations will go a long way toward improving the quality of care in the military medical system.●

LESSON FROM THE IRAN-CONTRA HEARINGS

● Mr. HELMS. Mr. President, as the hearings of the Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition draw to a close, I suspect all of us agree that there is a lesson for everyone involved—the administration, the Congress, and the American people. While we may not agree on what that lesson should be, it will be helpful to examine the hearings from every perspective.

One of my constituents, Mrs. Andrew Jackson Watkins, of Henderson, NC, sent me an excellent article titled "Will We Profit From Colonel North's Example?" The article is written by Dr. Walter E. Williams, a very fine economist and a good friend of mine. Dr. Williams makes a point with which I fully agree: "U.S. foreign policy cannot be run by 535 Congressmen * * * it's best left to the executive branch of Government."

Mr. President, I ask that a copy of Dr. Williams' article be printed in the RECORD.

I encourage my colleagues to heed Dr. Williams' wise words, and I thank Mrs. Watkins for bringing it to my attention.

The article follows:

[From the Durham Morning Herald, July 18, 1987]

WILL WE PROFIT FROM COLONEL NORTH'S EXAMPLE?

(By Walter E. Williams)

Aside from the Iran-Contra affair being juicy gossip for an otherwise boring summer, it's a sad commentary on our foreign policy. It demonstrates that U.S. foreign policy cannot be run by 535 congressmen; for better or worse; it's best left to the executive branch of government.

During President Reagan's 1984 campaign, there was no doubt in anyone's mind that he was for aid to the contras, who are fighting Nicaragua's Soviet-backed Sandinista government. On that platform, Reagan was returned to the White House in a 49-states-to-1 sweep. Suggesting that: To condemn aid to the contras as a betrayal of national will is ludicrous. In order to carry out this policy, upon which Reagan was returned to office, the administration had to use proceeds from the sale of arms to one enemy to help fight another. That's the irony.

The real tragedy of the Iran-contra intrigue is that the mightiest nation on earth is forced to conduct sleight-of-hand foreign policy in an environment where Congress can produce more obstacles than our country's enemies can. But given congressional constraints, such as the Boland Amendment, Reagan administration people had to use sleight-of-hand and lie to Congress.

Congressmen have a way of bending the truth, too. But worse, some can't be trusted with state secrets. Some have been known to release secret documents to the benefit of our enemies—acts that used to be considered treason. So Col. Oliver North's concern led him to shred documents before they got into the hands of Congress was not entirely without merit.

The Soviet/Cuban influence in Nicaragua is a threat to our national interests. Therefore, "gunboat diplomacy" is a more appropriate U.S. policy. We should send our armed forces in to snuff out the Sandinistas and establish a naval military blockade. The fact that Mikhail Gorbachev has shipped $2 billion worth of helicopter gunships, rocket launchers, tanks, and small arms into Nicaragua makes the Soviet designs in the area clear. Or does Congress think that this is simply another Soviet goodwill gesture to us and to our Latin American allies?

Had today's Congress been around earlier in our history, we might now be a conquered nation.

Today's Congress would have withheld funding for World War II pending hearings to determine whether President Roosevelt had (as has been charged) deliberately stationed our fleet in Pearl Harbor in order to lure us into the war. After all, FDR had promised in his election campaign to keep us out of war.

And North Korea would have overrun South Korea had President Truman's Congress had the power to interfere with foreign policy as does today's. Even during Truman's presidency Congress tried to meddle; but Truman had guts. In effect, he told Congress, "I sent the boys to Korea; you'd better send them some ammunition." As a result, South Korea wasn't overrun and has emerged as one of the economic miracles of the Far East, while North Korea languishes in poverty under communist rule.

With today's Congress, President Kennedy might not have been able to confront Krushchev in 1962. Cuba would now be Russia's premier forward missile base with short- and intermediate-range warheads aimed at our major cities.

Col. North, a patriot, saw the communist threat and congressional connivance and tried to be more than he possibly could be. The fact that he carried it off, as much as he could, gave us some breathing room to collect our senses. But will we?●

NOMINEES TO THE FEDERAL COURTS

(By request of Mr. BYRD, the following statement was ordered to be printed in the RECORD:)

● Mr. LEAHY. Mr. President, four nominations to the Federal courts have been approved by the Judiciary Committee and are now on the Executive Calendar. These four nominees were examined at a hearing on July 21, 1987, at which I presided. Based on the investigation conducted by committee staff, and on the record made at the hearing, these four nominees appear qualified for the positions to which they have been nominated. For the benefit of Senators who will soon vote on whether to confirm these nominations, I offer the following brief summaries of the nominees' qualifications, and of the testimony elicited at the hearing and in followup questions.

As an introductory matter, because the pace of judicial nominations processing by the Judiciary Committee has been the subject of some discussion recently, I would like to call the Senate's attention to a chart setting forth the chronology for the four nominations that are before the Senate today. This chart indicates that these nominees have been selected to fill vacancies which have existed for periods ranging from 7 to 15 months. However, the President did not nominate anyone to fill any of these vacancies until 5 weeks ago, in two cases, or 4 weeks ago, in the other two cases. Once the Senate received these nominations, the Judiciary Committee acted on them very promptly. Hearings were held within 19 days, in two cases, or 25 days, in the other two cases, after the nominations were received. Nine days after the hearing, the Judiciary Committee went to some lengths to schedule a special meeting on Thursday afternoon for the sole purpose of approving nominations, including these four judicial nominations. Looking at the total period between the date of each vacancy and the date of approval of each nomination by the Judiciary Committee, the vast majority of the vacancy period—in one instance, about 93 percent of that period—is attributable to one actor in the nominations process: the executive branch. The other actor—the Senate—is responsible for only a small portion of the vacancy period in each case.

One Assistant Attorney General, whose job description seems to have very little to do with the selection of Federal judges, felt moved earlier this month to take to the pages of the Washington Times in order to accuse the Judiciary Committee of conducting "a concerted effort, a calculated game plan * * * designed to slow down [judicial nominations] in every way they can." I hope that that Assistant Attorney General and his colleagues at the Justice Department will take a moment to examine this chart. Perhaps they will see that when the President sends to the Senate highly qualified judicial nominees, the Senate moves promptly to confirm them. When the President sends to the Senate nominees whose strong qualifications are not so obvious, it may take longer for the Senate to carry out its coequal constitutional role in the process of appointing Federal judges.

Mr. President, I include the chart I have referred to in the RECORD at this point:

CHRONOLOGY OF NOMINATIONS PROCESSING NOMINATIONS APPROVED BY JUDICIARY COMMITTEE, JULY 30, 1987

Nominee and court	Date of vacancy	Date of nomination	Date of hearing
Scirica: 3d Cir	Dec. 31, 1986	June 26, 1987	July 21, 1987.
Hutchinson: 3d Cir	Jan. 2, 1987	do	Do.
Wolle: S.D. Ia	Apr. 30, 1986	July 2, 1987	Do.
Ellis: E.D. Va	Nov. 30, 1986	do	Do.

Anthony J. Scirica, the first nominee in this group, has been nominated to the U.S. Court of Appeals for the Third Circuit. The nominee has served since 1984 as a U.S. district judge for the eastern district of Pennsylvania. Previously, he served 4 years as a State trial court judge, and 8 years as a member of the Pennsylvania House of Representatives, where he chaired the subcommittee on crime and corrections. As a legislator, he was the principal author of sentencing reform legislation, and, as a State court judge, served as chairman of the Pennsylvania Commission on Sentencing. From 1966 through 1980 he was in private practice in Norristown, PA, concentrating on general corporate matters and litigation. Judge Scirica, 46, is a graduate of Wesleyan University and of the University of Michigan Law School. A majority of the American Bar Association's Standing Committee on the Federal Judiciary rated him exceptionally well qualified—the highest possible rating, while a minority found him well qualified. His reputation among the bar and interested members of the public appears to be outstanding.

At the hearing on July 21, Judge Scirica, after being introduced by Senators HEINZ and SPECTER, responded satisfactorily to questions concerning the value of trial experience for an appellate judge; the roles of legislatures and courts in applying constitutional principles to new technology; the tension between personal jurisprudence and precedent; and judicial activism. In response to followup questions, Judge Scirica gave his views on sentencing guidelines and appellate review of sentencing decisions.

William D. Hutchinson has also been nominated to the U.S. Court of Appeals for the Third Circuit. The nominee has served since 1981 as a justice of the Supreme Court of Pennsylvania. His prior experience was in private practice in Pottsville, PA, in a general practice that included representation of several local government bodies. He also served for 10 years as a member of the Pennsylvania House of Representatives, where he chaired the Subcommittee on courts. Justice Hutchinson, who is 55 years old, is a graduate of Moravian College and Harvard Law School. His ABA rating is well qualified. His reputation among the bar and public appears to be excellent.

At the hearing on July 21, the nominee, after being introduced by Senators HEINZ and SPECTER, was examined concerning the following subjects: the value to a judge of legislative experience; the transition from the State to the Federal court system; the purposes of the criminal justice system; the role of stare decisis and precedent; and judicial activism. His responses were satisfactory.

Charles R. Wolle, the third nominee, has been nominated to the U.S. District Court for the Southern District of Iowa. The nominee has served since 1983 as a justice of the Iowa Supreme Court, and from 1981-83 as a trial judge in an Iowa State court. From 1961 to 1980 he conducted a private law practice in Sioux City, IA, concentrating in trial practice and labor law. Justice Wolle, 51, is a graduate of Harvard College and the Iowa University Law School. He appears to be well regarded by his professional colleagues and other associates, and was rated well qualified by the ABA.

At the hearing on July 21, at which he was introduced by Senator GRASSLEY, Justice Wolle was examined concerning the value of appellate experience for a trial judge; the roles of lawyers and judges in settling cases; the enforcement of court orders; and deference to legislative decisionmaking. His responses were satisfactory.

T.S. Ellis III, the final nominee in this group, has been nominated to be U.S. District judge for the eastern district of Virginia. Mr. Ellis' entire legal career has been spent in a private law firm in Richmond, where he has conducted a general litigation practice and has been a partner since 1976. The nominee is 47 years old, a graduate of Princeton University and Harvard Law School, and holds a diploma in law from Oxford University. He appears well regarded throughout the legal community and among others in Virginia, and was rated well qualified by the ABA.

At the hearing on July 21, Mr. Ellis was introduced by Senator WARNER, and responded satisfactorily to questions concerning his pro bono activities, judicial activism, and legislative intent. In response to written questions, the nominee discussed what he has learned from trying complex cases; his teaching activities at Oxford during a sabbatical taken in 1984; and the transition from the role of advocate to that of judge.

Mr. President, this concludes my summary of the record on these nominations. I believe that all these nominees are worthy of confirmation to the important posts to which they have been nominated.●

RECOGNIZING BURT FOLSOM

● Mr. McCONNELL. Mr. President, I rise today to recognize and congratulate an outstanding Kentuckian, Burt Folsom, associate professor of history at Murray State University. He is the author of "Entrepreneurs versus the State," which will be published this fall by the Young Ameica's Foundation. His scholarship is a credit to the Commonwealth of Kentucky and provides an important historical perspective to our Nation's business and industrial development.

Burt recently wrote an article, published in the Wall Street Journal, entitled "Entrepreneurs versus the Textbooks." I think this article is quite interesting, and the point he makes is a valid one, and I would like to bring it to the attention of my colleagues.

I am most proud of Burt Folsom and his historical research of these values of capitalism. I would also note that Burt has the distinction of being married to a former staff member of my office, Anita Folsom, whose service as a field representative in Kentucky was invaluable to me. I congratulate Burt on being published in the Wall Street Journal and wish both he and Anita the best of luck.

Mr. President, I most definitely enjoyed reading "Entrepreneurs versus the Textbook" and ask that this article be printed in the RECORD for the benefit of my colleagues.

The article follows:

[From the Wall Street Journal, July 22, 1987]

ENTREPRENEURS VERSUS THE TEXTBOOKS

(By Burt Folsom)

Late last century, America's rise to power in the world was often a story of masterly entrepreneurship. Led by Andrew Carnegie in steel and John D. Rockefeller in oil, the U.S. became the industrial showcase of the world.

How did Carnegie and Rockefeller do so well? They cut costs, innovated, vertically integrated, and give bonuses on the basis of merit. Competitors who did not do these things fell by the wayside, but consumers and job-seekers benefited from low prices and American dominance.

The 1980s are also an age of entrepreneurship, but we don't turn for wisdom to the entrepreneurs of yesteryear. One reason is that historians often tell us not to. The message still sent forth from the leading college textbooks in American history is that our early industrialists were robber barons, whose unsavory escapades had to be regulated by the federal government for the good of the consumer.

In "The National Experience," C. Vann Woodward of Yale admires Carnegie's efficiency but says, "His trail to the top was strewn with ruined competitors, crushed partners, and broken labor movements." The fact is that these strewn bodies were often those of Englishmen and Americans who wanted to charge higher prices for their steel and their labor. Their story is sad, but it might have been sadder for the U.S. had Carnegie not come along and cut the price of making steel from $56 to $11.50 a ton. Thanks to Carnegie the U.S., not England or Germany, led the world in steel production.

Rockefeller fares even worse in the textbooks. Oddly, Mr. Woodward condemns Rockefeller for "price-slashing." In "The American Nation," John Garraty of Columbia University says Rockefeller was ruthless to his inefficient competitors. The same story is told by the late Thomas Bailey of Stanford, whose "The American Pageant" has sold more than two million copies. Mr. Bailey says that Rockefeller "pursued a policy of rule or ruin," and did so because he believed that "a kind of primitive savagery prevailed in the jungle world of big business."

These authors completely ignore the key economic event in Rockefeller's career: his epic battle against the Russians in the 1880s for the world oil trade. The Russians, in their plentiful oil fields at Baku, had a richer, more viscous oil that yielded 280 barrels per well per day, compared with 4.5 barrels per day from American wells. Also, Russia was closer to European countries, many of which slapped high tariffs on U.S. oil. Yet Rockefeller's Standard Oil ran such an innovative, efficient operation—from the making of barrels to the deploying of ocean tankers—that it could sell oil for an incredible seven cents a gallon ("price-slashing" to Mr. Woodward) and thereby outmaneuver the Russians for most of the world oil trade.

The biases that occur in the text of these college textbooks should be obvious, but more subtle ones can be found in the pictures selected and the captions adopted. For example, cartoons of fat industrialists biking the public are common. Mr. Bailey includes a cartoon of Rockefeller holding the White House in his hand. Mr. Woodward chooses a picture of banker J.P. Morgan with what appears to be a knife in his left hand. The caption reads: "J. Pierpont Morgan: a passion for order." Mr. Bailey includes a photograph of Morgan waving an umbrella, but it looks like a sword.

Grover Cleveland, who was friendly with many of the entrepreneurs, receives a photograph with the caption "stubborn conservative" in the Woodward textbook. By contrast, Jane Addams, a social reformer, receivces a photograph and this caption: "Jane Addams with her aides: she cared for the poor."

After showing how entrepreneurs often "corrupted" the rise of big business, textbook authors reveal their solution: government intervention. Often cited as needing federal aid are the transcontinental railroads. "Some system of subsidy was essential," states John Garraty. Not true. In fact, the four transcontinentals that were so subsidized all went bankrupt. The one transcontinental built with no federal aid—James J. Hill's Great Northern—never went bankrupt. It was the best-built, best-paying line of the lot.

Government regulation, the textbooks tell us, also was needed. According to Mr. Bailey, "a revolutionary new principle was written into the law books by the Sherman Antitrust Act of 1890, as well as by the Interstate Commerce Act of 1887. Private greed must henceforth be subordinated to public need."

Hill, again, is our antidote. He built two steamships and merged three railroads to make one large, efficient system to enter world trade. It worked. Hill beat England and Belgium and captured Oriental markets in railroads, cotton and food. Then the Interstate Commerce Commission told him he couldn't give special discounts; the Supreme Court told him he couldn't merge the three railroads. Bigness, the trust-busters said (and the textbooks concurred), was badness. Ever since Hill, the Sherman Act has left corporate debris and sad consumers all over the American landscape. AT&T is the most recent casualty of an antitrust law so vague that it can literally be interpreted to bar almost all acts of trade.

As the role of government increased in our society this century, we gradually neglected the lessons taught by past entrepreneurs. Those countries that cut costs, innovated and rewarded achievers began to surpass us. As these countries copied Rockefeller, now we are trying to copy them—unaware that we are often imitating our own entrepreneurs of 100 years ago.

History teaches us much that we should know. It's too bad the history textbooks don't do more of the same.●

PLYWOOD TARIFF PROVISION

● Mr. BAUCUS. Mr. President, as the principal Senate proponent of the plywood tariff provision, the second section of amendment No. 443 to the trade bill, I ask to be recognized for the purpose of stating my understanding of the effect that the enactment of that provision would have on the pending Harmonized Code.

The plywood provision amends a headnote to the present Tariff Schedule of the United States. As we know, the administration shortly will ask the Congress to approve a new tariff coding system, the Harmonized Commodity Description and Coding System for a new Tariff Schedule. The United States has participated in the development of that code for 12 years, as mandated by section 608 of the Trade Act of 1974. On the motion a few days ago of the distinguished Senator from Hawaii, who is chairman of the Senate Finance Trade Subcommittee, we adopted amendment 336 to this trade bill, which provides for fast-track consideration of the Harmonized Code.

The question may arise as to how this plywood tariff change would be treated by the Harmonized Code, which has been the subject of international negotiation. Clearly, we intend that an adjustment be made in the new coding system so that the Harmonized Code will be consistent with the revision to the TSUS made by the plywood amendment.

A 10-digit product coding system will be used by the United States once the Harmonized Code is implemented. However, only the first six of those identification digits are internationally mandated by the rules of the Harmonized System Convention, which body the United States joined pursuant to Senate approval of Treaty Document 97-23 on June 21, 1983. The 7th through 10th digits may be unilaterally changed by the United States.

The administration's proposed bill to implement the Harmonized Code specifically refers to transitional modifications. Section 1(g)(2) of the proposed bill states:

> As part of such proclamation [of the new system], the President shall take such action as he deems necessary to incorporate such legislation and proclamations enacted or issued subsequent to May 1, 1987, or other modifications necessary or appropriate to implement existing import programs.

This provision thus would provide the Presidential authority necessary to alter the identification digits above six of the new U.S. Harmonized Code in order to take new legislation into account.

In the case of the plywood at issue in this amendment, the necessary change would be to the seventh and eighth digits that are used to distinguish products within the general six-digit classification of 4412-19.

Thus, I believe the record is clear that the change made by the plywood amendment would be administratively incorporated into the Harmonized Code without the need for either international negotiation or further action by Congress.●

BUDGET SCOREKEEPING REPORT

● Mr. CHILES. Mr. President, I hereby submit to the Senate the budget scorekeeping report for this week, prepared by the Congressional Budget Office in response to section 308(b) of the Congressional Budget Act of 1974, as amended. This report was prepared consistent with standard scorekeeping conventions. This report also serves as the scorekeeping report for the purposes of section 311 of the Budget Act.

This report shows that current level spending is under the budget resolution by $0.3 billion in budget authority, but over in outlays by $15.9 billion.

The report follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC., July 28, 1987.

Hon. LAWTON CHILES,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report shows the effects of congressional action on the budget for fiscal year 1987. The estimated totals of budget authority, outlays, and revenues are compared to the appropriate or recommended levels contained in the most recent budget resolution, Senate Concurrent Resolution 120. This report meets the requirements for Senate scorekeeping of section 5 of Senate Concurrent Resolution 32 and is current through July 24, 1987. The report is submitted under section 308(b) and in aid of section 311 of the Congressional Budget Act, as amended. At your request this report incorporates the CBO economic and technical estimating assumptions issued on January 2, 1987.

Spending, revenues, and loan levels are unchanged since my last report. This report, however, reflects the expiration of the temporary statutory debt limit.

With best wishes,
Sincerely,
EDWARD M. GRAMLICH,
Acting Director.

CBO WEEKLY SCOREKEEPING REPORT FOR THE U.S. SENATE, 100th CONGRESS, 1st SESSION AS OF JULY 24, 1987

[Fiscal year 1987—In billions of dollars]

	Current level [1]	Budget resolution S.Con.Res. 120	Current level +/− resolution
Budget authority	1,093.0	1,093.4	−.3
Outlays	1,010.9	995.0	15.9
Revenues	833.9	852.4	−18.5
Debt subject to limit	2,285.7	[2] 2,322.8	−37.1
Direct loan obligations	42.2	34.6	7.7
Guaranteed loan commitments	140.6	100.8	39.8

[1] The current level represents the estimated revenue and direct spending effects (budget authority and outlays) of all legislation that Congress has enacted in this or previous sessions or sent to the President for his approval. In addition, estimates are included of the direct spending effects for all entitlement or other programs requiring annual appropriations under current law even though the appropriations have not been made. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

[2] The temporary statutory debt limit of $2,320 billion expired on July 17, 1987. The current statutory debt limit is $2,111 billion.

FISCAL YEAR 1987 SUPPORTING DETAIL FOR CBO WEEKLY SCOREKEEPING REPORT, U.S. SENATE, 100TH CONGRESS, 1ST SESSION, AS OF JULY 24, 1987

[In millions of dollars]

	Budget authority	Outlays	Revenues
I. Enacted in previous sessions:			
Revenues			833,855
Permanent appropriations and trust funds	720,451	638,771	
Other appropriations	542,890	554,239	
Offsetting receipts	−185,071	−185,071	
Total enacted in previous sessions	1,078,269	1,007,938	833,855
II. Enacted this session:			
Water Quality Act of 1987 (Public Law 100–4)	−4	−4	
Emergency Supplemental for the Homeless (Public Law 100–6)	−7	−1	
Surface Transportation and Relocation Act (Public Law 100–17)	10,466	−80	2
Technical Corrections to FERS Act (Public Law 100–20)	1	1	
Prohibit entrance fees at the Statue of Liberty Monument (Public Law 100–55)	1	1	
SBA Program and Authorization Amendments (Public Law 100-72)	−43		
Supplemental Appropriations, 1987 (Public Law 100–71)	4,212	3,018	
Total enacted this session	14,625	2,935	2
III. Continuing resolution authority			
IV. Conference agreements ratified by both Houses			
V. Entitlement authority and other mandatory items requiring further appropriation action:			
Special milk	22		
Veterans compensation	93		
Readjustment benefits	99		
Federal unemployment benefits and allowances	33	333	
Advances to the unemployment trust funds	(3)	(3)	
Payments to health care trust funds [1]	(224)	(224)	
Medical facilities guarantee and loan fund	5	4	
Payment to civil service retirement and disability fund [1]	(33)	(33)	
Coast Guard retired pay	3	3	
Total entitlements	145	40	
Total current level as of July 24, 1987	1,093,039	1,010,913	833,857
1987 budget resolution (S Con. Res. 120)	1,093,350	995,000	852,400
Amount remaining:			
Over budget resolution		15,913	
Under budget resolution	311		18,543

[1] Interfund transactions do not add to budget totals.

Note.—Numbers may not add due to rounding.●

COLOMBIA'S FUTURE

● Mr. CHILES. Mr. President, I returned this week from a brief visit to Bogotá, Colombia.

My trip was prompted by my continuing concern about the amount of narcotics entering the United States from South America. Eighty percent of cocaine consumed in this country comes from the region and most of it enters through my State of Florida.

Colombia processes much of this cocaine.

First, I want to report there is progress by the Colombian Government to control the drug flow. The efforts to eradicate the cannabis crops have been significant.

Seizures of precursor chemicals, used in processing cocaine, have increased. Destruction of hundreds of small base laboratories is being realized.

Crop substitution is being encouraged more by government actions and policy.

And, cooperation amongst the military, national police, and our own DEA continues.

Yet, all of this progress is overshadowed by one fact—90 metric tons of cocaine was exported from Colombia last year.

That fact underscores that Colombia is not doing enough to combat the cocaine trade.

The obstacles are many and possible solutions complex.

Government officials claim a lack of resources and manpower to sustain the mass attacks needed against those who manufacture and transport the cocaine. Colombian Minister of Defense Samudio told me he has only 75,000 militia and 60,000 national police to cover his entire country, the fourth largest in Latin America.

The involvement of guerrillas with drug syndicates raises serious political questions and strategy.

There is a critical absence of investigative capability by the Colombian criminal justice system.

The major, larger hydrocholoride laboratories are located and camouflaged in the eastern region, the llanos. This region's terrain, dense foliage and lack of roads makes it extremely difficult and costly to develop and implement tactical strategies against the drug industries.

And, most significantly, there is a total lack of respect amongst the narcotic cartels for the judicial and penal systems of Colombia.

The cooperative exercise of the 1979 extradition treaty has been the only force that they fear. Now, that treaty is in jeopardy.

My chief reason for traveling to Bogotá was to deliver a message about the treaty. My message was simple: The treaty is crucial to United States and Colombian efforts in stopping the major drug kingpins.

I met with President Barco who showed his intent and courage last December in signing the ratification legislation for the extradition treaty. The President's leadership is crucial to his Government's acceptance of the treaty.

But he cannot act alone. I also discussed the treaty with the President of the Colombian Supreme Court which recently found unconstitutional the ratification process which had sustained the treaty. The court under extreme intimidation by the narcotic cartels has had 14 of its justices murdered. This court must now reconsider the future of extradition by Colombia. In my view, this decision is key to addressing those who trade in narcotics.

Mr. President, Colombia is a healthy country in many respects.

Its economy is stable, especially in relation to other South American countries. It has a deficit of only 2 percent of its GDP of $35 billion and the country is able to keep pace with its international loans.

The country has lucrative industries in coffee, rice, bananas and flowers. These products continue as their major trade exports and provide the country with a solid, economic backbone.

Colombia has much to gain by bringing the worldwide attention to these industries instead of cocaine which continues to blacken its international reputation.

I saw signs that the public attitude toward narcotics in Colombia is changing. This has been prompted by increasing drug abuse amongst Colombians and by the relationship of the drug traffickers with the insurgents. There are many people in Colombia who desperately want change. Courageous Colombians from business, academia, media, and the arts continue to speak out against the drug lords. Many have been personally threatened as have their families. Violent threats, murder, kidnappings, and ransom are literally a way of life in Colombia. There were approximately 10,000 murders in Colombia last year amongst its 26 million people. That is roughly the same number of murders in the United States in 1986 but amongst a population 10 times as large.

Mr. President, I desperately want to help Colombia to curtail cocaine production. In doing so, I know I will directly be helping Florida as well as the rest of the United States.

But, I must be sure Colombians will use this help only as a supplement to their own commitment against narcotics. The Colombian Government must show that it is prepared to extend its efforts against cocaine processing and exportation.

Colombia must show that it is willing to cooperate with its neighboring countries to combat processing and trafficking.

The Government of Colombia must be willing to commit additional resources and personnel toward the enforcement and prosecution of the drug traffickers.

And above all, the Government and people of Colombia must be willing to provide the public support and resources necessary to protect those with the responsibilities of carrying out the justice system.

Only 10 years ago, Colombia exported literally no cocaine. Today it is a major source for the world. If Colombians do not erase the effects of the last 10 years, it might soon be too late.

Mr. President, I believe the people of the United States would be willing to support the people of Colombia in their battles against narcotics as long as they know Colombians are willing to fight. I believe they are.

I sensed a swelling frustration mixed with determination that the drug traffickers are not going to rule Colombia. I want that determination to be harvested into action.

The Colombians must show measurable steps in stopping the exportation of 90 metric tons of cocaine. This is the chief barometer the United States will use in judging the country's cooperation.

The United States must also be assured of a valid, cooperative stand on extradition with Colombia. Americans know the drug lords fear our prosecution and sentences. This leverage cannot be foresaken.

Americans rate drug abuse and drug trafficking as their No. 1 domestic concern. That concern has led Congress to strengthen our criminal justice system against drug traffickers. With the growing influence of the narcotic trafficker in their country, Colombians have much at risk. I am hoping that the Colombian people can impress upon their Congress and Government their support for aggressive action against the traffickers.

The United States will be watching.●

INFORMED CONSENT: DELAWARE

● Mr. HUMPHREY. Mr. President, today I would like to insert into the RECORD a letter sent to my office in support of my informed consent legislation, S. 272 and S. 273. Today's letter comes from the State of Delaware.

I ask that the letter from a woman in Delaware be inserted in the RECORD.

The letter follows:

March 10, 1987.

DEAR SENATOR HUMPHREY: I am one who has undergone an abortion over 13 years ago and was totally ignorant of the whole procedure and consequences. At no time was I ever informed of what was going to be done, or what I could expect after undergoing the procedure. I certainly wish this opportunity could have been available to me so I could have made an informed decision. Today, I can say I deeply regret what I did and will never forget it.

Many times I am in a state of depression which I feel is a result of the abortion. I am so thankful though, that the Lord has blessed me with 4 healthy children although my first pregnancy ended in miscarriage, again another result, I'm sure, of the abortion. The painful memory is slightly less than what it would have been had I not had children and I can't imagine what would be my state had I not been able to have children.

I want to thank you for what you are doing in trying to spare other women what I and others have gone through.

Sincerely,

T. McNEILL.●

THE INTENDED EFFECT OF THE FEDERAL CREDIT REFORM ACT

● Mr. CRANSTON. As chairman of the Subcommittee on Housing and Urban Affairs, I would like to ask the distinguished chairman of the Budget Committee to clarify three issues that greatly concern those who are working to maintain affordability of home ownership in this country. I want to make it clear that the proposed Federal Credit Reform Act of 1987 would not alter the underlying terms and conditions of, or eligibility for, or the amount of assistance provided by either the Federal Housing Administration or the Government National Mortgage Association.

● Mr. CHILES. I thank the Senator for helping to clarify the intent of this legislation. I share his concern for home ownership.

● Mr. CRANSTON. My first question is whether the proposed act would impose or otherwise provide for new ceilings or restrictions on the numbers or total amounts of loans insured by the Federal Housing Administration or covered by guarantees of the Government National Mortgage Association?

● Mr. CHILES. No. This legislation would not impose any limits on credit activity of the Federal Housing Administration or the Government National Mortgage Association that do not already exist under current law. The credit reform provisions merely alter the way we account for these credit initiatives in the Federal budget.

● Mr. CRANSTON. Second, would enactment of the act in any way threaten or restrict the mutuality feature of the Mutual Mortgage Insurance Fund, under which FHA program users receive a distributive share payment after having paid off their mortgage?

● Mr. CHILES. No, nothing in the proposed act would do that.

● Mr. CRANSTON. Third, many have expressed concern that the act might later be interpreted as giving Treasury Department officials increased influence over Federal support for the mortgage finance system. Is it the Senator's understanding that, if this legislation is enacted, Treasury Department estimates of program subsidies will not be binding on Congress or on FHA or GNMA activities? I would like assurance that the Congressional Budget Office would carefully reestimate any Treasury Department numbers including any subsidy estimates and that the CBO reestimates would prevail in congressional budget decisions, for scorekeeping and other budgetary purposes. I want to make sure that Treasury Department officials would not be able to use estimating procedures to reduce the activities of FHA or GNMA below levels approved by Congress.

● Mr. CHILES. Yes, I am happy to give the Senator assurance on all those concerns. The intent of this legislation is to retain congressional control over the development and establishment of the subsidy estimates that will be used for scorekeeping and other budgetary purposes.

● Mr. CRANSTON. I would like further assurance that the Senator will maintain these positions in the conference on this matter.

● Mr. CHILES. Yes, I will. Mr. President, I would like to assure this body that the purpose of the credit reform legislation is not to alter the underlying terms or conditions of any Federal credit program or to impose restrictions or limitations on credit activity that do not already exist. To the contrary, the credit reform title is intended only to accomplish accounting and credit management improvements.

This legislation establishes the scoring of credit programs on the basis of their subsidy costs, defined as the estimated long-term costs to government. This change replaces the current cash flow accounting method for the allocation of credit, that provides little if any useful information with respect to the actual long-term financial commitment made by the Federal Government through the extension of a direct loan or loan guarantee.

Title III eliminates the need to constantly draft ad-hoc rules regarding the scoring of "gimmickry" savings achieved through the sale or the prepayment of loans. The rules determining the types of transactions that actually lower the deficit will be clear to all parties concerned. Title III does not require the sale of any loans, although it does not preclude them for policy reasons.

Title III does not authorize the reinsurance of Federal guarantees that might result in overstating the costs of those programs to the Treasury. The credit reform legislation is drafted so as not to alter the aggregate cash flow measure of the deficit. Therefore, credit reform will neither add to nor reduce the deficit.

Lastly, the recommendation to restructure the scoring of credit programs so as to allocate loans and guarantees on the basis of their subsidy costs, was endorsed unanimously by the Congressional Budget Office, the General Accounting Office and the Office of Management and Budget, in a Senate Budget Committee hearing on credit reform in March of this year.

In closing, Mr. President, I would like to say that I understand the concern that has been expressed concerning the potential for this legislation to affect the amount of assistance provided by the various Federal loan and guarantee programs currently in existence. In response to this concern, I asked the Congressional Budget Office to review the credit reform title and to let me know if any of the credit reform provisions in this legislation would have the impact of imposing new limitations on, or otherwise changing the underlying terms and conditions of existing Federal credit programs. I have received CBO's response and I ask that it be submitted in the Record. That letter concurs with my view that this title changes only the budget treatment of credit programs; it does not affect program levels. In brief, CBO has concluded that by including the subsidy cost of new transactions in agency accounts, as called for in title III, "this accounting change would not affect the terms, eligibility for, or the amount of assistance provided to beneficiaries."

● Mr. CRANSTON. I thank the Senator for this clarification, and I commend him for his work on this bill.

U.S. Congress,
Congressional Budget Office,
Washington, DC, July 30, 1987.

Hon. Lawton Chiles,
Chairman, Committee on the Budget,
U.S. Senate, Washington, DC.

Dear Mr. Chairman: At the request of the Committee staff, the Congressional Budget Office has examined a draft (as of July 27, 1987) copy of your proposal to improve the budgetary treatment of federal credit assistance.

CBO believes this bill, by including the subsidy cost of new transactions in the agency accounts, would substantially improve the budgetary treatment of federal credit programs. Further, this accounting change would not affect the terms, eligiblity for, or the amount of assistance provided to beneficiaries.

With best wishes,

Sincerely,

Edward M. Gramlich,
Acting Director.●

SENATOR INOUYE'S AIR TRAFFIC CONTROL LEGISLATION

● Mr. HUMPHREY. Mr. President, I am pleased to cosponsor a bill offered by the senior Senator from Hawaii that would free our Nation's air traffic control [ATC] system from the ball and chain of Federal Government overmanagement.

Senator Inouye's bill, S. 1159, would establish the National Aviation Authority as an independent user-fee supported Government corporation to operate, maintain, and enhance an efficient and responsive national system for air traffic control and management of our airways.

Mr. President, airline deregulation is under fire these days. It has become fashionable in Congress and elsewhere to blame the airlines for the delays and other inefficiencies in our air transportation system. While the airlines bear some responsibility, however, they are not to blame for the woeful inadequacies in our airports and in the ATC system. It is not the deregulation of the airline industry, but the continued overregulation of these other elements of the system that needs to be addressed.

In the case of the ATC system, Senator Inouye's bill does just that. It would transfer the FAA's current ATC function to a Government corporation, an autonomous body substantially freed from the Federal bureaucracy and financed by existing aviation taxes. In this way, unlike with the current aviation trust fund held hostage by the Federal budget mess, aviation taxes would flow back to the consumer in the form of increased aviation safety and capacity.

Freed from micromanagement by Congress and the Federal bureaucracy, the ATC system would be able to bring on innovative technology in response to traffic growth, at a faster pace and at a lower cost than presently possible.

Regulation of air safety is a proper role for the Federal Government. Running an air traffic control system is not. Only an autonomous ATC corporation can keep pace with the expansion—and the benefits—of the finest air transportation system in the world, allowing a residual FAA to focus exclusively on the enforcement of air safety regulations.

Mr. President, I urge my colleagues to support S. 1159 and create the National Aviation Authority. This bill, combined with steps now finally being made in allocating funds for airport facilities, will allow our air travel system to accommodate the vast benefits reaped by the American consumer since deregulation in 1978.●

RECESS UNTIL MONDAY AUGUST 3, 1987

Mr. BYRD. Mr. President, does the acting Republican leader have any further business he wishes to transact this evening or any further statement he wishes to make?

Mr. WILSON. Mr. President, I have none.

Mr. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 12 o'clock noon on Monday next.

The motion was agreed to, and at 10:05 p.m. the Senate recessed until Monday, August 3, 1987, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate July 31, 1987:

DEPARTMENT OF STATE

Peter R. Sommer, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Malta.

THE JUDICIARY

Sam R. Cummings, of Texas, to be United States District Judge for the Northern District of Texas, vice Halbert O. Woodward, retired.

Richard L. Voorhees, of North Carolina, to be United States District Judge for the Western District of North Carolina, vice David Bryan Sentelle, elevated.

IN THE ARMY

The following-named officer for appointment to the grade indicated, under the provisions of Title 10, United States Code, Section 601(a), in conjunction with assignment to a position of importance and responsibility designated by the President under Title 10, United States Code, Section 601(a):

To be lieutenant general

Maj. Gen. Fred Hissong, Jr., [redacted], United States Army.

IN THE NAVY

The following named officer, under the provisions of Title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under Title 10, United States Code, section 601:

To be vice admiral

Rear Adm. Albert J. Herberger, [redacted]/1110, U.S. Navy.

IN THE AIR FORCE

The following named officers for permanent promotion in the U.S. Air Force, under the provisions of section 628, title 10, United States Code, as amended, with dates of rank to be determined by the Secretary of the Air Force.

JUDGE ADVOCATE

To be colonel

Henry P. Fowler, Jr., [redacted]

To be major

David R. Francis, [redacted]

The following Air National Guard of the United States officers for promotion in the Reserve of the Air Force under the provisions of sections 593 and 8379, title 10 of the United States Code. Promotions made under section 8379 and confirmed by the Senate under section 593 shall bear an effective date established in accordance with section 8374, title 10 of the United States Code. (Effective dates in parentheses).

LINE OF THE AIR FORCE

To be lieutenant colonel

Maj. Gerard A. Brangenberg, [redacted] (4/29/87).

Maj. Peter Collins, Jr., [redacted] (5/28/87).

Maj. Terry L. Hughey, [redacted] (5/5/87).

Maj. Wayne B. Larue, Jr., [redacted] (5/3/87).

Maj. Philip C. Lehman, [redacted] (4/10/87).

Maj. Joseph T. Miller, [redacted] (5/3/87).

Maj. Robert L. Myer, [redacted] (5/11/87).

Maj. Arthur G. Nickerson, [redacted] (5/1/87).

Maj. James W. Richardson, [redacted] (5/2/87).

Maj. Arnold E. Sirk, [redacted] (5/15/87).

The following officer for appointment in the Regular Air Force under the provisions of section 531, title 10, United States Code, with a view to designation under the provision of section 8067, title 10, United States Code, to perform the duties indicated, provided that in no case shall the following officer be appointed in a grade higher than Major.

JUDGE ADVOCATE

David R. Francis, [redacted]

IN THE MARINE CORPS

The following named Naval Reserve Officers Training Corps graduates for permanent appointment to the grade of second lieutenant in the U.S. Marine Corps, pursuant to title 10, U.S. Code, sections 531 and 2107:

Curtis R. Adair, [redacted]
Brett M. Bartholomaus, [redacted]
Christopher P. Bazin, [redacted]
Corey K. Bonnell, [redacted]
Shawn P. Conlon, [redacted]
Jeffrey P. Davis, [redacted]
Stephen M. French, [redacted]
Daniel T. Friedel, [redacted]
Raymond S. Gerwig, [redacted]
Gerald J. Hudson, [redacted]
Frank A. Kunst, [redacted]
Robert F. Merkel, [redacted]
Steven A. Nightingale, [redacted]
Alison Polgreen, [redacted]
Jon E. Sachrison, [redacted]
Anthony R. Sellitto, [redacted]
Mark A. Simon, [redacted]
Leo Taddeo, [redacted]
Timothy G. Tinner, [redacted]
Jon M. Wells, [redacted]
Fred A. Wood, [redacted]

The following named Marine Corps Enlisted Commissioning Education Program graduates for permanent appointment to the grade of second lieutenant in the U.S. Marine Corps, pursuant to title 10, United States Code section 531:

Roy P. Ackley, [redacted]
David S. Mazenko, [redacted]
Michael E. Rooney, [redacted]
Richard G. Yakubowski, [redacted]

In the Navy

The following named Naval Reserve Officers' Training Corps Program candidates to be appointed permanent ensign in the line or staff corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Brian K. Britton
Jeffrey B. Britton
John A. Burton
John H. Cannan
Patrick K. Connor
Don C. Cooper
Tuanb D. Diep
Gregory E. Dixson
Jon W. Gerhardt
Robert L. Hallworth
James C. Humphlett, Jr.
Steven M. James
Kevin S. Jasperson
Shirl D. Johnson
James W. Lees
Hugh B. Loftis
Edward C. Lovelace, Jr.
David C. Mallari
James D. O'Leary, II
William G. Parker
Ray A. Ricario
Anthony Rinaldi
David G. Robertson
Vincent J. Rocchi
Paul G. Schloemer
Mark E. Semmler
Eric N. Stauffer
David A. Strizinger
Dwight D. Turner

The following named Navy enlisted Commissioning Program candidates to be appointed permanent ensign in the line or staff corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Richard E. Canavaciol
James B. Carnahan
Russell M. Cook
Donald S. Geidel
Dan H. Hill
Donna M. Joyal
Thomas McDowell, Jr.
Bobby J. Pannell
Dennis M. Pendergist
William W. Rowan
Brian D. Steckler
Christopher J. Taylor
Gene F. Wallis
David B. Weiding

IN THE AIR FORCE

The following officers for appointment in the Regular Air Force under the provisions of section 531, title 10, United States Code, with grade and date of rank to be determined by the Secretary of the Air Force provided that in no case shall the officer be appointed in a grade higher than that indicated.

LINE OF THE AIR FORCE

To be captain

Abbott, Joseph A., [redacted]
Acosta, Fernando L., [redacted]
Adams, Michael E., [redacted]
Adams, Rebecca L., [redacted]
Adang, Peter J., [redacted]
Agurkis, Raymond L., [redacted]
Ainsley, Johnnie D., [redacted]
Albrechtsen, Louis, [redacted]
Albright, Cheryl L., [redacted]
Alder, Mark K., [redacted]
Alfier, Jeffrey C., [redacted]
Ali, Azar S., [redacted]
Allds, Douglas E., Jr., [redacted]
Allen, Aleta S., [redacted]
Allen, Charles M., [redacted]
Allen, David S., Jr., [redacted]
Allen, Kimberly M., [redacted]

Allen, Linda M., [redacted]
Allen, Michael M., [redacted]
Alm, Vance, S., [redacted]
Altier, Paul A., [redacted]
Alton, James H., II, [redacted]
Alvarez, Robert, P., [redacted]
Amato, Gerard, A., [redacted]
Andersen, Kevin, C., [redacted]
Anderson, Daniel, J., [redacted]
Anderson, Marc, H., [redacted]
Anderson, Robert G., Jr., [redacted]
Anderson, Sharon, L., [redacted]
Andersonhicks, Brenda, L., [redacted]
Andrews, Deborah, L., [redacted]
Andrews, Phillip G., [redacted]
Ardoin, Billy R., [redacted]
Arellano, Richard, [redacted]
Ariosto, Thomas P., [redacted]
Armbruster, Timothy P., [redacted]
Armour, John L., [redacted]
Armour, Robert D., [redacted]
Armstrong, Jon W., [redacted]
Artis, Darrell L., [redacted]
Ashton, Mark C., [redacted]
Attaway, David L., [redacted]
Austin, James W., Jr., [redacted]
Babcock, Burce L., [redacted]
Baez, Laurell, [redacted]
Bailey, Benny M., Jr., [redacted]
Bailey, Jan J., [redacted]
Baine, Robert P., III, [redacted]
Bair, Michael W., [redacted]
Baker, Bradley C., [redacted]
Baker, Richard E., [redacted]
Bakke, Daniel B., [redacted]
Baldwin, David L., [redacted]
Baldwin, Vanessa L., [redacted]
Ballew, J. Robert [redacted]
Ballmer, Candace A., [redacted]
Bandy, Constantine P., [redacted]
Banes, Jeffry M., [redacted]
Bannon, John A., [redacted]
Baptista, Clifford S., [redacted]
Barbery, Tyrone J., [redacted]
Barbour, Steven D., [redacted]
Barker, Patrick R., [redacted]
Barnhill, Jeffrey Kyle, [redacted]
Barr, Lewis E., [redacted]
Barry, Stephen P., [redacted]
Bartholohew, Richard D., [redacted]
Barton, Ronald D., [redacted]
Batchelor, Howard E., [redacted]
Baugh, Robert A., [redacted]
Bauman, William H., III, [redacted]
Bayley, Gregory M., [redacted]
Baylor, Michael P., [redacted]
Becerra, Robert D., [redacted]
Bechtel, Richard A., [redacted]
Beck, Theodore D., III, [redacted]
Bedsole, Alan L., [redacted]
Beem, Randall C., [redacted]
Beer, Bradlee J., [redacted]
Beissner, Kenneth C., [redacted]
Belch, Stephen P., [redacted]
Bell, Roy Q., Jr., [redacted]
Bellacicco, Susan M., [redacted]
Benelli, Michael P., [redacted]
Benjamin, Michael A., [redacted]
Bennett, Bruce W., [redacted]
Bennett, Clinton S., [redacted]
Benton, George W., [redacted]
Berman, William J., [redacted]
Berrie Yvelis, [redacted]
Betor, Monica L., [redacted]
Betrosoff, Bruce A., [redacted]
Bilby, Kirk D., [redacted]
Binger, William B., [redacted]
Bingham, Alfred L., [redacted]
Bird, William H., [redacted]
Birk, Kenneth E., [redacted]
Biviano, Charles J., [redacted]
Black, Ronald E., [redacted]
Blacken, James E., Jr., [redacted]
Blackshear, Lemoyne F., [redacted]
Blackwell, Garland W., [redacted]
Blake, William H., [redacted]
Blakeman, William D., [redacted]
Blasi, Edwin K., [redacted]
Blevins, Charles L., [redacted]
Blind, Stanley T., [redacted]
Bloser, Richard L., [redacted]
Boardman, Brian W., [redacted]
Bockhold, John A., [redacted]
Boggs, John P., [redacted]
Boland, James C., [redacted]
Bonucchi, Laura L., [redacted]
Boon, David L., [redacted]
Boone, Sharon D., [redacted]
Boren, Michael V., [redacted]
Bowen, Timothy E., [redacted]
Bower, James N., Jr., [redacted]
Bowers, John M., [redacted]
Bowman, John M., Jr., [redacted]
Bowman, William C., [redacted]
Boyle, John E., [redacted]
Braaten, Alan J., [redacted]
Braden, Brian A., [redacted]
Bradham, Curtis, [redacted]
Bradley, David C., [redacted]
Bradley, Ingrid K., [redacted]
Brady, Reita L. W., [redacted]
Bralick, William A., [redacted]
Breed, Michael H., [redacted]
Brenton, Jeffery C., [redacted]
Bresette, James L., Jr., [redacted]
Bettell, John E., [redacted]
Briggs, Myrl G., [redacted]
Bright, Randall R., [redacted]
Bronkema, Thomas R., [redacted]
Bronson, Robert R., [redacted]
Brooks, Howard O., [redacted]
Brooks, Jerry, [redacted]
Brown, Daniel J., [redacted]
Brown, Dennis A., [redacted]
Brown, Jerry T., [redacted]
Brown, Joseph D., IV, [redacted]
Brown, Marita D., [redacted]
Brown, Perry W., Jr., [redacted]
Brown, Robert L., [redacted]
Brown, Ronald E., [redacted]
Brown, Scot C., [redacted]
Brown, William R., II, [redacted]
Bruggeman, Mark E., [redacted]
Brumley, Barrington L., [redacted]
Bruner, William W., III, [redacted]
Bryant, Robert J., [redacted]
Buchanan, Johnny H., [redacted]
Bucknall, David M., [redacted]
Budds, John J., Jr., [redacted]
Buie, David E., [redacted]
Bullock, Walter M., Jr., [redacted]
Burdsal, Robert L., [redacted]
Burgess, Charles B., [redacted]
Burke, David P., [redacted]
Burkholder, David L., [redacted]
Burnett, Robert E., Jr., [redacted]
Burns, Michael L., [redacted]
Burrell, Alison D., [redacted]
Burrill, Gordon F., [redacted]
Burton, Clayton A., [redacted]
Burtt, Anne W., [redacted]
Butcher, Glenn G., [redacted]
Byers, Timothy A., [redacted]
Byron, B. Kimball, [redacted]
Cabiao, Benhur C., [redacted]
Cabral, Daniel J., [redacted]
Cadenhead, Thomas S., [redacted]
Cadieux, Michel P., [redacted]
Caicedo, Julio C., Jr., [redacted]
Caldwell, James A., [redacted]
Calhoon, John P., Jr., [redacted]
Camacho, Jorge F., [redacted]
Campbell, Lawrence E., [redacted]
Caraway, Pamela Amos, [redacted]
Cargill, Courtney S., [redacted]
Carlson, Jay S., [redacted]
Carlson, Richard W., [redacted]
Carr, David B., [redacted]
Carr, David W., [redacted]
Carr, Stewart G., [redacted]
Carrigg, James R., [redacted]
Carrillo, Luis D., [redacted]
Carroll, Donald L., [redacted]
Carson, Christopher, [redacted]
Carstens, Jeffrey S., [redacted]
Carter, Cynthia E., [redacted]
Carter, David E., [redacted]
Carter, Joseph E., Jr., [redacted]
Case, Douglas R., [redacted]
Cashmon, Maureen P., [redacted]
Casper, Timothy J., [redacted]
Cataldi, Robert R., II, [redacted]
Cate, Kenneth R., [redacted]
Cates, James W., [redacted]
Caudill, Michael A., [redacted]
Cavanaugh, Jonathon A., [redacted]
Cerrone, Armand A. S., [redacted]
Chan, George Y., [redacted]
Chandler, George R., Jr., [redacted]
Chariton, Scott F., [redacted]
Chmitlin, Tommy L., [redacted]
Cholka, Stephen S., [redacted]
Christiansen, James, [redacted]
Christianson, Victor O., [redacted]
Churchill, Raymond L., [redacted]
Jonathan G., [redacted]
Clardy, Marde J., [redacted]
Clark, David T., [redacted]
Clark, Marcia B., [redacted]
Clark, Stephen C., [redacted]
Clarke, Peter P., [redacted]
Clayton, Carl W., [redacted]
Clements, John R., [redacted]
Clements, Mark W., [redacted]
Clevenger, Daniel R., [redacted]
Cochran, Ronald D., [redacted]
Codispoti, Joseph M., [redacted]
Coffel, Dannie P., [redacted]
Cogburn, James L., [redacted]
Cogdell, Levern M., [redacted]
Coghlin, Mark T., [redacted]
Cohn, Mark L., [redacted]
Colaianni, Mary L., [redacted]
Colbert, Frank J., [redacted]
Colburn, Robert S., [redacted]
Colclasure, Robert S., [redacted]
Colello, Matteo, III, [redacted]
Coleman, John L., [redacted]
Collins, Dale H., [redacted]
Comeaux, William J., [redacted]
Conder, Charles E., Jr., [redacted]
Cone, James M., [redacted]
Conforti, Richard N., Jr., [redacted]
Conner, Kevin S., [redacted]
Connor, William B., III, [redacted]
Connors, Thomas E., [redacted]
Conover, Frank V., [redacted]
Conrad, Jeffrey P., [redacted]
Conrad, Walter M., [redacted]
Cook, Timothy M., [redacted]
Coolidge, Michael B., [redacted]
Cooper, Brian K., [redacted]
Cooper, Robert E., Jr., [redacted]
Coover, John A., [redacted]
Cormier, Philip G., [redacted]
Corneliussen, Dian M., [redacted]
Correll, Burt F., [redacted]
Correll, Raymond L., [redacted]
Cortalano, Bruce J., [redacted]
Cortese, Norman M., [redacted]
Cosat, John W., Jr., [redacted]
Coulliette, David Lee, [redacted]
Courville, Otis J., [redacted]
Cousins, Eddie, Jr., [redacted]
Covas, Lourdes A., [redacted]
Coward, James L., [redacted]
Cox, Ernest L., Jr., [redacted]
Cox, Timothy L., [redacted]
Cozzone, Adolfo, [redacted]
Craig, Michael D., [redacted]
Crane, John S., [redacted]
Crockett, Carl E., [redacted]

Crouch, James M., [redacted]
Crowley, Michael P., [redacted]
Cruz, Carmelo, [redacted]
Cruzmartinez, Alex U., [redacted]
Csaszar, Eugene D., [redacted]
Cullison, Joseph C., [redacted]
Culpepper, James R., [redacted]
Curley, Edward A., Jr., [redacted]
Curry, Steven G., [redacted]
Cutshall, Steven L., [redacted]
Cyrus, Jack R., Jr., [redacted]
Czakoczi, James E., [redacted]
Dahlberg, Paul E., [redacted]
Dale, Audrey M., [redacted]
Dallaire, Kenneth F., [redacted]
Daniels, George B., [redacted]
Daniels, William, [redacted]
Daughtry, J.W., [redacted]
Davidson, James J., [redacted]
Davidson, Kevin P., [redacted]
Davis, Albert L., [redacted]
Davis, Carole L., [redacted]
Davis, Jeffrey K., [redacted]
Davis, John R., [redacted]
Davis, K. Wesley, [redacted]
Davis, Robert J., [redacted]
Davis, Sam D., [redacted]
Dawson, Edward R., [redacted]
Dean, Alice M., [redacted]
Dean, Joseph P., [redacted]
Dean, Robert M., [redacted]
Deane, Morgan R., [redacted]
Deball, Robert, [redacted]
Decker, Gary C., [redacted]
Deisler, Bernard A., [redacted]
Dellaringa, Robert D., [redacted]
Denny, Anita M., [redacted]
Denyse, Philip John, [redacted]
Desrochers, Daniel, [redacted]
Diamond, David M., [redacted]
Diaz, Guillermo L., [redacted]
Dibrell, Mark W., [redacted]
Diedrick, Mark L., [redacted]
Dikcis, Steven M., [redacted]
Dilley, Stanley E., [redacted]
Dillion, Bill Z., [redacted]
Dimodugno, Michael M., [redacted]
Dimora, Frank, [redacted]
Dingfield, Robert T., [redacted]
Dinnocenti, Daniel M., [redacted]
Disieno, Michael J., [redacted]
Dixon, Patrick A., [redacted]
Dixon, Willie E., [redacted]
Doak, Stephen W., [redacted]
Dobbs, Larry R., [redacted]
Doby, Ronald A., [redacted]
Dodson, Grayson D., [redacted]
Doig, Katherine A., [redacted]
Dolezal, William K., [redacted]
Domino, John M., [redacted]
Donaldson, Steven J., [redacted]
Dorsey, Tyrone, [redacted]
Doty, David L., [redacted]
Douglass, Glenn D., [redacted]
Dowty, Scott M., [redacted]
Doyle, James R., [redacted]
Dozet, John M., [redacted]
Drake, David L., [redacted]
Draper, David R., [redacted]
Drew, Donald V., [redacted]
Driscoll, Jean M., [redacted]
Duch, Charles J., [redacted]
Dufaud, Scott B., [redacted]
Duhon, Thomas P., [redacted]
Dumas, Karl W., [redacted]
Dumke, Alan S., [redacted]
Dunkle, Theodore S., [redacted]
Durand, Douglas L., [redacted]
Durant, Paul R., [redacted]
Durham, Matthew J., [redacted]
Durst, Thomas R., [redacted]
Dwyer, Daniel C., [redacted]
Dye, Mark M., [redacted]
Dykes, John W., [redacted]
Easley, Teresa Y., [redacted]
Echevarria, Pete A., Jr., [redacted]
Eddy, Robert J., [redacted]
Eden, Claude W., [redacted]
Edmonds, Richard L., [redacted]
Edwards, Darrell M., [redacted]
Edwards, Larry L., [redacted]
Ehmer, Richard W., [redacted]
Ellis, Michael D., [redacted]
Embrey, Steven T., [redacted]
Engelhardt, Mark S., [redacted]
Englehardt, Laura J., [redacted]
Enoki, Derek Hisao, [redacted]
Erkes, Richard G., [redacted]
Etheridge, Bill H., [redacted]
Evans, Stephen R., [redacted]
Fallon, Timothy J., [redacted]
Fannon, Robert D., III, [redacted]
Farenbaugh, Mark J., [redacted]
Farrell, Michael T., [redacted]
Faugno, Thomas J., [redacted]
Fauls, Mark A., [redacted]
Faye, Gregory L., [redacted]
Felder, Larry Lee, [redacted]
Felderman, Jeffrey L., [redacted]
Fieger, Martin E., [redacted]
Field, David A., [redacted]
Finnila, Dale L., [redacted]
Firpo, Jose R., [redacted]
Fisher, Brian H., [redacted]
Fisher, Dwight L., [redacted]
Fisher, Jerry F., [redacted]
Fisher, William K., [redacted]
Fisk, Lisa M., [redacted]
Fister, Thomas G., [redacted]
Fitzgerald, George F., [redacted]
Fitzgerald, John H., [redacted]
Flanders, Timothy P., [redacted]
Flynn, Steven F., [redacted]
Folts, David A., [redacted]
Ford, Brian S., [redacted]
Fordon, Jeffrey L., [redacted]
Forker, John D., [redacted]
Foster, Charles W., [redacted]
Fraher, Jeffrey T., [redacted]
Franklin, Nicholas C., [redacted]
Franklin, Randall C., [redacted]
Frechtling, Andrew C., [redacted]
Freeman, David W., [redacted]
Freeney, Tammy M., [redacted]
French, John D., [redacted]
Freund, William E., [redacted]
Frick, Gregory A., [redacted]
Friedley, Craig W., [redacted]
Friend, Jeffrey A., [redacted]
Frimpter, William J., [redacted]
Fritz, Ronny D., [redacted]
Fry, Jeffrey E., [redacted]
Fulks, Nanelle S., [redacted]
Fuller, Marion T., [redacted]
Fulwider, Randolf C., [redacted]
Gabriel, Robert M., [redacted]
Gahris, Julie A., [redacted]
Gallo, Deborah C., [redacted]
Gardner, Roy B., [redacted]
Garner, David A., [redacted]
Garrett, Alvah L., [redacted]
Garrett, John R., [redacted]
Garrison, Johnny D., [redacted]
Garrison, Martha A., [redacted]
Gasho, Deborah K., [redacted]
Geer, Steven L., [redacted]
Geers, Richard J., [redacted]
Geiger, William L., [redacted]
Ghazalah, Steven R., [redacted]
Gheen, James M., [redacted]
Giannini, Karen E., [redacted]
Gibby, John K., [redacted]
Gibson, Mark S., [redacted]
Giddings, David R., [redacted]
Gilbert, Ruth A., [redacted]
Gillett, Donald L., [redacted]
Gillham, Grant D., [redacted]
Gillispie, Geral A., [redacted]
Gilroy, Barbara A., [redacted]
Giroux, Guy C., [redacted]
Glass, Kevin D., [redacted]
Glenn, Alan A., [redacted]
Goble, David J., [redacted]
Godowsky, Thomas W., [redacted]
Dodsey, James A., [redacted]
Goff, Mark A., [redacted]
Goforth, Mark W., [redacted]
Goldman, Timothy A., [redacted]
Goldsmith, James T., [redacted]
Gomez, Kerry I., [redacted]
Goodale, Donald F., [redacted]
Goodrich, Dale G., [redacted]
Goodsby, Gregory D., [redacted]
Gordon, Christina A., [redacted]
Gordon, John E., Jr., [redacted]
Gotterup, John L., [redacted]
Goudy, Roy W., [redacted]
Gozzo, Lorraine M., [redacted]
Graf, Donald K., [redacted]
Graham, Kathy S., [redacted]
Graham, Patrick L., [redacted]
Granade, Mary J., [redacted]
Grandalski, Matthew F., [redacted]
Grant, William E., [redacted]
Grasso, Timothy C., [redacted]
Graves, Russ T., [redacted]
Green, Albert L., Jr., [redacted]
Greenhalgh, Debra I., [redacted]
Gress, Thomas A., [redacted]
Gretz, John P., [redacted]
Griffin, Michael J., [redacted]
Griffin, Roscoe L., [redacted]
Grimes, Malcolm D., [redacted]
Guerrero, Francisco R., [redacted]
Gullett, Danny L., [redacted]
Gunnoe, John T., [redacted]
Gustad, Scott A., [redacted]
Guthrie, Kirk J., [redacted]
Guzman, Johnny, [redacted]
Hadley, Ronald D., [redacted]
Hagel, Stephen J., [redacted]
Hagerman, Gregory L., [redacted]
Haina, Kent M., [redacted]
Hair, Richard A., [redacted]
Haire, Robert M., [redacted]
Hairston, Fred T., [redacted]
Halderson, James M., [redacted]
Hall, Charles D., [redacted]
Hall, Christopher W., [redacted]
Hall, Jeffrey M., [redacted]
Hall, Michael C., [redacted]
Hall, Randall D., [redacted]
Halloran, James E., [redacted]
Hamilton, Clark A., [redacted]
Hammer, Gregory B., [redacted]
Hancock, Steven G., [redacted]
Hankammer, Wayne A., [redacted]
Hankins, Molly A., [redacted]
Hanneman, Roger A., [redacted]
Hanscom, Steven C., [redacted]
Hansen, Steven R., [redacted]
Harnen, Daniel E., Jr., [redacted]
Harnish, Michael J., [redacted]
Harrington, Napoleon., [redacted]
Harris, Andrew L., [redacted]
Harris, Judith A., [redacted]
Harris, Philip M., [redacted]
Harrison, Joseph N., Jr., [redacted]
Harrison, William F., Jr., [redacted]
Harvin, Jackie L., [redacted]
Harwell, Edward R., [redacted]
Hash, Patricia L., [redacted]
Haskell, Mark B., [redacted]
Hasler, Jeffrey A., [redacted]
Hass, Barbara K., [redacted]
Hatfield, James C., [redacted]
Hauk, William D., [redacted]
Hausmann, Scott T., [redacted]
Hawley, George L., Jr., [redacted]
Hawthorne, Dale E., [redacted]
Haynes, Edward T., [redacted]
Hays, Kurt P., [redacted]

Hazel, Kelly P., [redacted]
Healey, Dana J., [redacted]
Healy, Daniel S., Jr., [redacted]
Hege, David B., [redacted]
Hein, David R., [redacted]
Helsabeck, Michael L., [redacted]
Hennessey, Claude M., [redacted]
Hensler, Paul V., [redacted]
Hensley, Bruce B., [redacted]
Hepler, Paul L., [redacted]
Hern, Scott E., [redacted]
Hess, James W., Jr., [redacted]
Hess, Jane A., [redacted]
Hess, Stephen R., [redacted]
Hesse, Dennis M., [redacted]
Hewitt, Cathy F., [redacted]
Hickman, Terry E., [redacted]
Hiebert, Mark C., [redacted]
Higgins, Jeffrey A., [redacted]
Hillgreen, Anna [redacted]
Hines, Michael L., [redacted]
Hodge, Ollie, Jr., [redacted]
Hoffman, Mark S., [redacted]
Hoffmeister, John C., [redacted]
Hoksch, Constance E., [redacted]
Holby, Robert L., [redacted]
Holding, Sandra E., [redacted]
Holland, Edward E., Jr., [redacted]
Hollandsworth, Paul C., Jr., [redacted]
Holleran, Gerald A., [redacted]
Holley, Veronica E., [redacted]
Holloway, Ronald McKinley, [redacted]
Holroyd, Douglas L., [redacted]
Holzapfel, Angela M., [redacted]
Hood, Henry B., [redacted]
Hopkins, Harry, III, [redacted]
Hopun, Javier E., [redacted]
Horn, Robert L., [redacted]
Hoskins, Roy L., [redacted]
Hotchkiss, Thomas, O.H., [redacted]
Howald, Robert L., [redacted]
Howard, Brown G., IV, [redacted]
Hryhorchuk, Mark, [redacted]
Hubbard, Sarah M., [redacted]
Huffman, Stephen L., [redacted]
Hughes, James D., [redacted]
Hughes, William D., III, [redacted]
Hughes, William G., II, [redacted]
Hunter, Herbert, Jr., [redacted]
Hunter, Nancy A., [redacted]
Hurlbert, Brian D., [redacted]
Hurlburt, Gordon V., [redacted]
Hutcherson, Jerry T., [redacted]
Hutchings, Robert N., Jr., [redacted]
Hutchinson, Dennis P., [redacted]
Inboden, Randy W., [redacted]
Isaacson, Richard D., [redacted]
Iskra, Stephen M., [redacted]
Jackson, Clifton M., [redacted]
Jackson, Daryl C., [redacted]
Jackson, Napoleon, [redacted]
Jacobs, Daniel W., [redacted]
James, Donna E., [redacted]
James, Stephen E., [redacted]
James, Stephen M., [redacted]
Jarvis, Robert L., Jr., [redacted]
Jenison, Kevin R., [redacted]
Jenkins, Donald L., Jr., [redacted]
Jennings, Reginald W., [redacted]
Jepson, Gary W., [redacted]
Jepson, Letha J., [redacted]
Jesse, Gordon R., [redacted]
Jesus, Juan T., [redacted]
Jimison, Stephen D., [redacted]
Johnson, Alan H., [redacted]
Johnson, Bruce F., [redacted]
Johnson, Everett F., [redacted]
Johnson, Jeffrey R., [redacted]
Johnson, Kenneth Ray, [redacted]
Johnson, William A., [redacted]
Johnston, Karen E., [redacted]
Jones, Bernard E., [redacted]
Jones, Eugene W., [redacted]
Jones, Mark Warren, [redacted]
Jones, Reginald E., [redacted]
Jones, Richard L., II, [redacted]
Jones, Robert E., [redacted]
Juday, Gregory J., [redacted]
Kaelberer, Kevin R., [redacted]
Kahlo, Robert M., [redacted]
Kaleda, Michael J., [redacted]
Kalscheur, Gordon E., [redacted]
Kaplan, Jeffrey D., [redacted]
Karimi, Roj, [redacted]
Karlik, Donna L., [redacted]
Karmann, David M., [redacted]
Kazy, Joel A., [redacted]
Keane, Bradley S., [redacted]
Kearney, Anne D., [redacted]
Keck, Brad S., [redacted]
Keck, Peter R., [redacted]
Keith, Dennis E., [redacted]
Keith, Lloyd L., [redacted]
Keller, Christen E., [redacted]
Keller, Robert M., Jr., [redacted]
Kelly, David T., [redacted]
Kennedy, Charles J., [redacted]
Kennedy, Edward C., [redacted]
Kenney, James O., Jr., [redacted]
Kenney, Shelby R., [redacted]
Kenny, James M., [redacted]
Kent, Paul C., II, [redacted]
Kerr, Kay L., [redacted]
Key, Ramona F., [redacted]
Kim, Eric A., [redacted]
Kimbrell, Stanley E., [redacted]
King, Elizabeth B., [redacted]
King, George H., Jr., [redacted]
Kinnaird, Timothy W., [redacted]
Kirkbride, Timothy D., [redacted]
Kirkland, Gerald, D., [redacted]
Klaehn, David C., [redacted]
Klapetzky, Friedrich K., [redacted]
Kleinbaum, Georges B., [redacted]
Klise, John W., [redacted]
Klump, Norman D., [redacted]
Knapp, David I., [redacted]
Knight, Gaston R., [redacted]
Knoll, James T., [redacted]
Knue, David C., [redacted]
Koch, Leslie R., [redacted]
Koff, Linda H., [redacted]
Koloian, Richard C., [redacted]
Koski, Douglas J., Jr., [redacted]
Kotowski, James B., [redacted]
Kott, Peter, [redacted]
Kramer, Judith A., [redacted]
Kraus, Stephen M., [redacted]
Krehoff, Peter F., Jr., [redacted]
Kriebel, Lee S., [redacted]
Kruger, Randall C., [redacted]
Kuhlmann, Bryan L., [redacted]
Kunschke, Tod M., [redacted]
Kuschel, Mark R., [redacted]
Ladd, David A., [redacted]
Lafebre, Robert D., [redacted]
Lamb, Brenda M., [redacted]
Lamb, Gary L., III, [redacted]
Lamb, Michael R., [redacted]
Lancaster, John M., [redacted]
Landis, Scott V., [redacted]
Lane, Gary W., [redacted]
Lang, Robert G., Jr., [redacted]
Lantz, James M., [redacted]
Large, Bruce P., [redacted]
Larrivee, Edward F., Jr., [redacted]
Larsen, Jeffery D., [redacted]
Larson, John D., [redacted]
Lassell, Jeffrey B., [redacted]
Latham, Jenny L., [redacted]
Laushine, Gregory A., [redacted]
Lautenbach, Kurt A., [redacted]
Lavella, Leonard M., [redacted]
Lavergne, Richard W., [redacted]
Lawhon, Sheila D., [redacted]
Lawrence, Roxana E., [redacted]
Lawrensen, Bruce E., [redacted]
Lawson, Timothy A., [redacted]
Lee, David C., [redacted]
Lee, Vincent, [redacted]
Leeper, William J., [redacted]
Lefebvre, Anthony P., [redacted]
Lehigh, Jeffrey, [redacted]
Lehnhoff, Jeffrey A., [redacted]
Lehr, Steven W., [redacted]
Leknes, Jeffrey N., [redacted]
Lemme, Ursula M., [redacted]
Leonard, Michael J., [redacted]
Lerner, Robert C., [redacted]
Leroux, Robert P., [redacted]
Leveille, Sara H., [redacted]
Lewakowski, Mark J., [redacted]
Lewis, Christopher J., [redacted]
Lewis, Edward C., [redacted]
Lewis, Oscar M., [redacted]
Liebl, Peter E., [redacted]
Limmer, Carleen Y., [redacted]
Limoncelli, Donald J., [redacted]
Linbrunner, Dezso J., [redacted]
Lindeke, Pamela K., [redacted]
Lindsay, Karen J., [redacted]
Lindsey, Marian S., [redacted]
Lindstedt, George W., III, [redacted]
Lister, Hardy M., [redacted]
Litchfield, Bruce A., [redacted]
Lively, Robert W., [redacted]
Livergood, Dale R., [redacted]
Lloyd, Harvey W., [redacted]
Locke, David A., [redacted]
Lograsso, Joseph A., [redacted]
Loney, Keith L., [redacted]
Longobardi, Stephen M., [redacted]
Lopez, Timothy J., [redacted]
Lorenz, Jeffrey S., [redacted]
Love, Betty M., [redacted]
Lovelady, Stuart A., [redacted]
Loyd, Bardford, [redacted]
Lum, Geoffrey T., [redacted]
Lundin, Timothy T., [redacted]
Luttrell, Stephen L., [redacted]
Lynch, Alan J., [redacted]
Macedo, Joseph A., [redacted]
Mackenthun, Tamara C., [redacted]
Macklin, Joseph M., [redacted]
MacLeod, Guy W., [redacted]
MacRae, Leslie G., [redacted]
Madar, Michael W., [redacted]
Maggard, Robert L., Jr., [redacted]
Mahoney, Kevin H., [redacted]
Malashevitz, Steven J., [redacted]
Mallette, Carl L., [redacted]
Manjarres, Miguel A., [redacted]
Manlove, Donald G., [redacted]
Mann, Gregory J., [redacted]
Mann, Vicki L., [redacted]
Manning, James T., III, [redacted]
Manning, Shelton R., [redacted]
Manship, David J., [redacted]
Marciniak, Michael A., [redacted]
Maresca, Jan Mitchell, [redacted]
Marone, David P., [redacted]
Marques, Michael J., [redacted]
Marques, Victor M.G., [redacted]
Marr, Stephen B., [redacted]
Marrone, A. Scott, [redacted]
Martin, Harold L., [redacted]
Martinez, Debra A., [redacted]
Nartinez, Jose A., [redacted]
Martinick, Stephen T., [redacted]
Marzano, Debra A., [redacted]
Mason, Mark W., [redacted]
Mason, William D., [redacted]
Masten, Michael W., [redacted]
Mattei, Michael C., [redacted]
May, Donella A., [redacted]
May, Elizabeth D., [redacted]
May, Peter E., [redacted]
May, Russell L., [redacted]
Mazur, Gregory J., [redacted]
McAlister, Daniel W., [redacted]
McCabe, Lawrence W., III, [redacted]
McCallum Earl V., Jr., [redacted]

McCoy, Robert K., [redacted]
McCrum, Kevin H., [redacted]
McCullough, William K., [redacted]
McCurdy, Gayle A., [redacted]
McDonald, Carol B., [redacted]
McDonald, Kevin M., [redacted]
McDonald, Michael H., [redacted]
McDonald, Ralph E., [redacted]
McDonald, Thomas S., [redacted]
McEniry, Robert F., [redacted]
McGowan, Althea R., [redacted]
McIlvaine, Richard M., [redacted]
McIntyre, Kevin A., [redacted]
McIntyre, Ronald E., [redacted]
McIntyre, William L., [redacted]
McKnight, Carol J., [redacted]
McLaughlin, Michael D., [redacted]
McLaughlin, Michael L., [redacted]
McLaurin, James W., [redacted]
McManus, William G., [redacted]
McNamara, Bonita L., [redacted]
McNeely, Rita V., [redacted]
McNeil, Charles A., [redacted]
McNicholas, Patricia A., [redacted]
Medley, Russell E., Jr., [redacted]
Medlock, Matthew C., [redacted]
Meeker, Johnny R., [redacted]
Mehlberg, Jerry L., [redacted]
Meissner, Terrence R., [redacted]
Mekanik, Michael P., [redacted]
Mercado, Jorge L., [redacted]
Merkle, Ellen, [redacted]
Merrick, Johnny E., [redacted]
Merritt, Charles J., [redacted]
Merritt, Fernando R., [redacted]
Merwin, Oliver J., [redacted]
Message, Dale A., [redacted]
Metcalf, Lester J., [redacted]
Metzler, Samuel H., [redacted]
Meyer, James M., [redacted]
Meyer, Steven R., [redacted]
Meyer, Thomas D., [redacted]
Meyers, Michael S., [redacted]
Meyers, Victoria H. M., [redacted]
Michelhowell, Michael, [redacted]
Middleton, Shirley M., [redacted]
Miles, Billy R., [redacted]
Miles, Frank M., Jr., [redacted]
Miley, Robert F., [redacted]
Millay, Robert E., [redacted]
Miller, Alan R., [redacted]
Miller, Allen R., [redacted]
Miller, David A., [redacted]
Miller, Gordon J., Jr., [redacted]
Miller, James R., [redacted]
Miller, John T., [redacted]
Miller, Merton W., [redacted]
Miller, Michael, Jr., [redacted]
Miller, Scott A., [redacted]
Miner, Lawrence A., [redacted]
Minske, Norman L., [redacted]
Mitchell, David E., [redacted]
Mitchell, Dennis R., [redacted]
Mitchell, Ronnie, [redacted]
Mitchell, Rubylyn E., [redacted]
Mitnaul, Henry, [redacted]
Mittelstaedt, Edwin J., [redacted]
Mobley, James A., Jr., [redacted]
Moller, Randy L., [redacted]
Monick, Stephen F., Jr., [redacted]
Monnin, Dale E., [redacted]
Moody, Paul William, Jr., [redacted]
Moore, Daniel P., [redacted]
Moore, Philip D., [redacted]
Morales, Wayne I., [redacted]
Morefield, Kevin F., [redacted]
Morehouse, Gary K., [redacted]
Morehouseyata, Teresa A., [redacted]
Morel, William E., III, [redacted]
Morgan, Michael D., [redacted]
Morgan, Thomas L., [redacted]
Morison, Sharon M., [redacted]
Morley, Paul R., [redacted]
Morris, Charles R., [redacted]
Morris, Gary S., [redacted]
Morris, Sandra, K., [redacted]
Morris, Tommy L., [redacted]
Morrisey, John M. P., [redacted]
Morton, Donna J., [redacted]
Mosenthine, Mark T., [redacted]
Moses, Franklin H., [redacted]
Moses, Kenneth L., [redacted]
Mosher, Raymond E., [redacted]
Mottoa, Jorge A., [redacted]
Mount, Robert L., [redacted]
Moxley, Ian D., [redacted]
Moyers, William T. Jr., [redacted]
Muehlenweg, Thomas O., [redacted]
Mueller, Kurt D., [redacted]
Muller, Deborah L., [redacted]
Murch, Douglas B., [redacted]
Murillo, Ruben R., [redacted]
Murphy, Merrill M., [redacted]
Murphy, Michael F., [redacted]
Murphy, Paul J., [redacted]
Muysenberg, James A., [redacted]
Myers, James W., [redacted]
Narigon, Daniel A., [redacted]
Nasypanydowney, Mary E., [redacted]
Nelson, Angela, [redacted]
Nelson, David N., [redacted]
Nelson, Paul A., [redacted]
Nelson, Richard L., [redacted]
Nelson, Stuart A., [redacted]
Neuffer, Lewis D., [redacted]
Neumann, Kurt N., [redacted]
Newbern, Mary C., [redacted]
Newell, James E., [redacted]
Newell, Mitchell L., [redacted]
Newton, Richard F., Jr., [redacted]
Nichols, Patricia E., [redacted]
Nilson, Terry W., [redacted]
Nolan, Douglas J., [redacted]
Norris, Bessie B., [redacted]
Norris, James G., [redacted]
North, Thomas J., [redacted]
Norwood, Bobby, [redacted]
Nostrand, Philip M., [redacted]
Nuernberger, Michael J., [redacted]
Nunez, Barreiro Ivan, [redacted]
Oberer, Robert M., [redacted]
Oelrich, Michael H., [redacted]
Oliver, Dale E., [redacted]
Olmedoborecky, Stephanie K., [redacted]
Olsen, Ronald E., [redacted]
Olson, Dale A., [redacted]
Olson, Frank R., [redacted]
Omara, Mary L., [redacted]
Orlinsky, Eric L., [redacted]
Orme, Bevan R., [redacted]
Ortega, Nancy, [redacted]
Ortega, Richard B., [redacted]
Ortiz, Arturo R., [redacted]
Owen, Randall J., III, [redacted]
Owens, James G., [redacted]
Owens, Thomas S., [redacted]
Owens, Wilbur, [redacted]
Oyler, Dean E., [redacted]
Pack, William H., [redacted]
Page, Woodman H., [redacted]
Palmer, Michael A., [redacted]
Parker, John M., [redacted]
Parker, Loren D., [redacted]
Parker, Todd J., [redacted]
Parman, Donald E., [redacted]
Parmenter, Johnnie L., [redacted]
Parris, David L., [redacted]
Parrish, John W., [redacted]
Patterson, Edward E., Jr., [redacted]
Paul, Edward J. [redacted]
Paulson, Maxine, J.W., [redacted]
Pavlakis, Gregory S., [redacted]
Payant, Thomas M., [redacted]
Payne, Kirk I., [redacted]
Payne, Steven E., [redacted]
Pease, Lynn A., [redacted]
Peck, Lowell B., [redacted]
Pedersen, Rodney M., [redacted]
Penatzer, Jeffrey L., [redacted]
Perkins, Albert L., [redacted]
Perkins, Jimmie E., [redacted]
Perleoni, John J., [redacted]
Permann, Michelle E., [redacted]
Perry, Nancy K., [redacted]
Perugini, Garian A.A. II, [redacted]
Perzel, David R., [redacted]
Peters, Mike L., [redacted]
Peters, William C., Jr., [redacted]
Peterson, Alan B., [redacted]
Pfeiffer, Jeffrey B., [redacted]
Phillips, James H., Jr., [redacted]
Phillips, Theresa Mary, [redacted]
Piatt, Johnny D., [redacted]
Pierce, Michael J., [redacted]
Pierce, Robert A., [redacted]
Pinkston, Paul J., [redacted]
Pittman, Tamara A., [redacted]
Playle, Gregory T., [redacted]
Playle, Joy A., [redacted]
Plott, Jonathan H., [redacted]
Poindexter, Jeffrey L., [redacted]
Polk, Kenneth W., [redacted]
Poniatowski, Edmund J., [redacted]
Popken, Douglas A., [redacted]
Porter, Marvin, [redacted]
Potter, Martha L., [redacted]
Potter, Stephen H., [redacted]
Powderly, Kevin M., [redacted]
Powell, James L., [redacted]
Powell, Wendell J., [redacted]
Pozzi, Mark L., [redacted]
Precht, Michael L., [redacted]
Presley, John D., [redacted]
Price, Alphonso S., [redacted]
Price, Thomas D., Jr., [redacted]
Price, Vincent J., [redacted]
Pringle, Jerry L., [redacted]
Pryor, Larry J., [redacted]
Pugh, James E., [redacted]
Pugnier, Roy E., [redacted]
Pullen, Claude F., Jr., [redacted]
Pulver, Keith H., [redacted]
Purdy, Richard L., [redacted]
Pusicz, Robert T., [redacted]
Putaansuu, Michael O., [redacted]
Quilliam, James D., [redacted]
Quinlan, Roger, Jr., [redacted]
Radabaugh, Barbara, M., [redacted]
Radcliff, Danny P., [redacted]
Rafferty, Delphine Maria, [redacted]
Ragheb, Tarek M., [redacted]
Ramirez, Vincent R., [redacted]
Ramos, Alfredo A., [redacted]
Ramos, Luis A., [redacted]
Rankin, Richard P., [redacted]
Rawl, Thomas E., [redacted]
Ray, Douglas M., [redacted]
Ray, Julia A., [redacted]
Ray, Tommie A., Jr., [redacted]
Raymond, Michael T., [redacted]
Redd, Cathy D., [redacted]
Reece, Norman W., [redacted]
Reed, Douglas J., [redacted]
Reed, Jerry L., [redacted]
Reese, Janet L., [redacted]
Reese, Shelta D., [redacted]
Reeves, Presley R., [redacted]
Reilly, Raymond [redacted]
Reinhardt, Albert E., Jr., [redacted]
Renaldo, Michael J., [redacted]
Reneau, Terran B., [redacted]
Renfrew, Robert T., III., [redacted]
Reyes, Norman L., [redacted]
Reynolds, Gregory R., [redacted]
Rhee, Robert E., [redacted]
Rice, Monford C., II, [redacted]
Rice, Randall E., [redacted]
Richards, Earnest T.F., III, [redacted]
Richards, Paul A., [redacted]
Richardson, Carolyn E., [redacted]
Richardson, Cynthia L., [redacted]
Richardson, Evelyn J., [redacted]

Riehl, Matthew K., [redacted]
Riggs, John J., [redacted]
Rinell, Douglas C., [redacted]
Ringquist, Van A., [redacted]
Rios, Rodolfo E., [redacted]
Rith, Craig D., [redacted]
Ritzo, Larry J., [redacted]
Rivera, Ricardo, [redacted]
Rivest, Henry P., Jr., [redacted]
Rizzo, David R., [redacted]
Roan, Larry E., [redacted]
Robbins, Timothy J., [redacted]
Roberts, Kingsley S., Jr., [redacted]
Roberts, Philip D., [redacted]
Robertson, Robert M., [redacted]
Robinson, Christopher P., [redacted]
Robinson, Gary V., [redacted]
Robinson, Jessie L., [redacted]
Robinson, Stephen C., [redacted]
Rochester, John E., [redacted]
Rock, Joseph E., [redacted]
Rodriguez, Daniel, Jr., [redacted]
Rodriguez, Rodrigo, [redacted]
Rodriguez, Rudolph R., [redacted]
Roe, John M., [redacted]
Roesener, Randall L., [redacted]
Roessler, Fritz J., [redacted]
Rogers, Jack C., Jr., [redacted]
Rogers, Patricia R., [redacted]
Rogers, Robert L., [redacted]
Rogers, Terry M., [redacted]
Rolfe, James W., [redacted]
Ronco, Mark A., [redacted]
Roop, Calvin L., [redacted]
Roosma, John S., [redacted]
Rosensteel, Thomas E., [redacted]
Rosoff, Henry, [redacted]
Ross, Darryl R., [redacted]
Ross, Duane P., [redacted]
Rosson, Terry R., [redacted]
Rote, Martin Albert, [redacted]
Roth, Jeffrey W., [redacted]
Rovinsky, Richard J., [redacted]
Royer, James M., [redacted]
Rozel, Rex M., [redacted]
Rudy, Jay W., [redacted]
Rulli, Anthony J., Jr., [redacted]
Russell, Barbara A., [redacted]
Russell, William D., [redacted]
Salazar, Alfred G., Jr., [redacted]
Salazar, Stephen A., [redacted]
Salmon, David L., [redacted]
Salmon, Richard T., [redacted]
Salter, Larry A., [redacted]
Salyers, Dale A., [redacted]
Sampson, Kurtis B., [redacted]
Samuels, Claudette, [redacted]
Samuelson, Lawrence D., [redacted]
Sands, Peter G., [redacted]
Santiagosiler, Pansy R., [redacted]
Santianna, Debra W., [redacted]
Santoro, Dominic A., Jr., [redacted]
Sarner, Catherine S., [redacted]
Saunders, William R., [redacted]
Sawyer, Mahala A., [redacted]
Scamehorn, Gene L., [redacted]
Scarpace, Philip A., [redacted]
Schenck, Paul D., [redacted]
Schiller, Gregory G., [redacted]
Schnepp, Derald R., [redacted]
Schoeff, Kent M., [redacted]
Schommer, Thomas G., [redacted]
Schonrank, Klaus K., [redacted]
Schreiner, James A., [redacted]
Schrock, Sheila L., [redacted]
Schuck, Stephen, [redacted]
Schultz, Ernest G., Jr., [redacted]
Schuster, Wolfgang, [redacted]
Schweinfurth, Ludwig, IV, [redacted]
Scott, James A., [redacted]
Scott, Joseph N., [redacted]
Scott, Michael L., [redacted]
Scully, Melissa Felmley, [redacted]
Seaton, Michael K., [redacted]
Seidemann, William A., [redacted]
Sell, Thomas A., [redacted]
Seney, Shirley A., [redacted]
Sepela, Daniel S., [redacted]
Seward, Mark A., [redacted]
Shaffer, Howard A., Jr., [redacted]
Sharp, Robert K., [redacted]
Sharpe, Sharon A., [redacted]
Shaw, Mark Alan, [redacted]
Sheaff, Carolyn B., [redacted]
Shelton, Robert L., [redacted]
Sheppard, Ronald E., [redacted]
Shinn, Wook H., [redacted]
Shofner, Charles, [redacted]
Short, David M., [redacted]
Sickles, Bruce W., Sr., [redacted]
Sidd, Robert Y., [redacted]
Sigg, Marian R., [redacted]
Silvia, Stephen, [redacted]
Simmons, Matt P., [redacted]
Simmons, Rodney L., [redacted]
Simms, Estelle H., [redacted]
Simpliciano, Stephen C., [redacted]
Simpson, Thomas L., [redacted]
Singleton, Vernon D., [redacted]
Skaife, Judson T., [redacted]
Skoczen, Randall H., [redacted]
Skrobot, Gregory L., [redacted]
Slane, Frederick A., [redacted]
Slichko, Daniel J., [redacted]
Slurff, Frank E., [redacted]
Smith, Carl O., Jr., [redacted]
Smith, Daniel S., [redacted]
Smith, David M., [redacted]
Smith, Edwin C., [redacted]
Smith, Gary M., [redacted]
Smith, Herbert L., [redacted]
Smith, James H., [redacted]
Smith, Kenneth H., [redacted]
Smith, Miles M., [redacted]
Smith, Shellman L., Jr., [redacted]
Snider, Steven V., [redacted]
Snoddy, John D., [redacted]
Snodgrass, David E., [redacted]
Snyder, Daniel E., [redacted]
Sohl, James R., [redacted]
Soller, Steven J., [redacted]
Solomon, David B., [redacted]
Somers, Timothy P., [redacted]
Sorensen, William T., [redacted]
Soto, John, [redacted]
Sotomayor, Juan R., [redacted]
Soules, Janet N., [redacted]
Spain, Robert J., Jr., [redacted]
Spann, Terence J., [redacted]
Sparks, Charles E., [redacted]
Spitek, Martin J., [redacted]
Springer, Anita K., [redacted]
Sproc, Robert L,. [redacted]
Sprong, Wayne S., [redacted]
Squire, Reid A., [redacted]
Stalcup, Harold F., [redacted]
Staley, Dana W., [redacted]
Stankus, Kazys R., [redacted]
Stanley, Philip D., [redacted]
Steele, Larry, [redacted]
Stenger, Terrance M., [redacted]
Stephen, Eric J., [redacted]
Stephens, Robert W., [redacted]
Stephenson, David M., [redacted]
Stephenson, Richard A., [redacted]
Stephenson, Sherri K., [redacted]
Stewart, James M., [redacted]
Stewart, Jesse, III, [redacted]
Stiegleiter, Douglas A., [redacted]
Stiles, David A., [redacted]
Stiver, Dan J., [redacted]
Stokes, Louis J., [redacted]
Stoll, Richard W., [redacted]
Strasburger, John R, II, [redacted]
Strickland, Marc K., [redacted]
Strines, Anthony B., [redacted]
Stuart, Jeffrey A., [redacted]
Sturm, Timothy J., [redacted]
Sudderth, Thomas G., [redacted]
Suhay, Steve, III, [redacted]
Sullivan, Jackie L., Jr., [redacted]
Sullivan, Priscilla W., [redacted]
Summers, Pamela G., [redacted]
Sundberg, Vicki M., [redacted]
Sung, Jai D., [redacted]
Sutton, Larry J., [redacted]
Suwarno, Marga, [redacted]
Swaerkosz, James R., [redacted]
Sweeney, Michael J., Jr., [redacted]
Swigartsmith, Janice A., [redacted]
Swigert, Michael D., [redacted]
Szemer, James C., [redacted]
Tackett, Dennis L., [redacted]
Talikka, Heikki K., [redacted]
Tarnovsky, Robert L., [redacted]
Tasker, Thomas L., [redacted]
Tauchen, Robert B., [redacted]
Taylor, June F., [redacted]
Taylor, Lawrence R., [redacted]
Taylor, Michael B., [redacted]
Terry, Michael W., [redacted]
Thalcker, James R., [redacted]
Thayer, Richard M., [redacted]
Thibault, Joseph A., [redacted]
Thomas, Stephen B., [redacted]
Thompson, Jay S., [redacted]
Thompson, Louis M., [redacted]
Thompson, Ronald E., [redacted]
Thorp, Robert C., [redacted]
Thorp, Walter N., [redacted]
Thunberg, Carl D., [redacted]
Tibai, Timothy J., [redacted]
Tidwell, Scott B., [redacted]
Titus, Glen D., [redacted]
Toenes, Larry V., [redacted]
Tomaino, Antoinette M., [redacted]
Tomes, Terence G., [redacted]
Tomes, Terrance W., [redacted]
Tominack, Ivan L., Jr., [redacted]
Tomko, Michael S., [redacted]
Tooker, Gerald F., [redacted]
Torres, George, Jr., [redacted]
Torres, Juan, Jr., [redacted]
Townsend, Charles H., [redacted]
Townsend, John D., [redacted]
Transue, Mark P., [redacted]
Traud, Donald R., [redacted]
Treacy, William J., [redacted]
Trimbach, John M., [redacted]
Trimble, Aaron D., [redacted]
Trippe, Thomas E., [redacted]
Truslow, James E., [redacted]
Tubbs, Charles B., [redacted]
Tuell, Jason P., [redacted]
Tuiaana, Asora M., [redacted]
Turner, John F., [redacted]
Tutor, Harold O., Jr. [redacted]
Tye, Count B., [redacted]
Tye, Stephen C., [redacted]
Ulmer, John M., [redacted]
Underwood, Donald Z., [redacted]
Urquhart, Robert A., [redacted]
Utoh, Suzanne K., [redacted]
Vail, Eric F., [redacted]
Valentine, Peter G., [redacted]
Valley, Russell E., Jr., [redacted]
Vandewyngard, Roberto H., [redacted]
Vanjura, John G., [redacted]
Vanlier, Warren E., Jr., [redacted]
Varni, Diane L., [redacted]
Vaughan, James E., Jr., [redacted]
Vaught, Michael G., [redacted]
Velez, Victoria A., [redacted]
Vera, Amado, III, [redacted]
Vicente, Esteban, [redacted]
Vick, Perry F., [redacted]
Vilott, Gary W., [redacted]
Volek, Michael J., [redacted]
Voorhis, Mark P., [redacted]
Vozzola, Robert P., [redacted]
Vroman, Howard N., [redacted]
Vrsnik, Daniel, [redacted]

Wagner, Jeffrey C., [redacted]
Wagner, John R., [redacted]
Wagner, Lauren K., [redacted]
Wagnerjogerst, Margie D., [redacted]
Waite, Mitchell, [redacted]
Waldrip, Michael C., [redacted]
Walker, Alan D., Jr., [redacted]
Walker, Gregory L., [redacted]
Walker, Tracey A., [redacted]
Wallace, James R., [redacted]
Wallace, Michael J., [redacted]
Wallick, John A., [redacted]
Walmer, Randy C., [redacted]
Walsh, Robert L., [redacted]
Walt, Curtis K., [redacted]
Walters, Susan, [redacted]
Wamble, Charles D., [redacted]
Ward, Deborah, Borio, [redacted]
Ward, Ernest S., [redacted]
Ward, Franklin E., [redacted]
Wardlaw, Stephen P., [redacted]
Wardle, Donald R., [redacted]
Warner, Earl R., II, [redacted]
Warner, Larry J., [redacted]
Warren, Richard A., [redacted]
Waters, Kenneth R., [redacted]
Watkins, Earl B., [redacted]
Watson, James W., [redacted]
Watts, Loren K., [redacted]
Weber, Raymond A., [redacted]
Webster, David L., [redacted]
Webster, Michael, E., [redacted]
Weiss, Otto Jr., [redacted]
Welch, Wendell R., [redacted]
Welker, Kerry M., [redacted]
Wells, Lester L., [redacted]
Wells, William A., [redacted]
Welnetz, Mark N., [redacted]
Wentzell, John L., [redacted]
Werenko, Timothy J., [redacted]
West, John T., [redacted]
West, Michael J., [redacted]
West, Robert K., [redacted]
Westbrook, Gayle I., [redacted]
Westerfield, Richard C., [redacted]
Western, Jeffery L., [redacted]
Weston, Andrew C., [redacted]
Wetzel, Karl F., [redacted]
White, Carl D., [redacted]
Wideman, Frank D., [redacted]
Wierzowiecki, Bobby D., [redacted]
Wilderotter, Steven, [redacted]
Wiley, Robert J., [redacted]
Wilkins, Harvey C., [redacted]
Wilkinson, Laura J., [redacted]
Williams, Dale E., [redacted]
Williams, Gary D., [redacted]
Williams, Gary L., [redacted]
Williams, George B., [redacted]
Williams, Harvey L., Jr., [redacted]
Williams, Larry W., [redacted]
Williams, Mark A., [redacted]
Williams, Stephen E., [redacted]
Williams, Roosevelt, [redacted]
Wilson, Glen A., [redacted]
Wilson, James R., [redacted]
Wilson, Jimmy D., [redacted]
Wilson, Robert G., [redacted]
Wilson, Verl R., [redacted]
Wilson, Wayne B., [redacted]
Winkler, Stephen F., [redacted]
Winn, Richard F., [redacted]
Winslow, Jerome C., [redacted]
Winters, George D., [redacted]
Wirth, Donald L., [redacted]
Witter, Cletus F., [redacted]
Witteried, Michael F., [redacted]
Wnuk, Stephen P., III, [redacted]
Wolf, Edwin L., [redacted]
Wood, John L., [redacted]
Wood, Mary J., [redacted]
Wood, Pamela N., [redacted]
Wood, Theodore A., [redacted]
Wood, Wiltse D., [redacted]
Woodson, George B., [redacted]
Woodcock, Bruce W., [redacted]
Woods, Fannie J., [redacted]
Woody, Rosalind D., [redacted]
Wooster, Jack L., [redacted]
Wright, Aaron C., [redacted]
Wright, Curtis D., [redacted]
Wright, John R., Jr., [redacted]
Wrobel, William A., Jr., [redacted]
Wyatt, Paul R., [redacted]
Wylam, John M., [redacted]
Wyman, Peter R., [redacted]
Wynne, Charles E., [redacted]
Wypych, Joseph L., [redacted]
Yaple, Gerald P., [redacted]
Yeefong, Juan M., [redacted]
Yoder, Mark M., [redacted]
Youmans, Hugh W., [redacted]
Young, Gregory R., [redacted]
Young, John A., J., [redacted]
Young, Lamar [redacted]
Young, Lori A., [redacted]
Youngblood, Ronald L., [redacted]
Zachary, Scott D., [redacted]
Zachry, Jimmy D., [redacted]
Zanotti, Michael R., [redacted]
Zuercher, Philip A., [redacted]

The following officers for appointment in the Regular Air Force under the provisions of section 531, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform duties indicated with grades and dates of rank to be determined by the Secretary of the Air Force provided that in no case shall the officers be appointed in a grade higher than captain.

CHAPLAIN CORPS

Barlow, James P., [redacted]
Bomberger, Gary D., [redacted]
Bruning, Darrell W., [redacted]
Cobb, Harrell L., [redacted]
Conroy, Francis X., [redacted]
Cutter, James N., [redacted]
Dull, Jeffry A., [redacted]
Fedor, Edward P., [redacted]
Harned, Marion T., [redacted]
Hatcher, Edgar W., [redacted]
Herbert, Stephen R., [redacted]
Janes, Jadell, [redacted]
Janner, Robert T., [redacted]
Lamby, Robert James, [redacted]
Mayernick, Frank P., [redacted]
McClanahan, Joseph E., [redacted]
Meekins, Lorenza R., [redacted]
Morrow, David Lee, [redacted]
Person, Alexander Jr., [redacted]
Sanders, John S., [redacted]
Spearman, Richard E., Jr., [redacted]
Stavrevsky, Ken James, [redacted]
Stovall, Jon R., [redacted]
Timmons, Millard G., [redacted]
Turley, Sean F., [redacted]
Vandesteeg, Marinus G., [redacted]
Walling, Lawrence E., [redacted]
Wallroth, Joseph R., [redacted]
Wineberg, Robert M., III, [redacted]

JUDGE ADVOCATE

Edwards, Johnny H., [redacted]
Francis, David R., [redacted]

NURSE CORPS

Adams, Lorraine M., [redacted]
Adams, Pamela D., [redacted]
Addison, Danny L., [redacted]
Algea, Cassandra R., [redacted]
Amatriain, Fredrick M., [redacted]
Anderson, Antoinette K., [redacted]
Argenbright, Sharon A., [redacted]
Aune, Regina C., [redacted]
Balck, Beth A., [redacted]
Beisser, Paul T., III, [redacted]
Bell, Lynette M., [redacted]
Bernotas, Vincent P., [redacted]
Besel, Towne M., [redacted]
Beson, Linda R., [redacted]
Black, Sandra A., [redacted]
Blake, Susan J., [redacted]
Blue, Terry K., [redacted]
Bollinger, Karen M., [redacted]
Boss, Naomi M., [redacted]
Bourn, Madelyn C., [redacted]
Brickey, Susan J., [redacted]
Bridges, Elizabeth J., [redacted]
Brittain, Janet M., [redacted]
Bruce, Timothy F., [redacted]
Burkett, Melissa A., [redacted]
Burnette, Sharon A., [redacted]
Burns, Elaine M., [redacted]
Button Julie A., [redacted]
Campbell, Teresa A., [redacted]
Cardona, Valerie A., [redacted]
Carlisle, Sharon M., [redacted]
Carroll, Cheryl A., [redacted]
Carroll, Noel F., [redacted]
Casalapro, Debra A., [redacted]
Chadwick, Violet S., [redacted]
Chandler, Scott J., [redacted]
Clark, Rita A., [redacted]
Collins, Carolyn L., [redacted]
Connors, Mary M., [redacted]
Conrad, Mary [redacted]
Cook, Elton C., [redacted]
Corbin, Patricia D., [redacted]
Cowles, Elizabeth A., [redacted]
Cramer, Cynthia M., [redacted]
Cramer, Jeanette M., [redacted]
Cree, Diane D., [redacted]
Damico, Elizabeth A., [redacted]
Davis, Kimberly A., [redacted]
Davison, Susan M., [redacted]
Dean, William M., [redacted]
Dehner, Randall L., [redacted]
Deitz, Lorna J., [redacted]
Deshazo, Suzanne M., [redacted]
Dewildt, Donna L., [redacted]
Deyak, Diane L., [redacted]
Dottin, Denise L., [redacted]
Dunn, Kathleen M., [redacted]
Duong, Diep N., [redacted]
Epps, Janice, [redacted]
Erbach, Nancy A., [redacted]
Flanagan, Donald J., [redacted]
Fletcher, Diane L., [redacted]
Floersch, Patricia, [redacted]
Fogger, Susanne E., [redacted]
Frank, Diana L., [redacted]
Fritsch, Glenae E., [redacted]
Gensheimer, Cotton Helen M., [redacted]
George, Lori S., [redacted]
Geschkenedervelt, Barbara A., [redacted]
Gingras, Lorraine L., [redacted]
Godfrey, George W., Jr., [redacted]
Goitia, Eugenio, Jr., [redacted]
Goodell, Stephen C., [redacted]
Gottschalk, Robert J., [redacted]
Gouner, Warren H., [redacted]
Gouthro, Linda D., [redacted]
Graef, Theresa L., [redacted]
Gravette, Star C., [redacted]
Green, Gail M., [redacted]
Greene, Michael G., [redacted]
Grijalva, Melinda D., [redacted]
Guffee, Mary E., [redacted]
Haeger, Linda I., [redacted]
Hall, Vivian, [redacted]
Hardin, Sylvia A., [redacted]
Hardy, Janice L., [redacted]
Hargis, Rebecca M., [redacted]
Hart, Mary K., [redacted]
Hartl, Nancy D., [redacted]
Harvey, Alice J., [redacted]
Haverlack, Janet A., [redacted]
Haynes, Vickie L., [redacted]
Hebert, Roger G., [redacted]
Heist, Dawn E., [redacted]
Hessert, David, [redacted]
Hickman, Constance D., [redacted]

Hilton, Carole A., [redacted]
Himmelberg, Kirsten E., [redacted]
Hoback, Amanda J., [redacted]
Holt, James P., [redacted]
Hutchison, Kathleen E., [redacted]
Jackson, Annie B., [redacted]
Joganic, Rosemary A., [redacted]
Johnston, Brenda K., [redacted]
Jones, Albert S., Jr., [redacted]
Jones, Karen L., [redacted]
Kindel, David E., [redacted]
Kirkpatrick, Daniel R., [redacted]
Kisner, Linda C., [redacted]
Kloppel, Julie A., [redacted]
Kosh, Suber Jacquelyn D., [redacted]
Kost, Brenda L., [redacted]
Kuhn, Barbara L., [redacted]
Larson, David M., [redacted]
Lee, Amy, [redacted]
Lee, Donald A., [redacted]
Lemke, Sharon A., [redacted]
Leone, Mariacristina, C., [redacted]
Lepper, Arlene G., [redacted]
Lewin, Marianne C., [redacted]
Lewton, Diane R., [redacted]
Linn, Katharine D., [redacted]
Livingston, Charles E., [redacted]
Lunsford, Victor J., [redacted]
Lutz, John A., [redacted]
Lypek, Douglas J., [redacted]
Madden, Pamela G., [redacted]
Malec, John J., [redacted]
Martin, Karen M., [redacted]
McCall, William G., [redacted]
McCune, Ann G., [redacted]
McGee, Charlie H., III, [redacted]
McGrew, Penelope A., [redacted]
McKenna, Kimberly A., [redacted]
McRae, Anne C., [redacted]
Mermann, Mary A., [redacted]
Mickunas, Judith A., [redacted]
Moran, Ned L., [redacted]
Morgan, Ellen E., [redacted]
Morrissey, Joan E., [redacted]
Naftzger, Lisa A., [redacted]
Namdar, Deborah A., [redacted]
Ohara, Susan M., [redacted]
Palmer, Abigail M., [redacted]
Palmer, Thomas R., [redacted]
Perkins, Darlene M., [redacted]
Peters, Susan E., [redacted]
Pineau Janet E., [redacted]
Pitell, Gregory, [redacted]
Privett, Sharon, J., [redacted]
Prizer, Stephen, E., [redacted]
Randall, Lynn T., [redacted]
Randall, Todd M., [redacted]
Rantz, Pamela J., [redacted]
Reinhard, Joyce M., [redacted]
Reymann, Jane E., [redacted]
Riffle, Gregory L., [redacted]
Ronnerud, Clara L., [redacted]
Sammons, Joann E., [redacted]
Sanders, Lynda C., [redacted]
Scanlon, Elizabeth A., [redacted]
Schlegel, Vernola A., [redacted]
Shafer, Michaela R., [redacted]
Sievert, David A., [redacted]
Simpson, Karen L., [redacted]
Simpson, Vicki L., [redacted]
Smith, Carion, [redacted]
Smith, Wilbur K., [redacted]
Snell, Jinada L., [redacted]
Somma, Joseph J., [redacted]
Steberl, Carol A., [redacted]
Stefanski, Richard A., [redacted]
Stephenson, Yvette E., [redacted]
Stewart, Patricia A., [redacted]
Stock, Cheryl A., [redacted]
Stockdale, Mary A., [redacted]
Stosic, Mary J., [redacted]
Stultz, Margaret A., [redacted]
Swansburg, Philip W., [redacted]
Sykes, Catherine I., [redacted]
Sylvester, James C., [redacted]
Thomas, Jeanne M., [redacted]
Thornton, Robert E., Jr., [redacted]
Tillman, Thomas N., Jr., [redacted]
Treece, Terry L., [redacted]
Turner, Thomas O., [redacted]
Velezbustos, Wanda, [redacted]
Vorwald Patricia M., [redacted]
Walls, Steven E., [redacted]
Watts, Deborah L., [redacted]
Wegner, Jane L., [redacted]
Weinschenker, Lorena, [redacted]
Welter, Therese M., [redacted]
Williams, Blondenia J., [redacted]
Willis, Gregory, [redacted]
Wolf, Kristan J. T., [redacted]
Young, Linda M., [redacted]
Young, Nancy M., [redacted]

MEDICAL SERVICE CORPS

Anderson, Douglas E., [redacted]
Anderson, Gerald G., [redacted]
Baldwin, Joseph H., [redacted]
Blueitt, Pauletta D., [redacted]
Borg, Randy B., [redacted]
Boyles, David M., [redacted]
Brookes, Robert C., II, [redacted]
Cardenas, Steven L., [redacted]
Chrzan, Thomas J., [redacted]
Ciuro, Awilda, [redacted]
Coleman, Nathan J., [redacted]
Concepcion, Rene C., [redacted]
Counsman, James P., [redacted]
Counsman, Valerie P., [redacted]
Daubard, Winifred J., [redacted]
Dawson, Scott M., [redacted]
Feeser, Michael T., [redacted]
Furby, Robert G., [redacted]
Gessler, Maureen A., [redacted]
Holstein, Jeffrey M., [redacted]
Holway, Michael P., [redacted]
Kirschner, Corey A., [redacted]
Maniece, Doron N., [redacted]
Matthews, Joanna G., [redacted]
McClave, Christopher C., [redacted]
McDearis, Ronald O., [redacted]
Melvin, Gary S., [redacted]
Migliaccio, Eugene A., [redacted]
Odom, Lamar, [redacted]
ONeill, Martin B., [redacted]
Parish, Gregory L., [redacted]
Penrod, John A., Jr., [redacted]
Plourde, Alfred E., Jr., [redacted]
Poulsen, Michael J., [redacted]
Power, Kimberley K., [redacted]
Presson, Mark A., [redacted]
Richey, James L., [redacted]
Sarantakos, Elliot, [redacted]
Sherlock, Robert D., [redacted]
Smith, William C., [redacted]
Triche, Gary J., [redacted]
Waite, Nancy A., [redacted]
Williams, Brian J., [redacted]
Wolak, Charles K., [redacted]
Woods, Frederick L., [redacted]
Young, David L., [redacted]

BIOMEDICAL SCIENCES CORPS

Agostinelli, Joseph R., [redacted]
Atkins, Isaac, Jr., [redacted]
Bachmann, Jeffrey L., [redacted]
Bandy, Thomas W., [redacted]
Bastoky, Jeffrey L., [redacted]
Beck, Catherine L., [redacted]
Blamire, Gary M., [redacted]
Carrino, Thomas, [redacted]
Charissepiercy, Karan, [redacted]
Civitello, John V., Jr., [redacted]
Crabb, Melody L., [redacted]
Cunningham, Forrest C., [redacted]
Dahlquist, Bruce H., [redacted]
Davidson, Dean L., Jr., [redacted]
Davis, Martha L., [redacted]
Davis, Steven G., [redacted]
Dubaz, Mark D., [redacted]
Dutton, Randy W., [redacted]
Dyda, Anthony J., Jr., [redacted]
Fieg, Edward L., [redacted]
Fisher, Paul W., [redacted]
Fredericksen, Gary W., [redacted]
Garcia, Jesse, [redacted]
Golembeske, Charles, Jr., [redacted]
Graziano, Alfred S., Jr., [redacted]
Hadeen, Dennis R., [redacted]
Heron, Elizabeth A., [redacted]
Humphrey, Edward S., [redacted]
James, John D., [redacted]
Jeter, Jack H., Jr., [redacted]
Kilburn, Norman W., III, [redacted]
Kinkade, William E., III, [redacted]
Kubicek, Joseph H., [redacted]
Liebsack, Joseph P., [redacted]
Lindberg, Toni M., [redacted]
Livingstone, Samuel J.P., [redacted]
Maginot, James F., Jr., [redacted]
Martin, William B., [redacted]
Morton, Daniel Rae, [redacted]
Narciso, Danilo G., [redacted]
Newsome, Susan R., [redacted]
Nicolas, Gregory, [redacted]
Orr, Tracy C., [redacted]
Parent, Jaime B., [redacted]
Pimsler, Meade, [redacted]
Polinsky, Karen L., [redacted]
Prohaska, Ann M., [redacted]
Reith, Michael S., [redacted]
Rentz, Paul A., [redacted]
Richardson, Ronald W., [redacted]
Sadorf, Stanley J., [redacted]
Schlossnagle, George W., [redacted]
Sheeks, Rodney W., [redacted]
Smith, Daryl E., [redacted]
Smith, Dennis L., [redacted]
Smith, James W., [redacted]
Swenson, Kristin N., [redacted]
Thompson, Henry J., Jr., [redacted]
Tourjee, Richard L., [redacted]
Triche, Valerie A., [redacted]
Troyer, Robin D., [redacted]
Valley, Thomas H., [redacted]
Wilber, Ronald T., [redacted]
Wulff, Lianne M., [redacted]

IN THE NAVY

The following-named lieutenants in the staff corps of the Navy for promotion to the permanent grade of lieutenant commander, pursuant to title 10, United States Code, section 624, subject to qualifications therefor as provided by law:

MEDICAL CORPS OFFICERS

Lieutenant commander

Abrams, Robert Harold
Adamson, Nathaniel Edwa
Adler, Brian K.
Alberto, Gino, Jr.
Albrecht, Daniel
Aldrich, Marc Nathan
Almquist, Timothy D.
Anderson, Michael Hunte
Anderson, Pamela E.
Anderson, Warren
Annand, David Wayne
Aprill, Brian Scott
Arthur, Tamara X.
Avallone, John Michael
Backman, Stephen
Bailey, Eva JD.
Baker, Lee Thomas
Balt, Daid Alan
Barclay, Gregory Paul
Bass, Randale Eugene
Bisceglia, Michael
Blackburn, Paul Allen
Blair, Ellen Kay
Bohonyi, William Anthon
Bonatus, Timothy J.
Bossian, John Leon, Jr.

Boule, Burch Judith Ann
Boyce Ker
Brainard, Hugh E., III
Brannan, Donald Page
Brasfield, Joyce Borup
Braun, Dale
Bray, Jack Galen, Jr.
Breiterman, Andrew Clar
Bridges, James D.
Bridgham, Jerry Alan
Brink, David Andrew
Brinker, Jeffrey Richar
Brooks, James Robert
Brooks, John Michael
Brown, Daniel Mark
Brown, Deborah Suzanne
Bruch, Frederick Rudolp
Bryan, Dwight
Burke, Robert J.
Burton, Richard James
Butler, Dennis Michael
Butler, Edward
Butler, James Arthur
Byram, Melissa Ann
Byrnes, Gordon Andrew
Cahill, Terence Patrick
Canning, Douglas A.
Cantrell, Joyce Ann
Capobianco, David Joseph
Carnevale, Thomas A.
Carpenter, Michele Maue
Chahbazi, John Clark
Champa, James Rudolph
Chandler, Paul Evert
Chauhan, Suneet Bhushan
Cheeseman, Edward W.
Chidester, Michael David
Choban, Stephen Joseph
Christenson, Catherine
Church, Leonard W. P.
Cink, David Edmund
Clements, Walter
Clifton, Charles Lamar
Cole, Andrea Beth
Coleman, Colleen M.
Collins, Jonathan Scott
Conte, John Charles
Cosgrove, James
Cowdin, Hugh Pendleton
Cox, Gerard R.
Crawford, Jeffrey Ray
Crispin, John L.
Crumley, David Kelly
Cruz, Raquel Regina
Curiale, Steven Vincent
Curtis, Richard D.
Curtis, Peter Hodson
Cutting, Jonathan Paul
Dalton, Warren Rich
Dart, Robert
Daunis, Mark Stephen
Davis, David A.
Davis, Jack C.
Decker, Laura Jane
Delagarza, Jorge Luis
Demay, Joseph
Dempski, Jeffrey Walter
Dennen, Lawrence Edward
Denobile, John William
Dermond, Donald Michael
Devaney, Kenneth O.
Diaz, Dennis D.
Dickerson, Michael Manf
Dinneen, Michael Paul
Diveley, Kent
Dolan, Robert Paul
Doucette, David Joseph
Downey, Mark Patrick
Drake, Almond Jerkins I.
Drennan, Peter J.
Dsouza, Rikha
Dubois, David Neil
Dukowitz, Thomas Allen
Dupree, Marsha Louise
Dusenbery, David
Dwight, Gregory Dean
Edwards, Dyke Fielding
Edwards, Richard Calvin
Edwards, Thomas Bernard
Engdahl, Dwight Edward
English, James F.
Escoe, Bobby Lamar
Falvo, Thomas Christian
Feeney, John Robert
Fenton, Leslie Hall
Fetter, John Edgar
Flanagan, John F. K.
Fleck, Randolph Peter
Fletcher, Clinton Lynn
Ford, Donald Patrick
Forseth, Halfdan W.
Forseth, Lori Heim
Fox, Edward Patrick
Fredrickson, Sara Jane
Frost, Randall E.
Frum, Daniel K.
Fujikawa, Janet Nmn
Fuller, Bruce Evans
Galen, Deborah Jeanne
Gaston, Benjamin M., IV
Gaston, Susan Marie
Gerardi, William E.
Gerstein, Howard Jay
Gibb, Matthew Dewolfe
Gilbert, Raymond Lamar
Gilles, Elizabeth E.
Girolami, Stephen Gordon
Glasgow, Gary Douglas
Gleason, Barry
Goepfert, Cary J.
Goldszer, James Frankli
Gomes, Antonio Celestin
Gomez, Patrick Jose
Gottlieb, Roy
Goyins, Gale Gerard
Graf, James Alan
Graham, Scott J.
Greenwald, Jeffrey Robe
Gronkiewicz, Bruce Vinc
Grosskreutz, Scott Robe
Guinee, Jeanne M.
Guyer, Eva Ruth Ward
Hackett, Thomas E.
Hall, Thomas R.
Hallboyer, Kathryn Loui
Hansen, Keith Allen
Hawkins, Richard Eric
Hazlehurst, James Alan
Hemp, James Robert
Henderson, Raymond
Hennrikus, William Lawr
Herden, Mary J.
Hermiller, James B., Jr.
Hetzel, Donald Paul
Hickey, Thomas D.
Hirschhorn, Jessica Bet
Hoffmann, Ann H.
Hoffmann, David M.
Hogue, Gavin
Holder, Keith Franklin
Holzinger, Karl A.
Hood, Bold Robin, III
Hood, Robert Earl, Jr.
Hooker, Stephen Glenn
Horstman, William Glynn
Howe, William Lawrence
Hughes, Dennis Edward
Hunter, Robert B., III
Hurley, Donald Patrick
Inveisssiltumens, Anita
Irby, Steven Mark
Izenburg, Robert Alan
Izuno, Cynthia Toyomi
Jackson, David William
Jennings, Heidi Ann
Jentz, Irene A.C.
Jones, Gary Raymond
Joyce, Alice Plummer
Just, Norma Jean
Justesen, Lyle Richard
Kahan, Fred J.
Kaplan, William Isaac
Karl, Robert Laurence
Kase, Charles Jeffrey
Kasper, William J.
Keating, Noreen
Keating, William Joseph
Keenan, Paul Charles, Jr.
Kelleher, Brian Michael
Kelleher, Deborah D.
Kelley, Randall
Kelso, John Montana
Kemmer, Catherine There
Keppel, Amy Doran
Kerrick, Steven Scott
Kiser, Donald Raymond
Klemm, Mary C.
Knauer, Hope Elizabeth
Knoop, Kevin Joseph
Koffman, Robert Lewis
Kovacik, Mark S.
Kovats, Christian Andre
Kraftejacobs, Brian Ric
Kukulka, Rick Allen
Kummant, Eilleen
Kunz, David W.
Kynerd, Robert E.
Lamm, James Dominic
Lantelme, Bruce Edward
Lappert, Patrick W.
Larkin, Brenda Ann
Lawhead, Robert Gerard
Lee, John James
Leoni, James F.
Loeni, Michael K.
Lewis, Drew
Lewis, Evelyn Lynnette
Little, Robert Benjamin
Livenstein, Harry Paul
Llewellyn, David Mark E.
Long, Mitchell Hugh
Longstaff, James Edwin
Loriz, Vega Mark F.
Loveless, Eric A.
Lovins, Darrell Evan
Lowe, Elizabeth Haslup
Lutz, Roland Bruce
Luvin, Michael
Magrino, Thomas Joseph
Malley, Ross Anthony
Malone, Danny R.
Manfredi, Rita A.
Maquera, Victor Adalber
Marencic, William
Markwell, James Kevin
Marshall, Sharon Anne
Masci, Robert L.
Mastalski, John Hubert
Mathis, David M.
Maxwell, James M.
Maxwell, Steven John
May, Laurel Anne
Mcalfer, Irene M.
McBride, Donald W.
McCarrick, James Patric
McCarten, Michael Damia
McCarthy, Francis Micha
McCaul, James Franklin
McDonough, John Lee
McIntyre, Margaret Irwi
McKown, Kevin Mark
McLain, Kimberly Ann
McWilliams, Terrence R.
Meehan, Michelle A.
Mehegan, John Philip
Mendoza, Steve Charles
Mickunas, Victor Herber
Miller, Bruce Charles
Miller, Richard Charles
Mirkinson, Laura Jean
Mishik, Anthony Neal
Mitchell, Craig Stephen

Monaghan, Timothy Danie
Montgomery, Jean Charle
Mooney, Charles Daniel
Mooney, Robert Bruce, Jr.,
Moore, Glen Leslie
Moran, Thomas J.
Morand, Richard Eugene
Morin, Robert
Morin, William David
Moritz, John Bradley
Mueller, James Bernard
Nace, Timothy M.
Naylor, Gordon Schuelle
Neal, Charles
Nellstein, Michael Eug
Newland, Craig Charles
Newton, Thomas Arthur
Noall, Rhoda
Nomura, Jim H.
Norwood, Kenneth Westco
Norwood, Michael Wayne
Nowicki, Steven Douglas
Obrien, Patrick Michael
Odorizzi, Mark George
Olesen, Mark Clifford
Olshaker, Jonathan Stua
Olson, Russell J.
Oneil, Kevin Michael
Orban, Leonard Baily
Oswald, Richard Edward
Owen, Stephen
Owens, Paul J.
Paget, Jon David
Paparello, Scott
Park, Kyung Won
Parker, Prior Lewis
Parker, Stanley Lewis
Patterson, Michael Smit
Pellosie, Carmine John
Pezor, Laurence John, Jr.
Pierce, Lauri J.
Pigman, Edwin C.
Plaja, Dennis John
Poling, Rodney Allen
Pollard, Anthony L.
Powell, Carl Allen
Powell, Craig C.
Prokopchak, Richard
Pudimat, Mary Ann
Putnam, Karen L.
Quinn, Anthony Dennis
Quintana, Manuel R.
Raacke, Lisa M.
Race, Charles Mark
Rainbolt, Charles Danie
Ralston, Mark Elmer
Raybin, Robert Andrew
Reese, Charles A.
Reid, David Settle
Rice, James Philip
Richey, Alan Ward
Riley, Anthony Bruce
Rioux, David Conrad
Risk, Sharon C.
Rizzotto, Roxanne
Roberts, Allen H., II
Robertson, David L.
Robinson, Don E.
Robinson, Wesley Bradford
Rosati, Dennis Lee
Rosenbaum, Donald Herman
Roth, Bryan Leo
Rowe, Dennis N.
Rudick, Alan
Rudolph, William Garry
Runge, Mike
Russell, Patrick
Sageman, William Scott
Sale, Dennis
Sandusky, William
Sassler, Alfred Mark
Saylors, Robert
Scalise, Steven V.
Schall, Douglas
Schmidt, Maria Elaine
Schmidt, Mark Edward
Schneider, Steven Richard
Schnepf, Glenn Adrian
Schubert, Karen Marie
Schuppert, James
Scott, Daniel Alfred
Scow, Dean Thomas
Seldon, Stephen Lee
Shanholtz, Carl B.
Shannon, Stratton
Shiveley, David Lee
Silva, Francisco Javier
Simmons, Kay Melyndn
Singer, Adam Joel
Skoble, Luisa
Slaton, Johnny James, Jr.
Smith, Mark David
Smith, Robert Howell, Jr.
Smith, William
Smitherman, Kenton
Sover, Eric Richard
Sowa, Gail Ellen
Sparks, Alfred David
Spencer, David Duane
Stainken, Brian Frederick
Sternberg, Timothy L.
Stevens, Rom A.
Stevens, Virginia Teresa
Stockel, John Brennan
Stocks, Alton L.
Stokes, Monica Jo
Strand, William Richard
Strouse, Wayne Steven
Stults, Richard Franklin
Sugar, Jeffrey P.
Sumida, Floyd Kaname
Swindle, Glen Michael
Sykes, Steven Harvey
Syklawer, Ricardo
Taggart, Steven James
Taylor, Larry Edward
Taylor, Robert R.
Teneriello, Michael G.
Thoene, Joseph Gerard
Thomae, Cristian Maurice
Thompson, William Raleigh
Thorp, Adam Tredwell, IV
Timoney, James Michael
Tingle, Norman Rock, Jr.
Tobin, James E.
Toomey, James Michael
Torp, Eric Carl
Trescot, Andrea M.
Trezza, Scott A.
Triana, Mark
Turk, James
Updergrove, Randall Lee
Utecht, Lynn Marie
Valbracht, Louis Edward
Vancliff, Martha Ann
Vulgamore, Joseph M.
Wah, Robert Marcus
Wakefield, David W.
Walsh, Timothy P.
Wandel, Amy G.
Watsky, Kalman
Weber, Frederick H.
Weisbaum, Jon Stacey
Wenzel, Michael Scott
Whealton, Edward
Wheeler, Frederic R., II
Wiedenmann, Scott
Williams, Cynthia Jones
Williams, Cynthia Mary
Williams, John P.
Wilson, Joseph Richard
Wilson, Robert Francis
Wojtczak, Henry Albert
Wong, Henry C.
Yetman, Thomas James
York, James Kelso
Young, James
Yund, Alan Jeffrey

SUPPLY CORPS OFFICERS

Lieutenant Commander

Abramowicz, Sylvester P., Jr.
Anastos, Ernest G.
Arcement, Larry Hugh, Jr.
Barr, Robert Charles
Beail, Bernard Edward
Bechtol, David J.
Bell, Charles W.
Bennett, Jeffery Paul
Berry, Vance D.
Bozzuto, Anthony Joseph
Braden, Jeffrey David
Bruner, Charles David
Cole, Nancy Sage
Conde, Henry NMN
Cummiskey, Joseph Willia, III
Curtis, William E., Jr.
Damiano, Patrick John
Davis, Frances R.
Degeorge, John Foster
Deguia, Edgardo Tan
Dehnz, Arthur Frank
Dunn, Walter Nelson, Jr.
Ellison, James David
Evard, Edward Thomas
Fawbush, James Arthur, Jr.
Ferraro, Eric L.
Ferree, Stephen D.
Fireoved, James Scott
Foster, Stephen Charles
Frankwich, Joseph Adam
Fricke, Michael W.
Gearey, Bruce Preston
Giglio, John Pasquale
Graham, Philip Elzy
Grove, David Brian
Hamilton, Jeffrey Scott
Hamilton, Lawrence Houston
Hansen, Gordon William
Harms, Gerard Richard
Heckelman, Loren Verne
Hettich, David Stanley
Hewett, Coy Davis
Hickman, John Randall
Holland, James Francis
Holst, George Peter
Honeycutt, Thomas William
Jenks, Craig Harris
Johnston, Larry Wayne
Kelly, James Bodkin
Kennedy, Mark Jaye
Lapp, Joseph Thomas
Lee, Dennis Richard
Lengel, Daryl A.
Lien, Daniel Maurice
Loewenstein, Dennis Eliot
Lubbers, James Edwin
Martin, Dana Allen
McCarthy, Patrick J., Jr.
McLean, Hugh Scott
McLean, Patrick Lee
McNeill, Paul Lynn
Miller, Gary Wayne
Moore, Virgil Vance, IV
Morgan, Edward NMN
Mulvey, David P.
Nieder, James Eugene, II
Nostrant, Craig Howard
O'Brien, Raymond Mark
O'Donnell, Thomas Patrick
Oliver, Randal Kidd
Patty, Howard Malone
Plunkett, Michael Joseph
Poad, Douglas Allen
Prendergast, John Joseph, III
Price, Larry Dale
Priest, Janice Kay
Reeves, Robert Martin
Ritchie, Robert Joseph
Rizzo, Louis Scott
Robbins, Paul H., Jr.
Saggus, Diane Lynn

Schwaneke, Robert
Segich, Richard Thomas
Sherrick, Stephan Douglas
Singleton, Mickel NMN
Smith, Janice Stewart
Sommers, Harold Lee, Jr.
Stabile, Michael E.
Stearns, Ronald Jay
Stringer, Timothy Hampshire
Suckow, George Bruce
Sweeney, Douglas John
Taylor, Walter Cleveland
Tichelaar, Irene
Vancleave, William Morley
Vanhyning, Susan Elizabeth
Viellieu, Benjamin Louis
Waite, Stephen Joseph
Walter, Kevin R.
Watkins, Bruce Field
Watkins, Vernon Keith
Webb, Paul Bruce
Weirich, Dwight Samuel
Westmoreland, Allan Lamar
Winsper, Bruce Alexander

CHAPLAIN CORPS OFFICERS

Lieutenant commander

Alexander, Luther Charles, Jr.
Allen, Paul Dean
Alloway, Joseph Yarrow
Anderson, Ronald Mark
Brimhall, Barry William
Brown, Mark Woodbridge
Burd, John Robert, III
Butler, Richard Corey
Caiazzo, Gregory Gene
Clifford, George Minott, III
Cook, Terry Wayne
Cramblit, Donald Michael
Dean, Anthony Wayne
Demy, Timothy James
Diamond, Thomas E.
Drummond, Norman Hansel
Gischel, Ronald Arthur
Griffith, Harry William
Haines, Robert Alton, Jr.
Harris, Jackson Lee, II
Heinke, Gary Dean
Hensley, Henry Wade
Hepner, Gregory Allen
Jensen, Peter Cochran
Johnson, Dudley Vincent, Jr.
Johnson, Franklin Oscar, Jr.
Johnson, Thomas Stuart
Kirk, Samuel David
Koshko, Dennis Michael
Kudilil, James
MacDicken, Gerald Kenneth
Mallow, Duane Douglas
Mancuso, David Edward
Meyer, Ronald Frederick
Milliner, Edward Lee, Jr.
Morgan, James Patrick
Mozon, Ollis Jon, Jr.
Murphy, Thomas Edward
Murray, John William
Napial, Rodolfo Sarabia
Nichols, Danny Elliott
Parry, Daniel Williams
Patterson, James Grady, Jr.
Poe, Ernest Adlai
Pope, John William, Jr.
Reed, William Allen
Schenk, Ronald Gene
Seely, Gerald Don
Soutiere, Ronald Armand
Tate, Jessie Raymond
Washburn, Mary Ellen
Wessendorf, Forrest Edward
Winters, Steven Robert
Wooten, Joan Hedrich
York, Lorenzo
Yourek, Robert Allen

CIVIL ENGINEER CORPS OFFICERS

Lieutenant commander

Amos, Scott J.
Avedissian, Hagop Avedis
Beary, William J.
Bengtson, Robert Harry
Bentler, Jerome Fulton
Berger, James R.
Berry, Dirk E.
Beyer, Glen R.
Biggins, Timothy F.
Bollinger, John Reed
Bossa, Robert James
Calhoun, Thomas G.
Cellon, Richard E.
Chapman, Craig Hugh
Colden, Damian Andrew
Dell, James P.
Eichert, George E.
Engle, Gary Allen
Foster, Dennis Morgan
Gemender, Mark Benedict
Hague, James R.
Hirakawa, Jimmy Spencer
Katz, Richard Lee
Khan, Khalid Charles R.
Killinger, Scott L.
King, Robert H.
Komosky, Richard Paul
Lapiana, Fred G., III
Lehr, Daniel Lebon
Long, Gregory R.
Mathews, Peter
McCullum, William J.
Orndoff, Donald Hoyt
Patterson, Michael J.
Pedrick, Merritt Wesley, III
Pete, Robert Rogers
Pipkin, Wiley Eugene
Powers, George William, Jr.
Rado, Kenneth Lewis
Rakel, Jerome P.
Reidenbach, Dan Arthur
Rotz, Robert D.
Sachuk, Robert Joseph
Schaefer, Michael Edward
Schanze, Christopher Nmn
Schenk, Robert Eugene, Jr.
Schoeppner, Mark Joseph
Snyder, John Leo
Vanhutten, Darrell Young
Westberg, Robert
Willis, Chris Mack

JUDGE ADVOCATE GENERAL'S CORPS OFFICERS

Lieutenant commander

Bannon, Maureen Rose
Bannow, Steven Walker
Cooper, Billy Joe
Cornelius, Jeffrey Dana
Dronberger, Hal Henry, I.
Fresher, Brian Leo
Getchell, Anthony B.
Gilliland, Jane Nmn
Gilner, Victoria Chambe
Harbeson, William Page
Harr, James Joseph
Hatch, Gerald T.
Hills, Howard Loomis
James, Jennifer Rae
Jeffery, Stephen Glen
Johansmeier, Ray
Johnson, Paul Cambron J.
Leachman, Pennie Cannon
Lundstrom, Thomas John
Luziettimyers, Debra Ly
MacDonald, Bruce Edward
Martin, John Sykes
McGregor, Michael E.
Molinengo, Henry Richard
Monaghan, Douglas James
NeMec, Alicia Marie
Norman, James Bradley
Petronio, Ronald Anthony
Poliquin, Gerard Michae
Price, Clark Alan
Rigterink, Daniel Phill
Ritter, Wayne Lyman, Jr.
Robb, Jeffrey Brian
Rolph, John William
Romine, Terry Jo
Rummel, Michael Paul
Schapler, Robert Hans
Slown, David John
Spengler, Earl Gordon
Sweeney, William Gary
Tyra, Kevin Clarey
Vollenweider, David Oth
Wities, Robert Barrett

DENTAL CORPS OFFICERS

Lieutenant commander

Antus, James Joseph
Arena, Charles Anthony
Ash, David Lee
Bajuscak, Ronald Eugene
Barrett, Lawrence Arthur
Bestegen, Susan Carolyn
Bixler, Ronald
Bryant, Nathaniel Cedri
Bullock, Larry Joel
Butt, William Edward
Chau, James Yuk Ming
Cook, Kevin B.
Curran, Thomas Joseph
DeMayo, Thomas Joseph J.
Doll, Bruce Alfred
Eagan, Douglas Lawrence
Eifert, Kenneth Gray
Eisenhardt, Peter Willi
French, Arthur Allen
Griffee, Nancy Caroline
Haney, Scott C.
Huffman, Holly L.
Huston, James William
Johnson, Deborah Kay
Keating, Kevin Arthur
Kenney, Robert Lee
Lafferty, Thomas A.
Leary, Susan Doerr
Lento, Christopher A.
Lewis, John A.
Martin, Steven Joseph
McClanahan, Scott Brink
McKenna, Christine Elai
McLain, Kurt Alan
McMahon, Keith Taylor
Metzler, David Grant
Mocknick, Michael Charl
Moore, Becky Sue
Mounsdon, Thomas Albert
Northrop, Stephen Denni
Paul, Brian Francis
Porch, Thomas Edwin
Prose, Gary E.
Reeg, Edward George
Rhodes, Robert Stephen
Rolley, Robert S.
Rummelhart, Joanne Mari
Santulli, Gerald Anthon
Schwab, Richard Roy
Short, Kenneth Dewayne
Sindel, Dennis Wayne
Smith, James Alan
Smith, Johnny Sheldon
Synnott, Scott Arthur
Thorpe, Jeffrey Robert
Vankevich, Paul James
Varga, Klara J. Edith
Walczyk, Thomas Daniel
White, Cecil, Jr.
Wolfert, Paule Marie Be
Wolfert, Richard Evan
Wourms, Dennis Joseph

MEDICAL SERVICE CORPS OFFICERS

Lieutenant commander

Ashbrook, Fred Martin

Babbitt, Mark Ernest
Barron, Eugene Devine, Jr.
Beaugrand, Marsha Jane
Blacke, Stephen Franklin
Bloomquist, Richard Lyn
Bowman, Clarence William
Burans, James Peter
Burg, Robert Jules
Calkins, Dennis Laroy
Chinnery, Henry Michael
Clendennen, Thomas E.
Colligan, Susan Carol
Dewar, John Alexander
Dipaolo, Joseph
Engelhart, Robert John
Erickson, Richard Thorp
Faulls, John Douglas
Garner, Denzel Eugene
Gillooly, Paul Bernard
Goodman, Leland Seth
Guible, Ernest Roy, Jr.
Hann, Richard Michael
Harper, Warren Emanuel
Hedstrom, Richard Cameron
Hertan, Robert Emmet
Holcombe, Forrest Douglas
Holmberg, Jerry Alan
Hostettler, Charles Francis
Ierulli, Joseph
Jain, Sushil Kumar
Jenkins, Zachary
Jimerfield, Craig Alexander
Kerschner, Harrison Fremont
Laurent, John Milton
Manders, Julian Henry J.
Mann, Robert Allan
Marcinik, Edward John
Maxwell, Melvin Lee
Miller, Bernard Thomas
Monroy Maureen Elizabeth
Moore, Jeffrey Lee
Moos, James August
Nolan, Elizabeth Anne
Oleary, Robert Thomas
Pagan, Herman John
Patten, Thomas Gerald
Pazzaglia, Gary
Przybyl, Janee Lee
Rovig, Glen Warren
Saunders, Michael Anthony
Seidman, Joyce H.
Senn, Kenneth Karl
Sexton, John Lantz
Styer, David Jacob, Sr.
Swisher, Raymond Joseph
Swogger, Keith Alan
Thomas, Leanne Lee
Thompson, David C.
Tinney, Glenna Lea
Weaver, Michael Allen
Witte, Steven Thomas
Working, Kim Raymond
Zoeller, Lawrence Lelan

Nurse Corps Officers

Lieutenant Commander

Allison, Rick Eugene
Andrade, Rosemarie
Arington, Ronald Gene
Atchison, Melvin Lee
Bankester, Peggy Jean
Baysic, Ofelia Mandapat
Bertelsen, Ellen Doris
Boatright, Ronald Wayne
Bost, Judith Lynn Curtis
Branche, Margaret Ann
Buss, Donna S.
Campbell, James Van
Cappello, Cynthia Shaun
Carrio, Jan Marie
Castleberry, Laura Anne
Clayton, Brain Lee
Clayton, Nancy Smith
Crane, Pamela Elizabeth
Curto, Christine Josyan
Cwikla, Jacquelyn Kay
Dahlquist, Lisa Gerda
Deater, Mary Fern
Defendi, Suzanne Marie
Deltoro, Miguel Angel J.
Desalvo, Mary Elizabeth
Dood, Linda Marie
Dolan, Charles C., III
Dubbs, Lynette Tyrrell
Dunn, William David
Edwards, Mahlayna
Ehlers, Christine Diane
Esposito, Anthony NMN
Federovich, Peter Nicho
Fillingame, Mary Susan
Flippo, Polly Lynn
Frevert, Gayle Lynn
Gallagher, Patricia M.
Gallagher, Steven Peter
Gallaher, Michael Rober
Galloway, Glynn Ward, Jr.
Gamble, Patricia Mae
Glaccum, Louanne Vicker
Goulart, Ardis Ellen
Graheck, Lawrence Dean
Green, Matthew Alan
Gutch John Russell
Haffarnan, Bebe Angelin
Hammond, Leona Theresa
Hargraves, Andrea Marsh
Harrison, John Calvin J.
Harrison, Phillip Lee
Hartwell, Vathric Hami
Haughinberry, Donna Mar
Hauser, Mary Lynn
Heaberlin, Carl William
Heatley, Patsy Lee
Herterich, Deborah Kent
Hill, Frederick Charles
Holliday, Eve
Holub, Nancy Louise
Hoogendorn, Raelene Kul
Hopkins, Michael Burros
Hourigan, Jane Kathryn
Huddleston, Judith J
Hughes, Patricia
Iiams, Barbara Ann
Jeffery, James Allen
Johnson, Shirley Anne
Kerr, Susan Wycoff
Kestle, Lucinda Ann
Kingsbury, Erline R
Kinney, Mary Lois
Klaput, Donna Jean
Kotacka, Mary Jo
Ladd, Janet Yvonne
Lambert, Armand D., Jr.
Larson, Laurie Wood
Laurent, Christopher Lee
Leary, Barbara Frances
Lee, Thomas Kyle
Lemon, Marcia Hinkle
Lilly, Karolyn Ann
Lindsey, Stephen Ken
Logeman, Judy Ann
London, Linda Kay
Mabrey, Michael Ray
Madden, Susan Carol
Mahon, Maura Margaret
Maloney, Juliana Marie
Mann, Carol Patience
McClain, Dennis Raymond
McCormick, Charlotte He
McGloon, Elizabeth Brad
McKay, Deborah Ann
McKenzie, Robin Theresa
McNamara, Karen Jeanett
McNamara, Melanie Kay
Mead, Jane E.
Melidosian, Vivian Grac
Menenberg, Sonia Risa
Meyer, Geralyn J.
Michal, Diane Marie
Miller, Ann Margaret
Millington, Patricia An
Mitchell, Jacqueline An
Morgan, Jane Mercedes
Morrison, Robert Willia
Morse, Maryann Elizabeth
Mynchenberg, Thomas L.J.
Nezovich, Mary Ann
Niemyer, Elizabeth Schu
Norris, Thomas Joseph
Offringa, Robert Allan
Orr, Robin James
Pagliara, Claire Marie
Parker, Larry Bruce
Payne, Brendalee Consta
Payonk, Noreen Kay
Pellini, Deborah
Pierce, Dujwanice Marlo
Pierce, John Francis
Pierce, Kathryn Laws
Pressler, Eric Paul
Preston, Mary Catherine
Pyles, Faye Marie
Roberts, Barbara Ann
Ryan, Patricia Lee
Safran, Doris Jean
Santirogers, Darlene
Schenker, Cathy Ruth
Schjavland, Elena There
Scottbeach, Michele Jea
Shaughnesy, Larry Kevin
Shiffer, Scott Wayne
Simmons, Nancy Anne
Simpson, Peggy Faye
Sloan, Rosalind
Smith, Frances Rose
Spatrisano, William Fra
Stearns, Diane Alynn
Stjohn, Denise Elaine
Stokke, Christopher All
Straughn, Steven R.
Sullivan, Charles Lee
Tapp, Nancy Zikaras
Taylor, Charles Edwin
Tierney, Michael Steven
Todd, Jane Krabill
Tudhope, Steven W.
Waskey, Frank Joseph, Jr.
Wasneechak, Daniel Alan
Webert, Allyn Merrill
Welch, Richard Robert
Wells, Tommy Everett
Whiting, David Robert
Wiggins, George Earl
Williamson, Maureen Ann
Winchester, Marcia Isaa
Winiecki, Michael Willi
Wonderlich, Daniel Lee
Young, Kathleen Joan
Zukunft, Gay Antoinette

Limited Duty Officer (Supply)

Lieutenant commander

Brown, Dewayne Charles
Drinan, John Vincent, Jr.
Hufford, Ross Merritt, Jr.
Iverson, Douglas Wayne
Markert, George W., IV
Panado, Ernesto Felix

SENATE—*Monday, August 3, 1987*

(Legislative day of Tuesday, June 23, 1987)

The Senate met at 12 noon, on the expiration of the recess, and was called to order by the Honorable THOMAS A. DASCHLE, a Senator from the State of South Dakota.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

He that dwelleth in the secret place of the most High shall abide under the shadow of the Almighty. I will say of the Lord, He is my refuge and my fortress: my God; in Him will I trust.—Psalm 91: 1-2.

Most High God, thank You for the profound assurance given us by the psalmist. In the light of this promise, earnestly I beseech You on behalf of the Senators, their staffs, and their families today. As we begin this week, with its predictable delays, diversions, frustrations, and tensions—grant to leadership and Members a very special sense of Your presence. Remind them of Your provision, Your awareness of their situation, Your promise to sustain, to strengthen, to support, to satisfy human need in the midst of controversy and conflict. Make the words of the psalmist relevant to the unfolding drama of these hours of pressure. In spite of us, if necessary, infuse this place with Your love, Your peace. In the name of the Prince of Peace. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. STENNIS].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, August 3, 1987.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable THOMAS A. DASCHLE, a Senator from the State of South Dakota, to perform the duties of the Chair.

JOHN C. STENNIS,
President pro tempore.

Mr. DASCHLE thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the standing order the majority leader is recognized.

AGENDA

Mr. BYRD. Mr. President, I hope a little later to ask unanimous consent that the Senate proceed to take up the catastrophic illness legislation. If we can do that I suppose that could be disposed of today or certainly today and tomorrow, and I think it would be well if that item could be disposed of before we go out on the August break.

If there is objection to going to that, I shall ask for the regular order which will bring back the campaign financing reform bill. That legislation could be interrupted and would be during the afternoon if we can have ready the FSLIC conference report.

Also, I would hope to dispose of the Greenspan nomination during the afternoon.

So all in all, I should think that we should have some rollcall votes today, possibly about midafternoon or later, and I have discussed these briefly with the distinguished Republican leader and I hope that we might be able to make progress accordingly.

Mr. President, I ask unanimous consent that I may reserve the remainder of my time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF THE REPUBLICAN LEADER

The ACTING PRESIDENT pro tempore. Under the standing order the Republican leader is recognized.

Mr. DOLE. Mr. President, let me indicate to the majority leader that I think there will be an objection to the catastrophic illness bill. I understand there are a number of Members on both sides who are concerned about certain provisions but I will confirm that if the majority leader will let me know if he intends to make that request. I will have one of those who object on the floor.

I have asked staff to prepare a list of legislative matters which have been cleared on this side. I know some may not have been cleared on that side. But I will simply hand that list to the majority leader. There may be some things we cannot agree on. On drug testing, Calendar No. 97, I do not think we will agree to that.

Calendar No. 219, NTIA authorization; Coast Guard authorization; airport and airways authorization; NOAA authorization; and improving commodity distribution I guess would be cleared by tomorrow. We have already mentioned the FSLIC conference report, and then there is a bill by Senator WEICKER dealing with the *Titanic* that I will give to the majority leader.

Any of those we could agree on.

Mr. BYRD. Very well. I thank the distinguished Republican leader.

If the Republican leader will yield, I would like to begin at the bottom of the calendar and indicate certain measures that perhaps we could agree to do by unanimous consent: Calendar Order Nos. 280, 277, 272, 271, 269, 268, 261, 249; we could do those by unanimous consent and get them off the calendar.

There are some, among which I believe the distinguished Republican leader made some reference, that are linked to other calendar numbers and on which there may be some jurisdictional problems and maybe an amendment on which our staff is trying to work out time agreements.

I would assure the Republican leader that the staff on this side will be continuing to discuss with the staff on that side and our own staffs any effort to work out time agreements regarding some of these measures.

I note there are several measures that have been reported out of the Rules Committee, for example, Calendar Order Nos. 265, 266, 267, 275, and 276, which have been reported out of the Rules Committee on which there are holds on the Republican side of the aisle. I would hope those holds can be lifted.

I find it difficult to understand why all the holds are being placed on Rules Committee resolutions.

Mr. President, I ask that the time I have consumed be taken out of my time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BYRD. Perhaps the distinguished Republican leader would wish to respond.

Mr. DOLE. I cannot respond to the last request, but I will check the other calendar items the majority leader mentioned and see if we can dispose of those by unanimous consent. I will try to check into the reason for the holds on various resolutions from the Rules Committee.

Mr. BYRD. Yes. I noted one hold on a resolution that provides for the printing of the pamphlet entitled "The Constitution of the United States of America." I wondered why anyone would want to hold that up.

Anyhow, I thank the distinguished Republican leader.

Mr. DOLE. I think there is some problem there, but I will try to find out precisely.

INTERNATIONAL SPECIAL OLYMPICS DAY

Mr. DOLE. Mr. President, today I want to pay tribute to the thousands of mentally disabled individuals in our Nation who are competing in the International Special Olympics this week.

Earlier this year, Congress enacted, and the President signed legislation, declaring the week of August 2 through August 8, 1987 as "International Special Olympics Week"; and today, August 3, as "International Special Olympics Day." We are celebrating this week what began as an experiment in the 1960's, and which has grown in the hearts and minds of those involved to equal the International Olympics. This week culminates a year in which more than 1 million athletes competed, in 16 official sports, in 19,000 grassroots programs, in every State of this Nation, and more than 70 countries around the world.

The Special Olympics Program, while testing physical fitness, has the ultimate goal of promoting the psychological and social development of the mentally handicapped. It strengthens their confidence, instills pride, and lets all of us know what they can honestly do if given the chance.

Yesterday, more than 4,000 mentally disabled individuals marched proudly into Notre Dame's Football Stadium. Their chins were held high, their faces showed confidence, their walk was determined. There was a sense of achievement that I think many of us would like to have. Even before the events began, I think it was obvious that the program has already achieved its goal.

While I honor the participants, I want to take a moment to acknowledge the work of Eunice and Sargent Shriver and the 500,000 volunteers who helped put the Special Olympics Program together this year. What began on the Shriver farm in Maryland 20 years ago has become a symbol to us all of what mentally disabled individuals can do. For myself, and I believe for all of us here, I would like to thank the Shrivers for their leadership and their dedication.

BICENTENNIAL MINUTE

AUGUST 3, 1944: HARRY S. TRUMAN RESIGNS AS TRUMAN COMMITTEE CHAIRMAN

Mr. DOLE. Mr. President, on August 3, 1944, 43 years ago today, Senator Harry S. Truman resigned as chairman, and member, of the Special Senate Committee to Investigate the National Defense Program. He took this action after receiving the Democratic Party's Vice Presidential nomination. His letter of resignation tells us a great deal about his sense of political propriety, and about the success of his committee.

He said:

> It is one of the regrets of my lifetime that this had to be done. But frankly, under the present circumstances, I am of the opinion that any statement, hearing, or report for which I would be responsible would be considered by many to have been motivated by political considerations.

The Missouri Senator concluded:

> The accomplishments of the commit4ee in the past largely have been due to the fact that all its members, Democrats and Republicans alike, were able to work together in harmony without partisanship.

It was Harry Truman's work on the special commit4ee that first brought him to national prominence. In early 1941, months before United States entry into World War II, he called for the creation of a Senate committee to examine military inefficiency and curruption. He initiated a personal investigation of wasteful practices at Fort Leonard Wood, MO, and ended up driving 30,000 miles visiting military bases in the South and East. Truman's hard work and enthusiasm helped convince the Senate to form the special investigative committee in March 1941, and to name him its chairman.

Senator Truman effectively led his committee in improving national defense by documenting widespread mismanagement. Despite the controversial nature of its investigations, the committee always produced unanimous reports. As chairman, Truman demonstrated dedication, integrity, and leadership ability. These qualities, in addition to his unassuming nature, made Truman one of the Senate's most admired and respected Members.

GERMANY IS NOT A PART OF THE INF TALKS

Mr. DOLE. Mr. President, the obstacles to an agreement on intermediate-range nuclear forces in Europe—or "INF"—have been falling one by one. Most recently, Soviet leader Mikhail Gorbachev accepted an American proposal which makes good sense. Global "double-zero" will make an agreement easier to verify, and will truly rid the world of an entire class of nuclear weapons.

Soon after this development, the United States negotiators informed their Soviet counterparts that we would accept their proposal that all missiles covered by the INF agreement should be destroyed—not converted to other uses.

This is the way a negotiation should be. Now, with most of the disagreements on major principles ironed out, the way should be cleared for the negotiating teams to hammer out the all-important details. Let us not forget that this Senate is going to insist on the most effective verification regime possible.

With each new burst of optimism, I have cautioned that we should keep our feet on the ground. There is still much work to be done.

Unfortunately, instead of getting down to business on details, the Soviets are harping on 72 Pershing-1 missiles owned by the Federal Republic of Germany. Their dogged public pursuit of this issue can only be designed to cause dissension in NATO.

It will not work. The United States cannot break a long-standing pattern of cooperation with one of its closest allies; it cannot negotiate away what belongs to Germany. Neither should the Soviets expect us to stand idly by while they agitate for a concession which may appear to have originated in Bonn.

It is time to drop the issue of the German missiles, and get on with negotiating the details of an INF agreement—especially on verification. I hope that such an effort will be successful. But I know that the Soviets should not try to make us choose between an agreement and an ally.

Mr. President, I reserve the balance of my time.

MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that there be a period for morning business not to extend beyond 12:30 p.m. today, and that Senators may speak therein up to 5 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AGRICULTURE EXPORTS

Mr. BOSCHWITZ. Mr. President, I wish to rise quite briefly to discuss agriculture exports and the most recent weekly roundup from the USDA showing that the situation in agriculture exports has indeed improved. For wheat, for the year that just concluded, a total of 22,300,000 tons were exported last year, in 1985-1986 year. This year, it was 24.5 million tons, an increase of about 10 percent. And that is the equivalent of about 900 billion bushels.

Corn also has gone up very nicely and grain sorghum. Soybeans is down just a little bit, though new orders are about 3 times what they were at this point last year. So that there is apparently going to be a nice pickup there, too. Rice and cotton. Much has been said about rice and cotton. Indeed, they are up quite spectacularly particularly cotton. And then wheat, which began the new marketing year on the 1st of June, shows some really good signs of perking up.

Mr. President, wheat shows an increase of about 50 percent in this new marketing year that began on the 1st of June. Indeed, new orders are almost double what they were at this time last year.

I ask unanimous consent that a table with these figures be printed in the RECORD and also an article from the Journal of Commerce, dated July 27, 1987.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

The 1985-86 data for corn and grain sorghum have been adjusted to include shipments reported during the month of September, so a meaningful comparison can be made. Data are measured in thousand units (metric tons/bales).

Commodity	Year beginning	Accumulated exports		Outstanding sales	
		1985-86	1986-87	1985-86	1986-87
Wheat	June 1	22,314	24,558		
Corn	Sept. 1	29,153	32,600	2,923	5,488
Grain sorghum	Sept. 1	3,936	4,141	875	931
Soybeans	Sept. 1	18,956	17,882	847	2,290
Rice	Aug. 1	1,521	2,247	271	436
Cotton	Aug. 1	1,756	5,826	176	839
		1986-87	1987-88	1986-87	1987-88
New marketing year: Wheat	June 1	2,440	3,352	4,927	8,019

[From the Journal of Commerce, Monday July 27, 1987]

U.S. GRAIN SALES LOOK UP

CHAMPAIGN, ILL.—Farmers in the United States, who have been through "six rough years," are beginning to regain important export markets for commodities like corn, the president of the U.S. Feed Grains Council said.

"We feel good to be able to start reporting that we've bottomed out and things are turning up," said Darwin Stolte, whose organization helps find customers for U.S. grain. "That's the encouraging signal."

Mr. Stolte said the value of U.S. agricultural exports, an important factor in a healthy farm economy, fell from $44 billion in 1979-80 to $26 billion in 1985-86.

And, in about the same period, the export volume of feed grains dropped from 71.6 million metric tons to 36 million tons, he said.

But Mr. Stolte said U.S. sales of feed grain abroad should increase by a total of 14 million tons this year and next year, partly because of a federal farm program that has lowered prices to competitive levels on the world markets.

World trade in feed grain will increase 7 million tons in that same two-year period, Mr. Stolte said.

"What those two numbers tell you is . . . We're starting to see recovery in the world marketplace," he said.

In addition, he said it shows that the 1985 federal farm bill is working.

"We're getting back a lot of that trade that we lost in previous years simply because we're being competitive," Mr. Stolte said.

That, he said, has persuaded some countries, like Australia and Canada, to reduce the acreage of crops that were growing to sell on foreign markets in competition with the United States.

Aggressive marketing of U.S. farm products also is helping to reverse the export slump, Mr. Stolte said.

Other factors are the lower value of the dollar, which makes our products less expensive abroad, and higher petroleum prices, which improve the buying power of oil-producing nations, he said.

He also said some nations like Egypt and Turkey are improving their economies and spending more money on food.

At the same time, Mr. Stolte said U.S. farmers are reducing their production, which will help get rid of the huge grain surplus that has depressed farm prices.

He praised a recent proposal by the Reagan administration that all nations end all export and internal subsidies on grain sales and production and open their doors to free world trade.

He said that was "a daring first step toward a more rational trading system for agricultural commodities," but he cautioned against the United States unilaterally dropping its farm subsidies.

Mr. Stolte answered questions at a news conference before a scheduled speech to a Champaign Chamber of Commerce dinner sponsored by its agricultural committee.

Mr. BOSCHWITZ. Mr. President, I conclude by saying that, as is mentioned in this article, it is the farm bill of 1985 that has given some new life to exports and has currently ended the downward spiral of the farm situation. So we are more optimistic now as we look to the future in rural America and certainly the farm export figures would back this up.

I yield the floor.

THE NATIONAL PRICE OF R&D CONCENTRATION IN THE MILITARY

Mr. PROXMIRE. Mr. President a scholar named Jay Storsky has made an impressively documented study of the effect of the heavy concentration of much of America's science and technology on military weapons research. Storsky is a research fellow at the Berkeley Roundtable on the International Economy. He has written a report of his study in the fall 1986 issue of the World Policy Journal. This scholar concludes that the dominance of the military in American research in many areas is already adversely affecting the scientific and commercial progress of this country in some important respects. Many of our best and brightest scientists are being diverted to military research that has little or no relation to building a stronger economy. In fact Mr. Storsky concludes that the way the Defense Department presently conducts its research could have at least two major adverse consequences for America's leadership in science and technology. First as the current military technology requirements grow more over specialized and unrelated to economic competition the billions of dollars the Government spends on military R&D pull available scientific personnel and resources away from research that could benefit our civilian sector. Second, as the Defense Department sees military technology lagging behind commercial technology, it has pushed American commercial firms into its own Pentagon R&D sector to boost the military performance. Storsky argues "it would be ironic if this effort ended up undermining not only the technical superiority of the Pentagon's weaponry but the very organizational habits that enabled America's civilian high-tech sectors to be so innovative and commercially successful in the first place."

Mr. President, the arithmetic of the DOD big government invasion of America's economic technology is impressive. Roughly a third of this country's spending on R&D is defense related. It's worse. According to a 1983 National Science Foundation report between 70 and 80 percent of the funding for the real cutting edge technologies is military. That's the lasers, advanced material and artificial intelligence. A 1985 NSF report showed that about three quarters of all federally funded R&D is presently linked to military programs up from 50 percent in the late 1970's. And a 1985 article in Physics Today reports that only 2 percent of the DOD R&D money is for basic research and less than 20 percent goes for R&D of basic technologies most likely to produce commercial spin offs that could enhance U.S. competitiveness in world markets.

Storsky offers a vivid example of how the dominance of military technology in the United States and the absence of military technology in Japan handicaps our country in its competition with the Japanese. He cites the different treatment of research with respect to lasers in the two countries. For America with our emphatic priority for the strategic defense initiative [SDI] or star wars—nearly all of SDI's x-ray laser research aims at extremely high-powered application—specific uses—in fact typically powered by a nuclear explosion.

Now how about the Japanese? In a June 1986 article in High Technology Kerry Fineran points out that the Japanese Government is funding private commercial research into lasers for immediate nonmilitary purposes. That is carbon dioxide and solid state lasers designed for industrial uses, such as welding and semiconductor diode lasers that can power compact disc players and fiber optics communications equipment.

Mr. President, our country has many great military advantages—including our relatively sheltered geographic location, our large and skilled population, our rich national resources, our immensely productive free economic system. But in this era of military technology our scientific excellence is crucial. How tragic it would be for our national security and our survival as a great nation if we permitted the diversion and perversion of this scientific excellence for short-term fleeting military advantage.

THE KUWAIT REFLAGGING FIASCO

Mr. PROXMIRE. Mr. President, now let's get this straight. The United States is providing armed escorts to ships flying American flags that don't belong to us, which are carrying oil that is not going to us, for countries that won't escort their own ships. We are taking risks for an oil-producing nation that tried to blackmail us and bring us to our knees economically. American lives will be in jeopardy because this same country refuses to allow us to base minesweepers in their ports to protect their ships and their oil from mines.

Speaking of mines, the United States, the greatest sea power in the world has a grand total of three 40-year-old active duty minesweepers—all based on the east coast. Minesweepers, after all, are not glamorous budget items.

Meanwhile, overhead in the Persian Gulf, the Saudi's will not allow the aircraft we sold them to protect our ships. Nor will they allow us to station our aircraft in their country to protect our ships. Our aircraft are subject to attack from Iranian United States-made Hawk missiles which may be operational only because we sold them the spare parts in the covert Iran arms-for-hostage deal.

Our good friend, the People's Republic of China, to whom we are selling arms, has supplied Iran with missiles which could attack our ships. Our friends the Swedes have provided the fast patrol boats for Iranian hit and run missions. The Iranians are flying one of the most advanced fighters in the world—the F-14 with its Phoenix missile system because we imprudently sold them to the Shah.

So who do we have to thank when our first ship gets hit or goes down? There are so many choices to pick from.

MALCOLM BALDRIGE

Mr. COCHRAN. Mr. President, our Nation has suffered a great loss because of the death of Secretary of Commerce, Malcolm Baldrige. He was so well liked and so well respected by all who knew him. He was kind and considerate to others, but he was very intelligent and could be bluntly decisive when forming and expressing his opinions about things.

Mac Baldrige was a real leader, too. He was persuasive. He had the ability, the self-confidence, and the skill to influence others; to make them think like he did because they were convinced he was right.

He had that effect on me, Mr. President. I remember hearing him discuss his concern that our Nation's businesses were at a disadvantage in their effort to compete with foreign businesses because of some of our own laws and our regulations.

One example was the antitrust law, section 7 of the Clayton Act to be specific, which is being interpreted and applied b9 some courts to prevent the merger of businesses and companies engaged in similar activities.

It was his opinion that this law ought to be modernized; that it ought to be brought up to date, and that the effect of foreign competition ought to be considered when we were determining whether or not a merger would result in anticompetitive or monopolistic business power.

I hope that when we get around to changing that law, Mr. President, we remember who it was who so forcefully urged that we consider the practical effect that this law was having on our failure to compete more effectively in the international and even the domestic marketplace.

For many of us, Malcolm Baldrige was also a good friend and he will truly be missed very greatly.

Our thoughts and prayers go out to his fine family.

At this time I cannot help but feel that all of us have been blessed to have had the benefit of his wisdom, his personality, and his force in our Government. I wish that we had more men like him.

I yield the floor, Mr. President.

THE COMMUNITY EFFORTS OF MR. JAMES C. BECKETT

Mr. FORD. Mr. President, I rise today to salute the community oriented efforts of one of my constituents, Mr. James C. Beckett, of Cynthiana, KY. All too often here in Washington we tend to think and believe that we have a monopoly on the best solutions to the many problems troubling our States, cities, and small communities. We sometimes think that these solutions can only be realized through our broad, national approaches to these problems. Mr. Beckett, however, reminds me that there is an important message that should not be missed as we address the business of the Senate.

The message is quite simple, and it is not new. But it deserves restating from time to time as a reminder to national policymakers. The message is this: The best solutions in this country often come from those that have the problems. Although there are many vital programs which have been developed at the Federal level and which we should continue to strongly support, it is still true that the most successful communities in this country are those with people interested in seeking their own solutions and helping themselves and those around them.

Mr. Beckett is such a person. He is a leather craftsman in Cynthiana, KY and, among other things, he is especially concerned with the many difficult problems confronting the youth in this country. In particular, Mr. Beckett has been supportive of the many people and programs designed to help young people to "say no" to drugs.

Mr. President, I recognize this leather craftsman from Cynthiana today for his special efforts to find a way in which he could personally contribute to a solution to the drug problems facing young people in his community. Mr. Beckett contributed his most valuable resources—his hands and his experience—and has crafted a large number of jacket zipper tabs with the words "Say" and "No" inscribed on them. Together with the Cynthiana Downtown Merchants Association, several programs have been planned this fall for the youth of Harrison County, KY relating to this problem, and Mr. Beckett hopes to distribute the tabs to every child in the county. His efforts are part of a larger plan of the Cynthiana community to send this vital message to its young people.

Mr. President, I bring these actions to the attention of the Senate as an example of the necessary ingredients of potentially successful solutions. I believe the efforts of Mr. Beckett and the citizens of Harrison County in helping themselves to help their young people are as valuable as any broad solution that could have been crafted at the national level. I therefore commend Mr. Beckett for his actions and intentions, and hope that he will serve as a role model for many others in his community and beyond.

FUTURE UNITED STATES ASSISTANCE TO PAKISTAN

(Note: In the Record of Friday, July 31, 1987, during the remarks of Mr. Glenn, one of the exhibits requested to be printed in the Record was omitted, that is, an article from the London Sunday Times of July 26, 1987. In the permanent Record the article will be included in the middle column of page 21882, as follows:)

[From the London Sunday Times, July 26, 1987]

A-BOMB PLOT IS LINKED TO EMBASSY

(By Mark Hosenball and James Adams)

Pakistan's embassy in London was directly involved in an unsuccessful attempt to buy special steel used in the production of nuclear weapons, according to American intelligence officials investigating a suspected plot in the United States to export nuclear bomb materials illegally to Pakistan.

The allegation casts further doubt on denials by the Pakistani government that it knows nothing about secret efforts by businessmen in Canada and London to obtain the special, high-grade steel for export to Pakistan.

Last week, The Sunday Times revealed that Mohammed Iqbal Fareed, 55, a Canadian national with business interests in London, had been identified as a suspect in the plot.

Between April and August 1985, American intelligence sources say, Abdul Jamil, an official at the Pakistan embassy in Lowndes Square, London, contacted the London sales office of Carpenter Steel, a Pennsylvania company which makes a super-hard metal called maraging steel.

Jamil indicated that the Pakistani government was interested in acquiring 50,000 pounds of the metal.

Because of its use in the production of nuclear weapons, the steel cannot be exported from the United States without a special export permit and, according to American officials, Carpenter Steel sought assurance from the Pakistanis that the material would not be used in their nuclear weapons programme.

The deal never went through because the American commerce department ordered Carpenter Steel to cancel it.

Jamil said he was merely . . . an accounts officer and that he knew nothing about weapons technology. He said that in February 1985, the embassy had contacted Carpenter's office in Worcestershire asking for details on a "few types of steel". Jamil said: "They sent us details of stainless steel they produced. But they also told us about maraging steel."

Jamil said that in April that year a representative from the company visited the embassy to follow up the inquiry. "I asked our defense procurement people in Pakistan if we needed any maraging steel, which I understand is used for making missile parts and rifle barrels."

Jamil said he was mystified by the allegations. He said a small order for stainless and maraging steel was placed. When the company said there would be problems over export licenses for the latter, he told them to forget about it.

The Americans have long suspected that Pakistan is actively pursuing a nuclear weapons programme. The new wave of allegations came two weeks ago after American Customs agents in Philadelphia arrested Arshad Pervez, a Toronto businessman, and charged him with attempting to obtain 50,000 tons of maraging steel from Carpenter Steel and illegally export it to Pakistan. Pervez is being held without bail in an American prison.

American officials now believe that after the Pakistani embassy in London failed to acquire the steel through a direct approach to the American manufacturer, the Pakistani government activated a clandestine network of front companies set up for the express purpose of secretly obtaining nuclear bomb materials from the West.

The latest revelations are expected to fuel demands in Congress for a curb on American aid to Pakistan.

TRIBUTE TO MRS. MABEL AMOS

Mr. HEFLIN. Mr. President, I am proud to rise, today to pay tribute to a dear friend, Mrs. Mabel Amos, of Montgomery, AL, who provided many, many years of outstanding service to my home State of Alabama. Mrs. Amos began her public service in 1931, when she was appointed to the Revenue Department by Gov. Benjamin Meek Miller. In 1939 she was appointed by Gov. Frank Dixon as an assistant in his office, and he later named her recording secretary. From 1939 to 1966 she worked under six different Governors as recording secretary, serving until 1966, when she ran and was elected to the office of secreta2y of state. Mrs Amos then served for two terms as secretary of state.

Though Mrs. Amos retired from public service in 1975, she was the honoree of a surprise dinner that was held on January 29 of this year. Former Governors, Supreme Court Justices, appellate court judges, State senators and representatives, and many others who have loved and admired her throughout the many years of her public service attended, toasted, and roasted her. The next day the mayor of Montgomery issued a proclamation which declared January 30, 1987, as Mabel Amos Day.

Mrs. Amos richly deserves all praise and thanks which could ever come her way. She has worked through many years to help make Alabama what it is today. And throughout her service to our State she has won the respect of all.

Mr. President, I have finally received a copy of the proclamation which was made by the mayor of Montgomery, as well as an editorial that was made on television and a document entitled "Saluting the Record of Mabel S. Amos." I ask unanimous consent that these documents, as well as a letter that I wrote to Mrs. Amos that was read at the dinner, be included in the CONGRESSIONAL RECORD. I hope that each of my colleagues has an opportunity to see what an outstanding service Mrs. Mabel S. Amos has provided to my State and our Nation.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SALUTING THE RECORD OF MABEL S. AMOS

Recently, the many friends of Mabel S. Amos from across the State of Alabama gave her a "Surprise Dinner Party", honoring her for her many years of dedicated public service.

She was roasted, toasted, and generally discussed by former governors, supreme court judges, as well as appellate court judges, senators and representatives of the Legislature, preachers, dignitaries and many, many others who worked with her over the past forty-four years.

Mabel Amos came to Montgomery from Conecuh County during the depth of the Deep Depression in 1931. Governor Benjamin Meek Miller gave her a job as a state employee and assigned her to the Revenue Department. She was among a limited number that the Governor personally appointed and she served throughout his administration. She later worked for the Alabama Legislature during a number of sessions where she made many valuable contacts.

In 1939, Governor Frank M. Dixon appointed her as an assistant in his office, later naming her as Recording Secretary, where she served for the next twenty-eight years, being appointed, at the beginning of their terms, by the following:

Governor Frank M. Dixon, 1939-1943;
Governor Chauncey Sparks, 1943-1947;
Governor James E. Folsom, 1947-1951;
Governor S. Gordon Persons, 1951-1955;
Governor James E. Folsom, 1955-1959;
Governor John M. Patterson, 1959-1963; and
Governor George C. Wallace, 1963-1967.

In 1966, Mabel S. Amos while she was still serving as Recording Secretary to Wallace, took a leave of absence to run for the office of Secretary of State. She did not receive a clear majority of the votes but had such a commanding lead her two opponents withdrew thereby relieving her of a run-off.

During her term, she made such an enviable record trying to discharge the duties and responsibilities pertaining to the election laws under the provisions of the newly enacted Voting Rights Act. She was therefore re-elected for another four year term without Democratic opposition.

Under the present law, the Secretary of State cannot run for re-election but for one additional term.

Mable S. Amos retired at the end of her second term in 1975.

A TRIBUTE TO MABEL AMOS

January 30, 1987.

If Alabama politics is your thing, you should have been with me last night. I can honestly say I have never seen, under one roof, such a gathering of prominent political figures from Alabama's past and present. And they all came . . . some from considerable distance . . . to pay tribute to one of the great ladies of state government and state politics—Mabel Amos.

If you don't know Mabel, that's your loss. From the Brooklyn community of Conecuh County, Mabel came to Montgomery in 1931 to become a state employee. In 1939 Gov. Frank Dixon appointed her as his recording secretary. For the next 28 years governor's came and governor's went, but Mabel Amos stayed put. She became as much a fixture at the Capitol as the Jefferson Davis Star. After Dixon's term expired, she served as recording secretary for Govs. Chauncey Sparks, Jim Folsom, Gordon Persons, Jim Folsom a second time, John Patterson and George Wallace.

One of those governors, John Patterson, recalled last night that when he took office he contemplated putting one of his friends in Mabel's job. Very quickly he was told by a host of lawmakers that if he replaced Mabel he could forget his legislative program. Mabel stayed.

Patterson was but one of a roomful of active and no-longer active politicians and state officials who paid tribute to this lady. Former Gov. Albert Brewer, so rarely seen in these parts, was the master of ceremonies

. . . there were judges and retired judges . . . almost forgotten cabinet members of the past . . . legislators . . . and in a nice touch, also present were the daughters of Govs. Persons, Folsom and Wallace. There were people in that room who had been bitter political enemies, but they sat side by side last night because of one common denominator—their 2espect and love for Mabel Amos.

It was truly a remarkable gathering for a remarkable lady.

And that's the way we see it tonight.

Bob Ingram,
Editorial Director.

Proclamation

Whereas, Mrs. Mable Sanders Amos has been and continues to be a respected citizen of the City of Montgomery; and

Whereas, Mrs. Mable has served eight governors of the State of Alabama by being the personal secretary to Governor Frank Dixon and Recording Secretary for Governor Frank Dixon, Governor Chauncy Sparks, Governor James Folsom, Governor Gordon Persons, Governor John Patterson, Governor George Wallace, Governor Lurleen Wallace and Governor Albert Brewer; and

Whereas, Mrs. Mable has dedicated her life to her beloved State of Alabama and has served with distinction, advancing steadily in her career to positions of more and more responsibility, always demonstrating her willingness to place her concern for the public good ahead of her personal interests; and

Whereas, throughout her career, Mrs. Mable has earned the admiration and high regard of those with whom she has come into contact, and the affection of a host of friends; and

Whereas, Mrs. Mable retired from public life in 1975 after forty three years of public service including eight years as Secretary of State for the State of Alabama; and

Whereas, it is fitting and proper that Mrs. Mable be honored by her friends and admirers by a dinner given in her honor at the Montgomery Country Club on January 29, 1987;

Now, Therefore, I, Emory Folmar, Mayor of the City of Montgomery, Alabama, do hereby proclaim January 30, 1987, as Mable Amos Day in the City of Montgomery as an expression of appreciation for the years of dedicated service to the people of the State of Alabama.

United States Senate,
Washington, DC, January 22, 1987.

Mrs. Mabel Sanders Amos,
Montgomery, AL.

My Dear Mabel: I certainly do wish that I could take part in the "Roast" which is being held in your honor. Yet, though I am unable to attend, I would like to take this opportunity to thank you on behalf of every citizen of Alabama for the tremendous service that you have provided. We are all in your debt for your work as Recording Secretary to the Governor, and for the leadership you provided as Secretary of State.

In this history of our state, many people have offered their efforts and their involvement. Many have dedicated their labors and their time to accomplish the various achievements which have been realized in the past. However, I know of very few individuals who have matched the contributions you have made. Though some may think that you did not pursue the profession for which you were trained in college—that of being a teacher—they are gravely mistaken. Not only have countless people learned from your devoted service to the public and to our state, but you have also helped to teach six different governors the way to govern. From 1939 through 1965, as they came and left, there was one constant in Montgome; Mabel Amos was in charge.

You should feel very proud for all that you have done. Moreover, throughout your work, you have maintained the highest standards of honesty and integrity—qualities which have endeared your name to people everywhere. I commend you for your efforts.

In the future, I know that you will enjoy every happiness and that your life will be full with continued friendship.

With kindest personal regards, I am

Sincerely,

Howell Heflin.

TRIBUTE TO KENNETH L. ADELMAN

Mr. PRESSLER. Mr. President, yesterday I became aware that the Director of the Arms Control and Disarmament Agency [ACDA], Kenneth L. Adelman, has decided to retire from that position to return to a career in the private arena. His departure from ACDA will be a great loss for that agency, our Government's arms control efforts, and the Nation. He has been an outstanding spokesman for President Reagan's administration and policies.

Mr. Adelman has done a superb job of managing the Nation's arms control agenda. Although I originally opposed his nomination, I realized my opposition was a mistake after he had occupied the directorship of ACDA for only a short period of time. In short, he quickly gathered up the leadership reins at ACDA and, for the past 4 years, has managed the agency and a broad variety of arms control issues in a highly professional manner. My opposition rested primarily on my concern that it was unwise, with major U.S. arms control initiatives in progress in early 1983, to replace Eugene Rostow, a highly experienced and able diplomat, as ACDA Director. Ken Adelman simply proved me wrong. He has been a forceful advocate for arms control—for the elimination of chemical weapons and the sharp reduction of nuclear weapons.

He also has educated our allies and the American people on the fundamental importance of keeping arms control within a mature perspective. That perspective says that arms control efforts are important, but should not be allowed to obscure the necessity of maintaining our national security and a world balance of power that deters aggression.

Mr. President, I commend Kenneth Adelman for his superb record as Director of ACDA. I strongly believe that, long after his resignation becomes effective, he will continue to contribute his intelligence, articulateness, and vigor to the important cause of national leadership—not only on arms control issues, but also in many other areas. I know that most of our distinguished colleagues share my respect for his fine record of public service and wish him well in his future endeavors.

IMPORTS OF COTTON SHEETING FROM THE SOVIET UNION

Mr. THURMOND. Mr. President, more disquieting news regarding Soviet imports of cotton sheeting has recently been brought to my attention. I am amazed that the administration has taken unilateral action which allows the Soviet Union to import into this country more than 4 million square yards of cotton sheeting over the next 12 months. This action takes place at a time when the most recent Department of Commerce textile and apparel trade statistics are alarming.

For January through May, the textile and apparel trade deficit increased by 22 percent over the same period last year to a new recordbreaking $9.6 billion. This represents a $1.7 billion increase. At this rate, the textile and apparel trade deficit for 1987 will reach an unbelievable $23 billion.

In light of these statistics, I find it hard to believe that this administration would pursue a course so beneficial to our greatest adversary. Every year we spend billions of dollars to strengthen ou2 military defense. The major reason we spend these vast amounts is to protect the citizens of this Nation from the Soviet threat of domination. Yet, the administration, through this policy of opening our market to the Soviets, is making them stronger at our expense. For every new textile job created in the Soviet Union as a result of this policy, an American worker loses his or her job.

In summary, it is unsound policy to make the Soviets stronger at our expense. Stated simply, exporting textile jobs to the Soviet Union by virtue of this unilateral action makes no sense whatsoever. The best approach the administration can take is to stop any further shipments of textile and apparel imports immediately. At a minimum, a prohibition must be imposed at the end of the 12 month period to prevent a potential flood of these products from inundating the United States and displacing even more textile and apparel jobs.

Before concluding, I would like to bring to the attention of this body that the Finance Committee last week reported S. 549, the Textile and Apparel Trade Act of 1987. In light of unilateral action by the administration favorable to the Soviet Union and the most recent devastating Commerce Department statistics, reporting of this bill could not be more timely. I urge swift consideration of this vital legislation.

Mr. President, I ask unanimous consent that a copy of a letter regarding imports of Soviet Cotton Sheeting sent by me to Ambassador Clayton Yeutter, the United States Trade Representative, on July 30, 1987, and testimony given by me last week before the Senate Finance Committee regarding S. 549, the Textile and Apparel Trade Act of 1987, be included in the RECORD following these remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, July 30, 1987.

Ambassador CLAYTON YEUTTER,
The United States Trade Representative, Executive Office of the President, Washington, DC.

DEAR AMBASSADOR YEUTTER: I have recently been informed that the Administration has decided to allow the Soviet Union to import over 4 million square yards of cotton sheeting into the United States in the next 12 months. It is extremely disturbing to me that the Administration has agreed to allow such a vast amount of cotton sheeting to enter our domestic market.

As you know, textile and apparel imports are gravely threatening the continued existence of these domestic industries. Recent Department of Commerce statistics show for the first five months of 1987, the textile and apparel trade deficit increased by 22 percent over the same period last year to a new record-breaking $9.6 billion. At this rate, the textile and apparel trade deficit for 1987 will reach an unbelievable $23 billion.

I do not understand how the Administration can allow a new textile supplier to enter our domestic market when current textile imports are costing us thousands of jobs. Some believe that the Soviet Union, our greatest adversary, could become a major textile and apparel supplier. This must not be allowed to happen. The Soviets will exploit and take advantage of this opportunity to ship additional textiles and apparel into the United States.

I believe that the best approach the Adminstration can take is to stop any further shipments of textile and apparel imports from the Soviet Union. I urgently request that this action be taken at the end of the 12-month period, if not sooner, to prevent a potential flood of these products from inundating the United States and displacing even more textile and apparel jobs.

With kindest regards and best wishes,

Sincerely,

STROM THURMOND.

TESTIMONY BY SENATOR STROM THURMOND BEFORE THE SENATE FINANCE COMMITTEE

Mr. Chairman, I would like to thank the distinguished Members of this Committee for giving me the opportunity to testify in favor of S. 549, the Textile and Apparel Trade Act of 1987. It is most appropriate that this Committee hold hearings on this vital legislation so soon after passage of major trade legislation by the Senate.

Passage of the major trade bill is a step in the right direction toward solving the trade problems facing this Nation. But an important part of solving our trade problems includes passage of the Textile bill. Over two million jobs in the textile and apparel industry, more than the steel and the automobile industries combined, are at stake. Without passage of this bill, we simply are exporting these jobs to foreign competitors, making them stronger at our expense.

As this Committee begins consideration of S. 549, I believe you will find the most recent textile and apparel trade statistics alarming. Although we heard many, many statistics quoted during the Senate's consideration of the trade bill, I am compelled to quote the most recent ones relating to textile and apparel trade released by the Commerce Department. Figures released by Commerce show that for January through May, the textile and apparel trade deficit increased by 22 percent over the same period last year to a new record-breaking $9.6 billion—a $1.7 billion increase over last year. At this rate, the textile and apparel trade deficit for 1987 will reach an unbelievable $23 billion!

As dismal as these statistics are, there is more bad news for the textile industry. Measured in square yards, textile and apparel imports reached a record level for the first five months of this year. From January through May, textile and apparel imports totaled a massive 5.5 billion square yards, a 5 percent increase over the same period last year.

The most astonishing fact is that these record levels were reached in spite of the Administration claims that they have negotiated tighter bilateral agreements with foreign importers. The truth is that the Administration has taken no effective action to assure the more than 2 million Americans employed in this industry that their jobs are secure. Unless Congress takes prompt action to stop the flood of textile and apparel imports, the devastation will drive this domestic industry to extinction. Some two million Americans employed in this industry could suffer the tragedy of losing their jobs.

Further dismal statistics make it clear that this possibility is becoming a reality. Over 1000 textile and apparel plants have closed since 1980. Some 300,000 textile and apparel jobs have been lost to imports in the last several years. Incredibly, one-half of all textile and apparel goods sold in the United States are made abroad.

Along with these statistics, a recent study by the Office of Technology Assessment (OTA) warrants serious consideration by the members of this committee. OTA was created in 1972 as an analytical arm of Congress. Its basic function is to help legislative policymakers anticipate and plan for the consequences of technological change and to examine its impact on our citizens. OTA provides Congress with independent and timely reports in many areas—one being the U.S. Textile and Apparel Industry.

OTA recently issued a report entitled the U.S. Textile and Apparel Industry: A Revolution in Progress. Its conclusions are most disturbing. This report concludes that "despite the optimism made possible by technical progress, U.S. textile and apparel firms are in danger * * * in spite of these remarkable advances, the industry is gravely threatened."

The OTA report draws the following conclusion:

"* * * if penetration of U.S. apparel markets were to continue at the pace of the past decade, domestic sales of U.S. apparel firms would approach zero by the Year 2000, while two-thirds of the U.S. textile market would be served by [foreign] imports."

With this dangerous trend in mind, it is irresponsible for us as elected officials to stand by and fail to act when fellow Americans face such a bleak future. The livelihood of some two million American families depends on the textile mill, most of which are located in small towns across this Country. When a textile mill shuts down, its closing is a disruptive, shocking, and awesome experience. To some, the pain can compare to the loss of a loved one. The adverse economic impact of a community resulting from the closing of a mill can be devastating. A plant closing causes permanent scars. The disappointment, disillusionment, and frustration is lasting.

During consideration of the major trade bill, some argued that a global market approach will create new jobs in this country. The implication is that these new jobs will be filled by displaced textile and apparel workers. This is simply not the truth. New jobs in the utilities field, the health industry, or with legal or consulting firms offer no comfort to out-of-work textile employees. Their training and skills learned on the job are not transferable to these other industries. If foreign imports put a textile or apparel worker in the unemployment line, there is no guarantee that he or she will find work elsewhere.

Before closing, I would like to briefly comment on several provisions included in S. 1420, the major Senate trade bill. Regarding that legislation, it was often described as a "generic" bill, one which provides no special protection to any particular industry. My review shows this is simply not the case. This bill provides protection and support for several domestic industries. One provision, somewhat similar to the textile bill, limits imports of lamb. This section mandates the imposition of lamb quotas which would prevent lamb imports from rising above 28.5 million pounds per year. This provision will protect the lamb industry from the prospect of greatly increased imports.

Another provision helps the domestic steel industry. It requires the United States Trade Representative to seek bilateral agreements which restrain imports of welded steel fence panels, wire fabric, and welded steel wire mesh for concrete reinforcement. Still, another provision helps the telecommunications industry by directing that negotiations be undertaken to require foreign countries to open their markets to U.S. telecommunications goods and services.

Yet another provision extends unemployment benefits under the trade Adjustment Assistance Program to oil and gas workers who lost their jobs due to foreign imports.

There are other provisions included in the major trade bill which time does not permit me to discuss. After a review of these "special interest" provisions, I want to make it clear that they may be worthwhile and needed to help many domestic industries. In view of these provisions included in the Senate trade bill, the argument that the "Textile and Apparel Trade Act of 1987" does not merit support because it provides assistance to a specific industry, lacks substance.

In closing, I urge you to look at this legislation with an open mind. A vote against it is a vote in favor of exporting some 2 million textile and apparel jobs to foreign countries. It is not right to turn our back on these dedicated Americans.

Again, I appreciate the opportunity to testify regarding this vital legislation.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. The majority leader.

Mr. BYRD. Mr. President, has morning business closed?

The ACTING PRESIDENT pro tempore. Morning business is closed.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, I indicated last weekend that it would be my hope to be able to proceed to the consideration of the catastrophic illness legislation today. Senator BENTSEN is on the floor. As chairman of the Committee on Finance, he has reported out the bill, S. 1127, a bill to provide for Medicare catastrophic illness coverage, and for other purposes.

I have discussed taking up this measure with the distinguished Republican leader upon more than one occasion. He has made a bona fide, conscientious, sincere, and dedicated effort to get consent on his side for us to take it up. He has had some problems in that regard, but I do know for a fact that the Republican leader has made these efforts. I do not believe the Republican leader ought to do all the objecting himself on that side.

I am going to ask unanimous consent shortly to take up the Bentsen bill.

Before doing that, I should call attention also to a nomination on the Executive Calendar, the nomination being Calendar No. 212, M. Peter McPherson, of Virginia, to be Deputy Secretary of the Treasury, vice Richard G. Darman, resigned.

I understand there is a problem with that nomination, that a point of order can be made against it.

Mr. BENTSEN, again, is chairman of the Committee on Finance having reported the nomination, and he is on the floor and prepared to proceed to make that point of order.

UNANIMOUS-CONSENT REQUEST—MC PHERSON NOMINATION

If it is agreeable to all concerned, I shall ask unanimous consent at this point to go into executive session to take up the nomination of M. Peter McPherson, of Virginia, to be Deputy Secretary of the Treasury.

Mr. President, I do make that request.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. BENTSEN. Mr. President, I object. I make the point of order that the nomination is not properly before the Senate because it was reported by a committee when it was not authorized to meet.

The ACTING PRESIDENT pro tempore. The point of order is well taken.

MEDICARE CATASTROPHIC ILLNESS COVERAGE ACT

Mr. DOLE. Will the Senator yield?

Mr. BYRD. I am happy to yield.

Mr. DOLE. Mr. President, I am now advised that Senator WALLOP, who was to make the objection to proceeding to consider the Medicare catastrophic illness coverage bill, cannot be present until 1 o'clock, but I will make it on his behalf so I do not hold up the majority leader and the chairman of the Finance Committee.

Let me indicate that I have suggested that we ought to go on to the bill and then if there is determined opposition, we can talk about that. But there are about seven or eight on this side, and I understand there are not any on the other side, who are concerned about one or two provisions, who feel it is in their interest and in the interest of getting better provisions, not to proceed to the bill.

I think perhaps there is still some dialog going on, and basically we can work it out and can settle it this week. There are a couple of controversial provisions, one on prescription drugs and one on the tax. I assume they will be resolved once we get to the bill.

On behalf of Senator WALLOP, I would interpose that objection when the majority leader makes the request.

Mr. BENTSEN. If the majority leader will yield, Mr. President, catastrophic illness under the Medicare program coverage is long overdue. The House approved its bill on July 22. It is now up to the Senate. We should not be having this kind of delay because of some ideological maneuvering that may be taking place. Delaying action has a very direct impact upon the elderly and disabled who are most vulnerable. They are the ones incurring the highest health care costs. If we do not act, in 1988 we are going to see 10 percent of the elderly and disabled spend $1 out of $5 of their income on health and it is these individuals who often have to make the choice between paying for needed health care or buying basic food and shelter.

I understand there are a couple of controversial provisions associated with this bill. What we have done with the Senate bill is to create a basic premium to cover a portion of the cost of the benefit, and a progressive supplemental premium, in effect, to offset the balance of any new costs. The disabled and those above 65 will be reducing the law of averages for the individual. The elderly and disabled will be sharing responsibility of the financing of these benefits with their peers. I think it is a good approach that the committee has followed. Here you have a bill reported out of the Committee on Finance unanimously, 20 to 0. So there is excellent support for it.

There has been a lot of time to prepare for debate on this bill. The President addressed the issue first in his State of the Union Address in January of 1986 and again this year. We followed his proposal immediately in the Finance Committee. The minority leader is a distinguished member of that committee and has been very supportive in participating in the effort to develop and consider this bill. The distinguished Senator from Minnesota, now on the floor, took an active and very constructive role in the consideration of this major measure.

Mr. President, we had our first hearings in January after the President's address. We moved very promptly on this initiative.

The Bentsen bill has been reported out now—it was reported out on May 29—over 2 months ago. The House passed its bill earlier, as I stated. We had the report language filed a week ago and I advised committee staff to be particularly responsive to any members of the committee or any Members of the Senate who had any questions concerning this piece of legislation so that all could move on with it.

Now, the problem we run into in the Finance Committee is, as soon as we get back here after the August recess, we are going to have reconciliation on our hands, including the problem of trying to raise additional funds. That is going to be a pressing responsibility for us and the effort will be all-engulfing. So we have, I think, in effect a window here where we could move on this bill and clear this item from one agenda in September.

Full consideration of this bill has occurred in committee. The Senate ought to be prepared to debate and move on with the issue. If Members think that all of a sudden any problems they might have with S. 1127 are going to go away during the recess, I think they are wrong. Instead, problems are going to be accentuated. I think we will find the pressures have increased, and I think we will find the staffs will be diligent and hard at work in coming up with amendments to the bill. All the interest groups, whether associated with industry or representing consumers or the elderly, all will get very much more involved beyond what lobbying they have already done. All of these groups and organizations have been given ample opportunity to testify and present their cases before the House and before the Senate. I strongly urge that we now move forward with the committee reported bill.

Mr. BYRD. Mr. President, the distinguished Senator from Texas, the chairman of the Finance Committee, has made a strong case for proceeding with the measure, indicating it was reported out of the committee by a vote of 20 to 0 with strong bipartisan support. As I understand, it was voted out of the committee in May.

Did the Senator say "in May"?

Mr. BENTSEN. It was voted out of the House on July 22.

Mr. BYRD. And out of the Senate Finance Committee?

Mr. BENTSEN. I do not have that exact date.

Mr. BYRD. In any event, it has been on the calendar now for some days, I guess a week.

Mr. BENTSEN. The majority leader is right. We reported the bill out over 2 months ago, on May 29.

Mr. BYRD. May 29. And it has been on the calendar for about a week. I emphasize the point that the chairman made, that being we have a little window here. During the time that the conferees are going to be working on the debt limit extension, there is a window during which the Senate can be working on this measure and it would be well, as the distinguished Republican leader and I said heretofore, that this measure be passed before the Senate and the House go out for the break.

Mr. President, I ask unanimous consent—and Senators may reserve the right to object—that the Senate proceed to the consideration of Calendar Order No. 260, S. 1127, the catastrophic illness legislation.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. DURENBERGER. Mr. President, reserving the right to object, and I do not intend to object, I have listened to the majority leader's description of his efforts to bring this matter before us. I have listened, of course, with interest to my colleague, the chairman of the Senate Finance Committee, describe the path of the catastrophic insurance bill through the Finance Committee.

I suggest that they are both right. From my standpoint, I began this process in 1979 when I first came to the Senate. At that time it was the Senator from Texas and the Senator from Kansas [Mr. DOLE] who were talking to us about the need for catastrophic in Medicare.

President Reagan, I believe, in his State of the Union Message in January 1986 instructed the Secretary of HHS to take some action. I, Mr. President, was fortunate enough to be the Senate's appointee to the Catastrophic Insurance Commission and we spent from January 1986 until November 1986 looking at the entire area of catastrophic but making some specific recommendations in the area of Medicare. Those recommendations, as everyone recalls, were the subject of some small amount of debate in January and February of this year within the administration. That debate was resolved by mid-February in favor of the legislation basically which the Finance Committee has reported out as of May 29.

Now, in addition to the catastrophic part of this bill, the House has chosen to add drug benefits in part B financed out of the catastrophic arrangement, and to some degree there appears to be a debate behind the scenes on the Senate side as to the appropriateness of the benefit, as to the manner in which the benefit might be financed, whether or not it might be done differently.

But that aside, it strikes me the time has come for this body to deal with catastrophic insurance in Medicare. I hope that those of my colleagues on both sides of the aisle, whether it is the Democratic side or the Republican side, who might seek to delay the consideration of this bill, because of their concerns not about the catastrophic but their concerns about the potential for a drug amendment here on the floor or something else, resolve those concerns as quickly as possible. Perhaps they might even come to the floor and discuss this issue as soon as possible so that those of us who have spent much of our lives in the Senate trying to come to the day when we could vote on a catastrophic bill might be permitted to do so.

So I encourage those of my colleagues who might be concerned about that potential, which is benefit expansion, but who care a lot about catastrophic, permit those of us who do care about catastrophic to proceed with this bill.

Mr. BYRD. Mr. President, I just simply say that there are no objections on this side to proceeding. It is cleared on this side of the aisle. And I make the request.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. DOLE. Mr. President, reserving the right to object, let me indicate to the majority leader that I am not opposed to proceeding. Neither is the ranking member on the Health Subcommittee. There are I think six or seven on this side who have indicated an objection.

It would be my hope that perhaps the distinguished Senator from Minnesota [Mr. DURENBERGER] might be able to visit with those Members yet today—I would be perfectly willing to sit in on that meeting—to see if there is not some way to get the bill on the floor and then we can maybe negotiate any differences. Amendments are going to happen on every piece of legislation. It is no different than any other legislation. We do have a few days in which to accomplish this, which would be certainly helpful to the distinguished chairman of the Finance Committee, Senator BENTSEN, as well as other members of that committee who are going to be tied up with reconciliation.

And so I would on behalf of the distinguished Senator from Wyoming [Mr. WALLOP] object but on the hopes that we would still have an opportunity maybe, if we can work it out, to try this later today or the first thing tomorrow.

Mr. BENTSEN. If I may say, I would be delighted to be available for any conference so I might assist in trying to resolve some of these differences, if we can. I understand that one of the major issues apparently is the prescription drug amendment that might be forthcoming. But that has been known for a long time and we ought to be prepared to debate it.

The ACTING PRESIDENT pro tempore. Objection is heard.

Mr. BYRD. Mr. President, I thank all Senators. I thank, in particular, the Republican leader for the efforts he has made to bring this measure up. I am encouraged by his statement that he will continue to meet with Senators on his side in an effort to remove the objection and get the measure before the Senate. Once it is before the Senate, as we have seen happen so often. Senators get together and resolve their differences.

I also thank Mr. DURENBERGER for his support of the legislation and for his efforts to mediate the differences among other Senators.

Mr. President, for the moment we have made our effort, and we hope that it can be renewed later.

At this time, Mr. President, I ask for regular order.

SENATORIAL ELECTION CAMPAIGN ACT

The ACTING PRESIDENT pro tempore. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 2) to amend the Federal Election Campaign Act of 1971 to provide for a voluntary system of spending limits and partial public financing of Senate general election campaigns, to limit contributions by multicandidate political committees, and for other purposes.

The Senate resumed consideration of the bill.

Mr. BYRD. Mr. BOREN, the chief author of the bill and the chief author of the amendment, which represents the latest compromise proposal, is on his way to the floor.

TEN-MINUTE RECESS

Mr. BYRD. I understand that Mr. BOREN will be here in probably 5 or 10 minutes. I ask unanimous consent that the Senate stand in recess for 10 minutes.

There being no objection, the Senate, at 1:27 p.m., recessed until 1:37 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. REID].

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

IMPORTATION OF OBJECTS FROM THE "TITANIC"

Mr. STEVENS. Mr. President, I send to the desk a bill that Senator WEICKER will call up under the time agreement that the distinguished majority leader will now present, I believe. I am not introducing this for Senator WEICKER. He will introduce it himself. But that is so everyone will know what the bill is that the majority leader is referring to.

Mr. BYRD. Mr. President, I ask unanimous consent that there be a total of 10 minutes on the bill to be introduced by Mr. WEICKER dealing with the importation of objects from the *Titanic*, provided further that no amendments or motions to recommit the bill with or without instructions be in order, provided that the time be under the control of Mr. WEICKER, and provided that the majority leader may call up the bill at any time after consultation with the minority leader today.

The PRESIDING OFFICER. Is there objections?

Hearing none, that is the order.

Mr. BYRD. Mr. President, I thank the Chair.

Mr. STEVENS. I thank the majority leader. The distinguished Senator from Connecticut will be here later this afternoon.

Mr. BYRD. I thank the distinguished Senator.

SENATORIAL ELECTION CAMPAIGN ACT

The Senate continued with the consideration of the bill.

Mr. BYRD. Mr. President, today we return to the unfinished business of the Senate, campaign finance reform. Senate bill 2 is among the most important legislation to be considered by this historic 100th Congress. It concerns the very integrity of this body, it concerns the integrity of the legislative process, and it concerns the integrity very directly of our system of democratic elections. The never ending pursuit of campaign funds, the money chase, will only accelerate if we do not act to limit spending.

Raising money is so time consuming it results in a diminished legislative capacity. This is not good for America. It also means, as I have previously said, that we are becoming a part time legislature because we must be full time fundraisers. These concerns should be enough to prompt action, but there is an even bigger threat to the integrity of this Congress that looms on the horizon. This cloud over democracy is the public outcry which will arise if we do not act to limit the campaign spending appetite and the excessive dependence on special interests.

Mr. President, public trust and confidence are the essential building blocks upon which a free and democratic government is built. Keeping faith with the American people is our highest obligation as elected officials. Sadly, we have seen in the past few months what can happen when a branch of Government loses sight of this obligation. The hearings of the Iran select committee have documented executive branch deception and efforts to skirt, if not break, the law. This breach of faith with the public and the Congress has significantly weakened the President's ability to act and lead. This is not good for America.

When Government breaks faith with the people as it did during Watergate, and as we saw again in the Iran-arms transfer, it is not only the misguided officials who lose, but all Government loses. There is a shared responsibility for good Government.

Mr. President, there is another issue which could seriously undermine public trust and confidence even further. Congress has suffered in the past from misdeeds by executive branch officials and Presidents, but the problem I refer to is the dramatic rise in campaign costs and our growing dependence on special interests to finance this money chase. If we do not act to establish reasonable, fair limits for campaign spending, we will by our inaction do serious damage to the building blocks of democracy—trust and confidence.

I am not alone in this view. It is a view shared by many on both sides of the aisle. Past public statements by Republicans and Democrats alike have indicated a need to limit the seemingly insatiable appetite for campaign money. What is at stake here is not partisan interest or advantage but the integrity of Congress. The public understands this and so do the media. We know the problem, we understand its dangerous implications, now we must act to do something about it.

Mr. President, it is important to remember that we were at a very similar crossroads in terms of Presidential campaign finance in 1974. In 1974 we were responding to a scandal, whereas today, we are trying to act to avoid one. In that debate several of the same charges were raised against reform—it was asserted that such a system would limit competition, provide incumbent protection, and that it would not work. History has proven all of these charges to have been unjustified. The system has had widespread competition. Certainly the large field of candidates seeking the Presidency in 1988, including several of our colleagues from the Senate, demonstrates that the system is a success. Incumbent protection has also not been a problem, as two of the three incumbents running under the system have been defeated—Presidents Ford and Carter. Finally, while the system is not perfect, it has been widely perceived as a success. Only 1 Presidential candidate in 35 has not accepted public funds, and I believe all candidates in 1988 plan on accepting the spending limits and public funds, including the Republican and Democratic candidates for the Presidency from this very Chamber.

Previously, I introduced into the RECORD, editorials from newspapers in 43 States and the District of Columbia. Those editorials, all approved or written by the local editorial boards, called upon Congress to act now on this important legislation. We simply must take the people's branch off the auction block. We cannot permit Senate seats to be put up for sale to the highest bidder.

Mr. President, in the 6 weeks since I introduced those editorials, many additional editorials have appeared in newspapers expressing support for the Senatorial Election Campaign Act, S. 2. This raises to almost 250 the number of editorials which have appeared on this subject in the past few months. These editorials come from newspapers in all regions, from cities of all sizes, and editorial boards of varying ideological predispositions. These editorials are at once a call to action and at the same time a voice of warning. We must act to stem the growing tide of money in congressional elections. If we do not, we will erode public trust and confidence in this, the people's branch. Similarly, the legislation has been endorsed by the League of Women Voters, Common Cause, the National Association for the Advancement of Colored People, by farmers' groups, senior citizens' groups, and many others. Opposition to the measure is rarely found in the Nation's newspapers—conservative or liberal. The only real opposition has come from some elements of the Republican Party and those special interests which are a part of the problem. This is a case in which the public interest is clear and widely perceived.

As the newspaper editorials point out, we are at a crossroads. We can act to establish fair and responsible limits on spending, or we can stand aside and put Congress up for sale to the highest bidder. I extend today, as I have done before, an invitation to any and all interested Senators who have not yet joined in this effort to come forward and work with us to enact limits on spending which would be fair, and which would foster competition just as the limits on Presidential candidates' spending have fostered healthy competition.

Shortly before we began consideration of the trade bill, Senator **Boren** and I introduced an amendment which contains all of the essential ingredients of campaign finance reform but minimizes the role of public financing. It is therefore, in terms of real reform, a bottom-line position. The amendment has the following major features:

It retains aggregate PAC contribution limits, computed as they were in S. 2.

It establishes voluntary spending limits and limits on the use of personal wealth.

It contains no public financing for Senate General elections so long as candidates abide by the voluntary spending limits.

It establishes incentives for candidates to abide by those spending limits by making only those candidates eligible for preferential postage rates and lowest unit broadcasting time rates, and by providing that candidates who exceed the voluntary spending limits will trigger compensating payments to opponents who have agreed to remain within those limits.

It assures that candidates who are targeted by independent expenditures against them or for their opponents will be able to respond effectively, by increasing the primary spending limits of participating candidates when such expenditures are made during the primary period, and by providing a compensating payment to participating candidates when such expenditures are made during the general election period.

If Congress should enact and the States ratify a constitutional amendment permitting Congress to set spending limits, all public finance provisions of S. 2 would be dropped, but the spending limits set by the bill would become the spending limits for the constitutional amendment.

Finally, the very slight potential cost of this legislation is more than fully offset by ending the preferential mailing rates for political parties. In effect, the amendment, as it now is drawn, will result in no net cost to the Federal budget—and quite possibly could result in a reduction in the Federal budget deficit if all candidates live within the spending limits for their States. But the most important point is that it sets in place vital reforms to our present campaign finance system.

It will be most unfortunate if narrow partisanship, which in fact is mistaken partisanship, deters us from putting our own house in order. During the past few weeks Senator **Boren** and other Senators have sought out colleagues on both sides of the aisle, including the distinguished Republican leader. We are hopeful that these efforts will result in sufficient votes for cloture so that we can proceed to consideration of amendments to the bill and ultimately its enactment.

Mr. President, I have referred to various editorials which appeared on the subject of the Senatorial Election Campaign Act. I ask unanimous consent that those editorials be printed in the Record.

There being no objection, the editorials were ordered to be printed in the Record, as follows:

[From the Bluefield (WV) Daily Telegraph, June 19, 1987]

Time to Stop Stalling: Send PACs Packing

Most governmental scandals involve broken laws. But in the case of congressional campaign financing, the laws are the scandal.

And at the heart of that scandal are the political action committees—or PACs, as they're generally called—which poured more than $130 million into 1986's congressional races, a six-fold increase from a decade ago.

The Senate is debating—or, to be more accurate, is trying to debate in the face of a Republican filibuster—S. 2, a bill sponsored by Senator Majority Leader Robert C. Byrd, D-W.Va., and Sen. David Boren, D-Okla., which would curtail the scandalous influence of special-interest money in congressional elections.

As Archibald Cox, the former special prosecutor in the Watergate affair, has pointed out, this deluge of special-interest money "creates the image—if not the reality—that Congress is becoming populated with legislative Ivan Boeskys, pursuing a political brand of insider trading in which the currency is public policy."

It's time to end the congressional campaign financing scandal.

It's time for Senate Republicans to join with their Democratic colleagues in limiting the amount of PAC money a congressional candidate can accept.

It's time to establish a voluntary system of spending limits and partial public financing.

It's time to enact S. 2.

[From the Charleston (WV) Gazette, July 8, 1987]

Cash Corruption

Senate Majority Leader Robert C. Byrd, D-W.Va., waged a valiant fight for S. 2, the Byrd-Boren campaign finance reform bill to end the cash corruption of Congress. But Senate Republicans—fearful of losing their big-money edge—filibustered him to a standstill.

The heart of Byrd's plan is public financing of congressional campaigns, the same system used in presidential races. To obtain public funds, a candidate would have to accept severe limits on total campaign spending. (This is the only way limits can be imposed, since the Supreme Court has rejected direct ceilings.)

When Byrd's plan first was introduced, Minority Leader Robert Dole, R-Kan., promised there would be no GOP resistance. The Republicans did a turnaround, saying they can't tolerate use of taxpayer money for campaigns. This is baloney, because GOP presidential candidates have accepted $127 million of taxpayer money for campaigns since 1976.

Now Byrd and Boren have drafted an ingenious substitute. It requires candidates to accept voluntary ceilings—and, if one violates the limit in an attempt to buy an election, his opponent is given public funds plus lower mailing rates and other benefits. If both candidates honor the ceiling, no tax funds would enter a campaign.

Byrd's substitute is expected to come up for a Senate vote this week. We hope it succeeds, because eradication of the special-interest cash cesspool is desperately needed.

It reform is beaten again, here's a possible strategy:

The president is eager for Senate confirmation of right-wing ideologue Robert Bork to the Supreme Court. Byrd should specify that the Bork nomination will be considered after an election cleanup bill is passed and signed into law.

[From the Charleston (WV) Daily Mail, July 11, 1987]

PAC Reform

Spending limits, not public financing, are at the heart of the latest campaign finance bill pending in the U.S. Senate.

The bill deserves a look. It is not perfect, but it is a better defense against those who believe in spending as much as possible, and then some, to literally buy their way into office.

The new Boren-Byrd bill relies on the original measure's voluntary tax checkoff to generate funds. But the money will be made available only in races in which one of the candidates exceeds a voluntary spending limit. The candidate accepting the spending limit will be able to draw on the public funds, but only in sums to match his opponent's spending.

Senators who have joined in the filibuster against the original bill were rightfully concerned about tax dollars being used to support political candidates. But if they can get a guarantee that the funds used to finance campaigns can be covered from a voluntary tax check-off system, their doubts should be allayed.

As Oklahoma Sen. David Boren says, those who continue to oppose campaign finance reform must explain why "it is good for Congress to spend more and more time raising millions of campaign dollars; that it is good for challengers to be increasingly closed out of the system; that it is good for business and labor groups and their representatives to be increasingly victimized by escalating fund-raising requests; and finally, that it is good to allow even the appearance that the most important offices of public trust in our country are being placed on the auction block."

Boren is not using hyperbole. The average cost of winning a Senate seat last year was $3 million. To raise that amount in his or her six-year Senate term, a senator must beg or borrow $10,000 a week.

And the costs keep climbing. In 12 years, the average Senate race could cost $15 million.

It's time for candidates to return to standing on their records and qualifications, rather than mounds of cash.

[From the Charleston (WV) Daily Mail, June 23, 1987]

Campaign Reform

Rejecting the notion that Republicans should be taxed to support Democratic congressional candidates and vice versa, the GOP minority in the U.S. Senate has filibustered a critical campaign spending bill all month.

As Texas Sen. Phil Gramm says, taxpayer financing of congressional campaigns is an idea "totally alien to American democracy."

Two features of this legislation to curb the excesses of political action committees and the ever-rising cost of political campaigns, however, do make sense. Both sides of the aisle should join in instituting a voluntary tax checkoff scheme for interested voters, similar to that used now for presidential races.

The funds thus raised probably will not equal the estimated $500 million proposed for campaigns in the House and Senate, but it would be a start toward halting the "aristocracy of the moneybag," as Carlyle says.

Candidates who spurn the voluntary spending caps under this checkoff-financed system would find themselves accused of trying to buy their way into office.

The other reform that deserves a Senate vote is a limit on contributions from PACs. Rep. Jim Leach of Iowa captures the importance of this and other moves to dilute the impact of PACs:

"If the trend toward more expensive races . . . is not curbed, individuals elected to Congress will increasingly become indebted to either big business or big labor."

That surely will destroy American democracy.

[From the Fairmont (WV) Times-West Virginian, June 19, 1987]

Campaign Reform Bill Deserves a Chance

A campaign reform bill that would bring sweeping and necessary changes to congressional elections is now being considered by the U.S. Senate.

Unfortunately that bill, as of this writing, is bottled up in a filibuster as Republicans are objecting. Democratic senators, led by Majority Leader Robert Byrd, have been trying for the last week to break the filibuster in order for the bill to proceed.

We hope that they succeed in that task with the bill largely intact, because we firmly believe that the measure would bring much-needed reforms to the spiraling cost of campaigns and influence of political action committees, better known as PACs.

The bill being considered now would provide a voluntary system of state-by-state candidate spending limits coupled with a partial system of federal financing provided by income tax return check-offs similar to those now used to fund presidential elections.

It would also put limits on how much could be financed through large contributions such as those customarily made by PACs to candidates.

We agree wholeheartedly with the sentiments expressed by Sen. David Boren of Oklahoma, the main sponsor of the bill. "We must not let party politics stand in the way," he said Tuesday. "This is not a Republican problem. It is not a Democratic problem. It is an American problem. It is clear something is wrong."

Senate Republicans have said they will fight any campaign bill that contains limits on campaign spending or provides taxpayer financing, jolting hopes that the bill will be approved in any thing close to its present form.

Byrd has contended, and we agree, that the GOP opposition is basically to the spending limits. "If we're entertaining notions that we can have reforms without limitations on campaign expenditures and the PAC contributions, we're kidding outselves," he said. "The real problem is that of putting limits on campaign spending."

We would hope that some Senate Republicans would think the issue through and vote for an end to the filibuster so that the main bill can be voted on. Such a serious issue deserves at least that chance for approval.

[From the Huntington (WV) Herald Dispatch, July 9, 1987]

Revised Approach to Public Financing

On June 3, the Senate began consideration of S. 2, a campaign finance reform bill which would put limits on contributions to Senate candidates by political action committees and establish overall campaign spending limits tied to a system of public financing.

Led by Minority Leader Robert Dole, R-Kan., most Senate Republicans have been conducting a filibuster for the past month, blocking Senate action on the measure.

The most controversial aspect of S. 2—introduced on the first day of the 100th Congress by Majority Leader Robert C. Byrd, D-W.Va., and Sen. David Boren, D-Okla.—has been its pubic financing provision. A number of the bill's opponents have cited public financing as the principal stumbling block preventing them from supporting it.

Now, in an effort to break the GOP filibuster, Byrd and Boren have unveiled a proposed substitute for S. 2 which is designed to meet the objections to public financing.

The new proposal establishes a system of state-by-state campaign spending limits where no public funds would be provided to the candidates in a general election as long as they both agreed to abide by the spending limits. However, if one candidate decided not to participate and made campaign expenditures in excess of the spending limit for his state, this would trigger public funds for his (or her) opponent.

As the Washington Post has aptly put it, a candidate would receive public dollars "only if he agreed to abide by the spending limits . . . and his opponent did not. The public money would be only an insurance policy."

In addition to this "insurance policy," a candidate who agreed to the spending limits would receive lower mailing rates and other benefits. (This apparently would satisfy the Supreme Court's ruling that in order to establish a system of campaign spending limits, public benefits must be provided.)

Byrd and Boren's new proposal transforms the fight over campaign spending into a whole new ball game. With it, the two lawmakers have sent opponents of S. 2 a strong signal that they're more than willing to meet them halfway. The key question now is whether the Senate is willing to resist partisan pressures and set aside obstructionist tactics in order to act in the nation's best interests by enacting effective campaign finance reform.

[From the Huntington (WV) Herald Dispatch, July 3, 1987]

Campaign Financing Needs Reforms Now

There's been considerable attention focused on a Senate campaign finance reform bill offered by Senate Majority Leader Robert C. Byrd, D-W.Va., and Sen. David Boren, D-Okla., that's currently being roadblocked by Senate Republicans. But even though it's the Senate fight that's been getting the headlines, it's equally important that the House, too, act on the campaign finance issue.

A logical starting point for action in the House is a measure introduced by Reps. Tony Coelho, D-Calif., Mike Synar, D-Okla., and Jim Leach, R-Iowa, on June 18.

The Coelho-Synar-Leach bill would establish a voluntary system of overall spending ceilings and limits on the use of personal wealth in campaigns, along with partial public financing for House general election campaigns. And—importantly—it would limit the total amount of political action committee contributions a congressional candidate can accept.

The problem is clear. Excessive campaign spending and the increasingly large role being played by the free-spending PACs have served to sharply undermine public confidence in the integrity of Congress.

The current Congress may not be "the best money can buy"—but it clearly looks that way to more and more disillusioned voters.

The need for comprehensive campaign reform is more urgent today than ever before. The current congressional campaign finance system is a scandal and disgrace.

Indeed, in this, the Bicentennial year of the U.S. Constitution, there are few, if any, needs facing Congress that are more important than that for comprehensive campaign finance reform. We urge the House and Senate to join in early passage of this vital legislation.

[From the Huntington (WV) Herald-Dispatch, June 19, 1987]

Time to Stop Stalling: Send PAC's Packing

Most governmental scandals involve broken laws. But in the case of congressional campaign financing, the laws are the scandal.

And at the heart of that scandal are the political action committees—or PACs, as they're generally called—which poured more than $130 million into 1986's congressional races, a sixfold increase from a decade ago.

The Senate is debating—or, to be more accurate, is trying to debate in the face of a Republican filibuster—S. 2, a bill sponsored by Senate Majority Leader Robert C. Byrd, D-W.Va., and Sen. David Boren, D-Okla., which would curtain the scandalous influence of special-interest money in congressional elections.

As Archibald Cox, the former special prosecutor in the Watergate affair, has pointed out, this deluge of special-interest money "creates the image—if not the reality—that Congress is becoming populated with legislative Ivan Boeskys, pursuing a political brand of insider trading in which the currency is public policy."

It's time to end the congressional campaign financing scandal.

It's time for Senate Republicans to join with their Democratic colleagues in limiting the amount of PAC money a congressional candidate can accept.

It's time to establish a voluntary system of spending limits and partial public financing.

It's time to enact S. 2.

[From the Huntington (WV) Herald-Dispatch, June 15, 1987]

Campaign Spending Should Be Curbed

One of the most important issues facing the 100th Congress is reform of the way congressional campaigns are financed.

As the Washington Post has said, the present congressional finance system "is fundamentally corrupt. Every citizen knows that. So does every legislator."

Now the Senate has an opportunity to address this national scandal. A campaign reform bill, S-2, sponsored by Senate Majority Leader Robert C. Byrd, D-W.Va., and Sen. David Boren, D-Okla., has been reported to the floor by the Senate Rules Committee.

Commenting when S-2 was introduced on the very first day of the current session, Senate Minority Leader Robert Dole, R-Kan., said, "I would only indicate that it is a matter that I feel should be addressed. . . . I do not believe there will be any effort to stall any such legislation." And yet that's exactly what some Senate Republicans apparently intend to do.

Using the filibuster and other obstructionist tactics to delay reform of the congressional finance system is a clear attempt by some Senators to evade their responsibility.

S-2 or something very much like it is a "must" if any common sense is to be restored to the way congressional campaigns are financed.

Two provisions are essential to any meaningful, comprehensive legislation to reform the current system: overall spending limits and limits on the total amount of political action committee contributions a candidate can accept.

Both of these provisions are found in S-2. The bill would establish a voluntary system of spending limits, as well as limits on the use of personal wealth, tying these to partial public funding. The bill also would place aggregate limits on the amount of PAC contributions a candidate may accept. If this provision had been in effect in the 1986 election, total PAC contributions to Senate candidates would have been cut by two-thirds—from $45 million to $16 million.

The need for comprehensive campaign spending reform has never been more clear or more urgent. As former Sen. Barry Goldwater has said, "Unlimited campaign spending eats at the heart of the democratic process. . . . Our nation is facing a crisis of liberty if we do not control campaign expenditures."

The time is long past due for Congress to address this dangerous problem.

[From the Morgantown (WV) Dominion-Post, June 9, 1987]

THE AUCTION BLOCK

The success of campaign finance reform at the congressional level will depend upon whether or not the various forces at work within the legislative body can effect a consensus that will provide a strong, comprehensive product.

The other day, during debate printed in the *Congressional Record*, there was general agreement upon five principles for real campaign finance reform. They are:

First: The arms race in campaign spending must be halted.

We need firm and realistic spending limits for federal candidates, and we must close the loopholes that allow surrogate spending to make a mockery of current law.

Second: Those limits must apply to primaries as well as general elections.

Third: We must dam the rivers of special interest money that are flooding our candidates and our parties.

That means tough restrictions on political action committees, including steps to ensure that, once limited, PAC money does not pop up somewhere else under some other name. Soft money, bundling, and independent expenditures must also be cut back.

Fourth: The only realistic way to achieve these goals is to adopt public financing of federal elections.

That is how we took presidential elections off the auction block in the 1970s, and it is time to do the same for Congress in the 1980s.

We are mindful that President Reagan himself took public financing in his presidential campaigns. It was not mandatory that he do so. He did not express at that time a resentment or suggest that Congress was acting illegally in ensuring that there were going to be public funds available for the funding of the presidential campaigns.

Fifth: The net impact of our proposals must be to encourage, not discourage, participation by citizens, both as candidates and as campaigners. Campaign reform must not become an exercise in incumbent protection.

We must not impose entry barriers which are unrealistic or constrain parties from encouraging citizens to be involved.

These, it seems to us, provide the kind of guidelines that we need. Citizens who feel strongly about campaign finance reform of congressional elections need to let their representatives know.

[From the Allentown (PA) Morning Call, June 11, 1987]

CAMPAIGNS: NEW MODEL NEEDED

Not so long ago it was a widely held belief that in a democratic society long periods of governance were interrupted by a fine-tuning process known as elections. But that belief has been a fiction in American politics for decades. The fact of political life in today's America is that for the most part our political leaders are engaged in a continuous political campaign. No sooner are the victors of November rejoicing over their victory than they start fattening up the war chest for their next campaign. In the case of members of the House of Representatives (who serve two-year terms), their round-the-clock campaigns only end with death, defeat or retirement.

Aside from the detrimental effect that this divided attention has upon the primary job of legislators—legislating—their continuous preoccupation for money grubbing produces a malaise in the body politic and an apathetic electorate. The campaigns are too long and too costly. The experience of Gary Hart provides an example of the direct link between the length of campaigns and their cost.

Before Mr. Hart declared his willingness to move into the Oval Office in 1989, his 1983-84 presidential campaign was still $1.3 million in the red. Unperturbed, the former senator expected to be given $900,000 in taxpayer money for his new campaign, some of which he would use to help pay his debtors from his last campaign. However, the Federal Election Commission nixed that request because Mr. Hart dropped out of the campaign before he got around to filing for the money. Any appeal by Hart should fall on deaf ears. As we argued before in this space, no presidential candidate should qualify for taxpayer money until all previous campaign debts have been honored. Bankrupts (a name Mr. Hart may assume) need not apply.

Closer to home, the campaign finance picture is little brighter. Pennsylvania candidates for U.S. House and Senate seats in 1986 received a record $7.5 million from political action committees. These candidates spent a record $21.3 million in their election efforts. In 1980, the cost of these campaigns was $7.2 million—$2 million less than Senator Arlen Specter and his challenger, Bob Edgar, spent in last year's senatorial battle.

There are two ways to break the back of interminable campaigns and their multimillion-dollar price tags. The first is to limit the length of campaigns—almost an impossibility in our system. The second possibility—campaign-finance reform—though, is possible. That is if the politicians will it. Right now, Senate Republicans have bottled up a bill that would provide public financing of Senate campaigns—an improvement over the present vested-interest-financed campaign.

In the meanwhile, those Americans who suffer from domestic political campaign fatigue can direct their attention to Western Europe. There is a great deal to recommend the dispatch with which the European parliamentary democracies order their election process. For example, today millions of Britons will go to the polls to elect a government. It is a process that was last played out in 1983. Then, as now, the campaign was limited to three weeks.

If the purpose of a national election is to elect a national government, then the shortest time practicable to accomplish this is preferable. This would allow the government to do what it's expected to do—govern—and not have its members constantly occupied with raising money and spending time on the next election. So far the politicians who control the political process of campaign reform have shown little inclination to mend their ways. Although this is not surprising, it is disappointing. If the European election model fails to attract our politicians, at least they could make the effort to devise a streamlined American model.

[From the Astoria, (OR) Daily Astorian, June 24, 1987]

SUBSTANTIAL BEGINNING

The debate in the United States Senate regarding campaign financing has produced no surprises. Senators are reluctant to give up an arrangement that serves them well, but they know they must. They cannot avoid confronting the hard facts that campaigns for the Senate cost too much and that the candidates must depend too much on special interests for the funding of their campaigns.

Major reform is proposed by two Democrats, Sen. David Boren of Oklahoma and Sen. Robert Byrd of West Virginia. They have 47 co-sponsors. They would use limited public financing of congressional campaigns as it is used in presidential campaigns. They would tie this to a limitation on how much political action committees could contribute singly or in groups to an individual candidate.

The U.S. Supreme Court has ruled that limits can be placed on campaign spending and contributions only if accompanied by a system of public finance.

Republican senators, led by Bob Packwood, would prohibit all direct PAC contributions to candidates. But they would permit PACs to make contributions to political parties. Of course the parties would send the money on to candidates.

If you accept the theory that a sinner knows best how to cope with sin, Sen. Packwood has imposing credentials. He raised a huge amount of money—much more than he was able to spend—to get re-elected. Much of it came from PACs. Charging lobbyists $5,000 to have breakfast with him handsomely benefited Packwood.

The proposal which Packwood espouses would not get a handle on congressional campaign finance for it really wouldn't change anything. The Boren-Bird plan wouldn't entirely clean up an arrangement that is begging for reform but it would make a substantial beginning.

[From the Athens (TX) Daily Review, June 5, 1987]

AS WE SEE IT: CONGRESS PONDERS ITS OWN "FILTHY LUCRE"

Money is on the mind of Congress these days—money scandals, to be specific. Congressional investigators are trying to trace the byzantine trail of funds connected to the Iran-Contra affair, and legislation is in the works that would deal with the Wall Street money scandal of insider trading. But Congress is dealing with a money scandal of its own as well—a scandal that involves the way congressional elections are financed.

A growing number of lawmakers are expressing dismay at the amount of money required to run for re-election and the amount of time it takes to raise that money. Chief among them is Senate Majority Leader Robert Byrd, D-W.Va., who complains that his colleagues are spending so much time trying to raise campaign funds that they have no time for Senate business. Byrd and Sen. David Boren, D-Okla., are cosponsors of legislation to curb political action committees (PACs) and limit campaign spending.

As approved by the Senate Rules Committee, the Byrd-Boren bill, Senate Bill 2, would create a series of voluntary spending limits in Senate primary and general election races. It also would provide public funds for general election candidates who agree to abide by those limits. Spending for Senate races in the 1987-88 election cycle would be set at about $181 million.

The bill also would limit the amount House and Senate candidates may accept from PACs. Initially, the ceilings would range from $190,950 to $825,000 in Senate races, depending on the population of the state involved, and from $100,000 to $150,000 for House candidates, depending on the number of contested elections faced.

The Byrd-Boren proposal faces heavy opposition from Republicans, many of whom view public financing of campaigns as anathema. They have threatened to kill the bill by filibuster, and they are rumored to be working on an alternative measure. The Republican measure would limit PAC contributions but would not include public financing or spending limits.

Though the Republican measure would effect the status quo only slightly, it's reassuring that they at least recognize change is needed. With spending going up in each of the last five election cycles monitored by the Federal Election Commission, with special-interest PAC contributions to House and Senate candidates reaching a record $130 million in the 1986 election and with the 100th Congress more indebted to special interests than any Congress in the nation's history, the need for significant change is urgent.

Senate Bill 2 will reach the floor of the Senate sometime in June. As it looks now, Byrd has enough votes to pass the bill, but he does not have the 60 votes needed to invoke cloture if the Republicans filibuster. We hope he will push hard to get the necessary votes.

[From the Augusta (ME) Kennebec Journal, June 16, 1987]

CAMPAIGN REFORM NEEDS GOP BOOST

The good news is that reform of congressional campaigns, with their vicious television commercials and exorbitant cost, is possible this year. The bad news is that the debate is proceeding along partisan lines, with Senate Democrats almost unanimously in favor of a public financing plan, and Republicans opposed.

The Senate is fertile ground for reform. Most senators are simply sick and tired of spending much of their time hounding potential contributors for the millions of dollars it takes to win a Senate seat these days. With contribution limits more or less ruled out by a 1976 Supreme Court decision, public financing—as in presidential races—is the obvious alternative.

Yet the Republicans are balking. In recent years, they have piled up a huge fundraising advantage over Democrats, and are reluctant to yield that edge.

The effect on attitudes is apparent. The party-line consensus is clearer on this issue than perhaps any other, even such "litmus test" votes as aid to Contras. On a motion to limit debate on the Byrd-Boren bill, every Democrat but three voted yes, and every Republican but two voted no. (Maine's George Mitchell (D) voted yes and William Cohen (R) voted no.)

Republican senators, anxious to avoid being labelled as defenders of the deplorable status quo, have offered various alternative bills, none of which, however, is a serious attempt to clean up the situation. Limiting contributions by political action committees has been tried and has failed. Allegedly "independent" spending in support of a candidate has multiplied and made a mockery of the existing PAC limits. Only by capping the overall costs of campaigns, and using partial public financing—with candidates matching the amount from taxpayers—will we ever stop auctioning seats to the highest bidder.

If that last statement seems harsh, consider the number of incumbent senators—and unsuccessful aspirants—who ran for the office almost solely on the basis of their private wealth. The majority of current senators are millionaires—not exactly representative of the American people. And a majority—even from small states such as Maine—spent more than a million dollars in their most recent campaign.

How to break the partisan deadlock? Perhaps offer a sweetener for the GOP, allowing increased contributions from national party headquarters.

But in the end, the Republicans must ask themselves this question: is their demonstrated fundraising clout really an advantage when the average voter is disgusted by **the excesses of campaigning with the buy**-and-sell atmosphere and the television commercials, repeated hourly, appealing to everyone's worst instincts?

Sen. Cohen, we hope, will change his mind and vote to end the filibuster, and then for campaign reform.

[From the Bakersfield (CA) Californian, June 29, 1987]

YACKETY, YACKETY, YACK!

When is a debate not a debate? When it's a debate, of course. In the looking-glass world of congressional politics that absurdity makes sense, even if the phenomenon it describes does not.

S2 is a bill by Senate Majority Leader Sen. Robert C. Byrd of West Virginia and Sen. David Boren, D-Okla., supported by Common Cause. It is a comprehensive federal campaign finance-reform measure. It is separate from a state initiative dealing with many of the same issues sponsored by a similarly named group, California Common Cause.

That there is a need for reform is almost unarguable. According to federal figures, in the last 10 years, U.S. Senate campaign costs quintupled—at one point doubling in two years!

At the present rate of increase, a person who next year wins a U.S. Senate seat will have to raise more than $1,300 every day (including Saturdays, Sundays and holidays) for the entire six-year term to finance his reelection campaign—and that is with the incumbent's advantage!

Those projections are based on average national costs, which usually are less than California's, so the seat now held by Pete Wilson, which will be contested then, will be at prices predictably higher. Incredibly, in the following term, increases will continue, quadrupling again over the present quintupled costs.

Aside from disproportionate inflation in the cost of politics compared to all other inflation components as a problem is the source of the money.

Contributions from special-interest political action committees—ironically envisioned as a Watergate-era campaign reform—are increasing faster than campaign costs. That means that contributions from individuals and groups within a district are becoming proportionately less of a candidate's war chest and interest.

To mitigate drawbacks, many solutions have been suggested. Naturally, there is disagreement on such issues as public financing, the so-called "millionaire's loophole" (the ability to use one's own money in a campaign without limit), mandated TV ad rates, etc.

Opponents of S2 have begun a filibuster—a non-stop debate—literally not letting the other guy get a word in edgewise: no meaningful give-and-take debate, no votes, no solution, no end to it.

Thus, we have the world's greatest deliberative body—as the Senate likes to bill itself—crippling itself.

It does not matter what side one takes on this issue. The issue does not even matter in the larger sense.

What matters is that despite the heroism with which filibusterers characterize themselves—voting and civil rights, Vietnam, fair housing and states rights are issues that come to mind that were subjects of a filibuster—it essentially is an undemocratic procedure designed to stifle the expression of differing points of view and votes on them.

The Senate should cease demonstrating the antithesis of all it thinks it stands for. Filibusterers should have the courage to allow a vote up or down on S2's considerable merits and amendments that may be offered as compromise solutions to some of its problems.

If senators don't deserve this basic courtesy of democracy, citizens do.

[From the Bangor (ME) Daily News, June 18, 1987]

CAMPAIGN FINANCING

Senate Democrats and Republicans are haggling over competing campaign finance reform plans in what is described as the best opportunity in years to get things changed. They should get together and design meaningful bipartisan reform. It's about time.

The campaign-financing problem is not that politicians are accepting bribes in briefcases. Rather, they're openly accepting huge campaign contributions from special interest groups, which, in effect, buy access to their offices, and drive up the cost of campaigning by quantum leaps. Frequently, the money comes from wealthy out-of-state organizations representing narrow special-interest groups, not local folks.

The impact is evident:

Senate winners in 1986 spent an average of $3 million, five times higher than a decade previously. During the same period, Senate PAC donations increased by a factor of nine.

Meanwhile, almost half the members of the U.S. House of Representatives got half of their money from PACS in 1986 (both of Maine's representatives received less), with the vast majority of the funds going to incumbents.

The Democrats' plan, co-sponsored by Sen. George J. Mitchell, makes a comprehensive stab at serious reform. It asks candidates to place a lid on their campaign expenditures, and to further limit their take from the political action committees. In return, they get public funding for a portion of their expenses, the limit depending on the voting population in their states. The system is voluntary, and it conforms to U.S. Supreme Court rulings.

In Maine, Senate candidates would be able to raise $190,950 from PACs, and spend up to $950,000 overall. Compare that to the 1984 Senate election in which Sen. William S. Cohen raised $417,657 in PAC money and spent $1,007,359 overall. Or compare it to the 1982 election in which Sen. George J. Mitchell raised $562,253 in PAC money and spent $1,208,026.

The new limits obviously would mean candidates would have to raise more money from the grassroots, and spend less on slick TV spots and other high-tech gimmicks. The new limits would slow the rise in campaign costs. And, most important, they would lessen the perception that politicians are being bought off by special interests.

The Republican alternatives don't deal with reform in as comprehensive a way. For example, they rule out spending limits on the premise they would favor incumbents, who are already much better known than challengers. This is not what has occurred with public financing of presidential campaigns, however. Since 1976, two of the first three challengers to incumbent presidents won their elections.

One of the Republicans bills purports to ban PAC spending altogether, but it leaves a big loophole in the practice of "bundling." That occurs when PACs channel individuals' checks to candidates in a way that doesn't count toward the PACs' own donation limit. Such a half-hearted approach to change is unacceptable.

Public financing would be paid for by doubling the campaign income-tax checkoff from $1 to $2. The $50 million price tag for a cleaner campaign system would be relatively cheap. As Common Cause Chairman Archibald Cox points out, that's less than what Congress spends on military bands. How much is too much to clean up Congress' image, and slow down the rise in campaign costs?

[From the Boston (MA) Globe, July 5, 1987]

CAMPAIGN-FINANCE CURBS

The U.S. Senate spent much of last month debating S. 2, the Senatorial Election Campaign Act of 1987, which would provide public funds for willing Senate candidates and limit political action committee money for all.

The Senate has spent time on the issue largely because the majority leader, Sen. Robert C. Byrd (D-W.Va.), believes that "our electoral system is in crisis and badly in need of overhaul."

The minority leader, Sen. Bob Dole (R-Kan.), believes that the Republican Party, as it approaches the post-Reagan era, will be in crisis if its ability to spend money is limited. He has supported a filibuster against S. 2 with some lame rhetoric: "Why are we not addressing soft money? What about all the phone banks that organized labor uses in Democratic campaigns?"

Dole complains that "Putting on a campaign-expenditure limit is, in effect, putting a brake on our growth in certain parts of the country." Can Republican ideas flourish only regionally? Dole insists that "we are not trying to drive true volunteers off the political scene," but big money fuels big consultant fees and consultants find volunteers a nuisance.

Sen. Phil Gramm (R-Texas) says, "There is something very un-American about the whole approach" to public funds. It was not un-American when President Reagan agreed to accept voluntary limits in 1980 and 1984. The president obviously thinks that Republican ideas are strong enough to do without millions in advertising fertilizer.

Dole—who will soon be accepting "un-American" public funds for his presidential campaign—has made this issue a partisan test, along with Sen. Bob Packwood (R-Ore.) and others who are ignoring the real strengths of their own party.

Curbing big money was one of the final efforts of Barry Goldwater before he retired from the Senate. Goldwater, like Reagan, had the courage of his convictions. Only two Republicans, Sens. John H. Chafee of Rhode Island and Robert T. Stafford of Vermont, have voted to stop a filibuster aimed at protecting their party's money advantage. They are beginning to look wiser each day.

[From the Boulder (CO) Daily Camera, July 7, 1987]

LIMIT CAMPAIGN SPENDING

Sponsors of a Senate bill aimed at congressional campaign finance reform have offered an alternate plan in an effort to shut off a filibuster led by Senate Minority Leader Robert Dole, R-Kan.

Noting that many senators have claimed to be in favor of campaign spending reform but have problems advocating public financing, sponsors, led by Sen. David Boren, D, Okla., altered their proposal to restrict public financing to just the cases where candidates attempt to "buy" an election.

Sen. Dole and others blocking consideration of the original S.B. 2 have repeatedly said that they haven't heard a demand from the folks back home for taxpayers to pick up the cost of congressional campaigning.

Responding to the substance of the complaint, Sen. Boren and Senate Majority Leader Robert Byrd, D-W.Va., last week proposed a compromise. The new proposal would rely on campaign spending limits established on the basis of population, and would limit aggregate political action committee spending in each race.

Public financing would be provided only in instances where candidates violate the legal limits in an attempt to overwhelm their opponents.

This is a serious compromise on the part of the sponso2s of S.B. 2, in our opinion. It removes a valid objection—that public financing might add too much in new expenses at a time when the most pressing issue facing the country is the mounting national debt. Given a good-faith effort on the part of those seeking office, the new reform measure should cost very little. At the same time it would stop the runaway cost of campaigning and end what has become a national scandal of PAC-controlled politics.

In a recent editorial, the Washington Post pointed out that the average campaign for the Senate now costs around $3 million. That means that an incumbent has to raise almost $10,000 a week for his entire term of office to meet the competition. The National Journal has reported that at the end of 1986, four Senate incumbents had raised $1 million each for their 1990 campaigns. Three other incumbents had already raised over $700,000 for their 1990 campaigns.

Surely the demands of such heavy money raising cut into the quality of performance in office. The Senate can end this treadmill of wasted effort by voting to end the filibuster on campaign finance reform when it comes up later this week. The bill's sponsors have earned a full debate on the measure with their new and better proposal.

[From the Bozeman (MT) Daily Chronicle, June 23, 1987]

LIMIT PAC INFLUENCE

SENATE CAMPAIGN BILL A GOOD STARTING POINT

Every so often Congress comes face-to-face with its own self interests and the resulting battles are typically severe and protracted.

That's the case today as the U.S. Senate wrestles with a bill designed to curb campaign spending and reduce the influence of organizations that dole out cash to their favorite politicians.

The bill would set voluntary spending limits in Senate races and give Senate candidates public campaign funds in return for staying within those limits. The bill would place a limit on the total amount of contributions a candidate could receive from political action committees, or PACs.

According to Common Cause, had the Senatorial Election Campaign Act been law during the 1986 Senate elections, PAC contributions to candidates would have been slashed from nearly $29 million to $10 million.

If the bill had been law during the 1985-86 campaigns, Idaho Sen. Steve Symms would have been allowed about $191,000 in PAC contributions instead of the $1.36 million he reportedly received.

The bill, in spirit, is a step in the right direction and away from the ritual money chasing that has become a hallmark of congressional campaigns.

The hunt for PAC donations not only gives incumbents a tremendous advantage and sends campaign costs skyrocketing but it encourages public suspicion about the strings attached to such massive donations.

Although there is much lipservice sympathy for the idea of lowering campaign costs and reducing the potential for scandal, the finance reform bill is being effectively stalled by Senate Republicans.

One problem with the bill, critics say, is its use of public tax dollars for campaigning. The money would be offered as an incentive to candidates who voluntarily limit PAC receipts. There may be room for compromise on that point—candidates could be given mail privileges instead of cash, for instance—but the use of some form of public incentive to reduce PAC influence may be necessary.

But the major GOP objection the campaign finance bill has nothing to do with tax dollars or public policy. The sticking point is politics.

The problem, Republican critics say, is timing. Limits on campaign spending couldn't come at a worse time for the GOP minority which naturally wants no limits placed on the amount of money it feels it needs to spend to recapture control of the Senate.

In effect, the proposed spending reforms would give Democratic incumbents the upper hand in keeping their majority, Republicans argue. Would Democrats be so willing to limit PAC contributions if they were in the minority?

While there may be some short-term validity to the GOP complaint, that purely political argument could be used to effectively kill any move to get campaign spending under control. One party or another will always be in the minority.

Congress has to start somewhere and now is as good a time as any.

Only the most naive believe that money has little influence on political decisions. That influence must be controlled and the Senatorial Election Campaign Act is a worthwhile place to begin the job.

[From the Brookings (SD) Daily Register, June 5, 1987]

A DUBIOUS DISTINCTION

This past fall, South Dakota finished first in something, but it was a rather dubious distinction.

To get your vote in the race for the Senate, Tom Daschle and Jim Abdnor combined to spend more than $25 per vote, more than double the previous per-vote spending record set in 1984 in the race between Sen. Jesse Helms and Gov. Jim Hunt in North Carolina.

More than $7,000,000 was spent electing a senator from South Dakota!

The Daschle-Abdnor confrontation was only one example of how public trust in our election system is being undermined by big money interests who invest huge sums of money to curry favor with candidates.

It's understandable that voters are starting to wonder if their candidates are being bought and paid for by the special interests.

The process of raising and spending such huge amounts of money is what was in question this week as the Senate began debate on a bill to limit campaign spending.

In a statement made in April, Daschle said, "More than any other single facto2 it is this almost unlimited funding that is a problem. If we are ever to get a handle on the multiple maladies that afflict our campaign financing system, our very first step must be to limit spending."

That is what Senate Bill 2 is designed to do.

S-2 is the Senatorial Election Campaign Act which was introduced by Sen. David Boren, D-Okla., and Senate Majority Leader Robert Byrd, D-W.Va. It's the first comprehensive campaign finance reform bill sent to the full Senate since 1977.

The bill provides a system of public financing for Senate elections. It would require candidates to limit their total spending in both the primary and general elections in return for being eligible to receive public funds to finance their general election campaigns.

In South Dakota, that limit would be $950,000 on the general election per candidate and $636,500 in the primary.

That limit of $1.6 million is well under half what both Daschle and Abdnor spent in 1986.

That extra $2 million allowed the candidates to go far beyond what was necessary to get their messages to the voters of South Dakota. There was so much money in the two campaigns that they almost couldn't spend it all.

In the last few weeks, the money which was burning a hole in the pockets of the candidates was used to burn their opponents with negative advertising.

The presence of big money throughout the campaign created another problem for the candidates. The candidates had to spend an inordinate amount of 4ime trying to get those big bucks into their coffers.

That meant hours and hours on the phone and in meetings courting the big money people. Now even the most naive must wonder what promises had to be made to get that money.

The second important part of S-2 is a limit on how much money a candidate can accept from political action committees.

The limit in South Dakota would be $190,950.

For example, if S-2 had been in effect during the last election, the PAC receipts of Daschle would have been cut a whopping $971,000; for Abdnor, the cut would have been equally dramatic at $892,000.

We don't need to spend $7 million to get the message of candidates to the people of South Dakota.

If we don't limit campaign spending soon, what the voters of our state think won't much matter anymore.—Doug Anstaett, editor and publisher.

[From the Buffalo (NY) News, July 5, 1987]

CONGRESS SHOULD ADOPT ELECTION SPENDING CURBS

A sorely needed measure to reform congressional campaign financing is bogged down in the Senate—thanks to filibustering by misguided Republican opponents.

The bill, sponsored by Sen. David Boren, D-Okla., and Senate Majority Leader Robert Byrd, D-W.Va., is modeled on the successful method of funding presidential campaigns and would provide partial public funding for Senate candidates who agree to abide by voluntary spending limits.

It would also restrict the total amount of money a candidate can accept from political action committees (PACs) set up by a wide assortment of special interest groups.

Public financing of campaigns has its drawbacks, but it is the only practical way of getting candidates to accept campaign spending limits. The Supreme Court has ruled out mandatory limits on campaign spending as an unconstitutional infringement on the right of free speech, so any limits must be voluntary.

The significant fact is that public funding has worked very well in controlling spending and restraining the influence of private money in presidential elections.

The need for a similar plan for congressional campaigns is clear. The cost of these campaigns has reached vast proportions, and the growing dependency of candidates on PAC dollars, in particular, ought to alarm every citizen who recognizes the potentially corrupting nature of special interest financing.

Sen. Boren pointed out that the average cost of a successful Senate campaign has soared from $600,000 to more than $3 million in just 10 years. One consequence, as he noted, is that senators must spend more and more of their time, not on representing their constituents and working for the country, but simply on rising campaign funds.

"At this rate," said Boren, "a newly elected senator will have to raise more than $40,000 every single month of his or her six-year term just to fund a re-election race in 1992."

The surge in PAC contributions is no less worrisome. Common Cause, a leading proponent of campaign financing reform, stressed that PAC contributions to Senate candidates have grown from $5 million in 1976 to $45 million last year. One out of four senators received $1 million in PAC funds.

There is no excuse for Congress to continue to hide from this problem. In the words of Common Cause President Fred Wertheimer, the public financing bill now before the Senate is fair legislation "that will limit campaign spending and the undue influence of political money in Congress while allowing for competitive elections."

Unless its supporters make their feelings known, however, effective campaign reform is likely to remain buried under an continuing avalanche of special interest dollars.

[From the South Idaho Press, Burley, ID, June 14, 1987]

EFFORT ON TO CUT POWER OF PAC'S

Money is on the mind of Congress these days—money scandals, to be specific. Congressional investigators are trying to trace the byzantine trail of funds connected to the Iran-Contra affair, and legislation is in the works that would deal with the Wall Street money scandal of insider trading. But Congress is dealing with a money scandal of its own as well—a scandal that involves the way congressional elections are financed.

A growing number of lawmakers are expressing dismay at the amount of money required to run for reelection and the amount of time it takes to raise that money. Chief among them is Senate Majority Leader Robert Byrd, D-W.Va., who complains that his colleagues are spending so much time trying to raise campaign funds that they have no time for Senate business. Byrd and Sen. David Boren, D-Okla., are cosponsors of legislation to curb political action committees (PACs) and limit campaign spending.

As approved by the Senate Rules Committee, the Byrd-Boren bill, Senate Bill 2, would create a series of voluntary spending limits in Senate primary and general election races. It also would provide public funds for general election candidates who agree to abide by those limits. Spending for Senate races in the 1987-88 election cycle would be set at about $181 million.

The bill also would limit the amount House and Senate candidates may accept from PACs. Initially, the ceilings would range from $190,950 to $825,000 in Senate races, depending on the population of the state involved, and from $100,000 to $150,000 for House candidates, depending on the number of contested elections faced.

The Byrd-Boren proposal faces heavy opposition from Republicans, many of whom view public financing of campaigns as anathema. They have threatened to kill the bill by filibuster, and they are rumored to be working on an alternative measure. The Republican measure would limit PAC contributions but would not include public financing or spending limits.

Though the Republican measure would effect the status quo only slightly, it's reassuring that they at least recognize change is needed. With spending going up in each of the last five election cycles monitored by the Federal Election Commission, with special-interest PAC contributions to House and Senate candidates reaching a record

$130 million in the 1986 election and with the 100th Congress more indebted to special interests than any Congress in the nation's history, the need for significant change is urgent.

[From the Burlington Free Press, Burlington, VT, June 16, 1987]

DEMOCRATS' BILL TO BLUNT PAC'S WORTH PASSING

Even in Vermont, where the cost of a seat in the U.S. House or Senate is notoriously low by national standards, entirely too much money is being spent on political campaigns.

Excessive spending is fueled by more and more cash from political action committees, or PACs. As the power of government to regulate private interests has grown, so has the appetite of those interests to win and keep friends through judiciously distributed campaign contributions.

For the first time in more than a decade, Senate leaders appear to be serious about campaign spending reform. Democrats have written a bill worthy of passage not because it is ideal, but because it goes about as far as Congress can be expected to go on an issue so dear to every member's heart.

The Democrats would offer public funding to any Senate candidate who accepts spending limits, and would set a limit on PAC contributions to candidates and national political parties.

Republicans complain the Democrats want to pick the taxpayer's pocket to finance their own re-election and have blocked action on the bill. But what have the Republicans offered in return? Their own proposals are mere tinkering with the size of individual contributions.

Public financing might not be anybody's first choice. But a U.S. Supreme Court ruling has made mandatory spending limits unconstitutional. Voluntary limits offering the carrot of public funding seem to be best remaining choice.

It could be argued, in fact, that the Democrats didn't go far enough. Their proposal would not so much reduce campaign spending, as put a limit on future increases. (Under the proposed rules, a candidate could still spend more than $8 million on a campaign in California).

Nor would the bill necessarily work to an incumbent's advantage, at least in Vermont. Here, the bill would limit each candidate to about $1 million on the general election (plus, another $650,000 in the primary).

Last year, Sen. Patrick Leahy, D-Vt., spent $1.6 million defeating Republican Richard Snelling (who spent $1.2 million). Leahy was also much more dependent on the PACs, which kicked in more than 40 percent of his funding. The new law would limit him to 30 percent of the primary election spending limit.

The cost of running for federal office in the United States has doubled in the last 10 years. If the cost is not to double again, if elections are not to be buried in an avalanche of special interest money, if candidates are not to spend more time talking to out-of-state fundraisers than to their voters, Congress must seize the opportunity offered by the Democratic proposal.

[From the Nevada Appeal, Carson City, NV, July 2, 1987]

ELECTION FINANCE REFORM NEEDED

The U.S. Senate is tied up in knots over an issue that to lawmakers is of paramount importance.

It's not the Iran-Contra scandal or the budget or trade strategy. It's money—campaign money, to be exact.

Since early June, Senate Minority Leader Robert Dole, R-Kan., and most of his Republican colleagues have been engaged in a filibuster to prevent the Senate from acting on Senate Bill 2, much-needed legislation that would alter the system of election finance.

At issue is a Democratic-sponsored measure that would create voluntary spending limits in Senate elections, provide public funds for Senate general-election candidates agreeing to abide by the limits and restrict the amount of money that House and Senate candidates may accept from political-action committees, or PACs.

In 1988, if the bill were to pass, general-election limits would range from $950,000 in a low-population state such as Wyoming to nearly $5.5 million in California.

Senate Republicans don't necessa2ily dispute the need for campaign reform. Dole himself has spoken out about the outrageous expense of running for public office and the undue influence that PACs wield as a prime source of campaign financing.

In the past 10 years, PAC contributions to Senate candidates have increased from $5 million to $45 million; campaign spending in Senate elections has increased from $38 million to $179 million. Senators complain about becoming "panhandlers."

In the words of the public-interest lobby Common Cause, "We have seen a monster created, a fundamentally corrupt campaign-finance system for Congress."

Senate Republicans object to the idea of using government money to run congressional campaigns—even though the public financing scheme for presidential candidates is working well. They argue that spending limits in congressional campaigns help incumbents to the detriment of challengers.

The Republicans have offered a compromise that, in effect, is no compromise. It would cut the maximum amount that any single PAC can give to a candidate, but it would eliminate the spending limit and public-financing components of the legislation.

Campaign reform simply will not happen without spending limits.

The Supreme Court has ruled that there must be some form of public benefits in order to establish a system of voluntary campaign-spending limits.

The spending limits contained in Senate Bill 2 are reasonable and voluntary, as required by the Supreme Court.

If presidential elections are a reliable guide, Senate Bill 2 will provide for competitive elections. Neither party will be at a disadvantage.

Dole and his fellow filibusterers need to step aside and give the reform legislation a chance to slay the campaign monster.

In doing so, they would be helping restore the integrity of our representative form of government.

(Appeal editorials are the opinions of the newspaper's editorial board. All other opinions expressed on the Opinion page are those of the artist or author indicated.)

[From the Chandler (AZ) Arizonan, May 29, 1987]

CAMPAIGN FINANCE REFORM DUE

The Senatorial Election Campaign Act has cleared the Senate Rules Committee but faces the roadblock of a Senate filibuster unless integrity wins out over greed in the hearts of some members of the Senate.

The bill, known as the Boren-Byrd amendment, would place overall voluntary spending limits on senatorial campaigns and limits on the amount of political action committee contributions a candidate could accept.

Among those in opposition to the campaign finance reform act are such big-gun PACs as the American Medical Association and the National Association of Home Builders.

Supporters of the legislation include the American Association of Retired Persons and the International Association of Chiefs of Police.

Senate opposition already has set up a ruse in the amendment introduced by Sen. Todd Stevens, R-Alaska. It is campaign finance reform in name only, and contains neither the spending limits nor the PAC contribution limits.

PAC contributions to Senate candidates have jumped from $5.4 million in the 1976 election to $45.7 million in the 1986 election. In the 1976 election it took an average of $610,000 to win a Senate race. In 1986 it took $3 million.

Election campaigns are too expensive and financed to too great a degree by PACs. The Senatorial Election Campaign Act is long overdue.

[From the Chillicothe (OH) Gazette, May 28, 1987]

CAMPAIGN ACT NEEDED TO CURB SPENDING

Money sets the world in motion, and politicians want all the action they can get.

Currently the full Senate has in its hopper the Senatorial Election Campaign Act which would put an overall spending limit and limits on the total amount of Political Action Committee contributions a candidate can accept.

The act, designated S. 2, has picked up momentum, winning endorsements by 65 national organizations, the support of 49 senators—only two short of the majority needed for passage—and according to a Gallup Poll the approval of a majority of the American people who feel campaign expense reform is long overdue.

So, what's the problem? Opponents vow to block action on S. 2 by filibustering. To end such a filibuster, 60 senators would have to vote for cloture, and that means S. 2 is in deep trouble.

The PACs, which invest millions in legislators to ensure favorable votes on their pet projects, are not about to take reform lying down. Without the leverage of virtually unlimited cash contributions, the committees would find their powers checked.

Congressional campaigning is costly; in the last 10 years overall expenditures on Senate races have increased fivefold from $38.1 million in 1976 to $178.9 million in 1986.

The reform act would clamp a lid on such outrageous spending. Candidates would be required to agree to limit total spending in both the primary and general election in return for which they would be eligible for public funds for the general election campaigns.

The electorate has a right to expect its senators and representatives to do the job for which they presumably have been elected. That is to govern. Not be the puppets of the money machines that churn out the wherewithal needed to keep them on the Congressional payroll.

[From the Messenger, Clemson, SC, June 5, 1987]

CONGRESS PONDERS

Money is on the mind of Congress these days—money scandals, to be specific. Congressional investigators are trying to trace the byzantine trail of funds connected to the Iran-Contra affair, and legislation is in the works that would deal with the Wall Street money scandal of insider trading. But Congress is dealing with a money scandal of its own as well—a scandal that involves the way congressional elections are financed.

A growing number of lawmakers are expressing dismay at the amount of money required to run for re-election and the amount of time it takes to raise that money. Chief among them is Senate Majority Leader Robert Byrd, D-W. VA., who complains that his colleagues are spending so much time trying to raise campaign funds that they have no time for Senate business. Byrd and Sen. David Boren, D-Okla., are co-sponsors of legislation to curb political action committees (PACs) and limit campaign spending.

As approved by the Senate Rules Committee, the Byrd-Boren bill, Senate Bill 2, would create a series of voluntary spending limits in Senate primary and general election races. It also would provide public funds for general election candidates who agree to abide by those limits. Spending for Senate races in the 1987-88 election cycle would be set at about $181 million.

The bill also would limit the amount House and Senate candidates may accept from PACs. Initially, the ceilings would range from $190,950 to $825,000 in Senate races, depending on the population of the state involved, and from $100,000 to $150,000 for House candidates, depending on the number of contested elections faced.

The Byrd-Boren proposal faces heavy opposition from Republicans, many of whom view public financing of campaigns as anathema. They have threatened to kill the bill by filibuster, and they are rumored to be working on an alternative measure. The Republican measure would limit PAC contributions but would not include public financing or spending limits.

Though the Republican measure would effect the status quo only slightly, it's reassuring that they at least recognize change is needed. With spending going up in each of the last five election cycles monitored by the Federal Election Commission, with special-interest PAC contributions to House and Senate candidates reaching a record $130 million in the 1986 election and with the 100th Congress in the nation's history, the need for significant change is urgent.

Senate bill 2 will reach the floor of the Senate sometime in June. As it looks now, Byrd has enough votes to pass the bill, but he does not have the 60 votes needed to invoke cloture if the Republicans filibuster. We hope he will push hard to get the necessary votes.

[From the Cleveland (OH) Plain Dealer, June 23, 1987]

THE MUGGING OF S2

Everybody agrees that Congress needs to reform the system of financing campaigns. So why are Senate Republicans opposing that very effort? For three weeks (going on four) they have stalled action on a bill that would overhaul Senate campaign financing. They haven't offered any meaningful alternatives; they haven't raised any credible objections; they haven't offered any improvements. It is said that they are filibustering the bill, but they aren't. They're mugging it.

As written, the Senatorial Election Campaign Act (S2) would limit the total amount of money a candidate could receive from political action committees. It also would outlaw "bundling," a loophole through which PACs escape the $5,000 limit on their donations by delivering personal checks from PAC members. And it would establish voluntary spending limits for Senate candidates. As part of that voluntary limit, it would offer public financing to candidates who agree to the limits.

Arguments against the bill are difficult to pin down, largely because they are difficult to make. The Republican refrain has been, simply, that public financing somehow is bad. That sounds especially strange, however, when you consider that the man leading the opposition is Sen. Robert Dole, who was the grateful recipient of almost $450,000 in public funds for his brief, 1980 presidential campaign, and who recently received certification for public funding for his 1988 campaign.

Does public financing somehow skew electoral return? Not so you'd notice. In 1976, a Democrat beat an incumbent Republican. In 1980, a Republican beat an incumbent Democrat. And in 1984, a Republican incumbent was re-elected. Rather than distorting the campaign process, public financing seems to even it out. And if it's good enough for the presidency, it should be good enough for the Senate.

Despite the obvious absence of credible reasoning, Republicans, have remained remorseless. Senate Majority Leader Robert Byrd and Sen. David Boren, two Democrats who are devoted to the idea of Senate campaign finance reform, have thus been forced to seek compromises. The one currently in the works is sensible enough: Candidates who agree to spending limits would receive no public funds unless their opponent spends beyond the limit. The incentive for restraint is clear. What Senate hopeful would want to trigger public funds for his opponent? You can niggle about what the formula for spending limits should be, and how best to cap aggregate PAC contributions. But if Republicans agree with the basic idea of spending limits and only object to public financing, then this compromise is indisputably fair.

The proliferation of political action committees and their shameless manipulation of the limits of what they can contribute has helped inflate campaign spending to nearly impossible heights. In the last congressional elections, 4,000 PACs contributed $130 million to candidates. Reform is essential, and the Byrd-Boren compromise, if worked out, should satisfy every reasonable objection. If Republicans continue to fight campaign reform, they will only perpetuate and magnify the common belief that the Senate is available only to the highest bidders.

[From the Columbia (SC) Record, June 23, 1987]

HOLLINGS—PAC BILL "DAMNDEST ARROGANCE"

The world's most famous (or is it infamous?) deliberative body, the United States Senate, has spent more than three weeks in inconclusive, partisan wrangling over a fundamentally sound piece of legislation, one which would bring about genuine campaign reform. Five times proponents have sought cloture to break a Republican-sparked filibuster and failed. It is time surely, to resolve the impasse and send the bill to the House.

The legislation, commonly called S.2, is co-sponsored by 45 Democrats and two Republicans. It establishes a system of voluntary public financing for Senate elections, an extension of the check-off system now provided on income tax returns for funding presidential campaigns. Equally important, the bill sharply restricts the amount of money candidates can spend and accept from political action committees (PACs). It would allow Senate candidates to apply for public funds if they meet certain requirements or restrictions. For example, they would have to limit total general election spending to a specific amount depending on the population of the state.

It should come as no surprise that both South Carolina Senators—Republican Strom Thurmond and Democrat Ernest F. "Fritz" Hollings—oppose the bill. Both have been big PAC beneficiaries in past re-election efforts. Thurmond received $549,000 in PAC funds in 1984, and Hollings got $952,382 in 1986. Under the pending bill, the aggregate PAC limit for the South Carolina primary and general elections would be $226,627.

Hollings calls the bill "the damndest arrogance I have seen around here." He and other critics of the bill claim the cost to taxpayers could run as high as $500 million every two years. Not so, argue the proponents, who point to figures worked up by the Federal Election Commission, the agency which would administer the legislation and handle distribution of public funds to Senatorial candidates. The commission estimates the price tag in '88 at a relatively modest $87.3 million.

There is an arrogance in the way this nation conducts its political campaigns. It comes not from bills like S.2. It emanates instead, from PACs whose monetary impact on congressional candidates reached a record $130 million in '86, more than 10 times the amount spent in 1974.

Two years ago, the Commission on National Elections said public financing of presidential elections "has clearly proved its worth by opening up the process (and) reducing undue influence of individuals and groups." S.2 is the next logical step.

[From the Cumberland (MD) News, Aug. 1, 1987]

CAMPAIGN CASH CONCERNS SENATE

The U.S. Senate is tied up in knots over an issue that to lawmakers is of paramount importance. It's not the Iran-Contra scandal or the budget or trade strategy. It's money—campaign money, to be exact.

Since early June, Senate Minority Leader Robert Dole, R-Kan., and most of his Republican colleagues have been engaged in a filibuster to prevent the Senate from acting on Senate Bill 2, much-needed legislation that would alter the system of election finance.

At issue is a Democratic-sponsored measure that would create voluntary spending limits in Senate elections, provide public funds for Senate general-election candidates agreeing to abide by the limit and restrict the amount of money that House and Senate candidates may accept from political-action committees, or PACs.

In 1988, if the bill were to pass, general-election limits would range from $950,000 in a low-population state such as Wyoming to nearly $5.5 million in California.

Senate Republicans don't necessarily dispute the need for campaign reform. Dole himself has spoken out about the outrageous expense of running for public office and the undue influence that PACs wield as a prime source of campaign financing. In the past 10 years, PAC contributions to Senate candidates have increased from $5 million to $45 million; campaign spending in Senate elections has increased from $38 million to $179 million. Senators complain about becoming "panhandlers."

In the words of the public-interest lobby Common Cause, "We have seen a monster created, a fundamentally corrupt campaign-finance system for Congress."

Senate Republicans object to the idea of using government money to run congressional campaigns—even though the public financing scheme for presidential candidates is working well. They argue that spending limits in congressional campaigns help incumbents to the detriment of challengers.

The Republicans have offered a compromise that, in effect, is no compromise. It would cut the maximum amount that any single PAC can give to a candidate, but it would eliminate the spending limit and public-financing components of the legislation.

Campaign reform simply will not happen without spending limits. The Supreme Court has ruled that there must be some form of public benefits in order to establish a system of voluntary campaign-spending limits.

The spending limits contained in Senate Bill 2 are reasonable and voluntary, as required by the Supreme Court. If presidential elections are a reliable guide, Senate Bill 2 will provide for competitive elections. Neither party will be at a disadvantage.

Dole and his fellow filibusterers need to step aside and give the reform legislation a chance to slay the campaign monster. In doing so, they would be helping restore the integrity of our representative form of government.

CAMPAIGN FINANCING—SENATE REPUBLICANS SHOULD END FILIBUSTER

Whether congressional candidates compete on the basis of their ideas or on the basis of their fund-raising abilities is likely to be determined by what happens to a campaign finance reform bill now tied up in the U.S. Senate.

For more than a month, a Republican filibuster has blocked consideration of the measure, which is aimed at reducing the inordinate influence of special interest donations in congressional races and reining in the huge amounts of money that candidates need to spend in order to get elected.

Now, in an effort to end the filibuster, Senate Democrats have offered a compromise that addresses the concern that many Republicans has expressed about the system of public financing called for in the original bill. No longer would senatorial candidates be encouraged to use public money.

Under the proposed compromise, public financing would become the exception rather than the rule. A senatorial candidate would be entitled to such money only when an opponent exceeded the measure's suggested spending limits.

That's reasonable. Those Republicans who are committed to holding down spending in campaigns have no grounds for delaying consideration of the important legislation any further. They should end their filibuster and allow a vote by the full Senate.

Ten years ago, another filibuster killed campaign finance reform legislation. Since then, special interest donations have increased from $5.4 million to $45.7 million, and spending in Senate campaigns has soared from $38.1 million to $178.9 million. The nation simply cannot afford another successful filibuster.

The growing influence of special interest groups in Congress threatens the public's fundamental right to set the legislative agenda. And the rapidly climbing cost of campaigning not only discourages many talented men and women from entering politics, it forces officeholders to spend too much time raising money and to neglect their paramount business of lawmaking.

The reform legislation now before the Senate would attempt to restore the public's faith in its elected officials by limiting the overall amount of money a congressional candidate could accept from special interest groups and by encouraging Senate candidates to abide by prescribed spending limits.

Contrary to what critics say, limiting what candidates could spend would not punish challengers and reward incumbents. If anything, the present system of ever escalating campaign expenditures is making it increasingly difficult for challengers to raise enough money to defeat incumbents.

The sooner the Senate can break its deadlock over campaign finance reform and approve some meaningful legislation, the sooner it will ensure that congressional candidates devote their time to debating the issues rather than soliciting funds. Further delay only would add to the public's disdain.

[From the Dallas (TX) Times Herald, June 14, 1987]

TIME TO SEND PACS PACKING

One of the top priorities of Congress should be the reform of campaign financing, which has become a disgrace through its overdependence on political action committees. A bill now being debated in the U.S. Senate would impose limits on the total contributions allowed from PACs and provide for public financing of Senate campaigns.

The merits of this legislation are so apparent that it has 44 sponsors. But a small group of senators has promised to filibuster the bill into oblivion. Senate Majority Leader Robert Byrd is leading the effort to stop the talkathons with a petition to limit debate on the issue.

Neither senator from Texas can be counted on where this issue is concerned.

Sen. Lloyd Bentsen, who scrapped his $10,000-a-head, fat-cat breakfasts under public pressure early this year, is having trouble supporting the public-financing aspects of the legislation.

Sen. Phil Gramm, R-College Station, voted against similar legislation introduced last year by Sen. David Boren, D-Okla., who refuses to accept any PAC contributions. Sen. Gramm vehemently opposes using public funds to pay for campaigns. The estimated $50 million annual cost of public financing for Senate races would be paid for with a voluntary $1 tax checkoff. An overwhelming majority of taxpayers already have volunteered to pay the $1 per year for presidential campaigns.

The current process is far more expensive in terms of the valuable time allotted by members of Congress to raising large contributions from special-interests groups, the bad legislation passed at the behest of those groups and the hidden costs those special interests pass on to taxpayers in the form of industry tax breaks and consumer charges. Ultimately, every taxpayer and voter pays for those PAC gifts.

Those who oppose the reform measure should realize they are siding with what Common Cause President Fred Wertheimer calls a "fundamentally corrupt campaign finance system."

Each Senator's stand on this issue reflects his concern about the continuing loss of taxpayer influence in the face of growing PAC power. Voters should remember where each senator stood on this issue at election time.

[From the Danbury (CT) News-Times, June 18, 1987]

CAMPAIGN FINANCING

The U.S. Senate seems unable to move forward on reforming the way campaigns are financed, so strong is the lure of the big bucks donated by political action committees.

Legislation now stuck in the Senate would limit the total amount of PAC money any congressional candidate could accept and would establish a voluntary system of spending limits, together with partial public financing, in Senate races.

The bill would create a new world for congressional candidates, ending their dependence on wealthy special interest groups and giving challengers a better opportunity to compete with the incumbents who attract most of the PAC money.

The need for reform is clear. PACs poured more than $130 million into 1986 congressional races—a six-fold increase from a decade ago. Twenty-four U.S. senators received more than $1 million each from PACs during their last election. And almost half of all House members received 50 percent or more of their campaign money from PACs in 1986.

That means when PACs talk, congressmen and senators have to listen. Voters are no longer the primary consideration, getting money from PACs is. And the injection of PAC dollars has encouraged higher and higher spending on campaigns.

It is a system that, as former Sen. Barry Goldwater says, "eats at the heart of the democratic process." This must be the year it is stopped.

[From the Danville (PA) News, June 4, 1987]

CONGRESS PONDERS ITS OWN "FILTHY LUCRE"

Money is on the mind of Congress these days—money scandals, to be specific. Congressional investigators are trying to trace the byzantine trail of funds connected to the Iran-Contra affair, and legislation is in the works that would deal with the Wall Street money scandal of insider trading. But Congress is dealing with a money scandal of its own as well—a scandal that involves the way congressional elections are financed.

A growing number of lawmakers are expressing dismay at the amount of money required to run for reelection and the amount of time it takes to raise that money. Chief among them is Senate Majority Leader Robert Byrd, D-W.Va., who complains that his colleagues are spending so much time trying to raise campaign funds that they have no time for Senate business. Byrd and Sen. David Boren, D-Okla., are co-sponsors of legislation to curb political action committees (PACs) and limit campaign spending.

As approved by the Senate Rules Committee, the Byrd-Boren bill, Senate Bill 2, would create a series of voluntary spending limits in Senate primary and general election races. It also would provide public funds for general election candidates who agree to abide by those limits. Spending for Senate races in the 1987-88 election cycle would be set at about $181 million.

The bill also would limit the amount House and Senate candidates may accept from PACs. Initially, the ceilings would range from $190,950 to $825,000 in Senate races, depending on the population of the state involved, and from $100,000 to $150,000 for House candidates, depending on the number of contested elections faced.

The Byrd-Boren proposal faces heavy opposition from Republicans, many of whom view public financing of campaigns as anathema. They have threatened to kill the bill by filibuster, and they are rumored to be working on an alternative measure. The Republican measure would limit PAC contributions but would not include public financing or spending limits.

Though the Republican measure would effect the status quo only slightly, it's reassuring that they at least recognize change is needed. With spending going up in each of the last five election cycles monitored by the Federal Election Commission, with special-interest PAC contributions to House and Senate candidates reaching a record $130 million in the 1986 election and with the 100th Congress more indebted to special interests than any Congress in the nation's history, the need for significant change is urgent.

Senate Bill 2 will reach the floor of the Senate sometime in June. As it looks now, Byrd has enough votes to pass the bill, but he does not have the 60 votes needed to invoke cloture if the Republicans filibuster. We hope he will push hard to get the necessary votes.

[From the Daytona Beach (FL) News-Journal, June 15, 1987]

SENATE PAC LIMITS BILL DESERVES A CHANCE

Campaign finance reform, off to such an unexpectedly brisk start at the beginning of the session, has become bogged down in the obstructionist tactics of a group of Republican senators. A filibuster was still continuing Friday against a plan to limit contributions from Political Action Committees (PACs) and place caps on campaign spending in U.S. Senate races.

When the bill was introduced at the start of the session, it had 47 co-sponsors including Florida's senators, Lawton Chiles and Bob Graham. At that time, the memory of the 1986 senatorial elections was still fresh and provided a powerful argument in favor of the bill. The average winning senate campaign cost $3 million that year. In Florida, the race between Sen. Graham and Paula Hawkins cost more than $12.5 million.

When elections cost this much, fundraising is the No. 1 campaign priority; anything else—such as getting out to meet the voters and talking about the issues—is secondary. In campaigns that expensive, a PAC is a senator's best friend. PACs spent $45.7 million in the 1986 senate elections. When special interests pick up such a large tab, they must expect a great deal in return.

The senatorial campaign act would help remedy the situation by regulating campaign spending in Senate campaigns the way presidential campaign spending is regulated.

The bill provides for public funding for campaigns. In exchange for accepting public funds, a candidate would have to agree to set campaign spending limits which would vary from state to state depending on its size. The funds would come from a voluntary tax check-off such as the one now used for presidential elections.

An individual PAC would be able to give no more than $3,000 to a candidate and a candidate would be limited to receiving between $175,000 and $750,000, depending on the size of the state.

Some have tried to head off this needed reform by proposing that PACs simply not be allowed to make contributions to individual senators.

On the surface this sounds like a step forward. In practice, it means PACs could pass along more money than they do now. Although PACs would be forbidden from making donations themselves, they would be able to pass along members' checks to candidates. This bill would change only the mechanics of collecting money. PACs currently are limited to contributing $5,000 per candidate each election. This misleading proposal would remove even that limitation.

It would be a pity if obstructionist tactics and phony "reform" bills derail this reform. Last November's senate elections highlighted how fundraising has gotten out of control. Unless this bill is passed, future elections promise the same problems on an even larger scale: more media campaigns, a larger role for special interests, and a voting public that is more turned off and alienated than ever.

[From the Denison (TX) Herald, June 19, 1987]

CONGRESS PONDERS "FILTHY LUCRE"

Money is on the mind of Congress these days—money scandals, to be specific. Congressional investigators are trying to trace the byzantine trail of funds connected to the Iran-Contra affair, and legislation is in the works that would deal with the Wall Street money scandal of insider trading. But Congress is dealing with a money scandal of its own as well—a scandal that involves the way congressional elections are financed.

A growing number of lawmakers are expressing dismay at the amount of money required to run for reelection and the amount of time it takes to raise that money. Chief among them is Senate Majority Leader Robert Byrd, D-W.Va., who complains that his colleagues are spending so much time trying to raise campaign funds that they have no time for Senate business. Byrd and Sen. David Boren, D-Okla., are co-sponsors of legislation to curb political action committees (PACs) and limit campaign spending.

As approved by the Senate Rules Committee, the Byrd-Boren Bill, Senate Bill 2, would create a series of voluntary spending limits in Senate primary and general election races. It also would provide funds for general election candidates who agree to abide by those limits. Spending for Senate races in the 1987-88 election cycle would be set at about $181 million.

The bill also would limit the amount House and Senate candidates may accept from PACs. Initially, the ceilings would range from $190,950 to $825,000 in Senate races, depending on the population of the state involved, and from $100,000 to $150,000 for House candidates, depending on the number of contested elections faced.

The Byrd-Boren proposal faces heavy opposition from Republicans, many of whom view public financing of campaigns as anathema. They have threatened to kill the bill by filibuster, and they are rumored to be working on an alternative measure. The Republican measure would limit PAC contributions but would not include public financing or spending limits.

Though the Republican measure would effect the status quo only slightly, it's reassuring that they at least recognize change is needed. With spending going up in each of the last five election cycles monitored by the Federal Election Commission, with special-interest PAC contributions to House and Senate candidates reaching a record $130 million in the 1986 election and with the 100th Congress more indebted to special interests than any Congress in the nation's history, the need for significant change is urgent.

Senate Bill 2 will reach the floor of the Senate sometime in June. As it looks now, Byrd has enough votes to pass the bill, but he does not have the 60 votes needed to invoke cloture if the Republicans filibuster. We hope he will push hard to get the necessary votes.

[From the DuBois (PA) Courier-Express, June 30, 1987]

CAMPAIGN MONSTER

The U.S. Senate is tied up in knots over an issue that to lawmakers is of paramount importance. It's not the Iran-Contra scandal or the budget or trade strategy. It's money—campaign money, to be exact.

Since early June, Senate Minority Leader Robert Dole, R-Kan., and most of his Republican colleagues have been engaged in a filibuster to prevent the Senate from acting on Senate Bill 2, much-needed legislation that would alter the system of election finance.

At issue is a Democratic-sponsored measure that would create voluntary spending limits in Senate elections, provide public funds for Senate general-election candidates agreeing to abide by the limits and restrict the amount of money that House and Senate candidates may accept from political-action committees, or PACs.

In 1988, if the bill were to pass, general-election limits would range from $950,000 in a low-population state such as Wyoming to nearly $5.5 million in California.

Senate Republicans don't necessarily dispute the need for campaign reform. Dole himself has spoken out about the outrageous expense of running for public office and the undue influence that PACs wield as a prime source of campaign financing. In the past 10 years, PAC contributions to Senate candidates have increased from $5 million to $45 million; campaign spending in Senate elections has increased from $38 million to $179 million. Senators complain about becoming "panhandlers."

In the words of the public-interest lobby Common Cause, "We have seen a monster created, a fundamentally corrupt campaign-finance system for Congress."

Senate Republicans object to the idea of using government money to run congressional campaigns—even though the public financing scheme for presidential candidates is working well. They argue that spending limits in congressional campaigns help incumbents to the detriment of challengers.

The Republicans have offered a compromise that, in effect, is no compromise. It would cut the maximum amount that any single PAC can give to a candidate, but it would eliminate the spending limit and public-financing components of the legislation.

Campaign reform simply will not happen without spending limits. The Supreme

Court has ruled that there must be some form of public benefits in order to establish a system of voluntary campaign-spending limits.

The spending limits contained in Senate Bill 2 are reasonable and voluntary, as required by the Supreme Court. If presidential elections are a reliable guide, Senate Bill 2 will provide for competitive elections. Neither party will be at a disadvantage.

Dole and his fellow filibusterers need to step aside and give the reform legislation a chance to slay the campaign monster. In doing so, they would be helping restore the integrity of our representative form of government.

[From the Du Bois (PA) Courier-Express, May 28, 1987]

Congress Has Money Scandal of Its Own

Money is on the mind of Congress these days—money scandals, to be specific. Congressional investigators are trying to trace the byzantine trail of funds connected to the Iran-Contra affair, and legislation is in the works that would deal with the Wall Street money scandal of insider trading. But Congress is dealing with a money scandal of its own as well—a scandal that involves the way congressional elections are financed.

A growing number of lawmakers are expressing dismay at the amount of money required to run for re-election and the amount of time it takes to raise that money. Chief among them is Senate Majority Leader Robert Byrd, D-W.Va., who complains that his colleagues are spending so much time trying to raise campaign funds that they have no time for Senate business. Byrd and Senator David Boren, D-Okla., are co-sponsors of legislation to curb political action committees (PACs) and limit campaign spending.

As approved by the Senate Rules Committee, the Byrd-Boren bill, Senate Bill 2, would create a series of voluntary spending limits in Senate primary and general election races. It also would provide public funds for general election candidates who agree to abide by those limits. Spending for Senate races in the 1987-88 election cycle would be set at about $181 million.

The bill also would limit the amount House and Senate candidates may accept from PACs, depending on the number of contested elections faced.

The Byrd-Boren proposal faces heavy opposition from Republicans, many of whom view public financing of campaigns as anathema. They have threatened to kill the bill by filibuster, and they are rumored to be working on an alternative measure. The Republican measure would limit PAC contributions but would not include public financing or spending limits.

Though the Republican measure would effect the status quo only slightly, it's reassuring that they at least recognize change is needed. With spending going up in each of the last five election cycles monitored by the Federal Election Commission, with special-interest PAC contributions to House and Senate candidates reaching a record $130 million in the 1986 election and with the 100th Congress more indebted to special interests than any Congress in the nation's history, the need for significant change is urgent.

Senate Bill 2 will reach the floor of the Senate sometime in June. As it looks now, Byrd has enough votes to pass the bill, but he does not have the 60 votes needed to invoke cloture if the Republicans filibuster. It is hoped he will push hard to get the necessary votes.

[From the El Dorado (KS) Times, July 9, 1987]

Slay the Monster

The U.S. Senate is tied up in knots over an issue that to lawmakers is of paramount importance. It's not the Iran-Contra scandal or the budget or trade strategy. It's money—campaign money, to be exact.

Since early June, Senate Minority Leader Robert Dole, R-Kan., and most of his Republican colleagues have been engaged in a filibuster to prevent the Senate from acting on Senate Bill 2, much-needed legislation that would alter the system of election finance.

At issue is a Democratic-sponsored measure that would create voluntary spending limits in Senate elections, provide public funds for Senate general-election candidates agreeing to abide by the limits and restrict the amount of money that House and Senate candidates may accept from political-action committees, or PACs.

In 1988, if the bill were to pass, general-election limits would range from $950,000 in a low-population state such as Wyoming to nearly $5.5 million in California.

Senate Republicans don't necessarily dispute the need for campaign reform. Dole himself has spoken out about the outrageous expense of running for public office and the undue influence that PACs wield as a prime source of campaign financing. In the past 10 years, PAC contributions to Senate candidates have increased from $5 million to $45 million; campaign spending in Senate elections has increased from $38 million to $179 million. Senators complain about becoming "panhandlers."

In the words of the public-interest lobby Common Cause, "We have seen a monster created, a fundamentally corrupt campaign-finance system for Congress."

Senate Republicans object to the idea of using government money to run congressional campaigns—even though the public financing scheme for presidential candidates is working well. They argue that spending limits in congressional campaigns help incumbents to the detriment of challengers.

The Republicans have offered a compromise that, in effect, is no compromise. It would cut the maximum amount that any single PAC can give to a candidate, but it would eliminate the spending limit and public-financing components of the legislation.

Campaign reform simply will not happen without spending limits. The Supreme Court has ruled that there must be some form of public benefits in order to establish a system of voluntary campaign-spending limits.

The spending limits contained in Senate Bill 2 are reasonable and voluntary, as require by the Supreme Court. If presidential elections are a reliable guide, Senate Bill 2 will provide for competitive elections. Neither party will be at a disadvantage.

Dole and his fellow filibusterers need to step aside and give the reform legislation a chance to slay the campaign monster. In doing so, they would be helping restore the integrity of our representative form of government.

[From The Eugene (OR) Register-Guard, June 14, 1987]

Real Reform Needed

Once it dispenses with such parliamentary gamesmanship as a filibuster over the issue of campaign finance reform, the U.S. Senate will be presented with two choices:

(1) Genuine, get-to-the-heart-of-the problem reform, or . . .

(2) Cosmetic change aimed only at stopping real reform.

While the Senate's choice appears easy, it isn't. Politicians are less than eager to change a campaign system that has installed them in office and keeps them there. But, praise be, there are senators—49 at last count—who apparently are ready to halt the skyrocketing cost of campaigns and eliminate the stench of special interest money that accompanies it.

The effort at genuine campaign finance reform is sponsored by Sen. David Boren, D-Okla., Senate Majority Leader Robert Byrd, D-W.Va., and 47 co-sponsors. The Boren-Byrd proposal seeks a limited form of public finance for congressional races—similar to that now used in presidential campaigns—with a concomitant lid on how much political action committees (PACs) can contribute singly or in groups to an individual candidate. (For First Amendment reasons, the U.S. Supreme Court has said that limits can be placed on campaign spending and contributions only if accompanied by a system of public finance. The Boren-Byrd proposal appears to meet the court's test.)

The other choice facing the Senate is one put forth by a group of Republicans, led by Oregon's own Bob Packwood. Packwood, who received more than $1 million for his 1986 re-election campaign from PACs, ironically proposes to ban all direct PAC contributions to candidates.

The senator's prohibition seems appealing but is little more than a smokescreen. He would still permit PAC contributions to political parties (which could in turn give the money to candidates) and he makes no attempt to solve the problem of "bundling." Bundling occurs when a group of PACs, each theoretically limited in the amount it can donate to a candidate, combines members' individual contributions into a much larger—and more influential—single donation.

Packwood has long opposed publicly financed campaigns. It is irrelevant whether that's because he thinks taxpayer-subsidized campaigns would discourage "volumtary grass roots participation," as he claims, or because he functions so well in the present system. What's important is that rather than fight the Boren-Byrd proposal head-on, he has chosen the oblique path of a gimmick-laden substitute.

It should be unarguable that huge campaign donations from special interests bring with them what The (Portland) Oregonian correctly describes as "real or implied obligations." The greater the amounts of money donated, the greater the obligations.

The current system is an abomination and must be reformed. The Boren-Byrd proposal is an attempt to do that. The Packwood proposal isn't. The Senate's choice should be clear.

[From The Evansville (IN) Press, June 30, 1987]

Slaying the Monster

The U.S. Senate is tied up in knots over an issue that to lawmakers is of paramount importance. It's not the Iran-Contra scandal or the budget or trade strategy. It's money—campaign money, to be exact.

Since early June, Senate Minority Leader Robert Dole, R-Kan., and most of his Republican colleagues have been engaged in a filibuster to prevent the Senate from acting on Senate Bill 2, much-needed legislation that would alter the system of election finance.

At issue is a Democratic-sponsored measure that would create voluntary spending limits in Senate elections, provide public funds for Senate general-election candidates agreeing to abide by the limits and restrict the amount of money that House and Senate candidates may accept from political action committees, or PACs.

In 1988, if the bill were to pass, general-election limits would range from $950,000 in a low-population state such as Wyoming to nearly $5.5 million in California.

Senate Republicans don't necessarily dispute the need for campaign reform. Dole himself has spoken out about the outrageous expense of running for public office and the undue influence that PACs wield as a prime source of campaign financing. In the past 10 years, PAC contributions to Senate candidates have increased from $5 million to $45 million; campaign spending in Senate elections has increased from $38 million to $179 million. Senators complain about becoming "panhandlers."

In the words of the public-interest lobby Common Cause, "We have seen a monster created, a fundamentally corrupt campaign-finance system for Congress."

Senate Republicans object to the idea of using government money to run congressional campaigns—even though the public financing scheme for presidential candidates is working well. They argue that spending limits in congressional campaigns help incumbents to the detriment of challengers.

The Republicans have offered a compromise that, in effect, is no compromise. It would cut the maximum amount that any single PAC can give to a candidate, but it would eliminate the spending limit and public-financing components of the legislation.

Campaign reform simply will not happen without spending limits. The Supreme Court has ruled that there must be some form of public benefits in order to establish a system of voluntary campaign-spending limits.

The spending limits contained in Senate Bill 2 are reasonable and voluntary, as required by the Supreme Court. If presidential elections are a reliable guide, Senate Bill 2 will provide for competitive elections. Neither party will be at a disadvantage.

We would prefer a much stronger bill, with tighter reductions on campaign spending. That probably won't happen, and the present bill offers at least the beginning of reform.

Dole and his fellow filibusterers need to step aside and give the reform legislation a chance to slay the campaign monster. In doing so, they would be helping restore the integrity of our representative form of government.

[From the Northwest Arkansas Times, Fayetteville (AR) June 11, 1987]

Money Business

While the Iran-Contra hearings are grabbing all the headlines in Washington, other things are going on as well. On the Senate floor for consideration this month is Senate Bill 2, which would overhaul the current campaign financing system.

Common Cause, the national citizens lobby group, has been in the forefront in supporting the measure. Fred Wertheimer, president of CC, says the proposed measure contains two provisions essential to any meaningful, comprehensive reform of the system; "overall spending limits and limits on the total amount of political action committee contributions a candidate can accept."

The need to curb the spending of political action committees (PACs) is evident. Over the past 10 years spending in Senate races has increased almost five-fold, from $38.1 million in 1976 to $178.9 million in 1986. In a letter to all members of the Senate, Wertheimer noted if the currently proposed legislation had been in effect in the 1986 election PAC spending would have been cut by two-thirds, from $45 million to $16 million.

The bill would also establish a voluntary system of spending limits and limits on the use of personal wealth, a move that would help open elected office to those who may not possess massive personal wealth.

"By placing congressional office increasingly out of the reach of citizens lacking considerable financial resources or the ability to raise large sums from private sources," Wertheimer wrote, "and by demanding an enormous commitment to candidate's time and attention to fundraising activities, soaring campaign spending is changing the very nature of elections and our political process."

An amendment offered to S. 2 by Republican Senators Mitch McConnell of Kentucky and Robert Packwood of Oregon has been labeled by its supporters as a measure to eliminate PAC contributions. But does it?

Hardly. The McConnell-Packwood bill would instead lead to PACs changing their method of providing money to a congressional candidate and in so doing would open the door to PACs providing unlimited sums to a candidate.

What the amendment proposes is prohibiting direct PAC contributions to a candidate. It would, however, legitimize the practice of PACs bundling and delivering unlimited sums to candidates, collected by the PACs from individual contributors. All the PACs need do is make sure the checks are made out to the candidate rather than the PAC. The process is called "bundling." What the so-called reform amounts to is simply a change in the mechanics of money-funneling the PACs are famous for.

S. 2, without the McConnell-Packwood amendment, would close the bundling loophole, would restrict the role of PAC money, limit the skyrocketing cost of campaigns and reduce the enormous amount of time being spent by candidates on fundraising. It deserves support.

[From the Fresno (CA) Bee, June 19, 1987]

Talking Reform To Death

Republicans in the U.S. Senate are attempting to kill by filibuster a much-needed bill to reform the way senatorial campaigns are financed. In response, Senate Majority Leader Robert Byrd, a chief sponsor of the bill along with Sen. David Boren of Oklahoma, is threatening to keep the measure on the floor indefinitely.

Byrd and the Democrats should hold firm, even though it may prevent action on major trade and defense spending bills. The Republicans' demands that partial public financing of campaigns and limits on campaign spending be eliminated would render the bill meaningless. The Supreme Court in 1976 ruled, in effect, that spending limits can be established only as part of a voluntary system that includes public financing—the essence of the Boren-Byrd bill.

In an effort to compromise, Boren and Byrd recently offered an amendment that would cut the amount of public financing—and hence the cost to taxpayers—by at least half. The amendment also makes further attempts to limit the influence of political action committees by providing public matching funds only for contributions from individuals, to a maximum of $250.

Still, the Republicans have been unwilling to budge. Republican Leader Robert Dole claims that public financing of senatorial campaigns would be "an assault on the Republican Party" and "an assault on the taxpayer."

What Dole neglects to mention is that public financing of presidential campaigns, enacted in 1974 in the wake of the Watergate scandal, has worked well and has been used by 34 of 35 major party candidates who have sought the presidency. In 1985, the bipartisan Commission on National Elections concluded that it "has clearly proved its worth in opening up the process, reducing undue influence of individuals and groups, and virtually ending corruption in presidential election finance." Dole himself just became eligible the other day to receive public matching funds in his campaign for the presidency.

Of course Republicans tend to have a somewhat greater capacity for raising large chunks of private money. But that kind of money can hardly be regarded as one of the glories of the democratic process. The issue here is not partisan politics, it's the integrity of the political system.

The current system is corrupting. The skyrocketing costs of senatorial campaigns force incumbents to begin raising money almost as soon as they're returned to office. Challengers begin the quest for cash more than a year ahead of time. The bulk of the money comes in big chunks from political action committees and other special interests, which give it in expectation of favorable treatment. Too often the big contributors get what they seek.

While the Boren-Byrd bill won't solve all the problems, it will help restore some credibility to the system. For that, it's worth the fight.

[From the Gainesville (FL) Sun, June 30, 1987]

The GOP Obstructionists

In years past, many southern Democrats in the Senate were known to embrace the filibuster, using long-winded speeches to postpone or prevent a vote on legislation they opposed. Integration and equal rights legislation come to mind as examples.

Now it's the Republicans who are trying to talk a bill to death. Their efforts are as unbecoming as the Southern Democrats' efforts to delay equal justice for all. The bill now being filibustered seeks to remove the valid impression that Congress has a price. Or, as Florida Sen. Lawton Chiles said: "A large part of the American public thinks this Congress is the best money can buy."

The bill is entering its fifth week of debate. Its major provisions are:

Candidates would receive federal funds to help finance campaigns, provided they limited contributions from political actions committees.

Contributions from PACs could not exceed $175,000 to $750,000, depending on the size of the state.

Maximum individual contributions to PACs would be reduced from $5,000 to $3,000.

Archibald Cox, chairman of Common Cause, a public interest lobby, said high campaign expenditures "drive the candidate to seek money from special interests seeking favors from government. Senators and representatives become less responsive to the people as their campaigns become more dominated by PACs."

In 1986 races, PACs favored incumbents over challengers by a ratio of 6 to 1. Since 1978, the number of representatives receiving more than half their contributions from PACs has more than tripled.

Republican opponents argue that tax money shouldn't go toward congressional elections. But Cox puts the amount in perspective: "The annual cost of (the campaign-reform bill) is a small price to pay the annual representative government—one-third the annual amount appropriated by Congress for military bands."

Sen. David L. Boren, D-Okla., the bill's chief sponsor, said the pursuit of election funds has turned congressmen "into panhandlers; begging for money, spending their time raising money instead of dealing with problems."

The Republican effort to allow unlimited campaign spending has brought the Senate's business to a halt. Florida's two senators—Chiles and Bob Graham—supported a recent attempt to end the fillibuster, but it failed by eight votes.

The filibuster should end. Americans have the right to know which of their representatives want to continue to be panhandlers and beggars, more concerned with raising money to extend their terms in office than dealing with problems.

[From the Gardner (MA) News, June 19, 1987]

Congress Ponders Its Own "Filthy Lucre"

Money is on the mind of Congress these days—money scandals, to be specific. Congressional investigators are trying to trace the byzantine trail of funds connected to the Iran-Contra affair, and legislation is in the works that would deal with the Wall Street money scandal of insider trading. But Congress is dealing with a money scandal of its own as well—a scandal that involves the way congressional elections are financed.

A growing number of lawmakers are expressing dismay at the amount of money required to run for reelection and the amount of time it takes to raise that money. Chief among them is Senate Majority Leader Robert Byrd, D-W.Va., who complains that his colleagues are spending so much time trying to raise campaign funds that they have no time for Senate business. Byrd and Sen. David Boren, D-Okla., are co-sponsors of legislation to curb political action committees (PACs) and limit campaign spending.

As approved by the Senate Rules Committee, the Byrd-Boren bill, Senate Bill 2, would create a series of voluntary spending limits in Senate primary and general election races. It also would provide public funds for general election candidates who agree to abide by those limits. Spending for Senate races in the 1987-88 election cycle would be set at about $181 million.

The bill also would limit the amount House and Senate candidates may accept from PACs. Initially, the ceilings would range from $190,950 to $825,000 in Senate races, depending on the population of the state involved, and from $100,000 to $150,000 for House candidates, depending on the number of contested elections faced.

The Byrd-Boren proposal faces heavy opposition from Republicans, many of whom view public financing of campaigns as anathema. They have threatened to kill the bill by filibuster, and they are rumored to be working on an alternative measure. The Republican measure would limit PAC contributions but would not include public financing or spending limits.

Though the Republican measure would affect the status quo only slightly, it's reassuring that they at least recognize change is needed. With spending going up in each of the last five election cycles monitored by the Federal Election Commission, with special-interest PAC contributions to House and Senate candidates reaching a record $130 million in the 1986 election and with the 100th Congress more indebted to special interests than any Congress in the nation's history, the need for significant change is urgent.

Senate Bill 2 will reach the floor of the Senate sometime in June. As it looks now, Byrd has enough votes to pass the bill, but he does not have the 60 votes needed to invoke cloture if the Republicans filibuster. We hope he will push hard to get the necessary votes.

[From the Great Falls (MT) Tribune, June 6, 1987]

Election Spending Limits Are a Must

Money is on the mind of Congress these days—money scandals, to be specific. Congressional investigators are trying to trace the trail of funds connected to the Iran-Contra affair, and legislation is in the works that would deal with the Wall Street money scandal of insider trading.

But Congress is dealing with a semi-scandal of its own involving the way congressional elections are financed.

A growing number of lawmakers are expressing dismay at the amount of money required to run for re-election and the amount of time it takes to raise that money. Chief among them is Senate Majority Leader Robert Byrd, D-W.Va., who complains that his colleagues are spending so much time trying to raise campaign funds that they have no time for Senate business.

Byrd and Sen. David Boren, D-Okla., are co-sponsors of legislation to curb political action committees (PACs) and limit campaign spending. As approved in committee, the measure would create a series of voluntary spending limits in Senate primary and general election races.

It also would provide public funds for general election candidates who agree to abide by those limits. Spending for Senate races in the 1987-88 election cycle would be set at about $181 million.

The bill also would limit the House and Senate candidates may accept from PACs. Initially, the ceilings would range from $190,950 to $825,000 in Senate races, depending on the population of the state involved, and from $100,000 to $150,000 for House candidates, depending on the number of contested elections faced.

The Byrd-Boren proposal faces heavy opposition from Republicans, many of whom oppose public financing of campaigns. They have threatened to kill the bill by filibuster, and they are rumored to be working on an alternative measure. The Republican measure would limit PAC contributions but would not include public financing or spending limits.

Though the Republican measure would affect the status quo only slightly, it's reassuring that they recognize change is needed. Last year, political action committees tossed more than $130 million into the campaigns of senators. That is far too much influence, and everyone realizes it.

Byrd's measure will reach the floor of the Senate this month. As it looks now, the Democrats have enough votes to pass the bill, but they may not have the 60 votes needed to invoke cloture if the Republicans filibuster. We support the measure—but recognize it may be necessary to frame a compromise with its opponents.

A grass-roots suggestion: If Congress were to revoke its pay increase of last fall, the money saved would pay for at least part of the public funding of congressional campaigns.

[From the Record, Hackensack, NJ, June 16, 1987]

Where Cash Is King

Senate Republicans are blocking the most promising effort in years to free Senate campaigns from the tyranny of wealthy contributors. These GOP obstructionists aren't doing any favors for themselves, their party, or their country.

Under the present system of campaign financing, cash is king. Candidates are forced to humiliate themselves by fawning over rich lobbyists, tycoons, and heirs. The cost of running for office is high enough to scare off, or disgust, candidates who might make a strong contribution to Congress. In California in 1986, the two Senate candidates spent $22 million; in Florida, $12.6 million. The only way many candidates can get in the game is to cozy up to political-action committees.

PAC's—campaign-financing organizations set up by real-estate developers, banks, chemical companies, and nearly every other special interest you can think of—are growing like mushrooms. In 1976 they contributed a total of $22 million to congressional campaigns. By 1986 the figure was over $130 million. Almost one out of every four members of the Senate, 24 of 100, took in more than $1 million in PAC money the last time they ran. Almost half the members of the House of Representatives, 194 of 435, got at least 50 percent of their money from PAC's in 1986.

Sen. David Boren, D-Okla., and Senate Majority Leader Robert Byrd, D-W.Va., have a sensible proposal to limit both spending and PAC contributions in Senate campaigns. Spending would be tied to a population-based formula; in New Jersey, for example, the U.S. Senate candidates would have to keep their total spending—for both primary and general elections—below $4.8 million. This is considerably less than either incumbent spent on the last go-round—Bill Bradley $5.1 million in 1984, Frank Lautenberg $6.4 million in 1982. Total PAC contributions for both elections would be limited to $578,880. The present $5,000 ceiling on individual PAC contributions would be unchanged.

Candidates wouldn't have to accept these limits. But if they did, they could collect some of their campaign funds from the public treasury. Perhaps more important, they could escape being tagged as out to buy the election.

Republicans argue that the change would make it harder for a challenger to defeat a well-known incumbent. This ignores the overwhelming support PAC's give incumbents now. It's also worth recalling that the first two incumbent presidents to seek reelection under the public-financing system already in place for presidential races, Gerald Ford and Jimmy Carter, both lost. And although Republicans grumble about the cost of public financing, it's a bargain at $50 million a year, to be financed by a voluntary tax checkoff. The price is worth paying to get people to stop snickering about candidates who do everything but dive off high cliffs to get money.

Senate Majority Leader Byrd says he's going to keep holding Senate votes on campaign financing until he gets it passed. In the end, he hopes, Republicans will realize they're wrong. If that's too much to hope for, they may realize that they're embarrassing themselves and the GOP. Only rich lobbyists could love the present system. And even a lot of lobbyist would be grateful if senators and would-be senators would stop putting the arm on them.

[From the Hartford Courant, Hartford, CT, July 13, 1987]

Senators Tested on Election Spending

Do members of the Senate believe that congressional election spending and the role of political action committees in Senate and House compaigns have gotten out of hand? In an interview, most probably would frown with concern and say yes. Soon we'll see what they do when the question, in as basic a form as it's ever likely to take, comes to a vote.

A comprehensive, workable, fair and effective campaign finance reform package has been awaiting action in the Senate for more than a month. It would combine controls on what House and Senate candidates could take from PACs with a system of voluntary public financing linked to spending limits in Senate general election campaigns.

But a vote on the bill, which is sponsored by Democrats Robert C. Byrd of West Virginia and David L. Boren of Oklahoma, has been blocked by a Republican filibuster. Not even the considerable talents of Mr. Byrd, the majority leader, could work the measure free. Attempts to invoke cloture—supported by Connecticut's Christopher J. Dodd, a Democrat, but opposed by Lowell P. Weicker, a Republican—have come to naught.

So the sponsors turned to compromise, and have offered a substitute version of their bill. A cloture vote to clear the way for action on the new package could occur this week. Any senator who wants to reduce the huge and unhealthy role of money in congressional politics will vote for cloture and the bill.

The compromise amounted to removing the public financing provisions, with one exception: If a candidate who decided not to take part in the voluntary spending-limit system exceeded the limits established by the bill, the candidate's opponent would receive offsetting public money derived from a voluntary tax checkoff.

To induce candidates to accept the spending limits, the bill would give them special low rates for mailing and broadcast advertising. Nominees who rejected the limits couldn't get the low rates, and their rejection would have to be disclosed in advertising and other campaign materials.

When reform is badly needed, no compromise satisfies. Public financing remains the best way to reduce the influence of special-interest groups and to return campaign spending to reasonable levels. It has been highly effective in reforming the presidential campaign system and returning at least that sector of politics to the people.

But modest reform is better than none, and the substitute bill would do a lot of good. With the elimination of routine public financing—apparently the most objectionable part of the original bill in the eyes of many senators—the only credible explanation for a vote against cloture or the compromise package will be a desire to preserve the status quo.

[From the Hartford Courant, Hartford, CT, June 9, 1987]

Does the Senate Want Reform?

You would be hard-pressed to find many members of the U.S. Senate who say they're unconcerned about the monetary saturation of congressional election campaigns. Today you may be able to learn how many senators want to translate purported concern into meaningful action by supporting effective campaign finance reform.

The Senate last week began debating a measure that would produce meaningful reform, a bill sponsored by David L. Boren, an Oklahoma Democrat, and Majority Leader Robert C. Byrd of West Virginia. It would dramatically reduce the role of political action committees in Senate and House elections—and thus the unhealthy influence of PACs in the making of the nation's laws. Most important, it would establish a system of public financing for candidates in Senate elections. That step is essential if the public interest is going to recapture the ground that special interests have managed to buy.

It was predictable that many members of Congress would resist any fundamental change in the vehicle that brought them to Washington, and sure enough, opposition has surfaced. Republican senators have criticized public financing as intrusive and offered several alternative campaign finance reform bills—most of them unworthy of the name. Fearing passage of the Boren-Byrd bill, which at last count had 47 co-sponsors, Republicans have threatened to block it by filibustering. A vote on whether to invoke cloture, thus stopping the delay, is expected to occur today.

Although the Republican bills contain some attractive ideas, they basically seem to be attempts to present an illusion of reform while preserving as much of the status quo as possible.

One measure, for example, would prohibit PAC contributions to congressional candidates, certainly a dramatic step. But the bill, offered by Sens. Robert W. Packwood of Oregon and Mitch McConnell of Kentucky, would allow PACs to continue donating to party committees and groups not linked to candidates. Since this money then could be used to help particular candidates, little would be accomplished.

Legislation offered by Sen. Ted Stevens, an Alaska Republican, would limit committee contributions to candidates but it would allow individuals to give more than they can now. Ostensibly it would deal with a loophole in the law that invites an abuse called bundling, in which PACs evade the legal limits on what they can give to candidates to encouraging and delivering individual contributions to them. But the Stevens measure only would require that bundled checks be made payable to candidates. That's authorization, not prevention.

Yet the biggest weakness in the GOP bills is that they don't squarely confront the root issue: the enormous, and rapidly growing, amount of money spent on congressional elections. About $38 million was spent on Senate races in 1976; 10 years later, almost $179 million was spent. A reasonable but firm cap on spending is indispensable, as is a total limit on what each candidate can receive from PACs. The Boren-Byrd bill has both, and a lot more.

If the Senate, to borrow a phrase from Sen. Edward M. Kennedy of Massachusetts, is serious about driving "the money lenders out of the temple of politics," it won't let a fillibuster, or the temptation of ersatz campaign finance reform, divert it from the real thing.

[From the South Dade News Leader, Homestead, FL, June 3, 1987]

Congress Ponders a Financing Scandal

Money is on the mind of Congress these days—money scandals, to be specific. Congressional investigators are trying to trace the byzantine trail of funds connected to the Iran-Contra affair, and legislation is in the works that would deal with the Wall Street money scandal of insider trading. But Congress is dealing with a money scandal of its own as well—a scandal that involves the way congressional elections are financed.

A growing number of lawmakers are expressing dismay at the amount of money required to run for reelection and the amount of time it takes to raise that money. Chief among them is Senate Majority Leader Robert Byrd, D-W.Va., who complains that his colleagues are spending so much time trying to raise campaign funds that they have no time for Senate business. Byrd and Sen. David Boren, D-Okla., are co-sponsores of legislation to curb political action committees (PACs) and limit campaign spending.

As approved by the Senate Rules Committee, the Byrd-Boren bill, Senate Bill 2, would create a series of voluntary spending limits in Senate primary and general election races. It also would provide public funds for general election candidates who agree to abide by those limits. Spending for Senate races in the 1987-88 election cycle would be set at about $181 million.

The bill also would limit the amount House and Senate candidates may accept from PACs. Initially, the ceilings would range from $190,950 to $825,000 in Senate races, depending on the population of the state involved, and from $100,000 to $150,000 for House candidates, depending on the number of contested elections faced.

The Byrd-Boren proposal faces heavy opposition from Republicans, many of whom view public financing of campaigns as anathema. They have threatened to kill the bill by filibuster, and they are rumored to be working on an alternative measure. The Republican measure would limit PAC contributions but would not include public financing or spending limits.

Though the Republican measure would effect the status quo only slightly, it's reassuring that they at least recognize change is needed. With spending going up in each of the last five election cycles monitored by the Federal Election Commission, with special-interest PAC contributions to House and Senate candidates reaching a record $130 million in the 1986 election and with the 100th Congress more indebted to special interests than any Congress in the nation's history, the need for significant change is urgent.

Senate Bill 2 will reach the floor of the Senate sometime this month. As it looks now, Byrd has enough votes to pass the bill, but he does not have the 60 votes needed to invoke closture if the Republicans filibuster. We hope he will push hard to get the necessary votes.

[From the Clarion-Ledger, Jackson, (MS), July 13, 1987]

FINANCE REFORM—BILLS ENCOURAGE FAIRER CAMPAIGNS

A comprehensive campaign finance bill has surfaced in the U.S. House of Representatives—a good sign that some reform will come from Congress soon.

The House bill would establish a voluntary system of overall spending limits and prescribe limits on the use of personal wealth in campaigns, along with providing partial public financing for House general election campaigns. It would also limit the total amount of political action committee contributions a congressional candidate can accept.

A host of members in the Senate, including John C. Stennis of Mississippi, introduced their plan for campaign finance reform last month, but have gained little ground due to a filibuster led by Republican conservatives.

The stall tactic forced supporters of the Senate reform bill to introduce a new proposal that limits campaign spending and puts and aggregate limit on the total amount of political action committee contributions which candidates may accept. The new proposal eliminates the controversial public financing for Senate elections, except in certain circumstances.

Both plans are fair and reasonable. The key is to limit campaign spending, which has gotten out of control, and to set confines on contributions from political action committees.

[From the Clarion-Ledger, Jackson, (MS), June 12, 1987]

LESS MONEY—CONTROLLING SPECIAL INTERESTS

Campaign financing for candidates seeking election to the U.S. Senate must be reformed and the best improvement offered so far is through the taxpayer.

Sen. John Stennis of Mississippi is cosponsor of legislation before the Senate this week that would allow partial public financing of Senate elections, instead of heavy dependence on political action committees.

Stennis received $232,300 from political action committees during his 1983 campaign in which contributions totaled $994,000.

The reform measure, which was written by Sen. David Boren of Oklahoma, sets up optional public financing of political campaigns using a formula based on a state's population and setting various spending ranges for primary and general elections as well as runoff elections.

On the other end of the spectrum, Sen. Thad Cochran, also of Mississippi, says he supports more limits on media advertising and better disclosure of contributors to a candidate.

In his 1984 re-election bid, in which contributions totaled $2.8 million, Cochran received $969,739 from Political action committees.

The special interest groups are willing to spend the dollars and attract candidates who will likely feel indebted to vote for certain causes.

Reforms to dilute the strength of special interest groups are necessary. Stennis' legislation is a good beginning. Campaign financing must be changed.

[From the Kenosha News, Kenosha, WI, July 7, 1987]

SLAY THE MONSTER

The U.S. Senate is tied up in knots over an issue that to lawmakers is of paramount importance. It's not the Iran-Contra scandal or the budget or trade strategy. It's money—campaign money, to be exact.

Since early June, Senate Minority Leader Robert Dole, R-Kans., and most of his Republican colleagues have been engaged in a filibuster to prevent the Senate from acting on Senate Bill 2, much-needed legislation that would alter the system of election finance.

At issue is a Democratic-sponsored measure that would create voluntary spending limits in Senate elections, provide public funds for Senate general-election candidates agreeing to abide by the limits and restrict the amount of money that House and Senate candidates may accept from political-action committees, or PACs.

In 1988, if the bill were to pass, general-election limits would range from $950,000 in a low-population state such as Wyoming to nearly $5.5 million in California.

Senate Republicans don't necessarily dispute the need for campaign reform. Dole himself has spoken out about the outrageous expense of running for public office and the undue influence that PACs wield as a prime source of campaign financing. In the past 10 years, PAC contributions to Senate candidates have increased from $5 million to $45 million; campaign spending in Senate elections has increased from $38 million to $179 million. Senators complain about becoming "panhandlers."

In the words of the public-interest lobby Common Cause, "We have seen a monster created, a fundamentally corrupt campaign-finance system for Congress."

Senate Republicans object to the idea of using government money to run congressional campaigns—even though the public financing scheme for presidential candidates is working well. They argue that spending limits in congressional campaigns help incumbents to the detriment of challengers.

The Republicans have offered a compromise that, in effect, is no compromise. It would cut the maximum amount that any single PAC can give to a candidate, but it would eliminate the spending limit and public-financing components of the legislation.

Campaign reform simply will not happen without spending limits. The Supreme Court has ruled that there must be some form of public benefits in order to establish a system of voluntary campaign-spending limits.

The spending limits contained in Senate Bill 2 are reasonable and voluntary, as required by the Supreme Court. If presidential elections are a reliable guide, Senate Bill 2 will provide for competitive elections. Neither party will be at a disadvantage.

Dole and his fellow filibusterers need to step aside and give the reform legislation a chance to slay the campaign monster. In doing so, they would be helping restore the integrity of our representative form of government.

[From the Record-Courier, Kent-Ravenna, OH, June 30, 1987]

ALL UP IN KNOTS

The U.S. Senate is tied up in knots over an issue that to lawmakers is of paramount importance. It's not the Iran-Contra scandal or the budget or trade strategy. It's money—campaign money, to be exact.

Since early, June, Senate Minority Leader **Robert Dole, R-Kans., and most of his Re**publican colleagues have been engaged in a filibuster to prevent the Senate from acting on Senate Bill, 2, much-needed legislation that would alter the system of election finance.

At issue is a Democratic-sponsored measure that would create voluntary spending limits in Senate elections, provide public funds for Senate general-election candidates agreeing to abide by the limits and restrict the amount of money that House and Senate candidates may accept from political-action committees, or PACs.

In 1988, if the bill were to pass general-election limits would range from $950,000 in a low-population state such as Wyoming to nearly 5.5 million in California.

Senate Republicans don't necessarily dispute the need for campaign reform. Dole himself has spoken out about the outrageous expense of running for public office and the undue influence that PACs wield as a prime source of campaign financing. In the past 10 years, PAC contributions to Senate candidates have increase from $5 million to $45 million; campaign spending in Senate elections has increased from $38 million to $179 million. Senators complain about becoming "panhandlers."

In the words of the public-interest lobby Common Cause, "We have seen a monster created, a fundamentally corrupt campaign-finance system for Congress."

Senate Republicans object to the idea of using government money to run congressional campaigns—even though the public financing scheme for presidential candidates is working well. They argue that spending limits in congressional campaigns help incumbents to the detriment of challengers.

The Republicans have offered a compromise that, in effect, is no compromise. It would cut the maximum amount of any single PAC can give to a candidate, but it would eliminate the spending limit and public-financing components of the legislation.

Campaign reform simply will not happen without spending limits. The Supreme Court has ruled that there must be some form of public benefits in order to establish a system of voluntary campaign-spending limits.

The spending limtis contained in Senate Bill 2 are reasonable and voluntary, as required by the Supreme Court. if presidential elections are a reliable guide, Senate Bill 2 will provide for competitive elections. Neither party will be at a disadvantage.

Dole and his fellow filibusterers need to step aside and give the reform legislation a chance to slay the campaign monster. In doing so, they would be helping restore the integrity of our representative form of government.

[From the Valley News, Lebanon, NH, June 27, 1987]

CAMPAIGN SPENDING

The most direct, and perhaps best, way to control the spiraling cost of campaigns would be to place a limit on donations from political action committees (PACs) and an overall limit on campaign spending. But that has been judged unconstitutional by the Supreme Court.

The second best way to slow the flow of cash into politics is to ask candidates to voluntarily accept spending limits by offering public financing as an inducement. Such a system has been used for presidential elections since 1974 and all but one of the 35 major party candidates have accepted public financing and limitations on campaign spending.

It is now time to bring the same sensible kind of reform to congressional campaigns. In 10 years, spending on Senate races has increased five-fold to $179 million. On average, a successful candidate for the Senate spends $3 million to get elected.

The Senate is now considering a bill sponsored by Sens. Robert Byrd, D-W.Va., and David Boren, D-Okla., that would place those types of limitations on congressional campaigning. The bill proposes to limit the total amount of PAC contributions a candidate may accept ($1,000,000 for House elections; between $191,000 and $825,000 in Senate elections, depending on the size of the state) and limit total campaign spending.

Common Cause, which has long fought for campaign finance reform, estimates that the bill would have reduced PAC contributions by two-thirds in 1986 Senate races. Sen. Patrick Leahy, D-Vt., for example, raised about $825,000 in 1986. Under the proposal, he would have been limited to $190,000.

There are several good reasons why PAC donations and overall spending should be reduced. Businesses, unions and industrial groups don't make campaign contributions out of generosity. They make them to gain political access. Judging from the steady increase in PAC giving, they apparently are satisfied with what they're getting.

PAC donations also tend to benefit incumbents over challengers. Incumbents are much more likely to win any given election and therefore hold more promise to make PAC contributions a good investment. And, because of the astronomical cost of running for office, politicians find themselves spending more and more time raising money for their next election than delivering on all the promises they made in their previous one. Limiting overall spending would take some of that burden off our politicians and give them more time to fulfill the responsibilities of their offices.

Although 49 senators initially supported the Byrd-Boren measure, a sizable opposition has since surfaced. Opponents, who are mostly Republican, have offered an alternative proposal that would change the mechanics of PAC giving but not affect aggregate amounts. They have also complained about the drain of public financing on the Treasury.

Democrats have responded with a couple of reasonable compromises: One that would limit public financing to 40 percent of the established limit for overall spending and another that would provide public financing only to a candidate whose opponent refused to accept the voluntary limits.

Right now, the Boren-Byrd proposal is going nowhere. It is locked in filibuster in the Senate. The same tactic was used in 1979, the last time a comprehensive campaign finance reform package was considered.

We hope the tendered compromise, the continued climb of campaign costs in the last eight years and, ultimately, concern for the integrity of Congress will make for a different outcome in 1987.

[From The Leesburg Commercial, Leesburg, FL, July 4, 1987]

SENATE SHOULD ADOPT PROPOSAL TO RESTRICT CAMPAIGN SPENDING

The issue of political action committee financing of congressional races is being addressed by the Senate. It's about time.

In 1976, PACs contributed $5.4 million to Senate candidates. That's a big hunk of change, but that's all it is when compared to the $45 million donated to Senate races last year by PACs, with almost half of all senators collecting at least $1 million for their 1986 and future campaigns.

The growth of the PAC system has been detailed time and again, along with calls for meaningful reforms in campaign finance laws to eliminate PAC spending and influence. On the whole, Congress has ignored those calls, with proposals to limit or do away with PACs falling mainly on deaf ears.

Now, however, the Senate has a chance to begin meaningful campaign finance reform by supporting and refining a proposal from Senate Majority Leader Robert Byrd to limit campaign spending. Byrd's proposal ties campaign spending by Senate candidates to a state population on a voluntary basis, and limits House candidates to receiving no more than $100,000 from PACs.

Senate candidates not going along with the volunteer program would be limited to what he or she could receive from PACs. Also, Senate candidates could dip into the federal election fund for money to match what they receive in contributions of $250 or less.

In Florida, Senate candidates could spend up to $2.8 million on the general election. Considering that last year winner Bob Graham and loser Paula Hawkins spent about six times that much, the Byrd proposal could greatly reduce what's spent on Senate campaigns here.

There are some bugs that ought to be worked out of the Byrd proposal, such as the need to extend its coverage to primary races, making it mandatory instead of voluntary, and tying it into overall campaign finance reforms. But it is a good starting point, and one that enlightened members of the Senate, such as Graham and Florida's other senator, Lawton Chiles, support.

[From the Lewiston (ID) Tribune, June 10, 1987]

THIS BILL WON'T CURB PACS' INFLUENCE

A Democratic Senate bill to curb campaign financing by political action committees, or PACs, is being countered by a Republican-sponsored bill to eliminate PAC contributions altogether to specific congressional candidates. Sens. Bob Packwood of Oregon and Mitch McConnell of Kentucky, who introduced the Republican measure last week, have said they do not necessarily believe the PACs are a bad influence on campaigns but that the public seems to think so—and that their role therefore should be restricted.

That is what they call in politics, these days, a case of smoke and mirrors. The Packwood-McConnell bill would in effect expand the role of the PACs while appearing to restrict it. This is how it would work, according to Fred Wertheimer, president of Common Cause:

"The impact that the McConnell-Packwood legislation would have on PAC money is perhaps best demonstrated by what occurred in Senator Packwood's 1986 reelection campaign. In that election, ALIGNPAC, a PAC representing insurance interests, gave Senator Packwood a $1,000 contribution made out from ALIGNPAC to Senator Packwood. At the same time, ALIGNPAC also gathered and turned over to Senator Packwood $215,000 in checks made out by ALIGNPAC's members directly to Senator Packwood.

"This controversial practice, known as 'bundling,' allowed ALIGNPAC to massively evade the $5,000 per election PAC contribution limit and to get credit for providing what was the equivalent of a $215,000 contribution form ALIGNPAC to Senator Packwood."

The McConnell-Packwood bill would prevent any PAC from contributing money directly to any candidate, but it would permit the PACs to give unlimited amounts to committees that could then turn the money over to specific candidates. And, as Wertheimer notes, PACs could collect checks from members in any amount, and the candidates would have no doubt where it came from. The influence of special-interest money on congressional campaigns would be expanded, not curbed.

This is the Republican answer to a Democratic bill that would reduce PAC influence on members of Congress by closing the "bundling" loophole and by financing campaigns partly with public funds. If the Senate truly seeks to reduce big-money influence on congressional elections, these bills offer an easy choice.

[From the Lewiston (ME) Daily Sun, June 15, 1987]

CAMPAIGN THEATRICS

As the cost of running a successful campaign for Congress climbs, the cast of characters in the political arena declines.

And as the qualifiers for the Washington playbill shrink, the quality of representation wanes.

But alack, is this trend to be or not to be? A bill before the U.S. Senate would reverse this course by limiting contributions from private donors as well as spending from candidates' personal funds.

The Senate Election Campaign Act took center stage Thursday but the script on the Senate floor was reduced to a dull filibuster.

In the spotlight is the measure that is also known as the Byrd-Boren bill—a proposal to limit campaign costs and Political Action Committee contributions by propping up the revenues with public financing. The Supreme Court prompted the need for public money by ruling that Congress can limit campaign finances only if it provides public funds—thus the rub.

The protagonists of the opposition—Sens. Robert Packwood, R-Ore., and Mitch McConnell, R-Ky.—have submitted a legislative charade to counter the Byrd-Boren bill. The two claim their bill would eliminate PAC contributions but the fact is it would simply change the path of the money. The absurd proposal would force PACs to adopt a method called bundling—having individual PAC members make small donations to candidates instead of the organization as a whole. It would also make PACs funnel money to the political parties and the parties would then pass it on to the candidates—thus in effect eliminating any ceiling for PAC contributions.

By contrast, the Byrd-Boren bill would explicitly prohibit bundling and limit PAC contributions to $5,000. It would put a stop to the spiraling costs of campaigns, decrease the influence of special-interest groups and reduce the amount of time candidates spend raising funds.

There are over 4,000 PACs increasing their monetary theatrics for candidates every year. In 1976, Senate candidates received $5 million in PAC funds. In 1986, the figure had climbed to $45 million.

Meanwhile, Packwood and McConnell were enacting a tragedy on the congressional stage Thursday. If the Senate had its act together, it would have mustered the 60 votes needed to pull the curtain on the filibuster.

The scene for the next act will take place with a cloture vote scheduled for next week. Hopefully, the slings and arrows of outrageous PAC fortune will miss their target in the election arena and rationality will prevail.

[From the Lewistown (PA) Sentinel, June 17, 1987]

CURBS ARE NEEDED ON CAMPAIGN COSTS

It's about time.

For the first time in a decade, Congress is taking a hard look at an issue close to every one of its members—the high cost of getting elected.

Campaign expenses have risen astronomically. In 1976, the average cost of a successful Senate campaign was $610,000. Last year's average for winners was $3 million.

Or consider California, where Democratic Sen. Alan Cranston spent more than $8.5 million last year to defeat a $8.9 million challenge from Republican Ed Zschau. More than $17 million spent for a job that pays $89,500 a year.

Congressional reformers, led by Senate Democrats, are doing more than criticizing the amounts being spent. They are also targeting political action committees—PACs—the fastest rising sources of campaign money.

PACs are booming. In 1976 they gave $5.4 million to Senate candidates. Last year, the total reached $45.7 million. Fourteen of the 34 senators elected last year got more than $1 million each from PACs. More than 200 House members get at least half their election funds from them.

Legislation now stalled by a Republican filibuster in the Senate proposes PAC limits that would have cut the special-interest money going to winning 1986 Senate candidates from $28.9 million to $10.2 million, according to Common Cause, a citizens lobby that has been prodding Congress to change the system.

Democratic Sen. Robert Byrd of West Virginia, the Senate Majority Leader, brought the campaign finance bill to the floor earlier this month. He has shown no signs of withdrawing it despite a filibuster that has stopped most other business.

Even if the bill should eventually become law, participation by candidates would be voluntary to get around a Supreme Court decision that says mandatory spending limits violate constitutional free-speech rights.

Under the Democratic plan, a candidate could get up to 40 percent of general election expenses paid from the Treasury by agreeing to limit PAC receipts and restrict spending to $950,000 from $5.5 million, depending on a state's population.

Something needs to be done to curb campaign spending. PACs are largely responsible for the skyrocketing costs of getting elected, so it makes sense to limit contributions from those special-interest groups.

The Democratic plan represents a step in the right direction. It would at least provide an incentive for candidates to put less emphasis on PACs, and that would eventually make PACs less powerful.

[From the Lincoln (IL) Courier, June 3, 1987]

CONGRESS PONDERS ITS OWN FILTHY LUCRE

Money is on the mind of Congress these days—money scandals, to be specific. Congressional investigators are trying to trace the byzantine trail of funds connected to the Iran-Contra affair, and legislation is in the works that would deal with the Wall Street money scandal of insider trading. But Congress is dealing with a money scandal of its own as well—a scandal that involves the way congressional elections are financed.

A growing number of lawmakers are expressing dismay at the amount of money required to run for re-election and the amount of time it takes to raise that money. Chief among them is Senate Majority Leader Robert Byrd, D-W.Va., who complains that his colleagues are spending so much time trying to raise campaign funds that they have no time for Senate business. Byrd and Sen. David Boren, D-Okla., are cosponsors of legislation to curb political action committees and limit campaign spending.

As approved by the Senate Rules Committee, the Byrd-Boren bill, Senate Bill 2, would create a series of voluntary spending limits in Senate primary and general election races. It also would provide public funds for general election candidates who agree to abide by those limits. Spending for Senate races in the 1987-88 election cycle would be set at about $181 million.

The bill also would limit the amount House and Senate candidates may accept from PACs. Initially, the ceilings would range from $190,950 to $825,000 in Senate races, depending on the population of the state involved, and from $100,000 to $150,000 for House candidates, depending on the number of contested elections faced.

The Byrd-Boren proposal faces heavy opposition from Republicans, many of whom view public financing of campaigns as anathema. They have threatened to kill the bill by filibuster, and they are rumored to be working on an alternative measure. The Republican measure would limit PAC contributions but would not include public financing or spending limits.

Though the Republican measure would effect the status quo only slightly, it's reassuring that they at least recognize change is needed. With spending going up in each of the last five election cycles monitored by the Federal Election Commission, with special-interest PAC contributions to House and Senate candidates reaching a record $130 million in the 1986 election and with the 100th Congress more indebted to special interests than any Congress in the nation's history, the need for significant change is urgent.

Senate Bill 2 will reach the floor of the Senate sometime this month. As it looks now, Byrd has enough votes to pass the bill, but he does not have the 60 votes needed to invoke cloture if the Republicans filibuster. We hope he will push hard to get the necessary votes.

[From the Little (AR) Rock Gazette, June 18, 1987]

MUTING THE VOICE OF MONEY

Nearly everyone there acknowledges that money has gotten the upper hand in the United States Senate. The average cost of a winning Senate campaign in 1986 raced to $3.1 million, an increase of more than 400 per cent in 10 years, and though every candidate is relieved to have it no one is proud of how he raises it.

Public opinion accounts for part of this nervous consensus in the Senate. Americans believe that special interests buy far too much power over public policy by campaign gifts and honoraria to senators and congressmen. Voters have ample opportunity to measure it. Anyone in Central Arkansas wondering how Congressman Tommy Robinson will vote, for example, must only look at his political action gifts. (But we get ahead of ourselves here: the House of Representatives doesn't feel moved on campaign finance yet because all its members are counting next year on the advantages the system offers them.)

But the consensus in the Senate doesn't embrace a solution. Both parties fear the other might get some advantage from a law controlling campaign spending and giving. If the Senate votes, it will approve a bill by Senator David Boren of Oklahoma, but Republicans have twice blocked a vote by defeating cloture of a filibuster.

Boren's bill would limit contributions from political action committees and install voluntary public financing of Senate campaigns. Taxpayers could designate a $1 checkoff on their income tax returns. To qualify for public funds, candidates would have to accept ceilings on their private fund-raising and on PAC gifts. The PAC ceiling for a candidate in Arkansas would be $190,950.

Republicans aren't so protective of PAC money as they are worried about the overall spending limitations. The GOP generally raises a lot more money for its candidates. Republicans support a bill by Senators Bob Packwood of Oregon and Mitch McConnell of Kentucky that would prohibit direct PAC contributions to candidates altogether. But the rub is that PACs would give to party organizations, which would funnel unlimited sums to candidates. The Republican bill would continue and expand the practice of "bundling," which the Boren bill would prohibit.

Arkansas voters saw the effects of bundling last year. The Republican Party bundled $125,000 in contributions from outside Arkansas to the Senate campaign of Asa Hutchinson, who was running against Senator Dale Bumpers. When Gazette reporters telephoned a few of the donors, they had never heard of Hutchinson or even been aware of the race in Arkansas.

If the Senate approves the Boren bill, it will be one of its more unselfish acts. Its principal effect will not be to help Democrats, but challengers, who must run against a tide of money. Indeed, Democrats might be the Boren bill's instant casualties because more of them will face re-election in 1988 and 1990. Such ironies have been the history of efforts to reform campaign finance. The explosion of corporate PACs followed a law to protect union PACs.

But the greater beneficiary would be the public interest, which is served whenever the influence of overpowering money is curtailed.

The Reagan administration opposes the Boren bill, and the president will surely veto it if it somehow passes in its present form—a setback most of the Senate, especially the 33 members facing re-election in 1988, no doubt would take philosophically. But the people shouldn't.

[From The Lock Haven (PA), Express, June 15, 1987]

POWERFUL PAC-MEN

Political action committee contributions to Pennsylvania congressional candidates rose to an all-time high $7.5 million in 1986, a lobbying group says.

Common Cause, which supports changes in the federal laws governing campaign contributions, said the increase in PAC contributions paralleled a record $21.3 million in overall campaign spending in 1986.

Almost 30 percent—or $2.1 million—of PAC funds funnelled to Pennsylvania went to the Senate campaigns of victorious incumbent Republican Arlen Specter and Democrat Bob Edgar.

Specter received $1.26 million, or 23 percent of the $5.4 million raised by his campaign, from PACs, according to statistics provided by Common Cause.

Edgar, a former Philadelphia-area congressman, received $814,254, or 21 percent of his total campaign till, from PACs, Common cause said.

In 1982, Sen. John Heinz, R-Pa., and his Democratic opponent, Cyril Wecht, received $644,512 in PAC contributions, Common Cause said.

Democratic Rep. William H. Gray III of Philadelphia, the powerful chairman of the Budget Committee, received the most money from PACs among House candidates, with contributions totalling $459,048.

At the other end of the spending spectrum, Rep. William Gooding, R-Jacobus, took no money from PACs in 1986. He is among the handful in Congress who will not accept special interest contributions.

Among area candidates, Cong. Joe McDade accepted $203,665 in PAC money, George Gekas $50,014, Bill Clinger $286,980.

The big PAC man? Clinger's unsuccessful challenger Bill Wachob with $320,804.

"The spiralling cost of congressional campaigns combined with the millions of dollars in special interest PAC contributions that flood candidates' coffers, in Pennsylvania and nationwide, vividly underscores the urgent need to reform the way congressional campaigns are financed," Common Cause President Fred Wertheimer said.

The group supports a Senate bill that would establish partial public funding for Senate campaigns and limit PAC contributions and overall campaign spending.

The measure was endorsed by the Rules Committee in April. Debate on the measure by the Senate began last week.

"The campaign financing system is a national scandal which threatens the very integrity of Congress," Wertheimer said. "Senator Specter and Senator Heinz have a historic opportunity to support the fundamental reforms this process so desperately needs."

The senators should do all they can to be a part of that reform.

[From the Lodi (CA) News-Sentinel, June 10, 1987]

CONGRESSMEN PONDER THEIR OWN "FILTHY LUCRE"

Money is on the mind of Congress these days—money scandals, to be specific. Congressional investigators are trying to trace the byzantine trail of funds connected to the Iran-Contra affair and legislation is in the works that would deal with the Wall Street money scandal of insider trading. But Congress is dealing with a money scandal of its own as well—a scandal that involves the way congressional elections are financed.

A growing number of lawmakers are expressing dismay at the amount of money required to run for re-election and the amount of time it takes to raise that money. Chief among them is Senate Majority Leader Robert Byrd, D-W.Va., who complains that his colleagues are spending so much time trying to raise campaign funds that they have no time for Senate business. Byrd and Sen. David Boren, D-Okla., are cosponsors of legislation to curb political action committees (PACs) and limit campaign spending.

As approved by the Senate Rules Committee, the Byrd-Boren bill, Senate Bill 2, would create a series of voluntary spending limits in Senate primary and general election races. It also would provide public funds for general election candidates who agree to abide by those limits. Spending for Senate races in the 1987-88 election cycle would be set at about $181 million.

The bill also would limit the amount House and Senate candidates may accept from PACs. Initially, the ceilings would range from $190,950 to $825,000 in Senate races, depending on the population of the state involved, and from $100,000 to $150,000 for House candidates, depending on the number of contested elections faced.

The Byrd-Boren proposal faces heavy opposition from Republicans, many of whom view public financing of campaigns as anathema. They have threatened to kill the bill by filibuster, and they are rumored to be working on an alternative measure. The Republican measure would limit PAC contributions but would not include public financing or spending limits.

Though the Republican measure would effect the status quo only slightly, it's reassuring that they at least recognize change is needed. With spending going up in each of the last five election cycles monitored by the Federal Election Commission, with special-interest PAC contributions to House and Senate candates reaching a record $130 million in the 1986 election and with the 100th Congress more indebted to special interests than any Congress in the nation's history, the need for significant change is urgent.

Senate Bill 2 will reach the floor of the Senate sometime this month. As it looks now, Byrd has enough votes to pass the bill, but he does not have the 60 votes needed to invoke cloture if the Republicans filibuster. We hope he will push hard to get the necessary votes.

[From the Long Island (NY) Newsday, July 7, 1987]

WHY NOT VOLUNTARY CAMPAIGN SPENDING LIMITS

Congressional reformers may have found an acceptable way to limit campaign spending at last: Make the limit voluntary—but make the alternative very unpleasant for those who don't go along. It worked with "Voluntary" quotas on cars from Japan (the alternative would have been mandatory quotas), and it's worth a try to reduce the obscene amounts now spent on congressional races.

When Congress provided for partial public financing of presidential campaigns 13 years ago, it also put mandatory ceilings on spending by House and Senate candidates. Two years later the Supreme Court found those limits unconstitutional, but it had no problem with voluntary restrictions.

Ever since, reformers have searched in vain for a way to induce candidates to hold down their expenditures voluntarily. And ever since, campaign costs have soared, political action committees have proliferated and fund raising has become such an onerous and time-consuming chore that many members of Congress have started to have second thoughts about the system. Now a majority of the Senate seems to favor an overhaul.

But that largely Democratic majority has been stymied by a largely Republican minority, which has filibustered successfully against a campaign reform bill sponsored by Sens. David Boren (D-Okla.) and Robert Byrd (D-W.Va.) It originally featured strict spending and contribution limits coupled with public financing for congressional candidates, along the lines of the presidential system.

Opponents objected chiefly to the cost but also to limiting spending and making taxpayers fund political campaigns. This proposal should put the cost argument to rest: Instead of providing substantial public funds to those who agree to abide by spending limits, it would use public funding only as a form of insurance. Candidates would be eligible only if their opponents exceeded the limit set for that race; the amount would be equal to that opponents' excess.

Public funds would also be allocated to match negative attacks mounted by independent forces—a provision that might prove difficult to enforce. Even so, this proposal makes it difficult to oppose spending limits out of concern for the public purse.

On the contrary, concern for the public interest argues strongly for reining in runaway campaign costs and the growing influence of political action committees. The minority should quit filibustering and allow a vote on this proposal's considerable merit. Who knows? It might even become a model for states and municipalities as well.

[From the Louisville (KY) Courier-Journal, July 15, 1987]

LIMITING POLITICAL BUCKS

U.S. Senators who claim they deplore the abuses of the political money game have refused to support the only effective reform proposal in Congress because it provides public money for U.S. Senate campaigns. A new version puts that complaint to rest, leaving critics with no plausible pretext for continuing the filibuster that has prevented action since early June.

The rewritten bill retains the two essential ingredients of campaign finance reform—a voluntary over-all spending limit for Senate candidates based on each state's population and a ceiling on contributions from special interest political action committees.

Unlike the original version, it does not offer public money to every candidate who raises a specified amount in individual contributions. But a candidate could become eligible for public dollars to offset the advantage of an opponent who refuses to accept the limit. Matching money could also go to candidates who are targets of negative advertising sponsored by independent groups. And Senate hopefuls would have other incentives to participate, including a break on postal and TV ad rates.

The idea is to encourage candidates to observe the limits and to deter so-called "independent expenditures," thereby minimizing the use of public money. This approach should satisfy the Supreme Court rule that Congress may set voluntary campaign spending limits if candidates are offered an inducement, such as public money, to comply. Because of its simplicity and low cost, it could be adopted by the House and even by states.

The limits wouldn't leave candidates bereft. A Kentucky contender could raise $243,290, or 20 per cent of the spending limit, from PACs. Hoosiers could take in $321,177 in PAC money and spend five times that amount. That's ample for a respectable race.

Opponents will raise the usual objections. One is that any one PAC contribution is too small a part of a campaign budget to influence a congressman's voting habits. But studies show members of key committees often receive money from many PACS with common legislative interest. Anyone who thinks lawmakers are oblivious to these large sums has his head in the sand.

Another claim is that spending limits would help incumbents. However, 98 percent of House members were re-elected last year, suggesting that no system could be more protective of incumbents than the present one.

The bottom line is that Congress must finally curb the corrupting influence of special interest money. The compromise answers the opponents' chief complaint. They should quit being obstructionists and allow the issue to come to a vote.

[From the Louisville (KY) Courier-Journal, June 11, 1987]

CAP CAMPAIGN SPENDING

Kentucky's Republican senator, Mitch McConnell, and his colleagues won the first skirmish in the campaign finance reform battle. If they win the war, look for the cost of congressional races to go from scandalous to nauseating.

Before the Senate is a simple proposition. It would set up a system of public financing of Senate campaigns similar to the system that has financed the last three presidential campaigns. Candidates would not have to take the tax money. If they did, though, they would have to abide by ceilings on spending that vary according to the population of the states.

Public financing is the only legal way to limit the role of megabucks in political campaigns, according to the Supreme Court. That is what Senate Democrats want to do and a vote Tuesday showed that a majority of the Senate favors that approach.

Unfortunately, the 52-47 vote on a motion to cut off a Republican-backed filibuster was eight short of the necessary 60. The prospect of prolonged debate set off talk of a compromise. But any change short of public financing would be mere window dressing.

That was shown when Sen. McConnell said that the $12 million spent by Kentucky's Democratic gubernatorial candidates wasn't "obscene or inappropriate," but just a healthy indication of vigorous political competition. Such big spending "represents participation" in, rather than corruption of, the political process, he argued.

He tossed off his remarks in support of a window-dressing substitute for the Democratic bill that he and Sen. Bob Packwood of Oregon offered. Their measure tries to obscure the issue by attacking political action committee spending. It would forbid PAC contributions to congressional candidates—but the PACs could continue to influence elections by making "independent expenditures" on behalf of candidates, and by donating to state and national political-party committees.

What McConnell-Packwood proposes is to change the mix of funds flowing into congressional campaigns. It would not cap those funds. The cash and checks from PACs and fat cats would still flood campaign headquarters and the cost of running for office—which has more than doubled in the past decade—would continue to skyrocket.

Surely the senators don't want that. They must not settle for cosmetic change.

[From the Lyndhurst (NJ) Commercial Leader-Review, June 18, 1987]

CAMPAIGN SPENDING LIMITS

Campaign finance reform is poised for a breakthrough. On the opening day of the 100th Congress, Sen. David Boren (D-Okla.) and Senate Majority Leader Robert Byrd (D-W. Va.) introduced a comprehensive campaign finance reform bill. The bill, S.2, would set aggregate limits on the amount of political action committee (PAC) money candidates for Congress could receive. It would also create a voluntary system of campaign spending limits and limits on the use of personal wealth, along with partial public financing for senatorial campaigns. Much like the system already in place for presidential public financing, S.2 would provide for financing by the checkoff on individual tax returns. For more on the reform bill.

CC President Fred Wertheimer says the bill "attacks the most dangerous aspects of the current campaign finance system: the obscene and excessive sums candidates are spending to get elected, and their increasing dependence on special interest PACs for funding."

Last year's elections underscored the need for such reforms. Congressional candidates in 1985 spent close to $400 million, four times the amount spent a decade ago. On the average, winning Senate candidates spent over $3 million on their election efforts. Between January 1, 1985 and December 31, 1986, Senate candidates received over $45 million from special interest PACs, a 63 percent increase over PAC giving in the 1984 races.

Pressure for reform, both from within Congress and from the public, is strong. The S.2 bill has 30 cosponsors spanning the political spectrum. As Budget Committee chairman Sen. Lawton Chiles (D-Fla.) has said, "I sense a growing consensus among members of this body that the trend toward more money in campaigns and bigger, richer and more PACs needs to be reversed . . . . I believe the partial public financing of Senate elections . . . is the way to change."

This could well be the year for long-awaited reforms to take shape, says Wertheimer. "With the Senate leadership strongly behind the campaign finance reform effort, this dramatically improves the chances for successful action in 1987 on this historic legislation. We must make an extraordinary effort to take advantage of this extraordinary opportunity."

While the chances appear better than ever for passage of the bill in 1987, the battle will not be easy—particularly with well-funded PACs like those of the American Medical Association and the National Rifle Association expected to lobby intensely against S.2. That's why, ultimately, it will take massive grassroots pressure to get the comprehensive reform package passed.

We must pull out all the stops to get Congress to pass these needed reforms. It is essential for your senators to hear from you. The U.S. Senate needs to know that the public is fed up with the current system of financing congressional elections.

Write your senators today. If they have not already done so, urge them to go on the record against special interest money and in favor of comprehensive campaign finance reform by signing on as a cosponsor to the Boren-Byrd bill. And if your senators are already cosponsors, thank them for their support and urge them to keep campaign finance reform a top priority in the 100th Congress.

If you have time, please also write to Sen. Robert Dole (R-Kan.), Republican leader of the Senate, who is expected to play a key role in this fight. Tell him how essential it is to the country to clean up congressional campaign financing and ask him to support and cosponsor S.2.

Mail your letter in care of your senators' names to: U.S. Senate, Washington, D.C. 20510.

[From the Marion (OH) Star, July 5, 1987]

LET'S SLAY IT

The U.S. Senate is tied up in knots over an issue that to lawmakers is of paramount importance. It's not the Iran-Contra scandal or the budget of trade strategy. It is money—campaign money, to be exact.

Since early June, Senate Minority Leader Robert Dole, R-Kan., and most of his Republican colleagues have been engaged in a filibuster to prevent the Senate from acting on Senate Bill 2, much-needed legislation that would alter the system of election finance.

At issue is a Democratic-sponsored measure that would create voluntary spending limits in Senate elections, provide public funds for Senate general-election candidates agreeing to abide by the limits and restrict the amount of money that House and Senate candidates may accept from political-action committees, or PACs.

In 1988, if the bill were to pass, general-election limits would range from $950,000 in a low-population state such as Wyoming to nearly $5.5 million in California.

Senate Republicans do not necessarily dispute the need for campaign reform. Dole himself has spoken out about the outrageous expense of running for public office and the undue influence that PACs wield as a prime source of campaign financing. In the past 10 years, PAC contributions to Senate candidates have increased from $5 million to $45 million; campaign spending in Senate elections has increased from $38 million to $179 million. Senators complain about becoming "panhandlers."

In the words of the public-interest lobby Common Cause, "We have seen a monster created, a fundamentally corrupt campaign finance system for Congress."

Senate Republicans object to the idea of using government money to run congressional campaigns—even though the public financing scheme for presidential candidates is working well. They argue that spending limits in congressional campaigns help incumbents to the detriment of challengers.

The Republicans have offered a compromise that, in effect, is no compromise. It would cut the maximum amount that any single PAC can give to a candidate, but it would eliminate the spending limit and public financing components of the legislation.

Campaign reform simply will not happen without spending limits. The Supreme Court has ruled that there must be some form of public benefits in order to establish a system of voluntary campaign-spending limits.

The spending limits contained in Senate Bill 2 are reasonable and voluntary, as required by the high court. If presidential elections are a reliable guide, Senate Bill 2 will provide for competitive elections. Neither party will be at a disadvantage

Dole and his fellow filibusterers need to step aside and give the reform legislation a chance to slay the campaign monster. In doing so, they would be helping restore the integrity of our representative form of government.

[From the Marion (OH) Star, June 5, 1987]

GET THEM

Money is on the mind of Congress these days—money scandals, to be specific.

Congressional investigators are trying to trace the byzantine trail of funds connected to the Iran-Contra affair, and legislation is in the works that would deal with the Wall Street money scandal of inside trading. But Congress is dealing with a money scandal of its own as well—a scandal that involves the way congressional elections are financed.

A growing number of lawmakers are expressing dismay at the amount of money required to run for re-election and the amount of time it takes to raise that money. Chief among them is Senate Majority Leader Robert Byrd, D-W.VA., who complains that his colleagues are spending so much time trying to raise campaign funds that they have no time for Senate business. Byrd and Sen. David Boren, D-Okla., are co-sponsors of legislation to curb political action committees (PACs) and limit campaign spending.

As approved by the Senate Rules Committee, the Byrd-Boren bill, Senate Bill 2, would create a series of voluntary spending limits in Senate primary and general election races; it also would provide public funds for general election candidates who agree to abide by those limits. Spending for Senate races in the 1987-1988 election cycle would be set at about $181 million.

The bill also would limit the amount House and Senate candidates may accept from PACs. Initially, the ceilings would range from $190,950 to $825,000 in Senate races, depending on the population of the state involved, and from $100,000 to $150,000 for House candidates, depending on the number of contested elections faced.

The Byrd-Boren proposal faces heavy opposition from Republicans, many of whom view public financing of campaigns as anathema. They have threatened to kill the bill by filibuster, and they are rumored to be working on an alternative measure. The Republican measure would limit PAC contributions but would not include public financing or spending limits.

Though the Republican measure would effect the status quo only slightly, it is reassuring that they at least recognize change is needed. With spending going up in each of the last five election cycles monitored by the Federal Election Commission, with special-interest PAC contributions to House and Senate candidates reaching a record $130 million in the 1986 election and with the 100th Congress more indebted to special interests than any Congress in the nation's history, the need for significant change is urgent.

Senate Bill 2 will reach the floor of the Senate sometime in June. As it looks now, Byrd has enough votes to pass the bill, but he does not have the 60 votes needed to invoke cloture if the Republicans filibuster. We hope he will push hard to get the necessary votes.

[From the Medford (OR) Mail Tribune, July 9, 1987]

LIMITS ARE NEEDED

Members of the U.S. Senate will try again later this week to end a filibuster that has blocked a campaign spending reform bill since early June. If they fail, the price of winning a Senate seat will continue to increase at an obscene rate and the public's worry that political influence is being bought and sold will become stronger.

Leaders of this latest effort to limit campaign spending and reduce the power of political action committees (PACs) hope that July 1 revisions to the Senatorial Election Campaign Act will win enough votes to end the filibuster. The new proposal would retain key elements of S. 2, the original legislation, that are considered essential to holding down Senate campaign spending that has jumped from $45 million to $179 million between 1977 and 1986.

Those essential elements, which are endorsed by the citizens' lobby Common Cause, are: limits on spending, based on a state's population, and a limit on the total amount of PAC contributions that a candidate would be able to accept.

Candidates who abide by the spending limits would become eligible for preferential mailing rates and the lowest available TV rates. They also could receive taxpayer-funded "compensating payments" if their opponent refused to accept the ceiling on expenditures or if a third party spent money to campaign against them.

Common Cause says the presidential campaign spending system created after the Watergate affair proves that reform is possible. In 1972, with no limits, President Richard Nixon spent $62 million in his re-election effort. In 1984, with limits in effect, President Ronald Reagan spent $68 million—an increase of $6 million over 12 years.

By comparison spending in Senate races climbed from $35.5 million in 1972 to $137 million in 1984. During roughly the same period, PAC contributions went from $5 million in 1976 to $45 million in 1986.

"The question now before the Senate is whether the political will exists to resist partisan pressures and set aside obstructionist tactics, and to act instead in the nation's best interest by enacting effective and comprehensive campaign finance reform," says Common Cause President Fred Wertheimer. "Two hundred years after the framing of our Constitution and establishment of the U.S. Congress, senators cannot tell the American people that the present scandalous campaign finance system is the best they have to offer the country."

Amen to that.—R.A.S.

[From the Milwaukee (WI) Journal, June 10, 1987]

MAYBE A CHANCE TO THWART THE PACS

Since Congress voted in 1974 to provide for public financing of presidential elections, the lawmakers repeatedly have refused to take even a nip of their own good medicine. Most senators and representatives have preferred to get campaign money the old-fashioned way, by accepting donations from special interests.

After all, it's a system that heavily favors the incumbents and discourages challengers. But attitudes on Capitol Hill may be changing a bit for the better, thanks to public disgust with a system that has enabled well-heeled political action committees (PACs) to severely distort the electoral and governmental processes.

The Senate on Tuesday voted 52 to 17 against a Republican-led filibuster that threatens to keep a sensible campaign-reform bill from coming to a vote. The majority was not large enough; it takes 60 votes to limit debate. Nonetheless, it was a slightly encouraging sign, indicating that the bill could pass if the full Senate were allowed to vote on it.

The measure, sponsored by Sen. David Boren (D-Okla.) and Majority Leader Robert Byrd (D-W.Va.), would provide partial public financing for senatorial candidates if they agreed to abide by prescribed limits on total campaign spending and on total donations accepted from PACs.

A similar system in Wisconsin, covering legislative and statewide offices, has been widely accepted by politicians and has had generally beneficial effects. It has restrained both the total amount of political spending and the influence of PACs.

The Wisconsin system would work even better if it included a provision, as the Senate bill does, to prevent the evasion of PAC contribution limits through a trick known as bundling. (PACs are now allowed to round up checks for a candidate and give them as a bundle without counting them against PAC limits).

Of course, even if the Senate bill is eventually approved, obstacles will remain. The House has yet to act on the issue, and the possibility of a presidential veto must be considered. But supporters of campaign-finance reform say the chances for enacting at least partial public funding of congressional elections are better than they have been in many years.

Even some senators who oppose the concept are paying lip service to reform. For instance, Sen. Bob Packwood (R-Ore.), leader of the filibuster, has proposed that political action committees be forbidden to make direct contributions to candidates. But Packwood leaves a loophole large enough to accommodate a herd of elephants: PACs would be allowed to channel their gifts through the political parties.

Regrettably, he and some other prominent Republicans have resorted to outright demagogy on the issue of public financing. Packwood says the public-finance feature of the Boren-Byrd bill would "pick the taxpayers pocket," even though the cost is estimated at only about 50 cents a year per taxpayer.

That's a mighty reasonable price to pay for a finance system that will help take the government back from the PACs.

[From the New Bern (NC) Sun Journal, July 7, 1987]

PAC MONSTER IS TARGET OF REFORM

The U.S. Senate is tied up in knots over an issue that to lawmakers is of paramount importance. It's not the Iran-Contra scandal or the budget or trade strategy. It's money—campaign money, to be exact.

Since early June, Senate Minority Leader Robert Dole, R-Kan., and most of his Republican colleagues have been engaged in a filibuster to prevent the Senate from acting on Senate Bill 2, much-needed legislation that would alter the system of election finance.

At issue is a Democratic-sponsored measure that would create voluntary spending limits in Senate elections, provide public funds for Senate general-election candidates agreeing to abide by the limits and restrict the amount of money that House and Senate candidates may accept from political-action committees, or PACs.

In 1968, if the bill were to pass, general-election limits would range from $950,000 in a low-population state such as Wyoming to nearly $5.5 million in California.

Senate Republicans don't necessarily dispute the need for campaign reform. Dole himself has spoken out about the outrageous expense of running for public office and the undue influence that PACs wield as a prime source of campaign financing. In the past 10 years, PAC contributions to Senate candidates have increased from $5 million to $45 million; campaign spending in Senate elections has increased from $38 million to $179 million. Senators complain about becoming "panhandlers."

In the words of the public-interest lobby Common Cause, "We have seen a monster created, a fundamentally corrupt campaign-finance system for Congress."

Senate Republicans object to the idea of using government money to run congressional campaigns—even though the public financing scheme for presidential candidates is working well. They argue that spending limits in congressional campaigns help incumbents to the detriment of challengers.

The Republicans have offered a compromise that, in effect, is no compromise. It would cut the maximum amount that any single PAC can give to a candidate, but it would eliminate the spending limit and public-financing components of the legislation.

Campaign reform simply will not happen without spending limits. The Supreme Court has ruled that there must be some form of public benefits in order to establish a system of voluntary campaign-spending limits.

The spending limits contained in Senate Bill 2 are reasonable and voluntary, as required by the Supreme Court. If presidential elections are a reliable guide, Senate Bill 2 will provide for competitive elections. Neither party will be at a disadvantage.

Dole and his fellow filibusterers need to step aside and give the reform legislation a chance to slay the campaign monster. In doing so, they would be helping restore the integrity of our representative form of government.

[From the New Brunswick (NJ) Central New Jersey Home News, June 9, 1987]

The Issue That Won't Die

Sometime today the Senate is expected to vote on a cloture petition to cut off debate on a sweeping campaign finance reform proposal. The bill's principal author, Oklahoma Sen. David Boren, doesn't think the necessary 60 votes are there to stop what threatens to become a summer-long filibuster aimed at stalling the Democratic-sponsored legislation. But as a tactical move, the cloture vote may move some senators to the negotiating table where a compromise reform bill can be drafted.

Campaign finance reform is the issue that won't die, but the Senate is torn by uneasiness about Boren's tough proposal—it would establish a public financing system and set overall spending limits as well as limits on the total amount of political action committee money Senate candidates could accept—and a desire to look good on the issue of runaway campaign spending and ballooning PAC contributions. Last week, in a move widely interpreted as an attempt to protect Republicans from being labeled anti-reform, two GOP senators introduced their own version of a campaign finance bill, which was promptly denounced by the citizens' lobby Common Cause as a "charade" that "should be rejected out of hand."

The Boren bill is not perfect. But it is a real attempt to right a campaign finance system that is out of control. The Senate can play games with filibusters and weak substitute proposals, but only real reform will address the problem of campaigns that cost too much—and the PAC money that pays for them.

[From the New London (CT) Day, June 23, 1987]

Blocking Reform—They Can Always Find a Good Excuse

At least Minority Leader Robert Dole is honest about it. He won't let a bill aimed at reforming campaign financing through the Senate because it would hurt Republican political chances in some parts of the country where the GOP hopes to increase its effectiveness.

The result is that S. 2, a much-needed limitation on contributions from Political Action Committees, is stalled by a filibuster. ". . . Putting on a campaign-expenditure limit is, in effect, putting a brake on our growth in certain parts of this country. It may not be intended, but that is going to be the result," says Sen. Dole in explaining the filibuster.

This is raw politics, nothing more. There always will be compelling reasons for those candidates who can raise the most funds to want to raise as much as their contributors will give. Sen. Dole's fondness for unfettered campaign financing has as much appeal in areas where the GOP already is strong and merely wants to hold onto seats as it does where the party needs more support. It just happens that at this juncture, the Republicans are able to raise much more money that the Democrats, and that's why Sen. Dole disparages reform.

With such thinking, no reform would ever arrive, and campaign financing abuses would get worse and worse.

S. 2, whose principal sponsor is Sen. David Boren of Oklahoma, provides limits of $190,950 to $825,000 in Senate races, depending upon the size of the state. The measure also sets limits of $950,000 to $5.5 million for general and primary elections combined.

Candidates who wanted to accept public financing contributions from the government would have to agree to limit PAC contributions under the proposed legislation.

In the past decade, PAC contributions to Senate races have increased by nine times. The numbers show clearly how PAC money plays an increasing role in helping candidates run and win elections. Putting congressmen and senators in the position of having to beg for money from special-interest groups in order to match the spending of the competition denigrates the office and opens up the potential for buying votes.

The only way to reform that situation is to put in place absolute dollar limits on PAC contributions.

Senate bill 2 is not designed to help Democrats or Republicans, but to assist the free election process that makes America work. Sen. Dole, get out of the aisle and stop blocking this good legislation.

[From the New London (CT) Day, May 27, 1987]

Campaigns—Limit Special Interests

There's nothing complicated about the effort to reduce the influence of the money peddlers who now try to shape legislation by filling congressional pockets. Either there will be a limit on the donations of PACs to individual candidates or there will not. Without question, there should be limits.

Political Action Committees were intended to get control of unbridled campaign contributions, the likes of which came to their most egregious public display in the revelations about Richard M. Nixon's fund raising prior to his re-election in 1972. Mr. Nixon spend $62 million for his primary and general election campaigns, some $6 million less than President Reagan spent in 1984. But given the adjustments for the Consumer Price Index, Mr. Nixon's expenditures would have been $153.9 million in 1984 if it were not for the campaign limitations and public financing already in existence.

Now the reformer no longer is chaste. PACs continue to be misused and abused to unduly influence the outcome of elections. Special interests increasingly are buying candidates with the not-so-subtle subversion of ready cash whenever a candidate needs it. The overwhelming percentage of the contributions go to incumbents, rather than challengers.

S. 2, a bill favorably reported out by the Senate Rules Committee would put a limit on such shenanigans. Some 49 senators currently favor the bill, but when the final vote is taken, arms weary from twisting may not go up in support of this much-needed continuation along the path of election reform.

The measure would set spending limits of $950,000 to $5.5 million, depending upon size of the election district. The limits apply to general and primary elections combined. Candidates who wanted to accept public financing contributions from the government would have to agree to limit PAC contributions.

In Senate campaigns, the limit would be $190,950 for PAC donations in the smallest states to $825,000 in the largest. Under these rules, the PAC donations of candidates such as Kansas' Robert Dole, the Senate minority leader, would have been just $190,950 instead of the more than $1 million in contributions he received from PACs.

Common Cause, the citizen's lobbying group that does so effective a job of making public the many campaign contribution abuses, is leaning hard on Sen. Dole to support the reform legislaltion. As a presidential candidate who may need to raise huge amounts of money, the senator obviously has some interest in protecting the status quo.

The influential support of Sen. Dole easily would push this much-needed campaign reform legislation over the top. Such statesmanship is necessary to curtail the ever growing abuses of PACs.

[From the New York Times, June 19, 1987]

The Republicans' Big-Bucks Filibuster

They don't filibuster in the Senate the way they used to in the days when Wayne Morse or Sam Ervin would strap on a tube and bag called The Motorman's Friend and then go out on the floor and orate for 22 hours without a break. Still, even lacking such individual heroics, Senate Republicans seem determined to prove their filibustering skills. For two weeks, they've blocked a bill that would clean up the present system of campaign finance. The filibuster will go on, unless some sensible Republicans recognize how obstructionist their party looks on this issue, and is.

To run for Congress these days costs amazing amounts. In 1976, Senate campaigns cost a total of $38 million; in 1986, $179 million. One reason for such increases is technology. Television costs more than handbills, direct mail costs more than door-to-door volunteers. But there's another reason: There's more money to be had.

Some comes from rich candidates. Senator Daniel Patrick Moynihan is alarmed by a "trend to megacampaigns, vast fortunes clashing one with the other." More money also comes from the profusion of special interest political action committees. With more and more money to solicit, the spending war spirals ever upward.

Conscientious candidates hate the escalation. "I do not think a candidate for the U.S. Senate should have to sit in a motel room in Goldendale, Wash., at 6 in the morning and spend three hours on the phone talking to political action committees," says Senator Brock Adams, a Washington Democrat. The public ought to hate the escalation, too. When legislators depend so much on contributions, they leave ugly questions about their votes on issues affecting big contributors.

The obvious remedy is to enact a lid on campaign spending, based on population or other local variables. Obvious but impossible; the Supreme Court says Congress can't limit spending unless it puts up public funds for campaigns.

Senate Democrats are willing. They can muster 53 votes for the Byrd-Boren reform bill to limit PAC contributions and create public finance for Congressional races, as in the Presidential system. That's a majority, but it's still seven votes short of the number needed to stop the Republican filibuster. Some Republicans are concerned, and ought to be. The filibuster makes their party look baldly obstructionist on How Big Bucks Buy Elections.

There may now be some movement. Democrats are willing to cut back sharply their public finance proposals if only Republicans will accept the principle of total campaign spending limits. There's a worthy opening here for negotiations that could end the filibuster and, much more, bring the Big Bucks under control. It's up to the Senate Republicans.

[From Ogden Standard-Examiner, Ogden, UT, July 19, 1987]

Time To Cap Costs of Election Races in Senate, House

The U.S. Senate is expected this week to untie the knots that have kept the august body hamstrung over an issue that to lawmakers is of paramount importance. It's not the Iran-Contra scandal or the budget or trade strategy. It's money—campaign money, to be exact.

Since early June, Senate Minority Leader Robert Dole, R-Kan., and most of his Republican colleagues have been engaged in a filibuster to prevent the Senate from acting on Senate Bill 2, much needed legislation that would alter the system of election finance.

At issue is a Democratic-sponsored measure that would create voluntary spending limits in Senate elections, provide public funds for Senate general-election candidates agreeing to abide by the limits and restrict the amounts of money that House and Senate candidates may accept from political-action committees, or PACs.

In 1988, if the bill were to pass, general-election limits would range from $950,000 in a low population state such as Wyoming to nearly $5.5 million in California.

Senate Republicans don't necessarily dispute the need for campaign reform. Dole himself has spoken out about the outrageous expense of running for public office and the undue influence that PACs wield as a prime source of campaign financing. In the past 10 years, PAC contributors to Senate candidates have increased from $5 million to $45 million; campaign spending in Senate elections has increased from $38 million to $179 million. Senators complain about becoming "panhandlers."

In the words of the public-interest lobby Common Cause, "We have seen a monster created, a fundamentally corrupt campaign-finance system for Congress."

Senate Republicans have stymied action on Senate Bill 2 because of objections to the idea of using government money to run congressional campaigns—even though the public financing scheme for presidential candidates is working well. They argue that spending limits in congressional campaigns help incumbents to the detriment of challengers.

The Republicans have offered a compromise that, in effect, is no compromise. It would cut the maximum amount that any single PAC can give to a candidate, but it would eliminate the spending limit and public-financing components of the legislation.

Campaign reform simply will not happen without spending limits. The Supreme Court has ruled that there must be some form of public benefits in order to establish a system of voluntary campaign-spending limits.

The spending limits contained in Senate Bill 2 are reasonable and voluntary, as required by the Supreme Court. If presidential elections are a reliable guide, Senate Bill 2 will provide for competitive elections. Neither party will be at a disadvantage.

The average Senate reelection campaign now costs $3 million. To amass that much, an incumbent it has been estimated must raise $10,000 a week 52 weeks a year every year of his term to build a campaign kitty. And that is obscene.

Consideration of the new proposal and a vote on ending the filibuster on campaign reform is due before week's end. A substitute to the proposal that has caused the Republican heartburn should be acceptable.

It protects candidates against independent expenditures and disclosure of so-called soft money funds and responds to the principal argument of public financing for Senate elections, except where a candidate exceeds the limits on established campaign spending.

Its time for Republicans to bargain. Dole and his fellow filibusterers need to step aside and give the reform legislation a chance to slay the campaign monster. In doing so, they would be helping to restore the integrity of our representative form of government.

[From Ogden Standard-Examiner, Ogden, UT, May 31, 1987]

Dominance of PAC's in National Elections Must Be Reduced

Political action committees are playing an increasingly bigger role than ever in national elections. PAC contributions accounted for nearly 31 percent of the total 1986 receipts, compared with nearly 29 percent of 1984's fund-raising.

Fourteen senators elected in 1986 raised more than $1 million each in political action committees contributions for their Senate campaigns. That more than doubled the number of PAC millionaires in the Senate, from 10 to 24 PAC contributions to all Senate general election candidates in 1985-86 totaled $45.7 million.

The recipients of such largesse are getting nervous. They realize that congressional campaigns are obscenely expensive, that special interest money invariably comes with strings attached and that addiction to PAC dollars undermines their credibility as representatives of the people.

The high cost of campaigning was a contributing factor in former Utah Gov. Scott Matheson's announcement last week that he would not run for the U.S. Senate in 1988. He said that as a candidate, he would have to spend most of his time seeking campaign contributions instead of studying and speaking out on the important issues of the day. Matheson said a spokesman for incumbent Sen. Orrin Hatch had predicted that $10 million would be spent on next year's Senate race.

Whether current office-holders are nervous enough to do something is an open question, but recently introduced legislation offers them an opportunity to make a conscious decision not to be beholders to PACs and their vested interests.

Languishing in the Congress is a bill introduced by Senators David Boren, D-Okla., and Senate Majority Leader Robert Byrd, D-W.Va. that would limit the total amount of special interest action committee funds candidates for Congress can accept. It would further establish for Senate general elections limits on total campaign spending together with a voluntary system of partial public financing, besides clamping down on PAC contributions and extending the current system of public financing of presidential elections to the congressional level.

It has more than 30 co-sponsors.

The likelihood of the upward spiral of campaign costs is not apt to end anytime soon without reform such as is embraced in the Boren-Byrd bill.

In 1986, House winners spent an average of $347,000 to capture their seats. Senate winners average $3 million. Total spending on TV ads and other campaign costs, including primary and general election disbursements came to $372 million, up from $321 million in 1984. Interestingly, Republicans outspent the Democrats for Senate races and the Demos were the big spenders in the House contests.

Under the Boren bill, a candidate could receive public funds for part of his campaign costs if he agreed to a spending limit that would vary from state to state.

The measure also would reduce the size of a PAC's maximum contribution from $5,000 to $3,000 per election and limit total PAC gifts to a candidate. Those limits would range from $175,000 to $750,000 for Senate candidates, depending on a state's population.

Reform in PAC giving cannot guarantee less-expensive campaigns or campaigns less dependent on special interests. The PAC system itself was supposed to be a reform and special interests groups are wonderfully ingenious at finding loopholes.

Say what you want to about the integrity of individual members of Congress or the lack of a precise correlation between campaign contributions and votes. The potential for abuse is clear. What we have now is a mess, an intolerable situation of a bought and paid for Congress.

Cost of running for Congress in 1968 increased by 16 percent. The Boren-Byrd measure could be a way out to put the skids on big bucks buying tickets to Capitol Hill.

[From the Orlando Sentinel, Orlando, FL, June 15, 1987]

Chance To Break PAC Chains

On Tuesday the Senate finally can break its dependency on campaign contributions from the political-action committees of special interests. It can limit how much money PACs can give a Senate candidate—and limit total spending in Senate races.

The status quo cannot continue. Ten years ago no senator had accepted more than $1 million in PAC contributions. Now two dozen members of that august body have accepted that much from special-interest groups.

That simply makes lawmakers too beholden to bankers, doctors, labor unions and other powerful groups, Another way to gauge the change: In 1976 PAC contributions in Senate races totaled $5.4 million; last year the total was $45 million.

Last year's winning candidates for the Senate spent an average of $3 million; in Florida, Democrat Bob Graham spent twice that to unseat Sen. Paula Hawkins, who spent roughly the same amount. The soaring cost threatens to make politics the province of folks who have personal wealth or wealthy pals. Yet these megabuck races, rather than airing serious issues more fully, revolve around dueling TV spiels.

So Senate Majority Leader Robert Byrd is pushing limits based on each state's population. In Florida, a Senate candidate could spend no more than $2.8 million on the General Election, with the federal government ready to match smaller contributions dollar-for-dollar after a candidate raised $650,000 in individual contributions of $250 or less. A candidate uninterested in the matching money could ignore the spending limit but could accept no more than $564,307 from PACs no matter what.

The plan also limits House candidates to $200,000 from PACs in the general election. That's plenty.

It's time for lawmakers to stop quibbling. Congressional committees have held hearings on PACs nearly every year since 1977. There's no perfect plan. Many Republicans, for example, complained that a plan shelved last week would cost $100 million every two years.

Mr. Byrd's new one would cost less than half that. Compared with the hidden cost of a Congress hypersensitive to special interest agendas, that's a bargain.

[From Times, Ottawa, IL, June 2, 1987]

As We See It: Campaign Spending Is Out of Control and Change Is Needed

Money is on the mind of Congress these days—money scandals, to be specific.

Congressional investigators are trying to trace the byzantine trail of funds connected to the Iran-Contra affair, and legislation is in the works that would deal with the Wall Street money scandal of insider trading. But Congress is dealing with a money scandal of its own as well—a scandal that involves the way congressional elections are financed.

A growing number of lawmakers are expressing dismay at the amount of money required to run for reelection and the amount of time it takes to raise that money. Chief among them is Senator Majority Leader Robert Bryd, D-W.Va., who complains that his colleagues are spending so much time trying to raise campaign funds that they have no time for Senate business.

Byrd and Sen. David Boren, D-Okla., are cosponsors of legislation to curb political action committees or PACs.

As approved by the Senate Rules Committee, the Byrd-Boren bill, Senate Bill 2, would create a series of voluntary spending limits in Senate primary and general election races. It also would provide public funds for general election candidates who agrees to abide by those limits. Spending for Senate races in the 1987-88 election cycle would be set at about $181 million.

The bill also would limit the amount House and Senate candidates may accept from PACs. Initially, the ceilings would range from $190,950 to $825,000 in Senate races, depending on the population of the state involved, and from $100,000 to $150,000 for House candidates, depending on the number of contested elections faced.

The Byrd-Boren proposal faces heavy opposition from Republicans, many of whom view public financing of campaigns as anathema.

Though the Republican measure would effect the status quo only slightly, it's reassuring that they at least recognize change is needed.

It is significant to note that spending has gone up in each of the last five election cycles monitored by the Federal Election Commission, that special interest PAC contributions to House and Senate candidates reached a record of $130 million in the 1986 election and the 100th Congress is more indebted to special interests than any Congress in the nation's history.

We also have concerns about putting public funds into the campaign treasure chest, but the need for significant change is urgent.

[From the Messenger-Inquirer, Owensboro, (KY), June 19, 1987]

Campaign Financing Reform Long Overdue

The Senate Election Campaign Act will not change the way the governor's and lieutenant governor's races are financed in Kentucky. But U.S. Sen. Wendell Ford of Owensboro thinks those races demonstrate why it's time for public financing of congressional races. He's right on the money.

Spending for campaigns has gone out of control. In just 10 years spending just for Senate races has increased five-fold, from $38.1 million in 1976 to $178.9 million in 1986. Keep in mind that only one-third of all the Senate terms expire each election.

The money it takes to get elected is a problem in two ways. First, it biases the system in favor of wealthy candidates who can loan money to their own campaigns. And that's where the recent Kentucky primary was an instructive example. Winners in both the governor's and lieutenant governor's races for the Democratic primary were millionaire businessmen. Gubernatorial candidates alone spent $12 million on the race.

Kentucky's other U.S. senator, Republican Mitch McConnell, thinks the spending is just dandy, a healthy sign of vigorous competition. "It represents participation," said McConnell.

Unfortunately, it represents participation by special-interest groups, not the public at large. The contributions of political action committees has grown from $5.4 million in 1976 to $45.7 million in 1986, according to Common Cause. And most of the PAC money goes to incumbents, making competition for the office far from equal.

S. 2 would change that by placing spending limits on campaigns, limiting the use of personal wealth, providing partial public financing and, as a consequence, reduce PAC funding by two-thirds.

Election financing reform is long overdue. And you don't have to leave Kentucky to see why.

[From the Berkshire Eagle, Pittsfield, MA, June 16, 1987]

The Incumbents Club

When a women's rights activist was once asked what single issue was most important to women, her answer was an insightful one: campaign-financing reform. This is not only because the current system of letting special interests pay for such a large share of campaign costs means that legislators are beholden to them and not to the people, but the system also makes if difficult for challengers—female or male—to break into the old-boy network that is the U.S. Congress.

In that sense, campaign-financing reform is the leading issue not just for women but for any number of groups that are concerned about Congress's failure to be responsive to their needs. As long as campaign bills are picked up to such a great extent by business, labor and professional political-action committees, it is their agendas that Congress will get to first, not the agendas of blacks, the elderly or the uninsured.

Next to the special interest, the group that thrives most under the exiting system is incumbent lawmakers. As the New York Times pointed out Monday, genuinely competitive races for seats in the House of Representatives are increasingly a thing of the past, although the Senate still does get its share of well-fought contests. In the House, though, a record 98.4 percent of incumbents running last November regained their seats. Nor did they have to run very hard. In both the 1986 and the 1984 elections, less than one-eighth of all contests saw the winner getting less than 55 percent of the vote—a dividing line between a closely fought election and a cakewalk.

The campaign-financing system, The Time article noted, plays a big part in the enormous edge that incumbents have. The practice of the special-interest PACs is to get on the right side of the likely winner, almost regardless of his political views, and in most cases that means they steer their money toward the person who already has the office. Last year, the PACs dished out eight times as much money to House incumbents as to challengers.

A bill that would substantially limit the role of PACs and introduce a measure of public financing of campaigns (as in presidential elections) is now before the Senate. Although the measure has the support of more than a majority of the 100 senators, backers have had trouble getting the 60 votes they need to end a filibuster against it.

In New England and New York, senators who are balking at ending the filibuster include five Republicans: Alphonse D'Amato of New York, Lowell Weicker of Connecticut, William Cohen of Maine and New Hampshire's Gordon Humphrey and Warren Rudman. They are standing in the way of legislation that could affect the way this country is governed far more profoundly than any new laws likely to come out of the Iran-contra hearings.

[From the Berkshire Eagle, Pittsfield, MA, June 2, 1987]

LET'S BUY CONGRESS BACK

If there were any doubt about the poisonous role that special-interest money plays in Congress, let it just be noted that the biggest-spending lobbying group on Capitol Hill last year was a coalition of electric utilities and coal companies fighting acid-rain legislation. The coalition, by the way, was extremely successful, as another year passed without a meaningful law requiring sharp reductions in the smokestack emissions that cause acid rain.

There is a defense against this kind of spending. The Senate's campaign-financing reform bill would limit the contributions of the special interests' political action committees, put a lid on candidates' expenditures and, at the same time, introduce a degree of public funding. The measure is strongly supported by the citizens' lobbying group, Common Cause, and already has the backing of about 50 of the Senate's 100 members.

This degree of support would seem to assure the bill of fairly clear sailing, but there is a problem. Because the reform proposal is considered such anathema by the special interests and their errand-runners in the Senate, the latter are virtually certain to mount a filibuster against it. To bring that to an end requires not just a 51-vote majority but a vote of 60 senators for cloture.

Even that number would be achievable if senators focused more on the damage that the current system of campaign financing does to the fabric of this country's democracy. In the 1986 election, nearly half of the House of Representatives received 50 percent or more of their campaign funds from PACs. PACs donated a record total of $130 million to both Senate and House candidates in 1986, a six-fold increase over 1976 when they gave "just" $22 million.

Proof that PACs' legalized bribes are motivated less by ideology than by a desire to curry favor with incumbents (who are much more likely than challengers to win) can be found in this statistic compiled by Common Cause: In 1986, PACs gave more than $65 million to House incumbents and just $8 million to challengers for House seats.

This is a thoroughly unhealthy situation that would best be corrected by switching to a system in which private financing would play an insignificant role and public funds would be the order of the day. Failing that, the Senate's bill is the best bet. The most important action that chamber takes this year will almost certainly be its response—or lack of response—to this legislation.

[From the Daily News, Port Angeles, WA, Feb. 19, 1987]

PAC-FUNDING OF CONGRESSIONAL CAMPAIGNS NEEDS TO BE LIMITED

Now-retired Sen. Barry Goldwater once observed that "Unlimited campaign spending eats at the heart of the democratic process."

The Arizona Republican tried unsuccessfully to place limits on that spending last year, just before his retirement. Goldwater, with Sen. David Boren, D-Okla., co-sponsored legislation that won a test vote in the Senate but never made it to the floor before adjournment.

The effort is still alive. In the 100th Congress, Boren and Senate Majority Leader Robert Byrd have introduced a newly drafted campaign finance reform measure.

Byrd's sponsorship dramatically improves the chances for passage of campaign spending limits this year. It is the first time in more than a decade that the full weight of the Senate leadership has been behind a campaign reform effort.

The last time was in 1974, when Congress approved spending limits for congressional campaigns and presidential candidates. Two years later, the Supreme Court invalidated the limits in congressional campaigns, ruling that overall spending limits could be established only as part of a voluntary system that includes public financing. Public financing was included for presidential candidates, but not for congressional candidates.

Free of limits, spending in congressional campaigns has soared. In just 10 years, total congressional campaign spending for a general election candidates has increased nearly three times—from $99 million in 1976 to $289 million in 1986. Raising money has become the primary consideration for congressional incumbents and challengers alike. And the special interests represented by political action committees (PACs) have become a primary source of campaign money.

Obviously, these special interests are handing out campaign funds with the expectation of special consideration. This practice is as old as politics, but the stakes have changed dramatically with the advent of political action committees. Specifically, the stake needed for a political race has become prohibitive for most challengers. And it has made it virtually impossible for most incumbents to turn away special-interest dollars.

The Byrd-Boren bill would establish a voluntary system that includes public financing and limits the total amount of special-interest political action committee money a congressional candidate could accept. The reform is sorely needed.

Goldwater was right. A political system that gives overwhelming advantage on the basis of fund-raising skills or personal wealth threatens the heart of the democratic process.

[From the Portsmouth (NH) Herald, May 13, 1987]

ELECTION REFORM

The Senatorial Election Campaign Act is pending on the Senate floor. We hope it passes.

Should the legislation pass, candidates for the Senate in New Hampshire would be limited to PAC (Politial Action Committee) receipts of $190,950. Sen. Gordon Humphrey raised a total of $704,864 from PACS for his 1984 re-election campaign, according to Common Cause/New Hamshire. If the bill had been in effect at that time, Humphrey would have had to forgo $513,914 in PAC receipts. Sen. Warren Rudman raised only $5,000 from PACs during his 1986 re-election race.

Rudman, the state's junior senator, has a long-standing policy of accepting funds only from PAC within the state of New Hampshire.

Ironically, Rudman and Humphrey hold important votes in the fight to fend off a filibuster threatened when the bill comes to the floor. Common Cause/New Hampshire has called on the Granite Staters to oppose those efforts.

The legislation limits total PAC funds for each Senate candidate and limits total campaign expenditures and the use of personal wealth in Senate campaigns as part of a partial public finance system. It would establish a system for senatorial campaigns similar to the one that has worked for presidential elections.

The bill is supported by 49 senators and at least one former member of that body, Barry Goldwater, R-Ariz., who says, "Unlimited campaign spending eats at the heart of the democratic process. . . . Our nation is facing a crisis of liberty if we do not control campaign expenditures."

Again, according to Common Cause/New Hampshire, present senators received a total of $64.3 million in PAC contributions in their most recent elections. Under the provisions of the pending legislation, these senators would have been limited to $27.2 million form PACs—less than half the total they actually received.

The bill is supported by 65 national organizations, including the American Association of Retired Persons, the International Association of Chiefs of Police and the National Farmers Organization.

Spending in campaigns has long since gotten to the point of ridiculousness and we favor anything which would reduce the amount of money needed to run a competitive campaign because it opens the door to additional, qualified candidates.

"The Senate has the opportunity to end the national scandal caused by the way our congressional campaigns are financed by enacting this historic reform legislation," John Thomas, Common Cause/New Hampshire chairman and National Governing Board member John Thomas has said.

With that in mind, we hope Sen. Humphrey and Sen. Rudman will help choke off a filibuster if it should arise and then support the legislation itself.

[From the Roseburg (OR) News-Review, May 2, 1987]

CAMPAIGN SPENDING REFORM BADLY NEEDED

Money is on the mind of Congress these days—money scandals, to be specific. Congressional investigators are trying to trace the byzantine trail of funds connected to the Iran-Contra affair, and legislation is in the works that would deal with the Wall Street money scandal of insider trading. But Congress is dealing with a money scandal of its own as well—a scandal that involves the way congressional elections are financed.

A growing number of lawmakers are expressing dismay at the amount of money required to run for re-election and the amount of time it takes to raise that money. Chief among them is Senate Majority Leader Robert Byrd, D-W.Va., who complains that his colleagues are spending so much time trying to raise campaign funds that they have no time for Senate business. Byrd and Sen. David Boren, D-Okla., are co-sponsors of legislation to curb political action committees (PACs) and limit campaign spending.

As approved by the Senate Rules Committee, the Byrd-Boren bill, Senate Bill 2, would create a series of voluntary spending limits in Senate primary and general election races. It also would provide public funds for general election candidates who agree to abide by those limits. Spending for Senate races in the 1987-88 election cycle would be set at about $181 million.

The bill also would limit the amount House and Senate candidates may accept from PACs. Initially, the ceilings would range from $190,950 to $825,000 in Senate races depending on the population of the state involved, and from $100,000 to

$150,000 for House candidates, depending on the number of contested elections faced.

The Byrd-Boren proposal faces heavy opposition from Republicans, many of whom view public financing of campaigns as anathema. They have threatened to kill the bill by filibuster, and they are rumored to be working on an alternative measure. The Republican measure would limit PAC contributions but would not include public financing or spending limits.

Though the Republican measure would affect the status quo only slightly, it's reassuring that they at least recognize change is needed. With spending going up in each of the last five election cycles monitored by the Federal Election Commission, with special-interest PAC contributions to House and Senate candidates reaching a record $130 million in 1986 election and with the 100th Congress more indebted to special interests than any Congress in the nation's history, the need for significant change is urgent.

Senate Bill 2 will reach the floor of the Senate sometime in June. As it looks now, Byrd has enough votes to pass the bill, but he does not have the 60 votes needed to invoke cloture if the Republicans filibuster. We hope he will push hard to get the necessary votes.

[From the Red Bluff (CA) Daily News, May 16, 1987]

Money on the Mind

Money is on the mind of Congress these days—money scandals, to be specific. Congressional investigators are trying to trace the byzantine trail of funds connected to the Iran-Contra affair, and legislation is in the works that would deal with the Wall Street scandal of insider trading. But Congress is dealing with a money scandal of its own as well—a scandal that involves the way congressional elections are financed.

A growing number of lawmakers are expressing dismay at the amount of money required to run for re-election and the amount of time it takes to raise that money. Chief among them is Senate Majority Leader Robert Byrd, D-W.Va., who complains that his colleagues are spending so much time trying to raise campaign funds that they have no time for Senate business. Byrd and Sen. David Boren, D-Okla., are cosponsors of legislation to curb political action committees (PACs) and limit campaign spending.

As approved by the Senate Rules Committee, the Byrd-Boren bill, Senate Bill 2, would create a series of voluntary spending limits in Senate primary and general election races. It also would provide public funds for general election candidates who agree to abide by those limits. Spending for Senate races in the 1987-88 election cycle would be set at about $181 million.

The bill also would limit the amount House and Senate candidates may accept from PACs. Initially the ceilings would range from $190,950 to $825,000 in Senate races, depending on the population of the state involved, and from $100,000 to $150,000 for House candidates, depending on the number of contested elections faced.

The Byrd-Boren proposal faces heavy opposition from Republicans, many of whom view public financing of campaigns as anathema. They have threatened to kill the bill by filibuster, and they are rumored to be working on an alternative measure. The Republican measure would limit PAC contributions but would not include public financing or spending limits.

Though the Republican measure would effect the status quo only slightly, it's reassuring that they at least recognize change is needed. With spending going up in each of the last five election cycles monitored by the Federal Election Commission, with special-interest PAC contributions to House and Senate candidates reaching a record $130 million in the 1986 election, and with the 100th Congress more indebted to special interests than any Congress in the nation's history, the need for significant change is urgent.

Senate Bill 2 will reach the floor of the Senate any day. As it looks now, Byrd has enough votes to pass the bill, but he does not have the 60 votes needed to invoke cloture if the Republicans filibuster. We hope he will push hard to get the necessary votes.

[From the St. Cloud (MN) Daily Times, May 19, 1987]

Senators Need to Heal Campaign Finance Illness

Politicians, like physicians, have trouble healing themselves. Most members of the U.S. Senate know that something has gone terribly wrong with campaign financing, but they cannot seem to administer the legislative cure.

For two weeks now, senators have been trying to come to some terms on a bill that would limit the amount of contributions candidates could accept from political action committees (PACs), establish a voluntary system of spending limits and allow partial public financing for Senate candidates. The bill would help prevent a practice that is becoming a political cancer: the overwhelming influence of PAC contributions in congressional campaigns.

Public debate has been marked by virulent anti-PAC rhetoric, but the bill's merits should be considered in a reasonably cautious light. Following a previous bout of campaign contribution reform in the 1970s, lobbying groups of all kinds and policies began forming separate committees for the distribution of their campaign funds. There is, in itself, nothing intrinsically wrong with such a practice, for PACs are simply a congregation of like-minded individuals who have the right to support whom they please.

The trouble begins, however, when the cost of election campaigns begins to dominate the business of congressional government, and when PAC contributions begin to become the dominant source of congressional campaign funds. That is exactly what has happened, and that is why campaign finance reform is needed now. In the 1976 election, successful Senate candidates spent an average of $610,000. Last year, winning Senate candidates spent an average of $3 million. During the same decade, the amount of PAC contributions to Senate candidates has increased markedly, from a total of $5.4 million in 1976 to $45.7 million in 1986.

Senators are loath to make changes when it comes to something as personally critical as their own election campaigns, and a Republican filibuster has further slowed progress on the reform bill. But senators are scheduled to vote today on a motion to end debate and take final action. For the sake of their chamber's credibility and the integrity of congressional campaigns, senators first must end the filibuster, and then end the growing reliance of congressional campaigns on special-interest contributions.

[From the St. Louis (MO) Post-Dispatch, July 10, 1987]

Limit Campaign Spending

Somehow, the idea of public financing of campaigns is a bitter pill for many to swallow. Why? They have the mistaken idea that so long as campaigns are financed privately, they control who gets their contributions. Dyed-in-the-wool conservatives, for example, don't have to worry about taxpayer money (including their own) going to support some bleeding-heart liberal.

It's an idea as appealing as it is wrong. Under the present system of financing campaigns for the U.S. Senate and House, the public foots the bill, but instead of controlling the outlay, it has hardly any say in the process. When, for example, utilities donate to political action committees set up to help elect members of Congress who will be sympathetic to their cause, that money does not come from thin air. When board members of corporations write checks for favored candidates, don't think for a moment that they personally are going to be so much the poorer for having done so. Despite efforts to limit corporate influence or to ensure that donations to PACs come from shareholders' profits, not cutomers' pockets, the costs of expensive campaigns are borne by everyone.

There's another cost, less calculable but even more significant. And that is in the quality of the product paid for: the elected official. As campaign expenses rise, more and more of the legislator's time and energy are devoted to fund-raising, and less and less to the business of making good laws. As Missourians saw so well in the decision of former Sen. Thomas F. Eagleton to retire rather than run again under ever-worsening conditions, the situation has become so severe that good legislators are being driven from the field.

Third, there's the appearance—if not in fact the reality—of growing numbers of legislators whose actions, including votes, may be influenced disproportionately by the need to raise funds for coming campaigns against potential challengers whose resources may exceed their own.

The Boren-Byrd bill, known as S.2, would address these problems. Costs in general Senate elections would be limited voluntarily. Candidates choosing to exceed those limits would trigger public funding for qualified opponents who agree to live within them, thus reducing candidates' incentive to buy ever greater amounts of broadcast time. In races where both candidates abide by the limits—and where no outside group targets either candidate—no public funds would be spent. Aggregate limits would be set on donations from PACs, while one of the most flagrant circumventions of PAC Limits—a practice known as bundling—would become more difficult, S.2 also required disclosure of "soft money" contributions (indirect support from political parties, PACs and others).

S.2 is not a perfect bill, but it goes further than anything else yet proposed to relieve the burden of soaring campaign costs—a burden that falls heavily on senators, challengers, and voters alike. Missourians should urge Sens. John Danforth and Christopher Bond to support the best solution to date to the unacceptably high costs of campaigning.

[From the St. Louis (MO) Post-Dispatch, May 15, 1987]

Curb PAC Power in the Senate . . .

In the last decade, campaign spending for seats in the U.S. Senate increased by nearly five times, to the point where in 1986, senatorial candidates spent $178.9 million on their races. The proportion of that sum contributed by political action committees has multiplied even faster: to $45.7 million from $5.4 million.

If the present system of fund-raising is allowed to continue unchecked, the only candidates able to run will be those who are beholden to PACs. The winners, in turn, will be those beholden to the wealthiest PACs. The result is an unhealthy political imbalance in which a politician's sympathies are weighted toward the rich and powerful rather than the down and out.

A bill, S. 2, introduced in the Senate by David Boren and Robert Byrd, would go far toward inhibiting these dangerous tendencies. It would allow Senate candidates to obtain public financing if they agree to limit overall spending and accept a cap on the use of their personal funds in the campaign. S. 2 would also establish a formula for effectively limiting PAC contributions to $5,000 per PAC per campaign cycle.

S. 2 has won the support of 47 senators, but despite this and the endorsement of a wide-based coalition of national organizations, voting on the bill is being held up by a filibuster. In a conciliatory gesture, Sens. Byrd and Boren have offered to amend the bill to reduce the amount of public funds spent, and another cloture vote is scheduled within a few days.

The Byrd-Boren bill is vital to putting the Senate back on a track attuned to public rather than private interests. The electorate would be well served by senators voting to end the filibuster and then approving S. 2 without further amendments.

[From the St. Petersburg (FL) Times, May 14, 1987]

Now Is the Time

Now is the time, goes the old typist's exercise, for all good men to come to the aid of **the party.**

Just seven more will do.

A partisan filibuster is under way against the Boren-Byrd campaign reform bill, which would pass if the Senate could vote. There were 52 votes for cloture last week, more than a majority. But it takes 60 to shut off debate. Counting an absent supporter, there are 53 votes to pass the bill. It will take seven more to let democracy work.

The obstacle is the Senate Republican minority, which voted 44 to 2 against cloture. John Chafee of Rhode Island and Robert T. Stafford of Vermont remain the only Senate Republicans willing to combat the corrupting influence of congressional campaign spending. The Boren-Byrd bill, which they cosponsor, would establish partial public financing of Senate campaigns in exchange for voluntary state-by-state spending limits. It would also set overall limits—none now exist—on what candidates for the Senate or the House may accept from political action committees (PACs).

Minority Leader Robert Dole, R-Kans., and other opponents had been arguing that it would be unprincipled to invest the taxpayers' money in campaigns even though that's the only approach by which the Supreme Court will allow spending ceilings and even though Dole himself is asking for public funds for his presidential race. Majority Leader Robert Byrd, D-W.Va., called the GOP bluff last week. He proposed an amendment to cut by half the public finance component. The Republicans rejected that, too, confessing that they really don't want any spending ceilings at all.

In so saying, they committed their party to an indefensible position. Congressional races cost $373-million last year—almost four times as much as in 1976—and PACs representing special interests gave a third of it. Most members scarcely attempt any longer to deny that the money obliges them to listen first to their big contributors. The shakedown of lobbyists has become so constant and shameless that lobbyists themselves have formed an organization to support the Boren-Byrd bill.

"Money has become the sour milk of American politics . . ." said a statement by the pro-reform lobbyists. "Like you," they told Congress, "we spend far too much time raising money. And we share your distress at being diverted from the public issues of the day to the pursuit of endless campaign dollars."

Even as America celebrates the bicentennial of the Constitution, the very premise of representative democracy is being subverted by institutionalized bribery. Dole and 43 other Republican senators seem to be saying that's just fine with them. Their only alternative has been to offer amendments purporting to restrict PAC money but which wouldn't do so at all.

"Unlimited campaign spending eats at the heart of the democratic process . . ." former Sen. Barry Goldwater, R-Ariz., has said. "Our nation is facing a crisis of liberty if we do not control campaign expenditures."

Will Goldwater's warning continue to fall on deaf ears among his own Republican ex-colleagues? Or will seven more come forward to join Chaffee and Stafford in support of legislation that would resolve the crisis?

Another cloture vote is scheduled this week. The integrity of Congress is at stake. So are the conscience and reputation of the Republican Party.

[From the St. Petersburg (FL) Times, May 7, 1987]

What Price Honesty?

In a recent letter to constituents, Senate Minority Leader Robert Dole, R-Kan., said he opposes public financing of senatorial campaigns. The next day, he applied for public financing for his presidential campaign.

The inconsistency between Dole the senator and Dole the would-be president is one of the fascinating things to watch as the Senate debates what is possibly the most important election reform bill it will see in many years. The bill (S. 2) by Majority Leader Robert Byrd of West Virginia, Sen. David Boren, D-Okla., and a host of cosponsors, would clean up congressional campaigns in three dramatic ways. It would cut back substantially on contributions from political action committees (PACs). It would stop PACs from evading present limits by the so-called "bundling" of checks from individual contributors. Above all, it would subsidize much of the cost of general election campaigns—although in Senate races only—for party nominees who agree at the outset to limit their total spending to amounts determined by the size of their states.

These measures, taken together, compose the only practical antidote for the poisonous influence of big money on congressional elections, congressional conduct and public confidence in the U.S. government. Since 1976, when the Supreme Court invalidated all campaign spending ceilings that aren't tied to a candidate's acceptance of public funds, congressional campaign spending has soared almost fourfold to $373-million. PACs, each of which represents a special interest, gave more than $130-million last year, nearly six times as much as a decade before. Most of the PAC money goes to incumbents as tribute to their influence or as payoffs for their votes, or to buy what a Democratic House fund-raiser once shamelessly described as "acess . . . the opportunity to be heard," a right supposedly guaranteed free of charge by the First Amendment.

The Byrd-Boren bill has 49 declared supporters, including both Florida senators, but only two of them are Republicans. Most Senate Republicans, heedless of former Sen. Barry Goldwater's warning that "unlimited campaign spending eats at the heart of the democratic process," oppose the bill. In addition to threatening a filibuster, they are supporting two alternatives, which purport to stand for reform, but they are shams. Neither would limit total spending or genuinely reduce PAC participation. Common Cause, the public affairs lobby, has charged that one of them, an amendment by Sen. Ted Stevens, R-Alaska, would permit PACs in some cases to give even more.

The other Republican proposal, by Sens. Robert Packwood of Oregon and Mitch McConnell of Kentucky, would forbid PACs from contributing directly to any candidate for Congress. But they could contribute indirectly through party campaign committees. It appears they could even earmark the money for a specific candidate, which would result in no reform at all. The PACs could also continue "bundling," the practice of collecting checks from PAC members made out to a specific candidate in order to evade the $10,000 per candidate limit on the PAC itself.

Packwood's indulgence for "bundling" is understandable in view of his 1986 campaign, in which he raised $986,517 from PACs and another $215,000 in bundled checks from a PAC representing insurance interests. The Byrd-Boren bill, had it been in effect last year, would have allowed him to take only $223,000 from PACs and nothing by way of bundling.

The Republicans say it's wrong to ask the public to pay for political campaigns—but how is it any more wrong than public support for presidential campaigns, which are no longer dominated by special interests? Dole objects that partial public financing for congressional races would "alter the very foundation of our American political system." Yes, indeed. It would turn a corrupt system into an honest one.

According to the Citizens' Research Foundation at the University of Southern California, the taxpayers would pay a maximum of $87.6-million in 1988 and $69.3-million in 1990 if all Senate nominees participated. PACs could contribute no more than $21.5-million next year, barely half as much as they gave in 1986. Total spending—assuming full participation in the public finance plan—would be held to just above this year's level, and less in the next three elections. In the House, where 323 candidates received more than $100,000 each from PACs last year and 51 topped $300,000 apiece, a flat limit of $100,000 per candidate from all PACs would apply.

"How can you govern a nation," lamented the late Charles de Gaulle, "that has 246 different kinds of cheese?" Lucky he was that he didn't have to try his hand at one that has 4,157 political action committees. America needs a Congress that isn't obliged to answer their telephone calls first, and if it takes $87-million in public subsidies to insure an honest Senate, no greater bargain could be had.

[From the Salem (NJ) Today's Sunbeam, July 2, 1987]

Let's Reduce PAC Power

One of the top priorities of Congress should be the reform of campaign financing, which has become a disgrace through its overdependence on political action committees. A bill being debated in the U.S. Senate would impose limits on the total contributions allowed from PACs and provide for **public financing of Senate campaigns.**

The merits of this legislation are so apparent that it has 44 sponsors. But a small group of senators has promised to filibuster the bill into oblivion. Senate Majority Leader Robert Byrd is leading the effort to stop the talkathons with a petition to limit debate on the issue.

Senator Lloyd Bentsen of Texas, who scrapped his $10,000-a-head, fat-cat breakfasts under public pressure early this year, is having trouble supporting the public-financing aspects of the legislation.

The estimated $50 million annual cost of public financing for Senate races would be paid for with a voluntary $1 tax checkoff. An overwhelming majority of taxpayers already have volunteered to pay the $1 per year for presidential campaigns.

The current process is far more expensive in terms of valuable time allotted by members of Congress to raising large contributions from sepecial-interest groups, the bad legislation passed at the behest of those groups and the hidden costs those special interests pass on to taxpayers in the form of industry tax breaks and consumer charges. Ultimately, every taxpayer and voter pays for those PAC gifts.

Those who oppose the reform measure should realize they are siding with what Common Cause President Fred Wertheimer calls "a fundamentally corrupt campaign finance system."

Each senstor's stand on this issue reflects his concern about the continuing loss of taxpayer influence in the fact of growing PAC power. Voters should remember where each senator stood on this issue at election time.

[From the San Diego (CA) Tribune, June 26, 1987]

Time to Slay Campaign Monster

The U.S. Senate is tied up in knots over an issue that to lawmakers is of paramount importance. It's not the Iran-Contra scandal or the budget or trade strategy. It's money—campaign money, to be exact. Since early this month, Senate Minority Leader Robert Dole, R-Kansas, and most of his Republican colleagues have been engaged in a filibuster to prevent the Senate from acting on Senate Bill 2, much-Needed legislation that would alter the system of election finance.

At issue is a Democratic-sponsored measure that would create voluntary spending limits in Senate elections, provide public funds for Senate general-election candidates agreeing to abide by the limits and restrict the amount of money that House and Senate candidates may accept from political-action committees (PACs) in 1988, if the bill were to pass, general-election limits would range from $950,000 in a low-population state such as Wyoming to nearly $5.5 million in California.

Senate Republicans don't necessarily dispute the need for campaign reform. Dole himself has spoken out about the outrageous expense of running for pubic office and the undue influence that PACs wield as a prime source of campaign financing. In the past 10 years, PAC contributions to Senate candidates have increased from $5 million to $45 million; campaign spending in Senate elections has increased from $38 million to $179 million. Senators complain about becoming "panhandlers."

In the words of the public-interest lobby Common Cause, "We have seen a monster created, a fundamentally corrupt campaign-finance system for Congress."

Senate Republicans object to the idea of using government money to run congressional campaigns—even though the public financing scheme for presidential candidates is working well. They argue that spending limits in congressional campaigns help incumbents to the detriment of challengers.

The Republicans have offered a compromise that, in effect, is no compromise. It would cut the maximum amount that any single PAC can give to a candidate, but it would eliminate the spending limit and public-financing components of the legislation.

Campaign reform simply will not happen without spending limits. The Supreme Court has ruled that there must be some from of public benefits in order to establish a system of voluntary campaign-spending limits.

The spending limits contained in Senate Bill 2 are reasonable and voluntary, as required by the Supreme Court. If presidential elections are a reliable guide, Senate Bill 2 will provide for competitive elections. Neither party will be at a disadvantage.

Dole and his fellow filibusterers need to step aside and give the reform legislation a chance to slay the campaign moster. In doing so, they would be helping restore the integrity of our representative form of government.

[From the San Diego (CA) Tribune, May 26, 1987]

Congress Ponders Its Own "Filthy Lucre"

Money is on the mind of Congress these days—money scandals, to be specific.

Congressional investigators are trying to trace the byzantine trail of funds connected to the Iran-Contra affairs, and legislation is in the works that would deal with the Wall Street money scandal of insider trading.

But Congress is dealing with a money scandal of its own as well—a scandal that involves the way congressional elections are financed.

A growing number of lawmakers are expressing dismay at the amount of money required to run for re-election and the amount of time it takes to raise that money.

Chief among them is Senate Majority Leader Robert Byrd, D-W.Va., who complains that his colleagues are spending so much time trying to raise campaign funds that they have no time for Senate business.

Byrd and Sen. David Boren, D-Okla., are co-sponsors of legislation to curb political action committees (PACs) and limit **campaign spending.**

As approved by the Senate Rules Committee, the Byrd-Boren bill, Senate Bill 2, would create a series of voluntary spending limits in Senate primary and general election races. It also would provide public funds for general election candidates who agree to abide by those limits. Spending for Senate races in the 1987–88 election cycle would be set at about $181 million.

The bill also would limit the amount House and Senate candidates may accept from PACs. Initially, the ceilings would range from $1909,950 to $825,000 in Senate races, depending on the population of the state involved, and from $100,000 to $150,000 for House candidates, depending on the number of contested elections faced.

The Byrd-Boren proposal faces heavy opposition from Republicans, many of whom view public financing of campaigns as anathema. They have threatened to kill the bill by filibuster, and they are rumored to be working on an alternative measure. The Republican measure would limit PAC contributions but would not include public financing or spending limits.

Though the Republican measure would affect the status quo only slightly, it's reassuring that they at least recognize change is needed.

With spending going up in each of the last five election cycles monitored by the Federal Election Commission (FEC), with special-interest PAC contributions to House and Senate candidates reaching a record $130 million in the 1986 election and with the 100th Congress more indebted to special interests than any Congress in the nation's history, the need for significant change is urgent.

Senate Bill 2 will reach the floor of the Senate sometime next month. As it looks now, Byrd has enough votes to pass the bill, but he does not have the 60 votes needed to invoke cloture if the Republicans filibuster. We hope he will push hard to get the necessary votes.

[From the Sanford (FL) Evening Herald, July 6, 1987]

Chance to Slay Campaign Beast

The U.S. Senate is tied up in knots over an issue that to lawmakers is of paramount importance. It's not the Iran-Contra scandal or the budget or trade strategy. It's money—campaign money, to be exact.

Since early June, Senate Minority Leader Robert Dole, R-Kan., and most of his Republican colleagues have been engaged in a filibuster to prevent the Senate from acting on Senate Bill 2, much-needed legislation that would alter the system of election finance.

At issue is a Democratic-sponsored measure that would create voluntary spending limits in Senate elections, provided public funds for Senate general-election candidates agreeing to abide by the limits and restrict the amount of money that House and Senate candidates may accept from political-action committees, or PACs.

In 1988, if the bill were to pass, general-election limits would range from $950,000 in a low-population state such as Wyoming to nearly $5.5 million in California.

Senate Republicans don't necessarily dispute the need for campaign reform. Dole himself has spoken out about the outrageous expense of running for public office and the undue influence that PACs wield as a prime source of campaign financing. In the past 10 years, PAC contributions to Senate candidates have increased from $5 million to $45 million; campaign spending in Senate elections has increased from $38 million to $179 million. Senators complain about becoming "panhandlers."

In the words of the public-interest lobby Common Cause, "We have seen a monster created, a fundamentally corrupt campaign-finance system for Congress."

Senate Republicans object to the idea of using government money to run congressional campaigns—even though the public financing scheme for presidential candidates is working well. They argue that spending limits in congressional campaigns help incumbents to the detriment of challengers.

The Republicans have offered a compromise that, in effect, is no compromise. It would cut the maximum amount that any single PAC can give to a candidate, but it would eliminate the spending limit and public-financing components of the legislation.

Campaign reform simply will not happen without spending limits. The Supreme Court has ruled that there must be some form of public beneifts in order to establish a system of voluntary campaign-spending limits.

The spending limits contained in Senate Bill 2 are reasonable and voluntary, as required by the Supreme Court. If presidential elections are a reliable guide, Senate bill 2 will provide for competitive elections. Neither party will be at a disadvantage.

Dole and his fellow filibusterers need to step aside and give the reform legislation a chance to slay the campaign monster. In doing so, they would be helping restore the integrity of our representative form of government.

[From the Sanford (FL) Evening Herald, June 4, 1987]

CONGRESS MULLS ITS "FILTHY LUCRE"

Money is on the mind of Congress these days—money scandals, to be specific. Congressional investigators are trying to trace the byzantine trail of funds connected to the Iran-Contra affair, and legislation is in the works that would deal with the Wall Street money scandal of insider trading. But Congress is dealing with a money scandal of its own as well—a scandal that involves the way congressional elections are financed.

A growing number of lawmakers are expressing dismay at the amount of money required to run for reelection and the amount of time it takes to raise that money. Chief among them is Senate Majority Leader Robert Byrd, D-W.Va., who complains that his colleagues are spending so much time trying to raise campaign funds that they have no time for Senate business. Byrd and Sen. David Boren, D-Okla., are co-sponsors of legislation to curb political action committees (PACs) and limit campaign spending.I21As approved by the Senate Rules Committee, the Byrd-Boren bill, Senate Bill 2, would create a series of voluntary spending limits in Senate primary and general election races. It also would provide public funds for general election candidates who agree to abide by those limits. Spending for Senate races in the 1987-88 election cycle would be set at about $181 million.

The bill also would limit the amount House and Senate candidates may accept from PACs. Initially, the ceilings would range from $190,950 to $825,000 in Senate races, depending on the population of the state involved, and from $100,000 to $150,000 for House candidates, depending on the number of contested elections faced.

The Byrd-Boren proposal faces heavy opposition from Republicans, many of them who view public financing of campaigns as anathema. They have threatened to kill the bill by filibuster, and they are rumored to be working on an alternative measure. The Republican measure would limit PAC contributions but would not include public financing or spending limits.

Though the Republican measure would affect the status quo only slightly, it's reassuring that they at least recognize change is needed. With spending going up in each of the last five election cycles monitored by the Federal Election Commission, with special-interest PAC contributions to House and Senate candidates reaching a record $130 million in the 1986 election and with the 100th Congress more indebted to special interests than any Congress in the nation's history, the need for significant change is urgent.

Senate Bill 2 will reach the floor of the Senate sometime in June. As it looks now, Byrd has enough votes to pass the bill, but he does not have the 60 votes needed to invoke cloture if the Republicans filibuster. We hope he will push hard to get the necessary votes.

[From the San Jose (CA) Mercury News, June 26, 1987]

DOLE'S DELAY—SENATE REPUBLICANS MUST END THE FILIBUSTER ON CAMPAIGN FINANCE REFORM

Just as the California election system is corrupt, so is the congressional system. Elections have been taken over by special interests and big money. The time is ripe for remedies.

In California, the Assembly should pass the Lockyer bill and the governor should sign it. Next year, Californians will have a chance to approve the ballot initiative that limits campaign contributions, sets voluntary spending limits and provides for public funding in elections for the state Legislature.

A bill similar to the Lockyer bill is under debate in the U.S. Senate, and is supported by a clear majority. So far, however, S-2 has been held up by a filibuster lead by minority leader Bob Dole, R-Kan. Two weeks ago, 52 senators voted to end the filibuster, eight short of the 60 required for cloture.

Dole's tactics, intended to turn campaign financing reform into a partisan issue, are bad for his party and bad for the nation. The current Senate bill is an intelligent and fair one, which would do for Congressional elections what has already been done for presidential ones—provide a sane cap for spending.

The two Republican senators who supported cloture, John Chafee of Rhode Island and Robert Stafford of Vermont, have defied the party but served the nation. We wish we could say the same of Pete Wilson.

The Republicans' outdated view seems to be that since they are the party of money, why support a bill that limits campaign spending? The bill can only help the Democrats.

False. As President Reagan's two landslide victories show, spending limits and public financing have not hurt Republicans in the presidential race at all.

The same regulations that have brought spending for presidential elections under control should be extended to Congress.

Election figures leave no doubt about the wisdom of campaign financing reform. In 1972, before spending limits, President Nixon spent $62 million to win the race. In 1984, with limits, President Reagan spent $68 million to win, a huge decrease with inflation factored in.

Since 1977, when Senate Republicans first filibustered against reform, the average cost of winning a Senate seat has gone from $600,000 to over $3 million.

At the current rate of increase, it will cost $15 million to run for the Senate sometime in the 1990s, money largely spent by political action committees and interest groups to purchase influence.

Campaign reform's time has come. It has worked for the presidency, is working in those states that are using it and is supported in the polls. For a handful of Republicans to stand in the way of it is short-sighted, parochial politics, doomed sooner or later to fail.

[From the Scranton (PA) Times, June 10, 1987]

TAKE THE DOLLAR OUT OF SENATE—TIME FOR PAC REFORM

A dark joke in the campaign fund-raising business is that contributors get good access to victorious candidates while those who do not contribute merely get good government.

It is a message that political action committees take seriously and one which threatens our democratic tradition as PAC contributions continue to play a larger role in senatorial elections.

PAC contributions to senate candidates totaled $45.7 million in 1986 and 24 candidates who received more than $1 million each in PAC funds were elected.

Overall campaign spending has skyrocketed, rising from $38.1 million in 1976 to 178.9 million in 1986.

PACs support incumbents over challengers at a ratio of about $6 to $1, making it virtually impossible for many otherwise viable candidates to compete in high-priced races.

This month, the full Senate will consider a reform bill introduced by Sen. David Boren (D., OK) and Majority Leader Robert Byrd (D. WV).

Based largely on the presidential public financing system, Senate Bill 2 would place a cap on the amount of PAC financing a senatorial candidate could accept and limit the amounts that could be spent on a campaign.

It also would provide public financing to qualified candidates just as presidential candidates receive public funds for their campaigns. The estimated cost to the federal treasury would be about $50 million each year.

Opponents of the measure contend that taxpayer dollars should not be used for campaign funding.

But $50 million per year is a small sum for a large investment in democracy, that could go a long way toward limiting the strength of well-financed special-interest groups and restoring basic fairness to the federal election process.

[From the Sioux (IA) Journal, July 4, 1987]

CAMPAIGN REFORM NEEDED

The U.S. Senate is tied up in knots over an issue that to lawmakers is of paramount importance. It's not the Iran-Contra scandal or the budget or trade strategy. It's money—campaign money, to be exact.

Since early June, Senate Minority Leader Robert Dole, R-Kan., and most of his Republican colleagues have been engaged in a filibuster to prevent the Senate from acting on Senate Bill 2, much-needed legislation that would alter the system of election finance.

At issue is a measure that would create voluntary spending limits in Senate elections, provide public funds for Senate general-election candidates agreeing to abide by the limits and restrict the amount of money that House and Senate candidates may accept from political-action committees, or PACs.

In 1988, if the bill were to pass, general-election limits would range from $950,000 in a low-population state such as Wyoming to nearly $5.5 million in California.

Senate Republicans don't necessarily dispute the need for campaign reform. Dole himself has spoken out about the outrageous expense of running for public office and the undue influence that PACs wield as a prime source of campaign financing. In the past 10 years, PAC contributions to Senate candidates have increased from $5 million to $45 million; campaign spending in Senate elections have increased from $38 million to $179 million. Senators complain about becoming "panhandlers."

In the words of the public-interest lobby Common Cause, "We have seen a monster created, a fundamentally corrupt campaign-finance system for Congress."

Senate Republicans object to the idea of using government money to run congressional campaigns—even though the public financing scheme for presidential candidates is working well. They argue that spending limits in congressional campaigns help incumbents to the detriment of challengers.

The Republicans have offered a compromise. It would cut the maximum amount that any single PAC can give to a candidate, but it would eliminate the sending limit and public-financing components of the legislation.

Campaign reform simply will not happen without spending limits. The Supreme Court has ruled that there must be some form of public benefits in order to establish a system of voluntary campaign-spending limits.

The spending limits contained in Senate Bill 2 are reasonable and voluntary, as required by the Supreme Court. If presidential elections are a reliable guide, Senate Bill 2 will provide for competitive elections. Neither party will be at a disadvantage.

[From the Statesville (NC) Record & Landmark, June 10, 1987]

In Our Opinion—Own "Filthy Lucre"

Money is on the mind of Congress these days—money Scandals, to be specific. Congressional investigators are trying to trace the byzantine trail of funds connected to the Iran-Contra affair, and legislation is in the works that would deal with the Wall Street money scandal of insider trading. But Congress is dealing with a money scandal of its own as well—a scandal that involves the way congressional elections are financed.

A growing number of lawmakers are expressing dismay at the amount of money required to run for re-election and the amount of time it takes to raise that money. Chief among them is Senate Majority Leader Robert Byrd, D-W.Va., who complains that his colleagues are spending so much time trying to raise campaign funds that they have no time for Senate business. Byrd and Sen. David Boren, D-Okla., are co-sponsors of legislation to curb political action committees (PACs) and limit campaign **spending.**

As approved by the Senate Rules Committee, the Byrd-Boren bill, Senate Bill 2, would create a series of voluntary spending limits in Senate primary and general election races. It also would provide public funds for general election candidates who agree to abide by those limits. Spending for Senate races in the 1987-88 election cycle would be set at about $181 million.

The bill also would limit the amount House and Senate candidates may accept from PACs. Initially, the ceilings would range from $190,950 to $825,000 in Senate races, depending on the population of the state involved, and from $100,000 to $150,000 for House candidates, depending on the number of contested elections faced.

The Byrd-Boren proposal faces heavy opposition from Republicans, many of whom view public financing of campaigns as anathema. They have threatened to kill the bill by filibuster, and they are rumored to be working on an alternative measure. The Republicans measure would limit PAC contributions but would not include public financing or spending limits.

Though the Republican measure would effect the status quo only slightly, it's reassuring that they at least recognize change is needed. With spending going up in each of the last five election cycles monitored by the Federal Election Commission, with special-interest PAC contributions to House and Senate candidates reaching a record $130 million in the 1986 election and with the 100th Congress more indebted to special interest than any Congress in the nation's history, the need for significant change is urgent.

Senate Bill 2 will reach the floor of the Senate sometime in June. As it looks now, Byrd has enough votes to pass the bill, but he does not have the 60 votes needed to invoke cloture if the Republicans filibuster. We hope he will push hard to get the necessary votes.

[From the Sturgis (KY) News, June 3, 1987]

Congress Ponders Filthy Lucre

Money is on the mind of Congress these days—money scandals, to be specific. Congressional investigators are trying to trace the byzantine trail of funds connected to the Iran-Contra affair, and legislation is in the works that would deal with the Wall Street money scandal of insider trading. But Congress is dealing with a money scandal of its own as well—a scandal that involves the way congressional elections are financed.

A growing number of lawmakers are expressing dismay at the amount of money required to run for reelection and the amount of time it takes to raise that money. Chief among them is Senate Majority Leader Robert Byrd, D-W.Va., who complains that his colleagues are spending so much time trying to raise campaign funds that they have no time for Senate business Byrd and Sen. David Boren, D-Okla., are cosponsors of legislation to curb political action committees (PACs) and limit campaign spending.

As approved by the Senate Rules Committee, the Byrd-Boren bill, Senate Bill 2, would create a series of voluntary spending limits in Senate primary and general election races. It also would provide public funds for general election candidates who agree to abide by those limits. Spending for Senate races in the 1987-88 election cycle would be set at about $181 million.

The bill also would limit the amount House and Senate candidates may accept from PACs. Initially, the ceilings would range from $190,950 to $825,000 in Senate races, depending on the population of the state involved, and from $100,000 to $150,000 for House candidates, depending on the number of contested elections faced.

The Byrd-Boren proposal faces heavy opposition from Republicans, many of whom view public financing of campaigns as anathema. They have threatened to kill the bill by filibuster, and they are rumored to be working on an alternative measure. The Republican measure would limit PAC contributions but would not include financing or spending limits.

Though the Republican measure would effect the status quo only slightly, it's reassuring that they at least recognize change is needed. With spending going up in each of the last five election cycles monitored by the Federal Election Commission, with special-interest PAC contributions to House and Senate candidates reaching a record $130 million in the 1986 election and with the 100th Congress more indebted to special interests than any Congress in the nation's history, the need for significant change is urgent.

Senate Bill 2 will reach the floor of the Senate sometime in June. As it looks now, Byrd has enough votes to pass the bill, but he does not have the 60 votes needed to invoke cloture if the Republicans filibuster. We hope he will push hard to get the necessary votes.

[From the Tallahassee (FL) Democrat, June 16, 1987]

PAC Limits—Byrd-Boren Bill Has Merit

Money and politics do not mix well. When they do mix, all too often democracy suffers. Are we so impoverished, are we so narrow in our vision, that we cannot see that a dollar for democracy is an investment that will protect the future of that democracy?—U.S. Senate Majority Leader Robert Byrd.

So far, not enough U.S. senators have been able to see the value of that investment in democracy. Last week, an attempt to end a filibuster blocking action on a campaign reform bill introduced by Byrd and David Boren, D-Okla., fell eight votes short of the required 60. "I have every confidence that we will find a way to create that majority of 60 votes in due time," Byrd declared.

Another vote is expected this week. Wish Byrd luck. Political Action Committees, or PACs, are taking over federal elections, and they are not moving slowly. One thing that makes it so difficult to get those 60 votes is the fact that incumbents are most often favored by the special interest committees. Today's 100 sitting senators got $64.4 million from PACs during their most-recent elections.

Had the Byrd-Boren bill been law when the ran, that figure would have been slashed by 58 percent, to $27.3 million. A study by citizen lobby Common Cause showed that the 34 senators elected in 1986 got an average of $852,043 in PAC contributions; the reform bill would have cut that to $299,642—a drop of $552,401 per senator.

Florida Sen. Bob Graham would have had his $890,338 in PAC money trimmed by $326,031. The state's senior senator, Lawton Chiles, took no PAC money when he last ran in 1982. Both senators are sponsors of the reform legislation.

Senate PAC contribution limits would vary according to the voting-age population of each state and also would be tied to changes in the Consumer Price Index. Florida's current limit would be $564,307. House candidates could take up to $100,000.

In addition to capping PAC contributions, the Byrd-Boren bill would set up a voluntary system of partial public financing coupled with spending limits. Candidates who wanted to avoid the spending limit and forgo to public matching funds would be free to do so.

There is no justification for a minority of senators to continue to stifle debate on this important piece of legislation. The filibuster should end and discussion of the merits of the bill begin.

It's time for the nation to make that small investment in democracy.

[From the Temple (TX) Daily Telegram, July 9, 1987]

SLAY THE MONSTER

The U.S. Senate is tied up in knots over an issue that to lawmakers is of paramount importance. It's not the Iran-Contra scandal or the budget or trade strategy. It's money—campaign money, to be exact.

Since early June, Senate Minority Leader Robert Dole, R-Kan., and most of his Republican colleagues have been engaged in a filibuster to prevent the Senate from acting on Senate Bill 2, much-needed legislation that would alter the system of election finance.

At issue is a Democratic-sponsored measure that would create voluntary spending limits in Senate elections, provide public funds for Senate general-election candidates agreeing to abide by the limits and restrict the amount of money that House and Senate candidates may accept from political-action committees, or PAC's.

In 1988, if the bill were to pass, general-election limits would range from $950,000 in a low-population state such as Wyoming to nearly $5.5 million in California.

Senate Republicans don't necessarily dispute the need for campaign reform. Dole himself has spoken out about the outrageous expense of running for public office and the undue influence that PAC's wield as a prime source of campaign financing. In the past 10 years, PAC contributions to Senate candidates have increased from $5 million to $45 million; campaign spending in Senate elections has increased from $38 million to $179 million. Senators complain about becoming "panhandlers."

In the words of the public-interest lobby Common Cause, "We have seen a monster created, a fundamentally corrupt campaign-finance system for Congress."

Senate Republicans object to the idea of using government money to run congressional campaigns—even though the public financing scheme for presidential candidates is working well. They argue that spending limits in congressional campaigns help incumbents to the detriment of challengers.

The Republicans have offered a compromise that, in effect, is no compromise. It would cut the maximum amount that any single PAC can give to a candidate, but it would eliminate the spending limit and public-financing components of the legislation.

Campaign reform simply will not happen without spending limits. The Supreme Court has ruled that there must be some form of public benefits in order to establish a system of voluntary campaign-spending limits.

The spending limits contained in Senate Bill 2 are reasonable and voluntary, as required by the Supreme Court. If presidential elections are a reliable guide, Senate Bill 2 will provide for competitive elections. Neither party will be at a disadvantage.

Dole and his fellow filibusterers need to step aside and give the reform legislation a chance to slay the campaign monster. In doing so, they would be helping restore the integrity of our representative form of government.

[From the Torrington (CT) Register Citizen, June 17, 1987]

THE INCUMBENTS CLUB

When a women's rights activist was once asked what single issue was most important in women, her answer was an insightful one: campaign-financing reform. This is not only because the current system of letting special interests pay for such a large share of campaign costs means that legislators are beholden to them and not to the people, but the system also makes it difficult for challengers—female or male—to break into the old-boy network that is the U.S. Congress.

In that sense, campaign-financing reform is the leading issue not just for women but for any number of groups that are concerned about Congress's failure to be responsive to their needs. As long as campaign bills are picked up to such a great extent by business, labor and professional political-action committees, it is *their* agendas, that Congress will get to first, not the agendas of blacks, the elderly, or the uninsured.

Next to the special interests, the group that thrives most under the existing system is incumbent lawmakers. As The New York Times pointed out Monday, genuinely competitive races for seats in the House of Representatives are increasingly a thing of the past, although the Senate still does get its share of well-fought contests. In the House, though, a record 98.4 percent of incumbents running last November regained their seats. Nor did they have to run very hard. In both the 1986 and the 1984 elections, less than one-eighth of all contests saw the winner getting less than 55 percent of the vote—a dividing line between a closely fought election and a cakewalk.

The campaign-financing system, The Times article noted, plays a big part in the enormous edge that incumbents have. The practice of the special-interest PACs is to get on the right side of the likely winner, almost regardless of his political views, and in most cases that means they steer their money toward the person who already has the office. Last year, the PACs dished out eight times as much money to House incumbents as to challengers.

A bill that would substantially limit the role of PACs and introduce a measure of public financing of campaigns (as in presidential elections) is now before the Senate. Although the measure has the support of more than a majority of the 100 senators, backers have had trouble getting the 60 votes they need to end a filibuster against it.

In New England and New York, senators who are balking at ending the filibuster include five Republicans: Lowell Weicker of Connecticut, Alphonse D'Amato of New York, William Cohen of Maine and New Hampshire's Gordon Humphrey and Warren Rudman. They are standing in the way of legislation that could affect the way this country is governed far more profoundly than any new laws likely to comeout of the Iran-contra hearings.

[From the Torrington (CT) Register Citizen, June 5, 1987]

LET'S BUY CONGRESS BACK

If there were any doubt about the poisonous role that special-interest money plays in Congress, let it just be noted that the biggest-spending lobbying group on Capitol Hill last year was a coalition of electric utilities and coal companies fighting acid-rain legislation. The coalition, by the way, was extremely successful, as another year passed without a meaningful law requiring sharp reductions in the smokestack emissions that cause acid rain.

There is a defense against this kind of spending. The Senate's campaign-financing reform bill would limit the contributions of the special interst's political action committees, put a lid on candidates' expenditures and, at the same time, introduce a degree of public funding. The measure is strongly supported by the citizens' lobbying group. Common Cause, and already has the backing of about 50 of the Senate's 100 members.

This degree of support would seem to assure the bill of fairly clear sailing, but there is a problem. Because the reform proposal is considered such anathema by the special interests and their errand-runners in the Senate, the latter are virtually certain to mount a filibuster against it. To bring that to an end requires not just a 51-vote majority but a vote of 60 senators for cloture.

Even that number would be achievable if senators focused more on the damage that the current system of campaign financing does to the fabric of this country's democracy. In the 1986 election, nearly half of the House of Representatives received 50 percent or more of their campaign funds from PACs. PACs donated a record total of $130 million to both Senate and House candidates in 1986, a six-fold increase over 1976 when they gave "just" $22 million.

Proof that PACs legalized bribes are motivated less by ideology than by a desire to curry favor with incumbents (who are much more likely than challengers to win) can be found in this statistic compiled by Common Cause: In 1986, PACs gave more than $65 million to House incumbents and just $8 million to challengers for House seats.

This is a thoroughly unhealthy situation that would best be corrected by switching to a system in which private financing would play an insignificant role and public funds would be the order of the day. Failing that, the Senate's bill is the best bet. The most important action that chamber takes this year will almost certainly be its response—or lack of response—to this legislation.

[From the Towanda (PA) Daily Review, June 17, 1987]

PAC'S BENEFIT INCUMBENTS TOO OFTEN

A dark joke in the campaign fund-raising business is that contributors get good access to victorious candidates merely get good government.

It is a message that political action committees take seriously and one which threatens our democratic tradition as PAC contributions continue to play a larger role in senatorial elections.

PAC contributions to senate candidates totaled $45.7 million in 1986 and 24 candidates who received more than $1 million each in PAC funds were elected.

Overal campaign spending has skyrocketed, rising from $38.1 million in 1976 to $178.9 million in 1986.

PACs support incumbents over challengers at a ratio of about $6 to 1, making it virtually impossible for many otherwise viable candidates to compete in high-priced races.

This month, the full Senate will consider a reform bill introduced by Sen. David Boren (D. OK.,) and Majority Leader Robert Byrd (D. WV).

Based largely on the presidential public financing system. Senate Bill 2 would place a cap on the amount of PAC financing a senatorial candidate could accept and limit the amounts that could be spent on a campaign.

It also would provide public financing to qualified candidates, just as presidential candidates receive public funds for their campaigns. The estimated cost to the federal treasury would be about $50 million each year.

Opponents of the measure contend that taxpayer dollars should not be used for campaign funding.

But $50 million per year is a small sum for a large investment in democracy, that could go a long way toward limiting the strength of well-financed special-interest groups and restoring basic fairness to the federal election process.

[From the Tucson (AZ) Citizen, June 27, 1987]

WHEN PAC's TALK, CONGRESS LISTENS

Congress has an expensive habit. It's called re-election, and to feed it senators need $12,000 a day, House members $1,200.

With weekends off and two weeks of vacation, that's how much must be raised each day to pay the $3 million average cost of a Senate campaign, or $300,000 for a House seat.

And when Congress needs a fix, it turns to PACs. Freshman Sen. Harry Reid, D-Nev., recently told syndicated columnist David Broder he was astonished to discover it took 70 to 80 percent of his time just to raise campaign contributions.

Sen. Brock Adams, D-Wash., puts it this way: "I never imagined how much of my personal time—at least 50 percent—would be spent on fund-raising. Most of the time I was not talking to constituents about contributions; I was talking to professionals who control PACs, and lobbyists who were far removed from the voters of Washington state. I was campaigning for money, not campaigning for votes."

Assume for a minute that all those PAC contributions don't buy votes. Suspend disbelief and imagine that PAC-paid junkets to luxury resorts did not sway key members of the tax-writing committee just before they installed lucrative "transition" loopholes for their generous hosts (below).

Still, says Adams, the fear of cold-turkey PAC withdrawal makes Congress shiver.

"Beyond the illusion of 'vote selling' is the reality that Congress is not making the tough decisions that it should make," Adams wrote in a recent Washington Post column. "Too often we seek the easy answer, the compromise that will offend the least number of contributors. We hate to offend because we know that incumbents can collect money from all sides of an issue if only they hedge."

Campaign finance reform is desperately needed. Because the Supreme Court has ruled that campaign spending can't be limited without something in return, public financing must be an element. That's no excuse to bankroll campaigns with tax dollars. Simply use public financing to even the odds if one candidate obeys limits and his opponent does not.

Such public-paid "methadone treatment" won't be cheap, but it might help cure Congress of its costly addiction to PACs.

[From the Tupelo (MS) Northeast Mississippi Daily Journal, June 16, 1987]

ELECTION REFORM—LOWERING THE COST

A vote is scheduled at 4 p.m. today to stop a filibuster against election reforms proposed in Senate Bill 2. It's time to stop the talk and get on with the business of controlling the skyrocketing costs of congressional campaigns, particularly in the Senate.

The bill's lead sponsor is Mississippi Sen. John Stennis. Stennis, the president pro tem, has put his clout and integrity on the line for campaign expense reform. Still, the battle to get the necessary 60 votes is uphill.

Senate Bill 2 has been incorrectly characterized as a partisan bill. It is not. Campaign expense reform is a bipartisan issue that pits the power and influence of individual votes and small contributors against the clout of special interest dollars.

Stennis correctly has labeled the cost of campaigns and the dramatically increased influence of political action committees as a threat to the integrity of the Senate.

The financial facts of senatorial campaigns during the past 10 years support the concerns of Stennis and many other senators:

Senate general election campaigns cost $38.1 million in 1976;

Political action committees, the money of special interests, contributed $27 million to Senate general election candidates in 1984; PAC contributions jumped to $45 million in 1986;

The average cost of winning a senatorial campaign was $3 million in 1986; in California the winner spent $11 million.

Congressional politics, particularly in the Senate, is becoming a possibility only for people with significant personal wealth or access to the riches of PACs.

That's not the way American democracy is supposed to work.

Bitter political battles have been fought to equalize the influence of every elector's vote. The power of special-interest money now threatens to diminish the influence of a single vote and discourage small contributions to political campaigns.

Senate Bill 2 would enact three restrictions that could restore balance and sanity to campaign expenditures:

Senate races would receive partial public financing;

Limits would be placed on PAC contributions;

Voluntary limits would be placed on total campaign expenditures.

The House and Senate were not meant to be delegations representing wealth and special interests.

Senate Bill 2 could reverse the trend toward elitism in Congress.

America needs statesmen rather than political entrepreneurs available to the highest bidder.

[From the Washington Post, July 1, 1987]

U.$. $ENATE

The average Senate reelection campaign now costs $3 million. To amass that much, a senator must raise $10,000 a week 52 weeks a year every year of his term. Let him miss a week for some reason—could it be the press of legislative business?—and he must raise twice that much the next week, three times as much the week after that. If he represents a large state or fears a strong opponent—or wants to scare such an opponent off—he must also raise more than average. And they do.

The system has become obscene. Its defenders argue that the money now in politics is a sign of vigor, a healthy form of participation. Yes, up to a point—but that health point is past. The ceaseless quest for money absorbs the entire Congress, not only in election years. The National Journal recently compiled the amounts that senators not due to run until 1988 or 1990 had raised in 1985-86. By the end of last year four of the senators likely to run in 1990 had already raised more than $1 million; one was only $15,000 away; two more had raised more than $700,000. What notion of good government is served by that?

The Democrats seek to restore a sense of proposition to this process. They would impose spending limits. The Supreme Court has said that to satisfy the First Amendment, spending limits must be voluntary; as a practical matter that means they must be in return for federal funds. But Republicans object to public financing of congressional campaigns. The Democrats have therefore moved successively to minimize the role of public funds. Their latest proposal is that a candidate could get such financing only if he agreed to abide by the spending limits for his state and his opponent did not. The public money would be only an insurance policy.

It was easy for Republicans to block the Democratic bill when it contained a large measure of public finance; they could stand on principle. Now the issue is much more clearly the limits. Hardliners still resist the bill, on grounds that the Republicans, who are better fund-raisers, would be condemning themselves to permanent minority status. But money isn't what will deliver the Senate to the Republicans; nor, in the long haul, can it be healthy for the Republicans to link themselves to this iron lung.

Two Republicans—Robert Stafford and John Chafee—have joined the Democrats in voting to invoke cloture and move a bill. At least half a dozen others have acknowledged the need for restraint. "There is no doubt that campaign spending is out of hand," said Sen. Pete Domenici at one point in last month's debate. "I would be very happy to see some kind of overall limitation," said Sen. William Roth. "I believe there is no surer way to a complete breakdown of our electoral process than to ignore burgeoning campaign costs," said Sen. Daniel Evans. "It seems to me there have to be some limits," said Minority Leader Bob Dole.

The latest bill is fair; the Republicans should agree to bargain on it. The alternative will soon be to change the name on the place. It fast becomes the U.$. $enate.

[From the Washington Post, June 22, 1987]

TIN CUP CLUB

A full Senate term lasts 2,189 or 2,188 days, depending on leap years. The cost of an average reelection campaign is $3 million. Allow for a few days off—Sundays, Christmas, their birthdays—and the average senator has to raise $1,600 a day every working day for six years just to stay in office. That $100 every waking hour, and if the senator is from a populous state or expects a close fight it may be two, three, even four times that. The emblem of the modern Senate is the tin cup.

Left to itself the problem of raising these enormous sums will only worsen, as it steadily and dramatically has for 10 years now. The cost of office has doubled since the mid-'70s, and is now rising at a rate of 20 percent in each election cycle. John Stennis is the senior member of the Senate; he has watched the place for 40 years. He is hardly the panting reformer; nor has he, over his career, been particular partisan. Much of his allegiance is to the institution itself. He said on the floor the other day, "the cost of election campaigns and the method of financing them has placed the integrity of the Senate in jeopardy." He is right, and the thoughtful people in both parties know it.

The Democrats, led by Robert Byrd and David Boren, propose to deal with this; they would set spending limits. Because the Supreme Court has said that such limits violate the First Amendment except as a condition for receipt of public funds, the Democrats have also proposed public financing. Because the Republicans, who are better fund-raisers, object that public financing would also, in any number of ways, be unhealthy, the Democrats have moved to reduce its role in their proposal, so that the most it could provide would be 40 percent of a candidate's funds. Now they are said to be ready to reduce it further, to make it only an insurance policy. If you agreed to spending limits and your opponent did also, neither of you would get public money. If you agreed and he did not, you would get public money (according to a formula still to be worked out) only if and to the extent that he exceeded the limit. As before, there would also be a limit on the total any candidate could receive from PACs in an election cycle.

Filibustering Republicans objected to the earlier proposals in part on the grounds that they would put the Senate at the trough. This is a much leaner proposal. The recipient wouldn't trigger the federal funds; his non-abiding opponent would. There is no way to shave the public financing any further and keep the system workable. If a candidate who agrees to the spending limits is not necessarily to be subsidized, he must at least be protected. There are Republicans who say that, while they oppose public financing, they would favor spending limits. This goes about as far as ingenuity can to accommodate them. There are lesser features of the bill that they also dislike, but these are subjects for bargaining. The Democrats are making a fair offer. The Republicans should take it, before the miserable, obsessive race for funds consumes them all.

[From the Watertown (SD) Public Opinion, June 11, 1987]

Pressler Needs to Support S. 2

On Saturday, May 30, we criticized opponents of Senate Bill 2, which is designed to bring comprehensive campaign funding reform to the U.S. Senate. In talking to South Dakota's two U.S. Senators, Senator Daschle is a co-sponsor of this legislation and Senator Pressler said he needed to see some amendments to it before he could lend his support. He said at that time he felt that a proposed substitute amendment coming from Senator Packwood of Oregon would rectify some shortcomings S. 2 had.

Well, S. 2 has now been introduced on the Senate floor as has an amendment by Packwood and Senator McConnell of Kentucky. They say their amendment would eliminate PAC contributions to individual candidates. However, an article in *The Wall Street Journal* said about their proposal, "The move was seen mostly as a tactical ploy to protect Republicans from being branded as anti-reform." We can't say this is a strictly partisan proposal because there are a number of senators on both sides of the aisle who are mighty beholding to PACs for their past contributions.

The important thing here is that besides being a tactical ploy, this proposed legislation is a charade and would not accomplish its stated purpose.

The McConnell-Packwood bill would instead simply lead to PACs changing their method of providing money to a congressional candidate and in so doing would open the door to PACs providing unlimited sums to a congressional candidate.

The impact that this bill would have on PAC money is perhaps best demonstrated by what occurred in Packwood's 1986 reelection campaign. In that election ALIGNPAC, a PAC representing insurance interests, gave the senator a $1,000 contribution made out from ALIGNPAC to Senator Packwood. At the same time, ALIGNPAC's also gathered and turned over to the senator $215,000 in checks made out by ALIGNPAC's members directly to Senator Packwood. This controversial practice, known as "bundling," allowed ALIGNPAC to massively evade the $5,000 per election PAC contribution limit and to get credit for providing what was the equivalent of a $215,000 contribution from ALIGNPAC to the senator.

S. 2, the Senatorial Election Campaign Act, would make clear that PACs could not use this kind of "bundling" practice to evade contribution limits. All such contributions arranged for by a PAC would be counted against the PAC's contribution limit which under present law is $5,000 per election per candidate.

The "Mc-Pack" bill also claims to restrict this kind of bundling practice, but in fact it does nothing of the kind. The so-called "anti-bundling" language in McConnell-Packwood merely says that if a PAC gathers and delivers bundled contributions to a candidate, the checks need to be made out by the individuals directly to the candidate. That is of course, the very practice that ALIGNPAC used to provide $215,000 to Senator Packwood. Rather than restricting this kind of PAC bundling, McConnell-Packwood legitimizes the practices as a way for PACs to provide money to a candidate.

This amendment, if passed, would "hog house" the present wording of S. 2. This proposal to prohibit "direct" PAC contributions to a candidate, while legitimizing the practice of PACs bundling and delivering unlimited sums to a candidate, will result in all PACs simply mechanically changing their methods of raising money and providing it to a candidate without any limit on the total amount the PAC could provide. McConnell-Packwood will increase, not decrease, the ability of PAC money to unduly influence members of Congress.

The McConnell-Packwood bill is not campaign finance reform and should be rejected out of hand. After all of this, if Senator Pressler is really for reform, we hope he will support that rejection. If he doesn't, then the opposite is obvious. . . .

[From the Westfield (MA) Evening News, July 3, 1987]

Slay the Monster

The U.S. Senate is tied up in knots over an issue that to lawmakers is of paramount importance. It's not the Iran-Contra scandal or the budget or trade strategy. It's money—campaign money, to be exact.

Since early June, Senate Minority Leader Robert Dole, R-Kan., and most of his Republican colleagues have been engaged in a filibuster to prevent the Senate from acting on Senate Bill 2, much-needed legislation that would alter the system of election finance.

At issue is a Democratic-sponsored measure that would create voluntary spending limits in Senate elections, provide public funds for Senate general-election candidates agreeing to abide by the limits and restrict the amount of money that House and Senate candidates may accept from political-action committees, or PAC's.

In 1988, if the bill were to pass, general-election limits would range from $950,000 in a low-population state such as Wyoming to nearly $5.5 million in California.

Senate Republicans don't necessarily dispute the need for campaign reform. Dole himself has spoken out about the outrageous expense of running for public office and the undue influence that PAC's wield as a prime source of campaign financing. In the past 10 years, PAC contributions to Senate Candidates have increased from $5 million to $45 million; campaign spending in Senate elections has increased from $38 million to $179 million. Senators complain about becoming "panhandlers."

In the words of the public-interest lobby Common Cause, "We have seen a monster created, a fundamentally corrupt campaign-finance system for Congress."

Senate Republicans object to the idea of using government money to run congressional campaigns—even though the public financing scheme for presidential candidates is working well. They argue that spending limits in congressional campaigns help incumbents to the detriment of challengers.

The Republicans have offered a compromise that, in effect, is no compromise. It would cut the maximum amount that any single PAC can give to a candidate, but it would eliminate the spending limit and public-financing components of the legislation.

Campaign reform simply will not happen without spending limits. The Supreme Court has ruled that there must be some form of public benefits in order to establish a system of voluntary campaign-spending limits.

The spending limits contained in Senate Bill 2 are reasonable and voluntary, as required by the Supreme Court. If presidential elections are a reliable guide, Senate Bill 2 will provide for competitive elections. Neither party will be at a disadvantage.

Dole and his fellow filibusters need to step aside and give the reform legislation a chance to slay the campaign monster.

[From the Wilkes-Barre (PA) Citizens' Voice, June 9, 1987]

Pass S. 2 To Cut Costly Campaign

Special-interest Political Action Committees handed over seven and one half million dollars to candidates this year for the Pennsylvania House and Senate.

Candidates Arlen Specter and Bob Edgar alone spent a combined total of almost ten million.

This is too much. It's a waste of money. It's a distortion of the political process.

It's got to be curtailed. It can be. Bill S. 2—a campaign cost cutter—is now before the Senate. Pass it, senators.

[From the Winner (SD) Advocate, June 17, 1987]

Campaign Financing Needs Closer Look

State Senator Tom Daschle is undertaking efforts to reform campaign spending, something that has needed to be done for quite some time.

Daschle said his recent bid for office cost him over $3.5 million. "I didn't like the two year-long campaign that money made inevitable," he said recently.

"I didn't like the blizzard of television ads that money paid for.

"I didn't like the negativism that seems to appear on both sides in every big money campaign.

"And I hated having to ask over and over and over again for campaign contributions just to stay even with my opponent," Daschle said.

The senator is certainly not alone with these feelings. Millions of Americans across the country are disgusted with the entire election process, where big bucks are used to influence voter opinion.

The money spent by candidates, in an attempt to get elected or re-elected, has jumped 400 percent in the past decade. Daschle says that many Senate candidates, whose elections don't begin until 1990, are already starting their fund raising.

This preoccupation with elections and fund raising does not benefit the American voter. It is a system out of control. It is estimated that by the 2000 it could cost over $50 million to run for the Senate from South Dakota. Daschle supports a bill (SB #2) which would change campaign practices.

It would limit the amount of money a candidate may raise and spend in a Senate race. It would reduce the influence of political action committees. And it would tighten controls on so-called "independent expenditures" such as money spent by out-of-state groups to evade the campaign laws and influence the results of both the primary and general election in South Dakota next year.

We support such efforts. Campaign ethics and methods need closer scrutinizing. Here is a good example: Last week this office received a copy of a recent editorial published in the Argus Leader. The editorial was written by presidential candidate Jack Kemp and mailed to presumably all state newspapers using the Senator's franking privilege. This meant the candidate could disseminate his opinions at no cost to himself.

Why all the interest from a Senator from the 31st District of New York? Why out of the clear blue do we suddenly start receiving his correspondence? The anwser is obvious. He is looking for free publicity and is using taxpayers' money to pay for it. This is an abuse we have been critical of before.

Another campaign problem (which grows worse with each election) is with political pornography—that is, the negative advertising we have seen in several past campaigns, including Senator Daschle's. Money has nothing to do with whether this type of advertising appears in the media. It is a method of conducting a campaign that the candidate ultimately controls. Unfortunately, experts are saying that negative campaign advertising is a trend likely to continue in the future.

Daschle believes that now is the time to act on campaign reforms. SB #2 bill is a step in that direction. If you support campaign reform, share your opinions with our elected officials.

[From the Zanesville (OH) Times Recorder, July 6, 1987]

SLAY THE MONSTER

The U.S. Senate is tied up in knots over an issue that to lawmakers is of paramount importance. It's not the Iran-Contra scandal or the budget or trade strategy. It's money—campaign money to be exact.

At issue is Senate Bill 2, a Democratic-sponsored measure that would alter the system of election finance. It would create voluntary spending limits in Senate elections, provide public funds for Senate general-election candidates agreeing to abide by the limits and restrict the amount of money that House and Senate candidates may accept from political-action committees or PACs.

In 1988, if the bill were to pass, general-election limits would range from $950,000 in a low-population state such as Wyoming to nearly $5.5 million in California.

Senate Republicans don't dispute the need for campaign reform. Minority Leader Robert Dole has spoken out about the outrageous expense of running for public office and the undue influence that PACs wield as a prime source of campaign financing. In the past 10 years, PAC contributions to Senate candidates have increased from $5 million to $45 million; campaign spending in Senate elections has increased from $38 million to $179 million. Senators complain about becoming "panhandlers."

In the words of the public-interest lobby Common Cause, "We have seen a monster created, a fundamentally corrupt campaign-finance system for Congress."

Senate Republicans object to the idea to run congressional campaigns—even though the public financing scheme for presidential candidates is working well. They argue that spending limits in congressional campaigns help incumbents to the detriment of challengers.

The Republicans have offered a compromise that in effect is no compromise. It would cut the maximum amount that any PAC can give to a candidate but it would eliminate the spending limit and public-financing components of the legislation.

Campaign reform simply will not happen without spending limits. The Supreme Court has ruled there must be some form of public benefits in order to establish a system of voluntary campaign-spending limits.

The spending limits contained in Senate Bill 2 are reasonable and voluntary as required by the Supreme Court. If presidential elections are a reliable guide, Senate Bill 2 will provide for competitive elections. Neither party will be at a disadvantage.

Senate Republicans need to give the reform legislation a chance to slay the campaign monster. In doing so, they would be helping restore the integrity of our representative form of government.

Mr. CRANSTON. Mr. President, before the Senator yields, will he yield to me?

Mr. BYRD. I yield.

Mr. CRANSTON. Mr. President, I join the Senate majority leader in urging that we be permitting to come to grips with the matter of campaign reform. We have been seeking reform for a long time in this session. We have been seeking to get the matter before the Senate and bring matters to a head with votes on matters pertaining to the legislation we have offered.

We have made great efforts to compromise, and much that made the measure most attractive to me and others has been eliminated by some of these compromises. Many aspects of public financing that I think are vital parts of any reform have been eliminated in an effort to have some give from those who oppose this effort. Thus far, we have not seen any willingness to compromise on a matter that is very important, as the majority leader just noted, to the integrity of the Senate, or to the appearance of the integrity of the Senate.

There is another matter involved, I think, and that is the integrity of the whole democratic system of our Republic. That, too, is at stake.

We have had a situation in our country, historically, where in the first 100 years we had rising participation in our elections, rising from a 3.5-percent turnout of eligible people in the first elections to over 80 percent in the election of 1876, and then it went downward for a variety of reasons, and it has been going down ever since.

One of the latest reasons that has contributed, I believe, to this continuing decline in participation was, first, the invention of television, and then the beginning of its use for campaigning; and, second, as a natural consequence, the need for increasingly large sums of money to buy television time to reach the voters. This has now led to a situation where candidates are told by their advisers, as I was told when I ran last year, that you have to spend over half your time raising money for your campaign, in order to be able to buy television time to reach the mass of voters.

What that leads to is a situation where the candidate spends more and more time campaigning, specifically among those who are able to make major contributions, in order to use that money to reach the rest of the voters. Those voters then are left out of the process. The candidate does not have time to make as many appearances before them as was the case in former days. All they are then involved in, in the process, is to listen to television and to respond to those appeals and to receive direct mail that requests small contributions from people who are not able to make large contributions. This increasing emphasis upon money undermines our system.

We are down to where in the last Presidential election only 50 percent of those voted who might have voted. In the last congressional elections, only 30 percent of those voted who might have voted. In municipal elections in cities, towns, counties, and local districts of one sort or another, it went down to where 12 or 15 percent of the people participate and vote all too often.

I think there is a real threat to democracy implicit in these circumstances. If people do not have a stake, if they are not involved, if they do not participate, if they lose confidence in the process of democracy, that makes our whole system vulnerable.

Of the 22 major industrial democracies on the face of this planet, we are at the bottom, No. 22, in voter turnout. By comparison, in most European countries, it is 80 percent—in some cases, 90 percent. In the recent elections in India, over 80 percent participated. In the recent elections in the Philippines, over 80 percent participated.

It is a disgrace that in our democracy, the major democracy on the face of the Earth, people are dropping out of the system, and that forebodes danger for the system.

It is a disgrace that in a world where so many have fought and bled and died for the opportunity to vote and to pick their own leaders and to engage in the decisionmaking process of their countries, and are denied that right in many countries, we who have it do not exercise it.

One of the principal reasons it is being exercised less and less is that campaigns cost more and more.

We have to get this matter under control. This issue relates to every other issue we are concerned with, and therefore it is one of the most important issues that can conceivably come before this body.

I am delighted that the majority leader and the Senator from Oklahoma are providing the leadership on this issue. I urge others to join them. I urge those who have concerns about this particular approach, the latest in a long series of efforts to compromise—I wish those who have concerns about the current approach would at least come up with modifications that would make this acceptable, so that we can move this matter forward.

Mr. BOREN. Mr. President, I thank the distinguished assistant majority leader for the comments he has just made; and I thank the distinguished majority leader, whom I am proud to join in offering this piece of legislation, for the eloquent statements he has made earlier.

As they have both indicated, we are dealing here with a matter of fundamental importance to the people of the United States, to the future of this country and to the integrity of our constitutional process.

In our Government authority legitimacy rests upon the consent of the governed. It is, therefore, the election process itself which is the heart and soul of the system. Anything that compromises the basic integrity of that election process, anything which compromises the fairness of that election process access to that election process and equal opportunity for those with ideas about service to this country to run as candidates in that process, endangers the health of the democratic process itself.

(Mr. WIRTH assumed the chair.)

Mr. BOREN. I am pleased that we returned to consideration of S. 2. The majority leader's decision to return to this piece of legislation is a signal that the issue of campaign finance reform is not going to go away. It is going to be here for us to face until we deal with it. We may turn from time to time to other matters on our agenda, other important issues, budgetary issues, issues of Presidential appointments, other matters that are fundamentally also important to the country, but we are going to keep coming back to this issue of campaign finance reform, to this issue of protecting the integrity of the election process itself, until we deal with it, and that is appropriate. This issue must not be allowed to slip off the national agenda until we have done something to solve the problem.

We owe it to the next generation to protect the integrity of the Constitution itself.

That is why I applaud the decision of the majority leader to return our attention to this particular piece of legislation.

This is a new compromise proposal which has been offered. It is offered in the spirit and the hope of trying to form a consensus on both sides of the aisle to deal with this problem.

Democrats do not have a higher responsibility to guard the integrity of the election process than do Republicans. Republicans have no greater responsibility than do Democrats. This is not a partisan political issue. It is an American problem and we must find a way to get together as Americans and solve this problem.

During the June filibuster opponents focused upon public financing as a target of their opposition to this bill. This proposal has now been changed to in essence totally remove mandatory public financing as an aspect of the bill.

I want to just very briefly mention the kind of proposal that is now before us.

As under the original S. 2, there are voluntary spending limits which are adopted. For a candidate to fully participate in the system as set forth, a candidate must at filing time indicate and certify that that candidate will live by the spending limits. This is fundamental. There can be no true campaign finance reform without an agreement to limit overall spending. Candidates with the highest offices of public trust should compete on the basis of ideas, issues, and qualifications, and not on the basis of which candidates can raise the most money, for to have true reform, we must have a limit on the amount of money candidates spend in getting elected.

Congress previously acted to put reins on campaign spending, but in the 1976 landmark case of Buckley versus Valeo the Supreme Court found that Congress cannot set mandatory spending limits and, second, that if Congress sets voluntary limits its must provide some inducement as the Presidential system does to encourage compliance with the limits.

In this new proposal, we have set up a standard under which those who accept the voluntary spending limits will have to raise those funds from voluntary contributions from the private sector and not from Government funding. In addition to qualify, candidates must agree that while they accept an overall voluntary spending limit they will also raise a threshold amount depending upon the size of the State, 75 percent of which must come from individual contributions within that Senator's home State.

In addition, they will agree to contribute no more than $20,000 of their own personal funds to their campaign. This again is a provision put in in order to even out the playing field so that those with huge amounts of personal wealth will not be able to have an advantage in the election process.

Finally, the candidates must agree that they will not accept more than approximately 20 percent, under a formula that is set forth, of that voluntary limit from political action committee funds and special interest groups. Instead, they will go to individual contributors, principally, in their home States, to finance their campaigns.

Under the compromise that is now before us, if candidates accept those conditions, they voluntarily agree to hold themselves within reasonable spending limits, if they agree to limitations in terms of spending of their own personal wealth. If they agree to raise a certain portion of their initial funds from instate contributors, and if they agree to limit the amount of money that they receive from special-interest groups, they will receive certain benefits. First of all, they will qualify for the lowest unit broadcast rate for radio and television. That lowest unit rate is now given to all political candidates without regard to whether they accept spending limits or not. In the future that benefit would only be given to those candidates that accept voluntary limits. In addition those candidates who agree to live within reasonable voluntary limits would receive reduced first-class mail rates, 5½ cents per piece or 2 cents below the third-class mail rate.

This would give them a very significant advantage. This would be paid for by doing away with the present benefit that is given automatically to all political parties to use the bulk mail rate. Under the laws and under court decisions, if this is given to one political party, it is deemed to have to be given to all, including the Communist Party and other fringe groups. Doing away with that particular advantage will generate more than sufficient funds to offset the cost of giving a beneficial mailing rate to those candidates who accept voluntary spending limits, and so there would be no net cost to the Treasury. In fact, there should be a net gain to the Treasury from these two offsetting proposals.

Nonparticipating candidates, those candidates who will not agree to, in essence, give up their right to try to buy elections, those candidates who will not agree to reasonable spending limits, those candidates would have to carry in all of their advertising, including their direct mail and their broadcast advertising, a disclaimer that this candidate has not agreed to abide by voluntary spending limits. This would put the public on notice that that candidate is still reserving his right to try to decide the election on the basis of who can raise and spend the most money, that that candidate still wants to have the opportunity to buy the election if he or she is not capable of competing. We should compete within the democratic process on the basis of ideas, qualifications and what that candidate wants to do to help his or her country and his or her State through effective representation.

There is a standby proposal that, if a nonparticipating candidate comes within 75 percent of the limit, the candidate must report to the FEC in 5 percent increments of the limit and the participating candidate may begin to raise funds above that limit.

At the point that a nonparticipating candidate exceeds the general election spending limit, the participating candidate, that candidate who accepts the voluntary spending limits, is entitled to a grant equal to 67 percent of the general election limit and is allowed to raise and spend above the limit.

The point at which a nonparticiating candidate spends one-third of the amount of money that would be above the limit—in other words, he spends the entire spending limit plus 33 percent more—the particpating candidate is entitled to an additional grant equal to 33 percent of the general election limit.

In other words, funds raised through the voluntary checkoff on the income tax return and deposited in an account to enforce campaign finance reform would only be drawn upon by the participating candidate if the opponent went over the voluntary spending limit.

I believe that will rarely happen. I believe that the people of this country, who are very disturbed by the amount of spending that is going on, who are disturbed because the cost of running for the U.S. Senate has gone from $600,000 a decade ago to $3 million in the last election cycle—an enormous rate of increase that will propel us toward a $15 million price tag on the average U.S. Senate race if it continues at just the current rate within 12 years—that that alarm is so great that I think there will be strong public pressure, as well there should be, once this process is put in place, to cause candidates to want to abide by voluntary spending limits so that we can return some sanity to the campaign process in terms of the way it is financed.

I believe that that public feeling will be so forcefully expressed—and polls that have been taken all across this country indicate the great alarm that the people of this country have on the increasing amount of campaign spending—that candidates will find that it is to their detriment to try to buy elections, because the people of this country rightfully want that kind of behavior stopped. They want fair competition. They want an open process. They want candidates to compete on the basis of their qualifications.

Therefore, I believe that, once this system is put in place, it is very likely that candidates will begin to abide by the voluntary limits and that there will be no need for any public funds whatsoever to be involved in the process. It will not be the fault of the participating candidate if a single dime of public funds is involved. It will be the fault of the candidate that intentionally breaks the spending barrier.

And so this compromise goes the extra mile in trying to meet the opposition of those who said they were not prepared to vote for cloture to move ahead to vote on this bill, even though, quite clearly, as we debated in the past, a majority of the Members of this Senate favored it. Fifty-three Senators at one time or another went on record in favor of imposing cloture on this bill. But because we want to get above partisan politics, because we want to give due regard to the arguments raised by those on the other side who did not feel prepared to support S. 2 in its original form, we have made this major modification. Where, as previously, the participating candidate who accepted a voluntary spending limit immediately qualified to receive matching funds out of the checkoff, public funds, we have now taken that particular provision completely out of the bill.

If, for example, a spending limit in a certain State happens to be $1 million, that is the voluntary limit, the candidate who accepted that spending limit, that candidate would not get a single penny of public funds. That candidate would have to raise the funds from private contributors.

There certainly is a difference between the way he would raise them under our proposal and the way he now would raise them. He could only get 20 percent from interest groups. He would have to go back home to individual contributors to raise the balance. This will help restore some semblance of balance within the political system.

We had almost half of the Members elected to Congress last time who received more than half of all their political contributions not from the people back home, not from the people at the grass roots, but by organized interest groups largely headquartered right here in Washington, DC. We are endangering the concept of grassroots democracy as this balance is destroyed.

And so, while we would have voluntary spending limits and while candidates would continue to raise their funds through private contributors, we would see, I think, a healthy balance restored with candidates going back to individual contributors in their home States at the grassroots far more often and in a far larger proportion than they are now receiving their campaign contributions.

So, this bill is one that will bring about meaningful campaign reform. It is a proposal that should strike a responsive chord from those who have been opposing the bill in the past, because we have completely removed public financing as a basis for supporting campaigns. We have provided a bill with no net cost to the taxpayers. In fact, by removing the bulk rate privileges for all political parties automatically, we should have some net gain to the Treasury as a result of this piece of legislation.

What we will do if it is passed and if it is accepted in the spirit of bipartisan compromise, as I hope it will be, is restore the right kind of competition to American politics—competition based upon ideas, competition based upon character, competition based upon qualifications, competition based upon a desire to perform public service. We will no longer have competition based upon which candidate can raise the most money or which candidate is willing to accept the most special interest financing.

We have a chance, Mr. President, to take a giant step forward in preserving the integrity of the election process itself with this new proposal that has been offered, not only by myself and by Senator BYRD, but also by Senator EXON, who expressed his own reservations when S. 2 was first brought to the floor. Time and time again he came to the floor to say that he could not support S. 2 in the original form because he had misgivings about public financing. I understand why he had those misgivings. He sat down with us and worked with us to hammer out this new compromise. He is now giving his enthusiastic support to it.

We are gaining in momentum. We are gaining in support. I hope we now have before us, Mr. President, the blueprint for an ultimate campaign reform package that can pass the Senate with broad support on both sides of the aisle as we join together as Americans to solve a real American problem.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I want to congratulate Senator BOREN and the majority leader for their efforts in campaign financing reform and I am especially happy that this bill has now been brought up again. We have sat through weeks and weeks of debate on the trade bill, which is very important. We sat through an extended debate on the debt limit and all the variations that flowed from that, and rightfully so.

But I commend the majority leader for now allowing us to return to this important aspect of American politics and American government—campaign reform.

Mr. President, I have listened with interest over the weeks that this bill, S. 2, was debated to my able colleagues from the other party as they donned their armor of self-righteous indignation and mounted their rhetorical warhorses and charged full tilt against the dragon of campaign reform.

Each evening, after they had debated and spoken on the subject, I am sure they returned from the lists, with verbal lances splintered on the evil public finance giants, and shining swords blunted on the frightening spending limit dwarfs. What wonderful tales they must tell the firesides of their Republican castles; tales of valor, full of sound and fury.

"The arguments" I can hear them say, "we raised the good old solid arguments of days of yore, and they did us proud."

For it is the old arguments that my friends across the aisle have used as weapons in their battle to slay fundamental campaign reforms. Listen to what they say, and I am quoting now:

> The Constitution does not even mention political party, let alone national parties, nor any delegated power or right of this body to take taxpayers' dollars to subsidize political candidates. Deductions from individual taxpayers or not, the dollars still come from the U.S. Treasury.

Again:

> The Constitution does not even mention political party, let alone national parties, nor any delegated power or right of this body to take taxpayers' dollars to subsidize political candidates. Deductions from individual taxpayers or not, the dollars still come from the U.S. Treasury.

Another quote:

> As some of my Republican colleagues in the Senate have pointed out this checkoff system represents nothing more and nothing less than a raid on the Federal Treasury by the opposition party which is apparently in desperate need of campaign contributions.

Another quote:

> Through the $1 tax checkoff scheme these minor parties are not likely to ever pass from the scene. With a guarantee of public funding for their causes, they would achieve longevity, perhaps immortality.

Well, the new proposal, Mr. President, before the Senate no longer talks about public financing. It switched. But these arguments about which I have spoken dealt with that issue and I think it is important, before we leave that issue, to talk about the shallowness of those arguments, because those arguments sounded familiar, those quotes that I was given. They are the weapons with which our colleagues opposed to S. 2 in its original form have fought the battle. They are not, however, as I have stated, very new weapons.

In fact, the three quotes I read you came from opponents, on both sides of the aisle, to the 1971 Act which reformed the way in which Presidential campaigns are conducted in this country.

When this debate just developed—you will recall I asked my colleague, the distinguished junior Senator from Kentucky, if he would analogize between S. 2, and the Presidential electoral system. He was reluctant to do so, and with good reason. Not only has the checkoff system worked, but the candidates from his party have availed themselves of its provisions, and even right to this day continue to do so.

My friend from Kentucky hesitated to attack a system which financed the Reagan campaigns in 1980 and 1984, and which presently finances a number of his distinguished friends and colleagues as they struggle to succeed their current party leader as the architect of Republican philosophy and reason.

The system has worked, and yet the attacks made by its opponents in 1971 were precisely the same attacks they are making today. Like the good conservatives they say they are, my friends from the other party have fallen back on the weapons from the good old days, the lance of rhetoric, the dagger of half-truth, the sword of speculation, and the blunt club of fear.

The time has come, and I think this has been portrayed and certainly emphasized today, in the remarks given by Senator BOREN who certainly is the conscience of the Senate on the issue of campaign reform.

Senator BOREN said, in effect: It is time to call a truce. I agree. Public financing is out. Distinguished Senators like the senior Senator from Nebraska have now joined in this effort and is a cosponsor of this amendment.

I think it is time to negotiate an end to this medieval warfare and, instead, move forward into an age of enlightenment and reason. Because if there were ever an area where it is needed, it is in this area of campaign reform where people running for the U.S. Senate do not have to spend the majority of their time raising money, but they can campaign in the way that the American public thinks that we should campaign, by appearing in cities and towns before groups of men and women interested in bettering our form of government; not in determining how much money can be raised.

I have spoken a number of times on this Senate floor about S. 2, about the need to compromise. Certainly the way has been laid with the speeches made this morning, remarks on this floor, by the majority leader and by the Senator from Oklahoma.

Compromise is something that we must do. I think it necessary that both sides move. We have moved. Perhaps there is more movement that need take place but we have moved decidedly this day. I think we have moved in a reasonable manner. I believe that movement that has been made by the majority leader and the Senator from Oklahoma need to be recognized for what they are, an effort to resolve a complicated issue that certainly is before the American public.

This time now has come for the other party to get off its war horse and act in an equally reasonable and honorable manner.

The American people want this legislation. They want campaign reform. They want an end to the spiraling cost of campaign spending, and the campaigns which begin the day after the last election ended.

My colleagues, the time has come. Let us talk compromise now; so that those who oppose this bill with sword, and mace, and lance, are not trampled under by the votes of the people at the next election, when their weapons of rhetoric will avail them naught against the truth.

I yield the balance of my time.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. SANFORD. Thank you very much, Mr. President, I want to add to the words of my distinguished colleague just completed as well as the comments made by the majority leader and the sponsor of campaign reform; S. 2.

There is a judgment felt widely across the land that far too much money is spent for political campaigns, and the American political system is becoming the worse for it.

This reinforces the public's cynical belief that in the U.S.A. money talks louder than people. Candidates must spend far too much campaign time in fundraising. Excess campaign spending often reaches the absurd and then the obscene. Money can be given to causes much more worthy than the gilding of campaign lilies.

There is a reasonable amount of campaign money that needs to be spent. It is necessary to communicate a candidate's record and positions. That is the purpose of campaigns. Communication is the heart of campaigns.

I don't know what the reasonable limit is. We can debate that. But one thing certainly is true: the amounts needed are certainly not without limit.

True, as the minority leader suggests, this may not be a burning issue. People are writing fewer letters about this issue than about the Iran/Contra scandal, or the administration's bankrupt and bankrupting agriculture policy. But no political observer doubts that the American public is disgusted and expects us to curtail such excessive spending. The polls show it. The editorials show it.

Excessive spending puts a continuing strain on elected public officials. There are congressional fundraisers in Washington two or three times a week, and often two or three times a night. A senatorial candidate has to stand in line to hold a fundraiser in New York or Los Angeles. Congressional Members must worry about the legislative agenda of this PAC combine or that special interest group. If all that doesn't corrupt decisions, it has the potential to corrupt.

I was not initially able to grasp why so many of our Republican colleagues were so adamant, why they were filibustering to keep the Senate from even voting on campaign spending limits.

They seemed first to pose and posture as if protecting the taxpayer. "The taxpayers don't want to pay for our campaigns," they proclaimed day after day. But that wasn't quite straightforward talk. They know that the money is the equivalent of a voluntary contribution by taxpayers who check their tax forms. The American public understands its right to make voluntary contributions. That argument didn't fly.

Then the distinguished Republican leader told it all. Taking the floor after most of the Republicans had for the fifth time blocked a vote on the bill that would regulate spending, he gave the American public the official straightforward and honest reason for the Republican fear of campaign expense reform.

The Republicans need more money than Democrats in order to win. That is what he said. If they re not permitted to spend more than Democrats, they can never expect to win, they say.

He said the Republicans don't want any, and he said, "not any," limits on campaign expenditures. Fortunately, all Republicans do not agree with him, but the leader has put out the official word.

That comes awfully close to saying that they think they can buy elections. "If we spend enough money, we can win," they contend, so they want no limits whatsoever.

Now, at last, the issue is clearly joined. The Republicans want and need to use money to win. The Democrats expect to use issues and performance to win.

The Democrats want to stop obscene levels of campaign spending. The Republicans do not.

The American public wants to stop obscene levels of campaign spending. The Republicans do not.

The American public understands, now, that this is the great, clear issue.

Now the distinguished and able Republican leader, Senator Dole, has said that his Republican colleagues will stand firm on spending all they want to spend so they can win. He especially pleads for the need to outspend Democrats in one-party States.

That plea has to be greeted with a wry smile. What is a one-party State? Kansas? Would the Republicans be satisfied to put a lid on spending in Kansas? Would they permit the Democrats to spend more in Kansas in order to catch up?

The American public does not want to be told that elections will go to the highest bidder. The American public does not want to believe that elections are for sale.

That is the clear dividing line on S. 2, the bill to put reasonable limits on campaign spending.

My distinguished colleague bemoaned the fact that in some States registration of Democrats over Republicans is 2 to 1, 4 to 1, or even more. The question is, why? Well, the Democrats did not reach that advantage anywhere by spending huge sums of money on television spots. They earned the Democratic registration by standing for those issues people believe in. They stand for people and their opportunities in life. That is why more people want to be called Democrats.

If the Republicans want to increase their registration they can better represent the vision that most Americans have for their country. That is better than trying to buy an increase in representation.

Americans do not approve of finding tricky ways to avoid treaties, or of continuing to pile up tremendous new nuclear capabilities, with the risk of blowing us all off the face of the Earth.

Americans do not believe in leaving one-fifth of the children of America in poverty, outside the gates of the American dream.

Americans do not believe in running the public business in secret and in violation of the laws of the land, and lying about it when caught.

Americans do not believe our farmers and industrial workers should be abandoned by some muddleheaded concept of free trade.

The Republicans cannot buy their way out of the mess they have made in the last 7 years—nor should they be able to.

This free land is based on free elections, and we have worked hard over the years to keep our elections clear of manipulation and corruption.

S. 2 is another attempt to cut down on manipulation and corruption.

Excessive campaign spending corrupts. There is no question about it. Excessive TV spots that attack and distort are campaign manipulation—no question about it.

No, Mr. Republican Leader, the people of the United States are not going to put their Senate seats on the auction block.

If the Republicans want to earn the respect and support of Americans, let them earn it the old-fashioned way. Let them work for it by working for the people.

The division on this election reform bill is clear: most Republicans want money to speak. The Democrats want people to speak.

And speak the people will. The political offices of the United States of America are not for sale.

I hope the citizens of the United States will start watching closely this action on the Senate floor. All-out Republican war has been declared.

They are fighting to kill the bill, to strangle it before we can even have a vote on it. Watch them closely. Some Republicans will vote in favor of spending limits. Others will not. Those who think money is more important than people will vote to bury S. 2.

In the final analysis, that is so often the big difference between our two political parties. And nothing would better exemplify that difference than how Members vote on this bill. Money first or people first. The difference is clear.

Mr. President, I yield the floor and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TO PROHIBIT THE IMPORTATION OF OBJECTS FROM THE R.M.S. "TITANIC"

Mr. BYRD. Mr. President, earlier today an order was entered for a time limitation of 10 minutes on a bill to be introduced by Mr. Weicker dealing with the importation of objects from the *Titanic*.

According to the order, I was authorized to proceed with the matter after consultation with the distinguished

Republican leader. That consultation has occurred.

I ask unanimous consent, Mr. President, that the distinguished Senator from Connecticut [Mr. WEICKER] be recognized to call up his bill and that the Senate proceed to its immediate consideration once he does so.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. Mr. President, I believe the bill is at the desk. If so, I ask that it be read.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1581) to prohibit the importation of objects from the RMS Titanic.

The PRESIDING OFFICER. Without objection, the bill will be considered as having been read the second time and the Senate will proceed to its immediate consideration.

The Senate proceeded to consider the bill.

Mr. WEICKER. Mr. President, I will be very brief in my discussion of this legislation.

The United States and France cooperated in a very successful way several years ago in the discovery of the Royal Mail Ship *Titanic*. The principal scientist in that venture was Dr. Robert Ballard, of the United States. Dr. Ballard, coming from Woods Hole Oceanographic Institute, made the initial discovery, and then proceeded to photograph the wreck and report it to the world.

Now, what was originally a scientific endeavor dedicated to marine research, to unearth the remnants of history, has degenerated into a salvage operation by the French.

I think it is important to point out that the United States, through Dr. Ballard, could have done more than a year ago exactly what the French are now doing. We have the hardware and the knowledge and the will to retrieve artifacts from the *Titanic*. To the credit of this Nation, we have chosen not to do so, leaving it, rather, as a marine memorial. Unfortunately, such was not the case with the French.

Now, I think it important here again to point out that it is not the French Republic that is doing this in the name of the Government of France. The French are contracting out their equipment and their services to commercial ventures located both in the United States and in Great Britain, and perhaps even elsewhere.

It is true that what they do is not illegal. Under international law they have the right to this act of salvage. But it was the hope of this Nation, as expressed in a bill passed by the Senate and the House over 1 year ago and signed into law by the President, that future activity on the *Titanic* would be done in the spirit of international cooperation.

It, in effect, requested of our Department of State that they contact the British and the French to see if guidelines could be set out relative to any salvage of artifacts from the *Titanic* or, indeed, any endeavor relating to the *Titanic*. Our State Department was unsuccessful in that effort, having contacted the French many times during the course of the year—the latest, of course, being recently when facts surfaced relative to this particular salvage operation.

So I think it can be safely stated as a matter of historical record that what started out as a venture in the name of science and history by the United States and France has degenerated into a commercial venture on the part of the French.

Now, as I indicated, there is little that can be done vis-a-vis international law, but I think what we can do is to take one step further the spirit of the initial discovery denying to the French any profit from its commercialization. Therefore, this bill now before the Senate bans the import for the purposes of commercial gain any object from the *Titanic* into the customs territory of the United States.

The bill defines the term "R.M.S. *Titanic*" as the wreck itself or cargo and contents scattered on the ocean floor around it, the so-called debris field, and it calls for termination of the ban when an international agreement to which the United States is a party governing any exploration and salvage of the *Titanic* enters into force.

The bill does not ban import for nonprofit purposes such as an exhibition at the Smithsonian or other educational nonprofit institution. To me this is a well-tempered response to the ill-advised venture of the French.

I again want to express the pride I feel for the scientists of my country in their eschewing the commercial profits which could have been generated from their activity. As one who has been deeply interested in marine research over a long period of time, heretofore French activity has been a positive example to the world, as evidenced by the work of Jacques Cousteau.

I think this, indeed, just completely reverses all the good will that has been gained by Mr. Cousteau, all the knowledge that has been disseminated among the people of the world by Mr. Cousteau and places the French in a very unenviable position of being in the field of commercial ventures, in effect desecrating what U.S. law designated as a maritime memorial.

It is not the desire of the United States to claim this as our own. It is a desire of the United States to see that it is handled properly by international agreements, which can only be arrived at by France, Great Britain, and the United States—indeed, anybody else who cares to join.

The oceans have too few friends in terms of the commitments of various nations around the world. The money we spend on oceans reseach is far too little. It is only a matter of time before the world is going to have to turn to these oceans for food and fuel. I hope that matters such as the *Titanic* would instill in all of us an urgency to understand the oceans and use that knowledge to explore and to develop their resources in the best possible way. When the Earth does turn to the oceans for its food and its fuel, do not forget it has to be a resource that lasts millions of years rather than just a decade or two to satisfy our most immediate desires.

That is why I again urge international cooperation. As a proud lay member of that community, one who himself has spent days on the bottom of the ocean, I hope that we would use our resources together and not apart and that the end result would be a tribute to science and history and not to a few bucks that can be made in a few short months.

This bill, then, obviously makes it still possible for the plunderers to vend their objects throughout the world, but they will not have as one resource this most bountiful of nations.

Mr. President, I hope the bill will pass.

The PRESIDING OFFICER. All time has expired.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 1581

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. . (a) Notwithstanding any other provision of law, no object from the R.M.S. Titanic may be imported into the customs territory of the United States for the purposes of commercial gain after the date of enactment of this act.

(b) For purposes of this section, the term "R.M.S. Titanic" means the shipwrecked vessel R.M.S. Titanic, her cargo or other contents, including those items which are scattered on the ocean floor in her vicinity.

(c) The provisions of this section shall terminate upon the entry into force of an international agreement to which the United States is a party governing any exploration and salvage of the R.M.S. Titanic.

Mr. WEICKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WEICKER. Mr. President, I thank the distinguished majority leader for his courtesy in allowing me to bring this matter to the attention of the Senate at this time.

Mr. BYRD. Mr. President, I thank the distinguished Senator from Connecticut.

HAPPY BIRTHDAY TO SENATOR STENNIS

Mr. BYRD. Mr. President, I note the presence in the Chamber of Mr. STENNIS.

I call attention to the fact that this is a very important birthday in the life of a highly revered Senator—the distinguished Senator from Mississippi [Mr. STENNIS].

Mr. STENNIS is chairman of the Committee on Appropriations of the Senate. He is also the President pro tempore. This is a happy event in his life—the birthday of our esteemed senior Member of this body, senior from the standpoint of service, a man who has been in the Senate now for many, many years.

I know that my colleagues will join me in extending our best wishes to Mr. STENNIS and in wishing him many happy returns for the day.

I shall try to recall a verse which I think typifies what this man's life and service in this body are to the body, to ourselves, and to the country.

I think we all can see much in the service of Senator STENNIS here to attempt to emulate, much to inspire, much to guide us, much to attract us.

As we look upon the service of this man, we can see a service that is marked by high integrity, by honesty, by strong character, and by devotion to the Senate.

The Senator from Mississippi has been a great leader in this country and a leader in the Senate. He has been on the Committee on Armed Services of the Senate for many years. He has helped to guide us and counsel us with respect to arms control matters and with respect to national defense matters.

We have all gained much from working with JOHN C. STENNIS. He has certainly been an inspiration to me, and I count myself fortunate in having JOHN STENNIS as my friend.

Mr. President——

MY NEIGHBOR'S ROSES

The roses red upon my neighbor's vine
Are owned by him, but they are also mine.
His was the cost, and his the labor, too,
But mine as well as his the joy, their loveliness to view.
They bloom for me and are for me as fair
As for the man who gives them all his care.
Thus I am rich, because a good man grew
A rose-clad vine for all his neighbors' view.
I know from this that others plant for me,
That what they own, my joy may also be.
So why be selfish, when so much that's fine
Is grown for me, upon my Mississippi neighbor's vine.

Mr. STENNIS. Mr. President, I say to the Senator from West Virginia, you warm my heart, you expand my gratitude. I appreciate your kind and generous words more than I can fully describe.

I appreciate, too, what you have done for our country, what you have done for this body, the U.S. Senate.

I cannot recall the exact date, but I remember when you came here. I remember the first caucus you went to and some of the things you said in that meeting. I said to many then, "He's a comer; he's a comer." I am not a prophet, nor the son of a prophet, but that was one time I hit the nail on the head.

We are all grateful to you and appreciate very much what you mean to this body and to us as individuals, year after year. I hope you will continue to be here for a long while.

I thank you again for your kind words.

SENATORIAL ELECTION CAMPAIGN ACT

The Senate continued with the consideration of S. 2.

Mr. STENNIS. Mr. President, I am here to speak briefly, not more than 10 minutes.

I have listened carefully to the debate and prior debates regarding the important issue of campaign finance reform. I have joined in that debate, and for the third time I feel compelled to come to the floor and speak.

As my colleagues know, I am not given to making speeches just for the fun of it or for the privilege of it. I try to have something to say that might be helpful regarding the problems that surround the office we hold.

I believe that this issue to which my remarks will be addressed, this matter of elections, is so important to constitutional democracy and to the institution of the U.S. Senate that I feel compelled to speak out.

In the past I have spoken only to the need for reforming the current system of campaign finance and to make that reform without delay. But today, Mr. President, I must comment on the substance of these reform proposals and the arguments made against them.

Several years ago, I supported strongly an amendment that would have striken a provision providing for expenditure of Federal funds, taxpayers' money, in connection with the Presidential campaigns. I did not like the idea and I still do not like the idea, in a sense of fairness, of taking money that someone has earned and paid in taxes and giving it out to another person as a part of his cost of getting elected to office. I do not like that idea standing alone. I think it is unsound.

But the money we are talking about today is not of that category. It relates to graver things than merely paying a fee. I am speaking now to a provision to limit the total amount of expenditures made by Senate candidates in each State. This was, and I believe still is, the overriding goal of campaign finance reform.

I am gravely concerned at the extent to which we are developing these election campaigns into a kind of a running fundraising contest carried on in innumerable places over the Nation. The people doing the work are good. I do not challenge their purpose. I simply believe that is destroying the spirit and the feel of the local nature of the particular campaign.

The current method of campaign financing is putting local decisions in the hands not of the people who live in the area, in the vicinity, in the State, but it is putting elections in the hands of money from far away. It comes from another State. It comes from another area of the country. It comes from people who live perhaps thousands of miles from that voting precinct. To make just a small contribution as a matter of token support might be all right, on a voluntary, strictly voluntary basis without anything expected in return. That would have no kind of a wrong attitude about it or any suspicion about it. Something like that is nice enough to help a person along, especially if he is a friend. But when it comes to raising millions of dollars from throughout the Nation, contributed by people or companies that do not personally know the candidate; much less know him well enough to have confidence in him or her, or have a faithful judgment of their ability to cope with the known problems that are going to confront them, even before they are sworn in and certainly as long as they are in office; I just do not believe that we can let that practice continue to operate. We cannot continue to operate that way and continue to maintain integrity of our local elections.

We are driving the local people away from elections, because they do not believe in those practices. They do not believe in the possibility of having their local elections taken over by some person or group that they do not know and about the purposes of which they know nothing. It creates a suspicion that these groups are not all good.

I am not trying to berate or run down or raise questions about any individual. I am thinking in terms of a pattern of conduct. The Constitution of the United States says that Members of this body shall be elected by the people, by the people of the respective States. Now we went more than 100 years, during which the legislators from each State elected the Members of this body. But that was changed through a constitutional amendment. I remember just as a boy when it arose at the insistence of the people, because they wanted to exercise that political power themselves at their own voting precincts and in their own voting places and under their own election managers, rather than to continue to relate it to a faraway city or some other process. Finally a few years ago, we hit on this system of campaign finance that has rapidly deteriorated. I am not accusing anyone of being a crook—what I am saying is this is taking the heart, the soul, the feeling, and the self-respect away from these people who live and vote at these precincts. This system is taking elections far, far away, to wherever this money came from, and it is creating conditions that cannot avoid affecting and changing the election process at the expense of the local people.

That is the substance of my plea.

Now the substance of this amendment here today is an invitation to hold down and circumscribe and directly control the amount of this outside money. There were provisions in here trying to meet this matter with money out of the Treasury, but this latest proposal leaves that language aside and provides that if any candidate spends more than allowed under the terms of this law, then the other side shall be paid out of the Federal Treasury a sum equal to two-thirds of the State expenditure limit.

That will keep the matter cleaner and will tend to reduce campaign spending because the man that has the overrun will be building up a sum of money for his opponent to draw from the Treasury.

(Mr. ADAMS assumed the Chair).

Mr. STENNIS. That is not an invasion of the money that is in the Treasury. This is an effort to keep elections clean, to keep it in the hands of the people who are to be served by these candidates, whichever one is elected, and thereby avoid what has come to be a new problem in elections.

Now I am not suggesting that elections everywhere in every State or every precinct is filled or touched with this evil, this wrong, this pattern that destroys in effect a lot if not all of the purity of the election.

Furthermore, if the spirit and interest is lost by the local people, with whom this right belongs, and I submit it is exclusively theirs, if there is something wrong with them then you kill the spirit of the entire election. We must not let that happen.

There are those who have worked very hard on this issue. And as for those who do not see a need for reform, I do not accuse them of having a bad motive; of course not. It is always a problem to work out a plan for elections. But, if we do not continue until we find a way here through some law that we can agree on we are riding hard for a fall of almost the worst possible kind. I think that those of us who are here now who can see these things that are going on in many places, can interpret what the real meaning of these developments is. At the same time have the real power here as Members of this body to stop that unfaithful and that questionable method of campaign financing that we have dropped into and, keep these elections clean and unpolluted and not subjected to being taken over by outside interests.

I wish that everyone, everyone in America, every citizen, could have an opportunity of visiting Philadelphia, PA, as was our privilege a few weeks ago when about 40 of the Members of this body and about 100 Members of the House of Representatives, all gathered together at Philadelphia, PA. There we were, escorted around that great city and into the historical buildings. Everything is in its place like it was when the Constitution of the United States was written, where the Declaration of Independence was written, and where all these other things connected particularly with our early history happened.

It was my privilege to be among those that were there and went through these very places I have described. And it was a great thrill to me. They said, "Where do you want to sit? In the chair George Washington sat in when the Constitution was being written, or do you want another chair?"

I said, "Give me Mr. Washington's chair." And I had the privilege of occupying it for at least 30 minutes.

But the thrill comes from the overall satisfaction, satisfaction that there in that very building and in those rooms, in the premises there, that the standards, the standards that has proven so satisfactory to us as a whole and so productive to us as a whole successfully for 200 years. We have taken space that was a wilderness then, except for a relatively small percent of that that constitutes our 50 States now—then we had only 13—and it has grown into more than 260 or 270 million people.

It gives you that feeling of strength, thanksgiving, realization of the possibilities, but it makes you think, too, that we have got to keep elections clean, we have got to keep them on a high level. I do not think there is anything, anything, about our entire system of government that is quite as important as the preservation of high standards and clean standards in our elections and to keep those elections strictly in the hands of the people. They will make some mistakes. They will make some outstanding mistakes, at times. But as a whole, there will be satisfactory products, results obtained and the average service rendered by those elected under this system will be the average for the people. It will have standards of conduct, it will have standards of principles, and the best will work out as a whole for the benefit of the people and the strength of the Nation.

I am not a wise person by any means, but when it comes to observation and experience, I have served 402 people, think of that, by observation and experience, I have some knowledge of the high purposes and the high standard of conduct and the effectiveness of the work of these people over the years in the growth of our Nation.

So there is your proof. And I feel confident—I am not referring to any individual—but I feel confident if we continue to neglect these standards for our elections, our election patterns, if we continue to neglect these, then we are riding for a fall. And if we fall in that department, reform may not come quick enough.

So I hope that we will continue to take this matter quite seriously and in some fashion work out a simple plan that will carry with it the high purposes and the fine production that has brought us these results of the very highest kind.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Chair suggests the absence of a quorum.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. I thank the Chair.

TIME LIMITATION AGREEMENT—NOMINATION OF ALAN GREENSPAN, OF NEW YORK, TO BE A MEMBER OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Mr. BYRD. Mr. President, as in executive session, I put the following request which has been cleared through the distinguished Republican leader, and I make the request at this time with his approval.

I ask unanimous consent, Mr. President, as in executive session, that on the nomination of Alan Greenspan to be a member of the Board of Governors of the Federal Reserve System, vice Paul A. Volcker, resigning, there be a time limitation of 30 minutes to be equally divided between and controlled by Mr. DOLE and Mr. PROXMIRE, and that at the conclusion of the 30 minutes, or the yielding back thereof, a vote occur on the nomination of Mr. Greenspan.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BYRD. Mr. President, it will be the intention of the leadership to go to the nomination today at about 4:30, or between 4:30 and 5 p.m., and a vote then would occur roughly 30 minutes thereafter. It will be a rollcall vote. the yeas and nays will be ordered later in the day.

Mr. President, I yield the floor.

SENATORIAL ELECTION CAMPAIGN ACT

Mr. DECONCINI. Mr. President, I rise to discuss the election reform bill, S. 2.

Some of my colleagues have stood on this floor and advocated abolishing all political action committees. Not only is this not a good idea but, in my judgment, it is a terrible idea.

In supporting S. 2, I support aggregate limits on PAC giving. I support aggregate limits because I believe it brings balance to fundraising. However, abolishing PAC's would deprive many citizens of an opportunity to actively participate in campaigns and would likely not stand a court challenge. If you attempted to do that.

Mr. President, that is not what S. 2 is all about. I think many who have supported an effort to abolish political action committees are using it as a subterfuge because they do not want to have real election reform. They know we are not really going to do that.

We have talked a good deal about the outrageous spending of PAC's and their inordinate influence. But let me point out that all PAC's are not multimillion dollar operations. Many PAC's are small, well-run groups which truly represent their members' views and allow different ideas to be brought and heard, the chance for many voices to participate.

Let me take a few minutes of the Senate's time to tell you about one such PAC in my State of Arizona. The Salt River project is a water and power utility serving central Arizona. Salt River project's PAC is known as PPIC. PPIC had 229 member employees in 1986, 189 of whom made contributions to PPIC. The average contribution was $120.81 for a total in 1986 of $22,834.56, to be exact.

So this is not an outrageous PAC that we ought to be targeting to eliminate.

PPIC made contributions to 105 candidates in 1986. Only eight of those contributions were for amounts of $1,000 or more, and most were for a few hundred dollars.

In addition to funding candidates, PPIC has an active voter education program. They hold candidate forums and provide nonbiased detailed information on Federal and State candidates running for office.

PPIC has set out for itself lengthy and detailed ethical guidelines for the operation of their PAC. Among the guidelines is an assurance of confidentiality for all members so that there can be no pressure to give and no sanctions for not giving to the PAC. The advisory committee which makes the decisions on where to give contributions is made up of members representative of the membership. Importantly, the guidelines go on to assure that PPIC will honor not only the letter of the law but the spirit of the Federal, State, and local election laws as well. Finally, PPIC explicitly states "PPIC contributions will not be contingent on the promise of a vote or action on a specific topic, issue, bill or regulation."

Mr. President, as I believe I have illustrated, PAC's are not inherently evil. They are part of a good, sound, healthy political process. What is evil is the level of PAC giving which we have seen in recent years. By enacting aggregate limits on PAC giving we insure that voices like those of the Salt River project employees are still heard, in an effort to join together in what I think is a positive approach.

Let me add, Mr. President, there are many other such political action committees. Political action committees were not instituted primarily or initially to simply raise a bunch of bucks to try to influence Members or candidates on how they might vote on issues. They were put together many years ago by labor and environmental groups. They were put together to educate their members as well as raise money.

Some may scoff at that, saying, "Senator, do not tell me that the AFL-CIO PAC was put together to educate their members, or the environmental PAC was put together to educate their members, or the Salt River PPIC to educate their members. They were not. They were put together to get money to buy influence."

Well, that is not true. One of their main goals is educational. Unfortunately, we have seen many political action committees that have been converted to influence peddling, but still there are many of them, as I have pointed out in this statement, that do other things, that do educate their members, that educate the public by public forums, that print monthly periodicals and other information that is circulated among employees.

What is better than an employee, a registered voter talking to his neighbor or his relatives about some political issues, and that is what the education part is all about. Second, what is better than for that employee to feel that "I make $20,000 or $30,000, I can't afford to give $100 to every legislative candidate that I like. I might like 10 or 12 of them—or to the U.S. Senate nominee or U.S. House nominee—but I can give $125 to this political action committee which will then put that together with some other contributions and give a contribution to some candidates who I think are honest and are going to do a good job."

That is what political action committees are all about, Mr. President. I think it is unfair to give them a bum rap because some here on this floor oppose S. 2.

HAPPY BIRTHDAY, SENATOR STENNIS

Mr. DECONCINI. Mr. President, I want to congratulate the senior Senator from Mississippi on his birthday. It is a happy day for him, indeed it is a happy day for all of us. Senator STENNIS was kind to this Senator when I came here some 11 years ago. He had been a colleague and contemporary of Ernest McFarland. Governor McFarland had served in this Senate with the Senator from Mississippi and I know that Senator McFarland called the Senator from Mississippi before I came here, along with his senior colleague, Senator Eastland, and introduced this Senator to them over the phone. I remember going to see the Senator from Mississippi and how he recounted to me the conversation he had with former Senator McFarland and the hospitality and warmness both Senators from Mississippi extended to me when I first came to the Senate.

Senator STENNIS reminds me very much of my father; he was a man of principle, a man who understood the strength of an institution and the importance of an institution. But the Senator also realizes that life changes and that you have to look to the future with the younger Members of this body as Senator STENNIS did for me when I first joined this body.

I wish the Senator a happy birthday and thank him as one Member for always considering the younger generation. Now I have to look to younger generations coming along and share this institution, not only its history, precedents and love that the Senator has for it but also the leadership to consider the direction it should go. It is a tribute that the Senator has served so long in this body and now serves as the able chairman of the Appropriations Committee. If I had a hat on, I would take it off to the Senator and if I could applaud right now, I would applaud. But I wish him God's blessings in prosperity and continued leadership in this body.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. DECONCINI. I will be glad to yield.

Mr. STENNIS. I thank the Senator very much for his kind and generous words and say, too, that I remember quite well the good impression we had of the Senator when he came to the Senate. But the happiest thought of all is how he has blossomed, risen to a place of high responsibility and has had an outstanding role to play. I thank the Senator very much.

Mr. BOREN. Mr. President, I join in the comments made by my distinguished friend from Arizona about our good friend, the senior Senator from Mississippi. He has been an inspiration to all of us, and I congratulate him on this special occasion in his life.

It is not unusual that he would be on the floor having come to talk about the matter of great importance to our form of government, our constitutional form of government, being one of those who has encouraged me all along the way in trying to do something about campaign finance reform. He said to me, "I am concerned about what is happening in this institution from my perspective and I am concerned about what will happen to our country if the people who go to that ballot box back in those voting places all across this country lose control of their own government. We are going to have terrible problems."

His concern has been a major factor in altering me to the problem we are trying to deal with in the bill that is before the Senate at the present time. But it is not just in that area of endeavor. It has been in many, many others; that simply by watching the Senator from Mississippi, watching the example and observing the example that he sets for all of us, I have been led to try to do what I thought was right on a number of issues.

We are asked very often, can people serve in public life for a long time and have a great impact and still keep their personal standards of integrity, still have their character intact, still live by the standards of ethics that we would want to see in all those with whom we must work and have dealings.

I do not know that it would be appropriate to refer to the Senator from Mississippi as professor, but he has been a professor who has taught all of us in this Senate about personal integrity, about love for our country, about the courage of conviction, about courtesy, about kindness, about concern for his fellow human beings.

I wish him well and special congratulations on this day and thank him as one of his many pupils for the lessons he has taught this Senator as I know he has taught many, many others.

Mr. STENNIS. Mr. President, if the Senator will yield, I warmly thank my friend for his generous remarks. Along with the rest of the membership and people of this Nation, I am indebted to him for the fine and outstanding work he has done with regard to this knotty problem with which we are dealing. I believe he is going to improve the law in a very meaningful way without being extreme. More power to the Senator. I am going to back him.

Mr. BOREN. Mr. President, I thank the Senator from Mississippi.

Let me say in his coming to the floor again and again, if there are any days I get discouraged and wonder are we going to make it across that line and finally make the kinds of changes that are going to be needed to restore the integrity to the election process again, make sure that the people have control of their own government, elections are decided on issues and qualifications and not on the basis of who can raise and spend the most money, if at any time I am fainthearted or wonder if the fight is worth it, I look around and there is the Senator from Mississippi on the floor with an encouraging word, ready to continue that fight until we ultimately win.

I would say also that the distinguished majority leader would be another one who continues that kind of encouragement and that kind of tenacity. With the Senator from Mississippi and the Senator from West Virginia saying we are going to keep this matter on the national agenda until we finally do something that will help this system and will help this country, I have every confidence we are going to get it done. I thank the Senator from Mississippi for his encouragement.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. BOREN. I will be happy to yield to my distinguished leader.

Mr. BYRD. I also thank the Senator from Mississippi, but I think we all have to say Senator BOREN is our leader in this matter. He is the one who has persistently pressed ahead, worked hard on the legislation, knows it up side and down, down side and up, inside and out; it was his idea to begin with, and I continue to look to his leadership and his guidance as we press forward with this matter, and I hope for an ultimate conclusive victory for democracy.

Mr. BOREN. Mr. President, I thank the distinguished leader for his kind words. That is exactly what is at stake, the integrity of the political process, making sure that the people retain control of their own government at the grassroots and that we do not end up putting the highest positions of public trust in this country on the auction block for a decision based upon who can raise the most money. That is not what the people want. That would be a dereliction on our part of our duty to uphold the constitutional process.

We are going to continue and will keep coming back again and again, until we finally forge the agreements that will make it possible to move ahead in this area.

Mr. HEFLIN. Mr. President, I would like to add my voice of praise and commendation to the distinguished Senator from Mississippi, JOHN STENNIS, on this occasion of his birthday.

I remember that about 2 years ago, I, along with a large number of Senators, went to his hometown, De Kalb, MS. There, the people of De Kalb and surrounding areas had gathered to help him celebrate his birthday.

There was a great outpouring of love and affection by friends and neighbors who had known him and his father and others before him, in his hometown. There is nothing like hometown folks who know an individual.

De Kalb is not a big place. It is a small community, a little smaller than the community I live in. Those people are the salt of the Earth. They know an individual for his character and his integrity.

The great outpouring of love and affection that was displayed by his hometown and home area people was evidence of the fact that he stands tall with the people who know him best.

So it is a pleasure to be here today. I have so many things I could say about him that I might be accused of filibustering if I talked a long time.

He and I have much in common. We are from the South. We have backgrounds that go back generation after generation.

I have enjoyed very much the tales he has told us about his early years, how his father would raise cotton and then take it over into Alabama and ship it down to Mobile in those days.

He and I had the privilege of being judges. Not too many Members of the Senate today served on the bench. That gives you a different perspective, and I think a better perspective, of individuals and of human nature.

So I am delighted to participate in this occasion, and I wish you a happy birthday.

I had the pleasure of speaking at that birthday celebration, and I ended my speech with an old Irish prayer, and I would like to see if I can remember it, to wish you well on this birthday. The old Irish prayer goes like this:

May the road rise to meet you.
May the wind always be at your back.
May the sun shine warm on your face
And the rains fall soft on your shoulders,
And may the Good Lord hold you in the hollow of his hand during the remainder of your days.

We admire you, we respect you, we love you, Senator JOHN.

Mr. STENNIS. Mr. President, I thank the Senator warmly for his fine words and his generous spirit. I claim that being his neighbor has contributed a lot to me. Knowing the Senator from Alabama gives me great strength.

BICENTENNIAL OF THE CONSTITUTION

Mr. HEFLIN. Mr. President, September 17, 1987, will mark the Bicentennial of the Constitution of the United States. Many will doubtless remember when we celebrated the 200th anniversary of the Declaration of Independence just over 11 years ago. Well, I believe that the Bicentennial celebration of the Constitution is equally, if not more important. As Senators know, the Constitution is the frame work and blueprint for our government—the oldest government that has been in continual existence anywhere in the world. It combines our individual rights and liberties with a governmental structure unique for this then fledgling Nation, but sufficient to provide order and security to protect those individual rights and liberties.

The upcoming bicentennial offers each of us an opportunity to study, examine, and appreciate the Constitution. Without a working knowledge among the citizens of this Nation of our charter of liberties, our government would soon perish, because ours is a "government of the people, by the people, and for the people." Its functioning and survival depends entirely upon the capacity of all people to understand and to participate in our constitutional system. Our government is, therefore, only as strong as the understanding and will of the people who comprise it. To help promote this understanding, I wish to address the history and fundamental nature of our Nation's Constitution.

By fighting the Revolutionary War in 1776, our forefathers had established America's independence from England. They had proclaimed that "all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness." Undoubtedly, many of you have at some point in your lives been asked to memorize this section of our Declaration of Independence. But, at the time independence was declared in 1776, our forefathers had no actual government which would ensure that these rights would survive. In the history of the world, many peoples have momentarily grasped freedom only to let it slip through their fingers. Our forefathers were in a similar precarious position. Although they had obtained the rights which all mankind inherently strives and struggles for, our forefathers were in danger of losing them without a government which would secure these basic freedoms and protect their safety.

On November 15, 1777, Congress adopted the Articles of Confederation. These articles of government were finally ratified by the States in 1781, as the Revolution neared its end. At this time, after years of war, struggle, and sacrifice, our forefathers' new Republic—the United States of America—was finally self-governing.

Yet this government was highly ineffective. Its primary fault was that the National Government was not strong enough to address issues and problems which faced the country. When it was devised, many of the Nation's leaders were suspicious of a centralized government. They were fearful that a government which wielded too much power would become a tyranny, similar to the British Crown they had opposed so fervently. And each of the Thirteen Colonies refused to surrender the power it had gained by winning the Revolutionary War. So, although the 13 States were joined what was called "a firm league of friendship with each other," each State retained its own "sovereignty, freedom, and independence." Essentially, the United States was comprised of 13 individual nations. Each State worked independently to satisfy its own ends. For example, each State issued its own currency. Each maintained its own army, and each individual State was responsible for regulating its own trade and commerce.

You can, perhaps, imagine the confusion which resulted from the diverging laws and regulations that were adopted by the various States. Because of differences in currency, $1 in one State had a relative value of only 50 or 75 cents in another. How was the price for a product in one State to be determined when it was being purchased with currency from another? Also, each State had different laws governing trade. Often, one State would not allow goods from a bordering State to be offered for sale. This was absolute and complete protectionism. Each of these factors led to an economic depression which fostered dissatisfaction in the new Republic.

Furthermore, though there was a national Congress which met regularly and had the power to conduct diplomacy, declare war, and deal with Indians, there was no President to execute laws or to personally oversee relations with other nations. Neither was there any national court system. And because taxation was viewed as one of the greatest powers that could be held by Government, it was reserved by the States. When the National Government needed money, as it did at this time to pay the enormous debt it had assumed during the Revolutionary War, it was bound by the Articles of Confederation to appeal to the States, which would then collect revenue directly from individual citizens. Often, however, the States did not comply with these requests.

The national debt was compounded by a large private debt owed by United States individuals to British merchants. The British refused to surrender forts along the Ohio River in accordance with the Peace of Paris until after the debts owed to British merchants were paid. With this excuse, they continued to enjoy the lucrative fur trade, and to retain the allegiance of Indians. Likewise, the British merchants refused to trade with the Americans until they were paid. And, other nations, such as France, refused to give the United States Government any additional credit until the money owed them was paid. This debt, both that held by the National Government, and that held by individuals, led to a lack of credit which also contributed to the economic depression that plagued the farmers, merchants, and bankers of the young nation.

Additional problems resulted from the foreign occupation of lands which were adjacent to U.S. territories. The Spanish King claimed the lands which stretched west of the Mississippi. Yet, their agents would not allow American explorers and fur trappers to navigate or chart the rivers in this area. They would even use the Indians as a tool, stirring them up to fight against U.S. explorers and settlers. As I have mentioned previously, the British still occupied the Ohio River Valley, and they, too, manipulated Indian sentiments against American trappers and explorers.

Because the Government established by the Articles of Confederation was not strong enough to adequately resolve the problems facing the young Republic, many of our forefathers believed that a change in the articles would facilitate the operation of the National Government. But a substantive change in the articles required unanimous consent by each of the States. And there was always an objection by at least one State to any proposed change.

The summer of 1786 was an especially frustrating time for America. The country was being hurt by an economic depression that stifled commerce and farming. Armed conflicts had even taken place between States over various trade restrictions. The Indians, stirred up by the Spanish and British, were, again, posing a dangerous threat to settlers. Additionally, pirates in the Barbary states of North Africa had seized American ships and sold their crews into slavery. Even if Congress had agreed to pay the tribute demanded by the pirates for free navigation into the Mediterranean, there were not enough funds in the National Treasury to do so. No relief for any of these problems appeared to be in sight. Any legislative action by the National Congress was vetoed by one or more of the States.

Finally, national leaders hoped that a meeting which was scheduled to take place in the fall of 1786 at Annapolis, MD would provide answers to the many commercial problems which faced the Nation. However, a total of 12 delegates from only 5 States arrived in Annapolis on September 11, 1786, to discuss commercial matters. Representatives from other States either were not sent or had not yet arrived. After 3 days the delegates to what has become known as the "Annapolis Convention" decided that it would be fruitless to continue. With such poor attendance, nothing substantive could be accomplished. On September 14, immediately prior to adjourning, the Annapolis Convention drafted and adopted a resolution asking each State to send representatives to a new convention which would assemble in Philadelphia in May 1787. This meeting would not be limited to commercial matters, but would address all issues necessary, as they wrote, to "render the Constitution of the Federal Government—the Articles of the Confederation—adequate to the exigencies of the Union." Thus, the foundation for a Constitutional Convention had been set. However, at this time, very few of the Nation's leaders believed that the Articles of the Confederation should be fundamentally changed or rewritten.

But in the fall of 1786, conditions were so bad in parts of America that many citizens resorted to arms in order to solve their problems. In Massachusetts, a revolt was led by a man named Daniel Shays, who had served as captain in the Revolutionary War. Shays was a natural leader. After the war, he had been regarded as a hero, and personally knew George Washington and other national leaders. As conditions in Massachusetts worsened, he led dissatisfied farmers in a rebellion against the Massachusetts government. These farmers where angry over the exorbitant land taxes, the high cost of litigation, and the high salaries of officials. Shays' rebellion was considered a grave threat to the entire Union by leaders in every State, for Captain Shays had a wide appeal among people in each State who had experienced similar frustration. George Washington expressed sentiments common among the Nation's leaders when he said:

> It was only the other day that we were shedding our blood to obtain constitutions under which we now live—constitutions of our own choice and making—and now we are unsheathing the sword to overturn them.

Shays' rebellion lasted from the fall of 1786 until February 2, 1787. Shays and his men were finally defeated by Gen. Benjamin Lincoln, a Revolutionary War hero for whom the town of Lincoln, AL, was named. However, the concept of a revolt greatly concerned Americans everywhere. Many people feared that our glorious young Nation would dissolve into tyranny or anarchy—that they would lose the freedoms and liberties for which so many had bravely fought, shed blood, and died. The main result of Shays' rebellion was to enlist support among people in every State for a stronger, more centralized National Government.

Rather than to stand by idly as the Union disintegrated into an anarchy, a few bold men began to consider the upcoming Constitutional Convention in Philadelphia as a forum in which to rewrite the Articles of the Confederation. It could provide the means by which to give the National Government more power and so meet the needs of a growing nation. Foremost among these farsighted saviors of our freedoms and liberties were, perhaps, James Madison, who is known as "the Father of the Constitution," and Alexander Hamilton.

For many months prior to the meeting of the Constitutional Convention, James Madison, a 36-year-old attorney from Virginia who had also served in the National Congress, busied himself by studying various forms of government that had been instituted during the history of the world. By the spring of 1787, when he was chosen to represent Virginia as a delegate to the Constitutional Convention, he was, by far, the most knowledgeable source on forms of government in the United States. Perhaps he, more than any other, realized the true importance of the convention when he said that its action "would decide forever the fate of republican government." Likewise, Alexander Hamilton had long been an advocate for a Constitutional Convention. In 1786, he had written a proposal for what he termed as "a convention of the States for the purpose of strengthening the Federal Government." When the convention was finally called, delegates naturally looked to him for leadership.

The Constitutional Convention assembled at Independence Hall in Philadelphia, PA, from May 25 through September 17, 1787. Fifty-five delegates, including Madison and Hamilton, represented 12 States. Rhode Island was the only State which sent no delegates. People there believed that the Convention was unlawful, that it would meddle in the affairs of the States, and that the smaller States would lose their representative power. There were other notable figures who were not present. Thomas Jefferson and John Adams were away on other Government duties. Patrick Henry was appointed, but refused to serve because he opposed a strengthened National Government, and Samuel Adams and John Jay were not appointed by their States. Still, as you know, many of the Nation's most prominent, respected leaders were in attendance at the Convention. George Washington was elected President, and Benjamin Franklin served at the age of 81.

When the Convention began, the delegates had been charged with the "sole and express purpose of revising the Articles of Confederation." Later, however, a majority of the delegates decided against simply revising the articles, and on June 19, 1787, voted to replace them with a new Constitution. Yet, though the delegates knew that the Articles of Confederation were an unsuitable and unworkable form of government, they could not immediately agree on a definite replacement. The disagreement among the delegates was so great that Benjamin Franklin proposed that the Convention begin its meetings each day with a prayer. On June 27, 1787, he said that—

> I have lived, Sir, a long time, and the longer I live, the more convincing proofs I see of this truth—that God governs in the affairs of men. And if a sparrow cannot fall to the ground without his notice, is it probable that an empire can rise without his aid?

Franklin's proposal was overwhelmingly adopted.

Finally, two major alternatives to the Articles of the Confederation were offered for consideration. The first plan, the Virginia plan, presented by Edmund Randolph of Virginia, proposed a bicameral legislature—two separate houses—with proportional representation of the States in both chambers. As you can imagine, this plan would have benefited States with large populations. The Virginia plan provided for a president who was chosen by the legislature, a judiciary, and a council comprised of the executive and the judiciary branch which possessed a veto over legislative enactments. Because the president was chosen by the legislative branch, it was feared by some that the president would pledge loyalty to the legislature instead of to the people. Additionally, the smaller States did not support representation based on population. They believed that each State should have an equal vote in all matters. In order to solve many of these problems, William Paterson proposed the New Jersey plan. His plan was a modification of the Articles of Confederation which would have given Congress the power to tax, to regulate foreign and interstate commerce, and which would have established an executive and a supreme court. This plan was favored by the smaller States because it would have provided for equal representation among the States in the national congress.

After long debate, the Connecticut delegates suggested a compromise which settled the problem regarding representation in Congress. Their plan incorporated provisions from both the Virginia plan and the New Jersey plan. Known as the Great Compromise or the Connecticut Compromise," it adopted the bicameral congress as proposed by the Virginia plan, but with provisions of the New Jersey plan. The Congress would be divided between an upper chamber, in which the States would have equal representation, and a lower chamber, in which representation by the States would be determined by population. Thus, this plan was agreeable to representatives of both large and small States. This agreement dispensed with one obstacle which faced the delegates, but there were many more rivers to cross.

In addition to the bicameral Congress, the delegates eventually agreed to the creation of an executive, and to the formation of a Federal judiciary. In this way, the government was divided into three separate branches. The delegates assigned certain powers to each individual branch of government so that no one entity would possess a disproportionate share of power. No one branch of government would wield total control. Rather, a system of checks and balances was instituted which would ensure responsible government. All money bills would originate in the House of Representatives, but could be amended in the Senate. The Congress would still have the power to declare war, to raise and maintain armies, and to provide and maintain a navy. Proposed legislation would have to be passed by both Houses of Congress, and agreed to by the President. The President would also have the authority to enforce the laws, to negotiate treaties with foreign nations, subject to the approval of the Senate, and would be designated as the Commander in Chief of the Armed Forces. The judiciary would have the authority to settle disputes between States, and between individuals. The agreement reached by the delegates also provide the National Congress with the authority to levy and collect taxes. It would additionally be solely authorized to coin money, and to regulate commerce both with foreign nations and between the individual States. With these new powers, the National Government would be able to address, and solve, many of the problems which faced the nation.

The Constitution that was agreed to by 39 of 55 delegates to the Constitutional Convention was an attempt to establish "a more perfect Union." Indeed, these are the first words of the Constitution they wrote, which begins:

> "We the People of the United States, in order to form a more perfect union, establish justice, insure domestic tranquility, provide for the common defence, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America.

Though the Constitution had been written, agreed to, and finally signed by a majority of the delegates on September 17, 1787, it had not yet gone into effect, and was by no means law. There were many noteworthy opponents of the strong centralized government for which the Constitution provided. Before it was to become the law of the land, 9 of the 13 States had to agree to its provisions through the ratification process. Thus, an important debate began among the citizens of each State. Both supporters and opponents began to discuss every aspect of the document that had resulted from 9 weeks of consideration in Philadelphia. Few people understood the importance of the Constitution as fully as George Washington, when he warned that:

> Should the States reject this excellent Constitution, the probability is, an opportunity will never again offer to cancel another in peace—the next will be drawn in blood.

Few States were as crucial to the ratification of the Constitution as was the acceptance by New York. In anticipation of the narrow vote which would occur there, Alexander Hamilton and James Madison, the two who had provided such leadership during the Convention itself, were joined by John Jay in drafting a series of essays which argued the need for and necessity of the ratification of the Constitution. Their essays, which are now known as the Federalist Papers were published under the penname of Publius, a derivation of the Latin word which meant the public. These essays attracted attention far beyond the borders of New York and were instrumental in the ratification of the Constitution. Since that time, they have provided guidance and insight into the intentions of the delegates, and the reasons behind many of their actions. The State of New York ratified the new Constitution by a narrow margin of only three votes.

Finally, New Hampshire was the ninth State to ratify the Constitution, putting it into effect on June 21, 1788. It was, in the words of Lord William E. Gladstone, a British statesman who served for 4 terms as Prime Minister of the British Empire:

> The most remarkable work ever struck off at a given time by the brain and purpose of man.

Though the Constitution had, indeed, been ratified and was finally in effect, people in every State demanded that certain freedoms and liberties be put in print—not just implied. Thus, 12 amendments were submitted to the people by the First Congress on September 25, 1789. Of these, 10 were ratified and went into effect on December 15, 1791. These 10 amendments to the Constitution comprise the Bill of Rights.

The 10th amendment is of particular importance to the States of the Union. Where the Constitution preempts specific powers to the Federal Government, it merely implies that the States would possess those which had not been reserved. This implication could, conceivably, have been the source of some conflict regarding whether the States actually held these powers. The 10th amendment dispels any question and places in the Constitution the basis for the powers held by the States. It reads that:

> The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

One thing of which we should all be forever mindful is that the power given to Government by the Constitution originates from the people. Therefore, the ultimate responsibility for the success of our system rests with the people. If the Constitution is to endure, if it is to continue protecting our rights, all citizens should take an active part in the government of our communities, State, and Nation.

Our hold on democracy, on freedom, and on liberty is at times tenuous. Our rights have been threatened many times during our 199-year history. But, remembering the words of President Grover Cleveland at the time of the Constitution's centennial commemoration will help to give the resolve necessary to face future challenges. He said:

> If the American people are true to their sacred trust, another centennial day will come, and millions yet unborn will inquire concerning our stewardship and the safety of their Constitution. God grant they may find it unimpaired.

As we approach the 200th birthday of our Constitution, I want each person to consider what they can do in this year of the bicentennial of our Constitution. I want to give each of you a challenge. Every high school, every church, each mayor and every town council should, themselves, form a council or commission to commemorate and celebrate the bicentennial of our Constitution. In this way, a thorough understanding of the precepts and workings of our charter of liberities and government will be available to all. Each person will serve as an ambassador for the celebration.

After the Constitutional Convention adjourned on September 17, 1787, Benjamin Franklin was approached by a woman on the street as he left Independent Hall. "Well, Doctor," she said, "what have we got—a republic or a monarchy?" "A republic," he answered, "if you can keep it."

On September 17, 1796, 9 years to the day after Dr. Franklin was questioned on the street, George Washington gave his Farewell Address after serving as America's first President. In it, he stated that "the independence and liberty you possess are the work of joint councils and joint efforts, sufferings, and successes." Because you will inherit the stewardship of our republic, you must likewise act in joint efforts. You may also suffer hardships. But I assure you—if, as I know you will, you guard and protect our Constitution, you will be rewarded with successes. And someday, as Benjamin Franklin wished in the year of his death:

God grant, that not only the love of liberty, but a thorough knowledge of the rights of man may prevade all the nations of the earth . . .

SENATORIAL ELECTION CAMPAIGN ACT

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER (Mr. CONRAD). The Senator from Washington.

Mr. ADAMS. Mr. President, I rise today in support of S. 2, the campaign reform bill.

Unfortunately, we have spent many weeks during the course of this session working to produce simply a consideration of S. 2, so that we could amend this bill and so that we could proceed forward with a campaign reform measure.

Many of us who were involved in the last campaign can only say to those who will be involved in the next campaign that our strenuous efforts on the passage of S. 2 and campaign reform to bring limits to the enormous expenditures which have occurred in the past are not something that we do in order to simply produce a record of the agony that we suffered in the last campaign, which was building toward a great crescendo, particularly in the months of October and November.

Rather, it is to say to those who will run next time and even more importantly to the American people that this process is rapidly going out of control.

We have reached a point with instant communication, with the ability of people to raise large sums of money, with the willingness of some people to spend large sums of their own money that we are converting the political process, and particularly in races that are involved in statewide elections, into a system that will do no more than convert the Senate of the United States into an institution that is controlled by wealth.

This is not why the Senate of the United States was created. In the debates in the Constitutional Convention leading to the final Grand Compromise in July 1787 we have a clear record that what was to be accomplished was a compromise between States of smaller populations and those of larger populations to create instead of a unicameral legislature such as existed in the Parliament and in the parliamentary governments of various portions of the European continent but instead to create a system that could properly unite our States that were small with those that were large and even more important to provide a system of movement into the western portions of the country where new States would be formed that originally would have small numbers of people but would feel that they were part of the Union and as part of the Union they would know that their rights were protected in the Senate of the United States which goes two by two rather than by population.

If this body had been intended to be one, as was originally envisioned by Alexander Hamilton and others, that would be appointed for life or to be like a House of Lords, that compromise would not have been adopted. It would be a great tragedy at the end of the 20th century if we were to change the condition and the complexity and the basis on which the Senate was founded to one that had been rejected by the original Founding Fathers. The Founding Fathers had a definite purpose in mind and it was not to create a House of Lords.

I think some of us that have just completed campaigns probably feel more strongly about this than those who have not been in a campaign for even as short a period as 2 years ago. The escalation factor of expenditures in the number of outlets necessary is multiplying every day. I can remember a time when it was only necessary in my State, which is a relatively medium-size State, eight congressional districts, we only had to determine really two media markets. Now there are four. And if you begin to consider cable outlets you are close to 10. Each now requires an expenditure of money. That expenditure of money, if it becomes overwhelming in behalf of either candidate in the campaign, can mean that you do not become a credible candidate at all.

What we are talking about in this campaign reform bill is not to prevent people from establishing their measure or establishing what they really are or taking measure of the other in the campaign, what we are trying to say and do is to be certain that people who run for office with a credible purpose are heard and that these people **are recognized as being viable candi**dates. If you are not a viable candidate, no amount of work by volunteers, no amount of effort by individual candidates, no amount of effort by small contributors will offset the fact that you are not known to be a candidate.

I think this last election was a most unusual one. There were a series of people elected to the U.S. Senate that were elected through very sophisticated new campaigns involving the bunching of money, spending it at exactly the right time, and really a series of minor miracles which I can guarantee you, Mr. President, will be corrected for and is being corrected for at this very moment in every campaign shop with money in the entire United States. They will never be caught unaware again. And since they will not be caught unaware, it means that the pressure on those to give money will become more and more every day that goes by.

I am simply hopeful, Mr. President—and I know that the Senator who is the Acting President now shares this belief with me because we were two of that group who had a very unusual experience of being able to challenge and were told that we could not do this because of the relatively small amount of money that we had. But when we look at that relatively small amount of money, the amount of money that I spent, which was called relatively small, was more than had ever been spent in the race for the particular seat that I happened to run for. We spent more money than the candidate had spent for that election in 1980. My opponent spent three times as much.

This is the basic problem that we are trying to correct. It is not just to level the playing field, but it is to make the playing field available. I am very concerned that in the next election and the one that follows, if this escalation continues, the younger candidates will drop out. The candidates who have a message will be overwhelmed. The candidates who have money will coast to victory. And, as we look around this body, the people who will be speaking, the people who will be addressing the issues of the day will all address them from the same perspective. A body that addresses all issues from the same perspective drops out a remarkable number of the American people. We do not want that to happen.

Therefore, I hope we will move to consideration of S. 2. I hope that at least the motion to proceed will be adopted. I think we might state at this point that if it is not, this Senator, and I know a number of others, will be supporting procedural reforms that say that at least on the motion to proceed it should be able to be presented to this body in a minimum period of time. Then if Members wish to amend, filibuster, spend their time, that procedural step is over and the bill itself can form.

It is impossible to correct a bill or to form it or to answer arguments on individual or perhaps technical mistakes within a bill when it is not officially before the body. If it is not here where it can be amended and debate can take place, it cannot be perfected.

So I hope that people will vote for cloture, that we will proceed with this bill and, if not, that they will support reform so that a motion to proceed can be immediately adopted and, thereafter, the Senate can work its will.

Mr. President, I appreciate the time that has been spent by Senator BOREN.

CONGRATULATIONS TO SENATOR STENNIS

I also on this day want to offer my congratulations to Senator STENNIS, who has been a friend for over a quarter of a century. He is a symbol of gallantry in the U.S. Senate. We all wish him very well on his birthday and many happy returns of the days to come.

Mr. President, I simply hope, with his remarks and that of many of the rest of us, that those that are listening will understand that this is not a partisan measure with S. 2. This is not a measure that does anything other than give the American people a chance, and particularly those from the smaller States, to have a fair voice. And that fair voice is important. This country must never divide into States large or small or into regional coalitions, because the whole purpose of the Constitution was to create a union of States, not a division of States.

With that, Mr. President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BOREN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOREN. Mr. President, we have been discussing today S. 2, the measure to reform the campaign finance laws. As has been made clear, there are several of us who have joined in presenting S. 2 initially, including the distinguished majority leader and myself and almost 50 Members of the Senate.

We have been endeavoring to find a way to move this legislation forward; to move it forward because we sincerely believe that it deals with one of the most pressing items on the national agenda and that item is: What do we do to contain the ever escalating cost of campaigns?

Just 9 years ago when I first ran for the U.S. Senate, the average cost of winning a U.S. Senate seat, the average amount spent by a winning candidate was $600,000. I thought that was an alarming amount of money to spend in a State the size of my State, for example, approximately 3 million people 9 years ago; $600,000.

And since that time, we have seen the cost of campaigns go up and up and up, skyrocketing virtually out of sight. In some States, we have seen campaign spending for the U.S. Senate elections—not a Presidential election, but U.S. Senate elections—go as high as $25 million. And even in the average-size State, just the average-size State, a State about the size of my State of Oklahoma, the average winning candidate in the last election cycle spent not $600,000, not $1.2 million, not $2.4 million, but $3 million in getting elected to the U.S. Senate.

Mr. President, where is this all going to end? As I have recounted to my colleagues on the floor previously, I was speaking to a group of students recently just as I was speaking to a group over at the Dirksen Building, a group of interns, college students who are serving here and working here in congressional offices this summer. Just this afternoon, I was talking to them. I was talking to them about this problem. Many of them expressed great concern about what is going to happen to the political process in this country; what is going to happen to the idea that every young person who dreams of performing public service will have an opportunity to enter into that profession, will have an opportunity someday, if he or she is willing to work hard, has good ideas, good character, and is well qualified, to have a chance to run for office and to serve in the U.S. Senate or the House of Representatives someday. What is going to happen to that dream if we allow the cost of the campaign to continue to escalate?

I was talking to a group of high school seniors and asked them if they would like to serve someday in the Senate. A lot of hands went up, that they were interested in that. Then I said, thinking 12 years ahead and in no way exaggerating, but just looking at the rate of increase in campaign costs over the past 12 years, going from somewhere around $.5 million up to $3 million, and I just project that same rate of increase with no exaggeration at all, no change, just the rate of increase in the last 12 years, projecting forward 12 years, the figure was $15 million that came out as the estimate of what it will cost to run for the Senate 12 years from now when those high school seniors will be qualified by age to seek service in the Senate.

I asked these students, "Those of you who are thinking about running for the Senate, have you started thinking about how you are going to come up with the $15 million it is going to take when you are old enough to run to try to serve in this body?"

I will never forget the expressions on their faces, the expressions of feeling let down. "What has happened to our system? What is happening to our country? What is happening to those of us who might have a dream of public service in the future?"

Mr. President, we cannot let that happen. Look at how it has already distorted what is going on in this institution, how the massive amount of money that is required to run for office is already distorting the institutions of Government including the U.S. Government, of which we are all a part.

Just at the current time, with the $3 million figure, stop and think about it. That means that if you are going to raise $3 million to be ready to run for reelection, and if you just got elected this year, you have 6 years to get ready to raise that $3 million that it is going to take. You have to raise that figure a little bit because of the current rate of increase means that 6 years from now it will be more like $6 million than $3 million.

Let us assume that it stays the same. That will mean you have to raise $10,000 every single week of your entire 6-year term to raise the $3 million necessary to run for reelection to the Senate, $10,000 each and every week.

Mr. President, with all of the problems we have in this country, problems with our trade imbalance, problems of millions of American jobs lost because we are no longer competitive in the world market, problems, challenges to the United States and our national interests and a highly volatile situation in the Persian Gulf, for example, as we meet today, problems in our own hemisphere, what to do about the growing influence of those hostile to the United States and our system of government in Central America, not halfway around the world but in our own back yard, how do we form a bipartisan consensus about this? Problem after problem. What do we do about the arms negotiations? Are there opportunities presenting themselves of which we should be taking advantage? Problems that our constituents elected us to solve. Great issues of the day that we should be thoughtfully considering. And in the midst of all that, those of us who are elected to the Senate, who should be spending our time solving the problems that our citizens sent us here to solve, must reflect on how we will raise $10,000 this week, $10,000 next week, $10,000 the week after that, and $10,000 the week after that, so that at the end of 6 years, we will raise the $3 million now required in just the average-size State to run for election in the Senate.

People did not send us here to be full-time, year-round fundraisers. They sent us here to concentrate our abilities and interests on solving those problems that are facing our country. Something must be done about it, Mr. President.

That is one of the reasons why those of us who introduced this legislation felt compelled to do something. That is why we feel so strongly that something has to be done. That is one of the reasons. Spending is out of control. It is taking the time and effort and energies that should be going into solving the Nation's problems. It is creating also the appearance of undue influence by money in the political process.

We must not allow the people of this country to believe that the highest positions in the public trust in our country are for sale on the auction blocks to those who can raise the most money to run an election.

I am convinced that is one of the reasons why the United States now has the second lowest percentage of voting of any country in the Western World. Think about that. What a record it is. It is not a record of which we can be proud.

I heard our colleague Jennings Randolph not too long ago. He retired as a Member of this body after many years of distinguished service dating all the way back to the first 100 days of Franklin Roosevelt's administration. For 30 years, Senator Randolph, starting back in 1940, introduced the amendment to the Constitution to allow 18-year-olds to have the right to vote, 30 years of effort to introduce it and reintroduce it every 2 years before it was ratified and enacted.

He was talking just this last week to a group of interns about his disappointment in the small percentage of those who had been given the right to vote having actually taking up the right. Imagine, there is only one other country among all the Western democracies that votes at a lower percentage than the United States.

Here we are with the greatest opportunity to influence what goes on in our world, the most powerful Nation on Earth, the freest Nation, and we take for granted the reason that we do not exercise our right to vote. I am convinced that part of that disillusionment keeping people away from the ballot box is their feeling that, back at the grassroots, one lone citizen cannot make a difference, that it is money, massive amounts of money, raised increasingly from special interest groups that will determine the outcome of elections anyway so why go to the polls to vote.

We cannot afford that kind of disillusion with our political system. We have to do something about it. We have to restore some balance. It is not only the amounts of money being spent but where the money is coming from that is alarming. More and more and more of that money is coming not from the people back home, not from individual contributors back at the grassroots in that Senator's home State or that Congressman's home State, but by organized special interest groups, largely run by lobbyists here in Washington, DC.

I say that not in derogation. Every group has a right to be represented by Washington representatives. Many of them are of great integrity and honesty and are here to explain the people they represent. But the money is being controlled by people here, not the people back home. Forty percent of all Members of Congress elected last time received over half of their contributions from outside of their home States instead of from people back home. The percentage of total campaign spending coming from the small contributor of $100 or less in the home State or district has shrunk in half over the last 10 years and the amount coming from special interest groups has skyrocketed.

In 10 years we have gone from $12 million to well over $100 million in political action committees and the amount keeps going up and up and up.

What happens to the concept of grass roots democracy?

As one leader said not too long ago representing one of these special interest groups, he said, "I was talking to a Member of Congress the other day and he said that he got 80 percent of his money not from the people back home but from the people here in Washington. You can have fundraisers here in Washington raising several thousand dollars in one night."

He quoted the representative as saying, "Isn't it a wonderful thing that you can raise all you money right here in Washington?"

"I used to be so embarrassed; I had to go back home to people I knew, people who were voters in my own district and I had to ask them to give me a campaign contribution." He said, "Isn't it wonderful that all that has changed; now we can raise all the money here in Washington, DC and we don't have to bother the people back home by asking them to support our campaigns anymore." He said, "What do you think about that, Senator?" I said, "Well, I am grateful that the Constitution at least requires that we have to trouble the people back home to vote in the elections or we could just solve the whole thing and let the people here in Washington, DC run it all, raise the money and have the election both."

We at least leave a little place for the people back home at the grassroots.

But something has to be done about it, in all seriousness. It is out of balance. What about this money coming from the special interest groups, the political action committees, be they of business, be they of labor, be they of single issue groups? Where do they invest their money? That is the term they usually use, investing their money in the political process. Do they give it equally to challengers and incumbents alike? No, they do not. You will find that about 82 percent of all that money is going to incumbents. They do not care if they are Democrats; they do not care if they are Republicans. They are incumbents. They are there. They are chairmen or ranking members of those crucial committees and subcommittees where they need the doors opened to have their story told. People are just human. I do not think any Members of this body would be subject to being directly influenced by campaign contributions.

But what happens if there is only 30 minutes left or 1 hour left or 5 hours of time before a crucial decision can be made in a committee and someone knocks on the door and wants to see that Member, somebody who represents a group that has given $10,000, and someone else is knocking on the door, a constituent from back home, who has never been able to give but $5? What happens? Who gets the access? These groups end up giving 80 percent of the money to incumbents because they are there, they need to deal with those subcommittees. They are going to be there for the 2 years or 4 years or 6 years left in their term. They do not know if that challenger is going to win or not. And then what happens? Suppose they bet on the incumbent because they want the access. What happens if that incumbent loses to the challenger? Most of these groups are pretty fast afoot. You will find group after group, all of a sudden they give to the challenger who has won to help pay off his deficit. And we have scores of them. Millions of dollars are given to both sides. If they happen to give to the incumbent and the incumbent got upset, they quickly get on board with the challenger now that he is here and has office doors that need to be opened.

So there needs to be a balance struck. We need to allow the people at the grass roots to have more input, and that is why S. 2, and the substitute for S. 2 as now pending, provides that to qualify under our system as it is being set up, you qualify for certain benefits if you accept voluntary spending limits. You also have to raise a certain amount of your campaign contributions from small, grassroots contributions of $100 or more back in the home State or the home district, so that we make sure that we keep alive that concept of grassroots democracy and keep some balance to the process.

So, Mr. President, there are reasons for our concerns, deep concerns. There is justification for very strong concern about what is going on.

We cannot allow the cost of running for the United States Senate to run all the way up to $15 million in an average size State. It is a disgrace we have allowed the situation to develop where a Member of the Senate has to spend every week raising an average of $10,000 every, single week without exception for 6 years in order to have a chance to be reelected.

That is a disgrace. It is a disgrace. We should not allow a system to continue where more and more of the money is coming from special interest groups that are giving out that money not on the basis of the total record of a Senator, not on the basis of his or her record for honesty and integrity or the stands on issues but on a little narrow range of issues, not the whole voting record, the three or four votes that are of interest to that interest group that year on which they rate us. They say, "Well, we will give the $10,000 only to those who are at least 75 percent with us on those three or four votes.

It is fragmenting us at a time we need to be coming together as Americans to deal with these serious problems, trying to determine what is best for the people of this country. Campaigns are being more and more financed by special interests at a time all of us need to be challenged to look at what is right for all of this country in the years ahead. We cannot ignore it. We must do something about it.

And so we introduced S. 2, and S. 2 said if you accept the voluntary spending limit—the Supreme Court has said we can no longer apply a mandatory limit. The Supreme Court decision of Buckley versus Valeo said you can no longer put a direct limit on how much candidates can spend. What is the only way you can do it? It has to be a voluntary limit, the Supreme Court said. How are you going to get candidates to accept the voluntary limit? You have to give them incentive, a package of benefits to encourage them to accept it.

As was said in some movie, you have to think of some kind of offer they simply cannot refuse to entice them into a situation where they will voluntarily accept these limits. So when we introduced S. 2 we said if you will accept the voluntary limit when you file, to get our campaign spending within some kind of reasonable level, you will then be eligible to get a certain amount of money from the voluntary—and you will raise it only 20 percent from PAC's, the rest from individuals, and you will raise a certain threshold amount from inside your home State from small contributors, then you will qualify for public funds from a voluntary checkoff pool, checked by people on their income tax return. That is the incentive to get you to accept the voluntary spending limits.

There were those on the other side of the aisle—and I understand why they said what they said because I myself have had a lot of misgivings about public financing—who said, "We cannot support that because you have taxpayer's dollars in there. You have public financing in that. We do not want public financing." I understand that.

That is why we are joining together, Senator **Exon** from Nebraska, who himself had those strong misgivings about public financing, who said he could not support a bill with public financing, Senator **Byrd**, myself, and others, to offer a substitute. No longer do we automatically give those candidates who accept the voluntary limits public funds.

Here is the way S. 2 would now work as we envision it under the new compromise proposal which was offered. Fifty-three Members of the Senate indicated we want to shut off debate; we want to vote on this bill; we want to have campaign reform. There was a filibuster and we were blocked, the majority was blocked from acting upon its desire to have true campaign reform. Those who conducted the filibuster said, "The reason we cannot accept this bill is that there are public funds in it." And so in the spirit of compromise, we said we will come forward and change this bill.

Let me say this is a sincere effort. If those who oppose where we are now have difficulty with this particular formulation, I hope they will come to us, talk to us, see if we can have a meeting of the minds because we must not take this item off the national agenda until we have dealt with it. We owe it to those who elect us. When we took an oath to uphold the Constitution, surely we undertook a responsibility to protect the integrity of the election process. That is a responsibility that we must not shirk.

This particular issue is not going to ge away. I can promise my colleagues it is not going to go away, as far as this Senator is concerned, until we deal with it. It does not have to be 100 percent a bill that this Senator would write if he could write the bill for all of the Senators. Of course not. We have to take into account the desires of the other Members of the Senate. But we must have meaningful campaign reform.

I can promise my colleagues if we do not do it now, if we do not do it next month, this Senator is going to be back. And I have heard the majority leader say the same thing. We are going to bring this bill back; we are going to bring this proposal back; we are going to bring back true finance reform again and again and year after year after year until we finally do something about it.

I have no doubt that we will do something about it. This is an issue that is not going to go away. Those who think they can just hide their heads in the sand and it will all go away and we will not have to worry about it anymore are wrong.

The problem is not going to go away. As long as the problem is there, those who want to do something about it are not going to go away. We are not going to go away until something is done about it.

The people back home are going to have an opportunity to judge the Members of the Senate on whether or not they want a system of elections that allows people to complete on the basis of ideas and ideals and hopes and plans for this country and qualifications, or whether or not those people for whom they are being asked to vote want to have competition based upon who can buy elections and raise the most special interest money and obligate themselves. It is always necessary to think about obligations you are making when you have to face the task of raising $10,000 every single week you serve in public office.

It is not going to go away, Mr. President. The people are going to ultimately insist on something being done. The only question is, will we have to wait until a major scandal takes place that shakes this country to its roots before something is done, or are we going to take action before that happens, to restore trust and confidence?

So we have come with a new proposal. The new proposal says, for example—say, a State has a $1 million voluntary spending limit. I file for office and accept a $1 million spending limit and say I will live by that. What do I get in turn to encourage me to do that? I get lower mailing rates.

You say, "Is that going to cost the taxpayers money?" No. Right now, all political parties, even the Communist Party and fringe parties, automatically get the bulk mailing rate. We are going to take it away from them. It will raise more money than it will require to finance this bill.

We are going to give that mailing rate only to those candidates who accept the spending limits. It will probably be a saving to the taxpayers and an incentive to the candidate who accepts it.

Second, candidates who do not accept spending limits will have a disclosure on their ads, like "The Surgeon General warns that smoking is hazardous to your health." It will be on television, radio, and direct mail: "This candidate does not accept voluntary spending limits."

So the people who are asked to vote for him or her will make the playing field fair. If Members of this body do not think the people care to have fair ground rules, do not think the people care about the massive cost of running for office in this country, fine. Let them have the courage of having that stamped on every ad and every letter. I will live by that. People make their judgments. All we are asking is that the people be informed about the candidates' view on spending.

So those are two of the incentives.

Right now, also, broadcasters have to give the lowest rate on television and radio advertising to all political candidates. We provide that they only give it to candidates in the future who accept voluntary spending limits.

Then we provide that if I have to raise $1 million, which is the spending limit, I have to raise all that privately. I have to raise it not from the Government, as in the original bill, but I have to raise it privately. I have to raise a threshold amount from small contributors in my home State, cannot take more than 20 percent from PAC's, mainly individual contributors in my home State.

Then, as a standby enforcement mechanism, when public funds do come into play—in an unlikely case—No. 1, if I raise my $1 million and stay by the spending limit but my opponent decides to go over the spending limit, then, as an enforcement tool, I can draw money up to an additional $1 million from that fund, to offset the spending by my opponent.

I do not think it will happen. If you know your opponent is going to break the barrier, will you do so? I do not think it will happen. But it stands there like a guillotine, to sweep down as a punishment if someone wants to try to buy an election.

The other time it might come into play is if you are attacked by a so-called indpendent group and they start running ads against you on television, that group will be on notice that the candidate who has been attacked may draw money from the voluntary checkoff on tax returns. I do not think money will be spent there, either, because why would a group make an attack on a candidate if they knew that he, in essence, would get free time to respond to that attack?

It is necessary to have a device like that. In the original bill that we had 2 years ago, the Boren-Goldwater bill, we had a provision that said the TV station had to give equal time if someone was attacked. The broadcasters said: "We don't think it's fair for us to be the total enforcement mechanism, the judge of all this, the financier of all this." That was taken out of the bill by a vote of the Senate. But we have to put something in its place to discourage the flow of money. There has to be something to keep that from happening.

So we offer S. 2 sincerely in the spirit of compromise. I think my colleagues know that if I were ranked on my record for being partisan, I would probably be at the bottom of the list. On occasion after occasion, I have not hesitated to cross party lines to do what I thought was right. While I am proud of my party affiliation, my first responsibility is to be a good Senator for this country and to be an American first.

Sam Rayburn often said he thought that if you were going to be a good Democrat, you had to be a good American first, and I cannot think of a better definition that came from one whose party loyalty was never in question.

In this situation, all those on both sides of the aisle are called upon to be good Americans first. We cannot afford to let this break down along party lines. We cannot allow party concerns to prevent us from effecting meaningful campaign reform.

This Senator has no interest in proposing a bill simply to help one party or the other. If this Senator were wise enough to write a bill that he would be sure would be absolutely neutral, that is what I would do. That is my goal. I am not for campaign reform to help one party, even my party. I am for campaign reform to preserve the integrity of the election process.

We have now presented a bill that does not have public funds in it, but it does have spending limits, voluntary spending limits, so that we can get spending under control. It is time for that.

I send this message to my friends on the other side of the aisle and those in both parties who have hesitated about supporting campaign reform in the past: We are ready to do something good for our country. Join us.

If, for some reason, you do not think this new proposal, which we offer in the spirit of compromise, is all it should be, if you think it can be improved, offer your suggestions to us; tell us what our own improvements would be. But join us, for the sake of the country and for the sake of the integrity of the election process, in an effort to do something that will help our country. Join us in an effort to do something so that the young people I have talked to, who want to perform public service, can attain the hope and dream of being a part of this political process directly some day, so that they can keep alive their hopes and dreams of coming here and helping our country in this arena, in which policy is worked out. Do not foreclose that opportunity, and do not deprive the people back home, at the grassroots, of the sense that they, themselves, can make a difference in their own political process.

When the people begin to believe that they cannot make a difference—when they lose heart—the vitality of this entire political system and the vitality of this country we love so much will be sapped. We must not allow that to happen.

I urge my colleagues to reflect upon the compromise which will soon be officially offered to the Senate for S. 2. I urge them to put aside party considerations and to join us in taking this reasonable and balanced step toward meaningful campaign financing reform.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SHELBY). Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, I am ready to call up the nomination of Mr. Greenspan to be a member of the Board of Governors of the Federal Reserve System. The distinguished Republican leader has control of half the time on the other side of this nomination.

EXECUTIVE SESSION

Mr. BYRD. Mr. President, with the Republican leader's approval, I now ask unanimous consent that the Senate go into executive session to consider the nomination of Mr. Alan Greenspan, and that the time under the control of the Republican leader be transferred to the control of the distinguished Senator from Missouri [Mr. BOND].

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nomination will be stated.

FEDERAL RESERVE SYSTEM

The legislative clerk read the nomination of Alan Greenspan, of New York, to be a member of the Board of Governors of the Federal Reserve System.

The PRESIDING OFFICER. Who yields time?

Mr. PROXMIRE. Mr. President, will the majority leader yield me time on this nomination?

Mr. BYRD. Mr. President, the distinguished Senator from Wisconsin has control of 15 minutes of the time.

Mr. PROXMIRE. Mr. President, I yield such time as I may require and I will be as brief as I can.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, the Greenspan nomination as Chairman of the Fed is difficult for this Senator.

First. There is nothing in the Greenspan experience either in his long record of service to money center banks, or his role as an advocate for the Nation's largest and most powerful corporations, or his service as Chairman of the Council of Economic Advisers in the Ford administration that shows independence. Mr. Greenspan, through no fault of his own, follows three towering and proudly independent Federal Reserve Board Chairmen: William McChesney Martin, Arthur Burns, and Paul Volcker. The willingness to oppose and, if necessary, fight the unwise policies of those who hire him has never been demonstrated by Mr. Greenspan in any capacity. With his accession can the Fed kiss its prized independence goodbye?

Second. At a time when the country, including financial institutions, are moving toward widespread mergers and increased concentration, Dr. Greenspan testified last week that he doesn't even support the Sherman Antitrust Act of 1890, that has been for nearly 100 years the country's basic antitrust statute. This is specially pertinent. Here's why: The Federal Reserve is the agency that more than any other can deny or approve bank mergers. With the accession of Alan Greenspan as the country's preeminent bank regulator and the ruling force that will permit or deny bank mergers, the country may be poised on the verge of a transformation of the American financial economy into its greatest concentration since the turn of the century.

Third. Most significant of all, Mr. Greenspan supports the abandonment of this country's long-term policy of separating banking and commerce. He does, indeed, favor the requirement of a so-called Chinese wall designed to keep the two apart. This Greenspan position puts him into direct opposition on this critical issue with retiring Chairman Paul Volcker. Chairman Volcker told our banking committee just last week that he vigorously opposes the merging of commercial firms with banks. Mr. Volcker contended that the Chinese wall does not and cannot effectively insulate a bank from the firm that owns it. Volcker contended there would be no reason for a commercial firm to acquire a bank if the commercial firm were fully and effectively separated from using it or managing it.

And there are four strong points to be made in Alan Greenspan's favor. First, he brings to the Federal Reserve Chairmanship a clear commitment to follow monetary policies that will counteract inflation. The Federal Reserve Board has been our country's main bulwark against inflation. Of all the prospective Chairmen the Reagan administration might have been realistically expected to appoint—except for Chairman Volcker—Greenspan promises to be the most willing to pursue anti-inflationary policies.

Second, the President has at least one vacancy to fill on the Fed Board. For several years it has been clear that this President has not followed the past practice of previous Presidents of consulting the Fed Chairman and relying heavily on his advice in appointing other members of the Board. It is likely in view of the trust of the President and his economic advisers in Mr. Greenspan they will once again rely significantly on the Chairman in appointing other members. This will make the Board more cohesive and more likely to follow Greenspan anti-inflation policies.

Third, if Dr. Greenspan were denied approval it is unlikely that the administration would appoint a better qualified Chairman.

Fourth, Mr. Greenspan has excellent personal qualities. He is intelligent. He is respected by the business community that knows him and his work. He is an extraordinarily civil and decent man.

So with misgivings, with reluctance, this Senator will vote on balance for the confirmation of Alan Greenspan as Chairman of the Federal Reserve Board.

Mr. President, because this is of such absolutely vital importance—the Chairman of the Federal Reserve Board had been called the second most powerful man in America—I ask for the yeas and nays on this nomination.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. PROXMIRE. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Mr. President, I yield myself 2 minutes.

Mr. President, I am pleased to rise in support of such a distinguished nominee as Alan Greenspan to be a member of the Board and Chairman of the Federal Reserve. I have known and admired Alan Greenspan since his days with the Ford Administration and have every reason to believe that he will be a fine Federal Reserve Chairman.

During Mr. Greenspan's confirmation hearing before the Banking Committee there was quite a bit of discussion about why anyone would want to take the job of Fed Chairman at this time. We talked about the enormous responsibility that Alan Greenspan has agreed to undertake. He will have to contend with an irresponsible fiscal policy that we foisted upon the country, trade deficits, budget deficits, lingering recession in some parts of our economy, the Third World debt crisis, record numbers of bank failures, an outdated legal structure for our financial system. In addition, the Federal Reserve will probably continue to serve as a convenient scapegoat for all sorts of groups seeking easy answers or trying to avoid responsibility. Yet, Alan Greenspan answered the questions that the Banking Committee put to him in a clear and forthright manner. He demonstrated the qualities that we would like to see in a Federal Reserve Board Chairman: A sound grasp of economics, a willingness to take political heat from both Congress and the White House, the ability to make hard choices on very complex problems.

The Congress has certainly not made the Fed Chairman's job any easier, and we have not been able to deal with the fiscal problems which contribute to the deficit.

As for Mr. Greenspan's independence, as our distinguished committee chairman has pointed out, Mr. Greenspan has raised questions about the economic consequences of laws that this Congress has adopted in the past in antitrust and in financial institution regulations.

I admire his independence. I hope that he will continue to question the economic impact of laws that we are considering because sometimes the laws that we pass do not conform to the laws of economics.

There is, however, no question in my mind that he will follow the law, though he may question the economic soundness of particular provisions. Furthermore, and finally, I am confident that Alan Greenspan is up to the heavy responsibility that faces the Chairman and that he will measure up to the very high standards of his predecessor. I applaud his willingness to tackle these issues, although I might question his good judgment in being willing to do so.

The PRESIDING OFFICER. Who yields time?

Mr. PROXMIRE. I am happy to yield the time he may require to the Senator from Mississippi.

Mr. STENNIS. I certainly thank the Senator.

Mr. President, I am planning to vote in favor of the pending matter about the new officer in this role.

I want to say a word of appreciation for the services of the retiring Chairman, Paul Volcker. I did not know Mr. Volcker before he came here. I had very little association with him during the tenure he served here. So there is nothing personal one way or the other about this.

But I certainly admired him as an official in his poise, his deliberateness, his high sense of obligation to his duty and to his very fine knowledge and understanding, as it seemed to me, about his mission and about the economy and what should be done or what we should try to do about it.

It is a little out of my calling, but I called him up once and told him I would like to have breakfast with him, and he invited me to come over. I did not want to take his time, otherwise, I was very much impressed with the things that he said. All of those bad years we went through, with the high interest rates and other things, it was not any individual's fault, particularly, but he gave us an understanding of it. I am glad to be able to commend him highly and thank him, too.

I yield the floor. I thank the Senator for yielding.

Mr. D'AMATO. Mr. President, I rise to support enthusiastically Dr. Alan Greenspan as a nominee to the position of chairman of the Board of Governors of the Federal Reserve System. We are truly fortunate to have a man of Dr. Greenspan's stature to succeed Paul Volcker. Because Dr. Greenspan is no stranger to many of my colleagues, I will refrain from reciting the entire litany of his professional and academic accomplishments—all of which are achievements that recommend him to the position for which he is under consideration. Most important of all, however, is that he is a native New Yorker.

A review of Dr. Greenspan's biographical sketch reveals that he is a very busy man. In addition to his position as chairman and president of Townsend-Greenspan, he currently is a member of the President's Economic Policy Advisory Board, Time magazine's board of economists, senior advisor to the Brookings Institute, and a consultant to the Budget Office. He currently sits on the boards of 7 major corporations and is a member of numerous other councils, commissions and noncorporate boards.

Considering that he will have to sever many of these associations, it appears that Alan may be viewing the position as Fed chairman as a way to reduce his tremendous workload. At his confirmation hearing I assured Dr. Greenspan that if anything his workload would increase. As America's central banker he will be the ringmaster of the three-ring economic circus which is confronting the American and world economies. In one ring we have an increasingly weak dollar that threatens to push the inflation rate out of control if not properly monitored. In the center ring we watch both U.S. and foreign economies growing at a slow rate that could easily slip into a global recession that could even more easily occur should interest rates climb too high. And in the third ring we watch the spectre of the entire world financial system walking the unstable high wire of nonperforming Third World loans.

In short, his job will not be an easy task—since, to a large extent we are entrusting him with the fate of the dollar, the course of U.S. interest rates and quite possibly the prosperity of the world economy. Of all the distinguished bankers and economists who could have been considered, I believe that he is the best successor to the Fed chairmanship that the President could have chosen. Further, I would suggest to those who feel his nomination will turn the Fed into an arm of the administration that they do not know him very well. The Alan Greenspan that I know is not one who avoids the tough policy decisions for the sake of political expedience.

I am confident that his tenure as chairman will be most successful. I say this not only because he is a friend but because his academic and professional training has prepared him for this position. Therefore, I urge my colleagues in the Senate to swiftly confirm Dr. Greenspan, so he can get to work on the difficult tasks that we all know need to be done.

Mr. CONRAD. Mr. President, this vote to confirm Dr. Alan Greenspan as chairman of the Federal Reserve Board has tremendous significance. Few people in Government have as much influence over the conduct and course of economic policy as the chairman of the Federal Reserve. And this position is particularly important now, amid growing concerns about the stability of our economy and the crucial role that monetary policy will play.

The challenges facing the Federal Reserve at present are enormous, Mr. President. This country's budget and trade deficits are at staggering, unprecedented levels. Our dependence on foreign capital to finance these deficits has produced massive accumulations of foreign debt, transforming the U.S. from the largest international creditor to the world's largest debtor. And of utmost importance to an agricultural State like mine, real interest rates have remained extraordinarily high. Recent rises in interest rates have understandably sent shock waves through interest-sensitive sectors, raising fears that the economy's growth could subside and that unfavorable exchange rates could return.

By his actions affecting interest rates and the availability of credit, the chairman of the Federal Reserve will have a profound effect on the stability of our economy over the next 4 years. But the Fed will also face considerable cross-pressures during this period. It will be urged to pursue expansionary policies to assure that the fiscal restraint required to reduce the budget deficit does not produce a slowdown of the economy. Meanwhile, concerns about any resumption of domestic inflation as well as international considerations could make the Fed reluctant to lower interest rates and allow further declines in the value of the dollar.

I am very concerned about how the next Fed chairman will view these choices. High real interest rates and an overvalued dollar are literally life-or-death issues for my area of the country. Agriculture export markets were savaged by the extreme appreciation of the dollar from 1980 to 1985. Exchange rates have clearly improved since then, but the dollar is still overvalued—especially in relation to the currencies of most of our leading agricultural competitors. If anxiety about inflationary pressures, which strikes me as misplaced at present, precludes any serious consideration by the Fed of the need to lower interest rates and let the dollar fall, the chances of strengthening growth and revitalizing sectors like agriculture are poor.

The condition of American agriculture remains extremely vulnerable. In spite of signs that the farm recession may be abating, net farm income—in real dollars—is predicted to decline in 1987. In fact, net farm income in real dollars has been lower in the 1980's than at any time since the beginning of the Great Depression. The farm recession has caused considerable difficulty for rural financial institutions—and driven many small bussinesses into bankruptcy as well.

Mr. President, I recognize that Dr. Greenspan's economic qualifications are impressive, and that he has a distinguished record of past public service. But I am deeply troubled by what I judge to be major downside risks to the stability of our domestic economy in the next several years. Dr. Greenspan genuinely inherits an economic mess—the legacy of the Reagan administration's disastrously misguided policies. Without assurance that he use his influence to chart a substantially different course, I cannot support his nomination.

Mr. KARNES. Mr. President, I rise to urge my colleagues to support the nomination of Alan Greenspan for the chairman of the Board of Governors of the Federal Reserve System. As a member of the Senate Banking Committee, I have participated in the process of reviewing Dr. Greenspan's qualifications and have seen his ability to respond in a very thoughtful and responsible manner to the many questions that the committee asked.

Observers of the Federal Reserve and its outgoing chairman regard Mr. Volcker as a man whose political and economic intuition and skill have made him the best chairman in the Fed's 74-year history. Mr. Volcker's successor, Alan Greenspan, whose political and analytical skills are formidable, is probably the best choice that could have been made to carry on the critical role of the Federal Reserve in this Nation's fight against inflation and improving economic prosperity for all Americans.

As Dr. Greenspan has said himself, Mr. Volcker will be remembered for the economic and social pain that reducing the rampant inflation required. Home builders flooded the Fed with postcards mailed to protest the harsh impact on the housing market of the highest interest rates the country had seen since the Civil War era. Farmers, anxious to buy land to take advantage of soaring land and commodity prices, complained. Businessmen went into shock when the prime lending rate at commercial banks, to which the cost of their loans were tied, reached 21.5 percent at the beginning of 1981. Now he is being credited in large part for the dramatic decline in inflation that we have had. Dr. Greenspan has publicly stated he would have made the same decision. He further stated that the long-term costs of allowing the inflation to continue would have been far greater than the short-term costs we paid.

Mr. President, I have had the opportunity to sit down and chat with Dr. Greenspan at length in my office. We spoke of monetary policy and its effect on important industries such as agriculture, the heart of economic activity in the Midwest. I feel confident from our discussions that Dr. Greenspan will pursue policies of low inflation and steady economic growth that will benefit agriculture as well as the rest of the economy. Mr. President, I submit that Dr. Greenspan can make the difficult decisions that come before the Federal Reserve and will continue the assault against inflation that Mr. Volcker has so successfully begun.

Dr. Greenspan must prove to the financial markets that he is a worthy replacement for the outgoing Fed chairman. He will also face political pressures by those who think that he should be more accommodating during next year's Presidential campaign. In the Ford administration, Dr. Greenspan strongly supported the Fed's tight credit policies despite the deep recession those policies helped engender in 1974 and 1975. Dr. Greenspan has been an outspoken backer of Mr. Volcker, often echoing the Fed chief's warnings about the dangers of a precipitous decline in the dollar. Dr. Greenspan stated recently:

> Under Paul's chairmanship, inflation has been effectively subdued. It will be up to those of us who follow him to be certain that those very hard-won gains are not lost. Assuring that will be one of my primary goals.

In a striking endorsement of Mr. Volcker's policies, Dr. Greenspan added: "There are very few people in this profession who are more impressive than he and who seem to do the right thing at the right time almost every time." Mr. Volcker has stated himself that he was "very happy" that Dr. Greenspan was going to take over the Board of Governors. Dr. Greenspan will be able to draw authority from his popularity in financial markets which is considerable. Dr. Greenspan is a man of considerable knowledge and experience and will do an excellent job in one of the most important positions in this country. Mr. President, I wholeheartedly endorse the nomination of Dr. Greenspan and look forward to the benefit of his economic knowledge and expert counsel as we proceed to address the economic issues before us.

Mr. PROXMIRE. Mr. President, I yield back the balance of my time.

Mr. BOND. Mr. President, I yield back the balance of the time on this side.

Mr. BYRD. Mr. President, there will be no further rollcall votes today after this rollcall vote.

The PRESIDING OFFICER. All time has been yielded back. The question is on the confirmation of the nomination. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware [Mr. BIDEN], the Senator from Arkansas [Mr. PRYOR], and the Senator from Illinois [Mr. SIMON] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from Utah [Mr. GARN], the Senator from Pennsylvania [Mr. HEINZ], the Senator from Kentucky [Mr. MCCONNELL], and the Senator from Vermont [Mr. STAFFORD] are necessarily absent.

I further announce that, if present and voting, the Senator from Pennsylvania [Mr. HEINZ] would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 91, nays 2, as follows:

[Rollcall Vote No. 225 Ex.]

YEAS—91

Adams
Armstrong
Baucus
Bentsen
Bingaman
Bond
Boren
Boschwitz
Breaux
Bumpers
Burdick
Byrd
Chafee
Chiles
Cochran
Cohen
Cranston
D'Amato
Danforth
Daschle
DeConcini
Dixon
Dodd
Dole
Domenici
Durenberger
Evans
Exon
Ford
Fowler
Glenn
Gore
Graham
Gramm
Grassley
Harkin
Hatch
Hatfield
Hecht
Heflin
Helms
Hollings
Humphrey
Inouye
Johnston
Karnes
Kassebaum
Kasten
Kennedy
Kerry
Lautenberg
Leahy
Levin
Lugar
Matsunaga
McCain
McClure
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Murkowski
Nickles
Nunn
Packwood
Pell
Pressler
Proxmire
Quayle
Reid
Riegle
Rockefeller
Roth
Rudman
Sanford
Sarbanes
Sasser
Shelby
Simpson
Specter
Stennis
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Weicker
Wilson
Wirth

NAYS—2

Bradley
Conrad

NOT VOTING—7

Biden
Garn
Heinz
McConnell
Pryor
Simon
Stafford

So the nomination was confirmed.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. DOLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I ask that the President be immediately notified of the confirmation of the nominee.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BYRD. Mr. President, if nobody else wishes to speak while the Senate is in executive session, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

ORDER OF PROCEDURE

Mr. MATSUNAGA. Mr. President, parliamentary inquiry. What is the present parliamentary situation?

The PRESIDING OFFICER. The Senate is back on S. 2.

Mr. MATSUNAGA. Mr. President, I ask unanimous consent that I may proceed as if in morning business for a period not to exceed 3 minutes.

Mr. BYRD. Mr. President, will the Senator withhold briefly until I can get some consent business done?

Mr. MATSUNAGA. I will yield to the majority leader.

Mr. BYRD. Mr. President, the following consent agreement I believe has been advanced to the point now that I might be able to present it.

UNANIMOUS-CONSENT AGREEMENT

Mr. BYRD. Mr. President, I ask unanimous consent that when the Senate considers the conference report on H.R. 27, the Federal savings and loan recapitalization bill, there be a time limitation of 2 hours thereon, to be equally divided between Senator PROXMIRE and Senator GARN; provided further that no motion to commit the conference report be in order, either with instructions or without instructions; and provided further that at the conclusion of yielding back of the time, the Senate proceed to vote on the conference report.

Mr. THURMOND. Mr. President, we have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. I thank the distinguished Senator from South Carolina.

MEASURE PLACED ON CALENDAR

Mr. BYRD. Mr. President, I ask unanimous consent that when H.R. 2893, a bill to reauthorize the Fishermen's Protective Act is received in the Senate, it be placed directly on the calendar.

Mr. THURMOND. Mr. President, we have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF CERTAIN PROTECTIONS UNDER THE BANKRUPTCY CODE

Mr. BYRD. Mr. President, I would inquire of the distinguished acting Republican leader, the distinguished Senator from South Carolina [Mr. THURMOND], if Calendar Order No. 280 has been cleared on his side of the aisle.

Mr. THURMOND. Mr. President, it has been cleared.

Mr. BYRD. Mr. President, I thank the acting leader.

I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 280.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the bill.

The legislative clerk read as follows:

A bill (S. 1577) to extend certain protections under Title 11 of the United States Code, the Bankruptcy Code.

The bill was considered, ordered to be engrossed for a third reading, read the third time, and passed; as follows:

S. 1577

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Public Law 100-41 is amended by striking out "September 15, 1987" and inserting in lieu thereof "October 15, 1987".

Mr. BYRD. Mr. President, I move to reconsider the vote by which the bill passed.

Mr. THURMOND. Mr. President, I move to lay the motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I thank the distinguished Senator from South Carolina [Mr. THURMOND]. Mr. President, I thank the distinguished Senator from Hawaii [Mr. MATSUNAGA] for his courtesy in yielding.

The PRESIDING OFFICER. The Senator from Hawaii.

"HAUOLI LA HANAU," JOHN STENNIS

Mr. MATSUNAGA. Mr. President, the majority leader has noted the birthday today of our most distinguished colleague, the senior Senator from Mississippi and indeed the senior member of this body in service, age—and wisdom—JOHN CORNELIUS STENNIS, our President pro tempore!

The Senator hails from a State for which I hold great fondness. I recall the warm hospitality accorded to me and my comrades-in-arms by the people of Hattiesburg, MS, when as members of the 100th Infantry Battalion (Separate) we were stationed at nearby Camp Shelby, during the summer of 1942, shortly after the outbreak of World War II. More recently it has become home to my daughter, Diane, following her marriage to a native of Mississippi.

The Mississippi Senator's Phi Beta Kappa key is evidence of his early wisdom which has gained increasing luster with the years. He has served the people of Mississippi as a State legislator, district attorney, judge and jurist, and, for the last 40 years, as a member of the U.S. Senate. His has been, and continues to be, a distinguished record. His wisdom is complemented by that of his constituents in continuing to return him to this august body. In the language of my native State: "Hauoli La Hanau," John Stennis. "Happy birthday!"

HAPPY BIRTHDAY TO SENATOR STENNIS

Mr. THURMOND. Mr. President, it has come to my attention that today is the birthday of Senator JOHN C. STENNIS, of Mississippi.

I have known Senator STENNIS for many years. When I was Governor of South Carolina, from 1947 to 1951, I recall that he visited our State, I believe, at the request of Senator Maybank. Senator Maybank. Senator STENNIS spoke at that time and made a very fine impression.

As the years have gone by, I have had the occasion to work with him since he has been in the Senate, and it has been a joy and a pleasure.

I might say that in the summer of 1922, he and I attended the same ROTC camp, Camp McClellan, in Alabama, the home State of the Presiding Officer (Mr. SHELBY). I did not know Senator STENNIS at that time, but I appreciate him because he did pursue ROTC and finished ROTC as a high-ranking cadet.

I do not believe he was in a war after that, but he served his country well, as chairman of the Committee on Armed Services and chairman of the Committee on Appropriations.

He is a man whom I think we could all emulate. He is a man of character, he is a man of courage, he is a man of compassion, and he has fine professional qualifications.

I congratulate Senator STENNIS upon his birthday. My suite in the Russell Office Building is next to his, and we see a lot of each other. Our staffs work closely together.

Although he is a Democrat and I am a Republican, we think very much alike. He is what you might call a conservative Democrat, and conservative Democrats are very much like Republicans. A lot of them ought to be on the Republican side—for example, even the Presiding Officer at this time.

I am proud of the friendship I have had with Senator Stennis. I am proud of the service he has rendered his country, and the Senate is better off because he has been here for these past number of years.

I hope he has many more years in the Senate, and I wish him well in all his undertakings.

APPOINTMENT TO NATIONAL COMMISSION ON INFANT MORTALITY

The PRESIDING OFFICER. The Chair, pursuant to Public Law 99-660, announces the selection, made jointly by the Senate majority leader and the Speaker of the House of Representatives, of Diane E. Watson, of California, to serve as a member at large of the National Commission on Infant Mortality.

HARTWICK COLLEGE TURNS BACK CLOCK

Mr. MOYNIHAN. Mr. President, from our hillside farm in Delaware County, we look across the Valley of the Susquehanna—still, at this point in its journey, little more than a trout stream—at the great green hills of Otsego. There stands dour Crumhorn, which Sir William Johnson characterized as a "worthless piece of land created by the Almighty for wild beasts and rattlesnakes" and one on which Timothy Murphy, the hero of Saratoga had a close encounter with a roaming band of Senecas. Off to the Southwest, however, are the gentler hills of Oneonta, on one of which will be found the beautiful red stone buildings of Hartwick College. It has been there as Hartwick Seminary since 1797, but with unusual diffidence it has until just this past Saturday been content to describe itself as having been founded in 1928. I can attest that the original vellum charter issued by the Board of Regents 131 years earlier is even now on display in the President's office, and I rejoice that after due and deliberate consideration President Philip S. Wilder, Jr. and the trustees have officially changed the date of the college's founding to 1797. Thus Hartwick enters the select group of 33 American colleges that were founded before the 19th century. Almost all, we might add, as Seminaries.

Mr. President, I ask unanimous consent to have printed in the RECORD the report of this event from this morning's Oneonta Star, and I am sure the Senate will join with me in welcoming Hartwick to the precious company of the ancient institutions of our land.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Daily Star, Oneonta, NY, Aug. 3, 1987]

HARTWICK COLLEGE TURNS BACK CLOCK

TRUSTEES OFFICIALLY CHANGE DATE OF COLLEGE'S FOUNDING TO 1797

The Hartwick College Board of Trustees has adopted 1797, the year Hartwick Seminary was established, as the college's founding date, putting the college in an elite group of 33 colleges that were founded before the 19th century.

The college was actually started 131 years later, in 1928, by the seminary. But in 1947, the seminary went out of business, leaving the heritage to the college.

Philip S. Wilder, Jr., Hartwick College president, wanted the college's founding date to show its complete ancestry. Saturday, he announced the new founding date at the annual reunion of Hartwick Seminary alumni, whose status as alumni of Hartwick College is clarified by the change in date.

"It appears that the founding date was not changed in 1947 out of solicitude for people who felt they had brought the college into being in Oneonta 20 years earlier.

"There is no longer any reason to refrain from correcting the record. The survivors of the 1928 contingent support a change," Wilder said.

"Normal procedures in the consolidation of two corporate entities call for the use by the resultant organization of the founding date of its earliest constituent part," he said.

Hartwick's ancestry was noted on a historical marker given to the college by the state Education Department in 1950, "describing the present institution as 'founded in 1797 as Hartwick Seminary, chartered as Hartwick College in 1928,' " Wilder said.

Planning has already started for the college's bicentennial in 1997, he said.

The new founding date took effect Saturday, Aug. 1.

RETIREMENT OF JAMES RESTON

Mr. MOYNIHAN. Mr. President, there cannot have been many Members of the Senate or persons active in government in Washington and elsewhere in the Nation, and indeed in capitals the world over, who failed to note with a kind of sad happiness that James Reston, at age 77, after 48 years with the New York Times, has decided it was time to get on with his vegetable garden at Fiery Run, VA, and very important town meetings in Nantucket, which demand more of his attention than they have received in the past, as well as like matters, leading him to make the decision to stop writing the two or three columns a week he has written for 30 years.

It will not be by any means the end of his writing, but the end of that iron routine to which he submitted for so very long and with such great example.

In the age when I think we might say Americans still could read and still would read, there has not been a more influential pen in this capital. He was fair. He was persistent. He was incapable alike of vindictiveness or unfairness.

He was the perfect example of a profession at its height in this city, as it had not ever been before and which I will never experience again.

The story goes that President Eisenhower once asked, with the kind of asperity he could summon on occasion, "Who is this man who is telling me how to run my Government?" I think it would have been fair for those of us who have watched Mr. James Reston, watched his work, and watched the reaction of other Presidents, to say to Mr. Eisenhower: "Mr. President, he is not telling you how to run your Government. He is telling other people how you run it"—a different and important point. It is that assessment that has mattered so much.

I know Presidents whose day was made when they found that Reston had approved what they were doing in the morning. Presidential output doubled before the day was out.

It is in that spirit that the Washington Post prints a lovely tribute, "James Reston Between Jobs," in this morning's edition, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

JAMES RESTON BETWEEN JOBS

Up in New York at Brand X, James Reston published his last regular op-ed page column yesterday. Mr. Reston pointed out that he had been a reporter for the New York Times for 48 years now and has been writing two or three columns a week for the past 30. He thinks that's about enough, at least of the regular column regimen. "I'm off for a while," Mr. Reston explained—invoking all those made-to-be-dashed fantasies busy people always have about at last finding time to work on the vegetable garden—but he did say he planned to return to the paper to write "when I please." We know Mr. Reston well enough to believe, not just to hope, that the writing and reporting will continue to preempt concern for the well-being of the rutabagas. Mr. Reston is first and foremost, primarily and hopelessly a journalist. His vegetables should not get their hopes up too high.

You cannot name anyone who has had a more pronounced and pervasive effect on the national news business than Scotty Reston, an unassuming, straight-arrow onetime sportswriter. In postwar Washington, through a period of greal political transformation, when the country was accepting (grudgingly in some respects) a larger international role and an expanded role for the federal government in domestic affairs, and when the role of journalism itself was being transformed, Mr. Reston was at the center of events—a hugely influential figure in establishing new terms of coverage and new standards of commentary.

He has been in enough fights over the years, and he hasn't always been victorious, or, for that matter, always right. But he has always been honorable and important, and he has always been a great worrier about the champion of the press. He worries about its standards, its obligations and its performance. He champions its right to do the job, to be there. Most notably, Mr. Reston has always been suspicious of the lazy, the flashy and the self-promoting in our business, and he tried to pass on these aversions to the large number of young journalists he more or less raised up in his day.

We could offer some more reasons, but we don't think any more are required, for expressing the hope that Scotty Reston will not stray too far or too frequently from journalism—where he belongs—into the fray with weeds and cabbage borers, which is a lost cause anyway.

The PRESIDING OFFICER (Mr. BREAUX). The Senator from Iowa is recognized.

AID TO THE CONTRAS

Mr. HARKIN. Mr. President, I want to talk this afternoon about the request for aid to the Contras that will be coming our way from the White House, which I assume will come to Congress shortly after we return from the August recess.

Mr. President, we are already seeing the drums being beaten on this subject. Ads are appearing on television put on by certain right-wing groups promoting aid to the Contras. A half hour documentary will air on television soon, again paid for by private individuals and groups around the United States who support aid to the Contras. And 30-second ads are already appearing on major television stations throughout the country supporting aid to the Contras.

Aside from the Contras themselves—I will have more to say about that later—what really concerns me now, Mr. President, is the Senate procedure that will rule consideration of aid to the Contras.

Two years ago, the Senate under the Republican leadership pushed through what expedited procedures for aid to the Contras. According to this procedure, the President of the United States on this issue, aid to the Contras, controls the floor of the Senate of the United States. That is not the way the Constitution meant for it to be. Under this procedure, the President sends his request for aid to the Contras to the Senate. It is referred to committee for 15 days, at the end of which any Senator can bring that request on to the floor of the Senate, ahead of all other legislation. The Senate gets 10 hours of debate, 5 hours equally divided, and within those 10 hours all amendments must be offered, debated and disposed of. At the end of 10 hours there is an up and down vote on the aid to the Contras.

Mr. President, I think that should strike my colleagues and the American people as very odd. On an issue of such major importance as aid to the Contras, which ranks at the top with all other issues dealing with national security, especially security in the Western Hemisphere, we are limited to 10 hours of debate, 5 on each side. Furthermore, this request does not go through the normal processes of being referred to the Foreign Relations Committee so they can call witnesses to discuss about it, and the committee to amend it. Even if the Foreign Relations Committee were to vote down in committee aid to the Contras, as I said, by expedited procedures, any Senator at the end of 15 days can bring the resolution to the floor, and it then would take precedence over any other piece of legislation.

Mr. President, right now, right this very minute, the President of the United States and his advisers can tell you within 24 hours when the vote will occur on the Senate floor on aid to the Contras.

So they control the timing of it. What is so important about that? What is important is I believe that the administration, knowing when the vote on aid to the Contras will occur, can orchestrate events in Central America to effect the outcome in Congress.

I fear that the administration can orchestrate and will orchestrate a major military engagement between the Contras and the Sandinistas. Or perhaps the Contras could provoke a border skirmish with Nicaragua that could possibly lead to an encounter with Honduran or possibly American troops. In light of the disclosures of the Select Committee on the Iran-Contra Affairs, these events cannot be ruled out of the question.

And on this point, I was very disturbed to read in Friday's Washington Times an interview with National Security Adviser Frank Carlucci. When asked about the contra issue, Mr. Carlucci is quoted as saying in the Washington Times:

> The freedom fighter effort is on target, he said. "There will be results that will influence Congress when the time comes."

Because of expedited procedures, this Senate will vote on Contra aid. What does he mean when he says that there will be results that will influence Congress when the time comes? Well, what could those results be? A major Contra offensive? A border skirmish drawing in Honduran troops? A battle requiring the intervention of U.S. troops?

Right now, Mr. President, the CIA is airlifting troops to the Nicaraguan rebels. Does this mean some kind of altercation with one of our aircraft carrying CIA personnel? Does it mean drawing in some American troops that are now stationed near the Nicaraguan border?

Mr. President, I do not have any inside information about any of these examples by, I repeat, I do not rule them out of order.

We have learned from the Iran-Contra hearings that this administration was prepared to turn our Government inside out, break the law, undermine our Constitution, in order to keep the Contras alive. So I ask rhetorically: Is it possible that this same administration would use the Contras to provoke an incident to win a few votes in Congress to continue aid to the Contras? Of course, it is possible, and not only possible, I think, probable. I think the National Security Adviser, perhaps in a moment of unguarded, realistic answers to a reporter's inquiries, dropped the ball when he said that "There will be results that will influence Congress when the time comes."

Well, Mr. President, we need to proceed with caution in the next 2 months, as Congress prepares to consider the President's request for Contra assistance.

I share with the President his conclusion that our Nicaraguan policy is important both to domestic policy and to our international relations. Accordingly, Congress should give this issue the lengthy consideration it deserves.

We can debate for days and days, weeks on end, our trade policy. And it is important to us and we should have debated it at length because it is that important. We can debate all summer long campaign finance reform. There is a filibuster on right now by the Republicans to keep us from voting on defense authorization for the security of our Nation.

So we do debate things at length here that are very important to our country and they should be debated at length on the floor of the Senate. Not 10 hours. Not 5 hours on one side and 5 hours on another side.

The request for Contra aid ought to come to Congress and be considered like any other request for aid to any other country. It ought to go to the appropriate committees; it ought to be authorized, and then it ought to come to the Appropriations Committees. Under expedited procedures, we do not have that power. We do not have the normal functioning of the U.S. Senate as we do under all other legislation.

Mr. President, I would hope that our leadership will take every means possible to finally eliminate expedited procedures. It has no place in this body and it especially has no place when it concerns an issue of so much importance to the American people; we, the Senate of the United States, should not be told by the White House when the vote on this matter will occur here and how it will occur.

Well, Mr. President, because of the fact that we only have 5 hours for those of us who oppose Contra aid to debate this issue, I intend to address this week, Mr. President, a number of the issues related to the expected Presidential request. I will be taking the floor several times this week for lengthy discussions on who the Contras are, who the leadership of the Contras are, their relationships with the old Somoza government and the human rights record of the Contras. And in fact, I will use the administration's own Commission on Human Rights to show how the Contras have acted when they are dealing with the civilian population of Nicaragua.

I would hope that this would not be necessary to take the time of the Senate this week but, under expedited procedures, what else can we do? Those of us who believe that the record ought to be clear and ought to be laid out in full as to the whole background of the Nicaraguan situation have no other course.

I think it very odd that Lieutenant Colonel North gets 2 weeks on television to give his side of the Contra story, while we get 5 hours on the floor of the Senate—5 hours, including amendments and all else.

Well, I think the issue deserves more than that and that is why, Mr. President, I will be taking the floor several times this week, as I said, to talk about the Contra issue, who they are, their human rights record. I intend to name names and lay it in the RECORD for the public to see. I do not know what the effect or influence it will have, but I believe that the public has a right to have put in the RECORD the other side of the story, a full and complete exposure of the Contras and our Contra policy; of the distortions and the duplicity of this administration for the last 6 years in dealing with the issue; of the attempts made by many people, some in this administration, many on the floor of the Senate and in the other body, to reach a peaceful solution to end the conflict in Central America and open up the political process in Nicaragua; and how these efforts have come to naught because this administration was intent on only one thing: aiding the Contras to overthrow the Government of Nicaragua.

Mr. President, expedited procedures have no place on the floor of the Senate; they have no place, especially dealing with an issue of such concern to the American people.

Mr. President, I ask unanimous consent that the text of the article appearing in the Washington Times last Friday be printed in full in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CARLUCCI CITES CONTRA GAINS, COMPLAINS MEDIA IGNORE THEM

(By Jeremiah O'Leary)

The Nicaraguan resistance is scoring an increasing number of military successes over the Marxist Sandinistas, but the news media in this country are ignoring them, National Security Adviser Frank C. Carlucci said yesterday.

Nevertheless, attitudes in Congress are shifting in favor of continued military assistance to the resistance and will be further abetted by additional rebel victories, Mr. Carlucci said in an interview yesterday with editors of The Washington Times.

"The freedom fighter effort is on target," he said. "There will be results that will influence Congress when the time comes."

Meanwhile, President Reagan is expected to make an address to the nation to press his case for assistance to the resistance before he leaves Washington for a 25-day vacation in California on Aug. 13.

A senior U.S. official said the speech will be made after Congress adjourns the first week in August, but the exact date for the address and the forum for it have not been decided.

Mr. Carlucci said Mr. Reagan has made no final decision on how much money to seek from Congress.

Mr. Carlucci said Mr. Reagan intends to push the issue of aid to the Nicaraguan resistance in a series of speeches.

But he complained: "One of the problems is that we consistently seem to be speaking with two voices to the rest of the world.

"Everyone is casting an eye on congressional foreign policy as opposed to administration foreign policy," Mr. Carlucci said. "We need a bipartisan policy toward Latin America, and I think things are now moving.

"If the Sandinistas begin to get a sense of bipartisanship as opposed to a Democrats vs. Republicans policy, I think we'll begin to get results," he said.

Mr. Carlucci said Congress has a problem about making crisp, sharp decisions on foreign policy and often gets into the implementation of foreign policy instead of oversight.

But President Reagan intends to take his case to Congress, use his veto powers during the recess and "press his own foreign policy forcefully," Mr. Carlucci said.

He also recognized the impact of Lt. Col. Oliver North's testimony before the congressional Iran-Contra investigative committees.

"There is no question that Ollie North influenced public opinion in a positive manner," Mr. Carlucci said. "He had the ideal forum at the hearings. President Reagan hasn't had that kind of forum."

Mr. Carlucci said Mr. Reagan's speeches on this subject "don't get the attention they merit" in the media.

The military successes of the resistance, along with the U.S. economic boycott of Nicaragua and pressures from other Central American countries to negotiate, are "putting a squeeze on the Sandinistas", he said.

"Add to that their own economic mismanagement, and I think there is a reasonable possibility of producing the kind of internal change which people in the region think is desirable," Mr. Carlucci said.

Mr. HARKIN. Mr. President, I yield the floor.

The PRESIDING OFFICER. Does the Senator suggest the absence of a quorum?

Mr. HARKIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is noted. The clerk will please call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Emery, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on the Judiciary.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

ENROLLED BILL SIGNED

At 1 p.m., a message from the House of Representatives, delivered by Mr. Berry, announced that the Speaker had signed the following enrolled bill:

S. 1198. An act to authorize a certificate of documentation for the vessel F/V CREOLE.

The enrolled bill was subsequently signed by the President pro tempore [Mr. STENNIS].

At 5:38 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 27) to facilitate the provision of additional financial resources to the Federal Savings and Loan Insurance Corporation and, for purposes of strengthening the reserves of the Corporation, to establish a forebearance program for thrift institutions and to provide additional congressional oversight of the Federal Home Loan Bank Board and the Federal Home Loan Bank System.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, August 3, 1987, he had presented to the President of the United States the following enrolled bill:

S. 1198. An act to authorize a certificate of documentation for the vessel F/V CREOLE.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1643. A communication from the Assistant Vice President (Employee Benefits) of the Farm Credit Services, transmitting, pursuant to law, the financial reports of the Ninth Farm Credit District Retirement Plan dated December 31, 1986 and February 28, 1987; to the Committee on Governmental Affairs.

EC-1644. A communication from the Benefits and Risk Manager of the Farm Credit Banks of Louisville, transmitting, pursuant to law, the financial reports of the Farm Credit Institutions in the Fourth District Amended Retirement Plan for fiscal year 1986; to the Committee on Governmental Affairs.

EC-1645. A communication from the general counsel of the Department of the Treasury, transmitting a draft of proposed legislation to authorize the Secretary of the Treasury to issue regulations requiring that wages and salaries of Federal employees be paid by electronic fund transfer or any other method determined by the Secretary to be in the interest of economy or effectiveness, with sufficient safeguards over the control of, and accounting for, public funds; to the Committee on Governmental Affairs.

EC-1646. A communication from the Secretary of Agriculture, transmitting, pursuant to law, notice of revisions to a Privacy Act system of records; to the Committee on Governmental Affairs.

EC-1647. A communication from the Secretary of the United States Postal Rate Commission, transmitting, pursuant to law, the final rule entitled "Amendment to Domestic Mail Classification Schedule: Extension of Collect on Delivery Services, 1987"; to the Committee on Governmental Affairs.

EC-1648. A communication from the Chairman of the Council on Environmental Quality, Executive Office of the President, transmitting, pursuant to law, the annual report of the Council under the Government in the Sunshine Act for calendar year 1986; to the Committee on Governmental Affairs.

EC-1649. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, the annual report of the Office under the Freedom of Information Act for calendar year 1986; to the Committee on the Judiciary.

EC-1650. A communication from the Executive Secretary of the Federal Home Loan Bank Board, transmitting, pursuant to law, the annual report of the Board under the Freedom of Information Act for calendar year 1986; to the Committee on the Judiciary.

EC-1651. A communication from the Secretary of Education, transmitting, pursuant to law, notice of final annual funding priority—Rehabilitation Long-Term Training Program (Rehabilitation Counseling); to the Committee on Labor and Human Resources.

EC-1652. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations—Formula Grants to Local Educational Agencies and Tribal Schools; to the Committee on Labor and Human Resources.

EC-1653. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for the Education Department General Administrative Regulations; to the Committee on Labor and Human Resources.

EC-1654. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for the Student Support Services Program; to the Committee on Labor and Human Resources.

EC-1655. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for the Upward Bound Program; to the Committee on Labor and Human Resources.

EC-1656. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for the Talent Search Program; to the Committee on Labor and Human Resources.

EC-1657. A communication from the Director of the Office of Management and Budget transmitting, pursuant to law, certification of the necessity for apportionment of additional funds for Radio Free Europe/Radio Liberty, Inc. resulting from the lower value of the dollar in foreign currency exchange rates; to the Committee on Appropriations.

EC-1658. A communication from the President of the United States transmitting, pursuant to law, a request for supplemental appropriations for D.C. for fiscal year 1987; to the Committee on Appropriations.

EC-1659. A communication from the Deputy Assistant Secretary of Defense transmitting, pursuant to law, notice of the intent of the Navy to exclude certain records from examination by the Comptroller General; to the Committee on Armed Services.

EC-1660. A communication from the Assistant Secretary of the Army transmitting, pursuant to law, a report on the emergency disposal of a suspected chemical artillery projectile at Dugway Proving Ground, UT; to the Committee on Armed Services.

EC-1661. A communication from the Secretary of Transportation transmitting a draft of proposed legislation to implement Annex V, Regulations for the Prevention of Pollution by Garbage from Ships; to the Committee on Commerce, Science, and Transportation.

EC-1662. A communication from the Under Secretary of Commerce transmitting, pursuant to law, notice of intent to convert the weather observation function at Dulles International Airport, VA to performance under contract; to the Committee on Commerce, Science, and Transportation.

EC-1663. A communication from the Secretary of Transportation transmitting a draft of proposed legislation to authorize appropriations under the Hazardous Materials Transportation Act of fiscal year 1988 and 1989; to the Committee on Commerce, Science and Transportation.

EC-1664. A communication from the Secretary of the Interior transmitting, pursuant to law, a report on a small reclamation project at Middle Creek Dam Rehabilitation Project, MT; to the Committee on Energy and Natural Resources.

EC-1665. A communication from the Deputy Associate Director, Minerals Management Service, transmitting, pursuant to law, a report on 25 refunds of excess oil and gas royalty payments to certain corporations; to the Committee on Energy and Natural Resources.

EC-1666. A communication from the Deputy Associate Director, Minerals Management Service, transmitting, pursuant to law, a report on 25 refunds of excess oil and gas royalty payments to certain corporations; to the Committee on Energy and Natural Resources.

EC-1667. A communication from the Secretary of Health and Human Services transmitting, pursuant to law, a report on the administration, impact, and cost of the Utilization and Quality Control Peer Review Organization program; to the Committee on Finance.

EC-1668. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, copies of international agreements, other than treaties, entered into by the United States within the 60 days previous to July 29, 1987; to the Committee on Foreign Relations.

EC-1669. A communication from the Director of the Office of Management Analysis, Department of the Interior, transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-1670. A communication from the Administrator of the Panama Canal Commission transmitting, pursuant to law, a report on 9 new Privacy Act systems of records; to the Committee on Governmental Affairs.

EC-1671. A communication from the Acting Assistant Administrator of the Environmental Protection Agency transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-1672. A communication from the Chairman of the D.C. Council transmitting, pursuant to law, a copy of D.C. ACT 7-64; to the Committee on Governmental Affairs.

EC-1673. A communication from the Chairman of the D.C. Council transmitting, pursuant to law, a copy of D.C. ACT 7-67; to the Committee on Governmental Affairs.

EC-1674. A communication from the Chairman of the D.C. Council transmitting, pursuant to law, a copy of D.C. ACT 7-68; to the Committee on Governmental Affairs.

EC-1675. A communication from the Chairman of the D.C. Council transmitting, pursuant to law, a copy of D.C. ACT 7-65; to the Committee on Governmental Affairs.

EC-1676. A communication from the Chairman of the D.C. Council transmitting, pursuant to law, a copy of D.C. ACT 7-66; to the Committee on Governmental Affairs.

EC-1677. A communication from the Chairman of the D.C. Council transmitting, pursuant to law, a copy of D.C. ACT 7-70; to the Committee on Governmental Affairs.

EC-1678. A communication from the Chairman of the D.C. Council transmitting, pursuant to law, a copy of D.C. ACT 7-69; to the Committee on Governmental Affairs.

EC-1679. A communication from the Chairman of the D.C. Council transmitting, pursuant to law, a copy of D.C. ACT 7-63; to the Committee on Governmental Affairs.

EC-1680. A communication from the Chairman of the D.C. Council transmitting, pursuant to law, a copy of D.C. ACT 7-61; to the Committee on Governmental Affairs.

EC-1681. A communication from the Chairman of the D.C. Council transmitting, pursuant to law, a copy of D.C. ACT 7-62; to the Committee on Governmental Affairs.

EC-1682. A communication from the Chairman of the D.C. Council transmitting, pursuant to law, a copy of D.C. ACT 7-59; to the Committee on Governmental Affairs.

EC-1683. A communication from the Chairman of the D.C. Council transmitting, pursuant to law, a copy of D.C. ACT 7-60; to the Committee on Governmental Affairs.

EC-1684. A communication from the Executive Director of the Federal Labor Relations Authority transmitting, pursuant to law, the Authority's 1986 Government in the Sunshine report; to the Committee on Governmental Affairs.

EC-1685. A communication from the Plan Administrator of the Farm Credit Retirement Plan Production Credit Associations' Retirement Plan, Farm Credit Banks of Jackson, transmitting, pursuant to law, the annual pension plan reports for the plan year ended December 31, 1986; to the Committee on Governmental Affairs.

EC-1686. A communication from the Assistant Secretary of the Smithsonian Institution (Administration), transmitting, pursuant to law, the annual pension plan reports of the Smithsonian Institution and the Woodrow Wilson International Center for Cheolarships, and Reading is Fundamental; to the Committee on Governmental Affairs.

EC-1687. A communication from the Acting Chairman of the Securities and Exchange Commission, transmitting, pursuant to law, the annual report of the Commission under the Government in the Sunshine Act for calendar year 1986; to the Committee on Governmental Affairs.

EC-1688. A communication from the Acting Archivist of the United States, transmitting, pursuant to law, the annual report of the National Archives and Records Administration for fiscal year 1986; to the Committee on Governmental Affairs.

EC-1689. A communication from the Attorney General of the United States, transmitting, pursuant to law, a certification under section 303 of the Bankruptcy Judges, United States Trustees, and Family Farmer Act; to the Committee on the Judiciary.

EC-1690. A communication from the Attorney General of the United States, transmitting, pursuant to law, a certification under section 303 of the Bankruptcy Judges, United States Trustees, and Family Farmer Act; to the Committee on the Judiciary.

EC-1691. A communication from the Attorney General of the United States, transmitting, pursuant to law, a certification under section 303 of the Bankruptcy Judges, United States Trustees, and Family Farmer Act; to the Committee on the Judiciary.

EC-1692. A communication from the Attorney General of the United States, transmitting, pursuant to law, a certification under the Bankruptcy Judges, United States Trustees, and Family Farmer Act; to the Committee on the Judiciary.

EC-1693. A communication from the Attorney General of the United States, transmitting, pursuant to law, a certification under section 303 of the Bankruptcy Judges, United States Trustees, and Family Farmer Act; to the Committee on the Judiciary.

EC-1694. A communication from the Attorney General of the United States, transmitting, pursuant to law, a certification under section 303 of the Bankruptcy Judges, United States Trustees, and Family Farmer Act; to the Committee on the Judiciary.

EC-1695. A communication from the Attorney General of the United States, transmitting, pursuant to law, a certification under section 303 of the Bankruptcy Judges, United States Trustees, and Family Farmer Act; to the Committee on the Judiciary.

EC-1696. A communication from the Chief Immigration Judge, Executive Office for Immigration Review, Department of Justice, transmitting, pursuant to law, a report on the suspension of deportation of certain aliens under sections 244(a)(1) and 244(a)(2) of the Immigration and Nationality Act; to the Committee on the Judiciary.

EC-1697. A communication from the Acting Secretary of Health and Human Services, transmitting, pursuant to law, the opinions of the Department on H.R. 1226 and S. 223; to the Committee on Labor and Human Resources.

EC-1698. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the annual report on the Low Income Home Energy Assistance Program for fiscal year 1986; to the Committee on Labor and Human Resources.

EC-1699. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for the International Research and Studies Program; to the Committee on Labor and Human Resources.

EC-1700. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for the Undergraduate International Studies and Foreign Language Program; to the Committee on Labor and Human Resources.

EC-1701. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for the Educational Opportunity Centers Program; to the Committee on Labor and Human Resources.

EC-1702. A communication from the Secretary of Education, transmitting pursuant to law, final regulations for the Business and International Education Program; to the Committee on Labor and Human Resources.

EC-1703. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations—Drug Free Schools and Communities Program—Training and Demonstration Grants to Institutions of Higher Education, and Federal Activities Grants Program—General Provisions; Training and Demonstration Grants to Institutions of Higher Education; and Federal Activities Grants Program; to the Committee on Labor and Human Resources.

EC-1704. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Financial Audit-Veterans' Administration's Financial Statements for Fiscal Year 1986"; to the Committee on Veterans' Affairs.

EC-1705. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on the Department of the Army's proposed letter of offer to Morocco for defense articles estimated to cost in excess of $50 million; to the Committee on Armed Services.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-274. A resolution adopted by the House of Representatives of the State of Illinois; to the Committee on Agriculture, Nutrition, and Forestry.

"HOUSE RESOLUTION NO. 620

"Whereas, A recent study by the National Academy of Sciences indicates that the current method of slaughtering chickens and the federal inspection of chickens does not offer adequate protection for consumers against salmonella poisoning; and

"Whereas, According to the U.S. Department of Agriculture's own estimate, 37% of the chicken offered for sale is suspected of being contaminated with salmonella; and

"Whereas, To protect consumers, the U.S. Department of Agriculture needs to strengthen its inspection methods and procedures for chicken and to insure that the chicken slaughtering industry be further required to take the necessary steps to reduce the instances of contamination of chicken by salmonella; therefore, be it

"Resolved, by the House of Representatives of the Eighty-fifth General Assembly of the State of Illinois, That we urge the U.S. Department of Agriculture and the Congress of the United States to pass legislation and implement a plan to provide adequate inspection of chicken at the slaughter stage with random testing to detect salmonella bacteria and to establish a consumer education program on safe handling and preparation of chickens; and be it further

"Resolved, That a suitable copy of this preamble and resolution be presented to the Secretary of the U.S. Department of Agriculture and to the Chairman of the Senate and House Agriculture Committees of the U.S. Congress.

POM-275. A resolution adopted by the Senate of the State of Alaska; to the Committee on Banking, Housing, and Urban Affairs:

"SENATE RESOLVE NO. 17

"Be it resolved by the Senate:

"Whereas the state, through its royalty share of Alaska North Slope crude oil, receives approximately 6,500,000 barrels of oil per month, all of which is sent through the Trans-Alaska Pipeline; and

"Whereas the Export Administration Act of 1979 (50 U.S.C. 2401-2420) essentially prohibits the export of crude oil transported through the pipeline and requires the action of President Reagan and the United States Congress to lift the prohibition; and

"Whereas, under the Energy Policy and Conservation Act (42 U.S.C. 6212), Alaskan crude oil that does not go through the pipeline is subject to the export restrictions of 15 C.F.R. 377.6, and these restrictions can be lifted by the federal administration without Congressional action;

"Whereas the United States trade deficit in 1986 totaled $169,800,000,000 of which $58,600,000,000 was with Japan; $7,100,000,000 was with Korea; $15,700,000,000 was with Taiwan; and $6,400,000,000 was with Hong Kong, and the deficits with Korea, Taiwan, and Hong Kong are the fastest growing trade deficits; and

"Whereas the growth of this trade deficit is attributable to ever-shrinking exports by the United States; the exports of the United States declined by nearly $12,000,000,000 between 1984 and 1986 while imports rose by only $1,700,000,000 during the same time period; and

"Whereas the United States exports only about $3,600,000,000 in petroleum products, but these products are in high demand by those Pacific Rim nations with whom the United States has large and growing trade deficits; and

"Whereas the recent shipment of Canadian Beaufort Sea oil to Japan by Gulf Canada Corporation proves that seasonal transportation of Alaska North Slope crude oil to Pacific Rim markets is possible without using the pipeline; and

"Whereas a dock exists at Kuparuk that can handle oil-carrying barges that could transport the crude oil to oceangoing tankers and eliminate the need for the oil to go through the pipeline; and

"Whereas Japan's Ship Research Institute is now prepared to build a full-size model of a 200,000-ton Arctic icebreaking tanker after nine years of study and design; and

"Whereas the current glut of oil on the West Coast and the lower prices for oil worldwide have not only shut down many small stripper wells across the country but have virtually stopped all exporation and drilling of new wells; this situation will deplete United States energy reserves, which will in turn threaten national security; and

"Whereas, in March 1987, the United States Department of Energy reported to the President of the United States the results of a department study that concluded that permitting the export of Alaska North Slope crude oil would "improve the energy security of the United States"; and

"Whereas the export of Alaska's royalty share of Alaska North Slope crude oil would help ease the West Coast glut, create new markets for Alaska oil, assist in the development of an export market for the state for other products, create conditions more conducive to increased oil exploration, and decrease the total United States trade deficit;

"Be it resolved That the Senate respectfully requests the Governor to immediately begin exploring the steps necessary to

"(1) export Alaska North Slope crude oil by water via Kuparuk to Pacific Rim and other foreign nations rather than through the Trans-Alaska Pipeline; and

"(2) obtain the approval of the President of the United States for lifting the export restrictions on the export of Alaska North Slope crude oil that is not transported through the Trans-Alaska Pipeline.

"Copies of this resolution shall be sent to the Honorable Ronald Reagan, President of the United States; the Honorable George Bush, Vice-President of the United States and President of the U.S. Senate; the Honorable George P. Shultz, Secretary of State; the Honorable James A. Baker III, Secretary of the Treasury; the Honorable Donald P. Hodel, Secretary of the Interior; the Honorable Malcolm Baldrige, Secretary of Commerce; the Honorable John S. Herrington, Secretary of Energy; the Honorable Robert Ortner, Under Secretary for Economic Affairs of the U.S. Department of Commerce; the Honorable Bruce Smart, Under Secretary for International Trade of the U.S. Department of Commerce; the Honorable Louis F. Laun, Assistant Secretary for International Economic Policy of the U.S. Department of Commerce; the Honorable Orson G. Swindle III, Assistant Secretary for Economic Development of the U.S. Department of Commerce; the Honorable Judith A. Brady, commissioner of natural resources; and the Honorable J. Anthony Smith, commissioner of commerce and economic development."

POM-276. A resolution adopted by the Executive Committee of the Republican National Party of Puerto Rico relative to the admission of Puerto Rico as a state; to the Committee on Energy and Natural Resources.

POM-277. A joint resolution adopted by the Legislature of the State of Illinois to the Committee on Energy and Natural Resources.

"HOUSE JOINT RESOLUTION NO. 111

"Whereas, The United States desires to maintain its lead in high energy physics research, a position which has recently been threatened by European and Soviet discoveries; and

"Whereas, Europe and the Soviet Union are expanding their high energy physics facilities and will soon move ahead of the United States in accelerator power; and

"Whereas, The United States Department of Energy has announced it will construct a Superconducting Super Collider (SSC), which would operate at twenty times the intensity of any present accelerator, allowing scientists to explore the basic structure of matter at levels hitherto closed to human investigation; and

"Whereas, Illinois is the home of the Fermi National Accelerator Laboratory, which presently has the most powerful atomic accelerator in the world; and

"Whereas, The present Fermi facility could serve as an injector for the SSC, saving the federal government between $350 and $500 million in construction costs; and

"Whereas, Studies conducted by the Illinois Department of Energy and Natural Resources indicate the construction of the SSC in Illinois makes economic, geological, and environmental sense; and

"Whereas, The Chicago area near the Fermi Laboratory features the research, engineering, construction, and other facilities to accommodate easily the hundreds of new scientists, technicians, and engineers needed to staff the $4 to $6 billion SSC project; and

"Whereas, The construction of the SSC in Illinois will create jobs for Illinois citizens and improve the economic environment of the State; and

"Whereas, The Illinois General Assembly has shown its strong support for the SSC by appropriating substantial funding for the Illinois effort to win the project and by enacting substantive legislation to acquire the land; therefore, be it

"Resolved, by the House of Representatives of the eighty-fifth General Assembly of the State of Illinois, the Senate concurring herein, That we hereby applaud the United States Department of Energy in its decision to build the SSC and further urge the Congress of the United States to authorize the construction of the Superconducting Super Collider; and be it further

"Resolved, That we urge the United States Department of Energy to give favorable consideration to locating the SSC in Illinois; and be it further

"Resolved, That suitable copies of this resolution be presented to the United States Department of Energy, the President of the United States Senate, the Speaker of the United States House of Representatives and each member of the Illinois Congressional delegation."

POM-278. A joint resolution adopted by the Legislature of the State of Illinois; to the Committee on Environment and Public Works:

"HOUSE JOINT RESOLUTION NO. 73

"Whereas, Coal production is a major Illinois industry providing fifteen thousand jobs, over one billion dollars in overall economic benefit to our State and is the lifeblood of many communities; and

"Whereas, Illinois coal is a source of economical energy for millions of electric utility customers in Illinois and nearly 20 other states; and

"Whereas, In response to federal clean air act standards, Illinois has significantly reduced air pollution from coal at a cost of hundreds of millions of dollars to electric utility customers; and

"Whereas, The State of Illinois has invested over fifty million dollars in research and development projects designed to further reduce air pollution from coal; and

"Whereas, The United States House of Representatives has before it a measure which in an attempt to solve the acid rain problem could cut Illinois coal production by up to two-thirds of 1985 levels, cost 4,000 lost mining jobs and cause a $600 million loss to the State economy; and

"Whereas, Such federal acid deposition legislation would cost Illinois utility customers millions of dollars per year without offering any meaningful support for the costs of new pollution control equipment; and

"Whereas, What we need to do is to develop more cost-effective pollution control methods, a need which is widely recognized in the United States and Canada and is the subject of the major recommendation of the recent Drew Lewis-William Davis Report; therefore, be it

"Resolved, by the House of Representatives of the eighty-fifth General Assembly of the State of Illinois, the Senate concurring herein, That we express our feeling that federal acid legislation would levy disproportionate costs on the State of Illinois and result in job dislocation in the State; and be it further

"Resolved, That the Governor and the members of the Illinois Congressional Delegation be urged to work for meaningful federal support of new clean coal technology development which would solve the problem without economic disruption; and be it further

"Resolved, That a copy of this resolution be sent to Governor James R. Thompson, the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Illinois Congressional Delegation."

POM-279. A resolution adopted by the House of Representatives of the State of Illinois; to the Committee on Finance:

"HOUSE RESOLUTION NO. 101

"Whereas, The House of Representatives of the State of Illinois advocates a change in the law which would correct the unbalanced system of distribution of Social Security benefits; and

"Whereas, Congress intended Social Security benefits to be roughly 50 to 60 percent of the final working year's pay for a low income worker, and about 30 percent for the worker who made the maximum salary taxable under Social Security rules; and

"Whereas, In 1972, Congress created an inflation adjustment mechanism which made the benefits too generous and would cause the system to go broke; and

"Whereas, In order to correct their mistake, in 1977 Congress devised three separate formulas for computing Social Security retirement benefits, one formula applies to people born in 1916 and earlier, the second formula applies to people born in 1922 and later and the third formula applies to people born in the five years in between, the 'notch'; and

"Whereas, Those retiring individuals who were born in the years of the 'notch' will receive benefits that are considerably less than those born before them; and

"Whereas, What is needed is a bill which would correct the 1977 overcorrection and establish a uniform formula to compensate for the extension of the Social Security system beyond its budget; and

"Whereas, People born from 1917 to 1921 receive lower Social Security retirement benefits than people with similar earnings who were born earlier, and this injustice can be corrected; therefore, be it

"Resolved, by the House of Representatives of the eighty-fifth General Assembly of the State of Illinois, That the Congress of the United States is hereby urged to find a legislative solution to correct the imbalance in the system of distribution of Social Security benefits and to ensure that the Social Security system is once again able to provide equal retirement benefits to all deserving individuals; and be it further

"Revolved, That a suitable copy of this preamble and resolution be presented, respectively, to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and to each member of the Illinois Congressional Delegation.

POM-280. A resolution adopted by the House of Representatives of the State of Illinois; to the Committee on Finance:

"HOUSE RESOLUTION NO. 361

"Whereas, The projected decline in the federal deficit which the Congressional Budget Office has published is predicated upon continuing growth in the Social Security trust fund, which is pulling in large and growing annual surpluses; and

"Whereas, By the early 1980's, the trust fund surplus is expected to reach $70 billion; and

"Whereas, In the 1985 Balanced Budget Act, lawmakers said that Social Security trust fund surpluses would count toward reducing the deficit; and

"Whereas, By the middle decades of the next century, however, the annual trust fund surpluses will begin to decline and will turn to deficits, and, if the government has depended on them to mask an imbalance in its finances, it will then find itself overcommitted; and

"Whereas, These funds should not be used now to decrease the deficit; for taxpayers will then be stuck with a huge bill when the baby boomers retire; therefore be it

"Resolved, by the House of Representatives of the eighty-fifth General Assembly of the State of Illinois, That we urge the United States Congress not to use Social Security funds to balance the budget; and be it further

"Resolved, That a suitable copy of this preamble and resolution be presented to the Speaker of the United States House of Representatives, the President of the United States Senate, and to each member of the Illinois Congressional Delegation."

POM-281. A resolution adopted by the House of Representatives of the Commonwealth of Massachusetts; to the Committee on Governmental Affairs:

"RESOLUTIONS MEMORIALIZING CONGRESS TO ISSUE A STAMP COMMEMORATING THE ONE HUNDRED AND NINETY-FIFTH ANNIVERSARY OF THE BIRTH OF GEORGE PEABODY

"Whereas, on February eighteenth, nineteen hundred and ninety, there will be observed the one hundred and ninety-fifth anniversary of the birth in the city of Peabody, Massachusetts, of George Peabody, the first great American Philanthropist who bestowed so much of his great wealth for the education of the poor and in general for the benefit of mankind, and who probably as much as any individual helped by his financial ability to make this country the Greatest Nation in the world; and

"Whereas, it seems fitting and proper that the name of George Peabody be immortalized forever by having a stamp issued, if possible, on February eighteenth, nineteen hundred and ninety; therefore be it

"Resolved, That the Massachusetts General Court respectfully memorializes the Congress of the United States to provide for the issuance of such a stamp; and be it further

"Resolved, That copies of these resolutions be forwarded by the Clerk of the House of Representatives to the President of the United States, to the Postmaster General, to the Presiding Officer of each branch of Congress and to the Members thereof from this Commonwealth, to the citizens Stamp Advisory Committee, U.S. Postal Service, C/O Stamp Development Branch, 475 L'Enfant Plaza, SW., Washington, D.C. 20260.

POM-282. A resolution adopted by the House of Representatives of the Commonwealth of Massachusetts; to the Committee on Governmental Affairs:

"RESOLUTIONS MEMORIALIZING CONGRESS TO ISSUE A STAMP COMMEMORATING SAMUEL OSGOOD AS THE FIRST POSTMASTER GENERAL OF THE UNITED STATES

"Whereas, Samuel Osgood was a patriot, soldier, statesman and financier with roots in North Andover, Massachusetts; and

"Whereas, Samuel Osgood was named by President George Washington as the first Postmaster General of the United States; and

"Whereas, it seems fitting and proper that the name of Samuel Osgood be immoralized forever by having a commemorative stamp issued in 1989, the two hundredth anniversary of that post, or a stamp published in the regular line of stamps; therefore be it

"Resolved, That the Massachusetts House of Representatives respectfully memorializes the Congress of the United States to provide issuance of such a stamp; and be it further

"Resolved, That copies of these resolutions be forwarded by the Clerk of the House of Representatives to the President of the United States, to the Postmaster General, to the Presiding Officer of each branch of Congress and to the Members thereof from this Commonwealth, and to the Citizens Stamp Advisory Committee, U.S. Postal Service, c/o Stamp Development Branch, 475 L'Enfant Plaza, S.W., Washington, D.C. 20260."

POM-283. A certified act of the Virginia General Assembly amending the Washington Metropolitan Area Transit Regulation Compact; to the Committee on the Judiciary.

POM-284. A concurrent resolution adopted by the Legislature of the Commonwealth of Massachusetts; to the Committee on Labor and Human Resources.

"RESOLUTIONS MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO PERMIT THE COMMONWEALTH OF MASSACHUSETTS TO REGULATE EMPLOYEE WELFARE BENEFIT PLANS

"Whereas, more than six hundred thousand citizens of the Commonwealth of Massachusetts lack any health insurance coverage, more than one third of whom are children, and many thousands more are seriously underinsured; and

"Whereas, the numbers of uninsured citizens pose a serious health hazard to those individuals and families, creating serious economic difficulties for the uninsured as well as for hospitals, social service providers, employers who provide health insurance, and the Commonwealth; and

"Whereas, increasing numbers of employees are now covered by employer-insured health plans which place these workers beyond any protection or regulation by the Commonweath to ensure adequacy and quality of services; and

"Whereas, section five hundred and fourteen of the Employee Retirement Income Security Act of 1974 has been interpreted to prohibit any State government from regulating employer insured health benefit plans; and

"Whereas, since the adoption of the Employee Retirement Income Security Act Statute, the numbers of employees who are covered by employer-insured health plans has grown dramatically, estimated in the year nineteen hundred and eighty-six to be greater than forty percent of all insured workers; and

"Whereas, this prohibition has had a deleterious effect not only on access to health services but also on the quality of health services received by these workers because of a lack of State supervision and regulation; and

"Whereas, Congress has previously granted an exemption to the State of Hawaii to permit that State to regulate all health insurance provided by employers, and as a result of that exemption, more than ninety-eight percent of all Hawaiians are covered by health insurance; and

"Whereas, on November fourth, nineteen hundred and eighty-six, more than one million Massachusetts citizens voted in favor of a non-binding resolution calling on the Congress of the United States to establish a national health service to provide adequate health care for all citizens, sixty-seven percent of those voting; now therefore be it

"Resolved, That the Massachusetts General Court calls upon the President and the Congress of the United States to provide an exemption for the Commonwealth of Massachusetts to the provisions of section five hundred and fourteen of the Employee Retirement Income Security Act of 1974 to permit the Commonwealth to regulate employer based health insurance plans; and be it further

"Resolved, That a copy of these resolutions be forwarded by the clerk of the House of Representatives to the President of the United States, the Presiding Officer of each branch of Congress, and to the Members thereof from this Commonwealth."

POM-285. A joint resolution adopted by the Legislature of the State of Illinois; to the Committee on Labor and Human Resources:

"SENATE JOINT RESOLUTION NO. 49

"Whereas, We applaud the initial action of the Congress in 1965 to create the Older Americans Act; the action in 1973 to expand it; the action in 1978 to coordinate it; the action in 1981 to streamline it; the action in 1984 and the present action in 1987 to reaffirm it; and

"Whereas, Moreover, in making this call to the Congress for action, we endorse and transmit for consideration the positions of the Illinois Council on Aging, positions developed following public hearings by the 31-member statutory body charged with this responsibility; and

"Whereas, These positions with respect to the reauthorization of the act are as follows:

"(1) to support a three-year reauthorization—October 1, 1987 through September 30, 1990;

"(2) to support statutory provisions upgrading the status of the Administration on Aging Commissioner to that of an Assistant Secretary reporting directly to the Secretary of the Department of Health and Human Services;

"(3) *not* to support raising the eligibility age for receiving services from 60 to 70 years;

"(4) *not* to support the imposition of a means test for determining eligibility for service;

"(5) *not* to support the consolidation of Titles III-B, III-C-1, and III-C-2;

"(6) to support statutory provisions for a 1991 White House Conference on Aging with funding for the planning thereof;

"(7) to support setting specific authorization levels for all Titles of the Act and annual funding that is increased by at least 5% above the rate of inflation; and

"(8) to support strengthening statutory provisions of the Act and regulations in all of the Titles to foster increased representation and participation in governance and in policy and program determination by minorities, with consideration of language and cultural diversity; therefore, be it

"Resolved, by the Senate of the eighty-fifth General Assembly of the State of Illinois, the House of Representatives concurring herein. That it call upon the Congress of the United States, its Senate Committee on Labor and Human Resources, and Subcommittee on Aging, its House Committee on Education and Labor and Subcommittee on Human Resources, and upon the President of the United States, to take prompt action to reauthorize the Older Americans Act as an expression of the Nation's continuing commitment to goals and objectives for assuring the well-being of the elderly; and be it further

"Resolved, That suitable copies of this preamble and resolution be presented to the President of the United States, to the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, the chairpersons of the aforementioned committees and subcommittees, the Secretary, Department of Health and Human Services, and to all members of the Illinois Congressional Delegation, the latter being urged to support this resolution and to enter it as testimony in the appropriate committee hearings."

POM-286. A joint resolution adopted by the Legislature of the State of Illinois; to the Committee on Veterans' Affairs:

"HOUSE JOINT RESOLUTION NO. 34

"Whereas, The term 'veteran' is presently defined by Section 10(2) of Title 38, United States Code, which reads; The term 'veteran' means a person who served in the active military, naval or air service, and who has been discharged or released therefrom under conditions other than dishonorable; and

"Whereas, historically, the term 'veteran' has been reserved for individuals who have served in the uniformed services of the nation and have taken the oath to bear arms in defense of the Republic; and

"Whereas, To be designated as a veteran is an appellation of honor properly bestowed on those who have earned it and not on anyone else; and

"Whereas, A veteran is entitled to substantial rights and benefits provided exclusively to them by the nation in recognition of service rendered in support of the national interest; and

"Whereas, A considerable number of people did serve and support the war effort during various periods of conflict, but did not serve on active duty in the military, naval or air service, and did not take the oath to bear arms; and

"Whereas, An effort is being made by some of these people to persuade the government to include them in the classification of 'veteran' with all rights and benefits appertaining thereto; and

"Whereas, By allowing the classification of 'veteran' to include such people it would diminish the significance of the honor that is attached to the honor; and

"Whereas, It is essential that the present definition of 'veteran' in Section 10(2) of title 38 be maintained; and

"Whereas, There is an attempt to turn America's wartime disabled veterans away from the VA health care they need and have earned in an attempt by the Office of Management and Budget to balance the budget; and

"Whereas, America's sickest and poorest veterans would have the door to VA health care slammed in their face if the Office of Management and Budget's cuts prevail; and

"Whereas, We are responding to the Office of Management and Budget's plan to cut $928 million from the VA health care budget for fiscal year 1988, and their request for an immediate cut of $160 million from VA health care for the current fiscal year, which would bring the total cut to more than $1 billion in the near term; and

"Whereas, The proposed cut in the budget would result in the loss of more than 9,000 VA medical care jobs and a drastic curtailment of services nationwide, which would refute America's sense of duty to her wartime disabled veterans and represent a fundamental failure of the Office of Management and Budget to consider the wishes of the citizens it serves; and

"Whereas, As in the past, Congress is not going to let the Office of Management and Budget cut a billion dollars out of the VA budget, and during the 100th Congress, Congressman G. V. 'Sonny' Montgomery (D-Miss), Chairman of the House Veterans' Affairs Committee, stated 'it's as simple as that, the OMB, once again has made recommendations that ignore the express wishes of Congress, and we, in turn, have a fundamental duty in this instance to ignore OMB's recommendation'; and

"Whereas, Senator Alan Cranston (D-Calif), who is Montgomery's counterpart in the Senate, said, 'OMB seems determined to submit a fiscal 1988 budget that is just as outrageously bad and unfair to veterans as the Administration's fiscal 1987 budget was' and that budget was soundly defeated by Congress, with proposed deep cuts in a variety of VA services restored by both the House and Senate; and

"Whereas, Thomas K. Turnage, VA Administrator, appealed the Office of Management and Budget's plan, and he noted that such cuts 'would seriously damage the VA's ability to meet its mission';

"Whereas, The budget recommendations reflect the Office of Management and Budget's continuing contempt for America's disabled veterans; and

"Whereas, Most recently the Office of Management and Budget rejected VA plans to pay profoundly deaf veterans disability compensation commensurate with their loss of hearing and even though VA officials and the Congress both agree a serious disparity exists in the compensation paid this category of vets, the Office of Management and Budget flatly rejected it; and

"Whereas, The federal funds involved in compensating the deaf veterans were small, but the impact would have been great on this small number of disabled vets, who have also earned the right to lead quality lives; and

"Whereas, All the veterans organizations are united in their opposition to civilians being granted veterans status, and also to any and all proposed budget cuts affecting the disabled veteran; therefore, be it

"Resolved by the House of Representatives of the eighty-fifth general assembly of the State of Illinois, the Senate concurring herein, 'That we oppose the efforts of any person or groups of persons to acquire designation as 'veterans' on the basis of service rendered to the United States during a period of war or armed conflict, such service not having been rendered in the active military, naval or air service of the United States; and be it further

"*Resolved,* That a suitable copy of this preamble and resolution be presented to President Ronald Reagan, the President Pro Tempore of the Senate, the Speaker of the House of Representatives and to each member of the Illinois delegation to the United States Congress."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. KENNEDY, from the Committee on Labor and Human Resources, with an amendment:

S. 1441. A bill to reduce the incidence of infant mortality (Rept. No. 100-137).

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, with amendments:

S. 1485. A bill to amend the Federal Aviation Act of 1958 to provide various protections for passengers traveling by aircraft, and for other purposes (Rept. No. 100-138).

By Mr. MOYNIHAN, from the Committee on Environment and Public Works, with an amendment in the nature of a substitute:

S. 1550. A bill to complete the Federal Triangle in the District of Columbia, to construct a public building to provide Federal office space and space for an international cultural and trade center, and for other purposes (Rept. No. 100-139).

FEDERAL TRIANGLE DEVELOPMENT ACT

Mr. MOYNIHAN. Mr. President, on Wednesday last, the Committee on Environment and Public Works took up S. 1550, as reported to it from the Subcommittee on Water Resources, Transportation, and Infrastructure.

This bill is entitled the "Federal Triangle Development Act" and it provides for the construction of a public building complex at 14th Street between Constitution and Pennsylvania Avenues that will mark the completion of the 25-year program for the redevelopment and reconstruction of Pennsylvania Avenue, the avenue of the Presidents, the great thoroughfare that leads symbolically from the Capitol building here to the White House building there. This was a thought that came to President Kennedy's mind as he drove down in the Inaugural Parade on January 20, 1961, which he thereafter turned over to the Secretary of Labor, for whom this Senator had the opportunity to serve as an assistant at the time.

Mr. President, the report which I will now send to the desk gives in great detail the project that we now propose. I simply make the important point for the purposes of the committee that in this new building, which will be the largest office complex in Washington, two-thirds the size of the Pentagon itself and accordingly the second largest of the Federal buildings, that in one great stretch of imagination and enterprise we will take the Treasury Department from 38 buildings to 4 in the city of Washington; we will take the Justice Department from 26 buildings to 3; and the State Department from 16 buildings to 3. We will put up an extraordinary monumental building, worthy of this site, the last site remaining on Pennsylvania Avenue. It will cost no Federal funds to build. Instead, after 30 years of renting, our lease payments will pay for the construction. We will then own the building as we now own the site. We will end by having saved the Treasury a third of a billion dollars.

Mr. President, the Committee on Environment and Public Works is understandably seen as a place where moneys are spent as indeed they ought to be. Public works are an honorable and necessary activity.

But our particular committee has for some 10 years now—I would like to mention Senator BURDICK and Senator STAFFORD in particular—watched the gradual escalation of our rent bills as a Government.

We stopped building buildings such as we had been in the 1960's and have simply been renting them ever since. It always looks better in this year's budget to rent the building rather than to own the building. We reached the point from where rent bills have gone from $400 million annually in 1970 to $1.6 billion today, and we are heading for $2 billion.

Mr. President, for the first time we have been successful in turning this around and setting an example of how we may proceed in the future. Here on Pennsylvania Avenue is as visible and viable an example of what we have in mind as you could hope for. We will save the Treasury a third of a billion dollars.

If there is anyone who can note when this has last happened in this body, I should be very much interested to hear.

Mr. President, for the record, I would like to state this is a committee substitute for S. 1550 and that I submit the committee substitute for myself, Mr. BURDICK, Mr. MITCHELL, Mr. LAUTENBERG, Mr. BREAUX, Mr. REID, Mr. GRAHAM, Mr. STAFFORD, Mr. DURENBERGER, and Mr. WARNER; and that, finally, to note that the bill was reported without a dissenting vote from the committee on which the distinguished Presiding Officer is such a welcome addition. It was reported by a rollcall vote of 15 to zero.

Mr. President, I ask unanimous consent that a statement on the major provisions of the reported bill be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

GENERAL STATEMENT

This bill brings to completion—we would dare to say triumphant completion—twenty-five years of the redevelopment of Pennsylvania Avenue which was ordered by President John F. Kennedy on June 1, 1962. It brings to completion, also, the construction of the Federal Triangle as provided in the Public Buildings Act of 1926, signed by

President Coolidge and undertaken by then Secretary of the Treasury, Andrew Mellon.

The circumstances of President Kennedy's great directive ought to be recorded. At a meeting of the Cabinet on August 4, 1961, there was a pause in the discussion of foreign policy and talk turned to the second most important of all issues in government, which is to say office space. In truth the matter was pressing. Work on Mellon's Federal Triangle simply stopped with the Depression. Somehow the great New Deal public works projects barely touched Washington. The war ended any such activity, save for the construction of the Pentagon. The postwar period was taken up with reconstructing the cities of Europe and suchlike, but Washington remained neglected, and commenced to be run down. From the point of view of simple efficiency, departments grew ever more difficult to manage as bureaus spilled over into ever more haphazard temporary quarters. Worse yet, as with most postwar cities, Washington was striving to move away from its old "downtown", heading for the suburbs. The area between the capitol and the White House was becoming a slum.

Riding down Pennsylvania Avenue in his Inaugural Parade President Kennedy noted this, and later the same day mentioned it to his energetic and innovative Secretary of Labor Arthur J. Goldberg. At the August cabinet meeting it was decided to set up an Ad Hoc Committee on Federal Office space, with Secretary Goldberg as Chairman. (Labor was high on any list for a new building; besides, Goldberg saw the assignment as an opportunity both to press for the redevelopment of Pennsylvania Avenue, and to bring modernity to Federal architecture. At this time it had been roughly half a century since the Federal government had last built what could be called a contemporary building, and even these were derivative in the beaux arts tradition.

With the now Chairman of the Subcommittee on Water Resources, Transportation, and Infrastructure serving as secretary, and with the special encouragement of the President's great friend, William Walton, and the watchful assistance of Fred Holborn on the White House staff, the Ad Hoc Committee set to work. Its report to the President submitted on May 23, 1962, contained a ten year building program and two special sections, The Redevelopment of Pennsylvania Avenue, and Guiding Principles for Federal Architecture. (It should be noted that the Guiding Principles are still in effect, and are of course nationwide in their application.)

THE REDEVELOPMENT OF PENNSYLVANIA AVENUE

One of the distinctive features of the American Republic is that from the earliest days the Nation's capital has been located in an area set apart for that special purpose. No one visiting Washington can fail to recognize that the Government established here in the 18th Century was something new in the world, and that the men who created it were fully conscious of the great enterprise on which they had embarked.

The plans for the City of Washington, as drawn for the first President by Major Charles Pierre L'Enfant, began with the location of the principal buildings of the new Government and the great avenues that would connect them. The grand axis of the city, as of the Nation, was Pennsylvania Avenue leading from the Capitol to the White House, symbolizing at once the separation of powers and the fundamental unity in the American Government.

Just as the new Government was not founded on small aspirations, neither did Washington or L'Enfant make any little plans. The city they conceived was not intended to be completed in the life of one administration, or one generation. They designed the Capital of a great nation: building it would become the work of that nation.

Scarcely a generation in our history has not contributed to this work. The appearance of the Nation's Capital has been a matter of continued concern to Congress and to successive administrations. Down through the years, despite some lapses, those responsible have been essentially faithful to the original vision of Washington and his inspired city planner.

The modern era began with the report of the McMillan Commission at the beginning of the Century, which reiterated the essential principles of the L'Enfant scheme. The Commission plans called for the construction of the Mall, the Lincoln Memorial, the Arlington Bridge, and for a general development of public buildings in the area between the Capitol and the White House.

The most recent major development in the Capital took place under President Hoover and Secretary of the Treasury Andrew Mellon who conceived the great Federal Triangle. This spacious and dignified complex of office structures occupies the area formed by Constitution Avenue, Fourteenth Street and Pennsylvania Avenue. As a result, all of the space on the south side of Pennsylvania Avenue between the Capitol and the White House is occupied by public buildings.

It was clear to the planners of the 1920's that the south side of Pennsylvania Avenue could not be developed while neglecting the north side. To develop one without the other would produce an imbalance wholly at odds with the spirit of L'Enfant. Accordingly, the plans for the Federal Triangle were accompanied by plans for a Municipal Center on the north side of the Avenue extending from Third Street to Sixth Street, with John Marshall place at the center. The architecture of the Municipal buildings was to follow closely that of the Federal structures opposite.

Andrew Mellon expressed with great feeling the harmony of the scene he hoped to create—

"It is easy to see what the effect will be. As one proceeds down Pennsylvania Avenue toward the Capitol, on the south side will be a succession of beautiful and harmonious buildings, all of a design in keeping with the semiclassical tradition so well established in Washington. On the north side, such as the beautiful District of Columbia Courthouse, on John Marshall Place, shall be brought into the general plan of Pennsylvania Avenue. At the same time the Mall will present the spectacle of a great park bordered on one side by the new boulevard with beautiful buildings, a wide parkway of greensward with its four rows of trees, its drives and walks, statues, and reflecting pools, all arranged in such a way that long vistas will be opened up for views of the Capitol in one direction and of the Washington Monument and Lincoln Memorial in the other."

The plans for Pennsylvania Avenue were never fulfilled. The great depression prevented the completion of the facade of the Federal buildings (while the Main Court of the Triangle was left to become a parking lot of surpassing ugliness.) For various reasons, only about half the Municipal Center was constructed.

The result of the failure to fulfill this grand concept has been lamentable disharmony. On the south side of the Avenue the stately progression of Federal offices designed under Andrew Mellon is twice interrupted by earlier structures of a quite different character. The north side presents a scene of desolation; block after block of decayed nineteenth century buildings, many of which are vacant above the first story, only rarely interspersed by partially successful efforts at modernization. The roadway, sidewalks, lamp posts and other features of the avenue have been sorely neglected. Increasingly the Capitol itself is cut off from the most developed part of the city by a blighted area that is unsightly by day and empty by night.

Pennsylvania Avenue should be the great thoroughfare of the City of Washington. Instead it remains a vast, unformed, cluttered expanse at the heart of the Nation's Capital.

The present appearance of Pennsylvania Avenue demands attention for the precise reason that profound changes are about to take place. Large segments on the north side are decayed beyond restoration. It is clear that a great many of the buildings are about to be torn down and replaced by new structures which will include both private and public buildings.

This presents a great opportunity. From Washington's time there has been a general understanding that the Federal Government has a responsibility to maintain standards of buildings and architecture in the Nation's Capital. For the past half century this function has been ably performed by the Commission of Fine Arts. The prospect that a considerable number of buildings will be erected along Pennsylvania Avenue in a short span of time makes it possible to consider the overall appearance, as well as the appearance of the individual structures. Instead of designing and constructing one new building at a time, it becomes possible to design and construct what would, in effect, be a new avenue.

This is an opportunity not to be missed. It will not come again for a half century or more, except at the prohibitive cost of demolishing large blocks of new and expensive office buildings.

At the same time it is clear that a dramatic transformation in the appearance of Pennsylvania Avenue is possible with only a marginal increase in projected expenditure. The General Services Administration hopes to build a number of new buildings in the downtown area. The need for additional office space is such that it cannot be doubted that Congress will approve. There are equally good grounds to suppose that substantial private capital will be expended for hotels and office buildings in the downtown area. (It may be noted that Washington attracts over 15,000,000 visitors a year.) Merely by combining these separate endeavors in one construction program a totality far more handsome, more truly functional, and more soundly economical may be achieved.

The committee feels there should be no delay in setting up this effort. Specifically, the Federal Government, in cooperation with the District government, should formally undertake the redevelopment of Pennsylvania Avenue, so that it may assume its rightful place as the principal thoroughfare of the Nation's Capital.

The Pennsylvania Avenue project should be regarded as a continuation of the work on the Federal Triangle which began a generation ago. In this instance, however, the effort should involve a partnership between the Government and private enterprise. A primary object of the redevelopment of the Avenue should be to emphasize the role of the Capitol itself as the center of the city. For this reason care should be taken not to line the north side with a solid block of public and private office buildings which close down completely at night and on weekends leaving the Capitol more isolated than ever. Pennsylvania Avenue should be lively, friendly and inviting, as well as dignified and impressive.

As much attention should be paid to the 160-foot wide Avenue itself as to the buildings that line it. Much repairing and rearranging is in order. The object should be to produce an Avenue on which it is pleasent to walk as well as possible to drive. Benches, arcades, sculpture, plantings and fountains should be encouraged.

In 1952, by Act of Congress, the National Capital Planning Commission was created and designated as "the central planning agency for the Federal and District Governments to plan the appropriate and orderly development and redevelopment of the National Capital and the conservation of the important natural and historical features thereof." It is clear that the central responsibility for planning the redevelopment of Pennsylvania Avenue resides with this Commission. To fulfill this responsibility it will be necessary for the Commission to engage the services of a number of the foremost architects of the Nation: nothing less than the very finest, established talents available will be sufficient for this unusually significant undertaking.

Responsibility for the design and construction of new Federal buildings will, of course, remain with the General Services Administration, which should play a major role in the entire program. The Planning Commission will also wish to work in the closest cooperation with the Architect of the Capitol and the Commission of Fine Arts. They will also wish to work with the National Capital Transportation Agency, the Federal City Council, Downtown Progress, the American Institute of Architects and the numerous other public and private organizations that will be concerned with this splendid challenge to the creative talents of all those concerned with the beauty and majesty of the Capital City of the United States of America.

GUIDING PRINCIPLES FOR FEDERAL ARCHITECTURE

In the course of its consideration of the general subject of Federal office space, the committee has given some thought to the need for a set of principles which will guide the Government in the choice of design for Federal buildings. The committee takes it to be a matter of general understanding that the economy and suitability of Federal office space derives directly from the architectural design and the belief that good design is optional, or on some way separate from the question of the provision of office space itself; does not bear scrutiny, and in fact invites the least efficient use of public money.

The design of Federal office buildings, particularly those to be located in the nation's capital, must meet a two-fold requirement. First, it must provide efficient and economical facilities for the use of Government agencies. Second, it must provide visual testimony to the dignity, enterprise, vigor and stability of the American Government.

It should be our object to meet the test of Pericles' evocation to the Athenians, which the President commended to the Massachusetts legislature in his address of January 9, 1961: "We do not imitate—for we are a model to others."

The committee is also of the opinion that the Federal Government, no less than other public and private organizations concerned with the construction of new buildings, should take advantage of the increasingly fruitful collaboration between architecture and the fine arts.

With these objectives in view, the committee recommends a three point architectural policy for the Federal Government.

1. The policy shall be to provide requisite and adequate facilities in an architectural style and form which is distinguished and which will reflect the dignity, enterprise, vigor, and stability of the American National Government. Major emphasis should be placed on the choice of designs that embody the finest contemporary American architectural thought. Specific attention should be paid to the possibilities of incorporating into such designs qualities which reflect the regional architectural traditions of that part of the Nation in which buildings are located. Where appropriate, fine art should be incorporated in the designs, with emphasis on the work of living American artists. Designs shall adhere to sound construction practice and utilize materials, methods and equipment of proven dependability. Buildings shall be economical to build, operate and maintain, and should be accessible to the handicapped.

2. The development of an official style must be avoided. Design must flow from the architectural profession to the Government, and not vice versa. The Government should be willing to pay some additional cost to avoid excessive uniformity in design of Federal buildings. Competitions for the design of Federal buildings may be held where appropriate. The advice of distinguished architects ought to, as a rule, be sought prior to the award of important design contracts.

3. The choice and development of the building site should be considered the first step of the design process. This choice should be made in cooperation with local agencies. Special attention should be paid to the general ensemble of streets and public places of which federal buildings will form a part. Where possible, buildings should be located so as to permit a generous development of landscape.

President Kennedy approved the Report and on June 1, 1962, issued this directive, as taken from his Presidential Papers.

Memorandum Concerning Improvements in Federal Office Space and the Redevelopment of Pennsylvania Avenue, June 1, 1962

Memorandum for: The Secretary of Commerce; the Secretary of Labor; the Director, Bureau of the Budget; the Administrator of General Services Administration; the Special Assistant to the President for Cabinet and Departmental Relations; the Chairman, National Capital Planning Commission.

I have reviewed the report of the Ad Hoc Committee on Federal Office Space. This report provides a long-needed perspective on Federal office space problems and prospects in the Washington, D.C. metropolitan area.

I am requesting each department and agency head to give immediate study to the report and take appropriate action. Future planning for the acquisition and use of office space is to be guided by the findings and recommendations of this report.

I will appreciate a progress report one year from now by the Administrator of General Services with regard to Federal office space and the adoption of improved architectural standards. I should like a similar report on progress from the Chairman of the National Capital Planning Commission with regard to the improvement of Pennsylvania Avenue.

JOHN F. KENNEDY.

Note: At a cabinet meeting on August 4, 1961, the President directed that a survey be made of the Governments immediate and long-term space needs, with particular reference to the Greater Washington area. An ad hoc committee was established consisting of the Secretaries of Commerce and Labor, the Director of the Bureau of the Budget, the Administrator of General Services, and the Special Assistant to the President for Cabinet and Departmental Relations.

In reporting to the President, on May 23, the Committee pointed out that the problem of office space in the District of Columbia area was acute and that with each succeeding year the needs increased. The report noted that the steady growth of personnel in the area, combined with a low level of public building construction had produced a haphazard pattern of space procurement and continued reliance on temporary and obsolete buildings, some of which dated from World War I. The Committee recommended a 10-year plan providing for a minimum of 12 new Federal buildings, together with the elimination of existing temporary and obsolete Government-owned buildings. The design of the new buildings, the Committee emphasized, should provide efficient and economical facilities for the use of Government agencies, and should provide visual testimony to the dignity, enterprise, vigor, and stability of the American Government.

The Committee further recommended that immediate attention be given to improving the appearance of Pennsylvania Avenue. It noted that "the north side presents a scene of desolation; block after block of decayed nineteenth century buildings, many of which are vacant above the first story, only rarely interspersed by partially successful efforts at modernization." The Capitol, it pointed out, is increasingly cut off from the most developed part of the city by a blighted area that is unsightly by day and empty by night. The report stated that a great many of the buildings were soon to be torn down and replaced by new structures, both private and public, and that this presented an opportunity for a dramatic transformation in the appearance of the Avenue, with only a marginal increase in projected expenditures. "As conceived by L'Enfant," the Committee stated, "the 'grand axis' of the City of Washington was to be Pennsylvania Avenue from the Capitol to the White House, expressing symbolically both the separation of powers and the essential unity in the American form of Government."

The report concluded with the recommendation that central responsibility for planning the redevelopment of the Avenue should reside with the National Capital Planning Commission; for the design and construction of the new Federal buildings, with the General Services Administration

Next the great American architect and impresario Nathanial Alexander Owings was asked to chair a committee of architects, de-signers, and planners to develop a plan. This took another year, but was ready in the fall of 1963. Again the young President was moved by a vision of the City that had stirred Washington and Jefferson, if few of his predecessors in between. The last instruction President Kennedy gave before leaving for Dallas on November 21, was that on his return a coffee hour should be arranged at which he might show the model of the Pennsylvania Avenue plan to the Congressional leaders.

This meeting was being planned at a luncheon in Mr. Walton's house attended by him, the Chairman of our Subcommittee, and Honorable Charles A. Horsky, the President's Advisor for National Capital Affairs, when the White House operator phoned to report that the President had been shot.

There thus devolved on others the task and the dream the young President had embraced. It has taken a quarter century, but it is now done, or soon will be. One by one the projects have been put in place. They have not been uniformly successful, and they are anything but uniform, but they have saved the great avenue. The fine new Canadian Embassy is rising at the foot of Capitol Hill, its pillars echoing those of the Federal Trade Commission and the National Gallery. Across the Avenue I.M. Pei's masterful East Building seems now to have been there from the beginning. The Frances Perkins Department of Labor Building sits astride the sunken Interstate route 395, leading to the Reflecting Pool which was built with the savings that came from not bending the tunnel to accommodate three old cottonwood trees beloved of a then Senior Senator. The Meade Memorial is splendidly out of place just up the Avenue. Market Square, leading the L'Enfant's great transverse, is now being transformed into the Navy Memorial, while 8th Street is half on its way to becoming a pedestrian mall. The semi-derelict Pension Office of a quarter century back is now the vibrant National Portrait Gallery and National Museum of American Art. The Committee has provided for the restoration of the original Post Office Building on the west side of 8th Street. At 9th Street we come upon the massive FBI building which J. Edgar Hoover moved back fifty feet to allow for the Avenue's plan. Then we come upon the magnificently restored Old Post Office. One of the first decisions of President Kennedy's committee was not to tear down the Post Office as the Federal Triangle plan would have done. The purpose was to keep access to the magnificent platform in the tower which gives the finest view of Washington to be had anywhere. In the intervening quarter century we have learned to recycle buildings, and now the Post Office interior is alive with restaurants and shops. A similar happy fate awaited the old Pension Building, now the National Building Museum. All along the way buildings have been recycled, notably the old Apex Liquor building as it was known, now a corporate headquarters. Just outside is the restored Temperance Fountain dedicated in the minds of many to Nathanial Alexander Owings. The Washington Star Building is being redone, and next to it is the first building in which private owners voluntarily followed the "set back" scheme for a plante sidewalk. Western Plaza, with fair success, faces the equally modest achievement of the Marriott Hotel. But at 14th Street we come upon glory indeed with the reopened Willard Hotel, in ways the queen of the Avenue. The redone National Press Building is a great success, and a good case for not tearing things down too quickly. Pershing Square is a triumph. And now we shall have the International Cultural and Trade Center on 14th Street. It will be the City's largest—and let us hope one of its best designed—buildings on the site of what the Ad Hoc Committee described in 1962 as "a parking lot of surpassing ugliness." It is what he hoped would be done. It has been worth doing.

After a quarter century I believe our work is done and respectfully ask to be relieved. Before concluding, however, I wish to express special appreciation to Honorable Harry C. McPherson, Jr., who, as Counsel to President Johnson ensured that this enterprise was not lost in the difficult days that followed the death of President Kennedy, and also to President Richard M. Nixon who determined that it would indeed go forward. It is especially satisfying that we have ended up not merely saving the center of Washington, but saving almost a third of a trillion dollars in rent money as well.

It paid for itself!

SUMMARY OF MAJOR PROVISIONS

This bill authorizes development of a federal office complex and international cultural and trade center on the federal triangle site at 14th St. and Pennsylvania Avenue N.W. The building will be built on a "lease-to-own" plan, whereby the federal government's lease payments over a thirty year lease term will pay for the cost of constructing the building. At the end of thirty years, the federal government will own the building in fee simple—no payments in addition to the rent over the thirty years will be necessary. This method of financing will save the Federal Government $281 million—almost a third of a billion—over the thirty year lease.

The primary agencies involved in planning and building this center will be the General Services Administration (GSA), Pennsylvania Avenue Development Corporation (Corporation) and a Presidential Commission, the International Cultural and Trade Center Commission (Commission). The Departments of State, National Capital Planning Commission and Commission of Fine Arts will have advisory roles. The bill mandates specific roles for these entities to ensure that the complex is of monumental quality, appropriate to the distinguished setting of the federal triangle.

Members of the Committee have long been concerned over escalating rents which the federal government pays for leased space. At the end of the lease term, often the landlord dramatically increases the rent to the federal government, which is somewhat of a "captive" tenant. The government must choose between this higher rent and a costly move to perhaps equally expensive or less desirably located space elsewhere.

Rents for the federal government in the National Capital region have increased by 30 percent over the last two years alone. The annual federal government's rental bill is about $1.4 billion currently, up from about $400 million in 1970. Without decisive action by Congress, the federal rental bill will reach $2 billion annually by the end of the century. Within the next 10 years, 95 percent of the federal office leases will come up for renewal.

In the 1960's, the federal government stopped constructing buildings, partly over concern about annual spending. In the short run, it appeared less expensive to appropriate funds for an annual lease payment, than to appropriate the entire cost of constructing a building up front. Now, however, the federal government is paying for this "creative accounting," as the statistics cited demonstrate. The Committee believes that the federal government once again must start to build office buildings, to ensure that the government not be at the mercy of escalating rents, and to guarantee that safe, comfortable working environments are provided to federal employees. The Committee intends that the international cultural and trade center be a model for future projects of this kind.

GSA's current housing plan calls for the Justice Department, the Securities and Exchange Commission, the Treasury, and State Departments to occupy the federal office portion of the complex. This project and other actions in the District will permit major consolidations of Treasury, Justice and State.

Treasury from 38 buildings to 4.

Justice from 26 buildings to 3.

State from 16 buildings to 3.

The benefits from these consolidations will include increased efficiency and decreased need for transportation of employees from location to location.

Next to the Pentagon, which has 3.8 million occupiable square feet, this will be the second largest federal building in the nation, and the largest building in the District of Columbia. According to GSA's estimates, this building will provide about 1.9 million occupiable square feet; 1.4 million square feet for the federal uses, and 500,000 square feet for the International Cultural and Trade Center (ICTC).

The ICTC will house foreign missions, international, state and local agencies concerned with trade, and government sponsored organizations supporting cultural exchanges. The ICTC Commission will determine appropriate tenants and uses for the center, in conjunction with the State Department and GSA Administrator.

At the hearing on this matter held May 1, 1987, the Committee received enthusiastic support for the center from representatives of the State Department, Commerce Department, U.S. Information Agency, diplomatic community, the Mayor of Washington, D.C., and the Federal City Council. The Committee believes that the center, if properly leased and operated, will enhance opportunities for American trade, commerce, communications, and cultural exchanges, and thus complement the work of Federal, State and Local agencies in the areas of international trade and cultural activities.

The House Public Works and Transportation Committee, led by Chairman James J. Howard and Subcommittee Chairman Fofo I.F. Sunia, and ranking minority Members, Representatives John Paul Hammerschmidt and Guy v. Molinari, held a hearing on this proposal July 22, 1987. Chairman Howard hopes to pass the Senate bill expeditiously once it is received from the Senate. The Committee on Environment and Public Works appreciates this cooperation on this important undertaking.

SAVINGS TO THE FEDERAL GOVERNMENT

This method of financing will save the Federal Government $281 million—almost a third of a billion—over the thirty year lease. According to GSA, the total construction cost for the building will be $362 million. The cost of the lease for the federal office portion of the complex to GSA will be $38 million/year. Comparable space in the private market would cost $50 million/year, according to GSA. When the building is ready for occupancy in 1993, this lease cost for the federal office portion computes to $27.00 per square foot. The comparable cost in the private market would be $35.00 per square foot. These figures reflect GSA's assumption of 1.4 million occupiable square feet of federal office space.

For the ICTC portion of the lease, the cost will be $15.2 million per year. This is equivalent to $30.00 per square foot, slightly more than the federal office portion, due to special features of the space suitable for exhibits, displays, meetings, and security measures.

Mr. WARNER. Mr. President, I am pleased to cosponsor S. 1559, completing the complex of Federal buildings at the Federal Triangle over which Chairman MOYNIHAN has labored so carefully.

I have had a longstanding interest in seeing this historical location used for a valuable public purpose.

The Public Buildings Act gave the Treasury Department under the guidance of the supervising architect the responsibility for developing the Federal Triangle.

In 1921, Secretary of the Treasury, Andrew Mellon, envisioned a complex of Federal buildings at this location. I am pleased that this legislation will recognize Ambassador Mellon's leadership in this effort by dedicating the historic auditorium as the "Andrew Mellon Auditorium."

Within that decade the area became the home of what is now the Federal Trade Commission, the Justice Department, Commerce Department, and others. For over 50 years the Congress has languished over various proposals to complete the Federal Triangle. Yet, today, this space is still used as a parking lot.

I commend the chairman for the creative financing plan proposed in the bill. Each year the Federal Government's lease payment will be contributed toward the cost of constructing the building and at the end of the 30-year-lease period the Federal Government will hold the sole title to the building. This approach is the beginning of freeing the Federal Government from the enormous rents we are obliged to pay to house our Federal workers.

For the American public, the International Cultural and Trade Center will provide a centralized passport and visa location. This will be a vast improvement over the current confusion the traveling public is put through to get a passport or visa.

I commend the Senator for diligent pursuit of this proposal and I am pleased to join as a copsonsor of S. 1550.

By Mr. INOUYE, from the Select Committee on Indian Affairs, with amendments:

S. 887: A bill to extend the authorization of appropriations for and to strengthen the provisions of the Older Americans Act of 1965, and for other purposes (Rept. No. 100-140).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. WEICKER:

S. 1581. A bill to prohibit the importation of objects from the R.M.S. Titanic; considered and passed.

By Mr. WILSON (for himself and Mr. McCAIN):

S. 1582. A bill to amend section 1876 of the Social Security Act to protect medicare beneficiaries enrolled in an eligible organization with a risk-sharing contract under such section against certain practices; to the Committee on Finance.

By Mr. GORE:

S. 1583. A bill for the relief of Maria Antonieta Heird; to the Committee on the Judiciary.

By Mr. REID:

S. 1584. A bill to assure compliance with the National Environmental Policy Act of 1969, and for other purposes; to the Committee on Environment and Public Works.

By Mr. CHAFEE (for himself and Mr. STAFFORD):

S. 1585. A bill to provide financial assistance to local educational agencies to improve the educational opportunities of the Nation's children and adults by integrating early childhood education and adult education for parents into a unified program to be referred to as "Even Start"; to the Committee on Labor and Human Resources.

By Mr. KERRY (for himself, Mr. WEICKER, Mr. STAFFORD, Mr. KENNEDY, Mr. SIMON, and Mr. METZENBAUM):

S. 1586. A bill to provide financial assistance under the Education of the Handicapped Act to assist severely handicapped infants, children, and youth to improve their educational opportunities through the use of assistive device resource centers, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. D'AMATO:

S. 1587. A bill to authorize the minting of commemorative coins to support the training of American athletes participating in the 1988 Olympic Games; to the Committee on Banking, Housing, and Urban Affairs.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. MITCHELL (for himself and Mr. COHEN):

S. Res. 267. A resolution to express the sense of the Senate that Rachel Carson is recognized on the twenty-fifth anniversary of her book "Silent Spring," for her outstanding contributions to public awareness and understanding of environmental issues; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WILSON (for himself and Mr. McCAIN):

S. 1582. A bill to amend section 1876 of the Social Security Act to protect Medicare beneficiaries enrolled in an eligible organization with a risk-sharing contract under such section against certain practices; to the Committee on Finance.

PROTECTING BENEFITS OF CERTAIN MEDICARE RECIPIENTS

Mr. WILSON. Mr. President, health maintenance organizations, or HMO's, are a new health care option for most older Americans. Although authority was given in the 1982 Tax Equity and Fiscal Responsibility Act for the Federal Government to contract with federally qualified health maintenance organization's and competitive medical plans [CMP's] it wasn't until 1985 that the office of prepaid health plans began to contract directly with HMO's for the care of Medicare beneficiaries. As a result, many HMO's have only recently become involved in the Medicare Risk-Sharing Program.

I have encouraged their growth because they are a cost-effective means of providing more health services than are usually covered under the traditional Medicare system plus supplemental insurance. Currently, the Health Care Financing Administration [HCFA] contracts with 156 HMO's and CMP's in 34 States. To date, these plans have enrolled nearly 937,000 Medicare consumers or approximately 3 percent of the 31 million Medicare beneficiaries.

I want to commend the administration for its efforts in developing and promoting competition through consumer choice, thus making available to beneficiaries the same options in health care delivery systems as are available to their fellow Americans under age 65. As I have indicated, this has been a very popular program with the seniors. Unfortunately, the popularity of this program has also caught the attention of a few unscrupulous individuals who seek to further their own selfish interests at the expense of the elderly and of those many legitimate providers who operate within the law. I wish to make it clear to my colleagues that while the problem does not appear to be systemic, still the incentives and potential for abuse exist, and, unfortunately, vulnerable seniors have been the victims of these abuses and continue to deserve and need protection against them.

The bill I am introducing contains the following provisions:

First, the bill would require those organizations with HCFA risk-sharing contracts to notify potential Medicare consumers that the organization can by law choose to refuse to renew it's contract with HCFA when it comes up for renewal. Currently, there is no requirement for eligible organizations—that is, HMO's—to notify the elderly consumer prior to enrolling him in a health plan that he may be disenrolled from the plan should the organization decide not to renew it's contract. This required notification will make the consumer aware of the possibility of disenrollment and assist Medicare beneficiaries in deciding whether to choose the HMO or Medicare as the health plan that is most likely to meet their needs.

Second, the bill imposes civil monetary penalties and intermediate sanctions on an eligible organization with risk-sharing contracts which:

First. Fails to provide medically necessary items and services if the failure has adversely affected the individual; or

Second. Charges an individual a greater premium than is permitted; or

Third. Acts to expel or to refuse to re-enroll an individual for medical reasons; or

Fourth. Engages in any practice that denies or discourages an individual whose medical condition or history indicates a need for future medical services; or

Fifth. And misrepresents or falsifies information to the Secretary of HHS or the individual, or enrolls an individual without the individual's knowledge or consent or makes a material inducement to the individual.

Currently, the only authority HCFA possesses to punish abusive marketing practices is to terminate the organization's contract. Although this authority is necessary, I believe the intermediate sanctions I am proposing are more appropriate for the less severe sharp marketing practices and better serve the needs of the elderly who would otherwise be the ones punished by a contract termination which leaves the HMO enrollee effectively disenrolled and once again in need of a health care program.

Third, the bill prevents the Secretary of the Department of Health and Human Services [DHHS] from entering into or renewing a contract with any eligible organization in a State that does not require the licensure of those individuals who solicit the enrollment of an individual. The results of a survey of the 50 States and the District of Columbia in June 1986, by the Illinois and Indiana Departments of Insurance reveal the following results regarding the solicitation or sale of HMO products.

Nineteen States presently require some degree of licensure for agents soliciting on behalf of HMO's. The remaining 31 States and the District of Columbia are without licensing requirements. Of these, 16 States have the statutory authority to promulgate the rules and regulations necessary for the licensing of HMO agents but, as of the date of this survey, have chosen not to exercise this authority. Three other States have limited authority and the remaining 12 States and the District of Columbia are without any provisions for regulating the solicitation or sale of HMO products.

Mr. President, I ask unanimous consent that material in connection with the licensure be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Re: Summary State Licensure requirements for agents soliciting HMO products.
To: NAIC/NAHMOR Joint Committee members
From: Shirley S. Hayes—Indiana Department of Insurance, David E. Grant—Illinois Department of Insurance.

The results of the survey of the 50 States and the District of Columbia reveal diverse positions on agent licensure, though the potential for consistency may exist in the event a standard is adopted by NAHMOR and the NAIC. The map attached divides the States into those which presently have some sort of licensure requirements and those which do not. Also attached is a brief statement of each State's licensure status.

Further analysis of the survey indicates 19 States presently require some degree of licensure for agents soliciting on behalf of HMO's. Of these, 11 require a special license for the HMO solicitor, 5 require a health license and 2 require a disability license. South Carolina requires all HMO solicitors be licensed; however, if they are salaried employees of the HMO, they are exempt from examination.

The remaining 31 States and the District of Columbia are without licensing requirements. Of these, 16 States have the statutory authority to promulgate the Rules and Regulations necessary for the licensing of HMO agents but as of the date of this survey, have chosen not to exercise this authority. Two States permit HMO's to enter contractual arrangements for the marketing of health plans, and one State requires solicitors be salaried employees of the HMO. The remaining 12 States and the District of Columbia are without any provisions for regulating the solicitation or sale of HMO products.

S.S.H.
D.E.G.

STATUS OF STATE LICENSURE REQUIREMENTS FOR AGENTS SOLICITATING HMO PRODUCTS

State	Licensure	Comments
1. Alabama	Yes	HMO must secure a Certificate of Authority for each agent writing or soliciting health care certificates.
2. Alaska	No	
3. Arkansas	Yes	Prior to performing solicitation activities, each agent must submit an application for licensure, pay a fee, and pass a written examination.
4. Arizona	Yes	The Commissioner has issued Rule and Regulation 35. An agent is a person directly or indirectly associated with a health care plan who engages in solicitation or enrollment.
5. California	No	
6. Colorado	No	The HMO may contract with any person for marketing, enrollment and administrative services. The Commissioner may promulgate reasonable Rules and Regulations as are necessary to provide for the licensing of agents.
7. Connecticut	No	
8. Delaware	No	The HMO may solicit enrolless and sell its services through its own employees, persons licensed or otherwise permitted to sell health insurance or persons licensed or otherwise permitted to sell the benefit program of a health service corporation.
9. Florida	No	
10. Georgia	Yes	Requires that each agent take and pass the examination required for an insurance agent in the accident and sickness lines or such other examination as may be prescribed by the Commissioner. No person shall act as an HMO agent without having passed the examination.
11. Hawaii	No	
12. Idaho	Yes	Agents or persons representing the organization in solicitation and negotiation of subscribers contracts shall qualify and be licensed as agents in accordance with procedures under Insurance Law for licensing of agents of disability insurers, with noted exceptions.
13. Illinois	No	The Director may promulgatge reasonable Rules and Regulations for the licensing of agents.
14. Indiana	Yes	Agents, solicitors, and brokers performing services for HMOs are subject to the laws governing the licensing of health insurance agents.
15. Iowa	No	The Commissioner of Insurance may promulgate Regulations to provide for the licensing of agents of an HMO.
16. Kansas	No	
17. Kentucky	No	The Commissioner of Insurance may promulgate the necessary Rules and Regulations for the licensing of agents.
18. Louisiana	No	
19. Maine	No	The Insurance Superintendent may promulgate Rules and Regulations for the licensing of agents.
20. Maryland	No	
21. Massachusetts	Yes	The Commissioner is authorized to regulate the licensing of agents.
22. Michigan	No	
23. Minnesota	Yes	Agents, solicitors, and brokers performing services for HMOs are subject to the laws governing the licensing of health insurance agents.
24. Mississippi	Yes	Agents of the corporation soliciting contracts must be certified by the Commissioner of Insurance.
25. Missouri	No	The HMO is permitted to enter into contracts for the provision of marketing and enrollment services.
26. Montana	No	
27. Nebraska	No	The Director of Insurance may issue Rules and Regulations governing the licensure of agents.
28. Nevada	Yes	No person may solicit or sell to any group or individual a plan that provides for comprehensive health care services unless such person has a valid license, issued by the Commissioner.

STATUS OF STATE LICENSURE REQUIREMENTS FOR AGENTS SOLICITATING HMO PRODUCTS—Continued

State	Licensure	Comments
29. New Hampshire	Yes	All persons engaged in the solicitation or enrollment of subscribers must be duly licensed agents for the sale of health insurance in the State.
30. New Jersey	No	The Commissioner of Health may promulgate such reasonable Rules and Regulations which have been approved by the Commissioner of Insurance, as are necessary to provide for the certification of agents.
31. New Mexico	Yes	Solicitation of enrollees in an HMO is handled by an agent who is appointed or employed by the HMO and licensed by the Superintendent.
32. New York	No	An HMO is prohibited from employing solicitors or accepting business from brokers on a commission basis. Solicitors must render their services as employees on a salaried basis.
33. North Carolina	No	The Commissioner may issue Rules and Regulations to provide for the licensing of agents.
34. North Dakota	No	The Commissioner may promulgate such reasonable Rules and Regulations as are necessary to provide for the licensing of agents.
35. Ohio	No	The Superintendent of Insurance may establish qualifications of agents and issue licenses to qualified applicants.
36. Oklahoma	No	The State Insurance Commissioner after notice in hearing may promulgate such reasonable Rules and Regulations as are necessary to provide for the licensing of agents.
37. Oregon	No	
38. Pennsylvania	Yes	Solicitors or agents shall meet such prerequisites as the Commissioner by Regulation shall require.
39. Rhode Island	No	An HMO is authorized to enter into contracts for marketing its health plan, enrollment and/or administration.
40. South Carolina	Yes	Regulations require all HMO solicitors be licensed however if they are salaried employees of the HMO they are exempt from examination.
41. South Dakota	No	The Director of the Division of Insurance may promulgate such reasonable Rules and Regulations as are necessary to provide for the licensing of agents.
42. Tennessee	Yes	Agents writing or soliciting contracts for the corporation must be certified by the Commissioner of Insurance.
43. Texas	Yes	Before making any solicitation for enrollment in an HMO, a person or other legal entity must have a valid HMO agents license.
44. Utah	No	The Commissioner may promulgate such reasonable Rules and Regulations as are necessary to provide for the licensing of agents.
45. Vermont	No	
46. Virginia	Yes	Enrollee contracts may be solicited outside of the principal office of an HMO only through licensed salesmen.
47. Washington	Yes	No person may act as or hold himself out to be an agent of an HMO unless licensed as a disability insurance agent by the State and appointed or authorized by the HMO on whose behalf solicitations are to be made.
48. West Virginia	No	The Commissioner is authorized to issue Regulations necessary to regulate marketing of HMOs by persons compensated directly or indirectly by the HMO.
49. Wisconsin	Yes	Chapter 628, regulating insurance marketing, provides for licensing of agents representing service insurance corporations.
50. Wyoming	No	The Insurance Commissioner may promulgate reasonable Rules and Regulations as necessary to provide for the licensing of agents.
51. District of Columbia	No	

Mr. WILSON. Mr. President, this provision should stimulate those States which have not yet adopted licensure of HMO marketing agents to do so promptly in order to protect their senior health care consumers.

This bill will protect the elderly from the many unscrupulous marketing techniques of those health maintenance organizations which have been guilty of sharp practices in seeking to attract Medicare recipients to their rolls.

As an example, some HMOs set up tables outside shopping malls, outside flea markets—even outside Social Security offices—to give free blood pressure tests to Medicare beneficiaries. To participate, the seniors are told they must give their names, Medicare numbers, and sign a form. What they aren't told is that what they are actually signing is an HMO enrollment application.

In other cases, Medicare beneficiaries are offered free gifts such as cameras as an inducement to sign enrollment forms. HMO marketing representatives pose as agents of the Government, or falsely advise beneficiaries that their current clinic is being closed and that they must enroll in the HMO which the HMO salesman is pitching.

Mr. President, there are many other abuses and I ask unanimous consent to have printed in the RECORD a full list of the marketing abuses documented by HCFA and my staff.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NEED FOR THE LEGISLATION

1. Tables are set up in shopping malls, flea markets, banks, outside Social Security offices, outside clinics, or at retirement hotels or community centers. Free blood pressure tests are offered to Medicare beneficiaries, who are required to provide their names and Medicare numbers and sign for the tests. They do not realize that they are signing an enrollment application when they sign for tests.

2. Door to door solicitation is conducted, seeking signatures for a "petition" having to do with something of interest to seniors such as medical cost containment, better housing, or expanding Medicare. The "petition" turns out to be an enrollment application.

3. Gifts such as cameras are offered as an inducement to sign such "petitions" or HMO enrollment applications in other forms.

4. Potential enrollees are solicited to sign a request for information or literature about an HMO, which request turns out to be a membership application.

5. Beneficiaries are misled by HMO agents to believe that the HMO plan is a supplement to regular Medicare or to their current plan, rather than a substitute for it.

6. Misrepresentations are made by the marketing representative that he represents the U.S. Government or a State Government, or another insurance company.

7. The beneficiary is told by the marketing representative that "if you'll just sign the form now, I won't turn it in until after you call me and tell me you want it."

8. HMO representatives misrepresent the lock in provision so that a beneficiary believes he can still use his own physician.

9. An enrollee is told by a marketing representative that his current clinic is being closed and he must choose another one, and then enrolls him in another HMO.

10. The beneficiary is induced to sign multiple applications, one of which is later submitted to re-enroll the beneficiary without his knowledge or consent.

11. A Social Security Office is called by an HMO agent, falsely identifying himself as a relative of a beneficiary to obtain information regarding the Medicare number and status of that beneficiary.

12. A beneficiary is photographed under the guise that he is being interviewed for a magazine article and is induced to sign what is said to be a "consent" form and to give his Social Security number. The "consent" form turns out to be an enrollment application.

Mr. WILSON. Mr. President, when Congress enacted the legislation that authorized the Health Care Financing Administration to contract with qualified health maintenance organizations and competitive medical plans to care for Medicare patients, it intended the system to efficiently and effectively deliver high quality medical care.

Quality health care must be the foundation of any health delivery system. I believe we have accomplished that objective with a large degree of success. However, with any new program, mistakes will be made. Although some safeguards were built into the program to assure that Medicare beneficiaries were protected from potential abuse, more can and must be done. That is what I hope to accomplish with this piece of legislation today. This bill will help to protect the elderly from abusive and sharp marketing practices and give them the emotional as well as the physical security, which they deserve.

We in Congress, can no longer stand by and permit such abuses to be perpetrated on the elderly by unscrupulous marketing representatives. I urge my colleagues to join me in passing this legislation as quickly as possible.

Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1582

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. NOTICE TO MEDICARE BENEFICIARIES.

(a) In General.—Section 1876(c)(3) of the Social Security Act (42 U.S.C. 1395mm(c)(3)) is amended by adding at the end thereof the following new subparagraph:

"(F)(i) Each eligible organization having a risk-sharing contract under this section shall notify individuals eligible to enroll with the organization under this section and individuals enrolled with the organization under this section that—

"(I) the organization is authorized by law to terminate or refuse to renew the contract, and

"(II) termination or nonrenewal of the contract may result in termination of the enrollments of individuals enrolled with the organization under this section.

"(ii) The notice required by clause (i) shall be included in—

"(I) any materials described in subparagraph (C) that are distributed by an eligible organization to individuals eligible to enroll under this section with the organization, and

"(II) any explanation provided to enrollees by the organization pursuant to subparagraph (E).".

(b) Application.—The amendment made by subsection (a) shall apply to contracts entered into (or renewed) on or after the date of the enactment of this Act.

SEC. 2. CIVIL MONEY PENALTIES AND INTERMEDIATE SANCTIONS FOR ELIGIBLE ORGANIZATIONS WITH RISK-SHARING CONTRACTS.

(a) In General.—Section 1876(i)(6) of the Social Security Act (42 U.S.C. 1395mm(i)(6)) is amended to read as follows:

"(6)(A) Any eligible organization with a risk-sharing contract under this section that—

"(i) fails substantially to provide medically necessary items and services that are required (under law or under the contract) to be provided to an individual covered under the contract, if the failure has adversely affected (or has a substantial likelihood of adversely affecting) the individual, is subject to a civil money penalty of not more than $25,000,

"(ii) charges an individual covered under the contract a greater premium than is permitted under this section, is subject to a civil money penalty of not more than $2,000 plus double the excess amount charged (and the excess amount charged shall be deducted from that penalty and returned to the individual),

"(iii) acts to expel or to refuse to re-enroll an individual in violation of the provisions of this section, is subject to a civil money penalty of not more than $15,000, for each incident,

"(iv) engages in any practice that would reasonably be expected to have the effect of denying or discouraging enrollment with the organization (except as permitted by this section) by eligible individuals whose medical condition or history indicates a need for substantial future medical services, is subject to a civil money penalty of not more than $100,000, plus $15,000 for each individual consequently not enrolled, or

"(v) misrepresents or falsifies enrollment information that is furnished to the Secretary, to an individual, or to any other entity, or enrolls an individual without the individual's knowledge or consent or after making a material inducement to the individual, is subject to a civil money penalty of not more than $15,000 for each incident (or, in the case of enrollment information furnished to the Secretary, not more than $100,000 for each incident).

"(B) The provisions of section 1128A (other than subsections (a) and (b)) shall apply to a civil money penalty under subparagraph (A) in the same manner as they apply to a civil money penalty under that section.

"(C) If the Secretary determines that an eligible organization has committed any of the violations specified in subparagraph (A), the Secretary, in addition to, or instead of, imposing a civil money penalty, may provide for the suspension of enrollment of individuals under this section or of payment to the organization under this section for individuals newly enrolled with the organization, after the date the Secretary notifies the organization of the violation.".

(b) Effective Date.—The amendment made by subsection (a) shall become effective at the end of the fourteen-day period beginning on the date of the enactment of this Act and shall not apply to administrative proceedings commenced before the end of such period.

SEC. 3. LIMITATION ON CONTRACTS WITH ELIGIBLE ORGANIZATIONS.

(a) Limitation.—Section 1876 of the Social Security Act (42 U.S.C. 1395mm) is amended—

(1) in subsection (g)—

(A) in paragraph (1), by striking "The Secretary" and inserting in lieu thereof "Subject to paragraph (7), the Secretary", and

(B) by adding at the end thereof the following:

"(7) The Secretary may not enter into or renew a contract under this subsection with any eligible organization unless that organization is located in a State that requires any individual who—

"(A) is an employee or agent of an eligible organization with a risk-sharing contract under this subsection, and

"(B) solicits the enrollment of any individual under this section with the organization,

to be licensed in accordance with procedures established by or pursuant to State law.", and

(2) in subsection (h)(1)—

(A) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively,

(B) by inserting "(A)" after "(1)", and

(C) by adding at the end thereof the following:

"(B) The Secretary may not enter into or renew a contract under this subsection with any eligible organization that is located in a State that fails to meet the requirements of subsection (g)(7).".

(b) Effective Date.—The amendments made by subsection (a) shall apply to contracts entered into or renewed on or after January 1, 1990.

● Mr. McCAIN. Mr. President, I rise today with my distinguished colleague from California, Senator Wilson, to introduce S. 1582. The purpose of this legislation is to provide the Health Care Financing Administration [HCFA] the authority to protect older Americans from possible abuses arising from the sales and operations of health maintenance programs targeted toward Medicare eligible Americans.

In 1982, through the Tax Equity and Fiscal Responsibility Act, Congress gave HCFA the authority to contract with health maintenance organizations [HMO's] and competitive medical plans [CMP's] in order to make this kind of prepaid plan option available to Medicare beneficiaries. It was not until 1985, however, that HCFA actually began contracting with HMO's and CMP's for the care of Medicare beneficiaries. Since that time, close to 1 million seniors have enrolled in these prepaid plans.

This was a positive move due to the fact that this capitated approach—paying one preset amount for each enrollee rather than paying on a fee-for-service basis—is such a cost-effective way of providing health care services. This approach in fact, appears to be a more cost effective way to provide health care services than through the traditional Medicare system, with an added supplemental plan. Perhaps this is the direction that the entire Medicare system will eventually move.

Mr. President, in Arizona we've been experimenting with a capitated approach to providing care for our State's poor. Rather than utilizing the traditional fee-for-service Medicaid Program, Arizona and the Federal Government entered into a contractual agreement and established the Arizona health care cost containment system—or AHCCS for short. This Medicaid demonstration project has been a success. Not only has it facilitated the providing of care to Arizona's poor, it has been a financial success—saving the State of Arizona and the Federal Government millions of dollars each year. Capitated health care programs may be the way of the future in terms of Government provided health care coverage.

The administration deserves to be commended for its efforts in developing and promoting the HMO concept for the Medicare-eligible population. As we have witnessed in just 2 years of operation, this competitive, consumer choice program has become very popular among seniors. The popularity of the program, however, has led to some abuse by a few quick profit solicitors.

These unscrupulous individuals have illustrated that a potential for abuse does exist due in large part to a lack of effective means to deal with individuals who desire to operate in such a self-serving manner.

While some safeguards were built into the program at the time of its inception, I believe we can and should do more to protect older Americans from the potential of abuse. Specifically, I think we need to do three things—all of which are addressed in this legislation we are introducing today.

First, we need to require eligible organizations to inform potential enrollees, prior to enrolling in the health plan, that they may be disenrolled from the plan should the organization decide not to renew its contract.

This will serve to promote greater consumer awareness, providing the consumer—up front—with all of the information they need to know in order to make a wise and informed decision regarding the selection of health care coverage.

Second, we need to give HCFA the authority to impose civil monetary penalties and/or intermediate sanctions on those organizations with risk sharing contracts who: Fail to provide medically necessary items and services, resulting in an adverse affect on the enrollee; charge an individual a greater premium than is permitted; expel or refuse to reenroll an individual for medical reasons; deny or discourage an individual from enrolling whose medical condition or history indicates a need for future medical services; or misrepresent or falsify information to the Department of Health and Human Services or the individual; enroll an individual without the individual's knowledge or consent; or tries to induce an individual into enrolling by offering material goods.

The only enforcement authority HCFA currently possesses in responding to marketing abuses is the termination of the organization's contract. There are many scenarios where such action many not be warranted, but where action must still be taken. The reality of terminating a contract is that seniors lose their health care plan. By providing HCFA with the flexibility and authority to impose lesser sanctions and/or penalties, we provide more effective ability to address such abuses.

Third, we ought to prevent the Secretary of HHS from entering into a renewing a contract with any eligible organization in a State that does not require the licensure of those individuals participating in enrollment solicitations. This would facilitate compliance on the part of salesmen with accepted marketing practices in the solicitation or potential enrollees.

The State of Arizona as well as 18 other States already require licensure. Of the other 31 States, 16 have the authority to promulgate such rules and regulations. Requiring licensure nationwide certainly would be a positive move.

Mr. President, the capitated approach to providing health care coverage ought to remain an option for seniors. The existence of this option is threatened whenever unscrupulous individuals attempt to take advantage of the system. We must give HCFA the tools to deal effectively with such individuals. Hopefully, the mere existence of such tools serve as a deterence to those who would even flaunt with the thought of making a fast buck at the expense and well-being of others.

I urge my colleagues to seriously consider this legislation and lend their support toward its adoption.●

By Mr. REID:

S. 1584. A bill to assure compliance with the National Environmental Policy Act of 1969, and for other purposes; to the Committee on Environment and Public Works.

AIRSPACE PROTECTION ACT

● Mr. REID. Mr. President, as an eagle soars over Nevada he beholds scenes of wonder as far as his his eyes can scan.

Wheeling over her snowcapped mountain ranges he can marvel at the Ruby Mountains, and the Sierra Nevada's towering fortress. He can swing upward through the drafts rising from the Black Rock and Mojave Deserts, with their vast expanse of dunes, and the joshua trees marching in prehistoric order. After a sudden summer rainstorm, he can smell the scent of sage warting from the valley floors sweeter than any perfume that could be devised by the poor hand of man.

And suddenly, out of the still desert air, he can detect the scream of mighty jet engines. Our Nation's aerial power bursts through the desert silence as fighters roar across the desert flats at low level, and twist suddenly upward to the Sun in an awesome display of the combination of technical ability and human skill which protects our Nation.

Those aircraft, flying from bases at Nellis, Indian Springs, and Fallon, contribute extraordinarily to the defense of America and the free world. It is over those desert ranges that our pilots hone their skills; it is in Nevada's desert air that they experience the anxiety and stress of aerial combat in a war without weapons. It is because those aerial battles take place that we can rest assured that the quality of our pilots is second to none on the face of this globe.

The still desert air with all its beauty, and the sudden scream of jet engines. Can the two coexist? Can we protect our Nation's vital interests, and yet still prevent the destruction of the very land those aircraft exist to preserve? I believe we can.

To protect both those interests, however, we must first resolve a serious problem occurring in the the United States, particularly in the West: the wholesale giveaway of airspace to the Department of Defense.

Airspace withdrawal is currently an administrative process which consists of the Secretary of Defense submitting a proposal to the Secretary of Transportation who, up until now, has acted as little more than a rubber stamp for DOD's requests. Airspace withdrawal not only restricts direct routes for civilian and commerical flights, but also has a significant effect on the health and safety of the people who live below or near the withdrawn area.

In the case of designated low-altitude supersonic areas [SOA's], hundreds of sonic booms per day are being reported. The long-term effect on residents of high volume exposure to sonic booms is still under study. For some, however, the situation has created intolerable living conditions.

I do not question the necessity of restricted airspace so that the military can conduct mock aerial combat, bombing practice and flight testing, nor do I doubt the good will of the military, especially the staff at NAS Fallon, in dealing with the problem. However, the process must become one in which the Department of Defense seriously takes into account the impact upon the environment, including human safety.

In my discussions with citizens, I have heard more and more complaints about the overwhelming and unchecked militarization of the public lands and the airspace above that land.

Conveying that sentiment, I testified 2 years ago before the House Public Lands Subcommittee on the illegal acquisition of the Navy's Bravo-20 bombing range in Nevada. I reminded the Navy that withdrawing land over 5,000 acres must be done by an act of Congress as stated in the Engle Act of 1958, and that until an act is passed the public has a right to enter that land.

In researching the airspace issue, I found there was no definitive law concerning its restrictions. That is why 2 years ago I introduced H.R. 1584. That bill would have required congressional approval whenever the Department of Defense created any restriction on airspace over nonmilitary public land.

I continued that effort last year, by introducing H.R. 4413, which again emphasized the problem of airspace restrictions over public lands.

During my time in this honorable body, I have been made increasingly aware that the problem is not just with airspace restrictions over public lands. The problem exists over both public and private lands. Simply put, the problem involves airspace above the entire Nation. The problem, therefore, affects all Americans.

Aerial thunder and the use restrictions on our land are becoming extremely important to Americans, particularly those in the Western United States. In Nevada, the military currently restricts almost 20 million acres of airspace.

I am convinced of the necessity of airspace withdrawals for the sort of flight training and testing which is done on the Nevada ranges. At the same time, however, citizens have been subjected increasingly to low-altitude supersonic flights by the military. These types of flights have had a significant adverse impact.

Based on the realization that there was indeed a national problem, I broadened the scope of my legislative thrust to offer protection to all Americans. Today I am offering that legislation. I feel it will provide that protection. Yet, I also feel it is also limited enough to allow the military to be able to successfully perform its vital duties in the defense of our Nation.

My bill is called the Airspace Protection Act. By introducing this bill, I hope to balance the needs of America's defense against the need to preserve the land which that defense is designed to protect.●

By Mr. CHAFEE (for himself and Mr. Stafford):

S. 1585. A bill to provide financial assistance to local educational agencies to improve the educational opportunities of the Nation's children and adults by integrating early childhood education and adult education for parents into a unified program to be referred to as "Even Start"; to the Committee on Labor and Human Resources.

EVEN START ACT

● Mr. CHAFEE. Mr. President, the persistence of illiteracy in this country is one of the largest challenges we face. One of the most tragic aspects of illiteracy is that it tends to be passed from one generation to the next. Today, together with Senators Pell and Stafford, I am introducing legislation to break this cycle.

Over 60 million adults in this country—or one-third of the adult Population—reads below the ninth grade level. Consider the kinds of basic survival information that would be out of reach: Public housing leases, phone bills, food stamp applications, job manuals, even the antidote instructions on a can of Drano—all of which require reading abilities above the ninth grade level.

Even more tragic is that many of these adults will—despite their best intentions—pass their literacy problems on to their children. Lacking the intellectual stimulation that is crucial during the early years of life, the children of nonreaders tend to grow up to be nonreaders as well. They enter school at a distinct disadvantage in comparison to children from reading household, and fall still further behind as their school years progress. Their parents are at a loss to offer even the most basic help—much less to get actively involved in their child's schooling. What we need to do is to give these parents help, and give their children an even start at school—an even start on literacy.

The bill I'm introducing today, the Even Start Act, seeks to break the cycle by funding literacy programs targeted specifically at nonreading parents and their preschool-age children. The kinds of projects funded under this bill would combine adult and early childhood education in innovative ways. In an Even Start Program, parents would not only learn to read along with their children—they would also learn how to be their children's first teacher. They would, for the first time, get the tools to be true participants in their children's education.

This bill would authorize $30 million for Even Start projects in the first year, and such sums as may be necessary in the 4 subsequent years. These projects would be collaborative efforts between schools, libraries, community organizations, Head Start providers, JTPA agencies, and adult education organizations. Eligible for services would be families residing in chapter 1 eligible school attendance areas: specifically, nonreading parents and their children between the ages of 1 and 7.

The purpose of the Even Start Act is to spur a wide variety of parent-child literacy programs, particularly those that:

Involve parents and children together, providing instruction to both in the same setting or in the home where possible; use a variety of nonschool settings, since school, to the nonreading adult, can be a symbol of failure; and make maximum use of the literacy resources the community already has: Rather than supercede or compete with existing services, Even Start projects should build on these services.

Some may question the need for a new literacy program. First of all, Federal funding for literacy efforts is a far cry from the all-out effort that is needed. It amounts to about $350 million every year—or about $5.83 for each nonreader. When you consider the enormous social and personal costs of illiteracy, it is clear that we need to do more.

Second, Even Start tackles a very specific facet of illiteracy: The dilemma of parents who are unable to help their children succeed in school because fo their own literacy problems.

Imagine the anguish of parents who know they should be reading to their preschooler, but can't; who can't interpret or reply to notes from teachers or school bulletins; and who must stand helplessly by while their children try to handle school's challenges all alone. Imagine the child who gets no reinforcement at home for what he or she learns in school.

Even Start programs would address both sides of this problem by using a joint parent/child approach. This is something quite new, but where it has been done, it has been phenomenally successful. This is because nonreaders who are the parents of young children have not only a tremendous need to learn to read—they also have a tremendous incentive. In my view, the joint parent/child approach is so promising that it warrants a concerted effort, in the form of a nationwide program. It offers us our best hope for breaking the inexorable cycle in which illiteracy is handed down from one generation to the next.

Mr. President, I ask unanimous consent that a copy of the Even Start Act and a summary of the bill be printed in the Record at this point. I urge my colleagues to lend their support to this effort, and hope that the Senate will see fit to act swiftly upon it.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 1585

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. This Act may be cited a the "Even Start Act".

PROGRAM AUTHORIZED

Sec. 2. The Education Consolidation and Improvement Act of 1981 is amended—

(1) by redesignating chapter 3 as chapter 4; and

(2) by adding after chapter 2 the following new chapter:

"CHAPTER 3—EVEN START PROGRAMS

"STATEMENT OF PURPOSE

"Sec. 590A. It is the purpose of this chapter to improve the educational opportunities of the Nation's children and adults by integrating early childhood education and adult education for parents into a unified program to be referred to as "Even Start", to be implemented through cooperative projects that build on existing community resources.

"GRANT ALLOCATION

"Sec. 590B. (a) State Allocation.—Except as provided in subsections (b) and (c), each State shall be eligible to receive a grant under this chapter in each fiscal year that bears the same ratio to the amount appropriated for this chapter in that fiscal year as the amount allocated under section 111 of the Elementary and Secondary Education Act of 1965, as incorporated by reference in chapter 1 of this Act, to local educational agencies in the State bears to the total amount allocated to such agencies in all States.

"(b) State Minimum.—

"(1) Except as provided in paragraph (2), no State shall receive more than 5 percent or less than three-fourths of one percent of the amount appropriated for this chapter for any fiscal year.

"(2) Subject to the availability of appropriations, no State shall receive less than $100,000 for any fiscal year.

"USES OF FUNDS

"SEC. 590C. (a) IN GENERAL.—Funds made available to local educational agencies under this chapter shall be used to pay the Federal share of the cost of providing family-centered education programs which involve parents and children in a cooperative effort to help parents become full partners in the education of their children and to assist children in reaching their full potential as learners.

"(b) PROGRAM ELEMENTS.—Each program assisted under this chapter shall include—

"(1) the identification and recruitment of eligible children;

"(2) screening and preparation of parents and children for participation, including testing, referral to necessary counseling, and related services;

"(3) design of programs and provision of support services (when unavailable from other sources) appropriate to the participants' work and other responsibilities, including—

"(A) scheduling and location of services to allow joint participation by parents and children;

"(B) child care; and

"(C) transportation;

"(4) the establishment of instructional programs that promote adult literacy, training parents to support the education and growth of their children, and preparation of children for success in regular school programs;

"(5) provision of special training to enable staff to develop the skills necessary to work with parents and young children in the full range of instructional services offered through this chapter (including child care staff in programs enrolling children of participants under this chapter on a space available basis);

"(6) provision of and monitoring of integrated instructional services to participating parents and children through home-based programs; and

"(7) coordination of programs assisted under this chapter with programs assisted under chapter 1, the Adult Education Act, the Job Training Partnership Act, and with the Head Start program, volunteer literacy programs, and other relevant programs.

"(c) FEDERAL SHARE LIMITATION.—The Federal share under this chapter may be—

"(1) not more than 80 percent of the total cost of the program in the first year of the local educational agency receives assistance under this chapter,

"(2) 60 percent in the second such year,

"(3) 40 percent in the third such year, and

"(4) 20 percent in the fourth and any subsequent such year.

The non-Federal share may be obtained from any available source (including Federal, State, and local programs and part A of this chapter).

"ELIGIBLE PARTICIPANTS

"SEC. 590D. Eligible participants in a program assisted by a local educational agency under this chapter may be a parent and child from a family that includes—

"(1) a parent who is eligible for participation in an adult basic education program under the Adult Education Act; and

"(2) a child aged 1 to 7, inclusive, who resides in a school attendance area designated for participation in programs under chapter 1.

"APPLICATIONS

"SEC. 590E. (a) SUBMISSION.—To be eligible to receive a grant a local educational agency shall submit an application to the State educational agency in such form and containing or accompanied by such information as the State educational agency may require.

"(b) REQUIRED DOCUMENTATION.—Each such application shall include documentation that the local educational agency has the qualified personnel required—

"(1) to develop, administer, and implement the program required by this chapter, and

"(2) to provide special training necessary to prepare staff for the program.

"(c) PLAN.—Each such application shall also include a plan of operation for the program which includes—

"(1) a description of the program goals;

"(2) a description of the activities and services which will be provided under the program (including training and preparation of staff);

"(3) a description of the population to be served and an estimate of the number of participants;

"(4) a statement of the methods which will be used—

"(A) to ensure that the programs will serve those eligible participants most in need of the activities and services provided by this chapter;

"(B) to provide services under this chapter to special populations, such as individuals with limited English proficiency and individuals with handicaps; and

"(C) to encourage participants to remain in the programs for a time sufficient to meet program goals; and

"(5) a description of the methods by which the applicant will coordinate programs under this chapter with programs under part A of this chapter, the Adult Education Act, the Job Training Partnership Act, and with Head Start programs, volunteer literacy programs, and other relevant programs.

"AWARD OF GRANTS

"SEC. 590F. (a) SELECTION PROCESS.—Each State educational agency shall award grants on the basis of proposals which—

"(1) are most likely to be successful in meeting the goals of this chapter;

"(2) are serving areas of the State in greatest need of services provided under this chapter;

"(3) demonstrate the greatest degree of cooperation and coordination between a variety of relevant service providers in all phases of the program;

"(4) submit budgets which appear reasonable, given the scope of the proposal;

"(5) demonstrate the local educational agency's ability to provide the non-Federal share of the cost of the program as required by section 590C(c);

"(6) are representative of urban and rural regions of the State; and

"(7) show the greatest promise for providing models which may be transferred to other local educational agencies.

"(b) DURATION.—Grants may be awarded for a period not to exceed 4 years.

"EVALUATION

"SEC. 590G. (a) INDEPENDENT ANNUAL EVALUATION.—The Secretary shall provide for the annual independent evaluation of programs under this chapter to determine their effectiveness in providing—

"(1) services to special populations;

"(2) adult education services;

"(3) parent training;

"(4) home-based programs involving parents and children;

"(5) coordination with related services programs; and

"(6) training of related personnel in appropriate skill areas.

"(b) CRITERIA.—

"(1) Evaluations shall be conducted by individuals not directly involved in the administration of the program or project operation under this chapter. Such independent evaluators and the program administrators shall jointly develop evaluation criteria which provide for appropriate analysis of the factors under subsection (a). When possible, evaluations shall include comparisons with appropriate control groups.

"(2) In order to determine a program's effectiveness in achieving its stated goals, the evaluations shall contain objective measures of such goals and, whenever feasible, shall obtain the specific views of program participants about such programs.

"(c) REPORT TO CONGRESS AND DISSEMINATION.—The Secretary shall prepare and submit to the Congress an annual review and summary of the results of such evaluations. The annual evaluations shall be submitted to the national diffusion network in the form required for consideration, for possible dissemination.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 590H. There are authorized to be appropriated $30,000,000 for fiscal year 1988 and such sums as may be necessary for each of the fiscal years 1989, 1990, 1991, 1992, and 1993 to carry out the provisions of this chapter.".

SUMMARY: THE EVEN START ACT OF 1987

Purpose: To break the generational cycle of illiteracy by funding innovative literacy programs for non-reading parents of very young children. These children often start school at a disadvantage in relation to children from reading households, and fall still further behind as their school years progress. Their parents are at a loss to help, because of their own literacy problems.

By providing literacy training in these crucial early years, we will enable parents to participate in their children's education for the first time, and thus to give them an "even start" at school.

Funding: $30 million in the first year; such sums as may be necessary in each of the five succeeding years.

Allocation to States: States would receive Even Start allocations in proportion to their Chapter One allocations. The states would then review proposals for Even Start projects: collaborative efforts by schools, libraries, community organizations, Head Start providers, JTPA agencies, and adult education organizations to provide parent/child literacy instruction.

Grantees; required coordination with other literacy services: In these collaborative efforts, the school would serve as the umbrella organization: that is, the school would actually apply for and receive an Even Start grant on behalf of all the other entities. This does not mean that the schools would necessarily be the focus of Even Start activities; the intent of the program is to provide for maximum coordination with other literacy resources and maximum flexibility in the type of services offered. Rather than supersede or compete with existing services, Even Start projects should *build* on these services.

Federal/State match: Applications showing the most promise would be funded for 4 years, with a declining federal share each year: 80 percent, 60 percent, 40 percent, 20 percent. The purpose here is to encourage Even Start grantees to become self-sufficient, so that the programs would continue to exist after federal funds are withdrawn and given to other worthy applicants.

Eligible participants in even start programs: Non-reading parents and their children (between the ages of 1 and 7) who reside in Chapter one-eligible attendance areas. (About 64% of RI's school districts are Chapter One-eligible.)●

Mr. STAFFORD. Mr. President, I am pleased to join the Senator from Rhode Island as a cosponsor of the Even Start Act. This program addresses the critical problem of illiteracy in our country in a very unique and promising way. Even Start combines adult education for parents with limited skills, and school readiness training for their young children into a single educational program.

During the 99th Congress, the Senate Subcommittee on Education, Arts and Humanities and the House Subcommittee on Elementary, Secondary and Vocational Education, held a series of hearings on the issues surrounding illiteracy in the United States. We found that 23 million adult Americans, or 1 in every 5, are functionally illiterate as defined by the simplest test of everyday reading, writing, and comprehension. Illiteracy is found in every segment of society, and despite the many exemplary Federal, public, and private activities which provide literacy skills, we still have many more people to reach. We have yet to meet the needs of the unemployed, dislocated workers, housewives entering the job market, retired persons, or the close to 1 million teenagers who drop out of high school each year.

It is this Senator's belief that the Even Start Act is a way in which we can break the cycle of illiteracy by bringing parents and children together to learn. Parents with children between the ages of 1 and 7 from school attendance areas where the literacy problem is the greatest, may acquire the skills necessary to prepare their children for school and enhance their children's educational achievement at home.

I am pleased to rise in support of this bill today, and urge my colleagues to join me in cosponsoring this worthy and promising piece of legislation.

By Mr. KERRY (for himself, Mr. WEICKER, Mr. STAFFORD, Mr. KENNEDY, Mr. SIMON, and Mr. METZENBAUM):

S. 1586. A bill to provide financial assistance under the Education of the Handicapped Act to assist severely handicapped infants, children, and youth to improve their educational opportunities through the use of assistive device resource centers, and for other purposes; to the Committee on Labor and Human Resources.

TECHNOLOGY TO EDUCATE CHILDREN WITH HANDICAPS ACT

Mr. KERRY. Mr. President, I rise to introduce a very important piece of legislation on behalf of myself and Senators WEICKER, STAFFORD, KENNEDY, SIMON, and METZENBAUM, all of whom have a long and distinguished record in helping to improve the lives of citizens with disabilities.

This legislation will really make a positive difference in the lives of children with special needs. The Technology to Educate Children With Handicaps Act or the "Tech" bill, which I might add has been endorsed by over 20 national organizations who represent citizens with disabilities, establishes assistive device resource centers in each State. The purpose of these centers is to act as a resource so that handicapped children, through the use of technology, can gain more independence in the classroom and more independence in their social activities.

In our society from the very first day that a physically challenged infant is born, a host of barriers confront him. And parents of handicapped children are forced to face restrictions in their everyday lives. I cannot tell you the number of times that I have heard from parents about how they must devote each waking hour to making sure that their child is getting a fair and appropriate education; and often being too exhausted to offer any time to other children or even a spouse. But, why does that situation frequently occur? Basically, it is the fear of the unknown. Educators often are afraid of what they do not understand. Children who are nonverbal, children who use wheelchairs and children who have no control over the use of their arms and legs can be quite intimidating to someone who has not had the opportunity to learn about the unlimited potential that a handicapped child possesses.

The legislation that we are introducing today is designed to eliminate the uncomfortable, unfortunate and frankly, unnecessary educational barriers that face our special needs children through the use of technology. In Massachusetts alone, there are approximately 130,000 children who can benefit from the "Tech" bill and nationally the number is close to 4.5 million. The legislation amends the Education of the Handicapped Act by including a new discretionary program. It authorizes $20 million in fiscal year 1988, and the authorization is extended for 3 years. It also includes a State match of 30 percent the first year and then 35 percent and 40 percent for fiscal year 1990. The purpose of the "Tech" bill is to ensure that handicapped children have the opportunity to reach their educational potential through the use of assistive device technology which will enable them to maximize their learning capability. Whether it is the most advanced microcomputer to help a child communicate or a special seating system so that a child can sit up straight and participate in activities around him, assistive devices can mean the difference between sitting alone in a corner of a classroom or joking and playing with a fellow classmate.

Assistive device resource centers provide a number of services to handicapped children and their families. The centers will set up statewide service delivery systems. The centers assess the needs of, and train specialists to assess the needs of handicapped children, in order to determine what type of assistive device is most appropriate for a child in order to help him get the most out of school. Once it is decided what kind of assistive device is right for a child the center will help find funding for the assistive device. Whether it is working with a computer company to have one donated, contacting a private insurer or work out a payment scheme, grants under the Education of the Handicapped Act or even Medicaid funds, the resource center will help parents and their children get an assistive device. The resource center is there to train parents and educators in how to use assistive devices so that they feel comfortable with the device. The resource center will provide followup services with the schools and families to make sure that everything is going well. And then when a child outgrows his device and is ready to move on to more advanced equipment, the resource center is there to help find new equipment, and to act as a sort of clearinghouse for the old equipment so that another child can use the assistive device. And finally assistive device resource centers will disseminate information throughout the States on assistive devices and their availability.

Our Nation has entered the high-technology age. We have reached an era that is dominated by sophisticated computer technology. At a time when every classroom and many households have personal computers it seems particularly appropriate for handicapped children who can benefit most from such technology be able to access it. We have universities and advanced hospitals who have already demonstrated the success of assistive device technology. Let's offer them a boost. Let's take the models that we have in various parts of the country and apply their expertise nationwide, and therefore offer these excellent services to all handicapped children throughout America.

Before I close I would like to briefly tell you about a Massachusetts resident who I met this morning. His name is Ricky Hoyt. He has cerebral palsy, is nonverbal, has limited mobility, and uses a wheel chair. When I met Ricky, through the use of his synthesized talking computer activated by a head switch, Ricky told me what assistive devices have meant to him. After years of frustration of not being able to communicate he now can. He has an active social and recreational life. Rick and his father have been in the Boston marathon several times and currently Rick is attending Boston University and getting a degree in rehabilitation engineering and counseling. Rick told me that assistive devices have made this all possible and that he plans to devote his efforts to ensure that the "Tech" bill is enacted into law.

Mr. President, I thank my distinguished colleagues for their support of the "Tech" bill. I look forward to technology hearings this fall in the Subcommittee on the Handicapped, and I urge my colleagues to join this effort which will really make a tremendous difference to handicapped children. Mr. President, I ask unanimous consent that the bill be printed in the Record. I also ask for unanimous consent that a list of the national organizations who have endorsed the "Tech" bill be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 1586

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. This Act may be cited as the "Technology To Educate Children With Handicaps Act".

FINDING; DECLARATION OF PURPOSE

Sec. 2. (a) Findings.—The Congress finds that assistive devices are beneficial in helping severely handicapped infants, children, and youth improve their educational performance and increase their interaction with other handicapped and nonhandicapped children in the least restrictive environment.

(b) Purpose.—Therefore, it is the purpose of this Act to provide financial assistance for the establishment of assistive device resource centers in each State to allow severely handicapped infants, toddlers, children, and youths to reach their maximum potential in least restrictive environments.

ASSISTIVE DEVICE RESOURCE CENTERS PROGRAM AUTHORIZED

Sec. 3. (a) Program Authorized.—Part G of the Education of the Handicapped Act is amended—

(1) by inserting before section 661 the following:

"Subpart 1—General Authority"; and

(2) by adding at the end thereof the following new subpart:

"Subpart 2—Assistive Device Resource Centers

"ASSISTIVE DEVICE RESOURCE CENTERS AUTHORIZED

"Sec. 663. (a) Program Authorized.—The Secretary shall, from amounts appropriated pursuant to section 669, make grants to States to pay the Federal share of the cost of establishing assistive device resource centers, in accordance with the provisions of this subpart.

"ALLOTMENT

"Sec. 664. The Secretary shall, from the amount appropriated for this subpart for each fiscal year, allot to each State an amount which bears the same ratio to such amount as the number of children with handicaps counted under section 611 of this Act for the fiscal year prior to the fiscal year for which the determination is made bears to the total number of such children in all States, except that no State shall receive less than $150,000.

"SERVICES

"Sec. 665. (a) Eligibility for Services.—Each assistive device resource center established with assistance under this subpart shall serve—

"(1) severely handicapped infants and toddlers as defined by the State in the application required under this subpart;

"(2) severely handicapped children and youth as defined in the State application approved under this subpart; and

"(3) severely handicapped individuals who have attained 21 years of age if the State plan prescribes a targeted population of handicapped individuals who have attained 21 years of age.

"(b) Scope of Center Services.—Each center receiving assistance under this subpart shall—

"(1) train and assist specialists in local educational agencies and nonprofit community organizations to evaluate a handicapped student's potential to benefit from the use of assistive devices;

"(2) instruct teachers, therapists, paraprofessionals, parents, family members, other significant individuals, and handicapped students in the appropriate use of assistive devices;

"(3) provide follow-up services for individuals who have received services by the center when appropriate and collect data to determine the effectiveness of the services provided;

"(4) develop a statewide service delivery system for severely handicapped infants, toddlers, children, and youth that ensures all handicapped children and local educational agencies have access to the services of the center;

"(5) have the ability to assist in the development, design, fabrication, and modification of assistive devices to meet the needs of handicapped individuals;

"(6) disseminate information to local educational agencies and nonprofit community organizations on assistive devices and their availability; and

"(7) provide in-service training to specialists, teachers, administrators, parents, families, and other significant individuals working with handicapped students on the benefits of assistive devices to promote improved educational performance and increased interaction between handicapped and nonhandicapped individuals.

"(c) Priority of Service; Construction.—(1) Each State shall assure priority of services for handicapped infants, toddlers, children, and youth from birth through age 21.

"(2) Nothing in this subpart precludes the provision of services available from the assistive device resource center to handicapped individuals who are no longer eligible for services under the Education of the Handicapped Act.

"(d) Advisory Committee.—(1) Each center receiving assistance under this subpart shall establish an Advisory Committee.

"(2) No Federal funds may be used for the operations of the Advisory Committee.

"APPLICATIONS

"Sec. 666. (a) Applications Required.—Each State desiring to receive its allotment under this subpart shall submit an application to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require.

"(b) Contents of Applications.—(1) Each such application shall—

"(A) describe the manner in which the State will carry out a plan to meet the requirements of this subpart;

"(B) describe the severely handicapped infants, toddlers, children, and youth who will be eligible for services provided through assistance under this subpart;

"(C) describe the types of services that will be offered by the assistive device resource center and the manner in which services will be provided;

"(D) provide assurances that the State will ensure that activities of the assistive device resource center are coordinated with Rehabilitation Engineering Centers in the State;

"(E) describe the procedures that will be used to evaluate the effectiveness of the services provided by the assistive device resource center;

"(F) provide assurances that the State will use Federal funds only to supplement and increase the level of State and local funds expended for assistive device resource centers for handicapped infants, toddlers, children, and youth and in no case to supplant such State and local funds;

"(G) provide assurances that the State will pay from non-Federal sources the non-Federal share of the cost of the application; and

"(H) provide such additional assurances as the Secretary requires to carry out the provisions of this subpart.

"(2) Each application submitted under paragraph (1) shall be submitted by the Governor of the State for a period not to exceed 3 fiscal years.

"(3) Any public agency or private nonprofit organization or institution may submit an application to the State for a grant to establish an assistive device resource center in the State to carry out the services describe in subsection (c).

"PAYMENTS; FEDERAL SHARE

"Sec. 667. (a) Payment Rule.—The Secretary shall pay to each State having an application approved under section 664 the Federal share of the cost of the activities described in the application.

"(b) Federal Share.—The Federal share shall be—

"(1) 70 percent for fiscal year 1988;

"(2) 65 percent for fiscal year 1989; and

"(3) 60 percent for fiscal year 1990.

"DEFINITIONS

"Sec. 668. For the purpose of this subpart—

"(1) the term 'assistive devices' includes adaptive learning devices, mobility and seating systems, augmentative communications systems, writing and reading devices, and environmental control devices;

"(2) the term 'assistive device resource center' means a center established by a public agency or a private nonprofit organization or institution designed to facilitate the appropriate use of commercial and noncommercial available devices that will assist severely handicapped infants, toddlers, children, and youth, and other handicapped individuals to reach their maximum potential; and

"(3) the term 'severely handicapped infants, toddlers, children, and youth' means handicapped infants, toddlers, children, and youth who, because of the intensity of their physical, mental, or emotional problems, need specialized educational and technological services in order to reach their maximum potential in the least restrictive environment.

"AUTHORIZATION OF APPROPRIATIONS

"Sec. 669. There are authorized to be appropriated to carry out the provisions of this subpart $20,000,000 for the fiscal year 1988 and such sums as may be necessary for each succeeding fiscal year ending prior to October 1, 1990.".

(b) Technical Amendment.—Section 662 of such Act is amended by striking out "part" and inserting in lieu thereof "subpart".

Groups Who Have Endorsed the Kerry TECH Legislation

American Association of University Affiliated Programs.

American Association of Mental Deficiency.

American Occupational Therapy Association

American Physical Therapy Association.

American Speech Language Hearing Association.

Association for Education of Rehabilitation Personnel.

Association for Children and Adults with Learning Disabilities.

Association for Retarded Citizens.

Association for Advance Rehabilitation Technology.

Child Welfare League of America.

Conference of Education Administrators Serving the Deaf.

Council of Organizational Representatives.

Disability Rights and Defense Fund.

Epilepsy Foundation.

Federation of Children with Special Needs.

National Association of Protection and Advocacy Systems.

National Association of Rehabilitation Professionals in the Private Sector.

National Association of State Directors of Special Education.

National Council on Rehabilitation Education.

National Easter Seal Society.

National Head Injury Foundation.

Spina Bifida Association of America.

United Cerebral Palsy Association.

TECHNOLOGY TO EDUCATE CHILDREN WITH HANDICAPS ACT

Mr. WEICKER. Mr. President, I am proud to be an original cosponsor of the Technology to Educate Children With Handicaps Act, a bill introduced today by Senator John Kerry. This important legislation will amend the Education of the Handicapped Act to add a new section authorizing grants to States for establishing assistive devices resource centers to help integrate severely handicapped infants and children into the classroom through the use of technology. These centers will be required to develop a statewide system of service delivery to ensure that disabled children have access to the services of the resource center. They will further be able to train parents, educators, and disabled children themselves on the use of these technological devices.

Technology for individuals with disabilities is clearly an important and evolving area which has proven its value in assisting individuals with severe disabilities to be more independent, and thus more integrated into the mainstream. Last year the amendments to the Rehabilitation Act recognized the value of technology through its emphasis on rehabilitation engineering as a means of getting people with disabilities into the competitive work force. This bill recognizes the equally important role that techonology can play in reducing barriers in communication, mobility, self-direction, and learning in the lives of children who have severe disabilities.

This measure will be referred to the Subcommittee on the Handicapped, now chaired by Senator Harkin. Under his leadership, the subcommittee intends to hold hearings on the use of technology to benefit the Nation's disabled citizens, and the measure being introduced today merits careful consideration by the subcommittee as it develops comprehensive technology legislation.

I look forward to working with Senator Kerry, Senator Harkin, and the cosponsors of this legislation to ensure that individuals with disabilities are able to access the technology which can make the difference between dependence and independence, and a life of dignity and fulfillment for millions of Americans.

Mr. STAFFORD. Mr. President, I am pleased to join my colleagues, Senator Kerry and Senator Weicker, as an original cosponsor of the Technology to Educate Children Act of 1987. This legislation will provide funds to States to establish assistive devices resource centers. These centers will in turn help local school districts with their important task of integrating severely handicapped youngsters in our public schools.

Technology to assist the disabled has made dramatic strides in recent years. Previously isolated individuals are now able to communicate with specially equipped computer terminals. People with severe physical handicaps have new found mobility because of advances in rehabilitation engineering. I am sure many of us know someone personally who has benefited from this remarkable new technology.

This legislation will bring state-of-the-art technology services within reach of urban as well as rural communities around the Nation. Very severely disabled children for whom a least restrictive school placement was once a hospital room will be able to attend their neighborhood schools with the benefit of services made available through assistive devices centers.

In summary, technological advances which once served only the most fortunate among us will be available to everyone.

When Congress enacted Public Law 94-142, the Education of All Handicapped Children Act, the discretionary programs were included to enable States, universities, and other grant recipients to keep pace with evolutions in the field of special education. Their inclusion demonstrated an awareness that the kinds of services which would be needed to truly integrate handicapped people in the mainstream of public education would change over time. We have entered a technological era that holds great promise for physically and mentally challenged children and adults. The legislation being introduced today is modest in scope but limitless in the future opportunities it holds for handicapped people of all ages. I commend Senator Kerry and Senator Weicker for their leadership on this issue, and encourage my Senate colleagues to join me in cosponsoring this legislation.

By Mr. D'AMATO:

S. 1587. A bill to authorize the minting of commemorative coins to support the training of American athletes participating in the 1988 Olympic Games; to the Committee on Banking, Housing, and Urban Affairs.

1988 OLYMPIC COMMEMORATIVE COIN ACT

● Mr. D'AMATO. Mr. President, I rise today to introduce legislation authorizing the minting of gold and silver commemorative coins next year memorializing the competition of U.S. athletes in the 1988 winter and summer Olympic Games. These coins will help raise the funds needed for the support and training of America's athletes. In so doing, I am pleased and proud to be following my distinguished friend from Illinois, Congressman Frank Annunzio, who has introduced the companion bill in the other body, H.R. 2741.

Across America, thousands of our finest athletes are in training today for the 1988 U.S. Olympic teams. Many of them are making great personal sacrifices in the sole hope of representing the land they love at the highest level of international competition. Thousands of hours of lonely practice must be put into the goal of standing on the victory platform while the American flag is raised, and our

National Anthem is played. As the hearts of Americans swell with pride.

This idea is not novel. It has helped before to make a significant contribution to the support of America's athletes. In 1982, Congress authorized a similar minting of commemorative coins for the 1984 Los Angeles Olympic Games. Sale of those coins raised $73.5 million for the U.S. Olympic Committee, making it possible for the USOC to distribute $6.4 million to the amateur sports organizations responsible for the promotion of particular amateur sports. This money played a significant role in enabling our competitors to win more medals in the 1984 summer games than ever won by any nation at a single olympiad.

An additional $31.7 million in money raised from these sales helped fund the United States Olympic Foundation.

While that money has been a tremendous help to the Olympic Committee, the costs of participating in the Olympic Games continue to rise. This new minting should help raise millions of badly needed dollars so that American athletes can have the facilities necessary to fully realize their potential and do their best at the games.

This bill authorizes the minting of 1 million gold coins and 10 million silver coins to be sold directly by the U.S. Mint to the public. A surcharge attached to the coins will go directly to the U.S. Olympic Committee to support local amateur programs and erect facilities for athletic training.

The legislation directs, incidentally, that the coins be sold at no net cost to the Government.

Mr. President, I am pleased to join Congressman ANNUNZIO in sponsoring this effort and I sincerely hope all of my colleagues will join me in supporting our Olympic athletes.●

ADDITIONAL COSPONSORS

S. 680

At the request of Mr. CHAFEE, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 680, a bill to prohibit the use of subtherapeutic doses of penicillin, chlortetracycline, and oxytetracycline in animal feed.

S. 889

At the request of Mr. GORE, the names of the Senator from Missouri [Mr. DANFORTH], and the Senator from South Carolina [Mr. HOLLINGS] were added as cosponsors of S. 889, a bill to amend the Communications Act of 1934 to provide for fair marketing practices for certain encrypted satellite communications.

S. 909

At the request of Mr. REID, the name of the Senator from Tennessee [Mr. GORE] was added as a cosponsor of S. 909, a bill to require that all amounts saved as a result of Federal Government contracting pursuant to Office of Management and Budget Circular A-76 be returned to the Treasury, that manpower savings resulting from such contracting be made permanent, and that employees of an executive agency be consulted before contracting determinations by the head of that executive agency are made pursuant to that circular.

S. 1085

At the request of Mr. GLENN, the names of the Senator from Arkansas [Mr. PRYOR], the Senator from Maine [Mr. COHEN], and the Senator from Pennsylvania [Mr. HEINZ] were added as cosponsors of S. 1085, a bill to create an independent oversight board to ensure the safety of U.S. Government nuclear facilities, to apply the provisions of OSHA to certain Department of Energy nuclear facilities, to clarify the jurisdiction and powers of Government agencies dealing with nuclear wastes, to ensure independent research on the effects of radiation on human beings, and for other purposes.

S. 1142

At the request of Mr. SHELBY, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of S. 1142, a bill to provide Federal recognition of the Mowa Band of Choctaw Indians of Alabama.

S. 1436

At the request of Mr. DANFORTH, the name of the Senator from Missouri [Mr. BOND] was added as a cosponsor of S. 1436, a bill to amend the Hazardous Materials Transportation Act regarding the transportation by rail of certain materials, and for other purposes.

S. 1438

At the request of Mr. DURENBERGER, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 1438, a bill to assist rural hospitals facing unfair Medicare payment policies.

S. 1440

At the request of Mr. EVANS, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 1440, a bill to provide consistency in the treatment of quality control review procedures and standards in the Aid to Families with Dependent Children, Medicaid and Food Stamp programs; to impose a temporary moratorium for the collection of penalties under such programs, and for other purposes.

S. 1503

At the request of Mr. HEFLIN, the name of the Senator from Alabama [Mr. SHELBY] was added as a cosponsor of S. 1503, a bill to cancel repayment of the community disaster loan made to the city of Prichard, Alabama.

S. 1511

At the request of Mr. MOYNIHAN, the name of the Senator from Vermont [Mr. STAFFORD] was added as a cosponsor of S. 1511, a bill to amend title IV of the Social Security Act to replace the AFDC program with a comprehensive program of mandatory child support and work training which provides for transitional child care and medical assistance, benefits improvement, and mandatory extension of coverage to two-parent families, and which reflects a general emphasis on shared and reciprocal obligation, program innovation, and organizational renewal.

S. 1550

At the request of Mr. MOYNIHAN, the names of the Senator from North Dakota [Mr. BURDICK], the Senator from Maine [Mr. MITCHELL], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Louisiana [Mr. BREAUX], the Senator from Nevada [Mr. REID], the Senator from Florida [Mr. GRAHAM], the Senator from Vermont [Mr. STAFFORD], the Senator from Minnesota [Mr. DURENBERGER], and the Senator from Virginia [Mr. WARNER] were added as cosponsors of S. 1550, a bill to complete the Federal Triangle in the District of Columbia, to construct a public building to provide Federal office space and space for an international cultural and trade center, and for other purposes.

SENATE JOINT RESOLUTION 41

At the request of Mr. GLENN, the names of the Senator from Arizona [Mr. DECONCINI], the Senator from Arkansas [Mr. BUMPERS], the Senator from Alabama [Mr. SHELBY], the Senator from Tennessee [Mr. GORE], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Connecticut [Mr. WEICKER], the Senator from Iowa [Mr. GRASSLEY], the Senator from Washington [Mr. ADAMS], the Senator from Idaho [Mr. MCCLURE], and the Senator from Hawaii [Mr. MATSUNAGA] were added as cosponsors of Senate Joint Resolution 41, a joint resolution to designate the period commencing on November 22, 1987, and ending on November 29, 1987, as "National Family Caregivers Week".

SENATE JOINT RESOLUTION 53

At the request of Mr. CRANSTON, the names of the Senator from New Mexico [Mr. DOMENICI] and the Senator from Utah [Mr. HATCH] were added as cosponsors of Senate Joint Resolution 53, a joint resolution to designate the period commencing November 22, 1987, and ending November 28, 1987, as "American Indian Week".

SENATE JOINT RESOLUTION 106

At the request of Mr. BINGAMAN, the names of the Senator from Connecticut [Mr. WEICKER], the Senator from New Hampshire [Mr. RUDMAN], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Vermont [Mr. STAFFORD], the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from Nebraska [Mr. EXON], the Senator from California [Mr.

Wilson], and the Senator from Utah [Mr. Hatch] were added as cosponsors of Senate Joint Resolution 106, a joint resolution to recognize the Disabled American Veterans Vietnam Veterans National Memorial as a memorial of national significance.

SENATE JOINT RESOLUTION 173

At the request of Mr. Reid, the names of the Senator from New Mexico [Mr. Bingaman], the Senator from New York [Mr. D'Amato], the Senator from Rhode Island [Mr. Pell], the Senator from Wisconsin [Mr. Proxmire], and the Senator from Illinois [Mr. Dixon] were added as cosponsors of Senate Joint Resolution 173, a joint resolution to commemorate the 200th anniversary of the signing of the United States Constitution.

AMENDMENT NO. 591

At the request of Mr. Danforth, the name of the Senator from Hawaii [Mr. Matsunaga] was added as a cosponsor of amendment No. 591 intended to be proposed to S. 328, a bill to amend chapter 39, United States Code, to require the Federal Government to pay interest on overdue payments, and for other purposes.

SENATE RESOLUTION 267—TO RECOGNIZE RACHEL CARSON ON THE 25TH ANNIVERSARY OF HER BOOK "SILENT SPRING"

Mr. MITCHELL (for himself and Mr. Cohen) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. Res. 267

Whereas Rachel Carson, through her writings and work, made unprecedented contributions to public awareness and understanding of the natural environment and environmental issues;

Whereas her book, "Silent Spring", awakened the American public to the dangers posed by the misuse of chemical pesticides;

Whereas "Silent Spring" helped foster general public concern for the integrity of the natural environment and for the environmental threats posed by pollution of the water, air, and land;

Whereas the growth of environmental consciousness that occurred in the years following "Silent Spring" provided the foundation necessary for the enactment of our existing environmental laws;

Whereas continued public understanding of the natural environment is essential to the continued success of efforts to identify and respond to pollution problems; and

Whereas 1987 is the twenty-fifth anniversary of Rachel Carson's book, "Silent Spring": Now, therefore, be it

"*Resolved*, That it is the sense of the Senate to recognize the outstanding contributions of Rachel Carson to public awareness and understanding of environmental issues on the twenty-fifth anniversary of her book, "Silent Spring".

● Mr. MITCHELL. Mr. President, I rise today to submit a resolution commemorating the 25th anniversary of Rachel Carson's classic work "Silent Spring."

I am pleased that Senator Cohen, the senior Senator from our home State of Maine, is joining me in submitting this resolution. Ms. Carson lived and worked in Maine for many years. And, a major wildlife refuge on the Maine coast bears her name.

The publication of "Silent Spring" forever changed America's environmental landscape. It contributed to an awakening of public awareness to a range of environmental problems and helped generate the environmental consciousness which is the foundation of our existing environmental laws.

"Silent Spring" brought to light the grave effect commonly used pesticides were having upon our environment. Ms. Carson documented the toxic nature of many pesticides and identified the threats they posed to the quality of surface and ground waters, to wildlife, and to humans.

Ms. Carson's work generated immediate controversy. The book was praised for its assessment of the environmental impact of chemical pesticides and its translation of technical data into a readable and understandable discussion. At the same time, the book was attacked by some who called it alarmist and challenged the quality of its research.

Through all the controversy, one thing has never been in doubt: the public appeal of the book has always been overwhelming. To this date, over 1½ million copies have been printed.

"Silent Spring" was not Rachel Carson's only contribution to our understanding and appreciation of the natural world. She published several books relating to Maine and the environment, including "The Sea Around Us," "The Edge of the Sea," and "Under the Sea Wind."

The greatest tribute to the work of Rachel Carson has already been paid to her by the American people. Over the last 25 years we have made tremendous strides in the field of environmental protection. The Congress has enacted statutes to protect the quality of air and water. We have made great strides to control hazardous wastes, to clean up neglected and dangerous waste disposal sites, and to ensure the safe use of pesticides and other chemicals. And, we are working to improve and expand these laws as new problems arise.

We have seen the inception of a Federal agency to manage environmental problems. And, at the State level, environmental agencies have been established and State legislatures have enacted a wide range of statutes designed to further protect our environment and public health. The greatest tribute to Rachel Carson's work is our commitment to protecting the environment.

The closing chapter of "Silent Spring" is titled "The Other Road" and begins with the following words:

> We stand now where two roads diverge. But unlike the roads in Robert Frost's familiar poem, they are not equally fair. The road we have long been traveling is deceptively easy, a smooth superhighway on which we progress with great speed, but at its end lies disaster. The other fork of the road—the one "less traveled by"—offers our last, our only chance to reach a destination that assures the preservation of our earth. The choice, after all, is ours to make. If, having endured much, we have at last asserted our "right to know" and if, knowing, we have concluded that we are being asked to take senseless and frightening risks, then we should no longer accept the counsel of those who tell us that we must fill our world with poisonous chemicals; we should look about and see what other course is open to us.

Millions of Americans have considered this choice over the past 25 years. Overwhelmingly, they have chosen to pass laws and build programs which will ensure the continued protection of our environment and public health.

In closing, let me say that if Rachel Carson could be with us today, I hope she would be pleased. Pleased to see that the American people have risen to the challenge she laid before them in "Silent Spring." Pleased to see that we are continuing to work together to ensure that we will never have to face a silent spring.●

● Mr. COHEN. Mr. President, it is now 25 years since Rachel Carson, an adopted daughter of Maine, warned of the dangers that man-made pollutants, particularly pesticides, pose to our environment and ourselves.

"We stand now where two roads diverge," she wrote in 1962 in "Silent Spring," her compelling work that told of communities where birds had been silenced by the toxic effects of pesticides. I am pleased to join my distinguished colleague from Maine, Senator Mitchell, in submitting a resolution commemorating the 25th anniversary of the publication of "Silent Spring."

Rachel Carson dedicated her life to educating us about the need to protect our world now in order to preserve it for future generations. "We could," she wrote, "continue to poison our environment with chemicals designed to destroy the Earth's insect population, or we could undertake an alternate means of natural control and environmental cleanup."

In the quarter century since she first sounded the alarm, we have made tremendous progress in cleaning up our world. Legislation has been enacted to protect our air and water, and we in Congress continue to make strides in tightening those environmental controls.

We have also passed laws, such as the Resource Conservation and Recovery Act, to govern the disposition of toxic and solid waste, and the Superfund law to assist in safe cleanup when the procedures for proper disposition were not followed. Other statutes protect our drinking water, our oceans, our marine mammals, and our coastal areas. We've taken the lead out of most of our gasoline and the asbestos out of most of our buildings. DDT is no longer used on our crops.

But considerable dangers remain. We still have not figured out how to get rid of PCB's. Dioxin contamination continues to be a problem, and the chemical chlordane is still forcing people from their homes, 25 years after Rachel Carson questioned its household use.

Our last attempt to rewrite and strengthen the Federal pesticide law foundered last year, the victim of a clogged congressional calendar, political disagreements among environmentalists and the chemical industry, and a battle over States rights.

And there is clearly other work in the environmental area that remains to be done. We in Congress have not really tackled the question of ground water pollution, for example, and there still are many more chemical hazards in the food chain, the workplace and elsewhere that we must address.

But it is fitting that we pause at this 25-year milestone and remember Rachel Carson, who provided much of the impetus for the cleanup and chemical control efforts of recent years. To honor her memory—she died in 1964, just 2 short years after publication of "Silent Spring"—Senator MITCHELL and I are sponsoring this resolution to recognize the outstanding contributions that she made to the public understanding of environmental issues.

Rachel Carson loved Maine, and we are quite proud of the national wildlife refuge on our south coast that is named in her honor. She wrote:

> The shore is an ancient world, for as long as there has been an Earth and sea there has been this place of the meeting of land and water. Yet it is a world that keeps alive the sense of continuing creation and of the relentless drive of life. Each time that I enter it, I gain some new awareness of its beauty and its deeper meanings, sensing that intricate fabric of life by which one creature is linked with another, and each with its surroundings * * *.

Without Rachel Carson's efforts at environmental education, I daresay we would not have come as far in the protection of our world and the recognition of potential threats to human health and the environment. I urge my Senate colleagues to join the 53 cosponsors of this resolution in honoring the landmark work of Rachel Carson and dedicating ourselves to carrying on with that effort.●

AMENDMENTS SUBMITTED

IMPLEMENTATION OF PROVISIONS OF ANNEX V TO THE INTERNATIONAL CONVENTION FOR THE PREVENTION OF POLLUTION FROM SHIPS

CHAFEE AMENDMENT NO. 656

(Ordered referred to the Committee on Environment and Public Works.)

Mr. CHAFEE submitted an amendment intended to be proposed by him to the bill (S. 560) to implement the provisions of Annex V to the International Convention for the Prevention of Pollution from Ships, as modified by the Protocol of 1978; as follows:

Strike out all after the enacting clause and insert in lieu thereof the following: That the purpose of this Act is to amend the Act to Prevent Pollution from Ships to implement Annex V, Regulations for the Prevention of Pollution by Garbage from Ships.

SEC. 2. Section 2 of the Act to Prevent Pollution from Ships is amended as follows:

(a) Paragraph (1) is amended to read as follows:

"(1) 'MARPOL Protocol' means the Protocol of 1978 relating to the International Convention for the Prevention of Pollution from Ships, 1973, and includes the 'Convention';".

(b) Paragraph (2) is amended by striking all after "Annexes I" and substituting ", II, and V thereto, including any modifications or amendments to the Convention, Protocols, or Annexes which have entered into force for the United States;".

(c) Paragraph (3) is amended after " 'discharge' " by inserting "and 'garbage' ".

SEC. 3. Section 3 of the Act to Prevent Pollution from Ships is amended as follows:

(a) Subsection (a) is amended to read as follows:

"(a) This Act applies to—

"(1) except as provided in paragraph (2) of this subsection,

"(A) a ship of United States registry or nationality, or one operated under the authority of the United States, wherever located; and

"(B) a ship, other than a ship referred to in clause (A) of this paragraph, while in the navigable waters of the United States.

"(2) with respect to subsection (c)(2) of this section, section 4(a)(3), section 8(d), section 9(f)(2), and section 11(c) of this Act, a ship which is not of the registry, of the nationality, or operated under the authority of a party to Annex V of the Convention, while in the navigable waters of the United States or the exclusive economic zone of the United States.

"(3) with respect to regulations under section 6 of this Act, any port or terminal in the United States."

(b) Subsection (c) is amended to read as follows:

"(c)(1) The Secretary shall prescribe regulations applicable to the ships of a country not a party to the MARPOL Protocol to ensure that their treatment is not more favorable than that accorded ships of parties to the MARPOL Protocol.

"(2) The Secretary shall adopt regulations conforming to and giving effect to Annex V of the Convention.

SEC. 4. Section 4(a) of the Act to Prevent Pollution from Ships is amended to read as follows:

"(a) Unless otherwise specified in this Act, the Secretary shall administer and enforce the MARPOL Protocol and this Act. In the administration and enforcement of the MARPOL Protocol and this Act—

"(1) except as provided in paragraphs (2) and (3) of this subsection, the MARPOL Protocol and this Act apply to all ships;

"(2) Annexes I and II of the Convention and this Act apply only to seagoing ships; and,

"(3) this Act applies to all ships referred to in section 3(a)(2) of this Act.

SEC. 5. Section 6 of the Act to Prevent Pollution from Ships is amended as follows:

(a) Subsection (a) is amended by—

(1) inserting "(1)" immediately after "(a)";

(2) in the first sentence of newly designated subsection (a)(1), after "reception facilities", inserting "for mixtures containing oil or noxious liquid substances";

(3) adding a new paragraph (2) to read as follows:

"(2) The Secretary, after consulting with appropriate Federal agencies, shall establish regulations respecting the adequacy of reception facilities for garbage at a port or terminal, and shall specify the ports or terminals which shall be required to provide such reception facilities. Persons in charge of ports and terminals shall provide reception facilities for receiving garbage in accordance with those regulations."

(b) Subsection (b) is amended after "reception facilities" by inserting ", and in establishing regulations under subsection (a) of this section," and after "seagoing ships" inserting ", or, as appropriate, ships,".

(c) Subsection (c) is amended by striking "the MARPOL Protocol" and substituting "Annexes I and II of the Convention".

(d) Subsection (e) is amended by—

(1) inserting "(1)" immediately after "(e)";

(2) striking "(1)" and substituting "(A)";

(3) striking "(2)" and substituting "(B)";

(4) in clause (A), as redesignated by this subsection, striking "the MARPOL Protocol" and substituting "Annexes I and II of the Convention"; and

(5) adding a new paragraph (2) to read as follows:

"(2) The Secretary may deny the entry of a ship to a port or terminal required by regulations issued under this section to provide reception facilities for garbage if the port or terminal is not in compliance with those regulations."

SEC. 6. Section 8 of the Act to Prevent Pollution from Ships is amended as follows:

(a) Subsection (c) is amended by—

(1) inserting "(2)" immediately after "(c)";

(2) striking "(1)" and substituting "(A)";

(3) striking "(2)" and substituting "(B)";

(4) in clause (A) as redesignated by this subsection, after "harmful substance" inserting "or disposed of garbage";

(5) in clause (B) as redesignated by this subsection—

(A) after "harmful substance" inserting "or disposed of garbage";

(B) after "that a discharge", inserting "or a disposal";

(6) In paragraph (2) as redesignated by this subsection, in the last sentence, striking "If a report made under this subsection involves a ship other than one of United States registry or nationality or one operated under the authority of the United States," and capitalizing "the" immediately following the struck words.

(7) before the newly redesignated paragraph (2) inserting new paragraph (1) to read as follows:

"(1) This subsection applies to inspections respecting—

"(A) possible violations of Annex I or Annex II of the Convention by any seagoing ship referred to in section 3(a)(1)(B) of this Act, and

"(B) possible violations of Annex V of the Convention by any ship of the registry, of the nationality, or operated under the authority of a party to Annex V of the Convention other than the United States."

(b) After subsection (c) add new subsections (d) and (e) as follows:

"(d)(1) This subsection applies to inspections respecting possible violations of the regulations adopted under section 3(c)(2) of this Act by any ship referred to in section 3(a)(2) of this Act.

"(2) To the extent authorized by international law, a ship may be inspected by the Secretary to verify whether or not the ship has disposed of garbage in violation of the regulations adopted under section 3(c)(2) of this Act.

"(3) If an inspection under this subsection indicates that a violation has occurred, the Secretary may undertake, in accordance with international law, enforcement action under section 9 of this Act.

"(e)(1) This subsection applies to inspections respecting possible violations of the MARPOL Protocol by any ship of United States registry or nationality, or operating under the authority of the United States.

"(2) The Secretary may inspect at any time a ship to which the MARPOL Protocol applies to verify whether or not the ship has discharged a harmful substance or disposed of garbage in violation of that Protocol.

"(3) If an inspection under this subsection indicates that a violation has occurred, the Secretary may undertake enforcement action under section 9 of this Act.

(c) Redesignate subsection "(d)" as subsection "(f)"."

SEC. 7. Section 9(f) of the Act to Prevent Pollution from Ships is amended as follows:

(a) Insert "(1)" immediately after "(f)".

(b) In paragraph (1) as redesignated by this section, strike "by a ship registered in or of the nationality of a country party to the MARPOL Protocol, or one operated under the authority of a country party to the MARPOL Protocol," and substitute "one which is referred to in section 8(c)(1) of this Act," and strike "to that country" and substitute "to the government of the country of the ship's registry or nationality, or under whose authority the ship is operating".

(c) Add a new paragraph (2) to read as follows:

"(2) Any action taken under this section with respect to violations of regulations adopted under section 3(c)(2) of this Act shall be in accordance with international law."

SEC. 8. Section 10 of the Act to Prevent Pollution from Ships is amended as follows:

(a) In subsection (a), strike "Inter-Governmental Maritime Consultative Organization", and substitute "International Maritime Organization".

(b) In subsection (b), strike "Annex I or II, appendices to the Annexes, or Protocol I of the MARPOL Protocol," and substitute "Annexes I, II, or V, appendices to those Annexes, or Protocol I of the Convention", and strike "Inter-Governmental Maritime Consultative Organization" and substitute "International Maritime Organization".

SEC. 9. Section 11 of the Act to Prevent Pollution from Ships is amended as follows:

(a) After subsection (b) add a new subsection (c) to read as follows:

"(c) Any person suffering damage or loss from any action of the Secretary, taken pursuant to section 8(d) or section 3(c)(2) of this Act, which is alleged to have been unlawful or to have exceeded that which is reasonably required in the light of available information may bring an action under this section to recover compensation for that damage or loss."

(b) Change existing subsections "(c)" through "(e)" to "(d)" through "(f)" respectively.

SEC. 10. (a) Except as provided in subsection (b) of this section, this Act shall be effective on the date Annex V of the Convention enters into force in the United States.

(b) The authority to adopt and issue regulations under this Act shall be effective on the date of enactment of this Act.

SEC. 11. Section 3(f) of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended, (33 U.S.C. 1402(f)) is amended by inserting "or a discharge or disposal subject to regulation by the Act to Prevent Pollution from Ships, as amended," after "operation of motor-driven equipment on, vessels".

● Mr. CHAFEE. Mr. President, in February I introduced S. 560, a bill to implement the provisions of annex V to the International Convention for the Prevention of Pollution From Ships, commonly known as Marpol. My purpose in introducing this bill was to ensure that there would be no delay in considering legislation to implement the provisions of this important treaty.

Within the last few days the Coast Guard has completed a legislative proposal which, if enacted, will also implement the provisions of annex V. This legislative proposal is strongly supported by the administration, and forms a solid basis for a law to enact the provisions of annex V. I am therefore amending my original bill to reflect the proposed legislation received by the Senate on July 22 from the Secretary of Transportation.

I would ask that immediately following these remarks, the amendment to S. 560 appear in the RECORD.

Mr. President, last week I appeared before the Senate Foreign Relations Committee to testify on the importance of ratification of annex V of Marpol. In order for this annex to enter into force, the treaty must be ratified by nations representing at least 50 percent of the world's shipping tonnage. In July the Soviet Union announced that it had ratified annex V. This creates an opportunity for the United States. If, as is my hope, the Senate approves a resolution of advice and consent for annex V, nations representing more than 50 percent of the world's shipping tonnage will have ratified the treaty, and it will have the force of international law.

It is time that we stop using the ocean as a collective garbage dump for nondegradable materials. I strongly urge the Committee on Foreign Relations to issue a favorable report on this treaty, and recommend to the full Senate that we ratify this important annex without delay.●

NOTICE OF HEARINGS

COMMITTEE ON SMALL BUSINESS

Mr. BUMPERS. Mr. President, I would like to announce that the Small Business Committee will hold a field hearing in Worland, WY, on Friday, August 14, 1987, to examine the problems confronting small businesses in Wyoming related to the difficult circumstances facing the energy industry. The hearing will be held at the Worland Elks' Club and will commence at 9 a.m. For further information, please call Chuck Culver of the committee staff at 224-3188, or Bonnie Cannon of Senator WALLOP's office at 224-0871.

Mr. President, I would like to announce that the Small Business Committee will hold a full committee hearing on Thursday, September 17, 1987, on S. 818, a bill to provide permanent authorization for White House conferences on small business. The hearing will commence at 10 a.m. and will be held in room 428A of the Russell Senate Office Building. For further information, please call Todd Patterson of the committee staff at 224-3840.

Mr. President, I would like to announce that the Small Business Committee will hold a full committee oversight hearing on the Small Business Administration's Small Business Development Center Program on Tuesday, September 22, 1987. The hearing will be held in room 428A of the Russell Senate Office Building and will commence at 10 a.m. For further information, please call Patty Barker of the committee staff at 224-8495.

ADDITIONAL STATEMENTS

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS

● Mr. HEFLIN. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD notices of Senate employees who participate in programs, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The select committee has received a request for a determination under rule 35, for Mr. Ken Apfel, a member of the staff of Senator BILL BRADLEY, to participate in a program in the People's Republic of China, organized by the United States-China Friendship

Program, in conjunction with the United States-Asia Institute, and sponsored by the Chinese People's Institute of Foreign Affairs, in August 1987.

The committee has determined that participation by Mr. Apfel in the program in the People's Republic of China, at the expense of the Chinese People's Institute of Foreign Affairs, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Mr. Paul Vick, a member of the staff of Senator TERRY SANFORD, to participate in a program in the People's Republic of China, organized by the United States-China Friendship Program, and sponsored by the Chinese People's Institute of Foreign Affairs, in conjunction with the United States-Asia Institute, from August 8-24, 1987.

The committee has determined that participation by Mr. Vick in the program in the People's Republic of China, at the expense of the Chinese People's Institute of Foreign Affairs, in conjunction with the United States-Asia Institute, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Mr. Donald Hardy, a member of the staff of Senator ALAN K. SIMPSON, to participate in a program in the People's Republic of China, organized by the United States-China Friendship Program, and sponsored by the Chinese People's Institute of Foreign Affairs, in conjunction with the United States-Asia Institute, from August 8-24, 1987.

The committee has determiend that participation by Mr. Hardy in the program in the People's Republic of China, at the expense of the Chinese People's Institute of Foreign Affairs, in conjunction with the United States-Asia Institute, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Ms. Catherine Porter, a member of the staff of Senator JOHN H. CHAFEE, to participate in a program in Japan, sponsored by the Congressional Economic Leadership Institute and paid for by the Japan-United States Friendship Commission, from August 8-15, 1987.

The committee has determined that participation by Ms. Porter, in the program in Japan, at the expense of the Japan-United States Friendship Commission, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Senator MITCH MCCONNELL, and two members of his staff, Niels Holch and Robin Cleveland, to participate in a program in the Republic of Turkey, sponsored by the Turkish Foreign Policy Institute, from August 8-14, 1987.

The committee has determined that participation by Senator MCCONNELL, Mr. Holch, and Ms. Cleveland in the program in Turkey, at the expense of the Turkish Foreign Policy Institute, is in the interest of the Senate and the United States.

The select committee has received a request for determination under rule 35, for Mr. J. Thomas Sliter, a member of the staff of Senator ROBERT C. BYRD, to participate in a program in the People's Republic of China, organized by the United States-China Friendship Program, and sponsored by the Chinese People's Institute of Foreign Affairs, in conjuction with the United States-Asia Institute, from August 8-25, 1987.

The committee has determined that participation by Mr. Sliter, in the program in the People's Republic of China, at the expense of the Chinese People's Institute of Foreign Affairs, in conjuction with the United States-Asia Institute, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Mr. Harry Broadman, a member of the staff of the Committee on Governmental Affairs, to participate in a program in the People's Republic of China, organized by the United States-China Friendship Program, and sponsored by the Chinese People's Institute of Foreign Affairs, in conjunction with the United States-Asia Institute, from August 8-25, 1987.

The committee has determined that participation by Mr. Broadman, in the program in the People's Republic of China, at the expense of the Chinese People's Institute of Foreign Affairs, in conjunction with the United States-Asia Institute, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Ms. Catherine Porter, a **member of the staff of Senator JOHN H. CHAFEE, to participate in a pro**gram in South Korea, sponsored by the Ilhae Institute of Seoul, South Korea, from August 9-17, 1987.

The committee has determined that participation by Ms. Porter, in the program in South Korea, at the expense of the Ilhae Institute of Seoul, South Korea, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Ms. Gina Despres, a member of the staff of Senator BILL BRADLEY, to participate in a program in Japan, sponsored by the Policy Study Group of Japan.

The committee has determined that participation by Ms. Despres, in the program in Japan, at the expense of the Policy Study Group of Japan, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Ms. Kathleen Harrington, a member of the staff of Senator CHRISTOPHER J. DODD, to participate in a trip to Seoul, South Korea, sponsored by the Ilhae Institute of Seoul, South Korea, from August 8-17, 1987.

The committee has determined that participation by Ms. Harrington in the program in South Korea, at the expense of the Ilhae Institute of Seoul, South Korea, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Ms. Barbara Larkin, a member of the staff of Senator TERRY SANFORD, to participate in a program in South Korea, sponsored by the Ilhae Institute of Seoul, South Korea, from August 22-29, 1987.

The committee has determined that participation by Ms. Larkin, in the program in South Korea, at the expense of the Ilhae Institute of Seoul, South Korea, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Mr. Andrew Hyde, a member of the staff of Senator JOHN WARNER, to participate in a trip to Seoul, South Korea, sponsored by the Ilhae Institute of Seoul, South Korea, from August 9-17, 1987.

The committee has determined that participation by Mr. Hyde in the program in South Korea, at the expense of the Ilhae Institute of Seoul, South Korea, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Mr. William Wight, a member of the staff of Senator JOHN WARNER, to participate in a program in the Republic of China on Taiwan, sponsored by Tunghai University, from August 8-16, 1987.

The Committee has determined that participation by Mr. Wight in the program in the Republic of China on Taiwan, at the expense of Tunghai University, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Ms. Jennifer Hillman, a member of the staff of Senator TERRY SANFORD, to participate in a trip to Seoul, South Korea, sponsored by the Ilhae Institute of Seoul, South Korea, from August 9-17, 1987.

The committee has determined that participation by Ms. Hillman in the program in South Korea, at the expense of the Ilhae Institute of Seoul, South Korea, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule

35, for Ms. Mary D. Pembroke, a member of the staff of the Committee on Banking, Housing, and Urban Affairs, to participate in a program in the Republic of China, Taiwan, sponsored by the Chinese Culture University, from August 17-24, 1987.

The committee has determined that participation by Ms. Pembroke, in the program in the Republic of China, Taiwan, at the expense of the Chinese Culture University, is in the interest of the Senate and the United States.●

RECOGNIZING THE EMANUEL PIETERSON HISTORICAL SOCIETY

● Mr. D'AMATO. Mr. President, I rise today to call the attention of my colleagues to the Emanuel Pieterson Historical Society. This organization's service to the Afro-American community in New York State deserves recognition.

The society was established in August 1975 to preserve the history of Afro-American culture, encourage understanding and appreciation of Afro-American life, and promote the stability and preservation of historical Harlem-like communities.

Since its founding, the society has been instrumental in gaining national landmark designation of various Harlem sites, including the Harlem River Houses, our Nation's first federally funded housing projects.

The society also hosts functions that honor a broad range of distinguished Afro-Americans, tennis great Arthur Ashe, entertainer Eartha Kitt, and physician Dr. John Holloman, just to name a few.

I am certain that my colleagues will join with me in commending this historical society for its outstanding accomplishments and commitment to preserving American culture.

Thank you, Mr. President.●

HOW THE FARMERS UNION PROMOTES GOOD COMMUNITY LIVING

● Mr. BOREN. Mr. President, each year the Oklahoma Farmers Union sponsors a speech contest. Winners are given an expense-paid tour of the Eastern section of the United States, including visits to Gettysburg, New York, Washington, and Niagara Falls. One of the Oklahoma winners, Mr. Steven Johnson, Route 3, Box 48, Gage, OK, gave his winning speech at a breakfast for members of the Oklahoma congressional delegation in the Rayburn House Office Building. His winning speech follows:

HOW MY ORGANIZATION PROMOTES GOOD COMMUNITY LIVING

Cooperation, Legislation, and Education. These three bases for the Farmers Union Triangle are as important to our society today as they were back in 1902 when the Farmers Union organization began. Each base of the Farmers Union triangle cannot function without the other, but together—connected and regarded as one—these three words can have a huge impact upon our community. Today, I would like to explain how my organization, The Farmers Union, promotes good community living.

The Oklahoma Farmers Union is a 100,000-member family farm organization promoting good community living through cooperation, education, and legislation. Our insignia is the rake, plow, and hoe. Our Farmers Union emblem is the liveoak tree and our symbol is the triangle.

The base of the triangle is education. Education is learning as well as teaching and it is a process that never ends. Farmers Union believes that strength comes through knowledge and in many ways Farmers Union promotes knowledge. One method of promoting education is through speech contests where young people have the opportunity to broaden their education plus win numerous awards including a 17-day summer tour of the Eastern states. Oklahoma Farmers Union offers its young members a well-balanced, year-'round youth program that includes study units and summer leadership training camps. These camps can led to college scholarships and other awards. My Ellis County Square Top Local has day camps where leaders teach young children through high school about various farm programs, the importance of cooperatives, and current legislation.

I have completed 10 years of youth work and it has been a valuable experience for me.

Legislation, the second side of the triangle, is important in all levels of Farmers Union. The legislative goals of the organization are directed by the policy statement. Policy making begins in the local and county meetings where members discuss and adopt resolutions and send them on to the state convention. Policies and ideas are then sent by the state to the national policy drafting committee, where they are debated, amended and finally adopted.

As a farm organization, Farmers Union is not only interested in farm programs, but we are a total front organization. This means that we are committed to policy on all fronts including environmental, social, economic, and foreign issues—issues which affect the quality of life of everyone in our community.

It is clear that Oklahoma is suffering in its worst economic situation since the Great Depression. Farmers and ranchers in our state are literally fighting for survival. Congress must pass new legislation early in 1987 to correct the direction of agricultural trade and improve the farm economy. Now is the time for Oklahoma Farmers Union to help write and pass new legislation.

Cooperation, the third side of our triangle, is democracy at work. Ever since Farmers Union was started in 1902, its members have helped set up and have used cooperatives for selling their farm products and for buying supplies to use on the farm. Some of these co-op businesses were cotton gins, grain elevators, oil companies, feed stores, grocery stores, and lumber yards.

Cooperatives are owned by the people who do business there. They are called "patrons". Co-ops give their patrons a fair price for their products and charge a fair price for the things they buy. People working together to help one another results in good community living.

Farmers Union is founded on the dignity of the individual, the value of his way of life, and the importance of the community. Through cooperation, education, legislation and brotherly love, we can attain a better rural America and promote good community living.●

SINGAPORE MAKES MAJOR STRIDES AGAINST RECORD AND MOVIE PIRATES

● Mr. WILSON. Mr. President, among the diamonds in the rough of the recently passed trade bill, there are provisions enhancing the ability of U.S. companies to protect their intellectual property rights against piracy and other unwarranted market barriers. Such practices rob American businesses of billions of dollars of sales each year.

During the debate on an amendment to a provision that I authored, the "Anti-Piracy and Market Access Act," I stated the following:

> Many beneficiaries of our GSP program allow rampant piracy and have erected insurmountable barriers to our intellectual property-based products. Specifically, Indonesia, Singapore, Taiwan, South Korea, and other Far East nations have been guilty of these practices, though some progress has been made in recent months.

Mr. President, while Indonesia continues as a "leader" in the field of piracy, as I noted in my statement, recent progress has been made by some countries. South Korea has made some changes improving market access for motion pictures and settled a 301 case on intellectual property protection. Taiwan has a new law designed to improve the ability of copyright, patent, and trademark holders to enforce their rights.

Mr. President, as to Singapore, the record of progress is even more startling. In the most recent "National Trade Estimate" report, issued by the U.S. Trade Representative in October of last year, the impact of piracy in Singapore was estimated at more than $350 million per year—most in the form of music piracy. It was on the basis of this report that I included Singapore in my statement. While I was aware that a new law had been enacted in Singapore, new laws generally do not have an immediate impact by themselves. The key ingredients are the will to enforce the law and the provision of resources to do the job.

Well, Mr. President, after hearing from the Ambassador of the Republic of Singapore, the Honorable Tommy T B Koh, I contacted the Recording Industry Association of America and the Motion Picture Association of America to ascertain if progress had been made, as represented. I am more than pleased to tell the Senate that swift and sure progress against piracy has been made in Singapore.

The new Singapore copyright law took effect on April 10 of this year—just 4 months ago—and already it has produced significant effects. There have been millions of dollars in increased sales of American music, thereby increasing our exports—and increasing profits for legitimate Singaporean businesses. Further domestic benefits include a willingness of record companies to invest in the development of Singaporean singers and musicians.

In the movie market, video sales have increased 20 to 25 percent this year. Legitimate video rental operations have been revitalized, while a local magazine catering to the movie market has seen a great increase, to the point that a new competitor has come to the market.

Mr. President, this fast and effective turnaround belies any suggestion that the new Singapore copyright law was an empty gesture. Obviously, the Government of Singapore is determined to wipe out piracy, and for that they deserve a great deal of credit.

Mr. President, I ask that two newspaper articles from the Straits Times of Singapore on the progress against piracy be printed in the RECORD at the end of my remarks.

Mr. President, with the new law and official attitude in Singapore, the worldwide problem must still be addressed. It is important to note that while piracy in Singapore hurt United States sales in that country, most of the harm done by illegal copying in Singapore occurred outside of Singapore, in third-country markets. Therefore, while the illegal market is being shut down in Singapore, there are still markets for pirated music and movies, and other countries are moving "to fill the void".

So, Mr. President, as we continue to work for an end to the insidious practice of intellectual property privacy, we should recognize that progress has been made in some countries.

The articles follow:

[From the Straits Times, July 23, 1987]

COPYRIGHT PERKS UP THE FUN INDUSTRY

FEWER PIRATES AND BIGGER PROFITS SPUR DISTRIBUTORS

(By Serena Toh)

Films such as critically acclaimed Eleni, Woody Allen's Hannah and Her Sisters and the remake of the Western classic Stagecoach, previously held back by video distributors because of "pirates", will now be released, thanks to the new Copyright Act.

In fact, video company, Kwangsia Home Video, encouraged by the clearing out of pirates, re-started its video rental business last week.

Frustrated by the raids of pirates, it shut down operations last year.

Because of the Act, too, entertainment magazine Swing was launched last month and longtime film magazine. Movie News, revamped.

Both magazines anticipate a boom in the film, video and recording industries, thus generating more revenue from advertising.

Swing, a bi-monthly magazine is distributed free at record shops, discotheques, nightclubs and Burger King restaurants, while the revamp of Movie News last month was timed to coincide with an expected rise in the number of cinema patrons.

Just three months after the Copyright Act came into force, sales are booming for video distributors and recording companies, while film distributors expect good times ahead, now that the pirates can no longer rob them of business.

The Act carries a maximum fine of $100,000 and maximum jail terms of five years for piracy of audio and video cassettes, books, computer software.

Major video distributors say their sales have increased by 20 to 25 per cent in an industry which is reportedly worth more than $7 million.

Cinema chain Shaw Brothers expects 20 per cent more patrons in the next few months. Polygram Records thinks sales would increase by 50 per cent this year while WEA Pte Ltd already reports that business has improved "manifold".

The Act could also help bring new talent into the music market now that pirates are less likely to eat into the profits.

WEA managing director Jimmy Wee said: "We want to spend more on promoting local singers, and look for long-term artistes."

The company also wants to import "quality studio people" such as sound engineers, song writers and producers from abroad to produce an album of international standard, something which it has not done since 1976.

[From the Straits Times, June 4, 1987]

TAPE PIRATES LOSING THE WAR

(By Yeo Kim Seng)

The music industry's relentless war on pirates last year has paid off.

Sales of records, cassettes and compact discs by wholesalers soared to a record $25.5 million last year, an $11 million increase over 1985.

They would have been higher if translated into retail prices, which are between 15 and 20 per cent more, said a senior music industry official yesterday.

Mr. Giouw Jui Chian, spokesman of the International Federation of Phonogram and Videogram Producers (IFPI), attributed the sharp rise in sales partly to the 200 or so raids against sellers of pirated music last year.

Since February 1984, 943,021 pirated cassette tapes with a street value of nearly $2.3 million have been destroyed.

Mr. Giouw also said the sales figures represented about 85 per cent of the industry.

Another reason for the better sales was the co-operation among retailers, the IFPI and the Singapore Sound Tape Retailers Association, Mr. Giouw said.

At the core of this effort was the strategy used to cushion retailers from the high costs of replacing their stocks with copyright versions, he added.

"We got retailers last year to beef up their stocks of copyright cassette tapes gradually to prepare for the introduction of the Copyright Act," he said. The Act came into effect in April this year.

Some shops would have been forced to close down if they had to replace all their stocks with copyright tapes immediately when the law took effect and this would have hurt everyone, he added.

"And others would have run into high financial commitments."

So the phonogram federation and the sound tape retailers association proposed a timetable for the retailers to get rid of their pirated tapes.

They were urged to ensure that, between January and March last year, up to 75 per cent of their stocks were copyright tapes. By last September the figure had risen to 90 per cent.

And between October and this April when the law took effect, their stocks should have had fewer than 70 pirated tapes.

"This ensured that shops could come clean on the day the law took effect," Mr. Giouw said.

This was important, he explained, because if they had closed down, the industry would have been hurt, too.●

ADVANCE NOTIFICATION

PROPOSED ARMS SALE

● Mr. PELL. Mr. President, as the result of a 1976 agreement, the executive branch provides Congress with advance notification of proposed arms sales under the Arms Export Control Act in excess of $50 million or, in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon such notification, the Congress has not less than 20 calendar days for informal review and consultation with the administration on the proposed sale. If the executive branch wishes to proceed with the sales proposal following the informal review period, section 36(b)(1) requires that the executive branch submit a formal notification to Congress of the proposed arms sale. Upon such notification, the Congress has 30 calendar days to review the sale. The provision stipulates that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

In keeping with the committee's intention to see that such information is available to the full Senate, I ask to have printed in the RECORD at this point a notification which has been received. Portions of the notification which are classified have been deleted for publication, but are available to Senators at the Foreign Relations Committee.

The notification follows:

DEFENSE SECURITY
ASSISTANCE AGENCY,
Washington, DC, August 3, 1987.

In reply refer to: I-03451/87ct.

Mr. GERYLD B. CHRISTIANSON,
Staff Director, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. CHRISTIANSON: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b)(1) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Northeast Asian country tentatively estimated to cost $50 million or more.

Sincerely,

GLENN A. RUDD,
Deputy Director.●

INFORMED CONSENT: FLORIDA II

● Mr. HUMPHREY. Mr. President, today I would like to insert into the RECORD two letters from women who support my informed consent legislation, S. 272 and S. 273. Today's letters come from the State of Florida.

I ask that these letters from women in Florida be printed in the RECORD.

The letters follow:

APRIL 1, 1987.

DEAR SENATOR HUMPHREY: I am writing to you on behalf of myself and the many other women who have been deceived through abortion. I have suffered two abortions. When I went to Orlando for the abortions no one at the clinic advised me about fetal development, physical consequences or emotional stress. I am now a counselor at a Crisis Pregnancy Center and I see over and over women who have suffered physically and emotionally from previous abortions. Very few of the women I see have ever been educated about abortion.

My plea to you is to support any legislation to educate women before they can consent to having an abortion. Also, for parent consent of minor girls seeking an abortion. If that law had been in affect my parents could have my protection from all of this pain and suffering. I would hope had I been educated about the truth of abortion I would have chosen to keep my babies. I grieve their loss but I am on the battlefront to save other unborn children.

Thank you for your support in the important issue.

Sincerely,

VONNIE CARDWELL.

TITUSVILLE, FL.

FEBRUARY 23, 1987.

DEAR SENATOR HUMPHREY: When I went for "counseling" regarding obtaining an abortion, the first thing that was discussed was money and then the procedure that would be used. They never raised the question that the fetus I was carrying might actually be a human being or that there were other alternatives to abortions.

I really feel that my baby that was aborted was a victim of a conspiracy of silence. I knew and realized after the abortion (without being told) that what I had done was wrong and tantamount to murder.

Yes, I should have control over my own body, but after conception the fetus that is created inside my body is a separate entity and deserves a chance to live.

Please continue your efforts on behalf of the babies that cannot lobby for their own lives. Please let me know if there is any way that I can help support your efforts.

Thank you,

MRS. KATE JONES.

ORLANDO, FL.●

REAUTHORIZATION OF THE PRICE-ANDERSON ACT

● Mr. JOHNSTON. Mr. President, there is an urgent need to pass legislation to reauthorize and extend the Price-Anderson Act. The Price-Anderson Act provides a system for public compensation in the event of a nuclear accident. On July 30, the House of Representatives passed legislation to modify and extend Price-Anderson. The Senate must take immediate action to do similarly.

Existing authority under the Price-Anderson Act expired on August 1, and we must take action quickly to renew the act.

The Price-Anderson system is a comprehensive, compensation-oriented system of liability insurance for Department of Energy contractors and Nuclear Regulatory Commission licensees operating nuclear facilities. Under Price-Anderson, there is a ready source of funds that would be available to compensate the public for damages resulting from a nuclear accident. Without Price-Anderson, there would not be such a pool of funds available.

The Price-Anderson Act was first enacted in 1957, and it has been modified and extended twice. We should not allow it to expire now.

In the absence of Price-Anderson, compensation to victims of a nuclear accident would likely be seriously limited. Failure to extend the Price-Anderson system for DOE contractor activities would raise serious concerns about adequate compensation for victims of a nuclear accident at a DOE facility.

DOE contractors are covered under the Price-Anderson indemnity provisions of current contracts, but with expiration of the act, DOE has lost its authority to indemnify contractors under Price-Anderson in new contracts. Therefore, any existing indemnity agreements will expire at the end of the term of the existing contracts and cannot be renewed. If the act is not renewed, DOE contractors—those involved in atomic energy defense, uranium fuel preparation, and nuclear waste disposal—will be without the comprehensive, no-fault liability insurance system provided by Price-Anderson. Congress must act quickly to preserve the ability of the Federal Government to undertake these essential activities.

Several of DOE's major contracts will come up for renewal soon. Contracts at three major facilities—Los Alamos National Laboratory, Lawrence Livermore National Laboratory, and Lawrence Berkeley National Laboratory—will expire on September 30. The contract for operation of another major facility, Brookhaven National Laboratory, will expire on December 31.

There is an urgent need to extend and reauthorize the Price-Anderson Act before any of these contracts expire. If these contracts are renewed without Price-Anderson coverage, the loser will be the public. In the absence of Price-Anderson, compensation for victims of a nuclear accident would be less predictable, less timely, and potentially inadequate compared to the compensation that would be available under the current system.

On June 12, the Committee on Energy and Natural Resources reported S. 748, the Price-Anderson Amendments Act of 1987. S. 748 would modify and extend the portions of the Price-Anderson Act that provide public liability coverage for DOE contractors.

S. 748 would extend authority for the Price-Anderson indemnification system for DOE contractors for 30 years. It would increase the amount of public compensation immediately available after an accident from $500 million in current dollars per incident to $6 billion in constant dollars per incident. In the event that damages exceed the $6 billion cap, S. 748 establishes an expedited mechanism for congressional action on additional compensation measures.

In addition, S. 748 adds new authority to provide for greater accountability of contractors, subcontractors, and suppliers in the performance of their duties under contract with the Department of Energy for nuclear activities. The Energy and Natural Resources Committee felt that exercise of this authority by DOE could reduce the likelihood of serious nuclear incidents.

S. 748 grants the Secretary of Energy new authority to impose civil and criminal penalties on contractors for violations of DOE rules, regulations, and orders related to nuclear safety. This authority parallels that provided to the Nuclear Regulatory Commission in the Atomic Energy Act with respect to NRC licensees. S. 748 provides for civil penalties of up to $100,000 per day for violations of DOE nuclear safety rules, regulations, or orders. The bill also provides authority for criminal penalties in the case of knowing or willful violations of these rules, regulations, or orders on the part of individual directors, officers, or employees of DOE contractors.

Additional mechanisms for ensuring safe operations by DOE contractors included in S. 748 are the establishment of an inspector general for nuclear programs and the establishment of an independent panel to make recommendations for permanent regulation and oversight of DOE nuclear activities. These provisions are positive steps toward ensuring continued safe operation of DOE facilities.

On July 30, the House of Representatives approved legislation to extend the Price-Anderson Act. The House-passed bill, H.R. 1414, will extend coverage under the Price-Anderson system for both DOE contractors and NRC licensees. The House-passed bill will increase the amount of public compensation available after an accident to just over $7 billion.

It is important that the Senate extend the Price-Anderson Act. The compensation system established by this Act has been a good one, and we must extend the Act to allow that system to continue.

I hope that the Senate will be able to take action on Price-Anderson this week. If not, I hope we will take it up as soon as we come back after Labor Day.●

HIGHWAY AND TRAFFIC SAFETY

● Mr. DANFORTH. Mr. President, highway and traffic safety is, in my judgment, an area where government can make a constructive contribution to the public interest. As we debate questions of highway and traffic safety, we often focus on statistics about death and injury, the cost of competing options, and the state of technology. I rise to call attention not to statistics, but to a person named Matthew Young, aged 24, of St. Louis. Two years ago, he was severely injured in a crash on an exotic new kind of motorcyle—one of the so-called "killer motorcycles" that are gaining increasing popularity with young riders. Such machines can reach 60 miles per hour in less than 2.7 seconds. They can achieve top speeds in excess of 160 miles per hour. I have introduced legislation to direct the National Highway Traffic Safety Administration to set a safety standard for this new and unique class of motorcycles. Killer motorcycles have no appropriate on-street use and should be used only in competition or other off-street environments. They should not be mass-marketed for general use on the public streets by young men like Matt Young. Matt Young agrees. He recently shared his experiences in an interview with the St. Louis Post-Dispatch. I ask that the article be reprinted in the CONGRESSIONAL RECORD, and commend it to the attention of Senators.

The article follows:

[From the St. Louis Post-Dispatch, July 27, 1987]

"I'M LUCKY I'M ALIVE"

"SUPERBIKE" CRASH VICTIM BACKS CURB ON MACHINES

(By Kathleen Best)

WASHINGTON.—Saturday, June 15, 1985, is a blank space in Matt Young's memory.

He doesn't remember going out motorcycle riding with friends or slamming his hot, new Kawasaki Ninja against the side of a van. He doesn't remember the ambulance ride to St. Joseph Hospital of Kirkwood or the prognosis that he would die.

He remembers the five months in traction while his two broken legs and his broken hip mended, the later surgery to try to heal the three broken vertebrae in his neck and the 10 months of grueling physical therapy as movement slowly—and, he says, miraculously—returned to his limbs.

Young, 24, a nephew of former U.S. Rep. Robert A. Young, wants to share those memories to spare others the same pain.

"I'm lucky I'm alive," he says. "I don't think, especially for unqualified riders, that (the Ninja and other racing bikes) should be on the streets. I'm living proof they are very dangerous.

Sen. John C. Danforth agrees. He wants to take such motorcycles, which he calls "superbikes," off the roadways.

"From a dead stop, one of these superbikes accelerates to 60 miles per hour by the time it reaches the other side of a city intersection," Danforth said. "It takes one of these killer cycles 2.7 seconds to reach this speed.

"The combination of these racing machines and young, inexperienced riders is deadly."

Danforth introduced legislation last week that would direct the Department of Transportation to develop, within 12 months, safety standards aimed at taking high-horsepower, lightweight motorcycles off public streets.

The measure was narrowly drawn so that it would not apply to traditional motorcycles or dirt bikes, said Steve Hilton, a spokesman for Danforth.

Instead it is aimed at motorcycles that weigh between 400 and 600 pounds with engines that in some cases have more than 100 horsepower.

Hilton said the so-called superbikes were manufactured primarily by Japan's "big four" motorcycle companies—Kawasaki, Honda, Suzuki and Yamaha—and were marketed under model names such as the Ninja, Hurricane, GSXR and FZ.

Mel Stahl, vice president for government relations for the Motorcycle Industry Council, declined to comment on the legislation. "At this point, we don't have a position to express," he said.

The council has requested a meeting with Danforth to discuss voluntary regulations for such motorcycles. The request was made "before we saw the bill and the press release," Stahl said.

When Danforth introduced the legislation, he said, "The marketing of killer cycles is a lesson in corporate irresponsibility.

"The advertising is directed at teen-age males. A typical one is Honda's slogan: 'Zero to 55 faster than you can read this'."

Hilton said superbikes made up a minuscule proportion of motorcycle sales nationwide and seemed most popular on the West Coast.

He said no one had studied the number of such motorcycles or the injuries or deaths attributed to their use.

But Matt Young doesn't need any studies to be convinced of their danger.

"I'm not sure what the top speed on mine was, but it was at least 120, maybe more," he said. "I wouldn't consider myself a real good rider. At the time of the accident, I wasn't even motorcycle-qualified on my license.

"But it kind of caught my eye. I'd seen ads for them, seen them around town. It was a catchy bike, good-looking. It was what I had to have to be in with everybody else."

Being "in" has lost its importance, these days. Being alive is the main thing.

"I think this law is probably needed," Young said as he prepared for another round of therapy.●

FIVE-YEAR ARCTIC RESEARCH PLAN

● Mr. MURKOWSKI. Mr. President, on Friday an important message from the President of the United States was delivered to the Senate.

In keeping with the Arctic Research and Policy Act of 1984, the President submitted to Congress the Nation's first 5-year Arctic research plan—a comprehensive 5-year program plan for the overall Federal effort in Arctic research.

The United States is an Arctic nation that has only very recently begun to play the part. Thousands of Americans live and work in the Arctic, and we have substantial natural resources and important strategic interests in the Arctic. However, we have only recently begun to think of ourselves as an Arctic nation.

When I was first elected to the U.S. Senate in 1980, Alaskans asked me to foster the creation of a comprehensive national Arctic research policy, an effort begun almost 20 years earlier by Alaska's first Senators. Indeed, as early as 1960, Alaskans in Washington were arguing that national goals in the Arctic required the United States to direct a greater share of national scientific resources toward research in the far north.

While an increase in Arctic research did occur during the 1970's, largely due to the construction of the trans-Alaskan pipeline, Government Arctic research was almost exclusively performed on an ad hoc, program-oriented basis. The Nation's Arctic Research Program, if you could call it that, was a fragmented collection of projects and programs that lacked clear direction, coordination, or an overall guiding policy.

By 1980, our stake in the Arctic had clearly risen. By that time, America was addicted to Arctic oil, deriving some 20 percent of our domestic production from a single Arctic field at Prudhoe Bay, AK. At the same time, new developments in military technology, most notably nuclear-powered submarines and long-range bombers equipped with cruise missiles, transformed the Arctic from a seemingly benign and remote polar region to one of the most strategic places on Earth. Indeed, the Arctic was beginning to be recognized as the true common border between the superpowers.

As a result of these developments, a new push for a policy-guided Arctic research effort began. As a result of my efforts, in addition to those of Senators TED STEVENS and Henry "Scoop" Jackson, and Representatives DON YOUNG, DOUG WALGREN, DON FUQUA, and others, Congress passed the Arctic Research and Policy Act [ARPA] of 1984.

In passing ARPA, Congress intended that the Nation as a whole become more informed about the Arctic and the fact that the United States is an Arctic nation. Our lack of knowledge about the Arctic had been a clear source of frustration to Congress during the 1970's when the discovery of oil at Prudhoe Bay and a global energy crisis moved Congress to enact a number of new statutes affecting the future of the Arctic. With hindsight, it's easy to see that the congressional debates which preceeded passage of the Alaska Native Claims Settlement Act of 1971, the Trans-Alaska Pipeline Act of 1973, the Alaska Natural Gas Transportation Act of 1976, and the Alaska Lands Act of 1980, were sometimes characterized by ill-informed, sensational, and misleading information.

For instance, the Senate was only able to narrowly pass the Trans-Alaska Pipeline Act with the tie-breaking vote of the Vice President. Many Senators who opposed the pipeline believed the assertions of extreme environmentalists who argued that any development would seriously jeopardize the future of the central Arctic caribou herd and other wildlife. While we now know that responsible development can occur in the Arctic, ignorance of the truth in 1973 almost exacted a significant price—the pipeline might never have been built.

Mr. President, as the old saying goes, if you think knowledge is expensive, try ignorance. The basic purposes of the Arctic Research and Policy Act is to increase our knowledge of the Arctic in order that we can make wise decisions about its future and the future of our Arctic nation. As a consequence of the act:

The United States now has an Arctic Research Commission which meets regularly to advise the President and Congress on matters of Arctic Research;

The United States has a Federal Interagency Committee to coordinate Federal Arctic research efforts.

We have a coordinated Arctic research budget.

We are looking closely at the need for new research platforms, icebreakers, and other mechanisms to study the Arctic.

Finally, we have this document that was just transmitted to the Congress by the President—the first 5-year Arctic research plan.

The fact is, we've come a long way in the short time since the passage of the Arctic Research and Policy Act. And that's fortunate, because there is much we must know about the Arctic if we expect to move into what some have called "the Age of the Arctic" with confidence. For instance:

We must find the new technologies we need to develop Arctic resources wisely while protecting the Arctic ecosystem;

We must fully understand how Arctic systems operate if we expect to address problems such as Arctic haze and the greenhouse effect.

We must improve our knowledge of glaciers, sea ice, permafrost, and snow in order to perfect new Arctic air, land and maritime transportation technologies.

We must fully understand disruptive auroral displays and high latitude atmospheric disturbances if we expect to enjoy dependable telecommunications capabilities in the Arctic;

Finally, the Arctic, in stark contrast to the Antarctic, is the home to an indigenous people who have lived and hunted in the region since time immemorial. We must fully understand the Arctic and the short and long-term impacts of what we do there if we expect to protect the unique lifestyle of the Inuit—Eskimo—people.

Mr. President, it is clear that the Arctic, once considered a remote and forgotten area of our planet, is emerging as one of the most important regions of the world. Congress has recognized this fact. Building on the foundation of ARPA, the United States is poised to take its rightful place as a leader among the Arctic nations of the world.

In closing, I want to say just a few words about the plan and how it evolved. A tremendous amount of time, effort, and consultation went into this plan—more than we will ever know. It may interest my colleagues to know that meetings and workshops leading to the plan were held in Hanover, NH; Anchorage, AK; Boulder, CO; Barrow, AK; and Washington, DC.

Moreover, the members and staff of the Interagency Arctic Research Policy Committee, the Commissioners and staff of the Arctic Research Commission, the National Science Foundation, Arctic residents, other interested members of the public, and scientists in and outside of government, have all made significant contributions in time, energy, and expertise far above and beyond their normal duties. We owe them all a special debt of gratitude. The result of their efforts is before us today: A comprehensive plan that will help us to chart our course as a true Arctic nation.●

COMMITTEES TO HAVE UNTIL 7:30 P.M. TO FILE REPORTS

Mr. BYRD. Mr. President, I ask unanimous consent the committees have until 7:30 today to file reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR TUESDAY

ORDER FOR ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business the Senate stand in adjournment until the hour of 11 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, I ask unanimous consent that on tomorrow the call of the calendar be waived and no motions or resolutions over, under the rule, come over.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that on tomorrow after the two leaders are recognized there be a period for morning business not to extend beyond 11:30, the Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized.

NOMINATION OF ROBERT BORK TO BE SUPREME COURT JUSTICE

Mr. HUMPHREY. Mr. President, I wish to comment on some noteworthy positive developments regarding our forthcoming consideration of the Bork nomination.

Though the chairman of the Judiciary Committee continues to unreasonably delay the start of the hearings on Robert Bork, indeed the delay will by far surpass any previous delay in modern times for the consideration of a Supreme Court nomination, I am pleased to note nonetheless that several distinguished Members from the other side of the aisle—that is the side opposite from which I am now standing—have made commendable efforts to bring some fairness and reasonableness to bear on the consideration of the nomination.

The majority leader and the senior Senator from Arizona have cautioned their colleagues to avoid premature judgments and to objectively examine Judge Bork's professional qualifications, judicial temperament, and other relevant criteria.

Mr. President, Senators will recall the inflammatory and intemperate rhetoric heard on this floor on the very day the nomination was announced. We were told then that the addition of this distinguished American to the Supreme Court would somehow result in "blacks being forced to sit at segregated lunch counters, rogue police breaking down citizens' doors in midnight raids," for example.

Such demagoguery has no place in our deliberations on this critically important nomination. That is why I welcomed and commend the refreshing and responsible statements of the majority leader and the Senator from Arizona.

Let us have a fair and rational debate. It is not asking too much. Indeed, the American people expect it of us in deliberating the confirmation of a candidate for so important an office.

I can think of no more relevant criterion for us to consider than the nominee's key performances as a judge on the U.S. Court of Appeals for the D.C. District Court over the past 5 years. That position, Mr. President, is literally as close as one can get to the Supreme Court in our Federal judicial system without being on the High Court itself.

Judge Bork has been a member of that court now for 5 years, unanimously confirmed by the Senate in 1982. And how he performed as a U.S. court of appeals judge unquestionably provides the best possible evidence of how he would perform on the Supreme Court.

His record on the court of appeals also provides the best evidence for evaluating the charges of those who, in my opinion, unfairly and unreasonably claim that Mr. Bork is an extremist whose views are outside the mainstream of responsible jurisprudence.

Judge Bork's actual record as a Federal judge not only refutes such charges beyond any dispute, but also demonstrates that he is one of the most qualified and responsible judges ever nominated to the Supreme Court.

On the D.C. Circuit Court of Appeals, Robert Bork has authored over 100 opinions for the majority. Not one of those opinions has been reversed by the Supreme Court. Not one.

Hardly the work of an extremist, Mr. President. In fact, although the losing party has petitioned the Supreme Court to review 13 of Bork's majority opinions, his opinions have been so well-grounded that the Court has not considered it necessary to review a single one of them. The fact that the losing parties decided not to seek review of Bork's 87 other majority opinions further reenforces the soundness of those rulings. The sounder the reasoning in an opinion, the less likely it is that lawyers will pursue an appeal.

Equally remarkable is the fact that the Supreme Court has not reversed any of the 400 majority opinions in which Judge Bork has joined; in concurrence, not as author.

He has authored 100, none of which has been overturned. He has taken part and participated and concurred in some 400, not one of which has been reversed.

These hard facts are the most eloquent and objective possible testimony to the soundness of Bork's judicial approach. A judge who endorses and applies legal views which are "extremist" or outside the judicial mainstream could not possibly compile such an extraordinary record of consistently sound rulings, which have been upheld by the Supreme Court.

These are not the only facts from Judge Bork's judicial record that refute the unfair and unreasonable charges which some have made against the nominee. Other objective data demonstrate the fallacy of claims that his judicial philosophy places him on the "outer fringes" of responsible judicial decisionmaking.

Bork has voted with the majority of the D.C. circuit in 94 percent of the cases he has heard during his tenure there. Yet the D.C. Circuit Court had 7 Democratic appointees out of 10 members when he joined it, and presently has 5 Democratic appointees out of 10 members. This court includes some of the most prominent liberal jurists in the Nation, including Chief Judge Patricia Wald and Judge Abner Mikva.

Interestingly, when Supreme Court Justice Antonin Scalia sat on the D.C. Circuit Court with Judge Bork, Scalia and Bork voted the same in 84 out of the 86 cases—more than 98 percent—in which they both participated. More similar voting records would be difficult to find among any pair of judges. Are Bork's critics prepared to call Scalia an extremist as well? Are Senators prepared to admit they voted to confirm to the Supreme Court an extremist in the person of Antonin Scalia with whom Judge Bork voted 98 percent of the time? Justice Scalia was confirmed by a vote of 98 to 0 one year ago.

Where, then, is the basis for harshly condemning a nominee whose judicial record is virtually identical to that of another nominee who was unanimously confirmed less than a year ago? I suggest that the question provides its own answer—none!

The chairman of the Judiciary Committee was candid enough to concede last fall that if Judge Bork were nominated and "looked a lot like Scalia," then the chairman would "have to vote for him," despite the expected attacks from the special interest groups.

Well, Judge Bork does "look a lot like Scalia," at least from the standpoint of their voting records as appeals court judges. That is the point of the remarks I am delivering tonight. A 98-percent rate of agreement in voting record could hardly be more alike. And that is the standpoint that should count when we are considering a nomination for the highest appeals court in the land. Or maybe we misunderstood the distinguished Senator from Delaware when he used the phrase "looks a lot like Scalia." Maybe the Senator meant facial appearance. Maybe he favors jurists who are clean-shaven. Could that have been it? In that case, we must get Bork to shave off his beard, and then the Senator from Delaware no doubt will be prepared to support him.

The anti-Bork campaign being waged by certain special interest groups in connection with Presidential campaigning is an ill-disguised attempt to divert this confirmation process from its proper and legitimate task. We should be deciding whether Judge Bork, like Justice Scalia, has the qualifications, the judicial record, and the integrity befitting a Supreme Court Justice. Unless our hearings reveal some serious impropriety or flaw undetected by the prior hearings and microscopic examinations of Robert Bork's personal and public record, it is quite clear that he meets those tests.

Mr. President, like others, including many Senators on the Democratic side, I urge my colleagues to keep their focus on these relevant and legitimate considerations. We should not and cannot allow this important process to be dominated, distorted, by inflammatory assaults designed to turn our confirmation process into some element of the Presidential campaign by certain Members.

If each of us on both sides of the aisle listens to the wise admonitions of the majority leader and the Senator from Arizona, we will at least get off to a good start.

Mr. President, likewise, in connection with the Bork nomination, I ask unanimous consent to place in the RECORD an editorial on that subject printed in the Fosters's Daily Democrat, Dover, NH, on July 30, 1987.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Dover (NH) Foster's Daily Democrat, July 30, 1987]

THE BORK BROUHAHA

OPPOSITION TAINTED BY OPPORTUNISM

Critics of U.S. Court of Appeals Justice Robert H. Bork base their opposition to his nomination to the U.S. Supreme Court on two fundamental arguments—one weak and the other illogical.

First, opponents contend Supreme Court nominees have historically been judged on their political ideology, not only their scholarly qualifications. Bork is brilliant, they admit, but he's too right-wing.

Historically, they are only partially right. Yes, about 20 percent of all presidential appointments to the high court have been rejected by the Senate—many of those for reasons rooted in politics. But that means an overwhelming majority, 80 percent, have been approved.

A credible case can be made that the Senate's constitutional charge to advise on and approve presidential appointments to federal courts provides for a role more aggresive than simply validating a nominee's sound morals and high intelligence. Supreme Court justices serve for life—all the more reason an appointee should be subjected to the same spirit of checks and balances that characterizes other conflicts between the executive and legislative branches of government.

However, history also shows the Senate generally gives presidents the benefit of the doubt—as the 80 percent approval rating attests. Even when the Senate does not agree with a court nominee's opinions, it tends to discount political differences and accedes to presidential prerogative.

The Bork nomination has crossed the bounds of legitimate ideological debate. It has become a tawdry partisan show trial tainted by the special interest politics of presidential campaigning. On issues relating to the Supreme Court, differences of opinion should be debated with an eye on civility and reason—a fact lost on Sen. Edward Kennedy and presidential hopeful Sen. Joseph Biden, who is chairman of the Senate's Judiciary Committee.

Kennedy recently made Bork out to be less humane than Adolf Hitler and Biden pledged to fight the nomination after first saying eight months ago that Bork was such an excellent judge he would vote to confirm Bork if he were nominated.

The Senate was never intended to be a rubber stamp for Supreme Court nominations, but neither was it meant to conduct confirmation proceedings as a kangaroo court. The rhetoric from the left leans to the latter.

The argument absent of logic is the one that says at another time Bork would be acceptable, but because he might become a swing vote on the conservative side, he must be rejected to maintain political "balance" on the court. Those making that claim never complained about the lack of "balance" during the heyday of the Warren Court. They showed no constitutional consternation when liberal rulings overturned established conservative decisions. Now that liberal sacred ground is threatened, suddenly the notion of "balance" is in vogue. Balance is relative. If anything, a more conservative court is needed in the 1990s to "balance" the liberal court of the 1960s and 1970s.

The big point the liberals are missing is that Bork is simply not the ogre they make him out to be. His writings are controversial, but actions speak louder than words. During Bork's tenure on the U.S. Court of Appeals for the District of Columbia, not one of his decisions has been overruled by the Supreme Court on appeal.

Furthermore, Bork is a devout follower of judicial restraint; he favors judicial intervention only when absolutely necessary. He is more likely to vote to maintain the status quo than incite a conservative counterrevolution.

When the political hysteria and opportunism is stripped away, what remains is a Supreme Court nominee with outstanding qualifications whose ideology has been unfairly distorted. Bork deserves to be confirmed.

Mr. HUMPHREY. Mr. President, I would just note that the editorial is titled "The Bork Brouhaha" and the subtitle is "Opposition Tainted by Opportunism." The editorial takes the opponents of Judge Bork to task for unfairness, unreasonable conduct and irresponsible charges against the nominee.

Inasmuch as some Members of the Senate are campaigning for the Presidency, I thought they might like to read this editorial from one of the important papers in New Hampshire, a State which everyone knows has the first Presidential primary.

Mr. President, I yield the floor.

ADJOURNMENT UNTIL TOMORROW AT 11 A.M.

Mr. BYRD. Mr. President, if there be no further business, I move, in accordance with the order previously entered that the Senate stand in adjournment until the hour of 11 o'clock tomorrow morning.

The motion was agreed to and the Senate, at 6:37 p.m., adjourned until Tuesday, August 4, 1987, at 11 a.m.

NOMINATIONS

Executive nomination received by the Senate August 3, 1987:

DEPARTMENT OF JUSTICE

Samuel A. Alito, Jr., of New Jersey, to be U.S. attorney for the district of New Jersey for the term of 4 years, vice W. Hunt Dumont, resigned.

CONFIRMATION

Executive nomination confirmed by the Senate August 3, 1987:

FEDERAL RESERVE SYSTEM

Alan Greenspan, of New York, to be a Member of the Board of Governors of the Federal Reserve System for the unexpired term of 14 years from February 1, 1978.

Alan Greenspan, of New York, to be Chairman of the Board of Governors of the Federal Reserve System for a term of 4 years.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Monday, August 3, 1987*

The House met at 12 noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Gracious God, as we go about in our own space and time doing the things we feel important and necessary, may we never cease to hear Your voice calling us to live above the ordinary and routine necessities of life. May we never be content with the evils that so often affect our actions and thoughts, but may we be transformed by the renewing of our minds to see again the vision of a new and brighter day, where people live together in peace and share in a community of truth and of trust, one with another. This we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill and joint resolution of the House of the following titles:

H.R. 1403. An act to designate the U.S. Post Office building located in St. Charles, IL, as the "John E. Grotberg Post Office Building "; and

H.J. Res. 324. Joint resolution increasing the statutory limit on the public debt.

The message also announced that the Senate insists upon its amendments to the joint resolution (H.J. Res. 324) entitled "Joint resolution increasing the statutory limit on the public debt," and requests a conference with the House on the disagreeing votes of two Houses thereon and appoints Mr. BENTSEN, Mr. MOYNIHAN, Mr. MATSUNAGA, Mr. CHILES, Mr. HOLLINGS, Mr. LEVIN, Mr. PACKWOOD, Mr. DOLE, Mr. ARMSTRONG, Mr. DOMENICI, and Mr. GRAMM to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill and concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 970. An act to authorize a research program for the modification of plants and plant materials, focusing on the development and production of new marketable industrial and commercial products, and for other purposes; and

S. Con. Res. 29. Concurrent resolution expressing the sense of Congress regarding the inability of American citizens to maintain regular contact with relatives in the Soviet Union.

CONSENT CALENDAR

The SPEAKER. This is the day for the call of the Consent Calendar.

The Clerk will call the first eligible bill on the Consent Calendar.

PROVIDING THAT CERTAIN LANDS SHALL BE IN TRUST FOR THE PECHANGA BAND OF LUISENO MISSION INDIANS OF THE PECHANGA RESERVATION, CALIFORNIA

The Clerk called the bill (H.R. 2615) to provide that certain lands shall be in trust for the Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation, California.

There being no objection, the Clerk read the bill as follows:

H.R. 2615

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CERTAIN LANDS HELD IN TRUST FOR PECHANGA BAND.

All right, title, and interest of the United States in and to the land acquired by the deed dated March 11, 1907, pursuant to the Act of June 21, 1906 (34 Stat. 333), is hereby declared to be held in trust by the United States for the use and benefit of the Pechanga Band of Luiseno Mission Indians of California. Such land is hereby declared to be part of the Pechanga Indian Reservation.

SEC. 2. PUBLICATION OF LAND DESCRIPTION.

The Secretary of the Interior shall publish in the Federal Register the description of the land referred to in section 1.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MAKING MISCELLANEOUS TECHNICAL AND MINOR AMENDMENTS TO LAWS RELATING TO INDIANS

The Clerk called the bill (H.R. 2937) to make miscellaneous technical and minor amendments to laws relating to Indians, and for other purposes.

There being no objection, the Clerk read the bill as follows:

H.R. 2937

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Act of June 25, 1910 (36 Stat. 856) as amended, is further amended by deleting the phrase "the age of twenty-one years, *or over*" and inserting, in lieu thereof, the phrase "the age of eighteen years or older".

SEC. 2. (a) The Act of September 14, 1961 (75 Stat. 500) is amended by—

(1) deleting the phrase "Section 5, lots 7 and 8;" in section 1, and

(2) inserting the phrase "Section 5, lots 7 and 8;" after the phrase "Township 15 north, range 3 east:" in section 2.

(b) Subsection (e) of section 2 of the Act of October 28, 1986 (100 Stat. 3243) is hereby repealed.

SEC. 3. Section 1 of the Act of October 19, 1973 (87 Stat. 466) is amended by—

(1) inserting "(a)" before the word "That";

(2) deleting the phrase "any interest earned thereon" and inserting, in lieu thereof, the phrase "any investment income earned thereon"; and

(3) adding the following new subsections—

"(b) Except as provided in the Act of September 22, 1961 (75 Stat. 584), amounts which the Secretary of the Interior has remaining after implementation of either a plan under this Act, or another Act enacted heretofore or hereafter providing for the use or distribution of amounts awarded in satisfaction of a judgment in favor of an Indian tribe or tribes, together with any investment income earned thereon and after payment of attorney fees and litigation expenses, shall be held in trust by the Secretary for the tribe or tribes involved if the plan or Act does not otherwise provide for the use of such amounts.

"(c) This Act may be cited as the 'Indian Tribal Judgment Funds Use or Distribution Act'.".

SEC. 4. Paragraph (2) of section 2 of the Old Age Assistance Claims Settlement Act (98 Stat. 2317) is amended by inserting a colon after the phrase "trust property" and the following proviso—

"*Provided,* That, except for purposes of section 4, the term also includes the reimbursements for welfare payments identified in either the list published on April 17, 1985, at page 15290 of volume 50 of the Federal Register, as modified or amended on November 13, 1985, at page 46835 of volume 50 of the Federal Register, or the list published on March 31, 1983, at page 13698 of volume 48 of the Federal Register, as modified or amended on November 7, 1983, at page 51204 of volume 48 of the Federal Register".

SEC. 5. (a) Paragraph (1) of section 3 of the White Earth Reservation Land Settlement Act of 1985 (100 Stat. 61, 62) is amended to read as follows—

"(1) 'Heir' means a person who received or was entitled to receive an allotment or interest as a result of testate or intestate succession under applicable Federal or Minnesota law, or one who is determined under section 9, by the application of the inheritance laws of Minnesota in effect on March 26, 1986, to be entitled to receive compensation payable under section 8.".

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

(b) Subsection (b) of section 5 of the White Earth Reservation Land Settlement Act is amended to read as follows—

"(b) The 'proper county recording officer', as that term is used in subsection (a) of this section, shall be a county recorder, registrar of titles, or probate court in Becker, Clearwater, or Mahnomen Counties, Minnesota.".

SEC. 6. The Secretary of the Interior shall calculate and certify to the Secretary of the Treasury for payment to Cook Inlet Region, Inc., pursuant to section 2 (a) and (e) of Public Law 94-204 (89 Stat. 1146), as amended by section 1411 of Public Law 96-487 (94 Stat. 2497) and section 22 of Public Law 99-396 (100 Stat. 846), a final determination of interest on funds withheld from revenues owed to Cook Inlet Region, Inc. under section 14(g) of the Alaska Native Claims Settlement Act, 43 U.S.C. 1613(g), and paid to the Treasury as windfall profits taxes on oil production from the Swanson River and Beaver Creek units in Alaska of which Cook Inlet Region, Inc. may be regarded as a producer under 26 U.S.C. 4996(a)(1), as though such funds had been withheld before conveyance to Cook Inlet Region, Inc. of interests in leases within those units. Such interest shall be calculated and paid for the period from the dates on which such funds otherwise would have been paid to Cook Inlet Region, Inc. to the date of refund of the principal amounts withheld.

With the following committee amendments:

Page 2, line 1, before the quotation marks, insert a comma and the words "or over".

Page 4, after line 11, insert the following:

SEC. 6. The Secretary of the Interior shall calculate and certify to the Secretary of the Treasury for payment to Cook Inlet Region, Inc., pursuant to section 2 (a) and (e) of P.L. 94-204 (89 Stat. 1146), as amended by section 1411 of P.L. 96-487 (94 Stat. 2497) and section 22 of P.L. 99-396 (100 Stat. 846), a final determination of interest on funds withheld from revenues owed to Cook Inlet Region, Inc. under section 14(g) of the Alaska Native Claims Settlement Act, 43 U.S.C. 1613(g), and paid to the Treasury as windfall profits taxes on oil production from the Swanson River and Beaver Creek units in Alaska of which Cook Inlet Region, Inc. may be regarded as a producer under 26 U.S.C. 4996(a)(1), as though such funds had been withheld before conveyance to Cook Inlet Region, Inc. of interests in leases within those units. Such interest shall be calculated and paid for the period from the dates on which such funds otherwise would have been paid to Cook Inlet Region, Inc. to the date of refund of the principal amounts withheld.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The **SPEAKER**. This concludes the call of eligible bills on the Consent Calendar.

THE DEATH OF BILLY GRIEGO

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RICHARDSON. Mr. Speaker, this week in Santa Fe a good friend of mine, Billy Griego, died of AIDS. He was a beautiful person, kind, committed and with a social conscience.

I mention this for two reasons. First, because I have become another statistic, an individual in this country who knows someone that died of AIDS. Second, because the death of Billy Griego, an Hispanic, is another statistic in itself, the growing number of minorities afflicted with this deadly disease.

According to reliable data, the number of AIDS victims is twice, among minorities, than in whites.

Mr. Speaker, since Billy's death I have become more conscious of AIDS because it hit home and that is a problem. Many of us in this country will not react unless it affects us personally.

Let us all, government and private citizens, work together to fight this deadly disease before it touches us personally.

It will, unless we act.

REVIEW OF A LETTER

(Mr. BARTON of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BARTON of Texas. Mr. Speaker, each session of Congress, thousands of issues are considered. On many of those issues, the stakes are high. To ensure fair and honest debate, the House has a rigorous set of rules and procedures to follow. This is good.

Sometimes, in presenting their side on an issue, or in trying to build support for their position, Members violate these rules.

Mr. Speaker, I insert into today's RECORD an official letter of a subcommittee of one of the standing committee's of this House. I ask you and my colleagues to review this letter, and ask yourself these questions:

First. Why was it sent on subcommittee stationery instead of the Member's personal stationery?

Second. Why did few, if any, of the subcommittee members know of its transmittal?

Third. Is this letter a violation of the Rules of the House and an abuse of congressional power?

Fourth. What action should the House take to answer the serious questions raised by this letter?

The letter follows:

SUBCOMMITTEE ON
TELECOMMUNICATIONS AND FINANCE,
Washington, DC, July 24, 1987.

Mr. GEORGE L. BALL,
Chairman and Chief Executive Officer, Prudential-Bache Securities, New York, NY.

DEAR MR. BALL: On July 21, 1987, Barry M. Abramson, C.F.A., vice president and Margaret D. Jones, C.F.A., vice president, of your firm responded in writing to an inquiry from Congressman Carlos J. Moorhead concerning the possible impact on the financial markets of my amendment on emergency planning for two nuclear powerplants.

In their letter, Mr. Abramson and Ms. Jones make the assertion that my amendment would lead to a $100 billion loss to the financial markets: "We would conservatively estimate that a greater than $100 billion reaction in the financial markets could occur to reflect the potential loss of value of these assets." Mr. Abramson and Ms. Jones then go on to conjecture that my amendment could trigger future brownouts and utility costs which could amount to "upwards of $200 billion." The text of their letter, as reprinted in the Congressional Record, is enclosed for your review.

As Chairman of the Subcommittee on Telecommunications and Finance, I found this letter surprising and potentially disturbing for a number of reasons: (1) the presence of factual inaccuracies pertaining to the substance of the amendment; (2) the lack of clarity as to the legal and financial assumptions underlying the opinions expressed in the letter; and (3) the appropriateness of Prudential-Bache politicizing official financial research opinions. The letter raises serious questions about the nature and adequacy of the advice provided to your customers, the extent to which this letter need be relied upon by Prudential-Bache in recommendations to your clients, and the reasonableness and prudence of the judgments supporting the opinions expressed in the letter.

In order to establish whether your analysts' letter is in accordance with recommendations which you are making to your clients and therefore not calling into question the anti-fraud provisions of the Federal securities law, I expect that you will supply the Subcommittee on Telecommunications and Finance with the following materials no later than the close of business, Tuesday, July 28, 1987:

(1) Provide all legal opinions, analysis, information, documents memoranda, or notes prepared or relied upon by Prudential-Bache in assessing the impact of the Markey amendment.

(2) When did Prudential-Bache commence and end its analysis concering the Markey amendment?

(3) When did Prudential-Bache receive Cong. Moorhead's inquiry concerning the amendment? Please provide a copy of Mr. Moorhead's inquiry. Identify all Prudential-Bache employees involved in the handling of Mr. Moorhead's inquiry and describe what their respective roles were.

(4) If in fact the July 21, 1987 opinion is the official position of Prudential-Bache, has your company issued or changed any recommendation regarding the purchase or sale of any security, including nuclear utility securities to its customers? If not, why not? Provide all research analysis, as well as all written materials circulated to sales staff or to clients regarding recommendations to buy or sell nuclear utility securities from January 1, 1987 to the present.

(5) Explain in detail how the analysis contained in your letter of July 21, 1987, impacts your decision to recommend the purchase or sale of nuclear utility securities.

(6) Will Prudential-Bache recommend selling and not buying nuclear utility securities if the Markey amendment passes?

We would hope that after careful review of all of the circumstances surrounding the issuance of the July 21, 1987 letter Prudential-Bache would disavow the opinions expressed therein and withdraw the letter.

If you have any questions concerning this request do not hesitate to contact Mr. Lawrence R. Sidman, staff director and chief counsel of the Subcommittee at (202) 226-2424.

Sincerely,

EDWARD J. MARKEY,
Chairman.

FAKE FASTENERS

(Mr. ECKART asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ECKART. Mr. Speaker, fake industrial fasteners—bolts, nuts and screws—pose an invisible threat to our Nation's security and costing the U.S. 30,000 jobs. Millions of the 7 billion large bolts and screws used every year in the U.S. in airplanes, nuclear powerplants, bridges, highrise buildings, and defense machinery fail to meet necessary standards. Fake bolts were even found in the space shuttle program's ground support system.

When used improperly, bolts and screws can fail, causing equipment breakdown, injuries and deaths. No one knows exactly how many substandard bolts have been installed throughout the country. But surveys of defense contractor inventories have found counterfeit levels as high as 50 percent. One defense procurement office bought over 10 million counterfeits of a particular bolt in just 2 years.

The root of the problem are foreign manufacturers who have flooded the U.S. market with cheap counterfeit and mismarked bolts, apparently at the request of American importers. Our domestic industry has been almost wiped out, thanks to the failure of the Commerce Department and the International Trade Commission to recognize the importance of the fastener industry to our national defense.

Indeed, the Government has been slow to respond to this threat. In 1981, the Nuclear Regulatory Commission reported more bolt failures at nuclear powerplants than had been reported since 1964; yet NRC took no action to correct the problem. And in 1986, NRC inspection reports found that low-strength bolts are randomly used in nuclear powerplants in applications requiring high-strength bolts. Still, the NRC remains a silent regulator on this issue. The consequences of equipment failure at nuclear powerplants would be devastating; yet, the NRC and the nuclear industry are playing Russian roulette with safety.

As late as June 9 of this year, the Commerce Department issued an economic assessment of the domestic fastener industry which completely ignored the widespread problem of mismarked foreign bolts.

Instead of burying its head in the sand and hoping the problem won't be noticed, the Government needs to act. The Energy and Commerce Committee, under the leadership of Chairman DINGELL, is conducting an investigation and holding hearings to determine the extent of the problem and possible solutions. At a minimum, we must stop the flow of fraudulent bolt imports, purge civilian and defense inventories, and devise a system to ensure we don't simply replace bad with worse.

GETTING OUR NUCLEAR WASTE DISPOSAL PROGRAM BACK ON TRACK

(Mr. MORRISON of Washington asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MORRISON of Washington. Mr. Speaker, today I am introducing legislation that will provide the direction that is so necessary if we are to get our Nuclear Waste Disposal Program back on track.

This bill would temporarily halt the selection process for a geologic repository and establish a system for selecting at least four regional, above ground storage facilities for the packaging and storage of our spent nuclear fuel and high-level radioactive waste.

The current disposal program, mandated under the Nuclear Waste Policy Act, is simply not working as envisioned by Congress. Rather than place the blame, I am offering an alternative specifically designed to fit in with legislation recently introduced by Congressman UDALL, the Nuclear Waste Policy Commission Act of 1987. While the Udall bill calls for a Commission to review the Geologic Disposal Program, this legislation would ensure safe but rapidly available temporary storage. Under this combination we can guarantee safe storage and eventually permanent disposal for spent fuel and high level radioactive waste. An added advantage to this approach is the easy access an above ground storage facility would provide should this Nation decide to process and use this valuable resource.

This is how the legislation would work. The bill requires the Department of Energy to establish criteria for the selection of these facilities in conjunction with the Environmental Protection Agency and the Nuclear Regulatory Commission. The DOE then has latitude to select at least four sites that meet this criteria. The criteria require the DOE to meet existing environmental laws; consider any possible adverse effects on the local communities; and minimize transportation and handling of radioactive waste. The DOE would also be required to consider the use of existing Federal facilities during the site selection process. State and Indian tribes would retain the veto power and the financial assistance provisions of the existing Nuclear Waste Policy Act. The legislation also encourages the storage of wastes near the area of generation, thus reducing transportation and forcing regions to take more responsibility for the waste they generate.

I am concerned that the current implementation of the Geologic Disposal Program is simply not meeting the needs of the expectations of a public that depends on nuclear energy for 18 percent of their electrical energy. The establishment of regional storage facilities can provide assurances that nuclear waste can be properly disposed of while giving Congress and the public more time to determine if the geologic disposal option mandated under the Nuclear Waste Policy Act is the best approach for long-term disposal of these materials.

SECTION-BY-SECTION ANALYSIS—REGIONAL MONITORED RETRIEVABLE STORAGE ACT, HON. SID MORRISON, AUGUST 3, 1987

SECTION 1

Titles the bill the "Regional Monitored Retrievable Storage Act." Offers an explanation of the need for the legislation.

SECTION 2

Suspends site specific activities of the geologic repository program and the single MRS program. Activities could not resume until reauthorized by Congress.

SECTION 3

Authorizes the Secretary of Energy to develop and construct at least four regional monitored retrievable storage facilities, one in each of four designated regions of the country. Establishes criteria for the design of the facilities which include a 15,000 metric ton capacity and a 50 year minimum life. Establishes site selection criteria which must consider environmental concerns, minimization of transportation, and use of existing federal facilities. Precludes the construction of a geologic repository in a state that hosts an MRS. Encourages the storage of radioactive waste within the region where it is generated. Provides authorization for financial assistance to affected states and Indian tribes. Allows affected states and Indian tribes veto power as prescribed in the Nuclear Waste Policy Act of 1982.

SECTION 4

Accelerates a program of research and development of alternatives for permanent disposal of spent fuel and radioactive wastes. Establishes a university-based consortium to investigate the feasibility of subseabed disposal. Authorizes funding for the subseabed disposal program.

SECTION 5.

Provides authority for states to regulate transportation of radioactive materials through permitting, driver training and use restrictions.

THE PEOPLE OF NICARAGUA DID NOT CHOOSE COMMUNISM

(Mr. SOLOMON asked and was given permission to address the House for 1 minute.)

Mr. SOLOMON. Mr. Speaker, as the Iran-Contra hearings wind down, the Congress should be mindful that the American people now understand that the President's Contra aid request is the best and only hope for a democratic solution in Nicaragua.

Unfortunately, when it comes to supporting democracy in Nicaragua the knee-jerk reaction of many Democrats in Congress has been, "just say no!".

Why have these Democrats turned their back on their own heritage? In 1940 President Franklin Roosevelt said, "the people of other nations have the right to choose their own form of government. But we in this Nation believe that such a choice should be predicated on certain freedoms which we think are essential everywhere."

The people of Nicaragua did not choose communism!!!

And reflect on the second part of F.D.R.'s statement, "We in this Nation believe that such a choice should be predicated on certain freedoms which we believe are essential everywhere.

F.D.R. was talking about the right to assemble, the freedom of the press and the right to vote in free and fair elections. These are the freedoms which the Contras are willing to fight and die for.

Lt. Col. Oliver North of the U.S. Marine Corps is right and the American people know he is right! They know it because they share a heritage with the democratic resistance, the Contras, in their fight for freedom and democracy.

The Congress must support the President's request to fund the democratic resistance in Nicaragua.

INTRODUCTION OF LEGISLATION TO REHIRE 1,000 AIR TRAFFIC CONTROLLERS

(Mr. MOLINARI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOLINARI. Mr. Speaker, today marks the sixth anniversary of the PATCO strike. On August 3, 1981, 11,400 controllers walked out on an illegal strike. The President rightly fired them. At that time, the Federal Aviation Administration promised the flying public that the air traffic control system would be rebuilt within 2½ years. Today, 6 years since the strike and 3½ years after the predicted recovery date, we are still far from recovered.

The public knows it and the safety indicators show that the system is in a crisis. Pilot reported near midair collisions, for example, have increased 30 percent in the first half of 1987. Today we have 3,500 fewer experienced controllers than before the strike. We desperately need experience in our control facilities.

It is time to put aside the unaltered opposition to the selective rehiring of some of the fired controllers. I have introduced legislation, H.R. 378, to rehire 1,000 of the fired controllers over the next 2 fiscal years. The bill currently has 171 cosponsors. After 6 years and for sake of safety and safety alone, I appeal to my colleagues and the administration to support my legislation.

FEDERAL TAXPAYERS' RIGHT-TO-KNOW ACT

(Mr. WOLPE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLPE. Mr. Speaker, while preparing my Michigan tax return earlier this year I noticed that Michigan puts two pie charts on its tax instruction booklet. One illustrates the source of State revenues and one indicates how those tax dollars are actually spent.

It occurred to me that the Federal Government should provide taxpayers with the same information.

As a consequence, I recently introduced the Federal Taxpayers' Right-To-Know Act. This bill would require the IRS to provide two pie charts on the cover of its tax instruction booklet, one which illustrates the source of Federal revenues and another which indicates how these Federal tax dollars are spent.

I believe that the simple step contained in this bill would encourage greater public interest, and greater understanding of issues related to Federal revenues and expenditures and budgeting. Providing taxpayers with this information will, in my view, encourage more informed public debate on federal budget policy that will hopefully contribute to the national consensus necessary to bring the deficit crisis under control.

I would encourage my colleagues to consider their cosponsorship of this legislation.

□ 1215

PROPOSED LEGISLATION WOULD SET LIMITS FOR CONTINUED REFLAGGING OF KUWAITI SHIPS

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, the Persian Gulf is like a time bomb ticking down to a crisis. Recently our allies, France and England, have decided that they will not send minesweepers to the gulf because, in their words, they do not want to intensify a possible conflict.

In fact, France will not help, England will not help, and not even Kuwait will help or cooperate even though it is their oil we are protecting. In fact, what they say, Mr. Speaker, is, if this thing is going to blow up, let it blow up in the face of America. They are saying, "Let American taxpayers pay. Let Americans take the risks and possibly die. Don't endanger ourselves."

Mr. Speaker, the bottom line is that I think it is time America stop this joy ride, this free ride, all over the planet. They should pay their own way. H.R. 3039, which I have introduced, has 70 cosponsors already, and it basically says this: If Kuwait will not let our minesweeping helicopters land on their property and give us the assistance we need to protect the lives of our troops, then we will take our flags off their tankers. I think it is time that Congress starts to act responsibly. The joy ride is over.

TODAY'S AGENDA INCLUDES LEGISLATION TO IMPROVE VETERANS' HOUSING PROGRAMS

(Mr. BROOKS asked and was given permission to address the House 1 minute and to revise and extend his remarks.)

Mr. BROOKS. Mr. Speaker, I rise in support of H.R. 2672. It is a good bill and will provide much needed assistance to the veterans who are so deserving. It was put together by the hard work, dedication, and diligence of the Housing and Memorial Affairs Subcommittee under the leadership of the gentlewoman from Ohio, Chairwoman MARCY KAPTUR and under the general directorship of the gentleman from Mississippi, General SONNY MONTGOMERY.

I would like to call to the House's attention one example of her hard work. Last Friday, Ms. KAPTUR took her subcommittee to Houston to review the administration of the VA's Home Loan Guaranty Program there. Testimony at this hearing confirmed that major deficiencies exist in the VA's policies and procedures in providing for the veterans' housing needs in southeast Texas.

H.R. 2672 which we are considering today will bring much needed improvement to the VA's Housing Program. However it is up to the administration to address many of the managerial deficiencies that exist in southeast Texas.

I urge my colleagues to support H.R. 2672.

WHAT THE HECK IS GOING ON IN THE PERSIAN GULF?

(Mr. SCHUMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHUMER. Mr. Speaker, last week on this floor I addressed the House and I asked the President as Commander in Chief, "What the heck is going on?" We have a $300 billion defense budget, a 600-ship Navy, and yet some World War II vintage mines supposedly placed by the Iranians were able to stop our convoy so that the United States was in the unfortunate position of having its up-to-date destroyers and frigates have to hide behind the tanker *Bridgeton*. Well, a day later Robert Sims at the Pentagon got up and said that some of us here in Congress did not understand defense policy because the mines were placed where we did not think they would be.

Well, I can say to Mr. Sims that you do not have to be a military genius to realize that the Iranians would place the mines where we thought they would not, and if you were sitting down and thinking about naval policy 6 months ago and you were asked, what is an area we should prepare for, it would be the closure of the Persian Gulf, one of the most vital waterways in the free world.

A picture is equal to a thousand words, Mr. Speaker, and this Herblock cartoon in the Washington Post I think, sums it up well. It shows the United States shouldering supercarriers, nuclear missiles, a 600-ship Navy, superplanes, and it stubs its toe on a World War II mine. The title is "Oops."

Mr. Speaker, we have to straighten out our defense budget and get those priorities set, and until then we ask, "Mr. President, as Commander in Chief, what the heck is going on?"

COMMUNICATION FROM THE CLERK OF THE HOUSE

The **SPEAKER** pro tempore (Mr. **Leath** of Texas) laid before the House the following communication from the Clerk of the House of Representatives:

Washington, DC, *July 31, 1987.*

Hon. Jim Wright,
The Speaker, House of Representatives, Washington DC.

Dear Mr. Speaker: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the White House at 5:31 p.m. on Friday, July 31, 1987 and said to contain a message from the President whereby he transmits the United States Arctic Research Plan pursuant to Section 109 of P.L. 98-373.

With great respect, I am,

Sincerely yours,
Donnald K. Anderson,
Clerk, House of Representatives.

U.S. ARCTIC RESEARCH PLAN—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The **SPEAKER** pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Science, Space, and Technology:

(For message, see proceedings of the Senate of Friday, July 31, 1987, at page S11056.)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The **SPEAKER** pro tempore. Pursuant to the provisions of clause 5, rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken at the conclusion of legislative business today.

VETERANS' HOUSING REHABILITATION AND PROGRAM IMPROVEMENT ACT OF 1987

Mr. **MONTGOMERY**. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2672) to amend title 38, United States Code, for the purpose of improving veterans' housing programs, as amended.

The Clerk read as follows:

H.R. 2672

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; REFERENCE.

(a) Short Title.—This Act may be cited as the "Veterans' Housing Rehabilitation and Program Improvement Act of 1987".

(b) Reference.—Whenever in this Act an amendment, repeal, redesignation, or transfer is expressed in terms of an amendment to, or repeal, redesignation, or transfer of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code, unless otherwise specified.

SEC. 2. SENSE OF CONGRESS REGARDING SALE OF CERTAIN LOANS.

(a) Findings.—The Congress finds that—

(1) a recent change in accounting procedures proposed by the Office of Management and Budget and concurred in by the Congressional Budget Office with regard to accounting for the proceeds of loans sold with recourse by an agency of the Federal Government has had a significant effect and seriously limited the policymaking function of the Congress;

(2) this change was accepted by the Congressional Budget Office without consultation with committees affected by such change; and

(3) further, continued efforts to achieve short-term savings in the Veterans' Administration loan guaranty revolving fund are compromising the Administrator of Veterans' Affairs' ability to manage soundly the financing of the Veterans' Administration housing loan guaranty program, thereby jeopardizing the future of this very successful program.

(b) Sense of Congress.—It is therefore the sense of the Congress—

(1) that the Congressional Budget Office should reverse its decision on accounting for loans sold with recourse by the Veterans' Administration; and

(2) that, consistent with section 7 of the concurrent resolution on the budget for fiscal year 1988, any change in the assets sales policy of the Veterans' Administration should not be considered in future budget resolutions as a means of achieving deficit reduction.

SEC. 3. LOAN ORIGINATION FEE.

(a) Extension.—Section 1829(c) is amended by striking out "1987" and inserting in lieu thereof "1989".

(b) Waiver.—Section 1829(b) is amended by striking out "described in section 1801(b)(2) of this title" and inserting in lieu thereof "of any veteran (including a person who died in the active military, naval, or air service) who died from a service-connected disability".

SEC. 4. GUARANTY AMOUNT.

(a) Purchase or Construction of Homes.—(1) Section 1803(a)(1) is amended by striking out "in an amount" and all that follows and inserting in lieu thereof the following: "in an amount not to exceed—

"(A) 40 percent of the loan, or $40,000, whichever is less, reduced by

"(B) the amount of entitlement previously used by the veteran under this chapter and not restored as a result of the exclusion in section 1802(b) of this title."

(2) Section 1810(c) is repealed.

(b) Manufactured Homes.—Section 1819(c) is amended—

(1) in paragraph (3), by striking out the first sentence and inserting in lieu thereof the following: "The Administrator's guaranty may not exceed—

"(A) 30 percent of the loan, or $20,000, whichever is less, reduced by

"(B) the amount of entitlement previously used by the veteran under this chapter and not restored as a result of the exclusion in section 1802(b) of this title."; and

(2) by striking out paragraph (4).

(c) Direct Loans.—Section 1811 (d)(2)(A) is amended by striking out "$27,500" each place it appears and inserting in lieu thereof "$40,000".

SEC. 5. ASSISTANCE PROVIDED IN DEFAULT.

Section 1816(a) is amended by adding at the end the following new paragraph:

"(4) Upon receipt of a notice pursuant to paragraph (1) of this subsection, the Administrator shall, through the appropriate local office of the Veterans' Administration, contact the veteran concerned for the purpose of providing the veteran with information about—

"(A) alternatives to foreclosure, including possible methods of curing the default such as (i) conveying the property to the Administrator, or (ii) utilizing the methods authorized by sections 1832(a)(2) and 1813 of this chapter; and

"(B) in the case of foreclosure, the—

"(i) Veterans' Administration and the veteran's liability with respect to the loan; and

"(ii) methods of reducing the veteran's liability to the Veterans' Administration,

unless the Administrator has received satisfactory assurances that the lender had adequately advised the veteran with respect to such matters. The Administrator shall, to the extent of the availability of appropriations, take such steps as are necessary to assure that sufficient personnel are available to effectively and efficiently administer this paragraph.".

SEC. 6. ACTIONS WITH RESPECT TO DEFAULTED LOANS.

(a) Determination of Total Indebtedness.—Section 1816(c) is amended—

(1) in paragraph (1)(D), by striking out "The" and inserting in lieu thereof "Except

as provided by paragraph (10)(B) of this subsection, the";

(2) in clause (ii) of paragraph (1)(D), by striking out "of the liquidation sale" and all that follows in such clause and inserting in lieu thereof the following: "applicable under paragraph (10)(A) of this subsection, and"; and

(3) by adding at the end the following new paragraph:

"(10)(A) The date referred to in paragraph (1)(D)(ii) of this subsection shall be—

"(i) the date of the liquidation sale of the property securing the loan;

"(ii) in any case in which there is a delay in such sale beyond a reasonable period of time caused by the holder of such loan, such earlier date as the Administrator may specify pursuant to regulations prescribed by the Administrator to implement this subsection; or

"(iii) in any case in which there is a delay in such sale beyond a reasonable period of time caused by—

"(I) the Veterans' Administration;

"(II) a voluntary case commenced under title 11, United States Code (relating to bankruptcy); or

"(III) the holder of the loan exercising forbearance at the request of the Administrator, such earlier date which the Administrator shall specify pursuant to such regulations.

"(B) For the purpose of determining the liability of the United States under a loan guaranty under clause (B) of paragraphs (5), (6), (7), and (8) of this subsection, the amount of the total indebtedness with respect to such loan guaranty shall include, in any case where there was a delay beyond a reasonable period of time caused by the Veterans' Administration in the liquidation sale of the property securing such loan, any interest which had accrued as of the date of such sale and which would not be included, except for this subparagraph, in the calculation of such total indebtedness as a result of the specification of an earlier date under subparagraph (A)(iii) of this paragraph.".

(b) Number of Vendee Loans.—Section 1816(d)(1) is amended by striking out "not more than 75 percent, nor less than 60 percent," in the first sentence and inserting in lieu thereof "not more than 75 percent (65 percent in the case of fiscal years 1988, 1989, and 1990), nor less than 60 percent (50 percent in the case of fiscal years 1988, 1989, and 1990),".

(c) Extension.—(1) Subsection (c) of section 1816 is amended by adding at the end (after the paragraph added by subsection (a) of this section) the following new paragraph:

"(11) This subsection shall cease to have effect on October 1, 1989."

(2) Subsection (d) of section 1816 is amended by adding at the end (after the paragraph added by section 10 of this Act) the following new paragraph:

"(5) This subsection shall cease to have effect on October 1, 1989."

(3) Paragraph (2) of section 2512(c) of the Deficit Reduction Act of 1984 (Public Law 98-369; 98 Stat. 1117) is repealed.

(d) Effective Date.—The amendments made by subsection (a) shall apply to defaults which occur on or after 30 days after the date of the enactment of this Act.

SEC. 7. DIRECT LOANS IN AMERICAN SAMOA.

Section 1811 is amended by adding at the end the following new subsection:

"(1) The Administrator shall make loans, in accordance with subsection (d)(2) and the other provisions of this section, to eligible veterans in American Samoa in an amount equal to the amount provided to such veteran by the government of American Samoa."

SEC. 8. REMOVAL OF OCCUPANCY REQUIREMENTS IN CERTAIN CASES.

(a) Refinancing.—(1) Section 1810(e)(1)(B) is amended by striking out "and occupied by the veteran as such veteran's home" and inserting in lieu thereof "by the veteran".

(2) Section 1819(a)(4)(A)(ii) is amended by striking out "and occupied by the veteran at such veteran's home" and inserting in lieu thereof "by the veteran".

(3) Section 1819(e)(5) is amended by inserting before the semicolon the following: "; except that the requirement of this clause shall not apply (A) in the case of a guaranteed loan that is for the purpose described in paragraph (1)(F) of subsection (a), or (B) in the case described in section 1804(c)(2)".

(b) Other Situation.—(1) Section 1804(c) is amended—

(A) by striking out "(c) No" and inserting in lieu thereof "(c)(1) Except as provided in paragraph (2) of this subsection, no";

(B) by striking out "No loan" in the second sentence and inserting in lieu thereof "Except as provided in paragraph (2) of this subsection, no loan"; and

(C) by adding the following paragraph at the end:

"(2) In any case in which a veteran is in active duty status as a member of the Armed Forces, the occupancy requirements of—

"(A) paragraph (1) of this subsection;

"(B) paragraphs (1) through (5) and paragraph (7) of section 1810(a) of this title;

"(C) section 1812(a)(5)(A)(i) of this title; and

"(D) section 1812(e)(5) of this title;

shall be considered to be satisfied if the spouse of the veteran occupies the property as the spouse's home and the spouse makes the certification required by paragraph (1) of this subsection.".

(2) Section 1810(a) is amended by striking out "(a) Any" and inserting in lieu thereof "(a) Except as provided in section 1804(c)(2) of this title, any".

(3) Section 1819(a)(5)(A)(i) is amended by inserting "(except as provided in section 1804(c)(2) of this title)" after "by the veteran".

SEC. 9. PROPERTY MANAGEMENT.

(a) Homeless Program.—(1) To assist homeless veterans and their families acquire shelter, the Administrator of Veterans' Affairs may enter into agreements described in paragraph (2) of this subsection with—

(A) any organization named in, or approved by the Administrator under, section 3402 of title 38, United States Code;

(B) any political subdivision of any State; or

(C) the District of Columbia.

(2) To carry out paragraph (1) of this subsection, the Administrator may enter into agreements to sell real property, and improvements thereon, acquired by the Administrator as the result of a default on a loan made or guaranteed under chapter 37 of title 38, United States Code. Such sale may be for such consideration as the Administrator determines is in the best interests of homeless veterans and the Federal Government.

(3) The Administrator may enter into an agreement under paragraph (1) only if—

(A) the Administrator determines that such an action will not adversely affect the Veterans' Administration's ability—

(i) to fulfill its statutory missions with respect to the Veterans' Administration loan guaranty program and the short- and long-term solvency of the Loan Guaranty Revolving Fund; or

(ii) to carry out other functions and administer other programs authorized by law;

(B) the entity to which the property is sold agrees to (i) utilize the property solely as a shelter primarily for homeless veterans and their families, (ii) to comply with all zoning laws relating to the property, and (iii) to make no use of the property that is not compatible with the area where the property is located; and

(C) the Administrator determines that there is little likelihood of the property being sold for a price sufficient to reduce the liability of the Veterans' Administration of the veteran who had defaulted on the loan guaranteed under chapter 37 of title 38, United States Code.

(b) Job Training Program.—(1) To assist veterans obtain training pursuant to the Veterans' Job Training Act, the Administrator may convey, to persons described in paragraph (2) of this subsection, real property and improvements described in subsection (a)(2) of this section for an amount not less than 75 percent of the fair market value of such real property and improvements.

(2) The Administrator may convey such property to persons who enter into an agreement with the Administrator to—

(A) use veterans in a program of job training under the Veterans' Job Training Act in the rehabilitation of residences on such real property; and

(B) provide a priority to veterans in the sale of such rehabilitated residences.

(3) The Administrator shall reduce the amount of any liability that a veteran has with respect to any property conveyed under this section by an amount equal to the reduction in the sale price of the property below the fair market value of the property.

SEC. 10. REHABILITATION WITH VENDEE LOANS.

Section 1816(d) is amended by adding at the end the following new paragraph:

"(4) The Administrator may include, as part of a loan to finance a purchase of property acquired by the Administrator as a result of a default on a loan guaranteed under this chapter, an amount to be used only for the purpose of rehabilitating the property to be purchased with the loan. Such amount may not exceed the amount necessary to rehabilitate the property to a habitable state and shall be made available periodically as such rehabilitation is completed."

SEC. 11. NOTIFICATION REQUIREMENT IN CASE OF ASSUMPTION OF LOAN.

(a) In General.—Section 1817—

(1) is transferred to, and redesignated as, section 1814; and

(2) is amended to read as follows:

"§ 1814. Release from liability under guaranty

"(a)(1) If a veteran disposes of residential property securing a guaranteed, insured, or direct housing loan obtained by the veteran and the veteran notifies the holder of the loan before the property is disposed of, the veteran shall be relieved of all further liability to the Administrator on account of such loan (including liability for any loss resulting from any default of the transferee or any subsequent purchaser of such property) if—

"(A) the loan is current, and

"(B) the purchaser of such property from such veteran—

"(i) is obligated by contract to purchase such property and to assume full liability for the repayment of the balance of the loan remaining unpaid and has assumed by contract all of the obligations of the veteran

under the terms of the instruments creating and securing the loan; and

"(ii) qualifies from a credit standpoint, to the same extent as if the transferee were a veteran eligible under section 1810 of this title, for a guaranteed or insured or direct loan in an amount equal to the unpaid balance of the obligation for which the transferee has assumed liability.

"(2) If the holder determines that the loan is not current or that the purchaser of such property does not meet the requirements of paragraph (1)(B) of this subsection, the holder shall—

"(A) notify the veteran and the Administrator of such determination; and

"(B) notify the veteran that the veteran may appeal the determination to the Administrator.

"(3)(A) Upon the request of the veteran after a determination described in paragraph (2) is made, the Administrator shall review and make a determination with respect to whether the loan is current and whether the purchaser of such property meets the requirements of paragraph (1)(B) of this subsection.

"(B) If the Administrator determines that the loan is current and that the purchaser meets the requirements of paragraph (1)(B) of this subsection, the holder shall approve the transfer, and the veteran shall be relieved of all liability with respect to such loan.

"(C) If—

"(i) the Administrator determines that the loan is not current or that the purchaser does not meet the requirements of paragraph (1)(B) of this subsection; or

"(ii) no appeal is made by the veteran under subparagraph (A) of this paragraph within 30 days after the holder informs the veteran of its determination under paragraph (2) of this subsection,

the holder may demand immediate, full payment be made of the principal, and all interest earned thereon, of such loan if the veteran disposes of the property.

"(b) If a veteran disposes of residential property described in subsection (a)(1) of this section and the veteran fails to notify the holder of the loan before the property is disposed of, the holder, upon learning of such action by the veteran, may demand immediate, full payment be made of the principal, and all interest earned thereon, of such loan.

"(c)(1) In any case in which the holder of a loan described in subsection (a)(1) of this section has knowledge of a veteran's disposing of residential property securing such loan, the holder shall notify the Administrator of such action.

"(2) If the holder fails to notify the Administrator, the holder shall be liable to the Administrator for any damage sustained by the Administrator as a result of such failure, as determined at the time the Administrator has to make payments in accordance with any insurance or guarantee made by the Administrator with respect to the loan concerned.

"(d) The Administrator shall provide that each contract entered into by a veteran with respect to a guaranteed, insured, or direct housing loan shall contain provisions implementing the requirements of this section.".

(b) Effective Date.—(1) The amendment made by subsection (a) shall apply to loans for which commitments are made on or after 90 days after the date of the enactment of this Act.

(2) Section 1817 of title 38, United States Code, shall continue to apply to loans for which commitments were made before the effective date of paragraph (1) of this subsection in the same manner in which such section was applicable to such loans before such effective date.

SEC. 12. MORTGAGE PAYMENT ASSISTANCE TO AVOID FORECLOSURE OF HOME LOANS GUARANTEED BY THE VETERANS' ADMINISTRATION.

(a) In General.—Chapter 37 is amended by inserting after section 1812, as transferred and redesignated as such by section 16(b)(1) of this Act, the following new section:

"§ 1813. Loans to refinance delinquent indebtedness

"(a)(1) The Administrator may, at the Administrator's option, provide assistance to a veteran under this section for the purpose of avoiding the foreclosure of a housing loan made to that veteran and guaranteed by the Administrator under section 1810 or 1812 of this title (hereinafter in this section referred to as a 'primary loan').

"(2) Assistance under this section shall be in the form of a loan to the veteran. Such assistance may be provided only if—

"(A) the dwelling that secures the primary loan is the current residence of the veteran and is occupied by the veteran as the veteran's home;

"(B) the veteran is at least six months delinquent in payments on that primary loan;

"(C) the veteran is unemployed or has had a substantial reduction in household income (as defined in regulations prescribed by the Administrator) through no fault of the veteran; and

"(D) the Administrator determines that there is a reasonable prospect that the veteran will be able to resume payment on the primary loan within six months after receiving assistance under this section.

"(3) For the purposes of this section, the term 'veteran' includes the surviving spouse of a veteran if the surviving spouse was a co-obligor of the primary loan.

"(b)(1) A loan under this section shall be advanced to the holder of the primary loan. The amount of the loan under this subsection shall first be applied to the amount delinquent on the loan guaranteed under this chapter including any amount delinquent on taxes, assessments, and hazard insurance required by the holder to be included in the veteran's monthly payment on the mortgage. Any remaining amount of such loan shall be retained by the holder and shall be applied to future payments including taxes, assessments, and hazard insurance due on the loan and unpaid (in whole or in part) on the date the payment becomes due.

"(2) The Administrator may make more than one loan under this section to a veteran. The total amount of loans under this section to any veteran may not exceed $8,400.

"(c) A loan under this section—

"(1) shall bear interest at the lower of (A) the maximum rate in effect (as of the date of the first loan made to the veteran under this section) for loans guaranteed under section 1810(a)(1) of this title, or (B) the rate on the primary loan;

"(2) shall be secured by a lien on the property securing the primary loan and by such other security as the Administrator may require; and

"(3) shall be subject to such additional terms and conditions as the Administrator may require.

"(d) As a condition of receiving a loan under this section the veteran shall execute an agreement, in such form as the Administrator may prescribe, to repay the loan within a reasonable period of time, as determined by the Administrator, not to exceed 15 years from the date on which such loan is made. If the Administrator determines that the veteran has sufficient income or other resources to do so, the Administrator may require the veteran to make partial payments on the primary loan guaranteed under this chapter during the period the holder of that loan is applying the amount of the loan under this section to payments becoming due on the primary loan.

"(e) Notwithstanding any other law, the Administrator may employ attorneys to bring suit to collect any amount of a loan under this section on which the veteran to whom the loan is made is in default.

"(f) The Administrator's decisions on any question of law or fact regarding assistance under this section, including whether or not to grant such assistance and the terms and conditions under which such assistance is granted or not granted, shall be final and conclusive, and no other official or any court of the United States shall have power or jurisdiction to review any such decision by an action in the nature of mandamus or otherwise.

"(g) The Administrator may not make a loan under this section after the end of the two-year period beginning on the effective date of this section.".

(b) Effective Date.—The amendment made by subsection (a) shall take effect at the end of the 60-day period beginning on the date of the enactment of this Act.

SEC. 13. APPRAISALS.

(a) Qualification for Appraisers.—Section 1831(a)(1) is amended by inserting before the semicolon at the end the following: ", including the successful completion of a written test, submission of a sample appraisal, certification of an appropriate number of years of experience as an appraiser, and submission of recommendations from other appraisers".

(b) Lender Appraisal.—(1) Section 1831 is amended—

(A) in subsection (c), by striking out "The Administrator shall, upon request," and inserting in lieu thereof "Except as provided in subsection (f) of this section, the appraiser shall forward an appraisal report to the Administrator for review. The Administrator shall then determine the reasonable value of the property for purposes of this chapter, and notify the veteran of such determination. Upon request, the Administrator shall";

(B) in subsection (d), by striking out "lender—" and inserting in lieu thereof "lender (other than a lender described in subsection (f) of this section)—"; and

(C) by adding at the end thereof the following new subsection:

"(f) The Administrator may, in accordance with standards and procedures established by the Administrator, authorize certain lenders to determine the reasonable value of the property. In such a case, the appraiser selected by the Administrator pursuant to subsection (b) of this section shall forward the appraisal report directly to the lender for review who shall, upon request, furnish a copy of such appraisal to the veteran concerned.".

(2) Section 1810(b) is amended—

(A) in paragraph (5), by striking out "by the Administrator;" and inserting in lieu thereof, "pursuant to section 1831 of this title;"; and

(B) by striking out the final sentence thereof.

SEC. 14. EXCLUSION FROM VETERAN'S LIABILITY.

Subchapter III of chapter 37 is amended by adding the following new section after the section added by section 16(b)(3) of this Act:

"§ 1834. Exclusion from liability

"In any case in which the Administrator refuses to accept a veteran's offer to convey the property securing a housing loan which is guaranteed under this chapter and with respect to which a default has occurred, the Administrator may not include in the liability of the veteran to the Administrator with respect to such loan any interest or other charges, including the cost of foreclosure proceeding, incurred with respect to such loan after 30 days after the date on which such offer is made."

SEC. 15. DEMONSTRATION PROGRAM.

(a) IN GENERAL.—(1) The Administrator of Veterans' Affairs shall carry out a demonstration project under this section during fiscal years 1988 and 1989 for the purpose of guaranteeing loans in a manner similar to the manner in which the Secretary of Housing and Urban Development insures adjustable rate mortgages under section 251 of the National Housing Act.

(2) The Administrator shall carry out such project through the housing loan guaranty program office at a regional office of the Veterans' Administration.

(b) REPORT.—The Administrator shall transmit a report to the Congress no later than December 31, 1989, containing a description of the results of the implementation of the project carried out under this section and shall continue to make annual reports to the Congress with respect to the default rate and other information concerning the loans guaranteed under this section.

SEC. 16. TECHNICAL AMENDMENTS.

(a) TECHNICAL REORGANIZATION OF SUBCHAPTER I OF CHAPTER 37.—(1) Section 1802(a) is amended—

(A) by striking out "(a)" and inserting in lieu thereof "(a)(1)";

(B) by striking out the first sentence and inserting in lieu thereof: "The veterans described in paragraph (2) of this subsection are eligible for the housing loan benefits of this chapter.";

(C) by striking out "in the preceding sentence, or in section 1818 of this title," in the second sentence and inserting in lieu thereof "in paragraph (2)";

(D) by striking out "(1)" and "(2)" in the second sentence and inserting in lieu thereof "(A)" and "(B)", respectively;

(E) by redesignating clauses (A) and (B) as clauses (i) and (ii), respectively; and

(F) by adding at the end the following:

"(2) The veterans referred to in the first sentence of paragraph (1) of this subsection are the following:

"(A) Each veteran who served on active duty at any time during World War II, the Korean conflict, or the Vietnam era and whose total service was for ninety days or more.

"(B) Each veteran who was discharged or released from a period of active duty, any part of which occurred during World War II, the Korean conflict, or the Vietnam era, for a service-connected disability.

"(C) Each veteran whose only active duty service occurred after July 25, 1947, and prior to June 27, 1950, and who—

"(i) served for a period of more than 180 days and was discharged or released therefrom under conditions other than dishonorable; or

"(ii) served for a period of 180 days or less and was discharged or released for a service-connected disability.

"(D) Each veteran who served on active duty, any part of which occurred after January 3, 1955, and prior to August 5, 1964, or after May 7, 1975, and who—

"(i) served for a period of more than 180 days and was discharged or released therefrom under conditions other than dishonorable;

"(ii) has served more than 180 days in active duty status and continues on active duty without a break therein; or

(iii) was discharged or released from such active duty for a service-connected disability.

"(3) Any entitlement based solely on the provisions of clause (D) of paragraph (2) of this subsection which had not expired as of October 23, 1970, and any such entitlement occurring after such date, shall not expire until used.".

(2) Subsection (g) of section 1802 is transferred to the end of subsection (a) of such section, as amended and otherwise modified by the other provisions of this subsection, and is redesignated as paragraph (4) of such subsection (a).

(3)(A) Paragraph (2) of section 1803(a) is transferred to the end of subsection (a) of section 1802, as amended and otherwise modified by the other provisions of this subsection, and redesignated as paragraph (5) of such subsection (a).

(B) Section 1815—

(i) is amended by striking out the section heading; and

(ii) is transferred to the end of section 1803(a) and subsections (a) and (b) of such section 1815 are redesignated as paragraphs (2) and (3) of such section 1803(a).

(4) Sections 1807 and 1818 are repealed.

(b) TECHNICAL REORGANIZATION OF SUBCHAPTERS II AND III OF CHAPTER 37.—(1) Section 1819 (as amended by sections 4(b), 8(a) (2) and (3), and 8(b)(3) of this Act) is transferred to, and redesignated as, section 1812.

(2) The title heading of section 1816 and subsections (a) (as amended by section 5 of this Act), (b), and (c) (as amended by subsections (a) and (c)(1) of section 6 of this Act) of such section 1816 are transferred to, and redesignated as, a new section 1832.

(3) Subsections (d) (as amended by section 2, subsections (b) and (c)(2) of section 6, and section 10 of this Act), (e) and (f) of section 1816 are transferred to, and redesignated as, subsections (a), (b), and (c), respectively, of a new section 1833 with the following heading:

"§ 1833. Property management".

(4) Section 1832—

(A) is amended by striking out the section heading; and

(B) is transferred to the end of the new section 1833 added by paragraph (3) of this subsection and is designated as subsection (d) of such new section 1833.

(c) TABLE OF CONTENTS.—The table of contents of chapter 37 is amended—

(1) by striking out the item for section 1807;

(2) by striking out the items relating to subchapter II and inserting in lieu thereof the following:

"SUBCHAPTER II—LOANS

"1810. Purchase or construction of homes.
"1811. Direct loans to veterans.
"1812. Loans to purchase manufactured homes and lots.
"1813. Loans to refinance delinquent indebtedness.
"1814. Release from liability under guaranty."; and

(3) by striking out the item relating to section 1832 and inserting in lieu thereof the following:

"1832. Procedure on default.
"1833. Property Management."

(d) CONFORMING AMENDMENTS.—(1) Section 1801(a) is amended by striking out "1819(a)(1)" and inserting in lieu thereof "1812(a)(1)".

(2) Section 1803(c)(3) is amended by striking out "1819" in clauses (A) and (E) and inserting in lieu thereof "1812".

(3) Section 1810 is amended—

(A) in subsection (a)(9)(B)(ii), by striking out "section 1819(a)(5)" and inserting in lieu thereof "section 1812(a)(5)"; and

(B) in subsection (g)(2), by striking out "section 1819(e)(2)" and inserting in lieu thereof "section 1812(e)(2)".

(4) Section 1811 is amended by striking out "1819" each place it appears and inserting in lieu thereof "1812".

(5) Any reference, in effect on the date of the enactment of this Act, in any law to any of the sections, or parts thereof, redesignated or transferred by this section shall be construed to refer to the section, or part thereof, as redesignated or transferred by this section.

(e) TECHNICAL NATURE OF AMENDMENTS.—The status of any veteran with respect to benefits under chapter 37 of title 38, United States Code, shall not be affected by the amendments made by, or other provision of, this section.

The SPEAKER pro tempore. Is a second demanded?

Mr. SOLOMON. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Mississippi [Mr. MONTGOMERY] will be recognized for 20 minutes and the gentleman from New York [Mr. SOLOMON] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. Mr. Speaker, I yield myself such time as I may consume.

H.R. 2672 is a major veterans housing reform measure. I want to commend the distinguished gentlewoman from Ohio [Ms. KAPTUR], the very able chairwoman of our Subcommittee on Housing and Memorial Affairs, for the many hours she has devoted to hearings on every facet of the housing programs administered by the Veterans' Administration. This bill is the result of her leadership. It is the first comprehensive housing reform package to come out of our committee in many years.

So I applaud the gentlewoman for her efforts. I want to thank her for the excellent work she has done. She has held many hearings in Washington and she has conducted extensive oversight hearings in the field. I accompanied her and other members of the subcommittee to Greenville, SC, earlier this year. We heard excellent testimony from Steadman Sloan, director of the regional office in Columbia, and members of his staff. We heard from my good friend E. Roy Stone, executive committeeman of the American Legion and Paul Greer, past department commander of the Disabled American Veterans. We heard from the mortgage bankers, homebuilders and realtors in the Greenville-Spartanburg area.

We received some very good proposals on how to help the veteran. Some of their recommendations are contained in this bill.

The gentlewoman from Ohio [Ms. Kaptur] is a member of the Banking and Currency Committee where she is deeply involved in Federal Housing Programs within the jurisdiction of that committee. She has been deeply involved in housing programs in Toledo and other places in her great State.

Last Friday Chairwoman Kaptur held an oversight hearing in Houston, TX. Houston, Beaumont, and other cities throughout the State have experienced a depressed housing market for the last few years and Miss Kaptur wanted to see firsthand what needs to be done to assist veterans, lenders, and others who have been affected. Later in the year her subcommittee will hold hearings in Chicago and possibly other areas of the country. So my colleagues can see that the gentlelady is making things happen. She is active and doing an outstanding job in leading this subcommittee.

Mr. Speaker, I also want to thank the distinguished gentleman from Indiana [Mr. Burton], the ranking minority member of the subcommittee for his cooperation and leadership in helping put together this bill. The gentleman has much experience in housing and real estate and this bill, to a major degree, reflects his views on how we should deal with some of the problems confronting our Nation's veterans and others who desperately seek housing in today's market. I'm grateful to the gentleman for his work.

I want to thank another new member of our committee, the very able gentlelady from the Fourth Congressional District of South Carolina [Mrs. Patterson] who invited us to go to her district and hear from the local people. I commend the gentlelady from South Carolina for the time and attention she has given to the work of the committee. She also serves as a member of the Banking and Currency Committee. Her two committees have jurisdiction over most of the Federal housing programs and she is rapidly developing an expertise in housing that will greatly benefit veterans in her district and nonveterans as well who need housing. I am grateful to the gentlewoman from South Carolina for her service.

Mr. Speaker, the bill before us—H.R. 2672—calls for improvement on three fronts. First, it will assist veterans in purchasing homes. Once the veteran gets his home, provisions in this bill will help the veteran keep the home. Finally, the enactment of this bill will save the Federal Government millions of dollars during the next fiscal year and in the years ahead. It is a measure that I fully support.

I now yield such time as she may consume to the chairwoman of the subcommittee, the gentlewoman from Ohio [Ms. Kaptur].

Ms. KAPTUR. Mr. Speaker, the bill H.R. 2672, the Veterans' Housing Rehabilitation and Program Improvement Act of 1987, offers the first really comprehensive look at the VA Home Loan Guaranty Program that Congress has taken since its inception over 40 years ago. To date the VA Housing Program has helped over 12 million veterans and their families obtain home mortgages.

I would like to commend the chairman of the Veterans' Affairs Committee, G.V. (Sonny) Montgomery, for his great leadership in moving this streamlining bill quickly through the legislative process.

I would also like to thank the committee's ranking minority member, Gerald B.H. Solomon, and Dan Burton, ranking minority member for the Subcommittee on Housing and Memorial Affairs, for their excellent support.

The various members of the Subcommittee on Housing and Memorial Affairs have worked diligently through the spring and summer to address on the many challenges facing the VA Home Loan Guaranty Program. Thanks to their active participation in a series of exhaustive hearings both in Washington and in the field, we have been able to develop a bill which is going to make significant improvements in our efforts to assist veterans in obtaining—and keeping—quality, affordable housing.

I would also like to mention the Honorable Marvin Leath, the Honorable Doug Barnard, and the Honorable Lane Evans, whose recommendations and participation in our hearings were invaluable.

The VA Home Loan Guaranty Program was established under the Servicemen's Readjustment Act of 1944 (Public Law 78-346). As World War II drew to a close, Congress sought ways to ease the economic and sociological readjustment of returning service men and women to civilian life. The program was an innovative means of affording veterans favorable credit which would allow them to purchase a home, business, or farm. Many of these veterans, because of their service in the Armed Forces, had missed an opportunity for establishing personal credit or for accumulating enough money for a substantial downpayment on a home. By substituting the guaranty of the United States, these veterans were able to enter the home buying market on a comparable level with their nonveteran counterparts.

Over the years, Congress enacted many changes to the program, to enhance its viability and to respond to developments in the economy and in the needs of veterans. There is now no delimiting date for a veteran to make use of this benefit, and entitlement may be regained once the veteran has paid off the initial loan in full and disposed of the property. The VA may presently guaranty 60 percent of the loan's value, up to a maximum of $27,500.

Since the inception of the VA Home Loan Guaranty Program in 1944, over 12 million veterans have received VA-backed mortgage assistance. More than 7.5 million of these loans totaling $102.7 billion have been repaid. The program has been enormously successful in terms of helping veterans to become home owners, and has proved to be a powerful stimulus to the Nation's economy.

HIGH FORECLOSURE RATES

Veterans using the VA Home Loan Guaranty Program have an excellent repayment record. However, the number of foreclosures has been increasing in recent years. While the VA's experience is comparable to FHA and conventional lenders, there is serious concern about the solvency of the revolving fund which must pay claims arising from foreclosures; and above all the devastating effect of foreclosure on veterans who have defaulted on their obligation to repay a loan.

The VA does have loan servicing procedures in place. However, the timeliness in this aspect of the program has deteriorated. H.R. 2672 addresses this problem by requiring the VA to provide more effective servicing when a loan goes into default, to the extent that resources are available. At a minimum, veterans are to be advised of the alternatives to foreclosure that may be available to them, including voluntary deeds-in-lieu of foreclosure.

In addition, the bill establishes a mortgage foreclosure relief program targeted to veterans who have experienced default through no fault of their own. In essence, the bill would authorize the Administrator to make loans for the purpose of providing mortgage assistance, and thereby preventing foreclosures, up to a maximum of $8,400 to veterans or their surviving spouses, if coobligors, if they are unemployed, have suffered a substantial reduction in household income and have previously guaranteed VA housing loans which are at least 6 months delinquent.

LOAN ASSUMPTIONS

One of the perceived advantages to the VA Home Loan Guaranty Program is easy assumability of such loans when a veteran decides to dispose of the property; however, there have been aspects to this feature which have led to abuse and even fraud. Time and again the committee has heard from veterans whose loans were assumed, but became liable for the debt of the new occupant when the house went into foreclosure. The committee has also received very disturbing reports of certain frauds such as "equity skimming" being perpetrated against veterans. Unscrupulous "investors" assume a veteran's loan, rent the property to make a quick profit, and meanwhile allow the loan to go into default. When they disappear with the rental revenues, the veteran is left with liability for the intervening house payments, and the loan usually is foreclosed.

Although H.R. 2672 keeps the assumability feature in place, it provides better protection for the veteran by requiring new credit underwriting on prospective purchasers who wish to assume the original loan. It further provides the veteran with automatic release from liability so long as the lender is advised, and the properly qualified purchaser agrees by contract to assume responsibility for the loan. If the lender determines that the loan is not current or that the purchaser is not creditworthy, the lender will notify the veteran and the VA. The veteran may appeal the determination to the VA. Should the Administrator determine that the sale meets the requirements, the lender shall approve the transfer and the veteran shall be relieved of all liability.

The bill also provides that the lenders may demand termination of the loan if the sale occurs and the purchaser does not meet the requirements if the veteran fails to notify the lender of the sale.

Lastly, if the lender knowingly fails to notify the Administrator of a sale transaction, the lender will be liable for any damage sustained.

OCCUPANCY REQUIREMENTS

Under current law and implementing regulations, a veteran or service member must physically occupy the property in order to be eligible for refinancing of a VA home loan. This has resulted in hardship and inequity for many home owners, such as active duty military and foreign service personnel, who might be residing abroad temporarily, but who still regard the property as their home. Some veterans with loans bearing a high interest rate are ineligible to refinance a VA loan at the lower rates prevailing in today's market. The result is clearly inequitable, and may have even contributed to some foreclosures which a lower monthly payment might have averted.

H.R. 2672 permits veterans to refinance their VA home loans regardless of personal occupancy. In addition, loan originations are permitted for active duty servicemen so long as the veteran's spouse occupies the home.

LOAN GUARANTY FORMULA

H.R. 2672 changes the loan guaranty formula from 60 percent of the conventional housing loan up to $27,500 to 40 percent of the loan up to $40,000. The current formula is set up in such a way that veterans with a $50,000 loan can end up with as great a debt as veterans with a $110,000 loan. The proposed formula will help to correct this inequity. In addition, it will limit unnecessary risks to both the borrower and the revolving fund. The Congressional Budget Office estimates that this change in the guaranty formula will save $33 million over a 3-year period. These savings will be used by the committee to meet, in part, its reconciliation targets.

It should also be pointed out that 40 percent guaranty would continue to provide better credit protection for the lender than is currently available under conventional loans, which generally require a 20- to 25-percent downpayment.

APPRAISALS

Two additional opportunities for improving the VA appraisal process have been incorporated into H.R. 2672. First, since there are no uniform industry procedures for licensing real estate appraisers, the bill outlines specific qualifications for VA fee-basis appraisers. These include successful completion of a written test, submission of a sample appraisal, evidence of an appropriate level of experience as an appraiser, and submission of recommendations from other appraisers. By applying a more stringent and consistent set of professional standards to its fee-basis appraisers, the VA should be able to achieve overall improvements in the quality of appraisals on prospective veteran loans.

H.R. 2672 also authorizes appraisal reports to be sent directly to certain lenders for expedited review and reasonable value determination. Under current procedures, the appraisal must first be sent to the VA for review and certification, and then forwarded to the lender. The bill would authorize appraisal reports to be sent directly to certain lenders for expedited review and reasonable value determination. Since 75 percent of all VA-guaranteed loans are underwritten by automatic lenders, the new procedure will reduce the paperwork and processing time for a significant number of loans, will allow faster loan processing and with less frustration, and should free up VA personnel who presently review such appraisals and issue CRV's for other critical activities, such as servicing on delinquent loans.

HOUSING REHABILITATION LOANS

Some of the VA's foreclosed homes have fallen into a state of disrepair. They in turn have become a blight on the neighborhood, and may be difficult to sell. Although the VA may use money from the loan guaranty revolving fund to institute repairs, the property may still be subject to vandalism and deterioration while left unoccupied, and funds invested in repairs may never be recaptured when the property is eventually disposed of.

As an alternative to this situation, H.R. 2672 authorizes the VA to make additional loans to prospective purchasers for the purpose of restoring such properties to a habitable state. Funds would be released to the purchaser in increments, as rehabilitation progresses. It is believed that rehabilitation loans will be a good investment for the loan guaranty revolving fund; that they will make previously hard-to-sell properties more attractive and affordable to prospective buyers; and that they will help resolve some of the legitimate community concerns expressed over the maintenance of VA-owned properties.

VETERANS JOB TRAINING ACT

H.R. 2672 provides up to 25 percent discount on houses sold to organizations which agree to use veteran employees in a program of job training under the Veterans' Jobs Training Act to rehabilitate the properties, and who give preference to veterans in selling the rehabilitated property. In order to protect the interest of veterans whose foreclosed properties are disposed of in this manner, the liability of the former veteran home owner will be reduced commensurate with the discount given.

HOMELESS VETERANS

Through existing administrative procedures, several VA regional offices have been working with local groups to make vacant VA properties available, at reasonable prices, for use as shelters. H.R. 2672 encourages veterans organizations and political subdivisions to acquire hard-to-sell VA foreclosed properties in order to provide shelter to homeless veterans and their families. The VA is authorized to discount such properties, provided that the interests of the VA Home Loan Guaranty Program as a whole and the defaulting veteran are protected, that local zoning laws are respected, and that intended use of the property is compatible with the area where it is located. This will give legislative sanction to the concept of working with local groups to assist homeless veterans, and at the same time avoid adversarial situations between the VA and either the defaulting veteran or the community.

PROPERTY ACQUISITION GUIDELINES

The administration's budget request to the Congress submitted February 1, 1984, contained a proposal recommended by the Grace Commission that, effective March 1, 1984, the Veterans' Administration would no longer respond to defaults on VA guaranteed loans by acquiring foreclosed properties. Rather, following foreclosure, the VA would pay all lending institutions an amount equal to the VA's guaranty. The lending institutions would be required to dispose of the property.

At committee hearings in 1984, a Congressional Budget Office analyst indicated the major inefficiency in the VA Loan Guaranty Program's operation was that all loans under foreclosure and all real property available for sale by the VA were handled in a like manner.

The Deficit Reduction Act of 1984 required the VA to analyze defaulted loans on a case-by-case basis and to stop acquiring property where it would be less costly to pay the guaranty. It was the Congress' understanding that this practice benefited veterans as well as lenders by permitting the orderly disposal of the property securing a VA guaranteed loan. This restriction on the VA's authority is scheduled to expire September 30, 1987.

Mortgage bankers and others in the housing industry made strong representations at the hearings of April 22 and May 13, regarding the impact of high foreclosure rates on their businesses. Certain areas of the country such as Houston, TX, have been especially hard hit. Testimony expressed particular concern over the increased number of "no-bid" cases which have resulted.

H.R. 2672 extends the property acquisition guideline for 2 years until September 30, 1989, with some modification to the calculation which the VA makes when determining whether a property will be treated as a no-bid case. Under the new formula, interest resulting from exercise of lender forebearance at the VA's request, delays in the foreclosure process caused by the VA, or circumstances beyond the control of the VA and lender, such as bankruptcy, will not be calculated.

VA FINANCING ON VENDEE LOANS

Prior to 1984, the VA financed approximately 92 percent of all foreclosed properties. By offering financing on properties which it holds for sale, the VA is able to dispose of many properties in a timely manner at the appraised value. The Deficit Reduction Act of 1984 reduced the number of properties on which VA financing could be offered. Current law requires the VA to sell at least 60 percent but no more than 75 percent of its acquired properties with VA vendee financing. The VA routinely discounts cash sales at 10 percent or more. This provision is scheduled to expire on September 30. As part of the committee's efforts to meet its reconciliation target, these percentages will be changed to a range of 50 to 65 percent for 3 years. It should be emphasized that while this proposal will temporarily produce a net reduction in outlays, it will cost the Government more in the outyears if a permanent change were authorized. The Veterans' Affairs Committee will continue to seek alternatives that will meet long-term program requirements.

HOME LOAN FUNDING FEE

H.R. 2672 extends the current 1 percent user fee for 2 years, to September 30, 1989. The committee wishes to emphasize that the VA Home Loan Guaranty Program is a veterans benefit, to which eligible persons are entitled. The committee will continue to examine alternatives to the loan origination fee.

H.R. 2672 also corrects an inequity in application of the user fee to a veteran who is also the surviving spouse of a deceased veteran whose death was service connected. A surviving spouse is exempt under current law, but due to a technicality the exemption does not apply in cases where the surviving spouse is also a veteran with eligibility in his or her own right.

AMERICAN SAMOA

Although a relatively high proportion of the population of American Samoa serves in the U.S. military, the loan guaranty benefit is not viable there due to the lack of a secondary mortgage market. H.R. 2672 authorizes a direct loan program up to $33,000, to the extent that matching funds are made available by the Government of American Samoa. Amurican Samoa already qualifies as an area where the Administrator is authorized to make direct loans, because it is difficult for veterans to obtain housing loans in this area.

DEMONSTRATION PROJECT FOR ADJUSTABLE RATE MORTGAGES

Volatile interest rates reduce housing activity. Interest rates have risen from 8½ percent to 10 percent this year. Therefore, H.R. 2672 authorizes the VA to establish a 2-year pilot program for adjustable rate mortgages [ARM] at one regional office. Interest rates for an adjustable rate mortgage are typically 1 percent to 2 percent lower than a fixed rate loan. The National Association of Homebuilders estimates that this results in a savings of as much as $100 in monthly mortgage payments on a $70,000 loan. The demonstration project is to be carried out in a manner similar to FHA's Adjustable Rate Mortgage Program, which allows interest rates to escalate no more than 1 percent per year with a cap of 5 percent over the life of the loan. In addition H.R. 2672 would require the Administrator to furnish the Congress with a report by December 31, 1989, containing a description of the results of this project and furnish a report yearly thereafter with respect to the default rate.

LOAN PORTFOLIO SALES

Because of the high foreclosure rate over the past several years, and in conformance with administration efforts to reduce short term outlays, the VA has been pressured by the Office of Management and Budget to sell its loan portfolio. It has, however, usually sold these loans with recourse—repurchase agreements. In its fiscal year 1988 budget, the administration proposed another revision to its loan sales procedures which could seriously impair the long-term solvency of the loan guaranty revolving fund. This proposal would require the VA to sell all of its loans without repurchase agreements.

A proposed sale of the VA's loan portfolio without recourse resulted in offers ranging as low as 15 cents on the dollar. In September 1986, the General Accounting Office submitted a report to the Committee on Government Operations which stated that the Government's best interests will not be protected and the objectives of the Loan Asset Sales Pilot Program would not be achieved by sales without recourse. On June 16, the Committee on Government Operations approved and adopted a report entitled, "OMB's Guidelines for Sales of Existing Loans as Currently Written will not produce the best results for the Government." In its summary, it stated that the Government could lose millions of dollars because OMB's guidelines do not permit agencies to sell loans under any sales method other than nonrecourse. Therefore, it seemed appropriate that the bill as reported by the subcommittee simply require that the VA continue its existing policy in regard to loan sales. A year ago, this provision would have cost nothing.

However, without any consultation with this committee, OMB has changed its accounting procedures. The Congressional Budget Office has concurred. Under these new accounting rules, selling loans with recourse is treated as a borrowing from the public. Proceeds would then be credited to financing the debt rather than offsetting collections credited to the fund. On paper, therefore, the sales become losses.

Again, Mr. Speaker, I want to emphasize that before this exercise in account "sleight of hand", the provision had no cost impact whatsoever. So, if we do nothing, we "save" $680 million; but if we try to force the VA to operate under good business principles, we make our reconciliation target unattainable. Therefore, H.R. 2672 contains a sense-of-the-Congress resolution regarding the financial management of the loan guaranty revolving fund.

In essence, it outlines how these new accounting procedures have had a significant effect and seriously limited the policymaking function of the Congress. In addition, it states that continued efforts to achieve short-term savings in the Veterans' Administration loan guaranty revolving fund are compromising the Administrator's ability to soundly manage the financing of the program, thereby jeopardizing its future. Lastly, it expresses the sense of the Congress that CBO ought to reverse its decision on accounting for loans sold with recourse by the Veterans' Administration; and that consistent with section 7 of the concurrent resolution on the budget for fiscal year 1988, any changes in the assets sales policy of the Veterans' Administration should not be considered in future budget resolutions as a means of achieving deficit reduction.

Mr. Speaker, during the course of our hearings on the VA Home Loan Guaranty Program, we heard from an exceptionally broad cross-section of witnesses, from government to business to community groups to veterans organizations. H.R. 2672 was developed specifically in response to the concerns and issues that were raised. I appreciate the many viewpoints that went into developing this bill, and believe that this is one of its great strengths.

Mr. Speaker, H.R. 2672 reaffirms that the VA Home Loan Guaranty Program is a veteran's benefit. The bill carefully preserves the program's basic intent, offers creative approaches to some of its present-day problems, and sets it on a sound footing for meeting veteran's future needs.

I wish to point out that these very important reforms won't cost our American taxpayers anything. Quite the reverse. This bill will save $52 million in fiscal year 1988 and will help the committee meet its reconciliation targets.

I strongly urge the bill's favorable consideration.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in rising in strong support of this legislation which I am privileged to cosponsor, let me at the outset pay tribute to the gentleman from Texas, the acting Speaker of the House, Mr. LEATH, who is on leave from our Committee on Veterans' Affairs, a very valuable member of that committee.

The gentleman from Texas still performs great service to the American veteran by serving on the Committee on the Budget during the gentleman's leave of absence, and looking out for the adequate needs of our veterans, so we thank the gentleman for all that help.

The VA Home Loan Program was established in 1944 to provide a means for veterans to obtain credit for the purchase of a home. Many of these veterans, because of the time spent in service to their country, had missed an opportunity to establish credit or save money for a downpayment on a house.

Since its inception, over 12 million veterans have used the VA Home Loan Program, and it has benefited veterans, homebuilders, and the national economy. For many men and women who serve in our country's Armed Forces, this is the only veterans' benefit they will ever use.

H.R. 2672 will strengthen the VA Home Loan Program's potential for serving veterans effectively and improve the long-term solvency of the loan guaranty revolving fund. I wish to mention two provisions in particular.

The first would change the loan guarantee to a maximum of 40 percent and $40,000. This provision will make the program's guaranteed amounts more consistent with the values of the properties typically purchased.

The second would release veterans from liability after the sale of their homes and eliminate the unfairness to some veterans when later purchasers default on mortgages.

This housing reform legislation is indeed comprehensive. Ms. KAPTUR, the chairwoman of the Housing and Memorial Affairs Subcommittee, and Mr. BURTON, the subcommittee's ranking member, have put together a bill which will go a long way toward solving some of the problems in the VA's Home Loan Program.

We should also recognize the role played by Chairman MONTGOMERY, who once again provided the guidance and leadership needed to reach bipartisan agreement. His dedication and old-fashioned hard work on behalf of our Nation's veterans is outstanding.

Mr. Speaker, almost 20 percent of this country's population of 220 million people have their own homes thanks to the VA Home Loan Guarantee Program. This program has provided opportunities for home ownership, which is at the very heart of Americanism.

I strongly encourage all of my colleagues to support this significant bipartisan measure.

Mr. Speaker, I yield such time as he may consume to the gentleman from Arkansas [Mr. HAMMERSCHMIDT].

Mr. HAMMERSCHMIDT. Mr. Speaker, I thank the gentleman for yielding me this time.

As an original sponsor, I rise in strong support of H.R. 2672, and I am pleased we have moved forward with this comprehensive VA housing bill in such a timely manner.

This legislation reflects the continuing efforts by our committee to ensure that our Nation's veterans will be able to achieve the American dream of home ownership.

The chairwoman of the Housing and Memorial Affairs Subcommittee, MARCY KAPTUR, and the ranking member, DAN BURTON, have worked tirelessly in forwarding an initiative that will both make it easier for veterans to afford housing and strengthen the solvency of the VA Home Loan Program. Chairman SONNY MONTGOMERY and ranking member JERRY SOLOMON of the full committee should also be commended for their fine work on this major housing bill.

H.R. 2672 takes steps to address the concerns which have been raised about the solvency of the program. The bill also addresses the situation of veterans affected by the high foreclosure rate of today's market by providing relief for certain veterans whose default occurs through no fault of their own.

The bill contains as well a new underwriting requirement which prevents a veteran from being unfairly penalized because of the monetary misadventure of another party.

More than 12 million VA loans have been approved to date, thus demonstrating the popularity and viability of this program. Over 60 percent of all VA home loans are made with no down payment, something not generally possible with conventional loans. Were it not for this important VA program, many veterans and their families would not be in their homes today.

Clearly, the VA Home Loan Guarantee Program is one of the most successful and beneficial VA programs available to our Nation's veterans.

I urge my colleagues to support this comprehensive VA home loan legislation.

Mr. MONTGOMERY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, again, I want to commend the gentlewoman from Ohio [Ms. KAPTUR], distinguished chairwoman of the subcommittee, for the work she has done to bring this comprehensive housing bill before the House.

I also want to thank my good friend, the very able gentleman from New York [Mr. SOLOMON] for his leadership and cooperation. This bill, unanimously approved by our committee, again reflects the bipartisan way we handle veterans' affairs. I am fortunate to be able to work with the gentleman from New York.

I appreciate the work of all members of the subcommittee.

This is a good bill. It is the result of many hours of work on the part of a lot of our Members and I urge its adoption by the House.

Mr. BURTON of Indiana. Mr. Speaker, since the provisions of this bill have been thoroughly explained I can be brief. H.R. 2672 will benefit the many veterans who have participated in the Home Loan Guaranty Program in addition to benefiting future users.

Even though the program enjoys a high degree of participation, we are also facing a high foreclosure rate. So, I hope that the particular sections of the bill such as the adjustment to the loan guaranty ceiling and the uniform guaranty amount will reduce the high foreclosure rate. I am confident that the Veterans' Housing Rehabilitation and Program Improvement Act of 1987 will be in the best interest of veterans.

Mr. MONTGOMERY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. SOLOMON. Mr. Speaker, I have no further requests for time and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. LEATH of Texas). The question is on the motion offered by the gentleman from Mississippi [Mr. MONTGOMERY] that the House suspend the rules and pass the bill, H.R. 2672, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

□ 1240

GENERAL LEAVE

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous material, on this bill, H.R. 2672, and on the next bill, H.R. 2957.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

CEMETERY IMPROVEMENTS AMENDMENTS OF 1987

Mr. MONTGOMERY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2957) to provide for improvements in the National Cemetery System administered under title 38, United States Code, and for other purposes, as amended.

The Clerk read as follows:

H.R. 2957

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. VETERANS' CEMETERIES OWNED BY STATES.

Section 1008(b) of title 38 United States Code, is amended—

(1) by striking out clause (1); and

(2) by redesignating clauses (2), (3), and (4) as clauses (1), (2), and (3), respectively.

SEC. 2. CONTRIBUTIONS FOR CERTAIN PROJECTS.

Section 1004(f) of title 38, United States Code, is amended—

(1) by striking out "The" and inserting in lieu thereof "(1) The"; and

(2) by adding the following new paragraph at the end:

"(2) The Administrator may, to the extent of appropriated funds available for such purpose, make contributions to local authorities for the construction of traffic controls, road improvements, or other devices on land adjacent to a national cemetery if the Administrator determines that such a contribution is necessary for safe ingress or egress to or from such cemetery.".

SEC. 3. GRAVE LINERS.

(a) IN GENERAL.—Section 906 of title 38, United States Code, is amended—

(1) by adding at the end the following new subsection:

"(e)(1) The Administrator may provide an approved grave liner for the interment of casketed remains in cemeteries within the National Cemetery System and in the Arlington National Cemetery.

"(2) The use of grave liners shall be in accordance with specifications and procedures approved by the Administrator."; and

(2) by striking out the section heading and inserting in lieu thereof the following:

"§ 906. Headstones, markers, and grave liners".

(b) TECHNICAL AMENDMENT.—The item relating to section 906 in the table of sections at the beginning of chapter 23 of title 38, United States Code, is amended to read as follows:

"906. Headstones, markers, and grave liners.".

SEC. 4. GRAVE MARKERS.

Section 1004(c)(2) of title 38, United States Code, is amended—

(1) by striking out "and" at the end of clause (A);

(2) by striking out the period at the end of clause (B) and inserting in lieu thereof "; and"; and

(3) by adding the following new clause at the end:

"(C) in the case of the gravesites of cremated remains that are interred in the ground, the Administrator may provide for flat grave markers.".

SEC. 5. GRAVE MARKERS IN A CERTAIN LOCATIONS.

(a) ZABLOCKI VETERANS' ADMINISTRATION MEDICAL CENTER.—Notwithstanding section 1004(c)(2) of title 38, United States Code, the Administrator of Veterans' Affairs may provide for flat grave markers in the case of graves on land transferred to the Department of Memorial Affairs from the Department of Medicine and Surgery of the Veterans' Administration for expansion of a cemetery at the Clement A. Zablocki Veterans' Administration Medical Center in Milwaukee, Wisconsin.

(b) INDIANTOWN GAP, PENNSYLVANIA.—Notwithstanding section 1004(c)(2) of title 38, United States Code, the Administrator may provide for flat grave markers at the national cemetery at Indiantown Gap, Pennsylvania.

SEC. 6. AMERICAN BATTLE MONUMENTS COMMISSION FOREIGN CURRENCY FLUCTUATIONS.

(a) ESTABLISHMENT OF FOREIGN CURRENCY FLUCTUATIONS ACCOUNT.—The Act entitled "An Act for the creation of an American Battle Monuments Commission to erect suitable memorials commemorating the services of the American soldier in Europe, and for other purposes", approved March 4, 1923 (36 U.S.C. 121), is amended by adding at the end the following new section:

"SEC. 13. (a) There is hereby established in the Treasury an account to be known as the 'Foreign Currency Fluctuations, American Battle Monuments Commission, Account'. The account shall be used to provide funds to appropriated funds available for salaries and expenses of the American Battle Monuments Commission to eliminate losses because of fluctuations in currency exchange rates of foreign countries occurring after a budget request for the Commission is submitted to Congress. The account may not be used for any other purpose.

"(b) Funds provided to appropriations under subsection (a) shall be merged with and available for the same time period as the appropriation to which they are applied. A provision of law limiting the amount of funds the Commission may obligate in any fiscal year shall be increased to the extent necessary to reflect fluctuations in exchange rates from those used in preparing the budget submission.

"(c) An obligation of the Commission payable in the currency of a foreign country may be recorded as an obligation based upon exchange rates used in preparing a budget submission. A change reflecting fluctuations in exchange rate may be recorded as a disbursement is made.

"(d) Funds transferred from the Foreign Currency Fluctuations, American Battle Monuments Commission, Account may be transferred back to that account—

"(1) if the funds are not needed to pay obligations incurred because of fluctuations in currency exchange rates of foreign countries in the appropriation to which the funds were originally transferred; and

"(2) because of subsequent favorable fluctuations in the rates or because other funds are, or become, available to pay such obligations.

"(e) A transfer back to the account under subsection (d) may not be made after the end of the second fiscal year after the fiscal year that the appropriation to which the funds were originally transferred is available for obligation.

"(f) No later than the end of the second fiscal year following the fiscal year for which appropriations for salaries and expenses have been made available to the Commission, unobligated balances of such appropriation provided for a fiscal year may be transferred into the Foreign Currency Fluctuations, American Battle Monuments Commisison, Account, to be merged with and available for the same period and purposes as that account.

"(g) The Secretary shall report to Congress each year on funds made available under this section.".

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Foreign Currency Fluctuations, American Battle Monuments Commission, Account the sum of $3,000,000.

(c) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to the fiscal year during which this Act is enacted and each subsequent fiscal year.

The SPEAKER pro tempore. Is a second demanded?

Mr. SOLOMON. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Mississippi [Mr. MONTGOMERY] will be recognized for 20 minutes and the gentleman from New York [Mr. SOLOMON] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. Mr. Speaker, I yield myself such time as I may consume. This bill (H.R. 2957) would provide for a number of improvements in the way the Veterans' Administration and the American Battle Monuments Commission administer their National Cemetery programs.

I yield such time as she may consume to the distinguished chairwoman of our Subcommittee on Housing and Memorial Affairs, the gentlewoman from Ohio [Ms. KAPTUR] for an explanation of the bill.

Ms. KAPTUR. Mr. Speaker, the bill H.R. 2957, entitled the Cemetery Improvements Amendments of 1987, authorizes a number of measures which will improve efficiency in the National Cemetery System and the American Battle Monuments Commission.

I would like to commend the chairman of the full Committee on Veterans' Affairs, G.V. (SONNY) MONTGOMERY, who has given us outstanding leadership on these important issues. I would also like to thank the ranking minority member of the full Committee, GERALD B.H. SOLOMON, and the ranking minority member of the Subcommittee on Housing and Memorial Affairs, DAN BURTON, for their excellent support. The individual members of the subcommittee have worked hard together to develop this very timely legislation, and I would like to thank each of them for their excellent contributions.

Mr. Speaker, the National Cemetery System was established in 1862, when President Abraham Lincoln assured an honorable burial for soldiers who died in service to their country. Today, 110 national cemeteries are located throughout the United States to serve veterans, their spouses, and dependent children. Over 50,000 interments are made in the national cemeteries each year.

Overseas, the American Battle Monuments Commission maintains 24 cemeteries for wartime casualties not repatriated to the United States, as well as 14 separate memorials to American military service abroad.

In order to enhance the effectiveness of national cemetery and American Battle Monuments Commission operations, H.R. 2957 contains the following provisions:

CURRENCY FLUCTUATION ACCOUNT FOR THE AMERICAN BATTLE MONUMENTS COMMISSION [ABMC]

The primary missions of the American Battle Monuments Commission are to commemorate the services of American military forces where they have served since the entry of this country into World War I (April 6, 1917); to build and maintain permanent U.S. military burial grounds on foreign soil; to control the design and construction of U.S. military monuments overseas; and to encourage adequate maintenance of such memorials by their sponsors.

At the present time, ABMC operates 24 permanent American military cemeteries and 14 separate monuments in 11 foreign countries and the Commonwealth of the Northern Mariana Islands, as well as four memorials in the United States. The Commission is staffed by 387 full-time civilian employees and 6 military officers who serve on a reimbursable basis. Of the civilian employees, 337 are foreign nationals indigenous to the countries where ABMC installations are located.

At a hearing of the Subcommittee on Housing and Memorial Affairs on July 1, 1987, ABMC testified with regard to the impact of foreign currency exchange rates on their operations. From 1979 to 1984, when dollar exchange rates were appreciating in Europe, a surplus in funds appropriated developed. ABMC was able to utilize the surplus funds generated to replace worn out equipment, restore stocks of spare parts, and initiate maintenance projects that had previously been deferred because of lack of funds.

Late in 1985, however, the United States and certain allies took steps to reduce the value of the dollar, in order to make American goods more competitive. The resulting depreciation of the dollar severely impacted ABMC operations, as over 90 percent of its appropriation is expended overseas.

In fiscal year 1986, ABMC required a supplemental appropriation of $1,553,000 to help offset losses associated with the weakened U.S. dollar. In fiscal year 1987, a supplemental appropriation of $1,414,000 was requested for similar reasons. In the meantime, in order to cope with the situation, ABMC has taken measures in Europe and the Mediterranean to reduce certain labor costs; defer capital improvement projects; suspend nonemergency repair and replacement projects; and limit purchases of essential supplies. Even with these measures, ABMC testified at the hearing that an additional $150,000 would be required by the end of the year to meet its obligations without furloughing employees, an action which would violate treaty agreements with most of the host countries.

In order to mitigate the adverse impact of declining dollar values on ABMC operations abroad, H.R. 2957 establishes a foreign currency fluctuation accounts, similar to those which have been set up for the State Department and the Department of Defense. The bill authorizes an appropriation of $3 million for deposit in the account.

Using this type of account, transactions in foreign countries utilize the budgeted rate of exchange as the standard for obligations. If the exchange rate at the time of purchase is higher than the budgeted rate, the difference is deposited into the account. If, on the other hand, the exchange rate is lower, the necessary additional funds may be withdrawn from the account.

In response to questions at the hearing on July 1, 1987, ABMC advised the Subcommittee on Housing and Memorial Affairs that establishing the foreign currency fluctuation account will virtually eliminate the need for supplemental appropriations in the future.

INGRESS AND EGRESS

Mr. Speaker, the bill authorizes the VA to make contributions to local authorities for the construction of traffic controls, road improvements, or other devices, adjacent to national cemeteries if considered necessary for safe ingress and egress.

The VA Administration in a letter to the Speaker of the House of Representatives dated March 24, 1987, noted that:

> It has become evident, in administering the national cemetery system, that specific statutory authorization is required in order to undertake the type of construction projects deemed necessary to improve safety conditions at the entrance to national cemeteries. Under current law, in the absence of express statutory authority, such requisite construction projects are generally prohibited as a result of the well-established rule which prohibits the Government's expenditure of appropriated funds for the permanent improvement of private property. Although exceptions to that rule have been recognized by the Comptroller General and have been applied by the Veterans Administration to justify a limited number of improvements to private property adjacent to national cemeteries, we believe a specific statutory authorization under which this Agency could assist localities in constructing such needed improvements would be a more satisfactory means of achieving these results. The proposed legislation, in our opinion, addresses and resolves these concerns.

TECHNICAL AMENDMENT TO STATE CEMETERY GRANT STATUTE

Section 1008(1) currently provides that no State may receive grants in any fiscal year in a total amount greater than 20 percent of the total amount appropriated program-wide for that fiscal year. The purpose of the original language was to prevent any one State from receiving a disproportionate share of Federal funds under the VA's cemetery grant program, to the disadvantage of other State(s).

In practice, after nearly 8 years of experience with this program, it has become apparent that this restriction is unnecessary, and may lead to unintended results. The VA Administrator, in a letter to the Speaker of the House of Representatives dated March 9, 1987, illustrates the potential negative impact of section 1008(b)(1) as follows:

> For example, if $3 million were available in the third year of an appropriation and

three States each requested $1 million in Federal assistance, no grant could be made because of the 20 percent limitation in the statute: i.e., each State would be requesting more than 20 percent of the total amount appropriated programwide. Moreover, the entire $3 million would tehn lapse despite the seeming adequacy of the appropriation to fund all three requests.

There has been no situation to date, and none is anticipated, in which the original concerns leading to the 20 percent limitation could have occurred. Repeal of section 1008(b)(1) will avoid the unintended results described above. This action will enable the VA to deal more efficiently and equitably with carryover funds, and will enhance program flexibility while maintaining program goals.

GRAVEMARKERS AT WOOD NATIONAL CEMETERY, MILWAUKEE, WISCONSIN, AND INDIANTOWN GAP NATIONAL CEMETERY, PENNSYLVANIA

Mr. Speaker, H.R. 2957 would exempt a newly acquired portion of the Wood National Cemetery from the statute which mandates upright gravemarkers in national cemeteries.

In 1985, the Veterans' Administration administratively transferred approximately 12 acres of land from the medical center to the national cemetery for expansion purposes. Without this additional land, the cemetery would have closed in 1987.

There was a specific agreement at the time of the transfer that gravemarkers in the new burial section would be flat. This condition was stipulated by the medical center director because the property is an integral part of the facility grounds.

Subsequent to this agreement, Congress in October 1986 amended 38 U.S.C. 1004 to mandate upright gravemarkers for interments in national cemeteries starting January 1, 1987.

H.R. 2957 would also permit the VA to continue using flat gravemarkers at the Indiantown Gap National Cemetery, Pennsylvania and in garden niches, 3 x 3 plots used for the interment of cremated remains.

Congressional intent was that the upright gravemarker provisions would apply to in-ground burial of casketed remains, not to burial of creamated remains in garden niches. In order to clarify this point, legislative authority is provided to the VA for using flat gravemarkers for burial of cremated remains that are interred in the ground.

GRAVELINERS

Mr. Speaker, as the ground settles over a grave, sinkage occurs about 10 times over a 20-year period after an interment is made. In each case, the resulting depression must be filled in order to maintain an acceptable standard of cemetery appearance. Graveliners are rigid outer containers, typically made of concrete, which enclose the casket in order to prevent this type of sinkage, and thus reduce overall maintenance costs.

Although the VA experience with graveliners was very successful and they were used at 30 of the 57 national cemeteries which were open, fiscal restraints forced the agency to cut back substantially on the graveliner program in 1980, although there are still provided at three of the large new regional cemeteries—Calverton, Riverside and Massachusetts.

The VA testified that graveliners are used in national cemeteries for four basic reasons: First, to reduce maintenance requirements by preventing the ground from sinking over a collapsing casket; second, to prevent headstones from sinking and tilting; third, to reduce falls and other accidents to employees and visitors when walking over uneven ground; and fourth, to assure that cemetery appearance meets the high standard expected by the public. The VA further testified that graveliners are most efficient when gravesites are being used for the first time, and all burials in a section would have graveliners.

Graveliners are highly cost effective when used in these types of circumstances. In the interests of long-term efficiency, and especially in view of the anticipated increase in burials over the next 20 years, the VA Administrator is authorized to provide graveliners in VA national cemeteries and Arlington National Cemetery.

The Congressional Budget Office has estimated a cost of $7 million for the first year of this bill, including $3 million to start the ABMC currency fluctuation account and $4 million for graveliners in national cemeteries. The provisions of H.R. 2957 will lead to more efficient operations for these programs, and should result in long-range savings.

Again, Mr. Speaker, these provisions are going to help us operate American Battle Monuments Commission and national cemeteries more effectively, and assure that the appearance of these beautiful shrines is maintained at a level which the public very rightly expects. I urge favorable consideration of this bill.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 2957, which would enhance our National Cemetery System by authorizing the Veterans' Administration to contribute funding to communities for local traffic controls and road improvements to provide for safer ingress and egress.

In addition it would permit the use of flat grave markers at two national cemeteries: one at Wood, Milwaukee, WI, the other at Indiantown Gap, PA. It would also permit the use of flat grave markers at gravesites for the interment of cremated remains in areas within the cemetery known as "garden niches."

This bill would also obviate the need for supplemental appropriations to remedy the foreign currency exchange rate problem being experienced by the American Battle Monuments Commission. To accomplish this, H.R. 2957 contains a provision to establish for ABMC's use a foreign currency fluctuation account, similar to those which have been set up for the Departments of State and Defense.

Another feature of this bill would provide for the use of graveliners at national cemeteries. This would be highly beneficial, due to the fact that they are cost-effective while at the same time, they improve grave sites.

Current law provides that no more than 20 percent of appropriated funds for any given year may be spent in any one State for State cemeteries. This provision was intended to ensure that no State would receive more than its fair share of funding. The provision has proved unnecessary and counterproductive. Enactment of H.R. 2957 would repeal this restriction and enable better operations.

Mr. Speaker, I wish to commend my good friend and chairman of the Veterans' Affairs Committee, the gentleman from Mississippi, Mr. SONNY MONTGOMERY, for his expeditious handling of this measure.

In addition, I want to recognize the gentlewoman from Ohio, Ms. MARCY KAPTUR, chairwoman of the Subcommittee on Housing and Memorial Affairs, and the ranking member, the gentleman from Indiana [Mr. BURTON], for their efforts in moving this legislation to the floor.

Mr. Speaker, I urge my colleagues to vote in favor of this bill.

Mr. Speaker, I yield such time as he may consume to the former ranking member, the gentleman from Arkansas [Mr. HAMMERSCHMIDT].

Mr. HAMMERSCHMIDT. Mr. Speaker, I rise in support of H.R. 2957, which would make certain improvements in the National Cemetery System and would enable the American Battle Monuments Commission to operate more efficiently.

As has been noted, the basic provisions of H.R. 2957 would improve operation of the National Cemetery System, and I wholeheartedly endorse them.

The American Battle Monuments Commission [ABMC] whose mission involves the operation of facilities in foreign countries, must be able to conduct its operations in an efficient manner, but is hampered financially by falling exchange rates for the dollar. The provision contained in this measure would ensure the ABMC's ability to keep up its operations by establishing a foreign currency fluctuations account for it. Setting up this type of account would preclude the necessity for supplemental appropriations.

Mr. Speaker, I wish to commend the gentlewoman from Ohio [Ms. Kaptur], the chairwoman of the Subcommittee on Housing and Memorial Affairs, and the gentleman from Indiana [Mr. Burton], the ranking member of the subcommittee, both of whom worked diligently to bring this bill to the floor for consideration.

In addition, Mr. Speaker, I wish to thank my good friend, the gentleman from Mississippi, Chairman Sonny Montgomery, and the ranking member, the gentleman from New York, Mr. Jerry Soloman, for their continued dedication and support for the needs of our Nation's veterans.

Mr. Speaker, I recommend H.R. 2957 to my colleagues. It deserves the support of every Member of this body.

Mr. SOLOMON. Mr. Speaker, I yield whatever time he might consume to the gentleman from New York [Mr. Gilman], a strong supporter of our veterans.

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding.

I want to commend the chairman of the Veterans' Affairs Committee, the gentleman from Mississippi [Mr. Montgomery], and the chairman of the subcommittee, the gentlewoman from Ohio [Ms. Kaptur], and the ranking minority member, the gentleman from New York [Mr. Solomon], for bringing both of these measures to the floor at this time, measures that will certainly help our veterans, particularly the Cemetery Improvement Amendments of 1987. They go a long way toward providing proper access, providing the kind of monuments and the kind of funding that is needed for our foreign cemeteries. Too often we neglect those who have given so much for our Nation. It certainly is commendable to see these kinds of measures come before us at this time to remember those who gave of themselves for our Nation.

It is for that reason, Mr. Speaker, that I urge my colleagues to join with us in full support of both of these measures.

Mr. Speaker, I rise in strong support of two measures brought before us today, H.R. 2672, the VA Home Rehabilitation and Programs Improvement Act of 1987, and H.R. 2957, to enhance the VA National Cemetery Program. I commend the distinguished chairman of our Veterans' Affairs Committee, the gentleman from Mississippi [Mr. Montgomery], the gentlelady from Ohio [Ms. Kaptur], and the ranking minority member, the gentleman from New York [Mr. Solomon], for their leadership on the committee and for bringing these worthy bills to the floor today.

H.R. 2672 changes the formula for calculating the maximum VA home-loan guaranty from 60 percent of the total loan up to a total of $27,000 to 40 percent of the total loan up to $40,000 for conventional homes. The original cap has failed to keep pace with the general rise in housing prices, consequently, failing to provide the protection envisioned for the average lender. The higher limit and lower percentage also curtails unnecessary risks to the borrower and revolving fund while continuing to provide lenders better credit protection than is currently available under conventional loans.

Furthermore, H.R. 2672 allows the VA to sell properties acquired through default for less than fair market value if the purchaser agrees to rehabilitate the property hiring veterans under the Veterans Job Training Act and to give priority to veterans when reselling the property. The bill also permits the VA to reduce the sale price of suitable foreclosure properties to approved organizations or State and local governments if the property is to be used as a shelter for homeless veterans and their families.

H.R. 2957 repeals the 20-percent cap on the amount of total appropriated funds a State may receive in any fiscal year from the VA State Cemetery Grant Program, and authorizes the VA to hire local authorities to improve lands surrounding national cemeteries to ensure safe entrance and departure, furnish graveliners for casket burial plots in VA cemeteries, and use flat grave markers in certain instances. H.R. 2957 also authorizes $3 million for the American Battle Monuments Commission [ABMC] to help offset fluctuations in exchange rates overseas.

Mr. Speaker, the veterans of this Nation encounter many of the problems faced by us all: unemployment, inflation, homelessness, and crime. These two bills address these barriers and others. Accordingly, I urge my colleagues to join in support of H.R. 2672, the VA Home Rehabilitation and Programs Improvement Act, and H.R. 2957, to enhance the VA national cemetery system.

Mr. SOLOMON. Mr. Speaker, I yield whatever time he might consume to the gentleman from Pennsylvania [Mr. Walker], who gave us input on the Indiantown Gap Cemetery.

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding.

I rise simply to thank the committee for being as responsive as they have been to the situation at the Indiantown Gap Military Cemetery.

The chairman of the subcommittee, the gentlewoman from Ohio, and the gentleman from Mississippi, the chairman of the full committee, and the ranking member of the committee, the gentleman from New York [Mr. Solomon], were all very responsive to this problem and it is much appreciated.

We have a situation there where we have a new cemetery. It is a cemetery which is developing, which is going to be an absolutely beautiful cemetery for the next many decades of this century.

With the action that the committee has taken here, I think we can assure that the original architectural plan will continue to be pursued and we will have a monument there to our veterans that we can all be very proud of.

So, Mr. Speaker, I thank the committee for their response in this matter and I am pleased to rise in support of this bill.

Mr. SOLOMON. Mr. Speaker, I again compliment the committee chairman and the chairman of the subcommittee.

Mr. MONTGOMERY. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I would like to thank the gentlewoman from Ohio, Ms. Kaptur, again for the hard work she has done on this legislation, and to the gentleman from New York, Mr. Solomon, the ranking minority member, and the gentleman from Arkansas, Mr. Hammerschmidt, for his total support, and to the gentleman from New York, Mr. Ben Gilman, always helpful on veterans programs, and to the gentleman from Pennsylvania, Mr. Bob Walker, to come to our committee and present this problem. We are very glad that we are able to help the gentleman from Pennyslvania, Mr. Walker.

Mr. Speaker, I would like to say that we are very proud of these national cemeteries. They are around the world. They are in this country. They are overseas.

Recently we went to Corregidor in the Philippines. While we were there, we did visit the national cemetery where 17,000 Americans are buried.

I would hope as our colleagues travel around the country and around the world that they would visit these great cemeteries. That is the least we can do is honor those who gave the supreme sacrifice and gave their lives. We were impressed with what we saw. The cemeteries are well maintained and we can all be proud of the way our Nation honors those individuals buried there who died defending freedom.

This bill will assure that the standard of care given our national cemeteries in this country and throughout the world will be maintained in the years to come. I urge the adoption of the bill.

Mr. BURTON of Indiana. Mr. Speaker, since the provisions of this bill have been thoroughly explained I can be brief. This memorial affairs bill will enhance our National Cemetery System.

VA national cemetery usage is expected to rise as our veteran population ages. I endorse the use of flat markers at the Wood, WI, Cemetery and grave liners at VA national cemeteries to improve the appearance and ease the burden of care for our cemetery caretakers. I also support plans to work with local officials to facilitate plans for the ingress and egress of veterans cemeteries. This will ease visitation and improve the safety of all local traffic.

Overseas, the Battle Monuments Commission has been forced to deal with budgeting problems beyond its control, caused by currency fluctuations. I support the establishment of a fund that would enable them to offset currency changes. This would not cost the Federal any money and in the long run would improve the efficiency of the Battle Monuments Commission.

Mr. SOLOMON. Mr. Speaker, I yield back the balance of my time.

Mr. MONTGOMERY. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. MONTGOMERY] that the House suspend the rules and pass the bill, H.R. 2957, as amended.

The question was taken.

Mr. SOLOMON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule 1, and the Chair's prior announcement, further proceedings on this motion will be postponed.

□ 1255

COMMODITY DISTRIBUTION REFORM ACT OF 1987

Mr. DE LA GARZA. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1340) to improve the administration of the Department of Agriculture commodity distribution activities, and for other purposes, as amended.

The Clerk read as follows:

H.R. 1340

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE: STATEMENT OF PURPOSE.

(a) SHORT TITLE.—This Act may be cited as the "Commodity Distribution Reform Act of 1987".

(b) STATEMENT OF PURPOSE.—It is the purpose of this Act to improve the manner in which agricultural commodities acquired by the Department of Agriculture are distributed to recipient agencies, the quality of the commodities that are distributed, and the degree to which such distribution responds to the needs of the recipient agencies.

SEC. 2. COMMODITY DISTRIBUTION PROGRAM REFORMS.

(a) COMMODITIES SPECIFICATIONS.—

(1) DEVELOPMENT.—In developing specifications for commodities acquired through price support, surplus removal, and direct purchase programs of the Department of Agriculture that are donated for use for programs or institutions described in paragraph (2), the Secretary shall—

(A) consult with the advisory council established under paragraph (3);

(B) consider—

(i) the results of the survey conducted under section 3; and

(ii) information received from the field testing program developed under subsection (g); and

(C) require that entitlement commodities and their products be—

(i) of the quality, size, and form determined by the advisory council established under paragraph (3), after consultation with recipient agencies, to be most usable by such agencies; and

(ii) to the extent practicable, consistent with dietary guidelines published by the Secretary of Agriculture and the Secretary of Health and Human Services.

(2) APPLICABILITY.—Paragraph (1) shall apply to agricultural commodities and their products that are donated for use—

(A) for programs carried out under the National School Lunch Act (42 U.S.C. 1751 et seq.), the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), or title III of the Older Americans Act of 1965 (42 U.S.C. 3021 et seq.);

(B) under section 4 of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note) for the commodity supplemental food program, the food distribution program on Indian reservations, charitable institutions, summer camps; or

(C) under section 202 of the Temporary Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note) for the temporary emergency food assistance program.

(3) ADVISORY COUNCIL.—(A) The Secretary shall establish an advisory council on the distribution of donated commodities to recipient agencies. The Secretary shall appoint not less than nine and not more than 15 members to the council, including—

(i) representatives of recipient agencies;

(ii) representatives of food processors and food distributors;

(iii) representatives of agricultural organizations; and

(iv) one representative of State distribution agency directors.

(B) The council shall meet not less than semiannually with appropriate officials of the Department of Agriculture and shall provide guidance to the Secretary on regulations and policy development with respect to specifications for commodities.

(C) Members of the council shall serve without compensation but shall receive reimbursement for necessary travel and subsistence expenses incurred by them in the performance of the duties of the committee.

(D) The council shall report annually to the Secretary of Agriculture, the Committee on Education and Labor and the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(E) The council shall expire on September 30, 1992.

(b) DUTIES OF SECRETARY WITH RESPECT TO PROVISION OF COMMODITIES.—With respect to the provision of commodities to recipient agencies, the Secretary shall—

(1) before the end of the 180-day period beginning on the date of the enactment of this Act—

(A) implement a system to provide recipient agencies with options with respect to package sizes and forms of such commodities, based on information received from such agencies under subsection (f)(2);

(B) implement procedures to monitor the manner in which State distribution agencies carry out their responsibilities; and

(C) after considering national standards and industry charges, including State and regional differences in such charges, establish mandatory criteria to be used by State distribution agencies when fees are charged to recipient agencies for storage and delivery of commodities;

(2) provide technical assistance to recipient agencies on the use of such commodities, including handling, storage, and menu planning, and shall distribute suggested recipes that are, to the extent practicable, consistent with the dietary guidelines described in subsection (a)(1)(C)(ii);

(3) before the end of the 90-day period beginning on the date of the enactment of this Act, implement a system for the dissemination to recipient agencies and to State distribution agencies of summaries of specifications with respect to such commodities, including nutrient content information, in a form suitable for use by such State agencies and recipient agencies, including information with respect to the amounts of fat, sugar, and salt contained in such commodities;

(4) implement a system for the dissemination to recipient agencies and to State distribution agencies, not less than 60 days before each distribution of commodities by the Secretary is scheduled to begin, of information relating to the types and quantities of such commodities that are to be distributed;

(5) before the expiration of the 90-day period beginning on the date of the enactment of this Act, establish procedures for the replacement of commodities received by recipient agencies that are stale, spoiled, out of condition, or not in compliance with the specifications developed under subsection (a)(1), including a requirement that the appropriate State distribution agency be notified promptly of the receipt of commodities that are stale, spoiled, out of condition, or not in compliance with the specifications developed under subsection (a)(1);

(6) monitor the condition of commodities designated for donation to recipient agencies that are begin stored by or for the Secretary to ensure that the highest quality is maintained;

(7) establish for each entitlement commodity that is donated to a recipient agency a value which shall be used by the appropriate State distribution agency in determining the extent to which donations of such commodities and food products fulfill applicable requirements established by the National School Lunch Act (42 U.S.C. 1715 et seq.), the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), and title III of the Older Americans Act of 1965 (42 U.S.C. 3021 et seq.); and

(8) require that each State distribution agency shall receive donated commodities not more than 90 days after such commodities are ordered by such agency, unless such agency specifies a longer delivery period.

(c) QUALIFICATIONS FOR PURCHASE OF COMMODITIES.—

(1) OFFERS FOR EQUAL OR LESS POUNDAGE.—Subject to compliance by the Secretary of Agriculture with surplus removal responsibilities under other provisions of law, the Secretary may not refuse any offer in response to an invitation to bid with respect to a contract for the purchase of entitlement commodities solely on the basis that such offer provides less than the total amount of poundage for a destination specified in such invitation.

(2) OTHER QUALIFICATIONS.—The Secretary may not enter into a contract for the purchase of entitlement commodities unless—

(A) the Secretary considers the previous history and current patterns of the bidding party with respect to compliance with applicable meat inspection laws and with other appropriate standards relating to the wholesomeness of food for human consumption; and

(B) Subject to compliance by the Secretary of Agriculture with surplus removal responsibilities under other provisions of law and except in the event of a situation that the Secretary determines to be an emergency, the contract provides for delivery terms free on board destination.

(d) DUTIES OF STATE DISTRIBUTION AGENCIES.—Before the expiration of the 90-day period beginning on the date of the enactment of this Act, the Secretary shall by regulation require each State distribution agency to—

(1) evaluate its warehousing and distribution systems for donated commodities;

(2) implement the most cost-effective and efficient system for providing warehousing and distribution services to recipient agencies;

(3) utilize normal channels of trade for providing the services described in paragraph (2) unless—

(A) the agency submits an alternative plan to the Secretary; and

(B) the Secretary approves such plan;

(4) use delivery methods other than rail siding delivery of donated commodities to recipient agencies unless each such delivery is—

(A) solely for one recipient agency; or

(B) for two or more recipient agencies, if all of such agencies use the same warehouse facility;

(5) consider the preparation and storage capabilities of recipient agencies when ordering donated commodities, including capabilities of such agencies to handle commodity product forms, quality, packaging, and quantities; and

(6) in the case of any such agency that enters into a contract with respect to processing of agricultural commodities and their products for recipient agencies—

(A) test the product of such processing with the recipient agencies before entering into a contract for such processing; and

(B) develop a system for monitoring product acceptability.

(e) Regulations.—

(1) In general.—The Secretary shall provide by regulation for—

(A) mandatory criteria, based on national standards and industry charges (taking into account State and regional differences in such charges), to be used by State distribution agencies when fees are charged to recipient agencies;

(B) minimum performance standards to be followed by State distribution agencies;

(C) procedures for allocating donated commodities among the States;

(D) delivery schedules for donated commodities that are consistent with the needs of recipient agencies; and

(E) criteria for intrastate distribution of donated commodities (relating to such matters as timeliness of deliveries, advance notice of delivery, and frequency of such distributions).

(2) Time for Promulgation of Regulations.—The Secretary shall promulgate—

(A) interim regulations for the implementation of paragraph (1)(E) to take effect before the end of the 30-day period beginning on the date of the enactment of this Act;

(B) regulations as required by paragraph (1)(D) before the end of the 90-day period beginning on such date; and

(C) regulations as required by subparagraph (A), (B), (C), and (E) of paragraph (1) before the end of the 180-day period beginning on such date.

(f) Review of Provision of Committee.—

(1) In General.—Before the expiration of the 180-day period beginning on the date of the enactment of this Act, the Secretary shall establish procedures to provide for systematic review of the costs and benefits of providing commodities of the kind and quantity that are suitable to the needs of recipient agencies.

(2) Information From Recipient Agencies.—Before the expiration of the 120-day period beginning on the date of the enactment of this Act, the Secretary shall establish procedures to ensure that information is received from recipient agencies not less than once every three months with respect to the types and forms of commodities that are most useful to persons participating in programs operated by recipient agencies.

(g) Field Testing Program.—The Secretary shall, before the end of the 90-day period beginning on the date of the enactment of this Act—

(1) develop and implement an ongoing field testing program, for existing and anticipated acquisitions of agricultural commodities and their products, to determine their acceptability with persons participating in programs operated by recipient agencies; and

(2) consider the results of the field testing program described in paragraph (1) when deciding the type and form of agricultural commodities and food products to be donated for use by such recipient agencies.

(h) Buy American Provision.—

(1) In General.—The Secretary shall require that recipient agencies purchase only food products that are produced in the United States.

(2) Waiver.—The Secretary may waive the requirement established in paragraph (1)—

(A) in the case of recipient agencies that have unusual or ethnic preferences in food products; or

(B) for such other circumstances as the Secretary considers appropriate.

(3) Exception.—The requirement established in paragraph (1) shall not apply to recipient agencies in Alaska, Hawaii, Guam, American Samoa, Puerto Rico, the Virgin Islands, or the Commonwealth of the Northern Mariana Islands.

(i) Uniform Interpretation of Policies and Regulations.—The Secretary shall ensure that policies and regulations of the Department of Agriculture with respect to donated commodities are interpreted in a consistent manner by regional offices of the Department.

(k) Per Meal Value of Donated Foods.—Section 6(e) of the National School Lunch Act (42 U.S.C. 1755(e)) is amended by—

(1) inserting "(1)" after the subsection designation; and

(2) adding at the end the following new paragraph:

"(2) Each State agency shall offer to each school food authority under its jurisdiction that participates in the school lunch program and recieves commodities, agricultural commodities and their products, the per meal value of which is not less than the national average value of donated foods established under paragraph (1). Each such offer shall include the full range of such commodities and products that are available from the Secretary to the extent that quantities requested are sufficient to allow efficient delivery to and within the State.".

(l) Report Requirements.—

(1) In General.—The Secretary shall annually submit to the Committee on Education and Labor and the Committee on Agriculture of the House of Representatives and to the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the implementation and operation of this section.

(2) Deadline for report.—The Secretary shall submit the first report under paragraph (1) before the expiration of the 1-year period beginning on the date of the enactment of this Act.

(m) Effective Dates.—

(1) In General.—Except as otherwise provided in this section, this section shall take effect on October 1, 1987.

(2) Other Effective Dates.—(A) subsections (b)(6), (b)(7), (b)(8), (h)(1), and (i) shall take effect on the date of the enactment of this Act.

(B) Subsection (c) shall take effect upon the expiration of the 180-day period beginning on the date of the enactment of this Act.

SEC. 3. SURVEY OF RECIPIENT AGENCIES.

(a) Survey.—The Secretary shall conduct a survey of recipient agencies to determine which package sizes and forms of food products are commonly purchased locally by such agencies with their own funds.

(b) Report to Congress.—The Secretary shall submit to the Committee on Education and Labor and the Committee on Agriculture of the House of representatives and to the Committee on Agriculture, Nutrition, and Forestry of the Senate a report containing the results of the survey conducted under subsection (a) before the expiration of the 90-day period beginning on the date of the enactment of this Act.

SEC. 4. FOOD BANK DEMONSTRATION PROJECT.

(a) Demonstration Project.—The Secretary of Agriculture shall carry out no less than one demonstration project to provide and redistribute agricultural commodities and food products thereof as authorized under section 32 of the Act entitled "An Act to amend the Agricultural Adjustment Act, and for other purposes", approved August 24, 1935 (7 U.S.C. 612c), to needy individuals and families throughout community food banks. The Secretary may use a State agency or any other food distribution system for such provision or redistribution of section 32 agricultural commodities and food products through community food banks under a demonstration project.

(b) Recordkeeping and Monitoring.—Each food bank participating in the demonstration projects under this section shall establish a recordkeeping system and internal procedures to monitor the use of agricultural commodities and food products provided under this section. The Secretary shall develop standards by which the feasibility and effectiveness of the projects shall be measured, and shall conduct an ongoing review of the effectiveness of the projects.

(c) Determination of Quantities, Varieties, and Types of Commodities.—The Secretary shall determine the quantities, varieties, and types of agricultural commodities and food products to be made available under this section.

(d) Effective Period.—This section shall be effective for the period beginning on the date of enactment of this Act and ending on December 31, 1990.

(e) Progress Reports.—The Secretary shall submit annual progress reports to Congress beginning on July 1, 1988, and a final report on July 1, 1990, regarding each demonstration project carried out under this section. Such reports shall include analyses and evaluations of the provision and redistribution of agricultural commodities and food products under the demonstration projects. In addition, the Secretary shall include in the final report any recommendations regarding improvements in the provision and redistribution of agricultural commodities and food products to community food banks and the feasibility of expanding such method of provisions and redistribution of agricultural commodities and food products to other community food banks.

SEC. 5. LIMITED EXTENSION OF ALTERNATIVE MEANS OF ASSISTANCE UNDER THE SCHOOL LUNCH PROGRAM.

Section 18 of the National School Lunch Act (42 U.S.C. 1769) is amended by adding at the end of the following new subsection:

"(e)(1) Upon request to the Secretary, any school district that on January 1, 1987, was receiving all cash payments or all commodity letters of credit in lieu of entitlement commodities for its school lunch program shall receive all cash payments or all commodity letters of credit in lieu of entitlement commodities for its school lunch program for each school year ending before July 1, 1992.

"(2) Any school district that elects under paragraph (1) to receive all cash payments or all commodity letters of credit in lieu of entitlement commodities for its school lunch program shall receive bonus commodities in the same manner as if such school district was receiving all entitlement commodities for its school lunch program.".

SEC. 6. EXTENSION OF NATIONAL DONATED COMMODITY PROCESSING PROGRAMS.

(a) Subparagraph (A) of section 1114(a)(2) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431(a) (2)) is amended by striking out "June 30, 1987," and inserting in lieu thereof "June 30, 1992,".

(b) Section 4404 of the Child Nutrition Amendments of 1986 (Public Law 99-661) and section 364 of the School Lunch and Child Nutrition Amendments of 1986 (Public Law 99-591) are each amended by inserting after "the Agriculture and Food Act of 1981 (7 U.S.C. 1431e(a)(2))" the following: "and effective through June 30, 1992".

SEC. 7. ASSESSMENT AND REPORT TO CONGRESS.

(a) ASSESSMENT.—The Comptroller General of the United States shall monitor and assess the implementation by the Secretary of Agriculture of the provisions of this Act.

(b) REPORT.—Before the expiration of the 18-month period beginning on the date of the enactment of this Act, the Comptroller General shall submit to the Committee on Education and Labor and the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report of the findings of the assessment conducted as required by subsection (a).

SEC. 8. DEFINITIONS.

For purposes of this Act:

(1) The term "donated commodities" means agricultural commodities and their products that are donated by the Secretary to recipient agencies.

(2) The term "entitlement commodities" means agricultural commodities and their products that are donated and charged by the Secretary against entitlements established under programs authorized by statute to receive such commodities.

(3) The term "recipient agency" means—

(A) a school, school food service authority, or other agency authorized under the National School Lunch Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) to operate breakfast programs, lunch programs, child care programs, summer food programs, or similar programs and to receive donations of agricultural commodities and their products acquired by the Secretary through price support, surplus removal, or direct purchase;

(B) a nutrition program for the elderly authorized under title III of the Older Americans Act of 1965 (42 U.S.C. 3021 et seq.) to receive donations of agricultural commodities and their products acquired by the Secretary through price support, surplus removal, or direct purchase;

(C) an agency or organization distributing commodities under the commodity supplemental food program established in section 4 of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note);

(D) any charitable institution, summer camp, or assistance agency for the food distribution program on Indian reservations authorized under section 4 of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note) to receive donations of agricultural commodities and their products acquired by the Secretary through price support, surplus removal, or direct purchase; or

(E) an agency or organization distributing commodities under a program established in section 202 of the Temporary Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note).

(4) The term "State distribution agency" means a State agency responsible for the intrastate distribution of donated commodities.

(6) The term "Secretary" means Secretary of Agriculture.

The SPEAKER pro tempore (Mr. LEATH of Texas). Is a second demanded?

Mr. EMERSON. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Texas [Mr. DE LA GARZA] will be recognized for 20 minutes and the gentleman from Missouri [Mr. EMERSON] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. DE LA GARZA].

Mr. DE LA GARZA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1340, the Commodity Distribution Reform Act of 1987. This legislation is designed to improve the distribution and quality of agricultural commodities acquired by the U.S. Department of Agriculture and more adequately respond to the needs of recipient agencies.

This legislation is a compromise of H.R. 1340 as reported by the Committee on Agriculture on July 13 and H.R. 2496, the School Lunch Child Nutrition and Older Americans Commodity Program Improvement Act of 1987 and is the product of numerous consultations between Subcommittee Chairman LEON PANETTA of the Domestic Marketing, Consumer Relations and Nutrition Subcommittee and members of the Committee on Education and Labor and our respective committee staffs.

Agricultural commodities are donated to food assistance agencies by the U.S. Department of Agriculture under two authorities, section 416 of the Agricultural Act of 1949 and section 32 of the act of August 24, 1935. Acquisition of price support and surplus removal commodities have helped stabilize the agricultural economy over the years and have provided numerous health benefits to children, the elderly and our low-income needy through provision of nutritious foods to food assistance agencies throughout the country.

The committee is aware that there have been problems associated with the Department's donation of agricultural commodities and commends recent actions by the Department of Agriculture to attempt to correct problems of timely distribution and respond more effectively to recipient agency needs. These efforts have also been recognized in a resolution adopted last week by the American School Food Service Association noting that "the Department of Agriculture has responded in an extremely constructive manner" to recommendations for improvements in the commodity distribution programs filed by the association and the National Frozen Food Association.

The compromise bill before us today provides a statutory base for these and additional improvements in the Department's donation programs.

In arriving at final compromise language providing these improvements, however, the Committee on Agriculture has been diligent in ensuring that the purpose of the commodity distribution programs—removing surplus agricultural commodities from the market and providing nutritious food to food assistance agencies—be maintained. Further, the committee worked hard to make certain that nothing in the bill would impair in any way the ability of the Secretary of Agriculture to acquire agricultural commodities through either the price support or surplus removal programs of the Department.

In this regard, two provisions in the bill as passed by the Committee on Education and Labor of deepest concern to our committee have been corrected to our satisfaction by the amendment offered to the bill on the floor today. First, section 2(a)(1) of the bill has been changed to apply the development of commodity specifications only to those commodities which already have been acquired by the Secretary of Agriculture through the price support, surplus removal and direct purchase programs of the Department. Second, section 2(c)(1) and section 2(c)(2)(B) have been changed to require that qualifications for purchase of commodities are subject to compliance with the surplus removal responsibilities of the Secretary of Agriculture.

Section 2(b)(4) of the bill requires that the Secretary of Agriculture provide recipient agencies information as to the types and quantities of commodities they are to receive not less than 60 days before each distribution. The Committee on Education and Labor has agreed that many times in surplus removal operations, in order to respond to a volatile marketplace, the Secretary must engage in surplus removal activities quickly. Thus, the committee report language specifies that the 60-day notification should be carried out to the maximum extent feasible. The Committee on Agriculture, however, does understand the need to notify recipient agencies as soon as possible when commodities are to be distributed and agrees that this requirement should be the exception rather than the rule.

Section 2(j) of the compromise bill mandates that entitlement commodities provided under the school lunch and elderly feeding programs shall be provided to recipient agencies without charge or credit if such commodities do not contribute to established meal pattern guidelines. The Committee on Agriculture is concerned that the Secretary may not acquire an entitlement commodity if such commodity cannot be charged against the entitlement purchase. The floor amendment strikes this provision and the concerns of the committees will be addressed in a subsequent colloquy.

H.R. 1340 as passed by the Committee on Agriculture received full bipartisan support, and our committee felt the proposed legislation would properly correct problems brought to our attention about the current operations of the commodity distribution programs. Our friends in the Education and Labor Committee, however, wished to correct deficiencies in the school distribution program in particular and, thus, the compromise bill includes improvements for all commodity donation programs of the Department of Agriculture.

I urge my colleagues to support the compromise bill as amended.

Mr. Speaker, it is our intention to divide our time on this side with our colleague from the Committee on Education and Labor, should they want to avail themselves of the time.

Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from California [Mr. Panetta] chairman of the subcommittee, whom I cammend, along with other members of the subcommittee and staff, for doing yeoman work in this endeavor.

Mr. PANETTA. Mr. Speaker, I express my thanks not only to the ranking minority member, the gentleman from Missouri, Mr. Bill Emerson, but also to the gentleman from Michigan, Mr. Ford, ranking member of the Committee on Education and Labor, as well as the gentleman from Pennsylvania, Mr. Goodling, the ranking minority member of the subcommittee which has responsibility for this issue on commodities with the Committee on Education and Labor. All of them plus the staffs have worked long and hard and diligently to bring before the House a compromise bill on this issue.

For more than 50 years, USDA has helped stabilize our agricultural industry by removing surplus foods from the marketplace and donating them to a number of nutrition programs. The Department's commodity purchase and distribution program has allowed us to provide our schoolchildren and other eligible recipient agencies with wholesome and nutritious meals, and to simultaneously assist our Nation's farmers.

Legislative authority for these acquisitions is found in the Agricultural Act of 1949 and section 32 of the act of August 24, 1935. Last year, the Department distributed approximately $800 million worth of various commodities acquired through its agricultural support activities for use in child nutrition programs serving over 25 million children. This distribution formed 17 percent of the total $4.7 million in Federal child nutrition assistance last year. Additional commodities valued at almost $300 million were distributed to charitable institutions and programs serving the elderly and over $800 million in commodities were donated through the Temporary Emergency Food Assistance Program.

As important as the commodity distribution programs are, however, they are in need of improvement. For almost a decade, they have been the subject of growing controversy. The heaviest criticism has come from the agencies, primarily schools, receiving commodity supplements to the cash assistance they used to furnish meals to children.

In a hearing that I held in my subcommittee we heard all too often that the commodities received by recipients were delivered late and packaged in forms which were difficult to use. We also heard about cheese that doesn't melt and beef shipments which came so late in the academic year that schools had to store the hamburger over the summer.

H.R. 1340 is the end product of a long and balanced effort by users of the program throughout the country to develop recommendations on improving the Department's commodity purchase and distribution operations and strengthening their contributions to agricultural support programs. H.R. 1340 is designed to ensure that the distribution programs fulfill and balance two important objectives: First, to support U.S. agriculture by removing surplus commodities from the market; and second, to help protect the nutritional well-being of people throughout the country by providing nutrition assistance to schools, senior citizens centers, and other institutions through distribution of surplus commodities.

The bill recognizes the need for a strong statutory base to ensure that many of the recommendations on commodity distribution are implemented as soon as possible. It also includes provisions which would extend the authority for schools to continue to participate in pilot projects that offer cash and commodity letters of credit in lieu of commodities; extend the National Commodity Processing Program; and create a new community food bank demonstration project.

When originally introduced, H.R. 1340 was referred to the Committee on Agriculture. The Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition which I have the honor to chair held hearings on the bill in March 18.

There were five concerns which were raised by the Committee on Agriculture to the substitute approved by the Committee on Education and Labor. There have been long and difficult negotiations to resolve the five areas of difference. The Agriculture Committee's concerns reflect the importance of ensuring that the balance which was achieved in H.R. 1340 as reported by the Agriculture Committee on July 13, 1987 is maintained. That balance is to weigh the legitimate concerns of agriculture producers for surplus removal against the equally legitimate concerns of the agencies which receive the surplus Agricultural Distribution Program be responsive to their needs. I want to describe the resolution of these five issues.

The first issue is that the Education and Labor substitute directs the Secretary of Agriculture to consult with an advisory committee and consider results of a survey and information from a field testing program in developing specifications on commodities to be acquired under price support, surplus removal and direct purchase programs. The Agriculture Committee is concerned that this provision would restrict the Secretary's ability to acquire commodities in carrying out his responsibilities for removal of surplus agriculture products from the market.

Compromise statutory and report language was agreed to that ensure that the surplus removal responsibilities of the Secretary will not be compromised. This language clarified that by requiring that the Secretary develop specifications for commodities acquired through price support, surplus removal, and direct purchase programs of the Department of Agriculture, the Committee on Education and Labor does not intend that the Department be constrained in its commodity surplus removal activities. The Committee on Education and Labor's intention is to ensure that the nutritious agriculture commodities distributed to recipient agencies be of a quality and type that can be packaged in sizes or processed into forms useful to these recipient agencies.

The second issue is the Agriculture Committee's concern that the requirement in the Education and Labor Committee substitute for a 60-day notification to recipient agencies before each distribution is inappropriate because the Secretary of Agriculture would be prevented from responding quickly in a volatile market.

The Committee on Education and Labor recognizes that in the case of surplus removal operations involving highly perishable goods in a volatile market, the requirement that recipient agencies get 60-days notice of the types and quantities to be distributed may not be administratively feasible in all situations. In such instances, the dual objectives of the commodity distribution program—surplus removal and distribution of nutritious agriculture commodities to recipient agencies—will be best achieved with a shorter notification period. The Committee on Education and Labor, however, expects that the Secretary, to the maximum extent feasible, will comply with the 60-day notification requirement. The Committee on Education and Labor stresses that it will fully expect that instances of emergency will be the exception rather than the rule.

The third issue reflects the concern of the Committee on Agriculture that two provisions which were added in the Education and Labor substitute to encourage small business to bid for commodity contracts might restrict the Secretary of Agriculture's responsibility to carry out his surplus removal responsibilities.

One prohibits the Secretary of Agriculture from refusing a bid solely on the basis that the offer provides less than the total amount of poundage for a destination specified in the invitation to bid. The other requires that except in a emergency situation, the contract must provide for delivery terms free on board destination. Statutory language was added as a compromise to these two provisions that makes them both subject to compliance by the Secretary of Agriculture with surplus removal responsibilities under other provisions of law.

The Committee on Education and Labor included the requirements of the substitute to prevent the commodity acquisition activities of the Department from being administered in a way which would prevent full participation of small business concerns in the program. This provision is intended to ensure that contracts are not refused solely on the basis of the volume of the shipment.

The fourth concern was that the Education and Labor substitute provided for cost-benefit analyses of commodity acquisition and distribution. The Agriculture Committee objects to any implication that a cost-to-recipient agency test will determine what surplus commodities to remove from the market. The Committee on Education and Labor added report language to clarify that this is not the intent.

> The Committee believes that the cost-benefit analysis required under section 2(f) of the substitute will be useful to the Secretary of Agriculture in carrying out his responsibilities under this Act, but recognizes that the cost-benefit to recipient agencies, while it must be considered, may not always be a final determinant.

The fifth concern raised by the Committee on Agriculture pertains to the provision in the Education and Labor substitute which would not allow the Secretary of Agriculture to charge against their entitlement credit any commodities provided under the School Lunch or Older Americans Act that do not contribute to the meal pattern guidelines established by the Secretaries of Agriculture and Health and Human Services for those programs. The Agriculture Committee believes that this provision could result in an imbalance of commodities currently being purchased. If the Secretary cannot charge a commodity against the entitlement purchase, he would not acquire it. Statutory language was added to specify that this provision has been striken from the bill in the compromise and I will engage in a colloquy with my colleagues on the Committee on Education to ensure that the department continues to supply a bonus commodities those items which it is currently purchasing and distributing in that fashion.

This bill is a compromise. Probably it is a pretty good compromise because none of the parties who negotiated it are totally happy. The Department of Agriculture has raised at the last minute some concerns about provisions not addressed in the five issues negotiated between the Committees on Agriculture and Education and Labor. These concerns may be legitimate. The were raided too late to be fully analyzed. I would anticipate that in the conference with the Senate on this bill, we will be able to resolve remaining concerns.

What is important now is that we can go on with the task of ensuring that schoolchildren and poor Americans get nutritious commodities, and approve this compromise bill.

The SPEAKER pro tempore. The gentleman from California [Mr. PANETTA] has consumed 5 minutes.

Mr. DE LA GARZA. Mr. Speaker, may I inquire how much time I have remaining?

The SPEAKER pro tempore. The gentleman from Texas [Mr. DE LA GARZA] has 14 minutes remaining.

Mr. DE LA GARZA. Mr. Speaker, I yield 10 minutes to the distinguished gentleman from Michigan [Mr. FORD] to use as he may require.

The SPEAKER pro tempore. Without objection, the gentleman from Michigan [Mr. FORD] will be recognized for 10 minutes.

There was no objection.

Mr. EMERSON. Mr. Speaker, I yield 10 minutes to the gentleman from Pennsylvania [Mr. GOODLING] for him to use as he wishes.

The SPEAKER pro tempore. Without objection, the gentleman from Pennsylvania [Mr. GOODLING] will be recognized for 10 minutes.

There was no objection.

Mr. EMERSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the House of Representatives is now considering a bill to improve the administration of the Commodity Distribution Program. Through this program surplus commodities are made available to several programs including the School Lunch Program and the nutrition programs for the elderly. In all, over $2 billion of commodities are made available each year. The purpose of the Commodity Distribution Program is a dual one: it is aimed at providing assistance to our Nation's farmers and it is aimed at providing food to schools and other organizations to help feed needy children. It is ext2emely important to remember the dual goals of the Commodity Distribution Program and to ensure that the design of the program adheres to both areas that are served.

This bill was originally introduced by the chairmen and the ranking minority members of the Committee on Agriculture and the Subcommittee on Domestic Marketing, Consumer Relations and Nutrition. This, I believe, demonstrates our commitment to improvement of the administration of the Commodity Distribution Program and Adherence to the dual goals of the program.

In the subcommittee, we have held extensive hearings on Commodity Distribution Programs and have consistently urged the USDA to improve its distribution methods. The Secretary of Agriculture demonstrated his further commitment in December 1985 by establishing a task force to report to him on means to improve USDA's commodity purchase and distribution activities. In June 1987, the task force issued its report which is comprehensive and lists specific improvements to be made. In recognition of this, the American School Food Service Association, which is a non-profit association of 60,000 members comprised of employees that administer and staff the child nutrition programs at the State and local level, adopted a resolution on July 24, 1987. The Association's resolution found that USDA has responded to their concerns in an "extremely constructive manner" and had made "substantial progress" in addressing their recommendations. In addition, that association of 60,000 now opposes adoption of a commodity letter of credit option at the State or local level to replace the Commodity Distribution Program as we know it today.

I am pleased to bring this matter to my colleague's attention to demonstrate across the board commitment to improvements in the Commodity Distribution Program.

H.R. 1340 was agreed to by the Committee on Agriculture, to whom the bill was referred, on June 3, 1987. That bill was a carefully thought-out and constructive measure that required the Secretary of Agriculture to take certain steps to improve the distribution of agricultural commodities and food products acquired by the USDA that are donated. That bill had a wide range of support from organizations involved in the Commodity Distribution Program, such as the American School Food Service Associations and agricultural organizations representing milk producers, fruit and vegetable organizations and farm organizations.

H.R. 1340 was later sequentially referred to the Committee on Education and Labor who reported a substitute bill. Throughout our discussions on deciding the best manner in which we can achieve our goal or improvement in the Commodity Distribution Program, I believe we must remember the dual goals of the program: help to our Nation's farmers and provision of nutritious food to children.

I am pleased that we have agreed on these goals and have reached resolution of the major points in disagreement. We agree that this bill does not, in any way, restrict the Secretary of Agriculture's ability to acquire commodities and that it is our intention to ensure that nutritious commodities are distributed. We agree that the Secretary must be able to respond quickly to accomplish surplus removal activities in a highly volatile market. We have always agreed on the need to constantly improve the administration of the Commodity Distribution Program.

It is important that Price Support and Surplus Removal Programs which are vital to farmers not be restricted. The goals of the Commodity Distribution Program are consistent with this. We must ensure that good quality food is provided to schools and other agencies; that America's agricultural markets are strengthened and that the Commodity Distribution Program operates in an orderly fashion.

We do not need a complex, inefficient system providing fewer agricultural commodities. Nor do we need a system that provides highly processed food and reduces the amount of food acquired from farmers. The issues raised concerned the Secretary of Agriculture's ability to manage Price Support, Surplus Removal and Direct Purchase Programs.

By requiring that the Secretary develop specifications for commodities acquired through Price Support, Surplus Removal, and Direct Purchase Programs of the Department of Agriculture, we do not intend that the Department be constrained in its commodity surplus removal activities. Our intention is to ensure that the nutritious agriculture commodities distributed to recipient agencies be of a quality and type that can be packaged in sizes or processed into forms useful to these recipient agencies.

In addition, we recognize that in the case of surplus removal operations involving highly perishable goods in a volatile market, the requirement that recipient agencies get 60-days notice of the types and quantities to be distributed may not be administratively feasible in all situations. In such instances, the dual objectives of the Commodity Distribution Program—surplus removal and distribution of nutritious agriculture commodities to recipient agencies—will be best achieved with a shorter notification period. We, however, expect that the Secretary, to the maximum extent feasible, will comply with the 60-day notification requirement and stress that it will fully expect that instances of emergency will be the exception rather than the rule.

I am especially pleased that H.R. 1340 contains an amendment I offered concerning a food bank demonstration project and I wish to thank the chairman of the Nutrition Subcommittee for his assistance. Our subcommittee held a hearing in Sikeston, MI on the subject of food banks and how they participate in the Temporary Emergency Food Assistance Program. Chairman PANETTA presided over that hearing and heard the testimony of the people who operate the food bank in Sikeston. Following that hearing and after a review of information compiled in our other hearings, I offered an amendment in the committee to require the USDA to begin a demonstration project in which the variety of commodities provided to food banks will be expanded to include meat products, fruits and vegetables. That amendment remains a part of the bill before us today and I thank Chairman PANETTA for his assistance. In addition, I thank the gentleman from Pennsylvania, the ranking minority member on the Education and Labor Subcommittee for his help. I have discussed this amendment over the past few weeks with him and appreciate his assistance.

PURPOSE OF H.R. 1340

It is the purpose of H.R. 1340 to improve the manner in which commodities that have been acquired by the USDA are distributed to agencies that use them to provide food for meals to improve the quality of the products distributed—and to improve the degree to which distribution responds to the needs of these agencies. To accomplish this, H.R. 1340 requires the Secretary of Agriculture, among other things, to—

First, make available summaries of specifications developed for the commodities and products;

Second, develop and implement schedules for distribution of commodities and products that are consistent with the needs of recipient agencies;

Third, develop replacement procedures for commodities and products that are stale or spoiled; and

Fourth, monitor the condition of commodities and products designated for donation that are in Department of Agriculture storage to ensure that quality is maintained.

For over 50 years, the Department of Agriculture has helped stabilize the agricultural economy through its Price Support and Surplus Removal Programs. Commodity acquisitions allows the Federal Government to not only significantly supplement nutrition assistance for children, the elderly, and the needy, but also to significantly assist our Nation's farmers.

Last year, the Department distributed approximately $800 million worth of a variety of commodities acquired through its agricultural support activities for use in child nutrition programs serving over 25 million children. This distribution formed 17 percent of the total $4.7 billion in Federal child nutrition assistance. Additional commodities valued at almost $300 million were distributed to charitable institutions and programs serving the elderly. Over $800 million in commodities were donated through the Temporary Emergency Food Assistance Program.

As important as the Commodity Distribution Programs are, however, they are in need of improvement.

DUAL PURPOSE OF THE COMMODITY DISTRIBUTION PROGRAM

The purpose of the Commodity Distribution Program is a dual one: to assist our Nation's farmers and to provide low-cost, nutritious food for schoolchildren and needy individuals and families. This balance must be maintained. We must assure that the Secretary of Agriculture can fulfill his agricultural support objectives while making sure that commodities that are donated are done so in an effective and efficient manner.

The USDA must retain its ability to make emergency purchases wherever surpluses exist and markets are depressed and also assure that agencies receiving these contributions can operate programs with as much advance notice of receipt of commodities as is possible.

We must make sure that the commodities and products donated contribute to the good health of the participants and are not so highly processed that the cost of the product is increased while the value of the donated commodity decreases.

An example of how the dual nature of this Commodity Distribution Program works is the recent provision of 21.2 million pounds of frozen red tart cherries for use in the school lunch and other domestic feeding programs. This purchase helps cherry growers in Michigan, New York, Wisconsin, Pennsylvania, Ohio, Virginia, West Virginia, and Maryland and by reducing the large reserve of cherries on hand and will assure USDA can make cherries available to schools.

COSTS OF H.R. 1340

As reported by the Committee on Agriculture the cost of H.R. 1340 was less than $500,000 each year, according to the Congressional Budget Office (CBO). This cost included small increases in administrative costs for testing the acceptability of commodities, establishment of an advisory council and evaluation of the food bank demonstration project. However, the cost of H.R. 1340 after being reported by the Committee on Education and Labor increased to $3 million in 1988 and $2 million in each succeeding year. In addition, CBO indicated that there could be increased costs for State and local agencies involved in the programs covered by this legislation. Changes in the CBO cost estimates resulted from expansion of the size and responsibility of the advisory counsel, expansion of the requirements for sending out information, requiring a new survey and collection of information on a quarterly basis, extension of the cash/commodity letter of credit option for certain school districts and by adding several reporting requirements.

FOOD BANK DEMONSTRATION PROJECT

H.R. 1340 requires the Secretary to establish at least one demonstration project in which the variety of commodities provided to food banks is expanded.

The purpose of this amendment is to test the concept of using section 32 commodities, those commodities removed from the market by the USDA under the Surplus Removal Program, for food banks. This pilot project will be established for the period through 1990, to coincide with the expiration of the farm bill. At that time the USDA will be required to submit a report to the Congress evaluating the pilot and making recommendations as to the feasibility of continuing the project and expanding it to other food banks.

The 1985 farm bill provided that public or private nonprofit organizations receiving commodities under section 32 of the act of 1935 are authorized to transfer these commodities or products to other private or nonprofit organizations that can use them without waste to provide nutrition assistance to low income persons. This redistribution will be a source of the surplus commodities to be made available for the food bank pilot project. Other surplus removal activities of the USDA can provide additional surplus commodities to the food bank pilot project.

Food banks provide a vital resource to the communities they serve. Their service is not only in distribution of surplus commodities made available by the U.S. Department of Agriculture through the Temporary Emergency Food Assistance Program (TEFAP). In addition, they provide food products donated by food stores and other private organizations. The food banks, which provide food to charities that serve the needy, are an integral part of the overall network of public and private organizations providing food assistance to needy individuals and families.

A food bank is defined by the USDA as a provider of central collection, storage and distribution of donated foods. A food bank has the resources to solicit, transport, store and distribute foods in large quantities thus providing a convenient outlet for donors who then interact with only one agency. Food banks may also operate food box programs which provide boxes or bags of food directly to households, for preparation at home.

According to a report issued by the USDA, food banks distributed a significant portion of TEFAP commodities, although the proportion varies across States. The proportion varied from 100 percent in seven States to less than 1 percent, but because States with larger TEFAP allocations tended to use food banks more, 30 percent of all TEFAP commodities for the Nation were distributed through food banks.

Commodities received by food banks through TEFAP include cheese, butter, nonfat dry milk, flour, cornmeal and rice. By initiating the food bank demonstration pilot project, the committee is testing the concept of increasing the variety of commodities made available to food banks, specifically section 32 commodities which include fruits, vegetables, meat and poultry products.

Many food banks have an established network in place to provide for the distribution of surplus commodities to agencies that feed needy people. Such food banks have workable transportation systems, available warehouses and a history of reliable service. The committee has chosen to use the available food bank system and to increase the variety of commodities made available to needy people. These commodities of fruits, vegetables, meat and fish products will complement the staple surplus commodities now distributed by food banks and thereby provide a wider range of food to individuals and families in need.

USDA is required to establish at least one demonstration project but, of course, may conduct more. The committee expects that the USDA will consult with the committee in carrying out this demonstration project and will report periodically on the status of the project, the types of commodities made available and the feasibility of expanding distribution of section 32 commodities to other food banks.

Mr. Speaker, under leave to include extraneous matter, I include herewith in the RECORD a statement of the USDA's position on H.R. 1340. They oppose the bill. However, it is my hope that many of the USDA concerns can be worked out in conference.

MAJOR CONCERNS OF THE U.S. DEPARTMENT OF AGRICULTURE WITH H.R. 1340, THE "COMMODITY DISTRIBUTION REFORM ACT OF 1987," AS ORDERED TO BE REPORTED BY THE HOUSE EDUCATION AND LABOR COMMITTEE, JULY 31, 1987

The USDA commodity distribution system serves several important goals: providing good quality foods to schools and other recipient agencies; strengthening America's agricultural markets; and operating in an efficient and orderly fashion which accommodates the needs and capabilities of our State and local partners. This bill moves sharply away from the goals of agricultural support and operational efficiency. The net effect of this bill will be a complex, inefficient system which will provide less agricultural support and which may often fail to provide commodities to sites effectively. Entitlement commodities only constitute 20 percent of the funds for the National School Lunch Program; schools always can respond flexibly to their needs using the remaining funds.

The bill decreases the amount of entitlement commodities that can be removed from the market at current funding levels and reduces the amount of food that recipient agencies receive.

To provide further accommodation to recipient agency desires for entitlement commodities, USDA would have to buy more processed foods. For example, instead of frozen, cut-up chicken, USDA would purchase more expensive breaded chicken nuggets. The Study of Alternatives to Commodity Donation showed that such efforts reduce the market value of food purchased by 3 percent. The reduction in the amount of food acquired from farmers would be even greater due to the processing costs. A dollar's worth of breaded chicken nuggets uses half of the amount of chicken as a dollar's worth of frozen, cut-up chickens.

Further, purchasing more processed foods would likely increase the level of salt and other processing ingredients in children's diets.

This bill ignores recent and ongoing voluntary, cooperative improvements made by USDA. On July 24, 1987, the American School Food Service Association passed a resolution recognizing these improvements, supporting the USDA commodity distribution program and opposing a State or local Commodity Letter of Credit (CLOC) option.

The bill creates a complex, paperwork-laden system which will greatly increase burdens upon the Department, State distributing and educational agencies, and recipient agencies. This will both increase costs and decrease the ability of all organizations to manage the commodity distribution system within current resources and to improve the system.

Changes in purchase requirements made by the bill will result in inequitable and inflexible systems, hindering the Department's ability to provide the types and amounts of food desired by recipient agencies.

In addition, these changes will delay and increase the costs of an $18 million computer system being designed by Arther Anderson and Co. for three USDA agencies (FNS/AMS/ASCS) to improve commodity acquisition and distribution. The cost of systems redesign is about $2.6 million. The delay of at least one year (from Fiscal Year 1989 to 1990 readiness) will impair USDA ability to the commodity distribution system.

The rapid timeframes required for implementation will require substantial and sudden changes in regulations and procedures. The result will be short-term confusion and chaos. This will inevitably lead to a poor review of implementation by the General Accounting Office.

The Department estimates $6.05 million in Fiscal Year 1988 costs, not including major costs which will be incurred by State and local agencies and the loss of purchasing power for commodity acquisitions.

MAJOR PROVISIONS OF CONCERN IN H.R. 1340 (EDUCATION AND LABOR SUBSTITUTE) SECTION AND PROVISION/CONCERN:

2(a)(1)(C)(i)—Requires USDA to buy commodities based on specifications determined by the advisory council. Terminates USDA discretion in purchasing commodities, based on market needs or availability and other legislative requirements.

2(a)(2) & definitions—Extends coverage of this bill to all commodity donations programs, including TEFAP, Charitable Institutions, Commodity Supplemental Food Program, and programs under the Older Americans Act. The provisions should be confined to mandatory coverage for the Child Nutrition programs and optional coverage for the other programs. Establishes needless burdens for programs marginally affected.

2(a)(3)—Establishes an advisory council to provide guidance on commodity specifications. Establishes an unnecessary and costly group. USDA already has well-established channels of information, including regular input from State advisory councils.

2(b)(1)(A)—Requires USDA to provide optional package sizes and forms of commodities. Needs to include the phrase, "where available." Optional forms are not always available or economical.

2(b)(1)(C) & 2(e)(1)—Requires USDA to establish mandatory criteria for State charges for handling commodities. Given the variation in State and local practices and financial status, this is not possible.

2(b)(3)—Requires a system to disseminate summaries of commodity specifications to State and recipient agencies. This is costly and unnecessary. Many recipient agencies (e.g., TEFAP agencies) would not want the specifications. This provision should be limited to State agencies, who can make the information available to recipient agencies. Cost $1 million.

2(b)(4)—Requires 60 day lead notification on deliveries. This needs an exemption for emergency situations, such as emergency surplus removal.

2(b)(6)—Requires commodities to be stored in conditions to maintain "highest quality." There is no industry standard for highest quality. This should be changed to "acceptable" quality.

2(c)(1)—Prohibits USDA from refusing offers from commodity contractors because the offer is less than the amount requested. This will create a needlessly complex system of bid review and distribution. Increases the burdens and risks of recipient agencies, who may be faced with multiple partial deliveries of slightly differing products from multiple producers. The FNS/AMS/ASCS computer system is designed with a truckload as the minimum unit. To redesign this system will cost AMS about $2.5 million and delay readiness from 1989 to 1990.

2(c)(2)(B)—Requires free-on-board destination buys, rather than point-of-origin buys. Bids may not be received for remote and rural areas, which will increase the unpredictability of deliveries for them. Also increases inequity of allocations, based on preferred destination points. Destination bids are less flexible for recipient agencies. To reprogram the tri-agency computer system for this will cost about $100,000.

2(d)—Requires USDA to develop regulations for State performance in six areas. This endangers USDA's cooperative efforts to establish performance standards for State distributing agencies, based on joint efforts with the National Association of State Agencies for Food Distribution and the American School Food Service Association.

2(e)(2)—Establishes extremely short timeframes for regulatory implementation. These will both limit public input and cause confusion due to sudden and changing rules. The results will be problems in Departmental, State and local implementation.

2(f)(1)—Requires cost/benefit analyses for commodity specification decisions. This is inappropriate for legislative price support and surplus removal acquisitions and is unworkable in practice. Could cause a massive paperwork burden for recipient agencies to establish costs and benefits.

2(f)(2)—Requires a quarterly reporting system for commodity preferences. This is a costly system that has little purpose. For the National School Lunch and Breakfast Programs, purchases are made on an annual schedule to fit their cycle or demands and the agricultural cycle of availability; USDA already receives annual reports. For the Commodity Supplemental Food Program and the Food Distribution Program for Indian Reservations, we already receive quarterly reports.

2(g)—Requires field testing of existing and anticipated commodities. USDA already field tests new products, but should not have to field test products that are already available and accepted.

2(h)—Requires that recipient agencies buy only American-produced food. While USDA only purchases American-produced foods and encourages recipient agencies to do so, this restricts the non-Federally-funded purchases of agencies. This may cause particular problems for certain commodities, such as bananas and sugar. Some agencies which receive relatively low Federal support, such as soup kitchens, may drop out of programs. It will be impossible to monitor this provision. This also has potentially serious trade repercussions.

2(j)(1)—Prohibits USDA from charging against a State's entitlement commodities, those foods which do not contribute to meal patterns, except vegetable oil and shortening. We oppose this provision, which is potentially costly or will reduce purchases. This can be made acceptable if report language specifies that this does not include foods which can be used in the preparation of foods in the meal pattern. For example, flour can be used in bread, which is part of the meal pattern, or cake, which is not. Flour should be exempt.

2(k)(2)—Requires States to offer to each school the full and range of commodities. This limits State flexibility in dealing with the amounts, types and shipping units of foods available, based on their assessment of school needs.

3—Requires a survey of recipient agencies within 90 days to determine what they are purchasing. This would be expensive and perhaps impossible to do in 90 days. This will also impose a large information collection burden on recipient agencies at the same time they are trying to comply with other bill provisions. USDA recently completed a School Food Purchase Study anyway. Cost $1 million.

5—Extends through 1992 CLOC and cash sites which participated in the Study of Alternatives to the Commodity Donation Study. The study is complete and there is no need to extend these sites. The alternative systems offered no significant advantages over the current system and provide less market support for agricultural purchases. The American School Food Service Association no longer backs State or local option CLOC.

6—Extends the National Commodity Processing System through 1992. USDA is actively trying to improve the system and does not believe mandates are appropriate. Further, given the declining stocks of surplus commodities, the system may not be needed by 1992.

USDA COST ESTIMATES FOR H.R. 1340 (EDUCATION AND LABOR SUBSTITUTE)

The H.R. 1340 cost estimate is based on the version ordered to be reported out of the House Committee on Education and Labor on July 28, 1987.

Fiscal year 1988 costs

Provision	*Millions*
Advisory Council	$0.2
Specification summaries to recipient agencies	1.0
Field testing	.1
Quarterly information from recipient agencies	.25
Annual reports to Congress:	
USDA	.1
Advisory Council	.1
GAO	.1
Extension of CLOC sites	.2
Survey of recipient agencies within 90 days	1.0
Food bank demonstration evaluation	.2
General FNS staff to write regulations and implement procedures	.2
Redesign and reprogram FNS/AMS/ASCS computer:	
Purchases less than a truckload	2.5
Destination terms and delivery based on recipient agency needs	.1
Total	6.05

Note:—These costs do not include: Major costs to be incurred by State and local agencies which must implement the provisions of the bill, possible future costs based on implementing the advisory council recommendations, or possible increases in the purchase costs of foods due to changes in purchase requirements made by the bill.

AGRICULTURAL MARKETS LIKELY TO BE AFFECTED BASED ON SCHOOL PREFERENCES

A major purpose of H.R. 1340 (the substitute bill from the Committee on Education and Labor) is to increase the extent to which USDA buys and distributes commodities based on recipient agency (e.g., school) preferences.

USDA currently uses the commodity distribution system to balance the needs of users and those of producers. Evidence on the effect of further basing purchases on recipient agency requests is available from the Study of Alternatives to Commodity Donation, which permited certain school districts to receive cash or Commodity Letters of Credit, in lieu of USDA commodities.

There would likely be two effects: (1) further processing of foods, substantially reducing the farm level impact of USDA purchases (discussed elsewhere) and (2) a change in the types of commodities purchased. If we assume that school preferences can be measured based on the experience with schools offered cash, the following markets would be affected:

Decreased Purchases Based on School Preferences: beef, peanuts, spinach, dry peas, chicken, pears, sweet potatoes, milk, blueberries, and tomatoes.

Increased Purchases Based on School Preferences: palm oil and cottonseed oil.

For the Commodity Letter of Credit sites, the impacts were similar, but more limited, since USDA letters of credit still required schools to buy specified commodity products, in accord with USDA commodity purchase allocations.

In the cash sites, the dollar volume impacts for beef, chicken and milk products were substantial. As a share of the market, the declines for fruits and vegetables were quite large, especially for pears and blueberries.

Since the Department of Agriculture currently uses its discretionary authority to provide market relief for varying degrees according to market conditions, assistance may be provided at other times to markets, such as cherries.

In seeking to improve the commodity distribution program, there has been considerable emphasis placed on providing users with more acceptable froms of commodities in question. If the products purchased by the Commodity Letter of Credit (CLOC) sites in the Alternatives to Commodity Distribution Demonstration Study are any indication of the form of commodities that would be preferred by local school food authorities in general, this emphasis on user acceptability of commodity form may have implications on the agricultural markets. Over the period of the demonstration, the flexibility afforded the CLOC sites provided them the opportunity to acquire foods in a more ready-to-use state.

For most commodities, the form of the items purchased by CLOC sites was similar to USDA donations, although the packaging of these items may have differed. However, there was some evidence that for some commodities, if the school districts were given the opportunity, they would acquire foods in a different form than what was donated by USDA. This was especially evident for meats other than beef. CLOC sites expended a significant portion of their letters of credit funds for the cost of processing the targeted commodity into more kitchen-ready forms than that currently being donated by USDA. In particular, almost 75 percent of all chicken products purchased with the CLOGs were cooked, breaded items such as chicken nuggets or chicken patties. About two thirds of all turkey purchases were processed turkey products such as turkey hotdogs, turkey lunchmeat or turkey hams. Instead of canned pork, CLOC sites purchased ham, pork sausage, and pork patties.

On average, commodity school districts expended about 52 cents of every food dollar for "value added costs" (i.e., the difference between the cost of the farm-level ingredients and the wholesale prices paid by the schools. The cash and CLOC systems increased the portion of the food dollar spent on processing and distribution by about 3 cents—a relative increase of almost 6 percent. Obviously, for commodities such as chicken and turkey the relative increase in processing would be considerably more.

As an example of how commodity processing affects the farm-level removal, suppose $1,000 was to be spent on chicken products. The following table displays the amount of specific chicken products that could be bought with that $1,000 and the farm-level equivalent needed to produce those products.

Food item	Cost per pound	Pounds per $1,000	Farm-level equivalent
Chicken fryer, whole, frozen	0.62	1,613	2,224
Chicken, cut-up, frozen	0.73	1,370	1,889
Chicken, cut-up, breaded, cooked, frozen	0.95	1,053	1,635
Chicken, nuggets, breaded, cooked, frozen	1.77	565	1,000

Mr. FORD of Michigan. Mr. Speaker, on behalf of the Committee on Education and Labor, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1340, the Commodity Distribution Reform Act of 1987.

The bill that is before the House today was reported by the Committee on Agriculture on July 13, 1987, and sequentially referred to Education and Labor, due to its jurisdiction over the School Lunch, Child Nutrition, and Older Americans Act. We were to have the bill under sequential referral for 14 days—until July 31, 1987.

On July 28, 1987, the Education and Labor Committee ordered H.R. 1340 reported, by a vote of 34 to 0, amended in the nature of a substitute. The committee substitute contained the provisions of H.R. 2496, introduced by myself and William Goodling of Pennsylvania on May 21, 1987.

Both H.R. 2496 and H.R. 1340, as reported, were similar in their intent, Mr. Speaker, and that intent was primarily to put into law requirements that will remedy the shortcomings of the existing system for distribution commodities to schools, child care providers, elderly nutrition sites, and other recipient agencies defined under the bill.

But before elaborating on the provisions in the bill before the House, it is important to state that the major difference between the Agriculture Committee reported bill, and the substitute being considered today is that where the Agriculture Committee bill required the Secretary of Agriculture to comply with the reforms in the bill only to "the extent practicable," the Education and Labor Committee bill set definite dates by which USDA must have complied with its provisions.

The very substantial requirements we impose upon the Secretary are—

To improve the manner in which agriculture commodities are acquired, and the manner in which they are distributed to receiving agencies;

That such commodities that are donated be sent in a timely manner, so that recipients can plan ahead for their use, their pickup and delivery, and their storage; this is particularly important to schools;

That the quality of the commodities donated be of highest quality, and in good condition upon receipt and, if they are not, that steps be taken to immediately replace them;

That the Secretary take into account receipient needs with regard to product acceptability through field testing;

That recipient needs with regard to package size and forms be taken into account, and that options be made available whenever possible;

That commodities provided to recipients are consistent with current USDA dietary guidelines, and those of the Secretary of HHS with regard to nutrition for Older Americans;

That fees charged by State distribution agencies be set, using mandatory Federal criteria, so that excessive fees for delivery and storage of commodities are not charged to local recipient agencies,

To assure that Thanksgiving turkeys arrive before Thanksgiving, rather than in January or February the following year;

That huge quantities of commodities are not delivered to schools just before summer vacation, requiring expensive storage over 3 months;

To require that commodities delivered to schools be those that contribute to USDA required meal pattern guidelines, and if they do not, that they not be charged against recipient's 12 cents per meal served;

That the Secretary send commodities in other than railcar lots except under conditions outlined in the act;

That the Secretary monitor the condition of commodities stored by and for the Secretary, to assure they are maintained in a state of highest quality, and not become stale or spoiled;

That the Secretary, in developing commodity specifications, in keeping with dietary guidelines, provide recipients with the fat, salt, and sugar content, and to reduce the content in those commodities to the extent practicable;

That State distribution agencies evaluate their warehousing and distribution systems to assure cost effectiveness and efficiency;

That States be required to offer the full value of entitlement commodities to recipient agencies, and that they also must offer local school food authorities the full range of commodities available to it;

That States consider recipient agency ability to cope with quantities of commodities delivered, and assure that they have the capability of using and storing those commodities;

That recipient agencies use funds available for meal service to "Buy American" to assure that only food produced in the United States is purchased with our food dollars;

Mr. Speaker, the Education and Labor Committee has heard, for many years, the complaints of our school lunch authorities and the Older Americans Act recipient agencies.

At a recent committee hearing in Iowa, receiving testimony from representatives of Older Americans nutrition programs, Ms. Jean Beatty, director of the Area Agency on Aging of North Central, Iowa stated:

> I hope that Congress continues to make the food option available to the nutrition program to the elderly, that we can be offered a greater variety of food, and that the USDA will lower their specifications for salt, sugar and fat in the processing of the foods we receive * * * we receive comments from the elderly themselves about the salty flavor of the canned vegetables, and the turkey roll, particularly. Lowering the sodium content of these products would be of benefit to all our diners, especially to those with hypertension.

We have a requirement in the bill that requires the Secretary to deliver commodities at other than rail-sidings, except under certain conditions.

In explaining why, let me quote from Ms. Beatty's testimony out in Iowa, in response to the claim by the USDA witnesses at the hearing that the Nutrition Program for the Elderly often refused commodities: She said:

> Part of it is the requirement that the commodities have to come into the state in full carloads for NPE. And so as fewer and fewer of the agencies were receiving commodity foods, there were fewer and fewer of us that had to share this carload requirement. And then it gets to the point, do you want a carload of a particular item, or none at all. And sometimes the answer is none at all, thank you very much.

As we have recently learned, nearly 97 percent of the aging nutrition programs receive all cash, in lieu of commodities. And they do so because: First, of the high salt, fat, and sugar content in those commodities; and second, because they have to order in railcar lots rather than by the truckload—and they can neither use it nor store it inexpensively—so they either do without or they take the cash and buy food for their elderly participants on the local markets.

This is also true of school food authorities. They are very fed up with being a dumping ground for whatever the Secretary of Agriculture believes they ought to receive—with no thought given as to its acceptability among persons eating the meals, and no thought given to the people who have to pay to have railcars full of commodities picked up and delivered to nutrition sites—or to warehouses where storage costs, are in many States, outrageously high.

Mr. Speaker, while I understand the need of the Agriculture Committee, and by extention the Department of Agriculture, to give precedence to their role of removing surplus agriculture commodities from the marketplace and keeping up price supports, the Education and Labor Committee must also emphasize the need to protect those who are on the receiving end of those commodity purchases—the schools, the child care centers and family day care providers, the older Americans and nutrition sites.

We have tried, and I believe we have succeeded, in making this bill fit the dual objectives that these programs ought to strive for—

The removal of surplus commodities and for purposes of farm price supports; and

The feeding of the Nation's schoolchildren, its preschool children, and its elderly, through provision of nutritious agricultural commodities and their products.

While the U.S. Department of Agriculture must, by law, use section 32 and section 416 funds for removal and farm price supports, it must be recognized and taken into account here and now that without our school system—16,000 school districts in the United States which served 3.9 billion meals in fiscal year 1985—and numerous child care provider settings and elderly congregate and home-delivered meal participants—there would be no outlet for these surplus commodities, or items purchased for purposes of price supports. They would be rotting in the fields.

But for 52 years, the USDA has paid more attention to its role of surplus removal and price support then it has to providing quality commodity products to their outlets—the schools and other recipient agencies.

Under H.R. 1340 which is before us today, that dual objective is codified into law—we intend to do both, and we intend that USDA and State distribution agencies be mandated to comply with the reforms contained in the legislation—and to comply quickly and in a manner that will significantly improve the commodity distribution system in effect nationwide today.

□ 1310

Mr. Speaker, it is important to point out one major difference in the bill and also important to say on behalf of the Committee on Education and Labor that we appreciate the fine cooperation that we have had from the chairman of the Committee on Agriculture and the Agriculture Subcommittee and the ranking Republican members, the chairman of the Subcommittee on Agriculture, Mr. PANETTA, who with his staff has worked many hours with our staff putting together the compromise as he described it that comes to us today on the floor. This represents the best effort of the people on both committees to accommodate all of our concerns. While, like all compromises, it does not give everyone everything they would like to have, I believe, as Mr. PANETTA indicated, it is a good compromise and worthy of the support of the House.

The only real major difference between the Committee on Education and Labor approach and the Committee on Agriculture bill in its original form was that the agricultural bill asked the Secretary of Agriculture to make changes in the commodity distribution system to the extent practicable. The bill before us goes much further than that and places very substantial requirements upon the Secretary to do a number of items enumerated in the legislation. I will not go into those at this time.

Mr. Speaker, I reserve the balance of my time.

Mr. EMERSON. Mr. Speaker, I reserve the balance of my time.

Mr. GOODLING. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I do want to engage in a colloquy a little later but first of all I think a little history lesson might be good. I would like to read the act and the declaration of policy. It seemed to be reversed every time I heard it mentioned here today and I would like to correct that for the record.

Section 2:

> It is hereby declared to be policy of Congress as a measure of national security to safeguard the health and well-being of the Nation's children and to encourage the domestic consumption of nutritious agricultural commodities and other foods.

Again, you have heard the order in which this was presented. This is the way it has always been.

So I want to correct the record, because I have heard it repeated several times now today in reverse order.

For years, 17 before I came here as an administrator and 13 since I have been here, I had seen the problems of commodity distribution and we have heard over and over again from the people who are doing the School Lunch Program and the Child Nutrition Program back in the districts, of all of the problems and they recite them year after year after year.

However, they will say then, at the end, "Don't change anything because if you have money out there instead of commodities the Congress may take that money away from us and they can't take the commodities away."

That is not the way it happened in 1981, folks. They discovered that that was not true at all, as a matter of fact. They lost commodity money.

Was that not a shock to them?

All I want to point out is if the American public ever knew the amount of money involved in trying to make these distributions, they would rise in outrageous—whatever—because in many instances you buy and then you store and then you shift to the State and they store and then you shift to the local school district. Now they cannot take care of 50 pounds of frozen hamburger so they have to send it out someplace to store it. Then when they want to use it they also have to send it out and have it reprocessed so they can use it.

So for years and years and years we have been trying to find a way to improve food distribution. As someone said in our hearings, it does not matter which administration, it does not get any better. It is getting better now. Why is it getting better? Because for the first time in the history, the Department now has a little competition, because you authorized some program where you said you could either take cash or you could have a commodity letter of credit.

Let me talk about commodity letter of credit.

What could be any better if you want to move surplus commodities or commodities that you think are going to be a glut on the market than a commodity letter of credit? Why is it so great?

First, it is controlled by the Secretary of Agriculture. They cannot take it and go buy what they want to buy; they can only buy what he says they can buy. That is one.

So he takes care of any surpluses or anything he perceives that is going to be a glut on the market.

Second, they can buy locally and take that surplus away before it ever becomes a storage item. And it does not have to be reprocessed in most instances. So you get the best of all worlds there.

Now cash, cash is something that has been going on a long time. Is it not amazing we have one State in this Union that does this totally different than any other State?

The State of Kansas many years ago decided that "We are not going to have any distribution program anymore, we are going to get rid of that whole mess. As a matter of fact, we are going to get out of it."

So what happens? Well, as the good Senator said, "Well, I think the Government then ought to give us cash in lieu of those commodities that we don't want to bother with." And somebody over here in the House must have traded something off, I do not know, and said, "We will help you get it."

So the State of Kansas gets their bonus commodities and then they get cash for everything else—only one State. But the commodity letter of credit—I do not see how you can do a better job of taking care of surplus than having a commodity letter of credit.

Let me say that the bill as it originally came in my estimation did not do anything more than the Secretary can presently do. However, he seemed to think he needed additional authority so I have no problems with that, even though as I said I do not think it does anything any different, the original bill, than what he now has the power to do.

But I am happy to support the compromise that we have. I think it will take care of both the need to improve nutrition on the one hand and, on the other hand, to take care of the excess commodities that we have.

You have to understand the program. Everybody gets the surplus commodities; no matter what program you are under you all get the bonus commodities. We are really not talking about those.

We are talking about those that the Secretary goes out and purchases and then tries to distribute through a horrible distribution program. And sometimes I think the school food service is linked up somehow or other with the distribution people—they get in bed together, as I sometimes think lobbyists are lobbying from all different angles and representing and probably getting much more money than any of us in the Congress of the United States get because I guess they have more accounts.

Let me say that I rise in support of what we have come up with as a compromise.

Mr. Speaker, I rise in support of H.R. 1340, the Commodities Distribution Reform Act of 1987. This bill which has been under the supervising eyes of two committees of jurisdiction contains a good compromise which balances the agricultural removal programs with those of providing a nutritious meal to schoolchildren, the elderly, and the needy. I applaud the committee members and their work in arriving at a bipartisan compromise. This substitute contains not only improvements to the commodity distribution system but contains an extension of the current existing cash and CLOC programs. For years we have heard the continuous complaints and chronic problems about the distribution system involved in getting foods to the local recipient.

Our intent in this substitute is to grant the Department of Agriculture the statutory authority, which they believe they do not have and yet need to improve the program. We, therefore, are not only giving them this authority but are giving them a mandate to use that authority in a timely manner. We are serious about these changes. We have relaxed the time lines in order to allow for meaningful comment to regulations which we expect the Department to implement. Maximum public comment will ensure the best promulgated regulations.

There exists a vital link between the State and Federal agencies. We expect States, as we expect the Department, to make reforms. Each State should make complementary reforms so that we can proceed, knowing all has been done to make a complicated program work better.

An important aspect of this bill is the pilot project extension. Even though we commend the Department for recent changes to improve the program, I believe the pilots should be given credit for the serious reform of the commodity distribution program taken recently by the Department. The competition of alternatives is forcing the Department to perform better. These programs are not designed to dismantle the commodity removal programs, but are alternatives to the current distribution method of those commodities available. The bottom line is still removal no matter the method; then, using the surplus to feed people.

Since the current commodity distribution program applies to everyone except the 64 pilots and the State of Kansas, it has the greatest impact on the most number of youngsters; therefore, we intend the commodity program to work and work well. However, if the interested groups including the Department do not greatly improve the program with these legislative changes, I am reserving the right to revisit offering the CLOC option to all local agencies.

Again, I rise in support of this bill and urge my colleagues to join me in support of its passage.

I would like to engage in a little colloquy very quickly, if we could have it with the gentleman from California [Mr. PANETTA].

Mr. PANETTA. Mr. Speaker, will the gentleman yield?

Mr. GOODLING. I yield to the gentleman from California [Mr. PANETTA].

Mr. PANETTA. I thank the gentleman for yielding.

Mr. Speaker, in striking section 2(j), it is our understanding that the Department will continue its current distribution procedures to the National School Lunch, Child Nutrition, and Older Americans Act Programs in terms of bonus and entitlement commodities.

Specifically, we expect the Department to charge as an entitlement commodity only those items that contribute to the meal patterns established by the Secretaries of Agriculture and Health and Human Services.

Moreover, flour, shortening, and vegetable oil should be charged against entitlement to the extent that they are used in such a fashion as to satisfy relevant meal patterns.

We expect the USDA to continue to supply as bonus commodities those items which it is currently purchasing and distributing in that fashion.

Mr. GOODLING. Mr. Speaker, I might add we in no way intend the USDA to charge against entitlement any of those items which do not meet meal pattern requirements since the Secretary determines what the meal pattern is in the first place. Otherwise the child would be paying for the commodity support and that should not be. For example, in the National School Lunch Program we do not expect them to charge against commodity entitlement; potato chips, although we produce a lot in my district, corn curls, banana chips, pickle relish, tomato ketchup, which we went through a couple of years ago, chili sauce, pretzels, chips, and similar grain items. Is that the way the gentleman understands it?

Mr. PANETTA. If the gentleman would yield further, that is my understanding that they will, as they have, implement current practice and current practice should be as prescribed.

Mr. GOODLING. I thank the gentleman for yielding me this time.

Mr. EMERSON. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in support of this bipartisan effort to improve the quality and the efficiency of the Department of Agriculture's commodity-distribution program. I commend the gentleman from California [Mr. PANETTA], the gentleman from Pennsylvania [Mr. GOODLING], and the ranking member, the gentleman from Missouri [Mr. EMERSON], for their leadership in bringing this important measure before us today.

The USDA's program acquires and distributes surplus agricultural products to stabilize markets and benefit the needy. In the past I have received a number of complaints from constituents on the fairness and efficency of the distribution of goods from this program. The legislation before us requires States to evaluate their systems for warehousing and distributing commodities. Moreover, the USDA will be required to monitor State distribution agency operations, provide information of the types and quantities of the goods to be distributed and to promulgate regulations governing delivery schedules. Hopefully, the flaws in this well-intentioned program will be fully recognized through this evaluation, and steps can then be taken to correct them.

H.R. 1340 makes several other changes in the program. It will clarify State and Federal responsibilities with regard to the provision of donated commodities to recipient agencies. The USDA has conducted a pilot program exploring two alternatives to the present distribution scheme. Both replace the value of commodities with cash assistance or commodity letters-of-credit (vouchers allowing school districts to purchase designated commodities). These exploratory efforts will continue through the 1991-92 school year.

In addition, other new avenues toward improving the program will be explored. The USDA will be required to set up at least one community food-bank demonstration project while continuing and increasing distribution through established food banks. The USDA must also develop standards with which to measure the projects effectiveness and submit annual reports to Congress on each project. Furthermore, recipient agencies will be required to "buy American" agricultural products whenever possible.

Mr. Speaker, malnutrition need not and should not be tolerated in this country. Accordingly, I urge my colleagues to join in supporting this very sensible and appropriate legislation.

Mr. FORD of Michigan. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BIAGGI. Mr. Speaker, I rise today in support of H.R. 1340, the Commodity Distribution Reform Act, as approved by the House Education and Labor Committee. This legislation is a meaningful step forward in ensuring that the commodities given to our school children and our elderly are of the highest quality and in the form most useable to the population served.

For many years, the Department of Agriculture has been hearing complaints about the commodity distribution program. These complaints have ranged from flour arriving in sacks too heavy for cafeteria workers to lift, to hamburger in packages too large to use in one meal, thus resulting in spoilage. These complaints have included bugs in rice packages, foreign matter and stems in bean cans, peanut butter that wouldn't spread and cheese that wouldn't melt. While I recognize that the Department of Agriculture is moving to eliminate these problems, I feel that this movement has been much too slow.

H.R. 1340 simply gives the Department deadlines before which they must comply with certain quality-ensuring provisions, as well as the authority to reform the commodity distribution program. This legislation also includes requirements that the Department set up an advisory council to assist in reforming the commodity distribution program and conduct a survey of the recipient agencies to determine the best package sizes and forms for the commodities.

I commend my dear friend and colleague, BILL FORD, for his leadership in this effort. Our Nation's schoolchildren and senior citizens can look forward to better quality food through his efforts.

I urge my colleagues to join me in voting for this vital legislation. Our Nation's children and elderly deserve the highest quality food. H.R. 1340 takes important steps toward ensuring this goal.

Mr. DE LA GARZA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to thank once again all who have worked to make this bill possible.

I extend my appreciation to all of them.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas [Mr. DE LA GARZA] that the House suspend the rules and pass the bill, H.R. 1340, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read "A bill to improve the distribution procedures for agricultural commodities and their products donated for the purposes of assistance through the Department of Agriculture, and for other purposes."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DE LA GARZA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 1340, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

CHRISTOPHER COLUMBUS QUINCENTENARY JUBILEE ACT AMENDMENTS

Mr. GARCIA. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2309) to amend the Christopher Columbus Quincentenary Jubilee Act, as amended.

The Clerk read as follows:

H.R. 2309

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REFERENCES.

Except as otherwise expressly provided, whenever in this Act an amendment is expressed in terms of an amendment to a section or other provision, the reference shall be considered to be made to a section or other provision of the Christopher Columbus Quincentenary Jubilee Act (Public Law 98-375; 98 Stat. 1257).

SEC. 2. ADDITIONAL NONVOTING PARTICIPANT.

Section 3(c) is amended—

(1) by inserting "(1)" after "(c)"; and

(2) by adding at the end the following:

"(2)(A) For purposes of this paragraph, the term 'country or other political entity' means any country or territory or successor political entity listed under section 212(b) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2707(b)).

"(B) In addition to the individuals under paragraph (1), the President is authorized and requested to invite the government of any country or other political entity recommended under subparagraph (D) to appoint 1 individual to serve as a nonvoting participant under this paragraph.

"(C)(i) Not more than 1 country or other political entity may be represented under this paragraph at any time, and, except as provided in clause (ii), the term for which any such country or other entity may be so represented shall be 1 calendar year, beginning with calendar year 1988.

"(ii) In the year in which the Commission terminates, the term of appointment under this paragraph shall end on the Commission's termination date.

"(D) The Commission shall submit to the President, on an annual basis, the name of any country or other political entity which the Commission considers appropriate, except that—

"(i) no country or other political entity may be represented under this paragraph more than once; and

"(ii) the first country to be recommended under this subparagraph shall be the Bahamas, which was the first place where Columbus landed in the course of his voyages of exploration.".

SEC. 3. OFFICIAL REPRESENTATION EXPENSES.

Section 6 is amended by adding at the end the following:

"(f) In carrying out any functions or duties with respect to representatives of foreign governments, the Commission may, out of amounts available under section 7(a), expend not to exceed $7,500 in any calendar year.".

SEC. 4. INCREASE IN MAXIMUM DONATIONS ALLOWABLE.

Section 7(a) is amended to read as follows:

"(a) The Commission may accept donations of money, property, or personal services, except that—

"(1) the aggregate amount of any donations which may be accepted from an individual in any year may not exceed $250,000; and

"(2) the aggregate amount of any donations which may be accepted from a foreign government, corporation, partnership, or other person (other than an individual) in any year may not exceed $1,000,000.".

SEC. 5. APPOINTMENT OF STAFF.

Section 8(b)(1) is amended to read as follows:

"(1) appoint and fix the compensation of such additional personnel as it deems advisable, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that—

"(A) not to exceed 20 staff members appointed under this paragraph may be paid out of amounts available under section 11, and any individual appointed to a position funded in such manner may not be paid at a rate in excess of the rate for grade GS-18 of the General Schedule; and

"(B) any other staff member appointed under this paragraph may be paid out of amounts available under section 7(a), and any individual appointed to a position funded in such manner—

"(i) shall be so designated at the time of such individual's appointment; and

"(ii) shall not be considered an employee of the United States other than for purposes of—

"(I) chapter 81 of title 5, United States Code, relating to compensation for work injuries;

"(II) chapter 11 of title 18, United States Code, relating to bribery, graft, and conflicts of interest; and

"(III) chapter 171 of title 28, United State Codes, relating to tort claims.".

SEC. 6. ADVISORY COMMITTEE MEMBERS.

Section 9(b) is amended—

(1) by inserting "(1)" after "(b)";

(2) by inserting ", except as provided in paragraph (2)," after "compensation, and"; and

(3) by adding at the end the following:

"(2)(A) Persons appointed to advisory committees under section 8(b)(2) may, while away from their homes or regular places of business in the performance of services for the Commission, be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons employed intermittently in Government service.

"(B) Any amount payable under subparagraph (A) shall be paid out of amounts available under section 7(a).".

SEC. 7. OFFICIAL LOGO.

(a) In General.—Section 10 is amended—

(1) by amending subsection (a) to read as follows:

"(a)(1) For the purpose of this section, the term 'Christopher Columbus Quincentenary Logo' means the symbol or mark designated by the Commission for use in connection with the commemoration of the quincentennial of the voyages of discovery of Christopher Columbus.

"(2) The Commission may, in accordance with rules and regulations which the Commission shall prescribe, authorize the manufacture, reproduction, use, sale, or distribution of the Christopher Columbus Quincentenary Logo.

"(3) The rules and regulations under paragraph (2) shall include provisions under which—

"(A) fees may be charged for any authorization under this subsection (including circumstances under which any such fee may be waived);

"(B) any authorization granted under this subsection shall not be subject to reassignment or transfer without approval by the Commission; and

"(C) any authorization granted under this subsection may be revoked or otherwise terminated.

"(4) Amounts charged under paragraph (3)(A) shall be available to the Commission.";

(2) in subsection (b)—

(A) by striking "or uses any such logos, symbols, or marks, or any facsimile thereof, or in such a manner as suggests any such logos, symbols, or marks," and inserting in lieu thereof "uses, sells, or distributes the Christopher Columbus Quincentenary Logo"; and

(B) by striking the second sentence thereof; and

(3) by adding at the end the following:

"(c)(1) Notice of designation under subsection (a)(1) shall be published in the Federal Register.

"(2) Any rules and regulations under subsection (a), and any penalty under subsection (b), shall apply only in the case of any symbol or mark for which the Commission publishes notice of designation under paragraph (1).".

(b) Savings Provisions.—(1) All rules and regulations issued by the Christopher Columbus Quincentenary Jubilee Commission in connection with section 10 of the Christopher Columbus Quincentenary Jubilee Act (as in effect before the enactment of this Act) shall continue in effect, according to their terms, until modified, terminated, superseded, or repealed by the Commission.

(2) No suit, action, or other proceeding lawfully commenced before the amendments made by subsection (a) become effective shall abate by reason of the enactment of this Act. Determinations with respect to any such suit, action, or other proceeding shall be made as if this Act had not been enacted.

SEC. 8. TERMINATION DATE.

Sections 11(a), 11(b), and 12(a) are each amended by striking "November 15, 1992" and inserting in lieu thereof "December 31, 1993".

The SPEAKER pro tempore (Mr. Gray of Illinois). Is a second demanded?

Mrs. MORELLA. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from New York [Mr. Garcia] will be recognized for 20 minutes and the gentlewoman from Maryland [Mrs. Morella] will be recognized for 20 minutes.

The Chair recognizes the gentleman from New York [Mr. Garcia].

□ 1325

Mr. GARCIA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, 1992 marks the 500th anniversary of Christopher Columbus' landing in the New World.

In 1984, Congress established the Christopher Columbus Quincentenary Jubilee Commission and charged it with the responsibility of preparing a comprehensive program for the commemoration of Christopher Columbus' voyages of exploration.

H.R. 2309 was introduced by my distinguished committee colleague, Mr. de Lugo, to enable the Christopher Columbus Commission to raise adequate funds from the private sector, to underwrite appropriate ceremonies for the quincentenary.

The need for increased funding arose from the recognition of the significance of the 1992 event and the Commission's desire to maximize the participation of Americans from all ethnic and racial groups.

The bill, as amended also would acknowledge the historical reality of Christopher Columbus' landing in the New World, by adding a third nonvoting member to the Commission. This member would be a representative from a Caribbean country and would join members from Spain and Italy who are already on the Commission, in recognition of their historical ties to the explorer.

I wish to note that the Congressional Budget Office has reviewed H.R. 2309 and estimates that enacting this legislation would result in no net additional costs to the Federal Government and no cost to State or local governments.

Mr. Speaker, as a member of the Subcommittee on Census and Population, I support this bill and commend the efforts of the sponsor, Mr. de Lugo.

I therefore urge passage of H.R. 2309, and I reserve the balance of my time.

Mrs. MORELLA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2309 to amend the Christopher Columbus Quincentenary Jubilee Act. Public Law 98-375 established a Commission charged with preparing a comprehensive program for commemorating the voyages of Christopher Columbus in 1492. The year 1992 marks the 500th anniversary of those voyages.

The Commission is currently authorized Federal appropriation of $220,000, which will continue through 1992. The legislation now being considered does not request any additional appropriations. H.R. 2309 will enable the Commission to raise the private funds necessary to develop a proper commemoration without asking the Federal Government for additional funds.

The major provision of H.R. 2309 would raise the limitations on individuals and corporate donations and permit a broader and more effective use of the Commission's logo.

The proposed technical amendments would: Raise the limitation on individual and corporate donations to annual caps of $250,000 and $1 million, respectively; permit a broader and more effective use of the Commission's logo; provide a distinction between publicially paid staff and staff paid from private donations; eliminate the ceiling placed on the number of detailees to the Commission from other Federal agencies; permit the payment of some commission-related expenses for such expert advisers; permit an allowance of $7,500 for expenses relating to the hosting of representatives of foreign governments; and extend the life of the Commission to December 31, 1993 in order to allow for the appropriate celebration of the second voyage of Columbus.

The last provision of this would authorize the Commission to recommend annually to the President a representative of a Caribbean country to serve as a nonvoting member of the Commission.

The amendments would not affect the present authorization in any way since all additional funds must be raised through private donations.

Mr. Speaker, as I have reviewed this bill, I find more and more reason to support it. Not because I'm of Italian ancestry and am proud of my ancestry, as we all are, but I believe that in addition to recognizing this man who was willing to forge ahead with his convictions, celebrating the quincentennial of Christopher Columbus' voyage to discover the Indies is symbolic of the adventurous spirit of all those who crossed oceans and traversed overland to reach an area where they could set up a form of government where we can live in harmony in spite of diversity, of ethnicity, culture, religion, or background. This bill allows us to recognize the creative, the adventurous, and our country where we practice our convictions and live in peace. The bill recognizes our Nation's cultural history.

Mr. Speaker, I urge my colleagues to join me in supporting this legislation.

Mr. DE LUGO. Mr. Speaker, I rise in support of H.R. 2309 which amends the Christopher Columbus Quincentenary Jubilee Act that was passed during the 98th Congress.

In brief, H.R. 2309 will help the Commission, which currently operates on a staff of only three, to increase its staffing and fundraising capabilities; and will extend the life of the Commission through December 31, 1993, to accommodate for Columbus' second voyage.

This last point is of particular interest to me and to my colleague, the Resident Commissioner of Puerto Rico, since it was on his second voyage in 1493 that Columbus landed in Salt River on St. Croix in the U.S. Virgin Islands, and on Puerto Rico. This is significant because these two locations are the only landing sites of Columbus under the U.S. flag.

After Columbus' historic visit almost 500 years ago, the Virgin Islands became a frontier of the Old World in the new and were caught up in all the tidal changes which swept over the entire world in the intervening centuries.

Now the U.S. Virgin Islands stands tall among her West Indian friends and family, a bastian of American democracy in the Caribbean. We continue to be a link between nations and people, and time and history, and we are proud to take an active role in the worldwide commemoration of the voyages of Columbus.

I must commend Mr. John Goudie, Chairman of the National Columbus Commission, and his staff for their excellent progress in seeing that the celebration will be a success.

I also wish to thank my colleagues from California, chairman of the Subcommittee on Census and Population, and my good friend from Michigan, chairman of the Postal Committee, for their expeditious handling of this bill, and their staff for their cooperation and assistance.

Mr. RODINO. Mr. Speaker, I rise in strong support of H.R. 2309, to amend the Christopher Columbus Quincentenary Jubilee Act. For a variety of reasons, both symbolic and operational, I believe that it is incumbent upon us to pass H.R. 2309 and, in so doing, to reaffirm our commitment to a proper celebration of the 500th anniversary of Columbus' voyage.

The Quincentenary of the Columbus expedition merits comprehensive and tasteful commemoration for many very important reasons. First, Columbus' voyage and landfall on what is now the Bahamian Island of San Salvador, mark the opening chapter in the history of this great Nation, and the proper commemoration of this event is important to the Nation's continuing awareness of its origins and evolution.

Moreover, I believe that Columbus' expedition represents something beyond an important historical event: it highlights the irrepressibility of the human spirit, which I believe is the very foundation of this Nation. Columbus embarked on his historic voyage in spite of the fact that its aims flew in the face of one of the basic truths of his day: the belief that the world was flat. According to the limited knowledge of the time, Columbus and his expedition would sail a short while to the edge of the Earth and fall off into oblivion. Columbus believed in his heart that this belief was too simplistic to be accepted. He chose instead to believe the old sailor stories telling of exotic lands, open spaces, and unfathomable riches and beauty.

This country, which is justifiably proud of its frontier origins and spirit, should properly salute Columbus as not only the original, but the very definition of the frontiersman. It is that spirit of following one's intuition in spite of the conventions and skepticisms of the times, and the willingness to venture into the unknown and endure great hardships in the pursuit of expanding the breadth of human knowledge and experience, which is the very essence of this Nation. Columbus' voyage is manifestly important in both historic and symbolic terms, and I believe that there is little question that a commission vested with the proper funding and powers will sponsor a celebration which benefits something as momentus as the 500th anniversary of Columbus' voyage to the New World.

Let me now discuss why I believe H.R. 2309 will go a long way toward our goal of having a tasteful and circumspect observance of the event. As the original sponsor of the bill creating the Quincentenary Jubilee Commission, my goal has always been to have a coordinated, informative, and meaningful observance of the Columbus landfall. I have no doubt that the Commission is committed to plan the commemoration without compromising the solemnity of the occasion. However, it has become clear that the Commission is being hamstrung by the donation ceiling and the narrowness of its authority. It is important that the Commission receive donated funds and authority to carry out the mandate of the original law. There is even concern that the United States may be unable to fulfill its share of what will be a four country collaboration, with the addition of the Bahamas. This must not come to pass. Finally, since the bill is budget neutral, it ensures that the cost of a proper celebration will not be shouldered by the American taxpayers.

As the original sponsor of the Christopher Columbus Quincentenary Jubilee Act, I have a great personal interest in the quality and solemnity of the event, and I am confident that passage of H.R. 2309 will help to bring about a celebration in which we can all take pride.

Mrs. MORELLA. Mr. Speaker, I yield back the balance of my time.

Mr. GARCIA. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. GRAY of Illinois). The question is on the motion offered by the gentleman from New York [Mr. GARCIA] that the House suspend the rules and pass the bill, H.R. 2309, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

OSCAR GARCIA RIVERA POST OFFICE BUILDING

Mr. GARCIA. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1948) to designate the U.S. Post Office Building located at 153 East 110th Street in New York, NY, as the "Oscar Garcia Rivera Post Office Building."

The Clerk reads as follows:

H.R. 1948

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States Post Office Building located at 153 East 110th Street in New York, New York, is hereby designated as the "Oscar Garcia Rivera Post Office Building". Any reference to such building in any law, rule, map, document, record, or other paper of the United States shall be considered to be a reference to the "Oscar Garcia Rivera Post Office Building".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from New York [Mr. GARCIA] will be recognized for 20 minutes and the gentlewoman from Maryland [Mrs. MORELLA] will be recognized for 20 minutes.

The Chair recognizes the gentleman from New York [Mr. GARCIA].

Mr. GARCIA. Mr. Speaker, I yield myself such time as I may consume.

I would first like to take this opportunity to thank my colleague, MICKEY LELAND, chairman of the Subcommittee on Postal Operations, and ranking minority member FRANK HORTON. I would also like to express my thanks to Chairman BILL FORD and ranking minority leader GENE TAYLOR of the full committee. My colleague CHARLIE RANGEL was inadvertently left off as sponsor of this bill, but has expressed his support. I appreciate that.

This bill is to rename the Hell Gate Post Office Building located at 153 East 110th Street, New York, NY, to the Oscar Garcia Rivera Post Office Building.

The late Mr. Garcia Rivera was the first Puerto Rican elected to public office in the United States. He served in the New York State Legislature from 1938 to 1940 representing the 17th Assembly District. Mr. Garcia Rivera was not only the first Puerto Rican elected in the United States, he was also one of the first successful Latino civil rights leaders in the State. He was instrumental in the passage of antidiscrimination legislation which prohibited discrimination on the basis of national origin, race, or creed, against persons who applied for State jobs. He also sought strong legislative protection for the working people from exploitation of the workplace. He is further credited with the establishment of the Hot Meals Program in the public school system of New York.

From his little law office over the Woolworth discount store on Fifth Avenue and 115th Street, Oscar Garcia Rivera continued to inspire Puerto Rican Americans to continue to represent themselves in the legislative process.

Mr. Speaker, I believe this bill, which marks the 50th anniversary of his election, would serve as an inspiration to the young and future generations of Puerto Rican and Hispanic leaders. I reserve the balance of my time.

Mrs. MORELLA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I also rise in strong support of H.R. 1948 to designate the U.S. Post Office Building located at 153 East 110th Street in New York City as the "Oscar Garcia Rivera Post Office Building."

Mr. Rivera, a Republican, was elected to the New York State Legislature in 1937. He was the first Puerto Rican elected in the continental United States. That historical election was won by a margin of 2,580 votes. Due to Mr. Rivera's tireless efforts in civil rights and antidiscrimination legislation Puerto Ricans today have become a powerful voice in both the New York State and Federal legislative process.

Oscar Garcia Rivera is also credited with the establishment of the Hot Meals Program in the public school system in New York.

A successful union organizer who was endorsed by the American Labor Party, Mr. Rivera practiced law in New York until 1967 and returned to Mayaguez, Puerto Rico where he died in 1968.

Oscar Garcia Rivera was truly an outstanding individual who championed many issues long before they were politically popular and in the early 1930's was an active labor organizer with the U.S. postal clerks union.

Mr. Rivera was a great American who fought for the rights not only for his fellow Puerto Ricans but all persons who we oppressed and discriminated against.

Mr. Speaker, I urge my colleagues to join me in support of the resolution.

Mr. GARCIA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would just like to say to my colleague from Maryland that she is absolutely right, that Oscar Garcia Rivera was indeed a Republican, he was elected as a Republican and she in her statement made it quite clear there were certain parts, certain biographical material that I did not realize. I did not realize that he was an organizer for the postal workers.

I think it is appropriate that a postal building be named after him. So I thank my colleague from Maryland [Mrs. MORELLA] for her research on Oscar Garcia Rivera.

Mr. RANGEL. Mr. Speaker, I rise in strong support of H.R. 1948, a bill to rename the Hell Gate Post Office Building at 153 East 110th Street as the Oscar Garcia Rivera Post Office Building. As the representative from the 16th Congressional District of New York, I am keenly aware of the good works of Mr. Rivera, and feel this honor is long overdue.

Fifty years ago, Oscar Garcia Rivera was the first Puerto Rican elected to the New York State Assembly. A revered leader in the New York Hispanic community, he served in the forefront of the fight for latino civil rights in New York State. His civil rights legislation served as an effective vehicle for providing Hispanic-Americans and other minorities access to employment opportunities that had been denied them for so long. Attempting to fight discrimination at the root of the problem of discrimination, Mr. Garcia Rivera introduced unprecedented antidiscrimination legislation which prohibited bias on the basis of national origin, race, or creed against persons who applied for State jobs.

Oscar Garcia Rivera not only championed the rights of individuals for access to employment opportunities, but he is recognized by many as a friend of the worker. His powerful legislative initiatives established protections for the working people from unusual or unfair treatment in the workplace.

In closing, Mr. Speaker, I would like to add that Mr. Garcia Rivera serves as a role model for us all. As a result of his efforts and undying commitment, the rights of individual citizens were protected. This, Mr. Speaker, is our charge; and it is for this reason that I support this legislation. Mr. Garcia Rivera's legacy must continue to live on in the vanguard of those leaders in political rights, workers' rights and the right for individual freedoms. I hope my colleagues will join me in support of the successful passage of this legislation.

Mr. GARCIA. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York [Mr. GARCIA] that the House suspend the rules and pass the bill, H.R. 1948.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on H.R. 2309 and H.R. 1948, the two bills just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT AMENDMENTS

Mr. MILLER of California. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2629) to amend the Alaska National Interest Lands Conservation Act of 1980 to clarify the conveyance and ownership of submerged lands by Alaska Natives, Native Corporations, and the State of Alaska, as amended.

The Clerk read as follows:

H.R. 2629

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—SUBMERGED LANDS

SEC. 101. Section 901 of the Alaska National Interest Lands Conservation Act (94 Stat. 2430; P.L. 96-487) is amended by striking out text of such section and inserting in lieu thereof:

"SEC. 901. (a)(1) Except as provided in paragraph (2), whenever the Secretary surveys land selected by a Native, a Native Corporation, or the State pursuant to the Alaska Native Claims Settlements Act, the Alaska Statehood Act, or this Act, lakes, rivers, and streams shall be meandered in accordance with the principles in the Bureau of Land Management, 'Manual of Surveying Instructions' (1973).

"(2) If title to lands beneath navigable waters of a lake less than fifty acres in size or a river or stream less than three chains in width did not vest in the State pursuant to the Submerged Lands Acts, such lake, river, or stream shall not be meandered.

"(3) The Secretary is not required to determine the navigability of a lake, river, or stream which because of its size or width is required to be meandered or to compute the acreage of the land beneath such lake, river, or stream or to describe such land in any conveyance document.

"(4) Nothing in this subsection shall be construed to require ground survey or monumentation of meanderlines.

"(b)(1) Whenever, either before or after the date of enactment of this section, the Secretary conveys land to a Native, a Native Corporation, or the State pursuant to the Alaska Native Claims Settlement Act, the Alaska Statehood Act, or this Act which abuts or surrounds a meanderable lake, river, or stream, all right, title, and interest of the United States, if any, in the land under such lake, river, or stream lying between the uplands and the median line or midpoint, as the case may be, shall vest in and shall not be charged against the acreage entitlement of such Native or Native Corporation or the State. The right, title, and interest vested in a Native or Native Corporation shall be no greater an estate than the estate he or it is conveyed in the land which abuts or surrounds the lake, river, or stream.

"(2) The specific terms, conditions, procedures, covenants, reservations, and other restrictions set forth in the document entitled, 'Memorandum of Agreement between the United States Department of the Interior and the State of Alaska' dated March 28, 1984, signed by the Secretary and the Governor of Alaska and submitted to the Committee on Interior and Insular Affairs of the House of Representatives, and the Committee on Energy and Natural Resources of the Senate, are hereby incorporated in this section and are ratified as to the duties and obligations of the United States and the State, as a matter of Federal law.

"(c)(1) The execution of an interim conveyance or patent, as appropriate, by the Bureau of Land Management which conveys an area of land selected by a Native or Native Corporation which includes, surrounds, or abuts a lake, river, or stream, or any portion thereof, shall be the final agency action with respect to a decision of the Secretary of the Interior that such lake, river, or stream, is or is not navigable, unless such decision was validly appealed to an agency or board of the Department of the Interior on or before December 2, 1980.

"(2) No agency or board of the Department of the Interior other than the Bureau of Land Management shall have authority to determine the navigability of a lake, river, or stream within an area selected by a Native or Native Corporation pursuant to the Alaska Native Claims Settlement Act or this Act unless a determination by the Bureau of Land Management that such lake, river, or stream, is or is not navigable, was validly appealed to such agency or board on or before December 2, 1980.

"(3) If title to land conveyed to a Native Corporation pursuant to the Alaska Native Claims Settlement Act or this Act which underlies a lake, river, or stream is challenged in a court of competent jurisdiction and such court determines that such land is owned by the Native Corporation, the Native Corporation shall be awarded a money judgment against the plaintiffs in an amount equal to its costs and attorney's fees, including costs and attorney's fees incurred on appeal.

"(d) For the purposes of this section, the terms 'navigable' and 'navigability' means navigable for the purpose of determining title to lands beneath navigable waters, as between the United States and the several States pursuant to the Submerged Lands Act and section 6(m) of the Alaska Statehood Act.".

SEC. 102. Nothing in this Act shall amend or alter any land exchange agreement to which the United States is a party, or any statute, including but not limited to the Act of January 2, 1976 (89 Stat. 1151) and section 506(c) of the Alaska National Interest Lands Conservation Act (94 Stat. 2409; P.L. 96-487), that authorizes, ratifies or implements such an agreement.

TITLE II—APPROVAL OF CONVEYANCE IN ANWR

SEC. 201. Section 1302(h) of the Alaska National Interest Lands Conservation Act (94 Stat. 2430; P.L. 96-487) is amended by redesignating the section "(h)(1)" and by adding the following new subsection: "(2) Nothing in this Act or any other provision of law shall be construed as authorizing the Secretary to convey, by exchange or otherwise, lands or interest in lands within the coastal plain of the Arctic National Wildlife Refuge (other than land validly selected prior to July 28, 1987), without prior approval by Act of Congress.".

TITLE III—APPROVAL OF PUBLIC LAND ORDER

SEC. 301. The lands described in Public Land Order 6607 of July 8, 1985 (50 Fed. Reg. 130), comprising approximately 325,000 acres, are hereby included as part of the Arctic National Wildlife Refuge to be subject to and administered in accordance with the provisions of sections 303(2) and 304 of the Alaska National Interest Lands Conservation Act (94 Stat. 2430; P.L. 96-487) and other applicable statutes.

The SPEAKER pro tempore. Is a second demanded?

Mr. YOUNG of Alaska. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California [Mr. MILLER] will be recognized for 20 minutes and the gentleman from Alaska [Mr. YOUNG] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Speaker, I yield myself such time as I may consume.

I am pleased to join with my colleague from Alaska [DON YOUNG], in support of H.R. 2629. This bill, which passed out of the Interior Committee by unanimous vote, would accomplish three goals.

First, title I of H.R. 2629 would end the confusion, unfair treatment, and litigation that Alaska Natives and the State of Alaska have endured by virtue of past BLM land conveyance practices. This bill reflects a consensus between Interior, the State, and the Alaska Federation of Natives as to the best resolution of this longstanding problem. I would note for my colleagues that the language is substantially similar to the provisions passed by the House in its version of the Alaska Lands Act in 1979.

Second, title II is intended to ensure that Interior's land exchange agreements related to the Arctic National Wildlife Refuge in Alaska [ANWR] must be reviewed and approved by Congress. This language is essentially the same as H.R. 3008 which I introduced along with Congressman STUDDS and Congressman DON YOUNG.

Third, title III would approve a 325,000-acre addition to ANWR by adopting the same Public Land Order as passed by the House last Congress in House Resolution 419.

Mr. Speaker, this legislation has been worked out in close cooperation with the gentleman from Alaska. I believe that it is fair to say that title I, which deals with so-called submerged lands, is a matter of significance to a good many of Mr. YOUNG's constituents. When I first came to Congress, I was kidded about being relegated to the subcommittee on swamps. Little did I know that, 12 years later, I would be dealing with Mr. YOUNG's rather murky underwater concerns.

I want to spend the remainder of my time discussing this legislation's effect on the Interior Department's proposed "megatrade" proposals.

The question of whether to open ANWR to oil and gas development involves a difficult evaluation of national energy needs, economic benefits, and environmental concerns.

Many Members, myself included, have reserved judgment on this issue. The Subcommittee on Water and Power Resources, which I chair, has already held four hearings on ANWR and will schedule more in the fall. We intend to be both comprehensive and fair.

Yet many months before the Fish and Wildlife Service's draft ANWR report was complete and before the Secretary's final recommendations were presented to Congress, side negotiations were already underway with selected Alaska Native groups. It is clear that the top policymakers in the Department were long ago convinced that ANWR should be opened and busy thinking of ways to convince the Congress.

The mechanism that the Department developed to leverage the opening of ANWR is by virtue of land exchange with six Alaska Native groups. As the "megatrade" process is designed, the Department would receive 891,000 acres of Native in-holdings within seven different national wildlife refuges in Alaska. In return, the Natives would get 538 million dollars' worth of bidding rights for tracts on the coastal plain of ANWR.

The Natives got something else from the Department. They got the first crack at selecting ANWR tracts during a secret "conditional auction" in an Arlington, VA, hotel on July 9 and 10.

The natives are not playing this game on their own. Each group has oil company partners, including Shell, Arco, Chevron, Standard, British Petroleum, Phillips, Conoco, Exxon, and Texaco.

Why is it that the Reagan administration—whose budget requests for additional park or refuge lands have been nonexistent—and some of the world's largest corporations are suddenly promoting the national interest in acquiring wildlife habitat in Alaska?

The answer lies, in my view, in what the oil companies stand to gain out of this deal. Although their agreements with the native groups are not public, what we know for sure is this:

The oil companies will avoid competitive bidding by virtue of negotiated access to the native private property;

The oil companies will avoid paying rents and royalties that would otherwise go to the State and Federal Governments; and

The oil companies will have the rights to accelerated exploratory drilling in the refuge and acquire data that would effectively preclude other companies from competitive bidding for the remaining tracts.

One can look through the statutes and regulations and nowhere are there procedures for closed door, invitation only auctions of ANWR oil and gas tracts.

In my view, the Alaska Lands Act makes it abundantly clear that the 96th Congress intended the decision on development of ANWR, by virtue of land exchanges or otherwise, to be solely up to Congress.

"Production of oil and gas from the Arctic National Wildlife Refuge is prohibited," the act said, "and no other development leading to production of oil and gas" is allowed "until authorized by an Act of Congress."

The Department has testified, before my subcommittee and others, that they intend, because of political reality, to submit the "megatrade" proposals for review and approval by Congress. At the same time, the Department asserts that it somehow has complete and unilateral authority to trade away ANWR oil and gas tracts, to allow exploratory drilling, and to waive Federal and State rights to bonus bids, rents, and royalties, all without congressional scrutiny or approval.

Mr. Speaker, I do not believe that the Department's position on its authority to administratively execute the ANWR "megatrades" is justified as a matter of law or policy. However, because of the cloud that the "megatrade" process has placed on ANWR deliberations, it is important that we clarify once and for all that any decision regarding the timing or the means of developing ANWR is exclusively up to Congress.

This legislation does not by its terms block the proposed exchanges. Accordingly, I have asked the GAO to look into the 1983 Chandler Lake Agreement, a previously executed ANWR exchange, as well as to scrutinize the current "megatrade" deals. Given the nature of the process to date, the Department has a heavy burden to prove that the "megatrades" are anywhere close to being as good of a deal for the public as they are for the participants.

Mr. Speaker, I include the following article from the Anchorage Daily News, dated July 22, 1987, for insertion in the RECORD.

[From the Anchorage Daily News, July 22, 1987]

AGENCY PROPOSES ANWR LAND TRADE

(By David Whitney)

WASHINGTON.—The U.S. Interior Department has offered to trade 166,000 acres of subsurface lands in the Arctic National Wildlife Refuge for 891,000 acres of Native-owned lands elsewhere in Alaska, according to an outline of the exchange agreements released by the House Interior Committee staff Tuesday.

The proposed exchange involves about five times more acreage in the coastal plain of the refuge than the Interior Department had previously discussed in congressional hearings. The plain has been described as the most promising unexplored area for a major oil find in North America, and oil companies are believed to be helping the Natives choose tracts in the refuge.

Exploration and development would require congressional approval. The land-exchange proposal outraged a key congressman, who said it could jeopardize congressional action to authorize development.

"These exchanges are a cynical attempt to put pressure on the Congress to vote to open the area for oil exploration and production," charged Rep. George Miller, D-Calif., chairman of the Interior water and power resources subcommittee.

"It is inevitable that the oil companies and Native corporations will demand that the Congress rubber-stamp these unauthorized exchanges because millions of dollars have been invested in them," Miller said in a statement opening the panel's fourth hearing on the arctic refuge.

"Those who believe that these unauthorized exchanges will accelerate resolution of the arctic refuge issue are sadly mistaken," Miller said.

"Continuation of these secret practices can only jeopardize any hope for reaching a consensus," Miller said.

Miller said he was ordering an investigation by the General Accounting Office of the land trades, which he said could turn into a major government giveaway to the Natives and the oil companies with whom the Natives are working in concert.

Native corporation officials said they haven't tried to hide their dealings from Congress.

"For Miller to state that negotiations have not been open is to misstate the truth," said George Kriste, executive vice president of Cook Inlet Region Inc., an Anchorage-based Native regional corporation that is a major player in the proposed land swaps.

"We've previously been up on the Hill advising congressmen and senators what the packages were going to look like," said Steve Hillard, CIRI's vice president of resources.

The final details of the land trades were worked out during a three-day closed-door meeting at an Arlington, Va., hotel. The Interior Department is expected to release more details about the exchanges, dubbed "megatrades" by critics, later in the week.

According to the summary of the deal given to Miller's staff by Assistant Interior Secretary William Horn at a briefing late Monday, the exchange involves 111 whole or partial tracts in the coastal plain, 38 of which include suspected oil-rich geologic structures.

The Native lands—holdings within seven national refuges in Alaska—were valued at $538.7 million. The summary said the coastal plain property had a value to the Natives of $538 million.

At previous congressional hearings, the acreage said to be involved in exchange proposals was about 33,000. The 166,000-acre figure surprised some attending the briefing.

"Frankly, we were quite surprised at the amount of land involved," said a committee source.

LAND TRADE: CONGRESSMEN WANTS A CLOSE LOOK AT PLAN TO SWAP ANWR, NATIVE TERRITORY

(By Hal Bernton)

CIRI officials said the size of the proposed trades also surprised them. However, they said the trade represented a "once-in-a-century ability" to consolidate critical Alaska refuge lands under federal control.

They said there has been no attempt to ramrod the trades through Congress. CIRI proposes an environmental study of the trade, including a full public review, according to Kriste. Then, if Congress objects, it doesn't have to approve them.

The administration said it will push for congressional approval of the land trades, although it does not believe such approval is required. Sen. Bill Bradley, D-N.J., has introduced legislation requiring congressional approval, which Miller said he will introduce soon in the House.

If the exchanges were approved, nearly a sixth of the coastal plain will have been turned over to Natives and, through them, to oil companies.

The Arctic Slope Regional Corp. received subsurface rights to 92,000 acres in the coastal plain in 1983 under an agreement in which it traded its ownership of Chandler Lake in the Gates of the Arctic National Park.

That exchange was not submitted to Congress for approval and cleared the way for drilling the only exploratory well in the refuge. Results of that test well are a guarded corporate secret known only to Chevron and British Petroleum companies, which have a contractual arrangement with the regional corporation.

Miller blasted that deal Tuesday as he released documents showing that the 101,272-acre Chandler Lake property had a net value of about $5.9 million. Other documents he released showed that the estimated mineral value of the 92, 160-acre tract corporation received in the arctic refuge was $388.5 million.

"The Chandler Lake exchange, conceived in private and executed without congressional scrutiny, constitutes a $382 million gift to one Native corporation and their oil company partners," Miller said.

"The Chandler Lake exchange raises many questions, not the least of which is (whether) the 'megatrades' (are) just as seriously flawed," Miller said.

Miller said he was asking the GAO to investigate both land-exchange deals.

"In addition, GAO will also investigate the disparity in value between what the federal government gave up and what it received and how the disparity is justified.

"I take these actions very reluctantly," Miller said.

"Many members of Congress, including myself, have not formed a final opinion whether the arctic refuge should be opened for development," he said.

"I intend to continue with (an) open, deliberative process and I will respond very negatively to any effort by the administration to shortcut the process by cutting sidebar deals that shortchange the federal government and the state of Alaska," he said.

Alaska, which dropped out of the land-exchange talks earlier this year, would lose potential revenue from development of mineral rights traded to the Natives.

The summary released by the Interior subcommittee staff discloses the amounts and values of property the Native corporations are trading but not the acreage they would receive in the coastal plain.

However, because the exchanges would be dollar-for-dollar, the summary provides an indication of relative participation by the Native organizations. Based on the summary, it appears that the Doyon Regional Corp. and Native Lands Groups, an association of village corporations and CIRI, are the two heavy players in the proposed deal.

Native Lands Group is trading about 298,000 acres—233,000 in the Yukon Delta National Refuge and smaller portions from the Alaska Maritime and Kenai refuges—valued at $184 million. A Miller aide quoted Horn as saying that the Native Lands Group is working with Conoco and Exxon oil companies.

Doyon is trading about 220,000 acres from the Innoko, Kanuti and Nowitna national refuges valued at $121.7 million. It is working with Atlantic Richfield Co., which also has an arrangement with the Gana-Yoo corporation involving 56,000 acres offered for trade at a value of $35 million.

Other Native corporations involved are:

Ahkiok-Kaguyak, 115,000 acres in the Kodiak refuge valued at $74.9 million. It is working with Shell Oil Co.

Koniag, 112,000 acres in the Kodiak refuge valued at $77.4 million. It is working with Chevron, British Petroleum and Phillips Petroleum companies.

Old Harbor, 90,000 acres in Alaska Maritime and Kodiak refuges. It is working with Texaco.

If the trades are agreed to by the Natives and approved by Congress, 503 tracts in the coastal plain—or 85.5 percent of the total—would remain for competitive leasing.

A slightly higher percentage of tracts over suspected oil-rich geologic structures still would be available. That suggests that the Natives may have been more speculative in some of the proposed deals by looking to somewhat less promising areas.

A committee source said that none of the areas in the coastal plain where calving by the Porcupine caribou herd is most prevalent were involved in the land exchange proposals.

The source said that it appeared that most of the land to be exchanged is concentrated in the northeastern quarter of the coastal plain where large geologic structures are thought to exist.

Horn said last week that the negotiations for the land trades involved only the Natives and not the oil companies, who were not at the table or in the room.

But Miller said that the Natives were directed by the oil companies.

"The exchanges are not contracts between Native corporations and the federal government," Miller said. "They are, in reality, contracts between selected oil companies and the Interior Department. Thus we have no guarantee that the interests of the Native groups are being protected."

Horn could not be reached for comment Tuesday.

He has maintained, however, that the land trades give the government an opportunity to obtain Native in-holdings—property they own that is surrounded by federal refuges—at virtually no cost.

Some on Miller's subcommittee suggested in earlier hearings, however, that it would be cheaper for the federal government to use its proceeds from oil development to buy the holdings from the Natives rather than to trade away the potential for future oil revenues to acquire them.

□ 1340

Mr. Speaker, I reserve the balance of my time.

Mr. YOUNG of Alaska. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2629.

As the sponsor of this legislation, I would like to commend the gentleman from California and the distinguished chairman of the full committee, the gentleman of Arizona, for their assistance in passing this legislation. I appreciate their assistance and leadership on this issue.

For the past 4 years, we have attempted to finally resolve a longstanding dispute over the ownership of submerged lands in Alaska. Beginning in 1983, the State of Alaska, the Department of the Interior, and Alaska Native groups have been in agreement over the proper method to resolve this controversy. Since that time, the Department of the Interior has been following the agreed-upon survey rules. The rules have been unsuccessfully challenged in Federal courts by two environmental groups.

This legislation would ratify the current Federal policy and bring needed certainty to land conveyances involving submerged lands. For the State of Alaska and Alaska Native groups, it means that the full land entitlements promised in the Alaska Statehood Act and the Alaska Native Claims Settlement Act will be met.

At the same time, hundreds of potential lawsuits will be avoided by the passage of this legislation. This legislation will not result in increased Federal expenditures and is supported by the administration.

Mr. Speaker, in addition to ratifying the survey rules, the legislation restates that any proposed land exchange involving land in the coastal plain of the Arctic National Wildlife Refuge will require congressional approval. I support this requirement. However, I strongly believe that these proposed exchanges will receive congressional support and approval once the Congress receives all of the facts. The proposed exchanges would add over 800,000 acres to Alaska national wildlife refuge lands and represent the only method of acquiring prime wildlife habitat, which is now in private ownership.

Also, it is important to note that the legislation would preclude conveyance of lands within the coastal plain. While the committee takes no position of the authority of the Secretary to make withdrawals of areas under selection, it is my view that these actions may well become necessary and advisable in cases where villages would otherwise have to take land selection entitlements far away from existing villages.

Finally, the bill would ratify public land order 6607 which adds 325,000 acres of relinquished land to ANWR. This land has been previously relinquished by the State of Alaska.

Approval of such withdrawals are required by section 1326 of the Alaska Lands Act, the "no more" clause, which prohibits certain executive withdrawals unless approved by Congress within 1 year.

Mr. Speaker, this bill resolves several land issues in Alaska in a fair and responsible manner. For these reasons, I urge my colleagues to support this legislation.

Mr. Speaker, I yield back the balance of my time.

Mr. MILLER of California. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in support of H.R. 2629 as reported by the Committee on Interior and Insular Affairs.

This is not the first time that the issue dealt with by this bill has come before the House.

In the last Congress alone we twice acted to forestall a deluge of litigation that the State of Alaska said would be forthcoming if the State was not granted relief from the statute of limitations in section 901 of the Alaska Lands Act.

That statute of limitations, I might add, was initially embodied in that act by the Senate at the request of the State itself. The corresponding section of the House-passed Udall-Anderson bill did not include such a statute of limitations—in fact, it rather closely resembled the bill now before us so far as concerns the treatment of submerged lands.

In any event, today we have an opportunity to dispose of this matter in a more complete way and in a way that does in fact essentially return to the provisions of the Udall-Anderson legislative version of anilca.

In my opinion, this will be an improvement in the Alaska National Interest Lands Conservation Act as it now stands, and the gentleman from California, Mr. Miller, deserves congratulations for the leadership he has shown on this, especially for broadening the scope of the bill so that it will further the protection of wildlife values and will assure that decisions about the coastal plain of the Arctic National Wildlife Refuge will be made by the Congress and not through exchange deals negotiated behind closed doors.

Mr. Speaker, there is a need for still more improvements in the Alaska Lands Act, and I wish that such improvements could also have been included in the bill before us.

The Interior Committee is presently considering one such important improvement, namely the repeal of the provisions that constrain the Forest Service from proper management of the Tongass National Forest and that take the funding for that management out of the appropriations process. And there are numerous other things that should also be done to strengthen and improve the Alaska Lands Act which I wish were before us today.

However, the bill before us, while not going as far as I would have wished, is an important and worthwhile measure. I again commend the gentleman from California for bringing it forward, and I urge its passage by the House.

Mr. JONES of North Carolina. Mr. Speaker, the committee on merchant marine and fisheries which I chair is cooperating with the leaders of the House Interior and Insular Affairs Committee so that H.R. 2629 can be considered and approved by the House today.

As reported from the Interior Committee, H.R. 2629 contains provisions within the jurisdiction of the Merchant Marine and Fisheries Committee. I have asked that the bill be sequentially referred to the Committee on Merchant Marine and Fisheries to confirm our jurisdictional rights but we are not holding the bill nor taking action in committee on it; instead we are permitting its consideration today without delay.

Today's bill contains a provision virtually identical to language in H.R. 3008, a bill jointly referred to the Merchant Marine and Fisheries Committee and the Interior and Insular Affairs Committee. This language prohibits the Department of the Interior from completing land exchanges involving the Arctic National Wildlife Refuge without prior congressional approval. Our committee has jurisdiction over fisheries and wildlife generally, including refuges. A proposed land exchange would give to certain Alaskan native corporations oil and gas development rights in the Arctic National Wildlife Refuge; the corporations, in turn, would convey to the Department of the Interior substantial inholdings found in refuges elsewhere in Alaska.

A second provision in the reported bill adds 325,000 acres of public land to the Arctic National Wildlife Refuge. If this language were introduced as a separate bill, I would maintain that my committee should obtain an original joint referral. Since it is an amendment to H.R. 2629, a sequential referral of the reported bill to my committee is warranted.

Finally, I note that the primary purpose of the bill involves the conveyance of certain submerged lands in the State of Alaska. Members should be aware that these provisions may have a major impact on National Wildlife Refuges in Alaska. If native corporations relinquish their claims for certain submerged lands, they can then select compensating acreage from uplands on adjacent Federal property. In actuality, many of these adjacent properties are within the National Wildlife Refuge System. We could see substantial and important portions of refuges subject to the new selections by the native corporations. If this bill is enacted, my committee will closely oversee how the implementation of the law affects refuges in Alaska.

At this point, I submit a copy of my letter to the Speaker on this subject to be printed as part of the debate.

COMMITTEE ON
MERCHANT MARINE AND FISHERIES
Washington, DC, July 30, 1987.

Hon. JIM WRIGHT,
The Speaker, House of Representatives, H-209, The Capitol, Washington, DC. 20515

DEAR MR. SPEAKER: On June 8, 1987, Congressman Don Young introduced H.R. 2629, a bill involving the conveyance of certain submerged lands in the State of Alaska. That bill was referred to the Committee on Interior and Insular Affairs. On July 23, 1987, Congressman George Miller introduced on behalf of himself, Mr. Studds, and Mr. Young, H.R. 3008, a bill prohibiting the Secretary of the Interior from executing any land exchanges involving the Arctic National Wildlife Refuge without prior Congressional approval. H.R. 3008 was jointly referred to the Committee on Merchant Marine and Fisheries and the Committee on Interior and Insular Affairs.

On July 29, 1987, the Committee on Interior and Insular Affairs held a markup for H.R. 2629 and adopted an amendment in the nature of a substitute which included, among other things, language prohibiting land exchanges involving the Arctic Wildlife Refuge without prior Congressional approval. Thus, the version of H.R. 2629 as ordered reported by the Committee on Interior and Insular Affairs contains language which is virtually identical in its scope and impact to H.R. 3008, a bill previously jointly referred to the Committee on Merchant Marine and Fisheries.

Moreover, H.R. 2629, as ordered reported by the Committee on Interior and Insular Affairs, includes a provision adding 325,000 acres of public land to the Arctic National Wildlife Refuge. In a letter to Chairman Udall dated March 14, 1979, Speaker O'Neill set forth certain general referral rules that he intended to follow regarding bills affecting or creating units of the National Wildlife Refuge System. In particular, page 3 of that letter delineated various scenarios in which either joint or sequential referrals would be in order for the Committee on Merchant Marine and Fisheries involving bills affecting wildlife refuges. I still believe that some of the referral guidelines enunciated in that letter are inequitable when applied to the jurisdictional interests of this Committee over those of the National Wildlife Refuge System. However, I would contend that, *at a minimum*, the March 14, 1979 letter supports a request for a sequential referral of a bill like H.R. 2629 as reported, which expands the size of an existing National Wildlife Refuge. Any contrary conclusion would seriously undermine the jurisdictional interests of the Committee on Merchant Marine and Fisheries over the Wildlife Refuge System as recognized in Rule X, Clause 1(n)(4) of the Rules of the House of Representatives. I, therefore, believe that my request for a sequential referral of a bill adding acreage to the Arctic National Wildlife Refuge is clearly within the referral guidelines laid out in Speaker O'Neill's letter.

In summary, H.R. 2629, as reported, should be sequentially referred to the Committee on Merchant Marine and Fisheries. It not only contains a provision virtually identical to one previously jointly referred to this Committee (H.R. 3008) but also adds acreage to a National Wildlife Refuge, an event which Speaker O'Neill's March 14, 1979 letter indicates would serve as the basis for a sequential referral.

As discussed in the notes accompanying Rule X, Clause 5 of the Rules of the House of Representatives, it has been the practice of the Speaker since January 5, 1981, to consider the text of bills as ordered reported for purposes of making a sequential referral to another Committee. I believe that H.R. 2629 falls squarely within this rule. I am interested in expediting the House's consideration of H.R. 2629 and do not desire to seek undue delays as the result of the request for a sequential referral. I would, therefore, be willing to consider any constructive procedural alternative to be negotiated between my Committee and by the Committee on Interior and Insular Affairs which would enable the bill to be considered by the House prior to the August recess.

With kind regards, I am,

Sincerely,

Walter B. Jones,
Chairman.

Mr. MILLER of California. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. YOUNG of Alaska. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore (Mr. Gray of Illinois). The question is on the motion offered by the gentleman from California [Mr. Miller] that the House suspend the rules and pass the bill, H.R. 2629, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MILLER of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 2629, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

CONFERENCE REPORT ON H.R. 27 FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION RECAPITALIZATION ACT OF 1987

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 236 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 236

Resolved, That upon the adoption of this resolution it shall be in order to consider the conference report on the bill (H.R. 27) to facilitate the provision of additional financial resources to the Federal Savings and Loan Insurance Corporation and, for purposes of strengthening the reserves of the Corporation, to establish a forbearance program for thrift institutions and to provide additional congressional oversight of the Federal Home Loan Bank Board and the Federal home loan bank system, all points of order against the conference report and against its consideration are hereby waived, and the conference report shall be considered as having been read when called up for consideration.

The SPEAKER pro tempore. The gentleman from Florida [Mr. Pepper] is recognized for 1 hour.

Mr. PEPPER. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Tennessee [Mr. Quillen], pending which I yield myself such time as I may consume.

Mr. Speaker, this rule provides for the consideration of the conference report on H.R. 27, The Competitive Equality Banking Act of 1987, with 1 hour of debate equally divided between the chairman and ranking majority member of the Committee on Banking. It also provides that the conference report shall be considered as having been read. The rule waives all points of order against the conference report and against its consideration.

Mr. Speaker, this conference report represents many hours of intense negotiations, difficult choices and compromises. The final product in my opinion is good. It resolves many important issues that for many years for one reason or another have not been addressed. The major issues contained in this conference report include: The closing of the nonbank bank loophole except for those that were in operation on or before March 5, 1987; the placement of 1 year moratorium on the ability of banks to sell securities, insurance or real estate; the recapitalization of FSLIC at $10.825 billion with an annual net borrowing limit of $3.75 billion; the establishment of a forbearance system to keep well-managed but troubled financial thrifts open; the extension of title I and title II of Garn-St Germain giving regulators the authority to arrange interstate mergers of failing banks with assets of at least $500 million; and the establishment of an expedited funds availability schedule to facilitate a bank customer's access to his money.

Mr. Speaker, this legislation is extremely important to the future of our banking and financial service industries for two very critical factors. First, it recapitalizes our savings and loan industry just in time to prevent depositors from losing faith in these institutions and thus in the safety of their money. Title III of the conference report has been aptly described as emergency legislation needed to deal with a severe crisis. Currently, FSLIC has a negative net worth and hundreds of thrifts are insolvent. Savings and loans are losing $6 million a day. This legislation will restore the public's confidence in the thrift industry, an industry which has been so valuable to the economic growth of our Nation. Second, the closing of the nonbank bank loophole and the moratorium on expanded powers for banks provides Congress with an opportunity to determine the future direction and scope of the banking/financial service industries.

In this regard, I would like to make the following observations. This conference report contains language which states that it is the intent of Congress through its respective banking committees to review the restructuring needs of the financial and banking laws. During the Rules Committee hearing on this conference report I engaged Chairman St Germain in a colloquy on this subject. I was assured by him that his committee would be holding hearings on the topic of expanded powers for the banking and the financial service industries. In fact, this legislation was partially designed to force the various participants into discussing methods in which the laws could be modified to increase the availability of financial services to the people.

This reexamination is truly needed. Since the mid-1970's the separation of commerce and banking has been crumbling. The widely used money market accounts of security firms, the advent of nonbank banks, and the fact that this legislation permits security firms to purchase failing savings and loans with assets over $500 million clearly demonstrates that the distinction between commerce and banking continues to erode. Let us take a glimpse at the intrusion of the security industry into traditional banking territory. From 1966 until 1986 security firms have gone from a position where they provided only $0.8 billion of commercial loans to $78.5 billion and consumer deposits in money market accounts of $3.7 billion to $292.1 billion. I make these observations and cite these statistics without any negative connotations. In fact, I believe the options and the choices available to the consumer as a result of this competition are extremely valuable. I just want to illustrate the point that an irreversible change is rapidly occurring in the delivery of financial services. We in Congress must not try to turn the clock back, but rather, provide for financial deregulation within some type of framework. Today, banks are too constrained by Glass-Steagall while other financial service companies continue to offer more and more banking services to their customers. Let us in the next year develop legislation which will permit banks and financial service companies to compete on a level playing field. If we are going to allow security firms to operate banks and savings and loans, then banks and savings and loans should be able to operate security firms. I am confident that Congress can develop a set of disclosure rules and regulations that will protect the public interest and offer the financial service's consumer more and better services.

Mr. Speaker, this rule allows an extremely valuable omnibus banking conference report to receive orderly consideration on the floor of the House. I strongly urge my colleagues to vote for the rule and the conference report.

□ 1350

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, the able chairman of the Rules Committee has explained the rule and the provisions of the conference report. I support it.

Mr. Speaker, it has been a long and winding road this bill has traveled to reach this point. The issues involved are many and the compromises reached in this conference report probably do not entirely satisfy any of the parties who have worked on this bill over the past several years. Nevertheless, the conference report is acceptable and should be approved by the House today. This rule merely expedites its consideration so it can be sent to the President for his signature. Members should be aware that the final changes to the conference report last week will result in the President's approval and signature. Thus, we are at last at the end of the road on this important bill.

Mr. Speaker, I ask for a "yes" vote on the rule and a "yes" vote on the conference report. While I would hope some of the provisions in this conference report will be modified, it should be approved now because of the protection it provides for savings and loan depositors and taxpayers, and because it strengthens the Federal Savings and Loan Insurance Corporation and the savings and loan industry, and gives the banking industry a chance to do some things for which they had hoped.

Mr. QUILLEN. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. WYLIE].

Mr. WYLIE. Mr. Speaker, I would like to associate myself with the remarks of the gentleman from Tennessee [Mr. QUILLEN] and rise in strong support of the rule on the conference report to H.R. 27.

I know that my colleagues are well aware of the serious problems facing the Federal Savings and Loan Insurance Corporation fund. It is estimated that FSLIC is losing $10 million a day, and according to the GAO, FSLIC was at least $6 billion in the red at the end of 1986. The situation has become even more critical over the past 6 months. We need to move forward on this legislation.

The report represents a true compromise reached with the administration. Until last week, the message from the White House was very clear. The President would veto H.R. 27 unless certain modifications were made by the conferees. The administration originally asked for $15 billion and then $12 billion for recapitalizing the fund.

The administration objected to title I, which closes the nonbank bank loophole.

Last Wednesday night the conferees agreed to a compromise which: First, increases the FSLIC recapitalization amount to $10.8 billion; second, sunsets some of the regulatory forbearance provisions when the financing corporation makes its final net new borrowings; and third, permits any financial or commercial concern to acquire an insolvent savings and loan association with assets of $500 million or more.

This compromise made possible by the active involvement of Secretary of the Treasury Baker and real give-and take on all sides assures Congress that the President will not veto H.R. 27. The real winners will be the taxpayers who will not be faced with paying for a massive bailout of the savings and loan industry.

Mr. Speaker, I urge adoption of the rule.

Mr. PEPPER. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Illinois [Mr. ANNUNZIO].

Mr. ANNUNZIO. Mr. Speaker, I thank the distinguished chairman of the Rules Committee for yielding this time.

Mr. Speaker, I rise in strong support of the conference report on H.R. 27, the Competitive Equality Banking Act of 1987.

Although this legislation is generally referred to as the recapitalization of the Federal Savings and Loan Insurance Corporation [FSLIC], in reality the bill is far broader than that one subject area. The bill contains 12 titles, including the long-awaited and much needed legislation dealing with check holds, or the amount of time a financial institution can hold a depositors' check before making those funds available to the depositor. This may well be the most significant consumer legislation that will be enacted by the 100th Congress. The check hold section of the legislation will provide that consumers will soon be able to get access to their check deposited funds on the next day following the deposit provided the check is drawn in the same general area where the deposit was made. A slightly longer period will prevail on checks that were drawn in another area.

In addition, the legislation contains a significant title offered by the Senator from Illinois [Mr. DIXON], which will allow agricultural banks to write off farm losses over a 7-year period rather than to write down the loss immediately. This feature will help revitalize banks in agricultural areas and will go a long way toward helping provide new funding for America's farmers.

But the title of the legislation that has received the most publicity is, indeed, the recapitalization of the Federal Savings and Loan Insurance Corporation. I am not totally happy with the provisions of that section, but it is important that we get the legislation on the statute books as quickly as possible. Under the conference report we are taking up today, the total amount of the recapitalization will be $10,824 billion. That is a figure more than double the $5 billion voted by this Chamber. If time were not of such a critical nature in the recapitalization of the FSLIC, I would have fought much harder to reduce the $10.8 billion funding level. But time is a luxury we do not have. Because of the widespread media attention paid to the savings and loan situation, there is a fear that unless the recapitalization is accomplished quickly there could be runs on a number of savings and loans. This coupled with the threat of a Presidential veto, which would have added weeks if not months to the legislative process, has persuaded me to go along with the higher figure. It is a compromise that I make reluctantly, but one that I make in the interest of resolving a serious problem.

It is my belief that if the President had vetoed the legislation containing a lower recapitalization amount, there would be enough votes in both Houses to override the veto. But I am not certain that would be the type of victory that is needed at this point. With both Houses scheduled shortly to adjourn for a month, it would have been the end of the first week in September before we could have even begun the process of overriding the veto. And if the veto were sustained, it would have required additional weeks to write new legislation.

Time and common sense won out in my decision, Mr. Speaker, and I am glad that we are now on a fast track toward recapitalizing the FSLIC.

I would hope that once the FSLIC begins to receive the money for the recapitalization that the agency does not go on a spending spree. Great care must be taken in making decisions on whether or not to close a savings and loan. No institution should be closed where there is a possibility that with a little bit of work the institution can be saved. This is particularly true in smaller communities across the country where the loss of a financial institution could have serious effects. When an institution is closed, jobs are lost, lives are affected, and great economic strains are placed upon the people of the community. I urge the FSLIC to work to save institutions not to close them solely because the money is available for funerals.

In closing, I wish to commend Chairman ST GERMAIN and the ranking minority member, the gentleman from Ohio [Mr. WYLIE] for the outstanding job that they did in bringing this conference report before us today.

I also want to pay special tribute to the staff of the Committee on Banking, Finance and Urban Affairs for the incredible job that it did in doing the technical work needed to bring this bill to the floor. The staff worked long hours into the night and on more than one occasion gave up its weekends to work on the legislation. I want the staff to know how much I appreciate their efforts.

Mr. Speaker, the conference report on H.R. 27 is a good report. With time it may well be judged a great legislative effort. I urge all Members to support the conference report.

□ 1405

Mr. QUILLEN. Mr. Speaker, I yield 4 minutes to the gentleman from California [Mr. DREIER].

Mr. DREIER of California. Mr. Speaker, I am the first to realize that there is a real crisis for the Federal Savings and Loan Insurance Corporation and we must provide a recapitalization plan immediately. But with that in mind, I reluctantly rise in opposition to this rule.

I would like to read a quote that was sent to those of us who served on the conference committee from Treasury Secretary Jim Baker. He said in a June 22 letter:

> In our view the House of Representatives should not roll over to accept amendments it has never considered, especially since concurrence in all likelihood means the end of any hope for significant banking legislation in the 100th Congress.

Mr. Speaker, I ask what is it that has changed since that letter? First, the House conferees did roll over and accept the Senate's protectionist amendments. Second, the conferees agreed to increase the FSLIC recapitalization level to $10.824 billion, which is more than double what we in the House of Representatives voted to approve.

As my colleagues may recall, efforts to raise that recapitalization level beyond $5 billion failed 3 separate times in the House Committee on Banking, Finance and Urban Affairs, and right here on the House floor by a vote of 258 to 153. The conference report, unfortunately, in no way resembles H.R. 27 as it was passed by the House on May 5.

The conference report contains permanent and substantial changes in existing banking laws that as the Treasury Secretary stated have never been considered by this House. For instance, title I of this legislation would impose an unprecedented 7-percent annual growth cap on limited service banks. This is not a moratorium like title II. It would permanently change the legal status and business activities of limited service banks. Many of these institutions are owned by commercial firms such as Sears Roebuck and J.C. Penney. They exist because they are meeting the needs of consumers.

The restrictions contained in title I will severely inhibit their operation and will eventually result in the loss of thousands of jobs.

Title II is a convoluted and haphazardous attempt by various parts of the financial services industry to protect their markets from healthy competition at the expense of consumers and businesses.

The moratorium is also exclusively focused on commercial banks. No restraints would be placed upon securities firms or insurance companies, many of which now offer fully integrated commercial and investment banking services.

Moreover, Mr. Speaker, it is questionable whether the moratorium will really expire next March. Experience suggests that once this legislation is approved the industries that stand to benefit most from the moratorium will be working actively to extend it indefinitely.

This regressive and punitive moratorium will only discourage the real estate, insurance, securities, and banking organizations from working together to develop a progressive legislative package that will benefit all financial service providers and the consumer.

As my colleagues can see, Mr. Speaker, H.R. 27 is highly controversial. First, the conferees chose to defy the overwhelming sentiment of the House for a $5 billion recapitalization plan. Then they chose to burden the FSLIC bill with a series of prohibitions that will seriously hinder efforts to strengthen and modernize our Nation's banking laws.

I think the gentleman from Rhode Island, Chairman ST GERMAIN, stated it best when he stated:

> These issues are too important to be acted on without hearings, debate and votes within the committee and on the House floor. The House should have an opportunity to work its will on each of these issues.

Therefore, I urge my colleagues to follow Chairman ST GERMAIN's advice and reject this bill. Let us encourage the Rules Committee to bring to the floor a new rule making in order the FSLIC recapitalization provisions. Then we should send the remainder of the provisions back to our Committee on Banking, Finance and Urban Affairs where they can be fully considered and debated and brought to the floor under the normal legislative procedures of this House.

Mr. PEPPER. Mr. Speaker, I yield 3 minutes to the able gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Speaker, I rise in support of the rule which will permit Congress to work its will, indeed. We have labored to provide this package of financial institution policy. It deserves to be considered and debated.

Mr. Speaker, this measure, H.R. 27, is a major victory for Congress. We have forced the administration to come down from the mountain of a $15 billion, no-strings-attached bailout to agree to a responsible bill that reasserts Congress in the debate on how our financial sector should operate and be structured in today's economy. It would not have been possible without the effective and positive leadership of the respective chairmen, Mr. ST GERMAIN, of the House and Mr. PROXMIRE, of the Senate and the ranking minority members, Mr. WYLIE and Mr. GARN. They deserve our praise and more importantly our support.

Mr. Speaker, too often in the past few years, Congress has been circumvented in the process and debate on deregulation. Rather than acting and developing a sound national policy, we have been forced to react to the decisions of unelected bureaucrats and judges. This has occurred time and time again from telephones to trucking and airline deregulation. As my colleagues know, this administration-led piecemeal approach has been a rocky road.

It may all work out in the long run but today there is uncertainty, lost consumer trust, company closures and growing demands for deregulation. That's a gamble we can't take in the financial marketplace.

H.R. 27 gives us a chance to avoid the pitfalls. This bill closes the regulator-opened nonbank bank loophole and bars other regulator attempts at deregulation for the short term. This bill is not, however, the conclusion of a debate, but the beginning. H.R. 27 gives Congress and, in effect, the American people the opportunity to consider in a national dialog the course we should set for our financial industries for years to come. Clearly, this is a monumental task but it is one that must be done and must be done here in open debate on the floor, not by a small clique of Federal regulators meeting in private.

I want to urge my colleagues to support H.R. 27. This bill meets the immediate needs of the financially strapped thrifts and their depositors and sets the stage for future action. But I want to urge my colleagues to go beyond that and to begin to consider the deliberations that must follow.

The administration is already trying to frame that debate by endorsements of the so-called mega-banks styled after the Japanese and European models. This policy will override five decades of the positive American banking experience which has served our pluralistic society so well. It will violate all of our protections for healthy competition. Antitrust laws, rules preventing collusion, and conflicts of interest will be lost—all in the name of a competition called to the tune of nations that have absolute Government control of their banks. Imitation may be the highest form of flattery but what we need is competition not imitation. U.S. F.I. that face risk and not seek absolute government insurance because they are simply too big to fail without adversely impacting the total world economy. With 20,000 thrifts, banks, and credit unions that have evolved to serve our Nation and the American people so well should not be permitted to become a sacrificial lamb to our trade deficit. Rather, these institutions should be used to pump life into the U.S. economy and help turn around that deficit through maintaining the viability of American business and American entrepreneurs. With the proposed regulators super or mega-bank, we lose one of our major economic strengths—entrepreneurship. Super megabanks dedicated entirely to only certain industries have a financial interest not to finance spinoffs and new businesses. As a result, major important American new firms such as Control Data and Cray Computer would not likely be in existence today to compete domestically and internationally.

We cannot be straitjacketed by these narrow administrative parameters. This is not some grand experiment into which we can lightly enter. The decisions we must make will have far-reaching ramifications which must be addressed. Any future banking legislation should build on the firm foundation that past 50 years of experience has established. The integrity of deposits and the insurance fund must be maintained and the wellspring of financial assistance to American entrepreneurs. The heart of our economic promise must be maintained.

Mr. QUILLEN. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia [Mr. PARRIS].

(Mr. PARRIS asked and was given permission to revise and extend his remarks.)

Mr. PARRIS. Mr. Speaker, I rise in support of the conference report on H.R. 27.

Mr. Speaker, I support the conference report on H.R. 27. This is the first comprehensive banking legislation that we have had in nearly 5 years, and we have been driven to this point because of our need to recapitalize the Federal Savings and Loan Insurance Corporation. Please allow me to summarize my support of this legislation.

FSLIC RECAPITALIZATION

The most important aspect of this legislation is its provision to recapitalize the FSLIC. In October 1985, I took to the well of the House to express my concern about the dangerously low reserve level of the fund. Again, in January 1986, I spoke on the House floor about the urgent need to inject more dollars into the FSLIC. At that point I estimated that the projected losses to the fund would be nearly $25 billion. Many disputed that figure, but as time has progressed, that loss estimate is now a reality, if not now on the low side. Some would suggest, and I think rightly so, that the projected losses to the FSLIC could be $40 billion. In the summer of 1986, the Federal Home Loan Bank Board [FHLBB] proposed a recapitalization plan that would infuse $15 billion into FSLIC through bond issues. This coupled with FSLIC's annual income over 5 years, would provide FSLIC with $25 billion over 5 years—enough to cover the projected losses. We came close to passing this legislation in the 99th Congress, but failed to because extraneous issues prevented the House and Senate from reaching agreement on the legislation. That was unfortunate, and it was a failure of the House and Senate to act responsibly. As it turns out, that failure to reach a compromise in October 1986 will now cost the industry, and maybe the taxpayer, another $2.5 billion.

In January of 1987, everyone looked forward to an expedited passage of FSLIC legislation. Unfortunately, other issues clouded this scenario. The Senate used the FSLIC bill to address other banking issues, and the House delayed—eventually adding forbearance legislation, and approving a much smaller recap amount.

We have meandered through the legislative process and have arrived at a FSLIC recap figure of $10.824 billion. That might seem like a curious amount, but allow me to explain the reasons the conferees arrived at this figure.

The conference was faced with a choice of the House plan, a 2-year $5 billion recap, or a Senate 2-year $7.5 billion solution. Instead, the conferees agreed upon an $8.5 billion FSLIC recap. The number was raised by 1 billion because the Senate conferees asked for this in light of the conference decision to address the need for a solution to restoring the secondary reserve.

What is the secondary reserve you ask? The secondary reserve is a fund that was established by the Congress in 1962 to insure that FSLIC reserves were adequate in light of the growing number of thrifts at that time. By the mid-1970's the Congress felt comfortable enough that the primary reserve was adequate that the payments made to the secondary reserve could now be returned to the institutions. This continued until the early 1980's when the payments were discontinued because of the declining primary reserve. Since that time institutions with equity in the secondary reserve have carried this on their balance sheets expecting repayment. When the GAO declared that FSLIC was technically insolvent earlier this year because of the expected losses that FSLIC faced, the secondary reserve was "extinguished." Thrifts with equity in the secondary reserve have thus been forced to write this off of their balance sheets, much to their dismay.

The conference, and my self included, felt that it was appropriate to compensate these institutions in some fashion. The compromise that I helped draft would return the secondary reserve over a 5-year period to those institutions in the form of credits to their special assessments to the FSLIC. That is why the conference has decided to include $825 million in its FSLIC recap amount.

Now the question—why have we gone to the $10 billion? In sum, because the President would have vetoed this bill for providing anything less than that. The President is absolutely justified for doing so. A higher recap amount is imperative and necessary to begin to solve this crisis.

Unfortunately, the conference has retained the annual cap on borrowing authority for the FSLIC at $3.75 billion. Basically, this legislation is now a 3 year plan that will allow over $3 billion a year to be borrowed for that 3-year period. Added to this will be FSLIC's annual income, estimated at $1.8 billion a year. Subtract from this, however, the interest on the bonds, the secondary reserve credit, lack of interest on the primary reserve, and the phase out of the special assessment, and I estimate that FSLIC will have something in the nature of $4.5 billion available to it each year.

Is this enough for the FSLIC to get us out of this crisis? Most likely it will not be. Is it better than nothing? The answer is yes.

Let me briefly discuss the magnitude of the crisis. Currently there are 461 institutions that are GAAP insolvent, having $125 billion in assets. There are, however, another 281 institutions that are not technically insolvent, but have either negative earnings, or earnings less that 0.5 percent. This group has $146 billion in assets. Combined we have nearly 700 institutions that are either insolvent or are in a very weak capital and earnings position right now. As one can see, this is a significant crisis, that may require greater assistance than the industry alone can supply. I regret to say that we could well be back here asking for additional FSLIC borrowing authority in a year.

As I mentioned earlier, our failure to pass this legislation last year has cost us $2.5 billion since last October. The daily losses are now running $10 million a day, and that is why it is so imperative that we pass this legislation now.

Let me conclude by saying that I support this legislation because it will provide the urgently needed dollars that FSLIC must have in order to close the "brain-dead" thrifts that are accruing losses daily. I will caution fellow members, however, that this is not the last we will hear of the FSLIC crisis. This Congress must in the near future search for alternative solutions for thrift problems. If the losses climb so high that the industry alone will not be able to rescue itself, then the Congress will be forced to address a comprehensive alternative. I say, let's begin that process now so that we don't take action, driven by a crisis, that would not really solve the problem. I thinking of a merger of the two funds—that would only cover for a short term the true losses, and I want to avoid that.

Again, I urge my colleagues to support this legislation so that we can give the FSLIC the necessary funds to begin to solve this crisis in the thrift industry.

THE NONBANK BANK LOOPHOLE

This legislation also closes the nonbank bank loophole. Banks are defined as institutions that accept demand deposits and make commercial loans. Institutions that do one or the other are not considered banks, and therefore, are not subject to many of the Nation's banking laws. For the most part, the major criticism aimed at nonbank banks is there ownership by commercial firms. This represents a departure from our Nation's banking policy that separates banking and commerce. Some would argue that this is a tradition for this country, but in fact as William M. Isaac stated in the Wall Street Journal recently, not until the 1956 Bank Holding Company Act did we separate banking and commerce. In fact, as he went on to say, this "Chinese wall" of separation remains rather porous today.

Many in the administration would argue that the nonbank banks have been a positive innovation for the consumer. I do not seek to argue that point at this time. In fact, that is not really the issue that this legislation addresses. As I see it, the problem is twofold. One, should we allow commercial firms to be in the banking business, but bar banks from being in the commercial field? Nonbank banks have effectively done this, and that is why the banks have raised this as being a competitive disadvantage for them. Quite frankly, they are right on this point.

Second, should our Nation's banking policy since 1956 be changed because of a legal loophole? I think not. I wrote to the President in favor of this legislation, and in doing so, I did not seek to rebut the administration's view that nonbank banks have helped deregulate banking, but I told him that our Nation's policies should be set by the Congress and the executive branch, not by lawyers looking for loopholes.

The legislation grandfathers 168 nonbank banks, many of which are owned by very large commercial and financial firms, however, it will shut off the nearly 200 applications that are pending. This legislation imposes many unnecessary and anticompetitive restrictions on non bank banks which I do not support, but the conference was unwilling to relax these in any substantial way.

Why should members be asked to support this section of the bill? Because it will level the playing field between banks and their competitors for the time being. But the Congress needs to address this issue in a comprehensive manner. The financial services arena is changing everyday, and innovation will not wait for the Congress. That is why it is imperative that we address this issue very soon in additional financial services legislation. Today's consumer is seeking an array of different financial services, and new products will be on the market soon after this legislation. The Congress cannot continue to react to the market, we need to set the parameters of competition now, and I hope that we will do that soon, particularly when we address the issue of additional bank powers, as has been promised by both the House and Senate Banking Committee chairman.

TITLE II, MORATORIUM

Title II of this legislation would impose a moratorium on any new powers for banks issued by the Federal Reserve and the Comptroller of the Currency until March 5, 1988. This effectively puts a hold on the underwriting powers that were issued to several major commercial banks in early April of this year. Some would argue that the Federal Reserve in making these decisions went beyond the scope of its authority, and that this was in fact a radical interpretation of Glass-Steagall.

We have been presented a Hobson's choice by each industry with respect to the Federal Reserve's decisions. The large banks tell us that if their subsidiaries are allowed to underwrite securities, commercial paper, consumer receivables, mortgage backed securities, and municipal revenue bonds, then borrowing in the capital markets will be less expensive because of the enhanced competition. Ultimately the consumer will be the benefactor.

The securities industry, however, would argue that underwriting is an inherently risky business, and it is—one need only look to Merrill Lynch and Kidder Peabody to see that each has had to take substantial losses because of poor underwriting practices recently. If the banks are in this business, large investment banks will feel compelled to enter the commercial banking business, and by default the United States will insure double the number of large money center operations because of our insured deposit system. This is, of course, a terse description of the problem, but as you can see it is a perplexing one. The Congress has been stymied in its efforts to confront the conflict.

The net effect, however, has been that the regulators and the courts are making these decisions. Our failure to devise a rational solution to the conflict will only result in these decisions being made elsewhere, with a hodgepodge of regulation that may or may not be in the best interest of the U.S. Government.

The Congress has asked for time—by passing this bill we will have it. Let's rise to the challenge.

GAAP ACCOUNTING

Mr. Speaker, I am pleased that the conference has retained a very important section of this bill that I added as an amendment on the floor of the House during our consideration of H.R. 27. This section would require that thrift institutions begin to abide by generally accepted accounting principles [GAAP] within a period of 5 years. We have now, what we call regulatory accounting principles, better known as RAP. Frankly, RAP had been used to hide the real trouble of the thrift industry. When thrifts got into trouble, the regulators invented a new scheme to make their balance sheets look better. If anyone of us did it, it would be called fraud. It is nothing short of "cooking the books." I won't excuse the Congress from blame either. We have artificially inflated that net worths of thrifts through net worth and income capital certificates.

But the time has now come to correct that situation and to approve this change. We are past the thrift interest rate crunch period, when many of these accounting changes were deemed necessary to help an industry on the ropes. We must swallow hard and go back to GAAP accounting so that we no longer put a false face on the health of the industry.

Finally, let me add that I had the pleasure of meeting with members of the Financial Accounting Standards Board recently. And what they told me was a good prescription to be mindful of in future deliberations over these kind of issues. If we want forbearance, that is reasonably justified, then fine let's have forbearance, but let's not change the accounting rules to do that. Once we begin changing the system, it's hard to get back on the right track.

Unfortunately, this legislation does just this in another section of the bill, which provides for loan loss amortization for 7 years for small agriculture banks. I don't have a problem with some forbearance for these institutions, but I fail to see the logic in changing the accounting rules to do it.

FULL FAITH AND CREDIT

I am also pleased that this legislation includes my amendment placing the full faith and credit of the U.S. Government behind the insured deposits. At a time when public confidence is weakened by FSLIC's problems, it is all the more important that we assure our constituents that we don't intend to let the FSLIC, the FDIC [Federal Deposit Insurance Fund], or the NCUSIF [National Credit Union Share Insurance Fund] stand alone.

GRAMM-RUDMAN

This bill also contains an amendment that I offered in conference to exempt Federal financial regulators from the sequestration provisions of Gramm-Rudman. Why them and not other necessary agencies? Because the budgets of these agencies are paid by those they regulate. Each is funded by premiums paid by the financial institutions that are regulated by the agency, and those funds can't be used for deficit reduction because they are not tax dollars, they are premiums. It makes little sense to ask, for example, the Home Loan Bank Board not to spend a certain percentage of its budget, because other agencies are reducing because of Gramm-Rudman. This is particularly true for the FHLBB that will need every dollar it can muster to solve the thrift crisis. So what results is a curious situation whereby the agency can't spend some of its money—and the Federal Government takes a fictitious reduction in its deficit because it counts money that was never put in the Treasury. We put a stop to this in the conference report.

EXPEDITED FUNDS AVAILABILITY

Finally, Mr. Speaker, this legislation contains a very important section which will expedite the process by which we give consumers access to their deposits. Some States regulate check hold periods, and some do not. Now for the first time we will have national legislation that we will provide all consumers faster access to their dollars.

I want to congratulate Chairman St Germain and Senator Dodd—they came to the conference with two very different approaches to this problem, and they have drafted a good compromise.

As one who represents a substantial number of Federal employees, I am pleased that this section will provide for next day availability for Government checks beginning on September 1, 1988. I might add that my State of Virginia already has an excellent check processing system, and I do not expect that Virginia will have problems meeting the schedules in this legislation, in fact Virginia could well be ahead of the curve, as it is in many things.

In conclusion, Mr. Speaker, this is again, on balance, good legislation. This is not a far-reaching solution to the FSLIC problem, nor is it the final word on financial services restructuring, but it is a step forward by the House and Senate Banking Committees. I would urge my colleagues to support this bill.

Mr. PEPPER. Mr. Speaker, I yield 5 minutes to the able gentleman from New York [Mr. LaFalce].

(Mr. LaFALCE asked and was given permission to revise and extend his remarks.)

Mr. LaFALCE. Mr. Speaker, I reluctantly rise in opposition to the rule, and then, since I believe the rule will pass overwhelmingly, I intend to rise in strong opposition to the conference report. I also believe it will pass overwhelmingly. But I do think it is a very bad rule and a very bad conference report.

□ 1420

For those who do have open minds as of this point in time, I would offer the following procedural arguments for their consideration. At this point I shall not address the merits of the FSLIC recapitalization scheme, its adequacies or inadequacies, nor other difficulties inherent in the legislation. I think that even if you have difficulties with it, in the spirit of compromise you probably would go along with the conference report, if it contained only the FSLIC recapitalization provision. There are some other provisions within the bill, too, that I think are excellent.

For example, the provision dealing with expedited funds availability. I think the conference report provision that deals with that is superior to the House-passed version. But I have to stop there, not that there are not other good provisions of the bill.

The reason I stop there is because those were the only two items in the entire bill that were considered on the floor of the House of Representatives, considered in the Committee on Banking, considered in the Subcommittee on Financial Institutions, in this the 100th Congress.

Earlier this year, approximately March 1987, the Senate passed an omnibus banking bill. It really dealt with virtually every major issue confronting the financial services industry.

Admittedly, it puts some issues on temporary hold, it imposed a moratorium, et cetera, but it attempted to deal with all the major issues in one way or another.

From that time to the present a good many Members, especially myself, were concerned that a certain approach could be taken. We were concerned an approach could be taken whereby the Banking Committee itself and the Members of the House of Representatives would be bypassed, would be circumvented, perhaps indeliberately or perhaps even deliberately. Hence, time after time I asked the question, will we be able to have debate, discussion, and a vote on those issues, both in committee and on the floor of the House? Time after time I was assured "Yes," and indeed, we would at the very least have hearings in the House Banking Committee before we dealt with and had to vote on these issues.

Well, April went by and May and June and July, 4 months, and we have not even had one hearing on any of those major issues in this Congress; very important issues.

And when the House conferees went to the conference with the Senate conferees, I admit a decision was made to go to conference on all the issues; but the decision was not made to virtually capitulate to the Senate on almost every one of the titles in their bill—not every single one, but almost every single one, all the major ones; and yet that is what the end result was.

Now I think that most of those provisions happen to be very bad. Reasonable people could differ, however. I would tick off some of them and I would ask you in your sense of fairness whether this unusual procedure of having a rule on a conference report should be gone along with so readily when we have not had an opportunity to have amendments and separate votes on a number of extremely important issues.

Should we not be able to consider the wisdom of so-called nonbank banks. I call them limited service banks. Should we not debate that on the floor of the House and in committee? Should we not be able to vote on that separately in the full House?

Many people believe that prohibiting them is both anticompetitive and anticonsumer. As a matter of fact, that was the prinicpal reason the New York Times editorialized a few weeks ago:

> If it should pass it will richly warrant a veto. Passage would show that Congress is paying more attention to the lobbyists than the public. Unfortunately, legislators have worked harder to appease lobbyists than to guard the public interest. A bad banking bill would be worse than no legislation at all. This lobbyists' stew is a bad banking bill. It warrants a one word response from President Reagan "veto."

Now, the President is not going to veto this bill, not because he does not want to, but because he is a weak President, because he realizes that he cannot sustain a veto on this bill, because the lobbyists have overcome and prevailed; they have greater might than the President on banking legislation.

I should also like to add that there are several other provisions in this bill which were never considered either by the committee or by the full House. Should we pass a rule which precludes the House from having a separate vote on each issue?

For example, the 7-percent growth restriction placed on limited-service banks 1 year after enactment of this legislation. This issue was only examined during the course of the conference and was not part of the original bill voted on by the House of Representatives. Should we not be able to vote on that separately?

There are other provisions which were included by skirting the normal deliberative legislative process. The intrusion on State powers through the application of Glass-Steagall to State-chartered nonmember banks is a good example. States rights are a vital issue to this body, not only as a means of maintaining our dual banking system—but more importantly—as an approach to legislation. Should we intrude on the jurisdiction of States without even voting on this issue separately?

The same arguments holds for intrusion on regulatory and judicial powers. This rule would permit the House to ignore the authority of the regulators and the judicial branch to act on these banking issues. Such a precedent could have dangerous implications for the safety and soundness of the financial system. Should we not vote on such an issue separately?

Last, the 7-year loan loss amortization schedule permitted for agricultural banks is a provision that should be voted on separately by the House of Representatives. But like all the other examples I have cited above, it too will be lumped in with all the other provisions because of the procedural travesty being committed here today.

Right reason demands that this rule be rejected.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin [Mr. ROTH].

Mr. ROTH. Mr. Speaker, I thank the gentleman from Tennessee for yielding.

H.R. 27 is very, very important legislation. This bill has been driven by a locomotive called the Federal Savings and Loan Insurance Corporation. We have been told by our congressional investigative arm, GAO [General Accounting Office], that we have a real problem with FSLIC.

So the administration requested $15 billion to keep FSLIC solvent. The original bill that we passed in the House was for $5 billion. This present bill before us compromises at $10.8 billion. I think it is a realistic compromise, Mr. Speaker. For that reason I think it again will undergird the depositors' confidence and trust in these institutions. That is why this legislation is so needed and so important.

Some people maintain that there are problems with this bill. Well, there are problems with every bill that comes before Congress.

Two hundred years ago when our forefathers were drafting the Constitution, that most perfect of all documents, they realized it had some imperfections. That is why the Bill of Rights was adopted before the Constitution was ratified. It's only natural that any legislation we pass in Congress is going to have some imperfections. But when you take a look at the total picture, this legislation addresses those issues and those questions that have to be addressed. The compromises made in this bill have been fair, just, and equitable. That's why President Reagan will sign it.

This bill goes beyond FSLIC. The bill goes to the heart and future of the banking and financial institutions.

Now we know that we have too many rules and regulations which are too constrictive and out of date. What I hope this legislation will do is provide a vehicle that drives forward with other banking legislation and legislation dealing with our financial institutions; Glass-Steagall must be revisited. We realize that. We must bring our financial institutions into the 20th century.

Ten years ago, most of the large banks in the world were American banks. Today only 3 out of the 25 largest banks in the world are American banks. We cannot continue to go in this direction. The present dilemma is indicative of a Congress sleeping at the switch while technology and the financial institution go through a welter of change. This bill is not a solution to all the problems of our financial institutions but it does set the agenda for future legislation.

Therefore, the reason this legislation is so important is because it addresses the crucial and critical problems that we are faced with today and it gives us the impetus, it gives us the roadmap to move forward. Banking legislation in our House has been stuck in mud for too many, many years. Now finally we are getting on the path, we are getting motion, we are getting movement, we are getting some momentum. That is what is needed.

The Banking Committee is going to be the most important committee in the House of Representatives. And the reason for that is because the issues we are faced with in our Banking Committee are the issues that other American institutions are going to be faced with.

That is why this is prototype legislation, this is vanguard legislation. That is why it is so important.

Mr. ANNUNZIO. Mr. Speaker, will the gentleman yield?

Mr. ROTH. I would be happy to yield to the chairman.

Mr. ANNUNZIO. Mr. Speaker, I asked the gentleman to yield so that I could commend him on an outstanding statement that he is making in behalf of this legislation.

I would also like to point out that when the gentleman talks about the amount of money that we are funding, $10.8 billion, the more that you vote out—if we had gone along with the $15 billion, the very institutions we are trying to help are those institutions that we would force to close because of the high payments. The larger that payment the larger the payments to the smaller S&L's.

Mr. ROTH. I thank my friend for his contribution and I thank the gentleman from Tennessee for yielding.

Mr. PEPPER. Mr. Speaker, I yield 3 minutes to the able gentleman from Tennessee [Mr. COOPER].

Mr. COOPER. Mr. Speaker, I support the conference agreement on H.R. 27 and urge my colleagues to vote for it.

Congress has been struggling with this issue for almost a year now. Congress has always felt that our Nation's S&L's should bail themselves out; no taxpayer money should be used. The fight has been over how much to ask of the S&L's. We voted to ask $15 billion last year, but that legislation died with the last Congress. This year we voted for $5 billion, but the reconvened conference has given us a total of $10.8 billion.

I support the $10.8 billion number because it, unlike this spring's House figure of $5 billion, is large enough to begin solving the problem. One State's S&L problems alone could have exhausted our earlier $5 billion request; the new request of $10.8 billion should enable our FSLIC fund to operate in the black, at least for the time being.

Other features of H.R. 27 are the sunset provisions on the special leniency or forbearance we are granting S&L's. Already they are operating under relaxed accounting rules, so-called RAP accounting. This bill grants them further leeway, at least to the well-managed ones. But these special favors are not made permanent. S&L's will have to begin operating under the accounting rules that every other business in America is ruled by, GAAP accounting, when the $10.8 billion bailout fund is exhausted.

There are many other features to this bill ranging from the long-overdue statement that the full faith-and-credit of the United States stands behind our Federal deposit insurance funds—which officially adds a contingent liability of hundreds of billions of dollars to our Nation's already overburdened credit ledger—to the controversial nonbank bank and moratorium provisions.

On these last issues, neither party to the controversy should object to the compromises reached, nor should they take much comfort in them either.

Nonbank banks are, and will be, alive and well. They might not grow as fast as their advocates would like, but they have survived this battle and will fight another day. The moratorium on new bank powers may look as if it's strangling bank growth, but Congress could not have begun seriously voting on such issues before next March anyway.

The result of these features of the bill, add-ons that once again unfortunately circumvented the House Committee process, is to delay consideration of vital issues without much prejudice to the commercial interests at stake. One day Congress will have to face up to these financial structure issues. That day should be soon because Congress should have begun dealing with them years ago. Still, the sooner the better because it is not too late to unshackle our financial industries to allow them to compete internationally and domestically.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the gentleman from Kentucky [Mr. BUNNING].

Mr. BUNNING. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise today in support of the conference report on H.R. 27.

My support, however does not come without reservation. I have three reservations about the work of the conference and I feel that I should express them here.

First, I, as did many of my colleagues on both sides of the aisle, supported a clean FSLIC bill. When the Senate began adding other provisions, I feared a slow process in the face of an emergency situation. Well, that fear has materialized. The Banking Committee held its first hearings on the issue in early January. And now here it is 8 months later, and we're just getting around to sending final legislation to the President.

It's no wonder the taxpayers of this country get impatient with us. I am only glad that FSLIC didn't go belly-up in the process.

My second reservation concerned the funding level for FSLIC. From the very beginning I supported a higher level for the fund. Of course my reservation has been somewhat lessened by the 11th-hour negotiations between Congress and the White House.

I applaud those in Congress who lead these negotiations with the White House for their spirit of cooperation in order to get a signed bill. I still support a higher level of funding, but half a loaf is better than no bread at all.

My final and largest reservation still exists. Today, the House is being forced to vote, in an all-or-nothing situation, on substantive provisions, heretofore not even debated before the Banking Committee. Moreover, the prospect of comprehensive hearings before the March moratorium deadline seems unlikely. As a freshman member of the House Committee on Banking, Finance and Urban Affairs, I would urge the chairman to hold these hearings, post haste. The response that these are all issues that have been argued before does not fly with the freshman members.

Despite these reservations, I urge support of the measure.

Mr. PEPPER. Mr. Speaker, I yield 5 minutes to the able gentleman from Delaware [Mr. CARPER].

Mr. CARPER. Mr. Speaker, I would observe that this conference report is probably neither as good as its proponents would contend nor as bad as its opponents are stating.

I want to just run through, briefly, some of the pluses and minuses as I see it in this legislation, having been someone who has been working on components or different parts of this legislation now for 4 years.

□ 1435

On the plus side, the FSLIC compromise is a better package than we reported out of the House. It increases the borrowing authority in this industry self-help plan and has less onerous forbearance provisions. We do not tie the hands of the regulators to the extent that the original House measure did.

With regard to the check-hold legislation which several of the earlier speakers have talked about, it is a fair deal for consumers, and I think it is a fair deal for the financial institutions. Many of us in this body are concerned about the safety and soundness of these financial institutions. This compromise in this conference report is, I think, sensitive to those concerns about safety and soundness, while ensuring that depositors have reasonable access to their deposits.

The third point is one that Representative PARRIS mentioned today, and that is a provision dealing with the antideficiency law, the apportionment provisions of our law, and a Gramm-Rudman exemption. For the last 2 years, I have worked hard to try to make sure that we give our financial regulatory agencies some flexibility to ensure that we have enough examiners. We desperately need qualified, well-trained examiners. Moreover, we must reduce the turnover in our examiner forces within our regulatory agencies to avoid being hamstrung in our ability to better ensure the safety and soundness of our financial institutions.

There are a couple of key provisions in this conference report that were literally pulled out of the Carper-Lundine bill which was passed here in the House of Representatives last year. I salute Representative PARRIS for his efforts to include those provisions in this conference report.

Having mentioned those pluses, I now want to mention a couple of minuses, as well. I do not like the idea that we are considering legislation in title I of this conference report dealing with nonbank banks. We have never had the opportunity here in the House to debate the merits of those provisions. I am not comfortable with them, I do not like what this particular bill does in this area. I am hopeful that we will have the opportunity in the year ahead to revisit those issues as suggested by Senator PROXMIRE.

Neither do I like the notion that we are going to extend, for the first time in the history of this country, provisions of the Glass-Steagall Act to state-chartered financial institutions. We have never debated that issue, to my recollection, in the Banking Committee. We have certainly not debated that issue here in this Chamber to my recollection. Yet, we are voting here today to extend that coverage to March 1 of next year.

Third, we are basically saying in this legislation that we are going to tie the hands of the regulators, including the Federal Reserve, to keep them from providing even modestly expanded powers to financial institutions. I do not like the fact that we are going to do that. The kinds of modest new powers that were envisioned by the Federal Reserve, I think, do no harm to our financial insititutions. I believe they are really proconsumer and strengthen, rather than weaken, competition.

In light of the reservations, I hope to have the opportunity, when we actually debate the conference report itself, to ask the following questions of the chairman of the Banking Committee.

First. Will you support an extension past March 1, 1988, of the title I moratorium regarding extension of Glass-Steagall prohibitions to State-chartered financial institutions?

Second. Will you support an extension past March 1, 1988, of the title II moratorium on the discretion of regulators to authorize new activities for banks?

Third. During conference debate, Senator PROXMIRE indicated that it would be appropriate to revisit the 7-percent growth cap for nonbank banks if the Congress expands products and services for commercial banks. Do you agree that a reexamination of the 7-percent growth cap would be appropriate under those circumstances?

Mr. ROEMER. Mr. Speaker, will the gentleman yield?

Mr. CAPPER. I am happy to yield to the gentleman from Louisiana.

Mr. ROEMER. Mr. Speaker, I want to express my thanks to the gentleman from Delaware [Mr. CARPER]. I was a member of the conference, and I, like the gentleman from Delaware, have worked for years to try to get to this date. But all the credit goes to him for many parts of this bill. I thank him for his foresight, for his courage, and for his honesty.

Mr. CARPER. Mr. Speaker, I am lost for words. I thank the gentleman from Louisiana for his kind words.

Many members of our committee, and especially the gentleman from Louisiana [Mr. ROEMER], have played a part in the adoption of the positive provisions in this bill. We still have a great deal of work to do, though, and my hope is that between now and March 1, 1988, we will put our shoulders to the yoke and get that job done.

Mr. QUILLEN. Mr. Speaker, I yield 6 minutes to the gentleman from California [Mr. MCCANDLESS].

Mr. McCANDLESS. Mr. Speaker, the situation is this: There are a number of savings and loans across the country that, for one reason or another, should be closed. But they can't be closed because the Federal Savings and Loan Insurance Corporation—better known as FSLIC—does not have the resources to close them and payoff their depositors. Consequently, these troubled institutions are losing money at a rate of $6 to $10 million a day. What is needed is an infusion of money into FSLIC which can be used to pay depositors so that thrifts which have no hope of becoming solvent, can be closed.

There are two ways to put money into FSLIC. The first would be to use the taxpayers' money. The second is a self-help plan; a rescue financed by the industry that has benefited and profited from FSLIC insurance. Those are the only options. H.R. 27 is the latter. Not $1 of taxpayers' money is involved.

There are some who have couched this debate in terms of protecting a particular region or even a specific State. However, that view is extremely nearsighted. This legislation is designed to shoreup the insurance fund. If FSLIC goes under, and depositors start losing their money, panic will not stop at the State line. Nor is it likely to stop with thrifts. Depositors will also race to banks and credit unions to withdraw their life's savings. In short, our entire system of banking could collapse, and the disaster would be nationwide.

I was one of the six people who voted against H.R. 27 when it was before us in May. I thought the bill was woefully inadequate to accomplish its purpose of rescuing FSLIC. I didn't see any logic in passing a bill that wasn't going to work.

The legislation before us now—the conference report—is much improved, and I am going to support it. The conferees have crafted a compromise that, while certainly not perfect, will be a major step toward restoring solvency to FSLIC. Time is absolutely critical. FSLIC, and the people who have their money in savings and loans, simply cannot afford to wait for a perfect bill.

Throughout the process, I have stated repeatedly that my preference was for a clean bill—one that dealt only with FSLIC. That was the House's position, and, if the other body had acted likewise, FSLIC recapitalization would have been signed into law months ago. Instead, the other body chose to use the FSLIC issue as a vehicle to address a number of complicated and controversial banking issues. Many of these issues have paralyzed the banking committees and kept them from acting on comprehensive banking reform legislation, so perhaps it is not all bad that H.R. 27 will break the logjam.

H.R. 27 should not be viewed as a reversal of efforts to deregulate banking. It does put on hold, for 7 months, the Federal Reserve Board's approval of expanded securities powers for banks. However, in all likelihood, even without the moratorium, the courts—not Congress—would prevent the banks from exercising those powers while they grapple with the question of whether or not the Fed has exceeded its authority.

If we are going to allow banks to engage in securities activities, then Congress—not the Fed—should repeal the Glass-Steagall Act. Glass-Steagall is the law, passed in 1933, that mandates a separation between banking and the securities business. Repealing the law by default or regulatory fiat is not acceptable.

Our system of banking has evolved into a patchwork quilt of confusing, and in some instances, antiquated and contradictory laws. There is no question that a complete review and overhaul is needed. Over the next 7 months we can continue the comprehensive analysis of financial industry law. We need to put everything on the table and start from scratch. We need to determine what type of financial institutions we want to have. We need to decide what powers and what limits those institutions will have. We must also address the role of the Federal Government—in the form of Federal deposit insurance, and what effect it will have on an institution's powers and services.

The first, and most important step at this point, is solving the FSLIC crisis. The conference report will begin that process. Therefore, I urge my colleagues to join me in supporting it.

Mr. QUILLEN. Mr. Speaker, I yield 4 minutes to the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Speaker, I rise today in strong support of the conference report on H.R. 27, the Competitive Equality Banking Act. This bill has been in the works for over a year now and the time has come to get on with our responsibility and pass this legislation.

I want to commend the conferees, the respective chairmen and ranking members, and the administration for their work on this bill. I also want to especially commend the Treasury Department and Jim Baker in particular for his leadership, tenacity, and farsightedness. This bill represents a giant step forward in addressing the key issues in the financial world. It is a major achievement in dealing with a potential crisis in the savings and loan industry and resolves the problem in a creditable way.

It is not often that three independent Government agencies reach the same conclusion about how best to solve a problem. However, in the case of FSLIC recapitalization, the Treasury Department, the Federal Home Loan Bank Board which oversees FSLIC, and the General Accounting Office, not to mention the Speaker of the House, the chairman of our committee, and the ranking Republican, all agree. We actually need at least $15 billion to adequately recapitalize the FSLIC.

However, today I will strongly support the $10.8 billion for FSLIC, if that was the highest amount to which the conferees could agree. However, it may be that at some point in the not too distant future, we will meet here again to consider another FSLIC funding bill.

The problems of FSLIC are varied. From risky real estate lending during boom times, to trouble in the energy and agricultural sectors of our country, a growing number of savings and loans are experiencing trouble in maintaining their net worth. Let me state unequivocally, however, that the S&L's in my State of New Jersey are for the most part very healthy, well-managed, and profitable. Unfortunately, their colleagues in other States have been neither so fortunate nor so prudent. But this is a national insurance program and demands support.

Here is the situation in its starkest terms. The industry has almost $1 trillion in deposits. As of the third quarter of 1986, 446 thrift institutions were insolvent according to generally accepted accounting principles. These held $112.7 billion in assets and were losing $5 billion per year. The most recent General Accounting Office information indicates that FSLIC's loss for 1986 will be close to $11 billion and that its deficit will be in the $6 billion range. FSLIC is currently insolvent.

It is central to the recapitalization proposal that it be enough to restore long-term confidence amongst investors because over half of the necessary money must come from the capital markets. The financing corporation created by this legislation must sell bonds in the bond market to raise the necessary funds.

We need an adequate level of recapitalization to restore confidence for a second reason as well. We want to return to a healthy S&L system. That means attracting new investors into the industry, as well as just selling the bonds for the new financing corporation. We also need depositors to feel secure in their actions. Already I have gotten letters from constituents who ask whether they should withdraw all their money from their local savings and loan. Many are not aware of the difference between a funding problem with FSLIC and the failure of an S&L. A rejection of this recapitalization proposal would send an avoidable, and therefore unnecessary, signal of fear and hesitancy into the financial world.

I know that the healthy savings and loans do not want to continue to pay the special assessment to cover the losses of the S&L's which have gotten themselves into trouble. I can certainly understand their concern. However, the history of Federal deposit insurance in this country is that it has always been a nationwide, industry-supported fund. It would make no sense to abandon this system just when we need it the most.

All FSLIC-insured savings and loans have benefited for years from the public confidence in the FSLIC system. I am sure that if that sign they all have in their window that says "Member—FSLIC" were suddenly taken away or lost its meaning, they would feel quite clearly just how valuable a sound FSLIC insurance system is to them.

I also realize that this is their money we are using to recapitalize the system, and not taxpayers' money. Therefore they want us to spend it prudently. I agree, but I think that to ensure that we do not have taxpayer money bail out the FSLIC insurance system or have to consider merging FSLIC into the FDIC, we should follow the advice of the experts and take the strongest action we can to restore safety and soundness to the system.

The House last year passed a $15 billion recapitalization bill and the situation has only gotten worse since then, with more S&L's in trouble and FSLIC with lower and lower reserves. The $10.8 billion in this conference report has been accepted by the President and his advisers. We must act decisively and quickly to recapitalize FSLIC with enough money to do the job and not postpone the inevitable.

Mr. Speaker, the conference report before us also encompasses other key banking provisions. First, the bill establishes a moratorium until March 1, 1988, on the authorization by the Federal banking regulators of any new securities, insurance, or real estate powers.

Everyone can agree that our financial institutions and the financial markets are changing rapidly. This clearly means that Federal legislation must carefully forge new relationships. This bill should be considered an impetus for the House and Senate Banking Committees to begin serious discussion and serious legislative work to address the competitive concerns facing our financial community.

It is long past time for Congress to thoughtfully examine the state of the financial industry. For far too long the Congress has left the determination of policy in this area to the courts and regulators. We must ensure an American financial industry that is healthy, safe, and sound, one that is competitive with the rest of the world, where participation is not limited to a few financial conglomerates, and where the rules are equitable and clearly defined.

It is the responsibility of Congress and not the courts, the regulators, not the States, to set comprehensive Federal banking policy in this country. I believe that we must also look at broader trends in the financial world. Barriers between different financial industries are being broken down every day both here and abroad.

There are serious competitive issues to be discussed. There are continuing and unrelenting conflicts between various sectors of the financial world. The titans of the industry are moving quickly to respond to the evolving financial marketplace and the competitive forces of the global financial marketplace. The issues at hand are not simple and do not lend themselves to simple solutions. We definitely have our work cut out for us, but it is work from which we must not shrink.

In that regard, I strongly urge our distinguished chairman to hold comprehensive hearings on competition within the U.S. financial industry and our place in the global financial markets. I hope that the hearing we just had with Paul Volcker, outgoing Chairman of the Federal Reserve Board, was a start in that direction.

I am also pleased to see that the conferees were able to come to agreement on the check-hold provision to limit the amount of time that financial institutions can hold a check before it is credited to a customer's account. I have spoken strongly in favor of this before. I believe that the compromise worked out in the conference report will be of great assistance to consumers while being fair and reasonable for the banks.

Mr. QUILLEN. Mr. Speaker, I urge adoption of the rule and of the conference report when it comes before us.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. PEPPER. Mr. Speaker, as our last speaker, I yield 2 minutes to the able gentleman from Kentucky [Mr. HUBBARD].

Mr. HUBBARD. Mr. Speaker, I rise in support of the bill before us today. As one of the conferees on this legislation, I can tell my colleagues that it is the product of long and sometimes difficult negotiations and deliberations. We have resolved a wide range of complex issues and have committed to further consideration within the coming year of many others. This product deserves the support of every Member.

I would like to make clear the intent and application of several provisions of particular importance. First, I am gratified that the conference has arrived at an equitable resolution of the FSLIC secondary reserve problem on which my General Oversight and Investigations Subcommittee held hearings in June of this year. The secondary reserve was always intended to be treated as an asset of the institutions that contributed it, and this bill makes clear the intent of Congress that it continue to be so treated. Section 307 provides for the return of the secondary reserve to those institutions through offsets against special assessment premiums over the course of approximately 6 years. For institutions that, for their own business purposes or through merger or acquisition, exit the FSLIC, the secondary reserve offset provided by section 307 could be applied against those special assessment premiums paid as part of the exit fee. I applaud the conference for its recognition of the inequity of confiscating the funds contributed to the secondary reserve.

Second, I want to make absolutely clear the intent of this legislation on the question of exists from the FSLIC. There is a 1-year moratorium preventing any new plans to exist from being actually implemented. Following that period, the legislation provides in section 302, as an upper limit on the barrier to exist, a fee of twice the regular annual premium and twice the special assessment premium assessed under section 404 of the National Housing Act. The Bank Board should not use its recently asserted authority over exists from the FSLIC under its rule on transfer of assets of insured institutions as a means for unreasonable delay or to extract from institutions seeking to exist financial concessions in addition to the exit fee authorized by this legislation. Once the moratorium on exits expires, institutions that qualify for FDIC coverage and that pay the exit fee should be allowed to make the transition with a minimum of regulatory delay.

On another matter relating to thrifts, particularly savings banks, covered by FDIC, the legislation resolves only part of an ongoing dispute concerning Federal regulation of State-chartered institutions. Section 101(d) directly authorizes State-chartered savings banks established on or before March 5, 1987, to exercise all of the noninsurance powers granted to them by State law without restriction by the Federal Reserve Board under the Bank Holding Company Act. The section is silent and takes no position on the question of the exercise of State-granted powers by newly formed savings banks. The legislation does not intend by its silence to resolve the question by negative inference. This legislation grants no new authority to the Federal Reserve Board or other Federal banking agencies to restrict State-chartered institutions in the exercise of powers granted by the States.

Third, this legislation takes an important step forward in the section 402 provisions directing the Federal Home Loan Bank Board to move toward generally accepted accounting principles. The approach is a sensible one and takes specific note of the importance of both subordinated debt and goodwill to the thrift industry by specifically indicating that they may contribute to be included in computations of capital. With regard to the treatment of subordinated debt, the Federal Home Loan Bank Board should take particular note of Congress' intent not to remove it from the computation of capital. Particularly, as the board implements the provisions of section 406 mandating new minimum capital requirements it should recognize that it is the intent of Congress to allow subordinated debt to continue to be counted, without reduction, toward meeting capital requirements set for the thrift industry.

Fourth, the provision of section 406 that grants to the Bank Board new authority to establish minimum capital requirements on a case-by-case basis is intended to be implemented with the greatest of caution. There is very serious potential for abuse of such authority. The Congress does not intend to grant to the Bank Board the authority to single out individual institutions and create for them capital requirements that are significantly higher than those of the industry as a whole. Further, it is our intent that the Bank Board develop by rulemaking the guidelines that will be followed in exercising this extraordinary authority.

Finally, the legislation mandates an important step forward in providing opportunities to resolve important disputes between thrift institutions and the examination and supervisory personnel of the bank board. Section 407 directs the bank board to establish an informal process for appealing those disputes to the principal supervisory agents. While no right to review by the bank board itself is permitted by this provision, the bank board is not precluded by anything in this legislation from exercising its discretion as head of the Federal Home Loan Bank System to continue to monitor and review the decisions of the examiners and supervisors. Moreover, the bank board should examine several important issues in the rulemaking establishing this appeals process. At the very least, the affected public should be asked to comment on, preferably in public hearings, the manner in which this appeals process relates to the other processes by which the bank board regulates; how to resolve potential inconsistencies between districts; when the failure to arrive at a timely supervisory or examination decision should itself be reviewable; and such implementation matters as the board sees fit. In order to derive the greatest possible benefit from this appeals process, the board should begin this rulemaking as soon as possible.

Mr. Speaker, I believe the conference has produced legislation that will lead to the resolution of the growing depositor concern over an inadequate insurance fund at the FSLIC. I believe that the healthy majority of the thrift industry, who will bear the cost of the FSLIC recapitalization, will now have the chance to demonstrate their continued importance to the vitality of our economy without a cloud of inadequate insurance hanging over them. For these reasons, especially, I urge my colleagues to support this legislation.

As the final speaker prior to a vote on the rule for H.R. 27, I urge my colleagues to vote yes for the rule and later "yes" on final passage of this important legislation.

□ 1450

Mr. PEPPER. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. ST GERMAIN. Mr. Speaker, pursuant to the provisions of House Resolution 236, I call up the conference report on the bill (H.R. 27) to facilitate the provision of addition financial resources to the Federal Savings and Loan Insurance Corporation and, for purposes of strengthening the reserves of the Corporation, to establish a forbearance program for thrift institutions and to provide additional congressional oversight of the Federal Home Loan Bank Board and the Federal home loan bank system, and against the consideration of such conference report.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. Gray of Illinois). Pursuant to House Resolution 236, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the Congressional Record of Friday, July 31, 1987, at page 21633.)

The SPEAKER pro tempore. The gentleman from Rhode Island [Mr. St Germain] will be recognized for 30 minutes and the gentleman from Ohio [Mr. Wylie] will be recognized for 30 minutes.

PARLIAMENTARY INQUIRY

Mr. LaFALCE. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. LaFALCE. Mr. Speaker, does the gentleman from Ohio [Mr. Wylie] oppose the conference report?

The SPEAKER pro tempore. The Chair would propound the question. Does the gentleman from Ohio oppose the conference report?

Mr. WYLIE. Mr. Speaker, I favor the conference report.

Mr. LaFALCE. Mr. Speaker, I oppose the conference report and would request the ability to manage 20 minutes in opposition to the conference report.

The SPEAKER pro tempore. Without objection, the gentleman from New York [Mr. LaFalce] will be recognized for 20 minutes, the gentleman from Ohio [Mr. Wylie] will be recognized for 20 minutes, and the gentleman from Rhode Island [Mr. St Germain] will be recognized for 20 minutes.

There was no objection.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Rhode Island [Mr. St Germain].

Mr. ST GERMAIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today we are considering a vital piece of legislation—the conference-reported bill, H.R. 27, the Competitive Equality Banking Act of 1987.

It can be said that the value of any legislation can be gauged by the direct and immediate impact and benefit it will have on the American consumer. The least mentioned portions of the bill dealing with expedited funds availability; the congressional declaration reaffirming full faith and credit in federally insured depository institutions; the title allowing loan loss amortization for agricultural banks; the requirement of a study on Government check cashing; and the title relating to the depositors of Golden Pacific National Bank demonstrate the unique compassion of the House in fashioning consumer-oriented legislation.

The expedited funds availability title, title VI, which requires depository institutions to make funds available within certain set prescribed periods of time, is hopefully about to become law. It has been conservatively estimated that banks make $290 million per year on the float and $3.4 billion per year in fees for checks returned for insufficient funds—clearly, the consumer needs a break here from the use of their hard-earned funds by banks playing the float game. The time has finally arrived to enact this long overdue title of the bill.

Title IX, relating to a reaffirmation of the full faith and credit of Congress for deposits in federally insured depository institutions, is as important as any provision in this legislation. I believe it will go far in allaying the fears of any person concerning the safety of deposits in savings and loan institutions. The House and the Senate passed similar language in the form of a concurrent resolution in 1982.

Title VIII, loan loss amortization for agricultural banks, has been considered by the Banking Committee in the last two Congresses. It is a recovery provision for agricultural banks, comparable, in effect, to the recovery title for savings and loans. It will help alleviate the difficulties in the agricultural sectors of the economy for any bank that can demonstrate that its difficulties are primarily attributable to economic problems beyond the control of management.

Originally a requirement to cash Government checks, controversy surrounding title X has been alleviated by the substitution of a study for the Senate's mandatory provisions. I was disappointed that a consensus has still not emerged for a government check cashing requirement.

And finally, the depositors at the former Golden Pacific National Bank who held so-called yellow certificates of deposit are to at last be given interest on these deposits. They waited for 16 months after the closing of the bank before being paid off by the Federal Deposit Insurance Corporation. The Subcommittee on Financial Institutions held emotional hearings in 1985 and heard testimony by the use of interpreters from non-English-speaking Chinese-American depositors of that bank—an example of an interest group not often heard from by the committee but, certainly, no less deserving than our other witnesses.

Unfortunately, many Members of Congress have been or will be told that the House conferees caved in completely to the Senate, and that most of the items contained in this legislation have never been considered previously by either the House Banking Committee or the full House. This statement is not correct. At least 7 of the 12 titles of the bill have previously been dealt with by the House Banking Committee or the full House.

Other titles of the bill concerning nonbank banks; the moratorium on the expansion of bank activities in insurance, real estate and securities; the FSLIC recap; forbearance for well-managed, viable savings and loans; and the regulators' bill are all familiar and understood subjects by virtue of previous congressional action.

The FSLIC recapitalization, which is title III, was considered thoroughly by the Banking Committee and acted upon by the House in both the 99th and 100th Congresses. Legislation passed the House on October 6, 1986, providing for $15 billion in bond issuance authority. Regretfully, it was not acted upon by the Senate until the closing hours of the last Congress and then in a form totally unacceptable to the House. This required starting recapitalization anew in the 100th Congress.

I felt the $5 billion amount reported by the committee to be inadequate due to the worsening situation updated by GAO. Efforts by the Speaker and me to increase the $5 billion amount to $15 billion on the floor of the House on May 5 were defeated as a result of opposition by the U.S. League of Savings Institutions. It must be pointed out that the higher $15 billion amount has been consistently supported by the Federal Home Loan Bank System—the very organization whose funds will be used in the recapitalization of FSLIC and whose regional banks include directors who are either working in the industry successfully or concerned individuals very familiar with it.

As for title I of the bill, the nonbank bank title, similar legislation on this extremely controversial title was reported out of the Banking Committee in the 98th Congress as H.R. 5916, upon which we requested a rule in the closing days of that Congress. We reported a modified version, H.R. 20, early in the 99th Congress and again requested a rule. The grandfather date in the current title I has reduced much of the controversy, although some still remains. Certainly, the issues are well-known to the Banking Committee and to other Members, as well.

Title II provides for a moratorium on domestic and foreign banks and bank holding companies operating in the United States from engaging in the business of securities as defined in the Glass-Steagall Act; from engaging in the business of insurance, except as now provided in law; and from engaging in real estate activities which is an issue now being considered by the Federal Reserve Board. The moratorium which begins on March 6, 1987, will end March 1, 1988. This time period will permit the commencement of hearings and the consideration of proposals on these highly controversial issues.

Title IV establishes a process whereby savings and loans which are well managed, but are in trouble because of an economic slump in their region, can be kept in business until economic recovery occurs in their area. The House also included a provision applying such recovery provisions to minority-owned savings and loans. The objective of the title is to enhance the long-term viability of the thrift industry while reducing the overall cost to FSLIC.

Title V, the so-called regulators' bill, was also passed by the House as part of the FSLIC recapitalizaton bill last year in a somewhat stripped-down form.

Mr. Speaker, while much of the controversy surrounding this legislation has centered around dollar amounts and nonbank banks, let us not lose sight of the other very positive provisions of the bill which have a direct effect on the consumer. The importance of expedited funds availability, full faith and credit in our depository institutions, and other initiatives to help the areas of the country hard hit by difficulties in agriculture, energy and real estate cannot be overstated.

After much publicized negotiations with the administration, three adjustments were made in the bill. They are as follows: First, an increase in the dollar amount of the FSLIC recapitalization to $10.825 billion; second, a sunset of certain of the recovery sections in title IV until the financing authorization has been fully exercised; and third, changes to title I to permit the FSLIC to sell large failing savings and loans to a wide variety of companies. Clearly, today's FSLIC crisis permits no further delay as a veto would have caused. The conference was reopened last week for the purpose of considering the administration's proposal. The conferees agree and I urge the House to accept the conference report.

Finally, there was an inadvertant omission in the statement of managers concerning the status of women in certain minority provisions. It is the clear intent of the conferees that women be included as minorities, and that women benefit from the minority provision in the public offering of financing corporation securities.

Mr. Speaker, I submit for inclusion in the Record the following information:

The bill contains the following titles:

TITLE I—COMPETITIVE EQUALITY AMENDMENTS

Title I closes the nonbank bank loophole in the Bank Holding Company Act by redefining the term "bank."

Currently, the Act defines a bank as an institution that meets a two-part test: it must both accept deposits that the depositor has a legal right to withdraw on demand, and be engaged in the business of making commercial loans.

This title redefines the term "bank" to include an FDIC-insured institution whether or not it accepts demand deposits or makes commercial loans. The new definition also includes non-FDIC insured institutions that both accept demand deposits or transaction accounts and are engaged in the business of making commercial loans.

Title I maintains the express exclusions from the definition of "bank" found under current law for FSLIC-insured or federally chartered thrift institutions. In addition, limited exceptions are provided for credit unions, credit card banks, industrial banks, industrial loan companies and other similar institutions.

A company which acquired a nonbank bank after March 5, 1987 must immediately comply with the Bank Holding Company Act or divest its bank subsidiary. However, companies that acquired nonbank banks on or before March 5, 1987 are given grandfather rights so long as they do not directly or indirectly either (1) acquire control of an additional bank or thrift; or (2) acquire more than 5 percent of the shares or assets of another bank or thrift institution.

Restrictions on the activities of grandfathered nonbank banks are imposed, causing a company to lose its grandfather rights and thereby become subject to the Bank Holding Company Act if the nonbank bank (1) engages in any activity in which it was not lawfully engaged as of March 5, 1987; (2) offers or markets products of services of an affiliate not permissible for bank holding companies, or permits its products or services to be marketed by or through an affiliate engaged in impermissible nonbanking activities—unless they were being offered or marketed as of March 5, 1987, and then only in the same manner; (3) permits any overdraft; or (4) increases its assets by more than 7 percent per year beginning 1 year after date of enactment.

In order to lessen the risks of conflicts of interest, unsound banking practices, unfair competition, and the lack of impartiality in the credit granting process, joint marketing and anti-tying restrictions of federal banking statutes between a grandfathered company and its nonbank bank affiliate are also imposed.

Certain sections of the Glass-Steagall Act prohibiting affiliation and employee interlocks with securities companies are extended to insure thrift institutions. Title I also extends the Savings and Loan Holding Company Act's restrictions to unitary savings and loan holding companies that do not meet the "qualified thrift lender" test, defined in this title to require that savings and loans maintain 60 percent of assets in housing and related activities.

Adopted amendments by the conferees included adjusting the amounts of advances a thirft institution may receive from the Federal Home Loan Bank System based on its compliance with the qualified thrift lender (QTL) test.

Other provisions of title I would: (1) drop restrictions on acquisitions of failing S&Ls (over $500 million in assets) by holding companies owning nonbank banks, and (2) remove Glass-Steagall restrictions on the types of purchasers allowed to acquire failing savings and loans. The effect would be to allow any entity to purchase failing savings and loans with over $500 million in assets. Glass-Steagall limitations on the purchase of any savings and loan would expire in 1988.

Title I represents the culmination of many hours of hard work and several days of legislative hearings over a number of years by the House Banking Committee. As early as June 1983, the Committee began reviewing nonbank bank legislation. On two separate occasions the Committee reported out legislation which would have closed the nonbank bank loophole. H.R. 5916, which was ordered reported out by the Committee on June 26, 1984, and H.R. 20, the Financial Institutions Equity Act of 1985, which was ordered reported on June 12, 1985, demonstrate the determination and commitment of the House Banking Committee to correct a loophole in our banking statutes which could have an adverse impact on the safety and soundness of our financial institutions. Unfortunately, those two bills never reached the House Floor for consideration.

TITLE II—MORATORIUM ON CERTAIN NONBANKING ACTIVITIES

Title II imposes a moratorium on certain securities, insurance and real estate powers of bank holding companies and banks by prohibiting Federal banking agencies from taking final action to approve any rule, regulation or order having the effect of increasing the above enumerated powers during the moratorium period. The moratorium is retroactive to March 6, 1987 and ends on March 1, 1988, in order to permit the commencement of hearings and the consideration of proposals on these topics.

In addition, this title prohibits foreign banks and foreign companies controlling foreign banks from expanding their grandfathered activities under the International Banking Act by acquisition, and applies the moratorium to these entities as well. Also, the grandfather rights of such a foreign entity terminate if it acquires a United States bank and thereby becomes a bank holding company.

Certain amendments to the Bank Holding Company Act are also included in this title such that a foreign bank or bank holding company that is "principally engaged" in business outside the United States would be generally prohibited from engaging in any banking, securities, insurance or other financial activities within the United States.

In addition, this title calls for the two Banking Committees to conduct a comprehensive review of our banking and financial laws and to make decisions on the need for financial restructuring legislation in the light of today's changing financial environment, both domestic and international, before the expiration of the moratorium. Further, it should be noted that it is the intent of the Congress not to renew or extend the moratorium established under this title.

As evidence of our intent to carry out this congressional mandate, it should be noted that the House Banking Committee on July 30, 1987 began hearings on this subject. Our first witness was the outgoing Chairman of the Federal Reserve Board, Paul Volcker, who testified on a number of issues, including the globalization of financial markets and corresponding effects upon United States markets and financial institutions. (See attached memorandum of July 24, 1987, to All Members, Subcommittee on Financial Institutions Supervision, Regulation and Insurance, from Fernand J. St Germain, Chairman, entitled Scope of International Banking Hearings.)

This country historically has separated banking from commerce and, over the past 50 years, a national legislative framework has been developed that broadly regulates the business of banking in the United States. Banks and thrift institutions occupy a special place in the American economy. Therefore, the Federal Government (with full recognition of the importance of the dual banking system) has taken significant steps over the past five decades to regulate the activities of banks and thrifts and those entities which seek to control them.

As indicated, the changing financial environment necessitates a comprehensive review. However, it must be emphasized that in meeting the challenges of this new financial environment, we must never forget that our legislative efforts must be directed to ensure that the safety and soundness of this nation's financial institutions is preserved, that conflicts of interest are prevented, and that the resources available to those institutions are directed toward socially responsible activities such as the provision of adequate housing for American families.

TITLE III—FSLIC RECAPITALIZATION

Title III provides for a $10.825 billion recapitalization plan which employs the funding mechanism proposed by the Treasury Department. This title also includes an annual borrowing cap of $3.75 billion. This title provides a formula for crediting to certain savings and loans the FSLIC secondary reserve of $824 million. The financing mechanism used to raise these funds has been deemed to be off budget by the Congressional Budget Office.

As has been said on past occasions on the Floor of this House—More specifically on May 5 of this year and October 7, 1986—the FSLIC recapitalization plan is "must" legislation. Title III is a recognition of the serious drain on the Federal Savings and Loan Insurance Corporation from its attempts to deal with the problems of the savings and loan industry. Although estimates differ as to the amount of new funds that FSLIC needs, there is no disagreement that new funding sources are necessary to supplement the current deposit insurance base.

The compromise agreed to between the conferees and the Administrtion, which would increase the borrowing authority of the FSLIC Financing Corporation to $10.825 billion from the $8.5 billion agreed to in conference, will go a long way to stabilize the precarious condition that now exists regarding the FSLIC insurance fund. Continued monitoring by the General Accounting Office indicates that $10 billion in new financing is necessary and will allow FSLIC to begin actively resolving troubled institutions' problems.

The Bank Board is now closely monitoring 383 troubled institutions with total assets of $137 billion. The Bank Board estimates that these institutions have net operating losses of nearly $10.8 million a day, or nearly $4.0 billion per year. FSLIC losses resulting from assistance provided to institutions have increased dramatically, from $23 million in 1980, to $10.8 billion in 1986.

Compliments to the members of the Federal Home Loan Bank Board System are in order. The recapitalization plan is an industry self-help program which does not involve taxpayers' funds. The plan requires each of the 12 regional Federal Home Loan Banks (which are composed of savings and loan associations) to invest in the newly created "Financing Corporation," which in turn will be required to invest in the Federal Savings and Loan Insurance Corporation. Long-term bonds would be issued in the private capital markets and would be secured by zero coupon obligations bought by the Financing Corporation which would be equal at maturity to the total amount of debt issued by the Corporation.

The Financing Corporation will be under the management of a Directorate composed of 3 members, 1 of whom will be the Director of the Office of Finance of the Federal Home Loan Banks or his successor, and 2 of whom will be selected by the Federal Home Loan Bank Board from among the presidents of the FHLBanks. The Corporation will have no paid employees and the Directorate can, with the approval of the Board, authorize the officers, employees or agents of the FHLBanks to act on its behalf. All administrative expenses of the Financing Corporation will be paid by the FHLBanks.

The Corporation is given the power to issue obligations in the form of nonvoting capital stock to the FHLBanks; to invest in any securities issued by FSLIC; to borrow from the capital markets; to impose assessments; and to exercise incidental powers necessary to carry out the provisions of this title.

The conference-reported bill contains a provision which requires the Chairman of the Board and the Directorate of the Financing Corporation to insure that the minority-owned or minority-controlled commercial banks, investment banking firms, underwriters, and bond counsels throughout the United States have an opportunity to participate significantly in any public offering of bond obligations.

Title III authorizes the Financing Corporation to impose assessments on each FSLIC-insured institution. The Financing Corporation is authorized to assess each institution insured by the FSLIC an amount for each semiannual period equal to an amount not to exceed one-twelfth of 1 per cent of the total amount of all accounts of the insured members of such institution on an annual basis. An additional assessment may be imposed for exceptional circumstances.

The Financing Corporation, with the approval of the Board, is required to assess an exit fee on any insured institution which ceases to be an institution insured by the FSLIC. Such fee of "2+2" (2 times a thrift institution's annual premium and 2 times its special assessment) would be imposed. However, such an exit fee will not be imposed on certain institutions which, on or before March 31, 1987, have been converted into, merged with, or acquired by an FDIC-insured institution, or which have filed an application or notice of intent to convert. A one-year moratorium beginning on the date of enactment, during which no insured institution may voluntarily leave the FSLIC, was adopted by the conferees.

A Federal Savings and Loan Insurance Corporation Industry Advisory Committee will be created to review and make recommendations concerning the Board's activities, expenditures and receipts. The Financing Corporation will terminate no later than the earlier of (1) the date by which all stock purchased by the Financing Corporation in FSLIC has been retired; or (2) December 31, 2026.

The conferees adopted an amendment offered by the House which permits insured institutions to offset against assessments the amounts that were previously part of the so-called "secondary reserve." Institutions would be permitted to reduce or offset, with certain limitations, the amount of premiums they would otherwise pay to FSLIC each year.

TITLE IV—THRIFT INDUSTRY RECOVERY PROVISIONS

A thrift industry recovery proposal was adopted for troubled but well-managed and viable thrifts to provide capital forbearance for institutions in those areas of the country which have weakened economies due to difficulties in the energy, agriculture and real estate markets. The overall objective of this title is to maximize the long-term viability of the thrift industry at the lowest overall cost to the FSLIC. Therefore, title IV's provisions require the Federal Home Loan Bank Board (Bank Board) to promulgate thrift accounting requirements consistent with Generally Accepted Accounting Principles (GAAP), or GAAP as modified by the commercial bank regulators, and establish an appeals process for the timely review of grievances related to the determination of appraisals, asset classifications, and loss allowances.

Title IV provides for audits of the Federal Asset Disposition Association by the General Accounting Office; new appraisal standards consistent with the practices of commercial bank regulators; increased utilization of minority thrifts as depositories for government funds; improved disclosure and control of outside consultants, counsel, and contractors; oversight and reporting requirements; and authority for the Bank Board to establish capital requirements consistent with the commercial bank regulators.

The conferees also agreed to a sunset of portions of title IV, relating to certain capital forbearance and other provisions. The sunset would take effect when the Financing Corporation borrows the last of the $10.825 billion that it is entitled to borrow as a result of the compromise agreement. (With the $3.75 billion annual borrowing cap, the sunset could not occur for at least 2.5 years.)

The expiration of these provisions at the end of the sunset period would not, however, affect the authority of the Federal Home Loan Bank Board or the FSLIC under other provisions of law to prescribe rules or regulations in the areas covered by these provisions.

TITLE V—FINANCIAL INSTITUTIONS EMERGENCY ACQUISITIONS

The conferees agreed to language which is essentially the "Regulators' bill" of last year. This title basically permits emergency interstate acquisitions of banks "in danger of closing" which have assets of $500 million or more. It also permits the acquisition of 2 or more affiliated banks in danger of closing, if they have aggregate total assets of $500 million or more and if these total assets are equal to or greater than 33% of the aggregate total banking assets of the parent bank holding company. A new vehicle called a "bridge bank" is also established enabling the FDIC to bridge the gap between the failed bank and a satisfactory purchase and assumption or other transaction that cannot be accompanied at the time of the failure. The title also exempts the banking regulators from apportionment and sequestration by the Office of Management and Budget and extends title I (FDIC and FHLBB amendments, and credit union amendments giving the NCUA conservatorship authority) of the Garn-St Germain Act permanently, and title 2 (net worth certificates) of that Act for no more than 5 years.

TITLE VI—EXPEDITED FUNDS AVAILABILITY

The conferees agreed to an expedited funds availability title requiring depository institutions to make funds available for deposits within certain specific time frames. A final schedule and an interim schedule were agreed to. Essentially, the final schedule to be implemented within 3 years after enactment is one intervening day for local checks, and 4 intervening days for nonlocal checks. The interim schedule, which takes effect one year after enactment, is 2 intervening days for local checks and 6 intervening days for nonlocal checks until the permanent schedule takes effect. The House definition of "local check" was agreed upon, meaning a check from the same Federal Reserve check processing region. Special accommodations in this title were also made for cash withdrawals from deposits, and for funds availability generally for deposits made at automated teller machines (ATMs).

TITLE VII—CREDIT UNION AMENDMENTS

In addition to language in title V which grants the NCUA permanent conservatorship authority, the conferees agreed to language which streamlines and assists in the operations and regulation of credit unions, including extending the current 15-year limit for credit union home mortgage and home improvement loans. Another provision allows credit unions to pledge assets to secure certain governmental deposits.

TITLE VIII—LOAN LOSS AMORTIZATION

The conferees agreed to language allowing appropriate Federal bank regulatory agencies to permit any agricultural banks they supervise to amortize any loss on any qualified agricultural loan for any year between December 31, 1983, and January 1, 1992, over as much as a ten-year period, provided there is no evidence of fraud or criminal abuse on the part of the bank leading to the loss. Agricultural banks are defined as FDIC-insured institutions in areas economically dependent on agriculture that have assets of $100 million or less and which generally have 25 percent of their total loans in qualified agricultural loans.

TITLE IX—FULL FAITH AND CREDIT OF FEDERALLY-INSURED FINANCIAL DEPOSITORY INSTITUTIONS

The conferees agreed to language which declares that it is the sense of Congress to reaffirm that deposits up to the statutorily prescribed amount in federally insured depository institutions are backed by the full faith and credit of the United States.

TITLE X—GOVERNMENT CHECKS

The conferees agreed to require a General Accounting Office study on the issue of government check cashing, with a report due back to the Banking Committees within 6 months. Language limiting the life of a Treasury check, without affecting the underlying claim upon which the check was issued, was also adopted.

TITLE XI—INTEREST TO CERTAIN DEPOSITORS

This title requires the FDIC to pay interest to holders of "yellow certificates of deposit" issued by the former Golden Pacific National Bank.

TITLE XII—MISCELLANEOUS PROVISIONS

Language was agreed upon to examine all types of direct investments made by Federally insured institutions and the effect these investments have had on Federal deposit insurance funds. Such study, to be done by the GAO in consultation with other agencies, must be transmitted to Congress within 6 months of enactment.

I would like to add that it took a tremendous amount of time and staff work to put together H.R. 27, which is one of the largest banking bills which the Committee has ever prepared. I would like to acknowledge the contributions made by the following and thank them for their efforts: Dr. Paul Nelson, Richard L. Still, Jake Lewis, Lee Peckarsky, Earl Rieger, Gary Bowser, Christopher Tow, Ken Clayton, Jim Deveney, Steve Judge, Mary Lou Kelly, Julie Black, Maria Sanchez-O'Brien, and Ann Kline.

A tremendous amount of administrative support staff work was also done accompanying H.R. 27. I would also like to thank the following: Diane Hoag, Beverly Herring, Dorothy Vitale, Sylvia Smith, Stacey Hayes, Jill Delano, John Zimmerman, Tom Adams, and Matthew Maurano.

I would especially like to thank the House Legislative Counsel for banking issues, James M. Wert, as well, for his expertise and effort in this process.

JULY 24, 1987.

MEMORANDUM

To: All Members, Subcommittee on Financial Institutions Supervision, Regulation and Insurance.
From: Fernand J. St Germain, Chairman.
Subject: Scope of International Banking Hearings.

Hearings will open on July 29 on a number of International Banking issues with testimony by outgoing Chairman of the Federal Reserve Board, Paul Volcker. It is anticipated that Chairman Volcker will discuss the globalization of financial markets and corresponding effects upon U.S. markets and financial institutions. It can also be anticipated that he will discuss continuing Third World debt difficulties and recently proposed governmental initiatives, as well as current major bank actions to increase reserves for future losses. International supervisory initiatives such as recent efforts to increase capital for multinational banking organizations will also be reviewed.

Hearings will continue after the August recess with overview testimony from international bank supervisors (representatives of the Bank for International Settlements) giving the Subcommittee a perspective on supervisory issues from the viewpoint of foreign central bankers. The competitive aspects of uneven international supervision and the difficulty of obtaining uniform agreements on basic definitions and approaches will be examined as a prelude to an examination of the doctrine of "national treatment" versus reciprocity.

Views of the Administration (Secretary of Treasury and State Department) will be presented as part of the overview phase of the hearings. The Baker plan and other Administration initiatives related to Third World Debt will be reviewed. Both State and Treasury will update the Subcommittee on the financial service industry portion of the current free trade zone negotiations with Canada. General testimony on the International Banking Act and the International Lending Supervision Act of 1983 will be presented as well.

Upon completion of the overview phase, oversight hearings will focus on the International Lending Supervision Act of 1983 and the International Banking Act of 1978. The General Accounting Office has been continuously examining the implementation of the 1983 Act and will provide introductory material describing the Act and an evaluation of its implementation. Both the Comptroller and the Federal Reserve Board will provide detailed testimony concerning the operation of both Acts. The subject of country risk standards, application and impact on capital adequacy standards will be examined in depth.

Oversight of the International Banking Act will focus on a number of issues of considerable importance. In view of present international market realities, one of the most significant matters will involve a reexamination of the rationale for permissive treatment of foreign banks insofar as nonbanking activity is concerned. The extent of this activity is unclear as is its competitive implication for United States institutions as well as the overall effect on the U.S. economy. Of central importance to the current "national treatment" versus reciprocity debate will be an intensive examination of the treatment of U.S. commercial banking organizations by foreign governments. Section 9 of the IBA requires that the Secretary of the Treasury, in conjunction with the Secretary of State, the Federal Reserve Board, the Comptroller of the Currency and the Federal Deposit Insurance Corporation, study and report to the Congress on . . . the extent to which . . . [U.S. banks] are denied, whether by law or practice, national treatment in conducting banking operations in foreign countries, and the effect, if any, of such discrimination on United States exports to those countries.

Of equal importance is the fact that in addition to the study, the Secretary of the Treasury was also directed to . . . describe the efforts undertaken by the United States to eliminate any foreign law or practices that discriminate against [U.S.] banks. . . .

Reports by the Secretary of Treasury dated September 17, 1979; July 5, 1984; and December 18, 1986 have been submitted. These reports will be reviewed and an opportunity accorded all interested parties, domestic and foreign, to testify.

The emergence of regional compacts for interstate banking has raised the question as to whether a conflict of laws issue is involved insofar as the equality of treatment embodied in Section 5 of the International Banking Act is concerned. Certain U.S. banking organizations that are owned 25 percent or more by a foreign bank are, it is contended, likely to become competitively disadvantaged in expansion opportunities as a result of such ownership. This issue will be explored through agency and interested party testimony.

An examination will be made of those countries that do not have a tradition of the separation of banking from commerce as does the United States. The availability and cost of services provided to the general public in such countries will be determined as will the competitive implications of banking/security institutions compared to U.S. banking organizations both abroad and in the United States. Of particular interest will be an examination of those foreign institutions with a grandfathered security position under the IBA.

An effort will be made to obtain foreign analysts as well as domestic witnesses as we begin an evaluation of the Glass-Steagall Act as a part of the Subcommittee's comprehensive hearings.

The rapid movement of capital today in world markets which often exceeds $1.5 trillion a day flowing through the New York Clearinghouse Interbank Payment System raises serious questions as to the potential impact on our payment system and on financial markets generally. Many observers have noted that the potential for a major shock to the credit system and to security markets clearly exists today. Any examination of our current statutory and regulatory system must of necessity give primary consideration to ways and means of insuring the safety and soundness of our payment system.

Witnesses representing our major money center banks, foreign supervisors and representatives of free world central banks will be requested to testify.

Mr. Speaker, I reserve the balance of my time.

Mr. WYLIE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, if the Members wanted to justify a "no" vote on the conference report, I could probably help the Members with 50 reasons to vote "no." But I can also give the Members at least 51 reasons as to why we should vote for this conference report.

The major reason to vote for the conference report is that it authorizes a $10.825 billion infusion of additional funds into FSLIC. This is absolutely crucial.

□ 1500

No one disagrees that FSLIC needs to be recapitalized. We may quarrel as to the proper amount, but even the U.S. League which opposed the higher $15 billion plan, agrees that FSLIC needs money, and now.

Right up there at the top as one of the reasons to vote for this conference report is the significant letter from Treasury Secretary Jim Baker to Chairman ST GERMAIN, and I quote:

> The President has authorized me to inform you he intends to sign H.R. 27 into law if the Congress presents him the bill with your proposed changes in three titles.

Now, the gentleman from New York [Mr. LAFALCE] made an unfortunate statement a little earlier, when he said the President agreed to sign the bill because he is a weak President. The President had a lot of reluctance about signing this bill, may I say to the gentleman, and Treasury Secretary Baker helped persuade him. I have got news for the gentleman from New York. At least one Member of the leadership of the other body thought a veto could be sustained to the original conference report. The gentleman from New York in a letter to his colleagues quoted from the Washington Post of July 5, 1987, in which it says that President Reagan should veto this bill.

The President intervened, a compromise was adopted, and on August 1 the Washington Post changed its position and now supports adoption of the conference report. The Post commented that this is not an ideal bill, but it is adequate and urged the Members of this body to pass it.

So I respectfully submit to the gentleman that the President helped shape this new conference report.

Actually, these changes were compromise changes negotiated between Treasury Secretary Jim Baker, Chairman ST GERMAIN, Senator PROXMIRE, Senator GARN, and I myself. I mention this to compliment Chairman ST GERMAIN, Senator PROXMIRE, and Senator GARN. They all gave a little and got a little, and Treasury Secretary Baker is to be commended. He was a class act throughout all these negotiations. I know there was a different view on the veto question, even within the administration, even after Secretary Baker was persuaded that with the additional three improvements, it was better for the President to sign H.R. 27.

We are dealing with an extraordinary situation. The whole process of legislating in an area such as FSLIC recap and the delivery of financial services is complicated and uncertain. Closing the nonbank loophole, placing a moratorium on banks getting into the securities business, the insurance business, and the real estate business calls for important compromises. The whole process of necessity has to be one of compromise.

Whether we like it or not, the President is a key player, and frankly I did not relish the unpleasant task of voting to sustain a veto when I knew this legislation, especially the FSLIC recap provisions, was so sorely needed.

The bill the conference reported is not my favorite position. I would have preferred to be here with a clean FSLIC recap bill today. When the conference opened, I offered a motion that the House go to conference only on a clean FSLIC recap bill. My motion was defeated on an 8-to-11 vote.

When it became clear that the conference was going to deal with the full range of issues contained in the Senate bill, S. 790, every conferee was faced with many difficult choices, and although the conference report is not my favored position or Treasury Secretary Baker's favored position, or more importantly, President Reagan's favored position, it does strike an appropriate balance between the diverse competing interests affected by this legislation.

The $10 billion is halfway between the House position and the administration position on recapitalization. The $825 million added to the $10 billion represents refunds from the secondary reserve, paid into some 10 years ago by S&L's, to insure against prospective losses. The S&L's were promised that the money would be returned. It was in effect a loan. The S&L's never got their money back because FSLIC was going broke. Some marginal S&L's will be helped with this money, which is rightfully theirs. Congressman ANNUNZIO and I offered this as a bipartisan amendment in conference.

Closing the nonbank bank loophole is controversial. I happen to favor closing the loophole and feel strongly that the delivery of financial services has developed in a haphazard and dangerous way. Unfortunately, 168 nonbank banks are grandfathered in, but after the first year their growth will be limited to 7 percent of assets. These nonbank banks are providing services in direct competition with commercial banks, but are not subject to the same regulatory restraints. The banks and S&L's like this title.

Title II the banks do not like. It limits bank powers at a time when many, including the new Federal Reserve Board Chairman, Mr. Greenspan, and probably a majority of the Board favors granting banks additional powers.

This bill would require that Congress revisit the scene—now within 7 months—or all bets are off. The Fed would be free to determine if mortgage-backed securities, mutual funds, commercial paper or municipal revenue bonds, insurance powers or real estate investment powers are bank-related activities.

I think Congress should establish the guidelines; but as I say, our record on this issue is not very good. I think we are probably looking at a stalemate. I think it is important that we give ourselves more time, and this bill does that.

The forebearance section was a real hairshirt. This would allow some failing thrifts the opportunity to work their way out of their problems over a 3-year period of time. Then the forebearance provision sunsets. Again, I do not much care for forebearance, but this is a workable compromise.

The other controversial provision was the one dealing with the acquisition of failing thrifts of over $500 million in assets by grandfathered nonbank banks and securities firms. While the provision is unpopular with some, given the condition of FSLIC and the industry, I do not believe we can foreclose this possible additional source of capital for the industry.

So because of the critical need to recapitalize FSLIC and the pressure this bill can put on us to finally act to rationalize the structure of our financial services industry, I urge adoption of the conference report and hope that my colleagues will pass it today.

Mr. Speaker, I reserve the balance of my time.

Mr. LAFALCE. Mr. Speaker, I rise in opposition to the bill, and I yield myself such time as I may consume.

Mr. Speaker, I oppose the bill for both procedural and substantive reasons.

I discussed some of the procedural reasons during the debate on the rule. Although I was only able to discuss a few of the procedural difficulties, I will not take any more time discussing those difficulties.

Instead, I will now discuss only the substantive reasons for opposing the bill. First of all, as I said before, there are some good things and some bad things in this bill, at least from my perspective. There are some issues on which reasonable people can disagree.

Let us consider the recapitalization of FSLIC. Some individuals think it is too much, and some individuals think it is grossly inadequate. I happen to think it is inadequate, but that would not be reason enough for opposing the bill or vetoing the bill, other things being equal.

What concerns me more about the recapitalization of FSLIC than the amount are two factors. First, the forbearance provision, and second, the exist fees. I think my thoughts are fairly similar to the thoughts of the chairman on these issues, because I think he would have liked to have seen no forbearance language and stronger exit fees.

I will say this. The forbearance language that now exists is superior to the forbearance language that was in the original bill and especially that which was proposed initially in the House Banking Committee. But, we should not be in the business of regulating the regulators in this particular legislation. We should be in the business of giving stronger regulation to the S&L's that were doing some pretty bad deeds.

What concerns me about the exit fees is that after the initial moratorium, I am fearful that virtually all your healthy thrifts, who are being depended upon to finance this scheme, might leave the system immediately. I could be wrong on that, but I think it is a very big fear.

Let me go on, however, because I do not think that those reasons would be adequate to oppose the bill or to veto it. What are the reasons I think adequate for opposing or vetoing it?

Let me give you just a few of them. First, the whole subject of nonbank banks, or as I prefer to say, a limited service bank. You know, over the years I have yet to hear one difficulty that has been caused to one person, to one consumer, by a limited service bank. I am really not sure what the problem is that we are attempting to solve. No one today has said what the problem is with respect to such limited service banks.

In any event, we surely should have had separate consideration and vote on that.

A good many editorials have said that this particular provision, which is not a moratorium on such banks, it is a prohibition against them in the future, is anticompetitive and anticonsumer.

Admittedly, in this bill, we did grandfather all existing nonbank banks. But that raises the interesting question, if they are so bad, why do we not eliminate Sears? Why not eliminate J.C. Penny? At least insofar as their ability to have nonbank banks?

Well, they are providing a valuable consumer service. The consumers seem to like the service they are providing. So why prohibit future similar nonbank banks?

We did one thing in this bill, though, with respect to grandfathered nonbank banks that perhaps is the most obnoxious portion of the whole bill: We imposed a 7-percent limit on their ability to grow.

Now, I ask you, when before in the history of the Republic has the Congress saw fit to say to a business, any business, "You shall be able to grow, but by no more than 7 percent. If you are $20 billion, you can grow by 7 percent. If you are $1 billion, you can grow by 7 percent."

So the issue is not the size of the institution. Why then any limitation, much less 7 percent in particular?

To me there is something obnoxious about that. It seems opposed to the capitalist system, opposed to the free enterprise system, for a law to be passed limiting a business' growth. There is something fundamentally wrong with that. Indeed, it is a vital assault on the free enterprise system.

Speaking about 7, there is another 7 figure in this bill that I find particularly bothersome, and that deals with agricultural banks. The agricultural banks have been having some difficulties, as have the S&L's, as have the energy banks, real estate banks, banks with Third World debt, et cetera; but the conferees saw fit to accept a Senate provision that gives a long 7-year writeoff period, an amortization period, for losses incurred by agricultural banks. As a matter of fact, the conferees made this provision retroactive, so if an agricultural bank had a loss in 1985 or 1986, generally accepted accounting principles say you take the loss in that year. Regulatory accounting principles say you take the loss in that year.

This conference report says you can go back now and spread that loss out over a 7-year period. It is phony accounting. It is funny money. We really are undermining the viability not only of those institutions, but in my judgment, in the long-term, the viability of the FDIC.

We are doing for our agricultural banks what we, this Congress, did with the Farm Credit System. We are putting off the day of reckoning and we are making that day of reckoning far, far worse.

We had no hearings on this. We really do not know how bad it is going to be, but I think all of us do think it is going to be bad. Even those who favor the bill shrink when they have to discuss that particular provision.

Now, what else do we do? Some say, well, the report simply imposes a moratorium on certain powers. It is simply a moratorium on the regulators' ability to interpret Glass-Steagall, as Glass-Steagall has existed over the years. It is much more than that however.

The Glass-Steagall Act, for example, has never been applied to State chartered nonmember banks. The report applied Glass-Steagall to such institutions and so there is a tremendous intrusion on State powers in this bill, again uncalled for, again without consideration or hearings.

The report does something else. It interferes tremendously in both the regulatory and the judicial process. We impose a moratorium on securities, insurance, and real estate powers. A moratorium might not be bad, if it were prospective in nature, but we make our moratorium retroactive in nature, and applicable not simply to regulatory decisions, but also to judicial decisions. Hence, we intrude on the judicial process and on lawsuits presently in process.

The bottom line, I think, is as a good many editorials have said, and I point out again the New York Times:

> This lobbyists' stew is a bad bill. It warrants a one-word response from President Reagan—veto.

The President has indicated he is now not going to veto it. I sincerely believe it is because he thought he would not be able to obtain the votes to sustain his veto; but his administration still thinks it is bad, not as bad now as it was a week ago at this time, but almost as bad, because I do not think the compromises that were entered into were really all that significant.

I urge your consideration of the merits of the bill. If we should defeat it, we could come back this afternoon or tomorrow with recapitalization of FSLIC. We would not delay anything at all.

As a matter of fact, I was in the forefront of those urging that a bill recapitalizing FSLIC pass in the 99th Congress and the beginning of this the 100th Congress. We passed such a bill in the 99th Congress, and we could pass another such bill immediately.

Mr. Speaker, I reserve the balance of my time.

□ 1515

Mr. WYLIE. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa [Mr. LEACH].

Mr. LEACH of Iowa. Mr. Speaker, there have been two great regulation scandals of the last generation: The first relates to the overextension allowed of money center banks abroad; the second relates to the overextension of thrifts encouraged here at home.

When this bill passed this House, the end result was legislation that in partial measure represented head-in-sand-ism. At a time when the thrift industry had become overextended and too frequently fraught with fraud and abuse, this body stipulated too small an infusion into FSLIC and too lenient forebearance standards on the industry.

This conference report partially corrects both deficiencies. Twice as much capital is infused in the insurance system and, most importantly, the conference committee adopted a strong capital standard that I authored requiring thrifts to recapitalize themselves as the best antidote to public bailouts.

In addition, the so-called forebearance section has been modified with three provisions making it clear that thrift industry regulators can't shrink from applying the same rigorous standards applicable to the banking industry.

Let me be clear. When regulators are weak in one sector of the financial community, that sector is allowed to grow disproportionately and become a disproportionate liability on the American taxpayer.

For instance, if an individual or group has $10 million to invest, it is possible to start a bank and be allowed $120 million in deposits. With the same $10 million, a savings and loan can be chartered and allowed $2 billion in deposits—with the taxpayer potentially on the line if imprudent loans or spending practices are made.

This is nuts. It's time for regulatory comparability. This conference committee bill is a step in that direction.

There are fair disagreements that many Members have with this bill. Mr. LAFALCE has with careful argumentation pointed several out. But the overriding issue is the imminency of runs on our thrift system.

Congress simply can't continue to cave in to the high flyers in the thrift industry. Nor can it continue to play Russian roulette with the financial fabric of our country.

This bill deserves passage—now, before it is too late.

Mr. LAFALCE. Mr. Speaker, how much time remains on all sides?

The SPEAKER pro tempore. (Mr. MURTHA). The gentleman from New York [Mr. LAFALCE] has 12 minutes remaining.

Mr. ST GERMAIN. Mr. Speaker, I yield 1 minute to the gentleman from Louisiana [Mr. ROEMER].

Mr. ROEMER. Mr. Speaker, I just want to say I rise in support of the bill and thank the gentleman for yielding me this time. I appreciate being a Member of the conference committee. It was a tough conference with I think some healthy compromises on both sides.

The bill is not perfect; far from it. Our colleague, the gentleman from New York [Mr. LAFALCE], pointed out some of the apparent weaknesses in the bill, particularly the nonbank bank provisions.

I thought our colleague from Virginia [Mr. PARRIS], early in today's debate, spelled out quite plainly the size of our problem in this country in regard to savings and loans. It is not the regulators who close them down, it is public confidence or lack thereof. We have a problem.

A stitch in time saves nine, as the old cliche goes. I think this bill is a stitch in time. It takes no money out of the pockets of taxpayers, increases the public confidence in the system and allows safety and soundness to take a step forward.

I think this is a good bill. I appreciate the work the chairman has done and I urge support of the conference report.

Mr. LaFALCE. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK. Mr. Speaker, I thank the gentleman from New York for yielding time to me.

I am going to speak in opposition to this bill. It has a number of very important features that are useful, and I think the leadership of the Committee on Banking, Finance and Urban Affairs on both sides deserves a lot of credit for being able to deal successfully with difficult issues.

Unfortunately, my view is that in a couple of very important particulars they have arrived at the wrong conclusion. What we have is something of a philosophical disagreement. I believe that the consumer and the economy are better served by more competition.

We have had some failures in the banking industry in the last few years. Very little of the difficulty we have had has been the result of the move away from regulation. The commercial banks that have gotten into trouble have gotten into trouble because they did what commercial banks are supposed to do, but they did it badly. They lent money in the most traditional ways to people who did not pay it back. That turns out to be not so good a business practice. That has been the cause of most of the bank failures.

What we have in this bill is a response to some of our troubles which I believe truly are philosophically incorrect. It restricts competition, and it does that in 2 separate areas. One in the non-bank bank area where it is a permanent limitation with grandparenting of the banks. I appreciate the fact that has been done, and I think the chairman of the committee and others deserve credit for equity in choosing the March 1987 date. There were efforts to grandfather retroactively, and the notion of retroactive grandparenting is probably as complicated as the one of surrogate parenting, so we probably ought to leave it alone. Having a prospective date was a reasonable thing.

But what we still wind up with is restriction. As I think of the role of some of the financial institutions in this I am reminded of a comment once made by Senator Magnuson when he was chairman of the Senate Commerce Committee many years ago. He said as he dealt with various matters of economic competition and regulation he sometimes thought that all any business in America wanted from government was a reasonable advantage over the competition.

We have a lot of business people in this country who joined some of my Republican colleagues in being very great supporters of free enterprise and competition in general, but being not too crazy about it in particular. There are a lot of people who think free enterprise is a wonderful thing when it means six other people compete with seven people, but God forbid if anybody gets in their business or competes with them. What we have here is a bill which unfortunately embodies that response.

We ought to be clear what we are doing. We are reregulating to a certain extent in the nonbank bank limitation at the request of many of the financial institutions themselves. The vaunted American preference for free enterprise turns out to be something of a spectator sport. A lot of business people like to watch other people engage in competition, but not engage in it themselves.

Unfortunately, this bill embodies that anticompetitive response from some of the financial institutions. It is why consumer groups are in general in favor of more competition, more creativity, and I particularly regret that the non-bank bank provision is made indefinite.

We then have the moratorium on the exercise by certain commercial banks of powers. Here the securities industry is opposed to competition with themselves. The securities industry used to argue that this was an anticoncentration matter because they were small and competitive and the banks were big. That was an argument that we heard more of when the securities industry consisted of independent companies before they started getting bought out by bigger companies. The argument is still the same.

We are better served by more competition. What we tend to do in legislative bodies, because we hear from the people who are out there, is to be protective of institutions. Preserving existing institutions is really not part of our mandate. What we should be doing is serving the consumer, and the consumer in this case is both the individual and the corporate entity that is trying to raise funds.

We talk a lot about being competitive. This bill strikes me as unfortunately anticompetitive because it favors to a certain extent the institutions that make their money by providing the capital rather than by increasing competition, favoring institutions that would borrow and would therefore be able to get a lesser cost of capital.

So I particularly hope, and I know the chairman will be addressing these matters again today and in future days. I hope that the moratorium is really a moratorium. I know the chairman is well intentioned in this but, as many of us know, the most important factor in politics, particularly in legislative politics, is not money, it is not even popular support, it is inertia. It is so hard in a bicameral legislature, with a somewhat uninvolved Chief Executive, to get anything done that things at least tend to stay at rest. I hope inertia will not convert this moratorium into permanent legislation.

Mr. St GERMAIN. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota [Mr. VENTO], a member of the conference committee.

Mr. VENTO. Mr. Speaker, I rise in support of the conference report.

It is interesting to listen to the comment that after having 20,000 financial institutions competing that somehow that does not represent competition. What really represents competition is if we could aggregate and concentrate all together, security firms with banks and all commerce and financial institution activities and then spead the mantle of Federal deposit insurance over all of it, somehow then that would constitutes competition.

Who is seeking and who has sought these nonbank bank powers, who have granted powers within the States and what types of institutions are in varied degrees of serious distress? The State institutions that have whipsawed into this all too willing Federal regulators. We have had no ability to limit that legislatively. They have granted and extended the mantle and tentacles of Federal insurance over those nonregulated banking activities.

Oh, we want to help the depositors, but clearly we have a problem in terms of trying to redefine that. They want that Federal insurance, they want that blanket of federal/national protection, they talk about competition but in reality, they would like to be like the Japanese and the German banks where one cannot tell where the commerce starts and the banking activity begins nor where the government ends and the private business sector begins.

In this country today we have that distinction. I hope we will keep it, and this bill will permit us to help prevent a further unweaving of the basic economic fabric that has well served our free economy—financial institution activity by its very nature and existence is a government sanctioned franchise, that fact alone ought to strongly indicate the well defined distinction of powers and activities that F. I. engage within, this measure H.R. 27 will enable the national government to carefully and deliberately by law develop policy.

Mr. Speaker, as a member of the conference committee on H.R. 27, I would like to state my understanding on several issues in title I of the bill. Section 104 adds a new stringent standard, the "Qualified Thrift Lender" test, to ensure that thrifts meet their legal mandate. However, recognizing the need for flexibility, the conference committee has provided that FSLIC may grant temporary exceptions from the QTL test when extraordinary circumstances exist. I believe that this exception would include a situation where an insured institution, acquired pursuant to a voluntary supervisory conversion, was able to satisfy the qualified thrift lender test primarily due to the fact that a significant portion of the nonaccruing loans of the insured institution which are assumed by the acquirer and not subject to any FSLIC obligation, are commercial loans which due to their nonaccruing status, cannot be sold or disposed of and result in the institution's inability to be a qualified thrift lender.

In defining qualified thrift investments, it should include investments by an insured institution in mortgaged-backed securities such as GNMA's, Fannie Mae's, Freddie Mac's, REMIC's and other securities, the assets of which are exclusively in domestic residential real estate and which otherwise satisfy the investment criteria for insured institutions.

Finally, the words "related to domestic residential real estate or manufactured housing" in section 104 would include, in addition to other items consistent with normal definitions of residential real estate, construction loans on residential real estate, nursing homes, congregate care housing, student housing and dormitories. I would also like to confirm my understanding of title I, section 108 of the banking bill, which codifies leasing authority for national banks.

It is my understanding that the intent of this provision is to simply codify the authority of national banks to engage in lease financing. This authority would permit national banks to enter into such transactions on a "net, full-payout" lease basis, as defined in the regulations of the Comptroller of the Currency (12 CFR 7.3400), up to 10 percent of the bank's assets.

It is my further understanding that national banks would continue to be subject to the requirement that all leases be "net, full-payout" leases, under which the bank may not provide maintenance, repair, or servicing of leased property, and must meet the residual value and other limitations as defined in the regulations of the Comptroller of the Currency (12 CFR 7.3400), up to 10 percent of the bank's singular assets.

Mr. WYLIE. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. SHUMWAY].

Mr. SHUMWAY. Mr. Speaker, I stand here this afternoon with mixed feelings. I was one who supported a clean bill as we debated the matter here in the House. I supported the lower funding limits, the $5 billion, which was the result in the House. And in the conference I voted against this bill and worked to amend it in a way that would match the work product of the House.

Nevertheless, I am prepared to vote for the conference report this afternoon, and I do that even though I disagree with many of its provisions. But I do it simply because I think there is an overwhelming good to be accomplished, and that is refunding of the FSLIC organization, providing the necessary capitalization so that the industry in this country can get back on its feet.

This bill does provide $10.8 billion to recapitalize FSLIC. It does contain forbearance provisions, it does repay the secondary reserves to savings and loans.

But I find particularly reprehensible in the bill title I. I have opposed this title, as I did in the conference committee, because I think it only protects the existing market situation. It keeps problems that we now have in the status quo. It freezes out competitors and, as has been already addressed here, I think especially unwelcome in our system is the 7-percent cap on growth. I think that kind of cap or ceiling has no place in American orientation, it does not provide for the growth and profits and provide the needed goods and services that we generally recognize.

Likewise, I am very much opposed to title II. I think it is anticompetitive. Certainly it penalizes banks, and as title I, I think it represents a move backward toward more regulation, not recognizing freer markets and competition which ultimately benefit the consumer most.

But title VI in the bill is one I think that addresses a current need in America, providing for expedited funds availability. It gives banks a 1-year leadtime to prepare for new schedules, a 2-year interim schedule, and provides for a good faith exemption to protect them from fraud or other risks, and has special provisions for automatic teller machines.

□ 1530

Mr. Speaker, there are good points and bad points in this legislation. But I believe on balance that the good points outweigh the bad because there is an urgent crisis in our country that needs to be addressed and that is the crisis represented by the need to recapitalize the FSLIC.

On balance I think those positive features outweigh the negative.

For that reason, Mr. Speaker, I am prepared to vote in favor of the conference report and urge my colleagues to do likewise.

Mr. ST GERMAIN. Mr. Speaker, I yield 1 minute to the gentlewoman from Ohio [Ms. OAKAR], a member of the committee and of the conference committee.

Ms. OAKAR. I thank the chairman. I want to commend the chairman first of all. I think he really towed the mark. I did not agree with everything he did in the conference committee but he did a good job in getting out a bill.

The American people really want to have confidence in their financial institutions. And really and truly I think it comes down to this: You can quibble about details in the bill, and this is a compromise, and not everyone likes the bill in its entirety, but the fact is that what we are saying today, in my judgment, is whether or not we support the S&L industry. That is the bottom line. They need to have the reserves in their insurance fund so that the American people will have a renewed confidence in what is an important industry.

This is an industry that has as its primary purpose, in terms of its creation by Congress, to serve Americans who want to own their own home. So if you believe in the industry, vote for the bill.

Mr. Speaker, as a conferee to S. 790, the bill to recapitalize the FSLIC fund, I would like to extend my strong support for this much-needed legislation. This conference report presented before the House today has my full support and should be acted upon as quickly as possible.

Mr. Speaker, no conference agreement is perfect, and not all compromises satisfy all concerned parties. But what we have here, Mr. Speaker, is a good agreement, a good compromise, and some very necessary consumer assurances that the U.S. Government is backing the insurance fund faithfully and adequately.

This legislation will restore the confidence of the American people who have billions of dollars in depository accounts within this country's savings and loans. Mr. Speaker, I support and urge the House to come together and demonstrate to the American people with savings and loan deposits that the House is firmly behind the savings and loan industry.

The sum of money available within the FSLIC fund is at the critical stage. Currently, it is reported that the FSLIC fund is more than $6 billion in the red. The Federal Home Loan Bank Board recently stated that the cost of taking over problem thrifts has grown to the incredible amount of $6 million per pay. The GAO reported to the Congress last year that further delaying a resolution to the problem cases within the savings and loans will add substantially to the ultimate, final cost of the industry, as well as to the economy. Furthermore, the lack of a substantial pool of financial strength at the insurance level disallows the thrift managers, depositors, and others who wish to inject much-needed capital into the thrifts any guideline as to a source of stability. Lack of stability and confidence in this country's financial industry, specifically the savings and loans, is a severe detriment to future operations. Confidence and stability are the cornerstones for this country's financial strength.

Mr. Speaker, in this legislation before the House today, the conferees agreed to an exit fee of two-plus-two, or 2 years' premium and 2 years' special assessment. This level was originally proposed by the House, and the Senate initially rejected it with their own proposal to raise the fee to six-plus-six. Within the spirit of compromise, conferees agreed to retain the House portion of two-plus-two and include a 1-year moratorium on institutions leaving the FSLIC. This exit fee is a fair provision that provides for a reasonable approach without imposing a punitive fee to further discourage much-needed capital. In addition, a fee of this magnitude will allow the thrifts to adjust to rapidly changing market conditions without an untimely cost imposed upon the operation. The fee tailored within this conference report will permit the savings and loans to diversify for their ultimate survival.

Mr. Speaker, what we have before us is the most sweeping financial industry legislation in 7 years. Both the House and Senate held extensive hearings and will hold further hearings on the proposed legislation. This broad, comprehensive banking bill before the House today is quite an amazing compromise. The moratorium on all nonbanking activities—March 5, 1987 through March 1, 1988—will allow the Congress to conduct valuable research and hearings in the area of combining commerce with banking. Also, the nonbank bank provision that puts a necessary limit on the amount of nonbank banks within current operations is very important. Restricting no other entity after March 5, 1987 makes good sense for the consumer and allows regulators to monitor this limited number of financial companies adequately.

Mr. Speaker, one aspect of this bill, which is very close to my heart as well as others, is the Expedited Funds Availability Act. This significant piece of legislation would provide uniform scheduling practices by banks concerning when checks are to be deposited and cleared. This act would prevent arbitrary policies imposed by various financial institutions regarding when the check would be credited.

Mr. Speaker, let me say for the record that I am proud of this conference report and admire the efforts from both sides of the aisle, as well as the other Chamber. The conferees recognize the urgent need for compromise and recapitalization. I strongly urge my colleagues to follow suit. As a senior member on the banking committee, my philosophy has always been "better bend than break." If members are not willing to accept the current conference report with its compromise, then the FSLIC fund, which is in such need of recapitalization, could possibly break.

To reach final agreement, Mr. Speaker, conferees made significant compromises. With sweeping legislation such as this, further compromises are necessary to satisfy all branches. I commend our good chairman, Mr. ST GERMAIN, for his sense of compromise and for moving this conference session so expeditiously. Obstacles always appear when you take your eyes off the main objective. Of course, there are always obstacles when legislation of this magnitude comes about, but our good chairman always kept the conferees focused within the scope of the ultimate goal—recapitalization of the ailing FSLIC fund as quickly as possible.

As William Wrigley, Jr., the chewing gum magnate, once said, "fools bite one another, but wise men agree together."

I urge strong support of this conference report and this imperative financial industry legislation.

Thank you, Mr. Speaker.

Mr. LAFALCE. Mr. Speaker, I yield 4 minutes to the gentleman from California [Mr. DREIER].

Mr. DREIER of California. Mr. Speaker, I rise reluctantly to oppose this conference report. I am not going to rehash all the arguments which I made during the rule.

But I would like to start out by saying that I support the enactment of legislation to recapitalize the Federal Savings and Loan Insurance Corporation. It is imperative that we take quick action to shore up the sagging public confidence in our Nation's thrift industry. However, I oppose H.R. 27 because, unlike the legislation approved by the House, this bill is highly controversial and could actually undermine the safety and soundness of our Nation's thrift and banking institutions.

On May 5, this body approved a FSLIC recapitalization plan that was extremely responsive to the funding needs of the FSLIC, as well as the long-term viability of the thrift industry. But the conference committee went on to ignore the overwhelming sentiments of the House by more than doubling the funding level of the FSLIC recapitalization plan. And, after narrowly defeating, by a vote of 11-9, an effort to keep the legislation free of extraneous amendments that have nothing whatsoever to do with the FSLIC problem, the conference committee went down the line and accepted virtually every controversial provision in the Senate's banking bill, without hearings or debate either in the banking committee or on the House floor.

In my view, the $10.824 billion recapitalization level will saddle the thrift industry with a massive debt burden that would preclude any prospect for recovery well into the next century. Such a plan places in jeopardy the net worth of the healthiest institutions, and discourages outside investors from bringing new capital into the industry. The strong institutions will seek to escape the fund, as evidenced by the fact that 10 of the Nation's largest thrifts have already applied to convert to FDIC insurance. Ultimately, the result will be an increase in FSLIC's cost burden, and a reduction in the premium base upon which FSLIC must rely for recapitalization.

The $5 billion plan that the House initially approved is a far superior plan. Along with an estimated $5 billion for premiums and other sources, it would provide FSLIC with about the same level of funds over the next 2 years. At the same time, it would provide Congress with the opportunity to keep a closer watch on the operations of FSLIC. The agency's controversial actions are the primary reason there is forbearance language in the bill.

The GAO testified before the House Banking Committee that a desired ingredient in any recapitalization plan would be greater oversight by Congress. If the FSLIC has to return to Congress for more borrowing authority in 2 years, oversight is automatically built into the program.

Even more objectionable than the funding level is the fact that the FSLIC plan is being used as a vehicle to enact extraneous amendments under the guise of competitive equality, and safety and soundness. The financial status of the FSLIC is a real emergency; much of H.R. 27 is not. H.R. 27 is anticompetitive and anticonsumer.

Finally, I would like to make a few comments regarding the conference on H.R. 27. An amendment was proposed to extend the scope of the moratorium on regulatory action in the area of bank and bank holding company securities activities beyond that contemplated by the Senate bill. This amendment was not subjected to hearings and represents new matters not addressed by either body. It was agreed to sight unseen by the conferees. When a copy of the amendment was made available, its full scope and potential for disrupting the stability of the current financial system became apparent. Changes were made at the request of the conferees of the House and Senate.

The securities moratorium in section 201(b)(2) only forbids Federal banking agencies from authorizing banks to engage in securities activities that had not been authorized prior to March 5. It was not intended to prohibit a bank or bank holding company or their affiliates from engaging in a securities activity that was permissible for banks or bank holding companies or their affiliates prior to March 5, regardless of whether the particular bank or bank holding company or affiliate itself engaged in the activity prior to that date.

The conference in no way intended to impose upon any of the Federal banking agencies any affirmative duty that would limit the usual and customary discretion that they exercise in pursuit of their regulatory and administrative duties. Also, section 201(b)(2) is not intended to make any changes in the substantive law regarding the legality of a particular securities activity. It is also not intended to be construed as a congressional judgment on whether existing law does or does not permit a bank or its affiliates to engage in particular securities activities.

In addition, section 201(b)(2) was not intended to cover those activities that might be engaged in with only prior notice to the relevant agency. Those activities are considered to be already legally authorized in writing and continue to be permissible.

The conference report reflects the agreement of the conferees on the meaning of the bill. Therefore, efforts to give new meaning and scope to this language in a unilateral fashion are inappropriate. This language is a product of much negotiation and compromise and stands as reported by the conference committee.

Mr. Speaker, H.R. 27 is bad banking legislation, and I urge my colleagues to reject it. In doing so, we should insist that the banking committee immediately report back to the House a measure which will provide a genuine solution to the financial problems of our Nation's thrift industry—without the regressive and restrictive amendments contained in H.R. 27.

Mr. ST GERMAIN. Mr. Speaker, I yield 1 minute to the gentleman from Kentucky [Mr. HUBBARD], a member of the committee and of the conference committee.

Mr. HUBBARD. Mr. Speaker, I rise as a member of the banking conference committee which labored over the final language of this important bill and its accompanying report. I want to address in particular the moratorium provision, section 201.

As the conference report makes clear, the moratorium has a limited purpose. As passed by the Senate, its sole effect was to prevent the Federal Reserve Board from making effective, until March 1, 1988, any approval of an application by a bank holding company to underwrite bank-ineligible securities through a nonbank subsidiary if the approval required a determination that the subsidiary was not "engaged principally" in such new activities.

The conference committee agreed to this moratorium and, in a very late addition proposed by my distinguished colleague from New York, Mr. SCHUMER, also agreed to extend the moratorium to the approval of new securities activities by the Comptroller of the Currency. I want to emphasize my understanding, based on the explanation of the amendment by Mr. SCHUMER, that it was designed as a technical correction that would assure that the moratorium was effective to prevent the banking agencies from approving new securities activities.

It is very clear from the history, purpose, and text of the moratorium that it is simply a short-term freeze and suspends the effective date of approval of new securities activities by the Federal bank regulatory agencies. If an activity was found to be permissible for banks or bank holding companies prior to March 5, 1987, the moratorium does not affect it. Any banking institution can continue to engage, or begin to engage in such an activity, subject to existing laws unaffected by the moratorium.

I understand a question has been raised as to whether the moratorium prohibits banks and bank holding companies from underwriting securitized assets, or perhaps those registered with the SEC. Nothing in the bill or the conference report says this. My understanding is directly contrary. The trend toward securitization of assets—for example of consumer receivables and of residential mortages held be banks—began several years ago. The authority for a bank to participate in the sale of such securitized assets—which is often a part of the bank's funding activities—is longstanding, and preexists March 5, 1987. One example of this is the Comptroller's May 22, 1986, letter regarding Liberty Norstar Bank and the authorities it cites. The moratorium is not intended to make banks dismantle these programs or their plans to undertake them. Indeed, as a practical matter, looking at the banks' track record with securitization of bank assets will be very helpful to the committees, as we address the question of the role of financial institutions in the evolving capital and securities markets.

I also want to assure my colleagues that the moratorium does not limit the enforcement authority or discretion of the Federal bank regulators. When the bill speaks of prohibiting authorization of new securities activities by "inaction or otherwise," what we're talking about is the kind of situation where a statute or a regulation provides that an application to do something shall be deemed approved if the agency has not disapproved it within a certain number of days. In addition, the bill does not confer a private right of action against any agency, nor, of course, against any particular banking institution. If the conferees wished to create a private right of action, we would have done so with specific language.

I want to express appreciation to and compliment Chairman FERNAND J. ST GERMAIN, staff director Dr. Paul Nelson and the staff of the House Banking Committee for their efforts on behalf of H.R. 27.

I urge my colleagues to support H.R. 27, a conference compromise of complex issues which President Reagan, Treasury Secretary James Baker, and a majority of the Members of the 100th Congress now support.

Mr. ST GERMAIN. Mr. Speaker, I yield 1 minute to the gentleman from Wisconsin [Mr. KLECZKA].

Mr. KLECZKA. Mr. Speaker, I rise in strong support of the conference report.

When H.R. 27 passed the House, I was among a handful of Members who voted "no."

My reasons were twofold.

First, the $5 billion recap level was ridiculously low.

Second, the bill's bargain basement exit fees sent a clear message: If the going gets tough, tough thrifts should get going—from the FSLIC to the FDIC.

The $10.8 billion recapitalization the conference report provides is far more realistic.

It's still not enough, but we're getting closer. Give us another Congress or two and we'll catch up to the real world.

I was especially pleased the conference report includes a temporary moratorium on thrift exits from the fund.

With that provision, we have breathing room to tackle an issue which may determine whether FSLIC will be "recapitalized" or "lemonized."

Ultimately, I believe Congress must require healthy thrifts which abandon the FSLIC for FDIC to pay a substantial departure fee.

If we do not, healthy thrifts will leave the FSLIC fund in droves.

When that happens, taxpayers will be asked to bail out an FSLIC fund dominated by failing thrifts.

The conference agreement also deserves a yes vote for reasons not directly related to the FSLIC issue.

It closes a gaping loophole in existing law which fostered the haphazard development of poorly regulated nonbank banks.

The conference agreement strengthens consumer rights by limiting the amount of time a bank can hold your check.

The moratorium on new bank powers will, I believe, force Congress to come to grips with this issue.

It would be a good idea for Congress to come to grips with the whole issue of Federal deposit insurance.

Mark my words.

This is the beginning of the deposit insurance debate, not the end.

To limit Federal bailouts and inspire depositor confidence, we must lay the groundwork for the merger of funds.

Putting out fires, one fund at a time, sends a dangerous signal to the marketplace.

One well-managed and well-capitalized financial institution insurance fund which insures all deposits is both desirable and inevitable.

Congress has a choice.

It can arrange a "shotgun marriage" of the funds during a period of severe fiscal crisis.

Or it can devise an orderly, step-by-step merger of the funds over a period of years.

The latter approach makes far more sense. I am now drafting legislation to do just that.

If we do not, we risk collapse in not only the thrift system, but also the bank system.

Mr. Speaker, by adopting the report, we take the first step toward comprehensive reform of our deposit insurance system.

I urge the adoption of the conference report.

Mr. WYLIE. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. WORTLEY].

Mr. WORTLEY. Mr. Speaker, I rise in support of this legislation, but not without serious reservations. What started in the House as an emergency measure to recapitalize the savings and loan insurance fund has grown to include several controversial items. These items are responsible for delaying this entire process, and they demonstrate that Congress is still failing to recognize new developments in the financial services marketplace.

For example, despite the Federal Reserve Board's carefully considered decision to allow banks limited authority to underwrite and deal in commercial paper and other securities, this bill places a moratorium on those decisions harming the ability of banks to compete both domestically and internationally. With their Third World debt burdens, it is vitally important that banks remain competitive in today's financial services marketplace. And even more so, it is important to consumers.

The cost of homes and other large purchases could be decreased if banks were allowed to better fulfill the needs of their customers in the most cost-effective manner possible. Municipalities could fund important construction projects with revenue bonds at a lower cost to taxpayers if banks were allowed to compete with Wall Street firms in this area. Both large, established businesses and smaller, startup firms would find the cost of essential investment capital lower if banks could compete in the commercial paper market.

In addition, the concept and advantages of the dual banking system have been eroded by the provision in the bill extending provisions of the Glass-Steagall Act to State-chartered banks which are not members of the Federal Reserve System. This action was opposed by the National Conference of State Legislatures and the Conference of State Bank Supervisors. Without the ability to offer new powers, States will find it increasingly difficult to sell troubled banks and thrifts in order to protect depositors. Innovation in solving economic problems will be stifled. In my own State of New York, State-chartered banks have been permitted to be affiliated with securities firms subject to certain limitations. It was anticipated that this power would be used to spur industrial development.

As a conferee, I wish to reiterate that the moratorium provision of section 201 has a limited purpose. It is clear from the history, purpose and text of the moratorium that it is simply a short-term freeze which temporarily suspends the effective date of approval of new securities activities by the Federal bank regulatory agencies. If an activity was found to be permissible for banks or bank holding companies prior to March 5, 1987, the moratorium would not affect it.

Furthermore, it is my understanding that the conference in no way intended to remove any enforcement discretion that Federal banking agencies may now exercise with respect to the securities activities of banks, bank holding companies, and their affiliates. This legislation does not judge whether existing law does or does not permit a bank or its affiliates to engage in particular securities activities.

The legislation is not intended to prohibit a bank or bank holding company or their affiliates from engaging in a securities activity that was permissible for banks or bank holding companies or their affiliates prior to March 5, 1987, regardless of whether the particular bank or bank holding company or affiliate itself engaged in the activity prior to that date.

This legislation also closes the nonbank bank loophole to prevent the mixing of banking and commerce which resulted after unilateral and questionable action by unelected regulators. Nonbank banks were a result of an unforseen and technical loophole in the Bank Holding Company Act, and this unfortunate situation will now be corrected. However, I am concerned about the ability of the grandfathered institutions to effectively conduct their businesses. These institutions complied with the law as it was written, and they should not be penalized for their entry into banking. This bill imposes restraints on growth and marketing activity which may prove unworkable and unwise.

Consumers will benefit particularly under one section of this bill which limits the time a bank may withhold on checks deposited by customers. Within 3 years of enactment, checks drawn on local banks must be available on the second business day after deposit, and nonlocal checks must be available no later than the fifth business day after deposit. Next-day availability will be required for cash deposits and Government checks. This is essential legislation to protect the rights of consumers who often must have timely access to their money to pay everyday living expenses.

But the primary reason I believe this legislation should be approved is because of the provisions recapitalizing the savings and loan insurance fund and allowing regulators emergency acquisition authority. The amount of recapitalization has been nudged upward toward a more rational and reasonable level, and confidence in the system should soon be restored. The issue of the secondary reserve has been resolved, and the provisions requiring GAAP accounting by S&L's have been made more workable. Emergency acquisition authority will allow the FDIC to handle failed and failing institutions in a more efficient and cost-effective manner. Since taxpayer funds are ultimately backing the FDIC, this is a comforting prospect.

Despite its faults, this bill is a product of much discussion, heated debate, and frequent votes. It is a compromise that pleases some more than others, but time has run out and its provisions affecting the stability of the S&L industry must be enacted now.

I urge an affirmative vote on this legislation by my colleagues.

Mr. ST GERMAIN. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. LEHMAN].

Mr. LEHMAN of California. Mr. Speaker, I rise in support of this compromise package which I think is the best possible compromise the committee could come out with.

Mr. Speaker, I would like to engage in a colloquy with my friend from New York [Mr. SCHUMER].

Mr. Speaker, as a member of the conference committee on H.R. 27, I seek clarification as the author of an amendment to title II of that bill pertaining to a moratorium on certain nonbanking activities by bank holding companies or insured banks relating to securities. Specifically, I refer to section 201(b)(2)(C) concerning operating a nondealer marketplace in options. Am I correct in stating that the application of the moratorium in title II to this particular activity is not intended to curtail the provision by bank holding companies or a subsidiary or an affiliate of a bank holding company of traditional banking services in connection with all types of securities trades by acting as a custodian, a transfer agent, or handling the disbursement of funds or serving as a clearing agency or otherwise acting as an agent on behalf of a customer?

Mr. SCHUMER. My friend from California is correct. In offering my amendment to title II concerning the operation of a nondealer marketplace in options by a bank holding company or a subsidiary or affiliate thereof, it was not my intention to curtail those traditional banking activities which you have enumerated from being offered by those entities subject to the moratorium.

Mr. SCHUMER. Mr. Speaker, will the gentleman yield?

Mr. LEHMAN of California. I yield to the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. I thank the gentleman for yielding.

Mr. Speaker, my friend from California who has worked so hard and diligently on this and other provisions of the bill is correct. In offering my amendment to title II concerning the operation of a nondealer marketplace in options by a bankholding company or subsidiary or affiliate thereof, it was not my intention to curtail those traditional banking activities which the gentleman has enumerated from being offered by those entities subject to the moratorium.

Mr. LEHMAN of California. I thank the gentleman for his contribution to the legislation and especially compliment our chairman, Mr. St Germain, our ranking minority, Mr. Wylie, for an excellent package.

□ 1545

Mr. WYLIE. Mr. Speaker, I yield 30 seconds to the gentleman from California [Mr. Pashayan].

Mr. PASHAYAN. Mr. Speaker, I wish to commend my colleagues who serve on the Banking Committee; I believe they have produced a fine piece of legislation, worthy of our support. There are some provisions of particular merit or concern to the thrift industry that deserve our special consideration.

First, the legislation creates in section 407 an informal appeals process for resolving disputes that arise in examining and supervising the thrift industry. The Federal Home Loan Bank Board is directed to establish an informal review procedure for appealing such disputes to an independent arbiter appointed by the principal supervisory agent in each district. The Board must develop a set of regulations for executing this appeals process. In that rulemaking the Board should address such matters as how this appeals process relates to other dispute resolution processes in law or regulation; when the board itself should take discretionary review of questions decided at lower levels under those processes; and when the failure of board personnel to take timely action in supervisory matters should be the grounds for review. The board should immediately begin a rulemaking that includes a public hearing to resolve these matters and other questions presented by section 407.

This Chamber can be especially proud of the work done by its conferees in correcting the inequity of the confiscation by the Federal Home Loan Bank Board of the prepaid insurance premiums of certain thrifts held in a secondary reserve by the Federal Savings and Loan Insurance Corporation. The resolution of this matter contained in section 307 is confirmation of the congressional intent that the secondary reserve belongs to the institutions that contributed to it and should be considered an asset of these institutions. Section 307 ensures that every cent of that asset will ultimately be returned to those institutions through offsets against FSLIC special assessments and premiums. For institutions that leave FSLIC before recovering all of their share of the secondary reserve, it can be applied to offset the special assessment portion of the exit fee authorized by section 302 of this legislation.

I am also happy to see that the House-initiated upper limit on exit fees to be imposed on institutions moving from FSLIC to FDIC insurance has been adopted by the conference. While some have argued for much higher amounts or other administrative barriers, the provision in section 302 requiring an exit fee of two times an institution's annual premium plus two times its special assessments is fair and reasonable. The legislation has the clear intent of allowing institutions that qualify for FDIC insurance to transfer to that system without unreasonable delay, if they pay an equitable exit fee. Specifically, the Board should not attempt to use the authority it has recently asserted in its transfer of assets of insured institutions rule to delay or restrict the transfer to FDIC of a qualifying institution. That would provide a welcome degree of certainty on this question for institutions whose business decisions lead them to believe that the FDIC would be a more appropriate insuror for them.

For State-chartered savings banks insured by FDIC and in existence on or before March 5, 1987, section 101(d) of the legislation resolves an important dispute concerning the degree to which the Federal Reserve Board can restrict their activities under provisions of the Bank Holding Company Act. The section specifically provides that existing state-chartered savings banks may continue to exercise all non-insurance powers granted to them by state law without such restriction by the Federal Reserve Board. The legislation does not address the question with reference to newly formed State-chartered savings banks. No inference may be taken from the bill's silence on this question. Simply stated, the legislation grants no new authority to the Federal Reserve Board or other Federal banking agencies to restrict the State-granted powers of existing or new State-chartered savings institutions.

Finally, I must raise some serious concerns about one section of this legislation. I have deep reservations about the potential for inequitable treatment of thrift institutions under section 406. This section, which was not in either the House or Senate versions of the bill before conference, grants the bank board authority to establish minimum capital requirements for thrifts. The provision specifically references similar authority granted to Federal banking agencies in the International Lending Supervison Act of 1983 and indicates that the board's capital requirements should be "consistent with" those of the banking agencies. I want to state plainly that there is no requirement that the Board shall adopt precisely the same treatment of capital for thrifts as the banking agencies do for commercial banks. For example, in section 402 of this legislation Congress has specifically authorized the inclusion of subordinated debt and goodwill in computing capital levels for thrifts in a manner that is different from that used by commercial banks. The board should understand that such treatment is to be continued under any capital requirements adopted pursuant to section 406.

Even more troublesome is a provision in section 406 that would allow the board to alter minimum capital requirements, case by case. The potential for inequitable treatment is so great that I am compelled to indicate in the strongest possible terms that the bank board must recognize the extraordinary nature of such authority. The Congress does not intend that such authority would ever be used in the absence of a rulemaking that establishes clear guidelines for establishing capital requirements. The bank board is not free to accord less than equal protection to any individual institution. Similarly, it is not free to utilize such extraordinary authority as a means of undermining the dual banking system. The Congress, and this member in particular, will be watching closely to see that the authority is not used in any manner to control indirectly the activities of State-chartered institutions. Congress does not intend that the bank board use this authority to assign prohibitive capital requirements to the exercise of business activities authorized by the states for State-chartered thrifts. The bank board should give these concerns very careful consideration in a public rulemaking proceeding and should be very cautious with such potentially controversial authority.

The conference has fashioned a sensible piece of legislation that deserves our support. It assigns to the Federal Home Loan Bank Board the responsibilities that must be carried out with great care. It is our dual responsibility first to adopt this legislation and second to keep a very watchful eye on the bank board's exercise of its duties.

Mr. WYLIE. Mr. Speaker, I yield 2½ minutes to the gentleman from Texas [Mr. Bartlett].

Mr. BARTLETT. Mr. Speaker, I support the conference report on H.R. 27, and I urge every Member of the House from every region of the country to vote for it.

I am grateful for the bipartisan support and the leadership on a bipartisan basis that this bill has enjoyed and the effort of the administration to come out with a bill that is both signable and the best legislation that is available today.

This legislation is not perfect. I would have preferred some changes in it. I would have preferred clean FSLIC legislation, but due to the legislative process, that was not to be.

This legislation, however, is emergency legislation. It is emergency legislation that was first called to our attention in March, 1986 when we were told by FSLIC that FSLIC was an insurance fund without any funds. This legislation restores some of the funding to FSLIC in order to provide for insurance for depositors from all parts of this country. It is a nationwide insurance. The legislation provides for $10.8 billion in recapitalization.

I would have preferred the full $15 billion that was offered, but $10.8 billion is the level that is available today. It will get us started. It is sufficient for capitalization for the next several years.

Mr. Speaker, on the issue of the so-called forbearance section of the legislation, title IV, it is somewhat of a misnomer to call it forbearance because what this legislation does is indeed to require that those institutions that are so deeply insolvent that they cannot bring themselves back to health would be closed or merged with the assistance of FSLIC into a healthy institution. That in and of itself will bring down the cost of funds for the savings and loan industry across this country.

Those other institutions, however, that can demonstrate that they can work their way back into health and that are at low levels of profits because of the economy in general will be permitted to work their way back to health.

The heart of title IV is a change in the regulatory environment. It is a change that would mandate the use of generally accepted accounting principles in arriving at values and other regulatory matters. In fact, the only provision this bill makes when regulations are different from GAP accounting is when those regulations will be consistent with commercial banking regulations that are traditional and long used. Most of the problems in the economy in many areas are due to overbuilding and overlending.

Mr. Speaker, I urge a "yes" vote on this legislation.

Mr. ST GERMAIN. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. SCHUMER], a member of the conference committee.

Mr. SCHUMER. Mr. Speaker, first I want to express my admiration and respect for the chairman of the committee, the ranking member of the committee, and all those who worked on this bill. It is awful difficult to pass banking legislation these days, with so many cross-cutting interests and very little national conception as to what the general and national interest is, let alone the interests on behalf of our constituents. When I pop into O'Halloran's pub in my district, I rarely hear one of the fellows say to me, as I am visiting my constituents, "Hey, Charlie, what's going on with Glass-Steagall"?

The second thing that I would say is that the three changes that have been added to the bill as a result of administration pressure all make the bill better. So I think if Members voted for the bill the last time, we have even a better bill this time.

Third, on the moratorium section, both the particular section on the Comptroller and the general section which I authored, let me state first that it is intended as a broad-based general moratorium, not just limited to principally engaged but in general to all.

Finally, on section 201(b)(2)(B), it is clear in debate and it is clear now, despite what both sides are saying, that the March 5, 1987, deadline is what was intended. That means that the Comptroller of the Currency's assertion that banks and their subsidiaries can participate as underwriters in the public sale and distribution of bank asset-backed securities contravenes what we did here today, or what we did contravenes what they did. The bill would allow an exception for one, and only one deal, that of Marine Midland, which closed prior to June 30.

So, therefore, while activities that were done before March 5, 1987, allowed by action or inaction of the Comptroller, will continue to be allowed, activities done after March 5, 1987, will not be allowed, at least until the time the moratorium expires.

I have heard it said that the Comptroller intends to simply go ahead and allow more deals like the Marine Midland deal, and the judgment of the author of this provision, that would directly contravene what Congress did, and in fact it would show in my opinion some contempt for our legislative authority.

Mr. Speaker, I thank all of those who worked on this bill and I yield back the balance of my time.

Mr. ST GERMAIN. Mr. Speaker, I yield 1 minute to the gentleman from Georgia [Mr. BARNARD], a member of the conference committee.

Mr. BARNARD. Mr. Speaker, I rise as a member of the conference committee which labored over the final language of this important act and its accompanying report to state my understanding of certain provisions in these documents. I do so in order to make explicit a number of matters which might be subject to misinterpretation or to give emphasis to a number of points which have proven particularly contentious.

I would like to summarize three points, first, and return to them in some detail later.

With respect to the moratorium provisions of section 201, it is very clear from the history, purpose, and text of the moratorium that it is simply a short-term freeze and suspects the effective date of approval of new securities activities by the Federal bank regulatory agencies. Any securities activities authorized in writing, or engaged in, by any specific banking organization, prior to March 5, 1987, may also be engaged in during the moratorium by any other banking organization. Put otherwise, section 201 treats grandfathered activities generically and does not subject them to an ex post facto, case-by-case review.

Another point that should be made is that the "new activity" restrictions in title I on grandfathered nonbank banks relates to the activities they were offering to the public on March 5, 1987, and not to the services that they might obtain or were obtaining from the Federal Reserve under section A of the Federal Reserve Act before, on, or after March 5, 1987. These services are not proper activities. With the exception of statutory provisions related to daylight overdrafts, we did not try to amend section 11A of the act, with respect to grandfather nonbank banks. We only cut exempted, as opposed to grandfathered, nonbank banks out of section 11A services.

Finally, I believe that for purposes of section 101(c) of the bill, in its new addition of (f)(2)(ii) to the Bank Holding Company Act, that "shares acquired in a bona fide fiduciary capacity" is intended to encompass, for the purposes of the exemptions at that point in the bill, shares held in "street name."

Turning to a more extended treatment of these subjects, first, I want to address in particular the moratorium provision, section 201.

As the conference report makes clear, the moratorium has a limited purpose. As passed by the Senate, its sole effect was to prevent the Federal Reserve Board from making effective, until March 1, 1988, any approval of any application by a bank holding company to underwrite bank-ineligible securities through a nonbank subsidiary if the approval required a determination that the subsidiary was not "engaged principally" in such new activities.

The conference committee agreed to this moratorium and, in a very late addition proposed by my distinguished colleague from New York, Mr. SCHUMER, also agreed to extend the moratorium to the approval of new securities activities by the Comptroller of the Currency. I want to emphasize my understanding, based on the explanation of the amendment by Mr. SCHUMER, that it was designed as a technical correction that would assure that the moratorium was effective to prevent the banking agencies from approving new securities activities. It is my understanding that the amendment by Mr. Schumer to section 201 was designed as a technical correction that would assure that the moratorium was effective to prevent the banking agencies from approving new securities activities. I should like to also add that, of course, this technical amendment is not intended to alter the historic and productive methods that the agencies use to communicate their views to the industry and other interested parties. Banks or their counsel routinely obtain the views of the agency, not because the law requires agency "approval" of an undertaking, but because keeping banks current on the agency's position is an important part of the regulatory process. The propriety of an agency's responding to these day-to-day requests for informal advice is not affected by the moratorium. When the moratorium talks about "approval," we're really just talking about those obviously new activities, such as applications under § 20 of the Glass-Steagall Act, or approval of new operating subsidiaries to engage in activities.

It is very clear from the history, purpose and text of the moratorium that it is simply a short-term freeze and suspends the effective date of approval of new securities activities by the Federal bank regulatory agencies. If an activity was found to be permissible for banks or bank-holding companies prior to March 5, 1987, the moratorium does not affect it. Any banking institution can continue to engage, or begin to engage in such an activity, subject to existing laws unaffected by the moratorium, regardless of whether the banking institution engaged in the activity prior to March 5, 1987.

I understand a question has been raised as to whether the moratorium prohibits banks and bank-holding companies from underwriting securitized assets, or perhaps those registered with the SEC. Nothing in the bill or the conference report says this. My understanding is directly contrary. The trend toward securitization of assets—for example of consumer receivables and of residential mortgages held by banks—began several years ago. The authority for a bank to participate in the sale of such securitized assets—which is often a part of the bank's funding activities—is longstanding, and preexists March 5, 1987. One example of this is the Comptroller's May 22, 1986, letter regarding Liberty Norstar Bank and the authorities it cites. The moratorium is not intended to make banks dismantle these programs or their plans to undertake them. Indeed, as a practical matter, looking at the bank's track record with securitization of bank assets will be very helpful to the committees, as we address the question of the role of financial institutions in the evolving capital and securities markets.

I also want to assure my colleagues that the moratorium does not limit the enforcement authority or discretion of the Federal bank regulators. When the bill speaks of prohibiting authorization of new securities activities by "inaction or otherwise," what we're talking about is the kind of situation where a statute or a regulation provides that an application to do something shall be deemed approved if the agency has not disapproved it within a certain number of days. In addition, the bill does not confer a private right of action against any agency, nor, of course, against any particular banking institution. If the conferees wished to create a private right of action, we would have done so with specific language.

Second, the correct reading of H.R. 27 is to say that the new activity restrictions on grandfathered nonbank banks relates to the activities they were offering to the public on March 5, 1987, and not the services that they might obtain or were obtaining from the Federal Reserve under section 11A of the Federal Reserve Act before, on or after March 5, 1987. For instance, if a grandfathered nonbank bank was serving in a fiduciary or custodial capacity, at a time prior to or on March 5, 1987, for accounts that involved activities which entailed possible Federal Reserve services available under section 11A of the Federal Reserve Act, they may access those Federal Reserve services even though they were not obtaining such services from the Federal Reserve specifically before, on or after that day without being considered engaged in a new activity. For further instance, a grandfathered nonbank bank, which was also affiliated with a securities firm that is a primary dealer may, subject to the collateralization provisions of H.R. 27, run an intraday overdraft after March 5, 1987, even though it did not run an intraday overdraft specifically on, before, or after March 5, 1987, without that being considered a new activity under H.R. 27.

Third, title I of H.R. 27 at 101(c) provides of exculpatory provisions for companies affiliated with nonbank banks that come into control of shares in capacities that are largely passive. While one might read the list of those capacities broadly, as they appear in the new subsection to the Bank Holding Company Act, (f)(2)(A)(ii), it is useful to point out that, for the limited purposes of new provision of the Bank Holding Company, "shares acquired in a bona fide fiduciary capacity" include shares held in "street name."

In addition, I want to express some views concerning one portion of the legislation that requires some clarification. Section 406 provides new authority to the Federal Home Loan Bank Board to establish minimum capital requirements for savings and loans. That authority is patterned after and intended to be consistent with authority granted to the Federal banking agencies by the International Lending Supervision Act of 1983. I want to make it clear to the Bank Board that it is not expected to adopt a capital requirements system that is exactly like that adopted for commercial banks. Congress recognizes that there are differences between commercial banking and the thrift industry and expects the Bank Board to adopt capital requirements that are appropriate for the savings and loan industry. For example, as indicated by specific provisions in section 402, Congress intends that the Board continue to allow subordinated debt, goodwill and special loan loss deferral treatment to be used in meeting capital requirements. The Board's implementation of section 406 should encompass that approach.

Further, the development of the Board's use of the authority granted by section 406 should proceed with caution and deliberation. Just as the banking agencies are doing, the Board should initiate a rulemaking to explore the proper approach to developing capital requirements. In particular, any contemplation of the use of a case-by-case approach to establishing capital requirements must be the subject of extensive public consideration and debate in that rulemaking. The Board must be careful not to create a system that would allow institutions to be treated inequitably.

Finally, I wish to call attention to the statement of managers on page 121 of the conference report in that it neglects to follow with a complete explanation of the pertinent statutory language at section 101(h) which begins on page 13 of H.R. 27. That statutory language clearly provides that there will be a buyer of the nonbank bank that is subject to the transition rule and that it is the buyer of the nonbank bank who is going to convert the nonbank bank to a credit card bank.

Mr. LAFALCE. Mr. Speaker, I yield 1 minute to the gentleman from North Carolina [Mr. NEAL].

Mr. NEAL. Mr. Speaker, I would like to emphasize that the securities moratorium contained in section 201 does not affect, among other things, any securities activities in which a bank, bank-holding company or a subsidiary or affiliate of a bank or bank-holding company acts in an agency capacity. Accordingly, such moratorium would not affect, for example, any retail securities brokerage activities, including those activities which involve the provision of investment advice to customers, of any bank, bank-holding company, or their subsidiaries and affiliates.

Mr. ST GERMAIN. Mr. Speaker, I yield 1 minute to the gentleman from Florida [Mr. NELSON], a member of the conference committee.

Mr. NELSON of Florida. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, I want to take this opportunity as a member of the conference committee to congratulate the leadership of this conference committee, which was conducted in an exemplary manner by the gentleman from Rhode Island [Mr. ST GERMAIN], who chaired the conference committee. I extend my compliments to the leadership of the other body. With their help, we sorted out some rather thorny issues and were able to come to an agreement.

This is a delicate balance. It is a delicate balance between the FSLIC recapitalization issues, the nonbank bank issues, and the moratorium on bank powers issues. This is indeed a piece of banking legislation that will be the major piece perhaps of this decade, and it has been a privilege for me to be a part of it.

Mr. KANJORSKI. Mr. Speaker, I believe there is much to support in the legislation before us today. I want to congratulate the chairman of the committee, the House conferees, and the staff for putting together such a difficult conference report on so many topics. The passage of this legislation will restore public confidence in our thrift industry, without any cost to the taxpayer, it will guarantee consumers access to funds they deposit in their checking and savings accounts within reasonable periods of time, and it will restore a semblance of order to our financial marketplace by closing the nonbank bank loophole. These are all major accomplishments.

I particularly appreciate the willingness of the conferees to include in section 414 language I recommended providing an extension of regulatory forbearance to thrift institutions who helped out the FSLIC in the early 1980's by taking over failing thrifts. These "white knight" institutions did us a great favor by reducing FSLIC's liquidation costs, and it is only appropriate that we give them additional time to adjust to the consequences of taking over troubled thrifts.

I'm also pleased to see that the conference agreement gives the GAO full audit authority over the Federal Asset Disposition Agency [FADA], and that section 415 includes language similar to a provision I added to the House version of the bill requiring reports by FADA to the Congress on its expenditures for receivers, conservators, accountants, attorneys and consultants. The potential for abuse, mistakes, and self-dealing in the disposition of billions of dollars of assets is substantial and we must make sure that there is adequate accountability and oversight. Along these lines, I want to commend Chairman ST GERMAIN for announcing his intention to hold oversight hearings in this area. As a member of the committee, I look forward to participating in these hearings.

Mr. Speaker, in approving this conference agreement, I also want to express my concern about the potential for abuse by the Federal Home Loan Bank Board of one provision of the bill. If improperly interpreted by the Board, section 406 could constitute a serious threat to the continuation of the dual banking system in the thrift industry by effectively eliminating the right of the states to regulate the institutions they charter. While there are those who favor giving the Bank Board unlimited power to restrict the lawful activities of State-chartered thrifts, it should be noted that the Congress has consistently rejected such an approach. The capital setting authority contained in section 406 should not be used as a backdoor way to prohibit otherwise lawful activities.

In order to ensure that the capital setting authority contained in section 406 is properly utilized by the Board, it is important that any guidelines for additions to capital requirements be adequately justified in a public rulemaking process. The Bank Board should proceed with extreme caution through the rulemaking process to make sure that its proposed rules do not indirectly restrict the exercise of State-granted powers the Board cannot restrict directly. My colleagues and I in the Congress will be monitoring closely the development of the Bank Board's guidelines under this authority to make sure that state regulatory systems are protected.

Mr. FRENZEL. Mr. Speaker, the conference report on H.R. 27, also known as the savings and loan bailout bailout bill, has become a consensus in this House.

The administration has negotiated up the new money to go into FSLIC to $10.8 billion from lesser figures in both House's versions—$10.8 billion is a big improvement, but it is still well short of the need.

The moratorium on new functions for banks may be politically attractive, but it's a cap out, and if not extended, will leave to the regulators decisions which should be made by Congress. I am also concerned that the 7 percent growth cap on grandfathered nonbank banks is unnecessarily restrictive.

The conference report falls short of what is needed, but the Congress is not going to have a better alternative this year. It will receive wide support, and I shall vote for it, too, as being better than the status quo.

Mr. BROOKS. Mr. Speaker, I rise to express my concern about the provision in this conference report that exempts all banking regulatory agencies from across-the-board sequestration cuts under the Gramm-Rudman law.

There may be entirely defendable reasons why these agencies should be exempted from sequestration cuts. Doing so, however, means that the amount cut from the budgets of every other defense and nondefense agency is increased. Many of these other agencies may be equally as worthy as the bank regulatory agencies of being exempted from the effects of an across-the-board sequestration cut. But, for a variety of reasons, these other agencies have not yet been singled out for special treatment under Gramm-Rudman.

The Gramm-Rudman law is a legislative atrocity that takes little, if any, notice of the importance of the mission of an agency or merits of a program when it lowers its deficit cutting ax. Consequently, instead of focusing on the deleterious impact that the provisions of this law have on just a few agencies, we should be examining the horrendous impact that the sequestration provisions of this law will have on the ability of all the agencies in the government to operate. Only then will we stop making the provisions of an awful law even worse.

Mr. LEACH of Iowa. Mr. Speaker, as a member of the conference committee, I would like to make several clarifying comments about the "2+2" exit fee imposed under section 21 of the Federal Home Loan Bank Act or under section 407(d) of the National Housing Act.

It is my understanding that this bill excepts three limited categories of institutions from these preexisting and continuing statutorily prescribed exit fees: First, those that already left the FSLIC system for the FDIC on or before March 31, 1987; second, those that actually filed with or gave notice to the FSLIC, the Bank Board, or a State or Federal banking agency regarding a transaction that would result in their leaving the FSLIC for the FDIC; and, third, those that entered into letters of intent or written memoranda of understanding regarding transactions that would result in their leaving the FSLIC for the FDIC.

It is also my understanding that this third category is intended to include those institutions that formally executed documents evidencing a decision to proceed with the transaction that results in their leaving the FSLIC, and conveyed those documents to parties involved in those transactions. It is not intended to include those institutions that had, by March 31, 1987, conveyed to the parties in their transactions or developed for their internal consideration less than formally executed decisions to proceed; for example, discussion memoranda, issues papers, or other manifestations of predecisional negotiation and analysis.

Mr. MANTON. Mr. Speaker, I rise to express my reservations concerning section 406 of this legislation. This section was not, previous to the conference, considered by either House of Congress. Section 406 provides a grant of new authority to the Federal Home Loan Bank Board to establish minimum capital requirements for thrift institutions on an institution-by-institution basis. Used improperly, this authority could allow the Board to dictate every business decision made by an institution it decided to single out. I want to make clear to the Board that Congress expects the Board to utilize this case-by-case authority sparingly. Moreover, I would expect the Board to promulgate a comprehensive rulemaking process in which the Board develops guidelines for the use of this authority. Those guidelines should protect institutions from any inequitable, arbitrary, or other abusive treatment by the Board or its agents. Mr. Speaker, as a member of the Committee on Banking, Housing and Urban Affairs, I expect to be consulted by the

Board before it begins the rulemaking process on this section. I also believe the committee must be attentive to our oversight duties as this authority is developed.

Mr. BRUCE. Mr. Speaker, today we will vote on the conference report on H.R. 27, the FSLIC Recapitalization Act of 1987. I support this legislation, and I would like to call to the attention of my colleagues a section of the report which is particular importance to those of us who represent agricultural districts.

In addition to providing much-needed recapitalization for FSLIC, the final conference report contains a measure of assistance for hard-pressed agricultural banks and their farmer-customers. The conference committee has included in its report language based on the Agricultural Loan Assistance Act which I along with 25 cosponsors introduced earlier this year.

This section will allow qualified agricultural banks to write down loans from their book value to their fair market value over a 7-year period. It also will allow farm banks to amortize their losses on the reduced value of farmland acquired in the process of handling an agricultural loan.

If we are to restore the health of the Nation's agricultural economy, I believe these provisions are essential. The high interest rates and low crop prices of the recent past have left many farmers with debts that they cannot pay off. Consequently, agricultural banks have been forced to swallow huge losses all at once, and many of them are facing failure. Because farmers desperately need the credit assistance these banks provide, if we are to solve the many problems facing American agriculture, we must ensure the sound fiscal health of agricultural banks.

While agricultural banks are among the best-capitalized lending institutions in the Nation, the rising tide of farm bank failures demonstrates that even their strong capital position has not made them immune to the difficulties so many in American agriculture have been experiencing. These lenders and their farmer-customers need time to work through their problems; they deserve the forbearance period provided by the loan loss amortization provisions of this legislation.

This legislation encourages lenders to negotiate with farmers on appropriate debt restructuring measures. This ability to amortize will reduce the pressure on these financial institutions to foreclose and ease the continued downward pressure on land prices. Allowing these agricultural banks to stretch out their losses will enable them to remain competitive suppliers of credit to farmers and will help keep our entire rural economy afloat.

This section of the conference report is endorsed by the Farm Bureau, the Wheat Growers, the Corn Growers, the Soybean Growers, the American Bankers Association, and the independent Bankers Association, organizations which recognize that agricultural banks and farmer-borrowers urgently need the help it will provide.

I would like to thank the members of the conference committee for including these provisions from the Agricultural Loan Assistance Act, and I urge my colleague to join me in passing this much-needed legislation.

Mr. AKAKA. Mr. Speaker, I thank the gentleman for yielding me this time and rise in support of the conference report on H.R. 27. As many of my colleagues have emphasized, this conference report is not perfect. However, the $10.8 billion FSLIC recap represents a major step toward the maintenance of public trust in sound, responsible savings institutions, such as those in the State of Hawaii, and creates a positive environment strengthening consumer confidence in the safety and security of their deposits. Along with the FSLIC recap, the forebearance provisions provide a solid foundation for the restoration of industry soundness in financially distressed markets. The achievement of these worthy objectives, without imposing an unescapable, restrictive burden upon healthy savings and loans, or turning to the American taxpayer for relief, deserves our commendation and support.

The legislation also reflects the commitment of the House to the protection of consumer banking rights and the reassertion of congressional oversight over our Nation's banking activity. On both of these issues the conferees have arrived at fair compromises bridging diverse and competing interests.

I would like to express my gratitude and appreciation to the distinguished chairman of the Banking Committee, Mr. ST GERMAIN, and all the conferees for their diligence and efforts in bringing this equitable conference report to the floor.

I would also like to take the opportunity to extend my deepest aloha to the chairman of the Banking Committee, Mr. ST GERMAIN, the members of the committee, and the committee staff for their favorable consideration of circumstances unique to financial and industrial loan institutions in Hawaii in the drafting of titles II and VI.

Again, I thank the gentleman for yielding me this time and urge the bipartisan adoption of this legislation by my colleagues.

Mr. LOWRY of Washington. Mr. Speaker, I would like to take this opportunity to commend the chairman of the House Banking Committee, Mr. ST GERMAIN, for his excellent work on this very difficult piece of legislation and for his cooperation in addressing concerns of specific interest to institutions in my State of Washington. In particular, I would like to make explicitly clear the intent of an amendment to section 106 offered by my colleague, Mr. LEHMAN of California, which was adopted by the conference committee.

At the urging of Mr. LEHMAN, the conferees agreed to an amendment to exempt from the prohibitions contained in section 106 the purchase by Washington Mutual Savings Bank of one or more insured institutions. Section 106 as amended by Mr. LEHMAN and the conferees allows Washington Mutual to acquire FSLIC-insured savings institutions and hold them as subsidiaries and permit those savings institutions to be affiliated with Washington Mutual's securities subsidiary. This amendment also allows this securities subsidiary to establish offices, director and employee relationships with these new savings institution affiliates, just as are now maintained between Washington Mutual and this subsidiary.

I thank Mr. LEHMAN for his work on this matter and appreciate the support and cooperation provided by Mr. ST GERMAIN in urging adoption of Mr. LEHMAN's amendment by the conferees.

Mr. LOWRY of Washington. Mr. Speaker, I would like to take this opportunity to commend the chairman of the House Banking Committee, Mr. ST GERMAIN, for his excellent work on this very difficult piece of legislation and for his cooperation in addressing concerns of specific interest to institutions in my State of Washington. In particular, I would like to make explicitly clear the intent of an amendment to section 106 offered by my colleague, Mr. LEHMAN of California, which was adopted by the conference committee.

At the urging of Mr. LEHMAN, the conferees agreed to an amendment to exempt from the prohibitions contained in section 106 the purchase by Washington Mutual Savings Bank of one or more insured institutions. Section 106 as amended by Mr. LEHMAN and the conferees allows Washington Mutual to acquire FSLIC-insured savings institutions and hold them as subsidiaries and permit those savings institutions to be affiliated with Washington Mutual's securities subsidiary. This amendment also allows this securities subsidiary to establish offices, director and employee relationships with these new savings institution affiliates, just as are now maintained between Washington Mutual and this subsidiary.

I thank Mr. LEHMAN for his work on this matter and appreciate the support and cooperation provided by Mr. ST GERMAIN in urging adoption of Mr. LEHMAN's amendment by the conferees.

Mr. SCHUMER. Mr. Speaker, I wish to clarify the intent of an amendment which I introduced to H.R. 27, the banking bill which we are now considering. This amendment is now Section 201(b)(2) of the bill.

The cause of my introducing the amendment was my concern that Federal banking agencies would expand the securities activities of banks and their subsidiaries during the moratorium period set by title II of the bill on a determination other than the "engaged principally" standard of the original Senate version of this section.

In particular, the public sale of securitized bank assets, including mortgage-backed securities, is an activity covered by the amendment. Any such transaction for a bank, its subsidiary, or a bank holding company not specifically authorized in writing prior to March 5, 1987, is not to be authorized or allowed, by action, inaction, or otherwise, during the moratorium.

My intent to cover asset-backed securities in the moratorium is made clear in the addition of the exemption for "sales or transactions closed on or before June 30, 1987." Had I intended to exclude these activities from inclusion in the moratorium, this sentence would not have been necessary. The "lawfully engaged" exception to section 201(b)(2) is meant to cover only matters which a regulator has informally approved and which banks and bank organizations have carried on regularly and without dispute for extended periods. The public sale of asset-backed securities is not included in the "lawfully engaged" exception.

The SPEAKER pro tempore (Mr. MURTHA). The Chair wishes to state that the gentleman from New York

[Mr. LaFalce] has 3 minutes remaining.

Mr. LaFALCE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in summing up the opposition, I do not think I could do any better than quote at this time from an editorial in the Detroit News.

It said this:

> Congress has come up with a solution, but it will only prolong the problem and should be vetoed by President Reagan. Otherwise the taxpayer is going to be left holding the tab. Ronald Reagan's credibility as an anti-tax crusader is on the line."
>
> The conference bill, while it does not realistically deal with the problem of weak thrifts, does contain special provisions which would make it more difficult for new financial institutions, if you look back on so-called nonbank banks, to operate. This is clearly special interest, anticonsumer, antitaxpayer legislation. Making it difficult to operate a consumer bank should not be a top priority. Real reform of the funding system or the FSLIC system is urgent. This bill creates a barrier where it is not needed and fails to deal with a pressing problem. It is sure to result in a tax increase on the American public. The President should veto it just as surely as he would any other tax increase.

In reviewing the comments that have been made by other Members for and against, I think the most salient arguments were made by the gentleman from Massachusetts [Mr. Frank]. He said there are philosophical differences, and while there are special interests on virtually every side of every piece of legislation, that is almost always true with respect to banking legislation. The public is really not that knowledgeable about banking legislation, and oftentimes, it seems as if the Congress is simply refereeing among competing special interests.

Here, though, I think the composite bill before us now appeals to virtually every anticompetitive instinct one could come up with, and hence, the special interests who are anticompetitive. In title I, for example, who prevailed there? The American Bankers Association, who did not want limited service banks, the Independent Bankers Association, who did not want the competition from limited service banks. That title is anticompetitive.

Also within title I, for example, are sections 103 and 106. Who prevailed there? The Securities Industry Association, the insurance industry, and the real estate industry, because they were able to impose a moratorium on State action, even though State action had not been prohibited in the past by Glass-Steagall.

The difficulty is that there are so many special interest provisions of that nature that the public winds up the loser.

With respect to the argument that we must pass the recapitalization of FSLIC today, that weakens, in my judgment, for if this bill, by some miracle, should be defeated, we could come back today or tomorrow with a clean FSLIC recap, as we did in the 99th Congress, and as the chairman wanted to do at the beginning of this Congress.

Mr. WYLIE. Mr. Speaker, I yield such time as he may consume to the gentleman from Washington [Mr. Miller].

(Mr. MILLER of Washington asked and was given permission to revise and extend his remarks.)

Mr. MILLER of Washington. Mr. Speaker, I rise in support of this conference report.

Mr. Speaker, today we take up the conference report on H.R. 27, a bill which we passed to recapitalize the Federal Savings and Loan Insurance Corporation.

When we voted on this bill in May, the House considered a clean FSLIC recapitalization bill. We did not take up the nonbank-bank issue or other provisions now before us. I would have preferred the House to take up these issues and debate them in a timely and thoughtful manner. We should have debated and voted on several of these provisions.

I will vote in favor of this conference report, Mr. Speaker, because recapitalization of the FSLIC is a national priority. The conference report also puts a limit on the time a bank may place a hold on checks. I have supported similar legislation in the past.

What does concern me, Mr. Speaker, is the limited attention we are giving to a moratorium on the creation of nonbank banks after March 5, 1987. Those nonbank banks are limited to an annual growth of 7 percent. We also will permit nonbank banks and securities firms to buy failing savings and loans.

This bill also contains significant provisions not included in the House bill which temporarily prohibit banks from providing financial services—such as securities brokerage, insurance sales and real estate transactions which they were not providing before March 5, 1987 until March 1, 1988. Fortunately, this moratorium will end.

Bringing these new major provisions before us today is not the best way to legislate. The world of financial services has changed significantly since the last major banking legislation was considered in the 1930's. The House deserves time to debate these issues and decide what reforms may be needed. We gave the conferees a properly limited bill. For more than 5 years, we have needed a constructive debate about the future of the financial services industry. I can understand why they raised the recapitalization figure from about $5 billion to $10.8 billion. A case has been made about the need for adequate funding of FSLIC. That was within the parameters of the House bill. However, these other major shifts in law are matters which cause me serious problems.

Mr. Speaker, I hope that the House Banking Committee will take a careful look at these provisions as soon as hearings can be arranged.

The SPEAKER pro tempore. The Chair will state that the gentleman from Ohio [Mr. Wylie] has 1 minute remaining.

Mr. ST GERMAIN. Mr. Speaker, I yield 1 additional minute from my time to the gentleman from Ohio [Mr. Wylie].

The SPEAKER pro tempore. The gentleman from Ohio [Mr. Wylie] now has 2 minutes remaining.

Mr. WYLIE. Mr. Speaker, I thank the Chair, and I thank the gentleman from Rhode Island [Mr. St Germain] very much. I yield myself such time as I may consume.

Mr. Speaker, I cannot emphasize strongly enough the necessity of moving forward on this bill. I think that the critical need to recapitalize the FSLIC has, at times, has gotten lost in some of the other debate on the more controversial sections of the bill: the nonbank bank loophole, closer in Title 1, and the moratorium provisions in Title 2.

□ 1600

As I noted earlier, closing the nonbank loophole closing has been extensively considered by the House Committee on Banking, Finance and Urban Affairs.

The 168 nonbank banks in existence on March 5 that are grandfathered under this bill are providing financial services but are not regulated to the same extent as banks. It is obvious that we will have to revisit this issue, and the gentleman from Rhode Island [Mr. St Germain], the chairman of the Banking Committee, has said that we will.

The point of all of this is that not one of the Members would have written this bill in the form that it comes before Congress today, but Congress has worked its will, and the President has said he will sign it.

This bill represents the best in our constitutional process, Mr. Speaker. It is a workable compromise. It is workable legislation.

We have an achievable bill. Mr. Speaker, I urge my colleagues to vote "yea" on the conference report, because we need it.

Mr. ST GERMAIN. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I would like to in these brief closing moments state that on many occasions in the past few years, I have expressed a desire, a hope, a wish that we could work on financial institutions legislation on a one-by-one item basis.

We attempted that in the last Congress. We came to the floor with a bill, sent it to the other body, came to the floor with another bill, sent it to the other body.

We did that with three or four bills with no reaction from the other body.

In the early days of this Congress, we sent as we did in the last Congress the delayed funds availability, the check-cashing bill, to the other body, and it languished there.

Obviously, the desire to legislate one on one, one item by one item, so that when we come to the floor we are not buying a package, swallowing some things we are not too happy with, is still a dream that is to be realized.

We see it not only from this committee, but from most of the major committees. It has become the legislative "how to do it." I do not think it is the best way to legislate, but it seems as if it is the only way to legislate; and when things have to be done, you have to do it.

For that reason, we are before the House today with a comprehensive bill. In listening to the debate today, it becomes clear as to why the controversy.

So many Members came up with differing problems with differing sections of the bill. Maybe, just maybe, it is about the only way we can do it.

We are before the Members with a package that has been fine-tuned, agreed to by the administration, so in these waning moments, I would like to say to the staff who have worked weekends, nights, holidays since the end of the formal conference, thank you for your yeoman's service.

I would like to say thank you to Senator PROXMIRE and Senator GARN, and to the gentleman from Ohio [Mr. WYLIE], for a job well done, and also staff on both sides of the aisle, and also to Secretary Baker. I must say, he is some kind of compromiser. Without him, we would not be here today with a bill that the President has said he would sign.

For these reasons, I say to the Members, sure, it is not the perfect package; but like Bismarck once said, "It is a legislative sausage. Eat it and enjoy it. Don't let one or two little parts of it give you a stomach ache."

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore (Mr. MURTHA). The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. DREIER of California. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 382, nays 12, not voting 39, as follows:

[Roll No. 294]

YEAS—382

Ackerman
Akaka
Andrews
Annunzio
Anthony
Applegate
Archer
Armey
Aspin
AuCoin
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Bates
Bennett
Bentley
Berman
Bevill
Biaggi
Bilbray
Bilirakis
Bliley
Boggs
Boland
Bonker
Borski
Bosco
Boucher
Boulter
Boxer
Brennan
Brooks
Broomfield
Brown (CA)
Brown (CO)
Bruce
Bryant
Buechner
Bunning
Burton
Bustamante
Byron
Callahan
Campbell
Cardin
Carper
Carr
Chandler
Chapman
Chappell
Cheney
Clarke
Clay
Clinger
Coats
Coble
Coelho
Coleman (MO)
Coleman (TX)
Collins
Combest
Conte
Conyers
Cooper
Coughlin
Courter
Coyne
Craig
Darden
Daub
Davis (IL)
Davis (MI)
de la Garza
DeFazio
DeLay
Dellums
Derrick
DeWine
Dickinson
Dicks
DioGuardi
Donnelly
Dorgan (ND)
Dornan (CA)
Downey
Duncan
Durbin
Dwyer
Dyson
Early
Eckart
Edwards (CA)
Edwards (OK)
Emerson
English
Erdreich
Evans
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flake
Flippo
Florio
Foglietta
Foley
Ford (MI)
Frenzel
Frost
Gallegly
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Grandy
Grant
Gray (PA)
Green
Gregg
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hertel
Hiler
Hochbrueckner
Hopkins
Horton
Houghton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Hyde
Inhofe
Ireland
Jacobs
Jeffords
Jenkins
Johnson (CT)
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Konnyu
Kostmayer
Kyl
Lagomarsino
Lancaster
Latta
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Lloyd
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken, Thomas
Lukens, Donald
Lungren
Mack
MacKay
Madigan
Manton
Markey
Marlenee
Martin (IL)
Martin (NY)
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCurdy
McGrath
McMillan (NC)
McMillen (MD)
Meyers
Mfume
Mica
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Molinari
Mollohan
Montgomery
Moorhead
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal
Nelson
Nichols
Nielson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Oxley
Packard
Panetta
Parris
Pashayan
Patterson
Pease
Pelosi
Penny
Pepper
Perkins
Petri
Pickett
Pickle
Porter
Price (IL)
Price (NC)
Pursell
Quillen
Rahall
Rangel
Ravenel
Ray
Regula
Rhodes
Richardson
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Roemer
Rogers
Rostenkowski
Roth
Roukema
Rowland (CT)
Roybal
Russo
Sabo
Saiki
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schneider
Schroeder
Schuette
Schulze
Schumer
Sensenbrenner
Sharp
Shaw
Shumway
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solarz
Solomon
Spence
Spratt
St Germain
Staggers
Stallings
Stangeland
Stark
Stenholm
Stokes
Stratton
Studds
Stump
Sundquist
Sweeney
Swift
Swindall
Synar
Tauke
Taylor
Thomas (CA)
Thomas (GA)
Torres
Traficant
Traxler
Udall
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Walker
Watkins
Waxman
Weber
Weiss
Weldon
Wheat
Whittaker
Williams
Wilson
Wise
Wolf
Wolpe
Wortley
Wyden
Wylie
Yatron
Young (AK)

NAYS—12

Anderson
Beilenson
Bonior (MI)
Crane
Dreier
Frank
Gradison
Holloway
LaFalce
Martinez
Moakley
Yates

NOT VOTING—39

Alexander
Atkins
Badham
Bereuter
Boehlert
Boner (TN)
Crockett
Daniel
Dannemeyer
Dingell
Dixon
Dowdy
Dymally
Espy
Ford (TN)
Gephardt
Gray (IL)
Hunter
Kemp
Lantos
Leland
Lent
Livingston
McDade
McEwen
McHugh
Moody
Owens (NY)
Owens (UT)
Ridge
Rose
Rowland (GA)
Slaughter (VA)
Tallon
Tauzin
Torricelli
Towns
Whitten
Young (FL)

☐ 1610

Messrs. FRANK, BONIOR of Michigan, and YATES changed their votes from "yea" to "nay."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ST GERMAIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the conference report on H.R. 27, which has just been adopted.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1315, NUCLEAR REGULATORY COMMISSION AUTHORIZATION FOR FISCAL YEARS 1988 AND 1989

Mr. PEPPER, from the Committee on Rules, submitted a privileged report (Rept. No. 100-263) on the resolution (H. Res. 237) providing for the consideration of the bill (H.R. 1315) to authorize appropriations for the Nuclear Regulatory Commission for fiscal years 1988 and 1989, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF HOUSE JOINT RESOLUTION 132, NATIONAL DAY OF REMEMBRANCE OF THE ARMENIAN GENOCIDE OF 1915-1923

Mr. PEPPER, from the Committee on Rules, submitted a privileged report (Rept. No. 100-264) on the resolution (H. Res. 238) providing for the consideration of a joint resolution (H.J. Res. 132) designating April 24, 1987, as "National Day of Remembrance of the Armenian Genocide of 1915-1923," which was referred to the House Calendar and ordered to be printed.

CEMETERY IMPROVEMENTS AMENDMENTS OF 1987

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 2957, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. MONTGOMERY] that the House suspend the rules and pass the bill, H.R. 2957, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 393, nays 0, not voting 40, as follows:

[Roll No. 295]

YEAS—393

Ackerman
Akaka
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Armey
Aspin
AuCoin
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Bates
Beilenson
Bennett
Bentley
Berman
Bevill
Biaggi
Bilbray
Bilirakis
Bliley
Boggs
Boland
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boulter
Boxer
Brennan
Brooks
Broomfield
Brown (CA)
Brown (CO)
Bruce
Bryant
Buechner
Bunning
Burton
Bustamante
Byron
Callahan
Campbell
Cardin
Carper
Carr
Chandler
Chapman
Chappell
Cheney
Clarke
Clay
Clinger
Coats
Coble
Coelho
Coleman (MO)
Coleman (TX)
Collins
Combest
Conte
Conyers
Cooper
Coughlin
Courter
Coyne
Craig
Crane
Darden
Daub
Davis (IL)
Davis (MI)
de la Garza
DeFazio
DeLay
Dellums
Derrick
DeWine
Dickinson
Dicks
DioGuardi
Donnelly
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Duncan
Durbin
Dwyer
Dyson
Early
Eckart
Edwards (CA)
Edwards (OK)
Emerson
English
Erdreich
Evans
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flake
Flippo
Florio
Foglietta
Foley
Ford (MI)
Frank
Frost
Gallegly
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Gradison
Grandy
Grant
Gray (PA)
Green
Gregg
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hertel
Hiler
Hochbrueckner
Holloway
Hopkins
Horton
Houghton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Hyde
Inhofe
Ireland
Jacobs
Jeffords
Jenkins
Johnson (CT)
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Konnyu
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Latta
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Lloyd
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken, Thomas
Lukens, Donald
Lungren
Mack
MacKay
Madigan
Manton
Markey
Marlenee
Martin (IL)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCurdy
McGrath
McHugh
McMillan (NC)
McMillen (MD)
Meyers
Mfume
Mica
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal
Nelson
Nichols
Nielson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Oxley
Packard
Panetta
Parris
Pashayan
Patterson
Pease
Pelosi
Penny
Perkins
Pickett
Pickle
Porter
Price (IL)
Price (NC)
Pursell
Quillen
Rahall
Rangel
Ravenel
Ray
Regula
Rhodes
Richardson
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Roemer
Rogers
Rostenkowski
Roth
Roukema
Rowland (CT)
Roybal
Russo
Sabo
Saiki
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schneider
Schroeder
Schuette
Schulze
Schumer
Sensenbrenner
Sharp
Shaw
Shumway
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solarz
Solomon
Spence
Spratt
St Germain
Staggers
Stallings
Stangeland
Stark
Stenholm
Stokes
Stratton
Studds
Stump
Sundquist
Sweeney
Swift
Swindall
Synar
Tauke
Taylor
Thomas (CA)
Thomas (GA)
Torres
Traficant
Traxler
Udall
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Walker
Watkins
Waxman
Weber
Weiss
Weldon
Wheat
Whittaker
Williams
Wilson
Wise
Wolf
Wolpe
Wortley
Wyden
Wylie
Yates
Yatron
Young (AK)

NAYS—0

NOT VOTING—40

Alexander
Atkins
Badham
Bereuter
Boehlert
Boner (TN)
Crockett
Daniel
Dannemeyer
Dingell
Dixon
Dowdy
Dymally
Espy
Ford (TN)
Frenzel
Gephardt
Gray (IL)
Hunter
Kemp
Lantos
Leland
Lent
Livingston
McDade
McEwen
Moody
Owens (NY)
Owens (UT)
Pepper
Petri
Ridge
Rose
Rowland (GA)
Tallon
Tauzin
Torricelli
Towns
Whitten
Young (FL)

☐ 1640

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

YSLETA DEL SUR PUEBLO AND ALABAMA AND COUSHATTA INDIAN TRIBES OF TEXAS RESTORATION ACT

Mr. VENTO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 318), to provide for the restoration of Federal recognition to the Ysleta del Sur Pueblo and the Alabama and Coushatta Indian Tribes of Texas, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Ysleta del Sur Pueblo and Alabama and Coushatta Indian Tribes of Texas Restoration Act".

SEC. 2. REGULATIONS.

The Secretary of the Interior or his designated representative may promulgate such regulations as may be necessary to carry out the provisions of this Act.

TITLE I—YSLETA DEL SUR PUEBLO RESTORATION

SEC. 101. DEFINITIONS.

For purposes of this title—

(1) the term "tribe" means the Ysleta del Sur Pueblo (as so designated by section 102);

(2) the term "Secretary" means the Secretary of the Interior or his designated representative;

(3) the term "reservation" means lands within El Paso and Hudspeth Counties, Texas—

(A) held by the tribe on the date of the enactment of this title;

(B) held in trust by the State or by the Texas Indian Commission for the benefit of the tribe on such date;

(C) held in trust for the benefit of the tribe by the Secretary under section 105(g)(2); and

(D) subsequently acquired and held in trust by the Secretary for the benefit of the tribe.

(4) the term "State" means the State of Texas;

(5) the term "Tribal Council" means the governing body of the tribe as recognized by the Texas Indian Commission on the date of enactment of this Act, and such tribal council's successors; and

(6) the term "Tiwa Indians Act" means the Act entitled "An Act relating to the Tiwa Indians of Texas." and approved April 12, 1968 (82 Stat. 93).

SEC. 102. REDESIGNATION OF TRIBE.

The Indians designated as the Tiwa Indians of Ysleta, Texas, by the Tiwa Indians Act shall, on and after the date of the enactment of this title, be known and designated as the Ysleta del Sur Pueblo. Any reference in any law, map, regulation, document, record, or other paper of the United States to the Tiwa Indians of Ysleta, Texas, shall be deemed to be a reference to the Ysleta del Sur Pueblo.

SEC. 103. RESTORATION OF THE FEDERAL TRUST RELATIONSHIP; FEDERAL SERVICES AND ASSISTANCE.

(a) Federal Trust Relationship.—The Federal trust relationship between the United States and the tribe is hereby restored. The Act of June 18, 1934 (48 Stat. 984), as amended, and all laws and rules of law of the United States of general application to Indians, to nations, tribes, or bands of Indians, or to Indian reservations which are not inconsistent with any specific provision contained in this title shall apply to the members of the tribe, the tribe, and the reservation.

(b) Restoration of Rights and Privileges.—All rights and privileges of the tribe and members of the tribe under any Federal treaty, statute, Executive order, agreement, or under any other authority of the United States which may have been diminished or lost under the Tiwa Indians Act are hereby restored.

(c) Federal Services and Benefits.—Notwithstanding any other provision of law, the tribe and the members of the tribe shall be eligible, on and after the date of the enactment of this title, for all benefits and services furnished to federally recognized Indian tribes.

(d) Effect on Property Rights and Other Obligations.—Except as otherwise specifically provided in this title, the enactment of this title shall not affect any property right or obligation or any contractual right or obligation in existence before the date of the enactment of this title or any obligation for taxes levied before such date.

SEC. 104. STATE AND TRIBAL AUTHORITY.

(a) State Authority.—Nothing in this Act shall affect the power of the State of Texas to enact special legislation benefiting the tribe, and the State is authorized to perform any services benefiting the tribe that are not inconsistent with the provisions of this Act.

(b) Tribal Authority.—The Tribal Council shall represent the tribe and its members in the implementation of this title and shall have full authority and capacity—

(1) to enter into contracts, grant agreements, and other arrangements with any Federal department or agency, and

(2) to administer or operate any program or activity under or in connection with any such contract, agreement, or arrangement, to enter into subcontracts or award grants to provide for the administration of any such program or activity, or to conduct any other activity under or in connection with any such contract, agreement, or arrangement.

SEC. 105. PROVISIONS RELATING TO TRIBAL RESERVATION.

(a) Federal Reservation Established.—The reservation is hereby declared to be a Federal Indian reservation for the use and benefit of the tribe without regard to whether legal title to such lands is held in trust by the Secretary.

(b) Conveyance of Land by State.—The Secretary shall—

(1) accept any offer from the State to convey title to any land within the reservation held in trust on the date of enactment of this Act by the State or by the Texas Indian Commission for the benefit of the tribe to the Secretary, and

(2) hold such title, upon conveyance by the State, in trust for the benefit of the tribe.

(c) Conveyance of Land by Tribe.—At the written request of the Tribal Council, the Secretary shall—

(1) accept conveyance by the tribe of title to any land within the reservation held by the tribe on the date of enactment of this Act to the Secretary, and

(2) hold such title, upon such conveyance by the tribe, in trust for the benefit of the tribe.

(d) Approval of Deed by Attorney General.—Notwithstanding any other provision of law or regulation, the Attorney General of the United States shall approve any deed or other instrument which conveys title to land within El Paso or Hudspeth Counties, Texas, to the United States to be held in trust by the Secretary for the benefit of the tribe.

(e) Permanent Improvements Authorized.—Notwithstanding any other provision of law or rule of law, the Secretary or the tribe may erect permanent improvements, improvements of substantial value, or any other improvement authorized by law on the reservation without regard to whether legal title to such lands has been conveyed to the Secretary by the State or the tribe.

(f) Civil and Criminal Jurisdiction Within Reservation.—The State shall exercise civil and criminal jurisdiction within the boundaries of the reservation as if such State had assumed such jurisdiction with the consent of the tribe under sections 401 and 402 of the Act entitled "An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes." and approved April 11, 1968 (25 U.S.C. 1321, 1322).

(g) Acquisition of Land by the Tribe After Enactment.—

(1) Notwithstanding any other provision of law, the Tribal Council may, on behalf of the tribe—

(A) acquire land located within El Paso County, or Hudspeth County, Texas, after the date of enactment of this Act and take title to such land in fee simple, and

(B) lease, sell, or otherwise dispose of such land in the same manner in which a private person may do so under the laws of the State.

(2) At the written request of the Tribal Council, the Secretary may—

(A) accept conveyance to the Secretary by the Tribal Council (on behalf of the tribe) of title to any land located within El Paso County, or Hudspeth County, Texas, that is acquired by the Tribal Council in fee simple after the date of enactment of this Act, and

(B) hold such title, upon such conveyance by the Tribal Council, in trust for the benefit of the tribe.

SEC. 106. TIWA INDIANS ACT REPEALED.

The Tiwa Indians Act is hereby repealed.

SEC. 107. GAMING ACTIVITIES.

(a) In General.—All gaming activities which are prohibited by the laws of the State of Texas are hereby prohibited on the reservation and on lands of the tribe. Any violation of the prohibition provided in this subsection shall be subject to the same civil and criminal penalties that are provided by the laws of the State of Texas. The provisions of this subsection are enacted in accordance with the tribe's request in Tribal Resolution No. T.C.-02-86 which was approved and certified on March 12, 1986.

(b) No State Regulatory Jurisdiction.—Nothing in this section shall be construed as a grant of civil or criminal regulatory jurisdiction to the State of Texas.

(c) Jurisdiction Over Enforcement Against Members.—Notwithstanding section 105(f), the courts of the United States shall have exclusive jurisdiction over any offense in violation of subsection (a) that is committed by the tribe, or by any member of the tribe, on the reservation or on lands of the tribe. However, nothing in this section shall be construed as precluding the State of Texas from bringing an action in the courts of the United States to enjoin violations of the provisions of this section.

SEC. 108. TRIBAL MEMBERSHIP.

(a) In General.—The membership of the tribe shall consist of—

(1) the individuals listed on the Tribal Membership Roll approved by the tribe's Resolution No. TC-5-84 approved December 18, 1984, and approved by the Texas Indian Commission's Resolution No. TIC-85-005 adopted on January 16, 1985; and

(2) a descendant of an individual listed on that Roll if the descendant—

(i) has ⅛ degree or more of Tigua-Ysleta del Sur Pueblo Indian blood, and

(ii) is enrolled by the tribe.

(b) Removal From Tribal Roll.—Notwithstanding subsection (a)—

(1) the tribe may remove an individual from tribal membership if it determines that the individual's enrollment was improper; and

(2) the Secretary, in consultation with the tribe, may review the Tribal Membership Roll.

TITLE II—ALABAMA AND COUSHATTA INDIAN TRIBES OF TEXAS

SEC. 201. DEFINITIONS.

For purposes of this title—

(1) the term "tribe" means the Alabama and Coushatta Indian Tribes of Texas (considered as one tribe in accordance with section 202);

(2) the term "Secretary" means the Secretary of the Interior or his designated representative;

(3) the term "reservation" means the Alabama and Coushatta Indian Reservation in Polk County, Texas, comprised of—

(A) the lands and other natural resources conveyed to the State of Texas by the Secretary pursuant to the provisions of section 1 of the Act entitled "An Act to provide for the termination of Federal supervision over the property of the Alabama and Coushatta Tribes of Indians of Texas, and the individual members thereof; and for other purposes." and approved August 23, 1954 (25 U.S.C. 721);

(B) the lands and other natural resources purchased for and deeded to the Alabama Indians in accordance with an act of the legislature of the State of Texas approved February 3, 1854; and

(C) lands subsequently acquired and held in trust by the Secretary for the benefit of the tribe;

(4) the term "State" means the State of Texas;

(5) the term "constitution and bylaws" means the constitution and bylaws of the tribe which were adopted on June 16, 1971; and

(6) the term "Tribal Council" means the governing body of the tribe under the constitution and bylaws.

SEC. 202. ALABAMA AND COUSHATTA INDIAN TRIBES OF TEXAS CONSIDERED AS ONE TRIBE.

The Alabama and Coushatta Indian Tribes of Texas shall be considered as one tribal unit for purposes of this title and any other law or rule of law of the United States.

SEC. 203. RESTORATION OF THE FEDERAL TRUST RELATIONSHIP; FEDERAL SERVICES AND ASSISTANCE.

(a) FEDERAL TRUST RELATIONSHIP.—The Federal recognition of the tribe and of the trust relationship between the United States and the tribe is hereby restored. The Act of June 18, 1934 (48 Stat. 984), as amended, and all laws and rules of law of the United States of general application to Indians, to nations, tribes, or bands of Indians, or to Indian reservations which are not inconsistent with any specific provision contained in this title shall apply to the members of the tribe, the tribe, and the reservation.

(b) RESTORATION OF RIGHTS AND PRIVILEGES.—All rights and privileges of the tribe and members of the tribe under any Federal treaty, Executive order, agreement, statute, or under any other authority of the United States which may have been diminished or lost under the Act entitled "An Act to provide for the termination of Federal supervision over the property of the Alabama and Coushatta Tribes of Indians of Texas, and the individual members thereof; and for other purposes" and approved August 23, 1954, are hereby restored and such Act shall not apply to the tribe or to members of the tribe after the date of the enactment of this title.

(c) FEDERAL BENEFITS AND SERVICES.—Notwithstanding any other provision of law, the tribe and the members of the tribe shall be eligible, on and after the date of the enactment of this title, for all benefits and services furnished to federally recognized Indian tribes.

(d) EFFECT ON PROPERTY RIGHTS AND OTHER OBLIGATIONS.—Except as otherwise specifically provided in this title, the enactment of this title shall not affect any property right or obligation or any contractual right or obligation in existence before the date of the enactment of this title or any obligation for taxes levied before such date.

SEC. 204. STATE AND TRIBAL AUTHORITY.

(a) STATE AUTHORITY.—Nothing in this Act shall affect the power of the State of Texas to enact special legislation benefitting the tribe, and the State is authorized to perform any services benefitting the tribe that are not inconsistent with the provisions of this Act.

(b) CURRENT CONSTITUTION AND BYLAWS TO REMAIN IN EFFECT.—Subject to the provisions of section 203(a) of this Act, the constitution and by laws of the tribe on file with the Committee on Interior and Insular Affairs is hereby declared to be approved for the purposes of section 16 of the Act of June 18, 1934 (48 Stat. 987; 25 U.S.C. 476) except that all reference to the Texas Indian Commission shall be considered as reference to the Secretary of the Interior.

(c) AUTHORITY AND CAPACITY OF TRIBAL COUNCIL.—No provision contained in this title shall affect the power of the Tribal Council to take any action under the constitution and bylaws described in subsection (b). The Tribal Council shall represent the tribe and its members in the implementation of this title and shall have full authority and capacity—

(1) to enter into contracts, grant agreements, and other arrangements with any Federal department or agency;

(2) to administer or operate any program or activity under or in connection with any such contract, agreement, or arrangement, to enter into subcontracts or award grants to provide for the administration of any such program or activity, or to conduct any other activity under or in connection with any such contract, agreement, or arrangement; and

(3) to bind any tribal governing body selected under any new constitution adopted in accordance with section 205 as the successor in interest to the Tribal Council.

SEC. 205. ADOPTION OF NEW CONSTITUTION AND BYLAWS.

Upon written request of the tribal council, the Secretary shall hold an election for the members of the tribe for the purpose of adopting a new constitution and bylaws in accordance with section 16 of the Act of June 18, 1934 (25 U.S.C. 476).

SEC. 206. PROVISIONS RELATING TO TRIBAL RESERVATION.

(a) FEDERAL RESERVATION ESTABLISHED.—The reservation is hereby declared to be a Federal Indian reservation for the use and benefit of the tribe without regard to whether legal title to such lands is held in trust by the Secretary.

(b) CONVEYANCE OF LAND BY STATE.—The Secretary shall—

(1) accept any offer from the State to convey title to any lands held in trust by the State or the Texas Indian Commission for the benefit of the tribe to the Secretary, and

(2) shall hold such title, upon conveyance by the State, in trust for the benefit of the tribe.

(c) CONVEYANCE OF LAND BY TRIBE.—At the written request of the Tribal Council, the Secretary shall—

(1) accept conveyance by the tribe of title to any lands within the reservation which are held by the tribe to the Secretary, and

(2) hold such title, upon such conveyance by the tribe, in trust for the benefit of the tribe.

(d) APPROVAL OF DEED BY ATTORNEY GENERAL.—Notwithstanding any other provision of law or regulation, the Attorney General of the United States shall approve any deed or other instrument from the State or the tribe which conveys title to lands within the reservation to the United States.

(e) PERMANENT IMPROVEMENTS AUTHORIZED.—Notwithstanding any other provision of law or rule of law, the Secretary or the tribe may erect permanent improvements, improvements of substantial value, or any other improvement authorized by law on the reservation without regard to whether legal title to such lands has been conveyed to the Secretary by the State or the tribe.

(f) CIVIL AND CRIMINAL JURISDICTION WITHIN RESERVATION.—The State shall exercise civil and criminal jurisdiction within the boundaries of the reservation as if such State had assumed such jurisdiction with the consent of the tribe under sections 401 and 402 of the Act entitled "An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes" and approved April 11, 1968 (25 U.S.C. 1321, 1322).

SEC. 207. GAMING ACTIVITIES.

(a) IN GENERAL.—All gaming activities which are prohibited by the laws of the State of Texas are hereby prohibited on the reservation and on lands of the tribe. Any violation of the prohibition provided in this subsection shall be subject to the same civil and criminal penalties that are provided by the laws of the State of Texas. The provisions of this subsection are enacted in accordance with the tribe's request in Tribal Resolution No. T.C.-86-07 which was approved and certified on March 10, 1986.

(b) NO STATE REGULATORY JURISDICTION.—Nothing in this section shall be construed as a grant of civil or criminal regulatory jurisdiction to the State of Texas.

(c) JURISDICTION OVER ENFORCEMENT AGAINST MEMBERS.—Notwithstanding section 206(f), the courts of the United States shall have exclusive jurisdiction over any offense in violation of subsection (a) that is committed by the tribe, or by any member of the tribe, on the reservation or on lands of the tribe. However, nothing in this section shall be construed as precluding the State of Texas from bringing an action in the courts of the United States to enjoin violations of the provisions of this section.

Amend the title so as to read: "An Act to provide for the restoration of the Federal trust relationship and Federal services and assistance to the Ysleta del Sur Pueblo and the Alabama and Coushatta Indian Tribes of Texas, and for other purposes.".

Mr. VENTO [during the reading]. Mr. Speaker, I ask unanimous consent that the Senate amendments be considered as read and printed in the RECORD.

The SPEAKER pro tempore. (Mr. MURTHA). Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Minnesota?

Mr. RHODES. Mr. Speaker, reserving the right to object, will the gentleman explain the amendments?

Mr. VENTO. Mr. Speaker, will the gentleman yield?

Mr. RHODES. Mr. Speaker, under my reservation, I yield to the gentleman from Minnesota.

Mr. VENTO. I thank the gentleman for yielding.

Mr. Speaker, H.R. 318 is a bill to restore Federal recognition to two Indian tribes in the States of Texas, the Ysleta Del Sur Pueblo and the Alabama Coushatta Indian tribes.

H.R. 318 passed the House on April 21 by voice vote and was sent back from the Senate with an amendment in the nature of a substitute. The bill as amended is supported by the administration.

The Senate amendment makes changes to section 107 and 207 of the bill. These sections deal with the regulation of gaming on the respective reservations of the two tribes. It is my understanding that the Senate amendments to these sections are in line with the rational of the recent Supreme Court decision in the case of Cabazon Band of Mission Indians versus California. This amendment in effect would codify for these tribes the holding and rational adopted in the Court's opinion in the case.

The Senate amendment also incorporates in the bill the current membership requirement of the Ysleta Del Sur Pueblo. The Pueblo imposes a minimum of one-eighth degree of Ysleta Del Sur Pueblo Indian blood as a condition for membership in the tribe.

I believe that the determination of requirements for membership in Indian tribes are the prerogative of the Indian tribes and I would oppose a policy which would congressionally impose blood quantum requirements for membership in Indian tribes. However, in this case, the amendment should not be viewed as a precedent for such policy since it merely incorporates an already existing tribal membership requirement and was included in the bill with the consent of the affected tribe.

I might add that this measure was introduced by the gentleman from Texas [Mr. COLEMAN] who has championed this issue and has done a good job. I hope there will be no objection. These are noncontroversial amendments.

Mr. RHODES. Mr. Speaker, I appreciate the gentleman's explanation.

Mr. UDALL. Mr. Speaker, H.R. 318 is a bill to restore Federal recognition to two Indian tribes in the State of Texas, the Ysleta Del Sur Pueblo and the Alabama Coushatta Indian Tribes.

H.R. 318 passed the House. It was sent back from the Senate with an amendment in the nature of a substitute. The bill as amended is supported by the administration.

The Senate amendment makes changes to sections 107 and 207 of the bill. These sections deal with the regulation of gaming on the respective reservations of the two tribes. It is my understanding that the Senate amendments to these sections are in line with the rational of the recent Supreme Court decision in the case of Cabazon Band of Mission Indians versus California. This amendment in effect would codify for these tribes the holding and rational adopted in the Court's opinion in the case.

The Senate amendment also incorporates in the bill the current membership requirement of the Ysleta Del Sur Pueblo. The Pueblo imposes a minimum of one-eighth degree of Ysleta Del Sur Pueblo Indian blood as a condition for membership in the tribe.

I believe that the determination of requirements for membership in Indian tribes are the prerogative of the Indian tribes and I would oppose a policy which would congressionally impose blood quantum requirements for membership in Indian tribes. However, in this case, the amendment should not be viewed as a precedent for such policy since it merely incorporates an already existing tribal membership requirement and was included in the bill with the consent of the affected tribe.

Mr. RHODES. Mr. Speaker, I withdraw my reservation of objection.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

A motion to reconsider was laid on the table.

MINIMUM ALTITUDE FOR AIRCRAFT FLYING OVER NATIONAL PARK SYSTEM UNITS

Mr. VENTO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 921) to require the Secretary of the Interior to conduct a study to determine the appropriate minimum altitude for aircraft flying over national park system units with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

SECTION 1. STUDY OF PARK OVERFLIGHTS.

(a) STUDY BY PARK SERVICE.—The Secretary of the Interior (hereinafter referred to as the "Secretary"), acting through the Director of the National Park Service, shall conduct a study to determine the proper minimum altitude which should be maintained by aircraft when flying over units of the National Park System. The Secretary of Transportation, acting through the Administrator of the Federal Aviation Administration (hereinafter referred to as the "Administrator"), shall provide technical assistance to the Secretary in carrying out the study.

(b) GENERAL REQUIREMENTS OF STUDY.—The study shall identify any problems associated with overflight by aircraft of units of the National Park System and shall provide information regarding the types of overflight which may be impacting on park unit resources. The study shall distinguish between the impacts caused by sightseeing aircraft, military aircraft, commercial aviation, general aviation, and other forms of aircraft which affect such units. The study shall identify those park system units, and portions thereof, in which the most serious adverse impacts from aircraft overflights exist.

(c) SPECIFIC REQUIREMENTS.—The study under this section shall include research at the following units of the National Park System: Cumberland Island National Seashore, Yosemite National Park, Hawaii Volcanoes National Park, Haleakala National Park, Glacier National Park, and Mount Rushmore National Memorial, and at no less than four additional units of the National Park System, excluding all National Park System units in the State of Alaska. The research at each such unit shall provide information and an evaluation regarding each of the following:

(1) the impacts of aircraft noise on the safety of the park system users, including hikers, rock-climbers, and boaters;

(2) the impairment of visitor enjoyment associated with flights over such units of the National Park System;

(3) other injurious effects of overflights on the natural, historical, and cultural resources for which such units were established; and

(4) the values associated with aircraft flights over such units of the National Park System in terms of visitor enjoyment, the protection of persons or property, search and rescue operations and firefighting.

Such research shall evaluate the impact of overflights by both fixed-wing aircraft and helicopters. The research shall include an evaluation of the differences in noise levels within such units of the National Park System which are associated with flight by commonly used aircraft at different altitudes. The research shall apply only to overflights and shall not apply to landing fields within, or adjacent to, such units.

(d) REPORT TO CONGRESS.—The Secretary shall submit a report to the Congress within 3 years after the enactment of this Act containing the results of the study carried out under this section. Such report shall also contain recommendations for legislative and regulatory action which could be taken regarding the information gathered pursuant to paragraphs (1) through (4) of subsection (c). Before submission to the Congress, the Secretary shall provide a draft of the report and recommendations to the Administrator for review. The Administrator shall review such report and recommendations and notify the Secretary of any adverse effects which the implementation of such recommendations would have on the safety of aircraft operations. The Administrator shall consult with the Secretary to resolve issues relating to such adverse effects. The final report shall include a finding by the Administrator that implementation of the recommendations of the Secretary will not have adverse effects on the safety of aircraft operations, or if the Administrator is unable to make such finding, a statement by the Administrator of the reasons he believes the Secretary's recommendations will have an adverse effect on the safety of aircraft operations.

(e) FAA REVIEW OF RULES.—The Administrator shall review current rules and regulations pertaining to flights of aircraft over units of the National Park System at which research is conducted under subsection (c) and over any other such units at which such a review is determined necessary by the Administrator or is requested by the Secretary. In the review under this subsection, the Administrator shall determine whether changes are needed in such rules and regulations on the basis of aviation safety. Not later than 180 days after the identification of the units of the National Park System for which research is to be conducted under subsection (c), the Administrator shall submit a report to Congress containing the results of the review along with recommendations for legislative and regulatory action which are needed to implement any such changes.

(f) AUTHORIZATION.—There are authorized to be appropriated such sums as may be necessary to carry out the studies and review under this section.

SEC. 2. FLIGHTS OVER YOSEMITE AND HALEAKALA DURING STUDY AND REVIEW.

(a) YOSEMITE NATIONAL PARK.—During the study and review periods provided in subsection (c), it shall be unlawful for any fixed wing aircraft or helicopter flying under visual flight rules to fly at an altitude of less than 2,000 feet over the surface of Yosemite National Park. For purposes of this subsection, the term "surface" refers to the highest terrain within the park which is within 2,000 feet laterally of the route of flight and with respect to Yosemite Valley such term refers to the upper-most rim of the valley.

(b) HALEAKALA NATIONAL PARK.—During the study and review periods provided in subsection (c), it shall be unlawful for any fixed

wing aircraft or helicopter flying under visual flight rules to fly at an altitude below 9,500 feet above mean sea level over the surface of any of the following areas in Haleakala National Park: Haleakala Crater, Crater Cabins, the Scientific Research Reserve, Halemauu Trail, Kaupo Gap Trail, or any designated tourist viewpoint.

(c) Study and Review Periods.—For purposes of subsections (a) and (b), the study period shall be the period of the time after the date of enactment of this Act and prior to the submission of the report under section 1. The review period shall comprise a 2-year period for Congressional review after the submission of the report to Congress.

(d) Exceptions.—The prohibitions contained in subsections (a) and (b) shall not apply to any of the following:

(1) emergency situations involving the protection of persons or property, including aircraft;

(2) search and rescue operations;

(3) flights for purposes of firefighting or for required administrative purposes; and

(4) compliance with instructions of an air traffic controller.

(e) Enforcement.—For purposes of enforcement, the prohibitions contained in subsection (a) and (b) shall be treated as requirements established pursuant to section 307 of the Federal Aviation Act of 1958. To provide information to pilots regarding the restrictions established under this Act, the Administrator shall provide public notice of such restrictions in appropriate Federal Aviation Administration publications as soon as practicable after the enactment of this Act.

SEC. 3. GRAND CANYON NATIONAL PARK.

(a) Noise associated with aircraft overflights at the Grand Canyon National Park is causing a significant adverse effect on the natural quiet and experience of the park and current aircraft operations at the Grand Canyon National Park have raised serious concerns regarding public safety, including concerns regarding the safety of park users.

(b) Recommendations.—

(1) Submission.—Within 30 days after the enactment of this Act, the Secretary shall submit to the Administrator recommendations regarding actions necessary for the protection of resources in the Grand Canyon from adverse impacts associated with aircraft overflights. The recommendations shall provide for substantial restoration of the natural quiet and experience of the park and protection of public health and safety from adverse effects associated with aircraft overflight. Except as provided in subsection (c), the recommendations shall contain provisions prohibiting the flight of aircraft below the rim of the Canyon, and shall designate flight free zones. Such zones shall be flight free except for purposes of administration and for emergency operations, including those required for the transportation of persons and supplies to and from Supai Village and the lands of the Havasupai Indian Tribe of Arizona. The Administrator, after consultation with the Secretary, shall define the rim of the Canyon in a manner consistent with the purposes of this paragraph.

(2) Implementation.—Not later than 90 days after receipt of the recommendations under paragraph (1) and after notice and opportunity for hearing, the Administrator shall prepare and issue a final plan for the management of air traffic in the air space above the Grand Canyon. The plan shall, by appropriate regulation, implement the recommendations of the Secretary without change unless the Administrator determines that implementing the recommendations would adversely affect aviation safety. If the Administrator determines that implementing the recommendations would adversely affect aviation safety, he shall, not later than 60 days after making such determination, in consultation with the Secretary and after notice and opportunity for hearing, review the recommendations consistent with the requirements of paragraph (1) to eliminate the adverse effects on aviation safety and issue regulations implementing the revised recommendations in the plan. In addition to the Administrator's authority to implement such regulations under the Federal Aviation Act of 1958, the Secretary may enforce the appropriate requirements of the plan under such rules and regulations applicable to the units of the National Park System as he deems appropriate.

(3) Report.—Within 2 years after the effective date of the plan required by subsection (b)(2), the Secretary shall submit to the Congress a report discussing—

(A) whether the plan has succeeded in substantially restoring the natural quiet in the park; and

(B) such other matters, including possible revisions in the plan, as may be of interest. The report shall include comments by the Administrator regarding the effect of the plan's implementation on aircraft safety.

(c) Helicopter Flights of River Runners.—Subsection (b) shall not prohibit the flight of helicopters

(1) which fly a direct route between a point on the north rim outside of the Grand Canyon National Park and locations on the Hualapai Indian Reservation (as designated by the Tribe); and

(2) whose sole purpose is transporting individuals to or from boat trips on the Colorado River and any guide of such a trip.

Sec. 4. The Administrator shall conduct surveillance of aircraft flights over the Boundary Waters Canoe Area Wilderness as authorized by the Act of October 21, 1978 (92 Stat. 1649-1659) for a period of not less than 180 days beginning within 60 days of enactment of this Act. In addition to any actions the Administrator may take as a result of such surveillance, he shall provide a report to the Committee on Interior and Insular Affairs and the Committee on Public Works and Transportation of the United States House of Representatives and to the Committee on Energy and Natural Resources and the Committee on Commerce, Science, and Transportation of the United States Senate. Such report is to be submitted within 30 days of completion of the surveillance activities. Such report shall include but not necessarily be limited to information on the type and frequency of aircraft using the airspace over the Boundary Waters Canoe Area Wilderness.

SEC. 5. ASSESSMENT OF NATIONAL FOREST SYSTEM WILDERNESS OVERFLIGHTS.

(a) Assessment by Forest Service.—The Chief of the Forest Service (hereinafter referred to as the "Chief") shall conduct an assessment to determine what, if any, adverse impacts to wilderness resources are associated with overflights of National Forest System wilderness areas. The Administrator of the Federal Aviation Administration shall provide technical assistance to the Chief in carrying out the assessment. Such assessment shall apply only to overflight of wilderness areas and shall not apply to aircraft flights or landings adjacent to National Forest System wilderness units. The assessment shall not apply to any National Forest System wilderness units in the State of Alaska.

(b) Report to Congress.—The Chief shall submit a report to Congress within 2 years after enactment of this Act containing the results of the assessments carried out under this section.

(c) Authorization.—Effective October 1, 1987, there are authorized to be appropriated under sums as may be necessary to carry out the assessment under this section.

SEC. 6. CONSULTATION WITH FEDERAL AGENCIES.

In conducting the study and the assessment required by this Act, the Secretary of the Interior and the Chief of the Forest Service shall consult with other Federal agencies that are engaged in an analysis of the impacts of aircraft overflights over federally-owned land.

Mr. VENTO (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Minnesota?

Mr. RHODES. Mr. Speaker, reserving the right to object, will the gentleman explain the amendment?

Mr. VENTO. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I am glad to yield to the gentleman from Minnesota [Mr. Vento].

Mr. VENTO. I thank the gentleman for yielding.

Mr. Speaker, the House passed H.R. 921 by voice vote on May 4, 1987, and I am very pleased that the Senate has acted so expeditiously to complete action on this important legislation.

Mr. Speaker, several Members of the House deserve great credit for their perseverance, and hard work over the last several years on this bill. Tony Coelho, who introduced H.R. 921 and a similar bill in the 99th Congress; the honored chairman of the Interior Committee, Mo Udall, whose special interest in the Grand Canyon has shaped that precedent-setting language in this measure to help protect that great national park; Norm Mineta whose help was essential to the passage of the bill and Danny Akaka who worked to gain protection for national parts in Hawaii, are to be commended for their efforts in crafting this legislation.

The Senate amendments are acceptable to me and I urge adoption of H.R. 921.

I thank the gentleman for yielding and for allowing me to explain the bill.

Mr. MINETA. Mr. Speaker, will the gentleman yield?

Mr. RHODES. Further reserving the right to object, Mr. Speaker, I yield to the gentleman from California.

Mr. MINETA. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of passage of H.R. 921 with the Senate amendments. This is an important piece of legislation that accomplishes two broad objectives with respect to aircraft overflights of national parks. First, it authorizes comprehensive studies of the problems associated with aircraft overflights. Second, it requires regulation of overflights over three national parks, Grand Canyon, Yosemite, and Halenkala, where the problems are already understood.

With this legislation, the quite so essential to the enjoyment of our national parks will be restored. It is important to note that the bill very carefully delineates the responsibilities of the Government agencies involved, particularly the Federal Aviation Administration's role as regulator and manager of the Nation's airspace.

I want to commend our colleagues from the Committee on Interior and Insular Affairs for their fine work and diligence on this legislation, the gentleman from California [Mr. Coelho] for his authorship and leadership, and for the cooperation they have afforded me and the Committee on Public Works and Transportation in crafting a good, workable piece of legislation.

The Senate amendments to the House-passed bill are minor and mostly clarifying in nature and represent improvements. The House should accept them, and send this legislation to the President.

Again, Mr. Speaker, I urge the House to pass this important legislation.

Mr. RHODES. Mr. Speaker, I thank the gentleman for his statement.

Mr. COELHO. Mr. Speaker, will the gentleman yield?

Mr. RHODES. Further reserving the right to object, I yield to the gentleman from California.

Mr. COELHO. I thank the gentleman for yielding.

Mr. Speaker, 2 years ago this fall we began the process that has led to the final consideration of this bill today. During an oversight hearing at Yosemite National Park in October 1985, it was brought to my attention that the serenity of Yosemite was being destroyed by noise from overflights of the park.

It was not the first time I had heard this complaint. Over 3 years ago I worked to get an agreement between the Park Service and the Federal Aviation Administration to advise pilots that they should remain at least 2,000 feet above the surface of our parks. However, my constituents pointed out to me at the Yosemite hearing that the FAA advisory was not working.

It became apparent that a complete FAA policy on regulating flights over the national parks would be impossible without a study of the problem. I introduced H.R. 921 so we could look at the places where the overflights are taking place. I also was concerned about doing something to address the complaints being heard in Yosemite and other parks.

As a result, during the study period we will restrict flights over Yosemite by mandating that planes and helicopters stay at least 2,000 feet above the surface of the park. Restrictions are also placed on one of Hawaii's national parks and the Grand Canyon.

The House originally passed H.R. 921 in early May. The Senate made some minor changes to the bill and I am pleased to support these changes today.

I want to say a few words about the steps we have taken to restore the peace and quiet of the Grand Canyon. There is no argument that this magnificent park has the worst overflights problem. Since 1975 we have been studying their particular situation, but we have done nothing to address it. H.R. 921 at last provides a comprehensive scheme for regulating air traffic over the canyon.

It is sad that it took a tragic accident last year to show everyone how crowded the skies were over this park. Today we are taking a giant step forward to insure that the canyon will remain a national treasure and a safe place to visit.

I want to express my appreciation to Mr. Udall, Mr. Vento, and Mr. Mineta for their strong support for this legislation. It would not have been possible without their leadership and active role in drafting the language of the bill.

I also want to acknowledge the assistance and cooperation of the staff director of the National Parks Subcommittee, Dale Crane. He has put in many hours on this bill and helped insure its smooth passage through the committee and through both Houses of Congress.

Mr. Speaker, I urge my colleagues to offer their strong support for H.R. 921 so we can send a clear message that we are serious about protecting and preserving our national parks.

Mr. RHODES. I thank the gentleman for his comments.

Mr. Speaker, further reserving the right to object, I agree with the gentleman 100 percent. This bill in its revised version I think personally is better than when it left this House. I think it is an extremely important bill not only for the State of Arizona, but for all citizens of this country and other countries who visit this national treasure, our Grand Canyon.

I also want to express my appreciation to my colleagues from Arizona in the other body, Senator McCain and Senator DeConcini, for their excellent work on this bill. It is an excellent bill.

Mr. Speaker, I rise in strong support of the version of H.R. 921 before us today. As you know, this bill would require the Secretary of the Interior to conduct a study to determine the appropriate minimum altitude for aircraft flights over national park system units. This bill was passed by the House on May 4 and was recently approved by the Senate.

During Senate consideration of H.R. 921, several amendments were adopted. They include requiring the Federal Aviation Administration [FAA] to define the rim of the Grand Canyon, requiring the Secretary of Agriculture to assess the impacts of aircraft flights over national forest wilderness areas, expanding the exemption of units from the overflights study to include all Alaska National Park Service units and clarifying that the FAA is the primary authority for the regulation of airspace over the Grand Canyon. I believe these amendments improve and strengthen H.R. 921.

Mr. Speaker, aircraft overflights of our Nation's national parks is a difficult issue which deserves serious attention and consideration. The study mandated by H.R. 921 will provide Congress with the information needed to determine appropriate future action on this issue. Therefore, I urge my colleagues to approve this legislation as amended.

Mr. UDALL. Mr. Speaker, I am very pleased to bring before the House today final legislation addressing aircraft overflights of our national parks. I and many members of both the Interior Committee and the Committee on Public Works have worked long and hard on it and we have had exceptional bipartisan support for this important effort.

Although this is primarily a bill to study the aircraft overflight problem at some parks, the bill includes specific direction for action to be taken at Grand Canyon National Park. There, the problem has become acute. Furthermore, the actions, or better put, the inactions of the Interior Department and the Federal Aviation Administration to do anything meaningful to protect the park and the public have forced the Congress to step in and require them to effect a plan.

The measure that has come back to us is not much different from the measure overwhelmingly approved by the House on two occasions. It does clarify language insuring that the FAA is the agency with final authority over the control of airspace. This had been the position of the House bill all along, but the amended bill charts the same course with different language.

The bill before us also preserves the very vital role of the Park Service in developing a plan that protects the interests of Grand Canyon National Park.

There is one matter in the bill before us that I would like to clarify, however. Section 3(b)(1) requires, among other things, that the plan for Grand Canyon ban flights below the rim and establish flight free zones. The section also exempts necessary administrative and emergency flights from the below-the-rim ban and the flight free zones. The language is written in such a way that it might be construed to mean that these flights are exempted from the flight free zones only, and not the below-the-rim ban. I want to make it absolutely clear that it is now and always has been our intention to exempt necessary administrative and emergency flights from both proscriptions.

Mr. Speaker, I believe the other body has done a commendable job of preserving the thrust and meaning of the House bill while incorporating some improvements and I urge my colleagues to support it.

Mr. HOWARD. Mr. Speaker, I rise in support of H.R. 921, a bill to authorize a comprehensive study of the impact of aircraft overflights over our national parks. The bill further directs regulations at those national parks where the problem of overflights has been demonstrated.

The Senate amendments are acceptable to the Committee on Public Works and Transportation, and I believe we should move forward and send this legislation to the President for signature.

I commend our colleagues on the Committee on Interior and Insular Affairs with which the Committee on Public Works and Transportation shares jurisdiction on this matter. Their work and cooperation is very much appreciated and I thank them.

Again, I urge passage of H.R. 921.

Mr. RHODES. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. HAYES of Illinois). Is there objection to the request of the gentleman from Minnesota?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 921, which we have just considered, and on H.R. 318, which was considered previously.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

APPEAL RIGHTS FOR CERTAIN EMPLOYEES OF THE POSTAL SERVICE

Mr. McCLOSKEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 348) to amend title 39, United States Code, to extend to certain officers and employees of the U.S. Postal Service the same procedural and appeal rights with respect to certain adverse personnel actions as are afforded under title 5, United States Code, to Federal employees in the competitive service, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

That (a) section 1005(a) of title 39, United States Code, is amended by adding at the end thereof the following:

"(4)(A) Subchapter II of chapter 75 of title 5 shall apply—

"(i) to any preference eligible in the Postal Service who is an employee within the meaning of section 7511(a)(1)(B) of such title; and

"(ii) to any other individual who—

"(I) is in the position of a supervisor or a management employee in the Postal Service, or is an employee of the Postal Service engaged in personnel work in other than a purely nonconfidential clerical capacity; and

"(II) has completed 1 year of current continuous service in the same or similar positions.

"(B)(i) The second sentence of paragraph (2) of this subsection applies with respect to the provisions of subparagraph (A) of this paragraph, to the extent that such provisions relate to preference eligibles.

"(ii) The provisions of subparagraph (A) of this paragraph shall not, to the extent that such provisions relate to an individual under clause (ii) of such subparagraph, be modified by any program developed under section 1004 of this title.".

(b)(1) The amendment made by subsection (a) shall be effective after the expiration of the 30-day period beginning on the date of the enactment of this Act.

(2) An action which is commenced under section 1005(a)(1)(B) of title 39, United States Code, before the effective date of the amendment made by subsection (a) shall not abate by reason of the enactment of this Act. Determinations with respect to any such action shall be made as if this Act had not been enacted.

Mr. McCLOSKEY [during the reading]. Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Indiana?

Mr. TAYLOR. Mr. Speaker, reserving the right to object, I will not object but rather will address the merits of H.R. 348 and state for the record that this bill has the full support of the minority.

Appeal rights for postmasters and postal supervisors have been a long time in coming. Similar legislation passed the House in the 99th Congress, only to be held up in the other body in the waning days of the session. As such, I am pleased at the bill's steady progress in this Congress.

Some may ask why this bill is necessary, citing the system already in place to address adverse actions. The Post Office and Civil Service Committee has studied this issue at length and has come to the conclusion that an impartial body, such as the Merit Systems Protection Board, offers the best forum for the resolution of adverse action cases.

Mr. Speaker, this bill is a step forward in Postal Service employee policy. I urge my colleagues to support it.

Mr. McCLOSKEY. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR. Further reserving the right to object, I yield to the gentleman from Indiana.

Mr. McCLOSKEY. I thank the gentleman for yielding.

Mr. Speaker, I rise to urge approval of H.R. 348, a bill originally passed by the House in March and amended by the Senate which allows nonveteran managerial and supervisory employees of the U.S. Postal Service access to an impartial review of adverse personnel actions.

The measure before us today has an extensive legislative history as it has been twice considered and passed by the House. In the 99th Congress we passed H.R. 2854, a bill which is essentially the same as the one presently under consideration. A similar measure was also reported from the Senate Governmental Affairs Committee but failed to reach the Senate floor before adjournment.

At the beginning of this Congress, the Postal Employee Appeal Rights bill was again introduced by Congressman MERVYN DYMALLY. Although H.R. 348 is similar to the measure previously passed by the House, language was included to accommodate the Postal Service and the Senate. This provision would permit the Postal Service to seek, through the Office of Personnel Management, judicial review of certain Merit Systems Protection Board decisions which have a precedent-setting impact on postal personnel policy. H.R. 348 received bipartisan support from the members of the Post Office and Civil Service Committee and was passed by the House on March 3 under the suspension calendar.

Because of a pending court case, however, the Senate Governmental Affairs Committee found the above clarifying provision unnecessary and amended H.R. 348 by striking the above provision. The amended version of the bill was passed by the Senate on July 28 and returned to the House for further consideration.

Mr. Speaker, I concur with the action taken by the other body and urge the Members of House to support passage of H.R. 348, as amended.

Ms. OAKAR. Mr. Speaker, will the gentleman yield to me?

Mr. TAYLOR. I yield to the gentlewoman from Ohio.

Ms. OAKAR. I thank the gentleman for yielding.

Mr. Speaker, I certainly want to compliment my friend from Indiana [Mr. McCLOSKEY] as well as Members of the minority for this bill. I do not know if Members realize what a significant bill that is in assuring rights for

Government workers but it really is, and I just wanted to compliment my friend from Indiana and those who have worked so hard on this bill.

Mr. TAYLOR. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Indiana?

There was no objection.

A motion to reconsider was laid on the table.

JOHN E. GROTBERG POST OFFICE BUILDING

Mr. McCLOSKEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 1403) to designate the U.S. Post Office Building located in St. Charles, IL, as the "John E. Grotberg Post Office Building," with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, after line 9, insert:

CLARIFICATION RELATING TO CONSIDERATION OF PRE-1987 SERVICE AS AN AIR TRAFFIC CONTROLLER FOR RETIREMENT PURPOSES

Sec. 2. (a) For purposes of subchapter III of chapter 83 of title 5, United States Code, and chapter 84 of such title—

(1) service as an air traffic controller shall, with respect to any annuity which is based on a separation from service, or death, occurring on or after January 1, 1987, include any service as an air traffic controller whether performed before, on, or after January 1, 1987; and

(2) the Office of Personnel Management shall accept the certification of the Secretary, or the designee of the Secretary, in determining the amount of any service performed by an individual as an air traffic controller.

(b) For purposes of this section—

(1) the term "air traffic controller" has the meaning given such term by section 2109(1) of title 5, United States Code, as amended by section 207(b) of the Federal Employees' Retirement System Act of 1986 (Public Law 99-335; 100 Stat. 594); and

(2) the term "Secretary" has the meaning given such term by section 2109(2) of title 5, United States Code.

Mr. McCLOSKEY (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Indiana?

Mr. TAYLOR. Mr. Speaker, reserving the right to object, and I will not object, H.R. 1403 honors our friend and former colleague, from Illinois, John Grotberg, whose career and service to this country was cut short by his untimely death. It was an honor to serve in this body with him and it is in his memory that we dedicate and rename this post office.

In addition, this bill contains technical amendments to the Federal Employees' Retirement System and Civil Service Retirement System which clarify congressional intent with regards to pre-1987 service for certain classes of air traffic controllers. Due to an administrative interpretation of the law, only post-January 1, 1987, service was creditable as air traffic controller service for these special classes of air traffic controllers. This provision clarifies congressional intent by specifying that service performed before, on or after January 1, 1987, is creditable as air traffic controller service.

This provision corrects an administrative interpretation which caused substantial hardship for many air traffic controllers who had retired since the beginning of the year. Believing they were entitled to retirement, many of these former employees sold their homes and relocated to other parts of the country. Through enactment of these provisions, these former employees may once again rest assured of their retirement benefits.

Mr. McCLOSKEY. Mr. Speaker, will the gentleman yield to me?

Mr. TAYLOR. Further reserving the right to object, I yield to the gentleman from Indiana for an explanation.

Mr. McCLOSKEY. I thank the gentleman for yielding.

Mr. Speaker, the Senate amendment to H.R. 1403 would correct a very serious problem affecting more than 100 employees of the Federal Aviation Administration who are employed as flight service station specialists.

The purpose of the Senate amendment is to clarify congressional intent with respect to section 207 of the Federal Employees' Retirement System Act of 1986.

Section 207 amended the definition of "air traffic controller" contained in section 2109 of title 5, United States Code, to include service as a flight service station specialist. It was the intention of the House and Senate conferees that such amendment would apply to all service as a flight service station specialist, whether performed before, on, or after January 1, 1987, the effective date of the new Federal employees' retirement system.

The Office of Personnel Management, however, interpreted the amendment to apply only to service performed on or after January 1, 1987. Thus, flight service station service performed before January 1, 1987, would not qualify as air traffic controller service for purposes of the 20-year retirement eligibility provision or the minimum 50-percent annuity benefit.

Unfortunately, as a result of an administrative misunderstanding, over 100 FAA employees were allowed to retire based on the presumption that flight service station specialist service performed before January 1, 1987, was fully creditable as "air traffic controller" service. About two-thirds of these employees currently are receiving retirement benefits which will soon be terminated in the absence of corrective legislation.

The remaining one-third of the separated employees have been denied retirement benefits, thus leaving them with no source of income.

The Senate amendment, in conformance with the original intent of Congress, will rectify this unfortunate situation.

□ 1655

Mr. HASTERT. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR. I yield to the gentleman from Illinois.

Mr. HASTERT. Mr. Speaker, I appreciate the gentleman from Missouri yielding to me to say a few short words about my predecessor, John Grotberg.

Shortly upon arriving as a new Member of Congress this past January, I introduced H.R. 1403 to serve as an enduring tribute to a man who served so honorably during his short career in Congress. During the last 7 months, as this legislation has progressed through both bodies of Congress, many, many of John's colleagues have spoken of the contributions he made to this body, and perhaps more importantly, to the citizens of Illinois who he so deeply cared about.

I am very pleased that final passage of this bill will take place in the same Chamber of Congress in which John served. I know that all Members of this body who served with John share the gratification of knowing that their former colleague will be remembered in this manner. The John E. Grotberg Post Office Building in his hometown of St. Charles will serve as a reminder of John's commitment to public service. But to those who knew John Grotberg, and there were many, it will mean much, much more.

I would like to extend my sincere appreciation to the distinguished chairman of the Post Office and Civil Service Committee, Mr. Ford, and the ranking minority member, Mr. Taylor, for their hard work and expedient handling of this bill honoring one of their former colleagues.

Mr. TAYLOR. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. Hayes of Illinois). Is there objection to the initial request of the gentleman from Indiana?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. McCLOSKEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate amendment just considered and adopted.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

EXPRESSING SENSE OF THE HOUSE ON FUTURE UNITED STATES ASSISTANCE TO PAKISTAN

Mr. LEVINE of California. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from further consideration of the resolution (H. Res. 239) expressing the sense of the House of Representatives on future United States assistance to Pakistan, and ask for its immediate consideration in the House.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. LEACH of Iowa. Mr. Speaker, reserving the right to object, I would take this opportunity to ask for an explanation from the gentleman from California [Mr. LEVINE].

Mr. LEVINE of California. Mr. Speaker, will the gentleman yield?

Mr. LEACH of Iowa. I yield to the gentleman from California.

(Mr. LEVINE of California asked and was given permission to revise and extend his remarks.)

Mr. LEVINE of California. Mr. Speaker, this bipartisan sense-of-Congress resolution expresses Congress' concern about Pakistan's continuing pursuit of a nuclear weapons capability, and our support for the administration's efforts to get Pakistan to comply with its past assurances regarding the nature of its nuclear program. The resolution was prompted by two events—the recent indictment of a Pakistani national on charges of trying to illegally export nuclear technology to Pakistan, and the administration's ongoing discussions with Pakistan about the future of our relationship in the wake of this incident.

This process of reviewing and reevaluating our relationship in a painful one for both Pakistan and the United States. In view of the close relations we have established with Pakistan over the past few years, it is truly unfortunate that events require such a review. But Pakistan has placed the United States in a very difficult position.

Six years ago, when we enacted the first portion of the multibillion-dollar aid package for Pakistan which runs out this September, we asked two things of them in return.

We asked for their help in supporting the Afghan resistance, which they have generously given. We also asked them not to develop a nuclear weapons program. They said they had no such intentions. All the same, already-existing evidence of a Pakistani effort to acquire a nuclear weapons capability forced us to give Pakistan a waiver from United States law, which bars United States assistance to any nation which attempts to acquire weapon-making capabilities.

Unfortunately, over the past 6 years, abundant evidence has accumulated that Pakistan has continued active efforts to acquire a weapons capability. In 1984, a Pakistani national was caught trying to smuggle parts for atomic weapons out of the United States. Later that year, General Zia gave President Reagan a pledge not to **enrich uranium above peaceful use-levels, a pledge proven false within the year.**

Then 2 weeks ago, another Pakistani native was indicted for trying to export specialized materials with nuclear weapons applications to Pakistan. Before his arrest, he acknowledged to an undercover Customs Service officer that the material was intended for use in Pakistan's nuclear program. All available evidence points to the conclusion that Pakistan has yet again broken its promises, and yet again engaged in criminal activity in the United States to further its nuclear ambitions.

Additionally disturbing is the fact that this has transpired even as Congress is considering a new multibillion-dollar aid package for Pakistan.

These arrogant violations of our laws and trust demand a firm response from the United States. If our longstanding policy of support for nuclear nonproliferation is to retain any credibility, we must not give in to the kinds of hollow promises which we have seen broken by Pakistan over and over in the past.

It is reassuring to see that the administration appears to share some of these concerns. Administration statements to the press earlier this month indicated that the administration has told Pakistan that "actions, not words, are needed to deal with the crisis of confidence caused by the arrest." I hope that this expression of congressional support for a firm stance toward Pakistan reinforces the administration's resolve to ask for some kind of concrete, verifiable efforts by Pakistan to comply with its past assurances about its nuclear program.

Even as we speak, Under Secretary of State Michael Armacost is in Islamabad expressing our concerns about these developments to the Government of Pakistan. We can give his efforts a boost by supporting this resolution, expressing Congress' support for the administration in these delicate discussions. I urge my colleagues to give this bipartisan effort their strong support.

Mr. LEACH of Iowa. Mr. Speaker, further reserving the right to object, I rise in strong support of this resolution declaring the strong support of this body for the President in his efforts to obtain Pakistan's compliance with its nuclear-related commitments. In urging the President to put Pakistan on notice that its "verifiable compliance" with these commitments is vital to further United States military aid, the resolution calls on the President to pursue "vigorously" an agreement between India and Pakistan to jointly accede to the Nonproliferation Treaty and to take other steps to prevent any nuclear arms race on the subcontinent.

This resolution sends an important and timely signal to Pakistan as Under Secretary of State for Political Affairs Armacost's visit to Pakistan draws to a close. It strongly underscores the efforts of the administration in seeking to further strengthen United States nonproliferation objectives in our relations with Pakistan.

The Subcommittee on Asian and Pacific Affairs, held hearings on July 22, at which time Assistant Secretary of State for Near Eastern and South Asian Affairs Richard W. Murphy testified that Pakistan is on the threshold of possessing nuclear weapons. He also testified that the administration has undertaken an intense dialog with Pakistani authorities with the objective of obtaining "concrete evidence of Pakistani nuclear restraint."

The recent arrest and indictment of Arshad Pervez on grounds of attempting to illegally export nuclear related materials to Pakistan has created a new climate of urgency on this issue. All the evidence in the case is not yet in and the administration has stated that it is "not in a position at this time to make any conclusive judgments." Assistant Secretary Murphy indicated at our hearing, however, that Pakistani authorities have denied any connection to this case and have offered to cooperate with the United States and to take action against any individuals violating Pakistani policy or law.

These recent developments cast an unfortunate shadow on past assurances by the Pakistani Government that it will not undertake illegal procurement activities here in this country and statements by Pakistan that it has no desire to develop nuclear weapons. It would appear that those assurances and statements are no longer sufficiently convincing in and of themselves for many Americans.

For that reason, I wholeheartedly support the position of the administration, as outlined at our recent hearings, that Pakistani assurances at this point "must be backed up by tangible evidence that their actions are in line with stated policy."

I also want to draw special attention to the third paragraph of the resolution which puts the nuclear issue in a broader and more balanced context. Agreement by both India as well as Pakistan to nuclear safeguards and inspection of nuclear installations could go far in assuring the stability and security of the subcontinent.

Before concluding, Mr. Speaker, I want to take the opportunity to commend the administration for the impressive Federal law enforcement operation which it undertook in the recent Pervez case in upholding U.S. law and nonproliferation policy objectives. Private sector American businessmen also deserve a special word of commendation for their exemplary action in this case. In putting the national interest above the profit motive, an American company in this instance didn't simply cooperate with Federal authorities but in fact precipitated the investigation that led to the above mentioned arrest and indictment.

Finally, let me emphasize that the resolution before us today seeks to strengthen rather than undercut the hand of the President in dealing with this difficult issue. I urge my colleagues to join in unanimous endorsement of its provisions.

Mr. Speaker, let me just conclude by expressing my support for the leadership of the gentleman from California [Mr. LEVINE], as well as the gentleman from Michigan [Mr. WOLPE] and, of course, the distinguished gentleman from New York [Mr. SOLARZ] and the committee chairman, the gentleman from Florida [Mr. FASCELL].

Mr. GEKAS. Mr. Speaker, will the gentleman yield?

Mr. LEACH of Iowa. Further reserving the right to object, I yield to the gentleman from Pennsylvania.

Mr. GEKAS. Mr. Speaker, is there a reason for us to believe that there is a cooperative posture being formed between India and Pakistan on which this resolution and what its intent is would be built? This is the first I have heard of any evidence of this, through the statements that have just been elicited as to the interest. Of course, we have an interest in it, but is there reason to believe that India and Pakistan can cooperatively work on these nonproliferation agreements?

Mr. LEACH of Iowa. Mr. Speaker with regard to the State of Pakistan, there is a commitment at least in public policy of the Pakistani government to accept the nonproliferation treaty once India has signed. With regard to India, there is not a tied position at this point in time, but certainly the government of Mr. Gandhi has taken the lead on certain arms control issues, and I think with the cooperation of the United States and Western Europe and perhaps other parties, there is a semblance of hope that we can see a new direction, both with regard to issues like the nonproliferation treaty and also the comprehensive test ban, but this resolution by no means guarantees such achievements will be made. It simply represents an effort to suggest that we ought to lead, and we hope the people on the Indian Subcontinent will listen.

Mr. LEACH of Iowa. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. GEKAS. Mr. Speaker, reserving the right to object, I will not object, of course, but I do feel that we must make statements of this genre to make certain that the entire world recognizes the delicate position of Pakistan and the Middle East where most of the things are occurring with respect to Afghanistan and India, and that it is the proper theme of the United States Government to voice its concerns, as this resolution will do.

Mr. LEACH of Iowa. Mr. Speaker, I thank the gentleman for his comments.

Mr. LEVINE of California. Mr. Speaker, will the gentleman yield?

Mr. GEKAS. I yield to the gentleman from California.

Mr. LEVINE of California. Mr. Speaker, I thank both the gentleman from Pennsylvania and the gentleman from Iowa for their comments and for their thoughtfulness in regard to pointing out the sensitivities and the complexities of this issue.

I would say to the gentleman from Pennsylvania that I think he is on the right track and he does pinpoint some important complexities with regard to an issue of this significance and some competing considerations that obviously are in place.

I would say to the gentleman from Iowa that I deeply appreciate his leadership on this issue and on so many other issues that affect our Nation's role in the world. The role that he had placed on the Foreign Affairs Committee has always been a very constructive role. He correctly points out that the language in subsection 3 of the resolve clause which talks about the linkage between India and Pakistan is language which was not included in the Resolution of the Foreign Affairs Committee which was passed last week. It was added by unanimous consent in the other body. It is important language, and it is language which helps to underscore the difficulty of the ultimate resolution of this issue.

We are dealing here with an issue which has many facets, and nobody should be under any illusions about the ease with which this issue can be solved. Six years ago, when the United States enacted the first portion of the multibillion-dollar aid package for Pakistan, which runs out this September, we asked—and I think it is important to underscore this—two things of Pakistan in return. First, we asked for Pakistan's help in supporting the Afghan resistance, which Pakistan has in fact generously given. Pakistan deserves our appreciation and our credit, credit to them for having provided the leadership and provided the support it has given with regard to the importance of providing support to the Afghan resistance.

We also asked Pakistan not to develop a nuclear weapons program. This is a vitally important component, not only of American foreign policy concerns but of the notion of keeping this world as safe as possible under the current condition of nuclear proliferation. At that time Pakistan said it has no such intentions. Nevertheless Pakistan has not responded or complied in an appropriate manner with regard to that assurance that it has given our country, and, unfortunately, evidence continues to develop which indicates that Pakistan has not been meeting with that concern and that promise.

We have Under Secretary of State Michael Armacost in Islamabad this very day negotiating with Pakistani officials, urging the Pakistanis to understand the significance that we as a nation place on this very, very serious issue. It is my hope that, with the other body and this body acting in concert, acting in unison, and hopefully both acting unanimously, the Pakistanis will understand that while on the one hand we are very grateful to them for their support in the Afghan area and we do have every interest and every desire of maintaining the closest possible relations with the government and the people of Pakistan with whom we have so many vital common interests, on the other hand we should not for a moment understimate the significance of the question of nuclear proliferation and in particular the issues pertaining to nuclear proliferation in South Asia, and Pakistan in particular.

Mr. Speaker, I think that this resolution strikes that balance and communicates that message. Hopefully, it will underscore the importance of Mr. Armacost's visit, and hopefully it will strengthen the administration's hand as our administration tries to convey that message to our friends in Pakistan.

So I thank the gentleman from Iowa [Mr. LEACH], I thank the ranking member of the committee, the gentleman from Michigan [Mr. BROOMFIELD], who has lent his name to this resolution as a coauthor, and I appreciate very much the bipartisan manner in which this resolution has been brought to the floor.

Mr. BROOMFIELD. Mr. Speaker, I support this resolution concerning the commitments by Pakistan that it will not conduct a Nuclear Weapons Development Program.

Last Friday, just prior to the trip to Pakistan by Under Secretary of State Michael Armacost, the Committee on Foreign Affairs voted to report a very similar resolution.

The resolution before us will be helpfull to the administration in its efforts to dissuade Pakistan from developing nuclear weapons. It would clearly state the support of the House for these efforts.

We in Congress are especially concerned with reported Pakistan activities in this area. This is because one of the chief reasons for the high level of United States defense assistance to Pakistan is to ensure that Pakistan possesses a strong conventional defense.

Pakistan is of great strategic and political value to the United States. It is on the front line of resistance to Soviet expansionism in Central Asia and has received massive numbers of refugees from the Soviet occupation of Afghanistan.

Pakistan is also an important link for the United States with the Islamic world.

In addition to supporting the administration's efforts, the resolution urges the President to inform Pakistan that its compliance with its commitments not to go nuclear is vital to further United States military assistance. It links these restraints on Pakistan with support for agreements by both Pakistan and India to enter verifiable agreements which would prevent nuclear weapons proliferation in this region.

Mr. Speaker, it is my pleasure today to add my support to this timely measure. I would also like to commend the efforts of my colleague Mr. LEACH, the ranking Republican member of the Subcommittee on Asian and Pacific Affairs, in promoting this resolution and seeing to it that it was carefully drafted.

Mr. LAGOMARSINO. Mr. Speaker, I rise in support of House Resolution 239 which expresses the sense of Congress with regard to Pakistan. As you know, a similar resolution passed the Foreign Affairs Committee unanimously.

I am a strong supporter and friend of Pakistan, but I am very concerned about the recent filing of criminal charges in two cases involving alleged efforts to procure material for Pakistan's nuclear program in violation of United States law. I stress, though, at this time that we are not in any position to make any conclusive judgments. For the time being, we are dealing with allegations and a continuing investigation which still has no conclusion.

Beginning in 1985, the Pakistani Government has provided unequivocal assurances that it would not engage in illegal procurement activities in the United States. In the wake of the arrest of Mr. Pervez, we need a full explanation from the Pakistani Government of what it may know about this matter. Standing firm against nuclear proliferation is of great importance to me, the administration and the American people. Ultimately, I would like to see a firm commitment, such as signing the Nuclear Non-Proliferation Treaty by both India and Pakistan. In the interim, I believe it is important to support the administration's efforts to achieve some restraints in the nuclear area despite India's previous detonation of a "peaceful" nuclear device. I know that Assistant Secretary Armacost was in Pakistan this past weekend and I am confident that he will soon inform Congress on the results of his important diplomatic mission to Islamabad.

I support this resolution because it voices Congress's deep concern about the Pakistan and India nuclear programs, a concern already raised by President Reagan, without jumping to any conclusions. It signals to Pakistan that any refusal to comply with their past commitments seriously jeopardizes any further American military assistance.

While some of my colleagues have been preoccupied with some of the recent allegations against Pakistan, I must emphasize the very important strategic relationship we have with Pakistan. Commanding a geopolitically significant position in southwest Asia, Pakistan has been the bulwark against Soviet expansion in this region. I must remind my colleagues about the very critical role Pakistan plays with regard to Afghanistan. Without a strong and supportive Pakistan, the efforts of the Mujahideen to liberate their country from illegal Soviet occupation would be severely jeopardized.

Already Pakistan, a pro-Western friend, has been a target of Communist and radical Iranian subversion. We must be very careful not to encourage the efforts by Khomeini, the KGB and other agents by sending signals of weakening United States support for Pakistan. Realizing there are over 120,000 front-line Soviet combat troops just across the long Pakistani frontier with Afghanistan and remembering the false assurances of friendship and peace the Soviets gave to the Afghans prior to their brutal invasion, I believe it is in the best interest of our national security to deliver a measured response to the allegations of Pakistani nuclear enrichment. This resolution, Mr. Speaker, does this. It provides the administration with the flexibility it needs in dealing with this delicate situation, registers our deep concerns, and does not jeopardize our important relationship with this strategic ally. I urge my colleagues to join me in fully supporting House Resolution 239.

Mr. WOLPE. Mr. Speaker, as I stand here as a cosponsor of this resolution, I cannot help feeling a sense of deja vu. For years, we have received reports of Pakistan's nuclear weapons program, followed by official denials. Most recently—and most convincingly—there was an interview in January with Pakistan's chief nuclear scientist, A.Q. Kahn, which removed the doubts of virtually all observers about the status and intentions of Pakistan's nuclear program. General Zia later confirmed the impression given by the interview.

Three years ago, General Zia had given President Reagan his personal assurances that Pakistan would not enrich uranium above 5 percent, a sufficient level for peaceful uses. But within a year, conclusive evidence emerged that Pakistan was enriching to 93 percent—the level needed for a nuclear explosive device.

The path to Pakistan's bomb is paved not only with these deceptions, but also with the repeated violation of United States laws. Also in 1984, a Pakistani national was caught trying to smuggle parts for atomic weapons out of the United States. Pakistan's denials of involvement were not supported by the evidence.

Last month a Pakistani national was arrested in Philadelphia on charges of attempting to illegally export materials whose only conceivable use is in Pakistan's nuclear weapons program. The Government of Pakistan's reaction to the arrest was to deny any connection with the incident, characterizing it as a "rogue operation." But State Department testimony at a subsequent hearing, as well as the documents which formed the basis for the indictment in the case, indicate that the Pakistani Government's denial is as groundless as others it has made over the years.

For many Members of Congress, this latest example of deceit by the Pakistani Government is the last straw. Many of us find it particularly galling that Pakistan would attempt to violate American laws prohibiting the export of nuclear technology even as Congress is in the process of drawing up a generous aid package for that country.

This package is even more generous than the current one, under which the United States has sent Pakistan more than $3 billion over the past 6 years. One of the justifications for that package was that Pakistan would be made to feel secure enough so that it would not feel the need to develop nuclear weapons. But each time a new piece of evidence is revealed, showing that Pakistan is in fact developing a nuclear weapons capability, the United States has looked the other way. Each time Pakistan has violated our laws—and those of other countries—we have been willing to overlook Pakistan's deception.

I fully appreciate the critical assistance that our friends in Pakistan have provided to the Mujaheddin in Afghanistan. I want to keep the supply route open to the Afghan freedom fighters, and I want to see the closest possible ties between the United States and Pakistan. However, supporting these goals does not require the United States to sacrifice another critical U.S. national interest—slowing the spread of nuclear weapons.

Our nonproliferation laws were enacted for just this type of situation. In their pursuit of a nuclear weapons capability, Pakistan has violated our laws and our trust. In the past, we have decided against taking a firm stand. If we don't stick to our guns this time, we will have given up our last shred of credibility, not just with Pakistan, but with our nonproliferation policy around the world.

Mr. Speaker, this resolution does not go beyond existing law. It simply calls for Pakistan to live up to its previous commitments, and it expresses the sense of outrage we feel at these latest violations of United States law.

I commend the gentleman from California for the dedication and insight he has brought to this issue. I have enjoyed collaborating with him on this resolution, as I have enjoyed working with him on other nonproliferation issues.

I urge my colleagues to approve this resolution clarifying and reaffirming the U.S. commitment to preventing the spread of nuclear weapons.

Mr. GEKAS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the resolution, as follows:

H. Res. 239

Whereas production of weapon-grade nuclear materials in Pakistan and India constitutes a threat to regional and international security;

Whereas the United States desires to maintain a long-term security partnership with Pakistan;

Whereas the greatest threat to this partnership arises from activities in Pakistan's nuclear program that are viewed as being inconsistent with a purely peaceful program;

Whereas Pakistani choice to eliminate this threat would serve our mutual interests in promoting stability in South Asia and assisting the Afghan people;

Whereas The Government of Pakistan has repeatedly stated that it is not producing weapon-grade nuclear materials and that it would respect United States nuclear export control laws;

Whereas information exists that Pakistan is producing weapon-grade nuclear material;

Whereas in the absence of any other action by the Congress or the President, United States laws require a cessation of assistance in the event of violations of the nuclear export control laws of the United States; and

Whereas further assistance to Pakistan or India in the face of continued violations would undermine United States efforts to contain the spread of nuclear weapons, including United States commitments to the 132 non-nuclear-weapon-states which are parties to the Treaty on the Non-Proliferation of Nuclear Weapons: Now, therefore, be it

Resolved, That the House of Representatives—

(1) strongly supports the President in his forthcoming efforts to gain Pakistan's compliance with its past commitments, including commitments of record, not to produce weapon-grade nuclear materials;

(2) strongly urges the President to inform Pakistan that Pakistan's verifiable compliance with these past commitments is vital to any further United States military assistance; and

(3) urges the President to pursue vigorously an agreement by India and Pakistan to provide for simultaneous accession by India and Pakistan to the Treaty on the Non-Proliferation of Nuclear Weapons, simultaneous acceptance by both countries of complete International Atomic Energy Agency safeguards for all nuclear installations, mutual inspection of one another's nuclear installations, renunciation of nuclear weapons through a joint declaration of the two countries, and the establishment of a nuclear-weapons-free zone in the Asian subcontinent.

GENERAL LEAVE

Mr. LEVINE of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

□ 1710

REPORT FROM CONSTITUTIONAL CONVENTION IN PHILADELPHIA, 1787

The SPEAKER pro tempore (Mr. Hayes of Illinois). Under a previous order of the House, the gentleman from Pennsylvania [Mr. Gekas] is recognized for 5 minutes.

Mr. GEKAS. Mr. Speaker, I am reporting to the House today from the floor of the Constitutional Convention in Philadelphia. It is now August 3, 1787, and the delegates are in recess.

They recessed about 8 days ago, and one would think that there is nothing going on here in Independence Hall; but I tell the Members, as I am reporting to the House, that there is a swarm of activity going on, even though the delegates technically are in recess.

George Washington, for example, along with Gouverneur Morris of Pennsylvania, have taken a side trip to Valley Forge, an opportunity for the general to revisit the site of where he and his gallant men braved that winter which led later to the successful overthrow of the British Government and the declaration and sustenance of the Revolution.

What has happened, though, in this Convention is that there were so many debates about so many different provisions and proposals, so many different resolutions, that the delegation, the Convention at Large, decided that they would relegate to the Committee on Detail the special duty of trying to put all of these things together and come back with a report to the full Convention which would lead to the final adoption, it is hoped, of some central documents.

Here I am in Independence Hall, but without the Convention in session, and I note right next to the main chamber in the library, there is a flurry of activity.

As I walk over there, I see the pages running back and forth; and finally in the library, I see the chairman, John Rutledge, the chairman of the Committee on Detail, at work looking over these massive numbers of resolutions and resolves.

For instance, he is looking over the Articles of Confederation. After all, these are the basic documents in which the Government of the United States is now being run, but which they have found to be unworthy of perpetuation.

The Virginia Resolve, the Pinckney Resolutions, even John Rutledge tells us he is looking over some of the documents of the basic government of the Iroquois Indians.

In other words, they are trying to get a world sense of what kind of government would be best suited for the new United States.

Edmund Randolph tells me something very interesting. He feels that the Constitution in the final analysis, if it be the Constitution that will be finally drawn from all of this, should be made up of provisions that are so simple, so to speak, that they would be able to be built upon in the future without damage to the individual liberties of the American citizens.

These are the kinds of things that the Committee on Detail is working on.

As I look over their shoulders, I can tell the Members that it looks like the final product is going to be made up of a preamble to say what the purposes are of the Constitution and then some 20 articles within which will be set forth the duties and responsibilities of the several branches of Government.

We believe, those of us who are observing this, that there is a new spirit among the delegates that might prevail and some success might come of it.

Right now I notice that the pages are getting the final drafts together, the ones that have been finalized by the Committee on Detail, and their duty is to take it to the printer in Philadelphia, Clay, Poole, and Dunlap, which is the firm who is going to make several copies of the proposals up to date and when the convention returns a few days from now, to circulate copies for all the Members for their deliberation.

I feel, as General Washington now feels, that there is a new optimism that something will be done during the balance of this month and in mid-September.

Here we are, and I am reporting to the Members 200 years ago today from the floor of the Convention in Philadelphia during a very hot summer.

THE ARMENIAN GENOCIDE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. Ford] is recognized for 5 minutes.

Mr. FORD of Michigan. Mr. Speaker, the House is scheduled to consider tomorrow House Joint Resolution 132, which designates April 24, 1987, as a "National Day of Remembrance of the Armenian Genocide of 1915–1923."

The debate on this resolution centers in large part on the question of whether or not the deaths of 1.5 million Armenians during the period of 1915 to 1923 were the result of a government policy of race extermination; that is, genocide.

Throughout the years—as far back as the administration of President Benjamin Harrison—U.S. Presidents have recognized that Armenians have been subjected to persecution. So that my colleagues will have the benefit of the facts when asked to vote on this resolution, I will quote from statements of 10 Presidents.

On April 22, 1981, President Ronald Reagan, proclaiming Days of Remembrance of Victims of the Holocaust, said: "Like the genocide of the Armenians before it, and the genocide of the Cambodians which followed it—and like too many other such persecutions of too many other peoples—the lessons of the Holocaust must never be forgotten."

At a White House ceremony on May 16, 1978, President Jimmy Carter said: "* * * it is generally not known in the world that in the years preceding 1916, there was a concerted effot made to eliminate all the Armenian people, probably one of the greatest tragedies that ever befell any group. And there weren't any Nuremberg trials."

President Herbert Hoover, in his memoirs published in 1952, stated: "The association of Mount Ararat and Noah, the staunch Christians who were massacred periodically by the Mohammedan Turks, and the Sunday School collections over fifty years for alleviating their miseries—all cumulate to impress the name Armenia on the front of the American mind."

In a letter dated November 22, 1921, to his Secretary of State, President Warren G. Harding said: "If it is believed that a warship can be sent to an Armenian port on the Mediterranean I should have very little hesitancy in making such a suggestion on behalf of these stricken people. Surely there must be some way in which to utter the admonition of the five great powers to restrain the hands of assassins in that unfortunate land."

On September 18, 1919, in a letter to the Acting Secretary of State, President Woodrow Wilson urged: "* * * get into communication with * * * the appropriate committees of Congress with regard to our being authorized to send troops to Armenia. I am heartily in favor of such a course if the Congress will authorize it * * *."

The Taft papers on the League of Nations quoted President William Howard Taft as saying: "On the whole, it is not too much to say that the people of the Jewish race have suffered more in this war as noncombatants, than any other people, unless it be the Serbians and the Armenians."

In two instances, President Theodore Roosevelt referred to the Armenian persecution. In a letter on May 11, 1918, he said: "* * * the Armenian massacre was the greatest crime of the war, and failure to act against Turkey is to condone it * * * the failure to deal radically with the Turkish horror means that all talk of guaranteeing the future peace of the world is mischievous nonsense * * *."

On December 6, 1904, in his annual message, he said: "* * * it is inevitable that (the United States) should desire eagerly to give expression to its horror on an occasion like * * * such systematic and long-extended cruelty and oppression as the cruelty and oppression of which the Armenians have been the victims, and which have won for them the indignant pity of the civilized world."

President William McKinley in his annual message stated: "* * * press for a just settlement of our claims * * * during the Armenian troubles of 1895 * * *."

President Grover Cleveland in his annual message of December 7, 1896, said: "* * * it would afford me satisfaction if I could assure the Congress that the disturbed condition in Asiatic Turkey had during the past year assumed a less hideous and bloody aspect and that * * * as a consequence of the awakening of the Turkish Government to the demands of humane civilization * * * the shocking features of the situation had been mitigated. Instead, however * * * we have been inflicted by continued and not unfrequent reports of the wanton destruction of homes and the bloody butchery of men, women, and children, made martyrs to their profession of Christian faith."

And again in his annual message on December 2, 1985, President Cleveland said: "Occurrences in Turkey have continued to excite concern. The reported massacres of Christians in Armenia and the development there and in other districts of a spirit of fanatic hostility to Christian influences naturally excited apprehension * * *."

On December 14, 1894, President Benjamin Harrison said in a letter: "My indignation and sympathy have been greatly roused by the press reports of the fearful outrages practised on the Armenians."

PRICE-ANDERSON AMENDMENTS: HELP MAKE NUCLEAR PLANTS SAFE AND ACCOUNTABLE

The **SPEAKER** pro tempore. Under a previous order of the House the gentleman from Michigan [Mr. CONYERS] is recognized for 5 minutes.

(Mr. CONYERS asked and was given permission to revise and extend his remarks.)

Mr. CONYERS. Mr. Speaker, last week when the Price-Anderson amendments were on the floor, which were intended to help make nuclear plants safe and accountable, I unfortunately voted against the amendment of the gentleman from Minnesota [Mr. SIKORSKI], which I felt very strongly in support of.

I have called him to make known the inadvertent mistake that occurred, and I also include in this RECORD a "Dear Colleague" letter that I sent not only supporting the gentleman's amendment but all of the amendments which would have made important strengthening amendments to Price-Anderson.

The July 27, 1987, "Dear Colleague" letter follows:

PRICE-ANDERSON AMENDMENTS: HELP MAKE NUCLEAR PLANTS SAFE AND ACCOUNTABLE

DEAR COLLEAGUE: This week, we will have an opportunity to vote on an issue of great significance to all our constituents—renewal of the Price-Anderson Act, the law that limits liability and victim compensation for nuclear accidents.

Thirty years ago, Congress created this unprecedented corporate welfare program which in effect says that after a nuclear accident, industry doesn't have to foot the bill, and accident victims may never be fully compensated for damages to their homes, businesses and health. Today we are being asked to reauthorize this law which allows some of the country's largest corporations to escape financial responsibility for their mistakes—even if they intentionally violate federal health and safety laws.

These liability loopholes not only eliminate key safety incentives, they force innocent victims to bear the burden of private industry's carelessness. Moreover, both current law and the measure before the House allow industry attorneys to be paid from the limited compensation fund—ahead of victims.

The Price-Anderson Act directly affects the millions of Americans who live near commercial nuclear plants; federal nuclear waste, weapons and research facilities; and along nuclear transportation routes. It is imperative that we amend this outdated, inequitable policy to assure full compensation of accident victims and to increase safety incentives at all of our nuclear installations.

Unfortunately, the bill expected to be on the House floor (H.R. 1414) falls far short of meeting these important goals. I urge you to join me in supporting amendments that would eliminate the liability exemptions for nuclear contractors and assure full compensation for accident victims. In particular, I urge you to support the following amendments:

DOE contractor accountability (Wyden-Sharp)—holds DOE nuclear contractors liable for accidents caused by gross negligence or willful misconduct.

Full Compensation (Eckart)—establishes a mechanism that provides full victim compensation.

Attorney's Fees (Sikorski)—prohibits industry attorneys from being paid before victims.

Corporate Accountability (Markey)—holds the companies who design, build and supply parts for nuclear plants to liable for gross negligence.

Nuclear Waste Coverage (Swift)—Removes legal impediments to compensation for victims of nuclear waste accidents caused by federal employees.

I believe adoption of these amendments would go a long way toward creating a fair and responsible federal nuclear accident policy. I strongly encourage you to cast your vote in favor of these important public health and safety measures.

Sincerely,

JOHN CONYERS, Jr.,
Member of Congress.

U.S. TRADE POLICY

The **SPEAKER** pro tempore. Under a previous order of the House, the gentlewoman from Maryland [Mrs. BENTLEY] is recognized for 60 minutes.

Mrs. BENTLEY. Mr. Speaker, Walt Kelly had his main cartoon character, Pogo, comment upon conditions in the world. "That we have met the enemy and he is us!"

The editorial in Barron's Weekly this week convinces me that Kelly was a great commentator about the world in which we live today.

Barron's reports with awe on the amount of strategic material for our weaponry we are buying from the Russians. This is for our Defense Establishment.

United States imports of chrome ore from the Soviets surged to a whopping 6,440 gross tons per month over the previous average of 479 gross tons between 1981 and 1985.

The gigantic increase of 15 times more monthly is for the first 6 months this past March.

The more recent figures are expected to show another gigantic leap.

Imports of antimony, essential to bullet, computer, sonar, and radar manufacture, have risen 98 times, 98 times, since 1981.

We are also buying ferro-silicon manganese in increasing amounts. The purchase of industrial diamonds from Russia has increased 100-fold; platinum bars and plates, up 5 times.

It is a list of growing dependency upon our enemy to supply material for our war machine to protect us from them—ironic.

All of this, of course, is because we have imposed sanctions upon South Africa, and today we perceive South Africa to be greater enemy than Russia. I think that we had better decide who the real enemy is, and do it quickly.

There are some other aspects of what is happening in the defense posture, Mr. Speaker, that bother me a great deal.

In the trade bill that will be coming back to the House from the other body after a conference, we were briefed last Thursday that practically all export controls on technology will be out of the window, that instead of one Toshiba and one Tokyo Aircraft which we have reported as selling technology to the Soviet Union, and we are all very upset about it, there could very well be 1,000 Toshibas. At this time I urge Members in more senior positions in this body who are concerned about our defense capability to study this amendment, this part of the trade bill very, very carefully, and see what can be done to protect our technology.

We are the ones who develop, but we give it away.

On another aspect concerning defense, Mr. Speaker, on October 7, for 3 days over at the Hyatt Regency Crystal City Hotel, only 2 minutes from the Pentagon, there is going to be a defense weapons trade bazaar.

This is literally at the Pentagon's doorstep, as I said; but the shocking thing about this trade bazaar is that no American, no U.S. defense manufacturer need apply for exhibit space, because this bazaar is strickly limited to firms and organizations from those foreign producers having access to DOD procurement market under terms of their government's memorandum of understanding, MOU's, with the United States.

The exhibiting countries will include Australia, Belgium, Canada, Denmark, Egypt, France, Germany, Israel, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Switzerland, Turkey, and the United Kingdom.

I want to emphasize once again, Mr. Speaker, that a U.S. manufacturer/producer of defense weapons cannot get into this exhibit. According to testimony that was given before the Economic Stabilization Subcommittee of the House Committee on Banking, Finance and Urban Affairs by William G. Phillips, vice president, government relations of the National Council to Preserve the U.S. Defense Industrial Base, one of the principal workshop speakers, will be none other than Paal Prestegaard, president of the Norwegian Government-owned Kongsberg firm that was part of the Toshiba sale of our silent submarine technology to the Soviet Union.

According to the literature from this COMDEF, Kongsberg Vapenfabrik will exhibit "missile systems, proximity fuses, ground-base air defense and command systems."

More than 150 foreign defense product exhibitors from 17 MOU countries are expected to show their wares at the show.

□ 1725

I do want to commend Chairman MARY ROSE OAKAR who is chairman of the Subcommittee on Economic Stabilization, who had this material brought out at a recent hearing only last week, as a matter of fact.

If we go through the other information that Mr. Phillips presented before that subcommittee, we will find that the participants in this affair and those who were invited—the invitation list looks like, you know, the whole Green Book from the Defense Department and from the State Department and from Capitol Hill; but among those who are scheduled in the calendar already, of those who have already accepted, one of the invitees is a man who appeared before the subcommittee earlier, Hon. Robert B. Costello, who is slated to speak there on October 8. His subject is "Mobilization Base and No Foreign Determination." According to Mr. Phillips, this refers to the list of defense weapons systems items so critically important to safeguarding U.S. national security that they are limited to domestic source procurement only under present policy. Rather frightening.

DOD Procurement Chief, Richard Godwin, is being advertised as the October 7 seminar speaker on the subject, "U.S. Defense Procurement in the Next Five Years," while Under Secretary of State Derwinski is scheduled to speak on "Current Technology Transfer Issue." DOD Assistant Secretary Spector is the advertised speaker on another key subject, "The MOUs and U.S. Procurement Policies and Procedures."

You know, Mr. Speaker, we are spending many, many billions of dollars of taxpayers' money overseas in procurement. What this money spent at our industries in this country could do to raise standards of living of many, many thousands of Americans who need it, many thousands who would like good paying jobs, is something that I cannot even estimate here today.

I have objected, and I object very strenuously, to any taxpayers' dollars going overseas. I have supported the defense establishment all the way through, but this is wrong.

Now, the man who is putting this affair together is a former member of the British Embassy staff here in Washington. He has made it, as I said, very clear that no Americans are welcome.

I just think the whole approach on this is wrong. I would hope that somehow it could be stopped.

Unfortunately, we are a free country and as a free country we put out the red carpet to everybody to come in and they literally invade us. Economically, they are invading us, and yet in many instances when we go to their doorstep, the door is shut.

I and many of my colleagues, and I know that Chairman OAKAR on this committee and Congresswoman KAPTUR, who also is very concerned about this, would like to see a change and more interest focused on what we can do here in this country.

Some of the statements that have been issued in connection with this workshop say, and here are some of the direct quotes, and again a lot of people are not paying that much attention to what is being said:

> Technology transfer to foreign competitors by U.S. industry has had a serious impact on U.S. competitiveness.

Yes, it has. That is another reason why I am so concerned about the lifting of these export controls, as now is written in the trade bill. If we lift anything more, if we transfer anything more, I think we might as well close shop over here in the manufacturing base.

Mr. Speaker, I do not think you want that, nor do I.

> Trade policy making is highly fragmented.

Well, they are trying to say that in the United States we do not have trade policymaking.

> Many departments establish policies that affect trade, often without consideration of the impact on U.S. competitiveness.

That is true. We fail to take into consideration all aspects of what will have an impact on our competitiveness.

Then they say:

> U.S. trade laws are ineffective to meet the new realities of global competition.

True. We are giving it away. We need—and the reason that many of us supported the trade bill to start with is what we felt we had to make our trading partners realize that once and for all we meant business, that we were not going to just let them continue to walk over us, and then they slip in this technology transfer.

Then it says:

> The international trading system under GATT has not kept pace with the evolution of the world economy.

Well, from what I hear on GATT, Mr. Speaker, the United States is really the only country that has abided by all aspects of GATT, and as a result of our usually being the good guy, we have exported more jobs overseas and that is one of the reasons that we are hurting.

> GATT reform, if pursued without clear national security objectives, could have a negative impact on the defense industrial base.

Well, I would like to see GATT abolished altogether, but that is not for me to make that decision. I think that we need to give some serious consideration to whether these other countries are going to abide by GATT in the same playing field as we do.

Yes, Mr. Speaker, as I have said, there are a number of things that cause me and others who have watched the exportation of our jobs overseas, the evaporation of our manufacturing base in this country, who feel that it is time that we start looking out for ourselves. I think this is one of the areas right now. If they want to have a seminar or an exhibit for 3 days and invite all the foreign manufacturers and no American manufacturers, then I do not believe that a single official of the U.S. Government should be on hand.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Daniel (at the request of Mr. Nichols), until further notice, on account of health reasons.

Mr. Badham (at the request of Mr. Michel), for today, on account of medical reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Davis of Illinois) to revise and extend their remarks and include extraneous material:)

Mr. Gingrich, for 60 minutes, today.

Mr. Gekas, for 5 minutes, today.

Mr. Boulter, for 60 minutes, on September 9.

Mr. Boulter, for 60 minutes, on September 10.

Mrs. Bentley, for 60 minutes, on August 7.

Mrs. Bentley, for 60 minutes, on September 9.

Mr. Burton of Indiana, for 60 minutes, on August 4.

(The following Members (at the request of Mr. Conyers) to revise and extend their remarks and include extraneous material:)

Mr. Annunzio, for 5 minutes, today.

Mr. Ford of Michigan, for 5 minutes, today.

Mr. Conyers, for 5 minutes, today.

Mr. Gaydos, for 60 minutes, on August 4.

Mr. Gaydos, for 60 minutes, on August 5.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Davis of Illinois) and to include extraneous matter:)

Mr. Schuette.
Mr. Courter.
Mr. Gilman.
Mr. Fields.
Mr. Henry in two instances.
Mr. Michel in two instances.
Mr. Horton.
Mr. Edwards of Oklahoma.
Mr. Porter.
Mr. Jeffords.
Mr. Oxley.
Mr. Houghton.
Mr. Fish.
Mr. Donald E. Lukens.
Mr. Burton of Indiana in two instances.
Mr. Leach of Iowa.
Mr. Coble.
Mrs. Bentley.
Mr. McCandless.
Mrs. Meyers of Kansas.

(The following Members (at the request of Mr. Conyers) and to include extraneous material:)

Mr. Anderson in 10 instances.
Mr. Gonzalez in 10 instances.
Mrs. Lloyd in five instances.
Mr. Hamilton in 10 instances.
Mr. Brown of California in 10 instances.
Mr. Annunzio in six instances.
Mr. Jones of Tennessee in 10 instances.
Mr. Boner of Tennessee in five instances.
Mr. de la Garza in 10 instances.
Mr. Torres in two instances.
Mr. Frank.
Mr. Murtha.
Mr. Mineta.
Mr. Smith of Florida.
Mr. Aspin.
Mrs. Boxer.
Ms. Kaptur.
Mr. Traficant.
Mr. Dyson.
Mr. Montgomery.
Mr. LaFalce.
Mr. Conyers.
Mr. Howard.
Mr. Slattery in two instances.
Mr. Stark in two instances.
Mr. AuCoin.
Mr. Florio.
Mr. Torricelli.
Mr. Manton.
Mr. Matsui.
Mrs. Schroeder.
Mr. Williams.

SENATE BILL AND CONCURRENT RESOLUTION REFERRED

A bill and a concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 970. An act to authorize a research program for the modification of plants and plant materials, focusing on the development and production of new marketable industrial and commercial products, and for other purposes; to the Committee on Agriculture.

S. Con. Res. 29. Concurrent resolution expressing the sense of Congress regarding the inability of American citizens to maintain regular contact with relatives in the Soviet Union; to the Committee on Foreign Affairs.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1198. An act to authorize a certificate of documentation for the vessel F/V *Creole.*

ADJOURNMENT

Mrs. BENTLEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 35 minutes p.m.), the House adjourned until tomorrow, Tuesday, August 4, 1987, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1891. A communication from the President of the United States transmitting the FY 1987 supplemental budget of the District of Columbia, pursuant to Pub. L. 93-198, Sec. 446; Pub. L. 98-473 (H. Doc. 100-93); to the Committee on Appropriations and ordered to be printed.

1892. A letter from the Secretary of Education transmitting a copy of final regulations for the assistance for school construction in areas affected by Federal activities program, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

1893. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a copy of Transmittal No. 8-87, concerning a proposed memorandum of understanding with the Governments of Canada, the Federal Republic of Germany, the Netherlands, Spain, and United Kingdom for the concept exploration phase of a NATO antiair warfare system, pursuant to 22 U.S.C. 2767(f); to the Committee on Foreign Affairs.

1894. A letter from the Executive Secretary, Federal Home Loan Bank Board, transmitting a copy of the Board's activities under the Freedom of Information Act during calendar year 1986, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1895. A letter from the Executive Director, Federal Labor Relations Authority, transmitting the agency's report of its compliance under the Government in the Sunshine Act during calendar year 1986, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1896. A letter from the Deputy Associate Director for Royalty Management, Department of the Interior, transmitting notification of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

1897. A letter from the Deputy Associate Director for Royalty Management, Department of the Interior, transmitting notification of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

1898. A letter from the Chief Immigration Judge, Executive Office for Immigration Review, Department of Justice, transmitting copies of the grants of suspension of deportation for certain aliens, pursuant to 8 U.S.C. 1254(c); to the Committee on the Judiciary.

1899. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Hazardous Materials Transportation Act to authorize appropriations for fiscal years 1988 and 1989, and for other purposes, pursuant to 31 U.S.C. 1110; jointly to the Committees on Energy and Commerce and Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and referenced to the proper calendar, as follows:

[Pursuant to the order of the House on July 30, 1987 the following report was filed on July 31, 1987]

Mr. St Germain: Committee of conference. Conference report on H.R. 27 (Rept. 100-261). Ordered to be printed.

[Pursuant to H. Res. 26, the following reports were filed on July 31, 1987]

Mr. MILLER of California: Select Committee on Children, Youth, and Families. A report on Federal programs affecting children, 1987 (Rep. 100-258). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of California: Select Committee on Children, Youth, and Families. A report on U.S. children and their families: current conditions and recent trends, 1987 (Rep. 100-259). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of California: Select Committee on Children, Youth, and Families. A report on abused children in America: victims of official neglect (Rep. 100-260). Referred to the Committee of the Whole House on the State of the Union.

[Submitted August 3, 1987]

Mr. HAWKINS: Committee on Education and Labor. H.R. 1340. A bill to improve the administration of the Department of Agriculture Commodity; distribution activities, and for other purposes; with amendments (Rep. 100-216, Pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. MOAKLEY: Committee on Rules. House Resolution 237. Resolution providing for the consideration of H.R. 1315, a bill to authorize appropriations for the Nuclear Regulatory Commission for fiscal years 1988 and 1989, and for other purposes (Rep. 100-263). Referred to the House Calendar.

Mr. BONIOR of Michigan: Committee on Rules. House Resolution 238. Resolution providing for the consideration of House Joint Resolution 132 designating April 24, 1987, as "National Day of Remembrance of the Armenian Genocide of 1915-1923" Rept. 100-264. Referred to the House Calendar.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 2629. A bill to amend the Alaska National Interest Lands Conservation Act of 1980 to clarify the conveyance and ownership of submerged lands by Alaska Natives, Native Corporations and the State of Alaska; with an amendment.

Referred to the Committee on Merchant Marine and Fisheries for a period ending not later than Aug. 3, 1987 for consideration of such provisions of title II and title III of the amendment as fall within the jurisdiction of that Committee pursuant to clause 1(n), rule X (Rept. 100-262, Pt. 1). Ordered to be printed.

SUBSEQUENT ACTION ON A REPORTED BILL SEQUENTIALLY REFERRED

[The following action occurred on July 31, 1987]

Under clause 5 of rule X the following action was taken by the Speaker:

H.R. 1340. Referral to the Committee on Education and Labor extended for a period ending not later than August 3, 1987.

[Submitted August 3, 1987]

Under clause 5 of rule X the following action was taken by the Speaker:

H.R. 2629. The Committee on Merchant Marine and Fisheries discharged, rules suspended, H.R. 2629 considered as amended and passed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. AKAKA (for himself and Mrs. Saiki):

H.R. 3072. A bill to require the construction or acquisition of facilities for a new Veterans' Administration medical center in Hawaii; to the Committee on Veterans' Affairs.

By Mr. ANTHONY (for himself, Mr. Alexander, Mr. Robinson, and Mr. Hammerschmidt):

H.R. 3073. A bill to modify the McClellan-Kerr Arkansas River navigation project for the purpose of making water supply an authorized purpose of such project, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. DERRICK (for himself, Mr. Gallo, Mr. Boucher, Mr. Coble, Mr. Slaughter of Virginia, Mrs. Martin of Illinois, Mr. Synar, Mr. Torricelli, Mr. DeWine, Mr. Rinaldo, Mr. LeLand, and Mr. Hughes):

H.R. 3074. A bill to amend title 35, United States Code, with respect to Patent term restoration, and for other purposes; to the Committee on the Judiciary.

By Mr. HERGER (for himself and Mr. Bosco):

H.R. 3075. A bill to amend title 18, United States Code, to make it unlawful to spike timber, and for other purposes; to the Committee on the Judiciary.

By Mr. LANTOS:

H.R. 3076. A bill to amend the Internal Revenue Code of 1986 to permit individuals to receive tax-free distributions from an individual retirement account or annuity to purchase their first home; to the Committee on Ways and Means.

By Mr. MORRISON of Washington:

H.R. 3077. A bill to suspend certain activities of the Secretary of Energy under the Nuclear Waste Policy Act of 1982, to authorize construction of regional monitored retrievable storage facilities, and for other purposes; jointly, to the Committees on Interior and Insular Affairs; Energy and Commerce; Science, Space, and Technology; and Public Works and Transportation.

By Mr. PASHAYAN (for himself, Mr. Bosco, Mr. Herger, Mr. Young of Alaska, Mr. Marlenee, Mr. Stump, Mr. Craig, Mr. Stallings, Mr. Robert F. Smith, Mr. Nielson of Utah, Mr. Shumway, Mr. Campbell, Mr. Dannemeyer, and Mr. Olin):

H.R. 3078. A bill to amend section 1853 of the act of June 25, 1948; to the Committee on the Judiciary.

By Mr. ROWLAND of Connecticut (for himself, Mr. Hunter, Mr. Ireland, Mr. Hansen, Mr. Donald E. Lukens, Mr. Burton of Indiana, and Mr. Wilson):

H.R. 3079. A bill to prohibit the Secretary of Defense from entering into contracts with the Toshiba Corp. and Kongsberg Vapenfabrik; to the Committee on Armed Services.

By Mr. SOLARZ:

H.R. 3080. A bill to make demonstration grants to local educational agencies eligible to receive assistance under title I of the Elementary and Secondary Education Act of 1965, as modified by chapter 1 of the Education Consolidation and Improvement Act of 1981, in order to strengthen the educational partnership between the family and the school, and for other purposes; to the Committee on Education and Labor.

By Mr. WILLIAMS (for himself, Mr. English, Mr. Johnson of South Dakota, Mr. Stallings, and Mr. Dorgan of North Dakota):

H.R. 3081. A bill to consolidate and improve existing emergency livestock feed assistance programs administered by the Secretary of Agriculture, and for other purposes; to the Committee on Agriculture.

By Mr. WISE:

H.R. 3082. A bill to amend the Motor Vehicle Information and Cost Savings Act to provide for the appropriate treatment of methanol and ethanol, and for other purposes; jointly, to the Committees on Energy and Commerce and Ways and Means.

By Mr. LEVINE of California (for himself, Mr. Wolpe, Mr. Solarz, Mr. Leach of Iowa, and Mr. Broomfield):

H. Res. 239. Resolution expressing the sense of the House of Representatives on future United States assistance to Pakistan; to the Committee on Foreign Affairs.

By Mr. LANTOS:

H. Res. 240. Resolution supporting the people of Haiti in their efforts to obtain respect for human rights and the holding of free and fair elections in Haiti, and for other purposes; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII.

177. The SPEAKER presented a memorial of the General Assembly of the State of Illinois, relative to the reauthorization of the Older Americans Act; which was referred to the Committee on Education and Labor.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 245: Mr. Barnard, Mr. Boucher, Mr. Davis of Illinois, Mr. Johnson of South Dakota, and Mr. Smith of Texas.

H.R. 378: Mr. Gonzalez.

H.R. 390: Mr. Donnelly, Mr. Vento, Mr. Boucher, Mr. Erdreich, Mr. Wheat, Mr. Brown of California, Mr. Durbin, Mr. Evans, Mr. St Germain, Mr. Synar, Mr. Thomas of Georgia, Mr. Henry, Mr. Udall, Mr. Gephardt, Mr. Hunter, Mr. Madigan, Mr. Wise, Mr. Foglietta, Mr. Rahall, Mr. Torres, Mr. Gordon, Mr. Hutto, Mr. Lantos, Mr. Ballenger, Mr. Beilenson, Mr. Bilbray, Mr. Bilirakis, Mr. Bruce, Mr. Carper, Mr. Carr, Mr. Coelho, Mr. Dorgan of North Dakota, Mr. Dreier of California, Mr. Ford of Tennessee, Mr. Gaydos, Mr. Gejdenson, Mr. Gonzalez, Mr. Hefner, Mr. Hopkins, Mr. Huckaby, Mr. Kildee, Mr. LaFalce, Mr. Leath of Texas, Mr. Lehman of California, Mr. Levine of California, Mr. McCollum, Mr. Mack, Mr. Markey, Mr. Mazzoli, Mr. Miller of Washington, Mr. Montgomery, Mr. Nichols, Mr. Oberstar, Mr. Penny, Mr. Rose, Mr. Sharp, Mr. Slattery, Ms. Snowe, Mr. Stump, Mr. Torricelli, Mr. Wylie, Mr. Flippo, Mr. Harris, and Mrs. Boggs.

H.R. 469: Mr. Hastert.

H.R. 514: Mr. Latta.

H.R. 622: Mr. Fields, Mr. Daub, Mr. Bustamante, Mr. Nichols, Mr. Nielson of Utah, Mr. Quillen, Mr. Horton, Mr. Marlenee, and Mr. Natcher.

H.R. 779: Mr. Gray of Pennsylvania.

H.R. 898: Mr. Hayes of Louisiana.

H.R. 1028: Mr. Neal.

H.R. 1158: Mr. Coelho and Ms. Pelosi.

H.R. 1217: Mr. Kolter.

H.R. 1259: Mr. Schuette.

H.R. 1433: Mr. Weiss, Miss Schneider, and Mr. Kastenmeier.

H.R. 1506: Mr. Brown of California and Mr. Pepper.

H.R. 1606: Mr. Archer, Mr. Neal, and Mr. Lowery of California.

H.R. 1623: Mr. Boucher and Mr. Bryant.

H.R. 1646: Mr. Owens of New York.

H.R. 1651: Mr. Hochbrueckner.

H.R. 1729: Mr. Shuster and Mr. Penny.

H.R. 1766: Mr. Johnson of South Dakota.

H.R. 1808: Mr. Solomon and Mr. Wolpe.

H.R. 1816: Mr. Jeffords.

H.R. 1981: Mr. Barton of Texas.

H.R. 1987: Mr. Lott.

H.R. 2045: Mr. Chapman.

H.R. 2240: Mr. Beilenson.

H.R. 2248: Mr. Martinez.

H.R. 2260: Mr. Donnelly, Mr. DeLay, Mr. Armey, Mr. McDade, Mr. Watkins, Mr. Emerson, Mr. Hiler, Mr. Hayes of Illinois, Mr. Campbell, and Mr. Manton.

H.R. 2298: Mr. Holloway and Mr. Weber.

H.R. 2456: Mr. Clinger, Mr. Studds, Mrs. Kennelly, Mr. Mrazek, and Mr. Waxman.

H.R. 2487: Mr. Conyers, Mr. Torricelli, Mr. Weldon, Mr. Martin of New York, Mr. Brown of California, Mr. Lujan, Mr. Espy, Mr. Valentine, Mr. Berman, Mrs. Saiki, Mr. Shumway, Mr. Kildee, and Mr. Hayes of Illinois.

H.R. 2521: Mr. Wolpe, Mr. Panetta, and Mr. Beilenson.

H.R. 2587: Mr. Thomas of Georgia, Mr. Livingston, Mr. Courter, Mr. Sikorski, Mr. Lehman of Florida, Mr. Campbell, Mr. Parris, Mr. Ritter, Mr. Ballenger, and Mr. Baker.

H.R. 2607: Mr. Sunia and Mr. Fish.

H.R. 2611: Mr. Tauke, Mr. MacKay, Mr. DeWine, Mr. Hughes, and Mr. Oxley.

H.R. 2624: Mr. Hyde, Mr. Holloway, and Mr. Nielson of Utah.

H.R. 2628: Mr. Barton of Texas.

H.R. 2640: Mr. Johnson of South Dakota, Mr. Espy, Mr. Derrick, Mr. Wolpe, Mr. Broomfield, Mr. Slaughter of Virginia, Mr. Clinger, Mr. Upton, Mr. Rowland of Georgia, Mr. Bateman, Mr. Spence, Mr. Watkins, Mr. Schuette, Mr. Saxton, and Mr. Thomas of Georgia.

H.R. 2649: Mr. Owens of New York, Mr. Darden, Mr. Nielson of Utah, Mr. Moakley, Mr. Foglietta, Mr. Lantos, Mr. Yatron, Mr. Studds, Mr. Lent, Mr. Bilbray, Mr. Johnson of South Dakota, Mr. Hayes of Illinois, Mr. de Lugo, Mr. Bliley, Mr. Livingston, and Mr. Bevill.

H.R. 2692: Mrs. Collins and Mr. Neal.

H.R. 2793: Mrs. Saiki.

H.R. 2800: Mr. Lagomarsino, Mr. Bruce, Mr. Waxman, Mr. Jontz, Mr. Fascell, Mr. Kostmayer, Mr. Bustamante, Mr. Green, and Mr. Pursell.

H.R. 2801: Mr. Feighan, and Mr. Kolter.

H.R. 2811: Mr. Pashayan.

H.R. 2837: Mr. Gordon.

H.R. 2844: Mr. Frank and Mr. Atkins.

H.R. 2848: Mr. Eckart, Mr. Wise, Mr. Olin, Mr. Penny, and Mr. Wilson.

H.R. 2856: Mr. Lewis of Florida and Mr. Nielson of Utah.

H.R. 2881: Mr. Sawyer, Mr. Ford of Michigan, Mr. Studds, Mr. Wilson, Mr. Shumway, and Mr. Levine of California.

H.R. 2884: Mrs. Byron.

H.R. 2919: Mr. Lagomarsino.

H.R. 2926: Mr. Towns, Mr. Biaggi, Mr. Gray of Illinois, Mr. Frost, and Mr. Gray of Pennsylvania.

H.R. 3005: Mr. Coelho.

H.R. 3010: Mrs. Boxer, Mr. Regula, Mr. Beilenson, Mr. Hochbrueckner, Mr. Ravenel, Mr. Jeffords, Mr. Davis of Illinois, Mr. Atkins, Mr. Stokes, Mr. Lantos, Mr. DeFazio, and Mr. Green.

H.R. 3039: Mr. Kleczka, Mr. Miller of California, Mr. Neal, Mr. Gejdenson, Mr. Conyers, Mr. Levine of California, and Mr. McCloskey.

H.R. 3050: Mr. Lewis of Georgia, Mr. Fauntroy, Mr. Owens of New York, Mr. Hayes of Illinois, Mr. Dymally, Mrs. Collins, and Mr. Gray of Pennsylvania.

H.J. Res. 24: Mr. Torricelli, Mr. Conte, Mr. Donnelly, Mr. Darden, Mr. Hansen, Mr. Flippo, Mr. Oberstar, Mr. Roybal, Mr. Yatron, Mr. Blaz, Mr. Coyne, Mr. Sikorski, Mr. Bateman, Mr. Stangeland, Mr. Bruce, Mr. Crockett, Mr. Fawell, Mr. Dellums, Mr. Wylie, Mr. Kastenmeier, Mr. Hall of Texas, Mr. Jeffords, Mr. Studds, Mr. Schumer, Mr. Kanjorski, Mr. Matsui, Mrs. Byron, Mr. Russo, Mr. Lowery of California, Mr. Bates, Mr. Chapman, Mr. Campbell, Mr. Panetta, Mr. Alexander, Mr. Applegate, Mr. Broomfield, Mr. Conyers, Mr. Pursell, Mr. Dorgan of North Dakota, Mr. Ford of Michigan, Mr. Boucher, and Mr. Gonzalez.

H.J. Res. 48: Mr. Grandy, Mr. Gregg, Mr. Ballenger, and Mr. Roth.

H.J. Res. 100: Mr. Brown of California.

H.J. Res. 130: Mr. Flake, Mr. Flippo, Mr. Hyde, Mr. Hutto, Mr. Clay, Mr. Gekas, Mr. Goodling, Mr. Gordon, Mr. Ravenel, Mr. Natcher, Mr. Udall, Mr. Tauke, Mr. Markey, Mr. Thomas of Georgia, Mr. Traxler, Mr. Mfume, Mr. Campbell, Mr. Chandler, Mr. Daniel, Mr. Darden, Mr. de Lugo, Mr. Lancaster, Mr. Hiler, Mr. Inhofe, Mr. Panetta, and Mr. Montgomery.

H.J. Res. 180: Mr. Parris, Mr. Sundquist, Mr. Clay, Mr. Olin, Mr. Gregg, Mr. Lowry of Washington, Mr. MacKay, Mr. Miller of California, Mr. Miller of Washington, Mr. Mineta, Mr. Moakley, Mr. Montgomery, Mr. Morrison of Washington, Mr. Natcher, Mr. Nelson of Florida, Mr. Pepper, Mr. Perkins, Mr. Price of North Carolina, Mr. Rodino, Mr. Swift, Mr. Anderson, Mr. Bilbray, Mr. Boner of Tennessee, Mr. Bonior of Michigan, Mr. Bosco, Mrs. Boxer, Mr. Carr, Mr. Chandler, Mr. Coelho, Mr. Flippo, Mr. Foley, and Mr. Hoyer.

H.J. Res. 206: Mr. Conyers, Mr. Bevill, Mr. Weldon, Mr. Rodino, Mr. Chandler, Mr. Levin of Michigan, Mr. Livingston, Mr. Carper, Mr. McDade, Mr. Neal, Mr. Burton of Indiana, Mr. McCollum, Mr. Foglietta, Mr. Sundquist, and Mr. Yatron.

H.J. Res. 217: Mr. Biaggi, Mr. Mazzoli, Mr. Schaefer, Mr. Burton of Indiana, Mr. Fawell, Mr. Hopkins, Mrs. Johnson of Connecticut, Mr. Lujan, Mr. Parris, Mr. Rhodes, and Mr. Roberts.

H.J. Res. 231: Mr. Nichols, Mr. Mfume, Mr. McEwen, Mr. Fish, Mr. Ford of Tennessee, Mr. Lantos, Mr. Latta, Mr. Saxton, Mr. Martin of New York, Mr. Gregg, Mr. Bennett, Mr. Dymally, Mr. Flippo, Mr. Morrison of Connecticut, Mr. Berman, Mr. Duncan, Mr. Moorhead, Mr. Lent, Mr. Carper, Mr. Obey, Mr. Pepper, Mr. Wolpe, Mr. Shaw, Mrs. Johnson of Connecticut, Mr. Guarini, Mr. Brown of California, Mr. Smith of New Jersey, Mr. Florio, Mr. Donnelly, Mr. Solarz, Ms. Slaughter of New York, Mrs. Kennelly, Mr. Scheuer, Mr. Rangel, Mr. McHugh, Mr. Morrison of Washington, Mr. Bustamante, Mr. Matsui, Mr. Courter, Mr. Conte, Mr. McCollum, Mr. MacKay, Mr. Perkins, Mr. McMillen of Maryland, Mr. Rinaldo, Mr. Gonzalez, Mr. Aspin, Mr. Hall of Texas, Mr. Dwyer of New Jersey, Mr. Rowland of Georgia, Mr. Dornan of California, Mr. Nelson of Florida, Mr. Murphy, Mr. McGrath, Mr. Rodino, Mr. Weldon, Mr. Thomas A. Luken, Mr. Manton, Mr. Pursell, and Mr. Boland.

H.J. Res. 240: Mr. Lewis of Georgia, Mr. Atkins, Mr. Lagomarsino, and Mr. DeWine.

H.J. Res. 299: Mr. Tauke, Mr. Young of Florida, Mr. McEwen, Mr. Miller of Ohio, Mrs. Vucanovich, Mr. Porter, Ms. Slaughter of New York, Mr. Barton of Texas, Mr. Sweeney, Mr. Foglietta, Mr. Bates, Mr. Bartlett, Mr. Hoyer, Mr. Schaefer, Mr. Inhofe, Mr. Andrews, Mr. Beilenson, Mrs. Boggs, Mr. Boucher, Mr. Donnelly, Mr. Downey of New York, Mr. Durbin, Mr. Early, Mr. Frank, Mr. Guarini, Mr. Kleczka, Mr. Lewis of Georgia, Mr. Mavroules, Mr. Mica, Mr. Miller of California, Mr. Murphy, Mr. Richardson, Mr. Smith of Iowa, Mr. Synar, Mr. Torres, Mr. Torricelli, Mr. Walgren, Mr. Watkins, Mr. Rinaldo, Mr. Cardin, Mr. English, Mr. Kastenmeier, Mr. Rangel, Mr. AuCoin, Mr. Berman, Mr. Bilbray, Mr. Bryant, Mr. Coleman of Texas, Mr. Conyers, Mr. Coyne, Mr. Florio, Mr. Hayes of Illinois, Mr. Hertel, Mr. McHugh, Mr. Manton, Mr. Ray, Mr. Spratt, Mr. Wolpe, Mr. Baker, Mr. Brown of Colorado, Mr. Coble, Mr. Dreier of California, Mr. Emerson, Mr. Gregg, Mr. Hansen, Mr. Hefley, Mr. Herger, Mr. Latta, Mr. Donald E. Lukens, Mr. Molinari, Mr. Moorhead, Mr. Parris, Mr. Rhodes, Mr. Ritter, Mrs. Saiki, Mr. Schuette, Mr. Skeen, Mr. Slaughter of Virginia, Mr. Smith of New Hampshire, Ms. Snowe, Mr. Solomon, Mr. Stump, and Mr. Sundquist.

H.J. Res. 313: Mr. Bevill, Mr. Nielson of Utah, Mr. Kolter, Mr. Stokes, Mr. Lungren, Mr. Murphy, Mr. Gingrich, Mr. Guarini, Mr. Andrews, Mr. Oberstar, and Mr. Davis of Illinois.

H.J. Res. 315: Mr. Mazzoli.

H.J. Res. 326: Mr. Volkmer, Mr. Lewis of Georgia, Mr. Kleczka, Mr. McMillen of Maryland, Mr. Garcia, Mr. Upton, Mr. Kolter, Mr. Bilbray, Mr. DeWine, Mr. Savage, Mr. Atkins, Mr. Owens of New York, Mr. Traficant, Mr. Borski, Mr. Davis of Michigan, Mr. Blaz, and Mr. Matsui.

H.J. Res. 327: Mr. Bliley, Mr. Brown of Colorado, Mr. Martinez, Mr. Robinson, Mr. Schuette, Mr. English, Mr. Lagomarsino, and Mr. Dornan of California.

H.J. Res. 336: Mr. Lancaster, Mr. Hertel, Mrs. Kennelly, Mr. Fauntroy, Mr. de la Garza, Mr. Lewis of Georgia, Mr. Dwyer of New Jersey, Mr. Frost, Mr. Kennedy, Mr. Young of Florida, Mr. Bates, Mrs. Vucanovich, Mr. Goodling, Mr. Daub, Mrs. Roukema, and Mr. Atkins.

H. Con. Res. 5: Mr. Yates,Mr. Slattery, Mr. de Lugo, Mr. Clarke, Mr. Wolf, Mr. Wyden, Mr. Berman, Mr. Towns, Mrs. Boxer, Mr. Bateman, Mr. DeFazio, Mr. Erdreich, Mr. Petri, Mr. Bilirakis, Mr. Schuette, Mr. Bustamante, Mr. Torricelli, Mr. Hoyer, Mr. Daub, Mr. Mica, Mr. Udall, Mr. Cardin, Mr. Moody, and Mr. Green.

H. Con. Res. 83: Mr. Boland, Mrs. Lloyd, and Mr. Cardin.

H. Con. Res. 111: Mr. Kolter.

H. Con. Res. 160: Mr. Badham, Mr. Martinez, Mr. Dornan of California, and Mr. DeLay.

H. Res. 189: Mr. Dorgan of North Dakota, Mr. Mrazek, Mr. Kostmayer, Mr. Traficant, Mr. Gray of Pennsylvania, Mr. Levine of California, Mr. Lewis of Georgia, Mr. Martinez, Mr. Kolter, Mr. Sikorski, Ms. Pelosi, Mr. Torres, Mr. Hayes of Illinois, Mr. DeFazio, Mr. Towns, Mr. Wolpe, Ms. Kaptur, Mr. Mfume, Mr. Conyers, Mr. Clay, Mr. Dixon, Mr. Dellums, Mr. Howard, Mr. Bonior of Michigan, Mr. Miller of California, Mr. Fazio, Mr. Frost, and Mr. Evans.

H. Res. 225: Mr. Bilbray, Mr. Boehlert, Mr. DeLay, Mr. Garcia, Mr. Henry, Mr. Jones of North Carolina, Mr. Kasich, Mr. Kolter, Mr. Lancaster, Mr. Donald E. Lukens, Mr. Mack, Mr. Martin of New York, Mr. Mineta, Mr. Neal, Mr. Oberstar, Mr. Savage, and Mr. Stump.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1315

By Mr. ECKART:

—At the end of the bill, add the following new section:

SEC. 7. OPEN MEETINGS.

No amount authorized to be appropriated under section 1 may be used in fiscal year 1988 or 1989 to hold any Nuclear Regulatory Commission meeting that does not conform to the regulations contained in sections 9.100 through 9.109 of title 10 of the Code of Federal Regulations, as in effect on January 1, 1985.

EXTENSIONS OF REMARKS

NATALIE HINDERAS, INTERNATIONALLY ACCLAIMED PIANIST

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. STOKES. Mr. Speaker, on July 22, 1987, America lost a great artist, humanitarian, teacher, and international star. Natalie Hinderas, a renowned black classical pianist passed away at her home in Philadelphia.

Over the years, Ms. Hinderas' contributions to music have been internationally acclaimed. Ms. Hinderas has provided inspiration to young artists the world over. She has promoted the careers of aspiring black artists and encouraged performance of the music of black composers.

Her mother Leota Palmer, a pianist, composer, and teacher at the Cleveland Institute of Music, was her first music teacher. Ms. Hinderas began studying music at age 3. By age 5 she had appeared as a pianist and singer in many variety shows. She made her first recital appearance at age 8 and began teaching other youngsters by the time she was 10.

Ms. Hinderas deserves to be recognized and honored. She gave generously of her time and musical talent to help generations of the students whose lives she touched.

I would like to enter into the CONGRESSIONAL RECORD an article published in the Philadelphia Inquirer, July 23, 1987, which highlights Ms. Hinderas' career.

Mr. Speaker, I ask that my colleagues join me in extending our sympathy to Ms. Hinderas' family and her many friends.

[FROM THE PHILADELPHIA INQUIRER, JULY 23, 1987]

NATALIE HINDERAS, 60, INTERNATIONAL PIANIST

(By Daniel Webster)

Natalie Hinderas, 60 a pianist who promoted music by black and other contemporary composers in an international career, died yesterday of cancer at her home in Elkins Park.

She premiered works by a number of composers, including George Walker and Joseph Castaldo, and performed Alberto Ginastera's *Piano Concerto No. 1* with the Philadelphia Orchestra and the New York Philharmonic, among other orchestras.

Her playing was marked by unusual refinement of sound in standard works and a bold articulation in new music.

Born Natalie Henderson in Oberlin, Ohio, she grew up in a musical family. Her father was a jazz musician who divorced her mother, Leota Palmer, a pianist, composer and teacher at the Cleveland Institute of Music. Her grandparents also were musicians.

Miss Hinderas' mother was her first music teacher. She began piano studies at age 3, and was appearing as a pianist and singer in variety shows at age 5, when her mother decided that the piano was to be her focus. Miss Hinderas made her first recital appearance at 8 and began teaching other youngsters by the time she was 10.

She entered Oberlin Conservatory and appeared as soloist with the Cleveland Women's Symphony at age 12. She graduated at 18 and went on to study in New York with Olga Samaroff and at the Philadelphia Conservatory with Eduard Steuermann.

Miss Hinderas was chosen to make two tours of Europe in the early 1950s under the aegis of the State Department, and in 1954 she was signed to a contract for regular radio recitals on the NBC television network.

The Leventritt Foundation sponsored a series of her appearances with major American orchestras, and in the late 1950s she made a four-month world tour for the State Department. In 1961, she played to open the cultural center in Lagos, Nigeria, as a representative of the American Society for African Culture.

Her heritage was black, American Indian, Italian and Latin American, and she early made her music an aspect of a larger concern for humanitarian understanding. She once declared. "I am an integrationist. Good heavens. I've always been proud of my race."

Even as her career blossomed in the 1960s and 1970s, she undertook teaching programs, including one at the Settlement Music School, that stressed interracial participation. Miss Hinderas also organized tours of black colleges to provide her listeners with programs and lectures on the black musical heritage of the United States.

She made it a point to talk to her audiences about her music after her performances. As her career continued, she also researched lesser-known composers. She began to turn up more and more significant music by black composers, and undertook her major recording project, the two-record album *Music by Black Composers*. In it she played works by George Walker, Nathaniel Dett, William Grant Still, Stephen Chamber and John W. Work.

She played her debut with the Philadelphia Orchestra in 1971, and returned periodically, usually with contemporary concertos or music by Grieg and Rachmaninoff.

In 1966, she was named lecturer at Temple University's College of Music, and through the years eventually became a full professor. She won the university's Creative Achievement Award in 1985. Among her students have been Leon Bates, Horatio Miller, Joel Martin and Judith Willoughby Miller.

Helen Laird, Temple's music dean, said yesterday that "each of us mourns the loss of a great artist who inspired us all with her artistry, musical ideas and brilliance at the keyboard and her very positive attitude toward life."

The pianist's manager, Joanne Rile, said she had met Miss Hinderas as a neighbor in Mount Airy before she knew her as a pianist. Rile became her manager in 1968 and they had remained business associates since then.

Her final public appearances were at a taped performance of music by black composers made April 12 at Ramapo College of New Jersey and a concert May 3 at Temple Keneseth Israel in Elkins Park.

In 1960, she married Lionel J. Monagas, then an executive at WHYY-TV (Channel 12) when she was producing programs titled, *WHYY's Young Artist Series* and *Robin Hood Dell Previews*. They have a daughter, Michele, who lives in New York.

In addition to her husband and daughter, she is survived by her mother.

IN MEMORY OF A SAILOR SERVING PEACE

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. FLORIO. Mr. Speaker, on Thursday, July 30, the Nation and the State of New Jersey were stunned by the tragic loss of one of our citizens, a young man serving our country abroad in the Persian Gulf.

U.S. Navy Lt. (j.g.) James F. Lazevnick of Paulsboro, NJ, was a serviceman in the true sense of the word. He loved his country and followed his country wherever it led him.

On Thursday, his patriotism led him to the most noble sacrifice, giving his life in the course of his duty.

In the performance of his duty as a helicopter copilot, he was killed in a crash while trying to land on the deck of the U.S.S. *LaSalle,* escorting Kuwaiti tankers in the Persian Gulf.

Along with the other Navy personnel who died and those who were injured in the crash, Lieutenant Lazevnick's exceptional sacrifice is a reminder of the danger that our servicemen face every day as they defend our Nation. His death is a reminder that often, a sailor is asked to pay the highest price in the course of his duty.

The family and citizens in the Borough of Paulsboro are mourning his death. As they draw together to remember his courage and the devotion that he demonstrated to his Nation, they will remember a young man who knew that the road from Paulsboro to Persia was a long and dangerous road.

His sacrifice is a sacrifice on the behalf of all citizens, for the soldiers and sailors who are closest to the peril from which they protect us and their families and friends who stay behind and pray for their speedy and safe return.

As the flags of Paulsboro fly at half-staff in memory of this tragic loss, I wish to extend my condolences to the family of Lieutenant Lazevnick.

As I join the community in expressing my sorrow for the loss of this soldier, I am including an article appearing in the Philadelphia Inquirer, honoring this young man and his sacrifice:

● **This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.**

Matter set in this typeface **indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.**

A NEW JERSEY TOWN MOURNS GULF CASUALTY

(By Kitty Dumas)

The Stars and Stripes is flying at half staff in Paulsboro, N.J.—the home of U.S. Navy Lt. j.g. James F. Lazevnick, 26—as residents of the tightly knit community mourn the hometown boy was killed Thursday in a helicopter crash in the Persian Gulf.

Lazevnick, the co-pilot, was killed after his helicopter, among U.S. forces protecting Kuwaiti oil tankers in the gulf, crashed into the sea while trying to land on the LaSalle, the command ship of U.S. forces in the gulf. The helicopter was on a routine transport mission.

Lazevnick and his wife, Linda, had no children. Relatives said they lived in Newport News, Va., but Lazevnick grew up in Paulsboro and his parents live there.

Paulsboro Mayor John Burzichelli said yesterday that he had ordered the flags flown at half staff until the day after Lazevnick is buried. Funeral arrangements are incomplete.

"You don't think this would happen in Paulsboro," Burzichelli said. "We're really shocked about it and saddened for the family."

"I know his mother and father real well," he said. "He graduated in 1980 with my son from Paulsboro High School." Lazevnick then attended the U.S. Naval Academy, graduating in 1984.

Robert Damminger, 30, is Lazevnicks' cousin and a borough councilman.

Damminger said they had heard about the crash Thursday afternoon, but were not notified until two Navy officers arrived at the Lazevnicks' home about 10 that night to notify the family that James Lazevnick had been killed.

"He loved the Naval Academy," Damminger said of James Lazevnick. "His family is very proud of him."

Rita Kelly lives across the street from Lazevnick's parents, John and Elizabeth. She and Lazevnick's mother Elizabeth, grew up together, as did their children. The Lazevnicks have three other children, Mary Beth, John and Joseph.

Yesterday, Elizabeth Lazevnick told Kelly the tragic news.

"He was just a neat kid," Kelly said, her voice breaking.

"My own son was in the Naval Academy, too, so it's very hard for me," Kelly said.

"They were in very close contact with him through letters," she said.

"They were and are a very closely knit family," she said.

When their son was sent to the Middle East the Lazevnicks feared for his safety, Kelly said.

"I know his mother had reservations. They felt distressed. But I think from everything Betty told me he felt that it was his duty," she said.

"Jimmy felt very proud of the job he was doing."

VA EMPLOYEES VOICE STRONG SUPPORT FOR THEIR MEDICAL COMPUTER SYSTEM

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. MONTGOMERY. Mr. Speaker, a controversy over the effectiveness and cost of the Veterans' Administration's medical computer system, known as the Decentralized Hospital Computer Program [DHCP] system, has arisen in the Congress. As chairman of the Committee on Veterans' Affairs, I have scheduled many oversight hearings on this important medical computer system over the past several years and the reports on its effectiveness and costs have been uniformly very positive.

Since our hearing of April 8, 1987, on this important subject, I have received many letters from veterans, and Veterans' Administration employees in support of the DHCP.

I would like to share with my colleagues a copy of a letter which I received from Dr. Franklin G. Ebaugh, Jr., Chief of Staff at the VA Medical Center at Palo Alto, CA, which demonstrates how the VA employees feel about their medical computer system. The letter follows:

STANFORD UNIVERSITY
MEDICAL CENTER,
Stanford, CA, March 27, 1987.

Hon. G.V. (SONNY) MONTGOMERY,
Chairman, Committee on Veterans' Affairs, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: I understand that comparing the merits of the DHCP system with the McDonnell Douglas Computer System is being considered.

It would be extremely important while this comparison is being made not to stop funding the DHCP but to continue the funding until the day before a decision is made, if a decision is made to switch to another system. To do otherwise and stop supporting the DHCP while a comparison is being made would result in total and utter chaos in the management of the VA hospitals and would have very serious effects on health care.

We are now only just beginning to master the DHCP system, for example, getting our Laboratory on line, being able to get good data about the number and types of patients seen, getting the appointment schedule going, etc. If we stop the DHCP system and do not continue to add to it and support it, the results will be, as I said before, absolutely catastrophic. Furthermore, the cost of the mainframe is a smaller part than the peripherals, which could be used under either system. Also, it would not be a waste of money to continue to support the DHCP mainframe even though it would not ultimately be used, since it would still be a valuable computer resource that could be well and profitably used by the VA hospital system.

If the DHCP system is not supported before the switch over, if a switch does occur, this might result in a down time of from five to seven years, which would be very damaging to our patient care efforts. Therefore, I urge you to continue to support the DHCP system.

I'm writing this as a private citizen, but I have considerable expertise concerning the above subject matter since I am Chief of Staff at the VA Medical Center in Palo Alto, California.

Sincerely,
FRANKLIN G. EBAUGH, JR., M.D.

PERSONAL EXPLANATION

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. TORRES. Mr. Speaker, I was unavoidably absent on official business during rollcall votes 291, 292, and 293 on Thursday, July 30. Had I been present on the House floor, I would have voted as follows:

Rollcall 291, on approval of the Journal of Wednesday, July 29, "yea."

Rollcall 292, on the Sikorski amendment to H.R. 1414, "aye."

Rollcall 293, on final passage of H.R. 1414, "aye."

THE CONTRAS AT WAR

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. MICHEL. Mr. Speaker, given the fact that it is all but universally agreed upon in the House that the current rulers of Nicaragua are self-avowed Marxist-Leninists; that is Communists, on what principle do we believe the Sandinistas will negotiate themselves out of power or institute what we in the West agree are basic human and civil rights?

It certainly can't be a principle found in Marxism-Leninism, because no such principle exists. How could it exist when the true believer in Marxism-Leninism dogma is convinced that because of his allegedly "scientific" understanding of history and the inner workings of society—an understanding open only to those who have embraced Marxism-Leninism—he has a duty and a historical right to determine the future course of his country?

If the principle of compromise cannot be found in Marxism-Leninism itself, where can we look for it? Only in the application of military pressure against the Sandinista government to such a degree that in order to save part of the revolution, they may be willing, with typical Communist pragmatism when dealing with tactical matters, to offer what they consider to be bourgeois, decadent, and imperialistic freedoms such as freedom of the press, and so forth.

We should pay the Communists in Nicaragua the tribute of saying they practice what they believe in and believe in what they practice. They are dediciated men and women. That their dedication is devoted to a cause which is the very antithesis of what we know as human freedom, is of course the major question. But we should not insult them by dealing with them as if they shared our values. They despise our values. They loathe what we term liberal democracy. They are in principle—and must be in principle—against every form of bourgeois morality or western political and economic structure that does not, for the moment, meet some immediate tactical requirement of the revolution.

Thus, all this talk that Nicaragua now has a "mixed economy" may be for the moment true, but is beside the point. Whatever remnants of free enterprise that still exist in Nicaragua are there because of the current tactical and propaganda needs of the Communists, not because the Communists agree in principle to the right of private ownership of business or industry. Why don't supporters of the Sandinistas in the United States acknowledge that fact?

The Sandinistas are true Communist revolutionaries and have been since 1961. They believe in the ideals and the goals and, most especially, the tactics, set down by Lenin many years ago. Such adherence to a faith would be admirable if we did not already know the price others have had to pay all over the world for the Communists to be able to put that faith into practice.

What about human rights abuses among the Sandinistas? The Wall Street Journal addressed this point recently.

At the point I wish to insert in the RECORD, "The Contras at War," from the editorial page of the Wall Street Journal, Friday, July 31, 1987.

THE CONTRAS AT WAR

When public support for the Nicaraguan Contras shot up following Oliver North's TV appearances, the Contras' congressional opponents said it couldn't last, that the campaign to defund the freedom fighters would continue. Now comes a respected human-rights report on the anti-Sandinista guerrillas. While the report pointedly criticizes aspects of the Contras' behavior, there's no blinking at the ironic fact that this critique exists because the Contras are perhaps the first army in modern civil war to let independent human-rights workers monitor their activities in the field.

Nowhere are the articles of the Geneva Convention more commonly ignored than in civil wars. Biafra, Afghanistan, Rhodesia, the U.S. War Between the States—it's never a pretty picture, and all serious people know it. But because Washington in recent times has become a kind of holy city of concern over ethical matters large and small, the Contras' opponents in Congress have figured out that human-rights probity will fly as a litmus test for further funding.

In October 1986, Congress dedicated $3 million of the $100 million Contra aid package to promote human righs among the Contras. A highly respected group of Nicaraguan exiles, with expertise in monitoring human-rights violations by both the Somoza and the Sandinista regimes, was formed under the name of the Nicaraguan Association for Human Rights. Two of the association's officials served in the Sandinista government—a former ambassador to the U.N. in Geneva and a vice minister of justice. The State Department monitors the association's use of funds, but that's the extent of its involvement.

Based on field work by 90 observers, the report faults the Contras on specific allegations as well as general practices, such as the treatment of prisoners. The next step is to set up a liaison between the association's offices and military prosecutors organized by the different branches of the Nicaraguan resistance. No one is sure how cooperative the Contras will be in prosecuting individuals found guilty of violations, but so far the resistance has generally acquiesced to the various demands of the association.

In its report, the association lists the most important limitation of its work as lack of access to war zones. The reason the report gives for this access problem is, "The Sandinista government continues to deny permission to conduct investigations inside Nicaragua." So perhaps now we have another litmus test of judgment: The Contras have made their dirty laundry available for inspection; the Sandinistas have not.

The Sandinista government has indeed provided greatly circumscribed cooperation with human-rights groups in the past. The Sandinistas have allowed observers into their criminal penitentiaries, for example, but no one has been allowed to look at their state security prisons, where many political prisoners languish.

Is it possible that the Sandinistas' conduct on the battlefield is less brutal and arbitrary than their conduct in detention centers or on the streets of Managua? Perhaps the person best suited to answer that question is the executive director of the new human-rights association that issued this week's Contra critique, Marta Patricia Baltodano.

Ms. Baltodano is a well-respected Nicaraguan lawyer who reported human-rights abuses during the Somoza dictatorship. But when reports of abuses continued after the revolution, Ms. Baltodano again braved personal threats and intimidation to head the Managua office of the Nicaraguan Permanent Commission on Human Rights. Its reports severely criticized the Sandinistas' behavior. Finally, after a particularly vile 1985 blackmail scheme orchestrated by the Sandinista secret police. Ms. Baltodano was forced into exile.

So what we're left with here is that one side keeps Ms. Baltodano from reporting on its human-rights abuses, while the other helps her report its defects. So little resistance to this condition of U.S. aid suggests a civility, and a recognition of the importance of that civility, that cannot be found in Managua.

A TRIBUTE TO THE NATIONAL TRUST FOR HISTORIC PRESERVATION

HON. JIM SLATTERY

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. SLATTERY. Mr. Speaker, I would like to take this opportunity to pay tribute to the fine work of the National Trust for Historic Preservation. As the following letter indicates, when a group of northeast Kansans needed fast, accurate information on a matter of important local concern, the staff of the trust was able to respond in a timely and highly professional manner. The actions of the trust illustrate the many valuable functions that independent, nonprofit organizations perform in the service of the public interest, and I hope they serve as an inspiration to other organizations, both public and private, that are intended to serve the needs of all citizens.

The text of the letter follows:

THE LAWRENCE PRESERVATION ALLIANCE,
Lawrence, KS, July 18, 1987.

Representative JIM SLATTERY,
Longworth House Office Building,
Washington, DC.

DEAR REPRESENTATIVE SLATTERY: Several days ago our organization needed information concerning our tax-exempt status and our ability to lobby to influence legislation. We found that this is a specialized area and no lawyer in our city had the requisite expertise.

I called the regional office of the National Trust and spoke with Mary Humstone. I explained our situation and told her that we needed information that day if we were to be able to meet a deadline for submitting a historic preservation ordinance to our city commission.

Ms. Humstone phoned me back that afternoon with specific and precise information as to what our options were and how we should go about pursuing which ever direction we chose. By the end of the week I had received a reprint from the Trust's Preservation Law Reporter of an article dealing exactly with our situation.

In a period when people are quick to attack federal "bureaucracies" for one deficiency or another, I am very happy to report that the district office of National Trust was organized, responsive, and very competent. They provided us with a valuable service, and they did it efficiently. I hope that their sort of service will not go unnoticed or unappreciated.

Sincerely,

OLIVER FINNEY,
Chair, Revolving Fund Committee.

STATES FILLING CONSUMER PROTECTION VOID

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. FLORIO. Mr. Speaker, on July 23, the subcommittee I chair, the Commerce, Consumer Protection, and Competitiveness Subcommittee, conducted a hearing on the State role in consumer protection. Witnesses included State attorneys general and consumer protection administrators.

The hearing revealed that the States—both through the attorneys general and the consumer protection agencies—are taking an active role in protecting consumers. However, to some extent, this role has been forced on them by a retreating Federal Government with a blind ideological adherence to deregulation. While the active involvement of the States is to be commended, the interstate nature of many scams requires a nationwide approach which the Federal Government is often best able to pursue.

The following Associated Press article sums up the hearing well:

STATES TAKING UP FIGHT TO PROTECT CONSUMERS

WASHINGTON.—The battle to protect American consumers has fallen to the states as federal agencies pulled back in the name of deregulation, a panel of state attorneys general and consumer officials told Congress.

Federal laws and agencies remain, but their machinery has been dismantled as the Reagan administration sought to reduce its influence on the marketplace, Georgia consumer affairs administrator Barry W. Reid told the House Energy and Commerce consumer subcommittee.

"The deregulation philosophy did not take into account the public demand that exists for governmental consumer protection," Reid said Thursday.

"Faced with little federal assistance, the citizenry has turned to the states and demanded consumer protection so vital to effective marketplace functioning," he said.

In the long run this will prove even more troublesome and costly to businesses as they are faced with 50 state requirements rather than a single set of federal regulations Reid said.

In the meantime, though, federal inaction has forced the states to become "reluctant soldiers" in the battle against nationwide consumer fraud, Minnesota Attorney General Hubert H. Humphrey III said.

"Everywhere we look the wrecking crews are at work—at the Federal Trade Commission, the Consumer Product Safety Commission, the Food and Drug Administration and every other agency which should be safeguarding the integrity of the marketplace," Humphrey said.

"It is as though the fire department has set a torch to the firehouse," he said.

Steven W. Hamm, director of the South Carolina department of consumer affairs, said, "There is a growing perception that deregulation in Washington means standing on the sidelines regardless of the problems that might develop."

Hamm said the voters that elected both the federal and state governments are also the people who file complaints with consumer affairs offices about advertising issues, credit problems, warranty disputes and mail order problems.

"Inaction by federal officials on legitimate issues of concern will not cause those problems to disappear," Hamm said.

But the filing of separate state lawsuits against people and companies engaged in consumer fraud "is costly and encourages such operators to jump state lines as the individual lawsuits are filed, thereby hopscotching across the country as they line their pockets with fraudulently obtained consumer money," Kansas Attorney General Robert H. Stephan said.

VA EMPLOYEES VOICE STRONG SUPPORT FOR THEIR MEDICAL COMPUTER SYSTEM

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. MONTGOMERY. Mr. Speaker, a controversy over the effectiveness and cost of the Veterans' Administration's medical computer system, known as the Decentralized Hospital Computer Program [DHCP] system, has arisen in the Congress. As chairman of the Committee on Veterans' Affairs, I have scheduled many oversight hearings on this important medical computer system over the past several years and the reports on its effectiveness and costs have been uniformly very positive.

Since our hearing of April 8, 1987, on this important subject, I have received many letters from veterans and Veterans' Administration employees in support of the DHCP.

I would like to share with my colleagues a copy of a letter to the Honorable EDWARD P. BOLAND, chairman of the Committee on Appropriations' Subcommittee on HUD-Independent Agencies, which I received from Mr. Clark Graninger, Director of the VA Medical Center at Albany, NY, which demonstrates how the VA employees feel about their medical computer system.

The letter follows:

GUILDERLAND, NY, MAY 15, 1987.

Hon. EDWARD P. BOLAND,
Chairman, Subcommittee on Hud-Independent Agencies, Washington, DC.

DEAR MR. BOLAND: I am gravely concerned about the future direction of data processing in the VA Medical Centers. If indeed VAMCs are not allowed to progress with the DHCP solution, the quality of services provided to our Veteran population could very well degenerate.

As the Director of a VA Medical Center, I have seen the DHCP as a working, necessary tool used at all levels of clinical care. Our physicians can obtain a complete patient profile including admission information, x-ray results, medication history, lab test results, and more, without leaving their primary care area and without having to connect to several separate systems. This definitely allows for faster, more complete treatment of our patients.

The DHCP has helped VA Medical Centers improve their patient length of stay by developing and presenting patient information in a timely and effective manner. At Albany VAMC, as have seen significant decreases in the average length of stay from FY 86 to FY 87. In Surgical Service, a 15% decrease has occurred; Medical Service has displayed a 14% decrease. If this important and appropriate trend is to continue, the clinical staff will need all of the flexibility and data integration provided through the DHCP system.

I strongly urge that interested committees of Congress not prohibit or alter, in any way, the planned DHCP procurement cycle or implementation schedule. If required to abandon DHCP in favor of an untried, unnamed and dissimilar system, I feel that the Medical Center operation would be adversely affected.

Under the DHCP approach, users of the system are heavily involved in how the individual modules are designed and implemented. I do not think that "off the shelf" software would allow this flexibility nor do I think that clinical staff should have to waste valuable time learning to use a replacement system when the DHCP is already handling their needs very effectively.

Your prompt attention to this letter and this important issue is greatly appreciated.

Sincerely,

CLARK C. GRANINGER,
Director, Albany VA Medical Center.

IT IS NOT UN-AMERICAN TO SPEAK A LANGUAGE OTHER THAN ENGLISH

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. TORRES. Mr. Speaker, a friend of mine recently sent me an article that deserves special attention. Mr. Miguel Dominguez wrote an excellent opinion called "One Day at the Mall." His opinion appeared in the Mexican American Sun on June 4 and I want to share this article with my colleagues.

Mr. Dominguez' opinion serves to remind us that one of our Nation's strengths is the unique diversity we can find in our languages, cultures, and ethnic groups. We must not allow ignorance to prevent us from using the language we feel comfortable speaking. Misguided efforts to pass English-only laws will only damage our Nation's unique history. I encourage my colleagues to read the opinion.

[From the Mexican American Sun, June 4, 1987]

ONE DAY AT THE MALL

(By Miguel Dominguez)

Recently, I was shopping at a popular mall. It was rather crowded so that I sought refuge in a fast food restaurant. I happened to sit next to a group of Chinese who were carrying on an animated conversation.

Almost at the end of my meal. I overheard another group of people behind me loudly and acrimoniously criticizing the Chinese because, as they said: "They might be talking about us" and "After all, this is America. They should be speaking English only."

I also do not speak Chinese but my reaction was very different. For a few moments my curiosity was aroused. I stopped munching and listened attentively to another language. The new sets of sounds and body movements and the novel range of tones fascinated me. At that moment I wished that I could speak Chinese.

East Los Angeles is my place of birth. There I grew up in a linguistic milieu in which I was urged to learn both Spanish and English very well. At the same time, my parents inculcated in me the ideas that a "persona educada" 1) was prepared to handle any exigency in two or more languages and 2) demonstrated civility and respect for all people whatever their cultural background.

My bilingual upbringing was conducive toward a humanistic outlook and it provided me with the opportunity to view distinct realities and describe them from two perspectives. This, in turn, has driven me to study four other languages—Latin, Portuguese, French and Italian, and to explore the world views of other culture.

In addition, my multilingual experience has shown me that cultures are certainly vastly different from each other but they are by no means superior or inferior.

The above may explain why I do not have a fear of the new and why I do not view the different as dangerous. If I were a paranoid xenophobe then I would be like the proverbial ostrich with its head in the multicultural sands of Los Angeles.

Neither the annoyed English speakers nor I knew with certainty what the Chinese were discussing at the mall restaurant. But my ignorance of Chinese did not make me feel insecure nor did it lead me to jump to the unreasonable conclusion that I was the topic. As a fellow bilingual, I know that I do not waste my fluency of two languages—a rarity in the United States—on idle gossip.

Their insecurity and arrogance reminds me of many people who consistently evince an apprehension of minorities who persist in maintaining their native language. Benjamin Franklin, feared that early German settlers would "germanize" Pennsylvania and endanger the development of an incipient nation. Apparently, old Ben wanted political democracy but not cultural democracy. (Even his idea of political democracy is tainted since blacks were still slaves, Indians were being unjustly deprived of their property, and women could not vote even after he died.)

Franklin's phobia is still well embedded and abetted so that some people continue to believe naively that the persistence of a language other than English is equal to a political threat to the United States. Even in the face of contradictory evidence, some people confuse ethnic linguistic loyalty with political disloyalty.

They forget that a few years ago, a majority of the voters of French-speaking Quebec opted to remain part of Canada. They forget that a large number of spies against the United States were citizens and monolingual speakers of English. Hey, who was Benedict Arnold?

They conveniently ignore that a disproportionately high number of bilingual Chicanos—and nationalized Mexicans who spoke limited English—died for this country in World War II, and in Korea and Vietnam.

Do you remember that a Chicano Marine, taken hostage with others in the U.S. embassy in Iran, defiantly scrawled "Long live the red, white, and blue" on a wall proclaiming his loyalty to this nation? I believe he wrote this proud message in Spanish!

Was his heroism futile? Did Chicanos and Mexico-born soldiers die in vain for democracy, self-determination, and the right to express one's thoughts freely? I doubt that they all believed that the First Amendment means "speak only English in the malls or any other place in this country."

MORE ON GLASNOST

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. MICHEL. Mr. Speaker, in recent editions of the RECORD, I have been inserting press reports about a new publication, Glasnost, being published by Soviet dissidents. I recommend to our colleagues a recent article in the Wall Street Journal, dealing with the problems facing the dissidents. The article also contains an editorial statement by the publishers of Glasnost.

At this point I wish to insert in the RECORD, "Glasnost, the Magazine vs. Glasnost, the Policy" by Leonard R. Sussman, and "Declaration of the Editors" from Glasnost magazine, but published in the Wall Street Journal, Friday, July 31, 1987.

[From the Wall Street Journal, July 31, 1987]

GLASNOST, THE MAGAZINE VS. GLASNOST, THE POLICY

(By Leonard R. Sussman)

Glasnost is the name that a group of ex-political prisoners and dissident writers have aptly christened their new magazine, which was launched in Moscow earlier this month. The magazine's first issue has been allowed to circulate freely.

Glasnost is edited by Sergei Grigoryants, whose sunken eyes and general pallor suggest the strain of 10 years of harsh imprisonments, the last of which ended just five months ago. Since the 1960s, when Mr. Grigoryants became a human-rights activist at college, he has been imprisoned three times for writing or assisting in the distribution of *samizdat, or unauthorized publications.*

Like the publications that put him in jail in the past, Glasnost, which he is editing in his cramped bedroom in Moscow, is critical of the most vital economic and political issues in the Soviet Union. In doing so it is testing the outer limits of Mikhail Gorbachev's policy of glasnost. The first issue includes a critical analysis of the Soviet-run peace conference in Moscow in June. The next issue will carry articles on the KGB, Jewish emigration and problems of the Soviet economy.

More extraordinary than Glasnost's contents, however, is the fact that the government has not condemned the magazine—or worse. Mr. Grigoryants sent the first issue to the Kremlin and formally sought permission to publish. So far he has received no reply, and the official attitude has been benignly bureaucratic. Alksandr N. Yakovlev, second only to Mr. Gorbachev in the Politburo, sent Mr. Grigoryants's request to a deputy in the agitation and propaganda sector, who is turn passed it on to a press-control official. When Mr. Grigoryants invited seven officials to a subsequent press conference and discussion of Glasnost articles, a government spokesman replied that they'd be pleased to come but all would be "on vacation" that day. (Plainclothese police monitored attendance at an earlier press conference called by Mr. Grigoryants.)

Such game-playing is a dramatic advance over the nearly 70-year history of oppressive, sometimes fatal control of the press by the Central Committee of the Communist Party. Hundreds of prisoners of conscience remain incarcerated in prisons, labor camps or psychiatric hospitals because they demonstrated similar courage in expressing their views.

The publication of Glasnost and the fact that it hasn't been banned suggest that for the first time dissidents and Kremlin leaders share a stake in an advertised policy—glasnost—for quite different reasons and objectives. The word's double meaning may provide an explanation. It is commonly translated as "openness," but it also means "publicity"—getting a better press for official policy.

The latter meaning is necessary for Mr. Gorbachev's plans to restructure the failed economy at home and de-escalate East-West tensions abroad. Reform of the economy can happen only through more open analysis of failures in production and distribution. That will occur only if Soviets' paranoia about criticizing the government is reduced. Similarly, in order to ease East-West tensions, foreigners' fear of Soviet hyper secrecy need to be allayed. Greater openness must not only be perceived at home, but publicized abroad.

For Soviet dissidents, glasnost is a glimmer of hope. But as it is conceived in the Kremlin, glasnost certainly is not the road to Western-style democracy. Mr. Grigoryants and his colleagues know this, but they also realize that the policy nevertheless may be the key to some constructive change. The lead article in Glasnost, excerpts of which are reprinted nearby, said the magazine's aim is to help "stimulate the development of democracy" in the Soviet Union. The dissidents I interviewed in Moscow earlier this month, including Andrei Sakharov, said they regarded Mr. Gorbachev as an intelligent reformer who may, if given the chance, construct a more productive, less fearful society.

But this won't happen without considerable struggle. The editor of a major establishment newspaper that has published more than its share of breakthrough stories in the glasnost spirit confided: "We have enemies in New York, and enemies here."

To avoid new oppression and to continue publishing Glasnost, which they hope to bring out three times a month, Mr. Grigoryants and his 20 to 30 colleagues need production supplies and equipment. The first weapon of the censors is denying printing supplies and equipment, and in the past, Soviet dissidents have been arrested for "offenses" such as owning a typewriter, which must be registered with the government. The first issue of Glasnost, which Mr. Grigoryants gave me, consisted of 55 carbon-copy pages typed on onionskin paper. Plans call for Glasnost to be published in Paris as well as Moscow. An English translation will be printed in New York.

Glasnost, the magazine, may well reflect the potential of glasnost, the policy. If the magazine is stifled either by clever intrigue or outright suppression, the policy will lose credibility in the West and among Soviet intellectuals. The support of both groups is a major factor in Mr. Gorbachev's reforms.

Asked whether he believes the government will grant permission to publish Glasnost, Mr. Grigoryants replied: "It's dificult to say. That depends on how good, how valuable and how serious the magazine becomes. It also depends on the reaction in the West. If the magazine is good, and is so perceived abroad, that will increase the chance of official recognition."

(Mr. Sussman is executive director of Freedom House, which monitors political rights world-wide. His son Mark Sussman, who writes and works in the theater, helped prepare this article. Both have just returned from the Soviet Union.)

DECLARATION OF THE EDITORS

At the present time the need for reform in all spheres of life of society—political, economic, social, and cultural—has become evident. Not so long ago only a few people spoke publicly about the need for change. Today everyone speaks about change, and the nation's leaders more insistently than others. . . .

It would seem that those people who had already spoken and written the truth about life in their society, despite the prohibitions and repressions, would find it easier to become part of this process. It would seem that all they had to do was to continue their cause, but it is not so simple, because they must take into consideration not only their actions, but also the counteractions. It is no secret that the policy of change encounters active resistance from those in the political and economic apparatus who have brought the nation, directly or indirectly, to this "pre-crisis situation." Until now these individuals have continued to occupy numerous key positions, and they actively stand in the way of restructuring. Their major argument is the fear of losing control over the nation. These forces should not be underestimated.

We are aware of the fact that one can impede the budding restructuring process not by actively resisting the reforms, but also by prompting actions on behalf of their opponents. It is not easy in today's complicated political situation either to support with confidence or to reject outright any evaluation. We are aware of the danger of acting, but inaction is also intolerable. . . .

The first steps are clear. We begin by publishing the Information Bulletin Glasnost and a larger publication, the Anthology Glasnost, which will contain articles and materials on important contemporary problems. Both publications are independent organs with the purpose of facilitating democratic consciousness in society. . . .

Both publications are intended as totally legitimate publications, registered with the appropriate state organizations. The Bulletin and the Anthology will highlight to the same degree aspects of the human-rights movement in the country as well as other socially significant problems, such as ecology, culture, economics, and social life, while bringing together in these publications a broad circle of highly qualified specialists.

The need for independent publications is dictated by the fact that the entire print media in our country are part of that very political, administrative, or economic apparatus which is far from irreproachable and has recently been subjected to open criticism. In our country the mass media are a part of this apparatus, and therefore do not perform the function of feedback between society and the leadership very well. . . .

There is another important aspect: all changes in our country are perceived with great interest by the entire world, and information provided by independent publications will be received with greater trust and will increase the degree of trust between nations.

And finally: A large part of the country's population is biased against official publications. Now these people will see that a publication which is checked by [the government] but is still independent is possible in our country. This will be serious evidence of the fact that democratization is beginning to take place and will enliven the spiritual climate of our society more than dozens and hundreds of declarations.

Today we have only one means of encouraging change in the nation—to embody these changes in the word and in the social consciousness, and to make them objective. Truth is in the domain of society, and what was a secret yesterday is being discussed today openly and everywhere. It is impossible to remain silent.

BRINGING HOME THE BENEFITS OF THE INFORMATION AGE

HON. JIM SLATTERY

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. SLATTERY. Mr. Speaker, last Thursday, the Energy and Commerce Subcommittee on Telecommunications and Finance, on which I serve, held a hearing which focused upon the provision of information services to the public through the telecommunications network.

Opponents of a Bell Co. provision of information services say many of these enhanced products are already available to the public. The problem is not availability, but demand, they say. Consumers just don't want them or they already have them, their argument goes. And that's why there hasn't been tremendous growth in demand for services such as videotext, electronic mail, or home banking and shopping.

However, this argument is misleading and distorts the true condition of the information services market.

There's a missing link in the chain of demand—a link that the Bell companies could fill if freed from certain restrictions in the AT&T consent decree. Lifting the information service restriction would bring home the full benefits of the information age for the average customer. Here's why.

It's true that some information services are available today to the public—but so are robots and rockets. That doesn't mean they're practical. Nor does it mean they are affordable, offered efficiently and available to the average customer.

Take online data bases. A person can buy a personal computer, modem, software, and learn to use it. Then you open an account with an electronic service provider, pay the online costs, and limit yourself to the data bases or services available. So now you sort out the password, account number, billing information and you're in pretty good shape. Right?

Not really. Let's say you then want to start banking at home. You have to start the whole process over again—different account number, different software, different billing information and so on.

Clearly, the current system is costly, confusing and inefficient. And as a result, consumer demand for information services has not lived up to its potential in this country. Furthermore, many entrepreneurial vendors who would like to offer their services electronically have not done so because of the lack of a gateway to the public—a gateway which might be provided today for certain national vendors, but not to the local bank or drug store in Lawrence, KA. The telephone company could provide such a gateway.

As a result of the information services restriction, American technology has not kept pace with foreign countries, America has lost jobs, and the American consumer and entrepreneur have not experienced the full benefits of the information age. Many more information services are available to a much broader segment of the population in countries like France, Japan, and Canada.

Yet, would letting the Bell companies provide these services make the situation any better? It would, and here's why.

First, if the Bell companies offered these services, access would be simpler for consumers and providers. Telephone companies could provide a menu of all the information services available to its customers. And, local or national companies could offer these services—the more the better. Customers could get one ID number, one account, and one bill. The telephone company would serve as a two-way gateway—from the customers to the information service providers, and from the information service providers to any one with a telephone.

This gateway would serve as an intermediary system that connects diverse users with diverse information providers, a marketplace where the buyers and sellers of information can easily find each other. But the gateway is not just an access point or a place, it is also a guide. It guides the user through the session, allowing him/her to navigate among services and systems. Unlike information systems, which are usually a collection of services targeted toward a particular interest group, the gateway offers access to all available systems and all available services without the need for separate passwords and access codes. By aggregating the demand and the supply, the gateway provides the critical mass that is needed to establish a synergy between providers and users, causing both to grow.

Some have alleged the telephone company might discriminate among providers for access to the local network. That would be ludicrous. Failing to get as many services as possible on the network is like a merchant picking certain people out of the cashier's line and telling them he doesn't want their money.

Second, telephone companies could most likely offer these services at less cost to the consumer. Today, customers usually need a personal computer and a modem to have access to information services. Through the telephone network, consumers could access these services with little more than a telephone and an old black and white TV. Allowing the telephone companies to provide these services would make the services inexpensive enough so that, over time, millions of new customers could afford them.

Third, it would be more efficient, benefiting local ratepayers who use, or even don't use, these services. Much of the technology needed to provide these computer age enhancements exist in the local telephone network. A telephone company's central office switch is just a big computer. Allowing that computer to provide a host of new services spreads the network costs across more users. That will help keep all rates down—for information service customers and local telephone users.

Fourth, allowing the Bell companies to provide these services would offer new opportunities to local providers of these services and a wider array of services for local customers. Today, national information services providers have no incentive to offer many of the most wanted services—local banking, local shopping, local entertainment information. This local or regional emphasis that the Bell companies bring to the table is the missing link in today's information services equation. These telephone companies can serve as the bridge between entrepreneurs who want to bring these services to the public, but have found little interest among national electronic service providers, and customers, who want locally oriented information services.

Finally, data base oriented information services have been the thrust of my comments today. Yet there is a wide array of other services to benefit consumers that have not become widely available because of the information services restriction. Advanced custom calling features such as voice storage—a substitute to answering machines, distinctive ringing for predesignated calls, and notification of what number is calling you are a few examples. Utility monitoring and health monitoring are other examples.

In short, the MFJ information services restriction denies a vast array of benefits to the public. Bell Co. provision of these services would: reduce costs, simplify access, broaden the number of subscribers, and increase efficiency of the public telephone network.

We can moan and groan all we want about the trade deficit and how we're treated unfairly by foreign countries. Until we get our own house in order and lift outmoded restrictions that hamstring U.S. companies, America's new emphasis on competitiveness is pipedream, not a policy.

LIFE INSURER SOLVENCY DEBATED

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. FLORIO. Mr. Speaker, many Members of Congress have been concerned about the impact of the liability insurance crisis. The Subcommittee on Commerce, Consumer Protection, and Competitiveness has held hearings on the crisis and the rising numbers of financially troubled property-casualty insurance companies. Recently, State insurance regulators have suggested to the subcommittee that problems of at least the same magnitude may be brewing in the life insurance industry. In a recent hearing, the subcommittee turned its attention to the subject of life insurance company solvency. Because of the importance of this matter, I am inserting in the Record an article from the Journal of Commerce summarizing our hearing.

[From the Journal of Commerce, July 30, 1987]

Life Insurers Debate Junk Bond Investments

(By Leah R. Young)

Washington.—Two insurance company executives led a heated debate over the wisdom of life insurance company investments in junk bonds before a House Commerce Subcommittee Wednesday.

John H. Tweedie, senior vice president and chief actuary of Metropolitan Life Insurance Co. rejected claims by smaller insurers and supporters of such high-interest, high-risk investments that reserves demanded by the National Association of Insurance Commissioners make these safe investments.

Mr. Tweedie told Rep. Howard Nielson, R-Utah, that the question is not whether high-yield bonds have been a major cause of past life insurance company insolvencies.

"The point is not what has happened but what might happen if there is a major economic down-turn."

Herbert Kurz, president of Presidential Life Corp. defended his company's heavy investment—now up to 35% to 40%—in junk bonds.

He said "high-yield bonds have not been a factor in the financial problems of those life insurance companies that have had troubles."

He pointed out that the Security Valuation Office of the National Association of Insurance Commissioners evaluates junk bonds and categorizes them according to risk, requiring reserves from 10% to 20%, depending on the risk.

The reserves, he argued, have created a fund "that is many times larger than any default rate in the long history of high yield bonds, which for the past four years have averaged 1.63%."

The New York superintendent of insurance, James P. Corcoran, disputed that. He said, "if the default rates remain stable, or improve, everyone will rejoice. If they worsen, however, a company with a heavy concentration of its assets in these obligations would come under extreme stress."

New York has just promulgated an insurance regulation limiting insurers doing business in that state to having no more than 20% of assets invested in junk bonds.

Subcommittee Chairman James Florio, D-N.J., expressed concern that if there is an economic downturn and several life insurance companies are threatened the public might turn to Congress if state guaranty funds prove inadequate.

There has to be planning for a worst case scenario, Rep. Florio told Mr. Corcoran, a strong believer in state regulation of insurance. "The committee may need proposals we can take off the shelf if needed," Rep. Florio said.

Ralph Ingersoll II, representing the Alliance for Capital Access, companies that issue high-risk bonds, charged that banks are behind the push to regulate the percentage of insurance industry assets invested in such bonds.

Commercial banks, he insisted, want to restrict competition and access to capital markets.

He argued that high yield bonds are not new. "The only difference between a high-yield bond purchased by an insurance company through private placement ten years ago and most high yield bonds today is the development of an active, liquid public market for these securities."

That, he said, "makes these securities far safer than they have ever been before."

Mr. Tweedle countered that many junk bonds are used to take over companies and will be paid off with the target's own cash.

"The target company often emerges highly leveraged and very vulnerable to a downturn in its earnings and cash flow. We are therefore very concerned about default risk," he said.

Rep. Florio appeared susceptible to Mr. Tweedle's warning that "there is a very real danger that some insurers who invest heavily in junk bonds could find themselves insolvent, should there be an unexpected change in economic conditions."

Rep. Florio noted rising insolvencies in the property/causalty insurance business saying witnesses have told the subcommittee "that problems are developing in the life insurance industry that could be at least as damaging as the liability crisis" has been for property/casualty companies.

He also released a General Accounting Office study of property/casualty insurance company insolvencies. The congressional investigating agency found that from November 1969 through 1986 there were 140 insolvencies, with 42% happening since 1983.

GAO could not find any characteristics or trends in common when it analysed 49 of 95 property/casualty companies liquidated between 1977 and 1986.

PAYING TRIBUTE TO HON. ROBERT N.C. NIX, SR.

SPEECH OF

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 28, 1987

Mr. WRIGHT. Mr. Speaker, I am pleased to join my many colleagues in remembering Robert N.C. Nix, and I want to thank the gentleman from Pennsylvania [Mr. Foglietta] for organizing this day of tribute for our late and dear friend and former colleague.

Bob Nix served in this House with great distinction for more than 20 years, and it is with enormous sadness that we remark upon his passing. And yet, in remembering his record of achievements, we draw inspiration and guidance.

Bob Nix died on June 21, 1987, at the age of 88. He lived a full and eventful life. The first black to graduate from the University of Pennsylvania Law School, Bob Nix also was the first black elected to Congress from that State. Bob Nix throughout his life helped to lay significant stepping stones tn the path toward greater equality.

I was a junior Member of this body, only in my second term, when Bob Nix won a special election to the House on May 20, 1958. His period of service overlapped with mine until his retirement in 1979. When Bob Nix retired, this House lost one of its finest Members. When he died recently, humanity more generally suffered a similar loss.

As cochairman from 1968 to 1978 of the United States-Mexico Interparliamentary Committee, Bob Nix devoted a great deal of his time and talent to building better understanding and mutual trust between our country and our neighbor to the south. I worked with him in this effort, and I can attest personally to his effectiveness. A longtime member of the House Foreign Affairs Committee, and chairman of the Subcommittee on International Development, Bob Nix established himself as a leading authority on the Middle East and South Africa.

The gentleman from Pennsylvania [Mr. Foglietta] eloquently remarked upon Bob Nix as a pioneer. He was that. He was a trailblazer in race relations and in foreign relations. He stood for good government, and as chairman of the House Post Office and Civil Service Committee Bob Nix played an active role in bringing about a better government to serve the needs of the American people.

The son of a former slave, Bob Nix served the Congress and fathered a son who became the chief justice of Pennsylvania's Supreme Court. Bob Nix leaves behind a legacy of dedicated public service that at once teaches and inspires us all.

May all of his loved ones draw some comfort in knowing of the high esteem in which he is held by his colleagues in the House. Bob Nix will be missed. He will not be forgotten.

THE OPENING OF THE PORTLAND CENTER FOR THE PERFORMING ARTS

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. AuCOIN. Mr. Speaker, August 28 marks the opening of the Portland Center for the Performing Arts, heralding a new era in world-class arts and entertainment facilities in Portland. I want to join the people of Portland in welcoming the crowning jewel in the Rose City's performing arts facilities.

Today's Performing Arts Center has its roots in the 1984 renovation of downtown's Paramount Theatre, an ornate movie and vaudeville palace which was built in 1928. Named the Arlene Schnitzer Concert Hall, this facility is a major pioneering element in Portland's urban revitalization.

With the August opening of the state-of-the-art Intermediate Theatre and Delores Winningstad Showcase Theatre, the center will be complete.

The Winningstad Theatre, named for a generous prominent Portlander, will be home to drama, dinner theater, small opera, ballet, chamber music, recitals, lectures, free form and environmental theater, dances, and receptions.

The Intermediate Theatre, designed primarily for drama production, will be used for medium- and small-scale opera, dance, ballet, recitals, conferences, and films.

Opening activities planned for the center will celebrate 10 years of community work. The opening culminates a tremendous joint public-private effort to provide top quality performing space for local professional arts companies.

The opening festivities will include 2 weeks of free and low-cost events to spread enjoyment and appreciation of the arts to the widest possible audience. They highlight the dozen local performing arts companies who will be major tenants of the two new theaters. And, Portlanders eagerly await the expansion of Ashland's world-renowned Oregon Shakespearean Festival to the new center in 1988.

The people of Portland deserve much credit, as they contributed the largest single donation to construction of the center by approving a $19 million bond measure in 1981.

The talented architects who created this fine facility designed it to complement historic buildings in the area. Portland's own Broome, Ogringdulph, O'Toole, Rudolf, Boles and Associates [BOORB/A] led an impressive design team that includes Barton Myers Associates of Toronto, ELS Design of Berkeley and Theater Projects of London.

The center is certain to win design accolades nationwide. It has already won a 1983 merit award from the Portland chapter of the American Institute of Architects; a 1984 honor award from Progressive Architecture magazine; and a 1986 Portland AIA merit award for the Main Street gates that separate the two buildings.

Visitors to the center will enjoy a stunning first glimpse of the building interior as they enter it from the Main Street Mall. A five-story rotunda opens to a sparkling art-glass skylight designed by New York artist James Carpenter.

Skilled artisans and workers from many unions put their hard work and care into the complex; attention to detail is evident in features throughout the facility, from the cherry wood paneling to dramatic glass exterior walls, from the brass-fronted elevators to three five-story glass-encased spiral staircases.

Completion of Portland's Performing Arts Center is proof the city's revitalized downtown, which is full of architectural and visual delights: the newly-redesigned pedestrian walkway along the Willamette River; the provocative Portland Building; MAX, the incredibly successful new light-rail system; and a host of unusual and colorful new and renovated downtown office buildings.

Mr. Speaker, I congratulate the city and the people of Portland for having the foresight to make a commitment to this ambitious project. It is a tremendous addition to downtown Portland which Oregonians and visitors will enjoy for decades to come, and I invite my colleagues to visit Portland and the new Performing Arts Center.

COURT UPHOLDS INDEPENDENT COUNSEL

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. FRANK. Mr. Speaker, one of the most important questions before us this year is that of reenacting a statute which continues the Office of Independent Counsel, which is the name now given to the special prosecutors who are appointed when allegations of misconduct by high-ranking members of an administration must be investigated.

The Reagan administration has been campaigning against this statute, which has been in existence for nearly 10 years and has in my opinion, served the country well. This is the statute which was the result of the turmoil over the independence of the prosecution in the Watergate case. It is a statute which has made it possible for us to have the ongoing independent investigations of allegations of wrongdoing involving several members of this administration, and it is the statute which provided for the exoneration of members of both the Reagan and Carter administrations in previous years.

One of the arguments being made against this statute by the Justice Department is that it is unconstitutional. Recently, Chief Judge Aubrey Robinson of the U.S. District Court of the District of Columbia had occasion to rule on the constitutionality of the independent counsel statute in a matter involving the investigation being conducted by Lawrence Walsh. Judge Robinson concludes after a very thoughtful analysis that the statute is fully constitutional and is a reasonable choice by Congress for discharging this important function. Because of the importance of this cogent opinion, I include Judge Robinson's opinion at this point:

[U.S. District Court for the District of Columbia]

MEMORANDUM

This sealed matter presents for determination by the Court the question of whether the Independent Counsel provisions of the Ethics in Government Act of 1978, 28 U.S.C. § 591 *et seq.*, comport with the Constitution of the United States. After consideration of a number of submissions concerning this issue,[1] the Court holds that the statute is constitutional.

INTRODUCTION

The historical background of and need for the Independent Counsel provisions of the Act have been fully described in other decisions and shall not be repeated here. *See, e.g., In re Olson*, No. 86-1, D.C. Cir. Indep. Couns. Div., April 2, 1987, at 9-14. Congress's intent in enacting the statute was clearly to create an office within the Executive Branch to investigate and prosecute matters in which the Department of Justice had a real or apparent conflict of interest. In short, [t]he statute is designed to ensure that violations of federal criminal law by high ranking government officials (particularly those who are of the same party as the administration in power) will be fairly and impartially investigated and prosecuted. *Id.* at 9.

While it is beyond question that Congress's motive for enacting the statute was laudatory, it is also axiomatic that this motive cannot validate an otherwise unconstitutional act of the legislature. For this reason, the Court has examined in turn each provision of the Ethics in Government Act which has been alleged to be unconstitutional.

THE POWERS OF THE SPECIAL DIVISION OF THE COURT OF APPEALS

The first contention relates to the provisions of 28 U.S.C. § 49 giving authority for the appointment of Independent Counsel to a division of the United States Court of Appeals for the District of Columbia Circuit. It is strenuously contended that this grants powers to that division which exceed the limitations imposed upon federal courts by Article III of the Constitution of the United States. The specific duties alleged to be unconstitutional are set forth at 28 U.S.C. § 593(b): Upon consideration of an application (from the Attorney General) under section 592(c) a of this title, the division of the court shall appoint an appropriate independent counsel and shall define that independent counsel's prosecutorial jurisdiction.

In considering whether the Special Division has been vested with unconstitutional power, it must be recognized that the source of the court's authority is not only Article III but also the Appointments Clause of Article II. Article II, Section 2, Clause 2 of the Constitution expressly grants to Congress the authority to "vest the Appointment of such inferior Officers as they think proper, in the President alone, in the Courts of law, or in the heads of Departments."

The issue of whether the Independent Counsel is a superior or inferior officer for purposes of the Appointments Clause has been discussed and determined by other Courts with which this Court agrees that "the Independent Counsel is clearly an 'inferior officer'—he is appointed for a single task to serve for a temporary limited period." *In re Olson* at 17. *See also Banzhaf v. Smith*, 588 F. Supp. 1498 (D.D.C.), *vacated on other grounds*, 737 F.2d 1167 (D.C. Cir. 1984). *Cf. United States v. Eaton*, 169 U.S. 331, 343 (1898) ("Because the subordinate officer is charged with the performance of the duty of the superior for a limited time and under special and temporary conditions, he is not thereby transformed into the superior and permanent official.")[2] In addition to the limitations placed on independent counsels, it is also relevant that they are not among the specifically mentioned "primary class (of officers who) require a nomination by the President and confirmation by the Senate." *United States v. Germaine,* 99 U.S. 508, 509-510 (1878). In fact, Congress indicated its own assessment that independent counsels are inferior officers when it authorized their appointment by a court of law.[3] Finally, the Attorney General, by applying for the appointment by the Court of an independent counsel, also deemed the officer to be inferior as that word is used in Article II.

---

[1] Among the material considered by the Court are all of the briefs filed in North v. Walsh, C.A. No. 87-0457 (D.D.C. 1987) and the appellate briefs filed in *In re Sealed Case*, No. 87-5168 (D.C. Cir. 1987).

[2] The limitations on the Independent Counsel are numerous. Only a small set of officials are subject to the Independent Counsel provisions. (28 U.S.C. § 591(b) includes only the President, Vice President, high officials in the White House, Department of Justice and CIA, and ranking officers of the President's National Campaign Committee). The Independent counsel has no authority outside the jurisdiction established by the Court. Pursuant to 28 U.S.C. § 596(a)(1), the independent counsel is subject to removal by the Attorney General for "good cause." The Office of the Independent Counsel terminates automatically when he or she notifies the Attorney General that the investigation is complet-

Although it is clear to the Court that independent counsels are inferior officers, this does not end the analysis of the proper role of the Special Division under the Appointments Clause. For as the Court wrote in *Banzhaf,* 588 F. Supp. at 1504: This constitutional provision obviously does not authorize the Congress to charge the courts indiscriminately and without reason with the responsibility for appointing officers in the Executive departments generally.

The Court in *Banzhaf* referred to the Supreme Court's decision in *Ex Parte Siebold,* 100 U.S. 371 (1880), for guidance in the determination of whether Congress appropriately vested the appointment power in the case of an independent counsel in a court of law. In *Siebold,* the Court made the following statements in the course of its decision involving a challenge to a statute vesting in the federal court the appointment of supervisors of congressional elections: But as the Constitution stands, the selection of the appointing power, as between the functionaries named, is a matter resting in the discretion of Congress.

* * * * *

The observation in the case of Hennen, to which reference is made (13 Pet. 258), that the appointing power in the clause referred to 'was no doubt intended to be exercised by the department of the government to which the official to be appointed most appropriately belonged,' was not intended to define the constitutional power of congress in this regard, . . .

* * * * *

[T]he duty to appoint inferior officers, when required thereto by law, is a constitutional duty of the courts; and in the present case there is no such incongruity in the duty required as to excuse the courts from its performance, or to render their acts void. *Id.* at 98.

Given the previously mentioned intent of the Congress in passing the Ethics in Government Act, it was clearly not incongruous for it to utilize the authority expressly stated in the Appointments Clause to allow an impartial court of law to select, at the application of the Attorney General,[4] an individual to investigate and potentially prosecute criminal activity within the Executive Branch. In fact, "[n]either the President, nor any head of department, could have been equally competent to the task." *Siebold,* 100 U.S. 398. Although the Special Division appoints independent counsels and defines their jurisdiction, it plays no role in their investigations and performs no acts with regard to any prosecutions that may result from these investigations. For this reason, the Act clearly does not "place incompatible duties upon (any) Court. *See Nader v. Bork,* 366 F. Supp. 104, 109 (D.D.C. 1973). Under the circumstances in which independent counsels operate, their appointment by the Judicial Branch is warranted and constitutional in the same manner as the courts' appointment of interim United States Attorneys (*See, United States v. Solomon,* 216 F. Supp. 835 (S.D.N.Y. 1963)) and attorneys to initiative criminal contempt proceedings *See, Young v. United States ex rel. Vuitton et Fils,* No. 85-1329 (U.S. May 26, 1987); *Musidor, B.V. v. Great American Screen Design, Ltd.,* 658 F.2d 60 (2d Cir. 1981); *Matter of Green,* 568 F.2d 1247 (8th Cir. 1978)). *See also* the inter-branch appointments upheld in *Rice v. Ames,* 180 U.S. 371 (1901); *Go-Bart Importing Co. v. United States,* 282 U.S. 344 (1931); *Hobson v. Hansen,* 265 F. Supp. 902 (D.D.C. 1967). The clear and precise words of the Appointments Clause validate all of these appointments.[5]

SEPARATION OF POWERS

A major theme running through the argument that the Independent Counsel provisons of the Ethics in Government Act are unconstitutional is the contention that the whole scheme represented by the Act violates separation of powers principles. This argument is advanced particularly with regard to the removal provisions of the Act, and the absence of ongoing Presidential supervision over the exercise of the Independent Counsel's discretion.

These issues are appropriately examined in a manner accepted by the Supreme Court. As the Court wrote in *Banzhalf* v. *Smith,* 588 F. Supp. at 1507, The Supreme Court has admonished the lower courts that, in matters involving the separation of powers, a pragmatic, flexible approach, must control (*citing Nixon* v. *Administrator of General services,* 433 U.S. 425 at 442 (1973)) and that separation of powers questions must be resolved "according to common sense and the inherent necessities of the governmental coordination" (*quoting Buckley* v. *Valeo,* 424 U.S. 1, 122 (1976) (*quoting Hampton & Co.* v. *United States,* 276 U.S. 394, 406 (1928))).

REMOVAL PROVISION

Pursuant to 28 U.S.C. § 596(a)(1): A(n) independent counsel appointed under this chapter may be removed from office, other than by impeachment and conviction, only by the personal action of the Attorney General and only for good cause, physical disability, mental incapacity, or any other condition that substantially impairs the performance of such independent counsel's duties. Although this provision of the act clearly places the authority to remove an independent counsel exclusively in the Attorney General, it is argued that the limitations placed on the Executive Branch's power of removal contravene the principle of separation of powers. This argument is advanced as well in relation to the authority of the Special Division under § 596(a)(3) which provides: A(n) independent counsel so removed may obtain judicial review of the removal in a civil action commenced before the division of the court and, if such removal was based on error of law or fact, may obtain reinstatement or other appropriate relief.

Supreme Court precedent suggests that in situations such as this one, where an inferior officer requires a certain degree of independence from the President for the proper execution of his assigned functions, the Congress may insulate him or her from the threat of termination at will by the Executive. First, the Supreme Court accepted even more stringent limitations than found here on the President's removal power in the case of the Watergate Special Prosecutor. *See, United States* v. *Nixon,* 418 U.S. 683 (1973). Additionally, both *Humphrey's Executor* v. *United States,* 295 U.S. 602 (1935) and *Wiener* v. *United States,* 357 U.S. 349 (1958) also upheld congressional authority to impose limitations on the removal power of the President. The Court, in deciding the latter two cases, looked to the nature of the function vested in the official by the Legislature to see whether independence from the Executive was a necessary characteristic of his position. The same analysis when applied here demands the conclusion that independent counsels must not be subject to removal at will by the President. For the reasons previously stated, it is beyond peradventure that "the very purpose of the office requires a degree of independence from Presidential control." *North* v. *Walsh,* C.A. Nos. 87-457 and 87-626, slip op. at 15, n. 9 (D.D.C. Mar. 12, 1987). The removal provision, therefore, does not violate the principle of separation of powers.[6]

---

ed, 28 U.S.C. § 596(b)(1), or earlier if the Division on its own motion or that of the Attorney General determines that the investigation is substantially completed, 28 U.S.C. § 596(b)(2).

[3] It is also noteworthy that the Watergate Special Prosecutor was not confirmed by the Senate, although his authority was virtually identical to the authority vested in independent counsels pursuant to the Ethics in Government Act.

Once it is determined that the Independent Counsel is an inferior officer, it is clear that the attorneys on his staff are not officers at all but employees of the United States. (Again, the attorneys employed by the Watergate Special Prosecutor were not appointed under the Appointments Clause.) *See* Buckley v. Valeo, 424 U.S. 1, 126 n. 162 (1976) (*citing* Auffmordt v. Hedden, 137 U.S. 310, 327 (1890); United States v. Germaine, 99 U.S. 508 (1879)) ("Employees are lesser functionaries subordinate to officers of the United States")). Therefore, the fact that Associate Independent Counsel were appointed by the Independent Counsel and not the Special Court does not invalidate their appointments or the Act.

[4] That the Attorney General must first apply for the appointment of an Independent Counsel before the Court may act is a vital limitation on the Court's power under § 593(b). If the Attorney General decides to apply for the appointment of an independent counsel, his decision is not reviewable by any court. 28 U.S.C. § 592(f). Similarly, if the Attorney General determines that there are no reasonable grounds to believe that further investigation or prosecution is warranted, that decision is also unreviewable. *See,* Banzhaf v. Smith, 737 F.2d 1167, 1169-70 (D.C. Cir. 1984); *accord* Dellums v. Smith, 797 F.2d 817, 823 (9th Cir. 1986). In fact, the Court may not even extend the jurisdiction of the Independent Counsel if the Attorney General has denied such request. In re Olson, at 22-25.

[5] That the Special Division also defines the jurisdiction of independent counsels does not invalidate the Ethics in Government Act. As stated above, the Court may constitutionally appoint an independent counsel under Article II because this appointment meets the incongruity test set forth by the Supreme Court. The power of the Court to define the independent counsels' jurisdiction is a necessary and proper incident of this appointment power. Independent counsels must be appointed to specific and limited tasks. To avoid the same incongruity that caused Congress to vest the appointment power in the Special Court, the Court was also given the authority to define the independent counsels' jurisdiction. The Constitution does not bar this action of the Legislature.

[6] It is significant that, although the basis of the foregoing argument is the violation of the principle of separation of powers, the Congress, in enacting the Ethics in Government Act, did not "aggrandize itself at the expense of the other two branches." Buckley v. Valeo, 424 U.S. at 129 (1976). This is an important distinction between this matter and cases such as INS v. Chadha. 462 U.S. 919 (1982) and Bowsher v. Synar, 106 S. Ct. 3181 (1986). Similarly, the Judicial Branch has no opportunity to aggrandize itself under the Act.

The Congress's limits on the Attorney General's authority to remove an independent counsel are also valid for another reason. In *United States* v. *Perkins,* 116 U.S. 485 (1886), the Court upheld the power of Congress to place limitations on the Secretary of the Navy's authority to dismiss naval cadets who were inferior officers appointed by the Secretary. The Court wrote: We have no doubt that when Congress, by law, vests the appointment of inferior officers in the heads of Departments it may limit and restrict the power of removal as it deems best for the public interest. The constitutional authority in Congress to thus vest the appointment implies authority to limit, restrict, and regulate the removal by such laws as Congress may enact in relation to officers so appointed. *Id.* at 485. Here, because Congress validly vested the appointment of independent counsels in the court of law under Article II, it also validly limited the circumstances under which independent counsels may be removed.

ABSENCE OF PRESIDENTIAL SUPERVISION

As has previously been noted, independent counsels operate within a limited and narrowly defined class of cases. With regard to these cases, however, they are given a large degree of independence from the Attorney General and the President.

Supreme Court precedent as well as "common sense and the inherent necessities of the governmental coordination" suggest strongly that the authority of independent counsels does not violate the separation of powers principle. In *United States v. Nixon,* 418 U.S. 683 (1973), the Court recognized and accepted that "the Attorney General has delegated the authority to represent the United States in these particular matters to a Special Prosecutor with unique authority and tenure." *Id.* at 694. The Court knew that this authority included "plenary authority to control the course of investigation and litigation related to" the Watergate matter. *Id.* at 694, n. 8 (*citing* 38 Fed. Reg. 30739, as amended by 38 Fed. Reg. 32805).

Although the Watergate Special Prosecutor was appointed by a regulation promulgated by the Attorney General, the Court's acceptance of the constitutionality of an independent prosecutor is equally applicable here. In both cases, inferior officers were freed from daily supervision by the Executive so that they could best perform their duties and thereby satisfy congressional intent. *See also, Kendall v. United States,* 37 U.S. (12 Pet.) 524 (1837); *Humphrey's Executor,* 295 U.S. 349 (1935); *Wiener v. United States,* 357 U.S. 349 (1957). Here, as in the above-cited cases, the Independent Counsel's power comports with the Constitution.

CONCLUSION

The Independent Counsel provisions of the Ethics in Government Act represent Congress's measured response to the recurrent question of how to enforce the laws of the United States when they are violated by high government officials. Congress chose to use its authority, well settled under the Constitution and Supreme Court precedent, to create a mechanism to guarantee the integrity and independence of criminal investigations in matters where the Department of Justice has real or apparent conflicts of interest. By carefully assigning the functions necessary for the accomplishment of its purpose, it has constitutionally addressed an important national need. For the United States, the Act represents a landmark effort to instill public confidence in the fair and ethical behavior of public officials.

AUBREY E. ROBINSON, Jr.,
Chief Judge.

Date: July 20, 1987.

WHY H.R. 2470'S PROVISIONS TO PREVENT SPOUSAL IMPOVERISHMENT ARE NEEDED

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. STARK. Mr. Speaker, one of the most important but untalked about parts of the Medicare Catastrophic Protection Act that the House just passed is the section designed to prevent spousal impoverishment when one spouse needs extraordinary long term chronic medical care, thus placing incredible financial burdens on the healthy spouse.

The Senate bill does not have any provisions in the area of spousal impoverishment. The President has threatened to veto our bill.

If anyone ever, ever had any questions on why such legislation is necessary, I hope they will read the following letter I received from one of my constituents in San Leandro, CA.

Mr. Speaker, I join with my constituent in saying, "I didn't think it was supposed to end this way. What do you think?"

The letter follows:

SAN LEANDRO, CA,
June 18, 1987.

DEAR SIR: I would like to make you aware of what is happening to us. I will be as brief as possible but it is a long story spanning 50 years.

My husband Edward and I were married in 1937. We are hoping to "celebrate" our 50th wedding anniversary September 14, 1987. We have worked all our lives. Raised two fine children, have six grandchildren and two great-grandchildren. We have always been thrifty, saved for retirement, used coupons, cut corners, got our first new car in 1980 and have never relied on public assistance at any time.

However, our "Golden Anniversary" is clouded with illness, worry and fear. At age 58 my husband was told he had Parkinsons Disease; a progressive disease of the central nervous system that results in degeneration of body functions. There is no cure.

Six years ago he suffered serious trauma following oral surgery. He aspirated some blood and went into a total collapse and pneumonia. For weeks he hovered between life and death, totally helpless. We were finally able to have him transferred into St. Rose Rehabilitation center from Humana Hospital, San Leandro. At St. Rose he was taught to walk again, feed himself and dress himself. At home after 3 weeks he gradually improved but his care, the house and yard were taking a toll on my strength, so we sold our home and with the help of our family moved to [a] Mobile Home Park in San Leandro.

At first this seemed to be the answer to our prayers but we had been here less than a year when he fell with a spontaneous fracture of his hip requiring a total hip replacement. So it was back to square one. Hospitals, physical therapy and once again inch by inch trying to regain what was lost. I finally brought him home again on our 47th wedding anniversary.

Ed's Parkinsons symptoms had begun gradually in the beginning, a slight tremor of his right hand. Hours, days, and many tears trying to get him to see a doctor. When he finally did, the doctor seemed reluctant to deliver a diagnosis laced with hopeless words like "chronic", "incurable", and "degenerative". "We can treat it medically" the doctor told me, "but it will progress." I just wanted to go home.

Parkinsons shows itself in fits of depression, hallucinations, changing moods, unpredictability and sadness. In a mixture of sadness, loneliness and confusion I had to watch as our life style changed, our savings kept getting smaller, all the fun things that had been a part of our lives were no longer possible. His fine mind could no longer figure out the simplest solutions. We tried to make the best of it. Some of my worst times came when he would fall to the floor and I had to call for help to get him up. I cared for him through 5 years of the worst of this as I could not face placing him in a convalescent hospital, but on July 21, 1986 he developed a chemical imbalance due partly from the disease and partly from the medication for the disease. He went completely out of control with hallucinations. For 5 days he didn't even know me. He lost all touch with reality.

On the advice of his neurologist and internist, he was transferred to Parkland Convalescent Hospital in San Leandro. They say that I will never be able to bring him home. He still hallucinates, is confused, can't walk and sometimes incontinent. His care at Parkland is $75 per day. Medicare paid 5 days only. This does not include doctor visits or drugs. At this time we are faced with using all our savings. How can he be classed as custodial care when both doctors agree he can't be cared for at home?

At this time he is 72 and I am 68. I have been told my only hope of surviving this without being wiped out financially is to divorce him. I didn't think it was supposed to end this way. What do you think?

Sincerely,

Mrs. I.E.P.

POST TRAUMATIC STRESS DISORDER

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mrs. KENNELLY. Mr. Speaker, the Stamford Advocate recently published a compelling account of the tragedy of post-traumatic stress disorder [PTSD]. The disorder was first diagnosed in veterans of the Vietnam war. Veterans of more recent undeclared wars in Grenada and Beirut also suffer from its haunting effects. The disorder occurs in individuals who have survived a deeply traumatic event. Its symptoms include recurring nightmares, broken relationships and often suicidal depression. There is no cure, only treatment. But treatment is not available to all who need it. Veterans of recent undeclared wars are often turned away from the 15 facilities designed to treat Vietnam veterans suffering from PTSD. Many hospitals will not admit recent victims of this disorder because of the length of treatment required and the expense involved. I applaud the Advocate for bringing this tragic situation to light and recommend the following article for my colleagues' consideration.

[From the Stamford (CT) Advocate]

FOR MANY VETERANS THE BATTLE GOES ON

On Oct. 23, 1986, Edward Maynard left work, crossed 31st Street in Manhattan and took a seat at the bar at Cedars of Lebanon restaurant.

Anniversaries are difficult for him.

In the 3½ years since he left Beirut after the tragic October 1983 bombing that killed 269 servicemen, the former Navy corpsman has held more than 10 jobs, seen two relationships end and has been in and out of hospitals. Once his rage was so great he had to be strapped to a table.

On that night last fall he felt a pressure behind his eyeballs—images of red and black, of blood and charred flesh—that divided his brain in half. Screams of agony and the laughter of old friends, now dead, echoed in his ears. A potent concoction of vodka and Triple Sec would numb the pain. He raised his glass.

In a dimly lit corner of the bar he gathered his friends around him and took from his pocket a folded piece of paper.

"In memory to the sailors and Marines who died in the search for peace and for all of us that returned," he read. "The memories and the fears will always be forever etched in the back of our minds. Beirut used to be called the Jewel of the Mediterranean. Now it is just the Jewel of Death. For those of us that returned, we have our jobs and our families to live with, and like our Vietnam brethren, we too live in a silent hell, Beirut, Lebanon. October 23, 1983. And I guess that's why they call it the blues."

Like thousands of veterans, Maynard, a 29-year-old draftsman from Elizabeth, N.J., suffers from a psychological disorder known as Post Traumatic Stress Disorder. It occurs when an individual survives a traumatic event outside the range of normal human experiences.

The victims know who they are. Often their families, their friends, their doctors do not know how they suffer.

They sit in restaurants, their backs to the wall, watching the door. When walking down the street at night they stare at the sidewalk, knowing that if someone is stalking them they will spot a shadow.

They sleep with a machete under the bed and are fond of taking risks. They create challenges, look for obstacles, are impatient and at times irritating. They are survivalists to an extreme and, as a result, often choose their own path to self-destruction. That is the nature of this illness, creating tiny crises, just to prove they can cope.

Post Traumatic Stress Disorder was first diagnosed in veterans of the Vietnam War, and recent evidence shows new groups of veterans, including those who served in Lebanon and Grenada, are at risk.

Today, six years after a definitive diagnosis was formally recognized, the Veterans Administration has no nationwide plan to provide care for all veterans suffering from Post Traumatic Stress Disorder.

Federal law mandates that the veterans of World War II, Korea and Vietnam receive the proper psychological counseling for post traumatic stress and hospitalization, if necessary. But the VA has not developed a nationwide plan for identifying and educating veterans of "undeclared wars" about the disorder or for treatment of thousands of Vietnam veterans with Post Traumatic Stress Disorder, other than in small specialized stress units at 15 veterans hospitals around the country.

Veterans of combat in undeclared wars such as Grenada and Lebanon also are prohibited by law from seeking out-patient counseling at one of the 189 storefront centers for Vietnam veterans around the country. (There are three in Connecticut, at New Haven, Hartford and Norwich.) These centers make referrals and provide the mechanism for bringing Vietnam veterans into the health care system.

If veterans of undeclared wars check into the hospitals by themselves, there are enormous obstacles to treatment. In some cases, they are turned away or are not eligible for admission to one of those 15 units designed to treat Vietnam veterans suffering from Post Traumatic Stress Disorder.

As a result, the care and commitment varies from hospital to hospital, and Vietnam veterans with Post Traumatic Stress Disorder who are eligible for treatment are often forced to travel long distances to get the specialized care they need.

In the words of one doctor, "The Grenada and Beirut vets are just another group of unrecognized vets trying to get into the treatment system."

"Treatment for these new veterans has not been authorized, but we will try to find informal ways of seeing these people" said Dr. Jack Smith, director of the Center for Stress Recovery, a specialized stress disorder unit in Brecksville, Ohio. "Most others (stress units) won't bother."

None of the 15 special stress units is in Connecticut; the nearest units are at VA hospitals in Montrose, N.Y., and Northampton, Mass.

It is unlikely that a Connecticut veteran suffering from post traumatic stress would be referred to an out-of-state special unit, according to Dr. Earl Giller, chief of psychology at West Haven VA Medical Center. Dr. Giller and VA specialists said a variety of factors, including the lack of a systemwide policy for referring patients between veterans hospitals in different states, stand in the way. Travel expenses and the physical separation from the support of friends and family also discourage many veterans from entering programs far from home.

"It's only in the specialized treatment centers that you have the special resources," he said. "Many of the special centers have long waiting lists. If somebody says to me that they are interested in a specialized program, I would call up the VA hospital that I was thinking of, and, while I couldn't get a guaranteed admission, I could send the other hospital information if that person gets accepted sometime later."

Doctors disagree on the prevalence of Post Traumatic Stress Disorder, but many say there are more than 500,000 Vietnam veterans who suffer from the disorder. More than 5,000 servicemen served in the Grenada conflict, and close to 10,000 served in Beirut, but the government provides no official estimate of how many of them could have developed the disorder. A nation-wide study by a team of specialists authorized by Congress and completed in 1981 concluded that 40 to 80 percent of those who experience heavy combat will develop some form of Post Traumatic Stress Disorder.

In fiscal year 1985 (the last year for which records are available), 4,838 patients were discharged from veterans hospitals with a diagnosis of Post Traumatic Stress Disorder, according to VA records. But that number does not reflect stress disorder cases that go unrecognized because outward manifestations such as drug abuse and alcoholism were identified as the primary disorder. Nor does that number include stress disorder patients treated in general psychiatric units, said Dr. John Lipkin, former Chief of Medicine and Surgery for the VA in Washington, D.C., and current chief of staff at the Perry Point (Md.) VA Hospital. He estimated that about 9,000 incidents of the disorder were recorded nationwide last year.

According to the VA, since 1979 approximately 800,000 veterans have visited federal veteran centers, seeking psychological counseling, looking for answers to readjustment problems, or simply in need of assistance with the paperwork for obtaining benefits. VA counselors said approximately 500,000 Vietnam veterans still need treatment.

The disorder cannot be cured, only treated. One Vietnam veteran said that even 17 years later he has violent nightmares and never sleeps more than four hours a night. A nurse decorated for his service in Vietnam needs medication four times a day; without it, he goes into a suicidal depression. Certain smells—the odor of burning garbage, stagnant water, the pungent odor of certain animals—trigger a flashback.

The number of Vietnam veterans seeking treatment has not declined, said Dr. Terrence Keane, Chief of Psychology at the VA hospital in Boston.

"The sad part is that the patients are changing," he said. "In early days, in 1979 and 1980, the patients were much more amenable to treatment. Today, they've been living with these stresses—and they are chronic stresses. They have developed more difficult lifestyles to change, breaking more and more relationships, losing more jobs. It's becoming more and more difficult to correct."

Dr. Giller of the West Haven VA hospital says of the patients he sees: "To say that someone has PTSD usually means that he needs additional medical intervention. We are just now recognizing that psycho-social stress has such an impact—that it changes the person's biology. It's equivalent to coming back with an arm or leg missing."

The effects of the disorder are longlasting. And the most frightening part, its victims say, is that one can feel himself slowly losing control. One tries to fight the feeling. He closes his eyes to hide from the horrific images—and that's when reality seems to slip away.

"Sometimes I'll be staring at a blank wall, and all of a sudden I'll see the building, the airport, the smoke," remembered Edward Maynard.

The heat and bright light of a summer's day have reminded him of Beirut. Many times when he's been driving in a car the vibration has reminded him of the movement of the ship, and suddenly "checks out—just fading in and out" of reality. He says it's as if there are eyes in the back of his head, always watching, never blinking.

Once he sat in a corner for three hours, shaking and crying. He wouldn't let anyone near him. Finally his girlfriend got close enough and slipped a tranquilizer into his mouth. Then he fell to the floor, exhausted.

He remembers one Friday night in June 1986, after the death of a close friend, he "checked out," as he calls it. His recollections are sketchy. He remembers his landlady running away from him in fear as he punched imaginary enemies and screamed for medics. He was finally taken to Elizabeth General Hospital in Elizabeth, N.J., where he was put in restraints.

"I tried to explain to the people at Elizabeth General that this is not the right way to handle this," he said. "Don't tie me up. I will stay here. I will stay calm. They could not do it. They just had to tie me down to a table, and I had to get out of it, and I got out of three of the four restraints."

An ambulance from the VA Medical Center in East Orange, N.J., came to pick him up the next day. By noontime on Saturday he was discharged.

"The doctor said, 'Do you think you'll be OK?' " Maynard remembered. "And she let me go."

Because of the many complexities of the VA system, a young veteran who walks into a hospital finds that he must meet a number of criteria before receiving treatment, experts say.

One of the problems, doctors say, is that there are simply not enough in-patient facilities that provide the specialized and expert care needed for veterans suffering from post traumatic stress.

"The Southwest is completely devoid of resources," said Dr. Gary Palmer, director of a 31-bed unit at the VA hospital in Tomah, Wis., where the waiting period for admittance is six weeks. "Just one in-patient unit covers Texas, Oklahoma, New Mexico. The Topeka, Kan., facility covers all around, even up north till South Dakota."

Getting treatment—or even a preliminary diagnosis—is often limited by the VA's system of setting priorities based on whether an ailment was a direct result of a veteran's military service.

A veteran whose illness is deemed service-connected goes "to the front of the line" receiving priority over a veteran with a problem not considered service-connected.

But service-connection is difficult to establish when the onset of symptoms often occurs more than a year after the person is discharged from the service. The one-year period is used by the VA as the cutoff for establishing service-connection for all other conditions.

When most veterans experience problems that are later diagnosed as Post Traumatic Stress Disorder and go to a VA hospital, they face delays in treatment because the VA has not determined a service-connected problem exists.

Also, because these men served in "undeclared wars" that possibly involved sensitive or secret military actions, many of their records are difficult to obtain or are still classified. Without service-connected status or proper documentation of the patient's military history, doctors are reluctant to begin treatment.

In attempts to shelter themselves from the brutal effects of the disorder, many veterans turn to drinking and drugs. But doctors cannot treat the disorder if a patient is under the influence of drugs or alcohol. And most veterans hospitals do not provide a specific alcohol or drug rehabilitation program. Patients are sent elsewhere for treatment and often do not return to the veterans hospital for psychological treatment.

The Disabled American Veterans, the Washington, D.C.-based organization that helps veterans in their compensation claims to the VA and lobbies for veterans' programs, has received reports from across the country of younger veterans being turned away or forced to wait as long as six months for a bed in a special stress treatment unit.

"Unless we press the hospital—make the phone calls, force the hand of the administrator—these men will not get service," said Thomas Keller, assistant national director of communications for the Disabled American Veterans. "Some hospital directors are looking to save money by not treating people."

In many cases, he added, veterans of Grenada or Lebanon must seek assistance from their congressmen—or from a service officer from his organization—to apply the pressure needed to get an appointment for an interview at veterans' hospitals.

Because of the decentralized nature of VA medical centers, hospital administrators can choose whether to open stress treatment units to veterans of Grenada and Lebanon. Hospital directors also can choose whether to expand or close units.

In some instances, individual doctors are very committed to treating Post Traumatic Stress Disorder, while the chief of psychology or psychiatry at a VA hospital is unsupportive, eliminating beds in the unit or cutting back on staff.

"There's this attitude that if we don't look at it, we won't have to deal with it," said Dr. Smith, head of the Brecksville, Ohio, stress center.

Dr. Palmer, who runs the stress unit in Wisconsin, said the key to success of an in-patient program depends on the hospital director.

"The past two directors we had were handmaidens of the (Veterans) administration," he said. "The problem of aging veterans and increasing geriatrics is much more prevalent in their minds. Some hospital administrators are Vietnam vets that didn't get PTSD, so they think that nobody gets it."

Officials of veterans service organizations say the VA has failed to target veterans from Grenada and Lebanon who run the risk of developing Post Traumatic Stress Disorder.

Because their numbers are relatively small, it is easy to forget about these younger veterans—easy to think that the problem will just disappear.

"For the 23- or 24-year-old Marine, where is his forum? We have a whole new population that's suffering," said Shad Meshad, a Vietnam veteran and founder of the Vietnam Veteran Outreach Program.

"That type of undeclared war is very analogous to what happened in Vietnam," said Meshad, who runs a private counseling service for veterans in Los Angeles.

"I remember after the boys from Lebanon came home—it was a few months after the tragedy with the Marines. I got an anonymous call from a guy in the military to help six or seven guys who were still out at the airport. . . . They were suffering. They were afraid to talk to anybody in the military. They didn't want to come off as cry babies."

Maynard remembers how in the weeks before the car bomb attack that killed 269 soldiers, sailors and Marines at their headquarters, the Navy showed war movies every night on the ship. They had practiced mass casualty drills practically every day. He was wound tight.

And on Oct. 23, 1983, after the bombing, the quarterdeck was set up as a emergency medical station and a morgue. He worked for 48 hours, dazed, shocked, exhausted. But on he worked like an automation.

"They tried after the bombing to find out if anyone was going to develop problems, or if they were having problems," he recalled. "Uncle Sam, D.C., the Pentagon—I don't know who they were, but they talked to us on our way back over, crossing the Atlantic. They pulled in people by division and were asking in a group if anyone was experiencing problems, depression, nightmares, sleeplessness. They were looking for PTSD. Because after the experience we went through—helping the wounded, looking for the bodies under the rubble—it would be there.

"Granted, they tried. But they didn't go about it the right way. You're asking guys in a group if you're having any problems. Who in their right mind is going to say yes? You go back to the standard macho image: 'Hey, we're men of the sea.' "

Dr. Jim Goodwin, chief of psychology services at Fitzsimons Army Hospital in Denver, described how he counseled a small group of U.S. Army Rangers who participated in the Grenada invasion on Oct. 27, 1983. He was part of a team of psychologists and researchers from Walter Reed Army Hospital in Washington assigned to study the effects of combat on these men.

It was only a year after the invasion that news organizations discovered that the Grenada operation, called a military victory by the Reagan administration, was marred by breakdowns in troop discipline and sometimes fatal technical errors. According to published reports, not only did nearly half of the 20 U.S. soldiers killed in Grenada die in accidents and mishaps, but more than one fourth of the 88 soldiers who were described as seriously wounded sustained their injuries as a result of something other than hostile fire.

Dr. Goodwin said after examining the troops he saw varying degrees of nervousness, anxiety, survivor guilt, exaggerated startle responses, painful recollections—symptoms of the early stages of Post Traumatic Stress Disorder.

"Some of these men had absolutely harrowing experiences," he said. "One guy just broke down when his commander was killed. He thought he didn't measure up to the way he was supposed to."

Dr. Goodwin is unsure how many of these men required additional treatment. It is almost impossible to determine, since symptoms of the disorder may manifest themselves years after the traumatic experience.

Now, more than three years after these events, veterans of Lebanon and Grenada are seeking help in understanding their troubled feelings. Many go to their nearest Vietnam Vet Outreach Center—storefront centers established by Congress in 1979 to counsel veterans who served from August 1964 through May 1975.

"It is not legally authorized," said Dr. Arthur Blank, director of the VA Readjustment Counseling Services, which oversees the centers. "Our staff is instructed to see people at least once and try to help them get help elsewhere."

These younger veterans, like their Vietnam counterparts, have somehow found each other. They knew from a look, a patch sewn on a leather jacket, a handshake, that they had lived through a certain time and place.

Counselor Judith Jenkins and others at the Vet Center in Jersey City, N.J., seeing the special needs of these men, asked permission from the VA to offer counseling. And the VA permitted them to conduct a weekly rap group for a limited period of time.

Edward Maynard attended those meetings, and found comfort there.

The groups met from September to December of 1985, when the VA said they had to end the sessions.

"We know they're out there," Jenkins said. "We were hoping to get more of them, but all we can think is that there are guys who heard the message but aren't ready to come in yet. There are some people who seek help, come in once and just are overwhelmed by what is dredged up, and go back into the woodwork."

Usually their feelings are at first held in check by their military duty, and then suppressed when they return home, counselors say.

"They've been working hard just to get back into the human race," said Angel Almadina, team leader for the Manhattan Vet Center. "Once their life is a little adjusted they'll come in here. They don't even know what's wrong with them."

COLLEGE SAVINGS BONDS

HON. PAUL B. HENRY

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. HENRY. Mr. Speaker, you may have noted articles in the Washington Post and New York Times last week describing Vice President BUSH's plan to encourage the use of college savings bonds. Since I have been working on a similar proposal for some time with people in the higher education community, I want to describe in a bit more detail the advantages of such a plan, and invite your cosponsorship of legislation which I recently introduced to establish a college savings bond program.

The college savings bond proposal should be viewed as an alternative approach to other precollege savings plans, particularly those that have recently been popular at the State—where my State of Michigan has been the trend setter—and institution level. Although these plans have attracted a great deal of attention, they have at least three significant drawbacks from the point of view of financing higher education. First, they are primarily a vehicle for the upper middle class, since they are both complicated and involve setting aside a fairly large sum of money at one time or within a short period of time. Second, many families will be reluctant to use them because of the risk of losing the investment if a son or daughter decides not to attend the particular college or colleges covered by the plan, or not to attend college at all. And third, these plans may potentially mean a huge loss in revenue for the Federal Government. The IRS has currently pending before it a request for a ruling on the tax implications of the Michigan plan. A favorable ruling by the IRS would certainly be a "shot in the arm" for such plans, it would also mean a significant revenue loss for the Federal Government.

The idea of the college savings bond is very simple. The Department of the Treasury would be required to issue a new bond, called a "U.S. College Savings Bond." It would be sold through banks, or bought through payroll deduction, just as are the current savings bonds. It would be distinguished from other savings bonds in three ways. First, the interest accrued would not be subject to Federal tax if the bond is redeemed for tuition costs at an accredited institution of higher education. Second, the terms of the bonds would be designed so as to ensure their usefulness for college costs. And, third, donors of college savings bonds would be allowed to change the beneficiary of the bond in the event it is not redeemed by the initial beneficiary for college costs. If the bond is not used for college tuition, it would be treated for tax purposes like any other U.S. savings bond.

In my judgment such a plan offers greater usefulness to middle income families, who really need assistance, than do most of the other prepay tuition plans. It also might very well prove to be a useful vehicle for corporations, and others who would find making a contribution to a college education a healthy marketing strategy. And for the Federal Government, savings bonds are one of the cheapest ways of borrowing, and thus whatever tax revenues are foregone by the tax exemption would be partially offset by the Government's use of the money during the life of the bond.

LT. COL. OLIVER NORTH: A ZEALOT, NOT A HERO

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. OBERSTAR. Mr. Speaker, I recently read an editorial in the Askov American of Askov, MN, which takes issue with the depiction of Lt. Col. Oliver North as an American hero. Over the last 2 weeks, I have been troubled to read stories about North's alleged popular appeal, and I would like to submit this article for my colleagues' attention. Oliver North is not a hero; he is a zealot who violated fundamental constitutional principles and numerous laws in his single-minded pursuit of the overthrow of the Sandinista government. Almost 70 percent of the American people disagree with North about U.S. funding of the Contras; I submit there are many more Americans for whom his conduct throughout this affair is deeply disturbing.

The currency of a democracy is openness and information, Mr. Speaker, information which allows the people we represent to make knowledgeable, informed decisions about the foreign and domestic policies of their Government. Oliver North's disdain for this constitutionally mandated process and his distrust of the United States Congress is what will be recalled when historians write the record of the Iran-Contra scandal. This disdain for the democratic process is the legacy of a zealot, not a hero. Let us not forget that fact as we continue these investigations.

I commend to the attention of my colleagues this editorial written with such perceptive insight by Askov American editor David Heiller.

A GREAT AMERICAN HERO?

(By David Heiller)

National politics usually has no place in a weekly editor's repertoire, but the past week of testimony from Oliver North before a Congressional committee in Washington offers a good reason.

Excuse me while I rant and rave. Oliver North is not a hero to me, despite the telegrams stacked in front of him and his glittering uniform. Despite his "telegenic" personality, his erect back and direct stares, despite his sincerity and tenacity, I don't think he will stay an American hero for long, if at all.

A friend of mine perhaps said it best Monday at lunch: "If people think Oliver North is a hero, they'd better take a refresher course in civics."

North's actions, and the actions of the covert operation he belonged to, challenge our government just two months before the 200th anniversary of our Constitution. The Constitution, to refresh a few memories, is the document that set up our framework of government, dividing it into the executive, congressional, and judicial branch. It also added a Bill of Rights, 10 amendments that needed to be added to keep people believing in that government. First on the list: freedom of the press, freedom of speech.

The people who worked out the Constitution knew what life was like without freedom of expression, and they knew that an active press kept elected officials accountable. They knew that the system of checks and balances between Congress and the President would accomplish the same thing.

Oliver North stated time and again, with seeming pride, that he lied to Congress, to keep them from knowing the truth. He stated that he did not trust them, that they would leak information to the press, whom he did not trust either.

He did this to follow orders, he says, but he did this because it is something he believes in with such fervor. He didn't like the Congressional stand on Nicaragua, so he worked to change it, secretly, and against the laws of our Constitution, our nation.

His way reflects the Reagan's administration's way of dealing with Nicaragua and elsewhere. It's as good of an example of any as to why people in Nicaragua, and increasingly people around the world, are losing respect for our government. With double standards such as selling arms to terrorist, taking the money and secretly passing it on to the supporters of an overthrown dictator, and keeping the profits for personal use and future secret operations, who wouldn't support the Sandinistas? Who wouldn't lose faith in the current administration?

Heroes. We've all had them, and still do. Mine was Micky Mantle when I was a kid. He hit home runs and looked at you squarely from the Wheaties package. As we grow older, we look for other qualities to respect. Everybody has a person or two that they admire for their integrity, for their character, for their honesty. Parents try to raise their children with those qualities.

I hope my two children do not grow up to be like Oliver North. I want them to have convictions, but I want those convictions to follow our laws and government. If they do not, I want them to work openly to change them. I want them to follow orders, but not without asking why.

And I hope they live in a country that can separate a hero from a hoax.

TRIBUTE TO FRED W. DEVINE, RETIRING DIRECTOR OF CARE

HON. JIM MOODY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. MOODY. Mr. Speaker, 41 years ago, CARE was founded to assist the people of war-torn Europe. That year a young Columbia University student and veteran of World War II named Fred Devine joined the staff of CARE and embarked on a remarkable and distinguished career.

In September 1949 Fred Devine was assigned as Chief of the CARE Mission in Greece. Close to 700,000 people had been displaced, more than half of them children, as a result of the protracted civil war in Greece, particularly along the border areas. Many of the fields were still mined. Relief efforts of CARE, including the distribution of food packages, agricultural hand tools, and plows, organized by Mr. Devine and his staff, saved the lives of many who had no food to eat, seed, fertilizer, or animals to resume agricultural production. For his work, Mr. Devine was awarded the Gold Cross of the Royal Order of Phoenix by the King of Greece and the Distinguished Service Medal for exemplary action.

In 1952 Mr. Devine was assigned to India where he initiated one of CARE's first self-help programs which involved the introduction of improved plows to Indian farmers.

Mr. Devine moved on to become CARE's Regional Director for the Middle East, Africa, and Asia in 1953. His last overseas assignment was in Egypt as Chief of Mission. In 1957 he was called back to CARE headquarters and promoted to Assistant Executive Director. The following year he was named to the second ranking post at CARE headquarters, namely, senior deputy executive director, a position he held until last month. During his service with CARE Mr. Devine was a frequent visitor to Washington and was often called on by the committees of Congress as an expert witness on international relief and development issues.

In 1960 Mr. Devine was seconded by CARE to serve on President Kennedy's Task Force on the Congo; in this capacity, he assisted in drawing up plans for major relief and food aid programs to the Congo. Mr. Devine was repeatedly elected by his colleagues in the private voluntary organization community to chair the Material Resources Committee of the American Council of Voluntary Agencies which represented more than 50 organizations engaged in international relief and development work. The President Emeritus of CARE, Mr. Wallace J. Campbell, recently recounted a speech made by the U.S. Ambassador to Greece, Mr. Peurafoy in 1952 in which he referred to Mr. Devine as the Ambassador of the people of the United States to Greece.

As deputy executive director of CARE, Mr. Devine negotiated more than 30 agreements with heads of governments in Latin America, Africa, and Asia, leading to the provision of some 7½ million tons of food aid in support of health, education, and food-for-work programs.

IRISH AMERICANS MOURN THE LOSS OF JOHN GRIMES, PUBLISHER OF THE IRISH ECHO

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. BIAGGI. Mr. Speaker, it is with great sadness that I report the passing of a dear friend of mine and a good friend of the Irish-Americans in New York and around the Nation. John Grimes, publisher of the internationally known weekly newspaper, the Irish Echo, passed away Sunday, July 26, at the age of 54.

As the chairman of the 118-member, bipartisan Ad Hoc Congressional Committee for Irish Affairs, I feel this loss already. I have throughout the last 10 years relied heavily on John's leadership and insight, not only within the community, but also within the pages of the Irish Echo. Those of us who join together to find a solution to the suffering and strife in Ireland, and who seek freedom and justice in an oppressed land, look to the Irish Echo not just for information, but for inspiration.

John Grimes was that inspiration. He maintained his family tradition of excellence by bringing to the readers a link between the Irish-American community and the homeland, whether it be North or South. He published a newspaper that not only reported the news; it made the news. The acute attention that the Irish Echo has given to political issues of Ireland and Northern Ireland has indirectly contributed to national policy. John Grimes provided different Irish-American communities around the country with a means of reporting their special news—whether it be California or Connecticut, New Jersey or Chicago and, of course, New York, the Irish Echo's articles have brought everyone together with a deep sense of Irish pride.

John Grimes was a man with a strict work ethic. His drive and ambition resulted in a total sale of 32,000 copies of the Irish Echo during 1986. The Irish Echo circulates in and around New York City, ships copies across the country and publishes a Boston edition, started by John in 1981. While John's determination was obvious by his successful circulation, it is within the pages of the newspaper that John's special qualities can be found. His courage is brought out by the strong stand that the Irish Echo has never been afraid to take on any issue, yet his reason and sound judgment are evident in the editorial policies of the paper. In many ways, John Grimes was the Irish Echo, and our lives are diminished by his death.

John Grimes was born in the Bronx and attended Manhattan Prep and the New York School of Music. He graduated from Manhattan College in 1953, and was commissioned into the Navy, serving his country as a pilot on the *Coral Sea* until 1957. John Grimes succeeded his late father, Patrick, as publisher of the Irish Echo in 1978.

John Grimes leaves behind a legacy of accomplishments and success stories. While the Irish Echo's publication will continue under the leadership of John's widow, Claire, his absence will be felt by thousands. I will miss John. He was a valued friend and a compassionate one, and I would like to extend my sincere condolences to Claire O'Gara Grimes and to their daughters Jennifer and Katherine during this sorrowful time. I know that the entire ad hoc committee joins me in expressing our regrets in their loss and we send our prayers that God will indeed keep John "in the palm of His hand."

EMERGENCY LIVESTOCK FEED ASSISTANCE ACT OF 1987

HON. PAT WILLIAMS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. WILLIAMS. Mr. Speaker, today my colleagues and I are introducing the Emergency Livestock Feed Assistance Act of 1987. This bill is designed to place the seven existing emergency livestock feed assistance programs under the authority of the Secretary of Agriculture, to establish standard eligibility requirements, and to speed up the appropriate response.

Natural disasters from drought and floods to insect infestation are an ever present concern of our Nation's agriculture community, and for years the Federal Government has properly provided an array of services to help our farmers and ranchers make it through the tough times. But it's clear now, from a recently released General Accounting Office investigation, that better and quicker help could be provided if the U.S. Department of Agriculture were provided the authority to administer emergency feed programs differently.

Under current law, seven distinct programs are available to provide emergency feed assistance. Some programs have the same objectives but differences exist under which the programs are available, the benefits they provide to livestock producers, and their relative cost to USDA. Some programs cannot be implemented without a presidential declaration of disaster, while others need only a secretarial declaration. Also, the Department of Agriculture cannot implement two of the programs without approval of the Federal Emergency Management Agency. These many and needless differences prevent a unified public policy of disaster feed assistance.

Many producers in some past emergencies have not even applied for assistance because the announced programs did not include an appropriate response to the circumstances in the particular State at a particular time. Also, delays in selecting appropriate assistance programs have resulted in too little help being made available too late. In many cases livestock producers have already sold their animals before the appropriate feed was made available.

This bill deals with all three of these issues. The legislation pulls together all seven emergency feed assistance programs under the Secretary of Agriculture. All assistance programs are made available for request by the Governor while the final determination for all livestock feeding rests with the Secretary of Agriculture.

The initiation of all emergency feed assistance is brought under a unified application process started at the State level by the Governor of each State. The Governor with the consultation of the State directors of agriculture stabilization and conservation service, soil conservation service, and Farmers Home Administration shall make a request to the Secretary of Agriculture for emergency assistance with the most appropriate program determined to meet the need at the local level. Most of the problems experienced in the past could have been avoided by all seven of the statutory programs being considered initially by the Governors for appropriate application to the particular circumstances.

The bill sets time deadlines for response by the Agriculture Secretary. Within 14 calendar days, a preliminary determination must be made to deny the Governor's request or give tentative consideration to the specific program requests made by the Governor. Within 25 calendar days, a final determination by the Secretary must be made and justification given for denying the specific programs requested. This allows appropriate planning for providing feed to animals by livestock producers.

I believe that this bill is important to bring forth a clear public policy on livestock feed assistance and to improve the assurance that the policy will help USDA meet the greatest need with the most effective help. These improvements have been reviewed by the General Accounting office and have received the GAO's endorsement. I look forward to working for passage of this act.

INCUMBENT PROTECTION ACT

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. PORTER. Mr. Speaker, recently Mr. Alan Abramowitz wrote a most interesting article regarding Senator DAVID BOREN's bill on campaign finance reform. I agree wholeheartedly with Mr. Abramowitz' analysis of the bill's effect on campaign spending and the resulting protection for the incumbent candidate.

The article follows:

BOREN'S INCUMBENT PROTECTION ACT

(by Alan Abramowitz)

In 1986, Democrat Alan Cranston and Republican Ed Zschau together spend almost $25 million on their California Senate races. Two years earlier, Jesse Helms spent more than $17 million in successfully defending his Senate seat in North Carolina. Several candidates for the House of Representatives spent more than $1 million on their campaigns.

Even allowing for inflation, there is little question that political campaign spending has risen dramatically during the 1970s and '80s. Meanwhile, candidates complain about having to spend an inordinate amount of time and energy of fund-raising, and citizens' groups worry about the influence of special interest money on the legislative process.

The escalating cost of campaigns has led to increased interest in the issue of campaign finance reform. During the 1970s Congress enacted several reforms aimed at curbing campaign abuses, including strict disclosure requirements. However, two major reforms—limitations on personal campaign expenditures and total campaign spending—were ruled unconstitutional by the Supreme Court.

Now comes a new bill, proposed by Sen. David Boren of Oklahoma, aimed at getting around the Supreme Court's ruling by coupling spending ceilings with public financing of Senate compaigns. Under the Boren proposal, which has attracted a great deal of favorable attention in the press and appears to have considerable support in the Senate, a Senate candidate who raised at least $250,000 from individual contributors would be eligible to receive public funds equal to the difference between $250,000 and the spending limit for the state in which the election would be held. State spending limits, based on population, would range from $687,250 in Wyoming to $5.4 million in California.

At first glance, Boren's solution seems reasonable enough. Putting a lid on campaign spending would help neutralize the advantage of big-spending incumbents, and would greatly reduce the amount of campaign time devoted to fund-raising. Contributions by special interest groups also would be prohibited.

Despite these well-publicized advantages, a careful analysis reveals that the Boren proposal would have one major consequence that has been generally ignored by the press: Boren's bill, which sets spending ceilings that are substantially lower than the actual spending levels in recent Senate elections, amounts to an incumbent protection act.

To understand why the Boren proposal would work to the advantage of incumbents, it is necessary to consider the effects of campaign spending on the outcomes of Senate elections.

A statistical analysis of all Senate races between 1974 and 1986 (examining such factors as partisan and ideological makeup of each state, incumbents' voting records, challengers' political backgrounds, national political climate and possible candidate involvement in scandals and controversy) yields one overwhelming conclusion: Spending by challengers has a much stronger impact on the outcomes of Senate contests than spending by incumbents.

In fact, the challenger's campaign expenditures are the most important factor affecting an incumbent senator's chance of being re-elected. Thus, Boren's spending ceilings—too low to give most challengers a realistic chance of winning—protect the already favored position of the incumbent.

Why does the challenger's campaign spending have much more influence on the outcome of a Senate contest than the incumbent's spending? The answer is obvious: The incumbent is already well known by the time the campaign gets underway. An incumbent senator has had at least six years to cultivate voters by using taxpayer-subsidized perks such as the franking privilege, paid trips home on weekends and holidays, paid staff, printing and stationery allowances and subsidized television recording studios. In contrast, the campaign is generally the only opportunity for the challenger to establish his or her identity, and get messages across to the electorate.

It's true that since 1970 incumbent senators have not enjoyed the same degree of electoral security as their counterparts in the House. One out of five senators seeking re-election has been defeated, compared with only one out of 14 representatives.

Why? For one thing, the average state is much larger, more diverse and harder to represent than the average House district. An even more important reason for this discrepancy, however, is that Senate incumbents generally face much stronger challengers than do House incumbents.

If enacted into law, Sen. Boren's proposal would greatly reduce this discrepancy. Senators probably would become almost as secure in their seats as House members are. And because a senator's term is six years rather than two, the result would be a drastic reduction in membership turnover, leading ultimately to a decline in responsiveness to public opinion.

It is not surprising that a group of incumbents would try to write campaign rules that help to perpetuate their hold on power. However, for those who believe that competition is as important in the political sphere as in the economic sphere, the Boren proposal should raise a red flag.

Let's face it. When it comes to political campaigns, in the words of Reverend Ike, "Money isn't the root of all evil—lack of money is the root of all evil."

A LOOK AT CENTRAL AMERICA

HON. MICKEY EDWARDS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. EDWARDS of Oklahoma. Mr. Speaker, the National Endowment for Democracy has undertaken a program to assist the development of democracy in countries as diverse as South Africa, Nicaragua, Poland, Chile, the Philippines and Afghanistan. In May, the endowment held a conference on "Advancing Democracy" which brought together an impressive array of democratic leaders.

I was particularly impressed by the remarks made at the conference Xavier Zavala. Sr. Zavala is the director of Libro Libre, an endowment-supported publishing program which serves as a center for intellectuals in Central America. Based in Costa Rica, Libro Libre publishes books about Central America, as well as classical democratic works such as the Federalist Papers.

The armed conflict in Central America is a frequent point of debate in the Congress. But Sr. Zavala focuses on a different and more fundamental kind of conflict: the effort by Marxist-Leninists to capture the principal cultural and educational institutions of the region. Libro Libre is the first serious attempt to counter this 30-year Communist political program.

Mr. Speaker, I commend the National Endowment for Democracy for helping to launch this vital program, and I call my colleagues' attention to Sr. Zavala's analysis of the ideological conflict in Central America.

REINFORCING YOUNG DEMOCRACIES: THE CENTRAL AMERICAN CASE

The topography of democracy in Central America is irregular and volcanic. While we boast the oldest democracy in Latin America, Costa Rica, we also have, one step to the north, in Nicaragua, the youngest Latin American totalitarian regime. Three incipient democracies lie further to the north of Nicaragua: Honduras, El Salvador and Guatemala.

But, since democracy is not the result of winds and rains, but, pure and simply, of human conduct, let's get to the core of the matter and ask ourselves: What do we think in Central America about democracy? Do we want to live in democracies? Are we democrats?

In Central America, since the days of independence, we have thought of ourselves as democrats. By this I mean that throughout our history, Central Americans have always thought that democracy is the most desirable way of being governed. Our history is a chain of attempts at achieving democracy. Perhaps you wonder why a chain of attempts rather than a sustained democratic experience? I will answer this question, but first I want to emphasize the significance of these repeated attempts.

To say that our history has been a chain of attempts at achieving democracy is to also recognize that our history has been a chain of failures at achieving democracy. Each attempt ended up in new dictatorships and civil wars.

Since we are hear to think about the future, what should we focus on in the past, the attempts or the failures? Both. Our sad history of failures, dictatorships, and civil wars has not been able to dissuade us from believing in democracy. To have kept on trying means that Central Americans have been stubborn in their search for democracy. For us, democracy is like a vocation or a destiny. How I wish they could hear me, those Europeans and North Americans who have visited Nicaragua and told us that they don't understand why we are asking for democracy now when we have never had it, nor have we ever been interested in having it.

But why, with the exception of Costa Rica, have we failed so endemically? Because, in spite of our stubborn belief in democracy, we are not democrats. The intellectual acceptance of democracy does not make one a democrat. Central Americans have thought that democracy is a good way to be governed, but not a good way to govern. To be a democrat, it is necessary to have accepted so personally the beliefs and values of democracy, that they tend to manifest themselves in virtues, in habits of conduct.

Now, except for Costa Ricans, we have not possessed, nor have we cultivated, the virtues of democracy. One thing is to believe that peaceful, social life rests upon the value of giving in; another thing is to be ready to give in. One thing is to accept that everyone has the right to influence public decisions, another is to be ready to be defeated. Our history shows that we do not have the virtues of giving in and accepting defeat. Without the virtues of democracy, our democracy experiences have been like buildings without foundations.

It is therefore obvious that the new democratic experiences need reinforcement. There is no reinforcement other than the permanent education in the beliefs and values of democracy in every sector of the population, so that they will guide and mold the everyday behavior of the community.

There is a second reason to reinforce democracy in Central America. Our democracies are besieged.

When I say that in Central America the democracies are besieged, probably what first comes to your minds is a picture of guerrilla movements in Guatemala, El Salvador, and Honduras. However, I am not going to speak of that armed, violent siege. Which does not mean that it should be ignored or that I do not consider it important: the armed threat to Central American democracies is very serious and should be faced with realism and courage. Realism and courage that should take into account two important realities of those armed marxist-leninist groups: they use democratic vocabulary to camouflage themselves, and they rely on a powerful propaganda network here in the United States, in Europe, and in Latin America, that is constantly polishing up their image, justifying their existence, and promoting them.

But, because my time is limited, I am only going to speak about another type of siege being endured by Central America's democracies; a siege that is long-term and that, in the long term, is much more dangerous. It tends to pass unperceived because it is slow, silent. It tends to be acceptable because it rests upon and takes advantage of the very democratic principle of freedom of thought. This slow and silent attack is nothing less than the sowing of anti-democratic and pro-communist ideas and values.

The aim is to gradually change the Central American peoples' system of beliefs and values. For example, it is wrong to believe that everyone has an equal right to influence and direct the country's politics; the correct thing is to follow an enlightened vanguard of new men. To believe that the future depends on free choices is antiquated bourgois thought; what is scientific is to seek and accept the destiny of history. Private businesses are dirty, egotistical, and rob the people's work and wealth; on the other hand, an economy in the hands of the state is justice and equality. The ills of the Third World and of Central America are the result of North American imperialism; to try to resolve them without destroying that empire is naive; the United States is the evil, and beautiful, just, Russian socialism is the answer.

Although it doesn't make noise, it doesn't make the news, it is a real war against Central American democracy that has been waged primarily in three types of education centers: the general studies schools, the teacher-training schools, and journalism schools. The concrete goal it to change the set of beliefs and values of the university students (future professionals), of the normal school students (future school teachers), and of the journalism students (future public opinion shapers).

Perhaps I should clarify what I am referring to when I speak of general studies schools. Thirty years ago, when all the Central American universities were "national" and "autonomous", that is, when they all were run with public funds transferred obiligatorily by the governments, but simultaneously had total independence from the governments in administrative and academic matters, there, the most efficient attack against democracy was planned and implemented. An efficient but silent attack, that began considerably before the marxist-leninist guerrilla movements gained importance and that continues to this day, in almost all national universities and even in two private ones.

At the end of the fifties, university studies were reformed. It was a good reform. It didn't make sense that a young law student should receive only a knowledge of the legal profession while he was at the university, or that the engineering student should only study engineering. The universities should give young people a complete, balanced, humanist formation. Something similar to a college education in the United States. To achieve this goal, the general studies programs were created in the Central American universities: two years of humanities were obligatory for all new students before beginning their strictly professional studies.

But, there were persons properly placed at each university to deviate the reform from humanism to indoctrination. The new obligatory courses in philosophy, history, culture, national reality, etc. provided the perfect opportunity to indoctrinate the young university students against democracy and in favor of soviet totalitarianism. Let me give you an example to illustrate what I mean. There is, still today, in truly democratic Costa Rica, a national university that officially establishes as a specific objective of some general studies courses, that the student should "become conscious of economic and cultural dependency and endorse the Cuban revolution as an option for the overcoming of underdevelopment and dependency."

Important weapons in this war of ideas and values have been the text books and assigned reading material presented to the students. Publishing companies have been set up to produce and supply the necessary books. Let me use as an example the texts on sale at Panama's National University's bookstore. Just this past April, more than 80% of the titles for sale in the political science section were published by pro-soviet publishing houses; for history, more than 50%; for economics, 39%. It is interesting to observe that these specially created publishing houses do not seem to be interested in presenting other versions of Marxism, for example contemporary Euro-communism.

I had concluded the first part of this presentation saying that democracy in Central America needs a permanent education in its beliefs and values. However, while little was done in that respect, others had planned and implemented the takeover of educational centers to do exactly the opposite. For at least thirty years a good percentage of our youth has passed, unaware, through a battle ground against democracy where the bullets are ideas and values, and the weapons, professors, educational programs, and books.

Yes, democracy needs to be constantly reinforced. How? There are initiatives being taken in Central America and all around the world, as the attendance at this meeting shows, and as the National Endowment for Democracy probably has experienced. They should be backed and helped, as the National Endowment for Democracy has done with Libro Libre. I express here and very publicly, my thanks to the Endowment as I also do to Freedom House and to the American Institute For Free Labor Development for what they have done for us. But, of course, there is much more to be done. And it should be understood that all this is not for short-sighted people. The results are not for tomorrow. We need commitments to long-term efforts. Those who planned the indoctrination of the Central American youth thirty years ago, were not short-sighted.

A TRIBUTE TO LAURA TRIVERS

HON. MARILYN LLOYD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mrs. LLOYD. Mr. Speaker, for the past month I have had the pleasure of having Laura Trivers, a student at Duke University, and a resident of my congressional district in Tennessee, serve as an intern on my Washington staff. Laura has been an extremely capable addition to my office and I am pleased to submit to the CONGRESSIONAL RECORD an article she wrote which appeared in the July 30, 1987, edition of the Chattanooga Times on her experience at the historic Iran-Contra congressional hearings. Godspeed Laura and best wishes. The article is as follows:

I tumbled out of bed at 5 in the morning to stand in line—a line that two hours later would hold over 200 people. Tired and weary, we waited to see Oliver North who in a few short days had become the world's most famous or perhaps infamous lieutenant colonel.

The preteen in pigtails next to me walked up and down the line and returned with the verdict. I was #77. Security guards admit only 18 people for each 30 minute session. Surely, I thought to myself, I would get in before lunch. I was wrong. The length of the line was deceptive. Each member of the select committee was given a pass to be used by staff members. These fortunate individuals were included with the people in line who had waited hours for the seats. After waiting through the two hour lunch recess, the ordeal continued as we were led single file into the Russell Senate Office Building where our bags were searched. We then walked through two metal detectors—one is regular Congressional procedure. Guards warned us that once seated we would not be allowed to stand up until our 30 minutes were completed. The previous day's outburst in the hearing room had obviously affected the security guards. We all nodded in acquiescence although after waiting nine hours we would have agreed to stand on our heads to see the testimony.

My 30 minutes in the hearing room were filled with the select committee practices now standard to the American people. The senators and representatives nervously debated the tactics of Senate counsel Arthur Liman; Brandon Sullivan, outraged at the questions asked of his client, objected vehemently; Oliver North pleaded his case with that "Oh golly, I thought it was moral" voice; And, wife Betsy sat demurely with her hands folded in her lap while she looked adoringly at Ollie.

What did surprise me, however, were the attitudes of the other people in line and those watching across the country. Oliver North had lied and shredded his way to become the newest American hero.

"Ollie is the greatest," the high school student behind me told a reporter. "He is brave and loyal and a veteran and we should not be persecuting him like this, he continued.

North admittedly lied to Congress, shredded documents pertinent to the Iran Contra affair, and totally disregarded both the Constitution and American public opinion on Contra aid. But it didn't matter. Olliemania was sweeping the country, and its headquarters was in Washington, D.C.

While we waited to enter the hearing room, messengers carried bundles of telegrams into the hearing room. Florists carried dozens of long stemmed red roses. Across the street from the office buildings supporters held pro-North rallies and passed out buttons. Several days later stores began displaying Olliewear. Camouflage pants and "Ollie in '88" buttons became the look for the hot Washington summer. Restaurants even created the Ollie sandwich—a hamburger with shredded lettuce and tomato.

As tourists and probably natives too began purchasing the T-shirts and buttons and banners, people around the country began to write or call their elected representatives in support of North. Members of the select committee were inundated with opinions. The vast majority were against Congress' treatment of Lt. Col. North.

Sen. Sam Nunn's (D.-GA) mail ran 97% in favor of North or opposed to the Congressional investigation. But, Nunn's office reported his approval rating among Georgians increased dramatically when the senator began his series of questions to North.

Rep. Dick Cheney (R-WY)'s office was not surprised by the deluge of constituent support for North. His staff has been instructed to answer the questions raised by their constituents but not to push the Congressman's opinion.

As a country, we can't see the forest for the trees. The American people is too wrapped up in the trappings of the unfolding drama. Concerned with appearance and personality, the public has overlooked the importance and significance of these hearings. Even the Washington Post, that bastion of journalistic integrity, gave the drama's protagonists makeovers. Liman, Neilds, and Sullivan were given new coiffures at the sweep of the artist's hand. Neild's Berkeley style was replaced with an almost yuppie look. And, Liman received a tidy looking toupe to replace his fettucine style curls.

The people who waited in line during the first two days of North's testimony were adults who remembered the Watergate hearings. The remainder of the testimony attracted younger people who remember Watergate only as the interrupton of the Brady Bunch. Understandably, they wanted to have that front row seat for this governmental drama—one that will most certainly be dissected in political policy classes as the case study for covert relations and executive-legislative interaction.

The questions brought up during the past several weeks are crucial to the future of our government. We need to be concerned about the roles of our elected represenatives in foreign policy decisions. We need to be concerned about the difference between Congressional approval and Congressional knowledge. And, we must be concerned with the lack of knowledge of our chief executive on policy emanating from his office. These are the issues about which the American people should be writing to their representatives.

Many of these questions will be addressed as members of Reagan's cabinet go before the select committee. Their testimony will not be as emotionally evoking as North's but it may be important to the big picture of American government and foreign policy.

Select committee member Sen. William Cohen was recently quoted as saying, "If you want theatrics and drama, turn it (the hearings) off. But if you want to see how this government functions, stay tuned. The heat has been turned down, but the facts are very chilling."

SUPPORT TRUTH IN PIZZA LABELING

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. JEFFORDS. Mr. Speaker, the frozen pizza manufacturers do not want the American people to know what they're eating. They have formed the "Fair Pizza Labeling Committee" to lobby against a proposal pending in Congress that would let consumers know whether or not their frozen pizza contains any real cheese.

The issue is simple. Fake cheese is cheap; using it on frozen pizzas boosts profits for the pizza manufacturers. Consumer surveys conducted for the Food and Drug Administration show that many consumers—over 40 percent—would not purchase a frozen pizza if they knew it did not contain real cheese. If consumers are allowed to make an informed choice, pizza manufacturers using fake cheese might be forced to switch to real cheese in order to satisfy consumer demand.

As a strong supporter of Truth in Labeling on frozen pizza, I commend to your attention the editorial that recently appeared in the Boston Globe. I think you'll agree that consumers deserve the right to choose between "cheese analogue" and the real thing.

The July 19, 1987 editorial, entitled "The Mock Mozzarella", reads as follows:

Congress may have to resolve a controversy swirling around the freezer section of every supermarket in the land. The issue: should Americans know whether there is cheese in frozen pepperoni pizza?

Government regulations allow food companies to make frozen pepperoni or sausage pizza with little real cheese. The companies are allowed to use a look-like consisting of soybean oil and milk protein. They are required to list these ingredients in small print. The dairy industry is pushing a bill in Congress that would compel the pizza companies to either use real cheese on their meat pizzas or put a big label on the front of the box proclaiming the presence of a cheese substitute. Pizza manufacturers. Such as Pillsbury and Quaker Oats, have organized themsleves into the Fair Pizza Labeling Committee. The fake stuff—they call it cheese analogue—is cheaper, they say, making frozen pizza more accessible to poor people, and is healthier because it contains less cholesterol.

The dairy lobby says it is concerned with truth in labeling. The pizza producers say they want to safeguard consumers' health and pocketbooks. Both are circumspect about their true motives.

The real issue is money. A bill dollars' worth of meat pizza is sold each year. Dairy people think they will unload $56 million worth of mozzarella, the most popular pizza cheese, if the bill passes. Pizza makers want to keep their profit margins high.

The bill should pass. The name "pizza" implies the presence of cheese just as the world "hamburger" implies meat. People who thought the pizzas contained cheese all along are entitled to their mozzarella.

The manufacturers should not lose heart if the bill is aproved. If fake cheese contains one-11th as much cholesterol and one-quarter as much saturated fat as the real thing, let them put the words "cheese substitute" on the label and rename the product. Let them call it "Nutri-Pizza." They'll make a fortune.

U.S.S. "INTREPID"—A NATIONAL TREASURE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. BIAGGI. Mr. Speaker, one of our Nation's great historical and educational landmarks is in need of our help. I am referring to the U.S.S. *Intrepid*, which has been designated a national historic landmark. On August 4, 1982, this historic aircraft carrier was opened as a museum at West 46th Street and the Hudson River, in my home city of New York. More than 3 million people have visited the Intrepid Sea-Air-Space Museum since then. Unfortunately, future generations may be deprived of this experience if Federal assistance is not made available.

To visit this gallant lady is to feel and hear the sounds of battle and the presence of thousands of American sailors who fought and sacrificed for our country. The decks of the *Intrepid* should be regarded as hallowed ground—a part of our Nation and its history—and should be preserved. Failing in that we will have broken faith to valiant specters that still inhabit this symbol of courage and freedom.

Specifically, the *Intrepid* is seeking affiliation with the National Park Service, as well as a limited amount of Federal funding to help improve its financial stability. The Intrepid Sea-Air-Space Museum is currently operating under chapter 11, due largely to the fact that development of Manhattan's westside waterfront—where the *Intrepid* is located—has been delayed, resulting in less than projected attendance levels at the museum. Without Federal help, there is great uncertainty about the future of the *Intrepid*, including the possibility that this historic aircraft carrier might be scrapped. That would truly be a national tragedy, and I believe a brief history of the *Intrepid* will help to convince my colleagues of the need for favorable action in this important matter.

The aircraft carrier *Intrepid* served the United States for a period of 35 years, participating in history-making events everywhere it went. Peacetime maneuvers, battle action, space exploration and national historical celebrations each make up an exciting chapter in *Intrepid's* fascinating biography.

Almost as if a premonition, its construction began in 1941, less than 1 week before the bombing of Pearl Harbor. In 2 year's time the *Intrepid* joined the Pacific fleet and became an important part of the *Essex*-class of aircraft carriers. The *Essexes* were responsible for Allied victory in the Pacific, sometimes referred to as the "carrier war."

The *Intrepid* played an instrumental role in the largest naval battle in history, the battle for Leyte Gulf, the Philippines, October 1944. A major loss for the Japanese, the battle cost them 22 ships and hundreds of aircraft.

In its total war effort, the *Intrepid* sunk over 80 Japanese ships and shot down more than 800 aircraft. But it did not emerge without battle scars. Two hundred airmen were lost in offensive movements, while a torpedo, bombs, and kamikazee hits took the lives of over 100 crewmen. At one point, after suffering two simultaneous kamikazee attacks, the ship itself was put on the disabled list for several months for repairs.

Intrepid was temporarily decommissioned after the war, but war in Korea put it on schedule for complete modernization. Ready for action in 1954, *Intrepid* spent the next decade cruising the Atlantic and the Mediterranean. Significant events during this tenure were participation in the naval blockade of Cuba during the Cuban missile crisis and assignment as NASA's prime recovery vessel for the retrieval of astronauts in 1962 and 1965.

War in southeast Asia brought *Intrepid* back into battle action, as it did three combat tours off Vietnam between 1966 and 1968. Later, it helped strengthen United States presence near the Middle East. In 1974, the *Intrepid* was permanently decommissioned by the Navy. But it did not remain inactive for long. It served for 1 year as an official U.S. Navy bicentennial exposition in Philadelphia to help celebrate the 200th birthday of our country. In order to be rescued from the scrapheap, this historic ship was established as a museum in 1978 and opened to the public 4 years later. Its most recent distinction was designation as a national historic landmark by the Secretary of the Interior just last year.

The *Intrepid* was in the forefront of world events. As a museum it can show us its own history, which is in itself, a part of American history. And it does so in a way distinctly different from most other museums. The *Intrepid* is a living piece of history, a closer link to past world events in which it was a direct participant than a simple photograph or scale model could be. When a person climbs aboard the ship and learns all about where it has been, what it has done, he or she can actually walk through the living quarters and on the flight deck and visualize what it must have been like.

As a museum, the *Intrepid* has quite a lot to offer to the public. Several major exhibit halls showcase past and present naval technology, *Intrepid's* historic battles during World War II, early aviation, the space age, and a special dedication to military heroes. A number of galleries have additional exhibits concentrating on sea, air and space. The educational resources it can provide include study guides and lesson plans for educators, workshops and seminars, a research library, and internship programs, to name a few. Approximately 200,000 students visit the museum each year. The overall educational value of the Intrepid Museum cannot be overstated.

Another asset of the museum is its permanent location in New York City, which greatly increases its accessibility. Twenty-five million people live in the metropolitan area, and nearly 40 million are within a day's drive of New York. In addition, the city is visited by 17 million American and foreign tourists each year. Once within the city, the Intrepid Museum is easily reached by any means of public transportation.

There are a number of other factors attesting to the value of the continuation of the Intrepid Museum. There is only one other retired carrier in the world to have been preserved, the U.S.S. *Yorktown* in South Carolina, and there are none incorporated into the National Parks System in this country. Also, several organizations depend on the *Intrepid's* existence, among them the Congressional Medal of Honor Society, the Manhattan Naval Reserve Center, and the Board of Education of New York City.

The Intrepid Museum is dedicated to the preservation and perpetuation of U.S. history. The lessons it has to offer on the growth of technology in the sea, air and space come from having been a part of that history in the making. Three million visitors in the first 5 years have been able to appreciate the opportunity to tour a world famous aircraft carrier. It would be a national disgrace to deprive the millions of others who have yet to experience it. I urge my colleagues to join me in providing the assistance necessary to prevent that from happening.

A CENTURY OF CARING: D.A. BLODGETT HOMES FOR CHILDREN

HON. PAUL B. HENRY

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. HENRY. Mr. Speaker, it has been said many times that children are America's most precious and valuable resource. No one knows that better than those who are associated with the D.A. Blodgett Homes for Children in Grand Rapids, MI. For 100 years, D.A. Blodgett Homes has provided the foundation for the future for thousands of children and families in need.

In 1887, Mrs. D.A. Blodgett and Mrs. M.J. Clark organized a group of women to provide care for children from broken homes. Incorporated under the name, "The Children's Home Society," in 1892, the Home's stated purpose, in part, was "to keep and maintain a home for friendless and homeless children."

Every effort was made to operate as much like a family home as possible. There was a dining room where everyone ate and was taught table manners. The children all slept in two large rooms, one for boys and one for girls. Each child had a bed of his or her own. There was a playroom, and a reading and study room. All school age attended the nearest public school and all attended Sunday School regularly. The older girls were taught sewing, knitting, and mending, while the boys were taught manual training. Special efforts were made to instill politeness and good works.

In 1908, a new structure was built and the following year, the name was changed to D.A. Blodgett Homes for Children. During the next few years under the innovative leadership of Mrs. John (Minnie) Blodgett, the home was one of the first in the Nation to put into practice the foster care concept. Mrs. Blodgett was also instrumental in developing Camp Blodgett, a summer camp for foster children, the Clinic for Infant Feeding, the Association for the Blind and many other human services desperately lacking and needed during the early 1900's.

The year 1920 brought the employment of the Home's first social worker and signaled a rapid movement of children out of the institution and into foster homes. A short time later, the Foster Care Program was an established policy.

The Foster Care Program reduced the need for an institutional facility building and in 1935, the Board of Blodgett Homes leased the building to the Mary Free Bed Guild while retaining space for administrative headquarters.

The 1930's brought an increased awareness of the importance of the parent-child relationship, and the Home began to regularly use the volunteered services of well-established local physicians and psychiatrists. With the emphasis more and more on fosterhome care, in 1950 the agency redesigned its purpose "to provide foster home care to children whose family situations or personal problems make necessary or advisable a plan away from their own parents * * *."

As one of the charter members of the Federation of Social Agencies which revolved into the United Way, Blodgett Homes was given a full membership to the Child Welfare League of America in 1954.

The 1950's brought other changes. A plan was created which contracted the various child care agencies to provide care for children who were public charges of the Kent County Department of Social Services. This significant development resulted in the expansion of the Home's Foster Care Program. The first of two Guilds was formed by the board of directors with the stated purpose "to be of service to Blodgett Homes and the children under its care whenever possible." And, the tremendous growth of the agency resulted in the construction of a new administration building—to which there have been three additions.

During the 1960's agency services were departmentalized into four categories which included Adoption and Infant Boarding Cart, Foster Care Home Finding and Placement, Family Rehabilitation and Unmarried Parent Counseling, and Big Brother. New programs were added throughout the sixties and seventies including a Big Brother Program, foster home care for the mentally impaired and physically disabled children, a Big Sister Program and a program to specially train foster parents to provide a more therapeutic environment in a home for the severely emotionally impaired youngster.

More recently, D.A. Blodgett Homes instituted three new programs—a Special Needs Adoption Program helping adolescents, minority children and large sibling groups in need of adoption services, Sisters in Support which matches volunteer adult women with parenting teens, and the Family Reunification Program, a pilot program with the purpose of expediting permanency through intensified counseling services to neglectful parents and their children.

As you can see, Mr. Speaker, the commitment D.A. Blodgett Homes for Children made 100 years ago to caring for friendless and homeless children continues today in a much expanded role. As the agency embarks on its second century, its mission and mandate is "to enhance the well-being of children with special needs and their families, both present and potential, through traditional and innovative services that provide the best opportunity for them to meet their full potential as human beings."

Please join with me, Mr. Speaker, in expressing appreciation to D.A. Blodgett Homes for a century of caring and for giving thousands of youngsters a reason to hope for the future.

KURDISH MILITANTS THREAT TO TURKEY

HON. JIM MOODY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. MOODY. Mr. Speaker, I thought my colleagues might find interesting the following article that appeared in the Christian Science Monitor. This article deals with the very important and ongoing problems on Turkey's borders with Iran and Iraq. Activity in southeastern Turkey by the Kurdish militants has created, by many accounts, "the most serious threat" faced by that country in the last 50 years. For this reason, I wish to place this piece in today's RECORD.

TURKEY PURSUES TWO-TRACK POLICY TO STEM KURDISH VIOLENCE

ISTANBUL.—Turkey is preparing for a long and difficult struggle against what officials here describe as "the most serious threat" this country has experienced in the last 50 years.

Escalating guerrilla warfare by well-trained Kurdish militants in southeastern Turkey, they say, has put at stake the region's security and the nation's unity and territorial integrity.

So far all attacks have been concentrated in the remote villages of the southeast, but the concern in official circles is that the guerrillas might expand their activities into urban areas.

In the spate of attacks in Turkey's "wild east," Kurdish "terrorists" have taken the lives of some 478 people in the region, including 320 civilians, the government says.

Groups of Kurdish gunmen have been entering villages late at night and opening fire indiscriminately. Two attacks occurred recently in Mardin Province only a few hours after Prime Minister Turgut Ozal toured the area and appealed to the terrorists to take advantage of an amnesty law and surrender.

The Workers' Party of Kurdistan (PKK), a Marxist-Leninist group, claims responsibility for the attacks. The group, which began as an underground organization in 1978, says its aim is to "liberate" the Kurdish-inhabited areas of Turkey and create an independent Kurdish state.

The PKK has conducted terrorist actions in the southeast for three years through its military wing, the People's Army for the Liberation of Kurdistan. The PKK leader, Abdullah Ocalan, is known to have his base in Damascus, Syria. Guerrillas, according to Turkish intelligence, come over the border from Syria, use hit-and-run tactics in areas difficult for Army units to reach, and escape over the borders into Syria, Iran, or Iraq.

According to the Turkish government, the PKK has some 1,100 armed men carrying out operations from within Turkey, and a total estimated force of about 3,400 men.

Because of the recent escalation of the terrorist campaign and the rise in casualties the Ozal government has developed a series of short- and long-term measures aimed at curtailing the terrorism:

A new post of "regional governor" has been created for an eight-province area of southeastern Turkey. The governor will have broad powers over the security forces.

A special, well-trained, well-equipped "strike force," probably numbering 5,000 will be formed to fight the terrorists in place of regular Army units. Army officers in the region have complained that regular soldiers doing military service are not properly trained nor equipped to deal with terrorism.

Prime Minister Ozal two weeks ago reached an agreement with Syria that provides for cooperation between the two nations on security matters. Syrian authorities are committed to preventing PKK militants from using Syrian territory as a base for actions.

Consideration is being given to ways of modernizing regional communications, increasing intelligence-gathering on the PKK and other terrorist groups, and improving the equipment and weaponry used against them.

The government has acknowledged an urgent need to develop southeastern Turkey, which has long been neglected, both economically and socially. Most of the country's ethnic Kurds (estimates vary from 6 to 10 million) live in the area and are poor and illiterate. Although such conditions create a favorable ground for the separatist campaign, surveys show that the majority of the Kurdish population does not support the militants and strongly opposes their terrorist methods.

REDUCTION OF THE FEDERAL DEFICIT

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. MATSUI. Mr. Speaker, one of the most important issues facing this Congress is the reduction of the Federal deficit. Having presided over the staggering increase in the deficit over the last 6 years, the President now seems willing to take no meaningful action to reduce the deficit.

We have an opportunity this week to ensure that the deficit will be reduced and to increase the likelihood that the President will participate in the process. Enactment of a constitutionally valid Gramm-Rudman trigger as part of the conference on the increase in the public debt limit (H.J. Res. 324) is the key to deficit reduction.

Yesterday, Chairman ROSTENKOWSKI outlined his thinking on deficit reduction and Gramm-Rudman in an article in the Washington Post. I commend this article, which I am inserting in the RECORD on behalf of Mr. ANTHONY of Arkansas, Mr. FLIPPO of Alabama, and myself to my colleagues for their consideration.

[From the Washington Post, Aug. 2, 1987]

An Offer Reagan Can't Refuse—How Democrats Can Get Him To Swallow a Tax Hike and Cut the Deficit

(By Dan Rostenkowski)

I didn't shed any tears when the Supreme Court struck down the so-called Gramm-Rudman-Hollings law as unconstitutional. I've come to the conclusion, however, that the only way to force President Reagan and Congress to enact a realistic deficit-reduction package is to reinstate the automatic trigger under G-R-H in a constitutionally valid manner. This week House and Senate negotiators should agree on a plan to do this and a simple goal should guide our negotiations: real deficit reduction.

G-R-H establishes fixed federal deficit targets and requires that automatic spending cuts take place if the targets are not met through the regular legislative process. The idea that we have to rely on automatic spending cuts is offensive to me. Our budget priorities should be developed after debate, negotiation and compromise between Congress and the president. But I'm convinced that, unless the president and Congress are faced with substantial and, frankly, unpalatable spending cuts, we will never make the tough choices required to reduce the deficit.

I think I have a unique perspective on this issue. I chaired the House-Senate conference committee that drafted the final version of G-R-H, so I know how strongly its supporters and opponents feel about it. I also chair the House Ways and Means Committee, so I know how hard it is to reach consensus, especially on a tax bill.

My idea for restoring the "trigger" in G-R-H is pretty straightforward. In order to make the process constitutional, I would vest final authority for making automatic cuts with the Office of Management and Budget, an arm of the executive branch. But I would give OMB virtually no discretion in determining the cuts. I would reinstate the trigger for two years. That would allow the next president to make recommendations on continuing the trigger and give Congress time to see how OMB complies with the law.

I would revise the deficit targets to a level that would be painful but not disruptive to the economy. Deficit reduction on the order of $36 billion per year would satisfy that test. I would continue the current 50-50 split between defense and non-defense programs subject to the cuts, but I would exempt military personnel accounts. This balance would protect our combat readiness, while putting pressure on the president's defense buildup. Finally, I would double the cuts in the Medicare program from 2 percent of program costs to 4 percent. This would prompt the medical community and the elderly two powerful groups, to insist on a budget compromise rather than G-R-H cuts.

I want the G-R-H fixup to be simple, understandable and—unlike much of what we've done in past deficit-cutting efforts—real. I want Congress to pay a price if it fails to pass a balanced deficit-reduction bill—the price of having to explain to constituents why essential programs, such as air traffic control or bridge repair or medical care for the disabled suffered cuts that could have been avoided. And I want the president to pay a price if he insists on vetoing such a balanced bill—the price of a significant reduction in the defense buildup that he has refused to pay for.

By restoring the trigger under G-R-H, we make the price of failure to reach a budget compromise very high. It's a risky strategy. But the risk to our economy is much greater if we don't get action on the deficit. And without the G-R-H gun pointed at all of us, I don't think we will.

The president's recent stump speeches and veto threats on revenues indicate that he's willing to simply walk away from the deficit. It's bad enough that he's content to leave the next president with a built-in deficit of $200 billion per year. But he seems to be enjoying himself doing nothing about it!

But just as troubling are calls from members of my own party to be "constructively irresponsible" and pass a "soak the rich" bill that has no chance of becoming the law, just so we'll have political "cover" when the bill is vetoed.

To use the president's words, this is "our watch." Leaving the deficit unresolved until the next election is just plain gutless. Admitting that reduced spending must be combined with more revenue is the necessary first step. Then we've got to develop a bill that can become law. Tough as that will be, I'm convinced that passing a tax bill that Democrats can support and the president can sign is not as impossible as many legislators seem to think.

The history of major tax laws is one of Republican presidents cooperating with a Democratic Congress. The major exception to this rule of cooperation was the 1981 tax bill. It is also the best example of why Congress and the president should work together in writing tax laws. Democrats got rolled by the president on that bill and it started a $900 billion revenue drain on the treasury. But passage of the 1982 and 1984 deficit reduction bills and the 1986 tax reform virtually repealed the worst revenue excesses in the 1981 act. It took us six years, but we did it. And we did it with President Reagan's support.

How did we do that? How did we pass, and the president sign, not just these big tax hikes but also hefty boosts in gasoline and Social Security taxes without either side taking political heat for it? By working together and making sure the president was on board. The tax increases since 1981 have been signed by the president for two reasons. One, they were necessary to achieve important policy goals—deficit reduction, highway improvements and long term solvency of the Social Security system. Two, they did not threaten the president's primary tax policy—lower income-tax rates.

The 1982 and the 1984 acts had common characteristics: "Base broadeners" to distribute the tax burden more equitably, "loophole closers" to make the tax code fairer, "user fees" and more excise taxes. Now we have to use the same approach, starting with the revenue proposals in the president's own budget: further "base broadeners," the closing of "loopholes," user fees" and adding, only if necessary, modest excise taxes.

If we try to raise income-tax rates, however, we give up any chance of getting the president to the bargaining table. President Reagan is a formidable opponent even when he's wrong. And he is wrong when he says we don't need new revenues to reduce the deficit. But wait until you see him when he's right. And when he objects to raising marginal tax rates, he is right.

Tax reform promised two things. First, lower rates in return for the repeal of tax preferences. Second, stability in the tax system for both individuals and the business community. We have had four major tax bills since 1981. Although the deficit demands yet another major tax bill, the need for stability argues against disrupting the 1986 act.

I've worked with this president on a number of major bills over the past six years—two deficit-reduction bills, Social Security solvency, trade reform and tax reform. In fact, I've been criticized by Democrats for being too concerned about getting the president's support for legislation. But don't get me wrong. No member of the House is more disappointed and angry with the president's refusal to face up to the deficit.

Like many of my colleagues, I wish we could convince the American people that this president—who has never submitted anything remotely close to a balanced budget, who in six years has more than doubled the federal debt to over $2 trillion—is the biggest deficit spender in history. He is. But the American people just don't believe it.

It is even harder to convince the American people the president is the biggest peacetime tax raiser in our history. But he is. He has signed laws raising $400 billion in taxes over five years. His own budgets have recommended $220 billion in new taxes. But again, the people just don't believe it.

The president's political posturing doesn't sit well with me, but neither does a $180-billion deficit. To reduce that deficit, Congress must pass and the president must sign a deficit-reduction package. Our goal should be to get that presidential signature. We can get it by reinstating the G-R-H trigger and by sending the president a bill that cuts spending responsibly and raises revenues without raising income-tax rates. Let's stop the name-calling and finger-pointing and get the job done.

BORK'S SATURDAY NIGHT MASSACRE

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. CONYERS. Mr. Speaker, no matter his academic credentials, the nomination of Robert Bork to the U.S. Supreme Court is abhorrent to the Constitution whose Bicenntial we are now celebrating.

While it may be that President Reagan's memory of even recent events is flawed, the national consciousness of Mr. Bork's culpability in the Saturday Night Massacre has been preserved in the written opinion of United States District Judge Gerhard Gesell in the case of *Ralph Nader* v. *Bork* (366 F. Supp. 104, 1973). Although Judge Gesell's opinion was subsequently vacated as moot by the Court of Appeals, it remains the only judicial discussion of Acting Attorney General Bork's role in the so-called "Saturday Night Massacre."

Discussing Mr. Bork's execution of Richard Nixon's malevolent order to fire Prosecutor Cox, Judge Gesell remarked that "these distressing events * * * have engendered considerable public distrust of government." And to emphasize that salient point, Judge Gesell further noted that, "The discharge of Mr. Cox precipitated a widespread concern, if not lack of confidence, in the administration of justice."

Is it really belivable that a man who "engendered public distrust of government" and who precipitated a "lack of confidence in the administration of justice" should earn elevation to the venerable Supreme Court of the United States?

For those who, like President Reagan, have forgotten just how reprehensible was the firing of Prosecutor Cox, Judge Gesell's opinion reminds us that Mr. Cox was discharged "because he was insisting upon White House compliance with a Court Order which was no longer subject to further judicial review"—a final order that Richard Nixon turn over documents to the special prosecutor.

In other words, lest there be any fudging of that notorious incident, Bork fired Cox because the prosecutor insisted on having the incriminating evidence. And when neither the Attorney-General nor the Assistant Attorney General would carry out Nixon's order, Bork stepped forward to do the boss' dirty work.

As Judge Gesell determined, the dismissal of Mr. Cox violated the Justice Department's own regulations providing that the special prosecutor could not be removed "except for extraordinary improprieties on his part." Citing those regulations, Judge Gesell wrote:

> [T]he Supreme Court has twice held that an Executive department may not discharge one of its officers in a manner inconsistent with its own regulations concerning such discharge. * * * The firing of Archibald Cox in the absence of a finding of extraordinary impropriety was in clear violation of an existing Justice Department regulation having the force of law and was therefore illegal.

Cox's dismissal was so clearly violative of the regulation under which the Special Prosecutor has been appointed that Bork then tried to abolish retroactively the office altogether, an act Judge Gesell described as "simply a ruse."

For Richard Nixon's part in these disreputable events, he was driven from office after being recommended for impeachment by the House Judiciary Committee. Referring to the firing of Cox in article III of its impeachment resolution, the Judiciary Committee said of Nixon: "In disregard of the rule of law, he knowingly misused the executive power." How bizarre that 14 years later Nixon's chief accomplice in the "massacre" is recommended for the highest judicial office our Nation has to offer.

At a time when the Nation celebrates its 200-year-old commitment to the Rules of Law, President Reagan wishes to place upon our highest court the man who executed one of the most arrogantly lawless acts in the Nation's history. To place this man among the ranks of the defenders of our Constitution is the equivalent of installing one of the foxes among the guardians of the chicken coop.

CONGRESS ATTEMPTS TO USURP PRESIDENT'S FOREIGN POLICY AUTHORITY

HON. DONALD E. "BUZ" LUKENS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. LUKENS. Mr. Speaker, as a member of the Africa Subcommittee of the Foreign Affairs Committee I am very disturbed when Congress tries to usurp the President's constitutional authority and responsibility for foreign policy.

A glaring example of this occurred in our committee last year in its promotion of the 1986 Comprehensive Anti-Apartheid Act. The law, passed in response to domestic interest groups rather than our country's national defense, overlooks the impact of punitive economic sanctions on the black majority of Namibia. Since June 1985, Namibia has had a black majority democracy. At that time a multiparty conference of Namibia's chosen political leaders negotiated a peaceful transfer of power from South Africa. That country now has an eight-member Cabinet of which only two are white. All apartheid laws have been abolished, and civil and minority rights are guaranteed in a bill of rights.

None the less, Congress is imposing economic sanctions on Namibia. How can we expect the American people to pay taxes to support a Congress that acts so blindly or irrationally?

Namibia is a principal target of SWAPO, a Soviet-financed terrorist group based in southern Angola along Namibia's northern border. Some 37,000 Cuban combat troops in Angola support SWAPO's campaign to seize control of Namibia.

Jeanne Kirkpatrick, while U.S. Ambassador to the United Nations, stated the Reagan administration's position in this way:

> Our principle goal . . . is independence for Namibia * * * Namibia has the largest known uranium deposits in the world * * * a second goal we have is to prevent this mineral-rich territory from being permitted to slide into the Soviet sphere of influence, which has markedly expanded in Africa. A related strategic goal is to keep the vital waterways around Namibia out of hostile hands * * * Our goals are complicated by the presence of more than 30,000 Cuban troops in neighboring Angola." (Ambassador Jeane Kirkpatrick, "The Reagan Phenomenon—and Other Speeches on Foreign Policy," American Enterprise Institute for Public Policy Research, Washington, and London, 1981, page 155.)

It is time for Congress to act sensibly on Namibia and encourage that country, not punish it. I am preparing legislation to accomplish that and support the Reagan doctrine of turning back the tide of Soviet expansion at Namibia's northern border. In the meantime, I and some of my colleagues have commenced litigation in the U.S. District Court for the District of Columbia to challenge congressional usurpation of President Reagan's policy opposing punitive economic sanctions. Not only do sanctions hurt blacks in sub-Saharan Africa, they cost U.S. workers jobs in export and import industries, block tourism and investment opportunities and other business relations of great benefit to Americans. I am enclosing the following excerpts from our complaint in the lawsuit:

[In the United States District Court for the District of Columbia]

U.S. SENATOR JESSE HELMS, 403 Dirksen Senate Office Building, Washington, DC 20510; and CONGRESSMAN DONALD E. LUKENS, U.S. House of Representatives, 117 Cannon House Office Building, Washington, DC 20510, et al. PLAINTIFFS, *v.* U.S. SECRETARY OF THE TREASURY, Room 330, 15th St. and Pennsylvania Ave., NW, Washington, DC 20220; and, U.S. SECRETARY OF STATE, 7th Floor, 2201 C Street, NW, Washington, DC 20520, DEFENDANTS

COMPLAINT FOR DECLARATORY JUDGMENT

For their complaint against defendants, plaintiffs allege as follows:

On October 2, 1986 the United States Congress enacted Public Law 99-440, with the stated goal of using the economic power of the United States to compel Namibia and South Africa to change their forms of government to what the Statute, without any reasonable definition or standards, refers to as a "non-racial, democratic form of government," an esoteric, arbitrary term which men of ordinary understanding cannot comprehend and which the peoples of Namibia and South Africa cannot sufficiently understand in order to comply.

On November 19, 1986, the Treasury Department promulgated regulations, purportedly under Section 3(6)(B) of Public Law 99-440, which provide, in pertinent part: "The term 'South Africa' includes . . . any territory (including Namibia) under the administration, legal or illegal, of South Africa . . ." (31 C.F.R. Sect. 545.312). Such regulations were promulgated without any hearing.

Regulations promulgated by defendant State Department purport to prohibit importation into the U.S. of any article grown, produced, manufactured by, marketed, or otherwise exported by parastatal organizations of Namibia or South Africa, and names among others, various organizations in Namibia such as Land and Agricultural Bank of South West Africa; National Building and Investment Corp. (South West Africa); Rehoboth Finance and Development Corp. Ltd.; Southern Oil Exploration Corp. (South West Africa) (Pty) Ltd.; South West Africa Broadcasting Corp.; South West Africa Karakul Corp.; and South West Africa Water and Electricity Corp. (Pty) Ltd. Such regulations were promulgated without hearing.

Namibia, formerly known as South West Africa, is a self-governing territory about twice the size of California with an estimated population of 1.1 million persons, 92 percent non-white, comprised of 11 major population or ethnic groups who speak at least 8 languages and 29 dialects, and which range in socioeconomic development from nomadic tribesmen to sophisticated professional, business, and political leaders educated at and holding numerous graduate degrees from major universities throughout the world.

Namibia has the largest uranium mine in the world, produces half the karakul (Persian lamb) fur in the world, has one of the world's most extensive gem diamond mining operations, as well as significant cattle and fishing industries and substantial gas reserves.

On June 17, 1985 the Republic of South Africa by Proclamation No. R. 101, transferred all authority for the administration and day-to-day government of Namibia from its Administrator-General to a multi-party conference of Namibian political leaders who represent their various population and political groups pending a U.N. supervised election pursuant to U.N. Resolution 435.

In Namibia all political prisoners have been released and all apartheid laws have been abolished. Proclamation No. R. 101 of June 17, 1985, promulgated by South Africa at the request of Namibia's chosen political leaders, transfers to Namibia's National Assembly the power to enact or repeal any internal law and repeal any internal law previously adopted by South Africa.

Proclamation No. R. 101 includes a bill of fundamental rights negotiated by Namibia's leaders, expressly providing for a non-racial, democratic form of government. The people of Namibia, to the maximum of their ability, have established a non-racial, democratic form of government which meets the stated purpose of P.L. 99-440.

Plaintiffs allege that Public Law 99-440 imposes certain punitive economic sanctions including prohibiting Krugerrand and other South African gold coin imports, importation of products grown, produced, manufactured, marketed or otherwise exported by Namibian and South African parastatal organizations, prohibiting loans to the governments of Namibia and South Africa, prohibiting the importation of Namibian and South African agricultural products and articles suitable for human consumption, prohibiting Namibian and South African iron ore and iron and steel imports; and prohibiting importation of Namibian and South African sugars, syrups, and molasses, all aimed at "punishing" the peoples of Namibia and South Africa into forcing their governments to change to some structure agreeable to the U.S. politicians, or to force the governments themselves of those countries to undertake such actions.

Plaintiffs allege that authority delegated to the U.S. Congress in Article I of the U.S. Constitution does not empower the U.S. Congress to violate the separation of powers principle and usurp the President's exclusive constitutional responsibility in the field of foreign affairs in order to use U.S. economic power to force other countries to change their forms of government.

Plaintiffs allege that defendants have acted in an arbitrary, capricious and unlawful manner without any hearing or evidence and without compliance with the Administrative Procedure Act to prohibit private sector trade between Namibia and the United States on the unlawful assumption that the U.S. Congress can force South African to change its form of government, and that the people of Namibia have power to force such a change.

Plaintiffs allege that defendants have no power to deny to the people of the Namibia their fundamental, natural and God-given right to choose their own form of local self-government and method of choosing political leaders empowered to administer the government.

Wherefore, the premises considered, plaintiffs request that this Court enter judgment declaring that defendants's regulations under Section 3(6)(B) of Public Law 99-440, to the extent they impose punitive sanctions on Namibia, be adjudged in violation of the U.S. Constitution, and/or in violation of U.S. treaty obligations, the U.N. Charter and U.N. Resolution 2131 (xx), and/or in violation of the historically accepted common law of international relations and comity governing the fundamental and God-given natural, fundamental and sovereign rights of the people of Namibia to establish their own form of government, and that the defendants be restrained from including Namibia in the sanctions set forth in Public Law 99-440, and further declaring that defendants have no authority under the Constitution (1) to deprive the Congressional plaintiffs of their right to vote on the status and compliance by Namibia with P.L. 99-440, (2) or deprive the commercial plaintiffs of their Fifth Amendment right to engage in business, (3) or usurp the President's exclusive authority over U.S. foreign relations, (4) or use the private sector economic power of the U.S. to bludgeon the people and public officials of Namibia or South Africa into changing the form of their government to meet arbitrary self-serving standards legislated by the defendants in their regulations and by the U.S. Congress.

STEVE SINGER—AN INTERNATIONAL PUBLIC SERVANT

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. HALL of Ohio. Mr. Speaker, in recent years international interest has begun to focus on the plight of the poor and hungry in the developing world. Much attention has been directed to those who have learned about these challenges and have encouraged others to commit their energy and financial resources toward addressing them.

But there are other individuals, sometimes not as well known, who have been working for years both here and in the field to improve directly the lives of the poorest of the poor. Such an individual was Steve Singer.

Steve Singer died on July 31, 1987, after a fight with cancer. I am honored by the fact that Steve was working as a congressional fellow in my Washington office at the time of his death.

Steve Singer was an employee of the Agency for International Development. He was a congressional fellow in my office prior to a planned sabbatical year at Harvard University.

Steve's greatest contributions were realized during his many years of service both overseas and in Washington with AID. Nevertheless, his decision to spend a few months as a congressional fellow and the type of work he was performing at the time of his death say much about the quality and depth of his commitment to the world's needy.

There are many things Steve could have done with the time he had before his scheduled year of study and writing. He chose to devote this period to learning about the operations of Congress and to helping the Congress to learn about AID's food assistance programs.

The bottom line for Steve always was to improve the quality of life for the world's poorest citizens. His special contribution was to use his great talent and knowledge to apply effectively the resources of AID to achieve this objective.

Yet Steve knew that the work of AID was just one part of the picture. He realized that other entities, such as the private voluntary organizations, the World Bank, and the U.S. Congress also had vital functions to perform in aiding the poorest people on the planet. Steve sought to lend his expertise to making others as effective as possible in realizing their own potential in this effort.

In his time as a congressional fellow, Steve Singer was a tremendous asset to me in my service as chairman of the International Task Force of the House Select Committee on Hunger. He spent considerable time briefing the Hunger Committee staff, my personal staff, and me directly on the ways that Congress could help AID and other groups working to fight world hunger and poverty. He was the driving force behind the hearing conducted by the International Task Force on enhancing the developmental impact of food aid. The insight and experience he shared made this hearing successful.

Steve saw that congressional initiatives could complement the work of AID. He had the rare gift of being able to step back from his own highly detailed and specialized work to see the bigger picture. With educated objectivity, he could advise others about the best means at their disposal to contribute to hunger relief and development work.

Drawing on his years of experience and collegial contacts, Steve was able to craft recommendations for the Congress to pursue in order to encourage increased World Bank lending activities targeted to the poorest of the poor in the lesser developed countries. The legacy of his work in this regard will be an ongoing international dialog that will bring over time many real improvements in the quality of life for the world's poorest people.

Steve quietly dedicated his life to helping the neediest people on the Earth. He chose to use his keen, analytical mind to help those in the greatest need. In the truest sense of the term, he was an international public servant.

Despite the successes he had achieved in his lifetime of service, Steve Singer was impatient about making life better for the least fortunate human beings. While he acknowledged that progress was being made, he was concerned that it was coming too slowly. As he wrote to me in a memo, "There is a lack of boldness in attacking the poverty issue that its seriousness and urgency does not permit." I believe he felt obligated to encourage others in a position of influence to respond to the challenges he saw.

I am sure that Steve would be embarrassed by any kind of tribute to him personally and to his work. In his view, service and commitment were nothing unusual—they were expected. It was characteristic that he handled his illness, just as his work, with confidence and courage. Putting his hand to the plow, he never looked back.

It is always a tragedy when the world loses a talented, dedicated young person. All the more so, when that individual seems so clearly to be at the right time and the right place to make the most effective contributions.

The inspiration of Steve Singer's example is that the seemingly overwhelming challenges of world hunger and poverty can be overcome with knowledge, service, and commitment. We cannot replace Steve Singer; we can only draw from his courage to continue his work.

OPPOSE GASOLINE TAX INCREASE

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. ANDERSON. Mr. Speaker, 71 of our colleagues have now cosponsored House Resolution 225, expressing the sense of the House that the Nation's gasoline and diesel taxes shall not be increased for deficit reduction purposes.

While there can be no question that the Nation's deficit must be reduced, I have no question that our motor fuels taxes must not be increased to help meet this goal. There are three primary reasons that the gasoline and diesel taxes must not be increased. They are regressive, such an increase would severely damage the Nation's economy, and it would devastate the country's transportation network.

That a motor fuels tax increase would be regressive is self-evident. Of course, most consumer taxes are regressive. And while this alone should be of great concern, I would suggest that a regressive tax is particularly worthy of opposition when it is on such a necessary commodity. Gasoline, in today's society is not a luxury. Over two-thirds of all auto travel is nonelective. Do we want to tax lower and moderate-income families at a higher rate than our wealthiest families on this vital commodity? The answer should be clear.

Of course, a gasoline tax increase would be unfair not only to low- and moderate-income Americans, it is bad for the entire country. According to an analysis prepared by Wharton Econometrics, compared to generating comparable amounts from an oil import fee, an income tax surcharge, a corporate tax increase, or a tobacco tax increase, a gasoline tax increase would have the greatest negative impact on unemployment and our gross national product. It would also have a greater inflationary impact on the economy than any of these except an oil import fee, the inflationary impact of which would be similar to that of a gasoline tax increase.

So, any American who is worried about unemployment, worried about inflation, or worried about a recession, needs to be worried about the possibility of a motor fuels tax increase.

Finally, any of our colleagues who share our concerns regarding the need for a sound transportation network must also be concerned about a gasoline and diesel fuels tax increase. Such an increase, if used for deficit reduction purposes, would reduce revenues generated for the Federal highway trust fund. Highway and public transit spending in this country is already far below documented needs. A Federal motor fuels tax increase would inhibit the ability of States and cities to fill the void created by our Federal funding shortfall by making it more difficult for them to raise their own highway user fees, as was considered by 27 States in 1986 alone.

Mr. Speaker, 71 of our colleagues understand that motor fuels taxes must be increased for deficit reduction purposes; that the responsibility for reducing the deficit has absolutely nothing to do with the number of miles we drive.

Mr. Speaker, I urge all our colleagues to join the 71 who have cosponsored House Resolution 225. I submit for the RECORD those who have already cosponsored this resolution.

Mr. Anderson, Mr. Howard, Mr. Hammerschmidt, Mr. Shuster, Mr. Akaka, Mr. Applegate, Mr. Ballenger, Mr. Barton of Texas, Mr. Bilbray, Mr. Boehlert, Mr. Borski, Mr. Bunning, Mr. Carr, Mr. Chapman, Mr. Clinger, Mr. Courter, Mr. Craig, Mr. Daub, Mr. DeFazio, Mr. DeLay, Mr. de Lugo, Mr. Dornan, Mr. Dymally, Mr. English, Mr. Fascell,

Mr. Gallo, Mr. Garcia, Mr. Gordon, Mr. Grant, Mr. Gray of Illinois, Mr. Hastert, Mr. Hayes of Illinois, Mr. Hefner, Mr. Henry, Mr. Inhofe, Mr. Jeffords, Mr. Jones of North Carolina, Mr. Kasich, Mr. Kolter, Mr. Lagomarsino, Mr. Lancaster, Mr. Latta, Mr. Lightfoot, Mr. Donald Lukens, Mr. Mack, Mr. Martin of New York, Mr. McEwen, Mr. Mineta, Mr. Neal, Mr. Nielsen,

Mr. Nowak, Mr. Oberstar, Mr. Oxley, Mr. Packard, Mr. Perkins, Mr. Rahall, Mr. Ravenel, Mr. Savage, Mr. Shaw, Mr. Smith of New Hampshire, Mr. Smith of Florida, Mrs. Smith of Nebraska, Mr. Stangeland, Mr. Stump, Mr. Tallon, Mr. Towns, Mr. Upton, Mr. Valentine, Mr. Whittaker, Mr. Wise, Mr. Wortley.

WINE GRAPE INDUSTRY NEEDS NO ADDED TAX

HON. AMO HOUGHTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. HOUGHTON. Mr. Speaker, one of the key agricultural commodities produced in my district is wine grapes. They are grown beside the beautiful lakes of upstate New York.

The district I represent has more farmers producing grapes than any other congressional district east of California. These growers produce an average of 25 acres of grapes a year in their vineyards. This is, as you know, labor intensive work. It is done mostly by farm families who work side-by-side, earning their living—without subsidies from the Federal Government.

For the past 4 years, according to the New York State Crop Reporting Service, grapegrowers have received less and less for their product. Their prices have been: 1982, $217 per ton of grapes; 1983, $187 per ton of grapes; 1984, $174 per ton of grapes; and 1985, $139 per ton of grapes.

Despite the decline in prices, these men and women have told me their economic future looks brighter than it has for several years. But that, of course, was before talk began of increases in Federal excise taxes.

At the present time, each gallon of wine is assessed a 17-cent tax. Some recent proposals suggest this tax could soar to 84 cents per gallon.

If one passes this increase back to the winery, it would add huge pressure to an industry already facing problems stemming from over capacity. If passed forward to consumers, the tax inevitably will reduce wine sales and force industry cutbacks. Considering the industry's links to other sectors of the economy, this scale-back would cost the Government more than the original increase in revenue would produce.

For example, passed on to the consumer, the increased tax equals an additional cost of $115 per ton of grapes or two-thirds the average price received by growers in New York State during the past 4 years. Producers are simply not capable of swallowing the full burden of this proposed tax. So what happens: The cost of wine would skyrocket and sales would drop. Period.

Estimates by the U.S. Department of Agriculture suggest the new tax would cause a $90 million drop in grape sales and a $175 million reduction in the sale of wine. Looking at the bigger picture, a loss in winery sales of this magnitude would reduce overall activity in the economy by $560 million. Combined losses could total $650 million. An increased tax as suggested would produce about $350 million in new revenue. Hardly an even trade.

So, Mr. Speaker, the message is this: Increasing taxes on wine is a bad idea. It unfairly burdens the consumer. It harms the grapegrower. New York grapegrowers want to tend their vineyards, produce and harvest their grapes. They simply want to continue their work. Why not give them that opportunity? I urge that the Congress not increase excise taxes on wine. Please leave the grapegrowers alone. They ask no subsidies. They are what this country is all about.

FARMLAND FADING UNDER CITY SPRAWL

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. KOSTMAYER. Mr. Speaker, as the report of the President's Commission on Americans Outdoors noted, we are losing about 1.4 million acres of open land a year in the United States.

The loss of open land and green space threatens the quality of life in America.

The administration's failure to heed its own report must be countered by strong congressional action.

I urge my colleagues to read the following news article from the New York Times of July 15, 1987.

[From The New York Times, July 15, 1987]

FARMLAND FADING UNDER CITY SPRAWL—AGRICULTURE DEPT. SAYS CHANGE "MAY HAVE AN ENORMOUS EFFECT AT LOCAL LEVEL"

WASHINGTON, July 14 (AP)—City sprawl, highways and other nonagricultural uses are taking American farmland at an annual rate that could involve acreage equal to the entire State of Missouri by the year 2030, according to a report by the Department of Agriculture.

Erosion, salt pollution in irrigation areas of the West and reduced vegetation on livestock ranges are other threats to the country's agricultural machine, department experts said in a draft report opened Monday for public review and comment.

The nation's total non-Federal rural land area, not counting Alaska, is more than 1.4 billion acres, which includes 421.4 million acres of cropland, 133.3 million acres of pastureland and 405.9 million acres of rangeland, based on the department's 1982 National Resources Inventory, the most recent available.

About 1.5 million acres are converted to nonagricultural uses each year, the report said. Sixty-four percent is cropland.

"ENORMOUS EFFECT AT LOCAL LEVEL"

"Assuming the current rate of conversion continued, the cropland base would be reduced by nearly 48 million acres, or 12 percent, between 1982 and 2030," the report said. "Changes in land use may have an enormous effect at the local level without becoming a problem that requires specific action at the national level."

The report said soil erosion caused by the wearing-away action of water and wind was reducing the productivity of some soils. In 1982, water erosion moved more than 3.4 billion tons of soil on non-Federal rural land and wind moved 2 billion tons.

"More than 286 million acres of non-Federal land are eroding at rates greater than the soil tolerance—that is, the rate at which sustained economic production is assured," the report said.

According to a new computer analysis cited in the report, 100 years of water and wind erosion under 1982 management conditions would reduce United States productive capacity 1.9 percent. The report said that would be "the equivalent of losing production worth $9 billion at 1980 prices."

George S. Dunlop, Assistant Secretary for natural resource and environment, said the report's value was in its identification of "the status and condition of our soil and water resources" so those resources could be conserved and protected.

U.S. CAN MEET FOOD DEMANDS

"Despite the fact that the report identifies some resources conservation problems, its findings show that the United States can meet food production demands for the foreseeable future," Mr. Dunlop said.

But some private conservationists are less optimistic. They contend that the Agriculture Department's projections in the past have sometimes missed the mark by wide margins.

Robert J. Gray, policy director for the American Farmland Trust, said the report's projections for the year 2030 probably were "a little rosier than reality."

The draft report is the second required by the Soil and Water Resources Conservation Act of 1977, which seeks appraisals of the national situation every 10 years. The first was published in 1980 after extended research and public comments.

Mr. Gray said that since the first appraisal, a good start had been made on getting marginal land out of crop production under the long-term Conservation Reserve Program, which is aimed at retiring 45 million acres of highly erodible land for 10-year periods. About 18 million acres have been signed up for the program.

"But we still don't know how good a job farmers are going to do on compliance," Mr. Gray said in an interview.

He also said that farm productivity had leveled off, a point that he said was masked somewhat in the 1970's by millions of acres that were brought into production as exports expanded dramatically and demand was overestimated.

"I'm not quite as optimistic as they are, and I think they tend to be somewhat overly optimistic in their projections," Mr. Gray said.

Under the department's projected "intermediate" conditions, the amounts of cropland and irrigation water are expected to be adequate but would "decline significantly by the year 2000 and level off after that date," the report said.

218 MILLIONS ACRES BY 2030

In 2030, it said, demands for food and fiber could be met on 218 millions acres of cropland, 30 millions of which would be irrigated.

"The decrease in projected land and water requirements results from the projection that yields per acre would double by 2030 and that the efficiency of livestock feed use would more than double," the report said.

Under the department's "high-stress" conditions reflecting reduced availability of agricultural resources, larger export demand and reduced technology, all available cropland would have to be used, with the exception of the land in the Conservation Reserve Program, the report said.

Mr. Gray said he might expect the actual development of United States agriculture to be "somewhere in between" the intermediate and high-stress projections.

The draft report will be open to public comment for 60 days. Copies are available for review at local offices of the department's Soil Conservation Service and the Agricultural Stabilization and Conservation Service, officials said.

TRIBUTE TO EVELYN DUBROW

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. FISH. Mr. Speaker, lobbyists are common in the Halls of Congress. That is, except for Evelyn Dubrow. Evelyn is a longtime friend and an invaluable source of information for Members and has been for me during my 19 years as a Representative. Succinct, articulate, and always charming, she makes it virtually impossible to disagree with her.

A graduate of New York University, Evelyn earned a degree in journalism in the late 1930's and began her career as a secretary in the Textile Workers Union in New Jersey. Evelyn emerged as a strong member of the Democratic Party, serving as New York State director of the Americans for Democratic Action in 1948. Even a Republican has to admire her dedication and limitless energy on behalf of the Democratic Party.

Evelyn's focus then turned to the cause of labor. In 1956, she joined the International Ladies Garment Workers Union, and 2 years later was sent by I.L.G.W.U. to work in Washington. Her rare talent has served that organization well.

I have met with Evelyn on numerous occasions to discuss a wide range of issues in addition to trade and the plight of U.S. textile workers such as housing discrimination and discrimination in federally-financed programs. She brings a fresh outlook and I always welcome her suggestions.

Height always seems to find its way into a conversation about Evelyn. Her 4-foot 11-inch frame can be very deceptive. One might think she would get lost in a crowd, but the truth of the matter is, Evelyn is the crowd. She commands attention with her wit and knowledge of the issues. At 6-foot 3-inches, I am upstaged by this petite lady with the charismatic personality. Sincerity, competence, and dedication are her trademark. To me, Evelyn is not just a lobbyist, she is a dear friend.

There follows a recent New York Times profile which I comment to my colleagues.

[From the New York Times, July 27, 1987]

A CAPITOL HILL LOBBYIST EVERYONE LOVES

WASHINGTON, July 26—One person on Capitol Hill gets to share the Congressional doorkeepers' chairs outside the House of Representatives chambers, a good spot to catch the eye of an arriving or departing member of Congress.

Evelyn Dubrow and no one else.

No one protests. This 4-foot 11-inch lobbyist for the International Ladies Garment Workers Union who began roaming the halls of Congress 29 years ago seeking support for a $1 minimum wage, and who still troops Capitol Hill in her size 4 shoes, has earned the privilege. Besides, explains a staff member in the doorkeeper's office, "Everyone loves Evy."

Everyone knows Evy. Senators. Representatives. Aides. Receptionists. The Capitol Police. In fact, the former Speaker of the House, Thomas P. O'Neill, Jr., the man who asked the doorkeepers to give her their seats, still keeps in touch with her.

Ms. Dubrow has been on Capitol Hill longer than most other lobbyists and most members of Congress. She will not, under any circumstance, say how old she is, only: "I will admit to being a senior citizen." She still works 15-hour days, still attends as many as a half-dozen political receptions in a night, still managed to meet with 30 senators on a recent day and still declares she is never going to give up lobbying "as long as I can stay on my feet and as long as my head is somewhat in the right place."

HER CAUSES AND OTHER TASKS

At the moment her causes are a bill to broaden laws against housing discrimination, legislation to bar discrimination in federally financed programs and, especially, a provision of the trade bill that would help protect the country's textile, apparel, shoe and copper industries from unfair competition by imports.

But other tasks come up. Take July 17 for instance. "I heard that Orrin Hatch, who is a very nice gentleman but who couldn't disagree more with me on our legislative program, was going to introduce a bill that I knew would be very harmful not only to our union but a number of other unions," Ms. Dubrow said. The bill would have lifted 44-year-old restrictions that prohibit employers from hiring workers to work in their homes. That would allow employers to escape paying benefits and minimum wages. Ms. Dubrow marched up to Capitol Hill to do something about it.

"I started with the leadership," she recalled. She talked with the Democratic leader, Senator Robert C. Byrd of West Virginia. "I then proceeded to see as many members of the Senate as I could, indicating to them that if this did come up I hoped there would be a move to table it or defeat it."

She will not know the fruit of her efforts for some time, but she bets she saw at least 30 senators that day.

When she talks to all these senators, this tiny woman with soft curls and light blue eyeshadow says she remembers one thing, which she likes to pass on. "The one caveat I would give to new lobbyists is don't pretend you know all the answers," she said. "Don't wing it. You better know what you're talking about. If you lie, they'll find you out."

Her voice is throaty, her tone serious, her manner charming, her politics liberal and her commitment unyielding. she is known for her diligence, her friendliness—and her height.

"She's my idol; I want to be just like her," said Sterling J. Henry, a 28-year-old, 6-foot 2-inch lobbyist for the National Association for the Advancement of Colored People.

"I once saw Senator Simpson, who must be 6-5 or 6-6, talking to her," Mr. Henry said. "The man looked up to her! You could see the respect."

"She's not confrontational," he went on. "She doesn't talk to senators or Congress persons like they're a little prima donna; she talks to them as a friend."

If asked why she became involved in labor and politics, Ms. Dubrow invariably points out that she was the daughter of a union man and the younger sister of a suffragette.

She was born in Passaic, N.J., earned a degree in journalism at New York University in the late 1930's and began her career in the labor movement working as a secretary in the Textile Workers Union in New Jersey. She went to Washington briefly in 1947 to help organize Americans for Democratic Action, a liberal organization that to this day espouses traditional New Deal values.

A REVERENCE FOR CONGRESS

She returned to New Jersey the next year to do political organizing for unions. After the 1948 election she was named New York State director for the A.D.A. In 1956, seeking to return to the labor movement, she joined the International Ladies Garment Workers Union, and in 1958, when the union decided to open a Washington office, the leaders asked Ms. Dubrow to go to the capital and work as a lobbyist.

Through the years she has developed almost a reverence for the institution of Congress. "The one thing I have is a respect for the office," she said. "I might not agree or even like the occupant of the particular office, but I've always respected and been courteous for that reason. I don't go around threatening members of Congress that if they don't vote with me they're going to be defeated or anything like that; I don't believe in it."

Likewise, she believes in her profession. "A lot of members will say, 'I owe you a vote Evy,' or You're a good friend.' But I would never ask them to give me a vote on that basis. I like to think that when I'm asking for their vote it's because I really have a case. Now it doesn't mean I'm not delighted if they think they'd do it for me because they personally like me. That's great; that's gravy. But that to me is not what lobbying is about."

"Lobbying," Ms. Dubrow said, "is presenting your case and proving it."

EVELYN DUBROW: A CAPITOL HILL LOBBYIST EVERYONE LOVES

HON. THOMAS J. MANTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. MANTON. Mr. Speaker, all of our colleagues have been lobbied by some of the best lobbyists in the country. While there are many good lobbyists in Washington, in my opinion none is better than Evelyn Dubrow.

Evy began lobbying for the International Ladies Garment Workers more than 29 years ago. When she first came to Capitol Hill, she worked for a minimum wage law. Since then, she has been at the forefront of every major legislative effort to improve the lives of working men and women in America. She has been a friend and ally to many of us in Congress. She has also proven to be a worthy and respected adversary for those who do not agree with her position.

Last week, the New York Times profiled Evy in its Washington talk section. The article, which is entitled "A Capitol Hill Lobbyist Everyone Loves," details the admiration and respect that all of us have for this wonderful woman.

Mr. Speaker, the praise contained in this piece is long overdue. I would like to take this opportunity to congratulate Evy for her 29 years of hard work on Capitol Hill. I know my colleagues join me in looking forward to continuing to work with Evy in the years ahead.

Mr. Speaker, I submit the New York Times article for the RECORD:

A CAPITOL HILL LOBBYIST EVERYONE LOVES

WASHINGTON, July 26.—One person on Capitol Hill gets to share the Congressional doorkeepers' chairs outside the House of Representatives chambers, a good spot to catch the eye of an arriving or departing member of Congress.

Evelyn Dubrow and no one else.

No one protests. This 4-foot 11-inch lobbyist for the International Ladies Garment Workers Union who began roaming the halls of Congress 29 years ago seeking support for a $1 minimum wage, and who still troops Capitol Hill in her size 4 shoes, has earned the privilege. Besides, explains a staff member in the doorkeeper's office, "Everyone loves Evy."

Everyone knows Evy. Senators. Representatives. Aides. Receptionists. The Capitol Police. In fact, the former Speaker of the House, Thomas P. O'Neill, Jr., the man who asked the doorkeepers to give her their seats, still keeps in touch with her.

Ms. Dubrow has been on Capitol Hill longer than most other lobbyists and most members of Congress. She will not, under any circumstance, say how old she is, only: "I will admit to being a senior citizen." She still works 15-hour days, still attends as many as a half-dozen political receptions in a night, still managed to meet with 30 senators on a recent day and still declares she is never going to give up lobbying "as long as I can stay on my feet and as long as my head is somewhat in the right place."

HER CAUSES AND OTHER TASKS

At the moment her causes are a bill to broaden laws against housing discrimination, legislation to bar discrimination in federally financed programs and, especially, a provision of the trade bill that would help protect the country's textile, apparel, shoe and copper industries from unfair competition by imports.

But other tasks come up. Take July 17 for instance. "I heard that Orrin Hatch, who is a very nice gentleman but who couldn't disagree more with me on our legislative program, was going to introduce a bill that I knew would be very harmful not only to our union but a number of other unions," Ms. Dubrow said. The bill would have lifted 44-year-old restrictions that prohibit employers from hiring workers to work in their homes. That would allow employers to escape paying benefits and minimum wages. Ms. Dubrow marched up to Capitol Hill to do something about it.

"I started with the leadership," she recalled. She talked with the Democratic leader, Senator Robert C. Byrd of West Virginia. "I then proceeded to see as many members of the Senate as I could, indicating to them that if this did come up I hoped there would be a move to table it or defeat it."

She will not know the fruit of her efforts for some time, but she bets she saw at least 30 senators that day.

When she talks to all these senators, this tiny woman with soft curls and light blue eyeshadow says she remembers one thing, which she likes to pass on. "The one caveat I would give to new lobbyists is don't pretend you know all the answers," she said. "Don't wing it. You better know what you're talking about. If you lie, they'll find you out."

Her voice is throaty, her tone serious, her manner charming, her politics liberal and her commitment unyielding. She is known for her diligence, her friendliness—and her height.

"She's my idol; I want to be just like her," said Sterling J. Henry, a 28-year-old, 6-foot 2-inch lobbyist for the National Association for the Advancement of Colored People.

"I once saw Senator Simpson, who must be 6-5 or 6-6, talking to her," Mr. Henry said. "The man looked up to her! You could see the respect."

"She's not confrontational," he went on. "She doesn't talk to senators or Congress persons like they're a little prima donna; she talks to them as a friend."

If asked why she became involved in labor and politics, Ms. Dubrow invariably points out that she was the daughter of a union man and the younger sister of a suffragette.

She was born in Passaic, N.J., earned a degree in journalism at New York University in the late 1930's and began her career in the labor movement working as a secretary in the Textile Workers Union in New Jersey. She went to Washington briefly in 1947 to help organize Americans for Democractic Action, a liberal organization that to this day espouses traditional New Deal values.

A REVERENCE FOR CONGRESS

She returned to New Jersey the next year to do political organizing for unions. After the 1948 election she was named New York State director for the A.D.A. In 1956, seeking to return to the labor movement, she joined the International Ladies Garment Workers Union, and in 1958, when the union decided to open a Washington office, the leaders asked Ms. Dubrow to go to the capital and work as a lobbyist.

Through the years she has developed almost a reverence for the institution of

Congress. "The one thing I have is a respect for the office," she said. I might not agree or even like the occupant of the particular office, but I've always respected and been courteous for that reason. I don't go around threatening members of Congress that if they don't vote with me they're going to be defeated or anything like that; I don't believe in it."

Likewise, she believes in her profession. "A lot of members will say, 'I owe you a vote Evy,' or 'You're a good friend.' But I would never ask them to give me a vote on that basis. I like to think that when I'm asking for their vote it's because I really have a case. Now it doesn't mean I'm not delighted if they think they'd do it for me because they personally like me. That's great; that's gravy. But that to me is not what lobbying is about."

"Lobbying," Ms. Dubrow said, "is presenting your case and proving it."

SCIENTIFIC DATA AND WHALING

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. DYMALLY. Mr. Speaker, last month I addressed the 39th annual meeting of the International Whaling Commission. My speech discussed my concerns about the collection of scientific data in order to determine future policy on whaling. The following is the full text of my speech which I want to include in the RECORD in order to bring it to the attention of my colleagues because this is an important issue.

Mr. Chairman, distinguished representatives of the International Whaling Commission (IWC), I am attending this meeting as a member of the Committee on Foreign Affairs of the United States House of Representatives.

This is the fourth Commission meeting I have attended because I am deeply concerned over strong indications that a small but well organized group of individuals may be unduly influencing decisions that should otherwise be made on the basis of science, reason and objectivity. This interference in the process of developing sound and effective programs for whale conservation and management threatens to undermine all efforts to conserve and utilize natural resources for the benefit of mankind. But the consequences go far beyond that. If the decisions arrived at here are not well grounded in science, if they are not reasonable, evenhanded and fair, if they do not reflect the provisions of the international treaty under which this Commission is constituted, then it undermines the trust and confidence that nations have to enter into any international treaty agreements.

As we have seen in the past, the consequences of actions taken here have ramifications that go well beyond the conservation and management of whales. Unscientific, unreasonable and unfair decisions can severly damage otherwise friendly relations between nations. It can have economic consequences damaging to countries on both sides of the issues. The prospect of such decisions arising out of this meeting threatens mutual security arrangements and may also lead to the demise of the IWC itself.

Unfortunately, we in the United States have also been exposed to the pressure of individuals who want to make their particular ideology the official policy of our nation. And, sad to say, they succeeded in some areas because the people of the United States are uninterested in this area or unaware of the consequences. This situation has placed us in the position of interfering not just in the affairs of sovereign nations but in the abridgement of rights granted to such nations by international treaties. This situation must stop. Every nation in the world is entitled to seek its own destiny without being threatened by a more powerful force, as long as that nation does not harm another.

Despite the fact that anti-whaling organizations have managed to insinuate their ideology into U.S. government policy, I can assure you that many Americans approve of the utilization of whales as a food resource. In its national survey of American attitudes towards wildlife, the U.S. Department of the Interior found that 77 percent of all Americans approve of whaling provided that the whales are taken for useful products and are not threatened by extinction. In addition, the anti-whaling groups in the United States, despite intensive lobbying, have failed to get Congress to pass a concurrent resolution against whaling for the past six years.

Our Supreme Court, too, last summer rejected the notion that the United States had to impose sanctions against Japan for exercising its right to object to the moratorium and continuing to take whales under scientifically determined quotas. The Supreme Court's decision made clear that the continued taking of whales in the face of a moratorium by nations legally exempted from it by the objection provision of the international whale conservation convention did not in itself "diminish the effectiveness" of the conservation convention. Quoting from the legislative history, the Court pointed out that "the trade or taking (of whales) must be serious enough to warrant the finding that the effectiveness of the international program has been diminished."

This year, the IWC is being pressured to put a stop to the taking of whales for scientific research programs. This could very well destroy the continuity of data needed to show trends in the population growth of various stocks and prevent the accumulation of data necessary for more accurate calculation of whale populations. This is an unfortunate reversal of the position of the anti-whaling groups. Since 1980, having failed to convince the Commission that the continued take of a small number of whales from stocks known to be abundant would drive the 3,000,000 whales in this world to extinction, the anti-whaling groups insisted that a moratorium was needed to allow scientists to collect better data, unbiased by the commercial whaler's take of large whales.

In 1982, in fact, one of my esteemed colleagues in Congress, a supporter of anti-whaling causes, wrote that among the reasons that the U.S. supported the moratorium was that: (1) "assessments of the status of most whale stocks are based upon an inadequate data base;" and (2) "the (IWC) Scientific Committee is prevented from providing satisfactory confidence intervals for the catch limits and stock classifications it recommends by inadequate data."

Greenpeace, too, in testimony before Congress, called the IWC "a fragile and imperfect vehicle for international whale conservation efforts" because, among other things, it used "a very poor data base" derived almost entirely from commercial whaling. Now Greenpeace is telling the world that further data collection is unnecessary because the IWC already has data from tens of thousands of whales taken by commercial whalers.

The current demands to stop or cripple whaling research programs fly in the face of the requirement of the moratorium provision to complete a comprehensive assessment of the stocks by no later than 1990. They would also undercut the requirement of Article VIII of the International Convention for the Regulation of Whaling (ICRW) that states: "Recognizing that continuous collection and analysis of biological data . . . are indispensable to sound and constructive management of the whale fisheries, the Contracting Governments will take all practicable measures to obtain such data." This provision of the international treaty—which binds all signatory members and the Commission—mandates continuous collection of data from whales and places the responsibility for such collection of data on the individual whaling nations, not the Commission.

There is no grey area here. The obligation to provide a continuous stream of biological data in order to properly conserve and manage the whale stocks is demanded by the ICRW. And the burden for providing it lies on the individual nations, not the IWC. Moreover, "the taking of whales" under Article VIII of the ICRW, "shall be exempt from the operation of this Convention."

Last year the Commission provided a set of guidelines for whaling research programs calling for, among other things, that: (1) the taking of whales under such programs contributed to the rational management of the stock and facilitate the conduct of the comprehensive assessment mandated by the commercial moratorium provision, and (2) to take into account the data can be obtained by non-lethal means. This resolution should allay all fears that whales will be taken unnecessarily.

One point I would like you to keep in mind.

I believe it be unconscionable to deprive people who have traditionally subsisted on whale meat from continuing to take a small number of whales if such a take will not harm the stocks. This year, both St. Vincent and Japan are seeking permission for their local, small boat whalers to take an allocation of whales. In all fairness, this should not be denied. St. Vincent has traditionally caught a few whales each year, which the people use for food and medicine. Japan's coastal whalers meet all the criteria established by the IWC for an aboriginal exemption. For these whalers, in a handful of Japan's coastal communities, whaling is a longstanding tradition. It provides the mainstay of their livelihoods, is of major economic importance in their communities, and figures predominantly in their society and religion. The catch, small in number , comes entirely from within Japan's 200-mile zone and is consumed locally.

Members of the Commission, again I ask you that the decisions made by you at this meeting be fair and reasonable. And I ask you to preserve and foster the ability to conserve and manage the world's whales by helping to improve the scientific basis needed to maintain this unique resource while providing for rational utilization by future generations.

KEEP OUR GENIUSES IN THE FAST TRACK

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. BIAGGI. Mr. Speaker, I would like to bring to the attention of my colleagues an article which recently appeared in Psychology Today, entitled "Genius in the Slow Track." This article briefly highlights some of the problems faced by our exceptional children in our education systems.

I know all of us concur that our children are our greatest natural resource. Our Nation's gifted and talented children have the potential to be tomorrow's great leaders in fields such as science, technology, medicine, education, and politics. However, these students, as with any other resource, must have the opportunity to develop to their full potential. When a gifted student is enriched by being required to do twice as much of the same work his or her fellow students are doing, as opposed to extra, more advanced work, we are not developing that potential.

Much of the reason for the lack of adequate educational programs to serve our Nation's gifted and talented students is a result of the lack of Federal commitment to the education of the gifted and talented. In recent years we have witnessed cutbacks in funding for gifted and talented education programs as well as the consolidation of gifted and talented education into a block grant program with 29 other education priorities.

In fact only 13 percent of school districts receiving funding under the chapter 2 block grant spend any of that money on gifted education of those that do. An average of only $1,000 goes for this important priority. That is why I introduced H.R. 543, the Jacob K. Javitz Gifted and Talented Children and Youth Education Act. The need for Federal emphasis on gifted and talented education has motivated over 100 of my colleagues to join as cosponsors of this important legislation. The commitment to providing the best education possible for our students, even and especially our brightest students, resulted in H.R. 543, being folded into H.R. 5, the omnibus elementary and secondary education legislation which passed the House this past may.

Currently there are only 56 full time gifted and talented consultants employed by State education agencies to serve an estimated 2.5 million gifted and talented students. Only 23 States have mandated programs of any kind for gifted students; 36 States have no special certification requirement for teachers of gifted and talented children. The National Commission on Excellence in Education noted in "A Nation at Risk," "over half of the population of gifted students do not match their tested ability with comparable achievement in school." Testimony we've heard by the Council for Exceptional Children has said approximately 50 percent of the gifted children are working at least four grades below the level at which they could be working. As we are focusing our national attention on increasing our competitiveness, it is scandalous that we deny any young people, especially our gifted and talented the opportunity to achieve their full potential.

H.R. 543 has three major purposes: First, to identify and serve gifted and talented children and youth, with priority given to those who are at risk of being unrecognized or of not being provided adequate or appropriate education services; second, to provide preservice and inservice training and professional development activities or teachers; and third, to establish a national center for research and development in the education of gifted and talented children and youth to stimulate high quality research in this area and serve as an information base for gifted education nationwide.

I would urge my colleagues to read the enclosed article and to continue their support for gifted and talented education:

GENIUS IN THE SLOW TRACK

Julian Stanley is worried. "An enormous amount of intellectual talent goes down the drain each year," says the psychologist, "because brilliant kids are stuck in classes that proceed at what is, for them, a snail's pace."

All too often, Stanley says, the only accommodation made to these students is a shallow effort at enrichment. He cites the example of an eighth-grader with an IQ of 187 whose teacher asked him to do all the algebra exercises in his text, rather than just the alternate ones the other students had to do. Such "enrichment," Stanley charges, is more apt to stifle than to stimulate learning.

Exceptionally gifted student's need educational experiences that match their talents. At Johns Hopkins University, the Center for the Advancement of Academically Talented Youth offers gifted youngsters summer classes in ancient Greek, physics, computer science, mathematics and other areas. "These are serious, highlevel courses," Stanley says, "not the 'fun and games' of many enrichment programs." Typically, students meet for five hours a day, five days a week, for three weeks to study the subject of their choice.

What can a kid learn in three weeks? In the case of these kids, plenty. For example, on group of 25 youngsters aged 11 to 15 took a speed course in biology. Before the class started the group had an average score of 565 on the College Board's high school examination in biology. That's an impressive score for youngsters who've never taken a course in biology, but after three weeks of study the average score had jumped to 721, a score many college biology majors would find enviable.

Hopkins is not the only place gifted adolescents can take accelerated courses (see "Challenging the Brightest," June 1984). Stanley notes that Duke University, Northwestern University, the University of Denver and other schools offer similar programs. But he warns that many gifted youngsters never get into programs of this sort. Instead, they plod ever so slowly through shallow waters. And at a time when our society is making increasing demands upon our reservoir of talent, it is, indeed, something to worry about.—PAUL CHANCE.

CHRISTOPHER COLUMBUS DISCOVERS PORT EVERGLADES

HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. SMITH of Florida. Mr. Speaker, today I would like to bring recognition to a unique event which will take place in Port Everglades, FL on August 29, 1987. This is the day Christopher Columbus will discover Port Everglades.

Since his discovery of America 500 years ago, Christopher Columbus has changed a bit. Standing 8-feet tall and perched on a travertine marble base, Christopher Columbus will arrive in Port Everglades, FL on August 29 after a voyage originating in Genoa, Italy. Christopher Columbus is returning to partake in the festivities commemorating the 500th anniversary of his discovery of America.

Exuding pride and confidence, the Christopher Columbus monument was the creation and idea of Tom Sette. Driven by his desire to create an event recognizing this historic navigator, Tom gathered two friends by his side, Anthony Iannelli and Tony Paparella, and created the Christopher Columbus Monument Committee.

Ambitious and determined, these three men were able to collect the funds necessary to finance the celebration and monument. Every dollar of the $120,000 budget was donated by private citizens, listed below. In addition, Port Everglades readily donated land for a park where the statue will permanently reside. The well-known sculptor, Enzo Gallo, my constituent, contributed his artistic talents to create the 2-ton, bronze replica. Miami-based Costa Cruises, Inc., donated two ships to transport the monument to Florida.

The monument will arrive at Port Everglades after a long voyage from Genoa, Italy, the birthplace of Christopher Columbus. Numerous cities across the world will catch a glimpse of the monument en route to Florida. Ports of call in such countries as Italy, Spain, Azores, Canada and United States Virgin Islands will revel in the excitement of the voyage to its home.

The donors who made the Christopher Columbus monument and celebration possible are listed below:

Mrs. Jean Altamura.
James and Margaret Atria.
American's of Italian Heritage Club.
Cardamon & Sopke Family.
Frank and Maria Cernuto and Family.
Alfred and Catherine Ciffo, Sr.
Nicholas J. Clementi—(Marine & Mercantile Ent.).
Nicholas J. Clement—(Conmar Industries).
Peter and Catherine Casoria.
Edward L. Curran.
Julio J. Colangelo.
Dominick R. Colucci, Jr.
Frank A. Cona.
Domenico Deluca.
Flora Food Distributors.
Vita T. Fabiani.
Mr. and Mrs. A. Al Giunta.
Frederick William Mario Guardabassi.
John N. Goudie.
Anthony Iannelli.

Anthony V. Iovino.
Italian American Civic League of Ft. Lauderdale.
Frances Lara.
Charles Leanza.
Magazzu—Leto.
Joseph A. and Clare Mocerino.
Orlando M. and Marion H. Marinelli.
Charles McElyea.
Mrs. Katherine Orlando.
Henry and Gloria Paul.
Gaetano Protano.
Mrs. George L. Pallotto.
Miss. Kartherine M. Pennetto.
J. Rick Ricciardelli.
Tony Rizzi.
Sara Rizzo.
Lou and Annetti Sandora and Family.
Thomas P. Sette.
Seminole National Bank.
Nicola Scoccimarro.
Anthony Perrone.
Sam Studiabe.
Anthony and Doris Tortolani.
Mike and Ana Maria Valletta.
Lucy C. Dibraccio.
Mr. and Mrs. Mario De Carlo.

I am pleased that the Christopher Columbus monument will be a Port Everglades landmark with national significance. I would like to ask my colleagues to join me in recognizing this unique commemoration and congratulating those involved in this project for a labor of love well done.

TRIBUTE TO DR. JONG OK KIM

HON. ROBERT G. TORRICELLI

OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. TORRICELLI. Mr. Speaker, I rise in tribute to Dr. Jong Ok Kim Ed.D., LL.D., one of the great educators and philanthropists in modern Korea, Dr. Kim is known and respected throughout the world for his achievements in strengthening education and increasing international understanding. I am deeply honored that Dr. Kim has invited me to address the outstanding institution that he founded and of which he now serves as chairman: the Baeyoung Haksook Foundation School.

Dr. Kim founded Baeyoung Haksook Foundation in 1960 when education in Korea was still in embryonic stage, and has served since then as its chairman during years of uninterrupted growth. Under Dr. Kim's wise leadership, the foundation has expanded steadily since 1960 and now owns and operates nine separate schools, from kindergarten to college. Total student enrollment is now 11,114. Among these schools is the Kumho school for the handicapped children, of which Dr. Kim is particularly proud and to whose welfare and growth he pays great attention.

In order to support these educational institutions as well as other philanthropic activities, Dr. Kim also runs and holds interests in the following business concerns: Taegu General Hospital; Audio Visual Studio; Youngsung Central Library; Youngsung Museum; Taejeon Broadcast Station; Baeyoung Printing Co.; Baeyoung Publishing Co.; Hankook Developing & Construction Co.; Baeyoung Stone Material Co.; Baeyoung Mushroom Co.; Baeyoung Planting Farms; and real estate interests.

Dr. Kim is a man not only of unusual vision but also of extraordinary ability. He has built a huge empire of educational and corporate institutions almost from scratch. While the implementation of his various ideas created thousands of jobs in the local area to help economy develop, his schools trained thousands of bright men and women to work for the development of the country. Dr. Kim has great empathy toward the downtrodden, the handicapped, and the aged. He has done so much for the underprivileged; he is a man whom society always calls upon, and he always answers that call.

Dr. Kim is an internationalist who strongly believes in international cooperation and benefits resulting from mutual assistance. He especially values friendship with the United States, which he views as the foundation of Korea's security and continued prosperity. For that reason, Dr. Kim hosted U.S. congressional delegations headed by my colleagues the gentleman from California, Mr. DYMALLY, beginning in 1984, and former Senator Gary Hart, in 1986. Dr. Kim has also taken the trouble to attend Presidential inaugurations and other major events in the United States. At the same time, he sponsors a number of projects which would facilitate better understanding and improve relations among nations in Asia.

Mr. Speaker, Dr. Jong Ok Kim is a rare combination of scholar, business leader, and philanthropist. He has made a signal contribution to his native land, to United States-Korean relations, and to the cause of peace, progress, and goodwill throughout the world.

BUDDY DARDEN MAKES THE CASE FOR A U.S. ASAT SYSTEM

HON. JIM COURTER

OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. COURTER. Mr. Speaker, our colleague from Georgia and a member of the House Armed Services Committee, BUDDY DARDEN, has done a great service with his recent commentary in Defense News on the U.S. antisatellite [Asat] weapon system.

Mr. Darden carefully explains the multifaceted Soviet Asat threat to our precious space assets, and points out the continuing folly of unilateral congressional limitations on the United States Asat Program. It really matters very little that the Soviet co-orbital Asat system is crude and unsophisticated, as the United States Asat critics charge, because it has already demonstrated a capability to destroy undefended, unhardened satellites.

In addition, the Soviets have several other potential Asat systems presently in existence, as well as a robust research and development program for more advanced Asat systems. The net effect is a dangerous asymmetry between United States and Soviet Asat capabilities which will encourage preemptive Soviet attacks during a crisis. I urge all my colleagues to read BUDDY DARDEN'S essay on this important subject.

[From the Defense News, July 27, 1987]

NEEDED: DEFENSIVE ANTISATELLITE SYSTEM

U.S. DEVELOPMENT OF SUCH A PLAN WOULD HELP ELIMINATE DEFICIENCIES

(By George Darden)

The United States prides itself in never having been the aggressor in international conflicts. Rather, we rely on strong defenses to deter attacks upon ourselves and our allies.

Because the Soviet Union possesses a vast superiority in numbers of troops and equipment, it is necessary for the United States to defend itself and deter attack by the use of advanced technology weapons systems and through promoting an aggressive strategy once a conflict has begun. One area in which it seems promising for developing advanced weapons is in the realm of space.

Although many do not approve, it is a reality that space has become militarized. As military technology has expanded into space, the need to defend against weapons systems with spacebased elements has become extremely important. The development of an antisatellite (ASAT) system could prove critical to eliminating a deficiency in our defenses—a deficiency that allows free information flow to aid positioning and targeting for enemy terrestrial forces. There is a definite need to reinstate an effective and vigorous research, development and testing schedule for an ASAT system.

The Soviets have approximately twice as many types of low-altitude satellites in operation as does the United States. These space systems cover all aspects of military operations. Navigational satellites provide accurate positional information to ships, aircraft and ground forces, while clusters of communications satellites support direct contact between Soviet forces around the world and their headquarters.

Early-warning satellites in semi-synchronous orbits provide warning of any launch of ballistic missiles against the Soviet Union and also monitor routine test launches in the United States. Reconnaissance satellites—incorporating photographic, radar, electronic and infrared sensors—conduct continued surveillance of the Earth. By the mid-1970s, the Soviets were launching more than 30 photo-reconnaissance satellites annually, and these space systems provided 100 percent photo coverage of the earth. There is every indication that the Soviets have totally integrated these space systems into their systems into their military structure.

During recent consideration of the National Defense Authorization Act for fiscal 1988-89, the House of Representatives approved an amendment that bans the testing of the current ASAT system (the Miniature Homing Vehicle) against an object in space. Although I did not support this amendment, I am encouraged that the amendment does not prohibit the testing of the more advanced and more promising ASAT systems, such as electromagnetic railguns and lasers. Although these systems lack the necessary technological advances to begin adequate ASAT testing, I believe it is incumbent on the Department of Defense to actively promote these most promising ASAT technologies.

Opponents of the United States ASAT program argue that by stopping the development of ASATs by both the United States and the Soviet Union, we protect our own satellites. In other words, if neither side can kill the other's satellites, all space systems will be inviolate in a future conflict.

My concern with this philosophy is the fact that the Soviets have had an operational ASAT system since the mid-1970s. This weapon, a co-orbital device that would be launched from the Tyuratam space complex, enters the satellite's orbit, maneuvers itself in close proximity to the satellite and explodes, thus destroying the satellite with a barrage of shrapnel.

By 1982, the Soviets had completed 20 tests of this system, and it is believed the Soviet ASAT is fully capable of performing its mission. Also, there are indications that the Soviets are conducting research and development of advanced systems, and may possess two ground-based test lasers with ASAT capabilities. If these circumstances are studied and considered, it is no surprise that the Soviets have stopped testing their ASAT and would like to see development of an American ASAT delayed or eliminated.

Surveillance and reconnaissance satellites should be considered an extension, or an enabler, of the Soviet weapons delivery system. Therefore, the ASAT, when it eliminates a hostile satellite, is placing a greater burden on the Soviet forces by putting out one of the "eyes" of the attacking force. In effect, this is defending friendly forces by preventing the enemy from bringing weapons to bear on a target.

The United States needs the strongest defense possible when facing the superior manpower and equipment advantages of the Soviet Union. If we have the ability to destroy major components of the Soviet communications, intelligence and battle management, we can multiply our forces and adequately defend ourselves against superior numbers. An ASAT capability is a key link in this defense.

SPEED LIMIT INCREASES DON'T STOP SPEEDING

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. HOWARD. Mr. Speaker, the evidence continues to demonstrate that raising the speed limit on rural interstates from 55 miles per hour to 65 miles per hour simply has the effect of increasing speeds by 10 mph. The latest State to report this finding is New Hampshire.

It is clear that this development will bring about the most dangerous condition on the roads—an increase in the variance of speeds. Those who were driving at safe speeds or 55 to 60 miles per hour will continue to drive at those speeds. However, those who were driving at 65 mph or more when the speed limit was 55 mph, will now be driving at speeds of 75 mph or more.

The increase in the range of speeds on the road will result in the increase in fatalities and serious injuries that proponents of the 55 mph speed limit have predicted. Speed limits of 65 mph in rural areas and 55 mph in urban areas will also cause range and variance problems.

I have submitted for my colleagues' attention an Associated Press article from July 20, 1987, describing the situation in New Hampshire.

The article follows:

NH—SPEEDING

CONCORD, NH.—Safety Commissioner Richard Flynn says the 65 mph speed limit on New Hampshire's rural interstate highways appears to have encouraged more people to continue speeding rather than to obey the law.

"We're seeing a lot more of them traveling at 70 mph than before and we're trying to hold them down to 65 because we think 65 is fast enough," said Flynn, who oversees the state police.

Congress in April approved letting states set speed limits at 65 mph on rural stretches of interstate, and New Hampshire quickly did so. Flynn and Gov. John Sununu supported the change, saying most drivers were ignoring the old limit.

Opponents had argued that the 65 mph limit would prompt people to drive even faster than before, and Flynn said that appears to have happened.

And in urban areas, where the limit remains 55 mph, Flynn said drivers are not slowing down much.

"When you raise the speeds to 65 elsewhere, people have a tendency of not reducing their speed to 55 when they come into those areas," he said.

Last week, the Executive Council took a step to crack down on speeding. The council approved spending more than $21,000 in federal money to buy 19 new radar guns for the state police.

PERSONAL EXPLANATION

HON. JAN MEYERS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mrs. MEYERS of Kansas. Mr. Speaker, my name was mistakenly added as a cosponsor of House Joint Resolution 132, the resolution pertaining to the Armenian genocide.

I regret the error, and want to inform my colleagues that I do not support this resolution and intend to vote against it when the House considers it tomorrow.

NO NEED TO PANIC OVER M-1 TANK PROPOSAL

HON. MICHAEL G. OXLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. OXLEY. Mr. Speaker, as I am sure my colleagues in the House read recently in the "Washington Post," the Reagan administration is reportedly thinking about allowing Egypt to produce M-1 tanks.

One of the two cities where the M-1 Abrams tank is currently produced, Lima, OH, is located in the Fourth Congressional District I represent. The tank plant is the largest employer in my congressional district, with more than 3,500 employees.

No sooner had the ink dried on the story about the Egyptian tank production proposal than Ohio's two U.S. Senators had banged out press statements decrying the plan, claiming it would rob the United States of both jobs and sensitive military secrets.

While Ohio's two Senators were issuing their press-pleasing critiques of the plan, I was attending a top-secret briefing on the M-1 tank with members of the House Armed Services Committee's Subcommittee on Procurement and Military Nuclear Systems to try to find out the whole story. I would like to share what I learned at this briefing and my thoughts on this proposal with my colleagues in the Congress.

First of all, no decision has been made to transfer production of the M-1 tank to Egypt. We are only at the negotiating stage and, at the very most, the plan would only enable Egypt to coproduce or assemble the tank, if it could be done on a cost-effective basis. Moreover, if an agreement were reached tomorrow between the United States and Egypt, it would be about 12 years, according to the U.S. Army, before any Egyptian assembly of the tank could actually occur.

Second, the proposal would not cost any current American jobs. In fact, the proposal could very well ensure long-term job security for many of those presently employed at the Lima tank plant and even expand American job opportunities.

The current U.S. Army contract with General Dynamics Corp. is for 3,299 tanks over 5 years. This contract will not be affected by any decision on future production of the tank.

But what happens after we have produced all the M-1's U.S. forces need? No one can expect our demand for M-1's to last indefinitely. What then? Do we shut the Lima tank plant down? Where would that leave the Lima tank plant work force?

We've got to think ahead. Eventually, we've got to develop new markets for the M-1, and the plan to involve Egypt in M-1 production could very well be the key. To me, a properly negotiated agreement with a U.S. ally to coproduce or assemble the M-1 from American-made parts is far preferable to no tank production at all.

The prospect of an arms control agreement with the Soviets on medium- and short-range nuclear weapons would likely increase NATO's reliance on conventional forces. Since the Warsaw Pact countries currently enjoy a nearly 3-to-2 advantage in conventional weapons, including tanks and artillery, an arms control agreement could hold promise for the M-1, which is widely recognized as a superior tank.

It would be great to have the Egyptians and other allies simply purchase the tanks directly from us, but we may not have such a luxury. It is important to remember that Egypt is an industrially poor nation that desperately wants to create economic opportunities for its citizens. As a moderate Arab nation, Egypt must continue to play an important role in the Middle East peace process. In this volatile region of the world, economic opportunity is a stabilizing political force.

In short, the Egyptians and other United States allies might not be willing to buy the tanks outright. We need to recognize that our allies work within certain parameters and that they must deal with agendas and domestic political situations of their own. If we do not work with the Egyptians, we risk losing to the French or others the opportunity for any additional tank production or sales. As we have seen repeatedly in the past, there is always some country willing to sell what we will not, and once we lose a market, it is not easy to recoup. The Carter grain embargo taught us that.

Concern about the transfer of technology is legitimate and numerous questions would have to be answered if any proposal is submitted to the Congress. It is highly unlikely, however, that any coproduction or assembly arrangement would involve the transfer of sensitive technology. The United States would maintain control over such technology, including designs. Besides, technology which is sensitive today may not be so 12 years from now.

The position of the Israelis is an issue to be discussed. It is far too early to have any reasonable assessment of what any coproduction arrangement or sale of the M-1 to Egypt may mean to the Israelis. Nevertheless, the balance of power and the peace process in this region are important considerations.

Similarly, questions relating to production costs, efficiency, and production quality would have to be addressed. The Egyptians have had real problems in these areas that must be rectified to make any coproduction arrangement a viable option.

What we have here is a classic case of turning a molehill into a mountain. If there truly were cause for alarm over the Egyptian tank production plan, you would hear me protesting louder than the aforementioned Senators—if that's possible. But the fact of the matter is that there is no reason to jump on the bandwagon.

I intend to closely monitor continued negotiations on the M-1, but I am simply unwilling to unilaterally reject any proposals which may mean more jobs and long-term job security to the Lima area.

THE KELSEY TRACT

HON. ALFRED A. (AL) McCANDLESS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. McCANDLESS. Mr. Speaker, I'm pleased to rise on behalf of H.R. 2615 and thank my colleagues for their support of this important legislation.

The land referred to in H.R. 2615 is a 235-acre parcel located directly across from the Pechanga Indian Reservation. It is known locally as the Kelsey Tract, and was purchased by the United States for Indian use under the act of June 21, 1906—34 Stat. 325, 333. The tract is within the original territory of the Temecula Band of Luiseno Mission Indians, and although clearly intended for the band's use, the parcel's title is silent as to beneficiary.

Although the Bureau of Indian Affairs has made the Kelsey Tract available for use by the Pechangas on an informal basis, the land's title uncertainty has left the BIA unwilling to permit construction of the irrigation facilities and other improvements needed to provide full use of the land. H.R. 2615 would remove that uncertainty by declaring the land to be held in trust by the Secretary of the Interior for the use and benefit of the Pechanga Tribe. It would also make the Kelsey Tract a part of the Pechanga Reservation, allowing the band to proceed with the improvements needed to provide greater employment and revenue generating resources for the tribe.

The Pechangas have already proven themselves able and willing to derive good use from their lands. Though most of the reservation's current 4,900 acres are remote, and unsuitable for more than low-density grazing, those areas available for better development have received it. Approximately 1,200 acres are allotted to tribe members for individual use. Other lands have been used to construct tribal government facilities and housing. On irrigated portions of the Kelsey Tract, the band has already located a 20-acre vineyard and 8-acre Christmas tree farm. It has also planted a multiacre oat crop and made plans for another 50-acre vineyard.

Additional to the Kelsey Tract's agricultural uses is the land's strong retail potential. Several privately owned lands adjoining the parcel have been scheduled for residential development, thus generating the need for various community-support services. Clear title to the tract would prepare the way for construction of such facilities, providing added employment opportunities for band members.

Although current reservation lands will be unable to provide adequately for the Pechanga's future, the agricultural and commercial promise of the Kelsey Tract will enhance the probability of the tribe's future economic independence and self-determination. Therefore, I urge your support of H.R. 2615.

1987: "THANKS FOR THE MEMORY"

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. HORTON. Mr. Speaker, in the past 50 years America has seen incredible changes. This year, 1987, is a historic year, marking the 100th Congress and the 200th anniversary of the Constitution. This year also holds special significance for me, as I complete my 25th year as a Member of this distinguished body.

I was graduated from Baton Rouge High School in 1937. That year, Spencer Tracy won the Academy Award for best actor, the New York Yankees beat the New York Giants to win the World Series, and Joe Louis knocked out Jim Braddock to become the world heavyweight champion. Hit songs of 1937, the year the jitterbug became a national craze, included "In the Still of the Night," "Josephine," "My Funny Valentine," "September in the Rain," "Harbor Lights," and "Thanks for the Memory."

Walt Disney made film history in 1937 when the first full-length animated feature film, "Snow White and the Seven Dwarfs," was released. In the first 3 months of "Snow White's" release, over 20 million children lined up to be scared by the witch, charmed by Snow White, and teased by the dwarfs. Disney's team of more than 750 artists produced over a million drawings, with 250,000 of these composing the 83-minute movie. Snow White, a classic that appeals as much to us now as it did 50 years ago, gave Depression-era audiences the happy ending they so needed.

On August 15, 1987, my former Baton Rouge classmates and I will have a reunion in celebration of our 50th year since our graduation in 1937. I'm sure we will reminisce about the many events that made 1937 a very special year.

The year 1937 was one of both hope and disappointment. The Pan American Airways Clipper III completed the first of a series of survey flights to prepare for regular transatlantic passenger service, even as Amelia Earhart set forth on her journey around the globe, never to return. San Francisco's Golden Gate Bridge opened, the first blood bank was established, and nylon was patented. In Pasadena, CA, the first McDonald's restaurant opened. In Hollywood, composer George Gershwin died at the age of 38. The average American earned $1,893 a year, if he had a job. Of that, he could pay $585 for a new Ford, fill the tank with gas for twenty cents a gallon, and buy a new, three-bedroom home for $4,000.

In 1987 we are concerned about the budget deficit, the economy, changes on the Supreme Court, and foreign policy. The events that faced Congress in 1937 show how much things have changed, and how much they have stayed the same. The U.S. Government ended the fiscal year June 30, 1937, with a net deficit of $2.7 billion, and a gross public debt of $36.4 billion. People complained then that the deficit was too high. In the summer of 1937, the economy slumped, unemployment rose, and the term "recession" was coined. The organized-labor movement progressed in picket lines and at bargaining tables, but at the cost of several lives in violent sit-down strikes and demonstrations. Prior to the retirement of 78-year-old Justice Willis VanDevanter, President Franklin Roosevelt stirred controversy by attempting to pack the Supreme Court with justices who would look favorably on his New Deal social and economic policies.

Little did the graduating class of 1937 know that the Japanese would bomb Pearl Harbor just 4 years later, catapulting the United States and the world into war. In 1937, 50 years prior to the Iraqi attack on the U.S.S. *Stark,* civil war raged in Spain, Japan invaded China, and a United States gunboat in Chinese waters was sunk by Japanese airplanes. Two American sailors died in the attack on our ship. Japan apologized for the mistake and offered to pay damages. Congress, concerned about foreign belligerency, passed the Neutrality Acts to limit the risk of American involvement in war, but the United States would be unavoidably drawn into World War II.

Today we take for granted many of the things we did not have 50 years ago: magnetic tape recordings, jet engines, ball point pens, penicillin, and television. Since the signing of the Constitution, we have achieved much. The past 50 years alone have witnessed tremendous technological progress and rapid social change. In the face of such change, there is ample reason for nostalgia; there is even greater reason for hope. The year 2000 is only 13 years away. When I was graduated from high school in 1937, I and my classmates could only dream about the future. Between now and the turn of the century, we will create a whole new future for ourselves, our children, and their children.

LOPID PATENT TERM EXTENSION AND FAIRNESS ACT OF 1987

HON. BUTLER DERRICK

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. DERRICK. Mr. Speaker, today I am introducing the Lopid Patent Term Extension and Fairness Act of 1987, legislation which will redress a unique and inequitable situation that has arisen in connection with the patent on a pharmaceutical product named Lopid (U.S. Patent number 3,674,836). I am pleased to have joining me as original cosponsors of this bill Representatives GALLO, BOUCHER, COBLE, SLAUGHTER of Virginia, MARTIN of Illinois, SYNAR, TORRICELLI, DEWINE, RINALDO, LELAND, and HUGHES. I am introducing the bill to facilitate the hearing process in the House. We recognize that the hearings may indicate better ways to draft the legislative relief we seek to provide, and we are open to any suggestions.

The manufacturer of Lopid is Warner-Lambert which is the parent company of the largest hard gelatin capsule plant in the world. This modern plant is located in my congressional district. The situation involving its patent on Lopid is a unique one, and one which demands expeditious consideration by Congress.

Identical legislation has been passed in the Senate as title 36 of the Omnibus Trade and Competitiveness Act of 1987, S. 1420. Earlier this year, the Senate Committee on the Judiciary unanimously reported the Process Patent Amendments Act of 1987, S. 1200, which included the legislative relief I am today proposing and was then merged into the trade bill. The House has also approved a process patent bill which was merged into the House trade bill, however, it does not contain the Lopid language.

As our colleagues are aware, the trade bill was passed in the other chamber on July 21 by a vote of 71 to 27. During consideration of the trade bill on the Senate floor, the Lopid provisions were not the subject of any controversy, which reflects the narrow yet well-supported nature of the legislation.

Mr. Speaker, I believe the background of the drug's development demonstrates the merits of this legislation. Warner-Lambert developed Lopid following extensive and exhaustive research that began in the 1950's. The FDA approved the marketing of this drug in 1981, but only for a very limited use and not for the use for which the drug had been developed. Further, the FDA required that the company undertake a so-called phase IV study which involved proving the basic medical hypothesis that was at the core of Lopid's development.

Mr. Speaker, while the company was engaged in this phase IV study—the longest phase IV study ever undertaken—Congress changed the rules of the game. Passage of the Drug Price Competition and Patent Term Restoration Act of 1984 eliminated the reasonable marketing expectation Warner-Lambert had when it agreed to undertake this research. Specifically, the expectation was that they would have a period of 5 to 7 years after the Lopid patent expired, in mid-1989, during which they would retain exclusive marketing of the drug.

In sum, Warner-Lambert will have approximately 1 year in which to recapture its investment in the phase IV study, now known as the Helsinki Heatt study. The 5-to-7 years of exclusive marketing assumed when Warner-Lambert agreed to undertake the study is lost because of the 1984 act.

Mr. Speaker, it seems to me that companies which underwrite such fundamental research and development should be encouraged. Indeed, these are the kinds of activities which will ultimately make American business more competitive. Where the laws we enact have unintended and unfair impacts and undercut such efforts, I believe it is incumbent upon Congress to acknowledge and redress the situation.

The bill I am introducing will do just that. While the situation the bill addresses is unquestionably unique, the fact that Congress will provide redress is not. In fact, I would note that my good friend and colleague from Massachusetts, Hon. BARNEY FRANK, introduced legislation in the 98th Congress to extend the patent on an antidiabetic drug known as DiaBeta. That bill, which extended the patent life on DiaBeta, was the subject of hearings in the House, passed the House and Senate, and was signed into law in less than 5 weeks.

Mr. Speaker, the bill I am introducing is narrowly drawn and precisely captures this one single situation—and none other. It provides a 5-year extension on the patent for Lopid if, and only if, the FDA approves its use for lowering the risk of heart attacks. The unique set of facts which have given rise to this inequity were expressly recognized and utilized in the drafting of the bill to ensure that it captures no other pharmaceutical product.

Mr. Speaker, if meaningful relief is to be provided by Congress, it must be timely. I hope that hearings can be held in the next few weeks to air fully the facts on this issue, and to establish the public record for our action on the legislation. Moreover, because the provisions have been added to the trade bill in the Senate, I am hopeful that the leaders on this issue can agree to accept the Senate position after having an opportunity to study and review the facts and after their review of testimony submitted at a public hearing. For this reason, it is critically important that such hearings be held in the very near future.

I encourage my colleagues to review this legislation and to cosponsor it. It shows that Congress recognizes the value of our business community's efforts to improve our quality of life.

150TH ANNIVERSARY OF GUILFORD COLLEGE

HON. HOWARD COBLE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. COBLE. Mr. Speaker, on August 1, 1987, my alma mater celebrated its 150th anniversary. I would like to take this opportunity to tell my colleagues about Guilford College in Greensboro, NC.

Guilford College was founded in 1837 as New Garden Boarding School. The school began with 25 male and 25 female students. It is now the oldest coeducational college in the South, and the third oldest coeducational college in the Nation. Guilford College has maintained a 150-year affiliation with the Society of Friends, or Quakers, with the traditional Quaker emphasis on tolerance, simplicity, candor, social justice, and world peace.

Guilford College has maintained a steadfast commitment to personal and academic excellence, to a traditional liberal arts curriculum, innovative research and the exploration of new ideas. The school has prepared students from all walks of life for the challenges they will face in the years ahead. Many of our area's political, business and academic leaders were educated at Guilford College.

I am proud to say that I am a graduate of Guilford College. I would like to extend my best wishes to Guilford on the occasion of its 150th anniversary. I would also like to wish the school continued success for the next 150 years as well.

TOLEDO TRANSPLANT RECIPIENTS TO COMPETE IN INTERNATIONAL GAMES

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Ms. KAPTUR. Mr. Speaker, it is my sincere pleasure to bring to the attention of my colleagues two Toledo citizens who will participate this September in the sixth World Transplant Games in Innsbruck, Austria.

Oliver Hale and Ernie Prado received kidney transplants at the Medical College of Ohio in Toledo in 1985. Not only have they met the physical and emotional challenges entailed in transplant surgery but they have courageously entered into the demanding schedule of this international athletic competition.

Organ transplant recipients from 26 nations will take part in these games, patterned after the International Olympics, which will involve a variety of events in age categories for children, teenagers, young adults, and for men and women over age 35.

Mr. Hale, a board member of the Kidney Foundation of Northwest Ohio and a food service caterer in Toledo, plans to participate in the 100-meter run, the 400-meter relay and tennis competition.

Mr. Prado, a graduate student in business administration at the University of Toledo, will be a competitor in cycling, swimming, and race walking.

Both men have been engaged in rigorous training for several months and have been gratified by the outpouring of support for their efforts on the part of many Toledo citizens, organizations, and businesses. I, too, am very proud of their accomplishments and commend them for this vivid demonstration that people who have had transplants can continue to lead full, active, and exciting lives.

John Kennedy said, "The courage of life is often a less dramatic spectacle but * * * a man does what he must—in spite of personal consequences, in spite of obstacles and dangers and pressures * * *" These two men certainly exemplify that "courage of life."

PLIGHT OF SOVIET JEWS

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. WOLF. Mr. Speaker, I am joining my colleagues in this year's Call to Conscience Vigil to bring attention to the plight of Soviet Jews seeking freedom of religion and the right to emigrate from the Soviet Union.

I share the concerns of all freedom loving people over the plight of Soviet Jews. I have expressed this concern by urging the Soviet authorities to adopt a more flexible policy on emigration and to live up to those basic international standards of human rights spelled out in the Helsinki accords and other documents to which the Soviet Union is a signatory. Time and again, in have written Soviet officials to urge reconsideration of individual refuseniks, from various cultural backgrounds, who were imprisoned for their religious or political convictions.

The Modlin family is but one example of the campaign of anti-Semitism that is becoming a standard occurrence in the Soviet Union. This family has been trying to emigrate to Israel since April 1982 so that they can be reunited with the wife's sister living in Jerusalem. Their application was initially refused in December 1982 on the grounds that they had no immediate family in Israel. They reapplied again in December 1983 but to no avail; that, and each subsequent application, has been refused. Beginning with the 1983 refusal the OVIR officials have assumed the position that the Modlin family's emigration is of no state interest.

Michael and Ella Modlin are both engineers by profession and their son, Igor, is a student. Unfortunately since applying to emigrate Michael has been forced to procure a laborer position.

In addition to this family's situation, I am further concerned about the continuing developments in the Soviet bloc that have lead to the increasing manifestations of officially sanctioned anti-Semitism, persecution of both prominent and less well-known refuseniks, and the continued downward trend in Jewish emigration from the Soviet Union. It is these types of persecutions that we can no longer fail to recognize. We must continue to raise human rights issues with the Soviets and with all Communist bloc nations at every level and in many forums. I pledge my continued support of the United States Government in its efforts on behalf of Soviet Jews, and in pursuit of progress on this vital human rights question.

NAVY'S BOOBOO IN THE GULF IS AN ALL-AMERICAN BOOBOO

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. ASPIN. Mr. Speaker, the question everyone is asking me is: Why didn't the Navy have any minesweepers in the Persian Gulf? The proper answer to that is: Ask the Navy. The likely answer is that they once again missed the boat—if I may coin a nautical phrase—by focusing so heavily on more sophisticated threats. But let's not all jump on the Navy. The media, for example, committed the same gaff by talking for a month about the horrors of Silkworm missiles to the near total exclusion of threats like mines.

We've gone through four Pentagon reactions to the mines. I first had the staff raise the issue in mid-May when I came across a TASS wire dispatch. That report quoted seamen on the tanker *Marshal Chuikov*—which struck a mine on May 17 only hours before the USS *Stark* was hit—as saying that they had seen a speedboat with no lights come up and stop about 2 miles from them. The boat remained there for some time, then sped off without offering any assistance and without putting on its running lights. That raised my eyebrows. When the staff broached the issue, it raised no eyebrows in the military. I cited the TASS report in some speeches and a hearing, but got little response other than shoulder shrugging. Intelligence analysts, meanwhile, began warning of a mine threat. Finally, on a trip to the Persian Gulf early in July, I raised the matter with Rear Adm. Harold J. Bernsen, commander of the Middle East Force. The admiral said that mines were at the top of his list of concerns. That comment lulled me, and I ceased to be concerned at that point. It now becomes clear that the concerns of the Middle East Force were really rather narrow—as narrow as the channel off Kuwait where 15 mines were found last month. In other words, the Navy was very worried about mines in that particular area and didn't broaden its focus to other choke points in the gulf that were suitable sites for mining.

What can the Navy do to confront the mine threat? We have 21 minesweepers and 23 minesweeping helicopters. While this is an inadequate number for a war with the Soviets, it is more than enough to cope with the Persian Gulf problem. Stories about our frightful inadequacy in the mine countermeasures area simply confuse the Soviet and Persian Gulf scenarios. Stories that we only have three minesweepers in the Active Forces miss the point that we put capabilities that we only need rarely into the Reserves precisely because we only need them rarely. But they are manned, they are not mothballed, and they are supposed to be ready for call-up.

The bottom line is simply that the Navy didn't think this through. Once again, the Navy was preoccupied with the more sophisticated threats to our forces, such as the Silkworm missile. But in all fairness to the Navy, this is not merely a U.S. Navy mental block. This is a cultural preoccupation of the American society as a whole. It is most visible in the media coverage of the reflagging issue, which focused on the Silkworm even more than Navy planners. Throughout June and July, as I delivered this series of speeches and gave innumerable interviews, I stated repeatedly that the Silkworm and Iranian aircraft and tales of kamikaze attacks from Iran were not the threat—we needed to worry instead about some kind of "no-fingerprints" attack. I specified terrorism, mines, and some other kinds of innovative, cheap, low-technology assault on our interests. The reaction from the media was veritable silence. A few newsmen told me that they agreed with what I was saying but their editors were just asking for more stories on the Silkworm.

The Navy, of course, has a professional responsibility to analyse threats to ships in the Persian Gulf—a responsibility the media does not have. But I raise the issue to make clear that the Navy's cultural block is not a unique one.

Now, of course, we are in a frenzy over minesweeping. That's all the media wants to talk about this week.

In Tehran, I guarantee you, there are rooms filled with planners scoping out the tactic they will use after we have neutralized the mine threat. And there are probably planners working on the tactic they will use after we have neutalized the tactic that follows the mine. It is quite correct, as I have heard from various military planners in this country, that we can defeat whatever low-technology threats the Iranians toss at us. But that is not an excuse for composing tomes on the Silkworm. The Iranians know we can neutralize their tactics eventually—you don't read about truck bombs anymore. But that misses the point. It took time to counter the truck bomb—but in the meantime the Iranians made their point very, very, very effectively. When that mine exploded against the tanker *Bridgeton* last week, it spattered egg all over the face of the Navy. The Iranians made their point, very, very, very effectively. While we are busily countering mines—2½ months after we should have acted—the Iranians are off on their next scheme.

In other words, we are behind the power curve. And that's exactly where the Iranians want us.

What should we do now? We ought to be directly the best minds the Pentagon has to looking at low-technology threats rather than hi-tech ones. We need to fill a room with men and women who will put themselves in Iranian shoes, or turbans, and scheme as the Iranians are scheming.

There are three guidelines to use:

First, look for American vulnerabilities. Do American personnel living in the Persian Gulf tend to congregate at a few restaurants or cafes? Is there adequate protection around them? Look at where our ships and the tankers dock or anchor. Could someone easily fire mortar rounds at them from land? Or float a dinghy with explosives up against them?

Second, look for tactics that are cheap and simple. The Iranians have kamikaze volunteers, but these people aren't computer whizzes. The Iranians aren't looking for concepts that are too intricate for their operatives to carry out.

Third, look for tactics that leave no Iranian fingerprints. The Iranians aren't likely to fire Silkworms at us since that simply begs for American retaliation. They are interested in stinging us; they aren't interested in being stung back.

Another matter we should consider is stinging them back. The White House, much to my surprise, sprang into action after the mine explosion to deny any interest in retaliation. That hardly discourages the Iranians from going after us again. Now, when we use the term "retaliation," the thought of American jets zooming down on Iranian cities and scattering bombs across the horizon immediately comes to mind. Retaliation need not be so dramatic—in fact, it ought not be so dramatic. The Iranians have to run tankers up and down the eastern side of the gulf. If "invisible hands," to quote Iran Prime Minister Mir-Hossain Musavi, are dumping mines on the western side of the gulf, maybe some other invisible hands will drop some mines on the eastern side.

Let me emphasize that I am not urging that we act without a reasonable certainty that the mines were set by the Iranians. If we simply say that we will retaliate against Iran if one more ship hits a mine, I'll wager the entire Iraqi Navy will be out in the gulf tonight scattering mines like bread crumbs. We have to be certain that we are not being taken advantage of.

I have not yet seen any intelligence reports on the latest mines found in the gulf. But I do note that the speaker of the Iranian Parliament, Ali Akbar Hashemi Rafsanjani, interrupted his sermon at Friday prayers to announce the *Bridgeton* mine strike. As he started to wax enthusiastic and began to gloat, he caught himself and said: "Of course, we aren't acknowledging responsibility."

THE 13TH ANNIVERSARY OF THE ILLEGAL INVASION AND OCCUPATION OF CYPRUS BY TURKEY

HON. HELEN DELICH BENTLEY

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mrs. BENTLEY. Mr. Speaker, last month the Greek-American community in Baltimore remembered the 13th anniversary of the illegal invasion and occupation of Cyprus by Turkey. On Friday, July 17, a group of young students of Greek and Cypriot heritage, many of whom were born there, gathered in Baltimore at the Greek Orthodox Cathedral of the Annunciation. They were marching from New York to Washington to make the American people and the Members of Congress aware of the outrageous Turkish occupation of Cyprus. I commended them for their diligence in seeking the freedom of their homeland.

In my discussion I pointed out that as a first-generation Serbian, I understood their concern and frustration and deep sadness over the occupation of northern Cyprus by the Turks 13 years ago. My parents' nation of Serbia was conquered by the Turks in the 14th century; it was lost in the battle of Kosovo, and for five centuries both Serbia and then Greece were under the domination of the Turks. That long occupation finally ended, only to be repeated by the Turks 13 years ago when they illegally seized part of Cyprus.

I was surprised to learn that over a quarter of our military assistance package to Turkey is used in its domination of Cyprus. Mr. Speaker, this is wrong. It is in direct violation of U.S. law and must be stopped.

Today, ironically, Kosovo, which is a very sacred land in Yugoslavia, is also under siege, this time by the Albanians, who are pushing the Serbians out. So I have a great deal of understanding for the Greek Cypriots, 200,000 of whom have been forced out of their ancestral homeland.

Mr. Speaker, I join with the Greek-American community in Baltimore in calling for an immediate end to the occupation of Cyprus by Turkey. Further, Mr. Speaker, I say it is time to force Turkey to use American assistance for the purpose for which it was intended, not the occupation of Cyprus. Let us raise our voices with the Cypriot people who seek freedom for their land even as we join with my people, of Serbian heritage, in seeking freedom for the ancient and sacred province of Kosovo. America needs to know abut these tragedies where so many people have had their human rights violated.

HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. LAFALCE. Mr. Speaker, on July 30, on behalf of myself, the distinguished ranking minority member, Mr. MCDADE, and two distinguished members of the Ways and Means Committee, Mr. JENKINS and Mr. DAUB, I introduced H.R. 3065, a bill to increase the deduction for health insurance costs of the self-employed. This legislation represents an important first step toward reducing the health insurance gap in this country.

The bill amends the Internal Revenue Code of 1986 to allow self-employed individuals, primarily the sole proprietors and partners in many of the Nation's small unincorporated businesses, to deduct the full cost of health insurance for themselves and their families.

This legislation will rectify a fundamental inequity in the Tax Code which serves to discourage self-employed business owners from offering health benefits to their employees. All employers are entitled to deduct as a business expense the cost of providing health insurance coverage to their employees. The owner of an incorporated business may also deduct the full cost of his or her own health insurance. In the case of an unincorporated business owner, however, his health insurance costs were fully taxable under the law as it existed prior to enactment of the new tax bill.

The Tax Reform Act of 1986 addressed this unequal treatment between self-employed individuals and owners of small corporations by allowing the self-employed to deduct 25 percent of the costs of health insurance for themselves and their families, provided they offer comparable health benefits to their employees. While this modification in the Tax Code is a step in the right direction, it does not go far enough. Moreover, it is temporary; the 25-percent deduction will last only through 1989.

Mr. Speaker, there is no justification for continuing this unequal treatment of health insurance costs based on the legal form of a business. The conditions under which small corporations and unincorporated businesses operate are the same for most purposes. The tax benefits for operating as a sole proprietorship or partnership versus a corporation have been equalized in most areas, but not in the area of health insurance deductions. Partly as a result of the tax penalty imposed on health insurance costs, the Nation's unincorporated business owners are dicouraged from offering health insurance coverage to their employees.

According to recent studies, there are approximately 37 million Americans without health insurance. Two-thirds of that total are employed adults on their dependents, and almost half of all uninsured workers—over 8 million people—are in firms with less than 25 employees. Many of these workers in small firms are employed by unincorporated businesses that do not offer health benefits. In addition, the SBA estimates that there are 1.6 million business owners, primarily sole proprietors, without health insurance coverage.

The legislation we have introduced will provide an important tax incentive for the self-employed and unincorporated businesses to provide health insurance coverage for these owner-operators, their families, and their workers. The bill will raise the tax deduction for health benefit costs from 25 to 100 percent, effective January 1, 1987, and will make it permanent.

I urge my colleagues to join with us in cosponsoring this important legislation that will help to reduce the Nation's uninsured population.

I insert the text of H.R. 3065 in the RECORD at this point:

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. INCREASE IN AMOUNT OF DEDUCTIONS FOR HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS.

(a) GENERAL RULE.—Section 162(m) of the Internal Revenue Code of 1986 (relating to special rules for health insurance costs of self-employed individuals) is amended as follows:

(1) by striking out "an amount equal to 25 percent of" and inserting in lieu thereof "an amount equal to"; and

(2) by striking paragraph (4).

(b) EFFECTIVE DATE.—The amendment made by subsection (a)(1) shall apply to taxable years beginning after December 31, 1986.

REMEMBERING THE WOMEN WHO SERVED IN VIETNAM

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. MURTHA. Mr. Speaker, I wish to add my support to the effort currently underway to place a statute at the Vietnam Veterans' Memorial to ensure a place in history for the women who served during that war.

I met recently with National Park Service Director William Penn Mott and expressed to him my support for this project. I believe the addition of the statue of a woman at the Memorial would be a fitting tribute to the many American women who served with honor and distinction in Vietnam. I have long felt their contribution has been overlooked by many public recognitions of Vietnam Veterans, and this statue would go a long way toward reminding Americans of present and future generations of the effort of American women in the Vietnam war.

The Vietnam Memorial Project is one I have felt particularly close to over the years. I was the first Vietnam combat veteran elected to Congress. I helped to form the Vietnam Veterans in Congress caucus. I was a member of the first congressional delegation to return to Vietnam after the War to inquire about American POW's and MIA's. I was a keynote speaker at the ceremony laying the cornerstone of the Vietnam Memorial.

I look forward to continuing to work with the Park Service and the many groups involved in this project. I endorse this statute to give proper recognition to the women who served America during the Vietnam conflict.

THE 25TH ANNIVERSARY OF THE TEENAGE MUSICALS, INC.

HON. BILL SCHUETTE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. SCHUETTE. Mr. Speaker, I would like to take this opportunity to give special recognition to an important organization in my district. Teenage Musicals, Inc., will celebrate its 25th anniversary on August 1 of this year. TMI has provided its community with quality entertainment, and its youngsters with an education in the musical theater since its inception.

As many as 150 young people develop their talents and share those talents with their community each August. For this year's performance, and to celebrate the 25th anniversary, TMI will produce "The Wizard of Oz."

The summer program of TMI is dedicated to teaching all aspects of the musical theatre and its production to young adults, ranging in age from 13 to 23. These talented individuals are guided and taught by adult volunteers who stress citizenship, teamwork, and leadership in their teachings. By participating in the TMI programs, young adults learn to develop personal confidence, so important to a successful and fulfilling adult life.

As an incentive, TMI initiated a scholarship program in 1978 to provide college book awards to scholastically deserving participants who are pursuing a career in the performing arts or related fields.

Operating as a nonprofit, self-supporting organization, TMI has continued to produce quality entertainment while providing an important education experience through box office ticket sales, purchased memberships, and business and individual contributions. Thousands of hours of time has been committed to the organization by dedicated individuals, such as Betty and Gerald Hath, who founded TMI. Others, such as Kay Collison, Peter Conarty, Ken Endline, Larry Johnson, and Peter Brown have dedicated many years of service to this worthy cause.

Mr. Speaker, I hope you and our colleagues will join me in commending this fine organization, its volunteers, and, most importantly, the young adults who have participated in the TMI programs. Providing our young adults with an expanded education and awareness of the fine and performing arts is a cause worthy of commendation and encouragement. I urge my colleagues in the House to wish Teenage Musicals, Inc., a joyous 25th anniversary celebration and wish them a successful future.

CHILDREN'S GARDEN CELEBRATES TWENTIETH ANNIVERSARY

HON. BARBARA BOXER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mrs. BOXER. Mr. Speaker, in February 1988 the Children's Garden, a nonprofit residential treatment center for emotionally disturbed and physically abused children 3 to 10 years of age, will celebrate 20 years of service to the San Francisco Bay community.

Seriously disturbed children need sound parental nurturing and a stable environment to grow and develop properly. The Children's Garden provides intensive treatment with three group homes and sets of "parents" who provide the love and guidance to meet the "family" needs of each child. Parents also receive counseling to help reverse the generational cycle of abuse and neglect.

The Children's Garden conducts research in treatment intervention and provides training to other residential treatment agencies throughout the country. This extensive research has allowed the Children's Garden to develop several types of outpatient treatment centers and a highly successful 3-month Placement Evaluation Program which identifies a child's needs and formulates a comprehensive plan for treatment.

The Marin Academic Center, created and run by the Children's Garden, is a unique private school for children whose emotional problems are too severe to be handled in the public school. The center usually achieves its difficult goal of returning children to public school at the grade school level.

The Children's Garden also operates an emergency shelter home to provide critical 24-hour emergency service for children up to 11 years old who need immediate protection from their home environment. Another important Children's Garden innovation is the Specialized Foster Care Program which provides intensive treatment for children being cared for in the community.

Over the past 20 years, the Children's Garden has done the San Francisco Bay area community a great service by teaching children who have only known betrayal and violence to trust, love, and become active members of the community.

THE TRAGIC DEATH OF LT. JAMES LAZEVNICK

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. DYSON. Mr. Speaker, yesterday yet another tragic accident occurred in the Persian Gulf. At 5:58 p.m. yesterday, a U.S. Navy helicopter crashed into the Persian Gulf while trying to land on the *LaSalle,* an American military command ship. Of the nine crew members on board at the time, five were later rescued. But there were also three missing, and one dead. The patriotic Navy man who gave his life in the line of duty yesterday was Lt. James Lazevnick, a resident of Waldorf, MD.

Lt. JG. James Lazevnick is not the only person from the First District of Maryland who has recently sacrificed his life for our great country. In 1985, Navy diver Robert Stetham, also of Waldorf, was tortured and murdered by a group of terrorists who took over TWA flight 847. The political chaos of the Middle East is increasingly affecting the lives of the men and women responsible for the national security of the United States.

The reason for the presence of U.S. forces in the Persian Gulf is the protection of our vital oil supply lines and the defense of the freedom of navigation in international waters. Lives will inevitably be lost in the protection of our national security. And I believe the United States should and must maintain its presence in the gulf. On July 8 of this year, I voted in favor of the Lowry amendment to H.R. 2342, the Coast Guard authorization bill. This amendment specified that the reflagging of Kuwaiti ships should be delayed for 90 days until a comprehensive plan could be devised.

The American people can no longer support any incidents such as the brief United States presence in Lebanon, which resulted in the death of over 200 U.S. marines. We have the responsibility to protect all American lives to the best of our ability. Serious questions remain; questions regarding our allies' role in view of their equally vital interest in this effort, and how the United States can best protect these vital interests. Even more importantly, I feel that we should never enter into an unstable region such as the Persian Gulf, without first adopting a clear policy objective.

This plan should include how we will react to the variety of challenges that our defense forces will face during this difficult operation. For example, what will the United States do if an unidentified attack on its forces occurs? And what will the United States do if Iran dictates the use of "any means necessary" for its "legitimate defense?" We also need to coordinate the role that our various allies will play in this operation. Mr. Speaker, the United States must make well known and well understood its unwavering will to protect the free world's interests in the Persian Gulf.

Mr. Speaker, the free flow of oil through the Gulf is equally vital to our allies. I would like to see British and French soldiers next to Americans protecting the Gulf. This operation should be a mutual effort among all the nations who need to keep the Gulf open. The United States cannot and should not bear the burden of protecting the freedom of the Gulf alone. And this mutual defense effort must be carried out according to reasonable and comprehensive guidelines.

I hope that, on this day of mourning, Lieutenant Lazevnick's tragic death will move us to once more think about not only why we are in the Gulf, but, more importantly, how we are going to best protect our interests. The lives of our American soldiers depend on it.

THE 25TH ANNIVERSARY OF JAMAICAN INDEPENDENCE

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. RANGEL. Mr. Speaker, today marks the 25th anniversary of Jamaica's independence from British control. The Jamaican people are abound in a major celebration on this day, marking years of positive growth and development. I share in the joy of the Jamaican Government and I am pleased to stand before you to express my heartfelt joy for the freedom of that country from British colonial rule.

Since its independence, Jamaica has served as a model developing nation, supporting the principles of democracy and self-help. In perpetuating its national motto, "Out of many, one people," the new governments of this beautiful island paradise have worked consistently to create an environment where all profit from the wealth of the land.

Mr. Speaker, most American citizens know Jamaica for its beaches, warm waters, and its friendly citizens. Tourism, one of Jamaica's most profitable businesses, serves as this nation's leading attraction to most visitors. It is also this characteristic, along with the determination of the people to succeed, that has helped this young democracy to survive.

I think it is only fitting to note that as Jamaica is celebrating its 25th Anniversary as an independent country, it is also celebrating the centennial birth of its first declared national hero, Marcus Garvey. Marcus Mosiah Garvey recognized that liberation for persons of African descent, whether personal or national, meant overcoming beliefs of prejudice, bigotry, half-truths, fears, and propaganda. He called on all of Jamaica's people to lift themselves up and to liberate their minds of mental slavery.

Today his message is as alive as ever. And, as we celebrate the 25th anniversary of Jamaica's independence as a nation, let us recognize that independence is not simply a historical event, but is a continuing process for each generation to define how it will meet the challenges of the day. Mr. Speaker, I am pleased to say that this country, and its people, are meeting those challenges and rising to the occasion as a shining start.

PERSONAL EXPLANATION

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mrs. SCHROEDER. Mr. Speaker, I was absent the afternoon of July 28 and the morning of July 29. Had I been present, I would have voted as follows:

Rollcall No. 285: "Yea."
Rollcall No. 286: "Yea."
Rollcall No. 287: "Nay."
Rollcall No. 288: "Nay."
Rollcall No. 289: "Yea."

A TRIBUTE TO EDMUND C. SAJOR

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. MINETA. Mr. Speaker, I would like to take a moment to pay tribute to Edmund C. Sajor, who passed away on June 14, 1987. Ed was a man who spent a lifetime in public service and who personified the love of civic duty, a love he imparted to others.

Ed Sajor devoted his life to public service in the San Francisco Bay area and his professional career was most impressive. He served as the assistant general manager of the Bay Area Rapid Transit District [BART] while the system was under construction. During Ed's tenure with BART he was the top liaison with local city and county governments and played a major role in obtaining Federal mass transit grants. He then left BART to join the Pacific Gas and Electric Co. and became their director of public affairs. Ed complemented his professional career by bringing his energy, compassion, and public service experience to many local and national organizations.

In the San Francisco Bay area, Ed Sajor served as president, board of directors of the Paramount Theatre for the Arts; he was on the advisory board for St. Rose Hospital; he was a member of the board of rectors of the Spanish-speaking unity council; and, he sat on the citizens advisory task force—East Bay Municipal Utility District. And yet, these were but a few of Ed's civic activities.

Ed Sajor devoted as much time and expertise to national organizations as he did for local community causes. Ed was past chairman and trustee of the CORO Foundation, a national leadership training program in public affairs; he sat on the advisory board of the United Negro College Fund; and more recently he served as chairman of the board of directors for Neighborhood Housing Services of America, helping thousands of low-income Americans obtain affordable housing opportunities. Ed Sajor will live in the hearts of his friends, but he will also live on through the thousands of lives who have been helped and touched by his selfless spirit.

Mr. Speaker, the San Francisco Bay area and our Nation has suffered a great loss with the passing of Ed Sajor. Ed leaves a legacy of love, competence, and devotion to his family, profession, and the people of this country. I respectfully request that my esteemed colleagues in the House of Representatives join me in extending our deepest sympathy to his family and in honoring the memory of Edmund C. Sajor.

A TRIBUTE TO THE HILL-SMITH FAMILY REUNION

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, August 3, 1987

Mr. TRAFICANT. Mr. Speaker, today I rise in order to pay tribute to the Hill-Smith family reunion, a wonderful event that is soon to take place in my 17th Congressional District. It is my distinguished honor to be able to inform my fellow members of the U.S. House of Representatives that this joyful family reunion will take place at the Holiday Inn Metroplex on August 8, 1987, in Youngstown, OH. Please allow me a few moments to give my colleagues a brief history of how this reunion developed.

When Dorothy (Griswold) Preston and her mother Annie Sue (Hill) Griswold went to Georgia in 1971 for a funeral, they were so deeply moved at seeing numerous family members for the first time that they were motivated to organize the first Hill-Smith Family Reunion. Their slavish work and countless hours of preparation paid off when over 350 relatives from 17 States attended the first family reunion in St. Louis in 1972. Since that time, family reunions have been held in many varied locations, including Atlanta, New York, and San Diego. A Hill-Smith Street was named in their honor in Cincinnati, a Raymond Hill Road was proclaimed in Newman, GA, and they have received proclamations from the city of St. Louis.

The theme for the Youngstown family reunion is "The Heartbeat of the Family." Family members are eagerly awaiting all of the reunion activities, which include a brunch, a dinner-dance, a tour of Youngstown, and other entertainment. It truly warms my heart to see this beautiful family making such a Herculean effort to remain close to each other. Thus, it is with thanks and special pleasure that I join with the residents of the 17th Congressional District in recognizing the beautiful family spirit and joyous occasion involved in the Hill-Smith family reunion.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, August 4, 1987, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

AUGUST 5

9:00 a.m.

Judiciary

Business meeting, to consider pending calendar business.

SD-226

9:30 a.m.

Energy and Natural Resources

Business meeting, to resume consideration of certain spending reductions and revenue increases to meet reconciliation expenditures as imposed by H. Con. Res. 93, setting forth the congressional budget for the United States Government for fiscal years 1988, 1989, 1990, and 1991.

SD-366

Finance

Business meeting, to consider proposed legislation on Airport and Airway Trust Fund Excise Taxes, and the nomination of M. Peter McPherson, of Virginia, to be Deputy Secretary of the Treasury.

SD-215

10:00 a.m.

Agriculture, Nutrition, and Forestry

Business meeting, to consider pending calendar business.

SR-332

Banking, Housing, and Urban Affairs

To hold oversight hearings on certain financial restructuring proposals.

SD-538

Foreign Relations

To hold hearings on S. 1437, to make certain members of foreign diplomatic missions and consular posts in the United States subject to the criminal jurisdiction of the United States with respect to crimes of violence.

SD-419

Labor and Human Resources

Business meeting, to consider pending calendar business.

SD-430

2:00 p.m.

Banking, Housing, and Urban Affairs

Consumer Affairs Subcommittee

To hold hearings on S. 1507, to provide for the uniform disclosure of the rates of interest which are payable on savings accounts.

SD-538

Energy and Natural Resources

Water and Power Subcommittee

To hold hearings on S. 641, to provide for the relief of the city of Minot, North Dakota from liability for repayment of a specified sum associated with excess capacity of the Minot Pipeline resulting from enactment of the Garrison Diversion Unit Reformulation Act (P.L. 99-294), S. 649, to provide for an increase in authorized funds for construction at the Oroville-Tonasket Unit, Washington irrigation project, and S. 1549, to increase the authorization ceiling for the Closed Basin Division, San Luis Project, Colorado.

SD-366

3:30 p.m.

Foreign Relations

Closed briefing on Arab-Israeli military balance.

S-116, Capitol

AUGUST 6

9:00 a.m.

Judiciary

Business meeting, to consider pending calendar business.

SD-226

9:30 a.m.

Environment and Public Works

Hazardous Wastes and Toxic Substances Subcommittee

To hold oversight hearings on management of solid waste.

SD-406

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold oversight hearings on the limited securities powers for bank holding companies.

SD-538

Labor and Human Resources

Education, Arts, and Humanities Subcommittee

To hold hearings on proposed legislation authorizing funds for adult education programs.

SD-430

10:45 a.m.

Foreign Relations

Terrorism, Narcotics and International Operations Subcommittee

To resume closed hearings to review international drug control programs, focusing on law enforcement and foreign policy in the Central America region.

S-116, Capitol

1:30 p.m.

Energy and Natural Resources

Research and Development Subcommittee

To hold hearings on S. 1320, to provide adequate funding levels for solar energy research and development, to encourage Federal procurement of solar energy systems, to encourage Federal loans for solar energy equipment, and to enhance the international competitiveness of the solar industry, and S. 1554, to provide Federal assistance for research, development and demonstration of renewable energy and energy conservation.

SD-366

2:00 p.m.

Judiciary

To hold hearings on the nomination of Susan W. Liebeler, of California, to be U.S. Circuit Judge for the Federal Circuit.

SD-226

Select on Indian Affairs

To hold hearings on S. 1475, to establish an effective clinical staffing recruitment and retention program within the Indian Health Service.

SR-485

3:00 p.m.

Select on Ethics

Closed Business meeting, to consider pending committee business.

SH-220

4:00 p.m.

Select on Intelligence

To hold closed hearings on intelligence matters.

SH-219

AUGUST 7

9:00 a.m.

Appropriations

Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for foreign assistance programs.

SD-192

9:30 a.m.

Joint Economic

To hold hearings to review the employment/unemployment statistics for July.

SD-628

10:00 a.m.

Banking, Housing, and Urban Affairs

Securities Subcommittee

To hold hearings on a proposal to define insider trading.

SD-538

SEPTEMBER 10

9:30 a.m.

Commerce, Science, and Transportation

Aviation Subcommittee

To hold hearings on proposed legislation to create an independent Federal Aviation Administration.

SR-253

SEPTEMBER 15

9:00 a.m.

Small Business

Government Contracting and Paperwork Reduction Subcommittee

To hold hearings to examine the impact of a series of amendments to the Small Business Act as contained in the Department of Defense Authorization Act for Fiscal Year 1987 (P.L. 99-661).

SR-428A

SEPTEMBER 17

10:00 a.m.

Small Business

To hold hearings on S. 818, to provide permanent authorization for White House conferences on small business.

SR-428A

SEPTEMBER 18

9:30 a.m.

Commerce, Science, and Transportation

Consumer Subcommittee

To hold hearings on product liability.

SR-253

SEPTEMBER 22

10:00 a.m.

Small Business

To hold oversight hearings on the Small Business Administration small business development center program.

SR-428A

SEPTEMBER 29

9:30 a.m.

Commerce, Science, and Transportation

To hold hearings in conjunction with the National Ocean Policy Study to review coastal zone management consistency provisions.

SR-253

CANCELLATIONS

AUGUST 4

9:30 a.m.

Commerce, Science, and Transportation

Business meeting, to consider pending calendar business.

SR-253

AUGUST 5

10:00 a.m.

Small Business

To hold hearings on the impact of section 1706 of the Tax Reform Act of 1986 (P.L. 99-514) relating to technical service workers as independent businesses.

SR-428A

SENATE—*Tuesday, August 4, 1987*

The Senate met at 11 a.m. and was called to order by the Honorable TERRY SANFORD, a Senator from the State of North Carolina.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

The Lord is my shepherd. I shall not want * * *.—Psalm 23:1.

Loving God, those precious words of King David, so familiar to all of us, remind us of constant daily benefits so routinely received that we fail to acknowledge them and be thankful. We slept in comfortable beds last night. Many had no place to sleep. We were able to get out of bed. Many did not. We wanted to get out of bed. Many did not. We enjoyed the luxury of bath or shower. Many have no water to drink. We had a good breakfast. Many did not. We came to work. Many had no work to come to. We can see and hear and think and feel and walk. Many cannot. Most of us always have more than we need of everything. Many never have enough of anything they need. Faithful Father in heaven, our lives are filled with blessing. Many of us live as though You are nonexistent and unimportant. Forgive us, Gracious God, for our negligence in appreciation. Help us to be thankful. In Jesus' name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. STENNIS].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, August 4, 1987.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable TERRY SANFORD, a Senator from the State of North Carolina, to perform the duties of the Chair.

JOHN C. STENNIS,
President pro tempore.

Mr. SANFORD thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

THE JOURNAL

Mr. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RESERVATION OF LEADERSHIP TIME

Mr. BYRD. Mr. President, I ask unanimous consent that the time of the distinguished Republican leader be reserved for his use.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I ask unanimous consent that I may reserve my time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond 11:30 a.m., with Senators permitted to speak therein for not to exceed 5 minutes.

OVERALL THE CONGRESS HAS REDUCED REAGAN SPENDING REQUESTS

Mr. PROXMIRE. Mr. President, recently President Ronald Reagan visited my State of Wisconsin to tell the people of my State how wasteful, how irresponsible, how downright reckless the Congress was behaving in spending the taxpayers' money. One Wisconsin paper carried a massive front page picture of my distinguished colleague Senator BOB KASTEN holding a giant, billboard-size credit card with President Reagan manning a king-size pair of scissors, presumably in the process of clipping Congress' huge spending down to size. Apparently President Reagan is carrying this—Congress is spending the Nation into ruin—campaign all over the country, shouting from the rooftops as only a President can about the extravagant, playboy ways of this Congress.

Now, I am a Democrat and President Reagan is a Republican. But I see nothing at all wrong with the President's rhetoric. He has every right to do this. In fact, he has a duty to go out and tell the American people how wasteful the Congress has been. He is right. He is telling the truth. But he is not telling the whole truth. In fact, he is leaving out the most important part of this story. He is not telling what to his Republican audiences would surely be an astounding fact. And that is that the President has in his 6 years in office actually called for more spending than the Congress.

Ponder that for a long minute, Mr. President. The President's budget sets the pace for spending by this Government. Oh, yes, indeed, the Congress has the constitutional right to modify that Presidential budget: to adopt it precisely as the President sends it to us in the Congress, to increase what the President requests or reduce it. We the Congress—not the President—have the final word. The buck stops with us. So the Congress must assume the final, ultimate responsibility for spending and for the deficit. That is a test for the Congress. The Congress has, indeed, flunked that test. We have flunked and flunked miserably. But, Mr. President, if we have flunked, how has the President done on this spending test? Let us take a look at the record. President Reagan has sent a budget to the Congress that provides the basis for final congressional action for 6 years: 1982 through 1987, inclusive. The President has modified his requests from time to time with requests for supplemental spending.

During these 6 years has the Congress increased or decreased Presidential spending requests? If the Congress had given the President precisely what he called for in spending, would we have balanced the budget? Would he have sharply reduced the deficit? Or, Heaven forbid, is it possible this irresponsible Congress actually cut the President's budget request? Answer: The Congress actually reduced the President's controllable spending requests by $26.6 billion. If we subtract $7 billion in Reagan rescission requests on which the Congress refused to act, we end up with Congress reducing President Reagan's spending requests by a net of $19.6 billion. So if the President had his way, and if the Congress had given the President exactly the budget he requested, the national debt would be $19.6 billion bigger today than it is. What's more, the Congress is doing better and the President is doing worse as time passes. In the 2 years, 1982 and 1983, the Congress did indeed, increase the spending requested by President Reagan. But in the 4 years 1983 through 1987 the Congress reduced the President's spending requests by enough to make up for that earlier

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

excess and actually net over the full 6-year period $19.6 billion less spending.

The real difference between the President and the Congress is not in spending. Both are almost equally at fault with a slight edge in extravagance going to the President. The difference is in priorities. The President has, indeed, restrained the Congress in its social spending. The Congress has restrained the President in military spending. Obviously, what we need for a responsible fiscal policy is either to futher restrain spending on both social and military programs or to raise taxes or to do both.

How ironic. Here we have a President who is travelling around the country denouncing the Congress for irresponsible spending although the Congress has actually reduced his budget requests. And let no one forget that the President has more to say about the size of the Federal Government budget than anyone else. He sends the Congress the original document. He can fight against congressional increases in spending with all the expertise of the great spending departments of our Federal Government. They are all his to command. He can bring public pressure to bear on Members of the Congress through his unmatched access to television, radio, and the press. When he travels around the country he commands public attention like no one else. And this President is very highly skilled as a communicator and a master of the media. The President also has the ultimate power over congressional spending—the veto. If he disapproves of a spending bill, if it is too high, he can veto it. All he needs is a one-third plus one of either House and the spending bill the President opposes is dead. The President's Republican Party has more than one-third of the House and more than one-third of the Senate.

So what sense does it make for a President to blame the Congress for any excessive spending? Can't he veto any spending bill? He can indeed. Can't he sustain that veto by simply rallying his Republican troops in either House of the Congress? Of course he can. And especially what sense does it make for a President to refuse to share the blame with Congress when the Congress has cut his spending by billions of dollars?

RECESS FROM 12 TO 2 P.M.

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess between the hours of 12 noon today and 2 p.m.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BYRD. This will accommodate the conferences of the two parties. At 2 o'clock today, Mr. President, it is my plan to proceed with the FSLIC conference report. There is a time agreement on that report, so we will dispose of that today. Mr. PROXMIRE, chairman of the Committee on Banking, is here. I think he is very agreeable to proceeding at 2 p.m. with the report.

Mr. PROXMIRE. I thank the majority leader.

We are ready to go, and I think we can handle the report expeditiously. As the Senator knows, it passed the House by an overwhelming vote, and I believe that the Senate will probably adopt it also by an overwhelming vote.

Mr. BYRD. I thank the chairman.

Mr. President, I would hope that we could take up the catastrophic illness legislation today. When the distinguished Republican leader is on the floor, I shall query him as to that possibility. There are no objections on my side of the aisle. There have not been any objections that I know of to taking that up, and I hope we will be more successful than we were yesterday in the effort.

EXTENSION OF TIME FOR MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that the period for morning business be extended to the hour of 12 noon and under the same restrictions as heretofore ordered.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECESS UNTIL 2 P.M.

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until 2 p.m. today.

There being no objection, the Senate at 11:20 a.m. recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. DASCHLE].

RECESS UNTIL 2:30 P.M.

The PRESIDING OFFICER. The Senate will stand in recess for an additional 30 minutes, without objection.

Thereupon, at 2 p.m., the Senate recessed until 2:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. FOWLER].

The PRESIDING OFFICER. The Chair, in his capacity as a Senator from Georgia, suggests the absence of a quorum.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Hearing no objection, it is so ordered.

MEASURES READ THE SECOND TIME

Mr. BYRD. Mr. President, before the Chair announces the close of morning business, there are two measures on the calendar of bills and joint resolutions read the first time.

The PRESIDING OFFICER. The clerk will read the first measure for the second time.

The assistant legislative clerk read as follows:

A bill (H.R. 1994) to amend the boundaries of Stones River National Battlefield, and for other purposes.

Mr. BYRD. Mr. President, I object to any further consideration of this measure at this time.

The PRESIDING OFFICER. Objection having been heard, the measure will be placed on the calendar.

The clerk will read the second measure.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 216) to support a cease-fire in the Iran-Iraq war and a negotiated solution to the conflict.

Mr. BYRD. Mr. President, I object to further proceedings on this resolution at this time.

The PRESIDING OFFICER. Objection having been heard, the measure will be placed on the calendar.

CONFIRMATION OF DR. ALAN GREENSPAN

Mr. SASSER. Mr. President, yesterday the Senate confirmed Dr. Alan Greenspan as Chairman of the Board of Governors of the Federal Reserve System. It is not everyday that the Senate has the assignment of confirming the nominee for what we understand to be the second most important job in America. Indeed, the Chairman of the Federal Reserve can probably have more impact on the international economic situation than perhaps any single individual.

The overwhelming vote to confirm Dr. Greenspan underscores the belief of many, including myself, that Dr. Greenspan will provide outstanding leadership in his new post. He clearly has the requisite qualifications for this demanding job. He holds a Ph.D.

in economics from New York University. He is an experienced and distinguished economist, having worked in the field for over 40 years. Moreover, he has served with distinction as Chairman of the Council of Economic Advisers, and as a member of the board of directors of some of America's leading corporations. In short, he is more than qualified for the job.

Dr. Greenspan will need his considerable skills in dealing with an economic and political situation today unlike the previous few occasions during which we have considered nominees for the chairmanship of the Federal Reserve. Indeed, the nomination of Dr. Alan Greenspan, and the situation today, does raise a number of particular considerations. In fact, my colleagues and I on the Banking Committee pointed out several issues and raised a number of questions during Dr. Greenspan's confirmation hearing 2 weeks ago. I would like to repeat some of them here today so that they are part of the record on Dr. Greenspan's nomination.

First, many of the members of the committee were concerned that Dr. Greenspan would not be enough independent of the economic and political agenda of the Reagan administration. We wondered if Dr. Greenspan would be able to resist pressure to pursue policies which would not be in the best long-term interest of the American people but might be in the short-term best interests of the administration. Dr. Greenspan answered that he would be able to resist such pressure. I believe that this will be the case.

Second, I wondered if Dr. Greenspan would feel compelled to prove himself as an inflation fighter and clamp down hard on monetary controls, thereby raising interest rates and sacrificing the jobs and home ownership aspirations of millions of Americans. I cannot forget that in 1981 and 1982 there was much concern in Congress, indeed all across the Nation, with regard to the monetary policy of the Federal Reserve. Tens of thousands of businesses were destroyed, thousands of farms were lost, as well as millions of jobs, in pursuit of an economic policy that I think went too far. I am somewhat concerned that the Federal Reserve could still pursue overly rigorous monetary policies with such devastating consequences in the future.

Third, I was curious as to how Dr. Greenspan would address today's economic excesses that are compared by some other economic scholars to those that occurred prior to the stock crash of 1928: for instance, the current takeover craze and the enormous and frightening increase in corporate debt which it has engendered. Mr. President, I am pleased that Dr. Greenspan recognized this great increase in corporate debt—almost $400 billion in 2 years—and attributed it rightly to increased merger and acquisition activity in the economy. He is concerned, as am I, about the impact this increased debt will have in exacerbating the next business downturn. It is reassuring to know that the new Chairman will be focusing on this problem area.

The last major issue on which the committee focused in the confirmation hearing is separation of banking and commerce. We wanted to know that Dr. Greenspan considered to be the proper approach to deregulation of, and expanded powers for, commercial banks. Members of the committee asked Dr. Greenspan if he thought that we are approaching the day when any kind of a company can own a bank and accept federally insured deposits. We asked him what should be the required regulatory safeguards against risk, conflicts of interest and economic concentration, if banking and commerce are combined.

Mr. President, these last few points on the separation of banking and commerce represent areas where I do differ with Dr. Greenspan's ideas. I do not believe, as does Dr. Greenspan, that a simple bureaucratic barrier can be erected with a "financial services" company that would adequately protect insured deposits, as well as prevent conflicts of interest and economic concentration, particularly if such financial powers as the banking, insurance and securities industries were to be combined. The Banking Committee will closely examine these issues in the coming months. Moreover, my colleagues and I on the Banking Committee will closely monitor the Federal Reserve's actions in this area as we deliberate over the future course for our Nation's banking system.

Despite this area of disagreement, I supported Dr. Alan Greenspan's nomination to be Chairman of the Board of Governors of the Federal Reserve System. I have a great deal of respect for his experience, his academic credentials and his ability to become a leader of the world economy. As a member of the Senate Banking Committee, I am looking forward to working with him on the multitude of important issues which face our financial system.

REVIVE THE DRAFT, BREATHE NEW LIFE INTO OUR DEMOCRACY

Mr. HOLLINGS. Mr. President, the word from the campaign trail is that what America needs is new ideas. Well, I am sponsoring legislation that embodies an especially timely new idea—to be exact, and idea whose time came and went, and today has come again. The idea is complusory military service, revival of the draft. And the time for action is now, in the 100th Congress.

Since the early 1970's, we have muddled through our great experiment with a volunteer military. Certainly, in the abstract, it seems desirable to have a military in which everyone serves of their own free will. I do not deny that our peacetime volunteer military consists, by and large, of dedicated men and women.

However, the reality is that this is not a truly voluntary force—any more than a 19-year-old's employment at the corner gas station or at McDonald's is a voluntary job. As a practical matter, for hundreds of thousands of undereducated, unskilled, unemployed young people, the military has become an employer of last resort.

And while its voluntary nature is dubious, there is no question that ours is a less than democratic military. It is a military drawn disproportionately from the lower classes, from minorities, from the undereducated and disadvantaged. If we were to go to war tomorrow, the sons of suburbia would watch it on TV—if they choose to watch it at all—while the sons of the inner city, the sons of rural South Carolina would fight and die in radically disproportionate numbers.

Surely, this is a fundamental injustice. More important, it is a corrupting influence on our democracy. Not, as some originally feared, because the professional military constitutes a dangerous, independent political force. It doesn't. That simply is not a part of our tradition.

No. The corruption of our democracy is more subtle and insidious. The volunteer Army has created a whole generation with no concept whatsoever of service to country. It has permitted young people to tune out politics, in the smug assurance that if conflict comes, they will not have to participate. Conversely, it has created an environment in which our Government can blunder into a war—whether in Beirut or the Persian Gulf or Central America—because influential segments of the middle and upper classes don't give a hoot. After all, it is not their sons who will be called upon to fight and die as a result of unwise policy decisions.

Mr. President, at a future date, I will have more to say on this subject. As I said, I have introduced legislation in the 100th Congress—as I did in the 98th and 99th Congresses—to restore the draft. I look forward to hearings on this bill in the Armed Services Committee. In the meantime, I commend to my colleagues a column by Mark Shields in this morning's Washington Post. His arguments are profoundly on the mark—especially at a time when we contemplate the specter of open warfare in the Persian Gulf.

Mr. President, I ask unanimous consent that the Shields column be entered in the RECORD.

There being no objection, the column was ordered to be printed in the Record, as follows:

"Volunteers" For America

(By Mark Shields)

In the mined waters of the Persian Gulf, the men and ships of the United States gamble with death. But here in Washington, there is toward that gathering crisis a conspicuous absence of concern. On Capitol Hill and among the leading commentators, the dominant attitude with few exceptions is one of detached passivity. This is not because of preoccupation with the Iran hearings, nor is it a sign of a more worldly tolerance of the use of organized force by the United States. No, the explanation for the disinterest of the powerful is more base: the American establishment has no direct, personal stake in the armed forces of this country.

The American establishment—political and journalistic—lives in a different country from those Americans whose lives are at risk off Farsi Island or those whose lives were ended in a bombed Marine barracks in Beirut. They belong to different classes in proudly classless America. It's a sure bet that any Washington dinner party guest—conservative or liberal—does not personally know a single one of the nearly 2 million enlisted Americans currently in our armed forces, but that the same guest does personally know at least one of the 20,000 Americans who have died of AIDS.

This is an indisputable legacy from Vietnam, the war that imposed no home-front shortages or rationing and demanded no civilian sacrifices. It was a war that made few Americans uncomfortable and no Americans poor. Of course, Vietnam did make 58,135 Americans dead.

In any war, most of the fighting and the dying are done by the youngest soldiers holding the lowest rank. Vietnam was no exception: more than three out of four of the Americans killed there were enlisted men between the ages of 17 and 22 and under the rank of staff sergant. And they came, as do our current defenders, disproportionately from the working-class neighborhoods of our nation.

South Boston was just such a working-class neighborhood of approximately 2,000 draft-age young men during the 1960s. In Vietnam, 25 South Boston sons and brothers died in the service of their country. Between 1962 and 1972, Princeton graduated more than 8,000 men; six of them died in Vietnam. MIT graduated 8,998 during the same period, and two alumni were killed in Southeast Asia. Harvard graduated 12,595 men during those years, and 12 of them were killed in the war. For Notre Dame the numbers were 13,501 graduated and 38 killed.

Public pressure eventually forced U.S. withdrawal from Vietnam. That public pressure mounted then because young men from every social and economic background were at least threatened with service in that war. That particular political reality has been lost on today's peace advocates who make common cause with the Nixon-Reagan policy which rests on the flimsy moral premise that the rich and the educated ought to be exempt from defending the country.

A few passionate opponents of the "all-volunteer" military had earlier warned that such an isolated military establishment, absent the constant civilian infusion of draftees, would be a potential force in American life. Antimilitary alarmists hinted darkly at the prospect of a "Seven Days in May"-type takeover of the government. Such fears proved groundless. But the saga of Lt. Col. Oliver North suggests how a veteran Marine might intimidate a nonveteran like Assistant Secretary of State Elliott Abrams, who as a 1969 Harvard graduate supported U.S. presence in Vietnam for those young men from South Boston.

An exponent of military escalation with personal participation, along with Patrick Buchanan and a number of syndicated anti-communists, Abrams was almost certainly an easy mark for buffaloing by a swaggering combat hero like North, who survived the killing fields of Vietnam while Abrams was viewing the action from the London School of Economics.

We act as a nation when, as a people, we share the obligations and the perils of our common defense. The most fortunate have now imposed a policy that the burden of defending the country is to be in effect the exclusive burden of the less fortunate. Implicit in that policy is the premise that defending our nation is dirty work to be avoided by those who have been given more. Until we repeal the current system, which requires that the nation's defense be provided by young men and women whose names and identity are unknown to the nation's establishment leadership, that establishment will be able to treat national strategy as a theoretical abstraction, not as a specific policy option that could entail the life or death of their own sons and loved ones.

CONCLUSION OF MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that morning business be closed and, if it is agreeable with the distinguished chairman of the Committee on Banking, that the conference report on the Federal savings and loan legislation be laid before the Senate.

The PRESIDING OFFICER. Morning business is now closed.

FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION RECAPITALIZATION ACT—CONFERENCE REPORT

The PRESIDING OFFICER. The clerk will now report the conference report.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 27) to facilitate the provision of additional financial resources to the Federal Savings and Loan Insurance Corporation and, for purposes of strengthening the reserves of the Corporation, to establish a forebearance program for thrift institutions and to provide additional congressional oversight of the Federal Home Loan Bank Board and the Federal home loan bank system having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the Record of August 3, 1987.)

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I rise to address the Senate today with pride in my colleagues on both sides of the aisle; with pride in the product of our mutual efforts, the Competitive Equality Banking Act of 1987; and with pride in the spirit of compromise between the administration and the Congress that made this legislation possible.

As we all know, this legislation closes the nonbank bank loophole, thereby reinforcing the longstanding separation between banking and commerce. It also recapitalizes the Federal Savings and Loan Insurance Corporation in order to restore public confidence in that crucial Federal institution. These are just 2 of the most critical components of the 12 titles comprising this important legislation.

Before reviewing those titles, I want to recognize some of the Members whose efforts this year and in years past made this legislation possible. The man on my right, my friend and colleague Senator Jake Garn, merits my sincerest appreciation. Despite his deep reservations about some elements of the bill, he has steadfastly supported—and through his efforts improved—numerous other elements of the bill, particularly the FSLIC recapitalization. We should not forget that much of the bill now before us was passed by the Senate in 1984 and 1986 under the leadership of Senator Garn, who was then chairman of the Banking Committee. We must also not forget the crucial role Senator Garn has played during the past few weeks in helping construct a compromise that strengthened the legislation and averted a veto. Senator Garn, for myself and, I believe, for the other Members of the Senate also—thank you for your help.

Appreciation must also be extended to the Senate conferees on this complex and important legislation—Senators Cranston, Riegle, Sarbanes, Dodd, and Dixon, for the majority, and Senators Heinz, Armstrong, D'Amato, and Gramm, for the minority. Through the long hours of conference negotiations, they were patient, tough, and constructive. Their individual contributions are reflected again and again in the provisions of this important bipartisan legislation. For your efforts, on behalf of us all, thank you.

The other distinguished members of the Senate Banking Committee, the members of the House Banking Committee, and the House conferees also merit our highest appreciation. To House Banking Committee Chairman St Germain and ranking minority member Wylie we owe a particularly large debt of gratitude. The efforts of these two distinguished legislators in past Congresses as well as this one helped immeasurably in bringing this legislation to fruition.

The Senate and House Banking Committee staffs, led by Ken McLean and Lamar Smith in the Senate and Paul Nelson and Tony Colt in the House, did a superb job. They were ably supported by Rob Dugger, Rick Carnell, and John Dugan. These gentlemen spent literally days and nights and weekends working on this important and complicated bill. In my judgment there are no better staffs in the Congress than the remarkable people who serve these two committees. They were at their best on this banking bill.

Our appreciation, however, is not limited to Members of Congress and our staffs. The efforts of several administration officials, particularly those of Treasury Secretary James Baker, have been pivotal. I think that we all know that there is nobody in the administration who is wiser, more adept and more cooperative in these matters than Secretary Baker. For their contribution to the enactment of this legislation, I extend to these officials my deepest appreciation.

Mr. President, the Competitive Equality Banking Act represents truly the best in bipartisan efforts and addresses a wide variety of financial institution issues. Let me now review the more important of them.

Title I closes the nonbank bank loophole and places restrictions on existing nonbank banks. By reinforcing the separation of banking and commerce, it:

Helps ensure that banks allocate credit impartially and without conflicts of interest; strengthens bank supervision and reduces the risk that banks will become entangled in the problems of nonbank affiliates; helps protect the payments system; reduces the unfair advantages that commercial companies controlling nonbank banks have overregulated bank holding companies and over commercial companies that have no nonbank bank; and reduce the potential for excessive concentration of economic power.

Title II imposes a temporary moratorium on Federal regulatory approval of certain new powers for banks and bank holding companies in order to give the Congress time to make basic decisions about the future structure of financial services. To lay the groundwork for those decisions, the Banking Committee is already holding comprehensive hearings on the issues involved, and I expect that we will bring a bill to the floor later this year.

Title III recapitalizes the Federal Savings and Loan Insurance Corporation. It authorizes the FSLIC Financing Corporation to borrow $10.825 billion which, together with deposit insurance premiums, can be used to resolve problem cases.

Title IV seeks to facilitate the recovery of thrift institutions that are troubled but viable and well-managed. It represents a substantial amelioration of the forbearance provisions passed by the House. Title IV also requires thrift institutions to use generally accepted accounting principles in place of the discredited system of regulatory accounting. I want to commend Senator Phil Gramm for his energetic and successful efforts to improve the House bill.

Title V strengthens the authority of the Federal banking agencies to arrange interstate sales of failed or failing banks. It also authorizes regulators to operate failed banks for up to 3 years while seeking to find purchasers for those institutions.

Title VI restricts banks and other depository institutions from placing excessive holds on money deposited by check.

It is the fruit of years of diligent effort by Senator Dodd and others. I am sure that many people in the general public will find that this is the part of the bill that is most understandable and most helpful to them on a day-to-day basis.

Title VII gives the National Credit Union Administration additional flexibility in its supervision of credit unions.

Title VIII, authored by Senator Dixon, permits agricultural banks to amortize losses on certain agricultural loans.

It is a real boon to farmers not only in Illinois and Utah and Wisconsin but throughout our country, and I think Senator Dixon deserves special credit for his good work.

Title IX reaffirms the sense of the Congress that federally insured deposits are backed by the full faith and credit of the U.S. Government.

In conclusion, Mr. President, our financial system faces many acute difficulties and challenges. The conference report before us represents our best, bipartisan effort to ameliorate those difficulties and to prepare to meet the challenges of financial modernization. The conference report touches the foundations of our financial structure because the problems and challenges are profound. It is complex because those problems and challenges are complex.

Mr. President, this is not the bill I would have written if I had my way. It is not the bill Senator Garn would have written if he had his way. Indeed, it is not the bill that any Member of the House or Senate would have written if he or she had their way. It is a product of compromise and, like all compromises, it has its good points and its bad points. But on balance, I believe it represents a constructive first step toward solving some of the underlying issues in financial and banking legislation that have stalemated our efforts over the last several years.

I believe the most important and significant contribution made by the legislation is to remove the politically divisive issue of the nonbank bank loophole from our congressional deliberations. The nonbank bank loophole has dominated our agenda far too long. It has pitted bank against bank and made it difficult for the Congress to focus on the broader issue of financial restructuring. With the nonbank bank loophole issue now behind us, I am confident we can move on to the broader issues of financial restructuring.

In particular, Mr. President, I believe we need to take a close look at our policy of separating commercial banking from investment banking in the light of today's financial technology and marketplace. The Glass-Steagall Act may have made some sense 54 years ago when it was put on the books although there is a growing body of historical evidence that the Congress may have overreacted to abuses that were prevalent among all securities firms and not just bank affiliates. In any event, a lot has happened since 1933 and the Congress needs to face up to the policy implications of these changes. The distinction between commercial lending and securities underwriting is rapidly eroding under the pressure of the marketplace. Our task as legislators is to examine these changes and design a system that will serve our economy for the last decade of this century and well into the next century.

We want a system that will provide maximum economic growth and competition consistent with safety and soundness. It is no small task. I look forward to working with the members of the Banking Committee and with Secretary Baker to help achieve this long overdue modernization of our financial system.

I yield the floor.

Mr. GARN addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. GARN. Mr. President, I thank the distinguished chairman of the Senate Banking Committee for his kind remarks about my work in the committee in the past.

I would note that the chairman and I have had rather an unusual relationship over the last nearly 13 years. We have served together that long on the Senate Banking Committee with our chairmanships almost equally divided. Chairman PROXMIRE was chairman for 6 years. I was chairman for 6 years. Now he has me by half a year but I intend to get that back at some time in the future.

But we have had a unique and friendly relationship. We obviously have not always agreed on the issues but we have agreed a great deal more than we have disagreed.

As a matter of fact, overall on the directions that each of us have tried to go during our chairmanships of the Banking Committee, there have been very, very minor technical differences, and the legislation that I passed several years ago would not have been possible without the help of the Senator from Wisconsin.

So it is a relationship and a friendship that I value deeply, having had that opportunity for 13 years, to work together on the financial services legislation.

Today, Mr. President, I rise in support of the conference report on the Competitive Equality Banking Act of 1987. I do so, not because I believe it promotes either competition or equality. It does not. And certainly I do not like all of its provisions. As the chairman said: He does not like all of them either. I support this bill because we have a crisis in the thrift industry that demands legislation now. The administration and the Federal Home Loan Bank Board asked Congress to address this issue over 16 months ago. The cost to the thrift industry of our failure to respond has now risen to an estimated $10 million a day.

The FSLIC recapitalization provisions of this bill take the necessary first steps to resolve this crisis. They probably are not enough, and we will almost certainly need to do more in the next Congress, but the conference report is a far better effort to address this issue than either of the bills that emerged from the House and Senate.

For this I thank both my distinguished colleague from Wisconsin and our counterparts in the House, Representatives ST GERMAIN and WYLIE, all of whom worked very hard to improve this piece of legislation. We also owe a very special debt of gratitude to the President of the United States and his Secretary of the Treasury, Jim Baker.

The President went to the mat by threatening to veto the very bad piece of legislation that was about to emerge from conference last week. He did this despite a chorus of protests from powerful special interests such as the securities, insurance, real estate, and banking industries. He did not like the low level of funds for FSLIC, the so-called forbearance provisions that tied the hands of the regulators, and the bill's numerous anti-competitive provisions. But in the end he agreed to secure a compromise through the efforts of his Treasury Secretary that would substantially improve the FSLIC provisions and end Congress' long and irresponsible delay in providing needed funds for FSLIC.

Because of these efforts, FSLIC will receive over $2 billion more; the worst elements of the forbearance provisions will sunset in roughly 3 years; and current law will be preserved to make failing thrifts more marketable and thus less in need of FSLIC assistance. There will be no nasty veto fight and no more delays in giving FSLIC funds it sorely needs.

With these improvements I now support this legislation, and I urge my colleagues to do so, too. It is true that the anti-competitive provisions remain, but this was a compromise in the face of an emergency and the best that could be done under the circumstances. As the Washington Post said on August 1, after the compromise, "the banking bill is now greatly improved * * * it is not an ideal bill, but it is adequate * * * within its limits, it makes a valuable contribution to the safety of a national financial system that is now operating under great stress.

Mr. President, I will not describe again at length my objections to the anticompetitive provisions of this legislation, principally in titles I and II. Nor will I argue again that we should have passed a "clean" FSLIC bill first and a more comprehensive version later. Those battles have been fought, and my colleagues know my views on these issues very well.

It is time now to get this legislation behind us and move on. The Senator from Wisconsin has pledged that this conference report will soon be followed by more comprehensive legislation. I have been skeptical, not of his sincerity but of the ability to achieve the result, but I will do everything I can to support him in these efforts. No one has worked harder than I have in the past to realize comprehensive reform, and I pledge to the distinguished chairman that no one will work harder in the future.

I sincerely hope that we can put our differences behind us and work together again to achieve true reform of the financial services industry. While these issues became needlessly partisan during this Congress, which they never were before, I am encouraged by the bipartisan compromise we reached at the end and by the bipartisan efforts of staff in drafting the final version of this bill. We will certainly need to work together if we hope to enact comprehensive legislation. And I think we share the view that the country critically needs this bill to promote competition and to strengthen the safety and soundness of the entire financial system.

I also applaud the chairman for beginning hearings to move on to comprehensive legislation. We have already had three hearings, and two more are scheduled this week. We are seeing some genuinely new ideas surfacing, from New York Fed President, Corrigan's proposal to the financial services holding company proposal to Representative CARPER's bill encouraging State activities. I certainly hope that the hearings will explore these and any other serious proposals for reform between now and the time the Banking Committee marks up a comprehensive bill.

Let me make one final point. The moratorium provisions of this bill, which I have strongly opposed, are in titles I and II. Not surprisingly, the moratorium was broadened in the conference, principally on behalf of the securities industry. But the date the moratorium is scheduled to expire, March 1, 1988, was not extended, and one very significant change was made—the House joined the Senate in adopting the following unequivocal provision in section 203(b):

> It is the intent of the Congress not to renew or extend the moratorium established under section 201 whether or not subsequent banking legislation is passed by the Congress.

I remind my colleagues that a vote for this report and its moratorium is also a vote for this single date of expiration, March 1, 1988. I urge all Senators to work together to forge a consensus to enact comprehensive legislation before then.

Mr. President, I would like to emphasize that I sincerely hope that we will not reach that point in March 1988, the point where we are faced with going ahead with this decision by both the House and the Senate not to extend the moratorium. I do not want the moratorium extended. I would like comprehensive legislation. Again, I will do everything I can to help the chairman of the Senate Banking Committee achieve that result.

Mr. PROXMIRE. Mr. President, before I yield time to the distinguished Senator from Illinois, let me thank the distinguished Senator from Utah for his statement and tell him I am going to do everything I possibly can to prevent any extension of the moratorium past the March 1 date.

I want to tell him that I will certainly cooperate with him to the fullest, and I mean the fullest, in every possible way to act in that limited period of time so we can have a comprehensive banking bill that will provide for a coherent, consistent nationwide banking system and not have to rely on the kind of patchwork that we know we are going to have if the Congress fails to act on banking legislation.

Mr. President, I yield 12 minutes to my good friend from Illinois.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DIXON. Mr. President, as one of the conferees on the legislation now before us, I want to congratulate the distinguished chairman of the banking committee, Senator PROXMIRE, and the distinguished ranking Republican member, Senator GARN, for their work in forging the compromises that make this action possible.

I also want to congratulate Secretary of the Treasury Baker for his efforts in reaching the agreements that avoided another potential major confrontation between the President and the Congress.

On all too many issues, both the President and the Congress have seemingly lost the will to work things out, preferring instead to blame one another for failures, hoping to score political points. Frankly, I do not believe the country wants that kind of warfare between the executive and legislative branches, and I do not believe we can afford it.

I was pleased, therefore, to see that compromises were worked out, and that a veto battle is now unnecessary. It is true that the administration agreed to work out a compromise very late in the process; in fact, the conference had finished its work before the administration began to negotiate seriously. I hope, in the future, that the administration will see fit to play a constructive role earlier in the legislative process. However, the Treasury Department did act before it was too late, and the compromise that was achieved is a reasonable one.

Like all compromises, it is far from perfect. The amount it provides to recapitalize the Federal Savings and Loan Insurance Corporation—approximately $10.8 billion—is significantly higher than the amount I supported when the bill was first before the Banking Committee. There has been considerable dispute as to how much the FSLIC fund requires. There has been agreement, however, that the FSLIC essentially could not raise and effectively spend more than $5 billion per year, no matter how high the overall amount provided for recapitalization is. Given the FSLIC's past administrative problems, there is ample reason for Congress to maintain tight control over the recapitalization program. Vigorous oversight is needed.

I believe, however, that we would do the savings and loan industry a real disservice if we insist on lower totals than those contained in the compromise. This is emergency legislation, but it has already taken far longer than it should. The Banking Committee reported S. 790, the original Senate bill, back in mid-March. If we were now to send a bill to the President that coud be vetoed, it could be September or October before action on an override would be completed. If an override were not successful, it could take even longer to get a new bill to the President.

Frankly, Mr. President, I think that is a risk we should not take. A veto battle, regardless of its outcome, creates uncertainty, and given the problems facing the thrift industry, it is time to end the uncertainty.

Confidence is a fragile thing. I am pleased we have been able to maintain it during the long period of time it has taken to put this bill together. It is time, however, to resolve the recapitalization issue. We cannot afford putting thrift industry confidence in further jeopardy to continue the dispute over the best level of FSLIC financing. Continuing to fight would hurt our Nation's thrift industry, instead of helping it. I therefore support the compromise, not because it contains the funding level I would propose, but because both the administration and the conferees reached an agreement that will end the uncertainty that has surrounded this legislation for so long.

The bill is still much lower than the President first proposed; it is significantly lower than the bill we passed last year. Both the House and Senate came up from the levels we passed earlier this year, but that is the essence of compromise. Both sides yielded in order to achieve an agreement.

It is also worth remembering that, even though the recapitalization level is higher than many in Congress would prefer, the Banking Committee will conduct the kind of vigorous oversight the program demands.

As important as the FSLIC issue is, however, it is only a part of this important bill. The bill also: Provides a mechanism for returning to the thrifts the amounts they contributed to the FSLIC secondary reserve, closes the nonbank bank loophole, imposes a moratorium on certain nonbanking activities, extends and enhances the powers granted the banking regulators in the Garn-St Germain Act, improves check clearing procedures for bank customers, and provides much-needed assistance for agricultural banks and their farmer-borrowers. The bill's 12 titles cover these issues, and a number of other matters of importance to our financial services industry. I would like to comment on two areas before I conclude.

First, as I am sure my colleagues know, this bill does not attempt to resolve the issues relating to comprehensive financial services reform legislation. In my view, action on fundamental financial services reform is long ovredue. The statutory and regulatory framework is no longer adequate to cope with the changes that have taken place in the marketplace.

I do believe, however, that this bill can help the Congress achieve action on a second piece of legislation that does modernize our banking laws. The moratorium freezes the current situation in place until next March, giving the committees of the Congress time to act. Closing the nonbank bank loophole resolves that issue—which has been the focus of congressional attention for so long—enabling us to focus our attention on the reform issues.

I have no illusions that enactment of a second major banking bill in this Congress is assured. Section 203 of the conference report, though, makes it clear that Congress will not extend the moratorium if we fail to achieve action on a second bill by next March, and I want to serve notice on the Senate now that this is one Senator who will do everything he can to ensure that the moratorium remains what it was originally intended to be—a one-time freeze to permit action on a comprehensive bill. The moratorium is intended to facilitate action; it should not, and must not, be used as a mechanism to avoid making the tough decisions on reform legislation that simply must be made.

I also want to highlight a title of the bill that is particularly important to me: title VIII. The loan loss amortization title. This title creates a program that permits eligible agricultural banks to amortize losses on agricultural loans over 7 years. It is designed to benefit both hard-pressed rural banks and their customers. It creates incentives for banks to restructure loans. Many farmers that are in trouble now can be helped; they can make it if their cash-flow is improved. Current law, however, makes it difficult for banks to renegotiate loans, because they have to recognize the losses all at once. Loan loss amortization, properly used, has the potential to help both banks and farmers, keeping banks active in their local communities and minimizing the number of foreclosures. I was proud to be the author of this provision in the Senate, and I am very pleased that it is included in the conference report.

I simply want to conclude, Mr. President, by reiterating that I think this bill is a good compromise and deserves the Senate's support. It is far from perfect, but it is the best that could be achieved. It avoids another divisive and time-consuming veto fight, and it takes us a step forward toward resolving fundamental financial services industry reform issues. I urge my colleagues to join me in voting in favor of the conference report.

Mr. President, I sincerely thank the chairman of the committee and the ranking member for their support over the years in helping me to finally bring to a point where it is going to the President, with his assurance of signature, title VIII, which I think will probably be the most important thing

Congress does this year for the agricultural communities in America, for the agricultural bankers, and for the small farmers in America. I deeply appreciate their friendship and warm support in connection with this, and I am indebted to them.

Mr. GARN. Mr. President, I yield 5 minutes to the Senator from Texas.

Mr. GRAMM. I thank the distinguished Senator from Utah for yielding.

Mr. President, I would like to join other members of the Banking Committee and the conference in congratulating our distinguished chairman and distinguished ranking member for their leadership in producing what I think is a good bill under very difficult circumstances.

I would like to limit my remarks today, since the whole bill is going to be discussed, to the part of the bill I was most directly involved in; the part having to do with recovery of our thrift industry.

First, I think it is important to note that we provide in this bill $10.825 billion to reinvigorate the insurance fund for the savings and loan industry. I hope people understand that this is not a taxpayer bailout. What we are doing is assessing the member institutions, the savings and loans, to generate a cash flow to service a debt that will be incurred by the thrift industry as they go into the financial markets and borrow $10.825 billion to rebuild the FSLIC.

As a result of our action today and the certain Presidential signature on this bill, savings and loan depositors all over the country can be confident that those deposits are now good up to the insured limit.

In my part of the country, that additional confidence is going to be important in stopping the financial hemorrhaging which has plagued our savings and loan industry. But we have done more than initiate a self-help program to rebuild FSLIC. In the Thrift Industry Recovery Act section of the bill, title IV, we have set out a positive program to allow troubled thrifts the opportunity to work out from under their problems. This program sets out new regulations for those areas of the country that have economic problems, allows thrifts that are well managed to work out from under their problems, build up their capital, and become profitable lending institutions again. This will help facilitate the building of new homes and new businesses that many of our troubled parts of the country need desperately to fuel their economic recovery.

I believe that under this bill, financial investors throughout the economy will look at this new blueprint, look at the guidelines we have set out for the recovery of our thrifts, and will decide that they can make money by acquiring a troubled thrift. By doing that we will attract new private capital into the thrift industry, and that will go a long way toward solving the problems confronting our Nation's thrifts.

Obviously, there are going to be savings and loans that will not survive. There will be savings and loans that will be closed. It is my hope that under new leadership, FSLIC can, to the maximum extent possible, use buyouts rather than outright closure of savings and loans. The last thing we need in depressed areas of the country is to have tremendous amounts of real estate dumped on the open market, sold at depressed prices, thereby producing a deterioration of the balance sheets of savings and loans and banks alike.

Finally, I believe we have set out a blueprint that can work. I think this bill is going to allow us to rebuild our thrift institutions. Quite frankly, I do not know whether the $10.825 billion is enough. But I know it is a start. It will allow us to go in and close institutions that cannot survive.

I believe the bill is written in such a way as to maximize the number of thrifts that will survive and minimize the cost to the insurance fund. I think we have been good stewards of the public interest. We have put together a bill that maximizes the opportunity for thrifts to survive and prosper and serve their communities, and I am proud of this bill.

I especially congratulate our leadership on both sides of the aisle that were able to put together a bill, to forge a compromise, to respond to a legitimate Presidential concern, and to go back at the end of the conference and make specific changes that were difficult, but I think they were important and that they improve the bill.

I look foward to the bill being signed into law; but, more important, I look forward to the bill going into effect and setting out a blueprint to rebuild our thrift industry, helping us put people back to work around the country.

Mr. PROXMIRE. Mr. President, before I yield to the Senator from Alabama, I thank the Senator from Texas for his statement, particularly for stessing the fact that the $10.825 billion is not from the taxpayers. A lot of people think this is a bailout by the taxpayers. It is an assessment on savings and loans throughout the country. The taxpayer will not have to pay a nickle for that. I think that is important.

The Senator from Texas played a very important role in this bill, and he was the Senate author of the thrift recovery title.

I yield 3 minutes to the Senator from Alabama.

Mr. SHELBY. I thank the Senator.

Mr. President, I commend the chairman and the ranking Republican member, Senator GARN, for their work in passing this comprehensive bank bill. I think it is the first bill we have been able to pass in quite some time. Although I do not agree with everything in this piece of legislation, I shall support it as an important first step.

At this very moment, FSLIC is bankrupt. As I understand it, the bill before us will infuse $10.8 billion into the thrift industry deposit insurance fund. Such infusion, while not a panacea, represents a giant step toward restoring the soundness of our troubled thrift industry nationwide.

Title I is not perfect. It has more holes than a doughnut. Yet, it does freeze to some extent the activities of existing nonbank banks and allows Congress the opportunity to create a level playing field for all our financial service industries. While some view title I as being anticompetitive, Congress is the proper entity to determine the ways in which our financial service industries may enter new markets, both geographic and financial.

Title II in some respects represents a step backward when our traditional financial institutions should be moving forward and modernizing so that they can meet the demands of consumers and compete successfully globally. Six years ago, only 1 of the 10 largest banks was Japanese. Today, only 1 of the largest 25 is American while 14 of the top 25 are Japanese and 9 are European.

Banks remain restricted from seeking new markets and have seen their market share erode as the financial arms of nondepository institutions provide similar services. This is not to say that I believe that all markets should be open to banks. I do not believe that. The possible conflict of interest and concentration of assets apparent in the insurance and real estate industry persuaded this Senator that full entry into those markets by banks would create an unnecessary risk in the banking industry that we depend on to be safe in this country.

Title II does provide Congress an opportunity to pause, examine the alternatives available and provide appropriate direction. To recapture a sizable presence in the global economy, I believe it follows that our banks must be competitive. Congress should provide that direction by making public policy.

I strongly support the provisions in the bill which protect consumers including new limits on the time banks may hold consumer checks for clearance.

The legislation before us, as I said earlier, is a first step; it sets us in motion a process for reform of the banking laws, and I hope that the chairman and the ranking member of our Banking Committee will again provide us the leadership to do in the next year a comprehensive valuation of this very important legislation.

Thank you, Mr. President.

Mr. PROXMIRE. Mr. President, I thank my good friend from Alabama. He said that title I has more holes than a doughnut. I remind him that a doughnut has only one hole.

Mr. SHELBY. But it is a big one, Mr. President.

Mr. GARN. Mr. President, I yield 5 minutes to the distinguished Senator from Nebraska.

The PRESIDING OFFICER. The Senator from Nebraska [Mr. KARNES] is recognized.

Mr. KARNES. Thank you, Mr. President.

Mr. President, I would like to speak in support of H.R. 27. This is certainly one of the most significant pieces of legislation that this Congress will consider this year. I must note at the outset of my remarks that there are portions of this bill that I do not agree with. However, on balance this legislation is worthy of passage immediately and in the opinion of this Senator is long overdo. I also note that many critical banking issues are left unresolved and with the help of my colleagues on the Banking Committee we will address many of these during our deliberations in the Banking Committee during the next weeks.

As a member of the Banking Committee I had the opportunity to hear the testimony and consider the affects of the legislation in great detail. My prior experience as special counsel to the Federal Home Loan Bank Board in Washington and Chairman of the Board of Directors of the Federal Home Loan Bank of Topeka provides me a unique insight into the problems the thrift industry is currently experiencing.

I cannot overstate the significance of this legislation as it affects the thrift industry in this country. The $10.8 billion recapitalization amount of the FSLIC is indeed sorely needed to restore the public's confidence in the thrift industry and to allow the FSLIC to immediately address the task of resolving the 400-plus problem thrifts that are currently operating throughout the country.

I must also note that attention has been given in this legislation to the potential negative impact that may result from attempting to raise these large amounts of funds through the public marketplace; that is, the $10.8 billion. I note and I believe it is important to recognize that this bill has a limitation of $3.75 billion a year as far as the limits of how much can be raised so that the financial marketplace will not be negatively impacted at all by this large amount of money that is needed to be raised.

I compliment the Senate leadership for their expeditious scheduling of this legislation in light of its significance on the industry.

Time is of the essence since the latest estimates are that the troubled thrifts that I mentioned earlier, approximately 400 thrifts, are losing collectively $10.5 million each day that they remain open since the FSLIC has not had adequate funds to deal with those problems. Those kind of staggering daily losses equates to over $3.8 billion per year which should not be allowed to continue, and they will not be allowed to continue.

The profitability of the thrift industry through 1986 is certainly worth noting considering all the negative publicity surrounding the thrift industry. According to the Kaplan Smith report, 74 percent of the 3,247 FSLIC-insured and federally chartered FDIC-insured thrifts were profitable in 1986. Those thrifts with positive GAAP net worths had an adjusted return on assets of 0.74 percent, which is considered quite good. Hence, those thrifts that can be considered for the most part to be healthy and viable performed quite well in 1986. The relatively modest number of operating negative net worth thrifts accounted for only 11 percent of thrift assets; however, they reported adjusted losses in 1986 of $7.1 billion. Mr. President, passage of this legislation will finally allow the FSLIC to resolve those problems and give the profitable, well managed thrifts the opportunity to operate without the daily negative publicity they have had to contend with recently.

Mr. President, another section of the bill is also very important to me and my constituents in the State of Nebraska. I am referring to title VIII called loan loss amortization for agricultural banks. As a U.S. Senator from Nebraska and a third generation Nebraska farmowner, I have a great interest in the availability and cost of agricultural credit. This section of the bill allows qualified agricultural banks to amortize their loan losses over a period of 7 years. I know all my fellow Senators are fully aware of the excessive problems agricultural banks in Nebraska and throughout the country have experienced. Allowing these institutions to spread the losses over this 7-year period of time will alleviate some of the pressure on the many small, rural agricultural lending institutions attempting to provide a steady source of funds to their farm borrowers.

Mr. President, I appreciate the opportunity to convey my feelings on this important piece of legislation. I sincerely hope my colleagues will consider these arguments in support of the bill. This legislation is certainly in the best interests of not only the citizens of Nebraska but all Americans.

Lastly, I congratulate the distinguished Banking Committee Chairman PROXMIRE and distinguished ranking minority member, Senator GARN, who have worked tirelessly to seek solutions to the many great problems and many differences that we have found during the hearing process in this banking and thrift legislation. They are to be complimented for their hard work.

Mr. President, thank you for this opportunity, and I yield the floor.

Mr. DODD. Mr. President, I rise in support of the conference report.

This conference report has been a long time coming, but I think it has been worth waiting for. Many of the issues—from recapitalizing the FSLIC to expediting consumers' access to their check deposits—date back to Congresses past. But even those issues that originated in this Congress—most particularly the provisions designed to give us the time and the ability to consider comprehensive banking legislation to modernize our financial services industries—have had a long gestation period.

Starting with Chairman PROXMIRE's first bill in February, it took until the end of March for the Senate to complete action. Then it took another 6 weeks for the House to act. Thereafter, it took about another month just to get to conference and then more than 6 weeks to reach agreement, draft that agreement and then, last week, reach agreement again—this time with the President—before we were finally able to file the conference report.

We are all exhausted from the effort but I would just like to highlight a few of our actions:

First, the conferees went beyond the provisions of either bill to provide $10.8 billion in badly needed funds for FSLIC. While I do not generally support going beyond the scope of bills in a conference, in this case I think the conferees acted responsibly to head off what otherwise might have been a serious crisis. Now the FSLIC will have both the money and the time to restore public confidence in the Federal deposit insurance system.

Second, the bill will assure that bank customers will have timely access to their check deposits. By September 1, 1988, consumers will have access to their local check deposits after 2 business days and to their nonlocal check deposits after 6 business days. By no later than September 1, 1990, those times will be shortened to no more than 1 business day on local checks and 4 business days on nonlocal checks.

I am particularly pleased with this provision because it solves a problem that I identified 5 years ago. Our Banking Committee conducted the first hearings on the subject in 1982; I introduced the first legislation to remedy the problem in 1983; and, thereafter, the Senate adopted bills in three successive Congresses. I am confident that the final compromise will assure consumers timely access to their funds without imposing any increased risk of loss on depository institutions.

Third, I want to emphasize with regard to the title I and II provisions—dealing with nonbank banks and the moratorium on new bank powers—that they are process provisions, rather than final legislative solutions. Combined, titles I and II are designed to give us the breathing space to examine in detail recent changes in both the domestic and international financial services arenas and to give us the time necessary to devise comprehensive legislation for the future.

Almost as important as the time gained by these provisions is the political impetus I expect them to provide for future legislation. The expiration on the moratorium will provide incentives for depository institutions, the securities industry, the real estate industry and the insurance industry to push for new legislation, because they will all be unhappy with their positions after the moratorium expires.

Mr. DIXON. Mr. President, I simply want to express my understanding of section 201(6)(2)(c). That provision imposes a moratorium on the operation of nondealer marketplace in options. It includes in its scope lesser included activities involved in operating such an exchange. For example, no bank currently clears options, although they clear many other securities acting as agent. However, clearing options involves much more than clearing other securities. In my view, and I believe in the view of the majority of conferees, clearing options involves activities of such a broad scope that it would amount to operating nondealer marketplace in options, and would therefore be prohibited during the moratorium period.

Mr. SANFORD. Mr. President, I rise to express reluctant support for this bill. While it contains many important provisions relating to issues other than the recapitalization of the FSLIC fund, I must express my objection to the changes that were made to the FSLIC recapitalization plan. These changes were made at the final hour, in a deal going beyond the scope of the level of funding approved by either the House or the Senate.

There is without a doubt a consensus that we must act effectively and decisively to beef up the FSLIC fund. While many argued about the way to do that and how much money should be committed, the Senate Banking Committee, after many hearings and much discussion, agreed upon a recapitalization plan providing borrowing authority of up to $7.5 billion over 2 years. The full Senate then approved that $7.5 billion figure. The House, on the other hand, voted decisively for a cap of $5 billion on the borrowing authority of FSLIC. However, in bowing to pressure from the White House, a new figure of $10.824 was agreed upon in a side arrangement that raises significant concerns about the way our process works.

I had encouraged the Senate to adopt the $7.5 billion figure because I believed then and continue to believe now that borrowing authority of $3.75 billion per year, when coupled with the income from special assessments and investments will provide the FSLIC with more than adequate resources. Indeed, the income from the borrowing plus the special assessment and investment will total almost $6.75 billion per year and that $6.75 billion figure exceeds even the Federal Home Loan Bank Board's projections of what it can effectively spend in 1 year.

I was also concerned about the ability of the Federal Home Loan Bank Board, an agency that has been plagued with administrative problems, to effectively handle the large amount of money being provided to FSLIC. In addition, I believe that many of the problems facing our savings and loan industry are not ones that will be resolved by simply putting more money into FSLIC. I had hoped that in placing a 2 year sunset on the borrowing authority on FSLIC, that the Congress would be given the opportunity to reassess the success of the recapitalization effort before more money was provided to FSLIC.

I must note that most institutions in this Nation are profitable, and many of the profitable institutions are very profitable indeed. Despite this fact, roughly one-tenth of the total are troubled. Some of these troubled thrifts, the well-managed institutions which are the victims of turbulent local economic conditions, will survive, given half a chance. Others, which are not so well managed and may indeed be troubled due to poor management or worse, will and should fail.

Unfortunately the price of their failure, the price in some cases of their folly, will be borne by their survivors. Thus, eager as we might be to resolve the FSLIC's problems, we must consider just how much the thrift institutions of this Nation can afford to contribute to the resurrection of other failing institutions. I submit that the $10.824 billion funding level may be higher than the Congress should go without threatening to undo the success of those healthy institutions which have proved their managerial mettle.

I am concerned that we have granted too much borrowing authority to an agency that has had numerous, well documented administrative problems. However, despite these reservations about the amount of funding for FSLIC agreed to in this compromise, as well as strong concerns about the manner in which the compromise was reached, I do support this bill. I believe that the recapitalization of the FSLIC is crucial to the health of our savings and loan industry, and despite my concerns about the level of funding of the program, I believe this bill deserves our support. I urged my colleagues, whatever their reservations may be, to join me in voting for this bill.

CHARTERED PRODUCTS

Mr. CRANSTON. Section 101(c) prohibits a grandfathered nonbank bank from engaging "in any activity in which it was not lawfully engaged as of March 5, 1987." Is it correct to interpret this provision to mean that if, for example, a nonbank bank held insured deposits on March 5, 1987, and was servicing those deposits, it could solicit and accept additional such deposits after that date?

Mr. PROXMIRE. Yes, that is correct.

Mr. CRANSTON. Further, is it correct that our colloquy of March 26 regarding joint marketing—page S3959 of the RECORD—would apply to insured deposits?

Mr. PROXMIRE. That is also correct.

Mr. CRANSTON. I would like to engage the floor manager in a colloquy concerning section 406 of the legislation. One provision of that section grants to the Federal Home Loan Bank Board new authority to establish minimum capital requirements on a case-by-case basis. I would first like to confirm that this authority is essentially the same as has been granted to the Federal Reserve Board, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency by the International Lending Supervision Act of 1983. Is that correct?

Mr. PROXMIRE. Yes, that is correct.

Mr. CRANSTON. It is my understanding that each of those agencies has published a notice of proposed rulemaking for capital maintenance and risk-based capital rules pursuant to the authority granted by the International Lending Supervision Act. Can the gentleman confirm that they have taken such action?

Mr. PROXMIRE. Each of the agencies has sought comment on such proposed rules.

Mr. CRANSTON. I would like to confirm that the gentleman shares my expectation that the Bank Board will also seek public comment through a rulemaking concerning the proper implementation of this new authority and thereafter will promptly publish permanent regulations. Moreover, this authority will not be exercised until temporary or permanent rules have been published in the Federal Register. Is that your expectation, as well?

Mr. PROXMIRE. It is.

HOLDING SHARES IN STREET NAME

Mr. RIEGLE. I worked with the chairman and other members of the committee to secure passage of an amendment clarifying the scope of section 101(c) of the bill relating to the prohibition on acquisitions of more than 5 percent of the shares of other bank or thrift institutions by grandfathered nonbank banks. That amendment was successful. However, since the committee action, I have been made aware of an additional, technical clarification which is needed. It is my understanding that the prohibition on acquiring control of more than 5 percent of the shares or assets of an institution would not generally apply to shares of stock held in street name on behalf of another if those shares are held by a securities firm solely on behalf of a customer, are not voted by the firm, and raise no concerns regarding control. Is that a correct interpretation of that language?

Mr. PROXMIRE. Yes, it is. But I want to emphasize that the firm holding the shares must act only as the agent of its customers, must not have control over the institution in question, must not attempt to exercise such control, and must not vote the shares in question.

CLASSIFICATION OF ASSETS

Mr. CRANSTON. I wish to confirm that the intent of title IV, section 402, paragraph (1) is to ensure that like assets of commercial banks and those of thrift institutions—for example, mortgage loans, home improvement loans, car loans, and other similar investments—shall be treated similarly by both the Federal banking regulators and the thrift regulators. Further, Mr. Chairman, is it your understanding that the conference committee recognized that there are significant differences in assets allowed by the Federal banking regulators and their thrift counterparts?

Mr. PROXMIRE. My colleague, Mr. Cranston is correct. The committee recognizes that there are differences in permissible assets allowed by Federal banking regulators and thrift regulators for different types of institutions. This section is not designed to redefine the permissible investments or the assets of a commercial bank or thrift institution or require them to have the same assets but to require a similar regulatory framework where the institutions have the same asset.

SECTION 101(h)

Mr. DODD. At page 121 of the Statement of Managers, there is a description of section 101(h) of the conference report that I do not believe is quite correct. Am I correct that section 101(h) exempts from the definition of a bank a nonbank bank the owner of which publicly announced before March 5, 1987, an intention to sell the institution and the purchaser of which acquires the institution within 180 days of enactment of this act, informs the Federal Reserve Board within 7 days of the purchase of its intention to convert the institution to a credit card bank, and actually converts the institution to a credit card bank within 180 days of purchasing the institution?

Mr. PROXMIRE. The Senator is correct.

THE ATM PROVISIONS OF TITLE VI, EXPEDITED FUNDS AVAILABILITY

Inasmuch as Senator Dodd is the sponsor of the Senate's expedited funds availability legislation and was the chief negotiator with the House on the subject during the banking conference, I have a question about the meaning of the sections in title VI that deal with deposits made into proprietary and nonproprietary ATM's.

I understand that special provisions apply to nonproprietary ATM's to reflect the fact that the systems currently cannot distinguish between cash and checks and among different types of checks. I want to make sure I understand the distinction based upon whether an ATM is operated by a receiving depository institution.

Let's assume a consumer makes a deposit at an ATM operated by Philadelphia National Bank for itself and for several other depository institutions. If the depositor's account is maintained at Philadelphia National Bank, then the deposit would be made into a proprietary ATM because the ATM is operated by Philadelphia National Bank.

On the other hand, if the depositor's account is maintained at another institution that is part of the ATM network, then the deposit would be made into a nonproprietary ATM because the ATM is not operated by the depositor's depository institution.

Is that correct?

Senator DODD. Yes; that is correct.

INTENT OF THE SUPERVISORY APPEALS PROCESS—ENHANCE LEGITIMATE DELIBERATION WITHOUT INVITING ABUSE AND DELAY

Mr. GARN. With the chairman's permission I would like to engage in a brief colloquy concerning the supervisory appeals process.

Mr. PROXMIRE. I welcome the opportunity to engage the gentleman on this important provision.

Mr. GARN. We have all spent a great deal of time studying the balance between the need for timely, accurate, and effective supervisory decisions, and the concerns of some thrifts that the current process should be broadened to include some review of supervisory decisions independent of the supervisory agents. I commend the chairman for his leadership in shaping what I believe is the correct balance. I want to make clear that underlying the conference debate was a sense that what we were constructing was more a conduit for enhanced communication between supervisory agents and S&L's than an adversarial process. Evaluating the worth of real estate is hard work and not as precise and objective an analysis as we might wish—reasonable experts may differ. By arranging to have these decisions looked at by another pair of eyes, we intend to achieve greater consensus on supervisory decisions. We do not intend to create obstructions or combat—and, of course, this informal review process would not affect any other recourse available to either party.

Mr. PROXMIRE. The Senator is entirely correct. He and I both attended many meetings and briefings examining concerns of the thrift industry regarding overvalued or undervalued real estate and the always difficult calculation of write-downs. Write-downs are an essential part of the supervisory process. Moreover, they are essential to sound business operation and fiduciary responsibility. However, the write-down is only as accurate as full information and knowledge will allow, and even then, as the gentlemen notes, some difference of opinion may remain. The conferees recognized the supervisory appeals process will not create perfect supervision, but we believe it will help as long as all parties concerned act in good faith and with dispatch. There will be disagreements but we intend for there to be no abuse—this is a process for legitimate deliberation over a class of supervisory determinations. If that occurs, as Congress intends, then the entire supervisory process will be strengthened, its integrity enhanced, and the concerns of S&L's answered.

THE INTENT OF FORBEARANCE—AID THE DESERVING WITHOUT PERMITTING ABUSE BY IMPRUDENT OPERATORS

Mr. GARN. With the chairman's permission, I would like to engage in a brief colloquy concerning the findings and intent of the conference as to the capital recovery provisions.

Mr. PROXMIRE. I would be happy to engage the distinguished gentleman.

Mr. GARN. I have followed the issue of forbearance very closely—attended many hearings and briefings, and studied the record presented to the Congress. I conclude, as we all do, that there are serious problems in the savings and loan industry today. I commend the chairman for his leadership of what I believe to be a responsible and effective response to those problems.

Mr. PROXMIRE. I appreciate the Senator's remarks and acknowledge his invaluable contributions on these issues.

Mr. GARN. As the chairman is keenly aware there are many reasons why we find our savings and loan industry in its current state. First, there are deep pockets of economic despair in this Nation, and as with some other industries, the thrift industry has been wounded. Our capital recovery plan responds to this plight and I know it carries the endorsement and commitment of the FSLIC and its operating head, the Bank Board, to carry forth our intent—that all well-managed and viable thrifts, with reasonable prospects for recovery and sound business plans, should be permitted and aided in their efforts to recover from their business woes as long as their condition is due, primarily, to the depressed economy.

However, Mr. Chairman, I don't think any of the conferees or any Members of either body of Congress want to give an equivocal message about another class of thrifts that are suffering and causing suffering to their depositors, stockholders, their own industry, the FSLIC itself, and ultimately, to the public and the very integrity of our Federal Deposit Insurance System.

This class of S&L's, and I emphasize for the record that it is a small minority of the industry, has operated thrifts in an unsafe and unsound condition—often engaging in fraudulent and reckless investment strategies, self-dealing, conflicts of interest, and a whole host of otherwise repugnant business practices in violation of statutes, regulations, ethics, their fiduciary duties, and plain decent business standards.

I know, the Senator feels very strongly about this issue, and it is important that the record of this Congress be clear—we have found that a substantial part of the S&L problem is a direct result of this type of misconduct. And we intend to provide no safe harbor for such people. Rather, we want to encourage strong and swift supervisory and enforcement action taken against anyone who would so abuse their thrift charters and the integrity of the FSLIC.

Mr. PROXMIRE. I thank the Senator for stating so eloquently that which I personally believe and which I understand to be the unanimous sentiment of the conferees.

We are pleased with the forbearance provisions, and confident that the Bank Board's regulations will advance our intent—to provide forbearance for institutions suffering through no fault of their own, without permitting a perversion of this provision by those thrift institutions troubled by their own misdeeds.

THE EXCEPTIONS TO THE 2-PLUS-2 EXIT FEE

Mr. GARN. With the chairman's permission, I would like to engage the gentleman in a brief colloquy concerning our understanding of the exceptions of what is referred to as the 2-plus-2 exit fee, whether imposed under section 21 of the Federal Home Loan Bank Act, or under section 407(d) of the National Housing Act.

Mr. PROXMIRE. I would be happy to discuss the provisions with the gentleman.

Mr. GARN. It is my understanding that we are excepting three limited categories of institutions from these preexisting and continuing statutorily prescribed exit fees: First, those that already left the FSLIC system for the FDIC on or before March 31, 1987; second, those that actually filed with or gave notice to the FSLIC, the Bank Board, or a State or Federal banking agency regarding a transaction that would result in their leaving the FSLIC for the FDIC; and third, those that entered into letters of intent or written memorandums of understanding regarding transactions that would result in their leaving the FSLIC for the FDIC. It is my understanding, Mr. Chairman, and the point for which I seek your confirmation, that this third category is intended to include those institutions that formally executed documents evidencing a decision to proceed with the transaction that results in their leaving the FSLIC, and conveyed those documents to parties involved in those transactions.

Mr. PROXMIRE. I thank the gentleman for raising such an important point for clarification, and appreciate the opportunity to make explicit that our intent is to except only those institutions that have, by March 31, 1987, formally executed letters of intent or written memorandums of understanding that indicate their present intent to proceed with the transaction that results in their leaving the FSLIC for the FDIC. Conversely, we do not intend to include in this excepted category those institutions that had, by March 31, 1987, conveyed to the parties in their transactions or developed for their internal consideration less than formally executed decisions to proceed—for example, discussion memorandums, issues papers, or other manifestations of predecisional negotiation and analysis.

Mr. GARN. I would like to engage the floor manager in a brief colloquy concerning one point of section 406 of the legislation. That section provides the Federal Home Loan Bank Board with authority to establish minimum capital requirements comparable to that granted the Federal banking agencies by the International Lending Supervision Act of 1983. I understand section 406 will be an invaluable tool for the Bank Board in fulfilling the public policy goal of raising the capital standards of the thrift industry and I heartily endorse this section. I also understand that section 406 is not intended to preclude the Board from phasing in higher capital levels over time commensurate with the strength of the industry, as determined by the Board.

Mr. PROXMIRE. The Senator is correct. Through the addition of ILSA, the Bank Board, for the first time, will have parity with Federal banking agencies as far as explicit statutory authority to raise minimum capital levels for the industry as a whole and on a case-by-case basis, as appropriate. This is a crucial component of effective supervision of a federally insured industry where capital is the touchstone of financial integrity and a guardian of our insurance guarantee. I agree with the gentleman that the requirements should be phased in, as determined by the Board, taking into consideration the relative strength of the thrift industry. I also note that the phase in of minimum capital requirements industrywide should not restrict and is not intended to inhibit a case-by-case application in the name of safety and soundness.

MORATORIUM ON OPERATING OPTIONS TRADING SYSTEM

Mr. CRANSTON. As a member of the conference committee on H.R. 27, I seek clarification from you about the moratorium provisions of title II. Specifically, I refer to section 201(b)(2)(C) concerning the operation of a non-dealer marketplace in options. Am I correct in stating that the application of the moratorium to this particular activity is not intended to restrict banks, bank holding companies, or their subsidiaries or affiliates from providing traditional banking services in connection with all types of securities trades by acting as a custodian or transfer agent, by handling the disbursement of funds, by serving as a clearing agency, or by otherwise acting as an agent on behalf of a customer?

Mr. PROXMIRE. My friend from California is correct. The moratorium on operating a nondealer marketplace in options does not curtail the entities subject to the moratorium from engaging in those traditional banking activities which you have enumerated.

Mr. D'AMATO. I am glad to hear that Chairman PROXMIRE agrees with Senator CRANSTON's understanding of section 201(b)(2)(C) of the legislation because I share Senator CRANSTON's concerns about the exact meaning of this provision. Senator CRANSTON's and my concerns have been adequately addressed by your clarification, Chairman PROXMIRE, which further elaborates on the language contained in the manager's statement in the conference report.

Mr. D'AMATO. Mr. President. I urge my colleagues to support the legislation before us today because it is the culmination of almost a year and half of intense efforts to recapitalize the FSLIC fund.

While the bill contains 12 titles, I believe the most important of these provide direct and immediate benefits to the consumers of financial products and services and the depositors in the Nation's thrift institutions. Ironically, the provisions which benefit the American consumer the most have received the least media attention. In addition to the recapitalization of the FSLIC fund, these provisions concern the:

Expediting of the check clearing process;

Congressional declaration reaffirming that the full faith and credit of the Federal Government stands behind those depository institutions insured by the Federal Government;

Allowance for extended loan loss amortization for agricultural banks;

Easing of the acquisition of failing and failed institutions so that the depositors of the institutions will not be denied access to their funds;

Payment of interests to the holders of yellow certificates of the Golden Pacific National Bank; and

Performance of studies by the Comptroller of the Currency designed to examine the safety and soundness of thrift institutions and to examine ways to expedite the processing and to minimize the expenses involved with the U.S. Government checks.

Much of the controversy surrounding the bill has dealt with titles I and II. These titles concern the closing of the so-called nonbank bank loophole and the imposition of a moratorium on banks and bank holding companies from engaging in certain activities prohibited by the Glass-Steagall Act. While I do not necessarily support all of the provisions of title I and would prefer a final legislative solution addressing the structure of our financial system rather than the moratorium contained in title II, I believe that the legislation in its current form represents a delicate balancing of greater interests that must be served and served soon.

For example, the warring factions that tend to be involved in the disputes regarding title I and title II involve what I describe as the "big boys." The tremendous disputes involving title I and title II put major commercial entities, domestic banking colossi, big investment houses, big thrift institutions and big insurance firms against each other. These institutions will suffer little, if any, long or short term hardships that may be inflicted by titles I and II of the bill.

I do not believe that the Congress should bow to the pressures exerted by the "big boys" who would like to derail the legislative process because they have failed to receive the favorable treatment which they so fervently sought and erroneously thought they deserved. I believe that the greater good served by this legislation which recommends its passage is found in the other 10 titles of the bill, especially title III, the FSLIC recapitalization plan.

The squabbling and struggling amongst the big boys about the future structure of the U.S. financial system is, at present, insignificant when compared to the threat that a loss of depositor confidence in the thrift industry poses to the financial system. Before we enact legislation designed to provide comprehensive reforms of the financial system, we must seek to ensure that the immediate threat to that system presented by an insolvent FSLIC fund is remedied. We must remember that ultimately regulators do not close financial institutions, lack of public confidence is the cause of their shut down. Comprehensive reform of the system will take more time, the crisis confronting FSLIC is immediate and therefore requires the immediate response provided for in title III and the forbearance provisions contained in title IV of the bill. While I would have preferred to recapitalize the FSLIC fund with an amount of $15 billion, I believe that the $10.825 billion is a vast improvement on the $7.5 billion contained in S. 790 and the $5 billion provided in H.R. 27. Therefore, I am prepared to endorse this legislation despite the screeching and moaning of the big boys who perceive themselves to be somehow wronged by titles I and II because:

First, the other provisions of the bill address problems of direct and immediate concern to the thrift industry and depositors in those institutions and indirectly to those individuals who finance their homes through loans from these institutions and the housing industry which constructs these homes;

Second, the moratorium contained in title II is temporary and expires on March 1, 1988; and

Third, because the members of the Senate Banking Committee have committed to addressing, in the near future, legislative proposals designed to address the structure of our domestic financial system.

Mr. HEINZ. Mr. President, it has been nearly 5 years since the Congress has passed any substantive banking legislation. In 1982, the Congress approved the passage of the Garn-St Germain Depository Institutions Act, a landmark event for America's economically distressed thrift industry. During the ensuing years, however, the Nation's financial services industry has been confronted by a mountain of critical financial issues which, if left unresolved, threatened to become a mudslide of competitive imbalance, regulatory chaos and financial instability and bury the financial services industry.

The legislation, reflected in the conference report before us today, is one that will address some of the more critical problems. It is one that will stabilize the financial services industry. It is one that will provide Congress the opportunity to review and establish national policy concerning the Nation's banking industry. It is one that is critical to the continued strength and viability of that industry. It is one that has my strongest support. It is one which I would unequivocally urge my colleagues to support.

Mr. President, the legislation has been controversial. It has been contentious. It has sparked sharp debate from all quarters. I want to commend Chairman PROXMIRE for his Herculean efforts in moving the bill to the point where it is today. I would note, Mr. President, that many of the provisions of the bill had their genesis under the chairmanship of Senator GARN, who is also to be congratulated for his efforts. Finally, the members of the conference committee are to be congratulated to their willingness to work through some very thorny issues and reach acceptable compromises that will benefit both the financial services industry and the consumers.

Five years ago, a crisis in the Nation's thrift industry prompted the legislation enacted at that time. It is ironic that a second crisis in the same industry; namely, the crisis confronting the Federal Savings and Loan Insurance Fund—is what has brought us back to the legislative drawing board again.

This legislation recapitalizes the Federal Savings and Loan Insurance Corporation. Last year, I noted that the FSLIC was a ticking time bomb. It was. It had been pushed beyond its capacity and, at that time, faced potential bankruptcy, due to the inordinate number of problem cases and mounting losses facing it. The Federal Home Loan Bank Board imposed a special assessment on individual FSLIC-insured institutions but it was not enough to staunch the hemorrhage of the cost of resolution of the growing number of very expensive FSLIC cases and bolster the needed long-term recapitalization of the fund.

As we all know too well, Mr. President, the FSLIC was declared insolvent in the spring of this year. The thrift industry's contributions to the secondary reserves were extinguished. In the absence of any resources, the Corporation could not resolve any more problem cases. Needless to say, the public's confidence in the system was severely undermined, as witnessed by the silent runs on both healthy and ill institutions in the economically troubled areas of the country.

This legislation addresses these problems. It provides an industry-funded plan to recapitalize the FSLIC. The proposal is supported by the administration, the industry and the conferees. It permits bonding authority of $10.83 billion, with $830 million of that amount to be used to restore the industry's contribution to the secondary reserve.

In conjunction with the shoring up of the FSLIC, the bill also extends and expands the Federal regulators' authority to arrange emergency interstate acquisitions of failing institutions. This will enable the regulators to deal with financially distressed institutions in the most effective and orderly fashion. More importantly, it will ensure absolute protections for deposits and full confidence in the financial marketplace.

Needless to say, Mr. President, the long-term recapitalization of the FSLIC Fund was the engine driving this bill. But the state of the FSLIC Fund was and is only the tip of the iceberg. There are other issues that must be addressed not only to guarantee the success of the FSLIC recapitalization plan but also to stabilize the entire financial services industry.

Rapid and revolutionary forces have buffeted the industry in recent years. It is obvious that the Nation is at a crossroad in terms of what its national financial policy and system will be. In light of this, Congress has the responsibility to reexamine the existing statutory framework—most of which has been in place for over 50 years—to determine whether it is still relevant in light of the rapid evolution of the marketplace, technology, and consumer needs. Since the last major banking legislation, however, Congress' role has been usurped by ad hoc deregulatory efforts on a piecemeal basis, whether by regulatory and judicial fiat or by those who have exploited loopholes in the existing law. The result is that while the system is not broken, it has definitely run amok. The situation can best be described by quoting from a familiar passage of a children's book:

> I don't think they play at all fairly, * * * and they all quarrel so dreadfully one can't hear oneself speak—and they don't seem to have any rules in particular; at least, if there are, nobody attends to them—and you've no idea how confusing it all is * * *.

Mr. President, the words of Lewis Carroll's "Alice in Wonderland" are more befitting to the state of the Nation's banking system during this period. New competitors, possessing new competitive advantages, are threatening the entire system, at the expense of the Federal Deposit Insurance System.

The legislation before us addresses some of these critical issues at this time. In my mind, it is the best solution to reestablish the "fair play" and the "rules" and to eliminate the "confusion" by reasserting congressional authority over our fundamental banking laws until we can conduct a comprehensive review of the statutory framework.

How does it do this? Let me elaborate very briefly:

First, the legislation closes the nonbank bank loophole and forces those institutions to play by the rules that the rest of the banks must abide by. This is a crucial component to the legislation. It restores competitive equity to the Nation's banking system by bringing within the parameters of Federal law those entities that are banks in every sense of the word except for purposes of the bank holding company. With certain limited exceptions, firms owning these limited service banks will now be subject to the same regulations governing geographic and product expansion as are bank holding companies.

It is important to note, Mr. President, that closing the nonbank bank loophole does more than bring the firms owning these entities under the umbrella of the Bank Holding Company Act. It eliminates the potential not only for abuse but also for creating a situation fraught with adverse consequences for the system as a whole. It will also expedite the recovery of the thrift industry. Until now, the nonbank bank loophole has given commercial banks and other enterprises a simple and inexpensive way to acquire interstate franchise rights. A very serious result has been the virtual elimination of serious bids for severely troubled thrifts and the undermining of any chance for success of the recapitalization proposal. Closing the loophole and permitting new firms, including entities owning grandfathered nonbank banks to acquire failing thrifts will bring new capital into the struggling industry and assure the long-term recapitalization of the FSLIC Fund.

Second, the legislation freezes until March 1, 1988, the Federal regulators from expanding existing authorities of banks to engage in nonbanking activities. I don't like legislated moratoria, Mr. President, because they don't solve the problems confronting the financial services industry. All they do is buy us time. However, in my opinion, the decision to make new or to change existing policy with respect to banking activities remains solely within the purview of the Congress and not by regulatory or State fiat and loophole leaders. Given the impasse that has existed on the subject as well as the piecemeal erosion of our banking laws, the moratorium was absolutely necessary. This legislation provides the Banking Committee and the Congress with a stable financial environment in which to conduct a thorough and searching review of the statutory framework governing the financial services industry.

I am convinced that the Congress, with appropriate input from all quarters, can and will examine carefully the structure of our financial system and resolve this matter in the 100th Congress. The members of the committee, including myself, have committed themselves to undertake this action. In fact, the Banking Committee has already commenced its review of the existing laws to determine whether they are still relevant and what changes, if any, need to be made in order to ensure the continued viability and safety and soundness of the system. These are complex issues and deserve this type of comprehensive review. The moratorium gives us the time, the information and the expertise to conduct the type of review to which the issue is entitled.

Mr. President, there are other meritorious provisions in this legislation. The bill provides much needed relief for consumers against banks who place unnecessarily long holds on deposited checks. It gives banks—and farmers—beset by problems in the agricultural sector of our economy time to work out troubled loans. It restores confidence in the Nation's Federal Deposit Insurance System by reaffirming the sense of the Congress that the full faith and credit of the United States protects depositors' funds in federally insured institutions.

This is a very good piece of legislation, Mr. President. It resolves the immediate problems facing the industry today. More importantly, it provides the framework to address the upcoming issues. I am proud to have been a participant in the committee, the Senate, and the conference which produced this final product.

Mr. GRASSLEY. Mr. President, the legislative process can certainly be long, some would say cumbersome. However, the framers of our Government intended that lawmaking would be a painful art, and evolution of developing ideas and vision.

Mr. President, H.R. 27, the Competitive Equality Banking Act of 1987 embodies this art. Our colleagues from Wisconsin and Utah, Mr. PROXMIRE and Mr. GARN, know all too well the pain that this art may entail. Their efforts, their vision, their dedication, are appreciated. It is no small task to acquire consensus among the divergent financial groups which have joined in support behind this bill. The bill in its entirety, while not perfect, represents progress in the financial services industries.

In particular, Mr. President, I would like to extend appreciation to Senator DIXON, who sponsored the amendment which became title VIII of this bill. Title VIII provides for 7-year amortization of farm loans in agricultural banks. I am very proud to have joined him, along with 10 other Senators, as a cosponsor of this section.

In Iowa many banks have been closed due to a troubled farm economy. Just last week another Iowa bank, the fifth this year, was closed due to problem agricultural loans. Regulators at FDIC predict that 200 banks nationally will fail before the close of

1987. This deferral period for farm loan losses will not only enable some rural communities to keep their banks open, it will also provide many lenders an incentive to keep productive farmers in business by writing down their debt to manageable levels. This partial solution to the farm crisis will not cost Government a dime, but will provide the farm economy time and flexibility to adjust to a new economic environment.

In support of this provision, I wrote letters to the conferees to urge them to include it in the conference committee report. In further support of this provision, as well as in support of the emergency assistance to the Federal Savings and Loan Insurance Corporation, I have sent a letter to the President to urge him to sign H.R. 27 into law.

So in conclusion, Mr. President, I urge my colleagues to support this bill, as reported out of the conference committee. I believe that it represents a fair compromise among the financial services. Especially, it provides much needed assistance to rural banks.

Mr. GORE. Mr. President, I rise today in support of the conference agreement for the Competitive Equality Banking Act of 1987. This legislation is vital to restore public trust in the stability of our savings and loan institutions.

Title III of the conference report, the Federal Savings and Loan Insurance Corporation [FSLIC] recapitalization, has been accurately described as emergency legislation. This provision would provide $10.825 billion with an annual net borrowing limit of $3.75 billion to recapitalize the insolvent FSLIC. The Federal Savings and Loan Insurance Corporation was $6 billion in the red at the end of last year because of the large number of S&L failures. Furthermore, it is estimated that savings and loans are currently losing $6 million a day. The conference agreement also establishes a forbearance system to keep well-managed but troubled financial thrifts open. I believe that this legislation will prevent a disaster waiting to happen—a taxpayer bailout of the S&L industry—and restore public confidence in the thrift industry.

While emergency legislation may come and go, the most far-reaching effects of the Competitive Equality Banking Act of 1987 will be its long-awaited move toward congressional restructuring of the financial services industry. No longer will judges and regulators determine the rules in a rapidly changing, increasingly technological industry. As the distinction between banking and commerce continues to blur, the global scale of the industry pits U.S. financial institutions against largely unregulated foreign firms: Foreign institutions can get around many U.S. banking laws, yet U.S. firms are being shut out of the playing field overseas. Congress must act to allow U.S. financial institutions to retain their competitive edge.

I have urged Banking Committee members on a number of occasions to enact comprehensive reform of the financial services industry. I welcome my colleagues' pledge to act on this overall issue before the temporary provisions of the Competitive Equality Banking Act of 1987 expire. Even while Congress has been debating H.R. 27, the Banking Committees have been holding hearings concerning issues of the long-term restructuring of the financial services industry. I look forward to working with my colleagues on this critical issue of the long-term health of the financial services industry.

The conference agreement addresses several critical areas: The closing of the nonbank bank loophole except for those in operation on or before March 5, 1987; a moratorium on the ability of banks to sell securities, insurance, or real estate until March 1988; and permitting any financial or commercial concern to acquire an insolvent savings and loan association with assets of $500 million or more. This conference report has garnered widespread support on the whole—even though many groups strongly oppose specific provisions—because it sets the stage for expeditious congressional action on the vital issues of competition within the financial services industry.

Furthermore, the conference agreement contains a long-sought victory for consumers. The check hold provision will allow customers quicker access to their funds deposited in financial institutions. For checks within the same general area, consumers will soon be able to have access to their funds the day following deposit. For checks that were drawn outside the area, a longer waiting period would be required. This provision will put an end to extraordinary delays in the processing of checks by some financial institutions.

I would like to commend my colleagues on the Banking Committees for their hard work in crafting this compromise. I hope that the Senate will pass this measure expeditiously, and the President will sign it into law.

Mr. SASSER. Mr. President, as a member of the Banking Committee I rise in support of the conference report on the Competitive Equality Banking Act of 1987. This bill is the product of several months of intensive work by the members of the Senate and House Banking Committees. It is vitally important legislation.

The bill recapitalizes the Federal Savings and Loan Insurance Corporation, and provides a badly needed infusion of funds to shore up the thrift industry. Although I am concerned that the bill may now provide too much money, too quickly, to an agency that does not yet have a track record of efficient management, I cannot overlook the fact that this action is desperately necessary. The bill and the recapitalization program will restore confidence in the deposit insurance system and thereby avert a potential financial crisis of unprecedented proportions.

The bill also closes the nonbank bank loophole once and for all. By doing so, it stops the entry of unregulated, diversified companies into the banking business. Nonbank banks, creatures of loophole lawyers, had raised regulatory havoc and engendered extensive litigation.

The bill makes a number of advances in consumer protection. Most importantly, it helps the American consumer by providing for a system of expedited check clearing. No longer will financial institutions be able to deny a person access to his money by placing lengthy holds on checks. In addition, in another area where consumers have had problems, the bill places caps on all adjustable rate mortgages and home equity loans.

Lastly, Mr. President, the bill's temporary moratorium on certain regulatory actions by the Federal banking agencies sets the stage for a comprehensive review, by the Banking Committee, of proposals to restructure the financial services industry and of the question of expanded products and services for commercial banks.

Mr. President, most of all, this legislation is a tribute to the tireless efforts and courageous leadership, of my friend and colleague, Senator PROXMIRE. As chairman of the Banking Committee, he guided this bill through an obstacle course of special interests and legislative logjams. Indeed, back in January, when he started this process, most people said it could not be done. They said too much time had passed since the last banking bill and the marketplace had changed too much. According to this view, we either had to do a narrow clean FSLIC bill or we needed to undertake a massive rewriting of the Nation's banking laws.

Chairman PROXMIRE held his ground. He advanced a moderate proposal, and modified it in the Banking Committee in order to form a consensus. He molded this legislative package along the policy lines that he has upheld throughout his long and illustrious career. The Banking Committee accepted it and, I might add, it has changed very little since it was reported by the committee March 10.

This bill puts the safety and soundness of our Nation's depositors foremost. The interests of consumers and competitive equity in the banking industry are protected by a scheme of fair and evenhanded regulation. It helps ensure that future national banking policy will be made by Congress, by setting forth a framework for comprehensive legislation. But it calls a halt to disquieting trends that had been fostered by loophole lawyers and uncontrollable market forces.

In sum, Mr. President, this bill puts us back on the right track. Again, I congratulate Senator PROXMIRE for his leadership and achievement. I yield the floor.

FSLIC EXIT FEES UNDER H.R. 27, THE COMPETITIVE EQUALITY BANKING ACT OF 1987

Mr. RUDMAN. I would like to take this opportunity to clarify the application of exit fee exemptions under H.R. 27. As I understand it, H.R. 27 requires the financing corporation to assess an exit fee on any insured institution which ceases to be an institution insured by the FSLIC. However, section 21(f)(4)(F) of the measure provides exemptions for institutions which have taken certain steps prior to March 31, 1987. Specifically, section 21(f)(4)(F)(iii) of the bill provides an exemption for institutions which "entered into a letter of intent or a written memorandum of understanding, pursuant to a transaction which will result in the termination of the institution's status as an insured institution in connection with its conversion into, merger with, acquisition by consolidation with, reorganization into, or combination by any means with, an institution the deposits of which are insured by the Federal Deposit Insurance Corporation."

Mr. PROXMIRE. That is correct.

Mr. HUMPHREY. If a savings and loan institution signed a letter of intent with a bank providing for the merger of the two institutions on March 19, 1987, then filed an application with the Federal Deposit Insurance Corporation [FDIC] for insurance of accounts in connection with the proposed merger transaction on April 23, 1987, would this institution qualify for the exemption under section 21(f)(4)(F)(iii), notwithstanding the fact that the proposed merger subsequently fell through in June 1987, if this institution pursues FDIC insurance by modifying its FDIC application?

Mr. PROXMIRE. Yes, it would qualify since the letter of intent was entered into on March 19, 1987, before the March 31 grandfather date, and as part of the process initiated by that letter the institution will change its insurance status to FDIC-insured. Thus grandfather status attaches despite the fact that the original merger transaction was not consumated as announced in June 1987, since the April 23 application to change insurance stems from the March 19 date. But this only applies since the April 23 application to the FDIC, under which the conversion will occur, was filed before the date of enactment of this bill. Thus if conversion does not proceed under the April 23 application—as may be modified with the approval of the FDIC—the institution will lose its grandfather rights.

If the institution retains its grandfather rights, it may proceed with its application notwithstanding the 1 year prohibition on termination of FSLIC insurance under section 306(h).

Mr. RUDMAN. I would inquire of the ranking manager of the bill if this is also his interpretation of this matter.

Mr. GARN. Yes, I agree with the assessment just given by the distinguished chairman, Mr. PROXMIRE.

Mr. RUDMAN. I thank the chairman and the ranking manager.

Mr. HUMPHREY. I too wish to thank the chairman and ranking manager for their assistance in this matter.

The PRESIDING OFFICER. The Senator from Utah.

Mr. GARN. Mr. President, I have no other requests for speaking on my side of the aisle, and I am willing to yield back my time.

Mr. PROXMIRE. Mr. President, we have no request on this side, and I yield back my time.

As I understand, the yeas and nays have been ordered.

The PRESIDING OFFICER. The yeas and nays have not been ordered.

Mr. PROXMIRE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. All time having now been yielded back, the question occurs on the conference report. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Hawaii [Mr. INOUYE] and the Senator from Illinois [Mr. SIMON] are necessarily absent.

The PRESIDING OFFICER (Mr. WIRTH). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 96, nays 2, as follows:

[Rollcall Vote No. 226 Leg.]

YEAS—96

Adams
Baucus
Bentsen
Biden
Bingaman
Bond
Boren
Boschwitz
Bradley
Breaux
Bumpers
Burdick
Byrd
Chafee
Chiles
Cochran
Cohen
Conrad
Cranston
D'Amato
Danforth
Daschle
DeConcini
Dixon
Dodd
Dole
Domenici
Durenberger
Evans
Exon
Ford
Fowler
Garn
Glenn
Gore
Graham
Gramm
Grassley
Harkin
Hatch
Hatfield
Hecht
Heflin
Heinz
Helms
Hollings
Humphrey
Johnston
Karnes
Kassebaum
Kasten
Kennedy
Kerry
Lautenberg
Leahy
Levin
Lugar
Matsunaga
McCain
McClure
McConnell
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Murkowski
Nickles
Nunn
Packwood
Pell
Pressler
Proxmire
Pryor
Quayle
Reid
Riegle
Rockefeller
Roth
Rudman
Sanford
Sarbanes
Sasser
Shelby
Simpson
Specter
Stafford
Stennis
Stevens
Symms
Thurmond
Trible
Warner
Weicker
Wilson
Wirth

NAYS—2

Armstrong
Wallop

NOT VOTING—2

Inouye
Simon

So the conference report was agreed to.

Mr. GARN. I move to reconsider the vote by which the conference report was agreed to.

Mr. PROXMIRE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

MEDICARE CATASTROPHIC ILLNESS

Mr. BYRD. Mr. President, we still have some good working hours left in the day. I would like to inquire of the distinguished Republican leader if we might go to the bill, S. 1127, a bill to provide for Medicare catastrophic illness coverage. I think we have time in the remainder of this week to complete action on this measure if we can get started on it. It is important, not only to the poor and the elderly, but to our other citizens as well.

Mr. President, may we have order in the Senate?

Mr. President, the distinguished Republican leader has been making a very conscientious effort to have this bill cleared on his side. I know that he has been doing that.

There have been some problems there. There are no holds on this side and there have not been any. There is no objection to proceeding with this measure on this side. There were no objections yesterday.

I would like to inquire of the distinguished Republican leader as to what success he may have had on his side in getting this measure cleared for action.

Mr. President, I would like to have order in the Senate.

The PRESIDING OFFICER. Before proceeding——

Mr. BYRD. If the Sergeant at Arms can help us?

The PRESIDING OFFICER. The Chair would request that Senators wishing to converse retire to the cloakroom.

The minority leader is recognized.

Mr. DOLE. Let me indicate to the majority leader that the distinguished Senator from Minnesota, Senator DURENBERGER, is in process of contacting each of the Senators who have holds on the catastrophic coverage bill. He has had some success. I thought I might catch him on the floor. I will have to check to make that determination, but I do know for the moment at least, I would have to object on behalf of another. I have no objection.

This matter was raised this morning at the White House with the President. The President indicated he does support catastrophic coverage. He did recommend legislation. He is concerned about the cost of the House-passed bill and the cost of what he believes are some features of the Senate bill, but, obviously, the administration has nothing to do with when we bring it up. So I will get back to the majority leader.

I do believe there is at least, if not time to finish this bill, there will be time to do a lot of discussions and have a lot of good debate on the bill before we leave here on Friday.

Mr. BYRD. Mr. President, I believe we have time to complete action on this bill before we go out for the August break. I have a responsibility to do everything I can to try to get the measure up.

I am sure that if we can get the measure up that those who have problems, I think, will be under great pressure to try to work together to resolve those problems, and I thank the Republican leader for his efforts. I know that, if he has someone on his side—and I am confident that he does, I have no doubt about that—he is not at liberty to give consent to call it up, but I feel that I have to make the effort. I hope that, if it is objected to, by the Republican leader on behalf of another Senator, that efforts will continue to clear it and, having said that, I ask unanimous consent that the Senate proceed to consideration of S. 1127.

The chairman of the Finance Committee, Mr. BENTSEN, is on the floor right now.

He made a good case for proceeding with this measure on yesterday.

Mr. President, before I put the request formally, I yield to the distinguished chairman of the committee, Senator BENTSEN, for any comments he may have.

Mr. BENTSEN. Mr. Leader, we have had a great deal of time to study this measure and to prepare for debate on it. We have had the committee report printed. In turn, I instruct all staff to handle with priority any call from any Member pertaining to this legislation. We are prepared to go forward with it.

Mr. President, this is a bill that came out of committee by a unanimous vote, 20 to 0, with bipartisan support, very strong support.

Mr. President, the longer we wait means that those who are the least able to afford those kinds of financial sacrifice will be faced with a choice of deciding between food and medical care. It means that we are going to have more and more families who will be financially destitute as they try to take care of catastrophic illnesses.

Mr. President, this is something that was in the President's State of the Union Address as part of his agenda. This further undermines that.

We have no holds on our side. I strongly urge anyone who has a hold on this legislation to give consideration to the fact that they will be out in their State for 30 days and they will have all the interest groups on both sides trying to put pressure on them. I think we ought to address it now and get it done. It is clearly needed and it is good legislation.

Frankly, to those who think if they wait they will have less to contend with, I think they are seriously wrong. I see all the staff diligently pouring over that particular piece of legislation, trying to add further amendments to it. Most of those amendments will cost more money. We are already facing serious problems on the budget and we are trying to settle that.

Mr. President, I would urge that we move ahead with this matter. I think the most contentious issue will be the question on prescription drugs. In turn, I suppose in part there will be the compensation or paying for the catastrophic illness. But those are things that we should be able to reach agreement on without too much debate.

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. 1127, a bill to provide for catatrophic illness coverage, and for other purposes.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Mr. President, reserving the right to object, I will object on behalf of other Senators on this side. Again I would pledge to the majority and the distinguished chairman that we are trying to help in moving this along. I do not have any quarrel with doing that. The distinguished ranking Republican, Senator PACKWOOD, is here. And I am advised that Senator DURENBERGER is in the middle of a meeting and as soon as he completed that he will get back to the distinguished majority leader.

The PRESIDING OFFICER. Objection is heard.

Mr. BYRD. I thank the distinguished Republican leader.

VETERANS' EMPLOYMENT AND TRAINING AMENDMENTS

Mr. BYRD. Mr. President, I understand this is a request which has been cleared on the other side of the aisle.

Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. 999, Calendar Order 262.

The PRESIDING OFFICER. The clerk will report.

The legislation clerk read as follows:

A bill (S. 999) to amend title 38, United States Code, and the Veterans' Job Training Act to improve veterans' employment, counseling, and job training services and programs.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration.

The Senate proceeded to consider the bill which had been reported from the Committee on Veterans' Affairs with an amendment to strike all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE; REFERENCE TO TITLE 38, UNITED STATES CODE.

(a) SHORT TITLE.—This Act may be cited as the "Veterans' Employment, Training, and Counseling Amendments of 1987".

(b) REFERENCES TO TITLE 38.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

SEC. 2. ADMINISTRATION OF EMPLOYMENT AND TRAINING PROGRAMS.

(a) Section 2002A is amended—

(1) by inserting "(a)" before "There"; and

(2) by adding at the end the following new subsections:

"(b) The Secretary shall—

"(1) carry out all provisions of this chapter through the Assistant Secretary of Labor for Veterans' Employment and Training and administer through such Assistant Secretary all programs under the jurisdiction of the Secretary for the provision of employment and training services designed to meet the needs of disabled veterans, veterans of the Vietnam era, and all other eligible veterans and eligible persons;

"(2) in order to make maximum use of available resources, encourage all such programs and all grantees under such programs to enter into cooperative arrangements with private industry and business concerns (including small business concerns), educational institutions, trade associations, and labor unions;

"(3) ensure that maximum effectiveness and efficiency are achieved in providing services and assistance to eligible veterans under all such programs by coordinating and consulting with the Administrator with respect to (A) programs conducted under other provisions of this title, with particular emphasis on coordination of such programs with readjustment counseling activities carried out under section 612A of this title, apprenticeship or other on-job training programs carried out under section 1787 of this title, and rehabilitation and training activities carried out under chapter 31 of this title, and (B) the Veterans' Job Training Act (Public Law 98-77, 29 U.S.C. 1721 note);

"(4) ensure that job placement activities are carried out in coordination and cooperation with appropriate State public employment service officials;

"(5) subject to subsection (c)(2) of this section, make available for use in each State, directly or by grant or contract, such funds as may be necessary (A) to support (i) disabled veterans' outreach program specialists appointed under paragraph (1) of section 2003A(a) of this title, and (ii) local veterans' employment representatives assigned under section 2004(b) of this title, and (B) to support the reasonable expenses of such specialists and representatives for training, travel, supplies, and fringe benefits, including travel expenses and per diem for attendance at the National Veterans' Employment and Training Service Institute established under section 2010A of this title;

"(6) monitor and supervise on a continuing basis the distribution and use of funds provided for use in the States under this paragraph (5) of this subsection; and

"(7) monitor the appointment of disabled veterans' outreach specialists and the assignment of local veterans' employment representatives in order to ensure compliance with the provisions of section 2003A(a)(1) and 2004(a)(4), respectively.

"(c)(1) The distribution and use of funds under subsection (b)(5) of this section in order to carry out sections 2003A(a) and 2004(a) of this title shall be subject to the continuing supervision and monitoring of the Secretary and shall not be governed by the provisions of any other law, or any regulations prescribed thereunder, that are inconsistent with this section or section 2003A or 2004 of this title.

"(2) In determining the terms and conditions of a grant or contract under which funds are made available in a State under subsection (b)(5) of this section in order to carry out section 2003A(a) or 2004 (a) and (b) of this title, the Secretary shall take into account (A) the evaluations, carried out pursuant to section 2003(c)(13) of this title, of the performance of local employment offices in the State, and (B) the results of the monitoring, carried out pursuant to paragraph (1) of this subsection, of the use of funds under subsection (b)(5) of this section.

"(d) The Secretary shall assign to each region for which the Secretary operates a regional office a representative of the Veterans' Employment and Training Service to serve as the Regional Director for Veterans' Employment and Training.".

(b) CONFORMING AND CLERICAL AMENDMENTS.—(1) Section 2003A is amended—

(A) in subsection (a)—

(i) by striking out paragraphs (1), (3), and (5) and redesignating paragraphs (2) and (4) as paragraphs (1) and (2), respectively;

(ii) in paragraph (1) (as so redesignated)—

(I) by amending the first sentence to read as follows: "The amount of funds made available for use in a State under section 2002A(b)(5)(A)(i) of this title shall be sufficient to support the appointment of one disabled veterans' outreach program specialist for each 5,300 veterans of the Vietnam era and disabled veterans residing in such State";

(II) in the third, fourth, and fifth sentences, by inserting "qualified" before "disabled" each place it appears; and

(III) in the fifth sentence, by inserting "qualified" after "any"; and

(iii) in paragraph (2) (as so redesignated), by striking our "paragraph (2) of"; and

(B) by striking out subsection (d).

(2) Section 2006 is amended—

(A) in subsection (a), by striking out the last sentence; and

(B) in subsection (d), by striking out "of Labor, upon the recommendation of the Assistant Secretary of Labor for Veterans' Employment,".

(3)(A) Section 2009 is repealed.

(B) The table of sections at the beginning of chapter 41 is amended by striking out the item relating to section 2009.

SEC. 3. LOCAL VETERANS' EMPLOYMENT REPRESENTATIVES.

(a) IN GENERAL.—(1) Section 2004 is amended to read as follows:

"§ 2004. Local veterans' employment representatives

"(a)(1) The total of the amount of funds made available for use in the States under section 2002A(b)(5)(A)(ii) of this title shall be sufficient to support the assignment of 1,600 full-time local veterans' employment representatives and the States' administrative expenses associated with the assignment of that number of such representatives and shall be allocated to the several States so that each State receives funding sufficient to support—

"(A) the number of such representatives who were assigned in such State on January 1, 1987, plus one additional such representative;

"(B) the percentage of the 1,600 such representatives for which funding is not provided under clause (A) of this paragraph which is equal to the average of (i) the percentage of all veterans residing in the United States who reside in such State, (ii) the percentage of the total of all eligible veterans and eligible persons registered for assistance with local employment offices in the United States who are registered for assistance with local employment offices in such State, and (iii) the percentage of all full-service local employment offices in the United States which are located in such State; and

"(C) the State's administrative expenses associated with the assignment of the number of such representatives for which funding is allocated to the State under clauses (A) and (B) of this paragraph.

"(2)(A) The local veterans' employment representatives allocated to a State pursuant to paragraph (1) of this subsection shall be assigned by the administrative head of the employment service in the State, with the concurrence of the State Director for Veterans' Employment and Training, so that as nearly as practical (i) one full-time such representative is assigned to each local employment office at which a total of at least 1,100 eligible veterans and eligible persons is registered for assistance, (ii) one additional full-time such representative is assigned to each such local employment office for each 1,500 such individuals above 1,100 such individuals who are so registered at such office, and (ii) one half-time such representative is assigned to each local employment office at which at least 350 but less than 1,100 such individuals are so registered.

"(B) In the case of a local employment office at which less than 350 such individuals are so registered, the head of such office (or the designee of the head of such office) shall be responsible for ensuring compliance with the provisions of this title providing for priority services for veterans and priority referral of veterans to Federal contractors.

"(3) For the purposes of this subsection, an individual shall be considered to be registered for assistance with a local employment office during a program year if the individual—

"(A) registered, or renewed such individual's registration, for assistance with the office during that program year; or

"(B) so registered or renewed such individual's registration during a previous program year and, in accordance with regulations which the Secretary shall prescribe, is counted as still being registered for administrative purposes.

"(4) Each local veterans' employment representative shall be a veteran. Preference shall be given in the assignment of such representatives to qualified disabled veterans. If the Secretary finds that no qualified disabled veteran is available for any such assignment, such assignment may be given to a qualified veteran who is not a disabled veteran.

"(b) Local veterans' employment representatives shall be assigned, in accordance with this section, by the administrative head of the employment service in each State.

"(c)(1) The services provided by local veterans' employment representatives shall be subject to the functional supervision specified in section 2003(c)(1)(A) of this title.

"(2)(A) Except as provided in subparagraph (B) of this paragraph, the work of local veterans' employment representatives shall be fully devoted to discharging at the local level the duties and functions specified in section 2003 (c)(1)(B) and (c) (2) through (12) of this title.

"(B) The duties of local veterans' employment representatives shall include providing, or facilitating the provision of, counseling services to veterans who, pursuant to section 5(b)(3) of the Veterans' Job Training Act (Public Law 98-77; 29 U.S.C. 1721 note), are certified as eligible for participation under such Act.".

(2) The item relating to such section in the table of sections at the beginning of chapter 41 is amended to read as follows:

"2004. Local veterans' employment representatives.".

(b) BUDGETING.—Section 2006(a) is amended—

(1) in the fifth sentence—

(A) by striking out "to fund the disabled veterans' outreach program under section 2003A" and inserting in lieu thereof "in all of the States for the purposes specified in paragraph (5) of section 2002A(b) of this title and to fund the National Veterans' Employment and Training Service Institute under section 2010A"; and

(B) by striking out "such section" and inserting in lieu thereof "such sections"; and

(2) by amending the sixth sentence to read as follows: "Each budget submission with respect to such funds shall include separate listings of the proposed numbers, by State, of disabled veterans' outreach program specialists appointed under section 2003A(a)(1) of this title and local veterans' employment representatives assigned under section 2004(b) of this title, together with information demonstrating the compliance of such budget submission with the funding requirements specified in the preceding sentence.".

(c) REPORTING REQUIREMENTS.—Subsection (c) of section 2007 is amended to read as follows:

"(c) Not later than February 1 of each year, the Secretary shall report annually to the appropriate committees of the Congress on the success during the preceding fiscal year of the Department of Labor and its affiliated State employment service agencies

in carrying out the provisions of this chapter and programs for the provision of employment and training services to meet the needs of veterans. The report shall include—

"(1) specification, by State, of the numbers of eligible veterans, veterans of the Vietnam era, disabled veterans, special disabled veterans, and eligible persons who registered for assistance with the public employment service system and, of each such categories, the numbers referred to and placed in jobs, the numbers referred to and placed in jobs and job training programs supported by the Federal Government, the number counseled, and the number who received some reportable service;

"(2) any determination made by the Secretary during the preceding fiscal year under section 2006 of this title or subsection (a)(2) of this section and a statement of the reasons for such determination;

"(3) a report on activities carried out during the preceding fiscal year under sections 2003A and 2004 of this title; and

"(4) a report on the operation during the preceding fiscal year of programs for the provision of employment and training services designed to meet the needs of veterans, including an evaluation of the effectiveness of such programs during such fiscal year in meeting the requirements of section 2002A(b) of this title, the efficiency with which services were provided under such programs during such year, and such recommendations for further legislative action (including the need for any changes in the formulas governing the appointment of disabled veterans' outreach program specialists under section 2003A(a)(2) of this title and the assignment of local veterans' employment representatives under section 2004(b) of this title and the allocation of funds for the support of such specialists and representatives) relating to veterans' employment as the Secretary considers appropriate.".

SEC. 4. PERFORMANCE OF DISABLED VETERANS' OUTREACH PROGRAM SPECIALISTS AND LOCAL VETERANS' EMPLOYMENT REPRESENTATIVES.

(a) IN GENERAL.—Chapter 41 is amended by inserting after section 2004 the following new section:

"§ 2004A. Performance of disabled veterans' outreach program specialists and local veterans' employment representatives

"(a)(1) After consultation with State employment agencies or their representatives, or both, the Secretary shall prescribe, and provide for the implementation and application of, standards for the performance of disabled veterans' outreach program specialists appointed under section 2003A(a) of this title and local veterans' employment representatives assigned under section 2004(b) of this title and shall monitor the activities of such specialists and representatives.

"(2) Such standards shall be designed to provide for—

"(A) in the case of such specialists, the effective performance at the local level of the duties and functions of such specialists specified in section 2003A (b) and (c) of this title,

"(B) in the case of such representatives, the effective implementation at the local level of the duties and functions specified in paragraphs (1)(B) and (2) through (12) of section 2003(c) of this title, and

"(C) the monitoring and rating activities prescribed by subsection (b) of this section.

"(3) Such standards shall include as one of the measures of the performance of such a specialist the extent to which the specialist, in serving as a case manager under section 14(b)(1)(A) of the Veterans' Job Training Act (Public Law 98-77; 29 U.S.C. 1721 note), facilitates rates of successful completion of training by veterans participating in programs of job training under that Act.

"(4) In entering into an agreement with a State for the provision of funding under section 2002A(b)(5) of this title, the Assistant Secretary of Labor for Veterans' Employment and Training personally may make exceptions to such standards to take into account local conditions and circumstances, including the employment, counseling, and training needs of the eligible veterans and eligible persons served by the office or offices to which the exception would apply.

"(b)(1) State Directors for Veterans' Employment and Training and Assistant State Directors for Veterans' Employment and Training shall regularly monitor the performance of the specialists and representatives referred to in subsection (a)(1) of this section through the application of the standards required to be prescribed by such subsection (a)(1).

"(2) A State Director for Veterans' Employment and Training, or a designee of such Director, shall submit to the head of the employment service in the State recommendations and comments in connection with each annual performance rating of a disabled veterans' outreach program specialist or local veterans' employment representative in the State.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 41 is amended by adding at the end the following:

"2004A. Performance of disabled veterans' outreach program specialists and local veterans' employment representatives.".

SEC. 5. WAIVER OF RESIDENCY REQUIREMENT FOR CERTAIN STATE DIRECTORS FOR VETERANS' EMPLOYMENT AND TRAINING.

Section 2003(b)(1) is amended—

(1) by inserting "(A)" after "(1)";

(2) by redesignating clauses (A) and (B) as clauses (i) and (ii), respectively;

(3) by inserting in clause (i), as redesignated by clause (2), ", except as provided in subparagraph (B) of this paragraph," after "shall"; and

(4) by adding at the end the following new subparagraph:

"(B) The Secretary, where the Secretary determines that it is necessary to consider for appointment as a State Director for Veterans' Employment and Training an eligible veteran who is an Assistant State Director for Veterans' Employment and Training and has served in that capacity for at least 2 years, may waive the requirement in subparagraph (A)(i) of this paragraph that an eligible veteran be a bona fide resident of a State for at least 2 years in order to be eligible to be assigned as a State Director for Veterans' Employment and Training. In the event of such a waiver, preference shall be given to a veteran who meets such residency requirement and is equally as qualified for the position of State Director as such Assistant State Director.".

SEC. 6. SHARING OF INFORMATION REGARDING POTENTIAL EMPLOYERS.

(a) BETWEEN THE DEPARTMENTS OF DEFENSE AND LABOR.—Section 2005 is amended—

(1) by inserting "(a)" before "All"; and

(2) by adding at the end the following new subsection:

"(b) For the purpose of assisting the Secretary and the Administrator in identifying employers with potential job training opportunities under the Veterans' Job Training Act (Public Law 98-77; 29 U.S.C. 1721 note) and otherwise in order to carry out this chapter, the Secretary of Defense shall provide to the Secretary and to the Administrator (1) not more than 30 days after the date of the enactment of this subsection, the then-current list of employers participating in the National Committee for Employer Support of the Guard and Reserve, and (2) thereafter, on the fifteenth day of each month, updated information regarding the list.".

(b) BETWEEN THE VETERANS' ADMINISTRATION AND THE DEPARTMENT OF LABOR.—(1) Section 2008 is amended—

(A) by inserting "(a)" before "In"; and

(B) by adding at the end the following new subsection:

"(b) The Administrator shall require each regional office of the Veterans' Administration to provide to appropriate employment service offices and Department of Labor offices, as designated by the Secretary, on a monthly or more frequent basis, the name and address of each employer located in the area served by such regional office that offers a program of job training which has been approved by the Administrator under section 7 of the Veterans' Job Training Act (Public Law 98-77; 29 U.S.C. 1721 note).".

(2)(A) The heading of section 2008 is amended to read as follows:

"§ 2008. Cooperation and coordination".

(B) The item relating to such section in the table of sections at the beginning of chapter 41 is amended to read as follows:

"2008. Cooperation and coordination.".

SEC. 7. RESPONSIBILITIES OF PERSONNEL.

(a) STATE AND ASSISTANT STATE DIRECTORS FOR VETERANS' EMPLOYMENT AND TRAINING.—Section 2003(c) is amended—

(1) in clause (1)—

(A) by inserting "(A) functionally supervise the provision of services to eligible veterans and eligible persons by such system and such program and their staffs, and (B)" after "(1)"; and

(B) by inserting ", including the program conducted under the Veterans' Job Training Act (Public Law 98-77; 29 U.S.C. 1721 note)" after "programs";

(2) in clause (2), by inserting "and otherwise to promote the employment of eligible veterans and eligible persons" after "opportunities";

(3) in clause (11), by striking out "and" at the end;

(4) in clause (12), by striking out the period and inserting in lieu thereof "; and"; and

(5) by adding at the end the following new clause:

"(13) not less frequently than annually, conduct an evaluation at each local employment office of the services provided to eligible veterans and eligible persons and make recommendations for corrective action as appropriate.".

(b) DISABLED VETERANS' OUTREACH PROGRAM SPECIALISTS.—Section 2003A(c) is amended—

(1) in clause (4), by inserting "(including part C of title IV of the Job Training Partnership Act (29 U.S.C. 1501 et seq.))" after "programs";

(2) in clause (6), by inserting "(including the program conducted under the Veterans' Job Training Act (Public Law 98-77; 29 U.S.C. 1721 note))" after "programs"; and

(3) by adding at the end the following new clauses:

"(9) Provision of counseling services to veterans with respect to veterans' selection

of and changes in vocations and veterans' vocational adjustment.

"(10) Provision of services as a case manager under section 14(b)(1)(A) of the Veterans' Job Training Act (Public Law 98-77; 29 U.S.C. 1721 note).".

SEC. 8. NATIONAL VETERANS' EMPLOYMENT AND TRAINING SERVICE INSTITUTE.

(a) ESTABLISHMENT OF INSTITUTE.—Chapter 41 is further amended by adding at the end the following new section:

"§ 2010A. National Veterans' Employment and Training Service Institute

"In order to provide for such training as the Secretary considers necessary and appropriate for the efficient and effective provision of employment, job-training, placement, and related services to veterans, the Secretary shall establish and make available such funds as may be necessary to operate a National Veterans' Employment and Training Service Institute for the training of disabled veterans' outreach program specialists, local veterans' employment representatives, State Directors for Veterans' Employment and Training, and Assistant State Directors for Veterans' Employment and Training, and such other personnel involved in the provision of employment, job-training, counseling, placement, or related services to veterans as the Secretary considers appropriate.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 41 is further amended by adding at the end the following new item:

"2010A. National Veterans' Employment and Training Service Institute.".

SEC. 9. STUDY OF UNEMPLOYMENT AMONG CERTAIN DISABLED VETERANS AND VIETNAM THEATER VETERANS.

(a) IN GENERAL.—Chapter 41 is further amended by adding at the end the following new section:

"§ 2010B. Special unemployment study

"(a) The Secretary, through the Bureau of Labor Statistics, shall conduct, on a biennial basis, studies of unemployment among special disabled veterans and among veterans who served in the Vietnam Theater of Operations during the Vietnam era and promptly report to the Congress on the results of such studies.

"(b) The first study under this section shall be completed not later than July 1, 1988.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 41 is amended by adding at the end the following new item:

"2010B. Special unemployment study.".

SEC. 10. SECRETARY'S COMMITTEE ON VETERANS' EMPLOYMENT.

Clause (1) of section 2010(b) is amended—

(1) by redesignating subclauses (D), (E), and (F) as subclauses (E), (F), and (G), respectively;

(2) by inserting after subclause (C) a subclause, as follows:

"(D) the Secretary of Education;"

(3) by striking out "and" at the end of subclause (F) (as so redesignated);

(4) by adding at the end the following new subclause:

"(H) the Postmaster General; and".

SEC. 11. VETERANS' JOB TRAINING ACT AMENDMENTS.

(a) EXPANSION OF ELIGIBILITY.—(1) Paragraph (1) of section 5(a) of the Veterans' Job Training Act (Public Law 98-77; 29 U.S.C. 1721 note) is amended to read as follows:

"(1) To be eligible for participation in a job training program under this Act, a veteran must—

"(A) be unemployed at the time of applying for participation in a program under this Act;

"(B)(i) have been unemployed for at least 10 of the 15 weeks immediately preceding the date of such veteran's application for participation in a program under this Act; or

"(ii)(I) have been terminated or laid off from employment as the result of a plant closing or major reduction in the number of persons employed by the veteran's prior employer, and (II) have no realistic opportunity to return to employment in the same or similar occupation in the geographical area where the veteran previously held employment; and

"(C)(i) have served in the active military, naval, or air service for a period of more than 180 days; or

"(ii)(I) have been discharged or released from the active military, naval, or air service for a service-connected disability; or (II) be entitled to compensation (or but for the receipt of retirement pay be entitled to compensation).".

(2) Section 3(3) of such Act is amended—

(A) by striking out "'Korean conflict'" and "(9)"; and

(B) by striking out "'State', and 'Vietnam era'," and "(24), and (29)" and inserting in lieu thereof "and 'State'" and "and (24)", respectively.

(b) COUNSELING.—(1) Section 14 of such Act is amended by striking out subsection (b) and inserting in lieu thereof the following:

"(b)(1) The Administrator and the Secretary shall jointly provide for—

"(A) a program under which, except as provided in paragraph (2), a disabled veteran's outreach program specialist appointed under section 2003A(a) of title 38, United States Code, is assigned as a case manager for each veteran participating in a program of job training under this Act, the veteran has an in-person interview with the case manager not later than 60 days after entering into a program of training under this Act, and periodic (not less frequent than monthly) contact is maintained with each such veteran for the purpose of (i) avoiding unnecessary termination of employment, (ii) referring the veteran to appropriate counseling, if necessary, (iii) facilitating the veteran's successful completion of such program, and (iv) following up with the employer and the veteran in order to determine the veteran's progress in the program and the outcome regarding the veteran's participation in and successful completion of the program;

"(B) a program of counseling services (to be provided pursuant to subchapter IV of chapter 3 of such title and sections 612A, 2003A, and 2204 of such title) designed to resolve difficulties that may be encountered by veterans during their training under this Act; and

"(C) a program of information services under which (i) each veteran who enters into a program of job training under this Act and each employer participating under this Act is informed of the supportive services and resources available to the veteran (I) under subparagraphs (A) and (B), (II) through Veterans' Administration counseling and career-development activities (especially, in the case of a Vietnam-era veteran, readjustment counseling services under section 612A of such title) and under part C of title IV of the Job Training Partnership Act (29 U.S.C. 1501 et seq.), and (III) through other appropriate agencies in the community, and (ii) veterans and employers are encouraged to request such services whenever appropriate.

"(2) No case manager still be assigned pursuant to paragraph (1)(A) in the case of the employees of an employer if the Secretary determines that—

"(A) the employer has an appropriate and effective employee assistance program that is available to all veterans participating in the employer's programs of job training under this Act; or

"(B) the rate of veterans' successful completion of the employer's programs of job training under this Act, either cummulatively or during the previous program year, is 60 percent or higher.

"(c) Before a veteran who voluntarily terminates from a program of job training under this Act or is involuntarily terminated from such program by the employer may be eligible to be provided with a further certificate, or renewal of certification, of eligibility for participation under this Act, such veteran must be provided by the Administrator with appropriate vocational counseling in light of the veteran's termination.".

(2) Section 7(d) of such Act is amended—

(A) by redesignating paragraph (12) as paragraph (13); and

(B) inserting after paragraph (11) the following new paragraph:

"(12) That, as applicable, the employer will provide each participating veteran with the full opportunity to participate in a personal interview pursuant to section 14(b)(1)(A) during the veteran's normal workday.".

(c) DISCONTINUANCE OF APPROVAL OF PARTICIPATION IN PROGRAMS OF EMPLOYERS WITH UNSATISFACTORY COMPLETION RATES.—Section 11 of such Act is amended—

(1) by inserting "(a)" after "SEC. 11."; and

(2) by adding at the end the following new subsection:

"(b)(1) If the Secretary, after consultation with the Administrator and in accordance with regulations which the Administrator and the Secretary shall jointly prescribe to carry out this subsection, determines that the rates of veterans' successful completion of an employer's programs of job training previously approved by the Administrator for the purposes of this Act is disproportionately low, the Administrator shall disapprove participation in such programs on the part of veterans who had not begun such participation on the date that the employer is notified of the disapproval.

"(2)(A) A disapproval under paragraph (1) shall remain in effect until such time as the Administrator determines that adequate remedial action has been taken. In determining whether the remedial actions taken by the employer are adequate to ensure future avoidance of a disproportionately low rate of successful completion, the Administrator may, except in the case of an employer which the Secretary determines meets the criteria specified in clause (A) or (B) of section 14(b)(2), consider the likely effects of such actions in combination with the likely effects of using the payment formula described in subparagraph (B) of this paragraph. If the Administrator finds that the combined effects of such actions and such use are adequate to ensure future avoidance of such a rate, the Administrator may revoke the disapproval with the revocation conditioned upon such use for a period of time that the Administrator considers appropriate under the circumstances.

"(B) The payment formula referred to in subparagraph (A) is a formula under which, subject to sections 5(c) and 8(a)(2), the amount paid to the employer on behalf of a veteran shall be—

"(i) in the case of a program of job training of 4 or more months duration—

"(I) for the first 4 months of such program, 30 percent of the product of the starting hourly rate of wages paid to the veteran by the employer (without regard to overtime or premium pay) and the number of hours worked by the veteran during such months;

"(II) for any period after the first 4 months, 50 percent of the product of the starting hourly rate of wages paid to the veteran by the employer (without regard to overtime or premium pay) and the number of hours worked by the veteran during that period; and

"(III) upon the veteran's successful completion of the program, the amount that would have been paid, above the amount that was paid, for such first 4 months pursuant to subclause (I) if the percentage specified in subclause (I) were 50 percent rather than 30 percent; and

"(ii) in the case of a program of job training of less than 4 months duration—

"(I) for the months prior to the final scheduled month of the program, 30 percent of the product of the starting hourly rate of wages paid to the veteran by the employer (without regard to overtime or premium pay) and the number of hours worked by the veteran during the months prior to such final scheduled month;

"(II) for the final scheduled month of the program, 50 percent of the product of the actual hourly rate of wages paid to the veteran by the employer (without regard to overtime or premium pay) and the number of hours worked by the veteran during that month; and

"(III) upon the veteran's successful completion of the program, the amount that would have been paid, above the amount that was paid, for the months prior to the final scheduled month of the program pursuant to subclause (I) if the percentage specified in subclause (I) were 50 percent rather than 30 percent.".

(d) Authorization of Appropriations.—Section 16 of such Act is amended—

(1) by inserting "(a)" before "There";

(2) in subsection (a) (as so designated)—

(A) by inserting after the first sentence the following new sentence: "There is also authorized to be appropriated, in addition to the appropriations authorized by the preceding sentence, $60,000,000 for each of the fiscal years 1988 and 1989 for the purpose of making payments to employers under this Act."; and

(B) in the final sentence, by striking out "1989" and inserting in lieu thereof "1991"; and

(3) by adding at the end the following new subsection:

"(b) Notwithstanding any other provision of law, any funds appropriated under subsection (a) for any fiscal year which are obligated for the purpose of making payments under section 8 on behalf of a veteran (including funds so obligated which previously had been obligated for such purpose on behalf of another veteran and were thereafter deobligated) and are later deobligated shall immediately upon deobligation become available to the Administrator for obligation for such purpose. The further obligation of such funds by the Administrator for such purpose shall not be required, directly or indirectly, to be delayed in any manner by any officer or employee in the executive branch.".

(e) Deadlines for Veterans' Applications and Entry Into Training.—Section 17 of such Act is amended to read as follows:

"Sec. 17. Assistance may not be paid to an employer under this Act—

"(1) on behalf of a veteran who initially applies for a program of job training under this Act after June 30, 1989; or

"(2) for any such program which begins after December 31, 1989.".

(f) Conforming Amendment.—Section 5(b)(3)(A) of such Act is amended by striking out "The" at the beginning of the first sentence and inserting in lieu thereof "Subject to section 14(c), the".

(g) Data on Participation.—Section 15 of such Act is amended by adding at the end the following new subsection:

"(f) The Secretary shall, on a not less frequent than quarterly basis, collect from the heads of State employment services and State Directors for Veterans' Employment and Training information available to such heads and Directors, and derived from programs carried out in their respective States, with respect to the numbers of veterans who receive counseling services pursuant to section 14, who are referred to employers participating under this Act, who participate in programs of job training under this Act, and who complete such programs, and the reasons for veterans' noncompletion.".

SEC. 12. REVISIONS OF NOMENCLATURE.

(a) Secretary of Labor.—(1) Section 2001 is amended by adding at the end the following new paragraph:

"(7) The term 'Secretary' means the Secretary of Labor.".

(2) Sections 2002A, 2003 (a) and (b)(2), 2005(a) (as redesignated by the amendment made by section 6(a)(1)), 2006(a), 2007, 2008(a) (as redesignated by the amendment made by section 6(b)(1)), and 2010(b) are amended by striking out "Secretary of Labor" each place it appears except where preceded by "Assistant" and inserting in lieu thereof "Secretary".

(3) The first sentence of section 2010(b) is amended by striking out "The" and inserting in lieu thereof "Notwithstanding section 2002A(b)(1) of this title, the".

(b) Assistant Secretary of Labor for Veterans' Employment and Training.—(1) Sections 2000(2), 2002, 2002A(a) (as redesignated by section 2(a)) and 2010(b) are amended by inserting "and Training" after "Assistant Secretary of Labor for Veterans' Employment" each place it appears.

(2)(A) The heading of section 2002A is amended to read as follows:

"§ 2002A. Assistant Secretary of Labor for Veterans' Employment and Training; national programs".

(B) The item relating to such section in the table of sections at the beginning of chapter 41 is amended to read as follows:

"2002A. Assistant Secretary of Labor for Veterans' Employment and Training; national programs.".

(c) State and Assistant State Directors for Veterans' Employment and Training.—(1) Sections 2003 and 2003A(b)(2) are amended by inserting "and Training" after "State Directors for Veterans' Employment" and "Assistant State Director for Veterans' Employment" each place those terms appear.

(2)(A) The heading of section 2003 is amended to read as follows:

"§ 2003. State and Assistant State Directors for Veterans' Employment and Training".

(B) The item relating to such section in the table of sections at the beginning of chapter 41 is amended to read as follows:

"2003. State and Assistant State Directors for Veterans' Employment and Training.".

SEC. 13. EFFECTIVE DATE.

The provisions of and amendments made by this Act shall take effect on October 1, 1987.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Veterans Affairs be discharged from further consideration of the House companion bill, H.R. 1504, that the Senate proceed to the immediate consideration of H.R. 1504, that the Senate strike all after the enacting clause and substitute the language of S. 999, as amended.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, as chairman of the Committee on Veterans' Affairs, I rise to urge all my colleagues to support passage of S. 999—the proposed Veterans' Employment, Training and Counseling Amendments of 1987—as unanimously reported from the Committee on Veterans' Affairs on July 28, which I introduced on April 9. I was delighted to be joined on April 9 in introducing S. 999, and on April 21 in introducing the revised version of it—Amendment No. 160—by Committee members Matsunaga and DeConcini. Joining later as cosponsors were committee members Mitchell, Rockefeller, Graham, and Thurmond and Senators Kerry, Burdick, and Simon.

The bill as reported, which I will refer to as the committee bill, incorporates the provisions of amendment No. 160 and many suggestions of the witnesses at our April 30 hearing, most of which was chaired most ably by Senator Rockefeller. I am very grateful to Senator Rockefeller for the excellent contribution he made to the committee's consideration of this legislation.

CHAPTER 41 AMENDMENTS: VETERANS' EMPLOYMENT AND TRAINING SERVICE

Basically, chapter 41 of title 38, United States Code, provides for veterans' job and job-training counseling and placement service programs, and employment service programs for eligible veterans and certain other eligible persons, and requires that the Assistant Secretary of Labor for Veterans'

Employment and Training [ASVET] provide these services through the Veterans' Employment and Training Service [VETS] within the Department of Labor. The VETS is required to provide a maximum of employment and training opportunities to veterans, with priority given to the needs of disabled veterans and veterans of the Vietnam era. The VETS works in close cooperation with and through individual State employment agencies in order to provide these services.

A further component of the Federal-State relationship in this regard is the provision of Federal funding for DVOP's and LVER's who provide job counseling, training, and placement services to veterans.

In fiscal year 1987, the Department of Labor is funding 1,894 DVOP's at a cost of $69,450,000 and 1,379 LVER's at a cost of $56,983,000. Although the DVOP's and LVER's are fully federally-funded, the persons serving in these positions are employed by the individual State employment agencies and for the most part are located in Job Service offices throughout each State. Current law requires that in each State at least 25 percent of the DVOP's be outstationed.

In addition, SDVET's and ASDVET's in each State are appointed by, report to, and are under the administrative direction of the ASVET. The SDVET's and ASDVET's serve as the representatives of the ASVET in each State in carrying out the ASVET's responsibility to ensure that State employment agencies, through their LVER's and DVOP's, are providing services to veterans in compliance with chapter 41 of title 38, United States Code.

At our Veterans' Affairs Committee's April 30 hearing, witness afer witness stressed that, during a period of severe fiscal restraint and exceptionally keen competition for limited Federal resources, it is imperative that the Federal dollars expended for veterans' employment and training services be stretched as far as possible. Dennis K. Rhoades, director of The American Legion's National Economic Commission, Ronald W. Drach, the Disabled American Veterans' national director of employment, Dr. Robert E. David, executive director of the South Carolina Employment Security Commission, and Ronald L. Sager, the 1983 Outstanding DVOP in the United States, all testified that the best way to accomplish this with respect to veterans' employment and training programs would be to build upon the Federal-State partnership by incorporating additional sound managerial principles into the current $126.4 million nationwide program of LVER's and DVOP's—managerial principles which would promote the approaches needed in order to meet veterans' persistent training and employment needs.

Against this background, the committee bill seeks to provide a comprehensive framework for the creation of a more stable, professional DVOP/LVER work force nationwide to furnish employment referral, counseling, job-training, and related services to eligible veterans.

VETERANS' JOB TRANING ACT AMENDMENTS

The Veterans' Job Training Act [VJTA] is designed to promote training and employment opportunities for long-term jobless Vietnam-era and Korean-conflict veterans through a program of cash incentives to employers to help them defray the costs of employing and providing training to such veterans. The VJTA Program was originally established in 1983 with the enactment of the Emergency Veterans' Job Training Act, Public Law 98-77 and was extended and amended in 1984, 1985, 1986. Our committee bill would amend VJTA to authorize VJTA appropriations of $60 million for each of fiscal years 1988 and 1989 and expand the eligiblity to include veterans of all periods of service and eliminate the length-of-unemployment criterion for certain veterans, and make a number of changes designed to enhance veteran-participants' rates of successful completion of VJTA training.

PURPOSE OF COMMITTEE BILL

Mr. President, the basic purpose of the committee bill, as reported, is to improve the provision of employment, counseling, job-training, and related services and opportunities for veterans through revisions of chapter 41 of title 38, United States Code, and the Veterans' Job Training Act.

The revisions to chapter 41 that we are proposing aim for a more effective, supportive, and accountable relationship between the Department of Labor's Assistant Secretary and the State and Assistant State Directors of Veterans' Employment and Training and the Disabled Veterans' Outreach Program specialists [DVOP's] and Local Veterans' Employment Representatives [LVER's] in the State employment agencies. Our legislation is designed to improve the management of veterans' employment and training programs—specifically with respect to the planning, organizing, staffing, administering, coordinating, budgeting, reporting, and evaluating of such programs by both Federal and State officials. Most importantly, our legislation is designed to enhance the effectiveness of employment and training services furnished to veterans by providing for greater accountability and professional development for our very valuable federally funded work force of 3,275 DVOP's and LVER's across the country.

We seek to build upon the Federal-State partnership for veterans' employment and training services by incorporating sound managerial principles to accomplish the following purposes, among others:

First, creation of a stable, professional work force of 1,600 LVER's nationwide to furnish employment and training services to veterans consistently and effectively without interruption due to the recently experienced annual budget hiatus.

Second, development of performance standards for DVOPs and LVER's by the Secretary of Labor, in consultation with State employment agencies.

Third, creation of a permanent National Veterans' Employment and Training Service Institute to train DVOP's, LVER's, State and Assistant State Directors of Veterans Employment and Training and other personnel in the provision of veterans' employment, job training, counseling, placement, and other services.

Fourth, implementation of annual evaluations of local employment offices by the State Directors along with recommendations for corrective action, as appropriate.

Fifth, authorization for the Secretary of Labor to provide for upward mobility of Assistant State Directors of Veterans' Employment and Training by waiving the 2-year State residency requirement to allow an Assistant State Director with 2 years' experience to be appointed as a State Director in a State in which he or she does not meet the residency requirement, with a preference required to be given any equally qualified veteran who meets the State residency requirement.

Sixth, codification of the requirement in section 653.214 of title 20 of the Code of Federal Regulations for State Directors functionally to supervise the provision of services to veterans by State employment agency personnel.

Seventh, require the State Directors and Assistant State directors of Veterans' Employment and Training to conduct not less frequently than annually evaluations of the services at local employment offices and make recommendations for corrective action as appropriate.

With respect to the Veterans' Job Training Act [VJTA], the committee bill would authorize appropriations of $60 million for VJTA for each of fiscal years 1988 and 1989 and expanding VJTA eligibility by repealing the requirement of service during the Korean conflict or Vietnam era and unemployment for 10 of the last 15 weeks for a veteran who is unemployed as a result of a plant closing or other major employment reduction.

This program has provided over 5,200 veterans with the opportunity to gain the skills and on-job experience needed to help them break away from sustained unemployment and build more productive lives for themselves and their families.

At the same time, I feel it is vital that we come to grips with the all-too-high noncompletion rate, and our committee bill attempts to do this by adding extensive provisions to improve the counseling services available to VJTA participants and to create a case-manager approach under which DVOP's will be trained to track and assist veterans as they progress through their training programs.

COMMITTEE BILL AS REPORTED

A major purpose of the committee bill is to seek to make more efficient and effective the relationship between individual State employment agencies and the ASVET in order to improve employment and training services for veterans by provding for greater accountability and professional development for the federally funded work force of 3,273 DVOP's and LVER's across the country and stabilizing that number at approximately 3,500.

Specifically, with respect to the Veterans' Employment and Training Service, the committee bill would:

First, require that the Secretary of Labor's administration of veterans' employment, training, and related programs in all cases—unless provided to the contrary—be through the Assistant Secretary of Labor for Veterans' Employment and Training; and expand the requirement that the Secretary coordinate and consult with the Administrator of Veterans' Affairs with respect to the implementation of VJTA and all veterans' employment, job training, and related programs.

Second, require the Secretary to assign a Regional Director for Veterans' Employment and Training to each region in which there is a Department of Labor regional office.

Third, require the Secretary (a) to make available to the States funding sufficient for 1,600 LVER positions, and related reasonable administrative expenses nationwide; (b) to allocate to each State an amount of funds sufficient for the number of LVER's that it had on January 1, 1987, plus one additional LVER, and to allocate funding for the remaining LVER positions up to 1,600 pursuant to a formula based on first, the State's veteran population, second, the number of veterans registerd at local employment offices in the State, and third, the number of full-service employment offices in the State; and (c) to allocate to each State sufficient funding for the reasonable administrative expenses associated with the assignment of the LVER's for which it receives funding.

Fourth, provide that within each State the LVER's would be assigned to local employment offices so that, as nearly as practicable, each office with at least 1,100 registrants would have a full-time LVER and one additional full-time LVER for each 1,500 additional registrants; a half-time LVER would be assigned at an office with at least 350 but less than 1,100 registrants; and at an office with fewer than 350 registrants, the local office manager would be responsible for compliance with provisions in existing law requiring priority services for veterans and priroity referral of veterans to Federal contractors.

Fifth, require that the Department of Labor's annual budget include estimates of the funding necessary for the assignment of 1,600 LVER's and related administrative expenses and for the operation of the Veterans' Employment and Training Service Institute, and data demonstrating compliance with a requirement that the Secretary approve the submission only if the proposed funding level complies with the requirement for the funding to support 1,600 LVER's and certain expenses.

Sixth, require that persons assigned after October 1, 1987, as LVER's be veterans and that preference be accorded to qualified service-connected disabled veterans, and mandate the Secretary to monitor compliance with these requirements.

Seventh, redefine the responsibilities of LVER's so as to require that their work be fully devoted to certain employment, training, and related programs for veterans and that LVER's duties include providing, or facilitating the provision of, counseling services to veterans certified as eligible for participation under VJTA.

Eighth, require the Secretary, after consultation with State employment agencies or their representatives, to prescribe, and provide for the implementation and application of, standards for the performance of DVOP's and LVER's and to monitor their activities.

Ninth, allow the ASVET personally to make an exception to the nationally prescribed performance standards to take into account local conditions and circumstances.

Tenth, require State and assistant State directors for Veterans' Employment and Training [SDVET's and ASDVET's] regularly to monitor the performance of DVOP's and LVER's through the application of performance standards; require each SDVET or designee to submit to the head of the employment service in the State recommendations and comments in connection with the employment service's annual performance rating of a DVOP or LVER in the State.

Eleventh, authorize the ASVET, where the Assistant Secretary determines it necessary, to allow an ASDVET with 2 years of experience to be considered for appointment as an SDVET by waiving the current 2-year-State-residency requirement for appointment as an SDVET but require that preference be given any equally qualified veteran who meets the State-residency requirement.

Twelfth, require the Secretary of Defense to provide to the Secretary of Labor and the Administrator of Veterans' Affairs the list of employers participating in the National Committee for Employer Support of the Guard and Reserve; and require the Administrator to require Veterans' Administration regional offices to provide to appropriate employment offices the names and addresses of employers offering approved training programs under VJTA.

Thirteenth, require SDVET's and ASDVET's to supervise functionally the provision of services to eligible veterans and eligible persons by the State employment services and their personnel, certain other Federal or federally assisted programs, and State programs, and make SDVET's and ASDVET's functionally responsible for the supervision of the registration and placement of veterans under VJTA and responsible for, in addition to engaging in job development and advancement activities, otherwise promoting the employment of eligible veterans and eligible persons in addition to their responsibilities.

Fourteenth, require SDVET's and ASDVET's to conduct, not less frequently than annually, an evaluation of the services provided to eligible veterans and eligible persons at each local employment office and make recommendations for corrective action as appropriate.

Fifteenth, require the Secretary, in determining the terms and conditions of a grant or contract under which funds are made available to a State, to take into consideration the SDVET's and ASDVET's evaluations of the performance of local employment offices and the results of the Secretary's monitoring and supervision of the distribution and use of DVOP and LVER funding.

Sixteenth, require the Secretary to establish, and make available such funds as may be necessary to operate, a National Veterans' Employment and Training Service Institute [NVETSI] for the training of DVOP's, LVER's, SDVET's, ASDVET's, and such other personnel involved in the provision of employment, job training, counseling, placement, or related services to veterans as the Secretary considers appropriate.

Seventeenth, require the Secretary to conduct a study every 2 years on unemployment among special disabled veterans and among veterans who served in the Vietnam Theater of Operations during the Vietnam era.

Eighteenth, add representatives of the Postmaster General and the Secretary of Education to the Secretary's Committee on Veterans' Employment.

VETERANS' JOB TRAINING ACT AMENDMENTS

The Veterans' Job Training Act [VJTA] is designed to promote training and employment opportunities for long-term jobless Vietnam-era and Korean-conflict veterans through a program of cash incentives to employers to help them defray the costs of employing and providing training to such veterans. The VJTA Program was originally established in 1983 with the enactment of the Emergency Veterans' Job Training Act, Public Law 98-77, and was extended and amended in 1984, 1985, and 1986. I am delighted to have been the coauthor of the 1983 law and the Senate sponsor of the succeeding amendments and extensions. The committee bill contains provisions to amend the VJTA, which would:

First, expand VJTA eligibility (a) eliminate the requirement for service during the Korean conflict or Vietnam era, and (b) to eliminate the requirement of unemployment for at least 10 of the 15 weeks immediately preceding the date of application for a veteran who is unemployed as the result of a plant closing or other major employment reduction and who has no realistic opportunity to return to employment in the same or similar occupation in the same geographic area.

Second, generally require the Secretary and Administrator to provide for case-managers for VJTA trainees by assigning DVOP's as case managers for VJTA trainees and requiring them to conduct a personal interview with each VJTA trainee within 60 days after the initiation of training—employers would be required to agree to provide their VJTA trainees with adequate opportunity during work time to participate—and to make appropriate contact with the trainee not less than monthly thereafter. The purpose of case management would be to avoid unnecessary termination of employment, to make referrals to appropriate counseling, to facilitate successful completion of training, and to follow-up to determine the outcome of the veteran's participation in VJTA. Case managers would not be assigned for trainees placed with an employer which the Secretary determines has an appropriate and effective employee assistance program available to its VJTA trainees, or where the rate of veterans' successful completion of an employer's VJTA programs is 60 percent or higher, either cumulatively or during the previous program year.

Third, require appropriate VA counseling before the Administrator may issue a new or renewed VJTA certificate of eligibility to a veteran who failed to complete a VJTA job training program.

Fourth, require the Administrator and Secretary to expand counseling and information services for VJTA trainees; and require the Administrator, upon the Secretary's determination that an employer has a disproportionately low VJTA completion rate, to disapprove new enrollments of veterans in the employer's VJTA programs until the Administrator determines that successful remedial action has been taken; and authorize the Administrator to condition the reinstatement of approval on the use of a modified payment formula under which payments to the employer for the initial months—up to the first 4—would be reduced from 50 percent to 30 percent of the veteran's starting wage and the amount so withheld would be paid to the employer upon the veteran's completion of the job training program.

Fifth, authorize an appropriation of $60 million for each of fiscal years 1988 and 1989 for VJTA, and extend the deadlines for eligible veterans to apply for, and to enter into, VJTA training by approximately 1½ years.

Sixth, require the Secretary to collect, at least quarterly, data from the States with respect to the numbers of veterans who receive counseling services in connection with VJTA training, are referred to VJTA employers, participate in job training under VJTA, and complete such training and data with respect to the reasons for noncompletions.

Seventh, require that, when VJTA funds which have been obligated in connection with a veteran's entry into a VJTA job training program are deobligated because the veteran leaves the training program before it is complet**ed, the deobligated funds would automatically become available to the VA for reobligation for payments under VJTA.**

DESCRIPTION OF PROVISIONS IN THE COMMITTEE BILL

Mr. President, there are 10 substantive sections in our comprehensive committee bill, and, due to the depth and breadth of the scope of this bill, I think it important that I describe in some detail what the bill will do if enacted.

ADMINISTRATION OF EMPLOYMENT AND TRAINING PROGRAM

Section 2 of the committee bill would first, consolidate in section 2002A of title 38 various provisions of chapter 41 relating to the responsibilities of the Secretary of Labor and Assistant Secretary of Labor for Veterans' Employment and Training [ASVET]; and second, expressly require that, except as otherwise specifically provided, the Secretary must administer through the ASVET all veterans' employment and training programs under the Secretary's jurisdiction and all of the provisions of chapter 41.

The existing requirement—in section 2009(a)(3)—for the Secretary to ensure maximum effectiveness and efficiency in providing services and assistance to eligible veterans by coordinating and consulting with the Administrator with respect to various programs administered by the VA would be recodified in section 2002A and expanded to encompass VJTA. The committee notes that such coordination between the Secretary and the Administrator is essential to the success of the VJTA given that currently the VA is responsible generally for: First, determining veteran eligibility for the program; second, approving participating employers' programs of job training; third, making payments to employers; and fourth, conducting compliance surveys of employers.

The Department of Labor [DOL] is generally responsible for: First, counseling; second, coordination with business and industry; and third, promoting the development of employment and job training opportunities for veterans through employers. Both the VA and the DOL are responsible for conducting an outreach and information program to inform veterans about the employment and training opportunities under VJTA.

Current-law provisions—in section 2003A of title 38—requiring funds to be made available for the salaries and expenses of DVOP's would be recodified in section 2002A and combined with similar, new provisions requiring funds to be made available for the salaries and expenses of LVER's in accordance with the proposed funding formula for LVER support set forth in the amendment proposed in section 3 of the committee bill. A requirement for the provision of funding for DVOP's and LVER's attendance at the National Veterans' Employment and Training Institute would also be made explicit in section 2002A.

The existing provisions—in section 2003A(a)—requiring the Secretary—in effect the ASVET by virtue of the requirement in present section 2009(a)(1) for the Secretary to act through the ASVET—to monitor and supervise the distribution and use of DVOP funding and providing that the distribution of DVOP funding shall not be governed by law or regulations other than the pertinent chapter 41 provisions would also be recodified in section 2002A and expanded to cover LVER's.

Similarly, a provision requiring the Secretary to monitor the appointments of DVOP's and to ensure compliance with provisions requiring preference for certain disabled veterans, would be recodified in section 2002A and, in conjunction with a new provision requiring preference for service-connected disabled veterans in the assignment of LVER's, expanded to cover the assignments of LVER's.

Mr. President, in a provision adding significantly to the accountability of the Secretary for employment programs, the committee bill would require the Secretary, in determining the conditions of a grant or contract under which funds are made available in a State, to take into account the evaluations of local employment offices in the State conducted by SDVET's and ASDVET's pursuant to section 7 of the committee bill. I note that, at our committee's April 30 hearing, every major veterans' service organization stressed the need for improved monitoring of the furnishing of veterans' employment and training services and for overall accountability by the States to DOL. To this end, the committee has added an additional tool by which the Secretary can require accountability—contract management.

The committee bill would further require the Secretary to employ and assign to each region for which the Secretary operates a regional office a representative of the Veterans' Employment and Training Service to serve as Regional Director for Veterans' Employment and Training [RDVET].

Over the last several years, the number of RDVET's has been reduced to seven. The number of DOL regional offices has remained at 10, leaving only VETS with a truncated regional structure among the Department of Labor major programs.

The need for a strong regional VETS structure would be greater under the committee bill than it is under current law. That is because one of the goals of the committee bill is to increase the accountability of State employment agencies—and their federally funded DVOP's and LVER's—in providing mandated services to veterans. A full complement of regional directors would significantly assist the Assistant Secretary and the small national staff in monitoring and enforcing compliance with the new performance standards and functional requirements proposed in the committee bill.

I want to stress that this provision would require only parity, not special treatment, for veterans' programs. In any case in which the Secretary closes an entire regional office, the position of RDVET could be eliminated for that region. However, the Secretary would be required to appoint RDVET's to serve in all 10 regions which now or in the future have Department of Labor regional offices without RDVET's.

LOCAL VETERANS' EMPLOYMENT REPRESENTATIVES

Mr. President, section 3 of the committee bill would:

First, require the Secretary of Labor to make available to the States funds sufficient for 1,600 LVER positions nationwide and associated administrative expenses, to allocate to each State the number of LVER's that it had on January 1, 1987, plus one additional LVER, and to allocate funding for the remaining LVER positions up to 1,600 pursuant to a new funding formula;

Second, require the head of a States employment service to assign LVER's to local employment offices so that each office with at least 1,100 veteran-registrants would have a full-time LVER and one additional full-time LVER for each 1,500 registrants over the initial 1,100 and each local employment office with at least 350 but less than 1,100 veteran-registrants would have one half-time LVER;

Third, require the local employment office manager to be responsible for ensuring compliance with the provisions of title 38 providing for priority services for veterans and priority referral of veterans to Federal contractors;

Fourth, add a definition of registrants for services;

Fifth, require that each LVER assigned after September 30, 1987, be a veteran and that preference be given to qualified service-connected disabled veterans;

Sixth, add to the statutory duties of LVER's the provision, or facilitating the provision, of counseling to veterans certified for participation in job training under VJTA;

Seventh, require the Secretary to include in the Department of Labor's annual budget submission to the Congress the amounts necessary for the support of LVER's pursuant to the new funding formula;

Eighth, expand the existing requirement for a separate listing in the budget of the proposed number, by State, of DVOP's to include also a separate listing, by State, of LVER's and information demonstrating that the submission complies with the new LVER funding formula provision; and

Ninth, specify that the annual report to the Congress on the success of the Department of Labor and its affiliated employment services will be due on February 1 of each year, and expand the report's scope.

LVER FUNDING

The basic intent of this provision is the creation of a professional work force of LVER's nationwide to furnish employment and training services to veterans consistently and effectively without disruptions due to budget reduction proposals, such as have been proposed in recent years. A stable work force—in this case of 1,600 LVER's—would allow the Secretary to count on year-to-year stability in the staff which furnishes services to veterans and enhance the Secretary's ability to carry out program planning.

Mr. President, Dr. Robert E. David, executive director of the South Carolina Employment Security Commission—and also chairman of the Veterans' Affairs Committee, Interstate Conference of Employment Security Agencies, Inc.—testified in strong support of the steady workforce of LVER's, our committee's April 30 hearing:

> The best feature in the proposal . . . is the guarantee that adequate staff will be provided with some degree of stability. That, Mr. Chairman, is a problem that has afflicted the entire employment security system in recent years—budgets being yo-yo-ed up and down without regard to workload or needs. If this bill can bring stability to the staffing of the Employment Service for veterans programs, then you will have done the veteran, the system, and the nation a very great service. (Emphasis in original.)

The committee bill as introduced proposed a formula that would have required one LVER for each local employment office at which 1,000 veterans were registered during the 12-month period ending on the most recent June 30 or which has a service area in which 5,000 veterans reside. One additional LVER would have been required for each additional 1,500 veterans registered or 5,000 veterans residing in the service area. At the committee's April 30, 1987, hearing, the proposal to establish a statutory funding formula based on both the number of veteran registrants and veteran population received support from all seven veterans service organizations giving testimony. The statement of Dennis K. Rhoades, director of the National Economic Commission of the American Legion, is representative of the support for such a provision:

> We are also pleased to note that S. 999 includes a provision for an additional LVER in a local office for every 1,500 applicants above the 1,000 which mandate full-time status. . . . Anyone who has ever visited in a local employment office in a large city or high unemployment area recognizes that the workload of a conscientious LVER is overwhelming, and that providing each veteran applicant who visits and/or registers in that office with high quality service is nearly impossible. Moreover, it is apparent when one reviews the level of services in a large employment office, the veterans are, as a general rule, underserved. We believe that the additional LVER will greatly alleviate that problem.

Our committee changed the LVER-allocation formula for several reasons: First, to achieve balance, that is, so that the allocation of the LVER work force among the States would take into account the different factors which affect workload: number of veterans, number of registrants, and number of local offices; second, to achieve greater equity, that is, so that the basic formula would provide that each State would receive at least one LVER to help offset the overall reductions in LVER' over the past several years; and third, to achieve continuity, that is, so that the basic, codified formula for 1,600 LVER's would not be subject to annual fluctuation and uncertainty as a result of the budget process that could endanger services to veterans.

This testimony noted above contributed substantially to the provision adopted by the committee. Under the committee bill, each State—the District of Columbia, Puerto Rico, and the Virgin Islands each being considered a State—would receive funding sufficient to support the number of LVER's which were assigned to it on January 1, 1987—1,379 LVER's in all the States according to the Department of Labor, or an average of 26 per State. In addition, each State would receive one additional LVER for a total of 1,432 LVER's or any average of 27 per State.

Finally, each State would further receive funding to support a percentage of the difference between 1,432 LVER's and 1,600 LVER's, or 168 LVER's, according to a formula giving equal weight to: First, the percentage of all veterans residing in the United States who reside in the State; second, the percentage of the total of all eligible veterans and eligible persons registered for assistance with local employment offices in the United States who are registered for assistance with local employment offices in the State; and third, the percentage of all full-service employment offices in the State. In addition, the committee bill would require that the States also be provided with funds sufficient to cover the administrative expenses associated with the assignment of the number of LVER's allocated to the State under the foregoing formula.

ALLOCATION AND HIRING OF LVER'S

Under the committee bill, LVER's allocated to each State would be assigned to local employment offices within the State in accordance with the various formulas I outlined earlier.

Persons assigned as LVER's after September 30, 1987, would be required to be veterans and preference in hiring would be given to qualified service-connected disabled veterans. I wish to make clear that this provision would not affect current LVER's who are not veterans. A similar requirement already exists, in section 2003A(a) of title 38, with respect to DVOP's and appears to be working very well. The committee views this provision for LVER's as still another opportunity for State employment agencies "to lead by example", as they have by hiring disabled veterans as DVOP's.

The technical revisions in the bill relating to the DVOP disabled veteran hiring preference are not intended in any way to change the structure of, but only to codify, the way that program has been implemented—that preference would be given when there are two qualified candidates for equal merit.

DUTIES OF LVERS

The committee bill would require that the duties of LVER's be fully devoted to discharging, at the local level, the employment, training, and associated duties relating to the duties and functions of SDVET's and ASDVETS. The committee is optimistic that clear language requiring LVER's to serve veterans exclusively will help eliminate any unintentional or deliberate misuse of the time of LVER's. I also wish to make clear here that our committee's intent is not to suggest that only LVER's and DVOP's should provide employment and training services to veterans. According to the Department of Labor, over half of the services provided to veterans by State employment agencies are provided by personnel other than DVOP's and LVER's. We note with approval the conscientious work of State employment agency personnel in this area.

The committee bill requirement that the duties of LVER's include providing, or facilitating the provision of, counseling to veterans certified for participation in job training under VJTA is designed to improve the current 60 percent noncompletion rate under VJTA. I note in Assistant Secretary Shasteen's testimony that he believes LVER's—and DVOP's—can provide this service and that he has directed that such a counseling module be developed at the National Veterans Training Institute in Denver, CO, which trains LVER's and DVOP's.

BUDGETING FOR LVER'S

The committee bill would amend section 2006(a) of title 38 to require that the Secretary include in the Department of Labor's annual budget: First, the estimated funding needed for the assignment and support of 1,600 LVER's and the associated administrative expenses; second, listing data, by State, of LVER's; and third, information demonstrating the compliance of the budget submission with the requirement that the Secretary approve the submission only if the proposed funding level is in compliance with the funding formula for LVER's.

This provision, which replicates for the LVER Program the language currently in section 2006 with respect to budgeting for the DVOP Program, is designed to help achieve compliance with the proposed funding formula for LVER's in the committee bill, thus enhancing the continuity of employment and training services for veterans and helping bring stability to the LVER work force.

PERFORMANCE STANDARDS FOR LVER'S AND DVOP'S

Mr. President, section 4 of the committee bill would add to chapter 41 of title 38 a new section 2004A, entitled "Performance of local veterans' employment representatives and disabled veterans' outreach program specialists," which would: First, require the ASVET, after consultation with State employment agencies or their representatives, to prescribe—and provide for the implementation and application of—standards for the performance of DVOP's and LVER's and to monitor their activities; second, allow the ASVET personally to make an exception to these performance standards to take into account local conditions and circumstances; third, require SDVET's and ASDVET's regularly to monitor the performance of DVOP's and LVER's through the application of these performance standards; and fourth, require each SDVET or designee to submit to the head of the State employment service recommendations and comments in connection with each annual performance rating of a DVOP or LVER in the State.

S. 999 as introduced and as proposed to be amended by amendment No. 160 contained a provision to add this proposed new section 2004A. However, a number of changes were made in the proposed new section in response to concerns raised at the committee's April 30 hearing. Thus, in order to promote participation, cooperation, and coordination in the development of performance standards by those professional persons in the States who would be held accountable for meeting the standards, our committee added provisions to require the ASVET to consult with State employment agencies or their responsibilities before prescribing the standards and to allow an ASVET personally to make an exception to the prescribed performance standards to take into account local conditions and circumstances such as differing local economies.

Mr. President, also in response to concerns voiced at the committee hearing, the committee bill includes a provision to require each SDVET or designee to submit to the head of the States employment agency recommendations and comments in connection with—and I stress those words "in connection with"—each annual performance rating of a DVOP or LVER in the State instead of the proposed requirement in S. 999 as introduced for the SDVET or ASDVET to participate formally in the ratings. It is the intent of the committee to leave to the ASVET the formulation of the general guidelines with respect to such matters in such a way as to seek to avoid conflict with the general personnel procedures of the various state merit systems under which LVER's and DVOP's are employed.

Our committee views performance standards as a basic tenet of sound public management and intends that they be designed to first, assure that high-quality employment and training services are furnished through DVOP's and LVER's; and second, provide a basis for facilitating, developing, and maintaining high standards of professionalism for the DVOP and LVER programs, for which the Department of Labor expends a total of more than $125 million annually. I note that at our April 30 hearing the ASVET stated that he supports the development and implementation of specific standards of performance for DVOP staff and LVER staff, and, upon enactment of this provision, proposes to develop prototype standards and tailor them to meet each States merit system requirements through negotiations with SDVET's.

WAIVER OF SDVET RESIDENCY REQUIREMENT IN CERTAIN CASES

Mr. President, section 5 of the committee bill would provide that the ASVET, upon determining it to be necessary, may allow an assistant SDVET with 2 years of experience to be considered for an appointment as a SDVET, by waiving the current 2-year State residency requirement in section 2003(b)(1) of title 38 for appointment as a SDVET. In the event of such a waiver, the committee bill includes a provision proposed by the distinguished Senator from South Carolina, Senator THURMOND, to require that preference be given to a veteran who meets the residency requirement and is equally as qualified for the SDVET position as the ASDVET candidate.

SHARING OF INFORMATION REGARDING EMPLOYERS

Mr. President, section 6 of the committee bill would require the Secretary of Defense to provide to the Secretary of Labor and the Administrator the list of employers participating in the National Committee for Employer Support of the Guard and Reserve [NCESGR] and require each VA regional office to provide to appropriate employment service and Department of Labor offices the names and addresses of VJTA employers in the area served by the VA regional office.

These provisions are designed to help facilitate VA, Labor Department, and employment service efforts to encourage greater employer awareness of, and participation in, the VJTA Program.

With respect to the requirement for informing VA and the Labor Department about NCESGR participants, I note that NCESGR maintains a listing of approximately 350,000 employers who have demonstrated an interest in and commitment to assisting citizen soldiers, many of whom have veteran status, as well as a willingness to participate in Government-sponsored private-sector programs. Our committee believes that these employers could be a rich potential source of job-training for veterans under VJTA. I also note that the usage of the NCESGR list by VA regional offices and local employment offices should help expand the universe of employers participating in VJTA. Such an expansion would appear desirable given that the universe of veterans eligible for VJTA would be opened to veterans of all periods of service under the committee bill.

RESPONSIBILITIES OF PERSONNEL

Mr. President, section 7 of the committee bill would:

First, require SDVET's and ASDVET's to supervise functionally the provision of services to eligible veterans and eligible persons by the State employment services and the coordination of certain other Federal or federally assisted programs, and State programs;

Second, made SDVET's and ASDVET's functionally responsible for the supervision of the registration and placement of veterans under VJTA and responsible for otherwise promoting the employment of eligible veterans and eligible persons;

Third, require SDVET's and ASDVET's to conduct, not less frequently than annually, evaluations of the services provided to eligible veterans and eligible persons at each local employment office and made recommendations for corrective action as appropriate;

Fourth, require the Secretary of Labor, in determining the terms and conditions of a grant or contract under which funds are made available to a State, to take into consideration the SDVET's and ASDVET's evaluations of the performance of local employment offices; and

Fifth, require DVOP's to provide grantees under part C of title IV of the Job Training Partnership Act with assistance in furnishing services to veterans, consult and coordinate with representatives of the VJTA Program, provide counseling services to veterans with respect to their selection of and changes in vocations and their vocational adjustment, and provide services as case managers for veterans participating in VJTA.

FUNCTIONAL SUPERVISION OF STATE SERVICES

With respect to the proposed requirement that SDVET's and ASDVET's functionally supervise the provision of services to veterans by State public employment service systems and by other employment or training programs, the current regulations—20 CFR 653.214, entitled "Assignment and Role of State Veterans' Employment Representatives"—already require such supervision with respect to LVER's. Thus, the effect of the committee bill in practice would be to expand the concept of functional supervision to encompass the provision of services to veterans by DVOP's and other local employment office service providers. Such services incude registration, interviewing, counseling, testing, referral to supportive services, job development, and job/training referral.

Mr. President, this approach would not impose a dual management structure on the LVER or DVOP Program. The committee intends functional supervision by SDVET's to be distinct from line supervision by local employment office managers. Functional supervision by SDVET's/ASDVET's, as is currently required in the Labor Department regulations (20 CFR section 653.214):

> consist[s] of assisting state agency personnel in carrying out services to veterans and eligible persons and evaluating their performance. Functional supervision shall entail providing technical assistance, making suggestions for improvement of services, helping to plan progams and projects, checking for compliance with ETA regulations affecting veterans, helping to correct errors by working with local and state staffs, analyzing work as it affects veterans and eligible persons, training new state agency employees and providing refresher courses for state agency staff, bringing matters which require corrective action to the attention of those state agency personnel who have authority over policy, procedures and staff. Functional supervision does not authorize a SDVET or ASDVET to hire, fire, discipline or issue directives to state agency employees. Nor does it authorize an SADVET or ASDVET to make regulations, change procedure or establish policies for the state agency without specific authority from the state agency.

Mr. President, in our committee's view, the assignment of functional responsibility should have several positive impacts: First, it should make clearer the authority and responsibility of both the State agency and SDVET's and ASDVET's; second, it should facilitate the development of more nationally uniform position descriptions, and reduce the potential for misuse of these positions by some State agencies; and third, it should promote a more effective and accountable relationship between the ASVET and the State employment agencies through which DVOP's and LVER's are employed.

NEW DUTIES

SDVET's and ASDVET's functional responsibility for supervising the registration and placement of veterans would be made expressly applicable to the VJTA Program, and their duty to engage in certain job-development and job-advancement activities would be expanded to include the general responsibility "otherwise to promote the employment of eligible veterans and eligible persons."

In response to concerns raised at the committee's hearing regarding the 60-percent noncompletion rate among veterans who have participated in training under VJTA, our committee has added a provision to make SDVET's and ASDVET's functionally responsible for the supervision of the registration of eligible veterans and eligible persons in local employment offices for suitable types of employment and training and counseling and placement of persons in the VJTA Program. We believe that the implementation of the proposed case-manager approach under VJTA and the additional counseling of VJTA trainees by DVOP's and LVER's—coupled with greater attention paid to the provision of services as a result of a statutory requirement for functional supervision by SDVET's—should have a positive impact on the VJTA Program's success rate.

EVALUATIONS OF LOCAL EMPLOYMENT OFFICES

The committee bill would generally codify the current regulatory requirement under 20 CFR 653.214(d)(11) for the ASVET to "review the performance of large local offices at least once each fiscal year on a formal, comprehensive, indepth basis, and . . . periodically review smaller local offices which evidence problems in providing services to veterans and eligible persons until the problems are resolved." Under the committee bill, SDVET's/ASDVET's would be required to conduct annual or more frequent evaluations of the services provided to veterans and other eligible persons by each local employment office in their State and make recommendations for corrective action as appropriate. In the committee's view, such evaluations should determine the extent to which local employment offices are, through DVOP's, LVER's, and other staff, providing quality registration, interviewing, counseling, testing and assessment, supportive-services referral, job development, and job and training referral services to veterans and other eligible persons.

Mr. President, the committee bill also includes a provision requiring the ASVET, in determining the terms and conditions under which funds are made available to a State, to take into consideration—as is currently done in the vast majority of States at present—the SDVET's and ASDVET's evaluations of the performance of local employment offices.

Finally, among other new duties, DVOP's would also be required to counsel veterans on their selection of and changes in vocations and their vocational adjustment. Under a related VJTA amendment—in section 10(b) of the committee bill—aimed at improving training-program completion rates under VJTA, DVOP's would assume various counseling functions and would also serve as case managers for veterans participating in VJTA. Development of the counseling module at the National Veterans' Employment and Training Service Institute, and provision of such training to DVOP's should help them fulfill their duties as case managers for veterans participating in VJTA.

NATIONAL VETERANS EMPLOYMENT AND TRAINING SERVICE INSTITUTE

Mr. President, section 8 of the committee bill would amend chapter 41 of title 38 to add a new section 2010A requiring the ASVET to establish and make available such funds as may be necessary to operate a National Veterans Employment and Training Service Institute (NVETSI) for the training of DVOP's, LEVER's, SDVET's, ASDVET's, and such other personnel involved in the provision of employment, job training, counseling, placement, or related services to veterans as the ASVET considers appropriate.

The incumbent ASVET, Donald E. Shasteen, created the National Veterans' Training Institute administratively in September 1986; the first training session started on January 11, 1987. As of May 2, 1987, there had been 16 sessions of the Institute, attended by a total of 384 persons. Our committee views the training provided by the Institute as an important and worthwhile investment in the 3,300 DVOP's and LVER's who furnish employment and training service to veterans on a daily basis.

At present, the Institute provides week-long training programs designed to improve the skills of LVER's, DVOP's, and others in providing employment and training services to veterans. The goal of the Institute is to enhance the quality of services provided to veterans by the Department of Labor through its affiliated State employment agencies. There are 24 participants in each training class, with a minimum of 80 percent being LVER's and DVOP's. The other participants are local employment office managers and other State employment agency and U.S. Department of Labor staff.

The Institute is currently funded under a grant from the Veterans' Employment and Training Service to the Colorado Department of Labor and Employment [CDLE]. The operational repsonsibilities for the grant were subcontracted by the CDLE to the University of Colorado at Denver. The committee contemplates that the funding for the Institute will continue to be through the unemployment trust fund.

SPECIAL UNEMPLOYMENT STUDY

Mr. President, section 9 of the committee bill would amend chapter 41 of title 38 to add a new section 2010B requiring the ASVET, through the Bureau of Labor Statistics to conduct, every 2 years, a study of unemployment among special disabled veterans—that is, those who either (1) have a service-connected disability rated at 30 percent or more, (2) have a service-connected disability rated at 10 or 20 percent and have been determined for purposes of the VA's program of vocational rehabilitation for service-connected disabled veterans to have a serious employment handicap, or (3) were discharged or released from active duty because of a service-connected disability—and veterans who served in the Vietnam theater during the Vietnam conflict. The first study would be required to be completed by July 1, 1988.

The rates of joblessness among service-connected disabled veterans and those who served in the Vietnam theater have been a continuing concern of the committee and one that the committee has made efforts to address through this and prior legislation developed to help meet the employment and job-training needs of veterans.

SECRETARY OF LABOR'S COMMITTEE ON VETERANS' EMPLOYMENT

Mr. President, section 10 of the committee bill would add representatives of the Postmaster General and the Secretary of Education to the Secretary of Labor's Committee on Veterans' Employment [CVE].

The CVE, established under section 2010 of title 38, United States Code, meets quarterly. Its purpose is to bring to the attention of the Secretary problems and issues relating to veterans' employment. Under section 2010, the committee is chaired by the Secretary of Labor and includes representatives of the Administrator of Veterans' Affairs, the Secretary of Defense, the Secretary of Health and Human Services, the Director of the Office of Personnel Management, the chairman of the Equal Employment Opportunity Commission, and the Administrator of the Small Business Administration.

The Postal Service—with 331,830 veterans in its work force—is the second largest employer of veterans in the United States. The Department of Education, through its Veterans' Education Outreach Program and its Offices of Postsecondary Education and Vocational and Adult Education, implements education policies and programs which can benefit veterans' job readiness. Therefore, the committee believes that having the Postmaster General and the Secretary of Education represented on the CVE could contribute to the committee's effectiveness and success in advising the Secretary of Labor on veterans' employment issues.

VETERANS' JOB TRAINING ACT (VJTA)

Mr. President, section 11 of the committee bill contains provisions which would authorize appropriations of $60 million for each of fiscal years 1988 and 1989 for the Veterans' Job Training Act [VJTA], extend the deadlines governing application and entry into a VJTA training program, and enhance the effectiveness of this job training program by providing for enhanced counseling services and making certain other changes. In the 1983 Emergency VJTA, eligibility for a job-training program was originally provided to unemployed veterans who had served during the Korean conflict or Vietnam era and were unemployed for 15 out of the 20 weeks preceding their application and who either had more than 180 days active service or were discharged or released from service for a disability or were entitled to VA service-connected disability compensation. That unemployment period was reduced to 10 of 15 weeks by Public Law 99-238.

On March 18, 1987, the committee reported S. 477, the proposed "Homeless Veterans' Assistance Act of 1987" including in section 106 a provision to extend through fiscal years 1987 and 1988 the unused authorization of fiscal year 1986 appropriation of $30 million, postpone by 6 months the deadlines for veterans to apply for and to enter into training, and delete for unemployed Korean-conflict and Vietnam-era veterans who are homeless the length-of-unemployment criterion for eligibility under this program.

The bill was passed by the Senate on March 31. The extensions of authorizations of appropriations and of the deadlines were passed by the Senate a second time, on April 6, 1987, in section 907 of H.R. 558, the proposed "Urgent Relief for the Homeless Act," and incorporated in section 901 of the conference report (H. Rept. No. 100-174) on H.R. 558. On June 27, the Senate and on June 30 the House agreed to the conference report, and on July 22 the measure was signed into law as Public Law 100-77.

In the Supplemental Appropriations Act for fiscal year 1987 which was signed into law on July 11 as Public Law 100-71, Congress provided a $30 million supplemental appropriation for VJTA.

EXTENSIONS OF AUTHORIZATION OF APPROPRIATIONS AND PARTICIPATION DEADLINES

VJTA has provided nearly 52,000 veterans with the opportunity to gain the skills and on-the-job experience needed to help them break away from sustained unemployment and build more productive lives for themselves and their families. In order to provide for the continuation of this job training program, the committee bill would authorize appropriations of $60 million for each of fiscal years 1988 and 1989 for VJTA. Funding at this level would enable approximately 40,000 additional veterans to participate in VJTA job training programs over the next 2 fiscal years. In addition, the deadlines by which eligible veterans must apply and enter into a job training program under VJTA would be extended from December 31, 1987, to June 30, 1989, and from June 30, 1988, to December 31, 1989, respectively.

EXPANSION OF ELIGIBILITY

Under current law, VJTA eligibility is limited to unemployed veterans with service during the Korean conflict (June 27, 1950, through January 31, 1955) or Vietnam era (August 5, 1964, through May 7, 1975) who have been unemployed at least 10 of the 15 weeks preceding their application. Eligibility is further limited to those who either served on active duty for more than 180 days or were discharged or released for a service-connected disability or are entitled to VA service-connected disability compensation or would be so entitled if not receiving retirement pay.

The committee bill would eliminate the eligibility criterion requiring service during the Korean conflict or Vietnam era. This would open up eligibility to veterans of all periods of service, including most significantly from the standpoint of those who would be helped by the expansion, post-Vietnam-era veterans, who number 2,366,000 and veterans with service during the period between the Korean conflict and the Vietnam era, who number 2,996,000. Making post-Vietnam era veterans eligible for VJTA could be an especially valuable tool for helping their readjustment to civilian life, by providing them an opportunity to gain the skills and training needed to compete in the civilian labor force. There are over 18,000 recently separated veterans who are receiving unemployment compensation, and the committee believes that VJTA would be available to assist them in finding suitable training and employment if they remain unemployed more than 10 weeks following their separation from active duty.

Mr. President, our committee is also concerned by the disproportionately high number of dislocated workers who are veterans. According to the Bureau of Labor Statistics, although veterans make up approximately 13 percent of the civilian work force, as a group they comprise an estimated 26 percent of the population of dislocated workers. In order to help address this serious problem, the committee bill would eliminate the 10-out-15 week unemployment criterion for those veterans who have lost their jobs as a result of a plant closure or massive worker lay-offs and who have no realistic opportunity to return to employment in the same occupation in the geographical area in which the veteran had been employed.

IMPROVED COUNSELING SERVICES

The VJTA Program is directed toward assisting veterans who have been out of the economic mainstream for a substantial period. Since many of the veterans who enter into training may thus not posses the skills and experience needed to succeed in the workplace, the committee has designed a number of VJTA and title 38 amendments to increase counseling services for trainees in order to help them resolve problems encountered in their training programs or that otherwise jeopardized their progress. Virtually all of the witnesses at the April 30 hearing agreed that expanded counseling services for veterans in training programs is essential to successful efforts to improve program performance.

The committee bill thus includes in section 11 a number of provisions to improve these counseling services. First, the existing requirements for the Secretary of Labor to provide for counseling and information services would be revised to make such services the joint responsibility of the Administrator and the Secretary, thus enlarging the VA's involvement and responsibility in this area. The Administrator would be responsible for providing information and counseling to trainees through the VA's programs of readjustment counseling, vocational rehabilitation counseling, and career development counseling.

Second, as part of the counseling program, each veteran, except as discussed below, would be assigned a case manager, who would be a DVOP. The case manager would be required to make face-to-face contact with the veteran within the first 60 days of training and some form of contact—the precise nature of which would be left to administrative discretion—on at least a monthly basis thereafter until the veteran's training is concluded. Approval of a training program would be conditioned on the employer's agreement to allow the participating veteran the opportunity to have the initial interview with the case manager during normal work hours.

Mr. President, under the committee bill, the purposes of the case-manager services would be to avoid unnecessary terminations; to refer veteran's for appropriate counseling, if necessary; to facilitate the veterans' successful completion of the training program; and, in conjunction with followup contacts with the employer, to determine the veteran's progress of the veteran's participation and whether or not the veteran successfully completed the program.

When appropriate, the case manager would refer the veteran to additional counseling services, including those available through the VA's program of veterans' outreach services, the VA's Vet Center Program of readjustment counseling for Vietnam-era veterans, the VA's program of rehabilitation counseling, the VA's program of career counseling, and the counseling services available through DVOP's and LVER's.

The committee notes that, under new section 2004A(a)(3), performance standards for a DVOP would be required to measure the extent to which the DVOP, in serving as a case manager, facilitates the rates of veterans' successful completion of VJTA training programs. The committee believes that the personal contact and professional accountability thus built into the case-manager approach, together with the inherent strengths of case management, would help avoid unnecessary termination of trainees and facilitate their successful completion of training programs.

In order to target resources most effectively, our committee bill would provide that when the Secretary determines that an employer is already providing an appropriate and effective employer assistance program or where there is at least a 60-percent rate of completion among veterans, either cumulatively or during the previous program year, in an employer's VJTA job-training program, the case-manager requirement would not apply.

Third, in the case of a veteran who does not complete a VJTA training program, either on a voluntary or involuntary basis, the VA would be required to provide that veteran with vocational counseling before certifying the veteran's eligibility for participation in another VJTA program. The committee believes that such counseling would provide both the veteran and the VA with a clearer picture of the veteran's job-training needs, thereby helping to ensure a better, more appropriate match with any future training program.

EMPLOYER ACCOUNTABILITY

Our committee believes that VJTA has generally been a successful partnership between employers and the Federal Government. At the same time, a continuing priority of the committee is to improve program performance and cost-effectiveness. In this regard, the committee notes with concern the finding of the Centaur report that approximately 25 percent of the veterans who drop out of VJTA training do so because they are unsatisfied with their training program. In an effort to provide for greater employer accountability in this area, the committee bill includes a requirement that, in cases where the Secretary determines that the overall veterans' completion rate in an employer's training program is disproportionately low the Administrator would disapprove the participation of any additional veterans in that employer's training programs. The employer would be afforded the opportunity for a hearing regarding the disapproval, which would take effect on the date that the employer is notified of it.

The disapproval would remain in effect until the Administrator determines that the employer has taken adequate steps to remedy the shortcomings in its VJTA Program. When action is completed which would likely raise the rates of completion, the Administrator would revoke the disapproval. Except in certain cases noted below, the Administrator, in deciding whether the remedial actions are adequate, would be able to take into account the effect of a modified VJTA payment formula placing a premium on veterans' completing their programs. Under the modified formula, which the committee bill provides for, at the Administrator's discretion, in the context of suspension of disapprovals, payments for the initial months of a training program could be reduced in order to provide for a lump-sum "bonus" upon completion of the training period. Under the discretionary formula, for programs of at least 4 months duration, the employer would receive for each of the first 4 months a payment equal to 30 percent of the veteran's starting wage; a payment equal to 50 percent of that amount for each month following that period; and, upon the successful completion of that program by the veteran, an amount equal to 20 percent of the first 4 month's of the veteran's starting wage. In the case of a job training program of less than 4 months duration, the employer would receive a payment equal to 30 percent of the veteran's starting wage for each month prior to the last month of the training period, 50 percent of the amount of the veteran's starting wage for the last month of training, and, upon the veteran's successful completion of the training program, an amount equal to 20 percent of the veteran's wages during all but the final month.

This special reimbursement formula could be applied to the employer—if the Administrator determines it to be appropriate as a condition of reapproval—for such period of time as the Administrator determines is appropriate in the particular circumstances surrounding that employer's job-training programs. The committee believes that the restructured formula could be used to increase the financial incentive to the employer to ensure that its training programs are responsive to veteran's needs.

The formula could not be used in the case of an employer having a VJTA Training Program completion rate of at least 60 percent, either cumulatively or during the previous program year, or an appropriate and effective employee assistance program available to all of the employer's VJTA participants.

DATA COLLECTION

In order to provide for better assessments of VJTA activities and program performance, the Secretary would be required, on a not less than quarterly basis, to collect from the heads of State employment agencies and SDVET's data regarding the numbers of veterans who have received counseling services pursuant to the provisions of VJTA, who have been referred to employers participating in VJTA, and who are participating in VJTA training programs and who complete such programs, as well information relating to the reasons for veterans' non-completion.

REOBLIGATION OF DEOBLIGATED VJTA FUNDS

The committee bill would provide, in section 11 that, when VJTA funds which have been obligated in connection with a veteran's entry into a VJTA job-training program are deobligated because the veteran leaves the training program before it is completed, the deobligated funds would automatically become immediately available to the VA for reobligation for payments under VJTA.

In accordance with its circular A-34, Instructions on Budget Execution—Revised, August 26, 1985—the Office of Management and Budget [OMB] requires the VA to request and receive an approved reapportionment each time the VA wants to reobligate a block of funds appropriated in a prior year which have been deobligated. The reapportionment process can delay the reuse of such prior-year funds for other VJTA trainees by many weeks. Reapportionment is a particular problem when all available funds from the current appropriation have been obligated and the VA is funding the program solely through deobligated funds. This can result in long program lulls while the reapportionment request is processed by OMB. This occurred earlier this year when the program was closed to new entrants for 6 weeks—from February 20, 1987, through April 3, 1987—despite the existence of $4.6 million in otherwise available deobligated prior-year funds for which OMB had not yet provided a reapportionment. Therefore, in the interest of program continuity, the committee believes that any deobligated funds would immediately be available for reobligation without any further action by OMB.

The committee has been advised by the VA that in May 1987 OMB informed the VA that apportionments based upon anticipated levels of deobligations would be approved. The committee notes, however, that this administrative policy, while an improvement over the prior approach, could be reversed at any time; that, even if it is not, the process of estimating future deobligations—like any other process relying on estimates—is imperfect; and that reliance on apportionments based on estimates cannot provide the same degree of assurance of maximum program continuity through the use of deobligated funds as would the automatic availability provided for in the committee bill.

CONCLUSION

Mr. President, this measure is necessary in order to ensure that the Federal Government does its best to make certain that those who have carried the burden of our Nation's defense have the opportunity to participate in the economic system that their service and sacrifice preserved. The bill would do this by a major revision of the law governing the Veterans Employment and Training Service and important improvements in, and 2-year extension of funding for, the Veterans' Job Training Act.

Before closing, I wish once again to acknowledge the great assistance provided on this measure by the Senator from West Virginia [Mr. ROCKEFELLER] who did such excellent work at our April 30 committee hearing.

I also want to acknowledge the outstanding work of the representatives of a number of organizations and businesses who gave of their time and talents in the development of this comprehensive legislation—including representatives of the the American Legion; the Disabled American Veterans; the Veterans of Foreign Wars; the AMVETS; the Paralyzed Veterans of America; the Blinded Veterans Association; the Vietnam Veterans of America; the Raleigh County Memorial Airport of Beaver, WV; the Hernandez Electric Co. of Phoenix, AZ; the McDonnell Douglas Corp. of Long Beach, CA; Town and Country Electric, Inc., of Appleton, WI; and the Interstate Commission of Employment Security Administrators.

Mr. President, I also want to thank our committee's ranking minority member, Senator FRANK MURKOWSKI, for his fine cooperation and his many excellent contributions to the development of this measure and to express my appreciation to the committee minority staff members, especially Chris Yoder and Tony Principi, for their very effective work on this legislation.

Finally, my very special thanks to Darryl Kehrer, Ed Scott, Jennifer McCarthy, Cathy Chapman, Loretta McMillan, Roy Smith, and Jon Steinberg of the Veterans' Affairs Committee staff for their invaluable assistance to me in developing and perfecting S. 999, Amendment No. 160, the bill as reported, the committee report, and this floor statement. They have done outstanding work.

Mr. President, I urge all of my colleagues to support this important measure.

Mr. MATSUNAGA. Mr. President, I rise in strong support of S. 999, the Veterans' Employment, Training, and Counseling Amendments of 1987, introduced earlier this year by the senior Senator from California [Mr. CRANSTON], and cosponsored by myself and Senators DECONCINI, MITCHELL, ROCKEFELLER, GRAHAM, THURMOND, KERRY, BURDICK, and SIMON.

In essence, S. 999 does two things. First, it revises the job counseling, training, and placement services for veterans mandated under chapter 41, title 38. Federal oversight of federally funded, local veterans employment and counseling officers will be increased by making them more directly accountable to the Department of Labor's in-State representatives. Evaluation of the performance of these local employment officers will also be made simpler by the establishment of uniform performance guidelines. Perhaps most important, the bill will codify a funding formula for local veterans employment representative [LVER's] in order to allow the formula determining the number of such representatives to drive the funding levels, rather than the reverse. By doing this, we would allow need, not arbitrary OMB cutbacks, to guide these very important counseling and training services.

Second, S. 999 amends the Veterans' Job Training act [VJTA] Program, a cash-incentive employment and training program set up in 1983 for Korean war and Vietnam-era veterans, by opening up eligibility to veterans of all periods of service. Also, in recognizing that less than half of the participants in Veterans' Job Training Act sponsored training programs remain for the full term of the designated training program, S. 999 would increase the role of Disabled Veterans' Outreach Program specialists [DVOPS] and local veterans employment representatives in the VJTA counseling program, as well as improve the manner in which counseling is conducted. The bill also reauthorizes appropriations of $60 million in each of fiscal years 1988 and 1989 for the VJTA Program.

Mr. President, the programs proposed to be continued by S. 999 have already afforded thousands of veterans the opportunity to obtain the job skills necessary to lead normal, constructive lives. The VJTA Program alone, for example, has already trained over 54,000 veterans. S. 999 would merely improve the efficiency and effectiveness of these programs in helping to integrate additional thousands of veterans into normal community living. In this day of massive budget deficits and increasingly restrictive fiscal choices, it is imperative that these valuable programs be strengthened to withstand budgetary pressures, not only for the sake of the veterans themselves, but for all of us as well. What better way to improve our economic competitiveness is there than through the training of a work force that has already demonstrated responsibility, courage, and determination in military service?

In closing, Mr. President, I would like to commend the senior Senator from South Carolina [Mr. THURMOND] for his support of this measure. The history of this August body shows that the gentleman from Aiken has established himself as one of the earliest advocates in Congress of veterans' training programs. His invaluable support for S. 999 reinforces that record. But above all, I wish to commend the senior Senator from California for his outstanding leadership in this area. S. 999 is his bill, and is yet another reflection of the Veterans' Affairs Committee chairman's unmatched advocacy of the rights and benefits of America's veterans. I commend the senior Senator from California [Mr. CRANSTON] for a job superbly performed. In his honor let us unanimously pass S. 999.

Mr. MURKOWSKI. Mr. President, I am pleased to rise in support on S. 999, the Veterans' Employment, Training and Counseling Amendments of 1987.

The Nation and the Congress can be justifiably proud of the benefits we provide for those who have served in our Armed Forces. A veteran returning to civilian life can look forward to assistance with vocational rehabilitation, education and training, housing, medical care and other needs. Perhaps the most important benefit, the one with the greatest long-term impact, is assistance in finding employment. A veteran with a good job is a veteran with the means to proceed with his or her life. For this reason, I place great importance on veterans' employment benefits and the agency that administers them: the Veterans' Employment and Training Service [VETS] of the Department of Labor.

Veterans, along with my colleagues in the Senate, owe a debt to our distinguished colleague from South Carolina, Senator STROM THURMOND, who long ago recognized the importance of employment to veterans. His determination to provide effective assistance to veterans seeking work led to the establishment of the Veterans' Employment and Training Service under the leadership of an Assistant Secretary of Labor. The legislation we consider today rests upon the foundation Senator THURMOND built and would not be possible without his leadership.

VETS is a partnership between the Federal Government and the States. The Federal Government is responsible for establishing policy for, and funding, the nationwide network of local veterans employment representatives [LVER's] and Disabled Veteran Outreach Program [DVOP's] specialists. It is to LVER's and DVOP's who are employees of the State employment services, that the Congress must look to deliver on the promise we made to America's veterans to assist them when they look for a job. It is these LVER's and DVOP's who will be the direct beneficiary of the legislation we are now considering. This legislation will help veterans by helping the State employment service employees charged with the implementation of the veterans employment programs enacted by the Congress.

The legislation will help the LVER's and DVOP's by: first, clarifying their duties, responsibilities, and chain of command. This legislation would, if enacted, require that the work of LVER's be fully devoted to the provision of employment and related services to veterans, either directly or by providing assistance and guidance to other State employment service staff; second, require the Assistant Secretary of Labor for Veterans Employment and Training [ASVET] to develop and provide for the implementation of performance standards of LVER's and DVOP's; and third, require the State directors of veterans' employment and training [SDVET's], employees of the Federal Veterans' Employment and Training Service, to functionally supervise the delivery of services to veterans by the State employment services and provide recommendations and comments to the management of the State employment services on the performance of the LVER's and DVOP's. These provisions will ensure that local employees receive the benefit of clear direction and unambiguous policy guidance, while at the same time assuring the Federal Government does not inject itself into the management and personnel practices of the State employment security agencies.

A major goal of this legislation is to enhance the professionalism of the LVER's and DVOP's in the field. The current Assistant Secretary of Labor for Veterans Employment and Training, Donald E. Shasteen, established administratively the National Veterans' Employment and Training Service Institute to provide for training and staff development of DVOP's, LVER's and others who provide employment, job training, counseling, placement or related services to veterans. This legislation would build on Assistant Secretary Shasteen's initiative by providing a legislative mandate for this staff development. The legislation would also provide for program stability for the LVER Program by mandating that the Department of Labor budget provide for 1,600 LVER's nationwide. In past years veterans' employment programs, and the morale of the staff in the field, have been threatened by the uncertainty which results when the budget submitted to the Congress would result in significant reductions in the number of staff. While the Congress has always provided adequate funding; the uncertainty makes it difficult to make, or implement, long-range plans to improve service to veterans.

I am also pleased this legislation includes a requirement that the Bureau of Labor Statistics conduct biannual surveys of the employment and unemployment status of special disabled veterans, including those who served in the Vietnam theater of operations. If the Congress is to effectively meet the needs of veterans with service-connected disabilities and those who served in Vietnam it is necessary to have accurate, current and reliable data on their employment status. Current data, which is based on the status of all veterans who served during the Vietnam era, is too general to be used as a basis for targeting benefits to those who may have been adversely affected by their service. If these veterans do have a disproportionately high unemployment rate it is not revealed in current data; because the data concerning these veterans is overwhelmed by the overall favorable data concerning Vietnam-era veterans in general. Conversely, specific data concerning veterans who served in the Vietnam theater or who have disabilities may show their employment status to be similar to that of other veterans. If that proves to be the case, then Congress will know that the benefits we have provided have been effective.

Mr. President, I commend the chairman of the Committee on Veterans' Affairs, Senator CRANSTON, for his willingness to amend S. 999, as it was introduced, to make clear that the functional supervision of State employment service employees would not create a dual chain of command with LVER's and DVOP's answerable to two bosses. In addition, the formula establishing the number of LVER's has been improved to eliminate the virtually open ended formula of the original bill. The formula in the current bill represents a compromise between the principle of assigning LVER's based on the number of veterans in a State and the principle of assigning LVER's based on the number of veterans registered for employment services.

Mr. President, I believe the American people and the Congress will insist that the Nation continue to provide priority employment services to veterans. This legislation will help ensure that the dedication of the employees who actually provide those services is matched by a comparable level of professionalism. I urge my colleagues to join me in its support.

Mr. THURMOND. Mr. President, I rise today in support of S. 999, the Veterans' Employment, Training, and Counseling Amendments of 1987. I am pleased to be a cosponsor of this legislation, which goes a long way towards making the current program of veterans' job training more efficient.

This bill strengthens veterans' job training in several ways. It establishes a statutory number of local veterans employment representatives, a structured chain of command among job service officers, and a National Veterans' Employment and Training Service Institute. As well, it sets forth uniform performance standards and performance reviews. In summary, Mr. President, this legislation greatly improves the quality of job training services available to veterans.

During the April 30, 1987, hearing on this matter, the Veterans' Affairs Committee heard testimony from the VA, the Labor Department, State and local employment agency representatives, and current employers of veterans. I was especially pleased that the committee was able to hear from Dr. Robert David, executive director of the South Carolina Employment Security Commission, about the merits of this important program. Dr. David is strongly committed to veterans employment issues and has a long history of involvement with job training.

Mr. President, facilitating the movement of unemployed veterans into the workforce is one of several key services we provide to those who have worn the uniform. I have long been a supporter of job training for veterans and can think of no group of Americans who are more deserving of this assistance.

Accordingly, I urge my colleagues to support this worthwhile legislation.

The PRESIDING OFFICER. The question is on the engrossment and of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed for a third reading and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 1504), as amended, was passed.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. DOLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I ask unanimous consent that Calendar Order No. 262, S. 999, be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATORIAL ELECTION CAMPAIGN ACT

Mr. BYRD. Mr. President, what is the pending business before the Senate?

The PRESIDING OFFICER. The pending business before the Senate is the consideration of the bill S. 2, which the clerk will state by title.

The bill clerk read as follows:

A bill (S. 2) to amend the Federal Election Campaign Act of 1971 to provide for a voluntary system of spending limits and partial public financing of Senate general election campaigns, to limit contributions by multi-candidate political committees, and for other purposes.

The Senate resumed consideration of the bill.

Mr. BYRD. Mr. President, if no Senator seeks recognition, I will suggest the absence of a quorum.

Mr. President, I withhold that.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER (Mr. DASCHLE). The Senator from Nebraska.

Mr. EXON. Mr. President, we have been working very diligently for weeks and months now to try to come up with an acceptable formula that could collect the necessary 60 votes to break the ongoing filibuster against the Campaign Reform Act.

I think the record is very clear that there are strong feelings on this particular measure. I would simply say that this Senator was one of those who was opposed to the original measure that was introduced in this particular area. I was against that, Mr. President, essentially because I have always been against the use of taxpayer funds as a principal element in so-called election reform. I was against that, Mr. President, because I felt that especially at this time when we are going through one of the great debates and discussions with regard to restricting the budget of the United States of America and bringing that under control, it was not appropriate for this body to consider additional expenditures of taxpayer funds for the purpose of seeking elective office.

Therefore, I told the sponsors of that bill after they had talked with me on many occasions that I could not and I would not support the original measure because it was against the principle that I had always stood for. That simply was, after we enacted legislation for taxpayer finance of the Presidential candidates—and it was predicted at that time that once we took that step, we would take the next step, logical or illogical—to start financing our own campaigns with taxpayer funds. So I opposed that and I opposed it quite vigorously. The sponsors of that measure knew that they would never have the vote of this Senator from Nebraska.

But all during that period, I was very much concerned, Mr. President, about the fact that I think that there is a decaying, if you will, an eating away, at the very principle of democracy because money plays such an important and key role in the political campaigns today.

I suspect that this has, to a large part, come about through the advent of television which is not only a very expensive but also a very effective media for or against the political candidates.

In any event, we started at that time, which I guess could be best established at maybe 5 or 6 weeks ago, and it became obvious that the sponsors of the original bill would never be able to get the votes to shut off the filibuster. I thought a filibuster on this bill was most inappropriate and on occasion I did support the cloture effort because I thought it should be up for debate and I thought we should have a chance to amend it along the way.

Finally, with a whole series of meetings and compromises, we compromised to the place where this Senator overcame most of the objections he had to the original act. I think that any indepth look at the original act and the measure that is before us now, as it has been amended, would lead one to conclude that it was significantly different from the original act.

There is some taxpayer financing in this measure. But those of us who felt that campaign reform was vitally necessary could come up with no other trigger mechanism or leverage, if you will, to bring about the improvements in the elective process so that money would not play such an important role.

We agreed that taxpayer campaign financing would only be a part of any campaign if one or both of the candidates would not live within not only the reasonable but also the excessive amounts of money that were assigned to each race on a per voter basis in the States.

Let me choose my State of Nebraska as a typical example. This compromise, which is the heart and soul of the campaign reform bill that I highly recommend to the U.S. Senate, provides that in a State with the population of Nebraska, it would allow up to about a million dollars, in round figures, to be spent on a political campaign. That was assumed to be a reasonable amount of money—indeed, it is a reasonable amount of money.

Until 4 or 5 years ago, if anyone anticipated that they would run for a major Statewide office in Nebraska, which could best be determined as the U.S. Senate or the governorship, and imagined that we would be spending more than $1 million in a campaign, it would have been rejected out of hand.

In a very few years not only has the campaign spending in Nebraska gone over $1 million for those offices, but considerably over that. In fact, in the last general election in Nebraska, each of the two major party candidates for Governor spent over $1.5 million each in their political campaigns.

It is estimated that $3 to $5 million or more was spent in our neighboring State of South Dakota last year on the senatorial race. I point out that the population of South Dakota is probably half that of the State of Nebraska—roughly 750,000 in South Dakota and roughly 1.5 milion in Nebraska. So I guess that from that standpoint, one might conclude that things are not out of hand in Nebraska yet, as compared with South Dakota. But I think this proves a very important point.

When you talk about races, especially those for the U.S. Senate, when each Member of the Senate, as it should be, has an equal vote, with the Senators from the extremely populous States such as New York and California, it is tremendously important, I think, that we try to put all this in perspective.

You hear a great deal about the terrible expenditures of money in the State of California for a race for the U.S. Senate or for Governor. You hear such things as: "Would you believe $10 million, $12 million, $13 million, $14 million, or $18 million? Isn't that awful?"

I think it is awful, Mr. President. But compared with a State like South Dakota, where one candidate would spend in the area of $3 million, affecting the relatively small population of that State, then $12 million or $18 million per voter, proportionately speaking, is not "too much" for California.

The fact is that I think all these numbers are becoming totally obscene. While I think there are many instances in which it could be indicated that elections are not necessarily decided by the amount spent, I think it would be safe to conclude that if you had equally qualified candidates with essentially the same styles, with essentially the same appeal, with essentially the same debating ability—if everything else were equal—and if there were the same number of registered Democrats as there were registered Republicans in that State, and if each of those split groups had the same fervor for the candidates of their party, I think it would be safe to assume that the candidate who spent the most money under those unlikely if not impossible circumstances would win the election, 9 times out of 10.

I do not think that is what the people of the United States want. Although I have not heard a great hue and cry sweeping the land, I believe that an increasing number of Americans are becoming very much concerned about the money that is being collected, sought after, and spent by candidates for public office.

Mr. President, I have been in the Senate for my second term, going on 9 years, but I have talked with those who have been here for a long, long time—my senior colleagues, if you will—and they tell me how it used to be. It used to be, Mr. President, that a U.S. Senator, who has many and varied duties and who is an extremely busy individual, had his hands full carrying on his normal duties representing his State in the U.S. Senate. Likewise, during an election period, he had the additional responsibilities as chairman of a committee, subcommittee chairman, and committee assignments. But when you put those duties on top of this new burden that has been placed on every Member of this body, when they are up for election, it has become overwhelming.

There is no way, in my opinion, that many of us have the waking hours, with our responsibilities, to do what should be done, when we have to spend an inordinate amount of time on the telephone, traveling about the United States, seeking, begging, and pleading for donations to "my campaign," because if I cannot come somewhere near matching my opponent in this campaign, I am very likely to be defeated. So, I think it comes back to a situation that sooner or later we are going to change the elective process. Sooner or later, Mr. President, there is going to be, I suggest, a scandal break across this land, and then after the fact the Congress will rush in and say "We should have done something about that."

I think the time to do that, Mr. President, is now in this session. I simply would hope that the Members of this body and the people of the United States would begin to understand what a serious challenge this is indeed to our elective process.

Once again I say, Mr. President, I do not think that there are any of my colleagues on either side of the aisle who can be "bought." That is an ever-present threat that a lot of people think exists, but I think I know the people in this body very well.

But I do say, Mr. President, that you cannot be a good U.S. Senator, you cannot be a good or the best U.S. Senator that you could be, you cannot do the job that you are charged to do with representing the people of your State and carry out your assignments that come through seniority basically in this body, you cannot do all those things and do it the way you should and serve your constituents and serve your Nation, if on top of all of those things you have to spend up to 20 percent of your time soliciting money for your reelection effort.

Therefore, I think that the amendment that we have put on this bill goes back and very well addresses the cure that the U.S. Senate tried many years ago to solve this problem and that was a very straightforward simple cure, Mr. President. It said that no more than such and such amount of money, again on a per voter or population basis, could be expended by any candidate in a congressional district or any candidate for the U.S. Senate in any State of the United States. You just could not spend. We have put a cap on spending.

Well, that would have worked but the Supreme Court, as we all know, held that violation of the constitutional rights of an individual and stripping aside all of the other legal phraseology the Supreme Court of the United States simply said that they agreed that the basic foundation of the bill was a good one but they also agreed that the constitutional rights of a very wealthy individual were violated if the law said that he could not spend all of his million or all of his billion on himself to be elected to high public office.

It was before I was involved here, but I remember when that ruling came down I though it was a rather disappointing ruling for what I felt would be fairness and reasonableness in the elective process. But at the same time I recognized that the Supreme Court of the United States has to make its decision on not what it would like to do but upon the laws of this land and basically the Constitution of the United States of America.

When that came down it just shattered the reforms that were then in place and ever since that time we have been trying to correct it with a constitutional amendment. When the Supreme Court decides something on constitutional grounds that you do not agree with, the one way of correcting that, and it is not an easy way, is to propose a constitutional amendment which changes the Constitution and the Constitution could be changed in a manner that would have allowed that previous campaign reform bill to become operative.

But changing the Constitution we all know and for very good reason is a difficult task. You have to get it passed by the Congress and then you have to get it ratified by most of the State legislatures in the United States. So that has not been done.

This Senator from Nebraska is a cosponsor of a constitutional amendment to allow us to do just that right now, but we all know that at a minimum this is a 4- to 6-year process even if it is successful and I suspect, in the long run, it might be.

So the other way to change that and the other way to get around this lengthy process and to stay away from amending the Constitution of the United States, which I think should not be amended promiscuously, is we have developed this bill. This bill simply goes back basically to the same tenets as the previous bill by setting campaign limits on a population basis for elective offices of the U.S. Senate and, as I said, in the case of Nebraska, it would allow roughly $1 million to be spent.

But to get around the constitutional problem, then we said and provided in this bill that if one candidate agrees when that candidate files for the U.S. Senate that he would spend no more than $1 million, and then we require appropriate reporting to see that that is accomplished, but if the opponent says, "No, I won't live by that, I am going to spend whatever I want to get elected to the United States Senate from Nebraska," then and only then could the candidate who had agreed to abide by the law qualify for limited taxpayer financing of a campaign up to a specific amount.

Mr. McCONNELL. Excuse me, will the Senator yield for a question?

Mr. EXON. I am happy to yield for a question.

Mr. McCONNELL. I was listening with interest to my friend from Nebraska describe what we might call "Boren III," the third proposal for taxpayer financing and spending limits in Senate campaigns, and the Senator's analysis of Buckley versus Valeo.

The Senator is aware, I assume, of the way that the Presidential public funding system works, is he not?

Mr. EXON. Yes.

Mr. McCONNELL. Would the Senator from Nebraska please describe to me what the penalty is against a Presidential candidate who chooses not to accept taxpayer funding of his campaign?

Mr. EXON. If he did not accept public funding?

Mr. McCONNELL. Yes. Consider for example, former Treasury Secretary John Connally, who said in 1980, "I choose not to accept public funding; I choose to go out and raise my money from people who support me." Could the Senator describe to me what penalty, under the Presidential campaign law, accrues to a candidate who says, "As a matter of principle I choose to raise my own money instead of dipping into the public bill." What happens to him?

Mr. EXON. I do not think very much happens to him. I guess he is probably an individual like John Connally who felt that he did not want to be controlled by any rules or regulations. He probably had the wherewithal to finance his campaign or felt that he had enough people interested in his candidacy that he could go out and raise the money on his own. What is the point of the question?

Mr. McCONNELL. The point I intend to make, as my friend from Nebraska knows, is that there is no penalty.

Mr. EXON. No.

Mr. McCONNELL. Under current law, if one is running for President and chooses to do it the hard way, by raising his campaign funds from a whole lot of people, there is no penalty. He just has to work hard to compete with the Government-funded opponent.

Now, under all three campaign finance schemes proposed by the Senator from Oklahoma, there is a penalty: you get punished, in other words, if you choose to go out and do it the hard way, to work for your funds, whether you do it as a matter of principle, or because you believe a lot of people are willing to support your views. Under Boren I, Boren II, and Boren III, the candidate who accumulates a lot of support the hard way triggers a punitive payment of money to his opponent from the Federal Treasury. I would suggest to my friend from Nebraska that all three of the proposals of the Senator from Oklahoma clearly are in violation of the Constitution, because you get punished by the Government for exercising your first amendment rights: to go out and get your own support, instead of reaching into the taxpayers' pockets. In the opinion of the Senator from Kentucky, the penalty feature of S. 2, in all its sordid permutations, violates the clear rule of law established by the Supreme Court in Buckley versus Valeo: that Congress may, in limited ways, offer the taxpayer's money as an inducement for candidates to forego private, voluntary contributions and limit their overall spending. But the Court makes it clear that Congress only can provide incentives for compliance, not Government-enforced penalties.

Mr. EXON. I thank my friend from Kentucky for asking the question.

I suppose, though, that if you would follow out the logic to the point that he has just raised you simply say that you never ever under any circumstances control the amount of money that any candidate could spend to be elected President of the United States or in the case of this body elected to the U.S. Senate. I do not know whether my friend was here earlier when I tried to make the point. But I do not believe that the people of the United States feel that elections should be bought, and I tried to give a reasoned position that I held in that regard.

Not always is it the case that the one that spends the most money wins an election.

But in going back to answer the Senator's question, he will remember, I am sure, that under the campaign law that was declared unconstitutional by the Supreme Court, it would have been against the law to spend more than a certain amount of money to be elected and the reason for that was the enforcement mechanism, I would suggest, for the Campaign Reform Act.

What we have done here, of course, in this act with the amendment that has now been offered to the measure of the Senator from Oklahoma that this Senator originated is simply say we think we get around the constitutional objection here. Who knows what the learned ones on the Supreme Court will do or say about anything that we do here because, as the Senator from Kentucky knows very well, they do pass judgment as is their responsibility on the laws that are passed by the Congress and, of course, signed into law by the President of the United States; the point being that if you are not going to have some enforcement mechanism, then always you are going to have the very wealthy person that can finance their own campaign highly likely of success in the political system.

Let me just say in concluding my remarks, Mr. President, that if there are those who think that the present system is fair and reasonable, if there are those who see nothing wrong with $1.5 million on each side for a candidate to run, or up to $5 or $10 million to seek office in the less-populated States of our country, if they think it is all right, that it is a good thing to spend up to $3 million per candidate for office in a State such as my neighboring State of North Dakota with 750,000, then I think what they are really saying is that, "Notwithstanding anything else, let's allow all the spending anybody wants or can raise to influence a campaign."

I am not sure that that is the best way to go. But, of course, I think no less of those, such as my friend from Kentucky, who do not share my point of view. They may be right. I think they are not.

I simply say, Mr. President, that we have tried to work this bill out. It has been amended so far from the original proposal by the Senator from Oklahoma that it is hardly recognizable. But it does do what my friend and colleague from Oklahoma, in close cooperation with the majority leader, has had in mind for a long, long time, and that is to begin to get the amount of money, the inordinate amount of money, the obscene amount of money, depending on your point of view, from having an improper influence on the elective process in this great country of ours.

So, Mr. President, I hope that I have made some points that my colleagues might study and take a look at; because I suspect that if the proposition that we are fostering here today were voted on by the people of the United States, I suspect that there would be an overwhelming number of the people of the United States, Republicans and Democrats alike, that would say that is fair, that is reasonable, and that puts a limited limit on the amount of money that should play within and outside the political system.

I just want to say one final message. There may be some additional flaws in this bill with regard to the control of expenditures by those other than the candidate and the candidate's campaign organization itself. We are certainly open to any suggestions, any workable suggestions from those on the other side of the aisle who remain diametrically opposed to the basic tenets and principles of this bill, which is to control, to limit, to some reasonable degree, the amount of money that is spent in campaigns.

So the door is open for constructive compromise, so long as an amendment is not offered that would, in essence, be a killer amendment and make inoperative the procedures that we are trying to advance with this bill.

Mr. President, I yield the floor.

Mr. McCONNELL. Mr. President, I commend the Senator from Nebraska for his insight in this matter. In fact, we do agree on a number of different points. The Senator from Nebraska on several occasions made reference to the problem of "campaigns being for sale." The implication of this concern is that millionaires, spending their own money on high-ticket campaigns, distorts the process. I cannot agree more.

One flaw in Buckley versus Valeo was that it allowed an individual of great wealth to spend everything he had in pursuit of political office. I might say to my friend from Nebraska, I wish that his most recent proposal, Boren III, did something about that. But it doesn't, and it can't, because the "millionaire's loophole" is a constitutional problem, requiring effective constitutional action.

The Senator from Kentucky has already introduced a constitutional amendment, Senate Joint Resolution 166, that would give Congress the authority to limit what an individual can spend from personal funds on his own campaign. That is a limited power that the Congress ought to have. And I agree that this portion of the Supreme Court decision in Buckley versus Valeo was not good policy.

I would be more than happy to have the Senator from Nebraska as a cosponsor of this constitutional amendment. I believe that we should not just casually or drastically amend the Constitution, but this is not a complicated amendment; it would be likely to pass through this Congress with great speed, an the election process would be better off for it.

Mr. EXON. Will the Senator yield for a question?

Mr. McCONNELL. Yes, I am glad to yield.

Mr. EXON. I am very much interested in the piece of legislation you just mentioned. How does your piece of legislation for a constitutional amendment differ from the constitutional amendment offered by the Senator from South Carolina which changes the Constitution? Is your amendment very similar to that?

Mr. McCONNELL. It differs, I say to my friend, in this one respect: It is the opinion of the Senator from Kentucky that, if we put reasonable limits on what individuals can contribute to campaigns—and we have those limits; I could give no more than $1,000 to your campaign in the primary and general elections; and if we require full disclosure of all contributions and their sources, then there should be no limit on how much support a candidate can gather from people at home. The Senator from Kentucky and the Senator from Nebraska ought to be able to go out and get as much support as they can attract, from a whole lot of people throughout the States they represent.

I do not agree with the Senator from South Carolina that Congress should be given broad authority to control how much participation there can be in a campaign, which is what spending limits are. I do agree that an individual millionaire shouldn't be able to distort the process by going outside of the limits that the rest of us abide by.

Mr. EXON. If I could ask another question.

Mr. McCONNELL. Yes.

Mr. EXON. I appreciate the implied invitation, but I do not care to cosponsor the amendment offered by my friend from Kentucky and I will stay as a cosponsor of the amendment offered by my friend from South Carolina, which is in keeping, basically, with what I feel is critically necessary.

If I understand, then, the position of the Senator from Kentucky, if you and I were running against each other in the United States, which I am sure cannot and never will happen, but if we were and we were from the same State and if I traveled in a circle where I had 500 people that were millionaires or more in their total net worth and you had zero, none, who are millionaires or more, do you think that would not give me a distinct advantage in the race that we would have?

Mr. McCONNELL. I would say to my friend from Nebraska that a fellow running for a public office is like a fellow starting a business: he's got to find a way to build support for his venture and get people to believe in what he stands for. In politics, with the strict limits on individual contributions, none of your millionaire friends could give you more than $1,000 in the primary and general elections. With the limits as low as they are, you would be forced to attract a broad base of support and a lot of small contributors, just like any other candidate.

I might add that we could even further lower the limit on individual contributions, because the more you lower what can be contributed, the more you broaden the base of contributors and bring in more small donors.

I listened with interest to the observations of the Senator from Nebraska about the time involved in raising money. This is purely a strategy option, not necessity. Some incumbents choose to raise money early; many do not. I know several people on this side of the aisle who do not like to do that. They choose not to raise money early, preferring to wait until later. It is our option; nobody is making us go out and raise money early if we do not want to.

Mr. EXON. May I ask a further question, then, just for clarification?

Mr. McCONNELL. Yes.

Mr. EXON. All these millionaires that were in the hypothetical race that I outlined before, would it not be possible for those millionaire friends of mine to go out and form or contribute to a political action committee that could, in turn, give to this candidate, and, therefore, funnel additional money into the campaign of us millionaires?

Mr. McCONNELL. No, because we have also put limits on what people can contribute to PAC's: $5,000 per election. What would be most likely to happen, under the schemes that the Senator from Oklahoma has put forth, is that those millionaires could still do the same thing they do today under existing law: making independent expenditures in whatever amounts they desire. That is possible under today's law, and under each of the three versions of S. 2.

One good thing about existing law—though there are parts of it I do not like—is it gives preference to campaign spending which is fully reported and in fairly small denominations. None of the millionaires in your hypothetical could distort overall spending beyond the $1,000 limit, unless they made independent expenditures or chose to buy political office for themselves; in that case, they could spend as much as they desired. Both of these are loopholes the Senator from Kentucky would like to close, and he has introduced a limited amendment to the Constitution enabling Congress to limit millionaire spending on personal campaigns and independent expenditures.

Mr. EXON. Well, they would, would they not, be able to contribute to PAC's all over the country that, in turn, could contribute to me?

Mr. McCONNELL. As I indicated, no one can contribute more than $1,000 to you, or $5,000 to a PAC, and no PAC can give more than $5,000 to you either. The good thing about our current system is that wealthy supporters don't help you any more than average citizens who like you.

Mr. EXON. Well, I am not sure I totally agree with my friend from Kentucky. Both of us, I think, are creatures of the free enterprise system. I am not sure that running for office is like starting a business. Because this Senator started my business in the basement of our home, my wife and I. So I have some experience in starting a small business. I also have the experience of starting up from scratch in the political races.

I am not sure that I really believe that they are one and the same, and, therefore, I am not sure that the total free enterprise system applies to political races.

But, nevertheless, I respect the point of view expressed by my friend from Kentucky.

Mr. McCONNELL. Since you brought up the political action committees, my friend, it is the opinion of the Senator from Kentucky that public dissatisfaction with political action committees is what is really driving the movement for campaign finance reform.

I proposed a measure, along with Senator PACKWOOD and others, which would eliminate PAC contributions altogether. We could zero out PAC contributions to candidates and, as far as I am concerned, to parties as well.

The two biggest distortions of overall spending are millionaire expenditures, which have gone from $11 million in 1978 to $40 million in 1986, and PAC contributions: in 1978, PAC contributions were roughly $35 million; last year they were $132 million.

It is clear, if you try to define where the problem is, that spending increases have occurred largely because of the millionaire's loophole and the advent of PAC contributions.

Those two developments have been the prime sources of abuse in the current system. That is what turns the public off, not the total amount of mney spent in campaigns, as long as it is spent by a whole lot of people. What offends the public is that wealthy candidates and PAC's have single handedly inflated campaign spending to vast proportions.

Mr. EXON. Let me ask you one more question. I know you want to make a presentation. I do not have any charts but I wanted to ask you this question. If we would enact a constitutional amendment that the Senator from Kentucky is sponsoring, and if we would enact into law the legislation that he is sponsoring, with regard to PAC's and everthing else, and if we had all those things in place—and going back to our theoretical race—the Senator from Nebraska against the Senator from Kentuchy, would, after you get all of these things in place, would it not be possible for me to raise and spend $3 million to $4 million in this race and my friend from Kentucky, if that is the best he could do, would have a total expenditure of, say, $500,000 to $800,000?

Mr. McCONNELL. That is certainly possible, because in the hypothetical that the Senator from Nebraska phrases, the Senator from Nebraska would have a whole lot more support than the Senator from Kentucky, and would be more likely to win—because he would have more support. That is what this process is all about, going out and getting support. That is perfectly all right; it is part of the rough and tumble of American politics.

Who is to say that every candidate should be funded from the Federal Treasury at an equal amount? Who is to say that if a candidate decides to go out and gather his support from a whole lot of folks, that he should trigger taxpayer dollars to his opponent?

I do not think we should be passing a law that is blatantly unconstitutional to deal with a limited problem that can be cured directly. Let's not make all candidates "equal." All candidates are not equal; that is why some win and some lose. Some try harder, some care more, some work harder to win. That is the American way. Public financing and spending limits is more like "from each according to his abilities, to each according to his means." That is socialism, and we don't need to import it into our American democracy.

Mr. EXON. Just to clarify this one more time, if you yield—I appreciate your consideration. You are coming back to the situation that I think is the main sticking point by many on that side of the aisle and others on this side of the aisle.

I would simply say to you that if we ever run for office against each other, I do not think that I am $3 to $5 million a better U.S. Senator, or more qualified U.S. Senator, than my friend from Kentucky.

While I would be quite well satisfied and comfortable as a politician—and I have been down the road—if I were going to spend $4 to $5 million, and you were going to spend $500,000 to $600,000, that would be very comfortable. I am very fearful, though, that what my friend from Kentucky is overlooking is the fact that the numbers of people giving to campaigns have a direct relationship to the amount of money that the individual who works at the factory can give and the amount of money that a fairly wealthy person can give, along with the contribution that he can also give in his wife's name.

So I simply say that I think where we part company—we are trying to be fair. I do not think it is fair for me to have $4 to $5 million in my campaign running against you and you have $500,000 to $700,000. I am sorry, I do not think that is fair to you. But, if you want to run under those circumstances, I am going to be assured of winning most of the time.

Mr. McCONNELL. I would say to my friend that it appears to me that he has a bias against certain kinds of political participation. There are all kinds of ways to participate in the campaign.

Those who are busy and involved, starting businesses, like the Senator from Nebraska started his, do not have time to go down to the union hall and work on a phone bank or go out to voter registration drives. Instead, they give a small, disclosed contribution to the candidate they believe in.

It is pretty clear to the Senator from Kentucky that the campaign finance schemes emanating from the other side have a clear bias against small contributions, as opposed to soft money contributions—none of those proposals would do anything at all about soft money.

If we are talking about leveling the playing field, we should bring all the soft money right into the open and put a limit on it. I wonder how the Senator from Nebraska would feel about that.

Mr. EXON. Let me answer that question. You remember that I said a few moments ago there still may be some shortcomings with the bill as advanced and as significantly amended, as the Senator from Oklahoma offered.

I was talking about that particular point. I worry, too, about the soft money. That is why, if we could work with the Senator from Kentucky and if he could help us formulate further amendment to that bill to get at the soft money, then I will support that. That is a concern of mine and, as I have advised the Senator from Oklahoma, I am not, still, totally satisfied with this bill from that standpoint.

So I just say to my friend from Kentucky, if you will be willing to work with us, close at least that portion of the concerns that you have with the bill we would be very delighted to have you join with us in giving us one more vote that we need to reach that 60 votes for cloture.

Mr. McCONNELL. Let me just conclude this discussion by saying I commend the Senator from Nebraska for recognizing this particular problem. As he knows, soft money is neither disclosed nor limited. Individual contributions are limited and fully disclosed; but soft money is a gaping loophole through which millions and millions of dollars are spent every election cycle. It is influence-buying on the black market, and we must blow it open and shut it down.

It has been the suspicion of the Senator from Kentucky that the schemes emanating from that side of the aisle are not particularly interested in either disclosure or limitation on soft money contributions, because the other side of the aisle benefits handsomely from them. If we are going to have a level playing field, it seems to me there ought not to be a bill that is constructed in a manner that has a certain bias against cash contributions and no bias at all against in-kind contributions.

Mr. EXON. I would simply add that we have been discussing and debating this now for I guess 30 or 40 minutes. We have come to a point where the Senator from Kentucky and the Senator from Nebraska agree and maybe we can work that out.

I thank you for your consideration.

Mr. McCONNELL. I thank the Senator.

The PRESIDING OFFICER. Does the Senator from Kentucky seek additional recognition?

Mr. McCONNELL. For the moment, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. McCONNELL. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Ms. MIKULSKI). Without objection, it is so ordered.

Mr. McCONNELL. Madam President, we are now into our 12th day of debate on S. 2. There are a number of issues confronting the country that I am reasonably confident the American people think enjoy a higher priority. The judgment of the Senator from Kentucky, for example, is that tort reform or the liability crisis might be more on the minds of the people of the United States than campaign finance reform.

The distinguished Senator from West Virginia is seeking to bring up catastrophic illness coverage. I believe that is a higher priority.

America is concerned about the competitiveness of our country's industry yet we passed a trade bill last week which was strongly anticompetitive.

As usual, we passed no appropriations bills and we will probably be here until Christmas Eve.

Yet we have spent 12 days, Mr. President, on a problem that really does not exist. There has been a lot of talk about campaign spending in this country, but the fact of the matter is we spend less on Senate campaigns than the American public spent on bottled water last year. We spent more advertising pet food than we spent on House and Senate races combined. When you talk about campaign spending, you have to say, "Compared to what?" Compared to almost any form of communication in our society, which is heavily communications-oriented, we are not spending a whole lot on campaigns.

Most of the money we are spending from campaigns is coming from a whole lot of people who are participating.

And the people who contribute to campaigns are people who are too busy taking care of patients or running businesses or doing something productive to register their views any other way. They do not have the time to go out and work a phone bank, or to go door-to-door, or engage in other political activities. But they want to participate, so they make a small contribution.

Under existing law it is not possible to make a very large financial contribution. The most anyone can give, and few give this much, is $1,000 per election. Not many people do that, but a lot of people make small contributions.

One of the wonderful things that has happened the last 10 years is that a whole lot of people have gotten involved in contributing to political campaigns. One of the reasons that we have been able to raise more money is because more people are interested and are participating. That is not bad; that is absolutely good. We ought to be encouraging participation in campaigns. We ought to encourage people to get involved.

For most people, the easiest way for them to get involved is to make a small contribution.

That is what this whole debate is about, Madam President. There are some, unfortunately most of them are on the other side of the aisle, who do not have much problem with undisclosed special interest soft money. But these same Senators do want to limit how many individual contributors there can be.

Of course, their goal from the beginning has been to dip into the Treasury and have the taxpayers pay for political campaigns. We have seen several different proposals for this during these 12 days of debate, Boren I, Boren II, and now Boren III.

Boren III has cut the financial exposure of the Government and us taxpayers somewhat. It is estimated now at roughly $30 million in mail subsidies if the bill applied to Senate races only, and from $70 to $100 million if it included the House.

I might say, Madam President, there is no chance of a campaign reform bill being passed that applies only to the Senate. If we are going to change the rules in Federal elections, they must apply to both bodies. We are talking about a version of S. 2 that dips into the Treasury roughly to the tune of $70 to $100 million each election.

Further, Boren III will punish people for exercising their first amendment rights. We have had a lot of people criticize the decision of Buckley versus Valeo. Madam President, may I be so bold as to say it was a good decision. It ratified most of the campaign reforms that were passed in the 1970's. It did, however, say that Congress can go too far in gathering power to insulate its elections from popular will. It can go too far in a free society in snuffing out the rights of citizens to participate in a political campaign.

Let me read in part from the much-maligned decision of Buckley versus Valeo.

The Supreme Court said:

> A restriction on the amount of money a person or group can spend on political communication during a campaign necessarily reduces the quantity of expression by restricting the number of issues discussed, the depth of their exploration, and the size of the audience reached.

Further, the Supreme Court said:

> Virtually every means of communicating ideas in today's mass society requires the expenditure of money. The distribution of the humblest handbill or leaflet entails printing, paper, and circulation costs. Speeches and rallies generally necessitate hiring a hall and publicizing the event. The electorate's increasing dependence on television, radio, and other mass media for news and information has made these expensive modes of communication indispensable instruments of effective political speech.
>
> The expenditure limitations contained in the Act . . .

They were referring to the one passed back in the 1970's.

> . . . represent substantial rather than merely theoretical restraints on the quantity and diversity of political speech.
>
> No governmental interest that has been suggested is sufficient to justify the restriction on the quantity of political expression imposed by . . . campaign expenditure limitations . . . The interest in alleviating the corrupting influence of large contributions is served by the Act's contribution limitations and disclosure provisions . . .

The court went on to say:

> There is no indication that the substantial criminal penalties for violating the contribution ceilings combined with the political repercussion of such violations will be insufficient to police the contribution provisions. Extensive reporting, auditing, and disclosure requirements applicable to both contributions and expenditures by political campaigns are designed to facilitate the detection of illegal contributions.
>
> Given the limitation on the size of outside contributions, the financial resources available to a candidate's campaign, like the number of volunteers recruited, will normally vary with the size and intensity of the candidate's support. There is nothing invidious, improper, or unhealthy in permitting such funds to be spent to carry the candidate's message to the electorate. Moreover, the equalization of permissible campaign expenditures might serve not to equalize the opportunities of all candidates but to handicap a candidate who lacked substantial name recognition or exposure of his views before the start of the campaign.
>
> In any event, the mere growth in the cost of federal election campaigns in and of itself provides no basis for governmental restrictions on the quantity of campaign spending and the resulting limitation on the scope of federal campaigns. The First Amendment denies government the power to determine that spending to promote one's political views is wasteful, excessive, or unwise. In the free society ordained by our Constitution it is not the government but the people—individually as citizens and candidates and collectively as associations and political committees—who must retain control over the quantity and range of debate on public issues in a political campaign.

I venture to say, Madam President, that almost anyone in the Senate would profess to being a supporter of the first amendment. The Supreme Court has said very clearly, in a unanimous decision, that the kinds of restrictions suggested in the various S. 2 permutations are unconstitutional.

The Presidential system is frequently referred to by S. 2's supporters; but there are some important distinctions between the Presidential public funding option, and the penalties proposed in the various versions of S. 2.

In the Presidential system, there is no penalty for choosing to receive public funds. If you choose not to receive public funds, you just have to work very hard to win.

We had one candidate for President, who was not successful—and maybe that is why no one else chose this option—who said, "I don't believe in taking money from the Treasury to run my campaign. I'm going to raise it myself." He did not make it. No one else has. The only penalty was that he had to work harder. He did not dip into the Treasury. He went out and worked for it.

Under all the schemes that have emanated from the other side of the aisle, however, there are real and substantial penalties levied for exercising one's first amendment right in running for public office in this country, to go out and garner as much support as you can. If you do that under any of these schemes, a substantial amount of taxpayer money is triggered immediately to the opponent, in substantial sums.

Clearly, the only reason why the bills have been designed this way is to make it virtually impossible for a candidate, who chooses to raise his money privately, to go out and raise support from a lot of little people in his home State.

Having said that, Madam President, let me hasten to add that the Senator from Kentucky is not entirely satisfied with existing law. There are a number of changes that could and should be made.

Two things have clearly driven the increase in spending on campaigns in the last 8 years, and we have talked about them frequently in the long 12 days of debate that we have been involved in this issue on the floor.

In the age of television in the Senate, charts have become quite popular, and the Senator from Kentucky has one as well. This chart refers to total spending in 1978 in races for the House and the Senate. Total spending was just under $200 million in 1978. In 1986, it was around $450 million. There has been a clear increase in the amount of money spent in House and Senate races, from a little under $200 million, up to $450 million. Inflation obviously has driven that to some extent. But where does the money come from, that additional money that is going into political campaigns?

The big increases have been in two areas that are worthy of attention. First, political action committee contributions have grown substantially. The total PAC spending on House and Senate races in 1978 was $35 million. In 1986, political action committee spending had risen to $132 million, a fairly substantial increase over an 8-year period.

The other area that has gone up considerably is millionaire spending on their own candidates. This was one of the things that Buckley versus Valeo said you could not restrict, that it would be a violation of a wealthy candidate's first amendment rights to tell him how much of his own money he could put into his race. People who have a lot of money, therefore, have chosen to do that.

In the case of millionaire spending, on which there is no limitation, in 1978 there was $11 million spent by millionaires in their own behalf, by people in their own campaigns, and that had risen by 1986 to $40 million.

So what you see driving the increase in the amount of money spent are two new sources of funds: The growth in PAC's and the growth in the number of people of great wealth willing to spend money in their own behalf.

The Senator from Kentucky believes that those are two problem areas that could and should be addressed.

The Senator from Kentucky has introduced a constitutional amendment—that is what it would take to overrule Buckley versus Valeo, in part—which would give Congress the authority to limit what individuals can put into their own campaigns. That would level the playing field considerably between the millionaire candidate on the one hand and the candidate of modest means on the other.

Further, the Senator from Kentucky, the Senator from Oregon, and others have introduced a bill that would eliminate political action committee contributions altogether, to candidates and to parties.

To the extent that those two sources of funds were either eliminated, in the case of PAC contributions, or brought under the same restrictions as contributions to another, in the case of millionaire contributions, you begin to level the playing field.

The final item that should be dealt with is the question of the cost of campaigns on the other end, and that is the cost of television. We all know, because we have run for office, that the big cost in any campaign is TV. It is the magic medium. It is the place people get to know us. It is the place they make the decision as to whether to vote for or against us.

Clearly, the requirements under existing law that they sell us political candidates the time at the lowest unit rate available to others is not working out very well.

The Senator from Kentucky and the Senator from Oregon have also proposed a requirement that stations sell us the time at the lowest unit rate of the entire preceding year. It would eliminate the potential to raise, the lowest unit rate just prior to elections, and thereby nullify the discount. If it is a hotly contested race, it is easy for the station to raise the rate for all customers during that pre-election period, so that the lowest unit rate becomes a good deal higher than it was immediately before that; and they thereby make an enormous profit off of political activity.

It would not be violation of any broadcaster's property rights to simply require that the stations sell us campaign advertising time at the lowest unit rate of the preceding year. Considering the handsome sums they extract from us now, such a discount would not even materially hurt their balance sheets.

That would avoid the spending increases which have been seen in many States, and which have further driven up the costs of campaigns.

Madam President, there is a way to deal with the real problems in this area, without putting a limit on participation by average individual citizens around the country. The Supreme Court has said that is in fact unconstitutional. It is a first amendment freedom, and shouldn't be restricted.

We can get at the real problem by doing something about the cost of TV, the millionaires' loophole, and political action committees.

It is the opinion by the Senator from Kentucky that what is generating all the bad press, and there has been some—is the belief that the special interests are contributing too much to political campaigns. You can make that argument. Special interest or PAC contributions have clearly gone up substantially, from $35 million in 1978 to $132 million in 1986. Why don't we just eliminate them, just zero them out, and then the contributions that go into campaigns will come entirely from individuals. We have not raised the amount that an individual can contribute in over 12 years and I am not even advocating that. Keep it where it is.

The downside of keeping the limit as low as it is requires us to work harder. I notice a lot of folks in this body don't want to work very hard in their campaigns. They just would like to reach into the Treasury and get the tax dollars that have been given involuntary by the folks out there, rather than going out and raising it themselves. It is time-consuming if one chooses, and it is our choice. Nobody makes us do it. It is time-consuming if one chooses to raise a lot of money, and it takes a little while to do that. You do not have to. If you want, you can just say no.

There are a number of Senators in this body on both sides of the aisle who simply choose not to do that. They say, "That may be good strategy, to stack up a lot of money early and scare my opponent off, but I choose not to do so. I am going to cut down the length of time that I am involved in this process to 1 year." Nobody is making us do either.

I have heard time and time again from the other side of the aisle, "I am spending all my time raising money." Senators are going hither and yon and everywhere raising money. No one is making them do that. They choose to. They choose to because they think it is good strategy.

We ought not to rewrite the basic compaign laws of this country because some Senators do not want to spend any time at raising money. Nobody is saying to them that their campaign budgets should be a certain amount. They can do what they choose to do.

We should not, however, pass a bill that is flatly unconstitutional, just because some people do not want to spend much time raising money.

The sanctions against the exerise of first amendment freedoms in the various Boren proposals violate the Constitution. Now, some will say, "Let us just pass a bill, and see if the Supreme Court decares it unconstitutional."

Now, I do not think we ought to go around as a careful, deliberative legislative body, passing bills that are blatantly unconstitutional.

The various suggestions that the Senator from Kentucky has made would achieve true campaign reform by doing something meaningful about the millionaire problem, the PAC problem, and the cost of campaigns. That would be true campaign finance reform.

The Senator from Kentucky has said frequently, over the 12 long days we have had this debate, that he would be willing to sit down at any time with the leaders on the other side to talk about true campaign finance reform. For true campaign finance reform to pass, it must be bipartisan. You are not going to get a partisan bill out of here on this vital issue.

The people on this side of the aisle have seen that the various proposals emanating from the other side discriminate against small individual contributions and protect the so-called in-kind contribution, or soft money. Democratic candidates, by and large, have done better with soft money, so they want to protect that. Republican candidates have attracted the support of the small contributor, so they want to push the average citizen out of politics.

Thus, it has developed into a partisan conflict. But if we are serious about passing a campaign finance reform bill, we ought to take this matter off the floor, sit down together, and work out something that will treat the millionaire problem, the PAC problem, and the cost of campaigns. We can enact a law that will be good for the system and not hurt either one side or the other side or the system itself. That is the kind of bill we ought to be working toward.

That concludes my observations for the time being, and seeing no one else on the floor, I suggest the absence of a quorum.

The **PRESIDING OFFICER.** The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

RECESS FOR 15 MINUTES

Mr. BYRD. Madam President, there will be no more rollcalls today. Some discussions are going on at the moment. Rather than keep the Senate in a quorum call longer and so as to give the doorkeepers and others a chance to get a drink of water and a breath of fresh air, I ask unanimous consent that the Senate stand in recess for 15 minutes.

There being no objection, the Senate at 5:32 p.m., recessed until 5:47 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Ms. MIKULSKI].

Mr. BYRD. Madam President, I suggest the absence of a quorum.

The **PRESIDING OFFICER.** The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

JUDGE BORK AND THE FIRST AMENDMENT

Mr. HUMPHREY. Madam President, last night in remarks before the Senate I called my colleagues' attention to the extraordinary track record compiled by Robert Bork as a member of the U.S. Circuit Court of Appeals for the District of Columbia. It is doubtful—and I am having this research done now so I will have more authoritative information on this point, but I think it is fair to say—it is doubtful that any other appellate judge in the Nation can match the number of majority decisions he or she has written or joined in with without a single reversal of those decisions by the Supreme Court.

Judge Bork's record on this point is extraordinary. He has written approximately 100 majority decisions, not one of which has been overturned by the Supreme Court. He has joined in, concurred in, more than 400 opinions in the last 5 years, likewise which have not been overturned by the Supreme Court.

I make the point because it is absurd to argue that a judge with such an exemplary record serving at the highest levels of the Federal judiciary, just below the Supreme Court, is undeserving of confirmation because of his judicial philosophy, as his opponents allege.

Beyond the matter of Bork's impeccable record, impressive record, extraordinary record—probably a unique record—it is important to dispel some of the misleading arguments made by the partisan groups attacking his positions in various critical areas of the law.

I want to focus this evening on the charges about Robert Bork's hostility to the first amendment, which charges are nothing more than rubbish.

Seizing upon an article Judge Bork wrote 16 years ago exploring a theoretical approach to first amendment issues, the opponents claim that Bork has an unacceptably narrow view of free speech rights. Once again, however, these criticisms are refuted fully by the observable facts of Bork's established judicial record. Bork has written major opinions in the D.C. Circuit which reflect exceptional sensitivity to the first amendment. These opinons are flatly incompatible to charges that his judicial philosophy gives short shrift to civil liberty and free speech in particular.

Madam President, in Ollman versus Evans and Novak, Bork wrote a concurrent opinion which extended novel first amendment protection to journalistic opinion. The issue was whether a newspaper column's critical characterizations of a Marxist professor were privileged opinion entitled to constitutional protection against liable suits. Judge Bork held that they were, and stressed that preservation of first amendment freedom sometimes requires a flexible judicial approach to contemporary situations.

Bork's opinion in Ollman was praised by the New York Times. Hear that, opponents who suggest that Bork is unfriendly to free speech.

Bork's opinion in Ollman was praised by the New York Times, and the Washington Post. Hear that, likewise. Both the Washington Post and the New York Times praised one of the two principal decisions which Bork was involved in that bore directly on free speech.

In fact, in one of the few cases where they differed while on the U.S. Court of Appeals, Antonin Scalia sharply dissented against Bork's conclusions as an unwarranted expansion of the first amendment theory.

So the man we confirmed by unanimous vote of 98 to nothing less than a year ago disagreed with Judge Bork in the Ollman decision which was about free speech. Bork was praised by the Washington Post and the New York Times for the correctness of his decision. Scalia dissented from Bork and we nonetheless, and rightly so, confirmed Scalia by 98 to 0.

Significantly, during Judge Scalia's confirmation hearings for the Supreme Court, the senior Senator from Massachusetts pointedly noted that Scalia had taken a more restrictive view of first amendment liberties there than Bork did. Yet, now the tune has changed, and Judge Bork, who was the hero of Ollman, is suddenly portrayed as one who is suspect in the area of free speech. It has become apparent that these charges against Bork have little to with the facts and everything to do with partisan political considerations.

In another key first amendment case, Judge Bork held that the Washington Metro's refusal to accept a poster harshly critical of the Reagan administration for display in subway stations was an unconstitutional prior restraint. The poster in question was a crude depiction of the President and other administration officials seated at a table full of food and appearing to laugh at underprivileged bystanders. Even though Metro had rejected the poster for violating Metro's guidelines with respect to deceptive advertisement, Judge Bork stressed that "the thumb of the court should be on the speech side of the scales." He held that any prior restraint of political messages on the basis of alleged deceptiveness is unconstitutionally overbroad.

So there are the two most important cases bearing on the first amendment, bearing on free speech, in which Bork has participated, and in both cases he was the hero; and in one case, in Ollman, he was cited as a hero by the Washington Post and the New York Times.

So it is clear from this record as a judge that he is very strong, indeed, on maintaining the sanctity and the strength of first amendment rights. The case of Ollman and the Metro poster case are the proof for those who want to look beyond political demagoguery and look at his decisions, look at his performance, look at his record, which is spotless as a judge.

I point out again that in over 100 decisions which he authored, he has been upheld every time by the Supreme Court—every time such decisions have been appealed. He has never been overruled by the Supreme Court.

When Judge Bork has rejected expansive claims in this area, the correctness of his rulings likewise has been borne out. A major case in point was Community for Creative Nonviolence versus Watt. In that case, a majority of the D.C. Circuit reached the curious conclusion that sleeping overnight in Lafayette Park constituted "protected speech," and therefore the Park Service was barred from enforcing its regulations against abuse of the parks. But Judge Bork joined Judge Scalia in dissenting. They said that the majority's decision "stretch(es) the Constitution not only beyond its meaning but beyond reason, and beyond the capacity of any legal system to accommodate."

So, in that case, he was on the other side of the fence, if you will. He felt that the majority, themselves, were overbroad in interpreting the first amendment. So, what happened? Did the Supreme Court stomp on Judge Bork's opinion? Not at all. By a vote of seven to two, the Court agreed with Scalia and Bork and reversed the D.C. Circuit Court ruling that sleeping in the park was free speech. Interestingly, Judge Powell, whose regulation created the vacancy for which Robert Bork is being considered, sided with the Bork view, as he almost always has, in reviewing D.C. Circuit Court rulings.

So, when Bork was in the majority on first amendment rights, he was upheld by the Supreme Court. When he was in the minority on first amendment rights, he was upheld by the Supreme Court. A spotless, flawless, perfect record; a 1,000 batting average for Robert Bork.

Yet, there are some who, without any substance, without any basis, claim that he is weak on first amendment rights. The record proves the critics wrong, for those who want to look at the record.

As in other areas of the law, Judge Bork combines sound constitutional principles with good common sense to reach just and correct resolution of first amendment disputes.

I urge my colleagues to consider these realities against the distortions, dishonest distortions, of Judge Bork's record being spread by his opponents. This is a judge with a proven record of reaching correct legal decisions in over 400 cases. This is a record second to none. This is a judge whose judicial record is nearly a perfect match for an outstanding Supreme Court Justice whose confirmation we unanimously approved about a year ago—speaking of Scalia. "He looks like Scalia," to use the phrase of the chairman of the Judiciary Committee. He looks like Scalia. The record proves he looks like Scalia. The records are almost identical. We confirmed Scalia by 98 to 0, less than a year ago.

Mr. President, these are the kinds of relevant and objective facts we must focus upon if we are to have a fair and reasonable confirmation process—fair and reasonable. Is that too much to ask? Can we have fairness and responsibility instead of demagoguery? I think it is not too much to ask.

There are those who claim that Bork is an extremist. His record proves that he is not. He looks like Scalia. Was Scalia an extremist? Are Senators prepared to admit that they confirmed to the Supreme Court, by a vote of 98 to 0, a man who was an extremist—Scalia?

Their records are almost identical on the D.C. Circuit Court, where they both served. Are Senators, likewise, prepared to admit that those of us in 1982, those who were here then—including the chairman of the Judiciary Committee, including the senior Senator from Massachusetts—those who, with the chairman of the committee, have been the leading vocal opponents of Bork—are we willing to say that in 1982, when confirming Bork, after careful scrutiny, we confirmed an extremist by unanimous vote?

Is that what the Senate is asking the American people to believe? It is preposterous. If Robert Bork was an extremist, was the ogre his opponents portray him to be, he would not have been confirmed by a unanimous vote 5 years ago to the second-most important court in this country, and neither would he have been confirmed as Solicitor General, a prior post he held, the third highest post in the Justice Department.

Mr. President, all the nominee wishes for, I am sure, and all the President hopes and wishes for is fairness and reasonableness. I think that if we have those things, it will be clear that Robert Bork looks a lot like Scalia. I would hope that the chairman, who said that, on that basis, he would vote to confirm, notwithstanding all the pressure of the special interest groups which play a part in the selection of the Democratic nominee for President, would vote to confirm. I hope that ultimately the chairman and every Member of this body will vote to confirm Judge Bork, assuming that nothing untoward is turned up in the hearings. There is always that possibility, and we should keep an open mind. As Members can tell, I am inclined to support Judge Bork, but I have not committed. As a member of the Judiciary Committee, I think I should remain openminded, at least until after the hearings, and I intend to do so. One never knows what might come up. But if there is anything untoward, it has never been discovered, either in his record as a member of the D.C. Court or in the confirmation process for that position or in the confirmation process for the post of Solicitor General.

Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER** (Mr. GRAHAM). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. **BYRD**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

BICENTENNIAL MINUTE

AUGUST 4, 1789: ESTABLISHMENT OF THE DEPARTMENT OF WAR

Mr. **DOLE**. Mr. President, 198 years ago today, on August 4, 1789, the Senate approved legislation to establish the third of the three original executive branch agencies: the Department of War. Under the "Articles of Confederation," the seeds of the future War Department had been planted and cultivated by Henry Knox, a distinguished Revolutionary War commander. In September 1789, the Senate confirmed Knox as the first Secretary of War.

With a personal staff of only two clerks, Knox supervised the Nation's two armories, in Springfield, MA, and Harper's Ferry, VA, while maintaining a well-regulated militia in support of a small 560-man Regular Army. The War Department's administrative structure consisted of a quartermaster's section, a fortifications branch, a paymaster, an inspector general, and an Indian office. By 1800, as the Federal Government moved to its new Capitol in Washington, the task of governing the military affairs of the entire Nation had overwhelmed the original tiny staff, and the number of department personnel had expanded to 80.

The young War Department was plagued by mismanagement, failure, and incompetence. Following a 1791 Indian victory over Federal forces, a congressional investigating committee blamed improper organization, and a lack of troop training and discipline, for the embarrassing defeat. In 1794, Secretary Knox resigned, distracted by the burden of his wife's gambling debts and undercut by President Washington, who considered military affairs as his own personal area of expertise. During the following century and a half, the War Department was headed by such notable national figures as James Monroe, John C. Calhoun, Jefferson Davis, and William Howard Taft. Under the 1947 "National Security Act", the old War Department was merged with the Navy Department to create the new Department of Defense.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Emery, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting a treaty, which was referred to the appropriate committees.

(The treaty received today is printed at the end of the Senate proceedings.)

ANNUAL REPORT OF THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—MESSAGE FROM THE PRESIDENT—PM 58

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

Pursuant to the requirements 42 U.S.C. 3536, I hereby transmit the Twenty-second Annual Report of the Department of Housing and Urban Development, which covers calendar year 1986.

RONALD REAGAN.

THE WHITE HOUSE, *August 4, 1987.*

ANNUAL REPORT OF THE SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION—MESSAGE FROM THE THE PRESIDENT—PM 59

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Environment and Public Works:

To the Congress of the United States:

Pursuant to the requirements of Section 10 of the Saint Lawrence Seaway Act of May 13, 1954, I hereby transmit the Saint Lawrence Seaway Development Corporation's Annual Report for 1986.

RONALD REAGAN.

THE WHITE HOUSE, *August 4, 1987.*

MESSAGES FROM THE HOUSE

At 2:36 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House agrees to the amendments of the Senate to the following bill:

H.R. 318. An act to provide for the restoration of Federal recognition to the Ysleta del Sur Pueblo and the Alabama and Coushatta Indian Tribes of Texas, and for other purposes.

The message also announced that the House agrees to the amendment of the Senate to the following bills:

H.R. 348. An act to amend title 39, United States Code, to extend to certain officers and employees of the U.S. Postal Service the same procedural and appeal rights with respect to certain adverse personnel actions as are afforded under title 5, United States Code, to Federal employees in the competitive service;

H.R. 921. An act to require the Secretary of the Interior to conduct a study to determine the appropriate minimum altitude for aircraft flying over national park system units; and

H.R. 1403. An act to designate the U.S. Post Office Building located in St. Charles, IL, as the "John E. Grotberg Post Office Building.

The message further announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 1948. An act to designate the U.S. Post Office Building located at 153 East 110th Street in New York, NY, as the "Oscar Garcia Rivera Post Office Building";

H.R. 2309. An act to provide that certain lands shall be in trust for the Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation, CA;

H.R. 2629. An act to amend the Alaska National Interest Lands Conservation Act of 1980 to clarify the conveyance and ownership of submerged lands by Alaska Natives, Native Corporations and the State of Alaska;

H.R. 2937. An act to make miscellaneous technical and minor amendments to laws relating to Indians, and for other purposes; and

H.R. 2957. An act to provide for improvements in the National Cemetery System administered under title 38, United States Code, and for other purposes.

ENROLLED BILLS SIGNED

At 4:08 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

H.R. 348. An act to amend title 39, United States Code, to extend to certain officers and employees of the U.S. Postal Service the same procedural and appeal rights with respect to certain adverse personnel actions as are afforded under title 5, United States Code, to Federal employees in the competitive service;

H.R. 1403. An act to designate the U.S. Post Office Building located in St. Charles, IL, as the "John E. Grotberg Post Office Building"; and

H.R. 1444. An act to amend titles XI, XVIII, and XIX of the Social Security Act to protect beneficiaries under the health care programs of that act from unfit health care practitioners, and otherwise to improve the antifraud provisions relating to those programs.

The enrolled bills were subsequently signed by the President pro tempore (Mr. STENNIS).

At 5:01 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House disagrees to the amendments of the Senate to the joint resolution (H.J. Res. 324) increasing the statutory limit on the public debt; it agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and appoints the following as managers of the conference on the part of the House:

From the Committee on Ways and Means: Mr. Rostenkowski, Mr. Gibbons, Mr. Pickle, Mr. Rangel, Mr. Stark, Mr. Jacobs, Mr. Jenkins, Mr. Russo, Mr. Matsui, Mr. Duncan, Mr. Archer, Mr. Crane, Mr. Schulze, and Mr. Thomas of California.

From the Committee on Appropriations: Mr. Whitten, Mr. Smith of Iowa, Mr. Murtha, Mr. Traxler, Mr. Edwards of Oklahoma, and Mr. Lewis of California.

From the Committee on Rules: Mr. Pepper, Mr. Moakley, Mr. Derrick, Mr. Beilenson, Mr. Frost, Mr. Latta, and Mr. Lott.

From the Committee on Government Operations: Mr. Brooks, Mr. Conyers, Mr. Waxman, Mr. Synar, Mr. Horton, and Mr. Walker.

From the Committee on the Budget: Mr. Gray of Pennsylvania, Mr. Leath of Texas, Mr. Williams, Mr. Wolpe, Mr. Gradison, and Mr. Mack.

Appointed as additional conferees: Mr. Foley, Mr. Ford of Michigan, Mr. Obey, Mr. Aspin, Ms. Oakar, Mr. Panetta, Mr. Fazio, Mr. MacKay, Mr. Frenzel, Mr. Regula, Mr. Gregg, Mrs. Martin of Illinois, and Mrs. Johnson of Connecticut.

The message also announced that the House has passed the following bill, without amendment:

S. 769. An act to provide grants to support excellence in minority health professions education.

The message further announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 1340. An act to improve the distribution procedures for agricultural commodities and their products donated for the purposes of assistance through the Department of Agriculture, and for other purposes; and

H.R. 2672. An act to amend title 38, United States Code, for the purpose of improving veterans' housing programs.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 1948. An act to designate the United States Post Office Building located at 153 East 110th Street in New York, New York as the "Oscar Garcia Rivera Post Office Building"; to the Committee on Governmental Affairs.

H.R. 2615. An act to provide that certain lands shall be in trust for the Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation, California; to the Committee on Energy and Natural Resources.

H.R. 2629. An act to amend the Alaska National Interest Lands Conservation Act of 1980 to clarify the conveyance and ownership of submerged lands by Alaska Natives, Native Corporations and the State of Alaska; to the Committee on Energy and Natural Resources.

H.R. 2672. An act to amend title 38, United States Code, for the purpose of improving veterans' housing programs; to the Committee on Veterans' Affairs.

H.R. 2937. An Act to make miscellaneous technical and minor amendments to laws relating to Indians, and for other purposes; to the Select Committee on Indian Affairs.

H.R. 2957. An act to provide for improvements in the National Cemetery System administered under title 38, United States Code, and for other purposes; to the Committee on Veterans' Affairs.

MEASURES PLACED ON THE CALENDAR

The following bill and joint resolution were read the second time and placed on the calendar:

H.R. 1994. An act to amend the boundaries of Stones River National Battlefield, Tennessee, and for other purposes; and

H.J. 216. Joint resolution to support a ceasefire in the Iran-Iraq war and a negotiated solution to the conflict.

The following bills were read the first and second times by unanimous consent, and placed on the calendar:

H.R. 1340. An act to improve the distribution procedures for agricultural commodities and their products donated for the purposes of assistance through the Department of Agriculture, and for other purposes; and

H.R. 2309. An act to amend the Christopher Columbus Quincentenary Jubilee Act;

REPORTS OF COMMITTEES SUBMITTED DURING ADJOURNMENT

Under the authority of the order of the Senate of August 3, 1987, the following report was submitted on August 3, 1987, during the adjournment of the Senate:

By Mr. KENNEDY, from the Committee on Labor and Human Resources:

Report to accompany the bill (S. 1542) to provide financial assistance for a program of comprehensive child development centers, and for other purposes (Rept. No. 100-141).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute:

S. 1048: A bill to amend the Communications Act of 1934 to provide authorization of appropriations for the Federal Communications Commission, and for other purposes (Rept. No. 100-142).

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute and an amendment to the title:

H.R. 812: A bill to amend the Stevenson-Wydler Technology Innovation Act of 1980 to establish a National Quality Improvement Award, with the objective of encouraging American business and other organizations to practice effective quality control in the provision of their goods and services (Rept. No. 100-143).

By Mr. METZENBAUM (for Mr. KENNEDY), from the Committee on Labor and Human Resources, with an amendment in the nature of a substitute:

S. 945: A bill to require the Secretary of Health and Human Services to make grants to local governments for demonstration projects to provide respite home and other assistance for infants abandoned in hospitals, and for other purposes.

By Mr. GLENN, from the Committee on Governmental Affairs, without amendment:

S. 1194: A bill to transfer jurisdiction over certain lands in Bernalillo County, NM, from the General Services Administration to the Veterans' Administration.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. NUNN, from the Committee on Armed Services:

H. Lawrence Garrett III, of Virginia, to be Under Secretary of the Navy.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. BURDICK, from the Committee on Environment and Public Works:

Kenneth C. Rogers, of New Jersey, to be a member of the Nuclear Regulatory Commission for the term of 5 years expiring June 30, 1992.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. MATSUNAGA:

S. 1588. A bill for the relief of Vasikaran Ratnarajah; to the Committee on the Judiciary.

By Mr. BREAUX:

S. 1589. A bill for the relief of LeRoy Sylestine, Chairman of the Tribal Council of the Coushatta Tribe of Louisiana, and all other enrolled members of the Coushatta Tribe of Louisiana; to the Committee on the Judiciary.

By Mr. MURKOWSKI:

S. 1590. A bill to ensure American control of certain vessels engaged in processing of fish within the United States Exclusive Economic Zone; to the Committee on Commerce, Science, and Transportation.

By Mr. D'AMATO:

S.J. Res. 183. A joint resolution establishing a moratorium on the prepayment of certain mortgages insured under the National Housing Act or assisted under such act; to the Committee on Banking, Housing, and Urban Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MURKOWSKI:

S. 1590. A bill to ensure American control of certain vessels engaged in processing of fish within the U.S. exclusive economic zone; to the Committee on Commerce, Science, and Transportation.

PROCESSING OF FISH WITHIN THE UNITED STATES EXCLUSIVE ECONOMIC ZONE

● Mr. MURKOWSKI. Mr. President, the U.S. fishing and fish processing industries have made great strides in the recent past. We have come far along the road to the fully Americanized seafood industry visualized by those who led the passage of the Magnuson Fishery Conservation and Management Act, including my good friend and colleague Senator STEVENS, the senior Senator from Alaska.

I rise today to introduce legislation that will help to assure continued progress toward that same goal.

Only a few years ago, much of the vast U.S. fishery resources were being harvested by foreign nations. These countries were only too happy to take advantage of the U.S. inability either to catch or to process its own resources. As a result, they were able to take billions of pounds of fish each year.

Ironically, most of what they harvested were bottom-dwelling fish such as Alaska pollock and Pacific cod, and we often found ourselves in the position of buying back our own fish, after foreign fishermen, processors, transporters, and reprocessors all had profited from it.

The Fishery Conservation and Management Act began to change that sad state of affairs by providing the domestic industry with preferential rights to the harvesting and processing of domestic resources. We have now reached the point where our resources are almost entirely harvested by American fishermen, and are rapidly moving toward the same state in the processing sector.

As an illustration of how rapidly this has occurred, let me call attention to the fact that as recently as 1982 only 2 percent of the fish harvested in this country's rich fishing grounds off Alaska were caught and processed by the domestic industry. This year, it was the foreign fleets that were allocated just 2½ percent of the total; 69 percent was allocated to American fishermen working in joint ventures with foreign processors, and a full 28 percent was scheduled to be both caught and processed by Americans.

We must recognize, however, that despite our progress toward using American boats and processing plants, practical control over a large portion of the American industry remains in the hands of foreign firms. Japanese companies especially hold a substantial—even overwhelming—interest in many U.S. companies. The purpose of such investment has been to provide for stability in the cost of American products to Japan, and it has worked splendidly.

Now, with the U.S. industry's operating capacity expanding rapidly, it is time to take steps to ensure that control over certain aspects of the expansion remain in U.S. hands.

The bill I am introducing today will accomplish this. It is directed toward at-sea processing ships, which form the most rapidly growing sector in the industry and the most likely target for future takeovers. These vessels include both mother ships supplied by catcher boats, and trawler processors which catch most of their own raw material.

Mr. President, the need for legislation of this type is amply illustrated by what happened just a few days ago when an application was submitted to reflag three large Korean fish processing vessels under exactly the circumstances we are trying to prevent. Although title to these vessels may be in the name of an American company, control clearly is not. Worse, these vessels are large enough by themselves to make a significant dent in the amount of U.S. bottom fish available to U.S. processors.

This is a blatant attempt to get around the intent of the Magnuson Act, and I for one find it extremely objectionable. One way of avoiding this is quick action to prohibit the reflagging of fish processing vessels, and I wholeheartedly support doing so. In fact, I am today offering, in addition to this bill, an amendment which I hope will allow S. 377, which directly addresses reflagging, to go forward more quickly.

Mr. President, one cannot turn the clock backward, and the legislation I am introducing today avoids punitive restraints on existing companies. It will, however, require that controlling interest in new at-sea processing vessels be held by American citizens or by corporations that are under American control.

Section 1 of the bill prohibits any fish processing vessel from operating within the U.S. exclusive economic zone unless the controlling interest in the vessel is owned by U.S. citizens or is owned by a corporation or other company in which controlling interest is held by U.S. citizens.

Only two exceptions are allowed. The first allows existing foreign-controlled vessels to continue operating as long as they have been used continuously by the same company since before January 1, 1987. The second applies only in cases where a foreign lender has agreed to finance an American-controlled company's purchase, and retains an equity interest in the vessel until the loan is paid.

Section 2 of the bill calls upon the Secretary of Commerce to review and report to Congress on the effect this legislation has had on the number of foreign-controlled fish processing vessels operating in U.S. waters.

Finally, section 3 defines what is meant by the terms "fish processing vessel," and controlling interest. In reference to the latter, it is my intention to ensure a clear understanding that, before controlling interest is considered to exist, several conditions must be met. These include American citizen ownership of a majority of a company's stock, an American-held majority of the voting power within the corporate structure, and an absence of any other circumstances that could lead to control of the company by any foreign entity.

This bill represents a careful, deliberately cautious approach to promoting the goal of the Magnuson Act to Americanize our fisheries, and I urge my colleagues to support this legislation.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1590

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) notwithstanding any other provision of law, a fish processing vessel is prohibited from operating in the waters of the United States Exclusive Economic Zone unless—

(1) the controlling interest in such vessel is owned by an individual or individuals who are citizens of the United States or by a corporation, partnership, or other entity with respect to which the controlling interest therein is owned by an individual or individuals who are citizens of the United States; or

(2) such vessel—

(A) has been used continuously as a fish processing vessel in the waters of the United States Exclusive Economic Zone from January 1, 1987, to the date of enactment of this Act; and

(B) the controlling interest in such vessel was continuously held by the same individual or individuals, or by the same corporation, partnership, or other entity, from January 1, 1987, to the date of the enactment of this Act; or

(3) such vessel was purchased by an individual or individuals who are citizens of the United States, or by a corporation, partnership, or other entity with respect to which the controlling interest therein is owned by an individual or individuals who are citizens of the United States, for use in the United States Exclusive Economic Zone as a fish processing vessel pursuant to a financing agreement in effect on January 1, 1987.

(b) The exemption of a vessel under clause (2) of subsection (a) shall cease at such time as such controlling interest in any such vessel ceases to be continuously held by such individual, individuals, corporation, partnership, or entity.

SEC. 2. The Secretary of Commerce shall study and review the effectiveness of this Act in reducing the number of fish processing vessels within the United States Exclusive Economic Zone during the 12-month period following the date of the enactment of this Act the controlling interest of which is not owned by United States citizens. On or before the expiration of the 15-month period following such date of enactment, the Secretary of Commerce shall report to the Congress the results of such study and review, together with his or her recommendations.

SEC. 3. As used in this Act, the term—

(1) "fish processing vessel" means a vessel that commercially prepares fish or fish products other than by gutting, decapitating, gilling, skinning, shucking, icing, freezing, or brine chilling; and

(2) "controlling interest" has the same meaning as used in section 2(b) of the Shipping Act of 1916 (46 U.S.C. 802(b)).●

By Mr. D'AMATO:

S.J. Res. 183. Joint resolution establishing a moratorium on the prepayment of certain mortgages insured under the National Housing Act or assisted under such act; to the Committee on Banking, Housing, and Urban Affairs.

TENANT BILL OF RIGHTS

● **Mr. D'AMATO.** Mr. President, I rise today to introduce legislation addressing a volatile and complicated issue affecting low-income tenants and low- and moderate-income housing management in this country. This legislation is intended to protect tenants and promote the long-term availability of affordable housing to low-income individuals.

The past few months have been difficult. Over 5,000 section 515 farmer's home units have become available for prepayment. Congress has been forced to further extend a moratorium on these prepayments in order to develop a feasible, long-term plan for low-income housing in this country.

This bill proposes that a temporary moratorium be placed on prepayments of certain HUD mortgages. Specifically, the moratorium would apply to 221(d)(3) market rate projects constructed with rent subsidy and/or converted to section 8 low management set-aside, 221(d)(5) projects, and 236 projects that are insured and not insured by HUD. The moratorium will terminate on January 1, 1989, providing 1½ years for Congress to address the prepayment problem in a thorough and productive manner. I do not envision the moratorium to be a long-term solution to this problem. However, in light of the current need for a temporary solution, some protection must be provided for low-income tenants.

Prepayment and "opting out" by owners of a variety of HUD programs poses a significant problem. The prepayment of HUD mortgages may subject low-income tenants to the whim of project owners. For some tenants, displacement and relocation are a very real threat. Many communities have very little housing available for tenant relocation.

The prepayment of these mortgages also has serious consequences for owners of these projects. Owners of projects, who have lived up to a 20-year agreement with the Federal Government, may be forced to renegotiate their contracts with the Government. Breaking these contracts could tie up owners and the Federal Government in court for an indefinite period of time. Unfortunately, low-income individuals are the ones who would most suffer if investment in low-income housing becomes unattractive.

Further, such prepayment has a very real impact upon the preservation and maintenance of our current housing stock. Tax reform and a major reduction in Federal spending have brought housing production to a virtual halt. The threat of the loss of already existing low-income housing is overwhelming. Long waiting lists for low-income housing in cities around the country already exist.

In view of the complexity of this issue, as well as the number of units and individuals affected by the prepayment issue, it would be unwise for Congress to act rashly. A quick-fix solution to this problem could be devastating for low-income tenants and project owners.

In addition, no one knows exactly which projects will or are likely to prepay in the near future. No one knows how many units could be lost from our low-income housing stock. No one knows how many low-income tenants will be affected by prepayments. We simply do not have enough specific information at this point.

Two task forces, representing all parties involved, are presently looking into solutions for the prepayment problem. They expect to complete their studies by the end of this year, the exact point at which Senator Cranston and I will be working on major, all-encompassing housing legislation. It would only be wise for Congress to wait until this time in order to address the prepayment problem in a well thoughtout, long-term manner. We will then have a clear idea of how best to approach the problem.

As ranking Republican on the Subcommittee on Housing and Urban Affairs, I am committed to ensuring that this Nation has long-term, permanent housing for low-income individuals. I am hopeful that this legislation will provide a necessary intermediate step in achieving this goal.●

ADDITIONAL COSPONSORS

S. 248

At the request of Mr. Lautenberg, the name of the Senator from Michigan [Mr. Riegle] was added as a cosponsor of S. 248, a bill to amend title 10, United States Code, to permit members of the Armed Forces to wear, under certain circumstances, items of apparel not part of the official uniform.

S. 567

At the request of Mr. DeConcini, the name of the Senator from Virginia [Mr. Trible] was added as a cosponsor of S. 567, a bill to clarify the circumstances under which territorial provisions in licenses to distribute and sell trademarked malt beverage products are lawful under the antitrust laws.

S. 945

At the request of Mr. Metzenbaum, the names of the Senator from Massachusetts [Mr. Kennedy], the Senator from Utah [Mr. Hatch], the Senator from Indiana [Mr. Quayle], the Senator from Connecticut [Mr. Dodd], and the Senator from Illinois [Mr. Simon] were added as cosponsors of S. 945, a bill to require the Secretary of Health and Human Services to make grants to local governments for demonstration projects to provide respite home and other assistance for infants abandoned in hospitals, and for other purposes.

S. 1059

At the request of Mr. Moynihan, the name of the Senator from Arkansas [Mr. Bumpers] was added as a cosponsor of S. 1059, a bill to terminate the application of certain Veterans' Administration regulations relating to transportation of claimants and beneficiaries in connection with Veterans' Administration medical care.

S. 1203

At the request of Mr. Grassley, the names of the Senator from Colorado [Mr. Armstrong] and the Senator from Louisiana [Mr. Johnston] were added as cosponsors of S. 1203, a bill to amend title 22, United States Code, to make unlawful the establishment or maintenance within the United States of an office of the Palestine Liberation Organization, and for other purposes.

At the request of Mr. Lautenberg, the name of the Senator from Pennsylvania [Mr. Heinz] was added as a cosponsor of S. 1203, supra.

S. 1345

At the request of Mr. D'Amato, his name was added as a cosponsor of S. 1345, a bill to allow the National Association of State Racing Commissioners, State racing commissions and regulatory authorities that regulate parimutuel wagering to receive and share Federal Government criminal identification records.

S. 1346

At the request of Mr. Matsunaga, the name of the Senator from Wisconsin [Mr. Proxmire] was added as a cosponsor of S. 1346, a bill to amend the National Labor Relations Act to give employers and performers in the performing arts rights given by section 8(e) of such act to employers and employees in similarly situated industries, to give employers and performers in the performing arts the same rights given by section 8(f) of such act to employers and employees in the construction industry, and for other purposes.

S. 1365

At the request of Mr. Cranston, the name of the Senator from South Carolina [Mr. Hollings] was added as a cosponsor of S. 1365, a bill to amend title 38, United States Code, to establish presumptions of service connection for certain diseases of former prisoners of war.

S. 1369

At the request of Mr. Rockefeller, the name of the Senator from Michigan [Mr. Riegle] was added as a cosponsor of S. 1369, a bill to strengthen the technological literacy of the Nation through demonstration programs of technology education.

S. 1382

At the request of Mr. Metzenbaum, the name of the Senator from Indiana [Mr. Lugar] was added as a cosponsor of S. 1382, a bill to amend the National Energy Conservation Policy Act to improve the Federal Energy Management Program, and for other purposes.

S. 1397

At the request of Mr. Cranston, the name of the Senator from Mississippi [Mr. Cochran] and the Senator from Ohio [Mr. Metzenbaum] were added as cosponsors of S. 1397, a bill to recognize the organization known as the Non-Commissioned Officers Association of the United States of America.

S. 1437

At the request of Mr. D'Amato, his name was added as a cosponsor of S. 1437, a bill to make certain members of foreign diplomatic missions and consular posts in the United States subject to the criminal jurisdiction of the United States with respect to crimes of violence.

S. 1453

At the request of Mr. Heinz, the name of the Senator from Maryland [Ms. Mikulski] was added as a cosponsor of S. 1453, a bill to amend the Disaster Relief Act of 1974 to provide for more effective assistance in response to major disasters and emergencies, and for other purposes.

S. 1464

At the request of Mr. Cranston, the name of the Senator from Pennsylvania [Mr. Specter] was added as a cosponsor of S. 1464, a bill to amend title 38, United States Code, to provide eligibility to certain individuals for beneficiary travel payments in connection with travel to and from Veterans' Administration facilities.

S. 1475

At the request of Mr. Melcher, the name of the Senator from Alabama [Mr. Shelby] was added as a cosponsor of S. 1475, a bill to establish an effective clinical staffing recruitment and retention program, and for other purposes.

S. 1484

At the request of Mr. Grassley, the names of the Senator from Nevada [Mr. Hecht], the Senator from Tennessee [Mr. Gore], the Senator from Montana [Mr. Baucus], the Senator from Mississippi [Mr. Cochran], and the Senator from North Dakota [Mr. Conrad] were added as cosponsors of S. 1484, a bill to provide permanent authorization for White House Conferences on Rural Development and the Family Farm.

S. 1490

At the request of Mr. Sarbanes, the name of the Senator from Oklahoma [Mr. Boren] was added as a cosponsor of S. 1490, a bill to designate certain employees of the Librarian of Congress as police, and for other purposes.

S. 1511

At the request of Mr. Moynihan, the name of the Senator from Hawaii [Mr. Inouye] was added as a cosponsor of S. 1511, a bill to amend title IV of the Social Security Act to replace the AFDC program with a comprehensive program of mandatory child support and work training which provides for transitional child care and medical assistance, benefits improvement, and mandatory extension of coverage to two-parent families, and which reflects a general emphasis on shared and reciprocal obligation, program innovation, and organizational renewal.

S. 1576

At the request of Mr. Helms, the name of the Senator from Idaho [Mr. Symms] was added as a cosponsor of S. 1576, a bill to amend the Internal Revenue Code of 1986 to repeal the income taxation of corporations, to impose a 10 percent tax on the earned income (and only the earned income) of individuals, to repeal the estate and gift taxes, and for other purposes.

S. 1587

At the request of Mr. D'Amato, the name of the Senator from Idaho [Mr. Symms] was added as a cosponsor of S. 1587, a bill to authorize the minting of commemorative coins to support the training of American athletes participating in the 1988 Olympic Games.

SENATE JOINT RESOLUTION 53

At the request of Mr. Cranston, the names of the Senator from Arizona [Mr. McCain], the Senator from Nebraska [Mr. Karnes], the Senator from Alabama [Mr. Heflin], the Senator from Washington [Mr. Adams], the Senator from Indiana [Mr. Quayle], and the Senator from Utah [Mr. Garn] were added as cosponsors of Senate Joint Resolution 53, a joint resolution to designate the period commencing November 22, 1987, and ending November 28, 1987, as "American Indian Week."

SENATE JOINT RESOLUTION 171

At the request of Mr. Cranston, the names of the Senator from Alaska [Mr. Stevens], the Senator from Maryland [Ms. Mikulski], and the Senator from Ohio [Mr. Glenn] were added as cosponsors of Senate Joint Resolution 171, a joint resolution designating the week beginning November 8, 1987, as "National Women Veterans Recognition Week."

SENATE JOINT RESOLUTION 173

At the request of Mr. Reid, the name of the Senator from New Mexico [Mr. Domenici] was added as a cosponsor of Senate Joint Resolution 173, a joint resolution to commemorate the 200th anniversary of the signing of the United States Constitution.

SENATE JOINT RESOLUTION 175

At the request of Mr. Trible, the names of the Senator from Missouri [Mr. Danforth], the Senator from Illinois [Mr. Dixon], the Senator from Nebraska [Mr. Exon], the Senator from Utah [Mr. Hatch], the Senator from Alabama [Mr. Shelby], the Senator from Pennsylvania [Mr. Specter], and the Senator from Vermont [Mr. Stafford] were added as cosponsors of Senate Joint Resolution 175, a joint resolution to recognize the efforts of the United States Soccer Federation in bringing the World Cup to the United States in 1994.

SENATE RESOLUTION 219

At the request of Mr. Daschle, the name of the Senator from North Carolina [Mr. Sanford] was added as a cosponsor of Senate Resolution 219, a resolution expressing the sense of the Senate with respect to the use of ethanol, methanol, and other oxygenated fuels as an accepted air pollution control strategy in nonattainment areas designed by the Environmental Protection Agency.

SENATE RESOLUTION 267

At the request of Mr. Mitchell, the names of the Senator from Washington [Mr. Adams], the Senator from Montana [Mr. Baucus], the Senator from Texas [Mr. Bentsen], the Senator from Delaware [Mr. Biden], the Senator from Oklahoma [Mr. Boren], the Senator from Minnesota [Mr. Boschwitz], the Senator from New Jersey [Mr. Bradley], the Senator from Louisiana [Mr. Breaux], the Senator from Arkansas [Mr. Bumpers], the Senator from North Dakota [Mr. Burdick], the Senator from Rhode Island [Mr. Chafee], the Senator from Florida [Mr. Chiles], the Senator from California [Mr. Cranston], the Senator from New York [Mr. D'Amato], the Senator from South Dakota [Mr. Daschle], the Senator from Arizona [Mr. DeConcini], the Senator from Connecticut [Mr. Dodd], the Senator from Kansas [Mr. Dole], the Senator from New Mexico [Mr. Domenici], the Senator from Minnesota [Mr. Durenberger], the Senator from Washington [Mr. Evans], the Senator from Tennessee [Mr. Gore], the Senator from Florida [Mr. Graham], the Senator from Oregon [Mr. Hatfield], the Senator from Pennsylvania [Mr. Heinz], the Senator from New Hampshire [Mr. Humphrey], the Senator from Nebraska [Mr. Karnes], the Senator from Wisconsin [Mr. Kasten], the Senator from Massachusetts [Mr. Kerry], the Senator from New Jersey [Mr. Lautenberg], the Senator from Michigan [Mr. Levin], the Senator from Hawaii [Mr. Matsunaga], the Senator from Ohio [Mr. Metzenbaum], the Senator from Maryland [Ms. Mikulski], the Senator from Alaska [Mr. Murkowski], the Senator from Oregon [Mr. Packwood], the Senator from Rhode Island [Mr. Pell], the Senator from South Dakota [Mr. Pressler], the Senator from Wisconsin [Mr. Proxmire], the Senator from Arkansas [Mr. Pryor], the Senator from Indiana [Mr. Quayle], the Senator from Nevada [Mr. Reid], the Senator from Michigan [Mr. Riegle], the Senator from Delaware [Mr. Roth], the Senator from North Carolina [Mr. Sanford], the Senator from Maryland [Mr. Sarbanes], the Senator from Illinois [Mr. Simon], the Senator from Vermont [Mr. Stafford], the Senator from Virginia [Mr. Trible], the Senator from Virginia [Mr. Warner], the Senator from California [Mr. Wilson], and the Senator from Colorado [Mr. Wirth] were added as cosponsors of Senate Resolution 267, a resolution to express the sense of the Senate that Rachel Carson is recognized on the twenty-fifth anniversary of her book "Silent Spring," for her outstanding contributions to public awareness and understanding of environmental issues.

AMENDMENTS SUBMITTED

CONDITIONS FOR QUALIFICATION OF CERTAIN VESSELS UNDER THE MAGNUSON FISHERY CONSERVATION AND MANAGEMENT ACT

MURKOWSKI AMENDMENT NO. 657

(Ordered referred to the Committee on Commerce, Science, and Transportation.)

Mr. MURKOWSKI submitted an amendment intended to be proposed by him to the bill (S. 377) to impose a moritorium on the ability of foreign-built vessels to qualify for certain benefits under the Magnuson Fishery Conservation and Management Act, and for other purposes; as follows:

On the first page, strike out lines 3 through 6 and insert in lieu thereof the following: "That, notwithstanding any other provision of law, it shall be unlawful for any foreign-built vessel for which an application for United States documentation was not submitted prior to January 1, 1987, and which has not been documented under the laws of the United States prior to August 1, 1987, to engage in the processing of fish for commercial use or consumption."

● Mr. MURKOWSKI. Mr. President, I rise today to submit an amendment on the reflagging of fish processing vessels, to clarify the issue of when fish processing vessels built in foreign countries may be allowed to operate in the United States exclusive economic zone.

To help encourage the development of a healthy U.S. fishing industry, the Magnuson Act created a three-tiered priority system for fishery allocations: Fish to be both caught and processed domestically has the highest priority, followed by fish caught by U.S. fishermen for sale to foreign processors, and finally, fish both caught and processed by foreign entities.

The priority system has been highly successful, especially in encouraging growth in the U.S. harvesting sector. Still, the lion's share of harvested fish continue to be processed, if not caught, by foreign companies and their floating processing vessels.

The domestic processing industry is just now beginning its own rapid expansion. In just the last year, the share of the harvest these companies can handle has more than tripled, from 8 to 28 percent of the total.

Unfortunately, there is a loophole in existing U.S. law that could forever eliminate this industry's ability to complete the job of Americanization. That loophole permits the owner of a foreign fish processing vessel to create a "paper" U.S. corporation under foreign control, then assign the interest in the vessel to the U.S. corporation. The newly created subsidiary can then have the vessel redocumented as a U.S. ship—the process we know as reflagging.

A reflagged ship would be fully eligible under current law for the highest priority allocation preference under the Magnuson Act. Further, because the processing capacity represented by these vessels is so great, the processing industry could undergo instant overcapitalization if mass reflaggings took place.

These vessels are also fully amortized, so even if they were to use all-American crews and U.S. packaging, fuel, food supplies, et cetera, they would still be able to offer their owners a higher rate of return than any newly financed American venture could hope to achieve, whether on shore or at-sea.

Perhaps even more important is the fact that the threat of reflagging decreases the availibility of investment capital for the expansion of our own industry. After all, what investor would put large amounts of money in a business when he knows there is an excellent chance it will never be able to pay back his investment.

When I introduced legislation on this issue late last year, and again when my distinguished colleague Senator STEVENS and I introduced S. 377 early this year, I hoped to see this issue resolved swiftly. Unfortunately, there was not enough time left before the 99th Congress adjourned, and this year a steady stream of misinformation and speculation has muddied the waters and again prevented speedy action.

The need for rapid action on this issue has recently become even more obvious, and that is why I have chosen to offer both this amendment, and a new bill requiring American control of fish processing vessels themselves.

Despite claims by opponents of the earlier bills that it would never happen, a mass reflagging attempt is indeed being made. On Monday of last week, applications were submitted to reflag four foreign vessels. Three of these ships are Korean vessels being reflagged under the name of a newly established company that just barely meets the minimum requirements for U.S. incorporation. I find that outrageous. It is nothing more than a blatant attempt to get around the purpose and intent of the Magnuson Act.

Mr. President, this amendment is offered in a spirit of compromise, to be fair to those who began in good faith to document a foreign bottom before S. 377 was introduced, and who have since completed the administrative processes and been issued U.S. documentation.

My amendment removes the retroactive provision of S. 377, and replaces it with language requiring that any vessel to be used as a fish processing vessel has to meet two conditions: It must have applied for U.S. documentation before January 1 of this year; and it must have completed the process prior to August 1.

The net effect of this change is minimal. According to the latest information available from the U.S. Coast Guard Documentation Office, it would apply to just a single vessel, the former *Estavo Gomez,* which applied for documentation last year, and received it last month. This vessel, now called the *La Poncena,* is not the type of sham operation we are trying to prevent. It is, instead, a legitimate business venture opening new markets for Alaska codfish.

There are several reasons to choose August 1 as the cutoff for the completion of the documentation process. It is both late enough so that no one can argue that they did not have enough warning, or time enough to complete the process, and early enough to prevent the sort of last-minute, bogus attempts to escape congressional intent that occurred last week.

Mr. President, this is a clean, simple, and fair approach to resolving this problem. We need to act right away, before we have a flood of bogus ventures to deal with, and before any are actually given legal recognition.

Mr. President, I ask that my amendment be referred to the Senate Committee on Commerce, Science, and Transportation, for timely review as the committee moves toward mark up of S. 377.●

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON CONVENTIONAL FORCES AND ALLIANCE DEFENSE

Mr. BYRD. Mr. President, I ask unanimous consent the Committee on Armed Services' Subcommittee on Conventional Forces and Alliance Defense be authorized to meet during the session of the Senate on Tuesday, August 4, 1987 at 2 p.m. in closed session to receive testimony on the capabilities from the U.S. European command.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. BYRD. Mr. President, I ask unanimous consent that the full Committee on Environment and Public Works, be authorized to meet during the session of the Senate on August 4, beginning at 2:15 p.m., to mark up the Price-Anderson Act, S. 1425, a bill to authorize construction of a building for the Environmental Protection Agency, and to consider the nomination of Kenneth C. Rogers to be a member of the Nuclear Regulatory Commission.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ANTITRUST, MONOPOLIES, AND BUSINESS RIGHTS

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Antitrust, Monopolies, and Business Rights of the Committee on the Judiciary, be authorized to meet during the session of the Senate on August 4, 1987 at 2:15 p.m., to hold a hearing on S. 567, Malt Beverage Interbrand Competition Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE GRAMM-RUDMAN-HOLLINGS "FIX"

● Mr. MOYNIHAN. Mr. President, on July 31, the Senate, by a vote of 71 to 21, approved the so-called Gramm-Rudman-Hollings "fix." However, Gramm-Rudman-Hollings is one law that cannot and should not be fixed.

During the 99th Congress I urge my colleagues first to oppose the original Gramm-Rudman-Hollings legislation and then to repeal it. I have continued this effort in the 100th Congress and have introduced legislation to repeal this law. I did so because in passing Gramm-Rudman-Hollings Congress attempted to give up its responsibility to set priorities and make decisions about Federal spending decisions.

Gramm-Rudman-Hollings rests upon several flawed premises. A series of declining deficit ceilings or targets are specified, along with a mechanism to cut spending if Congress and the President cannot agree on an appropriate fiscal plan to meet the targets. In order to force compliance with the targets, the Gramm-Rudman-Hollings law required automatic spending cuts, or "sequestration" as it is known within bureaucratic circles. The Supreme Court gave this process short shrift, however, declaring automatic sequestration as determined by GAO to be unconstitutional. As a result of this decision, Congress and the President were required to take affirmative action in order to implement a sequester order rather than let it go into effect without so much as a single vote.

We have now had some experience with Gramm-Rudman-Hollings, including a sequester, yet the deficit targets have not been met. And they never will be. These original targets, it is apparent to all, were not realistic. They were based on inaccurate assumptions regarding U.S. economic growth. The assumptions were too optimistic as economic growth has been slower than anticipated. False economics and accounting gimmicks will not narrow the gap, and they certainly should not be the basis of a responsible Federal fiscal policy.

Mr. President, the Gramm-Rudman-Hollings "fix" adjusts the deficit targets to achievable levels. These new levels supposedly will enable Congress to meet its promises to the American people regarding deficit reduction by 1992, only 1 year later than the original promise. The specter of a new, and presumably constitutional, automatic sequester procedure is designed to force the President to accept the need for new revenues and spending cuts in areas where he has done nothing but escalate expenditures. False hopes and false promises, I regret to say.

The new deficit targets merely postpone the hard choices and difficult budget cuts until after the election. The revised Gramm-Rudman-Hollings is not a new and improved version. It will not lead to meaningful deficit reduction nor will it prompt the administration to rethink its approach to the deficit. And, most importantly, it fails to address the fundamental defect contained in the original legislation, a legitimization of Congress' and the President's abdication of their sacred oaths to govern.

Mr. President, I ask that an editorial entitled "Sham-Rudman" from the August 4, 1987, Washington Post and a copy of the July 31, 1987, roll call vote in the Senate on adoption of the Gramm-Rudman-Hollings fix be printed in the RECORD.

The material follows:

[From the Washington Post, Aug. 4, 1987]

SHAM-RUDMAN

In June congressional Democrats adopted a budget resolution promising to reduce next year's budget deficit some $37 billion, about half of it through a tax increase. The president responded with the usual non sequiturs. He would never agree to a tax increase, nor to the defense restraint on which the resolution also rests, but no one was a greater champion of deficit reduction than he. To force him out of this enduring fantasyland, members of both parties then said that they would reconstitute the Gramm-Rudman process, which calls for automatic spending cuts split equally between domestic programs and defense, if the president and Congress fail to meet declining deficit targets.

The Senate has now passed its version of this terrifying threat. It turns out to be a gummy compromise that, far from impelling a frightened president to bargain to save his defense buildup, might not impel him—or Congress—to do very much at all. Frankenstein has been transformed into R2D2. Its defenders argue that the alternative is nothing, no enforcement mechanism binding on either branch. Something beats nothing every time. But the deficit targets in this legislation are already an implicit retreat from the budget resolution. They are also carefully set, as a number of Democrats noted last week, so that most of their bite would come only after Ronald Reagan leaves office. The party would continue to be his, the cleanup his successor's.

This is concessional legislation, and disingenuous besides. Sen. Phil Gramm, who should know, said in debate that it was written in part "to try to get a bill that the president will sign." It would likely protect the very presidential priorities that it purports to challenge. That's why the Republicans like it; it would let them have it both ways. That's also why House and some Senate Democrats want to tighten it up in conference, as well they should. The point of this exercise, insofar as it has one, is not to perpetuate the feel-good policy that has prevailed for the past six years. It is to make the president—this president—choose.

[Rollcall Vote No. 218 Leg.]

YEAS—71

Armstrong, Baucus, Bentsen, Bond, Boren, Boschwitz, Breaux, Byrd, Chafee, Chiles, Cochran, Cohen, Conrad, D'Amato, Danforth, Daschle, DeConcini, Dixon, Dodd, Dole, Domenici, Durenberger, Evans, Ford, Fowler, Garn, Graham, Gramm, Grassley, Hatch, Hecht, Heflin, Heinz, Helms, Hollings, Humphrey, Inouye, Karnes, Kassebaum, Kasten, Kennedy, Levin, Lugar, Matsunaga, McCain, McClure, McConnell, Mitchell, Murkowski, Nickles, Nunn, Packwood, Pressler, Proxmire, Pryor, Quayle, Reid, Rudman, Sanford, Sasser, Specter, Stafford, Stennis, Stevens, Symms, Thurmond, Trible, Wallop, Warner, Wilson, and Wirth.

NAYS—21

Bradley, Bumpers, Burdick, Cranston, Exon, Glenn, Gore, Harkin, Hatfield, Johnston, Kerry, Lautenberg, Melcher, Metzenbaum, Mikulski, Moynihan, Pell, Riegle, Rockefeller, Roth, and Sarbanes

NOT VOTING—8

Adams, Biden, Bingaman, Leahy, Shelby, Simon, Simpson, and Weicker.

QUOTES FROM DANTE STEPHENSEN

● Mr. QUAYLE. Mr. President, Dante Stephensen's prose may not burn as brightly as his namesake's inferno, but his favorite and most meaningful quotes are certainly formidable and well worth persuing.

With that in mind, Mr. President, I should like to commend some of those quotes to this body and I ask that they be included in the RECORD.

The quotes follow:

SOME OF DANTE'S FAVORITE AND MOST MEANINGFUL QUOTES (PART I)

Patience and delay achieve more than force and hurry.—De La Fontaine.

Life is not so short but that there is always time for courtesy.—Emerson.

A man's own good breeding is the best security against other people's ill manners.—Lord Chesterfield.

Let tenderness, compassion and good nature be all the fine breeding that you show in any place.—William Lain.

How much more grievous are the consequences of anger than the causes of it.—Marcus Aurelius.

The virtue of man is measured not by his extraordinary exertions but by his everyday conduct.—Pascal.

It is not wealth or ancestry but honorable conduct and a noble disposition that make men great.—Ovid.

It is better to suffer an injury than to do one to another.—Cicero.

No man is hurt but by himself.—Diogenes.

Affluence doesn't necessarily mean happiness and more doesn't necessarily mean better.—Anonymous.

We can change any situation by changing our internal attitude toward it.—Dr. Harry Emerson Fosdick.

It should not be men's act which disturb us . . . instead, it is our own opinions of these acts which disturb us.—Marcus Aurelius.

Men need work first for the good of their soul then for the good of their pocketbooks. All the pensions schemes on earth won't alter that fundamental human necessity.—Elsie Robinson.

Anger blows out the lamp of the mind.—Robert G. Ingersoll.●

INFRASTRUCTURE PANEL REPORT ISSUED

● Mr. DOMENICI. Mr. President, I informed my colleagues a number of weeks ago that the Private Sector Advisory Panel on Infrastructure Financing had completed its work.

Under the leadership of Joseph M. Giglio, this panel of governmental and private sector members studied actions that governments at various levels should take to reduce the huge backlog of infrastructure needs confronting America.

I am particularly pleased that two New Mexicans served with distinction on the advisory panel. They are Harry Kinney, the former mayor of Albuquerque, and Robert O. Anderson of Roswell.

The report does not attempt to compute the backlog; it seeks instead to offer ways American might use to finance work on that backlog.

I am pleased to report to the Senate that this report has been issued as a committee print of the Senate Budget Committee; it is Senate Print 100-40.

It has been an honor for this senator to have generated this study during my service as chairman of the Budget Committee; I thank Chairman CHILES for issuing this helpful report, and I thank all those who worked so hard in the development and writing of the report, particularly the members of the panel as well as Chambers Associates, which served as staff for this privately financed study.

I ask that a copy of the "Executive Summary" be printed in the RECORD.

The material follows:

EXECUTIVE SUMMARY

America has shortchanged its future.

We need better highways. We need to expand our sewage plants. We need improved garbage disposal, safer bridges, more efficient air traffic systems, cleaner drinking water.

The Panel is convinced that America has fallen behind in building the sinew of infrastructure necessary for the future. Following considerable analysis of methods to finance future infrastructure, the Private Sector Advisory Panel on Infrastructure Financing recommends a number of important initiatives, including:

Creation of a new Infrastructure Trust Fund, financed with $25 billion in special federal contributions over five years, and dedicated to capitalizing state infrastructure banks and revolving loan funds;

Creation of a new, tax-exempt infrastructure bond to help local governments meet local needs; and

Support for public/private partnerships in constructing and managing infrastructure facilities.

BACKGROUND

To a disturbing extent, America's public facilities are defined by words such as "neglected," "decaying," "inadequate."

Each of us—all 240 million—at some point in our daily routines becomes aggravated with the problem of a clogged highway, a leaking water system, a stream polluted by untreated sewage, an aging subway car. Our roads and freeways are in disrepair. More frightening, we hear too frequently of collapsed bridges.

The physical underpinnings of America's economy have eroded.

Public spending on roads, bridges, and other types of physical infrastructure has declined steadily since the late 1960's. As a percentage of our gross national product, combined annual, federal, state, and local infrastructure investment fell from 3.5 percent of GNP in 1967 to about 2.7 percent of GNP in the mid 1980s. That percentage continues to drop.

Our failure to repair, replace, and expand essential public works is as glaring in the Sunbelt cities of the Southwest as in the older industrial cities of the Northeast.

The accumulated backlog carries a cost of overwhelming proportions. The shortage that will occur between now and the year 2000 has been estimated at $240 billion by the Congressional Budget Office. The Joint Economic Committee of the Congress put the shortfall over the period at $448 billion. Other estimates range much higher. Whatever number is accurate, it is astronomical. The situation appears certain to become more serious if action is not taken.

Why? The reasons are diverse. To a great extent, we see the consequence of choices made at every level of government in the allocation of resources. Instead of spending tax dollars on public works at the rate utilized for many years, America shifted its goals. While such a choice was never presented directly to America's taxpayers, it has been a decision at all levels of government, a decision that robs the future to pay for today.

Since the earliest civilizations, economic growth moved forward with public works. For America, the canals of the Northeast were followed by railroad lines stretched across the continent. We raised dams so the desert might bloom. We stitched together a system of interstate highways to speed travel. Public investment in public facilities added to our productivity, to economic growth, to a better life for all Americans.

As we enter the third century of the Republic, this Panel is convinced that a new national commitment to public works—to our infrastructure—is absolutely essential.

Senator Pete V. Domenici established the Private Sector Advisory Panel on Infrastructure Financing to advise the Senate Budget Committee on the role of the federal government in financing future infrastructure facilities.

The Panel was asked to examine the potential for state and local investments in infrastructure, review new market instruments and debt financing mechanisms, determine the usefulness of new state and local financing institutions such as infrastructure banks and revolving funds, recommend long-term, predictable sources of funding, and investigate the potential for private sector investment in public works.

Simply put, the challenge was to examine options for infrasturcture financing, then recommend effective ways to select and fulfill the best option.

The Panel reviewed activities in several states and held a series of hearings to gain insights and information. The states which participated in case studies included Florida, Indiana, New Jersey, Texas, and Washington. Public hearings were held in Washington, D.C., Albuquerque, Trenton, Indianapolis and Seattle.

The Panel did not attempt to measure the level of need for increased infrastructure funding which has been well-documented in studies by the Joint Economic Committee and the Congressional Budget Office. Instead, the Panel focused on the evolution in governmental responsibility for infrastructure financing, the impact of that shift on state and local financing, and the potential for new and innovative financing mechanisms to meet capital needs.

Should America rely more on the federal government, or on the state and local governments, or on private enterprise? Would we embark on a new wave of federal spending? Should we look for new, creative alternatives in public spending?

Based on its review, the Panel has reached the following conclusions.

CONCLUSIONS

The continued productive capacity of the American economy depends on the availability of adequate basic public facilities. Rebuilding, revitalizing, and expanding America's public infrastructure is imperative to our future.

America's need for more and better public facilities is a national issue that must be addressed nationally. Public works are not only essential for interstate and international commerce, they are essential for the health, safety, and general welfare of the American people.

A significant federal role in building and rebuilding our nation's infrastructure is altogether appropriate. Since both the states and the local governments lack the capacity to address this need equitably and comprehensively, a revived federal involvement is essential.

The federal contribution to infrastructure financing has declined. With the sole exception of outlays earmarked from motor fuel tax receipts in the Highway Trust Fund, federal infrastructure spending has diminished, with state and local interests bearing an increasing share of the burden.

The financial responsibility for meeting America's infrastructure needs has fallen most heavily onto state and local governments. In six categories of public works investment—highways, water supply, wastewater treatment, aviation, mass transit, and water resources—annual federal spending recently was $25.5 billion, compared to non-federal annual spending of $63.6 billion.

As the federal government shifted priorities away from infrastructure financing, new federal laws have mandated state and local compliance with new requirements for water pollution control, clean drinking water, and the clean-up of hazardous wastes. While essential for the public welfare, these new laws provided little in additional funding to assist in meeting the considerable cost of state and local compliance.

States and localities have faced not only the federal shift in priorities but have had to contend with the "taxpayer revolt" which in many localities capped property taxes which are a primary source of revenue for local governments. To contend with the resulting revenue shortfall, local governments have increasingly turned to the bond market to borrow funds necessary to finance infrastructure facilities.

Within the past decade, the annual volume of tax-exempt debt issued for public works rose from just over $6 billion in 1977 to four times that level. State and local governments turned to new forms of loans, debt packages, credit enhancements, and other forms of financing. User fees and other exactions also have become increasingly popular, and many localities are exploring the potential for public/private partnerships.

Yet these initiatives have been insufficient. Demands for public facilities have continued to exceed the ability of State and local governments to respond. State and local governments lack the resources and the flexibility to shoulder the expanding burden of financing America's infrastructure need. Compared to the dimensions of need for new and improved public facilities, state and local resources are insufficient.

Infrastructure banks, revolving loan funds, and other innovative funding systems are being used effectively in a number of states. They offer the potential to become a major sustaining source of financial assistance for local infrastructure investments, when sufficiently capitalized.

Over the years, the federal government has, through the tax code, encouraged investments in public works indirectly through the availability of tax-exempt municipal bonds, favorable depreciation allowances, and investment tax credits. Historically, this indirect federal contribution has provided a substantial and valid subsidy of state and local infrastructure financing.

In recent years, however, increasingly severe restrictions on the use of tax-exempt bonds have made this form of infrastructure financing increasingly difficult. The tax-exempt bond provisions in the 1986 Tax Reform Act are even more restrictive. These provisions will reduce the volume of state and local debt financing, and make even traditional governmental bonds more difficult and more costly to issue.

The new tax code thus complicates and further confounds efforts by state and local government to fill the breach in infrastructure financing.

Increasing use of user fees to finance project costs, as well as supporting adequate operations, maintenance, and repair budgets, is sound policy, and should be incorporated into project planning.

Some of the newer mechanisms for raising special revenues, such as development exactions and impact fees, are effective in areas of rapid growth. These, however, hold limited appeal for areas of slower growth or declining economic base.

Federal regulations and compliance standards may reduce local flexibility and constrain or frustrate the application of cost effective and innovative solutions to local infrastructure needs.

The trend toward private investments in public works facilities and services should be encouraged through federal tax provisions and federal program implementation.

Based on these conclusions, the Panel offers the following recommendations, in order of priority:

RECOMMENDATION ONE

Congress should create an Infrastructure Trust Fund to capitalize infrastructure state banks and revolving loan funds.

Legislation should be enacted to create a trust fund to distribute among the states $5 billion annually for each of five years. This money should be raised from a dedicated, broad-based, new source of taxation, then placed in the Infrastructure Trust Fund for distribution by formula that, among other things, stresses population and land area.

This Federal Trust Fund contribution would go to recipient states once they establish a revolving fund or infrastructure bank to finance needed infrastructure facilities within the state. The contribution from the Trust Fund would provide 80 percent of the capital for each bank or fund, with the state required to contribute the remaining 20 percent.

These revolving funds would provide loans or credit enhancement to build and maintain highways, streets, roads, mass transit, wastewater collection and treatment, solid waste disposal, water supply facilities, and other pressing infrastructure needs.

The states would not be required to repay these Trust Fund grants. But to assure the revolving nature of the state funds or banks, local governments would be required to repay at least the principal amount of all loans.

In the Panel's view, a Trust Fund is preferable to other possible forms of federal assistance such as increased categorical grants. Properly structured, the state banks or funds would replenish themselves, serving as continuing sources of investment capital.

No additional federal capital would be required following the fifth year of the program to make the revolving system work.

Clearly, the total sum available for construction will be contingent upon both the initial capital, the level of state matching funds, and the terms and conditions of loans, guarantees, and other forms of assistance. The Panel estimates that within 15 years, the initial federal capitalization, together with the 20 percent state match, could produce close to $75 million in infrastructure investment, assuming the loans were repaid at 7¼ percent interest. Alternatively, if the same amount of capital—$25 billion in federal grants plus $6.25 billion in state matching funds—were loaned over 10 years, with no interest charged, the program would generate $40.3 billion in new infrastructure work. It must be underscored that America's infrastructure needs far exceed the scope of a program with these assumptions, but this infusion of new capital will create a funding device available in perpetuity.

Each state revolving fund or infrastructure bank should be available for new construction, as well as for rehabilitation and major maintenance and repair of existing facilities.

The additional funds made available under this recommendation must be just that, additional funds. These funds must not be used to supplant existing federal and/or non-federal investments in infrastructure. This is a program to reduce the huge backlog, not simply provide a different source of funding for work that would be accomplished anyway.

To be eligible for funds from a state bank, a local government should be required to document its needs and established capital plans and budgets.

Under this recommendation, the federal government would serve as a catalyst in responding to our national need for infrastructure financing without adding permanently to the size of the federal bureaucracy.

RECOMMENDATION TWO

Congress should create a new category of tax-exempt bond, an infrastructure bond.

With or without an Infrastructure Trust Fund to pump new cash into infrastructure, tax-exempt financing must continue to be available if state and local governments are ever to begin to meet their infrastructure needs.

State and local governments rarely have the funds on hand to finance expensive infrastructure projects. Therefore, they increasingly have had to borrow to pay for needed public improvements. Total outstanding state and local debt in recent years has increased significantly, now totaling more than one-half trillion dollars. A major portion of this increase has been in so-called "private activity" debt.

In the 1986 Tax Reform Act, Congress restricted the scope and availability of tax-exempt financing for private purposes. In seeking to give all taxpayers a fair shake, Congress went too far, in the view of the Panel. The restrictions imposed by Congress will affect not only bonds used for private purposes, but also, many bond issues which fall into the private activity category but are used for traditional governmental purposes.

Under the 1986 Tax Reform Act, vital bond issues for sewage collection and treatment, solid waste disposal, and water supply facilities, among other legitimate public purposes, will often fall under the classification—and limits—of "private activity" bonds. Such bonds are subject to state-by-state volume caps, based on population.

If the volume of bonds issued goes above the annual cap the Act imposes on each state, such bonds will no longer be tax-exempt issues. In which case, financing these necessary facilities will be costlier to the issuer and to the users.

To offset this unintended result, the Panel recommends the creation of this new category of governmental bonds, "infrastructure bonds," which would be excluded from the definition of "private activity" bonds under the federal tax code.

Issues of infrastructure bonds should be allowed to retain reasonable investment earnings on such debt issues. The alternative is simply to pile greater costs onto local governments, and higher fees on the local users.

RECOMMENDATION THREE

Public/private partnerships must be encouraged in infrastructure financing.

Private investment in public facilities offers a sound opportunity to increase substantially the capital available for infrastructure investmetns.

The potential for public/private partnerships in solid waste disposal, wastewater treatment, water supply, transportation, and other areas has been demonstrated in recent years. But federal action is needed to encourage this potential.

Federal executive departments and agencies should follow the example of the Environmental Protection Agency and the Department of Transportation by actively promoting and facilitating public/private partnerships in which the private sector develops, operates, and in some cases owns, needed facilities in cooperation with local government.

These opportunities are most evident in projects such as water supply or sewage treatment. The low and slow rate of return on such facilities requires an early and rapid tax writeoff to maintain a flow of cash sufficient to attract private investment. A faster rate of depreciation under the federal tax law would encourage private investment and participation in the development of such projects.

Sewage treatment and water supply facilities should be placed in the same category with solid waste facilities in the Accelerated Cost Recovery System. Depreciation should be allowed over seven years generally, and over ten years with tax-exempt bond financing.

A federal clearninghouse should be established to coordinate and distribute information on initiatives at every level to encourage public/private cooperation in confronting our infrastructure problems.

RECOMMENDATION FOUR

Federal technical support should be emphasized for all areas of infrastructure development.

Whatever new financing initiatives are undertaken by the federal government, whether in response to these Panel recommendations or other proposals, state and local governments will continue to carry the principal responsibility for building most public works.

Adequately funded, state and local governments can fulfill this responsibility. They can achieve it with greatest efficiency if provided additional technical support from the federal government. This support will be particularly valuable at the local level.

In the administration of various categorical grant programs, federal agencies have accumulated vast technical experience and expertise. As some of these grant programs wane, this wisdom may be lost. This must not occur. New emphasis should be given to make this federal experience and expertise available to state and local governments.

In this way, non-federal officials should be able to make better decisions on design, development, operation, maintenance, and other aspects of building and rebuilding needed public facilities.

RECOMMENDATION FIVE

Existing Federal Trust Funds for infrastructure must be preserved as an essential federal component for constructing infrastructure.

The existing highway, airport, and waterway trust funds help assure a more stable and reliable level of funding for certain infrastructure purposes. As devices for revenue collection and allocation, dedicated trust funds are very effective. They promote better planning, management, and budgeting at the state and local level.

The utility of trust funds to assist state and local capital investment planning is best served when disbursements are dependable and timely, and Congress should act promptly on reauthorizations and annual appropriations.

RECOMMENDATION SIX

Federal agencies should review standards and regulations related to infrastructure programs.

A review of federal regulations is needed to assure that the standards and regulations permit and encourage cost-effective solutions, plus innovations in design, technology, and response, and in no way frustrate or discourage non-federal initiatives.

In particular, a thorough review is needed of federal compliance standards to assure that life-cycle cost analysis is encouraged, that new investment is not encouraged at the expense of efficient operations of existing facilities, and that innovative techniques with the promise of superior performance have every opportunity to demonstrate their value.

The panel offers these six recommendations not as a solution to all of our infrastructure problems, but as a step—a major step—toward overcoming those problems.●

S. 1345—LICENSING OF PARIMUTUEL PARTICIPANTS

● Mr. D'AMATO. Mr. President, under present regulations, all parimutuel participants in horse racing, dog racing, and jai alai must be licensed. A license must be obtained each year in any State where a participant will operate. Each State then processes the application, a costly, time-consuming, and largely duplicative process.

Since modern racing demands much interstate travel for jockeys, trainers, and other athletes, in many cases several investigations are done on the same individual. For example, if a person is going to race in six States, each of the States conducts its own investigation, including FBI background checks on each applicant.

To streamline and improve this licensing process, the National Association of State Racing Commissioners [NASRC] favors a multi-State licensing system. Under S. 1345, introduced by my distinguished friend from Kentucky, Senator McCONNELL, an applicant would file just one application with the NASRC. NASRC would then run the criminal background check and share the information with the States involved. This bill would give the NASRC access to, and the authority to share, presently restricted FBI information with the States and individual commissioners.

This modification of FBI restrictions called for in this legislation would not broaden access to criminal records. Each member of the NASRC is a State racing commissioner, appointed by the Governor. Simply put, they already have access to FBI criminal records. No individuals other than State-appointed racing commissioners are entitled to full membership or to hold office in the NASRC.

Since 1934, the NASRC has functioned as a repository and distribution center for all official rulings by stewards and racing commissioners. As racing grows, so does this file of rulings. The NASRC handles and distributes over 500 rulings every week. It has a massive computerized national filing system already in place, to which every jurisdiction has access for quick and efficient dissemination of appropriate information. It is fully capable of fulfilling the role imposed on it by this legislation.

To briefly summarize the advantages: First, applicants need only submit one application, one fingerprint card, and one check annually to the NASRC. While the program is voluntary, if widely used it would significantly reduce the administrative cost and inconvenience of licensing.

Second, each State would retain the right to apply its own licensing standards to each applicant. No State would be bound by the certification of another State.

Finally, the States' regulatory efforts will be vastly enhanced by the availability of annually updated criminal records, permitting the racing commissions to do an even better job of protecting the integrity of the sport.

Mr. President, S. 1345 is a good idea whose time has long since come. I urge my colleagues to support this bill.●

S. 1437—IMMUNITY LIMITATIONS

● Mr. D'AMATO. Mr. President, I rise in support of S. 1437, introduced by my distinguished friend from North Carolina, Senator HELMS. The purpose of this legislation is to place a limit on the immunity granted to certain members of foreign diplomatic missions and consular posts in the United States.

The number of innocent Americans who fall victim to diplomatic crime and criminal negligence is alarming. In the past year there have been 31 cases involving diplomats in the Washington area alone. The seriousness of these incidents across the spectrum has ranged from aggravated assault to shoplifting; but these are real crimes with very real victims.

The Vienna Convention of 1961 requires diplomats to respect the laws of the receiving state. Nevertheless, the record shows that American citizens are literally helpless against diplomats who break or want to ignore our laws.

The Diplomatic Relations Act of 1978 requires that diplomats carry auto insurance. It also provides to the accident victim a direct right of action against the insurance company. Laudably designed to provide some compensation to American citizens, it has unfortunately proven almost impossible to enforce. Many diplomats neglect to get insurance; American citizens continue to be defenseless and at risk.

Except for those involving auto insurance, no regulations protect Americans from diplomatic crime. Foreign diplomats cannot be prosecuted here, but can be declared persona non grata, and forced to leave the country. It will take more than the threat of expulsion for diplomats to take our laws seriously.

There is certainly a need to grant reasonable, limited privileges to foreign emissaries, so that our own missions can be provided reciprocity in other nations. But there is no need to let members of diplomatic staffs or their families literally to get away with murder.

I urge my colleagues to protect our innocent citizens and support this legislation.●

INFORMED CONSENT: ILLINOIS

● Mr. HUMPHREY. Mr. President, today I would like to insert into the RECORD two letters from women who support my informed consent legislation, S. 272 and S. 273. Today's letters come from the State of Illinois.

I ask that the letters from women in Illinois be inserted in the RECORD.

The letters follow:

FEBRUARY 13, 1987.

DEAR SIR: I was encouraged by Concerned Women For America to write to you about past abortions I have had. This is in reference to the consent bill you will introduce this year.

I have undergone three abortions in my life and I am 28 years old now. The last abortion I had was in 1982. Two of them were performed by Family Planning and one by a doctor in his office. At the time I was not a Christian and had no idea that what I was doing was wrong. I wouldn't expect an abortionist to tell me about Christ, however, no one told me anything about what it would do to me physically, mentally or spiritually. Basically, everyone told me that all I was getting rid of was just a very small blood clot and there was absolutely no danger and nothing wrong with what I was doing.

There was no mention of options, such as having the baby; giving the baby up for adoption, or keeping it. There was really no discussion on why I was not on birth control and how to prevent this type of thing in the future. They only asked me if I wanted valium during the procedure.

The first abortion I had I was 21 and I was about 2 months along and the last one I was 24 and was 6 weeks along. At no time was I informed that I was killing anything or shown what the baby looked like at the developmental stage. I was never encouraged to get on birth control and counseled on why I kept getting pregnant.

I had no Christian up-bringing and honestly didn't think there was anything wrong with it. I also had no idea that it could do damage to my body. To this day I have no idea if I can carry a child through to full term. I don't know what type of damage having those abortions did to me physically. I do know what it did to me mentally and spiritually. It took me a long time to forgive myself and to forgive the abortionist. If they had been honest with me when I was 18 years old, I would have had the child and it is doubtful I would have continued the destructive behavior patterns set forth over the past years.

The point is that I did have three abortions and was never offered an alternative. I feel that abortionists are no different than businessmen or women. It's all a matter of dollars and cents, it's a money making business and doing the right thing has absolutely nothing to do with it. I am very much against abortion, I don't feel they should be performed under any circumstances. However, at the very least, women out there should know the truth about what they are really doing to themselves, both body and mind. I feel that it women could see both sides of the issue and understand that they are taking a human life not washing away a tiny blood clot, there would be far fewer abortions.

I have written this letter to hopefully help you with your great and difficult struggle. I am going to sign my name proudly because I am forgiven for what I did and hope that other women can benefit in some small way from this letter.

God Bless you for what you are trying to do. I truly believe that just one man can change history and change the world. I hope that you are that man that will help to stop the silent screams.

Sincerely,

Teri K. Strouse,
Illinois.

June 3, 1986.

Dear Senator Humphrey: I would like to address the "Informed Consent Legislation" that deals with abortion.

I had my abortion 7½ years ago. There was no information given out at the time I consented to the abortion. The hospital did not tell me about fetal development, side effects of any kind.

I would like to say that the immediate months that followed were the most miserable months of my entire life in terms of emotional disorder. I was very, very close to a total mental breakdown. I could not make simple decisions to prepare an evening meal for my husband and child. I could not decide how to do a load of laundry. In other words I had ceased to function in my daily routine as a wire and mother which is as directly related to the abortion.

Abortion leaves many scars that take years to get over. Thank God, I have prayer and his hand of my life. I can say I am completely healed from the abortion. However, there are thousands of women who carry their abortion scars very close to the surface. We need to be rid Roe versus Wade once and for all!

Sincerely,

Name Withheld Upon Request,
Illinois.●

UEL HURD, DEDICATED SCOUT LEADER RETIRES

● Mr. DANFORTH. Mr. President, one of the most decorated leaders in Scouting, Uel Hurd of Kansas City, recently retired after more than 53 years as Scoutmaster of Troop 87 of the Kansas State School for the Deaf. Uel Hurd, who has been deaf since the age of 3, was the first deaf Eagle Scout in Kansas, one of 25 Scoutmasters to receive special recognition for work with the disabled, and the first deaf Scoutmaster to receive the Silver Beaver, the highest award in Scouting.

A Life Scout from Raytown, MO, 14-year-old Matt Woodruff, recently wrote to ask if I would bring Mr. Hurd's striking accomplishments to the attention of the Senate. I am pleased to do so, and ask unanimous consent that the Kansas City Star's report on Uel Hurd's illustrious career in Scouting be included in the Congressional Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Kansas City Star, May 27, 1987]

Scout Leader a Silent Hero for 53 Years

(By John North)

The flat-brimmed, tattered Stetson was Uel Hurd's first and favorite scoutmaster hat, the one that took him through miles of woods and more than half his 53 years as leader of the Kansas State School for the Deaf's Troop 87.

Plucking the faded brown hat from a pile of scouting keepsakes in his Olathe home, he patted it smartly down on his head, stuck out his chin and gave a curt nod.

Then Hurd, who has been deaf since he was 3, began to sign.

"If you were in the woods with this hat, you could go right through anything in your way," he said, as interpreter Jodine Trout followed the cadence of his right hand. "Whenever I would see a guy wearing this kind of hat, I'd walk up to him and shake his hand. 'You're a scoutmaster,' I'd say to him. 'We're both the same.' "

This spring Hurd, 76, is putting away his hat, his chestful of badges and his scouting career. One of the most decorated leaders in scouting is retiring to spend more time at home with his wife Ina of more than 45 years.

Almost everybody who knows him is sorry to see him quit.

"He was a role model like we've never had before," said Gerald Johnson, superintendent of the school for the deaf in Olathe. "He literally influenced two or maybe three generations of boys who came through here."

His tenure set no records for a scoutmaster, but "we think it is significant that a man like Mr. Hurd has been able to accomplish what he has," said Frank Hebb, spokesman for the Boy Scouts of America national headquarters in Irving, Texas.

Hurd, who was born in Kansas City, Kan., was the first deaf Eagle Scout in Kansas, one of 25 scoutmasters to receive a special award for work with disabled people and the first deaf scoutmaster to receive the Silver Beaver, the organization's highest award.

The plaques and medals have been nice, and Hurd has a roomful to show to admirers, but his greatest joy was setting out on a weeklong hike with some of the hundreds of boys he led through the years.

Over deep Canadian ponds and through dusty New Mexico canyons silent troops followed Hurd. They canoed through water so pure that they could life their paddles and drink the water, he said.

Three times he took a group of boys to the Philmont Scout Ranch near Cimarron, N.M., for two weeks. Twice, most recently in 1985, he and his scouts hiked from northern Minnesota and Wisconsin into Canada.

"Mr. heart is strong for scouting," said Hurd, who retired as a cabinet-making teacher at the state school in 1984. "It has been so helpful to young boys and girls."

He helped boys catch their first fish, build their first fire and scare off their first bear.

Once, Troop 87 was being him while he used a makeshift shower when a carload of girls drove up to tell the scouts about a fire in town. The boys scattered and left Hurd to fend for himself.

"Here I was, supposed to be the scoutmaster, and I'm standing nude in front of a bunch of girls," he signed, his face splitting into a grin.

There also were hard times. Returning from a trip out West some years ago, the troop's car was involved in an accident near Cody, Wyo., and a scout was killed.

"Hurd spend many sleepless nights consoling the boys," said Lloyd Parks, a former school principal and troop chairman. "Uel is, well, I just can't say enough about him. He is a tremendous person with young people."

Hurd isn't leaving scouting completely. He has assumed the role of unit commissioner and will act as a helper when the new scoutmaster needs him.

Until then, he will work on his second greatest passion—fixing things around the house.

"I love to do repair jobs," he said. "I want to get things fixed up, make them look new again. And if the boys need help, they'll call me."●

SENATE JOINT RESOLUTION 173, TO COMMEMORATE THE 200TH ANNIVERSARY OF THE SIGNING OF THE U.S. CONSTITUTION

● Mr. DOMENICI. Mr. President, our Constitution is part of the political heritage of every American. As the first three words of the Constitution—"We the People"—make clear, we are a nation of people governing themselves.

Today I am pleased to join my good friend from Nevada [Mr. Reid] as a sponsor of Senate Joint Resolution 173. This resolution commemorates the bicentennial of the Constitution by calling upon the leaders of the Nation, as well as all citizens of America, youth and adult alike, to read the Constitution to become more knowledgeable about our national heritage.

This is an excellent idea.

Two hundred years ago, a group of citizens—ordinary in many ways, extraordinary in so many others—drafted a Constitution, a charter for democratic government, a charter that for two centuries has been a beacon of liberty.

The Constitution secures the "Blessings of Liberty, to ourselves and our Posterity", as stated in its preamble. It embodies the ideal of freedom and democracy. The Constitution is a testament to that ideal. It applies that ideal of freedom and democracy to the lives of each U.S. citizen every day.

What a marvelous document it is! Reading through it, one finds concepts that are amazingly simple, but concepts from which the vitality of America flows. It lays out the checks and balances among the branches of the National Government. It is here where the fathers of America joined our independent States into a Federal System, a National Government of limited power and representative democracy.

The Constitution, of course, created our National Legislature of two houses and an independent judiciary, institutions securing individual liberties and providing for the stability of democracy itself.

The U.S. Constitution is built upon the bedrock of certain unalterable values. Immediately after the Constitution was adopted, the Bill of Rights was incorporated to ensure that certain inalienable rights were guaranteed to Americans. That document remains the most significant articulation for free people ever written.

The Constitution, however, was not a perfect document. There were provisions in the original document that we find repugnant, and contrary to the ideals of freedom and democracy. The original document specifically permitted the importation of slaves and the forced return of fugitive slaves.

But much of the Constitution's strength rests upon its adaptability, the process that permits amendments, a process allowing each new generation to strengthen the Constitution.

Yet, Mr. President, in today's hectic society, we often seem to have an apathy toward the rights and values defined in our Constitution. At a time when liberty and democracy are threatened constantly, we must continually remind ourselves of the rights and freedoms and responsibilities laid down in the Constitution.

In honor of the bicentennial of the Constitution, I sponsored an essay contest for young students in New Mexico. Students from throughout the State were asked to write essays on how the separation of powers strengthened our Government. From nearly 300 entries, 15 winners were selected and will visit Washington, Philadelphia, and Williamsburg next week.

I'm proud of these bright young men and women. More young Americans must be encouraged to familiarize themselves with our Constitution. Adults, too, need to review and reflect upon it, and the values it represents. Maybe most of all, officials of Government—Members of Congress, judges, officials of the executive branch—need to reread the document, for we are its living instruments.

Democracy requires participation. Our Founding Fathers fought hard, both physically and intellectually, to secure the blessings of liberty. They wrote a Constitution in language that was clear and precise to the average citizen.

If the liberties laid down in the Constitution are ever lost, it will not be because the Constitution has failed us. It will be because Americans have failed to hold high the standard left to us in this marvelous document. If we fail to understand this charter for liberty, we run the risk of losing it.

Mr. President, I am proud to join as a cosponsor of Senate Joint Resolution 173, and I encourage every Member of this body, as well as every American, to take the time to read the Constitution, not just during this bicentennial year, but each year.

Its strength is our strength.●

IN RECOGNITION OF NORMAN D. HELLMERS, SUPERINTENDENT, LINCOLN BOYHOOD NATIONAL MEMORIAL, NATIONAL PARK SERVICE

● Mr. QUAYLE. Mr. President, as you know, Abraham Lincoln spent the formative years of his life in the State of Indiana. While growing up in Indiana, Lincoln developed many of his basic values that provided the framework for his leadership and statesmanship through the most tumultuous times in our country's history.

To focus attention on Lincoln's early years in Indiana, I am sponsoring "Hoosier History Days," which will be held at the Lincoln Boyhood National Memorial on August 8-9, 1987, in Lincoln City, IN. The Lincoln Boyhood Memorial is part of the National Park Service and has as its theme Lincoln's Indiana boyhood.

The successful planning and execution of this event would not have been possible without the expert assistance of the superintendent of the Lincoln Boyhood National Memorial, Mr. Norman D. Hellmers. Superintendent Hellmers is a native of New Orleans, LA. He attended Concordia College in River Forest, IL, and joined the National Park Service in 1972. He became the superintendent of the Lincoln Boyhood National Memorial in 1981.

Norm Hellmers lives in Lincoln City with his wife, Pat, and two children, Jennifer and Jeffery.

Superintendent Hellmers has worked tirelessly to ensure the success of "Hoosier History Days." From beginning to end he has been deeply involved with every stage of this event. He deserves both praise and respect for his diligent work and desire to promote Lincoln's Hoosier roots.

Mr. President, it has been my great pleasure to work with Superintendent Hellmers. His professionalism and dedication have been inspirational to me and all the others associated with "Hoosier History Days." He is a tremendous asset to the National Park Service and the preservation of Abraham Lincoln's boyhood.●

NATIONAL CITIZEN BEE

● Mr. DANFORTH. Mr. President, young people in every State have participated in the programs of the Close-Up Foundation. I know my colleagues are familiar with the efforts of Close-Up to strengthen the understanding of Young Americans of our system of government.

Today, I am pleased to draw attention to a new initiative of the foundation, the National Citizen Bee, and to the distinction earned by two students from my State in the second national competition.

John-Peter Pham, 16, who lives near St. Peters, MO, is the national winner of the Citizen Bee competition. John-Peter, a recent graduate of St. Dominic High School in O'Fallon, MO, was one of about 8,000 students in 17 States who competed.

Jerffrey Kubik, 17, a senior at McCluer North High School in Florissant, MO, was runner-up in the Missouri competition and ninth in national competition.

The Citizen Bee tests knowledge of American history, economics, government, culture, geography and current events. In Missouri, the St. Louis Post-Dispatch developed the Citizen Bee Program with support from the Pulitzer Foundation and the Monsanto Fund. Nationally, Citizen Bee is sponsored by the Milken Family Foundation, Peat Marwick Main & Co., RJR Nabisco, Inc., and others.

Sandra Dimond, Newspapers in Education Coordinator for the Post-Dispatch, worked with great energy and dedication to establish the Missouri Citizen Bee. All who seek to strengthen the understanding of Democratic institutions and our system of government owe a debt of gratitude to Ms. Dimond.

I am pleased to extend congratulations to John-Peter Pham and Jeffrey Kubik and to call attention to the efforts of so many individuals to bring the institutions of self-government closer to young Americans.●

SENATORIAL ELECTION CAMPAIGN ACT

The Senate continued with the consideration of S. 2.

Mr. BYRD. Mr. President, what is the pending business before the Senate?

The PRESIDING OFFICER. The question before the Senate is S. 2.

Mr. BYRD. I thank the Chair.

BILL PLACED ON CALENDAR—H.R. 2309

Mr. BYRD. Mr. President, I ask unanimous consent to place on the calendar H.R. 2309.

The PRESIDING OFFICER. Without objection, it is so ordered.

JOINT RESOLUTION PLACED ON CALENDAR—S.J. RES. 175

Mr. BYRD. Mr. President, I ask unanimous consent that the Commerce Committee be discharged from further consideration of Senate Joint Resolution 175, relating to the location of the competition for the World Cup of the World Soccer Games in 1994, and that the joint resolution be placed on the calendar.

The PRESIDING OFFCIER. Without objection, it is so ordered.

ORDERS FOR TOMORROW

ORDER FOR ADJOURNMENT UNITL 11 A.M.

Mr. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 11 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, I ask unanimous consent that no motions or resolutions over, under the rule, come over; that the call of the calendar be waived, and that following the two leaders under the standing order there be a period for morning business not to extend beyond the hour of 11:30 a.m., with Senators to be permitted to speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

REMOVAL OF INJUNCTION OF SECRECY—TREATY DOCUMENT NO. 100-8

Mr. BYRD. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the Treaty with the United Kingdom of Great Britain and Northern Ireland Concerning the Cayman Islands relating to Mutual Legal Assistance in Criminal Matters (Treaty Document No. 100-8), which was transmitted to the Senate today by the President of the United States.

I further ask that the treaty be considered as having been read the first time; that it be referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed; and that the President's message be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The message of the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty between the United States of America and the United Kingdom of Great Britain and Northern Ireland concerning the Cayman Islands relating to Mutual Legal Assistance in Criminal Matters, with protocol, signed at Grand Cayman on July 3, 1986, and related notes. I transmit also, for the information of the Senate, the report of the Department of State with respect to the Treaty.

The Treaty concerning the Cayman Islands provides for a broad range of cooperation in criminal matters. Mutual assistance available under the Treaty includes: (1) executing requests relating to criminal matters by undertaking diligent efforts, including the necessary administrative or judicial action (e.g., for the issuance of subpoenas and search warrants), without cost to the Requesting Party; (2) taking of testimony or statements of persons by noncompulsory or compulsory measures; (3) effecting the production, preservation, and authentication of documents, records or articles of evidence; (4) providing assistance to each other in proceedings for forfeiture or restitution of proceeds of an offense or for imposing fines; (5) serving judicial documents, writs, summonses, records of judicial verdicts, and court judgments or decisions; (6) effecting the appearance of a witness before a court of the Requesting Party; (7) locating persons; and (8) providing judicial records, evidence, and information.

I recommend that the Senate give early and favorable consideration to the Treaty and give its advice and consent to ratification.

RONALD REAGAN.
THE WHITE HOUSE, *August 4, 1987.*

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, does the distinguished Republican leader have any further statement he wishes to make or any business he suggests that we transact?

Mr. DOLE. If the majority leader will yield, I have indicated a number of hopeful possibilities that we might start on tomorrow. I would indicate to the majority leader that we are down to one problem on the castastrophic coverage. I am not certain we will be able to complete it this week because of a couple of amendments. Prompt payment was almost cleared on this side, though we did hit a last-minute snag. That might be a possibility for tomorrow.

The State Department authorization we will check on the first thing in the morning and see if we can proceed with the State Department authorization.

On the DOD authorization bill, which you called to my attention, I must say we can probably not get consent to proceed to that.

There is a commodity bill on the calendar which I understand might have unanimous consent to complete.

Mr. President, the staff is doing a good job and will continue to drum up some business. What we do not complete this week will be here when we get back and I think that will create a greater problem for all of us, including Members, if they do not cooperate this week. It will be an extra week for them to stay in November or December.

Mr. BYRD. That is right. They can do their Christmas shopping in Washington.

Mr. President, I thank the Republican leader. There are several resolutions out of the Rules Committee and I hope we can clear and have placed on the calendar. There are several other measures that might be able to be transacted by unanimous consent which I have on my marked calendar. In the morning we will start anew and I hope we can have something before the Senate tomorrow. Otherwise, the Senate will be back on S. 2, the campaign financing reform bill.

I would suggest to Senators that in all likelihood there will be rollcall votes tomorrow.

Mr. President, I thank the Republican leader.

ADJOURNMENT UNTIL TOMORROW AT 11 A.M.

Mr. BYRD. Mr. President, there being no further business to come before the Senate, in accordance with the order previously entered I move that the Senate stand in adjournment until the hour of 11 a.m. tomorrow.

The motion was agreed to and the Senate, at 6:51 p.m., adjourned until Wednesday August 5, 1987, at 11 a.m.

HOUSE OF REPRESENTATIVES—*Tuesday, August 4, 1987*

The House met at 12 noon and was called to order by the Speaker pro tempore [Mr. FOLEY].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
August 4, 1987.

I hereby designate the Honorable TOM FOLEY to act as Speaker pro tempore on August 4, 1987.

JIM WRIGHT,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

O God, as You raised up prophets of old to lift Your people in the way of truth, so too, raise up among us women and men who would speak to us and to our Nation of the things that are right and good and true. May we not hear only with our ears but listen in the depths of our hearts to those who prophesy of justice and mercy and honesty. May we not seek to deal in personal gain but remind us each day, O God, of the truth that truly makes us free. This we pray. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. GALLEGLY. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Chair's approval of the Journal.

The SPEAKER pro tempore. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. GALLEGLY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 312, nays 97, not voting 24, as follows:

[Roll No. 296]

YEAS—312

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Aspin
Atkins
AuCoin
Baker
Barnard
Bartlett
Bateman
Bates
Beilenson
Bennett
Bereuter
Berman
Bevill
Biaggi
Bilbray
Boggs
Boland
Boner (TN)
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Broomfield
Brown (CA)
Bruce
Bryant
Bunning
Bustamante
Byron
Callahan
Campbell
Cardin
Carper
Carr
Chapman
Chappell
Clarke
Coats
Coelho
Coleman (TX)
Collins
Combest
Conte
Conyers
Cooper
Coyne
Craig
Crockett
Darden
Davis (MI)
de la Garza
DeFazio
Dellums
Derrick
DeWine
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Dowdy
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Feighan
Fish
Flake
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Frost
Gaydos
Gejdenson
Gibbons
Gilman
Glickman
Gonzalez
Gordon
Gradison
Grandy
Grant
Gray (IL)
Gray (PA)
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Hertel
Hochbrueckner
Holloway
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hyde
Jeffords
Jenkins
Johnson (CT)
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kolter
Kostmayer
LaFalce
Lancaster
Lantos
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (GA)
Lightfoot
Lipinski
Lloyd
Lott
Lowry (WA)
Lujan
Luken, Thomas
Lukens, Donald
Lungren
MacKay
Madigan
Manton
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCollum
McCurdy
McDade
McEwen
McHugh
McMillan (NC)
McMillen (MD)
Meyers
Mica
Miller (CA)
Miller (WA)
Mineta
Moakley
Mollohan
Montgomery
Moody
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal
Nelson
Nichols
Nielson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Oxley
Packard
Panetta
Parris
Patterson
Pease
Pelosi
Pepper
Perkins
Petri
Pickett
Pickle
Porter
Price (IL)
Price (NC)
Pursell
Quillen
Rahall
Rangel
Ravenel
Regula
Richardson
Rinaldo
Robinson
Rodino
Roe
Rostenkowski
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Savage
Sawyer
Saxton
Scheuer
Schneider
Schuette
Schulze
Schumer
Sharp
Shaw
Shumway
Shuster
Sisisky
Skaggs
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Snowe
Solarz
Spratt
St Germain
Staggers
Stallings
Stark
Stenholm
Stokes
Stratton
Studds
Sweeney
Swift
Synar
Tauzin
Taylor
Thomas (GA)
Torres
Torricelli
Traficant
Traxler
Valentine
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weiss
Wheat
Williams
Wilson
Wise
Wolpe
Wortley
Wyden
Wylie
Yates
Yatron

NAYS—97

Armey
Badham
Ballenger
Barton
Bilirakis
Bliley
Boehlert
Boulter
Brown (CO)
Buechner
Burton
Chandler
Cheney
Clay
Clinger
Coble
Coleman (MO)
Coughlin
Courter
Crane
Dannemeyer
Daub
Davis (IL)
Dickinson
DioGuardi
Edwards (OK)
Emerson
Fields
Frenzel
Gallegly
Gallo
Gekas
Goodling
Hansen
Hefley
Henry
Herger
Hiler
Hopkins
Houghton
Hunter
Inhofe
Ireland
Jacobs
Kolbe
Konnyu
Kyl
Lagomarsino
Latta
Leach (IA)
Lewis (CA)
Lewis (FL)
Lowery (CA)
Mack
Marlenee
Martin (IL)
McCandless
McGrath
Michel
Miller (OH)
Molinari
Moorhead
Pashayan
Penny
Rhodes
Ridge
Ritter
Roberts
Rogers
Roukema
Saiki
Schaefer
Schroeder
Sensenbrenner
Sikorski
Skeen
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Solomon
Spence
Stangeland
Stump
Sundquist
Swindall
Tauke
Thomas (CA)
Upton
Vucanovich
Walker
Weber
Weldon
Whittaker
Wolf
Young (AK)
Young (FL)

NOT VOTING—24

Bentley
Daniel
DeLay
Garcia
Gephardt
Gingrich
Gregg
Hutto
Kemp
Kleczka
Leath (TX)
Livingston
Markey
Mfume
Owens (UT)
Ray
Roemer
Rose
Roth
Tallon
Towns
Udall
Vander Jagt
Whitten

☐ 1215

So the Journal was approved.

The result of the vote was announced as above recorded.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced

---

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 170. Concurrent resolution relative to adjournment to a date certain during the remainder of the 100th Congress.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 938. An act to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal years 1988 and 1989, and for other purposes; and

S. 1068. An act to amend the Clayton Act regarding interlocking directorates and officers.

The message also announced that pursuant to Public Law 99-660, the Chair announces the selection, made jointly by the Senate majority leader and the Speaker of the House of Representatives, of Diane E. Watson of California, from the private sector, as a member at large of the National Commission on Infant Mortality.

HOUR OF MEETING ON TOMORROW

Mr. COELHO. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on tomorrow at 11 a.m.

The SPEAKER pro tempore (Mr. FOLEY). Is there objection to the request of the gentleman from California?

There was no objection.

PRIVATE CALENDAR

The SPEAKER pro tempore. This is Private Calendar day. The Clerk will call the bill on the Private Calendar.

RICK HANGARTNER, RUSSELL STEWART, AND DAVID WALDEN

The Clerk called the bill (H.R. 1418) for the relief of Rick Hangartner, Russell Stewart, and David Walden.

There being no objection, the Clerk read the bill, as follows:

H.R. 1418

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PAYMENTS.

The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $6,900.45 to Rick Hangartner of Tampa, Florida, the sum of $8,398.82 to Russell Stewart of Largo, Florida, and the sum of $8,268.75 to David Walden of Aberdeen, Maryland. Payment of such sums shall be in full settlement of all claims of Rick Hangartner, Russell Stewart, and David Walden against the United States for all losses or expenses incurred by them in connection with—

(1) the investigation by the Committee on Government Operations of the House of Representatives into improprieties in the award and management of the Social Security Administration's contract with Paradyne Corporation; and

(2) the Securities and Exchange Commission's investigation of and litigation with Paradyne Corporation.

SEC. 2. LIMITATION ON ATTORNEY'S FEES.

No amount exceeding 10 percent of a payment made under section 1 shall be paid to or received by any agent or attorney in consideration for services rendered in connection with such payment. Any violation of this section shall be a misdemeanor and any person convicted thereof shall be fined not more than $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO SIT ON TODAY AND TOMORROW DURING 5-MINUTE RULE

Mr. GRAY of Illinois. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation be permitted to sit on today and tomorrow during the 5-minute rule.

Further, Mr. Speaker, let me say that this matter has been cleared by the ranking minority member.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

A TRIBUTE TO THE LATE HONORABLE WILLIAM S. (BILL) MOORHEAD

(Mr. COYNE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COYNE. Mr. Speaker, yesterday, the city of Pittsburgh, the State of Pennsylvania, and the Nation lost one of its most respected and distinguished public servants with the death of Bill Moorhead.

During his 22 years in Congress Bill held many key committee posts and was regarded by Members on both sides of the aisle as an able and knowledgeable legislator. He was active on a wide front while in Congress, playing a major role in issues ranging from energy, to housing, to the arts, to defense spending.

Bill's achievements touched both his city and the Nation deeply. His vision extended well beyond the boundaries of his hometown of Pittsburgh. As chairman of the House Banking Subcommittee on Economic Stabilization, Bill steered through Congress landmark legislation that gave the Chrysler Corp. a new lease on life. He was instrumental in formulating legislation to resolve New York City's financial crises and was a leader in the enactment of the Energy Security Act of 1980.

His love for the arts was demonstrated in his work to establish the National Endowment for the Arts and the Humanities.

His commitment to good government, the rule of law and the individual rights of citizens will serve as a model for present and future generations of Americans. And he acted on his beliefs by helping to strengthen the Freedom of Information Act and by authoring the Privacy Act to limit the amount of information a Government agency can disseminate about a citizen.

Pittsburgh and the Nation are the better for his service in Congress. It was a privilege to have known Bill Moorhead and I am honored to be able to pay tribute to this outstanding man. I want to express my deep condolences to his family.

□ 1230

PENNIES FOR SPACE

(Mr. HOUGHTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOUGHTON. Mr. Speaker, today we are honored to have with us an unusual group of people. These people represent thousands of other students, teachers, and parents working through the Haverline High School in Bath, NY.

They have raised over $17,000 for the Pennies for Space Program. This program has as its purpose the desire, the sole desire, to help our country. There are no tax breaks, no Federal grants, no State moneys.

These are private funds raised by and earned by these young people to help put another shuttle back into space.

The funds will go toward replacing the *Challenger* and will be presented within the hour to the Vice President of the United States and the NASA Administrator, Mr. James Fletcher.

These are fine people. Let me name them. Charlotte Gregory, David Jones, Hazel Hopkins, Lynn Ahren, Donald Mills, and students Neremin Bibaway, Lisa Wolfe, and Dan Stenta.

There are heroes born every day going about their work silently and undramatically, but with real purpose. Mr. Speaker, these people are real heroes.

ARMENIAN GENOCIDE

(Mr. LEHMAN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEHMAN of California. Mr. Speaker, the disinformation campaign concerning the Armenian genocide continues.

Yesterday, Members received a flyer claiming that 69 so-called knowledgeable scholars refuted there was a genocide.

A close examination of this list reveals that only four have ever dealt with genocide or this specific historical period. Forty-one are not even scholars of Turkish history in the 19th and 20th centuries. Forty have received grants from Turkish foundations.

Eleven of the signatories have subsequently written letters casting doubt on the findings proclaimed in the advertisement.

This genocide was described by our own Ambassador on the scene as the mass extermination of a race.

By the great historian, Arnold Toynbee, who was also in Turkey at the time, and by Sir Winston Churchill, who described it as a complete clearance of the race from Asia Minor; and of course, by the U.S. Holocaust Memorial Council, which unanimously declared the necessity for commemorating this event.

We should not let the Turkish Government tell us which genocides to remember and which genocides to forget.

Modern Turkey's great leader, Ataturk, owned up to the facts. We should do no less.

TORT LIABILITY REFORM ACT OF 1987

(Mr. DAUB asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAUB. Mr. Speaker, the insurance crisis remains a problem in our national business life. New arguments have been added to the debate surrounding the crisis, yet Congress as a whole continues to balk at the idea of tort reform. While genuine grievances exist in tort cases before our courts, costly, and frivolous cases continue to clog the courts.

Last year I introduced H.R. 4460, the Tort Liability Reform Act of 1986, to bring needed procedural reforms to the tort claims process. After listening to experts in the field and several colleagues, I have made changes in three areas of the bill. Therefore, I reintroduce H.R. 4460 with a new bill number—H.R. 3083, with the following changes:

First, the cap on noneconomic damage is eliminated and noneconomic damages are returned to a pure fault-based standard.

Second, the provision which placed payment of punitive damages in Government treasuries is eliminated.

Third and last, the bill is more streamlined and straightforward in its intention and purpose.

With these changes I submit this bill for your thoughtful consideration. While no simple fix-all answer exists to this complex issues, the enactment of meaningful procedural reforms to the tort claims process tackles part of the problem with the intended effect of making affordable insurance once again available to those who need it.

ARIAS PEACE INITIATIVE

(Mr. LANCASTER asked and was given permission to address the House for 1 minute.)

Mr. LANCASTER. Mr. Speaker, I rise today, along with several of my colleagues, to help draw the attention of this House to a meeting which will be held at the end of this week in Guatamala City. The Presidents of the Latin American democracies gather Thursday with Nicaraguan leaders to discuss proposals put forward courageously by President Oscar Arias Sanchez of Costa Rica. It is important that we not allow the sound and fury of the present Iran-Contra scandal to obscure the long-term significance of this event.

Mr. Arias has the good fortune to preside over a country that is not racked with internal strife. The secret to liberty, prosperity, and stability in Costa Rica is inherent in the terms Mr. Arias has used to describe his country: "There are more schoolteachers than soldiers, more schools than cannons, more books than guns." This is the route along which Mr. Arias is attempting to direct all of Central America through his initiative. No one is more aware of the risks of failure than he.

But Mr. Arias has acted upon the responsibility incumbent upon his nation, as the oldest, most prosperous and most stable democracy in Central America, to work creatively and realistically for peace.

If these are the responsibilities of the leading free society of that region, how much greater must they be for the oldest, most prosperous, and most stable democracy in the world?

It is incumbent upon us to offer real support to Mr. Arias and the causes of peace and freedom in Central America. Offhand lipservice to Mr. Arias' ends is an insufficient and shortsighted response. Unless we earnestly foster the methods he advocates, this proposal will fail.

I am proud that many in America are coming to recognize this truth. I am even prouder that among the first of these thoughtful American statesmen to advocate Mr. Arias' initiative was my own colleague from North Carolina, the Honorable Senator TERRY SANFORD.

Democracy will come to this troubled region of the world not through simple solutions but only if the United States is willing to work diligently with the other democracies in the region to achieve peace and democracy.

The Arias proposal strikes at the origin, as well as the symptomatic cancerous growth, of the problem. It focuses both on a broadening of internal liberty in Nicaragua, and a reduction of outside military presence in the region. It represents a well-crafted compromise.

Such is the nature of true statesmanship and diplomacy. The creative use of our immense power in this manner is the only way to achieve lasting peace and security in this troubled region of the world.

MR. PRESIDENT, IT'S TIME TO PLAY BALL

(Mr. DOWNEY of New York asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOWNEY of New York. Mr. Speaker, the bases were loaded and it was the bottom of the ninth last week, when the President stepped up to bat, only to strike out because he didn't keep his eye on the ball.

Strike One: Last Thursday, the Census Bureau announced the latest poverty statistics. The administration called it good news, choosing to highlight the gains in family income that occurred. But the real story is that we have made no progress in reducing poverty among children and have succeeded, in the last year, in widening the gap between rich and poor to a level unprecedented in the history of our Nation.

Strike Two: On Friday, the President decided to impose new restrictions on abortions which would prohibit doctors from presenting all of the facts to their patients. The real victims of this policy are poor women.

Strike Three: On Saturday, the President took to the airwaves, condemning the Democratic plans for welfare reform as misguided budget busters.

This criticism is ironic since the President and his minions have steadfastly refused to work with the Congress to develop a bipartisan welfare reform plan. Instead, they have insisted on a demonstration plan that offers no guarantee of real reform and allows chaos to prevail at the State and local levels. This approach has found little support in the Congress, even less in the States, and it has an assortment of people—from veterans to advocates for the poor—mad as hornets. The White House has been unwilling to discuss any alternatives.

Mr. President, you will undoubtedly get another chance at bat in the coming months. It's time to quit dodging, step up to the plate, and play ball. The poor children of this country are counting on you.

H.R. 2881—A BILL TO ESTABLISH A NATIONAL COMMISSION ON ACQUIRED IMMUNE DEFICIENCY SYNDROME

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, I rise to express my support of legislation, which will be on our calendar today to create a National Commission on Acquired Immune Deficiency Syndrome, in the hopes that it might be an antidote to the Presidential Commission on AIDS. Two weeks ago the administration announced its AIDS commissioners. They are, for the most part, sadly inexperienced and unqualified to serve on such a potentially important panel. It is a tragedy, that after years of rhetoric and inaction on the AIDS epidemic, the admistration has fashioned a hollow body with possibly dangerous effects.

Today we will have before us a proposal for another Commission, which offers the hope of correcting a potentially damaging situation. I support this new plan. But let me express some caution.

What we need most in an AIDS Commission is an independent, nonpartisan, scientific advisory group, outside the Federal Government, whch would make recommendations and advise Congress, the President, and the executive branch agencies about the major AIDS issues. As decision and policymakers, we are posed with complex biomedical, public health, and legal issues on which we must act. Some programs must be put into place immediately, so that we may control the epidemic, and treat people with AIDS with effective measures and compassion. Informed answers, equitable decisions, and effective programs must be based on current scientific data and information from unbiased experts.

In April, I introduced legislation which would establish a National Advisory Panel on AIDS composed of AIDS experts from outside the Federal Government. The Institute of Medicine of the National Academy of Sciences would be asked first to submit a grant application, in light of the excellent job it did in creating an expert committee and comprehensive report on a National Strategy for AIDS during 1986. I still believe that would be the best approach. In sum, an effective AIDS Commission must be composed of superlative AIDS commissioners, who are both AIDS experts and nonpartisan.

Challenging the President's AIDS commissioners with this test, we find that only two are passable. The rest fail.

As I examine today's proposed legislation the question that concerns me is what are the chances that its members will be nonpartisan AIDS experts?

Five of the appointments would come from the administration and would include the Secretary of Health and Human Services and the Administrator of Veterans' Affairs. Expert, possibly. Nonpartisan, no.

The remaining 10 appointments would be selected by the House and the Senate, and 4 of these 10 would come from the minoritys' recommendations. The arithmetic is clear: 9 of the 15 Commissioners would be appointed by the President and members of his party.

Will this National Commission on AIDS correct the deficiencies of the Presidential Commission? I hope so and, therefore, will vote for it.

Congress and the President very much need the recommendations of a respected panel independent of political influence to help us make sound, objective, and cost-effective decisions in the war against AIDS.

□ 1400

STOP THE SOVIET SHOPPING SPREE

(Mr. COATS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COATS. Mr. Speaker, the portrait of Japanese businessmen wining and dining Soviet trade officials contained in today's Wall Street Journal can only reinforce our view that security has taken a back seat to profit in Japan.

What is far more disturbing than the story of sushi-loving Russians is the fact that apparently the Toshiba incident is just the tip of the iceberg of security breaches. In the past year, American officials have presented Japan with half a dozen cases of serious violations, possibly involving a number of giant and well-known Japanese companies.

Our concern with Japan's sloppy record is now becoming apparent, and I have introduced legislation which would impose sanctions against Toshiba for their blatant disregard of export controls. What is often missed in the debate on this issue, however, is the need to provide for equally tough sanctions against other corporations in Japan and all countries who so flagrantly violate our trust. My bill would mandate such strong penalties, and send a clear signal to foreign companies that this betrayal will not be tolerated.

Mr. Speaker, a Soviet official was quoted in this article as being unconcerned about obtaining Western technology in the future. "What can't be bought in Japan," he said, could easily be bought elsewhere." It is time to stop the Communist shopping spree, and I urge my colleagues to support my legislation to do just that.

REPORT FROM THE CONSTITUTIONAL CONVENTION, 1787

(Mr. GEKAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEKAS. Mr. Speaker, it is now August 4, 1787, and I am reporting to you from the floor of the Constitutional Convention in Independence Hall, Philadelphia. The delegates in this great Convention are now in a recess and they are not due to get back here for another couple days. George Washington is visiting Valley Forge. James Madison comes in once in awhile. You would think there is nothing going on; however, I am reporting to you from the library section next to the Chamber, the main Chamber of Independence Hall, where hard at work is a set of five delegates who have been constituted the Committee of Detail.

It is their job to put together the final provisions that have already been agreed on into one cohesive document that will be deliberated upon and debated the remainder of August and possibly in September and a final document will be drafted.

I talked with these delegates, the ones who are on the Committee of Detail. It is Rutledge of South Carolina, who is the chairman; he has a grand vision of a document to be adopted.

Randolph of Virginia is a man of detail himself properly on the Committee of Detail.

James Wilson of Pennsylvania, who is one of the better speakers during the 4 months of the Convention thus far, was also part of this Committee of Detail.

Ellsworth of Connecticut and Gorham of Massachusetts, these five are very confident, although in different ways, that they can piece together a document that will be the final working document of this Convention.

Everybody is optimistic, even General Washington, who, when he left, felt a little less optimistic than most, now I am told feels that they are going to be successful.

Mr. Speaker, I am reporting to you 200 years ago today from the Convention floor in Independence Hall in Philadelphia.

PROSECUTE THOSE OPERATING OUT OF BASEMENT CLOSET IN WHITE HOUSE

(Mr. TRAFICANT asked and was given permission to address the House for 1 mintue and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, the Ayatollah blames us for the deaths of Iranians in Mecca last weekend. No one knows what this character will do next.

One thing is for sure. The administration supposedly tried to make contact with moderates in Iran. In fact, the National Security Council in sworn testimony said that was their purpose.

Now we come to find out that one of those so-called moderates was a man named Ali Rafsanjani. He spoke recently about attacking the United States and retribution for our gulf policies. He also said, and I quote, "Iran's obligation is to uproot the Saudi rulers from that region."

Now, how in God's name could the President or any of his advisers consider this to be the moderates we should be dealing with?

I now quote a passage from the Washington Post of Bruce Laingen, a former hostage and American Embassy official in Iran. Here is what he said 8 years ago:

> We should not expect an Iranian readily to perceive the advantages of a long-term relationship based on trust.

POINT OF ORDER

Mr. WALKER. Mr. Speaker, a point of order.

The SPEAKER pro tempore. (Mr. GRAY of Illinois). The gentleman will state his point of order.

Mr. WALKER. Mr. Speaker, has the gentleman received permission from the House to read from papers?

Mr. TRAFICANT. Mr. Speaker, I am not reading from papers. I am making a quote.

The SPEAKER pro tempore. The gentleman from Ohio has permission to read, unless he is challenged by any Member.

Mr. WALKER. Well, under the rules of the House, the gentleman cannot read from papers without receiving unanimous consent from the House. Has the gentleman received consent from the House to read from papers?

The SPEAKER pro tempore. The gentleman from Pennsylvania has it backward. The gentleman can read unless objected to by any other Member. Then it is put to a vote.

Mr. WALKER. Well, the gentleman can do it by unanimous consent, can he not?

The SPEAKER pro tempore. The gentleman was granted unanimous consent to address the House for 1 minute, which includes reading papers, unless objected to.

Mr. WALKER. He can also ask unanimous consent to be a allowed to read from papers, is that not correct?

The SPEAKER pro tempore. The gentleman does not need that under the rules, the Chair would say to the gentleman from Pennsylvania.

Mr. TRAFICANT. Mr. Speaker, to clarify the issue, I am not reading from a paper.

The SPEAKER pro tempore. Any Member who wants to challenge the gentleman's right to read can do so, and then it is put to a vote.

Mr. TRAFICANT. Mr. Speaker, is the gentleman challenging it?

Mr. WALKER. Well, I would just suggest to the gentleman that in order to proceed under the rules of the House, he ought to ask unanimous consent to read from papers.

Mr. TRAFICANT. Mr. Speaker, I am not reading from papers. If the gentleman is challenging it, let him make the challenge.

The SPEAKER pro tempore. The Chair will state that in the absence of a challenge, the gentleman may read. If some Member sees fit to challenge, then it would be put to a vote.

Mr. WALKER. I thank the Chair.

The SPEAKER pro tempore. The time of the gentleman from Ohio [Mr. TRAFICANT] has expired.

TITLE X IS NOT THE CULPRIT

(Mr. PORTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PORTER. Mr. Speaker, as a Member of Congress who believes that Federal funds should not be used to perform abortions and as one who has consistently supported the Hyde amendment, I call on the prolife community to reassess its attack on title X voluntary family planning programs.

Title X clinics have scrupulously abided by the statutory requirement that they not perform abortions with Federal funds. Repeated GAO audits have upheld this fact. Family planning clinics which are physically located in proximity to abortion facilities are the exception, Mr. Speaker, not the norm, and most of these are hospitals.

Mr. Speaker, it is a violation of medical ethics not to inform a woman of her legal options in dealing with a pregnancy, and enshrining ignorance of medical options in title X regulations in place of informed consent flies directly in the face of principles followed consistently by administrations of both parties.

Yes, abortion, though legal, is not an acceptable birth control method and should not be encouraged; but attacking title X programs designed to prevent unwanted pregnancies through contraception, can only lead to more abortions, not less.

A LANDMARK DECISION FOR THE NATIONAL GUARD

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONTGOMERY. Mr. Speaker, late yesterday U.S. District Judge Donald Alsop made a landmark decision in the State of Minnesota versus the Federal Government, challenging the so-called Montgomery amendment that prohibits Governors from blocking overseas training of their State National Guardsmen only except in the case of a State emergency.

Judge Alsop dismissed the case with prejudice.

This ruling means that under the U.S. Constitution, Congress does have authority to share with the States the training of National Guardsmen and that Congress acted within its authority, without having to secure the consent of Governor Perpich of Minnesota on training.

Mr. Speaker, I am delighted with this ruling. This decision, if appealed, I am confident will be upheld.

IN SUPPORT OF HOUSE JOINT RESOLUTION 132, NATIONAL DAY OF REMEMBRANCE OF ARMENIAN GENOCIDE

(Mr. TORRES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TORRES. Mr. Speaker, I rise today in support of House Joint Resolution 132. It is unfortunate that legislation like this is necessary. If it were not for the many instances when man has committed atrocious acts against his fellow man, there would have been no need to introduce this resolution.

From 1915 to 1923, a 9-year period, 1½ million Armenians were brutally murdered by agents of the Turkish Ottoman Empire. We have chosen April 24, 1987, to memorialize the loss of over a million lives.

It is not possible for us to return to the Turkish Ottoman Empire. If we had this capacity, perhaps we could have prevented the unjust murders of over a million of men, women, and children from history. However, we cannot return nor can we right the wrongs of the past.

We can do everything in our power to prevent such atrocities from occurring again. I admit that it is not enjoyable to reflect on these horrible incidents, but I encourage everyone to take a moment to think about the unnecessary loss of valuable human lives that resulted from this massacre.

We must pledge to never allow a similar incident to happen again. If House Joint Resolution 132 will allow us to achieve this goal, we must support it.

A FURTHER TRIBUTE TO RAUOL WALLENBERG

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN of California. Mr. Speaker, I will not read a statement. I will tomorrow.

Mr. Speaker, I rise like my colleague, the gentleman from New Jersey [Mr. SMITH], to remind everyone in the free world that today is the 75th birthday of Rauol Wallenberg. I have no proof that this great world hero is alive, but the Soviets have never given any proof that he is dead.

Mr. Khrushchev at some point during his 11-year reign said that Rauol Wallenberg had died in 1947 or 1948 in some Soviet prison. What prison? Where are his remains? What were the circumstances of his death? They have told us nothing.

So I choose to believe that at 75 years of age today, he is alive in some forgotten fringe labor camp in that Archipeligo of vicious gulags. Maybe he is on Wrangel Island. Maybe he is in some labor camp.

But if you were God, would you have kept this hero alive? I think in God's mysterious and wonderous ways that this hero is alive.

You know, some of us in life have a chance to save someone from drowning. One of my cousins claimed that I save his life. I do not know if I did or not. But here is a man who saved 100,000 human beings. What a thing to have in your record book when you face St. Peter, 100,000 human beings, many of whom went on to get married and raise families and their families are now having families.

□ 1255

This man is truly a hero. If Mr. Gorbachev really means that glasnost is openness, let him give Raoul Wallenberg back to the world that loves him.

Happy birthday, Raoul. You are an inspiration to a whole century.

WASHINGTON WEATHER IS NOT FLORIDA WEATHER

(Mr. SHAW asked and was given permission to address the House for 1 minute.)

Mr. SHAW. Mr. Speaker, there is something that has been bothering me for some time that I would like to bring to the attention of the House. For so long now as the temperature reaches the high 90's and now perhaps even into the 100's today, Members increasingly come up to me and say, "How do you like this Florida weather?"

Mr. Speaker, this is not Florida weather. This is Washington weather. Anyone who thinks that this is Florida weather, I invite them to Fort Lauderdale, FL, to enjoy our cool surf and cooling breezes. Fort Lauderdale does not have weather like we are experiencing in Washington today.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. GRAY of Illinois). Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on all motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken after debate has been concluded on all motions to suspend the rules.

DEVELOPMENT DISABILITIES ASSISTANCE EXTENSION ACT OF 1987

Mr. BRUCE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1871) to amend the Developmental Disabilities Assistance and Bill of Rights Act to extend the programs established in such act, and for other purposes, as amended.

The Clerk read as follows:

H.R. 1871

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Developmental Disabilities Assistance Extension Act of 1987".

SEC. 2. AUTHORIZATIONS OF APPROPRIATIONS.

The Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6000 et seq.) is amended—

(1) in section 130, by striking "$50,250,000" and all that follows and inserting "such sums as may be necessary for fiscal years 1988 through 1990.";

(2) in section 143, by striking "$13,750,000" and all that follows in the first sentence and inserting "such sums as may be necessary for fiscal years 1988 through 1990.";

(3) in section 154, by striking "$9,000,000" and all that follows and inserting "such sums as may be necessary for fiscal years 1988 through 1990."; and

(4) in section 163, by striking "$2,700,000" and all that follows and inserting "such sums as may be necessary for fiscal years 1988 through 1990.".

SEC. 3. ADDITION OF FAMILY SUPPORT SERVICES TO LIST OF PRIORITY SERVICES WITH RESPECT TO PERSONS WITH DEVELOPMENTAL DISABILITIES.

(a) IN GENERAL.—Section 102(11)(C) of the Developmental Disabilities Assistance and bill of Rights Act (42 U.S.C. 6001(11)(C)) is amended—

(1) by striking "and";

(2) by striking the period and inserting a comma; and

(3) by adding at the end "and family support services.".

(b) DEFINITION OF FAMILY SUPPORT SERVICES.—Section 102(11) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(11)) is amended by adding at the end the following new subparagraph:

"(I) The term 'family support services' means services designed—

"(i) to strengthen the role of the family as the primary care-giver;

"(ii) to prevent out-of-home placement;

"(iii) to reunite families with family members who have been placed out of the home; and

"(iv) to maintain family unity.".

(c) CONFORMING AMENDMENT.—Section 102(11)(D) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(11)(D)) is amended by striking "family support services,".

SEC. 4. REVISION OF DEFINITION OF SUPPORTED EMPLOYMENT OF PERSONS WITH DEVELOPMENTAL DISABILITIES.

Section 102(11)(F) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(11)(F)) is amended—

(1) by striking "paid" the first place it appears and inserting "competitive"; and

(2) by amending clause (i) to read as follows:

"(i) is for persons—

"(I) with developmental disabilities who are members of groups for which competitive employment has not historically occurred, or

"(II) for whom competitive employment has been interrupted or intermittent because of developmental disability.

who, because of their disabilities, need intensive ongoing support to perform in a work setting;".

SEC. 5. REQUIREMENT OF PROVISION OF NOT LESS THAN ONE PRIORITY SERVICE TO PERSONS WITH DEVELOPMENTAL DISABILITIES.

(a) IN GENERAL.—Section 122(b)(4)(B) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6022(b)(4)(B)) is amended to read as follows:

"(B) The plan must provide for not less than one of the five priority services. The plan may, in the discretion of the State, provide for more than one priority service, or for one or more services described in section 102(11)(A)(ii), or both.".

(b) STRIKING OF CERTAIN REQUIREMENT WITH RESPECT TO EXPENDITURES OF PAYMENTS.—Section 122(b)(4) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6022(b)(4) is amended—

(1) by striking subparagraph (C); and

(2) by redesignating subparagraphs (D), (E), and (F) as subparagraphs (C), (D), and (E), respectively.

(c) CERTAIN REQUIREMENT WITH RESPECT TO EXPENDITURES OF PAYMENTS.—Section 122 (b)(4)(D)(i) of the Developmental Disabilities Assistance and Bill of Rights Act (as redesignated in subsection (b)(2)) is amended by striking "service activities in the priority services." and inserting "services described in subparagraph (B).".

SEC. 6. REVISION IN CATEGORIES OF REPRESENTATIVES ON STATE PLANNING COUNCIL.

Section 124(a)(3)(B)(ii) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C 6024 (a)(3)(B)(ii)) is amended by inserting "or previously institutionalized" after "institutionalized".

SEC. 7. REPORTS BY STATES WITH RESPECT TO SERVICES PROVIDED TO PERSONS WITH DEVELOPMENTAL DISABILITIES.

The Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6000 et seq.) is amended by adding at the end the following new part:

"PART F—DEVELOPMENTAL DISABILITIES STATUS REPORT

"REQUIREMENT OF CERTAIN ASSURANCES WITH RESPECT TO REPORT

"SEC. 171. (a) For each of the fiscal years 1988 through 1990, the State plan required in section 122 must contain or be supported by assurances satisfactory to the Secretary that, not later than September 30, 1990, the State will submit to the Secretary a report containing a comprehensive description of—

"(1) the eligibility standards established by the State for the receipt of services by persons with developmental disabilities;

"(2) a description of the services provided by the State to individuals with developmental disabilities;

"(3) the extent to which the State is meeting the needs of persons with developmental disabilities;

"(4) the extent to which the State is carrying out the purposes of this title, including a description of the manner in which the State has construed, and is construing, the term 'developmental disability;

"(5) the recommendations of the State for meeting the needs of all persons in the State with developmental disabilities, including recommendations with respect to appropriate initiatives by the State and by the Federal Government; and

"(6) with respect to the matters referred to in paragraphs (1) through (5), the views of persons in the State with developmental disabilities and the views of persons in the State who are advocates for persons with developmental disabilities.

"(b) For each of the fiscal years 1988 through 1990, the State plan required in section 122 must contain or be supported by assurances satisfactory to the Secretary that, in preparing the report required in subsection (a), the State will—

"(1) conduct a study for the purpose of obtaining the information required in subsection (a)(6) and will, in conducting such study, survey a representative sample of persons in the State with developmental disabilities and a representative sample of persons in the State who are advocates for persons with developmental disabilities; and

"(2) provide public notice with respect to the development of the report and such opportunities as may be necessary to provide interested persons an opportunity to present comments and recommendations with respect to the report.

"REQUIREMENT OF SUBMISSION OF STATEMENT OF PROGRESS WITH RESPECT TO REPORT

"SEC. 172. For each of the fiscal years 1989 and 1990, the State plan required in section 122 must contain a statement of the progress made by the State with respect to completing the report required in section 171.".

SEC. 8. EFFECTIVE DATE.

The amendments made by this Act shall take effect October 1, 1987, or upon the date of the enactment of this Act, whichever occurs later.

The SPEAKER pro tempore. Is a second demanded?

Mr. LENT. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Illinois [Mr. BRUCE] will be recognized for 20 minutes and the gentleman from New York [Mr. LENT] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Illinois [Mr. BRUCE].

Mr. BRUCE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the legislation before us was introduced by the distinguished ranking minority member of the subcommittee, Mr. MADIGAN. It was reported by the Committee on Energy and Commerce by voice vote.

Briefly, H.R. 1871 extends for 3 fiscal years the authorization of appropriations for the programs which comprise the Development Disabilities Assistance and Bill of Rights Act. These programs include: First, formula grants to States; second, grants to support protection and advocacy systems; third, grants for special projects; and fourth, grants to university affiliated facilities.

The committee amendment to the legislation eases the administrative requirements on States and requires each State to prepare a report on the extent to which they are currently meeting the needs of persons with developmental disabilities.

Mr. Speaker, the Federal developmental disabilities programs are vitally important to the millions of Americans with developmental disabilities. Their importance and success have made it enormously popular with the public, the Congress and the administration.

I urge support for the legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. LENT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I join the gentleman from Illinois, [Mr. BRUCE], a member of the Subcommittee on Health and the Environment in urging my colleagues to support H.R. 1871, the developmental disabilities assistance amendments of 1987. My colleague, Mr. MADIGAN, the ranking minority member of the subcommittee introduced this legislation on March 31, 1987, on behalf of the administration. H.R. 1871 reauthorizes the grant programs of the Developmental Disabilities Assistance and Bill of Rights Act for 3 fiscal years with such sums as may be necessary. The bill being considered under suspension of the rules today includes the provisions of H.R. 1871 as introduced and several amendments which enhance State flexibility in providing priority services to disabled individuals.

It is my understanding that the administration does not oppose this legislation. Therefore, I urge my colleagues to join me in supporting H.R. 1871.

Mr. BRUCE. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. WALGREN].

Mr. WALGREN. Mr. Speaker, I am pleased today to support the extension of the Developmental Disabilities Program. More than almost any other factor, this program has been the key to the rapid increase in sensitivity to the needs of the disabled and the protection of their rights.

I would like to underscore provisions in the bill I offered in subcommittee. The Developmental Disabilities Program has its origins in a 1963 law which applied only to individuals who were mentally retarded. Over time, Congress has expanded the definition so that those efforts now include a broad spectrum of functional limitations.

Currently under the law a "developmental disability" includes any severe chronic disability which—

(A) is attributable to a mental or physical impairment or combination of mental and physical impairments;

(B) is manifested before the person attains age 22;

(C) is likely to continue indefinitely;

(D) results in substantial functional limitations in 3 or more areas of life activity: (i) self-care; (ii) receptive and expressive language, (iii) learning, (iv) mobility, (v) self-direction, (vi) capacity for independent living, and (vii) economic self-sufficiency; and

(E) reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment or other services which are of lifelong or extended duration and are individually planned and coordinated.

In our hearings, we learned that many States construe the definition far more narrowly. As a result, many eligible individuals are not being reached. In many States, disabilities attributable to physical impairments such as cerebral palsy and epilepsy or developmental disabilities attributable to a combination of mental and physical impairments are not reached by the advocacy and planning of the State councils which administer this program.

The bill before us would require each State to develop a process to identify those individuals and report to Congress on ways of fully serving the developmentally disabled population. States would be required to hold public hearings to bring out the views and recommendations of developmentally disabled individuals and advocacy organizations.

The goal of the program is to "assure that persons with developmental disabilities receive the care, treatment, and other services necessary to enable them to achieve their maximum potential through increased independence, productivity, and integration into the community." The failure of States to properly respond to the definition of developmental disabilities now results in this program being an unfulfilled promise to 1 million individuals and their families.

It is certainly my hope that this provision will send a strong signal to the States that they should move toward fully serving all of the developmentally disabled.

I would like to share with my colleagues the testimony of Ms. Eileen Cubarney of Allison Park, PA, in which she poignantly and convincingly discusses the need for strong State programs.

TESTIMONY PRESENTED BY EILEEN CUBARNEY

[On behalf of the National Society for Children and Adults With Autism, National Organization for Rare Disorders, Inc., Disability Rights Education and Defense Fund, United Cerebral Palsy Associations, Inc., National Spinal Cord Injury Association, National Network for Parent Centers, Spina Bifida Association of America, Epilepsy Foundation of America, Tourette Syndrome Association]

My name is Eileen Cubarney. I am the mother of six children. I have been engaged in advocacy on behalf of children and adults with disabilities for over twenty-five years. I am speaking today on behalf of United Cerebral Palsy Associations, Inc., Epilepsy Foundation of America, and seven other national organizations on behalf of individuals with the most severe disabilities. We share a common vision of an American society that provides opportunities for school age children with severe disabilities to be educated in public schools in a way that promotes interaction with their nonhandicapped peers; for adults with severe impairments to be employed in diverse settings earning a competitive wage; and for all children and adults with severe disabilities to live at home and in their home communities enjoying the benefits of friendship and continuing personal relationships.

My remarks today will be to paint for you a portrait of an American family: My family. The portrait is typical of thousands of families across the country who have sons and daughters with substantial functional limitations as defined in the Developmental Disabilities Act.

My testimony will describe the barriers we face as families seeking adequate and appropriate supports to enable our sons and daughters to learn, live, and work in their home communities.

My son David is twenty-one years old. He has a diagnosis of cerebral palsy and is further labelled as having quadraplegia. He can talk but he cannot walk, feed himself, dress himself or attend to his bodily fuctions.

He has average to above average intelligence. Had we listened to the professionals when he was a baby and placed David in an institution our family would have been financially solvent today. Instead we chose to raise David at home and learn first hand about the struggles to earn his right to citizenship.

Our family has had only four vacations in eighteen years. Although Pennsylvania has a very large program of family support and respite services, David did not have the right label to access the system. We chose not to try and find a clinician who would relabel David as "mentally retarded" to access these services. To do so was too much of a compromise of his dignity and our integrity.

We paid for his therapies in his infant years and he attended the UCP nursery school which was funded by donations from the Elks Club. At age five he attended a private school for which the public school paid a per diem and we paid the rest of the tuition which exceeded the mortgage payment on our home.

At age thirteen with David's and our rights articulated in P.L. 94-142, the Education for all Handicapped Children's Act of 1975, and with the ongoing assistance and support of Congressman Walgren and his staff in Pittsburgh and an attorney whom we paid, we filed and won both a due process and a civil rights suit against the school district in order to have David removed from "special school" where he learned almost nothing and sent to a regular school with children of his own age who were not handicapped. David was the first student with quadraplegia to be "mainstreamed" in our community.

We won, but the school was so unprepared to meet his needs that they wanted to offer him a janitorial training program. With the help of local UCP staff and appropriate education plan was developed. For the past two years, as the result of another fight, David receives his education two days a week at the Independent Living Center where he is learning how to direct his own life and how to manage his attendant. He began receiving attendant services in 1985 as a result of Pennsylvania's pilot program in this area.

The attendant services have changed our family's role from that of David's constant caregivers to mother, father, brother and sister. This service has allowed me the opportunity to go to work for the first time in over twenty years and assist my husband's modest income in supporting our four children in college.

I am employed in the rehabilitation technology center at the Rehabilitation Institute of Pittsburgh. I see everyday what can be and is being achieved through technology for people like David and countless others with severe functional limitations with and without mental impairments. Yet how many individuals go without, go begging or are denied access to these and other necessary support services because their state has not yet chosen to put in place a service delivery system for all persons with developmental disabilities?

The individuals who fall under the umbrella term "developmentally disabled" are not a homogeneous group in terms of service needs.

I am here today representing over one million individuals who meet the definition of developmental disabilities but whose primary impairment is not a mental one. I call to your attention that the intent of the law is not being met consistently in all 50 states. . . . "to assist states to (A) assure that persons with developmental disabilities receive the care, treatment, and other services necessary to enable them to achieve their maximum potential through independence, productivity, and integration into the community. . . ." The original intent of Congress in 1963 was to develop services to meet the needs of people with mental retardation. In 1970 and 1975, this intent was extended to people with other disabilities with similar service needs. And in 1978, the language was modified to assure that just persons with the most substantial disabilities received services.

The federal definition was purely categorical in 1970 (P.L. 91-517) and later evolved to a mixed categorical and functional one in 1975 (P.L. 94-103) which still had a reference to mental retardation . . . "results in similar impairment of general intellectual functioning or adaptive behavior to that of mentally retarded persons or requires treatment and services similar to those required for such persons." In 1976, the Secretary of H.E.W. awarded a contract and appointed a task force to study the confusion and different interpretations in operationalizing the mixed definition. The task force recommended a functional approach to the definition—a non categorical definition which emphasized the complexity, pervasiveness, and substantiality of the disability condition(s). The proposed definition was included in the 1978 Act (P.L. 95-602) and continues today. The major differences in this definition from the 1975 Act are:

No specific diagnostic categories or labels are used other than "mental and physical impairment";

The age limit for onset of the disability was raised from 18 to 22; and

The necessity of a substantial functional limitation in three or more areas of major life activity.

IMPACT OF CURRENT DEFINITION

The current definition excludes persons with mild disabilities, and, by eliminating categories makes it possible for persons with a wide range of diagnostic labels such as spina bifida, spinal cord injury, muscular dystrophy, multiple sclerosis, cystic fibrosis, Tourette Syndrome, and others to be included in the definition along with many persons from the more traditional diagnostic categories of mental retardation, cerebral palsy, epilepsy, and autism, including many persons with multiple mental and physical impairments. In fact, most prevalence estimates suggest that 1 to 1½ million of the three million people classified as "developmentally disabled" are persons without mental impairments.

Though the disabilities are different, the common elements are that the origin of their disability was in the developmental period, that the individuals will need ongoing—possibly lifelong—support services and that goal of these services should be to increase independence, productivity, and community intergration as stated in the 1984 Act (P.L. 98-527).

The definition adopted nearly ten years ago has had an impact on states but not nearly what some of us expected. Over 20 states still have a state agency which has an exclusive responsibility to persons with mental retardation.

In 1985, New Jersey was the first and only state to adopt the federal functional definition in state statute. The remaining states have adopted a variety of mixed categorical and functional definitions, many with a strong mental impairment overlay. In my home state of Pennsylvania our Developmental Disabilities Council has just this year committed some resources over the next three years to develop a plan for a coordinated comprehensive service system for all persons with developmental disabilities. This decision has come about after five years of having a stated goal in the plan with no resources! Currently our single state agency is the Office of Mental Retardation in the Department of Public Welfare.

For more than eighty years, professionals have used an approach that focuses on individual deficits as the means of deciding whether a person was eligible for available services. The functional nature of the developmental disabilities definition should force a change in determining eligibility to a focus on the interaction between a person and his/her environment rather than focusing on deficits seen to be in the person.

CHANGING SERVICE PATTERNS

Changes in the boundaries of eligibility for services which result from adoption and implementation of the current definition will, in all likelihood, mean that the "newly eligible" people will require even more varied levels and types of supports. This means that past patterns of service delivery will not be able to adequately accommodate these differing demands. New service patterns will have to be developed, some old patterns abandoned, and agencies will of necessity learn to become more flexible in their dealing with individuals receiving services.

For example, in the area of community living, the preferred model of support service for someone with substantial functional limitations without a mental impairment is the person's own home or home with a roommate and a personal attendant hired and managed by the individual rather than *placement* in an "eight-bed" group home or other facility.

In the emerging area of supported employment, ongoing support for persons with developmental disabilities who are not mentally impaired will include a variety of services including transportation, physical, speech, and occupational therapies, medications, and applied technology rather than a job coach.

From these two illustrative examples, I trust you can see that the actual delivery of support services for the divergent population I represent today encompasses the same concepts but far different implementation strategies than for persons with developmental disabilities and mental impairment. This is what we urge you to require the Developmental Disabilities Councils to do more of—to assure the services required to support all persons with developmental disabilities, regardless of categorical diagnosis, be planned, demonstrated, and assured throughout the land.

Conclusion:

We have come a long way, but we believe it is now time to reconcile federal intent with state policy. As Dr. Elizabeth Boggs, a national expert on developmental disabilities, stated upon New Jersey's adoption of the federal definition into state statute in 1985, "We have had a non-accessing population of people—specifically, young adults with severe physical disabilities—who have had nowhere to go for assistance in putting it all together. These people really deserve to have an agency that can work for them . . ."

I urge you to: (1) reaffirm that State Councils be involved in the system reform necessary within their respective states so that each state adopt the federal definition in a timely manner and (2) assure that each of the states meet the intent of the law by assigning the most appropriate agencies to be responsible and accountable to provide access to the full range of support services for individuals with developmental disabilities without mental impairments. Until that time, the promise of the Act will remain unfulfilled. Over one million citizens will continue to be more dependent than necessary on our resources and robbed of their human dignity and opportunity to contribute to community life.

Mr. WAXMAN. Mr. Speaker, the committee amendment to the legislation eases the administrative requirements on States which receive formula grant funds. Under current law, the authority of many States to support programs for the developmentally disabled are limited to statutorily specified Federal priority areas. A limited number of States are eligible to use block grant funds designated for Federal priorities for so-called optional services. The committee amendment would allow all States the authority to allocate funds to these optional services. In addition, the amendment lifts the current restriction on the number of Federal priority services that could receive formula grant funds.

In addition, the amendment requires States to prepare a report on the extent to which they are currently meeting the needs of persons with developmental disabilities. Mr. Speaker, on this point I want to note and commend the contribution of Mr. WALGREN, an active member of our subcommittee, to this legislation. The committee amendment contains provisions to address in part concerns presented to the subcommittee by his constituent, Mrs. Eileen Cubarney, on behalf of the Cerebral Palsy Foundation. Mrs. Cubarney testified earlier this year to the inadequate level of services available under State law to her physically disabled son. Although her son is developmentally disabled under the Federal definition of the Developmental Disabilities Assistance and Bill of Rights Act, because his disability is physical rather than emotional, he is not eligible for many support services under Pennsylvania law.

The committee was concerned by reports that States have been slow to provide adequate community and support services to individuals who are intellectually capable but physically disabled. The committee amendment requires States to begin a planning process which may lead to expanding eligibility to all persons in the State with developmental disabilities—regardless of whether the disability is of mental or physical origin. This is a serious problem and I appreciate the gentleman from Pennsylvania brining it to our attention.

Mr. Speaker, I urge support for the legislation.

Mr. LENT. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BRUCE. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois [Mr. BRUCE] that the House suspend the rules and pass the bill, H.R. 1817, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

Mr. BRUCE. Mr. Speaker, I ask unanimous consent that the Committee on Energy and Commerce and the Committee on Education and Labor be discharged from further consideration of the Senate bill (S. 1417) to revise and extend the Developmental Disabilities Assistance and Bill of Rights Act, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1417

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Developmental Disabilities Assistance and Bill of Rights Act Amendments of 1987".

REFERENCE

SEC. 2. Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Developmental Disabilities Assistance and Bill of Rights Act.

TITLE I—GENERAL PROVISIONS

FINDINGS AND PURPOSES

SEC. 101. Section 101 is amended to read as follows:

"FINDINGS AND PURPOSES

"SEC. 101. (a) The Congress finds that—

"(1) there are more than two million persons with developmental disabilities in the United States;

"(2) persons whose disabilities occur during their developmental period frequently have severe disabilities which are likely to continue indefinitely;

"(3) notwithstanding their severe disabilities, these persons have capabilities, competencies, and personal needs and preferences;

"(4) family and members of the community can play a central role in enhancing the lives of persons with developmental disabilities, especially when the family is provided with necessary support services;

"(5) persons with developmental disabilities and their families often require specialized lifelong assistance to be provided in a coordinated manner by many agencies and others in order to eliminate barriers for such persons and to meet the needs of such persons;

"(6) generic service agencies and agencies providing specialized services to persons with disabilities sometimes overlook, inappropriately meet the needs of, or exclude persons with developmental disabilities in their planning and delivery of services;

"(7) public and private employers tend to be unaware of the capability of persons with developmental disabilities to be engaged in competitive work in integrated settings; and

"(8) it is in the national interest to offer persons with developmental disabilities the opportunity, to the maximum extent feasible, to make decisions for themselves and to live in typical homes and communities where they can exercise their full rights and responsibilities as citizens.

"(b) The purposes of this title are—

"(1) to provide assistance to States and public and private nonprofit agencies and organizations to assure that all persons with developmental disabilities receive the services and other assistance and opportunities necessary to enable such persons to achieve their maximum potential through increased independence, productivity, and integration into the community;

"(2) to enhance the role of the family in assisting persons with developmental disabilities to achieve their maximum potential; and

"(3) to ensure the protection of the legal and human rights of persons with developmental disabilities.".

DEFINITIONS

SEC. 102. Section 102 is amended—

(1) by striking out paragraphs (2) and (3) and inserting in lieu thereof the following:

"(2) The term 'nonprofit' has the same meaning as in section 102(4) of the Older Americans Act of 1965.";

(2) by redesignating paragraph (4) as paragraph (3);

(3) by striking out paragraph (5);

(4) by redesignating paragraphs (6), (7), (8), and (9) as paragraphs (4), (5), (6), and (7), respectively;

(5) by redesignating paragraph (10) as paragraph (8), and in such paragraph, by striking out "nonhandicapped" each place it appears and inserting in lieu thereof "nondisabled";

(6) by striking out paragraph (11);

(7) by redesignating paragraphs (12), (13), (14), and (15) as paragraphs (18), (19), (20), and (21), respectively;

(8) by inserting after paragraph (8) (as redesignated by clause (5) of this section) the following new paragraphs:

"(9)(A) The term 'specialized services or special adaptations of generic services' has the meaning described in subparagraphs (B), (C), (D), (E), and (F) with respect to the activities described in each such subparagraph.

"(B) With respect to case management activities, the term 'specialized services or special adaptations of generic services' includes—

"(i) participation in the development of a comprehensive individualized habilitation plan under section 123;

"(ii) referral to, and coordination of, social, health, educational, support, and other services as identified in such individualized habilitation plan;

"(iii) monitoring to ensure the access, by the person with developmental disabilities and the family of such person, to appropriate services and to determine progress in meeting goals and objectives specified in such individualized habilitation plan; and

"(iv) the provision of assistance to a person with developmental disabilities to enable such person to obtain access to all services to which such person is entitled, and to effect changes in the service delivery system that will result in increased access to services for such person.

"(C) With respect to child development activities, the term 'specialized services or special adaptations of generic services' includes early intervention services.

"(D) With respect to community living activities, the term 'specialized services or special adaptations of generic services' includes—

"(i) in-home services, such as personal aides and attendants and other domestic assistance and supportive services;

"(ii) special living arrangements;

"(iii) group living services;

"(iv) recreation, socialization, and leisure time services;

"(v) nonvocational social development services; and

"(vi) placement and continuing support services.

"(E) With respect to employment activities, the term 'specialized services or special adaptations of generic services' includes—

"(i) services such as employment preparation and training leading to supported employment;

"(ii) follow-along services;

"(iii) incentive programs for employers who hire persons with developmental disabilities;

"(iv) services to assist transition from special education to employment;

"(v) services to assist transition from sheltered work settings to supported employment and nonsupported employment in integrated work settings; and

"(vi) job placement services.

"(F) With respect to activities which are within two or more Federal priority areas or activities which are within a State priority area, the term 'specialized services or special adaptations of generic services' includes—

"(i) outreach and identification activities;

"(ii) diagnosis, assessment, and periodic reassessment to determine each person's goals, strengths, functional limitations, and needs for specific services and other assistance;

"(iii) information and referral services;

"(iv) treatment;

"(v) family support services;

"(vi) respite care;

"(vii) foster care;

"(viii) day care;

"(ix) assistive technology;

"(x) counseling of a person with developmental disabilities and the family of such person;

"(xi) transportation services necessary to assure access to services for persons with developmental disabilities;

"(xii) protective and other social and sociolegal services;

"(xiii) education and training of personnel, persons with developmental disabilities, and family members of such persons; and

"(xiv) services to promote and coordinate activities to prevent developmental disabilities.

"(10) The term 'priority area activities' includes, with respect to Federal priority areas or a State priority area—

"(A) activities to increase the capacities and resources of public and private nonprofit entities and others to develop a system for providing specialized services or special adaptations of generic services or other assistance which responds to the needs and capabilities of persons with developmental disabilities and their families and to enhance coordination among entities;

"(B) the—

"(i) conduct of studies and analyses;

"(ii) gathering of information;

"(iii) development of model policies, and procedures; and

"(iv) presentation of information, models, findings, conclusions, and recommendations to policymakers,

in order to enhance opportunities for persons with developmental disabilities, including the enhancement of a system for providing or making available specialized services or special adaptations of generic services for persons with developmental disabilities;

"(C) the demonstration of new ways to enhance the independence, productivity, and integration into the community of persons with developmental disabilities, such as model demonstrations which, if successful, will be made generally applicable through sources of funding other than funding under this title, including new ways to enhance specialized services or special adaptations of generic services for persons with developmental disabilities;

"(D) outreach activities for persons with developmental disabilities to enable such persons to obtain assistance in the area, including access to specialized services or special adaptations of generic services for persons with developmental disabilities;

"(E) the training of persons with developmental disabilities, family members of such persons, and personnel, including professionals, paraprofessionals, students, and volunteers, to obtain access to, or to provide, services and other assistance in the area, including specialized services or special adaptations of generic services for persons with developmental disabilities; and

"(F) similar activities designed to prevent developmental disabilities from occurring or to expand and enhance the independence, productivity and integration into the community of persons with developmental disabilities through the State on a comprehensive basis.

"(11) The term 'Federal priority areas' means community living activities, employment activities, child development activities, and case management activities.

"(12) The term 'State priority area' includes, at the discretion of the State Planning Council, priority area activities in two or more Federal priority areas or priority area activities in an area in the State considered essential by the State Planning Council.

"(13) The term 'community living activities' means such priority area activities as will assist persons with developmental disabilities in developing or maintaining suitable residential arrangements and supports in the community (including nonfinancial supports).

"(14) The term 'employment activities' means such priority area activities as will increase the independence, productivity, or integration of a person with developmental disabilities in work settings.

"(15) The term 'supported employment' means competitive work in integrated work settings—

"(A) for persons with developmental disabilities for whom competitive employment has not traditionally occurred; or

"(B) for persons for whom competitive employment has been interrupted or intermittent as a result of a developmental disability, and who because of their disability need on-going support services to perform such work.

"(16) The term 'child development activities' means such priority area activities as will assist in the prevention, identification, and alleviation of developmental disabilities in children, including early intervention services.

"(17) The term 'case management activities' means priority area activities to establish a potentially life-long, goal-oriented process for coordinating the range of assistance needed by persons with developmental disabilities and their families, which is designed to ensure accessibility, continuity of supports and services, and accountability and to ensure that the maximum potential of persons with developmental disabilities for independence, productivity, and integration into the community is attained.";

(9) by striking out "facility or facilities" in subparagraph (A)(ii) of paragraph (18) (as redesignated by clause (7) of this section) and inserting in lieu thereof "program or programs";

(10) by striking out "facilities" each place it appears in such paragraph and inserting in lieu thereof "programs";

(11) by striking out "facility" the first place it appears in paragraph (19) (as redesignated by clause (7) of this section) and inserting in lieu thereof "program";

(12) by striking out "public or nonprofit facility" in such paragraph and inserting in lieu thereof "program operated by a public or nonprofit private entity";

(13) by inserting ", including parents of persons with developmental disabilities, professionals, paraprofessionals, students, and volunteers," before "which is" in subparagraph (A) of such paragraph;

(14) by striking out "the facility" in such subparagraph and inserting in lieu thereof "a facility"; and

(15) by adding at the end thereof the following new paragraphs:

"(22) The term 'family support services' means services designed to—

"(A) strengthen the family's role as primary caregivers (including the role of the elderly parent);

"(B) prevent inappropriate out of the home placement and maintain family unity; and

"(C) reunite families with members who have been placed out of the home.

Such term includes respite care, personal care, parent training and counseling, and other individualized services.

"(23) The term 'assistive technology' means the systematic application of technology, engineering methodologies, or scientific principles to meet the needs of, and address the barriers confronted by, persons with developmental disabilities in areas including education, employment, supported employment, transportation, and independent living and other community living arrangements.

"(24) The term 'early intervention services' has the meaning given to such term by section 672(2) of the Education of the Handicapped Act.".

REPORTS

SEC. 103. (a) Section 107(a) is amended—

(1) by striking out "and" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following new paragraphs:

"(4) a review and description of any action taken by the State with respect to each annual survey report and plan of corrections for cited deficiencies prepared pursuant to section 1902(a)(31)(B) of the Social Security Act with respect to any intermediate care facility for the mentally retarded in such State and a description of the State Planning Council's response to such actions, reports, and plans; and

"(5) a description of the progress made in the State in, and any identifiable trends concerning, the setting of priorities for, policy reform concerning, and advocacy for, persons with developmental disabilities which are attributable to physical impairment, mental impairment, or a combination of physical and mental impairments, including any other subpopulation of persons with developmental disabilities (including minorities) that the State Planning Council may identify under sections 122(b)(3) and 122(f).".

(b) Section 107(c)(1) is amended—

(1) by striking out "and" at the end of subparagraph (A);

(2) by striking out the period at the end of subparagraph (B) and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following new subparagraphs:

"(C) the progress made by States in, and any identifiable trends concerning, the setting of priorities for, policy reform concerning, and advocacy for, persons with developmental disabilities attributable to physical impairment, mental impairment, or a combination of physical and mental impairments, including any other subpopulation of persons with developmental disabilities (including minorities) that the State Planning Council may identify under sections 122(b)(3) and 122(f);

"(D) the Federal fiscal and policy barriers to addressing the needs of persons with developmental disabilities attributable to physical impairments, mental impairments, or a combination of mental and physical impairments; and

"(E) the number of meetings held by the interagency committee established under section 108(b) during the period for which the report is made, which agencies were represented at each such meeting, the name and title of each individual attending such meeting, and the accomplishments of the interagency committee in comparison to the goals and objectives of such committee.".

TITLE II—STATE ASSISTANCE PROGRAM

PURPOSE

SEC. 201. (a) Section 121 is amended to read as follows:

"PURPOSE

"SEC. 121. The purpose of this part is to provide payments to States to assist in the development of a comprehensive system and a coordinated array of services and other assistance for persons with developmental disabilities through the conduct of, and appropriate planning and coordination of, administrative activities, Federal priority activities, and a State priority activity, in order to support persons with developmental disabilities to achieve their maximum potential through increased independence, productivity, and integration into the community.".

(b) The heading for part B is amended by striking out "AND SERVICE" and inserting in lieu thereof "PRIORITY AREA".

STATE PLAN REQUIREMENTS

SEC. 202. (a) Section 122(b) is amended by striking out "for the provision of services for persons with developmental disabilities" in the matter preceding paragraph (1).

(b)(1)(A) Section 122(b)(1) is amended—

(i) by striking out subparagraph (A) and inserting in lieu thereof the following:

"(A) The plan must provide for the establishment of a State Planning Council in accordance with section 124.";

(ii) by striking out subparagraph (B) and inserting in lieu thereof the following:

"(B) The plan must designate the State agency which shall administer or supervise the administration of the State plan (hereafter in this part referred to as the 'designated State agency'). Except as provided in subsection (e), the designated State agency may be—

"(i) the State Planning Council required under subparagraph (A) if such Council may be the designated State agency under the laws of the State;

"(ii) a State agency that does not provide or pay for services made available to persons with developmental disabilities; or

"(iii) a State office, including the immediate office of the Governor of the State or a State planning office."; and

(iii) by striking out "each" in subparagraph (C) and inserting in lieu thereof "the".

(B) Section 122 is amended by adding at the end thereof the following new subsection:

"(e)(1) If a State agency that provides or pays for services for persons with developmental disabilities was the designated State agency for purposes of this part on the date of enactment of the Developmental Disabilities Assistance and Bill of Rights Act Amendments of 1987 and the Governor of the State determines, before June 30, 1988, not to change the designation of such agency, such agency may continue to be a designated State agency for purposes of this part.

"(2) The determination of the Governor of a State under paragraph (1) shall be at the discretion of the Governor and shall be made by the Governor after the Governor has considered the comments of the general public and the nonagency members of the State Planning Council with respect to the designation of such State agency and after the Governor has made an independent assessment of the impact the designation of such agency has on the ability of the State Planning Council to serve as an advocate for persons with developmental disabilities.

"(3) If the Governor of a State determines not to retain the designation of a designated State agency in effect on the date of enactment of the Developmental Disabilities Assistance and Bill of Rights Act Amendments of 1987, the Governor shall, by October 1, 1990, redesignate such agency in accordance with the requirements of subsection (b)(1)(B).

"(4) After the date of enactment of the Developmental Disabilities Assistance and Bill of Rights Act Amendments of 1987, any redesignation of a designated State agency shall be made in accordance with the requirements of subsection (b)(1)(B)."

(2) Section 122(b)(2) is amended—

(A) by inserting a comma and "activities," after "programs" in subparagraph (A);

(B) by striking out clause (i) of subparagraph (C) and inserting in lieu thereof "(i) the extent and scope of services being provided, or to be provided, to persons with developmental disabilities under such other State plans for federally assisted State programs as the State conducts and for which persons with developmental disabilities are eligible to participate, including programs relating to education, job training, public assistance, medical assistance, social services, maternal and child health, aging, programs for children with special health care needs, housing, and comprehensive health and mental health, and other such other plans as the Secretary may specify, and"; and

(C) by striking out "priority services being or to be provided" in subparagraph (D) and inserting in lieu thereof "Federal and State priority areas which are addressed or which will be addressed".

(3) Section 122 (as amended by paragraph (1)(B) of this subsection) is further amended—

(A) by redesignating paragraphs (3) through (7) of subsection (b) as paragraphs (4) through (8), respectively;

(B) by inserting after paragraph (2) of such subsection the following new paragraph:

"(3) The plan must describe a process and timetable for the completion, by April 1, 1990, by the State Planning Council in the State, of the reviews, analyses, and final report described in subsection (f)."; and

(C) by adding at the end thereof the following new subsection:

"(f)(1) Each State Planning Council shall conduct a comprehensive review and analysis of the eligibility for services provided, and the extent, scope, and effectiveness of, services provided and functions performed by, all State agencies (including agencies which provide public assistance) which impact or which potentially impact on the ability of persons with developmental disabilities to achieve the goals of independence, productivity, and integration into the community, including persons with developmental disabilities attributable to physical impairment, mental impairment, or a combination of physical and mental impairments.

"(2) Each State Planning Council shall conduct a review and analysis of the effectiveness of, and consumer satisfaction with, the functions performed by, and services provided or paid for from Federal and State funds by, each of the State agencies (including agencies providing public assistance) responsible for performing functions for, and providing services to, all persons with developmental disabilities in the State. Such review and analysis shall be based upon a survey of a representative sample of persons with developmental disabilities receiving services from each such agency and their families, if appropriate.

"(3) Each State Planning Council shall convene public forums, after the provision of notice within the State, in order to—

"(A) present the findings of the reviews and analyses prepared under paragraphs (1) and (2);

"(B) obtain comments from all interested persons in the State regarding the unserved and underserved populations of persons with developmental disabilities which result from physical impairment, mental impairment, or a combination of physical and mental impairments; and

"(C) prepare recommendations on how to remove barriers to services for persons with developmental disabilities and to connect such services to existing State agencies by recommending the designation of one or more State agencies, as appropriate, to be responsible for the provision and coordination of such services.

"(4) By April 1, 1990, each State Planning Council shall prepare and transmit to the Governor of the State and the legislature of the State a final written report concerning the review and analyses conducted under paragraphs (1) and (2). The report shall contain recommendations by the State Planning Council concerning—

"(A) the most appropriate agency or agencies of the State to be designated as responsible for the provision and coordination of services for persons with developmental disabilities who are traditionally underserved, such as persons with developmental disabilities attributable to physical impairment, persons with developmental disabilities attributable to dual mental impairments, and persons with developmental disabilities attributable to a combination of physical and mental impairments, and such other subpopulations of persons with developmental disabilities (including minorities) as the State Planning Council may identify; and

"(B) the steps to be taken to include the data and recommendations obtained, through the conduct of the reviews and analyses under paragraphs (1) and (2) and the preparation of the report required by this paragraph, in the State Planning Council's ongoing advocacy, public policy, and model service demonstration activities.

"(5) By April 15, 1990, the Governor of each State shall submit to the Secretary a copy of the report required by paragraph (4). By September 30, 1990, the Secretary shall transmit a summary of such reports to the appropriate committees of the Congress.".

(4) Section 122(b)(4) (as redesignated by paragraph (3)(A) of this subsection) is amended—

(A) by striking out "strengthening services for" in subparagraph (A) and inserting in lieu thereof "enhancing the independence, productivity, and integration into the community of"; and

(B) by striking out "or agencies" each place it appears in subparagraph (C).

(5) Section 122(b)(5) (as redesignated by paragraph (3)(A) of this subsection) is amended—

(A) by striking out subparagraph (A) and inserting in lieu thereof the following:

"(A) The plan must provide for the examination, not less often than once every three years, of the provision, and the need for the provision, in the State of the four Federal priority areas and the State priority area. Such examination shall take into account the reviews and analyses conducted, and the report prepared, under subsection (f), and shall, at a minimum, include—

"(i) an analysis of such priority areas in relation to limited support or lack of support for persons with developmental disabilities attributable to physical impairment, persons with developmental disabilities attributable to mental impairment, and persons with developmental disabilities attributable to a combination of physical and mental impairments;

"(ii) an analysis of criteria for eligibility for services that may be causing persons with developmental disabilities to be excluded from receiving such services;

"(iii) an analysis of services, technology, or knowledge which may be unavailable to assist persons with developmental disabilities;

"(iv) an analysis of existing and projected fiscal resources;

"(v) an analysis of any other issues identified by the State Planning Council; and

"(vi) the formulation of objectives in both policy reform and service demonstration to address the issues described in clauses (i) through (v) for all subpopulations of persons with developmental disabilities which may be identified by the State Planning Council.";

(B) by striking out subparagraphs (B), (C), and (D);

(C) by redesignating subparagraphs (E) and (F) as subparagraphs (B) and (C), respectively;

(D) by striking out "service activities in the priority services" in clause (i) of subparagraph (B) (as redesignated by clause (C) of this paragraph) and inserting in lieu thereof "activities in the Federal priority area of employment activities, and, at the discretion of the State, activities in the three other Federal priority areas and a State priority area, the conduct of the analyses specified in clauses (i) through (v) of subparagraph (A), and the implementation of paragraph (3) and subsection (f)";

(E) by striking out "service activities for persons with developmental disabilities, and" in clause (ii) of such subparagraph;

(F) by inserting "priority area activities for" after "administration of" in such clause; and

(G) by striking out "the provision of such services" in such clause and inserting in lieu thereof "persons with developmental disabilities".

(5) Section 122(b)(6) (as redesignated by paragraph (3)(A) of this subsection) is amended—

(A) by striking out "services furnished" in clause (i) of subparagraph (A) and inserting in lieu thereof "programs";

(B) by striking out "furnished" in such clause and inserting in lieu thereof "operated"; and

(C) by striking out "delivery of services" in clause (ii) of such subparagraph and inserting in lieu thereof "programs".

HABILITATION PLANS

SEC. 203. (a) Section 123(b) is amended—

(1) by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) The plan shall be developed jointly by (A) the person for whom the plan is established, (B) where appropriate, such person's parent or guardian or other representative, and (C) a representative or representatives of the program primarily responsible for delivering or coordinating the delivery of services to the person for whom the plan is established."; and

(2) by striking out "program coordinator who will be responsible for" in paragraph (3)(C) and inserting in lieu thereof "case manager who will be responsible for coordinating".

(b) Section 123(c) is amended to read as follows:

"(c) Each habilitation plan shall be reviewed, and where necessary, revised, at least annually by the person for whom the plan is established and the person's parents or guardian or other representative and the agency primarily responsible for the delivery of services to the person for whom the plan was established or each agency responsible for the coordination of the delivery of services to such person.".

STATE PLANNING COUNCILS

SEC. 204. Section 124 is amended—

(1) by redesignating subsection (b) as subsection (d) and, in paragraph (1) of such subsection—

(A) by striking out "or agencies"; and

(B) by striking out ", including the specification of services under section 122(b)(4)(B)"; and

(2) by striking out subsection (a) and inserting in lieu thereof the following:

"(a) Each State which receives assistance under this part shall establish a State Planning Council which will serve as an advocate for all persons with developmental disabilities.

"(b)(1) The members of the State Planning Council of a State shall be appointed by the Governor of the State from among the residents of that State.

"(2) The Governor of each State shall make appropriate provisions for the rotation of membership on the State Planning Council.

"(3) Each State Planning Council shall at all times include in its membership representatives of the principal State agencies (including the State agency that administers funds provided under the Rehabilitation Act of 1973, the State agency that administers funds provided under the Education of the Handicapped Act, the State agency that administers funds provided under the Older Americans Act of 1965, and the State agency that administers funds provided under title XIX of the Social Security Act for persons with developmental disabilities), higher education training facilities, each university affiliated program or satellite center in the State, the State protection and advocacy system established under section 142, local agencies, and nongovernmental agencies and private nonprofit groups concerned with services for persons with developmental disabilities in that State.

"(4) At least one-half of the membership of each State Planning Council shall consist of persons who—

"(A) are persons with developmental disabilities;

"(B) are parents or guardians of such persons; or

"(C) are immediate relatives or guardians of persons with mentally impairing developmental disabilities,

and who are not employees of a State agency which receives funds or provides services under this part, who are not managing employees (as defined in section 1126(b) of the Social Security Act) of any other entity which receives funds or provides services under this part, and who are not persons with an ownership or control interest (within the meaning of section 1124(a)(3) of the Social Security Act) with respect to such an entity.

"(5) Of the members of the State Planning Council described in paragraph (4)—

"(A) at least one-third shall be persons with developmental disabilities; and

"(B)(i) at least one-third shall be individuals described in subparagraph (C) of paragraph (4), and (ii) at least one of such individuals shall be an immediate relative or guardian of an institutionalized or previously institutionalized person with a developmental disability.

"(c)(1) Each State Planning Council may prepare and approve a budget using amounts paid to the State under this part to hire such staff and obtain the services of such professional, technical, and clerical personnel consistent with State law as the State Planning Council determines to be necessary to carry out its functions under this part.

"(2) The staff and other personnel of a State Planning Council, while working for the State Planning Council, shall be responsible solely for assisting the State Planning Council in carrying out its duties under this part and shall not be assigned duties by the designated State agency or any other agency or office of the State.".

STATE ALLOTMENTS

SEC. 205. (a) Section 125(a) is amended—

(1) by striking out "$100,000" in clause (i) of paragraph (3)(A) and inserting in lieu thereof "$160,000";

(2) by striking out "$250,000" in clause (ii) of such paragraph and inserting in lieu thereof "$300,000";

(3) by striking out "$47,000,000" in paragraph (4) and inserting in lieu thereof "$60,000,000";

(4) by striking out "$160,000" in subparagraph (A) of such paragraph and inserting in lieu thereof "$200,000";

(5) by striking out "$300,000" in subparagraph (B) of such paragraph and inserting in lieu thereof "$350,000"; and

(6) by adding at the end thereof the following new paragraph:

"(6) In any case in which the total amount appropriated under section 130 for a fiscal year exceeds the total amount appropriated under such section for the preceding fiscal year by a percentage greater than the most recent percentage change in the Consumer Price Index published by the Secretary of Labor under section 100(c)(1) of the Rehabilitation Act of 1973, the Secretary may increase each of the minimum allotments under paragraphs (3) and (4) by an amount which bears the same ratio to the amount of such minimum allotment (including any increases in such minimum allotment under this paragraph for prior fiscal years) as the amount which is equal to the difference between—

"(A) the total amount appropriated under section 130 for the fiscal year for which the increase in minimum allotment is being made, minus

"(B) the total amount appropriated under section 130 for the immediately preceding fiscal year,

bears to the total amount appropriated under section 130 for such preceding fiscal year.".

(b) Section 125(b) is amended to read as follows:

"(b) In any case in which a State does not expend by the end of a fiscal year the total amount of its allotment under this section for such fiscal year, the State may expend not more than 20 percent of such total amount during the fiscal year immediately succeeding such fiscal year. Any amounts expended from such allotment during such succeeding fiscal year shall be expended in accordance with the requirements of this part and the State plan submitted under this part.".

WITHHOLDING

SEC. 207. Section 127 is amended—

(1) by striking out "or" at the end of clause (1);

(2) by striking out the comma at the end of clause (2) and inserting in lieu thereof a semicolon and "or";

(3) by inserting after clause (2) the following new clause:

"(3) there is a failure to implement the State plan or the regulations of the Secretary which are applicable to this part,";

(4) by inserting ", with respect to a violation of clause (1) or clause (2) of this section," before "further payments" the first place it appears; and

(5) by striking out "such failure" the first place it appears and inserting in lieu thereof "a failure to comply with clause (3) of this section".

AUTHORIZATION OF APPROPRIATIONS

SEC. 208. Section 130 is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 130. For allotments under section 125, there are authorized to be appropriated $62,200,000 for fiscal year 1988, $69,900,000 for fiscal year 1989, and $77,400,000 for fiscal year 1990.".

TITLE III—PROTECTION AND ADVOCACY

REQUIREMENTS FOR SYSTEM

SEC. 301. (a) Section 142(a)(2) is amended—

(1) by redesignating subparagraphs (B), (C), and (D) as subparagraphs (E), (F), and (G), respectively;

(2) by striking out subparagraph (A) and inserting in lieu thereof the following:

"(A) have the authority to—

"(i) pursue legal, administrative, and other appropriate remedies or approaches to ensure the protection of, and advocacy for, the rights of such persons within the State who are or who may be eligible for treatment, services, or habilitation, or who are being considered for a change in living arrangements, with particular attention to members of minority groups; and

"(ii) provide information on and referral to programs and services addressing the needs of persons with developmental disabilities;

"(B) have the authority to investigate incidents of abuse and neglect of persons with developmental disabilities if the incidents are reported to the system or if there is probable cause to believe that the incidents occurred;

"(C) on an annual basis, provide the public with an opportunity to comment on priorities established by, and activities of, the system;

"(D) establish a grievance procedure for clients or prospective clients of the system to assure that persons with developmental disabilities have full access to services of the system;"; and

(3) by striking out subparagraph (G) (as redesignated by clause (1) of this subsection) and inserting in lieu thereof the following:

"(G) have access to all records of—

"(i) any person with developmental disabilities who is a client of the system if such person, or the legal guardian, conservator, or other legal representative of such person, has authorized the system to have such access; and

"(ii) any person with developmental disabilities—

"(I) who, by reason of the mental or physical condition of such person, is unable to authorize the system to have such access;

"(II) who does not have a legal guardian, conservator, or other legal representative, or for whom the legal guardian is the State; and

"(III) with respect to whom a complaint has been received by the system or with respect to whom there is probable cause to believe that such person has been subject to abuse or neglect;".

(b) Section 142(c) is amended—

(1) by striking out "$11,000,000" in subparagraph (A) of paragraph (1) and inserting in lieu thereof "$20,000,000";

(2) by striking out "$80,000" in clause (i) of such subparagraph and inserting in lieu thereof "$107,000";

(3) by striking out "$150,000" in clause (ii) of such subparagraph and inserting in lieu thereof "$200,000";

(4) by striking out "$11,000,000" in subparagraph (B) of such paragraph and inserting in lieu thereof "$20,000,000";

(5) by striking out "$50,000" in such subparagraph and inserting in lieu thereof "$150,000, and the allotment of each of American Samoa, Guam, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands for such fiscal year shall not be less than $80,000";

(6) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(7) by inserting after paragraph (1) the following new paragraph:

"(2) In any case in which the total amount appropriated under section 143 for a fiscal year exceeds the total amount appropriated under such section for the preceding fiscal year by a percentage greater than the most recent percentage change in the Consumer Price Index published by the Secretary of Labor under section 100(c)(1) of the Rehabilitation Act of 1973, the Secretary may increase each of the minimum allotments under subparagraphs (A) and (B) of paragraph (1) by an amount which bears the same ratio to the amount of such minimum allotment (including any increases in such minimum allotment under this paragraph for prior fiscal years) as the amount which is equal to the difference between—

"(A) the total amount appropriated under section 143 for the fiscal year for which the increase in minimum allotment is being made, minus

"(B) the total amount appropriated under section 143 for the immediately preceding fiscal year, bears to the total amount appropriated under section 143 for such preceding fiscal year.".

(c) Section 142 is further amended—

(1) by striking out subsection (b);

(2) by redesignating subsection (c) (as amended by subsection (b) of this section) as subsection (b); and

(3) by adding at the end thereof the following new subsection:

"(c) If, for any fiscal year, the total amount of a State's allotment under this section exceeds the total amount of the State's allotment under this section for the fiscal year preceding such fiscal year by an amount equal to or in excess of 20 percent of the State's allotment under this section for such preceding fiscal year, the State may use not more than 10 percent of its allotment under this section for such fiscal year for activities under this section in the fiscal year succeeding such fiscal year.".

AUTHORIZATION OF APPROPRIATIONS

SEC. 302. Section 143 is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 143. For allotments under section 142, there are authorized to be appropriated $20,000,000 for fiscal year 1988, $22,000,000 for fiscal year 1989, and $24,200,000 for fiscal year 1990.".

TITLE IV—UNIVERSITY AFFILIATED PROGRAMS

PURPOSE

SEC. 401. (a) Section 151 is amended—

(1) by striking out "facilities" and inserting in lieu thereof "programs"; and

(2) by striking out "the conduct of service demonstration programs" and inserting in lieu thereof "the demonstration of exemplary services and technical assistance".

(b) The heading for part D is amended by striking out "FACILITIES" and inserting in lieu thereof "PROGRAMS".

GRANT AUTHORITY

SEC. 402. (a) Section 152(a) is amended—

(1) by striking out "section 154" and inserting in lieu thereof "section 154(a)";

(2) by striking out "facilities" and inserting in lieu thereof "programs"; and

(3) by striking out "section 102(13)" and inserting in lieu thereof "section 102(19)".

(b) Section 152 is further amended—

(1) by striking out subsections (b) and (d);

(2) by redesignating subsection (c) as subsection (d) and (in such subsection)—

(A) by inserting "and may compete for grants under subsections (b) and (c)" before the period; and

(B) by striking out "section 102(13)" and inserting in lieu thereof "section 102(19)";

(3) by inserting after subsection (a) the following new subsections:

"(b)(1)(A) From amounts appropriated under section 154(b), the Secretary shall make grants of sufficient size and scope to university affiliated programs receiving grants under subsection (a) to support training projects to train personnel to address the needs of persons with developmental disabilities in areas of emerging national significance, particularly projects to train personnel in the areas of early intervention programs (as defined in paragraph (2)), programs for elderly persons with developmental disabilities (as defined in paragraph (3)), and community-based service programs (as defined in paragraph (4)).

"(B) The Secretary shall make determinations with respect to grants under this subsection based on information relating to present and projected needs for the training of personnel based on identified State, regional, or national shortages of personnel, the capacity of the university affiliated programs to train personnel, and such other information as may be determined necessary and appropriate by the Secretary.

"(C) Grants under this subsection may be used by university affiliated programs to (i) assist in paying the costs of courses of training or study for personnel to provide services for persons with developmental disabilities and (ii) establish fellowships or traineeships providing such stipends and allowances as may be determined by the Secretary.

"(2) Grants under this subsection for training projects with respect to early intervention programs shall be for the purpose of assisting university affiliated programs in providing training to allied health personnel and other personnel who provide, or who will provide, interdisciplinary intervention to infants, toddlers, and preschool age children with developmental disabilities. Such training projects shall include instruction on methods of working and collaborating with professionals and families of persons with developmental disabilities.

"(3) Grants under this subsection for training projects with respect to programs for elderly persons with developmental disabilities shall be for the purpose of supporting the planning, design, and implementation of coordinated interdisciplinary training programs between existing aging or gerontological programs and university affiliated programs in order to prepare professional staff to provide services for elderly persons with developmental disabilities.

"(4) Grants under this subsection for training projects with respect to community-based programs shall be for the purpose of providing interdisciplinary training to personnel who will provide direct supports and services for persons with developmental disabilities, including paraprofessionals who are employed or are preparing to be employed in community-based day programs or residential programs for persons with developmental disabilities. The Secretary shall ensure that all grants under this paragraph are made only to university affiliated programs that involve local community-level direct care programs and paraprofessional training programs in the preparation of the application for such grant and shall assure that any training under the university affiliated program will be coordinated with local programs.

"(c) From amounts appropriated under section 154(b), the Secretary may make grants to university affiliated programs receiving grants under subsection (a) to support one or more of the following activities:

"(1) The provision of service-related training to persons with developmental disabilities, family members of such persons, professionals, volunteers, or other personnel to enable such persons, family members, professionals, volunteers, or personnel to provide services to increase or maintain the independence, productivity, and integration into the community of persons with developmental disabilities.

"(2) The conduct of an applied research program designed to produce more efficient and effective methods for (A) the delivery of services to persons with developmental disabilities, and (B) the training of professionals, paraprofessionals, and parents who provide such services."; and

(4) by adding at the end thereof the following new subsection:

"(e) From amounts appropriated under section 154(a), the Secretary may make a grant to a university to study the feasibility of establishing a university affiliated program or a satellite center. Such study shall include an assessment of the needs of the area in which the university is located for such a program or center. The amount of a grant under this subsection may not exceed $35,000 for any fiscal year. A grant under this subsection may only be made in a State in which there is no university affiliated program or satellite center.".

APPLICATIONS

SEC. 403. (a) Section 153(a) is amended—

(1) by striking out "facilities" in the first sentence and inserting in lieu thereof "programs";

(2) by inserting "all" before "persons with developmental disabilities" in the second sentence; and

(3) by striking out "section 102(13)" in the second sentence and inserting in lieu thereof "section 102(19)".

(b) Section 153(b) is amended—

(1) by striking out "section 152" in the matter preceding paragraph (1) and inserting in lieu thereof "section 152(a)";

(2) by striking out "facility" each place it appears in paragraph (2) and inserting in lieu thereof "program";

(3) by striking out "is making" in clause (i) of subparagraph (B) of such paragraph and inserting in lieu thereof "will make";

(4) by striking out "and" at the end of such subparagraph;

(5) by striking out the period at the end of paragraph (3) and inserting in lieu thereof a semicolon; and

(6) by adding at the end thereof the following new paragraphs:

"(4) the activities conducted under this part are consistent with, and to the extent feasible, complement and further, the objectives contained in the State plan required under section 122; and

"(5) before the submission of such application, an opportunity for comment has been provided to the general public and the State Planning Council of the State in which the program will be conducted or the satellite center is or will be located.".

(c) Section 153(c) is amended—

(1) by striking out "facility" and inserting in lieu thereof "program"; and

(2) by striking out "section 152" and inserting in lieu thereof "section 152(a)".

(d) Section 153(d) is amended—

(1) by striking out "facility" each place it appears and inserting in lieu thereof "program";

(2) by striking out "section 154" each place it appears and inserting in lieu thereof "section 154(a)";

(3) by striking out "$175,000" in paragraph (1) and inserting in lieu thereof "$200,000";

(4) by striking out "$75,000" in paragraph (1) and inserting in lieu thereof "$150,000"; and

(5) by adding at the end thereof the following new paragraph:

"(3) For purposes of making grants under section 152(a), the Secretary shall consider applications for grants for four university affiliated programs or satellite centers for each of the fiscal years 1988, 1989, and 1990 which are in addition to the total number of university affiliated programs and satellite centers receiving grants under such section for the preceding fiscal year. Such programs and centers shall, to the extent feasible, be geographically distributed for the purpose of serving States that are unserved by university affiliated programs and satellite centers under this part on the date of enactment of the Developmental Disabilities Assistance and Bill of Rights Act Amendments of 1987.".

AUTHORIZATION OF APPROPRIATIONS

SEC. 404. Section 154 is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 154. (a) For the purpose of grants under section 152(a), there are authorized to be appropriated $9,400,000 for fiscal year 1988, $10,200,000 for fiscal year 1989, and $11,000,000 for fiscal year 1990. Amounts appropriated under this section for a fiscal year shall remain available for obligation and expenditure until the end of the succeeding fiscal year.

"(b) For the purpose of grants under sections 152(b) and 152(c), there are authorized to be appropriated $4,500,000 for fiscal year 1988, $5,000,000 for fiscal year 1989, and $5,500,000 for fiscal year 1990.

"(c) The Secretary may use funds appropriated under subsection (a) for the purposes described in subsection (b).

"(d) Of the amounts appropriated under subsection (b), at least 75 percent shall be used for grants under section 152(b) and the remainder shall be used for grants under section 152(c).".

TITLE V—PROJECTS OF NATIONAL SIGNIFICANCE

PURPOSE

SEC. 501. (a) Section 161 is amended by striking out "for demonstration projects" and inserting in lieu thereof "and contracts for projects of national significance".

(b) The heading for part E is amended to read as follows:

"PART E—PROJECTS OF NATIONAL SIGNIFICANCE".

GRANT AUTHORITY

SEC. 502. Section 162(a) is amended—

(1) by inserting "and enter into contracts with" after "make grants to" in the matter preceding paragraph (1);

(2) by striking out paragraph (1) and inserting in lieu thereof the following:

"(1) projects of national significance relating to persons with developmental disabilities, including projects to educate policymakers, develop an ongoing data collection system, determine the feasibility and desirability of developing a nationwide information and referral system, and pursue Federal interagency initiatives, and other projects of sufficient size and scope and which hold promise of expanding or otherwise improving opportunities for persons with developmental disabilities (especially those who are multihandicapped or disadvantaged, including minority groups, Native Americans, Native Hawaiians, and other underserved groups); and"; and

(3) by inserting "the advocacy functions of the State Planning Council, the functions performed by university affiliated programs and satellite centers under part D, and" after "otherwise improving" in paragraph (2).

(b) The last sentence of section 162(b) is amended—

(1) by striking out "for each" and inserting in lieu thereof "in such"; and

(2) by striking out "in which an applicant's project will be conducted".

(c) Section 162 is further amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) Not later than January 1 of each year, the Secretary shall publish in the Federal Register proposed priorities for grants and contracts under this part and shall allow a period of 60 days for public comments and suggestions concerning such proposed priorities. After analyzing and considering such comments, the Secretary shall publish final priorities for such grants and contracts in the Federal Register not less than 30 days after the close of the comment period.".

AUTHORIZATION OF APPROPRIATIONS

SEC. 503. Section 163 is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 163. (a) To carry out this part, there are authorized to be appropriated $3,650,000 for fiscal year 1988, $3,650,000 for fiscal year 1989, and $3,650,000 for fiscal year 1990.

"(b) Of the amounts appropriated under subsection (a) for any fiscal year, $600,000 shall be available for grants and contracts under section 162(a)(1) for not more than three projects to determine the feasibility and desirability of developing a nationwide information and referral system for persons with developmental disabilities. The Secretary shall award grants and contracts under section 162(a)(1) for such projects within 6 months after the date of enactment of the Developmental Disabilities Assistance and Bill of Rights Act Amendments of 1987.".

MOTION OFFERED BY MR. BRUCE

Mr. BRUCE. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BRUCE moves to strike all after the enacting clause of the Senate bill, S. 1417, and insert in lieu thereof the provisions of H.R. 1871, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title of the Senate bill was amended so as to read: "A bill to amend the Developmental Disabilities Assistance and Bill of Rights Act to extend the programs established in such Act, and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 1871) was laid on the table.

EXCELLENCE IN MINORITY HEALTH EDUCATION AND CARE ACT

Mr. BRUCE. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 769) to provide grants to support excellence in minority health professions education.

The Clerk read as follows:

S. 769

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Excellence in Minority Health Education and Care Act".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress makes the following findings:

(1) Minority health care needs are currently greater than the health care needs of the general population.

(2) While the number of health professionals has increased, there are still shortages of health professionals from minority groups and there has been a drop in the enrollment of minority individuals in some health professional education programs.

(3) Health professionals from minority groups have critical roles in serving low-income minority populations, particularly in inner-city areas and rural areas.

(4) Historically, minority schools have developed a special capacity to conduct activities to prepare health professionals to serve minority populations.

(5) Health professions schools which train a disproportionate number of minority students also provide a disproportionate amount of health care services to minority populations.

(6) A disproportionate number of minority students trained at the schools described in paragraph (5) choose to practice in underserved areas.

(7) In the United States—

(A) there are only 4 schools of medicine, 2 schools of dentistry, and 4 schools of pharmacy which focus predominantly on minority health professions education, and 40 percent of black physicians, 50 percent of all black dentists, and 25 percent of all black pharamacists have trained at one of those schools; and

(B) there is only 1 school of veterinary medicine which focuses predominantly on the training of minority students, and that school has trained 75 percent of all black veterinarians.

(b) The purposes of this Act are to—

(1) strengthen the national capacity to train minority students in the health professions; and

(2) support the health professions schools which have trained a significant number of the Nation's minority health professionals and enable those schools to supply health professionals to serve minority populations in underserved areas.

ASSISTANCE

SEC. 3. Part F of title VII of the Public Health Service Act is amended by inserting before section 788B the following new section:

"GRANTS FOR MINORITY EDUCATION

"SEC. 788A. (a) The Secretary shall make grants to health professions schools to assist such schools in supporting programs of excellence in health professions education for minority individuals. A grant under this section shall be used by a health professions school to—

"(1) develop a plan to achieve institutional improvements, including financial independence, to enable such school to support programs of excellence in health professions education for minority individuals;

"(2) improve the capacity of such school to recruit and retain faculty;

"(3) provide improved access to the library and information resources of such school;

"(4) establish, strengthen, or expand programs to enhance the academic performance of students in such school;

"(5) establish, strengthen, or expand programs to increase the number and quality of applicants for admission to such school; and

"(6) develop curricula and carry out faculty training programs in order to enable such school to become, for the Nation's health care providers, a resource with respect to the health problems of minority communities, such as higher infant mortality rates and higher incidences of acquired immunodeficiency syndrome.

"(b) No grant may be made under this section unless an application therefor has been submitted to the Secretary at such time, in such form, and containing such information, as the Secretary may by regualtion prescribe.

"(c) In order to be eligible for a grant under this section, a health professions school must—

"(1) be a school described in section 701(4); and

"(2) have received a contract under section 788B for fiscal year 1987.

"(d) To carry out this section, there are authorized to be appropriated $10,000,000 for fiscal year 1988 and such sums as may be necessary for each of the fiscal years 1989, 1990, and 1991.".

The SPEAKER pro tempore. Is a second demanded?

Mr. LENT. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Illinois [Mr. BRUCE] will be recognized for 20 minutes and the gentleman from New York [Mr. LENT] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Illinois [Mr. BRUCE].

Mr. BRUCE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today the House will consider S. 769, the Excellence in Minority Health Education and Care Act.

This bill is very similar to the one that was introduced by our colleague BILL BONER, and has over 100 cosponsors, including Members from both sides of the aisle.

This legislation will strengthen and enrich four important historically black health professional programs. It would provide grants for centers of excellence in minority medical, pharmacy, dental, and veterinary medicine education.

The schools that would benefit from this bill have been the recipients of funding under two earlier programs designed to improve their financial stability. The Financial Distress and Advanced Financial Distress Programs, which are now expiring, have helped bring about new leadership and improved management at these schools. S. 769 would recognize this progress and establish centers for excellence at each of these schools.

The bill before us now is identical to the text that was reported by the Committee on Energy and Commerce.

I believe this bill is not and should not be controversial and I urge all Members to join us in expressing our support for these important schools.

Mr. Speaker, I reserve the balance of my time.

Mr. LENT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, S. 769 provides grants to Meharry Medical College's medical and dental schools, the Tuskegee School of Veterinary Medicine, and the Xavier College of Pharmacy. The grants authorized by this legislation will be utilized by these health profession schools to develop a plan for achieving financial independence, for faculty recruitment and retention, for enhancing the academic performance of students, for developing curriculums and carrying out faculty training, and for other purposes. Ten million dollars are authorized in fiscal year 1988 for these purposes and such sums as may be necessary in the out years.

These schools have trained a vast majority of the minority health professionals in this country to date. S. 769 will continue the Federal commitment to the historical missions of the schools and provide necessary financial assistance. I urge my colleagues to join me in supporting S. 769.

Mr. BRUCE. Mr. Speaker, I yield 5 minutes to the gentleman from Tennessee [Mr. BONER].

Mr. BONER of Tennessee. Mr. Speaker, I am proud to speak in support of S. 769, the Excellence in Minority Health Education and Care Act, which is the Senate companion to H.R. 954, which I introduced last February with the unanimous support of the Alabama, Louisiana, and Tennessee delegations.

I first would like to extend my deepest appreciation to Chairman HENRY WAXMAN and ranking Republican ED MADIGAN for their support, advice, and assistance in bringing this measure to the floor of the House before the August district work period.

I would also like to thank the 105 Members who joined as cosponsors of H.R. 954, especially LINDY BOGGS and BILL NICHOLS, who testified with me before the Subcommittee on Health and the Environment in support of the bill.

Mr. Speaker, the excellence in Minority Health Education and Care Act responds to the glaring disparities in the health status of blacks and other minorities and the continuing underrepresentation of blacks and other minorities in the health professions.

A 1985 report of the health and human services task force on blacks and minority health stated that, "Despite the unprecedented explosion in scientific knowledge and the phenomenal capacity of medicine to diagnose, treat, and cure disease, blacks and other minorities have not benefited from the fruits of science or from the systems responsible for translating and using health sciences technology." The sobering statistic is that each year 60,000 more blacks and other minorities die in this country than would die if they had the same age-adjusted death rates as whites.

The task force attributed much of this disparity to the lack of access to comprehensive and quality health care. It also concluded that the largest number of health professionals serving blacks and other minorities is concentrated among minority health professionals. A recent New England Journal of Medicine article reported that minority graduates were twice as likely to be practicing in underserved communities than their white counterparts. It is clearly evident that the number of health professionals serving blacks and other minorities is still insufficient.

Fortunately, four institutions of higher education have led the Nation in training black and minority health professionals. Meharry Medical and Dental Schools, Xavier University College of Pharmacy, and Tuskegee University School of Veterinary Medicine have educated 50 percent of the Nation's black physicians, 40 percent of the Nation's black dentists, 20 percent of the Nation's black pharmacists, and 90 percent of the Nation's black veterinarians.

Despite the great contributions these schools have made and continue to make in training health professionals, they have experienced chronic financial difficulties over the years and have struggled to improve their teaching and research programs. Because they are private institutions, they receive no State assistance. Because many of their students are from economically disadvantaged backgrounds and are often first generation college students, it is difficult for the schools to raise tuition; and because graduates practice in underserved areas, they do not have the income to support the kind of alumni-giving that many other schools depend on for financial support.

These four schools have been recipients of funding under two earlier programs designed to improve their financial stability. However, the financial distress and advanced financial distress programs expire at the end of this fiscal year. To replace these programs, the program outlined by H.R. 954 and S. 769 would designate these four institutions as centers of excellence and authorize grants so to strengthen and enrich these schools' role in educating minority health professionals.

This is a model program, Mr. Speaker. I know several concerns have been raised about the disparity in other minority communities that are not directly addressed by H.R. 954 and S. 769. In response, let me assure my colleagues that I believe similar programs can be designed to assist institutions with a high percentage of other minorities, especially Hispanics, and I look forward to working on such a bill when title VII of the Public Health Service Act comes up for reauthorization next year.

H.R. 954 and S. 769 acknowledge the important role these four historically black colleges and universities perform in educating minority health professionals. But other than emphasizing financial distress, the bills emphasize continuing excellence in research and training.

Again, I want to thank Congressmen WAXMAN and MADIGAN and the members of the Energy and Commerce Committee. I would also like to commend my health legislative assistant, Norma Blankenship, for her work in bringing this bill to fruition.

Mr. Speaker, I urge passage of S. 769.

Mrs. BOGGS. Mr. Speaker, I rise in support of S. 769, the Excellence in Minority Health Education and Care Act.

This bill means a great deal to all of us who are interested in the education of the outstanding minority students in the health professions.

We have had sufficient documentation that blacks and other minorities are underrepresented in the health professions. Unfortunately, for blacks in particular, this problem is increasing.

The 1985 report of the Secretary's task force and black and minority health provides staggering data relating to the deaths that occur among blacks resulting from infant mortality, cardiovascular disease, diabetes, and liver disease.

As a member of the Select Committee on Children, Youth, and Families, I have heard testimony relating to these health problems among minorities that this bill is designed to address.

Minority health care needs are serious and tend to be much greater than the health care needs of the general population. While the number of health professionals has increased, there are still very serious shortages of health professionals from minority groups and there has been a drop in the enrollment of minorities in most health professional programs.

Enactment of this bill will insure that a Federal commitment of resources is provided to the institutions that have traditionally trained the greatest number of minorities in the health professions.

□ 1310

Mr. LENT. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BRUCE. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. GRAY of Illinois). The question is on the motion offered by the gentleman from Illinois [Mr. BRUCE] that the House suspend the rules and pass the Senate bill, S. 769.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BRUCE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on S. 769 and H.R. 1871, the two bills just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

AUTHORIZING ASSISTANCE FOR MINORITY HEALTH PROFESSIONALS

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RICHARDSON. Mr. Speaker, I wanted to make a point relating to the previous piece of legislation which I think is a meritorious piece of legislation. However, this bill does not address the health profession's education needs of Hispanics. I believe it is vitally important that this committee and the Congress acknowledge and address the needs of the Hispanic people of this country, for more Hispanic doctors and health professionals and health care. I am disappointed, although I am supporting H.R. 954, that this does not address or even acknowledge these needs.

I would like to engage in a dialog with the gentleman from California [Mr. WAXMAN] relating to what specifically the committee needs to do on this legislation, specifically on title VII.

I am particularly concerned that San Juan Bautista College in Puerto Rico, a possible recipient in the future of such assistance, was ignored in this legislation.

Let me stress that the problems of minorities also include Hispanics. Too often Hispanics are forgotten. I am concerned that there are not enough minority medical schools and minority medical students. While I commend the intent of this legislation, I would like to just engage in a dialog with the gentleman from California.

In a bill that is meant to address the health professions education needs of minorities, I believe it is vitally important that this committee and the Congress acknowledge and address the needs of Hispanic people of this country for more Hispanic doctors and health professionals and for better health care. I am disappointed that H.R. 954 does not address or even acknowledge these needs.

There are two ways to try to increase the number of minority health care professionals—increase the numbers of minorities in existing schools and help foster schools dedicated to providing minority health professional education. Perhaps acknowledging that despite all our efforts to increase minority enrollment in existing schools, that enrollment is declining, H.R. 954 takes the second approach by providing assistance to health professions schools that are dedicated to training minority health professionals.

It has been my intent to offer an amendment to add a Hispanic component to this bill. The Commonwealth of Puerto Rico, and its secretary of health, has embarked on the strategy of assisting in the creation and accreditation of a fourth school of medicine in Puerto Rico to train family doctors and general practitioners. Currently, there does not exist the capacity in Puerto Rico to train a sufficient number of family doctors. As a result, nearly 84 percent of general practitioners and 49 percent of family doctors on the island were trained at foreign medical schools in the Caribbean, which are not high quality schools.

The quality of health care provided to the people of Puerto Rico obviously suffers as a result.

A new school of medicine, San Juan Bautista, is in the process of creating a program that will meet the rigorous accreditation standards of the Liaison Committee on Medical Education. In fact, it believes it has met those standards with one exception—facilities and equipment. It had been my intention to offer an amendment to permit San Juan Bautista to obtain the needed facilities and equipment with a one-time authorization for startup funding of $1.3 million. That startup funding would be similar to what the Federal Government did a few years ago in providing startup assistance to the Morehouse School of Medicine in Atlanta, GA, the first predominantly black school of medicine founded in this century. That startup assistance enabled Morehouse to construct the facilities and plan and implement a 4-year education program that permitted Morehouse to become accredited and to graduate its first 4-year class of doctors.

It is my understanding, however, that the chairman of the Subcommittee on Health and the Environment, the gentleman from California, would prefer to obtain more information about San Juan Bautista prior to addressing its needs. As hesitant as I am to let a bill like this go by without addressing the needs of Hispanics, let me address a couple of questions to the distinguished gentleman.

Mr. WAXMAN. Mr. Speaker, will the gentleman yield?

Mr. RICHARDSON. I yield to the gentleman from California.

Mr. WAXMAN. I thank the gentleman for yielding.

Mr. Speaker, when we considered the bill just passed by the House in committee, the gentleman raised the points that if we are talking about the education of minorities for health professions that that bill was quite limited in its scope and it was limited to those black medical institutions that had previously been receiving funding and it did not go beyond that.

We will have before our committee what is known as title VII of the Public Health Service Act which is the health manpower provisions of the law and at that time I want to work with the gentleman and others in our committee and in the House to try to respond to the very serious needs of minority people in this country who are not in any way near the numbers that would reflect their part of the population in the health professions.

We want to work on legislation that will try to address those questions when we get to that broader manpower, health manpower issue that will be before us in title VII.

I want to commit to my friend and collegue from New Mexico [Mr. RICHARDSON] that I will work with him to see what would be appropriate legislation when that issue is before us.

Mr. RICHARDSON. So then it is the intent of the chairman in the upcoming reauthorization of title VII health professions program to address the needs to foster the training of increased numbers of Hispanic health professionals?

Mr. WAXMAN. I certainly want us to look at that and see what the appropriate legislation would be, try to accomplish an objective that both the gentleman and I share and I am sure is the view of an overwhelming majority of the Members of Congress as well.

Mr. RICHARDSON. I thank the chairman.

Mr. Speaker, I also would like to include in the RECORD a letter that I received from the Association of Minority Health Professions Schools wanting to participate in this initiative. I would like to insert it into the RECORD.

The letter is as follows:

THE ASSOCIATION OF MINORITY
HEALTH PROFESSIONS SCHOOLS,
Washington, DC, August 4, 1987.

Hon. BILL RICHARDSON,
House of Representatives, Cannon Office Building, Washington, DC.

DEAR CONGRESSMAN RICHARDSON: The Association of Minority Health Professions Schools (AMHPS) shares your concern about the health status disparities that exist among Hispanics when compared to the non-minority population in the United States. The co-existing shortage of Hispanics that participate in the health professions to serve the Hispanic community is as well a national problem—one our Association would like to work with you to address.

Our Association has worked, in recent years to develop model policy initiatives that are being implemented to increase the number of Blacks in the health professions, and enhance the capability of Historically Black Health Professions Schools to train more Blacks in the health professions. Certainly, as Congress moves to prepare for the reauthorization of the federal health professions authority (Title VII, PHS Act) during the second session of the 100th Congress, the Association of Minority Health Professions Schools is prepared to work closely with you and institutions that train greater numbers of Hispanics to assist in the development and implementation of proposals that will increase the number of Hispanic health professionals, and assist these schools in enhancing their capabilities.

I and other members of the Association of Minority Health Professions Schools, as well as our Washington Representative, are anxious to begin this dialog soon after the first session of 100th Congress adjourns, or earlier if both of our times permit.

Sincerely,
DAVID SATCHER, M.D., PH.D.,
President, Meharry Medical College, Past-President, AMHPS.

My amendment permits the Secretary to make grants establishing scholarships for Hispanic individuals to attend medical schools with the stipulation that they agree to serve in a medically underserved Hispanic community upon completion of medical school. It authorizes $1 million for this purpose.

NEED FOR HISPANIC SCHOLARSHIPS TO MEDICAL SCHOOLS

First. Currently, Hispanics represent 8 percent of the U.S. population and it is expected that this figure will double in size within 25 years.

Second. More importantly, Hispanics are less likely than any other population group to have a regular source of health care.

Third. However, even with the existence of these two concurrent trends—a doubling in Hispanic population size and lack of regular health care, a more frightening trend is occurring in our Nation's medical schools. Hispanics represent only 2.4 percent of those in medical schools and this figure is declining.

Fourth. For example: The University of Illinois Medical School had 10 Mexican American graduates in 1983-84. For this same year, the University of New Mexico had 13 graduates, Stanford had 12, and the University of Texas in San Antonio had 10 Mexican American doctors graduate from its program.

Fifth. These statistics are appalling and they are getting worse as Hispanic enrollments decrease in existing schools.

Sixth. Moreover, the numbers of Hispanic doctors currently practicing medicine is expected to rapidly decrease as those physicians who came to the United States during the Cuban outflow of the late fifties and sixties begin to retire.

Seventh. One of the primary reasons explaining the lack of Hispanic doctors is a lack of money. Hispanics are accepted at some of the best medical schools in the country but they simply cannot afford to attend.

Eighth. A second major factor involved in this trend is the lack of an infrastructure for Hispanic students. There are no Hispanic medical schools on the mainland of the United States and there are not likely to be any in the near future unless decisive action is taken now.

Ninth. For this reason, I am offering my amendment making medical scholarships available to Hispanic medical students as a first step in alleviating the ongoing crisis in Hispanic health care delivery.

AMENDMENT OFFERED BY MR. RICHARDSON TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. WAXMAN

Page 5, after line 5, insert the following new subsection (and redesignate subsequent sections accordingly):

"(b) The Secretary shall make grants for the purposes of enabling medical schools that are grantees under subsection (a) to establish scholarships for Hispanic individuals to attend medical schools. Such a scholarship may be awarded to an individual only if the individual agrees to serve, upon completing medical school, in a medically underserved Hispanic community.

Page 5, strike lines 15 through 18 and insert the following new subsection:

"(e)(1) To carry out subsection (a), there are authorized to be appropriated $10,000,000 for each of the fiscal years 1988 through 1991.

"(2) To carry out subsection (b), there are authorized to be appropriated $1,000,000 for each of the fiscal years 1988 through 1991.".

AMENDMENT OFFERED BY MR. RICHARDSON TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. WAXMAN

Page 5, after line 18, add the following:

"SEC. 788B. (a) The Secretary shall make a grant to a medical school in the Commonwealth of Puerto Rico that, on the date of the enactment of this section, is seeking to meet applicable accreditation requirements for the purpose of constructing and equipping facilities and for such other purposes as are reasonably required to meet such requirements.

"(b) No grant may be made under this section unless an application therefor has been submitted to the Secretary at such time, in such form, and containing such information, as the Secretary may by regulation prescribe.

"(c)(1) To carry out this section, there are authorized to be appropriated $1,300,000 for each of the fiscal years 1988 through 1990.

"(2) Amounts appropriated pursuant to paragraph (1) shall remain available until expended.

Page 4, strike lines 3 and 4 and insert the following: "Act is amended by redesignating section 788B as section 788C and by inserting after section 788 the following new sections:".

Page 5, line 13, strike "788B" and insert "788C".

I thank the chairman and commend Mr. BONER for his important bill. But once again I hope that there is a recognition that there are many others in need of important legislation like this. I am hopeful of the Hispanic kinds of schools in the medical professions area. I thank the chairman for his assurances.

Mr. FUSTER. Mr. Speaker, I would like to thank the gentleman from California as well as the gentleman from New Mexico for their remarks. Although the needs of Puerto Ricans in the island are being largely met there by the University of Puerto Rico Medical School and the Ponce School of Medicine, both nationally accredited and recognized, I believe our attention should be focused on the needs of the Hispanic populations of the mainland.

Although the San Juan Bautista School of Medicine is in an ideal position to fill an existing need for general practitioners and family doctors in the island, it can also serve as a training center for doctors that can serve the Hispanic populations in the mainland, a problem we all recognize as serious. Just as the bill before us focuses on predominantly black schools, I believe similar attention should be accorded to Hispanic schools. I believe the reauthorization of the Public Health Service Act would be an adequate vehicle and I agree that hearings and a staff investigation would be productive and enlightening. I would be more than happy to provide any assistance to accomplish this and I am sure the Commonwealth government would welcome and support these efforts.

I would like to submit for the RECORD a letter from the secretary of the department of health of the Commonwealth of Puerto Rico in support of the request by the San Juan Bautista School of Medicine:

DEPARTMENT OF HEALTH,
Puerto Rico, June 18, 1987.

Congressman JAIME B. FUSTER,
House of Representatives, Washington, DC.

DEAR CONGRESSMAN FUSTER: This letter is written in full support of the San Juan Bautista School of Medicine in its funding request to the United States Congress under the "Excellence in Minority Health Education and Care Act" or any other source.

Some background information on health care administration in the Commonwealth of Puerto Rico follows together with recent policy changes which make the existence and continuity of San Juan Bautista School of Medicine essential for the well-being of Island residents.

As you know, in Puerto Rico, the Department of Health is the government agency that renders direct health services to 2.2 million citizens classified as medically indigent (out of a total population of 3.3 million).

In addition the Department watches over the health of all our citizens through multiple services which include the supervision and licensing of health facilities (public as well as private); environmental health; production of vital statistics; certification of health professionals; prevention and treatment of sexually transmitted diseases and operation of medical emergency services, among others.

The Department delivers these services through a system which includes 78 primary care centers for ambulatory services (one for each municipality); nine secondary care hospitals; five tertiary hospitals and one supra-tertiary medical center.

In January 1985, the Department drew up a reorganization plan which featured as an important element, the development, at the state level, of a family care program through the conversion of the 78 primary centers into family health centers.

This concept is centered around a health team consisting of a family or primary care physician or a well-trained general practitioner; a graduate nurse, a practical nurse and a family health technician. The team, plus their ancilliary support system, will provide high quality comprehensive care to 1,000 families (or 2,500 inhabitants).

This system is geared toward delivery of primary, preventive and ambulatory medicine within the family and community framework and constitutes a far more efficient and cost effective alternative to the practice of the last two decades where major emphasis was placed on hospital care.

For the plan to be operational, the Health Department estimates that at least 500 new residency trained family physicians and qualified general practitioners will be needed to staff the facilities.

Traditionally in Puerto Rico, most general practice and family physicians have come from the ranks of foreign medical school graduates. In fact, the latest available statistics on physicians in Puerto Rico (1982) reflect that 84 percent of general practitioners and 49 percent of family doctors are graduates of these schools.

However, recent changes in medical education have limited the number of physicians allowed to practice medicine in Puerto Rico. For example, graduates of only seven foreign medical schools are now allowed to take the State Board examinations. Currently the (FMGEMS) Foreign Medical Graduate Examination in The Medical Sciences is a requisite prior to take the Puerto Rico State Board Examination.

Although these changes were certainly necessary to uphold a high standard of quality care, the fact remains that the public health system now needs even more qualified general and family physicians and the traditional sources for these doctors have narrowed down.

Additionally, graduates from schools other than San Juan Bautista tend to enter post-graduate programs in specialized fields of medicine so that primary care physicians are not currently available in the numbers that are needed to staff government facilities under the plan for family health centers.

The emphasis that San Juan Bautista is currently giving to family medicine in its curriculum is directing many of its graduates to family or general medicine as their career choice thus making the School a valuable source of much-needed physicians at a crucial point in our health delivery efforts.

Furthermore, effective July 1, 1986, the Department entered into a contract agreement with San Juan Bautista whereby its faculty renders medical services in the Guayama Subregional Hospital (a secondary care facility) and students do their clinical clerkships in said facility and in the nearby family medicine centers in the municipalities of Patillas, Arroyo and Salinas.

In addition to providing valuable direct service assistance, the presence of San Juan Bautista also improves the level of continuing medical education for physicians and paramedical personnel.

By staffing the family health centers and the Guayama Subregional Hospital, the School is also participating in family and community health education programs as well as in the prevention and treatment efforts to control the spreading of the disease of Human Inmunodeficiency Virus Infection (AIDS).

In addition, the School has signed an agreement with McGill University in Canada in order to among other things, engage in joint AIDS research projects which will undoubtedly be of great help in our efforts to fight this deadly disease.

For all of the above, the Department of Health fully endorses the San Juan Bautista School of Medicine in its funding request and in its efforts to obtain accreditation from the Liaison Committee on Medical Education.

The constant drive for excellence of this young institution together with its continued emphasis on family medicine will help us achieve the health to which all our citizens are entitled.

Sincerely yours,

LUIS A. IZQUIERDO-MORA, M.D.,
Secretary of Health,
Commonwealth of Puerto Rico.

NATIONAL COMMISSION ON ACQUIRED IMMUNE DEFICIENCY SYNDROME ACT

Mr. MONTGOMERY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2881) to establish a National Commission on Acquired Immune Deficiency Syndrome, as amended.

The Clerk read as follows:

H.R. 2881

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Commission on Acquired Immune Deficiency Syndrome Act".

SEC. 2. ESTABLISHMENT.

There is hereby established a commission to be known as the National Commission on Acquired Immune Deficiency Syndrome (hereinafter in this Act referred to as the "Commission").

SEC. 3. DUTIES OF COMMISSION.

(a) GENERAL PURPOSE OF COMMISSION.—The Commission shall carry out activities for the purpose of studying and making recommendations for national policy with respect to the acquired immune deficiency syndrome (hereinafter in this section referred to as "AIDS"). Matters considered by the Commission shall include the following:

(1) National policy and priorities with respect to—

(A) AIDS research, including the appropriate role of the Veterans' Administration and other Federal agencies in conducting such research,

(B) testing of individuals (including patients of the Veterans' Administration) for the AIDS virus and confidentiality of such test results,

(C) treatment and care of individuals suffering from AIDS, and

(D) prevention of the transmission of AIDS and education about AIDS.

(2) The appropriate roles of the Government, of State and local governments, and of the private sector in the matters referred to in paragraph (1).

(3) Guidelines for the coordination of United States activities concerning AIDS with those of international health organizations.

(b) HEARINGS.—The Commission shall hold hearings to receive the views of persons and organizations interested in matters relating to the purposes of the Commission as stated in subsection (a), including representatives of appropriate government agencies and responsible representative of groups principally affected by the AIDS virus.

SEC. 4. MEMBERSHIP

(a) Number and Appointment.—(1) The Commission shall be composed of 15 members as follows:

(A) Five members appointed by the President, of whom two shall be the Secretary of Health and Human Services and the Administrator of Veteran's Affairs.

(B) Five members appointed by the Speaker of the House of Representatives, of whom two shall be appointed upon the recommendation by the minority leader.

(C) Five members appointed by the President pro tempore of the Senate, of whom three shall be appointed upon the recommenation by the majority leader and two shall be appointed upon the recommendation of the minority leader.

(2) Not fewer than two of the members of the Commission appointed under subparagraph (A) of paragraph (1), and not fewer than three of the members appointed under each of subparagraphs (B) and (C) of that paragraph, shall be appointed from among experts in the scientific and medical communities and in legal and ethical issues are specially qualified to serve on the Commission by reason of their education, training, or experience.

(3) Members of the Commission shall serve for the life of the Commission. A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(b) Chairman.—The members of the Commission shall select a Chairman from among the members of the Commission. The selection shall be made not later than 60 days after the date of the enactment of this Act.

(c) Quorum.—Seven members of the Commission shall constitute a quorum, but a lesser number may hold hearings.

(d) Meetings.—The Commission shall hold its first meeting on a date specified by the President which is not later than 60 days after the date of the enactment of this Act. Thereafter, the Commission shall meet at the call of the Chairman or a majority of its members, but shall meet at least three times each year during the life of the Commission.

(e) Pay.—Members of the Commission who are Members of Congress or officers or employees of the United States shall receive no additional compensation by reason of their service on the Commission.

(f) Per Diem.—While away from their homes or regular places of business in the performance of duties for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under sections 5702 and 5703 of title 5, United States Code.

(g) Deadline for Appointment.—Members of the Commission shall be appointed not later than 45 days after the date of the enactment of this Act.

SEC. 5. REPORTS.

(a) Interim Reports.—Not later than one year after the date on which the Commission is fully constituted under section 4(a), the Commission shall transmit to the President and to Congress a comprehensive report on its activities to that date. Such report shall include such findings and recommendations as the Commission considers appropriate based on its activities to that date. In addition, the Commission shall transmit such other reports as it considers appropriate.

(b) Final Report.—The Commission shall transmit a final report to the President and to Congress not later than two years after the date on which the Commission is fully constituted under section 4(a). The final report shall contain a detailed statement of the activities of the Commission and of the findings and conclusions of the Commission, including such recommendations for legislation and administrative action as the Commission considers appropriate.

SEC. 6. EXECUTIVE DIRECTOR AND STAFF.

(a) Executive Director.—The Commission shall have an Executive Director who shall be appointed by the Chairman, with the approval of the Commission. The Executive Director shall be paid at a rate not to exceed the maximum rate of basic pay payable for GS-18 of the General Schedule. The Executive Director shall be appointed not later than 30 days after the Chairman of the Commission is selected.

(b) Staff.—With the approval of the Commission, the Executive Director may appoint and fix the compensation of such additional personnel as the Executive Director considers necessary to carry out the duties of the Commission.

(c) Applicability of Civil Service Laws.—The Executive Director and the additional personnel of the Commission referred to in subsection (b) may be appointed without regard to the provisions of title 5, United States Code, governing appoinments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(d) Consultants.—Subject to such rules as may be prescribed by the Commission, the Executive Director may procure temporary or intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals not to exceed $200 per day.

(e) Detailed Personnel.—Upon request of the Commission, the Administrator of Veterans' Affairs may detail, on a reimbursable basis, any of the personnel of the Veterans' Administration to the Commission to assist the Commission in carryng out its duties under this Act.

(f) Support Services.—The Administrator of Veterans' Affairs shall provide to the Commission on a reimbursable basis such administrative and support services as the Commission may request.

SEC. 7. DUTIES OF ADMINISTRATOR OF VETERANS' AFFAIRS.

(a) Research Compilation.—In order to assist the Commission in carrying out its duties, the Administrator of Veterans' Affairs shall prepare a detailed compilation and synopsis of all medical research on acquired immune deficiency syndrome that has been carried out, or that is currently being conducted, in the United States and throughout the world. The Administrator shall prepare the compilation as soon as practicable, and not later than three months after the date of the enactment of this Act, and shall submit the compilation to the Commission.

(b) Report on VA Activities.—In order to assist the Commission on carrying out its duties, the Administrator shall submit to the Commission a report on all activities and information of the Veterans' Administration relevant to the duties of the Commission, including a detailed report on relevant research conducted by the Veterans' Administration and (subject to all laws and regulations with respect to confidentiality) detailed statistical information on the veterans population as a whole and the population of patients of the Veterans' Administration health system.

SEC. 8. POWERS OF COMMISSION.

(a) Hearings.—For the purpose of carrying out this Act, the Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Commission considers appropriate. The Commission may administer oaths or affirmation to witnesses appearing before the Commission.

(b) Delegation.—Any member or employee of the Commission may, if authorized by the Commission, take any action which the Commission is authorized to take by this section.

(c) Access to Information.—The Commission may secure directly from any executive department or agency such information as may be necessary to enable the Commission to carry out this Act. Upon request of the Chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

(d) Mails.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

SEC. 9. AUTHORIZATION OF APPROPRIATIONS.

There is hereby authorized to be appropriated for fiscal year 1988 the sun of $2,000,000 to carry out the purposes of this Act. Amounts appropriated pursuant to such authorization shall remain available until expended.

SEC. 10. TERMINATION.

The Commission shall cease to exist 30 days after the date on which its final report is submitted under section 5(b). However, the President may extend the life of the Commission for a period of not to exceed two years.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Mississippi [Mr. Montgomery] will be recognized for 20 minutes and the gentleman from New York [Mr. Lent] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Mississippi [Mr. Montgomery].

Mr. MONTGOMERY. Mr. Speaker, inasmuch as two committees are involved in this legislation, I will yield, from my 20 minutes, 10 minutes to the gentleman from California [Mr. Waxman] who is the chairman of the Subcommittee on Health and the Environment of the Committee on Energy and Commerce.

The SPEAKER pro tempore. Without objection, the gentleman from California [Mr. Waxman] will be recognized for 10 minutes.

There was no objection.

Mr. MONTGOMERY. Mr. Speaker, I am sure the gentleman on the other side of the aisle will do the same for the Veterans' Affairs Committee member who will be there in just a few minutes.

Mr. LENT. Mr. Speaker, I would be happy to yield time. How many minutes did the gentleman from Mississippi indicate?

Mr. MONTGOMERY. Mr. Speaker, I have yielded 10 of my 20 minutes to the gentleman from California [Mr. Waxman] and I would request that the gentleman from New York [Mr. Lent] do the same thing on his side.

Mr. LENT. Mr. Speaker, I am happy to comply with any request.

The SPEAKER pro tempore. Without objection, a member of the Committee on Veterans' Affairs will be recognized for 10 minutes.

There was no objection.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Mississippi [Mr. Montgomery].

Mr. MONTGOMERY. Mr. Speaker, I yield myself such time as I may consume.

I am pleased to being before the House a bill that would create a National Commission on Acquired, Immune Deficiency Syndrome [AIDS].

The bill has 84 cosponsors, including 32 members of our committee. The chief sponsor of the bill, the gentleman from Georgia [Mr. Rowland], is a key Member of the house leadership task force studying the AIDS problem. As a physician, he understands the need for a national policy on AIDS and the creation of this Commission is a good beginning.

In a recent report released by the Public Health Service, it is estimated that in 5 years, AIDS will be one of the top 10 causes of death in the United States. AIDS deaths could total 54,000 in 1991. Mr. Speaker, we are faced with a serious, deadly and noncurable disease. Should the estimates of the Public Health Service prove to be correct, deaths from AIDS would surpass deaths from pneumonia, influenza, car accidents, diabetes, suicide, liver disease and hardening of the arteries. It is also estimated that by the end of 1991, the cumulative total of AIDS cases in the United States will reach 270,000 and result in a cumulative total of nearly 180,000 deaths.

As a witness before our committee, Dr. John Gronvall, the Chief Medical Director of the Veterans Administration, testified that the VA has been treating approximately 6 percent of the total AIDS cases reported to the Centers for Disease Control [CDC] in Atlanta.

Dr. Gronvall testified that from September 1983 to May 1987, the VA has treated 2,014 cases of AIDS which have been reported to CDC. The number of cases in the VA could reach a total of 14,000 by 1991.

Mr. Speaker, time will be required to answer some questions about AIDS, but there is much that can be done with what is known, provided there is a forum in which policy can be formulated.

That is what this bill would do. Again, it would create a 15-member Commission for the purpose of studying and making recommendations for national policy with respect to AIDS.

The need for a Commission that would include experts in medicine, science, law, and ethics, as well as members from the executive and legislative branches of the Federal Government, has become apparent as the debate over AIDS has intensified.

Mr. Speaker, there are two major differences between the Commission created by this legislation and the Commission appointed by the President on July 23. First, H.R. 2881, as amended, would require that a majority of the Commission members have expertise in fields important in AIDS: science, medicine, law, and ethics.

The bill would also provide the Congress an opportunity to become involved in setting a national AIDS agenda. These are very important differences. We are confronted with a very serious, noncurable disease. As Mr. Rowland has stated, we have never faced a disease so deadly, so rapidly spreading and with such complex moral, legal, and political ramifications. We need experts to give us some direction.

I appreciate the leadership of the Gentleman from Georgia [Mr. Rowland] and the very able ranking minority of the committee, the gentleman from New York [Mr. Solomon].

I am grateful for the cooperation we have received from the distinguished chairman of the Committee on Energy and Commerce [Mr. Dingell] and the very able ranking minority member of the full committee [Mr. Lent]. We appreciate the cooperation of the distinguished chairman and ranking minority member of the subcommittee on health and the environment [Mr. Waxman amd Mr. Madigan].

I commend the gentleman from Georgia for the leadership he is providing on this issue. I fully support him in his efforts.

I urge my colleagues to support the bill.

Mr. Speaker, I reserve the balance of my time.

Mr. LENT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 2881, the National Commission on Acquired Immune Deficiency Syndrome Act. This legislation establishes a new AIDS Commission that will complement the Commission established by the President in June. The Commission established under H.R. 2281 will include five members appointed by the President, five by the Speaker, and five by the President pro tempore of the other body. At least eight of the members of this Commission must be experts in the scientific and medical communities and in legal and ethical issues. The Commission must make an interim report of its activities 1 year after it has ben established and a final report 2 years after it has been established.

One element of this bill which is of particular importance is the prominent role which the Veterans' Administration will play in assisting the Commission. The Administrator of Veterans' Affairs may detail personnel and services to the Commission. The Administrator of Veterans' Affairs will also assist the Commission by preparing a detailed compilation of all medical research on AIDS.

I would be remiss if I did not mention the contribution of my colleague from the committee [Mr. Dannemeyer] who made several constructive suggestions about what the duties of the Commission should include. I hope that those suggestions will be recognized in the legislative history of this legislation.

Mr. Speaker, I reserve the balance of my time.

□ 1325

Mr. WAXMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the legislation. The bill, H.R. 2881, was jointly referred to the Committee on Energy and Commerce and the Committee on Veterans' Affairs. The bill would create a National AIDS Commission to be an advisory to the Congress, and putting an emphasis on veterans' affairs.

The bill was authored by the gentleman from Georgia [Mr. Rowland] and has the strong backing of both committees. Both committees have reported the bill to the floor. It is cosponsored by a number of Members of both sides of the aisle, and it is a bill that has strong bipartisan support.

I would emphasize that this bill would be very, very helpful to us as we consider the many issues that we will be confronted with as a result of this AIDS epidemic.

Mr. Speaker, I urge the adoption of the proposal before us to suspend the rules and pass this bill.

Mr. MONTGOMERY. Mr. Speaker, I yield 3 minutes to the gentleman from New Mexico [Mr. Richardson].

Mr. RICHARDSON. Mr. Speaker, many minority groups are being struck particularly hard by full-blown cases of AIDS. The incidence of AIDS among blacks and Hispanics is at least twice what it is among whites. More specifically, Hispanics currently make up 16 percent of the total number of AIDS cases, yet represent only 8 percent of the total U.S. population. In addition, blacks who represent only 11 percent of the population represent 25 percent of AIDS cases in the United States.

In addition, there is a real fear that minorities will be stigmatized as they become more and more identified with AIDS.

An even more frightening statistic is the centers for disease control figures indicating that Hispanic children represent 82 percent of pediatric cases of AIDS.

Hispanics and blacks are not the only minorities to have been hard hit by AIDS. In my district alone three cases of AIDS have been diagnosed this year among Navajos with two of them resulting in death. This evidence sustains my belief that AIDS has the potential to wipe out some Indian tribes and could spread rapidly on reservations unless a special effort is made to educate them.

Minority groups have special concerns with regard to AIDS. Of particular concern to members of minority groups is the:

Higher rate of IV drug abuse among minorities;

The greater degree of needle sharing which occurs among minorities;

A high incidence of heterosexual transmission;

A high rate of teenage pregnancy among minorities in general which contributes to the numbers of pediatric AIDS cases; and

And finally the inability of either the black church or the Roman Catholic Church to carry information about AIDS to the grassroots level.

Because minorities traditionally lack proper health care and health education and for the reasons outlined above, it is essential that the National Commission on AIDS be required to study the impact AIDS is having on minorities and more importantly to study ways to target prevention and education information so that it takes into account racial and ethnic differences.

Mr. Speaker, I would like to engage in a colloquy with the gentleman from California [Mr. WAXMAN].

Specifically, I want to make sure that in the naming of the commission that there be minority representation on the commission, and, second, that there be a detailed study of the AIDS problems of minorities and the preventive steps that might be taken to address minority as AIDS victims and cures. As I said, twice as many minorities are being hit by this disease, and I recall that in the markup of the legislation I saw very little mention of minorities and the problems that impact upon them. I would like to make sure that in the commission these concerns are addressed.

Mr. WAXMAN. Mr. Speaker, will the gentleman yield?

Mr. RICHARDSON. I yield to the gentleman from California.

Mr. WAXMAN. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, there is no doubt when we look at the current statistics of this AIDS epidemic, the problem is most serious in the minority communities. I would join with the gentleman in urging that this commission pay specific attention to these problems in the minority communities and try to think of ways of addressing the problems that may be different and unique from how they would address the broader population's concerns about AIDS.

Mr. RICHARDSON. Mr. Speaker, I thank the gentleman.

Mr. Speaker, I submit for inclusion in the RECORD the following article from the New York Times of August 2, 1987:

HIGH AIDS RATE SPURRING EFFORTS FOR MINORITIES

(By William E. Schmidt)

ATLANTA, July 31.—The disproportionate impact of AIDS among blacks and Hispanic people is leading civil rights groups and the Federal Government to shift resources to deal more directly with the threat the disease poses to minorities.

"The gravity of the disease has reached a point where the minority community is now moving faster than the majority community to mobilize, to do something about it," said John E. Jacob, the president of the National Urban League. The incidence of AIDS—acquired immune deficiency syndrome—among blacks and Hispanic people is at least twice what it is among whites.

A $7 MILLION ALLOCATION

Mr. Jacob said the fear of a racial backlash against minorities as they become more identified with AIDS "is one of the reasons the black community has been slow to address this issue, to put it on our agenda." But this summer, his organization and the National Association for the Advancement of Colored People have begun to disseminate AIDS information among their chapters.

Moreover, the Federal Centers for Disease Control will hold its first national conference on AIDS and minorities here next weekend. The Federal Government will use the meeting to announce that $7 million in public funds will be made available for the first time for use by minority organizations for AIDS education and prevention.

As a measure of the concern, more than 1,000 people say they will attend the conference, which the Government had planned for fewer than 400.

The growing focus on minorities marks an important turning point for civil rights leaders and Federal health officials, who say the incidence of AIDS among minority groups has long confronted them with a difficult dilemma: how to raise the alarm without stigmatizing minorities because of the widespread fears about the disease.

Dr. Stephen Margolis, the coordinator for AIDS and drug abuse at the Centers for Disease Control and the organizer of next weekend's conference, says the Government's approach has been to focus on high-risk behavior rather than on specific ethnic or racial groups.

"What we are doing now is pinpointing minorities, because we recognize that prevention strategies must take into account racia and ethnic differences, if they are going to be successful," he said.

White homosexual men still make up the largest share—49 percent—of the nation's 38,435 diagnosed AIDS cases, as of July 20. But blacks and Hispanic people make up 39 percent of all cases, even though they account for only 17 percent of the nation's total adult population.

Also, epidemiologists at the Centers for Disease Control have concluded that blacks and Hispanic people have a higher relative incidence of AIDS in almost all transmission categories, and account for the majority of cases involving intravenous drug abusers, heterosexuals and children borne to infected mothers.

A LINK TO DRUG ABUSE

Researchers say the major difference in the incidence of AIDS between whites and minorities is the degree to which intravenous drug use and needle sharing is practiced within minority communities. Hypodermic needles contaminated by one drug user can spread AIDS to another user.

"In a tragic way, the epidemiology of AIDS may indicate just how widespread IV needle sharing is among minorities," said Dr. Roger Bakeman, a psychologist at Georgia State University, who has conducted extensive studies on the matter.

It has been more than three and a half years since the Centers for Disease Control published data showing that blacks and Hispanic people were afflicted by AIDS at a far higher rate than whites. Since then, little Federal money has been channeled directly to organizations working with minority communities.

Although money has gone to education programs aimed at intravenous drug users, health experts say that reaching addicts with information and persuading them to change their behavior is far more difficult than reaching middle-class homosexuals.

Dr. Beny J. Primm, a physician and executive director of the Addiction Research and Treatment Corporation, a treatment program in Brooklyn, said the highly visible political leaders within the black and Hispanic communities had been too slow in dealing with the threat AIDS poses to minorities.

"They are afraid of backlash and won't talk about it, the same way the governments in Africa wouldn't either until so many people were sick and dying they could no longer ignore it," said Dr. Primm, who met recently in Washington with national representatives of seven black churches to encourage them to take a more active role in AIDS education and prevention programs.

Because of the high incidence of heterosexual transmission involving the sex partners of intravenous drug users and because of the high rate of teen-age pregnancy among blacks, health experts say the potentially rapid spread of the disease through heterosexual transmission makes AIDS prevention and education an increasingly urgent matter in minority communities.

But at the same time, the close ties between AIDS and drug abuse, coupled with its being perceived as a disease that primarily afflicts homosexuals, has raised difficult moral and cultural questions and, at times, even some resistance, among key segments of minority communities.

Gilberto Gerald, the head of minority affairs for the National AIDS Network, a private organization in Washington said: "Not only is homesexuality a taboo topic in both the black and Hispanic communities, but intravenous drug users have no political constituency either. AIDS patients are a minority within a minority."

Among blacks and other minorities, the focus on AIDS and race, even the discussion by scientists of the theory that the disease originated in Africa, still causes discomfort and "a kind of resentment among a lot of black folk," said the Rev. Joseph E. Lowery, the president of the Southern Christian Leadership Conference, who, was his wife, Evelyn, was among the first black leaders to address the issue of AIDS among blacks.

A LACK OF HEALTH CARE

But Mr. Lowery said AIDS was, finally, a civil rights issue for blacks, who already suffer higher rates of heart disease, high blood pressure and cirrhosis of the liver than do whites.

"The problem is that blacks and Hispanic people are deprived, they lack proper health care and health education," he said.

The issue has been a special problem for the black church, which had been the moral refuge of the civil rights movement, leaders say.

Representative Floyd H. Flake, a black Congressman from Queens and an ordained minister, said the AIDS issue, like teen-age pregnancy, is not discussed from black pulpits, even though the black churches are essentially allies in any campaign to carry information about AIDS to the grass roots level.

"Historically, sexuality has been a no-no among the black churches," said Mr. Flake, who has presided at the funerals of two members of his own congregation who died of AIDS. "Even for me, I don't think I can talk about condoms in church without doing a lot of preparation first."

TALKING ABOUT ABSTINENCE

Michael Lomax, the chairman of Atlanta's Fulton County Commission, said that the black establishment's difficulty in dealing with AIDS was part of a larger predicament. "It is a matter of coming to terms, at last, with the fact that there are problems within our community that were not imposed upon us by white society," he said.

"Intravenous drug use, teen-age pregnancy and sexual promiscuity are behaviors that are pathological in our own community, and we must come to grips with that, to take responsibility."

Within the Hispanic community, leaders say, education and prevention efforts have been complicated by the Roman Catholic Church's opposition to the use of condoms as a means of stopping the spread of the virus. Instead, many priests, like right-wing conservatives, talk about abstinence.

William A. Bogan, the executive vice president of the National Coalition of Hispanic Health and Human Services Organizations in Washington, said such cultural cross-currents have set back some community efforts to spread the word about AIDS.

But he said a bigger part of the problem has been what he called the failure of Federal and state officials to channel resources to community organizations that can do the most good in reaching minority people, including drug abusers.

Dr. Primm, for example, said officials at the Centers for Disease Control had been reluctant to focus on the incidence of AIDS among minorities, for fear that they would appear to be singling out black or Hispanic people.

Dr. Rudolph E. Jackson, a physician in Atlanta who is working as a consultant to the Centers for Disease Control, said he believed the agency was slow to deal with the issue of AIDS among minorities because of an earlier controversy over the Haitians.

When the agency first began assembling data on AIDS, a higher incidence among Haitians caused them to be identified as a separate risk group. That provoked controversy among Haitian nationals and others, who said the agency was stigmatizing an entire population. The agency then dropped the identification.

Health officials and representatives of groups helping AIDS patients stressed that it was critical for financing agencies to work closely with specific community groups to minimize language and cultural differences.

"For a lot of minority women, discussing safer sex is out of the context of their role," said Suki Ports, the director of the Minority Task Force on AIDS for the New York Council of Churches. "They may risk losing their man, or even risk physical abuse, if they were to suggest using a condom."

Ronald Jenkins, a health programs consultant with the state of Georgia, mixes in rap music and advice on avoiding pregnancy when he talks to black teen-agers about AIDS.

In some ways the message seems to be getting through. Sandra McDonald, who runs Outreach Inc., the first AIDS education project in Georgia working directly with blacks, said that a year ago, "people didn't even want to listen."

Now, she said, there is more and more interest. "These days, we're talking about women and babies dying too," she said. "The more we bury, the more people pay attention."

AIDS: WHO CARRIES THE BURDEN

Relative incidence of AIDS by category and group. Relative incidence is a measure of the rate at which AIDS occurs per million in the black or Hispanic population, compared with the occurrence per million in the white population. For instance, AIDS occurs 2.6 times more often among black men than it does among whites; among Hispanic men, it occurs 2.5 times more often.

	Cases per million population	Incidence compared with that of whites
Total cases, men:		
Black	764	2.6
Hispanic	730	2.5
Total cases, women:		
Black	105	12.2
Hispanic	73	8.5
Heterosexual men who are intravenous drug abusers:		
Black	262	21.8
Hispanic	248	20.7
Heterosexual women who are intravenous drug abusers:		
Black	64	18.1
Hispanic	40	11.3
Gay or bisexual men who are not intravenous drug abusers:		
Black	379	1.6
Hispanic	389	1.6

Source: Dr. Roger Bakeman, Department of Psychology, Georgia State University, based on data from the Centers for Disease Control from April 6, 1987.

Mr. LENT. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from California [Mr. DANNEMEYER], who is rapidly becoming our expert on this issue in the House.

Mr. DANNEMEYER. Mr. Speaker, first, on the procedure that we have observed with respect to the movement of this legislation, I am a member of the Subcommittee on Health and the Environment that normally would have considered this as a part of the Committee on Energy and Commerce.

Would the Members believe that the subcommittee of jurisdiction did not even consider this legislation at any time? Today, not more than a half hour ago, about an hour ago really, the full Committee on Energy and Commerce took up this bill without the benefit of any hearings at all. No witness has ever been called to testify about any legislative need. It was rushed through the committee very quickly, and here we are with the bill on the floor of the House now. No Member or no witness has testified to the legislative need or the reasons for any part of the process. If I did not know any better, I would suspect that we were attempting to just railroad this piece of legislation through the House. I would not accuse anybody of attempting to do that, but that is the premise or the impression that I get.

Mr. DAUB. Mr. Speaker, will the gentleman yield?

Mr. DANNEMEYER. I yield to my friend, the gentleman from Nebraska.

Mr. DAUB. Mr. Speaker, did I hear my friend, the gentleman from California, say that the subcommittee chairman actually held no hearings on this bill?

Mr. DANNEMEYER. None at all.

Mr. DAUB. And the full committee held no hearings on this bill?

Mr. DANNEMEYER. No hearings were held at all.

Mr. DAUB. So this bill not only got reported out but got placed on the Suspension Calendar?

Mr. DANNEMEYER. It is on the Suspension Calendar right now, that is right.

Mr. DAUB. I see. So we have no legislative history on this except that we are going to engage in 20 minutes of debate on each side?

Mr. DANNEMEYER. And we have the legislative history that took place in the consideration of amendments today in the Energy and Commerce Committee, but that will not even be a part of the record because it will not get reported in time if it passes this House to be a part of the bill.

Mr. DAUB. Mr. Speaker, will the gentleman yield further?

Mr. DANNEMEYER. I yield to the gentleman from Nebraska.

Mr. DAUB. On an issue as serious as this and with a commission as important as this, it is really just being brought to the floor now with so few Members here?

Mr. DANNEMEYER. That is exactly where we are.

Mr. DAUB. So it is just politics to be one up on the administration because they have already taken action?

Mr. DANNEMEYER. Mr. Speaker, in response to my friend, I can say that we already have a commission in existence to deal with communicable diseases in America. It is called the Public Health Service. It has been in existence for decades, and it has worked very effectively to control communicable diseases. But because the U.S. Public Health Service and certain State public health officials of America have not pursued normal routine customary responses in dealing with communicable diseases, it is now not only a major public health issue in America but it is, in addition to that, a very profound political issue as well.

There are certain activities that I think this Commission should consider if it is to come into existence. As I say, we do not need it because we already have one, the U.S. Public Health Service. The President of the United States has already appointed a commission consisting of 13 members, distinguished citizens from across this country, who, I am sure, will do an excellent job for the American public in advising all of us what needs to be done. I do not think we need another commission to be created by this act of Congress.

If, on the other hand, it is the judgment of the House that this Commission is to come into existence, I think there are certain aspects that should be considered in the normal course of events that the Commission should consider. For example, the cornerstone of public health response to any communicable disease is reportability. That should certainly be a part of the consideration. Because we have not been reporting, we should be testing certain elements of the population of our country to give us a better handle on the extent of the problem and in what region and to what extent it has afflicted certain age groups of our population.

We have not as a people said that as a standard we would declare that anyone with the virus would be precluded from donating blood to the blood supply of the country. In order to protect the integrity of our blood supply, we need a law that says that, and this Commission should be considering that. We need a standard or a law on the books of this country that says that any person with the virus who knowingly transmits bodily fluids commits a public offense when they transfer bodily fluids. We have not said that as a people. We should be saying that, and this Commission should be considering it.

Finally, we should be testing certain persons in Federal jurisdictions such as Federal prisoners or persons seeking immigration to this country who routinely are tested for communicable diseases.

These five subjects, I think, belong within the purview of the commission if it is the judgment of the House to adopt this legislation.

Mr. Speaker, I would like to ask my colleague, the chairman of the subcommittee, the gentleman from California [Mr. WAXMAN], if he believes the points I have mentioned are subjects that the Commission should consider among others within the area of its responsibility.

The SPEAKER pro tempore (Mr. GRAY of Illinois). The time of the gentleman from California [Mr. DANNEMEYER] has expired.

Mr. LENT. Mr. Speaker, I yield 1 additional minute to the gentleman from California [Mr. DANNEMEYER].

Mr. WAXMAN. Mr. Speaker, will the gentleman yield?

Mr. DANNEMEYER. I yield to my friend, the gentleman from California.

Mr. WAXMAN. Mr. Speaker, those issues that the gentleman has raised are perfectly legitimate issues for this Commission to look at. Among other issues they will want to evaluate in terms of how to deal with the AIDS epidemic, I do want to underscore that while the mandate is spelled out in generic terms, these are specifics that we would suspect they may well want to look at.

Mr. DANNEMEYER. Mr. Speaker, I thank my colleague for that comment.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. DANNEMEYER. I yield to the chairman from the committee, the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Speaker, I rise to support the legislation offered by my colleague from Georgia, Dr. ROWLAND.

AIDS is one of the most significant public health problems this Congress will face. The President has convened a Commission—made up in part of lay individuals—to provide the executive branch with recommendations regarding certain aspects of AIDS policy. There is an equal need for an impartial and expert Commission to study the scientific, economic and social aspects of this epidemic to provide the Congress with recommendations for effective policy action. The need for this Commission grows daily.

As the Committee on Energy and Commerce continues its work to create effective measures for dealing with the AIDS virus and the threat to public health that it represents, the committee looks forward to receiving the recommendations of this Commission. It was the clear intent of the committee in reporting this legislation that this Commission proceed with the broadest possible mandate to examine all areas of inquiry necessary to the development of sensible policy recommendations.

Among the many matters into which the Commission might inquire would be the advisability of reporting requirements and the efficacy of various methods for discovering who might be infected by the virus and of controlling transmission of the virus within this country and across our borders.

Finally, attention should be given to the problem of the disproportionately high incidence and rapid spread of AIDS among minority populations, including blacks, Hispanics, and native Americans. AIDS occurs roughly 2½ times more frequently among black and Hispanic men than among white men. Black women have a 12 times greater risk of developing AIDS than white women; Hispanic women are at more than 8 times the risk of developing the disease than white women.

Those familiar with the health problems of native Americans predict an equally alarming spread among this population—unless effective control measures are soon implemented. Finally, of the hundreds of infants and children with AIDS, blacks and Hispanics represent the overwhelming majority of cases.

A proper examination of effective policy would dictate serious study of the reasons for these startling numbers as well as practical steps that could be taken to slow the spread of AIDS and to care for those already affected by it.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Indiana [Mr. BURTON] for 10 minutes.

Mr. BURTON of Indiana. Mr. Speaker, I yield myself such time as I may consume.

First of all, Mr. Speaker, I would like to say that my colleague, the gentleman from California [Mr. DANNEMEYER], is in the forefront of the fight against AIDS here in this country, and I have the greatest admiration and respect for him.

I am a cosponsor of every one of the bills that the gentleman is supporting in this Congress, and in addition, I have a bill or two of my own that would deal with this tragic epidemic. But in this particular instance I disagree with my colleague. I think that this Commission should be established, for a number of reasons, and when the Commission is established, as I am confident it will be, I think all the issues the gentleman alluded to during his remarks just a few minutes ago should be discussed by the Commission, and I am confident that they will be.

Reportability is very important. Making sure that criminal penalties are imposed upon the people who knowingly transmit this deadly disease to other people should be passed by this body. And people who knowingly kill other human beings should be penalized, in my view, to the fullest extent of the law, and we should make sure the laws are very strong in this regard.

This is probably the most deadly epidemic that mankind has faced in our lifetimes, and maybe throughout history, and it is my view that the more attention we focus upon it and the more research we do from a legislative standpoint and an executive standpoint, as well as a medical standpoint, the better off we are going to be. It is estimated that we have 1.5 to 4 million people infected with this deadly disease right now, and the number is doubling. The number that is infected is doubling evey 10 to 12 to 14 months. At that rate we can see that a large percentage of the U.S. population is going to be infected in the not-too-distant future, and we do not have the luxury of time.

So it is my feeling, Mr. Speaker, that this Commission should be established. We should get on to appointing the members of this Commission. I hope to be one of those members, and I know the gentleman from California [Mr. DANNEMEYER] likewise would like to be on this Commission to make sure that we get at the root cause of this problem and come up with solutions to the problem and wage all-out war against this disease. It should not just be a little piecemeal approach from the legisative branch or the executive branch or by the health services of this country, but we should wage a full-fledged war against AIDS.

So, Mr. Speaker, I think it is extremely important that we establish this Commission, get it passed by this body today, and get on with appointing the members of this Commission as quickly as possible.

Mr. Speaker, I reserve the balance of my time.

Mr. MONTGOMERY. Mr. Speaker, I yield 3 minutes to a member of the Veterans' Affairs Committee, the gentleman from Georgia, Dr. ROWLAND, who is one of the chief sponsors of the legislation.

Mr. ROWLAND of Georgia. Mr. Speaker, I wish to express my appreciation for this opportunity to speak on this subject.

I can say without hesitation or mental reservation that the people of this country thank the chairmen of this committee; they thank the gentleman from California [Mr. WAXMAN], they thank the gentleman from Michigan [Mr. DINGELL], they thank the gentleman from New York [Mr. SOLOMON], and they thank the gentleman from Arkansas [Mr. HAMMERSCHMIDT] and the gentleman from New York [Mr. LENT] and all those who have been so instrumental in bringing this piece of legislation to the floor because it is such an extremely important piece of legislation.

I am so pleased that there have been so many Members of this House who have put aside partisan politics and philosphical differences to address what is probably one of the most important pieces of legislation that will pass this House this session because we are faced with a disease whose potential is absolutely devastating to the people of this country.

□ 1340

That virus does not know or care about the color of one's skin. That virus does not know or care about one's sex. That virus does not know or care about what social strata you belong to or what your financial assets and liabilities are.

That virus does not care whether you are an adult or a newborn infant. It makes no difference.

It attacks the immune system and will destroy that individual.

It is so important for us to bring together a group of people who are experts in their areas who have some knowledge about AIDS in medicine, in science, in ethics, and in legal matters to advise the Congress and the President about what we need to do to address this terrible issue.

I have seen the debate and discussions take place in such a partisan and philosophical manner that it is time for the Members to address this in a manner that is appropriate, a manner that will focus on what a devastating disease this can be to our country.

I wish to commend all of the cosponsors who participated in moving this piece of legislation along, and look forward to working with the Members to get this to be a reality, so that we can address this problem that is almost overwhelming in our country.

The SPEAKER pro tempore (Mr. GRAY of Illinois). The Chair would state that the gentleman from California [Mr. WAXMAN] has 9 minutes remaining, the gentleman from Mississippi [Mr. MONTGOMERY] has 3 minutes remaining, and the gentleman from New York [Mr. LENT] has 2 minutes remaining.

Mr. WAXMAN. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. SCHEUER], a member of the Subcommittee on Health and the Environment.

Mr. SCHEUER. Mr. Speaker, I thank the gentleman for yielding time to me.

The previous gentleman, the only doctor in the House, who has done a herculean job of putting this bill together and deserves the gratitude of all of the Members, made one remark that I wish to elaborate on.

The gentleman said that the AIDS virus does not distinguish between the rich and the poor and various ethnic and racial and national groups in our society.

That may be true, but there is a vast level of informational differences between these groups, knowledge differences between these groups, and therefore, increased vulnerability, vast differences in the vulnerability of these various people.

This AIDS dominance predominantly, not entirely, affects the poor, the unknowledgeable, people who have not learned to alter their behavior to protect their life and limb.

It is heavily involved not only in the homosexual community which, of course, is not poor. It goes through every aspect of our society, but for the IV drug users among us, the intravenous drug users is a major source of the transmission of this horrifying, awful disease.

IV drug users in this country tend overwhelmingly to be poor, tend overwhelmingly to be less well informed than the rest of the public; and I am sad to report, overwhelmingly minority.

Approximately 80 to 85 percent of all the infants that are born with AIDS are minority-group members, so our society has a terrible burden to bring knowledge and information, and all kinds of education programs to the poor among us, the minority community amongst us; and if this Commission can make that point, the importance of education, it will have served a very noble purpose.

Mr. LENT. Mr. Speaker, I yield the balance of my time to the gentleman from Utah [Mr. NIELSON].

Mr. NIELSON of Utah. Mr. Speaker, I thank the gentleman for yielding time to me.

I speak against the bill. I do not like the way it was handled in the Energy and Commerce Committee. It did go through the Committee on Veterans' Affairs in the proper manner. When the bill came to the Committee on Energy and Commerce it was assigned to the Subcommittee on Health and the Environment. The bill was not brought up there, but was instead brought to the full Committee on Energy and Commerce with no hearings. The bill was passed in that committee less than 1 hour ago. Obviously there is no report from the Committee on Energy and Commerce to consider along with the report from the Committee on Veterans' Affairs.

Several good amendments were offered by the gentleman from California [Mr. DANNEMEYER] in the Committee on Energy and Commerce and they were all defeated by a straight party vote.

It appears to me that we are duplicating in the area of AIDS commissions. We have a Presidential Commission just recently formed, and the Labor-HHS appropriations bill which is coming before the House tomorrow also has a commission. This is the third commission being set up to study the problem of AIDS. It may be an attempt by the Congress to counter the recent Presidential Commission.

I am all for studying all we can about AIDS, but I do not think we have to have duplicative commissions.

We need to make the good suggestions of my colleague from California [Mr. DANNEMEYER] to the President's Commission and not have a competing commission. I realize the Veterans' Administration is interested, because the Veterans' Administration hospitals could play a role, but that can be done with or without this bill.

Mr. Speaker, I, therefore, oppose the bill. It is an unnecessary expenditure of $2 million. If it is really urgent, as the gentleman from Indiana [Mr. BURTON] said, we should not allow the Commission 2 years to come back with a report.

It is much more urgent than that, and if this Commission is formed, we should direct the Commission to report back much earlier.

Some good amendments could be made to this bill; but since it is on the suspension calendar with no opportunity for amendment, and no opportunity for hearings of any kind, I think it should be defeated at this time and reworked with proper amendment.

Mr. BURTON of Indiana. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. PURSELL].

Mr. PURSELL. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I wanted to move along with the gentleman in respect to the same problem I see here. The left hand does not know what the right hand is doing.

Here we have a bill today without study and review by most of the Members in the House, and it establishes a new commission.

I want to inform the Members today that tomorrow the Labor-HEW appropriation bill will be before this House, which establishes a commission. Obviously, historically we know for a fact that the President has a commission.

I do not know what is going on between the committees, but obviously there is not much communication here between various statutory and jurisdictional committees, when we are establishing a commission to look at a very important issue.

It illustrates how fast this Government is going and how fast this AIDS appropriation is moving up, and tomorrow it will move to $970 million, almost $1 billion in 1 year.

I do not know if the agencies can spend it that well. That is a judgment that we are all going to have to evaluate in the next fiscal year; but for the establishment of a commission, I think we ought to step back for a moment, take a look at where we are going in terms of the congressional efforts and the executive effort in trying to work out an appropriate single voice, a commission that can look at this issue.

Mr. HOYER. Mr. Speaker, will the gentleman yield?

Mr. PURSELL. I yield to the gentleman from Maryland.

Mr. HOYER. Mr. Speaker, I thank the gentleman for yielding.

The gentleman from Michigan and I have the opportunity of serving on the Labor, Health and Human Services and Education Subcommittee of the Committee on Appropriations, and I want to assure the gentleman, as one who has participated in the task force, and discussed this issue with the gentleman from Georgia [Mr. ROWLAND], and other cosponsors of it on both sides of the aisle, that I did bring to the gentleman's attention, the advisory committees that we have established in our report language, not in the bill, as the gentleman knows, to the Secretary and to the Directors of NIH and CDC.

We are cognizant of that, and we believe that this will be a complementary effort and not a contradictory effort.

Mr. PURSELL. Mr. Speaker, I think that is appropriate, and I have used those words myself, complementary, not confrontational or going in opposite directions.

Obviously, from the commonsense standpoint with three standing commissions going on, we are going to have some fundamental policy debate, discussions that are not unified in terms of speaking in one voice.

It gets to look like a foreign policy issue here in which every Member speaks on behalf of foreign policy, and I do think that is counterproductive in trying to get a single voice on addressing a comprehensive issue so big and complex fiscally, educationally, as well as research wise, that I think this is a mistake to establish these commissions without working together in a more unified way to establish one full commission with one voice to look at the research and education and problems that lie within this AIDS problem.

Mr. WAXMAN. Mr. Speaker, I yield 2 minutes to the gentlewoman from Maryland [Mrs. BYRON].

Mrs. BYRON. Mr. Speaker, I thank the gentleman for yielding me this time.

I rise today in support of H.R. 2881, the National Commission on AIDS Act. As we all know by now, AIDS has become a deadly epidemic that is affecting the lives of American families across this Nation in the severest of terms. It is a disease which will inevitably touch the lives of every one of us—the recent death of our colleague, Stewart McKinney is a testament to that fact. It will refocus our priorities in the delivery of health care, prevention, and the allocation of Federal dollars for health research. There is no cure for this disease, and it appears that a cure may not be found for perhaps a decade according to some medical experts. That is why I think the work of the Commission proposed in this legislation is so important. Congress needs to be informed about this very important health issue so that it can make the correct choices devoid of panic or intolerance. The American public will expect Congress to above all, act responsibly in developing a comprehensive and bipartisan effort to combat AIDS. A comprehensive AIDS policy will also be one which evolves over time as we learn more about this disease. The Commission in this respect will be an invaluable tool.

One change which I would recommend to the current legislation would be to have a representative from the Department of Defense on the Commission.

As the chairman of the House Armed Services Personnel and Compensation Subcommittee, which has jurisdiction over the welfare of the men and women who serve this country, I can tell you that the Department of Defense has become essentially the lead Federal agency in the development of a comprehensive AIDS counseling and testing policy. There is a lot we can learn from them since DOD has had a testing policy in effect for over a year now and is currently in the process of expanding their testing base. I am hopeful that the gentleman from Georgia, along with the gentleman from California will work for this change when the bill is considered by the other body.

□ 1350

As the chairman of the Armed Services Committee on Personnel and Compensation, which has jurisdiction over the welfare of the men and women who serve this country, I can tell you that the Department of Defense has become essential in the lead as a Federal agency in the development of a comprehensive AIDS counseling and testing policy. There is a lot we can learn from them, since DOD has a testing policy in effect for over a year now and is currently in the process of expanding their testing base.

Mr. Speaker, I am hopeful that the gentleman from Georgia, along with the gentleman from California, will work for this change when the bill is considered in the other body. I want to commend them for the swiftness with which they have moved forward with this legislation.

Mr. MONTGOMERY. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, charges have been made that there have been no hearings on this legislation. I would like to try to explain that there have been hearings on this topic during which our Members discussed extensively the need for this legislation. If the gentleman on the other side would like to see the report written by the Veterans' Affairs Committee, on this Commission legislation, I will be glad to share a copy with him. Also, there is a task force that was appointed by the Speaker to look into AIDS with the gentleman from California [Mr. WAXMAN] and myself and the gentleman from Maryland [Mr. HOYER] was the chairman, we met a number of times.

In defense of the gentleman from California [Mr. WAXMAN], they were waiting on the Veterans' Affairs Committee to move with this legislation, which we did introduce at first, so there have been hearings.

I feel comfortable with what we are doing today. It is a terrible disease. We are trying to move ahead to solve some of the problems that we have.

If any of the other gentlemen would like to look at this report in detail, they spell out the problems that the gentleman was asking about.

The SPEAKER pro tempore. The time of the gentleman from Mississippi has expired.

Mr. MONTGOMERY. Mr. Speaker, I yield myself an additional 30 seconds.

Mr. NIELSON of Utah. Mr. Speaker, will the gentleman yield?

Mr. MONTGOMERY. I am happy to yield to the gentleman from Utah.

Mr. NIELSON of Utah. Well, Mr. Speaker, I said that I knew it has been handled properly in the Veterans' Affairs Committee. My point was about the Energy and Commerce Committee, which held no hearings, either in the subcommittee or in the full committee, and in fact did not even write a report before it was on the floor.

Mr. MONTGOMERY. Well, we tried to make a bipartisan report. It could be some of our fault. We were working through the task force, working with the gentleman from California [Mr. WAXMAN]. He was on top of the situation. We do have a good report.

Mr. NIELSON of Utah. Mr. Speaker, I thank the gentleman.

Mr. MONTGOMERY. Mr. Speaker, I yield 1 minute to the gentleman from Georgia [Mr. ROWLAND].

Mr. ROWLAND of Georgia. Mr. Speaker, may I say to my good friend, the gentleman from Utah, that I do not find it to be contradictory of the President's Commission and this one. In fact, I think they are complimentary.

There are some differences that exist between the Presidential Commission and this Commission. The President's Commission reports at the end of 1 year and then terminates. This Commission reports at the end of 1 year and then reports at the end of an additional year and this President has the prerogative for 2 additional years.

It is my feeling that people who serve on a commission should not be discharged at the end of a year, come back and start over with new people, because necessarily AIDS is something that is going to be continuing. It is going to be changing. To have those people on that Commission who are knowledgeable so that they can carry on in a continuous manner the efforts they are making, and additionally, the President's Commission reports to the President. It does not report to the Congress. It reports to the Secretary of HHS and then to the Congress.

This Commission reports to the President and to the Congress.

We tried to make it bipartisan. We tried to make it nonpolitical. I think it is going to be perceived in that way.

I just wanted to give this information to my good friend, the gentleman from Utah.

Mr. WAXMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN of Michigan. Mr. Speaker, last year, the Institute of Medicine and the National Academy of Sciences issued its report calling for the establishment of a National Commission on AIDS.

The IOM report disclosed significant gaps in the efforts being directed against the AIDS epidemic and in the employment of the Nation's resources. In the areas of research, health care, public health measures, public education, health care finance, social services and civil rights, both in this country and internationally, the IOM report stressed the need for cohesiveness and strategic planning.

It went on to recommend that this National Commission should be able to engage all of the diverse public and private resources that can be brought to bear on HIV-associated problems. It must be sufficiently independent to give critical advice to participants in these efforts. It should have sufficient national and international stature and credibility for its advice to command the attention of participants * * * [and] * * * it should not be created within the administrative structure of the Federal executive branch.

The President's Commission, named 2 weeks ago, can make a positive contribution to our effort to combat AIDS. However, it cannot provide the full coordination and expertise called for in the IOM Committee report.

This bill, H.R. 2881 does follow the IOM-NAS recommendations. It establishes a 15-member Commission, a majority of whom must be recognized experts in the medical, legal, and ethical issues surrounding AIDS. This Commission will make recommendations to the President and Congress for national policies and priorities for AIDS research, testing, treatment, prevention, transmission, and public education. It will also recommend the appropriate roles for Federal, State and local governments and the private sector, as well as coordination of U.S. efforts with those of international organizations. Members will be appointed by the President and Congress, again, with an emphasis on their training and expertise on AIDS issues.

Mr. Speaker, this National Commission on AIDS will help us achieve what we need—a national policy on AIDS. This Nation must take the lead in finding a cure for AIDS, in stopping its spread, and in treating its victims with compassion and quality care. We must marshall all our resources toward that vital end. I commend the sponsor of this bill, Mr. ROWLAND, and the support of Chairman DINGELL, Mr. MONTGOMERY, and Mr. WAXMAN in bringing it to the floor. I urge my colleagues to vote for this important bill.

Mr. BURTON of Indiana. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, some of the arguments that have been made I take very strong issue with.

First of all, let me say that the amendments that Congressman DANNEMEYER of California proposed in the committee this morning, I agree with all of them. I wish they had been adopted, but I do not believe because they were not adopted that this Commission should be stopped, or the formation of this Commission should be stopped by this body today. I think it is extremely important that we have as many agencies working on this problem as possible.

You know, when we talk about fighting AIDS and looking for a scientific solution to this, we do not ask just one scientific body to do research. We try to get as many well-qualified scientists as we can possible find to research this virus, to try to come up with a vaccine for it, as is humanly possible, and to indicate that only one commission is going to be able to come up with a solution to this from an executive or legislative or scientific standpoint I think is ridiculous.

Nobody has a monopoly on this. Nobody is omnipotent.

I think it is extremely important that we get more and more attention focused on this. That is one of the main reasons why I think this Commission should be established. I think it should be done in a bipartisan way.

I commend the gentleman from Georgia for attempting to do that with this legislation.

Policy debate between various commissions may be very good. You know, Dr. Koop has made many statements with which a lot of scientists disagree. There are scientists who believe that this disease is communicated through casual contact. We had three nurses who got the AIDS virus by having blood splashed on them, and yet Dr. Koop has said it cannot happen that way. We have heard people say that you cannot get it through deep kissing, and yet we know that there are people who have gotten it, and we believe the only way they could have received it was through kissing, as with an older couple, an elderly couple. The husband had it and the only contact he had with his wife was through kissing and she got the disease.

In short, I think because there is disagreement in the scientific community and because we have a scientific commission being established, we have a Presidential Commission being established and now we are going to have a legislative commission being established, we are going to come at this from various points of view. I think that kind of discussion and debate is going to be very healthy for coming up with a solution to this problem.

I would urge all my colleagues on both sides of the aisle to put aside any partisan differences that they might have and come together on this legislation. It is extremely important and I urge everyone to vote for it.

Mr. MONTGOMERY. Mr. Speaker, will the gentleman yield?

Mr. BURTON of Indiana. I am happy to yield to my colleague, the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Speaker, I believe the gentleman would agree that this Commission that we are talking about today will really get the Congress involved. The other commissions really do not get us totally with it.

Let me point out that tomorrow, as I understand it, there will be $1 billion of new money going to AIDS in the appropriations bill that will come up tomorrow. However, Congress would not be involved beyond appropriating money unless we come up with this type of commission, so I think it is absolutely important that we pass this legislation today.

Mr. BURTON of Indiana. Well, Mr. Speaker, I thank the gentleman for his contribution. I agree with him.

You know, we have 435 Members of this body and 100 Members of the other body. I will tell you from personal conversations with many of them, they are not very conversant with the problems we are facing with AIDS.

Congressman DANNEMEYER, myself and a few others in this body, have really worked on it for over a year. I think the more education we give the Members of this body and the other body, the better off we are going to be when we have to appropriate more money or come up with other legislative action to deal with this problem. So I think this Commission is very important and I hope that everyone will support it.

Mr. WAXMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland [Mr. HOYER].

(Mr. HOYER asked and was given permission to revise and extend his remarks.)

Mr. HOYER. Mr. Speaker, I thank the chairman for yielding.

I want to rise in very strong support of this legislation. I am pleased with the bipartisan support that it has and the bipartisan leadership that has brought it to the floor.

I particularly want to congratulate our doctor in the House, the gentleman from Georgia [Mr. ROWLAND], who has been the chief sponsor of this legislation and who has been a key factor in bringing together such a cosmopolitan group of people from all over the country, from all philosophical spectrums of the House, to focus in on probably the chief health problem confronting not only this country, but indeed the world.

I am hopeful that we will overwhelmingly support this piece of legislation.

As I discussed with the distinguished gentleman from Michigan [Mr. PURSELL], there are other efforts being made. The President is making a very useful and worthwhile effort in terms of focusing on possible solutions.

I agree fully with the gentleman from Indiana that it is important that we bring a broad spectrum of views to bear on this issue.

The gentleman from Georgia and the cosponsors on that legislation have devised legislation which will now incorporate the President, the minority leader and the Speaker, the majority leader and the minority leader in the Senate, in forming a commission that will be able to advise us and indeed, as the gentleman from Michigan has pointed out, the Labor-Health Subcommittee of the Appropriations Committee has recommended and directed indeed that the Directors of ADAMHA, NIH, and CDC appoint their own advisory committees to advise them on the administration of this money that we will be appropriating tomorrow, a sum of $945 million, a dramatic increase in dollars being directed toward the solution of this terrifying, complex, confusing, fearful disease.

So I think it is appropriate that we pass this legislation as quickly as possible so that the appropriate authorities can appoint this particular Commission and it can start to focus on how best we can apply the resources of this Nation to overcome this devastating problem.

PERMISSION FOR COMMITTEE ON ENERGY AND COMMERCE TO FILE REPORT ON H.R. 2881

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that the Committee on Energy and Commerce may have 5 legislative days in which to print its report on this bill, H.R. 2881, in the RECORD, including minority, dissenting, and supplemental views.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MONTGOMERY. Mr. Speaker, I just repeat again what I said earlier, that this Commission does get the Congress involved. That is the way it should be. I hope we will get strong support from Members of Congress.

GENERAL LEAVE

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on this legislation, H.R. 2881.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WAXMAN. Mr. Speaker, I yield 1 minute to my colleague, the gentleman from California [Mr. LEVINE].

□ 1405

Mr. LEVINE of California. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in strong support of H.R. 2881, which will establish a National Commission on AIDS. I also want to commend my distinguished colleague, the gentleman from Georgia, who sponsored this legislation, and the honorable chairman of the Energy and Commerce, and Veterans' Affairs Committees, and the chairman of the Subcommittee on Health for their work on this important bill. The Commission established by this legislation will be charged with addressing some of the most difficult medical, social and legal issues confronting our Nation.

AIDS is the most serious public health challenge facing our society. The Surgeon General has estimated that about 1.5 million Americans have been exposed to the AIDS virus. Of these, 100,000 to 200,000 people will develop AIDS or ARC. At this time, there is no known cure for AIDS, and according to the best estimates, it will take several years to develop and test a vaccine. The medical community is continuing its search for a treatment for AIDS and the accompanying opportunistic infections and cancers. Congress is moving to address this need, and Federal funding for AIDS research has increased from $200,000 in fiscal year 1981 to the current estimate of $415,575,000 in fiscal year 1987. Yet, there is still much to be accomplished.

AIDS presents difficult social and legal questions as well. By the year 1991, an estimated 156,000 AIDS victims will need health care services costing somewhere between $8 to $16 billion. Congress and the public will be confronting the question of financing medical and long-term care for AIDS and ARC victims. Other issues including the scope of preventative education, counseling and testing programs, and discriminating issues must be revised and considered carefully.

H.R. 2881 would establish a national commission to review and recommend policies addressing these questions. The 15-member Commission proposed in this legislation would be composed of experts from medicine, law and ethics, and the executive and legislative branches of Government. This Commission will have the best opportunity to pool knowledge and expertise to formulate key recommendations for Congress, the President, and the Nation in addressing the challenge presented by AIDS.

The National Commission proposed by this legislation will rely on the expertise rather than political or philosophical ideology of its members to address the AIDS crisis. Congress and the President will have the opportunity to bring together the most qualified experts in this field.

I urge my colleagues to support this timely and desperately needed legislation.

Mr. SOLOMON. Mr. Speaker, I rise, as ranking member of the Veterans' Affairs Committee in strong support of H.R. 2881, as amended, to establish a National Commission on Acquired Immune Deficiency Syndrome. The AIDS outbreak, now officially an epidemic, has confronted the world with a deadly new disease which is incurable. The reaction to it has ranged from extreme indifference to extreme hysteria. And as the debating goes on, this killer disease spreads and claims new victims.

In the midst of all this, Dr. ROY ROWLAND of Georgia, a member of the Veterans' Affairs Committee who serves on the Hospitals and Health Care Subcommittee, has calmly and quietly drawn together support for a commission which would consider and recommend a bipartisan national approach to AIDS. He has recognized the need to end the debating and establish a widely accepted national approach to AIDS. H.R. 2881 could be a major step toward such a comprehensive policy on AIDS. The benefit would be enormous, not only for veterans, but for the entire country.

The Veterans' Administration, with its health care system of 172 hospitals, is playing a major role in caring for AIDS patients and in AIDS research. The VA has medical research capabilities which are surpassed only by the National Institutes of Health, and the VA has world renowned medical researchers, including two Nobel prizewinners. Many important medical advances have come from the VA, including inplantible heart pacemakers and the remarkable Seattle foot, a prosthetic foot made of high technology materials which enables amputees to run again.

Because of the VA's activities in health care and research, the Veterans' Affairs Committee is a logical one in which to originate this type of legislation. The Committee on Energy and Commerce, to which the bill was jointly referred, has also reported the bill, so it has had appropriate committee scrutiny.

The Commission would have 15 members with 5 appointed by the President; 5 appointed by the Speaker with 2 appointed upon recommendation of the minority leader; and 5 appointed by the President pro tempore of the Senate, with 3 of the 5 recommended by the majority and 2 by the minority. I believe this approach, which includes both the executive and legislative branches, would ensure that the Commission's recommendations would receive serious attention. The expertise of the Commission members required by the bill, which Mr. MONTGOMERY has described, would also enhance the Commission's credibility.

The problem confronting the Nation is not so much a lack of action with respect to AIDS, as it is a lack of direction. Once we have a comprehensive national policy, probably much more in the way of resources should be devoted to AIDS prevention, treatment, and research.

The AIDS epidemic is very, very serious, and we'd better be realistic. It is going to take a large investment of resources, very likely for a long time.

Let's look at cancer research, for example. After years of worldwide research efforts by some of the best scientific minds, and after the investment of hundreds of millions of research dollars, much progress has been made, but there is still a long way to go. I hope I am proven wrong, but with AIDS we had better expect and plan for something like the protracted battle against cancer, rather than for something like the triumph of the vaccine against polio.

Mr. Speaker, on July 28, 1987, this body passed the Atomic Veterans Compensation Act, H.R. 1811, which Dr. ROWLAND authored, and now our committee has advanced a second Rowland bill, H.R. 2881. My distinguished colleague from Georgia deserves the highest possible praise and recognition for his dedication to veterans and his initiatives in their behalf.

Mr. MONTGOMERY, chairman of the full committee and of the Subcommittee on Hospitals and Health Care, and Mr. HAMMERSCHMIDT, ranking member of the subcommittee, have given this legislation the crucial bipartisan backing it needed and have brought it to the floor. I commend them for their sensitivity to the difficult issues addressed by this bill.

Also, our distinguished colleague, Mr. DINGELL, the able chairman of the Committee on Energy and Commerce, and the equally able ranking member of that committee, Mr. LENT, have helped smooth the way for the bill in their committee. Without their essential cooperation, we would not be on the floor today considering a National AIDS Commission.

Mr. Speaker, H.R. 2881 is worthy of the vote of every single Member of this body, and I urge its passage.

Ms. PELOSI. Mr. Speaker, I rise in support of H.R. 2881, a bill to create a national commission on AIDS. This bill would call upon our most qualified scientific and medical professionals to assist the Congress in setting the national agenda for responding to the medical and psychological crisis of AIDS. The Commission created by this legislation would include a minimum of eight scientific and medical experts. This is exactly the expertise that is needed in this time of crisis.

I believe that AIDS must be our Nation's top health priority. While nearly 40,000 Americans have already been diagnosed with AIDS, over a milion other Americans are infected with the AIDS virus. For these quietly desperate citizens, scientific and medical discoveries are the only hope. Today, we as a Nation are once again looking to our most precious resource of talented scientists to help end this nightmare.

Last fall, the National Academy of Sciences Institute of Medicine released a comprehensive report entitled confronting AIDS. To date, this is the most thorough, intelligent and reassuring document yet presented on AIDS. Its ressurance does not arise from any predictions of an early end to the crisis, or because it tells people not to worry about the devastation that this epidemic will bring. It does neither of these things. The report is reassuring because it is grounded in science. It calmly and rationally lays out what must be done to respond to this vicious, slow-moving virus which has destroyed so many lives, not only in the United States, but also throughout the rest of the world.

One of the recommendations in the National Academy of Sciences report was the formation of a national commission on AIDS which would guide the way to research priorities, as well as advise the Congress on rational, rather than irrational public policy. H.R. 2881 is based on the model recommended by the National Academy of Sciences. By enacting this measure, we can move forward. We must.

This bill also gives increased and well-deserved attention to the role of the Veterans' Administration hospitals in basic research as well as the care and treatment of people with AIDS. Clearly we must involve all of our relevant medical and scientific resources in this battle. The Veterans' Administration hospital system must be a vital part of the national effort to respond to AIDS. Hearings this month in California, chaired by our esteemed colleague from Georgia, Dr. Rowland, will give an added focus to this need. I applaud this effort.

We are now at a crossroads in the battle against AIDS. This legislation can help. We need the best research, prevention efforts and health care delivery system that our Nation can produce. We need our best scientists and medical professionals to guide our public policy debate. I urge my colleagues to vote yes on H.R. 2881. Thank you.

Mr. SYNAR. Mr. Speaker, this week my colleagues and I introduced legislation (H.R. 3071) to establish the first national policy governing AIDS testing. I am also cosponsor of a bill (H.R. 2881) to establish a National Commission on AIDS.

Polls indicate that acquired immune deficiency syndrome [AIDS] has become the highest priority health concern of the American people. 35,000 cases have been reported in the United States and 20,000 Americans have died from AIDS-related conditions. It is estimated that 1.5 million people in the United States—5 to 10 million worldwide—are infected with the HIV virus that causes AIDS. The U.S. Public Health Service has projected that by 1991 there may be 323,000 reported patients with AIDS in the United States and as many of 200,000 will have died.

Given the growing dimensions of this public health crisis, it is imperative that a national policy be established to attain the goals of prevention, treatment, and a cure. Until a cure is found, prevention and control of the disease must be an essential part of that policy. For the time being, the most effective weapon for fighting AIDS is education. I see AIDS testing and counselling as part of the educational process.

Testing alone will not stop the spread of AIDS. Transmission of the virus can be controlled only with the cooperation of the tested persons. So if testing is to be effective, it must be carried out within a voluntary context and in conjunction with counselling so that the people being tested will be motivated to avoid high-risk behavior.

Nearly all public health and medical officials agree that mandatory testing would be counterproductive because it would drive away the very people whom medical authorities most want to reach. Without assurance of confidentiality and protection against discrimination, people who need the counselling most will not come forward to be tested.

The legislation I have cosponsored would establish a national policy governing AIDS testing. This policy is based on the best expert information available at this time and on the extensive experience of public health officials dealing with AIDS. It is carefully balanced to take into consideration public concern for persons with AIDS and those infected with the HIV virus along with a concern for those who do not have the disease but may become infected.

I believe that this legislation will address the public's concern about AIDS testing in a way that will reach the most people, encourage infected persons to cooperate, and educate people to modify behavior that places them at risk of transmitting or acquiring the HIV virus.

H.R. 3071 would:

Establish the first national policy governing AIDS testing;

Expand testing for the AIDS virus on a voluntary basis;

Insure confidentiality and strict civil rights guarantees;

Authorize Federal grants to existing health care facilities;

Require extensive counselling before and after testing;

Allow doctors to inform spouses or sexual partners of risk;

Inform blood banks if necessary for safety of blood supply; and

Prohibit discrimination against infected individuals.

This legislation recognizes that the most effective way to prevent AIDS is education because it encourages people to modify behavior that leads to the transmission of the HIV virus. Testing and counselling is part of that effort. Of course, abstinence and monogamy are the safest ways to avoid contracting the disease and should be encouraged. However, widespread education is needed, particularly for those whose behavior puts them at risk. While the threat to public health is a crucial issue, so is the threat to privacy and civil liberties posed by a reckless policy of widespread mandatory testing. Voluntary testing with counselling will be made widely available to all who chose to participate. I am convinced that this legislation will provide us with an effective means of controlling the spread of AIDS.

I have also joined with my colleagues in Congress to sponsor a bill (H.R. 2881) to establish a National Commission on AIDS. This legislation would set up a bipartisan commission of experts to advise Congress in the continuing development of a national public policy regarding AIDS.

The Commission would include 15 members: 5 (including the Secretaries of Health and Human Services and Veterans' Affairs) to be appointed by the President, 5 members chosen by the House of Representatives, and 5 by the Senate. The Democratic and Republican leadership in both houses would be involved in the appointments so the Commission will be truly bipartisan. AIDS is not a partisan disease.

This year it will be 6 years since the first report of the malady we now call AIDS. Since then, Surgeon General C. Everett Koop has said repeatedly that "our only weapon is education." In the meantime, we have spent more time fighting about the disease than fighting the disease itself. We have probably heard more about AIDS feuds than AIDS facts. I am sponsoring H.R. 3071 and H.R. 2881 because I want the American people to know the facts that will enable us to prevent, treat, and eventually find a cure for AIDS.

Mr. HAMMERSCHMIDT. Mr. Speaker, I rise, as ranking member of the Subcommittee on Hospitals and Health Care, in strong support of H.R. 2881. As one of the original sponsors of this measure, I believe it is imperative for this Nation to act quickly and effectively to combat AIDS.

In his recent speech before the American Foundation for AIDS Research, President Reagan indicated it was vitally important that Americans face squarely a disease that is now not only fatal, but spreading. He also said that it calls for urgency and not panic, for compassion and not blame, and that our Nation should not reject those who have the disease, but should care for them with dignity and kindness. I couldn't agree more fully with the President's remarks.

As the Nation's largest health care provider, the Veterans' Administration should play a major role in AIDS education, treatment, and research. In addition to establishing an AIDS Commission, this legislation would require the VA's Administrator to prepare a synopsis of all medical research worldwide on AIDS.

The administration is in an ideal position for this task, because the VA has a vast research organization within its hospital system, which is itself actively pursuing AIDS research. The synopsis would be due 90 days after the date of enactment, and would be extremely useful for anyone concerned about AIDS.

I commend Dr. Roy Rowland for the leadership he has displayed by introducing H.R. 2881 to address this most serious of problems. My good friend of many years, SONNY MONTGOMERY, who is, of course, our chairman, and my distinguished successor as ranking member of the full committee, JERRY SOLOMON, have both spared no effort on this measure. I commend them, too, along with the leadership of the Commitee on Energy and Commerce.

JOHN DINGELL, its chairman and NORMAN LENT, its ranking member, have both given the Committee on Veterans' Affairs their complete cooperation so that there would be no delay in floor consideration of this bill.

I join with my colleagues in urging House approval of this vital legislation.

Mr. GILMAN. Mr. Speaker, I rise in strong support of H.R. 2881, a bill establishing a National Commission on Acquired Immune Deficiency Syndrome [AIDS]. I would like to commend the gentleman from Georgia [Mr. ROWLAND], the distinguished chairman of the Veterans' Affairs Committee, Mr. MONTGOMERY, and my colleague from New York, the ranking minority member of the Veterans' Affairs Committee, Mr. SOLOMON, for the leadership they have provided in bringing this measure before us today.

H.R. 2881 establishes a commission to complement the President's Commission to study and recommend legislation to combat the AIDS disease. This legislation ensures that Congress in integrally involved in the attempt to halt the spread of this disease and coordinate scientific efforts to discover an effective antidote. This Commission will have 15 members, 5 of which will be appointed by the President, 5 by the House of Representatives, and 5 by the Senate. In each of the Chambers of Congress, the majority leader in each body will appoint three of the five Commission members, and the minority leader in each body will appoint two of the five members. This proposal emphasizes appointing experts from appropriate fields to make it as bipartisan a commission as possible. The Commission will be required to make its recommendations to the President, Congress, and other appropriate policymaking agencies.

We cannot do enough to combat the AIDS epidemic. Although the Surgeon General, Dr. C. Everett Koop, has stated "We've learned as much about AIDS in 6 years as we know about polio in 40 or whooping cough in 200 years," we are still far from every knowledgeable about this disease. Moreover, a great amount of confusion and fear exists among the public in regard to AIDS. This panel will be instrumental in pulling together what is known about AIDS and serving as a forum in which a rational, bipartisan policy can be formulated.

Mr. Speaker, the cost of this Commission over its projected 2-year life span is $2 million. Given the gravity of the AIDS situation and the potential benefit of a focused national policy which the Commission promises, I believe this cost to be a relatively inexpensive investment in our Nation's battle against AIDS. Accordingly, I urge my colleagues to join in support of H.R. 2881, in order to continue our efforts on the Federal level to combat AIDS.

Mr. RANGEL. Mr. Speaker, we are today confronted by an enemy which threatens our national health and well-being. That enemy is AIDS, the acquired immune deficiency syndrome. This pernicious disease affects men, women, and children.

An effective response to this national health crisis will require a united front. We will need the expertise and resources of the private and public sectors including all levels of government. At the Federal level, such an offensive will demand the support of the Congress and the executive branch. For this reason, I support H.R. 2881, which would establish a National Commission on Acquired Immune Deficiency Syndrome.

Already the Centers for Disease Control has reported more than 38,000 cases of AIDS. These figures, however, only indicate the most severe manifestation of the disease. The CDC has estimated that 1.5 million Americans are infected with the virus. These individuals are assumed to be capable of spreading the virus sexually or by sharing needles, syringes, or other instruments of intravenous drug use.

As chairman of the Select Committee on Narcotics Abuse and Control, I am particularly concerned about the relationship between AIDS and intravenous drug use. Seventeen percent of AIDS cases are attributable to intravenous drug abuse. Another 8 percent of AIDS cases are homosexual males who are intravenous drug users. Moreover, intravenous drug abuse is the primary source of AIDS among women and children. Fifty percent of women with AIDS are intravenous drug users.

The second largest group of women at risk are the sexual partners of intravenous drug users. Among the more than 500 pediatric AIDS cases, 80 percent of the maternal transmission cases are children of intravenous drug users.

Combating the AIDS epidemic requires a national policy. The formulation of such a policy will raise a variety of complex questions and involve the accommodation of competing values and priorities. We will be forced to resolve a number of complicated and controversial public health, legal, economic, and research issues.

H.R. 2881 provides for a National Commission to consider and make recommendations on national policy and priorities with respect to AIDS research, testing, confidentiality of test results, treatment and care of AIDS patients, prevention of transmission, and education regarding AIDS. The Commission would also consider the appropriate roles to be played by Federal, State, and local government, as well as the private sector.

Perhaps equally important is the fact that the Commission proposed in H.R. 2881 would reflect a joint effort by the President and the Congress. Five members of the Commission would be appointed by the President; five would be appointed by the Speaker of the House, two of these members would be appointed on the recommendation of the minority leader; and five members would be appointed by the President pro tempore of the Senate, upon the recommendation of the majority leader, with two of the members appointed on the recommendation of the minority leader. The formulation of a national AIDS policy is a shared responsibility, and the organization of the Commission reflects this reality.

Moreover, eight members of the Commission will be experts in the areas of medicine, science, law, and ethics. This should ensure a national policy that addresses the multitude of complex issues raised by the AIDS problem in an impartial and expert manner.

I recognize that the President has appointed a Presidential Commission on the Human Immunodeficiency Virus. The Commission proposed in H.R. 2881 neither duplicates nor conflicts with the Presidential Commission. Rather, the proposed National Commission on Acquired Immune Deficiency Syndrome will complement this effort.

H.R. 2881 also requires that the National Commission issue a comprehensive report, no later than 1 year after the Commission is fully constituted. A final report is required no later than 2 years after the date of constitution. This report will help direct the efforts of the President, Congress and appropriate Federal agencies; $2 million is authorized to carry out the responsibilities of the Commission.

In conclusion, I believe that such a Commission is the appropriate vehicle to determine our national AIDS policy. Therefore, I am proud to support passage of this legislation.

The SPEAKER pro tempore (Mr. GRAY of Illinois). The question is on the motion offered by the gentleman from Mississippi [Mr. MONTGOMERY] that the House suspend the rules and pass the bill, H.R. 2881, as amended.

The question was taken.

Mr. DANNEMEYER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 355, nays 68, not voting 10 as follows:

[Roll No. 297]

YEAS—355

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Baker
Ballenger
Barnard
Barton
Bateman
Bates
Beilenson
Bennett
Bentley
Berman
Bevill
Biaggi
Bilbray
Bilirakis
Bliley
Boehlert
Boggs
Boland
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Broomfield
Brown (CA)
Brown (CO)
Bruce
Bryant
Buechner
Bunning
Burton
Bustamante
Byron
Callahan
Campbell
Cardin
Carper
Carr
Chandler
Chapman
Chappell
Clarke
Clay
Coelho
Coleman (MO)
Coleman (TX)
Collins
Conte
Conyers
Cooper
Courter
Coyne
Craig
Crockett
Darden
Davis (MI)
de la Garza
DeFazio
Dellums
Derrick
DeWine
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Dowdy
Downey
Duncan
Durbin
Dwyer
Dymally
Dyson
Eckart
Edwards (CA)
Emerson
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flake
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Frost
Gallegly
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Gradison
Grandy
Grant
Gray (IL)
Gray (PA)
Green
Guarini
Gunderson
Hall (OH)
Hamilton
Hammerschmidt
Harris
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Hertel
Hochbrueckner
Holloway
Hopkins
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Konnyu
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lipinski
Lloyd
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken, Thomas
MacKay
Madigan
Manton
Markey
Martin (NY)
Martinez
Matsui
Mavroules
McCloskey
McCurdy
McDade
McEwen
McHugh
McMillan (NC)
McMillen (MD)
Meyers
Mfume
Mica
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Moakley
Molinari
Mollohan
Montgomery
Moody
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal
Nelson
Nichols
Nowak
Oakar
Oberstar
Olin
Ortiz
Owens (NY)
Panetta
Parris
Pashayan
Patterson
Pease
Pelosi
Perkins
Petri
Pickett
Pickle
Porter
Price (IL)
Price (NC)
Quillen
Rahall
Rangel
Ravenel
Ray
Regula
Richardson
Ridge
Rinaldo
Roberts
Robinson
Rodino
Roe
Rogers
Rose
Rostenkowski
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schneider
Schroeder
Schuette
Schulze
Schumer
Sharp
Shaw
Shuster
Sikorski
Sisisky
Skaggs
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (NJ)
Smith, Robert (OR)
Snowe
Solarz
Solomon
Spence
Spratt
St Germain
Staggers
Stallings
Stark
Stenholm
Stokes
Stratton
Studds
Stump
Sundquist
Swift
Swindall
Synar
Tauke
Tauzin
Thomas (CA)
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Upton
Valentine
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weiss
Weldon
Wheat
Whittaker
Williams
Wilson
Wise
Wolf
Wolpe
Wortley
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)

NAYS—68

Archer
Armey
Badham
Bartlett
Bereuter
Boulter
Cheney
Clinger
Coats
Coble
Combest
Coughlin
Crane
Dannemeyer
Daub
Davis (IL)
DeLay
Dickinson
Dreier
Early
Edwards (OK)
Frenzel
Gregg
Hall (TX)
Hansen
Hastert
Henry
Herger
Hiler
Houghton
Inhofe
Johnson (CT)
Kemp
Latta
Lightfoot
Lukens, Donald
Lungren
Mack
Marlenee
Martin (IL)
Mazzoli
McCandless
McCollum
McGrath
Michel
Moorhead
Nielson
Obey
Oxley
Packard
Penny
Pursell
Rhodes
Roth
Sensenbrenner
Shumway
Skeen
Smith (NE)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Stangeland
Sweeney
Taylor
Vander Jagt
Vucanovich
Walker
Weber

NOT VOTING—10

Boner (TN)
Daniel
Hunter
Livingston
Owens (UT)
Pepper
Ritter
Roemer
Tallon
Whitten

☐ 1420

The Clerk announced the following pair:

On this vote:

Mr. Pepper and Mr. Tallon for, with Mr. Roemer against.

Messrs. GREGG, WEBER, BARTLETT, and SMITH of New Hampshire changed their votes from "yea" to "nay."

Mr. TAUKE and Mr. SKAGGS changed their votes from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

APPOINTMENT OF CONFEREES ON HOUSE JOINT RESOLUTION 324, STATUTORY PUBLIC DEBT LIMIT INCREASE

Mr. ROSTENKOWSKI. Mr. Speaker, pursuant to clause 1 of House rule XX and by direction of the Committee on Ways and Means, I move to take from the Speaker's table the joint resolution (H.J. Res. 324) increasing the statutory limit on the public debt, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

MOTION OFFERED BY MR. ROSTENKOWSKI

The SPEAKER. The Clerk will report the motion.

The Clerk read as follows:

Mr. ROSTENKOWSKI moves to take from the Speaker's table House Joint Resolution 324, with Senate amendment thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. The gentleman from Illinois [Mr. ROSTENKOWSKI] is recognized for 1 hour.

Mr. ROSTENKOWSKI. Mr. Speaker, this motion simply allows the House to go to conference with the Senate on the long-term debt limit extension and their Gramm-Rudman revisions. The House bill was a clean debt limit extension. The Senate amendment reinstates the automatic trigger under Gramm-Rudman and contains other budget process reforms. I know that Members have strong feelings about this subject. Reaching agreement will not be easy. I am convinced, however, that going directly to conference will expedite a resolution of this issue by the end of this week.

In order to avoid yet another short-term debt extension, we need to complete this conference before August 7. To do this, we need to get started today.

I want to stress that this is purely a procedural motion. Adoption of the motion in no way reflects support or opposition to the Senate amendments. It merely gets us to conference as quickly as possible so that we can begin work on a final Gramm-Rudman plan.

Mr. Speaker, I have no further requests for time.

Mr. FRENZEL. Mr. Speaker, will the gentleman yield?

Mr. ROSTENKOWSKI. Mr. Speaker, for purposes of debate only I yield to the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. I thank the gentleman for yielding.

Mr. Speaker, can the distinguished chairman give us an idea of how this matter is going to proceed? We will go to conference; I suspect no one anticipates we are going to arrive at an immediate compromise and bring it back to the floor. Are we to anticipate, may I ask the chairman, another short-term extension to get us through the recess? Is the gentleman able to enlighten us at all on what the plans are, the contingency plans with respect to this conference and bills that might flow necessarily before the conference is completed?

Mr. ROSTENKOWSKI. I would suggest to the gentleman that he recognizes the procedure. Mr. Speaker, it is the Senate's turn to be chairman of the conference. I am sure Mr. BENTSEN, the Senator from Texas, has a procedure that he is going to follow. It is this individual's intention to try to conclude as quickly as possible the conference so that the long-term extension will be agreed to as opposed to going to a short-term extension.

That, of course, depends on how quickly we can get to the conference.

I understand that it is the intention of the Senate Members to meet as quickly as we have adopted the rule and go to conference and as soon as conferees are appointed.

I should imagine that the gentleman has been notified that we had intended to be in conference by 2 o'clock. I should imagine it will be immediately after we conclude deliberations on this matter.

Mr. FRENZEL. If the gentleman will yield further, if we are not able to reach a conclusion on the long-term debt extension and the Gramm-Rudman fix, it is possible that we will have a short-term extension to take us through the recess.

Mr. ROSTENKOWSKI. Well, what the gentleman observes is possible, but I hasten to add most unfortunate.

Mr. FRENZEL. I thank the gentleman for his information.

Mr. ROSTENKOWSKI. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER. Without objection, the previous question is ordered on the motion.

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Illinois.

The motion was agreed to.

MOTION TO INSTRUCT CONFEREES

Mr. MICHEL. Mr. Speaker, I offer a privileged motion.

The Clerk read as follows:

Mr. MICHEL moves that the managers on the part of the House at the conference on the disagreeing votes between the two Houses on H.J. Res. 324 are instructed to agree to language that would restore an automatic (as opposed to discretionary) procedure for sequestration as part of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177) in a manner that is constitutional and that allows flexibility in military personnel accounts for the purpose of protecting U.S. combat readiness. Any such automatic procedure should be designed to achieve significant deficit reduction over several years leading to a balanced budget. These procedures should recognize the need for shared responsibility and authority between the executive and legislative branches in the creation and implementation of fiscal policy.

□ 1435

The SPEAKER. The gentleman from Illinois [Mr. MICHEL] is recognized for 1 hour.

Mr. MICHEL. Mr. Speaker, I yield myself such time as I may consume.

(Mr. MICHEL asked and was given permission to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, the issue before us is not the budget, not the deficit, and it is not the fact of sequestration. It is, instead, something much more fundamental, and that issue before us is the responsibility of the House of Representatives to simply act.

The majority refuses to act. It apparently prefers to hide out there in the shadows, preferring to leave to the conference or to some configuration of the stars or fate the question of sequestration.

Mr. Speaker, I suspect the policy of the majority here is to force the President to chose between vetoing and accepting what we send him. But it seems to me what we have here is a situation where the majority itself refuses to choose. It refuses to come out front and say that they want to make the procedure discretionary.

No, the majority wants to play the sly old political game of placing the blame without having the courage, frankly, to openly demand that they want to go the "discretionary" route here.

That is what my motion is all about, the duty of the Congress to act, to come forth openly and stop this silly game that is being played here.

I say that the conferees should be instructed to agree to language that would restore an automatic rather than a discretionary procedure for sequestration. That is what Gramm-Rudman was all about.

Now, Members might disagreee with that view. There are disagreeing views on both sides of the aisle, and if those who disagree want to come forward with another view, then so be it. But let us stop this playing games here. Let us stop the charade and start acting responsibly and tell the conferees frankly what is on our minds here, because we really have not had an opportunity to express ourselves, as I recall, yet his year in definitive terms.

The majority believes it is perfectly positioned. They are hoping the conferees will do their dirty work for them. They are hoping the President will be forced to choose instead of being presented with what we originally thought best: automatic sequestration.

The time has come to move. The time has come to act. It seems to me that the American people are sick of the kind of back-room, closed-door, fault-free policy that we see prevailing round here these days.

I say that we are elected to make these kinds of decisions, difficult as they may be from time to time, and not suppose that others are going to make those decisions for us or that the legislative branch itself is incapable of doing that because it has to turn to the executive branch to make that decision for us.

I say, let us conjure up the courage to act to instruct the conferees, to tell them what we believe is the right thing to do and refrain from this drift, drift, and drift, hoping that we may somehow arrive where we want to be but by accident.

This language also implores our conferees to develop an approach, since the House cannot seem to develop that kind of approach, which restores balance in both the responsibility and authority exercised by the executive and legislative branches of government in the conduct of fiscal policy.

We have been fighting the executive-legislative political battle of the budget now for as long as this act has been on the books, for nearly 14 years, and, frankly, I do not know that it has had very many good results. It is time, in my judgment, to call a truce.

This idea of stick-it-to-the-President mentality around here ought to end if we are going to be partners in the creation and implementation of fiscal policy. It seems to me that we ought to be willing and able to work together on both sides of the aisle, and, yes, on both sides of the Capitol.

So, Mr. Speaker, I would certainly ask that my motion to instruct be adopted, and I would be happy to yield to any Members who might want to be heard on the subject.

Mr. COLEMAN of Texas. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am happy to yield to my friend, the gentleman from Texas.

(Mr. COLEMAN of Texas asked and was given permission to revise and extend his remarks.)

Mr. COLEMAN of Texas. Mr. Speaker, if I might make this statement in response to the minority leader, I think that the perception that we get is that if we do not agree with this, we are somehow shirking our duty, and it is my intention to place into the RECORD opposite views wherein I feel the suggestion made by the gentleman indeed backs away from the original intent of Gramm-Rudman as adopted by this body.

Mr. Speaker, I thank the gentleman for yielding.

Mr. COLEMAN of Texas. Mr. Speaker, when we voted for the Gramm-Rudman deficit reduction process in December 1985, we made a promise to the American people that we as a representative body were serious about reducing the Federal deficit, and furthermore, that we were actually going to do something about it.

The heart of Gramm-Rudman, of course, is the threat of automatic, across-the-board cuts even if the Congress and the administration cannot agree on how to reduce the budget deficit in any given year. The philosophy behind Gramm-Rudman is the recognition that across-the-board cuts, no matter how bad they might be, are nevertheless preferable to budgetary gridlock and a continual pileup of deficit and debt.

Today, the House will probably vote to approve the Michel instructions to the conference committee on the debt limit. I believe it would be a serious mistake, even though these instructions are nonbinding.

The Michel amendment represents a step backward from the tough requirements of Gramm-Rudman. Any precedent that would take us one step closer to backing away from our promise to the American people that was contained in Gramm-Rudman should not be approved, even if it is in a nonbinding form.

These instructions would not allow sufficient flexibility on the part of the Congress in our attempts to achieve real deficit reduction.

It would require automatic sequestration by the Office of Management and Budget, with no congressional oversight or participation. Not only do I believe that this violates the separation of powers, and is therefore unconstitutional, but after reading David Stockman's memoirs about how he and the OMB staff routinely "cooked" the numbers to make them fit the administration's political needs, I think that putting OMB—and only OMB—in charge of calculating the deficit and issuing the sequestration orders is a very bad idea.

Indeed, the Michel instruction puts complete blind faith in the ability of the Office of Management and Budget to properly handle the sequestration orders. It does so to the extent that it does not even permit the President the option of signing or not signing the sequestration order. The automatic process would be put on automatic pilot, with even the pilot, that is, the President, cut out of the loop, and that is no way to run the Government of the United States of America.

The process is so automatic, in fact, that the Michel instruction would not even allow previous estimates to be considered when issuing a sequestration order. If estimates early in the year become clearly inaccurate due to extreme economic circumstances, the Michel amendment would not allow this miscalculation to be taken into account. This complete absence of flexibility could have, in my view, serious and incalculable consequences for our national security as well as our economic future.

Mr. Speaker, the Michel instruction is not what we voted for when we voted for Gramm-Rudman.

Mr. MICHEL. Mr. Speaker, I yield 2 minutes to the gentleman from Washington [Mr. CHANDLER].

Mr. CHANDLER. Mr. Speaker, frankly, on this issue I am having difficulty sorting out the good guys from the bad guys. I suggest that perhaps the bad guys are everywhere and the problem is us. The problem is the White House, the problem is the minority, the problem is the majority.

We are up against a difficult situation here, and coming to grips with this huge deficit is an extremely difficult problem. But let me say this: This is not an issue without bipartisan support. The gentleman from Florida [Mr. MACKAY] and I especially have worked together. I think this is largely a group of middle-benchers-back benchers who unified behind trying to get a bipartisan effort at reducing and ultimately eliminating this deficit that we face.

We asked the minority leader if he would sponsor this motion today. He agreed to do so, and I thank him for that. But there are perhaps a third of the Members of the majority who want to see this occur, who want to eliminate deficits, who are holding back their rhetoric trying to bring about a bipartisan compromise.

I think it is significant that what this motion suggests is that the shared responsibility and authority is between the executive and the legislative branches, and if this minority and this majority do not get together and put every issue on the table, including the T-words, the SS-words, and all the rest of it, we are never going to succeed.

So let us adopt this motion, instruct our conferees to go to conference, and get a fix on Gramm-Rudman before we go home, and then go to work on whatever package it takes to head us in the direction that we need to go. And let us make sure that we do it on a bipartisan basis so when we walk out of here, we can do as we did on Social Security, without putting the blame on one another.

Mr. MICHEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, if I might make a comment or two with respect to the gentleman who was just in the well, I commend him for the efforts that he and that bipartisan group of middle-benchers, front-benchers, or back-benchers, whatever he prefers to call them, have made. I commend the efforts that were made by the more junior Members, to use an apt classification, have made to try to come up with some compromise.

This older Member of this body remembers a time when there was a high degree of bipartisanship on any number of issues around here. I think the delight this Member has had and the more delightful days in his legislative career were when there has been that kind of accommodation, where we can see progress and see something move without, frankly, having it develop into a bitterly confrontational kind of thing on a day-to-day basis.

So having said that, Mr. Speaker, at this juncture let me yield such time as he may consume to my friend, the gentleman from Illinois [Mr. ROSTENKOWSKI].

Mr. ROSTENKOWSKI. Mr. Speaker, I rise in support of the motion to instruct conferees.

This is a rare occasion for me. Almost without exception, I have opposed motions to instruct conferees. I strongly believe in the legislative principle that conferees should be given maximum flexibility. They must be free to develop compromises in conference without the constraint of negotiating instructions from the House. Although a motion to instruct is not binding, it can interfere with the ability of the conferees to effectively explore all possible compromises.

However, I also strongly support the substantive goal of this motion to instruct. I, too, want the conference to report a tough Gramm-Rudman trigger; one that will force the President and the Congress to enact real deficit reduction. In the outlook section of Sunday's Washington Post, I made the case for reinstating the automatic trigger under Gramm-Rudman. On the substantive question of a hard trigger, I am in full agreement with the supporters of this motion.

The need for a hard trigger, one that will force us to reduce the deficit, has overcome my procedural opposition to motions to instruct. In this circumstance, I believe the motion is appropriate and I support it.

Mr. MICHEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank the gentleman from Illinois [Mr. ROSTENKOWSKI] very much for his support. I think it is significant that the chairman of the Committee on Ways and Means, the tax-writing body of this House of Representatives, would take particular note of what we do on the expenditure side, where, quite frankly, if we are ever going to balance our books around here and we do not do the ultimate on the expenditure side, then we have to think frankly in terms of how much revenue has to be raised. It is not a popular thing around here for members of the committee on Ways and Means to take that heat off the backs of everybody else and try to conjure up the means by which we raise the revenue.

So I think it is fully understandable that the gentleman from Illinois should take that position that if there is an opportunity here to do a better job on the expenditure side, we had best take a look very seriously at that before we think in terms of raising revenue.

Mr. Speaker, I yield 2 minutes to the gentleman from New Hampshire [Mr. GREGG].

Mr. GREGG. Mr. Speaker, I thank the leader for yielding this time to me, and I rise in support of the minority leader's motion and certainly in support of the position of the chairman of the Committee on Ways and Means.

It seems to me that this can be a bipartisan effort to try to right the fiscal ship of the Congress and the country by readdressing the issue of Gramm-Rudman and correcting the problem of the trigger mechanism.

This is an opportunity for us in the House to speak out as to our belief that the correct way to correct that trigger mechanism is through the automatic trigger.

It is not binding on the conference, and if the conference comes up with a better idea, so be it. But it does seem to me that this gives all of us here in the House an opportunity to come forward and say that we once again are committed to the Gramm-Rudman process and to the belief that by making it a situation which is automatic, it will be a better document.

Therefore, Mr. Speaker, I strongly support the minority leader's motion and the effort of the chairman of the Ways and Means Committee in this area.

Mr. MICHEL. Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Speaker, I think this is a motion that ought to be able to get the House together. We have all agreed that the conferees are not going to be bound to the letter of this motion, but it does set at least for the moment a possible House policy to reinvigorate the Gramm-Rudman legislation so that it will pose the kind of threat that will force us to do that which we always knew we were supposed to do.

□ 1450

In addition, the Michel motion would provide for an automatic trigger which I think most Members of the House, and most Members of the Congress, would subscribe to.

It puts some flexibility in the defense side and tries to make the Executive and the Congress some sort of partners in the movement to reduce our deficit.

When the President brought his budget up here, the House declared it dead on arrival, said it did not want to hear from him again until it wants him to pass a tax bill.

That is not a real kind of partnership; and I hope that, under the guidance of the Michel amendment, and with some hard work on the part of the conferees, we will be able to repair Gramm-Rudman in a way that will make us all proud. I hope it will be adopted.

Mr. COLEMAN of Texas. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. Mr. Speaker, I yield to the gentleman from Texas.

Mr. COLEMAN of Texas. Mr. Speaker, I thank the gentleman for yielding to me.

I was unclear about the minority leader's explanation in the motion about the direction concerning the fiscal year 1988 deficit target numbers.

Was it specified in the gentleman's motion?

Mr. MICHEL. We did not address the targets.

Mr. COLEMAN of Texas. The gentleman used the word "flexible."

Is that the only thing that the gentleman is doing in that, so that it is unclear? In other words, there are options, so we would not stay within the original Gramm-Rudman numbers.

Mr. MICHEL. I have been a conferee any number of times. While there are at times specific points conferees would like to make, I want to keep those to a barebones minimum.

Mr. COLEMAN of Texas. I thank the gentleman.

Mr. WEISS. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. Mr. Speaker, I yield to the gentleman from New York.

Mr. WEISS. Mr. Speaker, I thank the gentleman for yielding to me.

I would like to think in the course of this debate at least we would have some expression of opposition to what I think is a very, very radical move, and a move which flies directly in the face of what this House has been struggling with, and the Committee on the Budget has been struggling with for the last couple of years.

I think every Member remembers the maneuvers, the evasions, the creative methods of the Committee on the Budget in trying to get around the mandatory, loose mandatory aspects of Gramm-Rudman as they exist right now.

For the Members now to pretend that in fact there is an easy way to solve our problems by going back to a mandatory formula under Gramm-Rudman, I think, is totally illusory, asking for trouble.

It puts this Member as a Democrat certainly in the position of being asked to vote for a proposition which would devastate what remains of the domestic programs of this country.

The gentleman from Pennsylvania [Mr. GRAY], the distinguished chairman of the Committee on the Budget, sent out a listing of what would be needed to meet this year's goals if in fact we had to go down to $108 billion, or if in fact we had to have a $64 billion cut. Either one of those cuts would be absolutely draconian.

I would think that we would stand up and say that this body and the other body ought to be making judgments based on what we think our sense of priorities is, rather than letting a formula make those decisions for the Members.

I can understand why the gentleman on the other side might in fact urge this proposition on the Members. I cannot understand why any Member on my side of the aisle would be supportive of directing or advising the conference committee to go along with a position which was never supported by the Democrats in this body to begin with, and certainly after our experience with Gramm-Rudman, ought not to be supported now.

Mr. MICHEL. Mr. Speaker, the gentleman is entitled to his own feelings about what we are proposing to do, and it has been demonstrated that there is bipartisan support for doing whatever we can for meaningful deficit reduction.

Deficit reduction does not know bipartisan lines, and that is what we are attempting to do here today.

Mr. WATKINS. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. Mr. Speaker, I yield 2 minutes to the gentleman from Oklahoma.

Mr. WATKINS. Mr. Speaker, I thank the gentleman for yielding me this time.

I would like to say to the gentleman that the gentleman's motion has automatic sequestration by OMB.

I would like to address the matter of under this sequestration, it does not address how we come up with the difference. Our records show that basically most of that comes from erroneous economic estimates, technical deficits and also some deficits there from entitlements.

I would like to point out that this should not be on the backs of the Committee on Appropriations when we do a good job. The deficits that come about that require a sequestration come about because of erroneous assumptions, and that should bring about revenue.

Mr. Speaker, I would like to point out, you can fuzz these estimates up. We have known that has been done before, these economic assumptions. That can be done on the revenue side early in the ball game; and when we get to sequestration, it comes off of appropriations for not playing correctly with the estimates of revenue.

That plays in the hands of providing deeper and drastic cuts on appropriations. I think we must address the fact that when there is fuzzy estimates on revenue, that that should be made up in sequestration, not on the backs of appropriations.

As long as that is not addressed, then there is no reason not to make sure that the economic revenue assumptions are correct early in the year, so I would like to say that we are playing a game of deep, drastic cuts, automatic through sequestration by OMB who has not been nonpartisan to say the least in many respects.

Mr. MICHEL. I might say as a former member of the Committee on Appropriations for many years, I think it is rather assumed that the subcommittees and the full Committee on Appropriations would make those determinations on individual appropriations bills hopefully in a timely fashion; and by the end or as the season wears along, those decisions will have already been made. A sequestration would be simply across the board, and not do violence to the priorities that the Committee on Appropriations had heretofore made in its regular consideration of bills.

Mr. WATKINS. Does the minority leader agree, though, if the revenue figures are erroneous early in the game in putting together the budget, when it comes to sequestration, that will have an effect?

Mr. MICHEL. We have had this gamesmanship played by both sides, by all parties on different questions all year long and it gets to be a laughing charade.

Mr. WATKINS. On Appropriations we are not playing tricks. We try to meet those, and the facts show that we have; but we cannot take the burden of shortfalls in revenue and also the economic assumptions.

Mr. ALEXANDER. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Arkansas.

Mr. ALEXANDER. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, it has been mentioned that sequestration is an issue that we are approaching, and that it is something that Congress will insist upon, it looks like.

Has the gentleman estimated the effect of the sequestration under the procedure which the gentleman offers to the House today?

More specifically, it is my understanding that we are about $64 billion short of the target as presented by the gentleman's proposition; is that correct?

Mr. MICHEL. I have no targets in my language, nor have I anticipated any specifically, other than what we will eventually get through the discussions of the conference committee when it goes about doing its thing.

There have been some discussions, though, from the other body that under their procedures, that some could not foresee our ever getting to a sequestration.

Mr. ALEXANDER. Has the gentleman a list of the probable effect of the gentleman's proposal on program classifications?

Mr. MICHEL. I have not done that, either. All of the Members are quite mindful of the procedure when we discussed and debated Gramm-Rudman in the first place.

Mr. ALEXANDER. One further question. If you met the target of, say, $64 billion for sequestration this year, would that balance the budget?

Mr. MICHEL. I cannot conceive that we are going to agree to the kind of figures in that conference that would lead us to that kind of end result.

Mr. ALEXANDER. Mr. Speaker, on July 14, the chairman of the Committee on the Budget, Mr. GRAY, distributed to House Members a table showing estimates, prepared by the committee's staff and based on existing law limiting the fiscal 1988 deficit to $108 billion, of the effect of two levels of spending sequestration—$64 billion and $36 billion.

This table was the subject of an article and table published in the Congressional Quarterly Weekly Report edition of July 18. I believe all Members of the House will be interested in this information and would like to insert the CQ article in the RECORD at this point.

The Congressional Quarterly Weekly Report article follows:

CONSEQUENCES FOR SOME FEDERAL PROGRAMS OF ACROSS-THE-BOARD GRAMM-RUDMAN CUTS

The following table shows by how much spending for selected federal programs would be reduced in fiscal 1988 if uniform cuts were imposed in compliance with the Gramm-Rudman-Hollings anti-deficit law.

The figures, released July 14 by the House Budget Committee, are based on July Congressional Budget Office (CBO) estimates of spending, revenues and economic conditions. That baseline reflects current law, with some adjustments for inflation and expected changes in program participation rates. According to committee aides, further adjustments allow for different assumptions of the Office of Management and Budget, which participates with CBO in determining Gramm-Rudman cuts.

Two versions of the estimated program cuts are shown below: One is based on a $64 billion reduction in the baseline deficit to meet the $108 billion fiscal 1988 Gramm-Rudman deficit target; the other is based on a $36 billion deficit reduction, reflecting a proposed change in the deficit target now under consideration in Congress.

Since Gramm-Rudman requires that savings be split equally between defense and non-military spending, the percentage cuts for each would be somewhat different. To reduce the deficit by $64 billion would require a 14.8 percent cut in defense spending and a 21.2 percent cut in non-defense spending. To reduce the deficit by $36 billion, the cuts would be 5.8 percent for defense and 7.5 percent for non-defense.

The selective table below does not include those programs exempt from Gramm-Rudman cuts, such as Social Security, Medicaid and Aid to Families with Dependent Children. Nor does it include those programs that may be cut by limited amounts under special Gramm-Rudman rules, such as Medicare and Guaranteed Student Loans.

The amounts shown below are in budget authority—amounts authorized to be spent—and are computed to yield necessary reductions in outlays—amounts actually spent in a given year, which are used in deficit calculations.

[In millions of dollars]

	Fiscal 1988 spending baseline	$64 billion deficit reduction	$36 billion deficit reduction
Defense:			
Military personnel	75,009	−12,164	−5,525
Operations and maintenance	82,809	−14,768	−7,481
Procurement	88,803	−22,226	−10,950
Research and development	37,371	−7,258	−3,719
International Affairs:			
Agency for International Development—humanitarian and development assistance	1,452	−362	−147
Food for Peace	993	−259	−110
Aid to Israel and Egypt	5,115	−1,113	−413
Military grant assistance	944	−220	−97
General Science, Space and Technology:			
National Science Foundation—research	1,477	−369	−176
Department of Energy—general science	735	−177	−80
Energy:			
Energy supply research and development	2,140	−1,079	−894
Fossil energy research and development	312	−79	−38
Energy conservation	382	−198	−166
Strategic petroleum reserve	561	−440	−419
Natural Resources and Environment:			
Watershed and flood prevention	187	−51	−25
Bureau of Reclamation—construction	634	−153	−68
Corps of Engineers—construction	1,182	−297	−143
Soil Conservation Service—conservation operations	400	−101	−49
National Forest Service—operations	1,224	−302	−142
National Park Service—operations	748	−192	−95
Fish and Wildlife Service—resource management	343	−89	−44
Environmental Protection Agency—Superfund	1,488	−376	−183
Environmental Protection Agency—research and development	155	−34	−13
Environmental Protection Agency—abatement, control and compliance	611	−138	−49
Agriculture:			
Agricultural Research Service	540	−129	−58
Cooperative State Research Service	321	−78	−35
Extension Service	350	−83	−36
Animal and Plant Health Inspection Service	323	−70	−26
Commerce and Housing Credit:			
Rural Housing Loans	3,696	−315	−159
Section 202 housing loans for the elderly or handicapped	608	−155	−73
Nonprofit mail subsidy	674	−162	−73
Periodic censuses	374	−236	−212
Small Business Administration—business loans	363	−57	−23
Transportation:			
Federal highway aid (obligation limit)	13,475	−3,743	−2,050
Mass transit discretionary grants (obligation limit)	1,037	−173	−22
Mass transit interstate transfer grants	207	−49	−22
Mass transit formula grants	2,074	−498	−224
Amtrak	624	−155	−74
Federal Aviation Administration—operations	2,351	−538	−223
Federal Aviation Administration—facilities and equipment	838	−204	−94
Federal Aviation Administration—research and engineering	149	−37	−18
Federal Aviation Administration—airport grants (obligation limit)	1,037	−249	−112
Coast Guard—operations	1,910	−509	−265
National Aeronautics and Space Administration—aeronautics research and development	417	−103	−48
Community and Regional Development:			
Community development block grants	3,115	−783	−351
Urban development action grants	234	−57	−26
Subsidized housing	310	−74	−33
Economic Development Administration	200	−90	−38
Rural water and waste-disposal grants	114	−28	−13
Appalachian Regional Commission	109	−26	−12
Tennessee Valley Authority	106	−27	−14
Disaster relief	262	−167	−151
Education, Training, Employment and Social Services:			
Impact aid	755	−189	−91
Handicapped education	1,824	−451	−213
Vocational and adult education	1,038	−254	−118
Compensatory education	4,153	−1,039	−497
Student financial assistance	5,456	−1,087	−327
Special elementary and secondary programs	983	−242	−114
Other higher education programs	502	−122	−56
Training and employment services	3,874	−954	−446
Community services employment for older Americans	340	−75	−29
Unemployment services	969	−147	−10
Work incentive program	144	−45	−27
Community services block grant	387	−72	−17
Social services block grant	2,700	−572	−203
Human development services	2,209	−553	−266
Health:			
Alcohol, drug abuse and mental health	732	−139	−36
Biomedical research	6,965	−1,745	−838
Health education and training	554	−139	−67
Consumer and occupational health and safety	1,323	−348	−167
Centers for Disease Control	577	−115	−35
Medicare: Salaries and expenses	1,829	−475	−240
Income Security:			
Employment Standards Administration—special benefits	253	−48	−17
Unemployment trust fund—salaries and expenses	1,957	−395	−140
Payments for operation of low-income housing	1,583	−519	−334
Subsidized housing programs	7,814	−2,261	−1,220
Cash and commodities for special groups	194	−49	−23
Low-income home energy assistance	1,899	−366	−137
Social Security: Salaries and expenses	2,472	−719	−415
Veterans' Benefits and Services:			
Veterans' Administration construction	397	−93	−40
Medical and prosthetic research	204	−36	−7
General operating expenses	820	−212	−107
Administration of Justice:			
Federal Bureau of Investigation	1,365	−346	−166
Drug Enforcement Administration	511	−124	−57
Immigration and Naturalization Service	836	−248	−146
Customs Service—salaries and expenses	896	−234	−119
Customs Service—Air Interdiction Program	177	−45	−23
Secret Service	350	−87	−41
Courts of appeals, district courts, and other judicial services	961	−224	−97
U.S. attorneys	378	−97	−48
Legal Services Corporation	320	−79	−37
Federal Prison System	907	−224	−105
Criminal justice assistance	434	−106	−49
Bureau of Alcohol, Tobacco and Firearms	210	−54	−27
General Government:			
Legislative functions	1,608	−400	−193
Internal Revenue Service	4,605	−1,102	−493

Source: Congressional Quarterly Weekly Report.

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. Mr. Speaker, I yield to the gentleman from Iowa [Mr. SMITH].

□ 1500

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am happy to yield to my friend, the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Speaker, it has been mentioned here about expenditures, and I want to point this out, that we have figures here that show in the last 6 years the average discretionary expenditures in excess of the estimates used in the deficit reduction program was $2 billion a year. The average shortfall in revenues was $27.4 billion a year. The average entitlements exceeded by $6.2 billion a year.

You cannot solve this problem by cutting $2 billion worth of discretionary expenditures.

Now, this resolution does not say anything at all about revenues. I am not advocating a tax increase, but I point out that if there was a threat of having a 3- or a 5-percent surtax if we did not do our job, that might help, but there is no threat in this whatever.

What you are doing is saying, take all this out of discretionary spending, which cannot possibly be done.

What you are saying to the committees handling entitlements is, "Go ahead, pass entitlement laws. Increase entitlements. We are not going to hurt you, anyway. Later on in the year we will take it all out of discretionary spending." It cannot possibly be done.

Now, with regard to the $2 billion in discretionary spending, three bills this year have accounted for the $2 billion. One is the homeless bill that almost everybody in the House voted for.

Mr. MICHEL. Not this Member.

Mr. SMITH of Iowa. Well, almost everybody. Another one was the drug bill, which almost everybody voted for, and we could not get a high enough figure for AIDS research.

The three together more than exceeded the $2 billion by which discretionary spending exceeds the budget deficits allocated to discretionary spending, which is 30 percent of the budget.

My point is that we cannot just keep hammering on discretionary spending and solve this problem. You have to have some kind of a threat against a surtax being levied, or else against entitlements being cut also, or we are never going to solve this problem.

Mr. MICHEL. Well, the point the gentleman made in his later comments are so true and I would be the first to admit and maybe even propose that in the new administration, whatever it be, of whatever stripe, that we make an effort again in a bipartisan way to do something significant about entitlements, as we did with respect to a Social Security adjustment. I do not think it can be done in this next politically charged year because it is too hot an item, but I think if we are really going to do something over the long haul, there is really no other answer for that but to get seriously into that in a bipartisan fashion, and it cannot be done, frankly, in my opinion.

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield further?

Mr. MICHEL. I am happy to yield to the gentleman from Iowa.

Mr. SMITH of Iowa. It could be done in this conference, however, by including in the trigger some mechanism that says that if we do not reach certain goals, there will be a surtax, and if we do not reach certain goals, there will be reductions in entitlements. That could be done in this conference in the next few days.

Mr. GRAY of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am happy to yield to the distinguished chairman of the Budget Committee.

Mr. GRAY of Pennsylvania. Mr. Speaker, I want to thank the gentleman for yielding.

First of all, I want to say to the gentleman, the distinguished minority leader, how happy I am to hear his words of concern and participation in a process of moving us toward greater deficit reduction.

I simply would like to ask the distinguished minority leader two questions, definitional, about his motion to instruct the conferees. I am always concerned and leery about instructing conferees, but I want to ask these two questions.

Could the gentleman explain to me, and perhaps I missed it, the difference between automatic as opposed to discretionary? Is the gentleman referring to anything specific there where he uses the word automatic, as opposed to discretionary?

Then second, I would like to ask the gentleman, what is the meaning of flexibility in military personnel accounts?

Mr. MICHEL. Well, with respect to the first, I think it is—all I have ever heard with respect to some alternative to normal sequestration was the Foley fix. Now, I must confess after asking several times for specific language on what is the Foley fix, I have yet to find out for sure what it is, but obviously it is something different from an automatic sequestration that we have come to recognize as being a part of Gramm-Rudman when we were originally debating it.

As for the flexibility, well, that is the whole point in using the word, to be flexible in conference and to adjust that as the conferees see fit.

Mr. GRAY of Pennsylvania. Well, I would just simply say to the gentleman, his definition of discretionary applying to the position of the distinguished majority leader of the House concerns me. I think that there has been some debate as to whether there should be an OMB executed trigger or whether there should be one executed by the President where he can have the option of signing or not signing.

I think many of us are concerned that under the OMB approach there is no way to insure that OMB cannot move money around in accounts and thus would be coopting legislative prerogatives; however, I believe that the conferees will be committed to restoring the trigger and coming up with the strongest possible trigger. As one who did not support Gramm-Rudman, I do believe that we ought to have a trigger, simply because right now the only persons who are held responsible for this budget process are those on Capitol Hill.

I think by restoring the trigger we therefore bring into the loop the executive branch; however, I would be strongly opposed to labeling the suggestion by the distinguished majority leader as discretionary. I think we have clearly several options in putting together a trigger.

I would agree with the gentleman that none of us want to cut personnel accounts with regard to the military. Certainly under Gramm-Rudman-Hollings, those cuts can be avoided on military personnel accounts, but I do believe that they ought to be evenly done across nonpersonnel accounts.

The way that has been proposed by the other body essentially gives the executive branch the right to draw up an armed services bill, a Defense bill, and totally rewrite the priorities. I do not think any of us would want that.

So I would just have to say to the gentleman, I am happy to hear he is prepared to work hard on deficit reduction. That is good news, I think for all of us, but I would have to say that I do not want to instruct the conferees to accept one trigger as opposed to another. I think we need the strongest possible one that can be worked out in conference. Therefore, I would have to say to the gentleman, based on that definition, I will not be able to support the motion to instruct. I think it would be inappropriate, but I do think we will be able to come up with a strong trigger.

Mr. PICKLE. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am happy to yield to my friend, the gentleman from Texas.

Mr. PICKLE. Mr. Speaker, the House has just adopted a bill that sends this issue to conference. This was a recommendation of the chairman of the Ways and Means Committee. It was a good motion. It saves us a lot of time and allows us to get to work immediately on this very troublesome problem.

It is very strange, though, that we would want to instruct our conferees before we ever go. Perhaps if we had been to conference and had not been able to reach agreement, we might want to come back and ask for instruction from one body or the other, but here we are instructing ahead of time.

Now, the gentleman from Illinois says we ought to do this on a bipartisan basis. I do not know where the bipartisanship enters into it. It seems to me that it would be more bipartisan if we went there as a free agent and be able to say which trigger we want to work.

The gentleman also says that we ought to stop this tumbling and drifting and drifting. I say to the gentleman, there is no tumbling and drifting. We have just now this issue within the last 30 minutes. To say we have to go on with instructions before we even go to conference is just to beg the issue. The wish is the father of the son, or vice versa. Now, I do not know that I could accept that kind of reasoning.

Now, if we go to conference, as we are, and if the group says we should have a hard trigger, I would accept that and would work for it if that seemed to be the course that we should take. It does not bother me.

There is more than meets the eye, though, about which is best, the discretionary trigger, that would give us a choice, or the hard trigger.

I am not certain which one it is. Neither one bothers me particularly, but it does bother me that we would ask to be instructed even before we go to conference. Now, that is contrary to what the gentleman from Illinois and the other gentleman from Illinois normally ever advocated, or any of us. For them to do that seems to me that we are trying to get the cart ahead of the horse.

I would support that kind of position if it were to come to that point. At this stage, though, prior to ever going to conference, it seems to me that we are trying to get ahead of ourselves for some reason which I do not quite fathom.

I, therefore, think that our conferees would be better served if they could go as free agents to determine which direction we should go and then as a House body support that position for all we are worth in conference then.

Mr. MICHEL. Well, Mr. Speaker, it is not unique to have a motion to instruct around here. Frankly, it does indicate there is some bipartisan support. Frankly, the text of the instruction is very minimal that will give us the strongest deficit reduction and sequester order.

Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from Illinois [Mr. MICHEL].

The question was taken; and the Speaker announced that the Chair was in doubt.

RECORDED VOTE

Mr. FRENZEL. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 267, noes 156, not voting 10, as follows:

[Roll No. 298]

AYES—267

Annunzio
Anthony
Archer
Armey
AuCoin
Badham
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Bates
Bentley
Bereuter
Bilbray
Bilirakis
Bliley
Boehlert
Boulter
Broomfield
Brown (CO)
Bryant
Buechner
Bunning
Burton
Byron
Callahan
Campbell
Carper
Chandler
Chapman
Cheney
Clarke
Clinger
Coats
Coble
Coelho
Coleman (MO)
Combest
Cooper
Coughlin
Courter
Coyne
Craig
Crane
Dannemeyer
Darden
Daub
Davis (IL)
Davis (MI)
DeFazio
DeLay
Derrick
DeWine
Dickinson
DioGuardi
Dornan (CA)
Dowdy
Dreier
Duncan
Dyson
Eckart
Edwards (OK)
Emerson
English
Erdreich
Fawell
Feighan
Fields
Fish
Flippo
Frenzel
Gallegly
Gallo
Gekas
Gephardt
Gilman
Gingrich
Glickman
Goodling
Gordon
Gradison
Grandy
Grant
Green
Gregg
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Harris
Hastert
Hatcher
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hiler
Holloway
Hopkins
Horton
Houghton
Hubbard
Huckaby
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
Jeffords
Jenkins
Johnson (CT)
Johnson (SD)
Jones (NC)
Kaptur
Kasich
Kennelly
Kleczka
Kolbe
Konnyu
Kyl
Lagomarsino
Lancaster
Lantos
Latta
Leach (IA)
Leath (TX)
Lent
Levin (MI)
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Lott
Lowery (CA)
Lujan
Luken, Thomas
Lukens, Donald
Lungren
Mack
MacKay
Madigan
Marlenee
Martin (IL)
Martin (NY)
Matsui
McCandless
McCollum
McCurdy
McDade
McEwen
McGrath
McMillan (NC)
McMillen (MD)
Meyers
Mica
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Molinari
Montgomery
Moorhead
Morrison (CT)
Morrison (WA)
Myers
Neal
Nelson
Nichols
Nielson
Nowak
Oakar
Olin
Oxley
Packard
Pashayan
Patterson
Pease
Penny
Petri
Pickett
Porter
Price (NC)
Pursell
Quillen
Ravenel
Ray
Regula
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Russo
Saiki
Saxton
Schaefer
Schneider
Schroeder
Schuette
Schulze
Sensenbrenner
Sharp
Shaw
Shumway
Shuster
Sisisky
Skeen
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solomon
Spence
Spratt
Stallings
Stangeland
Stark
Stenholm
Stump
Sundquist
Sweeney
Swindall
Tauke
Tauzin
Taylor
Thomas (CA)
Thomas (GA)
Torres
Upton
Valentine
Vander Jagt
Volkmer
Vucanovich
Walgren
Walker
Weber
Weldon
Whittaker
Wilson
Wise
Wortley
Wyden
Wylie
Young (AK)
Young (FL)

NOES—156

Ackerman
Akaka
Alexander
Anderson
Andrews
Applegate
Aspin
Atkins
Beilenson
Bennett
Berman
Bevill
Biaggi
Boggs
Boland
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Brown (CA)
Bruce
Bustamante
Cardin
Carr
Chappell
Clay
Coleman (TX)
Collins
Conte
Conyers
Crockett
de la Garza
Dellums
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Downey
Durbin
Dwyer
Dymally
Early
Edwards (CA)
Espy
Evans
Fascell
Fazio
Flake
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Frost
Garcia
Gaydos
Gejdenson
Gibbons
Gonzalez
Gray (IL)
Gray (PA)
Hawkins
Hayes (IL)
Hertel
Hochbrueckner
Howard
Hoyer
Hughes
Jones (TN)
Jontz
Kanjorski
Kastenmeier
Kennedy
Kildee
Kolter
Kostmayer
LaFalce
Lehman (CA)
Lehman (FL)
Leland
Levine (CA)
Lewis (GA)
Lowry (WA)
Manton
Markey
Martinez
Mavroules
Mazzoli
McCloskey
McHugh
Mfume
Mineta
Moakley
Mollohan
Moody
Morella
Mrazek
Murphy
Murtha
Nagle
Natcher
Oberstar
Obey
Ortiz
Owens (NY)
Panetta
Parris
Pelosi
Perkins
Pickle
Price (IL)
Rahall
Rangel
Rodino
Roe
Roybal
Sabo
Savage
Sawyer
Scheuer
Schumer
Sikorski
Skaggs
Skelton
Smith (FL)
Smith (IA)
Solarz
St Germain
Staggers
Stokes
Stratton
Studds
Swift
Synar
Torricelli
Towns
Traficant
Traxler
Udall
Vento
Visclosky
Watkins
Waxman
Weiss
Wheat
Williams
Wolf
Wolpe
Yates
Yatron

NOT VOTING—10

Boner (TN)
Daniel
Kemp
Livingston
Lloyd
Owens (UT)
Pepper
Roemer
Tallon
Whitten

□ 1530

Messrs. FLAKE, SIKORSKI, and ANDERSON changed their votes from "yea" to "nay."

Messrs. ECKART, VOLKMER, VALENTINE, WYDEN, and WILSON changed their votes from "nay" to "yea."

So the motion was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER. The Chair appoints the following conferees:

From the Committee on Ways and Means: Messrs. ROSTENKOWSKI, GIBBONS, PICKLE, RANGEL, STARK, JACOBS, JENKINS, RUSSO, MATSUI, DUNCAN, ARCHER, CRANE, SCHULZE, and THOMAS of California.

From the Committee on Appropriations: Messrs. WHITTEN, SMITH of Iowa, MURTHA, TRAXLER, EDWARDS of Oklahoma, and LEWIS of California.

From the Committee on Rules: Messrs. PEPPER, MOAKLEY, DERRICK, BEILENSON, FROST, LATTA, and LOTT.

From the Committee on Government Operations: Messrs. BROOKS, CONYERS, WAXMAN, SYNAR, HORTON, and WALKER.

From the Committee on the Budget: Messrs. GRAY of Pennsylvania, LEATH of Texas, WILLIAMS, WOLPE, GRADISON, and MACK.

As additional conferees: Messrs. FOLEY, FORD of Michigan, OBEY and ASPIN, Ms. OAKAR, Messrs. PANETTA, FAZIO, MACKAY, FRENZEL, REGULA, and GREGG, Mrs. MARTIN of Illinois, and Mrs. JOHNSON of Connecticut.

GENERAL LEAVE

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on the provisions just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ROSTENKOWSKI. Mr. Speaker, I have been notified by Senator BENTSEN that the conference on the debt limit bill will convene today at 4 p.m. in room 1100 of the Longworth Building. Conferees just named should make a note of the fact that the conference will begin promptly at 4 p.m. in room 1100 Longworth Building, the Committee on Ways and Means committee room.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2686, PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT AMENDMENTS OF 1987

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 100-268) on the resolution (H. Res. 241) providing for the consideration of the bill (H.R. 2686) to amend the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965, which was referred to the House Calendar and ordered to be printed.

PROVIDING FOR CONSIDERATION OF H.R. 1315, NUCLEAR REGULATORY COMMISSION AUTHORIZATION ACT FOR FISCAL YEARS 1988 AND 1989

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 237 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 237

Resolved, That is any time after the adoption of this resoluton the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1315) to authorize appropriations for the Nuclear Regulatory Commission for fiscal years 1988 and 1989, and for other purposes and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and which shall not exceed two hours, with sixty minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, and with sixty minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Energy and Commerce, the bill shall be considered for amendment under the five-minute rule. In lieu of the amendments now printed in the bill, it shall be in order to consider an amendment in the nature of a substitute consisting of the text of the bill H.R. 3037 as an original bill for the purpose of amendment under the five-minute rule and each section shall be considered as having been read. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the amendment in the nature of a substitute made in order as original text by this resolution. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. Donnelly). The gentleman from Massachusetts [Mr. Moakley] is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Missouri [Mr. Taylor], pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 237 is an open rule providing for the consideration of the bill H.R. 1315, the Nuclear Regulatory Commission authorization for fiscal year 1988 and 1989.

The rule provides 2 hours of general debate, with 1 hour equally divided between the chairman and ranking minority member of the Committee on Interior and Insular Affairs, and 1 hour equally divided between the chairman and ranking minority member of the Committee on Energy and Commerce.

The rule also makes in order the text of H.R. 3037, as original text for the purpose of amendment, which will be considered by section, with each section considered as having been read.

Finally, Mr. Speaker, the rule provides for one motion to recommit with or without instructions.

Mr. Speaker, H.R. 1315 is the authorization bill for the Nuclear Regulatory Commission. The bill authorizes $427 million for fiscal year 1988, and $422 million for fiscal year 1989, for salaries and expenses of the Commission.

Mr. Speaker, some of the programs that the bill would authorize that are administered by the Commission, are the Office of Nuclear Reactor Regulation, the Office of Inspection and Enforcement, and the Office of Nuclear Material Safety, and Safeguards.

In addition, Mr. Speaker, the bill also requires the Nuclear Regulatory Commission to collect user fees on an annual basis from all licensees, and ensures that the licensees that use more of the Commission's resources will then pay a greater fee. At present, Mr. Speaker, all licensees pay the same user fee, about $950,000 regardless of the size of the reactor or the amount of service that is required.

Mr. Speaker, as I stated earlier in my statement, this is an open rule, any Member that wishes to offer any germane amendment can do so under this rule. I urge my colleagues to adopt this rule so we may proceed to this legislation.

Mr. TAYLOR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support this rule. It has no Budget Act waivers, no waivers of points of order under the House rules and no restrictions on amendments. This is the kind of rule we can support. Unfortunately it is becoming an endangered species.

I also support the bill made in order by this rule, Mr. Speaker. It provides a reasonable funding level for a necessary Federal agency.

However, Mr. Speaker, there is a cloud in this otherwise sunny picture. The cloud is an amendment to be offered by the gentleman from Massachusetts [Mr. Markey]. The Markey amendment would prohibit the Nuclear Regulatory Commission from applying to the Shoreham and Seabrook nuclear powerplants any emergency planning rule other than the one in effect on June 1, 1987.

The Nuclear Regulatory Commission's proposed rules change, if made final, would merely implement statutory language that Congress has adopted time and time again, starting in 1980. That statutory language expressly recognizes that State and local governments should not be permitted to veto operation of a safe nuclear powerplant simply through inaction.

Mr. Speaker, there are presently 109 licensed nuclear powerplants in this country, comprising approximately 17 percent of the Nation's electrical supply. While the Markey amendment directly targets just two nuclear powerplants, it will set a dangerous precedent for many nuclear powerplants in other parts of the Nation.

But, Mr. Speaker, not only would the Markey amendment threaten serious regional and national consequences for the reliable supply of electricity, his amendment would increase dependence on imported oil, at a time when such dependence is increasingly dangerous. In order to prevent disruptions of foreign oil markets, American men are put at risk in the Persian Gulf.

Finally, Mr. Speaker, some have said that we should simply import more electricity from Canada. First, this is simply not feasible in many parts of the United States, but even if it were feasible why should Americans finance the growth of the Canadian energy industry instead of their own? Of even more concern, why should the United States aggravate its balance of payments deficit by making such purchases.

Mr. Speaker, for all other reasons the Markey amendment should be defeated if it is offered.

In closing, Mr. Speaker, I will support this open rule so that the House may proceed to consider the Nuclear Regulatory Commission authorization.

□ 1545

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. MOAKLEY. Mr. Speaker, for the purpose of debate only, I yield 3 minutes to the gentleman from Massachusetts [Mr. Mavroules].

Mr. MAVROULES. Mr. Speaker, I thank the gentleman for yielding this time to me.

I want to speak directly to the Markey amendment which will be coming up sometime tomorrow. It is my understanding that we are only going to have debate today.

Mr. Speaker, the reason I rise on the Markey amendment is because it happens to be in my district. My district in Massachusetts is right on the borderline of New Hampshire, and I think the most poignant point I can make—and I hope we can have an understanding of the proper perception as to what this amendment means—is that it is not a pronuclear or an antinuclear amendment. It does not affect any other part of the country except Shoreham and Seabrook in New Hampshire. So I think we ought to lay out all the cards about whether we are going to now set a national policy.

In my honest judgment, this will not set a national policy. When I was mayor of my community, Mr. Speaker, back in 1974, they asked me my opinion about the Seabrook powerplant, about 30 miles north on that beautiful coastline, and I said to them, "In my opinion, if I may say so, it is the worst geographic area anyone could select as a site for a nuclear powerplant."

We are talking about an area, Mr. Speaker, that has beautiful beaches and where people enjoy a great quality of life, an area influxed by about a half a million new people during the summer months, an area with only one major highway running through

Maine, New Hampshire, and Massachusetts, that being new Route 95.

For many of those reasons, when the debate takes place, particularly on the Markey amendment, I will try to state my case as best I can. And, by the way, it will be a parochial case. It will be my case. It will be my people I am going to be talking about, right on the borderline of Massachusetts and New Hampshire.

Mr. Speaker, I appreciate having had the opportunity to say a few words in support of the rule.

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. DOWNEY].

Mr. DOWNEY of New York. Mr. Speaker, I rise in strong support of the rule, and I also would like to address the question of the Markey amendment for my colleagues.

Many of us no doubt feel—I know I do—that nuclear power has an important role in our Nation's energy mix. Clearly, anybody concerned about acid rain and the global warming trends in this country realizes that there are limitations to fossil fuels, and that nuclear power provides us an option that we need.

But this does not deal with the question of Shoreham and Seabrook. Already many labor unions and the Chamber of Commerce have talked to our colleagues and said, "Please, please, don't vote for the Markey amendment. It will set a terrible precedent for nuclear power."

This is nonsense. I say to my colleagues this is nonsense. There are 107 operating nuclear power plants right now. None of them will be affected. There are 29 plants that have been abandoned for a variety of reasons, including the Zimmer plant in Ohio, which was 97 percent complete and now has been converted to coal.

We are not talking about precedent-setting. We are talking about safety, and we are talking about changing the rules of the game in the middle of the game.

At the end of Three Mile Island, crisis, a review was done, and the Nuclear Regulatory Commission felt it was essential that before future plants were licensed there be an emergency offsite plan to get people away from plants in the event of an accident. Nothing has changed since Three Mile Island to alter anyone's thinking about the need for offsite planning, with the exception of Shoreham and Seabrook. Here the Nuclear Regulatory Commission finds something unusual. They find much to their surprise, complete consonance among Democrats and Republicans on Long Island and in New Hampshire and Massachusetts that these two plants were cited inappropriately cannot be evacuated and should not go on line. Let me repeat that: the question deals with two plants where there is in the communities absolute bipartisan support, in the case of Suffolk County and in the case of New Hampshire, support that these plants should not go on line.

Mr. MRAZEK. Mr. Speaker, will the gentleman yield?

Mr. DOWNEY of New York. I yield to the gentleman from New York.

Mr. MRAZEK. Mr. Speaker, for the record, is it not true that if the Markey amendment passes, many Federal tax dollars from taxpayers in other parts of the country would have to be utilized to bail out these two plants?

Mr. DOWNEY of New York. Mr. Speaker, I thank the gentleman for asking that question.

Not one red cent of Federal dollars is at risk here, not one penny.

Mr. MRAZEK. Mr. Speaker, is it not also true that every elected official of Suffolk County, where the Shoreham nuclear powerplant is located, whether Republican or Democrat, is opposed to the licensing of the plants under present conditions?

The SPEAKER pro tempore. The time of the gentleman from New York [Mr. DOWNEY] has expired.

Mr. MOAKLEY. Mr. Speaker, I yield 2 additional minutes to the gentleman from New York [Mr. DOWNEY].

Mr. DOWNEY of New York. Mr. Speaker, the gentleman from New York [Mr. MRAZEK] asks an interesting question. In our county of Suffolk, which voted 66 percent for Ronald Reagan—it is putatively a Republican county—there is not an elected official that is in favor of the opening of the Shoreham nuclear powerplant. The reason they feel that way is because, as Don Regan said once, as we remember, then the chief of staff of the Reagan administration was asked on a television show about the evacuation of Long Island, he laughed and said, "You can't evacuate Long Island because of the traffic. You would have to build a bridge to get the people off of Long Island."

That is the issue. As early as 1974, the people who were opposed to the siting of the Shoreham nuclear powerplant said, "You cannot evacuate this plant in the event of emergency," and they were told over and over again, "You know that this issue of evacuation is premature. Raise the issue at the time that the plan is about to go on line." They raised it at the time that it was about to go on line, and the Nuclear Regulatory Commission said, "No, we were once concerned about evacuation; we are no longer concerned about evacuation. We are more concerned about the possible precedent that this would have on other nuclear powerplants."

Let me say to my colleagues that if you live on Long Island, you know that if there is an emergency because of this powerplant, no one is going to get off the island and away from this plant.

The other thing that should concern us just tangentially, I would submit to the Members, is the issue that the Nuclear Regulatory Commission, without reasoning, is abandoning all of the arguments that it made so eloquently after Three Mile Island about safety. They are changing the rules in the middle of the game, and all we are saying, whether you are for nuclear power or against nuclear power, is that we should recognize the distinction in Shoreham and in Seabrook. These plants were incorrectly sited. They cannot be evacuated, and the Nuclear Regulatory Commission must not be allowed to usurp its own responsibility to the people by forcing them to be opened through this process.

Mr. Speaker, I beg my colleagues to please understand this issue.

The SPEAKER pro tempore. (Mr. DONNELLY). The time of the gentleman from New York [Mr. DOWNEY] has expired.

Mr. LENT. Mr. Speaker, may I be granted 2 minutes?

The SPEAKER pro tempore. The time is controlled by the gentleman from Massachusetts [Mr. MOAKLEY].

Mr. MOAKLEY. Mr. Speaker, I know that the gentleman from Missouri [Mr. TAYLOR] said that he had no further requests for time. I think that he does at the present time, however, have further requests for time.

The SPEAKER pro tempore. Without objection, the gentleman from Missouri [Mr. TAYLOR] may reclaim his time.

Mr. TAYLOR. Mr. Speaker, I ask unanimous consent to reclaim my time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. TAYLOR. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. LENT].

Mr. LENT. Mr. Speaker, first of all, let me apologize to my colleagues. I did not intend to get into the debate on the Markey amendment until we actually got into the bill, rather than here on the rule, but since the gentleman from Suffolk County, the gentleman from New York [Mr. DOWNEY] took the opportunity to make a representation about this amendment, I do not wish to leave it go unchallenged.

At first glance, as we read the language of the Markey amendment, which is kind of convoluted, one-eyed, crippled-man amendment, as we used to refer to this sort of amendment in the State legislature, it would appear to only cover two plants, the Seabrook plant and the Shoreham plant. But once Congress embarks on this very heady process of micromanaging the licensing and relicensing of nuclear plants, I do not think there is going to be a single one of the 107 now operating nuclear plants or the some 17 to 18 nuclear plants under construction that is going to escape a Markey-like amendment. I say to my colleagues that, as a matter of law, every single nuclear plant in this country comes up for relicensing every 2 years, and at the time of the relicensing the question of the evacuation plan is again tested. So that means next year or the year after or the year after that, every single one of the 107 nuclear powerplants in this country which generate 20 percent of the electricity needed in this country is going to come up for renewal.

I shudder to think what that means. If we think passage of this amendment is just something we can do for TOM DOWNEY or GEORGE HOCHBRUECKNER we are sadly mistaken. Believe me, we are establishing a very, very bad precedent, one that is going to affect this Nation at a time when we are reflagging Kuwaiti tankers, at a time when we are trying to do everything we can to develop new sources of energy in this country. To start the process of turning down and closing down 20 percent of the electric generating power in this country is the wrong way to go.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. MRAZEK].

Mr. MRAZEK. Mr. Speaker, I think it is important for my colleagues to understand what is at stake for Long Island. Overwhelmingly the people in Suffolk County who live in proximity to this plant do not believe they can be safely evacuated.

The local utility has developed an emergency evacuation plan. When one gets a chance to review it, I think they will find it a rather interesting evacuation plan. It calls for people, in the event of an accident, to get on a thoroughfare called the Long Island Expressway. When the Friday night softball games get out, one cannot get on the Long Island Expressway, much less in the case of a nuclear accident.

It then calls for people on the Long Island Expressway who have been contaminated in the accident to drive to the Nassau Coliseum. And let us hope that the Islanders are not playing there at the time they are called to the Coliseum. But under the plan, volunteers are supposed to show up at the Nassau Coliseum with Handy-Wipes to wipe down contaminated vehicles, and then the victims are supposed to take their clothes off, when they are going to be given paper suits and a shower inside the Nassau Coliseum.

This is the emergency evacuation plan for an island that cannot be evacuated.

We have had serious construction flaws in that plant. We have building inspectors who think that the plant was constructed by the Three Stooges, and have said so. That is the reason why 85 percent of the people in Suffolk County say, "Do not allow the plant to go on line."

We have been fighting this issue. This is a State rights issue, and we have been fighting this plant through all the legal means at our disposal, led by the Governor of New York and both Republicans and Democrats, local and municipally elected officials, who understand the sensitivity and the concern of the people on this issue.

At this particular juncture we have the NRC stepping in and saying, "Let's change the rules of the game. Let's not allow State and local officials to really have their day in court." That is what really is at stake here. It is an issue affecting those of us on Long Island who have deep serious concerns about the plant.

Mr. TAYLOR. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. MOORHEAD].

Mr. MOORHEAD. Mr. Speaker, I did not intend to speak today on this amendment. However, since the other side has chosen to open the debate at this time, I think it is important that we determine what the issues actually are.

☐ 1600

This is an amendment to politicize the licensing of nuclear facilities, and gives to local government the ability to stop the licensing of a facility that has already been built.

The debate pits two States against a Federal agency, and thus is being cast as a classic confrontation between State and Federal rights; but the real issue is not rights. It is what to do when a clash of rights threatens the national interests, when compelling national interests must prevail.

At issue are emergency plans for the $5 billion Shoreham plant on Long Island and the $4.8 billion Seabrook plant in New Hampshire. Both have been completed and are ready for operation, pending the approval of operating licenses by the Nuclear Regulatory Commission.

Both plants were built with the backing of State and local government officials. The officials in New Hampshire now approve the plant in their area. The Shoreham plant is being blocked by Suffolk County and New York State officials.

The issue really is not local. The emergency planning controversy bears directly on America's ability to maintain an energy supply that is not vulnerable to international insecurity and instability.

At a time when so many of our energy sources are being curtailed, and our ability to conserve seems to be slipping, we are thinking now about cutting back on a source that provides 15 percent of the electric power of our Nation.

America is turning again to imported oil. States have a right to participate in decisions that vitally affect them, but they should not have final say.

The people of America are involved, and no local area should be able to make a determination that is this major to the American people just by refusing to take any action at all.

There are a number of people that have looked at these amendments, a number of large organizations which have looked at them. They are very concerned.

Many of the Members have seen the ad in the local newspaper last week by the AFL-CIO Building and Construction Trades Council, by the International Brotherhood of Electrical Workers, the Chamber of Commerce of the United States, the U.S. Council for Energy Awareness, the National Association of Manufacturers, the American Nuclear Energy Council. Many of these groups would not agree on any other issue, but something that means jobs to the American people, means independence for us from oil dependency, means a lot to every single person in this country. A few public officials in one small area, by refusing to act by sitting on their backsides, should not be able to defeat the American people.

Mr. LENT. Mr. Speaker, will the gentleman yield?

Mr. MOORHEAD. I yield to the gentleman from New York.

Mr. LENT. Mr. Speaker, I thank the gentleman for yielding to me.

I want to commend the gentleman for the gentleman's statement and point out that the AFL-CIO Building and Construction Trades Department statement that the gentleman has read from is entitled "How To Worsen America's Foreign Oil Dependence."

Let me read the first paragraph or two from this statement from America's great union.

> U.S. Navy warships and aircraft are protecting oil tankers in the Persian Gulf, while two new nuclear power plants are kept from operating in New Hampshire and Long Island. These plants are ready to replace 18 million barrels of foreign oil every year. They are ready to generate much-needed electricity for regions of the country already faced with the prospect of serious power shortages.
>
> Can America afford to abandon nuclear plants that are ready and able to help cut our increasing demand for imported oil? Unfortunately, a move in the U.S. House of Representatives now threatens the operation of those plants and other nuclear plants as well.

The SPEAKER pro tempore (Mr. DONNELLY). The time of the gentleman from California [Mr. MOORHEAD] has expired.

Mr. TAYLOR. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. LENT].

Mr. LENT. Mr. Speaker, I thank the gentleman for yielding me this time.

It is not just Shoreham. It is not just Seabrook that is at stake, but the other nuclear plants in the country as well.

My authority for that is our own Governor, Mario Cuomo, who says in a letter dated June 14, 1987, addressed to the various Governors of this country, in support of the Markey amendment, "Although such an amendment may be limited in application to Seabrook and Shoreham, it would have a much broader impact," for the Nation as a whole.

This is what we are talking about. If the gentleman thinks this amendment is only going to affect two plants, the gentleman is sadly mistaken.

One last item I wanted to quote from, and I have a telegram sent to me by the elected official who is charged with the education and safety of the young people who live in and about the Shoreham nuclear plant.

His name is Albert Prodell, president, Board of Education of the Shoreham-Wading River Central School District, and here is what he said about how he feels about this plan:

> The Shoreham Wading River Central School District has worked with Suffolk County consultants and with Lilco to develope an emergency plan for the school district, and the district participated in the drill held Feb. 1986. The school district is ready and willing to coordinate and participate with any governmental body or other agency given overall responsibility for emergency planning in the event Shoreham is licensed to operate.

Here is a school board president who frankly has more good sense and courage than some of the Members here in this House of Representatives to say what he stands for.

Long Island local governments cannot seem to manage the disposal of our own garbage, no less assess the safety of a nuclear plant.

The SPEAKER pro tempore (Mr. Donnelly). The Chair will state that visitors in the gallery are prohibited under the rules of the House from any overt demonstration.

Mr. LENT. Mr. Speaker, we are in a situation here where our own U.S. Navy servicemen are at risk trying to escort oil tankers through the Straits of Hormuz to keep open the oil pipeline to this country. By adopting the Markey amendment, we are playing into the hands of the Ayatollah who, I am sure, is glued to C-SPAN right now, wherever he may be, rooting for the passage of the Markey amendment. That is how bad it is.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. Downey].

Mr. DOWNEY of New York. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, the gentleman from New York [Mr. Lent] has conjured up out of his vivid imagination the drying up of U.S. Navy ships in the Persian Gulf because of lack of oil if the Markey amendment passes. Really?

Does the gentleman know that less than 3 percent of the Nation's electricity comes from oil-fired plants and less than a fraction of that is imported oil?

Of course, it is in the gentleman's interest to conjure up every sort of ghost about the Markey amendment. For instance that the Markey amendment must apply to all 107 of the plants, the gentleman says, so each of the Members may have to worry about the crying and grasping.

The NRC is attempting to force an evacuation on two plants, Shoreham and Seabrook. The Markey amendment drafted by the gentleman from Massachusetts carefully applies only to those two plants, so if the gentleman wants to conjure up 107 catastrophies the gentleman can. The gentleman is wrong.

Mr. TAYLOR. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. Ritter].

Mr. RITTER. Mr. Speaker, I thank the gentleman for yielding to me this time.

I would like to point out that the gentleman from New York talks about foreign-oil dependence. The foreign-oil dependence of the New England States is 40 percent. For Long Island it's 80 percent.

New York City, Long Island, and the New England States need Shoreham and Seabrook more than the rest of the country. They need it more than ever, and I would like to quote from somebody who stands in opposition to the Ayatollah, the venerable former Speaker of this House, the Honorable Thomas P. (Tip) O'Neill.

Mr. LENT. Mr. Speaker, will the gentleman yield?

Mr. RITTER. I yield to the gentleman from New York.

Mr. LENT. Mr. Speaker, I thank the gentleman for yielding.

The gentleman has very correctly straightened out the gentleman from New York [Mr. Downey], who does not sit on the Committee on Energy and Commerce as the gentleman from Pennsylvania and I do; and therefore, the gentleman can perhaps be forgiven.

Nassau and Suffolk Counties——

The SPEAKER pro tempore (Mr. Donnelly). The gentleman will suspend.

The Chair will state that the rules of the House prohibit any overt demonstration by members of the gallery.

The gallery will be cleared if the people in the gallery do not obey the rules of the House.

Mr. LENT. Mr. Speaker, if the gentleman would continue to yield, Long Island is between 80 and 100 percent, not 3 percent, as the gentleman maintained, but between 80 and 100 percent dependent on imported oil for our electricity, not 3 percent.

That is why we are against the Markey amendment. We are 80 to 100 percent dependent.

Mr. RITTER. Mr. Speaker, reclaiming my time, I would like to point out someone else who is in disagreement with the Ayatollah, and in agreement with the gentleman from Long Island, when he says, "I am not in agreement with some of the leading public officeholders as our Attorney General and our Governor. I have always been a strong advocate of nuclear power under strict supervision, strict guidance, and strict oversight."

I think we would make a mistake and divide this power and say Massachusetts, New Hampshire, this is a local matter for you, because the power that will be generated in Seabrook is going to be spread all over the Northeast.

We do not have enough power to rely on, and we are going to have to rely on Canadian power during peak hours.

□ 1610

We have to protect this country for the future.

Mr. Speaker, that is well said by the distinguished former Speaker of the House, Tip O'Neill. Obviously, former Speaker O'Neill is seeking some of the same energy security for the United States of America, including New England and Long Island, that we are.

Mr. MARKEY. Mr. Speaker, will my friend, the gentleman from Pennsylvania, yield?

Mr. RITTER. I yield to the gentleman from Massachusetts.

Mr. MARKEY. Mr. Speaker, I thank the gentleman for yielding.

I took the liberty of contacting the Speaker so that I could get a clarification on that statement. I have a statement here from Tip O'Neill from yesterday, if the gentleman would allow me to read it.

Mr. RITTER. I take it the gentleman would like me to yield to read it. The gentleman should perhaps do it on his own time.

Mr. MARKEY. It is a one-paragraph response. It is in the context of the gentleman's statement.

Mr. RITTER. Mr. Speaker, I yield back the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield 9 minutes to the gentleman from Massachusetts [Mr. Markey].

Mr. MARKEY. Mr. Speaker, I thank the gentleman.

Mr. Speaker. I would just like to put in the Record a statement from Thomas P. O'Neill, August 3, 1987:

> I have always been a supporter of nuclear power and have felt the resources of Seabrook will be needed by its customers. Although I have also said that the Federal

> Government has the authority and the responsibility for the licensing of nuclear power plants. I do feel, however, that the states cannot be excluded from exercising their responsibilities for protecting the safety of their citizens and the licensing process.

I would just like this to be on the record to clarify the Speaker's views on this issue.

Let me turn now, Mr. Speaker, if I may, to the history of the Seabrook plant, because a lot of people are under a misimpression that the State of Massachusetts and the State of New York are raising issues about these plants at the last minute and trying to change the rules in the middle of the game. Nothing could be further from the truth. In fact, the opposite is the case.

In the mid-1970's, the State of New Hampshire, represented by Attorney General Warren Rudman, and the State of Massachusetts represented by Attorney General Frank Belotti, went before the Nuclear Regulatory Commission, arguing that it was improper to allow the construction of a nuclear powerplant on the most populated beaches of Northern Massachusetts and southern New Hampshire without first determining whether or not it was possible to evacuate the hundreds and hundreds of thousands of people who live near the plant and would be enjoying the beaches or their particular communities, there in summer in winter.

The Nuclear Regulatory Commission excluded Massachusetts and New Hampshire. They would not allow us to raise those issues, saying that the plant should be constructed first before those issues could be raised, arguing that it was too incredible to believe that a nuclear melt-down could occur at that particular site. So basically they decided that a nuclear accident could not occur; therefore, Massachusetts and New Hampshaire were in fact taken out of the proceedings in 1975, even though we objected to the construction.

We move now to 1979, the Three Mile Island accident. In the wake of that accident, the Congress, the Rogovin Commission and the Kemeney Commission, all recommended to the Nuclear Regulatory Commission that they adopt tough new standards for emplacement of emergency evacuation plans around nuclear powerplants in this country.

The State of Massachusetts, through Attorney General Frank Bellotti and other intervenors, once again went to the Nuclear Regulatory Commission, arguing at a point where Seabrook had only been 15 to 20 percent constructed, the construction should be ceased until the question of the ability to emplace emergency evacuation zones around the plant had been answered, because the State did not want billions of dollars of their rate payers' and shareholders money expended if the plant could not be licensed.

The NRC dismissed the contentions of the State of Massachusetts and the intervenors, arguing that they would not be prejediced by the billions of dollars which would be invested over the subsequent 5 to 6 years in making their determination on the safety issues.

That case was then appealed up to the circuit court of appeals. The circuit court upheld the NRC in 1982, but in their ruling they said that the basis for upholding the NRC was that the NRC stated explicitly that the money invested in those plants by the utilities was a risk that had to be assumed by the utility if the plant could not in fact meet the safety standards at the point at which it applied for an operating license.

Finally, after waiting 12 and 14 years, the State of New York and the State of Massachusetts were finally allowed to go before the NRC and make their cases on emergency planning.

FEMA, the Federal Emergency Management Agency, has not been able to find a plan which works for this plant. It is built on beaches that are within 2 miles of the plant. This photograph is of two block of one of the beaches, two blocks of one of four beaches that contain 3 to 400,000 people, plus other permanent residents who live around these beaches all summer.

FEMA on June 5 of this year ruled that the New Hampshire plan, submitted by the State of New Hampshire to FEMA, is inadequate and does not work. That is FEMA.

Remember now, FEMA is not some granola-chomping organization affiliated with a clamshell alliance up in New Hampshire. FEMA is an organization which has a plan for Washington, DC. In the event that Washington is attacked by nuclear weapons and hit, they can evacuate all of us. They have been able to figure out a plan to evacuate all of us in the event this city is hit with a nuclear bomb. I am sure we all have our little letter that tells us where to go in the event of that incident.

However, they cannot figure out what to do with the Seabrook plant. They cannot figure out under any circumstances what to do here. What a tough situation. Is that arbitrary on the part of local communities? Is that arbitrary on the part of the intervenors? Is that arbitrary on the part of the State of Massachusetts?

FEMA cannot approve a plan to evacuate these communities in the event of a nuclear meltdown.

So what does the NRC do? It goes and institutes a rulemaking to change the rules. What is the intent of the proposed rules? After waiting 12 years, the rule is that the States cannot come in and raise their objections about emergency evacuation plans anymore.

And get this justification. In January this year, here is their justification for instituting the rulemaking:

> A forced abandonment of a completed nuclear plant for which billions of dollars have been invested also poses obvious serious financial consequences to the utility rate payers and taxpayers.

So after arguing in 1981 and 1982 at the NRC and the circuit court that financial investment would have no bearing, they come back in 1986 and 1987 and they argued that the inexorable pressure on investment already made over all these years should now be the criteria for changing the rules and never giving Long Island or Massachusetts the ability to make their case in court.

What we are arguing is that it is just wrong to allow a Federal agency packed with pronuclear supporters to change the rules. It is absolutely wrong to allow a Federal agency, much less the Nuclear Regulatory Commission, to deny the States of Massachusetts and New York the procedural due process which they invoked in timely fashion to raise important safety consideration affecting the health and safety of the citizens of their States, which under the 10th amendment of the Constitution of this country they are entrusted with.

It is wrong to tell the people who live inside this 10-mile radius that they will have to be treated different from people around every other nuclear powerplant in America which has an emergency plan certified by the State, by FEMA and by the NRC to evacuate them. It is wrong to tell the people of Long Island, to tell the people of Massachusetts and New Hampshire, that they are a special category.

What the gentleman is arguing and what the NRC is trying to do is to change the rules in the middle of the game and to now tell these people who have invested their good money, who are going to have to pay through their rates for this plant, that their families are going to have to live in the shadow of that plant with a sure warning from the Nuclear Regulatory Commission—and this is the Nuclear Regulatory Commission speaking—that there is a 15- to 40-percent chance of a meltdown at a nuclear powerplant in this country before the year 2000. It is wrong to take two plants in this country and make these people live in the shadow of a plant without that protection.

I would hope that the gentleman and all those who are supporting any attempt to undermine these Northeastern States will reconsider their position.

Mr. LENT. Mr. Speaker, will the gentleman yield?

Mr. MARKEY. I am glad to yield to the gentleman from New York.

Mr. LENT. Mr. Speaker, is it not a fact that the gentleman from Massachusetts does not represent the area portrayed in that photograph, that that photograph is a plant in New Hampshire, that Seabrook is in New Hampshire, and the gentleman does not represent any area there?

Mr. MARKEY. Mr. Speaker, I will reclaim my time and ask, What is the relevance of public safety to that question?

Mr. TAYLOR. Mr. Speaker, I yield 4 minutes to the gentleman from New Mexico [Mr. LUJAN].

Mr. LUJAN. Mr. Speaker, I thank the gentleman for yielding.

I was looking up to see what we have done in the past that brings us to this point, what the history is that brings us to wanting to change what the Nuclear Regulatory Commission can do.

I found that in 1980 we, the Congress, authorized the Nuclear Regulatory Commission to accept alternative plans in situations where State and local authorities might refuse to cooperate. Now, that is exactly what has happened here.

Mr. Speaker, let me state that over the weekend a group of us met in Massachusetts in a conference at Woods Hole. I was interested in reading the Boston newspaper which said something to the effect that Massachusetts has become an energy colony of Canada. Why was that? Because of the opposition to build any kind of powerplants in that area.

Now, we are told that, well, these plants can be converted to coal-fired plants. I would like to see the arguments at that time when there is an attempt to convert them to coal.

I think it is important to point out, Mr. Speaker, that we went through this whole thing last week. There is another antinuclear initiative in the Congress this week. Every single week we seem to hear the same arguments of what we should do and what we should not do.

There is a $10-billion investment in these two plants. As I said before, if you think you are hearing some arguments now, wait until somebody decides that they want to convert these to coal. We will have the same opponents on this floor decrying the attempt to convert them to coal.

It is strange that we do not hear anything from anybody from New Hampshire. Their Governor is a supporter of opening up the Seabrook plant, but it is the neighboring governor and the neighboring people who are opposed to it.

I would just say that we cannot leave the decision to those who are philosophically opposed to nuclear power. As a matter of fact, any time the word nuclear is used there is that same philosphical opposition.

So I would say, Mr. Speaker, that even though at the moment we are discussing the rule and we have gotten a little far from the acceptance of this rule, because it is an open rule, I do not think anyone should have any objection to the rule, but I do see where there could be some serious objections to the Markey amendment and to some other amendments that are coming up this afternoon.

□ 1625

Mr. TAYLOR. Mr. Speaker, I yield 3 minutes to the gentleman from Utah [Mr. NIELSON].

Mr. RITTER. Mr. Speaker, will the gentleman yield?

Mr. NIELSON of Utah. I am happy to yield to the gentleman from Pennsylvania.

Mr. RITTER. Mr. Speaker, I would like to point out that nothing in former Speaker O'Neill's letter or statement that I read has been revised as a result of the statement introduced by the gentleman from Massachusetts. The former Speaker of this House is obviously still opposed to those who would cripple the licensing and operation of Seabrook and Shoreham.

Mr. NIELSON of Utah. Mr. Speaker, I would like to read a few editorials from the New York Times, Boston Herald, and various other places.

The first one is February 1987 the New York Times. It says:

FEDERAL POWER OVER NUCLEAR POWER

Should nuclear power be regulated by the Federal Government or the states? Only Washington has the technical expertise and the duty to weigh the national interest. But states including New York and Massachusetts refuse to cooperate in emergency evacuation plants at Shoreham and Seabrook, effectively blocking their start-ups. The staff of the Nuclear Regulatory Commission now proposes to remove this veto power. That would be a welcome and overdue step.

The states got a foot in the door of nuclear plant licensing after the accident at Three Mile Island in 1979. The Nuclear Regulatory Commission told utilities to prepare to evacuate people from a 10-mile radius around nuclear power plants in the event of a radioactive release. That required the cooperation of local authorities, but it seemed inconceivable to the commission that any would refuse to help prepare its citizens for crisis.

Local authorities like Suffolk County and the Governor of New York saw non-cooperation as a weapon against power plants they opposed, especially where the start-up would sharply increase local electric bills. The commission found it had shared its prerogative to license plants with municipal orator and antinuclear governor.

Giving local authorities a veto power over new plants means none will be built. That's a decision that affects the national interest and only Washington should make it. The Nuclear Regulatory Commission ceded states this power by regulation and now proposes to take it back by modifying the regulation. There's no question of usurping states' rights or police powers. All that the commission staff proposes is that plants should be licensed once a reasonable emergency plant has been drawn up, even if the local authorities say they won't cooperate.

Fabian Palomino, Governor Cuomo's principal adviser in preventing Shoreham from going on line says that for the commission even to consider such a step would be "a shameless act and a total abandonment of any sense of responsibility." To the contrary, it's Mr. Cuomo's behavior that compels the commission to rescind the power it asssumed the states would handle responsibly.

If Congress wants the state to set nuclear policy, let it pass a law. Meanwhile, the commission has already delayed too long in restoring its authority.

From the Wall Street Journal:

NUCLEAR POLITICKING

Opposition to nuclear power in the U.S. long ago left off whatever basis in fact it may have had and is now mainly a political religious movement for the doomsday wing of the ecology movement. Rather than incur the wrath of these evening-news activists, politicians frequently join their opposition to nuclear-generated power. Last week, the U.S. Nuclear Regulatory Commission struck a blow against anti-nuke politicking.

It rejected the pleas of several governors who said the operation of some power reactors would endanger public health and safety. The commissioners voted 4 to 1 to make it easier for utilities to get an operating license where local governments refuse to cooperate with planning for emergencies. The vote is subject to 60 days of public comment and is likely to meet a court challenge.

Emergency planning sounds like a reasonable cautionary measure. In fact, it has become little more than a stalling tactic. Immediately at issue are the Seabrook plant near the New Hampshire-Massachusetts border and Long Island Lighting's Shoreham facility. Each of these reactors, which cost more than $4 billion to build, has yet to get an operating license to start generating electricity for its region because state and local authorities refuse to participate in ferderally required emergency-evacuation drills. For anti-nuke local officials, this technical device is a de facto veto over the start-up of these completed plants.

At an NRC hearing in Washington last Tuesday, New York's Gov. Mario Cuomo called the proposed rule change "a blatant disregarding of the need for evacuation." Gov. Michael Dukakis of Massachusetts is standing in the way of the Seabrook plant. Also on hand to pound away on the anti-nuke tom-toms were the governors of Vermont and Ohio, as well as Sens. Kennedy, Moynihan and D'Amato. Some activist protesters in the hearing room cheered, hooted and sang "God Bless America."

These histrionics about threats to public health and safety are unfounded. The chances of a major nuclear accident are remote, given the extensive safeguards and containment measures the industry has installed to accommodate wave after wave of objections. Each new safety measure brings little more than restagings of melodramatic anti-nuke protests.

The newest wrinkle, expressed at the NRC hearing, is to argue that the commission's ruling violates President Reagan's commitment to federalism. State and local officials, however, already have had input into the nuclear-reactor approval process along every step of the way, from site selection to design and construction to start-up. The Seabrook and Shoreham plants didn't just suddenly appear one day. They were the result of more than 10 years of planning, hearings and construction. Now the governors are using evacuation and federalism gimmicks to prevent operation.

The delays at Shoreham and Seabook will mean large future costs for both consumers and investors. The governors' opposition to operation represents a financial burden and jeopardizes the security of future electricity supplies in those locales.

After all this time, there's no good reason that these plants shouldn't receive permission for full-scale operation. The Nuclear Regulatory Commission, which in the past 15 years has been far more tolerant of antinuke obstruction than mere prudence demands, finally is getting fed up. Its vote to override nuclear politicking is long overdue.

From the Waterbury Republican:

NUCLEAR FOES SOUGHT VETO

At least two multimillion dollar power plants—whose only "fault" is to be nuclear—can't open simply because local officials say so.

That's the power the Nuclear Regulatory Commission wants to take away from Govs. Michael Dukakis and Mario Cuomo and others who have blocked opening of plants in New Hampshire and New York and who promise to take their fight to the courts and Congress know that the commission has landed on the side of energy policy sanity.

Ostensibly at issue is the nature of evacuation plans for areas around nuclear power plants.

But what's really at issue is whether local officials who simply refuse to act should be permitted to keep inoperative power plants that have been built by investors in good faith and that abide by all the requisite federal safety and design features.

By recommending that the evacuation plan requirement be waived or modified in those areas where local officials refuse to assist in their development, the commission hopes to make ineffective the stonewalling that has kept the Shoreham nuclear plant on Long Island and the Seabrook nuclear plant in New Hampshire from producing electricity.

At Shoreham, local officials, with the backing and encouragement of Cuomo, have simply said that no evacuation is possible, and therefore they don't intend to present a plan.

Dukakis and others who oppose Seabrook are employing a similar tactic.

This position doesn't represent any good faith effort on the part of local officials. It is merely taking advantage of a vulnerable—and very recent; it was adopted in 1979—link in the licensing process for nuclear power plants.

Cuomo, Dukakis and others don't want the plants to open, and blocking the evacuation plan is their way to keep them closed.

Opponents of the rule change argue safety and even states' rights to assert that, through official inaction, they should have the right to block the operation of plants which are as safe or safer than the many that have operated for years without incident.

Though Chernobyl, naturally, is the boogeyman for anti-nuclear forces. Three Mile Island is the blot on this country's nuclear record and in this worst case incident, mass, immediate evacuations were not necessary.

Cuomo, Dukakis and others can chatter all they want about the evacuation nightmares that a Shoreham or Seabrook accident would cause, but their worries are based on fears born of prejudice and political expediency, not experience.

The commission is correct to rebuff such thinking, and the nation can only hope the courts and Congress see things the same way.

From the Hartford Courant:

GOVERNORS SHOULDN'T VETO THIS

When the Nuclear Regulatory Commission decided in 1979 that operators of nuclear power plants must draw up detailed evacuation plans in the event of an emergency, and test those plans in drills, no one thought the NRC was giving state governors veto power over new generating plants.

But that is exactly the weapon that Gov. Michael S. Dukakis of Massachusetts has tried to wield at the Seabrook plant in New Hampshire, and Gov. Mario M. Cuomo of New York has used at the Shoreham plant on Long Island.

Each governor by refusing to cooperate in evacuation plans, has made it impossible for utilities to open their plants.

The NRC last week tentatively approved a modification that would take the veto club out of local or state hands. A proposed amendment to the rules would establish the presumption that any "non-cooperative" state or local authority would, in fact, respond to an emergency, and that an operating license may therefore be issued.

That is an imperfect solution, but it is probably the best that can be designed. Once each nuclear plant is functioning, it will be in the interest of local or state governments to participate in evacuation plans and drills.

Opponents of the plants argue that they have been built in densely populated areas, and that no evacuation plan is credible. That is a good argument, but the question of sitting safety was addressed publicly in each case well before construction began. The sites were approved.

Furthermore, even in densely populated areas, evacuation can save lives and avoid serious contamination and illness in the event of an accident like that at Three Mile Island (which led to the evacuation requirement) or even that at Chernobyl in the Soviet Union.

Nuclear power plants should not be allowed to operate, regardless of the investments already made, if new information shows that they pose an imminent danger to public health. No such information has surfaced about Seabrook and Shoreham.

Federal regulatory authority could be challenged in court, but Messrs. Dukakis and Cuomo have simply decided to ignore the evacuation plan required by Washington.

It is cavalier of any governor to assert a last-minute right to block a plant after years and billions of dollars have been spent in planning and construction. It is equally cavalier to refuse to plan for the health of citizens in the event of a catastrophe.

Here is another one from the Boston Herald, April 22, 1987:

POLITICS AND POWER

Why doesn't Gov. Michael Dukakis come right out and say it: He's opposed to nuclear power—any where, any time.

In a speech at Dartmouth College, the governor declared we shouldn't build any more nuclear plants until the waste disposal problem is solved.

Combine this with his other positions (after Chernobyl, it's impossible to approve an evacuation plan for Seabrook), his policies and his perspective on the issue is clear.

If we had waited to solve all of the problems contingent with the generation of power from other sources before actually expliciting them, we probably still would be burning candles and whale oil. Technology may well need to be used before further innovations can deal with subsidiary difficulties.

Massachusetts' power needs are growing at a pace exceeding the national average. Absent the development of nuclear energy, how will these burgeoning requirements be met?

Does the answer lie in more oil and coal-fired plants? But, without exceedingly costly controls, this inevitably will lead to an increase in acid rain, which, he assures us, the governor also is quite concerned about.

It's time for a modicum of candor, from our governor. If he is indeed opposed to the use of nuclear power, he should admit it. And if this is mere political expediency, he ought to admit that too.

Mr. Speaker, I have a number of others which I will mention when I talk about this tomorrow, but let me state that another thing told to me by an official from the State of New York was that the State of New York had approved the plan, insisted on nuclear rather than coal for the reasons mentioned by the gentleman from New Mexico [Mr. LUJAN] and also approved the sitting.

It seems to me that they should not now pull the rug out from under them after they have approved all of these points.

Mr. TAYLOR. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. RITTER].

Mr. RITTER. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, to listen to the gentleman from Massachusetts [Mr. MARKEY] speak, one would think that the local authorities and the States were frozen out of the decision process on evacuation planning and emergency response planning. That is not what happened.

What really happened and the real issue is blockage of licensing and operation by nonparticipation in the emergency planning process after 10 years of local government support for those two powerplants. What the NRC seeks to do is clarify the rule so that nonparticipation is not tantamount to stopping the licensing or operation of a nuclear powerplant.

Mr. MOAKLEY. Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. MILLER].

(Mr. MILLER of California asked and was given permission to revise and extend his remarks.)

Mr. MILLER of California. Mr. Speaker, I rise in support of Mr. MARKEY's amendment to the NRC authorization bill (H.R. 1315).

Mr. MARKEY's amendment would prohibit the Nuclear Regulatory Commission from relaxing its emergency preparedness procedures for the Shoreham and Seabrook nuclear powerplants. Local and State officials and others in New York and Massachusetts have made it abundantly clear that the offsite emergency plans—specifically plans to safely evacuate the local population in the event of a nuclear incident—cannot work. In the absence of a workable evacuation plan, these officials have taken the only prudent course open to them. They are objecting to licensing these two plants.

When confronted with the Seabrook and Shoreham situations, the NRC apparently decided that the easiest course of action was to amend its own rule. Accordingly, last spring, the NRC issued a proposed rule to relax the existing requirement for State and local involvement in emergency planning. The proposed rule would allow the NRC to issue a full-power license to a nuclear plant where there is no State or local participation in the offsite emergency planning.

The NRC action is a blatant attempt to circumvent the legitimate concerns of the people of New York and Massachusetts about their safety. As one former NRC Commissioner, Mr. Asselstine, put it in his dissent from the proposed NRC rule change—and I quote—the NRC's "commitment to emergency planning only lasts as long as it does not get in the way of expeditious licensing of plants."

Much has been made of the argument that States should not have a veto over powerplant licensing. This argument begs the real issue. The real issue is whether or not effective and workable emergency plans can be developed and put into place for these two plants. If they cannot, then the plants should not be licensed. It is not a question of a State vetoing a plant. It is a question of prudent public policy—a basic question of public health and safety.

Since Three Mile Island and since Chernobyl, we have learned some valuable lessons about nuclear safety and nuclear powerplants. We have learned that serious accidents can and do happen. Fortunately, these are not frequent, but they do occur. When they occur, the local populace is affected—seriously affected. We have also learned that emergency procedures for handling the public—evacuating them or taking other measures, requires a prepared, ready, and cooperative local government. It is not—it will not ever be—enough for a utility to have some plans on a piece of paper. It is essential that the local community be part of the emergency planning process.

For the most part, State and local governments have participated in developing emergency plans. For the most part, the existing rules have worked well. Now, we are confronted with just two instances where the State and local governments have raised serious concerns about public safety—about whether or not people can be evacuated safely from the area in the event of an accident.

The NRC's response to these safety concerns is to overturn the rule, rather than listen to the State and local governments.

My response is that public health and safety are of paramount concerns. Public safety should not be compromised because it is inconvenient for the NRC or the local utilities. The existing rules should continue to apply to Seabrook and Shoreham. I urge you to join with me in supporting Mr. Markey's amendment.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Maine [Mr. Brennan].

Mr. BRENNAN. Mr. Speaker, as I see it the issue with regard to the Markey amendment is who should decide what is in the interest of public safety for the States of New York and Massachusetts. Who should make the decision on that very important question? Should that decision be made by a few members of the Nuclear Regulatory Commission here in Washington, or should it be made by 18 million citizens in New York and 6 million citizens in Massachusetts through their respective Governors?

Basically what it comes down to is this: Should this decision rest with millions of citizens through their highest elected States officials or with a handful of bureaucrats here in Washington? I think the answer is clear. The Governors of the States of Massachusetts and New York are certainly in a far better position to determine whether evacuation plans are realistic and workable for their States than a handful of bureaucrats in this city.

We are not talking about defense policies which are the special reserve of the Federal Government. We are talking about emergency evacuation plans and the ability of these States to respond effectively to a serious nuclear accident.

I do not believe there can be any question whatsoever but the people at the scene of a possible nuclear accident, and those are the people who are most vitally affected, those are the people whose lives are in jeopardy, those are the people in the States and the cities and towns who bear the brunt of any nuclear accident, would be in a far better position to determine what is a safe evacuation plan for them.

I think bascially we are showing some respect for local officials. I have been here 7 months or so and I hear a lot of talk about respect for the States. These are the people who have elected their Governors, whether it is Governor Cuomo or Governor Dukakis. I think we have to respect the fact that they are going to act conscientiously and they are going to act in the best interests of their citizens. I think we ought to show them that respect by letting them make that decision.

So I urge my colleagues, when the vote comes up, to strongly support the Markey amendment.

Mr. TAYLOR. Mr. Speaker, I think we will have ample time tomorrow, and we have 2 hours of general debate plus time under the 5-minute rule, to pursue this debate. I think we all look forward with great anticipation to an enlightening continuation of this dialog.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mrs. Emery, one of his secretaries.

NUCLEAR REGULATORY COMMISSION AUTHORIZATION ACT FOR FISCAL YEARS 1988 AND 1989

The SPEAKER pro tempore (Mr. Donnelly). Pursuant to House Resolution 237 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1315.

The Chair designates the gentleman from Minnesota [Mr. Oberstar] as chairman of the Committee of the Whole, and requests the gentleman from Massachusetts [Mr. Moakley] to assume the chair temporarily.

□ 1635

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1315) to authorize appropriations for the Nuclear Regulatory Commission for fiscal years 1988 and 1989, and for other purposes, with Mr. Moakley [Chairman pro tempore] in the chair.

The CHAIRMAN pro tempore. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Arizona [Mr. Udall] will be recognized for 30 minutes, the gentleman from New Mexico [Mr. Lujan] will be recognized for 30 minutes, the gentleman from Michigan [Mr. Dingell] will be recognized for 30 minutes, and the gentleman from New York [Mr. Lent] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Arizona [Mr. Udall].

Mr. UDALL. Mr. Chairman, I yield myself 3 minutes and 30 seconds.

Mr. Chairman, I rise in support of H.R. 1315, the Nuclear Regulatory Commission Authorization Act for fiscal years 1988 and 1989.

This is a simple, straight-forward bill. It does two things. It authorizes appropriations for fiscal years 1988 and 1989, and it raises the portion of the NRC's annual budget that will be recovered through user fees on the agency's licensees.

The bill authorizes a total NRC appropriation of $427.8 million for fiscal year 1988 and $422.6 million for fiscal year 1989. These figures represent a 4.3-percent increase in fiscal 1988 and a 3-percent increase in fiscal 1989 over the NRC's estimate for fiscal year 1987.

These increases are necessary for the Commission to meet responsibilities thrust upon it by the increased number of operating plants and by the low- and high-level waste laws, and to shore up the NRC's Safety Research Program. Safety research is essential to the Commission's regulatory program and to ensuring the safety of nuclear powerplants. Funds for this research were cut in half between fiscal 1981 and 1987. Unless the erosion of the NRC's Research Program is reversed, the Commission's ability to address future safety problems may be hampered.

The bill also increases the portion of the agency's budget recovered through user fees on agency licensees. Currently, the NRC collects about one-third of its annual budget through fees. As introduced and reported by the Interior Committee, H.R. 1315 calls for the NRC to collect half of its annual budget through user fees. This was the portion recommended by both the Commission and the Office of Management and Budget. The Energy and Commerce Committee amended the bill to recover a full 100 percent of the budget through fees.

Mr. Chairman, the two committees have assembled a consensus bill, H.R. 3037, that splits the difference between the 50-percent fee approved by the Interior Committee and the 100-percent fee approved by Energy and Commerce. H.R. 3037 recovers 75 percent of the NRC's annual budget from user fees. In practical terms, this will probably mean the average nuclear utility will pay a fee of about $2.3 million per reactor in fiscal 1988, compared to the fiscal 1987 fee of $840,000 under current law. The rule makes this consensus bill in order as original text for the purpose of amendment.

That is the sum and substance of the bill now before us, Mr. Chairman. The gentleman from Massachusetts [Mr. MARKEY] intends to offer an amendment, which I support. The amendment simply prevents the Commission from licensing nuclear powerplants unless they meet the emergency planning requirements now on the books—the same requirements that all presently operating plants have already met. This is a reasonable requirement and it has my support.

Mr. Chairman, I reserve the balance of my time.

Mr. LUJAN. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I rise in support of H.R. 3037, legislation which would make appropriations for the Nuclear Regulatory Commission for fiscal year 1988 and 1989.

It would authorize appropriations of $427.8 million in fiscal year 1988 and $422.6 million in fiscal year 1989;

It would direct NRC to annually assess and collect charges and user fees that approximate 75 percent of the annual NRC budget starting in 1988; and

It would reiterate congressional support for gas-cooled thermal reactor safety research.

Mr. Chairman, this has traditionally been a fairly controversial authorization bill.

Let me quote from the Interior Committee report on H.R. 1315, report 100-90, issued on May 12, 1987, which reads on page 3 as follows:

> Although there are many nuclear policy issues of particular concern to Committee members at this time, the Committee has kept H.R. 1315 free of nuclear policy provisions that are not germane to an authorization bill. The Subcommittee on Energy and the Environment will carry out oversight and legislative activities on a broad variety of national nuclear policy issues throughout the 100th Congress. The Committee believes that the authorization process is not the appropriate context within which to consider nuclear legislation such as amendments to the Atomic Energy Act of 1954, the Energy Reorganization Act of 1974, and the Nuclear Waste Policy Act of 1982.

Unfortunately, Mr. Chairman, nobody seems to have read that material, or if they did, they have forgotten it.

Today, we will have five or six amendments presented and most of those amendments consist of significant nuclear policy changes.

Mr. ECKART may be offering an amendment which would prevent the NRC from closing certain meetings to the public.

Mr. MADIGAN may offer an amendment directing NRC to suspend a certain operating license for a nuclear facility in Will County, IL.

Mr. MARKEY may offer an amendment allowing local governments to veto the opening of two fully constructed nuclear powerplants.

Mr. PASHAYAN may offer an amendment directing NRC to promulgate certain regulations relating to emergency planning.

And the list goes on. Somebody may offer an amendment to overhaul the entire NRC and I can't say I'd oppose that but I question whether or not this is the time or the place for all of these major nuclear policy changes.

In closing, Mr. Chairman, I support H.R. 3037 but I think we should follow committee procedures and not try to make all of these nuclear policy decisions on the floor of the House.

□ 1630

The CHAIRMAN pro tempore (Mr. MOAKLEY). The Chair recognizes the gentleman from Indiana [Mr. SHARP] for 30 minutes.

Mr. SHARP. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 1315 which authorizes appropriations for the Nuclear Regulatory Commission for fiscal years 1988 and 1989.

As I think our colleagues have heard, the Committee on Interior and Insular Affairs and the Committee on Energy and Commerce have worked well together on this legislation and are largely in agreement on the bill.

Mr. Chairman, I want to commend Chairman UDALL and Chairman DINGELL for their leadership on this legislation.

I want to take this opportunity just to indicate that one of the real rewards in being a Member of the House of Representatives is to serve with and work with the distinguished gentleman from Arizona, a man of extraordinary ability and character. His intellectual vigor, his unbending integrity, his legislative skill and his well-known humor have enriched this institution and they reflect a measure of honor and credit upon all of us who have the privilege of serving with him.

This again, Mr. Chairman, this piece of legislation is just another of the many indications of his skill.

The authorization before us, Mr. Chairman, requests a total of $428 million annually which is only a modest increase over the current appropriation.

It has been adjusted for inflation. It is certainly a lean budget. The Commission has indicated that it is sufficient for it to carry out its responsibilities.

We have provided a slight increase for safety research recognizing the critical importance of that portion of the job of the NRC. There will be two amendments derived from the Committee on Energy and Commerce, which the committee did adopt and which I hope our colleagues will adopt in the House.

One is to make the user fees 100 percent for this agency. We have done that in terms of the Federal Energy Regulatory Commission and the SEC, and I think it is clearly a direction in which we are moving and we might as well get onto it this year given our deficit problems.

The second amendment from the Committee on Energy and Commerce would prevent the operation of an NRC rule dealing with the Sunshine Act. Frankly, the NRC has seen the wisdom of not operating under that rule which they adopted without following appropriate procedures. That is what led to our concern and the oversight by the Committee on Energy and Commerce about this issue.

Our distinguished colleague, Mr. ECKART from Ohio, will be offering the amendment to neutralize that particular rule.

Finally, as our colleagues are very much aware, we will have Congressman MARKEY's amendment which I intend to support tomorrow when the House gets to that amendment. It received almost a majority in the Committee on Energy and Commerce. It failed because it was a tie vote of 21-21.

Mr. Chairman, we are dealing with the one agency of our Federal Government which has first and foremost responsibility for safety at our nuclear powerplants. And it certainly is my goal, as it is the goal of Chairman UDALL and many others in the House, that the agency function with a fundamental and firm commitment to the safety of the American people—as well as the people who work in those plants—and that it pursue the goal of safety vigorously, thoroughly and efficiently. We intend to do all that we can through oversight and through legislation to make sure that the NRC is clearly focused on that goal.

That is its critical function and, for those who wish to advocate nuclear power in this country, it is important to recognize that the NRC can give the greatest assist to nuclear power if it is helping to enhance confidence here in the Congress and around the country that safety concerns will be taken extremely seriously and pursued regardless of cost.

The CHAIRMAN. The gentleman from Indiana [Mr. SHARP] has consumed 4 minutes.

Mr. UDALL. Mr. Chairman, I yield 3 minutes to the gentleman from New Mexico [Mr. RICHARDSON].

Mr. RICHARDSON. I thank the chairman and would like to enter into a brief colloquy with the distinguished gentleman from Arizona.

Mr. Chairman, the Court of Appeals for the Tenth Circuit recently affirmed an injunction barring the Department of Energy from enriching foreign source uranium for domestic end use to the extent necessary to assure the maintenance of a viable domestic uranium industry. The court noted that that industry is "vitally important to U.S. defense and security interests" and that Congress under the Atomic Energy Act "did not want the United States to become dependent on foreign sources of uranium." DOE has expressed concern that some of its customers may evade the effect of the injunction as well as harm DOE's enrichment enterprise by going abroad for enrichment services. Is it your understanding that NRC has authority upon proper request to limit importation of enriched uranium for domestic use under the Atomic Energy Act?

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. RICHARDSON. I yield to the distinguished chairman, the gentleman from Arizona [Mr. UDALL].

Mr. UDALL. I thank the gentleman for yielding.

Mr. Chairman, the answer is "Yes." In response to recent questions, NRC has informed Congress as follows: "The Commission has broad authority under sections 161(b), 161(i), and 161(p) of the Atomic Energy Act to promulgate whatever regulations or orders are necessary or desirable to carry out the purposes of that act—namely the protection of the public health and safety and promotion of the Nation's common defense and security." NRC indicated that "any Commission regulations or orders of the type under discussion would need to be based on a finding that these are necessary or desirable to promote the common defense and security." The Commission further indicated that it could be requested to make the necessary finding, and that it could in fact make such a finding upon an appropriate record.

Mr. RICHARDSON. May NRC use funds authorized under this bill for the purpose of responding to a request to implement authority of the kind described under 161b, 161i, and 161p of the Atomic Energy Act?

Mr. UDALL. Yes.

Mr. RICHARDSON. I thank the gentleman. Appropriate exercise of NRC's authority would appear to fully **protect DOE from any feared loss of business due to the injunction.**

Mr. Chairman, I thank the chairman for his leadership on this legislation and I thank Chairman SHARP and Representative LUJAN and the distinguished minority leader from the House Committee on Energy and Commerce.

Mr. LUJAN. Mr. Chairman, I yield 6 minutes to the gentleman from Pennsylvania [Mr. GEKAS].

Mr. GEKAS. Mr. Chairman, let us make no mistake about it, the debate has now come down to whether or not we are going to approve at a later stage the Markey amendment. I believe everyone who objectively looks at the report of the committee and the bill that it has fashioned, that there is really no objection to any of the general features of the continuation of the work of the Nuclear Regulatory Commission.

The question is how should we deal with this Markey amendment that is yet to come up? We have had a preview of the arguments already.

What I am mulling over in my mind, and I need some help from the people who work on this on a regular basis is this: I feel on the one hand that the Markey amendment is a bit extreme, that it calls for a kind of antinuclear response to a problem centered around two nuclear installations that may have an effect on the rest of the country and the ongoing nuclear industry. And to vote for it would be to succumb to the temptation to enter into a philosophical kind of decision.

On the other hand as one who lives within the shadow of Three Mile Island, I am dissatisfied with the ability of the local community to give a full vent to their concerns about any portion of nuclear power.

Now on the question of evacuation, it seems, as we have already learned, that communities can evade the aegis of nuclear power by simply not proposing an evacuation plan or not cooperating with one that the utility might advance. And so are they being in false logic in refusing to cooperate? Therefore, they are refusing themselves the opportunity to give input? It is a kind of an irony.

What I would like to know and I would like to have the gentleman from Arizona answer if he would not mind: without the Markey amendment passing are we not still in a position where a local community or a State can appeal an adverse decision by the Nuclear Regulatory Commission on the implementation of an evacuation plan whether or not the local community or the State cooperated?

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. GEKAS. I yield to the gentleman from Arizona [Mr. UDALL].

Mr. UDALL. I thank the gentleman for yielding.

Mr. Chairman, the answer is yes, they can do that.

Mr. GEKAS. And further if the gentleman would not mind pursuing this, if the State government or local municipality wanted to present new facts or evidence, there are avenues to do that even after a decision is made by the NRC to adopt an evacuation plan without the original cooperation of the State and local government? Is that not the case? I ask the gentleman is that not the case that there would still be this arena available to the State government and the local communities for fighting through what they consider the adverse decision of the NRC on the evacuation plan on which they failed in the origins to cooperate in bringing about?

Mr. UDALL. There would be a wide variety of actions available to citizens, to groups in that case, both within the NRC which has provisions for restudy and appeal to higher authority and so on, plus the court system.

Mr. GEKAS. Yes. Now if that be the case then why are people like me who are caught in this quandry eager, as I was at one time, to vote for the Markey amendment to send a signal to the NRC that we have got to give more opportunity to State governments and local municipalities and local communities to have an impact on the adverse decision on evacuation plans?

Mr. UDALL. The gentleman's experience is similar to mine. I thought some time ago they were attempting to set up a system whereby a mayor or a Governor or a governing body of a small town within 10 miles from the nuclear plant could prevent it from operating, after it is all paid for and in position. That is not the case now. The Markey amendment has been changed.

I reluctantly came around to voting for it.

Mr. GEKAS. I thank the gentleman for supplying me with some of those answers. But I think that what his answers imply to me and bring me about to the position where I think I must vote against the Markey amendment, is that the Markey amendment does not by itself foster additional ways that the State or the local community can make its voice, their collective voices heard in the absence of an evacuation plan.

□ 1655

So if that be the case, if I brought myself around to that way of thinking, then I must devote myself—and I aim to do so, and I ask for the help of the members of the committee—to the goal of seeing if we can revise the permanent rules and regulations of the NRC to give an additional measure of ability to the State governments and the local governments to have even further input, even after the initial decisions are made by the NRC, as to the efficacy of an evacuation plan.

Mr. Chairman, I do believe that at this juncture I am ready to vote no on the Markey amendment.

Mr. LUJAN. Mr. Chairman, may I inquire, how much time do I have remaining?

The CHAIRMAN. The gentleman from New Mexico [Mr. LUJAN] has 20½ minutes remaining.

Mr. LUJAN. Mr. Chairman, since I have no additional requests for time and since the gentleman from New York [Mr. LENT], who controls the other time on this side, does have numerous requests for time, I ask unanimous consent that I be allowed to yield to him the remaining time that I have, and I also ask unanimous consent that the gentleman be allowed to apportion and to control that time.

The CHAIRMAN. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

Mr. UDALL. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. HOCHBRUECKNER].

Mr. HOCHBRUECKNER. Mr. Chairman, it seems to me that today, as we begin the debate on this issue—and we really are, as was pointed out, debating the Markey amendment; that is really what it comes down to—the question comes down to the basic issue of whether the NRC should have the absolute right to turn on nuclear powerplants without the consideration of legitimate local concerns. That is really what the issue is when we think about it.

Now, there is not a problem with new plants because clearly the problems that have occurred with nuclear power have sensitized the American people to the concerns about nuclear power, and so as far as new plants are concerned, there will not be a problem because they will never be sited. People will never turn them on initially in terms of their site plans. The problem we have to deal with is what we do with regard to the plants that are in the pipeline.

Certainly the Markey amendment will not do anything to affect the 107 nuclear powerplants that exist in the United States today, and there are 15 plants in the pipeline. The Markey amendment will not affect those except for the Shoreham and Seabrook plants. That is the goal of the amendment. That is its only concern.

This is not the first step to stop nuclear power in the United States. This is a step to stop two plants that should never have been sited in the first place. That is the problem. So we do not have a future problem with nuclear power. We have a problem that we must deal with today, and that problem is: how do we deal with the Shoreham and Seabrook plants, because with regard to the other plants in the pipeline, there are no concerns about local safety and evacuation plans. No one is raising a voice about that. It is only two plants we are talking about, and that is the issue.

So since this is a 2-day debate, let me start out, I say to my colleagues, by providing a little education on the Shoreham situation, because the Shoreham nuclear plant is in my district.

The question was raised before: "Mr. MARKEY, why are you concerned about nuclear power in your district with Seabrook? It is not physically in your district." Well, the Shoreham plant is in my district, and I am concerned about that plant, and 85 percent of the people in my district do not support that plant. Let me tell the Members why they do not support that plant and why I am here on this floor to explain to my colleagues why the Markey amendment is absolutely essential in order to stop a plant that many people do not want.

So let the education begin, because obviously the vote will not happen until tomorrow. There are three good reasons why the people on Long Island do not want the Shoreham nuclear powerplant. First, they have come to realize that there is no safe evacuation plan that can apply to Long Island. Look at Long Island. It is 125 miles long. I represent essentially the eastern 70 miles of that Long Island—which it is; it is a long island. The Shoreham nuclear plant has been positioned right here, as the arrow shows. Think about this. If there were a nuclear accident and the alert went out, the horns rang, the buzzers went off, and the radio station said, "There is a problem at Shoreham, folks," my people, over 200,000 of them, would have to drive past the nuclear powerplant in order to evacuate Long Island.

The NRC will say, "Well, they don't have to evacuate; only a 10-mile radius should be concerned." Tell that to the mothers, tell that to the fathers, and tell that to the schoolchildren. Did only the people in a 10-mile radius evacuate Three Mile Island? Of course not. When the bells go off, people are concerned, people are frightened, people are scared, and people leave. And everyone will tell us that the Long Island Expressway really is the longest parking lot in the world.

Let me give the Members an example of what happened on Long Island on Thursday, July 17, 1986. The Newsday's front page says: "The day the LIE stood still." It shows a nice picture there of thousands of cars stuck on the Long Island Expressway. The capiton reads: "Slimy mess from an overturned mayonnaise truck near the Glen Cove exit above creates a 5-hour ordeal for thousands of motorists." Glen Cove is over here on the western end. Very clearly, we could not evacuate Long Island safety, and that is the point.

The CHAIRMAN. The time of the gentleman from New York [Mr. HOCHBRUECKNER] has expired.

Mr. UDALL. Mr. Chairman, I yield 2 additional minutes to the gentleman from New York [Mr. HOCHBRUECKNER].

Mr. HOCHBRUECKNER. So, Mr. Chairman, the fact of the matter is that we cannot have a safe evacuation from Long Island. That is very clear. Look at the map. Look at the geography. The plant should never have been built there.

Now, we raised that question. In 1970 the people of Long Island raised the issue and said, "You can't evacuate Long Island. Stop building the plant."

What did the establishment or what did the AEC or the NRC say? Their response was: "Don't talk about evacuation now. It is not time. You talk about evacuation plans when it is time to talk about an operating license."

So they turned us off. In the Seabrook case, it was 1975 when they first raised the issue. They said, "Go away and come back later when it's your time."

Well, it is now our time, and we are saying you cannot evacuate Long

Island and you cannot evacuate the Seabrook area, and how dare you try to jam these plants down our throat?

The fact of the matter is that the NRC in 1980, because of Three Mile Island, put in place a very good plan, a rule that said, "We, the NRC, will not grant an operating license for any nuclear power plant that does not have a State and locally approved evacuation plan." It was a great idea, a great rule, and a great regulation. We supported it then. It made sense then, and it makes even more sense now. Yet the NRC is in the process of changing that rule.

That is what the Markey amendment is about. It says, "No, NRC. Do not change that rule for the Seabrook and Shoreham nuclear power plant." That is all the Markey amendment says.

Mr. Chairman, I am pleased to say that the gentleman from Massachusetts [Mr. Markey] has informed me that this is now really the Markey-Hochbrueckner amendment, and I am delighted to have my name on that amendment because it makes sense. The people of Long Island need that amendment, the people of Seabrook need that amendment.

Mr. Chairman, I think my time is nearly up, but let me assure my opponents that I will be back in a few minutes.

Mr. LENT. Mr. Chairman, I yield myself such time as I may consume.

Mr. LENT. Mr. Chairman, I rise in support of H.R. 1315.

The authorization proposed for the Nuclear Regulatory Commission in this bill is the amount requested by the administration. It holds the line at the agency's current funding level and increases the amount of funds to be recovered from fees paid by regulated entities.

As we consider this legislation, let's remember why we in Congress created NRC. Congress created NRC as a specialized agency to make technical safety judgments on the use of radioactive materials. The many uses of radioactive materials, from medical therapies to generating electricity, provide needed services to the American public but also represent potential harm if they are not carried out correctly. It was and is sound public policy to establish an expert agency with broad authority to protect the health and safety of the public, free from the politics of special interest groups. It is best to leave the specifics of how to assure the protection of the public to these experts.

I urge my colleagues to support this legislation which authorizes funds necessary for NRC to continue to fulfill its health and safety responsibilities.

Mr. Chairman, I had not intended to talk about the Markey amendment today. That is going to be debated tomorrow. But a lot of things have been said, and I understand it will be put over for a vote at a subsequent time. But this is a very controversial amendment that will be offered by the gentleman from Massachusetts [Mr. Markey], and I think it is only prudent that I at this time alert my colleagues to the situation and urge them to defeat this amendment.

The effect of this amendment, as I read it, is to block this special agency, the Nuclear Regulatory Commission, from remedying a situation which allows any State or local governing body to shut down a nearby nuclear plant. This is a very dangerous amendment because it affects the security of the United States. That is what this fight over the Markey amendment is all about.

Many of us in this body can recall the two energy crises of the 1970's when the OPEC cartel ratcheted down the oil spigots and almost brought this Nation and other industrialized nations to their knees. When it came time during these crises to allocate the precious oil supplies to alleviate the inflation and the unemployment that resulted and to set up strategic petroleum oil reserves, it was the National Government that had to bear the burden and lead this Nation out of its predicament. We did not then hear the supporters of the Markey amendment talking about handling the energy problem by home rule. We were in the throes of a national energy shock, and the National Government had to deal with it.

Are our memories so short that we have forgotten the spectacle of President Carter on television wearing his sweater with the fireplace ablaze behind him? Have we forgotten that winter the Christmas trees and the monuments in this city went unlighted? Have we forgotten the temperature controls, the gasoline lines, and the rationing coupons that were actually printed, although never used? Have we forgotten the summer we sweltered in this very Chamber to conserve precious energy? And do we not remember the rhetoric of our own speeches resounding in this Chamber about energy independence and how we would never again allow our Nation to become dependent on foreign oil?

George Santayana put it best when he said: "Those who cannot remember the past are condemned to repeat it."

Mr. Chairman, the fundamental lesson that should have been learned from the experience of two oil shocks during the 1970's is that excessive reliance on oil imports from a market ultimately controlled by OPEC undermines our national security. It is here in Washington, not in the States or in the county legislative bodies, it is here in the Congress that responsibility for our energy security ultimately lies.

Now, what are the real facts about Shoreham and about Seabrook? The electricity generated in the area represented by the gentleman from Massachusetts is 40-percent generated by oil.

□ 1710

Long Island, and I live on that island, is even more dependent. Three million Long Islanders depend on oil for 80 to 100 percent of their power.

When and if these two plants, Shoreham and Seabrook, are placed on line, they will displace 20 million barrels a year of OPEC oil, so a vote on the Markey amendment is a very important one, because of the message it will send to OPEC and to the American people on how deeply committed this Congress really is to energy independence.

In deciding how to vote on this amendment, keep two additional points in mind.

Mr. RITTER. Mr. Chairman, will the gentleman yield?

Mr. LENT. I yield to the gentleman from Pennsylvania.

Mr. RITTER. Mr. Chairman, I thank the gentleman for yielding.

It seems rather strange that in the midst of a national crisis involving the commitment of American sailors to the Persian Gulf, we are talking about not bringing on line $10 billion worth of investment in American, yes American, energy production that almost one for one displaces foreign oil, but Persian Gulf oil production.

I think the gentleman's point is well taken. The percentages that the gentleman mentions for both New England and Long Island are very, very important. I know Members from other congressional districts might say, "That does not affect me." They are hyperdependent on foreign oil.

Those Members' oil does depend a lot on what happens there, because if there is a blowup in the Middle East, and if Persian Gulf oil is cut off, whatever the percentages that are stopped, the whole world converges on the rest of the oil-producing markets.

We need energy independence like we have never needed if before, and this is a rather absurd time for curtailing directly America's attempt at energy independence.

Mr. LENT. Mr. Chairman, I thank the gentleman for his contribution, and point out if any Member has taken the trouble to look at today's issue of the New York Times, the front-page story, and it is ironic, is this:

"Oil prices rise as fears grow of cut in supply." So many of the Members who are saying, well, we can trust the Ayatollah, the OPEC countries, we do not have to worry about this, forget about what happened to us twice during the 1970's when the spigot was turned down, ought to read today's edition of the New York Times.

In deciding how the Members will vote, keep in mind, and do not let yourself be hoodwinked into thinking that the Markey amendment applies only to Shoreham and Seabrook and the 2,000 megawatts of oil-free electricity they will generate.

At first glance, this is all that is at stake; but once Congress embarks on this very heady process of micromanaging the licensing of nuclear plants, the inevitable result will be more and more Markey-type amendments applicable to the 110 operating nuclear plants and 4 plants under construction.

All of those operating plants in this country come up for a relicensing every 2 years. The question of emergency evacuation is restudied and rethought out for every single plant in this country every 2 years.

If the Markey amendment is adopted, God forbid, it will give tremendous aid, comfort and inspiration to antinuclear activists, and will be used by antinuclear activists around the country.

The Markey precedent could, and I say will, be applied in the case of plants already licensed and operating which, for one reason or another, have fallen into political disfavor.

Mr. RITTER. Mr. Chairman, will the gentleman yield?

Mr. LENT. I yield to the gentleman from Pennsylvania.

Mr. RITTER. Mr. Chairman, I thank the gentleman for yielding.

The gentleman makes an excellent point, not just a theoretical point.

The May 1987 publication of Ralph Nader's Public Citizen entitled "Shutdown Strategies," that is right.

That is not just a new plant coming on line; that is existing powerplants that could, in the gentleman's words, "fall into political disfavor."

Citizens efforts to close nuclear powerplants, May 1987 report; and in that report there is a full section, section 3B, emergency planning, and there are few cases listed here.

Illinois, the LaSalle plant, we are talking about two little nuclear powerplants, only 2,000 megawatts of electricity-generating capacity. That is a great deal of foreign oil.

A case study described here of the LaSalle plant in Illinois, and in Massachusetts there is an interesting element here, so we are not just talking about Seabrook.

Massachusetts might be interested in this, because in Massachusetts there is also Pilgrim and Yankee. Massachusetts gets some 50 percent of its electricity from foreign oil.

In addition to the State of Massachusetts, there is another powerplant in New York State that is part of this document on shutdown strategies, this Ralph Nader document, the Indian Point plant in New York State.

For those Members from North Carolina who might think that this debate is limited only to Shoreham and Seabrook, in the Ralph Nader document entitled "Shutdown Strategies," citizens' efforts to close nuclear powerplants, we see the Shearon Harris plant. Beyond North Carolina, we can go to Ohio where the Perry and Davis-Besse plants are both viewed as potential shutdowns by Mr. Nader and his colleagues.

Mr. LENT. Mr. Speaker, I thank the gentleman for his contribution.

I am going to reclaim my time to put Mr. Nader's antinuclear piece in the RECORD, so that the Members tomorrow would have an opportunity to review it, because the gentleman's point is very well taken.

As we indicated, the Markey precedent could and will be used in the case of plants already licensed and operating which, for one reason or another, have fallen into political disfavor.

In other words, notwithstanding the fact that we have an NRC, an independent regulatory agency charged with making complex, technical decisions on matters affecting public safety, the Congress would under the Markey amendment, and in a precedent on a case-by-case basis, be second-guessing the Commission's judgment when it proved politically expedient to do so, so today we are not just asked to look at the special circumstances surrounding Seabrook and Shoreham. Tomorrow we will be asked to look at nuclear plants in Ohio, Pennsylvania, or Massachusetts. Consider the fact that the State of Ohio is refusing to participate in emergency planning for the Perry plant, and reports that Massachusetts may decline to further participate in emergency planning for the Pilgrim plant, an operating plant currently down for repairs.

There is also the case of Limerick II in Pennsylvania where the new Governor campaigned on a promise to assist opponents of that plant.

Clearly there is more at stake here than just two unpopular plants in the Northeast. It is a trend threatening to spread far and wide.

In the context of nuclear security, this becomes a very critical matter. In fact, it is the most important of all.

Today in an increasingly dangerous world, we rely on nuclear power for nearly 20 percent of our Nation's energy needs. Frankly, it bothers me.

It bothers me that the proponents of this amendment would put this important source of energy at risk, without any thought whatsoever as to how we are going to make the shortfall; and if we encourage the systematic shutdown of nuclear plants with the adoption of this amendment, we may eventually have to burn another 2 billion barrels of oil a year to offset the nuclear power that would be lost.

Yet, we contemplate this at a time when our own domestic oil industry is in the depths of a depression, and when our reliance on imported oil is rising, further aggravating our trade imbalance on a day when the front page of the New York Times headline is "Oil Prices Rise As Fears Grow of Cut in Supply."

□ 1720

Mr. Chairman, watch when this vote on Markey is taken, because many of the same Members who support this amendment opposed reflagging the Kuwaiti tankers in the Persian Gulf. They also opposed burning coal because it causes environmental damage through acid rain. They also opposed drilling for oil offshore. They will also vote against opening up the Arctic National Wildlife Refuge in Alaska for exploration and possible development. They also oppose damming America's few remaining wild rivers in an effort to increase our supply of hydroelectricity, yet they would buy it from the Canadians at inflated prices.

They oppose all this, and yet put our reserves of nuclear power at risk, so it is as if the two energy crises of 1970 never happened. It reminds me of a character from a Robert Louis Stevenson novel who proclaimed, "I've got a grand memory for forgetting."

If the House adopts this Markey amendment, it can be said that we possess the same talent of that character; so vote no on the Markey amendment, strike a blow for energy independence.

Mr. RAVENEL. Mr. Speaker, will the gentleman yield?

Mr. LENT. Mr. Speaker, I yield such time as he may consume to the gentleman from South Carolina.

Mr. RAVENEL. Mr. Speaker, I would like to read into the RECORD a letter from the Governor of South Carolina, our late colleague, who said:

STATE OF SOUTH CAROLINA,
OFFICE OF THE GOVERNOR,
Columbia, SC, August 3, 1987.

Hon. ARTHUR RAVENEL,
House of Representatives,
Washington, DC.

DEAR ARTHUR: I understand that a letter I sent to the Nuclear Regulatory Commission is being circulated among the South Carolina delegation as an argument in support of the proposed Markey amendment to the NRC authorization act. I want to state in the strongest terms that I am not a supporter of the Markey amendment.

I am extremely reluctant and would be deeply concerned to see the Congress seek to make decisions about the operation of individual nuclear power plants, as the Markey amendment would have you do. Inasmuch as the amendment speaks specifically to ongoing licensing procedures affecting the Seabrook nuclear power plant in New Hampshire and the Shoreham plant in New York, two projects which are already beset with controversy and politics its passage would raise serious questions about the role of Congress in individual nuclear decisions in the future.

About 60 percent of South Carolina's electricity last year was produced by nuclear power and the citizens of our state will rely on this source of power for many years to come. South Carolina has enjoyed excellent relationships with the NRC and our utilities, and has cooperated fully in developing effective evacuation plans. As governor, then, my rationale for opposing the proposed rule change is two-fold. First I do not see the need to change a system that has worked for most states and works well for South Carolina simply to deal with Seabrook and Shoreham. Secondly, as my letter indicated, I believe that the federal government already has the power sought in the rule change.

However, as governor, my reason for opposing the Markey amendment is much stronger: I do not want to see the future of an industry vital to our state clouded by an amendment which I view as a political statement about federal preemption and about the nuclear industry as a whole.

Safe management of nuclear power requires close cooperation between the states and the NRC, and there is no question that sincere concerns raised by Seabrook and Shoreham have strained that cooperation. However, I believe we must rely on the regulatory system in place to find a solution to these problems within the delicate balance of power that has prevailed since the Atomic Energy Act of 1954. I believe passage of the Markey amendment could threaten that balance, and with it the future of nuclear power, and I urge you to oppose it.

Sincerely,

CARROLL A. CAMPBELL, Jr.,
Governor.

Mr. LENT. Mr. Chairman, I have to reclaim my time, because there are others that I promised.

I think we get the point that the gentleman's State and the gentleman's Governor is opposed to the Markey amendment.

I did promise the gentleman from Massachusetts that I would yield to him for the purpose of asking a question, not making a speech. If he wants to make a speech, he can do that on his own time.

Mr. MARKEY. Mr. Chairman, the question I would like to pose is to the gentleman from Pennsylvania through the gentleman from New York, if I could, because the gentleman made references to the Massachusetts economy.

What is the unemployment rate in Pennsylvania?

Mr. RITTER. What is the unemployment rate in Pennsylvania?

Mr. MARKEY. That is correct.

Mr. RITTER. It is probably around 6 percent.

Mr. MARKEY. The Massachusetts unemployment rate is about 3 percent. We are doing quite well, thank you. The gentleman's concern for our economy and the way in which we generate electricity is very much appreciated, but as they say, "Doctor, heal thyself."

When the gentleman has the prescription for the Pennsylvania economy that can get his unemployment rate down, we would appreciate knowing that.

Mr. LENT. Mr. Chairman, I will reclaim my time.

I think the gentleman from Massachusetts talked about the plant in New Hampshire, which is not in the gentleman's district. As a matter of fact, the Congressman from New Hampshire in whose district the Seabroak plant is located is here in the Chamber now and he intends to vote against the Markey amendment. He wants the Seabrook plant opened; so the gentleman was poaching a little on New Hampshire, so I can forgive the gentleman from Pennsylvania for talking a little bit about Massachusetts.

Mr. RITTER. Mr. Speaker, will the gentleman yield?

Mr. LENT. I am happy to yield to the gentleman from Pennsylvania.

Mr. RITTER. Mr. Chairman, I thank the gentleman for yielding.

Pennsylvania has been through some very tough times and has come out with great progress having been made. Our unemployment not too many years ago was 13 and 14 percent, probably under 6 percent right now; but it is interesting, the Massachusetts economy does very, very well. It is true they do it on imported oil and a lot of imported electric power from Canada. New England tends to do that very well; but I should say that given what is going on in the Persian Gulf today, given the tremendous potential for 1979 and 1973 recurring, doing what the gentleman from Massachusetts wants to do really cripples America's energy producing potential.

Mr. LENT. Mr. Chairman, could the gentleman refresh our recollection collectively of this body what happened to the employment situation nationwide during the time the OPEC nations turned the ratchet on the oil supply? What happened to inflation? What happened to employment?

Mr. RITTER. Well, I thank the gentleman for asking me that question.

There are so many Members of this House who blame the surge in inflation which crippled the American economy, led to massive layoffs and unemployment, the surge in inflation, on oil prices. Now, I do not know whether that is true or not, but a lot of people think that is true and all we need to do is to curtail America's oil energy production capacity at this time and promote further dependence on foreign oil, all we need to do is that and we will see 1973 and 1979 recurring if something happens in the Persian Gulf.

Mr. LENT. Mr. Chairman, I yield 2 minutes to the gentleman from Alaska [Mr. YOUNG].

Mr. YOUNG of Alaska. Mr. Chairman, I thank the gentleman for yielding.

I have been listening to this debate with great interest from my office on the television screen. Rarely do I watch television, it is usually so poor, but this debate has been very interesting.

I want to compliment the gentleman from New York [Mr. LENT] for his statements on this issue.

What has brought me to the floor is the concept of dependency on foreign oil, the Persian Gulf, the loss of lives, the reflagging of foreign vessels so we can protect the supply of oil not only to ourselves, but to our so-called friendly allies.

The reason I stand in the well, Mr. Chairman, is to bring to light a little information concerning the dependency on fossil fuels from overseas and some alternative solutions. One of those solutions, of course, is the development of the Arctic Wildlife Range in my district. We have 29 billion barrels of oil with an infrastructure in place, 150 Congressmen support that position, but it is ironic to me and I have gone over the list of those supporting the amendment of the gentleman from Massachusetts [Mr. MARKEY], they also oppose the development of the Arctic Wildlife Range, including the chairman, the gentleman from Arizona.

In fact, those who are speaking in support of the Markey amendment all oppose developing our sources of energy within the United States.

I say sources of energy. I have never heard the gentleman from Massachusetts [Mr. MARKEY] or any other of those groups presenting their views on that amendment today stand up and support oil and gas development, coal development, hydro development, or any source of energy.

I ask the listening audience and I ask this body to try to ask yourselves, where do they think the energy is going to come from? It has to come from somewhere, preferably from our shores and not from overseas.

I am urging this body to defeat the Markey amendment, because it is a mischievous amendment.

I understand the gentleman's desire. I understand what he wishes to do. I understand his position. We have debated this before, but the gentleman had his opportunity in the committee.

The CHAIRMAN. The time of the gentleman from Alaska has expired.

Mr. LENT. Mr. Chairman, I yield 30 additional seconds to the gentleman from Alaska.

Mr. YOUNG of Alaska. The gentleman's amendment was defeated in the committee. It was defeated in the other committee, and now he brings it to the floor. That is his prerogative.

But I am suggesting if this Nation is to have the energy necessary for the younger generations and to remain strong, we must have nuclear power, we must have oil and gas, we must have coal, and we must have hydro.

Power is very similar to blood. When you have a weakness in power, you have no opportunity for the future generations of this great Nation of ours. When you are weak with power, you are weak and you cannot expand. You cannot lead the free world. You cannot give the jobs and opportunities to the States we are speaking of.

Mr. Chairman, I urge defeat of the Markey amendment.

Mr. SHARP. Mr. Chairman, I yield 8 minutes to the gentleman from Massachusetts [Mr. MARKEY].

Mr. MARKEY. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I am enjoying this debate, because this is the first debate on a national energy policy that the Republicans have had in the 7 years of the Reagan administration, and I am really enjoying it. I hate to be diverted down this blind alley, knowing that the real debate here is on whether or not we can evacuate the hundreds of thousands of people who live inside the emergency evacuation zones around the Shoreham and the Seabrook plants; but it is almost an irresistible target, the Reagan energy policy. That is an oxymoron, as I am sure everyone who is listening to this debate knows.

In 1981, when Ronald Reagan took over, two-thirds of the Department of Energy budget was devoted to developing new energy technologies, and one-third was devoted to developing new nuclear weapons.

When we come back in 1987 here on the floor, two-thirds of the Reagan Department of Energy budget is devoted to new nuclear weapons and only one-third is devoted to alternative energy sources.

As we know, there has been an ever-escalating importation of oil from overseas during the Reagan years, culminating in this year's numbers which are putting us pretty close to where we were back in the 1970's.

What I am always astonished to know is the incredible concern that the gentlemen on the minority side have for our energy crisis, but we can never quite get their answer as to what should be our level of commitment to conservation and solar energy, to filling the SPRO, or to auto-efficiency standards. After all, 50 percent of all the oil in this country goes into the gasoline tanks of our country.

Where do the gentlemen stand on mandatory fuel economy standards for new automobiles so that we can have 35 and 40 mile a gallon auto fleets by the year 1990 and 1995?

Mr. LENT. Mr. Chairman, will the gentleman yield?

Mr. MARKEY. I am more than glad to yield to the gentleman from New York.

Mr. LENT. Mr. Chairman, how does the Markey amendment, which would shut down or keep from opening two plants that are going to use 20 million barrels a year of oil, how does that help us achieve energy independence? What is the gentleman's energy policy?

Mr. MARKEY. Mr. Chairman, if I can reclaim my time, as the gentleman knows, nuclear power in this country does not displace imported oil. It displaces gas or coal or the other alternatives which we would use, using domestic fuels.

As a matter of fact, the State of Massachusetts has indicated that if in fact this plant does not open, that we could very adequately satisfy the energy needs that we have for our region by using coal, gas-fired cogeneration, hydropower, and energy efficiency.

The crocodile tears which the minority are shedding for the Massachusetts and Long Island economies unfortunately do not relate to the question which is at hand. We can take care of ourselves. Do not worry about us. We are doing very well and Mike Dukakis is going to run for President on that lowest unemployment rate in the United States for the last 3 years, the lowest inflation rate. We are doing very well. Do not be concerned with us. We can take care of our future energy generation capacity.

As a matter of fact, Boston Edison has just put out bids for 200 new megawatts and 1,800 megawatts of orders came in as far away as Duke Power in North Carolina that wanted to supply us with cogeneration capacity.

□ 1735

We can do the job for our region, do not worry about us. What you should be asking is how are we going to evacuate the people in the 10-mile radius around these two plants? I know the gentleman does not want to deal with the question because he cannot answer it.

Two of the stupidest, most preposterous decisions were made to put a nuclear powerplant on a beach and on an island, for all intents and purposes, that requires hundreds of thousands of people to ride past the plant after it melts down to escape. That is the real issue here and I do not blame the gentleman for not wanting to debate that issue and for getting off on the red herring of what two nuclear powerplants that can be converted over to coal or gas will do to the American economy. What they do not want to debate is the central core issue which is that public safety is going to be seriously and irreparably compromised if the NRC is going to neglect to act.

Mr. DOWNEY of New York. Mr. Chairman, will the gentleman yield?

Mr. MARKEY. I am happy to yield to the gentleman from New York.

Mr. DOWNEY of New York. Mr. Chairman, I thank the gentleman for yielding because I think he put his finger on the issue. The issue is not 107 other nuclear powerplants that when they come up for license renewal will have the issue raised for them, and if that issue were necessary to be raised it should be raised. The issue, as the gentleman from Massachusetts pointed out, is the question of safety, and not a word from our friends, the advocates of nuclear power, do we hear, not one iota about the question of an evacution plan, not a word.

The gentleman from Long Island has not addressed the issue and neither have any of the other gentlemen.

Mr. MARKEY. If I can reclaim my time, we just heard some comments from the gentleman from South Carolina. The Governor of South Carolina has today retracted his support for the NRC rule. I can appreciate the pressure he was under to change his position.

I would just like to put on the record, however, what Gov. Carroll Campbell of South Carolina said on May 1, 1987, 3 months ago, on the rule:

> The sweeping changes * * * proposed by the NRC * * * would not be in the best interests of the State of South Carolina, its citizens and their property. I strongly recommend that the present NRC rule * * * be maintained as presently written.

I appreciate the gentleman from South Carolina letting us know how the Governor of South Carolina feels about the issue today. I just wanted the listening audience to understand it is a pretty radical change of his views from a few months ago.

Mr. SMITH of New Hampshire. Mr. Chairman, will the gentleman yield?

Mr. MARKEY. I am happy to yield to the gentleman from New Hampshire.

Mr. SMITH of New Hampshire. I thank the gentleman for yielding.

On the question of evacuation plans, since the gentleman says we have not mentioned it, would the gentleman support in the case of the Seabrook nuclear powerplant putting the plant on line providing that the utility agreed to close the plant down during June, July, and August, when the evacuation plan is in question?

Mr. MARKEY. Does the gentleman mean during the summer months and when the beaches are loaded?

Mr. SMITH of New Hampshire. That is correct, and it is in my district.

Mr. MARKEY. I would be willing to support the rule if that happened, and also if we would shut it down when there is between 12 and 24 inches of snow. In New Hampshire on the same roads there are two seasons, the Fourth of July and winter. So if we are going to deal with the issue of evacuation, we have to realize that we live in a very cold climate and we have snow on the ground a big chunk of the time. So unfortunately just dealing with the summer months does not deal with the evacuation problem for the roads of New Hampshire or Massachusetts.

Mr. SMITH of New Hampshire. If the gentleman will yield further, I would point out that he and I both well know that the numbers of people in the seacoast area during June, July, and August are far greater than they are in the wintertime, snow or not.

Mr. MARKEY. I agree with the gentleman. The problem is FEMA has not been able to certify a plant for any season of the year, and the State of Massachusetts has been also incapable of divining such an escape route for the people who live up there.

Licensing this plant without an emergency evacuation plan would be like licensing a high-rise building in a city without a sprinkler system in the event of a fire. It would be like licensing a ship without life rafts in the event that there was an accident and the boat was sinking.

This is not some arbitrary standard which we are trying to apply to this nuclear power plant. It is common sense. It is a minimal requirement that governments have a right to expect from private investment in terms of their relationship with the public in general.

So from sprinkler systems to life rafts to emergency evacuation plans, these are central questions that are involved in the day-to-day operations of State and local governments in terms of protecting their citizens. We are not asking for anything outrageous. All we are asking is that two of the worst decisions that have ever been made, the two worst in fact siting decisions in the history of the Nuclear Regulatory Commission be allowed to proceed under the existing rules that every other plant in the country has proceeded under.

Mr. UDALL. Mr. Chairman, could I have a reading on how much time remains?

The CHAIRMAN. The gentleman from New York [Mr. LENT] has 24½ minutes remaining, the gentleman from Indiana [Mr. SHARP] has 18 minutes remaining, and the gentleman from Arizona [Mr. UDALL] has 16½ minutes remaining.

Mr. UDALL. Mr. Chairman, I yield 4 minutes to the gentleman from Tennessee [Mr. COOPER].

Mr. COOPER. Mr. Chairman, I am not a regular combatant in the House nuclear war here. I am a pronuclear Member of Congress, I am from a pronuclear State and I support the Markey amendment. That is right, I support the Markey amendment and I am a pronuclear Member of Congress.

Why do I support the Markey amendment? Because the Markey amendment, in my opinion, if my colleagues will look at the relatively narrow issue involved, just look at that issue, the Markey amendment, despite its characterizations here today, gives the nuclear industry about 98 or 99 percent of what it wants. The Markey amendment allows the proposed NRC rule to go into effect for 107 nuclear plants in this country and for all of the proposed ones except for 2, the Shoreham and the Seabrook plants.

So of the 107-plus plants we are only talking about 2 plants here and their evacuation problems. That, in my opinion, is giving the nuclear industry about 98 or 99 percent of what it wants.

My Governor of Tennessee has written me a letter urging me not to give the nuclear industry anything. He has urged me to give them zero percent, and yet I am today choosing to give the nuclear industry 98 or 99 percent of what it wants. In my opinion, my State's Governor has several well-founded concerns and he is a conservative man. My Governor, a conservative man, realizes that the ultimate responsibility for the health and safety of the citizens of the State lie at the Governor's doorstep. My Governor realizes that the NRC has not exactly been the most watchful watchdog in the Federal Government. My Governor is sorry that fine commissioners like Commissioner Asselstine have now left the NRC giving us even less confidence in NRC's abilities.

My Governor also resents the implication that a Washington set of bureaucrats like the NRC know more about safety in Tennessee and other States than their own Governor or local officials of the State.

Finally, my Governor is aware of the debate we had here on the House floor last week regarding Price- Anderson in which we put a $7 billion cap on liability, a debate in which the nuclear industry admitted that in the event of an accident in an urban area there would not be enough money in that fund to pay all of the costs involved, $7 billion will not cover the cost of an accident right next to Boston or right next to New York City. So the industry, by its own admission, has said they are not willing to pay for the damages that could be caused in an urban nuclear accident.

Why then am I not only overriding my Governor's wishes and giving the industry 98 or 99 percent of what it wants; why am I not willing to go ahead and give the nuclear industry 100 percent? Because, in my opinion, that would be unfair to the Shoreham and Seabrook folks who have worked under this NRC guideline since 1980. It is unfair to change the rules on them now, and it is also, in my opinion, appropriate in our democracy to let the people of these two New England States decide what they want to do with their reactors. This is a democracy, after all. I do not see why we should be afraid of democracy.

Why should we as Members of other States force nuclear reactors down their throats when they do not want them? We have heard testimony today that every single elected official of both parties on Long Island is against this plant, or at least of the immediate county involved. These are the people most directly concerned. it would be wrong for us to fail to exempt these few plants from the proposed NRC rule.

Mr. LENT. Mr. Chairman, I yield 2 minutes and 30 seconds to the gentleman from California [Mr. MOORHEAD], the distinguished ranking member of the Subcommittee on Energy and Power.

Mr. MOORHEAD. Mr. Chairman, I rise in support of H.R. 1315, the Nuclear Regulatory Commission authorization for fiscal years 1988 and 1989. I do not believe that this legislation is controversial in any way, but amendments that may be offered to it are.

I think of greatest concern to the people of the country is the Markey amendment, which we have been discussing; 110 plants displace approximately 2.7 million barrels of oil a day in imported oil. This is approximately 47 percent of the total amount of oil that we import daily. Seabrook and Shoreham alone would displace 53,190 barrels a day of imported oil.

If nuclear units were shut down, the United States would import more oil because at today's relatively low oil prices, the additional demand would be met by foreign producers who have lower production costs than the U.S. producers.

I agree with those that say that local governments should have a voice, and we have passed laws giving local government a voice. They participate under the law in making the emergency evacuation plans. Unfortunately, some of them have found that they can defeat nuclear projects by refusing to participate, by saying we will not play, we want out of the action, we want the plants shut down or not opened because we will not even discuss the issue and we will not play a role.

This is the thing the Markey amendment would enable local governments to do. It has been told to this group today that local governments have no voice in Seabrook or Shoreham. I would tell my colleagues that in Long Island there were 75 different government permits that were obtained from local government before that plant was completed. They had a strong voice, they were heard.

In the plant that is in New Hampshire, only 2 miles of the 10-mile area is in Massachusetts, and the people of New Hampshire want the plant, they want it opened, and I feel that they will get it opened.

Mr. SHARP. Mr. Chairman, I yield 5 minutes to the distinguished gentleman fron New York [Mr. SCHEUER].

Mr. SCHEUER. Mr. Chairman the hour is late and I do not wish to repeat many of the arguments that were very brilliantly made, especially the remarks of my colleague from Long Island, GEORGE HOCHBRUECKNER. But I will make some remarks.

I heard the figure of 75 permits and so forth. How about the 75 percent of all of the people on Long Island of both parties who strongly oppose this plant? How about the Republican Party of Long Island that denied its nomination to Congress to an 8-year incumbent because of his support of the Shoreham plant? So offended were they and the rest of the population at that plant, it was that espousal of the Shoreham plant that made it possible for my colleague, GEORGE HOCHBRUECKNER, to make his brilliant and extraordinarily effective statement today.

Mr. Chairman, I am pronuclear, as was my colleague from Tennessee, Mr. COOPER. I believe in a mix. I have no problems with nuclear. In fact, I believe nuclear energy is probably the most safe and least environmentally degrading form of energy that we have available, certainly far more safe than digging coal out of mines, and far less environmentally degrading than coal, especially soft sulfur coal.

But that is not the point here. We are not on an antinuclear binge. I am pronuclear. What we are on is a pro-process binge, a pro-process binge. I am in love with process and never more so, and I am in love with legal niceties, that is the way we govern ourselves, and never more so than after having watched television these last 30 days or so. Every American should thank God that we have a government based on process and principle. We have learned to our regret what happens when process is brushed aside, and that is what is happening here.

□ 1750

Of the 110 nuclear plants there are only 2. I do not know whether the figure is now 107 or 108 that I approve of, where no controversy was to be seen at all. There are only two to which there are objection, there are only two that are delineated in the Markey amendment. The reason is because in the case of these two plants the Nuclear Regulatory Commission sought to sweep its established process under the rug, the established process by which States and cities would participate in the process.

So we are for process. We object to the irrational and improper procedures of the Nuclear Regulatory Commission in pushing aside the system, the process by which all levels of society and all levels of the government agree on these plants that were established after long deliberations in both Houses of the Congress and signed into law by the President.

As to how this is going to hurt our energy independence, there are lots of sources of energy in this country other than nuclear, other than coal; oil, alternative sources of energy. The total nuclear energy production of this country amounts to about 20 percent of our total energy.

So if you take the fact that there are roughly 110 plants you get down to the fact that any one plant produces about two-tenths of 1 percent of our national energy supply. So if you were to lose the energy output of Seabrook and Shoreham, which is not at all necessary because they can be converted easily to other forms of energy, you would lose an infinitesimal fraction of 1 percent of our national energy consumption.

I suggest that that is a proper and reasonable price to pay for the integrity of the processes of our Government. Never should we value them more highly than this day, the end of the 30 days of the hearings which have rocked the American public, and the 200th anniversary of the Constitution of the United States. What is more important than process? Let us preserve it, let us nurture it, let us respect it.

Mr. LENT. Mr. Chairman, I yield 5½ minutes to the gentleman from Pennsylvania [Mr. RITTER].

Mr. RITTER. Mr. Chairman, I had planned to make a longer statement on the general issue but I think I am going to confine myself to remarks that have something to do with the danger of the possibility of a nuclear accident and what it means to places like Shoreham and Seabrook.

I would like to remark on a letter that is sent to JIM WRIGHT, Speaker of the House, and ROBERT MICHEL, minority leader, by a group of scientists which includes eight Nobel prize winners, people like Luis Alvarez, of the University of California at Berkeley, Hans Bethe of Cornell University, A.M. Cormack of Tufts, Arno Penzias from Bell Laboratories, Glenn Seaborg from Lawrence-Berkeley, Charles Towns from Berkeley, Eugene Wigner from Princeton, and Rosalyn Yalow from the Albert Einstein College of Medicine.

Mr. Chairman, I would like to quote a few of these things that they say about nuclear plant safety because I think we need this out now, early in the debate before it gets too emotionalized.

They say:

> Nuclear plants in the U.S. have inherent safety through the incorporation of the negative power coefficient which suppresses power in the event of a loss of coolant accident. (Tragically, the Soviet RBMK design has a positive power coefficient which caused an immense power surge as Chernobyl.) This fundamental stability of design is reinforced by redundancy of systems so no single failure can allow an accident. Those systems have been refined over the years both on the basis of experience, and the use probabilistic-risk analysis. As a final safety measure (absent at Chernobyl), containment has been required and, over the years, the specifications have been strengthened.

And I might add vastly strengthened in the wake of Three Mile Island's accident.

I go on:

> The synergism of these safety features is such that the risk of reactors of the Seabrook and Shoreham generation having an accident with a sudden large release of radioactivity is on the order of one in a billion per year, about once in the age of the earth. This is about 10,000 times safer than the hazard encountered each time you ride a commercial aircraft. Is that a level of risk which a rational person avoids?
>
> The fourth step, evacuation, would be necessary, if ever, only within one or two miles of the plant, followed perhaps by evacuation of those within a narrow strip downwind of the plant at a later time. In view of the low population density required in siting plants, the last resort of evacuation is not a challenging task. An evacuation of everyone within the entire ten mile radius probably would never be advisable but, if done, it would not incur the volume or congestion which local police routinely handle after a college or pro football game.

I do not know whether that is true or not, but, by gosh, let us listen to eight Nobel prize winners commenting on this issue.

They also talk about the irrational objection:

> The only way that fear mongers can create a threatening scenario is by (1) characterizing the one-in-a-billion accident as a realistic basis for planning, (2) insisting on a zone for evacuation 25 miles in radius instead of the NRC's 10 mile radius, and then (3) postulating a need for instantaneous evacuation of the entire zone. The second and third parts of the scenario have no technical (or legal) justification. However, they do make a modest task much larger, as well as much more complex and hazardous.
>
> Further perspective on this issue is gained by considering that evacuations are relatively often needed for many other industrial activities such as chemical plant and railroad accidents. However, nuclear power is the only human activity where such evacuation plans are a pre-condition to operation.

We have taken one of the safest technologies that has ever been created and created preconditions which are virtually impossible.

And they go on in conclusion:

> What we need is an understanding of the immense amount of scientific scrutiny which has been given to develop safety in nuclear power plants and emergency planning to the point where the risk from a nuclear plant pales beside the risk of commercial air travel.

The Nobel prize winners go on to say that:

We also need a rational appreciation of the alternatives to nuclear energy. We do not need to further expose our economy and national security to the risk of reliance on imported oil or electricity. We do hope that the reflections presented in this letter will help you and your colleagues arrive at a considered position and assist you in avoiding the imposition locally or internationally of unwarranted statutory prohibitions which would proscribe otherwise very effective useful and by most professional reckoning safe nuclear power.

Mr. UDALL. Mr. Chairman, I yield 4 minutes to the gentleman from New York [Mr. MRAZEK].

Mr. MRAZEK. I thank the gentleman for yielding.

Mr. Chairman, I think it is fair to ask the question why an overwhelming percentage of the people of Nassau and Suffolk Counties on Long Island oppose this particular nuclear powerplant? I want my colleagues to know that they are not all deep-seated antinuclear activists in Nassau and Suffolk Counties. The bottom line question that they had to ask themselves—and at one time it is important to understand that a big majority of the people in Nassau and Suffolk Counties wanted this plant to go on line—but their patience and their understanding ran out. It ran out because none of the 39 most sensitive safety components of that plant were ever effectively inspected by independent inspection teams and the first time that those safety systems had a chance to operate they broke down.

The three major backup generators, one by one broke down with circumferential cracks up and down the turbines.

The construction of the nuclear powerplant at Shoreham is a catalog of mismanagement and incompetence. I submit to you how many utilities in the United States of America ever bought their own uranium mine? Only one utility in the United States decided to go out and buy one. It was loco.

They bought the uranium mine from organized crime interests in New Mexico and it turned out to have no uranium in it. Two-hundred million bucks worth.

I submit to you that common sense and good judgment are the reason that overwhelmingly people in Nassau and Suffolk Counties are opposed to Shoreham going on line. I want to commend my colleague, JIM COOPER, from Tennessee. I am not, I would not consider myself pro-nuclear, but I do not have deep seated antinuclear feelings. I only know, as do the overwhelming percentage of people in Nassau and Suffolk Counties, that this was not the place to build a plant and clearly it was not the right utility to trust with the ability to construct a nuclear powerplant.

This is a States rights issue. It is a local issue. What we are asking for on Long Island is simply the right and the opportunity to make a judgment for ourselves.

If you think it is easy for 1.3 million people in Suffolk County and the same number of people in Nassau County to say we understand that if this plant does not go on line that we are going to end up paying a huge capital cost for an asset that does not exist, I submit to you that they made that decision reluctantly and over the course of years of disappointment and frustration over the incompetence and mismanagement by this utility.

They fear that if this plant goes on line, not only is it impossible to evacuate it, but that the plant is, in itself, unsafe. What does unsafe mean? Unsafe means that people in Suffolk County are concerned that if there is an accident and there could be an accident that there is no way for them to effectively protect their families.

Mr. LENT. Mr. Chairman, will the gentleman yield?

Mr. MRAZEK. Yes, I yield to my colleague from Nassau.

Mr. LENT. I thank the gentleman for yielding.

The gentleman cited some statistics from long ago about different things that broke down. I just wanted to point out to the gentleman who may not know this that the NRC's latest systematic assessment of licensee performance review which covered the period of January 1985 to March 1986, awarded the Seabrook plant the highest mark on all facets of construction quality.

Mr. MRAZEK. I want to reclaim my time.

Mr. Chairman, I am not discussing the Seabrook plant.

Mr. LENT. And also the Shoreham plant, Shoreham also.

Mr. MRAZEK. I am discussing Shoreham. And there is a catalog of criticism and condemnation for ineffective management practices from the NRC of the Long Island Lighting Co. for its management of this plant.

I only submit to my colleagues as one Member of this body that the people of Suffolk and Nassau Counties have reviewed the case of Shoreham and they have come to a judgment. They did not come to that judgment, again, because of deep seated antinuclear feelings; they came to the judgment because they fear what Shoreham can be.

Mr. SHARP. Mr. Chairman, I yield 5 minutes to the gentleman from the State of Washington [Mr. SWIFT].

Mr. SWIFT. Mr. Chairman, I was interested in the remarks of my good friend from New York [Mr. LENT] when he referred to the Markey precedent that would be set if this amendment were to pass. And I would like to address that. But first I would like to address the Markey precedent that would be set if this amendment fails to pass. For all of the Members of this House who are from States that might be targets for nuclear waste repositories, that would be a very interesting precedent, indeed.

For the precedent would be "what the Government giveth the Government can taketh away." Those of us who are in some of those earmarked States know that in that legislation there is a State veto. It can be overridden by a two-thirds vote, but there is a State veto. If the Government can take a regulation that has been on the books and abided by and, when the conclusion that seems to be coming out that process displeases the Federal Government, it can then change the rule, then anyone from those States that is a first or second round repository State—New Hampshire is one, my State is another—what value does that veto power have do you think?

☐ 1805

Or do you not think, when we finally find a place to put all this nuclear waste, we will roll right over the top of any State, just like we are about to roll over the top of a couple of States here?

Let me address the other part of the Markey precedent. My good friend, the gentleman from New York, said that this will lead to closing all the plants. That is the problem of the debate that we have all the time on nuclear power. The slightest question about safety is seen as the beginning of the ultimate mortal attack on all nuclear power, and we cannot get ourselves out of that frame of mind to be able to deal rationally with proposals that are brought to the floor.

I am the third Member to speak who is going to vote for the Markey amendment who is not antinuclear. I believe we need nuclear power, but I do not believe we have to have nuclear power exactly on the basis that the nuclear industry dictates we will have nuclear power. I think we have minds. We use our minds here constantly on other issues, but once we get inside these four walls, we seem to believe that we have to do what the nuclear industry tells us we must do or we will eliminate the nuclear option. That is nonsense, pure and simple. The nuclear industry seems very effective at persuading us of that and totally ineffective at persuading the American public that it cares about or knows how to assure safety of these plants, and one of the things that it does wrong is that it vehemently opposes anything we try to do to send a signal to the American public that we are concerned and we are going to deal with nuclear power safely.

I had a location in my district that was a proposed site for a nuclear plant, and some local people wanted a plebiscite on it. It had no force of law. It was just that they wanted to express on opinion. The utility went to court to get an injunction to keep them from expressing their opinion. That happened in America. Any industry that would think that was a smart policy move or a smart way to persuade the people they really care about probably could not get Ollie North elected commandant of a local American Legion post.

What we bring before the Members with the Markey amendment is not an attack on nuclear power. I would not support that. It says, let the rules that applied when these plants started their process and went through it apply to end of that process, and then let the new rules go into effect. That is all it says. That is reasonable, and it is rational. If those plants were in our area, we would want no less. It is not an attack on nuclear power, and we should not be so foolish in this body as to buy that tired old line again.

We have got to use our own independent judgments and decide, if nuclear power is to continue to be a viable part of the energy mix in this country, that we are going to have to take over control and guarantee to the American public that it is safe, that it is cheap, and that it is going to be operated properly, because the industry simply has proven that it is not capable of doing that. We must do that ourselves. We must take it upon ourselves to do that, and we cannot achieve that end and send that signal to the American public if we simply do whatever the industry tells us we must do, because if we do otherwise, we put a bullet through the head of nuclear power. That is nonsense. We should not buy the argument as we bought it before.

Mr. Chairman, we should agree to the Markey amendment.

Mr. UDALL. Mr. Chairman, may I inquire as to the status of the unallocated time?

The CHAIRMAN pro tempore (Mr. MRAZEK). The gentleman from Arizona [Mr. UDALL] has 8½ minutes remaining, the gentleman from Indiana [Mr. SHARP] has 8 minutes remaining, and the gentleman from New York [Mr. LENT] has 16½ minutes remaining.

Mr. UDALL. Mr. Chairman, I yield myself 30 seconds just to say to my colleagues that I am under an obligation from the leadership to move that the Committee rise not later than 6:30. I thought that we were going to be able to conclude general debate by this time, but we will not do that unless a good deal of the time is yielded back. So I just want to put my colleagues on notice that in about 10 minutes from now, if a miracle has not occurred before that, we will have to rise for the evening.

Mr. LENT. Mr. Chairman, I yield 5 minutes to the member from the Seabrook vicinity, the gentleman from New Hampshire [Mr. SMITH].

Mr. SMITH of New Hampshire. Mr. Chairman, with all due respect to the preceding speakers, the Markey amendment does not deal with safety at all. I do not understand where we get the impression that the Markey amendment deals with safety. Nor does it deal with States' rights.

The final rule, as issued by the NRC, has not even been adopted yet, and here we are trying to preempt this authority. The Markey amendment was defeated in two House committees. It would not only block the NRC from doing the job this Congress authorized it to do at Shoreham and Seabrook, but it could jeopardize the future of our nuclear power plants by setting an unprecedented pattern for Congress to manage nuclear power plant by plant. Congress did not intend that.

Now, I might point out to my colleagues, the gentleman from Massachusetts [Mr. MARKEY] and others, that these are New Hampshire beaches he is referring to, and that the utility has offered to close that plant down during those summer months. That is very important. The utility has offered to close that plant down during summer months so that the evacuation of those beaches would not be an issue.

This is not a State's rights issue either. Under the terms of the gentleman's amendment, the NRC can use this rule in all other cases except Shoreham and Seabrook. So how can it be a States' rights issue? The fact is that we would all like to have States participate fully in the process. As a matter of fact, they should. If you are a town or a city or a State, you would want to participate in the process to insure that safety would prevail. The problem is that States are simply refusing to participate at all, so that no other determination on emergency planning can be made one way or the other.

There is no stronger advocate of States' rights in this place than me, and I would support an amendment, quite frankly, to the Atomic Energy Act which would give veto power if it is applied to new plants. So if the gentleman from Massachusetts [Mr. MARKEY] would like to amend his amendment, he would have my support. That is not the case with Shoreham, and it is not the case with Seabrook.

This amendment before us does absolutely nothing to assure safety in the operation of nuclear powerplants. In fact, I would join with the gentleman from Massachusetts [Mr. MARKEY] if it did. The amendment is saying that Congress does not want to solve the problem, and that in fact we simply want to maintain the current state of limbo which the nuclear powerplant licensing process is in. That is not facing up to the issue.

Let us not be led into believing that this amendment is somehow going to clear the way for a determination of whether the seacoast area of New England can or cannot be evacuated. It will not kill the Seabrook plant, as some would like to believe. It will only contribute to current delays in litigation. For those who believe it would stop the submission of utility plants for Seabrook, it will not. Even if the amendment were to pass, it is my understanding that the utility could and would still submit evacuation plans for Seabrook station to the NRC for review. The amendment would prevent the NRC from using the criteria necessary to judge the adequacy and the safety of such plant.

Mr. LENT. Mr. Chairman, will the gentleman yield?

Mr. SMITH of New Hampshire. I yield to the gentleman from New York.

Mr. LENT. Mr. Chairman, a little while earlier, during the debate, we looked at a picture, a photograph in color, purportedly of the Seabrook plant and showing a beach down the road. Does that picture represent an area that is in the gentleman's district?

Mr. SMITH of New Hampshire. Yes, it does. It is in this gentleman's district. That was a New Hampshire beach we were looking at.

Mr. LENT. Mr. Chairman, I want to commend the gentleman for his courage in standing up for America's energy independence and standing up and supporting this plant and expressing his opposition to the Markey amendment.

Mr. SMITH of New Hampshire. Mr. Chairman, I thank the gentleman.

Mr. Chairman, let me in conclusion address this issue: I have been accused of being "in the pocket" of the nuclear industry. I venture to say that there may be some on this floor right now who take the opposite position on the Markey amendment who did not vote as I did last week to totally remove the cap on Price-Anderson, to totally make the nuclear industry liable. I voted for that. That is not being "in the pocket" of the industry.

I also voted to insure that the lawyers would get paid after the victims. That is not being "in the pocket" of the nuclear industry.

For the same reasons, I oppose the Markey amendment, I also do not plan to support, if it is offered, the Stratton amendment, which is the opposite, the antithesis of the Markey amendment, because that amendment is wrong, too, because it butts into the right and the opportunity of the NRC to make decisions regarding safety.

Mr. Chairman, the Markey amendment does not stop the NRC's proposed rule in any other district for any other plant, other than Shoreham and Seabrook.

Second, it does not kill these two plants. It merely exacerbates the litigation and their costs. It does not stop the utility from submitting emergency plans for consideration to NRC. It does not address the safety concerns or the emergency planning for Seabrook. It changes the law midway through the licensing process. It is the total opposite of what the preceding speaker said.

Finally, Mr. Chairman, it is not a States rights issue. In conclusion, I ask the Members to vote against the Markey amendment.

Mr. UDALL. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. DOWNEY].

Mr. DOWNEY of New York. Mr. Chairman, with the admonition in mind that everything has been said but everyone has not said it, I would just like to make a few points that need to be made, I think, to bear closer scrutiny. First of all, the gentleman from Washington made a point that I think needs to be made over and over again. Those who talk about the Markey amendment as a precedent lose the capacity, it seems to me, to make distinctions in the law.

The Markey amendment applies to Shoreham and Seabrook alone, to no one else. It is painful, I know, for Members who are staunch advocates of nuclear power to recognize that fact because it leaves them in the position of having to argue the point that we make about safety. That is an issue that has been made over and over again.

With respect to Long Island, our Governor is not antinuclear. During his administration there have been two nuclear powerplants, one at Indian Point and the other at Oswego, that have gone on line. He is opposed, as am I and other Members of the Long Island delegation, for one very simple reason. The Nuclear Regulatory Commission, after Three Mile Island, understood the need for an evacuation plan. They recognized that it should be a condition precedent to the operation of a nuclear power plant. The people of Long Island, Democrats and Republicans, sober public officials, felt in their good judgment that they could not safely get the people away from a powerplant if there was an accident. However remote the possibility of that accident may be, it was their judgment that they could not be removed in time to protect them.

So the issue for many of us, if we feel deeply about this on Long Island, is to be lectured about the safety, not so much from the perspective of a gentleman from Pennsylvania or a gentleman from California who feels that the precedent is so much more important than the safety of the 2.6 million people of Long Island that we need to brush aside that issue and raise a cloud of obfuscation about precedent and never deal with the most fundamental problem, and that is that these two plants, their siting and their location, is a profound mistake that we must not allow to happen.

Mr. GEPHARDT. Mr. Chairman, on Wednesday, we will consider the Markey amendment to the NRC authorization bill, which would prevent the NRC from licensing the Shoreham and Seabrook plants on the basis of relaxed emergency planning standards. I intend to support this amendment, and I urge my colleagues to do the same.

Just over 1 year ago, the Chernobyl accident sent a radioactive cloud across thousands of square miles of Europe. Nearly 40 people have died. Over 200 were exposed to serious levels of radiation and 135,000 were evacuated from an area 20 miles around the reactor. The city of Pripyat remains deserted. The Soviet Government continues a long, difficult clean up.

Some have said that Chernobyl cannot happen here, that our commercial reactors are different from those in the Soviet Union.

But this cannot be a reason for complacence. It cannot be a reason to belittle the importance of emergency planning.

The NRC reports that there is a significant chance of another reactor accident over the next 15 years. Former NRC Commissioner Jim Asselstine is on record saying that the containment on certain types of our reactors have "an 80- or 90-percent chance" of being breached in the event of a core meltdown.

The 1979 accident at Three Mile Island demonstrated clearly the need for adequate emergency planning around nuclear plants and for State involvement in that planning.

In 1980, after much deliberation in the wake of the Three Mile Island accident, the Nation implemented policies to improve nuclear plant safety. The Nuclear Regulatory Commission issued rules requiring "an applicant/licensee * * * to submit its energency plans, as well as State and local governmental emergency plans, to [the] NRC."

These rules provided States an explicit and critical role in developing plans to protect the public in the event of a nuclear accident.

The NRC is now considering a rule to bypass the present emergency planning process if States do not approve emergency plans. The practical effect is that State and local governments might have to implement plans they had no hand in designing and that are inadequate to protect public safety.

The result is this: two densely populated areas where evacuation planning is most critical, those around the Seabrook and Shoreham plants, could end up with inadequate emergency planning.

What Mr. MARKEY proposes to do is to maintain current regulations for two plants: the Shoreham and Seabrook plants. The legislation simply applies current rules to those two plants. It doesn't say that Congress will shut them. What it says is that we aren't going to let the NRC change the rules and override local concerns just so they can get two plants on line.

Whatever you think of nuclear power, whether you are for it or against it, the question today is whether you want the States to have real roles and prerogatives in protecting public safety. Will they have the leverage they feel that they need to get others to take seriously their concerns about safety?

Safety must be our paramount concern. If evacuation plans ever have to be used, we had better make sure that those plans are workable and that the States are up to the job.

This amendment will put Congress firmly on record in support of nuclear safety. I urge your support.

□ 1820

Mr. UDALL. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. SHARP] having assumed the chair, Mr. LANTOS, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1315) to authorize appropriations for the Nuclear Regulatory Commission for fiscal years 1988 and 1989, and for other purposes, had come to no resolution thereon.

ANNUAL REPORT OF SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION FOR 1986—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore (Mr. LANTOS) laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, without objection, referred to the Committee on Public Works and Transportation:

(For message, see proceedings of the Senate of today, Tuesday, August 4, 1987.)

ANNUAL REPORT OF DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, 1986—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Banking, Finance and Urban Affairs.

(For message, see proceedings of the Senate of today, Tuesday, August 4, 1987.)

GENERAL LEAVE

Mr. DAVIS of Michigan. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous material, on the subject of the special order today by the gentleman from California [Mr. BADHAM].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

EXPLANATION OF ABSENCE AND VOTE ON H.R. 27

(Mr. BEREUTER asked and was given permission to address the House for 1 minute.)

Mr. BEREUTER. Mr. Speaker, yesterday, I was absent from the House due to prior commitments. However, if I had been present I would have supported and voted "aye" on the bills that were considered and passed in the House under a suspension of the rules.

I also want to express my very strong support for the conference report on H.R. 27, the Competitive Equality Banking Act of 1987. I would have voted "aye." This passage of this legislation was, without a doubt, long overdue. Members who supported the bill, including myself, understood the serious financial condition of the FSLIC and the need to provide Federal legislative support at this time.

I would note the conference report eventually won a consensus of support from the members of the Banking Committees in both the House and Senate, the administration, and the various interest groups in the financial community.

While some members of the House Banking Committee might have preferred that H.R. 27 only address the FSLIC recapitalization problem, the House and Senate conference report is an amazing compromise among the many factions involved. In addition to recapitalizing the FSLIC, H.R. 27 closes the nonbank bank loophole, places a moratorium on all new nonbanking activities until next March, provides faster check clearance by banks, gives Federal regulators broader authority to deal with failed and failing institutions, and permits qualified farm banks to amortize losses from agricultural loans over 7 years.

I commend the members of the House Banking Committee who were conferees for their perseverance and hard work during the conference. I applaud the administration for their willingness to work and compromise with the House and Senate conferees to reach a bill that would not be vetoed by the President. And finally, I thank my colleagues in the House for giving their overwhelming support to H.R. 27.

LICENSING SEABROOK AND SHOREHAM

(Mr. MARLENEE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARLENEE. Mr. Speaker, I urge my colleagues to examine very closely yesterday's New York Times article by John Chubb which headlines read, "License Seabrook, Shoreham."

I visited Shoreham with the gentleman from Massachusetts [Mr. MARKEY]. The purpose was a hearing on licensing procedure. As the hearing unfolded, it became increasingly clear that the antinuclear crowd did not want to play by the rules of the game. It went something like this:

Yes, we will let you spend $5 billion to build Shoreham. Yes, we will allow you to pay millions of dollars in taxes. Yes, we will participate in developing an emergency evacuation plan.

Then came rug-jerking time. Ship in some activists who were formerly the Jerry Brown crowd in California. Inflame the people; change local government. Said new local government then refuses to participate in developing an evacuation plan; but even that was not enough.

The antinuclear crowd now sees this as an opportunity to have the gentleman from Massachusetts [Mr. MARKEY] cinch killing nuclear power by offering an amendment on emergency evacuation plans.

Vote "no" on the Markey amendment.

[From the New York Times, Aug. 3, 1987]

LICENSE SEABROOK, SHOREHAM

(By John E. Chubb)

WASHINGTON.—Tomorrow, Representative Edward J. Markey, Democrat of Massachusetts, is expected to ask the House to prevent the Nuclear Regulatory Commission from proceeding with its licensing of two completed nuclear power plants. This is not a routine legislative matter. Congressional action could determine not only the immediate fate of both plants—which should be licensed—but also the future use of nuclear power in this country.

The debate pits two states against a Federal agency and thus is being cast as a classic confrontation between state and Federal rights. But the real issue is not rights: It is what to do when a clash of rights threatens the national interest. When compelling the national interest must prevail.

At issue are emergency plans for the $5 billion Shoreham plant on Long Island and the $4.8 billion Seabrook plant in New Hampshire. Both have been completed and are ready for operation, pending approval of operating licenses by the Nuclear Regulatory Commission.

Both plants were built with the backing of state and local officials. Both have successfully obtained the dozens of state and local permits needed for construction and operation. Both have completed the N.R.C.'s extensive safety review, including hundreds of hours of public hearings. Both will help avert electric power shortages in their regions.

But both are being held up by the persistent refusal of state and local officials to participate in the emergency planning and testing required by law before a nuclear plant is allowed to operate.

Shoreham is blocked by Suffolk County and New York State Officials. Seabrook has been approved by New Hampshire but is still blocked by the Governor of Massachusetts, for his state's border lies within the requisite emergency planning radius of 10 miles around the plant.

After the accident at Three Mile Island in Pennsylvania in 1979, Congress required that an emergency response plan be created and tested with the cooperation of state and local governments before a nuclear plant received an operating license. Congress assumed that state and local officials would cooperate in such activities. And at plant sites throughout the country, including California's controversial Diablo Canyon, planning has proceeded cooperatively.

But recognizing that on rare occasions planning might not proceed cooperatively, Congress has repeatedly stated that it did intend to empower states to veto plant licensing by failing to participate. Congress also gave the N.R.C. authority to issue licenses without state and local cooperation if utilities developed feasible emergency plans.

Faced with the intransigence of New York and Massachusetts officials and threats of similar action from officials in a few other states, the commission has proposed specific criteria to exercise this authority and break the licensing logjam.

Since the N.R.C.'s proposal was released for public comment, Representative Markey has tried unsuccessfully to prevent the N.R.C. from taking actions that could lead to operating licenses for Seabrook and Shoreham. Twice defeated in committee votes, he now wants to bring the matter before the full House, asking it to defer to his wishes on what he portrays as a "local" issue.

But the issue is not local. The emergency planning controversy bears directly on America's ability to maintain an energy supply that is not vulnerable to international insecurity and instability.

The states, which are not individually responsible for the national interest, can refrain from developing their own resources by importing a large volume of their energy from other states and from friendly countries like Canada—or from insecure, unfriendly sources like many of the nations that belong to the Organization of Petroleum Exporting Countries.

Ironically, the region most dependent on foreign oil for electricity production is the Northeast, where Seabrook and Shoreham are located. More than 40 percent of all electricity used in New England is generated with oil. The Long Island Lighting Company, struggling to license Shoreham, depends on oil for 80 percent to 100 percent of its normal generating capacity, depending on the season of the year.

Excessive reliance on imports from a market ultimately controlled by OPEC constitutes a serious threat to our security. Washington, not the states, is responsible for maintaining the kinds of diplomatic and military relationships with the Middle East—for example, escorting tankers through the Persian Gulf—that will keep the oil from there flowing.

If that supply should be interrupted or, more likely, cut back, the national Government will bear the burden of allocating precious supplies and strategic reserves and of alleviating the inflation and unemployment that would probably result.

As our demand for electricity rises, as our conservation efforts slip with falling oil prices, as our domestic supply of oil continues to dminish, as potential energy alternatives like solar power languish and as available alternatives such as coal and nuclear power are put on hold, America is turning again to imported oil.

Thus, we cannot escape dangerous dependency unless we act to break the regulatory logjams. Clearly, states vetoes of Shoreham and Seabrook would set a dangerous precedent that could prevent utilities from considering nuclear power as an option for future generating capacity.

This is not to say that the states do not have the right to participate in decisions that vitally affect their interests and the nation's—only that they cannot have the final say.

Throughout our history, the states have argued that to permit the national Government to pre-empt them is to threaten the dual sovereignty that is the basis of the Federal system. That argument is fair, but the courts have told us time and again that states' rights must be balanced against the national interest.

The Federal Government thus enjoys ultimate authority over an impressive range of activities that affect interstate commerce, not to mention national defense. It should exercise the same authority over the nation's energy policy.

Three things should happen immediately. Congress should defeat the Markey proposal, reiterating its view that emergency planning does not provide the states with a veto. The Nuclear Regulatory Commission should implement its proposed criteria for dealing with uncooperative states, and proceed with its consideration of operating licenses for Seabrook and Shoreham. Finally, politicians at all levels of government should elevate the debate from the rhetoric of states' rights to the reality of genuine national interest.

In energy, the overriding national interest lies in taking whatever steps are necessary to break our dependence on foreign oil.

A TRIBUTE TO RAOUL WALLENBERG

(Mr. Smith of New Jersey asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SMITH of New Jersey. Mr. Speaker, I rise today to pay tribute to Raoul Wallenberg, a man whose love, compassion, and faith in God led him to risk all to save and to preserve over 100,000 innocent people from the atrocities of the Nazis.

Raoul Wallenberg is 75 years old today, Mr. Speaker, and his fate in the bowels of a Soviet gulag remains a mystery. Absent our abiding hope of eternal life, Mr. Speaker, it would be absolutely unbearable to dwell on the cruelty suffered by this man of peace at the hands of his Soviet jailers.

It is a bitter irony that one who has done so much good should be forced to endure so much evil. Throughout the world, Raoul Wallenberg is loved and admired. Nowhere is this devotion and respect more powerful than among those for whom he interceded to save.

Recently, I had the privilege of meeting one of those survivors, a constituent of mine, who told me the story of how she was saved by Raoul Wallenberg, her own miracle. In 1944 Dr. Vera Goodkin and her family were being held by the Nazis in a prison camp just outside of Budapest. As Jews, they were made to suffer unspeakable abuse. Vera Goodkin was just barely alive and was emaciated and very frail when Raoul Wallenberg came to vist that day leading a team of Red Cross workers. The purpose of the visit was to rescue the children, to plead with the authorities to at the very least let those children go.

Mr. Speaker, I include for the RECORD her full story taken from excerpts of a speech she recently gave, as follows:

EXCERPT OF SPEECH BY DR. VERA GOODKIN

The process of dehumanization I spoke about earlier began with incredible manifestations and grew like a malignancy toward its ultimate goal of extermination. The jovial barber refused to cut my father's hair; my first-grade classmates started calling me names; family friends reduced the amount of socialization and finally, appealed to my parents' sense of fairness to let them go completely. Then came the curfew from sunset to sunrise. All the while, I heard and watched my father get up and go downstairs with a pail of water and a brush at 5:00 a.m. Each day to scrub scurrilous propaganda off his shingle, so that his remaining patients would not be treated to all that obscene graffiti. Soon, he was forbidden to practice medicine and drafted into forced labor.

How prophetic were my hysterical screams of fear when I heard the goose-stepping German troops in the town square on March 15th. "They're going to kill us: I cried. And that was exactly what they had in mind in slow, painful stages.

As you have undoubtedly heard, to make sure that Jews could readily be indentified and targeted for ridicule and abuse, a yellow felt star, six inches in diameter, graced the left side of the chest of all adults and children of walking age. Even infants did not escape this badge of shame which had to be pinned to their carriages and strollers. Failure to display the star prominently was a criminal offense punishable by penalties ranging from fines to sentences of death, depending upon judicial whim. "Where did all this cruelty come from in a formerly ideal democracy?" One might ask. I guess, I must agree with Voltaire who said that, given a few rabble rousers, the rabble soon surfaces everywhere.

Our efforts to emigrate to the U.S. failed on what, later on, when the name of the game became survival, was a mere technicality. The authorities refused to grant us a passport and my father, a law-abiding citizen, would not leave the country illegally. Thus, the last door to freedom was shut tight, and we became hostages. Shortly thereafter, we started a career as professional escapees from one city to another, from local holding prisons to temporary safe havens and from one country to another, always one step ahead of the Nazis and their collaborators. The latter were always ready, willing, and able to do the Nazis' dirty work by delivering three more Jews for bondage and destruction. Having been denounced in our last hiding place in Slovakia, we were visited by four members of the Jewish property confiscation team. The group consisted of one member of the SS, one representative of the Slovak secret police, one local collaborator, and one member of the Jewish community, an attorney who was forced to join the unholy trio to draw up papers, making the confiscation proceedings "legal". We wondered why they bothered.

Within a few days, after the SS kidnapping of Jewish women between the ages of 18-25, both single and married, for the use of troops at the front, the Jewish community of Banska Bystrica was included on the Auschwitz shipping list. We knew that, as aliens, we would be part of the first transport. We also knew that there was an organization akin to the underground railroad for slaves. It was, however, not based on altruism, but cold, hard cash paid to members of certain farm families whose properties spanned the Slovak and Hungarian sides of the border. We made contact, and having agreed to surrender our remaining assets, were smuggled out to a farm house whose living quarters consisted of one large room which housed three generations, along with assorted farm animals and an attic filled with rats. We cohabited with the rats, remaining virtually motionless for 24 hours since we were warned that grandma was a Nazi sympathizer who would have cheerfully had us removed from the premises and handed over to the authorities. As sleep settled in on family and livestock, on the second day, the young farmer led us into the darkness of a dismal November night. The torrential downpour drenched our bodies and the ankle-deep mud in the forest made each step difficult and painful. In order to proceed, we had to forcibly extract each foot from the mud and, having shaken off the excess, reinsert it one step farther along the way. While we concentrated on this routine, suddenly a flash of light appeared at a distance. This frightened our guide who decided to leave us to our own devices. Without a word, he turned and began heading home.

After all those years, I can still feel the crippling exhaustion that overtook me and remember an eerie sense of relief that the journey was over. In my child's mind, I could only picture how wonderful it would be to slump down against a tree and go to sleep. I even said so to my mother, but she was not impressed. Giving up my fantasy, I watched in utter amazement as my mother broke away from us to pursue the guide. "You have children of your own," she cried out, "don't let this child die:" Miraculously, she won.

The next night, we made it across the Hungarian border and boarded a train for Budapest where Jews, while harassed, still lived in relative safety, but not for long. We were arrested and taken to the infamous prison fortress, Tolonc. It was filled to capacity, so we stood in the courtyard overnight, packed so tightly that we could not sit down. As we kept dozing off in a standing position, we resembled a field of wheat swaying in the breeze. When they made room for us inside, we were not at all it was an improvement. We were separated from my father and herded into empty, concrete-floored dungeons whose walls were polka-dotted with well-nourished bedbugs—although there were no beds or cots for that matter. We got our nourishment in the form of watery potato peel soup, with an iron supplement from the rusty cup. Crusts of stale bread made relatively effective spoons. Soon the men were shipped to Sarvar, a prison on the Austrian border and the women and children to Kistarcsa, a prison on the outskirts of Budapest.

One day, two months later, when most of us were suffering from ailments brought on by filth and malnutrition, there was a great commotion; all women and children were called out into the courtyard. The prison commandant introduced three members of the Swedish Red Cross who explained that they could secure the release of all prisoners below the age of 14 and appealed to the mothers to let their children go. Their words certainly rang true to my mother who literally pushed her child into their arms. As the prison gates shut behind us, and we were on our way to the Swedish Red Cross headquarters, I found out that a Mr. Wallenberg engineered these prison visits for the express purpose of saving children. In a makeshift dormitory, I met 36 other children whose mothers had the foresight to let them go in the hopes that they would have humane treatment and, above all, a chance to survive. Within two weeks, while helping care for a little girl with scarlet fever, I contracted such a severe case that I was transferred to the hospital for contagious diseases. During my hospitalization, the Hungarian Arrow Cross kidnapped and killed my little friends. Upon my release, I was taken to an orphanage operated by the Swedish Red Cross in the firm belief that I, too, was an orphan. In the interim, an incredible interplay of random circumstances became responsible for a miracle. Soon after I was saved, my mother found herself in a sealed cattle wagon en route to Auschwitz. As the train kept rolling along, prisoners familiar with the landscape and able to get near the iron-grated openings, began noticing that the train was being side-tracked. They soon found out why; the Hungarian prison authorities had made a mistake by unwittingly including the Jewish wife of one member of the ruling Horthy family. While the Horthys could not keep this woman out of prison, they were going to see to it that she did not end up in a crematorium. Since the cattle wagons had no passenger lists, the only way she could be found was by emptying the entire train to search for one individual, a needle in a haystack. For security reasons, this could best be done in the yard of another prison which turned out to be Sarvar, where my father now worked as prison physician. In the monumental confusion, he casually sauntered by my mother's group and whispered, "take this!" As he slipped a vial of poison into her hand. A few minutes later, she was carried, unconscious, into the so-called infirmary. The scheme almost didn't work as the SS guard furiously insisted on taking her along "as is" to complete his roster of 2,000 bodies. Just then, he was urgently summoned by his superior and ordered to move the transport immediately. The German high command was perturbed by the lateness of its human cargo and issued a change of orders: the prisoners were to be shot right outside the prison walls . . . my mother got another reprieve.

A couple of months later, during a 36-hour underground coup, my parents found one another and left Sarvar together on foot en route to Budapest. By the time they arrived, the coup had been crushed, and freed prisoners were being recaptured in droves. That was when the "Angel of Budapest" reentered our lives. Everyone spoke with awe about the young, handsome Swede who was issuing "schutzpasses", protective passes, and placing people in houses protected by the Swedish Government. My father decided to try reaching the Swedish embassy; a risk well worth taking, when recapture meant death. Having weathered the trip, my father found himself in the company of the legendary Swede whom he described as gentle and compassionate. Within minutes, in utter disbelief, he even found out where his little girl was. To complete the miracle, he was clutching a schutzpass that would entitle his reunited family to asylum in one of those Swedish houses. For the next 2½ months, we joined 128 others in waiting for the end of a long nightmare. The last 6 weeks were spent in the basement to escape the shelling and bombing during the siege of Budapest. Food was scarce, but morale was high. On January 16, 1945, the Russians drove the Germans out of our street. Within 48 hours, still in a hail of bullets, we began our journey back to Czechoslovakia and the life we knew before March 1939. On January 17, 1945, the Angel of Budapest disappeared into the Gulag.

HAMILTON AND JEFFERSON WERE RIGHT ABOUT THE MINT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, the bicentennial of the Constitution this year has led many people to go back and study the early history of our Nation and the thoughts of the founders. I, too, have done this. My studies confirm my belief that our Founding Fathers possessed profound wisdom. Their words and warnings are as appropriate today as they were 200 years ago.

The thoughts of Alexander Hamilton and Thomas Jefferson regarding the U.S. Mint are a case in point. Their comments on the operation of the U.S. Mint are particularly relevant to my efforts to require that the current U.S. Mint contract with American rather than foreign firms.

After the adoption of the U.S. Constitution in 1788, Alexander Hamilton, the first Secretary of the Treasury, wrote a report favoring the establishment of a national mint. Hamilton, a fervent advocate of a strong central government recognized the need for the Nation to closely control its coinage. His views were contrary to the practice in the States at the time, since State coinage during the period of the Articles of Confederation was struck by private concerns under contract with the States.

While Hamilton originated the idea of a national mint, Jefferson was its greatest advocate. As the first Secretary of State for the new republic, Jefferson devoted much time and effort to killing efforts to contract abroad for the production of United States coins. His efforts were successful and on March 3, 1791, Congress passed a resolution calling for the establishment of a national mint. The following year the first coins were struck by the U.S. Mint.

Unfortunately, this lesson of history seems to be lost on the current administration, despite much talk of the framers' "original intent."

Over the past several years the Subcommittee on Consumer Affairs and Coinage has seen an increasing tendency on the part of the mint to rely on foreign sources for machinery and services. In just the past 2 years, for example, the mint has purchased foreign coin presses, used foreign gold refiners, used foreign coin distributors, and purchased foreign metal for use in United States coins. Two years ago it was about to purchase coin blanks from foreign producers, until the threat of legislative action forced it to abandon its scheme.

Fortunately, members of the subcommittee continue to be better students of American history than the U.S. Mint. On July 15, the subcommittee adopted amendments I offered to the mint's budget authorization that will require the mint to use American sources to manufacture American coins.

I think Hamilton and Jefferson would approve.

FREEDOM OF THE DEPARTMENT OF DEFENSE PRESS ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma [Mr. ENGLISH] is recognized for 5 minutes.

Mr. ENGLISH. Mr. Speaker, I am today introducing the Freedom of the Department of Defense Press Act. The purpose of this bill is to establish a temporary commission to investigate allegations of censorship in the editorial operations of newspapers published by the Department of Defense. This bill is virtually identical to S. 1130 which was introduced by Senator WILLIAM PROXMIRE on May 5.

Both Senator PROXMIRE and myself have received numerous complaints from civilian journalists at Pacific Stars and Stripes. These complaints allege that the newspaper is being censored and that the news is being managed in order to keep out or suppress unfavorable news.

These charges are very serious. Pacific Stars and Stripes is a Department of Defense sponsored newspaper that provides news to Army, Navy, Air Force, and Marine personnel serving our Nation overseas in Asia. The mission of the newspaper is to bring DOD personnel and their dependents the same international, national, and regional news and opinion from commercial sources available to newspapers throughout the United States.

According to the Department of Defense, this news makes possible the continued intelligent exercise of the responsibilities of citizenship by DOD personnel while they serve away from home. This helps improve morale and readiness by dispelling rumor and by keeping servicemen and their families in touch with many aspects of life in the United States while they serve overseas.

It is the written policy of the Department of Defense that a free flow of news and information shall be provided to all military personnel without censorship or news management. In addition, written guidelines governing the Stars and Stripes newspapers specifically prohibit the calculated withholding of unfavorable news.

Notwithstanding this formal policy, the history of both the European and Pacific Stars and Stripes is full of battles over censorship. Lately, the tension between censorship and responsible editing has increased, and there is strong evidence that the hand of the censor is more and more replacing that of the editor.

We need an independent review of the problems that have arisen. That is the purpose of the legislation. It would establish a commission to examine the editorial policies and operations of both Pacific and European Stars and Stripes in order to determine whether any censorship or news management is permitted or practiced. The commission would also explore whether increased civilian control over editorial operations would help to alleviate the problems. The commission would be composed of distinguished journalists appointed by the Secretary of Defense from nominees of professional journalism organizations.

Mr. Speaker, we need to make sure that men and women who are serving our Nation overseas in the struggle for freedom are not deprived of their first amendment rights. The bill I have introduced will help to make sure that the Stars and Stripes newspapers are giving these people all of the news that is available in the United States.

VACATING SPECIAL ORDER

Mr. HYDE. Mr. Speaker, since it is my intention to join the gentleman from New York [Mr. Fish] today in the gentleman's special order, I ask unanimous consent that my special order be vacated.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

HAPPY BIRTHDAY, COAST GUARD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. Hutto] is recognized for 5 minutes.

Mr. HUTTO. Mr. Speaker, today is the U.S. Coast Guard's 197th birthday and, as the chairman of the Subcommittee on Coast Guard and Navigation, I want to take this opportunity to wish all the fine personnel of the Coast Guard a "happy birthday."

The Coast Guard has a long and distinguished record of service to the American people since its beginning as the Revenue Cutter Service in 1790. While the Coast Guard's role as the Good Samaritan of the seas is widely recognized, the Coast Guard really is a multimission agency. It is responsible for patrolling the waters out 200 miles from our shores to enforce fisheries laws and for national defense purposes under the Maritime Defense Zone agreement with the Navy signed in 1983. It's responsible for investigating major maritime casualties, such as the recent collision of two ferries in Long Island Sound. It's responsible for marine environmental pollution control, particularly the cleanup of oil spills such as the large spill last month off the coast of Alaska. It plays a major role in drug interdiction, and does it very well, as proven by the May 8 interception of nearly 2 tons of cocaine—the second largest cocaine bust every made by a Federal agency.

On July 8, the House approved our subcommittee's Coast Guard authorization bill for fiscal year 1988. That bill contained a very lean budget that is adequate—but certainly not excessive. It does not provide funds for major acquisitions or new programs. It simply provides the basic amounts necessary to pay personnel, buy fuel and spare parts, perform critical maintenance, and continue current programs, including drug interdiction operations originated by last year's omnibus drug bill. Unfortunately, the transportation appropriations bill passed by this same House just 5 days later contains a Coast Guard funding level that is more than $300 million below the authorization figure.

This time last year, the Miami News ran an editorial entitled "Rescue the Coast Guard So It Can Do Its Job." In that editorial was the following statement: "Congress is fast with ideas for new things the Coast Guard could do but slow with the money to do them." There is entirely too much truth in that statement, Mr. Speaker. Despite the fact that we continue to increase the missions of the Coast Guard, in constant dollars there has been no growth in the Coast Guard budget over the last 5 years. And, to literally add injury to insult, the appropriations level passed by this House for the Coast Guard actually cuts Coast Guard funds by more than 10 percent from fiscal 1987 funding levels.

Mr. Speaker, all Americans benefit from the services of the Coast Guard, whether it be directly as the result of a search and rescue mission, or indirectly through port security, the safe transport of consumer goods made possible by the Coast Guard's maintenance of aids to navigation, the cleanup of an oil spill, or the interdiction of the illegal drugs plaguing our Nation. The Coast Guard is one Federal agency that truly gives the taxpayers the most value for money spent. The Coast Guard is a 24-hour-per-day, 7-day-per-week service whose personnel put in 96-hour work weeks, without overtime pay, if that's what it takes to get the job done.

The many missions we have assigned to the Coast Guard are critical to the health and safety, as well as the national security, of our Nation. For the Congress to continue to expect the Coast Guard to do more jobs while we give them less money flies in the face of plain common sense. The dedicated personnel of the Coast Guard do not deserve the shameful treatment they are receiving from this Congress.

The best birthday present this Congress could give to the Coast Guard—although it will have to be a belated one since we obviously cannot do it today—would be to give them the necessary funds to carry out their many missions and to contiue to live up to their motto—Semper Paratus—Always Ready.

CONFERENCE ON DEBT CEILING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. Mack] is recognized for 5 minutes.

Mr. MACK. Mr. Speaker, I take this opportunity this evening to raise an issue that just developed as a result of the conference committee on the debt ceiling.

As many Members are aware, annually this is a debate about the level of the debt ceiling of the Nation should be. During the last several years, the issue of Gramm-Rudman; that is, a deficit-reduction plan which the Congress passed back in 1985 asserting its position that the No. 1 concern was the reduction of the size of the national deficit on a gradual reduction over a 5-year period down to a balanced budget.

We are at a point now where the debt ceiling has to be raised again; and because of the actions of the Supreme Court in early 1986 which held that the automatic trigger mechanism, the automatic trigger enforcement mechanism of Gramm-Rudman was held unconstitutional.

We are in the process of trying to fix that, so as a result, we are in conference over the positions of both the House and the other body relative to how to fix the automatic feature to Gramm-Rudman and what level to establish the debt of the United States. The reason I went through that background before I made my point is because I think it is important to understand that context.

The first order of business in that conference was for the Members of both the House and the other body to take up what they considered their No. 1 issue, and that was the protection of how they receive pay increases.

In the other body's plan, the Senate amendment said that it provides for the recommendations of the President concerning the salary rates for Members of Congress and certain other officers and employees of the United States.

It said in essence, in order for that pay increase to go into effect, it would take a positive vote on the part of the Members of the Congress in both the House and in the other body.

That is contrary to present law that allows for the President to make recommendations, and those recommendations will go into effect, unless the Congress were to act to the negative. That is, within a 30-day period of time, both the House and the other body have to get together and establish the fact that they disagree with those pay increases. That is present law.

The other body wanted to change that, and basically made the statement that if Members of the Congress are going to get increases in pay, that we ought to vote for them before they go into effect. That was what the Senate provision was.

Without any information beforehand that this was a point that was going to be brought up for discussion, or even a decision being made on it, it was breezed through the conference with basically no Member being informed.

I used this time to say how ironic it is that the Congress talk of the importance about controlling spending, reducing the deficit; and yet, the very first thing, and the only thing done during that conference meeting earlier today, was to protect the Members of the Congress, to ensure that while the Members are having to make deficit reductions from other sources, that the Members' own pay is going to be protected.

The Members are going to get their increases without having to vote for them, so I took this time to bring that information forward, and to make it available to the other Members who did not participate.

Mr. HYDE. Mr. Speaker, will the gentleman yield?

Mr. MACK. I yield to the gentleman from Illinois.

Mr. HYDE. Mr. Speaker, I thank the gentleman for yielding.

Conceptually does the gentleman not think that voting for a Member's own pay increase is the ultimate conflict of interest?

Mr. MACK. I do not think so at all. It is the only mechanism that we have in this particular body to in fact do that.

I happened to have been in the business community before I came to the Congress; and I would say to the gentleman that one of the most difficult things to do under any circumstances is to make a determination about how somebody should be paid.

In this body everything we do should be voted on by the Members of the Congress.

□ 1835

Yes, it is difficult, but it should be voted on by the Members of Congress.

Mr. HYDE. Mr. Speaker, if the gentleman will yield, I think especially spending money, but it just is ironic. It seems to me a conflict of interest is where you have a personal interest in the outcome of a particular vote and we shy away from those, but we insist on voting on our own pay raises.

Reverse English applies. Nobody will vote for a pay increase if they are forced to, or very few will, but it is a very complex problem. I think the gentleman has done a great service in bringing it to our attention.

Mr. MACK. Well, I appreciate the gentleman's point of view, but again I would make the point about how ironic it is that the point issue that we dealt with today during a conference over how to reduce Federal expenditures, the only action that was taken, and I might add, not in the total light of day, not in a way that was totally understood and explained to everyone, the decision was made to protect the way Members of Congress receive their pay.

I know the gentleman and I have a disagreement over that particular issue.

Mr. HYDE. Well, I do not disagree.

Mr. MACK. Mr. Speaker, I thank the gentleman.

HIDING AMENDMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. WALKER] is recognized for 5 minutes.

Mr. WALKER. Mr. Speaker, I rise to further elaborate on the point just made by the gentleman from Florida, because this gentleman was in the same conference with the gentleman from Florida. I would like to perhaps detail exactly how this came about. Maybe the gentleman from Florida could confirm my version of the facts.

We arrived in the conference, not ever having had a meeting of the House conferees, is that correct?

Mr. MACK. Mr. Speaker, if the gentleman will yield, that is absolutely correct.

Mr. WALKER. When this issue came up, it came up as amendment No. 3, which was buried at the back of a packet of papers that we were given.

Mr. MACK. Mr. Speaker, if the gentleman will yield, I have in my hand the packet of information that was given to us. There is no indication of amendment numbers.

Frankly, there were several issues that were brought up at the same time. Members were told that they could be found either on page 6 or page 23, but there was no identification as to what amendment numbers were being discussed.

Mr. WALKER. The gentleman is correct. Then the issue was raised that the House insisted that the Senate recede to the House position on this particular matter. At no point had the House been given an opportunity to even make that kind of determination, so that the House position was stated without the House conferees ever having been given a chance to reflect on what our position should be; is that not correct?

Mr. MACK. Absolutely.

Mr. WALKER. Then when the Senate went to confer on this matter as to whether or not they were going to recede to the House position, as I recall, it took them about 2 minutes to make their decision that indeed they were going to recede. They kind of got together and discussed it and it took them about 2 minutes to decide that they would in fact recede on this issue of whether or not we ought to vote on our pay raises; is that the gentleman's recollection?

Mr. MACK. That is correct.

Mr. WALKER. And this vote in the Senate, as I understand it, was about a 90-to-4 vote, so it was not a matter of minor concern in the United States Senate.

Then when we raised questions about how that whole process had taken place, we were told that it took place in a process where unanimous consent was asked, without objection.

I turned to one of the Members sitting beside me and asked whether or not they had ever heard the term "without objection" used and they had not.

Does the gentleman ever recall that terminology being used?

Mr. MACK. I did not hear that, either.

Mr. WALKER. But nevertheless, it took place, and then it was not timely to ask that the whole matter be considered.

The only point that I am making is that once again, instead of being straightforward in the way we make determinations about things like congressional pay, we used a rather underhanded process to assure that the Senate provision regarding pay; namely, that we ought to vote for our own pay raises in the future, was totally obliterated from the conference report.

I have to say that what we now have is a conference report when it comes back to us that will not only increase the debt to $2.8 billion, it will not only have some kind of a Gramm-Rudman-Hollings fix in it that we do not know what it may be, but we now will have the issue before the House, although it will not be stated as such, but that particular conference eliminated language that would force the Members to vote on their own pay.

Therefore, what you have in the conference report coming back to us by implication will endorse the present system of doing pay increases.

I think that the Members are going to have to be very careful of this conference report in that light. It would certainly be this gentleman's intention not to sign such a conference report unless we go back and revisit that issue and at least give us a chance in the conference to vote on whether or not this is how we want to proceed.

Mr. MACK. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I am happy to yield to the gentleman from Florida.

Mr. MACK. Mr. Speaker, I would like to ask the gentleman a question.

Is it the gentleman's understanding or impression that the amendment that was offered in place of the Senate provision, will that language actually end up in the conference report, or will it just totally drop out the issue of the pay raise?

Mr. WALKER. My understanding is that the House position is current law, so therefore what we are doing is simply dropping the Senate language, which was not language that the House passed, so the conference report coming back will remain moot on this particular point; but the fact is that there will have been a conscious decision made to eliminate the Senate language with regard to congressional pay.

THE NOMINATION OF JUDGE ROBERT H. BORK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. Fish] is recognized for 60 minutes.

(Mr. FISH asked and was given permission to revise and extend his remarks.)

Mr. FISH. Mr. Speaker, the purpose of this special order is to discuss the pending nomination of Judge Robert H. Bork to be an Associate Justice on the Supreme Court of the United States. This time has been reserved so that some of us who serve on the Committee on the Judiciary in the House of Representatives can share our thoughts and views on this important subject with our colleagues and with the American people.

Of course, we fully recognize that confirmation is not a matter that will be decided in this House. However, as members of the House Judiciary Committee, we have an abiding interest in the overall quality of those who serve on the Federal bench and on the Supreme Court in particular. The Judiciary Committee regularly deals with constitutional issues. Included within our legislative jurisdiction are proposed constitutional amendments and bills dealing with the Federal criminal and civil procedure. It is the Judiciary Committee that recommends the creation of additional Federal judgeships and the disciplining of Federal judges through impeachment. Our jurisdiction also includes amendments to our civil rights laws, the antitrust and intellectual property laws, bankruptcy, immigration, Federal administrative procedure, and virtually all Federal criminal laws.

Because of our committee's jurisdiction, we are in frequent contact with the Judicial Conference of the United States, the Administrative Office of the U.S. Courts and, most importantly, with members of the Federal judiciary themselves. Members of our committee get together with the Chief Justice, along with Federal appellate and district court judges, at an annual conference known as the Williamsburg Conference. There we focus on our ongoing commitment to improving the administration of justice. Those meetings and discussions provide an opportunity—in an informal atmosphere—for members of the judicial branch and the legislative branch to share ideas and possible solutions to matters of mutual interest.

Perhaps more than any other committee, we consider and act upon legislation that directly impacts upon the Federal judiciary and the laws they interpret. We, then, have a particularly strong interest in the tone and quality of the debate over the Bork nomination, as well as a direct stake in its outcome. In the time allotted to us, we hope to frame the issues and acquaint our colleagues in greater detail with legal credentials, judicial philosophy, and appellate court decisions of Judge Bork. Hopefully, the view from our vantage point will make a positive, substantive contribution to the ongoing debate over the merits and implications of this nomination.

Mr. Speaker, I am happy now to yield to the gentleman from California [Mr. Moorhead].

□ 1850

Mr. MOORHEAD. Mr. Speaker, I commend the gentleman from New York [Mr. Fish] for taking this special order.

Mr. Speaker, this special order is very timely and I hope that it will make a positive contribution to both the congressional and public debate surrounding Supreme Court nominee Judge Robert H. Bork.

Mr. Speaker, at the outset, it would appear logical to begin with the following question—what are the relevant factors or qualifications that go into the selection of an individual to serve on the U.S. Supreme Court? First, I think we all would agree that legal training is an important and fundamental factor. Second, the length and scope of the nominee's practical legal experience is also an important consideration. Third, does the nominee have prior judicial experience and, if so, has he exhibited legal ability and fairness in exercising those judicial responsibilities? Finally, while not an absolute prerequisite, I think all of us would agree that a demonstrated record of legal scholarship would also be a strong factor in favor of a particular nominee.

Now, with these factors in mind, allow me to briefly review the career of Robert H. Bork. Judge Bork is a graduate of the University of Chicago—BA 1948—and in 1953 received his juris doctor from the University of Chicago Law School, as well. While at Chicago, he was a Phi Beta Kappa and managing editor of the Law Review. Robert Bork has been engaged in the private practice of law on three different occasions during his career—for a total of 10 years—most recently as a general partner in the prestigious law firm of Kirkland and Ellis. His reputation in private practice was that of an outstanding litigator.

Those demonstrated legal skills led to his appointment as the Solicitor General of the United States—a position he held from 1973 to 1977. The job of Solicitor General is universally recognized as requiring the talents of a "lawyer's lawyer." The Solicitor General is the principal litigator for the Government of the United States and, in that capacity, Robert Bork represented the United States before the Supreme Court in literally hundreds of cases. As Solicitor General, he was called upon to determine whether lower court decisions adverse to the Federal Government should be appealed. He also directly involved in decisions as to whether or not the United States should file an amicus brief in any Federal appellate court or the Supreme Court. While the position is that of an executive branch official, highly placed in the Department of Justice, the Solicitor General also has a special, unique relationship with the Supreme Court as a result of exercising those duties.

Both prior to and following his service as Solicitor General, Judge Bork was professor at Yale Law School for a total of 15 years. In that capacity, he was the holder of two endowed chairs, that of the Chancellor Kent Professor of Law, 1977-79, and the Alexander Bickel Professor of Public Law, 1979-81. Robert Bork is considered one of the Nation's foremost scholars on both constitutional law and antitrust law. He is the author of dozens of scholarly articles and books—including the widely quoted "The Antitrust Paradox," considered by many to be a landmark contemporary work on antitrust law.

In 1981, Robert Bork was nominated to serve on the Circuit Court of Appeals for the District of Columbia—one of the Nation's most prestigious Federal appellate courts. At the time that nomination was pending, it was greeted with almost universal favorable acclaim. For example, he received the American Bar Association's highest rating—"exceptionally well qualified"—a rating that is received by only a handful of Federal court nominees annually.

In fact, allow me to share with my colleagues some pertinent quotes from two interesting sources. On December 10, 1981, the New York Times wrote about the Bork nomination in the following manner:

> Mr. Bork, moreover, is a legal scholar of distinction and principal. For instance, he opposes the various court-stripping bills that have been introduced in Congress, a braver position than any so far taken by his Justice Department sponsors. One may differ heatedly with him on specific issues like abortion, but those are differences of philosophy, not principle. Differences of philosophy are what the 1980 election was about; Robert Bork is, given President Reagan's philosophy, a natural choice for an important judicial vacancy.

During the confirmation hearings held before the Senate Judiciary Committee on January 27, 1982, Senator BAUCUS made the following statement:

> Senator BAUCUS. * * * Mr. Bork, I want to thank you for appearing before us and I want to congratulate the President on his nomination of you. I think there is no doubt that you are eminently qualified to serve in the position to which you have been nominated. There is no doubt in my mind that you will be confirmed, and I hope very quickly and expeditiously.

Judge Bork was unanimously confirmed by the U.S. Senate on February 8, 1982.

Since Judge Bork has been a member of the U.S. Court of Appeals for the District of Columbia Circuit, he has participated in a total of 426 cases. Of those cases, Judge Bork has been the author of the majority opinion in 106 instances. With respect to those 106 majority opinions, it is deserving of emphasis that he never has been reversed by the Supreme Court. Furthermore, of the 401 cases in which Judge Bork joined with the majority, none have been reversed by the Supreme Court. Judge Bork authored dissenting opinions in 25 remaining cases, and the Supreme Court adopted the views expressed by Judge Bork in those dissents on six different occasions. Many have offered the observation that Judge Bork may well have the most remarkable record on appeal of any currently sitting U.S. Federal judge.

Now, I ask: Would a judicial radical—a man who has been accused of being out of the mainstream of America legal thought—have this kind of record? The answer, of course, is no. Judge Bork is not only highly qualified to fill the vacant seat on the U.S. Supreme Court, he may well be the best qualified person in America for that vacancy.

His judicial philosophy is not that of an interventionist judge. Both as a professor and legal practitioner, he has been a strong critic of what he refers to as "judicial imperialism." That is the term he applies to judges who would substitute their personal philosophy or political views for that of the legislators who actually wrote the laws. It is his strongly held view that a judge should abstain from following his own desires or views and rather attempt to place himself in the Framers' or the legislators' minds. Judge Bork's supposedly radical philosophy is that judges should confine themselves to interpreting the law—rather than advocating and imposing their own public policy ideas on individuals or society.

It is now abundantly clear that the President's nomination of Judge Bork has been used by opponents as a forum for a national debate over certain controversial social issues. It is extremely unfortunate that this man of exceptional ability and outstanding qualifications is not being judged for what he is, and how he has judged—but rather on the unfounded speculations of certain special interest groups. Congress and the American people should look at the real record of Robert Bork. That record demonstrates that he is a remarkable lawyer, a widely recognized scholar and an exceptional appellate jurist. His career—marked by numerous professional achievements and a demonstrated history of excellent public service—should be allowed to speak for itself.

Mr. FISH. I thank my colleague from California for his thoughtful statement. I think the statistics cited by the gentleman are particularly impressive. They show that Judge Bork has voted with the majority in the D.C. Circuit 94 percent of the time and he authored the majority opinion in 25 percent of those decisions.

I would like to add a further breakdown of Judge Bork's voting record on that court. Significantly, the statistics show that Judge Bork voted with Judge Scalia—who was confirmed by the Senate for the Supreme Court last year—98 percent of the time. Judge Bork voted with Judge Ruth Bader Ginsburg almost as often—90 percent of the time. Indeed, Judge Bork voted together with Judge J. Skelly Wright—who some view as one of the most liberal judges on the D.C. Circuit—74 percent of the time.

Much has been made of the fact that Judge Bork would be replacing Justice Powell and doing so would significantly alter the makeup of the Supreme Court. It is difficult to reconcile this assertion with the position that Justice Powell took on the 10 cases before the Supreme Court in which Judge Bork participated at the circuit level. The facts are that Justice Powell agreed with Judge Bork 9 times out of those 10 cases.

Mr. Speaker, I am happy to yield to my good friend from Illinois [Mr. HYDE].

Mr. HYDE. Mr. Speaker, first of all I want to congratulate the gentleman from New York [Mr. FISH] who is also the ranking Republican member on the Judiciary Committee, for taking the initiative which has resulted in this special order.

It is most appropriate that we, as members of the House Judiciary Committee, publicly express our views on the pending nomination of Judge Robert H. Bork.

There are two fundamental points that I would like to address. First, given all the discussion and controversy of Robert Bork's judicial philosophy, I think it is important for the American public to understand that his views are premised on very fundamantal mainstream moral values. Second, I would like to discuss the scope of "advice and consent" in an effort to demonstrate that the factors involved seem to change with time and to change with respect to particular nominations.

Robert Bork's view of the appropriate role of a judge in our society is both simple and demanding. He feels that it is inappropriate for a judge to go beyond what Congress or a State legislature intended when it passed a particular law. He does not believe that judges have the authority to write the law themselves, but rather the obligation to decide on the basis of what the legislature did and did not do. He rejects what he refers to as "judicial imperialism" where the unelected, appointed for life presume to tell Congress what it should have done. He understands the significant distinction between legislation and adjudication.

Simply put—for Robert Bork—the legal end does not justify any judicial means. In a democracy, we must care not only about the societal goals, but we must care about how we proceed to get there. In his view, judges are not appointed to make policy choices—that responsibility can only be exercised by those elected by the public; for example, the President of the United States and the Congress. His approach to judicial analysis demands an intellectual honesty and consistency to reach a particular goal or result; he cannot set aside the moral responsibilities of the process involved.

Despite what his critics have said, his judicial philosophy fully recognizes the protections that are specifically guaranteed in the Constitution and its Bill of Rights. He refuses, however, to go beyond those protections enumerated in our Constitution and create new "rights" that have no foundation either in constitutional principle or in authorized legislative action. For Judge Bork, the "plain words" of the Constitution are to be respected, not circumvented.

Now, allow me to turn to the concept of "advice and consent" and raise some questions that I feel need to be asked. Since President Reagan decided to nominate Judge Bork for the Supreme Court, there has been considerable comment on what is the appropriate role of the Senate in this process. In my view, the qualifications of the individual for the position involved are the principal criteria to be looked at. There can be admittedly disqualifying factors that involve the individual's integrity or a political philosophy that is inconsistent with our form of Government. I think my colleagues have and will accurately demonstrate that Robert Bork's legal views are well within the acceptable realm of American legal thought. But, allow me to pose some questions that need to be asked, that may answer themselves.

Is the scope of "advice and consent" different from a Supreme Court nominee than it is for a Cabinet nominee? If so, why?

Is the standard for Senate confirmation of a Supreme Court nominee more exacting than it is for a Federal district court judge or a Federal circuit court judge? If so, what is the logic for this distinction, and how different are those criteria?

What is different about Robert H. Bork in 1987 than was the case with Robert H. Bork in 1982?

In 1982, Robert Bork was unanimously confirmed for the position of circuit court judge on the United States Court of Appeals for the District of Columbia. At that time, he received the highest possible rating from the American Bar Association—"exceptionally well qualified." An "exceptionally well qualified" rating from the ABA is extremely rare, and one need only look at a random sample of recent Federal court nominations to understand the significance of that high rating. For example, from December 1981 to June 15, 1982, 25 individuals were nominated for Federal judgeships; only Robert Bork received the highest rating of "exceptionally well qualified." Between December 1982 and June 1983, 11 individuals were nominated for Federal judgeships—1 of the 11 was deemed to be "exceptionally well qualified." In the rating period between June 16, 1986 and December 12, 1986, 15 persons were evaluated by the American Bar Association's Standing Committee on the Federal Judiciary. None of those individuals were accorded the "exceptionally well qualified" rating previously received by Judge Bork. It is estimated that less than 5 percent of the nominees for all Federal court positions receive the rating that Judge Bork received prior to his circuit court confirmation. Now, again, how much different can Robert Bork's qualifications be 5 years later, except that he now has 5 years of appellate judicial experience?

Are the criteria different, or more exacting, if the "balance" in the Supreme Court may shift?

Judge Bork has been nominated to replace Associate Justice Lewis Powell, who is popularly characterized as a "swing vote" on the Court. Do the factors involved in "advice and consent" differ, based upon the person the nominee is replacing? I would have to observe that no one postulated this particular theory when President Kennedy nominated Arthur Goldberg to replace Felix Frankfurther.

My point in raising these admittedly rhetorical questions is that the scope of "advice and consent" often is subjectively determined by the "eye of the beholder." More accurately, it may well rest upon "who" is in the eye of the beholder.

Recently, I reviewed the transcript of a hearing held by the Senate Judiciary Committee when they were considering the nomination of my good friend, Abner Mikva, to the Federal Court of Appeals for the District of Columbia in 1979. The hearing was held on July 12, 1979, and as background, I should mention that the Mikva nomination was vigorously opposed by the National Rifle Association, principally based upon then Congressman Mikva's position on gun control legislation as a Member of the House of Representatives.

With that as background, allow me to quote from some of the exchanges between Members of the Senate Judiciary Committee and the witnesses at that hearing:

> Senator BIDEN. Congressman, what is your view of the proper scope of the responsibilities and concerns of a member of the judiciary? Specifically, do you see a distinction between the role of advocating a change in law as a legislator, and interpreting the law as a judge?
>
> Mr. MIKVA. Very much so. The judge ought not make the law, and ought not advocate changes in the law. The judge ought to interpret the law as policymakers decide.
>
> As a member of legislative bodies for almost 20 years, I have, as I indicated before, marveled at the way the system works when that difference is maintained, that important line is kept, where the judge interprets the decisions that policymakers have made, but scrupulously avoids getting into policymaking areas himself.
>
> Senator BIDEN. Do you believe, in spite of your strongly held views on some issues, you can make that scrupulously needed distinction?
>
> Mr. MIKVA. Yes, I can.
>
> * * * * *
>
> Senator METZENBAUM. I am intrigued by the whole idea that because you have taken a position in connection with some pending issue, or some issue in the past, or some organization in the past, you thereby should be excluded from consideration to sit on the bench * * *.
>
> Mr. MIKVA. * * * All of us have been activists—the kind of people who rise up to seek judgeships and come before this committee have all been active. Lawyers who have taken active cases, argued passionately on one side of the matter; sometimes on both sides.
>
> It is impossible to find people to be judges who have not been involved in the passions of our time. The question is, not have you been involved, but the question is, can you leave those passions at the courthouse door * * *.
>
> Senator METZENBAUM. I just think this whole approach raises so many potential problem areas for every nominee to come before us that I have difficulty in following the line of reasoning that suggests you are not qualified by reason of some of your past advocacy positions * * *.
>
> * * * * *
>
> Senator BIDEN. * * * Now, if you are arguing that the judicial temperament of Abner Mikva is improper, that is a judgment for us to make. I think that is a legitimate one to be made and for us to act on. But what I have philosophically rejected is the nontemperamental aspect of that argument; that on the basis of a position, or regardless of how it is arrived at, he could be disqualified. That is different.
>
> Do you understand the distinction I am making?
>
> Mr. FEATHERSTONE. To address that point, Mr. Chairman, do you not think that prospective nominees' philosophy is important? Do you not think that a judge takes into consideration how he views certain matters?
>
> Senator BIDEN. I think that is precisely right and I think that the advice and consent responsibility of the Senate does not permit us to deprive the President of the United States from being able to appoint that person or persons who have a particular point of view unless it can be shown that their temperament does not fit the job, that they are morally incapable or unqualified for the job, or that they have committed crimes of moral turpitude.
>
> This is where you begin to make the distinction. Obviously, President Nixon picked members of the judiciary because they reflected a philosophy. It was designed to reflect the philosophy that he hoped would be consistent with his. Had I been in the Senate at that time, I would not have been able to vote against Justice Burger, although philosophically I often disagreed with him and if we had examined his stated positions on the issues, I would have gone on the record and said I have a different philosophy than Justice Burger on most constitutional issues.
>
> On the other hand, I would not have had much problem in voting against Justice Carswell at all, and the reason it was not a question of whether I agreed with him philosophically, which I did. It dealt with the question of whether I thought he was competent intellectually, by way of training, background, and disposition to sit on the Bench.
>
> That is a judgment that I believe as a Senator I have right to make.
>
> I do not think that under the Constitution I have a right to say I will not vote for someone to be on the Supreme Court or to be Secretary of Treasury, because I disagree with the view that he holds on a particular issue. I think it is important for this record, that we do not establish that the line of questioning raised here was raised for the purpose of arriving at a position for or against Abner Mikva because we believed or did not believe in the positions he held, or that the fact that he took strong positions qualified him or disqualified him. I think it is a question of temperament * * *.

Mr. Speaker, in the context of today's debate over Judge Bork, I think these prior statements are worth remembering. They have a special resonance and relevance for those Members of the Senate who will—soon we hope—have an opportunity to put them in action.

□ 1905

I thank the gentleman for yielding me this time.

Mr. FISH. I thank my friend from Illinois.

Mr. Speaker, at this time it gives me great pleasure to yield to my friend from Wisconsin, the gentleman from Wisconsin [Mr. SENSENBRENNER].

Mr. SENSENBRENNER. Mr. Speaker, the ugly campaign to portray Supreme Court nominee Robert H. Bork as lacking sensitivity toward victims of discrimination has been marked by calumny and stridency. But veteran observers of Supreme Court confirmation battles should be struck by such campaigns with a sense of deja vu.

In 1971, a distinguished member of the House Judiciary Committee opposed the confirmation of Lewis Powell stating that "Powell's lifestyle, his views of Government as evidenced by his activities on the boards of education, his close association with a variety of corporate giants, his public conduct, his membership in the largest all-white law firm in Richmond, his support of segregated social clubs, and his defense of the status quo, are inconsistent with the kind of jurist needed for the Court in the 1970's and 1980's." Wilma Heide of the National Organization for Women [NOW] opposed Powell's confirmation, reasoning that "because we have no evidence that Mr. Powell exercised positive action leadership in acts of commission, we must conclude his acts of omission vis-a-vis women disqualify him to make the Constitution a living document to balance the scales of justice."

During the confirmation battle of Justice Rehnquist in 1971, a former leader of a county NAACP chapter branded the nominee as a "sophisticated racist." Opposition by Joseph L. Rauh, Jr., of the Americans for Democratic Action and the Leadership Conference on Civil Rights became so strident. Senator Kennedy rebuked Rauh for his "uncalled for and unwarranted" personal attack on Rehnquist.

In 1975, NOW opposed the confirmation of John Paul Stevens to the Supreme Court. Their opposition during the confirmation hearings was summed up as follows: "[T]he National Organization for Women believes that this record of antagonism to women's rights on the part of Judge Stevens is clear. We oppose his confirmation. We oppose his confirmation not solely because of his consistent opposition to women's rights but, more importantly, because Judge Stevens has demonstrated that his legal opinions on women's issues are based on an apparent personal philosophy and not on the facts and laws of the cases before him." Fortunately, these characterizations of insensitivity did not carry the day in the confirmation hearings of Justices Powell, Rehnquist, and Stevens.

However, there was an instance where attacks by civil rights groups against a Supreme Court nominee prevailed, much to our nation's regret. In 1930, President Hoover nominated Chief Judge John J. Parker, of the U.S. Court of Appeals for the Fourth Circuit. According to Supreme Court scholar Henry J. Abraham in his book, "Justices & Presidents" (2d edition, Oxford University Press, 1985), Parker was "a prominent and distinguished Republican leader in North Carolina for many years and an outstanding jurist" who "fell victim to the sustained opposition of the American Federation of Labor [AFL] and the National Association for the Advancement of Colored People [NAACP]." Parker was rejected by the Senate 41 to 39, but Abraham's commentary explains the irony of the rejection:

> The N.A.A.C.P. contended that the nominee was generally opposed to black participation in politics and especially to black suffrage. Thus, Walter White of the N.A.A.C.P. leadership pointed out that Judge Parker, while stumping North Carolina as a gubernatorial candidate in 1920, had indeed made an unfortunate remark: "The participation of the Negro in politics is a source of evil and danger to both races and is not desired by the wise men in either race or by the Republican Party of North Carolina." Parker had uttered the statement in response to repeated taunts and charges by his Democratic opponents that he intended to enfranchise blacks and to alter the North Carolina constitution to accommodate "them." Ironically, it would be Judge Parker (he continued to sit on the Fourth Circuit bench after his rejection) who would write some of the earliest and most significant pro-black opinions on desegregation. Among them were *Rice* v. *Elmore* in 1947, in which he sustained U.S. District Court Judge J.W. Waring's outlawing of South Carolina's machinations to bar blacks from primary elections, and his 1955 remand opinion in *Briggs* v. *Elliott*, in which he rejected "massive resistance."

Indeed, Justice William O. Douglas later wrote that, in his opinion, John Parker was a more capable man and would have made a better Justice than the man appointed in his place, Owen Roberts.

Given this track record, virulent opposition from civil rights activists to a Supreme Court appointment should be viewed with a healthy skepticism by the distinguished Members of the other body. More importantly, the civil rights record of Robert H. Bork reveals that attacks on his alleged "insensitivity" to civil rights are utterly wrong. Not a scintilla of evidence has been produced that shows bigotry, racism, or prejudice on the part of Judge Bork.

But one need not even strain through the record to find Judge Bork advancing the cause for minorities or exhibiting fairness to those with differing viewpoints throughout his professional career.

During his private law practice, Judge Bork fought antisemitism in his law firm. A July 26, 1987, Washington Post article noted the following:

> Another Director protege, Howard Krane, came to interview at the firm a couple of years later, but was given short shrift. One associate overheard a partner mentioning in the corridor that Krane was passed over because he was Jewish, and reported this to Bork, who had an affinity for Director's students.
>
> Then a star lawyer on his way to becoming partner, Bork went with this associate to see several senior partners and said, according to his colleague, "We have a larger stake in the future of this firm than you do. We want this man considered on his merits." The partners agreed to take a second look. (Krane is today the managing partner of Kirkland & Ellis.)

His years at Yale Law School hardly show him as an unsociable, cold-blooded intellectual his opponents say he is. In a July 27, 1987 article in the New York Times, many of Bork's former Yale colleagues and students—mainly moderates and liberals who disagree profoundly with Judge Bork's constitutional philosophy—were interviewed about their recollections of Professor Bork. The article states, "Many described him fondly in interviews as a decent, vibrant and devastatingly witty man, a complex and powerful intellect tempered by a fine sense of humor, a warm friend, a stimulating teacher wreathed in a cloud of cigarette smoke who could be cutting with people he did not know or did not respect." Significantly, the interviewees recalled, "that he had been fair in grading student papers that challenged his basic philosophy head on."

By the way, there has been an attempt to make much ado about nothing of a 1963 article in the New Republic where Bork criticized proposed public accommodations provisions that eventually became part of the Civil Rights Act. But 10 years later at his confirmation hearings for Solicitor General, Bork recanted his position. The article was not even raised during his unanimous confirmation to the D.C. Circuit in 1982. Moreover, the article itself makes clear Bork's abhorrence of racism: "Of the ugliness of racial discrimination there need be no doubt." Finally, using this 1963 article to imply Judge Bork is insensitive on racial issues makes as much sense as calling a U.S. Senator a Communist sympathizer because of certain organization affiliations he had 40 years ago.

During his tenure as Solicitor General, Judge Bork was responsible for the Government arguing on behalf of the most far-reaching civil rights cases in the nation's history, sometimes arguing for more expansive interpretations of the law than those ultimately accepted by the Court. It was this record as Solicitor General that prompted Senator JOSEPH BIDEN, the distinguished chairman of the Senate Judiciary Committee, during the Fried confirmation hearings to cite Judge Bork along with other Solicitors General as officials who "remembered that their first responsibility is to the people of the Nation."

Among Bork's most important arguments to advance the civil rights of minorities were:

Beer versus United States: Solicitor General Bork urged a broad interpretation of the Voting Rights Act to strike down an electoral plan he believed would dilute black voting strength, but the Court disagreed 5 to 3.

General Electric Co. versus Gilbert: Bork's amicus brief argued that discrimination on the basis of pregnancy was illegal sex discrimination, but six Justices, including Justice Powell, rejected this argument. Congress later changed the law to reflect Bork's view.

Washington versus Davis: The Supreme Court, including Justice Powell, rejected Bork's argument that an employment test with a discriminatory "effect" was unlawful under title VII.

Teamsters versus United States: The Supreme Court, including Justice Powell, ruled against Bork's argument that even a wholly race-neutral seniority system violated title VII if it perpetuated the effects of prior discrimination.

Runyon versus McCrary: Following Bork's argument, the Court ruled that civil rights laws applied to racially discriminatory private contracts.

United Jewish Organization versus Carey: The Court agreed with Bork that race-conscious redistricting of voting lines to enhance black voting strength was constitutionally permissible.

Lau versus Nichols: This case established that a civil rights law prohibited actions that were not intentionally discriminatory, so long as they disproportionately harmed minorities. The Court later overturned this case and narrowed the law to reach only acts motivated by a discriminatory intent.

As a member for 5 years of the United States Court of Appeals for the D.C. Circuit, Judge Bork has compiled a balanced and moderate record in the area of civil rights. He has often voted to vindicate rights of civil rights plaintiffs, frequently reversing lower courts in order to do so. For example:

In Palmer versus Shultz, he voted to vacate the district court's grant of summary judgment to the Government and held for a group of female foreign service officers alleging State Department discrimination in assignment and promotion.

In Ososky versus Wick, he voted to reverse the district court and held that the Equal Pay Act applies to the Foreign Service's merit system.

In Doe versus Weinberger, he voted to reverse the district court and hold that an individual discharged from the National Security Agency for his homosexuality had been illegally denied a right to a hearing.

In County Council of Sumter County, South Carolina versus United States, Judge Bork rejected a South Carolina county's claim that its switch to an "at-large" election system did not require preclearance from the Attorney General under the Voting Rights Act. He later held that the County had failed to prove that its new system had "neither the purpose nor effect of denying or abridging the right of black South Carolinians to vote."

In Norris versus District of Columbia, Judge Bork voted to reverse a district court in a jail inmate's section 1983 suit against four guards who allegedly had assaulted him. Judge Bork rejected the district court's reasoning that absent of permanent injuries the case must be dismissed; the lawsuit was thus reinstated.

In Laffey versus Northwest Airlines, Judge Bork affirmed a lower court decision which found that Northwest Airlines had discriminated against its female employees.

In Emory versus Secretary of the Navy, Judge Bork reversed a district courts decision to dismiss a claim of racial discrimination against the U.S. Navy. The district court had held that the Navy's decisions on promotion were immune from judicial review. In rejecting the district court's theory, Judge Bork held: "Where it is alleged, as it is here, that the Armed Forces have trenched upon constitutionally guaranteed rights through the promotion and selection process, the courts are not powerless to act. The military has not been exempted from constitutional provisions that protect the rights of individuals. It is precisely the role of the courts to determine whether those rights have been violated."

It is on the basis of this record that Stuart Taylor wrote in a July 5, 1987 New York Times article that Judge Bork's hard-edged theories "are devoid of bigotry". It is on this record that Lloyd Cutler wrote in a July 16, 1987 New York Times op-ed piece that "Judge Bork is neither an idiologue nor an extreme right winger, either in his judicial philosophy or in this personal position on social issues." It is on this record that U.S. Senators can be confident that Judge Bork will be a fair-minded Justice who is sensitive to the rights of all Americans.

□ 1920

Mr. FISH. Mr. Speaker, I am happy to yield to my colleague from Florida [Mr. McCOLLUM].

Mr. McCOLLUM. Mr. Speaker, I think as we listen this evening to the debate there is no question but there is a sense about it that Robert Bork is one of the most highly qualified men ever to be nominated to the U.S. Supreme Court.

The real question is whether or not naked political power of those who oppose him on philosophical, ideological grounds is going to prevail in this situation. History says that it should not. Tradition says that it should not, and I think that we owe it to our colleagues to discuss as we are this evening the rationale and the reasons.

Mr. Speaker, Robert Bork, as has been stated before but I think bears repeating, has been highly acclaimed by the American Bar Association when he was first put up as a nominee of the President for the Federal Appeals Court. He has in fact received their highest rating.

He is a past Solicitor General of the United States and during a period of time, a very troubled time in this country, was acting Attorney General.

He served this country ably in those capacities as he has served ably as the appellate court judge here in this District of Columbia Court of Appeals.

In more than 100 decisions as the majority writer of opinions in this court since he has been appointed to it, he has never once been reversed by the U.S. Supreme Court, a truly remarkable record.

Mr. Speaker, looking back to the time he was editor of his Law Review, at a very distinguished law school, or look back 15 years at his record of a respected professor of law at Yale University, one of the most prominent universities in our country, look at all of these things and there is absolutely nothing that his opponents can do to attack this gentleman on the basis of his credentials. What we are left with is the fact that he is a strict constructionist of the Constitution; that he believes in judicial restraint; that his views consequently flowing from that opinion and that philosophy might yield results differently from what the Supreme Court majority has been deciding on issues over the past few years, some very sensitive issues to our public concern, and the fact of the matter is that no one can ever be sure of how the Supreme Court is going to decide anything.

Justices, once they are appointed, and once they are accepted by the Senate and confirmed, tend to go marching to their own tune but, generally speaking, if you have someone who expresses the views that Judge Bork has expressed time and again about being a strict constructionist, and belief in judicial restraint, you have a measure of predictability. It scares those who think he is the swing vote, the pendulum vote or potential deciding vote on a divided Supreme Court, that he might be there. All of a sudden those liberals who have heretofore been more than happy to fall behind the bandwagon and saying that anyone who is really qualified who doesn't have a taint on their record, who is not only pure and moral but also eminently distinguished in the bar and in his activities previously, to be on the Supreme Court should be there regardless of philosophy, they are turning the other way. I would like to quote from one of those critics and it surprises me that he has been a critic, and I certainly hope he will not be much longer because it defies previous rationale and logic.

In the CONGRESSIONAL RECORD of September 25, 1979, Senator KENNEDY said, and I quote:

> If strong political views were a disqualifying factor from serving on the Federal bench, then all of us here today—and every man and woman who has ever served in either House of Congress, or held political office—would be disqualified. In my judgment, such a rule makes no sense at all.

It does not make any sense at all and I trust that when the folks who have to make the votes talk to their constituents, talk to the country as a whole, reason with their consciences, that in due course they will realize that this distinguished jurist, Robert Bork, should be a member of the U.S. Supreme Court.

Mr. Speaker, I urge the confirmation of Judge Bork to the U.S. Supreme Court.

Mr. Chairman, I thank the gentleman from New York, Mr. FISH, for yielding me this time to participate this evening. It is quite a debate.

Mr. FISH. I am very happy to recognize the gentleman from Georgia [Mr. SWINDALL].

Mr. SWINDALL. Mr. Speaker, I first want to commend the gentleman from New York [Mr. FISH] for calling this special order. I think that it certainly is something that needs to be discussed prior to the beginning of the confirmation hearings that I understand will start on September 15.

Mr. Speaker, as a number of people have already stated, I think there is some significance to the fact that that is a delay of over 70 days. I say that is significant because the average over the last 25 nominees has been 18 days with the longest of any of those being 41 days.

Mr. Speaker, the question, I think is, Why are we seeing this delay? I think the answer is fairly obvious. It is to give those from the liberal left wing adequate time to marshal their lobbying resources. People for the American Way, which I would categorize as one of those leftwing organizations, founded by Norman Lear, has already pledged that it will spend at least a million dollars trying to block this nomination as it spent when it tried to block the nomination of Dan Manion last year.

The real question I think is why are we seeing this concerted move to block the nomination of an individual that certainly from credentials ought to be quickly nominated and affirmed, and I think the answer has to do with the fact that last year the Supreme Court had half of its total 81 decisions determined by either a 6 to 3 or 5 to 4 vote. That comparies to roughly one-third along the same margin line the year preceding that.

So what is really happening here is that as those individuals that have political views substantially different from the President are seeing their margin of victory on some key issues narrowed, they want to apply an entirely different test with respect to this particular nominee. There is no other way that you can explain the 180-degree reversal of the chairman of the Senate Judiciary Committee, the gentleman from Delaware [Mr. BIDEN], when he stated just last year, and I am quoting, "Say the administration sends someone up like Bork and after our investigation he looks a lot like another Scalia, I would have to vote for him and if groups tear me apart"—and let me stop here and say I assume he is talking about groups like People for the American Way—"if groups tear me apart, that is the medicine I will have to take. I am not TEDDY KENNEDY."

Why, after making that statement, would he change his position so dramatically? I think the answer is fairly evident. He is an individual who has stated that he wants to run for President of the United States. He understands that in 1988 the party that he is running in largely being controlled by individuals from the leftwing ideologically are not likely to support him unless he jumps in and somehow becomes a champion for this blockage.

The problem with that is that it deprives the individuals in the 49 States of the 50 that voted for President Ronald Reagan in 1984 to make this nomination.

The SPEAKER pro tempore (Mr. LANTOS). The Chair will ask all Members to refrain from referring in their remarks or in insertions to members of the other body. The Chair must take this initiative under the rules, where references are made to Members of the Senate.

Mr. SWINDALL. Mr. Speaker, I have not referred to any of them. I have referred to comments and statements they have made. I think that is all I have said.

The SPEAKER pro tempore. That is not permitted under the rules of the House.

Mr. SWINDALL. Mr. Speaker, would you please state the rule that bars me from referring to the comments of any other Member of this body or the other body?

The SPEAKER pro tempore. Just the other body.

Mr. SWINDALL. Or the other body?

The SPEAKER pro tempore. Yes.

Mr. SWINDALL. No Member can refer to comments of the other body?

The SPEAKER pro tempore. That is correct.

Mr. SWINDALL. Mr. Speaker, could you tell me the rule involved?

The SPEAKER pro tempore. Jefferson's Manual. It is in Jefferson's Manual and in rulings of the Chair cited therein.

Mr. SWINDALL. I understand that, Mr. Speaker, but could you tell me the specific rule in Jefferson's Manual?

The SPEAKER pro tempore. Rule XIV clause 1 of the rules of the House.

Mr. SWINDALL. Would the Speaker mind reading specifically, because I do not believe that that refers to comments that have been made off the floor. These are all off the floor of the other body. They are public comments in the public domain.

The SPEAKER pro tempore. The rules and precedents of the House preclude any critical reference to Members of the other body or to comments made by them, on or off the floor.

Mr. SWINDALL. Mr. Speaker, is that on or off the floor?

The SPEAKER pro tempore. On or off the floor of the other body, yes.

Mr. SWINDALL. Mr. Speaker, let me quickly say that I am not sure that it is a fair analysis to say that they are critical remarks. I am certainly willing to say that some may find them critical. All I am saying is these are comments that they have made that explain actions with respect to the delay. I do not know how my colleagues in this body can understand the gist of my debate if I am not allowed to state what my interpretation of their comments is with respect to why we are seeing a delay any more so than I think we can debate amendments like a balanced budget amendment without talking about some of the comments that have been made on or off the floor, and if that is the rule, I think that the rule clearly has to do with the critical nature of them meaning to criticize him.

Mr. Speaker, that is certainly not my intent here. My intent is simply to lay before my colleagues the facts with respect to what their statements have been.

If they want to criticize, that is their prerogative, but certainly the rule would not cover such criticism.

The SPEAKER pro tempore. Other than the rules and precedents cited by the Chair, nothing prevents the gentleman from laying facts before this body. The gentleman is prevented from referring critically to Members of the other body.

Mr. SWINDALL. Mr. Speaker, let me quickly say that I am not referring critically. I am stating facts, factual statements in quotes with respect to my interpretation as to why there is a deliberate delay with respect to these particular hearings, a delay that is roughly double any precedential hearings we have seen with respect to the last 25 nominees.

The SPEAKER pro tempore. For the benefit of the gentleman, the Chair would quote from the rule XIV, page 489,

> Debate may include references to action taken by the Senate or by committees thereof which are a matter of public record, and to the pendency or sponsorship in the Senate of bills, resolutions and amendments, but may not include other references to individual members of the Senate, expressions of opinion concerning Senate action, or quotations from Senate proceedings.

Mr. SWINDALL. Mr. Speaker, I probably need an attorney, or a fleet of attorneys to understand exactly what that means, but I am not talking here about action of the Senate. I am talking about inaction of the Senate, which I think is a major distinction here.

The SPEAKER pro tempore. That is implicitly precluded.

Mr. SWINDALL. Inaction, Mr. Speaker? I did not hear that.

The SPEAKER pro tempore. Any characterization of Senate action or inaction.

Mr. SWINDALL. Mr. Speaker, does it say "inaction"?

The SPEAKER pro tempore. That is the Chair's interpretation under the precedents cited on page 170 of the manual.

Mr. SWINDALL. Mr. Speaker, I would respectfully say I think that they are talking about action, and I am talking about inaction. But I will certainly respect your opinion that you are also including their inaction.

The SPEAKER pro tempore. The gentleman may proceed.

Mr. SWINDALL. Mr. Speaker, let me say that certainly I think it is a fair interpretation of a number of statements and comments of individuals that have opposed this particular nominee's consideration that they understand that he may well be the pivot point on a number of key issues including issues like abortion and including issues like cracking down on the criminal elements in this country, including issues like seeing that victims have their rights taken into account as well as criminals having their rights taken into account.

Mr. Speaker, I would say to those individuals that they may well be jumping to conclusions because there is at least one individual who has reviewed, and knows Mr. Bork's record well, and that individual is Lloyd Cutler who was a lawyer who served as counsel to President Carter and was a founder of Lawyers Committee for Civil Rights Under Law.

His statement, and I am quoting from an article that appeared in the New York Times, was:

> In my view Judge Bork is neither an ideologue nor an extreme rightwinger either in his judicial philosophy or his personal position on current social issues. I base this assessment on a postnomination review of Judge Bork's published articles and opinions and on 20 years of personal association as a professional colleague or adversary. I make it as a liberal Democrat and as an advocate of civil rights before the Supreme Court.

Let us look at several categories of concern. First of all, he talks about the Roe versus Wade decision, the abortion issue. What he concludes there is that if you really look at what Judge Bork has said historically he is not suggesting that he would necessarily overturn Roe versus Wade. What he is saying is that it is an issue that States' rights have preempted. Let me quickly say as a pro-life Member of this body that I differ with Judge Bork tremendously on that issue. I think that the Federal Constitution precludes any State from depriving an individual of their right to life or their right to liberty.

As a result of that, I would have to say that if that is the reason why some people are opposed to Mr. Bork's nomination, they are just simply not well grounded in their opposition.

□ 1935

The second point that I would make is that many people say that the acid test of a rightwing conservative, to be precise, using the nomenclature of those that would not categorize themselves as such, is the balanced budget amendment.

It is significant that Judge Bork has on numbers of occasions stated his opposition to a balanced budget amendment.

Mr. Cutler's point is, you cannot really examine his record and reach any clear conclusion with respect to his ideology. His one point that is sticking in the craw of those individuals that have seen precious liberties taken away through judicial activism is this: There are those who would rather see the courts in this country make our laws rather than see those individuals that were elected by the people to make their laws make them.

We all know certainly in this bicentennial year of our Constitution that the Constitution placed all legislative power in this body, as well as the other body. It never intended to have the Supreme Court, through judicial activism, rewriting rather than interpreting laws. That is the heart of the issue.

That is why we see this opposition today. I would close by simply saying this. What we do here will have precedential value. If we in fact allow those individuals that have the most political clout and the most financial ability to sway this nomination or any other, what we will see in my judgment is a precedent that, in my judgment, says that the other body will become the nominating body, because in reality what will happen is, any President, Democrat or Republican, will have to go first to the other body and determine if they will accept that nomination.

There is a world of difference between that and advice and consent. For that reason alone, I would hope that we would respect our Constitution, and allow this eminently qualified justice to move to his position in the Supreme Court.

Mr. Speaker, let's face it—Judge Bork's credentials are impeccable. He has the ability, wisdom, and experience to be an excellent Supreme Court Justice.

What makes this individual so qualified? Certainly his experience speaks for itself. He was a professor at Yale Law School for 15 years; the holder of two endowed chairs; a graduate of the University of Chicago Law School; Phi Beta Kappa and managing editor of the Law Review. He is also an experienced practitioner of law, and was a partner in the firm of Kirkland & Ellis. He served as the Solicitor General of the United States from 1973–77, representing the United States before the Supreme Court in hundreds of cases. He was unanimously confirmed for the D.C. Circuit in 1982, after receiving the ABA's highest rating—"exceptionally well qualified"—which is given to only a handful of judicial nominees each year. No appellate judge in America has had a finer record on the bench; not one of his more than 100 majority opinions has been reversed by the Supreme Court.

These are a few of the highlights of his judicial career that demonstrate not only his ability as a legal scholar and a lawyer but attest to the general consensus of his peers that this individual is of truly extraordinary caliber, and one that we are lucky to have as a nominee for the U.S. Supreme Court.

So much has been written about the Bork nomination that it would be difficult to come up with anything new or original about his career that does not support his qualifications as a nominee.

In addition, we have not only had an in-depth discussion of Judge Bork's impeccable credentials and judicial philosophies but a history lesson on the constitutional origins of the U.S. Supreme Court and the process of selecting its Justices. Scores of material have been written by the best constitutional scholars on the intent of the Framers when they drafted article II, section 2, those sparse but important words that the President shall nominate, by "advice and consent" of the Senate "shall appoint the judges of the Supreme Court."

In this current debate, no words have been scrutinized more closely than these. What did the Framers really intend that the roles of the Senate and the President be in the selection of a Supreme Court Justice? Is the Senate to join with the President—to form a kind of nominating committee, or was it intended that the Senate simply review the President's nominee, objecting only in cases where individuals are clearly not qualified.

Most of our knowledge about the intent of the Framers when they drafted the Constitution 200 years ago comes from the early Federalist Papers. As it is true of our legislative process today, the words used in the final draft of this document were not simply the product of one author, but the work product of many debates between individuals with different ideological and personal values. In addition, all of us know only too well that in most cases a bill is not drafted, introduced and signed overnight, but that the final product is based on rewriting and changing the work product until a consensus is reached. What does this add to our current debate on the Bork nomination?

Some have argued that because the Framers discussed and adopted various drafts which envisioned a greater role for the Senate that such history is evidence of the greater importance of the Senate than simply to review the President's choice. [Senator BIDEN's debate CR July 23, 1987.] I disagree. Whatever the Federalist Papers may say about the Framers' various drafts of article II, section 2, on this selection process, in the end, we are left only with the words currently existing in the Constitution—that the President nominates with advice and consent of the Senate.

I believe the meaning is clear. In the selection of a Supreme Court Justice, it is the Chief Executive of the United States, the Founding Fathers designated, to nominate its Supreme Court Justices and the Senate who reviews them. Both roles are equally important; however, one act is clearly before the other. It is not the job of the Senate to nominate Supreme Court Justices. In addition, the Senate acts as a "check" on the President's choice. The Senate has the power to veto, if you will, an individual who is clearly unsuitable to be a Justice and the President has no authority to override that veto power.

We know that this checks and balances system is a consistent theme of the Constitution. Three independent branches of government, the bicameral legislative process. The State and Federal system were not accidentally placed in the Constitution. Another obvious example is the legislative process. It is the Congress that introduces legislative initiatives, the President reviews it and has the authority to veto such legislation.

What then should the Senate do to sufficiently satisfy its advice and consent role? In my view, the Senate's review should concentrate on the individual's suitability as a nominee. In fulfilling this role, certainly, the Senate should carefully and thoroughly review the candidate's credentials to determine if the President's choice fits the necessary qualifications for the job—and in this case, a lifetime Supreme Court Justice—deserves close scrutiny. However, in my opinion, and in the opinion of many others, there is no doubt that Judge Bork is superbly qualified for this position.

If we were picking a professional for any other job, would we not want the same caliber of professional that Judge Bork has demonstrated in his career? Would we think twice about picking the best surgeon for an operation, or putting our best quarterback in the game for the Super Bowl?

What has confused the debate on this nomination is not that this judge lacks the professional qualifications to be an excellent Supreme Court Justice as demonstrated by the support he received during his confirmation hearings in 1982. But that this is a Reagan nomination—and a nomination of a conservative President—that in the past has supported conservative beliefs. In essence, some would have the Senate nominate the candidate.

I believe this is not the Senate's proper role. Who would they pick as their candidate? The name is not as important as is the nominee's ideological and political beliefs. A politically balanced Supreme Court in line, of course, with their own views, is their true objective. Why else would anyone question this nomination?

I think this approach not only violates the intent of the Framers with regards to the Supreme Court selection process, but also strains basic separation of powers principles by making Supreme Court Justices political puppets of the Senate. It is not the judicial qualifications and personal integrity of the nominee that become the issue—but how he will vote when he gets on the Bench. Why not simply pick someone with the right judicial voting record? Is this the kind of selection process our Founding Fathers envisioned? I think not.

Mr. FISH. Mr. Speaker, I thank the gentleman very much for the gentleman's contribution.

Mr. SHAW. Mr. Speaker, in November of last year a news story broke in the Middle East that quickly led to the uncovering of what America came to know as the "Iran-Contra Arms Scandal." When that event was made public to the American people, one individual in particular was immediately singled out as the "bad guy," guilty of dozens of untold, yet culpable acts. He was portrayed as the right-wing radical, the liar, the cheat, and the criminal. His name is Oliver North.

Many of the politicians, the news media, and consequently many of the American people prejudged Oliver North. Then something happened; Oliver North got his day in Congress, in front of the American public, to defend his record. And soon, those who were guilty of prejudging the man became silent and attempted to explain away their earlier statements.

This same Congress is once again embarked on the judgment of another individual. His name is Robert Bork. And once again, the liberal politicians, the news media and many of the American people have prejudged Robert Bork. What have they said? They said he is a right-wing radical, guilty of dozens of untold conservative wrongs, culpable of something bad—but just what we have not exactly been able to discern. Sound familiar? It is familiar. It is just another example of the wholesale prejudgment of a man before the public has had the opportunity to hear from him or look at his record. That is not supposed to be the American way.

What has Judge Bork been accused of by those who have already judged him? Has he been accused of being intellectually unqualified to sit as a Supreme Court Justice? No, his record of academic and judicial accomplishments is too substantial to support that accusation. Is he accused of dishonesty or lack of integrity? No, his reputation is unblemished. Is he accused of being a bad judge, a judge whose opinions for example are consistently overturned? No, his judicial record is proficient and in fact, not one of his more than 100 appellate opinions have ever been reversed. What Judge Bork has been accused of is that he is a conservative, that he is very conservative, and that he is too conservative.

Let's look at the history of this "radical conservative." When he was appointed by President Reagan to the U.S. Circuit Court of Appeals, Judge Bork was 1 of only 2 Republicans sitting on the 10-member panel. Today he is one of five Republicans on that panel. And, despite the disparity in representation on that bench, of the hundreds of cases heard and decided by that court, Judge Bork wrote only nine dissents and seven partial dissents. Of those few dissents, several were adopted by the U.S. Supreme Court as its reasoning when it reversed that Circuit Court of Appeals decisions. That does not sound like the judicial history of a radical conservative.

We have already heard here today of Judge Bork's fair-minded opinions regarding the broadcast media, free speech, economic policy, criminal justice, and civil rights. Let's turn for a moment to his support of labor unions in this country. As an appeals court judge, Bork has authored numerous decisions upholding significant victories for labor unions. For example, in his opinion in United Mineworkers of America versus Mine Safety and Health Administration, Judge Bork held on behalf of the United Mineworkers Union and against the administration. Judge Bork held that the Mine Safety and Health Administration could not excuse individual mining companies from compliance with mandatory safety standards, even on an interim basis, without following particular procedures to ensure that the miners were made as safe or safer by the exemption from compliance. In Musey versus Federal Mine Safety and Health Review Commission, Judge Bork ruled against the Commission and in favor of the union when he held that the union's attorneys were entitled to costs and attorneys fees for representing union members against the Commission. Again in Amalgamated Transit Union versus Brock, Judge Bork, writing for the majority, held in favor of the union and against the Secretary of Labor. He ruled that the Secretary of Labor had exceeded his statutory authority in certifying in Federal assistance applications that "fair and equitable arrangements" has been made to protect the collective bargaining rights of employees before the union and the management had actually agreed to a dispute resolution mechanism. And again, in Black versus Interstate Commerce Commission, Judge Bork joined in a per curiam opinion in holding that the ICC had acted arbitrarily and capriciously in allowing a railroad to abandon some of its tracks in a manner that caused the displacement of employees of another railroad. These are just a few of the several opinions that Judge Bork has authored or joined with the majority in upholding the rights of union workers against unfair management practices or unfair administrative rulings.

In reviewing those labor-related cases wherein Judge Bork has ruled in favor of the labor unions as well when he has ruled in favor of the Government or of a private employer, one pattern becomes evident. That pattern is a consistency by Judge Bork to uphold the letter of the law regardless of the political or social ramifications. The pattern of judicial philosophy that is reflected in Judge Bork's labor opinions is consistent with Judge Bork's description of his philosophy that judges must apply the Constitution, the statute, or controlling precedent in cases of law and not their own moral, political, philosophical, or economic preferences.

Judge Bork's judicial philosophy, as exemplified in his opinions regarding labor law, is further demonstrated in his rulings in the field of administrative law. For instance, in the 1983 case of Planned Parenthood Federation of America, Inc. versus Heckler, Judge Bork concurred in a court of appeals opinion which held that the parental notification regulation under title X of the Health Services Act was inconsistent with Congress' intent. Judge Bork agreed with the majority that HHS had no authority to promulgate a parental notification rule with regard to the prescribing of contraceptives to minors. Consistent with Bork's strict constructionist philosophy, he reasoned that because HHS' authority claimed to be predicated on Congress' 1981 amendments to title X that the regulation must fail because title X did not grant the agency the authority to promulgate such a rule. Further consistent with his judicial philosophy to interpret the law as written, in Jersey Central Power and Light versus FERC, Judge Bork ruled against the Commission and in favor of Jersey Central's right to a hearing. In that case, the court of appeals, sitting en banc, considered the utility's argument that the rates it was permitted to charge by the Federal Energy Regulatory Commission were so low that they constituted an unconstitutional taking of property without just compensation. The Commission had ignored the utility's claim and refused to even grant the utility a hearing at which it could present its case. Although the court initially affirmed the Commission's action, upon rehearing by the full court, Judge Bork wrote an opinion for the majority sending the case back to the Commission and criticizing the Commission for its disregard of the utility's constitutional right to a hearing.

As we have heard from other Members today, Judge Bork's record with regard to criminal law and civil rights is a balanced one. The cases I have mentioned here concerning labor law and administrative law, I believe, again reflect a balanced record and Judge Bork's sense of fairness. Certainly in the fields of labor law and administrative law, Judge Bork has had an opportunity to side squarely with a conservative Reagan administration, time and again. The examples of cases set forth above, indicate that Judge Bork in his role as a judge has not taken political sides. He, in fact, has in many instances and in key cases, ruled against this administration. Judge Bork is the leading proponent of "judicial restraint." It has been said that he believes that judges should set aside the decisions of the democratically elected branches of government only when there is warrant for doing so in the Constitution itself. His decisions on the Circuit Court of Appeals very plainly reflect that principle. Judge Bork further believes that a judge has no authority to create new rights based upon his own personal philosophical views, but must instead base his judgment on the principles set forth in the Constitution. I believe his record supports this philosophy.

The rush to judgment against Judge Bork as a nominee to the U.S. Supreme Court is unfair. This sense of unfairness has apparently motivated even current members of the U.S. Supreme Court to speak out in his favor. Justice John Paul Stevens, in what has been described as an unusual public remark by a sitting Supreme Court Justice, praised Judge Bork's qualifications and explicitly rejected the portrait of Bork as a rigid rightwing ideologue. Justice Stevens, a moderate on the Supreme Court, in a speech 2 weeks ago in Colorado, likened Judge Bork's constitutional philosophy to that of himself and two other moderate centrists on the Court, Justice Lewis F. Powell, Jr., who Bork has been nominated to replace, and the late Justice Potter Stewart. Justice Stevens said of Judge Bork: "I personally regard him as a very-well-qualified candidate and one who will be a very welcome addition to the Court."

It has become evident to me during my review of Judge Bork's record and my review of the criticism hurled against him by the liberals here in Washington, that it is not Judge Bork's conservatism that they disdain. It is rather that Judge Bork is not a liberal and does not appear willing and prepared to impose a liberal agenda on the Court. It is obvious to me that Judge Bork is a very qualified candidate for the U.S. Supreme Court and has displayed an ability to interpret the law without regard to any political agenda.

That his absence of a liberal political agenda should be used as a basis to criticize his qualifications as a nominee to the Supreme Court is evidence that our confirmation process has degenerated into one purely political. I urge my colleagues in the other body to avoid repeating the recent mistakes made in the Iran-Contra spectacle. Wait and see for yourselves the record of Judge Bork and allow him an opportunity to be heard before you judge him.

Mr. FISH. Mr. Speaker, it is noteworthy, and it has come across in this hour that Judge Bork as a man, as an intellect and as a jurist, should be looked at closely and honestly by the other body and by the American people.

I find it difficult to reconcile the charges that have been leveled against him with the record since becoming an appellate Federal judge.

Mr. Speaker, I am going to close now; but this matter will be continued. It is a policy of the House to recognize Members from one side of the aisle and then the other side of the aisle.

The subject matter of the qualifications of Robert Bork as Associate Justice of the Supreme Court for the United States will be continued in a while under the special order of the gentleman from California [Mr. LUNGREN].

Mr. Speaker, I find if personally difficult to reconcile the charges that have been leveled against Judge Bork with his record since becoming an appellate Federal judge. It has been said that he reflects an extremist view that is somehow beyond the range of acceptable American legal thought. It has been charged that he is a rigid ideologue and that his rigid ideology will be translated into judicial rulings that are illogical or unfair. How do these charges actually jibe with Robert Bork's legal and judicial philosophy? How do they stand up, when one looks at the actual facts?

Robert Bork, both before he was a Federal judge and since his elevation to the D.C. Circuit Court of Appeals has been—both in theory and practice—an advocate of judicial restraint. Under that legal philosophy it is inappropriate for a judge to go beyond the intent of the statute in question or to attempt to deal judicially with matters that are the sole prerogative of the legislature. On December 6, 1984, Judge Bork delivered the Boyer Lecture before the American Enterprise Institute, and took that opportunity to summarize his judicial philosophy in the following way:

> The sole task of the judge—and it is a task quite large enough for anyone's wisdom, skill, and virtue—is to translate the framer's or the legislator's morality into a rule to govern unforeseen circumstances. That abstinence from giving his own desires free play, that continuing and self-conscious renunciation of power, that is the morality of the jurist.

So, Judge Bork asks the following kinds of questions: What does the law actually say? Does the statute permit a government agency, a private organization, or an individual to act in a particular manner? Do the regulations issued by the agency reflect the statutory authority given to that agency? Does the Constitution allow the outcome sought by the litigants in this particular case? Do these sound like the questions of a radical or an extremist? Or, do they sound like the type of questions that a judge ought to ask?

Critics of Judge Bork also assume that his philosophy of judicial restraint automatically results in decisions that would be popularly characterized as conservative as opposed to liberal. That presumption is simply not correct, nor even logical if one spends much time thinking about it. Legislatures can and do write liberal, as well as conservative, laws. If that is the statute before Judge Bork, that is the statute he applies and follows. Agencies can promulgate regulations that foster liberal political results and, if that is the case, Judge Bork looks at the language of that regulation and its statutory authority. Judge Bork does not substitute a desired philosophical result for sound legal reasoning.

Allow me now to cite some interesting cases on which Judge Bork has participated since he served in the D.C. Circuit Court of Appeals. I believe these decisions are illustrative of Judge Bork's philosophy in action.

In 1983, Judge Bork voted with the majority on the court so as to invalidate the so-called squeal rule. *Planned Parenthood Federation of America* v. *Heckler*, 712 F.2d 650, 665–668 (1983). The case involved a Department of

Health and Human Services regulation that required providers of family planning services—those receiving Federal funds—to notify the parents of minors when contraceptives were provided those minors. Judge Bork and his colleagues looked at the regulation in question, the authority cited by HHS, and concluded that the agency did not have the legal authority to issue that regulation under the statute they relied upon.

In 1984, Judge Bork wrote the unanimous opinion upholding the first amendment right of an artist to lease display space in Washington's subway stations. *Lebron* v. *Washington Metropolitan Area Transit Authority,* 749 F.2d 893 (1984). The artist sought to publicly exhibit a poster that was graphically critical of President Reagan and the Reagan administration. Judge Bork reversed the decision of the Washington Metropolitan Transit Authority, which had refused to lease the space to the artist on the ground that his poster was deceptive. Judge Bork determined that their refusal was an unconstitutional interference with that individual's first amendment right of political free speech.

In 1985, in the case of FTC versus Brown and Williamson Tobacco Corp., Judge Bork wrote for a unanimous court stressing that the first amendment protects not only political free speech, but commercial free speech as well. See: 778 F.2d 34 (1985). In that same year, Judge Bork joined in a majority decision in the landmark Quincy Cable case which overturned the controversial FCC must-carry regulation. *Quincy Cable TV, Inc.* v. *Federal Communications Commission,* 768 F.2d 1434 (1985). That decision, authored by Judge Skelly Wright, invalidated a regulation that compelled pay TV systems to carry a certain number of public service channels. The majority opinion, joined in by Judge Bork, determined that the FCC had overstepped its regulatory authority and in doing so unnecessarily impinged upon the first amendment rights of cable TV systems.

In his service on the D.C. Circuit Court of Appeals, Judge Bork has also demonstrated his sensitivity on civil rights issues. For example, sitting as part of a three-judge panel in the case of County Council of Sumter County, South Carolina versus United States, Judge Bork rejected the arguments of a South Carolina county that its change to an at-large election system did not require preclearance by the Justice Department under section 5 of the Voting Rights Act. 596 F.Supp. 35 (1984). I doubt that any Member of Congress of either party, who has been involved in voting rights legislation and litigation as I have been, would disagree with this decision.

In another case involving the Department of the Navy, Judge Bork rejected the notion that the military services are immune from judicial review in cases involving racial discrimination. *Emory* v. *Secretary of Navy,* 819 F.2d 291 (1987). In that case, Judge Bork decided that the courts had a right to inquire into whether or not the failure to promote a particular individual was based on racial discrimination.

My point in reciting these cases is that when Robert Bork exercises his judicial responsibilities, consistent with his view of the proper role of a judge, the result can often be civil libertarian in nature. To talk of Robert Bork, a man remarkably well qualified to serve on the Supreme Court, as an extremist or as being outside the realm of acceptable American legal thought is not only an unfair and incorrect—it reflects an elementary failure to look at his real record. The debate over this nomination has and will, inevitably, be a mixture of politics and law. In fairness to the man, let's look clearly at the facts in this case before a final judgment is rendered.

Mr. SMITH of Texas. Mr. Speaker, we are in the midst of thoughtful debate over the confirmation of Supreme Court appointee Robert H. Bork. Key issues raised involve the Senate's advise and consent role and what Senate precedent suggests about ideological opposition to Judge Bork's confirmation. The purpose of my statement is to bring certain Senate precedents to the public attention that will further inform the debate.

The first set of precedents I will mention are relatively recent. They concern statements made during the confirmation hearings of Justice O'Connor in 1981. These statements are from distinguished Democratic Senators, currently members of the Senate Judiciary Committee. I find their statements instructive about how the Senate should approach the nomination of Judge Bork to the Supreme Court. I also want to mention my appreciation about the fairness these distinguished Democratic Senators showed during the O'Connor hearings. It is my hope that Judge Bork will receive the same kind of fairness Justice O'Connor received.

Senator Joseph BIDEN, now the distinguished chairman of the Senate Judiciary Committee, made the following comment concerning the Senate's role in confirming Supreme Court appointments:

> There is no more important responsibility for the Senators who serve on this committee, in my opinion, Judge, than the one we will exercise today—that is, reviewing the qualifications of the nominee for the U.S. Supreme Court. The Supreme Court has a profound impact on the shape of our Government and the well-being of our people.
>
> Accordingly, I believe it is necessary at the outset of these hearings on your nomination to define the nature and scope of our responsibilities in the confirmation process, at least as I understand them.
>
> First, as a Member of the U.S. Senate, I am not choosing a nominee for the Court. That is the prerogative of the President of the United States, and we Members of the U.S. Senate are simply reviewing the decision that he has made.
>
> Second, our review, I believe, must operate within certain limits. We are attempting to answer some of the following questions: First, does the nominee have the intellectual capacity, competence, and temperament to be a Supreme Court Justice? Second, is the nominee of good moral character and free of conflict of interest that would compromise her ability to faithfully and objectively perform her role as a member of the U.S. Supreme Court? Third, will the nominee faithfully uphold the laws and Constitution of the United States of America?
>
> We are not attempting to determine whether or not the nominee agrees with all of us on each and every pressing social or legal issue of the day. Indeed, if that were the test no one would ever pass by this committee, much less the full Senate.

Senator EDWARD KENNEDY, the distinguished former chairman of the Senate Judiciary Committee made these insightful remarks concerning labels and litmus tests:

> By some, Judge O'Connor has been termed a judicial conservative. However, simplistic labels are inadequate to define a complex concept like judicial philosophy, let alone predict a vote in a future case. What we seek in the Federal courts are judges who will display legal excellence and personal integrity and sensitivity to individual rights.
>
> It is offensive to suggest that a potential Justice of the Supreme Court must pass some presumed test of judicial philosophy. it is even more offensive to suggest that a potential Justice must pass the litmus test of any single-issue interest group. The disturbing tactics of diversion and distortion and discrimination practiced by the extremists of the "New Right" have no place in these hearings and no place in our Nation democracy.

Senator HOWARD METZENBAUM indicated his open-mindedness and fairness toward the O'Connor nomination.

> I come to this hearing with no preconceived notions. If I happen to disagree with you on any specific issues, it will in no way affect my judgment of your abilities to serve on the Court. It is a matter of concern to me, however, that there are certain groups who have spoken adversely about this appointment by reason of some of your votes or actions as a State legislator.
>
> I have some very strong feelings about judicial appointments. Basically, I think that the appointee must be a person of integrity; a person who has been shown to be a highly qualified scholar; and a person who will have the kind of character that reflects well on the judiciary in general.

Senator PATRICK LEAHY stated his views in a similar vein:

> Our examination of Judge O'Connor's judicial philosophy, that is relevant and important, but we should not condition our confirmation on her agreement with any opinions of ours, so long as her philosophy is within the norms set down by the Constitution itself. We are a pluralist republic, no less on the bench than in a Vermont town meeting or a national election.
>
> I enjoyed my own visit with Judge O'Connor. I told her at that time I really did not care whether she was a Republican or a Democrat, a conservative or a liberal. That is not the issue. The issue is one of competence and whether she has a sense of fairness. I am convinced on both counts.

Mr. Speaker, I believe these statements correctly portray the Senate's advise and consent role: open-mindedness without conditioning confirmation on ideology. These Senators deserve praise for their approach to the O'Connor nomination, and if they are mindful of their past statements, I feel certain they will be fair to Judge Bork.

Mr. Speaker, the second set of precedents helpful to the debate concern past Senate refusals to confirm Supreme Court nominees. I submit the table of Supreme Court nominees not confirmed by the Senate to be included in the RECORD.

SUPREME COURT NOMINEES NOT CONFIRMED BY THE SENATE

Nominee	Senate action	Reason(s)[1]
William Paterson[2]	Withdrawn, Feb. 28, 1793	
John Rutledge	Rejected (10–14), Dec. 15, 1795.	2.
Alexander Wolcott	Rejected (9–24), Feb. 13, 1811.	2, 6.
John J. Crittenden	Postponed, Feb. 12, 1829	1.
Roger Taney[2]	Postponed, Mar. 3, 1835	
John C. Spencer	Rejected (21–26), Jan. 9, 1844.	1.
Reuben H. Walworth	Withdrawn, Jun. 17, 1844	1, 4.
Edward King	Postponed, Jun. 15, 1844	1.
Edward King	Withdrawn, Feb. 7, 1845	1.
John M. Read	No action	1.
George W. Woodward	Rejected (20–29), Jan. 22, 1846.	1, 2, 4.
Edward A. Bradford	No action	1.
George E. Badger	Postponed, Feb. 11, 1853	1.
William C. Micou	No action	1.
Henry Stanbery	No action	1.
Ebenezer R. Hoar	Rejected (24–33), Feb. 3, 1870.	2.
George H. Williams	Withdrawn, Jan. 8, 1874	6.
Caleb Cushing	Withdrawn, Jan. 13, 1874	5.
Stanley Matthews[2]	No action	
William B. Hornblower	Rejected (24–30), Jan. 15, 1894.	4.
Wheeler H. Peckham	Rejected (32–41), Feb. 16, 1894.	4.
John J. Parker	Rejected (39–41), May 7, 1930.	2, 7.
Abe Fortas	Withdrawn, Oct. 4, 1968	1, 2, 3, 6.
Homer Thornberry	No action	1, 2, 3, 6.
Clement Haynesworth, Jr.	Rejected (45–55), Nov. 21, 1969.	2, 6.
G. Harrold Carswell	Rejected (45–51), Apr. 8, 1970.	2, 6.

[1] 1—Opposition to the nominating President, not necessarily the nominee. 2—Nominee's involvement with a visible or contentious issue of public policy or, simply, opposition to the nominee's perceived political or sociopolitical philosophy (i.e., "politics"). 3—Opposition to the record of the incumbent Court which, rightly or wrongly, the nominee had presumably supported. 4—Senatorial courtesy (closely linked to the consultative nominating process). 5—A nominee's perceived "political unreliability" on the part of the party in power. 6—The evident lack of qualification or limited ability of the nominee. 7—Concerted, sustained opposition by interest or pressure groups.

[2] Eventually confirmed.

Sources: "The Supreme Court and Its Work," Congressional Quarterly; Henry J. Abraham, "Justices & Presidents" (2d. edition 1985).

The table shows that the Senate has refused to confirm 26 of the 141 Supreme Court nominees forwarded to it in about two centuries of our history as a nation. However, the trend is toward a lower rate of Senate refusal to confirm. In the 19th century the rejection rate was 1 out of 3 nominees. Supreme Court scholar Henry Abraham states that a return to this record is "highly unlikely." In this century, even when counting the Senate's refusal to vote on the Fortas promotion, only 4 have been voted down for a 1 out of 5 rejection rate. It should also be noted that 3 of the 26 rejected nominees eventually were confirmed and 5 of the 26 served on the Court.

This table not only shows the increasing infrequency of refusals to confirm but also the reasons for these refusals. The opposition to Judge Bork's confirmation is an admitted frontal assault for ideological reasons. Thus, this opposition is based totally on what is called reason No. 2 in the table. Although Bork opponents are correct that ideology has played a role in the confirmation process, the reason column in the table—based on Henry Abraham's book "Justices & Presidents"—reveals that there are only three instances (Rutledge, Hoar, and Parker) in Professor Abraham's view where ideology or political philosophy was basically the only reason for the Senate's refusal to confirm. My argument is that these three instances do not constitute valid precedent for the Senate to refuse confirmation of Judge Bork to the Supreme Court.

First, each of these three instances are easily distinguishable from the circumstances of the Bork nomination. In the case of John Rutledge, the Senate reportedly rejected his confirmation as Chief Justice because of his vigorous opposition to the Jay Treaty of 1794. However, several other facts should be noted. Rutledge at the time of his rejection was serving as a recess appointment on the Court. It was a few weeks after his nomination and while he was Chief Justice of the United States, that Rutledge attacked the Jay Treaty—a conciliatory treaty negotiated by the Washington administration to ease tensions with Great Britain. Prof. Laurence Tribe in his book "God Save This Honorable Court" further describes the scenario:

> The treaty was ardently supported by the Federalists. Washington's Senate allies, as an integral part of party policy; it was opposed by Democratic Republicans as an affront to the nation's former ally, France. To the minds of many Senators, Rutledge's opposition to the treaty called into question his views on foreign policy and his judgment in taking so strident a position on an issue that polarized the nation. Rutledge's behavior even fueled rumors that he suffered from mental instability.

Indeed, the concerns about Rutledge's mental stability may have been more than rumors. In Congressional Quarterly's "The Supreme Court and Its Works," it is noted that:

> Rutledge attempted to drown himself after hearing news of his Senate rejection and suffered lapses of sanity until the end of his life.

The differences from the Bork nomination are considerable. Judge Bork is not serving on the Court as a recess appointment. Nor has he commented on a volatile political issue totally divorced from judicial proceedings as a distingiushed jurist on the U.S. Court of Appeals for the D.C. Circuit. Nor is there any concern about the mental health of Judge Bork. While the Rutledge case illustrates the consideration of ideology, it seems it is only strong precedent for Senate rejection where the nominee as a sitting Justice on a recess appointment made comments on a current political issue on the which his opponents disagreed. The closest analogy would be Judge Bork sitting as a recess appointment on the Court, vigorously opposing an Arms Control Treaty negotiated by the Reagan administration. Indeed, the situation appears to be the reverse for Judge Bork. We do not really know his political views. Only his judicial views have been publicized. Moreover, to the extent he has commented on pending legislation, it was as an authority cited as support by Senators who opposed the "human life statute" in 1982.

The rejection of Ebenezer Hoar came in the politically troubled times of the Reconstruction Era. In 1866, President Andrew Johnson attempted to fill the vacant seat on the Supreme Court created by the death of Justice John Catron. The radical Republican Senate, who would later try Johnson after his impeachment by the House, reduced the size of the Court to eight so that Johnson could not fill the seat. When Ulysses S. Grant became President in 1869, Congress restored the seat. Grant nominated his Attorney General Ebenezer Hoar to the Court. At the same time, Justice Grier announced his retirement creating another Court vacancy. The Senate then insisted that Grant appoint Secretary of War Edwin Stanton to the Court. After initial resistance, Grant agreed to nominate Stanton as a trade for confirmation of Hoar. Unfortunately, for Grant and Hoar, Stanton died 4 days after his confirmation and the deal for Hoar was off. Professor Abraham described the Senate's rejection of Hoar as follows:

> On December 15, 1869, Republican President Ulysses S. Grant nominated his eminently qualified and popular Attorney General, Ebenezer R. Hoar. The debate over his nomination dragged on for seven weeks until February 3, 1870, when Hoar was finally rejected by a vote of 24 to 33. He had antagonized most of the Senators by his consistent refusal to back Senatorial nominations for judgeships, by his publicly uncompromising insistence on "nonpolitical" appointments throughout the government, and by his early championship of civil service reform. Moreover, he had made enemies of fellow Republicans by his outspoken opposition to the proposed impeachment of President Andrew Johnson. Few professional politicians appreciated Judge Hoar's high standards of excellence and assertive political independence, and the Court was deprived of an unusually promising candidate.

Again, the political circumstances are obviously different from the Bork nomination. Judge Bork is not a sitting public official who has antagonized Congress. Opposition to Bork's confirmation is not based on his views on pending legislation but on his judicial philosophy. Most importantly, I don't believe anyone is arguing the Senate considering the Bork nomination should act like the radical Republican Senate of 1870.

The rejection by the Senate in 1930 of Chief Judge John J. Parker of the U.S. Fourth Circuit Court of Appeals was based on his perceived views toward labor in a judicial opinion and statements about black participation in politics made as a gubernatorial candidate in 1920. The American Federation of Labor's grudge against Parker was that they thought he was unfriendly to labor and that he handed down an opinion affirming a lower court decision that upheld yellow dog contracts. Professor Abraham observed:

> A close reading of Judge Parker's opinion in the case indicates neither approval nor disapproval of yellow dog contracts; rather it reflects the responsible jurist's belief that he was bound a U.S. Supreme Court precedent. Yet, according to Professor Tribe, one magazine characterized the issue in Parker's nomination as a concern that "dogmatic adherence to a judicial precedent * * * is not evidence that a man is fit to sit on the Supreme Bench."

Opponents argued that Parker should have ruled that yellow dog contracts were unjust despite the precedents.

Further opposition to Parker was generated by the National Association for the Advancement of Colored People [NAACP] because Parker had made the following remark during a political race:

> The participation of Negro in politics is a source of evil and danger to both races and is not desired by the wise men in either race or by the Republican Party of North Carolina.

Ironically, Parker would later write some of the earliest and most significant problack opinions ono desegregation. This example reinforces the view of Senator Biden made on the Senate floor September 21, 1981:

> What dawned on me was that no one, Mr. President, in the approximately 200-year history of the Court, has been accurately able to predict what a Justice of the Supreme Court would be like prior to that justice's being appointed to the Supreme Court.

Again, the circumstances of Parker rejection are not analogous to Judge Bork's situation. Judge Bork has not made an unfortunate remark like the one made by Parker. Moreover, Parker was attacked for positions on two issues. Judge Bork is being attacked because he is a forceful and eloquent advocate of judicial restraint. Finally, no one is opposing Bork's confirmation because of "dogmatic adherence to a judicial precedent."

I think these precedents make it clear that the Senate has never rejected a nominee solely because of his judicial philosophy. To the extent the precedents indicate political ideology as a sole factor, they are not applicable to the circumstances of the Bork nomination. Most importantly, these refusals to confirm Supreme Court nominees have been some of the low points in the history of the Senate. Indeed, the historical view is that the rejections of Hoar and Parker were mistakes.

Those who argue that past Supreme Court rejections make the case of ideological rejection of Judge Bork to the Supreme Court are not supported by precedent. Refusals to confirm are becoming less frequent. Past rejections were in many cases mistakes and ugly moments in our Nation's history. In no instance has the United States ever rejected a "four star" appointment like Judge Bork. Nor is there an instance of rejection purely because of judicial, not political, orientation.

The Senate would be better served if it adhered to its approach taken in the O'Connor nomination and in about 80 percent of the nominations this century than in following inapplicable and wrong precedents in the few rare cases.

Mr. ARMEY. Mr. Speaker, I rise today to express strong support for President Reagan's latest nominee to the Supreme Court, Judge Robert H. Bork.

Since the President submitted Judge Bork's name to the Senate for confirmation, I've tried to understand why some of our colleagues in the Senate feel compelled to prejudge his fitness based on their perception of his political persuasion, without the benefit of his remarks. Sadly, it seems the confirmation process has degenerated to the point where politics has replaced professional ability as the central question.

The point is not whether or not you agree with Jude Bork's political ideology. The question facing the Senate is whether Robert Bork is qualified to be a Supreme Court Justice. Looking at Judge Bork's qualifications, it's hard to imagine a man with better credentials.

Judge Bork is a distinguished jurist, a renowned legal scholar, and a dedicated public servant. He's served the United States as Solicitor General and Acting Attorney General, and he has shared his knowledge of the law as a professor at one of our most prestigious law schools. In his current role as a judge on the District of Columbia Federal Court of Appeals, he has proven to be one of the court's hardest working and most influential legal minds.

Thus, it is truly astounding that some Senators have seen fit to lambast Judge Bork, saying that he is an extremist and unfit to replace Justice Powell. Are they unaware that the American Bar Association has given Judge Bork its highest rating, that of "exceptionally well qualified?" Are they unaware that a recent poll of judges nationwide showed a majority favor the confirmation of Judge Bork? Are they unaware that in his tenure at the Court of Appeals, he has written over 100 majority opinions, and not one has been reversed by the Supreme Court? It's hard to imagine a better-qualified nominee.

It is both obvious and outrageous that it is Judge Bork's politics, and not his qualifications, that are at issue. No doubt, many Senators would like to name their own replacement for Justice Powell, imposing their, and not our elected President's, views on the Supreme Court. However, that is not their prerogative.

In their limited role of confirming or rejecting nominees, Senators should not be driven by political considerations. However, it would appear that some are more interested in furthering their own political ambitions than in discharging their responsibilities. If that's not true, why has the chairman of the Senate Judiciary Committee, who said only a year ago that he would vote for Judge Bork if he were nominated, postponed Judge Bork's confirmation hearings longer than any others in history?

Mr. Speaker, Justice Powell chose this time to annouce his retirement for a specific reason. He wanted to give the President ample time to name a replacement and have that replacement confirmed by the Senate by October 5, when the Court reconvenes. He feared that if he waited the confirmation process would become bogged down in the 1988 Presidential campaign and that the Court would be forced to operate at less than full strength, reducing litigants' access to the Court and slowing the resolution of any cases in which the Court was evenly split.

I urge the Senate leadership to put politics aside and convene the hearings immediately. The American people deserve a Supreme Court operating at full strength.

GENERAL LEAVE

Mr. FISH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the subject of my special order tonight.

The SPEAKER pro tempore (Mr. Lantos). Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas [Mr. Glickman] is recognized for 60 minutes.

[Mr. GLICKMAN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

TRIBUTE TO FORMER CONGRESSMAN DOMINICK V. DANIELS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. Guarini] is recognized for 60 minutes.

Mr. GUARINI. Mr. Speaker, I am very saddened by the passing of Dominick Daniels who died July 17 after a long illness. Our former colleague was a dedicated representative of the 14th District of New Jersey which I now represent. He was a very effective member of the House Education and Labor and Post Office and Civil Service Committees for nine terms from 1958 until 1976.

Dominick Daniels was born in Jersey City, NJ. He was the son of an Italian immigrant. He graduated from Fordham University, and worked his way through Rutgers University Law School. He became a member of the New Jersey and Hudson County bar association at age 21.

In 1952, he was appointed magistrate of the Jersey City Municipal Court and was named presiding magistrate in 1957. Dominick Daniels also served as vice chairman of the Jersey City Civil Rights Commission from 1952 to 1955.

As a Member of the House from 1958 until 1976, Dominick Daniels championed the causes of health and safety in the workplace. He took the lead in efforts to provide compensation of injured workers and Federal job-safety rules where States failed to enforce any. His efforts led to a compromise that established the principle of Federal supervision over occupational health and safety in industries around the country. He was particularly instrumental in the passage of key labor legislation, including the Comprehensive Employment and Training Act [CETA], and the Occupational Safety and Health Act [OSHA].

Mr. Daniels was also outspoken in prodding the Kennedy administration to see that schools and colleges strictly complied with the 1954 Supreme Court decision against racial segregation. He wrote a bill that in 1962 closed a loophole through which land-grant colleges could escape such compliance.

He also guided legislation which made many improvements in the operation of the postal service and advancements for postal workers. He was instrumental in the development of the North Jersey Mail Facility in Kearny, NJ, which now employs over 4,000 workers. As a fitting memorial to Dominick Daniels, I have introduced legislation to rename this facility the Dominick V. Daniels Postal Facility.

In 1976, he was awarded an honorary doctor of laws degree by St. Peter's College, where his congressional papers are now housed. In 1980, he was honored by the people of Hudson County for his special interests in the problems of older Americans.

Congressman Daniels was an advocate of pride in workmanship and often preached his ethic of hard work to school children in the area. He told a group of students at Public School No. 6:

> It is easy to criticize, but hard work is necessary to improve things. Our forefathers did not retreat from the challenge of work. America is a great country today and will continue to be if we don't forget the principles laid down by its founders.

Dominick Daniels was a parishioner of St. Joseph's Roman Catholic Church in Jersey City and a fourth-degree member of the Knights of Columbus Council 137. He was also a member of the Elks Lodge 211 and had been the president of the Dante Alighieri Society of Jersey City.

Surviving Dominick Daniels are his devoted wife, Camille Curcio Daniels; two lovely daughters, Dolores Maragni of North Long Branch, and Barbara Coleman of Avon; a brother, Alfred J. of Englewood Cliffs; and five sisters, Anna Coglianese of Holmdel, Genevieve Daniels and Elizabeth Corrigan of Avon, Mildred Daniels of Cliffside Park, Eleanor Stutz who lives in Louisiana, and four grandchildren.

A front page article in the Jersey Journal concerning his death, said, "Hudson County has lost a true friend." Tributes by former Representative Joseph A. LaFante, who succeded Daniels in 1976, West New York Mayor Anthony M. De Fino, and others, recalled that "Hudson County showed its appreciation for Daniels by sending him back to Congress term after term with sweeping margins." Congressman Daniels left a legacy to the community leaders of Hudson County reminding them of the need of "service above self."

On a personal note, Dominick was a good friend of mine and my family. We held him in the highest regard and shared many happy times together over the span of our lives. His friendship and wise counsel was truly valued. He dearly cared for all his people and they return their feelings with love and respect. He helped to make the world a better place to live. He will be missed by all whose lives he has touched.

I urge my colleagues to join me in paying tribute to a worthy man. He has earned our accolades for a job well done. May he rest in peace.

Mr. RODINO. Mr. Speaker, it is with great sorrow that I rise to note the passing of Dominick Daniels, my good friend and former New Jersey colleague, who died on July 17 in Jersey City.

Dom Daniels was first elected to Congress in 1958 by the people of New Jersey's 14th Congressional District. He served them with distinction and integrity until 1976 when he opted not to seek reelection. Dominick Daniels was a distinguished member of the Committee on Labor and Education as well as the chairman of the Select Committee on Labor and the chairman of the Civil Service Committee Subcommittee on Retirement, Health Benefits and Insurance. In this capacity, Congressman Daniels was instrumental in the passage of landmark legislation that provided for national standards of worker safety and training, and for postal reform.

Dom was always an articulate and compassionate champion of the right to fairness, access, and equality in education, speaking out often and with force in behalf of minority interests in seeking to desegregate our Nation's schools. Refugees and migrant workers found in Dominick Daniels a man who was willing to fight for their human rights and dignity. Finally, as a man who held the highest regard for the institution of the family and traditional family values. Congressman Daniels worked to create programs that sought to combat the tragedy and debasement of drug abuse and hard-core pornography.

Dominick Daniels' life was a testimony to his compassion and commitment to public service. His wisdom, leadership, and friendship will be greatly missed.

I join with my colleagues in expressing heartfelt condolences to Dom's family.

Mr. HOWARD. Mr. Speaker, when I first came to Congress in 1965, Dominick Daniels was one of the Members to whom I went for guidance and advice.

He was a diligent and effective member of the New Jersey congressional delegation. Time and time again, we in the delegation looked to Dominick Daniels for direction, particularly in the areas of his committee jurisdiction.

The job safety legislation he championed will continue to protect millions of working men and women for generations to come. He was a leader in the fight to ensure desegregation on the college level.

Dominick Daniels served in Congress for 18 years, but he never forgot his humble beginnings nor the men and women who built this country and keep it running. Although he retired over 10 years ago, his legacy remains a part of this institution. Deep respect and affection for Dom Daniels will remain always in our hearts.

I extend my deepest sympathies to the family of this most able and respected legislator.

Mr. HOYER. Mr. Speaker, on July 17, 1987, Dominick Vincent Daniels, who served in this body for 18 years, with unusual distinction passed away in Christ Hospital in his native Jersey City after a long and debilitating illness. I never had the honor of serving with Congressman Daniels but as one who represents a district where the Federal Government is the largest employer, his name was a household word. His work as a ranking member of the Post Office and Civil Service Committee and as chairman of the Subcommittee on Life Insurance, Retirement and Health Benefits made him one of the best known and most popular Members of Congress. I am pleased to join with the gentleman from New Jersey, Mr. GUARINI, in paying tribute to the memory of a true statesman and to extend my sympathy to Mrs. Daniels, his two daughters and their children on the loss of this distinguished American.

My good friend Judge Gerard F. Devlin of the Maryland district court was a long time staff member in the Washington office of Congressman Daniels. Today I received a letter from Judge Devlin that I include at this point in the RECORD:

DISTRICT COURT OF MARYLAND,
Upper Marlboro, MD, August 3, 1987.

Hon. STENY HOYER, M.C.
Room 1513, Longworth House Office Building, Washington, DC.

DEAR STENY: Thank you for your telephone call informing me that our mutual friend, Congressman Frank Guarini, has arranged for a special order on the House Floor on Tuesday, August 4, 1987 to honor the memory of the late Dominick V. Daniels of New Jersey.

As you know, I worked for Dominick Daniels for a very long time as his press secretary, legislative assistant and eventually as his administrative assistant during the years 1965–1975.

Congressman Daniels was an unusually productive legislator and his name appears on legislation on many topics. He developed the landmark Occupational Safety and Health Act and was the father of Comprehensive Employment and Training Act. During the great 89th Congress, he led the war on poverty and he was the principal sponsor of about half the legislation which came out of the Education and Labor Committee in the years 1965–1966. During that two year period the Congress authorized and appropriated more money for education than the first 88 Congresses combined. Mr. Daniels as Chairman of the Select Education Committee was a dominant figure in that exciting era.

But as you well know in special orders the public record of a deceased Member is always made to look impressive. Even those whose contributions were modest come out a little better than they might. *De Mortius nil nisi bonum.* However, when a Member with a record of splendid accomplishments such as Dominick passes to his reward there are many to note his milestones indeed his epitaph appears all throughout the Federal Code. His successful battles for the less fortunate in our society are very much part of the public record. There is very little I can add. The record speaks for itself, and it is a splendid record.

On the other hand there is much that I can add about the private record of this most private of men. I know of his remarkable sympathy for those who needed help most. His instinctive feelings for those who needed help was very much a part of him. His generosity to charitable groups in Jersey City was simply boundless.

As a legislator he took an interest in causes remote from the crowded 14th District of New Jersey. His sponsorship of legislation benefiting victims of black lung disease produced no votes in Jersey City. His championing of the Federal employee played better in Hyattsville than it did in Hoboken. Very few of his people struggling to keep body and soul together sent their children to summer camps. Yet Dominick Daniels fought the good fight to make summer camps safe with the Young Camp Safety Act. These causes were the extension of the man's private philosophy.

In the days when I was on his staff the demographic makeup of the 14th District was different than it is today. For the most part it was a virtually all white ethnic district. Yet, Dominick was a champion of civil rights in private as well as in public. In all my life I know of no man who was more free of bigotry or racism than he.

As an attorney, a judge in Hudson County, and, an important Member of the Congress he never became in his own esteem better than those with whom he lived for all of his 78 years. Indeed at the time of his death he lived in an apartment only a few blocks from where he was born in 1908. Tom Wolfe was wrong: you can go home. Dominick Daniels not only went home, he never left.

The child of an immigrant family he had unswerving love for this country and what it had permitted his family and his wife's to accomplish. And it is as a family man that he will be remembered. His love for his wife, the former Camille Curcio endured for a lifetime. His pride in his two daughters, Dolores Maragni and Barbara Coleman and their fine children is an inspiration to us all. He has left them a heritage for all time.

As you know, I am today a lawyer only because Dominick Daniels encouraged me to attend a law school, gave me time off to study and take the bar examination. Indeed when I ran for the Maryland General Assembly he told me to take as much time off as I needed. All this and a generous campaign contribution.

All I can say as one who was touched by this man's generosity in so many ways that I have lost a friend. We are all a lot better off that he came our way.

I know that I speak for all of the scores of people who worked for him here in Washington and in the Union City, Jersey City, Bayonne and Kearney offices that we have all lost a man whose generosity towards us and whose toleration for our short comings seemed limitless. Rest in peace, old friend.

Sincerely,

GERARD F. DEVLIN.

Mr. ROE. Mr. Speaker, it is with deep sadness in my heart that I rise today to join in this tribute to our former colleague, Dominick Daniels, who recently passed away.

Dominick Daniels served the people of the 14th Congressional District of New Jersey with great distinction during his nine terms in the House of Representatives. He was truly a hero of the "common man," fighting many uphill battles on this floor to insure that all Americans had the opportunity to earn a decent wage and to live a fulfilled life.

During his years in the House, from 1958 until he retired in 1976, Dominick Daniels was the acknowledged leader in efforts that resulted in passage of legislation to provide compensation of injured workers and establish Federal job safety rules where States failed to enforce them. As a member of the House Committees on Education and Labor and Post Office and Civil Service, he was instrumental in securing congressional approval of key labor legislation including Comprehensive Employment and Training Act [CETA] and the Occupational Safety and Health Act [OSHA].

In the area of civil rights, Dominick Daniels wrote the landmark bill in 1962 that closed the loophole through which land-grant colleges could escape compliance with the 1954 Supreme Court decision against racial segregation.

Dominick Daniels was truly representative of the American dream. Born the son of an Italian immigrant in Jersey City, he later graduated from Fordham University, worked his way through Rutgers University Law School, and at the age of 21, became a member of the New Jersey and Hudson County Bar Associations.

In 1952, he was appointed magistrate of the Jersey City Municipal Court and was named presiding magistrate in 1957. Following his retirement from Congress in 1976, Dominick Daniels was awarded an honorary doctor of law degree from St. Peter's College in his beloved Jersey City, where his congressional papers are proudly displayed.

The deep feelings of love and respect that those who know him felt about Dominick Daniels was perhaps best expressed by a headline in the "Jersey Journal" the day he died: "Hudson County Has Lost a True Friend."

Mr. Speaker, not only Hudson County but America has lost a great friend with the death of Dominick Daniels. I am sure that I express the feelings of every Member of this body when I say that Dominick Daniels represented the highest ideals that we all strive for in serving the needs of our great Nation. He was truly an "American Hero" and his guidance and clearness of thought will be deeply missed in the years ahead.

My prayers go out to his lovely wife Camille and the rest of the Dominick Daniels' family at this time of deep sorrow.

That sorrow is expresed by all those who were privileged to know Dominick Daniels. I am especially proud to say that he was my friend.

Mr. DWYER of New Jersey. Mr. Speaker, I am pleased to join my good friend and colleague from New Jersey [Mr. GUARINI] in paying tribute to Dominick Daniels who served with distinction in this body for nearly 20 years.

As a resident of New Jersey all my life, I know the dedication to his district, State, and Nation Representative Daniels brought to this job. Although I did not have the opportunity to serve with him in the House, I have admired him over the years for his leadership on such important issues as workplace safety and civil rights.

Dominick Daniels worked very hard throughout his career, working his way through Rutgers University Law School and becoming a member of the New Jersey and Hudson County Bar Associations at the age of 21.

His sensitivity to the needs and rights of working people led to substantive legislation to protect those rights, and he left behind him a legacy of legislative achievement in which he could take great pride.

While the people of New Jersey will miss him, Dominick Daniels will always hold a prominent place among those who represented our State in the Congress. His career spanned many pivotal years in our history, and he played a major role in helping to bring those issues which affect our people so deeply to the forefront of the legislative agenda.

Mr. ANNUNZIO. I rise to pay tribute to our former colleague from New Jersey, the Honorable Dominick V. Daniels, whose death on July 17 is a tremendous loss to the people of this Nation.

Dominick Daniels became my close and trusted friend during the period we served in Congress together, and I shall always be proud to have served with him in the U.S. Congress and have cherished the wise counsel, advice, and good will that he so generously extended to me.

The son of Italian immigrants, Dominick Daniels graduated from Fordham University and Rutgers University Law School, and was elected to the 86th Congress in 1958. As a Member of the House of Representatives, he championed the causes of American workers, serving as a Member of the House Education and Labor Committee and as chairman of the subcommittee with jurisdiction over health and safety in the workplace. Under Congressman Daniels' leadership, the principle of Federal supervision over occupational health and safety in industries around the country, including the provision of compensation for injured workers, was established.

Dominick Daniels also had an outstanding record of achievement as a member of the House Post Office and Civil Service Committee. He devoted his life to the betterment of his fellow citizens, and his dedication to the highest standards was an inspiration to his friends and to his constituents whom he so ably represented. His special commitment to the working men and women of America will long be remembered by those of us who had the privilege of serving with him in the Congress of the United States.

Congressman Daniels was a fine legislator who served the people of the 14th Congressional District of New Jersey with compassion and courage for 18 years until his retirement from Congress in 1976. In recognition of his many achievements and untiring service to his constituents, I was glad to add my name as a cosponsor to H.R. 2985, a bill to designate a post office in Kearny, NJ, as the "Dominick V. Daniels Postal Facility."

Mrs. Annunzio and I extend our deepest sympathy to the other members of his family who survive him.

Mr. HAWKINS. Mr. Speaker, on behalf of the members and staff of the Committee on Education and Labor, I am proud to participate in this special order in memory of one of our most respected colleagues and friends, Representative Dominick Daniels, the former Representative of the 14th District of New Jersey.

During his 18 years as a Member of the House of Representatives, he demonstrated integrity, dedication, compassion, and a genuine commitment to making life better for the men, women, and children of our country.

In his own and unique way, he worked to improve the lives of the people who help to build our bridges and houses, who assemble our automobiles, work in our coal mines, keep our government running, and work in the agricultural sector. Because of his gallant efforts, the safety and health of millions of American workers has been dramatically improved.

As a ranking member on the Education and Labor Committee and chairman of its Manpower, Compensation, Health, and Safety Subcommittee, Dominick Daniels was responsible for shepherding numerous pieces of legislation through the Congress. With his guidance, such important legislation as the Occupational Safety and Health Act of 1970, the Vocational Rehabilitation Act of 1970, Comprehensive Employment and Training Act of 1973, and the Youth Conservation Corps Act of 1970 become law.

In closing, we in the House, and especially those of us who had the opportunity to work closely with him on the Education and Labor Committee, were fortunate to have a man of his caliber associated with us. A debt of gratitude goes out to this great humanitarian and friend of working people and the disenfranchised. He will be missed as both a colleague and a friend.

Mr. BIAGGI. Mr. Speaker, July 17 was a very sad day for me and I am sure for the others who had the good fortune to know and respect our former colleague and friend Dominick Daniels of New Jersey who passed away. While Members may have served longer than Dom in the House few served their constituents or their Nation any more effectively than he did.

For 18 years Dom Daniels served in this House. He served as a devoted champion of the working men and women of our Nation from our letter carriers to Federal workers, to those in organized labor. His leadership was best reflected in his outstanding service on both the Post Office and Civil Service and Education and Labor Committees. He was a persistent fighter for equality whether it be in adequate wages for the working man, or access to higher education facilities by people of all races, colors, and creeds. Dom Daniels and I served on the Education and Labor Committee for 8 years. He was a genuine inspiration to me during those years which were among my first in the Congress. He set the example upon which we all strived to match. He worked hard on the committee. He held his ground but he was not obstinate. He knew how to compromise as well as when. The fruits of his legislative labors are among some of the most landmark laws of the 1960's and 1970's.

Time does pass quickly. It is hard for me to imagine that it was more than 10 years ago when Dom retired. Yet his legacy of service has and will endure for years to come. He was a strong man with strong values and integrity. He was a good family man and friend. The people of Union County, NJ and the Nation were better served because of Dominick Daniels.

As I mentioned, I was proud to have served for 8 years on the Education and Labor Committee with Dom. Our labor force today owes much to his leadership in guaranteeing health and safety in the work place. Dom championed the cause of providing adequate compensation for workers injured in the work place and led the effort to ensure Federal job-safety rules were in place where States failed to provide or enforce their own. His strong leadership and constant commitment to the concerns of the American worker resulted in two major legislative initiatives—the Occupational Safety and Health Act and the Comprehensive Employment and Training Act. These laws provide protections and services for our Nation's workers. In this age of competitiveness, we can thank Dom for helping to ensure that our Nation has well-trained workers, who have a healthy and safe work environment.

Dom demonstrated this same leadership and concern for others in his work in education initiatives. He helped to ensure that schools and colleges strictly complied with the 1954 Supreme Court decision of Brown versus Board of Education which banned racial segregation. Dom authored legislation to close a loop hole which had allowed land grant colleges to continue segregation. His constant concern prodded the administrations he served under to enforce this historic court decision.

His work on the Post Office and Civil Service Committee reflected his concern for workers and their rights and safety. His legislative leadership resulted in improvements in the U.S. Postal Service and in advancements for postal workers. He was instrumental in the development of our nation's bulk mail system.

Dom and I share a similar background. As the sons of Italian immigrants, we both were raised in a strong family tradition. This family tradition has carried over and I would like to join my colleagues in extending our condolences to Dom's wife Camille and his children and grandchildren. You have much to be proud of; Dom dedicated his life for the service of others and many across this Nation are leading better, safer, and more profitable lives.

I would like to commend my colleague from New Jersey [Mr. GUARINI] for holding this special order this evening. I would also like to commend him for his effort to rename the North Jersey postal facility in honor of our dear friend. The postal employees in this facility owe much to Dom and it is indeed fitting that he be recognized for his contributions in this manner.

Mr. HORTON. Mr. Speaker, earlier this month we lost a former colleague after a long illness. Dominick Vincent Daniels, a former Member of Congress from New Jersey, died July 17 at the age of 78. My wife Nancy and I want to join our colleagues on the floor today in expressing our deep regret and sympathy for his wife Camille and the rest of the Daniels family.

Dominick came to the House in 1959. He quickly earned a reputation as a New Deal liberal, fighting the conservative committee leadership to protect public education and enact tough Federal labor safety standards. He was specifically instrumental in passing safety standards in youth camps across the country.

Dominick led an outstanding life. He was born in Jersey City as the son of an Italian immigrant. He was graduated from Fordham University and worked his way through the New Jersey Law School. His perseverance earned him admittance to the bar at the age of 21. Professionally, he became Jersey City's presiding magistrate, where he stayed until his election in 1959.

Many of us who had the honor and privilege of serving in this Chamber with Dominick will always remember his dedication to the many causes about which he felt deeply. Foremost among these are workers compensation, Federal health standards, antidiscrimination efforts, and job training and employment programs.

Mr. Speaker, I know that I speak for many Members when I say that Dominick Daniels gave his heart and soul to this Chamber. His work here was an inspiration to the many Members of the House with whom he served. Again, Nancy and I share the sorrow felt by the scores of friends and colleagues of Dominick, and wish his family the very best in this difficult time.

Mr. HUGHES. Mr. Speaker, I want to thank the gentleman from New Jersey for organizing this special order in honor of our late friend, Dominick Daniels.

Many Members of this House never had the opportunity of working with and getting to know Dominick, but during my freshman term in the Congress I had that privilege. At the time, I was grateful that a senior Member of this body would take the time to show the ropes to one of the new kids on the block. Now, in reflecting on his years of service to our country, I am struck by how much he embodied the kind of Representative whose quiet but persistent work is the backbone of this institution.

Perhaps it was his experience as the son of an immigrant worker—perhaps it was just because he cared so much about the little guy—that caused Dominick to become a champion of health and safety in the workplace. Whatever the reason, his tireless efforts in persuading others to do the right thing earned him the admiration of his constituents and the respect of his colleagues.

A forceful advocate of racial desegregation long before that cause became politically fashionable, Dominick's powers of moral suasion were instrumental in moving this House in the right direction on civil rights, and particularly in insuring equal opportunity for all Americans in our country's land-grant colleges.

Dominick Daniels was a man whose contributions to this House were to be found not only in the legislation that bears his name, but also in the example that he set for his colleagues as a Representative of his district and as a trustee for his Nation. Like many Members who have served in this great deliberative body over the past 200 years, he worked diligently, but without fanfare—quietly, but effectively.

In the brief time we had an opportunity to serve together, Dominick left a deep impression on me. I know that his colleagues who enjoyed the privilege of working with him for many years were similarly affected by his dedication to this institution, and that his influence still resonates within these walls.

Again, Mr. Speaker, I appreciate this opportunity to gather with my fellow Members who knew Dominick Daniels not only as an effective legislator, but also as a wise counselor and a trusted friend.

Mr. CLAY. Mr. Speaker, I would like to commend the gentleman from New Jersey, Mr. GUARINI, for providing this opportunity to pay tribute to his distinguished predecessor as Representative of the 14th District, the Honorable Dominick Daniels. I was privileged to serve on both the Education and Labor Committee and the Post Office and Civil Service

Committee with Judge Daniels. As one who was able to observe his efforts on behalf of all Americans from a close proximity, I was deeply saddened to learn of his passing. I extend to my sincerest condolences to his wife, Camille, and his family.

When I arrived in Washington in 1969, Judge Daniels had already been here for 10 years. In that period, he had already developed a deserve reputation as a strong proponent for the rights and welfare of all Americans. From 1969 until his retirement in 1976, I was privileged to witness first hand his concern and compassion for the welfare of his constitutents and his prodigious abilities as a legislator to fashion and shepherd legislation on their behalf. The list of Judge Daniels' legislative accomplishments reads like a bill of rights for the working men and women, the underprivileged, and those who have historically been ignored and discriminated against. Judge Daniels was instrumental in promoting integration on the part of schools and colleges and authored legislation in 1962 to close loopholes by which land-grant colleges had sought to escape compliance with Brown against Board of Education. As a member of the Post Office and Civil Service Committee, Judge Daniels was instrumental in assuring fair wages and working conditions for postal and Federal employees.

In my view, Judge Daniel's most significant legislative accomplishments were achieved from his position as chairman of various subcommittees of the Committee on Education and Labor. The legislation his name is associated with includes The Emergency Employment Act of 1971, the Manpower Development and Training Act Amendments, the Construction Safety Act, the Youth Conservation Corps, and the Federal Employee Compensation Act. His most significant legislative accomplishments include passage of the Occupational Safety and Health Act of 1970 and the Comprehensive Employment and Training Act of 1973 [CETA]. Few Members of Congress have earned as distinguished a summary of their congressional careers as that of Judge Daniels: he sought to ensure that all Americans had equal opportunity for gainful employment in safe and healthy circumstances. That his passing is tragic is because he did so much in his life toward achieving these goals.

Mr. JEFFORDS. Mr. Speaker, first I would like to thank the gentleman from New Jersey, Mr. GUARINI, for having taken this special order to permit us to express our sorrow at the loss of our former colleague Dominick V. Daniels.

I am joining in this tribute as a spokesman for the minority of the Committee on Education and Labor. Regrettably, I cannot personally claim that I knew Mr. Daniels very well or worked with him closely; I arrived here just as he was announcing his intention to retire from this body after serving nine distinguished terms. But those who preceded me as ranking minority member in Education and Labor did know him well and did work closely with him, and it is what they said almost 11 years ago on the occasion of the tribute extended to Mr. Daniels upon his retirement that has impelled me to join you today.

Yes, they cited Mr. Daniels' extraordinary list of legislative accomplishments in the fields of employment and training, safety in the work environment, and benefits for the working man. But then my predecessors quickly added that there was a great deal more to Dominick Daniels than his work record. Listen to what they said, for it is what we would all aspire to hear said about ourselves:

> * * * there is a question of credibility in people's minds concerning Congress, but there never has been a question of credibility in the minds of [Mr. Daniels'] colleagues when [he] gave [his] indication of [his] intent to do something or uphold a particular view.—Rep. Marvin Esch;
>
> Though I often had disagreements with him, I have always had the greatest respect for his ultimate fairness, honesty, integrity, and friendliness. * * * Dominick V. Daniels has always kept his word. * * * Those of us on the Education and Labor Committee have been fortunate in having a man of his caliber serving so capably.—Rep. Albert Quie.

Mr. Speaker, we in the House will always mourn the loss of such a fine man. My colleagues—majority and minority—in the Committee on Education and Labor certainly do.

Mr. GAYDOS. Mr. Speaker, the death of my friend and former colleague, Dominick V. Daniels of New Jersey, is a great loss to our Nation.

The son of Italian immigrant parents, Dom showed his outstanding capabilities at an early age, and his admission to the New Jersey bar at the age of 21 proved what an energetic and intellectually gifted man he was.

When I came to Congress, I had the pleasure of serving with Dom on the Education and Labor Committee and the Subcommittee on Manpower, Compensation, and Health and Safety. Dom chaired the subcommittee until he retired from Congress in 1978, and since then I have had the privilege of chairing it, although we now call it the Subcommittee on Health and Safety.

During the years we worked together, I learned a great deal from him, and I can attest to his dedication to the welfare and protection of American workers. While he was in Congress, Dom Daniels probably did more to help American workers than any other person.

His involvement and leadership were crucial to the development and passage of some of the most important pieces of safety and labor legislation, including the Occupational Safety and Health Act, the Youth Conservation Corps Act, the Mine Safety and Health Act, the Youth Camp Safety Act, and other bills too numerous to name.

All during the long and agonizing process of moving these bills through Congress, Dom never faltered in his dedication to see them become the law of the land, and his persistence is evidenced by the health and safety protection enjoyed by millions of people.

Mr. Speaker, I was honored to serve with Dom Daniels in Congress and on the Education and Labor Committee, and I hope that I have continued his tradition of compassion and concern for working men and women during my tenure as chairman of the Subcommittee on Health and Safety. Dom's family, friends, colleagues in the House, and I, will all miss his quiet competence, his wise counsel, and his dedication to the people of New Jersey and the people of the United States of America.

Mr. RINALDO. Mr. Speaker, it is with deep sorrow that I join my colleagues today in paying tribute to the late Dominick Daniels, a fellow New Jerseyan and colleague who served in the House of Representatives from 1958 until his retirement in 1976. Dominick and I became close friends during the years we served in the House together, and I can say without reservation that he was a very capable and dedicated public servant who has left his mark on Capitol Hill.

During his 18 years of service, he brought to the deliberations of the House a strong sense of personal conviction, integrity and high moral character. In establishing an outstanding record of service, he contributed creatively and constructively to legislation advancing the welfare of the Nation. As a member of the Education and Labor and Post Office and Civil Service committees, Dominick championed the causes of health and safety in the workplace and of fair compensation for injured workers. He also made significant contributions to legislation affecting Postal Service operations, and was instrumental in the development of the North Jersey mail facility in Kearny, NJ, which employs 4,000 workers.

Dominick had a positive influence on all of us who knew him. He was a fine man and I'm going to remember the honor it was to know and work with him.

GENERAL LEAVE

Mr. GUARINI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order tonight.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

DEMOCRACY AT WORK IN INDIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DYMALLY] is recognized for 60 minutes.

Mr. DYMALLY. Mr. Speaker, on June 4, 1987, I stood before this distinguished body to urge that world governments stand with Rajiv Gandhi as he worked to find a peaceful settlement to the Sinhalese-Tamil conflict in Sri Lanka. At the time, unfortunately, mainly criticism was heard in the United States regarding Mr. Gandhi's air drop of relief supplies in the war torn Tamil areas in the northern and eastern provinces.

I am happy to announce today that my trust in Mr. Gandhi's leadership has been reaffirmed. Through his efforts, a peace accord was signed July 29, 1987. It is a watershed agreement not only in South Asia but in the literature of international relations. It will be studied by statesmen and peace experts as a model for settlement of future conflicts. To fashion a peace accord that places control of the peacemaking process firmly in the hands of the moderates on both sides is an accomplishment by itself.

This peace accord establishes the basis for a federation between the northern and eastern sections of Sri Lanka and the rest of the country. It restores the Tamil language as an official one, thus removing a longstanding grievance of the Tamil community. This peace accord also allows for the repatriation of 100,000 Tamils who have been made refugees in India.

While this accord is of overriding significance, it should be noted that it is one in a series of Indo-Sri Lankan agreements aimed at effecting a negotiated settlement of Indo-Sri Lankan bilateral problems.

It is my fervent hope that this agreement will be an effective assurance that the human rights of the Tamil minority, long grossly ignored, will at last be respected.

The agreement will also assure the Sinhala community which constitutes the majority of Sri Lankan society of peace and harmony for the whole country. That atmosphere of peace will bring them the economic development which their country so sorely needs.

In all honesty, this peace agreement demonstrates once again Prime Minister Rajiv Gandhi's ability at conciliation and pacific settlement of seemingly intractable problems. He did it in Assam, in the Punjab, and now in Sri Lanka. This accord in fact, preempts an effort I have made in Congress to pass a sense of the Congress resolution regarding human rights abuses in Sri Lanka. The numbers of Members who expressed interest or wanted to be original cosponsors of that measure reflect the important place which human rights still occupies in our hearts. Most encouraging to me is the bipartisan nature of this support.

Mr. Speaker, I also commend President Jayewardene for agreeing to a peace agreement. He has taken a great personal risk, given the opposition of groups within his own community. The agreement is a sound one. It constitutes a realistic basis for ending the ethnic civil war. It provides the best opportunity yet for resolving the conflict on an equitable, just, and lasting basis.

In beginning this peace process, Prime Minister Rajiv Gandhi knew that he risked being mired in an ethnic conflict which already has taken well over 6,000 lives in Sri Lanka, since 1983. He, nevertheless, worked relentlessly, unhampered by international criticism. His efforts will accomplish peace in that troubled land. His efforts culminated last week in a peace accord which reflects the moral conviction and courage which are prerequisites of leadership.

Mr. Speaker, I believe that we all should commend and recognize Mr. Rajiv Gandhi's achievement in accomplishing a peaceful settlement. It surpasses all expectations. Once again, we should note that he did this at a great personal risk soon after the set back of the peace accord he struck in Punjab.

Mr. Speaker, as we celebrate the bicentennial of our Constitution, India marks the 40th anniversary of her independence. These significant milestones in the national lives of our countries serve to remind us of the shared values and ideals which inspire and guide our policies. These bonds stress a commitment to individual rights, liberties, and freedom. They transcend distance and the ebb and flow, highs and lows, of our relationship. On their firm foundations we can construct the edifice of Indo-United States relations.

Some weeks ago, there was a focus of attention in this House on some domestic issues faced by India. Many colleagues highlighted India's internal problems, especially in the state of Punjab. Some leveled charges, I believe, based on a lack of adequate information about the true facts of the situation, or on account of misinformation. Many others were critical of different facets of India's foreign policy, in particular India's relationship with the Soviet Union. Here again, criticism based on a lack of appreciation of the totality of India's external relations, and the basic determinants of her foreign policy.

Our media report are selective on India. This phenomenon contributes to the information gap. Reports about passing events—accidents and natural calamities, occasional social disturbances, are highlighted. India's achievements, progress and indeed its comprehensive reality escape us. India has witnessed, in a relatively short span of 40 years, a quiet revolution which has transformed a backward society and a stagnant economy into a dynamic country. Its people are throwing off the bondage of poverty. V.S. Naipaul, amongst the world's greatest living writers, who comes from Trinidad and Tobago, now living in England, and who is of Indian origin, but no sympathetic observer of the Indian scene, had this to say in a recent interview, I quite:

> I think India's development since I went in 1962 is extraordinary. The newspapers were abominable. Reports of Parliament and speeches were clerk's writings. The politics was really court politics—who was close to Panditji and who was not close to Panditji.
>
> But, after two generations, there has been a great efflorescence of intellectual life. There is a publishing industry which did not really exist in 1962. There is no problem that is not talked about. There is great tolerance, and great human values rather than rabble rousing.

Perhaps, India's greatest achievement in the years since independence has been the sustenance and the strengthening of democracy. India is one of the world's truly great democracies. Its open and free system is based on the will of her people. Elections, entirely free and fair, are a way of life. India's political system has withstood shocks both of external aggression and of domestic turmoil . India has shown a remarkable resilience. This is particularly noteworthy if we consider the complexity and size of India.

India's democracy stands in stark contrast to the inability of many countries which began as democracies at independence, but failed later to maintain a democratic process. Pakistan, India's neighbor to the west, fell victim to military rule within 10 years of its independence, and that rule has continued with a brief interlude ever since. Bangladesh succumbed to the rule of the generals soon after its birth as a free nation. India's democracy is strong and continues to grow stronger.

The U.S. administration emphasizes its work in restoring democracy throughout the world. It points to the dismantling of authoritarian rule in many countries in Central and Latin America as part of its record of achievement. I wonder if it ever considers its role in stregthening democracy where it exists. In South Asia one witnesses the extraordinary spectacle of an authoritarian army rule in Pakistan, closely allied with the world's powerful democracy, while some basic concerns of India continue to be neglected by this administration.

India pursues a policy of nonalignment. In the clash between superpowers, nonalignment has acted as a great shock absorber. It has served to reduce tensions. In its absence, the world would have been a far more dangerous place and the dangers of superpower conflict would have been much greater.

India is a founding member of the nonaligned group of countries, and has supported the forces of balance and moderation within that forum. Yet many in this country believe that India is closely allied with the Soviet Union and the socialist block of countries. The charges levelled against India in this context are: First, India imports arms mainly from the Soviet Union; second, Soviet ships have access to Indian ports; third, India gives aid to Nicaragua; fourth, India buys sugar from Cuba and exports it to the United States; and fifth, India is economically dependent on the Soviet Union.

Now consider the facts:

First, India imports arms mainly from the Soviet Union: According to reliable Western sources, including the

Stockholm International Peace Research Institute [SIPRI], about 40 percent of Indian arms supplies were procured from Western countries in the last decade. These defense systems included sophisticated aircraft from the United Kingdom and France, artillery from Sweden, naval ships, including an aircraft carrier from the United Kingdom, and submarines from the Federal Republic of Germany. India is interested in interacting with the United States in the field of defense supplies, and the two countries are exploring the possibilities of cooperation in India's light combat aircraft project. In fact, there has been a history of the United States denying access to India in the field of defense equipment. It is on this account that India, in the first place, turned to the Soviet Union for military equipment.

India's own defense industry supplies it with a large variety and depth of systems which are required for its defense.

Second, Soviet ships access Indian ports: There is no Soviet base or facility in India. Soviet ships visit on a case-by-case basis, as do Western ships including United States. Very often, more Western ships call on Indian ports than do Soviet ships.

Third, India gives aid to Nicaragua: This is a deliberate distortion of the Indian practice of extending technical credits to facilitate trade. As Representative STEPHEN SOLARZ pointed out in this House, this is the equivalent of export promotion. Even the United States does not prohibit trade with Nicaragua.

Fourth, India buys sugar from Cuba and exports it to the United States: This is a false charge. India does not have a bilateral agreement with Cuba. In years of sugar shortfall, India purchases through the London commodity exchange. The years of shortfall are not the periods of export.

Fifth, economic ties with the Soviet Union: While India does have close economic links with the Soviet Union, and the socialist block countries, the United States is her leading trading partner. It is the United States which has the highest number of foreign agreements with India. There is an impressive record of scientific and technical cooperation between the two countries. This has been further strengthened by the Gandhi-Reagan science and technology initiative which began during the visit of Prime Minister Indira Gandhi to the United States in 1982. This agreement was renewed for 3 years during the June 1985 visit of Prime Minister Rajiv Gandhi. In this program, Indian and American scientists work at the cutting edge of research in areas which include agriculture, nonsoon forecasting, solid state science, engineering, and health.

Another change leveled against India is her voting record in the United Nations. What is the truth? A majority of resolutions in the United Nations are passed by consensus. On these there is naturally an identity of views between India and the United States. In 1986, 152 resolutions were voted upon. India supported 85 percent of these, opposed 1 percent and abstained on 13 percent. The United States, on the other hand, opposed 60 percent, supported 15 percent and abstained from 24 percent. The differences between the two countries were on issues which touched fundamental concerns of the nonaligned movement. These are: disarmament, issues connected with the racist South African regime, and Namibia. Other issues are connected with decolonization and the Middle East. India's views on these matters are rooted in its historical experience and world views. Its leaders have asserted that they are committed, in principle, and will not compromise when it comes to racism, injustice, and inequality. They, however, recognize that the United States has its own perceptions, and in some cases even compulsions. There are two further aspects which are of significance. India voted 10.1 percent with the United States in the United Nations in 1986. The voting record of our close allies, such as Pakistan, 16.4 percent; Saudi Arabia, 16 percent; Indonesia, 13.2 percent; and even Singapore, 20.9 percent; was hardly much better.

Indian leaders assert that a difference in voting records does not imply hostility. Given the differing geopolitical situations, such as development, and historical experiences, there are naturally differences in perceptions on world issues. These do not mean animosity. There is force in these arguments. It must also be noted that on many issues which are of direct concern to the United States, India has raised its voice in favor of moderation. It has used its influence against name calling. Indeed, India feels that on many issues which are of vital concern to her interest, the attitude of the United States delegation to the United Nations has not been helpful.

Mr. Speaker, I now wish to turn to the troubled state of Punjab. Terrorist forces within that state seek to undermine the democratic traditions of India. They would like to erode India's policy of secularism. In its preamble, the constitution of India proclaims her as a secular democratic republic. The traditions of secularism and tolerance lie deep within the Indian consciousness and history, and thwart attempts of fundamentalists and communal forces to create problems. The Sikhs are a thriving prosperous community in a state which has been a success story in agriculture, industry, and economic development. The Sikhs are respected for their energy and enterprise. It is unfortunate that a small fringe among them has taken to terrorist violence. Two ghastly incidents on the 6th and 7th of July 1987, in which small terrorist groups waylaid buses in Punjab and Harayana and murdered 80 men, women and children, have again drawn our attention to the viciousness of these forces.

Earlier in June, Delhi witnessed a round of senseless killing. All right thinking people cannot but condemn these outrageous actions.

It is alleged that India does not permit visits of foreign journalists to the Punjab. The fact is that the foreign press has covered Punjab regularly. This is evidenced by stories printed in our media within the last year in all our leading papers datelined in towns in the Punjab.

It is important to consider events in the Punjab in their right context. There were extraordinary reasons which led to the actions in June 1984 by the Indian security forces. Terrorists who were using the temple as a sanctuary to direct the murders of political opponents and use other forms of intimidation and violence, including killing innocent people. Surely no democratic government can permit the use of religious shrines for such terrorist purposes. More recently it was the continuing problem of terrorism in Punjab, and the inability of the government of Mr. Barnala to control it that led the Federal Government to take over the administration of the Punjab directly. This was in keeping with India's constitutional practice.

The Punjab accord, signed between the late Sant Harchand Singh Longowal and Prime Minister Rajiv Gandhi, is a testimony of both the Prime Minister and moderate Sikh forces to work in harmony, in order to find a solution of the problem. This accord was welcomed by the people of Punjab who gave their verdict in the elections of 1985. It is the endeavor of the Government of India to implement this accord and a substantial portion has already been implemented.

The Government of India is aware of the need to implement the accord in full. In democratic societies, working out the modalities of a complex and contentious issue, particularly which one affects more than one State needs perseverance and patience. It is through the democratic method of resolving political differences that a solution to the problems faced in the Punjab will be found. This policy is being pursued by Prime Minister Rajiv Gandhi.

The Sikhs do not face any discriminatory laws. They are equal citizens in a society which has equal laws for all citizens. They take an active part in the political processes of the Punjab. The current President of India is a

Sikh, as is the Federal Minister of Home Affairs. They suffer from no discrimination. The forces of terrorism are forces of intolerance. The Government of India can surely not allow a tiny fraction of the political spectrum to impose its will on the rest by force. There can be no more questions of Punjab separating from India, than any State of the United States leaving the Union.

I remarked earlier that India has witnessed a quiet revolution since independence. What are the contours of this revolution? Consider:

First, India's agriculture, which was entirely dependent on rainfall, produced only 50 million tons of food in 1947. This was insufficient for India's needs. As a result of the application of scientific methods and technological development, India's agricultural scene has entirely changed. India meets all her food requirements herself. Its average yield is 150 million tons per annum.

Two thirds of the Indian population today is above the poverty line. There are better health and sanitation facilities. Malnutrition among the young is being overcome by antipoverty programs. There is a vigorous program for population control. That is, of course, the major problem faced by India.

Second, in 1947, India had no industrial base. Today India is amongst the world's first 10 industrialized countries. India produces a wide range of sophisticated industrial products, and has a space program as well as a nuclear program for peaceful purposes.

Third, above all, India has made phenomenal progress in science and technology. Mr. John Gunther Dean, our Ambassador to India, wrote recently, I quote: "In the years since independence, Indian scientific research has made tremendous strides. Basic and applied research has been conducted over a broad spectrum ranging from health and biomedicine to atomic energy and space." Applied research in agriculture has made the world's most populous democracy self-sufficient in foodgrains. Average life expectancy has risen from 35 to 58 years in the period since independence.

With the world's third largest pool of scientific and technological talent, India today is a nation on the move. In the words of the United States Vice President George Bush, India is "ready to do with the technological revolution what it did with the Green Revolution."

Our policies toward South Asia need to take into account India's sensitivities. Our military relationship with Pakistan has complicated our relations with India. While we need to be cognizant of the Soviet presence in Afghanistan, we must ensure that our actions do not create tensions for India. The Pakistani Nuclear Program is clearly weapons oriented. Pakistan's clandestine activities were evidence of this fact. The recent arrest in Philadelphia of a Canadian national of Pakistani origin, who was seeking to illegally export specialized steel which is required for use in Pakistan's Kahuta enrichment facility, causes serious concern. The administration's assertion that its policies have been able to restrain Pakistan in the context of its nuclear program now ring hollow.

The United States administration is also seeking a new assistance package for Pakistan which will include military supplies to that country. I think it is clear that such a package should contain defense equipment which will be of use only on the Pakistan-Afghanistan border, and not against India.

The administration justifies its request as a result of the pressues Pakistan faces from the Soviets in Afghanistan. However, the equipment it has received from us, since 1980, is clearly unsuitable for use on that border. M-48 tanks, armoured personnel carriers, heavy artillery, and counter battery radars, have little value on the Pakistan-Afghanistan border on account of the terrain. Harpoon missiles and gearing class destroyers are for use in the Arabian Sea. Afghanistan is a landlocked country. Indeed, these weapon systems may be deployed against India. The Pakistani military infrastructure does not take into account the threat from Afghanistan.

The current aid package contemplates supply of air borne early warning systems. Technically, they have no utility over the Pakistan-Afghanistan border. In these circumstances, the Congress must ponder deeply on the package and its suitability.

The stability and prosperity of India are in the national interests of the United States. These interests demand a close relationship with India. Instability in that region would strengthen those forces which are inimical to United States interest. The traditions of our society, which in harmony with India's free and democratic systems, underline this demand. The administration must act purposefully and reform its South Asia policies to ensure that it assists India's efforts internationally and domestically. Politics which retard these efforts are neither in the long term interest of the United States nor of international peace.

Mr. Speaker, I would like to conclude my speech by urging my colleagues to recognize India, a friendly nation, and a great democracy whose leadership is indeed inspiring. This peace accord is a great testimony to Prime Minister Rajiv Gandhi's personal statesmanship which in my opinion should not go unrecognized by the U.S. Congress.

I strongly believe that the Congress should officially commend Prime Minister Rajiv Gandhi for this milestone in accomplishing world peace. I think it not unreasonable to propose that we strengthen this accord by expressing our interest in rebuilding Srilunka's war ravaged economy. Now is the time to heal the wounds of a decade of violence.

Mr. Speaker, I shall introduce a resolution doing just these things. I hope my colleagues will wholeheartedly endorse this effort.

□ 2005

NOMINATION OF ROBERT H. BORK TO THE SUPREME COURT OF THE UNITED STATES

Mr. SPEAKER pro tempore (Mr. LANTOS). Under a previous order of the House, the gentleman from California [Mr. LUNGREN] is recognized for 60 minutes.

Mr. LUNGREN. Mr. Speaker, at the outset I might say that it might be difficult for me to give my entire remarks because of the ruling of the Speaker with respect to a previous special order this evening.

While I understand the diligence of the Speaker and the Parliamentarians, I might just suggest that having looked at Cannon's Procedures in the House of Representatives I am reminded that there are several precedents which indicate the following: For instance, a Member may not in debate speak disparagingly about any State of the Union address by the President. According to the Cannon's Procedures in the House, the principles of decorum and courtesy governing the relations of the two Houses should extend to the relations of the House to the President. Further, in referring to the President a Member shall abstain from language personally offensive and shall eschew terms of opprobrium. It is the duty of the House to protect the President from personal abuse, innuendo, or ridicule.

I do not address my references here to the gentleman who presently is in the Speaker's chair. I would just comment, however, that there have been any number of comments made on the floor of the House that violate every one of those rules I have just suggested, and I have not seen the type of diligence displayed today displayed during those occasions when the President of the United States has been ridiculed, when he has been the subject of personal abuse in this House, when innuendo has been directed toward him, when a violation of the principles of decorum and courtesy governing the relations of the two Houses have been found on the floor of this House, when in fact just a couple of weeks ago the President was called on this floor a liar on about seven different occasions, and at that time we discovered that the Parliamentarian was not paying attention to the debate so much so that we could not reflect on the statements made by the person then in the well.

All I am saying is if the ruling of the Chair is going to be tonight that we cannot even make a reference to the Senate, we cannot make any reference to statements made by Senators, we cannot make reference to references made by Senators on or off the floor with respect to Judge Bork or other nominations to the Supreme Court that relate to standards which were established in the other body to judge those individuals, then I think this House ought to be put on notice that we expect that same diligence to be applied to comments critical of the President of the United States that violate the precedents of the House and the rules.

□ 2020

I have been here 9 years and I must say I have not seen that displayed on this floor on a regular basis. And I would, of course, expect that to be done henceforth.

Next time I hope we will not get the excuse that the parliamentarians are not listening to what is being said on the floor and therefore criticisms of the President that go to the question of verbal abuse, go to the question of calling the President of the United States a liar are not heard and therefore rulings cannot be made.

Having said that, Mr. Speaker, I will try and go forward with my speech. I recognize the reason for the rule, that we should have courtesy and comity extended on both ends of Pennsylvania Avenue, in both ends of this Capitol. But it just seems ironic that the rules are such that the only place where people are gagged about speaking about one of the most important things in our Democratic system here, that is the nomination and then consideration of someone being appointed to the Supreme Court, is here in the House of Representatives.

We cannot make reference to statements made by Senators, we cannot make reference to inconsistent statements made by Senators in judging whether one should be placed on the Supreme Court. And yet everyone gives speeches in the well about how important it is and gives speeches here in the House about how it is of utmost importance, perhaps the most significant thing that this President or any President can do and yet we, the peoples' representatives, are gagged in the House from even making reference to statements made officially or unofficially by Members of the other body.

But that is the ruling of the Parliamentarian and I will attempt to abide by that ruling as best I can. But I will say I hope that we see the same consistency when disparaging remarks are made about the President of the United States on this floor.

Mr. Speaker, as we celebrate the 200th anniversary of our Constitution, a Constitution which is, of course, to accord all of us our freedom of speech, it seems somewhat ironic that controversy has arisen over the fact that Mr. Robert Bork actually believes that this hallowed document means what it says. Ironically, this is apparently difficult for some to swallow. The discovery of so-called penumbras and mystery of rights not obvious to the naked eye, brings excitement to the hearts of these constitutional revisionists.

In our pluralistic society, there is certainly room for disagreement over the Bork nomination or any other issue for that matter. Yet the current outrage expressed by the judge's detractors is simply too much. What has taken place, Mr. Speaker, since 1982 to generate such vitriol when Mr. Bork was nominated to serve on the Court of Appeals for the D.C. Circuit? It must be remembered at that time, Mr. Bork was the same individual, had been reviewed by the American Bar Association, had been judged to be extremely well qualified, the top rating that one can be given by the American Bar Association, was unanimously approved by the Judiciary Committee of the other body and then went on to be confirmed by the full Senate without a scintilla of dissent.

I had hoped at this point in my speech to make reference to one of the statements of a Member of the other body on that nomination in which there was a congratulations of the President for his nomination. But evidently I am prohibited from doing that. I would just say to those who might read this RECORD as well as to my colleagues, "You can look it up yourself."

There was a bipartisan endorsement of Judge Bork when he was before the other body being considered for the Court of Appeals for the District of Columbia. That circuit is considered the second most prestigious Federal bench in the United States.

There was a veritable love feast the last time Judge Bork was up for confirmation. And I just wonder what happens to alter some of the considerations being stated publicly at the present time.

Evidently, the newfound concern about Judge Bork is not attributable to anything which has transpired since he assumed his seat on the appellate bench. Again, if I were allowed to make references on this floor I could even cite speeches made by Members of the other body in which they indicated that Judge Bork has acquitted himself well while on the appellate bench.

I must say that in some circumstances even political courage has been displayed by some in suggesting that Judge Bork ought to be approved by the U.S. Senate despite the fact that his political philosophy may be in disagreement with some of those who sit in judgment upon him right now. This is nothing extraordinary. The same thing happened when we had Judge Sandra Day O'Connor before the U.S. Senate. Some disagreed with her positions at that time; some on my side of the aisle, some who considered themselves as strong conservatives did not think she was conservative enough. Yet the response to that was that it is too simple to identify someone as a strict constructionists or a conservative or a moderate; one has to look beyond that, it is more complex than that.

And I would think that that same sort of thought process ought to prevail in the present circumstances.

Remember we are talking about Judge Bork, a distinguished professor for 15 years at Yale Law School, background as Solicitor General of the United States, as Acting Attorney General of the United States, appellate court judge, prolific writer, lecturer, practitioner.

When you add up all of his background, his experience, his brilliance, no one can question his competence.

With respect to his sense of fairness, how can some suggest that he is going to so overturn the present balance, whatever that might be, on the U.S. Supreme Court when you realize that in his more than 100 majority opinions not a single one has been reversed by the U.S. Supreme Court.

I would hope that some would look at this without preconceived notions, that some who would disagree with him on specific issues would not allow that to affect judgments when they look at his ability to serve on the Court.

I would hope that some would believe that appointees should be people of integrity, people strong enough to stand up for their point of view, someone who has shown himself to be highly qualified as a legal scholar; perhaps someone will have that character. And when you wrap it altogether that would reflect well on the judiciary in general.

I mean I really wonder whether we want someone appointed to the bench who has no ideas, or someone who says, "I will give up my ideas once I get on the bench." Would you trust that person? Would you trust that person as your own attorney? Is that who you want to be before you as a judge? Of course not. What you would want is someone who admits that he has strongly held feelings but will attempt to be fair. That is all we can ask of one another.

Now there are few if any men or women in this country who possess the intellectual capability and competency and such a distinguished legal career.

Mr. Speaker, some have suggested that we should not have ideology as an element in the confirmation process. And I think that is true. Some have suggested in the past that ideology ought not to be the determining factor. And yet now from those same quarters we see the suggestion that we must examine the ideology of Mr. Bork. I just wonder with these outside groups making these suggestions whether they have ever watched the movie in which Michael J. Fox played the individual who got to go back to the future. Perhaps if they had an opportunity to look at some of the things they said in the past they would less likely to make some of the statements with respect to Mr. Bork today.

In fact, I think the contrast and contradictions are purely tragic comedy.

Maybe a possible answer for this can be found to exist somewhere in the political-judicial dialectic where inconsistencies abound. One possible explanation offered by the detractors of Judge Bork is that while he was an excellent choice for a position on the appellate court, more stringent analysis is now necessary because we are talking about the highest court in the land.

Let me ask you this: Do you really think the U.S. Senate would have approved Robert Bork for being placed on the second most important Federal bench in the land if in fact his philosophy was such that he would consign women to back-alley abortions, that he would bring back segregated lunch counters, that he would bring back midnight raids by police? I mean, what nonsense. Yet, that is really the outline of some of the attacks being made against Judge Bork. If he was that type of person, would the U.S. Senate have approved him unanimously in 1982 to sit on the second greatest court in the land? I doubt that.

Second, it is important to bear in mind that when the combined wisdom of the Senate gave rise to the doctrine on judicial confirmation, the very issue at hand concerned the question of nominations to the U.S. Supreme Court. That is, anybody who is concerned about an individual being placed on the U.S. Supreme Court, I would think, would also be concerned about placing someone on the Court of Appeals for the District of Columbia Circuit.

Why? Because it has long been known as the stepping-stone bench to the Supreme Court.

Evidently, much of the newfound concern about the nomination of Judge Bork relates to the impact that it might have on the so-called balance of the U.S. Supreme Court. Some are concerned that he would significantly alter the balance on the Court. This is a fascinating constitutional theory, probably to be found in a penumbra somewhere. Those of you who are wondering what a penumbra is, might look at some of the previous Supreme Court cases in which they said there is no right of privacy articulated in the Constitution of the United States or the Bill of Rights. Rather, it is within the penumbra of rights that exists in the Constitution of the Bill of Rights.

What is a penumbra? Penumbra is that kind of an air of radiance, that reflecting radiance that you find on a sun.

In other words, it is something that emanates out of the Constitution. And now if you would like to write a contract for yourself in which you would say that the "rights my opposite part in this contract has" or have "are not articulated in the contract but rather will arise from the penumbra of rights that emanate from the words of the contract," I think you would be rather worried. Yet that is precisely what is said by those who would oppose the judicial philosophy of Judge Bork. They do not want to be limited to the words of the Constitution nor to the intent of the writers of the Constitution.

Rather, they want to be free to discover whatever penumbras are out there.

Well, I suppose in this whole debate that balance is found in the eye of the beholder. And I guess those that are concerned that the fact that the zeitgiest has left them at the train station, would have a natural tendency to try to restrain the ideational flow of history. Nonetheless, while such an approach to the confirmation process may be convenient at the moment, I hope that it will not prove necessary to some day test the memory of any of those who would be President on this question.

In other words, some are now saying that this President's nominations ought to be carefully considered as to whether they alter the balance—remember the balance happens to be what exists right now—but if it alters the balance maybe they ought to think about what subsequent Congresses, subsequent Senates will do when the balance is to be adjusted once again.

In other words, it can go either way. If a nominee to the Supreme Court is going to be tossed out because he happens to be a conservative, I suppose that means that any liberal President of the United States who attempts to appoint a liberal to the U.S. Supreme Court could have his nominee tossed out because he was in fact liberal.

□ 2035

But this does raise an interesting question however, it might be fun to apply it to some real life examples. How would it have played in evaluating the eight nominations to the Court by President Roosevelt? Or what about Lyndon Johnson's nominees to the Warren court?

Prof. Laurence Tribe, who exemplifies the kind of ideological balance that never seems to offend Judge Bork's detractors, has penned some interesting thoughts on this subject. With regard to Justice Black's appointment in 1937 he writes that it:

> Took a delicately balanced court and turned it into a court willing to give solid support to F.D.R.'s initiatives.

As you will recall, despite the failure of President Roosevelt's famous Court packing plan—which has become synonymous with his name—eventually, he was able to replace those on the Court who had posed constitutional obstacles to his New Deal Program. With the change of opinion by Justice Hughes, there was a working majority on the Court which went on to uphold the Fair Labor Standards Act, the Wagner Act, and other social legislation.

Another ideological change in the balance of the Court took place when Justice Arthur Goldberg was appointed to replace Felix Frankfurter on the Court. As Professor Tribe writes:

> Arthur Goldberg's appointment to the Court in 1962 shifted a tenuous balance on matters of personal liberty toward a consistent liberalism * * *

Let's not kid ourselves. There is nothing new, or in any way unusual about a President of the United States appointing someone to the Court who has compatible views on judicial matters.

Can you think of any of the individuals that are either real candidates or prospective candidates for President of the United States campaigning on the promise that they will appoint people who do not agree with them, saying, "Vote for me for my views on crime, vote for me for my views on activism, vote for me for my views on the relationship of a President to the Congress, but I pledge to you if you vote for me to sustain those idea I will appoint someone who disagrees with me"?

That does not make much sense.

If the selection process is going to be limited to a pool of political eunuchs, we are not likely to enhance the quality of potential nominees.

This issue came to a head upon the nomination of judge—and former Member of this body—Abnor Mikva to the U.S. Court of Appeals for the District of Columbia. The issue was whether one with strong political views is an appropriate choice for the bench.

At this time I intended to refer to comments made by the Senator from Delaware, Mr. BIDEN, the present chairman of the Senate Judiciary Committee on that, but I am prohibited to do so by our rules, but let me just suggest that it might make good reading for anyone who is interested.

I recall that Abner Mikva at that particular time asked me to make a call over to the other side of the Capitol to do what I could to vouch for his character, for the fact that he was a fair man even though we disagreed politically, and I did that because I thought it was an appropriate thing to do.

Mr. Speaker, I did not refuse that request, saying, "Ab Mikva, because you disagree with me you do not belong on the court, and I shall so tell those in the Senate who ask for my opinion."

I thought it was an appropriate thing to do, because he was qualified. He has added something to that court even though I disagree very strongly with him on any number of views that he may have.

That is the way that Ab Mikva's nomination to the U.S. Court of Appeals for the District of Columbia was considered.

This is a particularly interesting observation in light of the fact that the one quality about Judge Bork which is most salient is his belief that personal preferences and values should not be the basis for constitutional interpretation. This is an essential element of his philosophy of judicial restraint.

The idea of restraint on the part of the judiciary for some reason seems to put fear in the hearts of those who see the Court as an instrument for social engineering. Actually, Mr. Bork's detractors have nothing to fear but fear itself. What Mr. Bork is really saying is that those of us in the popularly elected branches of Government are the ones who should legislate in the critical areas of public policy which will determine the course of our country at the Federal, State, and local levels.

Of course it is a distinct possibility that this may in fact be the source of their fear. It is entirely possible that many of Borks congressional opponents would just as soon defer to the courts in order not to have to grapple with many highly contentious, and politically volatile issues. While this may be expedient it is contrary to the very concept of popular Government.

To borrow a concept from the political scientists, the legitimacy of democratic government itself ultimately rests with the concept of accountability to the people. That more than anything else is what distinguishes us from the banana republics of the world.

The idea that judges should formulate major social policy in a quasilegislative fashion is simply incompatible with the precepts of a free society. As Montesquieu wrote "There can be no liberty * * * if the power of judging be not separated from the legislative and executive powers. * * *." James Madison made a similar point in Federalist No. 47 in stating that:

> Where the power of judging joined with the legislative, the life and liberty of the subject would be exposed to arbitrary control, for the judge would then be the legislator.

The issue was framed well by former Justice Sutherland:

> The judicial function is that of interpretation; it does not include the power of amendment under the guise of interpretation.

Mr. Speaker, those who have expressed criticism about Judge Bork's personal conservatism have confused the issue by failing to understand that the essential feature of his judicial philosophy is that the personal preferences of judges should not be substituted for the prerogatives of the legislature. Judge Bork succinctly described restraint in a recent interview with Bill Moyers as an ability "to stick to the law as it was intended to be applied." Not only is this a wholey unradical proposition, but it is firmly rooted in our Anglo-American legal tradition. We can find its origins in Sir William Blackstone's "Commentaries on the Laws of England." In developing a framework for legal interpretation Blackstone laid out a number of valuable principles.

The first source of legislative intent was said to be the words of language of the text itself "in their most usual and most known signification * * * their general and popular use." If the "words happen to be still dubious" then the meaning was to be found from the context. In cases where "the words bear either none or a very absurd signification, if literally understood," deviation from "the received sense of them" is permissible. Finally according to Blackstone "The most universal and effectual way of discovering the true meaning of a law, when the words are dubious, is by considering the reason and spirit of it; or the cause which moved the legislator to enact it."

Mr. Speaker, I would say parenthetically that the cause which moved the framers of the Constitution, the writers of the Bill of Rights, to enact it, is that point.

Blackstone's impact on the American legal tradition can be seen in Hamilton's thoughts on interpretation:

> The rules of legal interpretation are rules of common sense adopted by the courts in the construction of the laws * * * in relation to such a subject, the natural and obvious sense of its provisions, apart from any technical rules, is the true criterion of construction.

A similar approach to the construction of legal language can be found in Justice Oliver Wendell Holmes opinion in United States versus Pulaski Co.:

> There is a strong presumption that the literal meaning is the true one, especially as against a construction that is not interpretation but perversion.

Judicial restraint is really nothing more than adherence to the rule of law. And I might add that it cuts across conservative and liberal lines. Judge Bork's belief in neutral, text-based rules of interpretation has put him at odds not only with those on the political left but with conservative activists as well. For example, he testified before the Senate Subcommittee on Separation of Powers that he believed the human life bill was unconstitutional. He is on record as having opposed efforts by some conservatives to deprive the Supreme Court of jurisdiction over issues like school prayer and abortion. And despite his libertarian leanings on economic issues, Judge Bork has differed with those conservatives who see the courts as a vehicle to invalidate economic regulation of business.

As a Member of the minority in this Chamber I can attest to the fact that Judge Bork is not motivated by the concerns of a conservative activist. In the case of Vander Jagt versus O'Neil, Judge Bork concurred in upholding a district court opinion which dismissed a complaint filed by 14 House Republicans which avered that our under representation in committee assignments was constitutionally infirm.

Although I am not all that happy with the result, I think it is illustrative of the integrity of Judge Bork's judicial philosophy. Rather than interject the court into a political question, Judge Bork's opinion is a classic exercise in restraint:

He said, "There are compelling reasons rooted in the concept of separation of powers, and in particular in the proper role of courts in relation to the political branches to hold that appellants lack standing here, for courts to reassign congressional committee seats would be no less intrusive than for Congress to enact a law forbidding the members of this court from sitting on cases of a particular type. If the courts would not accept such invasions of their sphere, they ought not attempt the invasion of Congress' sphere sought by appellants."

This classic delineation of the separation of powers doctrine reflects not only that Judge Bork is unwilling to interject the Court into mere political questions, and at the same time explodes the argument that he is a political judge.

While Judge Bork has been a staunch opponent of "judicial-legislation" at the same time he understands the important role of the Court in protecting those constitutional rights which depend on the Court for their protection and not the legislative branch. In this regard it is as important to understand what judicial restraint is not, as well as what it is. As Judge Bork made clear in the Moyers interview:

> But, if you say that, then you're saying the constitutional provision which guarantees the freedom of the press is protected by the legislature and not by the Court. That's wrong. The Court has a function to perform, to protect the things that the Constitution tells it to protect.

In other words, where there are express constitutional provisions the Court has a responsibility, even a duty to inject itself into the legal fray. The restraint comes into the picture only when the Constitution assigns the remedial duty to one of the other two branches of Government.

This is perhaps best illustrated in Ollman versus Evans and Novak. In that case Judge Bork expanded the constitutional protections covering journalists in libel cases. He reasoned such protection as being entirely consistent with "a judicial tradition of a continuing evolution of doctrine to serve the central purposes of the first amendment." His staunch defense of the first amendment literally demolishes the efforts of his detractors to paint him as an inflexible "wooden literalist." He went on to write the following words in Ollman which briliantly balance a respect for the values of the framers with the demands of contemporary America:

> It is the task of the judge in this generation to discern how the framer's values, defined in the context of the world they knew, apply to the world we know.

The judicial philosophy of Judge Robert Bork is thus an adherence to the values of the framers balanced by an appreciation of the fact that the complex world we face today is a far cry from that of 18th century America. For example there is little doubt that the framers had no knowledge of electronic surveillance. And yet the values inherent in the fourth amendment clearly bring such technological innovations within its parameters.

The vicious attack on Robert Bork should be understood for what it is. The menagerie of special interest groups who are "freaking out" over his nomination fear that if they are no longer able to use the Court as an instrument for their agendas they will have to go to the popularly elected legislators to plead their case.

Mr. Speaker, that is us.

Ironically, this result-oriented approach to the court strikes at the very heart of a democratic society. Just because one might desire a particular result, doesn't mean we should entrust the judiciary with the power to achieve it. Under such circumstances the nature of the law would become a mere product of who happened to be sitting on the court. In other words, legislation by judicial fiat is a lot of fun as long as those on the court are to one's liking. If we are truly a nation of laws and not of men, this would be unacceptable. Under the Constitution, such changes in public policy were deemed to be more appropriately dealt with by those more directly responsible to the people.

Mr. Speaker, I would say this; any of those of us who have studied philosophies of the ages, if we read Aristotle, we read of the concept of the philosopher king. In the concept of the philosopher king, it was premised on the fact that the people are incapable of deciding for themselves, and in ruling themselves, that we needed to have above us some sort of philosopher king or series of philosopher kings who would be far brighter than we were, who would have more wisdom than we would have, who would be detached from us and therefore be able to make those decisions that would basically rule our lives.

We reject that notion in America. The Constitution rejects that notion. But I would suggest those who say we ought to have judges who are not concerned about interpreting the words of the Constitution and the Bill of Rights and the other amendments in accordance with the attitudes of the people and intentions of the people who wrote those and adopted those, those very same people are those who would accept the concept of philosopher kings.

□ 2050

They just put it under a different rubric. We ought to be very concerned about that.

At one time Justice Oliver Wendell Holmes made the observation that "Judges should be a combination of Justinian, Jesus Christ, and John Marshall." Despite his impressive credentials I am not sure that even Robert Bork could fill this bill. Nevertheless, it is clear to me that this scholar-jurist has all of the qualities to distinguish himself and the intellectual integrity of the Court for years to come. I hope our colleagues in the other body will transcend the pressure of special interest groups and do the right and noble thing—confirm Robert Bork as a member of the Supreme Court.

Mr. Speaker, I yield to the gentleman from Virginia [Mr. SLAUGHTER].

Mr. SLAUGHTER of Virginia. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, on July 1, 1987 President Reagan nominated U.S. Appeals Court Judge Robert H. Bork to replace retiring Justice Lewis Powell. The nomination was not really a surprise since Judge Bork's name had been suggested as a possible candidate for the Supreme Court as far back as President Ford and more recently his name was mentioned prior to the appointment of Justice Scalia.

Scores of material have been written on Judge Bork's credentials. I do not think anyone could disagree that Judge Bork is truly an outstanding legal scholar and judge. But what makes him a particularly qualified nominee is his principled judicial philosophy. It has been said by critics that Judge Bork is "a vehicle" for the Reagan philosophy. However, I believe that Judge Bork has repeatedly demonstrated that this is not so.

We do not have to guess about Judge Bork's judicial philosophies. We have the benefit of his judicial opinions and writings on constitutional law that demonstrate these philosophies. Judge Bork has spent more than a quarter of a century developing his philosophy of law.

He begins with the simple proposition that judges must apply the Constitution, the statute, or controlling precedent—not their own moral, political, philosophical or economic preferences. He testified in 1982 regarding the role of precedent within the Supreme Court:

> I think the value of precedent and of certainty and of continuity is so high that I think a judge ought not to overturn prior decisions unless he thinks it is absolutely clear that the prior decision was wrong and perhaps pernicious.

Judge Bork believes judges are duty-bound to protect vigorously those rights provided in the Constitution. However, he is a realist as well. He has written that it is the "task of the judge in this generation to discern how the framers' values, defined in the context of the world they knew, apply to the world we know."

He views the framers as having adopted certain core principles in the Constitution and he believes that the role of Judge is to apply these principles to the case. Judge Bork's concurring opinion in *Ollman* v. *Evans* 717 F.2d 568 (1984) en blanc is very useful in observing Judge Bork's balanced approach in interpreting the Constitution.

> A judge who refuses to see new threats to an established constitutional value, and hence provides a crabbed interpretation that robs a provision of its full, fair and reasonable meaning, fails in his judicial duty. That duty, I repeat, is to ensure that the powers and freedoms the framers specified are made effective in today's circumstances. The evolution of doctrine to accomplish that end contravenes no postulate of judicial restraint. The evolution I suggest does not constitute a major change in doctrine but is, as will be shown, entirely consistent with the implications of Supreme Court precedents.

Whatever critics may say about Judge Bork, he is clearly not a political judge. He has repeatedly criticized politicized, result-oriented jurisprudence and disagreed with those who have urged conservative manipulation of the judicial process as a response to liberal judicial activism. His judicial record speaks for itself.

Statistics show that Judge Bork agreed with his colleagues the great part of the time. He voted with the majority in 94 percent of the cases in which he participated, including cases concerning motion's for rehearing.

Judge Bork's record has been impressive. In the 106 majority opinions he has written, he has never been reversed by the Supreme Court. Perhaps even more remarkably, of the 401 cases in which Judge Bork joined the majority, none were reversed by the Supreme Court, and only one was reversed by the D.C. Circuit en blanc. In addition, in a number of cases where Judge Bork dissented, either the D.C. Circuit en blanc or the Supreme Court eventually adopted Judge Bork's position.

I believe, we are most fortunate to have a nominee such as Judge Bork who possesses the academic and professional qualifications as well as the judicial experience and necessary wisdom for such a position.

Mr. LUNGREN. Mr. Speaker, I thank the gentleman for the gentleman's comments; and I thank the gentleman for taking the time to be here at this late hour to participate in this special order.

I might say that I hope Members will avail themselves of the abundance of information that is available at the present time in terms of the qualifications of Judge Bork.

I suspect that many of the Members, as we return to our home districts for part of the August recess period, will be asked by our colleagues for our opinions on the qualifications of Judge Robert Bork.

I just hope Members realize that that information is available, that we attempted to spread some of it on the record today.

Because of the rules of the House, we were not able to spread as much on the record as we wished, but that there is no lack of information on the qualifications of this distinguished jurist, and that they need not worry about the qualifications of this jurist, if they have an opportunity to review his record, his experience, his credentials, his judicial philosophy.

INDIA SHOULD GUARANTEE HUMAN RIGHTS OF SIKHS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. FIELDS] is recognized for 60 minutes.

GENERAL LEAVE

Mr. FIELDS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order tonight.

The SPEAKER pro tempore (Mr. LANTOS). Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. FIELDS. Mr. Speaker, there are several Members who have statements that have been submitted as part of this record, the gentleman from Illinois [Mr. PORTER]. The gentleman from California [Mr. COELHO] has submitted a statement.

Mr. Speaker, I am very proud to say that we have the gentleman from California [Mr. HERGER], a distinguished Member, who wishes to join me tonight in this special order.

Mr. Speaker, I am going to allow the gentleman to go first, because the gentleman has some family considerations, and the hour is late.

I certainly appreciate the gentleman participating.

Mr. Speaker, I yield to the gentleman from California [Mr. HERGER].

Mr. HERGER. Mr. Speaker, I thank the gentleman from Texas for yielding, and for arranging this special order to again call the attention of the Congress and the American people to the plight of the Sikh people in India's Punjab State.

Mr. Speaker, I want to emphasize my strong opposition to terrorist activities of any sort, and deplore the tragic loss of lives in India that have resulted from the continued strife in Punjab. Still I want to emphasize as well that I have spoken with Dr. Gurmit Singh Aulakh, president of the Washington-based International Sikh Organization, as well as his excellency P. K. Kaul, India's Ambassador to the United States, to emphasize this point. I further want to point out that Dr. Aulakh, speaking for his International Sikh organization, also deplores terrorist acts, a point which should be of interest to Ambassador Kaul.

Because of my concern over this issue, and my concern over the degree to which the Government of India has been a party to the violation of the rights of the Sikh minority in the Punjab, I rise today to make several requests of the Indian Government. I believe these requests would help greatly the Indian Government to prove its determination to respect human rights, not only for the Sikh minority in India, but throughout the world.

First, I would simply request that the Indian Government restore democratic government in the Punjab and allow the freely elected officials of the Punjab government which it has displaced to return to their posts. I believe that these officials, many of whom are Sikhs, have shown a determination to establish order in their homeland without trampling on the legitimate political rights of their citizens to participate in the political process.

Second, I would request that the Indian Government issue a directive to its police forces and other civil authorities that the individual rights of all Indian citizens are to be respected, including the right to a fair and speedy trial for any criminal charge, and the right to be free of the fear of methods of torture while in police custody. If India wishes to remain a respected member of the world community, it must repudiate torture and detention without trial.

Finally, I would ask the Indian Government to illustrate its commitment to oppose terrorism by example, through the implementation of Indian foreign policy.

Mr. Speaker, the Indian Government rightly condemns terrorist acts as barbaric and uncivilized. However, the Indian Government has curiously shown moral blindness by offering aid and encouragement to terrorists such as the Palestine Liberation Organization and the Communist Sandinista Government of Nicaragua.

Currently, India maintains full diplomatic relations with the PLO, an organization dedicated to terrorism, and an organization which has murdered American citizens in cold blood. If the Indian Government wishes to repudiate terrorism, let it sever its relationship with the PLO.

Moreover, the Indian Government has granted aid and subsidized credits to the Sandinista Government of Nicaragua, which terrorizes its own people, and is actively engaged in an effort to destabilize the governments of neighboring democracies in Central America. India, no wealthy nation itself, has given the Communist Nicaraguan Government 5,000 tons of wheat. This grant enabled the Nicaraguans Communist Regime to funnel even more of their scarce funds to its armed effort to crush freedom in Central America. Currently, the Indian Government is offering the Nicaraguans more than $10 million in subsidized sales. I find it offensive that India, a not too wealthy nation, is willing to spread its scarce resources on the Sandinista terrorists while denouncing those who urge humane treatment of the Sikh people as sympathizers with terrorism. To truly repudiate terrorism, the Indian Government must immediately cease all aid to the Sandinista Government of Nicaragua.

Mr. Speaker, if the Indian Government does these things, and commits itself to respecting the Sikh people's rights to self determination, I am sure the unrest in the Punjab will cease. That should be our goal here today, as it should be the goal of peace loving people of good will the world over. I thank the gentleman from Texas.

Mr. FIELDS. Mr. Speaker, I want to say that I appreciate the gentleman from California making the effort to be here tonight. The hour is late.

The gentleman did have family commitments, but the gentleman felt that this was an issue that was so important that the gentleman must be here personally to make this statement on the floor.

Like the gentleman, Mr. Speaker, I rise tonight to express my deep concern about the ongoing problems between the Government of India and the Sikh people.

Disagreements between the two parties have resulted in a wave of violence that has pitted Hindus and Sikhs against one another and has caused an intolerable amount of suffering which has claimed the lives of thousands of people.

□ 2105

A number of my colleagues addressed this matter during a special order on June 2. I was unable to participate in that session and my statement today is a continuation of that effort. I know that there will be others who will follow me in other special orders.

In my home district, Mr. Speaker, many of my Sikh constituents, including Dr. Assad and others, have told me they feel their fellow Sikhs are being treated unfairly by the Indian Government. In fact, the Sikh community came this past Saturday to one of my town meetings to discuss this very issue. I have been given a very real honor by the Sikh community in my district. I was asked to come to their temple for a religious service. I had lunch with them after that service. I experienced their hospitality. I heard their genuine concern about their family and friends in the Punjab. They have asked me to express their concerns regarding the plight of their family and friends back in India.

The Sikhs are fine people, and allegations of mistreatment by the Indian Government of its Sikh citizens should be of interest to all of my colleagues in the House who represent Sikh constituents, or who are just interested in human rights abuses. It is time Congress focuses its attention on this matter so that basic human rights can be guaranteed to Sikhs living in India.

The most notable and highly publicized example of the violence between the Sikhs and the Indian Government came in 1984, when the Indian Army stormed the Golden Temple in Amristar, the Sikhs' holiest shrine.

It is really hard for me to imagine an army overrunning a church.

Several hundred Sikhs were killed in the ensuing battle, and thousands of Sikhs reportedly were massacred the following week.

This incident fueled Sikh-Hindu tensions, leading to more bloodshed and death. To this day, three years after the storming of the Golden Temple, the violence in Punjab continues. We are still seeing the results of the storming of the Golden Temple. The Indian Government has been unable to bring about a political solution to what has to be its country's worst internal problem of this decade. The violence will continue unless Prime Minister Rajiv Gandhi steps up his efforts to respect the needs and freedoms of the Sikhs in India.

The Sikhs face a terrible dilemma. In their quest for greater religious and political autonomy in their home province of Punjab in northern India, they have had difficulties with the central government in New Delhi.

In response to these difficulties, certain Sikh extremists have taken matters into their own hands by engaging in terrorist activities. These extremists have been a wedge between Punjab officials and officials in New Delhi who have been negotiating for a peaceful settlement of the problem. Moderate Sikh representatives are continually threatened by extremist elements, who accuse them of compromising with the central government.

Even Harchand Singh Longowal, the former leader of the Sikhs' Akali Dal party and a principal in the Rajiv-Longowal accord, was assassinated by dissenting radicals.

Over the past 5 years, Punjab has been a virtual war zone as thousands of men, women and children have lost their lives in terrorist attacks and subsequent revenge attacks. Thus far, the Punjab government's efforts to counter this kind of terrorism have been unsuccessful. These terrorist acts have caused extreme prejudice against the Sikhs within the Hindu population.

As a result, in the government's quest for justice, many innocent Sikhs have been denied their basic human rights and civil liberties.

All Sikhs are suffering from the stigma of "terrorist," Mr. Speaker. Moderate Sikhs wish to disassociate themselves from the violent tactics used by extremists, but they are still burdened by this unfortunate and unwarranted stereotype. It also has been reported that police have been involved in rioting against Sikhs, and have been given sweeping powers of arrest and detention.

The Sikhs claim that thousands of innocent people are being brutalized and killed under the guise of fighting terrorism, as prescribed by Mr. Gandhi. The bloodshed and intolerance indicates a continuing spiral of violence, one which can only serve to complicate the process of finding a peaceful solution.

Not only is this not fair, it is not right.

India's Sikhs' population does not deserve to be denied its basic rights because of the terrorist activities of a militant few. It is not the type of image that is representative of India's 16 million Sikhs or it is not representative of the people that I have come to know personally in my congressional district in Houston, TX.

As a whole, the Sikh people detest terrorism and consider such activities as both unholy and uncivilized. Punjab Chief Minister Barnala called a recent terrorist attack "an act of criminal minds acting at the behest of foreign powers to disintegrate the nation." The Sikhs seek peaceful means to solve their differences with the New Delhi government. The anti-Sikh attitudes common among Hindus can only facilitate further abuses of Sikhs' human rights and individual liberties. The violence is unnecessary, and it only serves to undermine the efforts of reaching rational, practical, and legitimate solutions.

To complicate matters even further, Mr. Gandhi will not allow the foreign press, independent observers of human rights organizations into the Punjab for fact-finding missions. The area has been sealed off to outsiders. Foreigners are allowed to travel anywhere in India except Punjab. As a result, the outside world receives a biased, one-sided view of what goes on in Punjab because the Indian Government has control over most of the domestic media. This contributes to the stereotype that all Sikhs are extremist radicals who are terrorizing the predominantly Hindu nation, and that is just not the fact.

Government reports often conflict with eyewitness reports of arbitrary arrest, detainment and mass murder. This policy of censorship only enhances the complaints of the Sikh people. The accuracy of these allegations could be better determined if the press were allowed inside the Punjab. If the Indian government has nothing to hide, it should remove the news blackout and permit outsiders into Punjab. The free flow of information is essential to the preservation of rights and liberties in a democratic society, and India claims to be the world's largest democracy, so they should act as the world's largest democracy.

As I have mentioned before, Mr. Speaker, the Sikhs are a hardworking and honest people. The positive contributions they make to society are great, and those contributions should not go unnoticed. The great contributions of Sikhs to India are far out of proportion to what would normally be expected of such a small minority group. For example, the Sikhs make up approximately 2 percent of India's total population, yet they are responsible for a quarter of the country's gross national product. The Sikhs have transformed Punjab from a backward area into a model of agricultural efficiency that contributes to the self-sufficiency in wheat consumption that India now enjoys. Sikh farmers produce 73 percent of the wheat and 48 percent of the rice in all of India. In addition, many distinguished Sikhs have made great contributions in the Indian Government and military.

I may be incorrect on this, Mr. Speaker, and I will be glad to correct my remarks tomorrow if I am wrong, but as I understand, as a percentage, I am told that there were more Victoria Crosses awarded among Sikhs than of any other group that was formerly a member of the British Empire. To me that is a testament to the Sikhs courage, to their valor, and to their determination.

Also, it is well documented that many Sikh lawyers and doctors are leaders in their fields.

The point I am trying to make, Mr. Speaker, is that the Sikhs are a quality people doing more than their fair share for the well-being of Indian society. The unselfish contributions and accomplishments of Sikhs also are well-known in the United States, especially in my home district. The Sikhs are a people who conduct themselves with dignity and have great respect for the individual. The Sikh people stand for individual initiative as indicated by their support of a free-market economy.

I might say, they are making a great contribution to the market economy of my home town of Houston.

They are aware of the deprivations of rights of the individual under a Communist or socialistic system of government.

Congress should not make it a habit to dictate policy to foreign countries or the President, but in this case, Mr. Speaker, it is important that we express interest and concern about the nature of alleged human rights abuses occurring in India. As the leader of the free world, the United States cannot ignore violent and repressive measures directed against the people of any nation—including India's Sikhs.

Justice, equality, and the pursuit of happiness are fundamental rights of all human beings—regardless of race, color, creed, sex, or in this case, religion. This is the foundation for a democratic nation, and it is not too much to ask of India to respect the rights of all of its people, not just the Hindu majority. It is not right for any government to deny 16 million of its own people their basic political and civil rights. India has a moral obligation to protect the Sikh community.

The United States should reexamine its policy toward India, and do what is in its power to encourage the restoration of civil liberties and human rights to the Sikh people. At the same time, we should demand that extremist Sikh factions reconcile their differences with moderates to prevent further terrorist acts. This should be a two-way street. If Sikhs truly want the atrocities to stop, it is necessary for both sides to cease all terrorist activity. Also, we should ask no less of Mr. Gandhi than to end this violence that is plaguing his country. A fast solution must be implemented so extremists will not be able to add more fuel to the already burning flames.

Violence, terrorism, or oppression have no place in solving the religious and political differences which divide India's Hindus and Sikhs. Much damage has been done already, and I implore Mr. Gandhi to dedicate himself to preventing further carnage and suffering among his people and throughout his nation.

Mr. COELHO. Mr. Speaker, today, I join my colleagues here in the House to express my concern over the violence that has taken place and continues to take place in India.

The people of the United States are generally unaware of the widespread killings that are taking place among Sikhs and Hindus in India. We know about the storming of the Golden Temple, the assassination of Prime Minister Indira Gandhi, and the brutal bus hijacking which took so many lives. However, we are generally not informed as to just how grave the situation is in India. Reporters and foreigners are not allowed in the state of Punjab where so much violence has occurred, and the central government of India controls the flow of information as to events there. Members of the Sikh community who live in my district are in constant worry about the safety and well being of their families remaining in India. For them, it is time that we demand the truth.

Both Sikhs and Hindus have made tremendous contributions in India and the United States. The high industrial and agricultural output in the Punjab is proof of how successful the Sikhs have been in helping to build a stronger, self-sufficient India.

Like their brothers and sisters in the Hindu community, the Sikh people want an influential India that will take her rightful place in the international community as a democratic power.

I join the many voices calling for action on the part of Prime Minister Gandhi to adhere to the provisions of the Punjab Accords and to move toward full recognition of Sikhs as Indian citizens, with all the rights and freedoms that other Indian citizens enjoy.

It is time that the world awake to the problems the Sikhs are facing in India. Too many Sikhs and too many Hindus have suffered because of the government's inability to uphold the guarantees established in the Indian Constitution. As the largest democracy in the world, India should look to the histories of other democratic countries and realize that freedom and equality are virtues that people everywhere are willing to die for.

India must live up to her promises and provide for all of her people the freedoms upon which a democracy is based.

Mr. PORTER. Mr. Speaker, as cochair of the Congressional Human Rights Caucus, I rise to join Representative JACK FIELDS in condemning the continuing violations of human rights occurring in India.

There has been no respite from the violence in the Sikh-majority Punjab since the 1984 fighting around the Sikh's holiest shrine, the Golden Temple of Armistrar. Since then, thousands of innocent people have died as a direct result of Indian-Sikh violence.

The tragedies in India are difficult to access. In early July, newspapers reported the "Worst Violence in Three Years." Stories described the deaths of at least 72 Hindu bus passengers by suspected Sikh terrorists. The stated facts were derived from official quotes taken by the Press Trust in India—a government controlled news service.

I am not disputing the legitimacy of the Indian press, nor am I condoning violent attacks against innocent people. I do protest the limited information we receive on the Sikh-Hindu conflict. Foreign journalists are not allowed into Punjab. Members of Congress who visit India are often denied the opportunity to visit Punjab. Just 3 months ago, the Indian Government dissolved the state government of Punjab. This city is now ruled directly from New Delhi.

Two weeks prior to the July bus killings, police and security forces raided the Golden Temple and surrounding residential districts. Homes were searched, hundreds of people were arrested and a curfew was clamped on the citizens of Armistar if the so-called extremists go ahead with a planned meeting. Why didn't we read about this in the newspaper?

Mr. Speaker, India claims to be a democratic nation. If this is true, I implore the Indian Government to respect the fundamental freedoms of their citizens and of the rest of the world. Prime Minister Gandhi must halt the violations perpetrated against the Sikh minority and allow the rest of the world to see the real situation in the Punjab.

TRIBUTE TO JOHN CRONIN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. BADHAM] is recognized for 10 minutes.

Mr. BADHAM. Mr. Speaker, it is my pleasure today to join my colleagues in the Orange County, CA, delegation to honor a man who has been a large part of the success of the Republican Party in southern California.

John J. Cronin will be honored August 17 when he is presented with a Volunteer of the Month Award from the Orange County Republican Central Committee. But he could just as easily be named a volunteer of the decade. Since he moved to California in 1969, John has been a dedicated worker, devoting himself to each and every of the many tasks he has accepted. Those tasks have included politics, work in the fields of recreational and commercial diving, and community service.

It is especially fitting that he should be honored by all of Orange County's Congressmen because of what he has given to Orange County and I will ask my colleagues to tell you more about him.

THE EARLY YEARS

Mr. DANNEMEYER. Mr. Speaker, John Cronin was born in 1928 in Albany, NY, and grew up there during the depression. He enlisted in the Marine Corps in 1946. When he was honorably discharged 2 years later, he went to work as a "gandy dancer," laying track for the New York Central Railroad. Two years later, he was recalled into the Marine Corps during the Korean conflict and served through February, 1952.

He then went to work in retail sales and soon moved into the diving industry. It is apparent, Mr. Speaker, where John Cronin acquired his taste for hard work. There are few jobs more difficult than serving in the Marine Corps or laying rail and John Cronin puts as much effort into his current endeavors as he put into those tasks. It has been my pleasure to be associated with a man who has worked so hard for so long for so many.

DIVING

Mr. DORNAN of California. Mr. Speaker, in 1958 John Cronin initiated one of America's first diving training courses in upstate New York, and soon after that, in 1959, he accepted the position of promotions manager for U.S. Divers Co. in New York. John moved his family to the Midwest in 1961 where he formally established the Pacific Association of Diving Instructors [PADI] with Ralph Erickson in 1965. The Cronins moved to California in 1969 when John was appointed general manager and C.E.O. of U.S. Divers Co.

John Cronin worked vigorously to defeat Los Angeles County antidiving legislation that would have infringed upon the personal liberty of divers. While president of Divers Co., John also served as president of Body-Guard Corp. of Missouri, which produces protective clothing for firefighters. Over the years John has worked with Jacques Cousteau in his efforts to preserve and study our planet's marine life and he remains involved in the effort to promote safe diving. Through John's tireless work in support of safety, and other works which my colleagues will discuss, our good friend John Cronin has truly demonstrated concern for his fellow man.

PERSONAL AND POLITICAL

Mr. LUNGREN. Mr. Speaker, John Cronin is a generous community volunteer and has devoted himself to many worthy causes. He has served on the board of directors of the Boy Scouts of America, the Correctional Institution Needs and Assessment Committee, the Equestrian and Recreational Trails Committee and the State Underwater Parks Committee.

In 1985, he received the Good Government Lincoln Club Man of the Year Award. He was 1 of 49 people in the Nation selected to attend President Reagan's private breakfast for the official Presidential reelection kickoff. He has been a role model for many of the younger people who have become active in the Orange County Republican Party and I can think of no Orange Countian better suited to such a position.

A MAN OF CONVICTION

Mr. PACKARD. Mr. Speaker, by virtue of alphabetical order, I am privileged to summarize John Cronin's accomplishments and conclude this long overdue and highly deserved tribute. During the time that John Cronin has lived in Orange County, the population has boomed and there have been radical changes in the way of life for many residents. But John Cronin has been a stable force for conservatism, a dependable campaign worker, and a model citizen.

Indeed, even as we honor John Cronin as volunteer of the month, we ought to learn from him about the importance of the qualities that my colleagues and I have discussed and that he displays so well. John J. Cronin is a personal friend of mine and a treasure to the people of Orange County.

AMERICA'S ELDERLY AND THE FEDERAL BUDGET OPENING REMARKS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. ROYBAL] is recognized for 60 minutes.

Mr. ROYBAL. Mr. Speaker, I rise today in response to the unrelenting assault on America's elderly and poor. That assault is most clearly and most recently reflected in the administration's threats to veto Congress' reasonable and compassionate budget plan for fiscal year 1988.

Sadly, the administration's continuing attacks come as no surprise to those of us who care deeply about the millions of elderly and poor Americans, who have always been at the very bottom of this administration's priority list. For 7 straight years, America's elderly and poor have been the target of a massive assault by this administration; and for 7 years, Democrats in the Congress have fought to shield these most vulnerable Americans from the unyielding onslaught of the Administration budget ax.

The administration advances the cynical, and convenient, argument that America's massive budget deficits simply make it impossible to do more for our elderly and poor. Yes, our deficits are massive. Yes, our deficits require us to make hard choices about our priorities. However, it is my conviction, Mr. Speaker, that many of the problems we face today are the result not of hard choices which the administration has made. They are the result of wrong choices—choices which have placed unfair tax cuts and excessive military spending above the real needs of the American people.

The administration blames the Congress, and our party, for the tremendous budget deficits now plaguing the American economy. But it is not our priorities which have caused the huge deficits these past 7 years—deficits which dwarf anything our republic has ever before experienced. Rather, if the policies and priorities of this administration which are, more than anything else, responsible for the deficits we face.

What's really driving the deficit? Based on CBO figures from the early years of this administration, the impact of tax cuts and excessive military spending more than equaled the huge deficits burdening America.

Let's take a look at some of the numbers. In every fiscal year between fiscal year 1981 and fiscal year 1987, the administration has demanded more increases in the military budget and more cutbacks in domestic programs. During this period, defense spending increased more than 40 percent while domestic discretionary spending decreased 21 percent. Moreover, this 21 percent decrease represents the average reduction in domestic discretionary programs. Some programs, such as subsidized housing and employment and training programs have been cut over 60 percent.

Suppose for a moment, that the administration's defense and revenue priorities since fiscal year 1981 had not been put into effect. According to the House Budget Committee, defense spending in fiscal year 1986, for example, would have been $54 billion lower, interest costs would have been $39 billion lower, and revenues would have been $66 billion higher had these administration priorities not been put into effect. That's a total of $159 billion that would not have been added to our deficits in fiscal year 1986 alone. Sadly, however, those administration priorities were put into effect, and it is those priorities which are driving the deficit today.

Mr. Speaker, contrary to what this administration would like to have the American people believe, it has never once sent a balanced budget to Congress. No, Mr. Speaker, this administration has, instead, repeatedly sent the Congress budgets with large deficits resulting from grossly misplaced priorities. Fortunately, we Democrats have succeeded in softening the blows inflicted upon the most vulnerable Americans by these misplaced priorities. Unfortunately, however, we have so far not succeeded in changing the basic thrust of these priorities.

Despite our efforts, this administration has largely succeeded in shielding high income people and large corporations from contributing their fair share to the Nation's support. It has succeeded in shielding the wasteful military from the kinds of massive cuts which have been inflicted upon critically needed domestic programs for America's vulnerable children, elderly, and poor.

What about the effects of this administration's priorities on specific programs that affect the everyday lives of America's elderly and poor? What about the effects of these priorities on programs like Medicare and Medicaid which protect America's sick and frail when they need medical care? What about the effects of these priorities on the Social Security, housing, health and human services programs which are supposed to make up the "safety net" protecting America's elderly, America's disabled, and America's poor from catastrophe and ruin?

Most of these programs have been threatened often, and cut repeatedly, by the administration budget ax. As a result, America's most vulnerable people have suffered desperately over the past 7 years. That suffering will continue to grow unless we act decisively and quickly.

Let's begin with Medicare which has suffered cumulative spending reductions of $34 billion since fiscal year 1981. In 1981, beneficiaries paid Medicare part B premiums of $11. Today they are paying $17.90, an increase of 63 percent in just 6 years. The amount beneficiaries must pay for the first day of hospital care has risen from $204 to $520 over the same period. That's a whopping 150 percent increase.

Incredibly, the Medicare reductions which have been put into effect over the past 7 years represent only a portion of the reductions which the administration has wanted, and it has continued to press for large Medicare reductions in its fiscal year 1988 budget. The administration is asking for Medicare part B premium increases that would add $11.4 billion to beneficiary costs over the next 5 years. Meanwhile, it doubles research on antisatellite weapons of questionable feasibility.

The Medicaid Program has also suffered heavily under this administration. Today, Medicaid protects fewer than half of America's poor. Given this administration's record of insensitivity to our Nation's most vulnerable citizens, it is sad, but not surprising, that the administration's proposed Medicaid cuts would total $1.3 billion in fiscal year 1988 and $19.5 billion over the next 5 years.

The administration's proposals would result in a fiscal year 1988 cut of over $50 per beneficiary. The magnitude of the administration's proposed reductions goes far beyond what States could absorb. So-called savings under these proposals would jeopardize the neediest among us and shatter our State-run programs.

The administration has also repudiated its longstanding promise not to cut into the Social Security Program. The quality of services provided to the poor, elderly, and disabled has been repeatedly threatened by administration proposals to reduce Social Security staff by more than 20 percent in each of the last 5 years. Most recently, the administration's fiscal year 1988 budget requested 5,092 staff below congressional appropriation levels. Despite consistent rejection by Congress of these staff reduction proposals, the administration has continued to reduce Social Security staff below congressionally authorized levels through attrition and through its failure to hire any new staff.

Perhaps the administration's most relentless assault on America's needy has been its attempt to eliminate all funding for any low-income housing construction, rehabilitation, and senior citizen housing. Although Congress has rejected many of these proposals, Federal assistance has been drastically reduced by more than 70 percent over the past 6 years. The administration's budget proposals for fiscal year 1988 would all but end any Federal housing assistance for low-income Americans and senior citizens, despite the fact that nearly half the residents of HUD-assisted housing are among the poorest of our low-income elderly.

This administration has also proposed the total elimination of the low-income weatherization program and legal service assistance to the poor. Substantial reductions in funding were proposed for the low-income energy assistance program, the Community Service Block Grant Program, the Job Training Partnership Act's dislocated worker program, and transportation assistance. In the first 4 years of this administration, spending on the aged was cut by a cumulative $26.5 billion. Grants funding locally provided health and social services received cuts ranging from 22 to 39 percent.

One initiative by this administration, the block-granting of social services, virtually assures that older minority persons will not receive services which have been designed to serve their special needs. Programs are less likely to be culturally sensitive. Adequately trained personnel may not be available to administer supportive services, and services are much less likely to be located in the most appropriate community settings.

Low-income senior citizens have been particularly hurt by reductions in food stamp eligibility and benefits. Although not generally identified as an elderly nutrition program, one out of five households receiving food stamps have at least one elderly member, making the food stamp program this Nation's largest elderly nutrition program. Despite administration talk of preserving a "safety net," low-income elderly have been hurt most by this administration's misplaced priorities and have suffered a great loss as a result of this administration's misdirected policies.

Mr. Speaker, the time has come to be brutally honest with ourselves and with the American people. The Administration's priorities have had devastating effects on America's most needy and most vulnerable citizens. Children, the elderly, the sick, and the poor, have all suffered horribly because of the misplaced priorities of this administration. Just a few months ago, the administration described its budget proposal as "a plan, a hope, a vision of what America is and where it is going." But if you are poor, homeless, hungry, or sick in America, the administration's budget provides no plan, no hope, and no vision of what America is and where it should be going.

Just look at America in the seventh year of this administration: 12.6 percent of America's elderly still live in poverty, including 31.5 percent of America's black elderly and 23.9 percent of America's Hispanic elderly—more than half of Indian elderly live below the poverty level; 15.6 percent of America's elderly women live in poverty, including almost 20 percent of women over the age of 85.

In 1980, 19 cents was spent on subsidized housing for each dollar spent for national defense. By 1985, the administration proposed less than 1½ cents be spent on housing for every dollar spent on the military.

Two out of every five elderly Americans consume too few calories, proteins, or basic vitamins and minerals to meet even minimal requirements for good health.

Out-of-pocket health costs consume 16 percent of elderly income, more than when Medicare and Medicaid began. Even without further cuts, out-of-pocket costs are projected to consume up to 18.5 percent of elderly income by 1991.

Thirty-seven Americans are uninsured for any health costs; 200 million Americans are underinsured against the costs of catastrophic, long-term illness.

Sadly, what I have outlined here is just the tip of a large and threatening iceberg. Much more can and must be said about this administration's relentless assault against America's elderly and poor.

Mr. Speaker, the words we have heard today paint a tragic portrait of America—an America in which people are suffering because of the misplaced priorities of an insensitive administration. America's elderly and poor have been the target of this administration's assault for 7 long and tortuous years, far too long for a compassionate nation.

Mr. Speaker, contrary to what administration's speechwriters would like for us to believe, its priorities are way out of sync with those of the American people. Time after time, the American people have reaffirmed their compassionate commitment to protecting our most vulnerable citizens. In keeping with that commitment, time after time, Democrats in Congress have fought back and tried to shield America's poor, its homeless, its elderly, and its infirm.

Democrats in Congress have fought to strengthen programs weakened by the administration. We fought to protect and expand the Older Americans Act. The House version of this very important bill contains provisions to help low income and minority elderly, including Native Americans and others with the greatest social and economic needs.

For 7 straight years, we have repeatedly fought to save Medicare and Medicaid from destruction. This spring, our House Budget Resolution once again protected both of these critical programs from major cutbacks and precluded any increases in out-of-pocket costs to beneficiaries. Just last week, we acted to provide an extra measure of Medicare protection against catastrophic illness. However, much remains to be done, especially in the areas of long-term care and the medically indigent.

But the struggle continues and the challenge remains. This administration, as demonstrated by its veto threats and its budget proposals for fiscal year 1988, fully intends to continue its relentless assault. This Congress and these Democrats fully intend to block that assault and strengthen the protective shield surrounding America's most vulnerable.

Mr. BIAGGI. Mr. Speaker, as an original member of this committee I am proud to participate in this special order to discuss the issue of the administration's budget policies and their impact on the elderly.

The fundamental question we must deal with today—how best do we deal with the No. 1 economic threat to groups of all ages—the deficit?

I would submit that the approach that has been attempted by this administration has been narrowminded—shortsighted and punitive to groups in this Nation such as the elderly.

How can one be wedded to an economic principle which defies all economic logic. That principle says that you can eliminate a $200 billion deficit by merely reducing some spending.

You do not have to be a Rhodes scholar to realize that deficits can only be eliminated by either reducing spending—or raising new revenues. This administration as the champion of Gramm-Rudman disagrees.

It is true—and it is also fortunate that almost every administration budget that has been sent up here has been rejected.

However it is also true and more unfortunate that the administration budget has served as a catalyst for certain of the major cutbacks which have occurred in programs serving the elderly.

Let us consider some realities—today in the Nation the poverty rate for those 65 and over is the highest of any adult group in the United States.

SSI benefits reach fewer than half of those eligible for them—even those an SSI eligible person represents the very poorest segment of our elderly population.

From 1981-84, 9 percent of elderly Medicaid recipients lost coverage because of Medicaid budget cuts. Again we refer to the very poorest of our elderly citizens.

The misguided efforts at cost containment have in fact resulted in care containment for our Nation's elderly. Today the elderly of our Nation pay more to get less in fact more than they did before Medicare was created.

Today in our Nation 4.6 million elderly need the help of others in activities of daily living. Yet this administration resists and rejects all efforts to develop a long term care policy. This despite the fact that by 2000 9 million seniors will need long-term care.

In housing this administration has launched an all out offensive to reduce the Federal commitment to housing. As a result—10.3 percent of housing units headed by persons 65 and over showed signs of mice and rats. A total of 54 percent of elderly lived in housing 40 years and over.

Consider that this administration's long-stated hostility toward legal services for the poor. As a result these services have experienced an inflation adjusted loss in funding of more than 30 percent between 1981 and 1983.

Administration proposals that fortunately were not adopted would have made matters even worse for millions more elderly such as those receiving Older Americans Act services and those from the social service block grant.

The point to make is that we must work for equity and fairness in our budget policies. The elderly are as committed as any other group to make their fair share of sacrifice for the cause of deficit reduction. They have proven this on several occasions in recent years.

However it is one thing to voluntarily sacrifice. It is something for any one group or segment of our population to be sacrificial lamb.

As I have said on several occasions in the past—in our passion for economy let us not economize on compassion for those in need.

Mr. Speaker, the administration's budget policy's impact on human services programs for seniors has been especially regressive; it has failed to recognize the infinitely and rapidly growing demand for services, and most importantly it has failed to provide the Federal dollars necessary that keeps the elderly living independently in their homes and active within their communities. When the elderly are institutionalized, it costs the Government much more.

One area of particular concern to me comes from a longstanding involvement I have had with the Older Americans Act. The Older Americans Act, now enjoying its 22d year of success, is the key vehicle by which services to the elderly are delivered. These services, whether they be meal programs, transportation to and from senior centers, employment for the aged, and a variety of others all stand to be affected by the administration's budget. The Older Americans Act reauthorization has recently been reported out by the House successfully which was the culmination of many months of holding hearings in Washington and around the country. One such hearing which I chaired in September 1986 focused on the administration's perspectives on the then-upcoming reauthorization. We were especially interested in a draft document which was making its way through the aging network that contained proposals that might have been extremely harmful to seniors served by the act. In these proposals, there were three basic issues I opposed. The first and most controversial was the proposal to raise the eligibility age for services under the act. Under current law, a State is allotted funds for supportive nutrition and home delivered nutrition services primarily on the basis of its population aged 60 and over as compared to all States. The proposal suggested by the administration would change the formula so that a State would receive funds based on its population aged 70 or over. I took, and always will, strong exception to this change for one major reason. The Older Americans Act at the present time has one targeting requirement—that is that seniors in the greatest economic or social need be served. This is a requirement directed at all older persons under this criteria. A change of this type would serve to eliminate that segment of seniors under the age of 70 despite their demonstrated need for services. Another concern that stemmed from this proposed change related to the disproportionate impact that this change would have had on low income and minority seniors. There has been a 24.7 percent decrease in the participation rate in services among minorities since 1980. Were the eligibility age to change to 70, it would only serve to exacerbate this problem. As of 1984, the life expectancy for whites at age 65 is almost 9 percent longer than for minorities. Any increase of the age requirement would have forced the reduction or elimination of services to persons between the ages of 60 and 70. This would hit the minority elderly the hardest.

A second major concern we addressed at our hearing was the suggestion that we completely block grant the services provided under tittle III of the Older Americans Act. Since the nutrition program was established in 1972, I have been a chief supporter of separate funding and a separate title for nutrition services in the act. Nothing that I have encountered since that time leads me to change my mind. Any further consolidation of title III is unwarranted and could be dangerous if it leads to erosion in funding for nutrition services. In a Library of Congress briefing paper prepared for me last year it stated, "Nutrition services under title III of the act are among the most visible federally funded benefits available to older persons and represent 47 percent of the act's total fiscal year funding (for 1986)."

The final and major area of concern I had was the suggestion by the administration to permit the States to waive on a demonstration basis any requirement of title III "if the waiver would result in greater flexibility and improved quality of efficiency in community or family services designed to enable vulnerable older persons to retain or regain their independence." The idea that a State could choose to waive any requirement under title III was unconscionable. That could lead to an end of a service, or even the abolition of an area or State agency on aging.

Another area that I am extremely concerned about when we speak of the administration's budget is the social services block grant. The present funding level for this program as proposed and supported by the administration is $2.7 billion. The social services block grant provides funding for a broad range of social and human services which includes adult day care, homemaker and chore services for the elderly and a variety of other programs for the elderly. The funding levels for this program have undergone a number of cuts since the authorization of the program in 1980. In 1981, the program was cut by 20 percent and in 1986 under Gramm-Rudman-Hollings, funding was reduced again—to $2.5 billion. In addition to proposing the $2.7 billion funding level, the adminstration has proposed eliminating legal services assistance, the work incentive program, vocational education and other programs, some of which would be included in the social services block grant without additional funding. I voted for the amendment that assumed $2.9 billion for the social services block grant and will support any legislation that seeks to increase funding for these services.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Davis of Illinois) to revise and extend their remarks and include extraneous material:)

Mr. DioGuardi, for 60 minutes, on August 5.

Mr. Badham, for 10 minutes, today.

Mr. Burton of Indiana, for 5 minutes, today; 60 minutes on August 5 and 6.

Mr. Mack, for 5 minutes, today.

Mr. Walker, for 5 minutes, today.

Mr. Swindall, for 30 minutes, today.

Mr. Hyde, for 5 minutes, today.

(The following Members (at the request of Mr. Roybal) to revise and extend their remarks and include extraneous material:)

Mr. Annunzio, for 5 minutes, today.

Mr. English, for 5 minutes, today.

Mr. HUTTO, for 5 minutes, today.

Mr. ROYBAL, for 60 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. DAVIS of Illinois) and to include extraneous matter:)

Mr. FIELDS in two instances.

Mr. RITTER.

Mr. PACKARD.

Mr. ROTH.

Mr. SUNDQUIST.

Mr. GEKAS.

Mr. GILMAN.

Mr. BADHAM.

Mr. MICHEL in two instances.

Mr. DORNAN of California.

Mr. PURSELL in two instances.

Mr. GINGRICH.

Mr. GALLO.

Mr. BROOMFIELD.

(The following Members (at the request of Mr. ROYBAL) and to include extraneous matter:)

Mr. STARK.

Mr. DONNELLY.

Mr. COELHO in two instances.

Mr. RAHALL.

Mr. MURTHA.

Mr. KANJORSKI.

Mr. DORGAN of North Dakota in two instances.

Mr. CLARKE.

Mr. BOLAND in two instances.

Mr. LOWRY of Washington in two instances.

Mr. YATRON.

Mr. MORRISON.

Mr. DOWNEY.

Mr. SKELTON in two instances.

Mr. BATES.

Mr. MONTGOMERY in two instances.

Mr. FLORIO in five instances.

Mr. FAUNTROY.

Mr. LIPINSKI.

Mr. MARTINEZ.

Mr. BEILENSON.

Mr. GARCIA.

Mr. LANTOS.

Mr. DELLUMS.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1068. An act to amend the Clayton Act regarding interlocking directorates and officers; to the Committee on the Judiciary.

ENROLLED BILLS SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 348. An act to amend title 39, United States Code, to extend to certain officers and employees of the U.S. Postal Service the same procedural and appeal rights with respect to certain adverse personnel actions as are afforded under title 5, United States Code, to Federal employees in the competitive service;

H.R. 1403. An act to designate the U.S. Post Office Building located in St. Charles, IL, as the "John E. Grotberg Post Office Building;" and

H.R. 1444. An act to amend titles XI, XVIII, and XIX of the Social Security Act to protect beneficiaries under the health care programs of that act from unfit health care practitioners, and otherwise to improve the antifraud provisions relating to those programs.

ADJOURNMENT

Mr. FIELDS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 19 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, August 5, 1987, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1900. A letter from the Secretary of Education, transmitting notification of final annual funding priority—Educational Media Research, Production, Distribution, and Training Program, pursuant to 20 U.S.C. 1232(d)(i); to the Committee on Education and Labor.

1901. A letter from the Secretary of Education, transmitting, a draft of proposed legislation to amend the Higher Education Act of 1965, to enhance the equity and effectiveness of Federal programs in support of higher education, to restore the role of the family in financing a student's postsecondary education, to expand and improve the Income Contingent Loan Program, to provide the broadest possible access to student assistance by eliminating restrictions on the availability of supplemental loans for students and PLUS loans, to focus student assistance on the neediest students, to reduce waste and abuse, and for other purposes; to the Committee on Education and Labor.

1902. A letter from the Director, Office of Management and Budget, transmitting a draft of proposed legislation to amend the Anti-Drug Abuse Act of 1986 to permit certain participants in the White House Conference for a Drug Free America to be allowed travel expenses, and for other purposes; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. Supplemental report on H.R. 1632 (Rept. No. 100-163, Pt. 2). Ordered to be printed.

Mr. DINGELL: Committee on Energy and Commerce. H.R. 1871. A bill to amend the Developmental Disabilities Assistance and Bill of Rights Act to extend the programs established in such act, and for other purposes; with an amendment (Rept. No. 100-265). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROE: Committee on Science, Space, and Technology. H.R. 2916. a bill to amend the act of March 3, 1901, and the Stevenson-Wydler Technology Innovation Act of 1980 to further U.S. technological leadership, and for other purposes; with an amendment (Rept. No. 100-266). Referred to the Committee of the Whole House on the State of the Union.

Mr. DINGELL: Committee on Energy and Commerce. H.R. 2372. A bill to exempt natural gas liquids from the minimum price requirement for the naval petroleum reserves (Rept. 100-267, Pt. 1). Ordered to be printed.

Mr. FROST: Committee on Rules. House Resolution 241. Resolution providing for the consideration of H.R. 2686, a bill to amend the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965 (Rept. 100-268). Referred to the House Calendar.

Mr. HOWARD: Committee on Public Works and Transportation. H.R. 2655. A bill to designate the Federal Building located at 330 Independence Avenue SW, Washington, District of Columbia, as the "Wilbur J. Cohen Federal Building" (Rept. 100-269). Referred to the House Calendar.

Mr. HOWARD: Committee on Public Works and Transportation. House Concurrent Resolution 161. Resolution authorizing a public ceremony on the East Lawn of the Capitol in honor of the Bicentennial of the United States Constitution (Rept. 100-270). Referred to the House Calendar.

Mr. HOWARD: Committee on Public Works and Transportation. H.R. 3085. A bill to amend the Water Resources Development Act of 1986 relating to the level of flood protection provided by the flood control project for Lock Haven, PA. (Rept. 100-272). Referred to the Committee of the Whole House on the State of the Union.

Mr. LAFALCE: Committee on Small Business. A report on the Implementation of the Regulatory Flexibility Act—a 5 year Report (Rept. 100-273). Referred to the Committee of the Whole House on the State of the Union.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. DINGELL: Committee on Energy and Commerce. H.R. 2897. A bill to amend the Federal Trade Commission Act to extend the authorization of appropriations in such act, and for other purposes; with an amendment; referred to the Committee on Public Works and Transportation for a period ending not later than September 25, 1987, for consideration of such provisions of title II of the amendment as fall within the jurisdiction of that committee pursuant to clause 1(p), rule X (Rept. 100-271, Pt. 1). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DAUB:

H.R. 3083. A bill to establish limitations and procedures in Federal tort claims cases; to the Committee on the Judiciary.

By Mr. SAVAGE (for himself and Ms. Oakar):

H.R. 3084. A bill to amend the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965; jointly, to the Committees on Public Works and Transportation and Banking, Finance and Urban Affairs.

By Mr. CLINGER:

H.R. 3085. A bill to amend the Water Resources Development Act of 1986 relating to the level of flood protection provided by the flood control project for Lock Haven, PA; to the Committee on Public Works and Transportation.

By Mr. BROOKS:

H.R. 3086. A bill to amend title I of the Employee Retirement Income Security Act of 1974 to apply to welfare plans restrictions which currently apply to pension plans preventing cutbacks in benefits upon a merger or consolidation of plans or transfers of assets or liabilities between plans; to the Committee on Education and Labor.

By Mr. BROWN of Colorado:

H.R. 3087. A bill to authorize the Secretary of Agriculture to provide facilities and equipment for additional storage space and laboratories at the National Seed Storage Laboratory at Fort Collins, CO; to the Committee on Agriculture.

By Mrs. BYRON:

H.R. 3088. A bill to amend title 10, United States Code, to provide catastrophic loss protection for dependents of active-duty members of the Armed Forces under the Civilian Health and Medical Program of the uniformed services; to the Committee on Armed Services.

By Mr. CONYERS:

H.R. 3089. A bill to amend chapter 1 of title 1, United States Code, to include in the definition of fraud for the purpose of Federal laws frauds involving intangible rights; to the Committee on the Judiciary.

By Mr. DORGAN of North Dakota:

H.R. 3090. A bill to amend the Clayton Act to limit mergers; to the Committee on the Judiciary.

By Mr. DORNAN of California:

H.R. 3091. A bill to amend the Internal Revenue Code of 1954 to regulate and limit collection procedures of the Internal Revenue Service in order to provide protection of taxpayer civil rights, and for other purposes; to the Committee on Ways and Means.

By Mr. ENGLISH (for himself and Mr. Kleczka):

H.R. 3092. A bill to establish a commission to investigate allegations of censorship in the editorial operations of certain newspapers published by the Department of Defense; to the Committee on Armed Services.

By Mr. GLICKMAN (for himself, Mr. English, and Mr. Roberts):

H.R. 3093. A bill to expand and improve the optional acreage diversion program for the 1988 crop of wheat; to the Committee on Agriculture.

By Mr. GREEN:

H.R. 3094. A bill to authorize the Administrator of the Environmental Protection Agency to establish an industrial assistance program for reducing the generation of all environmental pollutants and hazardous waste at their source, to assist States in establishing waste reduction programs, to establish an Office of Waste Reduction, and for other purposes; jointly, to the Committee on Energy and Commerce and Science, Space, and Technology.

By Mr. KEMP (for himself, Mr. Roth, Mr. DeLay, Mr. Boulter, Mr. Hyde, Mr. Lungren, Mr. Smith of New Hampshire, Mr. Gingrich, Mr. Wolf, and Mr. Hiler):

H.R. 3095. A bill to amend the Export Administration Act of 1979 and the Federal Deposit Insurance Act to authorize controls on the export of capital from the United States, to control exports supporting terrorism, to prohibit ownership of U.S. banks by controlled countries, and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs and Foreign Affairs.

By Mr. SIKORSKI:

H.R. 3096. A bill to establish a commission to study Federal voluntary service opportunities for young people; jointly, to the Committees on Post Office and Civil Service and Education and Labor.

By Mr. WAXMAN:

H.R. 3097. A bill to amend the Public Health Service Act to revise and extend the program of assistance to organ procurement organizations, and for other purposes; to the Committee on Energy and Commerce.

By Mr. BATES (for himself, Mr. Vento, Mr. Sabo, Mr. Obey, Mr. Moody, Mr. Aspin, Mr. Hughes, Mr. Dorgan of North Dakota, Mr. Frenzel, Mr. Oberstar, Mr. Sikorski, Mr. Coelho, and Mr. Gunderson):

H.J. Res. 347. Joint resolution recognizing the identical plaques initiated by Sami Bandak, created by Margareta Hennix and Ginvanni Bizzini, and depicting the *Calmare Nyckel*, the ship that brought the first Swedish settlers to North America, as significant symbols of the "Year of New Sweden;" and providing for the placement of one of such plaques at Fort Christiana in the State of Delaware; to the Committee on Post Office and Civil Service.

By Mr. BROWN of Colorado (for himself, Mr. Campbell, Mr. Blaz, Mr. Rodino, Mr. Henry, Mr. Davis of Illinois, Mr. Lantos, Mr. Horton, Mr. Savage, Mr. Yatron, Mr. Mfume, Mr. Daub, Mr. Hayes of Illinois, Mr. Wortley, Mrs. Morella, Mr. Fish, Mr. Conyers, Mr. Vento, Mr. Dellums, Mrs. Patterson, Mr. Neal, Mr. Sisisky, Mr. Solarz, Mr. Skaggs, Mr. Frenzel, Mr. Beilenson, Mr. Nichols, Mr. Lagomarsino, Mr. Boner of Tennessee, and Mr. Bevill):

H.J. Res. 348. Joint resolution designating the week of September 11 through September 18, 1987, as "National Week for Worldwide Conservation"; to the Committee on Post Office and Civil Service.

By Mrs. BENTLEY (for herself, Mr. Gallo, and Mr. Lightfoot):

H. Con. Res. 172. Concurrent resolution expressing the sense of the Congress with respect to human rights in Poland; to the Committee on Foreign Affairs.

By Mr. DioGUARDI:

H. Res. 242. Resolution concerning the reunification of Ireland; to the Committee on Foreign Affairs.

By Mr. LAGOMARSINO:

H. Res. 243. Resolution expressing the sense of the House of Representatives on the occasion of the 25th anniversary of the independence of Jamaica; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CARPER:

H.R. 3098. A bill for the relief of Mie Mie Joe; to the Committee on the Judiciary.

By Mr. DORGAN of North Dakota:

H.R. 3099. A bill for the relief of the city of Minot, ND; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 66: Mr. Fascell and Mr. Chappell.

H.R. 74: Mr. Shaw.

H.R. 190: Mr. Wolf, Mr. Bliley, Mr. Lagomarsino, Mr. Towns, Mr. Ackerman, Mrs. Patterson, Mr. Lehman of Florida, Mr. Bilbray, Mr. Atkins, Mr. DeLay, Mr. Skeen, Mr. Owens of New York, Mr. Lancaster, and Mr. Brown of California.

H.R. 260: Mr. Weiss.

H.R. 371: Mr. Clarke and Mr. Kostmayer.

H.R. 378: Mr. Dixon.

H.R. 578: Mr. Applegate.

H.R. 792: Mr. Tauke and Mr. Broomfield.

H.R. 911: Mr. Bereuter, Mr. Spratt, Mr. Lott, Mr. Harris, and Mr. Dyson.

H.R. 958: Mr. Rhodes, Mr. Wilson, Mr. Stump, and Mr. McCollum.

H.R. 1036: Mr. Kildee.

H.R. 1054: Mr. Nielson of Utah and Mr. Feighan.

H.R. 1115: Mr. Kolbe, Mr. Bereuter, Mr. Lipinski, Mr. Denny Smith, Mr. Goodling, and Mr. Shaw.

H.R. 1119: Mr. Dixon.

H.R. 1242: Mr. Sabo.

H.R. 1332: Mr. Rogers, Mr. Buechner, Mr. Edwards of Oklahoma, Mr. Moorhead, and Mr. Young of Florida.

H.R. 1334: Mr. Rogers.

H.R. 1342: Mr. Weiss.

H.R. 1395: Mr. Lewis of Georgia, Mr. Gray of Illinois, Mr. Savage, Mr. Wilson, Mr. Solarz, and Mr. Borski.

H.R. 1512: Mr. Studds, Mr. Miller of Washington, Mrs. Kennelly, Mr. Dymally, and Mr. Mfume.

H.R. 1634: Mr. Lantos.

H.R. 1707: Mr. Gephardt and Mr. Packard.

H.R. 1754: Mr. McMillan of North Carolina.

H.R. 1800: Mr. Durbin, Mr. Gray of Illinois, Mr. Watkins.

H.R. 1857: Mr. Vento.

H.R. 1879: Mr. Perkins, Mr. Kolter, Mr. Rahall, and Mr. Traficant.

H.R. 2148: Mr. Sikorski and Mr. Walgren.

H.R. 2165: Mr. Howard, Mr. Neal, Mr. Stokes, Mr. Bustamante, Mr. Mfume, and Mr. Bonker.

H.R. 2371: Mr. Pickett.

H.R. 2429: Mr. Solomon.

H.R. 2434: Mr. Panetta.

H.R. 2454: Mr. Flake and Mr. Mavroules.

H.R. 2482: Mr. Fish.

H.R. 2497: Mr. Donnelly.

H.R. 2498: Mr. Donnelly.

H.R. 2517: Mr. Lipinski and Mr. Jontz.

H.R. 2586: Mr. Fascell, Mr. Hyde, Mr. Grant, Mr. Lott, Mr. Swindall, Mrs. Lloyd, Mr. Lewis of Georgia, Mr. Boner of Tennessee, Mr. Horton, Mr. Daniel, Mr. Gordon, Mr. Lehman of Florida, Mr. Sawyer, Mr. Johnson of South Dakota, Mr. Callahan, Mr. Slaughter of Virginia, Mr. Boehlert, Mr. Thomas of Georgia, Mr. Scheuer, Mr. Ford of Tennessee, Mr. Mfume, Mr. Solarz, Mr. DioGuardi, Mr. Price of Illinois, Mr. Hubbard, Mr. Mazzoli, Mr. Darden, Mr. Frank, Mr. Torres, Mr. Gekas, Mr. Crockett, and Mrs. Johnson of Connecticut.

H.R. 2609: Mr. Dreier of California, Mr. Morrison of Connecticut, Mr. Hoyer, and Mr. Bilirakis.

H.R. 2626: Mr. Owens of New York, Mrs. Kennelly, and Mr. Espy.

H.R. 2655: Mr. Fauntroy.

H.R. 2697: Mr. Grant, Mr. Penny, and Mr. Ireland.

H.R. 2717: Mr. Markey, Mr. Stark, and Mrs. Schroeder.

H.R. 2732: Mr. Leland, Mr. Mfume, Mr. Stokes, Mr. Levin of Michigan, Mr. Ford of Tennessee, Mr. Levine of California, Mr. Mineta, Mr. Dwyer of New Jersey, and Mr. Howard.

H.R. 2743: Mr. Flake, Mr. Price of Illinois, Mr. Gekas, and Mr. Lancaster.

H.R. 2762: Mr. Borski, Mr. Biaggi, Mr. Florio, Mr. Frank, Mr. Kildee, Mr. Savage, Mr. Vento, Mr. Solarz, Mr. Traficant, Mr. Wise, Mr. Gray of Illinois, Mr. Rodino, Mr. Traxler, Mr. Owens of New York, Mr. Hayes of Illinois, Mr. Jones of North Carolina, Mr. Harris, Mr. Dymally, Ms. Oakar, Mr. St Germain, Mr. Weiss, Mr. Hertel, Mr. Brown of California, Mr. Yates, Ms. Pelosi, Mr. Dellums, Mr. Lewis of Georgia, Mr. Kastenmeier, Mr. Howard, Ms. Kaptur, Mr. Lehman of Florida, Mr. Price of Illinois, Mr. Sabo, Mr. Clay, Mr. DeFazio, Mr. Ackerman, Mr. Gephardt, Mr. Gilman, Mr. Bonior of Michigan, Mr. Foglietta, Mr. Yatron, Mrs. Collins, Mr. Eckart, Mr. Annunzio, Mr. Wilson, Mr. Rahall, Mr. Towns, Mr. Bilbray, Mr. Ford of Michigan, Mr. Mavroules, Mr. Kennedy, Mr. Crockett, Mr. de Lugo, Mr. Staggers, Mr. Mfume, Mr. Ford of Tennessee, Mr. Edwards of California, Mrs. Johnson of Connecticut, Mr. Garcia, Mr. Coyne, and Mr. Cardin.

H.R. 2787: Mr. Lipinski and Mr. Jontz.

H.R. 2792: Mr. Johnson of South Dakota.

H.R. 2859: Mr. Valentine and Mr. DeFazio.

H.R. 2831: Mr. Synar and Mr. Leland.

H.R. 2837: Mr. Frank, Mr. Conyers, and Mrs. Bentley.

H.R. 2916: Mr. Lujan, Mr. Ritter, Mr. Torricelli, Mr. Buechner, Mr. Nowak, Mr. McMillen of Maryland, and Mr. Hayes of Louisiana.

H.R. 2969: Mr. Regula, Mr. Davis of Illinois, and Mr. Fascell.

H.R. 2972: Mr. Hunter, Mr. Stokes, Mr. Rose, Mr. McEwen, Mr. Ortiz, Mr. Pepper, Mr. Leland, Mr. Martinez, Mr. Dwyer of New Jersey, and Mr. Roybal.

H.R. 2999: Mr. Atkins and Mr. Scheuer.

H.R. 3025: Mr. Murphy.

H.R. 3039: Mr. Clay and Mr. Swift.

H.J. Res. 34: Mr. Broomfield, Mr. Flippo, Mr. Burton of Indiana, Mr. Horton, Ms. Oakar, Mr. Rinaldo, Mr. Henry, Mr. Fuster, Mr. Hayes of Illinois, Mr. Jacobs, Mr. Matsui, Mr. Fazio, Mr. Bryant, Mr. Traxler, Mr. Espy, Mr. Ortiz, Mr. Dymally, Mr. Martin of New York, Mr. Murphy, Mr. Lagomarsino, Mr. Martinez, Mr. Darden, Mr. Livingston, Mr. Hatcher, Mr. Lipinski, Mr. Coats, Mr. Moorhead, Mr. Jenkins, Mr. McGrath, Mr. Hutto, Mr. Dwyer of New Jersey, Mr. Nielson of Utah, Mr. Sikorski, Mr. Schuette, Mr. Daub, Mrs. Boxer, Mr. Wylie, Mr. Wolf, Mr. Owens of Utah, Mr. Grant, Mr. Huckaby, Mr. Gray, of Illinois, Mr. Roe, Mr. Towns, Mr. Hastert, Mr. Erdreich, Mr. Traficant, Mr. Feighan, Mr. Panetta, Mr. Whittaker, Mr. Harris, Mr. Bevill, Mr. Dornan of California, Mr. Rahall, Mr. McHugh, Mr. DeWine, Mr. Sunia, Mr. Fish, Mr. Hammerschmidt, Mr. Montgomery, Mr. Dyson, Mr. Howard, Mr. Wortley, Mr. Fields, Mr. Young of Florida, Mr. Fauntroy, Mr. Shumway, Mr. Lungren, Mr. Hughes, Mr. Crockett, Mr. Holloway, Mr. Bliley, Mr. Conyers, Mr. Kostmayer, Mr. Anderson, Mr. Annunzio, Mr. Valentine, Mr. Nichols, Mr. Kolter, Mr. Mfume, Mr. Spence, Mr. Gradison, Mr. Scheuer, Mr. Whitten, Mr. Volkmer, Mr. Regula, Mr. Packard, Mr. Conte, Mr. Campbell, Mr. Coleman of Missouri, Mr. Boner of Tennsesee, Mr. Kasich, Mr. Buechner, Mr. Frenzel, Mr. Garcia, and Mr. de Lugo.

H.J. Res. 92: Mrs. Bentley, Mr. Bilirakis, Mr. Borski, Mrs. Boxer, Mr. Campbell, Mr. Chandler, Mr. Conyers, Mr. Davis of Illinois, Mr. de Lugo, Mr. Dwyer of New Jersey, Mr. Frost, Mr. Gilman, Mr. Hall of Texas, Mr. Hertel, Mr. Hochbrueckner, Mr. Hoyer, Mrs. Johnson of Connecticut, Mr. Kennedy, Mrs. Kennelly, Mrs. Meyers of Kansas, Mr. Miller of Washington, Mr. Nielson of Utah, Mr. Packard, Mr. Parris, Mr. Pickle, Mr. Porter, Mr. Rhodes, Mr. Richardson, Mr. Roberts, Mr. Rodino, Mr. Savage, Mr. Schaefer, Mr. Sundquist, Mr. Walgren, Mr. Weldon, Mr. Whittaker, Mr. Wyden, and Mr. Young of Alaska.

H.J. Res. 180: Mr. Frank, Mr. Kildee, Mr. Synar, Mr. Harris, Mr. Dowdy of Mississippi, Mr. Campbell, Mr. Guarini, Mr. Tallon, Mr. Tauzin, Mr. Thomas of Georgia, Mr. Torricelli, Mr. Roe, Mr. Whitten, Mr. AuCoin, Mr. Hefner, Mr. Stallings, Mr. Cardin, Mr. Hayes of Louisiana, Mr. Gephardt, Ms. Pelosi, Mr. Savage, Mr. Sawyer, Mr. Jones of Tennessee, Mr. Hutto, Mr. Sabo, Mr. Stratton, Mr. Hubbard, Mr. Oxley, Mr. Hertel, and Mr. Panetta.

H.J. Res. 198: Mr. Shumway, Mr. Moorhead, Mr. Shaw, Mr. Buechner, Mrs. Vucanovich, Mr. Gekas, Mr. Courter, and Mr. Nielson of Utah.

H.J. Res. 231: Mr. Brown of Colorado, Mr. Cheney, Mr. Clinger, Mr. Coughlin, Mr. Grandy, and Mr. Porter.

H.J. Res. 240: Mr. Stokes, Mr. Lungren, and Mr. Volkmer.

H.J. Res. 255: Mr. Whitten, Mr. Tauke, Mr. Solomon, Mr. Bustamante, Mr. Bennett, Mr. Davis of Illinois, Mr. Flake, Mr. Gray of Pennsylvania, Mr. Frank, Mr. Mineta, Mr. Nichols, Ms. Oakar, Mr. Ray, and Mr. Weiss.

H.J. Res. 268: Mr. Lantos, Mr. Martinez, Mr. Thomas A. Luken, Mr. Ireland, and Mrs. Saiki.

H.J. Res. 272: Mr. Ackerman, Mr. de Lugo, Mr. Pickett, Mr. Bryant, and Mr. Weiss.

H.J. Res. 313: Mr. Gilman and Mr. Sikorski.

H.J. Res. 343: Mr. Bliley, Mr. Traxler, Mr. Livingston, Mr. Wolf, Mr. Gordon, Mr. Daniel, Mr. Slattery, Mr. Dornan of California, Mr. Horton, Mr. Gray of Illinois, Mr. Lantos, Mr. Pashayan, Mr. Erdreich, Mr. Bateman, Mrs. Boxer, Mr. Yatron, Mr. Atkins, Mr. Oxley, Mrs. Bentley, Mr. Sikorski, Mr. Ritter, Mr. McCollum, Mr. Conyers, Mr. Gingrich, Mr. Akaka, Mr. Stark, Mr. Chappell, Mr. Kasich, Mr. Bevill, Mr. Lujan, Mr. Thomas of Georgia, Mr. Packard, Mr. Lancaster, Mr. Walgren, and Mr. Lagomarsino.

H. Con. Res. 66: Mr. Biaggi.

H. Con. Res. 68: Mr. Beilenson, Mr. Bilirakis, Mr. Clinger, Mr. DeLay, Mr. Dellums, Mr. de Lugo, Mr. Donnelly, Mr. Flake, Mr. Foglietta, Mr. Hefley, Mr. Holloway, Ms. Kaptur, Mr. Lungren, Mrs. Morella, Mr. Morrison of Connecticut, Mr. Nielson of Utah, Mr. Oberstar, Mr. Stark, and Mr. Stratton.

H. Con. Res. 138: Mr. Lancaster and Mr. Levine of California.

H. Res. 188: Mr. Bates, Mr. Penny, Mr. DeLay, and Mr. Parris.

H. Res. 229: Mr. Holloway, Mr. Davis of Illinois, and Mrs. Johnson of Connecticut.

EXTENSIONS OF REMARKS

DETROIT'S SPARKY ANDERSON—HE'S JUST GETTING WARMED UP

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. PURSELL. Mr. Speaker, triumphant World Series pennants from 1935, 1945, 1968, and 1984 fly over Detroit's Tiger Stadium reminding fans of yesterday's Detroit Tiger conquests. But this summer, Tiger fans aren't dwelling on days gone by.

Under the direction of Manager Sparky Anderson, the Tigers are defying the dismal predictions of preseason critics and making the American League Eastern Division race one of the hottest in baseball.

After an abysmal start, Anderson's Tigers have muscled their way into contention going 34-18 in June and July. They are locked in a close, heated battle for first, with Toronto and New York, that may not be decided until the last out of the regular season.

Much credit for this comeback can be given to Sparky Anderson. He has masterfully meshed promising rookies like Matt Nokes, Jeff Robinson, and Mike Henneman with perennial Tiger stars like Jack Morris, Alan Trammell, and Lou Whitaker to make this club a contender and give it a sense of energy and excitement all its own.

Through his 17 major league seasons with Detroit and Cincinnati, Anderson has come to embody the belief that to persist is to triumph. His youthful exuberance, at age 53, is exemplified by his inability to give anything his undivided neglect.

Mr. Speaker, I would like to take this opportunity to share a charming article on Sparky Anderson by Richard Justice of the Washington Post. Justice paints a clear picture of the kind of man Sparky is—warm, funny, competitive, a winner. I urge my colleagues in the House, many of whom are also devoted baseball fans, to read it.

With Sparky Anderson at the helm, Tiger fans aren't dwelling on old championship pennants—they're dreaming of new ones.

[From the Washington Post, July 28, 1987]

DETROIT'S SPARKY ANDERSON—HE'S JUST GETTING WARMED UP

(By Richard Justice)

DETROIT.—Three years ago, Sparky Anderson was talking about retirement, about going back to his home in Thousand Oaks, Calif., working in his garden and staying close to baseball only through television and occasional trips to Dodger Stadium.

Why not? He'd spent 31 years in a uniform, and after the sting and embarrassment of being fired by the Cincinnati Reds eight years earlier, his 1984 Detroit Tigers were about "to take that monkey off my back" with a World Series championship.

He said, too, that 1984 "was my worst year personally. I knew we had a chance to win it all, and I became obsessed by it. I felt every loss was on me. We'd lose a game and I'd sit in the office and stare at the wall. One of the coaches would come in and say, 'Let's go have dinner.' I wouldn't go. I thought because we lost I couldn't even go eat.

"That goes back to what happened in Cincinnati. I've got as big an ego as the next guy and felt I just had to win it with another team. You win it in one place and maybe you'll get some credit. You win it in two places and it's yours, baby. But it was tough, and I remember telling Carol, 'If we win this thing, that may have to be it.' "

His wife advised him to wait a bit before announcing anything, and when he did he came back to her with some less-than-stunning news: He didn't want to quit.

"I don't think I ever will," he said. "But I did promise myself that nothing would ever eat at me like that season did. But, in the end, I didn't want to quit. This is my life. Now, they may call and tell me to go home tomorrow. Fine, let them do that. But quit? No."

So let's hit the fast-forward button to a clear summer afternoon in 1987, and Sparky Anderson hasn't yet retired. He's still the manager of the Detroit Tigers and, as he sits in a small neat office at Tiger Stadium before the all-star break, he's drinking coffee, tapping some sweetsmelling tobacco into his pipe and considering John McGraw and 2,840 victories as a manager.

"Connie Mack has [3,776]," Anderson said, "and that's out of reach. But McGraw . . . 2,800. That's possible. You know what I'd really like to do is win 3,000 games. That's a goal of mine."

He has figured all of this before and does so again. He began this season with 1,513 victories and, if he wins 95 this season, would need 16 more 87-victory seasons to reach 3,000.

A conservative man, he said, "You're looking at 17 seasons."

Are you looking at 17 more seasons?

He smiles.

"That's my goal."

These are the best of times for silver-haired George Lee Anderson, the times when he can remind people that only 11 men ever have managed teams to more major league victories and that there may be many more to come.

He has survived a game in which the burnout and firing index is high and, at 53, not only seems eager to get to the park "by 2 p.m. at least," but perfectly comfortable being one of baseball's few still-active living legends.

"It ain't the money," he said. "I don't spend much money, and what I have never changed me, anyway. I was raised in a poor family and was 35 before I made $30,000. My life style is about what it always was."

He lives in the same Thousand Oaks home he and the former Carol Valle bought in 1966 "because we couldn't afford anything in the [San Fernando] Valley." He drives a midsized American-made car, and his hobbies consist mostly of late-night television and early-morning walks.

A conversation with him is still a romp through anecdotes, philosophies, double negatives and misplaced metaphors. If he isn't yet Casey Stengel, he's at least close, particularly the moment last year when he said shortstop Alan Trammell would have to play through a shoulder problem because, "Pain don't hurt."

He admits that, yes, he sometimes gets a little too excited about games or players, such as the time two years ago when he abruptly moved all-star second baseman Lou Whitaker to third because rookie second baseman Chris Pittaro "is the best prospect I've ever seen." A couple of days later, after Pittaro began to look like something less than the next Jackie Robinson, Whitaker, was quietly moved back to second and Pittaro eventually was traded.

"The worst mistake I ever made," he now says.

And there was the time in 1979 when he moved reliable starter Milt Wilcox to the bullpen, explaining that, "We're going to build this team around [Steve] Baker."

Wilcox asked, "Baker? You mean the one that's here now?" That plan eventually was scrapped, too.

He admits to all of it, to wanting to make stars of Pittaro, Rod Allen, Rustry Kuntz and Howard Johnson before their times.

"I am," he said, "observed with youth a little bit."

But if he does get carried away now and then, he has at least retained his enthusiasm, his love of the game and his ability to perserve where others have grown tired, bored and cynical.

"Yeah, I don't let it bother me like I used to," he said.

"We lose, 10-0, and people say, "What are you going to do?" Well, what do you think? We're going to come back tomorrow and try again. Now, don't get me wrong. I do get upset. There's always going to be some idot [player] walking through that door trying to ruin your day."

He can laugh at all of it now, the firing by the Cincinnait Reds after winning five division championships in nine seasons, the grueling wire-to-wire lead of the 1984 Tigers and the image of Sparky Anderson.

He once saw a reporter leaving one of his news conferences early and yelled, "Don't leave yet. I'm just starting to sling it."

He has a large picture of his granddaughter on his desk, and above his right shoulder another photo with the words, "Wanted for stealing pacifiers."

Next to it is a motto that reads: "Each 24 hours the world turns over on someone who is sitting on top ot it."

At the moment, it doesn't appear the world is about to turn over on Sparky Anderson. Since winning that '84 World Series, his Detroit teams have had seasons of 84-77 and 87-75.

This year, picked by many to finish in the bottom half of the American League East, the Tigers are on a pace to win 96 games. It was Anderson who helped introduce players such as Lou Whitaker, Lance Parrish, Alan Trammell and Jack Morris to the big leagues in the late '70s, and this year's Tigers include members of another genera-

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

tion, one that will include catcher Matt Nokes and pitchers Jeff Robinson and Mike Henneman.

"I love this team," he said. "I love kids. We don't know how good we're going to be, but it might be better than people think. I wouldn't count us out yet. These kids are hungry, and they haven't been tarnished like some veterans. They want to learn. I'll tell you, I love having kids because, if you raise 'em right, they won't go bad on you. It goes back to the way you talk to 'em and treat 'em. If you see 'em starting to change, you get to 'em right away."

He called a Tigers-Reds exhibition game in 1986 and a conversation he had with Dave Concepcion, who had recently criticized Reds Manager Pete Rose for not playing him.

Yet the people who know him best aren't sure why he has succeeded. They say that, as far as strategy goes, he's something less than Gene Mauch. As a friend of the working player, he's not Lou Piniella or Roger Craig. And certainly players don't fear him as, say, the Seattle Mariners fear Dick Williams.

What then?

"I think his strongest point is that he gets together a group of people that get along," first baseman Darrell Evans said. "In the four years I've been here, that's the thing I've noticed. He'll scream occasionally, but not that often. I think his only rule is that he wants us to be on time."

Trammell added, "He's calmed down quite a bit since 1984, but don't let him kid you. The game is still his life. The big thing is that he's a good evaluator of talent. He assembles a team, then doesn't mess it up."

Another of his strengths is flexibility. He broke in just as the game was changing from total control by management to the players' union having more and more of a say. He leaves no doubt he's glad to see the power shifting back to management, but adds:

"There are a lot of things a million-dollar contract isn't going to change. They are still young guys searching for something. You see a guy go bad and it's just like he was a little boy again. Basically, you have to know these are good people. You have a few jerks, but those only mess up your day every once in a while. But think about it: How would the guy on the street react if he was given so much money at an early age? I think I wouldn't have been able to keep my senses, and I think it hurts the players. The one-year contract drives them, and I'm glad we're getting back to that.

"Some guys are still driven. I leave here late every night and guys like Evans and Trammell are still here talking the game. You have a lot of guys who can't wait to get out of here because they've got to go see their agent or their financial adviser or do a deal. That's what has changed. Players used to be clannish, have barbecues at each other's house and all that. Now, one lives in a $600,000 house over here and another over there."

He says now he can even enjoy the travel. "Let me tell you about our trip to Baltimore," he said. "I love that Inner Harbor and, on our day off, I went over there and walked around and drank a beer. That night, I went back for dinner and ended up in Little Italy. Ain't that a great city? I love just sitting there watching people, talking to people, I love every city we visit: Kansas City, Oakland, Seattle, you name it."

A simple man who brags that he's "never read a book, for instance," he has become a creature of habit, especially after games. He says he has probably had 25 postgame beers in his 18 seasons as manager, but that he's addicted to coffee and, recently, "ESPN and CNN. It's great because I never used to enjoy that stuff. I couldn't escape the game, but that has all changed."

He says he has even started enjoying the winters and that he and Carol spend a couple of days a week in Santa Barbara, Calif., "where no one has the phone number except the kids." And this winter, they're taking a cruise to Venezuela, and then spending a week at Disney World's Epcot Center with their granddaughter.

"It's like a whole new world for me," he said. "But I think I've finally learned how to enjoy myself."

ANDERSON'S RECORD

Year	Games	Won	Lost	Percent
Cincinnati:				
1970	162	102	60	.630
1971	162	79	83	.488
1972	154	95	59	.617
1973	162	99	63	.611
1974	162	98	64	.605
1975	162	108	54	.667
1976	162	102	60	.630
1977	162	88	74	.543
1978	161	92	69	.571
Detroit:				
1979	106	56	50	.528
1980	163	84	78	.519
1981	109	60	49	.550
1982	162	83	79	.512
1983	162	92	70	.568
1984	162	104	58	.642
1985	161	84	77	.522
1986	162	87	75	.537
1987	95	57	39	.594
Total	2,731	1,570	1,161	575

IS ERICH HONECKER A MURDERER?

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. MICHEL. Mr. Speaker, Erich Honecker, president of East Germany's State Council, and chief of the East German Communist Party, will visit West Germany in September. It should be recalled that the party headed by Mr. Honecker has for many years ordered that anyone attempting to escape from East Germany is to be shot. Despite this, thousands have tried to flee, some successfully.

The language of diplomacy, one part civility and one part hypocrisy, forbids us from using the blunt words usually applied to those who order the deaths of human beings for the supposed crime of wanting to live somewhere else. In fact, the language of diplomacy has deprived us of any moral vocabulary to describe, accurately and bluntly, the reality of Communist domination. We are left with innocuous phrases such as "our systems are different" and "we look at the world in different ways" and other such meaningless words that disguise the fact the Communists claim a total and unchallengable right to rule because Marxists-Leninists alone know the secrets of history through what they believe are scientific means.

This means that Communist parties, in nations where Communists rule, are not one among many or first among equals but, instead total masters of the destiny of those they rule in the name of Marxism-Leninism, a a theory that is as despicable in practice as it is intellectually incoherent in theory.

The language of diplomacy has acted like a drug on the West, lulling us into a moral stupor from which we awake from time to time when Marxist-Leninist practice reminds us of what Marxist-Leninist theory really means. The Korean airliner's destruction—to use but one example—was horrible in and of itself—but the real horror was that such a brutal act can be traced, with iron logic, back to the Marxist-Leninist theory of total power. When President Reagan said the Soviet Union is "an evil empire," the outcry in the media and in certain political quarters was deafening. Yet no one bothered to ask the critics the essential question: With which word do you disagree, "evil" or "empire"?

It will be interesting to see how the visit of Mr. Honecker is treated in the world press. He will probably be greeted as a statesman who has the unfortunate, but understandable, little flaw of shooting innocent men, women, and children because they want to leave the country.

At this point I wish to insert in the RECORD, "West Germany Gets Ready To Welcome a Murderer," by Enno von Loewenstern, in the Wall Street Journal, July 29, 1987:

[From the Wall Street Journal, July 29, 1987]

WEST GERMANY GETS READY TO WELCOME A MURDERER

(By Enno von Loewenstern)

BONN.—The West German government has announced that the president of East Germany's state council, Erich Honecker, will pay a visit in September. This will be the first time that an East German chief of state enters West Germany. Mr. Honecker is also chief of the East German Communist Party. The Bonn government is immensely pleased with itself for having thus proved that the conservatives too can have good relations with the East. This explains why the West German government receives Mr. Honecker at all—why, in fact, it so desperately has striven to entertain the Soviet puppet who embodies East Germany's oppression.

How would Norway celebrate Quisling, were he still alive? West Germany, it seems, is different. The prevailing opinion in the West German press is that thou must not anger those who control the roads to Berlin and the destinies of 17 million Germans behind the Iron Curtain, that "dialogue" is good for its own sake, and that the Western politician who gets the most attention from communist dictators is best for peace and should get the most votes.

There used to be a time when West German politicians would say: If Mr. Honecker comes, he will "have to bring something substantial along." Some even would demand that he rescind the Schiessbefehl, the order to shoot all East Germans who try to escape to the West. But the things that Mr. Honecker now is expected to "bring along" could have been settled at a lower level—agreements on ecological questions or cultural exchange or the like. West Germany is to pay for the cleaning up of East German rivers, which will benefit West Germans since socialist dirt is flowing westward.

There is hope that Mr. Honecker will widen the "family visits" program so that East Germans who have no relatives in the

West may take trips to briefly sniff the air of freedom (under current rules East Germans traveling to West Germany to see close relatives for three to 10 days leave their own families in East Germany as hostages). But East Germans first would have to find somebody to invite them and pay the bill, as East Germany just has cut down foreign exchange for travelers to the West; each traveler gets only 15 West German marks (a little more than $8) for the entire trip.

Mr. Honecker did announce an "amnesty." How many of the estimated 4,500 political prisoners in East Germany will benefit no one knows, since details will not be announced until September or October when Mr. Honecker is safely back in East Germany. He also announced abolition of the death penalty. But he stopped short of declaring that the death penalty for refugees, the Schiessbefehl, would be abolished or that the Berlin Wall would be torn down.

Thus, instead of having to make significant concessions, Mr. Honecker forced them upon his too-willing hosts. The oppressor of 17 million Germans will be received in Bonn, the West German capital, with (almost) full honors befitting a chief of state. This will make it extremely difficult for the West German chancellor, when returning the visit, not to go to East Berlin, which the East German government calls its capital city. A West German chancellor or federal president visiting the East German chief of state there would go far to undercut the Berlin status, the foundation of West Berlin's freedom. When former Chancellor Helmut Schmidt, a Social Democrat, visited Mr. Honecker in 1980, they met in a lodge on Lake Werbellin, outside Berlin's borders. The conservative Christian Democrats seem to have become less careful.

Chancellor Helmut Kohl will not remove his sofa as he did before receiving President Pieter Botha of South Africa. The idea was that he didn't want to be seen sitting down with Mr. Botha, a symbol of apartheid. The fact that Mr. Honecker embodies apartheid in Germany is not to be considered. But there is an even more embarrassing aspect to the matter: Mr. Honecker is, of course, a murdered, and so are his associates. They personally are guilty of the shootings at the Wall and elsewhere. There is a prosecutor's office in Salzgitter that collects data on crimes committed against East Germans. By rights, Mr. Honecker should be arrested the instant he steps on West German soil.

To avoid this, West Germany passed a law in 1966 to offer amnesty to East German leaders should they visit the West: at the time an "exchange of speakers" was envisioned. The East Germans protested against what they curiously called the "handcuffs law"; it was the opposite. It was dropped before East German Prime Minister Willi Stoph visited West Germany in 1970. Later the Supreme Federal Court ruled that chiefs of state have immunity anyway. So Mr. Honecker cannot be arrested if during his visit somebody is shot at the Wall, but the soldier who fires at Mr. Honecker's order could be arrested and tried here.

Mr. Honecker comes nevertheless because he wishes to impress the East Germans with the respect West Germans pay him. He does not feel compelled to pay an entrance fee in humanitarian coin, for his are loftier aims: furthering the cause of peace. He actually appealed to Chancellor Kohl "in the name of the German people" not to block nuclear disarmament by demanding some nuclear protection against Soviet conventional superiority. The fact that French newspapers upon announcement of the visit promptly speculated whether it means that "Germany is drifting off to the East"—a subject dear to the French press and many French politicians—must gratify Mr. Honecker. The Kremlin marked the recent visit to Moscow by the president of West Germany, Richard von Weizsaecker, with solemn assurances that the Soviet Union of course does not aim to lure West Germany out of the North Atlantic Treaty Organization.

Tension in East Germany still is high, despite seeming normalcy. Several hundred thousand people openly demand permission to leave the "second German Republic" for good. Were they successful, innumerable others would seek to leave. People still risk their lives in spectacular escapes, climbing the Wall, braving mine fields on the borders elsewhere, sailing or even swimming the Baltic Sea, or hopping the Wall in flying machines. What if a refugee is shot at the Berlin Wall while Mr. Honecker steps on Bonn's red carpet? Or what happens if a new riot explodes such as the unrest of June 7 and 8, when thousands of young people were driven back from the Wall after they had pressed close to hear a David Bowie concert on the Western side?

There is even fear that many might descend simultaneously on the Wall, hoping that Mr. Honecker has ordered his border guards not to shoot during those three sensitive days. What if they do not shoot and there is a mass escape? What if they do shoot?

TIME TO RETHINK INDIAN AID

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. FIELDS. Mr. Speaker, several of our colleagues have recently been calling our attention to the cooperative efforts of India toward the Soviet Union and its client, the Sandinista regime in Nicaragua. The question has properly been posed as to why the American taxpayers should be sending aid to our sworn enemies through the guise of foreign assistance to India. Mr. Speaker, at a time when Congress is so heatedly debating the sending of funds to the Nicaraguan freedom fighters, it makes no sense to send United States wealth to India so that it can help fund the Sandinista Marxists.

Mr. Speaker, I offer for the RECORD a recent policy paper upon this subject for the serious consideration of my colleagues. We should all be grateful to the National Center for Public Policy Research, and others, for bringing this issue before the public.

GANDHI SENDS MILLIONS TO SANDINISTAS AS U.S. AID TO INDIA INCREASES

India's Prime Minister Rajiv Gandhi showed his true colors recently by pledging to give $10.4 million in financial assistance to the Sandinista regime—while many in his own country starve.

In light of the fact that Gandhi has expanded India's military and economic alliance with the Soviet Union, this assistance is not surprising. But what should concern Americans is that Gandhi's increasingly pro-Soviet stance and his generous aid to the Sandinistas comes at a time when the United States is dramatically increasing aid to India.

In response to reports of malnutrition and starvation in poverty-stricken India (1984 per capita income was only $240), Americans have dramatically increased aid to that nation in recent years. Since 1982, the United States has provided India with over $1 billion in economic and military aid, with well over two-thirds of this in the form of grants. Over the next four years, the U.S. will be giving an additional $600 million in direct aid to the Indian government.

In response to American generosity, Gandhi has shown his true sympathies by dedicating his nation to the Marxist-Leninist revolution in Nicaragua. During a recent visit to India by Sandinista dictator Daniel Ortega, Gandhi pledged $10.4 million of financial assistance to the Sandinista regime, and called Nicaragua's foreign policy of exporting violent revolution into Central American democracies a "positive response" to Central American difficulties. Oretega, for his part, announced that he values the "deep and abiding links" between India and Nicaragua. The brotherly alliance between the two leaders was quite evident. Ortega awarded Gandhi Nicaragua's highest award, the *Augusto Cesar Sandino Order,* making Gandhi the sixth leader to receive it. Fidel Castro was the first.

Congressman Dan Burton has criticized Gandhi's aid to Nicaragua, saying, "Should we give massive foreign aid to countries that aide enemies of our friends and the United States? Of course, the answer is 'no'. That is unthinkable. We are giving them $600 million, and they are taking our taxpayers' dollars and supporting a war against our friends down there."

Gandhi's announcement of the aid came only one day after the United States reiterated its accusation that Nicaragua was harboring terrorists. In fact, at the same time Ortega pinned the "Augusto Cesar Sandino Order" onto Gandhi the U.S. State Department was summoning Nicaragua's ambassador to formally accuse the Sandinista regime of planning attacks on American missions in South America.

This $10.4 million in aid is not poverty-stricken India's first gift to the Sandinistas. In the past India has provided medicines and thousands of tons of wheat to Nicaragua, has provided managerial, technical, and material assistance to the Sandinistas in a variety of industries, and expanded cultural exchanges. For example, an Indian economic and technical delegation was recently sent to Managua to identify areas of cooperation.

In a recent letter to the House of Representatives, Congressman Dan Burton, Bill Cobey and William Broomfield said, "We must realize that, by this action, India is now a direct sponsor of Nicaraguan terrorism in Central America. As such, we cannot define a difference between our giving aid to the Indian government and our giving aid to Nicaraguan Communists . . ."

Gandhi has clealy aligned himself with the anti-American, anti-democratic communist thugs in Nicaragua. But his fraternal ties to Marxist elements go much deeper. Since taking power in late 1984 upon the death of his mother, Prime Minister Indira Gandhi, Rajiv Gandhi has expanded India's continuing friendship with the Soviet Union.

During a recent visit by Soviet dictator Mikhail Gorbachev to New Delhi, Gandhi praised Gorbachev as "the great and dynamic leader of a great and friendly country." During talks with Gorbachev, Gandhi endorsed the Soviet view of United States' plans to defend itself with the Strategic Defense Initiative. Gorbachev's response was to pledge $1.7 billion in new credits to India for financing a hydroelectric complex and other industrial projects. At the same meeting, the two signed a "Delhi Declaration" which called for total nuclear disarmament by the year 2000. According to Newsweek (December 8, 1986), "Gandhi's effusive reception of Gorbachev made it clear that despite the recent warmth in U.S.-Indian relations, the Prime Minister is determined to hang on to his friends in the Kremlin."

India's ties to the Sovet Union are nothing new. Military, economic, and cultural ties have increased since the signing of a 1971 friendship treaty. India's military dependence upon the Kremlin is especially alarming. Over 80% of Indian weapons are Soviet-made or produced in India under Soviet license. Soviet MIG-21 and MIG-27 fighters and the advanced T-72 tank are manufactured in India, and India has ordered 40 new MIG-29 state-of-the-art warplanes from Moscow.

The Soviet propaganda network within India is quite extensive. In the Indian capital, New Delhi, at least 500 Soviet officials operate. The Soviet embassy produces 48 publications in twelve of the languages spoken in India, and three Soviet radio stations broadcast in eight of the Indian languages. Furthermore, in the last 20 years over 400 Soviet university textbooks have been published in India. Gandhi has even sent his own children to study in the Soviet Union.

According to The Economist, Gandhi's government bears a remarkable similarity to that of the Soviet Union. On January 31, 1987, The Economist said "For [Gandhi's] purposes India is, almost as badly as Russia, a one-party state. As in Russia, the party does not want to change the old ways, because the old ways give its members their sense of self-importance, and often put money in their pockets too."

During a 1985 two-day trip to Moscow, Gandhi received an extremely warm welcome at the Kremlin. While there, he strongly denounced U.S. foreign policy, signed a major trade agreement with the Soviets, and attended a ceremony in which a Moscow square was dedicated to Indira Gandhi.

One can also clearly see just how anti-American India is by examining India's United Nations voting record. In 1985, India voted the same way as the United States 8.9 percent of the time. This is comparable to Libya's 6.9 percent, Cuba's 6.2 percent, and Nicaragua's 8.4 percent. Indeed, the United States received more support in the U.N. from East Germany, Mongolia, Uganda, and even the USSR than it did from India. As Congressman Burton noted, "Should we give aid to a country that votes against us continually at the United Nations? The answer is 'no'".

Gandhi has refused to condemn, and indeed defends, the Soviet invasion of Afghanistan. India is the only major noncommunist nation which maintains good relations with the Soviet-installed Afghan regime. India has endorsed as legitimate the communist puppet regime in Cambodia. Gandhi maintains full diplomatic relations with the terrorist Palastine Liberation Organization (PLO).

While graciously accepting millions of dollars in America aid, Gandhi has continually bitten the hand that feeds it. Not only has he increased his collaboration with the enemy of freedom, the Soviet Union, but he promotes unrest and suppression in Central America by sending millions of dollars to the Sandinistas.

In the words of Congressman Bill Cobey, "India is giving economic aid to the Nicaraguan Government while completely ignoring the terror the Sandinistas are spreading in our own backyard. It is time that we end our aid to India until it stops supporting the spread of communism in Central America . . ."

JAN DOZIER: HUNTSVILLE'S FIRST ASTRONAUT

HON. RONNIE G. FLIPPO

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. FLIPPO. Mr. Speaker, in June of this year NASA announced the selection of Dr. Jan D. Dozier as a candidate for America's astronaut corps. Jan is a resident of Huntsville, AL, and the first Marshall Space Flight Center employee to be selected for the astronaut program.

I want to extend to Jan and her parents, Bryce and Dolly Davis of Huntsville, my hearty congratulations and best wishes on being selected for this high honor. I know that her fellow employees at Marshall and the citizens of Huntsville are very proud of this achievement.

On August 7, Dr. Dozier will be honored by her hometown as they celebrate "Dr. Jan D. Dozier Day." She will also be the honoree at a banquet hosted by the National Space Club and the Huntsville Chamber of Commerce.

Jan Dozier joined NASA in 1979 and has worked on several projects managed by the Marshall Center including the Hubble space telescope, the advanced X-ray astrophysics facility, and the Shuttle Solid Rocket Booster Program.

Jan is a graduate of Huntsville High School. She received her B.S. degree in biomechanics from Georgia Tech, a B.M.E. from Auburn, a M.S.E. and a Ph.D. in mechanical engineering from the University of Alabama in Huntsville.

It is interesting to note that as a astronaut Jan may have the opportunity to fly a mission involving the Hubble space telescope, a project that she is intimately familiar with. She received the Marshall Center's Special Service Award for her outstanding work on the space telescope project.

For a young woman who was born in the space town of Cocoa Beach, FL, grew up in the space town of Huntsville, AL, and has already made significant contributions to our Nation's space program, to be selected as an astronaut candidate must be the ultimate in personal and career satisfaction.

I look forward to the day when the television picture from space shows Dr. Jan Dozier working diligently in the bay of the space shuttle as thousands of her friends and neighbors in North Alabama cheer our fellow Alabamian on.

It is every child's dream to be able to reach out and touch the stars. Jan Dozier's career must be one of the best examples for any child to follow if they want to make that dream a reality.

TRIBUTE TO THOMAS E. WHITECOTTEN II

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. SKELTON. Mr. Speaker, I rise today to pay tribute to an outstanding Missourian, Thomas E. Whitecotten II, of Jefferson City, who recently passed away. Tom Whitecotten was a truly remarkable individual whom I had come to admire.

Tom Whitecotten was one of the original members of the Missouri State Highway Patrol when the organization was created in 1931. Gov. Phil M. Donnelly appointed him to position of warden of the Missouri State Penitentiary and chairman of the penal commission in 1945. In 1953 he was appointed director of the department of corrections. He was employed also at the department of revenue. He was elected to the city council and served two terms. The Jefferson City Police Department building was named and dedicated in his honor in 1980.

Tom Whitecotten was a longtime leader in his community who devoted his time and energy to make the world around him a better place.

Mr. Speaker, I feel sure our colleagues join me in sending our sincere condolences to his loving wife Dee, son Lt. Col. Thomas E. Whitecotten III, daughter Mrs. Marilyn Finnical, Jefferson City, and his seven grandchildren. He will be greatly missed. I truly valued his friendship.

THE PRESENT STATE AND FUTURE OF AMERICA'S DEFENSE INDUSTRIAL BASE

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Ms. OAKAR. Mr. Speaker, on July 8, the Economic Stabilization Subcommittee which I chair, began extensive hearings on the present state and future viability of America's defense industrial base. Our second hearing was held on July 28, and we have scheduled further hearings immediately after the August recess. While it is yet very early in our investigation, we have already uncovered some startling facts regarding the defense production process. I would like to share this with you:

The Department of Defense has concluded that American industry very possibly cannot respond to defense surge requirements in the case of emergency.

Existing military supplies are inadequate to meet defense needs—there is a substantial shortfall of supplies which could last until U.S. industry was converted from peacetime to emergency production capability.

There is an alarming degree of fragmentation of responsibility within DOD and the Government regarding our Nation's industrial preparedness plans.

There has been a steadily increasing procurement of weapons subsystem and components from overseas, and that this is primarily the result of price competition practices of both United States and foreign owned corporations.

Policies regarding defense procurement, the defense preparedness of our allies, trade and the balance of payments, leading edge research and development, and the need to maintain democratic freedoms and defense security often act at cross purposes in maintaining the viability of the U.S. defense industrial base.

Mr. Speaker, because of my concern with maintaining American democratic institutions, I am conducting exhaustive investigative hearings through the Economic Stabilization Subcommittee which I chair. I am loathe to delay, yet because of the importance of this topic, I believe that thoroughness is the only proper course of action. I will conduct hearings which provide a sober assessment of the entire problem which is being addressed here. We cannot rush to judgment or act in haste, as the consequences are far too costly. This is a big task and will require the utmost of cooperation in conducting this investigation which I have initiated. I formally invite my colleagues to join me in this endeavour. Specifically, I welcome Ms. KAPTUR's participation in the subcommittee hearings, and encourage her assistance in the hearing process. This, I believe, is the most productive way to develop the comprehensive appraisal which has begun. I have worked with Mrs. BENTLEY to guarantee that the American metal fastener industry remains strong and continues to grow on our shores, and I welcome further joint efforts of this nature in the future.

THE VII INTERNATIONAL SUMMER SPECIAL OLYMPICS

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. COELHO. Mr. Speaker, Eunice Kennedy Shriver's work on behalf of the Special Olympics has helped to instill a sense of pride and self-respect to tens of thousands of people. Through her own belief in the abilities of the mentally retarded, Eunice has built the Special Olympics into an international program of love and sportsmanship, breaking down the walls of isolation caused by a disability. She has reached out to the mentally retarded, giving them the encouragement all of us need, but they often did not receive.

This week, the VII International Summer Special Olympics is taking place in South Bend, IN. The efforts of not only 1 million athletes, but also 500,000 volunteers, will culminate with these games, and the Washington Post's recent feature only begins to appropriately pay tribute to Eunice Shriver:

The article follows:

[From the Washington Post, Aug. 3, 1987]

EUNICE SHRIVER AND THE POWER OF THE POSSIBLE

THE SPECIAL OLYMPICS FOUNDER, BREAKING DOWN THE WALLS

[By Victoria Dawson)

It's Friday night in a small plane bound for Allentown, PA., and Eunice Kennedy Shriver is asking questions.

She wants to know about Jane Austen, though no subject, it would seem, could be less relevant to Shirver's immediate interests—Special Olympics and the mentally retarded—than a 19th-century English novelist.

But since her questions have brought her to her seatmate's favorite author, she want to know: What was Jane Austen like? Was she the one with the nasty father? Were her books well received when she wrote them? The questions keep coming until, finally, an answer about "Persuasion"—that its heroine was deemed a "nobody" and a "nothing" by her family and her own selflessness—seems to satisfy her.

Shriver's lanky body sinks into a slouch. The briefing notebooks—filled with categorized information on the Pennsylvania Special Olympics, whose games she will visit in less than 12 hours—slide a little closer to the edge of her lap. Her right hand raps absently at the window. Several thousand feet above the ground and buckled in, she takes leave of the conversation and turns to stare out the window, into an empty darkness and an inviolable silence.

She sits there, dressed in a white-on-blue polka-dot outfit, with little, lacy bobby socks creeping out of a pair of blue loafers. Bobby pins dangle in her tousled thick hair, loose and useless like so many extra twigs in a nest.

Long minutes pass.

"That's interesting," she says suddenly. "I find that very interesting.

"You see, that's how the children are—that's what happens to them," she says. "So often they are isolated and overlooked, even by their own families. Pushed aside by society."

She leans toward the floor, rummages through a bag, pulls out a black notebook and prints on the top of a page "Get Persuasion."

Ethel Kennedy, Shriver's sister-in-law, says "she's just got her own spin on everything. It's a little different from everyone else. Like putting a spin on a billiards shot." She is constantly splicing together the most unlikely subjects and ideas—mixing something that was squirreled away in her mind years ago with a new scrap of information; Jane Austen and the mentally retarded. Abigail Adams and young women of the '80s who whine about balancing family and work. Or "E.T." and the mentally retarded.

" 'E.T.' I just loved 'E.T.', didn't you?" Shriver says. "After I saw it, I wrote to Steven Spielberg—to see if he would do a [television] spot for special Olympics. Because, I thought E.T.—you know, that's how the children are sometimes ignored. Hidden. People are ashamed of them."

THE GENESIS OF A CAUSE

Today Special Olympics is the world's largest year-round program of sports training and competition for children and adults with mental retardation. It reaches more than 1 million athletes, ages 8 and up, and is run by more than half a million volunteers. Shriver is its founder and chairman.

This week, during the VII International Summer Special Olympics Games in South Bend, Ind., more than 4,500 Special Olympics athletes representing every U.S. state and more than 70 countries will compete in such sports as aquatics, basketball, bowling, soccer and softball. Last night's opening ceremonies will air tonight as a two-hour special on ABC.

But 25 years ago, Special Olympics was a back-yard summer camp with a three-digit enrollment. The Shrivers, who married in 1953 when Eunice was 31, lived on a farm in Rockville—Timberlawn—that in 1963 became Eunice Shriver's camp for mentally retarded children. The numbers were humble: 100 high-school-aged volunteers; 100 mentally retarded children; "about five" paid instructors; a week-long training session; one swimming pool; sundry horses, dogs, fields and barns; and Shriver says, "just lots of fun things."

Sargent Shriver, first director of the Peace Corps and now president of Special Olympics International, says the purpose "was for my wife to see what the truth was. What were the facts? What could the mentally retarded do? In that time you had to see for yourself. . .

"So she tried everything. She had 'em on horseback, swimming, on a trampoline, shooting bows and arrows, climbing trees, building tree houses, playing tennis. . .

"It wasn't that she was sitting up there with a magic wand waving to everybody, "Now do this! Now do that! She was out there. She'd be in the swimming pool, holding a mentally retarded [teen-ager] up to see whether she could teach him how to kick, how to swim. Whether she could get him through the water."

There were signs before Timberlawn that Eunice Shriver would devote herself to people with special problems. After earning her bachelor's degree in sociology at Stanford University, she worked first for the State Department reorienting American POWs after World War II, and later for the Justice Department as coordinator of the National Conference on Prevention and Control of Juvenile Delinquency.

But before all that there was Rosemary, three years older than Eunice and, as the family's euphemism goes, "slow to learn."

Edward M. (Ted) Kennedy, the youngest of the nine Kennedy children, remembers.

"It always seemed the Eunice reached out to make sure that Rosemary was included in all activities—whether it was Dodge Ball or Duck Duck Goose," he says. "Eunice was the one who ensured that Rosemary would have her fair share of successes.

Timothy Shriver, 27 and the middle of the Shrivers' five children, say his mother—"always committed to the possible"—saw in Rosemary, now 68, "somebody who was succeeding, as opposed to somebody who was barely doing what she could with her limitations.

"I suppose," Eunice Shriver, 66, says, "the fact that I had seen my sister swim like a deer—in swimming races—and do very, very well just always made me think that they [the mentally retarded] could do everything."

But to draw a straight line from Rosemary Kennedy to Special Olympics—or even to the Joseph P. Kennedy Jr. Foundation for the retarded—is, according to Eunice Shriver, a mistake. It wasn't because of Rosemary, she says, "And I think that's important. Certainly, if you have a sister who learns slowly, you are obviously aware of certain things—insights that you wouldn't have if you never had a sister who is slow to learn. But, would I have gone into this for her, and do I run around for her? No."

BATTERING DOWN BARRIERS

Working his way toward an explanation of Eunice Shriver's ability to see the positive side of retardation, Sargent Shriver says, "She just didn't believe that there were human beings who were as useless or hopeless or whatever the right word might be as the mentally retarded were thought to be 40 years ago."

But 40 years ago hopelessness was indeed the state of science. The goal of medical intervention, says Dr. Robert E. Cooke—a specialist in mental retardation and professor of pediatrics at the State University of New York at Buffalo—was "custodial care and keeping people moderately alive."

"When I was a medical student, which would have been in the '40s, the general teaching regarding the mentally retarded was that they all belonged in institutions," Cooke says. "Retarded people and Down's [syndrome] people were just not the sorts of individuals who could benefit from the usual social contacts.

"And the notion that a Down's individual could run or jump or do gymnastics or participate in sports was unthinkable. They'd die. Somehow, constitutionally, no way could a Down's person run a race, or run a mile."

Then there was the idea that losing and disappointment would not be good for retarded children. The mention of it brings Shriver to a simmer. "Yeah, well, I heard a lot of that," she says. "That's a lot of baloney. What proof have they got that as a group of people they can't take losing? Who? Where does it come from, that idea? Somebody cries because they lose? I can tell you 50 people who cry—I go and watch my own kids cry when they lose."

The change in attitude—the recognition of the value of competitive sports for the mentally retarded—has been, Cooke says, "just phenomenal. When you think it is expected that they can run, that they will compete, and that people are even interested in their [race] times—to a very large extent, this is Eunice's accomplishment."

GREAT EXPECTATIONS

Behind the accomplishment—be it Shriver's or a Special Olympics athlete's—is expectation. The word runs through Shriver's life, present at every chronological turn, threaded through what others say about her and what she says about herself. "There's no sense [with her] that you can't do something very important," says Sargent Shriver. "And the back side of that is that you are expected to do damn well. You've got no damned excuse not to do well.

"And the retarded—well, I think my wife just expected them to do well. There's no mollycoddling in her. That's true with our own kids and with the mentally retarded."

Nor was mollycoddling a part of her own upbringing. Achievement was expected: She was part of a financial and political dynasty—daughter of businessman and diplomat Joseph P. Kennedy and Rose Fitzgerald Kennedy; sister of President John F. Kennedy, assassinated in 1963, and Sen. Robert F. Kennedy, assassinated in 1968, as well as Sen. Edward Kennedy.

In Rose Kennedy's 1974 memoir "Times to Remember," Eunice Shriver describes an aspect of her childhood that Rose called "training them [the children] for excellence";

I remember she [Rose Kennedy] would take us ice skating in Bronxville, and you just wouldn't go skating off into the blue yonder. She'd say, use your right leg or use your left leg better; again it was this terrific drive, she wanted everyone to do their best. There was quite a little pressure around. If you weren't doing very well there weren't any excuses for it. She'd say, you just get along there, don't be stupid about it, or something like that . . .

And she was always very energetic and expected us to be. Today, children stay in and watch television or listen to radio or records, but we were packed up and out we'd go, no matter what the weather was . . . so far as I can remember the first time in my life I ever stayed indoors was when I was in my thirties and had a baby and had to stay in. And I walked around in the hospital and thought, How odd, some people stay in and read all day . . .

Ethel Kennedy remembers a story about Shriver's drive to excel:

"Eunice prides herself on her sailing ability—she races. And one summer her boat wasn't going well. Like everything else she does, she got involved in it and she started to investigate. She climbed below [deck] and discovered heavy bricks in the bottom, beneath the floorboards—very, very heavy, like gold bars. She's so competitive that she probably thought—well, I don't know what she thought—that somebody was trying to sabotage her. Then and there, she threw the anchor overboard and she and the children tossed the bricks out of the boat. As it turned out, the bricks were the ballast.

"Later," Ethel Kennedy concludes, "she discovered that they were worth something like $3.75 each—and the rest of the summer those children were seen diving for them."

THE PERSISTENCE OF VISION

She's impossible. Autocratic, Shy. The most interesting and exciting woman in the world. Funny, Difficult, Curious, Bright as hell, Irreverent, Spiritual, Eccentric, Sensitive, Insensitive.

People say the most contradictory things about Eunice Shriver. But on one thing they agree: She knows what she wants and she is relentless in the pursuit of it.

"She has a great sense of priorities in her life," say longtime friend Donald Dell, a Washington sports attorney who was Sargent Shriver's assistant at the Office of Economic Opportunity in the '60s. "Whereas most people worry about 'What should I do with my life next year?' and 'Where do I want to go?'—for Eunice all that stuff is stuff, With her it's family, religion and causes."

"She has through her persistence, strength and the fear she creates, driven people to participate who otherwise wouldn't have. They might not like it, but they are better for it," says David Burke, an ABC News vice president who formerly was administrative assistant to Ted Kennedy. He considers his own enlistment in her causes and laughs: "If I get to heaven, it will be because she drove me to it."

"Sure," says friend Ann Buchwald. "She's very bossy. Very determined. Hurries. And drops things. And says only the important things. Talks only to the important people. And why not? She has only a limited energy. If she could put 13 more hours into the day, she would. Meanwhile, she wastes not a minute."

Eunice Shriver operates with a kind of high-octane fervor. "We don't usually sit and talk," Deeda Blair says of her friendship with Shriver. "We would swim and talk while we were swimming. Or we would walk rather briskly and talk. Or we would be driving somewhere to see something and do something and talk along the way."

Even when she sits, she's always moving. Swiping at her hair. Batting the bangs out of her way. Gnawing at one finger or another. Attacking the cluster of diamonds and sapphires on her ring finger, twirling it around and around.

And when she's moving, she expects others to move. She still seems vexed, for example, by a Timberlawn camp episode: "We had a day for parents and they came and sat by the pool. They were supposed to play sports, but they all sat around the pool. I was so mad 'cause I wanted them all to participate. But they sat by the—I suppose it was their day off and they lolled by the pool."

THE CHEERLEADER

The 25-meter freestyle swim behind him, the Special Olympics athlete, wet and draped with towels, steps up onto a plywood box, throws a tightly clenched fist into the air and shouts, "Eat your heart out, Stallone!" And then he shouts again: "Eat your heart out, Stallone!"

Before him stands Shriver, ribbons dangling from her hand. "The gold one. The gold one," he says, swelling with adolescent pride. Shriver pulls out a gold medal and hangs it around his neck. "Here you go," she says. "Well done. Terrific."

The Pennsylvania Special Olympics summer games echo with Shriver's "Well done . . . well done." She spends the day—a dry, hot Saturday—roaming from pool to playing field, one minute handing out medals, the next sitting on the bleachers talking to a corporate sponsor, the next disappearing into a crowd of children. She smiles with them. Pats their arms. Urges them on. "You look in good shape." Is this your first gold medal?" "Are you getting better?" "Practice every day." "Keep it up."

At the end of the afternoon, as she sits on a bench and talks to a softball player, one side of Shriver—restless, elusive and abrupt—gives way to another—calm, settled and delicate. "Do you read? Do you want to learn to read?" And Annie, an affable, red-haired young woman of almost 20 who pitches a mean softball, shakes her head, smiles and looks at Shriver.

"No," Annie says. She can't read. She doesn't know why not. She wants to, but she just can't.

"Do you read signs?" Shriver asks: "Do you know your address?" "Do you know what street you live on?" No, no and no.

Eventually Shriver, has, in her notebook, Annie's full name and, from another source, her address.

Annie has, from Shriver, the promise that she'll investigate the possibility of a tutor or a reading program, as well as a bit of advice: "What you oughta do," Shriver suggests, "is go home and memorize your address. If you said it to yourself five times a day, I betcha you could learn it."

ESTHETICS AND ESSENTIALS

Shriver, a devout Catholic, "would have made a wonderful abbess," Ethel Kennedy says.

"But she would have made a terrible cook," she adds. "She's totally oblivious to anything worldly. Sort of like Eleanor Roosevelt—she's into the world of ideas."

The esthetic expressions of self exist in her life like a necessary postscript, neither completely omitted nor completely incorporated.

Clothes, for example. "Her get-ups are beyond belief," Ethel Kennedy says. If someone should register a comment or criticism, "she just looks at them like 'What are they talking about?' and goes on about her business."

And food. It's possible to spend a day with Shriver and see her nibbling at nothing more nutritious than a handful of graham crackers, cookies or bread—always in a kind of neutral, distracted manner.

"Lots of things that are terribly important to other people and that are life-enhancing, like delicious food and pretty flowers and well-organized households and that sort of thing—I guess Eunice likes all that, but she doesn't care about it intensely, in an obsessive way," says Deeda Blair. "You can go [over to the house] and things will be in wild disorder; and sometimes they will be spruced up and there will be a very pretty party. But nothing like that is terribly important to her."

Blair remembers visiting the embassy in Paris when Sargent Shriver was ambassador to France during the Johnson administration; "You'd walk in the front door and instead of being grand and imposing, it would be full of bicycles and motorbikes and skates and skis."

The tone was one of youthful, cluttered Shriver, vitality, Bobby and Maria, the two older children, were teenagers and scattered behind them in age were Timothy, Mark and Anthony.

And if, for a formal event, the skis and roller skates were temporarily contained in a closet, the children were not. Often, they were the life of the party. One reception Blair particularly remembers honored a group of African ambassadors. "All in these wonderful robes. And all these little children were going around, passing trays of hors d'oeuvres, sort of half of them falling off," she says, raising her arm and dangerously tipping an imaginary tray of food.

The Shrivers had put a trampoline in the embassy garden, she says. "And the children would pull and tug and get these African ambassadors to jump up in the air on the trampoline. It was absolutely so unconventional."

THE HAPPIER COURSE

"Let's face it," Ethel Kennedy says, "she would have made the best president of the United States."

"I mean," Sargent Shriver says, "she would have been a terrific United States senator."

"That's nice," she says quietly, when told of the many people who believe she could have held public office. "I think my brothers have done extremely well and enough. That's enough." She laughs lightly. "Enough," she says again.

"I really wanted to work with children," she says. "You can't do it—well, now, much more, because there are so many committees, but you do an awful lot of other things. And I wanted to devote all my time to the children. In Congress, you have to do 50 other things before you get there, then once you are there, you have to do so much."

Then, almost inaudibly, she says, "But that's nice." What they said, she means.

And she squirms out of the thought: "I chose the happier course as far as my life—no regrets."

THE NO-NONSENSE HOSTESS

Art Buchwald most admires the hostess in Eunice Shriver—the woman who "throws people out of the house at 10 o'clock because she's tired and she wants to go to bed."

Donald Dell laughs and talks about "the old coffee trick": At the conclusion of dinner, Shriver announces that coffee will be served in the living room. The guests file in, the maid serves the coffee, and everyone asks "Where's Eunice?" Eunice, of course, has gone up to bed.

Her finest party-ending moment may have been during the mid-'50s in Chicago, where Sargent Shriver was managing the Merchandise Mart, one of the Kennedy family holdings. It was, as former ambassador William McCormick Blair remembers it, the Shrivers' first formal party:

"We all got there promptly," Blair says, "No Eunice, as I recall. Or Sarge. That's often the way. They were busy doing useful things, and she'd been working all day on some important project.

"Finally they came. And we had a wonderful dinner and evening. After dinner—it couldn't have been much after 10 o'clock—Eunice kept saying to me, 'When is everyone leaving?' I said, 'Well, Eunice, this is a black-tie party. It's your first party. Everyone is having a good time. It's a wonderful dinner. And people don't go home, usually, until around 11.' She sort of rolled her eyes at that.

"Finally, in a loud voice, she said, 'I've got a wonderful new game to play.'

"Everybody looked horrified. Eunice likes playing games—charades. But this wasn't going to be charades. She said, 'Everyone stand up and close your eyes and put your hands on the shoulder of the person next to you. Then we'll all start marching. Going round in circles.' We all started and the next thing we knew, she said, 'Now you can open your eyes.'

"We were all standing out by the elevator. And she said, 'Good night.' "

A TRIBUTE TO CARLOS AND NORMA LONG

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. PURSELL. Mr. Speaker, it is with great pride and pleasure that I rise to honor Mr. and Mrs. Carlos Long of Clayton, MI. On September 4, 1987, they will be among 11 families honored at an induction ceremony for the Michigan Farmer's Hall of Fame.

The Michigan Farmer's Hall of Fame was founded in 1982 to honor farmers for the contributions to their community and to Michigan's proud agricultural industry. Just after they were married in 1939, the Long's began farming on a small piece of rented land in Oakland County. Through their hard work, patience and perseverance, they purchased this land and eventually bought the 510-acre dairy farm they now operate in Clayton. In addition to caring for 75 registered holstein cows plus 125 registered heifers, they crop 500 acres of land growing wheat, oats, corn, and alfalfa.

Despite the demands of farm and family, the Longs have been leaders in their community. Carlos was an active member of the Michigan Milk Producers Association and an ASCS committeeman. He also served as president of the Oakland County Farm Bureau for 2 years. His wife, Norma, was instrumental in establishing her local 4-H Club and was a volunteer at her local hospital for several years.

Both Carlos and Norma are active members of their local Methodist Church.

Mr. Speaker, I ask my colleagues in the House of Representatives to join me in congratulating Carlos and Norma Long and offer them warmest wishes for good health and success.

HUMAN RIGHTS, THE CONTRAS AND THE TRUTH

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. MICHEL. Mr. Speaker, we hear quite a bit about human rights violations in Nicaragua. But only one side of the battle allows an objective, serious, rigorous and honest outside group to investigate allegations of human rights abuses. The democratic resistance in Nicaragua, unlike the Communists they are fighting, allow members of the Nicaraguan Human Rights Association to monitor their activities, to investigate allegations and to question prisoners.

The United States Department of State recently published a brief study that outlines the work and the goals of the Nicaraguan Human Rights Association. I believe our colleagues should learn more about this organization.

At this point I want to insert in the RECORD, "Human Rights and the Nicaraguan Resistance," a publication of the United States Department of State, June 1987:

HUMAN RIGHTS AND THE NICARAGUAN RESISTANCE

A cadre of combatants from Nicaragua's internal resistance is being selected and trained to accompany resistance fighting forces into the war zone to report and investigate human rights abuses, particularly any committed by the resistance. The Nicaraguan Human Rights Association (ANPDH), headed by Nicaraguan human rights activist Marta Patricia Baltodano, is responsible for investigating alleged abuses and instructing members of the resistance in proper human rights conduct.

From 1979 to 1985, Baltodano served on the staff and, later as director of the Permanent Commission on Human Rights (CPDH) in Nicaragua, which brought international attention to Anastasio Somoza's human rights record and which today register more than 80 alleged Sandinista cases of violations each month.

On March 19 at a Nicaraguan Democratic Forces (FDN) base camp along the Nicaraguan/Honduran border, Baltodano counseled some 20 men in human rights reporting. Each delegate was to accompany a task force of 150 men into the war zone. "The primary role you will play is to make sure that human rights are not abused and that those 150 men will behave in a proper fashion," she said. "When there is an abuse, you will inform your commander and us."

Some 61 of the 80 resistance task forces now have human rights activists permanently assigned to them, according to ANPDH Washington representative Jose Antonio Tijerino.

ANPDH was created in October 1986 with funds appropriated by the U.S. Congress and made available by the Department of State through periodic grants. Congress appropriated $3 million for human rights activities in response to allegations of human rights violations committed by soldiers of the Nicaraguan resistance, known as the "Contras," fighting for democracy.

In December 1986, the association began human rights training for military commanders and unit human rights representatives, or activists. Seven southern front commanders, eight platoon leaders, and 36 activists attended a 2-day seminar. In early 1987, the association held a seminar for 32 Miskito Indian military commanders in the Honduran Mosquitia; instructed 76 northern front activist candidates in international humanitarian law, the laws of war, human rights, and procedures for taking accusations; and gave similar classes, including a 4-day seminar, for some 170 Miskito Indian combatants.

"Our role is not simply to report violations, it is to establish mechanisms so that violations will not occur," says Baltodano. "In addition, our job is very difficult because we are trying to provoke a change in human rights behavior within a guerrilla force, not a regular army."

Sailing has not always been smooth between the ANPDH and the resistance. In May, the ANPDH was temporarily asked to leave the FDN base camps on the Honduran/Nicaraguan border after commanders complained that ANPDH observers were interfering with combat operations.

Since then, relations between the association and the FDN have been reinforced with a clearer understanding of the association's need to continue investigations.

A practicing attorney with more than 10 years' experience in human rights, Baltodano is also a Nicaraguan refugee forced into exile in December 1985 by the Sandinistas.

She is the first to admit that the resistance does not have a perfect record in human rights, but also is quick to expose the skill with which alleged violations are exploited by both the Sandinistas and their sympathizers. "I think there have been some abuses of human rights by the FDN," she admits, "but up to this point, I don't have any indication that this was a pattern of instruction or political policy of the FDN."

She claims, however, that a number of the alleged incidents of human rights violations by the resistance were actually set up by the Sandinista Front of National Liberation (FSLN), which rules Nicaragua as a totalitarian state. "Refugees have repeatedly told us how the Sandinistas will militarize a civilian target. They will establish a military command center within an agricultural cooperative, but will also locate a clinic or school within the cooperative. They give arms and uniforms to the *campesinos* (peasants). It becomes difficult for the guerrilla forces to determine at what point this is a military target or civilian target. This is an important point used by the Sandinistas to show that the contras attack civilian targets."

Baltodano notes that although public international opinion concedes that the Sandinistas commit human rights abuses, the Sandinistas have been able to sell the idea to the public that the resistance commits violations more brutally and as a matter of deliberate policy. "The Sandinistas have learned how to manipulate the human rights concept to get to power and how to manipulate it to remain in power," she says.

The Sandinistas claim, however, that were it not for U.S.-backed resistance, political repression would be unnecessary.

"So why are there contras?" Baltodano responds. "The contras were not created by the United States. Even without U.S. assistance, there would be contras. The fathers of all contras are Marxists. Everywhere there is a Marxist regime, there are contras."

The ANPDH's close ties with the Nicaraguan resistance has drawn considerable criticism from groups opposed to U.S. policy toward Nicaragua. The association also has been accused of being in the pocket of U.S. policymakers because it is financed by the U.S. Government. Baltodano herself has been the target of bitter criticism.

She counters, "The United Nations and other organizations also receive funds from the United States but are able to maintain their status as independent entities.

"Because we are receiving part of the assistance voted for the contras, that identifies us a lot with them, even though we don't want to be. Another thing that makes us look close to the contras is precisely that our work is with them," she notes.

"However, we are not an organization like Amnesty International. Rather, we are an organization that, within a movement that has political and armed characteristics, is trying to institutionalize mechanisms that will eventually mean reducing human rights violations and promoting human rights within the organization."

The association does this by monitoring military action, instructing the troops in the Protocols of the Geneva Convention, and investigating human rights abuses.

"If the violation was committed, then we make sure there is a hearing, sanction, and condemnation of those who have violated human rights. Also we are trying to update and put into use a code of conduct and fortify the judicial mechanisms that each troop has for the trial and the foundation of military courts," she explains.

The ANPDH has recently completed investigations on three out of six major cases of alleged resistance violations. The cases involved forced conscription of Sumo Indians, the execution of Sandinista soldiers in the Nicaraguan village of Cuapa, and the kidnapping of Nicaraguan Mennonite youths.

In the Sumo case, some 18 Nicaraguan Indian refugees were psychologically pressured into joining an independent guerrilla band, although some of them say they joined voluntarily. The band was organized by a former FDN Indian combatant. The ANPDH report was given to the U.N. High Commissioner for Refugees in Honduras and the FDN military prosecutor.

In the Cuapa case, patrols from the FDN Jorge Salazar Command were charged with entering Cuapa in August 1985, allegedly executing 11 Sandinista soldiers and one civilian night watchman. The ANPDH investigation established that FDN patrols captured 12 Sandinista soldiers on August 2, 1985. Of those, four joined the FDN. The ANPDH heard testimony that the rest were taken to a nearby hill and shot. The results of the recently completed investigation have been turned over to an FDN military prosecutor.

In March 1986, the Mennonite Central Committee claimed that the FDN kidnapped four Nicaraguan Mennonite youths. The ANPDH found no evidence that any of them were kidnapped by the resistance. Two voluntarily joined the FDN, and the other two are reportedly in refugee status in Honduras.

The association is concluding investigations into other allegations such as the El Nispero case involving civilian casualties by resistance forces. In addition, the ANPDH has received more than 30 denunciations from refugees and citizens still inside Nicaragua against Sandinista human rights abuses. These have been turned over to the Inter-American Commission on Human Rights, Amnesty International, and Americas Watch.

Inquiries into Sandinista abuses require coordination with outside human rights monitors since the Sandinista government has denied the ANPDH access inside Nicaragua. This denial has made investigations of resistance violations difficult as well.

Baltodano worked on an informal basis with the Permanent Commission on Human Rights while attending the Universidad Centro-americana. "When the Sandinistas took power, it was very strange to me that the office still had so many human rights cases before it. They [CPDH] asked me to join it in a formal fashion. I thought a couple months would be sufficient to complete the work," she says. "I became aware that human rights violations were not the result of an abrupt change in government. It appeared it was a pattern of conduct or a policy of the new authorities."

In October 1985, Baltodano left CPDH to attempt to create a human rights office within the Catholic Church.

"The [Sandinista] government impeded the creation of this organization within the Church. They confiscated the office, documents, funds, and started to persecute the people involved in that." Baltodano declined to make public some of the events that transpired because, she says, doing so would demoralize the victims and cause serious repercussions.

In December 1985, Baltodano went into exile.-(Sharon Isralow is the editor for the Office of Public Diplomacy in the State Department's Bureau of Inter-American Affairs. This report is based on a recent fact-finding trip to Central America.)

ADOPTION OF THE KENNEDY PLACE HOUSING PROJECT

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. FIELDS. Mr. Speaker, on July 23, 1987, President Reagan presented the 1987 awards for private sector initiatives. On this occasion, 100 businesses from around the country were honored for outstanding achievement in volunteer service and community outreach programs.

The President's Citation Program for Private Sector Initiatives was established in 1984 to recognize exemplary community involvement projects sponsored by businesses, trade associations, and professional societies. All private sector initiative projects qualifying for the citation program are eligible to fly the program's symbol—a red, white, and blue C-Flag bearing the slogan "We Can—We Care." The C-Flag identifies the organization as a contributor to the American spirit of volunteerism and community action.

Each year, President Reagan presents 100 citations for private sector initiatives to the outstanding entries in the citation program. An awards committee, consisting of leaders from the business and association communities, reviews the entries and selects the top 100 programs for Presidential recognition. I am pleased to announce that a company located in my district, the Eighth Congressional District of Texas, was selected for recognition.

In 1984, Brown & Root, Inc., of Houston, TX formed a partnership with the city of Houston and the city's private sector initiative group to develop plans for a massive clean-up effort of Kennedy Place, a public housing project. The goal of the program was to remove dangerous buildings and trash from the housing development and to make the area a clean and safe place in which to live and work. To date, 35 unsafe buildings have been demolished and 183 truckloads of trash and debris have been removed from city streets and privately owned lots.

Vernon Black, manager of housing and conservation for the city of Houston recently commented on the Kennedy Place Housing Project. He said, "Demolition of so many dangerous buildings in one area in such a short period of time is unprecedented."

I would like to extend a personal thank you to Brown & Root, Inc., for playing a key role in this worthwhile community endeavor.

W.C. HANDY MUSIC FESTIVAL

HON. RONNIE G. FLIPPO

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. FLIPPO. Mr. Speaker, I rise today to join my colleagues in cosponsoring House Concurrent Resolution 57 which designates jazz music as a national treasure, and to call attention to the 1987 W.C. Handy Music Festival taking place August 2 through August 8 in the Shoals area of north Alabama.

William Christopher Handy, a pioneer in jazz music, was born in Florence on November 16, 1873. W.C. Handy's musical interests began early. He saved money for a guitar, only to be told by his father, a minister, that he must trade it for something useful—a dictionary. The trade was made, but soon saved enough money for a cornet. Then, at every opportunity he studied and played music. To support himself, he tried foundry work, school teaching and, finally, he formed his own band.

By 1902, the man destined to become known as the "Father of the Blues" had moved to Memphis where a song he wrote for a mayoral campaign became "The Memphis Blues." His 1914 "St. Louis Blues" is probably most widely recognized in its military marching band arrangement by Glen Miller during World War II.

W.C. Handy's determination and his incredible talent allowed him to produce more than 100 songs, form a music publishing company, and inspire thousands of musicians. From his humble birth in a log cabin in Florence, AL, W.C. Handy went on to become an accomplished musician with worldwide admiration. When Handy died March 28, 1958, the world mourned the loss of composer, musician, publisher, and friend.

Each year the Shoals area honors W.C. Handy by holding a week long festival, bringing thousands of visitors from all over the United States as well as many foreign countries to north Alabama. Events include jazz concerts, special tours of the W.C. Handy Home, and a songwriters conference. This week the W.C. Handy Festival proudly celebrates a truly American form of music.

Jazz is indeed a national treasure, a quintessentially American art form. Events such as the Handy Festival and this congressional resolution give jazz the widespread recognition and appreciation which it deserves. Jazz is an important part of our 20th century culture and history.

Jazz musicians such as W.C. Handy, Charlie Parker, John Coltrane, Dexter Gordon, Theolonius Monk, Miles Davis, Louis Armstrong, Duke Ellington, Charles Mingus and others gave special contributions not only to music but also to American heritage. We celebrate them as great musicians and especially as great American musicians.

The hard work of the people involved in the planning of the W.C. Handy Music Festival has given the event the status of a national tourist attraction. Each year more people participate and more events are scheduled. The festival has been listed in several national publications and selected as one of the top 20 festivals by a panel of independent judges acting for the Southeast Tourism Society in Atlanta.

More important than the W.C. Handy Festival's value as a tourist attraction is the tribute which it pays to American music. This week jazz will be played live in music halls, theaters, parks, clubs, streets and sidewalks of the Shoals area. The joyful spirit shown by the people who come together to honor W.C. Handy is one which I think my colleagues in the House hope to foster through House Concurrent Resolution 57, and I am happy to join them as a cosponsor.

A TRIBUTE TO COL. JAMES McBRAYER SELLERS

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. SKELTON. Mr. Speaker, on August 22 a Shrine ceremony will be held at Wentworth Military Academy in Lexington, MO. The activities will include the induction of 20 candidates into the Shrine and then an hour long parade. This ceremony is being held in honor of Col. J.M. Sellers, an outstanding Mason, Missourian, and American. I would now like to tell you about this true American patriot.

James McBrayer Sellers was born on June 20, 1895, in Lexington on the campus of Wentworth. He graduated from Wentworth in 1912, then continued his education at the University of Chicago, from which he graduated Phi Beta Kappa in 1917.

Upon graduation he was commissioned as a second lieutenant in the U.S. Marine Corps. He served as commander of the 78th company, 6th Marines, American Expeditionary Force in France. Colonel Sellers' decorations for valor include the Distinguished Service Cross, the Navy Cross, the Silver Star, the Purple Heart, and the French Croix de Guerre. He remained in the USMC Reserve until 1945 after leaving active duty in 1921.

From 1922 to the present he has occupied various positions at Wentworth. He served as commandant from 1922 to 1928, executive officer from 1928 to 1933, and superintendent from 1933 to 1960. Since his semiretirement in 1960, he has continued his duties at Wentworth as president and chairman of the board. At age 92 he still comes into the office every day and even teaches a Latin class.

Through the years Colonel Sellers has been very involved with the Masons and the Shriners. He served as worshipful master of the Lexington Lodge No. 149 in 1939; as high priest in Lexington Chapter No. 10 in 1940; as commander of the DeMolay Commandery No. 3 in 1941; as grand commander of Missouri in 1951; and as grand master of the Grand Lodge of Missouri in 1953.

Colonel Sellers was married to the former Rebekah Evans in 1924. The couple raised three children: Steven W., James McBrayer, Jr., and Fred Evans. Along with his many other activities, he has served as a president of the Association of Military Schools and Colleges, and as an elder of the Presbyterian Church in Lexington.

Mr. Speaker, I feel certain that the Members join me in paying tribute to this great public servant and educator who has made his mark on the lives of thousands of people. His life has been and continues to be an example to all who meet him.

URGENT REFUSENIK APPEAL FOR ELBERT FAMILY OF KIEV

HON. MIKE LOWRY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. LOWRY of Washington. Mr. Speaker, I wanted to let my colleagues know about an appeal that I will be making on behalf of the Elbert family of Kiev. Lev and Inna Elbert and their son Carmi are longstanding refuseniks who have faced repeated harassment as they have sought to rejoin their relatives in Israel.

A new, potentially hopeful development has taken place in their case. Lev recently met with a Foreign Ministry official, Arkady Shuvayev, who told him that the reason for denying the family exit visas—Lev's alleged exposure to state secrets—"does not exist." This marks the first official recognition of Lev's repeated insistence that he was not exposed to secret information.

Mr. Shuvayev also said that there was no reason why the Elberts should not be allowed to leave the Soviet Union. He indicated that their case would be referred back to the Ukrainian OVIR office in Keiv for a ruling.

Under the circumstances, a new congressional appeal on behalf of the Elberts may be effective. Accordingly, I plan to send the following telegram to the Ukrainian OVIR office. Because a decision is thought to be imminent, I will send the telegram late Thursday, August 6.

VLADIMIR SIFAREV,
Ukrainian OVIR, 34 Bulvar Shevchenko,
Kiev, Ukrainian S.S.R., U.S.S.R.

DEAR SIR: We, the undersigned Members of Congress, urge you to grant exit visas to the Lev Elbert family of Kiev to implement immediately the Foreign Ministry decision to let them leave the U.S.S.R. and rejoin their family abroad in keeping with the Helsinki Final Act.

Thank you for your attention to this request.

Many Members of Congress have participated in earlier efforts to help this deserving family. I hope that many of my colleagues will be able to join me in this latest urgent, humanitarian endeavor on their behalf.

A REMARKABLE PERSON

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Ms. OAKAR. Mr. Speaker, I rise today to honor Capitol Hill's premier lobbyist, Evy Dubrow. Over the past 30-odd years, Evelyn Dubrow has walked the Halls of Congress on behalf of the International Ladies Garment Workers Union. She is a staunch advocate of worker's rights, but has always tempered her arguments with liberal doses of good will. That good will has made her welcome in every office and the most effective voice for her many causes.

The New York Times paid tribute to Evy Dubrow in a glowing article last week. It is heartening to read that there are still those message-bearers and cause-carriers left for whom we can all have respect.

I have known Evy Dubrow for many years and respect her not only as a lobbyist, but as a woman who has defied many odds to attain the status she commands today. She worked on Capitol Hill long before the women's liberation movement and long before women were allowed to be anything else but clerical help. Evy Durbrow has made a career out of "bearding the lion in his den," so to speak, and in the process has advanced the issues she represents and the cause of women everywhere. My hat is off to Evelyn Dubrow as a lobbyist, woman, and friend.

The following article appeared in the New York Times last week:

[From the New York Times, July 27, 1987]

A CAPITOL HILL LOBBYIST EVERYONE LOVES

WASHINGTON, July 26.—One person on Capitol Hill gets to share the Congressional doorkeepers' chairs outside the House of Representatives chambers, a good spot to catch the eye of an arriving or departing member of Congress.

Evelyn Dubrow and no one else.

No one protests. This 4-foot 11-inch lobbyist for the International Ladies Garment Workers Union who began roaming the halls of Congress 29 years ago seeking support for a $1 minimum wage, and who still troops Capitol Hill in her size 4 shoes, has earned the privilege. Besides, explains a staff member in the doorkeeper's office, "Everyone loves Evy."

Everyone knows Evy. Senators, Representatives. Aides, Receptionists. The Capitol Police. In fact, the former Speaker of the House Thomas P. O'Neill Jr., the man who asked the doorkeepers to give her their seats, still keeps in touch with her.

Ms. Dubrow has been on Capitol Hill longer than most other lobbyists and most members of Congress. She will not, under any circumstance, say how old she is, only: "I will admit to being a senior citizen." She still works 15-hour days, still attends as many as a half-dozen political receptions in a night, still managed to meet with 30 senators on a recent day and still declares she is never going to give up lobbying "as long as I can stay on my feet and as long as my head is somewhat in the right place."

HER CAUSES AND OTHER TASKS

At the moment her causes are a bill to broaden laws against housing discrimination, legislation to bar discrimination in federally financed programs and, especially, a provision of the trade bill that would help protect the country's textile, apparel, shoe and copper industries from unfair competition by imports.

But other tasks come up. Take July 17 for instance. "I heard that Orrin Hatch, who is a very nice gentleman but who couldn't disagree more with me on our legislative program, was going to introduce a bill that I knew would be very harmful not only to our union but a number of other unions," Ms. Dubrow said. The bill would have lifted 44-year-old restrictions that prohibit employers from hiring workers to work in their homes. That would allow employers to escape paying benefits and minimum wages. Ms. Dubrow marched up to Capitol Hill to do something about it.

"I started with the leadership," she recalled. She talked with the Democratic leader, Senator Robert C. Byrd of West Virginia. "I then proceeded to see as many members of the Senate as I could, indicating to them that if this did come up I hoped there would be a move to table it or defeat it."

She will not know the fruit of her efforts for some time, but she bets she saw at least 30 senators that day.

When she talks to all these senators, this tiny woman with soft curls and light blue eyeshadow says she remembers one thing, which she likes to pass on. "The one caveat I would give to new lobbyists is don't pretend you know all the answers," she said. "Don't wing it. You better know what you're talking about. If you lie, they'll find you out."

Her voice is throaty, her tone serious, her manner charming, her politics liberal and her commitment unyielding. She is known for her diligence, her friendliness—and her height.

"She's my idol; I want to be just like her," said Sterling J. Henry, a 28-year-old, 6-foot 2-inch lobbyist for the National Association for the Advancement of Colored People.

"I once saw Senator Simpson, who must be 6-5 or 6-6, talking to her," Mr. Henry said. "The man looked up to her! You could see the respect."

"She's not confrontational," he went on. "She doesn't talk to senators or Congress persons like they're a little prima donna; she talks to them as a friend."

If asked why she became involved in labor and politics, Ms. Dubrow invariably points out that she was the daughter of a union man and the younger sister of a suffragette.

She was born in Paasaic, N.J., earned a degree in journalism at New York University in the late 1930's and began her career in the labor movement working as a secretary in the Textile Workers Union in New Jersey. She went to Washington briefly in 1947 to help organize Americans for Democratic Action, a liberal organization that to this day espouses traditional New Deal values.

A REVERENCE FOR CONGRESS

She returned to New Jersey the next year to do political organizing for unions. After the 1948 election she was named New York State director for the A.D.A. In 1956, seeking to return to the labor movement, she joined the International Ladies Garment Workers Union, and in 1958, when the union decided to open a Washington office, the leaders asked Ms. Dubrow to go to the capital and work as a lobbyist.

Through the years she has developed almost a reverence for the institution of Congress. "The one thing I have is a respect for the office," she said. "I might not agree or even like the occupant of the particular office but I've always respected and been courteous for that reason. I don't go around threatening members of Congress that if they don't vote with me they're going to be defeated or anything like that; I don't believe in it.

Likewise, she believes in her profession. "A lot of members will say I owe you a vote Evy,' or 'You're a good friend.' But I would never ask them to give me a vote on that basis. I like to think that when I'm asking for their vote it's because I really have a case. Now it doesn't mean I'm not enlighted if they think they'd do it to me because they personally like me. That's great; that's gravy. But that to me is not what lobbying is about."

"Lobbying," Ms. Dubrow said, is presenting your case and proving it."

THE PORTUGUESE ELECTIONS

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. COELHO. Mr. Speaker, last month the people of Portugal took another bold step toward a stable and prosperous future. For the first time in the 13 years since democracy dawned there, the people elected a majority government, casting 50.2 percent of their votes for the Social Democratic Party and returning Anibal Cavaco-Silva as Prime Minister.

The people of Portugal are fortunate to have two men of extraordinary capability at the helm of state. The vision of President Mario Soares and the pragmatism of Prime Minister Cavaco-Silva combine to form a solid partnership dedicated to moving Portugal ahead. Dr. Soares brought democracy back to Portugal setting the stage as well as the standard for her development as a free nation. Prime Minister Cavaco-Silva has brought unity to the formerly divided Social Democratic Party and now has the mandate he needs to begin the economic reforms the nation so badly needs if she is to prosper as a member of the European Community and flourish as an example for other struggling young democracies.

We who are of Portuguese ancestry are especially proud to applaud this newest development in Portugal's progress. We salute the people of Portugal and their leaders, and we point to the Portuguese experience as another example of democracy's victory in so many different parts of the world.

As we applaud our ally Portugal on her people's vote for stable development, we would do well to take a serious look at how we are investing our resources around the world. In too many instances the United States continues to waste our resources supporting military efforts, while we forget that the real goal, the goal of democracy and of all democratic-oriented nations around the globe, is power through economic stability. We claim to promote democracies, yet we allow ourselves to become overburdened with unparalleled expenditures in defense, losing the larger economic war because we are not putting our resources into partnerships in education, research, development—partnerships which will benefit our own economy at the same time they will strengthen our relationships with our allies throughout the world. We might do well to reorder our priorities and reprogram our resources.

SOVIET BANK LOANS

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. ROTH. Mr. Speaker, I am pleased to have my colleague, Congressman JACK KEMP, join me today in introducing legislation that goes to the heart of our Nation's security.

The issue which we are raising today comes down to one simple fact. The West is supplying the Soviet bloc roughly $1 billion every month in new bank loans. Every day, Western commercial banks send $33 million to the Soviet bloc on terms that you and I, or farmers, or blue chip companies, or homebuyers, or any working American would be very hard pressed to find.

Where is the money coming from? About 45 percent of it is coming from Japanese commercial banks; about 45 percent is coming from banks in Europe; and the rest is coming from our own banks right here in the United States.

The funding of the Soviet empire by us and our allies is not acceptable to the American people and it is time that Congress take action.

When he was before our Banking Committee on July 21, I asked our outgoing Federal Reserve Board Chairman, Paul Volcker, his views on this issue. He told the Congress that if we were seriously concerned about the consistency of Soviet bloc lending with our national security interests, then it was the responsibility of Congress to say so and to give banks some guidance. That is what we are doing here today.

What is particularly astounding about these loans is that most of them are given to the Soviets on an untied basis. That is, these loans aren't tied to any particular project. They can be used for any purpose. No questions asked.

On top of that, the Soviets are getting these loans at a very cheap price. In some cases, the interest rate is only one-eighth over LIBOR—the London-Interbank Offer Rate—which works out to about 7½ percent. And they don't have to pay back a dime in principal until 6 years from now.

This is an extremely hazardous direction for our banks to be headed. The rush to extend general purpose loans to Latin American governments in the 1970's was one of the major causes of the international debt crisis. Yet now we find our banks falling into the same trap, giving money to the Soviet bloc countries at a spead roughly six or seven times cheaper than is given to our Latin American friends. We are also concerned about the Soviet bloc being viewed as the new safe harbor of capital fleeing our hemisphere. Yet just yesterday in the Wall Street Journal, we learn of another rescheduling of Poland's debt.

Aside from the concerns we have on purely commercial grounds, there is another issue here. Is it in the interest of the West to provide $1 billion a month in cash to the Soviet bloc? We think not. These are not rubles we are lending. It's hard currency dollars which the Soviets can use to pay for anything ranging from their financial obligations to Cuba to acquiring illegal sophisticated Western high-technology.

It is time for this Congress to make it clear that we want banks to stop providing the Soviet Union and its client states with the financial resources that only enhance their ability to engage in subversive and aggressive activities around the globe.

We need to bring greater discipline and transparency to the Western banking community on this point. Not only for commercial reasons but also for the benefit of our collective defense.

It is imperative that Western banks begin now voluntarily to phase out untied lending to the Soviet bloc in favor of loans which can be verifiably linked to specific trade transactions and projects.

The legislation which JACK KEMP and I are introducing today gets at this issue in a number of ways. First, it requires banks to make public their untied loans to the Soviet bloc. Shareholders should know whether their bank is engaging in this foolhardy practice.

Second, it gives the President discretionary authority to control loans to the Soviet bloc. We would expect that banks will, on their own, voluntarily phase out untied lending to the bloc so that use of this authority won't become necessary.

The Toshiba case has brought home the critical importance of effective controls on Western technology. But we have the opportunity now to take this one case and look at the bigger picture. Let us today chart the true lessons of Toshiba.

It is not good enough to simply improve our export control system. All allies need to scrutinize and discipline the entire spectrum of their economic and financial dealings with our adversaries.

Better cooperation in the future includes discipline in Soviet bloc lending. We call on our friends in Japan and in Europe to cooperate with us in calling on banks to stop giving united cash credits to the Soviet bloc countries.

We were quite surprised to learn that Japan has been the Soviet bloc's single most important source of untied credits over the past 2 years.

Japan has been providing new loans and economic assistance to Vietnam, despite the vigorous protests of the Asian countries. And Japan has become Cuba's largest Western creditor and trading partner.

It is time for the governments of Europe and Japan to work with us and look beyond the enhancement of export controls to other equally crucial areas necessary for Western security.

Taking constructive action in this area is one way in which Europe and Japan can contribute importantly to the burden sharing in our common defense. Reducing the cash available to the East will lighten the load for United States taxpayers over time through a reduced Soviet capability worldwide.

I share Secretary Weinberger's view that the only safe way to reduce defense spending is to reduce the threat. These actions over time could result in billions annually in reduced defense costs. It is simply wrong for the United States to spend almost $300 billion a year for our own and allied defense while our allies and some of our own banking institutions are providing an inordinate amount of cash to our Soviet adversaries.

As long as the Soviet bloc is able to get $1 billion a month from us, they will continue to be able to finance sophisticated technology diversion schemes. As long as the Soviets have unqualified access to easy money from the West, they will continue to be able to fund their adventurism and aggression spanning from Nicaragua to Angola to Ethiopia to Afghanistan and elsewhere.

The time has come for the United States, Japan, and Western Europe to curtail its untied lending to the Soviet bloc.

SELF DETERMINATION IN PALAU

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. EDWARDS of California. Mr. Speaker, today the people of the Republic of Palau are going to the polls to vote on whether to amend their constitution to reduce the number of votes needed to adopt the Compact of Free Association with the United States. I want to bring to the attention of our colleagues that this vote, coupled with another plebiscite later this month, are cause for our concern.

Under the 1947 United Nations Trusteeship Agreement, the United States continues to have jurisdiction over Palau. This agreement is still in effect. As long as the United States continues to have responsibility for Palau, we have an obligation to ensure that basic rights and freedoms are protected.

Today's vote, and the upcoming vote on August 21, are part of a series of frequent plebiscites held in Palau. The upcoming vote on the Compact of Free Association will be the sixth vote since 1983, and the third vote in 9 months. The last vote was held just at the end of June. Each time the people of Palau failed to approve the compact.

Now, the Palauan people are voting to change the rules by amending their constitution to reduce to a simple majority the required 75 percent necessary to pass the compact.

Of course, the Palauan people have the right under their constitution to amend it. But because the United States has continuing authority under the Trusteeship Agreement, we have a responsibility to ensure that the amendment does meet Palauan constitutional standards. And some questions have been raised, under Palau's Constitution, as to whether a constitutional amendment can be voted on at any time other than a general election.

The frequent votes on the compact raise a number of policy questions for the Congress: Why have the votes happened so fast, and are the people of Palau really exercising free choice in this matter?

The Subcommittee on Insular and International Affairs, ably chaired by our distinguished colleague from the Virgin Islands, RON DE LUGO, held hearings on the stituation in Palau last month, following political and social unrest there. The subcommittee has been following this situation closely, and I want to commend them for their prompt and responsible actions in this matter.

But, Mr. Speaker, this is an issue that should concern the Congress as a whole. Are the people of Palau being given a fair chance at determining their future under a constitution they adopted? And what will be the response of the United States in guaranteeing that basic rights and freedoms are maintained in Palau?

THE SANCTITY OF LIFE

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. DORNAN of California. Mr. Speaker, I would like to share a letter with my colleagues which I recently received from Mrs. Aletia Ellis of Rusterburg, VA. Mrs. Ellis is a woman who was almost talked into killing her preborn child, Aaron. It was discovered, during prenatal examination that Aaron had hydrocephalus—water on the brain. Although the Ellis' were put under tremendous pressure to abort the pregnancy, they placed their faith in God.

Mrs. Ellis' faith in God, her love for life and her struggle to keep her baby against the odds are heart-rending. Her story is not only dramatic and touching, but speaks volumes against the massacre of the innocents which takes the lives of 4,000 American preborn babies every day. Mr. Speaker, I urge everyone who has ever questioned the sanctity of preborn life to read Mrs. Ellis' letter:

DEAR CONGRESSMAN DORNAN: I have debated for many months if I should write to you or not, for fear of receiving glory that is not mine. I pray that the glory will go to the Lord Himself alone. I would also like for you to use this information and testimony for the good use of saving precious lives. I do regret not having spoken up sooner.

Let me start at a beginning which happened *almost seven years ago.* I wasn't saved at the time and was far from thinking about being a child of God. Well, I became pregnant while not married. I thought about abortion many times and almost had one a couple of times. But something inside me wouldn't let me do it. Undoubtedly, it must have been the Lord's small voice. I finally decided to go ahead with the pregnancy. I was advised to put the child up for adoption; but decided it was best for me and my child to keep it.

On March 28, 1980, I was blessed with a very beautiful, seven pound fourteen ounce baby girl. Today, that little baby is almost seven years old and is in the first grade this year. She's very intelligent for her age and said she has asked the Lord into her heart to save her. I rejoice everyday for this! From that first moment I saw her I have never regretted keeping her.

Another beginning that is just as important happened about two years ago. Around April 1985, my husband and I found out that we were to have a baby. We were really excited since it was to be our first child together.

My doctor wanted to do an ultrasound to determine an appropriate due date. This was done in about my fifth month of pregnancy. The ultrasound not only gave an approximate due date, which was January 10, 1986, but it also showed that our baby had hydrocephalus (or water on the brain). My doctor and the doctors of a well-known hospital in Virginia advised us to "terminate" the pregnancy or, in a better word, abort. Because there was something medically wrong with the child, they assumed we didn't want it and that it had no right to live. Needless to say, we were crushed and very disappointed with the news. After all, everyone hopes for a beautiful, "perfect" and normal child. We were very hurt and angry with God! We felt cheated somehow. All those people out there aborting their babies just because they didn't want it or it would embarrass them. Many abuse their children. We felt that it just wasn't fair! We loved the thought of our baby! But to be handed this! Through all the emotions we decided to ask God's forgiveness, guidance and strength. We chose to trust Him and go ahead with the pregnancy.

After two weeks of thinking about it, my doctor wouldn't even let me give him my answer, "no," to the abortion. He told me to think about it some more and let him know the next month I came in. I told him I already knew what the answer would be but he still wouldn't accept it. In the meantime, he said the doctors at the University of Virginia Hospital wanted to discuss the case and possible options. Notice the plural of "option." So August 1985, my husband and I went to the hospital in Charlottesville. The doctors there did two ultrasounds with two different pieces of equipment. After that we all went to a conference room to discuss their results, information and our options.

They told us that they felt it still best to "terminate the pregnancy." They told us the baby had very little brain tissue and that the baby would be severely retarded. They said if the baby lived after birth, it would more than likely be a vegetable. It wouldn't know how to perform the normal bodily functions to keep it alive: breathing, eating, and sucking. Again, the only option they gave us was abortion.

They told us they would call in a day or so to get our answer. One thing that I will never forget about that day was the very last picture the ultrasound made was a picture of our baby's face. You could actually see the places for the eyes, nose and mouth. I will never forget that picture.

We left that hospital totally crushed and defeated. We cried most of the way home from Charlottesville. We really didn't know what to do. To be honest, we thought for a little while that they might be right. Thank the Lord we finally came to our senses. I remember something I had heard before, "Sometimes the Lord makes everything look so humanly impossible, so that all the glory goes to Himself." I guess He sometimes backs you up to a wall so that the only thing you can do is look to Him. So instead of abortion, we chose to do what we thought He was leading us to do. We leaned totally on the Lord and decided to deal with the baby's infirmities later.

The hospital called us a few days later for our answer. I told them we were Christians and felt abortion was murder. We also told them that we still wanted to have the baby. At this moment the conversation made me so angry and sickened. Because their reply to my answer was, "How can we help you with the child at its birth?" Just two or three days before they were ready and willing and even wanting to kill my baby. Now they wanted to save its life. To me this is hypocrisy. I never answered them and I never called them back.

I went back to my doctor at home for my next checkup and told him. My husband and I wanted a second opinion from Duke University Medical Center in Durham, North Carolina. This was the advice of a friend. He said he would set up the appointment for us.

The day arrived when Roy and I went to Duke. Before we left the house, we prayed and asked God to have His way and no matter what, we would keep the baby. We were scared to death and also excited. We were going to be in such a big, well-known capital. We read that Duke University Hospital was ranked third in the South among major hospitals.

We expected to receive the very same information. We were taken to the Private Women's Clinic when we arrived and then to the ultrasound. We met my doctor there. He seemed to be very easy going and unusually kind and concerned for a doctor. He stayed with Roy and I during the majority of the day. They took so many pictures of what they found. It was hard to keep up with everything. We were hanging on their every word and gesture for a bit of hope. They reached their decision and let us go into a conference room so they could let us know what they came up with. They told us the baby had almost a full brain on one side and only a little on the other, which was better than none. To Roy and I that sounded better than "very little" as the other hospital had said. They also told us that it was getting very late for us to still consider abortion and if that was my decision, I would have to make a quick one. Also, they said it seemed as though we wanted the baby or else we would have aborted it long ago. So they told us of some of the things they could do to help the baby once it was born. They said they would give it the best chance for a normal life as they possibly could.

So, we decided to go with Duke. Because they had the opinions we wanted. Also, they gave us two options that let us do the choosing, not just one and then try to push it on us.

They suggested that I have a test done called amniocentesis to see if the baby had a disorder known as Downs Syndrome. We did this as they suggested.

We went home with somewhat lighter hearts, praising the Lord for a little positive information.

Time went so slowly between then and the results of the test. Finally, about three weeks later they let us know our baby was normal, except for the hydrocephalus. Also we found out the baby was a boy. We decided to name him Aaron. We finally felt like there was a ray of hope lightening what seemed to be the darkest time of our lives.

Each month from then on, I would go to Duke for an ultrasound to monitor the growth of Aaron's head. November 1985, the Wednesday right before Thanksgiving, we were scheduled for another ultrasound. This one showed the size of Aaron's head was somewhat larger, which concerned the doctors on the case. So they scheduled me to come in December 1, 1985, which was one month early, to have Aaron by Cesarian section on Monday, December 2, 1985.

The big day came and Aaron was born. I didn't get to see Aaron the first three days of his life because of my own operation and recovery. After I was alert enough, Roy told me Aaron had a beautiful full head of black hair and that he came out crying because he knew he wasn't supposed to be born yet. Also, my doctor told Roy, he had a little trouble getting Aaron out too, because Aaron tried to get away from him. This was an example of a baby knowing its time to be born had not yet come.

Aaron's neurosurgeon came to my room that evening and told me that because of the hydrocephalus; Aaron was forgetting to breathe. He insisted that Aaron have an operation the next day, Tuesday, December 3, 1985. I had to sign the papers to okay the operation.

Wednesday evening, December 4, I got to see Aaron for the first time. I just looked at first, but then I cried for him; he looked so pitiful and helpless. Being premature, he was rather purplish. I must admit, he wasn't very pretty. But my heart went out to him because he was mine and I loved him no matter what. They had IV's and monitors everywhere on him. The pain of the surgery must have been terrible for him. He was such a fighter though! When he was born, he weighed four pounds and fourteen ounces but because of the surgery he only weighed three pounds and six ounces. Due to his rapid improvements, we were able to take him home two weeks later.

One year and two months later on February 1, 1987, the Lord took Aaron home with Him. He had suffered enough. The week before he caught viral pneumonia and had high fevers for a couple of days. His little body just couldn't handle the sickness and strain. He died of respiratory arrest. Even in dying he fought for his life. We know he's better off now with the Lord than he could ever have been here on earth. He isn't suffering anymore. It was hard and his case took a lot of time and money. But it was all worthwhile. We loved Aaron as much as our daughter and his life blessed so many. The Lord was always there for us to lean on and to guide us. If I had to do it again I'd still keep the child because of the blessings the Lord can give.

Please, use this to let people know even in a case of physical impairments, abortion is not the answer, God gives life and creates everyone differently for a purpose. Sometimes God creates a little differently for a reason. Who are we to question God? Remember: "God doesn't make junk."

Also, what else can I do to get involved with the Right to Life Campaign. I will do whatever is needed to help save lives like Aaron's and even "normal" little Aarons.

In memory of Aaron Michael Ellis, In Christ.

ALETIA C. ELLIS.

VA EMPLOYEES VOICE STRONG SUPPORT FOR THEIR MEDICAL COMPUTER SYSTEM

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. MONTGOMERY. Mr. Speaker, a controversy over the effectiveness and cost of the Veterans' Administration's medical computer system, known as the Decentralized Hospital Computer Program [DHCP] system, has arisen in the Congress. As chairman of the Committee on Veterans' Affairs, I have scheduled many oversight hearings on this important medical computer system over the past several years and the reports on its effectiveness and costs have been uniformly very positive.

Since our hearing of April 8, 1987, on this important subject, I have received many letters from veterans and Veterans' Administration employees in support of the DHCP.

I would like to share with my colleagues a copy of a letter which I received from Mr. Al Washko, Director of the VA's Department of Medicine and Surgery's Northeast Region, which demonstrates how the VA employees feel about their medical computer system. The letter follows:

MAY 15, 1987.

Hon. G.V. (SONNY) MONTGOMERY,
Chairman, Committee on Veterans' Affairs, U.S. House of Representatives, Washington, DC.

DEAR CHAIRMAN MONTGOMERY: As the Regional Director of the Northeast Region of the Veterans' Administration's Department of Medicine and Surgery, my primary responsibility is to manage medical care operations within this region. My primary mission is to provide the highest quality of care possible to our veteran population. One of the principal tools in meeting this mission has been the automation of our medical centers through the Decentralized Hospital Computer Program (DHCP).

Prior to the Decentralized Hospital Computer Program, the Agency unsuccessfully pursued a number of automation solutions for the medical centers. The most notable was a commercial implementation in seven of our largest facilities. This alternative failed due to severe limitations, lack of flexibility and prohibitive costs associated with ongoing maintenance and software change orders. During this same time period, a small number of dedicated VAMC staff members began development of a system that was the antithesis of the commercial products featuring flexibility, ease of change, a high degree of user involvement and minimal costs due to vendor independent design structures. This common sense approach overcame all obstacles to form the basis for the Decentralized Hospital Computer Program.

Thanks to this program, clinical test results are now obtained within a fraction of the time that it use to take; veterans' medical benefit eligibility can be obtained in a matter of minutes rather than the once-normal two weeks; VA pharmacies provide substantially greater numbers of prescriptions in reduced amounts of time; veterans' waiting times have been greatly reduced; patient information is available to doctors, nurses and other health care professionals in a fraction of the time that it took before the Decentralized Hospital Computer Program; and the overall care of the sick and disabled veteran has unquestionably improved. With the increased number of veterans being treated today, the increased number of diagnostic tests performed, and the need to maximize quality of care with minimum cost, the Decentralized Hospital Computer Program is critical to our success.

Unfortunately, a program that should be receiving accolades for reflecting government at its best, is instead under attack and facing loss of funding due to entrepreneurial interests of parties such as McDonnell Douglas within the commercial medical ADP sector. This firm has strongly lobbied the Appropriations Subcommittee on HUD-Independent Agencies and forced a reconsideration of the continued funding of the Decentralized Hospital Computer Program. As the Chairman of the House Veterans Affairs Committee, you are well aware of the published reports documenting the cost benefits of the Decentralized Hospital Computer Program as compared to commercial vendors; you are well aware of the success of the Decentralized Hospital Computer Program program and our prior history of automation failures; and you are well aware of the prohibitive costs and damage to morale that would result if the program was eliminated. Damage to government employee morale is a matter that must not be overlooked, as there is a trickle-down effect which ultimately impacts on the quality of care provided to veterans.

You have it in your power to settle this dispute and allow the Veterans' Administration to move forward with a program recognized internationally for its excellence and inventiveness. If this political battle continues, the only losers will be the Agency's health care providers and the sick and disabled veterans whom they serve. I ask you to lend your full support to the Decentralized Hospital Computer Program effort to ensure continued program funding for this critical component of veterans' care.

Sincerely,

AL WASHKO,
Regional Director, Veterans' Administration, Northeast Region.

SHARON FOX AND TEENAGE PREGNANCY

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. RICHARDSON. Mr. Speaker, I'm sure you are all aware of the problem of teenage pregnancy in the United States. The statistics are alarming:

Each year, 1.1 million U.S. teenagers become pregnant;

More than 500,000 of those young women give birth;

Ninety-six percent of those who give birth keep their babies.

And those figures are rising at an alarming rate.

I bring to your attention the accomplishments of Sharon K. Fox, a New Mexico woman who was recently honored for her work with teenage parents. The American Home Economics Association [AHEA] chose Mrs. Fox as the recipient of the 1987 National Home Economics Teacher of the Year Award.

Mrs. Fox is the employment program coordinator of the New Futures School in Albuquerque, a nationally recognized model school for teenagers who are pregnant or are already parents. With its award, the AHEA recognizes the creative and caring approach she takes to her work demonstrated by her Jobs for Credit Program, a course which gives teenage parents the skills, support, and motivation to find and keep jobs while properly caring for their children.

The Teacher of the Year Award is designed to reward and recognize creativity and innovation in home economics education programs. Dr. Joan R. McFadden, the executive director of AHEA explains:

> As society's needs have changed, so has the focus of home economics education. Our focus is always on the family. Now it is on the realities that today's families face.

Statistically, the reality is that many of American families today consist of single, young, undereducated mothers who have neither child-rearing skills nor the skills needed to find and hold a job. Sharon Fox designed and implemented a program to meet those needs.

Mrs. Fox explains:

> Parenting is not child's play, ask anyone who's been a parent. Every infant needs almost constant attention, regular medical care, clothes, food, and a clean, safe place to live. It's a challenge at any age. In addition, teen parents have other worries. Most are not married. Many feel a sense of loneliness, depression, and isolation. Few have jobs. None are finished with their education.

The New Futures School was designed to teach young parents both the family living skills required for maintaining a decent home and the employment skills needed to go out and find a job. Mrs. Fox states that: "The mission of New Futures School is to prepare teen parents to become self-sufficient, contributing members of society."

In her class, Mrs. Fox guides each teen parent through a 2-week intensive training program to develop such job skills as preparing résumés, establishing references, analyzing help-wanted ads, writing application letters, interviewing, dressing appropriately, and being responsible. A crucial aspect of the program is free child care which is provided both during academic hours and during work on weekdays. In addition, Fox visits students on the job and keeps in touch with them after graduation, providing not only skills training but moral support and motivation. Her program establishes attitudes and habits that hopefully will remain with her students all their lives.

The program has been extremely successful. For example, of the 32 students in Fox's program this year, 18 got their GED or high school diplomas; 17 of the 32 had been high school dropouts and 29 were economically disadvantaged. Mrs. Fox placed 32 students in jobs this year who worked more than 4,500 hours and earned more than $25,000. None made less than minimum wage and about half made more. In addition, 23 were offered continuing jobs with their employers when the class ended.

Those figures represent a significant impact on the Albuquerque community, especially in light of the fact that a considerable percentage of teenage parents who drop out of high school end up on welfare.

I bring Mrs. Fox's program to your attention in order to highlight her success in combating some of the problems faced by teenage parents. Mrs. Fox's Jobs for Credit Program is a successful, concrete effort on the part of a community to address the problem of teenage pregnancy. I think it is a wonderful example of a community-based effort to cope with the changes in our society and can serve as an example for the whole country.

I congratulate Mrs. Fox on her award and thank her for her contribution to the welfare of New Mexico's teenagers. I think she and her fellow teachers at the New Futures School in Albuquerque set a standard of attention and care for all educators.

DEATH OF JIMMY O'KEEFE

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. DONNELLY. Mr. Speaker, I am inserting in the RECORD today an article from the Boston Globe about a good friend who passed away last week: Jimmy O'Keefe of Boston.

This article tells the real story of this man's life: A man who owned a nightclub in the 1940's and 1950's that was frequented by the "greats, the near-greats and the failures in sports, politics, entertainment and the press"; a man who knew bank robbers, convicts, boxers, priests, cops, reporters and a thousand other people who were happy to be his friend.

I think that this article captures the Jimmy O'Keefe I knew and that most of Boston knew. It tells the story of how he helped elect Maurice Tobin the mayor of Boston and then the Governor of Massachusetts. It tells the story of his nightclub during prohibition days, his help to boxers—and other sports greats including Ted Williams.

Jimmy O'Keefe was buried last week, and a part of Boston was buried with his. He will be missed—and this obituary is a fitting tribute to his memory.

[From the Boston Globe, July 28, 1987]

THIS IS THE STORY OF JIMMY O'KEEFE AND WHAT THE DEATH NOTICES LEFT OUT

(By Douglas S. Crocket)

They're going to bury Jimmy O'Keefe tomorrow morning and when they do, a big portion of what used to be Boston will be gone.

He died at Deaconess Hospital Sunday, and he was 83 years old.

The death notice in yesterday's papers ran just a few lines and, at the end, said he was the owner of a place called The Dugout Cafe just outside of Kenmore Square.

It didn't say that James J. O'Keefe was the closest thing to a legend Boston had left.

It didn't say that many people believe that, if it wasn't for O'Keefe, one man, Maurice Tobin, would never have been elected mayor of Boston, then governor of Massachusetts and then appointed to a presidential Cabinet. It didn't say that once, O'Keefe physically beat up a Massachusetts governor because he did not get a job for a man who stood in the rain and snow and gave out cards for the governor at a polling place.

It didn't say that in the 1940s and 1950s Jimmy O'Keefe's nightclub and restaurant at the corner of Boylston Street and Massachusetts Avenue was the gathering place of the greats, the near greats and the failures in sports, politics, entertainment and the press.

It didn't say that he knew bank robbers and boxers and convicts and priests and cops and reporters and cab drivers and prostitutes and waitresses and bartenders and all the rest.

"He knew everyone but the unknown soldier," Frank Kennedy, one of his closest friends, said last night.

It did not say that thousands of Boston University students looked at him as a father figure.

It did not tell that thousands of alcoholics, homeless people and those down on their luck knew that Jimmy O'Keefe was always good for a handout.

It didn't tell of thousands of dollars loaned and never asked for, nor of jobs obtained.

But this is the story of Jimmy O'Keefe.

He was born in Boston's Back Bay and he never left that area.

He delivered groceries as a youth from a horse and wagon in the area now called Kenmore Square, played football and graduated from Boston English High School, worked for the telephone company for a while and then found his calling.

He became a bootlegger. He even bought a drugstore on Huntington Avenue and they used to say, "Jimmy O'Keefe sold more booze there than he did aspirins."

And, after Prohibition ended, he bought the Dugout in 1934.

There are so many stories about Jimmy O'Keefe they could never be told in a day.

ONE OF THE OLD SCHOOL

In politics, he was of the old school. He not only knew everyone in his area, he knew their cousins and friends and aunts and uncles and sisters and brothers and everyone else who even came in contact with them.

That was why Maurice Tobin went after him. O'Keefe didn't make speeches for Tobin. He organized his campaign for mayor.

O'Keefe brought all his friends into the organization and they came through. Tobin was elected but everyone knew O'Keefe was behind it.

Tobin went on to become governor but one day, when O'Keefe asked him to help a friend and Tobin said he was too busy, O'Keefe beat him up.

He never admitted it or denied it, but plenty of people knew it was true.

IN THE BOXING WORLD

In sports, he had countless boxers under contracts.

Could they fight?

"They eat better than they fight," he said. "Their feed bill is higher than Suffolk Downs."

He had Irish Bob Murphy and Bobby Quinn and no one knows how many more.

Sammy Fuller worked for him and called him one night to say he was taking a heavyweight to Providence to fight an "Italian shoemaker from Brockton."

Later Fuller called O'Keefe and said their man was knocked out, and he asked O'Keefe what to do.

"Sign the shoemaker," O'Keefe said, but he never got him. The shoemaker from Brockton was Rocky Marciano.

O'Keefe was among the closest friends of the greats of sport. When Ted Williams was a rookie, he drove O'Keefe's car. One night the police pulled him over.

"Why did you pull me over?" the Red Sox star asked.

"Why are you driving Jimmy O'Keefe's car?" the policeman said.

Forty years ago, Jimmy O'Keefe's Restaurant was the biggest spot in Boston. Sports figures such as Williams, Joe Cronin, Jimmy Foxx, Jim Tabor were only a few of those who congregated there.

Writers such as Dave Egan and Bill Cunningham and Walter Howie were regulars. The politicians were there. The people who later robbed Brinks were there. Everyone, it seemed, was there.

FRIEND TO ALL

But he always kept the Dugout and when everything was said and done, he loved the young people.

His bartenders were Boston University hockey and football players. He kept waitresses and bartenders on the payroll for decades.

Kids who needed $5 or $10 always knew they could get it from Jimmy O'Keefe.

In 1961, Boston police arrested him after an undercover officer said he heard O'Keefe calling in a bet. That wasn't news. Everyone knew Jimmy O'Keefe would bet on anything.

The news was when he was arrested. The switchboard at Boston Police headquarters lit up like a Christmas tree as friends called to ask why such a thing could happen. "It was like arresting Santa Claus," the Boston Record-American reported. The case was dropped.

Jimmy O'Keefe never married nor had children. His closest relative is a cousin.

His last request was that, instead of flowers, donations be sent to the Pine Street Inn, where the people he cared about live.

His heart was bigger than he was.

And you can bet a lot of people are going to be at a funeral Mass at St. Theresa's Church in West Roxbury Wednesday, July 29, at 10 a.m.

NORTH BROOKFIELD'S 175TH ANNIVERSARY

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. BOLAND. Mr. Speaker, I would like to call to my colleagues' attention a very special anniversary which is being celebrated in my district.

Almost all Americans are aware that 1987 is the 200th anniversary of what I believe to be the crowning achievement of modern democracy, the U.S. Constitution. To the people of North Brookfield, MA, however, 1987 is also being celebrated as the 175th birthday of their hometown.

Our Constitution has endured these many years because succeeding generations of Americans have renewed the commitment of the Founding Fathers to the fundamental right of the people to maintain the integrity of their life and thought—to govern themselves.

North Brookfield was established 25 years after that miracle at Philadelphia. Its endurance can be attributed to many of the same principles which have effected the longevity of that famous document. Each generation of residents of North Brookfield has renewed its commitment to the shared interests, civic values, and neighborly concern that motivated the ancestors of the present-day residents to settle there. That those commitments should last for 175 years is, in my mind, ample cause for celebration.

North Brookfield's anniversary will be a year-long affair, but I would like to give special recognition to what will surely prove to be its crowning moment—the six-division parade which took place on July 26. I would like particularly to recognize the efforts of Parade Committee Chairman Kathleen Crevier; 175th Anniversary Committee Chairman Robert Littlefield; and Town Selectmen Joseph A. Vallencourt, Jr., Raymond H. Small and Eugene Caille, Jr., for a tremendous display of civic pride and planning.

Mr. Speaker, it is a very special year in our country's history and the confluence of events which has made it all the more special for North Brookfield is truly deserving of our recognition.

JETS JAM NEIGHBORHOODS WITH NOISE

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. FLORIO. Mr. Speaker, in the friendly skies every morning, there is a noise that refuses to go away. It is that of airplanes landing in and taking off from our Nation's airports.

For the millions of individuals who live in the acoustic shadow of the aircrafts' flight paths, the noise they wake up to in the morning and live with as they sit in their homes is a persistent problem.

In the past few weeks, I have brought this matter to the attention of our colleagues in Congress because it is a matter that affects every community. There are hundreds of airports with airplanes crisscrossing the skies.

For every airplane that enters the airspace, there is that much more noise for our communities to contend with.

Yet there are solutions to the airport noise problem. Thanks to legislation that I supported and the Congress passed in 1979, Federal funding exists for programs to study the noise problem at all of the Nation's airports.

Since 1979, however, only 100 of the airports in the Nation have participated in the Federal programs. Of the remainder, much still needs to be done to address the noise pollution.

Indeed, airport noise is a very apparent form of pollution. It is not the kind that fills our lungs; it is the kind that rattles our homes.

Recently, when the Federal Aviation Administration adopted its expanded east coast plan covering north and central New Jersey, the impetus was the number of flight delays and safety problems with the amount of traffic in the skies.

Since then, the skies have become even more confused. The friendly skies are just as frantic with activity, but the noise problem has grown. With the FAA's plan, millions of homes were previously unaffected by airport noise now are affected.

In my State of New Jersey, the problem has been so dramatic, that I have asked several airports in New Jersey, Pennsylvania, and New York to participate in noise abatement.

Our colleague from California, NORMAN MINETA, has included a provision in the Airport and Airway Improvement Amendments of 1987, putting pressure on airports to participate in Federal noise monitoring and abatement. If an airport authority does not make reasonable progress in developing a noise compatibility program, then 10 percent of the airport's Federal funding would be redirected to the community level, so that the noise level can be addressed through the community.

The FAA and the Environmental Protection Agency are charged with protecting our Nation from the persistent problem of airport noise.

Much can be done to help the millions affected by airport noise. All it takes is doing it.

I am including an article from the Jersey Journal, speaking to the problem:

[From the Jersey Journal, July 8, 1987]

AIRPORT NOISE CONTROL STUDY SOUGHT

The Port Authority of New York and New Jersey should do a study on the problem of increased noise at metropolitan area airports, said Rep. James J. Florio, South Jersey Democrat.

Speaking yesterday at a news conference in a Kearny park, he said new flight patterns instituted in February at Newark International Airport and LaGuardia Airport in New York City have prompted complaints from residents in 27 New Jersey communities.

He said helicopter traffic that has risen considerably at Teterboro Airport also has contributed to the problem.

The Port Authority should request funds from the Federal Aviation Administration to examine noise levels in six counties near Newark International Airport, Florio and Rep. Frank J. Guarini, D-Jersey City, told P.A. Executive Director Stephen Ledger in a letter dated July 2.

The letter had not been received by late yesterday afternoon, said a P.A. official.

Surrounded by local officials, including state Sen. Thomas F. Cowan, D-Jersey City, and Kearny Mayor Henry Hill, Florio accused the Environmental Protection Agency and the FAA of being lax in enforcement of noise pollution laws.

"It seems that some people in Washington don't want the EPA involved in noise pollution. It's time to start thinking about it and doing it," Florio said.

He suggested that the state attorney general should consider suing the EPA if conditions do not improve soon.

Florio attributed the rise in complaints to the FAA's new system of routing planes, more flights spurred by deregulation, and overworked air traffic controllers "who are not cushioning the impact of higher levels of traffic."

Air safety is foremost at airports, Florio said, but high noise levels can add to health problems. He chided the EPA for "opting out of its responsibility" and said the EPA and FAA have not coordinated efforts on that front.

The FAA's decision to alter traffic routes from Florida to Boston was part of a plan to relieve congestion and improve safety.

Under the Expanded East Coast Plan, or EECP, planes flying south and southwest out of the two local airports were routed over the New Jersey communities of Tewnsbury, Long Valley and Hackettstown. Before the EECP, the flights went over Headington.

Legislation passed in 1979 by Congress allows airports to petition the FAA for a study of noise levels.

Such FAA studies allow federal funding for programs such as sound-proofing homes, changing traffic patterns, designating preferential runways, limiting night operations and enforcing minimum noise standards, Florio said.

Only about 100 airports in the country have conducted the studies, he said. Jim Muldoon, general manager of aviation technical services for the P.A., said both airports have studies similar to the one requested. "We've had it for four years and the FAA has been funding 90 percent of our noise abatement program, such as school soundproofing in 17 or 18 schools. We've done it in Newark's Ironbound and in Port Elizabeth."

The studies he said usually examine areas surrounding airports, not areas 20 to 30 miles away.

Florio said the higher volume of air traffic meant "more planes are circling over remote areas."

A CONGRESSIONAL SALUTE TO ROBERT E. RUSSELL

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. ANDERSON. Mr. Speaker, it is my distinct honor to rise today to pay tribute to Officer Robert E. Russell, who is retiring from the Long Beach, CA, Police Department after having served over 30 years. Officer Russell will be honored at a retirement ceremony on Friday, August 14, 1987.

Officer Robert Lee Russell was born October 15, 1932 in Long Beach. He attended Long Beach Polytechnic High School where he excelled in track and field. Upon graduation he joined the U.S. Army where he served 4 years and was honorably discharged as a corporal. Bob then went to work for Douglas Aircraft where he was a union representative until joining the Long Beach Police Department in July 1, 1957.

During his career of service with the Long Beach Police Department, Bob has worked as a patrolman in the patrol division, the jail division, vice division, and community relations division. He spent a 7-year period in the vice division, which was divided between working the uniform vice zone patrol, whose responsibility was to maintain order in the Pike amusement area, and to enforce ABC laws in the restaurants and lounges in the area. The remainder of the time Bob spent on the vice force as a plain clothes officer dedicated to enforcing gambling, prostitution, and ABC laws.

Officer Russell was assigned to Community Relations in March 7, 1981. He immediately took over the responsibilities of the Officer Bill program, making presentations to elementary school children throughout the city of Long Beach. Bob is often recognized as Officer Bill by the children of the community. He has become an invaluable asset with the community relations division where he is often called on to speak to many groups and organizations who request crime prevention information in any area of law enforcement. He has been established as the liaison officer for the department in the areas of labor relations, Asian relations, and gay liaison.

For the past 7 years, Bob has organized the Police and Citizens Award Luncheon which has always been a tremendous success. His outstanding commitment to his community has never gone unnoticed as he has been recognized by many organizations for his contributions and presentations, and has received over 65 letters of appreciation and commendations.

Officer Robert Russell married his wife, Molly, on April 18, 1964. Together they raised two daughers, Colleen and Kathleen. They also have two grandsons, Matthew Allen and Bryan David.

Bob has many hobbies including collecting police patches and coins. He enjoys fishing, off-road biking, and horseback riding. He also enjoys traveling, water skiing, and is an avid fan of the Los Angeles Rams football team.

Bob raises Arabian horses, and aside from being an expert horseman, he has taken his Arabian horses to over one hundred first place trophies in open shows and rated class A Arabian, Halter, and Western pleasure competition. Upon retirement, Bob and Molly will move to Lockwood Valley to continue to raise horses on their ranch which is appropriate named Russell's All "R's" Arabians.

Mr. Speaker, Officer Robert L. Russell has proudly served his uniform and his community. He made the city of Long Beach a special place to live and work. My wife, Lee, joins me in congratulating Officer Russell on his many accomplishments and achievements over the years. We wish him and his wife, Molly, and their two daughters, Colleen and Kathleen, and their two grandsons, Matthew Allen and Bryan David, happiness and all the best in the years ahead.

COMMENCEMENT EXERCISE FOR ACTION TO REHABILITATE COMMUNITY HOUSING

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. FAUNTROY. Mr. Speaker, I would like to take this opportunity to commend to my colleagues an outstanding vocational educational training program for young adults in the District of Columbia who aspire to enter the building trades industry.

Action to Rehabilitate Community Housing [ARCH] is a program which operates under the Cooperative Employer Education Program [CEEP], in conjunction with the Division of Adult Education in the District of Columbia Public Schools. As a building trades training program, ARCH provides two 26-week carpenter/drywall and weatherization mechanic programs, a 47-week housing rehabilitation specialist program, or a 16-week gas/heat maintenance and repair program. In addition to these skills, the curriculum focuses on cultivating good work habits, healthy customer/coworker relationships, and tutoring in reading, mathematics, measuring, and oral and written communication.

On August 14, 1987, ARCH will hold its first commencement exercise and will award certificates to 27 trainees who have successfully completed the prescribed course of study. These young adults having had the benefit of this vocational training program, which combined hands-on craft skills with classroom study, will be in a better position to enter the highly competitive job market in this metropolitan area.

Mr. Speaker, I am proud to bring this worthwhile program to your attention, and I want to express the gratitude of the citizens of the District of Columbia to the DC Government, the DC Public School System, PEPCO, and the Private Industry Council for their continued support and dedication to this project. Action to Rehabilitate Community Housing is the kind of program that might serve as a model for other communities.

IN HONOR OF THE VICTIMS AT NASSCO

HON. JIM BATES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. BATES. Mr. Speaker, I was deeply saddened to learn of the tragic accident which occurred at National Steel and Shipbuilding in San Diego on July 10, 1987. Six men lost their lives and six others were injured in this regrettable incident.

These brave men were victims of an unfortunate accident while serving the United States. These men had just completed their days' work assignments on the U.S.S. *Sacramento*, a fast combat support ship that was undergoing repairs at the shipyard.

I want to express my condolences and deepest sympathies to the families of Maurice McClure, Carlos Mendez Ortiz, William A. Starke, Jr., August Lawrence Unser, Rafael Barajas Magana, and Roberto Estrella, who lost their husbands, fathers and sons.

I wish to extend my sincerest wishes for a speedy recovery to Carge Johnson, Jr., Esteban Delgadillo, Ford Pulley, George Sumner, Doug Wilson, and Robert Miller, who were injured on this dreadful day.

The trades involved in shipbuilding are very dangerous occupations. I would like to impress upon officials at National Steel and

Shipbuilding, and at the Federal Occupational Safety and Health Administration, the need for a comprehensive updating of the safety regulations for this industry.

AMENDMENT TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

HON. JACK BROOKS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. BROOKS. Mr. Speaker, today I have introduced a bill to amend the Employee Retirement Income Security Act of 1974 [ERISA]. This legislation is identical to that which I proposed in the last two Congresses.

As it stands now, ERISA's protections are incomplete; the law explicitly protects workers pension plans from the ravages of corporate mergers, but does not cover any of the numerous other, nonpension, worker programs—life insurance, accidental death and dismemberment insurance, and disability retirement income plans, and so forth—that millions of the Nation's workers have earned and rely on presently, any of these many nonpension programs can be wiped out through the course of a corporate merger. Often such programs are as important, if not more important, to the economic security and well-being of retirees as their basic pension plans which ERISA protects. This bill will extend ERISA's merger protection provisions to all employee benefit plans, pension or otherwise.

Hearings were held during the 98th Congress on this remedial legislation before the Labor-Management Subcommittee of the Education and Labor Committee. In light of the attention this subject has attracted recently, I am hopeful that this bill may be expeditiously considered by the House.

BORK SHOULD BE REJECTED

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. FLORIO. Mr. Speaker, the President's nomination of Judge Robert H. Bork to a seat on the U.S. Supreme Court is a grave mistake for our Nation.

I strongly believe that Judge Bork is a nominee whose extreme views threaten societal and constitutional balance. I have researched this and elaborated on my position at length in a letter to the chairman of the Senate Judiciary Committee.

For the benefit of my colleagues, the text of that letter follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, July 28, 1987.

Hon. JOSEPH R. BIDEN, JR.,
Chairman, Committee on the Judiciary, U.S. Senate, Washington, DC

DEAR CHAIRMAN BIDEN: I write to express my views on the nomination of Judge Robert H. Bork to the United States Supreme Court. I hope your Committee will take these views into account in exercising its Constitutional responsibility to provide advice and determine whether consent should be given to the appointment.

Under our Constitutional system, liberty and justice depend on balance—a balance of governmental institutions and a balance of principles of popular sovereignty and fundamental rights. The Federalist No. 51. The Supreme Court plays a crucial role in determining the nature of the balance. Since a seat on the Supreme Court is a lifetime appointment, the stakes are high each time a nomination is considered. A justice with extreme views could upset the balance of our democracy.

The nominee's views have been set forth forcefully and articulately in the prolific writings of a long professional career. Regrettably, review of the record makes clear that this nomination threatens to upset the Constitutional balance. In evaluating a nominee's views, considerable latitude should be allowed for differences of opinion and philosophy. Here, however, the nominee's views are outside the mainstream of American Constitutional and legal thought.

The economic and social forces of the twentieth century accompanied by nearly perpetual state of international tension, have put to a severe test the Constitutional system devised by the Framers. But the system has, not without painful struggle, withstood the test, and in some respects it has grown stronger. For example, in the decades since World War II, America destroyed forever the curse of government-backed racial discrimination and strengthened the right to privacy, to free speech, and to vote. Nevertheless, national consensus on many public issues remains fragile, and many difficult challenges lie ahead. Can we move from a situation where government does not discriminate to a society without discrimination? Can we meet the current global economic challenge? Can we emerge from a Constitutional crisis in the implementation of United States foreign policy and restore compliance with democratic processes and the rule of law?

Judge Bork's record leads to the disconcerting conclusion that he has opposed virtually every aspect of the progress of the last generation. Equally troubling, the nominee's extreme views and rigid ideology are ill-suited for the challenges that lie ahead.

At a crucial point in the civil rights struggle, the nominee opposed as "coercive" the legislative effort to achieve decency and simple justice by ending racial discrimination in public accommodations. When public opinion passed him by, the nominee abandoned his position on public accommodations. In the ensuing years, however, he attacked the Supreme Court's decisions forbidding discriminatory real estate contracts, striking down the poll tax, and allowing universities to consider race in admitting students, if done for substantial public policy reasons. The last case is particularly instructive. The decision in *Regents of the University of California* v. *Bakke,* 438 U.S. 265 (1978), allowing affirmative action in university admissions, was written by Mr. Justice Powell, whose place on the Court the nominee would fill if he is confirmed. The nominee criticized Powell's opinion as an "uneasy compromise." Actually Powell's approach was conservative. He struck down the admissions plan in issue and simply suggested that a more flexible approach would have been sustained. Widely recognized as a conservative jurist, Powell nevertheless demonstrated the difference between conservatism and extremism. In leaving the door open to some forms of affirmative action, he had the personal flexibility to permit an interpretation of the Constitution in light of the evolving sense of justice of the American people.

The nominee has opposed improvement in the fairness of our political system, arguing against the landmark decision guaranteeing the principle of one-person-one-vote. He has authored opinions arguing for restricted access to the courts and against women's rights. He has criticized Supreme Court decisions elaborating the Constitutional right of privacy, and he had made troubling statements on free speech, suggesting a dangerously narrow approach.

When one turns from the need to preserve and strengthen individual rights, to the other challenges that lie ahead, the nominee's record is equally troubling. America, today, faces a world of fierce economic rivalry. In the short period of a half dozen years, ballooning debt, slipping productivity, and eroding market shares have put us on the defensive around the world. We need an undogmatic and flexible response, but the record of the nominee suggests a rigid and doctrinaire approach, ill-suited to the challenge. It is well known, for example, that the nominee has consistently espoused a rigid approach to interpretation of our antitrust laws. The sole criterion for interpreting the antitrust laws he would allow is an academic conception of efficiency that amounts to "anything goes." For example, his view of the mergers and takeovers that violate the Clayton Act is so narrow that if it were the law, even with an enforcement minded administration, little would stand in the way of the continuation of the present, "anything goes" approach. In such an environment, financial manipulation is rewarded, communities are dismembered, plants are closed, jobs are lost, and nothing is done to regain our international economic position.

Finally, in light of the fact that the United States is currently in the midst of a Constitutional crisis regarding official compliance with law in the implemention of foreign policy, it is impossible to ignore the nominee's role in what came to be called the "Saturday night massacre" during the Watergate scandal. The nominee was then the Solicitor General of the United States. When the Attorney General refused to follow the President's order to fire the Watergate special prosecutor, the nominee carried out the order, despite Justice Department regulations. Two weeks later, he told Congress that legislation to create a special prosecutor independent of the President could be unconstitutional. Such legislation was enacted, but it is now being challenged by former officials who are under investigation. Undoubtedly the Supreme Court will soon have to consider the status of the independent counsel and other matters relating to official accountability. Simply stated, the record of the nominee, on this point alone, disqualifies him for a seat on the Court.

Sometimes it is said that whatever else is revealed by the record of this nominee, he is at least an advocate of judicial restraint and of deference to legislative intent and the intent of the Framers of the Constitution. I am afraid that I am not persuaded that this assertion is correct. In his extensive writings on antitrust, the nominee argues, in effect, that the courts should read into the Sherman Act a particular, modern, academic economic theory, as the lode star for antitrust analysis. Bork, "The Rule of Reason and the Per Se Concept," 74 Yale Law Journal 775, 839 (1965). In fact, the legislative history of the antitrust laws is filled with concern for the social and political consequences of concentrations of economic power, and this concern should be taken into account in application of the law. Pitofsky, "The Political Content of Antitrust," 127 University of Pennsylvania Law Review 1051 (1979).

As for deference to the intent of the Framers of the Constitution, the nominee has written extensively about the intent behind particular Constitutional provisions but has basically missed the point. Over a generation ago, Felix Frankfurter observed that the broad clauses of the Constitution, such as "due process" and "equal protection" and doctrines like the separation of powers, are vague. He said the ambiguity of these "is such that the Court is compelled to put meaning into the Constitution not to take it out." Mr. Justice Holmes and the Supreme Court (1938), page 7. For this reason, the emphasis on deference to the Framers' intent can be misleading. Part of their intent was that the great clauses of the Constitution would be adaptable to the needs of the times. McCloskey, The American Supreme Court (1960), page 15. Too often today, the claim of having found a specific intent in 1787 or 1867 is an unconvincing attempt to justify disregarding the precedents that prevail in 1987. Though purporting to reflect "restraint," the argument seeks to justify an exercise of power to overthrow precedent. Since dubious history is used to make respectable an effort to put certain things into the Constitution, we are returned to the need to scrutinize a nominee's philosophy, while regarding skeptically assurances of restraint.

Judge Bork's views stand in stark contrast to those of Justice Holmes. The nominee has attempted to nail antitrust law to a rigid, academic doctrine of neo-laissez-faire, yet can find only limited protection for individual rights in the Constitution. Holmes tended to be very deferential to legislatures on economic issues and less so when government action might impinge on fundamental civil rights. Justice Holmes understood how social arrangements are affected by time and circumstances and how "fragile, in scientific proof, is the ultimate validity of a particular economic adjustment." (Frankfurter, pages 50-51) Holmes attributed much more significance to the liberties of the individual, which are the foundation upon which our free society is based.

It has been frequently noted that the current nominee, if appointed, would replace a swing vote on a delicately balanced Supreme Court. Equally noteworthy, however, is the fact that our Constitutional system, and even our society, as we grapple with the challenges of a revolutionary age, are delicately balanced. The present nomination comes at a time when Congress is investigating an unprecedented challenge to the Constitutional balance of powers in the implementation of foreign policy. Serious questions are pending on whether care was taken faithfully to execute the laws. In these circumstances, the legitimacy of this nomination to the Court is clouded and both the nomination and the nominee should be reviewed with extra care.

I respectfully submit that the Senate should not consent to an appointment to the United States Supreme Court where the legitimacy of the nomination is in doubt and where the record reveals a nominee whose extreme views threaten to upset the social and Constitutional balance and jeopardize the hard-won gains of two centuries.

Sincerely,

JAMES J. FLORIO.

A TRIBUTE TO OUR LATE COLLEAGUE, WILLIAM S. MOORHEAD

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. YATRON. Mr. Speaker, I rise today in great sadness to pay tribute to our late colleague, former Congressman William S. Moorhead. Bill Moorhead's life was dedicated to public service and to representing the people of the city of Pittsburgh in the U.S. House of Representatives.

Bill Moorhead ably served in the House for 22 years. I was privileged to serve with Bill for much of this period. His hard work and commitment ensured the admiration and support of his constitutents. In his long career, he was active on a number of legislative fronts. His work on the Government Operations Committee and on the Banking, Finance and Urban Affairs Committee was especially important. Bill was best known for his fine work in enacting the Privacy Act, providing Federal loan guarantees for the city of New York and the Chrysler Corp., and establishing the National Endowment for the Arts and the Humanities. In all of his endeavors, Bill represented the citizens of the 14th District of Pennsylvania with the utmost dedication and sense of responsibility.

I feel honored to have known and served with Bill Moorhead. He was a caring and compassionate man and a tremendous political leader and public servant. Mr. Speaker, I join with my colleagues in extending deepest sympathy to Bill's wife, Lucy, and all members of his family.

CLEAN AIR ACT AMENDMENTS

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. ANDERSON. Mr. Speaker, our colleague, Congressman WAXMAN last week introduced H.R. 3054, to amend the Clean Air Act. This legislation is the product of long and diligent work, and clearly Congressman WAXMAN is owed our gratitude for his good efforts on what is certainly one of the most critical problems facing our country.

On a bill so complex and so comprehensive in nature, it is not likely that any two individuals would agree on every provision. And so it is with H.R. 3054. Though I have cosponsored this because, as indeed it will point the Nation in the right direction in our struggle for clean air and is on balance a fine piece of legislation, there are provisions in the bill which trouble me. Among these is the provision which would authorize the Administrator of the Environmental Protection Agency to impose a gasoline tax increase in severe nonattainment areas.

While the people of our Nation must have clean air, there are various means of approaching this objective. But the people and the economy of our country also require a sound transportation network. And I am convinced that such a transportation network is dependent upon the existence of user fees that are used exclusively for transportation-related purposes.

I have suggested in recent weeks that highway user fees should not be utilized as a mechanism for achieving the vital national goal of deficit reduction. I am equally persuaded that they should not be a tool in our clean air campaign.

Mr. Speaker, we must have clean air. The obvious and simple truth is that we can't live without it. And for this reason I urge our colleagues to consider joining Congressman WAXMAN as a cosponsor of H.R. 3054. But I do so with the caveat that not every provision in this important legislation is perfect. Indeed, as H.R. 3054 runs the legislative gamut toward enactment, I would hope that any language which could provide for a highway user fee increase be dropped.

TRIBUTE TO MR. ANTHONY J. GIAQUINTA

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. FAUNTROY. Mr. Speaker, I am privileged today to bring to the attention of my colleagues an event on Thursday, August 6, 1987, sponsored by the Shaw Community Center Food Committee to honor Anthony J. Giaquinta for his outstanding community service in the District of Columbia.

In recognizing the charitable contributions of Mr. Giaquinta, who is the director of the Joint Carpentry Apprenticeship Committee, we acknowledge his many volunteer efforts and his unselfish commitment to serving needy families in the Washington community. His active participation on the Shaw Community Food Committee has enabled this volunteer group to raise funds for thousands of area families in celebration of the Thanksgiving holiday. In addition to his work with the Food Committee, Mr. Giaquinta is currently serving as the president of the Carpenters' District Council, chairman of the board of the Carpenter's Health and Pension Fund, and a board member of the Wider Opportunity for Women Advisory Council.

Anthony J. Giaquinta is a Washingtonian, who has remained involved in the city of his birth, both in a professional capacity and in his civic duties.

Mr. Speaker, I believe Mr. Giaquinta exemplifies the volunteer spirit that has contributed so much to the making of the District of Columbia, as a caring community, as a city, and as the Nation's Capital. I invite my colleagues to join me in saluting this American citizen for his dedicated service to worthy human needs and for his devotion to his city.

FAMILY PROTECTION ACT

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. LIPINSKI. Mr. Speaker, I would like to take this opportunity to make my colleagues aware of three pieces of legislation I recently introduced with the goal of protecting, strengthening, and aiding low- and middle-income American families.

As we quickly move through the second half of this decade it has become apparent that a serious and harmful trend is taking place across this Nation—the disintegration of the traditional family unit. The shapes and needs of the middle-class American family are changing. Yet, this Nation's leadership projects an image of the family that no longer squares with the facts—facts that point to new pressures on the family budget. Nowhere are the new pressures on the family budget more evident than in their impact on homeownership, postsecondary education and child-care arrangements.

Clearly, based upon the nature of a technological society, no government can avoid having policies that influence the family unit. The key issue, however, is whether these policies reach to the heart and soul of strengthening the American family.

There are two basic assumptions we must follow in order to adequately address this problem: The first being that the family structure has been the cornerstone for stability and understanding in our society; and second, the Government has the tools necessary to preserve the structure.

It is based upon these basic premises that Senator DENNIS DECONCINI and I have introduced three bills that will assist the middle-income American family in the areas of education, housing, and child-care.

Two of the proposals would provide tax incentives to low- and middle-income families to purchase their first home and/or pay for their children's postsecondary education.

These two bills are based on the individual retirement account [IRA] system and its income eligibility requirements. Couples filing a joint income tax return may take full deductions for the individual housing account [IHA] and the educational savings account [ESA] if their adjusted gross income does not exceed $40,000. The amount of their deduction is gradully phased out if income is over $40,000 until it reaches $50,000 at which point they are ineligible. For a single parent or individual filing a separate return the phaseout range is $25,000 to $35,000.

The ESA will provide parents with the opportunity to make maximum annual contributions of $1,000 for their child's postsecondary education until he or she reaches the age of 19.

Skyrocketing postsecondary education costs have priced many promising students out of the market. As the requirements of the workplace increase, we cannot allow the cost of education to become prohibitive to the American family.

The IHA, in turn, will help low- and middle-income families purchase their first home. The housing account proposal would have a maximum annual contribution of $2,000 per working person—$4,000 per working couple.

Clearly the American dream of owning your own home is getting more difficult for young families to achieve. The fact is that the prospects for most young people today are not as bright as those their parents had at a comparable period in their own lives.

The third phase of this family package, the day care tax credit bill, will provide incentives to employers who establish on site day care facilities for their employees.

Onsite day care provides the most promising solution available to many low-income families. Onsite care allows more direct contact between parent and child throughout the day and assists the parent in the return to the work force.

Too many families today are caught between the rising cost of achieving traditional family goals and stagnating family incomes. The dream of providing one's family and children with decent child care, a college education, and a good home is fading away. I feel strongly that government must now step in to help the family help itself.

If we are serious about strengthening the family, we must get a clear picture of what the family needs and how we might assist it. This legislation recognizes, understands, and deals with the reality of change and will once again make the American family the vital core of our society.

AN OPEN LETTER TO THE LEADERS OF THE PEOPLE CONCERNING THE ISSUES OF NUCLEAR WEAPONS

HON. J. ROY ROWLAND

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. ROWLAND of Georgia. Mr. Speaker, in early May of 1986, the Council of Bishops of the United Methodist Church adopted the final drafts of a pastoral letter and a foundation document, both entitled "In Defense of Creation: the Nuclear Crisis and a Just Peace." We have attached a copy of the letter and foundation document to this, our response to the bishop's letter. Our youth ministry took these documents and used them as a guide to study the issues ourselves.

We listened to several speakers, studied various materials, had several audio-visual presentations, and were involved in many intensive discussions involving the policies concerning nuclear weapons. We studied Christ's teachings and the concept of Shalom, both as Christians and as youth raised with the moral traditions of our nation. These sessions have helped us understand and reach our own conclusions about nuclear arms issues.

As Christian youth, we all agree that nuclear weapons affect more than one aspect of our lives. After studying all the issues, we believe this is more than just a question of war or peace with the Soviet Union. Whatever we do affects the whole planet and everyone living on it.

In the midst of these arms issue, we as a Christian nation have a responsibility to protect all of God's Earth, not just our own nation. We see the situation growing and are concerned that unless we start trying to make peace and get rid of these nuclear weapons, then there won't be a way to turn back in the future. In other words, we know that there are already enough nuclear weapons to destroy the earth several times over. We've seen the effects, on both nature and society, of radiation from atomic explosions as well as from nuclear reactor leaks. Therefore, we must avoid a nuclear war, begin to control the situation, and begin working toward peace.

Everyone in our youth group agrees our country should do whatever is needed to prevent a total nuclear war. We feel there could be no "winner," but only destruction and death. We are split, however, on the issue of limited use of nuclear arms.

About half of our youth group believes that any use of nuclear weapons is not only harmful to the people and the world environment, but eliminates any real hope of world peace. One reason for this is the direct effects of radiation on the country attacked, as well as the indirect effects of radiation on the surrounding non-participating countries. Another reason is that we would instill distrust and fear in the rest of the world, if they see we actually are willing to use nuclear weapons. Finally, we see the real possibility that any use would lead to an all-out nuclear war that would destroy the Earth.

The other half of our group believes we should leave open the option of limited use of nuclear weapons as a means of national security. The fear of becoming a communist nation is the main reason for supporting limited use of nuclear weapons. Thus, we feel we must retain our nuclear weapons in order to give us a defense to threats toward our nation.

As Christian youth, however, we see how the threats involved in nuclear deterrence cannot be supported. We see that by supporting nuclear deterrence, the United States becomes the so-called "tough guy," rather than the peacemaker.

After studying the proposed Star Wars Defense Initiative, we are concerned with the tremendous cost of this defense system and the questionable effectiveness of it. This money could better be used to support existing social programs and to develop new programs to aid the hungry and homeless. It's time for the United States to take a positive step forward by dropping this proposed system and addressing the day-to-day needs of people.

Among the proposals in the Bishop's Letter, we strongly support a freeze in the production of all nuclear weapons. This would include a ban on both offensive and defensive weapons in space and on Earth. Next, the United States should re-affirm the ABM treaty of 1972 and ratify the SALT II treaty. By working toward treaties and agreements with the Soviet Union, we will lay the groundwork for more openness and better relations with other nuclear and non-nuclear countries as well.

We feel that an important first step toward peace would be an agreement with the other nuclear countries prohibiting a first use of any nuclear weapons. With the possibility of a first use eliminated, we could and should move toward the ultimate dismantling of all nuclear weapons.

These are important issues that need to be addressed now. They continue to grow more complex every day. Our nation cannot accept this situation as unchangeable. We must study the issues and consider all possible solutions. We must begin now to plan and move toward a lasting world peace.

COMMUNITIES CONFRONT AIRPORT NOISE PROBLEM

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. FLORIO. Mr. Speaker, in the past few weeks, I have brought to the attention of my colleagues in Congress a problem that affects hundreds of communities across the Nation. The problem is that of airport noise.

Although the problem can be treated with a number of effective solutions, the problem has refused to go away.

Since 1979, the Federal Government has made available to airport authorities around the Nation funds to perform studies of the airport noise problem and to improve the noise levels in affected neighborhoods.

The solution might involve rerouting traffic to lessen the impact of noise on the neighborhoods, installing better soundproofing, changing the flight schedules of airplanes and operating hours of airports, among others.

Yet despite the ready availability of Federal funding for these projects, only 100 airports have participated in the studies.

The problem of airport noise has only increased. In attempts to reduce flight delays and improve air traffic safety, the Federal Aviation Administration implemented its expanded east coast plan in the Northeast corridor earlier this year. Under that plan, neighborhoods that were previously unaffected by the noise, wake up in the early morning to the disturbing rattle of an airplane overhead.

Concerned by the noise pollution affecting residents of my own district, I recently asked the authorities at Philadelphia International Airport to conduct studies of the airport noise problem in the surrounding neighborhoods.

In that time, the authorities have agreed to cooperate in a limited study and the results are coming in. The airport noise problem is affecting those neighborhoods to a tremendous degree.

At the same time, the noise problem continues unabated from airports in Newark, NJ, and in New York.

The problem is so serious for our communities that the communities themselves are taking an active role in increasing pressure on airports to address the problem.

On June 25, Mayor Joseph N. Petruzzi of the Borough of Bellmawr, NJ, and the borough council adopted a resolution protesting the airport noise problem.

Their resolution is a model for other communities across the Nation affected by excessive airport noise.

The methods and the funds to improve the problem of airport noise do exist. I urge my colleagues in Congress to address this pressing problem for our communities and constituents.

I am including below the resolution as passed by the Borough of Bellmawr, NJ. That resolution can serve as a model for other communities in dealing with the noise pollution problem.

RESOLUTION 6:118-87

Whereas, the take-off and approach patterns of the aircraft utilizing the Philadelphia International Airport have created a noise problem in the Borough of Bellmawr; and

Whereas, this generation of larger and more powerful jet aircraft omits a higher level of noise pollution; and

Whereas, it appears that the aircraft departure and landings have been at altitudes that make this noise unbearable, especially in the borough of Bellmawr that is predominantly residential and where a large percentage of our population is comprised of senior citizens: Now, therefore, be it

Resolved by the Mayor and Council of the Borough of Bellmawr, County of Camden and State of New Jersey that the continuous communities in the County of Camden and their Governing Bodies be encouraged to join together to protest the problem of noise pollution being generated by aircraft leaving and entering the Philadelphia International Airport: Be it further

Resolved that a copy of this resolution be sent to all Mayors of surrounding communities and Local, State and Federal representatives.

JOSEPH N. PETRUZZI,
Mayor.

The foregoing resolution was duly adopted by the Mayor and Council of the Borough of Bellmawr at a meeting held on June 25, 1987 in the Municipal Building, Bellmawr, NJ, beginning at 8:00 p.m.

MARGARET WELSH,
Borough Clerk.

MODERN DAY BETSY ROSSES

HON. THOMAS M. FOGLIETTA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. FOGLIETTA. Mr. Speaker, I would like to take this time to recognize 15 highly-skilled women working in my district to whom I like to refer as the Betsy Rosses of modern times. They are all Federal Government employees working in the flag-making room at the Defense Personnel Support Center in south Philadelphia.

It was more than 200 years ago that Betsy Ross used her skills to create the first American flag at her home in Philadelphia, and today, these 15 women with backgrounds from all over the world are working together to create three more historic flags to commemorate the 200th anniversary of the U.S. Constitution. The flags are called We The People.

Although most of these women were born outside the continental United States in places like Korea, Italy, and Portugal, they are all now American citizens working together to hand embroider these beautiful patriotic flags.

Each of the flags takes more than 240 hours of embroidering with red, white, blue, and gold thread to complete. The flags are being made at the request of the Commission on the Bicentennial of the United States Constitution, which is headed by former Supreme Court Chief Justice Warren Burger. One of the flags will be presented to President Reagan, another will be placed in the Smithsonian Institution and the third will be used in bicentennial ceremonies in Philadelphia.

These flags proudly represent the freedom our Constitution protects, and these women should be recognized for their efforts. These women are: Anna Cavallucci, Grazia Panettiere, Grazia Marciano, Natalie Nardo, Mary Nociforo, Sarah D. Simon, Rose T. Clavin, Stella Crispno, Aida Figuerao, Maria C. Martins, Samye So, Christine Upchurch, Josephine Spitalieri, Maria Negron, and Anna Fantazzi. The shop foreperson is Magnolia Young. The illustrator for the flags is Judy Mendes.

I commend each of these women for their efforts, in this the 200th anniversary of the United States Constitution.

COAST GUARD: 197 YEARS OLD TODAY

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. BIAGGI. Mr. Speaker, I want to congratulate the U.S. Coast Guard, which today is celebrating its 197th birthday. Since the early days of our Nation, the Coast Guard has had a proud tradition of service to the public. Its responsibilities impact upon each of us. I often wonder whether we truly appreciate its value to the health, safety, and security of our Nation. I say this because it seems that every year there is an attempt to reduce the financial resources essential for the Coast Guard to carry out its responsibilities.

The Coast Guard is cost effective. It is a bargain. It benefits all of us. Its mission capabilities run the gamut for aids to navigation to boating to vessel traffic systems and zeppelins.

Since 1790 when Alexander Hamilton created the Revenue Marine to guard our coasts, prevent smuggling, and raise revenues for our fledgling Nation, the Coast Guard has operated with a willingness to serve the best interests of our Nation. Its "can do" spirit is well known to all of us. Its motto, "Semper Paratus" ("Always Ready"), appropriately describes the Coast Guard.

Today, the Coast Guard continues to struggle to obtain the funds necessary to carry out its day-to-day missions, and for an acquisition and construction program to guard against deterioration of its physical assets. How much longer can we exploit the cost effectiveness of this proud and valiant organization? In 1981, the Committee on Merchant Marine and Fisheries issued an oversight report, entitled "Semi-Paratus: The United States Coast Guard, 1981." The committee found "that Coast Guard resources are not currently sufficient in quality or quantity to cope with the variety of responsibilities placed upon the agency by law."

The Coast Guard is a multimission agency, whose chief responsibilities are maritime safety, military readiness, and law enforcement.

Maritime safety includes one of the oldest missions of the Coast Guard—maintenance, repair, and operation of a system of short-range aids to navigation necessary for the safe navigation of our waters. There are over 47,000 such aids—including large navigational lighthouses, small- and medium-sized buoys, 34 light stations, and a system of radio navigation aids to navigation to assist both air and marine traffic. In addition to providing 200 radio beacons in U.S. waters, the Coast Guard operates a 42-station, long-range navigation [loran] system and an 8-station Omega system. In accomplishing this mission, the Coast Guard uses 49 large buoy tenders, 29 smaller tenders, 64 aids to navigation teams, 18 bases, and 2 depots. It publishes the Coast Guard Light List, Rules of the Road, and local and weekly notices to mariners. The Coast Guard also operates vessel traffic systems in the Houston/Galveston, New Orleans, San Francisco, Puget Sound, Prince William Sound, and New York areas.

Maritime safety includes recreational boating safety. The objective is to reduce loss of life, personal injury, and property damage in the use of over 16 million recreational boats by more than 50 million boaters. Education is the primary objective; however, the program includes inspection and jurisdiction over manufacturers of boats and their associated equipment. To assist the Coast Guard in promoting recreational boating safety, the Congress established the Coast Guard Auxiliary—a group of 32,000 experienced boaters who volunteer their time, boats, and equipment.

Maritime safety also includes the preservation of the public right of navigation by assuring that 18,000 bridges are constructed, maintained, and operated to promote safe navigation.

Maritime safety includes the development and enforcement of standards for the safe design, construction, maintenance, and operation of commercial vessels and offshore facilities. In addition to approving designs, supervising vessel construction, and subsequent operations, it assures the competence of personnel through examination and licensing program. In any one year, this involves the inspection or examination of more than 40,000 U.S.-flag vessels and nearly 4,000 foreign-flag vessels, the conduct of about 13,000 merchant marine investigations, and in excess of 70,000 transactions involving seamen's documents and licenses.

Since the 1972 enactment of the Federal Water Pollution Control Act, maritime safety has been expanded to include environmental safety in recognition of the fact that, while accidents can be reduced, they can never be eliminate. The United States has, therefore, developed a national oil and hazardous substance spill response system that relies heavily on the Coast Guard. Its goals are to minimize pollution damage while also trying to reduce the threat of potential pollution in our coastal areas and within our inland river and Great Lakes systems. To do this, the Coast Guard maintains three strike teams that are highly trained in pollution response, maintains a large pollution response inventory, and provides a centralized reporting point for spills of oil or hazardous substances. This involves responding, on an annual basis, to more than 12,000 oil and hazardous substance spills; 11,000 cargo transfer operations; 300 major oil pollution removal operations; and thousands of vessel, barge, and waterfront inspections.

Maritime safety includes port safety and security. The Coast Guard's objective is to safeguard our Nation's ports, waterways, waterfront facilities, vessels, and personnel from accidental or intentional damage, disruption, destruction, or injury. The service also safeguards our ports from external threats of sabotage and espionage. In peacetime, its principal functions involve monitoring oil and hazardous cargo transfers, preventing spills and accidents, and inspecting waterfront facilities. There are 47 Captain of the Port Offices along our four coasts and inland waters. The Captains of the Port inspect more than 4,000 waterfront facilities and examine a multitude of vessels calling on our ports.

Maritime safety includes search and rescue activities. This activity is probably most typical of the Coast Guard's multimission concept in that is also encompasses the other two major missions, law enforcement and military readiness. Vessels and aircraft engaged in search and rescue play integral parts in military readiness and are also equipped for fisheries, oil pollution, and drug law enforcement activities. This multimission concept permits the flexibility to use vessels and aircraft to detect and chart iceberg movements as part of the annual International Ice Patrol. During 1985, the Coast Guard responded to 70,062 distress calls, saved 6,303 lives, and assisted 136,341 people in distress. The dollar value in property saved and in property assisted superseded the service's 1985 budget authority of $2.6 billion by a half billion dollars.

The Coast Guard is the smallest of the five armed services of the United States, but its military readiness responsibilities are very large and complex. As a matter of fact, Coast Guard forces have been assigned the responsibility for the coastal defense of the United States out to 200 nautical miles through the establishment of Maritime Defense Zones [MDZ's] in 1984.

Military readiness includes maintenance of radio stations, air stations, shore stations, shipyards, vessels, boats, aircraft, and engineering, repair, and support activities. Since 1790, readiness, preparedness, and training have been essential to the Coast Guard's multimission capabilities. Throughout our history, the Coast Guard has been an effective and ready Armed Force.

Last, but certainly not least, is the Coast Guard's third major mission—law enforcement. This mission includes enforcement of various laws or treaties on the high seas and waters subject to the jurisdiction of the United States. Today's emphasis is on the interdiction of drug smuggling and illegal migrants. A few years ago, the emphasis was on the enforcement of fisheries laws and regulations within our 200-nautical-mile exclusive economic zone.

As of July 1986, the Coast Guard, in the enforcement of our fisheries laws, has boarded 15,684 foreign and domestic vessels, issued 2,825 citations, seized 76 foreign and 4 domestic fishing vessels, and assessed approximately $25 million for various violations under the Magnuson Fisheries Conservation and Management Act. Coast Guard operations alone have led to the confiscation of 35 million pounds of narcotics and dangerous drugs, 2,000 cases involving maritime smuggling, with the seizure of 1,405 vessels and the arrest of 6,907 individuals.

On the Coast Guard's birthday, it is incumbent upon us to take a moment and reflect upon the impact this service organization has upon all our lives. I am pleased to have this opportunity to wish the entire Coast Guard family best wishes on this 197th birthday.

CONSTITUTIONAL CONVENTION

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. PACKARD. Mr. Speaker, on August 6, 1787 the Convention reconvened after a 10 day recess. The committee of detail had completed the first draft of our United States Constitution. Copies were distributed to each of the members and at that time the Convention was adjourned to allot time for each delegate to study the report. The first draft consisted of a preamble and 23 articles. Of the 23 articles, two were introductions, seven dealt with Congress and its powers, one covered the executive, one the judiciary, three provided for interstate comity, and seven covered such miscellaneous topics as the admission of new States.

Much debate along with many changes were to follow the original draft, however, the main concepts behind the document could still be recognized if compared with the final work. Parts were agreed on with little difficulty whereas others ended in heated debates. Changes made by the committee were often questioned by many of the delegates. The most important change made by the committee was regarding the amount of authority given Congress. With the revised report Congress could no longer do things such as declare war, coin money or regulate foreign and domestic commerce. Restrictions on the various branches were added so that they could not have absolute freedom to do as they pleased.

With the Iran/Contra hearings, we are questioning certain sections of our Constitution just as our forefathers did. For example, did public officials go beyond the boundries of our Constitution? This is a question that will be debated for years. I think Thomas Jefferson sums it up most appropriately when he said, "some men look at constitutions with sanctimonious reverence, and deem them like the ark of the covenant, too sacred to be touched * * * I am certainly not an advocate for frequent and untried changes in laws and constitutions * * * but I know also, that laws and institutions must go hand in hand with the progress of the human mind * * * we might as well require a man to wear still the coat which fitted him when a boy, as civilized society to remain ever under the regimen of their barbarous ancestors."

RAOUL WALLENBERG HAS PROVEN THAT ONE PERSON CAN MAKE A DIFFERENCE

HON. DEAN A. GALLO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. GALLO. Mr. Speaker, today is the 75th birthday of a man who has proven for all time that one person can make a difference.

In honor of Raoul Wallenberg's birthday, the people of Morris County, NJ, have taken action to find an appropriate site for a permanent reminder of Mr. Wallenberg's life and his one-man stand against the tyranny of nazism. This action will honor the man, his Swedish heritage, and his unselfish dedication to justice and humanity.

The courageous actions of Raoul Wallenberg during the Nazi purges of the Jewish people saved the lives of tens of thousands of people. Acting at great risk to his own life, Mr. Wallenberg used every method at his disposal as a diplomat representing the neutral Swedish Government to prevent the Nazis from deporting as many as 100,000 people from occupied Hungary to the death camps.

It is appropriate that the 75th birthday of this brave man be celebrated through the efforts by Mount Olive Mayor Charles Johnson, Randolph Councilwoman Kayla Bergeron, and other local and county officials to find an appropriate site for this honor, with the support and cooperation of the Jewish Anti-Defamation League and the Jewish War Veterans.

As a supporter of this action, who also has called on the Soviet Government in the strongest possible terms to open their records on Mr. Wallenberg, I believe he would be pleased to know that his courageous actions on behalf of peace-loving people everywhere are remembered 40 years after he disappeared into the Soviet gulag.

The great irony of Mr. Wallenberg's life is that he is best remembered for singlehandedly freeing a people from bondage, only to be sentenced to the same fate by a Soviet Government under Stalin that proved no more sympathetic to human rights than the Nazis were.

The Soviet Government owes a 40-year debt to freedom-loving people everywhere who have waited for word of Mr. Wallenberg's fate.

This action is appropriate for another, equally important reason. I am very disturbed by the fact that a growing number of young people do not know who Raoul Wallenberg is. Long after we all are gone, his story should be told so that his example will continue to remind future generations that one person can change the course of history for thousands of others, if he or she has the courage to try.

MODEL CONGRESS CHARTERS PATH PROMOTING INTEREST IN GOVERNMENT

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. FLORIO. Mr. Speaker, for many years now, the Educational Information and Resource Center in Sewell, NJ has been sponsoring a "Model Congress" for middle, junior, and senior high schools throughout the State of New Jersey. Through this Model Congress, EIRC has promoted a renewed interest in the way the Government operates and has helped to restore confidence in the legislative process.

Originally sponsored by the Institute for Political and Legal Education, the Educational Information and Resource Center has served a vital need in our society for the past 18 years through the Model Congress by promoting an awareness among our children of how the Government works.

The Model Congress is patterned after the actual branches of Government of the United States, including the rules and procedures of the Congress of the United States. Elected by their peers, students from grades 7 to 12 participate in a model legislature to tackle issues that we in the Congress of the United States must also deal with.

The Model Congress Program allows students to study the Constitution, and the Federal Government's three branches—the legislative, the executive, and the judicial branches—in depth and hands on.

Through the Model Congress, students in my State of New Jersey have a forum in which to meet and discuss vital issues among themselves and with State and National Government officials.

Currently, several dozen schools in New Jersey are participating in the Model Congress with several hundred students getting a firsthand grasp of how the Government works each year.

The EIRC provides instructional background and materials for the students and their teachers to use. By working with the participating schools, the Model Congress combines an extracurricular activity with the academic program of the schools, adding to the students' understanding of the way Government works.

This forum is a way for these students to get firsthand experience as to the operation of the Congress. For some, it is the budding start of a congressional career or public service. For others, it is an insight into Government that can be shared with their peers back at school.

For all, it is a way of getting inside the Government and bringing the democratic ideals of the Nation closer to all.

For many congressional offices, the Model Congress offers an opportunity to participate in the education of children in our district's schools. Individual offices can work with schools in their districts, playing an active role in how the Congress works. That Capitol perspective is an invaluable part of helping students understand how the American system of democracy works in practice.

I commend the EIRC, its Associate Director Dr. Theodore J. Gourley, and the Model Congress in New Jersey and urge the sponsors to keep the program alive, making Government attainable for all.

THE CENTENNIAL OF THE BIRTH OF MARCUS MOSIAH GARVEY

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. RANGEL. Mr. Speaker, it is remarkable, and altogether fitting and appropriate, that this month we celebrate both the 25th anniversary of the independence of Jamaica and the centennial of the birth of Marcus Mosiah Garvey, its first declared national hero. I believe we have much cause to rejoice in this fortuitous conjunction to remember and reflect what preceded the 25 years of Jamaican independence and understanding that the long, hard struggle for independence were blessed by the presence and work of Marcus Garvey.

I am proud to be the sponsor of House Concurrent Resolution 84, a bill to exonerate Marcus Garvey of the unjust conviction he suffered as a result of the politically motivated persecution by the U.S. Government aimed at him because of fear of his growing influence with the black masses. I am pleased that on Tuesday, July 28, our colleague JOHN CONYERS chaired a hearing before the Subcommittee on Criminal Justice on my legislation.

I was thrilled to have the opportunity to testify on behalf of my bill and to have been joined by the sons of Marcus Garvey, Julius and Marcus Garvey, Jr. Mr. CONYERS, and the members of his subcommittee also heard from Ambassador Keith Johnson of Jamaica, and a distinguished panel of historians who presented clear and compelling evidence in support of the exoneration of Marcus Garvey. Also present and participating in the hearing was my good friend, former Ambassador from Jamaica, the Honorable Alfred A. Rattray. Mr. Rattray now serves as a member of the Executive and a Shadow Minister for Investment and Foreign Trade of the People's National Party, which last formed the Government of Jamaica from 1972 to 1980.

Freddie Rattray's stirring testimony supporting my legislation and commemorating the life and legacy of Marcus Garvey is a wonderful expression of the love that the Jamacian people have for their national hero. Regardless of their political persuasion, the Jamaican people appreciate Marcus Garvey for his contribution to their independence.

Today, Marcus Garvey's liberating message is as alive as ever, and as we join our Jamaican friends in celebrating the 25th anniversary of Jamaicans independence as a nation, let us recognize that independence is not simply an historical event, achieved once and settled forever. It is a continuing process, a struggle for each generation to define how it will meet the challenge of the day. On August 17, 1987, in every part of the world reached by the diaspora—Jamaica, United States, Europe, Asia, and Africa—millions will remember the message and work of Marcus Mosiah Garvey. His message of liberation is alive, uniting us in purpose and binding us together.

I am pleased to join this important celebration of the centennial of Marcus Garvey's birth and to inform my colleagues of his rightful place in history through inserting the testimony of Ambassador Alfred Rattray in the RECORD.

The testimony follows:

STATEMENT BY HON. ALFRED A. RATTRAY

Mr. Chairman, Honorable Members of the Committee, I am Alfred A. Rattray. I thank you for the opportunity to present this statement to you on this very important matter. I am a former Ambassador of Jamaica to the United States and a former Ambassador/Permanent Representative of Jamaica to the Organization of American States. I am a Member of the Executive and a Shadow Minister for Investment and Foreign Trade of the People's National Party, which last formed the Government of Jamaica from 1972 to 1980. I am also Chairman of the North American Committee of the People's National Party of Jamaica.

Marcus Mosiah Garvey is one of a select few who have had a profound effect upon world history and human affairs during the 20th century.

Most of the territories of the Americas and the West Indies suffered conquest by external powers, and over time there arose liberators who freed individual territories or groups of territories from colonialism, or from foreign occupation. Marcus Garvey came along and ushered in a new concept of liberation. He viewed a world demeaned by the scourge of colonialism—that system whose very purpose is the enforced exploitation of whole races and classes of people by others more powerful than themselves. He saw everywhere in the Americas and in Africa, the denial of reasonable economic, social and educational opportunities for the vast majority of people. He observed the entrenched systems which deliberately and systematically debased and at times even sought to exterminate or enslave whole races, minority groups and disadvantaged persons.

There seemed no end to this global oppression of one race by another, of the weak and powerless by the strong and the powerful. The victims seemed powerless to throw off the shackles which so effectively impeded their economic, cultural, social and political mobility. The plight of the Negro race and of other oppressed peoples everywhere seemed hopeless.

And then, the 20th century produced Marcus Garvey. He led and helped to spawn a new breed of liberators who developed new strategies and employed new techniques to wage war against the seemingly impregnable fortresses of human seifishness, abuse, exploitation, callousness, and cynicism.

Tracing through the pages of history the methods and techniques used along the way to secure and perpetuate the bondage of oppressed peoples, Garvey noted that the Negro race, and by extension all oppressed people, were the victims of man's inhumanity to man. They were victims of that brutal inhuman urge which produced the twin systems of slavery and of colonialism, and which even today is dominant wherever one nation or class of people for whatever motive seek to dominate another.

Observing his people in Jamaica, in the Americas and in Africa, and learning from the lessons of history, Garvey noted that the conquest and subjugation of the human spirit was at least as important and as effective a strategy of enslavement, as the conquest and subjugation of the human body.

The establishment and perpetuation of the political, social, economic and psychological bondage of the Negro race, and indeed of all oppressed peoples, were facilitated and indeed secured by the false notion of their inherent inferiority. This notion was invariably implanted into their minds by their oppressors—be they slave masters, colonial masters, or other breeds of exploiters.

So carefully and relentlessly cultivated throughout the ages has been this notion of the inherent and inescapable inferiority of the oppressed, that it emerged as perhaps the greatest stumbling block to his liberation.

The abiding greatness of Marcus Garvey, and that which assures for him his place in the history of mankind, is not only that he clearly perceived all this, but also that he embarked upon a process which showed the way for the liberation of the enslaved spirit of oppressed people everywhere—in Jamaica and the Caribbean; in the Americas; in Africa—everywhere. It was this liberation of the beseiged spirit of the Negro race and of other oppressed peoples throughout the world that was the focus of Garvey's strategies and endeavours. He knew that once the human spirit is liberated the human being can reach out and firmly grasp and guide his own destiny. By the power of his ideas and his philosophies and by example, Garvey aroused in the mighty Negro race an appreciation of their true value, of their inherent worth, of their inherent equality, and their potential to achieve. A profound believer and practitioner of democracy he summoned the Negro race to unity of purpose and clarity of vision and set them on the road in pursuit of their political, economical, and social emancipation. Thus Garvey and the organizations he created and promoted waged war on ignorance and on inferiority syndromes, and in their place, sowed and nourished to maturity human dignity, self respect and self esteem.

His teachings, which had a profound impact upon Black and other oppressed people everywhere, helped to spawn that new breed of 20th century liberators and set in motion in Africa, in the Caribbean and in North America that irresistable tidal wave which swept away colonial empires and produced the massive gains of civil rights for so long denied to our people.

Such giants of history as Mahatma Gahndi, Namdi Azikiwe, Kwame Nkrumah, George Padmore, and Dr. Martin Luther King, Jr., some of the 20th century heroes of Asia, of Africa, of America, and of the Caribbean with numerous others from these areas, were deeply influenced and inspired by Garvey in the pursuit and fulfillment of their own great deeds.

Garvey's main gift to humanity was spiritual and his influence upon humanity will continue to increase with time.

Marcus Mosiah Garvey is National Hero of Jamaica and his life and work are a unifying influence in that great young nation. He has been acclaimed Hero of the Americas and his bust adorns the Hall of Heroes of the Americas at the O.A.S. in this great city. His great and untiring efforts which reached out to the world were wrought mainly in the small proud great nation of Jamaica and in our mighty proud great neighbour and friend the United States of America. Thousands of your people share with us and others throughout the Americas, the Caribbean, and Africa a common pride in this great man.

May his life and work, his struggles, his sacrifices and his triumphs and the realization of what he means to millions in our two countries and throughout the world, become and continue forever as a source of mutual respect, mutual understanding and friendship.

The people of Jamaica and I believe the vast majority of the people of the United States share the view that the charges brought by the Federal Government against Marcus Garvey were unsubstantiated and the conviction was unjustified and unwarranted. The People's National Party of Jamaica, on whose behalf I testify today, unequivocally supports House Concurrent Resolution 84 as introduced by Representative Charles Rangel and sincerely hopes that in this the Centennial Year of Marcus Garvey's birth the Congress of the United States will adopt this resolution.

RAOUL WALLENBERG'S 75TH BIRTHDAY

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. PORTER. Mr. Speaker, under the leadership of my distinguished colleague Mr. TOM LANTOS, the Congressional Human Rights Caucus sponsored a rally on the steps of the Capitol yesterday to honor one of this century's greatest heroes—Raoul Wallenberg. In celebrating Wallenberg's 75th birthday, prominent speakers recognized how much one person can do for his fellow man, and how one man can make a difference.

Throughout history, many are known for their ruthlessness, but very few are remembered for their compassion. Wallenberg is one such man. Hundreds of thousands of individuals owe their life to him. Survivors remember that the name Raoul Wallenberg was their only key to freedom.

On October 5, 1981, President Reagan granted honorary citizenship to Wallenberg. Only two other persons, General Lafayette and Winston Churchill, have received this recognition. Under the leadership of Congressman LOWERY, Senator LEVIN, and others, we have renamed one of Washington's streets in his honor. Actions like these are the result of tireless work by Annette and TOM LANTOS, Rachel Haspel and the Raoul Wallenberg Committee of the United States. They have made Wallenberg's tragedy reknown.

The Soviets are well aware of our concern for Mr. Wallenberg, but have resisted all requests to satisfactorily account for his whereabouts. Since the Soviets took Wallenberg into protective custody in 1945, their sparce statements have been marked by inconsistencies and secrecy. Their inaction is immoral. Why does the Soviet Government persist in punishing Raoul Wallenberg?

The Soviets first claimed they knew nothing of Mr. Wallenberg's condition. Then they claimed he died in a Moscow prison in 1947. However, well-documented evidence insists he was alive at least through the 1970's and may be alive today.

Stalin's injustice against Wallenberg is a disgrace. But if Gorbachev really believes in glasnost, then the chances of discovering Wallenberg's whereabouts are improved. Let Gorbachev's openness policy uncover the case of Raoul Wallenberg.

Over 200 people signed a petition to Secretary Gorbachev demanding the immediate release of Wallenberg and all information concerning his incarceration. By signing this petition, concerned citizens are making sure that this matter will not fade away. Free people everywhere demand to know what has happened to one of our greatest heroes.

Mr. Speaker, I commend my colleagues TOM LANTOS, STENY HOYER, BILL GREEN, ROBERT DORNAN, JOHN MILLER, BILL LOWERY, FRANK WOLF, BEN GILMAN, and Senator CARL LEVIN for participating in this important celebration. When Wallenberg was asked to go to Budapest as a representative of the American War Refugee Board, he said: "If I can save one life, I will go." He did that a hundred thousand times over. We must follow this example and bring Wallenberg home.

H.R. 2902, FOR THE RELIEF OF NANCY L. BRADY

HON. SHERWOOD L. BOEHLERT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. BOEHLERT. Mr. Speaker, today I wish to bring to the attention of my colleagues an admirable example of compassionate volunteerism in the Federal workplace.

A Federal employee from my district has been kept away from her job by a long-term illness. In the process, she has used up all of her accumulated sick and annual leave. However, her coworkers, sympathetic to her situation, have come to her aid and volunteered to donate part of their own annual leave to hers. Their assistance will give her the reassurance of knowing she'll have both the time to heal and the constant income needed to pay for that healing.

Now that's a heartwarming story, isn't it? But there's a catch. Under current law, this yarn will remain a mere fairy tale. Our Government prohibits the commonly used and commonsense business practice of allowing employees to transfer their annual leave between each other during emergency personal situations.

This is the rule—regardless of the fact that the cost of employee annual leave is already budgeted into an agencies' appropriations for the year. And allowing Federal coworkers to transfer their annual leave between each other for such justifiable and extraordinary situations is budget neutral. Companies that have incorporated such plans into their leave policies have had no problem in finding employees willing to donate a portion of their leave. They've even reported that the program has fostered a renewed spirit of teamwork and cooperation in their offices, leading to increased amounts and quality of office production.

I became aware of this regulation only within the past month, after being informed of the plight of a constituent, Nancy L. Brady. Nancy has not only courageously battled cancer for over 2 years but she's also been forced to contend with the Federal bureaucracy for relief—a frustrating task, at best, when one is healthy. That's why I have introduced H.R. 2902, a private bill which would allow Nancy to receive transferred annual leave from her coworkers.

Passage of this legislation will help Nancy with her problems. But the problem won't really end here because this is not an isolated incident: There are literally hundreds of Federal employees that are faced with situations similar to Nancy's. They could all benefit from such a program. But what has been the Federal response?

The Office of Personnel Management is conducting a feasibility study toward universal implementation of such a plan. Hundreds of affected workers applied. Three were chosen to participate. Three.

Now, it will be at least 6 months until the conclusions of OPM's study are known. But I've spoken with OPM and they've told me that their program is virtually running itself. Mr. Speaker, we can already determine what conclusions OPM will reach—the evidence and employee support for the program is already overwhelmingly in favor of universal application.

So I'm here today to urge my colleagues to join me in cosponsorship of H.R. 2487, Congressman WOLF's legislation that would allow OPM to universally apply the leave-sharing program. There are too many people out there suffering needlessly. The problem is apparent and the solution won't cost the Government a single penny. But it would be priceless to Nancy L. Brady and those Federal workers who are being denied access to the relief this program would offer.

THE TRAGEDY OF THE INVASION OF CZECHOSLOVAKIA IS STILL WITH US

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. BROOMFIELD. Mr. Speaker, 19 years ago, Soviet troops marched into Czechoslovakia and snuffed out that country's experiment with liberalization. Since that brutal invasion, Czechoslovakia has been kept under the thumb of the Soviet Union. If Mr. Gorbachev is the great reformer that he claims to be, now is the time for him to withdraw Soviet troops from that country and allow that closed society to breathe the fresh air of freedom.

We all remember that tragic day in 1968 when thousands of Soviet and Warsaw Pact troops invaded Czechoslovakia. The Kremlin leaders could not accept the flame of democracy that had begun to burn among the Czechoslovak people. Since then, over 80,000 heavily armed Soviet troops have been stationed in that country. The Soviet Army, the Czechoslovak Army, and a powerful internal security force maintain almost total control over the Czech people.

The violation of the human rights of those freedom-loving people occurs on a daily basis. Czech Government officials make free use of various forms of repression including house searches, detentions, and interrogations. Government security officials conduct intrusive surveillance and other forms of psychological pressure on anyone who "steps out of line." Opponents of the current regime face discrimination in employment and may have educational opportunities denied to their family members. Religious activists and groups which monitor human rights abuses in that country are particularly subjected to heavy repression.

Over the years, the Czech Communist regime has purged the party, the state, the economy, the arts, the universities, and the media of anyone who dares to speak critically or independently about politics.

In order to prevent their own citizens from escaping from the police state, Czechoslovak border guards have killed a number of Czechs and others from various Eastern European countries attempting to escape across the border to Western Germany.

Gorbachev should take this opportunity to fulfill the promises of glasnost. If glasnost is more than words, now is the time to show the world. This is the time for the Soviet leader to withdraw Soviet forces from Czechoslovakia and let the Czech people experience the new "openness" of the Gorbachev era. Actions, not mere promises, will give Mr. Gorbachev the credibility that he is seeking.

HONORING THE MEMORY OF WALTER HAWRYLAK

HON. LOUISE M. SLAUGHTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Ms. SLAUGHTER of New York. Mr. Speaker, I rise today to ask my colleagues to join me in honoring the memory of Walter Hawrylak. Mr. Hawrylak, a resident of Irondequoit, NY, was a supreme advisor of the Ukrainian National Association [UNA] and a leader in the Ukrainian community of Rochester, NY%, for over 30 years. On July 25, 1987, Walter Hawrylak died at the age of 74.

Mr. Hawrylak emigrated to the United States from Rohatyn, Ukraine, in 1939. After arriving in Rochester, NY, he taught himself English by using a dictionary. In recalling his first glimpse of America, Mr. Hawrylak once said "We went past the Statue of Liberty * * *. I had read about it, knew that it stood for liberty. It was so big, everything was so big, so new, so impressive."

When his new homeland called on him to fight in the U.S. Army during World War II, Mr. Hawrylak was quick to serve. He fought in Italy with the 88th Division "Blue Devils" where he was wounded by mortar fire. After 2 months' recovery, Mr. Hawrylak returned to the front line to fight for his new country. Once out of the Armed Services, he worked for the postal service for 22 years before retiring in 1977.

True to the spirit of the American melting pot, Mr. Hawrylak actively kept his Ukrainian roots alive throughout his lifetime. He was manager and treasurer of the Rochester Ukrainian Federal Credit Union, an organization he helped establish in the 1950's. The Ukrainian Civic Center, the Rochester District of the New York State Credit Union League, and other local commmunity organizations prospered under Mr. Hawrylak's leadership.

Mr. Hawrylak was also secretary of the UNA Branch 316 for 31 years, was an 18-time member of the UNA Champions Club, and was elected a UNA supreme advisor in 1982 and reelected in 1986. During the years of his fraternal activity, Mr. Hawrylak is credited with having enrolled a total of 600 UNA members.

The death of Walter Hawrylak is a deeply felt loss to Ukrainian Americans across the country. His loving leadership and guidance will be especially missed by the Rochester community. It is fitting, Mr. Speaker, that we join today in honoring Mr. Hawrylak's extraordinary contributions to our community. May we also extend our condolences to the Hawrylak family.

FRAUD AMENDMENTS ACT OF 1987

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. CONYERS. Mr. Speaker, I introduce today the Fraud Amendments Act of 1987. The proposed legislation is designed to strengthen our Federal laws dealing with fraud, particularly the insidious fact of the abuse of political power.

I

On June 24, 1987, the United States Supreme Court decided *Charles J. McNally* v. *United States,* No. 86-234 and *James E. Gray* v. *United States,* No. 86-286. In these companion decisions, the Supreme Court held, in the context of a political corruption prosecution in Kentucky, that the phrase "any scheme or artifice to defraud" within the Mail Fraud Statute, 18 U.S.C. 1341 (1982), did not include a "scheme or artifice to defraud" that did not seek to obtain "money or property" that belonged to the state government. As such, it rejected under the Mail Fraud Statute the so-called intangible rights doctrine, most often employed in politicial corruption prosecutions, which had been almost universally followed in the circuit courts of appeal. *See, e.g., United States,* v. *Silvano,* 812 F.2d 754, 759 (1st Cir. 1987); *United States,* v. *Von Barta,* 635 F.2d 999, 1005-06 (2nd Cir. 1980), *cert. denied,* 450 U.S. 998 (1981); *United States,* v. *Mandel,* 602 F.2d 653 (4th Cir. 1979) (en banc), *cert. denied,* 445 U.S 961 (1980); *United States,* v. *Keane,* 522, F.2d 534 (7th Cir. 1975), *cert. denied,* 424 U.S. 976 (1976); *United States,* v. *States,* 488 F.2d 761, 766 (8th Cir. 1973), *cert. denied,* 417 U.S. 909 (1974). This salutary doctrine was premised upon an underlying theory, reflecting the character of modern society, that a public official acts as "trustee for the citizens and the States and thus owes [to them] the normal fiduciary duties of a trustee, e.g., honesty and loyalty . . . ." *Mandel,* 591 F.2d at 1363. Indeed, in *Mandel,* a prosecution of the former governor of Maryland for "selling" racing days for horse tracks to his hidden partners, the Fourth Circuit confidently asserted:

> "[T]here can be no real contention that . . . schemes to defraud a state and its citizens of intangible rights, e.g., honest and faithful government, may not fall within the purview of the mail fraud statute." *Id.* at 1362.

For the tragic story of the corruption of Mandel and his ignominious fall from grace, *see W. Manchester, Thimble Riggers* (1984); the similar story of Otto Kerner, the former governor of Ilinois and judge of the Seventh Circuit, albeit told with little sympathy for the prosecution, is related in *H. Messick, The Politics of Prosecution* (1978). Essential to the "intangible rights" doctrine has been the notion that it is not necessary to show that the public or other body "lost" something in a narrow financial sense; it is sufficient to show a "loss . . . of . . . good faith services" by the fiduciary. *Silvano,* 812 F.2d at 760.

The rejection by the Supreme Court of the "intangible rights" doctrine under the Mail Fraud Statute is a crippling blow to the ability of Federal law to curtail political corruption in the United States, particularly at the State and local level. Among the recent prosecutions that may be adversely affected by these decisions are the convictions in New York of Stanley M. Friedman, the former Bronx Democratic leader, Joseph M. Margiotta, the former Nassau Courts Republican leader, Jack E. Bronston, a former New York State Senator, and Jay C. Turoff, a former chairman of the New York Taxi and Limousine Commission. I cite only a few examples. In fact, the list is long, and it extends to all areas of the Nation. Accordingly, Congress must act now to reverse, at least for the future, the deleterious impact of these two most unfortunate decisions.

II

Mr. Speaker, the 1970's and 1980's witnessed an unprecedented series of public corruption investigations and prosecutions by the Federal Government. A President left office in disgrace; a Vice-President was convicted of abuse of position; a Supreme Court Justice resigned under a cloud of suspicion; Cabinet officers, Senators, Congressmen, Federal judges, Governors and Lieutenant Governors, State judge, assorted mayors, State legislators, sheriffs and police officials were all indicted and convicted by a reinvigorated Federal law enforcement presence. The basic data are staggering. See the 1987 Almanac at 802:

FEDERAL PROSECUTIONS OF PUBLIC CORRUPTION: 1975 TO 1984

[Prosecution of persons who have corrupted public office in violation of Federal Criminal Statutes as of Dec. 31, 1984]

Prosecution status	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975
Total [1] Indicted	936	1,073	729	878	721	687	557	507	563	255
Convicted	934	972	671	730	552	555	409	440	380	179
Awaiting trial	269	222	186	231	213	187	205	210	199	27
Federal officials: Indicted	408	460	158	198	123	128	133	129	111	53
Convicted	429	424	147	159	131	115	91	94	101	43
Awaiting trial	77	58	38	23	16	21	42	32	1	5
State officials: Indicted	58	81	49	87	72	58	55	50	59	36
Convicted	52	65	43	66	51	32	56	38	35	18
Awaiting trial	21	26	18	36	28	30	20	33	30	5
Local officials: Indicted	203	270	257	244	247	212	171	157	194	139
Convicted	196	226	232	211	168	156	127	164	100	94
Awaiting trial	74	61	58	102	82	67	72	62	98	15

[1] Includes individuals who are neither public officials nor employees, but who were involved with public officials or employees in violating the law, now shown separately. NOTE.—represents zero. Source: U.S. Department of Justice, Federal Prosecutions of Corrupt Public Officials 1970–1980, and Report to Congress on the Activities and Operations of the Public Integrity Section annual.

The scope of these prosecutions calls to mind the sad commentary of Livy, the Roman historian, "Roman was originally, when poor and small, a unique example of austere virtue; then it corrupted, it rotted, it slowly absorbed vices." *T. Livy,* "History of Rome" i (1854). A mainstay of this federal effort is—or was—a crucial group of federal fraud statutes. *See, e.g.* §§ 371 (conspiracy to defraud the United States), 1341 (mail fraud), 1343 (wire fraud), 2314 (travel fraud).

III

The Mail Fraud Statute, the prototype of the group, dates back to 1872. Act of June 8, 1872, ch. 335, sections 149 and 301, 17 Stat. 302 and 323. It was originally aimed at the "operation of lottery gamblers through the postal service." Note, *Intangible Rights Doctrine and Political Corruption Prosecutions under the Federal Mail Fraud Statute,* 47 U. Chi. L. Rev. 562, 567 (19809). The statute, however, was drafted in general, not specific, language. Until the Supreme Court's decisions in *McNally* and *Gray,* the statute had always been read broadly to reflect its expansive language and to implement its remedial purpose. *See, e.g., United States* v. *Maze,* 414 U.S. 395, 399 n.4 (1974) (Rehnquist, J.) ("While obviously not directed at credit card frauds as such [its language] is sufficiently general . . . to include them if the requirements of the statute are otherwise met"). Since its initial construction by the Supreme Court at the turn of the century, it had not, moreover, been limited—for good reason—to common law fraud.

Durland v. *United States,* 161 U.S. 306, 313–14 (1896) (not limited to statements of present fact). In contrast, common law fraud had had a sharply stunted development as part of the growth in a society dominated by a philosophy of *lassez faire* and *caveat emptor* of the law of larceny, which was aimed, at first, "to prevent breaches of the peace rather than * * * protecting property from wrongful appropriation." W. LaFave and A. Scott, "Criminal Law" 702 (2nd ed 1986). Justice Stephen summed up the early common law attitude well, "[A]gainst open violence people ought to be protected by law, but . . . they could protect themselves against breach of trust by not trusting people." "A History of the Criminal Law of England" 124 (1883). As late as 1761, Lord Mansfield, in fact, dismissed an indictment for fraud, castigating instead the plaintiff for his own carelessness in the market place. II W. Russell, "A Treature on Crimes and Misdemeanors" 522 (1877). The defects in common law of larceny, which did not, as such, reach fraud, had to be remedied by statute. Parliament acted in 1757, and it prohibited obtaining property by false pretenses. 30 Geo. III c. 24 (1757). Nevertheless, as befitting the 18th century, the central, although not exclusive, focus of the law of fraud was on the protection of tangible property. Largely ignored were intangible rights or broader conceptions of breaches of trust, which are far more significance to a modern society. When the Supreme Court, however, decided *Durland* in 1896, it farsightedly freed the development of the Federal law of fraud from this property-based and crabbed common law history. *See, e.g., United States* v. *Goldblatt*, 813 F. 2d 619, 624 (3rd Cir. 1987) ("term 'scheme to defraud' . . . is not capable of precise definition fraud . . . is measured . . . by . . . departure from fundamental honesty, moral uprightness, or fair play and candid dealing. . . ."); *United States* v. *Bonansinga,* 773 F. 2d 166, 173 (7th Cir. 1985) ("Congress has decided not to define . . . [it] because the range of potential schemes is as broad as the criminal imagination"), *cert. denied,* 106 S. Ct. 2281 (1986); *Weiss* v. *United States,* 122 F. 2d 675, 681 (5th Cir.) ("The law does not define fraud; it needs no definition; it is as old as falsehood and as versable as human ingenuity"), *cert. denied,* 311 U.S. 687 (1941). As such, the Mail Fraud Statute became the "first line of defense" of the Federal law against modern forms of fraudulent activity. *United States* v. *Maze*, 414 U.S. at 405 (Burger, C.J. in dissent). The Supreme Court's decisions in McNally and Gray, therefore, turn back the Federal law of fraud to an unwisely narrow conception of the proper scope of the interests to be protected, which is wholly inadquate to a 20th century society.

IV

Mr. Speaker, the McNally and Gray decisions potentially threaten, not only to undercut mail fraud prosecutions, but also to affect other similarly worded statutes or administrative regulations in the Federal law. They portend ill, for example for a decision that will be handed down next term, *United States* v. *Carpenter,* 791 F. 2d 1024, 1034–35 (2d Cir.), *cert. granted,* 107 S. Ct. 666 (1986). Carpenter deals with the breach of fiduciary relations concept in the context of the misappropriation theory under the Federal security laws and rule 10b–5, which was adopted by the Securities and Exchange Commission to implement section 10b of the Security Exchange Act of 1934, 15 U.S.C. § 78j. Rudolph W. Giuliani, the U.S. attorney in Manhattan, sadly observed of *McNally and Gray.* "A theory of prosecution is no longer available to us. On insider trading cases, we're going to have to allege and prove specific loss of money [, which will be difficult]." N.Y. Times, June 29, 1987, at 24, col. 1. The misappropriation theory was at the heart of a number of Guiliani's pending insider trading investigations on Wall Street. Current law, reflected in such important prosecutions as *United States* v. *Newman,* 664 F. 2d 12 (2d Cir. 1981), *cert denied,* 464 U.S. 863 (1983), must be safeguarded, at least for the future. As such, we must act legislatively to remedy McNally and Gray, not only under the Mail Fraud Statute, but elsewhere. *See, e.g.,* 7 U.S.C. § 60; 15 U.S.C. §§ 77q; 78jjj; 80b–6; 1703; 18 U.S.C. §§ 1341, 1343, 1344, 2314. Appropriate change, if necessary, ought to be made, too, by the various administrative agencies under the regulations entrusted to their care.

V

Fortunately, the Supreme Court has not told us that we cannot write a statute embodying the "intangible rights" doctrine. As it cut the theory out of "scheme or artifice to defraud" within the Mail Fraud Statute, it expressly recognized that it was fully applicable to the comparable language in 18 U.S.C. § 371 (1982) ("defraud"). *See, e.g., Haas* v. *Henkel*, 216 U.S. 462, 479 (1910). Justice White merely suggested for the majority of the Court that if Congress wanted to go further under the Mail Fraud Statute than the limited common law protection of property "it must speak more clearly than it has."

I, for one, do not believe that the original text of the Mail Fraud Statute was ambiguous. I agree with Justices Stevens and O'Connor, who suggested, in dissent, that the phrase "scheme or artifice to defraud" in context was broad, but not ambiguous. I also agree with them that the phrase originally had no "tangible rights" limitation built into it. I do not believe, in short, that "tangible loss" is of the essence of fraud. Such a rule might write, for example, into Federal law the so-called "Agnew defense." Former Vice President Spiro T. Agnew defended his conduct in 1972 by saying that no crime had been committed, since he had not altered his public conduct in response to the money he took, so no one was 'injured." R. Cohen & Witcove, "A Heartbeat Away" 349 (1974) ("I deny that the payments in any way influenced my official actions.") Agnew was eventually sued under a constructive trust, accounting, and breach of fiduciary duty theory; the suit was successful. *Agnew* v. *State*, 51 Md. App. 614, 466 A2d 425 (1982). I see no reason to give corrupt public officials an "Agnew defense" under the Federal fraud statutes.

I add another consideration. Congress itself is not unaware of the developments of legal doctrine. The Judiciary Committee, which authorizes funds for the Department of Justice, is now—and has been—fully aware—and supportive—of the Department of Justices' efforts to prosecute political corruption at the Federal, State, and local level. I, for one, have applauded the FBI's efforts since the death of its former director to turn away from chasing kids who steal cars and focus on adults who commit white-collar crimes. If the Department of Justice was wide of the mark in its legal theory in these prosecutions, voices would have been heard in this body calling it to task. We have not only been silent; we have supported the Department of Justice's prosecutive policies, at least in this area of the law. There is little in the area of civil rights that I can say anything charitable about. But I applaud its prosecutions in white-collar crime area, including political corruption and insider trading.

I conclude here by associating myself with another pointed coment of Justice Stevens. I, too, cannot understand why a majority of the Supreme Court reached out for this particular result in this particular prosecution. Justice Stevens observed:

> "[T]he Court has made a serious mistake. [Because it may be mitigated does] not erase my lingering questions about why a Court that has not been particularly receptive to the rights of criminal defendants in recent years has acted so dramatically to protect the elite class of powerful individuals who will benefit from this decision."

Justices Stevens and O'Connor were lonely voices, who could only vote against the Court's determined majority. We can—and should—vote to reverse these unwise decisions.

IV

Mr. Speaker, the impact of white collar crime, particularly political corruption, on our society cannot be understated. It is not limited either to economic damage, as the court apparently believed. It is not just the loss of money or property, which is important, although that figure may be as high as $200 billion. "Annual Report of U.S. Attorney General" 42 (1985). Writing in 1967, the President's Crime Commission observed:

> [W]hite-collar crime—now commonly used to designate those occupational crimes committed in the course of their work by persons of high status and social repute . . . [is] only rarely dealt with through the full force of criminal sanctions.
>
> * * * * *
>
> During the last few centuries economic life has become vastly more complex. Individual families or group of families are not self-sufficient; they rely for the basic necessities of life on thousands or even millions of different people, each with a specialized function, many of whom live hundreds of thousands of miles away.
>
> * * * * *
>
> Serious erosion of morals accompanies [the white-collar offender's] violation. [Those who so] flout the law set an example for other businesses and influence individuals, particularly young people, to commit other kinds of crime on the ground that everybody is taking what he can get.

"The Challenge of Crime in a Free Society," 47–48 (1967). It is no good telling people, as the common law did, to avoid breaches of trust by not trusting others. That common law attitude is fundamentally flawed. Today, each of us depends on government officials, insurance companies, bankers, stock brokers, lawyers and accountants to provide us faithful service in our everyday lives. Modern society is held together by bonds of trust. The law must recognize, too, that wealth today is no longer held in only gold. Information may be worth more than precious metal. More illicit profit can be made, in short, on Wall Street by a single theft of inside information than can be stolen by robbing a Brinks truck with a gun. In addition, loss of property is not what is to be feared most. Abuse of trust in an interdependent society—whether of governmental character or otherwise—is far more threatening to our most basic and important values. If the Government is corrupt, for example, we will not be either Republican or Democratic, but plutocratic. No public policy value—liberal or conservative—can be implemented in a society tainted by political corruption. It is not stealing public money that we must fear most; it is the abuse of public power and the betrayal of public trust. President Theodore Roosevelt said it well long ago:

> There can be no crime more serious than [public corruption]. Under our form of Government all authority is vested in the people and by them delegated to those who represent them in official capacity. There can be no offense heavier than that of him in whom such a sacred trust has been reposed, who sells it for his own gain. * * * He is worse than the thief, for a thief robs the individual, while the corrupt official plunders an entire city or State. He is as wicked as the murderer, for the murderer may only take one life against the law, while the corrupt official . . . aim[s] at the assassination of the commonwealth itself.

"IX Presidential Messages and State Papers" 3048 (M. Muller ed. 1917).

Mr. Speaker, I ask that the text of the bill appear in the RECORD following my remarks.

H.R. 3089

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Fraud Amendments Act of 1987".

SEC. 2. INTANGIBLE RIGHTS AND BREACHES OF FIDUCIARY RELATIONSHIPS.

(a) IN GENERAL.—Chapter 1 of title 1, United States Code, is amended by inserting at the end thereof the following new section:

"§7 'Fraud' or 'defraud' as including fraud involving intangible rights and breaches of fiduciary relationships

"The term 'fraud' or 'defraud' includes defrauding another—

"(1) of intangible rights of any kind whatsoever in any manner or for any purpose whatsoever; or

"(2) by using material private information wrongfully stolen, converted, or misappropriated in breach of any statutory, common law, contractual, employment, personal, or other fiduciary relationship.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 1 of title 1, United States Code, is amended by adding at the end the following:

"7. 'Fraud' or 'defraud' as including fraud involving intangible rights and breaches of fiduciary relationships.".

SEC. 3. CONSTITUTIONAL BASIS.

This Act is enacted on the basis of the following Articles of the Constitution of the United States:

(1) Article I, section 1 (legislative power).

(2) Article I, section 8 (specific powers and those necessary and proper thereto).

(3) Article IV, section 4 (republican form of government).

SEC. 4. CONSTRUCTION.

This Act shall be broadly construed to achieve its remedial purpose.

TO AMEND THE CLAYTON ACT TO LIMIT MERGERS

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. DORGAN of North Dakota. Mr. Speaker, today I am introducing the Merger Limitation Act of 1987. The goal of this legislation is to slow down the pace of megamergers which are running rampant in our country. Present laws encourage giant mergers, while blunting America's competitive edge. This bill will require an affirmative test for megamergers, by making certain that large acquiring corporations demonstrate that a merger manifestly advances the national interest. Thus the buyer would have to prove to either the Federal Trade Commission or the Attorney General that the acquisition would not substantially reduce competition, would enhance operating efficiency and international competitiveness, and would promote the welfare of the affected employees and local communities.

Currently, billion-dollar corporations are roaming the forest of hostile takeovers, stalking and bagging one another. The only ones who benefit from the hunt are the paper shufflers on Wall Street who put these deals together. The victims in the hunt are American workers, communities, and the economy.

"Bigness is not a sign of strength. In fact, just the opposite is true," Martin Davis, president of Gulf & Western recently said. Most megamergers are simply not in the national interest. Studies show that they do not result in the creation of new products; they do not produce greater efficiency; they do not provide more jobs. For example, in 1986 there were $177 billion in mergers and acquisitions. This represents more money than was spent on all plant and equipment purchased by all manufacturing companies throughout the United States—$140 billion. In 1986 American corporations sold $263 billion worth of debt which is five times more than in 1982. In 1986, over $32 billion takeover deals took place in America. Seventeen of them, involving $41 billion, were the result of hostile bids. Almost 40 percent of all corporate marriages of the 1960's and the 1970's have ended in divorce. Some 80,000 jobs of members of unions affiliated with the AFL-CIO have been lost in recent raids. Bidders, on average, experience and immediate and sharp decline in profitability.

Studies indicate that corporate giantism and gargatuan acquisitions tend to create bloated, timid, and unimaginative corporations. Ironically, this is precisely what business so often decries in the Federal bureaucracy. Megacorporations tend to act in ways that undermine good economic performance and harm the American economy by, for example, reducing technological innovation; incurring large debt; reducing cash or engaging in unnatural company restructuring to make themselves less attractive as a takeover target; expending funds for acquisitions which could be utilized to increase American productivity; acting in ways to maximize short term profitability or cash flow rather than long-term productivity; and behaving without regard to the hardships created in local communities.

How does my legislation propose to slow down the pace of megamergers and promote American competitiveness? This bill amends section 7 of the Clayton Act by barring a corporation from acquiring more than 10 percent of the stock or assets of any billion-dollar corporation unless an affirmative test can be met. Thus, the Federal Government would allow large corporate mergers only when they clearly strengthen our economy and result in competitive and social advantages.

We should not forget basic fact: the marketplace works best when no giants dominate and competition is allowed to flourish. My legislation will help to focus business energies on creative, competitive decisionmaking rather than on counterproductive financial board games. I believe it's time that Congress stepped in and formulated the rules of giant acquisitions. I am requesting your cosponsorship of the Merger Limitation Act of 1987.

The text of the bill follows:

H.R. 3090

A bill to amend the Clayton Act to limit mergers

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act shall be known as "The Merger Limitation Act of 1987".

SEC. 2. FINDINGS.

The Congress of the United States finds as follows:

(1) Mergers of very large companies particularly, unfriendly takeovers, are presumptively not in the national interest.

(2) such mergers, and the threat thereof, have caused and are causing companies—

(A) to reduce technological innovation, incur debt, and reduce cash or engage in unnatural company restructuring, to make themselves less attractive as a takeover;

(B) to expend funds for acquisition instead of using funds to increase United States productivity;

(C) to act to maximize short-term profitability or cash-flow rather than long-term productivity, including—

(i) to discharge employees, often without adequate provision for retraining, relocation, pension beneftis, and severance allowances; and

(ii) to close or consolidate facilities with little or no attention to the hardships created in the communities involved; and

(D) to incur large debt in order to finance the merger, resulting in—

(i) a loss in competitiveness because of the costs associated with the debt; and

(ii) unnecessary and illogical divestiture of divisions or subsidiaries, reduction of research efforts, and procurement of supplies overseas, in order to reduce the debt.

SEC. 3. LIMITATION ON MERGERS.

Section 7 of the Clayton Act (15 U.S.C. 18) is amended by adding at the end thereof the following: "No person shall, directly or indirectly, acquire more than 10 percent of the stock (or other share capital) or assets of another person which had, in the calendar year preceding such acquisition, assets or gross sales exceeding $1,000,000,000 in value unless the acquiring person receives, before such acquisition, a certificate issued under section 7B with respect to such acquisition.".

SEC. 4. NOTIFICATION REQUIREMENT.

Section 7A(d)(1) of the Clayton Act (15 U.S.C. 18a(d)(1)) is amended by inserting after "information" the following: ", including a list identifying each community in which the person to be acquired employs 500 or more individuals and a list identifying each certified representative of 1,000 or more employees of the person to be acquired".

SEC. 5. ISSUANCE OF CERTIFICATE.

The Clayton Act (15 U.S.C. 12 et seq.) is amended by inserting after section 7A the following:

"Sec. 7B. (a) The Assistant Attorney General or the Federal Trade Commission shall, not later than five business days after receiving a completed notification required under section 7A(a) or a request for the issuance of a certificate under this section, determine whether a certificate is required by section 7 to be issued before the occurrence of the acquisition with respect to which such notification or such request is received. The determination shall specify the identity of the acquiring person and of the person whose stock (or other share capital) or assets are to be acquired.

"(b) Not later than two business days after making an affirmative determination under subsection (a), the Assistant Attorney General or the Federal Trade Commission shall publish the same to all interested parties. The Assistant Attorney General or the Federal Trade Commission shall also publish to all interested parties a list of communities in which 500 or more employees of any person to be acquired are employed (hereinafter in this section referred to as 'interested community parties') and a list of certified representatives of 1,000 or more employees of the party to be acquired (hereinafter in this section referred to as 'interested representative parties').

"(c)(1) Not later than five business days following publication of an affirmative determination by the Assistant Attorney General or the Federal Trade Commission to an interested party, such interested party shall file with the Assistant Attorney General or the Federal Trade Commission a declaration indicating whether such party is a proponent or opponent of the acquisition. No interested community or representative party which does not so file such a declaration may participate in any proceeding with respect to such acquisition under this section except for good cause shown.

"(2) A community or certified representative may also participate, after filing a declaration, if it establishes that it is an interested party but that the affirmative determination was not published to it.

"(3) Ten business days after the affirmative determination is made, the Assistant Attorney General or the Federal Trade Commission shall publish to all interested parties the schedule of the proceedings for determining whether a certificate is required to be issued under this section.

"(4) If no acquiring person or person to be acquired declares itself a proponent of the acquisition, a certificate may not be issued with respect to such acquisition.

"(5) The burden of persuading the Assistant Attorney General or the Federal Trade Commission to issue a certificate shall be on the proponents of the acquisition.

"(d) The Assistant Attorney General or the Federal Trade Commission shall issue a certificate if the proponents of the acquisition involved establish that—

"(1) such acquisition will not substantially lessen competition;

"(2) on balance, the acquisition will create long-range efficiencies (not including advertising or brand name differentiation efficiencies) in the product or service and geographical markets in which the person to be acquired competes;

"(3) on balance, the acquisition will be of long-range benefit to United States consumers of the products or services which the person to be acquired sells or provides;

"(4) on balance, either—

"(A) the acquisition will benefit employees of the person to be acquired; or

"(B) reasonable provisions have been made for their welfare consistent with achieving the efficiencies described in paragraph (2) and the benefits described in paragraph (3); and

"(5) on balance and after consideration of benefits, if any, to other communities, the impact on interested community parties is not unreasonably detrimental and is consistent with achieving the efficiencies described in paragraph (2), the benefits described in paragraph (3), and the benefits described in paragraph (4).

"(e) In making the determinations required by subsection (d) the Assistant Attorney General or the Federal Trade Commission shall consider—

"(1) whether the proposed acquisition would be detrimental to the national defense;

"(2) whether such acquisition would inhibit technological innovation;

"(3) whether such acquisition would benefit foreign competition;

"(4) the nature and extent of the impact such acquisition would have on interested community parties and on other communities;

"(5) whether such acquisition would result in labor contracts limiting maximization of an employee's services;

"(6) whether the acquiring person or person to be acquired committed illegal acts, including any violation of the antitrust laws and the laws relating to the securities, in the 10-year period ending on the date a determination is made under this section;

"(7) the market performance of acquiring person, and the person to be acquired, within such 10-year period;

"(8) the performance of the person to be acquired within such 10-year period in the United States markets for its goods and services when compared with other persons competing in those markets;

"(9) the reasonableness of the salaries of, terms and conditions of, and agreements applicable to the officers and directors of the person to be acquired, and a comparison thereof with norms in the United States, generally, and with those of other persons competing in the United States markets of the person to be acquired;

"(10) whether the acquiring person has filed with the Assistant Attorney General or the Federal Trade Commission a binding commitment to treat all pension benefits of employees of the person to be acquired, under pension benefit plans (as defined in Employee Retirement Income Security Act of 1974) as vested if such employees are terminated without clear and convincing cause within two years after the acquisition, and what, if any, binding commitments the acquiring person has filed with the Assistant Attorney General or the Federal Trade Commission regarding retraining, relocation, and severance allowances for employees of the person to be acquired;

"(11) the probable impact in terms of the operation or restructuring of the person to be acquired, of any debt the acquiring person has obtained, has agreed to obtain or it may reasonably be supposed the acquiring person must necessarily obtain, to finance the acquisition;

"(12) whether the acquiring person has filed with the Assistant Attorney General or the Federal Trade Commission a binding commitment not to sell, directly or indirectly, to the person to be acquired any shares of, or interest it may own or have the right to acquire in, the person to be acquired;

"(13) the performance during such 10-year period of the person to be acquired in positioning itself for long-term growth in its markets, as opposed to maximizing short-term profits or cash-flow, and, in general, efficiencies of the management of the person to be acquired;

"(14) any other factor reasonably related to either the findings made by the Congress in section 2 of the Merger Limitation Act of 1987 or any issue specified in paragraph (1), (2), (3), (4), or (5) of subsection (d); and

"(15) any other factors prescribed by rule by the Attorney General or the Federal Trade Commission.

"(f) The Assistant Attorney General or the Federal Trade Commission shall issue, and transmit to the President, an order granting or denying a certificate within ninety business days after making the determination under subsection (a). The order shall make a finding on each of the issues specified in paragraphs (1) through (5) of subsection (d) which shall summarize the evaluation of whatever evidence has been introduced and which is relevant to each of the matters specified in paragraphs (1) through (15) of subsection (e), stating how the evaluation of the evidence relevant to each matter affects the issues specified in paragraphs (1) through (5) of subsection (d).

"(g) The certificate, if granted, shall be effective as of the close of business on the tenth business day following its issuance.

"(h) Any injured employee shall have a private right of action for breach of a commitment filed under subsection (e)(10) and any injured shareholder, partner, or participating member of any person to be acquired shall have a private right of action for breach of a commitment filed under subsection (e)(12), for compensatory damages and, if successful, costs (including a reasonable attorney's fee). Reasonable punitive damages may be awarded upon proof of a willful breach thereof.

"(i) After a hearing on the record, the Attorney General and the Federal Trade Commission shall issue jointly rules necessary or appropriate to effectively administer this section.

"(j) For purposes of this section and section 7A—

"(1) the term 'business day' means a day other than Saturday, Sunday, or a Federal legal holiday;

"(2) the term 'certified' means designated or selected for collective bargaining, as described in section 9(a) of the National Labor Relations Act;

"(3) the term 'interested parties' includes all acquiring persons, all persons to be acquired, all interested community parties, and all interested representative parties; and

"(4) the term 'person to be acquired' means the person whose stock (or other share capital) or assets are to be acquired.".

SEC. 6. EFFECTIVE DATE; ISSUANCE OF RULES.

(a) EFFECTIVE DATE.—The amendments made by this Act shall take effect 180 days after the date of the enactment of this Act.

(b) ISSUANCE OF RULES.—Not later than 90 days after the date of the enactment of this Act, the Attorney General and the Federal Trade Commission shall publish jointly in the Federal Register proposed rules to carry out the amendments made by this Act.

WILLIAM J. KOZERSKI HONORED BY LIONS CLUB

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. KANJORSKI. Mr. Speaker, I rise today to pay tribute to an outstanding citizen, Mr. William J. Kozerski, who is being honored by district 14-W of the Lions International Club for his dedicated leadership as district governor and his many years of service to the Lions.

Born and raised in Plains Township, PA, Bill Kozerski attended public schools in Plains and graduated with a degree in business administration from King's College. He married another Plains native, Shirley Logan, and together they have six children.

Mr. Kozerski has been a dedicated member of the Plains Lions Club, having served as president, first, second, and third vice president, treasurer and tailtwister. He has received two International Presidents' Certificates of Appreciation, as well as several awards from district governors. Active for 11 years on the district cabinet, Mr. Kozerski has been a member of the Lionews staff where he was advertising manager and coeditor.

In addition to his devotion to the Lions Club, Bill Kozerski is active in many other civic organizations in the Plains area. He has served as president of the Hilldale Community Center, chairman of the Plains Blood Bank Executive Committee, president of the St. Francis Holy Name Society, and is a member of the Plains American Legion.

Mr. Speaker, it is citizens like William J. Kozerski, giving selflessly of their time and energy to their communities, who make this Nation great. I am pleased to draw the attention of my colleagues in the House of Representatives to the dedicated public service of William Kozerski, and I join his fellow members of the Lions International Club in honoring him.

TRIBUTE TO JAMES PACHECO

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. GARCIA. Mr. Speaker, I rise today in praise of a constituent of mine, James Pacheco. As a caring citizen of New York City, Mr. Pacheco nearly lost his life while trying to prevent a woman from being assaulted by five young men.

As Mr. Pacheco was waiting at the 160th Street subway station late one night in June of this year, he noticed a group of five young boys approach a woman sitting next to him, asking for her money. Mr. Pacheco rose to defend her from the aggressors and a physical altercation ensued. He was thrown to the floor and shot once below his right shoulder.

Mr. Pacheco managed to get into the train and inform the conductor about the incident. The police were notified and Mr. Pacheco was transported to the hospital, where the bullet, located only a few inches away from his heart, was extracted.

The city of New York has had the reputation of being, not only a dangerous city, but also one in which its citizens have become frivolous and apathetic to the situation in the streets. I rebuke this false generalization by applauding Mr. Pacheco, and the few like him, that not only have respect for human life, but most importantly will come to the aid of their neighbor regardless of the dangers that might be present. Mr. Pacheco, I admire and praise your kindness and most of all, your concern for others.

SOVIETS USE EXCUSE OF SECRECY TO DENY RIGHT OF EMIGRATION

HON. JAMES McCLURE CLARKE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. CLARKE. Mr. Speaker, one of the pretexts used by the Soviet bureaucracy to deny human rights to Soviet citizens is the allegation that an individual possesses state secrets. Soviet authorities often used this excuse to try to justify the exile of Dr. Andrei Sakharov to the closed city of Gorky.

The alleged knowledge of state secrets has also been used repeatedly to deny several dozen people the right to emigrate. In 1985 General Secretary Gorbachev said publicly that access to secrets should not keep anyone from emigrating for more than 5 to 10 years after the end of sensitive employment. Yet his subordinates continue to hold back people whose "secrets" are 10, 20, even 30 years old, or who never really knew any secrets at all. Is it a coincidence that many of these people happen to be vocal advocates of the right of Soviet Jews to emigrate?

Prof. Naum Meiman, who tragically lost his wife to cancer a few weeks ago, was an early associate of Dr. Sakharov in the Helsinki Monitor group in Moscow. Professor Meiman did theoretical work in physics over 30 years ago. Recently the Soviet authorities once again denied him the right to emigrate because of his knowledge of these "secrets" of the 1950's.

Another eminent scientist who applied to emigrate was Dr. Alexander Lerner. After his first application to emigrate over 16 years ago, Dr. Lerner lost his position and was never again allowed access to any sensitive information. The Soviet authorities continue to tell him he cannot leave the country.

Lev Blitshteyn has also been told he cannot emigrate because he possesses state secrets. He has never been a scientist. Before he was fired for trying to emigrate, he was a butcher. There are many other Soviet Jews who have been denied emigration for having secrets, but whose secrets are outdated or who never worked in any sensitive position at all.

Mr. Speaker, I call upon Mr. Gorbachev to see that his bureaucracy carries out his own policy of placing a time limit on the denial of emigration for having secrets. He should also see that this reason is no longer used to keep butchers, elementary school teachers, and others with no state secrets from emigrating. The Soviet Union gains nothing by such cruel and aribtrary violations of human rights.

NATIONAL DAY OF REMEMBRANCE

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. OWENS of New York. Mr. Speaker, I rise in strong support of House Joint Resolution 132 to designate a National Day of Remembrance for the victims of the Armenian genocide of 1915-23 because it is only in the act of remembering that the frail, frightened screams of the past can be heard and heeded in the present.

Heed them we must. Throughout the history of mankind, the silence and indifference of humanity to the persecution and slaughter of minority peoples has always spawned the replication of new atrocities elsewhere. And so tragically it was with the Armenian genocide. Noting the ease with which the Ottoman Empire was able to defy world opinion as it snuffed out the lives of millions of Armenians, Adolph Hitler was emboldened in his psychotic belief that no nation would act to prevent the annihilation of millions of Jews. Unmentioned, unnoted, and unprotested, the massacre of Cilicia, the pogroms of the Teshkileti Mahsusa, and the bloody edict of deportation helped inspire the master race madmen of the Third Reich to commit the most horrible crime in human history.

The corpses of millions of Armenians lie on the steps of civilization. They cannot be removed; they will not disappear. The crime cannot be undone and the only meaningful reparations which we today can pay is simply to remember and act to ensure that such carnage is never repeated. Vote to pass House Joint Resolution 132.

THE HERSHEY FOODS CORP. IS TO BE COMMENDED

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. GEKAS. Mr. Speaker, most people associate the name Hershey with those delicious candy bars made by the Hershey Foods Corp. in Hershey, PA. But the Hershey Foods Corp. is also known nationally for its support of, and contributions to, the youth of our Nation.

August 15, 1987, will mark the 10th anniversary of Hershey's National Track and Field Youth Program. The program was, and still is, a playground program designed to introduce children to physical fitness through basic track and field events. Children are instilled with the attitude that having fun is more important than winning.

Hershey's Youth Program is open to boys and girls, ages 9 to 14, across the Nation. Approximately 2 million children have participated in the program since its inception, and we expect 250,000 children to compete this year. Several children have since gone on to become Olympians and professional athletes.

Mr. Speaker, the Hershey Foods Corp. is to be commended and recognized for the role it has played over the years in the development of our athletes. Hersey Foods' generous financial contributions to the Hersey Youth Program over the years, while maintaining a very low profile, is deserving of our honor and recognition.

Their efforts serve as an example for other individuals and corporations to invest in our children's future—for the children are our future. I would ask my colleagues in the U.S. Congress to join me in congratulating the Hershey Food Corp., their employees and the local meet volunteers for their efforts in helping to provide a quality program to the youth of America.

SELF-DETERMINATION FOR THE PEOPLE OF PALAU

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. DELLUMS. Mr. Speaker, the hearings on the Iran-Contra scandal are coming to a close, and the Members of this Congress and the people of this Nation are trying to piece together what went wrong. We are trying to understand how it is that the will of the people, as expressed in the laws passed by their elected representatives, can be so callously and cynically subverted. Americans cannot afford to take for granted our right to democratic rule of law. We are rightly proud of this heritage and rightly angered when this sacred process is subverted or abused.

In broader terms, this Nation has stood in principle for the right of people not only in the United States, but people all over the world, to have the right of self-determination. Yet, today, the United States has taken what I believe to be the unfortunate position of opposing the clear will of the people of a small peace-loving island in Micronesia to determine for themselves how they wish to live their lives.

The people of Palau adopted by a 92 percent majority a constitution which bans the storage, testing, and disposal of nuclear materials within their territory without the approval of 75 percent of the votes cast in a referendum. The people of Palau have time and again reaffirmed their desire to live without nuclear weapons and waste in their environment. Yet over and over they are asked to vote to approve a compact of free association which does not comply with these important aspects of their constitution.

As chairman of the House Armed Services Subcommittee on Installations and Facilities, the implications and importance of the forward positioning of American military ships and Forces is not unknown to this gentleman. But what is also known, and firmly believed by this gentleman, is that the importance of the Palauans' declaration of their desire to live without nuclear weapons and waste in their midst is to be recognized and honored. As nuclear strategists pursue their war games and preparations for the ultimate act of insanity, they would do well to take note of the strong and determined statement of the people of Palau.

That a people may declare for themelves how their constitution shall read, how their land is to be used, and how they shall act or refuse to act in the geopolitical military strategies, is not contrary to, but is entirely consistent with the American commitment to the human right of self-determination.

EXPLANATION OF VOTE ON MEDICARE CATASTROPHIC PROTECTION ACT: WE MUST MAKE THE BEST POSSIBLE USE OF OUR SCARCE HEALTH CARE DOLLARS

HON. ANTHONY C. BEILENSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. BEILENSON. Mr. Speaker, on July 22 I voted against the Medicare Catastrophic Protection Act and would like to explain briefly my reasons for doing so. I agree, of course, with the stated intent of the bill—to help protect Medicare beneficiaries from catastrophic medical expenses—as well as with the progressive method of financing part of the additional benefits by basing the new supplemental premium on the ability to pay.

But H.R. 2740, as passed by the House, will cost $10 billion a year by 1992—and possibly up to $30 billion annually by 2005. Before we commit ourselves to spending such a huge additional amount of money, we ought to be sure we will be making the best possible use of our limited Federal health care dollars and assisting those who are most in need of Government help to pay their medical expenses. I don't think this bill will do either.

First, although the bill is titled the "Medicare Catastrophic Protection Act," in fact it will not protect Medicare recipients from what is by far the leading cause of catastrophic health care expenses for our senior citizens—the immense costs of long-term unskilled nursing home and home health care. The cost of this care is what the elderly rightfully fear the most, and I am afraid a great many of them think that the bill we have passed, and the higher tax they will be paying, will safeguard them from these devastating long-term care costs that they see as most threatening, when this legislation does not even begin to cover these costs.

Second, in addition to the fact that the bill does not provide true catastrophic coverage, I am concerned that far too few Medicare recipients will benefit from the $10 billion annually that they will be taxed. For example, one of the principal benefits provided in the bill is expanded coverage of hospitalization costs, but fewer than one-half of 1 percent of all Medicare recipients will actually use this extra benefit. Similarly, fewer than 10 percent of Medicare beneficiaries will be helped by the bill's additional coverage of their physicians' fees; only about 15 percent or 16 percent will be helped by the new coverage for the costs of prescription drugs; and only one-fortieth of 1 percent of all beneficiaries will use the additional skilled nursing home coverage that the bill provides.

Meanwhile, many Medicare beneficiaries will be paying large additional sums to underwrite this modest extra coverage: a person with an annual adjusted gross income of just $15,000 will pay a new supplemental annual premium of $580 starting next year, and by 1992 that fee will rise to more than $1,000 per person a year. Many of the elderly are going to pay far more than they now realize for additional coverage, yet the vast majority will not use the extra benefits.

Third, there are other problems with the bill. Although Medicare will for the first time be paying billions of dollars for prescription drugs, H.R. 2740 fails entirely to control the price of the drugs that will account for at least one-third, and perhaps more than one-half, of the legislation's total cost. In addition, administering the drug portion of the bill will be enormously complex and costly: a huge amount of paperwork will be necessary to process literally tens of millions of prescriptions annually, so it is clear that a major portion of the drug program's cost will go not toward paying for prescription drugs, but for the personnel and paperwork that will be required.

Fourth, if at a time when circumstances mandate great fiscal restraint, we are going to increase Federal payments for health care by several billion dollars a year, we must choose our priorities very carefully. One goal, it seems to me, should be to work toward providing true catastrophic coverage for the elderly. Doing that will require us to face up to the fact that such coverage will be very expensive—at least $25 billion a year. In the meantime, it seems foolish to tax our senior citizens $10 billion a year merely to provide expanded coverage that most Medicare beneficiaries won't need and, more importantly, won't protect them against catastrophic costs. Taxing the elderly $10 billion a year now will only make true catastrophic coverage that much more difficult and expensive to achieve later.

Another goal should be to protect from the devastation of catastrophic costs the nearly 40 million Americans who now have no health insurance at all. These are working men and women of all ages who are struggling to meet their families' basic needs, pay rent, and raise and educate their children. They face the risk of financial devastation in the event of a health catastrophe, and we could provide them with catastrophic insurance for just a few billion dollars a year.

The bill as currently written will, I think, prove to be a very expensive and inefficient way of spending our limited resources for additional health care. Before we spend $10 billion just to expand noncatastrophic Medicare coverage, we should work to ensure that no person—young or old—will be destroyed economically by the exhorbitant costs of long-term illnesses such as cancer, heart disease, stroke, and Alzheimer's disease. That would be a true and great benefit to many millions of Americans of all ages and would be a far better use of our limited tax dollars than the expensive additional coverage provided in H.R. 2740.

TRIBUTE TO RAOUL WALLENBERG ON HIS 75TH BIRTHDAY

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. LANTOS. Mr. Speaker, I rise today to pay tribute to Raoul Wallenberg on his 75th birthday. As most of my colleagues know, Wallenberg is the Swedish diplomat who—at great personal sacrifice and through incredible courage and daring—saved 100,000 Hungarian innocent men, women, and children from Nazi death camps during World War II. In January 1945, he was taken prisoner by the Soviet Army and he has not been free since then. In October 1981, President Reagan signed my legislation making Raoul Wallenberg an honorary citizen of the United States, the only person at the time in addition to Sir Winston Churchill to be so honored.

Today on the steps of the U.S. Capitol, we held a celebration to mark the 75th birthday of this great humanitarian and to urge the Soviet Government to release Wallenberg from prison.

Mr. Speaker, a number of our distinguished colleagues joined me in paying tribute to Wallenberg—Senator CARL LEVIN of Michigan, a State where Raoul Wallenberg attended the University of Michigan; Congressman JOHN PORTER of Illinois, the cofounder and cochairman of the Congressional Human Rights Caucus; Congressman STENY HOYER of Maryland, the chairman of the Helsinki Commission, who has done so much to encourage observance of the Helsinki accords on human rights; Congressman BILL GREEN of New York; Congressman BILL LOWERY of California, who authored legislation naming the street in front of the U.S. Holocaust Memorial Museum "Raoul Wallenberg Place," Congressman JOHN MILLER of Washington; Congressman FRANK WOLF of Virginia; Congressman BOB DORNAN of California; and Congressman BEN GILMAN of New York.

Rev. Dr. James D. Ford, Chaplain of the U.S. House of Representatives, offered the invocation and made introductory remarks for the celebration, and Rev. Dr. John F. Steinbruck, senior pastor of the Luther Place Memorial Church and a human rights leader in Washington, DC, made closing remarks and offered the benediction. The Charge d'Affaires of the Swedish Embassy in Washington, Mr. Ulf Jertonsson, represented the Government of Sweden.

Frankly, Mr. Speaker, one of the highlights of this birthday celebration were the remarks by leaders of the Wallenberg committees that have been established to honor this great man. My wife, Annette, the founder and chairperson of the International Free Wallenberg Committee, probably more than any one else is responsible for bringing attention to the heroic activities and the tragic plight of Raoul Wallenberg. Rachel Haspel, president of the Raoul Wallenberg Committee of the United States, and Leona Feldman, president of the Raoul Wallenberg Committee of Greater Philadelphia, Inc., also spoke at this event.

Mr. Speaker, Raoul Wallenberg saved tens of thousands from death at the hands of German and Hungarian Nazis as the nightmare of the Holocaust was almost at an end. At the very moment of his triumph, Soviet troops dragged him away to the horrors of the Gulag. When we began our struggle to free him from the shadowy half-world of Soviet prisons, he could have been saved more easily. But many chances have been missed. Many people—and several governments—could have done a great deal to liberate him. They did not. But as long as there are any of us who remember him, we will continue to fight for his life and for the truth.

Wallenberg lives! We honor him; we remember him; his story inspires us to become better human beings and more valiant in our struggle to build a better and safer world.

Raoul Wallenberg is a hero in an age profoundly devoid of heroes. Many become heroes when heroism is thrust upon them, but Wallenberg went out of his way voluntarily to assume a daring and dangerous assignment. Leaving behind the comfort and affluence, the safety and security of Stockholm, he confronted the anguish, suffering, terror, and degradation being perpetrated in Budapest. No one else had the audacity to follow the death marches, to jump in front of guns leveled at Jews, to pull people off deportation trains. Raoul Wallenberg not only saved 100,000 lives, he saved our faith in humanity.

In history, one can find many men who have killed 100,000 people. But how many have saved 100,000? Wallenberg has shown us that one individual—motivated by a genuine and personal concern for human rights—can face evil and triumph; that one person alone can make a difference; that there are genuine heroes to illuminate our age.

ANOTHER FARM BURDEN

HON. CARROLL HUBBARD

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. HUBBARD. Mr. Speaker, I want to share with my colleagues the June 23 letter which I received from my friend and prominent attorney from Elkton, KY, Randall V. Oakes, Jr. Randy and his wife Marguerite gave up their home and work in Ohio to return to Kentucky to manage the family farm. Their dream has been to improve the farm as a family home and family economic unit. Now they wonder if there is any future to maintaining the desire to see the family farm pass to successive generations.

Too often, we in the House have not realistically viewed the burdens we have placed on families. Randy Oakes is concerned about the House Ways and Means Committee's considering the possibility of taxing capital gains when a person dies as one of the proposals for narrowing the Federal budget deficit. In simple terms, he graphically illustrates the idea that so-called tax reforms are in reality changes to law that help to concentrate wealth in the hands of those few persons or corporations with the resources to cope with the continual changes in our tax laws and regulations.

I urge my colleagues to read the letter from Randy Oakes which follows:

ELKTON, KY,
June 23, 1987.

Hon. CARROLL HUBBARD, Jr.,
U.S. House of Representatives,
Washington, DC.

Re: Capital Gains Tax on Appreciation of Value of Farms at Death of Owner

DEAR CONGRESSMAN HUBBARD: My immediate concern is very personal. My wife has spent the past five years of her life managing her parents' farm in south Todd County. We left our home and work in Ohio so that she could do this and I could open my law office in Todd County. (We were Kentuckians before we went to Ohio.)

Our purpose and the purpose of my wife's parents and the purpose of my wife's sisters is to maintain and improve the farm as a family home and productive family unit. It is a reasonable and worthwhile effort and dream under the rules as they now are and have existed for years. At this late date, if the rules are changed as proposed, the dream and the effort will be frustrated.

Life insurance to cover the prospective income tax comes to mind as an answer. It is not an answer in the tens or hundreds of thousands of cases in which, by reason of age or infirmity, the farm owners are not insurable.

Obviously, tax lawyers and accountants will devise programs under which family farms will continue to pass to successive generations without this proposed income tax burden. There will be payments to lawyers and accountants for professional services, but Uncle Sam can expect little in the way of taxes.

Throughout, I have referred to this as an income tax matter. Make no mistake, this proposal is a proposal for an increase in income taxes. This proposal is a proposal to violate the promises made by our Congress and the President during the 1986 annual tinkering with the tax law.

This proposal appears to pander to the perceived understanding of the urban person who lives on a wage or salary and owns a residence and who has no perception of the long term planning and capital required for the continued operation of a farm or any other small business. The proposal may give some emotional satisfaction to an occasional "Joe Lunchbucket" but it will not do him or her any real good. The actual effect will be to drive out of business the employer upon whom "Joe Lunchbucket" depends for a job.

I am extremely concerned about the tendency of so-called reforms to concentrate business ownership and wealth in the hands of those few persons, individual or corporate, who have the financial resources to cope with the continual changes in taxation and regulation imposed by our Congress.

I hope that the appearance in the press of this tax increase proposal will create an outburst from the public which will be without example in recent history.

I earnestly entreat you to vote "no" on any and every proposal to tax as capital gain or any other kind of income at the death of the owner any perceived increase in the value of that owner's property which the passage of years or the efforts of the owner or both have brought about.

Thank you for your consideration of this matter.

Very truly yours,
RANDALL V. OAKES, JR.,
Attorney at Law.

THE 75TH YEAR OF THE GIRL SCOUTS OF THE UNITED STATES

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. RITTER. Mr. Speaker, it is an honor to congratulate and pay tribute to the Girl Scouts of the United States of America in this 75th year of service to girls and their communities.

The hallmark and goal of the Girl Scout Program is to form a microcosm among the young of the larger population. Girl Scouting reflects a 75-year-old commitment to the expansion and enrichment of the understanding and appreciation of various people and other cultures.

Girl Scouting seeks first the growth and development of the young girls wo participate. This growth is well achieved through fun, crafts, skills, and education which reflect a long tradition and move with confidence into the future.

From camping to sports, to classroom achievement, including computer technology, exploration of the worlds of outer space and medicine, searching for global understanding and learning fashion design, nutrition and money management all stem from the Girl Scout Promise and Law. The Girl Scouts lean out to the world and seek to enrich it through understanding and appreciation.

In our Lehigh Valley, the first office of the new council was North 15th Street in Allentown, PA, in 1961. Well over 10,000 girls and adults form the membership of the council. New capital additions for council headquarters were completed in 1977, on Moravian Avenue, Allentown, with facilities for meeting, training and parking, as well as good working facilities and storage space.

John Henry Leh, Allentown, was first president of Great Valley Girl Scout Council and H. Leh & Co. has been a Girl Scout equipment agency for 55 years and is one of the oldest in the country. Allen High School hosted Music Connection finals at Allen High School in March. Dorney Park, Allentown, was the site of Great Valley's 75th anniversary celebration.

We need to salute the Girl Scout Program in this 75th year of its existence for the wealth of productive, resourceful and self-reliant women it has already given our Nation. Our communities, and especially my own Lehigh Vally, owe a present debt of gratitude and look with great hope to the future because of the Girl Scout Program.

THE DUBLIN WORLD TRADE CENTER

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. MURTHA. Mr. Speaker, I would like to bring an important matter to the attention of the Congress. The Government of the Republic of Ireland is planning to develop a World Trade Center at the Customs House dock site in downtown Dublin. The center will provide a unique focus for international trading activity by bringing together in one place representatives of government, of manufacturing firms, and of firms that provide services, financial and otherwise, to organizations involved in international trade.

The center—the first phase of its development is projected at more than $350 million, and it will eventually include over two million square feet of floor space—will make Ireland a major center for international financial services, and will physically incorporate a magnificent technical capacity to provide the telecommunications services that are essential to the functioning and growth of international trading activity.

The Dublin Center will also give a much needed stimulus to the Irish economy, where, despite a serious and sustained national effort at economic development, the unemployment rate is still tragically high, at 19 percent. The center will facilitate the export of goods made in Ireland, and ease the grinding economic pressure that has, over the past several decades, forced thousands of the Nation's most talented men and women to emigrate to other countries, including our own.

In light of the long and close relationship between the United States and Ireland, in light of the enormous contributions that Irish-Americans have made to the life of our country, and in light of our history of providing economic development assistance to nations that are striving to help themselves, the Dublin World Trade Center gives the United States a perfect opportunity to share its own capability for fostering economic development by assisting the Irish Government in the development of the project. Congress in particular should be looking for ways to support the center.

There is another important incentive for the United States to do whatever it can to assist the project. The Irish Government does not intend to develop the center by itself. It is looking for a foreign partner, and, although firms from several other nations have bid for the right to develop the project, the officials involved are favorably disposed toward that partner being an American firm. In a very simple, very modest way, Congress can help to ensure that an American firm is that partner. It can do so by guaranteeing to the project a relatively small amount of economic development funding, provided of course that an American firm is, along with the Irish Government, one of the principal developers of the project. Such an initiative on the part of the Congress would contribute significantly to the success of the project, and through it, the United States would take another step toward regaining its competitive edge in international trade and resuming the leadership role in world markets that it once enjoyed.

Mr. Speaker, I commend the Dublin World Trade Center to my colleagues in the House. As the project moves ahead, I hope the Congress will find a way to support it that contributes significantly to economic development both in Ireland and the United States.

ARMY TIMES EDITORIAL ON COLONEL NORTH'S "TRAVESTY OF MILITARY VALUES"

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. STARK. Mr. Speaker, one of the publications that is most read by the military community, Army Times, carried an interesting editorial on the recent testimony and performance of Lieutenant Colonel North.

It raises some most interesting questions.

The reference in the second paragraph to Harry Summers, refers to an article by retired Col. Harry Summers, which also appeared in the July 27 issue of Army Times entitled "North is no Hero to those who value the Constitution." It too is a powerful indictment of the Poindexter/North school of foreign policymaking.

[From the Army Times, July 27, 1987]

NORTH'S IMAGE

America's most famous military officer has paraded a travesty of military values before a credulous national television audience.

Wearing a crisply pressed Marine Corps uniform bedecked with fruit salad, Lt. Col. Oliver North portrayed himself as a dedicated military officer who was just obeying the orders of his superiors. But, as Harry Summers points out in a trenchant commentary in this issue, North, like all soldiers, is not obliged to follow illegal orders. Indeed, his oath is to defend the Constitution, and that entails abiding by the laws that flow from it.

North is a powerful, dynamic personality, and he presented his case with extraordinary skill and vigor. His six days of televised congressional testimony won him millions of admirers, but the likely reasons for his instant popularity bear examination. Is the public idolizing him because of what he did in the Iran-contra affair or in spite of it? Well, if there is a groundswell of support for selling weapons to the regime of the Ayatollah Khomeini, which is responsible for the deaths and kidnappings of many Americans by terrorists, we're unaware of it. As for North's use of profits from the arms sales to supply the rebels seeking to overthrow the government of Nicaragua, the will of the people is on record in the form of the Boland Amendment, which was passed by their elected representatives in Congress. Thus, it appears that the public likes North's sharp military appearance and patriotic slogans so much it is willing to forget his actions.

If that is the case, the implications are grave and far-reaching. Are there no transgressions that won't be forgotten if the transgressor happens to look good on television? Doesn't justice apply to the handsome as well as to the homely?

The American public has been given a highly detailed account of North's questionable actions. Yet, his appealing personality and attractive appearance apparently are more important to a people who have become accustomed to passive acceptance of images beamed to them by television than any laws he may have broken. Understanding the intricacies of law and foreign policy requires rigorous thought, and too few Americans seem willing to exert themselves mentally. It's far easier to let colorful images wash over them and form their impressions for them.

Those who think hard about North's actions eventually may reach two conclusions grounded in reality. By selling weapons to Iran in an effort to free American hostages, the administration through North showed terrorists everywhere that one way to get what they want is to seize American hostages. By funding the contras in apparent violation of restrictions imposed by the people through their representatives in Congress, North scorned the democratic principles he yearns to see established in Nicaragua.

North's image is that of the model military officer; the reality is that many of his actions were contrary to the military ideas he professes to embrace.

North Is No Hero to Those Who Value the Constitution

(By Col. Harry G. Summers, Jr.)

(Summers is a contributing editor for U.S. News & World Report and a retired military intelligence officer who served in Korea and Vietnam.)

When Marine Lt. Col. Oliver North emerged a national hero after his first week of testimony on Capitol Hill, it proved only one thing: ask the wrong questions and you get the wrong answers.

It also was obvious the high-priced lawyers conducting the congressional investigations into the Iran-contra affair—steepest in the amoral traditions of the American legal profession—have an educated incapacity to ask the right questions. They obviously know nothing of the American military or the principles of duty, integrity and loyalty that are central to the American profession of arms. As a result, North was able to portray himself as the very embodiment of a patriotic American Marine.

It might have been a different story if those asking the questions had known what they were talking about. Consider, for example, if North's interrogator had been a Marine gunnery sergeant who had survived the bombing of the Marine barracks at Beirut in 1984.

"Colonel North," he might have asked, "as you know, a military officer's loyalty is not only to his superiors, it is also to his contemporaries and especially to his subordinates who look to him to stand up for their interests.

"That being the case, how could you consider selling arms to the very Iranians who paid a million dollars to the Lebanese terrorists who killed over 200 of my buddies—and your fellow Marines—with the bombing of our barracks in Beirut?"

Or consider if his questioner had been a tank platoon leader from the Army's 24th Infantry Division (Mechanized) at Fort Stewart, Ga., whose mission it is to intervene in Iran if American interests there are threatened.

"As a fellow officer," the lieutenant might have asked, "can you tell me how I explain to the young soldiers in my platoon that if we have to go into battle in Iran, they might well be killed by the TOW antitank missiles you sent to the Iranians? I know you wanted to look good to your boss, but in God's name how could you do that to your fellow soldiers?"

And perhaps the congressional committee could have brought in a contra guerrilla fighter, fresh from putting his life on the line in the jungles of Nicaragua.

"Colonel North, I want first to thank you for your efforts to get supplies to us while U.S. aid was cut off. But there is one thing I don't understand. Believing in democracy, I fought with the Sandinistas against the Somoza military dictatorship. And when they too imposed a military dictatorship under Commandante Ortega, I again took to the hills to fight for the principles of democracy. But now I find you too have betrayed democracy in the name of fighting for democracy. If we abandon our principles, how then do we differ from our enemies who insist that the ends justify the means?"

Instead of importing a lawyer from New York, the committee could have sent down the road to Quantico, Va., and gotten one of the students from the Marine Corps Command and Staff College to ask the questions.

"You said you would stand on your head in the corner if the president told you to. But such blind obedience to orders flies in the face of what we're being taught at Quantico. As you are well aware, in the American military tradition 'just obeying orders' has never been an excuse for an illegal action. While a private may not know better (and even that is not an excuse), an officer has a duty to refuse an illegal order. If your integrity is such that you would obey an order to stand on your head, where then would you draw the line? With shooting prisoners? With violating other laws of war? Or subverting the Constitution you took a solemn oath to defend?"

And that last question strikes at the heart of the matter. One of the main tenets of American democracy has been the subordination of the military to civilian control, so the current canonization of Lt. Col. North can have dangerous consequences.

The framers of the Constitution, 23 of whom had served as soldiers in the Revolutionary War, knew those dangers, and that's why they wrote specific safeguards into the Constitution. The American military would be an instrument of the American people rather than of the president. The Congress—the representatives of the people periodically elected—were given exclusive power to raise the military, commit it to war and make rules for its regulation and governance.

While the president was named commander in chief and had operational command of the military, an officer's oath of office was pledged to the Constitution. Thus, an officer's loyalty was not only to the president, it was also to the Congress. Military officers not only are legally bound to obey the laws enacted by that Congress, they are honor-bound by their oath as well.

Abandoning that tradition in the name of expediency can spell disaster. Now the right of the political spectrum applauds North's stance in the name of the "higher principle" of anti-communism in Central America. But only a decade or so ago, it was the left of the spectrum that was calling on the military to disregard the orders of its civilian superiors and refuse to serve in Vietnam.

Tampering with civilian control of the military by the president or by the Congress is a slippery slope indeed, for at the bottom of that slope is military dictatorship.

Wittingly or not, tampering with those controls is precisely what North was doing. Ironically, the military sees the dangers in his actions more clearly than do many civilians. North may be a national hero to many Americans, but he assuredly is not to most of his fellow military officers.

THE CLOSING OF THE PALESTINE INFORMATION OFFICE

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. RAHALL. Mr. Speaker, There is currently legislation pending before this institution as well as the other body which would force the closing of the Palestine Information Office here in Washington as well as the Palestine Liberation Organization mission at the United Nations in New York. This legislation, in my opinion nothing more than a feel-good bill, is referred to as the antiterrorism bill.

While it is being pushed hard by supporters of the State of Israel as good for Israel there are those in Israel, where debate on Israeli-United States relations flow much easier than in America, the bastion of free speech, who feel as I do that dialog and negotiation are the solution to the problem of the displaced Palestinians in the Middle East.

I received a letter recently from a member of the Israeli Knesset. Maj. Gen. Matti Peled, eloquently stating a very valid argument against this bill. In his letter, he reiterates a desire I know that I share with all of you—peace between Israel and her neighbors in the Middle East. And he argues that in order to bring about that peace, dialog, and negotiation is necessary.

I would like to share Major General Peled's letter with all of my colleagues, as well as the American people, because the points raised here need to be heard.

July 23, 1987.

Dear Member of Congress: I am writing to you concerning the bill known as "The Anti-Terrorism Act of 1987", which is aimed at closing down the PLO offices in the

United States. This is being presented as a "pro-Israel" bill, and for that reason U.S. senators and representatives who consider themselves friends of Israel are being urged to support it.

As a member of the Israeli Knesset (Parliament), I would like to dispute that view. I believe that achieving peace is a prime requirement for Israel's long-term survival and prosperity. There can be no peace without negotiations between the Israeli government, representing the Israeli people, and the representatives of the Palestinian people. Such representatives can only be chosen by the Palestinians themselves, and on each occasion that the Palestinians were asked for their opinion, they unequivocally expressed their support for the Palestinian Liberation Organization, the PLO. Such for example, was the result of the 1976 municipal elections on the West Bank, which were the last free elections to be held there. Similar results were the outcome of a public opinion poll, held in the Occupied Territories in August 1986. Indeed, The Government of Israel itself, in refusing to permit new municipal elections on the West Bank, admits that in its view such elections would be won by supporters of the PLO.

Together with many of my fellow-citizens of Israel, I have been urging the Israeli government to reconsider its policies and to agree to negotiate with the PLO in the context of an international peace conference. Recently this idea has been spreading; not only opposition members such as myself, but also Ezer Weitzmann, member of the Israeli Cabinet, as well as several Knesset Members from the Israeli Labor Party, have publicly voiced their support for Israeli negotiations with the PLO.

Passage of the bill closing the PLO offices in the U.S. would, in my view, constitute a grave setback for the Middle East peace process. It would mean total abdication by the U.S. of any role as a mediator in the Middle East conflict. Hardliners in the Israeli Cabinet would be encouraged to persist in their intransigent position and their refusal to talk with the PLO. Far from "stopping terrorism", as it is supposed to do, this bill would further escalate the cycle of bloodshed and violence in the Middle East.

Therefore, as an Israeli concerned with the well-being of my country and my people, I urge you to voice your opposition to this so-called "Anti-Terrorism Act". By so doing, you will not be taking an "anti-Israel" stand; on the contrary, the rejection of this bill will be compatible with the long-term interests of the State of Israel and will be seen as such by a substantial number of Israel's citizens.

Yours Sincerely,

Major General,
MATTI PELED,
Member of Knesset.

SENATE—*Wednesday, August 5, 1987*

The Senate met at 11 a.m., and was called to order by the Honorable THOMAS A. DASCHLE, a Senator from the State of South Dakota.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

** * * they that wait upon the Lord shall renew their strength; they shall mount up with wings as eagles; they shall run, and not be weary; and they shall walk and not faint.*—Isaiah 40: 31.

Gracious God, our Father in heaven, the words of Isaiah sound unrealistic and impractical in this place where pragmatism dictates much of the process, especially at a time like this when a pressure cooker environment prevails. Yet waiting on the Lord, as Isaiah suggests, is filled with promise. No time is lost—no energy wasted—waiting on the Lord. Deliverance from the tyranny of the urgent is guaranteed. And pressure becomes constructive. We remember that diamonds are just rocks under pressure * * * pearls are just grains of sand under pressure and darkness. Tension is essential if strings are to make beautiful music. Grant to Your servants wisdom to take God seriously and profit from Your providence and promise. In Jesus' name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. STENNIS].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, August 5, 1987.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable THOMAS A. DASCHLE, a Senator from the State of South Dakota, to perform the duties of the Chair.

JOHN C. STENNIS,
President pro tempore.

Mr. DASCHLE thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the standing order, the majority leader is recognized.

Mr. BYRD. I thank the Chair.

THE JOURNAL

Mr. BYRD. I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SCHEDULE

Mr. BYRD. Mr. President, the unfinished business will come down following morning business today unless by unanimous consent we go to other legislation. I have not had an opportunity to look at my marked calendar this morning, but I do wish to say again it would be my desire that we go to the catastrophic illness legislation. There are no holds on this side, no objections on this side of the aisle to taking that up. The Republican leader has attempted over the past several days to get clearance so that we might proceed to that legislation. I have not had an opportunity this morning—I do not believe I have mentioned this to the distinguished Republican leader while we were down at the White House together—to ask whether or not he had been able to clear this overnight. However, when morning business is closed, I will at that time ask again and give the Republican leader additional time if he wishes to further query his colleagues. I will ask at that time that the Senate go to the catastrophic illness legislation, S. 1127.

Mr. DOLE. If the majority leader will yield.

Mr. BYRD. Yes.

Mr. DOLE. I think there are a number of UC's on which the staff is working. I will have word on catastrophic. I think we are down to maybe one on this side rather than seven. We are also checking on State Department authorization. I think there may have been one other.

Mr. BYRD. DOD.

Mr. DOLE. DOD I think I could probably indicate we could not do, but I will be back to the majority leader as soon as I can.

Mr. BYRD. Very well.

RESERVATION OF LEADERSHIP TIME

Mr. DOLE. If I could reserve the leader's time on this side.

Mr. BYRD. Yes. Mr. President, I ask unanimous consent that I may reserve my time also and the distinguished Republican leader has asked that his time be reserved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent—I see several Senators on the floor who want to speak—there be 45 minutes of morning business and that Senators may be permitted to speak therein. But before that begins, I yield 5 minutes of my leader time to Mr. PROXMIRE.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Wisconsin is recognized.

COMPETITIVE EQUALITY BANKING ACT

Mr. PROXMIRE. Mr. President, I thank my good friend, the majority leader.

I understand the Senator from Alabama has an inquiry about the banking bill that passed yesterday.

Mr. SHELBY. If the distinguished chairman of the Banking Committee will yield, I do have a question I would like to ask.

Mr. Chairman, was it the intention of the conferees on the Competitive Equality Banking Act that First Mutual Savings Association of Florida meets the requirements of section 21(f)(4)(F)(iii) of the Federal Home Loan Bank Act, as amended by the act?

Mr. PROXMIRE. Yes, that is my understanding of the intent of the conferees.

Mr. SHELBY. I appreciate the distinguished chairman of the Banking Committee yielding and clarifying this for the record. I thank the chairman.

SAFIRE'S IRAN-CONTRA COLUMN OF THE YEAR

Mr. PROXMIRE. Mr. President, this Senator's award for Iran-Contra column of the year goes to William Safire of the New York Times and by a country mile. Safire declared in a column in the New York Times on August 4 that the Iran-Contra investigations have disclosed a series of crimes. Those crimes go to the very heart of an accountable Government. Safire contends the Government should prosecute those who committed the crimes. It should prosecute them vigorously. Safire lists the crimes: First, conspiracy to defraud

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

the Government of $8 million; second, deliberately misleading officials charged with oversight of appropriated funds; third, destroying potential evidence being sought by lawmen; and fourth, pretending while under oath not to remember what you well remember.

Now, keep in mind, Mr. President, that William Safire has the most solid of conservative credentials. He has consistently devoted his long career in and out of government from way back when he was writing speeches for Spiro Agnew and coined that Safire phrase denouncing the liberal press as "nattering nobobs of negativism."

Safire rightly argues that what is at stake here is the primacy of law in a democratic society. He rejects the contention that those who committed these crimes deserve forgiveness because they were following the higher law of their conscience. Of course, the old higher law appeal would justify violating any law any time under any circumstances. All you need is a sincere lawbreaker. Cheat, lie, steal, kill. As long as your cause is right in your mind, you are home free. That is a formula for chaos. But Safire offers a more practical and telling reason for prosecuting those who violated the law in this Iran-Contra situation.

Here is how he challenges his own conservative brethren. Safire asks us to imagine the next President is a Democrat who has a small group of highly respected decorated officers on the National Security staff. They have the bright idea of handing over to the Soviets super secret information about SDI and the star wars technology in order to advance arms control. The motives of these "heroes" are the best. They are convinced that arms control progress with the Soviets will greatly improve the prospect of preventing nuclear war and living in peace. They do not tell the President because they want to spare him the political embarrassment.

To Safire, the conduct of Colonel North and Admiral Poindexter in the Iran-Contra affairs provides precise precedent for exactly this kind of conduct in the future. Safire is right. Again, keep in mind this is Safire—a champion of the Contra cause. It is Safire, a consistent and an all-out supporter of President Reagan and his domestic and military and foreign affairs policies with the single exception of selling weapons to Iran in return for Iran help in freeing hostages. So this must have been a hard column for Safire to write. Because he, William Safire, conservative par excellence, did write it, this Senator awards Safire the Iran-Contra column of the year distinction.

Having done this, this Senator, frankly, does not expect a successful prosecution on criminal charges of Poindexter, North, or any of the other conspirators. Imagine if Colonel North goes to trial. He has Brendan Sullivan as his counsel. This is the same Brendan Sullivan who did such a superb job in preparing Colonel North for his super-star quality testimony before the Inouye-Hamilton committee. And this is the same Colonel North who had a fine war record in Vietnam, a fighting marine, a man who obviously loves this country and would lay down his life to defend our country against communism. Can anyone seriously believe that any red-blooded American jury would convict this anti-Communist fighting marine?

And then there's Admiral Poindexter. He has none of the exciting appeal of Colonel North. But he has something else. And maybe it is more important. Maybe it is almost as appealing to a jury. Here is the one man—Admiral Poindexter—who accepts full and total responsibility. He has told the Congress: "The buck stops with me and me alone." The President is taken off the hook. The Cabinet is home free. The President's personal chief of staff claims he played only a passive role. The President was kept in the dark on the illegal fund diversion. Even Colonel North claims that he was only following orders, often just Poindexter's orders. That leaves Poindexter. Only Poindexter. All alone. He stands up and takes the consequences for the entire administration. Do we toss him in the slammer? The one person with the manhood to take full responsibility. What do you think?

So Special Prosecutor Walsh may try to jail these men and others. If Walsh does, Walsh is very likely to lose. Safire is right in saying that these men have committed criminal acts. He is right in saying that we should punish those who committed these acts. But it is very unlikely that there will be any punishment.

So we are left with the consequences. A small group of future "heros" may, indeed, be tempted on the basis of this Iran-Contra precedent to once again violate the law—perhaps as Safire suggests they will leak military secrets to the Russians to advance arms control while keeping the President in the dark. They will be following the Iran-Contra precedent. So without punishment, the consequence of this Iran-Contra experience may very well be that a future coup against the country is more likely than ever.

Mr. President, I ask unanimous consent that the column to which I have referred by William Safire be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Punish the Guilty

(By William Safire)

Washington.—President Reagan, who supported the appeasement ring within the White House, says he sees no crime revealed in the Iran-contra hearings. Ed Meese, the tenderest cop in America, thinks prosecution would be a tragedy. Many of my conservative brethren, relieved that the President was absolved of guilty knowledge of the diversion of ransom profits to the contras, are inclined toward non-prosecution, clemency or outright pardon.

But conspiring to defraud the Government of eight million dollars is a crime; deliberately misleading officials charged with oversight of appropriated funds is a crime; destroying potential evidence being sought by lawmen is a crime; pretending while under oath not to remember what you well remember is a crime.

Ah, but what of Jefferson's "higher obligation" than the "written law"? All the technical infractions, say the defenders of the appeasement ring, were committed in a good cause—to make friends in Iran, to buy back our hostages, to finance the contras. What neat symmetry; to use the byproduct of appeasement of terrorists to subvert Sandinistas.

Ollie North, we are told, may be a rogue but is a decorated marine who meant well and now has a political following. John Poindexter belatedly took responsibility for approving the double dealing, and deserves thanks for being the fall guy. Who but a bloodlusting dovish liberal partisan out to discredit the Reagan Administration would want these patriots tried, and if convicted, punished?

Count one hawkish conservative and consistent contra supporter among the unforgiving. The reason has to do with a principle as high as any "higher law."

Suppose the next President is a dovish Democrat. Suppose a small ring of much-decorated officers within the National Security staff, motivated by noble patriotic aims, sees an opportunity to achieve a breakthrough in arms reduction negotiations by secretly supplying the Soviet Union with details of our Star Wars technology, and the man in charge chooses not to tell the President in order to spare him political embarrassment if the secret leaks.

In the ensuing uproar, the future appeasement ring would say its purpose was advancing our national security, not espionage; that its zealous members understood it to be the President's policy to promote detente; and that they followed the Poindexter-North-Secord path, which had been tacitly approved in the late 80's when the perpetrators of the Iran-contra appeasement and diversion went not only unpunished but were lionized.

My conservative colleagues would howl: Yalta betrayal! Usurpation of the powers of Congress! Pinko takeover of the Presidency! They would be right, but they would not have a leg to stand on. The coup that goes unpunished leads to more coups that cannot be punished.

We know Admiral Poindexter to be the apostle of disinformation. This professional note-taker, whose career in the N.S.C. was built on his ability to provide "memcons" of what happened at meetings, suddenly blanks out when asked about a face-to-face meeting with William Casey at the height of the crisis. His sworn testimony was considered "not credible" for good reason; his amorality was demonstrated last year when his policy of official lying was exposed.

But John Poindexter defiantly asserts he has no apologies. He does not have even the shabby defense, claimed by the proudly self-proclaimed liar Oliver North, that he was only following orders. In the warped Poindexter thinking, the national security adviser has the authority to destroy secret Presidential findings to avoid political embarrassment; he claims the power to seize the buck of accountability, keeping from his elected leader the secret of a venal diversion that would cause widespread revulsion.

That undemocratic view erodes national security. We have laws to prevent such obstruction, a code of conduct to stop such power seizure in the guise of staff slavishness.

Let us not, my fellow contra supporters, be suckered into defending the appeasement ring in the White House merely because a small portion of the ransom profits was directed to a good cause. What the President did in going soft and appeasing the Iranian terrorists was stupid, and he has rightly suffered for it; what his agents did in diverting the profits, if criminal, must not go unpunished or we will all suffer for it.

Think about the consequences of going soft again. Do not invite the next crowd to stage a similar coup with impunity.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business, for 45 minutes, with Senators permitted to speak therein for not to exceed 5 minutes each.

MEASURES ON THE CALENDAR AWAITING ACTION

Mr. FORD. Mr. President, we are approaching the August recess, and several measures that have been reported by the Rules Committee remain on the calendar. Timely action is needed on some of them. Most are noncontroversial but important for a number of reasons. I reviewed the list last evening. Senators will find out in a moment why I am so concerned about what has developed here as it relates to the procedure of the Senate. These measures are—

First. Senate Resolution 210, to provide supplemental funding for the Judiciary Committee, Finance Committee, Armed Services Committee, Agriculture Committee, Veterans' Affairs Committee, and Rules Committee. The resolution would also authorize the Intelligence Committee to use 1987 funds to cover a 1986 overrun. Without these additional funds, some of the committees will not be able to meet all of their obligations this year.

Second. House Concurrent Resolution 125, to authorize the printing of the revised edition of the pamphlet entitled "The Constitution of the United States of America." Without authorization, copies of the pamphlet will not be available for distribution to visitors and constituents in September, as we celebrate the bicentennial of the Constitution.

Third. Senate Resolution 259 authorizes reimbursement of expenses to witnesses appearing before the Senate.

Fourth. Senate Resolution 258 requires documentation for payments and reimbursements from the contingent fund of the Senate. Presently, documentation is required of Members' offices but not of committees.

Fifth. S. 1532 authorizes the Sergeant at Arms to bill, collect, and pay for telecommunications services in the Senate.

Sixth. S. 1574 combines Members' clerk hire allowance account and the official office expense account into a single "Senator's official personnel and office expense account." This new account would give Members greater flexibility in managing their offices.

It is my understanding that no Senator from this side of the aisle opposes any of these items. For the record, I want everyone to know where the hold is coming from—the other side of the aisle.

When Finance, Armed Services, Judiciary, Agriculture, and other committees cannot fulfill all of their obligations because of budget restraints, then every Senator should know why additional funds have not been provided.

If copies of the pamphlet on the Constitution are not available for distribution during our bicentennial celebration of that historic document, then people should know the reason why.

If we are not permitted to move forward with documentation of expenditures, the consolidation of Senators' accounts, and changes in payment of expenses for witnesses, then Senators should know why.

If the Sergeant at Arms is not authorized to bill, collect, and pay for telecommunications in the Senate, Members need to know why.

Mr. President, I have checked around, and found that there is no opposition to these measures from Democratic Members. I am not sure of why opposition exists—but that is the right of any Member. However, I did want to make the record clear that action on these measures is being held up by the other side of the aisle and not by this side.

Mr. President, I do not want to just lay everything on the other side. We have the air safety piece of legislation, S. 1184, which has been reported by the Commerce Committee and has been before the Senate now for some time. We have been working for 2 weeks trying to arrive at a unanimous-consent agreement so that we can move forward on S. 1184, because we need that legislation to start on October 1, in order to begin to move in the direction of eliminating the problems we have as they relate to air safety.

Mr. President, as we are moving toward the end of this period and moving into the recess in August, if S. 1184 cannot be cleared and passed by the Senate prior to that time, it is doubtful that we will be able to have this piece of legislation in place by September 30, so new authorization under this legislation of the airport improvement trust fund will be delayed. We have worked hard on this legislation. We have tried to develop a measure that would be helpful to the communities, to the passengers, and to the airlines.

We have now seen cooperation among all the communities with respect to what should be done, and this bill incorporates those thoughts, and I think we have the approval of the administration. The Commerce Committee has reported it, and all those have an interest in the aviation industry have come together, saying, "These are the things we believe ought to be done and fit into this package."

Mr. President, if S. 1184, which is being held on this side, is not taken up this week and approved, so that we might move on to the House with the conference committee, so that we can have it back and in place prior to October 1, when the new fiscal year comes, then I have some concern about moving as expeditiously as we should.

Yes, we will have a continuing resolution, but this piece of legislation has to be included in that. We need to go forward and develop a safety package that is in the best interests of the industry and particularly the safety of the passengers.

So, Mr. President, the Rules Committee has worked hard. We have letters of compliments with respect to how we are moving legislation out, how we are at least attempting to be quicker and better able to get things done. Now I find that in our ability to get things done, we have come to the Senate floor, and the Senate floor is the holdup.

I may strike a nerve or two today, Mr. President. I hope I do. I hope these pieces of legislation will have the holds taken off and that we will be allowed to bring these measures to the Senate floor.

The ACTING PRESIDENT pro tempore. The Senator from Georgia.

THE SENATE ROLE IN CONFIRMATION OF SUPREME COURT NOMINEES

Mr. FOWLER. Mr. President, I rise today to discuss the role of the Senate in the confirmation of Supreme Court nominees. It seems to me that on this question everyone has become an amateur interpreter of the Constitution—reporters, law professors, editorial writers to the left and right, lobbyists, Presidents, and especially Senators. For in answering this question, we in the Senate are given the enormous responsibility of actually interpreting the Constitution, translating the advice and consent clause into practice—in the proper balance, without hopefully either obstruction or dereliction of duty.

Where my thoughts on any particular nominee are concerned, I believe that part of our constitutional responsibility of advice and consent involves keeping an open mind until the process has taken its course and all, including the nominee, have had the chance to present their case. I do not believe in prejudgment on committing my vote to popular referendum.

I believe every President deserves a fair hearing of his nomination on the merits and not on narrow partisan or ideological grounds. At the same time, the American public, to whom we are ultimately responsible, is entitled to more than a rubber stamp. It deserves a full examination of the advisability of seating any nominee on the highest court in the land—the court which, in the words of Justice John Marshall, "says what the law is."

While we must remain open regarding the nominee, there are questions of process that can be settled before deliberations begin:

First of all, does the Senate have equal power to the President in determining who will sit on the Supreme Court? My reading of the Constitution says that we clearly do. Others, disagree, claiming privileged knowledge of the intent of the advice and consent clause.

We all know, of course, that his is not backed up by the negotiating record of the Constitutional Convention, where Presidential appointment was a very late entry into the compromise.

But those who would give the President almost exclusive prerogative quote the Federalist Papers writings of Alexander Hamilton as definitive, but he was 1 of the 55 Framers of the Constitution. Hamilton wrote that the Senate's only role was to screen against "unfit characters," and appointments based on unseemly ties of family, friendship, and finance to the President.

At the same time, we know Hamilton was the leading proponent among the Framers of a strong—some would even say monarchical—executive. We also know that Hamilton advocated a loose and liberal interpretation of the Constitution when it came to consolidating the power of the President and concentrating capital in the hands of our financiers. Therefore, his insight into this matter appears contradictory at best.

But even if we were to agree that the Senate should play a secondary role, that of sweeping up after the President, it is the President who has made the ideological content of the judiciary an issue. This door left hanging wide open brings us to our second question.

Is it proper for the Senate to consider the ideology of the nominee as part of its deliberations? While I believe we should follow certain nonpartisan guidelines in this area, the Constitution of our country clearly places no limits on what this body may consider.

Again, amazingly, those who say we may not consider ideology argue precedent and claim to know the "real meaning" of advice and consent.

And, once again, nothing in the Constitution or American history supports this argument. This is not Ronald Reagan's Supreme Court. It is not Jimmy Carter's Supreme Court. It is not Ulysses Grant's Supreme Court. The Senate has recognized this fact, turning away 20 percent of the nominees submitted—most recently in the Johnson and Nixon administrations.

John Rutledge, the first to be turned down by a bloc of Federalist Senators because of his opposition to the Jay Treaty, was 1 of the 55 original Framers, as were 3 of the 14 Senators who voted against him.

I would not want to fall back on some of the more embarassing precedents for rejection—involving the rankest partisanship from all ends of the political spectrum. But it is clear that this Senate is not charting new ground in insisting that "advice and consent" is a meaningful, and not a "toothless," phrase. On the contrary, I think it a dangerous argument to advance that any language in our Constitution lacks significant meaning, or somehow requires modification not contained in the wording of the document itself.

This brings us to the question of what, in fact, should we examine? It should not matter whether the candidate is labeled conservative or liberal. Should we look for extraordinary intelligence, understanding, knowledge? Certainly we should look for those qualifications.

But for this position we should look for more than that. We should seek men and women with sound judicial ideals, not political ideologues—from the left or the right—with predetermined agendas. We should seek men and women with respect for the law. We should, above all, search for those whose guiding principle in their stewardship of the Supreme Court is respect for those Americans, all of us, who have to live under our law.

I think this individual needs to clearly understand that law comes from real cases, real controversies, the actual circumstances, experiences, trials, opportunities and demands of our people. Constitutional adjudication does not or should not stem from theories concocted by the justices. Any discernible pattern of writing decisions to conform of such an ideology must be carefully scrutinized before we make our decision.

The Senate should also examine the nominee's attitudes toward an individual's rights, that serve as a shield against laws created by our Government. Are they derived from the state? Or allowed by the majority? Or are we endowed by our Creator with certain unalienable rights?

Looking at philosophy and ideology in these terms carries the debates to a realm beyond partisanship, it seems to me, which is surely where it belongs.

The Senate does have a clear constitutional obligation in this case. It is to the American people. We owe it to them to examine Supreme Court nominations with the utmost care. We owe every President a fair hearing of his recommendation, certainly no more and absolutely no less.

The ACTING PRESIDENT pro tempore. The Senator's time has expired. The majority leader.

THE CALENDAR

Mr. BYRD. Mr. President, I wish to inquire of the distinguished Republican leader as to whether or not Calendar Order No. 294 and Calendar Order No. 291 have been cleared on his side of the aisle.

Mr. DOLE. I am pleased to report to the majority leader they both have been cleared on this side.

Mr. BYRD. Mr. President, I thank the Republican leader.

I ask unanimous consent that the Senate proceed to those two items as I enumerated them.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. BOSCHWITZ. Mr. President, reserving the right to object.

The ACTING PRESIDENT pro tempore. The Senator from Minnesota.

Mr. BOSCHWITZ. May I ask the distinguished majority leader if there will be more time for morning business?

Mr. BYRD. Yes, there is more time.

Mr. BOSCHWITZ. But the majority leader is going to proceed to this?

Mr. DOLE. It will take one second.

Mr. BYRD. This will be brief.

Mr. BOSCHWITZ. I thank the leader.

SOCCER WORLD CUP

The joint resolution (S.J. Res. 175) to recognize the efforts of the U.S. Soccer Federation in bringing the World Cup to the United States in 1994, was considered.

Mr. TRIBLE. Mr. President, recently I introduced Senate Joint Resolution 175 which puts the Government on record in full support of the efforts of the U.S. Soccer Federation to bring the 1994 World Cup soccer matches to this country. I am grateful to my many colleagues, including the Republican leader, who have cosponsored this resolution and I am pleased that the Senate is addressing this issue.

Soccer is the world's most popular sport and the World Cup is the most important event in the sport of soccer. This event would create a tremendous tourism boon for this country. Over 2.4 million people saw the World Cup live in 1986. The total television audience was 12.8 billion. We should be able to capitalize on our experience in hosting the 1984 Summer Olympics to show thousands of foreign visitors the rich diversity of our American way of life.

There are many factors that will be considered in the awarding of the 1994 games including financial backing, transportation, accommodations, communications, and the support of the host government. The U.S. Soccer Federation can make all the necessary arrangements except for the backing of the Government.

In September the U.S. Soccer Federation will make its presentation to the International Soccer Federation. A final decision on the location of the games will be made by June 1988. Lets give our strong support to their effort.

This resolution will not cost the Government any money but will authorize the Secretary of Commerce to represent our country in any negotiations with the International Soccer Federation. The Commerce Department's travel and tourism administration can coordinate the governmental functions and work with the private sector to assure the success of the World Cup games.

Mr. President, I would like to thank Senator HOLLINGS, chairman of the Commerce Committee, and Senator DANFORTH, ranking member of the Commerce Committee, for expediting the consideration of this resolution by the entire Senate.

Mr. President, I move the adoption of this resolution.

The joint resolution (S.J. Res. 175) was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 175

Whereas soccer is one of the world's most popular sports and the World Cup is the single most important event in that sport;

Whereas the 1986 World Cup games had a television audience of 12.8 billion with a live attendance of over 2.4 million;

Whereas the United States Soccer Foundation is seeking to bring the World Cup games to the United States in 1994;

Whereas the United States is capable of meeting all the requirements of a host country including financing, transportation, security, communications, and physical accommodations; and

Whereas the World Cup would serve as a tremendous impetus to national and international tourism, because the games would bring people from all nations together in friendly competition and permit these people to experience, first hand, the American way of life: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That Congress recognizes the efforts of the United States Soccer Foundation to bring the World Cup to the United States in 1994, and the President of the United States is authorized and requested to designate the Secretary of Commerce as the official representative of the United States Government in any discussions with the Federation Internationale de Football Association.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the joint resolution passed.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ABANDONED INFANTS ASSISTANCE ACT

The Senate proceeded to consider the bill (S. 945) to require the Secretary of Health and Human Services to make grants to local governments for demonstration projects to provide respite homes and other assistance for infants abandoned in hospitals, and for other purposes, which had been reported from the Committee on Labor and Human Resources, with an amendment to strike all after the enacting clause and insert in lieu thereof, the following:

That this Act may be cited as the "Abandoned Infants Assistance Act of 1987".

FINDINGS

SEC. 2. The Congress finds that—

(1) throughout the Nation, the number of infants who have been exposed to drugs taken by their mothers during pregnancy has increased dramatically;

(2) the inability of parents who abuse drugs to provide adequate care for such infants and a lack of suitable shelter homes for such infants has led to the abandonment of such infants in hospitals for extended periods;

(3) the vast majority of these infants will be medically cleared for discharge, yet remain in hospitals as boarder babies;

(4) hospital-based child care for these infants is extremely costly and deprives them of an adequate nurturing environment;

(5) training is inadequate for foster care personnel working with medically fragile infants and infants exposed to drugs;

(6) a particularly devastating development is the increase in the number of cases of acquired immune deficiency syndrome in infants, and the number of such cases has doubled within the last 13 months;

(7) more than 80 percent of infants with acquired immune deficiency syndrome have at least one parent who is an intravenous drug abuser; and

(8) infants with acquired immune deficiency syndrome are particularly difficult to place in foster homes, and are being abandoned in hospitals in increasing numbers by mothers dying of acquired immune deficiency syndrome, or by parents incapable of providing adequate care.

DEMONSTRATION PROJECTS

SEC. 3. (a) The Secretary shall make grants to local governments to support projects to—

(1) demonstrate methods of providing incentives to encourage families or qualified community-based organizations to provide foster care for infants abandoned in hospitals, particularly infants with acquired immune deficiency syndrome; and

(2) train foster care personnel and other appropriate individuals to provide for the special needs of infants exposed to drugs and infants with acquired immune deficiency syndrome.

(b) The Secretary shall make grants to local governments to support the establishment of respite homes for infants abandoned in hospitals, including infants with acquired immune deficiency syndrome. In making grants under this subsection, the Secretary shall give priority to local governments with jurisdiction over areas in which there is the greatest need for such homes, as determined by the Secretary.

APPLICATION REQUIREMENTS

SEC. 4. No grant may be approved under this Act unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, be submitted in such manner, and contain or be accompanied by such information as the Secretary may by regulation specify. The Secretary shall not approve any application under this Act unless the application contains assurances that the applicant—

(1) will use the funds provided under this Act only for the purposes specified in the approved application;

(2) will establish such fiscal control and fund accounting procedures as may be necessary to ensure proper disbursement and accounting of Federal funds paid to the applicant under this Act; and

(3) will report to the Secretary annually on the utilization, cost, and outcome of activities conducted, and services furnished, under this Act.

REPORT

SEC. 5. Within 6 months after the date of enactment of this Act, the Secretary shall prepare and transmit to Congress a report—

(1) specifying the number of infants abandoned in hospitals in the United States and the number of such infants who have acquired immune deficiency syndrome; and

(2) estimating the annual costs incurred by the Federal Government and State and local governments to provide housing and care for such infants.

DEFINITIONS

SEC. 6. For the purpose of this Act, the term "Secretary" means the Secretary of Health and Human Services.

AUTHORIZATION OF APPROPRIATIONS

SEC. 7. For grants under section 3, there are authorized to be appropriated $20,000,000 for fiscal year 1988 and each of the two succeeding fiscal years.

The ACTING PRESIDENT pro tempore. Is there further debate on the amendment?

Mr. METZENBAUM. Mr. President, I ask the majority leader and minority leader whether or not they might just take action with respect to the bill and then reserve 10 minutes for me in order to address myself in order not to hold them up on the floor immediately after the conclusion.

Mr. BYRD. There is no objection to this Senator.

Mr. BOSCHWITZ. May I ask the majority leader, does that mean we are not to return to morning business until after?

Mr. BYRD. There will be morning business, but while we have the bill up, the Senator from Ohio wishes to address his remarks to the bill.

Mr. BOSCHWITZ. So the Senator from Ohio will speak for 10 minutes at the conclusion of this? How long, Mr. President, will morning business take?

EXTENSION OF MORNING BUSINESS

Mr. BYRD. Presently it was for 45 minutes, but I will be glad to extend that. I ask unanimous consent that morning business extend to 12 noon.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, one of the most harrowing examples of the tragedy which drugs leave in their wake can be witnessed in the pediatric wards of hospitals around the country. Infants, exposed to drugs during pregnancy are being abandoned in hospitals because their parents are unable to provide adequate care

Now the tragedy of drug-exposed infants is being compounded by the tragedy of infants born with AIDS.

Treated as outcasts by society, infants with AIDS are being left behind in hospitals, deprived of a warm and nurturing environment.

This bill addresses that problem.

Recently the Washington Post published a front-page article describing the heart rending plight of these infants.

Let me quote from that article:

> Last July a drug addict, 7 months pregnant, was admitted to Harlem hospital center in labor. Within hours she delivered a 1½-pound baby. The next day she checked out of the hospital, leaving behind a daughter she did not name.

Today that 9-month-old baby whose weight hovers around 6½ pounds—lighter than many new-borns—is dying of AIDS in the hospital she never left. Doctors say she got the disease from her mother, who returned only once for a visit.

The baby, who has spent her life encased in an oxygen tent, hooked up to a heart monitor, a nasal feeding tube and an intravenous antibiotic line, is a member of a fast-growing second generation of AIDS victims: infected babies, most of whom are born to drug-addict parents who are dying of the disease.

Because AIDS is incurable, no child is expected to survive. Some have lived as long as 8 years, while others die days after they are admitted. Medically there is little doctors can do. Some children receive regular infusions of gamma globulin, an infection-fighting serum, and doctors try to keep them comfortable with painkillers.

Scenes like that disturb pediatrician Elaine Abrams. "These kids are learning to walk in the * * * hospital," she said, shaking her head sadly. "They're wearing donated clothes and playing with donated toys that we solicited at Christmas. The nurses are being mamas and papas and doing their best, but this is no place for a kid to grow up."

Mr. President, I recently wrote the Assistant Secretary for Health regarding the growing crisis of children with AIDS. His assessment of the problem is alarming.

The number of reported cases of children with AIDS has doubled in the past 13 months. Over 80 percent of AIDS children have acquired the infection from their mothers. In New York City alone, the department of health estimates that there may be as many as 50,000 IV drug abusing women of childbearing age, with an estimated 2,500 deliveries per year to this group. Half of these women may be infected with the AIDS virus.

It does not take much imagination to project the future dimensions of this problem. The official estimates for the number of infants with AIDs who are abandoned in hospital are small, but so too are the official estimates for the total number of children with AIDS.

These figures represent only the tip of the iceberg. The Assistant Secretary for Health has stated that reported cases reflect only a portion of the children being born with AIDS, since the only infants being counted are those with severe clinical symptoms documented by strict methods of diagnosis. The actual number of cases is double or triple the official estimate.

Mr. President, we had better be prepared to care for the increasing number of infants who are being abandoned in hospital either because they have AIDS or because they have been exposed to drugs by their mothers who are unable or unwilling to provide the necessary care. The population of these so-called boarder babies can only be expected to grow in the future.

The Abandoned Infants Assistance Act of 1987, will provide Federal funds for the establishment of respite homes for infants abandoned in hospitals, including infants with AIDS. Such homes will provide a caring environment for these children as well as curtail the massive costs associated with maintaining these children in a hospital environment.

The legislation also provides incentives for the placement of these infants in foster homes. Funds for training foster care personnel in providing for the special needs of these infants is also included in the bill.

The provision of adequate support services will allow those infants who can return to their own home environment to do so.

Finally, Mr. President, the Secretary will have 6 months to prepare a report on the total number of infants abandoned in hospitals in the United States and the number of such infants who have acquired AIDS.

This legislation represents a modest investment of Federal dollars to help improve the quality of life for a group of children whose futures are very bleak. It is the very least we can do.

Mr. President, I ask unanimous consent that a draft of the committee report be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Abandoned Infants Assistance Act of 1987

I. SUMMARY OF BILL

The bill authorizes appropriations for grants to local governments for the purpose of:

Demonstrating methods of providing incentives to encourage families and qualified community-based organizations to provide foster care for drug-exposed infants and infants with AIDS who have been abandoned in hospitals;

Supporting the establishment of respite homes for such infants; and

Training foster care personnel and other appropriate individuals to provide for their special needs.

Within six months after the date of enactment of the Act, the Secretary of HHS must prepare and transmit to Congress a report specifying:

(A) The number of infants abandoned in hospitals in the U.S. and the number of such infants who have AIDS; and

(B) An estimate for the annual costs incurred by the Federal government and state and local governments in providing housing and care for infants abandoned in hospitals.

II. BACKGROUND AND NEED

S. 945 addresses the tragic plight of infants who have AIDS or have been exposed to drugs during pregnancy. In far too many cases these infants are abandoned in hospitals by their sick or dying mothers or by parents who are incapable of providing adequate care.

These so-called "boarder babies" end up living in an institutional environment where, despite the valiant efforts of hospital personnel, many of their basic emotional needs go unmet.

Though no official figures are available, the estimate for the number of infants and children living in hospitals beyond the period medically required is more than a thousand. The problem is expected to grow dramatically as the AIDS crisis builds.

The Assistant Secretary for Health and Human Services, Dr. Robert Windom, has stated that the number of reported cases of children with AIDS has doubled in the past 13 months.

Over 80 percent of AIDS children have acquired the infection from their mothers. In New York City alone, the Department of health estimates that there may be as many as 50,000 IV drug abusing women of childbearing age, with an estimated 2,500 deliveries per year to this group. Half of these women may be infected with the AIDS virus.

Official figures grossly underestimate the scope of the problem since tests on the infants are conducted only when the physicians have discovered the mother is a drug abuser or has the HTLV-IV virus (AIDS), and even then hospitals and doctors are not legally required to report such findings.

Reported cases reflect only a portion of the children being born with AIDS, since the only infants being counted are those with severe clinical symptoms documented by strict methods of diagnosis. The actual number of cases is double or triple the official estimate.

Because AIDS is incurable, no child is expected to survive. Some have lived as long as eight years, while others die days after they are admitted. According to the CDC, the average length of life is 6-8 months after a diagnosis of AIDS. At this time, there is little that can be medically done.

The problem is also serve with drug-exposed infants. In San Francisco alone, 10 to 12 babies a month are testing positive for drug-exposure with cocaine and PCP emerging as the drugs most commonly used by the mothers. The infants can show a variety of symptoms including spasams, severe jitters, convulsions, breathing disorders, and intense irritability.

Alternatives to hospital care for these infants have been attempted on an ad-hoc basis. Local governments are also starting to experiment with incentives to encourage foster care for these children.

There is a strong incentive for such efforts, given the fact that custodial care for these children in hospital can run as high as $600 a day. Significant savings should be able to be realized.

In addition, the human costs associated with these children being housed in hospitals are enormous.

Recently, the *Washington Post* published an article on children with AIDS who have been abandoned in hospital.

"Scenes like that disturb pediatrician Elaine Abrams. 'These kids are learning to walk in the hospitals, she said, shaking her head sadly. They're wearing donated clothes and playing with donated toys that we solicited at Christmas. The nurses are being mamas and papas and doing their best, but this is no place for kids to grow up'."

III. COMMITTEE VIEWS

The Committee is very concerned about the care of infants and children with AIDS and infants who have been exposed to drugs during pregnancy. It is a tragedy that so many of these infants and children have been abandoned, leaving no option available but hospital care. The Committee is very supportive of community efforts to develop alternatives to institutional care. Such support is based on the Committee's view that these infants and children should receive appropriate medical treatment, schooling, and other support services in a warm, caring environment.

S. 945 establishes a grant program for demonstration projects to meet the need of infants who are currently living in hospitals because their parents are unable to provide them with the care that they need.

The Committee recognizes that many of these infants reside in hospitals beyond the time that is medically necessary. This exacts a tremendous cost in both human and financial terms. The Committee also recognizes the difficulties faced in the placement of these children in foster care.

The Committee also feels strongly that there is an urgent need for official statistics on the problem. Unofficial estimates of the number of infants residing in hospitals unnecessarily run into the thousands. However, the Committee believes that local communities will be able to promote more effective responses to the problem if accurate and detailed figures are made available by the Secretary.

The plight of infants being abandoned in hospitals is directly related to the drug crisis and the spread of the deadly disease, AIDS. The parents of these infants are primarily IV drug abusers who are unable to provide adequate care. Though the vast majority of these infants will be medically cleared for discharge or require only intermittent care, they remain in hospitals as "boarder babies."

Hospital-based child care for these infants is extremely costly and deprives them of an adequate nurturing environment.

The Committee notes that a particularly devastating development is the increase in the number of cases of Acquired Immune Deficiency Syndrome in infants, and the fact that the number of such cases has doubled within the last 13 months. More than 80 percent of the infants with AIDS have at least one parent who is an intravenous drug abuser. Infants with Aids are particularly difficult to place in foster homes and are being abandoned in hospitals in increasing numbers by mothers who are themselves afflicted with AIDS.

IV. COMMITTEE ACTION

On July 8, 1987, the Senate Committee on Labor and Human Resources unanimously voted to report S. 945, as amended.

V. CONGRESSIONAL BUDGET OFFICE COST ESTIMATE, JULY 31, 1987

1. Bill Number: S. 945

2. Bill Title: Abandoned Infants Assistance Act of 1987.

3. Bill status: As ordered reported by the Senate Committee on Labor and Human Resources on July 8, 1987.

4. Bill purpose: To require the Secretary of Health and Human Services to make grants to local governments for demonstration projects to provide respite homes and other assistance for infants abandoned in hospitals, and for other purposes.

5. Estimated cost to the Federal Government:

[By fiscal years, in millions of dollars]

	1988	1989	1990	1991	1992
Authorization level	20	20	20		
Estimated outlays	11	17	19	9	3

The costs of this bill would fall within budget function 550.

Basis of estimate: The authorization level for grants to local governments is specified in the bill. CBO assumes all authorized amounts are fully appropriated at the beginning of each fiscal year. Outlays are estimated using spendout rates calculated by CBO on the basis of similar health service spending data.

Enactment of this legislation could result in savings in the Medicaid program. The bill would establish respite care homes for infants abandoned in hospitals, including infants with Acquired Immune Deficiency Syndrome (AIDS). Currently, infants abandoned in hospitals can often be placed in foster homes. It is much more difficult to find homes for children who are not healthy, especially those having been diagnosed with AIDS or even those testing positive for the human immunodeficiency virus (HIV). In most cases, these children remain in the hospital whether they are ill or not. Almost all of these children have their hospital costs paid for by Medicaid. By establishing respite homes, some of these children could be released from hospitals. Although we do not know the number of abandoned children currently living in hospitals who could be released into these respite homes, early information provided by such a home currently operating in New Jersey indicates that savings would accrue to the Medicaid program.

6. Estimated cost to State and local government: It is possible that funds provided by the federal government under this bill could be substituted for funds that otherwise would have been provided by local governments. State payments for Medicaid would also be reduced.

7. Estimate comparison: None.

8. Previous CBO estimate.

9. Estimate prepared by: Carmela Dyer.

10. Estimate approved by: C.G. Nuckols, for James L. Blum, Assistant Director for Budget Analysis.

VI. REGULATORY IMPACT STATEMENT

The Committee has determined that this legislation does not impose additional regulatory burden.

VII. SECTION-BY-SECTION ANALYSIS

S. 945 to require the Secretary of Health and Human Services to make grants to local governments for demonstration projects to provide respite homes and other assistance for infants abandoned in hospitals, and for other purposes.

This Act may be cited as the Abandoned Infants Assistance Act of 1987.

Findings

Sec. 2

Congress in their studies revealed that:

(1) The number of infants who have been exposed to drugs taken by their mothers during pregnancy has drastically increased;

(2) The inability of parents who abuse drugs to provide adequate care for such infants and a lack of suitable shelter homes for such infants has led to the abandonment of these infants in hospitals;

(3) The majority of these infants will remain as boarder babies in the hospital even after they have been medically cleared for discharge;

(4) Hospital based child care is costly and deprives the child of adequate nurturing;

(5) Foster care personnel training is inadequate;

(6) The number of infants with the acquired immune deficiency syndrome has doubled within the past 13 months;

(7) More than 80 percent of the infants with AIDS have at least one parent who is an intravenous drug abuser; and

(8) Infants with AIDS are particularly difficult to place in foster homes, and are being abandoned by mothers dying of aids, or by parents incapable of providing adequate care.

Demonstration projects

Sec. 3

(A) The Secretary shall make grants to local governments to support projects to:

(1) provide incentives to encourage families or qualified community-based organizations to provide foster care for infants abandoned in hospitals, particularly infants with AIDS;

(2) Train foster care personnel and other appropriate individuals to provide for the special needs of drug-exposed infants and infants with AIDS.

(B) The Secretary shall make grants to local governments to support the establishment of respite homes for infants who have AIDS and who are abandoned, giving priority to local governments with jurisdiction over areas in which there is the greatest need for such homes.

Application requirements

Sec. 4

No grant may be approved unless application has been submitted and approved by the Secretary. The application shall be in such form, submitted in such manner, and contained or be accompanied by such information as the Secretary may by regulation specify. The Secretary shall not approve any application unless the application contains assurances that the applicant:

(1) will only use the funds provided for purposes specified in the approved application.

(2) will ensure proper disbursement and accounting of federal funds paid to the applicant;

(3) will file an annual report to the Secretary outlining utilization, cost, outcome of activities conducted, and services furnished.

Report

Sec. 5

Within six months after the date of enactment of this act, the Secretary shall prepare and transmit to Congress a report:

(1) Specifying the number of infants abandoned in hospitals in the U.S. and the number of such infants with AIDS;

(2) Estimating the annual costs incurred by the Federal, state and local governments to provide housing and care for such infants.

Definitions

Sec. 6

For the purpose of this Act, the term "Secretary" means the Secretary of Health and Human Services.

Authorization and appropriation

Sec. 7

For grants under Section 3, there will be appropriated $20,000,000 for FY 1988 and such sums as may be necessary for FY 1989 and FY 1990.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that Senator McCain be added as a cosponsor of this legislation.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. McCAIN. Mr. President, I come to the floor today to express my support for S. 945, the Abandoned Infants Assistance Act of 1987. This legislation, which I am a cosponsor of, was offered by my distinguished colleague, Senator Metzenbaum. This legislation seeks to address the human care needs of infants who are born with AIDS—a population for whom the toll of this disease is perhaps most tragic.

Mr. President, mankind is facing what is quite probably the most virulent social disease in history. This disease cruelly destroys the immune system of its victims, thus eliminating the body's ability to fight off illnesses. It ultimately leads to death. And—at present—there is no cure.

I am talking about AIDS.

The number of individuals who will perish as a result of this modern day plague is staggering. The potential impact on our Nation's—indeed, the world's—social, economic, and political fabric is mind boggling.

AIDS is transmitted when human beings come into contact with the blood products or bodily fluids of an AIDS-infected person. In my mind, this classifies AIDS as a social disease—and it is a very potent one at that.

Mr. President, it is estimated that—currently—1 to 1.5 million people in the United States are carrying the HIV virus, the virus which holds with it the potential for the development of AIDS. Of these 1 to 1.5 million, more than 40,000 have developed the disease, with just over 21,000 Americans known to have perished thus far.

The Centers for Disease Control estimates that by 1991, the number of Americans with AIDS will be close to 300,000. Of this amount, 179,000 will have perished. Conservative estimates are that by 2010, close to 15 million will have contracted the virus.

Mr. President, this is far more than the sum total of those who died in the Vietnam and Korean wars.

It is little wonder that AIDS has replaced cancer as the disease most feared by the American public—and is an issue consistently named in poll after poll as among the top problems facing the Nation.

Although one can only speculate as to what the actual number of casualties will be, I think most everyone agrees the number will be staggering.

Mr. President, in one way or another AIDS is going to affect every American.

First, many Americans will, themselves, contract the virus and develop AIDS.

Second, many Americans will know someone who is affected with AIDS. For some it may be a family member. For others, it may be a friend or loved one. Each of us in this Congress already knows at least one person who has perished at the hands of AIDS—one of our colleagues died of AIDS on May 7 of this year.

Third, many scientists will be directly involved in the research effort. Many educators and lay people will be involved in the education effort. Many in the medical community, as well as family and friends, will be involved in actually providing care for someone with AIDS.

Fourth, as taxpayers, each of us will share the financial burden of this disease. The resources needed just for the research and development of a vaccine are astronomical. It is estimated that, by 1991, the public sector alone will pour an excess of $1.1 billion a year into research efforts. However, experts tell us that regardless of the resources expended in the effort to develop a vaccine, it will be at least 1995 before an effective vaccine is likely to be available. We should do all we can to speed up this effort, but we must face the reality that it will take some time. In addition to the money needed for the research effort, a great deal of resources are also needed to develop effective forms of treatment, as well as to facilitate education and epidemiological efforts.

Mr. President, the statistics are cold and menacing. Yet statistics cannot begin to convey the extent of the tragedy and despair that is connected with AIDS. When the Nation loses the likes of a Michael Bennett and a Charles Ludlam from the world of the performing arts—both of who succumbed to AIDS at age 44—one is led to wonder what future artistic achievements might have been, but for AIDS.

In every profession and walk of life, AIDS is robbing the world of many people whose best and most productive years lay ahead of them. We know we are losing friends and fellow human beings, and that is always sad. But we are also being denied their achievements. And, as such, we are all a lesser nation and world because of it.

Mr. President, the effect this disease will have on Americans is devastating. No one will be left untouched. Though the contracting of AIDS in the United States appears, at this point, to be confined largely to the homosexual, bisexual, and intervenous drug abuser populations, its potential to penetrate the heterosexual population must not be underestimated.

Indeed, there is a rise in the number of heterosexuals who have contracted the virus. In addition, some are unaware of the high-risk activities the person with whom they have an intimate relationship is participating in—activities which place them at high-risk.

Mr. President, as individuals in the heterosexual community contract the virus it is natural to assume that they will in turn spread it to other heterosexuals. It is just this fact which has led the Surgeon General, C. Everett Koop, to speculate that growth in the number of AIDS cases among heterosexuals is going to far outpace the growth among current high-risk segments of the population.

In short, no one is completely safe from AIDS.

One group for which the illness is most tragic, the group that this bill addresses itself to, is children. The number of children infected with the HIV virus is rising at a dramatic pace. Public Health Service officials estimate that by 1991, in excess of 3,000 children will have suffered from AIDS. Virtually all will die.

As tragic as this may sound, many say this number is actually underestimated.

Especially tragic is the fact that for most of these children, there is no choice involved. They either acquire it at birth or through contaminated blood—transmission which is especially prevalent among children suffering from hemophilia.

Nearly two-thirds of the cases among children are the result of transmission from infected mother to child. Most of these mothers are intravenous drug abusers or who have sexual partners that are themselves drug abusers or bisexuals. However, as the virus continues to spread through the general population, a woman's lack of direct involvement with current high-risk groups and behaviors will provide no guarantee against her infection and transmission of the disease to her fetus.

According to information currently available, up to 65 percent of babies born to infected mothers will contract AIDS. The inevitable scenario for these children is almost certain death.

I will cover the issue of care for children with AIDS a bit later in this statement.

In my own State of Arizona, we have begun to see a presence of AIDS among the native American population. According to Dr. Ben Muneta, chief medical officer for the Navajo tribe in Arizona and New Mexico, AIDS is beginning to infiltrate the native American population. He estimates that there are close to 150 cases of AIDS to date, including those which are undetected or yet have to be reported.

The fact that there is a rise in substance abuse, including intravenous drug use, American Indians is on the rise, has contributed to the concern over the increased spread of AIDS through the native American population. There needs to be early intervention techniques, education, and bolstered health services on reservations. The reality here is that the threat of AIDS in small Indian communities is so great that entire tribes could be wiped out by the spread of this disease.

Another group for which I have a great deal of concern is health care professionals. We need to make sure that every health care provider is aware of the true risks involved in treating or coming into contact with individuals who have AIDS. The Public Health Service has published a list of precautions that should be taken by health care providers so as to minimize the risk of contracting the virus.

Every health care provider must know the facts. We should not have health care providers contracting the virus because they don't take the suggested precautions. At the same time, we must dispel the unfounded fears that exist among some health care providers—and they must strive to rise above these understandable fears in order to fulfill their Hippocratic Oath.

Mr. President, over the past couple of months I have read countless articles, watched numerous news broadcasts, spoken with a great number of people both here and at home, and listened to hours of debate in this body—all in an effort to come to grips with the facts about AIDS and the views of how it should be addressed.

It is not an easy debate, and there are no easy answers. I admit that my own views have evolved and will probably continue to do so as we learn more about this menace to public health. However, I wanted to share some of my thoughts with regard to what I believe our responsibility is in addressing the AIDS crisis.

We must all realize that AIDS is—first and foremost—a serious health problem. We must all strive to regard it as such. It is not a civil liberties problem—although dealing with AIDS certainly has certain civil liberties ramifications. It is most definitely not appropriate fodder for partisan politics.

However, given the serious threat to national health and safety that AIDS represents, all Americans must join together in a search for the best policy regarding the search for a cure and the treatment of those afflicted with the disease. This is no time for a fractionalized effort. We must be united in our efforts.

The effort to bring the spread of this lethal disease to a halt must involve all of us—physicians, nurses and other health care providers; scientists; educators; members of the media; and, yes, politicians—just to name a few.

More and more Americans are coming to the realization that the only reliable protection against AIDS at present is a change of behavior.

Unfortunately, Mr. President, this is easier said than done. A massive change in behavior is going to take a good deal of time and will require education as to the facts about AIDS. It is for this reason that I believe the most effective weapon we have against the spread of AIDS is education.

Americans need to be taught the facts about AIDS. We are a rational people, capable of responding intelligently to even the darkest of situations if we are informed. The goal of informing people about the facts regarding AIDS is to equip them with the information that will enable them to make informed decisions.

At present, there is a lack of clear and accurate information readily available to the public. By way of illustration, consider headlines that appeared over news stories on June 5 on successive pages of one newspaper, the Seattle Post-Intelligencer. One headline read, "No Sign That AIDS is Spreading Rapidly Among United States Heterosexuals, Expert Says." The second headlines—same paper, same day—proclaimed, "AIDS To Become a Disease of Heterosexuals, Expert Predicts."

Mr. President, no wonder many Americans are confused about AIDS.

I know that the subject of public education about AIDS frightens and disturbs many Americans. Some fear that it will lead to national hysteria. Others fear that education may encourage promiscuity among young people as they are taught about various protection devices.

Mr. President, we must not allow these fears to prevent us from facing reality and confronting this crisis. As unpleasant a subject as AIDS is, we have a duty to give people who may one day be victims the basic information that could enable them to avoid contact with this deadly enemy.

We must teach our young people the facts about AIDS and do so in a systematic manner.

The very young ought to be taught about the important role of their body's immune system in keeping them healthy. Perhaps this could be done by using the illustration of why one cold requires that the child stay home from school for a day while another requires that the child spend several days recuperating and at the same time take antibiotics. Let's teach our kids what makes them susceptible to illness, and in turn what gives their body the ability to fight off serious illnesses. Such an approach, it seems, would be effective in laying the foundation for instruction about the disease which so effectively destroys one's immune system.

As they get older, our young people ought to learn about their own development process. As they learn about themselves, children will come to understand the great complexity of the human species as well as its frailty. Equipping young people with knowledge about themselves will enable them to make the best and most informed choices when it comes to actions that effect their bodies.

It is important, when discussing education, to point out that it is not the role of the Federal Government to determine how an individual school is going to teach the concepts regarding AIDS. This decision must be left to the individual States and communities.

There is, however, a role for the Federal Government. That role is making available to States and communities the latest factual, scientifically accurate information that is available. This year, in excess of $350 million will be spent on education and the dissemination of facts about AIDS.

It is my belief that education about AIDS should be accelerated to include the use of public service announce-ments on television. Tremendous thought, planning, and discretion must be used in determining both content and placement of these ads. They should be targeted primarily to the teenaged and young adult population, in my view. It is my hope that, much like the successful "just say no" antidrug campaign, educational advertising designed to enlighten our population about AIDS will have far more positive impacts than negative ones.

While it is imperative that we educate our young people, particularly if we are going to bring this disease to a halt, we must not ignore those who are susceptible right now. One of the tools in this effort will be a nationwide mailing which will be sent to each household in America later this year. This factual pamphlet on AIDS will provide members of every household with the information to make informed choices. Informed choices about how to conduct themselves so as to eliminate the risk of being exposed to the virus.

Mr. President, I hope that as people become informed about AIDS, and are aware of how one eliminates the risk of contracting the lethal HIV virus, it will inspire a return to old fashion values in which sexual behavior is based on fidelity, commitment, and maturity.

One issue over which there has been much debate is testing.

I think virtually everyone agrees that there must be some testing. The question is one of degree. In my opinion, testing plays more of an educational role than anything else. In this vein, I believe testing would accomplish four things:

First, it provides epidemiological information allowing us to determine just how widespread the virus is.

Second, it informs individuals that they have contracted the virus, so that they can seek proper medical treatment.

Third, it allows us to inform individuals who have tested positive that they must refrain from activities that would endanger the life of others.

Fourth, it allows the public health authorities to know who has tested positive so that they can alert others who may be at risk.

In spite of the consensus that there must be some testing, a fair amount of disagreement seems to exist over just who ought to be tested.

In my opinion, mandatory testing ought to be done of those groups for which testing would serve well-established and well-accepted protection goals. Among such groups would be military personnel, immigrants, prison inmates, blood, organ and semen donors. In addition, I believe a test for AIDS should be included among the tests performed on the blood of applicants for marriage licenses.

Further, I support the American Medical Association's call for testing of hospitalized patients in areas with a high incidence of AIDS who are scheduled to undergo surgery or other procedures that would put health care personnel at risk.

Mr. President, I would certainly acknowledge that in doing testing, we must take pains to assure that confidentiality exists and that individuals found to test positive are not unduly discriminated against. I believe, however, that testing will indeed serve a positive function.

As we proceed to require mandatory testing of prison inmates—a high-risk group—we must ask ourselves what will be done to promote adequate treatment for these individuals?

Clearly, the already overcrowded prisons are not equipped to provide treatment for these terminally ill inmates. At the same time, because of security requirements, hospitals are reluctant or unable to handle these cases.

This promises to become a real problem as more and more prisoners test positive with the HIV virus.

Mr. President, I believe that the Federal Bureau of Prisons ought to conduct a feasibility study to determine whether minimum security facilities can be established—preferably by renovating or adopting an existing facility—for the isolation and proper treatment of inmates with AIDS as well as inmates in need of long-term nursing care.

It is my thought that such facilities could be operated and managed by a qualified private sector entity, in cooperation or under contract with the Federal, State and county governments. Hopefully, such a program would prove less costly than what the different levels of government are currently paying—and will end up paying—for the treatment of prisoners with AIDS.

I would like to believe that no American who, if told they have AIDS, would participate in activities which they know lead to the transmission of the virus to others—but this is not the case. We have seen, in the past couple of months, isolated cases. We must be prepared to deal swiftly and boldly with those who, after being informed that they are carrying the virus, continue to participate in high-risk activities which place others at risk of contacting the virus.

Several States have already begun examining the ability of their existing laws to deal with such individuals. I believe all States ought to be encouraged to take a hard look at the adequacy of their laws to deal effectively with individuals who carry on in such a manner. By and large, however, I maintain the belief that the vast majority of people will not carry on in a manner which they know is harmful to others.

The second area that deserves our attention is research.

A massive basic and applied biomedical research effort has been underway in the attempt to develop a vaccine for AIDS. However, even with the incredible amount of money we are expending—some $500 million this year and an estimated $1 billion by 1990—it has been projected that the very earliest an effective vaccine will become available is 1995. Most experts say that it will probably be at least the year 2000.

Given this fact, and the reality that the chemotherapies currently available do not represent cures, it seems that we can do no more than make whatever resources available which are needed. In light of the fact that a vaccine will not be available for some time, education stands as our only weapon immediately available for the fight against AIDS. This means that it is going to be human action, not scientific application which is going to save us in the short run.

The third and last area I would like to cover is treatment of those already infected with the virus.

Mr. President, it has already been established that a vaccine and effective treatment for AIDS are many years off, and, therefore, education is our only weapon at hand for the fight against AIDS. But the plain and simple fact is that some people already have AIDS and more are going to get it, even under the most optimistic of scenarios.

For its victims, the reality of AIDS is very painful both emotionally and physically. Because there is not a treatment available which is capable of forcing the disease into remission, AIDS victims must face the emotional pain of dealing with a terminal illness. The remainder of their lives will be riddled with painful bouts with all kinds of illnesses, from cancer to pneumonia.

We must be compassionate and humane in dealing with those who are afflicted with AIDS. The health care community must develop a procedure for minimizing the trauma that occurs with diagnosis.

As recently as this year, I am told, a major hosptial in Washington, DC, was not equipped with even basic literature about AIDS to distribute to victims of the disease and their families. A patient was told of his diagnosis in the most off-handed manner, as if he had been told that he was suffering from the common cold. He was denied essential information for a period of days and, therefore, was forced to endure his painful diagnosis with the added trauma of ignorance. This is simply unacceptable. The medical community must develop materials that explain the facts about AIDS and make them available to hospitals, treatment and centers and individual medical practitioners.

In fighting the life and death battle with AIDS, most of the victims will be impoverished within a brief span of time. The costs of this disease are staggering, particularly because its victims tend to live in a debilitated state for such lengthy periods. There are no good estimates of what the ultimate cost for this terminal illness will be. Medical care for each AIDS patient now costs between $50,000 and $150,000, based on an average survival time of 18 months between the diagnosis of AIDS and death. With new treatments increasing the survival time, the costs will increase accordingly.

Plans are currently being looked at to move AIDS patients from expensive hospital beds to hospices or home-care programs. Not only would such a plan reduce the expense, it would enable the victims of AIDS to receive treatment in their home surrounded by their families and other loved ones. This same approach is taken with many cancer patients.

In spite of such cost-effective programs for care, the public health service estimates that the cost of care for AIDS patients will be between $8 billion and $16 billion a year by 1991. This, however, has been labeled as low by some experts, due to the fact that the number of patients is likely to exceed current estimates.

Last, Mr. President, I would like to return to the issue of care for children with AIDS. There is a real need for some focused attention in this area.

Currently, there are only a couple of programs across the country which provide coordinated, community-based care provided for children infected with the HIV virus.

There is a lack of foster care placement for infants and children infected with the virus.

The pediatric units of many of our Nation's hospitals are overwhelmed by the medical and social demands of both ill and well children with HIV infections.

There are not enough hospital personnel to provide and coordinate multidisciplinary inpatient, outpatient, community care, and just plain affection and attention to these children.

Some pediatric hospital staffs are concerned that their neonatal experience thus far does not help them care for neonates with AIDS or deal with the consequences of their mother's drug addiction.

You know what the saddest thing is Mr. President? Not only are these children victims of maladaptive behavior, they have been abandoned both by the mother and society.

The children of this Nation, who have been infected with this lethal disease by the actions of others, must be afforded as normal and dignified a life as possible. They must be nurtured, helped to grow and develop, allowed to interact with peers, attend school, and encouraged to enjoy and participate in all activities of childhood despite their shortened lives. We cannot allow them to be isolated and ostracized—cut off from society like members of a medieval leper colony.

S. 945, the "Abandoned Infants Assistance Act of 1987," addresses itself to these very issues. It requires the Secretary of Health and Human Services to make grants to local governments for demonstration projects to provide respite homes and other assistance for infants abandoned in hospitals.

Mr. President, in summation, this modern day plague poses a crippling affect on the social, economic and political fabric of America—indeed the world. We are already seeing evidence that AIDS is imposing severe social and economic burdens on many communities. AIDS is going to take the combined resources on all levels of government and the private sector to meet the challenges it presents.

I urge my colleagues to support the passage of S. 945.

Mr. HATCH. Mr. President, I am pleased to join the Senator from Ohio in supporting this legislation. It is not often that the Senator from Ohio and I agree, and when we agree on an issue as controversial as AIDS, the legislation must not only be extremely important but also well conceived.

There are over 400 babies who have AIDS in this country, three-fourths of them have been abandoned, left languishing in hospitals with no hope of survival. These innocent victims have no hope of an extended life, but the least we can do is to give them loving care for the valuable time they have on Earth.

These are special need children—children who deserve our care and compassion. With appropriate precautions, these children can have the valuable time. All we need to show is a little love.

Because of these concerns, Senator METZENBAUM and I have developed the Abandoned Infants Assistance Act, which provides $20 million for demonstration grants to provide funding to local governments. These grants will be used to develop methods of providing incentives to families and agencies to provide foster care for children abandoned because they have AIDS; to train foster care personnel in the special needs treatment of infants suffering from AIDS; and to support the establishment of respite homes for such infants.

I am pleased that my colleagues have joined Senator METZENBAUM and me in supporting this legislation and I urge the House to give it prompt consideration.

There are many tragedies in this country, but in my opinion these innocent victims of the AIDS crisis are the Baby Does of 1987. They have no lobby, no PAC, no voting constituency. They need our help. S. 945 will help these tragic victims of the AIDS epidemic who have no choice and no chance to help themselves.

Mr. LAUTENBERG. Mr. President, I am pleased that the Senate is considering the Abandoned Infants Assistance Act, which I have cosponsored. This legislation addresses the tragic plight of infants who have AIDS or have been exposed to addictive drugs taken by their mothers during pregnancy. These helpless, innocent infants are likely to be abandoned in the hospital by their sick or dying mothers. They have no place to go. Even if their families want to care for these children, they often need special training to handle the special problems involved.

The Centers for Disease Control report that well over 400 children under the age of 13 have been diagnoised with AIDS. In fact the true total is probably two to three times the reported number because the CDC classification for pediatric AIDS excludes children with AIDS-related diseases. In addition, an untold number of infants are born addicted to drugs or in poor condition because of the drug habits of their mothers.

Whose heart does not go out to these children? Their only experiences on this Earth are those of disease and abandonment. They are experiencing the brutality of AIDS at a time when most other babies are learning to crawl and talk.

Some have little prospect of living outside the hospital, not because they are too ill to leave, but because they have no home to go to. A mother with AIDS or a drug abuse habit cannot or will not care for an infant. These children need foster homes. But their medical problems make these children hard to place. And if they can be placed in foster homes, the foster parents may need special training and other services.

The bill we are considering today is an attempt to help these babies. The bill would authorize demonstration projects using incentives for foster care for abandoned infants. Foster parents would also receive training for the special needs of infants exposed to drugs and with AIDS. Demonstration grants would be provided for counseling and intervention for pregnant mothers who appear to be at risk of abandoning their babies. Local governments will be eligible for grants to establish respite homes for temporary care of abandoned infants.

Mr. President, my own State of New Jersey has one of the highest numbers of children with AIDS. As of March 1, 1987, the State has reported 63 cases. Specialists who work with pediatric AIDS cases believe the number is at least twice as high. The difference is explained by the strict classification currently required by the CDC. This classification is being revised and the full dimensions of this childhood tragedy will be more fully disclosed. Several of these children have been abandoned in the hospital, with no place to go. And additional numbers of babies born to drug abusing mothers have been left behind.

I first learned about the plight of AIDS babies from a dedicated physician in Newark, Dr. James Oleske. His commitment to his tiny patients is heartwarming. Dr. Oleske sees a need for the services that this bill would provide and I value his counsel. Even when relatives or foster parents do take their children home, they need encouragement and assistance from hospital personnel.

Mr. President, hospitals are wonderful, caring places for those who need their services. But they are no environment for a child to be in, especially if the child does not require the high level of care provided in hospitals. This bill is intended to offer the hope of a more normal homelife for children whose only home has been a hospital.

I urge my colleagues to join in support of this much-needed legislation.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The ACTING PRESIDENT pro tempore. If there is no further debate, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. METZENBAUM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NOMINATION OF ROBERT BORK TO BE SUPREME COURT JUSTICE

The ACTING PRESIDENT pro tempore. The Senator from North Carolina.

Mr. SANFORD. Mr. President, on July 23, the distinguished minority leader argued on the floor of the Senate that for the Senate to consider the views of a nominee on specific political and social views, as opposed to his fitness and merit, "would offend common sense, would be contrary to the intent of the framers, and would, in the end, be shortsighted." On the same day, my colleague and friend, the assistant minority leader, the Senator from Wyoming, argued that if we do not like Judge Bork we should just say so "instead of somehow trying to shroud the political, partisan, and special interest opposition in some type of vapid rationalization or some ponderous historical perspective." While I have the utmost respect for both gentlemen, their arguments miss the point. Surely, they jest!

I am not prepared today to make a decision on how I will vote on confirmation of Judge Bork, but I think too much of this institution, the U.S. Senate, to trivialize the Senate's role in the formulation of our Supreme Court. Of course the framers of the Constitution intended to involve many minds, to spread the privilege and responsibility of voting on nominations to our Supreme Court. I take this duty very seriously. How can we look at our history, how can we study our Constitution, and take any other view? In my opinion, the gravest responsibility of a Senator, with the exception of voting on a declaration of war, is selecting Justices of the Supreme Court.

For that reason, I have studied carefully what the role of the Senate was intended to be, and historically has been, in the selection of Supreme Court Justices. It is clear that the Senate should properly consider the political views and ideological leanings of the nominees, and it has done so in the past. Since the Constitution was ratified 200 years ago, the Senate has often refused to confirm Presidential nominees to the Supreme Court, many on purely ideological grounds.

I am a middle grounder myself, feeling that judges should not be hung up on leanings too far in any ideological direction. They should be fairminded in seeking justice in the case at hand, leaving it to others to promote ideologies. I join those who argue that it is entirely proper, indeed incumbent upon, the Senate to examine carefully all aspects of a nominee's background and qualifications, including his or her political views and judicial and philosophical inclinations.

I will not, as the minority leader has suggested, consider political and social views of the current nominee to the exclusion of his "fitness and qualifications." I do not intend to apply a litmus test to his views on specific issues. However, I do consider his ideology to be essential elements of his qualifications for this lifetime appointment, and the President has been fairly explicit in saying ideology was a factor with him.

As Walter Dellinger, professor of law at Duke University, said in 1985:

> I do not mean to suggest that a Senator should attempt to impose his or her own view on the Court. In deciding whether to consent to a Supreme Court nominee's appointment, a Senator ought to probe for evidence of intelligence, integrity, and openmindedness—a willingness to be persuaded by cogent argument. Whether a Senator will also take philosophy into account should depend to a large degree upon whether the President has done so in making the nomination . . . When a President attempts to direct the Court's future course by submitting a nominee known to be committed to a particular philosophy, it should be a completely sufficient basis for a Senator's negative vote that the nominee's philosophy is one that the Senator believes would be bad for the Country.

Nor do I consider the study and discussion of constitutional law and history to be "some type of vapid rationalization or some ponderous historical perspective." I am not hiding behind the Constitution, as suggested by the Republican leadership. Rather, I am proclaiming constitutional law and history as essential to the responsible exercise of our duty as U.S. Senators.

I will not be one to seek "balance" on the Supreme Court. I believe we should not veer too far in either direction. The very fact that Supreme Court Justices have not been named by one person has been our greatest safeguard against having extremists on the Court. Over the years, the Senate has exercised a moderating influence. We have not veered so much from one extreme to another for the very reason that more than one person is directly involved in placing individuals on the Supreme Court. That is another example of the wisdom of those who framed the Constitution.

In 1959, a young Arizona lawyer, outraged with the Warren court's decision enforcing the "equal protection of the laws" for racial minorities, demanded that the Senate do a better job of determining the judicial philosophy of Supreme Court nominees. "The only way for the Senate to learn of these sympathies," William Rehnquist wrote, "was to make proper inquiries during the confirmation process."

We will, Mr. Chief Justice. and I don't want anyone who leans too much into the wind or too much against the wind of fairness and justice. Fairness and justice are the purpose of the courts.

Thank you, Mr. President. I yield.

The ACTING PRESIDENT pro tempore. The Senator from Delaware.

Mr. BIDEN. Mr. President, I compliment my colleague from North Carolina on his fine statement. I have a relatively long statement which, in the interests of time and conforming with the morning business requirements, I will at some point ask unanimous consent to insert. But I would like to just highlight a few parts of it.

Today I would like to speak frankly about what is really going on here.

I, and my Democratic colleagues on the Judiciary Committee, have been charged with being unfair. We have been accused of playing politics with the Bork nomination.

This nomination has been portrayed as just one other reasonable Supreme Court nomination. We are told that we should not consider the political philosophy of the nominee. We were told that to do so is another example of playing politics with confirmation.

There is a great deal at stake with this nomination. To attempt to suggest that this is not one of the most controversial nominees who has been sent up in decades would quite frankly be somewhat disingenuous. I might add parenthetically that I find it interesting that no one questions how anyone could automatically support the nominee.

The press does not write that some Senators have been unfair because they have concluded at the front end that they know they are going to support the nominee. Yet, if someone suggests that they are going to oppose the nominee, it must be that it has something to do with politics.

I am at a loss to understand that. How is the fact that a colleague of mine announces he is for the nominee any different, any more or less premature than the colleagues who say they are opposed to the nominee?

Some of us know a great deal about the nominee. I think he is a fine man. But I have read almost everything he has written since 1962. I thought they were going to send him up back when they sent up Justice O'Connor. So I got prepared. I read a lot. I thought they were going to send him up when they sent up Justice Scalia. I read a lot more.

For me to suggest now that I do not know what he stands for and what he writes and what he does not write, it seems to me would be a little bit silly.

I think it is a little bit silly for someone to say I know I am for the nominee, therefore I have taken my stand, but it is unfair for you to say you are against the nominee. I think it is, somewhat disingenuous. I would hope the press would note that.

The fact of the matter is that those of us who will oppose, or who are skeptical about the nomination, did not create this controversy. The President created the controversy. He made the nomination even after he was advised that it would be a very controversial nomination.

I ask unanimous consent to have printed in the RECORD, not take the time now, the circumstance in which this came about.

There being objection, the material was ordered to be printed in the RECORD, as follows:

ADVICE AND CONSENT ON THE SUPREME COURT NOMINATION: A CHRONOLOGY OF EVENTS

June 26—Justice Lewis Powell resigns.

June 26—Senator Biden issues statement on Powell resignation:

Pointing to important role that will be played by Powell's successor;

Stating, "The scales of justice should not be tipped by ideological biases";

Calling on the President to nominate someone "with an open mind—someone, in short, in the mold of Justice Powell"; and

Pledging to "examine with special care any nominee who is predisposed to undo long-established protections that have become part of the social fabric that binds us as a nation."

June 27—Senator Biden calls Chief of Staff Baker indicating that Senators Biden and Byrd would like to consult with Administration officials to offer "advice" in the selection of the nominee.

June 30—Senator Biden and Senator Byrd meet with Attorney General Meese and Chief of Staff Baker:

Senator Biden advises Meese and Baker that the Administration should nominate an individual on whom the Senate could act swiftly;

Senator Biden reiterates call for Administration to nominate someone in the mold of Justice Powell—"a conservative with an open mind"; and

After outlining criteria he would advise be applied to the list of candidates in the selection of the nominee, Senator Biden advises Meese and Baker that some candidates do meet criteria in his judgment but that he doubts whether Judge Bork does.

July 1—President announces nomination of Robert Bork:

Nomination comes within 24 hours of meeting during which 15 candidates were discussed and Senators Biden and Byrd expressed reservations about the selection of Judge Bork.

July 1—Senator Biden holds press conference in Houston and issues statement on the selection of Judge Bork:

Senator Biden reiterates the importance of the nomination, calling it "one of the most important nominations to the United States Supreme Court in decades";

Senator Biden commits himself as Chairman of the Judiciary Committee to doing everything possible to ensure that Judge Bork receives full and fair confirmation hearings;

Senator Biden reiterates criteria he suggested to Meese and Baker—someone who could be acted upon quickly by the Senate and someone with an open mind;

Senator Biden again expresses doubts about Judge Bork meeting those criteria, saying that he has "grave doubts" about the nomination and that he expects it to cause "a difficult and potentially contentious struggle in the Senate."

Mr. BIDEN. When the administration submitted a list of 15 names, that said here are the ones among whom we are going to choose. This is not an exhaustive list but all these people qualify. What do you think?

We went down the list and said that at least half of the names would go through here quickly, but that a couple would have real problems.

Who would have problems?

Mr. Bork would have real problems because his views are so well known and so controversial.

The administration took that advice. Less than 20 hours later, they announced the nomination of Judge Bork. So I wonder how serious they were asking our advice in the first place.

It was clear from the start that this would be an enormously important nomination. Before any Senator, before any Congressperson, before anybody made any statement about whether they were for or against Mr. Bork or who should or should not be sent up, the leading newspapers in America knew what was at stake. Let me just read some of the headlines.

"Powell Leaves High Court—President Gains Chance To Shape the Future of the Court." New York Times, July 27, 1987.

"White House Search for a Justice; New Balance on Court Is Sought," New York Times headline, July 27.

"Justice Powell Quits, Opens Way for Conservative Court," Los Angeles Times headline, July 28.

"Reagan Gets His Chance To Tilt the High Court," New York Times headline, July 28.

"Picking a Supreme Court Justice To Perpetuate the Reagan Legacy," Los Angeles Times headline, July 28.

Folks, let us not kid each other here. What game is the press playing? What game are we playing? The fact is that everybody knows what is at stake here: the future of the Court, and, in turn, the direction of America.

The Court is one of the coequal branches of Government. It has as much power as a Senate, as a House, as a President.

So, what is this game that the press is playing, the game that the editorial writers are playing, the game that Senators are playing? Everybody, including the press, acknowledged the stakes immediately. The stakes are nothing less than the future direction of the Court.

I tried to discourage this nomination when asked my advice. I let the administration know. The administration has a right to reject my advice. They have a right not to listen to my point of view. I understand that.

But the question that faces us now is: How should the Senate respond? I think it is unquestionably clear that the Senate has a right, a role, and an obligation to consider what is at stake.

I fully understand that many Senators have had neither the opportunity nor the obligation, as I have had, to spend hours and hours so far reading everything that Judge Bork has written. I fully understand. I think it is very wise or prudent for a man or woman in this body who does not know the record not to take a preliminary position. I acknowledge that it is possible that Judge Bork could come forward and say, "All of what you thought I meant and what I wrote I did not mean" and thereby change my mind.

To the extent that he has been misrepresented in any way, I keep an open mind.

I would like, finally, to discuss the timing of the hearings. I think we have this settled now. On the timing of the hearings, I immediately began by consulting with the minority. The first person I called was STROM THURMOND.

To conclude, in the interest of time and within the required time, we will begin hearings on September 15. We will go consistently until we can conclude the hearing and have a vote in the committee. Our target date is October 4 so that it can be sent to the floor—if, in fact, it is the will of the committee—shortly thereafter. There is no desire, and there has never been any desire, and there never will be, any desire, to delay on this nomination. The only debate that has ever taken place, is whether my Republican friends were right in wanting to start on August 31 or whether I am right in starting on September 15. That is what is at issue here. People are making a mountain out of a molehill.

In the meantime, we have an FBI Director that we are supposed to confirm. I will hold hearings on the FBI Director on Wednesday and Thursday when we return, I believe it is the 8th and 9th or 9th and 10th, Wednesday and Thursday, upon our return. We will move directly to Judge Bork and he will have a full, fair, and thorough hearing. Then the Senate will work its will.

Mr. President, I have a lengthy statement on advise and consent to respond to statements made by my colleagues taking a different view.

ADVICE AND CONSENT: RESPONSE TO SENATORS DOLE, HATCH, HUMPHREY, AND SIMPSON

In an address to the Senate on July 23, I attempted to offer a historical answer to a recurring question: Should Senators consider the constitutional and political views of Supreme Court nominees in deciding how to cast their votes?

The response to my speech has been provocative. After I finished speaking, Senators DOLE, HUMPHREY, SIMPSON, and HATCH rose to challenge my conclusion that "history, precedent, and common sense" say it is incumbent upon the Senate to consider all aspects of a nominee's qualifications—including his political and constitutional views. The next day, on July 23, the New York Times published a poll suggesting that "Americans say that the Senate should attach a great deal of importance to a Supreme Court nominee's position on constitutional issues in weighing confirmation." On July 30, Senator HATCH rose with a detailed and interesting contribution to the historical debate.

My argument was simple. I argued that the Founders intended the Senate to serve as a check on the President to preserve the independence of the judiciary and to prevent the President from politicizing the appointments process. I argued that, in case after case, the Senate has scrutinized the judicial philosophy, as well as the professional competence, of nominess. And in several important cases, it has rejected professionally qualified nominees because of their political and constitutional views.

I was pleased to see that while Senators DOLE, HUMPHREY, SIMPSON and HATCH took issue with nuances of my interpretation—i.e. specific intentions of specific founders, or the specific circumstances in which it is proper for the Senate to check the President—none questioned the Senate's right to consider judicial philosophy, nor the fact that it has often done so in the past.

I was also pleased to see that on substantive points, Senators DOLE and HATCH and I are in complete agreement. Senator DOLE concluded that the Bork nomination is "The most important nomination in my view that Ronald Reagan has made since he became President, if you look at what impact it could have after he leaves the Presidency in January 1989."

Senator DOLE is correct on that score. I argued simply that, in view of constitutional history and Senate precedent, it would be patently irresponsible of Senators not to consider that impact in casting their votes.

Today, I am happy to respond to specific points raised by Senators DOLE, HUMPHREY, SIMPSON, and HATCH:

1. Senator DOLE said: "Consideration of a nominee's views on specific political and social issues, as opposed to his fitness and merit . . . . would offend common sense, would be contrary to the intent of the Framers and would in the end be horribly shortsighted."

It is hard to see how considering a Supreme Court nominee's opinions about major constitutional issues "would offend common sense." Common sense suggests that it would be difficult for the Senate to judge a nominee's "fitness" to uphold the Constitution without taking a close look at his approach to constitutional questions.

It is no surprise that the majority of Americans agree. A New York Times/CBS News Poll asked the following question: "When Senators decide how to vote on confirming a President's nominees for the Supreme Court, after satisfying themselves about the nominee's legal experience and background, how much importance should a Senator attach to the nominee's positions on major constitutional issues?"

65% of Democrats, and 63% of Republicans, said the Senate should pay "a lot" of attention to a nominee's positions on constitutional issues. 25% said "a little," and only 6% said none at all.

2. What of Senator DOLE's second point about the intent of the Framers?

He said: "Had the Framers intended that the Senate should consider views on Political or social issues as a criterion for confirmation, the Constitutional Convention would have adopted a proposal that would have exclusively lodged the appointment power in either the Senate or the entire Congress."

It was precisely because they were concerned about a nominee's political and social views that they rejected proposals to give the appointment power exclusively to the Senate, Congress, or to the President. The proponents of executive power and the proponents of Senatorial power shared one basic concern: protecting the absolute independence of the Judiciary. In adopting the advice and consent compromise, even those who favored a strong executive were confident that the Senate would provide an important check on presidential power. Even Hamilton—whose defense of executive power was so extreme that many called him a secret "monarchist"—even Hamilton agreed. He responded to the argument that the Senate's power to refuse confirmation would give it an improper influence over the President: "If by influencing the President, he meant restraining him, this is precisely what must have been intended. And it has been shown that the restraint would be salutary."

3. Senator Dole offers a different reading of Hamilton. He states: "In Federalist 76, the Senate's role in the confirmation process was limited to weighing the qualifications, rather than the politics, of each candidate." To support his view, he quotes Hamilton's statement that requiring the cooperation of the Senate would be "an excellent check upon a spirit of favoritism in the President, and would tend greatly to preventing the appointment of unfit characters from state prejudice, from family connection, from personal attachment, or from a view to popularity."

But the quotation only reinforces my point. Hamilton relied on the Senate to keep the President from playing politics with the nominations process. In discouraging the President "from betraying a spirit of favoritism, or an unbecoming pursuit of popularity," the Senate would have to ensure that the nominee was not being appointed on the basis of his politics rather than his qualifications. In addition to choosing incompetent cronies, the President might also attempt to pander to the electorate by appointing qualified nominees whose political views—not to mention judicial philosophy—were well known in advance and "popular" with particular factions or interest groups. Thus, the Senate would have to consider those views thoroughly to guarantee the nominee's independence from the President.

And thus, Federalist 76 concludes by expressing "sufficient grounds of confidence in the probity of the Senate, to rest satisfied not only that it will be impracticable to the Executive to corrupt or seduce a majority of its members; but that the necessity of its cooperation in the business of appointments will be a considerable and salutary restraint upon the conduct of the magistrate."

Just a personal note here—it struck me how Senators Dole and Hatch and I could draw such different interpretations about the intent of the Framers from the same historical evidence. It just confirms my basic point: that the scholarship of original intent is a notoriously inexact science. The Founders spoke with many different voices. They rarely tell us what they had in mind and, even when they do, reasonable people can not agree what they meant, as the present debate shows. That is why the Framers themselves did not intend future generations to be bound by their specific intentions, only by their general principles. That is why, at the Congress of 1796, Madison said:

"He did not believe a single instance could be cited in which the sense of the Convention had been required or admitted as material in any constitutional question. . . . But, after all, whatever veneration might be entertained for the body of men who formed our Constitution, the sense of that body could never be regarded as the oracular guide in expounding the Constitution. As the instrument came from them it was nothing more than the draft of a plan, nothing but a dead letter, until life and validity were breathed into it by the voice of the people, speaking through the several state conventions.

But even those who are wedded to specific intentions will find it difficult to support Senator Dole's view that consideration of a nominee's constitutional views would offend the intent of the Framers. Who, after all, would know better what standard the Framers intended the Senate to apply than the generation of the generation of the Framers themselves? It can hardly be argued that those who rejected John Rutledge because of his opposition to the Jay Treaty in 1795 were unaware of the intent of the Framers. It can hardly be argued that Rutledge was unqualified to sit on the Court—he was a Framer himself. Thus it is clear that, in the generation of the Framers, it was entirely legitimate to reject a nominee on the basis of politics alone. I argued for a more circumspect approach to advice and consent—focusing on constitutional, rather than political, views, and only when the President attempts to remake the Court in his own image.

4. Senator HUMPHREY says: "Today, some Senators would have us believe that 100 Senators in 1982 were grossly derelict in our duty when we confirmed Robert Bork unanimously to the D.C. Circuit Court of Appeals. Either the Senate acted as a fool in 1982 or some Senators are acting as fools in 1987. . . . They leave us incredulous. They leave us aghast. Either they were extraordinarily careless in the discharge of their responsibility five years ago, or there is a great deal of hypocrisy about today. It is grossly unfair. It is grossly and shamefully unethical."

But Senator HUMPHREY is missing the point. All three of the Supreme Court nominees who were rejected by the Senate in the Twentieth Century had earlier won Senate confirmation as Circuit Court Judges. (A fourth, Abe Fortas, whose nomination as Chief Justice was withdrawn after a filibuster, had earlier been confirmed as an Associate Justice.) The history speaks for itself: the Senate has always held Supreme Court nominees to entirely different standards than Appeals Court nominees. And with good reason.

As the only court of no appeal, the Supreme Court establishes the constitutional precedents that the lower courts are bound to respect. As a result, qualifications that might be acceptable in a lower court nominee are not sufficient to guarantee Supreme Court appointment.

As an Appeals Court Judge, Robert Bork is constitutionally bound to respect and to apply Supreme Court precedents. To ignore them would be to defy his constitutional responsibility. For example, in a footnote to *Dronenburg* v. *Zech*, Judge Bork wrote: "It may be only candid to say at this point that the author of this opinion, when in academic life, expressed the view that no court should create new constitutional rights. . . . The Supreme Court has decided that it may create new constitutional rights and, as judges of constitutionally inferior courts, we are bound absolutely by the decision."

On the Supreme Court, however, the nominee would no longer be so bound by past precedent. On the contrary, he would be more free to overturn many of the precedents that had restrained him on the lower court. And his writings indicate that he would do so. He wrote in 1971: "Courts must accept any value choice the legislature makes unless it clearly runs contrary to a choice made in framing the Constitution. It follows, of course, that broad areas of constitutional law ought to be reformulated."

5. Senator SIMPSON says: "Nothing I find in the historical practice . . . requires or even suggests anything about balance between liberals and conservatives when a new nominee is presented for a vacancy."

Of course, the historical record is filled with references to the balance of the Court. I quoted many of them in my speech. During the debate over Clement Haynsworth, Senator Muskie of Maine spoke movingly of the Senate's duty to consider the impact of a nominee's views on the balance of the Court. He said: "it is the prerogative of the President, of course, to try to shift the direction and thrust of the Court's opinions in this field by his appointments to the Court. It is my prerogative and my responsibility to disagree with him when I believe, as I do, that such a change would not be in our country's best interests."

During the debate over Associate Justice Marshall in 1967, Senator THURMOND also expressed concern over balance: "This means that it will require the appointment of two additional conservative justices in order to change the tenor of future Supreme Court decisions."

The Parker nomination in 1930 was rejected specifically because progressive Republican Senators disagreed with the extremely conservative direction of the Taft Court and felt that Parker's appointment would shift the Court even further to the right.

6. But Senator SIMPSON and Senator HATCH appear to misunderstand my concerns about balance. Senator HATCH says, "The capstone of Senator BIDEN's theory is that the balance of the Court must be protected, that if a single nomination might upset that delicate balance, it must be rejected. This notion derived from a prominent theme in Professor Tribe's book God Save This Honorable Court, deserves an examination."

In fact, my concerns about balance are entirely different than Professor Tribe's. I was not arguing that a particular balance should be maintained. I was merely discussing the circumstances in which the Senate should consider judicial philosophy. Under normal circumstances, I said, the Senate would prefer not to check the President. But when the balance of the Court is in question, and a single nomination has the power to shift the direction of the Court in favor of the President's political agenda, then the Senate has a responsibility to pay close attention to judicial philosophy.

Senator HATCH also says: "If past Presidents had striven to preserve the Court's ideological balance, the vile separate but equal doctrine of *Plessy* v. *Ferguson* would still be the law of the land."

Again, my point was very different. History suggests not that Senators should strive to preserve the status quo, but that, in a divided time, each Senator has a responsibility to consider the effect of a nomination on the balance of the Court. Each Senator will then have to make an individual decision about whether or not that influence is in the best interest of the country.

Incidentally, if past Supreme Courts had striven to adhere rigidly to the original intent of the Founders, then *Plessy v. Ferguson* would still be the law of the land.

7. Senator HATCH appears to have misunderstood my conclusion that "The Framers intented the Senate to take the broadest view of their constitutional responsibility."

He seems to suggest that in endorsing a "broad role" for the Senate, I was calling for the Senate to have exclusive control over nominations as well as appointments. That would require a new Constitutional Convention and a reenactment of the Virginia Plan—which would be carrying "original intent" a little too far. Senator HATCH says:

"In the first place, the 'broadest role' for both the President and the Senate was rejected by the Convention. The Convention arrived at a compromise that Madison, the Framer of the compromise, designed to achieve the results just discussed. This is hardly the 'broadest role' for the Senate. Furthermore, the Senate was given no nominating authority whatsoever."

Obviously, I was not arguing that it should be.

I noted simply that every time the Convention was faced with a choice between appointment by the President and appointment by the Senate, they chose the Senate. Having repeatedly rejected exclusive appointment by the President, as "leaning too much toward monarchy," it is inconceivable that, in adopting the advice and consent compromise, they intended the Senate to be a rubber stamp. In "giving the Senate," in the words of Governeur Morris, "The power to appoint judges nominated to them by the President," the Framers were confident that the independence of the Judiciary would be protected.

In regard to the interesting historical details introduced by Senator HATCH, he is correct in noting that the Convention's initial vote (on June 5, 1787) did reject vesting the sole appointment power in the Congress as a whole. And he also notes correctly that Madison had not yet made up his mind about where the appointment power should be vested. But Madison's basic inclination—expressed both on June 5 and on June 13—was for the Senate alone to make appointments. The Convention voted repeatedly to adopt this view, and its vote stood until virtually the end of the Convention, on September 7. Whatever one's opinion of the Convention's final choice—and I happen to think it was a wise choice—the Framer's adherence to Senate appointment for so long, and against several attempts to give it solely to the Executive, can only be read as suggesting a very considerable degree of confidence in the Senate's capacity to take a far-reaching role in the appointment of judges. That is what I meant in saying that the Framers took the "broadest view" of the Senate's role in the appointment process.

Some of Senator HATCH's other assertions illustrate the danger of taking historical statements out of context to serve modern purposes. Specifically, Senator HATCH quotes both Mr. Madison and Mr. Ghorum as expressing fears of "cabal," "intrigue," and "partiality" in legislative appointments to the Judiciary. From this he concludes that Senate examination of anything other than the competence and character of the nominee would, in the minds of the Framers, raise the spectre of "political intrigue and partiality."

But Senator HATCH fails to note that these fears were raised in the context of giving the Legislature or Senate sole power of appointment—"The election of the Judges by the Legislature" (Madison, 1 Farrand 120). Of course, Madison and Ghorum were correct that such elections would be particularly susceptible to vote-trading, favoritism and "jobbing."

Senator HATCH also fails to note that the Framers had even stronger fears about giving the Executive sole power of appointment. Flush with the memories of royal favorites around the Court of George, the Framers resolved to avoid at all costs government by intrigue. That is why Hamilton felt compelled to allay those fears in Federalist 76. That is why John Rutledge expressed the fear that "the people will think we are leaning too much toward monarchy." And that is why the Convention never once voted to give the appointment power solely to the Executive.

But it is obvious that when the Executive nominates, and the Senate approves, the dangers are entirely different. Votes can not be "jobbed" among different candidates; "cabals" and "factions" can not be formed for local favorites. Instead, as Madison said in endorsing the advice and consent formulation, the Senate's participation would provide "security * * * against any incautious or corrupt nomination by the Executive." (2 Farrand 43a)

So the Framers' final advice and consent formulation exemplifies the Framers' wisdom in constructing effective checks and balances—dividing power to prevent its abuse. They refused to give the appointment power to the legislature alone. They refused to give it to the President alone. Through most of the Convention, they gave it to the Senate alone. At the end of the Convention, they thought better of exclusive appointments and divided the power between the President and the Senate. It is utterly inconsistent with the broad design of the Constitution to assert that they "intended" perfunctory checks on the power that they were determined to check at all costs.

8. In turning finally to Senator Hatch's inquiry into the precedents for Senate confirmation or rejection of Supreme Court Nominees, I was struck at the outset by a curious point. "Most damaging" to my case, he claims, "is the fact that only five of the 26 nominees who failed to win confirmation have been turned down since 1893. But if his standard for judgment in the first place is the Framers' intent, surely he should focus on the record of the first decades after ratification. Who would know better what standard they wanted the Senate to apply than the generation of politicians that wrote and ratified the Constitution itself? The Rutledge precedent set the stage for a century of intensely political battles. I warned of the costs of those battles and argued that the Senate should take a more circumspect view, looking to constitutional philosophy rather than immediate political isues.

Much of Senator HATCH's treatment of the Senate precedents displays a tendency to pick and choose among historical evidence. He takes most of his examples from Harry Abraham's Justices and Presidents, which he quotes repeatedly and approvingly. But he fails to note that Mr. Abraham lists seven historical and constitutional bases for Senate rejection, six of which are clearly rooted in politics or philosophy. Abraham says:

> "Just why were the twenty-seven rejected either outright or simply were not acted on by the Senate? Among the more prominent reasons have been: (1) Opposition to the nominating President, not necessarily the nominee; (2) The nominee's involvement in visible or contentious issues of public policy, or, simply, opposition to the nominee's perceived political or sociopolitical philosophy (i.e. "politics"); (3) Opposition to the record of the incumbent Court which, rightly or wrongly, the nominee had presumably supported; (4) Senatorial courtesy (closely linked to the consultative nominating process); (5) A nominee's perceived "political unreliability" on the part of the part in power; (6) The evident lack of qualification or limited ability of the nominee; and (7) Concerted, sustained opposition by interest or pressure groups. Usually several of these reasons—not one alone—figures in the rejection of a nominee. [Abraham, p. 39]

In short, Abraham is hardly the best source for Senator HATCH's claim that Senate review of nominees has been strictly limited to nominal qualifications.

In his long discussion of the specific reasons for rejection, Senator Hatch treads on dangerous ground. "Lame duck" nominations and "partisan attempts to thwart an unpopular President" are clearly dangerous for the Court and for the country, and I would not recommend either of them today. But they confirm rather than question the precedents for expansive Senate purview. Of course, not all of the "lame duck" nominations have been strictly partisan. Jeremiah Black's defeat in early 1861 was related to Lincoln's imminent inauguration, but there would have been little reason for Republicans to oppose him had they agreed with his views of the impending struggle. Instead, an equally decisive factor in Black's repudiation was his refusal to sanction the use of force to maintain the Union—an issue of constitutional philosophy par excellence. (Kurland, at 208)

Conceding, finally, that the Senate has, after all, opposed qualified nominees on the basis of their constitutional views, Senator Hatch tries to make the case that they have been wrong to do so. Historical speculation based on 20-20 hindsight is about as scientific as speculations based on original intent. But I'm happy to give it a shot. Senator HATCH claims that Judge Parker—the last nominee rejected exclusively for his constitutional views, would have made a better Justic than Owen Roberts, whose "switch in time" defused the Court Packing Plan. Others have also wondered, "what if?" Who knows? Certainly, his record on the 4th Circuit after his Supreme Court nomination vindicated some of the fears of the progressive Republicans who felt he and the Taft Court were too conservative. It was Parkers' ruling on the Court of Appeals in the watershed case of *Near* v. *Minnesota* in 1931 that the Supreme Court reversed by only a 5-4 vote. In other words, Parker's elevation to the Supreme Court would have made prior restraints on press freedom the law of the land.

Similarly, his decision in *Briggs* v. *Elliott* was also overturned by the High Court in *Brown* v. *Board of Education.* Perhaps Senator Hatch would defend Judge Parker's decision in *Briggs* as only following the precedent of *Plessy* v. *Ferguson* that *Brown* overturned. Nonetheless, Parker's stern observation in *Briggs* that official segregation was "grounded in reason and experience" smacks more of enthusiasm than simple respect for precedent.

Senator HATCH also regards as a "mistake" the opposition to Roger Taney—the man who carried out the Executive order that two Treasury Secretaries would rather resign than execute; the man who on the Supreme Court declared that blacks had "no rights which the white man was bound to respect." The Whigs who controlled the Senate in 1835 did not simply wish to retaliate against Jackson and Taney for the withdrawal of federal deposits from the Bank of the United States. They felt that Taney's compliance with Jackson's illegal order, in contrast to the principled refusals of his two predecessors, rendered him, in the words of a New York newspaper, a "supple, cringing tool of power." While Taney's initial performance as Chief Justice was creditable, his ultimate legacy to the nation realized the worst Whig fears. The Dred Scott decision, which Taney wrote for a divided court, was, in the words of Chief Justice Hughes, the greatest "self inflicted wound" in the history of the Court. In refusing to rule slavery unconstitutional, Taney helped to precipitate the greatest constitutional crisis in our history—the Civil War.

But these are historical quibbles. On the substantive point, Senator HATCH and I agree. Senator HATCH's speech was entitled, "The Dangers of Politicizing Supreme Court Selections." He concluded, "ideological involvement in the selection of judges is a two-edged sword." And he noted that "Nowhere [in the Constitutional Convention] do we find hints of the need for political purity as a qualification for the non-political task of judging."

Senator HATCH is correct. But it is the President, not the Senate who has introduced politics and ideology into the selection process. That is why Professor Walter Dellinger said, in 1985:

> "Whether a Senator will also take philosophy into account should depend to a large degree upon whether the President has done so in making the nomination. . . . When a President attempts to direct the Court's future course by submitting a nominee known to be committed to a particular philosophy, it should be a completely sufficient basis for a Senator's negative vote that the nominee's philosophy is one that the Senator believes would be bad for the country."

Mr. President, I will conclude by suggesting that I think this thing is finally settled. I have spoken at length with the ranking member, Senator THURMOND, and to some degree with the minority leader, Senator DOLE. The hearings will begin and they will conclude and we will have plenty of time in the Senate to determine whether or not Judge Bork should become Justice Bork or remain Judge Bork.

Mr. HUMPHREY. Will the Senator yield?

Mr. BIDEN. I ask unanimous consent that I may have an additional 2 minutes to respond.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BIDEN. I yield to my colleague from New Hampshire.

Mr. HUMPHREY. Mr. President, is the Senator suggesting that there was an agreement with the ranking member of the Judiciary Committee, Senator THURMOND, for reporting out this nomination by a date certain?

Mr. BIDEN. I am stating that the Senator and I in open hearings today in the committee agreed that the target date for reporting this out would be October 1. The Senator and I and other members of the Judiciary Committee agree—this was probably prior to your coming to the committee, Senator, but you will find out—that word means a lot in that committee. I have given my word. We will report by that date and we will vote by that date, assuming that all witnesses that both sides could agree to will be heard by that time and assuming that we will have a day before the target date for an executive session. That is what

I discussed today in the open session with the ranking member, Senator THURMOND.

Mr. HUMPHREY. You said after all the witnesses have been heard plus 1 day, assuming all the witnesses have been heard plus 1 day, October 1 would be the target date.

Mr. BIDEN. That is the target. I fully expect we can meet that day. I laid out the specifics. We will begin meeting on the date to begin hearings with Judge Bork on the 15th. We would have opening statements in the morning from all Senators. We would then call up Judge Bork at 2 o'clock and we would keep him as long into the night as he wished to go to expedite the matter. We would go late in order to be able to get the nomination going forward. We would spend time. We would meet on Mondays and Fridays, we expect, based on the requests we have thus far for witnesses. I have asked the minority to submit to me a list of witnesses they wish to have testify.

Senator THURMOND and I will agree on what witnesses there should be. It is my expectation that we will be able to complete the final day of hearings on Monday, the 27th, or Tuesday, the 28th. I believe I have the dates correct, recalling from the top of my head. If that were the case, we would be prepared to bring up the nomination in executive session for a vote on October 1.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

EXTENSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. The Chair will inform Members that the time for morning business has expired.

Mr. BYRD. I ask unanimous consent that morning business continue for 45 minutes and that Senators be permitted to speak therein.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(Mr. WIRTH assumed the chair.)

NOMINATION OF ROBERT BORK TO BE SUPREME COURT JUSTICE

Mr. McCONNELL. Mr. President, I listened with great interest to the chairman of the Judiciary Committee with reference to the nomination of Judge Robert Bork to be a member of the Supreme Court. I might say I for one have no objection whatsoever to the chairman of the Judiciary Committee making an early decision on the Bork nomination. I think that is entirely his prerogative. I, too, have made an early decision on the Bork nomination. I have decided to support Judge Bork. I think the Senator from Delaware and I both know a good deal about the nominee. He probably has read more of the nominee's material than I have, but I think it is not fair to criticize the chairman of the Judiciary Committee for making an early decision. I do, however, have some quarrel with the manner in which the decision was made.

I recall as a member of the Judiciary Committee last year listening to debate and proceedings on Justice Rehnquist and Judge Scalia and their nominations to the Court. My friend from Delaware said at the time, "I am not just against any conservative. For example, if the administration were to send up Judge Bork, I would have to be for him and take the heat."

I recall thinking at the time that this was a courageous statement for my friend from Delaware to make, and I remember thinking that was quite an observation. I also remember thinking at the time I wonder what will happen if you do at some point get Judge Bork for the Supreme Court.

Mr. President, that is, of course, what we have. I understand the pressures to which the chairman of the committee is being subjected on this issue. We all do. And as he said earlier, we certainly know what is at stake. This is a most important nomination.

Many years ago, Mr. President, back in the late 1960's as a matter of fact, I was a legislative assistant to a Senator who served on the Judiciary Committee and was in the Senate as a staffer during the Haynsworth-Carswell period and observed the Senate during that particular time struggling with the question, "What is the appropriate inquiry of this body when any President of the United States sends up a nomination to the Supreme Court?"

The Senate has struggled with that issue over the years. There have been nominees rejected. I studied the matter at that time in great detail. As a matter of fact, I wrote a law journal article which appeared in the University of Kentucky Law Journal back in 1971 on that very question. The Senator for whom I worked at that time reached the decision to support Haynsworth and to oppose Carswell.

Those two nominations in those days had a tendency to get linked together; you were either against them both or for them both, and nobody sort of looked through the quality of the nominees to get at the crux of the matter—nobody, that is, except the fellow for whom I worked, who in my judgment made the appropriate decision on those two nominees. He supported Haynsworth but he opposed Carswell. How did he reach that decision? He reached the decision through an effort not only to research what the history of the Senate had been in advising and consenting to these nominees but also what the appropriate inquiry of the Senate ought to be.

I ask unanimous consent that my 1971 article in the University of Kentucky Law Journal appear in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HAYNSWORTH AND CARSWELL: A NEW SENATE STANDARD OF EXCELLENCE

(By A. Mitchell McConnell, Jr.[*])

(All politicians have read history: but one might say that they read it only in order to learn from it how to repeat the same calamities all over again.—Paul Valery.)

(Author's note.—This article represents the thoughts and efforts of over a year's involvement in the Senate with three Presidential nominations to the Supreme Court. The experiences were possible only because of the author's association with the Junior Senator from Kentucky, Marlow W. Cook, and the conclusions drawn and suggestions made, many of which may be found in a speech by the Senator of May 15, 1970, represent, in large part, a joint effort by the two of them to evolve a meaningful standard by which the Senate might judge future Supreme Court nominees.

(Only rarely does a staff assistant to a Member of Congress receive the opportunity to express himself by publication or speech on an issue of public significance. For the freedom and encouragement to do so in this instance, the author is grateful to Senator Cook.)

With the confirmation of Judge Harry A. Blackmun by the United States Senate on May 12, 1970, the American public witnessed the end of an era, possibly the most interesting period in Supreme Court history. In many respects, it was not a proud time in the life of the Senate or, for that matter, in the life of the Presidency. Mistakes having a profound effect upon the American people were made by both institutions.

The Supreme Court of the United States is the most prestigious institution in our nation and possibly the world. For many years public opinion polls have revealed that the American people consider membership on the Court the most revered position in our society. This is surely an indication of the respect our people hold for the basic fabric of our stable society—the rule of law.

To the extent that it has eroded respect for this highest of our legal institutions, the recent controversial period has been unfortunate. There could not have been a worse time for an attack upon the men who administer justice in our country than in the past year, when tensions and frustrations about our foreign and domestic policies literally threatened to tear us apart. Respect for law and the administration of justice has, at various times in our history, been the only buffer between chaos and order. And this past year this pillar of our society has been buffeted once again by the winds of both justified and unconscionable attacks. It is time the President and the Congress helped to put an end to the turmoil.

---

[*] Chief Legislative Assistant to Marlow W. Cook, United States Senator from Kentucky; B.A., cum laude, 1961, University of Louisville; J.I.), 1967, University of Kentucky. While attending the College of Law, he was President of the Student Bar Association, a member of the Moot Court Team, and winner of the McEwen Award as the Outstanding Oral Advocate in his class. He was admitted to the Kentucky Bar in September of 1967 at which time he became associated with the Louisville, Kentucky law firm of Segal, Isenberg, Sales and Stewart.

The President's nomination of Judge Harry Blackmun and the Senate's responsible act of confirmation is a first step. But before moving on into what hopefully will be a more tranquil period for the High Court, it is useful to review the events of the past year for the lessons they hold. It may be argued that the writing of recent history is an exercise in futility and that only the passage of time will allow a dispassionate appraisal of an event or events of significance. This may well be true for the author who was not present and involved in the event. However, for the writer who is a participant the lapse of time serves only to cloud the memory. Circumstances placed a few individuals in the middle of the controversies of the past year. In the case of the author the experience with the Supreme Court nominees of the past year was the direct result of Senator Marlow W. Cook's election in 1968 and subsequent appointment to the powerful Senate Judiciary Committee. This committee appointment by the Senate Republican leadership, and Supreme Court nominations by President Nixon, brought about an initial introduction to the practical application of Article II, section 2 of the Constitution which reads, in part, that the President shall "nominate and by and with the advice and consent of the Senate, shall appoint . . . judges of the Supreme Court."

The purpose of this article is to draw upon the events of the past year in suggesting some conclusions and making some recommendations about what the proper role of the Senate should be in advising and consenting to Presidential nominations to the Supreme Court. The motivations of the Executive will be touched upon only peripherally.[1]

Initiated by Senator Robert P. Griffin, Republican of Michigan, the senatorial attack upon the Johnson nomination of Justice Abe Fortas to be Chief Justice which resulted in blocking the appointment had set a recent precedent for senatorial questioning in an area which had largely become a Presidential prerogative in the twentieth century. The most recent period of senatorial assertion had begun. But there had been other such periods and a brief examination of senatorial action on prior nominations is valuable because it helps put the controversial nominations of the past two years in proper perspective.

Joseph P. Harris, in his book, "*The Advice and Consent of the Senate*," sums up the history of Supreme Court nominations by pointing out that approximately one-fifth of all appointments have been rejected by the Senate. From 1894 until the Senate's rejection of Judge Haynsworth, however, there was only one rejection. In the preceding 105 years, 20 of the 81 nominees had been rejected. Four of Tyler's nominees, three of Fillmore's and three of Grant's were disapproved during a period of bitter partisanship over Supreme Court appointments. Harris concludes of this era:

"Appointments were influenced greatly by political consideration, and the action of the Senate was fully as political as that of the President. Few of the rejections of Supreme Court nominations in this period can be ascribed to any lack of qualifications on the part of the nominees; for the most part they were due to political differences between the President and a majority of the Senate."[2]

The first nominee to be rejected was former Associate Justice John Rutledge, of South Carolina. He had been nominated for the Chief Justiceship by President George Washington. The eminent Supreme Court historian Charles Warren reports that Rutledge was rejected essentially because of a speech he had made in Charleston in opposition to the Jay Treaty. Although his opponents in the predominantly Federalist Senate also started a rumor about his mental condition, a detached appraisal reveals has rejection was based entirely upon his opposition to the Treaty. Verifying this observation, Thomas Jefferson wrote of the incident:

"The rejection of Mr. Rutledge is a bold thing, for they cannot pretend any objection to him but his disapprobation of the treaty. It is, of course, a declaration that they will receive none but Tories hereafter into any department of Government."[3]

On December 28, 1835, President Andrew Jackson sent to the Senate the name of Roger B. Taney, of Maryland, to succeed John Marshall as Chief Justice. As Taney had been Jackson's Secretary of the Treasury and Attorney General, the Whigs in the Senate strongly opposed him. Daniel Webster wrote of the nomination: "Judge Story thinks the Supreme Court is gone and I think so, too."[4] Warren reports that

". . . the Bar throughout the North, being largely Whig, entirely ignored Taney's eminent legal qualifications, and his brilliant legal career, during which he had shared . . . the leadership of the Maryland Bar and had attained high rank at the Supreme Court Bar, both before and after his service as Attorney General off the United States."[5]

Taney was approved, after more than two months of spirited debate, by a vote of 29 to 15 over vehement opposition including Calhoun, Clay, Crittenden, and Webster. He had actually been rejected the year before but was re-submitted by a stubborn Jackson.[6]

History has judged Chief Justice Taney as among the most outstanding of American jurists, his tribulations prior to confirmation being completely overshadowed by an exceptional career. A contrite and tearful Clay related to Taney after viewing his work on the Court for many years:

"Mr. Chief Justice, there was no man in the land who regretted your appointment to the place you now hold more than I did; there was no member of the Senate who opposed it more than I did; but I have come to say to you, and I say it now in parting, perhaps for the last time—I have witnessed your judicial career, and it is due to myself and due to you that I should say what has been the result, that I am satisfied now that no man in the United States could have been selected more abundantly able to wear the ermine which Chief Justice Marshall honored."[7]

It is safe to conclude that purely partisan politics played the major role in Senate rejections of Supreme Court nominees during the nineteenth century. The cases of Rutledge and Taney have been related only for the purpose of highlighting a rather undistinguished aspect of the history of the Senate.

No implication shall be drawn from the preceding that Supreme Court nonimations in the twentieth century have been without controversy because certainly this has not been the case. However, until Haynsworth only one nominee has been rejected in this century. President Woodrow Wilson's nomination of Louis D. Brandeis and the events surrounding it certainly exhibit many of the difficulties experienced by Judges Haynsworth and Carswell as Brandeis failed to receive the support of substantial and respected segments of the legal community. William Howard Taft, Elihu Root, and three past presidents of the American Bar Association signed the following statement.

"The undersigned feel under the painful duty to say . . . that in their opinion, taking into view the reputation, character and professional career of Mr. Louis D. Brandeis, he is not a fit person to be a Member of the Supreme Court of the U.S."[8]

Hearings were conducted by a Senate Judiciary subcommittee for a period of over four months, were twice-reopened, and the record of the hearings consisted of over 1500 pages.[9]

The nomination of Brandeis, like the nomination of Haynsworth, Carswell and to some extent Fortas (to be Chief Justice) quickly became a *cause celebre* for the opposition party in the Senate. The political nature of Brandeis' opposition is indicated by the fact that the confirmation vote was 47 to 22; three Progressives and all but one Democrat voted for Brandeis and every Republican voted against him.[10]

The basic opposition to Brandeis, like the basic opposition to Haynsworth and Carswell, was born of a belief that the nominee's views were not compatible with the prevailing views of the Supreme Court at that time. However, the publicly stated reasons for opposing Brandeis, just as the publicly stated reasons for opposing Carswell and Haynsworth, were that they fell below certain standards of "fitness."

Liberals in the Senate actively opposed the nominations to the Court of Harlan Fiske Stone in 1925 and Charles Evans Hughes five years later, for various reasons best summed up as opposition to what opponents predicted would be their conservatism. However, it was generally conceded by liberals subsequently that they had misread the leanings of both nominees, who tended to side with the Progressives on the Court throughout their tenures.[11]

No review of the historic reasons for opposition to Supreme Court nominees, even as cursory as this one has been, would be complete without mention of the Parker nomination. Judge John J. Parker of North Carolina, a member of the United States Court of Appeals for the Fourth Circuit, was designated for the Supreme Court by President Hoover in 1930. Harris reports that opposition to Parker was essentially threefold. He was alleged to be anti-labor, unsympathetic to Negroes, and his nomination was thought to be politically motivated.[12]

Opposition to Haynsworth and Carswell followed an almost identical pattern except that Judges Parker and Carswell were spared the charges of ethical impropriety to which Judge Haynsworth was subjected. All three nominees, it is worthy of note for the first time at this point, were from the Deep South.

As this altogether too brief historical review has demonstrated, the Senate has in its past, virtually without exception, based its objections to nominees for the Supreme Court on party or philosophical considerations. Most of the time, however, Senators sought to hide their political objections beneath a veil of charges about fitness, ethics and other professional qualifications. In recent years, Senators have accepted, with a few exceptions, the notion that the advice and consent responsibility of the Senate should mean an inquiry into qualifications and not politics or ideology. In the Brandeis case, for example, the majority chose to characterize their opposition as objecting to his fitness not his liberalism. So there was a recognition that purely political opposition should not be openly stated because it would not be accepted as a valid reason for opposing a nominee. The proper inquiry was judged to be the matter of fitness. In very recent times it has been the liberals in the Senate who have helped to codify this standard. During the Kennedy-Johnson years it was argued to conservatives in regard to appointments the liberals liked that the ideology of the nominee was of no concern to the Senate. Most agree that this is the proper standard, but it should be applied in a nonpartisan manner to conservative southern nominees as well as northern liberal ones. Even though the Senate has at various times made purely political decisions in its consideration of Supreme Court nominees, certainly it could not be successfully argued that this is an acceptable practice. After all, if political matters were relevant to senatorial consideration it might be suggested that a constitutional amendment be introduced giving to the Senate rather than the President the right to nominate Supreme Court Justices, as many argued during the Constitutional Convention.

A pattern emerges running from Rutledge and Taney through Brandeis and Parker up to and including Haynsworth and Carswell in which the Senate has employed deception to achieve its partisan goals. This deception has been to ostensibly object to a nominee's fitness while in fact the opposition is born of political expedience.

In summary, the inconsistent and sometimes unfair behavior of the Senate in the past and in the recent examples which follow do not lead one to be overly optimistic about its prospects for rendering equitable judgments and about Supreme Court nominees in the future.

CLEMENT F. HAYNSWORTH, JR.: INSENSITIVE OR VICTIMIZED?

(For the great majority of mankind are satisfied with appearance, as though they were realities and are often more influenced by the things that seem than by those that are.—Author unknown.)

The resignation of Justice Abe Fortas in May of 1969 following on the heels of the successful effort of the Senate the previous Fall in stalling his appointment to be Chief Justice, (the nomination was withdrawn after an attempt to invoke cloture on Senate debate was defeated) intensified the resolve of the Senate to reassert what it considered to be its rightful role in advising and consenting to presidential nominations to the Supreme Court.

It was in this atmosphere of senatorial questioning and public dismay over the implications of the Fortas resignation that President Nixon submitted to the Senate the name of Judge Clement F. Haynsworth, Jr., of South Carolina, to fill the Fortas vacancy. Completely aside from Judge Haynsworth's competence, which was never successfully challenged, he had a number of problems from a political point of view, given the Democrat-controlled Congress. Since he was from South Carolina his nomination was immediately considered to be an integral part of the so-called southern strategy which was receiving considerable press comment at that time. His South Carolina residence was construed as conclusive proof that he was a close friend of the widely criticized senior Senator from that state, Strom Thurmond, whom, in fact he hardly knew. Discerning Senators found offensive such an attack against the nominee rather than the nominator, since the southern strategy would be only in the latter's mind, if it existed. Nevertheless, this put the nomination in jeopardy from the outset.

In addition, labor and civil rights groups mobilized to oppose Judge Haynsworth on philosophical grounds. Some of the proponents of the Judge, including their acknowledged leader Senator Cook, might have had some difficulty on these grounds had they concluded that the philosophy of the nominee was relevant to the Senate's consideration. Senator Cook expressed the proper role of the Senate well in a latter to one of his constituents, a black student at the University of Louisville who was disgruntled over his support for the nominee. It read in pertinent part as follows:

". . . First, as to the question of his [Haynsworth's] view on labor and civil rights matters, I find myself in essential disagreement with many of his civil rights decisions—not that they in any way indicate a pro segregationist pattern, but that they do not form the progressive pattern I would hope for. However, as Senator Edward Kennedy, pointed out to the conservatives as he spoke for the confirmation of Justice Thurgood Marshall,

"I believe it is recognized by most Senators that we are not charged with the responsibility of approving a man to be Associate Justice of the Supreme Court only if his views always coincide with our own. We are not seeking a nominee for the Supreme Court who will express the majority view of the Senate on every given issue, or on a given issue of fundamental importance. We are interested really in knowing whether the nominee has the background experience, qualifications, temperament and integrity to handle this most sensitive, important, responsible job.

"Most Senators, especially of moderate and liberal persuasion, have agreed that while the appointment of Judge Haynsworth may have been unfortunate from a civil rights point of view, the ideology of the nominee is the responsibility of the President. The Senate's judgement should be made, therefore, solely upon grounds of qualifications. As I agree with Senator Kennedy and others that this is the only relevant inquiry, I have confined my judgment of this nominee's fitness to the issue of ethics of qualifications."[13]

The ethical questions which were raised about Judge Haynsworth were certainly relevant to the proper inquiry of the Senate into qualifications for appointment. Also distinction and competence had a proper bearing upon the matter of qualifications, but Judge Haynsworth's ability was, almost uniformly, conceded by his opponents and thus was never a real factor in the debate. A sloppy and hastily drafted document labelled the "Bill of Particulars" against Judge Haynsworth was issued on October 8, 1969, by Senator Birch Bayh of Indiana, who had become the *de facto* leader of the anti-Haynsworth forces during the hearings on the nomination before the Judiciary Committee the previous month. This contained, in addition to several cases in which it had been alleged during the hearings that Judge Haynsworth should have refused to sit, several extraneous and a few inaccurate assertions which were swiftly rebutted two days later by Senator Cook in a statement aptly labelled the "Bill of Corrections." This preliminary sparring by the leaders of both sides raised all the issues in the case but only the relevant and significant allegations will be discussed here, those which had a real impact upon the Senate's decision.[14]

First, it was essential to determine what, if any, impropriety Judge Haynsworth had committed. For the Senator willing to make a judgment upon the facts this required looking to those facts. The controlling statute in situations where federal judges might potentially disqualify themselves is 28 U.S.C. § 455 which reads:

"Any Justice or Judge of the United States shall disqualify himself in any case in which he has a substantial interest, has been of counsel, is or has been a material witness, or is so related to or connected with any party or his attorney as to render it improper, *'in his opinion'* for him to sit on the trial, appeal, or other proceeding therein." [Emphasis added.]

Also pertinent is Canon 29 of the American Bar Association Canons of Judicial Ethics which provides:

"A judge should abstain from performing or taking part in any judicial act in which his personal interests are involved."

Formal Opinion 170 of the American Bar Association construing Canon 29 advises that a judge should not sit in a case in which he owns stock in a party litigant.

The first instance cited by Judge Haynsworth's opponents as an ethical violation was the much celebrated labor case, Darlington Manufacturing Co. v. NLRB,[15] argued before and decided by the Fourth Circuit in 1963. The Judge sat in this case contrary to what some of his Senate opponents felt to have been proper. The facts were that Judge Haynsworth had been one of the original incorporators, seven years before he was appointed to the bench, of a company named Carolina Vend-A-Matic which had a contract to supply vending machines to one of Deering-Millikin's (one of the litigants) plants. In 1957, when Judge Haynsworth went on the bench, he orally resigned as Vice President of the Company but continued to serve as a director until October, 1963, at which time he resigned his directorship in compliance with a ruling of the U.S. Judicial Conference. During 1963, the year the case was decided, Judge Haynsworth owned one-seventh of the stock of Carolina Vend-A-Matic.

Suffice it to say that all case law in point, on a situation in which a judge owns stock in a company which merely does business with one of the litigants before him, dictates that the sitting judge not disqualify himself. And certainly the Canons do not address themselves to such a situation. As John P. Frank, the acknowledged leading authority on the subject of judicial disqualification testified before the Judiciary Committee:

"It follows that under the standard federal rule Judge Haynsworth had no alternative whatsoever. He was bound by the principle of the cases. It is a Judge's duty to refuse to sit when he is disqualified, but it is equally his duty to sit when there is no valid reason not to * * * I do think it is perfectly clear under the authority that there was virtually no choice whatsoever for Judge Haynsworth except to participate in that case and do his job as well as he could."[16]

This testimony by Mr. Frank was never refuted as no one recognized as an authority on the subject was discovered who held a contrary opinion.

The second situation of significance which arose during the Haynsworth debate concerned the question of whether Judge Haynsworth should have sat in three cases in which he owned stock in a parent corporation where one of the litigants before him was a wholly owned subsidiary of the parent corporation. These cases were Farrow v. Grace Lines, Inc.,[17] Donohue v. *Maryland Casualty Co.,*[18] and *Maryland Casualty Co.* v. *Baldwin.* [19]

Consistently ignored during the outrage expressed over his having sat in these cases were the pleas of many of the Senators supporting the nominations to look to the law to find the answer to the question of whether Judge Haynsworth should have disqualified himself in these situations. Instead, the opponents decided, completely independent of the controlling statutes and canons, that the judge had a "substantial interest" in the outcome of the litigation and should, therefore, have disqualified himself. Under the statute, 28 U.S.C. § 455, Judge Haynsworth clearly had no duty to step aside. Two controlling cases in a situation where the judge actually owns stock in one of the litigants, not as here where the stock was owned in the parent corporation, are Kinnear Weed Corp. v. Humble Oil and Refining Co.[20] and Lampert v. Hollis Music, Inc.[21] These cases interpret "substantial interest" to mean "substantial interest" in the outcome of the case, not "substantial interest" in the litigant. And here Judge Haynsworth not only did not have a "substantial interest" in the outcome of the litigation, he did not even have a "substantial interest" in the litigant, his stock being a small portion of the shares outstanding in the parent corporation of one of the litigants. There was, therefore, clearly no duty to step aside under the statute. It is interesting to note that joining in the Kinnear Weed decision were Chief Judge Brown and Judge Wisdom of the Fifth Circuit whom Joseph Rauh, a major critic of the Haynsworth nomination, had stated at the hearings on the nomination "would have been heroic additions to the Supreme Court." [22]

But was there a duty to step aside in these parent-subsidiary cases under Canon 29? The answer is again unequivocally No. The only case law available construing language similar to that of Canon 29 is found in the disqualification statute of a state. In Central Pacific Railroad Co. v. Superior Court,[23] the state court held that ownership of stock in a parent corporation did not require disqualification in litigation involving a subsidiary. Admittedly, this is only a state case, but significantly there is no federal case law suggesting any duty to step aside where a judge merely owns stock in the parent where the subsidiary is before the court. Presumably, this is because such a preposterous challenge has never occurred even to the most ingenious lawyer until the opponents of Judge Haynsworth created it. Therefore, Judge Haynsworth violated no existing standard of ethical behavior in the parent-subsidiary cases except that made up for the occasion by his opponents to stop his confirmation.

There was one other accusation of significance during the Haynsworth proceedings which should be discussed. It concerned the Judge's actions in the case of Brunswick Corp. v. Long [24] The facts relevant to this consideration were as follows: on November 10, 1967, a panel of the Fourth Circuit, including Judge Haynsworth, heard oral argument in the case and immediately after argument voted to affirm the decision by the District Court. Judge Haynsworth, on the advice of his broker, purchased 1,000 shares of Brunswick on December 20, 1967. Judge Winter, to whom the writing of the opinion had been assigned on November 10, the day of the decision, circulated his opinion on December 27. Judge Haynsworth noted his concurrence on January 3, 1968, and the opinion was released on February 2. Judge Haynsworth testified that he completed his participation, in terms of the decision-making process, on November 10, 1967, approximately six weeks prior to the decision to buy stock in Brunswick. Judge Winter confirmed that the decision had been substantially completed on November 10.[25] Therefore, it could be strongly argued that Judge Haynsworth's participation in Brunswick terminated on November 10. However, even if it were conceded that he sat while he owned Brunswick stock it is important to remember that neither the statute nor the canons require an automatic disqualification, although Opinion 170 so advises. And the facts show that his holdings were so miniscule as to amount neither to a "substantial interest" in the outcome of the litigation under 28 U.S.C. § 455 or to a "substantial interest" in the litigant itself. Clearly, once again, Judge Haynsworth was guilty of no ethical impropriety.

As mentioned earlier there were other less substantial charges by Haynsworth opponents but they were rarely used by opponents to justify opposition. These which have been mentioned were the main arguments used to deny confirmation. It is apparent to any objective student of this episode that Haynsworth violated no existing standard of ethical conduct, just those made up for the occasion by those who sought to defeat him for political gain. As his competence and ability were virtually unassailable, the opponents could not attack him for having a poor record of accomplishment or for being mediocre (an adjective soon to become famous in describing a subsequent nominee for the vacancy). The only alternative available was to first, create a new standard of conduct; second, apply this standard to the nominee retroactively making him appear to be ethically insensitive; third, convey the newly-created appearance of impropriety to the public by way of a politically hostile press (hostile due to an aversion to the so-called southern strategy of which Haynsworth was thought to be an integral part); nd fourth, prolong the decision upon confirmation for a while until the politicans in the Senate reacted to an aroused public. Judge Haynsworth was defeated on November 21, 1969, by a vote of 55-45. Appearance had prevailed over reality. Only two Democrats outside the South (and one was a conservative-Bible of Nevada) supported the nomination, an indication of the partisan issue it had become, leading the Washington Post, a lukewarm Haynsworth supporter, to editorially comment, the morning after the vote:

"The rejection, despite the speeches and comments on Capitol Hill to the contrary, seems to have resulted more from ideological and plainly political considerations than from ethical ones. It is impossible to believe that all Northern liberals and all Southern conservatives have such dramatically different ethical standards."

CARSWELL: WAS HE QUALIFIED?

(Even if he was mediocre, there are a lot of mediocre judges and people and lawyers. They are entitled to a little representation, aren't they, and a little chance? We can't have all Brandeises and Cardozos and Frankfurters and stuff like that there.—Senator Roman Hruska, March 16, 1970.)

The United States Senate began the new year in no mood to reject another nomination of the President to the Supreme Court. It would take an incredibly poor nomination, students of the Senate concluded, to deny the President his choice in two successive instances. Circumstances, however, brought forth just such a nomination.

Subsequent to the defeat of Judge Haynsworth, President Nixon sent to the Senate in January of 1970 the name of Judge G. Harrold Carswell, of Florida and the Fifth Circuit. Judge Carswell had been nominated to the Circuit Court by President Nixon the year before, after serving 12 years on the U.S. District Court for the Northern District of Florida at Tallahassee to which he had been appointed by President Eisenhower.

He, too, faced an initial disadvantage in that he came from the south and was also considered by the press to be a part of the southern strategy. This should have been, as it should have been for Haynsworth, totally irrelevant to considerations of the man and his ability, but it was a factor and it immediately mobilized the not insignificant anti-south block in the Senate.

Many were troubled at the outset of the hearings about reports of a "white supremacy" speech Carswell had made as a youthful candidate for the legislature in Georgia in 1981, and later by allegations that he had supported efforts to convert a previously all-white public golf course to an all-white private country club in 1950, thus circumventing Supreme Court rulings. There were other less substantial allegations including lack of candor before the Senate Judiciary Committee (which had also been raised against Judge Haynsworth) but all of these were soon supplanted by what became the real issue—that is, did Carswell possess the requisite distinction for elevation to the High Court.

In attempting to determine by what standards Judge Carswell should be judged, some who had been very much involved in the Haynsworth debate attempted to define the standards which had been applied to the previous nominee. Kentucky's Marlow Cook called his standard the "Haynsworth test" and subsequently defined it as composed of essentially five elements, (1) competence; (2) achievement; (3) temperament; (4) judical propriety and (5) non-judicial record.

Judge Haynsworth himself would not have passed this test had he in fact been guilty of some ethical impropriety—that is, if his judicial integrity had been compromised by violations of any existing standard of conduct. His record of achievement was only attacked by a few misinformed columists and never really became an issue. And his competence, temperament and the record of his life off the bench was never questioned, but a breakdown in any of these areas might have been fatal also.

The judicial integrity component of the "Haynsworth test," previously described as a violation of existing standards of conduct for federal judges, was never in question in the Carswell proceedings. It was impossible for him to encounter difficulties similar to those of Judge Haynsworth because he owned no stocks and had not been involved in any business ventures through which a conflict might arise. Certainly, his non-judicial record was never questioned, nor was it a factor raised against any nominee in this century. Disqualifying non-judicial activities referred to here could best be illustrated by examples such as volations of federal or state law, or personal problems such as alcoholism or drug addiction—in other words, debilitating factors only indirectly related to effectiveness on the bench.

However, all the other criteria of the "Haynsworth test" were raised in the Carswell case and caused Senators seeking to make an objective appraisal of the nominee some difficulty. First, as to the question of competence, a Ripon Society Report and a study of the nominee's reversal percentages by a group of Columbia law students revealed that while a U.S. District Judge he had been reversed more than twice as often as the average federal district judge and that he ranked sixty-first in reversals among the 67 federal trial judges in the south. Numerous reversals alone might not have been a relevant factor; he could have been in the vanguard of his profession some argued. This defense, however, ignored simple facts about which even a first year law student would be aware. A federal district judge's duty in most instances is to follow the law as laid down by higher authority. Carswell appeared to have a chronic inability to do this. No comparable performance was ever imputed to Judge Haynsworth even by his severest critics.

Second, in the area of achievement, he was totally lacking. He had no publications, his opinions were rarely cited by other judges in their opinions, and no expertise in any area of the law was revealed. On the contrary, Judge Haynsworth's opinions were often cited, and he was a recognized expert in several fields including patents and trademarks, habeas corpus cases, and labor law. In addition, his opinions on Judicial administration were highly valued; he had been called upon to testify before Senator Tydings' subcommittee on Improvements in Judicial Machinery on this subject in June of 1969.

In addition his lack of professional distinction, Judge Carswell's temperament was also questionable. There was unrebutted testimony before the Judiciary Committee that he was hostile to a certain class of litigants—namely, those involved in litigation to insure the right to vote to all citizens regardless of race pursuant to the Voting Rights Act of 1965. There had been testimony that Judge Haynsworth was anti-labor and anti-civil rights, but these charges alleged not personal antipathy but rather philosophical bias in a certain direction such as Justice Goldberg might have been expected to exhibit against management in labor cases. Such philosophical or ideological considerations, as pointed out earlier, are more properly a concern of the President and not the Senate, which should sit in judgment upon qualifications only.

And finally, a telling factor possibly revealing something about both competence and temperament was Judge Carswell's inability to secure the support of his fellow judges on the Fifth Circuit. By contrast, all Fifth Circuit judges had supported Judge Homer Thornberry when he was nominated in the waning months of the Johnson presidency, even though that was not considered an outstanding appointment by many in the country. All judges of the Fourth Circuit had readily supported Judge Haynsworth's nomination. Therefore, it was highly unusual and significant that Judge Carswell could not secure the support of his fellow judges, especially when one considers that they must have assumed at that time they would have to deal with him continually in future years should his nomination not be confirmed. His subsequent decision to leave the bench and run for political office in Florida seeking to convert a wave of sympathy over his frustrated appointment into the consolation prize of a United States Senate seat only tended to confirm the worst suspicious about his devotion to being a member of the Federal Judiciary.

Judge Carswell, then, fell short in three of the five essential criteria evolving out of the Haynsworth case. This compelled a no vote by the junior Senator from Kentucky and he was joined by several other Senators who simply could not, in good conscience, vote to confirm despite the wishes of most of their constituents. Of the southern Senators who had supported Haynsworth, Spong, of Virginia, and Fulbright, of Arkansas, switched. Gore, of Tennessee and Yarborough, of Texas, voted no again and the only Democrat outside the south of liberal credentials who had supported the Haynsworth nomination, Gravel, of Alaska, joined the opponents this time.

Judge Carswell was defeated 51-45 on April 8, 1970 by essentially the same coalition which stopped Judge Haynsworth. The justification for opposition, however, as this article seeks to demonstrate, was much sounder. Some undoubtedly voted in favor of Carswell simply because he was a southern conservative. Others, no doubt, voted no for the same reason. The key Senators who determined his fate, however, clearly cast their votes against the Hruska maxim that mediocrity was entitled to a seat on the Supreme Court.

HARRY M. BLACKMUN: CONFIRMATION AT LAST

(The political problem, therefore, is that so much must be explained in distinguishing between Haynsworth and Blackmun, and when the explanations are made there is still room for the political argument that Haynsworth should have been confirmed in the first place.—Richard Wilson, Washington Evening Star, April 20, 1970.)

President Nixon next sent to the Senate to fill the vacancy of almost one year created by the Fortas resignation a childhood friend of Chief Justice Warren Burger, his first court appointment, Judge Harry A. Blackmun, of Minnesota and the Eighth Circuit. Judge Blackmun had an initial advantage which Judges Haynsworth and Carswell had not enjoyed—he was not from the South. Once again, in judging the nominee it is appropriate to apply Senator Cook's "Haynsworth test."

Judge Blackmun's competence, temperament, and non-judicial record were quickly established by those charged with the responsibility of reviewing the nomination,[27] and were, in any event, never questioned, as no one asked the Judiciary Committee for the opportunity to be heard in opposition to the nomination.

In the area of achievement or distinction, Judge Blackmun was completely satisfactory. He had published three legal articles: "The Marital Deduction and Its Use in Minnesota;"[28] "The Physician and His Estate;"[29] and "Allowance of In Forma Pauperis in Section 2255 and Habeas Corpus Cases."[30] In addition, at the time of his selection he was chairman of the Advisory Committee on the Judge's Function of the American Bar Association Special Committee on Standards for the Administration of Criminal Justice. Moreover, he had achieved distinction in the areas of federal taxation and medico-legal problems and was considered by colleagues of the bench and bar to be an expert in these fields.

The only question raised about Judge Blackmun was in the area of judicial integrity or ethics. Judge Blackmun, since his appointment to the Eighth Circuit by President Eisenhower in 1959, had sat in three cases in which he actually owned stock in one of the litigants before him: Hanson v. Ford Motor Co.,[31] Kotula v. Ford Motor Co.,[32] and Mahoney v. Northwestern Bell Telephone Co.[33] In a fourth case, Minnesota Mining and Manufacturing Co. v. Superior Insulating Co.[34] Judge Blackmun acting similarly to Judge Haynsworth in Brunswick, bought shares of one of the litigants after the decision but before the denial of a petition for rehearings.

As previously mentioned, Judge Haynsworth's participation in Brunswick was criticized as violating the spirit of Canon 29 and the literal meaning of Formal Opinion 170 of the ABA, thus showing an insensitivity to judicial ethics, but Judge Blackmun acted similarly in the 3M case and was not so criticized. Except as it could be argued in Brunswick, Judge Haynsworth never sat in a case in which he owned stock in one of the litigants but, rather, three cases in which he merely owned stock in the parent corporation of the litigant-subsidiary, a situation not unethical under any existing standard, or even by the wildest stretch of any legal imaginations, except those of the anti-Haynsworth leadership.

Judge Blackmun, on the other hand, committed a much more clear-cut violation of what could be labelled the "Bayh standard." Senator Bayh, the leader of the opposition in both the Haynsworth and Carswell cases, ignored this breach of his Haynsworth test with the following interesting justification:

"He [Blackmun] discussed his stock holdings with Judge Johnson, then Chief Judge of the circuit, who advised him that 'his holdings did not constitute a substantial interest' under 28 USC 455, and that he was obliged to sit in the case. There is no indication that Judge Haynsworth ever disclosed his financial interest to any colleague or to any party who might have felt there was an apparent conflict, before sitting in such cases."[35]

Judge Haynsworth did not inform the lawyers because under existing Fourth Circuit practice he found no significant interest and, thus, no duty to disclose to the lawyers. In any event, Judge Blackmun did not inform any of the lawyers in any of the cases in which he sat, either. Judge Blackmun asked the chief judge his advice and relied upon it. Judge Haynsworth was the chief judge.

Chief Judge Johnson and Chief Judge Haynsworth both interpreted that standard, as it existed, not as the Senator from Indiana later fashioned it. That interpretation was, as the supporters of Judge Haynsworth said it was, and in accord with Chief Judge Johnson who described the meaning of 28 U.S.C. § 455 to be "that a judge should sit regardless of interest, so long as the decision will not have a significant effect upon the value of the judge's interest."[36]

In other words, it is not interest in the litigant but interest in the outcome of the litigation which requires stepping aside. But even if it were interest in the litigant, the interests of Blackmun were de minimis and the interests of Haynsworth were not only de minimis, but were one step removed—that is, his interest was in the parent corporation where the subsidiary was the litigant. Furthermore, the case law, what little there is, and prevailing practice dictate that in the parent-subsidiary situation there is no duty to step aside.

As John Frank pointed out to the Judiciary Committee during the Haynsworth hearings, where there is no duty to step aside, there is a duty to sit. Judge Haynsworth and Judge Blackmun sat in these cases because under existing standards, not the convenient ad hoc standard of the Haynsworth opponents, they both had a duty to sit. But it is worth noting that if one were to require a strict adherence to the most rigid standard—Formal Opinion 170, which states that a judge shall not sit in a case in which he owns stock in a party litigant—Judge Haynsworth whom Senator Bayh opposed had only one arguable violation, Brunswick, while Judge Blackmun whom Senator Bayh supported had one arguable violation, 3M, and three clear violations, Hanson, Kotula and Mahoney.

The Senator from Indiana also argued that since Judge Blackmun stepped aside in Bridgeman v. Gateway Ford Truck Sales,[37] arising after the Haynsworth affair, a situation in which he owned stock in the parent Ford which totally owned one of the subsidiary-litigants, he "displayed a laudable recognition of the changing nature of the standards of judicial conduct."[38] Of course, Judge Blackmun stepped aside after seeing what Judge Haynsworth had been subjected to. Haynsworth did not have an opportunity to step aside in such situations since this new Bayh rule was established during the course of his demise. Certainly Judge Haynsworth would now comply with the Bayh test to avoid further attacks upon his judicial integrity just as Judge Blackmun wisely did in Bridgeman.

It is clear, then, to any objective reviewer, that the Haynsworth and Blackmun cases, aside from the political considerations involved, were virtually indistinguishable. If anything, Judge Blackmun had much more flagrantly violated that standard used to defeat Judge Haynsworth than had Judge Haynsworth. However, Judge Blackmun violated no existing standard worthy of denying him confirmation and he was quite properly confirmed by the Senate on May 12, 1970 by a vote of 88 to 0.

A NEW TEST: CAN ONE BE CODIFIED?

Bad laws, if they exist, should be repealed as soon as possible, still, while they continue in force, for the sake of example they should be religiously observed.—Abraham Lincoln.

It has been demonstrated that Judges Haynsworth and Blackmun violated no existing standards worthy of denying either of them confirmation. Judge Carswell's defeat, like Judge Haynsworth's, was also due in part to the application of a new standard—it having been argued that mediocre nominees had been confirmed in the past, a *fortiori Carswell* should be also. Yet, certainly achievement was always a legitimate part of the Senate's consideration of a nominee for confirmation just as ethics had always been. The Senate simply ignored mediocrity at various times in the past and refused to do so in the case of Carswell. And in the case of Haynsworth it made up an unrealistic standard of judicial propriety to serve its political purposes and then ignored those standards later in regard to Judge Blackmun because politics dictated confirmation.

Possibly, new standards should be adopted by the Senate but, of course, adopted prospectively in the absence of a pending nomination and not in the course of confirmation proceedings. In this regard, Senator Bayh has now introduced two bills, The Judicial Disqualification Act of 1970 and the Omnibus Disclosure Act which, if enacted, would codify the standards he previously employed to defeat Judge Haynsworth. This legislative effort is an admission that the previously applied standards were nonexistent at the time. Those bills are, however, worthy of serious consideration in a continuing effort to improve judicial standards of conduct. Some standards have been suggested here and will be recounted again but first some observations about the body which must apply them.

First, it is safe to say that anti-southern prejudice is still very much alive in the land and particularly in the Senate. Although this alone did not cause the defeats of Haynsworth and Carswell, it was a major factor. The fact that so many Senators were willing to create a new ethical standard for Judge Haynsworth in November, 1969, in order to insure his defeat and then ignore even more flagrant violations of this newly established standard in May of 1970, can only be considered to demonstrate sectional prejudice.

Another ominous aspect of the past year's events has been that we have seen yet another example of the power of the press over the minds of the people. As Wendell Phillips once commented, "We live under a government of men and morning newspapers." Certainly, one should not accuse the working press of distorting the news. The reporters were simply conveying to the nation the accusations of the Senator from Indiana and others in the opposition camp. These accusations were interpreted by a misinformed public outside the south (as indicated by prominent public opinion polls) as conclusive proof of Judge Haynsworth's impropriety and Judge Carswell's racism, neither of which was ever substantiated. The press should remain unfettered, but public figures must continue to have the courage to stand up to those who would use it for their own narrow political advantage to destroy men's reputations, and more importantly, the aura of dignity which should properly surround the Supreme Court.

Some good, however, has come from this period. Senatorial assertion against an all powerful Executive, whoever he may be, whether it is in foreign affairs or in Supreme Court appointments, is healthy for the country. Such assertions help restore the constitutional checks and balances between our branches of government, thereby helping to preserve our institutions and maximize our freedom.

In addition, the American Bar Association has indicated a willingness to review its ethical standards and has appointed a Special Committee on Standards of Judicial Conduct, under the chairmanship of Judge Traynor, which issued a Preliminary Statement and Interim Report which would update the ABA Canons of Judicial Ethics. This report was discussed in public hearings on August 8th and 10th, 1970 at the Annual Meeting of the ABA in St. Louis and may be placed on the agenda for consideration at the February, 1971, mid-year meeting of the House of Delegates. Both supporters and opponents of Judge Haynsworth agreed that a review and overhaul of the ABA's Canons of Judicial Ethics was needed. This should be valuable and useful to the Senate as the Judiciary Committee under Senator Eastland has made a practice of requesting reports on Presidential nominees to the Supreme Court by the Standing Committee on the Federal Judiciary of the ABA. This practice probably should be continued as the Senate has not, in any way, delegated its decision upon confirmation to this outside organization. Rather, it seeks the views of the ABA before reporting nominees to the Judiciary to the floor of the Senate just as any committee would seek the views of relevant outside groups before proposing legislation.

Although not central to the considerations of this article, it should be noted what the Executive may have learned from this period. President Johnson undoubtedly discovered in the Fortas and Thornberry nominations that the Senate could be very reluctant at times to approve nominees who might be classified as personal friends or "cronies" of the Executive. It was also established that the Senate would frown upon Justices of the Supreme Court acting as advisors to the President as a violation of the concept of separation of powers. This argument was used very effectively against the elevation of Justice Fortas to the Chief Justiceship as he had been an advisor to President Johnson on a myriad of matters during his tenure on the Court. President Nixon learned during the Carswell proceedings that a high degree of competence would likely be required by the Senate before it approved future nominees. He also learned during the Haynsworth case that the Senate would likely require strict adherence to standards of judicial propriety.

Unfortunately, as a result of this episode, the Administration has adopted a very questionable practice in regard to future nominations to the Supreme Court. Attorney General John N. Mitchell announced on July 28, 1970 that the Justice Department would adopt a new procedure under which the Attorney General will seek a complete investigation by the ABA's Standing Committee on the Federal Judiciary before recommending anyone to the President for nomination to the Supreme Court. This Committee has already enjoyed virtually unprecedented influence in the selection of U.S. District and Circuit Judges as this Administration has made no nominations to these Courts which have not received the prior approval of this twelve man Committee. In effect, the Administration, after delegating to this Committee veto power over lower federal court appointments, has now broadened this authority to cover its selections to the Supreme Court. Complete delegation of authority to an outside organization of so awesome a responsibility as designating men to our federal District and Circuit Courts is bad enough, but such a delegation of authority to approve, on the Supreme Court level, is most unwise. Far from representing all lawyers in the country, the ABA has historically been the repository of "big-firm," "defense-oriented," "corporate-type lawyers" who may or may not make an objective appraisal of a prospective nominee, if President Wilson had asked the ABA for prior approval of Brandeis, the Supreme Court and the nation would never have benefitted from his great legal talents. The presumption that such an outside organization as the American Bar Association is better able to pass upon the credentials of nominees for the federal courts and especially the Supreme Court than the President of the United States who is given the constitutional authority, is an erroneous judgment which the passage of time will hopefully see reversed.[39] This is not to imply that ABA views would not be useful to the Executive in its considerations just as they are useful to but not determinative of the actions of the Senate (the Senate having rejected ABA approved nominees Haynsworth and Carswell).

What standard then can be drawn for the Senate from the experiences of the past year in advising and consenting to Presidential nominations to the Supreme Court? They have been set out above but should be reiterated in conclusion. At the outset, the Senate should discount the philosophy of the nominee. In our politically centrist society, it is highly unlikely that any Executive would nominate a man of such extreme views of the right of the left as to be disturbing to the Senate. However, a nomination, for example, of a Communist or a member of the American Nazi Party, would have to be considered an exception to the recommendation that the Senate leave ideological considerations to the discretion of the Executive. Political and philosophical considerations were often a factor in the nineteenth century and arguably in the Parker, Haynsworth and Carswell cases also, but this is not proper and tends to degrade the Court and dilute the constitutionally proper authority of the Executive in this area. The President is presumably elected by the people to carry out a program and altering the ideological directions of the Supreme Court would seem to be a perfectly legitimate part of a Presidential platform. To that end, the Constitution gives to him the power to nominate. As mentioned earlier, if the power to nominate had been given to the Senate, as was considered during the debates at the Constitutional Convention, then it would be proper for the Senate to consider political philosophy. The proper role of the Senate is to advise and consent to the particular nomination, and thus, as the Constitution puts it, "to appoint." This taken within the context of modern times should mean an examination only into the qualifications of the President's nominee.

In examining the qualifications of a Supreme Court nominee, use of the following criteria is recommended. First, the nominee must be judged competent. He should, of course, be a lawyer although the Constitution does not require it. Judicial experience might satisfy the Senate as to the nominee's competence, although the President should certainly not be restricted to naming sitting judges. Legal scholars as well as practicing lawyers might well be found competent.

Second, the nominee should be judged to have obtained some level of achievement or distinction. After all, it is the Supreme Court the Senate is considering not the police court in Hoboken, N.J. or even the U.S. District or Circuit Courts. This achievement could be established by writings, but the absence of publications alone would not be fatal. Reputation at the bar and bench would be significant. Quality of opinions if a sitting judge, or appellate briefs if a practicing attorney, or articles or books if a law professor might establish the requisite distinction. Certainly, the acquisition of expertise in certain areas of the law would be an important plus in determining the level of achievement of the nominee.

Third, temperament could be significant. Although difficult to establish and not as important as the other criteria, temperament might become a factor where, for example in the case of, Carswell, a sitting judge was alleged to be hostile to a certain class of litigants or abusive to lawyers in the courtroom.

Fourth, the nominee, if a judge, must have violated no existing standard of ethical conduct rendering him unfit for confirmation. If the nominee is not a judge, he must not have violated the Canons of Ethics and statutes which apply to conduct required of members of the bar. If a law professor, he must be free of violations of ethical standards applicable to that profession, for example plagiarism.

Fifth and finally, the nominee must have a clean record in his life off the bench. He should be free from prior criminal conviction and not the possessor of debilitating personal problems such as alcoholism or drug abuse. However, this final criterion would rarely come into play due to the intensive personal investigations customarily employed by the Executive before nominations are sent to the Senate.

In conclusions, their criteria for Senate judgment of nominees to the Supreme Court are recommended for future considerations. It will always be difficult to obtain a fair and impartial judgment from such an inevitably political body as the United States Senate. However, it is suggested that the true measure of a statesman may well be the ability to rise above partisan political considerations to objectively pass upon another aspiring human being. While the author retains no great optimism for their future usage, these guidelines are now, nevertheless, left behind, a fitting epilogue hopefully to a most unique and unforgettable era in the history of the Supreme Court.

FOOTNOTES

[1] For recent articles discussing the role of the Executive see Bickel, *The Making of Supreme Court Justices, 53* The New Leader, May 25, 1970, at 14-18; Commager, Chossing Supreme Court Judges, 162 THE NEW REPUBLIC, May 2, 1970, at 13-16.

[2] J. HARRIS, THE ADVICE AND CONSENT OF THE SENATE 302-03 (1953).

[3] C. WARREN, THE SUPREME COURT IN U.S. HISTORY 134-35 (REV. ED. 135).

[4] 2 C. WARREN, THE SUPREME COURT IN U.S. HISTORY 10 (REV. ED. 1935).

[5] *Id.* at 12.

[6] *Id.* at 13-15.

[7] *Id.* at 16.

[8] J. HARRIS, *supra note 2, at 99.*

[9] *Id.*

[10] *Id.* at 113.

[11] *Id.* at 115-27.

[12] *Id.* at 127-32.

[13] Letter from Senator Marlow W. Cook to Charles Hagan, October 21, 1969.

[14] For complete discussion of all issues raised by the "Bill of Particulars" see speech of Senator Marlow W. Cook, 115 Cong. Rec. S12314-20 (daily ed. Oct. 13, 1969). *See also* REPORT OF SENATE JUDICIARY COMMITTEE ON THE NOMINATION OF CLEMENT F. HAYNSWORTH, JR., EXECUTIVE REPORT NO. 91-12, 91st Cong., 1st SESS. (1969).

[15] 325 F.2d 682 (4th Cir. 1963).

[16] *Hearings on Nomination of Clement F. Haynsworth, Jr., of South Carolina to be Associate Justice of the Supreme Court of the United States Before the Senate Comm. on the Judiciary,* 91st Cong., 1st Sess. 115-16 (1969).

[17] 381 F.2d 380 (4th Cir. 1967).

[18] 363 F.2d 412 (4th Cir. 1966).

[19] 357 F.2d 228 (4th Cir. 1966).

[20] 403 F.2d 437 (5th Cir. 1968).

[21] 405 F. Supp. 3 (E.D.N.Y. 1952).

[22] *Hearings on Nomination of Clement F. Haynsworth, Jr., supra* note 15, at 469.

[23] 296 P. 883 (Cal. 1931).

[24] 392 F.2d 337 (4th Cir. 1968).

[25] *Hearings on Nomination of Clement F. Haynsworth, Jr., supra* note 15, at 238.

[26] *See Hearings on Nomination of George Harrold Carswell of Florida to be Associate Justice of the Supreme Court of the United States Before the Senate Comm. on the Judiciary,* 91st Cong., 2nd SESS. (1970). *See also* REPORT OR SENATE JUDICIARY COMM. ON NOMINATION OF GEORGE HARROLD CARSWELL, EXECUTIVE REPORT NO. 91-14, 91ST CONG., 2ND SESS. (1970).

[27] *See Hearings on Nomination of Harry A. Blackman of Minnesota to be Associate Justice of the Supreme Court of the United States Before the Senate Comm. on the Judiciary,* 91st Cong., 2nd Sess. (1970).

[28] Blackmun, *The Marital Deduction and Its Use in Minnesota,* 36 Minn. L. Rev. 50 (1951).

[29] Blackmun, *The Physician and His Estate,* 36 Minn. Med. 1033 (1953).

[30] Blackmun, *Allowance of In Forma Pauperis in Section 2255 and Habeas Corpus Cases,* 43 F.R.D. 343 (1968).

[31] 278 F.2d 586 (8th Cir. 1960).

[32] 338 F.2d 732 (8th Cir. 1961).

[33] 377 F.2d 549 (8th Cir. 1967).

[34] 284 F.2d 478 (8th Cir. 1960).

[35] REPORT OF SENATE JUDICIARY COMM. ON NOMINATION OF HARRY A. BLACKMUN, EXECUTIVE REPORT NO. 91-18, 91 CONG., 2ND SESS. 9 (1970).

[36] *Id.*

[37] No. 19, 749, (February 4, 1970).

[38] REPORT OF SENATE JUDICIARY COMM. ON NOMINATION OF HARRY A. BLACKMUN, *supra* note 34, at 10.

[39] *But see Walsh, Selection of Supreme Court Justices,* 56 A.B.A.J. 550-60 (1970); REPORT OF THE STANDING COMM. ON THE FEDERAL JUDICIARY OF THE AMERICAN BAR ASSOCIATION (1970).

Mr. McCONNELL. It was pretty clear to this Senator back in those days, and it is still clear to him today, that if we decide that the Senate and the President are on coequal footing on these nominations—in other words, any inquiry that is relevant to the President is relevant to the Senate—we have a formula for gridlock in the future.

What disturbs me is that if a majority of the Senators in this body today decide, for whatever reason, that the test is no longer competence or qualifications or a variety of other issues that deal with the question of fitness, but that we instead should look at all the criteria that a President, any President, might take into account, we have a formula for gridlock.

If the Senate happens to be conservative at a given moment and the President is a liberal, he might never be able to get a nominee approved.

Over the years, going back to the beginning of this country, there have been some Senators at any given moment who have said: "Philosophy is relevant. I choose to make it relevant. I decide how to cast my vote, and I will vote 'no' against the nominee." But I think it is safe to say that on no occasion was that the majority view in the Senate.

Nominees have been rejected, as we all know, but I do not think that in any one of those instances a majority of the U.S. Senate reached the decision to reject a nominee on the basis that the nominee's philosophy was simply repugnant. Some took that view. Others may have felt it in their souls. But, in fact, the stated purpose, the stated reason, for objecting to the nominee was that the nominee somehow did not meet professional qualifications or standards or fitness that we can generally agree upon.

So what I worry about during the course of the Bork nomination is that the Senate reach an unfortunate decision that anything that is relevant to the President's consideration is relevant to our consideration and that that will be a formula for a gridlock.

The framers of the Constitution considered giving to the Senate the authority to appoint a Supreme Court

Justice. They rejected that. Clearly, there is a difference between appointing, on the one hand, and advising and consenting, on the other. They are different words; they must have a different meaning.

It seems to me that the appropriate role for us in this body is to look at the character, the professional qualifications, the fitness, if you will, of the nominee, and to leave to the one person who is elected by all the people of the United States the philosophical judgment. I think that if we follow that standard, if a majority of this body follows that standard, it will be well served when the President of the United States may be of a different philosophical persuasion.

If, on the other hand, we are going to decide, during the course of the nomination of Judge Bork, that it is entirely relevant for the Senate to consider philosophical leanings of a nominee, then Senators such as myself, who might prefer a conservative nominee—a year and a half from now, for example, if the chairman of the Judiciary Committee might be President of the United States, he might be confronted with a situation in which there is deep-seated philosophical opposition to an arguably well-qualified liberal nominee for the Supreme Court.

So the question is whether we ought to do down that road. I hope that as this debate unfolds over the coming months, we will seriously consider once again, as the Senate has on frequent occasions over the years, what is the appropriate role for this institution in advising and consenting to Presidential nominations to the Supreme Court. It is a most serious question, and we ought to think very long and very hard about what our appropriate inquiry ought to be. Otherwise, the Senator from Kentucky feels that we will have continued periods of gridlock over Presidential nominations to the Supreme Court.

Mr. BIDEN. Will the Senator yield?

Mr. McCONNELL. I yield.

Mr. BIDEN. The Senator paraphrased my earlier statement that if they send up Bork, I would have to be with him. The implication is that somehow the Senator from Delaware has changed his view and that the change may have been because of pressures of the chairmanship.

I would like to point out to the Senator that upon voting for Judge Scalia, I said to Judge Scalia at the hearing that had Judge Scalia been changing the balance on the Court, were he replacing someone other than a conservative like Chief Justice Burger, I might not be able to vote for him.

After that hearing, after voting for on Scalia and setting out my reservations, I was asked what would happen if they sent up a Bork. My response was that if he were like Scalia I would probably have to vote for him, regardless of what anybody said. I got "heat" for voting for Scalia.

My reference was in the context of the Scalia nomination—I understand the political value of taking it out of context. I am not saying that the Senator from Kentucky did that, because he might not be aware of my comments on Scalia. But the reference was made in the context of a Bork replacing a conservative Justice. I laid out my view clearly then. I said that if the fundamental direction of the Court were changed as a consequence of a vote on a nominee, I would carefully consider the wisdom of change.

It is my view that Judge Bork's appointment to the Court would fundamentally change the direction of the Court. That is why Judge Bork is not Judge Scalia. There is nothing inconsistent in what the Senator from Delaware did.

Mr. McCONNELL. I said that not to impugn the motives of the chairman.

Mr. BIDEN. I appreciate that. I just want to clarify the record.

I should like to say one more thing. I share the Senator's concern about gridlock, and I will make an agreement with him. If he will read my speech on advise and consent, I will read his law review article. At least, I would be curious to know the Senator's reaction to my analysis of the historical circumstances in which the philosophy of the nominee clearly becomes a matter of concern to the Senate.

I suggest this: I believe there is historical evidence for using the phrase "advise and consent" for the express purpose of avoiding gridlock.

The reason why the Constitution requires the advice of the Senate—is to avoid conflict in those circumstances where the President is clearly philosophically different from the Senate, the Framers of the Constitution envisioned that possibility. It is implicit in such a division that the country is divided. If you have a President with one philosophical view and the Senate is controlled by the opposite party, with a different philosophical view, at least arguably, the country is divided on the issue.

To avoid gridlock both sides should be reasonable—a President should seek the advice of the Senate, and the Senate should not insist that there be a liberal or a moderate.

Of the 15 people that this administration submitted to us for our votes, we immediately said that more than half a dozen, as many as 10, all of whom are conservatives, would be acceptable. But we said that there were several who were on the end of the Richter scale, who would cause a confrontation. That is not to prejudge what the result of the confrontation will be.

I say to my friend from Kentucky that I respect his view on this. I acknowledge his having spent time considering and thinking about what the Framers meant and what the constitutional mandate for his body is, and I respect the different view he has from mine on this issue.

In conclusion, it is my view that the Framers envisioned the possibility of gridlock when you have a President of one philosophic disposition and when the Senate is controlled by the party of another. That is why they put in the words "with the advice of," in order to reach a compromise.

Mr. McCONNELL. I say to my friend that with reference to his earlier observations about the balance issue, that is a fairly new issue, I suppose. There were some of us who felt that the Court was unbalanced in the other direction a few years earlier, and there is nothing particularly inappropriate about seeking to move it back in a different direction.

Mr. BIDEN. I agree with that.

Mr. McCONNELL. Over the years, that has been a prerogative of the President of the United States.

With regard to what the Framers meant to do and how the Senate has interpreted that over the years, the Senator from Kentucky recalls from his research a few years back—and it is not quite as alive as it was when I was poring over the books in those early days of 1970 and 1971—it was pretty clear that there was no occasion—and if I am wrong on this, I would be happy to be corrected—there was no occasion upon which a majority of the Senate stated the reason for rejection as a philosophical doctrine, shall we say.

There were Members of the Senate who have all along the way said: "I choose to call philosophy relevant. Therefore, I vote 'no.'" But I do not think that on any of those occasions upon which nominees were rejected, a clear majority of the Senate, in unison, said, "We reject this person because his views are obnoxious." They tended to look for—and sometimes they found, as in the case of Judge Carswell—disabling features, lack of fitness, lack of character, lack of professional standards.

I say this with some trepidation, because, as the Senator well knows, by sticking to the standard I am advocating, I put myself in the position, maybe a couple of years from now, of having to choke it down and support a well-qualified nominee whose views I find completely inappropriate.

If, in the course of this debate on Judge Bork, a majority of the Senate adopts the view that philosophy is just as relevant for the Senate as it is for the President, then I would say the Senator from Kentucky is willing to adopt that new view. If that is going to become the majority view around here—and we will find that out as this unfolds—then the Senator from Kentucky will probably adopt that new view. In the future, that will mean that a good portion of us, maybe a majority, at any given time, will stand up on any nominee who comes up and say, if he is too liberal for me or too conservative for the Senator from Delaware, "I am going to vote 'no.' "

And we are going to have an awful lot of contentious nominations and an awful lot of rejections. Really I do not think it is a sound way to go. I know it is not easy. I must say to my friend from Delaware I know it is not easy for a U.S. Senator who is generally liberal in persuasion to support a conservative nominee.

I must say if I put myself in the Senator's shoes or look down the road and see myself in the position of having to react to a nominee whose views I find offensive in terms of his leftish leaning, it would be tough, but I think the best standard for the Senate to adopt is to leave the philosophy to the President and to make certain that we get men and women as nominees up here who are men and women of conspicuous achievement, those who have published, those who have achieved great distinction in their fields, in the field of law, in the field of endeavor.

I think that is a lot safer ground for us to be on for the future than to simply adopt a philosophical inquiry and go down that road. That is my principal concern.

Mr. BIDEN. If the Senator will yield, I would like to make three points. No. 1, that although there is no time when as many as 25 have at one time said that they explicitly set out philosophy as a rationale for their vote—I may have miscounted; it is in the record and I will not take the time now to go through it—there are qualified nominees who were rejected for clearly political reasons. Rutledge was clearly qualified. He was one of the Framers of the Constitution. He had served on the Supreme Court. He was clearly qualified. No one suggested that he did anything that was inappropriate or unethical in any way. Yet a majority concluded he should not be the Chief Justice.

Mr. McCONNELL. If I may interrupt, on the Rutledge nomination, he did have a temperament problem that was widely viewed as relevant.

And when we are talking about the judiciary, and I might say harkening back again to my law journal article, judicial temperament, one of the standards I set out I thought was appropriate that the Senate ought to take a look at even though on this they may be cloaking it, I agree with my friend, I think some people over the years have looked for a problem because they really did not like the philosophy. They tried to find something wrong because they did not like the philosophy. At least they felt the need to find something relevant as a reason for voting "no."

Mr. BIDEN. I think that is fine. In the case of Rutledge they said the Jay Treaty. They said anybody who can be so vociferous against the treaty obviously has to be unstable and not have judicial temperament. That may be the case. They may have cloaked it another way.

Let me speak to the second point, and that is that somehow the Senator from Delaware or other Senators who do not share the view of President Reagan on a number of issues would not vote for conservative judges. The fact of the matter is I have already voted for two conservative Justices. No one suggests that Sandra Day O'Connor was a liberal. No one ever suggested she was. Clearly no one ever said Justice Scalia was a liberal. As a matter of fact he was offered as a intellectually profound conservative, and I voted for both of them.

So this is not a question of not being able to vote for a conservative nominee. I have already done this twice so far just in the last 5 years. This goes beyond that question without determining whether you should or should not vote for Judge Bork to become Justice Bork.

The fact of the matter is that when you have a judicial philosophy, assuming that Judge Bork does, that is so clearly going to fundamentally change the outcome of decisions on the Court on a whole range of issues, when you have as, Judge Bork apparently does, a view that has a very, very limited view of the ninth amendment and the right of privacy, when you have views he has, it is not inappropriate to say "I just cannot support such a person to the Bench at this moment."

Mr. McCONNELL. Will the Senator yield on that point?

Mr. BIDEN. Surely.

Mr. McCONNELL. Is the observation of the Senator then that it is OK to support a conservative but not too many of them?

Mr. BIDEN. The observation is that on occasion can be the case.

For example, if tomorrow the Senator from Kentucky were President of the United States and the entire Supreme Court resigned, for whatever reason, is the Senator from Kentucky suggesting that he would even contemplate, as conservative as he is, putting nine Judge Borks on the Court? I suspect he would say at some point the Senate would be able to say now wait a minute. It is one thing to have a conservative point of view on the Court; it is another thing to have nine Judge Borks. Conversely, if the Senator from Delaware were President, would it be appropriate for him if the entire Court, God forbid, had a horrible accident or resigned, to say I put nine Brennans on the Court?

Mr. McCONNELL. If that is a question to the Senator from Kentucky, let me respond I do not think there is anything in the Constitution about this balance concept that he has been talking about.

Mr. BIDEN. The Senator is correct.

Mr. McCONNELL. My view is that the balance is a philosophical matter and as the Senator from Kentucky has said earlier it is my judgment that the philosophical leaning of the nominee is the prerogative of the President.

So if the question is would the Senator from Kentucky support nine Judge Borks if we got them all up at one time if they met the standard of fitness, competence, and temperament and achievement we have the right to expect as a nominee for the Supreme Court, the answer would be yes. If any President sent up nine Harrold Carswells, the answer would be no. And so the Senator from Kentucky is saying once again it seems to me the relevant inquiry here is that we have a right to expect excellence——

Mr. BIDEN. That is correct.

Mr. McCONNELL [continuing]. In a Supreme Court nominee.

But as to whether his views tend to be liberal or conservative it seems to me that is the inquiry for the President.

Mr. BIDEN. That is the fundamental disagreement. I think the Constitution clearly and precedent clearly dictate a different result.

I would suspect that the Senator from Kentucky might have a different view if I found him—assuming there were one—an incredibly bright, well-written, honorable, card-carrying Communist, who wished to be on the Court, met every standard, had judicial temperament, never lost his or her temper, were in the position where he understood the Constitution thoroughly, said he would abide by it, agree to it, and was that well-written and scholarly. I imagine the Senator would say, "Whoa, wait a minute, I cannot accept the views that are embodied in the basic philosophy this person brings to the bench," would he not?

Mr. McCONNELL. I mentioned that issue again in my article which the Senator now agreed to read, and I appreciate that. I cited that as an example, about the only example I think certainly makes a philosophy relevant. Presumably there you would be talking about someone who would be in favor of violent overthrow of our system. So the Senator picked a case where I suppose one would have to concede his philosophy would be relevant inquiry.

I do not think the Senator is equating the Bork nomination is in any way that much outside the main stream of acceptable judicial thinking in our country, is he?

Mr. BIDEN. No; I am not. What I am responding to is the point the Senator cannot have, and the Senator acknowledges he does not clearly have, an absolute standard as long as someone meets the test of judicial temperament, intellectual excellence, and training. The point I am making is that the Senator himself acknowledges that there are occasions when in fact other relevant factors, including philosophy, even come in even from the Senator from Kentucky.

Mr. McCONNELL. I make this commitment: if any President of the United States, while the Senator serves in the Senate, sends up a Communist, I will oppose it so we can move that one off the table.

I might say to my friend, I think he would have been on firmer ground had he opposed the nomination of Judge Scalia. It seems to me that if we are to conclude that the philosophy is a relevant inquiry, if we are, it ought to apply to any conservatives. I think the Senator would have been on much firmer ground had he gone on and said this last year, by golly, I just think Judge Scalia is too far to the right, he is going to vote ways I do not approve of; therefore, I oppose him.

Mr. BIDEN. If the Senator will yield, what I suggested then and I suggest now is that the fact of the matter is that there are occasions, three occasions when in fact the U.S. Senate and individual Senators should, and I would argue must, consider the judicial philosophy of the nominee. One of those occasions is when that nominee, being placed on the Court, would fundamentally change the outcome of the Court rulings. I believe there should be conservative points of view represented on the court. I believe that brings about an intellectual dynamism that is required to the Court. I want that point of view represented on the Court. And I mean that sincerely. But I do not want that point of view, what I view as an extreme right position taken by Judge Bork on any issues, I do not want that to become law on the Court.

I do not want that to be the direction of the Court. But I do want it represented, assuming he meets the other criteria that the Senator has suggested. And I believe he does. I believe that he is honorable, that he is intellectually fit, that he is scholarly, that he has a background, et cetera. The fact of the matter is that if, in fact, placing a nominee on the Court is going to—for example, would the Senator, and this is more a rhetorical question he can answer; I do not expect him to—would the Senator vote for a nominee to the Supreme Court who argued still that Plessy versus Ferguson should be the prevailing law of the land, that Brown versus the Board of Education was incorrectly decided, that it was a wrong decision. Would he vote for such a person?

Mr. McCONNELL. I probably would not on the grounds that it would be foolish to throw out that many years of legal precedent. I had a question.

Mr. BIDEN. Let me ask another question.

Mr. McCONNELL. Since I have the floor.

Mr. BIDEN. If the Senator will yield, let me ask a second question and then I will yield. If the nominee who the Senator was about to vote on said that, in fact, stare decisis was a relevant concept when it came to the Supreme Court and that if any decision is incorrectly decided by the Court in the past regardless of the impact it would have on the decisions that had been made thus far, he would not feel compelled to abide by what had been precedent for the last 15 or 20 years, would the Senator then vote for such a nominee?

Mr. McCONNELL. It would seem to this Senator that, to the extent that a nominee's views amounted to incompetence, in terms of the judgment of how our court system works, it could raise what I believe is a relevant inquiry into his judicial ability.

You cannot simply ignore—I missed the last part of the question. Senator STEVENS had my attention.

Mr. BIDEN. I think it is important. I will repeat it because it relates to what you are suggesting there. There is no incompetence to suggest that the court incorrectly decided Brown versus the Board.

A lot of very brilliant people thought that was the wrong decision. It is not incompetent to suggest that.

Mr. McCONNELL. Incompetence is not the word, but I think for any nominee to argue that many years of precedent on a significant area might be irrelevant would certainly raise the question.

I do not know, based on this hypothetical, which way I would vote in that situation.

Mr. BIDEN. How about the circumstances where a nominee said that a decision like the Griswold case, where the State of Connecticut passed a law saying that you cannot advise married couples on the use of birth control, is against the law and if you advise a married couple on the use of birth control devices, you will be prosecuted.

That case was appealed to the Supreme Court. The Supreme Court ruled that the State of Connecticut cannot do that, because it violates the privacy of people in Connecticut.

That was in the mid-sixties. How about a nominee who came along and said that that was incorrectly decided; there is no right to privacy that exists within the Constitution and that "I would overturn those decisions"? How would you feel about voting for such a nominee?

Mr. McCONNELL. We can talk about hypotheticals all day.

Mr. BIDEN. That is not a hypothetical.

Mr. McCONNELL. You will have a chance to ask the nominee that question and I am sure you will. We will get back to this discussion in a moment, but the Senator from Alaska has some bills that have been cleared, I think.

Mr. BIDEN. I am willing to cease and desist.

Mr. McCONNELL. We can talk about hypotheticals all day. My friend from Delaware has talked about the need to keep the Court balanced and he is concerned about, as he puts it, unbalancing the Court to the right. I would hope the Senator, since he thinks this balance is so critical, would also oppose a nominee who might also someday unbalance the Court to the left and I will be listening during the course of the debate as to how we are going to achieve this mystical balance and keep the Court in perfect perspective from right to left. This standard by which we measure all these nominees will be something, maybe, that will evolve in the course of the hearings and the floor debate.

Mr. President, I have the floor and I am going—is the Senator from Alaska ready? Is the Senator from Alaska ready to proceed?

Mr. STEVENS. I would say, Mr. President, to my good friend from Kentucky, that when this dialog is ended the distinguished leader and I have some routine business to handle but we did not want to interrupt it in any way.

Mr. McCONNELL. The Senator from Kentucky has a meeting to attend and he is prepared to yield the floor and I am sure this debate will continue for many days in the future. I yield.

Mr. BIDEN. The Senator from Delaware will not continue the debate except to take 1 minute. The Senator from Delaware is not insisting there be a perpetual balancing in the court and has never argued that. The Senator from Delaware is suggesting that when the balance is going to change from one direction to another in a significant way, as everyone acknowledges this nominee will do—everyone acknowledges that—when that occurs each Senator then has an obligation to determine whether or not he wishes it to change in that direction. That is what the Constitution says we should do.

If he chooses that it should change, then he should vote for the nominee. But if he believes that in so changing the balance it will move the country in a direction with which he or she fundamentally disagrees, then the Constitution says they should vote no. That is all. There is no mystical or mythical balance.

For, if you were to say that, it would mean the court could never change. It is just a matter of whether or not it changes in a way that each Senator thinks it should or should not change. I would suggest that the line of questioning that the Senator from Kentucky was raising is a valid one. If, in fact, you find yourself in a circumstance where there are precedents that a Justice would very well overrule—longstanding precedents—assuming he would say and he has written that he would overrule them and he would overrule them in a way that you do not like; then it seems to me every Senator should ask: Do I want that to be the case?

That is all I am saying. I thank my friend from Kentucky. I look forward to continuing discussions with him on this subject and I thank the Chair.

EXTENSION OF TIME FOR MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that morning business be extended until 1 o'clock, that the distinguished Senator from Alaska have 3 minutes to introduce a bill; that the distinguished Senator from New Hampshire may have 5 minutes, and the distinguished Senator from Oklahoma may have 5 minutes. At the conclusion of those speeches, I ask unanimous consent that the Senate stand in recess until 2 p.m.

Mr. HUMPHREY. Mr. President, I would like to have 10 minutes, if I may, or be permitted to ask for an extension.

Mr. BYRD. Mr. President, I will change that so that the distinguished Senator from New Hampshire may have 10 minutes, 3 minutes to Mr. STEVENS, and 5 minutes to Mr. BOREN, and at the conclusion of the remarks the Chair recess the Senate until 2 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

DOCUMENTATION OF FOREIGN-BUILT FISH-PROCESSING VESSELS

Mr. STEVENS. Mr. President, I want to express my deep appreciation to the distinguished majority leader for agreeing to this procedure.

Mr. President, I send to the desk a bill and ask for its immediate consideration.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 1591) to temporarily restrict the ability to document foreign-built fish-processing vessels under the laws of the United States.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BYRD. Mr. President, there is no objection on this side. It has been cleared and we are ready to proceed with its immediate consideration.

The PRESIDING OFFICER. Without objection, the bill will be considered to have been read the second time and the Senate will proceed to its immediate consideration.

The Senate proceeded to consider the bill.

Mr. STEVENS. Mr. President, I am offering an emergency bill designed to prevent the documentation of foreign-built fish processing vessels under the laws of the United States until March 1, 1988.

This issue is of critical importance to the U.S. fishing industry. Under current law, foreign companies can take advantage of the U.S. documentation laws and claim access to U.S. fisheries resources in contravention of the Magnuson Fisheries Conservation and Management Act. The Senate Commerce Committee and the House Merchant Marine and Fisheries Committee are in the process of developing legislation to correct the loophole in the documentation laws. Despite warnings from Members of Congress to refrain from documenting any foreign-built vessels until this issue has been resolved, a Korean company has submitted applications to have three vessels documented as United States fish processors.

The U.S. Coast Guard has informed me that it does not have discretion to deny an application if it has been properly filed. This amendment would prohibit the Coast Guard from approving any such application until the Senate and House have had time to carry the legislative effort to its conclusion.

Mr. President, this bill will suspend the right of the Coast Guard to issue certificates of reflagging for foreign-built vessels to become fish processors under the laws of the United States until March 1, 1988, so that both the House and the Senate can complete work on a very complicated bill dealing with this subject.

Mr. President, I appreciate the cooperation of all concerned.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 1591) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 1591

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, Notwithstanding Chapter 121 of Title 46 of the United States Code, the Secretary of the department in which the Coast Guard is operating shall not grant a certificate of documentation to any foreign-built vessel for use as a fish processing vessel. This restriction shall be effective until March 1, 1988. The Secretary may issue such regulations as the Secretary considers necessary to obtain information on the intended use of any vessel applying for a certificate of documentation in order to prevent the documentation of a foreign-built fish processing vessel.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. I thank the distinguished majority leader.

Mr. BYRD. I thank the Senator.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, I wonder if the Senator from Colorado and I may proceed with a little business.

THE CALENDAR

Mr. BYRD. Mr. President, I ask the distinguished acting Republican leader [Mr. ARMSTRONG] if the following calendar orders have been cleared on his side of the aisle: Calendar Order No. 250, Calendar Order No. 267, Calendar Order No. 276, and Calendar Order No. 289.

Mr. ARMSTRONG. Mr. President, if the distinguished leader will yield to me, I will be happy to respond that they have been cleared, and, at the right time, either now or later, I would like to take a few moments to explain why they have been delayed until now. But at this point they are cleared on this side.

Mr. BYRD. Very well. We could wait until later if the Senator wishes to speak. I do not want to delay the other Senators who are waiting.

Mr. ARMSTRONG. I would think it would take 1 or 2 minutes for me to explain the delay. I will be glad to do that now or return another time.

Mr. BYRD. Very well. If the Senator would like to explain it now, we will proceed with the explanation.

Mr. ARMSTRONG. I will be happy to.

Mr. President, there are about six or seven items of the Senate Rules Committee which were pending on the calendar which I asked that we withhold action on. At the request of the majority leader and subsequently the minority leader, I have cleared these four items which have just been listed.

The reason I asked that they be held up for a few days is simply to gently and in a friendly way make the point that there are two parties in the Chamber and that the Senators on both sides of the aisle have a right to be consulted about these things, and to express my concern about some actions which are occurring under the direction of the Rules Committee.

CHANNEL 26 MINICONTROVERSY

I refer to what is at this point just a minicontroversy over channel 26. The issue is very simply censorship.

Some time ago, at my direction, the staff director of the Republican Policy Committee sought approval of the Rules Committee to put on channel 26, or an appropriate channel, a bulletin board, an internal service for the information of Republican Senators and indeed for anyone else in the Capitol area who was interested in floor information. What this service amounts to is just that. It is a public service. It is not partisan in any way. It would be appropriate to put partisan information on there because it comes from the Republican Policy Committee. But we have not done that.

This was in due course approved and put on the air. Then with the informal approval, and I stress informal because it was not acted upon, we put behind the bulletin board a picture of the Senate proceedings which not only made it more pleasing to the eye but a more useful service so that one could have on in their office or a more convenient place a picture of the Chamber, seeing what the proceedings were, and then a notation of the Republican Policy Committee of what was occurring, what the action was.

This was shut down a few days ago. The chairman of the Rules Committee called and said we just had to take it off, that we could not continue this.

Implicit in the discussion I had with the Rules Committee chairman was the fact that if we did not take this picture off of channel 26 the switch would be thrown and it would be taken off altogether.

I make the point this is really censorship, not in keeping with the better traditions of the Senate. What we are doing, first of all, does not disadvantage anybody. It is only for the service and information of Senators. It is something which is completely within the rules. It was something that was cleared formally with respect to the bulletin board and informally with respect to the underlying picture, and which was something that anybody outside the Senate could do. Any person who wanted to pick up the broadcast of the Senate and rebroadcast it on a cable system somewhere else would be free to do so, and to put over it any kind of information of this type so long as it was not partisan in character. I have already pointed out this information was not.

I just wanted to make this point, Mr. President, not to argue it or make a big issue of it at this time. We have not sought to make a big flap over it. But I thought that holding up one or two or three otherwise not offensive items would be a way to make a point. We are not here to fight on this issue but here to just get on with our tasks.

Mr. President, I wonder if the name Ned Ludd is familiar with the Chair. He was a member of a group that came to be known as the Luddites in 1811. They thought they could hold back progress by destroying machinery. It was short lived. The idea that somehow you could turn back the clock on technology and improve the human conditions thereby lives on.

I trust that does not live in the Senate. I hope that in due course, Mr. President, the Senate Republican Policy Committee will be permitted to resume fully the service which we offered on channel 26. I thank the distinguished leader for giving me this moment to explain the situation.

Mr. BYRD. Mr. President, I thank the distinguished Senator. I have very scant knowledge of the matter about which he is talking. I am a member of the Rules Committee and I feel that there may be something that the chairman or someone on the Rules Committee would want to say in response to what the distinguished Senator from Colorado has just said.

If that be the case, I ask unanimous consent that that statement appear immediately behind the statement which has just been made by the distinguished Senator from Colorado. I do not know enough about the details to respond, but if there is a response I think it should appear in the RECORD at that point.

Mr. ARMSTRONG. If the Senator will yield, that would be entirely appropriate. Our purpose is not to start a controversy over this. My hope and belief is that as Senators learn what the issue really is, everyone will think it is a good idea and a useful service.

I note that the distinguished chairman of the Rules Committee has just come to the floor. He may have something to say about it now or at a future time.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

If the Senator will withhold, the Chair will point out that we are under a previous unanimous-consent agreement. The Senator from Alaska was to be recognized for 3 minutes and the Senator from Oklahoma for 5 minutes. The Senator from Arizona yielded to the majority leader to transact some business.

Mr. BYRD. Mr. President, the business has not been transacted.

Mr. President, I ask unanimous consent that the business that is being transacted proceed for not to exceed 5 minutes without prejudice to the distinguished Senator from New Hampshire or the distinguished Senator from Oklahoma, and that the morning business period be extended to accommodate these matters and, at the conclusion of the morning business, the Chair recess the Senate until 2 o'clock.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Kentucky.

Mr. FORD. Mr. President, I was not on the floor and I did not hear the distinguished Senator from Colorado explain the flap over the hold on the bills from the Rules Committee. I did not mention any names this morning when I made my little statement. Down in Kentucky we have a little saying that a bit dog always barks.

So I am here now and if the distinguished Senator wants to have a little colloquy with me I am more than delighted to have it. I have talked with him personally about channel 26.

He had no objections at that time and, in fact, he was very amenable to my request, and, in fact, made some comments where the Democrats and the Republicans might be able to join together at a later period of time.

Immediately after that, which would seem to me to have been a conversation that was affable and he seemed to understand, we left it with that, without any problems.

Immediately a hold went on all the bills from the Rules Committee, and apparently it was by the senior Senator from Colorado. So I am here now. If the Senator has any problems that he would like to discuss with me openly, I would be more than happy to do that and be more than happy to try to explain more than I have because that is all that transpired.

Mr. ARMSTRONG. Mr. President, if the Senator will yield.

Mr. FORD. I will be delighted to yield.

Mr. ARMSTRONG. I am happy to take a moment to do so.

Mr. President, let me say to my friend that I have already explained to the Senate and would restate again that the reason why I put a hold on several of these bills—and I do not know that I am the only Senator who did so, but I was one who did and have now released it—was to make the point gently and in a friendly way, without being unduly confrontational, that this is about a body which operates on a consensus for the most part and that there is the right of all Senators to participate including Senators on the minority side. And that it is not an attempt to start a big fight over this, but it is an attempt to raise the point that we think we have been mishandled a bit on this channel 26 issue. Now, I have released my hold on these several things. They have been held up 2 or 3 days. We probably could have held them a bit longer, maybe 2 or 3 weeks, maybe forever. It is not our desire to be obstructionist in the slightest, just our desire to make the point——

Mr. FORD. Will the Senator yield just a moment? Who is "our desire"?

Mr. ARMSTRONG. It is my desire.

Mr. FORD. Oh, OK.

Mr. ARMSTRONG. The desire of other Senators on the Republican side of the aisle to make the point that we would like to be treated a bit better on the channel 26 issue.

Now, the Senator is correct that he and I talked about this on the telephone, but he is not correct in stating that I agreed with the outcome. We had an affable conversation, and I have never known the Senator to be anything other than affable. And indeed, we are friends. Whether we are able to resolve the controversy over this or not, we are going to remain friends and that is as it should be. But I think it is a form of none-too-subtle censorship and a kind of procedure which I cannot willingly agree to.

Let me just tick off the facts. The facts are that we have the written permission——

Mr. FORD. Remember, we only have 5 minutes.

Mr. ARMSTRONG. Would the Senator like to do it another time?

Mr. FORD. No, let us go ahead and do as much as we can now.

Mr. ARMSTRONG. We have, and properly so, the authorization to put the notes, the floor information on this channel. All that is at issue is in one sense a fairly petty manner, the question of whether or not we may put as the background to the messages a picture of the floor. And I pointed out earlier, let me say to the chairman, that any cable television system in the country could do this. It is not against the law. It does not violate the rules of the Senate. Any person outside the Senate is at liberty to take the picture of the Senate and superimpose floor information on it provided that that is not information or notices of a political or partisan character.

Well, why is it important that we make an issue of this if, after all, it is not really a great national issue? In a sense it is petty, first because it is a more useful service if Senators can simultaneously see the floor information and see the picture. Second, it is an issue which we think is a fundamental first amendment question. Sometimes these issues present themselves in a dramatic way, sometimes in subtle ways, and this is, in my opinion, a more subtle way, but implicit in this is the question of whether or not we may control for ourselves that which we transmit over this channel. It is a free speech issue pure and simple.

So my hope—and I want to have this conversation be just as affable and just as friendly as our last discussion of it was—that as the Senator reflects upon and counsels with his colleagues on his side of the aisle, they will not choose to make an issue of this and we can easily just with a flip of a switch restore this service to its full usefulness.

I also think, by the way, that it would be well if the Democrats wanted to do the same thing. I hope he did not understand me to suggest that we do it together. I do not think that would be appropriate, but I do think it would be perfectly appropriate for the Democratic side to furnish similar kinds of floor information and in effect have competing services to the benefit of all.

Finally, Mr. President, let me point out we are talking only about an in-house, on-campus, TV signal. We are not talking about anything that goes out to the world, out to C-SPAN, out to the networks. We are just talking about what appears in the offices for the benefit of Senators and staffs and committees and we are just trying to be helpful.

The PRESIDING OFFICER. The Chair would remind Senators that the time set aside for the resolution of this particular matter has expired.

Mr. FORD. I might just say, I asked——

Mr. BYRD. Mr. President, I ask unanimous consent that there be 2 additional minutes.

Mr. FORD. I do not care. I just asked a question, and I reminded the Senator we had 5 minutes and he took it all, which is typical. We will fight this at a later date.

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate consider en bloc the four measures which have been cleared; that they be agreed to en bloc—I do not note any amendments to any of them—and that the motion to reconsider en bloc be laid on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I thank all Senators.

PAYMENT FOR TELECOMMUNICATIONS EQUIPMENT AND SERVICES

The bill (S. 1532) relating to the payment for telecommunications equipment and services furnished by the Sergeant at Arms and Doorkeeper of the Senate, was considered, ordered to be engrossed for a third reading, read the third time, and passed; as follows:

S. 1532

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DEFINITIONS

SECTION 1. As used in this Act, the term—

(1) "Sergeant at Arms" means the Sergeant at Arms and Doorkeeper of the United States Senate; and

(2) "user" means any Senator, Officer of the Senate, Committee, office, or entity provided telephone equipment and services by the Sergeant at Arms.

REGULATIONS; CERTIFICATION

SEC. 2. (a) Subject to such regulations as may hereafter be issued by the Committee on Rules and Administration of the Senate, the Sergeant at Arms shall have the authority, with respect to telephone equipment and services provided to any user on a reimbursable basis (including repair or replacement), solely for the purposes of this section, to make such certification as may be necessary to establish such services and equipment as official, issue invoices in conjunction therewith, and receive payment for such services and equipment by certification, voucher, or otherwise.

(b) For purposes of this Act, telephone equipment and services provided to any user for which payment, prior to the effective date of this Act, was not authorized from the contingent fund of the Senate shall, on and after such effective date, be considered telephone equipment and services provided on a reimbursable basis for which payment may be obtained from such fund in accordance with subsection (a) of this section.

(c) Subject to the approval of the Committee on Rules and Administration, the Sergeant at Arms may establish reasonable charges for telephone equipment and services provided to any user which may be in addition to that regularly authorized by the Committee.

(d) All moneys, derived from payments for telephone equipment and services provided from funds from the Appropriation Account within the contingent fund of the Senate for "Contingent Expenses, Sergeant at Arms and Doorkeeper of the Senate" under the line item for Telecommunications (including receipts from carriers and others for loss or damage to such services or equipment for which repair or replacement has been provided by the Sergeant at Arms), shall be deposited in and made a part of such Appropriation Account and under such line item, and shall be available for expenditure or obligation, or both, in like manner and subject to the same limitations as any other moneys in such account and under such line item.

(e) Nothing in this Act shall be construed as limiting or otherwise affecting the authority of the Committee on Rules and Administration of the Senate to classify or reclassify telephone equipment and services provided to any user as equipment or services for which reimbursement may or may not be required.

REPORT

SEC. 3. The Sergeant at Arms shall report to the Committee on Rules and Administration of the Senate, at such time or times, and in such form and manner, as the Committee may direct, on expenditures made, and revenues received, pursuant to this Act. It shall be the function of the Sergeant at Arms to advise the Committee, as soon as possible, of any dispute regarding payments to and from such Appropriation Account as related to the line item for Telecommunications, including any amounts due and unpaid by any user, if any such dispute has remained unresolved for a period of at least 60 days.

EFFECTIVE DATE

SEC. 4. This Act shall take effect on October 1, 1987.

REIMBURSEMENT OF EXPENSES PAID TO WITNESSES APPEARING BEFORE THE SENATE

The resolution (S. Res. 259) relating to the reimbursement of expenses paid to witnesses appearing before the

Senate, was considered, and agreed to; as follows:

S. RES. 259

Resolved, That witnesses appearing before the Senate or any of its committees may be authorized reimbursement for per diem expenses incurred for each day while traveling to and from the place of examination and for each day in attendance. Such reimbursement shall be made on an actual expense basis which shall not exceed the daily rate prescribed by the Committee on Rules and Administration, unless such limitation is specifically waived by such committee. A witness may also be authorized reimbursement of the actual and necessary transportation expenses incurred by the witness in traveling to and from the place of examination.

SEC. 2. (a) The provisions of this resolution shall be effective with respect to all witness expenses incurred on or after October 1, 1987.

(b) Senate Resolution 538, agreed to December 8, 1980, is repealed effective on October 1, 1987.

PRINTING OF A REVISED EDITION OF THE PAMPHLET ENTITLED "THE CONSTITUTION OF THE UNITED STATES OF AMERICA"

The concurrent resolution (H. Con. Res. 125) authorizing the printing of a revised edition of the pamphlet entitled "The Constitution of the United States of America," was considered and agreed to.

TRANSFER OF CERTAIN FEDERAL LANDS TO THE VETERANS' ADMINISTRATION

The Senate proceeded to consider the bill (S. 1194) to transfer jurisdiction over certain lands in Bernalillo County, NM, from the General Services Administration to the Veterans' Administration.

Mr. **DOMENICI.** Mr. President, S. 1194 will transfer a 5-acre tract of land in Albuquerque, NM from the General Services Administration [GSA] to the Veterans' Administration [VA]. The land will be used to provide much-needed parking at the Veterans Administration Medical Center in Albuquerque. I encourage all Senators to support this bill.

The tract that will be transferred by this bill was originally owned by the VA. In April 1974, the VA transferred the land to the State of New Mexico at no cost. The State of New Mexico intended to use the land as a highway corridor. The State subsequently modified its plans and decided not to use the parcel for a highway corridor. Last year, the State retransferred the tract at no cost to the GSA, the agency designated by law to receive property for the Federal Government.

In January 1986, the VA and the Air Force established a joint venture that will result in the relocation of the Kirtland AFB Hospital to the VA Medical Center. As part of this project, three new buildings need to be constructed.

The 5-acre parcel that this bill would transfer is urgently needed to provide parking for VA employees and patients. Construction on the new facilities is to begin around the end of this year. During the construction period, which will take many years, a good portion of existing parking on the VA campus will be lost to construction activity. The land is needed to overcome the anticipated parking shortage during construction and to provide sufficient long-term parking when the new facilities are in place.

The parking space shortage at the hospital is already critical, as a letter I recently received from Mrs. C.R. Canfield of Albuquerque demonstrates. In the letter, Mrs. Canfield related how frustrating it is to try to find a parking space when she takes her husband to the hospital.

Mr. President, listen to a portion of what Mrs. Canfield had to say:

> MAY 20, 1987.
>
> DEAR SENATOR DOMENICI: Yesterday I took my husband, Chester R. Canfield, a totally and permanently disabled veteran of World War II, to the new VA Hospital here in Albuquerque for an appointment in the General Medical Clinic.
>
> The parking situation is a real disgrace! He could not have kept his appointment if I hadn't taken him, because there is no way he could walk from where I had to park (out in the south parking lot for the old hospital building) back to GMC in the new hospital.
>
> In the parking area east of the hospital, I counted only 10 parking spaces for patients * * *.
>
> According to my count, the north parking lot has 28 parking spaces for the handicapped.
>
> We've no idea how many other spaces are in the north lot, but not enough! Every space was filled and the driving lanes were almost filled with people looking for places to park.
>
> Why * * * is there so little parking for the handicapped veteran patients?
>
> What makes the matters even more distressing is that the Kirtland A.F.B. Hospital patients will have to start using the VA Hospital one of these days, if they haven't already. That will mean thousands more, I'm sure, to vie for the precious parking spaces.
>
> My husband's blood pressure was 20 points higher at his appointment yesterday than it normally is at home. I wonder how many real health crises, such as heart attacks and strokes, are brought on veterans because of the upset, the frustration, the anger about not being able to park.
>
> There is hardly ever a time that I fail to take my husband for his VA appointments, but I can't always, and I'm sure there are many handicapped veterans who always have to go alone to their appointments at the VA Hospital.
>
> We and all other veterans who use this facility will greatly appreciate any help you can give to secure an improved parking situation for the veterans entitled to receive service at the VA Hospital here in Albuquerque.
>
> Very truly yours,
>
> MRS. C.R. CANFIELD.

Mr. President, the VA has requested that the GSA transfer the property back to the VA. Although the GSA is willing to do so, it is requesting that the VA pay $540,000 for the tract. The VA does not have the funds in its budget to pay for the land. The VA has inquired of OMB whether OMB would waive the payment for the land, but OMB has refused to do so.

Mr. President, this is a simple matter of transferring a small tract of land from one agency of the Federal Government to another. Fairness dictates that the transfer of the land back to the VA be done at no cost, as the VA originaly transferred it to the State of New Mexico at no cost. Furthermore, this transfer would cost the GSA nothing, since it received the land from the State for free. This transfer needs to be accomplished quickly because of impending construction. I hope that this measure will have the support of all the members of the Senate and that the Congress will enact it quickly.

Mr. **BINGAMAN.** Mr. President, I rise to urge my colleagues to support a measure of critical importance to all veterans and their families in my State. This legislation would transfer ownership of an important 5.081 acre parcel of land in Albuquerque to the Veterans Administration in order to help alleviate a serious parking shortage at the Veterans Administrative Medical Center [VAMC]. I introduced this measure on May 13 of this year with the distinguished senior Senator from New Mexico, Senator DOMENICI.

The parcel of land in question was at one time the property of the Albuquerque VAMC. In April of 1974, this land was transferred at no cost to the State of New Mexico. This conveyance was contingent upon its use as a highway corridor. However, the State laid aside plans to build a highway through the land. As a result, the VAMC has sought to reacquire the parcel given the State. At the VA's prompting, the State released this land to the General Services Administration [GSA] at no cost. The VA then requested ownership from GSA. Because GSA has placed a value of $540,000 on the land, the VAMC cannot realistically expect to acquire this land.

This bill would allow for the expeditious transfer of the land from GSA to the VA. The land is needed in the very near future by the VA to accommodate the parking shortage that is expected with the construction of new buildings for use by the VAMC and the Kirtland Air Force Base Hospital. Action must be taken now to provide long-term parking for the use of veterans and their families.

I am pleased that my colleagues on the Governmental Affairs Committee passed this bill without opposition on August 4. In light of parking problems that will arise at the VAMC without the completion of such a transfer, I believe it is important that the Senate address this matter promptly and I urge my colleagues to vote for this measure.

Thank you, Mr. President.

The bill was ordered to be engrossed for a third reading, read the third time, and passed; as follows:

S. 1194

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the real property described in subsection (b) shall be transferred without compensation or reimbursement from the control and jurisdiction of the General Services Administration to the control and jurisdiction of the Veterans' Administration.

(b) The real property referred to in subsection (a) is a tract of land located in the NW ¼ of Section 39, Township 10 North, Range 3 East, New Mexico Principal Meridian, consisting of 5.081 acres, more or less, in Bernalillo County, New Mexico, such property being that same property that—

(1) was formerly part of the Veterans' Administration Medical Center, Albuquerque, New Mexico;

(2) was transferred to the State of New Mexico at no cost for use as a highway corridor in 1974; and

(3) was subsequently retransferred by the State of New Mexico to the General Services Administation at no cost.

The PRESIDING OFFICER (Mr. ROCKEFELLER). The Senator from New Hampshire is recognized for 10 minutes.

Mr. HUMPHREY. Mr. President, I thank the Chair.

Mr. President, before I return to my remarks on the nomination of Judge Bork, I want to state my regret at what seemed to me to be a suggestion on the part of the Senator from Kentucky that the Senator from Colorado has somehow treated him unfairly in the colloquy that took place a moment ago. Surely, if a poll were conducted on both sides of the aisle few Senators would come out farther ahead than the Senator from Colorado in matters of fairness and graciousness and generosity. So I did not want the opportunity to pass by without stating that for the record.

BORK NOMINATION

Mr. HUMPHREY. Mr. President, the chairman of the Judiciary Committee, Senator BIDEN, addresed the body earlier this afternoon to further expound on his views with respect to the Bork nomination. He said afterwards in an exchange with this Senator—perhaps earlier as well; I was not here for the entire speech—that he has reached an agreement with the ranking member of the Judiciary Committee, Senator THURMOND, to commit to a date of October 1 to report out the Bork nomination, provided that preceding period is sufficient to accommodate all of the witnesses plus 1 additional day.

That is very good news, indeed, and I thank the chairman of the Judiciary Committee for that commitment. It does not erase, of course, the fact that by selecting September 15, on which date the hearings are to begin, the chairman has set a new modern times record for delaying the onset of such hearings. Research done by the Congressional Research Service shows that over the last quarter century, the modern era telecommunications, the average time between the receipt of the nomination papers by the Senate and the beginning of nomination hearings by the Judiciary Committee has been 17.6 days.

In this case, in the case of Bork, under the timetable set up by Senator BIDEN, it will be 70 days, some four times the average, almost twice the delay of the previous record, which was 42 days in the case of Justice Scalia.

I think that such a delay is unnecessary and is unfair to the President and the nominee. It is unfair to our judicial system because of the effect the delay will have on the Court when it begins its new term. It is quite possible that we may have some 4-4 decisions, and in those cases justice will be delayed, if not completely denied.

So I regret that September 15 remains as the date, but I am grateful to the chairman for expressing his commitment to report the nomination by October 1.

Maybe this is a sign that the dust is settling. Maybe this is a sign that the rhetorical dust that was thrown up in the heated, partisan pawing of the earth is beginning to settle. I hope so.

I believe that when we begin to focus on the facts and the dust settles and we can discern the facts, a majority of the Senate will see that the nominee is extraordinarily well qualified to serve on the Supreme Court. Indeed, if one were to design a hypothetical candidate for a person ideally suited to the Supreme Court, it would closely match the actual—not the hypothetical—career and accomplishments of Robert Bork.

He received his law degree from the University of Chicago Law School, one of the most prestigious in the Nation. He served with the highest distinction as a professor of law at Yale Law School, where he held two of the most distinguished chairs at that institution. His scholarly legal writings have been both prolific and profound, reflecting an appreciation and respect for our written Constitution that is exactly what we need on the Court.

Robert Bork served in the third highest post in the Justice Department, to which he was confirmed by the Senate—that is, the post of Solicitor General of the United States—from 1973 to 1977, where he served as the Justice Department's chief litigator before the U.S. Supreme Court. His performance in that capacity was exemplary in every respect and further provides him with invaluable knowledge and understanding of and respect for the high court as an institution.

Later, as Senators know—many of whom were here at the time—Robert Bork was nominated and confirmed unanimously by this body to the D.C. Circuit Court of Appeals, generally regarded as the second-most important court in the country, second only to the Supreme Court itself. I repeat: Judge Bork, who is now the object of so much criticism and vitriol, was unanimously confirmed by the Senate of the United States to the second-most important court in this country.

Surely, Senators, particularly those who, like this one, were here in 1982, are not about to retract the votes they cast that year, are not about to admit that in the discharge of their responsibilities in connection with that nomination, they were careless or guilty of malfeasance in casting their vote unanimously for this man to occupy the second-highest court in the country.

Let me say further, Mr. President, that Judge Bork's performance on the D.C. court has been outstanding and fully compatible with the sound principles of judging cases which he expressed in his confirmation hearings.

I mentioned the facts, as opposed to the hot political rhetoric. Here are the facts.

He served for 5 years in that second most important tribunal. He has authored over 100 majority opinions, not one of which has been reversed by the Supreme Court. Such a record would be inconceivable if, as alleged by his opponents, Judge Bork was an ideological extremist on the fringes of the judicial mainstream.

I point out, further, with regard to his service on the Circuit Court of Appeals for the District of Columbia, that he voted with Judge Scalia, when they both served together, 98 percent of the time. Ninety-eight percent of the time, these two judges voted alike.

So I say to the Senator from Delaware, using his own words, Bork looks a lot like Scalia.

The Senator from Delaware seemed to indicate today that he now, once more, has an open mind, if I correctly interpret him, although one gets the impression that he has done a number of pirouettes on this issue, and he might be the envy of Mikhail Baryshnikov. In any event, one hopes he still has an open mind and that after participating in the hearings, the Senator from Delaware will recognize and realize that in fact—as I have just made the point—Bork looks a lot like Scalia; so now let us have the other part of the agreement, which is that we hope the Senator will support Bork.

With regard to the irresponsible charges that Judge Bork is an ideological extremist, let me cite a source that styles himself as a liberal Democrat, Lloyd Cutler, former White House counsel to President Carter, one of the most respected and knowledgeable lawyers in the Nation, who directly refuted the charges, saying in an article in the New York Times of July 16:

> * * * Judge Bork is neither an ideologue nor an extreme right-winger, either in his judicial philosophy or in his personal position on current social issues. I base this assessment on a post-nomination review of Judge Bork's published articles and opinions, and on 20 years of personal association as a professional colleague or adversary. I make it as a liberal Democrat and as an advocate of civil rights before the Supreme Court.

Mr. President, this statement shows that the charges of ideological extremism raised against Judge Bork are nothing more or less than partisan political attacks.

I hope Senators will keep an open mind, as urged by the majority leader and the senior Senator from Arizona, both of whom are Democrats. The least we can expect is that Senators will keep an open mind until after the hearings and until the nominee has has a chance to utter at least a few words in his own defense, in the setting of committee hearings.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BOREN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ATTACK ON SENATOR METZENBAUM

Mr. BOREN. Mr. President, a few days ago, I read reports in the press about the attack that had been made on one of our colleagues, the Senator from Ohio [Mr. METZENBAUM]. According to these press reports, which were later discussed on the Senate floor, plans were being made to try to portray Senator METZENBAUM, for purely political reasons, as a person in sympathy with Communist causes.

Mr. President, while I was tied up in committee meetings, the discussion occurred on the Senate floor, and I did not want to let the matter pass without making some comments for the record about how I feel about these kinds of allegations and that kind of politics.

These kinds of distortions have absolutely no place in American politics. These kinds of attempts to assassinate the character of any public official deserve to be roundly repudiated, not only by every Member of the Senate but also by the American people.

It is well known that Senator METZENBAUM and I have had many heated debates on the Senate floor. Just a few weeks ago, we engaged in a debate on the plant closing policy. We were on opposed sides.

Time and time again, perhaps, I have had more debates with Senator METZENBAUM on the floor of the Senate than with any other Senator, especially with regard to energy policy. It is an understanding to say that we do not agree when it comes to matters pertaining to energy policy and several other issues. No one can accuse this Senator of being one who would try to apologize for Senator METZENBAUM or his behavior because we are always in agreement. It is well known that we have had honest differences of opinion.

Let me say this: As chairman of the Intelligence Committee, I have the privilege of serving with Senator METZENBAUM on that committee. His patriotism and his devotion to his country are daily demonstrated in his service on that committee. He keeps the secrets. He conducts himself in a manner always consistent with what he sincerely believes is in the best interests of the United States of America. He never hesitates to support those programs vital to our national security, which he believes will help enhance the strength of the United States of America and our ability to meet the threat from those who stand against us, including those in the Communist bloc.

And I simply could not let the matters pass having served as a colleague on the Intelligence Committee with Senator METZENBAUM, and having observed his diligence, his patriotism, his commitment to this country, his desire to see everything done to protect its security against those in the Communist bloc and others, without raising my voice to condemn those who have made these false and despicable charges against the patriotism of a very fine man, an able public servant.

It is a part of our system that we will sometimes disagree. It is a part of our system, an appropriate part of our system as Senator METZENBAUM and I have engaged in days and days and hours of debate on those issues about which we have a differences of opinion.

I would fight to the last, as has been said many times by others in history, for the right of those who happen to disagree with me to hold their views and to express their views and to act upon them.

That is what this country is all about. That is the freedom that this Constitution reserves to us.

No one should impugn the motives and integrity of anyone else simply because he happens to disagree with you on the issues.

So, Mr. President, I am pleased to have had this opportunity to make these comments, and I have great respect for Senator METZENBAUM as a human being and I have great respect for his patriotism.

BIPARTISAN CONSENSUS

Mr. BOREN. Mr. President, I would like to say one other word. There have been discussions over the past several days again commenting upon in the press yesterday. Efforts are under way to try to forge a bipartisan consensus in some of the critical areas of foreign policy, especially the area of Central America policy.

Mr. President, I commend leaders on both sides of the aisle for trying to make that effort. If there is any war that needs to be ended it is the war between the two ends of Pennsylvania Avenue.

We in the Congress and those in the executive branch work for the same people and the same cause.

I have read reports and I know from personal conversations as Speaker JIM WRIGHT, the Speaker of the House from Texas, is endeavoring to take lead in these matters.

Mr. President, our country has never been served better than in the days in which President Dwight Eisenhower, Republican, and Speaker Sam Rayburn, another Texas Democrat, worked together, met together, consulted together so that we could forge bipartisanship in foreign policy.

When they spoke to the world, they spoke to the world as America speaking, not as Democrats and not as Republicans, not the executive branch and not the legislative branch.

Mr. President, when I heard about these initiatives, and when I heard about what Speaker WRIGHT was trying to do to open consultation and cooperation between the two branches of Government, I wanted to publicly say that I salute his courage, I salute what he is trying to do for the sake of this country. As Sam Rayburn often said and Harry Truman often said if you want to be a good Democrat, you must first be a good American.

That should be true about the membership in either of our two great political parties.

Speaker WRIGHT is acting in that tradition. All Americans without regard to party should hope and pray that he will succeed in rebuilding that kind of trust and forging that kind of bipartisan coalition so necessary to our national interest.

Since I have been a Member of this Congress I have rarely seen initiatives that I think held more promise. I have rarely seen more courageous action by any individual that I have seen from Speaker WRIGHT. I salute him. I wish him well. I make it clear that as one

Senator his aims are my aims. The spirit in which he has conducted himself is the spirit in which I profoundly believe. I am very, very proud to be a member of a political party that is providing the kind of leadership that Speaker WRIGHT is now trying to provide not for the sake of a party, not even for the sake of an institution, but for the sake of the United States of America, and his action should be applauded by all of us.

RECESS UNTIL 2 P.M.

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 2 p.m. today.

Thereupon, the Senate, at 12:27 p.m. recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. DIXON).

RECESS UNTIL 2:15 P.M.

The PRESIDING OFFICER. Without objection, the Senate will stand in recess for 15 minutes.

There being no objection, the Senate, at 2 p.m., recessed until 2:15 p.m.; whereupon, the Senate reassembeld when called to order by the Presiding Officer (Mr. DIXON).

The PRESIDING OFFICER. The Chair, in his capacity as a Senator from Illinois, suggests the absence of a quorum.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that there be a resumption of morning business, for not to exceed 15 minutes, and that Senators may be permitted to speak therein for not to exceed 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Florida is recognized.

Mr. GRAHAM. Mr. President, I appreciate the courtesy of the majority leader.

BORDER PROTECTION ON THE MIAMI RIVER

Mr. GRAHAM. Mr. President, we are faced today with a volatile and worsening political situation in the Persian Gulf, the lastest technology in military hardware was ineffective against sheer determination and an outdated mining operation.

We positioned all of our most sophisticated resources, all of our futuristic high technology defense mechanisms, and we ignored a basic threat so unglamorous, so unimaginative, so common that it penetrated our rhetoric, our shield of defense and the hull of the ship we were trying to protect.

Our inadvertent poor judgment in the Persian Gulf is the mirror image of a problem we have much closer to home.

We have tried to throw advanced technology and lofty rhetoric at the serious and often tragic problem of smuggling. In south Florida, we are once again ignoring history and the simple reality of unsophisticated and relentless smuggling operations.

The Miami River runs for 6 miles through the heart of the city and gives it its name. The Miami River is a working river—but what works on that river today includes rusting freighters with holds crammed with illegal aliens who slip ashore and meld into the city before the boats are docked.

Drug cargoes are even more profitable and easier to conceal than human cargoes. The illegal cargo which sails up to our docks with such frequency and impunity does so under the very windows of the U.S. Customs Headquarters in Miami which sits almost at the mouth of the river.

What works along the Miami River are slick speedboats and luxurious yachts and island freighters which dump loads of marijuana and cocaine and other illegal drugs on our shores and in our cities across this Nation. What comes to us daily and nightly along the Miami River is devastating, is destructive, is deadly.

A recent article in the July 27 Miami Herald claimed at least 100 Caribbean island freighters dock along the Miami River each month. The article quotes a Miami official's estimate that 500 to 600 illegal aliens are smuggled aboard these ships and that 98 percent of them are never caught. The article goes on to say:

> . . . while the Miami River doesn't show on maps as part of the Nation's southern boundary, the river, nonetheless, has become part of the U.S. border.

And the New York Times picked up the story on August 1 with this quote:

> Last week local and Federal law-enforcement officials conceded that the smuggling of drugs, illegal aliens and controlled argicultural products and animals was rampant along the river because little attention was paid to the small island vessels that were allowed to slip into port without a pilot aboard. This diclosure, in face of the millions spent to intercept drug shipments at sea, prompted consideration of a 24-hour interagency checkpoint at the mouth of the river to cut the smuggling.

The Miami River is a symbol of what may well occur elsewhere in many of our coastal cities. As can be demonstrated in the case of the Miami River, the problem can go unheeded by the responsible Federal agencies for an unacceptably long time.

It is shameful that smugglers operate unabashedly and in plain sight and that no organized effort is made to stop them.

We can cut off their access. We can close that river to illegal smuggling. We can do a better job of protecting our borders. We can stop talking and start cleaning up a mess which has grown to alarming proportions through sheer neglect.

America needs common sense, diligent, everyday surveillance of the traditional and brazen smuggling which pollutes the Miami River and, doubtless, many other bays and rivers along our borders.

The beginning of common sense is the proper definition of the threat. The threat is the carrier—not the cargo. While the cargo may be illegal drugs, illegal refugees or nonpermitted agricultural products, those are merely manifestations.

The problem—the reality—is that the United States of America has lost control of its borders. The Miami River illustrates that as a nation, we stand vulnerable to the most primitive of sea and air carriers. Thus, we are subject to the consequences of whatever cargo those carriers may transport.

We cannot afford to be mesmerized by the glitter of high technology to the point where we are blinded to the mundane incursions which do as much damage as more daring and expensive smuggling operations.

U.S. Customs, as the Federal agency with primary responsibility, must start tracking and controlling what comes into our country through this southern border.

Federal agencies, in cooperation with the State and municipalities, must establish a single control point and staff it to provide 24-hour surveillance.

Rivers, bays, harbors and other bodies of water should be surveyed by the responsible Federal agencies to determine whether or not they are being adequately protected from illicit activity.

Although its geography makes the Miami River especially vulnerable,—there is no reason to believe it is more unique than other areas of this country.

Mr. President, the defense of our borders is not primarily a role for civilian law enforcement.

We need a commitment of military resources to combat the constant penetration of our borders by unauthorized vessels, aircraft and criminals profiting from human misery.

We need that high technology to secure our national borders and to underscore our national sovereignty.

We need all of our defense resources to tighten up our dangerously porous borders. We may need to lay complicated strategies and appropriate funds and materiel for our most sweeping border defense. But we can certainly address the disproportionately dirty traffic on one river with an immediate and direct, hands-on approach.

Our commitment to protecting our borders must use every kind of resource available to be effective. Every kind of resource—even the basic American stockpile of simple common sense.

Mr. President, I ask unanimous consent to have printed in the RECORD two newspaper articles referred to in my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, Aug. 1, 1987]

MIAMI'S 6-MILE RIVER: POLLUTION, ALIENS AND DRUGS

(By Jon Nordheimer)

MIAMI, July 31.—In the days when he was a Miami homicide detective, Bill Bonner lived life in the fast lane. Now the traffic that flows past him rarely gets above five knots. But it is seldom boring.

Mr. Bonner, retired for 13 years, lives aboard a creaky 62-foot fishing schooner tied alongside a rusting bulk-head on the Miami River, the six-mile-long waterway that is a stage for some of Miami's most offbeat moments.

"It get exciting out here," Mr. Bonner, a Jersey City native, said about the river that Miamians either love or hate. After the sun sets, the river, takes on shadings of a modern-day Barbary Coast. The riverfront cuts through the heart of the city.

Drug smugglers in sharklike boats drop bundles of cocaine to henchmen posted on river banks where sidewalks end and cars with running engines are parked. Shallow-draft foreign-flag cargo vessels dock and before the last lines are secured, a half-dozen aliens jump ship and melt into the darkness. Voodoo priests lead acolytes to the water's edge and sacrifice live animals.

STRANGE FORMS OF POLLUTION

"I yell at anyone who throws a beer can in the water, but what can you do when headless chickens and goats come floating by?" Mr. Bonner asks from his perch with a smile producing a weatherbeaten crinkle on his face.

This summer calls were renewed for a cleaning-up of the river. Last year a step in that direction was taken. Red tape was cut and more than 100 derelict vessels were towed out of the river where they had sat like barnacled corpses lining the banks. Most had been seized by the authorities for transporting drugs.

Last week local and Federal law-enforcement officials conceded that the smuggling of drugs, illegal aliens and controlled agricultural products and animals was rampant along the river because little attention was paid to the small island vessels that were allowed to slip into port without a pilot abroad. This disclosure, in face of the millions spent to intercept drug shipments at sea, prompted consideration of a 24-hour interagency checkpoint at the mouth of the river to cut the smuggling.

Unlike most metropolitan areas that recognize the esthetic and marketable value of riverside development, Miami has always treated the river, a ribbon of water that flows from Miami Inter-national Airport into Biscayne Bay downtown with little respect, even disdain. Perhaps the existence of so many splendid natural bays and ocean beaches devalued a narrow tidal river that springs in the middle of the city from a saltwater intrusion dam, barely a ditch at that point.

LONG HISTORY OF POLLUTION

The river has been polluted since the early developers of the city dumped raw sewage into it. Now, every day, industrial boatyards, fuel docks, scrap iron yards and a hash of small eyesore worksheds add to the pollution of the water and a riverbed that has not been dredged for half a century.

"If you dug up the sediment and touched a match to it, it would burn," said Robert Parks, with a dry rattle of exasperation in his throat.

Mr. Parks is chairman of the Miami River Coordinating Committee, a quasi-official group appointed by the governor to recommend ways to raise the river from its present low status level and point the way to future enhancement.

Those who see charm in the workaday world of the river, the paint-laden smell of the boat sheds and the decaying charm of faded bungalows on the side canals that branch off it mutter darkly that progress means gentrification, trendy riverside cafes with expense account customers and limited access to the public. They see an end to use of the river as a colorful port for the rust bucket tramp freighters, some as long as 200 feet, that squeeze down it headed for Caribbean Islands laden with foodstuffs, machine parts, clothes and just about anything that can be lashed down on their decks.

Mr. Parks would settle for just elimination of the eyesores that blot the image of the river. Along the eroded banks, in the shadow of the downtown financial district, is an open-air electrical transmission substation covering acres with an steel arbor of high voltage lines, a sewerage pump house, ramshackle sheds and time-stained machine shops and garages.

"There is no political or civic pressure to clean up the river," Mr. Parks said in a two-hour tour of the river the other day aboard a city marine patrol boat. "Where we haven't made a dent is with the influential downtown power people. They are all concerned about the city's image, but for some strange reason they ignore the fact that the river is like an open sewer running through the middle of the city."

Cruising past a shoreline lined with tramp freighters bearing registration of island nations like Haiti, the Bahamas and the Cayman Islands, Mr. Parks said that now that the derelict drug vessels have been removed from the river, the next big project for his committee was to better regulate illegal shipping on the river.

"Traffic has really picked up since the change of governments in Haiti last year," he said, Pausing, he pointed at a 45-foot-long Haitian boat, flecked with dull orange rust, its upper deck crowded with bicycles covered by a flapping canvas. "See that boat," he said. "That's every kid's bike in Miami." On spot checks the police have found some Haitian boat captains doing a brisk business in transporting stolen bicycles to Port-au-Prince.

Mr. Parks says some of the island freighters have no refrigeration and carry live animals, such as chickens, for food, which represented an unregulated threat of disease to the domestic poultry industry if they flew ashore.

FLOWERING PAST RECALLED

Several parks abut on the river, greenswards that recalled a past, early in this century, when the best pioneer homes were built on the river and tall trees like royal palms and mahogany and royal poinciana shaded the water's edge and flowering shrubs like bougainvillea climbed garden walls in dappled yellow and red patterns.

The waterfront is still colorful but the hues are industrial: bright metallic paints glisten on ships slashed with rust and docking scars, sports fishing craft still smelling of fresh Fiberglas coming out of a boatworks like Bertram Yachts on the river near the airport, and the scruffy animals and people who make their way to the river's edge, purposefully or mindlessly, or find themselves on the 12 drawbridges that cross the river and still bring street traffic to a halt numerous times a day when they open for boat traffic.

"Things are slowly cleaning up," said Tommy Sykes, a Miami resident for 40 years who now operates a modest restaurant, The Big Fish, one of the few situated at the river. Environmental laws have helped remove some of the toxic lead, cadmium and mercury from the water, he said, inducing some live crabs and fish to return to the oil-streaked waters for the first time in memory, "Not that you would want to eat them," Mr. Sykes remarked as an afterthought.

[From the Miami Herald, July 19, 1987]

AMERICA'S OTHER BORDER

(By Russell Splane)

It's nearly 2 a.m. and most of the city is asleep.

A faint sound breaks the stillness of the Miami River, the muffled throb of a diesel engine in an approaching boat.

The bridge tender can read the name of the trawler as it slips through the opened 27th Avenue bridge: Marie Celeste, a 54-foot freighter from Cap Haitien, Haiti. That's not necessarily the boat's name, but it will do for this report.

A short distance upstream the trawler nudges into a berth at one of the 14 freight terminals that now line the river. With the boat secured, a familiar ritual unfolds.

Six men (it could be eight, or 10—even more) silently step ashore and make their way to waiting cars behind the dock. Each man carries a suitcase or bag tightly packed with his belongings. Headlights flick on and the cars move off into the darkness. Shortly the new arrivals will be enjoying an emotion-filled reunion with friends or relatives in Miami's "Little Haiti" community.

Is this the moody opening of a Federico Feilini film? Or maybe a segment from Miami Vice? The Marie Celeste may be hypothetical but it's not fictitious. Dozens of similar boats each month make night-time forays up the Miami River, delivering a steady stream of illegal immigrants that U.S. authorities seem powerless to stop. The most frequently cited reason: lack of manpower.

The nation, it would appear, no longer can afford to protect its borders against unlawful entry.

What does all this portend for Miami? Is it a new Mariel boatlift with a Haitian twist?

Nobody knows for sure how often this nightly Miami River drama is re-enacted. Bridge records show an average of 60 Haitian boats a month pass through the Brickell Avenue span on their way up the river.

Nearly all arrive during the hours of darkness.

Bridge tenders' logs also show another 40 or so boats from other Third World countries in the Caribbean Basin enter the river each month. A good portion of these other vessels, particularly those flying the Honduran flag, are Haitian-owned.

How many of these 100 or so arriving boats each month carry a cargo of illegal aliens like those who slipped off the Marie Celeste?

"Ninety-eight percent of them," says Leon Jennings of Miami's Haitian Migrant Interdiction Operation (HMIO). He says the number of lawless immigrants stepping ashore from these boats along the Miami River reaches a minimum of 500 to 600 a month!

"It could go up," he adds, "to a thousand or more—I don't know!"

Whatever the figure, the result is that while the Miami River doesn't show on maps as part of the nation's southern boundary, the river nonetheless has become, in effect, part of the U.S. border.

It's not quite like the Rio Grande, where Mexicans regularly wade across shallow stretches of the river to begin a new, and illegal, life in the United States. Illegals here seldom get their feet wet. But the Miami River in its own way has become as much a conduit for undocumented aliens as the Rio Grande.

Some of these new arrivals get caught and are hauled off to the Krome Avenue detention center. If, after a hearing, they're ordered excluded and returned home. Those who are not caught are free to move about the city where they compete for jobs with Miami's legitimate work force.

The Haitian interdiction program, which began in 1981, was set up to halt this illegal traffic by stopping the smugglers before they reach Miami. But Leon Jennings, who is the Immigration and Naturalization Service's representative at HMIO, says the operation is "getting less than 10 percent" of the vessels engaged in this illicit commerce. One reason: The Coast Guard normally can spare only one cutter for this interdiction effort.

"We're able to stop and check only eight or 10 boats a week," Jennings says, "and almost every one we board is carrying illegal aliens." Most are transported in the guise of "excessive crew members," as HMIO labels them. If intercepted at sea—in the small fraction of boats actually stopped—the would-be immigrants are returned to Haiti.

The "excessive crew member" dodge is the device many of these small boats employ to facilitate their transport of human cargo. The majority of boats engaged in this illicit commerce are small—under 100 feet and drawing less than seven feet of water. A crew of four is normally adequate. But ship captains, eager to cash in on a lucrative trade that nets them $2,500 to $3,000 for each person transported, simply sign on their illegal passengers as additional crewmen.

Shipping agents along the Miami River say many Haitian boats arrive with two sets of papers provided by cooperative Haitian port officials. One document is a manifest that lists the names, usually four, of the legitimate crew—captain, pilot, engineer and seaman.

The second manifest (same boat, same port, same date) may show a crew of as many as 12 or 14—the original four, plus eight or 10 others listed in such diverse categories as seamen, assistant engineers, cooks, etc.

If the boat is stopped for inspection before reaching Miami, the skipper produces the long manifest, accounting for every man on board as a crew member.

If he is boarded while leaving Miami (an unlikely eventuality), he shows the short version and says (in those rare instances where he can speak English), "See, monsieur—I arrived with four and I'm leaving with the same number."

How can a Haitian, living in the hemisphere's most impoverished land, come up with $2,500 or more to pay for his illicit passage to Miami? The answer is, he doesn't. The payment usually is made at this end.

Earlier immigrants who've found jobs in Miami soon set aside enough to pay for the passage of a close friend or relative still in Haiti, or perhaps waiting in the Bahamas. The deal is struck, and payment made, to a willing Haitian captain in Miami. On a dark night a few weeks later, the requested immigrant steps ashore in Miami—and the skipper goes back to Haiti, or the Bahamas, for more.

Not all of these nocturnal arrivals debark at a terminal as they did from the Marie Celeste. Boats plying this shady trade tie up wherever a handy spot appears on the river bank. Others "raft up" alongside other Haitian vessels already moored. Brickell Avenue observers recently saw a boat stop and let eight or 10 people jump off at the DuPont Plaza Hotel!

How do they get away with it?

A combination of antiquated U.S. laws and an understaffed corps of enforcement agents makes the task easy. Also helping is a Florida law that says that boats drawing less than seven feet of water are not required to have a licensed pilot aboard when entering a Florida port. Shallow-draft Haitian boats take advantage of this law to come up the river unescorted.

Mr. BYRD. Mr. President, How long does the distinguished Senator wish to speak?

Mr. SYMMS. Five minutes.

Mr. BYRD. Mr. President, I ask unanimous consent that upon the conclusion of the remarks by the distinguished Senator from Idaho for not to exceed 10 minutes, that the Senate return to the unfinished business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. We just cannot go on and on all day on morning business. This is a great speaking forum and Senators have the right to make speeches. We do need to go on with the business. At that time I hope to query the distinguished Republican leader as to whether or not clearance has been gotten on the Republican side of the aisle to take up the catastrophic illness legislation.

I yield the floor.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. SYMMS. Mr. President, I thank the majority leader for the time and I thank the indulgence of the distinguished Presiding Officer.

THE UNITED STATES IS LINING THE POCKETS OF THE SOVIETS AT THE EXPENSE OF OUR NATIONAL SECURITY

Mr. SYMMS. Mr. President, what I want to discuss today is a rhetorical question that I pose to my colleagues in the Senate: Is the United States lining the pockets of the Soviet Union at the expense of our own national security in the name of South Africa-bashing? I just ask that as a rhetorical question, and I would like to call to the attention of my colleagues the August 3 edition of Barron's weekly financial newspaper where Shirley Hobbs Scheibla wrote what I believe to be an excellent article that should be read by all Senators and all Americans, and the title of it is "Anti-Apartheid or Pro-Soviet? [South African] Sanctions Raise U.S. Dependence on U.S.S.R. for Strategic Minerals."

In the article, Mrs. Scheibla goes into great detail on the amount and use of the strategic minerals currently being imported into the United States originating from Communist block countries. I concur with the writer that these statistics are absolutely mind boggling and staggering to what is really taking place.

By overriding the President's veto of the Comprehensive Anti-Apartheid Act, Congress inadvertantly allowed the United States to become trading partners with our main adversaries, the Soviet Union and other Communist bloc countries, for many of our strategic minerals. However, this can and should be stopped, and it can be stopped under the law that is now on the books.

Included in the Anti-Apartheid Act is my provision, section 502, which states that:

> The President may lift any prohibition contained in this act imposed against South Africa if the President determines * * * that such prohibition would increase United States dependence upon any member country or observer country of the Council for Mutual Economic Assistance (C.M.E.A.) for the importation of coal or any strategic and critical material by an amount which exceeds by weight the average amounts of such imports from such country during the period 1981 through 1985.

The Department of Commerce, as required under section 502(b)(1) of the act, has prepared several reports:

> Setting forth for each country * * * (A) the average amount of imports from such country during the period of 1981 through 1985; and (B) the current amount of such imports from such country entering the United States.

I have monitored these reports and find the metal trade between the United States and Communist countries has increased dramatically and continues to grow. Moreover, the reports show that the increase in trade directly coincides with the passage of the Anti-Apartheid Act.

Now Congress has ambitions and in my view this was blind ambition to try to improve the human rights situation in South Africa. I fault none of my colleagues for that motive. It is a highly noble motive. But oftentimes, as I have said on this floor before, the highways to hell are paved with good intentions. The distinguished Presiding Officer recalls that from an earlier debate that we had where I used that illustration. This is exactly my view of what happened with respect to the Anti-Apartheid Act. We have successfully become dependent upon the Soviets and their puppet nations for the importation of many minerals and materials that are vital to our national security.

I ask my colleagues these questions: Who has benefited from the imposition of sanctions? Who have we helped? Certainly it is not the blacks in South Africa, whom the legislation was intended to help. Many black South Africans have lost their jobs because of United States business disinvestment.

The people we have assisted are the Communist dictators, the ones with the slave camps. The United States, through the imposition of sanctions on South Africa, has helped the Soviets earn hard currency so they can expand their war machine. They are currently enjoying windfall profits in the metal trading business.

Do we really want to depend on the Soviets for our strategic minerals and materials? I do not believe there is a Senator in this body that does. However, through passage of the South African sanctions, that is exactly what we have done.

Mr. President, at this time I ask unanimous consent that the text of Barron's article be printed in the Record following my remarks.

I believe the time to act on this is now. Currently, the Department of State has not pursued any action in his matter. The Secretary of State, George Shultz, and his assistant, Chester Crocker, must open their eyes to this travesty. The United States is watching silently as the Soviet's quest for world domination becomes a reality.

Mr. President, the Reagan doctrine, which was put into effect in 1981, was a doctrine that simply states that the U.S. policy is no longer one of containment but it is one of rolling back the borders of communism and expanding the frontiers of freedom so that more people can have an opportunity for a better life on this Earth. If the President believes that somehow he can sit in 1600 Pennsylvania Avenue and not direct his State Department to follow up with the law that is on the books and go after this point that we are now importing more products from the CMEA countries than we were before the imposition of this law, and let it pass idly, the Reagan doctrine will never become a reality.

I think he should be credited for having come up with the idea of the Reagan doctrine, but I think that it does a great disservice to the President to have his own State Department run for cover every time that they have an opportunity to expand the frontiers of freedom. They run for cover and they want to act like the problem does not take place.

I urge my colleagues to study the article and review the Department of Commerce reports on the matter and I praise the Commerce Department and people in the Commerce Department who have been monitoring this and keeping track of it for this country.

I will just cite one very glaring example:

> The statistics are jolting. For instance, U.S. imports of chrome ore from the Soviets surged to a whopping 6,440 gross tons per month on average for the 6 months ended March 31, compared with a mere 479 gross tons on average during the legislatively designated base period, 1981 through 1985.

I have no idea how much foreign exchange that is, but it is hard currency that goes from the hands, hearts and souls of hard-working, freedom-loving Americans into the coffers of the murdering dictators of the Soviet Union. They will say anything, whether it is truth or falsehood, in order to achieve their goals. Their goals are world domination. One of those goals is to take over the treasure house of Africa's minerals. The other goal is to take over the treasure house of the Persian Gulf oil resources so they can strangle the Western industries and economies and then have a stronger position themselves in the world.

So I would urge my colleagues to take heed of this and then, those that voted for the law should at least have the privilege of knowing that there was an amendment in the bill and I cite it again. Public Law 99-440, section 502(a)—this was the Symms amendment which states:

> Notwithstanding any other provision of this Act, the President may lift any prohibition contained in this Act imposed against South Africa if the President determines, after six months from the date of the imposition of such prohibition, and so reports to Congress, that such prohibition would increase United States dependence upon any member country or observer country of the Council for Mutual Economic Assistance (C.M.E.A.) for the importation of coal or any strategic and critical material by an amount which exceeds by weight the average amounts of such imports from such country during the period 1981 through 1985.
>
> (b)(1) Not later than 30 days after the date of enactment of this Act, the Secretary of Commerce shall prepare and transmit to the Congress a report setting forth for each country described in subsection (a)—
>
> (A) the average amount of such imports from such country during the period of 1981 through 1985; and
>
> (B) the current amount of such imports from such country entering the United States.
>
> (2) Thirty days after transmittal of the report required by paragraph (1) and every thirty days thereafter, the President shall prepare and transmit the information described in paragraph (1)(B).

The PRESIDING OFFICER. The Chair regrets to advise the distinguished Senator from Idaho that his time has expired.

Mr. SYMMS. I thank the distinguished Presiding Officer and I will either suggest a quorum call or yield the floor.

There being no objection, the article was ordered to be printed in the Record, as follows:

ANTI-APARTHEID OR PRO-SOVIET?

SANCTIONS RAISE U.S. DEPENDENCE ON U.S.S.R. FOR STRATEGIC MINERALS

Washington.—Among other things, the Comprehensive Anti-Apartheid Act, which Congress overrode a Presidential veto to pass last October, prohibits U.S. imports of any "article from any firm connected in any way with the South African government. The law also threatens to prohibit currently legal imports of strategic minerals from South Africa one year after passage, if "significant" progress hasn't been made in establishing a nonracial democracy. While few lawmakers (and almost none of their constituents) seem to realize it, such provisions already have succeeded in sharply curtailing the flow of strategic and critical materials from South Africa. At the same time, they have made the U.S. increasingly—some say alarmingly—dependent for such imports on the Soviet Union and its satellites.

The statistics are jolting. For instance, U.S. imports of chrome ore from the Soviets surged to a whopping 6,440 gross tons per month on average for the six months ended March 31, compared with a mere 479 gross tons on average during the legislatively designated base period, 1981 through 1985. Chrome, of course, is essential to the manufacture of stainless steel and superalloys; hence, it is vitally important in the aerospace, chemical, defense, power-generation and transportation industries. And the U.S. is heavily dependent upon imports to meet its needs. Small wonder then that upon passage of the Anti-Apartheid Act, the Soviet Union, the world's second largest source of chrome, started developing a new mine with annual capacity of two million tons.

And chrome is only part of the shocking story. Imports of antimony from Russia have risen to 98 times the total in the base period. The U.S. also lacks adequate domestic sources of antimony, which is essential for such items as bullets, computers, radar and sonar. Anticipating the new demand, Russia also is rapidly expanding production of antimony in the Soviet Central Asian republics of Kirgiziya and Tadzhikistan.

The list goes on—more Soviet ferrosilicon manganese, industrial diamonds, rhodium, platinum and silver bullion, all critical materials. Strategic imports also are up from Soviet block countries. Ferrosilicon and ferrosilicon manganese are essential for alloyed and specialty steels used to make hull plates for Navy ships and in the bodies of military vehicles and tanks. Under the first six months of the law, monthly imports of Soviet ferrosilicon averaged 2,814,527 gross pounds, compared with 692,970 for the 1981-85 average.

Again, monthly imports of ferrosilicon manganese from Yugoslavia averaged 3,270,157 gross pounds, against the base of 2,168,352. Imports of industrial diamonds from Russia were up 100 times the base average; platinum bars and plates, up five times; rhodium up three and a half times and zinc up four and a half times. Six different categories of Yugoslav aluminum imports rose.

The law says that the President may lift any of its provisions if he determines after six months that it is causing increased U.S. dependence on Soviet and Soviet-bloc countries for strategic and critical materials and reports his finding to Congress. Even though the newly compiled figures are so startling, President Reagan has no plans to do so. The reason is painfully clear. In the current climate of opinion, Congress and the media would go for his throat.

To its credit, the Commerce Department has carried out the act's mandate to give monthly reports to Congress on growing U.S. vulnerability to the Soviets or Soviet-dominated countries in terms of strategic and critical materials. But nobody on Capitol Hill seems to be paying the slightest heed.

Queried about this, Secretary of the Interior Donald P. Hodel, who also serves as chairman of the National Critical Materials Council, replied, "I don't have the answer. If you ask somebody should we buy a major component of a weapons system from the Soviet Union, they would say. 'Of course not; that's crazy.' Then should we buy the raw material that is necessary to make that weapons system from the Soviet Union? Of course not. Because of the sanctions against South Africa, we are increasingly dependent on the Soviets and Soviet-bloc countries for raw materials that are essential to the defense establishment, at the very least."

To make matters worse, the House Foreign Affairs Africa Subcommittee plans hearings this fall on HR 1580, a bill by Rep. Ronald V. Dellums, California Democrat. It would repeal the Anti-Apartheid Act and substitute a much more drastic measure. Among other things, it would ban imports of any mineral from South Africa essential for military uses unless the President certifies to Congress that domestic supplies are inadequate and "substitutes for such minerals are not available." It says nothing about importing from Communist countries. Moreover, it does away with the requirement to report to Congress on such imports.

HR 1580 also would get rid of a little-noticed part of the Anti-Apartheid Act, which states: "The United States . . . recognizes that some of the organizations fighting apartheid have become infiltrated by Communists and that Communists serve on the governing boards of such organizations."

Incredible as it may seem, during the last Congress, the House passed the Dellums bill. The only change in the current version is an addition which would prohibit any form of cooperation, direct or indirect, with the government of South Africa by U.S. military or intelligence agencies. HR 1580 has 53 co-sponsors, including Rep. Peter W. Rodino, Jr., a New Jersey Democrat and chairman of the House Judiciary Committee.

Sen. Alan Cranston, a California Democrat, has introduced S. 556, a nearly identical measure, on behalf of himself and Democratic Senators Ted Kennedy of Massachusetts and Carl Levin of Michigan. It differs from the Dellums bill only by deleting authorization for the President "to limit the importation into the U.S. of any product or service of a foreign country to the extent to which such foreign country benefits from, or otherwise takes commercial advantage of, any prohibition imposed by or under this Act." S. 556 now is pending before the Senate Foreign Relations Committee.

Meanwhile, ostensibly because the findings of the Anti-Apartheid Act for the first six months may be criticized as seasonal, the Administration is planning to continue the monthly reports for a full year. But if both houses of Congress pass the Dellums-Cranston bills, they may end abruptly.

Secretary Hodel, however is considering having the National Critical Materials Council report on increasing imports of strategic materials from the Soviets. The 1984 law which created the Council calls for it to make public such critical materials "issues and concerns . . . as are deemed critical to the economic and strategic health of the nation" and to make policy recommendations to the President concerning them.

Will Hodel recommend that something be done about this country's mounting reliance on the Soviets for strategic materials owing to the Anti-Apartheid Act? First, he replies, Congress and the country must understand what's at stake. "Right now, when we start talking about solutions, people usually say, "What's the problem?" he notes.

"The last time I checked," adds Hodel pointedly, "the Soviets were still engaged in killing, mutilating and bombing innocent people in Afghanistan in a clear war of aggression."

If the sanctions against South Africa were working, the Rev. Leon Sullivan (civil rights activist and General Motors director) wouldn't find a need to call for all companies to pull out of that country. Indeed, the South African Catholic Bishops Conference, which initially supported sanctions, now has published a report finding that they are ineffective. In fact, they are counterproductive: By leaving South Africa, some companies are greatly enriching the Afrikaners who take over the divested enterprises.

At the same time, several land-bound black African countries are dependent on exporting through South Africa. Sen. Kennedy is so concerned about the harm which the sanctions he has pushed for are inflicting on them that he has proposed giving them $700 million of American taxpayers' money over half a decade.

One must ask why the U.S. should believe that racial injustice in South Africa warrants action drastic enough to harm this country, but should embrace trade with the Soviet Union, which puts millions of its own people in gulags and commits untold atrocities abroad. U.S. foreign policy should have two objectives: to achieve its intended aims and to advance the nation's interests. On both counts, sanctions against South Africa have failed.—Shirley Hobbs Scheibla

UNIVERSITY OF NEVADA SCHOOL OF MEDICINE

Mr. HECHT. Mr. President, the University of Nevada School of Medicine is a young, dynamic institution which offers diverse educational opportunities to Nevadans. The school conducts premiere scientific investigations, contributing to the quality of health care delivery in Nevada. The medical schools works with State and private agencies to enhance the overall quality of health care delivery in Nevada and the overall quality of life for Nevada's citizens.

With a visionary look to the future, the school of medicine has developed progressive programs in nutrition and geriatrics and has incorporated the teaching of ethical decisionmaking into many aspects of its curriculum. On the scientific front, the school has gained a national reputation for its faculties work in smooth muscle physiology and pharmacology and in virology and immunology. The school offers the States only program in speech pathology and audiology and has a well developed program in medical technology.

Nevada's School of Medicine is proud of its affiliations with hospitals statewide. These hospitals provide the clinical resources necessary in planning high-quality, diverse educational opportunities.

Its students are the school's greatest resource. They are capable, talented men and women who have demonstrated not only their academic talents but also their ability to relate to people as compassionate care givers. It is this relationship—the doctor/patient relationship—which the University of Nevada School of Medicine sees as tantamount in the preservation of medicine as the noblest and most exciting of all professions.

TRIBUTE TO UNION BRIDGE FIRE COMPANY

Mr. SARBANES. Mr. President, I want to join with all Marylanders in honoring the members of the Union Bridge Fire Co. The men and women who serve deserve our utmost respect and gratitude. They volunteer their time and energy under demanding and often dangerous circumstances to provide the vital emergency services on which the rest of us depend, and which we frequently take for granted.

On September 12 and 13, the Union Bridge Fire Co. will be celebrating its 100th anniversary. In 1887, it was organized in Carroll County, MD, to protect the citizens of Union Bridge and surrounding areas in Carroll and Frederick Counties.

These public spirited men and women have provided many essential and immeasurable services throughout the years. The time and effort these people have volunteered in addition to the many sacrifices they have made too often go unnoticed.

So, Mr. President, on this, the 100th anniversary, I ask my colleagues to join me in recognizing and thanking the volunteers of Union Bridge for their outstanding contribution.

POLLS ASIDE, REAGAN'S STRATEGIES PAYING OFF

Mr. BOSCHWITZ. Mr. President, I wish to enter into the RECORD an editorial from the St. Paul Pioneer Press. Unfortunately, I do not have the date. It is a recent date, however.

It is entitled "Polls Aside, Reagan's Strategies Paying Off."

It talks about the fact that although Mr. Gorbachev's polls in Europe and in other places have reflected the fact that many people regard him as the initiator of some of the agreements which have taken place, that, indeed, it is not him but rather President Reagan who has initiated the basis of the agreements that now seem to be moving forward in Europe.

The article points out that, "Mr. Reagan's fundamental strategy is proving itself correct."

It points out that when Mr. Reagan suggested zero option, which is now the basis of the agreement which is being sought, that it was regarded that he was not really interested in that. It was regarded as being so outlandish and so beyond the acceptability of the other side that, indeed, it was proof that he was not interested in arms control.

Indeed, it now serves as the basis for an agreement.

Furthermore, the deployment of the Pershing II cruise missiles in Western Europe, which was done at such great political cost not only in this country but also for the Europeans themselves, has proved to be one of the catalysts which has brought about this particular agreement that seems to be developing.

The editorial concludes: "But after dinking around for a half-dozen years, the Soviet Union certainly won't deserve the greater share just because Mr. Gorbachev is showing better than Mr. Reagan at international grandstanding."

I ask unanimous consent that the editorial be placed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

POLLS ASIDE, REAGAN'S STRATEGIES PAYING OFF

The fact that Mikhail Gorbachev revealed his new position on medium-range nuclear missiles publicly through the press Wednesday, rather than privately in Geneva Thursday, helps explain numbers like these:

By a margin of 45 percent to 16 percent, men and women in France think Mr. Gorbachev deserves more credit for arms-control progress than does Mr. Reagan. (The remaining 39 percent presumably don't know what to think.)

In Great Britain, the figures are 63 percent to 13 percent in favor of the Soviet leader, and in West Germany, they are 72 percent to 9 percent, again in his favor.

As for the very idea of eliminating all medium-range missiles, first proposed by Mr. Reagan in 1981 and seemingly agreed to by Mr. Gorbachev this week, a plurality of 42 percent to 34 percent in France think that the plan originated in Moscow.

The corresponding numbers are 30 percent to 20 percent in Great Britain, and 49 percent to 21 percent in West Germany, with Mr. Gorbachev winning each time.

These results are from surveys conducted in mid-May by Western European polling organizations, under contract to the United States Information Agency.

Some folks, warmed by the possibility of actual reductions in nuclear weapons after a treaty hiatus, probably don't care very much how the credit for any current progress is divided. They should.

They should, not only because Mr. Gorbachev's posturing in the media complicates negotiating at the table and ought not be rewarded, but also because Mr. Reagan's fundamental strategy (and that of NATO) is proving itself correct.

Despite charges when he first took office, for example, that his proposal for banning all medium-range missiles was neither serious nor helpful, the exact opposite conclusion is now clear.

The same holds for the alliance's decision to deploy medium-range Pershing 2's and cruise missiles in Western Europe as long as the Soviet Union refused to remove medium-range SS20's from Eastern Europe. This stand, which was criticized violently by antinuclear activists on both sides of the Atlantic for several years, was first proposed by West Germany Chancellor Helmut Schmidt. It soon after was adopted by NATO during the Carter administration, and then continued by the Reagan White House. It, too, has proved right.

If an agreement to get rid of all medium-range missiles is really near, and remains unimpeded by last-minute obstacles thrown by either side, then both sides will deserve credit. But after dinking around for a half-dozen years, the Soviet Union certainly won't deserve the greater share just because Mr. Gorbachev is showing better than Mr. Reagan at international grandstanding.

Mr. BOSCHWITZ. Mr. President, I have a second piece that I wish to insert into the RECORD. It is an opinion piece that appeared in the Wall Street Journal on July 15, and it is entitled "Why Common Market Cannot Generate Jobs."

The article speaks about the fact that the United States has a far greater job growth in past years than has either Europe or Japan. In fact, the annual employment growth in Europe has been one-tenth of 1 percent per year. It has been almost 20 times as great in the United States, being about 2 percent a year. That employment growth by about 2 percent a year, which is in excess of 2 million jobs a year, is quite a rapid growth of new jobs in the United States. In Japan, the employment growth as a percentage of their work force is about half of what it is in the United States. The writer of this opinion piece traces the expenditures of government as related to the gross national product of those countries, and when the government's expenditure with respect to gross national product is high, then its new employment is low. Or in the case of Japan, where the spending with respect to the gross national product is not as high as it is in the United States, it nevertheless has grown far more rapidly. The Government in Japan has expanded at a far more rapid pace than the Government of the United States, and this, too, has drawn away resources from the economy to create new jobs. Despite the fact that we have large deficits, despite the fact that we have an expanding Federal expenditure, nevertheless those expenditures have not grown as rapidy as they have in other countries, so job creation in this country has been better than it has been in other parts of the world.

The article states that where the Government does not take too much of the wherewithal, of the goods and the moneys of a society, that society can be very regenerative. And that really is the sum and substance of this article.

Mr. President, I ask unanimous consent that the entirety of the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, July 15, 1987]

WHY COMMON MARKET CANNOT GENERATE JOBS

(By Giuseppe Tullio)

BRUSSELS.—In the debate about the causes of the low growth of employment in Europe, the role of the expansion of government expenditure over the past 25 years and the ensuing increase in taxation have not been stressed sufficiently. Not only were government expenditures as a ratio of GNP the highest in the European Community in 1960 but they also recorded the steepest rise. They stood in the eight major countries at 32.3% in 1960, as opposed to 26.8% in the U.S. and 18.2% in Japan. By 1986 they had reached 50.4% in Europe and 35.3% in the U.S. In Japan, they were about 35% in 1983. To finance the growth in government expenditure a sharp rise in tax receipts and social security contributions was necessary, along with a rise in public debts, especially in Europe.

Employment, meanwhile, grew at an average annual rate of about 0.1% a year in the 12 EC countries, 1% in Japan and an astonishing 1.9% in the U.S. Among other factors contributing to the different growth rates is the expansion of the labor force: Population grew at about 1.1% a year both in Japan and the U.S. while it grew at about 0.5% in the EC. Other important differences are that regulations about layoffs are less rigid in the U.S. than in Europe, that rigidities in the European labor market are in general greater and that the level of taxation, and taxation of labor in particular, is higher in Europe.

The growth of taxation and social security contributions has depressed employment in Europe by increasing the cost of labor to corporations. Increased taxes create a wedge between the after-tax wage rate, or take-home pay, and the cost of labor to firms. It is still debated whether sales or value-added taxes should be included in the wedge, i.e., whether the dependent worker is indifferent in evaluating his standard of living between paying more value-added taxes and fewer income taxes or vice versa.

An increased tax wedge generally leads to a higher cost of labor for firms and, as a result, to increased substitution of capital for labor, lower production levels and to increased production in countries where the cost of labor does not increase as much. During recent decades most European industries experienced sharp increases in the capital-labor ratios and losses of jobs. It is also likely that the jump in tax receipts in Europe in this period has substantially contributed to the development of the so-called newly industrialized countries—Taiwan, South Korea, Hong Kong, Singapore.

The extent of the increase in the cost of labor for a given tax rise depends in turn on two factors: The power that labor unions have to prevent a fall in the after-tax wage and the value that the worker attributes to the additional government expenditure.

If labor unions are very strong, most of the tax increase will be "shifted forward" onto higher labor costs. The same will happen if the workers attribute little value to the increased government expenditure, because they will refuse to accept a reduction in their disposable income, or after-tax wage, if they get very little in exchange for paying higher taxes. It is therefore likely that in countries where governments are efficient and government officials are responsive to the needs of the population the degree of forward-shifting of taxes will be lower.

In addition, to the extent that higher taxes tend to reduce the after-tax wage, the incentive to work will be reduced. Recent research suggests that married women especially tend to be discouraged from seeking work when income taxes increase. In many European countries top marginal tax rates exceed 60%, but in special cases marginal tax rates can surpass 100% even at lower income levels if the loss of transfers and benefits is taken into account, when someone finds a job.

A major difference between the U.S. and Europe in this respect is that because of the lesser power of labor unions and more competitive labor markets in the U.S., higher taxation there mainly discourages potential workers from seeking employment, while in Europe the negative effect on employment operates mainly via a higher cost for labor.

During the 1980s, virtually all European governments have pursued reductions in budget deficits and many have been quite successful in this respect. This, however, has prompted many countries to further increase tax revenues. From 1980 to 1986, only the German government in the EC has succeeded in slightly reducing the ratio of tax and social security revenues to GDP.

If the channels discussed above are important, as I believe they are, much bolder cuts in inefficient government expenditures and in tax revenues are required in Europe than what has been taken so far if unemployment is to fall significantly.

Probably the right order of magnitude of the cuts would be about 1% of GDP a year for at least 10 years for tax revenues and slightly more for government expenditures. Suggestions of bold cuts in expenditures are, however, generally dismissed on the ground that they are "politically unacceptable." But a government that proposes to cut tax revenues by the amounts suggested above may gain enough popular support to resist the strong lobbies that gain from high government expenditures.

Margaret Thatcher's government has preached the kind of policies suggested here but achieved very little. Government expenditure as a share of GDP increased in the United Kingdom from 41.2% in 1979 to 45.9% in 1982 but fell back to 44.2% in 1986. The share of total tax receipts to GDP increased during the same period from 38% to 40.9%. Ronald Reagan's fiscal policy consisted in keeping tax revenues about constant in relation to GDP from 1980 to 1986, but increasing government expenditure and especially the federal debt.

At the end of 1986 unemployment rates were 11.8% in the 12 countries of the European Community, 6.7% in the U.S. and 2.9% in Japan. My best guess is that high unemployment and low growth of employment in Europe are here to stay for many years, unless government expenditures and tax revenues are reduced and disincentives in the labor market are curtailed.

THE ADMINISTRATION'S PEACE PLAN

Mr. **KENNEDY.** Mr. President, ever since President Reagan embarked on his policy of providing aid to the Contras, I have been critical of the administration's unwillingness to pursue a negotiated solution to the conflict in Nicaragua rather than to escalate the military conflict. There is no Senator that is more committed to the idea of negotiations.

But the administration's so-called peace plan is not a serious effort to pursue the diplomatic route. If the administration had been genuine, it would have quietly notified the five Presidents of the Central American governments now meeting in Guatemala of its change of heart rather than unveiling this initiative publicly to the Congress of the United States.

The timing of the administration's proposal—1 day before the critical meetings in Guatemala—may well sandbag the negotiations already underway on the Arias plan. The President's so-called peace plan gives a good idea—negotiations—a bad name.

The purpose of this plan is to score points with Congress, not to bring peace to Central America. It is an effort to rehabilitate a flawed and failed policy. It is a sham from beginning to end.

MINE RECLAMATION AND OPERATION

Mr. **SASSER.** Mr. President, Monday afternoon a ceremony was held at the Lincoln Memorial in recognition of the 10th anniversary of the Surface Mining Control and Reclamation Act. My colleagues will recall the act was designed to provide for control over mining practices and reclamation of mined lands.

I was particularly pleased that several Tennesseeans were honored at this ceremony. Among them was Fred Brown of Knoxville, TN. Fred writes for the Knoxville News Sentinel and has been a tireless fighter against mining abuses in America's coalfields. Fred has written several excellent series on the problems attendant to Tennessee's abandoned mines. He has focused public attention on the dangers associated with the more than 45,000 acres of abandoned mines in Tennessee. Fred's work has touched the lives of many Tennesseans, and his emphasis on health and safety concerns has helped our reclamation activity in Tennessee. It is fitting that Fred Brown be recognized for his work.

Efforts such as this are desperately needed if we are to make significant headway reclaiming abandoned mine sites. While the intentions of the Surface Mining Act are explicit, the Office of Surface Mining has not met the act's mandate. We continue to hear horror stories of inadequate management and a failure to halt abusive mining practices. A report from the National Wildlife Federation in October 1985, noted a failure on the part of the Office of Surface Mining to effectively enforce the Surface Mining Control and Reclamation Act. The Report noted that some 6,000 minesites lacked the necessary environmental controls, over 2,000 mining operations continued to operate after receiving orders to cease illegal mining activity, OSM failed to collect $200 million in fines, and OSM failed to collect $32 million owed to the abandoned mine land fund.

Failure of OSM to adequately enforce the Surface Mining Control Act is compounded by the administration's apparent disregard for the urgency of mine reclamation. In fiscal year 1988, the administration would provide only $500,000 for the Rural Abandoned Mines Program. Now the RAMP is run by the Soil Conservation Service—an agency long dedicated to preserving our land. RAMP holds great promise of delivering on efforts to reclaim abandoned mine sites. Yet, the administration has consistently sought to kill this program.

With the problems uncovered in OSM's efforts at mine reclamation, such a policy is shortsighted indeed. Rather than working to gut RAMP, we should examine whether we can do more with this program. While authorized to receive 20 percent of the moneys paid into the abandoned mine land fund, RAMP has received less than 5 percent of these funds annually since fiscal year 1978.

As a result of these misguided policies, we have seen further environmental abuse: Unreclaimed mined land, soil erosion, toxic runoff, and highly polluted streams. Indeed, abandoned mines represent one of the greatest threats to our ground water supplies. As for soil erosion, in Tennessee alone mines sites are responsible for over 4.6 million tons of soil loss each year.

As we enter the 10th year of the Surface Mining Control and Reclamation Act, it is clear that we have much work ahead of us. It is reassuring to know that in such efforts, we can count on the assistance of individuals such as Fred Brown who are dedicated to reclaiming abandoned mine lands.

ADVISE AND CONSENT ROLE OF THE SENATE

Mr. SIMON. Mr. President, the Senate's calendar is ticking toward a momentous decision: whether to confirm Judge Robert Bork to be the next Associate Justice of the Supreme Court of the United States. Because Justice Lewis Powell was the swing vote on an increasingly divided Court, Judge Bork, if confirmed, could have the opportunity to cast the deciding vote on many of the most significant constitutional law issues of our day, issues affecting all Americans. Thus, the next Justice will determine whether a woman's right to choice in abortion will survive, whether affirmative action will be allowed, whether the protection of free speech will remain robust or muted, whether the traditional wall of separation between church and state stands secure or is breached. With so much at stake, it is essential that the Senate carry out its proper role in the appointment process and that the public understand that role.

There is a reason judicial nominees should receive the special scrutiny of the Senate. In contrast to the President's nominations to positions within his own executive branch, appointments to the judiciary are to a branch of Government that is supposed to be independent of the President and for a duration exceeding his own term of office. For the President to control such appointments unilaterally would be inappropriate, especially in a political system where checks and balances are so important. The Senate is an institution in some ways not as broadly representative as it should be: we have only two women; there are no blacks; no Hispanics. But the Senate is broadly representative of the country's political diversity. It does not defer to the President when it thinks his proposed budget or legislation will harm the country, and the same should be true with respect to his judicial nominees.

Given that basic perspective, what criteria should the Senate use in evaluating judicial nominees as part of its advise and consent role? A central feature of the Senate's role must be to evaluate the nominee's quality. By quality I mean several things. First, we must be concerned about a nominee's professional competence, which includes intellectual capacity and legal skills, as well as the nominee's experience—a factor which bears on the nominee's practical wisdom about the people and the world as well as more narrow professional skills. Second, we must be concerned about the nominee's integrity and moral character. Third, we must be concerned about the nominee's temperament: his or her openmindedness, judgment, consistency, and sense of fair play. Few, if any, of my Senate colleagues would disagree in the abstract with the notion that the Senate should evaluate quality factors. Finally, the nominee must have a balanced and sound understanding of the meaning of our Constitution and the Supreme Court's role in our society.

This last criterion is likely to be a critical part of the upcoming confirmation process. Some say that the Senate has no role to play in assessing a nominee's views. But if a nominee's views and philosophy are taken into account by the President—and in this instance the President has made clear that they have been—surely the Senate should also examine and weigh those views. Judge Bork's legal views and philosophy are highly relevant to how he would perform the job for the simple reason that a Justice on the Supreme Court has considerable leeway in interpreting the law and also has the raw power to overrule prior cases. A judge must fill in gaps in the law and must resolve ambiguities about what the law is, and in doing so inevitably draws upon his or her starting point views and outlook. This is true of all judges, and it is especially true of Supreme Court Justices, whose leeway in giving meaning to the majestic general commands of the Constitution is particularly great, and who must resolve conflicts among lower courts on a daily basis.

A Senator who considers only whether a judicial nominee will follow the law is ignoring the fact that the law to be followed is often not clear, and that judicial decisions are often affected by a judge's individual legal views. To contend that a Senator may not properly consider those views amounts to a contention that things highly relevant to the job—things that make a good or bad judge—may not be considered.

A Justice who is sensitive to civil rights and civil liberties will approach the decision of cases very differently from one who is not. A Justice who shares Justice Powell's view that precedent "demands respect in a society governed by the rule of law" will act very differently from a judge with a mission to change the law. To assess Judge Bork—or any nominee—in light of how that person will actually act as a Justice is not politics, as some have suggested; rather, it is the Senate's responsibility.

Carefully assessing a nominee's views is especially important in the current context. With Justice Powell's resignation, a new appointee will be able to affect the actual outcome of cases in many of the most sensitive and controversial areas of American life. The point here is not that the balance of the Supreme Court must always stay precisely the same. But the Supreme Court cannot be a pendulum, swinging back and forth, recognizing constitutional rights and then disavowing them. And most important, we in the Senate have a responsibility to assure that the Court balance does not shift in a direction that we believe is wrong and harmful to the Nation. Our constituents elected us to do no less, and our duty to uphold the Constitution requires that we do no less. The Senate cannot avoid responsibility for the consequences of this appointment, and every Senator knows that.

And so the Senate is about to raise the curtain on a historic and critically important debate. Every American has a stake in the outcome; every American's life will be influenced by it. And in this year in which we honor the bicentennial of our national charter, every American is more likely than before to appreciate that the Supreme Court is more than a dispenser of justice—it is also a symbol of justice in this Nation. Every American has a right to enter that courtroom and find a judge who is fair and openminded, one who is willing to judge, not prejudge, every case on its merits. And every American should be able to look upon each new appointee, once the Senate has given its consent, and have reason to believe that "this person will be fair, this person will be just." Let the Senate so honor its calling in these confirmation proceedings that these words can be spoken by our fellow citizens.

SENATORIAL ELECTION CAMPAIGN ACT

The PRESIDING OFFICER. Under the previous order, morning business is closed and the clerk will report the unfinished business.

The assistant legislative clerk read as follows:

A bill (S. 2) to amend the Federal Election Campaign Act of 1971 to provide for a voluntary system of spending limits and partial public financing of Senate general election campaigns, to limit contributions by multicandidate political committees, and for other purposes.

The Senate resumed consideration of the bill.

Mr. BYRD. Mr. President, the Senate has been debating campaign financing reform legislation for several weeks. This legislation was first called up on June 3. It was reported by the Committee on Rules and Administration on May 14. It was reported out unanimously by Democrats with no Republican votes in support thereof. As the debate has proceeded off and on, we have shown repeatedly that a majority of Senators favor a system of public financing tied to voluntary spending rules.

The bill reported from the Rules Committee was carefully constructed to be fair to all. Yet, to halt the staggering spiral of growing campaign costs, and limit the role of moneyed special interest groups in campaigns in order to regain the public trust, and remove incumbents and challengers alike from the money chase, we have not only debated the bill but we have also offered to amend it, to change it, so as to meet some of the objections by those who have consistently expressed opposition to it.

Unfortunately, a sufficient number of Senators opposed to cloture has kept the majority in favor of this bill from cutting off a filibuster, a filibuster designed to prevent passage of the bill.

The first principal objection raised by opponents was to public financing. They claimed that they could not support using tax dollars in Senate campaigns, even if they were voluntarily allocated for that purpose by the taxpayers themselves.

That is what we are talking about, a tax checkoff which is a feature of Presidential campaign financing, by which the individual income-tax payers fill out their forms and indicate on their forms that they wish to check off $1 to put into the Presidential campaign fund. So these are voluntary tax dollars.

The people who check them off are the income-tax payers themselves and they do it knowing what they are doing, doing it willingly and on their own part.

The opponents also said we could not afford the projected cost even though it amounted to less than 25 cents per U.S. citizen per year. In good faith we offered a compromise substitute proposal which utilized the matching funds projected and which cut by more than half the cost of the public financing provision and cut the maximum proportion of the total 6-year election cycle cost a candidate could receive from public funds to less than 25 percent.

Senator **Boren**, the principal author of the amendment, and others of us who cosponsor the amendment and support it, hoped that at least some of those Senators who initially had been opposed to the legislation would meet us after we had gone over halfway in their direction. We offered, therefore, to go more than halfway, but our opponents on the other side of the aisle still did not budge. They did not move 1 inch.

It was at that point that the Senate Republican Conference took a step that I believe was ill advised and ill considered. It took a very harsh stand against any legislation—any legislation—that had what they referred to as public financing but which, as I have already indicated, was paid for by taxpayers who willingly check off on their income-tax returns for that purpose, a very small amount. It is from that fund that the public financing of the legislation would draw its resources.

Also, the Republicans took a harsh stand against any provision that would put any limitation on campaign spending.

And so it became very clear then as to what the real objection was on the part of our Republican friends on the other side of the aisle—the real objection being a limitation on campaign spending.

Well, of course, it would be sheer demagoguery if we attempted to fool the American people by passing legislation and called it campaign financing reform if it did not result in a limitation on campaign spending. That is the crux of the matter. There can be no genuine campaign reform without a limitation on campaign spending.

So the Republican conference took a position against any legislation whatsoever that would put a limitation on campaign spending. That took us perilously close to turning a matter which should not be clouded with partisan considerations into a partisan contest. It became all too clear—despite all of the merits of the committee-reported public financing proposal and all of the merits of the compromise substitute amendment—the almost monolithic Republican objection to public financing would assure a long and difficult path for either proposal. One need look no further than the ability of 41 Senators to prevent passage of any legislation through this body. And so time and time again, we sought to get cloture so as to let us get to a vote on the campaign financing reform legislation—clean up the system, put limits on campaign spending, stop the money chase in which Senators have to go to all points of the compass, travel great distances throughout the length and breadth of this land in an effort to raise money for their campaigns.

I call attention again to the fact that as majority leader I am in a position to see close up what the current system is doing to the U.S. Senate, how the current system impacts on the time of Senators, how the current system impacts on their attendance in committees and on their Senate floor attendance on rollcalls. I know that Senators have to hurry and scurry and travel hither, thither, and yon in their efforts to raise money for their next campaign. I know of Senators who are raising money not only 2 years in advance but 3 years, 4 years, 5 years, and there have been instances in which Senators who have been elected or reelected and who immediately begin raising money for the next campaign 6 years away. And it is within the rules. It is within the law. They are not violating any law. But they have to travel away from the Senate. They have to leave their families, leave the Senate, and go on the money chase.

Mr. President, campaigns require a lot of money. In my last campaign in West Virginia, I had to raise almost $2 million—a very sizable sum for the State of West Virginia, the economy of which has been seriously hit, a State with high unemployment, a State the smokestack industries of which have been hurt by imports from abroad, a State which has a population of under 2 million people. But there are other States, smaller, and other States in which campaigns cost even more.

The average senatorial campaign last year cost nearly $3 million. That is quite a long way from the day when, in West Virginia, Senator Randolph and I first ran for office. We both ran on the same ticket in the same election. Both of us together had a war chest of something like $50,000. I do not recall exactly how much it was; it could have been less than $50,000. But, as I say, 2 years ago I had to go out and raise almost $2 million.

Now, I had to go to California a number of times. I went to Illinois, the States from which the distinguished senior Senator who now presides over the Senate comes, and a State which he very ably represents. Incidentally, he has been in politics in that State a great number of years and is not only a seasoned politician but also a seasoned legislator and a very effective one. I went to his State. I went to Utah, Arizona, Texas, Florida, Pennsylvania, Ohio, Georgia, Alabama, and Virginia, and others, and I went to several of these States not once but twice or three times or more.

Now, when it comes to Senators who have to raise more money than I had to raise last time—I had to raise almost $2 million, but there are Senators who have to raise $3 million, some $4 and $5 million and above—there is no hope that the burden will become less, no hope that the burden of raising moneys for campaigns is going to diminish. It is going to become worse and worse.

The cost is becoming ever greater. I know, because as majority leader of the Senate I have the responsibility of trying to set the schedule and trying to bring matters to a point of resolution, trying to get final action on legislation that is called up in the Senate. Many times I have difficulty in calling up a piece of legislation because the manager of that particular bill or the ranking member cannot be here on a particular day or cannot be here at a particular hour. Senators who have amendments sometimes cannot be here on a particular day or at a particular hour to call up their amendments. Then I have to try to go to something else. And so it makes it a very, very difficult task.

The people expect us to be here. We are elected to come here to legislate, to attend committee meetings, and to do the work of the people. They expect us to come here to legislate, and yet more and more Senators are being forced to spend more and more time raising money than in legislating. I say legislating. I do not mean necessarily passing legislation. It may be just as important to be here to slow down or stop legislation. I am not talking about this legislation. This is not legislation that ought to be stopped or delayed. But it is important to be here to debate the issues.

What we have seen is that the situation has come down—and I am in my 29th year in the Senate. I have never seen it before like it is now—to where we have to close the Senate down on Mondays. The Senate does not come in on Monday. And for many months now, and as the case will be for several months into the future, the Senate has not been meeting on Mondays and it will not be meeting on Mondays. This is to allow Senators the time to go out and raise money for their campaign.

Much of the time when the Senate is in session and Senators are in town, they have to be out raising money—in the evenings, in the mornings, attending fundraising functions; and oftentimes fundraising functions are not for themselves but for their colleagues.

I am invited to many fundraising functions by my colleagues in the evenings. Some I attend and some I cannot attend because of the business here, because of my responsibilities here. I would like to attend all those functions because I like to go and demonstrate my support for and my friendship with my colleagues who are having the fundraisers.

(Mr. KERRY assumed the chair.)

Mr. McCONNELL. Mr. President, will the majority leader yield on that point?

Mr. BYRD. I yield.

Mr. McCONNELL. It occurred to me, in listening to the observations of the majority leader, that I understand his frustration in trying to schedule the Senate's business. Could not that problem be cured by having the Senate in session and making it clear that there will be votes and the people's business will be done, and if someone is off attending to campaign-type matters, they would do so at their own risk and pay a certain price for it from the voters at home?

Mr. BYRD. Yes, the distinguished Senator has presented a plausible-sounding proposal. But the Senator knows that if the Senator from Kentucky [Mr. McCONNELL] tells his leader on the other side of the aisle that he, Mr. McCONNELL, is not going to be here on a given day to call up a certain bill which Mr. McCONNELL on that occasion will manage, or that he, Mr. McCONNELL, will not be here to call up an amendment which he, Mr. McCONNELL, wishes called up, the Republican leader is going to protect him.

The Senator also knows that almost all business in the Senate—unlike the House—can only be taken up by unanimous consent; that a motion to proceed to it can be debated until cloture is invoked, if cloture is ever invoked; and that easily 98 percent of the business of the Senate is called up by unanimous consent.

I could take the hard-nosed view that if a Senator is not here to make his own objection, we should call it up. But I know that will not work; because, if one of my own Senators is not here to make his own objection, the next time I want to call up something, he may object if he is here.

Senators are equal, as Daniel Webster said. Some may feel that they are more equal than others. But it takes only one objection to prevent a bill from being called up, and the Senator from Kentucky knows that.

So, it is one thing to say, "Well, we ought to call it up. If those Senators are not here, they will have to answer to the people for that." That sounds good. But we have not been able to get up the Department of Defense authorization bill. I have tried for cloture three times, and the junior Senator from Kentucky has voted against cloture three times, just to take up that bill. He was here. He was not absent. He was here and exercised his right, but he voted against allowing the Senate to even vote to take up the bill.

It is one thing to say, "Why can't the majority leader do this and that," when most of us know, or ought to know, how the Senate operates and what the rules and precedents are, and we know that it just is not that easy.

Mr. McCONNELL. I say to my friend from West Virginia that I am sympathetic with the difficulty of making the Senate function, and certainly he is an expert in this institution, as to its rules and how it proceeds and does not proceed.

Just by observation, after 2 years here, it seems that the problems the majority leader is having are related to the rules of the Senate and the use of those rules by Senators on both sides when they are here.

It does not seem to me, at least—again, I do not have the responsibility you have for scheduling—that going off to fundraisers has caused the majority leader's problems. It seems to me that there is a deep-seated difference of opinion in the Senate these days as to what is in the best interests of the country. Would not the majority leader feel that is a good part of the problem he is having? We have some real disagreements over what kind of legislation ought to be taken up and passed.

Mr. BYRD. Of course, the Senator is getting off the subject a little bit.

We do have disagreements about what legislation should be passed. For example, I cannot get the consent at this point to take up the bill dealing with catastrophic illness. Why? Because of one Senator on the Republican side of the aisle. I take the word of the Senate Republican leader for that. He has said he has cleared it with everybody except for one Senator on that side of the aisle.

So, yes, we can differ on that issue. But if we are not allowed to take up the bill because of one Senator's objection, we will not be able to resolve the issue and the differences among us. We first have to get the bill up. Let us stay on the subject, the subject being campaign financing, and the present system under which we all have to operate.

Nobody is avoiding any law in going out and raising money. The problem is that it is making it increasingly difficult for the Senate to function.

The majority leader and the minority leader can only do so much, and what they are able to do is determined by how much consent they can get on their respective sides of the aisle to proceed on matters.

I am saying that we have already closed down the Senate one day a week, and I do not believe that we entered into that kind of contract with the American people.

When I said, "Send me to the Senate," I did not say, "Send me to the Senate and I will work there 4 days a week—Tuesday, Wednesday, Thursday, and Friday."

That is not to say that Senators do not work when the Senate is not in session. What I am saying has to do not only with the Senate floor work but also with committee work and the office work for constituents. Of course, Senators who are out traveling the country, may read and sign a few letters that they are able to take with them in a briefcase on the way to and from their destination.

I am saying that this money chase is eating into the effectiveness and the ability of the Senate and the effectiveness and the ability of Senators to do the work of the people.

It does not stop at just Mondays. I have Senators who, in agony, say: "Well, why do we have to have votes at 3 o'clock or 4 o'clock? I can't get in from such and such a far away point until 5 o'clock on Tuesday." Or, "If you could make the vote at 6 o'clock, that would enable me to get in."

There are those who will say: "Are we going to have any votes Friday? Can I catch a plane that leaves at 11 o'clock on Friday?"

So, here we are: We are talking about problems that Senators have. They are legitimate problems. They are not created by the Senators themselves, although I must say that not all Senators who wail and cry and gnash their teeth with respect to Friday afternoons are going to visit their constituents and in many instances are not even going out to raise money. They may be going out to the golf course or some other pleasant place. But that is their business, not mine.

I am talking about the money chase. That is the big culprit here; that is the main culprit. So we are hemmed in where we can have full day sessions only on Wednesdays and Thursdays. It is getting worse, because this money chase is demanding more and more and more of the time of Senators.

We know the old song: "Give Me More And More of Your Kisses." The campaign financing needs of Senators and House Members are requiring more and more and more of your money.

What kind of perception does that create on the part of our constituents? I, like every other Senator, am a victim of the system. No, not every other one. Some Senators may not have to go out and raise money. The perception is that most of us are beholden to the moneyed interests, that we are beholden to PAC's. And I can understand that perception. I am a victim of it. We who have to go out and raise these sums of money are victims of it. There are many of us who want to remain in public service. We feel that we have something to contribute to public service. We want to continue to serve our States and our people and the Nation.

With the increasing cost of campaigns, however, it is becoming more and more difficult for us to remain in public service.

I ask the pardon of everyone for alluding to myself, but there are others like me and there have been many times in the past in similar situations.

But I ask the question: As we look into the future as far as the eye can see how many more Senators will ever come here who come from poor background? How many more will start out as garbage collectors, as gas station attendants, as meatcutters, as produce salesmen, as welders? What chance will they have to become a Member of the U.S. Senate? The chances will become slimmer and slimmer and slimmer. Yet, there is a place here in this Senate for people like that.

It is not just the wealthy who have a corner on intelligence or who have all the IQ's that there are to be had. It is not just the wealthy who have a feel or an understanding of what the Nation needs.

But the system that we are finding ourselves the victim of is creating, and will more and more create, a situation in which the average guy like myself can have no hopes of ever coming to the U.S. Senate. A person in my early circumstances cannot break out of those circumstances to become a Member of this body. The prospect of having to raise millions of dollars in a campaign is too intimidating.

This money chase is undermining the faith of the American people in the legislative branch.

There is enough being said and done to undermine that faith, wrongly or rightly, without having this additional stone come crushing down upon us—the stone of the money chase.

Does the distinguished Senator wish to ask me any more questions?

Mr. McCONNELL. I would just say to my friend from West Virginia I could not agree more about his concern that the Senate not continue to move in the direction of being a repository of the millionaires and I will say with all due respect to him that S. 2 and its various versions and other bills before us would not solve that problem.

The only way we can close that loophole is to do something about the decision of Buckley versus Valeo as it applies to an individual's ability to put all he has into his own race and that distorted the process. None of the bills that we have been discussing address that issue.

There is only one way, Mr. President, to solve that problem, and that is with the constitutional amendment which the Senator from Kentucky has introduced and is welcoming others to cosponsor which will give to the Congress the authority to apply the same rules to those with great wealth who choose to put it into their own races as to anyone else in contributing to others.

I must say in listening to the majority leader's statement this afternoon we agree with a lot of things. The Senator from Kentucky came from humble beginnings, certainly not a wealthy person, had to work very hard to get here. I think it ought to be possible for people like Senator BYRD and Senator McCONNELL to get to this place. I think we have demonstrated that is possible.

The millionaires putting their own money into races has distorted the process. But none of the bills we have been discussing treat that. That would take a constitutional amendment. Even though we do not lightly amend the Constitution, it is the feeling of the Senator from Kentucky that a constitutional amendment carefully crafted to level the playing field on that issue and to allow the Congress to set the same standard for contributing to races, to contribute to your own race as for contributing to anyone else's race is the kind of constitutional amendment that might zip through here and be ratified in record time by the various State legislatures.

I am interested in how the majority leader might feel about that kind of constitutional amendment.

Mr. BYRD. Mr. President, the distinguished Senator from South Carolina [Mr. HOLLINGS] is very much interested in a constitutional amendment to place a limitation on campaign spending. I am a cosponsor of his amendment.

But I want, first, to see legislation passed to limit spending. Otherwise, if a constitutional amendment is first brought up, Senators can vote on it and go back to constitutents and say "I voted for a constitutional amendment, I have done my part, I have already voted for a constitutional amendment to put a limit on campaign spending." Some will use that as a reason for not supporting this legislation.

Legislation is needed to deal with this issue now. A constitutional amendment is all well and good but that will undoubtedly take a number of years to be ratified by the people through their State legislatures or in conventions.

It is the immediate problem that we should address in the short run. As a matter of fact, under the latest compromise that Mr. BOREN and others have attempted to present, the remaining minute public financing element, which in that proposal is used only as an enforcing mechanism, would be completely eliminated upon the ratification of a constitutional amendment putting a limitation on campaign spending.

So a constitutional amendment is not an approach that is to be denigrated, but it is an approach that has its place and will take some time and, of course, if we could pass that, and it would become law as quickly as we can pass a bill and have it become law within a matter of days, then I would be all for that.

Mr. McCONNELL. I will say to the leader that I do not support the Hollings amendment. The Hollings amendment, as I understand it, limits overall campaign spending. I do not favor that. That is the approach that is blatantly skewed against the Republicans and in favor of the Democrats and we cannot pass bipartisan bills around here.

What I am saying was a constitutional amendment to limit what a millionaire or any of us put into our own races is something that would level the field with reference to the millionaire problem which the leader mentioned. I share his view about that. A seat in the U.S. Senate should not be for sale. Nobody, because you acquired more wealth than others, should bring out a big fund for election. You ought to go out and get it from a lot of folks which is what the leader has to do and the Senator from Kentucky has to do, has to get a lot of people in order to pull it off.

The problem with the three proposals for Senators is different in an important respect from the Presidential system. Under the Presidential system if one chooses as a matter of principle or whatever not to accept public funding and just go out and do it on his own or her own—we had one candidate back in 1980 who chose to do that—there is no punishment for that. You simply have to work hard to raise the money. But under each of the schemes that have been put forward, S. 2 and the two subsequent revisions of S. 2, that has a punitive aspect. If you decide as a matter of personal conviction, or whatever reason, partisan advantage, you want to go out and raise your own money from a whole lot of voters, then you trigger for your opponent public funds, so you get punished for exercising the first amendment right as described in Buckley versus Valeo. You get punished and the punishment is that tax dollars are triggered for your opponent.

So there is an important distinction between these approaches to public funding and the Presidential public funding system, I will say to the leader.

Mr. BYRD. Mr. President, I am not sure that the distinguished Senator from Kentucky is accurate in what he has just said, especially with respect to the amendment which has been most recently introduced by the distinguished senior Senator from Oklahoma, [Mr. BOREN], and others.

While it is true that those who are very wealthy could still write a check for whatever they wish to write and they could still spend amply from their resources, I think they would be put under the gun if they were not willing to limit their expenditures voluntarily. If such an opponent were not willing to agree to a spending limitation, I could probably use that very well against an opponent in West Virginia, simply by saying to the people, "Look, here is someone who wants to buy the office. He does not want to play fair. He thinks he can buy this office. This office is not for sale. I cannot match him dollar for dollar; I cannot match him. But I say to you, the people, Do you want somebody to represent you who is willing to put a limitation on spending and say so much but no more? Or do you prefer a candidate who says to you that he or she will not agree to limit spending? Is he afraid? Why is he afraid to put a limit on his spending?"

I welcome, Mr. President, the opportunity to cut an opponent into pieces on that basis.

Senators when they go out to the people should be out discussing the issues in the campaign. They should be able to go back to our constituents, meet them in the courthouse yards, in the schoolhouses, in the church basements, out on the truck beds that are used for platforms and say these are the issues. Here is where I stand. Here is my voting record. But instead of that we can not go out and talk about the issues. We have to spend our time in raising money. We go all over this country to raise money, not from constituents but from loyal supporters who support the party, who feel that it is their patriotic duty to support the party and to support candidates of the party. We are forced to do it by the system that nurtures the money chase.

This is no fault of the PACs. PACs are allowed under the present system. This is no denigration of PACs. It is no denigration of people who work for PACs. I have talked to a lot of people who are involved with PACs and they are being overwhelmed by the system also.

Mr. President, if I may continue, I will be glad to yield at any time if the Senator wishes me to.

We who believe so strongly that we must achieve true campaign financing reform this year are not defeated. We have tried and we have tried and we have tried and we have tried and we have tried—five times—to get cloture. We have been unable yet to do it.

But Robert Bruce, through whose veins flowed that royal Scottish blood, tried seven times. And so we are going to try some more. We are not defeated.

I am pleased to join with Senator BOREN in cosponsoring the new proposal which he introduced on July 1. That new proposal contains all of the essential ingredients of campaign financing reform, but it does not rely on public financing for all Senate campaigns, and it has the following major features:

It retains aggregate PAC contribution limits computed as they were in S. 2; it establishes voluntary spending limits and limits on the use of personal wealth; it contains no public financing for Senate general elections so long as candidates abide by the voluntary spending limits; it establishes incentives for candidates to abide by those spending limits by making only those candidates eligible for preferential postage rates and lowest unit broadcasting time rates and by providing that the candidates who exceed the voluntary spending limits will trigger compensating payments to opponents who have agreed to remain within those limits.

It assures that candidates who are targeted by independent expenditures against them or for their opponents will be able to respond effectively, by increasing the primary spending limits of participating candidates when such expenditures are made during the primary period, and by providing a compensating payment to participating candidates when such expenditures are made during the general election period.

The amendment will establish the voluntary spending limits it contains as mandatory spending limits if a constitutional amendment is ratified permitting the establishment of such mandatory limits, and at that time drops the incentive provisions for abiding by the voluntary limits I described previously.

The proposal contains a full offset for even its very slight potential cost, by ending preferential mailing rates for political parties. The amendment will result in no net cost to the Federal budget—and quite possibly a reduction in the Federal budget deficit if all candidates live within the spending limits for their States—at the same time it sets in place vital reforms in our system of campaign financing.

It is time to find out precisely which Senators support basic campaign financing reform and which do not. When we vote on this amendment there will be no doubt about where Senators stand with respect to this question.

As we continue this very important debate, it is important that we remember the fundamental facts: There can be no true campaign financing reform without establishing spending limits which are equitable, a set of incentives to encourage candidates to choose to abide by the limits, and effective limits on the amounts of money which can become to candidates via the actions of policical action committees.

The most recent amendment offered by Senator BOREN contains all these essential features. It does not contain public financing for all Senate candidates.

Those of us who originally sponsored S. 2 and moved it to the Senate floor are trying every way we know to move meaningful campaign financing reform legislation on a nonpartisan basis. We have reached out to our colleagues on the other side of the aisle again and again.

It is in that spirit that the most recent Boren amendment was offered, an amendment that, instead of relying on public financing, relies on the lest costly mix on incentives that can be devised to make a system of voluntary spending limits feasible within the constraints of the Supreme Court's decision in Buckley against Valeo.

We urge those Senators who have not yet supported campaign financing reform legislation—regardless of their party allegiance—to join in supporting this amendment. We urge those Senators, in both parties, who have been voting to prevent the Senate from considering and acting on this legislation, to vote now to permit the Senate to consider the legislation and to act on it.

This is a chance for all Sentors to be for a strong, workable, fair bill that contains the essential ingredients of reform. I hope the next vote on cloture will find an overwhelming majority of Senators voting in favor of campaign financing reform.

The Senator from Oklahoma.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi, the Senator from Oklahoma has the floor.

Mr. BOREN. Mr. President, I relinquish the floor.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. COCHRAN. Mr. President, I thank the Chair for the recognition.

Mr. President, during the time that we have had this S. 2 on the floor and the modified S. 2 that has been offered by the distinguished Senator from Oklahoma and the distinguished majority leader, Mr. BYRD, there has been a great deal of discussion about whether or not it has anything to do with limiting campaign contributions by political action committees; and whether it provides mandatory or voluntary public financing; and what the basic reasons are for the reform proposal generally.

As a result of newspaper accounts and coverage of the debates, I think a lot of misinformation has been made available to the citizens of the country, and that there is a lot of confusion about what this proposal would really do.

As an example, it was advertised last year when it was first introduced as a way to reduce the impact on the election process of political action committees.

I challenge anyone to find in this bill where the contribution limits of an individual political action committee are reduced in any way.

Under current law, as I understand it, a political action committee can contribute $5,000 per election for the benefit of a candidate for the U.S. Senate. And an election means either a primary election or a nominating covention or the general election.

So, under current law a political action committee can contribute up to $10,000; $5,000 in a primary and $5,000 in a general election for a candidate for Federal elective office.

Under S. 2, the bill before us as modified, there is no change in that. The other day I was confused by an Op Ed piece I saw in the Washington Post, written by the principal sponsor of this measure, the distinguished Senator from Oklahoma. The headline of that Washington Post Op Ed piece mentioned PAC reform: reducing the influence of political action committee contributions.

You read the body of that Op Ed piece and nowhere in it was political action committee mentioned.

I do not have it before me right now, and others may have mentioned before in the debate on this subject the misleading nature of that headline. Someone just glancing at the page, seeing the name of the distinguished Senator from Oklahoma, seeing the headline of that Op Ed piece, that guest editorial, would conclude that the measure that we are debating here in the Senate has something to do with the reduction or restriction of contributions for Senate campaigns by political action committees. But it does not.

I mean I have looked through S. 2. I know the distinguished Senator from Kentucky has spoken on this subject before, but I haven't. This is my first opportunity to speak on the bill that is before us.

But, if there is a provision in S. 2 as modified recently that changes those contribution limits, I have yet to find it.

Mr. BOREN. Would the Senator yield?

Mr. COCHRAN. I would be happy to yield to the Senator with the understanding that I will not lose my right to the floor.

Mr. BOREN. I thank the Senator. I just wanted to inquire of the Senator if he was aware of the fact that both the original S. 2 and this bill have the effect of imposing limits on the aggregate amount of PAC funds which can be received from candidates to approximately 20 percent of the general election spending limits set in the bill and that applying this formula to the last election, PACs gave approximately $45 million in total to Senate candidates and that if this formula had been applied of aggregate PAC limits, candidates could have only received a maximum of $20 million instead of the $45 million they actually received from PACs. So it would have more than cut in half the proportion of funds that Senate candidates receive from political action committees.

Mr. COCHRAN. Mr. President, I appreciate the distinguished Senator's clarifying remarks about what is in the bill as far as his interpretation of it is concerned. But I say, and this has not been challenged, and I do not think the Senator disputes it: Under this bill, if it is enacted, a political action committee is still entitled, under the law, to contribute $5,000 per election to Senate candidates. That is not changed by this bill.

What I am suggesting is that there is an alternative. If the effort is being made here to reduce the contributions made by political action committees, the only bill that is before the Senate that does reduce them is the Stevens' bill. I think the bill introduced by the Senator from Kentucky and the distinguished Senator from Oregon eliminates political action committee contributions; but not S. 2. It is not the proposal offered by the democratic majority leader that reduces political action committee contributions.

It is the measure offered by the distinguished Senator from Alaska, the ranking Republican on the Rules Committee that reduces contribution limits, and the measure introduced by the Republican Senator from Kentucky and the Republican Senator from Oregon that will eliminate political action committee contributions.

So let us get serious now. If you really want to convince the American people that you are after the political action committee influence in Federal elections, you will not support S. 2. You would choose, instead, either the bill offered by Senator STEVENS, which I am cosponsoring, or the bill offered by the distinguished Senator from Kentucky and the distinguished Senator from Oregon.

Let us get the facts straight as to what is being sought to be done. I will tell you what is being sought to be done. That is to create by S. 2 a new Federal entitlement program. That is exactly what this is.

We can play like we are going to reform the election process to diminish the influence of special interest groups. But you will really create a new entitlement program. You will continue to legalize the failure to disclose certain kinds of contributions in the election process. I am referring specifically to the soft money contributions, the efforts that organized groups can make in the Federal election process that is not counted as a contribution because it is not a dollar or money contribution. It is a contribution of in-kind services and assistance that is more easily provided by those groups that are organized for the purpose of supporting the election usually of candidates who are running as Democrats for the U.S. House of Representatives or the U.S. Senate.

Mr. President, I think those are facts that we need to get out on the table and be honest about and disclose in our debate of the real issues here.

S. 2 is an effort to develop a partisan solution for a bipartisan problem. We have problems in our Federal election process that need to be corrected, and I think that is absolutely true. But I think that there are proposals pending before this Senate that seek to do that without having the taxpayers finance a new Federal entitlement program and which would do it better.

So I am saying that we have a difference of opinion about how to go about this. Some of us think that we should increase, modestly, the amount of allowable contributions by individuals from $1,000 per election, as it is under current law, to $1,500 per election.

That is what would be allowed under the Stevens proposal.

I think there are other changes that could be made to try to reduce the total amount of money that has to be spent in the election process. I think it is out of control. I think we are seeing too much money spent in advertising the campaigns of candidates, incumbents and challengers alike, for public office. I think there are ways to get at that.

I believe we ought to agree among ourselves that the first thing we ought to do is to disclose in our reports that are required to be filed with the Federal Election Commission all of the contributions that are received by our campaigns—these are all of the in-kind contributions that we receive, all of the financial contributions, the money contributions, that are received from individuals and political action committees—a full disclosure so that those who are interested in knowing whether or not a candidate is going to be beholden to or dependent upon an organization as well as an individual or a political action committee will have the full array of facts before him so he can make that decision.

I am not suggesting that organized efforts in a political campaign are wrong or should be discouraged in any way whatsoever. I am just saying that if that has a dollar value, and if we want full disclosure in the process, then that should be disclosed in our reports.

I am also suggesting that we carefully consider another kind of limitation that has not been fully discussed in this debate. That is a limitation on the time within which advertising your candidacy is legally permissible.

I recall in 1984 when I was a candidate for reelection to the Senate in my State of Mississippi, the campaign lasted from about February 1 until November. During the course of the summer, I remember reading in the newspapers about the fact that in Canada, Parliament had been dissolved, elections had been called, and they had been set for about 6 weeks from the day the Parliament was dissolved. I know we do not have a parliamentary system, but it occurred to me at the time, "Would not that be nice if in our election process, we had a shorter period of time within which to conduct our campaigns and have our election? Think of the amount of money that would not be spent in the campaign if you had a 6-week period of time allowable for your campaign."

Well, they elected a new Parliament and Prime Minister in Canada during that 6-week period of time but we continued slogging along through the State, advertising on radio and television, in newspapers, doing door-to-door canvasing, and all kinds of activities that cost a lot of money. We finally concluded the campaign in November.

Just the other day another example was the election in Britain. Elections were called, Parliament was elected, Margaret Thatcher reelected, all within the period of about a month.

I do not know what the total cost of those campaigns were in Canada or in Britain, but compared with the cost of campaigns here I would imagine that they were very modest.

I am not suggesting that we go to the parliamentary system or that we limit our campaigns to that period of time, but I have suggested an amendment and when it is appropriate to offer it I intend to offer it. It is printed in the RECORD of June 9, 1987, earlier this year. It is the Cochran amendment No. 284, on page S7896 of the CONGRESSIONAL RECORD.

The operative part of this amendment woud prohibit the advertising of a candidate's campaign except during the period of time 90 days preceding the date of the election or the primary or the nominating convention.

It is my suggestion that if we limit the period of time within which campaigns can lawfully be conducted, we are going to take care of the problem of excess expenditures in these campaigns.

I had the Congressional Research Service do a study to determine when campaign spending occurs with reference to the day of the election.

Mr. President, I ask unanimous consent that at this point the report provided to me by the Congressional Research Service be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

CAMPAIGN SPENDING BY DATE OF EXPENDITURE (REPORTED BY CRS)

1986 HOUSE AND SENATE CAMPAIGN SPENDING BY DATE

[In millions of dollars]

Date	3/31/86	6/30/86	10/15/86	12/31/86
Senate	46.0	92.2	145.8	211.1
House	58.1	99.7	153.1	239.0
Total	104.1	191.9	298.9	450.1

1980 Presidential campaign spending by date

Spent by Mar. 31, 1980:	*Millions*
Reagan campaign	$11
Carter campaign	9
Total	20

1984 Presidential campaign spending by date

Spent by Jan. 1, 1984:	*Millions*
Reagan campaign	$1.7
Mondale campaign	11.7
Other campaigns	16.8
Total	30.2
By party:	
Republicans	1.7
Democrats	28.4
Others	.1

Mr. COCHRAN. Mr. President, what we see in this report is that millions of dollars are spent well in advance of the campaign, not only in Presidential campaigns. As described in this report, in the 1980 campaign, total campaign spending by President Reagan and former President Carter prior to April 1980 totaled $20 million. In here you find the dates by which those funds were spent.

By March 31, 1980—this is for an election in November—those candidates, together, had spent $20 million.

In the 1984 Presidential campaign, President Reagan and former Vice President Mondale, and other campaigns that were involved in the 1984 election cycle, by January 1, 1984, spent a total of $30.2 million.

There are other indications in this report of how much was spent by House and Senate campaigns. Let me just use this to illustrate.

By March 31, 1986, for the 1986 election cycle for Congress, total spending by all House and Senate campaigns totaled $104.4 million.

Keep in mind that the earliest congressional primary that year was March 18, in the State of Illinois.

What this illustrates, Mr. President, is that candidates are spending more and more money each year, earlier and earlier in the election cycle.

I just read the other day that in Iowa there are candidates advertising on television already who are seeking to be selected by the caucuses that are going to be held just after the first of the year, in 1988, in the Presidential campaign, and that in New Hampshire, when the primary election is going to be held in February 1988, candidates are already advertising on radio, spending money for staff, doing direct mail pieces, expending huge amounts of money.

I am not suggesting that this amendment that I am going to offer will correct that problem. That is Presidential election politics, and we are not seeking to make changes in the measure before the Senate in Presidential campaigns. We are targeting our effort to Senate elections. I think we should include House elections as well.

For the purpose of Senate and House campaigns, this amendment, if it is agreed to, would prohibit election advertising, campaign advertising, prior to 90 days before a primary or general election. I think that would take care of a lot of problems.

Mr. McCONNELL. Will the Senator yield?

Mr. COCHRAN. I will be happy to yield with the understanding that I will not lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCONNELL. The Senator and I have discussed this issue a couple of times in the past, noting that we do not have a parliamentary system in this country, and in parliamentary systems the people by and large vote parties, and, therefore, are able to make quick decisions about who they favor.

I think there is a lot to be said for the statement of the Senator from Mississippi. However, I am troubled about one aspect of it. I am interested in the Senator's reaction.

The unknown candidate, the candidate who starts out, such as the Senator from Kentucky did, without a 10-percent name identification in the State. Is the Senator from Mississippi troubled by the idea of coming from nowhere, if you will, in the American system, if one is confined to this brief period of time for the introduction of the candidate and sales pitches of the candidate, this brief period of time for television advertising? Do you find this troubling?

Mr. COCHRAN. I am troubled by the fact that there are campaigns that are going to disadvantaged because of the fact that they are not going to have a year to advertise or 2 years to advertise their candidacies.

But I really think that this campaign thing has gotten completely out of hand. If you look at the fact that many campaigns now last for a year, or more, I do not know that we can justify to the American people having to subject them to a year's worth of television advertising for a race for the House or the Senate. I think that maybe our perspective has gotten completely distorted.

We are very much involved in the election process. Most of the people who are serving in the Senate have been in politics for a long time and been very successful in campaigns. They think about campaigning. They think about campaign advertising techniques a lot. They spend a lot of time on this subject. But the average American citizen is not nearly as interested in all of this as are those who serve in the Senate.

If we took a sample of public opinion and asked citizens, "How long would you like to have to review the qualifications and/or size up candidates in a political campaign," and if you gave them a choice of 1 month, 1 week, 2 months, 3 months, I would suggest that it would be a lot less than those who serve here would say they need in order to make an evaluation of candidates.

I think that our idea about it may be wrong. Some are going to say, "Well, that is going to give an advantage to incumbents." Well, I would like for the Senator to describe to me anything that is pending in the way of a suggestion for reform that is not going to provide an advantage to incumbents. I would like to challenge the Senator to identify for me a single piece of legislation that has ever been enacted by the Congress which did not give the incumbents in Congress an advantage over challengers for the seats they occupy. I would suggest that every measure that has been passed by Congress on this subject in the history of the Republic has not had as its purpose the creation of a fair and even playing field for challengers who might be wanting the jobs of those who are passing that law.

Mr. President, that is another thing we need to point out for the benefit of those who are interested in this discussion and wondering what is in this bill, that it is not, as some have self-righteously proclaimed, for the purpose of enabling challengers to have just as much of an opportunity for election to Federal office as incumbents have, because that is not going to be result of the enactment of S. 2. Incumbency is a tremendous advantage and everybody ought to admit that. And S. 2 does not correct that.

Mr. President, I do not think it is likely that many taxpayers, once they find out what S. 2 really would require in the way of outlays to candidates and incumbents who are running for office, are going to be very happy about it. The reason I do not think they are going to be happy about it is that it is going to either require new taxes be imposed to pay for this program or the deficit to be increased to an even larger amount.

I think these are serious problems. I think these are serious problems that the people are going to have with S. 2 when they find out what is really in it.

I do not think, for instance, that reform of the election process requires us to create a new Federal entitlement program. Now, some are saying, "Well, this is a voluntary program." I think the distinguished Senator from Kentucky has certainly answered that. I heard him describing the so-called voluntary nature of this bill the other day, and I think it is pretty clear that it is not voluntary at all. Any incumbent Senator who is seeking reelection who would not agree to abide by the limits imposed on S. 2 would be stupid.

Now, there may be some who would say that they would not agree and have a good reason for it, but in looking at what happens to you if you do not agree and what happens to the funding possibilities for your opponent if you do not agree to abide by strict limits that are imposed in this bill, then you would be foolish or misguided not to agree.

So it is not voluntary at all. The alternative to voluntary participation in the Federal fund matching aspect of this election law makes it involuntary. It is mandatory. As a practical matter, it is mandatory. And so what we are being asked to create is a new Federal program that will provide money out of the taxpayers' pockets to campaigns of incumbent Senators and challengers alike.

Those challengers do not have to have any credibility. There is a minimum requirement for raising a campaign fund that would qualify you for matching money out of the Federal Treasury. And because those limits are set very, very low, those requirements are minimal. I suggest that almost anybody could put together an organization of friends and acquaintances which would permit him or her to raise a requisite amount of money to qualify for the Federal money for his campaign. The Federal money that would come in would guarantee there would be a very real requirement of the incumbent to raise as much money as the law would permit, get as much of the Federal matching share as the law allows, and have a full-scale spending campaign. This is reformed campaigning? I suggest it would look pretty much like the campaigning that we have now. The only real difference, Mr. President, is that the taxpayers would be paying for most of it, whether they supported a candidate, thought he was a good, qualified candidate and ought to be involved in this campaign, or not.

I think you could just look around at some of those who have qualified for matching funds in Presidential campaigns and find that it really is not that difficult.

I do not mean to single out any one candidate, but I know that in the last Presidential election campaign, Lyndon LaRouche, for example, ended up getting about a half-million dollars, I think, from the U.S. Treasury to finance his campaign for President.

There is every reason to believe, Mr. President, that in Senate and House campaigns, we would have a proliferation of candidates because of the enactment of this new law and the requirement for the first time that the money that is given to them to run their campaigns come from the U.S. Treasury.

I think that, like any other new program that is created, S. 2, if it is enacted, is going to have the same kind of future. It will tend to get bigger than originally intended. There will be more money made available as time goes on. It will be indexed to try to accommodate the increased costs of advertising and campaigning as time goes on. It will get more out of control than people had intended it to when it was created. Like almost all the other entitlement programs I have seen enacted since I have been in Congress and in the Senate, it will be impossible to terminate.

So, even if we enact this, as some are suggesting, as an experiment, to see if this would improve the way we conduct our Federal election campaigns, I do not think it is an experiment that we could stop once it got started. It will become more expensive. It will become more complicated. It will impose on the American people the burden of more campaign advertising than they have ever had before. Do we not have enough already? I think we do.

So, I get back to the suggestion I made earlier: One sure way to reduce the cost of campaigns, to ensure that the campaigns are modest, is to restrict the time within which they can lawfully be conducted. There is precedent for this. Some are saying that they have not heard of this before. I pointed out the examples in parliamentary democracies in Canada and Britain. But there are statutes already on the books and there are ordinances in certain cities in our country that restrict the period of time within which candidates can post signs or can advertise by posting billboards.

The State of Wisconsin, as a matter of fact, has a statute that limits to the period of the actual campaign when a person files a petition with his signature to qualify for office and the election date as the period for campaigning.

Mr. President, I ask unanimous consent to have printed in the Record a copy of the Wisconsin statute.

There being no objection, the statute was ordered to be printed in the Record, as follows:

ELECTIONS—SIGNS ON RESIDENTIAL PROPERTY

1985 WISCONSIN ACT 198

An Act to create 12.04 of the statutes, relating to placement of materials containing a political message during election campaign periods

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

Section 1. 12.04 of the statutes is created to read:

12.04 Communication of political messages. (1) In this section:

(a) "Election campaign period" means:

1. In the case of an election for office, the period beginning on the first day for circulation of nomination papers by candidates, or the first day on which candidates would circulate nomination papers were papers to be required, and ending on the day of the election.

2. In the case of a referendum, the period beginning on the day on which the question to be voted upon is submitted to the electorate and ending on the day on which the referendum is held.

(b) "Political message" means a message intended for a political purpose or a message which pertains to an issue of public policy of possible concern to the electorate, but does not include a message intended solely for a commercial purpose.

(c) "Residential property" means property occupied or suitable to be occupied for residential purposes and property abutting that property for which the owner or renter is responsible for the maintenance or care. If property is utilized for both residential and nonresidential purposes, "residential property" means only the portion of the property occupied or suitable to be occupied for residential purposes.

(2) Except as provided in s. 12.03 or as restricted under sub. (4), any individual may place a sign containing a political message upon residential property owned or occupied by that individual during an election campaign period.

(3) Except as provided in sub. (4), no county or municipality may regulate the size, shape, placement or content of any sign containing a political message placed upon residential property during an election campaign period.

(4) (a) A county or municipality may regulate the size, shape or placement of any sign if such regulation is necessary to ensure traffic or pedestrian safety. A county or municipality may regulate the size, shape or placement of any sign having an electrical, mechanical or audio auxiliary.

(b) In addition to regulation under par. (a), a 1st, 2nd or 3rd class city may regulate the size, shape or placement of a sign exceeding 11 square feet in area. This paragraph does not apply to a sign which is affixed to a permanent structure and does not extend beyond the perimeter of the structure, if the sign does not obstruct a window, door, fire escape, ventilation shaft or other area which is required by an applicable building code to remain unobstructed.

(5) (a) The renter of residential property may exercise the same right as the owner to place a sign upon the property under sub. (2) in any area of the property occupied exclusively by the renter. The terms of a lease or other agreement under which residential property is occupied shall control in determining whether property is occupied exclusively by a renter.

(b) The owner of residential property may exercise the right granted under sub. (2) in any portion of the property not occupied exclusively by a renter.

(6) This section does not apply to signs prohibited from being erected under s. 84.30.*

Section 2. Initial applicability. This act applies to acts prohibited under a lease or other contract which is in effect on the effective date of this Section upon the expiration or renewal of the contract.

St.1915, § 12.01.
L.1935, c. 308.
L.1937, c. 101, § 2.
L.1965, c. 666, § 3, eff. July 1, 1967.
St.1971, § 12.01.

Effective date and application of L.1973, c. 334, see note preceding this section.

Cross References

Campaign financing, see § 11.001 et seq.

Code of ethics for public officials, see § 19.41 et seq.

Library References

Elections 🔑309 et seq.
C.J.S. Elections §§ 324, 334.

United States Code Annotated

Federal Corrupt Practices Act, see 18 U.S.C.A. § 592 et seq.

12.02 Construction:

In this chapter, criminal intent shall be construed in accordance with s. 939.23.

Historical Note

Source: L.1977, c. 427, § 110, eff. July 1, 1978.

Library References

Elections 🔑324.
C.J.S. Elections § 337 et seq.

12.03 Election day campaigning restricted:

(1) No election official may engage in electioneering on election day.

(2) No person may engage in electioneering during polling hours on election day within 500 feet of an entrance to a building containing a polling place.

(3) A municipal clerk, election inspector or law enforcement officer may remove posters or other advertising which is placed in violation of this section.

(4) In this section, "electioneering" means any activity which is intended to influence voting at an election.

Historical Note

Source:
L.1973, c. 334, § 35.
L.1977, c. 427, §§ 111, 112, eff. July 1, 1978.
L.1979, c. 89, § 21, eff. Dec. 9, 1979.
1983 Act 484, § 129, eff. June 1, 1984.
Prior Laws:
Ann.Stats.1889, § 23g.
L.1893, c. 288, § 123.
St.1898, § 4544d.
L.1925, c. 4.
St.1925, § 348.234.
L.1955, c. 696, § 227.
St.1955, § 12.64.
L.1959, c. 556, § 13.
St.1971, § 12.64.

Effective date and application of L.1973, c. 334, see note preceding § 12.01.

Mr. COCHRAN. Mr. President, this is one example of a law that has been used to limit the period of time that campaigns can be conducted.

Another example is in the city of Jackson, MS, where I live. We had municipal elections not too long ago. We just had a primary election in State and local government races on Tuesday. Within the city of Jackson, there is a law that limits the posting of election campaign signs and posters to 45 days prior to an election. This is not just public property where this is applicable. It is also on private property within the city.

I do not know whether anyone has challenged that and has raised the issue of freedom of speech. But the fact is that that ordinance is in force, and the city, as recently as this last primary election, took down signs that violated that ordinance.

So, it is not new in our system to limit the period of time for the conduct of election campaigning.

I think there are probably other examples that Senators can cite to support the notion that that is not something unheard of or unconscionable in our democratic process.

I think Congress has the lawful and constitutional right to prescribe the rules for the election of its Members. I think that is what the Constitution says. It shall be the judge of the qualifications of those who serve in Congress, and it shall enact laws that relate to the election. In addition to the constitutional amendment that was passed in 1913 which provided for the direct popular election of Senators, Congress has acted from time to time under its constitutional authority.

There are probably going to be others who will have a contrary argument on that point, and I am not surprised. But I suggest that there is also a good argument that can be made for the proposition that Congress has the power to limit the time within which campaigns for office in Congress can be conducted.

---

* 84.30—generally regulates "Outdoor Adv." Highways, etc.

Beyond that, Mr. President, I do not want to take up any more of the time of the Senate. Others are here on the floor and probably have comments they would like to make.

Mr. KERRY. Mr. President, will the Senator yield for a question?

Mr. COCHRAN. I am happy to yield to the Senator, with an understanding that I do not lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KERRY. Mr. President, while I was presiding over the Senate for a period of time, I listened with great interest to my friend from Mississippi. I think he raises a lot of very legitimate questions about problems in the electioneering process in this country about which we are all very concerned.

I think the public ought to understand this, and my question to the Senator really surrounds the problem of why we are not able to proceed forward to deal with some of the issues the Senator has talked about.

The Democratic process ought to allow us to take up every one of the points the Senator has made. He can make an amendment to S. 2 at any time with every one of his proposals. I would like to vote on them. I would like to debate them. But five times, as the distinguished majority leader has said, we have tried to bring this bill to the floor in a way that will allow us to vote and legislate and debate these very issues.

I wonder why the Senator and my friends on the other side of the aisle continue to refuse to allow this issue to be legislated on. Why can we not proceed forward and have every one of the amendments of the Senator from Mississippi argued about and voted on? I wonder why the Senator, himself, has voted against our ability to proceed forward to do that.

Mr. COCHRAN. I am happy to respond to the question of the distinguished Senator.

From the perspective of this Senator, I think it is helpful if the facts about what is in S. 2 as originally introduced and what is in S. 2 as modified are fully debated and fully discussed, so that everybody understands what we are looking at.

For example, I do not think there has been an accurate portrayal through the media of the contents and the implications of the proposal that is now before the Senate.

The Senate was created as an institution in which we would have an opportunity to carefully review and to deliberately study proposals that were made for changes in the laws of the country. From this Senator's point of view, this is the first opportunity I have had to discuss a suggested alternative to the spending limits and public financing that are being advanced principally by those on the Democratic side of the aisle.

As I said earlier, I think that once the full story is out about what is in the bill that is being urged upon the Senate now and what it really means so far as the cost to the taxpayers is concerned, and the institutionalizing of a new Federal entitlement program that would just benefit politicians and not the American people, they will not want us to enact it. I do not think they understand that now. I think that having the opportunity, as we are having this afternoon, to talk about it a little more, to look at it a little more carefully, to ask questions, just as the Senator has asked me about my motivation, the more fully the American people will understand the issues.

I conclude, from what I have heard and what I have read, that this is a very partisan suggestion that is attempted to be brought to the floor of the Senate for consideration. It is a partisan suggestion to solve a bipartisan problem, and I do not think that is right or fair.

I think that we need to include in the bill, for example, a full disclosure of the origin and the nature of all contributions to the Federal election process, whether or not organizations, who may not be political action committees, are using funds of their members specifically for the purpose of electing Democrats or Republicans or specific candidates of both parties to the House and to the Senate. Those funds should be reported and those expenditures should be reported to the Federal Election Commission.

I think, for instance, if you are going to try to limit, as this bill does, money contributions only, that you are not talking about all the contributions that are made by special interest groups in the Federal election process, but you are talking about those that are normally used far more effectively by Republican candidates than Democratic candidates because Democratic candidates tend to have, generally speaking, more organized support from labor unions and other groups and do not actually have to report everything that they do to the Federal Election Commission. That is not required under current law and it is not required under the so-called reform measure that is being advanced here under the provisions of S. 2.

I think "soft money" ought to be reportable. I do not think it ought to be necessarily outlawed or restricted or that persons ought to be intimidated in the free exercise of their powers of a citizen, but I do think that if we are going to have rules for one kind of contribution we ought to apply those same rules to other kinds of contribution that are just as effective and just as influential in the election process as a dollar contribution. I think that is the point that a lot of people have missed in this discussion and in this debate. I think the more we talk about it and the more we look at it and see it we realize that it is a very partisan suggestion for a problem that affects both parties, not just one.

Mr. KERRY. I appreciate that.

Mr. McCONNELL. Mr. President, will the Senator yield?

Mr. COCHRAN. Let me yield to the distinguished Senator from Kentucky with the understanding I will not lose my right to the floor, and then I will yield further to the Senator from Massachusetts.

The PRESIDING OFFICER. Without objection, the Senator is recognized under the conditions.

Mr. McCONNELL. I thank my friend from Mississippi.

I say two things. First of all, the Senator speaks with an outstanding analysis of the various S. 2 proposals, S. 2, 1, 2, and 3 we have seen and, second, the Senator is right on the mark. The reason we are not writing this bill on the floor is that if we write the bill on the floor, it is going to be a partisan bill. The leadership on this issue has said to the other side from the beginning if you want a bipartisan bill, as the Senator from Mississippi said, let us go off the floor and let us work on a bipartisan bill. We cannot write this bill on the floor of the Senate. It is too sensitive. It is too partisan. It is too obvious, as the Senator from Mississippi pointed out, that S. 2 is designed to nail the Republican Party and is asking too much of us to say let us go out and write this on the floor of the Senate where there are 54 Democrats and 46 Republicans. That is asking too much.

If we want to pass a bipartisan bill as we said we are willing to do for the last 2 months, let us huddle and do it and go out to the floor then with the kind of bill and pass it 59 to 5.

Mr. COCHRAN. I thank the Senator.

I am happy to yield to the distinguished Senator from Massachusetts with the understanding that I not lose my right to the floor.

The PRESIDING OFFICER. Without objection, the Senator has yielded on his conditions to the Senator from Massachusetts.

The Senator from Massachusetts.

Mr. KERRY. I thank the distinguished Senator.

If I could just comment on the comments of both Senators which try to assert that this is somehow a partisan measure which is without compromise and without effort to legislate genuinely I think the record shows otherwise.

When this measure was first brought to the floor by the distinguished Senator from Oklahoma and the Senator from West Virginia, the majority leader, it had in it a public finance mechanism and at that time our distinguished colleagues on the other side of the aisle took the floor en mass and said no public financing, public financing is an evil, public financing cannot be accepted under any conditions.

I suppose the irony was not missed by many that one or two of those who were making that argument were in fact preparing to file their letters to accept the Presidential public financing funds in their candidacy for President of the United States.

Mr. COCHRAN. Mr. President, if the Senator has a question, I will be happy to try to respond to it. I have not heard a question. It appears we are hearing a new speech on a different subject.

Mr. KERRY. I understand the floor was yielded to me on the condition the Senator did not lose his right to the floor. It was not stated specifically it was a question.

Mr. COCHRAN. I am happy to yield to the Senator for a question, Mr. President.

Mr. KERRY. Let me come back. I did want to ask the Senator from Kentucky a specific question. I do not know if he is going to be returning to this colloquy or not.

Mr. COCHRAN. I will tell him about it and I will try to answer it in his absence.

Mr. KERRY. He is present. I am not sure he is listening at this point.

I understand the Senator from Kentucky made a point about how somehow, and this is a question, I assure the Senator from Mississippi, that it was punitive and somehow contrary to the first amendment to say to somebody with a lot of money that if they went and spent above a specific amount, that the candidate opposing them would then receive equalizing funds.

My question to the Senator from Kentucky is, as a student of law and a lawyer, which he is, I do not know of anywhere in the Constitution or particularly in the first amendment that there is anything except a right to freedom of speech, a right to freedom of association, a right to have access and be able to spend your money to get your message across. But I do not believe that there is anywhere decreed or right to prevent us, a U.S. Government from providing funds to equalize that access for other people. There is no right to buy an election.

I wonder if the distinguished Senator could articulate for us where it is in the first amendment that there is some definition of that punitive aspect of providing that equality for funding for an election.

The PRESIDING OFFICER. The Senator from Mississippi has the floor. Does he yield to the Senator?

Mr. COCHRAN. I am happy to yield to the distinguished Senator from Kentucky for the purpose of answering that question with the understanding that I not lose my right to the floor.

The PRESIDING OFFICER. Without objection, the Senator's request is granted and the Senator from Kentucky has the floor on the conditions stated by the Senator from Mississippi to reply to a question. Then the Senator from Mississippi will be recognized again.

Mr. McCONNELL. I thank the Senator from Mississippi.

The question, as I understand it, was the distinction simply between the existing public finance law which is available to Presidential candidates and the various schemes envisioned by the proposals of the Senators from Oklahoma and West Virginia. There is a very important distinction. One is running for the President of the United States and chooses as a matter of conviction or otherwise not to accept public money. There is no penalty for that. He simply has to work hard to raise the money rather than raising part of the money and getting the rest from the Treasury. We had one candidate back in 1980 who did that. He was not successful. That may explain why none others have since. But as I said, Governor Connally said "As matter of principle, I don't want any Federal money. I will go out and raise mine."

He went out and did it, worked hard and, did not get anywhere, but there was no penalty. His decision to do that did not trigger any public funds or punitive actions to any of his opponents.

I say to my friends from Mississippi and Massachusetts the difference between the Presidential system under which there is no penalty at all for opting to go private and the various schemes that have been put forward in Byrd-Boren 1, Byrd-Boren 2, and Byrd-Boren 3 is if you approach above the limit public funds are triggered in fairly significant amounts for your opponents.

Therefore, as the Senator from Mississippi pointed out earlier making it pretty unlikely that unless you are a super millionaire, you are going to have the option to exercise your right of free speech because you are being punished with taxpayers' dollars for exercising this option.

That is the portion of these bills that in the judgment of the Senator from Kentucky is unconstitutional.

I think a clear reading, precise reading of Buckley versus Valeo leads one to the conclusion that that kind of punishment for exercising your first amendment freedom is very likely to fail the test of the first amendment.

That would be my answer to the question of the Senator from Massachusetts.

Mr. COCHRAN. Mr. President, I think if the Senators who are interested in the alternative proposals to S. 2 would look at the bill introduced by the Senator from Alaska, Mr. STEVENS, which I am cosponsoring, they would see a provision that relates to the wealthy candidate. If a person spends over a certain limit of his own funds and it is obvious that he is prepared to spend an enormous amount of his personal funds in his campaign, then the contribution limits under current law are increased so that a person faced with the wealthy candidate has a better chance to raise funds to offset that advantage.

Now, I think that is a better answer to it. I think that is a better way to handle that problem than having the Federal Treasury raided by a candidate to try to establish some semblance of balance between one who is wealthy and one who is not so wealthy or between one who is wealthy and one who is poor.

The fact of the matter is, as I suggested earlier in this discussion, I do not think it is possible for us to legislate equality in Federal election campaigns between incumbents and challengers. No matter how much someone might pretend they want to do that, I do not think that is going to be possible. We cannot legislate for someone a high name identification. But what we can do, Mr. President, is to require of all candidates that they disclose their campaign contributions, their monetary contributions in the form of donations of funds or money, whether it is from individuals or political action committees, or organizations, and that the organizations which spend money on their own in behalf of a candidate must also report those expenditures. I think that is important.

We have seen, Mr. President, a proliferation in many campaigns of the independent contribution, the so-called independent contribution. I think we are going to find if we look at a lot of those independent contributors, that they are really a part and parcel of a national political party or a national political movement and are centainly not just an ordinary average citizen pursuing some first amendment right.

I think this is true whether you are talking about liberal groups, conservative groups, or however you describe them. The fact is that the independent contributor now wields a tremendous amount of power and influence in the Federal election process. So we are not any longer just concerned, if we want full disclosure and spending limits, with how much money candidates themselves and their own personal campaign committees raise and spend.

In order to have full disclosure, we ought to include these independent organizations, whether they are an organized workers group or a trade association or a professional association. We ought to have the rules and laws applied to them just as strictly as they are applied to candidates and incumbents. I do not think current law does.

The Stevens bill would require the full disclosure of these independent contributions.

As a matter of fact, those contributions that are made for advertising for political candidates would have to be fully disclosed. Even organizational activities would be disclosed if they exceed the sum of $10,000.

In my judgment that is something that is needed. But it is not in the partisan bill, because it steps on too many people's toes who support those on the other side of the aisle who run for offices in the Federal election process.

I think these are facts, Mr. President, that are important, that are material, and that are relevant to this debate, and they ought to be carefully reviewed. I do not think they have been discussed very much in the newspapers. They have not been discussed very much in the accounts that I have heard and seen in the media about the debate on S. 2.

What we have heard more often than not is that the Democrats are for limiting and restricting the expenditures of moneys by special interest groups and for some manner or form of public financing for elections, and that the Republicans are against it. That is what I have read and I have heard, and I think that is what the average citizen has been led to believe by those who have dominated the debate on this issue on this floor, and it is time to straighten the record out. Because that is not true.

What is true is that this is a partisan effort to change the process but not to have full disclosure of all the influence in the Federal election process. I think that is what we need.

The S. 2, bill, that is presented to the Senate under this motion does not reduce the amount of contributions, the limits on contributions that can be made by political action committees. The Stevens bill does. it reduces from $5,000 to $3,000 the allowable contribution a political action committee can make to a Federal candidate, for the House or the Senate.

The McConnell and Packwood approach is to do away with them entirely—listen to that, Mr. President—the Republican Senator from Kentucky, and the Republican Senator from Oregon have proposed that all political action committee donations be done away with. It is hard to find that out, though, reading the paper.

The other day the Washington Post carried a guest editorial by my good friend, the distinguished Senator from Oklahoma, and you would have thought by reading the headline that his bill had something to do with limiting PAC contributions in Federal elections. It does not. It does not change the allowable limit that a political action committee can contribute in the Federal election process. It just does not.

The Senator had a long, involved discussion of how that bill indirectly affects political action committees. Even if you understood that and how that really would work, there is no change in the amount of money that a political action committee can contribute to a Senator's campaign. But the Republican Senators, who have offered the principal alternatives, would reduce the contributions that PACs can make.

I do not know whether anybody has said this or not, but if you look at the amount, as a percentage of contributions that are made to Democratic candidiates for the House and Senate by PACs, and contributions by PACs to Republican candidates for the House and Senate, you will find that more contributions have been made to Democratic candidates by PACs. That is just a fact.

It has been that way since PACs started. It gets bigger every year. And S. 2 does not change that. It does not change the amount of money that a political action committee can donate to a campaign of a candidate for the Senate or the House.

A lot of people are just now finding that out. So the Senator is wondering why we are taking this opportunity to discuss what is in S. 2? We are trying to have full disclosure, Mr. President, of what is in this bill. So we will know what they would have us disclose in Federal election campaigns in the future. What we are finding out is that some things will be disclosed and there will be limits on monetary expenditures in a way that limits only cash contribution spending. It does not limit the organizational spending, independent spending; it can be hidden under this proposal, so that the process can be dominated, Mr. President, by those who do not have to report; who do not have to say what they are doing or how they are influencing or manipulating the process for their benefit.

It creates the opportunity for massive abuse of the Federal election process and the American people ought to know that.

I have talked enough today on the subject. I have suggested that there are better alternatives than S. 2, for Federal election reform.

I am suggesting that the better alternative is the Stevens bill.

My distinguished friend from Kentucky has introduced a bill which also deserves careful review. It has a lot of good provisions in it that ought to be carefully reviewed. But to hear Senators come to the floor and complain that the Republicans are obstructing the processes of the Senate by telling everybody what is in these bills needs to be carefully reviewed, too.

Why do we want to rush this bill through with the atmosphere that has been created, with all of the publicity, the campaign of sending editorials to editorial writers all over the country telling them what is in the bill. Many of them have just been reproducing these editorials.

In one of my home State papers, you could pretty well figure when an S. 2 editorial is coming out because it will have come out in the Post the day before or 2 days before; then it will show up in one of my major newspapers in Mississippi.

A lot of the same phrases; a lot of the same words. Interesting.

I wonder about that fellow down in my State who is writing that editorial. How did he get all of this information when a lot of it is not even true; not even true? But it is being printed as if it is not only true but somehow sacrosanct. Sacrosanct because the public will now have every right to find out all there is to know about campaigning. Even that the Treasury will finance the campaigns.

Well, I say we need to take a very careful look at what is being pushed over on us in the name of reform. It is a new Federal entitlement program. Taxpayers are not going to like it when they find out that their money is going to support a lot of candidates whom they would not want supported under any circumstances for any office. But that will be the effect of S. 2.

I would be happy to yield to the distinguished Senator for a question.

The **PRESIDING OFFICER**. The Senator from Mississippi has the floor. The Senator from Massachusetts is seeking recognition.

Mr. **COCHRAN**. I yield to the Senator for a question. I do not intend to hold the floor much longer.

The **PRESIDING OFFICER**. The Senator yielded to the Senator from Kentucky for a question.

Mr. **McCONNELL**. I wanted to commend the Senator for one of the finest speeches I have heard on the floor in the 2½ years I have been in the Senate. You certainly laid it out. The disinformation campaign about S. 2 has been astounding. It has been one of the most incredible efforts to misinform the public that I have ever observed in all of my years in public life.

The Senator is absolutely correct saying that we need time to correct the misimpressions that have been laid before the American people.

Also, where the Senator points out that all of these measures have been carefully crafted he hits the mark again. They have been crafted to take advantage of the strengths of the Democratic Party and to get at the advantages of the Republican Party.

We have done better with the small donor. So let us put a clamp on what the small donor can do. Let us leave the soft money alone. Let us leave the organizational efforts alone. Let us do not have them limited or disclosable. Let us get at cash contributions because the guys and the girls on the other side have done a better job garnering those contributions. It is a thoroughly partisan bill. I thank the Senator.

Mr. BYRD. Will the Senator yield without losing the right to the floor?

Mr. COCHRAN. I will be happy to yield the floor, as I said a moment ago. I will be happy to yield to the distinguished majority leader.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. I thank the Senator.

I was somewhat amazed to hear the Senator from Kentucky refer, in his remarks, to S. 2 and to the Senators who are sponsoring and supporting S. 2—not personally—but he referred to it as the most incredible misinformation campaign that he had ever heard. Is that an accurate statement?

Mr. COCHRAN. Mr. President, if I may respond? I heard the Senator, and he can speak for himself, and I intend to yield to him for that purpose.

We were talking about the disinformation campaign that has been going on by editorial writers, people who have canned editorials and send them around the country under the alleged purpose of describing the contents of S. 2.

The Senator did not talk about any Senators being involved in any misinformation or disinformation campaign; but the atmosphere that has been created through the media about what this bill does and what it seeks to do. Its purposes have been distorted in his opinion, and my opinion, too. We have been talking about that for about the last hour.

But I am happy to yield to the Senator for any response he would care to make.

Mr. McCONNELL. Yes.

The PRESIDING OFFICER. Without objection, the Senator from Kentucky is recognized.

Mr. McCONNELL. That is true. The Senator from Mississippi accurately stated it. He cited, for example, Senator BOREN's op-ed piece in the Washington Post, the title of which is "Trying To Cut Back Power." And the article essentially did not mention PACs. We were just talking about how the editorials across the country have been talking about cutting PACs, and that is not what S. 2 is about in our judgment.

Mr. BYRD. I am glad to have it clarified. I thought the Senator was referring to what is in the bill and what the Senators who are cosponsoring and supporting that bill are saying about it. I want to be sure that I heard him correctly and that it was a most incredible misinformation or disinformation campaign—whatever it was, misinformation or disinformation. I wanted to be sure I got that clarified.

Was the Senator referring to the Senator from Oklahoma and other Senators on the Democratic side?

Mr. McCONNELL. Mr. President, if the Senator will yield, the Senator from Kentucky was not referring to any Members of the Senate. Second, on the observation of the Senator from Mississippi, with which he agrees, the amount of disinformation being circulated around the country, which appears in editorial after editorial, has been interpreted that somehow that bans the PACs, which in our judgment it does not do.

Mr. COCHRAN. The entire thing from the beginning has been announced in terms of, "Let us have the public pay for these campaigns rather than the special-interest groups. The PACs are dominating the process. This legislation is going to curtail that and somehow make sure that our process is pure, that it is not tainted by special group influence."

So what the American people assume is that S. 2 reduces the allowable limit of PAC contributions, and it does not; that it fully requires full disclosure of soft money contributions of organizational activity to raise money and spend money in behalf of Federal election candidates, which it really does not do. It does not have anything to do with independent expenditures in the process, by somebody who wants to come in and get involved in a campaign on his own, or maybe part of a national organization, or maybe as a group which is an arm of a national party. Those disclosures are not required by S. 2.

The American public is being led to believe by the way the debate is being printed in the newspapers that this is a bill that is evenhanded, that applies to Republicans and Democrats evenly, that it is fair, and that it is better in many respects than what we have. Some of us do not agree with that. So the point this Senator has been making or trying to make this afternoon is that there are two sides to the story and there are alternatives to S. 2. I discussed particularly the Stevens bill as a much better alternative and described why I am supporting it.

Mr. President, I yield the floor.

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. BYRD. Mr. President, will the distinguished Senator yield for a moment?

Mr. KERRY. I am delighted to yield.

Mr. BYRD. Mr. President, I am delighted to hear from the two Senators that their remarks were not directed at those Senators on both sides of the aisle, and there are at least two on the other side of the aisle, who have, by their votes, indicated that legislation is needed and they are considering supporting this legislation. I am glad to hear from the two Senators that their remarks as to misinformation were not arguments leveled toward Senators who are supporting this legislation.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. Mr. President, there are just a couple of points that I would like to address which I think bear on what we are really doing here. I think people ought to be reminded of what we are really doing here.

The distinguished Senator from Mississippi talks about airing the issues, getting at this.

Well, this bill has been through the legislative process, Mr. President. There are many items that come before the U.S. Senate, many of them initiated by my colleagues on the other side of the aisle, that have never had a hearing. This bill has had days of hearings before the Rules Committee. Many Senators testified. Everybody had an opportunity to go in and make their views known. This bill is not a surprise.

This bill has been floating around the floor and in committee since January of this year when we first got back. This bill has had as much lead time as almost most legislative matters that we ever confront here.

So this bill is not a mystery.

Secondly, Mr. President, this is a motion to proceed that we are debating.

My colleague from Mississippi has said, "I am for the Stevens bill." We would love to let him have a vote on the Stevens bill. That is the democratic process. Let us take a vote, Mr. President. I am sure all my colleagues on the Democratic side would welcome the opportunity to have the Stevens bill come. We will let them have the Stevens bill if they will let us have a vote on this bill. But I am not so sure they will go for that, Mr. President.

The reason I do not think they will go for that is because of the punishment argument that was made by the senior Senator from Kentucky.

I think we ought to examine the punishment argument and what it really means.

The Senator from Kentucky is saying that if you can raise whatever amounts of money you want, or if you are lucky enough to have that kind of money and you go ahead and spend it, then it is somehow punishing that person to have somebody else have the same right of access to communication, to the election process.

The converse of that argument, if you accept it, is that if you are going to view it as punishment to permit somebody equal access, you are, in effect, going to institutionalize forever financial advantage. That means if you have more money or can raise more money, you will always have the advantage because you can always buy more TV, mail to more people, hire more people to work for you, hire more telephone callers to make calls for you, do more polls, and be far more sophisticated in your election approach.

So what he is really saying, if you get underneath the notion of punishment, is, "It is OK in the United States of America for us to have a permanent system by which, if you can spend more money, you can hold office."

That is precisely, Mr. President, what they are trying to get at in this bill. We are trying to say, "Let the ideas win, let the candidates win on the basis of what they are going out and saying to the voters, and on the record and on the experience and on the character of the candidates; not on who has the slickest advertisements, not who can buy the best PR firms, not who can fudge the most times the record of another person and put it out in negative advertisements."

I have never in my life heard of something more American than the notion that we are going to have equality in the election process. If you have somebody who has millions of bucks and he wants to spend his millions of bucks, let that person go spend his millions of bucks. But let the other person have the opportunity to be able to take their ideas out on an equal footing and not be smothered by money.

I think the American people are sick and tired and fed up with the notion that money, and not policies and not character and not ideas, is going to decide the future of this country. That is not what anybody had in mind when they set up the democratic process such as we have.

I think what you really have when you get underneath this punishment argument of the Senator from Kentucky is a Republican desire to guarantee that the advantage that they have in funding remains.

Mr. President, last year Senator CRANSTON, of California, raised more money than any Democratic candidate for the U.S. Senate has ever raised in history, about $14 million for one U.S. Senate seat. And, Mr. President, he was still outspent by his Repubican opponent.

Republicans in turn will say, "Well, we won, so maybe it is okay."

That is not the issue. The issue is. Are we going to be able to get back to the job of being Senators and not raising money in Miami, Los Angeles, New York, and all over the country all the time? Will we be able to have those committee hearings that do not always coincide because they are crammed into 3 days when people can be here? Are we going to have time to come to the floor and debate great issues? Are we going to have to continue to adjust the Senate to fundraising needs of Senators?

Mr. President, I have the privilege of chairing the Democratic Senate Campaign Committee in this cycle. Last year the Democratic Senate Campaign Committee raised $12.2 million, a record amount for the Democratic party.

Our Republican counterparts raised over $90 million, and they were able not only to fully fund evey single one of their candidacies to the maximum amount allowable by the law, but they were able to spend millions of dollars in polling, get out the votes, and lots of other things, not to mention negative advertising.

My colleague from Mississippi says there is disinformation about PACs, PACs are not being limited in this effort, Mr. President.

Well, that is just not accurate. PACs are being limited. I have heard from countless PACs who called me up and asked, "Why are you limiting our ability to participate?"

PACs are angry at this legislation, Mr. President. They do not like it. The reason they do not like it was stated clearly by the Senator from Oklahoma because, as my colleague from Mississippi said, he is correct, we do not lower the $5,000 limit, but they are limited in their total ability to participate in any one candidate's campaign. That is the imbalance that people are upset about today.

Some campaigns for the U.S. Senate have an enormous disproportionate amount of PAC money in them and some have not. Some have a little bit.

But what is happening increasingly is those PACs have, according to some people's view, gone out of whack. So this legislation by Senator BOREN indeed limits the participation to 20 percent from about the 40 percent it is at today. That is a limitation.

In all candor, Mr. President, the amounts of money which we set by the Federal Election Commission were set in 1974. In 1974, we created a $1,000 limitation for any one individual to a campaign in the primary and in the general. Well, it is now 1987, and in the 13 years that have lapsed, the value of the dollar has gone down, the purchasing power of that $1,000 is less. The purchasing power of the $5,000 PAC contribution is considerably less. At the same time, the costs of campaigning have skyrocketed: television, far more expensive; polling, far more expensive. All of the costs of campaigning are more expensive. So it simply does not make sense to take a figure set in 1974 and in the face of high costs of campaigning lower that figure so as to make it even harder for people to be able to fund their campaigns.

Now, another issue, the history of this bill. The Democrats I think have shown an enormous willingness to compromise. At the outset, when this bill came to the floor, there was a hue and cry about the notion of public financing, and so back to the drawing board.

The public financing was reduced by 50 percent. That was not good enough. The stall continued. So back to the drawing board and, indeed, the public financing was eliminated with the exception of a voluntary checkoff system and some spillover if the voluntary checkoff system did not provide enough.

Now I hear my colleagues from the other side of the aisle saying, "My God, how can we use the Federal Treasury of this country to fund campaigns? Isn't that awful."

Well, Mr. President, almost every single one of them voted, those who were in the Senate, to do exactly that when they created a tax credit which gave people credit for up to $100, $50 for their donation to campaigns at the Federal level. Mr. President, that tax credit for which they voted cost the Federal Treasury $536 million. The election cycle of both the House and the Senate for the general election combined was $258 million.

So, Mr. President, we could have fully funded every single campaign in the country with Federal dollars that were being collected from 5 percent of the American people and still reduced the deficit of this country by $250 million if we had passed that plan last year.

But now, all of a sudden, when that Federal dollar may be spent in a way that equalizes the process, "Oh, no, we don't want anything to do with that. Don't do that. The sins and evil of a Federal dollar being spent to encourage participation in the election process is unacceptable."

Mr. President, I am happy to have this issue aired before the American people because it reeks with hypocrisy. How can we have that dollar spent one year and the next year it is not acceptable and they say no. I think, Mr. President, the American people as they begin to learn about his issue, will, indeed, say enough of the money in politics, enough of this process by which people who can contribute

$1,000 are the people who get their phone calls returned first, enough of this process by which the people who have a lot of money to give are the people who get more access and more say in what happens.

The President of the United States, Ronald Reagan—certainly no one beats him as the leader of the conservative movement in this country, who does not accept deficits, does not like public spending, does not want to see this country's deficit supposedly get worse, yet it does every year under him—has accepted money on two occasions from the Federal Government in order to conduct his campaigns for President of the United States.

(Ms. **MIKULSKI** assumed the chair.)

Mr. **KERRY.** Now, I think that given what is at stake in terms of the energies of Senators, the ability to be able to do our job as legislators, the ability to go back to our districts and listen to people more rather than raising money, the ability to be able to spend time legislating, there is much to be gained for this country in the process which would allow us to have equal access to the election process. There is no denigration of the Constitution of this country in this approach, not one iota, Madam President.

In this particular approach, there is a voluntary system. I emphasize that—voluntary. If you think it takes you $20 million to sell yourself to your State or your district, you go out and do it. But if somebody else thinks that is an unfair advantage and they need to be able to do that, too, in order to have people even hear their ideas in the midst of the kind of flood of television and advertising that that would provide, they get that shot. That is all. They do not get an advantage. They do not get more money. They just get the shot to stay on equal footing, Madam President.

It seems to me that nothing could be more essential to restoring people's confidence in this system than money, money, money is not the eternal decider and the unequivocal, critical pinion of the whole election process.

I think that the Senator from Mississippi has made many good points. There is much that ought to be discussed about the length of campaigns and when we begin and whether there can be limits. But I think, Madam President, we ought to get on with the business of doing just that rather than stalling in a process that I think is calculated, rather than to really deal with this issue and vote on it, to somehow run out the session, run out the year and avoid this from happening so that we can continue to see an enormous disadvantage remain part of the institutional election processing of this country.

I think my colleague is correct, incidentially, when he says this should not become partisan institutionalism. I do not think it should. I think there are issues that ought to be discussed about full disclosure, absolutely. And there ought to be issues discussed about what kind of sideline independent expenditures might be created by one facet of this bill or another. But again I repeat: There is not one aspect of that which cannot be voted on in the course of consideration, and I think my colleague understands that and would welcome the opportunity to do just that.

I yield, Madam President.

Mr. **COCHRAN** addressed the Chair.

The **PRESIDING OFFICER.** The Senator from Mississippi.

Mr. **COCHRAN.** Madam President, I welcome the comments the distinguished Senator from Massachusetts, who is chairman of the Democratic Campaign Committee this year for the Senate, has made about this bill. I think what we have come to realize today, and maybe some Senators have earlier than today, is that we need to get back together at the committee level, and those Senators who serve on the Rules Committee, which has jurisdiction over this subject matter area, ought to make a new effort—I hope that a new effort can be made—to develop a bipartisan bill that would attract the support and sponsorship of Members of the Senate from this side of the aisle and not be just a vehicle for trying to provide partisan advantage in the Federal election process.

I know there are differences of opinion about whether S. 2 does that or does not do that. I am strongly convinced that it is a partisan bill and that in order to have a bill enacted and to really change the law in any meaningful way, we are going to have to get together, Republicans and Democrats, to work out a compromise.

In the atmosphere we have today that obviously cannot be done on the floor. I hope that we would rededicate ourselves to the effort to craft a bill that will have bipartisan support; so that we can have real reform, full disclosure, and a better election process.

Madam President, I yield the floor.

Mr. **BOREN.** Madam President, I was able to hear at least a portion of the remarks of my good friend, the Senator from Mississippi, and he is my good friend. I have great respect for him. We have had many causes on which we have stood together on this floor. We have the privilege of working together on the Agriculture Committee and other arenas, and I value that partnership very much.

I have to say, in all due respect, that at least the concluding statement I heard him make is not one with which I can agree. I want to assure him with all sincerity that this bill is not offered for a partisan purpose.

If it has any unintended impact upon the chances of one party or another, I would say to the Senator from Mississippi that it is purely unintended. It is offered because of a sincere belief that we have to do something to preserve the integrity of the election process in this country and that the integrity of that process is being very rapidly eroded.

I recall when Senator Goldwater and I introduced our proposal a couple years ago, a proposal which mirrors a part of this bill, the part dealing with the aggregate amount of money that candidates can receive from political action committees, there were caucuses of both parties to discuss this legislation. In some ways it was amusing to me, and perhaps it is a sign of the times in which we are living, that in the caucus on the Republican side there was widespread suspicion voiced that this bill was a Democratic plot.

At the same time that meeting was going on, there was a meeting on the other side of the Capitol of the Democratic Caucus; and in that meeting there was widespread suspicion voiced that this was a Republican plot.

So, Senator Goldwater was accused of allowing himself to be duped by a Democratic plot, and I was accused of allowing myself to be duped by a Republican plot.

It reminds me of some discussions we have heard in the last 48 hours of an attempt to reach some consensus of where we go in Central America and on other foreign policy matters. There have been those who have said, "Is the White House trying to trick us?" There have been those, particularly the supporters of Contra aid—I happen to be a supporter, but I do not share the suspicion—who have said, "Is the White House selling out to those in Congress who are not really for Contra aid?"

I think that what we have had is an honest effort to try to get together. I hope it will succeed. I wish all those working on that matter Godspeed, as they try to develop a bipartisan approach to that problem. I hope we can have a bipartisan approach to this. I hope we can find common ground with the Senator from Mississippi, the Senator from Kentucky, and others.

I am alarmed at the way campaign spending has gone up. It has gone up 500 percent in the last decade in terms of the cost of running for the U.S. Senate, a successful campaign. I am alarmed that over 160 Members of Congress, in the last election, received over half their campaign contributions not from people at the grassroots but from special interest groups, largely controlled in Washington, mainly composed of people who have never been to the States of the candidates to which they have made contributions. So, some balance needs to be restored, and that is why we put limits on how much a candidate can receive from PACs and put in voluntary inducements with respect to limitations on contributions from PACs.

Only those who accept limits will get favorable postage rates. We have tried to do away with the bulk mailing rates which most parties get, the Communist Party and other parties. We would pick up enough revenue to pay for that. So we do it without any net increase in cost to the general revenue fund.

Then we have come along at the end and said that even though we have taken nearly all the public financing out of this package—again, in deference to those on the other side of the aisle who are not for public financing, I understand their concern about it, and it is a concern which I share to a large degree. I am not a great fan of public financing of any kind of campaigns. We were trying to find some way of getting people to accept campaign spending limits, in light of the ruling of the Supreme Court in Buckley versus Valeo.

It is the same reason why the Presidential system was put in place. We have to find some way to give candidates an incentive to accept spending limits. In the Presidential system, the cost of campaigns has been kept down, while in the Senate it has gone up 500 percent in the last decade. It has been the same for the past three Presidential elections. That is a great victory for the process of having candidates compete on the basis of ideas, ideals, and qualifications instead of on the basis of who can raise the most money. It has been good and healthy for the system.

However, in deference to those who are concerned about public financing, we have tried to take as much public financing as possible out of this bill. In the new compromise which has been talked about, and which will be offered later in the process, we have only used money from the voluntary income tas checkoff fund to be used as a mechanism that will come in place to discourage candidates from breaking the spending limit.

For example, in a State where the spending limit was $1 million and both candidates agreed to that, they would have to raise it privately. Not a dime of public money would come into play.

We have money from the checkoff used as a standby in this bill. If one candidate accepts a million dollar spending limit and does not break it, but the other breaks it, then the funds would be available to the other candidate to offset it and to offer a level playing field. It is used only as an enforcement mechanism.

We have gone a step further. Many on the other side have said: "I would rather do this by constitutional amendment and make sure that we have no public funds at all involved, even as a standby enforcement mechanism." So we have provided in the bill that if the constitutional amendment is adopted—and I support a constitutional amendment to let Congress place limits on campaign spending, as we used to be able to do—if that constitutional amendment is ratified—and Senator STROM THURMOND, a distinguished Senator on the other side of the aisle is one of the principal cosponsors, or perhaps the principal sponsor, of the constitutional amendment to limit the amount that candidates can spend—if that amendment is adopted, then the public financing, even as a standby mechanism, every penny, would come out of this bill; and the spending limits set in this bill would simply become implementing legislation allowed by the constitutional amendment.

So we have taken step after step to bring this in a bipartisan direction, to try to find areas of agreement.

I am encouraged by some things I have heard from Members on both sides of the aisle. Senator EXON told me he could not support the original version of S. 2 because he did not want candidates to automatically qualify for thousands of dollars of public money. He says that now that we have taken that out of the bill, he can support the bill.

Others on both sides of the aisle have indicated to me that they are very seriously considering supporting cloture in the light of the changes that have been made in this bill. I think we are moving in the right direction. We have an obligation to do that. We do not want a situation in which 160 Members of Congress, or more, are elected with over half the money coming not from their districts but from organized interest groups with no contact with their home States.

We do not want a situation in which the cost of running for the Senate has gone up to $3 million in the last decade and will go up to $15 million in the next decade.

We do not want young people who dream of performing public service to think about how they will raise $15 million to run for the U.S. Senate by the time they are old enough to run.

There are changes that need to be made, and we do not hold out our proposal as perfection. All we say is that it is an honest, well-intentioned attempt at putting together the best ideas we have to deal with an important problem in this country.

This year of the bicentennial of the Constitution, we are all reminded of the responsibility we have, whether Democrats or Republicans, to try to obtain the best system for this country, about which we all care.

So, that is what this bill is all about. It is a problem that is not a Republican problem, not a Democratic problem. It is an American problem. The highest offices of public trust in this land are more and more being placed on the auction block. Many of the American people believe that elections are being decided too much on who can raise the most money instead of who has the most sincere desire to serve this country and to make our country strong and economically competitive again and to hold our place in world affairs.

That is the challenge. We have made some significant changes. I do hope our colleagues will very carefully look at the compromise and will understand that it is a very different proposal from the one originally offered. I assure them that it is sincerely offered in the spirit of trying to reach a bipartisan consensus, and I look forward to examining their suggestions for improving it further.

If someone brings me a sincere proposal to try to improve this bill, I will be the first Senator to accept that proposal, if I believe it is right. In my own sincere opinion, I will view that proposal with equal openness, whether it comes from a Republican or a Democrat.

We have drifted into too much polarization in our country—polarization of suspicion and confrontation in foreign policy; polarization of suspicion and confrontation in domestic policy. Debate on this bill, a bill aimed at the election process, which should not have anything to do with party, has drifted into that kind of field.

I am sure that my colleagues on both sides of the aisle are sincere in having these suspicions, but I do believe it is time for us to replace polarization with partnership. I believe it is time for us to replace confrontation with cooperation. I think it is time for all of us to work as hard as we can to do what is right for the country, and this is a sincere effort to do that.

I salute the majority leader for his commitment to this particular approach. He understands the problems that are being caused in this institution by the need to raise more and more money.

Madam President, I do not believe there is any person in this country, if he would reflect upon it, who would think it is a good thing that the average Member of the Senate—I am not talking about a Senator from New York or California where spending has gone as high as $20 million or more to run for the U.S. Senate—I am talking about just an average Senator from an average State, a State the size of Oklahoma, for example, with 3 million people; the cost of running in a State that size, which is relatively small, is $6 million. If you look at this for over a 6-year period to raise $3 million, every Senator would have to raise at least $10,000 every single week of the entire 6-year term that that Senator serves, $10,000 raised this week, $10,000 raised the next week, $10,000 raised the next week, every single week for 6 years without exception to come up with $3 million which is now necessary to run a successful campaign.

Madam President, we ought to be dealing with the problems of this country, not figuring out how to raise $10,000 this week and how to raise the $10,000 next week. We were not sent here by our constituents to spend our time thinking about how to raise $10,000 every week. We were sent here by our constituents to grapple with and solve the real problems they are facing and our country is facing. We were not sent here to figure out how to raise the $10,000 so there would be some appearance out there we are so concerned about raising our money that it could have some indirect influence about our standing on the issues.

We should be spending our time doing the job we were elected to do.

I hope we can find a way to limit this overall spending to get it back under control so that this week this Senator and other Senators on this floor will not have to stop and think about raising $10,000. We can turn our attention instead to the problems in the Persian Gulf and what is going on in Central American and what we do about the trade imbalance and what we do about farm credit and energy policy and all the other issues about which we should be concerned and about which I think the Members of this Senate want to spend their time and their thinking time and their time and energies trying to work to do something for their country.

Madam President, again I want to appeal to all of those on both sides of the aisle, let us step back from this and think about it again and let us see if we cannot find a way to get together to do something that will help this institution.

The majority leader has indicated we are going to come back, going to come back to this again and again until we find a way to do that. I know he is not offering to do that because he is a Democratic leader. I think he is offering to do that because he is the majority leader with a responsibility to this institution and to the country and to try to do something to preserve this institution.

I have heard him say that he is thinking about the time when he is no longer a Member of this Senate. He is thinking about what kind of institution we are going to have down the road and what kind of institution the U.S. Senate will be when it is dealing with the problems of our children and our grandchildren and whether or not it will still be able to function as it should to play that role in the affairs of this country.

I know that is his commitment. He is a historian of the Senate. He sees what happened.

The Senator from Mississippi, the senior Senator, Senator STENNIS, the President pro tempore, served here so many years, celebrated his 86th birthday just a few days ago, served here longer than any other Senator and has spoken very eloquently time and time again about his concern about what is happening to this institution as a result of the trend and the campaign financing and the amount of money that it takes.

These voices should be heeded. Those with historic perspective should be listened to. We should see what has happened to us. We must not close our eyes to what is going on. How many elections will have to pass, Madam President, before we recognize the problem? How many problems will have to be put on the back burner while people raise that $10,000 a week before we realize for the sake of our country this is the time for us to act.

I yield the floor.

Mr. HOLLINGS. Madam President, I rise today to join the discussion on S. 2, the Boren-Byrd campaign finance bill, in response to some remarks made earlier today on the floor of the Senate. First, I would like to thank the majority leader for his kind comments about my constitutional amendment to allow Congress to limit campaign spending, Senate Joint Resolution 21. He and I both agree that absurd amounts of money are being raised and spent in congressional elections, and that a constitutional amendment is a constructive way to deal with this problem. I welcome the leader's support on this issue and look forward to working with him to see that this bill passes the Congress and is sent to the States.

After the majority leader's remarks, however, the Senator from Kentucky [Mr. McCONNELL] responded that he opposed Senate Joint Resolution 21 because it was a partisan bill aimed at limiting the Republican Party. Well, Madam President, that would come as quite a surprise to the Republican supporters of this bill that include my senior colleague from South Carolina, Senator THURMOND, the ranking member on the Judiciary Committee, and the Senator from Alaska, Senator STEVENS, the ranking member on the Rules Committee. The newness of the view of the Senator from Kentucky has its merits. This Senator, however, is more persuaded on campaign matters by the view, nourished by over 52 total years of Senate experience, expressed by Senator THURMOND and Senator STEVENS. They know my constitutional amendment is not partisan, and I am pleased to have them as cosponsors.

Unlike my friend from Kentucky, they recognize that the Congress has turned into a body of fundraisers, not legislators, that while money has always been a part of politics, the tables have been turned. It used to be that politicians attracted the money, now the money attracts the politicians. For example, Congress used to work during the week and raise money on the weekend. Now, we continually disrupt our legislative schedule with what are called "Windows." I used to think that a window was something you looked out of, but I know now that it is something you haul money through. The point, Madam President, is that the megadollar requirements of modern campaigning undermine the ability of all Members to do their job, and thereby the integrity of the body itself.

ORDER OF PROCEDURE

Mr. BYRD. Madam President, this request has cleared with the able Republican leader and the two Senators who will manage the bill are on the floor, Senators LEAHY and LUGAR.

ADMINISTRATION OF THE COMMODITY DISTRIBUTION PROGRAM

Mr. BYRD. Madam President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 261, S.305.

The PRESIDING OFFICER. The clerk will state the bill by title.

The legislative clerk read as follows:

A bill (S. 305) to amend the National School Lunch Act to improve the administration of the commodity distribution program.

There being no objection the Senate proceeded to consider the bill which had been reported from the Committee on Agriculture, Nutrition, and Forestry, with an amendment to strike all after the enacting clause and insert in lieu thereof, the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Commodity Distribution Reform Act of 1987".

SEC. 2. SENSE OF CONGRESS.

(a) DISTRIBUTION OF AGRICULTURAL COMMODITIES.—It is the sense of Congress that the distribution of commodities and products—

(1) should be improved as an effective means of removing agricultural surpluses from the market and providing nutritious high quality foods to recipient agencies for assistance to needy persons; and

(2) is inextricably linked to the agricultural support and surplus removal programs administered by the Secretary of Agriculture and is an important mission of the Secretary.

(b) COMMODITY DISTRIBUTION PROGRAMS.—It is the sense of Congress that the Secretary of Agriculture should—

(1) adopt such policies and rules as are necessary to make the commodity distribution programs administered by the Secretary more efficient and responsive to eligible re-

cipient institutions and the needy persons relying on the programs; and

(2) improve the quality of the commodities so distributed and the manner in which the commodities are distributed.

SEC. 3. COMMODITY PROCESSING EXTENSION.

(a) IN GENERAL.—Section 1114(a)(2)(A) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e(2)(A)) is amended by striking out "1987" and inserting in lieu thereof "1989.".

(b) CONFORMING AMENDMENTS.—

(1) Section 4404 of the Child Nutrition Amendments of 1986 (Public Law 99-661) is amended by striking out "In" and inserting in lieu thereof "Effective through June 30, 1989, in".

(2) Section 364 of the School Lunch and Child Nutrition Amendments of 1986 (Public Laws 99-500 and 99-591) is repealed.

SEC. 4. COMMODITY DISTRIBUTION PROGRAM REFORMS.

(a) APPLICATION.—This section shall apply to—

(1) the commodity distribution and commodity supplemental food programs established under sections 4(a) and 5 of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note);

(2) the program established under section 4(b) of the Food Stamp Act of 1977 (7 U.S.C. 2013(b));

(3) the school lunch, commodity distribution, and child care food programs established under sections 6, 14, and 17 of the National School Lunch Act (42 U.S.C. 1755, 1762a, and 1766);

(4) the school breakfast program established under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773);

(5) the donation of surplus commodities to provide nutrition services under section 311 of the Older Americans Act of 1965 (42 U.S.C. 3030a); and

(6) to the extent practicable—

(A) the temporary emergency food assistance program established under the Temporary Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note); and

(B) programs under which food is donated to charitable institutions.

(b) QUALITY AND FORM OF COMMODITIES AND PRODUCTS.—

(1) DEVELOPMENT OF SPECIFICATIONS.—The Secretary of Agriculture (hereinafter in this section referred to as the "Secretary") shall develop specifications for commodities and products that are distributed by the Secretary that ensure that the commodities and products are of a quality, size, and form that is most useful to eligible recipient agencies, taking into account the duty of the Secretary—

(A) to remove surplus stocks of agricultural commodities through the Commodity Credit Corporation; and

(B) to purchase surplus agricultural commodities through section 32 of the Act entitled "An Act to amend the Agricultural Adjustment Act, and for other purposes", approved August 24, 1935 (7 U.S.C. 612c).

(2) OPTIONAL SIZES AND FORMS.—The Secretary shall, to the maximum extent practicable, make the commodities and products available in optional package sizes and forms.

(3) AVAILABILITY OF SPECIFICATIONS.—The Secretary shall make available summaries of the specifications for the commodities and products to State agencies.

(4) TESTING FOR ACCEPTABILITY.—The Secretary shall establish an ongoing field testing program for present and anticipated commodity and product purchases to test product acceptability with program participants. Test results shall be taken into consideration in deciding which commodities and products, and in what form the commodities and products, should be provided to recipient agencies.

(c) DIETARY GUIDELINES.—Commodities and products that are distributed by the Secretary shall, to the maximum extent practicable, be consistent with the Dietary Guidelines for Americans published by the Secretary of Agriculture and the Secretary of Health and Human Services.

(d) COMMODITIES AND PRODUCTS THAT ARE NOT IN GOOD CONDITION.—

(1) REPLACEMENT.—Commodities and products that are distributed to eligible recipient agencies and are found not to be in good condition shall be replaced under procedures established by the Secretary. On receiving a commodity or product that is not in good condition, a recipient agency shall expeditiously notify the State agency of the condition. The State agency shall take appropriate steps to ensure that the commodity or product is expeditiously replaced.

(2) PROCEDURES.—The Secretary shall establish procedures governing the handling of commodities and products that are not in good condition when received by recipient agencies.

(3) MONITORING SYSTEM.—The Secretary shall establish a system to monitor the age and condition of commodities and products that are stored by the Secretary, to ensure acceptable quality.

(e) DISTRIBUTION AND DELIVERY.—

(1) DISTRIBUTION SCHEDULES.—The Secretary shall establish schedules, to the maximum extent practicable, for the distribution of commodities and products that are consistent with the needs of eligible recipient agencies, taking into account the duty of the Secretary—

(A) to remove surplus stocks of agricultural commodities through the Commodity Credit Corporation; and

(B) to purchase surplus agricultural commodities through section 32 of the Act entitled "An Act to amend the Agricultural Adjustment Act, and for other purposes", approved August 24, 1935 (7 U.S.C. 612c).

(2) DELIVERY SYSTEMS.—The Secretary shall monitor the delivery systems used by State agencies, and require State agencies to implement an effective delivery system, for the intrastate delivery of donated commodities and products. The Secretary shall establish a value for donated commodities and products to be used by State agencies in the allocation or charging of commodities against entitlements.

(f) RECIPES.—

(1) IN GENERAL.—The Secretary shall distribute to all recipient agencies suggested recipes for the use of donated commodities and products.

(2) DISTRIBUTION.—The recipe cards shall be distributed as soon as practicable after the date of enactment of this Act and updated on a regular basis.

(g) IMPLEMENTATION.—

(1) REGULATIONS.—Not later than 9 months after date of enactment of this Act, the Secretary shall issue such regulations as are necessary to carry out this section, including regulations concerning—

(A) reasonable intrastate fees if such fees are charged to local recipient agencies;

(B) minimum performance standards to be followed by State agencies responsible for intrastate distribution of donated commodities and products;

(C) procedures for commodity allocations among the States;

(D) delivery schedules; and

(E) procedures for local recipient agencies to return commodities and products delivered that are stale, spoiled, or similarly not in conformity with the product specifications of the Secretary.

(2) UNIFORM INTERPRETATION.—The Secretary shall take such actions as are necessary to ensure that regional offices of the Department of Agriculture interpret uniformly across the United States policies and regulations issued to implement this section.

SEC. 5. EXTENSION OF ELIGIBILITY OF CERTAIN SCHOOL DISTRICTS TO RECEIVE CASH OR COMMODITY LETTERS OF CREDIT ASSISTANCE FOR SCHOOL LUNCH PROGRAMS.

(a) IN GENERAL.—Section 1581(b) of the Food Security Act of 1985 (Public Law 99-198; 99 Stat. 1594) is amended by striking out "1987" and inserting in lieu thereof "1989".

(b) CONFORMING AMENDMENT.—Section 14(g)(2) of the National School Lunch Act (42 U.S.C. 1762(g)(2)) is amended by striking out "In" and inserting in lieu thereof "Effective through the school year ending June 30, 1989, in".

SEC. 6. COSTS FOR NUTRITION SERVICES AND ADMINISTRATION.

(a) IN GENERAL.—Section 17(h) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)) is amended by adding at the end thereof the following new paragraph:

"(5)(A) In addition to the amounts otherwise made available under paragraphs (1) and (2), each State agency may use 10 percent of the savings (as defined in subparagraph (C)) for the costs of nutrition services and administration of the State agency and local agencies associated with increases in the number of persons served. In the case of a State agency that instituted a competitive bidding or rebate system before the date of enactment of this paragraph, the State agency may use savings under this subparagraph only if the use of the savings does not result in a reduction in the number of persons served in the State.

"(B) In addition to the amounts otherwise made available under paragraphs (1) and (2) and subparagraph (A), each State agency may use up to 10 percent of the savings (as defined in subparagraph (C)) for the costs of nutrition services and administration of the State agency and local agencies to the extent that the additional expenditures are related to increases in the number of persons served due to an increased availability of supplemental food assistance. The Secretary shall issue rules to implement this subparagraph that take into account—

"(i) the types of persons to be served and the per participant costs for nutrition services and administration in the State;

"(ii) incremental costs per participant of nutrition services and administration associated with serving an increased number of persons;

"(iii) amounts allocated and reallocated under paragraphs (1) and (2); and

"(iv) other factors considered appropriate to further efficient and effective administration, such as staffing needs, density of population, utilization of existing facilities and equipment, and other special circumstances that severely restrict the fiscal capacity of the State (such as a State economic crisis).

"(C) As determined under procedures developed by the Secretary, the savings specified under subparagraphs (A) and (B) shall be—

"(i) the amount of funds realized by a State agency as the result of a rebate system; or

"(ii) in the case of a direct distribution or home delivery system, the difference, in any fiscal year, between—

"(I) the total cost to the State agency of obtaining and providing one or more of the supplemental foods under any competitive bidding system under which a State or local agency contracts for the purchase of supplemental foods and products at reduced prices; and

"(II) the total cost that would have been incurred in obtaining and providing such supplemental foods based on an average Statewide retail price, as measured by price surveys conducted by the State agency or other means approved by the Secretary.

"(D) Paragraphs (3) and (4) shall apply to funds expended under this paragraph.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective and implemented on the first day of the first quarter beginning 180 days after the date of enactment of this Act.

SEC. 7. COORDINATION OF WIC PROGRAM WITH MEDICAID COUNSELING.

Section 17(f)(1)(C)(iii) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)(1)(C)(iii)) is amended by striking out "and maternal and child health care programs" and inserting in lieu thereof "maternal and child health care, and medicaid programs".

SEC. 8. STUDY OF MEDICAID SAVINGS FOR NEWBORNS FROM WIC PROGRAM.

(a) STUDY.—The Secretary of Agriculture shall conduct a national study of savings in the amount of assistance provided to families with newborns under State plans for medical assistance approved under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) and State indigent health care programs, during the first 60-day period after birth, as the result of the participation of mothers of newborns before birth in the special supplemental food program authorized under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786).

(b) REPORT.—Not later than February 1, 1990, the Secretary shall submit to Congress a report that describes the results of the study conducted under subsection (a).

(c) FUNDING.—This section shall be carried out using funds made available under section 17(g)(3) of the Child Nutrition Act of 1966.

SEC. 9. EFFECTIVE DATE.

Except as otherwise provided in this Act, this Act and the amendments made by this Act shall become effective on July 1, 1987.

Mr. BYRD. Madam President, this is an important bill and I am going to ask for the yeas and nays on the final passage of it.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. LEAHY. Madam President, will the distinguished Senator from West Virginia yield?

Mr. BYRD. I yield.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Madam President, I thank the distinguished Senator from West Virginia for bringing this matter up. I concur with him. It is an important bill.

The Commodity Distribution Reform Act of 1987 will mean that thousands of needy infants and pregnant women, determined to be at nutritional risk by health professionals, can receive special nutritional foods at no additional cost to the taxpayer. Indeed, it is possible that several hundred thousand pregnant women, newborns and infants who are poor will be able to receive infant formula, milk, cheese, fortified cereals, and other nutritious foods selected by health professionals without one penny of additional Federal or State money being used.

The need to help these needy women and children is clear. Assistant Secretary of Agriculture John Bode testified recently at our Agriculture Subcommittee hearing that only 40 percent of the women, infants, and children eligible for the WIC Program—the Special Supplemental Program for Women, Infants and Children—can participate because of Federal budget restrictions. Indeed, President Reagan's proposed budget would throw more than 50,000 eligible women, infants, and children off this program this fiscal year. This bill makes an important first step in solving the budget problem. It adds eligible women, infants, and children to the WIC Program at no additional expense.

The bill incidentally borrows an idea that has been used in Vermont for years. Vermonters are very frugal and it shows in the way they run the WIC Program. Vermont buys the commodities which it distributes through the WIC Program at volume discounts. Because of these procedures Vermont serves more eligible WIC recipients than any other State. Vermont serves over 70 percent of those eligible whereas the national average is only 40 percent.

On the other hand, most States pay a lot more—they buy these same commodities at retail prices. This bill provides incentives for States to adopt Vermont's approach and use competitive bidding to obtain the same healthy and fortified foods at discount—volume buying—prices.

To be eligible for WIC the applicant must not only be poor but also be at nutritional risk as determined by a physician, nurse, or nutritionist. Generally speaking, under current law State agencies may use around 20 percent of the WIC money they receive from USDA for administrative costs—80 percent, or more, of the Federal funding must be used for "food costs" as defined by Federal law.

The costs of making nutritional risk assessments, and the costs of nutritional counseling, are part of the administrative costs. Five WIC directors testified at the June 11 subcommittee hearing that the costs of these nutritional assessments, including salaries, accounted for much of the expenditures of "administrative" costs.

Several States have expressed a desire to expand program operations by obtaining WIC foods at reduced costs. The problem is that a USDA ruling, based on an OMB directive, requires that States use all of the savings for additional purchases of WIC foods. Most States would be unable to serve additional recipients without being able to use some of the savings to cover nutritional risk assessments, nutrition education activities, and the normal certification costs.

This bill provides an incentive to encourage States to buy WIC foods at reduced prices by allowing them to use up to 20 percent of the savings for medical and other processing and health assessment costs. States would automatically be eligible to use the first 10 percent of the savings for certification costs to serve more people. USDA will establish regulations regarding how much of the second 10 percent States would be eligible to use based on certain factors indicating their need for additional funding. Thus, at least 80 percent of the savings obtained through these competitive bidding systems must be used for purchases of nutritional WIC commodities.

When you also consider other taxpayer savings involved in the WIC Program this bill will likely save money while serving more pregnant women, new mothers, infants, and children under 5. Recent studies published in the American Journal of Public Health have shown that participation by pregnant women in WIC reduces Federal Medicaid costs regarding newborn infants. Babies born to WIC participants were less likely to be seriously ill at birth as measured by lower neonatal intensive care unit admission rates and shorter stays in intensive care.

Those studies showing these taxpayer savings in Medicaid caused by the pregnant woman's WIC participation were limited to persons living in Missouri. This act also requires that USDA conduct a nationally representative study to test the accuracy of those studies limited to Missouri. WIC funds available for WIC studies, already authorized under section 17 of the Child Nutrition Act, will be used for that purpose. I have been informed that the Missouri study cost around $40,000.

This act also requires the Department of Agriculture to improve the quality of commodities delivered to schools for use in the School Lunch Program. We have heard complaints about the quality of the foods delivered by USDA for use in the School Lunch Program. The act also requires that USDA follow its own "Dietary Guidelines for Americans" regarding the commodities it distributes.

School districts have also complained that they are never sure when USDA commodities are going to be delivered which makes planning menus and arranging for storage very difficult. This act calls for improvements so that schools can receive fresh commodities, delivered in good condition and on time.

These same improvements also apply to USDA elderly feeding programs, the Food Distribution Program on Indian reservations which is a substitute for the Food Stamp Program, the Child Care Food Program and other USDA food donation programs. This act provides the Secretary of Agriculture with a certain amount of discretion on how to make these improvements. We will be carefully watching how this act is implemented so that we can respond quickly should further legislation be necessary.

America has the largest stockpiles of agricultural surpluses of any nation in history. We should use those surpluses to feed the hungry and to feed our schoolchildren. The agricultural support programs, so important to our farmers, have for years provided vital foods to America's needy and hungry.

This act also extends around 60 School Lunch Program pilot projects for 2 years. These pilot projects, two of which are in Vermont, are designed t test two alternatives to the regular commodity delivery program for schools that participate in the School Lunch Program.

I am pleased that this act has such strong bipartisan support.

Certainly, we have the invaluable support of the distinguished Senator from Indiana, Senator LUGAR, who is one of the most knowledgeable Members of this body in this area. Senator DOLE, the distinguished Republican leader, who has been a leader in nutrition matters, has been very instrumental in obtaining the support of other Senators for this bill. In fact, months ago, Senator DOLE introduced legislation, S. 236, designed to improve School Lunch Program commodities. The bill before us incorporates many of these ideas.

I also want to thank the distinguished Senator from Iowa, the chairman of the nutrition subcommittee, Senator HARKIN for all his efforts. Senator HARKIN chaired two lengthy subcommittee hearings demonstrating the need for this bill. Senator HARKIN's initiative and leadership have been vital to the success of this bill. This act will allow Iowa, and other States, to provide thousands of more eligible pregnant women and infants with nutritional WIC benefits at no additional cost to the taxpayer.

Certainly, in this same area Senator MELCHER, who is also on the Subcommittee on Nutrition and Investigations, has for years been a standard-bearer in the crusade to get the WIC Program to serve more eligible women, infants, and children and in the battle to get USDA to use more of its surpluses to feed the hungry. I greatly appreciate his efforts in this regard and his support of this bill.

Staff, from both sides of the aisle, have also put in a lot of work on this bill. We had two subcommittee hearings, a subcommittee markup and a full committee markup in addition to a number of meetings and negotiations on this bill.

I'd like to thank Charles Riemenschneider, John Podesta, Ed Barron, Janet Breslin, and Chris Sarcone of the Agriculture Committee. On the minority side of the committee I appreciate the efforts of Chuck Connor, Tom Clark, and Dave Johnson.

In addition several other staff members made contributions to this effort: these include Chris Bolton, of Senator DOLE's staff; Bob Andros and George Palmer of Senator HARKIN's staff; Barbara Thompson of Senator BOSCHWITZ' staff; and Jane Whitmeyer of Senator MCCLURE's staff.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Madam President, the distinguished chairman of the Agriculture Committee, Senator LEAHY, has mentioned that the legislation before us comes as a combination of two bills, one that the distinguished chairman himself has authored and one authored by the distinguished Republican leader, Mr. DOLE.

Madam President, given these two legislative initiatives, the Agriculture Committee heard complaints from recipient agencies of commodities that on occasion these commodities are delivered in unusable forms, such as 50-pound blocks of cheese.

This bill requires the Secretary of Agriculture to develop specifications to ensure that commodities are of the quality, size, and form that is most useful to the recipient agencies. It requires that the Secretary must field-test present and possible future commodities and products to determine which commodities and products should be distributed and in what form they should be provided.

As the distinguished chairman of our committee, Senator LEAHY, has mentioned, the Senator from Iowa, Senator HARKIN, and others, gave vent to a number of thoughts with regard to the current distribution program and its heavy emphasis in their judgment upon fat and other cholesterol products.

This legislation requires the commodities should to the maximum extent possible be consistent with the dietary guidelines published by the Secretary of Agriculture and Secretary of Health and Human Services. Further, this section provides that commodities that are distributed but not in good condition should be replaced under procedures to be established by the Secretary.

It requires that, to the extent practical the Secretary should create distribution schedules which are consistent with the needs of the recipient agencies.

Section 5 came to us from the distinguished Senator from Idaho, Senator MCCLURE, who had planned to offer an amendment to H.R. 1157, the disaster relief bill.

Madam President, perhaps you and others will recall that in an attempt to form that legislation which was a narrowly drafted agricultural bill, we asked the distinguished Senator from Idaho to refrain at that point and promised to review this issue at a later date. His amendment has been made section 5 of this bill and the alternatives that he suggested allow certain school districts to receive cash for commodity letters of credit which are vouchers given for specific amounts of money designated for types of food in lieu of traditional commodities provided for the school lunch program.

These alternatives were part of a pilot program begun in 1981 to study alternatives to the traditional system and many of the districts involved refer to alternatives and wish to have the pilot projects extended. Sixty-four school districts in our country would be affected by that extension.

Finally, Madam President, section 6 provides for a change in the Women, Infant, and Children Program, the WIC Program. Under current law, small children and pregnant women who are determined to be at nutritional risk are given vouchers to purchase certain types of food. This legislation allows companies to bid to be the sole supplier for the WIC Program in each State.

WIC vouchers issued in those States would be redeemed only for those companies' products. In return, the States would pay a lower cost for the product and thus save food money.

Madam President, it is important that the cost of all of this be mentioned so that Senators may be knowledgeable before casting their votes. Our best estimate is that the program will cost less than $500,000. It is admittedly a low cost, and we have been determined to make certain that that cost remain low because the budget impact of everything we do must be considered.

In my judgment, Madam President, the changes that we have made are constructive for the distribution of food commodities in America. It is the collection of a number of ideas. It focuses our attention on efficiencies and I am hopeful that Senators will consider it carefully and will support this legislation.

I yield the floor.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. I ask unanimous consent that Senators KARNES and MCCAIN be added as cosponsors of S. 305.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Madam President, S. 305, as reported from the Committee on Agriculture, Nutrition and Forestry, represents a bipartisan effort to improve the commodity distribution system associated with the child nutrition and elderly food programs. It has been a pleasure working with the chairman of the committee, Senator LEAHY, and the distinguished ranking minority member, Senator LUGAR, on this legislation. Through careful negotiations with the administration's Department of Agriculture officials, we were able to develop language that will greatly enhance the efficiency of the current Commodity Distribution Program.

This committee bill would be a substitute to S. 236 and S. 305, previously introduced by myself and the Senator from Vermont. It would provide the necessary authority for the U.S. Department of Agriculture to implement improvements in the current program in order to address complaints concerning commodity distribution as it affects the school lunch and other programs which use it. Senators BOSCHWITZ, COCHRAN, BOND, MCCONNELL, and DANFORTH are joining us in this effort.

COMMODITY IMPROVEMENTS

This bill would require the U.S. Department of Agriculture to improve the quality, packaging, and delivery of commodities issued by USDA in conjunction with several important child and elderly nutrition programs. The national School Lunch Program serves about 24 million children a day and approximately 90,000 schools throughout the country receive USDA commodities. The Child Care Food Program also receives commodities and feeds thousands of children in day care centers and residential homes. Low-income elderly people also benefit from this Commodity Distribution Program. Further, low-income and unemployed individuals and families also receive assistance through the Temporary Emergency Food Assistance Program [TEFAP], which was begun as a temporary program and has continued to be reauthorized due to existing needs in local communities throughout the country. In fact, last year, TEFAP distributed 410 million pounds of surplus cheese, 127 million pounds of flour, 130 million pounds of rice, 70 million pounds of butter, and 78 million pounds of honey.

Under the provisions of this bill, the Secretary of Agriculture is expected to make every effort to ensure that commodities and USDA products are available in optimal packages and forms for handling by local food program administrators.

WIC AND CLOC PROVISIONS

Madam President, S. 305 also includes some improvements for the very important special supplemental food program for women, infants and children, popularly referred to as WIC, as well as an extension of the commodity letter of credit pilot projects. A change in the WIC program has been included to give States an incentive to obtain WIC commodities, including infant formula, at concessional prices through a competitive bidding process. This money can be reprogrammed to serve hundreds of thousands of recipients nationwide that would otherwise not be served.

The bill would allow State agencies participating in the WIC Program to devise methods to reduce food costs, such as competitive bidding, and to use up to 20 percent of the savings for the costs of administering the program to additional applicants. The balance of the savings, at least 80 percent, must be used for additional WIC food purchases.

Further, as I have previously mentioned, this new bill includes an extension of the commodity letter of credit pilot projects for the School Lunch Program. This is part of an agreement with the distinguished Senator from Idaho, Senator SYMMS, who withdrew a proposed amendment to the supplemental upon the understanding that this committee would take action on its own.

BACKGROUND OF THIS BILL

On the first day of the 100th Congress, I introduced S. 236, legislation which would provide the authority to improve the current commodity distribution system, as it relates to the school lunch and other child nutrition programs. I was pleased to have Senators COCHRAN, BOSCHWITZ, HELMS, LUGAR, and WILSON join me as cosponsors at that time.

The distinguished chairman of this committee, Senator LEAHY, introduced similar legislation previously, and the House has already acted on H.R. 1340, a bill which incorporates modifications in the way USDA distributes surplus agricultural commodities to various nutrition programs.

BACKGROUND

For some time now, this commodity distribution system has been criticized as being unwieldy, inefficient, and too cumbersome to administer. For many months, various concerned groups, including the National School Food Service Association [ASFSA], and many traditional commodity groups, met with officials from the U.S. Department of Agriculture in an attempt to come up with recommendations for improvement. These groups are to be commended for their constructive approach to the problems involved.

CRITICISM OF EXISTING PROGRAM

Opponents of the commodity distribution program claim that USDA commodities are inconsistent in quality, not packaged in usable sizes and forms, and are delivered on a schedule that is inconsistent with the needs of recipient agencies. These elements make the program administratively inefficient. When commodities are distributed in damaged or poor condition, they are not easily replaced. Further, these commodities are often not consistent with the dietary guidelines for Americans, published by USDA.

NEED FOR CLARIFICATION OF STATUTORY AUTHORITY

One of the observations that had emerged as a result of these meetings with the Department of Agriculture is that the commodity distribution program does not have the statutory base that applies to the other food and nutrition programs. Without the necessary statutory authority, it would be difficult for USDA to implement many of the recommendations for improvement that have been made. In short, the Department needs additional authority to correct the deficiencies that have been identified in the current system.

The distribution of various foods and commodities by the Secretary of Agriculture is authorized by a variety of laws, including section 32 of the Agricultural Adjustment Act, section 416 of the Agricultural Act of 1949, section 4(a) of the Agriculture and Consumer Protection Act of 1973, sections 6 and 17(b) of the National School Lunch Act, section 311 of the Older Americans Act of 1965, and section 409 of the Disaster Relief Act of 1965.

This legislation will provide the language to assure proper administration of the program, and clarify the USDA's authority to make changes that will improve the distribution of commodities to nutrition programs utilizing these commodities. The Senator from Kansas is pleased to have introduced similar legislation early this session, because it is something that the administration believes will be helpful in its efforts to address the existing problems.

This legislation is not the least bit controversial, and there is bipartisan support for the goals of this bill. The sooner this legislation can be passed by the Senate, the closer we will be to implementing these changes before the regular school year begins in September. I ask my colleagues to support this initiative that will result in better service to children in schools and day care, as well as improved food distribution to low-income elderly people in local communities throughout this country.

Mr. EVANS. Madam President, I rise to offer an amendment extending the existing deadline for completion of the aid to families with dependent children [AFDC] and Medicaid quality control studies. These studies were authorized under the Consolidated Omnibus Reconciliation Act of 1986 [COBRA].

Quality control is a system used to measure State performance in administering Federal income assistance programs. In addition, it is used to impose large fiscal penalties against States when their error rates in program administration exceed federaly established tolerance levels.

Because of considerable and compelling evidence suggesting that our existing quality control procedures provide neither an accurate nor equitable measurement of State performance we included a provision in the 1986 COBRA authorizing the National Academy of Sciences to conduct a comprehensive study of the Federal quality control system. A similar study for the Food Stamp Program was authorized by the 1985 farm bill.

Originally, the studies were to be completed within 1 year. Recently, the National Academy of Sciences [NAS] transmitted to Congress its study on the food stamp quality control system, in accordance with the 1-year deadline. Although it is scheduled to deliver the AFDC/Medicaid study by September 30, 1987, NAS has informed us that it needs three additional months to complete this study.

NAS has requested a 3-month extension from the Food and Nutrition Service [FNS] the principle agency through which the AFDC/Medicaid study contract was negotiated. Unfortunately, FNS was unwilling to grant NAS a short-term extension. Thus, legislative action now is necessary to grant this very brief extension of the study deadline. My amendment would ensure that NAS has ample time to complete the comprehensive review which we have authorized. This is the original intent of Congress—not rigid adherence to a date which is much less important than ensuring that NAS has the opportunity to conduct a thorough and exhaustive review of a quality control system in dire need of reform.

Madam President, I urge the adoption of this amendment.

Mr. GRASSLEY. Madam President, I am joining the distinguished Senator from Idaho, Senator McCLURE, in support of his initiative in S. 305, the extension of the Alternative School Lunch Pilot Program. However, to be consistent with the intent and objectives of the School Lunch Commodity Program, I, along with my distinguished colleagues, Senator DOLE and Senator HELMS, am proposing an amendment to the extension of the school lunch program alternative.

The extension of this school lunch pilot project involves 64 school districts in 30 States. This pilot project allows school districts to receive the value of the commodities that they would have received in the form of letters of credit for specified types of commodities or in cash. Presently this amounts to 12.5 cents per meal per student.

I am offering an amendment which would require that the schools in the 30 States involved in this project be asked to use their commodity letter of credit or cash to "Buy American."

The amendment reads:

> In carrying out the pilot project referred to in subsection (a) a school district shall be required to provide through contract specifications that only items produced and processed in the United States be purchased with cash assistance and commodity letters of credit provided under the project.

For our own national economy, it is essential that we support our own domestic food producers.

As we all know, the reasoning behind the School Lunch Commodity Program is to help schools prepare nutritious student meals at a lower cost using our own Nation's surplus commodities. The current commodity system provides support to American farmers and aids our schools and farmers in two significant ways. First, it guarantees that commodities are American grown and processed, and second, the food that is used for our students in the school lunch program are foods that meet all standards for quality.

Without this amendment, cash and letters of credit could be used to purchase foreign grown or processed products, diminishing support for American grown and processed commodities. This amendment would guarantee support of American products and help assure that foods purchased for use in our school lunch programs meet all standards for quality.

I urge you to support our American farmers and food processors and see that American schoolchildren are provided with American foods.

Mr. BOSCHWITZ. Madam President, I rise today in support of this legislation to improve the commodity distribution programs. The purpose of this bill is to improve the distribution of commodities to schools for the School Lunch Program. Basically, the commodity distribution program has been run to maximize the agricultural purposes of the program without enough focus on the needs of the schools. Commodities arrive in huge quantities with very little notice, commodities arrive spoiled, and commodities arrive late in the school year that have to be stored all summer.

This bill requires the Secretary to develop specifications to assure products of the quality, size and form most useful to recipients. Commodities distributed not in good condition would be replace. A schedule would be established for the distribution of commodities.

CASH AND CLOC PILOT PROJECTS

This bill also extends the pilot studies of cash and commodity letters of credit [CLOC]. Although, to be frank I feel that we have already sufficiently studied the effect of cash and CLOC in the School Lunch Program, this is a delicate compromise that should be allowed to continue.

Some States have been looking for ways to save money in the Women, Infants, and Children Supplemental Feeding Program, commonly known as WIC. One of the methods being used by States is purchasing infant formula for the WIC Program on a statewide basis or allowing the infant formula companies to bid to offer a rebate to the State for infant formula purchased with WIC vouchers.

This legislation would allow States that use a rebate system or concessional pricing to use 10 to 20 percent of the savings for administrative funding. The savings are determined by the difference between the average statewide retail price and the cost to the State agency of obtaining the supplemental food. For States that are already very efficient with their administrative funding this 20 percent may be reasonable, but I don't think every State that does some type of rebate system should automatically be able to use 20 percent of the savings for administrative costs. The Department of Agriculture would determine whether a State would be eligible to keep more than 10 percent, based on criteria in the legislation and regulations. The criteria include: the State's food costs per participant; the administrative costs per participant; and, the incremental costs per participant.

The purpose of this WIC provision is to allow States to serve more needy participants and I commend wholeheartedly these efforts to make the Federal benefit dollar go further. I will be watching with interest the States experience with these efforts. However, I, for one, will want to thoroughly assess the impact of these rebate systems before we give blanket endorsement for nationwide implementation.

One issue that has already come to my attention is infant formula companies bidding for statewide contract that do not have FDA product approval. It appears that exactly that situation occurred in a statewide bid last week. Therefore, I am offering an amendment specifying that infant formula companies competing for these statewide bids be in compliance with the Infant Formula Act including registration and filings with the FDA.

I am pleased to support this legislation improving the child nutrition programs.

AMENDMENT NO. 658

(Purpose: To improve the bill.)

Mr. LEAHY. Madam President, I send an amendment to the desk and ask it be reported.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY] proposes an amendment numbered 658.

Mr. LEAHY. Madam President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The amendment is as follows:

On page 13, line 6, after "basis" insert the following: "taking into consideration the Dietary Guidelines for Americans published by the Secretary of Agriculture and the Secretary of Health and Human Services (as in effect at the time of the update of the recipe cards)".

On page 14, between lines 13 and 14, insert the following new subsection:

(b) DOMESTIC PURCHASE REQUIREMENT.—Section 1581 of such Act is amended by adding at the end thereof the following new subsection:

"(d) Effective beginning July 1, 1987, in carrying out the pilot project referred to in subsection (a), a school district shall be required to provide through contract specifications that only items produced and processed in the United States be puchased with cash assistance and commodity letters of credit assistance provided under the project.".

On page 14, line 14, strike out "(b)" and inserting in lieu thereof "(c)".

On page 18, between lines 9 and 10, insert the following new sections:

SEC. 9. SUPPLYING INFANT FORMULA FOR THE WIC PROGRAM.

Section 17(f) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)) is amended by adding at the end thereof the following new paragraph:

"(16) To be eligible to participate in the program authorized by this section, a manufacturer of infant formula that supplies formula for the program shall—

"(A) register with the Secretary of Health and Human Services under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321 et seq.); and

"(B) before bidding for a State contract to supply infant formula for the program, certify with the State health department that the formula complies with such Act and regulations issued pursuant to such Act.".

SEC. 10. OVERSPENDING AND UNDERSPENDING UNDER THE WIC PROGRAM.

Section 17(i)(3) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(i)(3)) is amended—

(1) in subparagraph (A)—

(A) by inserting "and subject to subparagraphs (B) and (C)" after "paragraph (2)"; and

(B) by striking out "or" at the end of clause (i) and inserting in lieu thereof "and"; and

(2) by adding at the end thereof the following new subparagraph:

"(C) The total amount of funds transferred from any fiscal year under clauses (i) and (ii) of subparagraph (A) shall not exceed 1 percent of the amount of the funds allocated to a State agency for such fiscal year.".

SEC. 11. EXTENSION OF QUALITY CONTROL STUDIES.

Section 12301(a)(3) of the Consolidated Omnibus Reconciliation Act of 1985 (42 U.S.C. 603 note) is amended by striking out "one year" and inserting in lieu thereof "15 months".

On page 18, line 10, strike out "9" and insert in lieu thereof "12".

Mr. LEAHY. Madam President, this amendment to the Commodity Distribution Reform Act of 1987 incorporates amendments of Senators GRASSLEY, HARKIN, EVANS, and BOSCHWITZ. I understand these amendments have been cleared on both sides of the aisle and are acceptable to the U.S. Department of Agriculture.

I know the leadership has already noted that we will have a rollcall on final passage. Let me just very briefly describe what these amendments incorporate to inform everybody who is listening.

Senator HARKIN's amendment requires that recipe cards issued by the Department of Agriculture to school districts and other recipient agencies be updated on a regular basis taking into consideration the dietary guidelines of USDA and Department of Health and Human Services that are in effect at the time the recipe cards are udpated.

Senator GRASSLEY's amendment which is also incorporated affects school districts participating in the cash or commodity letter of credit pilot projects, instead of the regular School Lunch Program. The amendment requires that those schools provide, in their contracts used to buy food, that the food purchased with USDA assistance be produced and processed in the United States.

Senator BOSCHWITZ' amendment, which is also incorporated in this amendment, requires that infant formula bought for the women, infants and children program be registered with the Food and Drug Administration and meet the requirements of the Infant Formula Act. His amendment also allows States to use up to the 1 percent, total, of the unspent WIC funds for the preceding fiscal year for the current fiscal year and for the current fiscal year for the succeeding fiscal year.

Lastly, Senator EVANS' amendment which is also incorporated in this amendment extends the period of time to complete studies of quality control programs contracted for by the Department of Agriculture to 15 months, instead of the current year limit.

I strongly support each of the four amendments. I have incorporated them as one amendment, but they are the amendments, as I said, of Senators GRASSLEY, HARKIN, EVANS, and BOSCHWITZ.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Madam President, each of the four amendments that have been incorporated by the distinguished chairman as one amendment have been carefully considered by the committee and I support all four and the way the chairman has grouped them for inclusion in this overall amendment.

Mr. LEAHY. Madam President, I would move the amendment.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment of the Senator from Vermont.

The amendment (No. 658) was agreed to.

Mr. LUGAR. Madam President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LUGAR. Madam President, I ask unanimous consent that Senator DOMENICI be added as a cosponsor to S. 305.

The PRESIDING OFFICER. Without objection, it is so ordered.

Are there further amendments?

Mr. HEINZ addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

AMENDMENT NO. 659

(Purpose: To reestablish food bank special nutrition projects, to establish food bank demonstration projects and for other purposes)

Mr. HEINZ. Madam President, I send an amendment to the desk and ask it be reported.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. HEINZ] proposes an amendment numbered 659.

Mr. HEINZ. Madam President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following new sections:

SECTION . FOOD BANK SPECIAL NUTRITION PROJECTS.

The first sentence of section 211(d) of the Agricultural Act of 1980 (7 U.S.C. 4004(d)) is amended by striking out "a progress report on July 1, 1983, and a final report on January 1, 1984," and inserting in lieu thereof "an annual report".

SEC. FOOD BANK DEMONSTRATION PROJECTS.

(a) IN GENERAL.—The Secretary of Agriculture (hereinafter in this section referred to as the "Secretary") shall carry out at least one demonstration project in each of the standard Federal regions to provide and redistribute agricultural commodities or products made available under section 32 of the Act entitled "An Act to amend the Agricultural Adjustment Act, and for other purposes", approved August 24, 1935 (7 U.S.C. 612c), to needy individuals and families through community food banks designated under section 211(c) of the Agricultural Act of 1980 (7 U.S.C. 400(c)).

(b) TRANFER OF COMMODITIES.—The Secretary may use State agencies or any other food distribution systems to transfer the commodities or products to community food banks in accordance with the last sentence of section 32 of the Act entitled "An Act to amend the Agricultural Adjustment Act, and for other purposes", approved August 24, 1935.

(c) FOOD TYPES.—The Secretary shall determine the quantities, varieties, and types of agricultural commodities and products to be made available to community food banks under this section.

(d) STATEWIDE COVERAGE.—To the maximum extent possible, the Secretarty shall provide for Statewide coverage in each project carried out under this section.

(e) REPORT.—Not later than January 3, 1990, the Secretary shall submit a report to Congress describing the demonstration projects carried out under this section. The report shall include an analysis and evaluation of the distribution and redistribution of food under the demonstration projects and the feasibility of expanding the projects to other community food banks.

(f) TERMINATION.—The authority provided under this section shall terminate on December 31, 1990.

Mr. HEINZ. Madam President, the background to this amendment proceeds from the fact that in recent weeks several of my colleagues have discussed the distressing reality we face as surplus commodities build up in federally supported warehouses. At the same time, there are countless thousands of Americans who have inadequate diets.

It is this Senator's believe, and I think a large number of our colleagues share the same belief, that we need to do far more to distribute surplus commodities to those in need than we are doing at this time.

The purpose of the amendment that I have sent to the desk and I offer today is to accomplish that goal.

To give our colleagues some idea of the nature of the problem and its scale, last summer there were some 600 million pounds of cheese in federally supported warehouses. Now all of that cheese could have been distributed to the poor and to emergency feeding organizations around the Nation. It was not.

At the same time, we have allowed the efficient network of food banks, a very good distribution network, to go unused.

So what the amendment I am offering today does is to create a demonstration project in each of the standard Federal regions, the purpose of which is to provide and to redistribute section 32 commodities, those are the surplus commodities, to needy individuals and families through community food banks. I repeat that: through community food banks.

The demonstration project would run from the date of enactment through 1990 and, in addition, as a small portion of this amendment, but I think it is important, we would reestablish the food bank special nutrition project.

The authority for that never expired, but so far, at least lately, the Department of Agriculture has ceased to operate it.

Let me emphasize what these initiatives would do.

In the first case the demonstration projects would direct the utilization of food banks. We would be able to use food banks as distribution centers for such commodities that are in surplus as cheese, butter, nonfat dry milk, flour, rice, honey.

Those, as I say, are the surplus commodities and there are many, many individuals; some homeless, some barely able to subsist, who need such commodities desperately.

It strikes this Senator as a great wrong to overlook the effective work our food banks can do for needy Americans.

Some might be concerned that there are going to be some additional distribution costs if these demonstration projects are enacted.

Madam President, I do recognize that concern, but I would emphasize that the $48 million annually, and at least $48 million, probably more, that we have to support right now in needless storage costs for these same commodities, seems far greater than the costs of efficiently distributing the food to those who are hungry.

I believe we particularly need to, and my amendment does, target food banks. That is because the nature of food banks is not to distribute commodities directly but to be a center of distribution for a network of emergency feeding organizations. It is for this reason that food banks can provide the management and storage skills as well as the accountability—and I emphasize that word, "accountability"—which has been lacking in many of our programs—most especially the temporary food assistant program, FAP.

Let me emphasize, too, the need for skills that food banks represent. Back in 1985, in December, I received a GAO report. Senator Eagleton and I requested that report. The study found shocking incidents where surplus cheese, butter, other commodities, had literally been left to rot in inadequately managed warehouses.

Inventory management was poor. Some warehouses simply had no idea what commodities had been received or where they had been distributed. That was a description of our present and past, as well as present, commodity distribution program.

Food banks, in contrast, not exclusively, mind you, but in contrast, provide far superior commodity management and the use of their abilities, in my judgment, would assist needy families and individuals to receive the commodities they need when they need them.

Madam President, the provisions of this amendment, therefore, are very simple. They are two: One, the continuation of an existing project that is small and the creation of a relatively small number, 11, of demonstration projects in each Federal region. Both will help us to achieve the goal of moving commodities from storage to those truly in need.

Madam President, I have one other piece of information, or lack of it. I have not been able, although we have tried, to get a cost estimate on this amendment. I believe the cost to be very small—possibly all but completely offset by reduced storage costs. But I cannot swear to that.

The chief cost in this amendment, since the commodities are in effect surplus and worthless, is increased transportation. I would be pleased to answer any questions. I would hope that the amendment would be acceptable to both sides.

Mr. LEAHY addressed the Chair.

The **PRESIDING OFFICER.** The Senator from Vermont.

Mr. LEAHY. Madam President, I know of the concern of the Senator from Pennsylvania. He raises a number of good points but I do want to underscore the last point he made, that we do not have the cost estimate of his amendment at this time.

This was introduced originally on July 10. We have not held hearings on it nor has the committee otherwise considered it.

Further, I have just been advised by the Department of Agriculture that the administration opposes the amendment.

I would propose to the distinguished Senator from Pennsylvania, because we do not know the cost but would like to study the amendment further, that he consider withdrawing the amendment. We will arrange as soon as possible after we come back from recess, at the first appropriate hearing, to consider it in the Agriculture Committee. I will be happy to ask the Senate Agriculture Committee staff to work with him and to consider the issues raised by the administration. We will consider it and perhaps modify it in such a way that it will meet some of the purposes of the Senator from Pennsylvania.

Madam President, this is an extremely important piece of legislation designed to improve the nutrition of women, infants, and children, for all the reasons Senator LUGAR and I have discussed. I will move at the appropriate time to substitute our piece of legislation for the House piece of legislation and send it back. I hope whatever conference there is will be minimal so that we can get this legislation signed by the President of the United States, and get this food to needy pregnant women, to infants and children, to women who have just given birth.

I would hope we would not put anything onto it that might add questions that could not be answered in the conference or which might raise objections when we send it down to be signed.

I would urge the distinguished Senator from Pennsylvania to withdraw his amendment. I will have to oppose it, not knowing the amount of money involved, and knowing the Department is opposed to it, so that we will not hinder this extremely important piece of nutrition legislation from going on to the other body and hopefully on to the President of the United States.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Madam President, I must also oppose the amendment of the Senator from Pennsylvania. He has a fine idea. Clearly, Americans do not want warehouses filled with cheeses and other commodities that will simply spoil. The Senator from Pennsylvania has touched upon part of the twofold problem. He has attempted, apparently, to find the cost but has not been successful.

I mentioned early on in arguing for the overall bill that we anticipate the cost would be less than $500,000. It was for this reason we had the boldness to come to the floor today and consolidate these changes with a minimal cost.

Madam President, I am advised that although no one has a very good idea of cost, that we have a ballpark figure from the U.S. Department of Agriculture of maybe $5 or $6 million. If so, that would be a multiple of 10 times what we started with in this bill and it is significant. Others feel it will be much less. The Senator from Pennsylvania has argued that there may just be transportation payments to persons involved in the distribution procedure.

That is always the catch. There has been mention from time to time that we have surpluses in our country that could help many people throughout the Earth, and we all wish that there were a magical means to somehow drop those commodities into the homes of consumers wherever they might be.

But it does not work that way. There are costs in distribution and transportation.

The idea the Senator has presented is to be national, at least one of these demonstrations in each of the relevant districts. It may finally be that when examined by the Agriculture Committee we can find offsets, and maybe the storage costs do mount up to almost the cost of distribution, but at this point we do not know.

Second, Madam President, the amendment the distinguished Senator mentions talks about section 32 food products.

Section 32 includes fruits, vegetables, meat, poultry, and fish. It does not simply pertain to surplus commodities.

The intent of the mover of this amendment is clear. That is to get rid of surpluses. But in drafting this amendment and mentioning section 32, the possibility is for a much more substantial distribution of things that are not in surplus at all comes into view. Conceivably that might be modified or corrected in committee.

If the language were further massaged, as the Senator from Vermont has mentioned, perhaps that objection can be removed. But we are in a position, Madam President, of attempting to do the work of the committee on the floor without having costs, having opposition from the USDA mentioned, and section 32 clearly in the discussion.

For all these reasons, moving this amendment I think could be quite untimely, quite apart from the jeopardy it would have to be an expeditious means of accomplishing the goals that our distinguished chairman mentioned.

It is for these reasons that I oppose the amendment. I hope the distinguished Senator from Pennsylvania would be prepared to let us work with him and provide the background where it could be advanced to the floor with a favorable thought on the amendment.

Mr. HEINZ. Will the Senator yield for a question?

Mr. LUGAR. Certainly.

Mr. HEINZ. The Senator made reference to section 32 commodities being not only those commodities in surplus. Could he inform me proportionately what those nonsurplus commodities account for? Are they a major or relatively minor portion?

Mr. LUGAR. Without studying the amendment and its implications——

Mr. HEINZ. I am asking for an answer using judgment.

Mr. LUGAR. I am unable to respond.

Mr. HEINZ. The Senator made the point——

Mr. LUGAR. If the Senator will allow me, section 32 includes fruits, vegetables, meat, poultry, and fish. Once again, the Senator has approached the floor today, as we all have, with a short notice to talk about a very complex amendment. He can answer his own question as to how many of these items are now in section 32 in the country.

Mr. HEINZ. It is my understanding, and perhaps my understanding is wrong, that the principal commodities are, in fact, a large proportion of the commodities to be distributed and are those that will be in surplus. Those in surplus are the ones I have talked about. I have spent some time on this matter, probably not as much as the Senator from Indiana, a distinguished member of the Agriculture Committee. Perhaps he can correct me.

Mr. LUGAR. I cannot correct the Senator. I think common sense would dictate that the Senator is probably right in terms of general proportions. But we simply get back to the fact that we do not have the facts. It is not a question of challenging but a question of groping.

Mr. LEAHY. Will the Senator yield?

The PRESIDING OFFICER. The Chair would like to recognize the Senator from Indiana and ask him if he chooses to yield time.

Mr. LEAHY. Will the Senator yield to me to answer the question?

Mr. LUGAR. I would be delighted.

Mr. LEAHY. Section 32 commodities include entitlements commodities as well as surplus commodities. I will repeat the point that I believe the Senator from Indiana has made very clear—we do not know how far this amendment will go.

No matter how long we may have colloquies here on the floor, and if we bring in all 100 Senators, we will not know how far it goes. We can find that out very easily in hearings or in research we are able to do in our committee. This may well become an amendment that I would support. It may well become an amendment everybody else would support. But I think if we are going to bring this piece of legislation back to the other body and go into a conference, we ought to at least be able to go back and tell them we have a clear idea of what we passed. When somebody has the obvious question of how much this will cost, we ought to be able to give them an answer.

With the amendment of the Senator from Pennsylvania, at this point we cannot say how much it will cost. We cannot say how much surplus commodities or nonsurplus commodities might be used.

I would suggest to the Senator from Pennsylvania that we are talking about an amendment offered on July 10 which raises this question. Let us have a hearing. We will have time to have the hearing. I assure the Senator from Pennsylvania that we will work with him in the committee to try to get the answers.

(**Mr. BINGAMAN** assumed the chair.)

Mr. HEINZ. I have listened carefully to what my two friends and colleagues on the Agriculture Committee have said. I do not quite know, Madam President, how to respond to the Senator from Vermont because he is a very peaceful person, and the same is true of the Senator from Indiana. But to say that this is a new issue that would have no experience is not correct. This is an amendment that has already passed the Senate on one occasion. I offered it before the Senate last fall. The Senate accepted this amendment. So the first time it saw the light of day was not July 10 of this year. The first time it passed the Senate was a year ago July.

The second thing I might say is that, as I understand the bill, the bill deals with section 32, and I think we all ought to know, especially the managers of the bill, what section 32 does and does not do. I will not claim that I can answer every question that the sponsors of the legislation have, but I must say I object to the notion that somehow we do not know enough about section 32. That is what the underlying legislation is all about.

Third, I will agree with the managers on one point: We do not have the cost. I can do something about that to make it relevant, so I suppose I can modify the amendment to have it apply after October 1, 1988. That will nullify all arguments and give everybody a year or so to get their act together. But I will not do that at this point.

I would like to enter into a dialog with the managers on a suggestion that the Senator from Vermont made. As I understand the Senator from Vermont, he suggested that it might be desirable to hold a hearing on this and then if the hearing answered the questions that he and the Senator from Indiana have, it would be possible to include it as part of other legislation. Could the Senators, and particularly the chairman of the committee, give me some idea as to when such a hearing might be held and, second, what vehicles there might be?

Mr. LEAHY. We could make it as a bill by itself for that matter. If the questions were all answered and if it came out with strong support from the committee, I suspect that something like this could go on the unanimous consent calendar.

Mr. HEINZ. Since the administration opposes it, I doubt that is going to be likely.

Mr. LEAHY. As it is now nobody can answer among other things how much it is going to cost. I assume we are going to be able to get those costs. As I said to the Senator from Pennsylvania, I am willing to work with him in trying to remove the objections. Maybe we will need to make changes, changes which the Senator from Pennsylvania might be perfectly willing to make. But we are going to have a number of markup sessions in our committee on farm credit, probably more than any of us like to see. I suspect that the questions being raised are ones that can be answered fairly quickly, maybe even without a hearing. I do not know. It may well just mean some minor changes. It may mean a cap on the amount of money that is going to be spent. If that was the case, I will be happy to put the Senator's bill on the agenda at an early markup session in September. Believe me, we are going to have a lot of markup sessions in September, as the distinguished Senator from Indiana knows, because of farm credit.

Mr. HEINZ. Let me ask, if I may, Mr. President, either Senator, apart from the lack of known information, do they see any substantive problems—I am not trying to trap them into supporting the legislation—do they see any substantive problems of giving food banks a bigger role? Because it has been this Senator's experience in his own State that a lot of problems we have had with the Commodity Distribution Program, indeed, could have been more effectively addressed in many instances, perhaps not all, if we had used these intermediaries, think of them as wholesalers, to help us distribute these surplus commodities to the various feeding organizations. Right now it is all done from Washington, DC.

Mr. LEAHY. If the Senator will yield, I have been working very hard for the 13 years I have been in the Senate with a number of food banks in my State to get them USDA commodities to distribute. I have also worked on expanding the Food Stamp Program, and a number of other food assistance programs. Also, when I donate money to charity it has been to various food banks, because I know how effective they are, so I do not need to be convinced of the need for food banks. But I think before we make some new expansion, let us at least be able to answer the questions that have been raised. I happen to be a fan of food banks, but let us be able to answer the questions and then let us be able to come in here perhaps all singing from the same hymn book, so to speak.

Mr. LUGAR. Mr. President, let me respond to the distinguished Senator from Pennsylvania by saying I see no problem in principle as to why there should be objection to it.

I suspect that the question of cost is probably paramount to how this fits together with the overall budget picture. I suppose, too, we want to find out what the nature of the USDA objection is. I presume that it is the cost of distribution of food, but I do not know that that is the case. I would like to at least hear what they have to say. The purpose of this legislation, as the Senator knows, was to collect a number of good ideas as to how food might be made available to Americans. The idea of the Senator from Pennsylvania is an excellent one and as I admitted in my opening comment this problem intrigues all of us, as to how to use these surpluses effectively. Maybe we will find that there are offsets in terms of the end of storage costs or maybe others that we have not yet found that will make the whole idea more feasible.

Mr. HEINZ. Mr. President, I thank the Senator from Vermont and the Senator from Indiana for their comments. I found them very helpful. I happen to believe, and I happen to know as well as anybody can, that the managers of the legislation which we have before us are very sincere in their intent to try and improve our feeding program generally. They have done a good job on the programs that they have brought to us. So I am inclined very strongly to accept their offer of good will, of helping to get answers to the unanswered questions, and as I understand it, to work with me to fashion legislation that will in fact pass. It may or may not be a part of another bill. That is a judgment I hope we would be able to make jointly and collectively after we got the answers to the questions. And I would hope, too, they would assist, as I know they can be of assistance, in getting both prompt and accurate answers to some of these questions. So with those assurances, and I believe that I have received those assurances—if I have not, I hope I will be corrected—I would be prepared to withdraw the amendment and work with the committee.

Mr. LEAHY. I thank the Senator from Pennsylvania. Of course, he has my assurances on this.

Mr. HEINZ. Mr. President, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. HEINZ. I thank Senator LEAHY and Senator LUGAR for their help and constructive attitude even if they could not accept the amendment at this time.

Mr. LEAHY. Of course I thank the Senator from Pennsylvania. I will expound on my praise of him in greater detail another time. I know there are Senators who want to go home. Perhaps even more importantly, I know a lot of staff wants to go home and they are the ones who really worked hard on this bill.

I ask unanimous consent that Senator KENNEDY be added as a cosponsor of S. 305.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, I am glad to see this bill moving through the Senate. I have long been in support of changes to the Commodity School Lunch Program. In 1980, Senator SYMMS and I sponsored an amendment which set up a pilot study which was designed to determine if school districts receiving commodity letters of credit [CLOC] or cash instead of commodities could better provide nutritious means to our schoolchildren and also continue to support agriculture markets.

The school districts which have been on the cash and CLOC systems have found that they have lower overhead, provide meals which more of their students will eat, and have lower overall plate waste. The CLOC sites have been very successful in this and in maintaining the direct link between the farmer who sometimes has surplus crops which need to be purchased to keep the price up and the needs and wants of the school districts.

Letters of credit can be issued for commodities which are in surplus which the Government wants purchased. This helps everyone, the farmer, the Government, and the school. The schools have flexibility because if the certificate is for a commodity which they know from experience their students will not eat, the school district supervisor can exchange the certificate for a different commodity which the students will eat. This makes meals at school more fun, gives students something which they will eat, and aids in the scheduling of meals.

In working out the agreement of this bill, a provision was added that all cash and CLOC sites under the pilot program would only be able to purchase products produced and processed in the United States. I have no quarrel with this idea. However, I do want to point out that this measure is unnecessary, as pilot site work orders, which are sent to Virginia Polytech University for certification, are refused for payment if the work order does not specify that the commodity purchased is made or produced in the United States.

In addition, because many in Congress are concerned that only products consumed in the school lunch programs are produced and processed in the United States, I would suggest that in the conference on this bill or on a bill in the future, Members should review the entire program and require that all the cash assistance from the Federal Government to the school districts; which amounts to roughly $1.35 for the free meal, $0.955 for the reduced price and $0.135 for the regular price meal on a per meal per day basis be spent on only items produced and processed in the United States. Every school district in the country, not just the cash and CLOC pilot project sites, which amount to only 64 school districts out of 15,000, or 0.06 percent of all school districts, should be subject to the requirements of "Buy America."

I believe that the "Buy America" provision in the House Education and Labor Committee reported bill is more advantageous for those who are concerned that school districts be required to buy American products. This language states that all recipient agencies purchase only food products which are produced in the United States. This brings the 306 school districts in the State of Kansas, which receive only cash for their school lunch programs, and all the other commodity school lunch programs in the country under the "Buy America" provision. I feel that if it is important that the handful of cash and commodity letter of credit sites be under the "Buy America" provision, then all school districts should be treated the same in that regard.

I hope that the members of the conference are aware of this and work toward rectifying this discrepancy in the conference.

Mr. President, I will take no more time up on this bill, but will urge fast passage of this bill and a short conference. It is critical for the school districts which have completed contracts for the upcoming school year to have the authority to remain on the cash and CLOC program. If Congress does not pass this bill and the President not sign this bill, several districts in this country will be involved in lawsuits for noncompliance with their contracts. This will be a large and expensive problem for school districts which have acted in good faith in responding to a congressional call to help in a pilot project to determine better ways to help our farmers and feed our students.

Mr. HARKIN. Mr. President, I rise to express support for the measure introduced by my distinguished colleague and friend from Vermont, Senator LEAHY. I would like to recognize the great bipartisan support this bill has received in its various forms, both in the House and in the Senate. My subcommittee, the Subcommittee on Nutrition and Investigations, has held several hearings and spent countless hours reviewing and studying these issues and working with the various concerned parties. I would like to begin by stating that all schoolchildren and many other groups such as older people, native Americans, and WIC participants will benefit by this legislation. Ironically this bill will result in little or no new budget authority over the current baseline, yet in the case of WIC it will actually expand participation by decreasing costs. In short, it is a bill that all of us can support and feel proud of.

There are three main issues addressed by this bill. The first is the Commodity Distribution Program. This bill directs the Secretary of Agriculture to make those commodities removed from the marketplace, due to excess supply conditions, more useful to users through improved quality standards, packaging, shipping, and distribution. It also requires that commodities and products distributed by USDA comply with the "Dietary Guidelines for Americans," published by HHS and USDA.

The second issue that this bill addresses is the extension of two pilot projects—Cash in Lieu of Commodities [CASH] and Commodity Letters of Credit [CLOC]. This bill extends these pilot projects for another 2 years at the conclusion of which the subcommittee hopes to see sufficient improvement in the Commodity Distribution Program to be able to recommend a consolidation of these programs.

The third issue, and one that I am personally excited about, is a revision to the WIC Program that actually reduces commodity costs and permits States to use these savings to expand WIC participation. Under the existing program, a State can institute a system designed to save food money, such as Tennessee recently did, by requiring competitive bidding or other concessional pricing methods. However, if the State does not have sufficient administrative money on its own to serve the additional eligible WIC participants within the State, the food money saved must be returned to the USDA unspent. Moreover because the food money is not all spent, or at least 95 percent spent, the USDA will withhold additional administrative and nutrition assessment funds from the State, thereby actually reducing WIC participation. All of this would happen just because a State became more cost efficient in procuring its WIC commodities.

Under current practice a State usually gives a WIC participant a voucher for the needed commodities. The commodities are then purchased with the voucher at the local retail store at the retail price. Under the rebate system, authorized by this bill, the State negotiates a lower price with the supplier. The WIC participant still receives the same service and purchases the same commodities in the same way. However, when the State redeems the voucher from the local retail store, it then secures a rebate from the supplier based on the purchased price of the commodity and the negotiated or bid price of the supplier.

The WIC provisions of this bill will not cost the Federal Government any more money but they will remove the perverse incentive in the current program that promotes inefficiency and poor administration. By allowing States to use 10 to 20 percent of the food costs saved through congressional pricing on assessing the nutritional needs of additional eligible WIC participants, we give the States the ability to serve more than the meager 40 percent of eligible WIC participants currently being served. The Oregon State WIC director recently testified before my subcommittee. Concerning this provision alone, she said, "Based on the bid in Tennessee, $100,000,000 could be saved nationwide and those savings could provide services to 300,000 more infants and children." Although these numbers represent a potential goal that may not be realized for several years, this is a tremendous amount of good that can be done without any cost to the Federal Government and we can all speak proudly to our constituents of our role in pursuing cost efficiency in Government programs.

In as much as I have included a clarifying amendment in the group of amendments accepted in block to S. 305 with my good friend and colleague from Minnesota, Senator BOSCHWITZ, I want to say a few words about this amendment. It simply directs that the recipe cards distributed by USDA in support of the Commodity Distribution Program and its recipient agencies conform to the "Dietary Guidelines for Americans," published by the Secretaries of Agriculture and HHS. Similar language is already contained in the committee report.

We have come a long way as a nation in understanding the vital relationship between what we eat and how healthy we are.

In 1980, the Departments of Agriculture and Health and Human Services released a joint publication detailing what we know about this relationship and what we ought to change in our daily diets to achieve optimum nutrition and health. In developing these guidelines, they sought the advice of health and nutrition experts nationwide and reviewed guidelines established by various governmental and professional bodies, so that the U.S. guidelines would reflect the current state of knowledge about nutrition and health.

The guidelines, simply stated, are that we should:

> Eat a variety of foods;
> Maintain desirable weight;
> Avoid too much fat, saturated fat, and cholesterol;
> Eat foods with adequate starch and fiber;
> Avoid too much sugar;
> Avoid too much sodium; and
> If you drink alcoholic beverages, do so in moderation.

The two Departments put much time and effort into the development of the guidelines and the explanatory information that goes with them because they recognized that the relationship between diet and health had become a major concern of many Americans. The public was confused about what to eat to maximize health. People were asking: What do we really know? How can we change our diets to improve our health? The two Departments also recognized that, in the long-run, nutritionally healthy citizens translate into reduced health costs and a better quality of life for all Americans. They felt an obligation to provide a practical guide for the individual consumer as well as for anyone planning the diets of large numbers of people.

I believe it makes good sense to help the school food planners and preparers in the school lunch programs across the Nation to apply these dietary guidelines to the lunches they provide students every day. As my colleagues are well aware, the stated purpose of the National School Lunch Act is:

> As a measure of national security, to safeguard the health and well-being of the Nation's children and to encourage the domestic consumption of nutritious agricultural commodities and other food. (42 U.S.C. Sec. 1751, as amended).

The purpose of my amendment to S. 305 is to ensure that when the U.S. Department of Agriculture issues recipe cards for school nutrition programs that serve as a basis for many of the lunches served nationwide to our children, the Department takes into consideration the most current dietary information available. This is the best way to ensure that we can continue to "safeguard the health and well-being of the Nation's children."

There is no group that is more deserving of our best care and attention than our children and those that are dependent on us for sustenance. I feel strongly that my own children should be fed the most nutritious meals possible and I have talked to no one on this issue who feels differently about his own children.

I should also add that my staff has worked with the Department of Agriculture on the wording of this amendment, and the Department is in support of it.

I am pleased to be able to recommend this bill and encourage my colleagues to join with me in supporting this measure.

Mr. WARNER. Mr. President, I rise in support of this important measure extending the Commodity Letter of Credit [CLOC] Program which has been of such benefit to participating Virginia school districts.

Under the CLOC demonstration authority extended in this bill, Fairfax and Allegheny Counties and the city of Fredericksburg in Virginia may continue to utilize in their school food service programs the unique ability to purchase foodstuffs directly from wholesale distributors with a letter of credit provided by the Department of Agriculture.

This program acts in lieu of the standard commodity distribution system and has been greatly valued by my constituent school districts. The results have been fresher and more nutritional meals under the School Lunch Program, increased efficiency in food service administration, and the elimination of wasteful and haphazard commodity distributions.

In addition, and a provision I wholeheartedly support, all foodstuffs purchased directly under the CLOC Program must be produced in the United States, thus eliminating the possibility that subsidized foreign commodities might be used in the American School Lunch Program.

I commend the distinguished chairman and ranking member of the Agriculture Committee, Senators LEAHY and LUGAR, for their action in extending this program before the beginning of the 1987-88 school year. In this way, any disruption in services due to the brief interruption in authorization this summer may come to an expeditious and timely end.

I have asked to become a cosponsor of S. 305, and I am deeply appreciative to the Senate agriculture leadership for their support and good efforts in extending this important program.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendments to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. LEAHY. Mr. President, I ask unanimous consent that S. 305 be laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. I ask unanimous consent that the Senate now proceed to the consideration of H.R. 1340, Calendar No. 290, the House companion bill.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

> A bill (H.R. 1340) to improve the distribution procedures for agricultural commodities and their products donated for the purposes of assistance through the Department of Agriculture, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. LEAHY. Mr. President, I ask unanimous consent that all after the enacting clause be stricken and that the text of S. 305, as amended, be inserted in lieu thereof.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I understand that the yeas and nays have been ordered. I ask unanimous consent that the yeas and nays already ordered on the passage of S. 305 be transferred to H.R. 1340.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. LEAHY. Mr. President, I have nothing further on this matter, other than to again thank the distinguished Senator from Indiana for his help in getting this bill before us at this time and in this condition.

Mr. LUGAR. I thank the Senator.

Mr. DIXON. Mr. President, will the manager yield for a question?

Mr. LEAHY. I yield.

Mr. DIXON. Does the manager know whether the majority leader has further plans for this evening? I see the distinguished majority leader on the floor, and we are about to vote. Perhaps he can enlighten his colleagues.

Mr. LEAHY. There is no way I can suggest reading the mind of the distinguished majority leader when he is standing right here. I eagerly yield to the distinguished majority leader.

Mr. BYRD. I thank the distinguished Senator for yielding. Mr. President, I congratulate him and the ranking manger, Mr. LUGAR, on their good work in moving this bill forward. It is an important measure, and they have demonstrated their usual skill and expertise in proceeding as they have.

In response to the question of the distinguished Senator from Illinois, there will be no other rollcall votes today, after this rollcall vote.

Mr. DIXON. I thank the leader.

Mr. BYRD. I thank all Senators, and I yield the floor.

The **PRESIDING OFFICER.** The bill having been read the third time, the question is, Shall it pass?

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Tennessee [Mr. GORE] and the Senator from Louisiana [Mr. JOHNSTON] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from Alaska [Mr. MURKOWSKI] is necessarily absent.

The **PRESIDING OFFICER.** Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 97, nays 0, as follows:

[Rollcall Vote No. 227 Leg.]

YEAS—97

Adams
Armstrong
Baucus
Bentsen
Biden
Bingaman
Bond
Boren
Boschwitz
Bradley
Breaux
Bumpers
Burdick
Byrd
Chafee
Chiles
Cochran
Cohen
Conrad
Cranston
D'Amato
Danforth
Daschle
DeConcini
Dixon
Dodd
Dole
Domenici
Durenberger
Evans
Exon
Ford
Fowler
Garn
Glenn
Graham
Gramm
Grassley
Harkin
Hatch
Hatfield
Hecht
Heflin
Heinz
Helms
Hollings
Humphrey
Inouye
Karnes
Kassebaum
Kasten
Kennedy
Kerry
Lautenberg
Leahy
Levin
Lugar
Matsunaga
McCain
McClure
McConnell
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Nickles
Nunn
Packwood
Pell
Pressler
Proxmire
Pryor
Quayle
Reid
Riegle
Rockefeller
Roth
Rudman
Sanford
Sarbanes
Sasser
Shelby
Simon
Simpson
Specter
Stafford
Stennis
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Weicker
Wilson
Wirth

NOT VOTING—3

Gore
Johnston
Murkowski

So the bill (H.R. 1340) was passed, as follows:

S. 305

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Commodity Distribution Reform Act of 1987".

SEC. 2. SENSE OF CONGRESS.

(a) DISTRIBUTION OF AGRICULTURAL COMMODITIES.—It is the sense of Congress that the distribution of commodities and products—

(1) should be improved as an effective means of removing agricultural surpluses from the market and providing nutritious high quality foods to recipient agencies for assistance to needy persons; and

(2) is inextricably linked to the agricultural support and surplus removal programs administered by the Secretary of Agriculture and is an important mission of the Secretary.

(b) COMMODITY DISTRIBUTION PROGRAMS.—It is the sense of Congress that the Secretary of Agriculture should—

(1) adopt such policies and rules as are necessary to make the commodity distribution programs administered by the Secretary more efficient and responsive to eligible recipient institutions and the needy persons relying on the programs; and

(2) improve the quality of the commodities so distributed and the manner in which the commodities are distributed.

SEC. 3. COMMODITY PROCESSING EXTENSION.

(a) IN GENERAL.—Section 1114(a)(2)(A) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e(2)(A)) is amended by striking out "1987" and inserting in lieu thereof "1989.".

(b) CONFORMING AMENDMENTS.—

(1) Section 4404 of the Child Nutrition Amendments of 1986 (Public Law 99-661) is amended by striking out "In" and inserting in lieu thereof "Effective through June 30, 1989, in".

(2) Section 364 of the School Lunch and Child Nutrition Amendments of 1986 (Public Laws 99-500 and 99-591) is repealed.

SEC. 4. COMMODITY DISTRIBUTION PROGRAM REFORMS.

(a) APPLICATION.—This section shall apply to—

(1) the commodity distribution and commodity supplemental food programs established under sections 4(a) and 5 of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note);

(2) the program established under section 4(b) of the Food Stamp Act of 1977 (7 U.S.C. 2013(b));

(3) the school lunch, commodity distribution, and child care food programs established under sections 6, 14, and 17 of the National School Lunch Act (42 U.S.C. 1755, 1762a, and 1766);

(4) the school breakfast program established under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773);

(5) the donation of surplus commodities to provide nutrition services under section 311 of the Older Americans Act of 1965 (42 U.S.C. 3030a); and

(6) to the extent practicable—

(A) the temporary emergency food assistance program established under the Temporary Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note); and

(B) programs under which food is donated to charitable institutions.

(b) QUALITY AND FORM OF COMMODITIES AND PRODUCTS.—

(1) DEVELOPMENT OF SPECIFICATIONS.—The Secretary of Agriculture (hereinafter in this section referred to as the "Secretary") shall develop specifications for commodities and products that are distributed by the Secretary that ensure that the commodities and products are of a quality, size, and form that is most useful to eligible recipient agencies, taking into account the duty of the Secretary—

(A) to remove surplus stocks of agricultural commodities through the Commodity Credit Corporation; and

(B) to purchase surplus agricultural commodities through section 32 of the Act entitled "An Act to amend the Agricultural Adjustment Act, and for other purposes", approved August 24, 1935 (7 U.S.C. 612c).

(2) OPTIONAL SIZES AND FORMS.—The Secretary shall, to the maximum extent practicable, make the commodities and products available in optional package sizes and forms.

(3) AVAILABILITY OF SPECIFICATIONS.—The Secretary shall make available summaries of the specifications for the commodities and products to State agencies.

(4) TESTING FOR ACCEPTABILITY.—The Secretary shall establish an ongoing field testing program for present and anticipated commodity and product purchases to test product acceptability with program participants. Test results shall be taken into consideration in deciding which commodities and products, and in what form the commodities and products, should be provided to recipient agencies.

(c) DIETARY GUIDELINES.—Commodities and products that are distributed by the Secretary shall, to the maximum extent practicable, be consistent with the Dietary Guidelines for Americans published by the Secretary of Agriculture and the Secretary of Health and Human Services.

(d) COMMODITIES AND PRODUCTS THAT ARE NOT IN GOOD CONDITION.—

(1) REPLACEMENT.—Commodities and products that are distributed to eligible recipient agencies and are found not to be in good condition shall be replaced under procedures established by the Secretary. On receiving a commodity or product that is not in good condition, a recipient agency shall expeditiously notify the State agency of the condition. The State agency shall take appropriate steps to ensure that the commodity or product is expeditiously replaced.

(2) Procedures.—The Secretary shall establish procedures governing the handling of commodities and products that are not in good condition when received by recipient agencies.

(3) Monitoring system.—The Secretary shall establish a system to monitor the age and condition of commodities and products that are stored by the Secretary, to ensure acceptable quality.

(e) Distribution and Delivery.—

(1) Distribution schedules.—The Secretary shall establish schedules, to the maximum extent practicable, for the distribution of commodities and products that are consistent with the needs of eligible recipient agencies, taking into account the duty of the Secretary—

(A) to remove surplus stocks of agricultural commodities through the Commodity Credit Corporation; and

(B) to purchase surplus agricultural commodities through section 32 of the Act entitled "An Act to amend the Agricultural Adjustment Act, and for other purposes", approved August 24, 1935 (7 U.S.C. 612c).

(2) Delivery systems.—The Secretary shall monitor the delivery systems used by State agencies, and require State agencies to implement an effective delivery system, for the intrastate delivery of donated commodities and products. The Secretary shall establish a value for donated commodities and products to be used by State agencies in the allocation or charging of commodities against entitlements.

(f) Recipes.—

(1) In general.—The Secretary shall distribute to all recipient agencies suggested recipes for the use of donated commodities and products.

(2) Distribution.—The recipe cards shall be distributed as soon as practicable after the date of enactment of this Act and updated on a regular basis taking into consideration the Dietary Guidelines for Americans published by the Secretary of Agriculture and the Secretary of Health and Human Services (as in effect at the time of the update of the recipe cards).

(g) Implementation.—

(1) Regulations.—Not later than 9 months after date of enactment of this Act, the Secretary shall issue such regulations as are necessary to carry out this section, including regulations concerning—

(A) reasonable intrastate fees if such fees are charged to local recipient agencies;

(B) minimum performance standards to be followed by State agencies responsible for intrastate distribution of donated commodities and products;

(C) procedures for commodity allocations among the States;

(D) delivery schedules; and

(E) procedures for local recipient agencies to return commodities and products delivered that are stale, spoiled, or similarly not in conformity with the product specifications of the Secretary.

(2) Uniform interpretation.—The Secretary shall take such actions as are necessary to ensure that regional offices of the Department of Agriculture interpret uniformly across the United States policies and regulations issued to implement this section.

SEC. 5. EXTENSION OF ELIGIBILITY OF CERTAIN SCHOOL DISTRICTS TO RECEIVE CASH OR COMMODITY LETTERS OF CREDIT ASSISTANCE FOR SCHOOL LUNCH PROGRAMS.

(a) In General.—Section 1581(b) of the Food Security Act of 1985 (Public Law 99-198; 99 Stat. 1594) is amended by striking out "1987" and inserting in lieu thereof "1989".

(b) Domestic Purchase Requirement.—Section 1581 of such Act is amended by adding at the end thereof the following new subsection:

"(d) Effective beginning July 1, 1987, in carrying out the pilot project referred to in subsection (a), a school district shall be required to provide through contract specifications that only items produced and processed in the United States be purchased with cash assistance and commodity letters of credit assistance provided under the project.".

(c) Conforming Amendment.—Section 14(g)(2) of the National School Lunch Act (42 U.S.C. 1762(g)(2)) is amended by striking out "In" and inserting in lieu thereof "Effective through the school year ending June 30, 1989, in".

SEC. 6. COSTS FOR NUTRITION SERVICES AND ADMINISTRATION.

(a) In General.—Section 17(h) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)) is amended by adding at the end thereof the following new paragraph:

"(5)(A) In addition to the amounts otherwise made available under paragraphs (1) and (2), each State agency may use 10 percent of the savings (as defined in subparagraph (C)) for the costs of nutrition services and administration of the State agency and local agencies associated with increases in the number of persons served. In the case of a State agency that instituted a competitive bidding or rebate system before the date of enactment of this paragraph, the State agency may use savings under this subparagraph only if the use of the savings does not result in a reduction in the number of persons served in the State.

"(B) In addition to the amounts otherwise made available under paragraphs (1) and (2) and subparagraph (A), each State agency may use up to 10 percent of the savings (as defined in subparagraph (C)) for the costs of nutrition services and administration of the State agency and local agencies to the extent that the additional expenditures are related to increases in the number of persons served due to an increased availability of supplemental food assistance. The Secretary shall issue rules to implement this subparagraph that take into account—

"(i) the types of persons to be served and the per participant costs for nutrition services and administration in the State;

"(ii) incremental costs per participant of nutrition services and administration associated with serving an increased number of persons;

"(iii) amounts allocated and reallocated under paragraphs (1) and (2); and

"(iv) other factors considered appropriate to further efficient and effective administration, such as staffing needs, density of population, utilization of existing facilities and equipment, and other special circumstances that severely restrict the fiscal capacity of the State (such as a State economic crisis).

"(C) As determined under procedures developed by the Secretary, the savings specified under subparagraphs (A) and (B) shall be—

"(i) the amount of funds realized by a State agency as the result of a rebate system; or

"(ii) in the case of a direct distribution or home delivery system, the difference, in any fiscal year, between—

"(I) the total cost to the State agency of obtaining and providing one or more of the supplemental foods under any competitive bidding system under which a State or local agency contracts for the purchase of supplemental foods and products at reduced prices; and

"(II) the total cost that would have been incurred in obtaining and providing such supplemental foods based on an average Statewide retail price, as measured by price surveys conducted by the State agency or other means approved by the Secretary.

"(D) Paragraphs (3) and (4) shall apply to funds expended under this paragraph.".

(b) Effective Date.—The amendment made by subsection (a) shall become effective and implemented on the first day of the first quarter beginning 180 days after the date of enactment of this Act.

SEC. 7. COORDINATION OF WIC PROGRAM WITH MEDICAID COUNSELING.

Section 17(f)(1)(C)(iii) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)(1)(C)(iii)) is amended by striking out "and maternal and child health care programs" and inserting in lieu thereof "maternal and child health care, and medicaid programs".

SEC. 8. STUDY OF MEDICAID SAVINGS FOR NEWBORNS FROM WIC PROGRAM.

(a) Study.—The Secretary of Agriculture shall conduct a national study of savings in the amount of assistance provided to families with newborns under State plans for medical assistance approved under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) and State indigent health care programs, during the first 60-day period after birth, as the result of the participation of mothers of newborns before birth in the special supplemental food program authorized under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786).

(b) Report.—Not later than February 1, 1990, the Secretary shall submit to Congress a report that describes the results of the study conducted under subsection (a).

(c) Funding.—This section shall be carried out using funds made available under section 17(g)(3) of the Child Nutrition Act of 1966.

SEC. 9. SUPPLYING INFANT FORMULA FOR THE WIC PROGRAM.

Section 17(f) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)) is amended by adding at the end thereof the following new paragraph:

"(16) To be eligible to participate in the program authorized by this section, a manufacturer of infant formula that supplies formula for the program shall—

"(A) register with the Secretary of Health and Human Services under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321 et seq.); and

"(B) before bidding for a State contract to supply infant formula for the program, certify with the State health department that the formula complies with such Act and regulations issued pursuant to such Act.".

SEC. 10. OVERSPENDING AND UNDERSPENDING UNDER THE WIC PROGRAM.

Section 17(i)(3) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(i)(3)) is amended—

(1) in subparagraph (A)—

(A) by inserting "and subject to subparagraphs (B) and (C)" after "paragraph (2)"; and

(B) by striking out "or" at the end of clause (i) and inserting in lieu thereof "and"; and

(2) by adding at the end thereof the following new subparagraph:

"(C) The total amount of funds transferred from any fiscal year under clauses (i) and (ii) of subparagraph (A) shall not exceed 1 percent of the amount of the funds allocated to a State agency for such fiscal year.".

SEC. 11. EXTENSION OF QUALITY CONTROL STUDIES.

Section 12301(a)(3) of the Consolidated Omnibus Reconciliation Act of 1985 (42 U.S.C. 603 note) is amended by striking out "one year" and inserting in lieu thereof "15 months".

SEC. 12. EFFECTIVE DATE.

Except as otherwise provided in this Act, this Act and the amendments made by this Act shall become effective on July 1, 1987.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LUGAR. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CATASTROPHIC ILLNESS

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BYRD. Mr. President, while the distinguished Republican leader is on the floor, I wish to inquire of the distinguished Republican leader as to whether or not that one holdout on the other side of the aisle is ready to let the Senate go to catastrophic illness.

I say that in a facetious way, but the Republican leader has been trying to clear this bill so we can take it up and dispose of it. But he has an objection on his side. There are no objections on this side.

I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 260, S. 1127, a bill to provide for Medicare, catastrophic illness coverage.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Republican leader.

Mr. DOLE. Reserving the right to object, and I will be constrained to object, we still have—now I understand it is not one, it is two holds. I think it is fair to say that I just checked with staff and I am not certain how firm the holds are, but they are there right now. We think there may be one of those that will disappear.

I would hope the majority leader would give us one more opportunity tomorrow morning, and I do object.

The PRESIDING OFFICER. Objection is heard.

Mr. BYRD. Very well.

PROMPT PAYMENT ACT AMENDMENTS

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 132, S. 328, a bill to amend chapter 39 of title 31, United States Code, to require the Federal Government to pay interest on overdue payments, and for other purposes. And why should it not?

Mr. President, may I say that Mr. SASSER, the manager of the bill, will be ready to proceed with that bill on tomorrow.

Mr. President, I ask unanimous consent that on tomorrow, at the conclusion of morning business, the Senate resume consideration of Calendar Order No. 132.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Mr. President, I wonder if the distinguished majority leader might be willing to withdraw that request at this time and make it again tomorrow morning. As I understand, there are two potential problems that we might be able to resolve. One is in the cloakroom right now, I mean one Senator with one problem. There is one other Member on this side who also has a problem.

Mr. BYRD. Very well, Mr. President, I withdraw my request.

The PRESIDING OFFICER. The request is withdrawn.

Mr. BYRD. I will repeat that request tomorrow.

THE EXECUTIVE CALENDAR

Mr. BYRD. Mr. President, I ask the distinguished Republican leader if the following nominations have been cleared on that side: Nominations under Marine Corps, page 2 and page 3; the nominations on page 8 under the judiciary, Calendar Nos. 304, 305, 306, and 307; the nomination under Department of Defense, Calendar No. 312; and the nomination under Nuclear Regulatory Commission, Calendar No. 313.

Mr. DOLE. Mr. President, I will advise the distinguished majority leader that all those have been cleared, and the ranking member on this side on the Armed Services Committee has further indicated they have been cleared.

Mr. BYRD. Very well.

EXECUTIVE SESSION

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nominations under the judiciary, Calendar Nos. 304, 305, 306, and 307; under Department of Defense, Calendar No. 312, and under Nuclear Regulatory Commission, Calendar No. 313; that those nominations be considered en bloc and be confirmed en bloc, that the President be immediately notified of the confirmation of the nominees, and that a motion to reconsider be laid on the table.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

THE JUDICIARY

William D. Hutchinson, of Pennsylvania, to be U.S. circuit judge for the third circuit.

Anthony J. Scirica, of Pennsylvania, to be U.S. circuit judge for the third circuit.

T.S. Ellis III, of Virginia, to be U.S. district judge for the eastern district of Virginia.

Charles R. Wolle, of Iowa, to be U.S. district judge for the southern district of Iowa.

DEPARTMENT OF DEFENSE

H. Lawrence Garrett III, of Virginia, to be Under Secretary of the Navy.

NUCLEAR REGULATORY COMMISSION

Kenneth C. Rogers, of New Jersey, to be a Member of the Nuclear Regulatory Commission for the term of 5 years expiring June 30, 1992.

Mr. BYRD. Mr. President, while the Senate is in executive session, I ask unanimous consent that the Senate proceed to the consideration of those nominations under Marine Corps, Calendar Order No. 271.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

MARINE CORPS

The bill clerk read the following named brigadier generals for promotion to the permanent grade of major general: Edmund P. Looney, Jr., Orlo K. Steele, Hollis E. Davison, Robert F. Milligan, Gene A. Deegan, Joseph P. Hoar, Royal N. Moore, Jr., and Donald E.P. Miller.

Mr. WARNER. Mr. President, I wonder if the distinguished leadership at this time will allow the distinguished chairman of the Armed Services Committee and the ranking member an opportunity to make a brief statement.

Mr. BYRD. Certainly.

Mr. NUNN. Mr. President, on July 24 of this year, the Armed Services Committee favorably reported these nominations for promotion to the permanent grade of major general in the Marine Corps. These 8 nominations were part of a list of 10 major general nominations that the President had submitted to the Senate for confirmation earlier this year. The committee report accompanying the eight nominations explains the basis for the committee's action. This is a very important matter. The committee deliberated on it long and hard. The members of the committee attended a number of meetings we had on it. It has been a very difficult subject, but we do recommend that these eight nominations be confirmed by the U.S. Senate.

The committee report has all of the details on this matter. It has been public now for some 8 or 9 days and I think all of our colleagues have had a chance to review it.

I urge the Senate to act on these nominations.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, I wish to concur in and associate myself with the remarks of the distinguished chairman of the Armed Services Committee. I thank the leadership and Members of the Senate who have an interest in this matter, one of which temporarily held these nominations but at my request that hold was released.

IN SUPPORT OF THOMAS SELBY ELLIS III

Mr. President and my distinguished colleagues, it is my great pleasure to rise today to support Mr. Thomas Selby (Tim) Ellis III to be confirmed as a judge for the United States District Court for the Eastern District of Virginia.

Mr. Ellis received his undergraduate degree in aeronautical engineering from Princeton University, where he was a Naval Reserve Officer Training Corps scholarship student.

He then served for 6 years as an aviator in the U.S. Navy, and was honorably discharged having achieved the rank of lieutenant.

He graduated magna cum laude from Harvard Law School, then received a diploma in law from Magdalen College at Oxford University.

Since 1969, Mr. Ellis has been associated with the Virginia law firm of Hunton and Williams, where he has distinguished himself as a trial attorney, speaker and author.

Mr. Ellis' extensive litigation experience in both State and Federal court covers a broad spectrum of the law.

He has also been involved in numerous State and Federal administrative proceedings.

Mr. Ellis has authored many publications on a variety of topics, and has lectured in law at several universities.

His services to community groups and his church are extensive.

Particularly noteworthy are his efforts to help Vietnam refugees who have located in the Richmond, VA area.

From his experience as a litigator, a published author and speaker, this judicial nominee possesses the ideal combination of credentials necessary to be a superior judge.

Mr. Ellis is a man of principle who will continue to distinguish himself on the Federal bench just as he has throughout his entire career.

I am proud to have the opportunity to represent Tim Ellis in the U.S. Senate.

And I am pleased to speak on behalf of this distinguished Virginian, who has earned the respect of his colleagues in the legal community as an attorney and a man of integrity.

Tim Ellis will be a great asset to the Federal judiciary.

I commend him wholeheartedly to the support of my colleagues.

The PRESIDING OFFICER. Is there further debate on the nominations? If not, the nominations are confirmed.

Mr. BYRD. Mr. President, I thank both Senators, Mr. NUNN and Mr. WARNER. I ask unanimous consent that the President be immediately notified of the nominations that were confirmed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Was the motion to reconsider made and laid on the table?

The PRESIDING OFFICER. There was not a motion.

Mr. NUNN. I move to reconsider the vote by which the nominations were agreed to.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

LEGISLATIVE SESSION

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

MEASURE INDEFINITELY POSTPONED

Mr. BYRD. Mr. President, the Senate just acted on the House bill which was a companion measure to the bill S. 305, a bill to amend the National School Lunch Act. I, therefore, ask unanimous consent that S. 305 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENT OF SENATE CONFEREES ON THE TRADE BILL, H.R. 3

Mr. BYRD. Mr. President, on behalf of Mr. BENTSEN, I ask unanimous consent that the Senate insist on its amendment to H.R. 3, the trade bill, and request a conference with the House, and that the Chair be authorized to appoint conferees on the part of the Senate.

There being no objection, the Chair appointed the following conferees on the part of the Senate:

From the Committee on Finance: Senators BENTSEN, MATSUNAGA, MOYNIHAN, BAUCUS, BOREN, PACKWOOD, CHAFEE, ROTH, and DANFORTH.

From the Committee on Banking, Housing, and Urban Affairs: Senators PROXMIRE, SARBANES, DIXON, GARN, and HEINZ.

Solely for the consideration of subsections 1029 through 1036 of title X: Senators CRANSTON and GRAMM.

Solely for the consideration of title XIV: Senators EXON and DANFORTH.

From the Committee on Commerce, Science, and Transportation: Senators HOLLINGS, INOUYE, EXON, RIEGLE, DANFORTH, PACKWOOD, and PRESSLER.

From the Committee on Labor and Human Resources: Senators KENNEDY, PELL, METZENBAUM, MIKULSKI, ADAMS, HATCH, STAFFORD, and QUAYLE.

From the Committee on Small Business: Senators BUMPERS, SASSER, and WEICKER.

From the Committee on the Judiciary: Senators DECONCINI, LEAHY, and HATCH.

From the Committee on Foreign Relations: Senators PELL, SARBANES, DODD, HELMS, and LUGAR.

From the Committee on Agriculture, Nutrition, and Forestry: Senators LEAHY, MELCHER, PRYOR, LUGAR, and COCHRAN.

From the Committee on Governmental Affairs: Senators GLENN, CHILES, BINGAMAN, ROTH, and STEVENS.

THE CALENDAR

Mr. BYRD. Mr. President, I inquire of the distinguished Republican leader if the following calendar orders have been cleared on his side: Calendar Order Nos. 284, 268, 269, 278, 292, and 293.

Mr. DOLE. Those have been cleared.

Mr. BYRD. I thank the leader.

Mr. President, I ask unanimous consent that the Senate proceed seriatim to the consideration of the bills in the order I enumerated.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL TRIANGLE DEVELOPMENT ACT

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 1550) to complete the Federal Triangle in the District of Columbia, to construct a public building to provide Federal office space for an international cultural and trade center, and for other purposes.

The Senate proceeded to consider the bill which has been reported from the Committee on Environment and Public Works, with an amendment to stike all after the enacting clause and insert in lieu thereof, the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Triangle Development Act".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds and declares that—

(1) it is in the national interest to build a Federal building complex and establish an international cultural and trade center on the Federal Triangle property in the District of Columbia;

(2) development of such a Federal building complex will permit consolidation of a number of Federal agencies which are currently housed in numerous, scattered locations and will enable more economical and efficient use of building space and environs;

(3) inclusion of an international cultural and trade center within the Federal building complex will create and enhance opportunities for American trade, commerce, com-

munications, and cultural exchanges with other nations and complement the work of Federal, State, and local agencies in the areas of international trade and cultural exchange; and

(4) the appropriate development, maintenance, and use of the Federal Triangle property should be a joint development effort of the General Services Administration, the Pennsylvania Avenue Development Corporation, and the International Cultural and Trade Center Commission.

(b) PURPOSES.—The purposes of this Act are as follows:

(1) To transfer the Federal Triangle property from the Administrator of General Services to the Pennsylvania Avenue Development Corporation.

(2) To grant to the Corporation the power of eminent domain to acquire certain properties and rights-of-way adjacent to the Federal Triangle site and to authorize the Corporation to exercise such power as may be necessary to further the public interest.

(3) To authorize the Corporation, after consultation with the Secretary of State, the Administrator, and the Commission, to prepare plans for development of such property.

(4) To establish a process for review and selection of such plans and, after completion of such review process, to authorize the Corporation to enter into an agreement with a private developer selected for the development of such property.

(5) To ensure that the design and construction of the Federal building complex on such property will insofar as practicable be in accordance with the guiding principles for Federal architecture recommended by the Committee on Federal Office Space in 1962 which require among other things that facilities to be used by Federal agencies be efficient and economical and that public buildings provide visual testimony to the dignity, enterprise, vigor, and stability of the Federal Government.

(6) To provide for establishment, operation, and maintenance of a self-sustaining international cultural and trade center in such complex.

SEC. 3. FEDERAL TRIANGLE PROPERTY.

(a) TRANSFER TO PADC.—

(1) GENERAL RULE.—Subject to such terms and conditions as the Administrator and the Corporation may establish, the Administrator shall transfer, without compensation, to the Corporation title to the Federal Triangle property for development under this Act.

(2) DURATION OF TRANSFER.—Title to the Federal Triangle property shall revert to the Administrator at such time as the Administrator and the Corporation agree but not later than the date on which ownership of the building to be constructed on such property under section 5 vests in the United States. On and after such date, title to such building shall be in the Administrator.

(3) LEGAL DESCRIPTION.—The exact acreage and legal description of the Federal Triangle property shall be based upon surveys which are satisfactory to the Administrator and the Corporation.

(b) ADJOINING PROPERTY AND RIGHTS-OF-WAY.—

(1) ACQUISITION.—The Corporation may acquire by purchase, exchange, condemnation, or otherwise such additional property or improvements or interest therein (including any portion of any street, roadway, highway, alley, or right-of-way and any easements to and air rights on or above any public lands or rights-of-way) as are necessary for development of the Federal Triangle property.

(2) TRANSFER TO GSA.—At the time title to the Federal Triangle property reverts to the Administrator under subsection (a), the Corporation shall transfer to the Administrator, without compensation, title to any property or interest therein acquired under this subsection and improvements thereon.

SEC. 4. DEVELOPMENT PROPOSAL.

(a) PREPARATION AND CONTENTS.—The Corporation shall prepare a written proposal for development of the Federal Triangle property which shall include, but not be limited to, the following:

(1) A narrative description of the building to be constructed on the Federal Triangle property, including a description of the types of uses both public and private to be permitted in the building.

(2) A comprehensive plan prepared by the Administrator for providing space for Federal officers and employees in the building.

(3) A plan for inclusion of an international cultural and trade center comprising not to exceed 500,000 occupiable square feet, including a leasing plan prepared by the Commission for occupancy of such center and a plan for permitting conversion of space not used for such center to office space.

(4) A comprehensive plan for providing security for the building and its occupants and contents.

(5) A comprehensive plan for providing parking for motor vehicles of occupants of and visitors to the building and for providing access to the building by delivery and service vehicles.

(6) A statement prepared by the Administrator for rents and other housing costs currently being paid by the United States for Federal agencies to be housed in the building.

(7) Design criteria for the building.

(8) An estimate of the cost of construction of the building and of the annual cost to the United States of leasing the building under section 6.

(9) Environmental impact documentation for development of the Federal Triangle property under Federal laws and regulations.

(10) An analysis of the economic impact in the metropolitan area which includes the District of Columbia of development of the Federal Triangle property.

(11) terms and conditions approved by the Administrator for inclusion in the lease agreement under section 6.

(b) LIMITATIONS.—

(1) SIZE OF BUILDING.—The building (including parking facilities) to be constructed on the Federal Triangle property may not exceed 3,100,000 gross square feet in size.

(2) HEIGHT OF BUILDING.—The height of the building shall be compatible with the height of surrounding Government buildings.

(3) DESIGN.—The building shall be designed in harmony with historical and Government buildings in the vicinity, shall reflect the symbolic importance and historic character of Pennsylvania Avenue and the Nation's Capital, and shall represent the dignity and stability of the Federal Government.

(c) CONSULTATION REQUIREMENT.—In preparing the development proposal under subsection (a), the Corporation shall consult the Secretary of State, the Administrator, and the Commission.

(d) DUTIES OF THE ADMINISTRATOR AND COMMISSION.—

(1) ADMINISTRATOR.—The Administrator shall prepare and submit to the Corporation for inclusion in the development proposal under subsection (a)—

(A) a comprehensive plan for providing space for Federal officers and employees in the building to be constructed on the Federal Triangle property;

(B) a statement of rents and other housing costs currently being paid by the United States for Federal agencies to be housed in the building; and

(C) a list of terms and conditions which the Administrator has approved for inclusion in the lease agreement to be entered into under section 6.

(2) COMMISSION.—The Commission shall prepare and submit to the Corporation for inclusion in the development proposal under subsection (a) a leasing plan for occupancy of the international cultural and trade center under section 8.

(e) REVIEW AND APPROVAL OF DEVELOPMENT PROPOSAL BY GSA AND OTHERS.—

(1) SUBMISSION FOR REVIEW.—As soon as practicable but not later than 365 days after the date of the enactment of this Act, the Corporation shall submit the development proposal prepared under subsection (a) to the General Services Administration, the Commission, the National Capital Planning Commission, and the Commission of Fine Arts.

(2) APPROVAL OR RECOMMENDED MODIFICATIONS.—Not later than 60 days after the date of submission of the development proposal under paragraph (1), each governmental entity referred to in paragraph (1) shall notify the Corporation of approval or recommended modifications of the development proposal. If such governmental entity does not notify the Corporation of its approval or recommended modifications of the proposal within such 60-day period, such governmental entity shall be deemed to have approved the proposal.

(3) CONSULTATION.—In the event a governmental entity referred to in paragraph (1) submits recommended modifications of the development proposal within the 60-day period described in paragraph (2), the Corporation shall consult such entity regarding such modifications and may modify such proposal to take into account one or more of such recommended modifications.

(f) SUBMISSION FOR CONGRESSIONAL REVIEW.—Not later than 150 days after the date of submission of the development proposal to governmental entities under subsection (e)(1), the Corporation shall submit to the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives for review and approval the development proposal with any modifications made under subsection (e)(3), a statement of the areas of difference between such proposal and the recommended modifications of each such governmental entity, and the views of the Corporation with respect to such differences.

(g) FUNDING.—Not later than 60 days after the date of the enactment of this Act, the Administrator shall transfer from amounts appropriated to the Administrator $800,000 to the Corporation for carrying out this section.

SEC. 5. CONSTRUCTION OF BUILDING.

(a) SELECTION PROCESS.—

(1) GENERAL RULE.—Upon approval of the development proposal submitted under section 4(f) by resolutions adopted by the Committee on Environment and Public Works of

the Senate and the Committee on Public Works of the House of Representatives, the Corporation in accordance with its policies and procedures for a development competition, shall select a person to develop the Federal Triangle property.

(2) Consultation requirement.—In selecting a person to develop the Federal Triangle property, the Corporation shall consult the Administrator and the Commission.

(3) Competition.—The Corporation shall conduct a competition for selection of a person to develop the Federal Triangle property. Such competition shall be conducted in accordance with the existing policies and procedures of the Corporation for a development competition.

(4) Prohibition on payments for bids and designs.—The Corporation may not make any payment to any person for any bid or design proposal under the competition conducted under this subsection.

(b) Development Agreement.—

(1) Authority to enter.—The Corporation may enter into an agreement for the development of the Federal Triangle property in accordance with the development proposal approved under subsection (a) with the person selected to develop the Federal Triangle property.

(2) Contents.—The development agreement under paragraph (1) shall at a minimum provide for the following:

(A) The construction of a building on the Federal Triangle property in accordance with the architectural plans and specifications selected under the development competition.

(B) Ownership of such property and building will be by the United States; except that the person selected under subsection (a) may own such building for a term not to exceed 35 years beginning on the date on which construction of such building commences.

(C) The Administrator to lease such building from such person for the term determined under subparagraph (B).

(D) Inspection of such building during construction by the Administrator and the Corporation.

The agreement shall include a copy of the lease agreement and technical directives and specifications prepared by the administration entered into by the Administrator and such person under section 6.

(c) Connection With Rail System.—The building to be constructed under this section may be connected with the rapid rail system operated by the Washington Metropolitan Area Transit Authority via a station located on the Federal Triangle property. The construction cost of making such connection shall be the responsibility of the person selected to develop the Federal Triangle property. The Washington Metropolitan Transit Authority may not charge any fee or other amount for the connection of such building to such rail system.

(d) Construction Standards and Inspection.—The building constructed under this section shall meet all standards applicable to construction of a Federal building. During construction, the Administrator and the Corporation shall conduct periodic inspections of such building for the purpose of assuring that such standards are being met.

(e) Treatment of PADC.—For purposes of any State or local law (including laws relating to taxation and building permits and inspections), the Corporation with respect to development of the Federal Triangle property shall be treated as the General Services Administration is treated with respect to acquisition and construction of a Federal building.

(f) Applicability of Certain Laws.—Any person who enters into an agreement with the Corporation under subsection (b) for development of the Federal Triangle property shall not, with respect to such development, be subject to any State or local law relating to building permits and building inspection. Such property and any improvements to such property shall not be subject to real and personal property taxation, or special assessments.

(g) Treatment of Federal Triangle Development Area.—For purposes of the Pennsylvania Avenue Development Corporation Act of 1972 (other than section 5), the Federal Triangle development area shall be treated as being a part of the development area described in section 2(f) of such Act (40 U.S.C. 871(f)). The Corporation shall have the same authority with respect to the Federal Triangle development area as it has with respect to the development area described in such section 2(f).

(h) Powers of the Corporation.—The Corporation shall have with respect to its duties under this Act any powers which the Corporation has under section 6 (other than paragraphs (9) and (10)) of the Pennsylvania Avenue Development Corporation Act of 1972 (40 U.S.C. 875) with respect to its duties under such Act. The Corporation may enter into agreements with any Federal agency or the Commission with respect to this Act, or as permitted or authorized by 31 U.S.C. 1535.

(i) Authorization of Appropriation.—There is authorized to be appropriated, from the fund established by section 210(f) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 490(f)), to the Administrator for transfer to the Corporation for carrying out this section and section 4 $3,700,000 for fiscal year 1988. Such sums shall remain available until expended.

SEC. 6. LEASE OF BUILDING BY GSA.

(a) Entry Into Agreement.—Before the development agreement is entered into under section 5, the Administrator shall enter into with the person selected to construct the building under section 5 an agreement for the lease of such building for Federal office space and the international cultural and trade center space.

(b) Terms of Agreement.—The agreement entered into under this section shall include at a minimum the following terms:

(1) The Administrator will lease the building for the term that the person selected to construct the building owns the building.

(2) The rental rate per square foot of occupiable space for all space in the building will be in the best interest of the United States and carry out the objectives of this Act, but in no case may the aggregate rental rate for all space in the building produce an amount less than the amount necessary to amortize the cost of development of the Federal Triangle property over the term of the lease.

(3) Obligations of funds from the Federal Building Fund shall only be made on an annual basis to meet lease payments.

(4) The Administrator will be permitted to sublease to the Commission for establishment, operation, and management of the international cultural and trade center under section 8.

(c) Accounting System.—The Administrator shall maintain an accounting system for operation and maintenance of the building to be constructed under section 5 which will permit accurate projections of the dates and the costs of major repairs, improvements, reconstructions, and replacements of such building and other capital expenditures on such building. The Administrator shall take such action as may be necessary to assure that funds are available to cover such projected costs and expenditures.

(d) Obligation of Funds.—Obligation of funds to make lease payments under this section may only be made on an annual basis and from amounts in the fund established by section 210(f) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 490(f)).

SEC. 7. INTERNATIONAL CULTURAL AND TRADE CENTER COMMISSION.

(a) Establishment.—There is established a commission to be known as the International Cultural and Trade Center Commission.

(b) Duties of Commission.—The duties of the Commission are as follows:

(1) To participate in accordance with section 4 in the planning of the building to be constructed under section 5.

(2) To enter into an agreement with the Administrator under section 8 for the lease of space in the building constructed under section 5 for establishment, operation, and maintenance of an international cultural and trade center.

(3) To operate and manage any space leased under section 8 in accordance with the objectives of this Act.

(4) To prepare under section 8 an annual report on the operation and management of such space.

(c) Membership.—

(1) Number and appointment.—The Commission shall be composed of 15 members as follows:

(A) The Secretary of State or his delegate.

(B) The Secretary of Commerce or his delegate.

(C) The Secretary of Agriculture or his delegate.

(D) The United States Trade Representative or his delegate.

(E) The Administrator or his delegate.

(F) The Director of the United States Information Agency or his delegate.

(G) The Chairman of the Corporation or his delegate.

(H) The Mayor of the District of Columbia or his delegate.

(I) The Chairman of the National Endowment for the Arts or his delegate.

(J) 6 individuals appointed by the President one of whom shall be a resident and registered voter of the District of Columbia and all of whom shall be specially qualified to serve on the Commission by virtue of their education, training, or experience in international trade, commerce, cultural exchange, finance, business, or management of facilities similar to the international cultural and trade center described in section 8.

A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(2) Terms.—

(A) General rule.—Except as provided in subparagraph (B), the terms of office of the private sector Members first taking office shall begin on the date of the enactment of this Act and shall expire as designated at the time of appointment, two at the end of two years, two at the end of four years, and two at the end of six years.

(B) Filling a vacancy.—Any member of the Commission appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. A member may serve after the expiration of his term until his successor has taken office.

(3) Pay.—Members of the commission shall serve without pay; except that any member of the Commission appointed under paragraph (1)(J) shall while attending meetings of and attending hearings held by the Commission be entitled to travel or transportation expenses in accordance with section 5703 of title 5, United States Code.

(4) Quorum.—8 members of the Commission shall constitute a quorum but a lesser number may hold hearings.

(5) Designation of chairman.—The Chairman and Vice Chairman of the Commission shall be designated by the President; except that the Chairman may only be designated from individuals appointed under paragraph (1)(J).

(6) Meetings.—The Commission shall meet at the call of the Chairman but no less often than every 4 months.

(d) Staff of Commission.—

(1) General rule.—The Commission shall have a staff, including an executive director. Such staff shall be composed of individuals who may either be appointed under paragraph (2) or detailed under paragraph (3); except that the staff of the Commission may not at any time be composed of more than 15 individuals.

(2) Authority to appoint.—The Commission may appoint and fix the pay of not to exceed 10 individuals, including an individual to serve as the executive director of the Commission. Staff appointed under this paragraph shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates; except that—

(A) the individual appointed to serve as the executive director and one other individual appointed to the staff of the Commission may be appointed and compensated without regard to such provisions; and

(B) the pay of any individual (other than the 2 individuals referred to subparagraph (A)) appointed under this paragraph shall be at a rate not to exceed the maximum rate of basic pay payable for GS-17 of the General Schedule.

(3) Detail.—Subject to paragraph (1), upon request of the Commission, the Secretary of State, the Secretary of Commerce, the Secretary of Agriculture, the Special Trade Representative, the Administrator, and the Director of the United States Information Agency may detail, on a reimbursable basis, such of the personnel of the department or agency such person heads as may be necessary to assist the Commission in carrying out its duties under this Act.

(e) Office Space and Supplies.—Upon request of the Commission, the Secretary of State, the Secretary of Commerce, the Secretary of Agriculture, the Special Trade Representative, the Administrator, and the Director of the United States Information Agency may provide, on a reimbursable basis, such office space, supplies, equipment, and other support services as may be necessary for the Commission to carry out its duties under this Act.

(f) Powers of Commission.—

(1) Hearings and sessions.—The Commission may, for the purpose of carrying out its duties under this Act, hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Commission considers appropriate.

(2) Powers of members and agents.—Any member or agent of the Commission may, if so authorized by the Commission, take any action which the Commission is authorized to take by this subsection.

(3) Obtaining official data.—The Commission may obtain from any department or agency of the United States information necessary to enable it to carry out its duties under this Act. Upon request of the Chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

(4) Gifts.—The Commission may accept, use, and dispose of gifts or donations of services or property.

(5) Mails.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(6) Authority to contract out.—Subject to applicable provisions of law, the Commission may enter into such contracts or agreements as the Commission considers appropriate to carry out any of its duties under this Act.

(7) Experts and consultants.—The Commission may procure temporary and intermittent services under section 3109(b) of title 5 of the United States Code.

(g) Limitation on Expenses.—

(1) Maximum amount.—The maximum amount of expenses (including salaries, travel expenses, expenses for temporary and intermittent services, expenses under contracts or agreements entered into under subsection (f)(7), and supply expenses) which the Commission may incur in any fiscal year may not exceed $1,000,000 in any fiscal year.

(2) Adjustment for inflation.—Any dollar amount referred to in this subsection, subsection (h)(3), and section 8(d) may be adjusted by the Commission annually to reflect a percentage increase or decrease in the Consumer Price Index for All Urban Consumers for the preceding calendar year, as determined by the United States Department of Labor, Bureau of Labor Statistics.

(h) Funding.—

(1) Requests for transfers.—If the Commission incurs any expenses in carrying out its duties under this Act, the Commission may request the Secretary of State, the Administrator, or any other Federal official referred to in subsection (c)(1) to transfer to the Commission an amount equal to such expenses from funds appropriated to such official.

(2) Authority for transfers.—Subject to paragraphs (3) and (5), any official referred to in paragraph (1) may transfer such amounts from funds appropriated to such official as may be necessary to enable the Commission to carry out its duties under this Act.

(3) Maximum amount of requests and transfers.—The aggregate amount of requests for transfers, and the aggregate amount of transfers, under this subsection may not exceed $1,000,000 in any fiscal year.

(4) Deposit of receipts.—The Commission shall deposit all amounts it receives under this subsection into the account established by section 8(d).

(5) Limitation on effect.—This subsection shall not be effective with respect to any fiscal year beginning after the last day of the 2-year period beginning on the first day the Commission deposits under section 8(c) funds into the account established by section 8(d).

SEC. 8. OPERATION AND MANAGEMENT OF INTERNATIONAL CULTURAL AND TRADE CENTER.

(a) Lease of Space.—

(1) Agreement.—The Administrator and the Commission shall enter into an agreement for the Commission to lease from the Administrator not to exceed 500,000 square feet of occupiable space in the building to be constructed under section 5 to serve as an international cultural and trade center.

(2) Size.—The Commission shall determine the amount of space necessary for operation of the international cultural and trade center based upon demand, except that such space may not exceed 500,000 square feet of occupiable space. Upon certification of such demand by the Commission, the Administrator shall lease such amount of space to the Commission.

(3) Terms.—The agreement entered into under this subsection shall include at a maximum the following terms:

(A) The Commission will be permitted to sublease its space in such building to foreign missions, commercial establishments sponsored by foreign governments, and international cultural and trade organizations, including domestic organizations and State and local governments.

(B) All space leased by the Commission from the Administrator will be at such rate as the Administrator and the Commission may agree but not less than the rate established under section 6(b)(2) plus such amount as the Administrator determines is necessary to pay on an annual basis for the costs of administering such building (including operation, maintenance, and rehabilitation costs) which are attributable to such space.

(C) Such terms relating to default and nonperformance as the Administrator considers appropriate to protect the interests of the United States.

(b) Establishment of Center.—

(1) By commission.—The Commission shall establish, operate, and maintain an international cultural and trade center in the space leased from the Administrator under subsection (a).

(2) Contents.—The international cultural and trade center may include the following:

(A) Office space for foreign missions and domestic and international organizations involved in international trade or cultural activities.

(B) A world exhibition center providing space for exhibits from foreign nations.

(C) An international bazaar providing space for commercial establishments sponsored by foreign governments.

(D) An international center providing a centralized foreign trade reference facility, conference and meeting facilities, and audio-visual facilities for translating foreign languages.

(E) Such other facilities as are consistent with the objectives of this section.

(3) Subleasing of space.—

(A) Agreements.—The Commission may enter into agreements with foreign missions and international cultural and trade organizations (including domestic organizations and State and local governments) to sublease any or all of the space it leased from the Administrator under subsection (a). Space subleased to such missions and organizations may only be used for establishment of trade centers and exhibitions, offices, and commercial establishments described in paragraph (2) and such other facilities as the Commission determines are consistent with an international cultural and trade center.

(B) Terms and conditions.—An agreement entered into under this subsection shall be subject to such terms and conditions as the Commission determines are appropriate to carry out the objectives of this Act. The rental rate per square foot of occupiable space for space subleased under this subsection shall be determined in accordance with subsection (c); except that the Commission may adjust such rate with respect to any space subleased to a foreign mission in accordance with the recommendations of the Secretary of State acting in accordance with section 204(b) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 4304(b)). The Secretary of State may reimburse the Commission for any expenses which are incurred by the Commission as a result of making adjustments in the rental rate for space under this subparagraph.

(4) Reference facility and cultural events.—The Commission may establish in a portion of the space leased from the Administrator under this section a centralized foreign trade reference facility and conference and meeting facilities and audio-visual facilities for translating foreign languages. The Commission may permit cultural events and other activities to be held in a portion of such space. The Commission shall establish in accordance with subsection (c) fees and charges for—

(A) the use of such facilities and auditorium; and

(B) the holding of such events and activities.

(c) Rents and Fees.—

(1) Establishment of amount.—The Commission shall establish the amounts of fees under subsection (b)(4), and establish a rental rate for space subleased under subsection (b)(3), taking into account the objectives of this section and the best interests of the United States. In any fiscal year beginning after the last day of the 2-year period beginning on the first day the Commission deposits under this subsection funds into the account established under subsection (d), the aggregate amount of such fees and rent shall not be less than the cost to the Commission of subleasing space from the Administrator under subsection (a) in such fiscal year plus the expenses (including salaries, travel expenses, expenses for temporary and intermittent services, expenses under contracts or agreements entered into under section 7(f)(7), supply expenses and any reimbursable expenses) incurred by the Commission in carrying out its duties under this Act in such fiscal year.

(2) Collection.—The Commission shall collect—

(A) rent for space subleased under subsection (b); and

(B) fees and charges under subsection (b).

(3) Deposit.—The Commission shall deposit all amounts collected under this subsection and all amounts transferred by the Secretary of State to the Commission under subsection (b)(3)(B) into the account established under subsection (d).

(d) Separate Account.—

(1) Establishment.—There is established in the Treasury of the United States a separate account.

(2) Contents.—The account shall include all amounts deposited by the Commission under subsection (c) and section 7(h).

(3) Availability.—Amounts in the account established under this subsection shall be available to the Commission to pay—

(A) all rents owed to the Administrator for lease of space under subsection (a); and

(B) all expenses (including salaries, travel expenses, expenses for temporary and intermittent services, expenses under contracts or agreements entered into under section 7(f)(7), and supply expenses) incurred by the Commission in carrying out its duties under this Act but not exceeding $1,000,000 in any fiscal year.

(4) Payments.—The Commission shall pay, from amounts in the account established by this subsection—

(A) for lease of space under subsection (a) on an annual basis amounts owed to the Administrator for deposit into the fund established by section 210(f) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 490(f)); and

(B) all expenses incurred by it in carrying out its duties under this Act but not exceeding $1,000,000 in any fiscal year.

(5) Transfer of excess funds.—Periodically, but not less often than once per fiscal year, funds which the Commission determines are in excess of those needed to make the payments described in paragraph (4) shall be transferred by the Commission from the account established under this subsection to the fund established under section 210(f) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 490(f)).

(h) Annual Report and Budget.—The Commission shall prepare and transmit to the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives (1) an annual report in January of each calendar year on the operation and management of the space leased by the Commission under subsection (a) and the international cultural and trade center, and (2) a budget for such fiscal year for operation, maintenance, and alteration of such center, including amounts received and projected to be received by the Commission in such fiscal year and expenses incurred and projected to be incurred by the Commission in such fiscal year.

SEC. 9. DESIGNATION OF DEPARTMENTAL AUDITORIUM.

(a) The Departmental Auditorium, located on the Federal Triangle between the Custom Service building and Interstate Commerce Commission building on Constitution Avenue, shall hereafter be known and designated as the "Andrew W. Mellon Auditorium".

(b) Any reference in any law, regulation, document, record, map or other paper of the United States to the auditorium referred to in subsection (a) is deemed to be a reference to the "Andrew W. Mellon Auditorium".

SEC. 10. DEFINITIONS.

As used in this Act—

(1) Administrator.—The term "Administrator" means the Administrator of General Services.

(2) Commission.—The term "Commission" means the International Cultural and Trade Center Commission established by section 7.

(3) Corporation.—The term "Corporation" means the Pennsylvania Avenue Development Corporation.

(4) Federal triangle development area.—The term "Federal Triangle development area" means the area which begins at a point on the southwest corner of the intersection of Fourteenth Street and Pennsylvania Avenue (formerly E Street), Northwest; thence southerly along the west side of Fourteenth Street to the northwest corner of the intersection of Fourteenth Street and Constitution Avenue, Northwest; thence easterly along the north side of Constitution Avenue to the northeast corner of the intersection of Twelfth Street and Constitution Avenue, Northwest; thence northerly along the east side of Twelfth Street and Constitution Avenue, Northwest; thence northerly along the east side of Twelfth Street to the southeast corner of the intersection of Twelfth Street and Pennsylvania Avenue, Northwest; thence westerly along the south side of Pennsylvania Avenue to the point of beginning being the southwest corner of the intersection of Fourteenth Street and Pennsylvania Avenue (formerly E Street), Northwest.

(5) Federal triangle property.—The term "Federal Triangle property" means—

(A) the property owned by the United States in the District of Columbia, known as the "Great Plaza" site, which consists of squares 256, 257, 258, parts of squares 259 and 260, and adjacent closed rights-of-way as shown on plate IV of the King Plats of 1803 located in the Office of the Surveyor of the District of Columbia; and

(B) any property acquired by the Corporation under section 3(b);

except that for purposes of section 3 such term does not include any property referred to in subparagraph (B).

Mr. MOYNIHAN. Mr. President, if I might take just a moment of the Senate's time to say that this act will bring to a completion one of the great sequences of public building and urban design in our Nation's history.

The effort must be seen to have many progenitors. At the beginning of the century, there was the McMillan Commission which engaged Daniel Burnham, Charles McKim, Frederick Law Olmsted, Jr., and Augustus Saint-Gaudens create the great design of the mall. The Commission also moved the railroad tracks to Union Station and made many other improvements in our Capital. Then under the great Secretary of the Treasury Andrew Mellon, and Presidents Harding and Coolidge, the enterprise went forward to construct what we know of as the Federal Triangle. The construction, however, though magnificently conceived, came to a sudden halt with the Great Depression that began in the 1930's, so that almost 60 years later the most prominent site in the Federal Triangle remains a parking lot of surpassing ugliness.

This fact and the general deterioration of the downtown Washington area was forcibly brought to the attention of President Kennedy in the course of his inaugural parade in 1961. Later as he looked to his left he found incompleted a Federal project from the 1920's, and to the north he found a city in decay, a city which at that time like many American cities was seeking to move out toward the suburbs. This desertion of the city's core left the Capitol building isolated, and undermined the symbolic representation of the great avenue between the Capitol and the White House that had been planned by Major L'Enfant and agreed to with such enthusiasm by President Washington and President Jefferson. President Kennedy later that day mentioned this condition to the Secretary of Labor, Mr. Justice Goldberg, who set in motion the sequence of events in which the Senator from New York was honored to be involved, that led to a plan for the rebuilding of the avenue and the revitalization of the center of the city.

It is a historic fact, Mr. President, that the last direction President Kennedy gave as he left Washington on his visit to Dallas and other parts of Texas was that when he returned he hoped there would be a coffee hour with congressional leaders where he might show them the new plan and enlist their cooperation. Of course, he was not able to do that. It devolved on others. A succession of Presidents, Presidents Johnson, Nixon, Ford, and Carter and now President Reagan have cooperated in bringing a really quite extraordinary set of changes in place.

As you go down the avenue from the Capitol, we first come upon the fine new Canadian Embassy with where its pillars echo, the Mellon Gallery, and the International Trade Commission Building. We see the east wing of the National Gallery, the I.M. Pei masterpiece. We see the beginnings of the naval memorial at Market Square.

We found in 1961 what is now the National Portrait Gallery and the Collection of American Art that was all but an abandoned building. The old Patent Office was used by the Civil Service Commission. The original Post Office was in equal decline.

The Patent Office is now a magnificent museum. The Committee on Public Works has made the old original Post Office available for uses that are appropriate to Eighth Street. J. Edgar Hoover was willing to see the FBI Building move back 50 feet so that there could be a wide sidewalk where the trees are just now beginning to get high enough to appreciate them in the summer. There is the FBI Building and the Star Building now being redone.

We have seen restoration of the two great squares in the middle of the avenue, most importantly Pershing Square. We have seen the Marriott Hotel, the newly redesigned Press Building, and the queen of the avenue, the newly refurbished Willard Hotel.

This particular legislation will bring us a building of incomparable importance. It will be some 3 million square feet, the second largest building in the Federal inventory, only surpassed by the Pentagon.

It will be developed by a public corporation at no cost to the Treasury, none whatsoever. It will be leased by the General Services Administration for 30 years for Federal office use. We will have the opportunity to bring the Justice Department from some 26 sites in Washington to 3. At the end of 30 years we will own the building and we will have saved the Federal Government $281 million in rent during the period. The Federal Government, of course, owns the land on which this will be built.

I take special opportunity now to express the appreciation of our committee, to Mr. Terence Golden, the Administrator of the General Services Administration, who has seen this possibility and moved it with energy. That is altogether admirable.

I express my appreciation to Mr. Joseph Wright, the Deputy Director of the Office of Management and Budget, for his support throughout this undertaking. Of course, I am grateful to my colleagues on the committee, Senators STAFFORD and BURDICK for their leadership. They have long been concerned about Federal rent bills which were $400 million in 1970 and now have reached $1.4 billion a year, and are continuing to grow.

This is the first time we have managed to add to our inventory of permanent buildings and simultaneously to save the Federal Government almost one-third of a billion dollars in lease costs. It is altogether appropriate that on behalf of the committee—I am sure I can speak on behalf of the committee—I express my personal appreciation to Nan Stockholm, who made this her personal enterprise and during her first year as a full-time committee member on the staff, has done a brilliant job, has worked with the most extraordinary range of persons to bring it about, and, of course Mr. Peter Prowitt, our able and indefatigable chief of staff.

Finally, Mr. President, I can report that our good friends in the House Committee on Public Works have agreed to hold this bill at the desk such that it might be passed tomorrow and sent to the President for his approval.

Mr. President, it is not every day that we are able to stand on the Senate floor and say that we have saved almost one-third of a billion dollars for the Federal Government and that we have initiated a redirection of Federal policy with respect to public buildings—one that we very much hope will continue for years and generations to come.

Mr. President, I thank the distinguished majority leader for giving me this opportunity to speak and, of course, to Mr. DOLE for his clearing the measure, and Mr. SIMPSON who was especially helpful in the usual last-minute difficulties.

Mr. SARBANES. I would like to engage the floor manager in a colloquy concerning section 4 of the legislation, specifically the provisions affecting parking for Federal employees and visitors to the buildings in the Federal Triangle. It is my understanding that employees of the Departments of Treasury and Commerce as well as the District of Columbia are currently permitted to park on the property where the new Federal office building and international cultural and trade center would be built. The permits are available to employees who carpool and are obtained through a lottery system. The employees pay a fee of approximately $20 per month to park on this property.

I am concerned that adequate parking provisions be made not only for motor vehicles of occupants and visitors to the new building, but also for the vehicles of employees and visitors of other buildings in the Federal Triangle area. I wish to confirm that the intent of committee in section 4, paragraph (5) of the legislation and the committee report is to ensure that the current parking system is not jeopardized by the construction of the new Federal office building and that the parking needs of those currently working in the Federal Triangle area will be addressed by the General Services Administration and the Pennsylvania Avenue Development Corporation in its development proposal. Is this correct?

Mr. MOYNIHAN. The Senator is correct. The committee shares the Senator from Maryland's concerns and it is our intent that the General Services Administration and the Pennsylvania Avenue Development Corporation consider the parking needs of current and future employees of adjacent buildings.

Mr. President, I believe the measure is before us and the majority leader has moved to adopt Calendar No. 284, which is S. 1550.

The PRESIDING OFFICER (Mr. FORD). The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MOYNIHAN. Mr. President, if I might take just a moment of the Senate's time I will say with this action I bring to an end 25 years of involvement in this enterprise and I believe it has been a successful effort and to the degree I contributed to it I felt very satisfied indeed, and I respectfully request permission to stand down.

Mr. BYRD. I congratulate the Senator from New York for his persistence and vision and for the success with which his efforts have come to an end.

Mr. MOYNIHAN. I thank the Senator.

RECOVERING COSTS ASSOCIATED WITH COTTON CLASSING SERVICES

The PRESIDING OFFICER. The clerk will state the bill by title.

The legislative clerk read as follows:

A bill (H.R. 2971) to provide continuing authority to the Secretary of Agriculture for recovering costs associated with cotton classing services, and for other purposes.

The Senate proceeded to consider the bill.

Mr. LEAHY. Mr. President, I rise in support of the bill, H.R. 2971, the Uniform Cotton Classing Fees Act of 1987. This bill is designed to enable the Agricultural Marketing Service to continue to provide cotton classification services to cotton producers at the same level as it has in the past. The bill authorizes an increase in the amount of fees that can be charged cotton producers in order to reimburse the Government for the cost of providing this classification service. In addition, the bill extends until 1992 the authority of the Agricultural Marketing Service to classify cotton. This authority was due to expire in 1988.

The Agricultural Marketing Service is in danger of being short on funds to cover its expenses incurred in providing cotton classification services to cotton producers. If funds are not adequate to cover expenses, the Agricultural Marketing Service might have to cut back on its services.

Mr. President, the cotton industry has long had a consistent, accepted standard for determining cotton quality. The cotton industry has a good quality record with purchasers of cotton thanks in large part to the consistency and accuracy of this classification system. It is important that this record be maintained and that the level of classification services provided by the Agricultural Marketing Service not be reduced. The National Cotton Council supports this legislation.

It is important that this amendment be enacted as close to the beginning of the 1987 marketing year as possible. Therefore, Mr. President, I recommend the immediate passage of H.R. 2971.

Mr. COCHRAN. Mr. President, this bill, H.R. 2971, amends the Cotton Statistics and Estimates Act by changing the limitations on the amount the base fee can be adjusted in any year. Greater latitude for adjusting fees paid by producers is necessary to assure full and timely funding of cotton classing services conducted by the Department of Agriculture.

The method of calculating the base classing fee remains unchanged and, therefore, will continue to be based on the previous year's fee as adjusted for inflation. This bill, however, provides new authority for certain year-by-year adjustments to be base fee. These adjustments are based first on the number of bales produced in a given year, and second on the fiscal year ending level of the Agricultural Marketing Service [AMS] operating reserve fund.

In offering cotton classing services, AMS incurs certain fixed costs which must be paid regardless of the size of the crop. To improve the correspondence between revenue collected and AMS annual cost, this bill provides for adjustments in the fee depending on the quantity of cotton produced in any year. If the Secretary of Agriculture estimates cotton production for a year to be below 12.5 million bales, the fee for that crop may be increased by 1 percent for every 100,000 bales below 12.5 million. Conversely, if production is estimated to be above 12.5 million bales for a year, the fee for that crop may be decreased by 1 percent for every 100,000 bales above 12.5 million. Production based adjustments are limited to 15 percent unless the AMS operating reserve funds falls below 10 percent of total annual program cost.

Finally, if the year ending level of the AMS operating reserve fund is projected to be less than 25 percent of the estimated cost of providing classing services, the bill would allow a special producer surcharge of 5 cents per bale. This adjustment is necessary to help assure that the reserve fund is maintained at an acceptable level for efficient management and implementation of classing services.

It is important to note that all adjustments, including the surcharge, will be determined on an annual basis. The base fee for any year will be equal to the previous year's fee and adjusted for inflation, without any adjustments or surcharges that may have also been levied during the previous year.

Mr. President, I urge my colleagues to support this legislation.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be offered, the question is on the third reading and passage of the bill.

The bill (H.R. 2971) was ordered to a third reading, was read the third time, and passed.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HELMS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NURSING SHORTAGE REDUCTION ACT

The PRESIDING OFFICER. The clerk will report the next measure.

The assistant legislative clerk read as follows:

A bill (S. 1402) to amend title VIII of the Public Health Service Act to establish programs to reduce the shortage of professional nurses.

The Senate proceeded to consider the bill which had been reported from the Committee on Labor and Human Resources, with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets, and the parts of the bill intended to be inserted are shown in italic.)

S. 1402

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Nursing Shortage Reduction Act of 1987".

ESTABLISHMENT OF PROGRAM

SEC. 2. Title VIII of the Public Health Service Act is amended by adding at the end and thereby the following new part:

"PART D—INITIATIVES TO REDUCE NURSING SHORTAGES

"ADVISORY COMMITTEE

"SEC. 861. The Secretary shall establish a special advisory committee to develop a comprehensive plan which specifies long-term solutions to the problems experienced by hospitals and other health care institutions in recruiting and retaining professional nurses. Such committee shall consist of representatives of professional nursing organizations, other health care professional organizations, hospitals and other health care providers, and experts in rural health care. *Representatives of hospitals and other health care providers on such committee shall include nurses.*

"INNOVATIVE HOSPITAL NURSING PRACTICE MODELS

"SEC. 862. (a) The Secretary shall make a grant to a nonprofit private entity with a demonstrated record in supporting innovative health initiatives for a project to demonstrate and evaluate innovative hospital nursing practice models designed to reduce vacancies in hospital nursing positions and to make the hospital nursing position a more attractive career choice. Models demonstrated and evaluated under a grant under this section shall include initiatives to—

"(1) restructure the role of the hospital nurse, through changes in the composition of hospital **[**staffs,**]** *staffs and through innovative approaches for interaction between hospital administration and nursing personnel,* in order to ensure that the particular expertise of nurses is efficiently utilized and that nurses are engaged in direct patient care during a larger proportion of their work time;

"(2) test innovative wage structures for nurses in order to—

"(A) reduce vacancies in work shifts during unpopular work hours; and

"(B) provide financial recognition based upon experience and education; and

"(3) evaluate the effectiveness of providing benefits for nurses, such as pensions, sabbaticals, and payment of educational expenses, as a means of developing increased loyalty of nurses to health care institutions and reducing turnover in nursing positions.

"(b) The Federal share of the costs of the project supported with a grant under this section shall not exceed 50 percent.

"(c) For a grant under this section, there are authorized to be appropriated $2,000,000 for each of the fiscal years 1988, 1989, and 1990.

"LONG-TERM CARE NURSING PRACTICE DEMONSTRATION

"SEC. 863. (a) The Secretary shall make grants to or enter contracts with public and nonprofit private collegiate schools of nursing for projects to demonstrate and evaluate innovative nursing practice models with respect to the provision of long-term managed health care services and health care services in the home or the provision of health care services in long-term care facilities. Models demonstrated and evaluated with grants and contracts under this section shall be designed to increase the recruitment and retention of nurses to provide nursing care for individuals needing long-term care and to improve nursing care in home health care systems and nursing homes.

"(b) For grants and contracts under this section, there are authorized to be appropriated $2,000,000 for fiscal year 1988 and such sums as may be necessary for each of the fiscal years 1989 and 1990.

"NURSE RECRUITMENT CENTERS

"SEC. 864. (a) The Secretary shall make grants to and enter into contracts with public and nonprofit private entities to develop, establish, and operate at least one and not more than five regional model professional nurse recruitment centers for the purpose of recruiting individuals to enter education programs to train professional nurses. *In making grants and entering into contracts under this section, the Secretary shall ensure that centers developed, established, and operated under this section include centers in rural areas.*

"(b) Each center developed, established, or operated with a grant or a contract under this section shall—

"(1) conduct nursing recruitment programs directed towards—

"(A) individuals between the ages of 12 and 14 years of age;

"(B) individuals who are enrolled in high schools;

"(C) individuals enrolled in colleges and universities who have not declared a major field of study; and

"(D) adults who are not in school and who may desire to enter nursing;

"(2) develop and compile resource materials concerning professional opportunities in nursing, and disseminate such materials to appropriate individuals and groups, such as community and professional organizations, hospitals, career and guidance counselors in educational institutions, and the print and broadcast media;

"(3) identify potential applicants for nursing education programs and provide information to such potential applicants on the role of the nurse and nursing education programs; and

"(4) assist individuals and organizations to establish mentor relationships between professional nurses and potential applicants for nursing education programs.

"(c) For grants and contracts under this section, there are authorized to be appropriated $1,000,000 for fiscal year 1988 and such sums as may be necessary for each of the fiscal years 1989 and 1990.

"APPLICATION REQUIREMENTS

"SEC. 865. No grant may be made and no contract may be entered into under this part unless an application therefor is submitted to the Secretary at such time, in such form, and containing such information as the Secretary may prescribe.".

The PRESIDING OFFICER. The question is on the first reported committee amendment.

Without objection, the amendment is agreed to.

Without objection, the second committee amendment is agreed to.

Without objection, the third committee amendment is agreed to.

Mr. KENNEDY. Mr. President, I rise to speak on legislation to address the national nursing shortage which has reached crisis porportions. This shortage is threatening the quality of health care in our Nation. New initiatives are necessary to improve working conditions for nurses in acute- and long-term care settings. Moreover, without intense recruitment efforts, the problem will only increase.

The American Hospital Association recently reported that over 80 percent of hospitals had a shortage of registered nurses and that the vacancy rate for RN's more than doubled between 1985 and 1986, from 6.3 to 13.6 percent; 87 percent of the hospitals reported extreme difficulty with recruitment of nurses to work in intensive care units or coronary care units.

Of even greater concern for the future of health care are the current projections related to nursing school enrollments. Between 1984 and 1986, nursing school enrollments decreased by 17.6 percent. In the last 2 years, the number of college freshmen desiring to be nurses decreased by 33 percent.

The solutions are complex because the issues causing the problems are complex. Nurses work in settings that require around the clock coverage. Financial rewards are not commensurate with the responsibility required of nurses; opportunities for upward mobility are lacking; nurses have insufficient authority and autonomy in the work setting; work demands are increasing because of rising severity of illness; and nurses do not participate in management decisions regarding the practice standards or support services necessary for high quality care.

I introduced S. 1402 to improve the working conditions in hospitals, enhance the links between academic nursing programs and long-term care settings, and develop regional recruitment centers to increase enrollment in our Nation's nursing programs. As reported unanimously by the Committee on Labor and Human Resources, S. 1402 authorizes appropriations for the following:

A matching public/private demonstration project to support innovative hospital nursing practice models designed to reduce nurse vacancies, restructure the hospital nursing role to make it more attractive as a career option, and test creative wage structures and benefits for nurses. Authorizations would be $2 million each year for fiscal years 1988, 1989, and 1990, matched by a private nonprofit entity.

Grants to collegiate schools of nursing to demonstrate liaisons between practice and education to increase quality of care and recruitment of nurses in home health care and nursing home care. Authorizations would be $2 million for fiscal year 1988 and such sums as necessary for fiscal years 1989 and 1990.

Grants to establish regional model recruitment centers to recruit individuals into professional nursing education. Programs would be targeted at 12–14 year olds, high school students, college students without a declared major, and adult learners. The centers would develop and compile resource materials to be disseminated to community and professional groups, career and guidance counselors, hospitals, and the public media. They would also establish nurse mentorships for individuals interested in a nursing career. Authorizations would be $1 million for fiscal year 1988 and such sums as necessary for fiscal years 1989 and 1990.

To ensure quality of care in our Nation's health care system, we must address problems facing the nursing profession today. This legislation is a step in that direction. I would like to thank the members of the Committee on Labor and Human Resources for their support of this legislation.

The PRESIDING OFFICER. Are there further amendments? If not, the question is on the engrossment and the third reading of the bill.

The bill was voted to be engrossed for a third reading, was read the third time, and passed.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MARINE SCIENCE, TECHNOLOGY, AND RESOURCE DEVELOPMENT ACT

The PRESIDING OFFICER. The clerk will report the next bill.

The assistant legislative clerk read as follows:

A bill (S. 1196) to provide for the enhanced understanding and wise use of ocean, coastal, and Great Lakes resources by strengthening the National Sea Grant College Program and by initiating a Strategic Coastal Research Program, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Human Resources, with an amendment:

On page 7, line 7, strike "207(a) (a)(A),", and insert in lieu thereof "207(a)(2)(A)".

So as to made the bill read:

S. 1196

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Marine Science, Technology, and Resource Development Act of 1987".

DECLARATION OF POLICY

SEC. 2. (a) Section 202(a) of the Sea Grant College Program Act (33 U.S.C. 1121(a)) is amended—

(1) by (A) redesignating paragraphs (2) and (3) as paragraphs (4) and (5), respectively, and (B) inserting immediately before paragraph (4), as so redesignated, the following:

"(2) The national interest requires a national ocean policy to—

"(A) provide a sound basis for the enhancement and wise use of ocean, coastal, and Great Lakes resources and environment;

"(B) promote public stewardship and encourage wise economic development of the ocean and its margins, the Great Lakes, and the Exclusive Economic Zone;

"(C) understand global environmental processes; and

"(D) promote cooperative domestic and international solutions to ocean, coastal, and Great Lakes resource issues.

"(3) Investment in a strong program of research, education, technology transfer, and public service is essential for effectuating this policy.";

(2) in paragraph (1) and paragraph (4), as so redesignated, by striking "ocean and coastal" and inserting in lieu thereof "ocean, coastal, and Great Lakes"; and

(3) in paragraph (4), as so redesignated, by striking "such" and inserting in lieu thereof "marine".

(b) Section 202 (b) and (c) of the Sea Grant College Program Act (33 U.S.C. 1121 (b) and (c)) is amended by striking "ocean and coastal" and inserting in lieu thereof "ocean, coastal, and Great Lakes".

DEFINITIONS

SEC. 3. Section 203 of the Sea Grant College Program Act (33 U.S.C. 1122) is amended—

(1) by redesignating paragraphs (4) through (14) as paragraphs (5) through (15), respectively;

(2) by inserting immediately after paragraph (3) the following:

"(4) The term 'directors of sea grant colleges' means the persons designated by their universities or institutions to direct sea grant colleges, programs, or regional consortia.";

(3) in paragraph (7), as so redesignated, by striking "the waters of any zone over which the United States asserts exclusive fishery management authority;" and inserting in lieu thereof "the exclusive economic zone established by proclamation numbered 5030, dated March 10, 1983;"; and

(4) by amending paragraphs (8) and (12), as so redesignated, by striking "ocean and coastal" and inserting in lieu thereof "ocean, coastal, and Great Lakes".

NATIONAL SEA GRANT COLLEGE PROGRAM

SEC. 4. Section 204 (c)(5) and (d)(3) of the Sea Grant College Program Act (33 U.S.C. 1123 (c)(5) and (d)(3)) is amended by striking "ocean and coastal" wherever it appears and inserting in lieu thereof "ocean, coastal, and Great Lakes".

PRIOR APPROVAL REQUIREMENTS

SEC. 5. Section 205(d)(1) of the Sea Grant College Program Act (33 U.S.C. 1124(d)(1)) is amended by adding at the end the following: "Terms, conditions, and requirements imposed by the Secretary under this paragraph shall minimize Federal prior approval requirements.".

STRATEGIC MARINE RESEARCH PROGRAM

SEC. 6. Section 206 of the Sea Grant College Program Act (33 U.S.C. 1125) is amended to read as follows:

"SEC. 206. STRATEGIC MARINE RESEARCH PROGRAM.

"(a) IN GENERAL.—Within one year after the date of enactment of the Marine Science, Technology, and Resource Development Act of 1987, and every three years after such date, the Administrator shall develop and publish the Sea Grant Strategic Research Plan. The plan shall identify and describe a limited number of priority areas for strategic marine research in fields associated with ocean, coastal, and Great Lakes resources. In addition, the plan shall indicate goals and timetables for the research described in such plan. Upon publication of the plan, the Administrator shall submit the plan to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Merchant Marine and Fisheries of the House of Representatives. The Secretary may not make a grant under subsection (c) of this section regarding priority areas identified and described in the plan until after forty-five days from the date of receipt of the plan by such Committees.

"(b) CRITERIA FOR AREAS TO BE INCLUDED IN PLAN.—The priority areas of the Administrator's plan submitted under subsection (a) of this section shall concentrate on—

"(1) the critical resource and environmental areas where their national or global scope, their fundamental nature, their long-range aspects, the scale of the needed research effort, or the need for the broadest possible university involvement preclude adequate funding under other sections of this Act; and

"(2) the areas where the strength and capabilities of the sea grant colleges, programs, and regional consortia in mobilizing talent for sustained programmatic research and technology transfer make them particularly qualified to manage the strategic marine research called for in this section.

"(c) PROCEDURES AND ELIGIBILITY.—(1) The Secretary may make grants of up to 100 percent to carry out the strategic marine research program described in this section. The grants shall be subject to the guidelines and review procedures, including peer review, used by the national sea grant office, and sea grant colleges, programs, and regional consortia.

"(2) A grant may be made under this section to—

"(A) sea grant colleges, programs, and regional consortia; and

"(B) any qualified individual at a degree granting institute of postsecondary education.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section not to exceed $5,000,000 in fiscal year 1988, $9,000,000 in fiscal year 1989, $13,000,000 in fiscal year 1990, $17,000,000 in fiscal year 1991, and $20,000,000 in fiscal year 1992. Such sums shall remain available until expended. The amounts obligated to be expended under this section shall not, in any fiscal year, exceed 50 percent of amounts appropriated for such year pursuant to section 212.".

DESIGNATION OF SEA GRANT COLLEGES AND REGIONAL CONSORTIA

SEC. 7. Section 207(a) (2)(A), (3)(A), and (3)(B) of the Sea Grant College Program Act (33 U.S.C. 1126(a) (2)(A), (3)(A), and (3)(B)) is amended by striking "ocean and coastal resources" and inserting in lieu thereof "ocean, coastal, and Great Lakes resources".

FELLOWSHIPS

SEC. 8. Section 208(a) of the Sea Grant College Program Act (33 U.S.C. 1127(a)) is amended to read as follows:

"(a) IN GENERAL.—The Secretary shall support sea grant academic, congressional, and Federal fellowships to provide educational and training assistance to qualified individuals at the undergraduate and graduate levels of education, as well as support postdoctoral level fellowships to accelerate research in critical subject areas. Such fellowships shall be related to ocean, coastal, and Great Lakes resources and be awarded pursuant to guidelines established by the Secretary. Congressional and Federal sea grant fellowships may only be awarded by the national sea grant program. Academic and postdoctoral fellowships may be awarded by sea grant colleges, regional consortia, institutions of higher education, and professional associations and institutes.".

SEA GRANT REVIEW PANEL

SEC. 9. Section 209(b)(1) of the Sea Grant College Program Act (33 U.S.C. 1128(b)(1)) is amended by inserting immediately before the semicolon the following: ", and section 3 of the Sea Grant Program Improvement Act of 1976 (33 U.S.C. 1125a)".

INTERAGENCY COOPERATION

SEC. 10. Section 210 of the Sea Grant College Program Act (33 U.S.C. 1129) is amended by striking "ocean and coastal resources" and inserting in lieu thereof "ocean, coastal, and Great Lakes resources".

AUTHORIZATION OF APPROPRIATIONS

SEC. 11. Section 212 of the Sea Grant College Program Act (33 U.S.C. 1131) is amended by inserting immediately after paragraph (4) the following:

"(5) Not to exceed $46,000,000 for fiscal year 1988, not to exceed $48,000,000 for fiscal year 1989, not to exceed $50,000,000 for fiscal year 1990, not to exceed $52,000,000 for fiscal year 1991, and not to exceed $54,000,000 for fiscal year 1992.".

SEA GRANT INTERNATIONAL PROGRAM

SEC. 12. Section 3(a) of the Sea Grant Program Improvement Act of 1976 (33 U.S.C. 1124a(a)) is amended to read as follows:

"(a) IN GENERAL.—The Secretary may enter into contracts and make grants under this section to—

"(1) enhance cooperative international research and educational activities on important ocean, coastal, and Great Lakes resources;

"(2) promote shared marine activities with universities in countries with which the United States has sustained mutual interests in ocean, coastal, and Great Lakes resources;

"(3) encourage technology transfer that enhances wise use of ocean, coastal, and Great Lakes resources, in the United States and in other countries;

"(4) promote the exchange among the United States and foreign nations of information and data with respect to the assessment, development, utilization, and conservation of such resources; or

"(5) use the national sea grant college program as a resource in other Federal civilian agency international initiatives where research, education, technology transfer and public service programs concerning the enhancement and wise use of ocean, coastal, and Great Lakes resources are fundamentally related to the purposes of such initiatives.".

AUTHORIZATION OF APPROPRIATIONS FOR SEA GRANT INTERNATIONAL PROGRAM

SEC. 13. Section 3(c) of the Sea Grant Program Improvement Act of 1976 (33 U.S.C. 1124a(c)) is amended—

(1) by inserting after paragraph (4) the following:

"(5) For each of fiscal years 1988, 1989, 1990, 1991, and 1992, not to exceed $1,000,000. Additional funding may be provided through other Federal program elements with a marine science or technology transfer component, or both.".

Mr. HOLLINGS. Mr. President, back in 1966, the year I entered the Senate, Congress passed the Sea Grant Act and created the program that I have watched mature over the last 21 years. During that period, Congress has passed other important ocean and coastal legislation, including the Coastal Zone Management Act back in 1972 and the Magnuson Fishery Conservation and Management Act in 1976, but none can rival the Sea Grant Program in terms of expanding our knowledge.

The purpose of Sea Grant is to further our understanding and development of ocean and coastal resources through university-based research, education, and advisory services, and thus promote a strong basis for remaining internationally competitive. Sea Grant differs from many traditional academic programs in its emphasis on applied research and in the creation of an effective partnership among university, government, and industry sectors. Over the past 20 years, the Sea Grant network has grown to include 22 Sea Grant Colleges and 7 institutional programs which are supported by matching Federal and State institutional grants.

The National Sea Grant Program has long understood the problem of getting research results into the hands of those who need it in the private sector—in fact, it is one of the few existing Federal programs I know of that succeeds in doing that. Sea Grant's philosophy of linking research and education and extension was ahead of its time when I supported the program in the 1960's and 1970's. Their statutory mission is clear and unambiguous "to accelerate national development of marine resources, including their conservation, proper management and maximum social and economic utilization." And they manage to carry out that mission, in spite of constant pressure from the Reagan administration to terminate the program.

Why, the Reagan administration should be having a love affair with Sea Grant. It is one of the few Federal programs that pays for itself by providing savings and stimulating commercial development. In a 1981 study of projects supported by Sea Grant, it was concluded that over $230 million in revenues or savings were generated in 1 year. That just about equaled the total Federal investment in the Sea Grant Program over the entire 13 year history of the effort up to that time.

Some of the examples of the creativity and innovation found throughout the Sea Grant network are pretty remarkable. In my own State of South Carolina, a Sea Grant research working with a Sea Grant-supported colleague in Alabama identified the particular substance that controls the growth of shells in organisms such as oysters. Many of you may know that mineral fouling is a very serious problem in the industrial and military sectors. The research from this project will lead to improvements in the technology to control this problem. Four patents have been obtained and Nalco Chemical Co. has committed to an internal research program to parallel the university effort.

This is a single example of the potential of fundamental marine research. Yet, from it, it is clear that Sea Grant's biotechnology effort is yielding results of substantial scientific value, and also, by training graduate students, the program is ensuring a supply of skilled young scientists. I could go on and cite literally hundreds of other Sea Grant examples in this field. And if I focus on other areas where Sea Grant researchers are involved, such as water quality research, aquaculture, or fisheries management, many more breakthroughs are evident.

But the point is that Sea Grant is on track. In fact, the country needs more of what Sea Grant is doing. We must take fuller advantage of our coastal and marine resources. Because not only are we not doing enough to use our marine resources, but the stakes are going up. The population experts still tell me that by the year 2000, 80 percent of our population will live within 50 miles of the ocean. And as a result, the need for more effective use of our ocean resources is only going to increase. That is the reason that I introduced S. 1196, "The Marine Science, Technology, and Resources Development Act of 1987" back in May.

In addition to reauthorizing the core Sea Grant programs for 5 years, the bill restructures the section on National Projects into the Strategic Marine Research Program. This revised program focuses the Sea Grant network on areas of research which are national or global in scale, and which are not now being comprehensively addressed. This initiative would require the NOAA Administrator to develop a strategic research plan identifying a limited number of research priorities. The combined research capability of the Sea Grant network could then be focused on these priorities. Funding authorized for this program would start at $5 million in fiscal year 1988 and grow to $20 million in fiscal year 1992.

Several adjustments to the existing legislation are proposed to increase the effectiveness of the Sea Grant program. These include: First, emphasizing the significance of the Great Lakes as a national resource and of the Great Lakes institutions as an integral part of the Sea Grant network; second, expressing congressional intent that administration of grants and contracts should minimize Federal prior approval requirements; third, defining Sea Grant's educational responsibilities by listing the current fellowship programs and establishing postdoctoral fellowships to accelerate strategic research; and fourth, clarifying the objectives of the International Program.

We in Congress, as well as the President, are all talking about a renewed emphasis on interdisciplinary basic research. We have called for the National Science Foundation to establish basic science and technology centers and treat this as if it is some great new idea. Well I know that Sea Grant has been acting as a network of cooperative research centers for 20 years. And, as my colleagues know, I strongly support efforts to encourage the transfer of potential technologies to the private sector. Of course, Sea Grant has had active, successful technology transfer programs since it began.

The National Sea Grant College Program is all about developing new knowledge through basic research, adapting existing technology for new applications, and communicating and cooperating with the private sector in the creation of new technologies, new markets. I urge my colleagues to support this legislation.

The **PRESIDING OFFICER.** The question is on the committee amendment.

Without objection, the committee amendment is agreed to.

Are there further amendments? If not, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL QUALITY IMPROVEMENT ACT

The PRESIDING OFFICER. The clerk will report the next bill.

The assistant legislative clerk read as follows:

A bill (H.R. 812) to amend the Stevenson-Wydler Technology Innovation Act of 1980 to establish a National Quality Award, with the objective of encouraging Amrican business and other organizations to practice effective quality control in the provision of their goods and services.

The Senate proceeded to consider the bill which had been reported from the Committee on Commerce, Science, and Transportation, with an amendment to strike all after the enacting clause and insert in lieu thereof, the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Malcolm Baldrige National Quality Improvement Act of 1987".

SEC. 2. FINDINGS AND PURPOSES.

(a) Findings.—The Congress finds and declares that—

(1) the leadership of the United States in product and process quality has been challenged strongly (and sometimes successfully) by foreign competition, and our Nation's productivity growth has improved less than our competitors over the last two decades;

(2) American business and industry are beginning to understand that poor quality costs companies as much as 20 percent of sales revenues nationally, and that improved quality of goods and services goes hand in hand with improved productivity, lower costs, and increased profitability;

(3) strategic planning for quality and quality improvement programs, through a commitment to excellence in manufacturing and services, are becoming more and more essential to the well-being of our Nation's economy and our ability to compete effectively in the global marketplace;

(4) improved management understanding of the factory floor, worker involvement in quality, and greater emphasis on statistical process control can lead to dramatic improvements in the cost and quality of manufactured products;

(5) the concept of quality improvement is directly applicable to small companies as well as large, to service industries as well as manufacturing, and to the public sector as well as private enterprise;

(6) in order to be successful, quality improvement programs must be management-led and customer-oriented and this may require fundamental changes in the way companies and agencies do business;

(7) several major industrial nations have successfully coupled rigorous private sector quality audits with national awards giving special recognition to those enterprises the audits identify as the very best; and

(8) a national quality award program of this kind in the United States would help improve quality and productivity by—

(A) helping to stimulate American companies to improve quality and productivity for the pride of recognition while obtaining a competitive edge through increased profits,

(B) recognizing the achievements of those companies which improve the quality of their goods and services and providing an example to others,

(C) establishing guidelines and criteria that can be used by business, industrial, governmental, and other organizations in evaluating their own quality improvement efforts, and

(D) providing specific guidance for other American organizations that wish to learn how to manage for high quality by making available detailed information on how winning organizations were able to change their cultures and achieve eminence.

(b) Purpose.—It is the purpose of this Act to provide for the establishment and conduct of a national quality improvement program under which (1) awards are given to selected companies and other organizations in the United States that practice effective quality management and as a result make significant improvements in the quality of their goods and services, and (2) information is disseminated about the successful strategies and programs.

SEC. 3. ESTABLISHMENT OF THE MALCOLM BALDRIGE NATIONAL QUALITY AWARD PROGRAM.

(a) In General.—The Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3701 et seq.) is amended by redesignating sections 16, 17, and 18 as sections 17, 18, and 19, respectively, and by inserting after section 15 the following new section:

"SEC. 16. MALCOLM BALDRIGE NATIONAL QUALITY AWARD.

"(a) Establishment.—There is hereby established the Malcolm Baldrige National Quality Award, which shall be evidenced by a medal bearing the inscriptions 'Malcolm Baldrige National Quality Award' and 'The Quest for Excellence'. The medal shall be of such design and materials and bear such additional inscriptions as the Secretary may prescribe.

"(b) Making and Presentation of Award.—(1) The President (on the basis of recommendations received from the Secretary), or the Secretary, shall periodically make the award to companies and other organizations which in the judgment of the President or the Secretary have substantially benefited the economic or social well-being of the United States through improvements in the quality of their goods or services resulting from the effective practice of quality management, and which as a consequence are deserving of special recognition.

"(2) The presentation of the award shall be made by the President or the Secretary with such ceremonies as the President or the Secretary may deem proper.

"(3) An organization to which an award is made under this section, and which agrees to help other American organizations improve their quality management, may publicize its receipt of such award and use the award in its advertising, but it shall be ineligible to receive another such award in the same category for a period of 5 years.

"(c) Categories in Which Award May be Given.—(1) Subject to paragraph (2), separate awards shall be made to qualifying organizations in each of the following categories—

"(A) Small businesses.

"(B) Companies or their subsidiaries.

"(C) Companies which primarily provide services.

"(2) The Secretary may at any time expand, subdivide, or otherwise modify the list of categories within which awards may be made as initially in effect under paragraph (1), and may establish separate awards for other organizations including units of government, upon a determination that the objectives of this section would be better served thereby; except that any such expansion, subdivision, modification, or establishment shall not be effective unless and until the Secretary has submitted a detailed description thereof to the Congress and a period of 30 days has elapsed since that submission.

"(3) Not more than two awards may be made within any subcategory in any year (and no award shall be made within any category or subcategory if there are no qualifying enterprises in that category or subcategory).

"(d) Criteria for Qualification.—(1) An organization may qualify for an award under this section only if it—

"(A) applies to the Director of the National Bureau of Standards in writing, for the award,

"(B) permits a rigorous evaluation of the way in which its business and other operations have contributed to improvements in the quality of goods and services, and

"(C) meets such requirements and specifications as the Secretary, after receiving recommendations from the Board of Overseers established under paragraph (2)(B) and the Director of the National Bureau of Standards, determines to be appropriate to achieve the objectives of this section.

In applying the provisions of subparagraph (C) with respect to any organization, the Director of the National Bureau of Standards shall rely upon an intensive evaluation by a competent board of examiners which shall review the evidence submitted by the organization and, through a site visit, verify the accuracy of the quality improvements claimed. The examination should encompass all aspects of the organization's current practice of quality management, as well as the organization's provision for quality management in its future goals. The award shall be given only to organizations which have made outstanding improvements in the quality of their goods or services (or both) and which demonstrate effective quality management through the training and involvement of all levels of personnel in quality improvement.

"(2)(A) The Director of the National Bureau of Standards shall, under appropriate contractual arrangements, carry out the Director's responsibilities under subparagraphs (A) and (B) of paragraph (1) through one or more broad-based nonprofit entities which are leaders in the field of quality management and which have a history of service to society.

"(B) The Secretary shall appoint a board of overseers for the award, consisting of at least five persons selected for their preeminence in the field of quality management. This board shall meet annually to review the work of the contractor or contractors and make such suggestions for the improvement of the award process as they deem necessary. The board shall report the results of the award activities to the Director of the National Bureau of Standards each year, along with its recommendations for improvement of the process.

"(e) INFORMATION AND TECHNOLOGY TRANSFER PROGRAM.—The Director of the National Bureau of Standards shall ensure that all program participants receive the complete results of their audits as well as detailed explanations of all suggestions for improvements. The Director shall also provide information about the awards and the successful quality improvement strategies and programs of the award-winning participants to all participants and other appropriate groups.

"(f) FUNDING.—The Secretary is authorized to seek and accept gifts from public and private sources to carry out the program under this section. If additional sums are needed to cover the full cost of the program, the Secretary shall impose fees upon the organizations applying for the award in amounts sufficient to provide such additional sums.

"(g) REPORT.—The Secretary shall prepare and submit to the President and the Congress, within 3 years after the date of the enactment of this section, a report on the progress, findings, and conclusions of activities conducted pursuant to this section along with recommendations for possible modifications thereof.".

(b) CONFORMING AMENDMENT.—Section 9(d) of such Act (15 U.S.C. 3708(d)) is amended by striking "or 16" and inserting in lieu thereof "16, or 17".

The PRESIDING OFFICER. The question is on agreeing to the committee substitute.

The committee substitute was agreed to.

Mr. HOLLINGS. Mr. President, today the Senate considers a bill named in honor of Malcolm Baldrige, the late Secretary of Commerce. The bill would create a new national quality award program, to recognize the achievements of American companies which have taken significant steps to assure the quality of their goods and services. The Department of Commerce would administer the program; but donations, and fees if necessary, not new Federal funds, would cover its costs.

This bill was first introduced in the House. Senator GRAHAM introduced the Senate version, S. 1251, on May 21. Senators CHILES, DANFORTH, RIEGLE, and ROCKEFELLER were original cosponsors. On July 28 the Commerce Committee without objection ordered reported the version before us today, with many members of the committee voicing their strong support for the legislation.

Mr. President, this is a good bill, a way to recognize and encourage improved American quality in an era of increasing industrial competition from abroad.

It is also fitting and appropriate to name this legislation and its awards program in honor of Malcolm Baldrige. He took a personal interest in this bill and helped to write the version that passed the House. That interest reflected his lifelong concern with industry, both as a corporate executive and as a Cabinet officer. As a Washington Post editorial put it:

> He was one of the few people in the administration who spoke with real knowledge of the importance of performance on the factory floor, and of the necessity of strengthening American manufacturing. He knew that his country's prosperity and strength depend ultimately on the skill and quality of its manufacturing.

Mr. President, Secretary Baldrige will be sorely missed. I believe this bill is a fine way to recognize both the man and the values that he expressed so well. I urge my colleagues to support the legislation.

Mr. GRAHAM. Mr. President, we have before us for consideration today the Malcolm Baldrige National Quality Improvement Award Act of 1987. This bill, which has already been adopted by the House, establishes a national quality award program to encourage American business to improve the levels of its goods and services.

As important as encourgement, is recognition of the innovative production and excellence which are traditional hallmarks of American business.

To celebrate American excellence and to promote the spirit of competition which leads to the achievement of excellence, we should institutionalize a national quality award.

The late Commerce Secretary, Malcolm Baldrige, embodied our American spirit of competition and excellence in his life and in his efforts to encourage a vigorous marketplace. Up until the moment of his untimely death, Secretary Baldrige encouraged principles of free and fair trade, the highest standards of quality in American manufacturing—and the highest personal standards for excellence and productivity as well.

Secretary Baldrige was instrumental in drafting this legislation and was its keenest supporter.

We submit that this award be named in honor of that great man as fitting tribute to his unflagging industry, enthusiasm and example. The Malcolm Baldrige National Quality Improvement Award will be both a congratulations and a challenge to its recipients.

Although the United States has been in the leadership role in quality, that role has been minimized by an increasing strength in foreign competition and a concurrent decline in U.S. productivity.

We are seriously grappling with the issue of "competitiveness" today. To regain our historic supremacy in the international marketplace we need to foster a renewed dedication to the highest criteria for quality.

This bill authorizes the Secretary of Commerce to present annual awards for quality improvement in each of the following categories:

Small business; companies or their subsidiaries and companies which primarily provide services.

No more than two awards in each category are to be given each year. A panel of private sector quality experts will be responsible for auditing applicants to determine the level of overall quality. The program may be expanded to the public sector and provides for the creation of new or expanded categories.

This legislation requires no Federal funds. Funding will come from private allocations—potentially supplemented by application fees for quality improvement award entrants.

I urge my distinguished colleagues to give favorable consideration to this bill. The Malcolm Baldrige National Quality Improvement Award will send a clear signal to the American people and to our trading partners that the American commitments to excellence and achievement are stronger than ever.

Mr. DANFORTH. Mr. President, last week, as a tribute to the late Commerce Department Secretary, the Commerce Committee unanimously approved the Malcolm Baldrige Quality Improvement Act. This legislation is simple and direct. It establishes a national medal to be awarded by the President or the Commerce Secretary to companies demonstrating a superior commitment to quality. The Commerce Department's Bureau of Standards Director will select private sector quality boards to evaluate the quality improvement programs of competing applicants, and will rely on the boards' judgment in recommending the winners to the Commerce Secretary. All applicants will receive their evaluation results as well as suggestions for improvement. In order to be able to advertise receipt of this award, winning companies will be required to assist other businesses in their quality improvement programs.

Mr. President, Mac Baldrige championed quality. As a mill hand in Connecticut, as the chairman of Scovill, Inc., as a rodeo cowboy, or as the Secretary of Commerce, he pursued each endeavor with a passion for excellence. He worked his way up from a mill hand to become a company president. He took command of Scovill, transforming it from a financially troubled brass mill into a competitive international company. As a cowboy, he was just as successful. In 1980, he was named "Professional Rodeo Man of the Year" and in 1984 he was inducted into the Cowboy Hall of Fame. As Commerce Secretary, he negotiated the difficult course between protectionism and free trade. His leadership leaves a lasting mark on America's competitive abilities.

I urge my colleagues to support this legislation which will perpetuate Mac Baldrige's legacy of excellence.

The PRESIDING OFFICER. If there be no further amendments to be proposed, the question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed, and the bill was read the third time, and passed.

The title was amended so as to read: "An Act to amend the Stevenson-Wydler Technology Innovation Act of 1980 to establish the Malcolm Baldrige National Quality Award, with the objective of encouraging American business and other organizations to practice effective quality control in the provision of their goods and services".

Mr. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HELMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CHRISTOPHER COLUMBUS QUINCENTENARY JUBILEE ACT AMENDMENTS

The PRESIDING OFFICER. The clerk will report the next measure.

The assistant legislative clerk read as follows:

A bill (H.R. 2309) to amend the Christopher Columbus Quincentenary Jubilee Act.

The Senate proceeded to consider the bill.

Mr. DECONCINI. Mr. President, in 1984 Congress established the Christopher Columbus Quincentenary Jubilee Commission. It was charged with the responsibility of commemorating Christopher Columbus' voyages.

H.R. 2309 was introduced in the House by Mr. DE LUGO to enable the Commission to raise adequate funds from the private sector, and to underwrite appropriate ceremonies for the quincentenary. In May of this year, I introduced a companion measure, S. 1180 for the same purposes. The House passed H.R. 2309 on August 3, 1987 and I urge passage of the House bill at this time.

Two million dollars in Federal funds were appropriated in 1984 for this historical celebration. The legislation now being considered does not request any additional appropriations. The Congressional Budget Office has reviewed H.R. 2309 and estimates that enacting this legislation would result in no net additional costs to either Federal, State or local governments.

The major provision of H.R. 2309 would raise the limitations on individuals and corporate donations and permit a broader and more effective use of the Commission's logo. The proposed technical amendments would raise the limitation on individual and corporate donations to annual caps of $250,000 and $1 million, respectively. It would also provide a distinction between publicly paid staff and staff paid from private donations. In addition, it would permit the payment of some Commission-related expenses for expert advisers and provide an allowance of $7,500 for expenses relating to the hosting of representatives for foreign governments. The bill also extends the life of the Commission to December 31, 1993 in order to allow for the appropriate celebration of the second voyage of Columbus.

Finally, the bill, as amended, would acknowledge the historical reality of Christopher Columbus' landing in the new world by adding a third nonvoting member to the Commission. This member would be a representative from a Caribbean country and would join members from Spain and Italy who are already on the Commission in recognition of their historical ties to the explorer.

Mr. President, this bill recognizes our Nation's cultural heritage and allows us to celebrate our creative and adventurous spirit. I therefore urge passage of H.R. 2309.

The PRESIDING OFFICER. Are there amendments to be offered? If not, the question is on the third reading and passage of the bill.

The bill (H.R. 2309) was ordered to a third reading, was read the third time, and passed.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HELMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER TRANSFERRING SENATE CONCURRENT RESOLUTION 49 TO SUBJECTS ON THE TABLE

Mr. BYRD. Mr. President, I ask unanimous consent that Calendar Order No. 93 be transferred to the Calendar of Subjects On The Table.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

ORDER TO INDEFINITELY POSTPONE CERTAIN MEASURES

Mr. BYRD. Mr. President, I ask unanimous consent that Calendar Order No. 114 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I ask unanimous consent that Calendar Order No. 264 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

THANKING AND CONGRATULATING FLOOR STAFF

Mr. BYRD. Mr. President, I thank and congratulate the floor staffs on both sides of the aisle for the excellent work which has culminated in the passage of several important bills within the last few minutes. The Senate is often perceived to be listless, lethargic, and not doing very much. Sometimes a good bit of work is being done when it does not appear that way.

I have to say I am proud to say that the floor staffs—the Democratic floor staff, Mr. Charles Kinney and Mr. Marty Paone, and the Republican floor staff, Mrs. Elizabeth Greene—that it is through their persistent work over a period of several days that we have been able to move these bills and finally clear them for action on both sides so that they could be passed by unanimous consent. Their labors ought not to go unnoticed.

Mr. President, I yield to the distinguished Senator from North Carolina, the acting Republican leader.

EXTENDING THE PERIOD FOR WAIVERS OF STATE ELIGIBILITY REQUIREMENTS

Mr. HELMS. Mr. President, I send a bill to the desk on behalf of Mr. MCCAIN, cosponsored by Senators DECONCINI, STEVENS, MURKOWSKI, and THURMOND, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the bill.

The legislative clerk read as follows:

A bill (S. 1596) to extend the period for waivers of State eligibility requirements to enable certain States to qualify for child abuse and neglect assistance.

Mr. BYRD. Mr. President, is the distinguished Senator asking for the Senate to proceed to the immediate consideration?

Mr. HELMS. Yes, I do.

Mr. BYRD. This matter has been cleared on this side of the aisle and there is no objection to the immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate proceeded to consider the bill.

Mr. McCAIN. Mr. President, I rise today to introduce legislation of great importance to the abused and neglected children of Arizona and Alaska. The measure seeks to amend the Child Abuse Prevention and Treatment Act which provides funding to the States for child abuse and neglect programming.

A State's eligibility for funding is contingent on its compliance with certain statutory criteria intended to promote Federal standards in the application of child abuse services. In 1984, the Secretary of Health and Human Services was given a 2-year authority to waive the contingency to assist States which were working toward compliance but had not yet met the test set forth in the statute. This bill, Mr. President, will extend the Secretary's waiver authority through the current fiscal year.

I understand that a waiver is required for both Arizona and Alaska to receive funding for fiscal year 1987. The absence of waiver authority and the defunding it portends would undermine the momentum both States have gained toward implementing programs necessary for their abused and neglected children and mandatory for compliance with the eligibility criteria.

Mr. President, waiver authority is not intended to contravene the standards we are trying to promote. It merely allows the Secretary to use his discretion to grant a waiver if he believes an applicant is making a good-faith effort and substantial progress toward achieving these goals.

The measure is cosponsored by my distinguished colleagues, Senators DeConcini, Stevens, Murkowski, and Thurmond. Furthermore, Senator Dodd, the distinguished chairman of the Subcommittee on Children, Families, Drugs and Alcoholism has expressed his support.

I believe it is important to note that the House of Representatives recently reauthorized the Child Abuse Prevention and Treatment Act, including a waiver provision retroactive to 1987. Passage of this bill would affirm what the House has already seen fit to provide. A general reauthorization of the act is underway in the appropriate Senate committee. This amendment is needed, however, to ensure that the Secretary has the proper waiver authority prior to the end of the fiscal year and before the 1987 funds are expended.

Mr. President, I thank Senators Dodd and Thurmond who are working extremely hard on the Senate's reauthorization of the Child Abuse Prevention and Treatment Act, and for their support of this measure which seeks to make funding possible for children in Arizona and Alaska this year.

Mr. DeCONCINI. Mr. President, I strongly agree with the remarks of my distinguished colleague from Arizona, Senator McCain, and urge other Members of the Senate to support this bill to authorize the Secretary of Health and Human Services to grant a waiver for fiscal year 1987 to the States of Alaska and Arizona from certain requirements of the Child Abuse Treatment and Prevention Act, Public Law 94-247.

Mr. President, the evidence of child abuse and neglect is both alarming and overwhelming. The data collected by the Child Help U.S.A. organization and others show that over 1 million cases of child abuse are reported each year. But, only 1 of 4 cases of child abuse is reported so potentially as many as 4 million of our Nation's children are being tragically abused. Congress has responded to this tragedy by enacting the Child Abuse Prevention and Treatment Act, which assists States by providing funds for statewide child abuse treatment and prevention programs.

Mr. President, my home State of Arizona has its share of abused children. Each year, thousands of children in Arizona suffer physical, sexual, and emotional abuse, or severe neglect because the adults responsible for them don't provide adequate protection or care. These children are often removed from their parents' care and placed under the protective custody of the State of Arizona as wards of the court. In Arizona, a court appointed special advocate [CASA] is a specially trained volunteer who advises the court about the best interest of a child who has been made a ward of the court, usually as a result of severe neglect or abuse. The CASA helps to ensure that the child's right to a safe, permanent home is acted upon in a sensitive and expedient manner, and progress is being made to achieve permanency for the child.

Since October, 1, 1985, Arizona has received grant funding through the Child Abuse Treatment and Prevention Act which has been utilized by the Arizona Supreme Court Administrative Office of the Courts, through an intergovernmental agreement, to implement a guardian ad litem or Court Appointed Special Advocate [CASA] Program. Arizona has used the majority of these funds to establish its CASA Program. The program, administered through the Arizona Supreme Court, is established currently in Maricopa, Pima, and Coconino Counties. In almost 2 years of Federal funding, great strides have been taken to make these CASA volunteers or guardians ad litem available to children in our court system as mandated by the act's requirements. Of the 11 eligiblity requirements under the act, it is only the requirement for statewide implementation of a guardian ad litem program that has not been met.

For a State to qualify for funding under the act, the law originally required that it provide guardian ad litem programming on a statewide basis. However, amendments to the law provided a waiver of eligibility criteria allowing time for States not in compliance to meet the requirements under the act. For the past 2 years, Oregon, Alaska, and Arizona have received funding under the contingency waiver. These States have since implemented and have shown good faith in their efforts to expand their programs. However, there is insufficient funding presently available through the act to implement the program on a statewide basis in Alaska and Arizona, and 2 years has not been enough time to secure other funding.

Mr. President, an extension of Federal funding for fiscal 1987 for these most important programs for abused children is vital in order for these two States to expand their programs during the current fiscal year. This extension will ensure that our States have the time and resources to continue to provide and expand these important programs on behalf of all abused and neglected children. The absence of a waiver and resultant defunding would be a severely destructive blow to the momentum our States have gained toward accomplishing this end.

In conclusion, I would like to add that the leadership on both sides of the Labor and Human Resources Subcommittee on Children, Families, Drugs and Alcoholism, Chairman Dodd and ranking minority member Thurmond, strongly support this waiver. I thank them both. I would also like to thank Senator Murkowski, Senator Stevens, and Senator Thurmond for joining Senator McCain and myself in cosponsorship of this bill. I urge the rest of my distinguished colleagues to support the unanimous-consent request on this most important bill.

The PRESIDING OFFICER. Are there any amendments to be proposed? If not, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 1596

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

QUALIFICATIONS FOR CHILD ABUSE AND NEGLECT ASSISTANCE

Clause (i) of section 4(b)(3)(A) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5103(b)(3)(A)(i)) is amended by inserting before "or" at the end thereof the following: "and for a third one-year period if the Secretary makes an additional finding that such State is making substantial progress to achieve such compliance,".

Mr. HELMS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDING THE FARM DISASTER ASSISTANCE ACT OF 1987

Mr. HELMS. Mr. President, I send to the desk and ask for its immediate consideration a bill on behalf of Senator Dole and Senator Melcher.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 1597) to amend the Farm Disaster Assistance Act of 1987 to extend the reporting date for the ethanol cost-effectiveness study.

Mr. BYRD. Mr. President, there is no objection on this side to the immediate consideration of the bill.

There being no objection, the Senate proceeded to consider the bill which was read the first time by title and the second time at length.

Mr. DOLE. Mr. President, Senator MELCHER and I are offering a bill today which simply extends the timeframe for the ethanol panel, established under the "Farm Disaster Assistance Act of 1987" from the original 90 days to 180 days.

Senator GRASSLEY and I established the panel to provide some industry input on the feasibility of producing ethanol. We had given the panel 90 days to complete the study. However, its taken about two-thirds of that time to just name the panel and arrange its first meeting.

PANEL REQUEST FOR TIME

When the panel met recently they agreed that due to the time already expired it would be useful to request additional time to complete a quality study.

I urge my colleagues to adopt the amendment.

The PRESIDING OFFICER. If there are no amendments, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 1597

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ETHANOL COST-EFFECTIVENESS STUDY.

(a) IN GENERAL.—Section 13(d) of the Farm Disaster Assistance Act of 1987 (Public Law 100-45; 101 Stat. 324) is amended by striking out "90 days" and inserting in lieu thereof "180 days".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on May 27, 1987.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HELMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AUTHORIZING SENATE LEGAL COUNSEL REPRESENTATION

Mr. BYRD. Mr. President, on behalf of myself and Mr. DOLE, I send to the desk a Senate resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the resolution.

The legislative clerk read as follows:

A resolution (S. Res. 268) to direct the Senate Legal Counsel to represent and to authorize the production of documents by Linda J. Gustitus in the case of United States v. Stanley Simon, et al.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

There being no objection, the Senate proceeded to consider the resolution.

Mr. BYRD. Mr. President, Linda J. Gustitus, staff director and chief counsel of the Committee on Governmental Affair's Subcommittee on Oversight of Government Management, which is chaired by Senator LEVIN, has received a subpoena in a criminal case now before the U.S. District Court for the Southern District of New York. The case, United States versus Stanley Simon, et al., involves allegations about the Wedtech Corp. The subpoena, which was obtained by counsel for one of the defendants, Richard Biaggi, calls for the production of subcommittee documents relating to Attorney General Meese and the Wedtech Corp.

The Senate has acted previously to assist committees and subcommittees in protecting their investigative records from disclosure in litigation on the basis of the speech or debate clause of the Constitution. If it is necessary to seek the assistance of the court in protecting the privileges of the Senate, this resolution would authorize the Senate legal counsel to move to quash the subpoena. The resolution also authorizes the chairman of the subcommittee, Senator LEVIN, acting jointly with the ranking minority member, Senator COHEN, to produce relevant documents to the extent they deem it necessary to promote the interests of justice consistent with the privileges of the Senate.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 268) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 268

Whereas, in the case of *United States* v. *Stanley Simon, et al.*, S 87 Cr. 265, pending in the United States District Court for the Southern District of New York, one of the defendants, Richard Biaggi, has obtained a subpoena, addressed to Linda J. Gustitus, staff director and chief counsel of the Subcommittee on Oversight of Government Management of the Committee on Government Affairs, for the production of subcommittee documents;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§ 288b(a) and 288c(a)(2)(1982), the Senate may direct its counsel to represent the committees, Members, officers or employees of the Senate with respect to subpoenas issued to them in their official capacities;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that documents in the possession of the Senate are or may be needed for use in any court for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore be it

Resolved, That the Senate Legal Counsel is directed to represent Linda J. Gustitus in the case of *United States* v. *Stanley Simon, et al.*

SEC. 2. That the Chairman and Ranking Minority Member of the Subcommittee on Oversight of Government Management, acting jointly, are authorized to produce documents in the case of *United States* v. *Stanley Simon, et al.*, to the extent they deem it necessary to promote the interests of justice consistent with the privileges of the Senate.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. HELMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AUTHORIZATION FOR TESTIMONY AND REPRESENTATION

Mr. BYRD. Mr. President, on behalf of Mr. DOLE and myself I send to the desk a Senate resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 269) authorizing testimony of Senate employees and representation by Senate legal counsel in bar admission proceeding.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. BYRD. Mr. President, two employees on Senator WILSON's staff have been subpoenaed to testify at a hearing in a bar admission proceeding currently pending before the State Bar of California. The applicant is a former intern in Senator WILSON's San Diego office. The State Bar has determined that two members of Senator WILSON's staff, Sandra Weintraub and Katherine A. Holladay, who supervised the applicant during his internship, have information concerning the applicant's qualifications for admission to the California State Bar.

Consistent with Senator WILSON's wishes and previous actions of the Senate to facilitate the provision of information relevant to professional licensing determinations, this resolution would authorize Ms. Weintraub and Ms. Holladay to testify at the hearing and authorize the Senate Legal Counsel to represent them in connection with their testimony. Mr. President, I move adoption of the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 269) was agreed to.

The preamble was agreed to.

The resolution, together with its preamble, is as follows:

S. RES. 269

Whereas, in In the Matter of Mark Anthony Hollander, a bar admission proceeding pending before the State Bar of California, San Diego County No. 87-M-04 SD, two employees of the Senate, Sandra Weintraub and Katherine A. Holladay, have been subpoenaed to appear and to testify at a hearing;

Whereas, the two employees have information which may be relevant to that proceeding;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§ 288b(a) and 288c(a)(1982), the Senate may direct its counsel to represent employees of the Senate with respect to subpoenas issued to them in their official capacities;

Whereas by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by the administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that testimony by Senate employees in their official capacities may be needed in any forum for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it

Resolved, That the Senate Legal Counsel is directed to represent Sandra Weintraub and Katherine A. Holladay in connection with their testimony in In the Matter of Mark Anthony Hollander.

SEC. 2. That Sandra Weintraub and Katherine A. Holladay are authorized to testify at proceedings before the State Bar of California in In the Matter of Mark Anthony Hollander, except concerning matters which are privileged.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. HELMS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXTENSION OF MORNING BUSINESS

Mr. BYRD. Mr. President, I ask that there be morning business now for not to exceed 15 minutes and Senators may speak therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from North Carolina.

Mr. HELMS. I thank the Chair.

PEACE PLAN FOR CENTRAL AMERICA

Mr. HELMS. Mr. President, today President Reagan proposed a peace plan for Central America, intended to remove the Communist threat in the region and to restore free and democratic government in Nicaragua.

This afternoon I was one of six Senators who met with the President. True enough, it was after the fact but we were able to state to him our apprehensions about this and at the same time extend to him our wish that he and those who joined in proposing this plan be successful.

The plan was worked out in consultation with the distinguished Speaker of the House, Mr. WRIGHT, and the distinguished majority leader of the Senate, Mr. BYRD and others. Cooperation of the Democratic leadership in attempting to find some common ground on this issue is noteworthy. Unfortunately, from my point of view, their participation carried no commitment to support aid to the Nicaraguan resistance in case the diplomatic initiative in the proposal fails.

Which raises an important question: Does not the failure of the majority leadership to make such a commitment guarantee that the plan itself will fail? A key element of the plan requires agreement by the Sandinista regime on key points leading to the restoration of a free society. If there is no certain prospect that Congress will support the freedom fighters, where is the incentive to the Sandinistas to make concessions? Should not those who want to restore democratic government to Nicaragua be willing to give full support to the freedom fighters if the diplomatic initiative fails?

It should be pointed out, Mr. President, that this administration has not failed to try diplomatic initiatives. The complete chronology of these negotiations is readily available, and it is certainly comprehensive. The negotiations have been going on for the better part of 8 years.

Mr. President, I ask unanimous consent that the chronology of diplomatic initiatives by the United States for Central America peace be printed in the RECORD at the conclusion of my remarks.

Mr. President, when you examine this plan, it has the gauzy contures of a grand dream, rather than of a practical course of action.

The only way to make sure the diplomatic initiative will not fail is to make absolutely clear to the Communist regime that the Congress will support full military action by the freedom fighters if necessary. Otherwise, the Communists will perceive that all they have to do is to delay, delay, and delay until freedom fighters run out of weapons and money. Those in the Congress who refuse to make that commitment are in fact encouraging the Communists to hold out.

The plan as outlined may be divided into two parts. The first part concerns Nicaragua and the Nicaraguan resistance, and calls for an immediate cease-fire, the withdrawal of military aid from the Nicaraguan resistance on the part of the United States, and the rejection of military aid from the Communist countries on the part of Nicaragua. In addition, full civil liberties would be restored to all Nicaraguans, including freedom of speech and the press, and the right to enter into the political process. Amnesty would be proclaimed to the fighters on both sides, who would be reintegrated into Nicaraguan society. Finally, free and fair elections would be prepared and implemented.

The second part is multilateral, and proposes negotiations among the United States and the Central American countries on regional security issues, including the reduction of standing armies in the region, restoration of regional military balance, withdrawal of foreign military personnel from all countries in the region, and security guarantees against outside support for insurgent forces. As a sign of good faith, the United States would suspend combat maneuvers in Honduras as a demonstration of good faith.

Finally, Mr. President, it should be mentioned that all of these good things are to happen by September 30—September 30, 1987, not September 30, 1988.

The terminal date alone makes it difficult to believe that this plan is realistic. But another factor that enhances the dream-like quality of the proposal is the lack of concrete details about verification. We are told that the cease-fire will be verified by "the OAS or an international group of observers." We are told that the timetable and procedures for elections will be guaranteed by "an agreed international body such as the OAS." Finally, with regard to the regional security agreement, "the OAS shall be invited to be a signatory and guarantor."

It is not enough to be told that these details will be firmed up later. the timetable set up is less than 60 days—56 days, to be precise. The cease-fire issue alone is a matter of life and death for the 17,000 freedom fighters who are in the field. Even if a cease-fire is "verified" by the OAS, their positions and numbers will be revealed to the enemy, and their security endangered should the cease-fire or any other aspect of this complicated plan fail. Moreover, no effective method of ensuring Sandinista compliance with the cutoff of military aid from the Communist bloc is even proposed.

These facts alone can only be demoralizing to the freedom fighters in the field. These forces are not professional soldiers. They have no reason to sit in the jungle while politicians in faraway cities wrangle about the fate of freedom. The only thing that holds such an army together is the hope, the spirit of freedom. If that vision of freedom dissipates, the army could well dissipate too.

Mr. President, this plan cannot inspire confidence in those who are putting their lives at risk in the field. I read the document with astonishment, because no where does it even identify the freedom fighters as parties to the negotiation. The battle in Nicaragua is not a fight between the United States and Nicaragua. It is a battle between the Nicaraguan freedom fighters and the Soviet Union, which is orchestrating the Communist invasion of this hemisphere. Will not the freedom fighters wonder if they have already become the forgotten men and women?

These freedom fighters know too well how others who fought against Communists were betrayed by the United States. The Hungarians, the Cubans, the Vietnamese, the Cambodians remain as examples of those who dared to fight for freedom against Communism.

Mr. President, when you come right down to it, this plan asks the Communists to negotiate away the basic principle of communism, namely, the totalitarian state. There is nothing in the history of communism that suggests that power can be shared in a Communist state. We are demanding that the Communist negotiate away the first principle of their totalitarian survival. The freedom fighters know that the Communists will never allow alternative political power in a Communist state. So the freedom fighters will lose heart if they are asked to stop fighting while there is yet another political delay.

The truth is, Mr. President, that the only leverage the freedom fighters have is their ability to fight, to apply destabilizing military pressure against an entrenched regime. The Marxist-Sandinista dictatorship, thanks to the Soviet Union, has the largest standing army in Central America. It is well armed. A totalitarian system of political control imposes Communist discipline on the people of Nicaragua. Indeed, they are well entrenched. But the freedom fighters have nothing but their ability to fight.

Thus a cease-fire may take away from the freedom fighters the only asset they possess. It protects the Marxist-Sandinistas in every asset the Communists already have, and gives them the bonus of not having to be prepared to defend their positions. So a cease-fire is not symmetrical at all, even if it were to be scrupulously observed.

The freedom fighters have only one hope: That the Marxist-Sandinistas will reject the so-called peace plan. I hope the Communists do reject it. But I think that it is more likely that the Communists will pretend to agree to it, at least initially, because they know that the plan demoralizes the freedom fighters, and undermines their fighting spirit. If it is prolonged long enough, it could even lead to the disintegration of the movement for freedom.

Therefore, Mr. President, at the appropriate time, I am prepared to send to the desk a simple amendment calling upon this body to vote now for $300 million in aid for the Nicaraguan resistance, that is to say, the anti-Communist freedom fighters in Nicaragua.

This amendment, which I intend to offer to any item of general legislation that is amendable, provides that the aid does not go into effect until October 1. It gives the agreed-upon time for the peace plan to work. But if the plan does not work, then the freedom fighters will be able to count on the support of the United States in their courageous battle. Once the President certifies the diplomatic initiative has failed, the funds will become available.

So, Mr. President, as I conclude, let me read into the RECORD the text of the amendment to which I have just alluded. I shall add that the distinguished Senator from South Carolina [Mr. THURMOND] is a cosponsor of the amendment.

(Purpose: To authorize funds for Military assistance to the Democratic Resistance in Nicaragua unless the President certifies to Congress that the communist government in Nicaragua has met certain conditions)

Add at the end of the bill the following new section:

"SEC. . The sum of $300 million dollars is authorized to be appropriated for military assistance to the Nicaraguan Democratic Resistance during fiscal year 1988; provided, however, that the funds authorized to be appropriated by this section shall not be obligated or expended if the President, on or before September 30th, 1987, shall have certified to Congress the following:

1. That there be no Soviet, Cuban or Communist bloc bases established in Nicaragua that pose a threat to the United States and the other democratic governments in the hemisphere.

2. That Nicaragua pose no military threat to its neighbor countries nor provide a staging ground for subversion or destabilization of duly elected governments in the hemisphere.

3. That the Nicaraguan government respect the basic human rights of its people including political rights guaranteed in the Nicaraguan constitution and pledges made to the OAS—free speech, free press, religious liberty and a regularly established system of free, orderly elections.".

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NEGOTIATIONS IN CENTRAL AMERICA

SUMMARY

The United States has continuously supported the search for peace in Central America. Since 1981, the U.S. had sought to resolve the regional conflict through bilateral negotiations with the Sandinista regime as well as through its encouragement of the Contadora process and other regional efforts.

U.S. efforts to reach agreement with the ruling commandantes predate those of the other countries of Latin America, including Contadora. Our initial diplomatic overtures offered U.S. nonaggression toward Nicaragua and renewed economic assistance in exchange for an end to Sandinista support to the Communist guerrillas of El Salvador and a slowdown in Nicaragua's military buildup. These are the very same goals the Sandinistas now profess to have no objection to were they to be included in a regional peace accord.

Even though the Sandinistas were not receptive to U.S. initiatives in 1981, we unilaterally continued our efforts to resolve the regional impasse through diplomatic means. The highlights of those initiatives are:

On October 4, 1982, the U.S. joined six Latin American and Caribbean countries in the "Declaration of San Jose" setting out principles for a regional peace settlement.

On June 1, 1984, Secretary of State Shultz visited Managua to consult with Sandinista President Ortega and Foreign Minister d'Escoto, setting the stage for nine rounds of bilateral discussions between the U.S. and Nicaragua.

On June 25-26, 1984, the first of the bilateral talks were held in the Mexican city of Manzanillo. They were ended in December 1984 due to Sandinista intransigence.

On October 29-31, 1985, Special Envoy Harry Shlaudeman met with Nicaraguan Ambassador Carlos Tunnermann in Washington and proposed that the U.S. would renew bilateral talks with Nicaragua if the Sandinistas would accept the Nicaraguan democratic resistance's call for a Church-mediated dialogue. The Sandinista Government refused to accept this proposal.

On February 10, 1986, Secretary Shultz met with the Foreign Ministers of the Contadora countries and offered to renew bilateral talks with the Sandinistas if they began a dialogue with the democratic resistance.

Between June 1985 and April 1987, Special Envoys Shlaudeman and Habib traveled to the region on at least 15 occasions to consult with Central American and South American officials in an effort to support the peace process.

Here follows a chronology of the history of Central American negotiations and the texts of the Contadora Document of Objectives (Appendix A), the peace proposal of Costa Rican President Oscar Arias (Appendix B), and the Declaration of Principles issued by the Presidents of the Central American democracies at the conclusion of their San Jose meeting (Appendix C).

CHRONOLOGY OF KEY EVENTS 1981-1987

1981

August-October: United States initiates diplomatic exchanges with Nicaragua. U.S. offers bilateral nonaggresion agreement and renewed economic assistance if Nicaragua stops aid to Salvadoran guerrillas and limits its military buildup. Nicaragua labels U.S. offer "sterile."

1982

March 15: Honduras proposes Central American peace plan at the Organization of American States to reduce arms and foreign military advisers, to respect nonintervention, and to provide for international verification of commitments.

April 9: U.S. offers eight-point proposal to Nicaragua. Nicaragua demands high-level meeting in Mexico.

October 4: At San Jose conference the U.S., Colombia, Costa Rica, El Salvador, Honduras, Belize, and Jamaica issue Declaration of San Jose outlining principles for a regional peace settlement that calls for democracy, pluralism, arms reduction, respect for human rights, and national reconciliation. Nicaragua subsequently refuses to receive Costa Rican Foreign Minister Volio as emissary of group.

1983

January 8-9: Foreign Ministers of Colombia, Mexico, Venezuela, and Panama meet on Contadora Island and issue Declaration commending dialogue and negotiation as instruments for peaceful settlement.

January-April: Nicaragua resists meeting in multilateral setting and opposes idea of comprehensive agreement dealing with all interrelated issues.

April 20-21: Nine Foreign Ministers of Central America and Contadora Group meet for first time in Panama.

July 17: Declaration of Cancun by the Presidents of the Contadora Group calls for renewed efforts to continue peace process. Declaration sent to President Reagan, Central American Chiefs of State, and Fidel Castro.

July 19: Sandinistas issue six-point plan, calling for end of all outside assistance to "the two sides" in El Salvador, end of all external support to paramilitary forces in region, prohibition of foreign military bases and exercises, Nicaraguan/Honduran nonaggression pact, noninterference in internal affairs, and end to economic discrimination.

Comment: Proposal accepted multilateral talks but did not address such key issues as foreign advisers, arms limitations and reductions, or democratization and national reconciliation. Plan equated Salvadoran Government with guerrillas and, if implemented, would have cut off all U.S. military assistance to El Salvador.

July 21: Foreign Ministers of Guatemala, Costa Rica, Honduras, and El Salvador propose eight-point peace plan drawing on Honduras plan of March 1982 and emphasizing contribution that democratization could make to restoration of peace and stability to region.

July 23: President Reagan expresses support for Contadora objectives in letter to Contadora Group Presidents.

September 9: Document of Objectives adopted by Foreign Ministers of the nine Contadora participating governments. Document includes strong formulation of objectives relating to democratization and national reconciliation.

October 20: Nicaragua proposes series of bilateral and multilateral treaties, addressing some but not all goals of Document of Objectives.

October-December: Attempts to translate Document of Objectives directly into treaty falter.

1984

January 8: "Norms of Implementation" declaration that was adopted in Panama by nine Contadora Foreign Ministers establishes three working commissions in security, political, and socioeconomic matters to recommend by April 30 specific measures to implement Document of Objectives.

April 30: Five Central American Foreign Ministers request Contadora Group to integrate recommendations into single negotiating text.

June 1: Secretary of State Shultz visits Managua to launch bilateral talks in support of reaching a comprehensive Contadora agreement.

June 8-9: Contadora Group presents "Contadora Act for Peace and Cooperation in Central America" to Central American governments and requests comments by mid-July.

June 25-26: First of nine rounds of bilateral talks between U.S. and Nicaragua held at Manzanillo, Mexico. U.S. throughout seeks informal understandings to facilitate Contadora agreement. Nicaragua seeks formal bilateral accords in lieu of Contadora; excludes discussion of democratization and national reconciliation.

August 25-27: Technical Group (vice-ministerial level) of Contadora process meets in Panama to consider oral and written comments on the June 8th draft Act. Nicaragua refuses to accept any feature of the Contadora June draft to which it has not previously agreed.

September 7: Contadora Group submits revised draft Contadora agreement for Central American leaders comment by mid-October.

Comment: The draft agreement achieved Nicaragua's two principal objectives (end of support to democratic resistance and prohibition of maneuvers) upon signature while leaving arms reductions and withdrawal of advisers for later negotiation. Verification provisions were weak.

September 21: Nicaragua states it is willing to sign the September 7th draft provided that it is not changed; calls on U.S. to sign and ratify its Additional Protocol.

Comment: Portrayed as a step toward peace, Nicaragua's acceptance was in U.S. view an attempt to freeze the negotiating process at a moment of advantage.

September 25-26: At sixth round of Manzanillo talks, Nicaragua adopts Contadora draft agreement as its negotiating position. U.S. suggests the two sides focus on text of draft agreement, but Nicaragua rejects any discussion of possibly modifying the draft.

September 29: European Community and Central American Foreign Ministers, meeting in Costa Rica, call draft agreement "fundamental stage in negotiating process" but refrain from endorsing any text not agreed upon by all participating governments.

October 15: Comments submitted to the Contadora Group by Costa Rica, El Salvador, and Honduras identify verification and need for simultaneous implementation of commitments as areas for modification.

October 19-20: Honduras, Guatemala, El Salvador, and Costa Rica (Nicaragua is invited but does not attend) meet in Tegucigalpa to consider the September 7th draft agreement and drafted proposed modifications. Honduras, El Salvador, and Costa Rica endorse and forward modifications to the Contadora Group and Nicaragua.

November 12-16: Extensive private consultations among the Contadora participants are held on the margins of the OAS General Assembly in Brasilia.

December 10-11: Ninth round of Manzanillo talks. Nicaragua definitively rejects U.S. approach to reach agreement on basis of September draft; reverts to initial position of bilateral accords in lieu of Contadora.

1985

January 18: U.S. informs Nicaragua that it is not scheduling further meetings at Manzanillo, pending further evolution of the Contadora process.

February 14: Contadora meeting canceled over asylum dispute between Nicaragua and Costa Rica.

Aril 11-12: Contadora meeting of plenipotentiaries agrees in principle on revised verification procedures.

May 14-16: Second meeting of Contadora plenipotentiaries, with inconclusive discussion of security issues.

May 31: Sandinista border incursions into Costa Rica kill two Costa Rican Civil Guardsmen.

June 7: OAS Permanent Council appoints investigative commission consisting of Contadora Group and OAS Secretary General to report on the May 31st and other related border incidents.

June 17-19: Nicaragua's refusal to discuss agreed agenda results in abrupt ending of Contadora meeting of plenipotentiaries and 4-month hiatus in Contadora negotiations.

June 24-28: Ambassador Shlaudeman visits Guatemala, El Salvador, Costa Rica, Colombia, and Venezuela for consultations on Contadora; reviews conditions under which the U.S. might resume bilateral talks with Nicaragua.

June 30-July 2: Ambassador Shlaudeman continues consultations during visits to Mexico and Panama.

July 17: Ambassador Shlaudeman concludes consultations with visit to Honduras.

July 22: Contadora Group governments publicly call on U.S. to resume bilateral talks with Nicargua. Communique also announces intentions to hold bilateral meetings with individual Central American governments in lieu of resuming talks.

July 26: In Mexico City, Secretary Shultz states willingness of U.S. to resume bilateral talks if that would promote a Church-mediated dialogue in Nicaragua and reaffirms strong U.S. support for the Contadora process.

July 28: Following consultations with the Contadora Group, the governments of Argentina, Brazil, Peru, and Uruguay form the "Contadora Support Group."

August 1: Costa Rica, Honduras, and El Salvador in joint statement welcome the visit of Contadora ministers but propose resumption of Contadora negotiations.

August 3-8: Contadora Group Vice Ministers visit the five Central American states to consult on outstanding Contadora issues.

August 23-25: The Contadora Group and Support Group, meeting in Cartagena, Colombia, issue communique stating intent to consult regularly on Contadora matters.

August 26: U.S. welcomes formation of Support Group.

September 4: Costa Rica, Honduras, and El Salvador formally reiterate proposal to resume Contadora negotiations.

September 9-13: Ambassador Shlaudeman consults with Support Group governments in visits to Argentina, Uruguay, Brazil, and Peru. He explains U.S. view that Support Group could help by working toward a Sandinista dialogue with armed resistence (United Nicaraguan Opposition) and urges Support Group to consult with all the Central American states.

September 8: Costa Rica, Honduras, and El Salvador jointly request a meeting with the Support Group governments on the margins of the September 12-13 meeting of Contadora Foreign Ministers in Panama. The request is denied on the ground that it might interfere with the scheduled meetings.

September 12-13: The Contadora Group tables a third draft of a Contadora agreement. The Central American Foreign Ministers agree to convene multilateral negotiations on October 7, with the aim of reaching final agreement within 45 days. The agenda for these negotiations is defined narrowly. It is also agreed that events and developments within the region will not interfere with Contadora talks.

October 7-11: The first round of talks is held on Contadora Island, Panama. Costa Rica states it is willing to sign the September 12th draft. El Salvador and Honduras express general support while identifying issues that require further negotiation. Guatemala maintains neutrality on content of draft while pointing to constitutional difficulty of current government to commit Guatemala in view of upcoming elections. Nicaragua states it is not ready to declare its view.

October 17-19: Second round of plenipotentiary negotiations held on Contadora

Island. Nicaragua presents extensive objections to September 12th draft.

October 24: President Reagan addresses the U.N. General Assembly, presenting an initiative on regional conflicts. President states that U.S. support of struggling democratic forces "must and shall continue" until there is progress in negotiations between the parties to internal conflicts.

October 29-31: Ambassador Shlaudeman and Nicaraguan Ambassador Tunnermann meet in Washington. Shlaudeman says U.S. will resume bilateral talks if Sandinistas accept March 1985 proposal of the Nicaraguan resistance for Church-mediated dialogue, cease-fire, and suspension of the State of emergency. Tunnermann reports Nicaraguan Government rejection of this offer.

November 11-12: Foreign Ministers of the nine Central American and Contadora Group governments meet in Luxembourg with the Foreign Ministers of the EC-10, Spain, and Portugal. European Community/Central American economic agreement is signed; political communique supports Contadora and stresses democratic pluralism and civil liberties.

November 11: Nicaragua publishes letter to Contadora Group and Support Group Presidents detailing objections to the Contadora Group's September 12, 1985, draft of a final agreement. Nicaragua's position, in essence, is to insist on an accommodation with the U.S. prior to a Contadora agreement.

November 19-21: Third round of negotiations among Contadora plenipotentiaries held in Panama. Some progress is achieved on verification and related issues. All delegations recommend extending 45-day deadline for final agreement.

November 22: U.S. Permanent Representative to the United Nations Vernon Walters addresses the General Assembly on continued U.S. support of the Contadora process.

December 1: Nicaragua announces that it will not take part in the Contadora meetings to be held on the margins of the OAS General Assembly meeting in Cartagena, Colombia, December 2-5.

December 2: Secretary of State Shultz meets with Contadora Group Foreign Ministers at the OAS General Assembly in Cartagena.

December 3: Nicaragua submits formal request for suspension of Contadora peace negotiations until May 1986.

December 6: Contadora Group submits report to OAS Secretary General expressing hope that negotiations will continue.

December 7: Nicaragua reiterates its request for suspension of Contadora talks at a SELA (Latin American Economic System) meeting in Caracas, Venezuela.

December 11: OAS General Assembly Resolution, opposed by Nicaragua only, urges continuation of Contadora talks.

December 10: Venezuelan officials publicly oppose suspension of talks.

December 17-18: Contadora Group governments consult informally in Montevideo.

1986

January 8: Nicaragua publishes letter from President Ortega to the Presidents of the Contadora Group and the Support Group proposing a scaled-down treaty of general principles (in lieu of a comprehensive Contadora treaty) and a series of bilateral talks, including U.S.-Nicaraguan talks.

Janmuary 11-12: The eight Foreign Ministers of the Contadora Group and Support Group governments, meeting in Caraballeda, Venezuela, issue the "Message of Caraballeda." It reiterates basic Contadora principles; urges actions to create climate for negotiations, including resumption of Contadora talks; and offers Contadora's help to "promote new steps of national reconciliation" and renewal of U.S.-Nicaraguan bilateral talks.

January 14: Vice President George Bush leads U.S. delegation to inauguration of Guatemalan President Vinicio Cerezo.

January 15: Foreign Ministers of the five Central American states sign the "Declaration of Guatemala," endorsing the "Message of Caraballeda."

January 15: Central American Presidents agree to hold summit in Esquipulas, Guatemala, in May.

January 16: Central American Presidents issue statement expressing satisfaction that their Foreign Ministers have endorsed the "Message of Caraballeda."

January 16: Nicaragua publicly reaffirms its position on Contadora, as set forth in its November 11th statement, and describes actions called for in the "Message of Caraballeda" as prerequisites to Contadora talks.

January 16: Secretary Shultz receives the "Message of Caraballeda" from Washington Ambassadors of the Contadora Group and Support Group governments and promises to give it careful study.

January 17: U.S. statement on "Message of Caraballeda" announces visit of Ambassador Shlaudeman to Central American and Contadora Group countries to explore possibilities in the Message.

January 17: President-elect Jose Azcona of Honduras visits Washington for consultations. At National Press Club, Azcona opposes resumption of U.S.-Nicaraguan bilateral talks as detracting from Contadora.

January 19-23: Ambassador Shlaudeman visits Panama, Costa Rica, El Salvador, Colombia, and Venezuela to consult with regional leaders.

January 25: Secretary of State Shultz invites Foreign Ministers of the Contadora Group and Support Group governments to Washington for February 10th consultations.

January 26-27: Vice President Bush leads U.S. delegation to inauguration of Honduran President Azcona; meets with several Contadora and Central American Presidents and Foreign Ministers.

Habib endorses Duarte initiative; reiterates U.S. willingness to renew bilateral talks with Nicaragua if Sandinistas open talks with armed democratic opposition.

March 14-15: Meeting of plenipotentiaries in Panama, but no discussion of Contadora treaty; inconclusive discussion of how to implement the "Message of Caraballeda."

March 17: Presidents of Guatemala and Honduras join President-elect Oscar Arias of Costa Rica in endorsing Duarte initiative.

March 20: U.S. House of Representatives defeats administration's proposal for assistance to the Nicaraguan resistance.

March 31: Legislative authorization for humanitarian assistance to Nicaraguan resistance expires.

April 5-7: Nicaragua's d'Escoto refuses to sign joint communique outlining negotiating goals at meeting of 13 Contadora, Support Group, and Central American Foreign Ministers in Panama. Costa Rica, Honduras, and El Salvador propose schedule of intensive negotiations to reach agreement by end of May 1986. Eight Contadora and Support Group ministers issue invitation to renew talks; reach agreement by June 6.

April 11: Ambassador Habib reiterates U.S. position that we will abide by a Contadora agreement that implements September 1983 Document of Objectives in a comprehensive, verifiable, and simultaneous manner.

April 11: Nicaragua agrees to renew talks and conditions final agreement on resolving outstanding issues and on ending all "U.S. aggression" by date of signature. Central American democracies all accept renewal of talks and urge they begin immediately.

April 18-28: Ambassador Habib consults with Presidents and Foreign Ministers of the Central American Democracies, Contadora and Support Group countries.

April 19: President Ortega, in public statement, calls Ambassador Habib a "demagogic liar," raising the issue of Sandinista interest in constructive negotiations.

May 8: Vice President Bush heads U.S. delegation to inauguration of President Oscar Arias.

June 6-7: Contadora and Support Group Foreign Ministers meet in Panama, present Central Americans with amended draft agreement.

June-August: Central American countries respond to June 7th draft. All countries express support for the Contadora process but make various points about the draft.

Costa Rica

Peace is not valid unless based on democracy; Costa Rica cannot accept half-measures that do not fully address the complete democratization of all of Central America.

Calendar of continuous verification must be presented with the agreement.

All negotiations must be concluded before signing, including those concerning arms limits and troop levels.

Criteria used in establishing maximum limits of military development are susceptible to subjective interpretation and must be clarified prior to signature.

El Salvador

Draft does not contain the conditions or requirements agreed on for its adoption and formalization in accordance with the 1983 Document of Objectives—especially in areas of arms limits and troop levels; simultaneous and integrated treatment of all aspects of the Document of Objectives is essential.

Verification of all obligations is essential.

Draft must contain sufficient guarantees that Nicaragua will accept serious negotiations in arms issues (including verification and control) and must demonstrate a willingness to observe the Document of Objectives in its entirety.

There is a need to continue and complete negotiations.

Guatemala

Commitments in armament, military forces, evaluation, verification, and control should be clearly stated to constitute a guarantee that agreed results and objectives are achieved.

Honduras

Draft does not establish reasonable and sufficient obligations to guarantee its security.

November 10-15: OAS General Assembly meets in Guatemala. At the initiative of Nicaragua and Mexico, Foreign Ministers from Contadora and Support Groups introduce a controversial draft resolution that, among other things, calls for preventing an alleged imminent U.S. aggression as the key issue in Central America. Costa Rica, El Salvador, and Honduras oppose resolution. Other Latin countries announce their opposition to the draft resolution and OASGA ultimately adopts new consensus resolution that supports Contadora effort. Secretary Shultz meets with Foreign Ministers of Central American democracies while attending OASGA.

November 18: U.N. General Assembly adopts consensus resolution on Central America.

November 18: U.N. Secretary General de Cuellar and OAS Secretary General Soares issue "menu of services" available from their organizations to complement Contadora: establishing border patrols; monitoring reduction of armed forces or dissolution of irregular forces; verifying international maneuvers or withdrawal of military advisers; verifying human rights complaints; and coordinating economic assistance.

November 19-21: Ambassador Habib travels to Central America, Mexico, and Colombia for consultations with regional leaders.

December 3: Government of Costa Rica responds to U.N.-OAS joint initiative. Commends efforts but reiterates Costa Rica's belief that an effective regional accord must be multilateral, comprehensive, binding, and verifiable.

December 4: Government of Nicaragua responds to U.N.-OAS joint initiative. Expresses deep satisfaction with the document.

December 17-18: Contadora and Support Group Foreign Ministers meet in Rio de Janeiro. Announce they would visit Central America in January accompanied by U.N. and OAS Secretaries General. Also announce intentions to strengthen and systematize the political agreement of their governments through a process of regular consultations, beginning the following April in Argentina.

February 15: At San Jose, the Presidents of the four Central American democracies launch a new peace initiative and endorse draft proposal by President Arias of Costa Rica as the basis for discussion at a subsequent summit of all five Central American Presidents, including Nicaragua's Ortega, at Esquipulas, Guatemala.

February 22-24: Ambassador Habib visits Costa Rica, Honduras, El Salvador, and Mexico.

March 6: Ambassador Habib visits Guatemala for talks with President Cerezo and other officials.

March 22-31: Ambassador Habib travels to the Central American democracies and the Contadora Group countries for ongoing consultations.

March 29: Guatemalan President Cerezo visits Nicaragua and meets with President Ortega and members of the civic opposition.

January 30: Six Nicaraguan opposition parties propose cease-fire, effective amnesty, agreement on a new national electoral process, and lifting of the State of Emergency. UNO leaders endorse proposal.

February 4: Nicaraguan President Ortega leads FSLN delegation to Third Congress of the Cuban Communist Party in Havana; gives speech to the Congress.

February 6: Nicaraguan Foreign Minister d'Escoto writes open letter to Contadora Group and Support Group Foreign Ministers calling on ministers to press for renewal of U.S.-Nicaraguan talks but cautioning that the U.S. would have to abandon the idea that such talks could be used as an "instrument to force Nicaragua into an immoral dialogue with terrorist forces."

February 10: Secretary Shultz meets with eight Contadora Foreign Ministers in Washington. He proposes simultaneous U.S.-Nicaraguan/Nicaraguan-UNO talks and policy adjustments in response to Nicaraguan movement on U.S. areas of concern.

February 14-15: Meeting of Contadora and Central American negotiators in Panama. Nicaragua refuses to negotiate on a Contadora treaty.

February 18-26: Ambassador Shlaudeman meets with Presidents of Mexico, Panama, Colombia, Uruguay, Argentina, Peru, Costa Rica, Guatemala, Honduras, and El Salvador.

February 24: Costa Rica and Nicaragua reach preliminary agreement on border supervision commission.

February 27-28: Contadora Group and Support Group ministers meet at Punta del Este, Uruguay.

March 4: Salvadoran President Jose Napoleon Duarte proposes simultaneous dialogues to end the internal wars in Nicaragua and El Salvador.

March 7: President Reagan appoints Philip C. Habib to replace Harry W. Shlaudeman as Special Envoy for Central America.

March 12-14: Ambassador Habib visits El Salvador, Guatemala, and Honduras.

Arias of Coasta Rica. Bush reiterates U.S. willingness to respect comprehensive, verifiable, and simultaneous treaty.

May 16-18: Contadora talks held in Panama to consider Contadora Group proposals on arms and military maneuvers. Nicaragua rejects Honduran proposal. Four democracies reject Nicaraguan proposal. Costa Rica and Guatemala jointly present compromise proposal. El Salvador and Honduras support compromise proposal.

Proposal prohibits maneuvers within 5 kilometers of borders, prohibits use of artillery capable of reaching neighboring countries, and regulates maneuvers within 30 kilometers.

Proposal fixes overall ceiling on arms and troops prior to signature; ceiling expressed in "units of value," with each security component (e.g., a tank) assigned an agreed value.

May 24-25: Five Central American Presidents meet at Esquipulas, Guatemala. Communique notes "frankness" of exchanges and profound differences between Nicaragua and its neighbors over meaning of democracy. Presidents reiterate commitment to reach Contadora agreement, omitting June 6 as target date; agree to create Central American Parliament.

May 26: President Ortega presents a list of "14 Points" calling for a reduction of armament levels and other military-related matters.

May 27-28: Contadora meeting in Panama. Nicaragua tables its "14 Points," which, if adopted, would have virtually no effect on strength and size of Sandinista arsenal but would have serious impact on the security capabilities of the other Central American countries. Nicaragua also refuses to negotiate limits on "defensive" weapons. Meeting inconclusive.

May 26-29: President Azcona of Honduras makes working visit to Washington; supports aid for the Nicaraguan democratic resistance.

May 31-June 3: Ambassador Habib visits Costa Rica, Guatemala, and El Salvador for consultations.

Obligations regarding disarmament must be established rigorously and clearly in the treaty and not deferred to a later date.

Draft raises subjective criteria of dubious multilateral significance that would make eventual agreement on limitation, reduction, and control of arms and troops impossible.

Nicaragua

Indicates that it could accept draft, but only on the condition that future arms talks be conducted on the basis of its May "14 Points" proposal (which the four democracies had rejected).

June 26: Contadora Group Foreign Ministers meet with U.N. Secretary General Perez de Cuellar and OAS Secretary General Baena Soares to present the June 7th draft.

July 2: U.N. Secretary General de Cuellar issues report on the situation in Central America commending Contadora's effort but citing fundamental preconditions for peace, which focus on pluralistic democracy and nonintervention by outside forces.

July 10-12: Ambassador Habib travels to the Central American democracies.

August 7: Secretary Shultz heads the U.S. delegation to inauguration of President Barco in Colombia. Meets with Presidents and Foreign Ministers of the Central American democracies.

September 7-11: Ambassador Habib travels to Central America.

September 22-October 1: Contadora and Support Group Foreign Ministers meet in New York on margins of the U.N. General Assembly. On October 1, they issue a declaration warning of the dangerous situation in Central America and reiterating their willingness to continue their efforts to find a negotiated settlement.

October 30-31: Contadora and Support Group deputy foreign ministers meet in Mexico City. Discussion focuses on possibility of institutionalizing Contadora and expanding its scope to include other regional issues such as debt.

1987

January 7: Assistant Secretary of State Elliott Abrams and Ambassador Habib meet in Miami with Costa Rican Foreign Minister Madrigal to discuss President Arias' plan for regional peace, a plan predicated on national reconciliation and democratization within Nicaragua.

January 9: President Ortega signs into law Nicaragua's new "democratic" constitution. Within hours of its promulgation, Ortega issues new emergency decreee suspending the rights and liberties of the Nicaraguan people provided for in the new charter, including freedom of speech, press, assembly, right to organize, right to privacy, and others.

January 12-16: Ambassador Habib travels to Panama, Argentina, Uruguay, Brazil, and Venezuela to consult with Latin American leaders.

January 18-25: Ambassador Habib travels to Belgium, West Germany, Italy, Portugal, Spain, United Kingdom, and France to consult on the negotiating process.

January 18-21: Contadora and Support Group Foreign Ministers, accompanied by the U.N. and OAS Secretaries General, travel to Central America seeking to revive the negotiating process. They issue communique in Mexico City on January 21st expressing Contadora's continued hope for peace in Central America but offering no new proposals.

February 6: Seven civic opposition parties in Nicaragua issue a "9 Point" peace proposal calling for, among other things, a national dialogue, a National Commission for Peace, a cease-fire, and a general amnesty. The Sandinista Government does not respond to this latest call for peace by opposition parties who are committed to a civic struggle for democracy in Nicaragua.

February 9-10: Central American, Contadora Group, and European Community Foreign Ministers meet in Guatemala (San Jose III) and endorse negotiating efforts.

April 6: Salvadoran President Duarte visits Guatemala for a private meeting with President Cerezo.

April 7: Three-member Costa Rican delegation visits Nicaragua to discuss peace initiative with Sandinista Government and civic opposition.

April 13-16: Contadora and Support Group Foreign Ministers meet in Argentina to discuss Central America situation; issue a communique expressing support for the peace initiative of the Central American democracies. They then discuss other issues (debt, etc.) as "Group of Eight."

April 27-28: Ambassador Habib visits Guatemala, Costa Rica, Honduras, and El Salvador.

June 25-26: Scheduled summit of Central American Presidents at Esquipulas, Guatemala.

Mr. HELMS. Mr. President, I thank the Chair and I thank the distinguished majority leader.

Mr. BYRD. Mr. President, I thank the distinguished Senator from North Carolina [Mr. HELMS].

Mr. President, I only say what I am about to say at this moment, at this particular time, because the distinguished Senator from North Carolina in referring to the proposed peace plan, I believe, stated that it had been developed between and among the administration, the distinguished Speaker of the House and the majority leader of the Senate.

Mr. President, I had no part in the writing of this plan. The distinguished Speaker of the House was kind enough to contact me last Thursday and reveal to me that efforts were going forward with respect to such a proposal. He indicated that he had been approached by a representative of the White House, and that that individual had indicated to the Speaker that the President was interested in a diplomatic initiative, which hopefully would bring an end to the war in Nicaragua. I felt that it was a matter that was certainly worth exploring, that should be explored. Further meetings ensued.

The distinguished Republican leader and I met with the Speaker and other Senators on last Friday, the Speaker having addressed this subject to me on last Thursday. Then from the meeting on Friday there developed a further meeting on this past Monday. The Republican leader and I and other Senators met. Then on Tuesday, yesterday, there was another meeting in which the two Senate leaders participated with about six or seven other Senators on both sides of the aisle. In that meeting were Mr. Shultz, Mr. Howard Baker, and the Speaker.

Out of these meetings then culminated the meeting at the White House today, to which the President was kind enough to invite me. The two leaders of the Senate were there, and the Speaker and majority leader of the House were there.

The President was also kind enough to allow me to bring with me, one Senator, Senator DODD, the chairman of the Foreign Relations Subcommittee on Central American Affairs. The Republican leader of the House, Mr. MICHEL, also was there. Mr. MICHEL was also in some of the other meetings to which I have alluded which were called by the Speaker.

So I cannot claim any authorship whatsoever so far as the proposal is concerned. I took the position at the White House that we on our side of the aisle, think almost unanimously, if not unanimously, favor an effort to bring the war in Nicaragua to a peaceful conclusion.

I also stated that most Senate Democrats have long been in favor of a diplomatic initiative. Of course, some Senate Democrats have supported Contra aid, military aid and or humanitarian aid.

I felt that we ought to applaud the President for his attempting to pursue a diplomatic initiative. That is, as I say, what many of us on this side have been advocating for a long time. Some of us, including myself, have preferred that to a military solution, not ruling out at some point, as far as I am personally concerned, the possibility of resorting to military. But not ruling it in, either.

So my position, as stated at the White House, and as stated here for the record, was and is, speaking for most Democrats, that we support a diplomatic initiative carried out in good faith.

A good faith diplomatic initiative; that it must in no way, if it is carried on in good faith, be tied with Contra aid; that there can be no nexus, no tie, no umbilical cord to military aid as a part of that good faith initiative. Furthermore, that there should be no attempt to make a political case for Contra aid while such good faith diplomatic negotiations and discussions are going forward.

I also expressed the strong feeling that the September 30 date in the proposal was not a realistic one. And, finally, that there should be a team of bipartisan observers on the part of the Senate and the House, who would not negotiate, of course, but who would observe the negotiations and who could independently, on the basis of their observations, advise the other Republican and Democratic members of the Senate and House as to the good faith of the negotiations and as to the state of progress being made.

I am expressing my own viewpoint here as I expressed it there. I expressed it as I felt that it was representative of Democrats, generally speaking, in the Senate. I did not represent it as being a unanimous viewpoint. I think I accurately portrayed the feelings, certainly of a great majority of the Democratic Senators here, in that we want to see a peaceful resolution to the conflict. It is a positive approach. I hope it will succeed.

EXTENSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business has expired.

Mr. BYRD. Mr. President, I ask that there be a resumption of morning business to accommodate the distinguished Senator from North Carolina.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. And the distinguished Republican leader.

Mr. HELMS. Mr. President, will the distinguished leader yield?

Mr. BYRD. Yes, I will be glad to.

Mr. HELMS. I certainly can confirm everything the majority leader said. I think all I said in reference to him was that he did consult, that he did cooperate in the manner that he described. I did not presume to speak for the Senator, how he is going to vote or what position he was going to take. But I know he consulted because I was there, and I know he cooperated. Whether he agrees or not is the decision he will make.

I just wanted to make that clear. I did not intend to misrepresent this role at all.

Mr. BYRD. Mr. President, I am sure that the Senator did not intend to nor did he misrepresent my position. I had no cause for stating at this point what my position was and is except I thought the distinguished Senator from North Carolina inadvertently, certainly not intentionally—perhaps he was laboring under some misinformation—had indicated that I had a part with the Speaker and the White House in formulating the exact language of the proposal.

Mr. HELMS. No. The Senator made that clear at the meeting yesterday morning.

Mr. BYRD. Yes.

Mr. HELMS. I can confirm that without any hesitation whatsoever.

Mr. BYRD. I thank the Senator.

Mr. HELMS. I thank the Senator.

The PRESIDING OFFICER. The Republican leader.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Emery, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

[The nominations received today are printed at the end of the Senate proceedings.]

REPORT ON CERTAIN ACTIONS TO BE TAKEN UNDER THE TRADE ACT—MESSAGE FROM THE PRESIDENT—PM 60

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States; which was referred to the Committee on Finance:

To the Congress of the United States:

Pursuant to sections 406, 202, and 203 of the Trade Act of 1974, as amended (19 U.S.C. 2436, 2252, and 2253), I have determined the action I will take with respect to the report of the United States International Trade Commission [USITC] dated June 5, 1987, concerning the results of its investigation, as requested by the United States Trade Representative, of the domestic industry producing ammonium paratungstate and tungstic acid, provided for in Items 417.40 and 416.40, respectively, of the Tariff Schedules of the United States. In accordance with section 203 of the Trade Act of 1974 (19 U.S.C. 2253), I am hereby reporting to the Congress the actions I am taking and the reasons therefor.

After considering all relevant aspects of the case, including those set forth in section 202(c) of the Trade Act of 1974, I have determined to provide import relief for the domestic industry in the form of an orderly market agreement to be negotiated by the United States Trade Representative. I have determined that relief should be granted, and in a form different from that recommended by the USITC, for the following reasons:

1. The domestic industry has suffered losses in employment, profits, and production.

2. The economic costs of relief in terms of consumer cost, inflationary impact, and national economic welfare would be small, because of the small size and structure of domestic industry.

3. Relief will help maintain a viable domestic processing industry; important because tungsten is a strategic metal, and the legislated national stockpile is based on continued domestic processing capabilities.

4. Imports from China were at very low levels around 1980, but nearly tripled between 1982 and 1986, when they accounted for 85 percent of imports and 17.8 percent of U.S. consumption. Chinese imports as a percent of consumption have risen to 28.6 percent in the first 4 months of 1987.

5. Other countries are considering protecting their producers, which would increase pressure on the U.S. market to absorb additional imports.

6. An orderly marketing agreement is likely to deal more effectively with possible circumvention of the import restrictions.

In addition, I have directed that a review be completed, within 60 days, regarding relevant plans for the operation of the stockpile for the fiscal years 1988 and 1989.

RONALD REAGAN.

THE WHITE HOUSE, *August 5, 1987.*

MESSAGES FROM THE HOUSE

At 4:04 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bill, with amendments:

S. 1417. An act to revise and extend the Developmental Disabilities Assistance and Bill of Rights Act.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 2881. An Act to establish a National Commission on Acquired Immune Deficiency Syndrome.

MEASURES REFERRED

The following bill was read the first and second times by unanimous consent, and referred as indicated:

H.R. 2881. An act to establish a National Commission on Acquired Immune Deficiency Syndrome; to the Committee on Labor and Human Resources.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. BENTSEN, from the Committee on Finance:

M. Peter McPherson, of Virginia, to be Deputy Secretary of the Treasury.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. GLENN, from the Committee on Governmental Affairs:

John W. Crutcher, of Kansas, to be a Commissioner of the Postal Rate Commission for the term expiring October 16, 1992; and

Jerry Lee Calhoun, of Washington, to be a Member of the Federal Labor Relations Authority for a term of five years expiring July 29, 1992.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. KENNEDY, from the Committee on Labor and Human Resources:

Kenneth Leon Nordtvedt, Jr., of Montana, to be a Member of the National Science Board, National Science Foundation, for the remainder of the term expiring May 10, 1990;

Ruth Reeve Jenson, of Arizona, to be a Member of the National Advisory Council on Educational Research and Improvement for the term expiring September 30, 1989;

David F. Demarest, of Virginia, to be an Assistant Secretary of Labor;

James L. Usry, of New Jersey, to be a Member of the National Council on Educational Research and Improvement for a term expiring September 30, 1989; and

William John Maroni, of Rhode Island, to be an Assistant Secretary of Labor.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. STEVENS (for himself, Mr. EVANS, and Mr. BREAUX):

S. 1591. A bill to temporarily restrict the ability to document foreign-built fish processing vessels under the laws of the United States; considered and passed.

By Mr. HECHT:

S. 1592. A bill to raise speed limits on roads and highways, other than rural interstate highways, up to 65 miles per hour; to the Committee on Commerce, Science, and Transportation.

By Mr. BINGAMAN:

S. 1593. A bill to designate the site of the Glorieta Battle in the Civil War as a national historic site; to the Committee on Energy and Natural Resources.

By Mr. GRAHAM:

S. 1594. A bill to improve the operation of the Caribbean Basin Economic Recovery Act; to the Committee on Finance.

By Mr. DOMENICI:

S. 1595. A bill to amend title 5, United States Code, to provide for the establishment of a voluntary leave transfer program for Federal employees, and for other purposes; to the Committee on Governmental Affairs.

By Mr. HELMS (for Mr. MCCAIN (for himself, Mr. DECONCINI, Mr. STEVENS, Mr. MURKOWSKI, and Mr. THURMOND)):

S. 1596. A bill to extend the period for waivers of State eligibility requirements to enable certain States to qualify for child abuse and neglect assistance; considered and passed.

By Mr. HELMS (for Mr. DOLE (for himself, Mr. MELCHER, Mr. BAUCUS, Mr. GRASSLEY, and Mr. DASCHLE)):

S. 1597. A bill to amend the Farm Disaster Assistance Act of 1987 to extend the reporting date for the ethanol cost effectiveness study; considered and passed.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. BYRD (for himself and Mr. DOLE):

S. Res. 268. Resolution to direct the Senate Legal Counsel to represent and to authorize the production of documents by Linda J. Gustitus in the case of *United States* v. *Stanley Simon, et al*; considered and agreed to.

By Mr. BYRD (for himself and Mr. DOLE):

S. Res. 269. Resolution authorizing testimony of Senate employees and representation by Senate Legal Counsel in bar admission proceeding; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HECHT:

S. 1592. A bill to raise speed limits on roads and highways other than rural interstate highways, up to 65 miles per hour; to the Committee on Commerce, Science, and Transportation.

SIXTY-FIVE MILE PER HOUR SPEED LIMIT

Mr. HECHT. Mr. President, 4 months ago, Congress took a long overdue step and allowed, for the first time since 1973, speed limits on rural interstate highways to rise up to 65 miles per hour. Certainly, the people of Nevada were the leaders in bringing about this modification and I was glad to have introduced the initial legislation to change 55 on my State's behalf.

While I am extremely pleased we prevailed in raising the speed limit, my original intent was to raise the speed on all roads and highways. As originally drafted, my bill, S. 65, modified the 1973 law to do just that. However, given congressional concern that raising the speed limit to 65 would naturally lead to higher fatalities, my bill, in amendment form, was defeated. I am happy to say that the alternate amendment offered by myself and my distinguished colleague Senator SYMMS, designed to raise speeds on rural interstates only, was successful and is now law.

Mr. President, in the intervening months since the new 65-mile-per-hour law has taken effect, motorists have traveled America during two holiday weekends. While it is obviously too early to make wholesale judgments, early statistics indicate the worst fears of those opposed to higher speeds were unfounded. In fact, statistics indicate that over those two holiday weekends, Memorial Day and the Fourth of July, fatality rates were down significantly over 1986 data.

I think it is clear that our original proposal to raise the speed limit was sound and really in the best interest of the traveling public, Therefore, I am today introducing new legislation that will expand upon what we did earlier this year. My new bill will allow speeds to be raised up to 65 on roads outside urbanized areas not now eligible to be posted at 65. As before, the State retains the right to choose those roads and an urbanized area continues to be defined as 50,000 people or more.

Mr. President, we must continue to eliminate Government intrusion into the daily lives of each and every American; 55 was appropriate during the crisis days of 1973 but is woefully unnecessary today. The problems of state are much too large for Washington to be worrying about how fast we drive our vehicles and I would urge my colleagues to support this legislation.

By Mr. BINGAMAN:

S. 1593. A bill to designate the site of the Glorieta Battle in the Civil War as a national historic site; to the Committee on Energy and Natural Resources.

ESTABLISHMENT OF GLORIETA PASS AS A NATIONAL HISTORIC SITE

● Mr. BINGAMAN. Mr. President, one of the westernmost battles of the American Civil War was a bitterly fought clash between Union and Confederate troops at Glorieta Pass in northern New Mexico, in March 1862.

The battle of Glorieta Pass on the Santa Fe Trail marked the high water mark and turning point of a Confederate drive to occupy the Trans-Mississippi West beyond Texas.

The site of this pivotal battle has never been adequately recognized and appreciated. And I rise today to introduce a bill to designate the ground where it was fought as a national historical site.

The Glorieta battlefield broke into the news recently with the discovery of the well-preserved skeletons of 33 Texas soldiers killed during the battle. This is a valuable archeological find, arguing further for making this important western battlefield an historical site.

A Confederate force driving up through the Rio Grande Valley under the command of Brig. Gen. Henry Sibley was bent on occupying New Mexico Territory and then securing all of the West to California for the Confederacy. After having pushed Union forces up the valley past Santa Fe, Texas Mounted Rifle Volunteers were met at Glorieta by a Federal contingent of Colorado and New Mexico volunteers and detachments of U.S. Cavalry regiments.

The Texas Volunteers were intent on continuing through the pass and on to the Federal garrison of Fort Union to the northeast. The opposing forces fought to a draw as the Union soldiers fortified and blocked the trail, and attacked and burned an 80-wagon supply train holding nearly all of the Confederate supplies. The Texas Volunteers were checked, turned back, and forced to begin a retreat to San Antonio, ending for good Confederate plans to occupy the western territories.

The casualties suffered on both sides were significant and the stakes were high—nothing less than jurisdiction over the two vast territories of Arizona and New Mexico and the chance to control much of the Far West for the Confederacy.

Today, the battlefield area is in private hands and parts of it lie under the roadbed of a nearby interstate. A smaller, two-lane road bisects the site. The adobe buildings of Pigeon Ranch, around which the battle swirled, and still stand are without the Federal protection I believe they deserve.

Mr. President, the time has come to act quickly in this matter, if the important historical events that transpired at Glorieta Pass are not to be lost to memory forever. Increased developmental activities in the area and the growing popularity of the region make it imperative that these lands and buildings be secured before deterioration render them valueless. I have asked the National Park Service in cooperation with the New Mexico State Historic Preservation Office and the Glorieta Battlefield Preservation Society to recommend exact boundaries for the battlefield site. I look forward to receiving their recommendation before hearings are held on the legislation.

It is important that generations to come not forget the history of this great Nation, which includes the battles that we have fought among ourselves. For this reason, I introduce legislation today that would easily and inexpensively facilitate the Federal acquisition of the important lands on which this significant western battle was fought. Congressman RICHARDSON is introducing similar legislation in the House of Representatives. I respectfully ask my colleagues to support this legislation.●

By Mr. GRAHAM:

S. 1594. A bill to improve the operation of the Caribbean Basin Economic Recovery Act; to the Committee on Finance.

CARIBBEAN BASIN ECONOMIC RECOVERY EXPANSION ACT

Mr. GRAHAM. Mr. President, I am introducing today legislation that will strengthen and improve the Caribbean Basin Initiative.

The area of the Caribbean Basin is something more than a neighboring region of developing nations which need our assistance in their economic growth. The Caribbean Basin is an immediate challenge to our comprehensive foreign policy goals for the region. The helping hand we extend to island nations and Central American nations is tangible proof that we are working partners in the movement toward democracy in our hemisphere.

The recent passage of the CBI amendment in the omnibus trade bill, which restarted the CBI clock for an additional 12 years, was a signal of support from this Senate. We know that trade with the Caribbean and

Central America is an insignificant fraction of our overall trade activity. But we also know that a prosperous and peaceful region is highly significant to our strategic goals.

And we know that the limited favorable trade which the CBI confers on member countries is very important to their economies.

The CBI has its critics. Many of their criticisms are accurate. But the CBI was not meant to be a cure-all for the economic woes of the Caribbean.

Moreover, the world market has altered so drastically since the CBI was first passed that some provisions need to be changed or fortified. Some contingencies no longer work. Some economies have not recovered nor grown to the extent we had hoped.

This doesn't mean it's time to give us. The Caribbean Basin Initiative was and continues to be the symbol of our commitment to shared economic stability in our hemisphere. The CBI is a document we can work with, improve, strengthen.

More important, it has begun to produce some tangible results. Nontraditional exports from the region are up. There has been measurable progress.

This bill which we are introducing today attempts to help that process along. It offers no pat solutions. It doesn't pretend to have all the answers. But it is a good stimulus for debate. It should be a catalyst for statements and hearings and a closer look at our economic ties with Caribbean Basin nations and how those ties can be mutually beneficial.

The Caribbean Basin Economic Recovery Expansion Act of 1987—which was introduced in the House today by our distinguished colleagues, Congressmen GIBBONS, FASCELL, PICKLE, and RANGEL—addresses the current and future economic reality of the Caribbean Basin.

Several of the provisions which will be particularly important to the Caribbean are:

A "tariff-rate quota" to allow a portion of currently dutiable goods to enter the United States duty free.

The separation of CBI goods from worldwide imports which may be unfairly affecting the U.S. economy in cases where those goods may be restricted or sanctions applied. In these cases CBI goods, when taken by themselves, generally have little or no effect on our economy and should not be penalized for a larger problem.

More liberal sugar import quotas for CBI sugar producers. The level set would revert to the quotas existing when the CBI program went into effect.

Unlimited duty-free treatment for articles manufactured, assembed, or processed from 100 percent U.S. goods. This provision will encourage labor-intensive industries in the Caribbean Basin while strengthening our own export market.

These are some of the issues of vital concern to those developing economies in the Caribbean. They are not provisions which could hurt the United States. Clearly by renewing our interest in and attention to the CBI we can make the small but wise investments which will yield tremendous returns in a healthy and stable regional economy, in good will, and in stronger democratic societies in our hemisphere.

I urge my colleagues in the Senate to consider and support this bill as a further demonstration of our confidence in the CBI and in our Caribbean/Central American neighbors who are a part of it.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1594

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Caribbean Basin Economic Recovery Expansion Act of 1987".

SEC. 2. CONGRESSIONAL FINDINGS.

The Congress finds that—

(1) a stable political and economic climate in the Caribbean region is necessary for the development of the countries in that region and for the security and economic interests of the United States;

(2) the Caribbean Basin Economic Recovery Act was enacted in 1983 to assist in the achievement of such a climate by stimulating the development of the export potential of the region; and

(3) the commitment of the United States to the successful development of the region, as evidenced by enactment of the Caribbean Basin Economic Recovery Act, should be reaffirmed, and further strengthened, by amending that Act to improve its operation.

SEC. 3. UNITED STATES CONTENT OF BENEFICIARY COUNTRY PRODUCTS.

Section 213(a)(1) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(a)(1)) is amended by striking out the last sentence and inserting the following: "If the cost or value of materials produced in the customs territory of the United States (other than the Commonwealth of Puerto Rico) is included with respect to an article to which this paragraph applies, an amount not to exceed—

"(i) 25 percent, if the article is the product of an East Caribbean beneficiary country; or

"(ii) 15 percent, if the article is the product of a beneficiary country other than an East Caribbean beneficiary country;

of the appraised value of the article at the time it is entered that is attributed to such United States cost or value may be applied toward determining the percentage referred to in subparagraph (B). For purposes of the preceding sentence, each of the following, during any period when designated as a beneficary country under this subtitle, shall be considered as an East Caribbean beneficiary country: Antigua and Barbuda, Anguilla, Aruba, the British Virgin Islands, the Cayman Islands, Dominica, Grenada, Montserrat, Netherlands-Antilles, St. Christopher-Nevis, St. Lucia, St. Vincent and the Grenadines, and the Turks and Caicos Islands.".

SEC. 4. TREATMENT OF EXEMPT ARTICLES.

(a) IN GENERAL.—The Caribbean Basin Recovery Act is amended by inserting after section 213 the following new section:

"SEC. 213A. SPECIAL CATEGORY ARTICLES.

"(a) Except as provided in subsections (c) and (d), the duty-free treatment provided under this subtitle shall not apply to—

"(1) textile and apparel articles which are subject to textile agreements;

"(2) footwear, handbags, luggage, flat goods, work gloves, and leather wearing apparel not designated at the time of the effective date of this title as eligible articles for the purpose of the generalized system of preferences under title V of the Trade Act of 1974;

"(3) tuna, prepared or preserved in any manner, in airtight containers;

"(4) petroleum, or any product derived from petroleum, provided for in part 10 of schedule 4 of the TSUS; or

"(5) watches and watch parts (including cases, bracelets, and straps), of whatever type including, but not limited to, mechanical, quartz digital or quartz analog, if such watches or watch parts contain any material which is the product of any country with respect to which TSUS column 2 rates of duty apply.

"(b) the President shall establish such categories of the kinds of articles referred to in each of paragraphs (1) through (5) of subsection (a) as may be appropriate for purposes of administering each of subsections (c) and (d).

"(c)(1) The President shall provide duty-free treatment under this subtitle to articles within any category established under subsection (b) if the United States International Trade Commission determines that—

"(A) the articles within that category either—

"(i) are not produced in the United States, or

"(ii) are not produced in the United States in quantities sufficient to meet the domestic demand for the product; and

"(B) no directly competitive articles are produced in the United States.

"(2) The President shall withdraw the duty-free treatment provided under paragraph (1) to articles within any category if the Commission determines, after a petition for such a determination is filed under paragraph (3), that the category is no longer eligible for such treatment under subparagraph (A) and (B) of paragraph (1).

"(3) A request for a determination under paragraph (1) or (2) may be made by any intersted person by filing a petition for the determination in such form as the Commission shall prescribe. The Commission shall make the determination within 120 days after the date on which the request is received. A petition for a determination under paragraph (2) with respect to any category of articles may not be filed sooner than the first anniversary of the date on which the determination under paragraph (1) extending duty-free treatment to that category was made.

"(d)(1) As used in this subsection, the term 'duty-free quota' means, with respect to each category of articles established under subsection (b), and not excluded under paragraph (2), for each beneficiary country—

"(A) for calendar year 1988, a quantity equal to 103 percent of the base quantity for that category for that country; and

"(B) for each calendar year after 1988, a quantity equal to 103 percent of the duty-free quota for the immediately preceding calendar year for that category for that country.

The base quantity of any category of articles established under subsection (b) for a beneficiary country is the larger of—

"(i) the quantity of articles in that category that are a product of such country and were exported to the United States during the most recent 12-month period for which data is available; or

"(ii) the quantity of articles in that category that results from dividing—

"(I) the aggregate quantity of articles in that category that are a product of all beneficiary countries and exported to the United States during such 12-month period, by

"(II) the number of beneficiary countries.

"(2) For purposes of applying this subsection, articles that are provided duty-free treatment under subsection (c) or item 807.50 of the TSUS shall be disregarded.

"(3) Subject to paragraph (4), the President shall provide duty-free treatment under this subsection to articles of any beneficiary country that are entered during any calendar year after 1987 before the total quantity entered during that year equals or exceeds the duty-free quota for those articles for that country for that year.

"(4) The aggregate quantity of articles—

"(A) in any category to which a duty-free quota applies; and

"(B) produced in all beneficiary countries; that may be entered duty-free during any calendar year after 1987 may not exceed an amount equal to 5 percent of the aggregate quantity of articles of that kind that are entered during that year from all beneficiary countries. If the 5 percent limitation set forth in the preceding sentence is exceeded during any calendar year, the President shall apply the excess, on an appropriate pro-rated basis, against the duty-free quotas for the following year for that category for all beneficiary countries.".

"(b) CONFORMING AMENDMENT.—Section 213(b) of the Caribbean Basic Economic Recovery Act (19 U.S.C. 2703(b)) is repealed.

SEC. 5. REPORTS BY BENEFICIARY COUNTRIES.

Section 217 of the Caribbean Basin Economic Recovery Act is amended to read as follows:

"SEC. 217. REPORTS BY BENEFICIARY COUNTRIES.

"(a) Each beneficiary country shall prepare, and submit to the President reports setting forth, with respect to the period covered by each report—

"(1) the extent to which the government of the country has promoted and used benefits provided under this subtitle;

"(2) any change in the policies of the government for purposes of encouraging investment, and promoting exports, under this subtitle; and

"(3) the efforts by the government to enter into an exchange of information agreement under section 274(h)(6)(C) of the Internal Revenue Code of 1986, or, if such an agreement has been entered into, the extent to which the country has used the benefits under sections 274(h)(6)(C) and 936 of the Internal Revenue Code of 1986.

Each beneficiary government shall submit a report under this section not later than September 1, 1988, and a subsequent report before the close of each 3-year period occurring thereafter.

"(b) If a beneficiary country fails to comply with a reporting requirement under subsection (a), the President may suspend the provision of duty-free treatment under this title until such time as compliance occurs.".

SEC. 6. TERMINATION OF DUTY-FREE TREATMENT.

Section 218(b) of the Caribbean Basin Economy Recovery Act (19 U.S.C. 2706(b)) is amended by striking out "1995" and inserting "2007".

SEC. 7. SPECIAL TARIFF TREATMENT FOR BENEFICIARY COUNTRY PRODUCTS.

"(a) BENEFICIARY COUNTRY ARTICLES WHOLLY OF UNITED STATES MATERIALS.—Subpart B of part 1 of schedule 8 of the Tariff Schedule of the United States (19 U.S.C. 1202) is amended—

"(1) by adding the following new headnote:

"5. No quantitative import restriction provided for under any law shall apply with respect to any article provided for under item 807.50."; and

(2) by adding at the end thereof the following new item:

"807.50 Articles manufactured, assembled, or otherwise produced in a country listed in general headnote 3(e)(vii)(A) in whole of materials, components, or other goods that are products of the United States........ Free".

(b) DUTY-FREE ALLOWANCE FOR RETURNING RESIDENTS.—Subpart A of part 2 of schedule 8 of the Tariff Schedules of the United States (19 U.S.C. 1202) is amended—

(1) by inserting the following new headnote:

"4. As used in items 813.31 and 813.32, the term 'beneficiary country' means a country listed in general headnote 3(e)(vii)(A).";

(2) by striking out "item 813.30" and all that follows thereafter in the superior heading to items 813.30 and 813.31 and inserting "item 813.30, 813.31, or 813.32 within 30 days preceding his arrival, and claims exemption under only one of such items on his arrival.";

(3) by striking out "$800" in item 813.31 and inserting "$1,000";

(4) by inserting "or up to $600 of which have been acquired in one or more beneficiary countries" before the parenthetical matter in item 813.31; and

(5) by inserting after item 813.31 the following new item:

"813.32 Articles whether or not accompanying a person, not over $600 in aggregate fair market value in the country of acquisition, including—
(a) but only in the case of an individual who has attained the age of 21, not more than 1 liter of alcoholic beverages, and
(b) not more than 200 cigarettes, and not more than 100 cigars,
if such person arrives directly or indirectly from a beneficiary country, not more than $400 of which shall have been acquired elsewhere than in beneficiary countries (but this item does not permit the entry of articles not accompanying a person which were acquired elsewhere than in beneficiary countries)........ Free........ Free".

(c) EFFECTIVE DATES.—

(1) The amendments made by subsection (a) apply with respect to articles exported from the United States on or after the 15th day after the date of the enactment of this Act.

(2) The amendments made by subsection (b) apply with respect to residents of the United States who depart from the United States on or after the 15th day after the date of the enactment of this Act.

SEC. 8. CUMULATION INVOLVING BENEFICIARY COUNTRY PRODUCTS UNDER THE COUNTERVAILING DUTY AND ANTIDUMPING LAWS.

Section 771(7)(C)(iv) of the Tariff Act of 1930 (19 U.S.C. 1677(7)(C)(iv)) is amended by inserting before the period the following: "; except that the volume and effect of imports from a country designated as a beneficiary country under the Caribbean Basin Economic Recovery Act may only be cumulatively assessed with respect to the imports of like products that are the product of one or more other countries designated as beneficiary countries".

SEC. 9. ETHYL ALCOHOL PRODUCED IN BENEFICIARY COUNTRIES.

Section 423(b)(1)(A) of the Tax Reform Act of 1986 is amended to read as follows:

"(A) an azeotropic distillation facility located in—

"(i) an insular possession of the United States, if that facility was established before, and in operation on, January 1, 1986, or

"(ii) a beneficiary country if that facility, was established before, and in operation on, January 1, 1987, or".

SEC. 10. SUGAR IMPORTS FROM BENEFICIARY COUNTRIES.

Notwithstanding any other provision of law, the aggregate quantity of sugar that is the product of any country designated as a beneficiary country under the Caribbean Basin Economic Recovery Act that may be entered, or withdrawn from warehouse for consumption, in the customs territory of the United States during any annual period occurring after December 31, 1987, is the aggregate quantity of sugar (expressed in short tons) that was allocated to that country for entry or withdrawal in such territory during the period beginning on September 26, 1983, and ending September 30, 1984.

By Mr. DOMENICI:

S. 1595. A bill to amend title 5, United States Code, to provide for the establishment of a voluntary leave transfer program for Federal employees, and for other purposes; to the Committee on Governmental Affairs.

FEDERAL EMPLOYEES LEAVE ACT

● Mr. DOMENICI. Mr. President, today I send to the desk the Federal Employee Leave Act of 1987. I am pleased to introduce this bill, which would authorize a Governmentwide program allowing Federal workers to donate voluntarily their unused annual leave to coworkers who are in need of additional time. This bill is identical to H.R. 2487, introduced by Congressman WOLF.

In these days of deficit crises, I believe this is an innovative way to help Federal employees faced with long-term illness. "Leave sharing" is not a widely used practice. But its potential benefits are increasingly recognized. In fact, I am aware of legislators in some States who are considering this concept as an added option for their State employees.

Too many employees today are faced with the choice of either holding their jobs or tending to seriously ill spouse or child. This is a cruel choice to be forced to make.

The Federal Employees Leave Act would establish a new policy for Federal workers who need leave for major medical or family emergency situations. Simply put, my bill would enable employees to donate some of their annual leave to a coworker who is facing a personal emergency, but lacks sufficient leave to attend to the problem.

Leave sharing is currently prohibited to the Nation's 2.1 million Federal workers. However, the Office of Personnel Management has begun a study, authorized by Congress, to allow leave sharing. Over 200 people, from 32 different departments, applied to be a part of this pilot project. While the hardships in each of these cases were worthy, only three could be selected for this initial study.

The mutual benefits of leave sharing are well illustrated by this pilot project. Coworkers felt like they were really helping by donating their vacation time. The added flexibility and time to recuperate, or tend to a loved one, was a blessing documented by the study. It's time to make this program available Governmentwide.

I would like to share with you the story of one woman from my own State of New Mexico who would benefit from this legislation.

Let me tell you about Gerry Grenko. One month out of high school, she went to work for the Bureau of Indian Affairs in the State of New Mexico. Starting as a clerk typist, she now holds a position of responsibility, reflecting her consistently good work for the past 35 years. Her entire adult working career, her entire adult life.

Five years ago, she successfully overcame a very aggressive form of cancer. She continued to serve as a Federal employee, despite serious surgery and arduous cancer treatments. Then last year, Gerry was told that a different cancer has stricken her, and she won't be so lucky this time.

Gerry is a fighter, though. She came to me because she wants to continue to work at the BIA while she can. A single person, she told me, "I cannot face just staying home and waiting to die." Like over 200 others, she applied for the pilot leave sharing program. As we now know, there were many more persons qualified for this program.

Gerry's coworkers want to give her their leave time, so that she can continue to work with them. She has used all her own leave time, and doctors tell her that in the time remaining to her, there will be days she won't be able to leave her bed. That is why she needs this additional leave, for those days when she cannot make it into the office, no matter how hard she tries.

I believe this leave sharing initiative is one small gesture of compassion on the part of the Federal Government. More importantly, it is a sensitive statement to the concern that employees have for each other. After all, the true concessions being made here involve the employees themselves, not the employer. We owe it to our employees to give them the opportunity to support each other during times of stress.

Leave sharing is much more than an excellent way to help offices pull together for the common good. It is a true blessing for employees and their families when faced with catastrophies.

I urge my colleagues to support this important piece of legislation.

I ask unanimous consent for a copy of the Federal Employee Leave Act to be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1595

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Employees Leave Act of 1987".

SEC. 2. VOLUNTARY LEAVE TRANSFER PROGRAM.

(a) IN GENERAL.—(1) Chapter 63 of title 5, United States Code, is amended by adding at the end the following:

"Subchapter III—Voluntary Leave Transfer Program

"§ 6331. Definitions

"For the purpose of this subchapter—

"(1) the term 'employee' means an employee as defined by section 6301(2);

"(2) the term 'personal emergency' means a medical or family emergency or other hardship situation that is likely to require an employee's absence from duty and to result in a loss of income to the employee because of the unavailability of paid leave;

"(3) the term 'leave recipient' means an employee whose application under section 6333 to receive donations of leave is approved;

"(4) the term 'leave donor' means an employee whose application under section 6334 to make donations of leave is approved; and

"(5) the term 'transferred leave' means annual leave transferred under this subchapter.

"§ 6332. General authority

"Notwithstanding any provision of subchapter I, and subject to the provisions of this subchapter, the Office of Personnel Management shall establish a program under which annual leave accrued or accumulated by an employee may be transferred to the annual leave account of any other employee if such other employee requires additional leave because of a personal emergency.

"§ 6333. Receipt and use of transferred leave

"(a) An application to receive donations of leave under this subchapter, whether submitted by or on behalf of an employee—

"(1) shall be submitted to the employing agency of the proposed leave recipient; and

"(2) shall include—

"(A) the name, position title, and grade or pay level of the proposed leave recipient;

"(B) a brief description of the nature, severity, and anticipated duration of the personal emergency involved; and

"(C) any other information which the employing agency may reasonably require.

"(b) A leave recipient may use annual leave transferred to the leave recipient's annual leave account under this subchapter in the same manner and for the same purposes as if such leave recipient had accrued that leave under section 6303, except that—

"(1) any annual leave and (if appropriate) any sick leave accrued, accumulated, or otherwise available to the leave recipient shall be used before any transferred leave may be used; and

"(2) unless the personal emergency involves a medical condition affecting the leave recipient, the employing agency may consider the likely impact on morale and efficiency within the agency in considering a leave recipient's request to use transferred leave.

"(c) Transferred leave—

"(1) may accumulate without regard to the limitation imposed by section 6304(a); and

"(2) may be substituted retroactively for periods of leave without pay or used to liquidate an indebtedness for advanced annual leave granted on or after a date fixed by the employee's employing agency as the beginning of the personal emergency involved.

"(d) Transferred leave remaining to the credit of a leave recipient when the leave recipient's employment terminates—

"(1) may not be transferred to another agency, except with the consent of such other agency;

"(2) may not be included in a lump-sum payment under section 5551 or 5552; and

"(3) shall not be available for recredit under section 6306 upon reemployment.

"§ 6334. Donations of annual leave

"(a) An employee may, by written application to such employee's employing agency, request that a specified number of hours be transferred from such employee's annual leave account to the annual leave account of a leave recipient.

"(b) Upon approving an application under subsection (a), the employing agency of the leave donor may transfer all or any part of the number of hours requested for transfer, except that the number of hours so transferred may not exceed—

"(1) the number of hours remaining in the leave year (as of the time of the transfer) for which the leave donor is scheduled to work and receive pay; or

"(2) one-half of the maximum number of hours of annual leave accruable by the leave donor during the leave year, except with the written approval of the leave donor's employing agency.

"(c) Regulations prescribed by the Office of Personnel Management under section 6341 shall include—

"(1) procedures to carry out this subchapter when the leave donor and the leave recipient are employed by different agencies; and

"(2) provisions under which appropriate adjustments shall be made when the leave donor and the leave recipient are under different leave systems.

"§ 6335. Termination of personal emergency

"(a) The personal emergency affecting a leave recipient shall, for purposes of this subchapter, be considered to have terminated as of the date on which—

"(1) the leave recipient's employing agency determines that the personal emergency no longer exists; or

"(2) the leave recipient's employment by the employing agency terminates.

"(b) A leave recipient's employing agency shall continuously monitor the status of the personal emergency affecting the leave recipient and, consistent with guidelines prescribed by the Office of Personnel Management, shall establish procedures to ensure that a leave recipient is not permitted to use or receive transferred leave after the personal emergency ceases to exist.

"§ 6336. Restoration of transferred leave

"(a) The Office of Personnel Management shall establish procedures under which any transferred leave remaining to the credit of a leave recipient when the personal emergency affecting the leave recipient terminates shall be restored on a prorated basis by transfer to the annual leave accounts of the respective leave donors.

"(b) Transferred leave restored to a leave donor under subsection (a) before the beginning of the third biweekly pay period before the end of a leave year shall be subject to the limitation imposed by section 6304(a).

"(c) Transferred leave restored to a leave donor under subsection (a) after the beginning of the third biweekly pay period before the end of a leave year shall not be subject to the limitation imposed by section 6304(a) until the end of the leave year following the leave year in which the transferred leave is restored.

"(d) The Office shall prescribe regulations under which this section shall be applied in the case of an employee who is paid other than on the basis of biweekly pay periods.

"(e) Restorations of leave under this section shall be carried out in a manner consistent with regulations under section 6334(c), if applicable.

"§ 6337. Prohibition of coercion

"(a) An employee may not directly or indirectly intimidate, threaten, or coerce, or attempt to intimidate, threaten, or coerce, any other employee for the purpose of interfering with any right which such employee may have with respect to donating, receiving, or using annual leave under this subchapter.

"(b) For the purpose of subsection (a), the term 'intimidate, threaten, or coerce' includes promising to confer or conferring any benefit (such as an appointment or promotion or compensation), or effecting or threatening to effect any reprisal (such as deprivation of appointment, promotion, or compensation).

"§ 6338. Inclusion of postal employees

"An individual employed by the United States Postal Service or the Postal Rate Commission shall be eligible to participate under this subchapter to the same extent and subject to the same conditions as in the case of an employee under section 6331(1).

"§ 6339. Negotiated contracts; exclusion authority

"(a) Employees within a unit with respect to which an organization of Government employees has been accorded exclusive recognition shall not be included under this subchapter except to the extent expressly provided under a written agreement between the agency and such organization.

"(b)(1) Upon written request by the head of an agency, the Office of Personnel Management may exclude that agency from this subchapter if the Office determines that inclusion under this subchapter is causing substantial disruption to agency functions.

"(2) Section 2(b)(2) of the Federal Employees Leave Act of 1987 shall apply with respect to any transferred leave remaining to the credit of an employee whose personal emergency has not terminated before that employee's employing agency is excluded pursuant to this subsection.

"§ 6340. Reporting requirements

"The Office of Personnel Management may require agencies to maintain records and provide pertinent information to the Office for purposes of any report which the Office may be required to prepare with respect to this subchapter.

"§ 6341. Regulations

"The Office of Personnel Management may prescribe regulations necessary for the administration of this subchapter.".

(2) The analysis for chapter 63 of title 5, United States Code, is amended by adding at the end the following:

"SUBCHAPTER III—VOLUNTARY LEAVE TRANSFER PROGRAM

"Sec.
"6331. Definitions.
"6332. General authority.
"6333. Receipt and use of transferred leave.
"6334. Donations of annual leave.
"6335. Termination of personal emergency.
"6336. Restoration of transferred leave.
"6337. Prohibition of coercion.
"6338. Inclusion of postal employees.
"6339. Negotiated contracts; exclusion authority.
"6340. Reporting requirements.
"6341. Regulations.".

(b) Commencement and Termination of Program; Authority to Use Residual Leave Remaining After Program Terminates.—(1) The voluntary leave transfer program shall be implemented beginning not later than 4 months after the date of the enactment of this Act and shall terminate 5 years after its commencement date.

(2) If the voluntary leave transfer program terminates before the termination of the personal emergency affecting a leave recipient, any annual leave transferred to the annual leave account of the leave recipient before the termination of the program shall remain available for use (including by restoration to leave donors, if applicable) as if the program had remained in effect.

(c) Report.—The Office of Personnel Management shall submit a written report to the President and the Congress with respect to the operation of the voluntary leave transfer program not later than 6 months before the date on which the program is scheduled to be terminated.

SEC. 3. EXPERIMENTAL PROGRAMS INVOLVING ADDITIONAL LEAVE AS A MEANS OF RECOGNIZING OUTSTANDING PERFORMANCE BY FEDERAL EMPLOYEES.

(a) General Guidelines.—As soon as practicable after the date of the enactment of this Act, the Office of Personnel Management shall by regulation establish general guidelines in accordance with which agencies shall be permitted to conduct experimental programs to determine the desirability and feasibility of providing additional leave under subchapter I of chapter 63 of title 5, United States Code, as a means of recognizing outstanding performance or other achievements by Federal employees.

(b) Specific Conditions.—(1) An experimental program—

(A) may be designed in such a way so that the additional leave could be used in lieu of, in addition to, or otherwise in conjunction with, any monetary award or other form of recognition otherwise available under existing provisions of law; but

(B) may not be implemented in the case of any particular employee except with the consent of the employee involved.

(2) Employees within a unit with respect to which an organization of Government employees has been accorded exclusive recognition may not be included in an experimental program except to the extent expressly provided under a written agreement between the agency and such organization.

(c) Technical Assistance.—The Office shall, upon request of an agency, provide technical assistance relating to the design or implementation of an experimental program under this section.

(d) Information to OPM.—The Office may require agencies to maintain such records and to provide such information as the Office may require in order to prepare its report under subsection (e)(2).

(e) Termination; Report; Remaining Leave.—(1) All experimental programs under this section shall terminate not later than 5 years after the date of the enactment of this Act.

(2) Not later than 6 months after the termination of the experimental programs, the Office shall submit to the President and the Congress a report containing the Office's findings and conclusions with respect to each such program. Included as part of such report shall be recommendations for any administrative action or legislation which the Office considers appropriate.

(3) Any additional leave standing to the credit of an employee upon the termination of the experimental program under which such leave was granted shall remain available for use by such employee as if the program had remained in effect.●

ADDITIONAL COSPONSORS

S. 123

At the request of Mr. Inouye, the name of the Senator from New York [Mr. Moynihan] was added as a cosponsor of S. 123, a bill to amend title XVIII of the Social Security Act to provide that psychologist services are covered under part B of Medicare.

S. 305

At the request of Mr. Moynihan, his name was added as a cosponsor of S. 305, a bill to amend the National School Lunch Act to improve the administration of the commodity distribution program, and for other purposes.

At the request of Mr. Leahy, the names of the Senator from Massachusetts [Mr. Kennedy], the Senator from Arizona [Mr. McCain], the Senator from New Mexico [Mr. Domenici], and the Senator from South Dakota [Mr. Pressler] were added as cosponsors of S. 305, supra.

S. 328

At the request of Mr. Sasser, the names of the Senator from New Jersey [Mr. Lautenberg], and the Senator from Rhode Island [Mr. Chafee] were added as cosponsors of S. 328, a bill to amend chapter 39, United States Code, to require the Federal Government to pay interest on overdue payments, and for other purposes.

S. 438

At the request of Mr. Leahy, the name of the Senator from Arizona [Mr. DeConcini], was added as a cosponsor of S. 438, a bill to modify the application of the antitrust laws to encourage the licensing and other use of certain intellectual property.

S. 581

At the request of Mr. Proxmire, the name of the Senator from Iowa [Mr. Harkin] was added as a cosponsor of S. 581, a bill to amend title 10, United States Code, to increase the combat support assignments open to women in the Armed Forces.

S. 612

At the request of Mr. Simon, the name of the Senator from North Dakota [Mr. Burdick] was added as a cosponsor of S. 612, a bill to repeal a provision of Federal tort liability law relating to the civil liability of Government contractors for certain injuries, losses of property, and deaths and for other purposes.

S. 666

At the request of Mr. Nickles, his name was added as a cosponsor of S. 666, a bill to regulate interstate commerce by providing for a uniform product liability law, and for other purposes.

S. 780

At the request of Mr. Reid, the name of the Senator from West Virginia, [Mr. Rockefeller] was added as a cosponsor of S. 780, a bill to amend the enforcement provisions of the Federal Election Campaign Act of 1971.

S. 876

At the request of Mr. Baucus, the name of the Senator from Minnesota [Mr. Durenberger] was added as a cosponsor of S. 876, a bill to amend the Federal Aviation Act of 1958, relating to small community air service.

S. 945

At the request of Mr. Metzenbaum, the name of the Senator from Arizona [Mr. McCain] was added as a cosponsor of S. 945, a bill to require the Secretary of Health and Human Services to make grants to local governments for demonstration projects to provide respite home and other assistance for infants abandoned in hospitals, and for other purposes.

S. 1250

At the request of Mr. Biden, the name of the Senator from Kentucky [Mr. McConnell] was added as a cosponsor of S. 1250, a bill to strengthen the criminal justice partnership between the States and the Federal Government.

S. 1251

At the request of Mr. Graham, the names of the Senator from South Carolina [Mr. Hollings], the Senator from Hawaii [Mr. Inouye], the Senator from Kentucky [Mr. Ford], the Senator from Tennessee [Mr. Gore], the Senator from Texas [Mr. Bentsen], the Senator from Massachusetts [Mr. Kerry], the Senator from Louisiana [Mr. Breaux], the Senator from Washington [Mr. Adams], the Senator from Nebraska [Mr. Exon], the Senator from Oregon [Mr. Packwood], the Senator from Kansas [Mrs. Kassebaum], the Senator from South Dakota [Mr. Pressler], the Senator from Alaska [Mr. Stevens], the Senator from Wisconsin [Mr. Kasten], the Senator from Virginia [Mr. Trible], the Senator from California [Mr. Wilson], and the Senator from Arizona [Mr. McCain] were added as cosponsors of S. 1251, a bill to amend the Stevenson-Wydler Technology Innovation Act of 1980 to establish a National Quality Award, with the objective of encouraging American business and other organizations to practice effective quality control in the provision of their goods and services.

S. 1273

At the request of Mr. Rockefeller, the name of the Senator from Pennsylvania [Mr. Heinz] was added as a cosponsor of S. 1273, a bill to extend the Appalachian Regional Development Act of 1965 and to provide authorizations for the Appalachian Highway and Appalachian Area Development Programs.

S. 1325

At the request of Mr. Chafee, the names of the Senator from Colorado [Mr. Wirth], and the Senator from Massachusetts [Mr. Kerry] were added as cosponsors of S. 1325, a bill to require the Secretaries of Agriculture and Health and Human Services to enforce certain food labeling requirements for packaged foods sold by certain restaurants.

S. 1345

At the request of Mr. McConnell, the names of the Senator from Arizona [Mr. DeConcini], the Senator from Ohio [Mr. Metzenbaum], the Senator from Wyoming [Mr. Simpson], the Senator from Massachusetts [Mr. Kerry], the Senator from Arkansas [Mr. Bumpers], and the Senator from Iowa [Mr. Harkin] were added as cosponsors of S. 1345, a bill to allow the National Association of State Racing Commissioners, State racing commissions and regulatory authorities that regulate pari-mutuel wagering to receive and share Federal Government criminal identification records.

S. 1347

At the request of Mr. Simon, the names of the Senator from Wisconsin [Mr. Kasten], and the Senator from Pennsylvania [Mr. Specter] were added as cosponsors of S. 1347, a bill to facilitate implementation of the 1980 Hague Convention on the Civil Aspects of International Child Abduction, and for other purposes.

S. 1366

At the request of Mr. Kennedy, the name of the Senator from Ohio [Mr. Glenn] was added as a cosponsor of S. 1366, a bill to revise and extend the programs of assistance under title X of the Public Health Service Act.

S. 1397

At the request of Mr. Cranston, the names of the Senator from Oklahoma [Mr. Boren], and the Senator from New Mexico [Mr. Domenici] were added as a cosponsors of S. 1397, a bill to recognize the organization known as the Non Commissioned Officers Association of the United States of America.

S. 1424

At the request of Mr. Simon, the names of the Senator from Connecticut [Mr. Weicker], the Senator from Wisconsin [Mr. Kasten], the Senator from Michigan [Mr. Riegle], the Senator from New Jersey [Mr. Lautenberg], the Senator from Oklahoma [Mr. Nickles], the Senator from Rhode Island [Mr. Pell], and the Senator from Utah [Mr. Hatch] were added as cosponsors of S. 1424, a bill to amend title 8, United States Code, to provide for adjustment of status of certain Polish nationals who arrived in the United States before July 21, 1984, and who have continuously resided in the United States since that date.

S. 1475

At the request of Mr. Melcher, the name of the Senator from Michigan [Mr. Riegle] was added as a cosponsor of S. 1475, a bill to establish an effective clinical staffing recruitment and retention program, and for other purposes.

SENATE JOINT RESOLUTION 135

At the request of Mr. Simon, the name of the Senator from Georgia [Mr. Nunn] was added as a cosponsor of Senate Joint Resolution 135, a joint resolution to designate October 1987 as "Polish American Heritage Month".

SENATE JOINT RESOLUTION 172

At the request of Mr. Bradley, the names of the Senator from Rhode Island [Mr. Pell], and the Senator from Kansas [Mr. Dole] were added as cosponsors of Senate Joint Resolution 172, a joint resolution to designate the period commencing February 21, 1988, and ending February 27, 1988, as "National Visiting Nurse Association Week".

SENATE JOINT RESOLUTION 173

At the request of Mr. Reid, the name of the Senator from South Dakota [Mr. Pressler] was added as a cosponsor of Senate Joint Resolution 173, a joint resolution to commemorate the 200th anniversary of the signing of the United States Constitution.

SENATE JOINT RESOLUTION 174

At the request of Mr. Simon, the names of the Senator from Rhode Island [Mr. Pell], the Senator from Tennessee [Mr. Gore], the Senator from Michigan [Mr. Riegle], the Senator from Maryland [Mr. Sarbanes], the Senator from Florida [Mr. Chiles], the Senator from North

Carolina [Mr. SANFORD], the Senator from Hawaii [Mr. INOUYE], the Senator from Iowa [Mr. GRASSLEY], the Senator from Mississippi [Mr. COCHRAN], the Senator from California [Mr. WILSON], the Senator from Indiana [Mr. LUGAR], and the Senator from Maryland [Ms. MIKULSKI] were added as cosponsors of Senate Joint Resolution 174, a joint resolution designating the week beginning November 15, 1987, as "African American Education Week".

SENATE JOINT RESOLUTION 175

At the request of Mr. TRIBLE, the names of the Senator from Kansas [Mr. DOLE], and the Senator from Pennsylvania [Mr. HEINZ] were added as cosponsors of Senate Joint Resolution 175, a joint resolution to recognize the efforts of the United States Soccer Federation in bringing the World Cup to the United States in 1994.

At the request of Mr. D'AMATO, his name was added as a cosponsor of Senate Joint Resolution 175, supra.

SENATE CONCURRENT RESOLUTION 6

At the request of Mr. HUMPHREY, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of Senate Concurrent Resolution 6, a concurrent resolution expressing the sense of the Congress with respect to the denial of health insurance coverage for disabled adopted children.

SENATE CONCURRENT RESOLUTION 56

At the request of Mr. DURENBERGER, the name of the Senator from Missouri [Mr. BOND] was added as a cosponsor of Senate Concurrent Resolution 56, a concurrent resolution expressing the sense of Congress that no major change in the payment methodology for physicians' services, including services furnished to hospital inpatients, under the Medicare Program should be made until reports required by the Ninety-ninth Congress have been received and evaluated.

SENATE CONCURRENT RESOLUTION 63

At the request of Mr. SANFORD, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of Senate Concurrent Resolution 63, a concurrent resolution expressing the sense of the Congress regarding the formulation and implementation of a regional economic development and recovery program for Central America.

SENATE RESOLUTION 268—AUTHORIZING THE RELEASE OF CERTAIN DOCUMENTS

Mr. BYRD (for himself and Mr. DOLE) submitted the following resolution; which was considered and agreed to:

S. RES. 268

Whereas, in the case of *United States* v. *Stanley Simon, et al.*, S 87 Cr. 265, pending in the United States District Court for the Southern District of New York, one of the defendants, Richard Biaggi, has obtained a subpoena, addressed to Linda J. Gustitus, staff director and chief counsel of the Subcommittee on Oversight of Government Management of the Committee on Governmental Affairs, for the production of subcommittee documents;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§ 288b(a) and 288c(a)(2) (1982), the Senate may direct its counsel to represent the committees, Members, officers or employees of the Senate with respect to subpoenas issued to them in their official capacities;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that documents in the possession of the Senate are or may be needed for use in any court for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore be it

Resolved, That the Senate Legal Counsel is directed to represent Linda J. Gustitus in the case of *United States* v. *Stanley Simon, et al.*

SEC. 2. That the Chairman and Ranking Minority Member of the Subcommittee on Oversight of Government Management, acting jointly, are authorized to produce documents in the case of *United States* v. *Stanley Simon, et al.*, to the extent they deem it necessary to promote the interests of justice consistent with the privileges of the Senate.

SENATE RESOLUTION 269—AUTHORIZING CERTAIN ACTION BY THE SENATE LEGAL COUNSEL

Mr. BYRD (for himself and Mr. DOLE) submitted the following resolution; which was considered and agreed to:

S. RES. 269

Whereas, in *In the Matter of Mark Anthony Hollander*, a bar admission proceeding pending before the State Bar of California, San Diego County No. 87-M-04 SD, two employees of the Senate, Sandra Weintraub and Katherine A. Holladay, have been subpoenaed to appear and to testify at a hearing;

Whereas, the two employees have information which may be relevant to that proceeding;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§ 288b(a) and 288c(a)(1982), the Senate may direct its counsel to represent employees of the Senate with respect to subpoenas issued to them in their official capacities;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by the administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that testimony by Senate employees in their official capacities may be needed in any forum for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it

Resolved, That the Senate Legal Counsel is directed to represent Sandra Weintraub and Katherine A. Holladay in connection with their testimony in *In the Matter of Mark Anthony Hollander.*

SEC. 2. That Sandra Weintraub and Katherine A. Holladay are authorized to testify at proceedings before the State Bar of California in *In the Matter of Mark Anthony Hollander*, except concerning matters which are privileged.

AMENDMENTS SUBMITTED

ADMINISTRATION OF COMMODITY DISTRIBUTION PROGRAM

LEAHY AMENDMENT NO. 658

Mr. LEAHY proposed an amendment to the bill (S. 305) to amend the National School Lunch Act to improve the administration of the commodity distribution program, and for other purposes; as follows:

On page 13, line 6, after "basis" insert the following: "taking into consideration the Dietary Guidelines for Americans published by the Secretary of Agriculture and the Secretary of Health and Human Services (as in effect at the time of the update of the recipe cards)".

On page 14, between lines 13 and 14, insert the following new subsection:

(b) DOMESTIC PURCHASE REQUIREMENT.—Section 1581 of such Act is amended by adding at the end thereof the following new subsection:

"(d) Effective beginning July 1, 1987, in carrying out the pilot project referred to in subsection (a), a school district shall be required to provide through contract specifications that only items produced and processed in the United States be purchased with cash assistance and commodity letters of credit assistance provided under the project.".

On page 14, line 14, strike out "(b)" and inserting in lieu thereof "(c)".

On page 18, between lines 9 and 10, insert the following new sections:

SEC. 9. SUPPLYING INFANT FORMULA FOR THE WIC PROGRAM.

Section 17(f) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)) is amended by adding at the end thereof the following new paragraph:

"(16) To be eligible to participate in the program authorized by this section, a manufacturer of infant formula that supplies formula for the program shall—

"(A) register with the Secretary of Health and Human Services under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321 et seq.); and

"(B) before bidding for a State contract to supply infant formula for the program, certify with the State health department that the formula complies with such Act and regulations issued pursuant to such Act.".

SEC. 10. OVERSPENDING AND UNDERSPENDING UNDER THE WIC PROGRAM.

Section 17(i)(3) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(i)(3)) is amended—

(1) in subparagraph (A)—

(A) by inserting "and subject to subparagraphs (B) and (C)" after "paragraph (2)"; and

(B) by striking out "or" at the end of clause (i) and inserting in lieu thereof "and"; and

(2) by adding at the end thereof the following new subparagraph:

"(C) The total amount of funds transferred from any fiscal year under clauses (i) and (ii) of subparagraph (A) shall not exceed 1 percent of the amount of the funds allocated to a State agency for such fiscal year.".

SEC. 11. EXTENSION OF QUALITY CONTROL STUDIES.

Section 12301(a)(3) of the Consolidated Omnibus Reconciliation Act of 1985 (42 U.S.C. 603 note) is amended by striking out "one year" and inserting in lieu thereof "15 months".

On page 18, line 10, strike out "9" and insert in lieu thereof "12".

HEINZ AMENDMENT NO. 659

Mr. HEINZ proposed an amendment to the bill S. 305, supra; as follows:

At the end of the bill, add the following new sections:

SECTION . FOOD BANK SPECIAL NUTRITION PROJECTS.

The first sentence of section 211(d) of the Agricultural Act of 1980 (7 U.S.C. 4004(d)) is amended by striking out "a progress report on July 1, 1983, and a final report on January 1, 1984," and inserting in lieu thereof "an annual report".

SEC. . FOOD BANK DEMONSTRATION PROJECTS.

(a) In General.—The Secretary of Agriculture (hereinafter in this section referred to as the "Secretary") shall carry out at least one demonstration project in each of the standard Federal regions to provide and redistribute agricultural commodities or products made available under section 32 of the Act entitled "An Act to amend the Agricultural Adjustment Act, and for other purposes", approved August 24, 1935 (7 U.S.C. 612c), to needy individuals and families through community food banks designated under section 211(c) of the Agricultural Act of 1980 (7 U.S.C. 4004(c)).

(b) Transfer of Commodities.—The Secretary may use State agencies or any other food distribution systems to transfer the commodities or products to community food banks in accordance with the last sentence of section 32 of the Act entitled "An Act to amend the Agricultural Adjustment Act, and for other purposes", approved August 24, 1935.

(c) Food Types.—The Secretary shall determine the quantities, varieties, and types of agricultural commodities and products to be made available to community food banks under this section.

(d) Statewide Coverage.—To the maximum extent possible, the Secretary shall provide for Statewide coverage in each project carried out under this section.

(e) Report.—Not later than January 3, 1990, the Secretary shall submit a report to Congress describing the demonstration projects carried out under this section. The report shall include an analysis and evaluation of the distribution and redistribution of food under the demonstration projects and the feasibility of expanding the projects to other community food banks.

(f) Termination.—The authority provided under this section shall terminate on December 31, 1990.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON WATER AND POWER

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Water and Power of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Wednesday, August 5, 1987, to receive testimony concerning S. 641, for the relief of the city of Minot, ND; S. 649, to amend the Reclamation Authorization Act of 1976; and S. 1549, to increase the authorization ceiling for the closed basin division, San Luis Valley project, Colorado.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Wednesday, August 5, 1987, to conduct an executive session on the following: pending nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, August 5, 1987, at 3:30 p.m. to receive a classified briefing from the administration on the Arab-Israeli military balance.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON CONSUMER AFFAIRS

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Consumer Affairs of the Committee on Banking, Housing, and Urban Affairs be allowed to meet during the session of the Senate Wednesday, August 5, 1987, to conduct hearings on S. 1507, the Truth in Savings Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

KATHERINE D. DAVIS

● Mr. ROCKEFELLER. Mr. President, today I am very proud to pay tribute to Katherine Davis of Dunbar, WV, for her winning essay in the U.S. Department of Education's Elementary Essay project on the bicentennial of the Constitution.

The contest required an essay of up to 250 words on the theme, "What the Constitution Means to Me and to Our Country." Over 1 million students in grades 1 to 8 entered the competition. Entrants were divided into four age groups and judged on understanding of the topic, clarity of expression, unity of ideas, originality, and style, and mechanics. Katherine was 1 of only 150 youngsters selected for recognition by the eight-member national selection panel which was made up of educators and private citizens knowledgeable in history and writing.

Her essay displays fine writing skills and an exceptional understanding of our Constitution for such a young age. I commend her for her talents and insight into the document that is truly the foundation of our Nation.

Special praise is also due for her parents and teachers who have nurtured these skills and values. Without their good work, our future would not hold the bright prospects that Katherine's life promises to fulfill.

As adults, we should also understand that we have something to learn from our children. We all too often dwell on the letter of the Constitution and forget the spirit behind it. Children, on the other hand, are more apt to see things in their simplest terms and in so doing are often able to capture the core of ideas and values sometimes overlooked by their elders. Katherine's essay and those of her peers are a valuable reminder of these basic principles.

As the Constitution prepares to enter its third century of existence, we can rest assured that it will remain in good hands when Katherine and her generation step forward to lead our country. For this we can all be thankful. ●

A RESOLUTION OF THE OREGON LEGISLATIVE ASSEMBLY

● Mr. HATFIELD. Mr. President, I request that the following legislative memorial be included in the Record, as recognition of the keen leadership and valuable initiative of the 64th Oregon Legislative Assembly.

The memorial follows:

House Joint Resolution 41

Whereas the majority of land in the State of Oregon is owned by the United States Government, with 25.3 percent managed by the United States Forest Service and 25.5 percent managed by the Bureau of Land Management; and

Whereas the Forest Service and Bureau of Land Management currently are preparing plans under the National Forest Management Act and the Federal Land Policy and Management Act that will control the development and use of federal lands in this state for the next 10 to 15 years; and

Whereas pursuant to federal law, the Forest Service and Bureau of Land Management are required to coordinate their plans with state and local plans; and

Whereas this state depends upon federal land to supply many of the commodities critical to the economy of this state, including timber, grazing, tourism, fish and minerals, and to the environment of this state, including fish and wildlife, water and recreation; and

Whereas over 65,000 workers, comprising nearly one-third of the manufacturing jobs in the state, substantially rely on commodities supplied from federal land for their livelihood and virtually all residents of this state enjoy recreational opportunities on federal land; and

Whereas to achieve an economic comeback, the people of this state need to assure that federal land use plans are environmentally sound and allow the industries and communities of this state to invest, based upon stable and predictable supplies of commodities from federal lands in this state; now, therefore, be it resolved by the Legislative Assembly of the State of Oregon:

(1) The Governor of the State of Oregon is directed to participate actively at all stages of federal land use planning to assure that the federal plans are consistent with state and local plans and meet the future needs of all the people of this state.

(2) The Governor of the State of Oregon is directed to coordinate the responses of all state agencies to federal land use plans, and with full public participation, to develop and advocate a single position of this state on such plans.

(3) The Governor of the State of Oregon is directed to urge the Congress of the United States, the United States Forest Service and the Bureau of Land Management to make decisions on federal plans for the State of Oregon consistent with state and local plans and state commentary presented in the federal planning process and to avoid incremental decision making by deferring final decisions on all national forests and management districts until the statewide cumulative impact of the proposed plans can be evaluated and considered.

(4) The Governor of the State of Oregon is directed to urge the United States Forest Service and the Bureau of Land Management to continue managing federal lands under existing land use plans until the new plans, or amendments to existing plans, are developed and approved with participation by this state, to urge that no constraints should be applied in the interim to existing plans in contemplation of the new plans without an opportunity for the State of Oregon to review any such proposals, and to urge that new plans should consider the full range of possible management alternatives in order to make participation in the process by this state meaningful.

(5) Copies of this resolution shall be sent to the Governor, the administrative head of each state agency, the Secretary of Agriculture, the Chief of the United States Forest Service, the Director of the Bureau of Land Management, the Regional Forester, the Secretary of Interior, the State Director of the Bureau of Land Management, the President of the United States and each member of the Oregon Congressional Delegation.●

HERB GARDENS

● Mr. ROCKEFELLER. Mr. President, it gives me great pleasure today to pay tribute to herb gardens and herb gardeners. Thousands of persons across America devote great amounts of time and care to the cultivation of these fascinating plants. I commend them for their efforts to make this world a more pleasant place in which to live.

Herb gardens are both beautiful and useful—a combination that makes for a truly rewarding hobby. Recently, the Wheeling Herb Society and the Wheeling Civic Garden Center completed a herb garden that consists of six raised brickbeds with over 140 varieties of herbs. The garden also includes an armillery sundial which is fondly dedicated to the memory of Mary V. Paull. I want to commend those who donated their time and money to the creation of this herb garden. Those who will maintain the garden—the Wheeling Civic Garden Center and the Herb Society of Wheeling—are also deserving of praise.

Throughout history, man has used the secrets of herbs for medicinal, culinary and dyeing purposes. Early doctors used certain herbs to treat their patients. Anise was said to aid digestion and relieve coughs. Lavender was used for nervous headaches and depression, and sage was considered an effective treatment for sore throats. Even today, many doctors and scientists will attest to the fact that these herbs are valuable for certain medicinal purposes just as their predecessors had claimed.

Of course, herbs are best noted for their value as a seasoning. With the current emphasis on natural foods and good health, herbs are becoming more and more common in recipes and kitchens throughout our country. One would hate to think how bland and unappealing food would be if it were not for the flavor enhancing qualities of herbs such as garlic, mustard, basil—the list goes on and on.

Herb gardeners devote their time and effort to the cultivation of these delightful plants, and are rewarded with the simple serenity and fulfillment of having made something grow. Once again, I salute their efforts and encourage them and others to join in herb gardening—a hobby that truly adds some spice to this world of ours.●

INCREASING EMPHASIS ON EDUCATION IN THE SUMMER YOUTH JOBS PROGRAM

● Mr. SIMON. Mr. President, one of the most alarming problems among young people is the failure of those who attend and graduate from high school to acquire the necessary educational tools to become effective contributing members of society. As a group, youth have a higher unemployment rate than adults, although this is not a long-term problem. However, many economically disadvantaged young people have difficulty obtaining and keeping a job that will put them on the path of advancement. A major employment obstacle—even for those who are high school graduates—is low proficiency in the areas of reading, writing, and mathematics.

The Summer Youth Jobs Program is a federally funded job training program authorized under title II-B of the Job Training Partnership Act (JTPA, Public Law 97-300), and is administered by the Department of Labor's Employment and Training Administration. The Department allocates funds to States and territories who, in turn, allocate these funds to service delivery areas [SDA's] to operate these programs. In the summer of 1986, SDA's expended about $765 million of the title II-B funds and served 748,000 young people. The Summer Youth Employment and Training Program [SYETP] was created to address the educational needs of economically disadvantaged youth working in the Summer Youth Jobs Program. It does so by: First, enhancing their basic educational skills; second, encouraging school completion or enrollment in supplementary or alternative school programs; and third, providing eligible youth with exposure to the job market. Economically disadvantaged individuals 16 through 21 years old are eligible to participate.

In recent years support has grown for using the Summer Youth Jobs Program to improve youths' short- and long-term employability. In a desire to enhance these goals, the 1986 JTPA Amendments revised the summer program to require SDA's to assess the reading and math abilities of eligible youths and to provide basic and remedial education programs. The Senate bill (S. 2069) required that each program be conducted during the summer. The Department of Labor is required by this law to develop performance standards measuring the effectiveness of this program within 4 years.

In a study conducted by the U.S. General Accounting Office [GAO], 200 SDA's program officials in 44 States were interviewed on the remedial education requirement in the SYETP's. Of those interviewed 83 percent plan to address the assessment requirement by obtaining grades and scores from schools. SDA's will use more than just information from schools; 76 percent of the SDA's will give written reading and math tests to youths.

Test performance will be the primary criteria for selecting youths for remediation. About 86 percent of the SDA's will require that youths who score below some specific level on both reading and math be provided with remedial education. The GAO report found that local programs plan to provide remediation to more youth and expend more funds for remediation in 1987. More than twice as many youths are expected to receive remediation during the summer of 1987 than in 1986—116,000 compared to 55,000—an increase of 8 percent to 21 percent of all program participants. This is due, in part, to the fact that more SDA's will provide remedial education, from 57 percent in 1986, before enactment of legislation, to the mandatory 100 percent in 1987. The report also projected that the local program expenditures on education will increase from $37 million to $67 million—an increase from 5.2 percent to 12.1 percent of their total allocation. As a result of the additional expenditures to fulfill the remedial education requirement, a reduction in the number of youth served and hours worked is expected. Most SDA's—more than 90 percent—plan to use performance tests to assess the effectiveness of remediation provided. The majority of the officials surveyed—67 percent—felt the new provision requiring remedial education in the SYETP was appropriate.

I believe that education and employment programs offered through the Summer Youth Jobs Program can have a lasting impact on the future of thousands of economically disadvantaged young people. They will not only learn good work habits, but they will supplement their education as well.●

S. 1575—AIDS TESTING AND COUNSELING

● Mr. SIMON. Mr. President, last week the Centers for Disease Control reported that over 38,000 Americans have been diagnosed with AIDS. We are facing a crisis of potentially epidemic proportion and there is a great need to respond to the challenges posed by this threat. The public health policy aspects of AIDS are difficult and the social and moral issues have already begun to tear segments of our society. We who have been elected to represent and lead this great Nation have a special responsibility in managing this as the public health crisis that it is.

There are issues that divide us politically and morally. But moving on the AIDS threat should not be one of them. We must educate, not discriminate; we must provide treatment, not instill fear; and we must renew our belief and reliance in scientific research and public health efforts. We must resolve to prevent suffering.

On July 31, our distinguished colleague and chairman of the Labor and Human Resources Committee introduced legislation to accept these challenges. I am pleased to join Senator KENNEDY in this effort. He and Congressman WAXMAN have worked tirelessly to incorporate recommendations of the medical, scientific, public health, and legal communities. I commend them for their leadership on such a controversial and difficult issue.

We must provide adequate assistance immediately for voluntary testing centers. Hardly anyone who knows he or she has AIDS spread it. But those who do not know they have it, do spread it. The wait to get tested at voluntary centers in Minneapolis is 3 months, in Chicago 2 months, in New York about 1 month.

Those waiting periods are unbelievably costly to the Nation. For anyone suspecting he or she has AIDS, voluntary and confidential testing should be quickly available.

The bill would provide $400 million for these purposes. This is a good first step. It acknowledges the gravity of the situation. However, we must admit to ourselves, and to the rest of the Nation, that AIDS will not be defeated easily.

This legislation serves as a complement to S. 1220, the education and risk reduction initiative. Testing helps in the education effort by providing the individual with the information needed to make intelligent decisions. Counseling is crucial in this regard and is an integral part of that progress.

Combined these two bills put us in line with the 1990 goals set in the Institute of Medicine and National Academy of Sciencies recommendations for research, risk reduction, and education.

I urge my colleagues, Democrats and Republicans alike, to support this effort. We all are aware that the process is a joint and cooperative one. We have a responsibility to lead our nation through this crisis: to educate and stop the spread of the disease, to provide testing, counseling, and health care services to those in need. I believe we can defeat this disease if we work together.●

ALLOCATIONS OF FISCAL YEAR 1988 SPENDING AUTHORITY TO THE SUBCOMMITTEES OF THE COMMITTEE ON ARMED SERVICES

● Mr. NUNN. Mr. President, under section 302(a) of the Congressional Budget Act, the statement of managers accompanying a conference report on a concurrent budget resolution includes an allocation of budget totals among the committees of the Senate and House of Representatives that have jurisdiction over spending authority.

Section 302(b) of the act requires the committees to allocate such spending authority among either subcommittees or the programs over which they have jurisdiction. After consultation with appropriate committees of the other House, the committees are required to report the allocations they have made to their respective House.

The Committee on Armed Services submits the following report in compliance with section 302(b) of the Budget Act allocating its direct spending authority among the subcommittees. I ask that the report be printed in the RECORD.

The report is as follows:

REPORT OF THE COMMITTEE ON ARMED SERVICES PURSUANT TO SECTION 302(b) OF THE CONGRESSIONAL BUDGET ACT OF 1974

Mr. Nunn, from the Committee on Armed Services, submitted the following report:

The Committee on Armed Services, which was allocated certain budget authority and outlays by the managers of the conference on the House Concurrent Resolution 93, report the division of such allocations among subcommittees of the Committee for fiscal year 1988.

BACKGROUND

Under section 302(a) of the Congressional Budget Act, the statement of managers accompanying a conference report on a concurrent budget resolution includes an allocation of budget totals among the committees of the Senate and House of Representatives that have jurisdiction over spending authority.

Section 302(b) of the act requires the committees to allocate such spending authority among either subcommittees or the programs over which they have jurisdiction. After consultation with appropriate committees of the other House, the committees are required to report the allocations they have made.

ALLOCATION RECEIVED BY THE COMMITTEE

The allocation received by the Committee on Armed Services from the managers of the conference was in two parts: (1) direct spending authority; and (2) entitlements that require appropriations.

The direct spending authority allocation was made to this committee of original and complete jurisdiction for the federal programs and activities assumed in the allocation.

Entitlements and other direct spending accounts that require appropriations were allocated both to this committee and to the Appropriations Committee of the Senate. These amounts, therefore, are reflected in the reports filed by both committees as required by section 302(b).

The Committee on Armed Services received the following allocations for fiscal year 1988:

Fiscal year 1988

	Millions
Direct Spending authority:	
Budget authority	$44,256
Outlays	30,359
Entitlements that require appropriations:	
Budget authority	161
Outlays	161

ALLOCATIONS MADE BY THE COMMITTEE

The Committee has made its allocations among the several subcommittees as shown in the following table. Budget authority and outlay figures are CBO baseline estimates incorporated in the budget resolution.

The total amount of funds allocated in this report is equal to the allocations made to this Committee in H. Con. Res. 93, the Concurrent Resolution on the Budget for Fiscal Year 1988.

Fiscal year 1988

	Millions
Subcommittee on Manpower and Personnel:	
Budget authority	$44,221
Outlays	30,361
Subcommittee on Readiness, Sustainability and Support:	
Budget authority	196
Outlays	159

Subcommittee account assignments for fiscal year 1988—Committee on Armed Services

[In millions of dollars]

Committee total:	
Budget authority	$44,417
Outlays	30,520
Subcommittee on Manpower and Personnel:	
1. Account name: Payment to Military Retirement Fund: Account number: 97-0040-0-1-054:	
Budget authority	11,200
Outlays	11,200
2. Account name: Military Retirement Fund: Account number: 97-8097-0-7-602:	
Budget authority	32,743
Outlays	19,081
3. Account name: Education Benefits Fund: Account number: 97-8098-0-7-702:	
Budget authority	277
Outlays	80
4. Account name: Miscellaneous trust funds (other veterans benefits and services): Account number: 20-9971-0-7-705:	
Budget authority	0
Outlays	0
5. Account name: Payment of claims: Account number: 84-8930-0-7-705:	
Budget authority	0
Outlays	0
Subcommittee subtotal:	
Budget authority	44,221
Outlays	30,361
Subcommittee on Readiness, Sustainability and Support:	
1. Account name: Department of the Navy trust funds: Account number: 17-9972-0-7-051:	
Budget authority	$26
Outlays	26
2. Account name: Navy Industrial Fund (ship leases): Account number: 20-7004-0-4-051:	
Budget authority	0
Outlays	−34
3. Account name: Department of the Army trust funds: Account number: 21-9971-0-7-051:	
Budget authority	0
Outlays	0
4. Account name: Department of the Air Force General Gift Fund: Account number: 57-8928-0-7-051:	
Budget authority	0
Outlays	0
5. Account name: Claims, defense: Account number: 97-0102-0-1-051:	
Budget authority	161
Outlays	161
6. Account name: Homeowners Assistance Fund, Defense: Account number: 97-4090-0-3-051:	
Budget authority	3
Outlays	1
7. Account name: Coast Guard General Gift Fund: Account number: 69-8533-0-7-403:	
Budget authority	0
Outlays	0
8. Account name: Operations and facilities: Account number: 95-5190-0-2-403:	
Budget authority	4
Outlays	4
9. Account name: Barry Goldwater Scholarship and Excellence in Education Fund: Account number: 95-8281-0-7-502:	
Budget authority	2
Outlays	1
Subcommittee subtotal:	
Budget authority	196
Outlays	159
Grand total:	
Budget authority	44,417
Outlays	30,520●

INFORMED CONSENT: INDIANA

● Mr. HUMPHREY. Mr. President, today I would like to insert into the RECORD two letters from concerned women who support my informed consent legislation, S. 272 and S. 273. Today's letters come from the State of Indiana.

I ask that these from women in Indiana be inserted in the RECORD.

The letters follow.

FEBRUARY 3, 1987.

DEAR SENATOR HUMPHREY: I understand you're interested in hearings from women who have had abortions. Well I'm one and would like to share with you my experience.

Thirteen years ago January I had a suction abortion. In Indianapolis at Community Hospital. I was married and had two children at the time. My husband was in college and I was working full time. Because of finances and marriage problems my husband felt it was the only thing to do. Planned Parenthood did a pregnancy test and affirmed the pregnancy. The doctor who examined me said it would be no problem but I should also be sterilized at the same time. After all I couldn't afford this one so I shouldn't have any more. The counselor made the arrangements for the abortion but said nothing else to me.

When I arrived at the doctors office in Indianapolis he proceeded to share with my husband and I that there was no baby formed at this point (just a blob of tissue). He went on to share about the tubal litigation and never mentioned the abortion again.

I know I chose to believe these people but we have been raised to trust the doctors. Five years later I was told the truth. I remember when I saw the first film on abortion. I became sick and distraught with guilt and grief. It took years before I could over come the feelings that started that day.

Today I work in pro-life work ministering to women who have gone through abortion. I also share wherever I can the truth about abortion.

Thank you so much for your interest and all the work you do. Continue on in God's peace and strength.

Sincerely,

PAT HATCHER,
Indiana.

FEBRUARY 2, 1987.

DEAR SENATOR HUMPHREY: This letter is pertaining to informed consent. Every woman has the right to know the truth about abortion before making this life changing decision. Eleven years ago I was a divorced mother of two and the sole supporter of my family. Pregnancy was not on my agenda, but I did consider myself a survivor and I knew I could make it through the worst of circumstances.

The Women's Clinic offered free pregnancy tests. They told me my test was positive and in the next breath that at my stage of pregnancy (12 weeks) there was no form to my "product of conception" just "blood and tissue like a piece of liver".

I paid cash up front for my suction abortion. I had no idea of the seven years of torment to follow. I suffered incredibly low self-esteem, drug and alcohol abuse, promiscuity, and suicidal impulses. After months of psychiatric counseling sessions, I was worse than ever. I tried to kill myself with an overdose of prescription sleeping pills. I survived and woke up in the mental ward of our local hospital.

After a second suicide attempt four years ago, Jesus rescued me. I'm finally whole.

As millions of women like me, I was lied to and coerced into paying to have my own child murdered. God have mercy on these liars and murderers! We have a right to know the truth!

In His Service,

JULIE WESTCOTT,
Indiana.●

ARGUMENTS FOR AMTRAK PRIVATIZATION ARE ON THE WRONG TRACK

● Mr. LAUTENBERG. Mr. President, for several years now, this administration has sought to eliminate funding for Amtrak. These efforts, fortunately, have been year after year, thwarted by the Congress. Congress, unlike the administration and conservative supporters, understand the importance of Amtrak. We understand that in order to continue to develop and thrive, we must have a balanced national transportation network. Intercity rail service must be a part of that network.

Mr. President, I came to this body from the private sector. I cofounded and ran a company that started with a handful of employees and grew to over 20,000 employees throughout the country and in several foreign countries. From experience, I know what the private sector can do. I truly believe in the capabilities of the private sector. There are many things the private sector can, and should, do rather than the Government. Running a national passenger railroad, however, is not one of them.

As a Member of the Senate, I have supported reasonable privatization initiatives. I was a leading proponent of the sale of Conrail. I proposed the sale of Federal loan assets. I think we should look more closely at the privatization of the Bonneville Power Administration. And I will continue to support privatization where it's appropriate.

But I cannot support the efforts to eliminate funding for Amtrak. Amtrak was created in 1971 to fill the void left by failed private rail enterprises. The private sector simply could not provide the intercity rail service we needed so badly.

The arguments that private entities would step in and provide the service

Amtrak provides today just doesn't hold true. Private companies are in business to make a profit. Under private ownership, nonprofitable routes would not be served. We've seen that this is the case in aviation, where small, rural communities have had airline service severely curtailed or cut off entirely since deregulation.

There are certainly ways that Amtrak can be improved, and I encourage all efforts in that direction. Over the last several years, Amtrak has continually improved its financial standing. In 1981, Amtrak received $896.3 million in Federal subsidies, and had a revenue to cost ratio of 48 percent. In 1986, under the aggressive leadership of Amtrak president Graham Claytor and the direction of the Congress, Amtrak had increased that ratio to 62 percent. At the same time, Federal support had been cut by nearly one-third, to $602 million. Amtrak's revenues this year are covering about 65 percent of costs, and more progress is expected in the years to come.

Mr. President, I wish we could point to such success in all our Federal agencies and programs.

Each year, Amtrak gets more and more efficient, and more and more important to a balanced national transportation network. Ridership is at new highs. Innovative progress should result in continued improvements. We have the right—and the duty—to demand the most out of our Federal dollars. As chairman of the Transportation Subcommittee of the Appropriations Committee, I will continue to insist that Amtrak find new ways to improve its financial performance. If one looks at the facts, Amtrak is doing a better job than most in this area, and is continuing to improve.

Yet, the administration and others continue to single out Amtrak for attack. In June, the U.S. Chamber of Commerce published a paper in which many of the same old arguments were trotted out against Amtrak. Unfortunately, this paper is in several cases an inaccurate portrayal of the Amtrak situation.

Amtrak president Graham Claytor has responded to the chamber paper, setting the record straight and responding to the propositions laid out in that paper. Mr. Claytor, whose leadership and accomplishments as president have been lauded by both supporters and opponents of a federally supported passenger rail system, presents a thoughtful, effective response to the paper. I ask unanimous consent that the text of Mr. Claytor's letter of July 15 be included in the Record.

I urge my colleagues to read this letter. I think they will find it very instructive in assessing Amtrak, and considering its importance to our national transportation system.

The letter follows:

National Railroad Passenger Corp.,
Washington, DC, July 15, 1987.

Dr. Richard L. Lesher,
President, U.S. Chamber of Commerce, Washington, DC

Dear Dr. Lesher: I am writing to you about a U.S. Chamber of Commerce Policy Working Paper entitled "Amtrak and the Privatization Option," prepared by Rajni Bonnie Ohri and published in June 1987. I find the paper alarmingly shallow and inaccurate. As an economic analysis of intercity rail passenger service, it demonstrates near total ignorance of actual and potential market forces, costs, revenues and operations applicable to the intercity rail passenger business.

This is not surprising. The paper is not, in fact, an original economic analysis at all, but rather a virtual reprint of a thoroughly rebutted Heritage Foundation paper entitled "Privatizing Amtrak's Northeast Corridor," by Stephen Moore, published February 11, 1987.

No one can disagree with the paper's opening statement, that "The essential idea behind privatization is to identify those government services that could be more effectively provided by the private sector." This is followed, however, by the paper's basic thesis, that Amtrak is "the most dramatic example of a privatization opportunity." This conclusion, in turn, is necessarily based on the premise that intercity rail passenger service can be operated today at a profit if this is done by private enterprise. This premise, on which the whole paper depends, is never proved nor even analyzed; in fact, the relatively recent actual experience of the privately owned and operated railroad industry conclusively proves the contrary. While the paper dismisses this experience as based on "burdensome regulations, declining ridership and mismanagement," it is uncontroverted that even the best managed railroads were unable to operate an intercity rail passenger service at a profit in competition with the taxpayer-supported highways and air transportation facilities that existed then and have since been further expanded, largely at public expense.

I served for ten years, 1967 to 1977, as chief executive officer of Southern Railway System, one of the most successful railroads in this private enterprise industry. It is generally recognized that during this period Southern operated a first-class passenger service—the "Southern Crescent" between Washington and New Orleans. That Southern was not guilty of what you call "mismanagement" is indicated by the fact that it was selected by Dun's Review in 1974 as "One of America's Five Best Managed Companies." In spite of the quality of both its management and its passenger service, it was impossible to operate Southern's passenger service at anything approaching a profit, even on an "out of pocket" cost basis. Government regulations at the time made it difficult to get out of the passenger business, but in no way did they add to operating costs or otherwise adversely affect the profitability of passenger operations. There is no reason to believe that private enterprise could do better today, or that there would be any interest by private capital in such a venture.

Amtrak was created in 1971 to take over from the freight railroads the increasingly heavy burden of operating a national railroad passenger system. Although established as a for-profit railroad corporation, no one experienced in the business believed it could be operated without continuing Federal financial aid. It started with old and frequently worn-out equipment, essentially no shops or modern miantenance facilities and a management with little or no railroad experience. Its first ten years were filled with tribulations, resulting from its necessarily trial and error approach. Amtrak started to become a genuine operating railroad in 1976, when it received the Northeast Corridor that had been carved out of the Penn Central bankruptcy, and when the rehabilitation of that rail line for passenger, freight and commuter service was begun under the Northeast Corridor Improvement Project (NECIP). During the next four or five years, Amtrak was heavily engaged in designing and acquiring its first modern locomotives and Superline cars, in electrifying and rehabilitating its old "Heritage" equipment, in obtaining and modernizing badly needed maintenance facilities, and in developing its Northeast Corridor high-speed operations to the extent permitted by NECIP progress. Accordingly, when we look at statistics, we should really start with 1981 or 1982, when Amtrak became able to provide service with up-to-date and modernized equipment, and to operate a rehabilitated high-speed Northeast Corridor railroad. The earlier statistics are of interest today only as background.

In the light of this history, the Working Paper's statement that Amtrak has grown increasingly reliant on Federal subsidies is simply untrue. The bulk of what are called "losses" in the late 1970's and early 1980's were capital expenditures for the NECIP rebuilding of the Northeast Corridor (which benefitted commuter and freight service as well as intercity passenger service), and for Amtrak equipment and facilities needed if passenger service was to be provided at all. From 1981 to 1987, the Federal grants to Amtrak were reduced by almost one-third, from $896.3 million [1] to $602 million. In constant dollars, this reduction was even greater—some 48%. If other Federal expenditures has been comparably reduced, there would be no budget crisis today.

The Working Paper is replete with other critical misstatements, misleading and in some cases inaccurate statistics and false conclusions about the comparative efficiency of Amtrack and a proposed privately owned and operated passenger railroad. I will refer only to the more flagrant of these.

On page six, for example, it is stated that "fewer passenger miles were recorded on the Northeast Corridor in 1986 than in 1981." In fact, the 1986 number is 1.273 billion passenger miles versus the 1981 total of 1.091 billion, a 17% increase. On page five, it is suggested that Amtrak's food service could be improved and its "significant losses" there reduced by contracting this out to a private firm. Unfortunately for this theory, the reverse turned out to be true in practice: Amtrak initially contracted out its food service on its Auto Train at a cost of approximately $22.00 per passenger; when it subsequently provided food service on this train itself, the cost per passenger was reduced to approximately $9.00, a 62% cost reduction which was accompanied by an improvement in the quality of the food provided.

Even more glaring than this are the misrepresentations about Amtrak's labor contracts, described on page five as "archaic," with "excessive labor costs, low productivity and mismanagement." Apparently, the author again did not make any attempt to check his facts. Starting in 1982, Amtrak has renegotiated its labor agreements covering all train and engine crews to eliminate the traditional railroad time-mileage formula as well as practically all of the old counterproductive "arbitraries" for these crafts. As a result, Amtrak is the only really large railroad system in the country today that pays its train crews on the basis of an 8-hour day with time and a half for overtime, regardless of mileage run. We are also the only intercity railroad that operates most of its short and medium distance trains with only one crew member, the engineer, in the locomotive. As a result, our train crew costs are significantly lower than those for the privately operated freight railroads, and lower than they would be if those railroads ran our passenger business. The savings achieved by these changes alone are saving Amtrak about $50 million a year below the costs that would have been incurred under the old railroad work rules still followed in much of the industry. Amtrak has also negotiated contracts with most of its non-operating employees for wages some 12% below those of comparable employees of the private rail carriers.

---

[1] The figure given on p. 3 of the Working Paper was $906.3 million, but the correct figure for 1981 was $896.3 million.

By resorting to such unfounded epithets as mismanagement and low productivity, the Working Paper studiously avoids any mention of Amtrak's enormous financial and operating progress over the last five years—surely the most relevant period if we are looking to the future. In 1981, our revenue-to-cost ratio—the percentage of our total operating costs covered by our own earned revenues—was 48%; by 1986, this had improved to 62%, and in the current year it will be at least 64%. Mismanagement does not produce operating ratio improvements of this magnitude, and the suggestion that private ownership would somehow enable Amtrak to operate either the Northeast Corridor or a nationwide passenger system without significant public funding is balderdash.

To return to an analysis mentioned above, let us compare Amtrak's short-term avoidable (or "out of pocket") loss on operation of its Amtrak Crescent passenger train between Washington and New Orleans in the twelve months from May 1986 through April 1987 with the comparable loss incurred by Southern Railway for the same train over the same route in the last year of Southern's passenger operation, 1978. Southern's loss in 1978 dollars was $7 million; Amtrak's loss in 1986 dollars was $4.8 million. If we convert Southern's figures to 1986 dollars, the comparison would be $11.8 million loss for Southern compared to $4.8 million loss for Amtrak. In other words, in current dollars, the last private industry operation of this train lost 46% more than Amtrak now does; in constant dollars, that figure becomes 146%. This hardly supports the proposition that turning intercity passenger operation back to private industry would cure all, or any, of its financial problems.

The notion of providing a needed public service at no cost to the government simply by privatizing it is beguiling and simplistic. The great virtue of purely private enterprise is not a mysterious alchemy that can make inherently unprofitable activities profitable, but rather a ruthlessness that identifies unprofitable activities and terminates them. We can all agree that this discipline imposed by the marketplace is what makes the economy as a whole vital, adaptive, and efficient. It is very different, however, to say that any given activity can be made profitable if managed under purely private auspices. The financial turnaround of Conrail—cited in your paper as a possible model for Amtrak—in fact illustrates the fallacy of this thinking: Conrail's revenues between 1980 and 1985 actually declined (while Amtrak's over the same period increased 46%). What made Conrail profitable, in addition to extensive Federal capital funding, were wholesale cuts in service, back to a profitable core operation. Given the economics of rail passenger service, where no core of profitability exists, the lesson of Conrail is that privatization would simply mean the elimination of Amtrak service. Under these circumstances, the idea of continuing Amtrak service by means of public stock sales, mergers with private companies, distribution of shares to workers, etc., cannot be taken seriously.

In conclusion, let me say that, as a long-time supporter of much of the Chamber's work and as a trustee for many years of the Committee for Economic Development, what disturbs me most is that the Chamber would publish a paper like this without even bothering to consult us or obtain readily available facts about Amtrak's operation. Our people would be happy to confer with your staff on these or other questions at any time. I take no umbrage at honest differences of opinion, but I deplore this type of unfounded attack, using plainly biased, misleading and in many cases erroneous data.

Very truly yours,
W. GRAHAM CLAYTOR, Jr.,
President.●

THREATS TO TUNISIA

● Mr. BOSCHWITZ. Mr. President, determining U.S. policy toward a friendly government in transition is among the most difficult problems faced by policymakers. If the United States supports the current leader without question, opposition elements of all stripes view the United States as hostile and antidemocratic. On the other hand, criticizing and appearing to desert a long-term friend may weaken not only a friendly regime, but all those in that country sympathetic to the United States.

Part of the difficulty lies in determining the nature of the opposition. American interests are best preserved by promoting open, free, and democratic societies. Often a less than perfect regime is better than what is likely to follow.

A case in point is the current situation in Tunisia. No one can deny Tunisia faces serious problems—a faltering economy, a hostile Libyan neighbor, rising influence of Islamic fundamentalism, and an aged leader who has dominated the country since independence. How the Tunisians address these issues is of concern to the United States, and we must encourage the Tunisian Government to address these problems responsibly.

Tunisia's current political difficulties are aggravated by economic hardships. Tunisian leaders believed, as did many emerging national leaders following the Second World War, that state-directed economies would provide the best life for their people. State industries and state subsidies became staples of Tunisian economic life. Uneconomical industries were underwritten. The bureaucracy became bloated and inefficient. Political leaders were unwilling to take the actions necessary to revitalize the economy because of the hardships these actions might entail.

A growing economic crisis in the mid-1980's, however, forced the Tunisian leaders to confront these issues. Declining revenues from oil production, fewer tourists as a result of regional instability, declining remittances from workers in Europe and Libya, and severe drought forced the government to alter its economic views. Subsidies have been reduced and private investments have been encouraged. Such actions, although good in the long run, created short-term dislocations, declining living standards, and high unemployment. These hardships in turn created issues which the opposition has used to challenge the regime.

In Tunisia, the foremost challenge comes from Islamic fundamentalists. The Western perception of the Islamic fundamentalist movement, as reflected in some recent press articles, differs significantly from perceptions in Tunisia. What the Tunisians understand, and some more distant observers have ignored, is that while some within the Islamic fundamentalist movement may be moderate, many are antidemocratic. These individuals whose purpose is to destroy the moderate, relatively tolerant value system upon which Tunisian society is based.

Some observers have argued that the fundamentalists are indigenous and have therefore downplayed, their danger. Just because a movement is indigenous, however, does not mean, it is not pernicious. Khomeini is an indigenous Iranian leader; Qadhafi is indigenous to Libya; Hitler was indigenous to Germany. All were clearly destructive.

It's important to remember that some fundamentalists do receive foreign support. Six Tunisians arrested in Paris in March were carrying terrorist materials given them by the Iranians. The Tunisian Government subsequently expelled the Iranian mission from Tunis. The head of that mission, it should be noted, had previously been in Lebanon organizing the radical "Hizballah." One has to be naive to believe his activities in Tunis were benign.

President Bourguiba and the Tunisian Government have been particular targets of antidemocratic elements in the region. This is due, in part, to close Tunisian identification with

Western values and Bourguiba's reasonable views on East-West, North-South issues, and even on the Arab-Israel conflict. In 1965, for instance, he was the first Arab leader to call upon the Arabs to recognize the reality of Israel. While we may forget such distant events, many in the region do not.

The thought of allowing the antidemocratic, antiliberal opposition to "run its course," as some in the Western media have suggested, is absurd. In countries developing Western-style institutions, the cost of opening society to radical assault can be tragic—as was the case in Iran. No one is today arguing that President Aquino should allow the Communist rebels a free hand in the Philippines.

The difficulty faced by the Tunisian Government is to develop a system which allows full participation of all groups committted to democracy while protecting its citizens from antidemocratic elements. The problem is complicated by the brevity of Tunisian independence, the lack of experience with functioning democratic institutions, and Tunisia's hostile environment.

The United States also must be careful not to take actions which hold Tunisia to a different standard than other nations with similar ties to the United States. For instance, the foreign assistance bill, as it emerged from the House African Affairs Subcommittee, sets a standard of human rights for Tunisia which, if applied to the other nations under the jurisdiction of that subcommittee, would allow little, if any, aid to Africa to be forthcoming. Despite recent restrictions, Tunisia remains one of the most open societies in Africa and the Arab world.

The task for the United States is to promote genuine human rights in the most effective manner possible. Narrow legislative restrictions are unlikely to promote the response desired. The House language threatens that declining United States aid levels will decline further if Tunisia does not meet prescribed standards of "human rights." For meeting these standards nothing is offered in return. Under even the best of circumstances, aid levels are likely to remain static or to decline further. Moreover, little political support is likely to come from Washington if antidemocratic elements move against the dominant liberal social forces. Consequently, such legislation is viewed in Tunis as unfairly punitive and not truly designed to assist the Tunisians through a difficult period.

Assisting Tunisia to broaden democratic participation and maintain a free and open society is in America's interest. We should encourage the Tunisian Government to allow responsible opposition elements a means to participate in the political process.

We do not help achieve this objective by failing to distinguish between the antidemocratic opposition and the democratic opposition. Failure to make this distinction, at the least, discredits America's views and, at worst, weakens friendly governments, making democratic reform more difficult. We must be certain that our advice is fair, is applied consistently, and can be met without more political and economic support than the United States is willing to give.●

NAUM MEIMAN

● Mr. SIMON. Mr. President, I would like to call attention to the case of Naum Meiman. He is a Soviet refusnik who has been refused permission to emigrate to Israel.

For over 10 years, Mr. Meiman has expressed his desire to leave the Soviet Union. The Helsinki Watch Movement, to which the Soviet Union is signatory, grants freedom of emigration and allow individuals to choose their place of residence. The movement also grants freedom of religion. By not allowing Naum Meiman to emigrate to Israel and subjecting him to mental cruelty, the Soviet Union is violating the Helsinki Watch Movement.

I strongly urge the Soviet Government to illustrate their desire to improve United States-Soviet relations and allow Naum Meiman an exit visa. It is time for Naum to live in peace.●

BICENTENNIAL MINUTE

AUGUST 5, 1965: PRESIDENT JOHNSON SIGNS VOTING RIGHTS ACT IN PRESIDENT'S ROOM

Mr. DOLE. Mr. President, on August 5, 1965, 22 years ago today, President Lyndon Johnson signed into law the Voting Rights Act. This landmark legislation provided an effective means for Federal enforcement of the 15th amendment's bar against racial discrimination affecting the right to vote. It served as a cornerstone for Johnson's Great Society Program, redressing with action injustices at the ballot boxes that the constitutional amendment had unsuccessfully addressed with words 95 years earlier.

The signing of that significant measure took place in the President's Room just outside the Senate Chamber. Located at the west end of the Senator's Lobby, the President's Room is one of the most grandly embellished rooms in the Capitol. Its walls and ceiling display magnificent frescoes by Constantino Brumidi. First opened in 1859, the room was designed to provide a private office for the President in the Capitol.

Over the past century and a quarter, Chief Executives have used the President's Room on various substantive and ceremonial occasions. Until 1937 the President's term expired every 4th year on March 3, the final day of the congressional session. This made it necessary for the Chief Executive to come to the President's Room in the session's final hours to sign newly passed legislation. It was on such an occasion in March 1865 that Abraham Lincoln received word that Confederate Gen. Robert E. Lee desired a meeting with Union Gen. Ulysses S. Grant. Lincoln responded that Grant was to hold no meeting except for the purpose of accepting the surrender of Lee's army.

President Woodrow Wilson regularly used the President's Room to confer with Senators and to lobby for his legislative programs. President Reagan, who visited that Chamber immediately following his 1981 swearing-in ceremony, has used it more than any Chief Executive since Franklin Roosevelt.

SENATE ACTION

Mr. DOLE. Mr. President, finally, as the majority leader has already noted, the Senate disposed of 22 items and bills today, and I make the same point the majority leader made.

Some days it may appear that there is not a lot of action, not a lot of rollcall votes. But these are significant pieces of legislation. They are very important to the people who may be affected by the legislation.

There has been a lot of work done by Members and by staff; and, as a result, we have been able to clear these for action without any floor time.

I commend the distinguished majority leader for his tireless efforts in keeping this calendar clean. I do not know of anyone who has ever done it better than the distinguished majority leader. If you look at the calendar, with few exceptions, it is up to date.

We will continue to cooperate to the fullest with the majority leader because it is in our interests, the Senate's interests, to move this business, unless we have a fundamental difference, and then we have to fight it out on the Senate floor.

So we will be working with the majority leader on tomorrow and on Friday to move as much additional legislation as we can.

Mr. BYRD. Mr. President, I thank the distinguished Republican leader for his consistent cooperation, without which the majority leader would do very little.

ROLLCALL VOTE ON TOMORROW ON RUDER NOMINATION

Mr. BYRD. Mr. President, I have discussed this matter with the distinguished Republican leader. On tomorrow at the conclusion of morning business, it is my intention to go to the nomination, either by unanimous consent or by motion, of David S. Ruder of Illinois to be a member of the Securities and Exchange Commission. The distinguished Republican leader has indicated—and he is here—that will be agreeable with him. That will necessitate a rollcall vote. And so all Senators will be on notice that there will be a rollcall vote on it, I ask unanimous consent that it be in order as in executive session to order the yeas and nays on the nomination of David S. Ruder.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BYRD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. BYRD. Mr. President, I ask unanimous consent that on tomorrow, at the conclusion of morning business, the Senate proceed to the consideration of the nomination of David S. Ruder. I make that request as in executive session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. There will be time for debate.

Mr. BYRD. Yes, that will be debatable.

ORDER FOR RECESS

Mr. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 12 noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR MORNING BUSINESS TOMORROW

Mr. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders are recognized under the standing order, there be a period for morning business of not to exceed 30 minutes and that Senators may speak therein for not to exceed 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, this would mean that the nomination of Mr. Ruder would come before the Senate at circa 12:45 p.m. There may be some debate on the nomination or there may not. If there is not debate on it, this would mean that the rollcall vote would occur around 12:45 or 1 o'clock, which would be just the right time, I think, not to interrupt the meeting of committees. I state that for the record.

There will be other rollcall votes tomorrow, undoubtedly.

RECESS

Mr. DOLE. Mr. President, in accordance with the previous order, I move that the Senate stand in recess until 12 noon tomorrow.

The motion was agreed to, and at 7:46 p.m. the Senate recessed until tomorrow, Thursday, August 6, 1987, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate August 5, 1987:

DEPARTMENT OF THE TREASURY

John K. Meagher, of Virginia, to be a Deputy Under Secretary of the Treasury, vice J. Michael Hudson, resigned.

BARRY GOLDWATER SCHOLARSHIP AND EXCELLENCE IN EDUCATION FOUNDATION

R. James Woolsey, of Maryland, to be a member of the board of trustees of the Barry Goldwater Scholarship and Excellence in Education Foundation for a term of 2 years, new postion.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 5, 1987:

DEPARTMENT OF DEFENSE

H. Lawrence Garrett III, of Virginia, to be Under Secretary of the Navy.

NUCLEAR REGULATORY COMMISSION

Kenneth C. Rogers, of New Jersey, to be a member of the Nuclear Regulatory Commission for the term of 5 years expiring June 30, 1992.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

THE JUDICIARY

William D. Hutchinson, of Pennsylvania, to be U.S. circuit judge for the third circuit.

Anthony J. Scirica, of Pennsylvania, to be U.S. circuit judge for the third circuit.

T.S. Ellis III, of Virginia, to be U.S. district judge for the eastern district of Virginia.

Charles R. Wolle, of Iowa, to be U.S. district judge for the southern district of Iowa.

IN THE MARINE CORPS

The following-named brigadier generals of the Marine Corps for promotion to the permanent grade of major general, under title 10, United States Code, section 624:

Edmund P. Looney, Jr.
Orlo K. Steele
Hollis E. Davison
Robert F. Milligan
Gene A. Deegan
Joseph P. Hoar
Royal N. Moore, Jr.
Donald E. P. Miller

HOUSE OF REPRESENTATIVES—*Wednesday, August 5, 1987*

The House met at 11 a.m. and was called to order by the Speaker pro tempore [Mr. COELHO].

DESIGNATION OF SPEAKER PRO TEMPORE

The **SPEAKER** pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
August 5, 1987.

I hereby designate the Honorable TONY COELHO to act as Speaker pro tempore on this day.

JIM WRIGHT,
Speaker of the House of Representatives.

PRAYER

The Reverend Barbara Trombley Fitterer of the Episcopal Diocese of California in San Francisco offered the following prayer:

Divine Creator of all that is beautiful and true, we thank You for those moments in life when Your blessings are impressed upon us and we take time to recognize Your presence in them. Make us aware in matters of purport great and small that we are filters for Your sunlight and only in stillness reflect Thee.

Help us to become quiet in the deepest recesses of our minds that when we do speak and act there can be enlightenment in our hearts and peace in Your world. Amen.

THE JOURNAL

The **SPEAKER** pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. GALLEGLY. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Chair's approval of the Journal.

The **SPEAKER** pro tempore. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. GALLEGLY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The **SPEAKER** pro tempore. Evidently, a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 302, nays 112, not voting 19, as follows:

[Roll No. 299]

YEAS—302

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Atkins
AuCoin
Baker
Barnard
Bartlett
Bateman
Bates
Beilenson
Bennett
Bereuter
Berman
Bevill
Biaggi
Bilbray
Boggs
Boland
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Broomfield
Brown (CA)
Bruce
Bryant
Bustamante
Byron
Campbell
Cardin
Carper
Carr
Chapman
Chappell
Clarke
Clinger
Coelho
Coleman (TX)
Collins
Combest
Conte
Conyers
Cooper
Coyne
Crockett
Darden
Davis (MI)
de la Garza
DeFazio
Dellums
Derrick
DeWine
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Dowdy
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Feighan
Fish
Flake
Flippo
Florio
Foglietta
Ford (MI)
Ford (TN)
Frank
Frenzel
Frost
Garcia
Gaydos
Gejdenson
Gibbons
Gilman
Glickman
Gonzalez
Gordon
Gradison
Grandy
Grant
Gray (IL)
Gray (PA)
Green
Guarini
Gunderson
Hall (TX)
Hamilton
Hammerschmidt
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Hertel
Hochbrueckner
Holloway
Horton
Houghton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Hyde
Jeffords
Jenkins
Johnson (CT)
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lancaster
Lantos
Leath (TX)
Lehman (CA)
Lehman (FL)
Lent
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Livingston
Lott
Lowry (WA)
Lujan
Luken, Thomas
MacKay
Madigan
Manton
Markey
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McEwen
McHugh
McMillen (MD)
Meyers
Mfume
Mica
Miller (CA)
Miller (WA)
Mineta
Moakley
Mollohan
Montgomery
Moody
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal
Nelson
Nichols
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Packard
Panetta
Patterson
Pease
Pelosi
Perkins
Petri
Pickett
Pickle
Porter
Price (IL)
Price (NC)
Pursell
Rahall
Rangel
Ravenel
Ray
Regula
Richardson
Rinaldo
Ritter
Robinson
Roe
Rose
Rostenkowski
Roth
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Savage
Sawyer
Scheuer
Schneider
Schuette
Schulze
Schumer
Sharp
Shaw
Shumway
Shuster
Sisisky
Skaggs
Skelton
Slattery
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Solarz
Spratt
St Germain
Staggers
Stallings
Stark
Stenholm
Stokes
Studds
Swift
Synar
Tallon
Tauzin
Taylor
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weiss
Wheat
Whitten
Wilson
Wise
Wolpe
Wyden
Wylie
Yates
Yatron

NAYS—112

Armey
Badham
Ballenger
Barton
Bentley
Bilirakis
Bliley
Boehlert
Boulter
Brown (CO)
Buechner
Bunning
Burton
Callahan
Chandler
Cheney
Clay
Coats
Coble
Coleman (MO)
Coughlin
Courter
Craig
Crane
Dannemeyer
Daub
Davis (IL)
DeLay
Dickinson
DioGuardi
Dornan (CA)
Edwards (OK)
Emerson
Fields
Gallegly
Gallo
Gekas
Gingrich
Goodling
Gregg
Henry
Herger
Hiler
Hopkins
Hunter
Inhofe
Ireland
Jacobs
Kolbe
Konnyu
Kyl
Lagomarsino
Latta
Leach (IA)
Lewis (CA)
Lewis (FL)
Lightfoot
Lowery (CA)
Lukens, Donald
Lungren
Mack
Marlenee
Martin (IL)
McCandless
McCollum
McGrath
McMillan (NC)
Miller (OH)
Molinari
Moorhead
Nielson
Oxley
Parris
Pashayan
Penny
Quillen
Rhodes
Ridge
Roberts
Rogers
Roukema
Saiki
Saxton
Schaefer
Schroeder
Sensenbrenner
Sikorski
Skeen
Slaughter (VA)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solomon
Spence
Stangeland
Stump
Sundquist
Swindall
Tauke
Thomas (CA)
Upton
Vucanovich
Walker
Weber
Weldon
Whittaker
Wolf
Wortley
Young (AK)
Young (FL)

NOT VOTING—19

Aspin
Boner (TN)
Daniel
Foley
Gephardt
Hall (OH)
Hansen
Kemp
Leland
Lloyd
McDade
Michel
Nowak
Pepper
Rodino
Roemer
Stratton
Sweeney
Williams

So the Journal was approved.

The result of the vote was announced as above recorded.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate agrees to the report of

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 27) entitled "An act to facilitate the provision of additional financial resources to the Federal Savings and Loan Insurance Corporation and, for purposes of strengthening the reserves of the Corporation, to establish a forebearance program for thrift institutions and to provide additional congressional oversight of the Federal Home Loan Bank Board, and the Federal home loan bank system."

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1577. An act, to extend certain protections under title 11 of the United States Code, the Bankruptcy Code; and

S. 1581. An act to prohibit the importation of objects from the R.M.S. Titanic.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. Coelho). The Chair intends to recognize Members for only two 1-minute speeches and two unanimous-consent requests, and then we will move on with the business of the day.

ANNOUNCEMENT OF THE PASSING OF THE HONORABLE JOHN W. WYDLER

(Mr. HORTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HORTON. Mr. Speaker, as the dean of the New York Republican delegation, it is with sincere sadness and regret that I announce that our former colleague, John (Jack) Wydler passed away last night. It was very sudden. He died of a massive heart attack. The gentleman from New York [Mr. Lent] went back to his office after he finished on the floor and found that Jack had had a massive heart attack, and after great effort to bring him back, they were unable to do so.

Jack served in the House of Representatives. He came here with me in the 88th Congress, and he served from 1963 until 1980. At the time of his death he was 63 years old.

Mr. Speaker, prior to his service in the Congress, he served as a U.S. attorney for the eastern district of New York. During his service in the House he served on the Science and Technology Committee and was its ranking member at the time of his retirement. He also served with me and sat next to me for most of the years he was in the Congress on the Government Operations Committee. He also served along with me alternately as the dean of the Republican delegation and on the Committee on Committees. He also served as the dean of the Long Island delegation.

After he retired from the House, he returned to private practice near his residence in Garden City, Long Island.

He is survived by his wife Brenda and three children, a son Chris, a daughter Kathleen, and another daughter, Elizabeth.

Mr. Speaker, I would like to announce also that the dean of our delegation, the gentleman from New York [Mr. Stratton], and I will take out a special order sometime in early September so that the Members will have an opportunity to express their regrets to Brenda and Jack's children.

I will indicate also, Mr. Speaker, that many of the Members saw Jack here yesterday. He was on the floor of the House yesterday and the day before, and many of you saw him here yesterday and are quite surprised by his sudden passing.

Mr. LENT. Mr. Speaker, will the gentleman yield?

Mr. HORTON. I yield to the gentleman from New York.

□ 1130

Mr. LENT. Mr. Speaker, I thank the gentleman for yielding.

I want to join with the gentleman from New York in his expression of condolences to the family of the late Congressman Jack Wydler, his wife, Brenda, and their son, Chris, who is an employee at the Department of Commerce, and their two daughters, Kathleen and Elizabeth.

Jack was a good friend of mine. We worked together for 12 years. We had abutting congressional districts. We never had a harsh word.

Jack was a very sincere, dedicated man, Phi Beta Kappa, very bright.

His word was his bond, and he was effective; and after he left this House and was succeeded by the gentleman from New York [Mr. McGrath], he continued to serve the Long Island community.

He was very much respected in Nassau County, and he is going to be sorely missed for his many achievements, and his dedication to public service.

Mr. HORTON. Mr. Speaker, I yield to the gentleman from New York [Mr. McGrath].

Mr. McGRATH. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, it is with deep regret that I join my colleagues in informing the House of the death of my predecessor, Jack Wydler.

Many of the Members knew Jack during his distinguished 18-year career in the House, and shared with him many memories.

Jack left a tremendous legacy of Government service; and from the time that he served in the U.S. Air Force in World War II to yesterday afternoon, his life was dedicated to Government service.

His leadership on difficult issues and his vision of what the future of our Nation should be earned Jack a tremendous reputation, both at home in my district, the Fifth Congressional District of New York, and here in Washington.

I will miss his counsel. I will miss his friendship, and I certainly want to extend my deepest sympathy to Brenda, Chris, Elizabeth, and Kathleen.

Mr. DOWNEY of New York. Mr. Speaker, will the gentleman yield?

Mr. HORTON. I yield to the gentleman from New York.

Mr. DOWNEY of New York. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, Jack was a good man, a tough adversary. He was a friend. He will be deeply missed. I also want to join my friends from Nassau County in wishing his family our condolences in this time of bereavement.

Jack was also tremendously involved after his career in the Long Island community. He was an enormous aid to me and to those of us who work in Suffolk County on economic matters.

He will be deeply, deeply missed.

Mr. HORTON. Mr. Speaker, I know I express the sincere regrets of the Members of the House and condolences to Brenda and Jack's three children.

As I indicated, we will take a special order. The gentleman from New York [Mr. Stratton], who is the dean of our delegation, and myself, will take a special order in early September, so the Members can properly express their condolences.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF HOUSE JOINT RESOLUTION 132

Mr. STALLINGS. Mr. Speaker, I ask unanimous consent that my name be removed from the list of cosponsors of House Joint Resolution 132.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Idaho?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF HOUSE JOINT RESOLUTION 132

Mr. ANTHONY. Mr. Speaker, I ask unanimous consent that my name be removed from the list of cosponsors of House Joint Resolution 132.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF HOUSE JOINT RESOLUTION 132

Mr. NIELSON of Utah. Mr. Speaker, I ask unanimous consent that my name be removed from the list of cosponsors of House Joint Resolution 132.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Utah?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF HOUSE JOINT RESOLUTION 132

Mr. RHODES. Mr. Speaker, I ask unanimous consent that my name be removed from the list of cosponsors of House Joint Resolution 132.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

VACATING AUTHORITY FOR MEMBERS TO REMOVE THEIR NAMES AS COSPONSORS OF HOUSE JOINT RESOLUTION 132

The SPEAKER pro tempore. The Chair needs to make a ruling at this time.

The Chair has just been informed that the requests of the gentleman from Idaho [Mr. Stallings], the gentleman from Arkansas [Mr. Anthony], the gentleman from Utah [Mr. Nielson], and the gentleman from Arizona [Mr. Rhodes] are not in order.

The joint resolution has been reported from committee; and the gentlemen cannot remove their names as cosponsors, so the statements of the gentleman will appear in the Record, but the gentlemen will not be removed as cosponsors.

IN REMEMBRANCE OF JESSE UNRUH

(Mr. LEHMAN of California asked and was given permission to address the House for 1 minute.)

Mr. LEHMAN of California. Mr. Speaker, one of California's greatest leaders died last night—State treasurer Jesse Unruh.

Jesse spent 16 years in the California Legislature; 8 of those he served as assembly speaker, longer than any one else in the State's history.

Jesse Unruh was the father of the modern State legislature and was the greatest reformer of our State's political system since Hiram Johnson.

He was a champion of consumer causes and a staunch advocate of civil rights legislation. He wrote our full disclosure laws and greatly improved our education system.

During a period of rapid population growth and generational change, when many divisive issues threatened California's future, Jesse Unruh provided strong leadership in the legislature and in the Democratic Party to keep us on a progressive path.

For the past 12 years Jesse served with great distinction as State treasurer and revolutionized that office as well.

I knew him as a close friend and one of those people who first inspired me toward a political career in the 1960's. Behind the image of the big, tough, powerful politician there was a gentle, caring human being and a brilliant man with great compassion. Jesse, the son of an itinerant Kansas sharecropper, hitchhiked to California after the war with $5 in his pocket. He dreamed big dreams and did great things, but never forgot who he was or where he came from.

PRIVILEGES OF THE HOUSE—DIRECTING THE COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT TO FURTHER INVESTIGATE THE CONDUCT OF REPRESENTATIVE FERNAND J. ST GERMAIN

Mr. GINGRICH. Mr. Speaker, I rise to a question of the privileges of the House, and I send to the desk a privileged resolution (H. Res. 244) and ask for its immediate consideration.

PARLIAMENTARY INQUIRY

Mr. DIXON. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. DIXON. Mr. Speaker, under the rules of the House and the rules of the privileged resolution do the opponents have an equal opportunity to time; and if not, I would ask the gentleman, if the gentleman from Georgia intends to yield to the opponents of the resolution equal time?

The SPEAKER pro tempore. If the resolution states a question of privilege, the gentleman from Georgia will have 1 hour; and the gentleman can yield as the gentleman sees fit.

Mr. GINGRICH. If the Chair would recognize me, it would be my intention, I say to the gentleman from California [Mr. Dixon], my distinguished colleague, to yield 30 minutes to the gentleman to control for purposes of debate only, and to ensure that those who oppose the resolution have their half of time for debate purposes.

Mr. DIXON. I thank the Chair, and I thank the gentleman.

The Clerk read the resolution, as follows:

H. Res. 244

Whereas Rule IX of the House of Representatives states: "Questions of privilege shall be, first those affecting the rights of the House collectively, its safety, its dignity, and the integrity of its proceedings; second the rights, reputation, and conduct of Members, individually, in their representative capacity only; and shall have precedence over all the questions, except motions to adjourn.";

Whereas propositions to further investigate charges against a Member of the House have been presented as a question of the privileges of the House;

Whereas a news report contains information and allegations that Representative Fernand J. St Germain may have acted improperly;

Whereas a public interest organization recently has requested that the Committee on Standards of Official Conduct further investigate the conduct of Representative Fernand J. St Germain; and

Whereas the said charges and other identified improprieties do rise to such level warranting further action by the Committee on Standards of Official Conduct: Now, therefore, be it

Resolved, That the Committee on Standards of Official Conduct is directed to further investigate the conduct of said Representative and report promptly back to the House its findings together with such recommendations (for disciplinary action, if any,) as they deem appropriate.

The SPEAKER pro tempore. The resolution presents a question of privilege, and the gentleman from Georgia [Mr. Gingrich] is recognized for 1 hour.

Mr. GINGRICH. Mr. Speaker, I yield myself such time as I may consume.

Let me first state the case and set a framework, and then I will yield the floor to the gentleman from California [Mr. Dixon].

I want to start by thanking the House Parliamentarian because this is a very, very difficult process; and it is very important that we approach it within a framework of seriousness and of comity, recognizing that it is fraught with emotion.

□ 1140

Recognizing that we are in an era in the United States in which ethics on a variety of fronts, from Wall Street to the executive branch, to the PTL Club and to the Congress, are all in turmoil and that ethics is an issue of considerable importance as we wrestle with ourselves as a nation and with our conscience.

It is also important for the House to recognize that parts of this are difficult to discuss, not only because we are discussing our colleagues, but also because under the rules of comity it is necessary to phrase things carefully and to insure that only that is stated on the floor of the House which is appropriate to the demeanor of the House.

I say in advance then to the Chair that I hope the Chair will advise me. It is my intention to put in the Record part of a letter from Common Cause, only that part which relates directly to Mr. St Germain and to the question of ethics at this time, to put in the Record part of the report of the Committee on Standards of Official Conduct and to put in the Record a very brief part of an article in the Wall Street Journal on Mr. St Germain.

In addition, it is my intention to explain why this is more than simply a case of an individual Member's ethics. It seems to me that we have to recognize that there are two different things coming to bear here. One is the question as raised by Common Cause and others of how the House deals with questions of ethics. The other question is the question of the entire savings and loan problem and the degree to which in this particular case, dealing with the chairman of the Banking Committee, produces an even more difficult problem.

Let me start by citing the July 29, 1987, letter from Common Cause President Fred Werthheimer to the chairman of the Ethics Committee, and I quote:

> Recently the Wall Street Journal reported that Representative St Germain is the subject of a Justice Department criminal investigation for allegedly permitting a savings and loan lobbyist to pay Representative St Germain sizable entertainment bills. According to the Wall Street Journal story, the earlier Ethics Committee investigation of Representative St Germain touched on the matter now under scrutiny by the Justice Department, but the committee did not pursue it. As a result, according to the Wall Street Journal, Representative St Germain apparently continued to pursue his alleged questionable entertainment practices even as the Ethics Panel was completing its work. We urge the Ethics Committee to reactivate its investigation regarding Representative St Germain in order to examine the further allegations raised in the Wall Street Journal on July 16, 1978.

Let me go on to quote one other paragraph from the Common Cause letter, which said:

> At a time when questions of government integrity are in the forefront of public concern, it is critically important for the Ethics Committee to make it clear that Representatives who violate House rules will be held accountable.

Now, let me say to my colleagues, were this a single allegation in a single newspaper, were this allegation standing purely on its own, then one might argue that by itself there are no grounds just to take the newspaper's word for it, but let me put this in context.

First of all, as I will come back to, there is a massive savings and loan scandal building in this country. The bill we just passed is totally inadequate. We are likely to end up, as the Wall Street Journal this morning quotes an adviser of the Speaker as saying that we may well have a $50 billion problem on savings and loans.

The exact quote is:

> It is in such a mess it is going to cost billions, he says, $50 billion.

So on the one hand we have a scandal of an industry which may have to be bailed out to the tune of $50 billion. I will come back to that.

Second, we have a chairman about whom we know a great deal, and I must commend the committee. This report is a massive document. Much of it is the specific research done by the Ethics Committee on the question of Mr. St Germain. Obviously, far more material than most Members intend to read, but there are a number of quite specific quotes that I think are important to understand about Mr. St Germain in putting in context the Wall Street Journal allegation.

The Ethics Committee found in its report, and I am quoting from an official document of the House here:

> Representative St Germain consistently understated—by more than a million dollars—on his Financial Disclosure Statements the fair market value of his five International House of Pancakes Restaurants.

That is page 46.

> This undervaluation violated House Rule XLIV and the Ethics in Government Act of 1978.

That is page 48.

> The committee concludes the sale of the Providence IHOP was incorrectly reported.

That is page 49.

> The statement contained in each purchase agreement * * * was not correct.

Page 49.

> Representative St Germain violated House Rule XLIII, clause 4, in connection with his acceptance of transportation provided in 1980 by Florida Federal.

Page 3.

> In 1978, Congressman St Germain failed to disclose $20,000 in income. The Ethics Committee admonished the member to not repeat his performance.

Page 44.

> In 1984, St Germain failed to report a $30,000 transaction in 1983. "He has never disclosed the purchase transaction * * *. Counsel for the Congressman did not offer any plausible explanation for the nonreporting. This nonreporting violated House Rule XLIV and the Ethics in Government Act of 1978."

Page 45.

My point is this. If you read the report of the Committee on Ethics, there are reasonable grounds to suggest a pattern of behavior which makes reasonable the Wall Street Journal article.

Let me carry you one stage further to put this in context so Members understand that in this case we are not even talking only about a question of ethics. I would say only a question of ethics is a pretty strong statement, but in this case it is more than just a question of the ethics of the House.

I want to read briefly from a proposed statement of William Black, Deputy Director of the Federal Savings and Loan Insurance Corporation, and William Robertson, Director of the Office of Regulatory Policy Oversight and Supervison of the Federal Home Loan Bank Board. This statement was never delivered. It was prepared for a subcommittee meeting on June 9, 1987, but it was not presented, because it sets in context why the role of the chairman of the Banking Committee in carrying, if he did as alleged by the Wall Street Journal, the credit card of the savings and loan lobbyist has the importance beyond simply the ethical behavior of a single Member. These are quotes from Federal Government officers who were planning to testify:

> By way of overview, insider abuse and fraud are very significant contributors to thrift losses and failures.

They go on to say:

> Combined, these two causes of losses are overwhelmingly responsible for virtually all recent failures, FSLIC growing insolvency and huge coming losses that we have already identified.

In other words, the industry being overseen by the Banking Committee had at the core of its problems insider abuse and fraud.

They go on to say:

> Too often the cases involving FSLIC's largest losses have borne an uncanny resemblance to each other. The general pattern was a state chartered association that underwent a change of control in 1982-1983, massive growth, adoption of a risky investment strategy, emphasizing acquisition, development and construction loans, acquisition, development and land loans, and direct investments. Underwriting was often extremely poor. Insider abuses usually present, and actual fraud was far from rare. The change of control often brought a real estate developer under the control of the thrift. For the unscrupulous developer, owning a thrift was a dream come true, a virtual printing press to provide money to develop his real estate. Typically, the new manager put minimal capital into the acquisition. Indeed, some changes of control were funded by over-appraised real estate property without any cash infusion.

They go on to say:

> On its surface, these problems, ADC and ADL—

That is, the terms refer to acquisition, development and construction; acquisition, development and land loans—

> On its surface these problem ADC and ADL loans are so insane that it seems irrational for any thrift manager to engage in such practices. From some thrift managers perspectives, however, it could pay to make such loans. By booking high income, the managers could justify awarding themselves high salaries, bonuses and dividends. They also increased their reported net worth, which in turn allowed them to make still larger loans and book still larger profits. Some managers also gained from loans because they were giving money to themselves through conflicts of interest or through kickbacks from borrowers.
>
> This was a sham. The worst managed thrifts were able to report as profits the act of essentially giving away their money and making themselves insolvent. These problem loans never made any sense. The decline of the regional economy merely exacerbated losses. For example, on average the Texas 40 were insolvent on a tangible cap-

ital basis by the end of 1984, well before the steep 1986 drop in oil prices. The carnage that such risky investment and growth strategies and insider abuse and fraud have left is staggering. Virtually all FSLIC's recent and pending major losses are explained by such practices.

Since part of the cause of FSLIC losses has involved suspected criminal conduct, such as insider abuse and fraud, the board had more than quadrupled its number of criminal referrals in 1986 over 1985 and currently is proceeding at a pace that could well exceed that number in 1987.

Now, the point I want to leave with Members is simple. If you read the statement of William Black, who was then Deputy Director of FSLIC, and William Robertson, the Director of the Office of Regulatory Policy Oversight and Supervision of the Federal Home Loan Bank Board and you read the Ethics Committee report, which does include a report on whether or not a staff member of the Banking Committee was calling the Federal Home Loan Bank Board and you recognize it is a $50 billion scandal building and that allegations have been made by executive branch officers, and in addition not just allegations, these are three Federal district court lawsuits alleging insider abuse and fraud to the tune of $350 million in one savings and loan, a savings and loan, which by the way has 97 percent of its current indebtedness insolvent; that is, of its current outstanding loans, 97 percent are noncollectible, an achievement which has to be a function of systematically setting it up.

In that setting, let me just suggest to my colleagues, and I will then yield to the chairman of the Ethics Committee, there is a clear Ethics Committee report that suggests that the chairman of the Banking Committee does on occasion do things that are not according to the rules.

There is a powerful allegation in the Wall Street Journal that the savings chief lobbyist was loaning his credit card to the chairman of the committee while he was writing the bill.

There are clear statements by the executive branch that a multibillion-dollar scandal in savings and loan is building.

There are lawsuits that have been filed, and for the life of me I do not see how a Member could vote not to ask the Ethics Committee to investigate.

This does not condemn Mr. ST GERMAIN. It does not conclude the case. It simply says, given a multibillion-dollar scandal that we know is true, given an allegation by a very important publication, is it not important for the House to instruct the Ethics Committee to further investigate?

Mr. Speaker, I reserve the balance of my time.

Mr. DIXON. Mr. Speaker, I yield myself such time as I may consume.

□ 1155

Mr. Speaker, first let me indicate to my colleague and friend from Georgia, Mr. GINGRICH, that he has made it perfectly clear that this issue does not address itself to the Ethics Committee, that he has conducted himself certainly in informing me and keeping me apprised of his activities. As a matter of fact, we have become great pen pals over the last 30 days on issues around this House.

Let me say first of all I think that this is probably one of the most important issues that this House can address, and that this is the issue of what is the criteria and threshold for initiating an investigation of a Member of employee of this House. I would like to read what I consider the operative section of this resolution. The resolution says in part that:

> Whereas a news report contains information and allegations that Representative FERNAND J. ST GERMAIN may have acted improperly;
>
> Whereas a public interest organization recently has requested that the Committee on Standards of Official Conduct further investigate the conduct of Representative FERNAND J. ST GERMAIN.

That is the heart of the gentleman's resolution. I cannot respond to what the gentleman from Georgia perceives as the problems in the savings and loan industry. That is not the jurisdiction of this committee. We do not have anything to do with inside dealing or any of the other material the gentleman mentioned.

I cannot comment by House rules and committee rules and an interpretive resolution by the Committee on Ethics on the report the gentleman talks about, the 1,400 page report on Mr. ST GERMAIN except to say that if my colleagues read the report, the report speaks for itself.

I can comment on a few things the gentleman mentioned, and that is to tell the House that the Common Cause letter that he cites, that cites a New York Wall Street Journal article, is absolutely untrue, that the committee touched upon but did not pursue certain allegations in the investigation of the gentleman from Rhode Island.

Gentlemen and ladies, there are basically four ways that the House investigates Members. Three are relevant to this conversation.

The first way is that the committee on its own initiative can initiate an investigation. The second way, which is very relevant in this case, is by a sworn complaint to a reasonable belief by any Member of this House, if they have personal knowledge of any wrongdoing. The third way that is relevant to our discussion today is the resolution that is now before this House, this privileged resolution.

Pursuant to the authority of the committee to initiate its own investigation, I, as chairman of the committee, have evaluated the relevant material on at least four occasions with the staff attorney, and the committee in its entirety has evaluated the relevant material on two occasions, most recently yesterday afternoon. It is the unanimous opinion of the Members of the Ethics Committee that the relevant material is entirely from one press account, the Wall Street Journal. When the entire body of material is reviewed, it is the unanimous opinion of the Members of the committee, that it is nothing more or less than rumor. That is, it is nothing more or less than unverified information of uncertain origin.

That is very important. I am saying that ths information is rumor. I am saying that the six Republicans on the committee and the six Democrats on the committee all agree that it is unverified information from an unverified source.

Compare what I am about to read to the quotation from the Wall Street Journal. The Wall Street Journal says, and I am quoting now that:

> There was widespread reports from lobbyists and House Members that Representative ST GERMAIN regularly accepted expensive food, drink and entertainment from Mr. Freeman.

There is no existence to my knowledge or to any committee Member's knowledge of any widespread reports from lobbyists or from Members of this House. If I have misstated that, any Member of this House can contact the committee by a written complaint, or even a letter, informing me of widespread reports by either Members of the House or lobbyists.

There is no assertion in the article itself as to the source of this information by Members or lobbyists, and there is no information in the article to provide us dates and times.

The second part of the article that is relevant, and I quote again from the Wall Street Journal, says:

> One lobbyist said that Representative ST GERMAIN openly signed for a meal for himself and other guests one night at the Prime Rib, using Mr. Freeman's credit card.

What is the source of this information? The reporter for the Wall Street Journal says one lobbyist said. Does the reporter say that one lobbyist said to him? No, he does not even assert that this was said to him. He says one lobbyist said. The identification of the source is the general class of lobbyists.

Does he say when it occurred? No, there is no inference here that the writer of the artricle knows anything about when this occurred.

So it is unverified material from an unknown source. I ask my colleague to judge whether that is a rumor.

What this resolution does, in my opinion, is it lowers the threshold for us to start an investigation based upon a rumor. The gentleman from Georgia

[Mr. GINGRICH] mentioned Common Cause. Common Cause has read the same article, they have see the same rumor, and then they write us, and based upon what they have read, which the committee has deemed to be a rumor, repeated it.

We have the gentleman from Georgia [Mr. GINGRICH] who could file a verified complaint that to the best of his ability certain facts exist. I do not think that the gentleman from Georgia [Mr. GINGRICH] can do that because he knows nothing of any factual situation, and so he attempts through this resolution to do indirectly what he cannot do directly; that is, to sign a verified complaint.

Then he takes the rumor, puts it in the resolution, Common Cause reads the rumor, sends us a letter. I am saying to this House that the standard to pass a privileged resolution against a Member of the House to cause an investigation should certainly be higher than accepting a rumor standing alone, repeated by a public interest group and another Member of this House.

This makes no sense. It would have been the easiest thing in the world, and I have been approached by Members who have said, my God, why do you not investigate this issue, and as the gentleman from Georgia Mr. GINGRICH, has said in his Dear Colleague letter, he had no desire to move forward if we took action yesterday. The Members of that committee met yesterday, and I am proud that they lived up to their responsibility. There was not a Republican there, all six of them were present, nor a Democrat there that could bring themselves to vote a privileged resolution on a rumor, notwithstanding the politics or any heat that may be applied to them.

Second, there is a longstanding policy of the committee not to make an investigation when it is known to our committee that there is a criminal investigation going on. The Wall Street Journal says that there is a criminal investigation going on. I have reason to believe, based on independent information as chairman of the committee, that there is a criminal investigation going on, and there is no reason at this point in time for us to initiate an investigation when in fact a law enforcement agency is conducting an investigation. It does not mean that if there are subsequent relevant facts that turn up in the course of that investigation or turn up or come to our attention in some other manner that ultimately the committee may take some action. But it is certainly premature based on that investigation.

So I am saying to my colleagues today that when they examine the Wall Street Journal article they will come to no other conclusion than that it is rumor and that there are a group of repeaters of the rumor from the same source.

So couple a rumor with two repeaters of the same rumor and the gentleman from Georgia would suggest that is enough. I say it is not enough to start to an investigation on an employee or a Member of the House.

As chairman of this committee I receive written rumors, oral rumors almost every day of the week. Some of them appear in the personality column of the Washington Post. This is not the criteria. There must be a reasonable belief of some violation of House rule or the Code of Ethics.

So I say to my colleagues when they look at the totality of this and look at the implication of investigating a Member of this House based on a rumor standing alone that he will not live up to our responsibility by voting for this resolution.

I know there is a strong feeling from the gentleman from Georgia [Mr. GINGRICH] as it relates to the Savings & Loan League, but I say that does not have anything to do with our investigation. We are not going to be investigating the Savings & Loan League as it relates to inside dealings or anything else.

The issue here is conduct of Members and whether they have violated their rules.

Finally, I say to my colleagues that serving on the committee is not a thankless job when one thinks that each member of that committee can stand up every day and look at themselves for exercising their best judgment. In my opinion, part of the reason for this resolution is that some people in this Chamber felt that the judgment call of the committee on the original St Germain issue was not the appropriate call. That is their opinion and they are entitled to it. They did not have at their disposal all of the facts, and I think when my colleagues read the report, if they read it in its entirety, as the gentleman from Georgia [Mr. GINGRICH] has said, we probably know more about Mr. FREDDIE ST GERMAIN's life than we want to. I think I know more about his financial transactions over a period of years than I would ever know about any other person in life.

But it was the judgment of this committee that we would not come to the floor with recommendations. It did not come easy. It took 14 months. It took a lot of discussion, a lot of dissemination of information and a strong investigation.

So it is the right of the gentleman from Georgia to disagree. He did not have the responsibility to carry out that job. I am pleased that every Member of that committee voted for that report. There was not a dissenting view, there was not any arm twisting. Everyone on that committee has a right to exercise and exchange ideas.

□ 1210

And so I say to you that this resolution is wrong, it is destructive of this institution because it sets a standard that is ridiculous and that is any time that you have a rumor published in the newspaper with no source, no date, no one who said it, some general class of people, coupled with a reporter that writes a letter to the Ethics Committee, then we should move on it; we should not. This resolution should be resoundly voted "no."

The SPEAKER pro tempore (Mr. SABO). The gentleman from California [Mr. DIXON] has consumed 16 minutes.

Mr. GINGRICH. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. I thank the gentleman for yielding.

Let me say, Mr. Speaker, that we have heard the case for the defense and it is a good case in a very narrow context. But it seems to me that what it says to the House is that our standard for investigation ought to be the same as our standard for judgment. And I think that that is what gets us into a problem with the American people and for that matter with many of our colleagues.

I for the life of me cannot believe that if the allegations that are now before the body had been known during the previous investigation of Mr. ST GERMAIN that the House Ethics Committee would not have pursued them.

I fundamentally believe that a charge this serious would have been pursued as a part of that investigation. I believe the integrity of the members of that committee is such that they would not have ignored this matter. It was not known to them at this point. Despite the fact that it may have qualities of rumor about it, they would have looked into it because it fits precisely with that which they were investigating in their previous work.

The chairman of the committee just said that the heart of the resolution is the informational clauses, the whereas clauses.

I would contend something entirely different, that the heart of this resolution is exactly as the heart of all resolutions are, it is in the resolve clause. It puts the question before the House as to whether or not we ought to take a further look into this matter. And I think the evidence suggests that we should take a further look.

The report that the chairman referred to does speak for itself. I thoroughly agree with the chairman on that. The report, as the gentleman from Georgia has pointed out, says that Mr. ST GERMAIN made a number of ethical violations. I would say to the House that the report does not say what the chairman of the Banking

Committee says that it says. Let me quote to the House what the chairman of the Banking Committee's opinion of that report is. He said, and I quote, "It is impossible to overstate the satisfaction I feel because my innocence has been officially confirmed by the Ethics Committee."

There is no such report. The report of the Ethics Committee very strongly suggests, very strongly says that the chairman of the Banking Committee was guilty of major ethical violations.

That is the reason why the rumor that we have heard talked about does not exist in a vacuum. This is not just a rumor coming into the Ethics Committee from out of nowhere. This is a matter which is a matter that was reported in this one newspaper, but comes in the context of all the other things that we have already established on the record, things that the Ethics Committee itself has established. And, of course, there are not widespread reports. I agree with the chairman in that regard.

But the fact is because of the questions that we know from the previous report it seems logical that questions here should be asked again on the new matters that are now before the House. This is not a new investigation that is being asked for here. If you will read the resolve clause of the report, what we are asking for is for a further investigation, in other words, an extension of that which the committee has already done because the charges here are in line with the charges of previous times.

The chairman used the term that I think we ought to use as our way of judging this. He said if there is "a reasonable belief." Well, in light of all the committee has put together, it certainly seems to me that we have reason to believe that these charges could have some foundation, particularly when you take the important point that I think the chairman has made, that he has reason to believe that the Justice Department is looking into this matter right now.

Now when we have a criminal investigation under way in the Justice Department on matters like Iran-Contra, it does not prevent this House from asking questions itself in a special committee. Why should we apply a different ethical standard to ourselves? Good heavens, what we have now is a standard that if the Justice Department is investigating we do not look and if the Justice Department is not investigating we do not look. That is not a good enough way of proceeding.

I would suggest that it is very important that we vote for this resolution, that this resolution does make sense, that it makes sense in light of the need for this House to assure itself of the highest possible ethical conduct. The arguments made by the chairman are as good as far as they go, but they do not go far enough.

Mr. DIXON. Mr. Speaker, I yield such time as he may consume to the gentleman from South Carolina [Mr. SPENCE], the ranking minority member on the committee.

Mr. SPENCE. Mr. Speaker, this is a very difficult matter. As a matter of fact, it is so difficult that some of us on the committee hesitate to even speak pro or con, because our rules, prevent us from discussing matters which are before the committee or which we might have to consider. I cannot even say whether or not this matter is before our committee right now because that fact, in itself, would tend to prejudice the case, hurt innocent people, if it was reported that we were or were not pursuing the case.

These rules are designed to help innocent people, to protect people from just what we are confronted with here today, from rumors in the press, in the media.

Think back, please, if you will: how many times have you read speculation or rumors in the press about other Members, other people or, more importantly, about yourself from time to time. Political reporters at home, on television, in newspapers.

Even you do not know about the letters we get about you which are based on rumors and speculation, political and otherwise, which we do not even bring to your attention. We advise these people about the proper way to bring a complaint. We never hear again from most of them because they are just that, rumors, and people do not want to sign their names to verified complaints.

If you want this committee or this body to engage in witch hunts on every letter we receive, every rumor brought to our attention in the press, you can do it without me.

There is a proper way to do things to prevent these things from happening; this is not the proper way. I have even got to vote "present" today because a yes or no vote might indicate how I feel about considering this matter one way or the other, on its merits.

The SPEAKER pro tempore. The gentleman from South Carolina [Mr. SPENCE] has consumed 4 minutes. Does the gentleman yield his time back, or does he yield it back to the gentleman from California [Mr. DIXON]?

Mr. SPENCE. Mr. Speaker, I yield my time back to the gentleman from California.

The SPEAKER pro tempore. The Chair will state that the gentleman from California [Mr. DIXON] has 10 minutes remaining and the gentleman from Georgia [Mr. GINGRICH] has 11 minutes remaining.

Mr. DIXON. Mr. Speaker, I recognize that the gentleman from Georgia [Mr. GINGRICH] would like to close, and he has the right.

Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. FAZIO], a member of the committee.

Mr. FAZIO. I appreciate my chairman for yielding to me.

I would like to just take a second to pay tribute, and I use that term advisedly, tribute to Mr. DIXON and Mr. SPENCE the chairman and ranking member of this committee because I think they accept a burden, in accepting that responsibility, that few other Members of this body would be willing to bear.

I know from personal experience, having served with both of them now for, I believe, 5 years, that they are fearless; they are willing to accept criticism from their colleagues, criticism that indicates they have not done enough, criticism that they have done too much; they are willing to accept criticism from external pressure groups and they are certainly willing to stand before their own constituency defending what sometimes is a very difficult and complex situtation in an institution that obviously bears some burdens in this society that we live in today.

I think we need to strongly reject this resolution today and reaffirm our confidence in the people that we have asked to take up this very difficult task. I do so, not because I believe members of this committee have reached any final conclusions in regard to the gentleman at issue. In fact, I do not believe this committee is in a position to say that it will or will not take any further action on the gentleman from Rhode Island at any point in the future. We certainly remain open to valid documented factual evidence that may be presented by several different sources, including that of the Department of Justice, should that be forthcoming.

But we do have standards, both for a decision to prosecute and for a decision to indicate that we wish to penalize some individual—perhaps the term "conviction" or "sentencing" would be applied. However, we cannot take action in a manner that would cause unsubstantiated rumors to become the standard of proof that would cause this committee to act. It is important that we not set any precedent here today that would leave implications that are far reaching and that could do a tremendous amount of damage to this institution.

There is no question that the chairman and ranking member made the case very well. I simply would like to say in addition to the arguments that they have made that I think it is important we reaffirm our support for them and for the committee and for the rule of law within this institution.

Mr. Speaker, I yield back the balance of my time.

Mr. GINGRICH. Mr. Speaker, I yield myself 30 seconds just to say to my colleague that all the committee ever had to say was "We will explore this information." It is not a question of the rule of law, it is not a question of prejudgment. All the committee had to say, because we inquired in writing and I inquired in person of the chairman, all the committee had to say was, "Give us until we come back in September, we will explore this and let you know if there are any grounds." All the committee had to say, I say to the gentleman from California who just spoke was that "we will explore it."

Mr. Speaker, I yield 2 minutes to the gentleman from New Hampshire [Mr. SMITH].

Mr. SMITH of New Hampshire. I thank the gentleman from Georgia for yielding.

If I may just pick up on that point, Mr. Chairman, as a signer of the letter that was sent to the gentleman from California on July 24, the intent of that letter was to at least get a response as to whether or not some of the things in this article, the Wall Street Journal article, were accurate. We certainly would not be here today with this privileged resolution, it certainly was not our intent to have such a resolution, at least if you could have responded as Mr. GINGRICH said, "We will look into it, there is nothing to it, it is just rumor."

□ 1225

I just want to point out that it is not out of disrespect for the gentleman. It is the intent and certainly my intent certainly in signing that letter to do just that. I must confess that I am not totally familiar with the Ethics Committee's procedure, but I just felt that given this kind of exposure that this article had, it would be in the committee's best interest to respond.

I am not sure whether the gentleman alluded to this specific paragraph, but I just wanted to bring it up. I felt that the article took a shot at the committee with the paragraph that said:

> Ethics Committee staff members did attempt to question Mr. Freeman during the investigation, but backed off when the U.S. League protested, according to people familiar with the panel's investigation.

That is a very serious charge made against the committee.

Mr. Speaker, I would appreciate a response from the gentleman, and I would be happy to yield to the gentleman from the balance of my time for a response. The gentleman may have alluded to this, and if he did, I apologize for that. I would just like to hear a response.

Mr. DIXON. Mr. Speaker, if the gentleman will yield just briefly, I will address this on my own time and respond to it. There are no other requests for time, I say to the gentleman from Georgia [Mr. GINGRICH], and I would close my remarks, with the understanding that he has the right to close.

Mr. GINGRICH. Mr. Speaker, may I inquire, how much time do I have remaining?

The SPEAKER pro tempore (Mr. SABO). The Chair will state that the gentleman from Georgia [Mr. GINGRICH] has 8½ minutes remaining and the gentleman from California [Mr. DIXON] has 7 minutes remaining.

Mr. GINGRICH. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Speaker, I thank the gentleman from Georgia for yielding time to me.

Mr. Speaker, I think this is a very painful experience we are going through right now. There is no one in the House I respect more than the gentleman from South Carolina [Mr. SPENCE], with whom I have a chance to deal on a regular basis, and I appreciated his remarks. But I think the problem the House faces right now is that we are being charged essentially in this article, I think, by the American people with a double standard.

My friend, the gentleman from South Carolina [Mr. SPENCE], mentioned the importance of protecting families and protecting honest people who are unjustly charged, but I am reminded that nobody was interested in protecting Mr. North's family. When Mr. Meese held his investigation of the executive branch and the activities with regard to the Iran-Contra affair, Members of this House and Members of the other body ridiculed the investigation. We tried a number of those people in the press and in press conferences and hung them before the hearings even began.

The cochairman of the Iran-Contra Investigations Committee for the House, the gentleman from Indiana, stated that this was a cleansing process that was needed for the executive branch, this airing of problems, and I would suggest that we cannot move forward and say we need to cleanse the executive branch with regard to ethics without at least moving forward where investigations seem to be in order for ourselves in the House of Representatives.

I think this is the problem that we face today. Again I think the gentleman from Pennsylvania [Mr. WALKER] made a good point when he said the fact that criminal investigations were ongoing did not prevent or deter the Iran-Contra Committee from moving forward with a full-blown schedule of months and months of investigation and hearings, and it should not prevent this House from moving forward either.

For that reason, Mr. Speaker, although it is a very painful thing and, I think, a personal thing for Members of the House, because we are familiar with some of the problems that are attendant to public life, I think it is incumbent on us to support this resolution.

Mr. DIXON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, if I may respond for just a second, let me explain my response to the Members of the House as it relates to the question of the gentleman from New Hampshire. I believe I said in my opening statement that counsel for the committee, along with me, had reviewed the body of evidence, the relevant material, four times independently, and that the committee on two occasions had reviewed the body of material, and it was our opinion that the material consisted totally of one press account and that press account was rumor.

But I think this is a classic example. Unless the proponents of this resolution get the answer they want, they assume that nothing has been done. Now, the gentleman from New Hampshire referred to the letter that they wrote on the 24th. It was not written on the 24th; it was written on July 28. I received it, and there is a date stamped on it of the 29th. But I am glad he brought up the letter. What I am saying to the House is that, No. 1, this committee is constantly monitoring evidence to see if it reaches the threshold of a reasonable belief; that we have never accepted and should not accept rumor, unverified information, from an unidentified source—that "one lobbyist said that." That is not the criteria.

I compliment the members of the committee, particularly the gentleman from South Carolina [Mr. SPENCE], who is the ranking member, and I commend all of the work that the members, six Democrats and six Republicans put in. They operate with a scalpel, not a shotgun.

The gentleman from New Hampshire mentioned this letter, and I had not really intended, until this came up, to bring it up. It is not a big thing, but when you bring a privileged resolution to the House and you correspond with the committee, you should be exacting. You should know what you are saying and be able to stand behind it.

Now, I quote from the letter that was sent to me by the gentleman from Pennsylvania [Mr. WALKER] and others: "In the 19 July 1987 Wall Street Journal article entitled"—and then it goes on to entitle it—"ST GERMAIN faces inquiry over bills allegedly paid for by thrifts." They say, "In the July 19, 1987 article." That is the shotgun approach. The article was not published on July 19; it was published on July 16.

It is not a big thing. It just shows you how reckless one can be. The Wall

Street Journal is not published on Sunday. July 19 was a Sunday.

I had not intended to raise that issue at all. The committee acts as a scalpel. These people here are acting as a shotgun. It was obviously a mistake, but they put their names on here, and just as they put their names on here with an error in the date, they put their names on here in an error of judgment, and that is in bringing a privileged resolution to this floor on rumor.

To put it in another way, let me summarize it for the Members: this House is being asked to vote on a resolution by a Member who is circulating a rumor that has been repeated by a public interest group that says that the Wall Street Journal says that a lobbyist provided a credit card for someone at some place at some time.

Mr. Speaker, the Members must vote "no." There is no criteria here for an investigation. There is rumor, and there is no place in a priviledged resolution to investigate a Member based on rumor standing alone.

Mr. Speaker, I ask the Members for a "no" vote on this resolution.

The SPEAKER pro tempore. The gentleman from California [Mr. DIXON] has 2 minutes remaining.

Mr. DIXON. Mr. Speaker, pursuant to our agreement, I yield my 2 minutes back to the gentleman from Georgia [Mr. GINGRICH].

The SPEAKER pro tempore. The gentleman from Georgia [Mr. GINGRICH] now has 8½ minutes remaining.

Mr. GINGRICH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I do not think I will use up 8½ minutes, but let me start, I say to the gentleman from California [Mr. DIXON], in this way: the gentleman from California [Mr. DIXON] correctly cited the typing error by whoever typed that letter and then took that typing error, which said the 19th instead of the 16th, and then built a case around it.

Let me suggest to the gentleman that as chairman of the committee which accepted an understatement of $1,515,400 in one item and said nothing should be done about that underreporting of $1,515,400, you are hardly in a position to hold this House up to a very narrow standard. That is precisely the point of this resolution, that when you can find an explanation for a series of errors which, by your own account, by your own report, are clearly fairly gross violations, the failure to report a $30,000 transaction, then you attack our letter because we are off on the date that was typed in?

Now, let me ask the gentleman, second, which Wall Street Journal article are you referring to? Are you referring to the obviously shallow Wall Street Journal article which suggests this—let me quote from it—which suggested the part the gentleman denied:

> One lobbyist said Representative St Germain openly signed for a meal for himself and his guest one night at the Prime Rib, using Mr. Freeman's credit card, though Mr. Freeman was not present.

That is something which you correctly point out is only an allegation.

Or is the gentleman citing the Wall Street Journal article which said:

> Ethics Committee staff members did attempt to question Mr. Freeman during the investigation, but backed off when the U.S. League protested, according to people familiar with the panel's investigation. Messrs. St Germain and Freeman continued being seen together frequently in expensive watering holes, even as the ethics panel was completing its work.

Those are only allegations, but then you said in your own statement that the beginning of the article stated:

> House Banking Committee Chairman Fernand St Germain's troubles aren't over; the Justice Department has opened a criminal investigation of sizable entertainment bills allegedly paid for him by a savings and loan industry lobbyist.

That particular quote was accurate, according to the gentleman's own statement. Which article is it? Is it the highly inaccurate allegation or the highly accurate statement that there was a criminal investigation? The gentleman said there was a criminal investigation.

Mr. DIXON. Mr. Speaker, will the gentleman yield?

Mr. GINGRICH. I am glad to yield to the gentleman from California.

Mr. DIXON. First of all, so that there is no confusion, there is only one article. The whole body of the comments of the gentleman from Georgia are in one article, and it was published on July 16.

Mr. GINGRICH. That is correct.

Mr. DIXON. But the point is that I said—and I try to be very careful, and I want the record to show this—that I said that the Wall Street Journal had indicated that there was an investigation and I had information at my disposal, and that I was aware independent of this article of an investigation. I just want the record to show that.

Mr. GINGRICH. Mr. Speaker, all I was stating is that it is the same article. That is, of course, my point there. All I was suggesting, I say to the gentleman, is that the same article which apparently, based on your independent verification, is apparently accurate about a criminal investigation, and it may in fact, if you investigate, turn out to be accurate about other investigations.

Notice that we are not coming to the floor—and I say this to every Member on both sides of the aisle—we are not coming to this floor and saying, "Vote to charge Mr. ST GERMAIN." We are saying, "Having approached the Ethics Committee and being told they are not even investigating the allegations, at least vote to ask them to investigate."

Let me walk through this for a minute, because I have the greatest respect and affection for and have served very closely with the gentleman from South Carolina [Mr. SPENCE]. I do not know the gentleman from California [Mr. DIXON] as well, but I know what a difficult job they both have. I know this is very, very emotional and very hard. But this is precisely an argument over standards. All the committee had to say was: "We will investigate and we will report back."

That is all they had to say. That is a very narrow base. There is no section of the ethics report which either affirms or denies the credit card use. There has been no statement by the committee about whether or not they were blocked off by the savings league. There is no evidence under testimony about that.

The gentleman says it lowers the threshold to begin an investigation, but in fact there are things that can be verified. Do the lobbyists' and the chairman's schedules fit? Do the lobbyists' and the chairman's schedules fit? Do the credit records fit? Are there different signatures on the credit card charges that fit when the chairman was there and the lobbyist was not there?

The question I have is this: you are not a criminal committee; you are an ethics committee. We have already been through one cycle where, because a Member was being investigated and we did not explore it or we did not investigate it ourselves and then the Federal Government ceased to investigate it, we did not investigate it because, after all, that was too late. Now we are back in the same cycle.

I would think that there is a great gap between ethics and illegality, that a Member can be innocent of any criminal wrongdoing and still be unethical. Otherwise why have an Ethics Committee?

Let me remind Members of what is at stake. We are going through changing ethics in this country, and all of us are living through that. There are a number of unresolved ethics charges in the House. There is a savings and loan scandal of enormous proportions, what has been called by some as possibly the largest white collar crimes in American history.

□ 1240

There is a chairman who, by the Committee on Standards of Official Conduct's own report, has clearly violated the House rules, and there is no question about that.

There is a Wall Street Journal article whose allegations of a criminal investigation, the chairman of the Committee on Standards of Official Conduct says that by independent sources, he has verified.

There is a call by Common Cause for more enforcement, more vigor, for aggressiveness; and now we have a refusal to investigate.

It should be a scalpel, but I would suggest given all of that, this is hardly an allegation about a random Member; and notice all the resolution asked for:

Resolved, that the Committee on Standards of Official Conduct is directed to further investigate the conduct of said Representative and report promptly back to the House its findings together with such recommendations—for disciplinary action, if any—as they deem appropriate.

I would just close with this plea to the Members, and I know it is emotional, and it is hard, and we all hate it.

Can the Members really vote comfortably not even to know, now even to look at it?

Can the Members really vote to say to the Committee on Standards of Official Conduct, "Don't find out if the chairman of the Banking Committee was dealing with the savings and loan lobbyists using his credit card. Don't find out how a bill that affects a $50 billion bailout was written, or what may be behind the criminal investigations that even the ethics committee has now verified are current."

Can the Members vote for ignorance about a position this powerful, an industry in this much trouble and go home and say, "Boy, we sure got to clean up the White House, Wall Street and the PTL Club; and by the way, I am from the U.S. House."

Mr. MYERS of Indiana. Mr. Speaker, will the gentleman yield for one question?

Mr. GINGRICH. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Speaker, I thank the gentleman for yielding.

As I understand, if this resolution should pass, we would be mandated to start proceedings right away to investigate.

There has been a long-established understanding between the Justice Department and this committee that we would not interfere with any investigation they might have.

The gentleman would force the Members to go ahead and violate that rule that we have had with Justice?

Mr. GINGRICH. I would assume you could report back and ask the House's advice on how to handle that part of it.

There are parts you could investigate now. No judgment, all I am asking is a yes vote to say to the committee, "Please investigate the chairman in this context."

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. SABO). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. WALKER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 111, nays 291, answered "present" 13, not voting 18, as follows:

[Roll No. 300]

YEAS—111

Archer
Armey
Badham
Baker
Ballenger
Barton
Bateman
Bilirakis
Bliley
Boulter
Broomfield
Brown (CO)
Buechner
Bunning
Burton
Chandler
Cheney
Coats
Coble
Coleman (MO)
Courter
Crane
Dannemeyer
Daub
Davis (IL)
DeLay
DeWine
Dickinson
DioGuardi
Dornan (CA)
Edwards (OK)
Fawell
Fields
Gallegly
Gekas
Gingrich
Goodling
Gradison
Grandy
Gregg
Gunderson
Hastert
Hefley
Henry
Herger
Holloway
Hunter
Inhofe
Ireland
Jeffords
Johnson (CT)
Kasich
Kolbe
Kyl
Lagomarsino
Lewis (CA)
Lightfoot
Livingston
Lott
Lujan
Lukens, Donald
Lungren
Mack
Martin (IL)
Mazzoli
McCollum
McEwen
Meyers
Miller (WA)
Morella
Morrison (WA)
Nielson
Oxley
Packard
Porter
Pursell
Rhodes
Ritter
Roberts
Rogers
Roth
Rowland (CT)
Schaefer
Schuette
Sensenbrenner
Shaw
Shumway
Skeen
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solomon
Stangeland
Sundquist
Sweeney
Swindall
Tauke
Thomas (CA)
Upton
Vander Jagt
Vucanovich
Walker
Weber
Weldon
Whittaker
Wolf
Young (FL)

NAYS—291

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
AuCoin
Barnard
Bartlett
Bates
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Biaggi
Bilbray
Boehlert
Boggs
Boland
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Brown (CA)
Bruce
Bryant
Bustamante
Byron
Callahan
Campbell
Cardin
Carper
Carr
Chapman
Chappell
Clay
Clinger
Coelho
Coleman (TX)
Collins
Combest
Conte
Conyers
Cooper
Coughlin
Coyne
Crockett
Darden
Davis (MI)
de la Garza
DeFazio
Dellums
Derrick
Dicks
Dingell
Donnelly
Dorgan (ND)
Dowdy
Downey
Dreier
Duncan
Durbin
Dymally
Dyson
Early
Eckart
Edwards (CA)
Emerson
English
Erdreich
Espy
Evans
Fascell
Feighan
Fish
Flake
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Frost
Gallo
Garcia
Gejdenson
Gibbons
Gilman
Glickman
Gonzalez
Gordon
Grant
Gray (IL)
Gray (PA)
Green
Guarini
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Harris
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Hertel
Hiler
Hochbrueckner
Hopkins
Horton
Houghton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Jacobs
Jenkins
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lancaster
Lantos
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (FL)
Lewis (GA)
Lipinski
Lowery (CA)
Lowry (WA)
Luken, Thomas
Madigan
Manton
Markey
Martin (NY)
Martinez
Matsui
Mavroules
McCandless
McCloskey
McCurdy
McDade
McGrath
McHugh
McMillan (NC)
McMillen (MD)
Mfume
Mica
Miller (CA)
Miller (OH)
Mineta
Moakley
Molinari
Montgomery
Moody
Moorhead
Morrison (CT)
Mrazek
Murphy
Murtha
Nagle
Natcher
Neal
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Panetta
Parris
Patterson
Pease
Pelosi
Penny
Perkins
Pickett
Pickle
Price (IL)
Price (NC)
Quillen
Rahall
Rangel
Ravenel
Ray
Regula
Richardson
Ridge
Rinaldo
Robinson
Rodino
Roe
Rose
Rostenkowski
Roukema
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Savage
Sawyer
Saxton
Scheuer
Schroeder
Schulze
Schumer
Sharp
Shuster
Sikorski
Sisisky
Skaggs
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Solarz
Spratt
Staggers
Stallings
Stark
Stenholm
Stokes
Stratton
Studds
Swift
Synar
Tallon
Tauzin
Taylor
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weiss
Wheat
Whitten
Williams
Wilson
Wise
Wolpe
Wortley
Wyden
Wylie
Yates
Yatron
Young (AK)

ANSWERED "PRESENT"—13

Atkins
Craig
Dixon
Dwyer
Fazio
Gaydos
Hansen
Mollohan
Myers
Pashayan
Petri
Schneider
Spence

NOT VOTING—18

Boner (TN)
Clarke
Daniel
Frenzel
Gephardt
Hatcher
Hyde
Kemp
Konnyu
Latta
Lloyd
MacKay
Marlenee
Michel
Pepper
Roemer
St Germain
Stump

☐ 1305

Messrs. MINETA, OLIN, BOEHLERT, LEWIS of Florida, and McCANDLESS changed their votes from "yea" to "nay."

Messrs. DIXON, ATKINS, and FAZIO changed their votes from "nay" to "present."

Mr. CALLAHAN and Mr. PARRIS changed their votes from "present" to "nay."

So the resolution was not agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT TO TAKE TESTIMONY AND CERTAIN OTHER ACTION BY QUORUM OF ONE DURING PERIOD OF AUGUST 5, 1987 TO SEPTEMBER 9, 1987, NOTWITHSTANDING HOUSE RULE PROVISIONS

Mr. DIXON. Mr. Speaker, I ask unanimous consent of the House that during the period August 5 to September 9, 1987, the Committee on Standards of Official Conduct be permitted to take testimony and other certain action by a quorum of one of its members, the provisions of House rule XI, clause 2(h)(1), notwithstanding.

This request has been approved by the ranking minority Member.

The SPEAKER pro tempore (Mr. Sabo). Is there objection to the request of the gentleman from California?

There was no objection.

PERMISSION FOR COMMITTEE ON FOREIGN AFFAIRS TO HAVE UNTIL MIDNIGHT THURSDAY, SEPTEMBER 3, 1987, TO FILE REPORT ON H.R. 3100

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs may have until midnight, Thursday, September 3, 1987, to file its report on H.R. 3100.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

Mr. WALKER. Mr. Speaker, reserving the right to object, I would ask the gentleman, has this been cleared by the minority?

Mr. FASCELL. Mr. Speaker, if the gentleman will yield, this has been cleared by the minority.

Mr. WALKER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

GENERAL LEAVE

Mr. NATCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 3058, Departments of Labor, Health and Human Services, and Education and Related Agencies Appropriations Act, 1988, and to include extraneous matter along with tables and charts.

The SPEAKER pro tempore. Is there objection to the gentleman from Kentucky?

There was no objection.

DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION AND RELATED AGENCIES APPROPRIATIONS ACT, 1988

Mr. NATCHER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3058) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1988, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from Massachusetts [Mr. Conte] and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. Natcher].

The motion was agreed to.

□ 1308

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3058, with Mr. Sharp in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Kentucky [Mr. Natcher] will be recognized for 30 minutes and the gentleman from Massachusetts [Mr. Conte] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Kentucky [Mr. Natcher].

Mr. NATCHER. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, it is a distinct honor and privilege for me to serve on this subcommittee with my friend, the gentleman from Massachusetts [Mr. Conte], the ranking minority member and all of the members of the subcommittee. Further, Mr. Chairman, I want my colleagues to know that it is an honor to serve on the Appropriations Committee with my chairman, the distinguished gentleman from Mississippi [Mr. Whitten], the dean of the Congress, the House and the Senate. I want the committee to know that at all times on our bill our chairman of the full committee works with us on every program and every item in this bill.

Mr. Chairman, H.R. 3058, which we present to the House today, makes appropriations for the fiscal year 1988 for the Departments of Labor, Health and Human Services, and Education, and for 14 related agencies, including ACTION, the Corporation for Public Broadcasting, the Federal Mediation and Conciliation Service, the Federal Mine Safety and Health Review Commission, the National Commission on Libraries and Information Science, the National Council on the Handicapped, the National Labor Relations Board, the National Mediation Board, the Occupational Safety and Health Review Commission, the Prospective Payment Assessment Commission, the Physician Payment Review Commission, the Railroad Retirement Board, the Soldiers' and Airmen's Home, and the United States Institute of Peace.

The bill includes 1988 appropriations totaling $112,792,398,000 for these departments and agencies, which is $13,291,935,000 over the amounts requested by the President, and $12,676,473,000 over the comparable amounts available for 1987. In addition, the bill includes advance appropriations of $13,750,000,000 in fiscal year 1989 and $238,000,000 in fiscal year 1990.

A large portion, 67.8 percent, of the appropriations in the bill is for entitlement programs for which funding levels are determined by the basic authorizing legislation. The bill includes $76,502,488,000 for these entitlements in fiscal year 1988, an increase of $4,686,739,000 over the amount requested by the President and an increase of $9,723,428,000 above the amounts available for these programs in fiscal year 1987. For discretionary programs, in which spending is controlled through the annual appropriations bill, the bill includes $36,289,910,000 in fiscal year 1988, an increase of $8,605,196,000 over the President's budget and an increase of $2,953,045,000 over the amount available for fiscal year 1987. In addition to these amounts, consideration of $2,332,757,000 of budget estimates for 1988 has been deferred because authorizations have not yet been enacted for these programs.

In addition to the amounts included in the bill, very large sums are automatically appropriated each year for labor, health and human services, and education programs without consideration by the Congress during the annual appropriations process. The principal items in this category are the unemployment compensation, Social Security, Medicare, and railroad retirement trust funds. If the trust funds were counted, total budget authority for labor, health and human services, and education programs considered in this bill would increase from $421,933,023,000 in 1987 to $471,331,015,000 in 1988, an increase of $49,397,992,000.

Mr. Chairman, this bill is well within the ceilings set by the 1988 budget resolution. After adjusting for advance appropriations included in the bill, the total for fiscal year 1988 which counts against our 302(b) ceiling is $125,604,463,000 of which $89,314,553,000 is for entitlements and $36,289,910,000 is for discretionary items. These amounts are below our 302(b) allowance in total by approximately $4 billion. The bill is $3,960 million below for discretionary programs and $168 million below for entitlements. This results because the subcommittee has deferred consideration of programs which are not currently authorized for fiscal year 1988. The President's budget requests $2,332,757,000 for unauthorized programs which received $3,005,533,000 for fiscal year 1987. The amount of 302(b) ceiling remaining is sufficient to fund these deferred programs as well as to fund new or expanded authorizations assumed in the budget resolution. When appropriations are made with respect to these deferred activities as well as for new or expanded authorizations currently before the Congress, the committee expects to be exactly at its ceilings under section 302 of the Budget Act.

With respect to outlays, the bill includes $130,978 million in outlays for fiscal year 1988 including $18,968 million for discretionary programs and $112,011 million for the entitlements. This is $2,106 million below the 302(b) allowance in total including $1,616 million for discretionary programs and $490 million for entitlements. This occurs because of the deferred items not included in the bill. While the outlay ceiling is extremely tight, we believe that there are sufficient outlays remaining to cover the items which have been deferred.

DEPARTMENT OF LABOR

The bill provides a total of $5,959,806,000 for the Department of Labor, including $4,845,231,000 for discretionary programs and $1,114,575,000 for entitlements. For discretionary programs the bill exceeds the President's budget request by $402,209,000, and it is $300,123,000 over the 1987 level. For entitlement programs we are above the President's request by $82,575,000 and above last year by $496,479,000.

In addition, the bill includes a total of $2,818,966,000 in trust fund transfers, an increase of $206,073,000 over the President's request and $146,302,000 over the 1987 level. Virtually all of the trust funds are for financing the administrative costs of the State employment security agencies.

TRAINING AND EMPLOYMENT SERVICES

For programs under the Job Training Partnership Act, we recommend $3,639,685,000, an increase of $354,137,000 over the President's budget and $189,456,000 over the 1987 amount. This includes $783,500,000 for the Job Corps to maintain the current services level of 106 centers and 40,544 training slots. We also extend the prohibition of Job Corps center closings until January 1, 1989. Included in the total is $93,500,000 over the request for capital costs, of which $49,000,000 is for new centers, $32,000,000 is for relocation of certain existing centers within the same city, and $12,500,000 is for additional high-priority needs including those centers where leases cannot be renewed. For the summer youth program the bill includes $750,000,000 for the summer of 1989, an increase of $100,000,000 over the President's budget and the same as the amount already appropriated for the summer of 1988. We added $97,000,000 to the President's request for the State block grant for a new total of $1,880,000,000.

We recommend $50,000,000 for training, job search, and relocation assistance authorized by the Trade Act, the same as the 1987 appropriation. The administration did not propose to fund it. State administrative costs for the program are included in the amount of $4,000,000.

The bill includes $8,000,000 for a new job training demonstration program for the homeless.

In the Employment and Training Administration, we restored 57 full-time equivalent staff to maintain current staffing levels with respect to the regional offices. We also added 42 FTE's over the budget request for activities under the Immigration Reform and Control Act of 1986. The budget made no provision for this.

STATE EMPLOYMENT SECURITY AGENCIES

We provide $755,200,000 for Employment Service State grants, the same as 1987. For State administration of the unemployment insurance system, the recommendation is $1,734,618,000, an increase of $97,050,000 over 1987. Included here is $60,000,000 to cover the cost of legislated State salary increases occurring in fiscal 1988.

We provided $30,000,000 for administration of the targeted jobs tax credit, an increase of $15,000,000 over 1987. There was nothing requested for this.

EMPLOYMENT STANDARDS ADMINISTRATION

We added a net amount of $2,069,000 to the budget request to finance an additional 100 full-time equivalent staff for the Office of Federal Contract Compliance programs. These are to be used for additional nonsupervisory field enforcement caseworkers. This restores the field staff to almost the fiscal year 1980 level.

VETERANS EMPLOYMENT AND TRAINING

We added $7,512,000 over the budget request for veterans employment and training. This is to restore the number of local veterans employment representatives to the 1987 level.

For the other departmental salaries and expenses accounts the committee has basically approved the President's budget request with minor exceptions. In most cases, this allows for built-in cost increases and any program increases requested.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

The bill includes $99,188,886,000 for activities administered by the Department of Health and Human Services. This includes $13,750,000,000 in advance appropriations for fiscal year 1989 for the various public assistance entitlement programs. For discretionary activities, the bill includes $14,041,013,000, which is an increase of $2,834,033,000 over the amount requested by the President and an increase of $1,262,282,000 over the comparable amount available during fiscal year 1987 for these programs.

The President's budget proposed the elimination of a variety of health and human services programs and radical reductions in others. For the most part the committee has not gone along with these proposals. Major cuts proposed in the budget and not approved include $175.2 million from health professions training grants, $747.8 million from non-AIDS-related research at the National Institutes of Health, $86.3 million in refugee programs, and $585.3 million in energy assistance for low-income families. In addition to restoring funds for these activities, the committee bill includes significant increases in several areas which we believe are of high priority both to the Nation as a whole and to this Congress. These increases over fiscal year 1987 levels include:

+$446,245,000 for research, education, and prevention activities related to acquired immune deficiency syndrome. This bill includes $945,430,000 for the No. 1 public health problem facing this country. The funds are included in a new consolidated AIDS account in the Office of the Secretary. Funds are also included to continue services demonstrations activities including resources to renovate long-term-care facilities for victims of the disease.

+$625,642,000 for non-AIDS-related research programs at the National Institutes of Health. The bill includes $6,563,857,000 for the NIH. The majority of this increase is necessary to cover inflationary costs in ongoing research activities. Fiscal year 1988 funding is expected to support approximately 20,000 research project grants of which 6,500 will be new studies. The bill also includes a few high-priority new initiatives including $30,000,000 for an expansion of the gene mapping effort and $3,000,000 to establish a new National Center for Biotechnology Information.

+$38,250,000 for maternal and child health grants to accelerate efforts to reduce this country's infant and neonatal mortality rates. A total of $535,000,000 has been included for this program.

+$125,458,000 for the Head Start Program to expand programs which are intended to improve the learning skills and health status of low-income children before they enter school; $1,256,000,000 is included for Head Start in this bill.

The bill includes other increases and decreases in health and human services programs as described in the report. However the basic approach of the committee with respect to discretionary programs has been to reject the program eliminations proposed in the President's request and to concentrate increases on emergency and high-priority activities.

The bill also includes $85,147,873,000 for entitlements, principally public assistance activities for aged, blind, and disabled individuals and for poor families. These activities include Medicaid, aid to families with dependent children, supplemental security income [SSI], social services block grants, and payments to the various Social Security trust funds. The amount included in the bill is an increase of $10,612,907,000 over fiscal year 1987 and an increase of $3,219,672,000 over the amount requested by the President. The committee bill makes no substantive changes in these entitlements but adds funds based on the latest estimates by the Congressional Budget Office of the amounts necessary to finance benefits under current law.

ACQUIRED IMMUNE DEFICIENCY SYNDROME [AIDS]

Acquired immune deficiency syndrome is the most serious and devastating public health problem to appear in recent memory. It is the No. 1 health priority of this Nation. Over 39,000 cases have been diagnosed so far and the number is expected to escalate geometrically in the next several years. As many as 1.5 million individuals may have been infected in the United States. The Public Health Service estimates that by the end of 1991, total AIDS cases will have risen to more than 270,000 with nearly 180,000 deaths.

In response to the steady growth in the number of cases, the committee has recommended a substantial increase in appropriations for AIDS activities. As discussed earlier, the bill includes $945,430,000, an increase of $466,245,000, or nearly 100 percent, over the 1987 level. In addition, $24,570,000 has been requested by the President for the Food and Drug Administration in the rural development-agriculture appropriations bill, making a total appropriation for AIDS of $970,000,000. We believe that this substantial increase will enable the Public Health Service to continue to make progress against this dread disease. By agency, the amounts in the bill are as follows: Health Resources and Services Administration, $38,500,000; Centers for Disease Control, $306,750,000; National Institutes of Health, $472,428,000; Alcohol, Drug Abuse and Mental Health Administration, $101,252,000; the Office of Minority Health, $1,500,000; and the Office of the Secretary, $25,000,000.

The committee has also recommended organizational changes designed to make the AIDS Program more effective, including the creation of a Secretary's Advisory Board on AIDS and the establishment of three permanent advisory committees on AIDS research at the National Institutes of Health, the Centers for Disease Control, and the Alcohol, Drug Abuse and Mental Health Administration.

HEALTH RESOURCES AND SERVICES

The bill includes $1,343,476,000 for programs administered by the Health Resources and Services Administration. This is $286,262,000 above the President's request and $3,413,000 above the amount available in 1987. The committee did not consider the budget requests for the National Health Service Corps programs which are not currently authorized for fiscal year 1988.

The mission of the Health Resources and Services Administration is exceptionally broad. Its activities include the provision of inpatient and outpatient health care to the poor, pregnant women, children, and other high-risk populations; the training of health professionals, and the rational development of health resources, including health personnel and health facilities, throughout the United States. Approximately 3,100 persons are currently employed by this agency to carry out these responsibilities.

Of the funding added by the committee over the President's request, almost two-thirds relates to the committee's rejection of the proposal to drastically reduce Federal support for the training of health professionals including nurses. The bill includes $209,429,000 for these training programs which is $3,719,000 more than available for these programs in 1987. The committee has rejected the administration's position that the national surplus of physicians widely predicted for the 1990's justifies a Federal abandonment of the effort to improve the geographic and specialty mix of health professionals and to increase the number of minority health providers. These are real problems which the overall surplus has not resolved. The committee has, therefore, recommended that these programs be funded for the most part at the same levels provided in last year's appropriation act. The committee has also rejected the administration's proposal to reduce HEAL loans for these students from the $305,000,000 currently authorized to $100,000,000. The committee believes these loans are the financing of last resort for many of these students who would otherwise have to drop out of school. The bill also includes $56,300,000 for nursing programs.

The bill also includes $535,000,000 for the maternal and child health block grant, an increase of $38,250,000 over the amount available for this program in fiscal year 1987. The MCH block grant is targeted to high-risk mothers and children and to crippled children. The increased funding recommended in the bill is for programs to reduce infant and neonatal mortality rates which are unacceptably high in this country.

The bill also includes $400,000,000 for community health centers which is the maximum amount currently authorized. These funds subsidize approximately 50 percent of the operating budgets of 565 centers providing primary health service to more than 5.7 million Americans. In addition to these general-purpose centers, the bill includes $45,400,000 for migrant health centers which will support 125 projects serving approximately 2,700,000 migrant and seasonal farmworkers.

The committee recommends $4,000,000 to fund activities authorized by the National Organ Transplant Act—Public Law 98-507. This will support a nationwide system to increase the availability of organs and to facilitate the matching of donors and recipients. This new initiative was initially funded in fiscal year 1986. No funds have been included for organ procurement organizations which are not currently authorized for fiscal year 1988.

NATIONAL INSTITUTES OF HEALTH

The bill includes $6,563,857,000 for the 18 appropriations which together fund the programs of the National Institutes of Health. These include the appropriations for the 12 research institutes, the Division of Research Resources, the John E. Fogarty International Center, the National Center for Nursing Research, the National Library of Medicine, the Office of the Director, and buildings and facilities. This is in addition to funds for research on AIDS which are appropriated in the Office of the Secretary. Counting AIDS activities the bill includes $7,036 million for the NIH.

The 1988 NIH appropriations—excluding AIDS—of $6,563,857,000 recommended by the committee represents an increase of $1,373,448,000 over the amount requested in the President's budget and $625,642,000 over the amounts currently available for 1987 for these activities.

The committee continues to give the highest priority to the support of investigator-initiated research projects, and intends that the amounts in the bill should be used to fund approximately 6,500 new and competing awards as close as possible to the amounts recommended by peer review groups. In addition, the committee expects that 13,660 noncompeting research projects will be supported. The committee has also provided increased funds for the support of research centers which may be used for existing and/or new centers, as determined by the directors.

For training grant programs, the bill provides sufficient funds for the support of approximately 11,000 trainees. Additional funds are also provided for other essential elements of the NIH intramural and extramural programs, including—but not confined to—research career awards, clinical trials, biomedical research support grants, intramural research, instrumentation grants, construction and renovation of facilities including animal facilities, research management and support, and the National Library of Medicine.

The committee has recommended funds for a significant expansion of work in the area of "gene mapping." This effort is expected to yield breakthroughs in many different fields over the next years; $30,000,000 has been added to the request at the National Institute of General Medical Sciences for this purpose. The bill also includes $3,000,000 to establish a new National Center for Biotechnology Information to be located at the National Library of Medicine.

CENTERS FOR DISEASE CONTROL

The committee recommends $221,977,000 for non-AIDS disease prevention activities at the Centers for Disease Control. This is $21,651,000 above the President's budget and $12,282,000 above the amount available in 1987. The bill does not include funds at this time for the prevention grants, sexually transmitted diseases, or immunization programs which are not currently authorized. The committee has not approved the President's request to terminate the training activities of the National Institute for Occupational Safety and Health and has recommended $9,900,000 for this program, the same amount available in 1987. The bill also includes $43,125,000 for infectious diseases, $45,272,000 for chronic diseases, and $57,193,000 for epidemic services.

ALCOHOL, DRUG ABUSE AND MENTAL HEALTH

The committee recommends $470,094,000 for programs administered by the Alcohol, Drug Abuse and Mental Health Administration including $68,312,000 for the Federal share of costs at St. Elizabeths Hospital in the District of Columbia. This amount is $39,624,000 over the President's request and $12,337,000 over the amount available in fiscal year 1987. The committee has deferred consideration of budget estimates totaling $645,298,000 for drug abuse and alcoholism research, for block grant activities, and for new substance abuse initiatives begun in 1987. These programs are not currently authorized for fiscal year 1988.

The committee has been impressed with the quality of recent research at the National Institute of Mental Health and believes that the potential for breakthroughs in our understanding of the cause, prevention, and treatment of mental illnesses such as schizophrenia and Alzheimer's disease are possible in the not too distant future. The committee has therefore recommended a funding level of $265,541,000 for this program which will permit more adequate funding of ongoing efforts including the intramural programs and will also support an increase in the number of new investigator initiated research projects.

The committee bill also includes $20,000,000 for the community support program [CSP] which finances State and local demonstrations to better serve the chronically mentally ill, many of whom have been released from mental hospitals as a result of deinstitutionalization programs. This program is focused on chronically ill patients with special emphasis on children and adolescents.

The bill also includes $17,500,000 to continue clinical training activities which is $12,500,000 more than requested in the budget. This program supports students in the core disciplines of psychiatry, psychology, social work, and nursing with special emphasis on activities which are targeted at children, the elderly, and minorities.

HEALTH CARE FINANCING ADMINISTRATION

The committee bill includes fiscal year 1988 appropriations of $48,941,580,000 for programs administered by the Health Care Financing Administration. This amount includes $22,946,000,000 for State Medicaid programs, an increase of $2,806,000,000 above the 1987 level and $1,926,000,000 above the President's request. The amount added by the committee is based on the most recent estimate of costs under current law prepared by the Congressional Budget Office. This account supports approximately 55 percent of the cost of the State Medicaid programs of health insurance for the poor.

The bill also includes $25,893,000,000 for payments to the Medicare trust funds. This is $5,161,000,000 above the 1987 level and $266,000,000 above the President's request. The amount recommended is based on the most recent estimates of costs under current law submitted by the Congressional Budget Office. This mandatory appropriation now supports 75 percent of the Medicare part B program from general funds. The committee is concerned by the extraordinary growth in this appropriation and has asked the General Accounting Office to review the estimates for fiscal year 1989.

No funds have been included for military service credits which the President's budget has requested under the Department of Defense.

H.R. 3058 includes $1,524,158,000 in general and trust fund appropriations for Federal administration of the Medicare and Medicaid Programs. The committee has recommended total funding of $1,232,000,000 for the cost of processing Medicare claims. This is $70,200,000 above the President's budget and $87,576,000 above fiscal year 1987. This amount is expected to be sufficient to handle a substantial increase in the number of claims and to maintain the payment cycle for claims at historic levels.

SOCIAL SECURITY ADMINISTRATION

The bill includes general funds appropriations of $13,542,134,000 for programs administered by the Social Security Administration. This amount includes $105,298,000 for payments to Social Security trust funds, $651,452,000 for black lung benefits, and $9,535,384,000 for Federal cash assistance for the aged, blind, and disabled under the Supplemental Security Income Program. The bill also includes $3,250,000,000 in advance appropriations for fiscal year 1989 for these activities.

The committee recommends that $3,680,921,000 be expended from the Social Security trust funds for administrative costs of the Social Security Retirement, Survivors, and Disability Program. This is $124,200,000 less than the amount requested by the President and $190,641,000 less than the amount available in 1987. This limitation account supports the staff, computers, telecommunications, facilities, and other resources to manage these programs which are expected to pay more than $225 billion to more than 40 million Americans in fiscal year 1988. The committee bill provides for a staffing level of 73,314 workyears which is an increase of 639 over the number requested in the budget. The committee has reduced the President's request by $100 million related to excess carryover funds in the systems modernization area and by $45 million based on overestimates of the cost of Federal retirement programs. The committee has continued to follow closely the issue of potential district office closings. No funds have been requested by the President nor have any funds been included by the committee for office closings.

FAMILY SUPPORT ADMINISTRATION

The bill includes $13,770,648,000 for activities administered by the Family Support Administration. This agency was created last year in a reorganization of departmental programs serving disadvantaged families. This includes $8,644,385,000 for payments to States to finance their aid to families with dependent children programs, $1,822,269,000 for energy assistance grants, $320,885,000 for refugee programs, and $408,200,000 for community services. These recommendations are described in detail in the report. Funds have not been included at this time for the Work Incentives [WIN] Program. This program is in the process of being reauthorized and the structure of the replacement activities have not yet been determined.

HUMAN DEVELOPMENT

The committee bill includes $2,700,000,000 for the social services block grant entitlement. This is the same amount requested by the President and the maximum amount authorized for 1988. These funds are distributed to the States by formula for a variety of social and supportive services for children, aged and other vulnerable populations.

The committee recommends $1,641,456,000 for other social services activities under the human development services account. Included in this amount is $1,256,000,000 for Head Start programs and $260,000,000 for child welfare services. Also included in this account are a variety of smaller programs serving vulnerable children and adults. The bill does not include funds for activities not currently authorized for 1988 including aging programs, child abuse grants, and developmental disabilities.

The committee recommends $811,178,000 for the foster care and adoption assistance entitlement programs. The amount for these entitlements is $129,138,000 over the President's budget.

DEPARTMENT OF EDUCATION

For the Department of Education, the bill includes $20,636,613,000, an increase of $6,653,058,000 over the budget request for fiscal year 1988. The total amount in the bill is $1,165,110,000 over the amount available for 1987. The budget submitted by the Office of Management and Budget proposed a net reduction of $5.5 billion below the 1987 appropriation for education programs. Just to give Members some examples of the reductions included in the budget request—

Pell grants	−$1.2 billion
Work-study, grants, and loans	−1.3 billion
Vocational education	−882 million
Education of the handicapped	−254 million
Rehabilitation of the disabled	−84 million
Aid to libraries	−132.5 million
Drug abuse education	−100 million
TRIO programs disadvantaged	−94 million
Developing institutions and black colleges	−95 million

Mr. Chairman, the committee could not accept the reductions contained in the budget request. Testimony presented by the Department witnesses during the hearings gave no justification for the reductions.

The committee bill restores the reductions proposed in the budget, and in addition provides increases over 1987 for high-priority programs such as chapter 1 aid to the disadvantaged, Pell grants, handicapped children, black colleges, and the TRIO programs for the disadvantaged. Mr. Chairman, these increases are necessary and justified. Some of the major program increases for education are as follows:

COMPENSATORY EDUCATION FOR THE DISADVANTAGED

The bill includes $4,595,000,000 for chapter 1 of the Education Consolidation and Improvement Act. This amount is $650,837,000 over the amount available for 1987, and $450,837,000 over the amount requested in the budget for 1988. About 14,000 school districts participate in the program serving approximately 5 million disadvantaged students.

IMPACT AID

The committee bill provides $757,500,000 for the Impact Aid Program, an increase of $40,000,000 over fiscal year 1987. This is $209,500,000 over the budget request. The committee restored funding for category B payments which the budget proposes to terminate. In addition, increases over the budget have been provided for construction and special payments to local school districts.

SPECIAL PROGRAMS

For a variety of elementary and secondary education programs, the bill includes $921,314,000, an increase of $136,977,000 over the budget request and $20,176,000 below the amount available for 1987. The chapter 2 Block Grant Program will be continued at $529,337,000, the same amount as fiscal year 1987. Drug abuse education, civil rights training, women's educational equity, leadership in education, magnet schools, and aid to the homeless will be maintained at about the 1987 levels. The budget proposed to terminate many of these programs.

BILINGUAL AND IMMIGRANT EDUCATION

For bilingual and immigrant education, the committee has provided $198,981,000, an increase of $10,000,000 over the 1987 amount, and an increase of $55,886,000 over the budget request. The amount recommended includes $15,886,000 for refugee education and $30,000,000 for emergency immigrant education. In general, the Federal bilingual education programs are designed to assist limited English proficient children to improve their academic skills.

EDUCATION FOR THE HANDICAPPED

In the bill we include $1,913,800,000 for the education of handicapped children at elementary and secondary school levels. This amount is $425,619,000 over the budget request and $171,900,000 over the amount available for 1987. The amount provided in the bill will assist State and local educational agencies in providing special education to 4.2 million handicapped children.

REHABILITATION SERVICES AND HANDICAPPED RESEARCH

For rehabilitation services to disabled youths and adults, the bill provides $1,561,940,000, an increase of $160,817,000 over the budget request and $77,182,000 over the 1987 appropriation. The amount includes $1,350,000,000 for basic State grants, $43,410,000 for independent living programs, $30,000,000 for training, and $4,800,000 for the Helen Keller Center. The committee recommends $52,000,000, an increase of $3,500,000 over the 1987 amount for the National Institute on Disability and Rehabilitation.

VOCATIONAL AND ADULT EDUCATION

For programs authorized by the Carl D. Perkins Vocational Education Act, the bill includes $899,600,000, an increase of $24,781,000 over the 1987 appropriation. The budget proposed to terminate funding for vocational education, a program that has been authorized for over 70 years. Funds available for vocational education are designed to support and improve programs that provide education and training needed by persons to compete and advance in the labor market.

The bill includes $130,000,000 for adult education programs, the same as the budget request, and an increase of $17,119,000 over the 1987 amount. These funds will be used to assist State programs that serve an estimated 2.6 million persons annually.

STUDENT AID

The committee recommends $5,806,000,000 for student assistance programs. This is an increase of $2,470,000,000 over the budget request and $648,000,000 over the 1987 funding level. The budget request is based on a legislative proposal to restructure the existing student aid programs. Since Congress has taken no action on this proposal, the committee recommendation is based on current law.

The bill includes $4,450,000,000 for Pell grants to permit a maximum grant of $2,300 as compared to a maximum grant of $2,100 in the previous year. Also included in the bill is $625,000,000 for college work study,

$425,000,000 for supplemental opportunity grants, $226,000,000 for direct loans, and $80,000,000 for State incentive grants.

GUARANTEED STUDENT LOANS

The bill includes $2,425,000,000 for the guaranteed student loan appropriation, the latest estimate of the funding that will be required for the program under current law. This amount is $1,248,426,000 over the budget estimate for 1988. In its budget request for 1988, however, the administration proposed certain legislative changes that would have reduced its 1987 estimate for the program by about $1 billion. The committee makes no assumptions about changes in existing law, which may result from the regular legislative process.

HIGHER EDUCATION

For the various higher education institutional aid programs, the bill includes $584,450,000, an increase of $408,339,000 over the budget request. The committee has provided increases over the 1987 funding level for special programs for the disadvantaged [TRIO], minority institutions science improvement, and graduate training programs. The committee bill includes $180,000,000, an increase of $32,792,000 over 1987 for aid to developing institutions and black colleges. This assists schools serving black students throughout the United States—schools such as Mississippi Valley State which the chairman of our committee, Mr. Whitten, is so concerned about. For college housing loans, the committee authorizes $90,000,000 in new loans compared to $60,000,000 in 1987, and zero requested in the budget.

LIBRARIES

Again, as in previous years, the budget proposes to terminate all Federal assistance to libraries. The bill provides $144,500,000, an increase of $12,000,000 over the amount available for fiscal year 1987. The recommendation includes $22,500,000 for public library construction, and $5,000,000 for library technology cooperation.

SPECIAL INSTITUTIONS

For payments to special institutions the bill includes $5,510,000 for the American Printing House for the Blind; $33,000,000 for the National Technical Institute for the Deaf; $65,925,000 for Gallaudet University; and $179,865,000 for Howard University.

RELATED AGENCIES

The bill includes $995,093,000 for 14 related agencies. We are over the President's request for these agencies by $204,039,000 and over the 1987 level by about $1,507,000. This includes $238,000,000 for the Corporation for Public Broadcasting, which is an advance appropriation for fiscal year 1990. In addition, there are trust fund transfers here in the amount of $69,626,000, an increase of $3,430,000 over the budget request.

Mr. CONTE. Mr. Chairman, I yield myself whatever time I may consume.

Mr. Chairman, I rise in strong support of H.R. 3058, the fiscal year 1988 Labor, Health and Human Services, and Education appropriations bill.

Every year, as Chairman Natcher and I bring this bill to the House floor, you hear me say what a genuine pleasure it is to work with my good friend, Bill Natcher, on this important bill. I say it again this year, because the gentleman from Kentucky has no peer in the House in terms of commitment, hard work, fairness, and knowledge of these complex issues.

Once again, I am proud to say that we are bringing a good bill—and a responsible bill—before the House. Once again, this bill meets our obligations, both to the realities of the budget deficit situation and to the American people who depend on the programs funded through this bill.

We have worked long and hard to ensure that the bill meets both of those obligations. We held 35 days of hearings from February to May, 28 with administration witnesses and 7 with outside witnesses. We heard from 418 witnesses, representing 332 organizations. And, 62 Members of the House appeared before the subcommittee during our hearings.

We met to mark up the bill last month after Congress had set its fiscal year 1988 budget priorities, and spent a total of 11½ hours in session, making sure our choices were sound. I say this because I want Members to understand that this complex bill is not the result of partisanship or political philosophy or quick fix gimmickry. It is the product of hard work by all 13 members of the subcommittee to face up to the realities of our budget situation and balance them against the needs of the American people.

What is the product that we bring to the House today?

For fiscal year 1988, total spending for Labor, Health and Human Services, and Education programs will amount to $475.3 billion. That amount includes $358.6 billion—three-quarters of the total—in trust funds and permanent appropriations, $112.7 billion in curent year funding for entitlements and discretionary programs in the bill, and approximately $4 billion held in reserve for unauthorized programs and anticipated new or expended authorizations.

The trust funds and permanent appropriations—including unemployment compensation, Medicare, Social Security, and railroad retirement trust funds—are, of course, not subject to annual action by Congress, and are funded automatically.

Of the $126.7 billion that is contained in H.R. 3058 for fiscal year 1988, including $112.7 billion in current year funding, $76.5 billion for appropriated entitlements. Funding for these programs—more than two-thirds of the current year funds in the bill—is set by the authorizing legislation, and virtually all we do on the Appropriations Committee is plug in the latest figures from the Congressional Budget Office. These mandatory programs include Federal Employees Compensation Act benefits, black lung benefit payments, Medicaid benefits, rehabilitation services, and guaranteed student loans.

That leaves the discretionary programs, and the bill proposes $36.2 billion for those programs, an increase of $2.9 billion over the amount appropriated for discretionary programs for fiscal year 1987. These are the programs over which the Appropriations Committee exercises its discretion in putting together the annual appropriations bill for Labor, HHS, and Education. And it's these discretionary programs that arouse all of the controversy about excessive spending that we'll hear about later today.

But let me tell you about those discretionary program funding levels. As I said earlier, H.R. 3058 contains $36.2 billion for discretionary programs, and an additional $4 billion is being held aside for later congressional action. That totals $40.2 billion in budget authority which is the amount allowed for discretionary programs by the 302(b) allocation made last week. And that amount of discretionary budget authority accounts for only 8.4 percent of all spending on Labor, HHS, and Education programs.

Let me show you how that compares with the fiscal year 1980 appropriation for Labor, HHS, and Education activities. Eight years ago total spending on Labor, HHS, and Education programs was $244.6 billion, just over half of what we're spending today. The trust funds and permanent appropriations accounted for over two-thirds of that amount, and appropriated entitlements and discretionary funding made up the other third.

Today the permanent appropriations comprise 75 percent of total spending, with appropriated entitlements and discretionary programs making up the other quarter.

But the real point of all of this is the fact that spending for discretionary programs does not show an excessive increase. In fact, for these budget busting programs, these programs that you'll hear have caused the deficit to go through the roof, even with the modest growth allowed in this bill, discretionary spending will be only $5.9 billion over what it was 8 years ago.

By comparison, the Labor, HHS, and Education permanent appropriations are up nearly $100 billion, and entitlements are up another $30 billion. But—let me repeat that—the discretionary programs are up only $5.9 billion.

These discretionary amounts are the funds used for biomedical research into the causes and cures of diseases, including the latest scourge—AIDS. These accounts fund the student aid programs by which needy students are able to attend college. Disadvantaged children are able to get a quality education in our elementary and secondary schools as a result of discretionary spending under chapter 1.

None of the priority items in the bill should surprise anyone: AIDS research and prevention, $945.4 million; biomedical research at NIH, $6.563 billion; education of disadvantaged children through chapter 1, $4.595 billion; student financial assistance for needy students, $5.806 billion.

These are the areas where we should be spending more, and I'm delighted to be here presenting a bill to the House that proposes increases to allow that 8-year growth to reach $5.9 billion. Some will try to make the case today that we're spending too much on these programs, or that the rate of growth is too high and should be reduced by half or more. But their case does not benefit from the thorough record we developed in our hearings before we made our choices.

I urge my colleagues to reject those arguments when they are made and oppose amendments to reduce this bill—across the board or by line item.

In addition, I urge my colleagues to maintain the historic commitment of the House to provide reasonable growth in funding for those programs that meet the labor, health and human services, and education needs of the American people by joining with Chairman NATCHER and me in strong support of H.R. 3058.

What would you be supporting?

By now, we've all acknowledged that AIDS is public health enemy No. 1. H.R. 3058 provides funds for our attack on AIDS, by fulfilling the commitment that the House made just weeks ago when it adopted the budget resolution—it provides the entire amount of AIDS-related funding that was assumed, $945.4 million. Given the predictions about the number of deaths that will occur as a result of AIDS, and the rate at which AIDS is spreading among segments of the population, I believe it would be irresponsible to provide anything less.

My subcommittee spent a considerable amount of time on how best to allocate funding for a national attack on AIDS in our hearings, in additional discussions with HHS and PHS officials, representatives of the Institute of Medicine, other Members of Congress, and other health care practitioners, including a special meeting with nine Nobel laureates.

The result of that work is additional funding for this disease, not only for research into the cause of AIDS and its treatment and cure, but also for education and prevention efforts, for testing and counseling services, for the delivery of health care services to AIDS victims, and for the training of health care workers in how to care for AIDS patients, safely.

We propose an organizational framework that will enable HHS to draw on experts who are outside the Government-sponsored effort on this disease. This will help to see that all the best and brightest minds are drawn into the fight against AIDS. And it will give them a structure for interacting with each other and the affected Federal agencies, so that they produce not just a collection of competing viewpoints, but a thorough analysis of the issues, and a blueprint of the next steps that will have to be taken to wipe out the AIDS epidemic.

I am particularly pleased that this bill will make a very significant increase in the Federal Government's effort to get the word out about AIDS prevention and to provide meaningful education and useful information with which people can protect themselves. This increased emphasis on education is absolutely essential—after all, while this bill will continue to support research into the development of treatments and a cure for AIDS, we can't kid ourselves that putting up a strong offense on that front is enough.

Right now, when it comes to containing the AIDS epidemic, it's not true that the best defense is a good offense, such as a vaccine or some other treatment. Instead, right now, it's the other way around—the best offense we've got is a good defense. In other words, doing whatever you can not to get AIDS in the first place. Our best scientists have acknowledged that even though promising research will continue, it will be years before an AIDS vaccine is developed. In the meantime, people need to know how to keep from being exposed to AIDS, and for those who become exposed how to avoid spreading it. This bill will put up that basic defense.

This bill provides a well-crafted Federal attack on AIDS from all sides—care, containment, and cure.

A second priority HHS area for which this bill provides a significant funding increase is biomedical research within the National Institutes of Health.

The amount provided for NIH biomedical research does exceed the amount requested by OMB. But the bill is far from a budget buster. The figure provided for NIH in this bill is below the figure that the NIH Director testified was necessary to simply continue its activities at the fiscal year 1987 level.

The funds provided in this bill for NIH are also too low to enable noncompeting grants—those in their second or third years—to be funded at the levels for which they were initially intended by the peer review groups who evaluate and approve individual proposals. These grants will have to be revised downward.

Does the bill put significant increases into some of the specific institutes, so that they can pursue their missions of research into the causes and cures of such diseases as arthritis, Alzheimer's, neurofibromatosis, digestive disorders, diabetes, deafness, and so on? Yes, it does. Is that out of line with the priorities of the American people? No, it isn't.

For those who think it is, I urge you to go back to your mailboxes, and look at the letters you've received from mothers of children with diabetes, with hearing and speech impairments, with multiple sclerosis. The message I get most often in letters and phone calls from people all over the country is "Increase funding for NIH research". These programs give people hope, and courage, and enable them to bear incredible burdens because they make it possible for people to believe that answers are on the way.

H.R. 3058 contains some modest and carefully chosen reductions in certain programs below their fiscal year 1987 level. For instance, in certain specific programs within the Health Resources and Services Administration, the Alcohol, Drug Abuse, and Mental Health Administration, and the Family Service Administration, the committee felt comfortable with recommendations that improved administrative efficiency, continued availability of funds from prior bills, and recognized success in certain program goals that justified reducing funds for these programs below the fiscal year 1987 level.

The bill also maintains a variety of programs at their fiscal year 1987 funding levels; including migrant health programs, black lung clinics, most health professions training programs, and LIHEAP. In other words, it freezes them.

But the increases in the bill also demonstrate the same commitment to providing adequate funding within the constraints of the budget resolution. The months we spent reviewing these programs demonstrated that increases are justified, for AIDS and NIH funding, as well as in the maternal and child health block grant, which we increased by $38.2 million to $535 million, and mental health biomedical research, for which we provided $265.5 million, an increase of $30.1 million; and the $37.5 million increase for child welfare assistance, to $260 million.

For Labor Department programs, H.R. 3058 provides $3.6 billion for the Job Training and Partnership Act, an increase of $189 million over last year.

Included in that amount is $750 million for summer youth employment, the same level as was provided in fiscal year 1987, and $783 million for the Job Corps, an increase of $127 million over last year. The funds for Job Corps will be used at the existing 106 centers, for renovation and construction, and for the opening of up to 8 new centers in underserved areas around the country. And, the bill contains $50 million for trade adjustment retraining, virtually the same amount as provided in fiscal year 1987. I am pleased to report that the BLS mass layoff survey will be funded again for the fourth year.

For Education programs, H.R. 3058 provides $20.6 billion, an increase of $1.1 billion over the fiscal year 1987 level. Here is an area where the committee exercised its judgment early that the American people simply would not stand for the major reductions proposed in the administration's budget request. The administration proposed to terminate the vocational education program—all $874 million of it. I am pleased to report that H.R. 3058 provides $899 million for vocational education, a $24.7 million increase and one that is necessary if we are to have any chance of keeping up in the world economy.

The bill also provides an increase of $649 million as a first step toward implementing the student aid policy changes contained in last year's higher education amendments. For the first time in 4 years, the Pell grant maximum will increase—to $2,300—and the campus-based programs—supplemental grants, Perkins loans, and college work study—will increase along with the State Student Incentive Grant Program. I voted for the last year's bill which attempted to put in place a policy to reverse the trend whereby more and more low-income students were being forced deeper and deeper into debt, because grant funds were not available.

I am also delighted to report that the bill provides a $38.6 million increase—to $215 million—for the TRIO programs. These programs reach out to help disadvantaged young people to make it in school and in college.

In addition, H.R. 3058 restores or increases funding for a number of other education programs, including $145 million for impact aid "b" payments, $45 million for emergency immigrant and refugee education grants, $52 million for the early intervention initiative included in $1.9 billion for education of the handicapped programs, $1.5 billion for rehabilitation programs, including a $2 million increase for independent living programs, $33.5 million for consumer and homemaking education, and $90 million for new loans for academic and college housing construction and renovation.

Finally, I would like to call attention to several provisions of the report and the bill. First, with respect to the Academic Facilities and College Housing Program, the report contains language directing the Secretary not to sell off the assets remaining in the revolving fund.

I have been concerned, and the committee joined me in this concern, that if the Department begins selling off the loan assets, we could soon reach a situation where insufficient funds remain in the revolving fund to make new loans. Since no loans have been sold, except under the discounted prepayment program, I hope the Secretary will recognize the concerns of the committee and refrain from selling any loan assets.

The bill and the report contain language I proposed to correct a situation that exists with impact aid that could have disastrous effects in at least 43 States. The language prohibits the Department from requiring retroactive payments of funds paid in 1984-86 to local school districts on behalf of impact aid students eligible because their families resided in low rent housing under section 8 of the Housing Act. The Department has recently reinterpreted its earlier determination that such children were eligible. Local school districts in 43 States relied on the earlier determination, received impact aid payments on behalf of these children, and are now having demands placed upon them that they have to repay all funds paid on behalf of these section 8 children from 1984 through 1986.

Mr. Chairman, this is a good and responsible bill. We made our judgments based on our lengthy hearing record and the priorities contained in the fiscal year 1988 budget resolution.

I strongly support the bill, and I urge my colleagues to support it unchanged.

□ 1320

Mr. GEKAS. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to my good friend from Pennsylvania.

Mr. GEKAS. I thank the gentleman for yielding.

Mr. Chairman, that was an excellent presentation of what we are faced with here. It enlightens me personally on the percentage of the discretionary funds available for across-the-board cuts.

Mr. Chairman, will the gentleman please answer for me a question to deconfuse me? Where does the figure of $13 billion over the budget request of the President come in? Where does that figure come in which we have heard bandied about here?

Mr. CONTE. I am not certain whether it is $13 billion. Mandatory and discretionary is $13 billion. I will give you one fine example: vocational education. How do you feel about vocational education?

Mr. GEKAS. Well, I like it.

Mr. CONTE. OK. I like it, I like it.

The President zeroed vocational education, zeroed it and we had to put in nearly $1 billion.

Sure you can draft these budgets with mirrors and smokescreens, you know, make us look bad. Some day we are going to smarten up and come in to this House with what the President really wanted and watch the House go wild.

Mr. GEKAS. To finish my question, to those of us who like vocational education, it does not also imply that there is no room for adjustment there. But the chairman of the subcommittee, Mr. NATCHER, said that we are under the authorization and yet we are $13 billion over the President's request.

Mr. CONTE. What he said is that we are under the 302(b) allocation which was made by the Committee on Appropriations and based on the 302(a) allocations included in the budget resolution that was passed here by a majority of the House of Representatives.

Mr. GEKAS. Does that mean that the President's request was lower than even the budget authorization?

Mr. CONTE. Yes, much lower.

Mr. GEKAS. I think I am less confused, but I thank the gentleman.

Mr. WEBER. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to my good friend from Minnesota, Mr. WEBER, who incidentally is a freshman on the Committee on Appropriations. And I had the high honor on the Republican side where I have the job, the chore or whatever you want to call it of placing our appropriation members on subcommittees and I was proud to place the name of VIN WEBER on the Health and Human Services Education Subcommittee and the Subcommittee on Agriculture. He has made a fine, fine contribution to our committee. He is a fine man anyway, he comes from a very well-known family in Minnesota in the newspaper business. Well, go ahead.

Mr. WEBER. I will just step back and let the gentleman continue, he is doing so well.

Mr. Chairman, I thank the gentleman from Massachusetts for yielding.

In response to the question of our colleague from Pennsylvania, the $13 billion-some over the President's request as the gentleman indicated includes both mandatory and discretionary spending. That is important for Members to understand because the only way that those reductions in mandatory spending could have been accomplished is if we had changed basic policy at the authorizing level. Is that not correct?

Mr. CONTE. That is absolutely correct. This chart shows that all of this piece of the pie right here in the blue and the brown, there is not a thing we could have done about it. It is only this little piece of pie here, the green, that we could have done something about.

Mr. WEBER. I just think that is worth it for Members to think about. I think if Members think we are simply $13.5 billion over the President's budget request that is really not accurate unless you want to go back into all of the authorizing committees and change the basic policy that drives this budget.

I thank the gentleman for yielding.

Mr. ARMEY. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to my good friend from Texas and I wish he was on the Appropriations Committee. Some day he will be. I will support him.

Mr. ARMEY. I thank the gentleman for yielding.

Mr. Chairman, my request was based partially on the desire to have the same introduction that Mr. WEBER had.

But I think the gentleman has made an important point, one I think those of us who do work very hard trying to find ways to cut spending must carry to the body. We recognize the limited discretion that the appropriation subcommittees have and we more or less compress the entire effort to resolve the deficit problem on your backs as you have to try to defend that limited discretion.

I think in the final analysis if we are going to get about the business of resolving this deficit we are going to have to carry the whole project beyond the Appropriations Committees, beyond the Budget Committee and into the authorizing committees where we can restructure these entitlement programs in such a way as to differentiate between needy recipients of Government assistance and those perhaps not so needy and restructure the legislation in order to really exercise discretion across the whole budget.

I do want to say at this point that I recognize the hard work of the appropriations subcommittee trying to do their best with a limited range of discretion. But nevertheless, I feel that my duty compels me to try to squeeze it just a little bit tighter even with this narrow range remaining to us.

Mr. CONTE. I told the gentleman from Texas and I have told others of my colleagues that I do not take issue or take umbrage with the fact that you are going to offer amendments. I encourage you. And I respect you for your feelings on that. We debate them and let the majority, the House decide which way they want to go. That is the democratic way of doing things around here.

We will see what the afternoon brings.

Mr. NATCHER. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. HAWKINS], the distinguished chairman of the Committee on Education and Labor.

Mr. HAWKINS. Mr. Chairman, I thank the distinguished chairman of the subcommittee and also the ranking minority member, the gentleman from Massachusetts [Mr. CONTE]. I think they have done an outstanding job of bringing before us a proposal that should not in any way be reduced.

Mr. Chairman, I rise to express my strong support for H.R. 3058.

The committee bill recognizes that investments in education, training, and human services will lead to a real reduction in the budget deficit, contribute to a sound increase in economic growth and increased revenues due to the higher earnings and productivity of a better educated and skilled work force.

By the year 2000, 23 million jobs will go begging because there won't be enough qualified people to fill them unless we begin now to educate and train our population as it should be. At the same time, there are more than 23 million adult Americans who cannot read above the fifth grade level. We have a classic labor market mismatch.

H.R. 3058 provides the funding necessary to begin to correct these conditions with cost effective and proven programs. It follows through on the commitment this body made in May when we passed H.R. 5, the School Improvement Act of 1987, by a 401 to 1 bipartisan vote.

H.R. 3058 will increase funding for chapter 1 and bolster Headstart. Studies show that $4.75 is saved for every $1 spent on quality preschool education for economically disadvantaged children.

The committee also has increased Pell grants and campus-based aid programs, which should help reduce financial impediments for many bright and talented young people deserving of a college education.

Money spent on education is money invested in the future stability and security of our country.

We should not burden industry with an annual bill of over $200 billion for remedial makeup programs when we can restructure our school systems so that we produce graduates who can read, write, and communicate effectively.

Finally, I oppose any attempt to cut the funding levels in the committee bill.

Failure to support the committee bill will further jeopardize our trade position, increase the interest payments on even higher deficits, and risk our national security. Either we invest wisely now or pay dearly later.

□ 1335

Mr. CONTE. Mr. Chairman, I yield 5 minutes to my good friend, the gentleman from Michigan [Mr. PURSELL].

Mr. PURSELL. Mr. Chairman, I personally want to congratulate the chairman of the subcommittee, the gentleman from Kentucky [Mr. NATCHER], and the ranking member, the gentleman from Massachusetts [Mr. CONTE], for their many years of outstanding service in the fields of education, health and labor.

I also want to thank Mike Stephens, Bob Knisely, Fred Pfluger, and Betty Lou Taylor for their outstanding work on the committee staff, along with our staff here on this side of the aisle.

This is an important bill for this Nation. There are three or four points I want to make very briefly, because it is a long day. The National Institutes of Health this year is celebrating its 100th anniversary. From a single attic room in the Marine Hospital on Staten Island in 1887, NIH has grown to a center of great stature and international distinction. We now have 13 institutes, and the newest one, the National Center for Nursing Research, is a credit to the nursing profession and to the health community. I want to credit both the authorizing and the appropriations committees for their leadership in developing that new institute and getting it off the ground this year.

I also want to say something about the student financial assistance program that has been developed over the years, particularly the Pell Grants Program, which is the largest Federal based postsecondary student grant program administered by the Department of Education. The committee recommends an additional $600 million this year for Pell grants in recognition of the new changes in last year's higher education reauthorization.

Another of the key programs in the bill which I think should be mentioned today is biomedical research directed at the treatment of diseases such as cancer and arthritis, Alzheimer's disease, Parkinson's disease, Huntington's disease, heart, lung, and blood diseases, and lupus just to name a few.

So I want to congratulate the NIH institutes for its milestone and its excellent efforts and the committee for this outstanding appropriation level. It is admittedly high, but we recognize this bill's national significance and the programs contained therein, national priorities for this Nation.

The National Center for Nursing, which I mentioned earlier, is the newest institute at NIH. It was established in April 1986 and supports nursing research and research training, focusing on promoting health care for patients and mitigating the physical and emotional effects of acute and chronic illness of patients and their families.

The NIH budget also includes funding for biomedical research support grants and I want to commend the chairman and ranking member for their efforts in this area. The committee has provided additional funds for the biomedical research support grant program which the President zeroed out, but which is critical to this Nation. This program was funded at $60 million last year. The President zeroed it out in his fiscal year 1988 budget request and both the committee and the chairmen agreed to fully fund that program at the 1987 level of $60 million. I want to congratulate the committee for showing that kind of courage on a very important research program for this Nation.

In conclusion, Mr. Chairman, I want to congratulate the gentleman from Massachusetts [Mr. CONTE] today for outlining to the Congress, particularly the House, the major mandatory entitlement programs in this bill, which comprise about 67 percent of our budget. That is a major piece of this pie as we look at the diagram. But I might also add that in the $1-trillion-plus Federal budget today, 17 percent of that budget is discretionary. About 44 percent of the total Federal budget is entitlements, 26 percent is defense, and about 13 percent is the interest on the national debt, which is $130 billion right off the top.

Today we are looking at budget cuts across the board and I can sometimes support those in our fight to balance the budget. I think that a balanced budget is something that all of the Members of Congress want to achieve ultimately by the years 1991 or 1992. But in this particular bill, the mandatory and entitlement programs are so high and the relatively small discretionary piece is so critical to the Nation, that we cannot annually come back and make budget reductions in such a small piece of the Federal budget, particularly when we are addressing the health and education needs of this Nation.

So I just want to emphasize the excellent work that the subcommittees' ranking Republican has done here to outline how harmful such budget cuts would be to this bill. We are under our 302(b) allocation both in budget outlays and budget authority. I think the committee has done an excellent job.

Mr. Chairman, I yield back the balance of my time.

Mr. NATCHER. Mr. Chairman, I yield 3 minutes to the dean of the Congress, the chairman of the Appropriations Committee, the distinguished gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Chairman, I take pleasure at this time in endorsing the bill that is before us, and I say here that this subcommittee and in particular, this subcommittee chairman, do an excellent job. None excels him in preparation and in work in presenting us with a good bill.

This has frequently been called an all-American bill. I take this time to agree with all who have said that we would like to have a balanced budget. We need to work toward a balanced budget. But I would point out here that the committee and this subcommittee has insisted that whatever our problems were, we have to take care of basic things first. I agree with that. We must take care of our country if we are going to support our military; if we are going to meet our international obligations; and if we are going to live with our people and keep their support.

May I say, that in this bill we are doing that. And I call the Members' attention to the fact that all members of the Appropriations Committee support the chairman and the ranking member of this subcommittee in the additions that they made here and the effort they made to take care of the American people in education, labor and HHS.

Again, I congratulate the subcommittee chairman, the gentleman from Kentucky, and the ranking minority member, the gentleman from Massachusetts, for the fine job which they have done with this bill. All of the members of this subcommittee have done a fine job down through the years.

As you know, as chairman of the Committee on Appropriations I have the responsibility of working out with the chairman of each subcommittee the allocation to each of the subcommittees the total provided for our committee under the budget resolution. These amounts are published in our 302(b) report which was agreed to by the committee on the 29th of July, 1 week ago today. In approving these allocations, the overall committee approved the allocation which made it possible for us to maintain all vital activities and expand in a few high priority areas in this bill. The 302(b) allocation for the fiscal year 1988 provides $40,250,000,000 for discretionary programs administered by the Departments of Labor, Health and Human Services, and Education. As the gentleman from Kentucky, an outstanding Member of Congress, has said many times, this is the people's bill and this is where the money belongs.

Mr. Chairman, this is a bill which is supported by all of the members of the Committee on Appropriations. When you deal with the health and education of the citizens of this country, nothing deserves more attention and the committee agrees that these programs are so important that an adequate allocation must be made in order to support them.

Let us look at some of the programs that are funded in the bill, we provide for our junior colleges and many programs for senior colleges.

I shall not mention all the programs because they have been discussed by the chairman and the ranking minority member. I am glad we include an increase of $24,781,000 over the fiscal year 1987 level for vocational education although the President's budget eliminated this vital program; for training and employment services, an increase of $197,556,000 over the 1987 level; for summer youth employment for 1989, $750,000,000, the same as provided for the summer of 1988; for job training, an increase of $40,000,000 above the 1987 level; for Job Corps, an increase of $127,150,000; for acquired immune deficiency syndrome [AIDS], an increase of $466,245,000; for maternal and child health, an increase of $38,250,000 over the fiscal year 1987 level; for National Institutes of Health (excluding AIDS), an increase of $625,642,000 over the fiscal year 1987 level; for Headstart, an increase of $125,458,000; for child welfare assistance, an increase of $37,500,000; for chapter 1, Disadvantaged Assistance, an increase of $650,837,000; for Education for the Handicapped, an increase of $171,900,000; for Pell grants for student loans, an increase of $588,000,000; for developing institutions, an increase of $32,792,000, and this includes assistance to historically black colleges, including newer colleges; and for Special Programs for the Disadvantaged, an increase of $38,630,000 over the fiscal year 1987 level as well as funds for primary and secondary education, and, of course, Health and Human Services, including funds for AIDS, and to control drug abuse, and the many, many activities of the Institutes of Health.

Mr. Chairman, this is where the increases are and where they should be. Not only do we provide these increases but, with the cooperation of the chairman and members of the overall committee, our total appropriations bills are below the total recommended in the President's budget recommendation.

Questions have been raised about this bill exceeding the amount requested by the President. That is true. The President recommended that we abolish vocational education. Of course, we had to restore it. But may I say that the overall appropriation bills are below the President's budget and they are below the House budget. Our Committee on Appropriations has done its job.

This afternoon when I leave here to go over to the conference on the debt extension, I will have to insist that we leave the appropriation process as it is, so that we can look after the American people, who in turn have to support all these other things.

May I say that I thank my colleagues for doing a great job. I thank all the members of the Appropriations Committee because they saw fit to reduce other things in order to take care of these increases. I hope that the Members will go along with the committee on this.

In connection with historically black colleges, let me say to the subcommittee chairman that I hope he will give attention to the Mississippi Valley State College, which is one of the new ones. It has all the problems of the old ones, plus those problems that are new.

Again, Mr. Chairman, I congratulate the gentleman and I congratulate all members of the committee for their willingness to tighten up elsewhere so that in this bill we can have a little more than the President would let us have in this recommendation.

Mr. NATCHER. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Ohio [Mr. Stokes], a member of the subcommittee.

Mr. STOKES. Mr. Chairman. I rise in support of H.R. 3058. As a member of the subcommittee which drafted this bill, I want to say that it continues to be a great privilege to work with our distinguished chairman, the gentleman from Kentucky [Mr. Natcher]. He is always hard working and imminently fair in the consideration of programs that are of vital importance to the people of this great Nation. I personally appreciate the consideration he has given me and the programs in which I have a special interest. Additionally, I want to express my appreciation to the ranking minority member, Mr. Silvio Conte. It is a great privilege to serve on the Labor-HHS-Education Subcommittee with both of these distinguished gentlemen.

Mr. Chairman, the fiscal year 1988 Labor-HHS-Education appropriations bill is certainly one of the most important of the 13 appropriations bills. This bill determines the quality of life for our citizens. It is the foundation for our Nation's health, productivity, and competitiveness. This bill provides for all segments of our society—infants and children, the elderly, the disabled, and the homeless. The residents of my congressional district as well as those of other metropolitan districts and rural districts will benefit greatly from this bill's passage. This bill is truly the peoples' bill. It puts our citizens to work, preserves and enhances their health, and provides for the education of our youth—our Nation's most valuable resource. I urge all my colleagues to reject all amendments to cut funding in this bill.

H.R. 3058 provides a $112.8 billion fiscal year 1988 appropriation for Labor, Health, Human Services, and Education programs. The administration proposed major cuts including the abolishment of a number of essential services provided for in this bill. In education alone, the President recommended a devastating $5.488 billion cut. The committee in its wisdom restored a significant number of the cuts and provided support for the continuation of these vital programs.

For the Department of Labor, this bill includes a $5.96 billion fiscal year 1988 appropriation. Included in the committee recommended funding level is $783.5 million for Job Corps. The committee also included language that extends the prohibitions of job center closings. The increase will be sufficient to keep all 106 centers operational.

For training and employment services, H.R. 3058 includes $3.698 billion. The training and employment services is comprised of programs designed to enhance the employment and earnings of economically disadvantaged and dislocated workers including seasonal farmworkers. For the Summer Youth Employment and Training Program, this bill provides $750 million for the summer of 1989.

State unemployment insurance and employment service operations will benefit from a $2.559 billion appropriation. As many of my colleagues are aware, a number of employment offices across the country were forced to close due to insufficient funding. Ohio alone suffered 33 such closings. H.R. 3058 funds would be used to prevent closings in fiscal year 1988.

The Congress recognized the need to address the health concerns of our Nation in the passage of the $85.4 billion package for the Department of Health and Human Services. Included in this appropriation is $945 million for intensified AIDS education and research, $6.56 billion—excluding AIDS—for the National Institutes of Health, and $535 million for the Maternal and Child Health Block Grant Program.

In addition to providing for the well-being of mothers and children, H.R. 3058 also recognizes the urgent need to provide essential services to our Nation's elderly citizens. The bill includes $112 million for the older Americans programs and $1.822 billion for low-income energy assistance.

Mr. Chairman, I am pleased that the committee responded positively to the health concerns of our Nation, an area we can not afford to ignore.

I also appreciate the high priority that the committee placed on the education of our youth. For the Chapter 1 Program, H.R. 3058 includes $4.595 billion, $1.914 billion for handicapped education and $1.030 billion for vocational and adult education. These additional funds are necessary to offset several years of not being provided adjustments for inflation.

Mr. Chairman, I am delighted that the committee chose to provide substantial and urgently needed increases for higher education. The bill includes $215 million for TRIO. The administration had slated TRIO for massive cuts totaling approximately $94 million. H.R. 3058 includes $5.806 billion for student financial assistance. The President did not request funds for college work study, State student incentive grants or supplemental educational opportunity grants. The committee-passed bill includes $4.450 billion for Pell grants for a maximum Pell award of $2,300, $425 million for supplemental educational opportunity grants, $625 million for work-study programs and $80 million for the State Student Incentive Grant Program.

Mr. Chairman, I am pleased that the committee included $83.533 million for historically black colleges and universities. These urgently needed funds will permit the institutions to strengthen academic programs, acquire state-of-the-art equipment, and make vital repairs to deteriorating buildings and facilities.

Mr. Chairman, I have been pleased to have a close working relationship with the black institutions of higher education. One such institution, Howard University is a recipient of a $179.865 million appropriation. The university is in dire need of additional funding to prevent the loss of faculty, to revitalize its library resources and to address deficiencies indentified by the law school and medical school accreditation review and evaluation boards. The $11.635 million increase provided by the committee will allow Howard to begin to address these requirements. This educational resource must be preserved.

I am additionally pleased that the committee adopted my amendment to fund grants to institutions to encourage and increase minority participation in graduate education, a new program authorized under the Higher Education Amendments of 1986. The $5 million provided for this program will go a long way toward increasing our Nation's competitiveness.

The education package is one that we can be especially proud of. It addresses the needs of the Nation's youth and provides a foundation for their future.

Mr. Chairman, I strongly endorse the passage of H.R. 3058 and urge my colleagues to support this bill. A vote in support of H.R. 3058 is truly an investment in the short- and long-term economic survival and the technological advancement of our Nation. We cannot afford to lose the ground that we as a nation have gained as a result of our Nation's steadfast commitment to labor, health, human services, and education. Millions of Americans and their families will benefit from passage of this legislation and I urge its adoption.

Mr. NATCHER. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland [Mr. HOYER], a member of the subcommittee.

Mr. HOYER. Mr. Chairman, I rise today to express my strong support for H.R. 3058, the Labor, Health and Human Services and Education appropriations bill for fiscal year 1988. My statement is entitled "A Committee Responds." This year, this title is appropriate and fitting.

The Subcommittee on Labor, Health and Human Services and Education held hearings for 4 months this year. We heard from a broad spectrum of witnesses including those from the administration and numerous interest groups. Unlike other years many interest groups joined forces and pushed for their priorities. This strategy was not only effective but sensible.

It has become clear to the members of the subcommittee and I presume to Congress and the American people that there are programs that are in desperate need of a substantial increase in Federal funding. A few years ago there was a lot of publicity concerning the findings included in "A Nation at Risk." The administration publicly stated that it shared the concerns of our Nation's educators over the state of education.

However, in its 1988 budget the administration didn't address those concerns. The Congress, both the House and Senate, did put its money in the right place. The conference agreement on the budget for fiscal year 1988 recognizes the domestic needs of this country without ignoring our national defense.

The budget conference agreement provided the Appropriations Committee with the necessary flexibility to address several problems and provide additional Federal funding to key programs, several of which I will address in my remarks.

Mr. Chairman, this year the debate over education funding has centered around providing assistance to "At-Risk" children. These are the children who lag behind their classmates on standardized tests; and who have not realized the benefits of our educational system. Many of these children are minorities; some are handicapped; some come from broken homes and they come from both urban and rural communities. These children are, however, part of our future. For our society to be all that it can be, they must become productive and successful members of it.

We will have nice offices with no one to staff them; we'll have a huge military with no one to operate the weapons and we'll have empty college dormitories because only a small fraction of our population will be ready or able to take part in higher education.

The Labor, Health and Human Services Subcommittee understands the problem facing "at risk" children in this Nation and what needs to be done to insure these children the opportunity to get on the right track.

H.R. 3058 provides funds for highly successful and cost effective Federal programs for our Nation's children—programs such as Head Start, chapter 1 compensatory education, maternal and child health block grant, Job Corps and many others. In this bill we have provided a $650 million increase for the Chapter 1 Program. An effective program which can do a lot to address the problems of "at risk" children.

In relative terms, this is a small step in recouping the damage that has been wrought since 1980. The proposed 1988 funding level for chapter 1, as adjusted for inflation, is still approximately 13.5 percent less than it was in fiscal year 1980. Presently, only 40 to 45 percent of the 8.9 million eligible students are served by this program. The increase provided for in this bill will allow the chapter 1 to increase its participation by 15 percent or 715,000 students.

I am also proud to note that the committee provided a $125.4 million increase for the Head Start Program. Programs such as Head Start which are referred to as "early intervention" programs have been proven time and time again that they are cost-effective programs.

Early childhood education is a critical investment. Head Start works hand in hand with the Chapter 1 Program. Insufficient funds have limited Head Start participation to only 16 percent of the eligible children. Every eligible child should have the benefit of a Head Start experience. We have made a big step in the right direction.

Another subject that I'd like to mention is the subject of AIDS. This is another area where the committee and the Congress heard the facts and responded. The committee heard testimony from all sources that the Federal AIDS research and education effort should be expanded greatly. Several institute directors discussed the need to expand clinical trials on AIDS. Increased funds will also go to expand the effort to develop a vaccine for AIDS and expansion of efforts to develop drugs for treatment of AIDS and to test those drugs. It became clear from testimony we received that we had to try for a new balance between our search for cures or vaccines with efforts to prevent and control the spread of AIDS. And until such time as we find a cure funds must be provided to expand education and prevention efforts particularly those affecting the minority and IV drug using communities.

This bill provides $945 million for AIDS research and education; $315.6 million of this increase can be associated with various information and education activities throughout the Public Health Service, including $95.8 million for testing and counseling. The overall increase if $466.2 million over 1987. The President's revised budget request requested $766 million. Just 5 years ago we provided $5.5 million for research. The committee report points out in clear and specific terms the danger we face with this disease. The committee has also directed that administrative steps be taken to increase the amount of scientific expertise available to the National Institutes of Health, the Alcohol, Drug Abuse and Mental Health Administration and the Centers for Disease Control.

Mr. Chairman, I'd like to remind the Members of the House that this subcommittee conducted hearings for 4 months and had a markup which lasted 11½ hours over 2 days. We worked hard to fashion a bill that meets the domestic needs of this country.

Like all of the members of the subcommittee, I rise to congratulate the gentleman from Kentucky [Mr. NATCHER], one of the extraordinary leaders of this House and of this country. We are blessed on that committee, and this country is blessed by having the gentleman from Kentucky [Mr. NATCHER], matched by another extraordinary Member of this House, the gentleman from Massachusetts [Mr. CONTE]. Those of us who serve on that committee realize their commitment to the welfare of all the citizens of this Nation.

Mr. Chairman, I rise in strong support of the passage of this bill as it is. Let me say to my colleagues in the House that this bill does not do enough. This bill does not spend enough money. America is not committing enough to the education and the health and the welfare of its citizens in this bill.

□ 1350

The gentleman from Massachusetts [Mr. CONTE], the ranking member of our subcommittee, has pointed out very dramatically that discretionary spending, since 1980 on education, on health and welfare, discretionary spending has been very sharply constrained.

As a result the amendments that we consider on this floor ought to be 50-percent increases, not cuts; 25-percent increases, not cuts; 5-percent increases, not cuts.

I would urge my colleagues in the House to look carefully at this bill. Look at what we are doing for the educationally disadvantaged.

As the gentleman from California [Mr. HAWKINS] so appropriately observed, this money that we spend on education will save us money, will produce more taxes, will produce a higher quality of living not only for those whom we educate, but those whom they will serve.

I urge the Members to support this bill wholeheartedly, and oppose any cuts in any of the programs in the people's bill.

Mr. CONTE. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota [Mr. WEBER].

Mr. WEBER. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in support of H.R. 3058, making appropriations for the Departments of Labor, Health and Human Services and Education for fiscal year 1988.

Mr. NATCHER. Mr. Chairman, will the gentleman yield?

Mr. WEBER. I yield to the gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, I do not wish to disturb the gentleman during the gentleman's statement, but I just want to join the gentleman from Massachusetts [Mr. CONTE], my friend, in commending the gentleman from Minnesota [Mr. WEBER], one of the new members of our subcommittee, and a good member.

Mr. Chairman, the gentleman has worked hard on this bill; and I certainly want to commend the gentleman and say that it is a distinct honor and a privilege for me to serve with the gentleman on the Committee on Appropriations.

Mr. WEBER. Mr. Chairman, I thank the gentleman from Kentucky [Mr. NATCHER] the chairman of our subcommittee.

Since I came to this Congress, there have been a number of Members that we have had a chance to serve with that are institutions in the Congress and the country, and none stand higher than the gentleman from Kentucky.

It is a real pleasure for me to serve on the gentleman's subcommittee. I also want to extend a special thank you to the gentleman from Massachusetts [Mr. CONTE] my ranking member, who accommodated my requests and put me on exactly those subcommittees I wanted to be on on the Committee on Appropriations. I appreciate serving with both of these distinguished gentleman.

Mr. Chairman, this is a large bill covering a large variety of areas. That is one of the things that strikes you most, is the breadth of this bill.

From my perspective as a new member of the subcommittee, I have been struck by the extraordinary breadth and complexity of these programs—programs which touch the lives of virtually every American, and which are the cornerstone of our society's efforts to improve our overall health, education, and quality of life.

This committee works very hard. We had months of hearings and 12½ hours of markup. I can't begin to address all the programs covered in this bill, but I would like to mention some that are important to me. As a member who has represented perhaps the most rural district in the country for the past 7 years, I am extremely concerned with those programs which affect the quality of life in rural America. Rural areas account for a disproportionate share of our unemployment, poverty, physical and mental health needs, and illiteracy problems, and I share with many of my colleagues the belief that rural economic development should be at the forefront of both Congress' and the President's agenda.

This bill in its labor components, it's educational programs and senior citizen programs is vital to our commitment to rural America. The economic health of our entire country depends on an active and viable rural economy. Our Nation's small towns and farm communities face problems which are unique and deeply rooted, and they require the wide range of programs in this bill that provide job training, education, and health services. They deserve the support of this body.

On a broader level, this bill contains a number of high priority items which transcend regional, economic, or other demographic boundaries. In particular, I would like to commend the chairman and my committee colleagues for their forthright and objective approach to the AIDS crisis. This bill provides for a $945,000,000 Federal commitment to AIDS research, education, counseling, and other activities. This is the largest increase in this bill. For the first time, this bill establishes a central Advisory Board for AIDS under the Secretary of HHS, as well as a series of three subsidiary advisory committees which will coordinate and assess all Federal efforts regarding the AIDS crisis.

The testimony received by our committee reflected one overriding point—that the coordination of Federal research is absolutely essential, given the overwhelming breadth and complexity of the AIDS crisis. And yet, Members who served on the committee during the expansion of cancer research, pointed out the problems of overcentralization. This issue has, in certain circles, tended to become overtly politicized; but the structure and mandate of these boards are eminently reasonable, and should be received favorably by the administration, our colleagues in Congress, and the American people.

Finally, Mr. Chairman, I have been frequently troubled by the propensity of this body to fund programs which are of low priority, are not well planned, or which do not address clearly defined national needs. I have few such concerns with this bill. I recognize that all of us would like to see greater fiscal discipline imposed on a disorganized and incoherent budget process. But the development of this bill reflects a high degree of integrity on the part of the chairman and other committee members. The subcommittee has not funded unauthorized programs, and it has not earmarked appropriations for the pet projects of members.

Members may decide to challenge the judgment of the committee in determining spending levels, but the integrity of the process is beyond question. I have participated in the hearing and deliberation process, and I am convinced that this process is honest, objective, and defensible. It is a process that I would like to see adhered to by our other subcommittees. Overall, this bill addresses the investments we are required to make if we are to remain a competitive, well-educated, economically progressive country.

Committee members and staff have conducted a thorough and professional examination of these programs. I would like to commend Chairman NATCHER and our ranking minority member for their leadership on this bill, and I would urge its adoption.

Mr. NATCHER. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. KILDEE], a member of the Committee on Education and Labor.

Mr. KILDEE. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, H.R. 3058 contains appropriations for a number of programs under the jurisdiction of the Subcommittee on Human Resources which I chair.

I want to thank the gentleman from Kentucky [Mr. NATCHER] and the other members of the Committee on Appropriations, including, especially, the gentleman from Massachusetts [Mr. CONTE] for whom I have enormous respect, for the favorable consideration they have given to these programs in this bill.

I was also pleased to see services for the frail elderly noted in the report as an example of the type of program for which funds have been reserved pending enactment of authorization legislation currently under consideration.

The amounts proposed for Head Start, Runaway Youth, Follow Through, Community Services Block Grant Programs, and others are realistic funding levels that will maintain the effectiveness of these programs.

Mr. Chairman, in other cases such as the Older American Volunteers Programs, funding levels will enable much needed cost-of-living increases. The benefits of these programs go far beyond the individuals directly receiving assistance.

Whether it be giving a child the skills necessary to succeed in school, providing the support that enables people to move from positions of dependency to self-sufficiency, or enabling the elderly to continue to be active, independent members of their communities, the benefits of these programs go far beyond the individuals directly receiving assistance.

I believe the Government's role is to promote, protect, defend and enhance human dignity; and I try to examine every bill that comes before this body with that in mind, and this bill certainly does that.

It promotes, protects, defends and enhances human dignity, and I thank the committee for its work on that.

I would like to engage the gentleman from Kentucky [Mr. NATCHER], the chairman of the subcommittee, in a colloquy on part of this bill.

I would like to ask the gentleman from Kentucky about section 583(a)(1), the National Diffusion Network [NDN], in chapter 2 of the Education Consolidation and Improvement Act. I see that the committee appropriates $10,700,000 for the NDN. Is it the intent of the committee that funds for the National Diffusion Network are to be used for a program significance panel which would determine whether a program is appropriate for inclusion in the program?

Mr. NATCHER. Mr. Chairman, will the gentleman yield?

Mr. KILDEE. I yield to the gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I would like to advise the gentleman from Michigan no, that is not the intent of the committee bill.

Mr. KILDEE. Is it the committee's intent then that decisions about the significance of a program are to be left to local schools and their governing bodies?

Mr. NATCHER. Yes, that is the intent.

Mr. KILDEE. Moreover, is it the intent of the committee that the National Diffusion Network facilitators be State-based?

Mr. NATCHER. Yes, the intent of the committee is that the NDN facilitators be State-based, rather than regionally or nationally based.

The Secretary of Education may provide incentives to State facilitators, however, so as to assure additional adoptions of development demonstrator programs in public and nonpublic schools.

Mr. KILDEE. Mr. Chairman, I again thank the chairman of the subcommittee and the committee for helping us do just that: promote, protect, defend, and enhance human dignity.

I also would like to take this opportunity to clarify a provision in the authorizing language relating to the Community Economic Development Discretionary Program for which funds are provided in H.R. 3058.

The Community Economic Development Discretionary Program authorizes funds for nonprofit organizations to increase employment and business opportunities in low-income communities. In all cases, the Federal funds generate additional non-Federal resources. Section 681(a)(2)(A) of the law makes eligible for funds nonprofit community development corporations [CDC's] or their affiliates. This language is intended to foster relationships between local CDC's and other organizations which may assist in carrying out local CDC activities. Public-private partnerships are an important part of creating business and employment opportunities in low-income communities and should be encouraged.

I am advised that the Department of Health and Human Services may consider providing fiscal year 1988 discretionary funds to a foundation-sponsored, statewide, Community Economic Development Program which has already assembled a pool of private and non-Federal funding commitments. A key component of this proposal would be the involvement of local community economic development corporations. Any community economic development discretionary funds added to such a statewide program must result in no less than an equal amount of financial assistance to participating nonprofit community economic development corporations. However, the inclusion of these funds in such a project would not require that similar restrictions be applied to the private and non-Federal funds involved.

I submit the following sections of the report to accompany H.R. 5:

REPORT 100-95

Sections 1561 through 1567. The Committee intends to continue those programs currently funded through the Secretary's Discretionary Fund in Chapter 2. Part B, National Programs and Activities, will receive the same 6 percent set aside of the total Chapter 2 funds as the discretionary fund does in current law. The order of funding is also maintained from current law. The only exception to this is the elimination of the authorization for programs in drug abuse education. This specific program is now redundant with provisions of the drug abuse prevention act passed in the 99th Congress.

Section 1562, authorizing activities of the National Diffusion Network (NDN), was amended by the Committee in order to clarify which activities are authorized. The Committee has found that the National Diffusion Network is an extremely important and successful dissemination program. One of its major strengths is the requirement that all programs approved for dissemination be validated as effective. Since 1974 the National Diffusion Network has had unparalleled success in making the nation's educators aware of the availability of a wide variety of exemplary alternatives that improve school and classroom practice, the effect of which has been to make the NDN one of the most effective Federally supported education initiatives. It is appropriate that the National Diffusion Network's principal focus for the decade ahead be assuring and sustaining high quality assistance to schools implementing exemplary and effective practices that constitute significant changes for schools and classrooms.

The legislation to which this report is appended specifically uses the terms "implementation", "implementing," and "ongoing implementation assistance" to describe processes that will assure that National Diffusion Network efforts have an impact on the improvement of the nation's schools.

Further this legislation directs the Secretary to "ensure that a substantial percentage of the innovations disseminated represent significant changes in practices for schools and teachers." Such a programmatic priority will insure that the National Diffusion Network deepens its maturation beyond awareness of available innovative projects and first-level training of teachers toward a system that significantly and positively impacts the substantive improvement of the nation's schools.

The Secretary shall evaluate (or review the evaluation of) the effectiveness of proposed exemplary school improvement projects according to objective, evaluation criteria relating to student, classroom, and/or school-wide achievement. These criteria have been appropriately developed, modified, and utilized by the Secretary's Joint Dissemination Review (or Program Effectiveness) Panel throughout the past decade. Selection of projects based upon their content, or "program significance", shall remain the decision of local schools, not the Federal government.

The Secretary shall not review, screen, select, or assess projects based on their content (e.g., attempt to ascertain what is an appropriate or an inappropriate reading instructional model or the proper biology text), but rather, shall allow local schools and their governing bodies to make all such determinations about disseminated projects after the projects' successes have been validated (i.e., through an objective examination of evaluative assessment of achievement) by the Secretary's Joint Dissemination Review (or Program Effectiveness) Panel.

The Secretary shall make yearly or multiple-year funding awards to exemplary projects (Developer Demonstrators) based upon the projects' ongoing effectiveness and the continued demand for adoption/adaptation/implementation of the program by local schools throughout the nation. No arbitrary number of years of National Diffusion Network funding for Developer Demonstrators shall be prescribed.

The Secretary shall assure that National Diffusion Network facilitators be State-based (State Facilitators), not regionally based. The Secretary may provide incentives to State Facilitators so as to assure additional, priority adoptions/adaptations/implementations of Developer Demonstrator programs in public, private, parochial, and/or other non-public schools.

While the Secretary shall utilize 95 percent of monies allocated for the National Diffusion Network, pursuant to the above language, for the purposes of funding State Facilitator and Developer Demonstrator projects and the technical assistance services that support them, additional National Diffusion Network support—up to five percent of allocated NDN monies—may go for the funding of experimental "dissemination processes" efforts on a pilot basis.

Funds authorized for the National Diffusion Network are not to be used for any purpose other than those clearly outlined in the legislation. The Secretary shall spend 95 percent of all monies so allocated to the National Diffusion Network (NDN) solely for the purposes of funding traditionally defined NDN programs, specifically—(1) exemplary school improvement projects (Developer Demonstrators), (2) state-level brokers acting as liaisons (State Facilitators) between local school with needs and national, exemplary projects, and (3) the necessary technical assistance services that support the Developer Demonstrators and the State Facilitators. The Secretary shall not utilize monies, as directed under this Section for the funding of National Diffusion Network programs, for the so-called Secretary's School Recognition Program or any other "excellence recognition effort" not specifically part of the traditionally defined NDN program, i.e., Developer Demonstrators, State Facilitators, and technical assistance services to these projects.

While it is acknowledged that the Secretary's School Recognition Program has been of benefit, it is incumbent upon the Secretary to either utilize Discretionary Fund monies unallocated by Congress for any other specific purpose, such as for the National Diffusion Network, to support such Department-created efforts, or to seek specific Congressional authorization and appropriations for such efforts. The Education Department has, in recent years, made of funds directed for the funding of National

Diffusion Network projects for its School Recognition Program and "other excellence recognition efforts." The Committee has adopted this amendment so that this practice shall cease, pursuant with the above directives.

Mr. CONTE. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. GREEN].

Mr. GREEN. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise for the purpose of engaging in a short colloquy with the gentlemen from Kentucky [Mr. NATCHER], the chairman of the subcommittee.

Mr. Chairman, I am concerned that the costs of AIDS treatment exceeds reimbursements being paid to hospitals for those patients. I understand that one of the functions of the Prospective Payment Assessment Commission is to study and recommend DRG's, or other methods to reimburse hospitals, for the costs of various illnesses. I feel it should be a top priority for the Commission to study DRG's or other appropriate methods to reimburse hospitals for the high costs of the various manifestations of AIDS cases.

Mr. NATCHER. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I yield to the gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, I thank the gentleman for yielding.

The gentleman is correct. The committee agrees that it should be a top priority for the Prospective Payment Assessment Commission to determine appropriate reimbursement to hospitals for AIDS patients under Federal programs.

Mr. GREEN. I do want to thank the gentleman from Kentucky [Mr. NATCHER], the distinguished chairman, both for the gentleman's remarks this afternoon, and also for the gentleman's great willingness to proceed on this when I raised the issue prior to the markup.

I appreciate the gentleman's help.

Mr. NATCHER. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. WAXMAN].

☐ 1400

Mr. WAXMAN. Mr. Chairman, I rise in support of the bill and to ask the distinguished chairman of the subcommittee, Mr. NATCHER, a question about how the Appropriations Committee intends for the Department to use its program management funds.

As the gentleman knows, section 1122 of the Social Security Act requires the Secretary of HHS to enter into agreements with States that want to review capital expenditures made by health care facilities. Currently, 15 States have agreements and I understand that others are interested in making agreements.

According to HHS documents, the Health Resources and Services Administration intends to terminate all section 1122 agreements as of September 30, 1987. They justify their action by citing the lack of funds to award to States or to carry out the necessary Federal administrative responsibilities.

I understand that H.R. 3058 does not contain funds that can be awarded to States to pay the cost of their activities under these section 1122 agreements. However, the lack of appropriated grant funds for the States does not remove the mandate in section 1122(b) that the Secretary enter into agreements with those States which have State operating funds and therefore are "able and willing" to have section 1122 agreements.

Mr. Chairman, does the committee intend that the Department's program management funds be used to process section 1122 agreements for those States which have their own operating funds?

Mr. NATCHER. Yes. Given the requirements of the law as the gentleman has just described it, we would expect that program management funds would be used for this purpose.

Mr. NATCHER. Mr. Chairman, I yield 2 minutes to the gentleman from Mississippi [Mr. MONTGOMERY], the chairman of the Veterans' Affairs Committee.

Mr. MONTGOMERY. Mr. Chairman, I rise in support of H.R. 3058.

As the gentleman from Kentucky knows and was aware, I was prepared to offer an amendment to this bill to transfer some of the $945 million being appropriated for AIDS research and treatment to the Veterans' Administration; however, in view of the respect and admiration that I have for the chairman, as well as the gentleman from Massachusetts, the chairman of the full committee, I have decided not to offer this amendment.

However, to the chairman, I would like to point out, and to my colleagues, that the Veterans' Administration has the second largest research program in the Federal Government, second only to the National Institutes of Health. There is no money earmarked in here of the billion dollars for AIDS and none of this AIDS money is earmarked for the VA.

That is why I would like to ask the chairman if he could help by advising the NIH and some of these other Departments that are getting this billion dollars, would they please look at the Veterans' Administration and consider them for part of this billion dollar funding.

Mr. NATCHER. Mr. Chairman, will the gentleman yield to me?

Mr. MONTGOMERY. I yield to the distinguished gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, I would like to thank the gentleman for yielding.

I want the gentleman to know that I appreciate his assistance and the words of assurance he has just given the members of the committee.

The veterans of this country deserve our help when they become ill, and I hope that we can continue to provide them with the assistance that they need.

I want the gentleman from Mississippi to know that every consideration will be given to his request.

Mr. MONTGOMERY. Mr. Chairman, I appreciate the gentleman's assurance. We will try to get this bill amended in the Senate. If we do not, though, Mr. Chairman, we certainly will need the help of the gentleman from Kentucky in the conference.

If part of this billion dollars could be given to the second largest research division of the Federal Government, which is the Veterans' Administration, I would recommend around $50 million. There are 6 percent of the AIDS patients now coming through the VA system. We think we can do the job and we can do as much in research, and treatment as any agency in the government. We need to be included in this extra money in the bill.

Mr. Chairman, I thank the gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, I yield such time as he may consume to the gentleman from Montana [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Chairman, I rise today in support of H.R. 3058 the fiscal year 1988 appropriations bill for the Departments of Labor, Health, and Human Services, Education, and related agencies. I commend Mr. NATCHER and the Members of his subcommittee for reporting out a bill that represents a $1 billion increase over fiscal year 1987 for the Department of Education programs. This plan provides $6.6 billion more than requested by the President. These increases are fair. They have been carefully considered. On balance, I would say they are deserved.

As the chairman of the Subcommittee on Postsecondary Education, I am especially pleased by the treatment of higher education in this bill. Under H.R. 3059, Postsecondary education programs, including both institutional and student financial assistance programs, would rise from $8.69 billion to $8.83 billion next year, a small increase, but nearly double the President's request. I am also pleased that this bill includes some moneys for programs newly authorized under the 1986 Amendments to the Higher Education Act.

At the heart of the Postsecondary Education programs is student financial aid. These programs provide students with access to higher education through loans, grants, and work-study opportunities. H.R. 3058 assumes an increase of $323 million over the fiscal year 1987 appropriation for the student financial assistance programs.

I applaud the committee's efforts to give high priority to programs that target aid on the nation's neediest students by recommending $4.45 billion for Pell grants, an increase of $558 million over fiscal year 1987. This program provides grants to low-income undergraduate students enrolled in postsecondary institutions. The committee has also recommended that the maximum Pell grant award be raised from $2,100 to $2,300. If enacted, more than 2.9 million qualified students would receive an average grant of $1,300 in academic year 1987-88; $1,300 may sound like a great deal of money for a student, but with the average annual cost of attendance at a 4-year, public institution reaching $4,100, a Pell grant is only a part of a student's financial aid package.

I do wish to express some concern regarding the adequacy of this appropriation to reach this maximum award of $1,300. There has been some discussion of the methodology used to reach these estimates. It is my hope that every student receives the maximum amount for which he or she is eligible, and that under these numbers, no linear reduction by the Department in award amounts will be necessary. We already have too many students who are not receiving grants under this program: Between 1980 and 1985, only an average of 57 percent of the students who completed the application process for a Pell grant, actually received a grant.

The committee also recommends increases for campus-based programs, including an additional $12.5 million for supplemental opportunity grants, an increase of $32.5 million for college work-study, $12 million for Perkins loans, and $4 million for State student incentive grants. The President did not request funds for any of these important programs.

H.R. 3058 also provides some support for institutions. I especially support the committees' recommendation to make available $90 million for new loan commitments for college housing and academic facilities loans. We are all well aware of the growing concern for the condition of our Nation's academic and research facilities. A recent survey indicates that 20 percent of the college and university physical plant is in need of replacement or renewal, all at a cost of $40 billion.

I also note that the committee has acknowledged the role of the revolving fund in providing new loan moneys for facilities and thus has prohibited the Department from the further sale of these loans. The members of the Subcommittee on Postsecondary Education are currently discussing the sale of this portfolio with the Department, and share the Appropriations Committee's concern for the policy implications of such a sale.

In addition to funding the loan programs, the bill we are considering today includes $20 million dollars for the College Construction Loan Insurance Association. The association, authorized under the 1986 amendments to the Higher Education Act, will assist colleges and universities in financing the construction and renovation of their campus facilities. This $20 million will be used to capitalize the new association.

Also included in today's bill are two important efforts to support our Nation's teachers and school administrators.

First, the committee has recommended $2 million funding level for the Christa McAuliffe Fellowship Program. This program was developed to allow more that 440 talented public and private school teachers from across the Nation a 1-year fellowship to upgrade and enhance their teaching skills.

Second, for our Nation's school administrators, the committee has included $7.177 million for the Leadership in Educational Administration Development [LEAD] Program. This program provides an opportunity for thousands of local administrators to participate in seminars which emphasize the identification, assessment and development of leadership skills.

Unfortunately, the committee did not provide funds for institutional support of programs for nontraditional students contained in title I of the Higher Education Act. I must express some concern for this lack of support. I was joined by **Steve Gunderson** in authoring the 1986 amendments to the Higher Education Act which authorized title I programs designed to link postsecondary resources more closely to the needs of our growing population of adult learners. No funds were provided for these programs under H.R. 3058.

With the passage of Public Law 99-457, the Federal Government renewed its commitment to deliver quality education to our Nation's most vulnerable children, those who suffer with disabilities. In the bill we are considering today, the committee acknowledges this commitment by including more than $1.9 billion, an increase of $425 million over the President's budget request and a $171.9 million increase over the fiscal year 1987 funding level. As the chief sponsor of that legislation I am especially pleased that the committee has recommended the full funding level for preschool grant programs, so that all children with disabilities aged 3 to 5 will begin to receive services.

I note that $52 million is included for the infant intervention grants, and increase of only $2 million. Although the recommended amount is less than the $75 million requested, by making these funds available, the Congress is making a solid commitment to the development of statewide systems to provide necessary early intervention services to handicapped infants and toddlers and their families.

I would also like to thank the members of the committee for including more than $20 million ($20,710,000) for the VISTA [Volunteers in Service to America] Program. This represents an increase of $1.71 million over the fiscal year 1987 funding level.

The funds used under this program will provide for 2,500 volunteers to work in communities across the country addressing problems affecting low-income persons, such as drug abuse, illiteracy, hunger, unemployment and child abuse.

Although I am well aware of the tremendous budgetary restraints we are currently facing, I am troubled that funds were not included for the VISTA Literacy Corps, which was funded last year. With so much attention focused on the problem of illiteracy across this country, I believe it is imperative that the Federal Government utilize all of its capabilities to address this situation, one that can only be described as a national tragedy. I hope that when this legislation is given final consideration that funds would be made available for this very valuable effort.

I would also like to thank Mr. **Natcher** for including in the appropriations bill language authorizing funds for the establishment of a rural rehabilitation research and training center, as authorized in Public Law 99-506. The conference report accompanying Public Law 99-506 specifically states the intent of the conferees that the center be located in Missoula, MT.

It is my understanding that the Appropriations Committee references the specific section in statute in order to link into the statement of managers' language concerning the establishment of the center in Missoula, MT. It is my understanding that the reference in the report accompanying H.R. 3058 implies that the authorization of an appropriation for a rural research and training center is specifically for the purpose of establishing such center in Missoula, MT.

I conclude by again commending Mr. **Natcher** and the members of the committee for their efforts in developing H.R. 3058. You have brought us a bill that not only addresses the priorities expressed by this Congress during the budget process, but have also provided some funds for new initiatives, all while meeting your budget allocation.

I am certain that this was not an easy task.

Mr. NATCHER. Mr. Chairman, I yield 1½ minutes to the distinguished gentlewoman from California [Mrs. BOXER].

Mrs. BOXER. Mr. Chairman, as chairman of the AIDS Task Force of the House Budget Committee, I rise with great gratitude in my heart to the chairman of the committee, the gentleman from Kentucky [Mr. NATCHER], to the ranking member, the gentleman from Massachusetts [Mr. CONTE] and to the entire committee for the appropriation for AIDS contained in this bill, and the $900 million matches the Budget Committee's request.

Mr. Chairman, we must beat back this disease, and I know we will, but it takes money. There is no question about it.

Right now, our only vaccine for AIDS is education, and it takes money to educate.

Then we must find a real vaccine and that takes money. Just to replicate the virus alone costs over $1,000 for each experiment. It is an expensive disease to fight.

Then we must look at treatment, compassionate treatment. That is what this bill does.

The gentleman from Kentucky [Mr. NATCHER] has always been in there for us in this fight, from the very beginning when I first talked to the gentleman about a $12 million appropriation upon the death of our beloved colleague, the gentleman from California, Phillip Burton. I went to the gentleman and he was there then and is still there.

Let me just say in closing, I hope the House will beat back any attempt to cut this bill in any way. We are not just talking about AIDS. We are talking about cancer. We are talking about hemophilia. We are talking about all the diseases we must conquer. We are talking about education. We are talking about the heart and soul of what this Federal Government is all about.

So, Mr. Chairman, I urge strong support for this bill.

Mr. NATCHER. Mr. Chairman, I yield 2 minutes to the gentleman from New Mexico [Mr. RICHARDSON].

Mr. RICHARDSON. Mr. Chairman, I would like to enter into a colloquy with the chairman and the distinguished minority member.

As the gentleman knows, I recently assembled, with the help of Chairman HAWKINS and Chairman WILLIAMS, an advisory panel of experts in the education field to prepare advice and draft potential legislation to improve minority participation in the teaching profession. The first of a series of meetings was held July 30 and others are scheduled on a continuing basis. In preparing for this conference, I became aware of the lack of information on the status of minorities in our schools. Many of those on my advisory panel confirmed the need for up-to-date information on minorities in our schools. For this reason, I would ask you if it is the understanding of the Chairman that the committee intended that some of the over $14 million appropriated for the national center on education statistics should be used for a report on minorities teachers?

Mr. NATCHER. Mr. Chairman, if the gentleman will yield, I would like to say to the gentleman that yes, it was my understanding that a report of this nature would certainly be useful. I believe that much of this information is probably already available. It may simply be a matter of compiling existing data.

Mr. Chairman, further I want to say to the gentleman, that I appreciate and the gentleman from Massachusetts [Mr. CONTE] appreciates and all of our Members do, the gentleman's assistance with our bill.

I say to the gentleman from New Mexico [Mr. RICHARDSON] that we will join with the gentleman on this request.

Mr. RICHARDSON. Mr. Chairman, I thank the gentleman.

To the gentleman from Massachusetts [Mr. CONTE], may I say that I would hope a letter from the two ranking members of the subcommittee to the NCES asking for this information would be in order.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. RICHARDSON. I yield to my colleague, the gentleman from Massachusetts.

Mr. CONTE. By all means, as I stated to the gentleman when he spoke to me earlier on the floor of the House, I would be glad to join with the gentleman from Kentucky [Mr. NATCHER] in sending a letter.

I do not see where it is any big chore for them. They ought to be able to gather that information out of the computers in no time at all. I would be glad to do it.

Mr. RICHARDSON. Mr. Chairman, I thank the gentleman from Massachusetts and the gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, I yield 30 seconds to the gentleman from Texas [Mr. BUSTAMANTE].

Mr. BUSTAMANTE. Mr. Chairman, I rise in support of H.R. 3058.

Mr. Chairman, I would like to take this time to express my gratitude to the gentleman from Kentucky [Mr. NATCHER], chairman of the subcommittee; and the gentleman from Massachusetts [Mr. CONTE], as well as all the members of the Appropriations Committee for providing adequate funding for youth job training needs under the Job Corps Program and for the educational needs of federally connected dependents served by the Impact Aid Program.

I am not sure how many Members of this Chamber are familiar with the unemployment problems facing the Southwest border region of our country—particularly the employment problems facing our younger men and women.

But I do know that the members of the Appropriations Committee—especially the gentleman from Kentucky, Chairman NATCHER—were very sensitive to the problem of youth unemployment when they reported out this appropriations measure.

The committee recognizes the important contribution of the Job Corps Program in developing the vocational skills of hard-core, unemployable youth. The committee has included report language prohibiting the Department of Labor from closing Job Corps Centers until January 1, 1989. It also has added $93,500,000 over the request of the President's budget for capital costs to establish new and improve existing Job Corps facilities. Additionally, the bill provides sufficient funds for the Department of Labor to take care of those Job Corps Centers where current leases are expiring and cannot be renewed.

The provisions of this bill ensure that the Job Corps facility in Laredo, TX, located in my congressional district will continue to meet the youth employment-training needs of south Texas. The Laredo Job Corps Center is one of two centers in the United States where leases are expiring and cannot be renewed. The increased funding for capital costs will allow the Department of Labor to exercise its option to purchase the facilities and property currently leased to the Laredo Job Corps Center.

Second, I commend the committee for increasing payments for section 3(a) and 3(b) students under Public Law 81-874, the Impact Aid Program. These moneys are critical to local school districts serving the city of San Antonio and Bexar County, TX.

Overall, Mr. Chairman, 19 local education agencies with an average daily attendence of almost 225,000 receive some reimbursement under Impact Aid in my congressional district. We have 2,700 category "A" children and 34,000 category "B" children served by the Impact Aid Program. The great majority of these students fall under super "A" and "B" status.

Bexar County is also unique in that it is host to three school districts whose boundaries are coterminous with the military installations they serve. Because they share the same boundaries with military bases, they have no taxable base available for financing a free and adequate public education for military-connected dependents.

The committee rightly recognized that without the funds derived from the Impact Aid Program the coterminous school districts would be nonexistent. Without the increase funding for section 3 of the Impact Aid Program their ability to maintain quality educational programming would atrophy.

So on behalf of the Laredo Job Corps Center and the educational institutions serving Randolph Field, Lackland Air Force Base, and Fort Sam Houston, I thank Chairman NATCHER and members of the Appropriations Committee for being sensitive to the concerns of these institutions.

Mr. CONTE. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. BILIRAKIS], our cleanup hitter.

Mr. BILIRAKIS. Mr. Chairman, as you and my colleagues are aware, I have been extremely interested in the plight of those suffering from phobias, which is the No. 1 mental disorder surpassing depression and alcoholism, with some 56 million Americans affected.

I have for the past several years introduced legislation to designate the month of October as "Phobia Awareness Month" and I would invite my colleagues to join in cosponsoring this legislation which would do much to call attention to the debilitating effects of this horrible mental disorder.

For those of you who are not familiar with phobias, they can include fear of flying, bridges, open spaces, public speaking, and crowds. If accompanied by panic attacks they can render the phobic incapable of leaving their homes. Since I became interested in phobias I have found many in this Chamber who suffer from some sort of phobia. During the last Congress a hearing was held by the Subcommittee on Health and the Environment to evaluate Federal research efforts into phobias. The testimony that was presented was both horrifying and hopeful.

Mr. Chairman, I rise today to speak on this disorder since we are considering legislation to provide funds to the National Institute of Mental Health, which is responsible for research into phobias. I want it to become a part of the legislative history on the bill before us that the Congress continues to be concerned about the plight of phobics and that we expect the efforts of the National Institute of Mental Health to continue and not diminish and that this includes a sufficient distribution of funds for phobia research. Research strides have been made; however, we are not yet at the point where we can rest on our laurels. I would also like to inform this body and the public that since our subcommittee hearing where I expressed dismay that there was not a pamphlet available on phobias one has now been published and is now available for distribution.

Mr. Chairman, I am inserting for the RECORD correspondence I have had with the NIMH on phobia research and their budget allocation for anxiety disorders. I also believe it is appropriate to call to the attention of this body the fine work the Phobia Society of America is doing as evidenced by the testimony they presented to the Appropriations Subcommittee on Labor, Health and Human Services on May 5, 1987.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, May 22, 1987.

DR. FRANK SULLIVAN,
Acting Director, National Institute of Mental Health, Rockville, MD.

DEAR DR. SULLIVAN: In 1985, a hearing was held on phobias by the House Energy and Commerce Subcommittee on Health and the Environment. That hearing indicated that there were no pamphlets available to the general public on phobias, as there are for other diseases and disorders.

In March 1986, I was provided a draft copy of Information on Phobias and Panic by Dr. Frazier, which was to be developed into a pamphlet for public distribution. I was told by Dr. Frazier that I would be receiving a copy of the final publication. To date, I have not received this pamphlet.

I would like to have a copy of the pamphlet that is being distributed to the public and if it hasn't been completed, I would like to know why not. Additionally, I would like to have information on what the Institute is presently doing on phobia research, both intramurally and extramurally. Would you please provide me with budget figures for phobia research, contrasting fiscal year 1986, 1987 and your request for fy 1988 for this research.

Should you have any questions, please contact me or Ms. Hanbury in my Washington office. Thank you for your kind assistance.

Sincerely yours,
MICHAEL BILIRAKIS,
Member of Congress.

DEPARTMENT OF HEALTH & HUMAN SERVICES, PUBLIC HEALTH SERVICE, ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION,
Rockville, MD, July 14, 1987.

Hon. MICHAEL BILIRAKIS,
House of Representatives,
Washington, DC.

DEAR MR. BILIRAKIS: Thank you for your letter of May 22, as well as your letters of June 12 to various staff members of the National Institute of Mental Health (NIMH), regarding research on phobias.

I apologize that you were not sent a copy of the general public information pamphlet on phobias. Enclosed is a copy of "Useful Information on Phobias and Panic," ADM 86-1472. The pamphlet is available to the public on a complimentary basis from the National Institute of Mental Health and from the Consumer Information Center, Pueblo, Colorado 81009.

Phobias are characterized by intense anxiety toward circumscribed objects and a strong tendency to avoid them. Symptoms of other disorders often co-occur with agoraphobia, such as panic attacks, depression, hypochondriasis, somatization, and dysthymia. This type of disorder is the most prevalent mental illness in the country, and its cost in productivity, human suffering, and loss of potential is inestimable. The most recent results from the ongoing NIMH Epidemiological Catchment Area Program reveal that 14.6 out of every 100 Americans, about 37 million persons, will receive a diagnosis of anxiety disorder at some point in their lifetime. Within a typical 6-month period, 7.7 out of 100 Americans, approximately 19 million individuals, usually experience a phobic disorder.

In spite of these large numbers, help is available and new therapeutic methods are under study. Both pharmacologic and cognitive/behavior therapies claim considerable success with phobia patients, although the length and complexity of treatment tends to increase as the number of co-occuring symptoms increase. The NIMH is now encouraging clinical investigators to follow the course and emergence of symptoms and study their interactive role. This line of investigation should have important implications for treatment.

The NIMH extramural and intramural research on anxiety disorders, which includes phobias and panic disorder, currently involves a wide ranging group of studies in biology, genetics, epidemiology, treatment assessment, psychopharmacology, and the behavioral sciences. Approximately $11.4 million was spent by NIMH in Fiscal Year 1986 to support research on anxiety disorders. The Fiscal Year 1987 budget is projected at $11.6 million. The President's budget for Fiscal Year 1988 allows for funding at $10.4 million.

The investment of research dollars in areas targeted specifically for anxiety disorders tells only part of the story. Much of our progress to date is the result of basic brain research that has produced findings of value in a variety of areas. Approximately one-third of the NIMH research budget, or $53 million, is targeted to basic research believed to be of vital importance to our knowledge of anxiety disorders, as well as other mental illnesses.

If I can provide any additional information or be of any assistance, please do not hesitate to contact me.

Sincerely yours,
FRANK J. SULLIVAN, Ph.D.,
Acting Director,
National Institute of Mental Health.

Mr. NATCHER. Mr. Chairman, I yield 1½ minutes to the gentleman from North Carolina [Mr. PRICE].

Mr. PRICE of North Carolina. Mr. Chairman, I want to congratulate Chairman NATCHER and the other members of the Labor-Health and Human Services-Education Subcommittee for the careful work that has gone into this bill. I want to call the attention of the House to two items of particular interest—the restoration and renovation of Estey Hall in Raleigh, NC, and the consolidation of the National Institute of Environmental Health Sciences [NIEHS] facilities in Research Triangle Park, NC.

Originally a residence for women at Shaw University, Estey Hall is the oldest standing structure built for the accommodation of black students, male or female, in the United States. It was listed in 1973 in the National Register of Historic Places, and is an outstanding example of 19th-century architecture and construction. It is a landmark structure in the field of women's education and a monument to the ambitious first decade of Shaw University. What makes this anticipated renovation so important is the renewed commitment it represents to the historic role of black higher education.

With the funds provided in this bill, together with State and local fundraising initiatives, Estey Hall can serve once again as an educational facility.

Under current plans, a new function of Estey Hall will be to serve as a continuing education center and a community and cultural resources center, housing meeting rooms, a 300 seat auditorium, offices, and classrooms. This will provide a much needed facility for the activities of youth, senior citizens, performing arts groups, and the community surrounding Estey Hall near the Raleigh Civic Center complex.

I am also pleased, Mr. Chairman, with the committee's action regarding the NIEHS facilities in Research Triangle Park, NC. The report states that the committee expects NIEHS—

> to continue with its plans to consolidate all of its programs at the permanent facility in Research Triangle Park in anticipation of the expiration of the current lease for the temporary laboratories (page 84).

The report also clearly gives the NIEHS project priority within the building and facilities account (page 97).

Continuing the second phase of the architectural and engineering work is critical to the advancement of the NIEHS and its ability to continue its tradition of the high quality and timely research on major environmental health issues. This action allows work to proceed on consolidation of facilities at NIEHS and would over the long term actually reduce costs relative to the current leasing arrangements. When completed, the consolidation would reduce leasing costs by approximately $4.2 million per year—to say nothing of the savings in staff time and research efficiency that would result from the consolidation.

Mr. Chairman, I am appreciative of the efforts made by the committee not only in its consideration of these two important issues, but in its commitment to fiscal responsibility in meeting the guidelines set out by the budget resolution and I encourage my colleagues to support this bill.

Mr. ROYBAL. Mr. Chairman, I rise in support of the Labor HHS-Ed fiscal year 1988 appropriations bill. I want to commend the diligent and fair work of Chairman NATCHER. This bill reflects and emphasizes those areas which are important not only to Chairman NATCHER but to all of us who are members of the committee.

AIDS AND HEALTH

This country is in the midst of a major health crisis. AIDS is a major epidemic which must be controlled as soon as possible. This appropriations bill provides $945,430,000 for all research and education activities associated with AIDS.

As of June of this year, more than 36,000 cases of AIDS have been reported throughout the United States. It is estimated that by 1991 there will be more than 270,000 cases and more than 179,000 persons will have died of AIDS. Up to $16 billion will be spent on health care. Yet our best experts estimate that it will be at least 7 to 10 years before we have a vaccine.

I am most concerned with the disproportionate impact of AIDS on Hispanics and blacks. Whereas 5 percent of white non-Hispanic AIDS victims contract the disease through intraveneous [IV] drug abuse, 36 percent of Hispanic AIDS victims fall into this transmission category. Even more sobering is the grim statistic that 84 percent of Hispanic children with AIDS contracted the disease through parents with or at risk of AIDS. For white non-Hispanic children the comparable figure is 45 percent.

One of the concerns expressed by the Hispanic and black community is the failure of Federal and State officials to channel resources to community organizations that are more able and capable of providing AIDS education and prevention information to minority persons and drug abusers.

I want to thank Chairman NATCHER for accepting my amendment to increase funding for CDC by $20 million for education activities in minority communities. In addition to this special initiative, this bill includes increased funding for education and prevention activities in general. The only tool we have at our disposal to fight this disease is education. Prevention is the only way we are going to contain this dreaded disease and buy time for researchers to develop a cure or vaccine.

The report which accompanies this bill also includes language relating to the testing for AIDS of applicants for entry into the United States and determining whether these individuals are excludable or inadmissible on the ground of being infected with the AIDS virus.

The committee has heard from health and medical experts who have serious misgivings about the advisibility of making such determinations in the case of residents of the United States. There is concern that such determinations of inadmissibility or exclusion will have the effect of discouraging would-be applicants for lawful immigration from participating in any mandatory screening for the AIDS infection as required as part of the application process. In addition, there is a strong likelihood that long-time residents found to be infected with the AIDS virus probably acquired the disease in the United States. A determination of inadmissibility or exclusion would raise the specter of deporting individuals and spreading the infection to countries which do not have the resources to deal with such a crisis. Because of these concerns, the committee believes that the Attorney General should consider issuing waivers of that ground of inadmissibility or exclusion in cases of infection with the AIDS virus for persons who arrived in the United States and established residence by January 1, 1982. Among long-time residents who would fall under such a waiver process would be those applying for lawful immigration status under the Immigration Reform and Control Act. I hope the Attorney General seriously considers this advice.

This 1987 appropriations bill also includes increases in other health areas in addition to AIDS. The bill includes increases for all the national institutes. There are funds for more cancer research, specifically in the area of malignant melanoma/skin cancer. It is estimated that as many as 500,000 Americans are effected by some type of skin cancer. It is hoped that the additional funds in this area will allow for the formation of an interagency task force to coordinate research and prevention activities for this form of cancer.

In the area of Health and Human Services, this bill provides a level of funding which rejects further cuts and allows for this country to remain a leader and maintain the level of scientific research which is expected and demanded by the American public.

LABOR

I am a strong believer in the notion that a competitive America must have a competitive labor force. Willing workers cannot be left to drift in a sea of economic dislocation and disenfranchisement caused by factors out of their control. Those who have not been able to enter the mainstream, but tread the waters in low-paid and low-skilled jobs, must be assisted.

I am referring to large segments of our working age people, individuals we cannot abandon without risking further deterioration of our economic system. Our youth, our elderly, and disadvantaged workers deserve a strong Federal commitment to improving their earning potential and ability to be fully self-sufficient.

This bill reflects such a commitment. The funding for training and employment services is increased by almost $200 million.

One of the most successful programs for training disadvantaged young men and women—the Job Corps—is provided additional funds to enhance its efforts. Up to eight new centers in areas of the country now unserved can be established. The cost effectiveness of the existing Job Corps centers has been proven repeatedly, and the savings in terms of human potential are immeasurable.

Another needed expansion is provided to train migrants and seasonal farmworkers—by an increase of over $10 million—which will permit an additional 8,000 persons to be served. The number of individuals eligible for such services could double. Our farmworkers remain severely underserved, and it is my view that the current Department of Labor estimate of eligible farmworkers—438,000—is far too low. The United Farmworkers Union, for example, believes that there are at least 1.5 million farmworkers in the country.

Domestic farmworkers and the agricultural industry will also benefit from an increase of $10 million for employment service operations dedicated to the recruitment of domestic workers for agricultural jobs. This program will help to reduce the displacement of U.S. workers by foreign guestworkers. It is my fear that we will see more and more displacement of Americans, made possible by the immigration bill's expansion of opportunities for employers to recruit abroad and to bring in foreign agricultural workers.

EDUCATION

Just as there is a need for a strong Federal role in job training, there is a critical need for a national effort to improve the education of all our youth. I am especially concerned about the needs of those at the bottom of the opportunity ladder. We must resist Darwinian approaches to educational excellence.

The demographic reality is that growing numbers of our youngest and most vulnerable human resources are not being provided the quality education needed for their full participation in modern America. If budget constraints require that we make difficult choices, education must be a top priority.

This year's appropriations shows how serious we are about caring for the educational needs of our Nation's children. I am especially pleased by the major increases in programs dedicated to serving disadvantaged and minority youngsters. The increased funding allows for improvements and enhancements in Headstart, chapter I, education to meet the special needs of handicapped students, assisting those with limited proficiency in English, providing financial assistance to those entering our colleges and universities, and increasing the participation of those underrepresented in higher education.

The neglected area of educational research is strengthened in several important respects. Funds are provided for a modest beginning to look into the problems of underachievement among minority students, especially those of Hispanic origins and limited English proficiency. Experts in the education field have documented the abysmal rate at which minority students obtain high school diplomas and go on to participate in postsecondary education.

I hope that the Department of Education will embrace the committee's recommendation and fund a $1 million research effort to examine issues identified by experts in the field as high priority—such issues as the effects of tracking and ability grouping on minority students, culturally specific modes of learning and reasoning, and the design of appropriate instructional systems and teaching strategies. The results of such research could enlighten future educational reform efforts aimed at improving the achievement levels of our minority disadvantaged students.

AGING

The committee has also acted well and responsibly in funding of time-critical health research and in the support of program initiatives that will help to ensure that older persons have rightful access to high quality health and long-term care services. One of the committee's and my highest priorities in medical research has consistently been to find the cause and cure for the millions of older Americans stricken with Alzheimer's disease. Again this year, the committee has continued its pledge to Alzheimer's victims and their families by providing additional moneys to expand the geriatric training and research initiatives related to Alzheimer's disease under the National Institute on Aging [NIA] and the National Institute for Mental Health [NIMH]. The committee's action is particularly critical this year in light of the breakthroughs that have only recently been made into the possible causes and possible treatments for this devastating disease. In the wake of these achievements, we cannot afford to relinquish our commitment to Alzheimer's research and clinical training. The committee's actions to fully fund the existing 10, and possibly additional, Alzheimer's Disease Centers, to increase funding of other Alzheimer's research initiatives under the NIA and NIMH, and to provide additional funds for the National Alzheimer's Education Program and Clearinghouse established by the Congress last year reflect this continued commitment.

The committee's actions also recognize the commitment to meeting the broader challenge that our Nation faces in meeting the health and long-term care needs of increasing numbers of older persons with a range of acute and chronic care needs. Part of this challenge is to ensure that we have a cadre of professionals across the health and long-term care spectrum who are sensitive to and highly trained in the care of older persons with physical and mental health limitations. In response, the committee has increased support of geriatric training of professionals—including a new emphasis on training related to the care of persons with mental health needs and to the care of persons in their own homes.

Yet another part of the Nation's challenge is continued research into appoaches to health and long-term care financing, to protecting against rising out-of-pocket costs, to increasing program efficiency, and to ensuring beneficiary access to quality care. In these respects, the committee has called for additional support for NIA research initiatives in long-term care, the needs of the oldest old, and nutrition disorders as well as comparative biomedical and health services research cross-nationally. In addition, the committee is requiring Medicare and Medicaid research and demonstrations in the areas of long-term care financing—including continuation of the current social HMO demonstrations—health and long-term care quality and access, and the protection of special populations—including racial minorities and persons with Alzheimer's disease. And, the committee has gone further to require expanded studies on the out-of-pocket health care costs of the aged and nonaged and to require the development of improved methodologies and technical assistance to support the quality assurance activities of PRO's. In light of the Congress' recent concern over the quality of care that is being increasingly provided to persons in their own homes, the committee has also called for expanded research into home care training and manpower under the Health Resources and Services Administration [HRSA]. Finally, the committee has demonstrated its continued concern over the efficient and equitable administration of the Medicare Program by providing sufficient funds to protect against claim processing and payment delays that can adversely impact beneficary access and out-of-pocket costs.

Taken collectively, I believe the committee's actions in support of geriatric research, training, and program administration are both fiscally responsible and in the best interests of our growing numbers of older citizens.

Mr. WEISS. Mr. Chairman, I rise in support of H.R. 3058, the fiscal year 1988 appropriations bill for the Departments of Labor, HHS, and Education. One aspect of this legislation which I strongly support is the $945.4 million appropriation for AIDS activities at the Department of Health and Human Services. This is $179 million more than the administration's request to deal with the AIDS epidemic. Once again, Congress is taking the lead in providing sufficient funding for research and control of the constantly expanding AIDS crisis.

According to the most recent figures from the Centers for Disease Control, AIDS has already claimed the lives of over 22,500 American men, women, and children. And, this week, the number of AIDS cases reported to the CDC since June 1981 is expected to reach 40,000. Looking ahead to 1991, the Public Health Service estimates a cumulative total of more than 270,000 AIDS cases and 179,000 AIDS deaths.

We must proceed, as rapidly as possible, with AIDS research and treatment, and education and prevention activities. There are urgent needs and deficiencies in certain areas, which I think the Labor-HHS bill will help ameliorate. I would like to point out a few key provisions.

First, it is crucial that we begin to provide and plan for the health care needs of people with AIDS. In this regard, I would like to commend sections of the bill which deal with funding and programs at the Health Resources and Services Administration. The Appropriations Committee has greatly expanded the administration's request for HRSA from $6.6 million up to $38.5 million. HRSA activities would include the AIDS training of health care providers, and the renovation and construction of health care facilities.

Second, AIDS education efforts must be increased dramatically for all Americans. The Centers for Disease Control has been long on planning and short on action. The appropriations bill increases the administration's request for CDC by $73 million, up to a level of $307 million. Among other things, this increased CDC budget would provide for expanded education/prevention activities for minority groups, adolescents, and child-bearing women.

Third, our progress in biomedical and treatment research, as excellent as it has been, must be stepped up even further. In this area, the appropriations bill earmarks $472 million for NIH, an increase of $50 million over administration's budget. New approaches will include the expansion of research in structural biology and antiviral substances, and also the expansion of physical facilities to support a long-term program of such complexity and magnitude.

Fourth, I commend the idea of establishing four advisory entities at the HHS: the Secretary's Advisory Board on AIDS, and the advisory committees to be set up at CDC, NIH, and ADAMHA. Certainly, I have recommended, since 1983, that an expert panel be convened to present a comprehensive strategy for responding to AIDS. The Public Health Service needs better overall coordination of its AIDS activities. I greatly hope that advisory boards selected by the Secretary and the various agency heads will be able to do this job.

Finally, in addition to speaking for these AIDS appropriations, I would like to take this opportunity to commend the terrific efforts and leadership of the distinguished gentleman from Kentucky [Mr. NATCHER] and his subcommittee. Once again, the Labor-HHS appropriations bill and report provide us with the means and the direction for gaining ground in our war against AIDS.

Mr. LIGHTFOOT. Mr. Chairman, today I must voice my support for the efforts of those of my colleagues who are proposing that we in the Congress take some responsibility for the fiscal affairs of our country.

H.R. 3058, the Labor/HHS/Education appropriations bill for fiscal year 1988, is grossly inflated. In fact, it is the second largest appropriations bill we will work on after the defense appropriations bill. This measure contains almost $14 billion more in funding for the same programs in fiscal year 1987.

Granted, much of the spending increase in this bill is in mandatory programs that are beyond our control, such as Medicaid and Medicare. However, discretionary spending in the bill, which we do control, is increased by $2.96 billion. Mr. Chairman, I support the efforts to cut the increase in these discretionary programs included in this legislation.

I am second to none in my awareness of the importance and significance of many of the discretionary programs in this bill. My support for the Jobs Corps office in Denison, IA, is well known. I believe this is one Federal program that is worth the money we appropriate. As a parent, I am aware of the importance of Federal programs to provide financial assistance to today's college students.

However, my support for cutting the increase in the funding for these discretionary programs will not reduce the funding for these programs. These programs will still be receiving more money in fiscal year 1988 than they received in fiscal year 1987. I simply am asking of these discretionary programs within the Federal Departments of Labor, Health and Human Services, and Education to hold the line on spending.

During my service in the Congress, I have maintained that no one Govenment program should have to bear more than its fair share of the burden in our ongoing efforts to reduce the Federal deficit. In the 99th Congress, I voted against 28 of the 36 spending bills considered by the House. I will not back away from this position.

The Federal budget deficit is this country's greatest domestic crisis. I consider its existence a disgrace and a failure on the part of our country's leadership, from all branches of Government. I do not believe that we can continue to support programs that are duplicative, stop-gap, or possibly best left to the States and localities to fund. We cannot afford to fund some favorite programs to the point of giving them more funds than they can possibly spend in a responsible manner.

This is not a popular stance, Mr. Chairman, it is not an easy decision to say no. However, for the health of our economy, we must start to reduce these discretionary program increases.

Mr. JEFFORDS. Mr. Chairman, I rise in support of the fiscal year 1988 appropriations bill for the Departments of HHS, Labor, and Education, H.R. 3058. This appropriations measure is one of the most important that Congress considers each year. As ranking Republican of the Committee on Education and Labor, I believe that this proposal gives appropriate recognition to the priority we as a nation must give to education, training, and social services.

The past few years have seen significant efforts on the part of State and local education agencies to revitalize our education system. Further, these years have witnessed the implementation of a new job training program directed toward the needs of the disadvantaged and dislocated workers of this country. I recognize that in all of these programs, their basic strength resides in the fact that they are programs operated at the State and local levels. However, there is much that the Federal Government can and should do as a partner to assist these efforts.

As we look to our ability as a nation to compete in world markets and to maintain our standard of living, it is critical that we have an educated and trained population in order to meet these challenges. This bill is every bit as important to our competitiveness as H.R. 3. Education and training programs have the capacity to help us hold our ground and to improve our competitive edge—they are vital to our economic survival.

Our States, local schools and colleges and universities have responded to the challenges that were first put forth to the Nation in the 1983 report, "A Nation at Risk." They have responded by requiring tougher high school graduation requirements, improving textbooks and instructional materials, increasing the time students are in class, and reforming teacher preparation. Further, we can point to greater business and corporate participation and support in improving our children's education.

Our education system has made great strides in providing services to a broad spectrum of individuals. However, the system has not been as successful in meeting the needs of those who are not in the mainstream—including the disadvantaged, women and immigrants. As we look to those who we will be depending on to fill our future work force needs, we are looking to exactly those who have historically fallen through the cracks. We cannot allow such a situation to continue.

This appropriations bill comes a long way toward acknowledging that an investment in human resources is an investment in our future. Without an investment in education and training, the alternative is illiteracy and unemployment, and all the problems that stem from them. For example, $100 billion is lost each year in the gross national product due to the current numbers of illiterate and functionally illiterate adults in this country.

Chapter 1 programs currently serve no more than 50 percent of the eligible population. With the increase in funding provided in this bill, in Vermont, as in other States, these programs will be able to serve a greater number of disadvantaged young children whose education needs are now unserved. The Adult Education Program has assisted many adults achieve literacy. This bill proposes funding, consistent with the administration's request, which will increase the program's ability to improve the literacy skills of many more adults who are suffering the isolation that illiteracy brings.

Our vocational education programs have been called upon to provide the technical and occupational skills that will increasingly be needed for the future. The funding proposed for vocational education in this bill will continue those efforts to meet the new skill demands of our evolving marketplace.

It is estimated that three-fourths of the jobs available during the 1990's will require some postsecondary education. Federal funds must continue to provide access and opportunity for participation in postsecondary education for all Americans, not just those who are able to pay for it without assistance. Seventy-five percent of all student financial assistance is provided by the Federal Government. H.R. 3058 continues this congressional commitment to educational opportunity. Funds are also provided to assist colleges and universities in areas of important national needs for improvement in graduate and international education, libraries, and developing institutions.

One concern that we all have with respect to individuals having access to postsecondary education is the escalating costs of attendance. In the Higher Education Amendments of 1986, a provision was included which authorized a commission charged with developing a national policy which clearly defines the role and responsibility of the family, institutions of postsecondary education, the various levels of government and the student in planning for the financing of college. The modest cost of this Commission will be repaid back to the taxpayer as a result of its work. Unfortunately, this bill does not contain funding for this Commission, and I intend to offer an amendment at the appropriate time to correct this oversight.

I am pleased that H.R. 3058 also contains funding increases for programs under the Job Training Partnership Act [JTPA]. Since 1982 when JTPA was enacted, we have seen greater involvement of the private sector in the training of disadvantaged workers, resulting in high placement rates in unsubsidized jobs. The system is not without its problems, but I am confident that as we continue to support its efforts, they will be resolved. It is unfortunate though, that long deliberations over the trade bill have left us without new legislation for a much needed worker readjustment program.

I am hopeful that we will be able to work through the differences between the trade bills with respect to the worker readjustment program. Without that new authority, increased funding for that program is not likely. The program has been modified to include a rapid response capability, and to provide a greater balance between quick placement and longer term education and training which many dislocated workers need. We should not ignore the successes of the Canadian IAS model, nor the information that we have from our current Dislocated Worker Program under JTPA. I believe that we have learned from these experiences and that the result will be a program better designed to meet the specific needs of our dislocated workers.

Turning to another aspect of the bill, while I understand the constraints under which the Appropriations Committee was operating, I must say that I am somewhat disappointed in one respect. The Low Income Home Energy Assistance Program received no increase over last year's appropriation.

I think there may be the false impression among some of my colleagues that this program is somehow awash in money due to the oil overcharge funds. This is just not the case. In fact, States are under no obligation to put this money into the LIHEAP program, and many have put very small amounts into it. At the same time, demands on the program are increasing. This summer's heat wave has strained the cooling programs, and oil prices have moved back up, very likely meaning higher heating bills next winter. And these increased demands come at a time when the program has already been scaled back dramatically. While the program covered 40 percent of all eligible families' heating and cooling costs, this year it will fall to less than half that amount.

In closing, I want to thank both the chairman of the Labor-HHS Subcommittee, Mr. NATCHER, and the ranking Republican, Mr. CONTE, for bringing a bill to the House floor which appropriately reflects the priority that education and training programs must have in this country in order for us to maintain our competitive edge as a leader in the world market. The fact that this bill is within the limits set out in the fiscal year 1988 budget resolution, both in budget authority and outlays, should be applauded. I appreciate this opportunity to discuss but a few of the worthwhile programs in this bill, and I strongly encourage my colleagues to support H.R. 3058 as it was reported out of the committee.

Ms. PELOSI. Mr. Chairman, I rise in support of H.R. 3058, the Labor/HHS appropriations bill for fiscal year 1988. This bill contains funding for many programs which are of value to the Nation, as well as to the Fifth Congressional District of California. I am especially pleased with increased funding for activities to address the AIDS crisis. This appropriations bill represents a significant increase over the funds requested by the President to respond to the medical and psychological crisis of AIDS.

AIDS must be our Nation's top health priority. While nearly 40,000 Americans have already been diagnosed with AIDS, over a million other Americans are infected with the AIDS virus. In San Francisco alone, nearly 4,000 people have been diagnosed with AIDS, and 50,000 others are infected with the virus. Last month, the city averaged nearly five new cases diagnosed each day. For all of these quietly desperate citizens, scientific and medical discoveries are the only hope. Today, the people of the United States are looking to the Congress for adequate funding to help end this nightmare.

With regard to research, the funds included in this bill for the National Institutes of Health would allow for the expansion of research on effective treatments for AIDS. Thousands of people infected with the AIDS virus would have the opportunity to be involved in clinical trials. At the same time, researchers at the National Institute of Allergy and Infectious Diseases would be able to step up their efforts to develop a safe and effective vaccine.

In the absence of an effective vaccine or drug to cure this disease, prevention must remain a top priority. The best tools for facilitating individual behavior change, which will reduce the transmission of this virus, are clear and factual education and counseling. Education will involve providing citizens with information about AIDS transmission and risk reduction. Counseling will require individualized assessment of behaviors that put a person at risk and facilitation of decisionmaking concerning appropriate behavior change. Counseling should be provided to all those seeking services in family planning and prenatal care clinics, as well as those seeking services in clinics for sexually transmitted diseases and substance abuse.

I congratulate the committee for targetting minority populations for special prevention education programs. This bill will permit the Office of Minority Health to assume a much more active role in addressing this unmet need. I also congratulate the committee for the special attention paid to pediatric and adolescent AIDS issues.

With regard to care and treatment, this bill provides greatly increased funding for the training of health care providers. It also provides funds for technical assistance to communities with increasing numbers of AIDS patients. Clearly, much more planning needs to be done for a health care delivery system that is responsive to the unique nature of this disease. Nonetheless, this appropriations bill is an important step in the right direction.

This appropriations bill responds to the crisis of AIDS. On behalf of the people of my district and all Americans who are concerned about a responsible Government response to AIDS, I thank the committee and Mr. NATCHER, the esteemed chairman, for the excellent product of their deliberations. I urge my colleagues to support this bill.

Mr. RAHALL. Mr. Chairman, I rise today in support of H.R. 3058, the fiscal year 1988 appropriations measure for the Departments of Labor, Health and Human Services, and Education. Congress' historic commitment to providing the training, health care, and education necessary to ensure our national long-term stability is upheld by the provisions of this bill.

Of great importance to many in my home State of West Virginia is funding included in this appropriations measure for the continuation of employment and training programs administered by the Department of Labor. I am pleased that the committee has seen fit to significantly increase the funding levels of these vital programs over the Reagan administration's inadequate requests. These programs are of special importance to States, like West Virginia, which continue to suffer from high levels of unemployment, in part due to the policies of the current administration.

The bill appropriates $1.9 billion for job training programs, $750 million for the Summer Youth Employment Program, which has been highly successful in West Virginia, and $783.5 million for the Job Corps, with an extended prohibition against closing Job Corps centers. I am especially pleased that there is $50 million included in this measure for training, job search, and relocation assistance programs authorized by the Trade Act, programs for which the administration requested no funding. These programs are operated by the States to assist workers who have been adversely affected by foreign trade and have been so certified by the Department of Labor. These programs, which I strongly support, are of extreme importance to workers, who through no fault of their own, have lost jobs and who are desperately seeking new ways to provide for themselves and their families.

Also of great significance to many West Virginians is a provision in the bill which grants the authority to expend $686.4 million from the black lung disability trust fund, an increase of approximately $50 million over the 1987 amount. The trust fund pays black lung compensation, medical and survivor benefits for those coal miners who have been stricken with this cruel, debilitating disease as a result of their employment in this Nation's coal mines.

This bill provides funding for vital programs at the National Institutes of Health [NIH] and the Alcohol, Drug Abuse, and Mental Health Administration, health professions and nurse training assistance, and for maternal and child health grants, among others. The support Congress has provided for these programs in the past has enabled this country to be the world leader in scientific research, health care delivery, and education. Attempts to cut funding now would jeopardize this standing, limit the opportunities for new advances promised through current research efforts, curtail our ability to improve present methods of health care delivery, and restrict access to health professions education. This bill is responsive to the health care, research, and educational need of our citizens.

In this vein, I am pleased that the bill includes $945.4 million for research, education, and other activities relating to the acquired immune deficiency syndrome [AIDS]. This is an issue which is raising concern nationwide. I have received correspondence from many of my fellow West Virginians in this regard and have strived to provide them with whatever information is available. There is indeed a great need for research into this disease as well as education for both the public and health care givers to help make people aware of the dangers and the limitations of AIDS.

With regard to education, H.R. 3058 funds numerous highly successful and cost-effective Federal education programs for our Nation's children—programs such as Chapter 1 Compensatory Education, Head Start, Education of the Handicapped and the Pell Grant Program. These are particularly important programs in West Virginia and throughout the Nation. Acknowledged by educators and policymakers alike to be the most effective Federal education program, Chapter 1 desperately needs the added $650.8 million provided by this bill.

Currently, Chapter 1 enables local educators to serve only 40 percent of the children who are eligible to receive extra classroom help. The funds in H.R. 3058 will enable local schools to begin serving greater numbers of disadvantaged children, who make up an ever-growing proportion of our local school population. Without these funds, the future for these students would be bleak, and the cost to the Nation would be far greater than the funds provided for this educational effort. H.R. 3058 allocates a modest increase for such priority education programs targeted to our most disadvantaged students and maintains the base of existing education programs that have proven to be essential to maintaining the educational services and aid now in place.

The $20.6 billion total appropriation for education follows through the congressional commitment made in the fiscal year 1988 budget resolution. The bill works within the budget resolution's budget authority and outlay ceilings for education spending. The gentleman from Mississippi, Chairman WHITTEN, Kentucky, Chairman NATCHER, and Massachusetts, Congressman CONTE, are to be commended for this achievement. These distinguished gentlemen and their colleagues on the Appropriations Committee have done a superb job of achieving budgetary constraint while accentuating both worker training and retraining as well as better education and health care for the benefit of the entire Nation. I urge my colleagues to join me in support of this measure. No nation can compete, no nation can survive in this difficult world if it tries to do so by scanting its citizens of adequate education, health care, and job training. If we make arbitrary cuts in these areas, future generations—and our national security—will surely suffer. Investment in education, health care, and job training is the key to long-term growth of our economy and long-term deficit reduction. On behalf of my fellow West Virginians, it will be my pleasure to support this legislation, and I urge my colleagues to join in offering their support.

Mr. GAYDOS. Mr. Chairman, I rise in strong support of H.R. 3058, the appropriations bill for the Departments of Labor, Health and Human Services, and Education for fiscal year 1988.

First, I want to commend the Committee on Appropriations for ignoring the budget request from this administration in the areas of vocational education and student financial aid for higher education.

This administration, which seems to speak out of both sides of its mouth at the same time, especially with regard to educating our youth, proposed no funds for vocational education in fiscal year 1988, and huge reductions in student financial aid programs.

Fortunately for the future of America, the Appropriations Committee rejected this thinking and, understanding the importance of education in this time when our effort is on making America competititve, continued the congressional commitment to education.

The committee's decision to provide nearly $900 million for vocational education for fiscal year 1988 is a sound step forward. The $25 million increase over the 1987 appropriation is in keeping with our need for skilled young people who can step immediately into necessary jobs.

The same must be said for the committee decisions on student aid. Overall, this administration wanted to reduce spending for student aid by $2.1 billion, from $5.48 billion in fiscal 1987, to $3.33 billion for 1988. The committee, in its wisdom, determined that an increase in student financial aid was far more important and has committed an additional $400 million to student aid, proposing a funding level of $5.8 billion for fiscal year 1988.

Two of the most important student aid programs are Pell grants and guaranteed student loans. In fiscal year 1987, the Congress provided $3.86 billion for Pell grants and $2.7 billion for GSL's.

This administration's request for 1988 funding proposed the virtual destruction of both programs—recommending $2.7 billion in Pell grants—a reduction of $1.6 billion—and $1.17 billion in GSL's—a reduction of $1.6 billion from 1987 funding levels.

In its decision, the committee recognized the importance of these programs by increasing funding for Pell grants by $600 million over 1987 levels to $4.45 billion in 1988, and by trimming a mere $300 million in GSL's for 1988.

These decisions reaffirm the commitment of the Congress to the education of American youth, something this administration only talks about.

Second, as the chairman of the Subcommittee on Health and Safety within the Committee on Education and Labor, I am concerned about the futures of the Occupational Safety and Health Administration [OSHA], the Mine Safety and Health Administration [MSHA], and the National Institute for Occupational Safety and Health [NIOSH].

As we all know, OSHA has been making headlines of late by proposing some huge, record-setting fines against some of the Nation's best known companies.

While all of this sounds great—after all, large fines do get the headlines—I am still concerned about the ability of OSHA to function.

Many of the recent citations have been for the failures of companies to record and report injuries and illnesses. This kind of failure is important because OSHA, MSHA, and NIOSH are supposed to use this data to develop health and safety standards that will prevent injuries and illnesses in the workplace.

For the past 6 years, during this administration's so-called era of voluntary compliance, a great deal was made of records' inspections in lieu of plant inspections. Under the voluntary compliance system, if a firm maintained an injury-illness rate below the national average for all industry, it wouldn't be inspected.

Now, however, OSHA is saying that the records were wrong and is proposing huge, record-setting fines as a means of correcting those errors.

Personally, I believe it is important to maintain accurate and proper records with regard to injuries and illnesses. This information is vital if we are to develop the health and safety standards needed to reduce and eliminate injuries and illnesses in the workplace.

I also firmly believe that only checking the records will not suffice. OSHA must have the requisite number of inspectors to do the job right. It needs trained health inspectors; it needs trained safety inspectors; and it needs the support staff to back them up.

Over the past several years, OSHA has allowed its inspection force to dwindle, from more than 1,300 in 1980 to just over 1,000 today.

I want to commend the Committee on Appropriations for recognizing the importance of OSHA, MSHA, and NIOSH to the health and well-being of American workers by continuing to increase the funding for these three agencies.

Although the committee has slightly trimmed the administration's 1988 requests for OSHA and MSHA, it has recommended significant increases from 1987 funding.

For OSHA, the committee has recommended $244 million for fiscal year 1988, roughly $1.8 million below the administration request, but an increase of $16 million from the 1987 funding level of $228.9 million. More importantly, the committee has provided for 2,364 full-time employees in OSHA, of which 1,234 are to be compliance officers. I only hope the administration fills these vacancies.

For MSHA, the committee has recommended funding of $164.8 million for fiscal year 1988—a cut of $2.4 million from the administration's 1988 request, but an increase of $8.4 million over the 1987 funding level of $158 million.

Finally, the committee has continued to fund NIOSH at levels above the administration's request. In 1987, NIOSH received funding of about $71 million. In its 1988 budget request, the administration proposed a reduction of about $5 million from 1987.

In response to the growing importance of the agency in the area of health and safety in the workplace, the committee has recommended funding for fiscal year 1988 at $72.8 million, which includes funding for the education resource centers.

Mr. Chairman, the Subcommittee on Health and Safety is preparing to conduct oversight hearings into the activities or lack of action by OSHA and MSHA. Those hearings will be later this year. We intend to look very closely to determine if these agencies are doing what is required of them by the statutes that created them.

In the meantime, however, I believe the Committee on Appropriations has acted with considerable thought in funding these agencies. The job of health and safety in the workplace is an important one, and we need to provide the funds so that when an administration recognizes its responsibilities, it will have the funds to perform its duties.

I strongly recommend that my colleagues support this bill.

Mr. MURPHY. Mr. Chairman, I rise in strong support of the Labor-HHS-Education appropriation bill as reported by the committee and I commend Chairman NATCHER for his effort and leadership in bringing this measure to the floor.

The bill recognizes the need for meaningful employment and training programs for America's work force, advances decent health care and reiterates our commitment of America's future with a much needed investment in education. The threefold objective of this legislation is requisite for a competitive work force and a competitive economy. The unemployed steelworker and coal miner in my district know all too well the pain involved when retraining programs are not available and education programs are decimated by budget cuts.

Specifically, the bill appropriates $3.7 billion in fiscal year 1988 for employment and training programs that are authorized primarily by the Job Training and Partnership Act. This appropriation is $412.1 million more than the administration request and $197.6 million more than the 1987 appropriation. It includes 42 FTE's and $2.5 million for Immigration Reform and Control Act responsibilities, an additional 100 FTE's for OFCCP and extends the prohibition against closing Job Corps Centers.

The bill also appropriates a total of $99.2 billion for the Health and Human Services Department. This includes $945.4 million for all AIDS-related programs, more than double the 1987 appropriation. It also provides increased funds for maternal and child health, community health centers, migrant health centers, health care for the homeless, and health professions programs.

Finally, but I believe most importantly, the bill appropriates a total of $20.6 billion in fiscal year 1988 for the Education Department. The committee bill reflects the education priorities embodied in the School Improvement Act that passed overwhelmingly this year. It includes $2.4 billion for the Guaranteed Student Loan Program, twice as much as the administration's request. In addition, it provides funds for compensatory education, impact aid, bilingual education, education for the handicapped, vocational and adult education, and student financial assistance.

Mr. Chairman, this appropriation bill is perhaps the most important one we have to consider. It is a step toward assuring a competitive work force, both today and in the future and I urge my colleagues to vote in favor of this critical legislation.

Mr. LEVINE of California. Mr. Chairman, I rise in strong support of H.R. 3058, the Departments of Labor, Health and Human Services, and Education and related agencies appropriations bill, for 1988. I would like to commend the distinguished chairman of the Appropriations Committee, Mr. WHITTEN, and the chairman of the subcommittee, Mr. NATCHER, for their leadership and work on behalf of this legislation. I would also like to extend a particular thank you to my colleague from California, Mr. ROYBAL, for his assistance in introducing language into the committee report which urges the Director of the National Institute on Disability and Rehabilitation Research to develop a plan for the establishment of an information and referral resource center for the partially sighted.

The need for such a center is clear. There are approximately 2.11 million partially sighted Americans, and three-fourths of the Nation's 551,000 legally blind have useful remaining sight. But sadly, partially sighted individuals are often neglected in the Nation's health care system, receiving assistance best suited to total blindness, or no assistance at all. Yet, the cost of providing low-vision services is much less than the cost of providing comparable services best suited for the totally blind individual. More importantly, low-vision training is vital to enabling partially sighted people to fully utilize all remaining sight to help overcome barriers that traditionally confront partially sighted and blind citizens.

A national center for the partially sighted will serve as a clearinghouse for the collection and dissemination of referral information, patient data, and assessments of the special needs of and optimal rehabilitative techniques for partially sighted individuals. A comprehensive center would encompass the broad range of patient needs that the low-vision clinics and private practitioners are not able to offer.

As I have mentioned earlier, the cost of treating partially sighted persons, as persons with valuable remaining eyesight, is far less than that of treating them as if they were totally blind. A comprehensive center would provide the cost-effective services that partially sighted individuals desperately need.

Since there are less than a dozen low-vision rehabilitation centers in the Nation, four of which serve only veterans, the majority of the partially sighted population is left without access to vital low-vision care. A comprehensive low-vision center should offer services that assist patients to better handle psychological problems, live independently, move about alone and safely, find educational, vocational, recreational and social opportunities, and locate and receive economic assistance when it is needed.

In order to reduce the necessity of dependency on scarce tax dollars, the National Center for the Partially Sighted should provide qualified individuals and organizations that desired to established and operate low-vision facilities with technical assistance emphasizing the acquisition of support from the private sector.

Mr. Chairman, I once again want to commend the distinguished members of the subcommittee and full committee for their efforts in drafting this legislation. I share the committee's view that there is a critical need for a national information and referral center for the partially sighted, and I look forward to working with the committee to make such a center a reality.

Mr. RANGEL. Mr. Chairman, again, I rise to express my strong support for the actions of the Appropriations Subcommittee on Labor-Health and Human Services-Education on the education provision of H.R. 3058. These provisions are consistent with the efforts of the other portions of this legislation which provide funding for crucial job training and employment, health and other social services programs. Education is an area of particular concern to me because it is a vital link in the resuscitation of our flailing economy.

In New York City one of the main complaints that I receive from the business sector is that many of our young people are graduating from high school without the skills necessary for entry level positions. And, one of the primary goals of the Secretary of Labor is to make America more competitive by increasing the viability of our labor force. These two points only focus on a small portion of an extremely pressing problem. There is an obvious need to increase the skill level of our work force to meet the demands of the advanced technology taking over many of our workplaces. And, there is an undeniable link between our economy and our commitment to providing quality education for all of America's youth.

I strongly support this legislation because it provides funds for education programs from Head Start to colleges, all of which are so vital to the continued prosperity of our Nation. The bill appropriates $1.3 billion for the Head Start Program, which offers early education training for preschool aged children. Head Start has a proven success record for increasing the academic potential of children who have had the benefits of this program. The committee, through its great insight, provided $125.5 million more for the program this year than the fiscal year 1987 appropriation.

H.R. 3058 also includes funding for an education program that has come under unnecessary attack since the advent of the Reagan administration. The Bilingual Education Program will receive an appropriation of $199 million. Of the $199 million, $105.7 million will go directly to school districts in the form of grants.

Under this provision funding will also be secured for emergency immigrant education. The Emergency Immigrant Education Program will receive $30 million. These funds are badly needed in places like New York where the immigrant population is very large. Also, the numbers of individuals working to meet the education requirements of the new immigration law increases daily and is overburdening the existing immigrant education services.

Another point of interest in this comprehensive legislative appropriations, is the inclusion of funds for education of the handicapped and vocational rehabilitation programs. Both of these programs are instrumental in our efforts to increase the involvement of handicapped individuals in society. I am convinced that the commitment of this Congress, combined with the increased advances in technology will bring haste to our efforts to provide handicapped individuals complete accessibility to society.

The bill contains funding for a variety of education programs including vocational and adult education programs and student financial assistance. The Reagan administration proposed to terminate the vocational education programs, which are funded in this legislation at $899.6 million. The measure provides $130 million for adult education.

This legislation also includes money for programs that increase the opportunities for low-income individuals to attend college. The bill's student financial aid appropriates $4.5 billion for Pell grants; $4425 million for supplemental educational opportunity grants; and $625 million for work-study programs.

In closing, I would like to say that this bill is the most significant effort that we have addressed in this Congress this year. The omnibus provisions of this legislation addresses many of the most fundamental problems faced by the people of this country. I strongly support the letter and language of this legislation, and encourage all of the Members of this great body to join me on this issue.

Mr. Chairman, I am very much in favor of H.R. 3058 which allows appropriations to Labor, HHS, and Education for fiscal year 1988. More specifically the bill appropriates $3.7 billion for the employment and training programs primarily authorized by the Job Training and Partnership Act.

This bill is directed to help those who are most in need in this country. It will give thousands of Americans an opportunity for employment that they might not have otherwise. And, as unemployment reaches epidemic proportions in our country, it is extremely important that we continue to give our support for programs that increase the employability of our work force.

The bill will continue funding such necessary programs as the Job Training Program which will receive $1.9 billion to give people without marketable skills the training' they need to obtain employment. One group that needs this type of program is our Nation's youth. With no classes to attend during the summer months, thousands of urban youth spend time idly on the streets or get into trouble with the police.

The Summer Youth Employment Program gives our Nation's youth a productive summertime alternative to the streets by offering them the opportunity to learn a skill. The experience they will gain will surely encourage them to continue their studies and perhaps pursue a career. Our Nation's youth are the hope for our Nation's future. Helping them with their future guarantees ours.

In recent years many factories have closed causing thousands of Americans to lose their jobs. These workers want to continue working to support themselves and their families. Because many of them had worked for 10 or more years with these plants and factories, they are skilled to do a job specific to only one industry. However, they can be retrained to do other jobs through the assistance of the Trade Act Job Training Program. This bill will appropriate $50 million for the training, job search, and relocation assistance programs authorized by the Trade Act.

Distinguished colleagues, we all know of the tragic plight of the thousands of homeless Americans. Creating housing for them is only one step to solving this serious problem. Another crucial step is locating jobs and teaching them skills so that they can become financially independent. This bill appropriates $8 million for a new job training demonstration program for the homeless. I wholeheartedly support these provisions which are so vital to our continued commitment to eliminating this extremely unfortunate problem.

Mr. Chairman, the district that I represent is one of the Nations poorest; it is plagued by unemployment and drugs. A bill such as the H.R. 3058 will give people in my district and across this great Nation, particularly the youth, a chance to break the vicious cycle of poverty.

Mr. GILMAN. Mr. Chairman, I rise in strong support of the legislation pending before us, and want to particularly commend our colleagues, the gentleman from Kentucky, the distinguished chairman of the Committee on Appropriations, [Mr. NATCHER] and the ranking minority member, [Mr. CONTE], for their outstanding work on this important vehicle. H.R. 3058 appropriates funds for the Department of Health and Human Services, the Department of Education, and related agencies.

For fiscal year 1988, $112.8 billion has been appropriated to the Department of Health and Human Services. Although I regret that the alcohol, mental health and drug abuse block grant is not included in this appropriation due to the lack of authorizing legislation, I look forward to supporting that program as well as other currently unauthorized initiatives initially created by the Anti-Drug Abuse Act of 1986.

However, the spectre of AIDS has spurred the Appropriations Committee to allocate nearly $1 billion for AIDS research and related activities. As ranking minority member of the Select Committee on Narcotics Abuse and Control, I am keenly aware of the increase in AIDS cases among IV drug abusers or their sexual partners. It is therefore important to note how the committee has specifically designated the $945.4 billion. Almost half of the amount—$472.4 million—has been given to the National Institutes of Health for additional research into this deadly disease. An additional $306.8 million has been appropriated to the Centers for Disease Control. Of these funds, $95.8 million is for counseling and testing, $119.2 million is for the very important health education programs, $30.4 million is to be spent on information dissemination and public affairs, while $61.3 million is for surveillance and laboratory activities.

Mr. Chairman, I am also pleased to note that the committee saw fit to allocate $2.5 million to develop strategies and effective models and coordinate services for pediatric AIDS cases. The Narcotics Select Committee held a hearing on pediatric AIDS at Harlem Hospital in New York City just last week. Those of us who participated in the hearing received some first hand information on the problems emanating from this new tragedy, which unfortunately, will get much worse before it gets better.

Rounding out the appropriations for AIDS activities is a $101.3 million allocation for ADAMHA, and $38.5 million to the Health Resources and Services Administration. As each of these fine agencies commits itself to finding an effective treatment or supportive environment for those who suffer from AIDS, I find it heartening that the committee's report states that "information and education are the only currently available means of prevention". Accordingly, I would also like to express my support of NIDA's research into the spread of HIV among drug abusers, my support for their efforts to provide information and education services for professionals, and the information campaign that they have initiated which attempts to educate intravenous drug abusers.

Furthermore, the committee is to be commended for urging the Child Health Institute to support research to develop appropriate educational AIDS programs for children and youth, acknowledged to be at high risk because of the possible adolescent experimentation with drugs and sex. As our Surgeon General, Dr. C. Everett Koop, has stated, children and teenagers believe they will live forever, and that nothing can harm them. While this belief is indeed naive, it is a true statement, as each of us recalls our own youthful enthusiasm.

I have also noted that $200 million has been appropriated to the Department of Education, to carry out its program under the Drug Free Schools and Communities Act. This important component of our Federal war on drugs will enter its second year, as the committee has specified that $161 million be passed through to the States in the form of grants, while the Secretary of Education is to retain $39 million for a variety of antidrug abuse education activities.

And, the Alcohol, Drug Abuse, and Mental Health Administration has been appropriated $401.8 million for 1988, of which $265.5 million has been designated for mental health activities. When the block grant is reauthorized, I look forward to seeing the allocation for drug abuse treatment and rehabilitation programs, which are so sorely needed throughout this country.

H.R. 3058 funds other numerous highly successful and cost effective Federal programs for our Nation's children: Head Start, chapter 1, compensatory education, maternal and child health block grant, Job Corps, and many others. The Chapter 1 Program, which provides remedial education services to disadvantaged youth, will receive $4.6 billion, an increase of $650 million from fiscal year 1987. Chapter 1 and these others are preventive programs, proven time and again to generate savings far in excess of the amount invested. Most important, they are programs proven essential for the development of healthy, educated children.

This bill firmly establishes education as a Federal funding authority. It provides essential increases in a number of very important programs at the postsecondary level, including Pell grants, TRIO Programs, graduate fellowships, and aid to developing and historically black institutions. H.R. 3058 increases the amount available for college student aid by $648 million, to $5.8 billion, including $4.5 billion for Pell grants, $625 million for the College Work-study Program and $425 million for SEOG's. The bill also appropriates $2.4 billion for guaranteed student loans. The expansion of these programs increases educational opportunities for individuals, and benefits our Nation by educating its citizens and improving international competitiveness.

Mr. Chairman, while we may not yet have won our war against AIDS or drug abuse, the funds provided in this measure give us the tools to do battle in the coming fiscal year. Accordingly, I urge support for H.R. 3058, and request my colleagues to join in voting for this vital appropriations bill.

Mr. RANGEL. Mr. Chairman, I am pleased to rise in support of H.R. 3058, the Department of Labor, Health and Human Services, and Education and Related Agencies Appropriations Act, 1988. As the chairman of the House Select Committee on Narcotics Abuse and Control, I wish to highlight the provisions in the bill relating to drug abuse education; the Alcohol, Drug Abuse and Mental Health Administration; and the Federal effort to combat the acquired immune deficiency syndrome [AIDS].

The Drug-Free Schools and Communities Act of 1986, title IV, subtitle B of the Anti-Drug Abuse Act of 1986, authorized a 3-year program of drug abuse education. The act provided authorizations of $200 million for fiscal year 1987 and $250 million for each of the fiscal years 1988 and 1989. I was dismayed when, just 2 months after signing the Anti-Drug Abuse Act of 1968—Public Law 99-570—President Reagan proposed in his fiscal year 1988 budget to sharply curtail funding for many drug programs. Specifically, in the area of drug education he proposed cutting the budget from $200 million to $100 million. The administration's request of $100 million was an unconscionable retreat from the commitment made last year to provide expanded Federal support for comprehensive drug abuse education programs in our Nation's schools.

Testimony before the select committee earlier this year strongly indicated that without a sustained commitment from the Federal Government, State and local educational agencies will not be able to mount effective drug abuse education programs. House enactment this year of H.R. 5, the School Improvement Act, which would extend the authorization for the Drug-Free Schools and Communities Act through 1993, demonstrates the strong support in the House for this program.

At a time when almost two-thirds of our Nation's high school seniors have tried an illicit drug, we cannot afford to reduce drug abuse education efforts in our schools. Therefore, I am pleased that H.R. 3058 restores the funding for drug abuse education programs to $200 million, the fiscal year 1987 level and $100 million more than the administration's budget request. I would have preferred that the Appropriations Committee provide the full amount authorized for fiscal year 1988—$250 million. The funding appropriated will, however, both assure the States and local school districts of the continuing Federal commitment to drug abuse education and enable them to provide needed drug abuse education to our Nation's students.

H.R. 3058 does not include funding for the alcohol, drug abuse, and mental health block grant, alcohol and drug abuse research, or the substance abuse initiative. I understand that this is because the authorizing legislation for these activities has not yet been enacted. I would hope, however, that when funding for these activities has been authorized that the House will act swiftly to enact the appropriations legislation. Federal funding for drug abuse treatment and research is essential to our national antidrug abuse efforts. Moreover, we are finding that our antidrug abuse efforts are critical to our battle against our newest epidemic—AIDS.

Acquired immune deficiency syndrome [AIDS] threatens the health, life, and vitality of our Nation. In just a short period of time the incidence of AIDS has increased to epidemic proportions. As of July 1987, there have been more than 38,000 reported cases in this country, and more than 22,000 of these patients have already died. The Public Health Service estimates that by the end of 1991 total AIDS cases in the United States will have risen to more than 270,000 and more than 179,000 people with AIDS will have died.

As chairman of the Select Committee on Narcotics, I am particularly concerned about the relationship between intravenous drug use and AIDS; 17 percent of AIDS cases are attributable to intravenous drug abuse. Another 8 percent of AIDS cases are homosexual males who are IV drug users. Moreover, intravenous drug abuse is the primary source of AIDS among women and children. Fifty percent of women with AIDS are intravenous drug users. The second group of women at risk are the homosexual partners of intravenous drug users. Among the more than 500 pediatric AIDS cases, 80 percent of the maternal transmission cases are children of intravenous drug users.

H.R. 3058 includes a total of $945,430,000 for all Federal activities associated with AIDS. This amount, together with the funds provided to the Food and Drug Administration, bring the 1988 total for Federal spending on AIDS to $970 million. This is an increase of $475 million, or 95 percent, over the fiscal year 1987 amount. The budget of the Alcohol, Drug Abuse, and Mental Health Administration to fight AIDS is $101,252,000. This amount is $52,699,000 more than the 1987 appropriation level and the same amount requested in the President's revised AIDS request for 1988.

With no cure for AIDS in sight, AIDS research, education, and prevention efforts are our primary line of defense. We must support adequate levels of funding in this area. Our Nation's health and security depend on our doing so. I suspect that these funds will not be the last provided for AIDS-related activities for fiscal year 1988. They are, however, an important step and will provide the underpinnings for our battle against this disease.

Mr. Chairman, H.R. 3058 is a good bill. I commend Chairman NATCHER for once again making an important contribution to improving the health care of all Americans. H.R. 3058 provides urgently needed funding to continue the program of drug abuse education and to combat AIDS. I urge my colleagues to join me in voting in favor of the bill.

Mr. BIAGGI. Mr. Chairman, I rise today in strong support for H.R. 3058 the appropriations for the Departments of Labor, HHS and Education. This legislation reflects our national commitment to assist those in need whether they be poor, elderly, handicapped, or eager to learn. As a senior member of the Education and Labor Committee, I commend my colleagues on the Appropriations Subcommittee and committee for their emphasis on meeting the needs of our Nation's work force, our students and our older Americans.

I would like to take a moment to focus on some of these programs. H.R. 3058 places special emphasis on programs to assist our Nation's students. This bill includes an over $650 million increase in funding for chapter 1, the major Federal assistance program for economically and educationally disadvantaged elementary and secondary school students, as well as many increases for our important student financial assistance programs.

I am especially supportive of the provision which raises the maximum Pell grant to $2,300. The Pell Grant Program is our Nation's largest student assistance grant program, targeting our poorest and neediest students. An increase in the maximum grant size allows students a wider range of choice of institutions they could afford to attend, furthering our goal of equal educational opportunities for all. I am also supportive of the increases in campus-based aid, including increases over last year's appropriation of $12.5 million for supplemental grants, $32.5 million for college work study and $12 million for Perkins loans. This funding will provide students with the opportunity to work while enrolled in school along with supplementary funds for grants and low interest loans. As our Nation is striving to improve our competitiveness, we are examining other countries' practices and programs. Clearly, we see from all studies that investment in education is essential to developing the full potential for our labor force and our people. While we are in a period of necessary budgetary constraints, I applaud the $104,022,000 increase for our Nation's postsecondary students.

I also commend my colleagues on appropriations for their attention to funding programs for the handicapped. The $171.9 million increase in education for the handicapped and $77 million increase in rehabilitation services and handicapped research are significant steps toward education and assisting those Americans with handicaps and disabilities. I am especially supportive of the $52 million appropriation for early intervention service, a program authorized last year to develop statewide systems to provide early intervention services for handicapped infants and toddlers. In the past two decades, we have made great strides forward in assuring our Nation's handicapped can achieve their full potential and contribute their unique talents to society. The funding levels in this appropriations bill will allow this progress to continue.

Mr. Chairman, H.R. 3058 is one of the most important bills for older Americans that Congress will pass this year. As an original member of the House Select Committee on Aging, I have had many opportunities to learn about the problems that older adults in this society face and to advocate in their behalf for policy changes and additional funding. Today I do not intend to offer any amendments to this appropriations bill, but will comment on a number of its provisions that will serve the best interests of the elderly.

Before I mention specific elements of this bill relative to the elderly, I will make two general observations. First, given our Nation's fiscal predicament, this bill is a positive effort and, relatively speaking, a generous effort on the part of the Appropriations Committee to respond to the growing need for services to older adults. The graying of our Nation threatens to create a large under class of older Americans, and we must do everything within our means to improve the quality of life for the elderly. This bill represents an understanding of this need.

Second, I want to once again register my dismay regarding the administration's lack of commitment to the elderly. It appears to have little compassion for or understanding of the growing needs and often desperate situations that older Americans must endure. The President has consistently submitted appropriations requests that would reduce funding for or eliminate important social service programs for those persons in America that need most the Federal Government's assistance. Those of us who will probably never need to worry about financial ruin as the result of catastrophic health care costs or prolonged unemployment, must have compassion for those individuals who need a helping hand to make it through the tough times. This administration has not shown America this compassion: I believe that the majority in Congress has.

Mr. Chairman, we are currently in the process of reauthorizing the Older Americans Act of 1965. The House passed H.R. 1451, on May 28, and the Senate plans on consideration of its companion legislation, S. 887, as early as this Friday, August 7. For this reason, the Appropriations Committee has deferred consideration of specific appropriations levels for programs for the aging and for several other unauthorized programs. When authorizing legislation is enacted for these programs, the committee will complete its work on defining funding levels for the Older Americans Act programs.

As an active member of the Human Resources Subcommittee which has jurisdiction over the act, I am anxious to see the Appropriations Committee complete its work. I believe that H.R. 1451 is one of the best reauthorizations that has been developed over the last 20 years and I am particularly interested in the funding levels for the act because we have worked diligently to improve the Older Americans Act programs this year.

We are hopeful that as a result of amendments that I authored regarding the targeting of services and outreach efforts that funds will be more effectively distributed in the future. The Older Americans Act will include a stronger mandate for targeting services to those elderly with the greatest economic or social need, with particular attention to low-income minorities. These efforts will include more focused outreach efforts at both the State and area agency levels. Therefore, I am supportive of a healthy overall increase for Older Americans Act programs.

Mr. Chairman, I am particularly interested in the funding levels that the Appropriations Committee will assign to two programs within the Older Americans Act that we have expanded. I offered an amendment which was accepted during committee action to provide separate and expanded funding for the long-term care ombudsman program. This program aims to investigate and resolve complaints abuse and poor care made by or for residents of nursing homes and board and care facilities. This program was further improved in H.R. 1451 by providing for access to residents, their records, and the facilities in question. Also, better training of ombudsmen and new language to prevent reprisals against patients and employees who provide information to ombudsmen was included in the older Americans Act reauthorization. Some of the provisions will cost additional dollars and regardless of that fact, there are currently insufficient moneys to provide adequate staff levels to monitor long-term care facilities across the country. It is my hope that the appropriations committee will provide the $20 million that the House has authorized for this important program.

Mr. Chairman. I am also hopeful that the committee will find in its heart the compassion to provide full funding for title VI of the Older Americans Act, which serves older American Indians. The House passed language which I offered to greatly improve access to services and to improve the quality of services provided to Indians. These provisions include a $12.1 million authorization of appropriations for fiscal year 1988, and I request the assistance of my colleagues on the committee in working to fund title VI at this modest level. Your efforts will benefit some of the most needy older Americans.

I am quite pleased that the committee has included $1,641,456,000 an increase of $177,177,000 over the amount available for fiscal year 1987, for human development services. This includes funds of the Older Americans Act and I am confident that the act will be treated fairly.

Mr. Chairman, there are a number of other programs for older adults funded through this appropriations bill that I will mention. I am very pleased that the committee has provided over $6.5 billion for the 18 appropriations which together fund the program of the National Institutes of Health, including moneys for the 12 research institutes. One of the most valuable research efforts takes place at the National Institute of Aging which is appropriated $203,034,000 for fiscal year 1988. This represents a $25,494,000 increase from fiscal year 1987 and is over $47 million more than the administration requested. These funds will be used to support research, research training, and health information dissemination focused on the aging process and the diseases of older people. We have learned in recent years about the serious nature of such diseases as Alzheimer's disease and osteoporosis, and this bill goes a long way toward supporting efforts to address these and other health problems of the elderly.

H.R. 3058 also funds the older Americans volunteer programs under action. The bill provides an $8,194,000 increase over the fiscal year 1987 level. There will be $112 million available for the Retired Senior Volunteer Program [RSVP], the Foster Grandparents Program, and the Senior Companion Program, and I believe these excellent service programs deserve at least this increase level. I commend the chairman for his support of these programs. I only regret that no funding was made available for VISTA literacy corps. VISTA volunteers can do much to fight the alarming problem of illiteracy in our Nation, a problem we must overcome to realize our national potential.

Mr. Chairman, I support strongly the appropriation of $60,499,000 for State inspection of nursing homes serving Medicare beneficiaries. This amount is about $6.3 million more than was available in fiscal year 1987, and I am hopeful that additional dollars will improve our ability to ensure that institutions meet acceptable standards of quality and safety for Medicare patients. The bill also provides $30,046,000,000 in Medicaid grants to States which is an increase of some $3.4 billion. This is another essential program which benefits both the young and the old of our Nation.

In closing, Mr. Chairman, I want to offer my support to appropriations for several additional programs that serve many Americans, but are extremely important to older Americans. We must not decrease our commitment to the social services block grant, the community services block grants, and the Low-Income Home Energy Assistance Program [LIHEAP]. This bill appropriates $2.7 billion for the social services block grant and $1,822,265,000 for LIHEAP; these are the same amounts appropriated in fiscal year 1987. It is unfortunate that these programs which provide a variety of essential services have not been increased, but I am pleased that we have not taken the administration's advice to cut LIHEAP, which provides heat and cooling for many older Americans.

I congratulate the committee on increasing the community services block grant by $3,164,000 over the 1987 appropriation. The services that will be provided with the $408,200,000 appropriation will include employment, education, housing, nutrition, energy, and health care services. I am confident that older Americans and individuals in all age groups will benefit greatly from our efforts to support these programs.

Mr. Chairman, I strongly endorse this legislation and urge my colleagues to vote for its passage.

Mr. BUECHNER. Mr. Chairman, America's future is threatened by a disease that is silently slaughtering our society: AIDS—the acquired immune deficiency syndrome. The Department of Health and Human Services reports 38,000 cases of AIDS, with over 22,000 deaths to date. But these figures represent only the tip of the iceberg; the initial infection incubates between 5 to 10 years prior. Two to three million Americans are now estimated to be infected with the AIDS virus—more than 90 percent of which have no knowledge of infection and are capable of spreading this lethal virus. The time is now to realize the importance of examining the AIDS virus, before AIDS becomes our final epidemic.

Today we are debating the Labor/HHS/Education appropriations bill which includes $945.4 million for the prevention and treatment of AIDS—almost a 50 percent increase in Federal funding from fiscal year 1987. I endorse increased monetary support for this deadly disease; however, it is essential that we use these funds for basic biomedical research.

H.R. 3058 directs funds to the National Institute of Health, the Centers of Disease Control, and other similar medical institutes in an effort to provide panels, training, and health care facilities for the treatment of AIDS. Some institutes advocate testing procedures while others recommend treatment for victims. Expert recommendations are more often controversial than consistent. While I realize the importance of dialog on this topic, I must argue that further extensive biomedical research of the AIDS virus should act as a catalyst for discussion and analysis.

According to Dr. Robert Redfield, head of Walter Reed's Department of Virus Diseases, "The number of AIDS cases is the problem as defined a decade ago. The virus represents the magnitude of the problem today." As the AIDS virus is the root of the problem, we must not fail at directing appropriations for basic research in virology and immunology.

It seems only reasonable that Federal funding be directed specifically to enhance the knowledge needed for vaccine and drug development through basic research in virology, immunology, and viral protein structure, in order to improve understanding of the natural history and pathogenesis of AIDS and trace the spread of HIV infection by means of epidemiologic and clinical research.

The Institute of Medicine, in accord with other public health institutes, maintains that only with a more thorough understanding of the AIDS virus and its manifestations, can we be more sensitive to the needs of its victims—the most critical of which is the ability to live a long and healthy life.

Only after we confront AIDS head-on can we integrate our findings and expert advice into a viable national policy. One thing is certain: the AIDS epidemic is not simply going to go away. Let us focus our attention on the nucleus of this nightmare through basic viral research in an effort to combat further transmission of AIDS.

Mr. NATCHER. Mr. Chairman, we have no further requests for time on this side, and I yield back the balance of our time.

The CHAIRMAN. All time under general debate has expired.

The Clerk will read.

The Clerk read as follows:

H.R. 3058

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1988, and for other purposes, namely:

TITLE I—DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

PROGRAM ADMINISTRATION

For expenses of administering employment and training programs, $73,896,000 together with not to exceed $46,425,000 which may be expended from the Employment Security Administration account in the Unemployment Trust Fund.

TRAINING AND EMPLOYMENT SERVICES

For expenses necessary to carry into effect the Job Training Partnership Act, including the purchase and hire of passenger motor vehicles, $3,511,185,000 plus reimbursements, to be available for obligation for the period July 1, 1988, through June 30, 1989, of which $62,370,000 shall be for carrying out section 401, $70,480,000 shall be for carrying out section 402, $10,409,000 shall be for carrying out section 441, $2,000,000 shall be for the National Commission for Employment Policy, $3,000,000 shall be for all activities conducted by and through the National Occupational Information Coordinating Committee under the Job Training Partnership Act, and $8,000,000 shall be for service delivery areas under section 101(a)(4)(A)(iii) of the Job Training Partnership Act in addition to amounts otherwise provided under sections 202 and 251(b) of the Act: *Provided,* That no funds from any other appropriation shall be used to provide meal services at or for Job Corps centers.

For necessary expenses of construction, rehabilitation, and acquisition of Job Corps centers as authorized by the Job Training Partnership Act, $128,500,000, to be available for obligation for the period July 1, 1988 through June 30, 1991.

For activities authorized by sections 236, 237, and 238 of the Trade Act of 1974, as amended, including necessary related administrative expenses, $50,000,000.

For activities authorized by title VII, subtitle C of the Stewart B. McKinney Homeless Assistance Act, $8,000,000.

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

For payments during the current fiscal year of benefits and payments as authorized by title II of Public Law 95-250, as amended, and of trade adjustment benefit payments and allowances, as provided by law (part I, subchapter B, chapter 2, title II of the Trade Act of 1974, as amended), $141,000,000, together with such amounts as may be necessary to be charged to the subsequent appropriation for payments for any period subsequent to September 15 of the current year: *Provided,* That amounts received or recovered pursuant to section 208(e) of Public Law 95-250 shall be available for payments.

STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS

For activities authorized by the Act of June 6, 1933, as amended (29 U.S.C. 49-491-1; 39 U.S.C. 3202(a)(1)(E)); title III of the Social Security Act, as amended (42 U.S.C. 502-504); necessary administrative expenses for carrying out 5 U.S.C. 8501-8523, and sections 231-235 and 243-244, title II of the Trade Act of 1974, as amended; as authorized by section 7c of the Act of June 6, 1933, as amended, necessary administrative expenses under sections 101(a)(15)(H)(ii), 212(a)(14), and 216(g)(1)(2)(3) of the Immigration and Nationality Act, as amended (8 U.S.C. 1101 et seq.); and necessary administrative expenses to carry out the Targeted Jobs Tax Credit program under section 51 of the Internal Revenue Code of 1986, $23,400,000, together with not to exceed $2,536,012,000 which may be expended from the Employment Security Administration account in the Unemployment Trust Fund, and of which the sums available in the basic allocation for activities authorized by title III of the Social Security Act, as amended (42 U.S.C. 502-504), and the sums available in the basic allocation for necessary administrative expenses for carrying out 5 U.S.C. 8501-8523, shall be available for obligation by the States through December 31, 1988, and of which $22,700,000 together with not to exceed $732,500,000 of the amount which may be expended from said trust fund shall be available for obligation for the period July 1, 1988, through June 30, 1989, to fund activities under section 6 of the Act of June 6, 1933, as amended, including the cost of penalty mail made available to States in lieu of allotments for such purpose and of which $182,866,000 (including not to exceed $4,600,000 which may be used for amortization payments to States which had independent retirement plans in their State employment service agencies prior to 1980) shall be available only to the extent necessary to administer unemployment compensation laws to meet increased costs of administration resulting from changes in a State law or increases in the number of unemployment insurance claims filed and claims paid or increased salary costs resulting from changes in State salary compensation plans embracing employees of the State generally over those upon which the State's basic allocation was based, which cannot be provided for by normal budgetary adjustments based on State obligations as of December 31, 1988.

ADVANCES TO THE UNEMPLOYMENT TRUST FUND AND OTHER FUNDS

For repayable advances to the Unemployment Trust Fund as authorized by sections 905(d) and 1203 of the Social Security Act, as amended, and to the Black Lung Disability Trust Fund as authorized by section 9501(c)(1) of the Internal Revenue Code of 1954, as amended; and for nonrepayable advances to the Unemployment Trust Fund as authorized by section 8509 of title 5, United States Code, and to the "Federal unemployment benefits and allowances" account, to remain available until September 30, 1989; $30,000,000.

LABOR-MANAGEMENT SERVICES

SALARIES AND EXPENSES

For necessary expenses for Labor-Management Services, $81,192,000, of which $13,600,000 for a pension plan data base shall remain available until September 30, 1989.

PENSION BENEFIT GUARANTY CORPORATION

PENSION BENEFIT GUARANTY CORPORATION FUND

The Pension Benefit Guaranty Corporation is authorized to make such expenditures, including financial assistance authorized by section 104 of Public Law 96-364, within limits of funds and borrowing authority available to such Corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended (31 U.S.C. 9104), as may be necessary in carrying out the program through September 30, 1988, for such Corporation: *Provided,* That not to exceed $40,034,000 shall be available for administrative expenses of the Corporation.

EMPLOYMENT STANDARDS ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses for the Employment Standards Administration, including reimbursement to State, Federal, and local agencies and their employees for inspection services rendered, $217,085,000, of which not to exceed $8,000,000 shall be available for obligation through September 30, 1989, for acquisition of computer equipment and software for the Federal Employees' Compensation Program's ADP system, together with $488,000 which may be expended from the Special Fund in accordance with sections 39(c) and 44(j) of the Longshore and Harbor Workers' Compensation Act.

SPECIAL BENEFITS

(INCLUDING TRANSFER OF FUNDS)

For the payment of compensation, benefits, and expenses (except administrative expenses) accruing during the current or any prior fiscal year authorized by title V, chapter 81 of the United States Code; continuation of benefits as provided for under the head "Civilian War Benefits" in the Federal Security Agency Appropriation Act, 1947; the Employees' Compensation Commission Appropriation Act, 1944; and sections 4(c) and 5(f) of the War Claims Act of 1948 (50 U.S.C. App. 2012); and 50 per centum of the additional compensation and benefits required by section 10(h) of the Longshore and Harbor Workers' Compensation Act, as amended, $257,177,000, together with such amounts as may be necessary to be charged to the subsequent year appropriation for the payment of compensation and other benefits for any period subsequent to September 15 of the current year: *Provided,* That in addition there shall be transferred from the Postal Service fund to this appropriation such sums as the Secretary of Labor determines to be the cost of administration for Postal Service employees through September 30, 1988.

BLACK LUNG DISABILITY TRUST FUND

(INCLUDING TRANSFER OF FUNDS)

For payments from the Black Lung Disability Trust Fund, $646,842,000, of which $594,522,000 shall be available until September 30, 1989, for payment of all benefits as authorized by sections 9501(d) (1), (2), and (7) of the Internal Revenue Code of 1954, as amended, and of which $28,293,000 shall be available for transfer to Employment Standards Administration, Salaries and Expenses, and $23,521,000 for transfer to Departmental Management, Salaries and Expenses, and $506,000 for transfer to Departmental Management, Office of Inspector General, for expenses of operation and administration of the Black Lung Benefits program as authorized by section 9501(d)(5)(A) of that Act: *Provided*, That in addition, such amounts as may be necessary may be charged to the subsequent year appropriation for the payment of compensation or other benefits for any period subsequent to June 15 of the current year: *Provided further*, That in addition, there are hereby appropriated such amounts as may be necessary to repay advances from the Treasury that are not needed to make disbursements during the current fiscal year, as authorized by section 9501(d)(4) of that Act: *Provided further*, That in addition, such amounts shall be paid from this fund into miscellaneous receipts as the Secretary of the Treasury determines to be the administrative expenses of the Department of the Treasury for administering the fund during the current fiscal year, as authorized by section 9501(d)(5)(B) of that Act.

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses for the Occupational Safety and Health Administration, $244,001,000, including not to exceed $42,327,000, which shall be the maximum amount available for grants to States under section 23(g) of the Occupational Safety and Health Act, which grants shall be no less than fifty percent of the costs of State occupational safety and health programs required to be incurred under plans approved by the Secretary under section 18 of the Occupational Safety and Health Act of 1970: *Provided*, That none of the funds appropriated under this paragraph shall be obligated or expended for the assessment of civil penalties issued for first instance violations of any standard, rule, or regulation promulgated under the Occupational Safety and Health Act of 1970 (other than serious, willful, or repeated violations under section 17 of the Act) resulting from the inspection of any establishment or workplace subject to the Act, unless such establishment or workplace is cited, on the basis of such inspection, for ten or more violations: *Provided further*, That none of the funds appropriated under this paragraph shall be obligated or expended to prescribe, issue, administer, or enforce any standard, rule, regulation, or order under the Occupational Safety and Health Act of 1970 which is applicable to any person who is engaged in a farming operation which does not maintain a temporary labor camp and employs ten or fewer employees: *Provided further*, That none of the funds appropriated under this paragraph shall be obligated or expended to prescribe, issue, administer, or enforce any standard, rule, regulation, order or administrative action under the Occupational Safety and Health Act of 1970 affecting any work activity by reason of recreational hunting, shooting, or fishing: *Provided further*, That no funds appropriated under this paragraph shall be obligated or expended to administer or enforce any standard, rule, regulation, or order under the Occupational Safety and Health Act of 1970 with respect to any employer of ten or fewer employees who is included within a category having an occupational injury lost work day case rate, at the most precise Standard Industrial Classification Code for which such data are published, less than the national average rate as such rates are most recently published by the Secretary, acting through the Bureau of Labor Statistics, in accordance with section 24 of that Act (29 U.S.C. 673), except—

(1) to provide, as authorized by such Act, consultation, technical assistance, educational and training services, and to conduct surveys and studies;

(2) to conduct an inspection or investigation in response to an employee complaint, to issue a citation for violations found during such inspection, and to assess a penalty for violations which are not corrected within a reasonable abatement period and for any willful violations found;

(3) to take any action authorized by such Act with respect to imminent dangers;

(4) to take any action authorized by such Act with respect to health hazards;

(5) to take any action authorized by such Act with respect to a report of an employment accident which is fatal to one or more employees or which results in hospitalization of five or more employees, and to take any action pursuant to such investigation authorized by such Act; and

(6) to take any action authorized by such Act with respect to complaints of discrimination against employees for exercising rights under such Act:

Provided further, That the foregoing proviso shall not apply to any person who is engaged in a farming operation which does not maintain a temporary labor camp and employs ten or fewer employees: *Provided further*, That none of the funds appropriated under this paragraph shall be obligated or expended for the proposal or assessment of any civil penalties for the violation or alleged violation by an employer of ten or fewer employees of any standard, rule, regulation, or order promulgated under the Occupational Safety and Health Act of 1970 (other than serious, willful or repeated violations and violations which pose imminent danger under section 13 of the Act) if, prior to the inspection which gives rise to the alleged violation, the employer cited has (1) voluntarily requested consultation under a program operated pursuant to section 7(c)(1) or section 18 of the Occupational Safety and Health Act of 1970 or from a private consultative source approved by the Administration and (2) had the consultant examine the condition cited and (3) made or is in the process of making a reasonable good faith effort to eliminate the hazard created by the condition cited as such, which was identified by the aforementioned consultant, unless changing circumstances or workplace conditions render inapplicable the advice obtained from such consultants: *Provided further*, That none of the funds appropriated under this paragraph may be obligated or expended for any State plan monitoring visit by the Secretary of Labor under section 18 of the Occupational Safety and Health Act of 1970, of any factory, plant, establishment, construction site, or other area, workplace or environment where such a workplace or environment has been inspected by an employee of a State acting pursuant to section 18 of such Act within the six months preceding such inspection: *Provided further*, That this limitation does not prohibit the Secretary of Labor from conducting such monitoring visit at the time and place of an inspection by an employee of a State acting pursuant to section 18 of such Act, or in order to investigate a complaint about State program administration including a failure to respond to a worker complaint regarding a violation of such Act, or in order to investigate a discrimination complaint under section 11(c) of such Act, or as part of a special study monitoring program, or to investigate a fatality or catastrophe: *Provided further*, That none of the funds appropriated under this paragraph may be obligated or expended for the inspection, investigation, or enforcement of any activity occurring on the Outer Continental Shelf which exceeds the authority granted to the Occupational Safety and Health Administration by any provision of the Outer Continental Shelf Lands Act, or the Outer Continental Shelf Lands Act Amendments of 1978.

MINE SAFETY AND HEALTH ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses for the Mine Safety and Health Administration, $164,874,000, including purchase and bestowal of certificates and trophies in connection with mine rescue and first-aid work, and the purchase of not to exceed sixty passenger motor vehicles for replacement only; the Secretary is authorized to accept lands, buildings, equipment, and other contributions from public and private sources and to prosecute projects in cooperation with other agencies, Federal, State, or private; the Mine Safety and Health Administration is authorized to promote health and safety education and training in the mining community through cooperative programs with States, industry, and safety associations; and any funds available to the Department may be used, with the approval of the Secretary, to provide for the costs of mine rescue and survival operations in the event of major disaster: *Provided*, That none of the funds appropriated under this paragraph shall be obligated or expended to carry out section 115 of the Federal Mine Safety and Health Act of 1977 or to carry out that portion of section 104(g)(1) of such Act relating to the enforcement of any training requirements, with respect to shell dredging, or with respect to any sand, gravel, surface stone, surface clay, colloidal phosphate, or surface limestone mine.

BUREAU OF LABOR STATISTICS

SALARIES AND EXPENSES

For necessary expenses for the Bureau of Labor Statistics, including advances or reimbursements to State, Federal, and local agencies and their employees for services rendered, $184,833,000, of which $9,184,000 shall be for expenses of revising the Consumer Price Index, together with not to exceed $43,419,000, which may be expended from the Employment Security Administration account in the Unemployment Trust Fund: *Provided*, That $7,694,000 shall remain available until September 30, 1989.

DEPARTMENTAL MANAGEMENT

SALARIES AND EXPENSES

For necessary expenses for Departmental Management, including the hire of 5 sedans, and including $2,434,000 for the President's Committee on Employment of the Handicapped, $120,041,000, together with not to exceed $286,000 which may be expended from the Employment Security Administration account in the Unemployment Trust Fund.

ASSISTANT SECRETARY FOR VETERANS EMPLOYMENT AND TRAINING

Not to exceed $145,826,000 may be derived from the Employment Security Administration account in the Unemployment Trust Fund to carry out the provisions of 38 U.S.C. 2001-08 and 2021-26.

OFFICE OF THE INSPECTOR GENERAL

For salaries and expenses of the Office of the Inspector General in carrying out the provisions of the Inspector General Act of

1978, $38,224,000, together with not to exceed $6,476,000, which may be expended from the Employment Security Administration account in the Unemployment Trust Fund.

General Provisions

SEC. 101. Appropriations in this Act available for salaries and expenses shall be available for supplies, services, and rental of conference space within the District of Columbia, as the Secretary of Labor shall deem necessary for settlement of labor-management disputes.

SEC. 102. None of the funds appropriated under this Act shall be used to grant variances, interim orders or letters of clarification to employers which will allow exposure of workers to chemicals or other workplace hazards in excess of existing Occupational Safety and Health Administration standards for the purpose of conducting experiments on workers health or safety.

SEC. 103. None of the funds appropriated in this Act shall be obligated or expended for the purpose of closing any Job Corps Center operating under part B of title IV of the Job Training Partnership Act prior to January 1, 1989.

SEC. 104. Notwithstanding any other provision of this Act, no funds appropriated by this Act may be used to execute or carry out any contract with a non-governmental entity to administer or manage a Civilian Conservation Center of the Job Corps which was not under such a contract as of September 1, 1984.

This title may be cited as the "Department of Labor Appropriations Act, 1988".

TITLE II—DEPARTMENT OF HEALTH AND HUMAN SERVICES

Office of the Secretary

PRIORITY DISEASE CONTROL AND RESEARCH (AIDS)

For carrying out the Public Health Service Act with respect to Acquired Immune Deficiency Syndrome, $945,430,000, of which $38,500,000 shall be for the Health Resources and Services Administration, $306,750,000 shall be for the Centers for Disease Control, $93,946,000 shall be for the National Cancer Institute, $25,839,000 shall be for the National Heart, Lung and Blood Institute, $3,310,000 shall be for the National Institute of Dental Research, $3,500,000 shall be for the National Institute of Diabetes, Digestive, and Kidney Diseases, $12,755,000 shall be for the National Institute of Neurological and Communicative Disorders and Stroke, $223,323,000 shall be for the National Institute of Allergy and Infectious Diseases, $2,500,000 shall be for the National Institute of General Medical Sciences, $9,928,000 shall be for the National Institute of Child Health and Human Development, $4,000,000 shall be for the National Eye Institute, $4,091,000 shall be for the National Institute of Environmental Health Sciences, $377,000 shall be for the National Institute on Aging, $25,661,000 shall be for Research Resources, $533,000 shall be for the National Center for Nursing Research, $1,200,000 shall be for the John E. Fogarty International Center, $61,465,000 shall be for the Office of the Director, $101,252,000 shall be for the Alcohol, Drug Abuse and Mental Health Administration, $1,500,000 shall be for the Office of Minority Health, and $25,000,000 shall be for the Office of the Secretary: *Provided*, That of the amounts appropriated under this heading, $40,000,000 shall remain available until expended, including $10,000,000 for section 1610(b): *Provided further*, That amounts appropriated herein may be transferred between the institutes and agencies named herein upon the approval by the House and Senate Committees on Appropriations of a reprogramming request submitted by the Secretary of Health and Human Services.

Health Resources and Services Administration

HEALTH RESOURCES AND SERVICES

For carrying out titles III, VI, VII, VIII, XVI and XXIII of the Public Health Service Act, section 427(a) of the Federal Coal Mine Health and Safety Act, title V of the Social Security Act, and the Stewart B. McKinney Homeless Assistance Act, $1,343,476,000 of which not to exceed $750,000 to remain available until expended, shall be available for renovating the Gillis W. Long Hansen's Disease Center, 42 U.S.C. 247e, and of which $100,000 shall remain available until expended for interest subsidies on loan guarantees made prior to fiscal year 1981 under part B of title VII of the Public Health Service Act: *Provided*, That when the Department of Health and Human Services administers or operates an employee health program for any Federal department or agency, payment for the full estimated cost shall be made by way of reimbursement or in advances to this appropriation.

MEDICAL FACILITIES GUARANTEE AND LOAN FUND

FEDERAL INTEREST SUBSIDIES FOR MEDICAL FACILITIES

For carrying out subsections (d) and (e) of section 1602 of the Public Health Service Act, $22,000,000, together with any amounts received by the Secretary in connection with loans and loan guarantees under title VI of the Public Health Service Act, to be available without fiscal year limitation for the payment of interest subsidies. During the fiscal year, no commitments for direct loans or loan guarantees shall be made.

Centers for Disease Control

DISEASE CONTROL, RESEARCH, AND TRAINING

To carry out title III and section 1102 of the Public Health Service Act, sections 101, 102, 103, 201, 202, and 203 of the Federal Mine Safety and Health Act of 1977, and sections 20, 21, and 22 of the Occupational Safety and Health Act of 1970; including insurance of official motor vehicles in foreign countries; and hire, maintenance, and operation of aircraft, $221,977,000, of which $2,000,000 shall remain available until expended for equipment and construction and renovation of facilities: *Provided*, That training shall be made subject to reimbursement or advances to this appropriation for not in excess of the full cost of such training: *Provided further*, That funds appropriated under this heading shall be available for payment of the costs of medical care, related expenses, and burial expenses hereafter incurred by or on behalf of any person who had participated in the study of untreated syphilis initiated in Tuskegee, Alabama, in 1932, in such amounts and subject to such terms and conditions as prescribed by the Secretary of Health and Human Services and for payment, in such amounts and subject to such terms and conditions, of such costs and expenses hereafter incurred by or on behalf of such person's wife or offspring determined by the Secretary to have suffered injury or disease from syphilis contracted from such person: *Provided further*, That collections from user fees, including collections from training and reimbursements and advances for the full cost of proficiency testing of private clinical laboratories, may be credited to this appropriation.

National Institutes of Health

NATIONAL CANCER INSTITUTE

For carrying out section 301 and title IV of the Public Health Service Act with respect to cancer, $1,448,411,000.

NATIONAL HEART, LUNG, AND BLOOD INSTITUTE

For carrying out section 301, title IV, and section 1105 of the Public Health Service Act with respect to cardiovascular, lung, and blood diseases, and blood and blood products, $990,808,000.

NATIONAL INSTITUTE OF DENTAL RESEARCH

For carrying out section 301 and title IV of the Public Health Service Act with respect to dental diseases, $128,965,000.

NATIONAL INSTITUTE OF DIABETES, AND DIGESTIVE AND KIDNEY DISEASES

For carrying out section 301 and title IV of the Public Health Service Act with respect to diabetes and digestive and kidney diseases, $563,768,000.

NATIONAL INSTITUTE OF NEUROLOGICAL AND COMMUNICATIVE DISORDERS AND STROKE

For carrying out section 301 and title IV of the Public Health Service Act with respect to neurological and communicative disorders and stroke, $554,039,000.

NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES

For carrying out section 301 and title IV of the Public Health Service Act with respect to allergy and infectious diseases, $439,667,000.

NATIONAL INSTITUTE OF GENERAL MEDICAL SCIENCES

For carrying out section 301 and title IV of the Public Health Service Act with respect to general medical sciences, $666,037,000.

NATIONAL INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT

For carrying out section 301 and title IV of the Public Health Service Act with respect to child health and human development, $405,673,000.

NATIONAL EYE INSTITUTE

For carrying out section 301 and title IV of the Public Health Service Act with respect to eye diseases and visual disorders, $234,382,000.

NATIONAL INSTITUTE OF ENVIRONMENTAL HEALTH SCIENCES

For carrying out sections 301 and 311, and title IV of the Public Health Service Act with respect to environmental health sciences, $225,724,000.

NATIONAL INSTITUTE ON AGING

For carrying out section 301 and title IV of the Public Health Service Act with respect to aging, $203,034,000.

NATIONAL INSTITUTE OF ARTHRITIS AND MUSCULOSKELETAL AND SKIN DISEASES

For carrying out section 301 and title IV of the Public Health Service Act with respect to arthritis, and musculoskeletal and skin diseases, $154,632,000.

RESEARCH RESOURCES

For carrying out section 301 and title IV of the Public Health Service Act with respect to research resources and general research support grants, $338,991,000: *Provided*, That none of these funds, with the exception of funds for the Minority Biomedical Research Support program, shall be used to pay recipients of the general research support grants program any amount for indirect expenses in connection with such grants.

NATIONAL CENTER FOR NURSING RESEARCH

For carrying out section 301 and title IV of the Public Health Service Act with respect to nursing research, $24,744,000.

JOHN E. FOGARTY INTERNATIONAL CENTER

For carrying out the activities at the John E. Fogarty International Center, $12,128,000 of which $1,934,000 shall be available for payment to the Gorgas Memorial Institute for maintenance and operation of the Gorgas Memorial Laboratory.

NATIONAL LIBRARY OF MEDICINE

For carrying out section 301 and title IV of the Public Health Service Act with respect to health information communications, $71,465,000.

OFFICE OF THE DIRECTOR

For carrying out the responsibilities of the Office of the Director, National Institutes of Health, $71,389,000, including purchase of not to exceed six passenger motor vehicles for replacement only.

BUILDINGS AND FACILITIES

For construction of, and acquisition of sites and equipment for, facilities of or used by the National Institutes of Health, $30,000,000, to remain available until expended.

Alcohol, Drug Abuse, and Mental Health Administration

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH

For carrying out the Public Health Service Act with respect to mental health, drug abuse, alcohol abuse, and alcoholism and the Protection and Advocacy for Mentally Ill Individuals Act of 1986, $401,782,000, of which $200,000 for renovation of government owned or leased intramural research facilities shall remain available until expended.

FEDERAL SUBSIDY FOR SAINT ELIZABETHS HOSPITAL

(INCLUDING TRANSFER OF FUNDS)

To carry out the Saint Elizabeths Hospital and District of Columbia Mental Health Services Act, $65,587,000, together with any unobligated balances from "Saint Elizabeths Hospital, Construction and Renovation" (except those balances determined by the Secretary of Health and Human Services to be necessary to carry out existing Federal renovation contracts), all of which shall be available in fiscal year 1988 for payments to the District of Columbia as authorized by sections 2, 4, and 9 of the Act; and in addition, $2,725,000 which shall be available through September 30, 1989 for Federal activities authorized by sections 6 and 9 of the Act: *Provided*, That funds appropriated under this heading may be used for multi-year contracts with the District of Columbia for maintenance of Saint Elizabeths Hospital: *Provided further*, That any amounts determined by the Secretary of Health and Human Services to be in excess of the amounts requested and estimated to be necessary to carry out sections 6 and 9(f)(2) of the Act shall be returned to the Treasury.

In fiscal year 1988 the maximum amount available to Saint Elizabeths Hospital from Federal sources shall not exceed the total of the following amounts: the appropriations made under this heading, amounts billed to Federal agencies and entities by the District of Columbia for services provided at Saint Elizabeths Hospital, and amounts authorized by titles XVIII and XIX of the Social Security Act. This maximum amount shall not include Federal funds appropriated to the District of Columbia under "Federal Payment to the District of Columbia" and payments made pursuant to section 9(c) of Public Law 98-621. Amounts chargeable to and available from Federal sources for inpatient and outpatient services provided through Saint Elizabeths Hospital as authorized by 24 U.S.C. 191, 196, 211, 212, 222, 253, and 324; 31 U.S.C. 1535; and 42 U.S.C. 249 and 251 shall not exceed the estimated total cost of such services as computed using only the proportionate amount of the direct Federal subsidy appropriated under this heading.

Office of Assistant Secretary for Health

RETIREMENT PAY AND MEDICAL BENEFITS FOR COMMISSIONED OFFICERS

For retirement pay and medical benefits of Public Health Service Commissioned Officers as authorized by law, and for payments under the Retired Serviceman's Family Protection Plan and Survivor Benefit Plan and for medical care of dependents and retired personnel under the Dependents' Medical Care Act (10 U.S.C. ch. 55), such amounts as may be required during the current fiscal year.

Health Care Financing Administration

GRANTS TO STATES FOR MEDICAID

For carrying out, except as otherwise provided, titles XI and XIX of the Social Security Act, $22,946,000,000, to remain available until expended.

For making, after May 31, 1988, payments to States under title XIX of the Social Security Act for the last quarter of fiscal year 1988 for unanticipated costs, incurred for the current fiscal year, such sums as may be necessary.

Payment under title XIX may be made for any quarter beginning after June 30, 1987, and before October 1, 1988, with respect to any State plan or plan amendment in effect during any such quarter, if submitted in, or prior to such quarter and approved in that or any such subsequent quarter.

For making payments to States under title XIX of the Social Security Act for the first quarter of fiscal year 1989, $8,000,000,000, to remain available until expended.

PAYMENTS TO HEALTH CARE TRUST FUNDS

For payment to the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds, as provided under sections 217(g) and 1844 of the Social Security Act, sections 103(c) and 111(d) of the Social Security Amendments of 1965, and section 278(d) of Public Law 97-248, $25,893,000,000.

PROGRAM MANAGEMENT

For carrying out, except as otherwise provided, titles XI, XVIII, and XIX of the Social Security Act, $102,580,000, together with not to exceed $1,421,578,000 to be transferred to this appropriation as authorized by section 201(g) of the Social Security Act, from the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds referred to therein: *Provided*, That $80,000,000 of said trust funds shall be expended only to the extent necessary to process workloads not anticipated in the budget estimates, including the cost of administration of catastrophic health insurance if enacted into law, and to meet unanticipated costs of agencies or organizations with which agreements have been made to participate in the administration of title XVIII and after maximum absorption of such costs within the remainder of the existing limitation has been achieved: *Provided further*, That all funds derived in accordance with 31 U.S.C 9701, are to be credited to this appropriation: *Provided further*, That of the amount transferred from the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds, $2,000,000 shall be made available for patient outcome assessment research, as authorized by section 9316 of Public Law 99-509.

Social Security Administration

PAYMENTS TO SOCIAL SECURITY TRUST FUNDS

For payment to the Federal Old-Age and Survivors Insurance and the Federal Disability Insurance Trust Funds, as provided under sections 201(m), 217(g), 228(g), and 1131(b)(2) of the Social Security Act and section 152 of Public Law 98-21, $105,298,000.

SPECIAL BENEFITS FOR DISABLED COAL MINERS

For carrying out title IV of the Federal Mine Safety and Health Act of 1977, including the payment of travel expenses on an actual cost or commuted basis, to an individual, for travel incident to medical examinations, and when travel of more than 75 miles is required, to parties, their representatives, and all reasonably necessary witnesses for travel within the United States, Puerto Rico, and the Virgin Islands, to reconsideration interviews and to proceedings before administrative law judges, $651,452,000, to remain available until expended: *Provided*, That monthly benefit payments shall be paid consistent with section 215(g) of the Social Security Act.

For making, after July 31, of the current fiscal year benefit payments to individuals under title IV of the Federal Mine Safety and Health Act of 1977, for costs incurred in the current fiscal year, such amounts as may be necessary.

For making benefit payments under title IV of the Federal Mine Safety and Health Act of 1977 for the first quarter of fiscal year 1989, $250,000,000, to remain available until expended.

SUPPLEMENTAL SECURITY INCOME PROGRAM

For carrying out the Supplemental Security Income Program, section 401 of Public Law 92-603, section 212 of Public Law 93-66, as amended, and section 405 of Public Law 95-216, including payment to the social security trust funds for administrative expenses incurred pursuant to section 201(g)(1) of the Social Security Act, $9,535,384,000, to remain available until expended: *Provided*, That any portion of the funds provided to a State in the current fiscal year and not obligated by the State during that year shall be returned to the Treasury.

For making, after July 31 of the current fiscal year, benefit payments to individuals under title XVI of the Social Security Act, for unanticipated costs incurred for the current fiscal year, such sums as may be necessary.

For carrying out the Supplemental Security Income Program for the first quarter of fiscal year 1989, $3,000,000,000, to remain available until expended.

LIMITATION ON ADMINISTRATIVE EXPENSES

For necessary expenses, not more than $3,680,921,000, may be expended, as authorized by section 201(g)(1) of the Social Security Act, from any one or all of the trust funds referred to therein: *Provided*, That travel expense payments under section 1631(h) of such Act for travel to hearings may be made only when travel of more than seventy-five miles is required: *Provided further,* That $50,000,000 of the foregoing amount shall be apportioned for use only to the extent necessary to process workloads not anticipated in the budget estimates, for automation projects and their impact on the work force, and to meet mandatory increases in costs of agencies or organizations with which agreements have been made to participate in the administration of titles XVI and XVIII and section 221 of the Social Security Act, and after maximum absorption of such costs within the remainder of the existing limitation has been achieved: *Provided further,* That $65,400,000 for automatic data processing and telecommunications activities shall remain available until expended: *Provided further,* That none of the funds appropriated by this Act may be used for the manufacture, printing, or procuring of social security cards, as provided in section 205(c)(2)(D) of the Social Security Act, where paper and other materials used in the manufacture of such cards are produced, manufactured, or assembled outside of the United States.

FAMILY SUPPORT ADMINISTRATION

FAMILY SUPPORT PAYMENTS TO STATES

For making payments to States or other non-Federal entities, except as otherwise provided, under titles I, IV-A and -D, X, XI, XIV, and XVI of the Social Security Act and the Act of July 5, 1960 (24 U.S.C., ch. 9), $8,644,385,000, to remain available until expended.

For making, after May 31 of the current fiscal year, payments to States or other non-Federal entities under titles I, IV-A and -D, X, XIV, and XVI of the Social Security Act, for the last three months of the current year for unanticipated costs, incurred for the current fiscal year, such sums as may be necessary.

For making payments to States or other non-Federal entities under titles I, IV-A and -D, X, XI, XIV, and XVI of the Social Security Act, and the Act of July 5, 1960 (24 U.S.C., ch. 9) for the first quarter of fiscal year 1989, $2,500,000,000, to remain available until expended.

LOW INCOME HOME ENERGY ASSISTANCE

For making payments under title XXVI of the Omnibus Budget Reconciliation Act of 1981, $1,822,265,000.

REFUGEE AND ENTRANT ASSISTANCE

For making payments for refugee and entrant assistance activities authorized by title IV of the Immigration and Nationality Act and section 501 of the Refugee Education Assistance Act of 1980 (Public Law 96-422), $320,885,000.

COMMUNITY SERVICES BLOCK GRANT

For making payments under the Community Services Block Grant Act, section 408 of Public Law 99-425 and the Stewart B. McKinney Homeless Assistance Act, $408,200,000, of which $18,700,000 shall be for carrying out section 681(a)(2)(A), $4,000,000 shall be for carrying out section 681(a)(2)(D), $3,000,000 shall be for carrying out section 681(a)(2)(E), $7,000,000 shall be for carrying out section 681(a)(2)(F), $3,000,000 shall be for carrying out section 408 of Public Law 99-425 and $2,500,000 shall be for carrying out section 681A with respect to the community food and nutrition program.

PROGRAM ADMINISTRATION

For necessary administrative expenses to carry out titles I, IV, X, XI, XIV, and XVI of the Social Security Act, the Act of July 5, 1960 (24 U.S.C., ch. 9), title XXVI of the Omnibus Budget Reconciliation Act of 1981, the Community Services Block Grant Act, the Stewart B. McKinney Homeless Assistance Act, title IV of the Immigration and Nationality Act and section 501 of the Refugee Education Assistance Act of 1980, $74,913,000.

ASSISTANT SECRETARY FOR HUMAN DEVELOPMENT SERVICES

SOCIAL SERVICES BLOCK GRANT

For carrying out the Social Services Block Grant Act, $2,700,000,000.

HUMAN DEVELOPMENT SERVICES

For carrying out, except as otherwise provided, the Runaway and Homeless Youth Act, title II of the Children's Justice and Assistance Act of 1986, chapter 8-D of title VI of the Omnibus Budget Reconciliation Act of 1981 (pertaining to grants to States for planning and development of dependent care programs), the Head Start Act, the Child Development Associate Scholarship Assistance Act of 1985, and part B of title IV of the Social Security Act, $1,641,456,000.

FAMILY SOCIAL SERVICES

For carrying out part E of title IV of the Social Security Act, $811,178,000.

DEPARTMENTAL MANAGEMENT

GENERAL DEPARTMENTAL MANAGEMENT

For necessary expenses, not otherwise provided, for general departmental management, including hire of six medium sedans, $66,359,000, together with not to exceed $7,000,000 to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from any one or all of the trust funds referred to therein.

OFFICE OF THE INSPECTOR GENERAL

For expenses necessary for the Office of the Inspector General, $37,361,000, together with not to exceed $40,000,000 to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from any one or all of the trust funds referred to therein.

OFFICE FOR CIVIL RIGHTS

For expenses necessary for the Office for Civil Rights, $17,070,000, together with not to exceed $4,000,000 to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from any one or all of the trust funds referred to therein.

POLICY RESEARCH

For carrying out, to the extent not otherwise provided, research studies under section 1110 of the Social Security Act, $5,090,000.

GENERAL PROVISIONS

SEC. 201. None of the funds appropriated by this title for grants-in-aid of State agencies to cover, in whole or in part, the cost of operation of said agencies, including the salaries and expenses of officers and employees of said agencies, shall be withheld from the said agencies of any State which have established by legislative enactment and have in operation a merit system and classification and compensation plan covering the selection, tenure in office, and compensation of their employees, because of any disapproval of their personnel or the manner of their selection by the agencies of the said States, or the rates of pay of said officers or employees.

SEC. 202. None of the funds made available by this Act for the National Institutes of Health may be used to provide forward funding or multiyear funding of research project grants except in those cases where the Director of the National Institutes of Health has determined that such funding is specifically required because of the scientific requirements of a particular research project grant.

SEC. 203. Appropriations in this Act for the Health Resources and Services Administration, the National Institutes of Health, the Centers for Disease Control, the Alcohol, Drug Abuse, and Mental Health Administration, the Office of the Assistant Secretary for Health, the Health Care Financing Administration, and Departmental Management shall be available for expenses for active commissioned officers in the Public Health Service Reserve Corps and for not to exceed two thousand four hundred commissioned officers in the Regular Corps; expenses incident to the dissemination of health information in foreign countries through exhibits and other appropriate means; advances of funds for compensation, travel, and subsistence expenses (or per diem in lieu thereof) for persons coming from abroad to participate in health or scientific activities of the Department pursuant to law; expenses of primary and secondary schooling of dependents in foreign countries, of Public Health Service commissioned officers stationed in foreign countries, at costs for any given area not in excess of those of the Department of Defense for the same area, when it is determined by the Secretary that the schools available in the locality are unable to provide adequately for the education of such dependents, and for the transportation of such dependents, between such schools and their places of residence when the schools are not accessible to such dependents by regular means of transportation; expenses for medical care for civilian and commissioned employees of the Public Health Service and their dependents, assigned abroad on a permanent basis in accordance with such regulations as the Secretary may provide; rental or lease of living quarters (for periods not exceeding five years), and provision of heat, fuel, and light and maintenance, improvement, and repair of such quarters, and advance payments therefor, for civilian officers, and employees of the Public Health Service who are United States citizens and who have a permanent station in a foreign country; purchase, erection, and maintenance of temporary or portable structures; and for the payment of compensation to consultants or individual scientists appointed for limited periods of time pursuant to section 207(f) or section 207(g) of the Public Health Service Act, at rates established by the Assistant Secretary for Health, or the Secretary where such action is required by statute, not to exceed the per diem rate equivalent to the rate for GS-18; not to exceed $9,500 for official reception and representation expenses related to any health agency of the Department when specifically approved by the Assistant Secretary for Health.

SEC. 204. None of the funds contained in this Act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term.

SEC. 205. Funds advanced to the National Institutes of Health Management Fund from appropriations in this Act shall be available for the expenses of sharing medical care facilities and resources pursuant to section 327A of the Public Health Service Act.

SEC. 206. Funds appropriated in this title for the Social Security Administration shall be available for not to exceed $10,000 for official reception and representation expenses when specifically approved by the Commissioner of Social Security.

SEC. 207. Funds appropriated in this title for the Health Care Financing Administration shall be available for not to exceed $2,000 for official reception and representation expenses when specifically approved by the Administrator of the Health Care Financing Administration.

SEC. 208. No funds appropriated for the fiscal year ending September 30, 1988, by this or any other Act, may be used to pay basic pay, special pays, basic allowances for subsistence and basic allowances for quarters of the commissioned corps of the Public Health Service described in section 204 of title 42, United States Code, at a level that exceeds 110 percent of the Executive Level I annual rate of basic pay: *Provided*, That amounts received from employees of the Department in payment for room and board may be credited to the appropriation accounts "Health Resources and Services", National Institutes of Health "Office of the Director", "Disease Control Research and Training", and "Federal Subsidy for Saint Elizabeths Hospital".

SEC. 209. None of the funds appropriated in this title shall be used to transfer the general administration of programs authorized under the Native American Programs Act from the Department of Health and Human Services to the Department of the Interior.

SEC. 210. Funds provided in this Act may be used for one-year contracts which are to be performed in two fiscal years, so long as the total amount for such contracts is obligated in the year for which the funds are appropriated.

SEC. 211. The Secretary shall make available through assignment not more than 50 employees of the Public Health Service, who shall be exempt from all FTE limitations in the Department, to assist in child survival activities through and with funds provided by the Agency for International Development, the United Nations International Children's Emergency Fund or the World Health Organization. In addition, commissioned officers assigned under this section shall be exempt from all limitations on the number and grade of officers in the Public Health Service Commissioned Corps.

SEC. 212. Funds appropriated by this Act may be used to pay physicians' comparability allowances, as authorized under 5 U.S.C. 5948, only to those persons who are licensed to practice medicine, except that this provision shall not apply to individuals receiving such allowances prior to January 1, 1988.

SEC. 213. For the purpose of insuring proper management of federally supported computer systems and data bases, funds appropriated by this Act are available for the purchase of dedicated telephone service between the private residences of employees assigned to computer centers funded under this Act, and the computer centers to which such employees are assigned.

This title may be cited as the "Department of Health and Human Services Appropriations Act, 1988".

TITLE III—DEPARTMENT OF EDUCATION

COMPENSATORY EDUCATION FOR THE DISADVANTAGED

For carrying out chapter 1 of the Education Consolidation and Improvement Act of 1981, as amended, $4,595,000,000, of which $10,000,000 shall be used for purposes of section 555(d) of said Act to provide technical assistance and evaluate programs, and the remaining $4,585,000,000 shall become available on July 1, 1988, and remain available until September 30, 1989: *Provided*, That of these remaining funds, no funds shall be used for purposes of section 554(a)(1)(B), $278,000,000 shall be available for purposes of section 554(a)(2)(A), $158,000,000 shall be available for purposes of section 554(a)(2)(B), $34,000,000 shall be available for purposes of section 554(a)(2)(C) and $40,000,000 shall be available for purposes of section 554(b)(1)(D).

For carrying out section 418A of the Higher Education Act, $8,000,000.

IMPACT AID

For carrying out title I of the Act of September 30, 1950, as amended (20 U.S.C. ch. 13), $735,000,000, of which $22,000,000 shall be for entitlements under section 2 of said Act and $713,000,000 shall be for entitlements under section 3 of said Act of which $568,000,000 shall be for entitlements under section 3(a) of said Act: *Provided*, That payment with respect to entitlements under section 3(b) of said Act to any local educational agency in which 20 per centum or more of the total average daily attendance is made up of children determined eligible under section 3(b) shall be at 60 per centum of entitlement and payment with respect to entitlements under section 3(b) of said Act to any local educational agency in which less than 20 per centum of the total average daily attendance is made up of children determined eligible under section 3(b) shall be ratably reduced from 100 per centum of entitlement: *Provided further*, That payment with respect to entitlements under section 3(a) to any local educational agency described in section 3(d)(1)(A) of said Act shall be at 100 per centum of entitlement, except that payments on behalf of children who reside on property which is described in section 403(1)(C) shall be at 15 per centum of entitlement, so long as the fiscal year 1988 per pupil payment does not exceed 105 per centum of the fiscal year 1987 per pupil payment: *Provided further*, That payment with respect to entitlements under section 3(a) to any local educational agency whose children determined eligible under section 3(a) amount to at least 15 per centum but less than 20 per centum of such agency's total average daily attendance shall be at 75 per centum of entitlement, except that payments on behalf of children who reside on property which is described in section 403(1)(C) shall be at 11.25 per centum of entitlement and the fiscal year 1988 local contribution rate for such agency shall not exceed 105 per centum of such agency's fiscal year 1987 local contribution rate: *Provided further*, That payment with respect to entitlements under section 3(a) to any local educational agency whose children determined eligible under section 3(a) amount to less than 15 per centum of such agency's total average daily attendance shall be ratably reduced from 100 per centum of entitlement, except that payments on behalf of children who reside on property which is described in section 403(1)(C) of said Act shall be ratably reduced from 15 per centum of entitlement: *Provided further*, That the provisions of section 5(c) of said Act shall not apply to funds provided herein: *Provided further*, That none of the funds appropriated in this Act shall be used for the recovery of payments made to any local educational agency under section 2 and section 3 of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), for fiscal years prior to 1987, but in the case of section 3 only on behalf of children who reside on or whose parents are employed on property that is housing assisted under section 8 of the United States Housing Act of 1937, as amended.

For carrying out the Act of September 23, 1950, as amended (20 U.S.C. ch. 19), $22,500,000 which shall remain available until expended, shall be for providing school facilities as authorized by said Act, of which $9,000,000 shall be for awards under section 10 of said Act, $9,000,000 shall be for awards under sections 14(a) and 14(b) of said Act, and $4,500,000 shall be for awards under sections 5, 9 and 14(c) of said Act.

SPECIAL PROGRAMS

For carrying out the consolidated programs and projects authorized under chapter 2 of the Education Consolidation and Improvement Act of 1981, as amended, $529,337,000, of which $29,337,000 shall be for programs and projects authorized under subchapter D of said Act, including $10,700,000 for programs and projects authorized under subsection 583(a)(1) of said Act; $4,500,000 shall be used for awards, which, except for educational television programming, are not to exceed a cumulative amount of $1,000,000 to any recipient for national impact demonstration or research projects; $7,800,000 for activities authorized under subsection 583(b)(1) of said Act; $3,337,000 for programs authorized under subsection 583(b)(2) of said Act; and $3,000,000 for activities authorized under subsection 583(b)(4) of said Act including support for the center for law related education providing a statewide K-12 program: *Provided*, That $500,000,000 to carry out the State block grant program authorized under chapter 2 of said Act shall become available for obligation on July 1, 1988, and shall remain available until September 30, 1989.

For grants to State educational agencies and desegregation assistance centers authorized under section 403 of the Civil Rights Act of 1964, $25,000,000.

For carrying out activities authorized under title IX, part C of the Elementary and Secondary Education Act, $3,500,000.

For carrying out activities authorized under section 1524 of the Education Amendments of 1978, $5,000,000.

For carrying out activities authorized under section 1525 of the Education Amendments of 1978, $2,000,000.

For carrying out activities authorized under Public Law 92-506, as amended, $2,000,000: *Provided*, That said sum shall become available on July 1, 1988, and shall remain available until September 30, 1989.

For carrying out activities authorized under the Drug-Free Schools and Communities Act of 1986, $200,000,000, of which $161,000,000 for grants to States and outlying areas shall be available beginning July 1, 1988, and shall remain available until September 30, 1989.

For carrying out the provisions of title VII of the Education for Economic Security Act, relating to magnet schools assistance, $75,000,000: *Provided*, That not more than $4,000,000 in the fiscal year may be paid to any single eligible local educational agency.

For carrying out the provisions of title II of the Education for Economic Security Act, $55,000,000 of which $50,000,000 for State grants under section 204 shall become available on July 1, 1988, and shall remain available until September 30, 1989.

For carrying out the provisions of subpart 2 of Part C of title V of the Higher Education Act, $7,177,000, to become available

July 1, 1988, and to remain available until September 30, 1989.

For carrying out the provisions of subpart 2 of part D of title V of the Higher Education Act, $2,000,000.

For carrying out the provisions of subtitle B of title VII of the Stewart B. McKinney Homeless Assistance Act, $7,500,000 to become available July 1, 1988, and remain available through September 30, 1989.

For carrying out activities authorized under the Follow Through Act, $7,800,000.

BILINGUAL EDUCATION

For carrying out, to the extent not otherwise provided, title VII of the Elementary and Secondary Education Act, Refugee and entrant assistance activities authorized by title IV of the Immigration and Nationality Act, part B of title III of the Refugee Act of 1980, and section 501 of the Refugee Education Assistance Act of 1980, and title VI of the Education Amendments of 1984, $198,981,000, of which $105,701,250 shall be for part A, $10,370,000 shall be for part B, and $37,023,750 shall be for part C of title VII of the Elementary and Secondary Education Act and $30,000,000 shall be for the Emergency Immigrant Education Program authorized by title VI of the Education Amendments of 1984.

EDUCATION FOR THE HANDICAPPED

For carrying out the Education of the Handicapped Act, $1,913,800,000, of which $1,490,000,000 for section 611 and $189,000,000 for section 619 shall become available for obligation on July 1, 1988, and shall remain available until September 30, 1989: *Provided,* That $150,000 shall be available to operate a model program for deaf, hearing impaired, and handicapped students under section 625 of said Act.

REHABILITATION SERVICES AND HANDICAPPED RESEARCH

For carrying out, to the extent not otherwise provided, the Rehabilitation Act of 1973 and the Helen Keller National Center Act, as amended $1,561,940,000, of which $1,350,000,000 shall be for allotments under sections 100(b)(1) and 110(b)(3) of the Rehabilitation Act, and $4,800,000 shall be for the Helen Keller National Center.

VOCATIONAL AND ADULT EDUCATION

For carrying out, to the extent not otherwise provided, the Carl D. Perkins Vocational Education Act, and the Adult Education Act and the Stewart B. McKinney Homeless Assistance Act, $1,029,600,000 which shall become available for obligation on July 1, 1988, and shall remain available until September 30, 1989: *Provided,* That $13,000,000 shall be available for title IV of the Carl D. Perkins Vocational Education Act including $6,000,000 for section 404 and $450,000 for section 415 of said title: *Provided further,* That $7,900,000 shall be available for State councils under section 112 of the Carl D. Perkins Vocational Education Act: *Provided further,* That $6,300,000 shall be made available to carry out title III–A and $33,500,000 shall be made available for title III–B of said Vocational Education Act: *Provided further,* That $3,900,000 shall be available for part E of title IV of the Carl D. Perkins Vocational Education Act.

STUDENT FINANCIAL ASSISTANCE

For carrying out subparts 1, 2, and 3 of part A and parts C and E of title IV of the Higher Education Act, as amended, $5,806,000,000, which shall remain available until September 30, 1989: *Provided,* That the maximum Pell grant that a student may receive in the 1988-89 award year shall be $2,300.

GUARANTEED STUDENT LOANS

For necessary expenses under title IV, part B of the Higher Education Act, $2,425,000,000, to remain available until expended.

HIGHER EDUCATION

For carrying out title III of the Higher Education Act of 1965, as amended, $180,000,000, of which up to $20,000,000 for part C of title III of said Act shall remain available until expended: *Provided,* That $84,533,000 of funds appropriated for title III of said Act shall be available only to historically black colleges and universities.

For carrying out subparts 4 and 6 of part A of title IV; part B and subpart 1 of part D of title V; titles VI and VIII, parts A, B, C, D, E, and F of title IX; parts B and D of title VII; subpart 1 of part B and parts A and C of title X; and sections 420A and 1204(c) of the Higher Education Act of 1965, as amended; title XIII, part H, subpart 1 of the Education Amendments of 1980, as amended; and section 102(b)(6) of the Mutual Educational and Cultural Exchange Act of 1961; $391,900,000, of which $29,500,000 for parts B and D of title VII and $8,000,000 for subpart 6 of part A of title IV of said Act shall remain available until expended: *Provided,* That $8,000,000 provided herein for carrying out subpart 6 of part A of title IV shall be available notwithstanding sections 419G(b) and 419I(a) of the Higher Education Act of 1965 (20 U.S.C. 1070d-37(b) and 1070d-39(a)).

For carrying out sections 772, 773, and 775 of part G of title VII of the Higher Education Act, and Public Law 99-608, $12,550,000 to remain available until expended.

HIGHER EDUCATION FACILITIES LOANS AND INSURANCE

The Secretary is hereby authorized to make such expenditures, within the limits of funds available under this heading and in accord with law, and to make such contracts and commitments without regard to fiscal year limitation, as provided by section 104 of the Government Corporation Control Act (31 U.S.C. 9104), as may be necessary in carrying out the program set forth in the budget for the current fiscal year. For the fiscal year 1988, no new commitments for loans may be made from the fund established pursuant to title VII, section 733 of the Higher Education Act, as amended (20 U.S.C. 1132d-2).

COLLEGE CONSTRUCTION LOAN INSURANCE

For carrying out part E of title VII of the Higher Education Act of 1965, as amended, $20,000,000 to be available until expended.

COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS

Pursuant to title VII, part F of the Higher Education Act, as amended, for necessary expenses of the college housing and academic facilities loans program, the Secretary shall make expenditures, contracts, and commitments without regard to fiscal year limitation using loan repayments and other resources available to this account: *Provided,* That during fiscal year 1988, gross commitments for the principal amount of direct loans shall be $90,000,000. Any unobligated balances remaining from fixed fees previously paid into this account pursuant to 12 U.S.C. 1749d, relating to payment of costs for inspections and site visits, shall be available for the operating expenses of this account.

Whenever the Secretary, pursuant to sections 762(c) or 783 of the Act, sells, exchanges, or otherwise transfers on a discounted basis obligations or securities held by the Secretary under title VII, part F of the Act, the outstanding balance remaining on the notes of the Secretary issued to the Secretary of the Treasury under section 761(d) of the Act shall be reduced by the amount of the discount. For such transactions occurring prior to the fiscal year 1988, such reduction is effective on September 30, 1987. For such transactions occurring in fiscal year 1988 or thereafter, such reduction is to be effective on the last day of the fiscal year in which the discounted transaction occurs.

EDUCATION RESEARCH AND STATISTICS

For necessary expenses to carry out sections 405 and 406 of the General Education Provisions Act, as amended, $73,801,000, of which $14,486,000 shall be used for the Center for Education Statistics, as authorized under section 406 of the General Education Provisions Act, and $7,900,000 shall be for the National Assessment of Educational Progress, as authorized under section 405(e)(1) of the General Education Provisions Act: *Provided,* That $4,000,000 of the sums appropriated shall be used to continue a rural education program by the nine regional laboratories.

LIBRARIES

For carrying out, to the extent not otherwise provided, titles I, II, III, IV, and VI of the Library Services and Construction Act (20 U.S.C., ch. 16), and title II, parts B, C, and D of the Higher Education Act, notwithstanding the provisions of section 221, $144,500,000: *Provided,* That $22,500,000 of the sums appropriated shall be used to carry out the provisions of title II of the Library Services and Construction Act and shall remain available until expended.

SPECIAL INSTITUTIONS

AMERICAN PRINTING HOUSE FOR THE BLIND

For carrying out the Act of March 3, 1879, as amended (20 U.S.C. 101-106), including provision of materials to adults undergoing rehabilitation on the same basis as provided in 1985, $5,510,000.

NATIONAL TECHNICAL INSTITUTE FOR THE DEAF

For carrying out the National Technical Institute for the Deaf Act (20 U.S.C. 4301 et seq.), $33,000,000.

GALLAUDET UNIVERSITY

For carrying out the Model Secondary School for the Deaf Act (80 Stat. 1027) and for the partial support of Gallaudet University (20 U.S.C. 4301), as amended, including continuing education activities, existing extension centers and the National Center for Law and the Deaf, $65,925,000.

HOWARD UNIVERSITY

For partial support of Howard University (20 U.S.C. 121 et seq.), $179,865,000.

DEPARTMENTAL MANAGEMENT

SALARIES AND EXPENSES

For carrying out, to the extent not otherwise provided, the Department of Education Organization Act, including rental of conference rooms in the District of Columbia and hire of three passenger motor vehicles, $251,753,000.

OFFICE FOR CIVIL RIGHTS

For expenses necessary for the Office for Civil Rights, as authorized by section 203 of the Department of Education Organization Act, $42,333,000.

OFFICE OF THE INSPECTOR GENERAL

For expenses necessary for the Office of the Inspector General, as authorized by section 212 of the Department of Education Organization Act, $18,341,000.

GENERAL PROVISIONS

SEC. 301. None of the funds appropriated by this title for grants-in-aid of State agencies to cover, in whole or in part, the cost of operation of said agencies, including the salaries and expenses of officers and employees of said agencies, shall be withheld from the said agencies of any State which have established by legislative enactment and have in operation a merit system and classification and compensation plan covering the selection, tenure in office, and compensation of their employees, because of any disapproval of their personnel or the manner of their selection by the agencies of the said States, or the rates of pay of said officers or employees.

SEC. 302. Funds appropriated in this Act to the American Printing House for the Blind, Howard University, the National Technical Institute for the Deaf, and Gallaudet University shall be subject to audit by the Secretary of Education.

SEC. 303. No part of the funds contained in this title may be used to force any school or school district which is desegregated as that term is defined in title IV of the Civil Rights Act of 1964, Public Law 88-352, to take any action to force the busing of students; to force on account of race, creed or color the abolishment of any school so desegregated; or to force the transfer or assignment of any student attending any elementary or secondary school so desegregated to or from a particular school over the protest of his or her parents or parent.

SEC. 304. (a) No part of the funds contained in this title shall be used to force any school or school district which is desegregated as that term is defined in title IV of the Civil Rights Act of 1964, Public Law 88-352, to take any action to force the busing of students; to require the abolishment of any school so desegregated; or to force on account of race, creed or color the transfer of students to or from a particular school so desegregated as a condition precedent to obtaining Federal funds otherwise available to any State, school district or school.

(b) No funds appropriated in this Act may be used for the transportation of students or teachers (or for the purchase of equipment for such transportation) in order to overcome racial imbalance in any school or school system, or for the transportation of students or teachers (or for the purchase of equipment for such transportation) in order to carry out a plan of racial desegregation of any school or school system.

SEC. 305. None of the funds contained in this Act shall be used to require, directly or indirectly, the transportation of any student to a school other than the school which is nearest the student's home, except for a student requiring special education, to the school offering such special education, in order to comply with title VI of the Civil Rights Act of 1964. For the purpose of this section an indirect requirement of transportation of students includes the transportation of students to carry out a plan involving the reorganization of the grade structure of schools, the pairing of schools, or the clustering of schools, or any combination of grade restructuring, pairing or clustering. The prohibition described in this section does not include the establishment of magnet schools.

SEC. 306. No funds appropriated under this Act may be used to prevent the implementation of programs of voluntary prayer and meditation in the public schools.

This title may be cited as the "Department of Education Appropriations Act, 1988".

TITLE IV—RELATED AGENCIES

ACTION

OPERATING EXPENSES

For expenses necessary for Action to carry out the provisions of the Domestic Volunteer Service Act of 1973, as amended, $162,191,000.

CORPORATION FOR PUBLIC BROADCASTING

PUBLIC BROADCASTING FUND

For payment to the Corporation for Public Broadcasting, as authorized by the Communications Act of 1934, an amount which shall be available within limitations specified by that Act, for the fiscal year 1990, $238,000,000: *Provided*, That no funds made available to the Corporation for Public Broadcasting by this Act shall be used to pay for receptions, parties, or similar forms of entertainment for government officials or employees: *Provided further*, That none of the funds contained in this paragraph shall be available or used to aid or support any program or activity from which any person is excluded, or is denied benefits, or is discriminated against, on the basis of race, color, national origin, religion, or sex.

FEDERAL MEDIATION AND CONCILIATION SERVICE

SALARIES AND EXPENSES

For expenses necessary for the Federal Mediation and Conciliation Service to carry out the functions vested in it by the Labor-Management Relations Act, 1947 (29 U.S.C. 171-180, 182), including expenses of the Labor-Management Panel and boards of inquiry appointed by the President, hire of passenger motor vehicles, and rental of conference rooms in the District of Columbia; and for expenses necessary pursuant to Public Law 93-360 for mandatory mediation in health care industry negotiation disputes and for convening factfinding boards of inquiry appointed by the Director in the health care industry; and for expenses necessary for the Labor-Management Cooperation Act of 1978 (29 U.S.C. 125a); and for expenses necessary for the Service to carry out the functions vested in it by the Civil Service Reform Act, Public Law 95-454 (5 U.S.C. chapter 71), $25,601,000.

FEDERAL MINE SAFETY AND HEALTH REVIEW COMMISSION

SALARIES AND EXPENSES

For expenses necessary for the Federal Mine Safety and Health Review Commission (30 U.S.C. 801 et seq.), $4,080,000.

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

SALARIES AND EXPENSES

For necessary expenses for the National Commission on Libraries and Information Science, established by the Act of July 20, 1970 (Public Law 91-345), $750,000.

NATIONAL COUNCIL ON THE HANDICAPPED

SALARIES AND EXPENSES

For expenses necessary for the National Council on the Handicapped as authorized by section 405 of the Rehabilitation Act of 1973, as amended, $932,000.

NATIONAL LABOR RELATIONS BOARD

SALARIES AND EXPENSES

For expenses necessary for the National Labor Relations Board to carry out the functions vested in it by the Labor-Management Relations Act, 1947, as amended (29 U.S.C. 141-167), and other laws, $139,019,000: *Provided*, That no part of this appropriation shall be available to organize or assist in organizing agricultural laborers or used in connection with investigations, hearings, directives, or orders concerning bargaining units composed of agricultural laborers as referred to in section 2(3) of the Act of July 5, 1935 (29 U.S.C. 152), and as amended by the Labor-Management Relations Act, 1947, as amended, and as defined in section 3(f) of the Act of June 25, 1938 (29 U.S.C. 203), and including in said definition employees engaged in the maintenance and operation of ditches, canals, reservoirs, and waterways when maintained or operated on a mutual, nonprofit basis and at least 95 per centum of the water stored or supplied thereby is used for farming purposes.

NATIONAL MEDIATION BOARD

SALARIES AND EXPENSES

For expenses necessary to carry out the provisions of the Railway Labor Act, as amended (45 U.S.C. 151-188), including emergency boards appointed by the President, $7,316,000.

OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION

SALARIES AND EXPENSES

For the expenses necessary for the Occupational Safety and Health Review Commission (29 U.S.C. 661), $6,147,000.

PHYSICIAN PAYMENT REVIEW COMMISSION

SALARIES AND EXPENSES

For expenses necessary to carry out section 1845(a) of the Social Security Act, $3,130,000, to be transferred to this appropriation from the Federal Supplementary Medical Insurance Trust Fund.

PROSPECTIVE PAYMENT ASSESSMENT COMMISSION

SALARIES AND EXPENSES

For expenses necessary to carry out section 601 of Public Law 98-21, $3,752,000, to be transferred to this appropriation from the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds.

RAILROAD RETIREMENT BOARD

DUAL BENEFITS PAYMENTS ACCOUNT

For payment to the Dual Benefits Payments Account, authorized under section 15(d) of the Railroad Retirement Act of 1974, $368,000,000, all of which shall be credited to the account in 12 approximately equal amounts on the first day of each month in the fiscal year.

FEDERAL PAYMENTS TO THE RAILROAD RETIREMENT ACCOUNTS

For payment to the accounts established in the Treasury for the payment of benefits under the Railroad Retirement Act for unnegotiated checks, $3,100,000, to remain available through September 30, 1989, which shall be the maximum amount available for payments pursuant to section 417 of Public Law 98-76.

LIMITATION ON ADMINISTRATION

For necessary expenses for the Railroad Retirement Board, $60,434,000, to be derived from the railroad retirement accounts: *Provided*, That such portion of the foregoing amount as may be necessary shall be available for the payment of personnel compensation and benefits for not less than 1,254 full-time equivalent employees: *Provided further*, That $500,000 of the foregoing amount shall be available only to the extent necessary to process workloads not anticipated in the budget estimates and after maximum absorption of the costs of such workloads within the remainder of the existing limitation has been achieved: *Provided further*, That notwithstanding any other provision of law, no portion of this limitation shall be available for payments of standard level user charges pursuant to section 210(j) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(j); 45 U.S.C. 228a-r): *Provided further*, That not to exceed $2,500,000 of funds provided under this head in Public Law 99-591 shall remain available until September 30, 1988, only for retirement claims processing automation activities.

LIMITATION ON RAILROAD UNEMPLOYMENT INSURANCE ADMINISTRATION FUND

For further expenses necessary for the Railroad Retirement Board, for administration of the Railroad Unemployment Insurance Act, not less than $14,445,000 shall be apportioned for fiscal year 1988 from moneys credited to the railroad unemployment insurance administration fund: *Provided*, That such portion of the foregoing amount as may be necessary shall be available for the payment of personnel compensation and benefits for not less than 303 full-time equivalent employees.

LIMITATION ON REVIEW ACTIVITY

For expenses necessary for the Railroad Retirement Board for audit, investigatory and review activities, as authorized by section 418 of Public Law 98-76, not more than $2,310,000 to be derived from the railroad retirement accounts and railroad unemployment insurance account.

SOLDIERS' AND AIRMEN'S HOME

OPERATION AND MAINTENANCE

For maintenance and operation of the United States Soldiers' and Airmen's Home, to be paid from the Soldiers' and Airmen's Home permanent fund, $36,647,000: *Provided*, That this appropriation shall not be available for the payment of hospitalization of members of the Home in United States Army hospitals at rates in excess of those prescribed by the Secretary of the Army upon recommendation of the Board of Commissioners and the Surgeon General of the Army.

UNITED STATES INSTITUTE OF PEACE

OPERATING EXPENSES

For necessary expenses of the United States Institute of Peace as authorized in the United States Institute of Peace Act, $3,310,000.

TITLE V—GENERAL PROVISIONS

SEC. 501. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 502. No part of any appropriation contained in this Act shall be expended by any executive agency, as referred to in the Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), pursuant to any obligation for services by contract, unless such executive agency has awarded and entered into such contract in full compliance with such Act and regulations promulgated thereunder.

SEC. 503. Appropriations contained in this Act, available for salaries and expenses, shall be available for services as authorized by 5 U.S.C. 3109 but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS-18.

SEC. 504. Appropriations contained in this Act, available for salaries and expenses, shall be available for uniforms or allowances therefor as authorized by law (5 U.S.C. 5901-5902).

SEC. 505. Appropriations contained in this Act, available for salaries and expenses, shall be available for expenses of attendance at meetings which are concerned with the functions or activities for which the appropriation is made or which will contribute to improved conduct, supervision, or management of those functions or activities.

SEC. 506. No part of the funds appropriated under this Act shall be used to provide a loan, guarantee of a loan, a grant, the salary of or any remuneration whatever to any individual applying for admission, attending, employed by, teaching at, or doing research at an institution of higher education who has engaged in conduct on or after August 1, 1969, which involves the use of (or the assistance to others in the use of) force or the threat of force or the seizure of property under the control of an institution of higher education, to require or prevent the availability of certain curricula, or to prevent the faculty, administrative officials, or students in such institution from engaging in their duties or pursuing their studies at such institution.

SEC. 507. The Secretaries of Labor, Health and Human Services, and Education are authorized to transfer unexpended balances of prior appropriations to accounts corresponding to current appropriations provided in this Act: *Provided*, That such transferred balances are used for the same purpose, and for the same periods of time, for which they were originally appropriated.

SEC. 508. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 509. No part of any appropriation contained in this Act shall be used, other than for normal and recognized executive-legislative relationships, for publicity or propaganda purposes, for the preparation, distribution, or use of any kit, pamphlet, booklet, publication, radio, television, or film presentation designed to support or defeat legislation pending before the Congress, except in presentation to the Congress itself.

No part of any appropriation contained in this Act shall be used to pay the salary or expenses of any grant or contract recipient, or agent acting for such recipient, related to any activity designed to influence legislation or appropriations pending before the Congress.

SEC. 510. The Secretaries of Labor, Health and Human Services, and Education are each authorized to make available not to exceed $7,500 from funds available for salaries and expenses under titles I, II, and III, respectively, for official reception and representation expenses; the Director of the Federal Mediation and Conciliation Service is authorized to make available for official reception and representation expenses not to exceed $2,500 from the funds available for "Salaries and expenses, Federal Mediation and Conciliation Service"; and the Chairman of the National Mediation Board is authorized to make available for official reception and representation expenses not to exceed $2,500 from funds available for "Salaries and expenses, National Mediation Board".

SEC. 511. None of the funds appropriated by this Act shall be used to pay for any research program or project or any program, project, or course which is of an experimental nature, or any other activity involving human participants, which is determined by the Secretary or a court of competent jurisdiction to present a danger to the physical, mental, or emotional well-being of a participant or subject of such program, project, or course, without the written, informed consent of each participant or subject, or a participant's parents or legal guardian, if such participant or subject is under eighteen years of age. The Secretary shall adopt appropriate regulations respecting this section.

This Act may be cited as the "Departments of Labor, Health and Human Services, and Education and Related Agencies Appropriations Act, 1988".

Mr. NATCHER (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. NATCHER. Mr. Chairman, I ask unanimous consent that all debate on this bill and all amendments thereto conclude no later than 4 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. TAUKE. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. NATCHER. Mr. Chairman, I renew my request.

Mr. TAUKE. Instead of objection, if I could, I would reserve the right to object, Mr. Chairman.

The CHAIRMAN. Objection was heard; however, as the Chair understands, the gentleman from Kentucky [Mr. NATCHER] renews his unanimous-consent request that all debate end at 4 o'clock, and the gentleman from Iowa has reserved an objection.

□ 1415

Mr. NATCHER. Mr. Chairman, will the gentleman yield to me on his reservation of objection?

Mr. TAUKE. I am pleased to yield to the gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, let me say to the gentleman from Iowa we understand on this side that there are three or four amendments pertaining to reductions in this bill. It is our intention that every Member that has an amendment to offer, that that amendment be heard and properly heard and voted upon. That is our intention. We have no intention on this side, and my friend, the gentleman from Massachusetts [Mr. CONTE], has no intention on his side to cut any Member off.

The amendments that we know of on this side and on the gentleman's side I would say should be concluded and can be concluded by 4 o'clock, and it is not our intention to cut anyone off, and the gentleman has my word on that.

Mr. TAUKE. I appreciate the chairman's characterization of the request, and I certainly understand that there is no intent to cut anyone off.

However, as the chairman knows, this is one of the largest appropriation measures to come to the floor. I am personally aware of five amendments that Members plan to offer. I assume that there may be others.

It just seems to me that on a measure of this nature that it is a little premature to ask for a limitation of 1 hour and 45 minutes, or frankly any limitation at this juncture. As we get further down the road and see what the number of amendments might be, we might have an opportunity to entertain such a request.

I might observe also, Mr. Chairman, that a number of Members did not have an opportunity to speak during the general debate because of limitations on time. I for one, for example, plan to strike the last word just to make some general comments before getting into the amendment process.

Mr. NATCHER. Mr. Chairman, at this time I ask unanimous consent that all debate on this bill and all amendments thereto conclude no later than 4:30.

The CHAIRMAN. The Chair must indicate that we have a pending unanimous-consent request of the gentleman from Kentucky to end debate at 4 o'clock on which discussion was occurring on a reservation by the gentleman from Iowa.

Is there objection or does the gentleman from Kentucky wish to modify his unanimous-consent request?

Mr. NATCHER. Mr. Chairman, at this time I would like to maintain the hour of 4 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. TAUKE. Mr. Chairman, reserving the right to object, I do not want to be difficult, but at this juncture I probably will object to any limitation until we have an opportunity to get a better handle on what amendments may be offered.

The CHAIRMAN. Objection is heard.

Mr. NATCHER. Mr. Chairman, at this time I ask unanimous consent that all debate on the bill and all amendments thereto conclude no later than 4:30.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. TAUKE. Mr. Chairman, reserving the right to object, perhaps the Chair and the gentleman from Kentucky, I would say, could perhaps reach a limitation on individual amendments, but I am reluctant without knowing how many amendments are out there to limit debate on the total bill. So I will object.

The CHAIRMAN. Objection is heard.

Mr. NATCHER. Mr. Chairman, at this time I ask unanimous consent that all debate on the bill and all amendments thereto conclude not later than 5 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. TAUKE. Mr. Chairman, reserving the right to object, again, I do not mean to be difficult, but I intend to object to any limitation on the total amount of debate on the bill until we have a better handle on how many amendments are available.

Mr. Chairman, I would not oppose a limitation on individual amendments, but I do on the whole bill, so I do object.

The CHAIRMAN. Objection is heard.

Mr. NATCHER. Mr. Chairman, I move that all debate on this bill and all amendments thereto conclude no later than 5 p.m.

The CHAIRMAN. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. TAUKE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 262, noes 159, not voting 12, as follows:

[Roll No. 301]

AYES—262

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Barnard
Bates
Bennett
Berman
Bevill
Biaggi
Bilbray
Boggs
Boland
Bonior (MI)
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Brown (CA)
Bruce
Bryant
Bustamante
Byron
Callahan
Campbell
Cardin
Carr
Chapman
Chappell
Clarke
Clay
Clinger
Coelho
Coleman (TX)
Collins
Conyers
Cooper
Coyne
Crockett
Darden
Davis (MI)
de la Garza
DeFazio
Dellums
Derrick
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Dowdy
Downey
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Flake
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Frost
Garcia
Gaydos
Gejdenson
Gibbons
Glickman
Gonzalez
Gordon
Grant
Gray (IL)
Gray (PA)
Green
Guarini
Hall (OH)
Hall (TX)
Hamilton
Harris
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Hertel
Hochbrueckner
Howard
Hoyer
Hubbard
Huckaby
Hutto
Jeffords
Jenkins
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kastenmeier
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lancaster
Lantos
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Lowry (WA)
Luken, Thomas
MacKay
Manton
Markey
Marlenee
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCurdy
McHugh
McMillen (MD)
Mfume
Mica
Miller (CA)
Mineta
Moakley
Mollohan
Montgomery
Moody
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Nagle
Natcher
Neal
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Panetta
Parris
Patterson
Pelosi
Perkins
Pickett
Pickle
Porter
Price (IL)
Price (NC)
Pursell
Quillen
Rahall
Rangel
Ravenel
Ray
Richardson
Robinson
Rodino
Roe
Rose
Rostenkowski
Roth
Rowland (GA)
Roybal
Russo
Sabo
Savage
Sawyer
Schneider
Schroeder
Schulze
Schumer
Sharp
Shuster
Sikorski
Sisisky
Skaggs
Skelton
Slattery
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NE)
Solarz
Spratt
St Germain
Staggers
Stokes
Stratton
Studds
Swift
Tallon
Tauzin
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weiss
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolpe
Wyden
Yates
Yatron
Young (AK)
Young (FL)

NOES—159

Archer
Armey
Badham
Baker
Ballenger
Bartlett
Barton
Bateman
Beilenson
Bentley
Bereuter
Bilirakis
Bliley
Boehlert
Boulter
Broomfield
Brown (CO)
Buechner
Bunning
Burton
Carper
Chandler
Cheney
Coats
Coble
Coleman (MO)
Combest
Conte
Coughlin
Courter
Craig
Crane
Dannemeyer
Daub
Davis (IL)
DeLay
DeWine
DioGuardi
Dornan (CA)
Dreier
Duncan
Edwards (OK)
Emerson
Fawell
Fields
Fish
Frenzel
Gallegly
Gallo
Gekas
Gilman
Gingrich
Goodling
Gradison
Grandy
Gregg
Gunderson
Hammerschmidt
Hansen
Hastert
Henry
Herger
Hiler
Holloway
Hopkins
Houghton
Hughes
Hunter
Hyde
Inhofe
Ireland
Jacobs
Johnson (CT)
Kasich
Kennedy
Kolbe
Konnyu
Kyl
Lagomarsino
Leach (IA)
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Lott
Lowery (CA)
Lujan
Lukens, Donald
Lungren
Mack

Madigan
Martin (IL)
Martin (NY)
McCollum
McDade
McEwen
McGrath
McMillan (NC)
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Moorhead
Morella
Myers
Nielson
Oxley
Packard
Pashayan
Pease
Penny
Petri
Regula
Rhodes
Ridge
Rinaldo
Ritter
Roberts
Rogers
Roukema
Rowland (CT)
Saiki
Saxton
Schaefer
Scheuer
Schuette
Sensenbrenner
Shaw
Shumway
Skeen
Slaughter (VA)
Smith (NJ)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solomon
Spence
Stallings
Stangeland
Stark
Stenholm
Stump
Sundquist
Sweeney
Swindall
Synar
Tauke
Taylor
Thomas (CA)
Upton
Walker
Weber
Whittaker
Wolf
Wortley
Wylie

NOT VOTING—12

Boner (TN)
Bonker
Daniel
Gephardt
Horton
Kemp
Latta
Lloyd
Pepper
Roemer
Vander Jagt
Vucanovich

□ 1430

Messrs. SCHAFFER, DAUB, and CONTE and Ms. SNOWE changed their votes from "aye" to "no."

Mr. MOODY changed his vote from "no" to "aye."

So the motion was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. Accordingly, debate on the bill and all amendments thereto is limited to 5 o'clock.

Mr. GOODLING. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise to thank the committee for the good consideration and the careful consideration they gave to what I would consider two of the most important parts of our budget.

First of all, I am happy that I can be one of those who can stand up and support something that is, as a matter of fact, $3.9 billion below the 302(b) allocation.

□ 1445

Second, I want to point out that we hear a lot of talk about competitiveness, and we talk a lot about the defense of the country, and I want to be sure we understand that we cannot be competitive nor can we defend ourselves if as a matter of fact we have somewhere between 26 million and 60 million functional illiterates in this country, a number that is growing rather rapidly, partially due to those who are coming into the country with very little education, but a lot of it has to do with those who are already here and have been here. That functional illiteracy number will rise primarily because in the 1990's to be functionally literate you will have to read and comprehend on the 12th grade level, not on the 3d grade level, where we write a lot of manuals for the military now and they still manage to destroy everything even though it is written down on that level.

Third, I would like to mention that the Pell grant problem has been a big problem in this Congress because it has always been underfunded. We have always borrowed from the next year to try to take care of it. It is a little difficult to determine early in the spring how many recipients there will be.

Finally, last year we took the money that was left over from loans because of low interest rates and got Pell grants on an even keel. The prediction now is that we could be somewhere, without any cuts in the program, close to a $500 million deficit in our Pell grant area, without any cuts at this time.

I would like to also mention on the labor side of it that probably the most important part in there is the Job Corps. If you have visited Job Corps centers, you could not walk away without saying that that is one place where we are getting our money's worth. They are dealing with the most difficult in our entire society. They are not only teaching them a worthwhile trade to become a citizen that pays taxes but as a matter of fact they are teaching them what discipline is all about, because it is a very well-disciplined operation, providing probably the first discipline that those young people have ever had in their lives.

I also want to mention that in chapter 1 and chapter 2 we have added some new programs, programs that will deal as a matter of fact with this cycle of illiteracy and that somehow or other will break that cycle of illiteracy in this country.

So, Mr. Chairman, I urge my colleagues, since we are $3.9 billion below the 302(b) allocation, to support this piece of legislation.

Mr. COLEMAN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. GOODLING. I yield to the gentleman from Missouri.

Mr. COLEMAN of Missouri. Mr. Chairman, last year we adopted some legislation in the reauthorization of the Higher Education Act, the National Needs Graduate Fellowship Program. It is to enable talented students to pursue graduate studies and disciplines that are critical to the national interest, including science, mathematics, technology, and foreign languages.

I am pleased that the funding for this program is included in this bill, and I especially want to thank the chairman of the subcommittee, the gentleman from Kentucky [Mr. NATCHER], for his cooperation in securing this funding, as well as our ranking member, the gentleman from Massachusetts [Mr. CONTE], for supporting this program and seeing that it is funded. I want to pay special thanks to my friend and colleague, the gentleman from Minnesota [Mr. WEBER], who is a member of the Appropriations Committee, for his special helpfulness on the committee in securing passage of the appropriations.

Mr. Chairman, the number of American students pursuing advanced degrees is falling rapidly. Last year I developed the National Needs Graduate Fellowship Program, as part of the reauthorized Higher Education Act, to enable talented students to pursue graduate study in disciplines critical to the national interest, including science, math, technology, and foreign language. I am pleased the funding necessary to implement this program has been included in H.R. 3058. I want to thank the gentleman from Kentucky [Mr. NATCHER] and the gentleman from Massachusetts [Mr. CONTE] for their support of this program. My colleague from Minnesota Mr. WEBER has been especially helpful in seeking funding for this graduate program and I thank him as well.

America has always looked to its universities to conduct research and to train scholars, two functions that are vital to the country's future. The Federal Government has played a significant role in financing graduate education, but Federal support, in the form of fellowships, has fallen dramatically in recent years—from some 60,000 in 1969 to fewer than 13,000 by 1981. And the reduction in these fellowship programs has contributed to an equally well documented decline in both graduate enrollment and the quality of graduate students.

In contrast, our foreign competitors have agressively pursued advanced degrees in critical fields at American universities. Foreign students have received more than 50 percent of all engineering Ph.D.'s that have been awarded in this country since 1980. Foreign students have also received 30 to 40 percent of the doctorates in mathematics and physics in recent years, while the number of such degrees to American students is declining. Only 7 out of every 1,000 American students obtains a degree in engineering, while in Japan that figure is 40.

A strong graduate system is critical to our national interests and future security. Recent advances in medicine, biomedical research, space exploration, and information technology have been made possible through advanced graduate research. To secure America's lead in these highly competitive fields, and to prepare Americans for the jobs of the future—where it is estimated that 50 percent of all manufacturing jobs will be held by highly skilled engineers and technicians—the United States must reaffirm its historic commitment to graduate research and education. The National Needs Graduate Fellowship Program will enable talented students to pursue study in the disciplines where we have the greatest national need, and stimulate the technological advances critical to the future economic vitality of our Nation.

Specifically, under the fellowship program institutions of higher education can apply for competitive grants of up to $500,000 per year, and individual students will be eligible for up to $10,000 a year in financial assistance. These grants will enable the students to pursue studies in critical fields as determined by the Secretary of Education, with help from the National Science Foundation, the National Academy of Sciences, the National Endowment for the Arts and Humanities, and other Federal agencies. Likely disciplines of national need include biology, chemistry, computer science, engineering, foreign languages, the geosciences, and physics.

If this country is truly concerned about competing effectively in the international marketplace, programs to encourage graduate education must be a national priority. Graduate education is one of the most powerful resources we have for restoring our competitive edge; funding for these programs is an investment in our future that will yield substantial long-term benefits. The $12 million provided in H.R. 3058 will indeed prove to be money well spent.

Mr. Chairman, I want to point out that the reason this program is in here is that our foreign competitors are aggressively pursuing advanced degrees at our universities in this country. In fact, for the last 7 years, taking the number of Ph.D.'s in engineering who have graduated from U.S. colleges and universities, over half of them are foreign nationals. We want to reverse that trend. We want to grab hold of the competition. We want to be able to pursue graduate degrees for American students in American universities, and this scholarship and fellowship program will enable us to do that, because if we are talking about competitiveness, we have to start with pure research. That is what this graduate program recognizes.

Mr. GOODLING. Mr. Chairman, I want to point out one other thing in relation to Pell grants. Pell grants, fortunately, are now going to those who are not necessarily 4-year graduates. The greatest part of our education is geared more and more to those who are 25, 30, and 35 years old who are trying to get a salable skill so they can become productive citizens.

Mr. AKAKA. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to vigorously commend the chairman of the subcommittee, the gentleman from Kentucky [Mr. NATCHER], as being a great American, a person with concern for the people of our country and the future of our country. I also want to commend the ranking member, the gentleman from Massachusetts [Mr. CONTE], as a great American and one who is also concerned with our country. I also commend the committee members and the staffers of the committee for fashioning such a great bill.

Mr. Chairman, I would like to engage the chairman of the Subcommittee on Labor—Health and Human Services—Education, who has worked tirelessly on this piece of legislation, in colloquy about a provision in the report accompanying H.R. 3058 intended to address the needs of our disabled children and youths. The report provision I have in mind, and which Mr. NATCHER was responsible for including in the report, is found on page 143 of the report, and reads as follows:

> It is anticipated that special project funds will be used to continue and expand * * * projects concerning * * * hearing dysfunction among school-age children * * *.

The problem of hearing dysfunction, to which this report language applies, has become prevalent in the Native Hawaiian children of my State. Two years ago, at the beginning of the 1985-86 school year, 93 Hawaiian and part-Hawaiian children entering preschool were screened for hearing dysfunction. Shockingly, it was discovered that approximately 85 percent of these children did not pass the screening.

Though it would appear that those ethnic children are overrepresented with regard to hearing dysfunction, this problem has not been fully documented. Consequently, the incidence and prevalence of hearing dysfunction is conjecture, and its full impact upon language achievement, cognitive development, school performance, and life skills is unknown. Indeed, a program that addresses these concerns is desperately needed.

With this in mind, I would simply ask the chairman of the subcommittee, if the committee's intention to fund service projects concerning hearing dysfunction among school-age children would be appropriately applied if funds are used to support a program of this nature?

Mr. NATCHER. Mr. Chairman, will the gentleman yield?

Mr. AKAKA. I yield to the chairman of the subcommittee.

Mr. NATCHER. Mr. Chairman, I want to thank the gentleman from Hawaii for bringing this matter to our attention. The committee report does include the language the gentleman mentioned. It is the intent of the committee that a project concerning hearing dysfunction among school-age children should be supported by the Department.

Further, Mr. Chairman, I want the gentleman from Hawaii to know that we appreciate his help on this subcommittee. All down through the years, since he has been a Member of Congress, he had helped, us, and we appreciate it.

Mr. AKAKA. Mr. Chairman, I thank the gentleman from Kentucky.

Finally, Mr. Chairman, I would like to outline an additional concern that I have regarding language in the report accompanying the bill, H.R. 3058. The language with which I am concerned is found on page 40 of the report, and concerns Native Hawaiian Children Health. The language reads:

> The Committee continues to be concerned about the health and well-being of our nation's Native Hawaiians. The Office of Technology Assessment has reported that overall Native Hawaiians have a 34-percent higher death rate than the rest of the nation and further, that full-blooded Hawaiians have a death rate that is 146 percent higher than the nation as a whole. Native Hawaiian children and youth are particularly at risk.
>
> The committee is pleased with the efforts of the MCH program to ensure that the native Hawaiian population is given a high priority and feels that the recently established series of Native Hawaiian Maternal and Child Health Centers are an excellent first step. Given their pressing needs MCH is urged to continue to provide appropriate resources to this population.

I can think of nothing more important to the development of our Nation than the care of our children. And, the care offered by the recently established Native Hawaiian Maternal and Child Health Centers would not have happened without their abilty to get some seed money from the MCH Program. I would like to commend the chairman of the subcommittee, and the Committee on Appropriations for recognizing the value of this program.

At the same time, I am concerned that no additional funds have been appropriated for the center's program in fiscal year 1988. This is as I comprehend it due to an understanding, at the time of committee consideration of the bill, that the program would not require additional funds in fiscal year 1988. I would point out, however, that following consultation with the program's director, it has become apparent that the centers will indeed require additional funds in the next fiscal year. And, as has been the case in the past, the program remains committed to matching any Federal funds that it may receive.

So, while we remain committed to the integration of education, health and social services as envisioned by the Native Hawaiian centers program, I would urge the committee and this body not to forget that this program cannot be sustained without continued Federal assistance. It is my understanding that the Senate intends to clarify this position, and I would urge the committee's favorable consideration of such clarification when this measure goes to conference.

I thank the chairman of the subcommittee for his sensitivity, fairness, and fortitude in this area.

Mr. Chairman, I urge my colleagues to support this bill with no amended cuts.

Mr. GUNDERSON. Mr. Chairman, may I be recognized?

The CHAIRMAN. The Chair wishes to indicate to our colleagues that we have a strict time limit, and the Chair will recognize additional Members for the purpose of striking the last word. At least until we go to the substantive amendments, we will recognize two additional Members to strike the last word, but the Chair would remind our colleagues that this does come out of the time for discussion of the amendments that will be proposed and the Chair would hope that our colleagues will take this into account as they speak.

The Chair recognizes the gentleman from Wisconsin for 5 minutes to strike the last word.

Mr. GUNDERSON. Mr. Chairman, I want to take this opportunity during consideration of this particular appropriation bill to talk about a subject that I think is very essential in terms of the investment in our educational community in this country. I want to begin by commending and complimenting our chairman and ranking member of this committee and also of the subcommittee for their responsiveness to the education community, and I support that.

But at the same time that I do that, I must tell the Members that I have a great deal of disappointment in the higher education community's continual thrust in focusing on higher education dollars only in the traditional way. We are looking at approximately a $1.2 billion increase in spending in the education area in this appropriation bill, and yet we are not spending one new penny on title 1 of the Higher Education Act to deal with the nontraditional student.

That disappoints me greatly, but I do not criticize the committee because the higher education community did not ask for any funds. I was told that I was the only person who made a request for funding in that particular area, with the exception of one college administrator who came in after the markup was completed. That sort of suggests to us the lack of vision that exists in the higher education community today.

The reality is that by 1990, 49 percent of our higher education or our college student body in this country will be the nontraditional college student. The fact is that any young person today who goes into the work force will have four different careers in their lifetimes, and one only needs to spend 2 minutes with the Secretary of Labor, Mr. Brock, before he begins to talk about the need to train and retrain the work force this country needs for the year 2000 and beyond.

Now, the problem is that we continue in this Congress and the higher education community continues to make requests for funding for those 18- to 23-year-old full-time college students who come right out of high school into the college community with no sensitivity. The problem is that the traditional student, that 18- to 23-year-old, is not where we need to begin focusing our needs in an ever-changing society.

I would like to just share with the Members for just a bit some of the increases in this legislation. I have no criticisms over these increases in the higher education area. For example, in college housing we have a $30 million increase, in institutional assistance we have a $33 million increase, in the Perkins loans we have a $16 million increase, in the Pell grants a $590 million increase, in college work study a $32 million increase, and in the area of SEOG's a $13 million increase. That adds up to a $714 million increase.

I am not critical of those increases, but I am suggesting that if the higher education community would wake up and see the daylight in this country, they would recognize that if we would fund title 1 of the Higher Education Act, we would put money for nontraditional students, both on campus and even weekends and off campus, in the bill, taking education to the workplace of today's workers who need those continuing educational requirements, and we would be able to train and retrain our students without Pell grants, without guaranteed student loans, and without building college dormitories, or at least we would be able to reduce those funds.

So, Mr. Chairman, I plead with the Members and the leadership of this particular subcommittee today that in the future if the higher education community is unwilling to go with us and make the transition to this area, I would hope we might be able to do so ourselves in the future.

Mr. NATCHER. Mr. Chairman, will the gentleman yield?

Mr. GUNDERSON. I am happy to yield to the distinguished chairman of the subcommittee.

Mr. NATCHER. Mr. Chairman, I want the distinguished gentleman from Wisconsin to know that I appreciate his yielding to me. I just want to say this to the gentleman: he is one of the best Members in the House, and he serves on his committee with distinction and honor.

□ 1500

I know how the gentleman feels about education. I know how the gentleman feels about health. And I want the gentleman to know this.

The gentleman's former chairman who is no longer with us used to talk about the gentleman from Wisconsin, and I want the gentleman to know that I appreciate the gentleman's service.

Mr. GUNDERSON. Mr. Chairman, I appreciate very much those kind remarks.

The former chairman of the Committee on Education and Labor, Mr. Perkins, was the guy who really taught me what I need to know about the role of the nontraditional student.

I am hopeful in the future we might be able to work in that regard, and I thank you very, very much.

Mr. DORGAN of North Dakota. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I wanted to bring to the attention of the House an issue that is important to North Dakota. In doing so, I first wanted to indicate my admiration for the gentleman from Kentucky [Mr. Natcher], the chairman of the subcommittee, and the work that the gentleman has done on this legislation.

Specifically I take the floor to talk about the Job Corps.

It has been said previously that this is an excellent program. It is one that is very important to some people in our country. I agree with that.

It is the kind of investment we need to make in some young people in our country.

North Dakota is one of eight States that does not now have a Job Corps center, and we would hope that in this legislation that provides for expansion under certain conditions to underserved areas, that if there is to be expansion, that North Dakota will be considered on a priority basis for a Job Corps site.

I would like to describe the reasons why that is important to us. The Governor of North Dakota, the two U.S. Senators, others and I have worked together on the Job Corps issue.

We have a facility in the center of our State in Minot that is going to be abandoned by the Air Force, a facility, buildings and grounds, a wonderful facility that will be abandoned that will be nearly perfect for a Job Corps center.

We have 300 young North Dakotans who are being transported out of the State to other Job Corps centers. Those 300 North Dakotans ought to be able to take advantage of a Job Corps center in our State and save the Federal Government that travel money. Utilizing a facility in Minot, ND, for a Job Corps center would make good sense, because that is a facility that is very well suited to that sort of thing, and will be abandoned in the very near future by the Air Force.

We have Native Americans making up 20 to 25 percent of the Job Corps students, and they come from four reservations in North Dakota whose unemployment reaches 40 to 50 percent. They, too, would be well-served.

We understand the Job Corps and the need for it. I support it fully, and I especially commend the gentleman from Kentucky for his work on this very important piece of legislation. I would like to encourage the chairman and others to help those of us who come from those very few areas in the country where there is not a Job Corps center, where we produce 300 young men and women who must be transported elsewhere to those centers, to give us whatever assistance the committee might be able to when we make the proper application to the Department of Labor under that expansion.

I wanted to take the time to underscore North Dakota's interests, those of the community of Minot, the two Senators and myself on this Job Corps issue.

Mr. Chairman, I think the chairman of the subcommittee for a job well done; and I would hope to have whatever support the gentleman might be able to give me in this process.

AMENDMENT OFFERED BY MR. ARMEY

Mr. ARMEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ARMEY: Part 16, after line 25, insert the following new section:

SEC. 105. Notwithstanding any other provision of this Act, each amount appropriated or otherwise made available in Title 1 of this Act not required to be appropriated or otherwise made available by previously enacted law is hereby reduced by 3.09 percent.

Mr. ARMEY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ARMEY. Mr. Chairman, I ask unanimous consent that debate on this amendment be limited to 15 minutes, to be divided equally between the gentleman from Kentucky [Mr. NATCHER] and myself.

The CHAIRMAN. Is the request on this amendment and any amendments to the gentleman's amendment?

Mr. ARMEY. Mr. Chairman, yes, it is.

The CHAIRMAN. Is that for a total of 15 minutes?

Mr. ARMEY. Yes, to be divided equally between the gentleman from Kentucky [Mr. NATCHER] and myself.

Mr. NATCHER. Mr. Chairman, reserving the right to object, we have no objection to the request.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. Accordingly, the gentleman from Texas [Mr. ARMEY] will be recognized for 7½ minutes, and the gentleman from Kentucky [Mr. NATCHER] will be recognized for 7½ minutes.

The Chair recognizes the gentleman from Texas [Mr. ARMEY].

Mr. ARMEY. Mr. Chairman, this is the first of a group of amendments that a group of Members will be offering to this bill.

We had an earlier discussion in the general debate regarding the difficulty we have in cutting spending. It is difficult for the Committee on Appropriations, and I might say again, and I suppose perhaps more sincerely here than in many instances, it is with sincere respect for the gentleman from Kentucky [Mr. NATCHER], the chairman of the subcommittee, and the gentleman from Massachusetts [Mr. CONTE], the ranking member, that I bring this to the floor.

Nevertheless, this appropriations subcommittee must try to do their best to save money and to allocate money within a very narrow range of discretion. That is not a happy job for them.

Many of the Members who are committed to fighting the deficit on every possible front must, as we address amendments also, by and large, confine our attention to this area of discretion.

This amendment does exactly that. It is very simple and straightforward. In line with our overall objective of trying to cut the increases in fiscal year 1988 spending over 1987 spending by one-half, and in a manner consistent with our efforts to try to do this with respect to discretionary spending.

We have with this amendment isolated that spending in title I of this bill; that is, all spending in title I of this bill, with the exception of mandatory spending on Federal unemployment benefits, advances to the unemployment trust fund, Federal employees' retirement, and the black lung disability trust fund.

Looking again only at title I, which is those funds allocated to the Department of Labor, confining our attention to discretionary spending, we find that the discretionary spending then in this bill is a total of $4,845,000,000. It is a $300 million increase in discretionary spending over fiscal year 1987.

This represents a 6.19-percent increase in discretionary spending in title I of this bill.

Consistent with our objectives and our past practices, we offer an amendment that would cut that increase from 6.19 percent to 3.09 percent, cut it in half, leaving a 3.09-percent increase in spending from fiscal year 1986 to fiscal year 1987 in discretionary spending in title I in the amount of $150,062,000.

We also cut by that amount from the proposed increase in this bill. It is very simple. There is no net reduction in spending. There is a decrease in the increase by 50 percent.

It is confined only to discretionary spending and only to discretionary spending in title I.

We could have gone into title I and offered several individual cuts, a million there, and a million here and then again there, and we could have added up to $150 million with several separate amendments.

That has been considered by some to be dilatorious and, Mr. Chairman, time is scarce. An hour ago we accepted a limit on all amendments to this bill, and we have since lost that hour with 24 minutes being left to our clock which was to run for 15 minutes on a vote.

Then subsequent debate that should have been taken in general debate and other tactics that, had I not known the Members involved so well and respected those Members so much, I might have suspected to be dilatorious in wasting this precious time.

Consequently, I asked for a limitation on this amendment. It is straightforward. We are trying to save money. We believe that these discretionary funds can be reallocated, those that remain within the increase, and we can do a good job for these discretionary programs.

We need to show a good-faith effort to reduce spending.

$150 million is not by this body's standards a great deal; for the average American, it is.

The programs are still left with generous increases, and they are generous programs.

Mr. Chairman, I reserve the balance of my time for other Members and myself. We will use our full 15 minutes, and we will move on.

I will do my best to remain on the floor and protect the remaining precious minutes for those Members who are offering amendments rather than for those Members who wish to make statements.

Mr. Chairman, I reserve the balance of my time.

□ 1510

Mr. NATCHER. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Chairman, at the outset, I agree with the gentleman from Texas. I will do everything I can to preserve every moment for the amendments that will be offered.

Mr. Chairman, I rise reluctantly, in my great respect for the gentleman from Texas, in opposition to his amendment.

This is one of those amendments that only serves to hurt people, and I want to talk about its effects on one program.

The bill provides increases for the Job Corps, there is no doubt about it, that are overdue; $33.6 million is provided just to maintain current services. That would keep the current 106 centers open, training 40,000 youngsters. I do not have any in my congressional district.

We also provide $93.5 million for capital expenditures, including $32 million for dilapidated centers to relocate within their cities.

And within the capital total, we provide $12.5 million for existing centers to make health and safety improvements.

But, in my opinion, the most important addition for the Job Corps is the one that would be most hurt by the amendment. That is the addition of funds to allow up to 8 new centers to open in areas that are currently underserved.

I know of a number of pockets of high unemployment and severe economic distress across the country, particularly for young people.

This amendment would preclude those underserved areas from getting the kind of skill training and socialization for the most disadvantaged young people in order to get them back up on their feet. It would cut $24.2 million out of the money we included for this program.

Other cuts that would result from the amendment include summer youth $31.5 million, and unemployment compensation $53.5 million.

And one effect that I'm not sure that author knows about is an $85 million cut in the trust funds on top of the $145 million he intends to cut.

Let's beat back this amendment. I ask for a "no" vote.

Mr. NATCHER. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. GOODLING].

Mr. GOODLING. Mr. Chairman, I thank the gentleman for yielding.

What I want to point out is what I said in my brief remarks earlier. If I understand the amendment correctly, $24 million of that would be taken from any increases to Job Corps centers. Again, I plead with all of you, as I have in the last, I do not know how many, years, to go visit the Job Corps centers. It is their last possible chance of ever becoming productive citizens. You have to go and see it in operation to understand for the first time in their lives there is discipline. For the first time in their lives there is studying going on and there is someone there to make sure they are studying. For the first time in their lives they are learning skills that they can use when they come back into the communities.

It is expensive, there is no question, but it is cheap in relationship to their spending the rest of their lives in an institution, a penal institution.

So I would hope that we look very carefully at where this money will come from. I do not believe the Job Corps centers should be a target.

Mr. NATCHER. Mr. Chairman, I yield myself the balance of the time.

Mr. Chairman, I would like to call the attention of the members of the committee to just what effect this amendment would have, if adopted.

The amendment requires a 3-percent cut across the board on discretionary spending at the Department of Labor. Here is what it would mean. It would mean in the Job Training Program we would have a $56,400,000 reduction.

In summer youth employment that means so much to the cities in this country and to everyone, a $22,500,000 reduction.

The Job Corps reduction, under the amendment of the gentleman from Texas [Mr. ARMEY] would be $23,505,000.

Trade adjustment retraining, $1,500,000.

State employment service, $22,500,000.

Mr. Chairman, my guess is that if this type of an amendment were adopted, some of the offices might have to close. Some of the employees might have to be laid off. Local unemployment offices would be reduced by $52 million.

Worker safety and health, $12 million.

Mr. Chairman, that is the effect of this amendment.

Mr. Chairman, let me say this. You know, when we passed the Budget Reform Act of 1974, we provided that we set up a Budget Committee. That committee would fix the overall spending ceiling for the Congress of the United States, which they do. The Appropriations Committee has 13 subcommittees. We take the ceiling that the Budget Committee fixes and we have to stay within it.

Every member, and the gentleman from Massachusetts [Mr. CONTE], will tell you this, every member of our subcommittee made up their minds that we would stay within the figure they have allocated to us.

We are under our ceiling in budget authority and in outlays.

Mr. Chairman, let me say this, it took some doing to do it.

Mr. Chairman, I say to the gentleman from Texas [Mr. ARMEY], when we talk about being over the President's budget, I have served with seven Presidents. I do not believe today that President Reagan knew that in this budget that was submitted that all of vocational education would be wiped out. Not reduced $50 million; not reduced $100 million; but wiped out completely, $882 million, and that library services, $144 million, would be wiped out completely.

Let me say to the gentleman from Texas [Mr. ARMEY], that I served with seven of them. I have gotten along with all seven of them. No President that I have served with can tell you every item that is in his budget. Certainly they know the bottom line figure, but when you say to a President of the United States, "Mr. President, did you know that vocational education that has been good to our people down through the years, one of the finest programs, one of the great achievements of the 20th century, was zeroed out in your budget?"

Let me say to the gentleman from Texas [Mr. ARMEY], in all fairness, I do not believe that President Reagan would have ever agreed to it. Take my word for it.

Mr. Chairman, this amendment ought to be defeated.

Mr. ARMEY. Mr. Chairman, I will always count as one of the great privileges of my life the fact that I served in this body with the gentleman from Kentucky, BILL NATCHER, and make no mistake about it, if you are in this body and you do not love the gentleman from Kentucky, BILL NATCHER, there is something wrong with you and we would all agree on that. The gentleman deserves every bit of respect that everybody gives him.

Mr. Chairman, I did not talk about the President's budget. I talked about the spending levels in this title in discretionary spending for fiscal year 1988 and the extent to which they were greater than fiscal year 1987 and would remain greater after my amendment is passed, as I am certain it will.

The debate focus with respect to the discretionary spending was only on the Job Corps. That is not all that is there, Mr. Chairman. There are many, many items in that discretionary spending, and discretionary means tradeoffs. If the Job Corps is so precious, trade it off. Take the cuts someplace else.

Now, if indeed the whole 3.09 percent meat ax falls on the Job Corps share, that would reduce its 19.5-percent increase to a 16.5-percent increase, hardly a death blow.

Now, last Tuesday night I sat down with my wife and we figured out what it would cost for us to send our three children to college next fall in a 4-year university, paying all their tuition, room, board and books, and giving them $150 a month spending money, and it came out to slightly over $18,000 for this coming academic year, slightly under, about $1,000 less than it costs to send one youngster to a Job Corps program for 1 year. I could have sent all three of my children to college and had money left over to take my wife to the Bahamas.

Now, I am saying we must respond. I happen to be an enormous advocate of trade and industrial vocational training. I am angry about the President's budget on that point in particular and I do not want to take a meat ax to this.

But do you know what else my wife and I decided, along with our children? We cannot give them tuition, room, board and books and $150 a month spending money. They will have to get a part-time job and work, and they will do it, because they know the opportunity they have and they will take advantage of it.

We must have everybody recognize the opportunities that already exist in this great land and they can take this cut and we can reduce our budget deficit.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. ARMEY].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ARMEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 132, noes 287, not voting 14, as follows:

[Roll No. 302]

AYES—132

Andrews
Archer
Armey
Badham
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Bates
Bentley
Bilirakis
Bliley
Boulter
Broomfield
Brown (CO)
Buechner
Bunning
Burton
Carper
Chandler
Cheney
Coats
Coble
Combest
Cooper
Craig
Crane
Dannemeyer
Daub
Davis (IL)
DeLay
DeWine
Dickinson
DioGuardi
Dornan (CA)
Dreier
Edwards (OK)
English
Fawell
Fields
Frenzel
Gallegly
Glickman
Gradison
Grandy
Gregg
Hall (TX)
Hansen
Hefley
Herger
Hiler
Holloway
Hopkins
Houghton
Hughes
Hunter
Hyde
Inhofe
Ireland
Jacobs
Johnson (CT)
Kasich
Kemp
Kolbe
Konnyu
Kyl
Lagomarsino
Leach (IA)
Lewis (CA)
Lewis (FL)
Lightfoot
Lott
Lowery (CA)
Lujan
Lukens, Donald
Lungren
Mack
MacKay
Marlenee
Martin (IL)
McCandless
McCollum
McEwen
McMillan (NC)
Michel
Miller (OH)
Miller (WA)
Molinari
Moorhead
Nielson
Olin
Oxley
Packard
Patterson
Penny
Petri
Porter
Regula
Rhodes
Ritter
Roberts
Robinson
Schaefer
Schulze
Sensenbrenner
Shaw
Shumway
Shuster
Skaggs
Slaughter (VA)
Smith (NE)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Solomon
Spence
Stenholm
Stump
Sundquist
Sweeney
Swindall
Tauke
Thomas (CA)
Upton
Vucanovich
Walker
Wolf
Wortley
Wylie

NOES—287

Ackerman
Akaka
Alexander
Anderson
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Beilenson
Bennett
Bereuter
Berman
Bevill
Biaggi
Bilbray
Boehlert
Boggs
Boland
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Brown (CA)
Bruce
Bryant
Bustamante
Byron
Campbell
Cardin
Carr
Chapman
Chappell
Clarke
Clay
Clinger
Coelho
Coleman (MO)
Coleman (TX)
Collins
Conte
Conyers
Coughlin
Courter
Coyne
Darden
Davis (MI)
de la Garza
DeFazio
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Dowdy
Downey
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Emerson
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Fish
Flake
Flippo
Florio
Foglietta
Foley
Ford (MI)
Frank
Frost
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gibbons
Gilman
Gonzalez
Goodling
Gordon
Grant
Gray (IL)
Gray (PA)
Green
Guarini
Gunderson
Hall (OH)
Hamilton
Hammerschmidt
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Henry
Hertel
Hochbrueckner
Horton
Howard
Hoyer
Hubbard
Huckaby
Hutto
Jeffords
Jenkins
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lancaster
Lantos
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Livingston
Lowry (WA)
Luken, Thomas
Madigan
Manton
Markey
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDade
McGrath
McHugh
McMillen (MD)
Meyers
Mfume
Mica
Miller (CA)
Mineta
Moakley
Mollohan
Montgomery
Moody
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Ortiz
Owens (NY)
Owens (UT)
Panetta
Parris
Pashayan
Pease
Pelosi
Perkins
Pickett
Pickle
Price (IL)
Price (NC)
Pursell
Quillen
Rahall
Rangel
Ravenel
Ray
Richardson
Ridge
Rinaldo
Rodino
Roe
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Savage
Sawyer
Saxton
Scheuer
Schneider
Schroeder
Schuette
Schumer
Sharp
Sikorski
Sisisky
Skeen
Skelton
Slattery
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NJ)
Snowe
Solarz
Spratt
Staggers
Stallings
Stangeland
Stark
Stokes
Stratton
Studds
Swift
Synar
Tallon
Tauzin
Taylor
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weber
Weiss
Weldon
Wheat
Whittaker
Whitten
Williams
Wilson
Wise
Wolpe
Wyden
Yates
Yatron
Young (AK)
Young (FL)

NOT VOTING—14

Boner (TN)
Callahan
Crockett
Daniel
Ford (TN)
Gephardt
Gingrich
Kaptur
Kastenmeier
Latta
Lloyd
Pepper
Roemer
St Germain

□ 1540

Mr. MOODY changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. MILLER of California. Mr. Chairman, I move to strike the last word, and I rise in support of H.R. 3058.

Mr. Chairman, I rise in support of H.R. 3058, the fiscal year 1988 Labor/Health and Human Services/Education appropriations bill.

I especially want to thank Chairman NATCHER of the Appropriations subcommittee on Labor/HHS/Education for his leadership in supporting important and cost-effective programs for children and their families.

Such leadership is crucial to safeguard the future and protect the Nation's children. Empty rhetoric on children as our national resources fall far short of ending childhood poverty and enhancing child development and family stability. This legislation, by funding effective programs for children and families, takes action against illiteracy, juvenile crime, poverty, infant mortality, homelessness, declining family living standards, the spread of AIDS, and family instability.

But this bill is not a spending splurge for special interests. We are not inventing a bevy of new programs on which to lavish taxpayer dollars. Rather, we are investing in proven programs which have a documented track record of improving the health, the education, and the development of American children.

In every instance, the resources this bill funds are modest compared to the program's proven cost effectiveness, and the number of children and families who need these critical services. In every case, the motivation is compassion, but the return on the initial investment is significant and makes good fiscal sense.

Whether $1 invested in early comprehensive prenatal care for high risk women that returns over $3 in averted neonatal costs, or $1 invested in early childhood education that returns $4.75 in averted juvenile crime, welfare costs, or special education, the savings are noteworthy.

For every $1,000 invested in family preservation programs and child-abuse prevention, tens of thousands are saved in costly foster-care placements; for every $1,000 invested in respite care for a disabled child, tens of thousands are saved in avoided institutionalization costs.

Those are not just my figures. They are the results of studies and evaluations by leading researchers and academicians in the Nation's most respected universities. In some cases, the studies which establish the effectiveness and cost savings of these programs were solicited by the administration which now tries to cut back or even to destroy some of these proven programs.

It is important to note that, despite the proven effectiveness of these efforts, we are in many cases failing to provide nutritional assistance, educational opportunities, and other services to those in need. And by failing to do so, we are wasting money, in the long run, and we are wasting lives.

Chapter I, WIC, School Breakfast, Head Start—in every case, we are allowing only a fraction of those in need to participate in the program today.

So when those who do not support these efforts ask us, "How can we expand funding at a time of budget deficits," I must reply, "Which of your constituents would you deny the right to education for the handicapped? Which of your constituents would you tell she will have a low birthweight or retarded child because we refused to make WIC or prenatal health services available? Which of your constituents are you prepared to deny special educational services, or to consign to an expensive institution or group home because we just couldn't afford to provide preventive services that cost less—in every case than doing nothing?"

I am not prepared to make that choice, with any of your constituents or with mine. When we have the scientific knowledge, the medical skill, the professional ability to provide services and to save money in the process, it is immoral, as well as fiscally shortsighted, for this Congress to deny those opportunities to any American.

Much of the information about these programs, about which I wish to speak today, has been developed during hearings and investigations by the Select Committee on Children, Youth and Families, which I have the honor of chairing. The fact that these programs enjoy the level of support which they do in this House, I am delighted to say, in no small measure is a result of the record of that select committee, which has demonstrated their effectiveness through dozens of hearings around the country where we have met with and listened to your constituents who have pleaded with us to do more.

That record also served to generate support within the Budget Committee and the House for the Children's Initiative, which we again included in this year's budget, and which established the broad support within the House for additional resources for children and for prevention programs.

MATERNAL AND CHILD HEALTH/MEDICAID EXPANSION

An additional $38.2 million over fiscal year 1987 levels for the maternal and child health block grant is included in the bill. This small increase could not come at a better time. For some children, the health care provided by the MCH block grant may be all the care they ever receive, yet these services are largely unavailable. Of the 35 million Americans without any health insurance, one-third or 11 million are children. Thirty percent of these uninsured children have employed parents who do not have coverage for their children; fewer than one-half of all poor children are currently eligible for Medicaid.

Mr. Chairman, expanding prenatal care and early infant health care must remain an important priority for this Nation. Just last week, the National Center for Health Statistics reported that there has been improvement in the last 3 years in the proportion of mothers who received late or no prenatal care. For some age groups, and for most black mothers, the proportion who received delayed or no care increased between 1984 and 1985 alone. As a result, the number of infants born at low birthweight—the single greatest predicator of infant mortality and lifelong disability—went up slightly to 6.8 percent in 1985, virtually assuring that we will not meet the Surgeon General's 1990 goal for reducing low birthweight to 5 percent of all live births.

While the increased funds for the MCH block grant will only partially meet the growing need for health care for low income women and children who are falling through the widening cracks, States will at least have the opportunity to expand services to some. The $3.4 billion increase in Medicaid funds will also assist States in implementing recent Medicaid expansions to serve more low income pregnant women and children.

COMPENSATORY EDUCATION, HEAD START, AND EDUCATION FOR THE HANDICAPPED

Congress took significant action when it recently strengthened Head Start and chapter I—Compensatory Education for the disadvantaged—and when it enacted several new early childhood education programs, including the Even Start Act, the Handicapped Infant and Toddler Program, and the new expanded Handicapped Preschool Initiative. It is now widely recognized that early intervention stimulates children's capacity to learn and virtually guarantees a more productive and more successful educational experience. We need no more studies to establish that early intervention also saves significant dollars—in the long and short run.

I am especially pleased that the bill we are considering today contains funding for these new programs, as well as significant increases for chapter I and Head Start.

AIDS RESEARCH AND TREATMENT

The legislation more than doubles the amount available in 1987 for the research, education, and other activities aimed at prevention and treatment of AIDS. AIDS is not a disease limited to adults. It threatens to kill thousands of children, many of them very young. And while AIDS has afflicted less than 200 teenagers nationwide, the select committee recently learned that the number at risk of developing the deadly disease may number in the thousands. As witnesses, including Surgeon General Koop, have testified before the select committee this year, the need for education and prevention for young children and teenagers has reached critical levels. Congress' willingness to recognize this fact and increase the appropriation for AIDS education offers hope that we can stem this devastating disease and provide essential health and social services to families and children already afflicted.

CHILD CARE

I am especially pleased that the bill contains $5 million for two new programs to provide temporary child care for handicapped and chronically ill children, and crisis nurseries for children at risk of abuse or neglect. These two provisions were included in the Opportunities for Families Act, which I introduced along with 80 of my colleagues in the 99th Congress. The Select Committee on Children, Youth, and Families documented the extent to which family stability is protected and child abuse prevented when child care and respite care programs are available, and providing funds to start up these targeted programs will aid many vulnerable families.

In addition, the important legislation we are considering today provides $10 million for dependent care planning and development to provide Federal matching grants for before and after school child care to begin to serve the millions of latchkey children so that families can work, and local resource and referral systems providing information on dependent care services; and an additional $500,000 to enable more child care workers to get the Child Development Associate credential. CDA is the only national credential that assures parents that their children are being cared for by competent professionals.

CHILD WELFARE AND FOSTER CARE

Recent hearings and a nationwide survey on child abuse by the select committee documented that reports of child abuse and neglect jumped nearly 55 percent between 1981 and 1985, creating additional pressures on the foster care system. In addition, after the number of children in foster care had declined by nearly half since the late 1970's, the number of children in foster care is again on the rise. Homeless families are often forced to place their children in foster care because shelters are rarely set up to bear drug dependent parents, too ill or unprepared to properly care for them, have begun to enter the foster-care system.

From New York to California, severe strains are subjecting children in the foster-care system to abuses. Contrary to the intent of Public Law 96-272, the landmark Child Welfare and Adoption Assistance Act of 1980, to promote preventive services and family reunification, or adoption where services fail, too many abused and neglected children continue to be placed in foster care indefinitely. These problems have recurred not because of any serious flaw in the law itself, but because of the failure of the Reagan administration to enforce the law and seek sufficient funds to promote the prevention effort.

The fiscal year 1988 appropriations bill responds to these new strains on the system by providing an additional $118 million over fiscal year 1987 levels for children in foster care. The amount provided for foster care also includes funds for the important Independent Living Program Congress enacted last year designed to assist youth age 16 and over in foster care to make the transition to independent living.

The funding bill we are considering today also includes $108 million for the adoption assistance program that provides funds to States to facilitate the placement of hard-to-place children in permanent adoptive homes and thus prevent long, inappropriate stays in foster care. During 1988, this program will now be able to serve an estimated average of 39,000 children per month.

In addition, the bill includes an increase of $37.5 million to establish, extend, and strengthen child welfare services to provide the preventive services which enable children to remain in their own homes, or to provide alternative permanent homes when necessary. Without these funds States are hard pressed to provide the intensive family based services, often called family preservation programs, which have proven so effective in keeping families together and averting unnecessary institutionalization of children.

HOMELESS FAMILIES

Hearings before my Select Committee on Children, Youth, and Families revealed that as many as 40 percent of the homeless are children and families who not only go without adequate shelter, but experience social isolation, family stress, poor nutrition, and limited educational opportunities for their children. The select committee learned as well that the lack of social supports, the dearth of adequate family shelters, and a dwindling supply of affordable housing leaves many families with no alternative but to give up their children to foster care.

I am pleased to see that the bill we are considering today includes funds to implement the Stewart B. McKinney Homeless Assistance Act in a timely fashion. The Homeless Assistance Act, recently signed into law, includes some provisions for family shelter, health care, and other supports for families, which have been so sorely lacking.

The select committee also learned that runaway youth are comprising a significant segment of the homeless population. In addition, the appropriations measure we are considering today includes a $4 million increase for the Runaway and Homeless Youth Act to develop and strengthen community-based facilities which are outside the juvenile justice system, and to help reunite runaway youth with their families.

VISTA

The bill also includes $20.7 million for the highly effective VISTA Program, which has a long record of combating poverty, illiteracy, hunger, and homelessness through grassroots self-help efforts.

It is nevertheless distressing to note the effect of the Reagan administration's opposition to this important program. Even with the additional funding for fiscal year 1988, VISTA is less than half its level in 1980—and that was before the addition of millions of more Americans to the poverty rolls—including 2½ million children—before homelessness became a subject of daily concern, and before soup kitchens became a familiar sight in every American city.

And at a time when we are rightly concerned about our ability to compete in the world marketplace and about our inability to reduce the still unacceptable unemployment rate, the VISTA Literacy Corps would receive no funding for next year.

CONCLUSION

In every case, the funding I am asking my colleagues to support today was opposed by the administration. Their indifference to the health, education, and welfare of America's children and families has caused needless suffering, and even tragedy. Because this administration did not recognize the value of investing in children and families, the cost to the Government in wasted lives and resources reaches into billions of dollars.

And unlike many programs of Government, we cannot defer this spending or these efforts to another year. We cannot correct poor prenatal care, malnutrition, low birthweight, mental retardation next year for a woman who is pregnant today. We will lose millions of children in indeterminate, costly foster care because they will spend another year in the system. Millions of children will not receive the educational services and support they need, and many will leave schools and begin lives of poverty and dependence.

I urge my colleagues to support this legislation because it promotes sound and compassionate human policy and makes good fiscal sense as well. I urge my colleagues to support the leadership of the Appropriations Committee in bringing this bill to the floor today and by voting for H.R. 3058 to reverse the damage this administration has wrought on the Nation's families and to protect their future.

AMENDMENT OFFERED BY MR. FRENZEL

Mr. **FRENZEL**. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FRENZEL: At the end of title V, insert the following new section:

"SEC. . Notwithstanding any other provision of this Act, each amount appropriated or otherwise made available by this Act not required to be appropriated or otherwise made available by previously enacted law shall be reduced by 8.16 percent."

Mr. FRENZEL. Mr. Chairman, when I came to bring my amendment to the House, I intended to offer an apology. Because of a conference now ongoing I have not been able to spend enough time to present the amendment in a proper way.

However, I noticed that the House has restricted debate time on this enormous bill already. Since the House wants bobtailed discussions, I guess no apologies are in order.

I think that squelching debate is a serious error on the part of the House. It gives the impression of closed minds and knee-jerk votes.

Mr. Chairman, I wrote a letter to all of the Members of the House under date of August 4 in which I indicated my intention to try to reduce what I consider to be outrageously high expenditures contained in H.R. 3058.

Mr. Chairman, I yield to no man in my admiration for the subcommittee and committee, and the subcommittee chairman who brought this bill to the floor. I have been before that subcommittee often myself making requests. It does its work, I think, with great care and great skill.

Nevertheless, it has presented to us a bill which is a country mile over similar expenditures for the previous year. Mandatories are increased in this bill by over 12 percent and discretionary spending, by my count, is increased by something over 8 percent.

Mr. Chairman, that just seems to be unconscionable in a time in which most Americans, and nearly every Member of Congress agrees that the No. 1 priority in the United States is reducing our deficit.

Here is a bill which spends billions more than last year, spends billions over current services. It simply gives the Congress, or gives the people, the impression that Congress is making no effort to reduce its spending or reduce its deficit.

My amendment does not touch the mandatories at all. My amendment only touches discretionary spending.

Mr. Chairman, I repeat that my amendment does not touch mandatory spending at all; it is aimed exclusively at discretionary spending within H.R. 3058.

Because I have assumed that the amounts normally funded in this bill but not covered in this one. They approximate $3 billion and are not included in this year's bill because they have not been authorized. My amendment makes across-the-board cuts in an amount sufficient to reduce the discretionary spending about $3 billion. That is the equivalent of a freeze in discretionary spending.

I think it is important that the House stand up for fiscal sobriety rather than simply merely approving each appropriation no matter how openhanded it is. The author does not expect this amendment to pass, but it does need to be presented.

Again, I have to stress I have no complaint about the subcommittee. It is doing a splendid job. But, I must say that I cannot believe this Congress is going to approve a bill with a double-digit increase over last year, when we are talking about a CPI or a deflator of something less than five. It defies reason that anyone should think that we are trying to reduce our deficit when in fact we are making these huge increases.

I have nothing against the programs supported by the subcommittee. I have simply cut them uniformly by a percentage of about 8.16. I have used the priorities that were adopted by the committee.

And, yes, my amendment will result in less money being spent than the committee spent. On the other hand, none of those projects that are cut by an amendment will be zeroed and few will be cut at all from last year. Many of them will receive much more than they got last year because they are new starters or hugely increased by the committee.

Mr. Chairman, this is a pretty simple vote. It does not require a lot of heavy thought by any Member of this body. I am simply trying to stand up for fiscal sanity at a time of rampant fiscal profligacy.

I believe that if a committee brings us a bill with a double-digit increase over last year's, the House simply must stand up and say "stop." At some point we have got to stop representing the interests and begin to start representing the taxpayers.

Mr. Chairman, I urge an "aye" vote on my amendment.

Mr. NATCHER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, if this amendment is adopted here is what it means: total discretionary programs, a reduction of $2,961,256,656. It means in the Department of Labor there would be a $395,370,850 reduction. In the Job Corps there would be a $63,933,000 reduction. In the Summer Youth Program there would be a $61,200,000 reduction.

As far as the Department of Health and Human Services is concerned, the Department that is trying through the National Institutes of Health to conquer cancer, heart disease and stroke, all of the diseases that are doing so much to our people, a $1,145,000,000 reduction if this amendment is adopted. It means that acquired immune deficiency syndrome [AIDS], after we take it up to $945 million, this amendment would reduce it by $77 million.

National Institutes of Health, there it would be a $535 million reduction; cancer research, $118 million reduction; heart, lung and blood, $80 million reduction; arthritis, $12 million; aging, $16 million; mental health research, $30 million; nurse training, $4 million; maternal and child health care, $43 million; programs for the homeless, $7,384,000.

For Head Start, a $102 million reduction if you adopt this amendment.

The low income home energy assistance program, $148 million, if you adopt this amendment.

Mr. Chairman, for the Department of Education, a $1,358,000,000 reduction. Over a period of years we finally brought education up to $19.5 billion, 7½ percent of the total amount spent for education in this country.

Most of the education costs are paid by your counties, cities, and States. In the chapter I program for the disadvantaged, $374 million; education for the handicapped, $156 million; vocational education, if the amendment is adopted, would be reduced $73 million; student aid, $473 million; Pell grants alone, $363 million.

Mr. Chairman, other student aid, $110 million; libraries, an $11 million reduction if this amendment is adopted; Action, $13 million; public broadcasting, $19 million.

Mr. Chairman, as I have said briefly, in preparing and submitting this budget to the Congress, the total amount for vocational education was left out. In addition to that, Mr. Chairman, they have left out library services and other good programs that we had to restore.

They come in here and they say—this is OMB now; I do not blame this on the President—they come in here on basic biomedical research grants that mean so much to our people and they say, "Here is the way we are going to do that. We are going to cut it, but we are going to take it out of the current year's budget for 1987. In other words, cut out $334 million and let that come out of the current budget carried over into next year."

As I said to you a few minutes ago, I do not believe that President Reagan knows that some of these reductions are in this bill. And I say to you that no President that I have served with—and I have served with seven of them—none of them know all of these items and agencies and I say that to you frankly. It is just not possible.

If you said to the President, "Mr. President, did you know that library services, a little program for $144 million that means so much to the people in this country, was zeroed out of your budget?

Do you know what he would probably say to you? He would say, "No, I wasn't aware of it." I say that to you frankly.

Let us defeat this amendment. This amendment ought to be defeated.

Mr. TAUKE. Mr. Chairman, I ask unanimous consent that debate on this amendment conclude at 4 p.m.

The CHAIRMAN. The gentleman has requested debate conclude on this amendment at 4 p.m.

Does that include all amendments thereto?

Mr. TAUKE. This amendment and all amendments thereto, Mr. Chairman.

The CHAIRMAN. The gentleman from Iowa [Mr. TAUKE] ask unanimous consent to limit debate on the present amendment and all amendments thereto to conclude at 4 p.m.

Is there objection to the request of the gentleman from Iowa?

PARLIAMENTARY INQUIRIES

Mr. NATCHER. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. NATCHER. Mr. Chairman, what is the motion?

The CHAIRMAN. The request is that all debate on the amendment of the gentleman from Minnesota and any amendments thereto end at 4 p.m., in 6 minutes.

Is there objection to the request of the gentleman from Iowa?

Mr. HAWKINS. Mr. Chairman, reserving the right to object, may I ask is any one of the gentlemen seeking recognition who made the motion?

Mr. TAUKE. I am sorry. Would the gentleman repeat that?

Mr. HAWKINS. The point is, is all of the time going to be used by those who are now standing, or will some of that time be allocated to this side?

The CHAIRMAN. The gentleman from California [Mr. HAWKINS] is asking a parliamentary inquiry.

Under the unanimous-consent request the time could be allocated to those Members who are standing.

Mr. CONTE. Mr. Chairman, I have a parliamentary inquiry.

Mr. Chairman, I was standing when the gentleman made his request, in order to be recognized as a member of the committee to speak. I hope that I am going to get at least my 5 minutes.

The CHAIRMAN. The Chair has a choice, if the unanimous-consent request goes forward, of either allocating the time equally among those who are standing or dividing it between a proponent and an opponent.

Mr. CONTE. Mr. Chairman, then I object.

The CHAIRMAN. Objection is heard.

The gentleman from Massachusetts [Mr. CONTE] is a member of the committee. Does he seek recognition at this time?

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words.

□ 1555

Mr. CONTE. Mr. Chairman, I rise in opposition to the amendment to freeze discretionary programs at their fiscal year 1987 levels.

Mr. Chairman, I am tired of hearing this bill characterized as a budget buster. The simple fact is that when you look at the growth in these discretionary spending items over the last 8 years, you see that they represent a smaller portion of the total bill now than they did in fiscal year 1980. Further, you see that, where the fiscal year 1980 Labor-HHS-Eduation bill contained $34.3 billion in discretionary spending, the fiscal year 1988 bill before us today contains only $40.2 billion in discretionary spending. So, a full 8 years later, discretionary programs under this bill have grown only $5.9 billion. That small growth, over a period of 8 years, can hardly be blamed for the nearly $200 billion Federal deficit.

Furthermore, I am tired of hearing people stand up and say "Let's stop taking the easy way of showing concern for the health and welfare of our citizens by just throwing money at these programs." What ought to be stopped is the pretense that attacking these particular programs, which accounted for only 9 percent of the Federal Government's outlays in fiscal year 1987, will produce real deficit reduction. What ought to be stopped is picking on these small, vulnerable programs that comprise a tiny part of the Government's spending and trying to characterize them as the items that "push us over the top" when it comes to deficit spending.

Labor-HHS-Education discretionary spending has grown only 7.8 percent between 1980 and 1987. That percentage change is smaller than the growth in almost every other type of spending—it is smaller than the growth in "Energy and water development," than "Military construction," than

"Defense," than "Rural development," or the Treasury-Postal Service or Interior or Commerce-State-Justice or District of Columbia spending.

I am particularly surprised to see my colleague from Minnesota offer this amendment, because earlier this year he submitted a budget proposal that protected funding for the student aid and higher education programs.

The argument is repeatedly made that every program has to "do its bit" for deficit reduction. Well, sure, but only if the cut it takes is actually going to produce deficit reduction. But to acknowledge repeated failure to reform the budget process, and then to go ahead and take the guts out of individual appropriations bill anyway, is to go about this whole process backward.

We all know that the full amount of spending allocated by the budget resolution is going to get spent somewhere, by some committee, for some program. Well, I think this spending ought to take place right here, right now. There are no other programs that I want to see subsidized by the Labor-HHS-Education programs—and the American people don't want that either.

You know what this bill is? This bill is welfare reform, because it educates kids from low-income families and gives them a chance to do something with their lives. This bill is competitiveness, because it puts quality back into our education system and workplaces. This bill is hope and life for the hundreds of millions of Americans who are waiting for relief from AIDS and Alzheimer's, from arthritis and diabetes and deafness.

This bill is the future, and anybody who thinks they can be proud to go home and brag about ravaging these programs and canceling our investment in the future and in the health and education of our people, is sadly shortsighted and is sorely underestimating the intelligence of the American people.

I urge my colleagues to defeat this amendment.

Mr. TAUKE. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to my good friend, the gentleman from Iowa.

Mr. TAUKE. Mr. Chairman, the gentleman makes a very good point. But, of course, if we turn to page 4 of the committee report, we find the following quotation:

> In the aggregate total budget authority for labor, health and human services and education programs considered in the bill would increase from $421 billion in 1987 to $471 billion.

That is a $50 billion increase this year alone. Now, granted that is not all discretionary, but to assert that no money has been spent on labor, health, and education and these related services is just wrong. Obviously a lot of it has become mandatory rather than discretionary. But this is a $50 billion increase in this year, just 1 year alone.

Mr. CONTE. Mr. Chairman, the gentleman raises a very good question, a very legitimate question. But let us look at this chart. For 1980, for HHS and Education and Labor, we see $244.6 billion. This pink part of the chart here is $164.2 billion, which is Medicare, Social Security, and the other trust funds, and down here we have $46 billion appropriated in entitlements, which we cannot do a darned thing about. Then we have the discretionary funds of $34.3 billion, but this is 14 percent of that entire budget in 1980. All right, we take the 1988 budget, and we see what happened. Those trust funds have gotten even bigger. They now provide for $358.6 billion. The total is $475 billion, and on that little green chart they are down to $40.2 billion.

Mr. HAWKINS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think sometimes we can become so involved in talking about dollars and cents that we forget we are talking about the children and young people of this Nation who are seeking to go to college, along with the other human aspects of the subject.

The implication is that we are wasting billions of dollars on education and on putting people to work in this country. I think each of us honestly believes that that is not so. I think that there is a feeling that we want to take credit for whacking the devil out of the budget, and we think of nothing else. But the point is that since 1980, despite the fact that the dollars have been increased constantly each year, when adjusted for inflation, each year we have actually expended less on education in this country. In 1981 we cut education by 11.4 percent, in 1982 by 19.3 percent, in 1983 by 19.6 percent, in 1984 by 17.6 percent, in 1985 by 16.9 percent, in 1986 by a whopping 22.7 percent, and in fiscal year 1987 by 17 percent.

Now, each year we have, therefore, expended less on education in this country, a country which stands not at the top but about 17th among the industrialized nations of the world in literacy, and yet we are trying to compete with those other countries. That just does not make sense. Now, since that time we have cut 6 million children off from these programs. We have reduced the number of children served in chapter I by almost 1 million children.

So let us not talk in terms of dollars and cents. Let us talk in terms of the effect of what we have been doing in this Congress and with the assistance lent by the administration of advocating even deeper cuts. We have increased the illiterates in this country by 2.3 million each year since 1980. That has now built up to more than one-third of the population that is now improverished in terms of illiteracy and in terms of economics.

It seems to me we ought to talk in terms of what we are really doing. It is said that all of the programs in the Department of Education are now costing a little over $19 billion, but when you adjust for inflation—and these budget-cutting amendments do not adjust for inflation—we have actually reduced the amount available to the young people and the children of this Nation. So we have in that period of time reduced the total amount for the Department of Education by almost 6 percent.

I think that if we look at it this way, there is no need of talking about competing with other industrialized nations. Are the illiterates going to compete in the open market? Are we going to reduce the deficits by lowering the productivity of the wage earners of this country? That just does not make sense.

Mr. Chairman, I think that the committee has put together an excellent bill. It sounds like it is generous. It begins to go in the proper direction, and I think we should urge the committee to look seriously at the problems facing this Nation and reject these so-called budget-cutting amendments.

Mr. OBERSTAR. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this may be the most important bill that we vote on in this Congress because it deals with the needs of people here at home, people in their everyday lives. It deals with the future of our country, with education and training, as the chairman of the Committee on Education and Labor so eloquently said just a few moments ago.

This bill deals with matters of human equity. In this appropriation bill the committee has restored funds that the administration through OMB would have cut. It deals with vocational education. We have talked a great deal about productivity in America, about keeping America competitive, but if we do not have vocational education programs in this country, we are not going to train the workers of tomorrow for the skills of tomorrow. The administration proposed to eliminate $890 million in vocational education funding. This bill restores that funding and increases it to $900 million. That is the minimal amount. We should be doing more. We are only providing as much as we have done in the current year.

College work study is a program that helps the poorest and the neediest of our society, students from families at the lowest end of the economic ladder.

This bill restores those funds and restores the opportunity for children of poor families to have a higher education.

And then there is a trade adjustment assistance. We passed trade legislation just a few weeks ago in this body which said that we are going to put an emphasis on training, on education, on replacement of jobs lost through unfair trade practices by the adjustment assistance mechanism. This legislation restores funding that the administration proposed to eliminate. It would restore the entire $50 million budget for trade adjustment assistance. This fulfills a commitment made in Federal law in 1974, when we passed legislation that opened the doors on trade, to allow unfair trade practices and the goods produced by them to enter this country, to allow other countries to dump their unemployment on America's shores.

There are 12,000 people in my district who are out of work because of the imports of steel that have denied markets for iron ore in northern Minnesota, because the only market for our taconite is the domestic steel industry. Those workers are skilled and trained, and they want to have other jobs, but they cannot find work in the taconite industry. Under the trade adjustment assistance program, they will learn other skills and they will go somewhere else and find another job, or when we attract other industries, they will train for the skills that those industries will need in northern Minnesota.

There are 800 unemployed steelworkers in my district who have been laid off from the taconite industry, and who are likely to qualify for trade adjustment assistance, but who will not get a dime unless we pass this legislation, fund TAA, and give them an opportunity for a job. In fact, as of now, only 125 workers have been certified for TAA, and only one-half of them are being funded, because the appropriations have been inadequate, even with the supplemental we passed earlier this year, because the administration has failed to be tough on unfair trade practices, and failed to keep faith with the principles of the Trade Adjustment Assistance Program.

Then we have library services. When the disaster of steel imports hit and the iron ore economy of northern Minnesota went into recession, the laid-off workers went into the libraries to research job opportunities, to learn how to write a résumé, to learn where they could go for new job opportunities. It was the libraries that helped them learn those skills of job application, of writing résumés, of learning where they could get training opportunities.

Mr. Chairman, we spend more in this country on military marching bands than we spend and propose to spend in this budget for library services. I think that is an outrage. But this legislation will restore at least the level of funding, and just a little bit more, not even enough to keep pace with inflation, for one of the most important services in our entire society, that of library services.

Mr. Chairman, I think the amendment offered by my colleague, the gentleman from Minnesota [Mr. FRENZEL], would be a disaster. I think it should be defeated, and I urge the Members to vote against that amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. FRENZEL].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. TAUKE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 83, noes 341, not voting 9, as follows:

[Roll No. 303]

AYES—83

Archer
Armey
Badham
Baker
Ballenger
Bartlett
Barton
Boulter
Brown (CO)
Bunning
Callahan
Chandler
Cheney
Coble
Combest
Craig
Crane
Dannemeyer
Davis (IL)
DeLay
Dreier
Edwards (OK)
Fawell
Fields
Frenzel
Gallegly
Gingrich
Gradison
Gregg
Hall (TX)
Hansen
Hastert
Hefley
Herger
Holloway
Hopkins
Hunter
Inhofe
Ireland
Kasich
Kemp
Konnyu
Kyl
Lagomarsino
Lewis (CA)
Lott
Lowery (CA)
Lujan
Lukens, Donald
Lungren
Mack
Marlenee
Martin (IL)
McCandless
McCollum
McEwen
Michel
Miller (OH)
Moorhead
Nielson
Oxley
Packard
Petri
Porter
Schaefer
Sensenbrenner
Shaw
Shumway
Shuster
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Solomon
Stenholm
Stump
Sweeney
Swindall
Thomas (CA)
Upton
Vucanovich
Walker
Wortley

NOES—341

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Barnard
Bateman
Bates
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Biaggi
Bilbray
Bilirakis
Bliley
Boehlert
Boggs
Boland
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Broomfield
Brown (CA)
Bruce
Bryant
Buechner
Burton
Bustamante
Byron
Campbell
Cardin
Carper
Carr
Chapman
Chappell
Clarke
Clay
Clinger
Coats
Coelho
Coleman (MO)
Coleman (TX)
Collins
Conte
Conyers
Cooper
Coughlin
Courter
Coyne
Crockett
Darden
Daub
Davis (MI)
de la Garza
DeFazio
Dellums
Derrick
DeWine
Dickinson
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dowdy
Downey
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Emerson
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Fish
Flake
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Frost
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gilman
Glickman
Gonzalez
Goodling
Gordon
Grandy
Grant
Gray (IL)
Gray (PA)
Green
Guarini
Gunderson
Hall (OH)
Hamilton
Hammerschmidt
Harris
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Henry
Hertel
Hiler
Hochbrueckner
Horton
Houghton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Hyde
Jacobs
Jeffords
Jenkins
Johnson (CT)
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Kostmayer
LaFalce
Lancaster
Lantos
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Lowry (WA)
Luken, Thomas
MacKay
Madigan
Manton
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDade
McGrath
McHugh
McMillan (NC)
McMillen (MD)
Meyers
Mfume
Mica
Miller (CA)
Miller (WA)
Mineta
Moakley
Molinari
Mollohan
Montgomery
Moody
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Panetta
Parris
Pashayan
Patterson
Pease
Pelosi
Penny
Perkins
Pickett
Pickle
Price (IL)
Price (NC)
Pursell
Quillen
Rahall
Rangel
Ravenel
Ray
Regula
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Savage
Sawyer
Saxton
Scheuer
Schneider
Schroeder
Schuette
Schulze
Schumer
Sharp
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Snowe
Solarz
Spence
Spratt
Staggers
Stallings
Stangeland
Stark
Stokes
Stratton
Studds
Sundquist
Swift
Synar
Tauke
Tauzin
Taylor
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weber
Weiss
Weldon
Wheat
Whittaker
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)

NOT VOTING—9

Boner (TN)
Daniel
Dornan (CA)
Latta
Markey
Pepper
Roemer
St Germain
Tallon

□ 1620

Mrs. LLOYD and Messrs. LEVIN of Michigan, MORRISON of Connecticut, and DAUB changed their votes from "aye" to "no."

Mr. BARTON of Texas and Mr. HOLLOWAY changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. HOYER. Mr. Chairman, I move to strike the last word. Mr. Chairman, I will not take the 5 minutes. I rise to enter into a brief colloquy with my chairman.

Mr. Chairman, as the gentleman knows, section 202(4) of the Carl D. Perkins Vocational Educational Act provides for an 8.5-percent set-aside of the appropriated funds which authorizes serving individuals who are single parents and homemakers.

Mr. NATCHER. Mr. Chairman, if the gentleman will yield, I would like to say to my friend, who is a good member of this subcommittee, the answer is yes. We are aware of this set-aside.

Mr. HOYER. Mr. Chairman, the gentleman may also be aware that in the past the services provided under this section have been provided to pregnant teenagers.

Mr. Chairman, does the gentleman believe, as I do, that that policy should remain in effect?

Mr. NATCHER. Mr. Chairman, I say to the gentleman from Maryland [Mr. HOYER], we do believe that it should remain in effect and that that policy should remain in effect as it is at this time.

Mr. HOYER. Mr. Chairman, I thank the gentleman.

AMENDMENT OFFERED BY MR. TAUKE

Mr. TAUKE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TAUKE: Page 65, after line 23, insert the following new section:

SEC. 512. Notwithstanding any other provision of this Act, each amount appropriated in this Act which is not required to be appropriated by law shall be reduced by 4.07 percent.

Mr. TAUKE. Mr. Chairman, this amendment is very simple. It cuts the rate of increase in this bill in half. The bill provides for an 8.16-percent increase in discretionary funding that is contained in the bill. This cuts the rate of increase in discretionary funding to 4.08 percent.

Now, I regret that the first amendment I have an opportunity to offer is the across-the-board cut. There are many provisions in this bill which it seems to me should have been looked at individually.

For example, we have a 97-percent increase in AIDS research. In all the testimony that I have heard as a member of the Health Subcommittee, that is more money than can be spent effectively on AIDS research.

We have a 16.5-percent increase in chapter 1. As a member of the Education and Labor Committee, I have listened carefully to the testimony. I think that could be curtailed somewhat.

We have an increase of 15 percent in Pell grants. I have 13 private colleges. I love Pell grants, but I guess the bottom line is that on these programs and other programs we are in danger of loving them to death. We love these programs so much that we want to keep throwing at the programs until we come to the point where the deficit will make it impossible for us to continue these programs or other programs.

So we do not have the opportunity to look at the individual programs under the tight time limitations under which we are working, so we have to look at aggregates. I urge the Members to look at the aggregates in this legislation.

There are three key sets of figures that the Members should be acquainted with. The first relates to the total budget authority that is being allocated for Labor, Health and Human Services. Last year it was $421.9 billion. This year it is $471.3 billion, a $49.4 billion increase in this set of programs.

The second set of figures is the amount appropriated specifically by this bill. We have a $49.4 billion increase in the total amount of budget authority.

Now, appropriated in this bill we have $100.1 billion in fiscal year 1987. The committee proposes $112.7 billion.

Now, that is discretionary and mandatory, but nevertheless, it is a 12.5-percent increase.

Now, the committee members and the ranking member, the gentleman from Massachusetts, whom we all dearly love, pointed out with his charts that we do not have control over all that, and I understand.

We do we have control over? It is the discretionary funds, and that is the third set of figures.

We go from $33.3 to $36.3 billion, which is an 8.14-percent increase.

Now, that increase pales in comparison to the $50 billion increase in overall budget authority. It pales in comparison to the $12 billion, 12.5 percent increase, in the appropriated amounts in this bill, but it still is a significant amount of money over which we have control today in this bill.

This amendment then has that amount; $1½ billion is what we are cutting.

It still provides for a healthy 4.07-percent increase in all these discretionary programs. It still provides for over a 10-percent increase in the money appropriated totally in this bill and it still provides for $48 billion in additional spending in the general categories that are provided for under this legislation.

I know that this is but a pebble in the pond, but I think somewhere along the line where we have the chance, we have to hold the line. If we demonstrate that we will hold the line here, that sends the message to many others that we have got to hold the line elsewhere.

It is ironic that this week we voted for hard figures for the budget deficit sequestration program, and yet when it comes to the actual dollars in the programs, we find an inability to hold the increases down below 12.5 percent overall, or 8.1 percent in the discretionary level.

□ 1635

This is a small step but it is an important step, and I urge Members to join with us in reducing the rate of increase to 4 percent.

Mr. FORD of Michigan. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, if the gentleman is still on the floor I simply would say how much I enjoy working with him on the committee and how literally I was not going to participate in this debate because I did not believe that the gentleman from Iowa was really going to offer an amendment like this. It is totally out of character with the gentleman from Iowa and his conduct. As a Member and a very valued member of my subcommittee last Congress in reauthorizing the Higher Education Act, for example, the gentleman came up with a tremendous amendment that would let every farmer in the United States who is suffering problems disregard the value of the farm property for the purpose of qualifying for a Pell grant. I am shocked to see that this amendment cuts $181 million out of Pell grants. Surely the gentleman did not mean to give the Iowa farmers with one hand what he would take away with the other hand, and perhaps this is an oversight.

Did the gentleman intend that?

Mr. TAUKE. Mr. Chairman, will the gentleman yield?

Mr. FORD of Michigan. I yield to the gentleman from Iowa.

Mr. TAUKE. Mr. Chairman, first I thank the gentleman for what I think were kind comments about this amendment being out of character.

We are all anxious to do everything we can to help those people back home. I have just reached the conclusion that the best way that I can help the people back home is to fight for them to the greatest extent possible within certain budgetary limitations.

I think that the greatest threat to the folks back home at the moment is not the 4-percent cut in the Pell Grant Program, it is the runaway Federal deficit that we have.

Mr. FORD of Michigan. The gentleman referred to his amendment as but a pebble in the pond. God forgive us if we ever saw a boulder that was described in the same way as the gentleman describes a pebble. This pebble is the size of the Grand Coulee Dam, and unfortunately that huge pebble is going to be carried by the people in our society who are least able to bear that burden.

The gentleman takes away from the programs of education for the disadvantaged $187 million. It takes away from education to the handicapped $78 million, vocational education, $37 million, student aid, $236 million.

What the gentleman is doing by cutting back on the investment in human resources for the future of this country by those kinds of cuts is in my mind penny-wise and pound-foolish, and it is totally, as I said, inconsistent with the gentleman's performance for several years on the committee because he has always looked forward to educational expenditures being an investment in the future of this country, an investment in the training and education of our people for the good of this country. He has been in the forefront of very progressive moves, and I hope it will not be any embarrassment to the gentleman to be referred to as a progressive. But I have always regarded him as a progressive Member of the House.

I think this is just an ill-conceived and poorly contrived amendment that because of the last atrocious amendment happens to be approximately half of what the last one was and the gentleman thought maybe that would be a good place to do it. I think we owe it to the gentleman, in keeping with his fine performance heretofore, and I hope hereafter as an outstanding Member from the State of Iowa, to vote this amendment down resoundingly and save him from the folly of this pebble the size of the Boulder Dam being dropped into the pond of American education.

Mr. McMILLAN of North Carolina. Mr. Chairman, I rise in support of the amendment.

Mr. CHAIRMAN. We all have the greatest respect for Chairman NATCHER, who has done an excellent job of setting priorities in this bill, and the ranking member, Congressman SIL CONTE. However, we must look beyond this appropriations bill to see the broader picture.

Each of us in the House is responsible for the Federal budget deficit. Each time we cast a vote we either add to the budget deficit or we reduce it. There is no place for us to hide and shirk our responsibilities to the American people.

Unfortunately, after two decades of budget deficits, Members of the House have to agree with the immortal words of the cartoon character, Pogo, when he said, "We have met the enemy and he is us." The American people certainly agree with that sentiment.

Despite the pressing priorities set in this appropriations bill, and there are many, none of them are more pressing to the United States as a whole than the $175 billion-plus budget deficit that is staring us in the face.

We have simply been borrowing from our children and grandchildren long enough and no amount of argument on the relative merits of any of the line-items in this appropriations bill, or any other, can obscure the fact that the budget deficit is our Nation's No. 1 problem.

A recent report by CBO projects that, without changes in current spending or tax policies, the deficit for the fiscal year beginning October 1, exactly 56 days from today, will be $182 billion. If, by some slim chance, a $20 billion tax increase is passed by this House to meet the budget resolution passed for fiscal year 1988 and the President signs it, the budget deficit may fall to $162 billion or so.

But I do not think that we, as Members elected to do the tough job of reducing the deficit, should hold our breath waiting for that $20 billion.

The bipartisan task force has offered amendments to seven previous appropriations bills to achieve real savings of $7 billion in budget outlays by the end of the appropriations process, about one-half of the total proposed increase.

To date, we have sought $1.73 billion in reductions in the amount of proposed increases over fiscal year 1987. Regrettably, the running total is only $515.4 million, but we are thankful even for that amount of real savings.

As a matter of setting national priorities, I suggest that reducing the budget deficit should always remain at the top. Is the 100th Congress really serious about deficit reduction?

Here we have another chance to prove we mean business, not by reducing important programs which we all value, but by simply reducing the size of the increase from last year.

The overall increase in discretionary spending for this appropriations bill is 8.14 percent or $2.953 billion. We are asking for only a 4.07-percent increase to save $1.47 billion.

This amendment does not override the relative priorities set by the distinguished subcommittee on matters of health, education, and labor issues for our Nation. It does not even address the 15-percent increase of $9.7 billion in entitlement programs that are included in this bill.

Mr. Chairman, I say to the Members, if you are serious about the No. 1 priority in this Nation, you can vote yes and still increase this bill by more than the rate of inflation without cutting any program to the point where it will be ineffective in dealing with the problems facing us today.

Mr. EARLY. Mr. Chairman, I move to strike the last word and I rise in opposition to the amendment.

Mr. Chairman, this amendment, although well intentioned, really asks to cut the sickest of the sick to pay for our deficit. I want to speak specifically to NIH. In the 1970's we funded as many as 60 percent of the approved grants in a given year. This bill, which I feel is underfunded in its present form, funds only 35 percent of the approved grants and leaves 65 percent unfunded. With this amendment it would reject another 800 basic investigator-initiated grants. These grants are the primary source of our scientific capital. They provide the basis for new knowledge and from which new diagnostic procedures, new treatments, and cures will come.

But never mind, we hear a lot about statistics. As the previous gentleman said, let us speak about who pays for these reductions. In testimony before our committee this year, Dr. Norman Sherry, representing the American Academy of Pediatrics, said to the committee, with regard to the survival rate of newborn infants, which serves as an indicator of how well society cares for its children, that indicator says that we are not doing a very good job in the United States. The United States, the number one power in the world, the United States ranks 17th in the world. That means 16 countries have more survivals, survivors in the first year of life than we do, and that in itself, in his words, is a national shame.

We do not have much money in this bill for that program. Now we are suggesting we take another 4 percent from them.

To all of the people in government who like to talk about what they do for minorities and the underprivileged, the minority survival rate, the mortality rate is 18.4 percent. We have not improved that in the last several years.

I listened, as Chairman NATCHER listens every year, to Mr. STOKES, who represents everyone—minorities and nonminorities—everyone, and he cannot understand why that has not improved for minorities. This amendment wants to cut more to balance the budget, so to speak.

In the section of the report on gene mapping, which is relatively new, if people in this body that are suggesting these cuts read the report, we show, with regards to gene mapping, that researchers have already mapped many genes. They have found the approximate locations for Huntington's disease, muscular dystrophy, retinoblastoma, which is cancer of the eye in children, cystic fibrosis, Alzheimer's disease, and others. What we are going to be able to do is trace those genes and probably remove them.

What we are doing here with just this 4-percent cut, we say we are not going to cut all of the money, but what disease that we are identifying the gene and the chromosome that causes them, which one do you want to eliminate? Maybe it is cystic fibrosis? This group said let the private sector get involved. With regard to CF, the private sector went out and they raised $15 million for the 33,000 people that are affected with CF, from the parents and friends of these people. We had proposed cuts a couple of years ago, and that was going to cut out the program that identified the Huntington's gene.

What you are doing in this amendment is showing a lack of compassion. Who should balance the budget? Not the sickest of the sick.

What we do in this budget, my friend who offered this amendment, for whom I have great respect, said we cannot spend the money for AIDS research effectively. If my colleagues read one of the outside statements in the report, in the last paragraph, a review of the grants now pending at one Institute, the National Institute of General Medical Sciences, indicates that about 200 highly evaluated research proposals in molecular and cell biology, pharmacology and biophysics that have long range relevance to the understanding of how the AIDS virus causes the disease will go unfunded even at the level in the bill.

We have numerous clinical trials. When we talk about birth rate or in fact mortality, there are clinical trials for mortality that are not funded even in our bill—if you want to reduce even further.

Mr. Chairman, we should be responsible. The most important thing in the House of Representatives should not be getting reelected. The people that are using these across-the-board cuts on the sickest of the sick, the poorest of the poor, are totally irresponsible, in my opinion.

If my colleagues want to get where the savings are, where you can get savings is in entitlements, but no one will come in here and tell the people that you have to cut entitlements, because you have to identify one of two variables: The amount of the stipend or the number of eligibles.

I hope the amendment is defeated.

PREFERENTIAL MOTION OFFERED BY MR. ARMEY

Mr. ARMEY. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. ARMEY moves that the Committee do now rise and report the bill to the House with the recommendation that the enacting clause be stricken out.

The CHAIRMAN. The gentleman from Texas [Mr. ARMEY] is recognized for 5 minutes on his preferential motion.

Mr. CONTE. Mr. Chairman, I rise in opposition to the motion.

Mr. ARMEY. Mr. Chairman, I have finally found out the secret to why we have the deficits. We increase spending with smaller dollars than we cut spending by. When we bring a $500-million spending bill to the floor for a whole new program not previously authorized we are told it is such a little bit of money.

□ 1650

And then when we tried to cut $150 million out of an entire title covering several spending programs that leaves, for example, in the case of Job Corps, a 16.5-percent increase, we are told it is a terrible ax, it is going to cut everybody's head off, is going to shut down the program, despite the fact that they are left with a 16.5-percent increase.

Now we have had a rather curious series of parliamentary moves earlier today and what it amounted to was a series of unanimous-consent requests and then a vote that limited time on this bill and all amendments to 5 today.

Because of that time limitation, there are Members who will not be able to offer the amendments they had planned or will be constrained to offer them without debate. Mr. NATCHER who made the motion told us and told us with clarity and sincerity as he does that everybody's right to offer an amendment will be protected. But in fact it is not protected.

So recognizing that we have had Members who are serious in their effort to try to reduce spending that have, by this restriction on the time, had their ability to do so eliminated or at least abridged.

Mr. ARMEY. Mr. Chairman, I ask unanimous consent that in the interest of fulfilling Mr. NATCHER's pledge, we extend the time for debate of this bill and its amendments to 6 p.m.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. AuCOIN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. ARMEY. Mr. Chairman, what is the parliamentary procedure?

The CHAIRMAN. The gentleman from Texas [Mr. ARMEY] still has time on his motion and is recognized.

Mr. ARMEY. Is it all right for me to ask the people who objected to identify themselves? I would just like to know who objected because, of course, it was Mr. NATCHER's promise that was objected to, in an effort to keep it, not my promise. So we should know who is objecting.

So in any event, it is clear that we have——

Mr. BARTLETT. Mr. Chairman, will the gentleman yield?

Mr. ARMEY. I yield to the gentleman from Texas.

Mr. BARTLETT. I thank the gentleman for yielding.

Is the gentleman saying that Mr. NATCHER, the subcommittee chairman, had committed to a full debate?

Mr. ARMEY. When I had abstained from objecting to an earlier request he assured us and in good faith because he is as we all know, a man of enormously good faith, he assured us that everybody's right to offer their amendment would be protected.

We had—we lost an hour as I indicated earlier by people wanting to extend the general debate by the 5-minute rule and now I am asking that we have it back in the interest of those people who have lost their opportunity by the loss of that hour.

Mr. NATCHER. Mr. Chairman, will the gentleman yield to me?

Mr. ARMEY. I yield to the gentleman from Kentucky [Mr. NATCHER].

Mr. NATCHER. I thank the gentleman for yielding.

Will the gentleman inform the members of the committee as to how many other amendments, reduction amendments the gentleman has in mind? Can you tell us how many there are?

Mr. ARMEY. I would say at least six—at least five.

Mr. NATCHER. Would you tell us where the six are?

Mr. DORNAN of California. Mr. Chairman, will the gentleman yield?

Mr. ARMEY. I would be happy to yield to the gentleman from California who by my reckoning has four.

Mr. DORNAN of California. I thank the gentleman for yielding.

Mr. Chairman, this gentleman had four—had three, Mr. NATCHER, but I agreed to not submit the first one based upon a colloquy between ourselves. No. 2 is on AIDS. There is no authorization bill, this is an open rule and it may be my last chance this year to discuss on the floor contact tracing. That was important to me.

No. 3 is on the RU-486 abortifacient death pill that came out of France. I want to offer that amendment because it is germane.

Mr. ARMEY. Would the gentleman clarify my understanding which is that the gentleman made these concessions knowing at the time the constraint was closing you off anyway.

Mr. DORNAN of California. Yes, I thought I was protected, I certainly did.

Mr. BARTLETT. Mr. Chairman, will the gentleman yield?

Mr. ARMEY. I will be happy to yield to the gentleman from Texas.

Mr. BARTLETT. I thank the gentleman for yielding, because as I understand it then there are two amendments that the gentleman from California had worked on that are germane and he had been assured he would have the opportunity to offer them. Mr. TAUKE has offered a very important amendment that goes to the heart of this.

The CHAIRMAN. The time of the gentleman from Texas [Mr. ARMEY] has expired.

Mr. BARTLETT. Mr. Chairman, I ask unanimous consent that the gentleman from Texas [Mr. ARMEY] have two additional minutes.

The CHAIRMAN. The Chair must advise the gentleman that time cannot be extended on a preferential motion.

The gentleman from Massachusetts [Mr. CONTE] was seeking 5 minutes in opposition to the preferential motion, and accordingly he will be recognized at this point in the debate.

Mr. BARTLETT. Mr. Chairman, will the gentleman from Massachusetts yield briefly?

Mr. CONTE. Just briefly, I yield to the gentleman from Texas.

Mr. BARTLETT. I thank the gentleman for yielding for a followup on what was being discussed. I will just say there are two amendments of substance, one amendment on funding which we are currently debating and an additional amendment by Mr. PENNY which he would seek to offer on funding.

I would simply hope that we can prolong the debate until 6, long enough for those who wish to speak briefly on those amendments be able to speak on those amendments and offer those amendments in an orderly fashion between now and 6. Between now and 6 is not completely orderly but at least it gives some prospect for the House to consider those.

Mr. WEBER. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I will yield very briefly to the gentleman so that he could get his point across. Otherwise I will not have any time left.

Mr. WEBER. I thank the gentleman for yielding. I will not take a lot of time. The gentleman from California had intended to offer an amendment to this bill on a very sensitive issue and the chairman and I will have discussed it and I would ask my colleague from Massachusetts to yield briefly to the gentleman from California.

Mr. CONTE. I yield briefly to the gentleman from California to have a colloquy with the chairman.

Mr. DORNAN of California. I thank the gentleman for yielding.

Mr. Chairman, we discussed this first amendment of mine that involves giving some guidance to Health and Human Services on hospitals across this Nation that receive Federal money that would deny nutrition to patients who are very ill, even terminal. We have a former Member of our body, this just occurred to me in discussion with one of the Members from Maryland, who is at this moment in a hospital in Maryland in a coma without a heart machine, without a lung machine, no heroic life support, but is being sustained by nutrition. I am talking of our former distinguished Member from Maryland, Gladys Spellman.

Now I do not know of anybody in this Chamber who is for denying nutrition in addition to the other heroic means that every religion agrees is the option of doctors in consultation with loved ones to not continue sustaining someone's life in that heroic manner.

However, in my amendment which you, I understand, Mr. Chairman, are going to work into the bill in an advisory capacity, this does not involve those rare cases of terminal cancer, for example, where the giving of increases the pain significantly and even would hasten death.

Mr. CONTE. Would the gentleman please make his point.

Mr. DORNAN of California. That is it. Good.

Mr. NATCHER. Mr. Chairman, will the gentleman yield to me at this point?

Mr. CONTE. Yes, I yield to the distinguished chairman.

Mr. NATCHER. Mr. Chairman, I would like to say to the gentleman from California this is a matter that he has discussed with the committee and asked that we have hearings on.

I say to the gentleman we will take it up when the subcommittee meets, we will take it up, we will hear the witnesses and we will give it every consideration.

Mr. DORNAN of California. Again, I salute you.

Mr. ARMEY. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I cannot. I only have about a minute left.

The CHAIRMAN. The gentleman from Massachusetts [Mr. CONTE] has 2 minutes remaining.

Mr. CONTE. I hope we can get back to focusing on the Tauke amendment, which cuts 4.2 percent of discretionary programs across the board.

Mr. Chairman, I rise in opposition to this amendment. And I'll rise in opposition to any amendment—whether it's an across-the-board cut or a freeze or whatever other variation someone can dream up—which would whack the policy out of this bill and leave behind some of the dollars.

This one would take 4.2 percent out of the discretionary programs in the Department of Labor, Health and Human Services, and Education. That's $1.476 billion.

These kinds of amendments simply wipe out all of the effort that has gone into this bill since February, when we started hearings, and substitute for our policy and judgement and responsibility a cut-and-dried formula which would masquerade as responsible budgeting. In addition, it would reverse the priorities established by the budget resolution that called for substantial increases in education funding, and allowed inflation growth in other areas.

Amendments like this not only gut programs, but also gut the roles of the Appropriations Committee and its Labor HHS Education Subcommittee, which is to examine programs authorized to promote training, health, and education of our people and to recommed funding levels necessary to achieve the goals of those programs. Instead, they are backdoor attempts to deal with the failure of the budget process. I strongly agree that the budget process is a failure. But I can't agree at all that the Labor-HHS-Education programs should pay for that

If we could be sure that spending less than our 302(b) allocation would reduce the deficit—and would not be used to fatten another bill like agriculture of defense—then I might help you keep down spending education of the handicapped, or children's welfare, or research into a treatment for diabetes.

But, I know better.

Amendments like this are designed to take a shot at reducing the bill in some amount. But, with this kind of amendment, it doesn't really matter now much or where the cut is—just so long as you can make a reduction.

We all put out press releases to our district for many reasons. My press release goes to unemployed youth on the street of our towns who have dropped out of high school or are pregnant or are trying to find a job without a skill.

My press release says to these kids that their government does care and is willing to spend a little for a Job Corps center where they can learn a skill and get socialized into the world of work and responsibility. Twenty-four hundred of these kids would get that opportunity under this bill, and I'm not going to stand by and see it go out the window.

I've also got a press release for the juvenile diabetic that tells her that she has something else to look forward to besides losing a arm or a leg, or her sight, or the use of her kidneys before she dies at an early age.

I want her to know that the National Institute of Diabetes and Digestive and Kidney Diseases has just discovered that her disease is due to problems on several genes that they have begun to identify, and maybe you can benefit from a transplanted pancreas that could turn your life around. NIDDK is closer to that day with the $52.3 million increase we provide in this bill.

And, I've got a press release for the low income and educationally disadvantaged young person who gets a fair start in school through Head Start, goes on through grammar and high school with help from chapter 1, finds out about opportunity and how to pursue it through the TRIO Program, and can afford to attend college through a combination of Federal, State, and institutional student aid.

H.R. 3058 provides an additional $125.4 million for Head Start; $650.8 million additional to reach more kids with better services under chapter 1; new Outreach, tutoring, and counseling opportunities through the $38.6 million additional for TRIO; and a substantially better chance of attending a college or university without being saddled with excessive debt, through the $649 million increase in student aid programs.

I urge defeat of this amendment.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Texas [Mr. ARMEY].

The preferential motion was reject-

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. TAUKE].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. TAUKE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device and there were—ayes 145, noes 280, not voting 8, as follows:

[Roll No. 304]

AYES—145

Andrews
Archer
Armey
Badham
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Bates
Bennett
Bereuter
Bliley
Boulter
Brown (CO)
Buechner
Bunning
Burton
Callahan
Carper
Chandler
Cheney
Coats
Coble
Combest
Cooper
Courter
Craig
Crane
Dannemeyer
Darden
Daub
Davis (IL)
DeLay
DeWine
Dickinson
DioGuardi
Dornan (CA)
Dreier
Edwards (OK)
Emerson
English
Fawell
Fields
Frenzel
Gallegly
Gallo
Gekas
Gingrich
Gradison
Grandy
Gregg
Hall (TX)
Hammerschmidt
Hansen
Hastert
Hefley
Herger
Hiler
Holloway
Hopkins
Houghton
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
Kasich
Kemp
Kolbe
Konnyu
Kyl
Lagomarsino
Leach (IA)
Leath (TX)
Lewis (FL)
Lightfoot
Lott
Lowery (CA)
Lujan
Lukens, Donald
Lungren
Mack
MacKay
Manton
Marlenee
Martin (IL)
McCandless
McCollum
McEwen
McGrath
McMillan (NC)
Mica
Michel
Miller (OH)
Miller (WA)
Molinari
Moorhead
Nichols
Nielson
Olin
Oxley
Patterson
Penny
Porter
Ravenel
Rhodes
Ridge
Ritter
Roberts
Robinson
Saxton
Schaefer
Schulze
Sensenbrenner
Shaw
Shumway
Shuster
Slaughter (VA)
Smith (NE)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Solomon
Spence
Stallings
Stenholm
Stump
Sundquist
Sweeney
Swindall
Tauke
Taylor
Thomas (CA)
Upton
Vucanovich
Walker
Whittaker
Wortley
Young (AK)

NOES—280

Ackerman
Akaka
Alexander
Anderson
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Beilenson
Bentley
Berman
Bevill
Biaggi
Bilbray
Bilirakis
Boehlert
Boggs
Boland
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Broomfield
Brown (CA)
Bruce
Bryant
Bustamante
Byron
Campbell
Cardin
Carr
Chapman
Chappell
Clarke
Clay
Clinger
Coelho
Coleman (MO)
Coleman (TX)
Collins
Conte
Conyers
Coughlin
Coyne
Crockett
Davis (MI)
de la Garza
DeFazio
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Dowdy
Downey
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Fish
Flake
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Frost
Garcia
Gaydos
Gejdenson
Gibbons
Gilman
Glickman
Gonzalez
Goodling
Gordon
Grant
Gray (IL)
Gray (PA)
Green
Guarini
Gunderson
Hall (OH)
Hamilton
Harris
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Henry
Hertel
Hochbrueckner
Horton
Howard
Hoyer
Jeffords
Jenkins
Johnson (CT)
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lancaster
Lantos
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (GA)
Lipinski
Lloyd
Lowry (WA)
Luken, Thomas
Madigan
Markey
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDade
McHugh
McMillen (MD)
Meyers
Mfume
Miller (CA)
Mineta
Moakley
Mollohan
Montgomery
Moody
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal
Nelson
Nowak
Oakar
Oberstar
Obey
Ortiz
Owens (NY)
Owens (UT)
Packard
Panetta
Parris
Pashayan
Pease
Pelosi
Perkins
Petri
Pickett
Pickle
Price (IL)
Price (NC)
Pursell
Quillen
Rahall
Rangel
Ray
Regula
Richardson
Rinaldo
Rodino
Roe
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Savage
Sawyer
Scheuer
Schneider
Schroeder
Schuette
Schumer
Sharp
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NJ)
Smith, Robert (OR)
Snowe
Solarz
Spratt
Staggers
Stangeland
Stark
Stokes
Stratton
Studds
Swift
Synar
Tallon
Tauzin
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weber
Weiss
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wyden
Wylie
Yates
Yatron
Young (FL)

NOT VOTING—8

Boner (TN)
Daniel
Gephardt
Latta
Livingston
Pepper
Roemer
St Germain

☐ 1705

Mr. PACKARD changed his vote from "aye" to "no."

Mr. COBLE changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

☐ 1720

AMENDMENT OFFERED BY MR. PENNY

Mr. PENNY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PENNY: Page 65, after line 23, insert the following new section:

> SEC. 512. Notwithstanding any other provision of this Act, each amount appropriated in this Act which is not required to be appropriated by law shall be reduced by 2 percent.

The CHAIRMAN. The Chair will advise Members there is no time for debate on this amendment, or any subsequent amendments.

The question is on the amendment offered by the gentleman from Minnesota [Mr. PENNY].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTES

Mr. PENNY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 181, noes 245, not voting 7, as follows:

[Roll No. 305]

AYES—181

Andrews
Applegate
Archer
Armey
Badham
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Bates
Bennett
Bereuter
Bilirakis
Bliley
Bosco
Boulter
Broomfield
Brown (CO)
Buechner
Bunning
Burton
Byron
Callahan
Carper
Chandler
Chapman
Cheney
Coats
Coble
Coleman (MO)
Combest
Cooper
Courter
Craig
Crane
Dannemeyer
Darden
Daub
Davis (IL)
DeLay
DeWine
Dickinson
DioGuardi
Dornan (CA)
Dreier
Duncan
Edwards (OK)
Emerson
English
Erdreich
Fawell
Fields
Fish
Flippo
Frenzel
Gallegly
Gallo
Gekas
Gingrich
Gordon
Gradison
Grandy
Gregg
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Harris
Hastert
Hatcher
Hefley
Herger
Hiler
Holloway
Hopkins
Houghton
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
Jenkins
Kasich
Kemp
Kolbe
Konnyu
Kyl
Lagomarsino
Lancaster
Leach (IA)
Leath (TX)
Lent
Lewis (FL)
Lightfoot
Lott
Lowery (CA)
Lujan
Lukens, Donald
Lungren
Mack
MacKay
Marlenee
Martin (IL)
Martin (NY)
McCandless
McCollum
McEwen
McGrath
McMillan (NC)
Meyers
Mica
Michel
Miller (OH)
Miller (WA)
Molinari
Moorhead
Neal
Nichols
Nielson
Olin
Oxley
Packard
Pashayan
Patterson
Penny
Petri
Porter
Ravenel
Regula
Rhodes
Ridge
Ritter
Roberts
Robinson
Roth
Roukema
Rowland (CT)
Rowland (GA)
Saxton
Schaefer
Schulze
Sensenbrenner
Shaw
Shumway
Shuster
Slaughter (VA)
Smith (NE)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solomon
Spence
Stallings
Stangeland
Stenholm
Stump
Sundquist
Sweeney
Swindall
Tauke
Taylor
Thomas (CA)
Upton
Vander Jagt
Vucanovich
Walker
Weldon
Whittaker
Wolf
Wortley
Wylie

NOES—245

Ackerman
Akaka
Alexander
Anderson
Annunzio
Anthony
Atkins
AuCoin
Beilenson
Bentley
Berman
Bevill
Biaggi
Bilbray
Boehlert
Boggs
Boland
Bonior (MI)
Bonker
Borski
Boucher
Boxer
Brennan
Brooks
Brown (CA)
Bruce
Bryant
Bustamante
Campbell
Cardin
Carr
Chappell
Clarke
Clay
Clinger
Coelho
Coleman (TX)
Collins
Conte
Conyers
Coughlin
Coyne
Crockett
Davis (MI)
de la Garza
DeFazio
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Dowdy
Downey
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Espy
Evans
Fascell
Fazio
Feighan
Flake
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Frost
Garcia
Gaydos
Gejdenson
Gibbons
Gilman
Glickman
Gonzalez
Goodling
Grant
Gray (IL)
Gray (PA)
Green
Guarini
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Henry
Hertel
Hochbrueckner
Horton
Howard
Hoyer
Jeffords
Johnson (CT)
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lantos
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (GA)
Lipinski
Livingston
Lloyd
Lowry (WA)
Luken, Thomas
Madigan
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDade
McHugh
McMillen (MD)
Mfume
Miller (CA)
Mineta
Moakley
Mollohan
Montgomery
Moody
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Nelson
Nowak
Oakar
Oberstar
Obey
Ortiz
Owens (NY)
Owens (UT)
Panetta
Parris
Pease
Pelosi
Perkins
Pickett
Pickle
Price (IL)
Price (NC)
Pursell
Quillen
Rahall
Rangel
Ray
Richardson
Rinaldo
Rodino
Roe
Rogers
Rose
Rostenkowski
Roybal
Russo
Sabo
Saiki
Savage
Sawyer
Scheuer
Schneider
Schroeder
Schuette
Schumer
Sharp
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NJ)
Solarz
Spratt
St Germain
Staggers
Stark
Stokes
Stratton
Studds
Swift
Synar
Tallon
Tauzin
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weber
Weiss
Wheat
Whitten
Williams
Wilson
Wise
Wolpe
Wyden
Yates
Yatron
Young (AK)
Young (FL)

NOT VOTING—7

Aspin
Boner (TN)
Daniel
Gephardt
Latta
Pepper
Roemer

□ 1730

Mr. SMITH of Florida changed his vote from "aye" to "no."

Mr. GORDON changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. WALKER

Mr. WALKER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALKER: On page 62, beginning on line 3, delete all through line 7.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. WALKER].

The amendment was agreed to.

The CHAIRMAN. All time having expired on the bill and amendments thereto——

Mr. DORNAN of California. Mr. Chairman, I have an amendment at the desk.

The CHAIRMAN. The Clerk will report the amendment, and then the Chair will recognize the gentleman from Kentucky [Mr. NATCHER].

The Chair must ask, the gentleman has several amendments at the desk. Which amendment is the gentleman referring to?

Mr. DORNAN of California. The final and last amendment, the abortifacient death pill.

The CHAIRMAN. For what purpose does the gentleman from Kentucky rise?

Mr. NATCHER. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill, as amended, do pass.

The CHAIRMAN. The Chair would indicate to the gentleman from California that the Chair believes the gentleman understands correctly that his amendment can only be in order if the motion to rise fails, so the Chair must recognize the gentleman from Kentucky to make the motion to rise, which the gentleman has done.

Therefore, the question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER] that the Committee do now rise.

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. DORNAN of California. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 237, noes 188, not voting 8, as follows:

[Roll No. 306]

AYES—237

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Aspin
Atkins
AuCoin
Bates
Beilenson
Bennett
Berman
Bevill
Biaggi
Boehlert
Boggs
Boland
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Brown (CA)
Bruce
Bryant
Bustamante
Campbell
Cardin
Carr
Chandler
Chapman
Chappell
Clarke
Clay
Coelho
Coleman (TX)
Collins
Conte
Conyers
Cooper
Coyne
Crockett
Darden
de la Garza
DeFazio
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Dowdy
Downey
Duncan
Durbin
Dwyer
Dymally
Early
Eckart
Edwards (CA)
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Feighan
Flake
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Frenzel
Frost
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gibbons
Glickman
Gonzalez
Goodling
Gordon
Grant
Gray (IL)
Gray (PA)
Green
Guarini
Hall (OH)
Harris
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Hertel
Horton
Houghton
Howard
Hoyer
Hughes
Jacobs
Jeffords
Jenkins
Johnson (CT)
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kaptur
Kastenmeier
Kennedy
Kennelly
Kolbe
Kolter
Kostmayer
Lancaster
Lantos
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Lowry (WA)
MacKay
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCurdy
McDade
McHugh
McMillen (MD)
Meyers
Mfume
Mica
Miller (CA)
Mineta
Moakley
Moody
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murtha
Nagle
Natcher
Neal
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Panetta
Patterson
Pease
Pelosi
Perkins
Pickett
Pickle
Porter
Price (IL)
Price (NC)
Pursell
Quillen
Rahall
Rangel
Rodino
Roe
Rose
Rostenkowski
Roukema
Rowland (GA)
Roybal
Sabo
Saiki
Savage
Sawyer
Scheuer
Schneider
Schroeder
Schumer
Sharp
Sisisky
Skaggs
Slaughter (NY)
Smith (FL)
Smith (IA)
Snowe
Solarz
Spratt
Stark
Stokes
Studds
Swift
Synar
Thomas (CA)
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Udall
Valentine
Vento
Visclosky
Walgren
Watkins
Waxman
Weiss
Wheat
Whittaker
Whitten
Williams
Wilson
Wise
Wolpe
Wyden
Yates
Yatron

NOES—188

Applegate
Archer
Armey
Badham
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Bentley
Bereuter
Bilbray
Bilirakis
Bliley
Boulter
Broomfield
Brown (CO)
Buechner
Bunning
Burton
Byron
Callahan
Carper
Cheney
Clinger
Coats
Coble
Coleman (MO)
Combest
Coughlin
Courter
Craig
Crane
Dannemeyer
Daub
Davis (IL)
Davis (MI)
DeLay
DeWine
Dickinson
DioGuardi
Dornan (CA)
Dreier
Dyson
Edwards (OK)
Emerson
Fields
Fish
Gallegly
Gilman
Gradison
Grandy
Gregg
Gunderson
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Hastert
Hefley
Henry
Herger

Hiler
Hochbrueckner
Holloway
Hopkins
Hubbard
Huckaby
Hunter
Hutto
Hyde
Inhofe
Ireland
Kanjorski
Kasich
Kemp
Kildee
Kleczka
Konnyu
Kyl
LaFalce
Lagomarsino
Leach (IA)
Leath (TX)
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Lloyd
Lott
Lowery (CA)
Lujan
Luken, Thomas
Lukens, Donald
Lungren
Mack
Madigan
Marlenee
Martin (NY)
McCloskey
McCollum
McEwen
McGrath
McMillan (NC)
Michel
Miller (OH)
Miller (WA)
Molinari
Mollohan
Montgomery
Moorhead
Murphy
Myers
Nelson
Nichols
Nielson
Nowak
Owens (UT)
Oxley
Packard
Parris
Pashayan
Penny
Petri
Ravenel
Ray
Regula
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Rogers
Roth
Rowland (CT)
Russo
Saxton
Schaefer
Schuette
Schulze
Sensenbrenner
Shaw
Shumway
Shuster
Sikorski
Skeen
Skelton
Slattery
Slaughter (VA)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Solomon
Spence
St Germain
Staggers
Stallings
Stangeland
Stenholm
Stratton
Stump
Sundquist
Sweeney
Swindall
Tallon
Tauke
Tauzin
Taylor
Traxler
Upton
Vander Jagt
Volkmer
Vucanovich
Walker
Weber
Weldon
Wolf
Wortley
Wylie
Young (AK)
Young (FL)

NOT VOTING—8

Boner (TN)
Daniel
Gephardt
Gingrich
Latta
Martin (IL)
Pepper
Roemer

☐ 1745

Messrs. GILMAN, MOLLOHAN, ST GERMAIN, and TAUZIN, Mrs. SMITH of Nebraska, and Mrs. LEWIS of California changed their votes from "aye" to "no."

So the motion was agreed to.

The result of the vote was announced as above recorded.

☐ 1800

Accordingly the Committee rose; and the Speaker pro tempore [Mr. COELHO] having assumed the chair, Mr. SHARP, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3058) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1988, and for other purposes, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill, as amended, do pass.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER pro tempore. The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. CONTE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device and there were—yeas 336, nays 89, not voting 8, as follows:

[Roll No. 307]

YEAS—336

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Baker
Bateman
Bates
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Biaggi
Bilbray
Bilirakis
Bliley
Boehlert
Boggs
Boland
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Broomfield
Brown (CA)
Bruce
Bryant
Bustamante
Byron
Callahan
Campbell
Cardin
Carper
Carr
Chapman
Chappell
Clarke
Clay
Clinger
Coble
Coelho
Coleman (MO)
Coleman (TX)
Collins
Conte
Conyers
Cooper
Coughlin
Courter
Coyne
Crockett
Darden
Daub
Davis (MI)
de la Garza
DeFazio
Dellums
Derrick
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dowdy
Downey
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Emerson
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Fish
Flake
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Frost
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gibbons
Glickman
Gonzalez
Goodling
Gordon
Grandy
Grant
Gray (IL)
Gray (PA)
Green
Guarini
Gunderson
Hall (OH)
Hamilton
Hammerschmidt
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Henry
Hertel
Hochbrueckner
Holloway
Horton
Houghton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Hyde
Jacobs
Jeffords
Jenkins
Johnson (CT)
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Kostmayer
LaFalce
Lancaster
Lantos
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (GA)
Lipinski
Livingston
Lloyd
Lowery (CA)
Lowry (WA)
Luken, Thomas
MacKay
Madigan
Manton
Markey
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDade
McEwen
McGrath
McHugh
McMillen (MD)
Meyers
Mfume
Mica
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Moakley
Mollohan
Montgomery
Moody
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Panetta
Parris
Pashayan
Patterson
Pease
Pelosi
Penny
Perkins
Pickett
Pickle
Porter
Price (IL)
Price (NC)
Pursell
Quillen
Rahall
Ravenel
Ray
Regula
Richardson
Ridge
Rinaldo
Roberts
Robinson
Rodino
Roe
Rogers
Rose
Rostenkowski
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Savage
Sawyer
Saxton
Scheuer
Schneider
Schroeder
Schuette
Schumer
Sharp
Shaw
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Snowe
Solarz
Spratt
St Germain
Staggers
Stallings
Stangeland
Stark
Stokes
Stratton
Studds
Sundquist
Swift
Synar
Tallon
Tauzin
Taylor
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Watkins
Waxman
Weber
Weiss
Weldon
Wheat
Whittaker
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wortley
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)

NAYS—89

Archer
Armey
Badham
Ballenger
Barnard
Bartlett
Barton
Boulter
Brown (CO)
Buechner
Bunning
Burton
Chandler
Cheney
Coats
Combest
Craig
Crane
Dannemeyer
Davis (IL)
DeLay
DeWine
Dickinson
Dornan (CA)
Dreier
Edwards (OK)
English
Fawell
Fields
Frenzel
Gallegly
Gingrich
Gradison
Gregg
Hall (TX)
Hansen
Hefley
Herger
Hiler
Hopkins
Hunter
Inhofe
Ireland
Kemp
Konnyu
Kyl
Lagomarsino
Leach (IA)
Lewis (FL)
Lightfoot
Lott
Lujan
Lukens, Donald
Lungren
Mack
Marlenee
Martin (IL)
McCandless
McCollum
McMillan (NC)
Michel
Molinari
Moorhead
Nielson
Oxley
Packard
Petri
Rhodes
Ritter
Roth
Schaefer
Schulze
Sensenbrenner
Shumway
Shuster
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Solomon
Spence
Stenholm
Stump
Sweeney
Swindall
Tauke
Thomas (CA)
Upton
Walker

NOT VOTING—8

Boner (TN)
Daniel
Gephardt
Gilman
Latta
Pepper
Rangel
Roemer

☐ 1815

Mr. HOLLOWAY changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. NATCHER. Mr. Speaker, I ask unanimous consent to insert in the RECORD at this point a detailed table showing the amounts in H.R. 3058, just passed, for each of the programs funded in the bill together with appropriate comparisons.

Mr. SPEAKER pro tempore (Mr. COELHO). Is there objection to the request of the gentleman from Kentucky?

There was no objection.

H.R. 3058—FISCAL YEAR 1988 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION AND RELATED AGENCIES

	Fiscal year 1987 comparable	Fiscal year 1988 budget request	House bill	House bill compared with—	
				Fiscal year 1987 comparable	Fiscal year 1988 request
SUMMARY					
Title I - Department of Labor:					
Federal Funds	5,163,204,000	5,475,022,000	5,959,806,000	+796,602,000	+484,784,000
(Unauthorized)	(536,000,000)	(326,000,000)	DEFER	DEFER	DEFER
Trust Funds	(2,672,664,000)	(2,612,893,000)	(2,818,966,000)	(+146,302,000)	(+206,073,000)
Title II - Department of Health and Human Services:					
Federal Funds (all years)	87,313,697,000	177,930,247,000	99,188,886,000	+11,875,189,000	-78,741,361,000
Current year	(74,715,632,000)	(79,385,932,000)	(85,438,886,000)	(+10,723,254,000)	(+6,052,954,000)
1989 advance	(12,598,065,000)	(84,466,323,000)	(13,750,000,000)	(+1,151,935,000)	(-70,716,323,000)
1990 advance	---	(14,077,992,000)	---	---	(-14,077,992,000)
(Unauthorized)	(2,467,533,000)	(2,004,757,000)	DEFER	DEFER	DEFER
Trust Funds	(5,166,595,000)	(5,168,701,000)	(5,153,499,000)	(-13,096,000)	(-15,202,000)
(Unauthorized)	(1,050,000)	(1,050,000)	DEFER	DEFER	DEFER
Title III - Department of Education:					
Federal Funds	19,471,503,000	13,983,555,000	20,636,613,000	+1,165,110,000	+6,653,058,000
(Unauthorized)	(2,000,000)	(2,000,000)	DEFER	DEFER	DEFER
Title IV - Related Agencies:					
Federal Funds (all years)	993,586,000	791,054,000	991,783,000	-1,803,000	+200,729,000
Current year	(765,586,000)	(655,954,000)	(753,783,000)	(-11,803,000)	(+97,829,000)
1989 advance	(228,000,000)	(3,100,000)	---	(-228,000,000)	(-3,100,000)
1990 advance	---	(132,000,000)	(238,000,000)	(+238,000,000)	(+106,000,000)
Trust Funds	(64,230,000)	(66,196,000)	(69,626,000)	(+5,396,000)	(+3,430,000)
Total, all titles:					
Federal Funds (all years)	112,941,990,000	198,179,878,000	126,777,088,000	+13,835,098,000	-71,402,790,000
Current year	(100,115,925,000)	(99,500,463,000)	(112,789,088,000)	(+12,673,163,000)	(+13,288,625,000)
1989 advance	(12,826,065,000)	(84,469,423,000)	(13,750,000,000)	(+923,935,000)	(-70,719,423,000)
1990 advance	---	(14,209,992,000)	(238,000,000)	(+238,000,000)	(-13,971,992,000)
(Unauthorized)	(3,005,533,000)	(2,332,757,000)	DEFER	DEFER	DEFER
Trust Funds	7,903,489,000	7,847,790,000	8,042,091,000	+138,602,000	+194,301,000
(Unauthorized)	(1,050,000)	(1,050,000)	DEFER	DEFER	DEFER
TITLE I, DEPARTMENT OF LABOR					
EMPLOYMENT AND TRAINING ADMINISTRATION					
PROGRAM ADMINISTRATION					
Job training programs	7,972,000	8,989,000	8,989,000	+1,017,000	---
Employment security	2,631,000	3,686,000	3,491,000	+860,000	-195,000
Trust funds	(18,944,000)	(15,034,000)	(15,534,000)	(-3,410,000)	(+500,000)
Financial control and management systems	15,066,000	17,325,000	17,325,000	+2,259,000	---
Trust funds	(8,063,000)	(9,847,000)	(10,147,000)	(+2,084,000)	(+300,000)
Executive direction and administration	3,130,000	3,302,000	3,302,000	+172,000	---
Trust funds	(2,475,000)	(2,742,000)	(2,742,000)	(+267,000)	---
Regional operations	26,064,000	25,974,000	27,418,000	+1,354,000	+1,444,000
Trust funds	(15,281,000)	(15,708,000)	(18,559,000)	(+3,278,000)	(+2,851,000)
Apprenticeship services	13,213,000	14,415,000	14,415,000	+1,202,000	---
Federal Retiree Cost Savings	---	---	-1,044,000	-1,044,000	-1,044,000
Trust funds	---	---	(-557,000)	(-557,000)	(-557,000)
Total, Program Administration	112,839,000	117,022,000	120,321,000	+7,482,000	+3,299,000
Federal funds	68,076,000	73,691,000	73,896,000	+5,820,000	+205,000
Trust funds	(44,763,000)	(43,331,000)	(46,425,000)	(+1,662,000)	(+3,094,000)
TRAINING AND EMPLOYMENT SERVICES					
Grants to States:					
Block grant	1,840,000,000	1,783,000,000	1,880,000,000	+40,000,000	+97,000,000
Summer youth employment and training program:					
Summer 1988 and 1989	750,000,000	650,000,000	750,000,000	---	+100,000,000
Dislocated worker assistance (program replacement pending)	(200,000,000)	---	DEFER	DEFER	DEFER
Federally administered programs:					
Native Americans	61,484,000	58,839,000	62,370,000	+886,000	+3,531,000
Migrants and seasonal farmworkers	59,621,000	57,056,000	70,480,000	+10,859,000	+13,424,000
Job Corps	656,350,000	651,684,000	783,500,000	+127,150,000	+131,816,000
Veterans' employment	10,058,000	10,043,000	10,409,000	+351,000	+366,000
National activities:					
Pilots and demonstrations	31,620,000	40,698,000	40,698,000	+9,078,000	---
Research, demonstration and evaluation	14,406,000	19,038,000	19,038,000	+4,632,000	---
Other	26,690,000	15,190,000	23,190,000	-3,500,000	+8,000,000
Subtotal, National activities	72,716,000	74,926,000	82,926,000	+10,210,000	+8,000,000
Subtotal, Federal activities	860,229,000	852,548,000	1,009,685,000	+149,456,000	+157,137,000
Total, Job Training Partnership Act	3,450,229,000	3,285,548,000	3,639,685,000	+189,456,000	+354,137,000
Trade adjustment program activities	49,900,000	---	50,000,000	+100,000	+50,000,000
Homeless job training	---	---	8,000,000	+8,000,000	+8,000,000
Total, Training and Employment Services 1/	3,500,129,000	3,285,548,000	3,697,685,000	+197,556,000	+412,137,000

1/ Excludes $1,130,000,000 for new retraining programs proposed for later transmittal in FY 1988 Budget.

H.R. 3058—FISCAL YEAR 1988 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION AND RELATED AGENCIES—Continued

	Fiscal year 1987 comparable	Fiscal year 1988 budget request	House bill	House bill compared with—	
				Fiscal year 1987 comparable	Fiscal year 1988 request
COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS (unauthorized)......	(336,000,000)	(326,000,000)	DEFER	DEFER	DEFER
FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES					
Trade adjustment assistance......	114,000,000	138,000,000	138,000,000	+24,000,000	---
Unemployment assistance and payments under other Federal unemployment programs......	4,000,000	3,000,000	3,000,000	-1,000,000	---
Total, FUBA......	118,000,000	141,000,000	141,000,000	+23,000,000	---
STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS					
Unemployment Compensation (Trust Funds):					
State Operations......	(1,244,132,000)	(1,285,738,000)	(1,285,738,000)	(+41,606,000)	---
State integrity activities......	(212,754,000)	(255,829,000)	(255,829,000)	(+43,075,000)	---
National Activities......	(2,272,000)	(10,185,000)	(10,185,000)	(+7,913,000)	---
Contingency......	(178,410,000)	(122,866,000)	(182,866,000)	(+4,456,000)	(+60,000,000)
Subtotal, Unemployment Compensation(trust funds)	(1,637,568,000)	(1,674,618,000)	(1,734,618,000)	(+97,050,000)	(+60,000,000)
Employment Service:					
Allotments to States:					
Federal funds......	22,700,000	22,700,000	22,700,000	---	---
Trust funds......	(732,500,000)	(636,273,000)	(732,500,000)	---	(+96,227,000)
Subtotal......	755,200,000	658,973,000	755,200,000	---	+96,227,000
National Activities:					
Federal funds......	700,000	700,000	700,000	---	---
Trust funds......	(36,833,000)	(28,894,000)	(68,894,000)	(+32,061,000)	(+40,000,000)
Subtotal, Employment Service......	792,733,000	688,567,000	824,794,000	+32,061,000	+136,227,000
Federal funds......	23,400,000	23,400,000	23,400,000	---	---
Trust funds......	(769,333,000)	(665,167,000)	(801,394,000)	(+32,061,000)	(+136,227,000)
Total, State Unempl. Ins. and Empl. Ser. Opers..	2,430,301,000	2,363,185,000	2,559,412,000	+129,111,000	+196,227,000
Federal Funds......	23,400,000	23,400,000	23,400,000	---	---
Trust Funds......	(2,406,901,000)	(2,339,785,000)	(2,536,012,000)	(+129,111,000)	(+196,227,000)
ADVANCES TO UNEMPLOYMENT TRUST FUND AND OTHER FUNDS...	---	30,000,000	30,000,000	+30,000,000	---
Total, Employment & Training Administration.....	6,161,269,000	5,936,755,000	6,548,418,000	+387,149,000	+611,663,000
Federal funds......	3,709,605,000	3,553,639,000	3,965,981,000	+256,376,000	+412,342,000
Trust funds......	(2,451,664,000)	(2,383,116,000)	(2,582,437,000)	(+130,773,000)	(+199,321,000)
LABOR - MANAGEMENT SERVICES					
SALARIES AND EXPENSES					
Labor-management relations service......	4,904,000	5,951,000	5,951,000	+1,047,000	---
Labor-management standards enforcement......	23,735,000	26,020,000	26,020,000	+2,285,000	---
Pension and welfare benefit programs......	33,636,000	50,102,000	50,102,000	+16,466,000	---
Federal Retiree Cost Savings......	---	---	-881,000	-881,000	-881,000
Total, LMS......	62,275,000	82,073,000	81,192,000	+18,917,000	-881,000
PENSION BENEFIT GUARANTY CORPORATION					
Program Administration (Trust Funds)......	(36,874,000)	(40,446,000)	(40,034,000)	(+3,160,000)	(-412,000)
EMPLOYMENT STANDARDS ADMINISTRATION					
SALARIES AND EXPENSES					
Enforcement of wage and hour standards......	78,018,000	87,795,000	87,275,000	+9,257,000	-520,000
Federal contractor EEO standards enforcement......	47,191,000	51,796,000	53,865,000	+6,674,000	+2,069,000
Federal programs for workers' compensation......	53,073,000	65,631,000	64,735,000	+11,662,000	-896,000
Trust funds......	(441,000)	(488,000)	(488,000)	(+47,000)	---
Executive direction and support services......	12,768,000	14,413,000	14,081,000	+1,313,000	-332,000
Prior year unobligated balances......	-8,000,000	---	---	+8,000,000	---
Federal Retiree Cost Savings......	---	---	-2,871,000	-2,871,000	-2,871,000
Total, salaries and expenses......	183,491,000	220,123,000	217,573,000	+34,082,000	-2,550,000
Federal funds......	183,050,000	219,635,000	217,085,000	+34,035,000	-2,550,000
Trust funds......	(441,000)	(488,000)	(488,000)	(+47,000)	---
SPECIAL BENEFITS					
Federal employees compensation act benefits......	259,400,000	170,000,000	253,177,000	-6,223,000	+83,177,000
Longshore and harbor workers' benefits......	4,200,000	4,000,000	4,000,000	-200,000	---
Total, Special Benefits......	263,600,000	174,000,000	257,177,000	-6,423,000	+83,177,000

H.R. 3058—FISCAL YEAR 1988 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION AND RELATED AGENCIES—Continued

	Fiscal year 1987 comparable	Fiscal year 1988 budget request	House bill	House bill compared with—	
				Fiscal year 1987 comparable	Fiscal year 1988 request
BLACK LUNG DISABILILTY TRUST FUND					
Benefit payments and interest on advances	186,687,000	594,522,000	594,522,000	+407,835,000	---
Employment Standards Admin., salaries & expenses	26,346,000	28,556,000	28,293,000	+1,947,000	-263,000
Departmental Management, salaries and expenses	22,095,000	23,851,000	23,521,000	+1,426,000	-330,000
Departmental Management, inspector general	612,000	515,000	506,000	-106,000	-9,000
Subtotal, Black Lung Disablty. Trust Fund, apprn	235,740,000	647,444,000	646,842,000	+411,102,000	-602,000
Treasury administrative costs (indefinite)	756,000	756,000	756,000	---	---
Repayment of Advances (indefinite)	---	38,800,000	38,800,000	+38,800,000	---
Subtotal, indefinites	756,000	39,556,000	39,556,000	+38,800,000	---
Total, Employment Standards Administration	683,587,000	1,081,123,000	1,161,148,000	+477,561,000	+80,025,000
Federal funds	683,146,000	1,080,635,000	1,160,660,000	+477,514,000	+80,025,000
Trust funds	(441,000)	(488,000)	(488,000)	(+47,000)	---
OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION					
SALARIES AND EXPENSES					
Safety and health standards	6,345,000	6,828,000	6,828,000	+483,000	---
Enforcement:					
Federal Enforcement	91,915,000	114,717,000	114,717,000	+22,802,000	---
State programs	54,921,000	42,327,000	42,327,000	-12,594,000	---
Technical Support	14,965,000	17,379,000	17,379,000	+2,414,000	---
Compliance Assistance	36,289,000	38,034,000	38,034,000	+1,745,000	---
Safety and health statistics	18,862,000	20,503,000	20,503,000	+1,641,000	---
Executive direction and administration	5,630,000	6,072,000	6,072,000	+442,000	---
Federal Retiree Cost Savings	---	---	-1,859,000	-1,859,000	-1,859,000
Total, OSHA	228,927,000	245,860,000	244,001,000	+15,074,000	-1,859,000
MINE SAFETY AND HEALTH ADMINISTRATION					
SALARIES AND EXPENSES					
Enforcement:					
Coal	81,084,000	85,343,000	85,343,000	+4,259,000	---
Metal/nonmetal	31,190,000	33,521,000	33,521,000	+2,331,000	---
Standards development	1,117,000	1,208,000	1,208,000	+91,000	---
Assessments	2,013,000	2,161,000	2,161,000	+148,000	---
Educational policy and development	11,808,000	12,199,000	12,199,000	+391,000	---
Technical support	20,411,000	21,300,000	21,300,000	+889,000	---
Program administration	10,798,000	11,556,000	11,556,000	+758,000	---
Federal Retiree Cost Savings	---	---	-2,414,000	-2,414,000	-2,414,000
Total, Mine Safety and Health Administration	158,421,000	167,288,000	164,874,000	+6,453,000	-2,414,000
BUREAU OF LABOR STATISTICS					
SALARIES AND EXPENSES					
Employment and Unemployment Statistics	59,769,000	62,986,000	62,986,000	+3,217,000	---
Labor Market Information (Trust Funds)	(37,872,000)	(43,419,000)	(43,419,000)	(+5,547,000)	---
Prices and cost of living	53,341,000	60,225,000	60,225,000	+6,884,000	---
Wages and industrial relations	20,676,000	22,188,000	22,188,000	+1,512,000	---
Productivity and technology	5,065,000	5,487,000	5,487,000	+422,000	---
Economic growth and employment projections	3,104,000	3,386,000	3,386,000	+282,000	---
Executive direction and staff services	20,456,000	21,830,000	22,830,000	+2,374,000	+1,000,000
Consumer Price Index Revision	11,393,000	9,184,000	9,184,000	-2,209,000	---
Federal Retiree Cost Savings	---	---	-1,453,000	-1,453,000	-1,453,000
Total, Bureau of Labor Statistics	211,676,000	228,705,000	228,252,000	+16,576,000	-453,000
Federal Funds	173,804,000	185,286,000	184,833,000	+11,029,000	-453,000
Trust Funds	(37,872,000)	(43,419,000)	(43,419,000)	(+5,547,000)	---
DEPARTMENTAL MANAGEMENT					
SALARIES AND EXPENSES					
Executive direction	13,446,000	15,575,000	15,575,000	+2,129,000	---
Legal services	41,405,000	48,364,000	48,364,000	+6,959,000	---
Trust funds	(263,000)	(291,000)	(291,000)	(+28,000)	---
International labor affairs	4,523,000	6,231,000	6,231,000	+1,708,000	---
Administration and management	24,477,000	26,255,000	26,255,000	+1,778,000	---
Adjudication	12,758,000	12,445,000	12,445,000	-313,000	---
Promoting employment of the handicapped	2,435,000	2,542,000	2,542,000	+107,000	---
Women's Bureau	5,848,000	6,330,000	6,330,000	+482,000	---
Civil Rights Activities	3,238,000	3,899,000	3,899,000	+661,000	---
Drugs in the workplace	3,000,000	---	---	-3,000,000	---
Federal Retiree Cost Savings	---	---	-1,600,000	-1,600,000	-1,600,000
Trust funds	---	---	(-5,000)	(-5,000)	(-5,000)
Total, Salaries and expenses	111,393,000	121,932,000	120,327,000	+8,934,000	-1,605,000
Federal funds	111,130,000	121,641,000	120,041,000	+8,911,000	-1,600,000
Trust funds	(263,000)	(291,000)	(286,000)	(+23,000)	(-5,000)

H.R. 3058—FISCAL YEAR 1988 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION AND RELATED AGENCIES—Continued

	Fiscal year 1987 comparable	Fiscal year 1988 budget request	House bill	House bill compared with—	
				Fiscal year 1987 comparable	Fiscal year 1988 request
VETERANS EMPLOYMENT AND TRAINING					
State Administration:					
Disabled Veterans Outreach Program	(69,450,000)	(72,019,000)	(72,019,000)	(+2,569,000)	---
Local Veterans Employment Program	(56,932,000)	(51,527,000)	(59,039,000)	(+2,107,000)	(+7,512,000)
Subtotal, State Administration	(126,382,000)	(123,546,000)	(131,058,000)	(+4,676,000)	(+7,512,000)
Federal Administration	(13,128,000)	(15,019,000)	(14,768,000)	(+1,640,000)	(-251,000)
Total, Trust Funds	(139,510,000)	(138,565,000)	(145,826,000)	(+6,316,000)	(+7,261,000)
OFFICE OF THE INSPECTOR GENERAL					
Audit:					
Federal funds	19,650,000	20,680,000	20,680,000	+1,030,000	---
Trust funds	(4,792,000)	(5,386,000)	(5,386,000)	(+594,000)	---
Investigation:					
Federal funds	5,833,000	6,382,000	6,382,000	+549,000	---
Trust funds	(1,248,000)	(1,182,000)	(1,182,000)	(-66,000)	---
Office of Labor Racketeering	6,564,000	7,461,000	7,661,000	+1,097,000	+200,000
Executive Direction and Administration	3,802,000	4,077,000	4,077,000	+275,000	---
Federal Retiree Cost Savings	---	---	-576,000	-576,000	-576,000
Trust funds	---	---	(-92,000)	(-92,000)	(-92,000)
Total, Office of the Inspector General	41,889,000	45,168,000	44,700,000	+2,811,000	-468,000
Federal funds	35,849,000	38,600,000	38,224,000	+2,375,000	-376,000
Trust funds	(6,040,000)	(6,568,000)	(6,476,000)	(+436,000)	(-92,000)
SPECIAL FOREIGN CURRENCY PROGRAM	47,000	---	---	-47,000	---
Total, Departmental Management	292,839,000	305,665,000	310,853,000	+18,014,000	+5,188,000
Federal funds	147,026,000	160,241,000	158,265,000	+11,239,000	-1,976,000
Trust funds	(145,813,000)	(145,424,000)	(152,588,000)	(+6,775,000)	(+7,164,000)
Total, Labor Department	7,835,868,000	8,087,915,000	8,778,772,000	+942,904,000	+690,857,000
Federal funds	5,163,204,000	5,475,022,000	5,959,806,000	+796,602,000	+484,784,000
(Unauthorized)	(536,000,000)	(326,000,000)	DEFER	DEFER	DEFER
Trust funds	(2,672,664,000)	(2,612,893,000)	(2,818,966,000)	(+146,302,000)	(+206,073,000)
TITLE II--DEPARTMENT OF HEALTH AND HUMAN SERVICES					
OFFICE OF THE SECRETARY					
PRIORITY DISEASE CONTROL AND RESEARCH ACQUIRED IMMUNE DEFICIENCY SYNDROME (AIDS) 1/					
Health Resources and Services Administration	11,900,000	6,600,000	38,500,000	+26,600,000	+31,900,000
Public Health Emergency Fund	30,000,000	---	---	-30,000,000	---
Centers for Disease Control	136,249,000	234,011,000	306,750,000	+170,501,000	+72,739,000
National Institutes of Health:					
National Cancer Institute	61,674,000	93,946,000	93,946,000	+32,272,000	---
National Heart, Lung, and Blood Institute	17,091,000	25,839,000	25,839,000	+8,748,000	---
National Institute of Dental Research	2,733,000	3,310,000	3,310,000	+577,000	---
National Institute of Diabetes, Digestive, and Kidney Diseases	---	3,500,000	3,500,000	+3,500,000	---
National Institute of Neurological and Communicative Disorders and Stroke	2,413,000	12,755,000	12,755,000	+10,342,000	---
National Institue of Allergy and Infectious Diseases	145,850,000	223,323,000	223,323,000	+77,473,000	---
National Institute of General Medical Sciences	---	2,500,000	2,500,000	+2,500,000	---
National Institute of Child Health and Human Development	4,186,000	9,928,000	9,928,000	+5,742,000	---
National Eye Institute	250,000	4,000,000	4,000,000	+3,750,000	---
National Institute of Environmental Health Sciences	250,000	4,091,000	4,091,000	+3,841,000	---
National Institute on Aging	252,000	377,000	377,000	+125,000	---
Research Resources	7,784,000	25,661,000	25,661,000	+17,877,000	---
National Center for Nursing Research	---	533,000	533,000	+533,000	---
John E. Fogarty International Center	---	1,200,000	1,200,000	+1,200,000	---
Office of the Director	10,000,000	11,465,000	61,465,000	+51,465,000	+50,000,000
Subtotal, NIH	252,483,000	422,428,000	472,428,000	+219,945,000	+50,000,000
Alcohol, Drug Abuse & Mental Health Administration	48,553,000	101,252,000	101,252,000	+52,699,000	---
Office of the Secretary	---	2,100,000	5,000,000	+5,000,000	+2,900,000
Office of Minority Health	---	---	1,500,000	+1,500,000	+1,500,000
Contingency funds	---	---	20,000,000	+20,000,000	+20,000,000
Total Priority disease control and research (AIDS)	479,185,000	766,391,000	945,430,000	+466,245,000	+179,039,000

1/ President's budget as amended June, 1987.

H.R. 3058—FISCAL YEAR 1988 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION AND RELATED AGENCIES—Continued

	Fiscal year 1987 comparable	Fiscal year 1988 budget request	House bill	House bill compared with—	
				Fiscal year 1987 comparable	Fiscal year 1988 request
HEALTH RESOURCES AND SERVICES ADMINISTRATION					
HEALTH RESOURCES AND SERVICES 1/					
Health Care Delivery and Assistance:					
Maternal and Child Health Block Grant	496,750,000	478,000,000	535,000,000	+38,250,000	+57,000,000
Native Hawaiian child health (sec. 301)	1,000,000	---	---	-1,000,000	---
Community health centers 1/	415,500,000	400,000,000	400,000,000	-15,500,000	---
Health care for the homeless	46,000,000	---	30,000,000	-16,000,000	+30,000,000
Migrant health	45,400,000	45,400,000	45,400,000	---	---
Black lung clinics	3,400,000	3,400,000	3,400,000	---	---
National Health Service Corps (unauthorized)	(44,034,000)	(43,163,000)	DEFER	DEFER	DEFER
(Limitation on direct loans) (unauthorized)	(1,000,000)	(1,000,000)	DEFER	DEFER	DEFER
Hansen's disease services (Carville)	18,688,000	19,057,000	19,057,000	+369,000	---
Payment to Hawaii treatment of Hansen's Disease	3,300,000	3,300,000	3,300,000	---	---
Rural Health Research	---	---	1,500,000	+1,500,000	+1,500,000
Total, Health Care Delivery & Assistance	1,030,038,000	949,157,000	1,037,657,000	+7,619,000	+88,500,000
Health Professions:					
Health professions student assistance:					
National Health Service Scholarships (unauth)	(2,300,000)	---	DEFER	DEFER	DEFER
Exceptional need scholarships	7,000,000	---	7,000,000	---	+7,000,000
Health professions institutional assistance:					
Financial distress	3,800,000	---	---	-3,800,000	---
Public health/health administration:					
Public Health capitation	5,000,000	---	5,000,000	---	+5,000,000
Health Administration grants	1,500,000	---	1,500,000	---	+1,500,000
Public Health traineeships	3,000,000	---	3,000,000	---	+3,000,000
Health Administration traineeships	500,000	---	500,000	---	+500,000
Preventive medicine residencies	1,600,000	---	1,600,000	---	+1,600,000
Subtotal, PH/HA	11,600,000	---	11,600,000	---	+11,600,000
Family Med/Gen Dentistry res. & trns	35,960,000	21,300,000	38,000,000	+2,040,000	+16,700,000
General Internal Medicine and Pediatrics	18,500,000	---	18,500,000	---	+18,500,000
Family medicine departments	7,000,000	5,000,000	7,000,000	---	+2,000,000
Physician assistants	4,800,000	---	4,800,000	---	+4,800,000
Area health education centers	18,000,000	---	18,000,000	---	+18,000,000
Health professions data analysis	2,000,000	---	2,000,000	---	+2,000,000
Disadvantaged Assistance	27,250,000	---	30,000,000	+2,750,000	+30,000,000
Special Projects: (sections 788 and 301)					
Health professions spec ed initiatives	2,500,000	4,200,000	2,500,000	---	-1,700,000
Geriatric training research	10,000,000	---	12,000,000	+2,000,000	+12,000,000
Two year medical schools	500,000	---	500,000	---	+500,000
Subtotal, special projects	13,000,000	4,200,000	15,000,000	+2,000,000	+10,800,000
Pediatric emergency care	2,000,000	---	---	-2,000,000	---
Pacific Basin activities (including Medical Officer training)	1,500,000	---	1,229,000	-271,000	+1,229,000
Nurse training:					
Advanced nurse training	16,750,000	---	17,500,000	+750,000	+17,500,000
Nurse practitioner	12,000,000	---	12,000,000	---	+12,000,000
Special projects (includes sec. 820 (d)(2))	11,175,000	---	12,200,000	+1,025,000	+12,200,000
Traineeships	11,750,000	---	13,000,000	+1,250,000	+13,000,000
Nurse Anesthetists	800,000	---	800,000	---	+800,000
Faculty fellowships	825,000	---	800,000	-25,000	+800,000
Subtotal, Nurse training	53,300,000	---	56,300,000	+3,000,000	+56,300,000
Total, Health professions	205,710,000	30,500,000	209,429,000	+3,719,000	+178,929,000
Resources Development:					
Organ transplants	7,400,000	---	4,000,000	-3,400,000	+4,000,000
Outpatient health facilities construction	5,000,000	---	---	-5,000,000	---
Health teaching facilities	---	100,000	100,000	+100,000	---
Total, Resources Development	12,400,000	100,000	4,100,000	-8,300,000	+4,000,000
Buildings and facilities	750,000	750,000	750,000	---	---
Program management/Program support, HRSA	91,165,000	76,707,000	91,540,000	+375,000	+14,833,000
Total, Health Resources and Services	1,340,063,000	1,057,214,000	1,343,476,000	+3,413,000	+286,262,000
(Unauthorized)	(46,334,000)	(43,163,000)	DEFER	DEFER	DEFER
MEDICAL FACILITIES GUARANTEE AND LOAN FUND	20,000,000	22,000,000	22,000,000	+2,000,000	---
HEAL loan guarantees (non-add) 2/	(290,000,000)	(100,000,000)	(305,000,000)	(+15,000,000)	(+205,000,000)

1/ Includes reprogramming of $15,500,000 from NHSC.

1/ AIDS funding considered under consolidated AIDS account, Office of the Secretary.

2/ Recommendation is authorization level not included in bill.

H.R. 3058—FISCAL YEAR 1988 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION AND RELATED AGENCIES—Continued

	Fiscal year 1987 comparable	Fiscal year 1988 budget request	House bill	House bill compared with—	
				Fiscal year 1987 comparable	Fiscal year 1988 request
CENTERS FOR DISEASE CONTROL 1/					
DISEASE CONTROL					
Preventive Health Services Block Grant (unauthorized)	(89,525,000)	(89,536,000)	DEFER	DEFER	DEFER
Prevention centers (unauthorized)	(1,500,000)	---	DEFER	DEFER	DEFER
Sexually transmitted diseases: (unauthorized)					
Grants	(50,000,000)	(46,000,000)	DEFER	DEFER	DEFER
Direct operations	(10,691,000)	(11,079,000)	DEFER	DEFER	DEFER
Subtotal, unauthorized	(60,691,000)	(57,079,000)	DEFER	DEFER	DEFER
Immunization: (unauthorized)					
Grants	(75,000,000)	(80,924,000)	DEFER	DEFER	DEFER
Direct operations	(8,375,000)	(8,580,000)	DEFER	DEFER	DEFER
Vaccine stockpile	(4,000,000)	(4,000,000)	DEFER	DEFER	DEFER
Subtotal, unauthorized	(87,375,000)	(93,504,000)	DEFER	DEFER	DEFER
Infectious disease	36,250,000	41,676,000	43,125,000	+6,875,000	+1,449,000
Tuberculosis grants (unauthorized)	7,000,000	---	DEFER	DEFER	DEFER
Chronic & environmental disease prevention	34,001,000	31,932,000	45,272,000	+11,271,000	+13,340,000
Occupational Safety and Health (NIOSH):					
Research	60,193,000	59,433,000	62,975,000	+2,782,000	+3,542,000
Training	9,900,000	6,600,000	9,900,000	---	+3,300,000
Subtotal, NIOSH	70,093,000	66,033,000	72,875,000	+2,782,000	+6,842,000
Epidemic services	53,351,000	55,452,000	57,193,000	+3,842,000	+1,741,000
Buildings and facilities	11,800,000	2,000,000	2,000,000	-9,800,000	---
Program management	2,963,000	3,233,000	3,233,000	+270,000	---
Federal Retiree Cost Savings	1,237,000	---	-1,721,000	-2,958,000	-1,721,000
Total, Disease Control	209,695,000	200,326,000	221,977,000	+12,282,000	+21,651,000
(Unauthorized)	(246,091,000)	(240,119,000)	DEFER	DEFER	DEFER
NATIONAL INSTITUTES OF HEALTH 2/					
National Cancer Institute	1,346,257,000	1,217,927,000	1,448,411,000	+102,154,000	+230,484,000
National Heart, Lung, and Blood Institute	913,278,000	801,064,000	990,808,000	+77,530,000	+189,744,000
National Institute of Dental Research	115,323,000	105,266,000	128,965,000	+13,642,000	+23,699,000
National Institute of Diabetes, Digestive, and Kidney Diseases	511,430,000	440,504,000	563,768,000	+52,338,000	+123,264,000
National Institute of Neurological and Communicative Disorders and Stroke	488,140,000	420,250,000	554,039,000	+65,899,000	+133,789,000
National Institute of Allergy and Infectious Diseases	399,985,000	349,429,000	439,667,000	+39,682,000	+90,238,000
National Institute of General Medical Sciences	571,221,000	482,004,000	666,037,000	+94,816,000	+184,033,000
National Institute of Child Health and Human Development	362,811,000	312,604,000	405,673,000	+42,862,000	+93,069,000
National Eye Institute	216,542,000	184,564,000	234,382,000	+17,840,000	+49,818,000
National Institute of Environmental Health Sciences	209,201,000	196,856,000	225,724,000	+16,523,000	+28,868,000
National Institute on Aging	177,540,000	155,797,000	203,034,000	+25,494,000	+47,237,000
National Institute of Arthritis and Musculoskeletal and Skin Diseases	138,780,000	123,009,000	154,632,000	+15,852,000	+31,623,000
Research Resources	315,122,000	254,754,000	338,991,000	+23,869,000	+84,237,000
National Center for Nursing Research	20,018,000	15,997,000	24,744,000	+4,726,000	+8,747,000
John E. Fogarty International Center	11,429,000	11,166,000	12,128,000	+699,000	+962,000
National Library of Medicine	61,926,000	64,399,000	71,465,000	+9,539,000	+7,066,000
Office of the Director	47,312,000	49,819,000	71,389,000	+24,077,000	+21,570,000
Buildings and facilities	31,900,000	5,000,000	30,000,000	-1,900,000	+25,000,000
Total, National Institutes of Health	5,938,215,000	5,190,409,000	6,563,857,000	+625,642,000	+1,373,448,000

1/ AIDS funding considered under consolidated account, Office of the Secretary.

2/ $2,726,000,000 requested for the forward funding of research grants not considered by the Committee. $422,428,000 requested for AIDS considered under consolidated AIDS account, Office of the Secretary.

H.R. 3058—FISCAL YEAR 1988 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION AND RELATED AGENCIES—Continued

	Fiscal year 1987 comparable	Fiscal year 1988 budget request	House bill	House bill compared with—	
				Fiscal year 1987 comparable	Fiscal year 1988 request
ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION					
ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH 2/					
Alcohol, Drug Abuse and Mental Health Block Grant (unauthorized)	(508,860,000)	(495,000,000)	DEFER	DEFER	DEFER
Office of Substance Abuse : (unauthorized)					
Substance Abuse Grants to States	(162,855,000)	---	DEFER	DEFER	DEFER
Federal demonstration grants 1/	(52,569,000)	(11,264,000)	DEFER	DEFER	DEFER
Homeless to States	32,200,000	---	---	-32,200,000	---
Mental Health:					
Research	235,406,000	216,852,000	265,541,000	+30,135,000	+48,689,000
Research training	19,000,000	19,949,000	19,949,000	+949,000	---
Clinical training	15,000,000	5,000,000	17,500,000	+2,500,000	+12,500,000
Mental Health Services Demonstrations (Gen'l CSP)	15,000,000	20,000,000	20,000,000	+5,000,000	---
Mental Health Services Demonstrations (Homeless)	9,300,000	---	---	-9,300,000	---
Protection and advocacy	10,500,000	7,000,000	10,800,000	+300,000	+3,800,000
Direct operations	33,348,000	34,225,000	34,225,000	+877,000	---
Subtotal, mental health	337,554,000	303,026,000	368,015,000	+30,461,000	+64,989,000
Drug Abuse:					
Research (unauthorized)	(107,000,000)	(74,881,000)	DEFER	DEFER	DEFER
Research training	2,250,000	2,400,000	2,400,000	+150,000	---
Direct operations	12,227,000	12,154,000	12,154,000	-73,000	---
Subtotal, drug abuse	14,477,000	14,554,000	14,554,000	+77,000	---
Alcoholism:					
Research (unauthorized)	(69,075,000)	(64,153,000)	DEFER	DEFER	DEFER
Alcohol services demonstration, homeless	9,200,000	---	---	-9,200,000	---
Research training	2,500,000	2,651,000	2,651,000	+151,000	---
Direct operations	9,517,000	9,762,000	9,762,000	+245,000	---
Subtotal, alcoholism	21,217,000	12,413,000	12,413,000	-8,804,000	---
Buildings and facilities	600,000	200,000	200,000	-400,000	---
Program management, ADAMHA	10,928,000	7,965,000	7,965,000	-2,963,000	---
Federal Retiree Cost Savings	---	---	-1,365,000	-1,365,000	-1,365,000
Total, Alcohol, Drug Abuse & Mental Health	416,976,000	338,158,000	401,782,000	-15,194,000	+63,624,000
(Unauthorized)	(900,359,000)	(645,298,000)	DEFER	DEFER	DEFER
ST. ELIZABETH'S HOSPITAL:					
Operating budget	141,182,000	68,312,000	68,312,000	-72,870,000	---
Less reimbursements	-100,401,000	---	---	+100,401,000	---
Subtotal, St. Elizabeth's Hospital	40,781,000	68,312,000	68,312,000	+27,531,000	---
New advance, biennial budget, FY 89	---	24,000,000	---	---	-24,000,000
Total, ADAMHA	457,757,000	430,470,000	470,094,000	+12,337,000	+39,624,000
OFFICE OF THE ASSISTANT SECRETARY FOR HEALTH					
PUBLIC HEALTH SERVICE MANAGEMENT					
Health Services Research and Technology Assessment (unauthorized):					
Research	(17,277,000)	(17,459,000)	DEFER	DEFER	DEFER
Trust funds	(1,050,000)	(1,050,000)	DEFER	DEFER	DEFER
Program support	(1,568,000)	(1,720,000)	DEFER	DEFER	DEFER
Subtotal, unauthorized	(18,845,000)	(19,179,000)	DEFER	DEFER	DEFER
Health Statistics (unauthorized):					
Program operations	(49,025,000)	(47,770,000)	DEFER	DEFER	DEFER
Program support	(3,100,000)	(3,345,000)	DEFER	DEFER	DEFER
Subtotal, unauthorized	(52,125,000)	(51,115,000)	DEFER	DEFER	DEFER
Population Affairs:					
Adolescent family life (unauthorized)	(14,097,000)	(10,074,000)	DEFER	DEFER	DEFER
Family planning 3/ (unauthorized)	(145,798,000)	(144,059,000)	DEFER	DEFER	DEFER
Health Initiatives : (deferred action)					
Disease Prevention, health promotion 4/	(3,657,000)	(3,067,000)	DEFER	DEFER	DEFER
Lister Hill Health Prevention Center	(5,000,000)	---	DEFER	DEFER	DEFER
Minority health	(3,000,000)	(3,000,000)	DEFER	DEFER	DEFER
Physical fitness and sports	(1,378,000)	(1,466,000)	DEFER	DEFER	DEFER
Health Service Management (deferred action)	(18,783,000)	(19,087,000)	DEFER	DEFER	DEFER
Total, PHS management	---	---	---	---	---
(Unauthorized & deferred action)	(262,683,000)	(251,047,000)	DEFER	DEFER	DEFER

1/ Excludes $10,395,000 transferred to VA.

2/ AIDS funding considered under consolidated account, Office of the Secretary.

3/ Proposed for transfer from HRSA.

4/ Includes Presidents's Council.

H.R. 3058—FISCAL YEAR 1988 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION AND RELATED AGENCIES—Continued

	Fiscal year 1987 comparable	Fiscal year 1988 budget request	House bill	House bill compared with—	
				Fiscal year 1987 comparable	Fiscal year 1988 request
RETIREMENT PAY AND MED. BENEFITS FOR COMM. OFFICERS					
Retirement payments	69,688,000	72,013,000	72,013,000	+2,325,000	---
COLA	---	2,280,000	2,280,000	+2,280,000	---
Survivors benefits	3,837,000	4,077,000	4,077,000	+240,000	---
Dependent's medical care	10,243,000	10,806,000	10,806,000	+563,000	---
Reserve Fund	---	5,000,000	---	---	-5,000,000
Total, Retirement pay and medical benefits	83,768,000	94,176,000	89,176,000	+5,408,000	-5,000,000
New advance related to biennial budget, FY 89.	---	100,350,000	---	---	-100,350,000
Total, Public Health Service	8,528,683,000	7,861,336,000	9,656,010,000	+1,127,327,000	+1,794,674,000
Current year appropriation request	8,528,683,000	7,736,986,000	9,656,010,000	+1,127,327,000	+1,919,024,000
New advance, biennial budget, FY 89	---	124,350,000	---	---	-124,350,000
(Unauthorized)	(1,455,467,000)	(1,179,627,000)	DEFER	DEFER	DEFER
HEALTH CARE FINANCING ADMINISTRATION					
GRANTS TO STATES FOR MEDICAID					
Medicaid current law benefits	25,267,500,000	26,667,812,000	28,593,812,000	+3,326,312,000	+1,926,000,000
State and local administration	1,372,500,000	1,452,188,000	1,452,188,000	+79,688,000	---
Subtotal, medicaid program level	26,640,000,000	28,120,000,000	30,046,000,000	+3,406,000,000	+1,926,000,000
Less funds advanced in prior year	-6,500,000,000	-7,100,000,000	-7,100,000,000	-600,000,000	---
Total appropriation, current request 1/	20,140,000,000	21,020,000,000	22,946,000,000	+2,806,000,000	+1,926,000,000
New advance, biennial budget, FY 89	7,100,000,000	30,870,000,000	8,000,000,000	+900,000,000	-22,870,000,000
New advance, biennial budget, FY 90	---	8,500,000,000	---	---	-8,500,000,000
PAYMENTS TO HEALTH CARE TRUST FUNDS					
Supplemental medical insurance	20,285,000,000	25,152,000,000	25,418,000,000	+5,133,000,000	+266,000,000
Hospital insurance for uninsured	435,000,000	461,000,000	461,000,000	+26,000,000	---
Federal uninsured payment	12,000,000	14,000,000	14,000,000	+2,000,000	---
Total, Payment to Trust Funds 2/	20,732,000,000	25,627,000,000	25,893,000,000	+5,161,000,000	+266,000,000
New advance related to biennial budget, FY 89.	---	30,306,000,000	---	---	-30,306,000,000
PROGRAM MANAGEMENT					
Research, demonstration, and evaluation:					
Federal funds	10,000,000	17,000,000	10,000,000	---	-7,000,000
Trust funds 3/	(18,000,000)	(19,000,000)	(20,000,000)	(+2,000,000)	(+1,000,000)
Subtotal, Research and evaluation	28,000,000	36,000,000	30,000,000	+2,000,000	-6,000,000
Medicare Contractors (Trust Funds):					
Operating funds	(1,093,100,000)	(1,141,800,000)	(1,182,000,000)	(+88,900,000)	(+40,200,000)
Contingency fund	(8,900,000)	(20,000,000)	(50,000,000)	(+41,100,000)	(+30,000,000)
Subtotal, Contractors	(1,102,000,000)	(1,161,800,000)	(1,232,000,000)	(+130,000,000)	(+70,200,000)
Less P.L. 99-272 funds (COBRA)	(-105,000,000)	(-105,000,000)	(-105,000,000)	---	---
State Certification:					
Medicare certification, trust funds	(54,200,000)	(60,499,000)	(60,499,000)	(+6,299,000)	---
General program support, federal funds	3,525,000	8,290,000	8,290,000	+4,765,000	---
Federal Administration:					
Federal funds	84,880,000	86,510,000	90,340,000	+5,460,000	+3,830,000
Less user fees	---	-6,050,000	-6,050,000	-6,050,000	---
Trust funds	(154,333,000)	(176,281,000)	(184,079,000)	(+29,746,000)	(+7,798,000)
Catastrophic insurance contingency	---	---	(30,000,000)	(+30,000,000)	(+30,000,000)
Subtotal, Federal Administration	239,213,000	256,741,000	298,369,000	+59,156,000	+41,628,000
Total, Program management	1,321,938,000	1,418,330,000	1,524,158,000	+202,220,000	+105,828,000
Federal funds	98,405,000	105,750,000	102,580,000	+4,175,000	-3,170,000
Trust funds	(1,223,533,000)	(1,312,580,000)	(1,421,578,000)	(+198,045,000)	(+108,998,000)
Total, Health Care Financing Administration:					
Federal funds	48,070,405,000	116,428,750,000	56,941,580,000	+8,871,175,000	-59,487,170,000
Current year	40,970,405,000	46,752,750,000	48,941,580,000	+7,971,175,000	+2,188,830,000
New advance, biennial budget, FY 89	7,100,000,000	61,176,000,000	8,000,000,000	+900,000,000	-53,176,000,000
New advance, biennial budget, FY 90	---	8,500,000,000	---	---	-8,500,000,000
SOCIAL SECURITY ADMINISTRATION					
PAYMENTS TO SOCIAL SECURITY TRUST FUNDS 4/	131,638,000	105,298,000	105,298,000	-26,340,000	---
New advance, biennial budget, FY 89	---	93,291,000	---	---	-93,291,000

1/ Budget proposes legislative savings of $1,256 million for later transmittal.

2/ Budget proposes legislative savings of $1,215 million for later transmittal.

3/ FY 1988 bill includes $2,000,000 for Patient Outcome Studies.

4/ Military credits now funded in Dept. of Defense.

H.R. 3058—FISCAL YEAR 1988 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION AND RELATED AGENCIES—Continued

	Fiscal year 1987 comparable	Fiscal year 1988 budget request	House bill	House bill compared with—	
				Fiscal year 1987 comparable	Fiscal year 1988 request
SPECIAL BENEFITS FOR DISABLED COAL MINERS					
Benefit payments 1/	957,000,000	897,416,000	897,416,000	-59,584,000	---
Administration	6,437,000	6,486,000	6,486,000	+49,000	---
Subtotal, Black Lung, program level	963,437,000	903,902,000	903,902,000	-59,535,000	---
Less funds advanced in prior year	-270,000,000	-252,450,000	-252,450,000	+17,550,000	---
Total, Black Lung, current request	693,437,000	651,452,000	651,452,000	-41,985,000	---
New advance related to biennial budget, FY 89	252,450,000	862,590,000	250,000,000	-2,450,000	-612,590,000
New advance related to biennial budget, FY 90.	---	220,050,000	---	---	-220,050,000
SUPPLEMENTAL SECURITY INCOME					
Federal benefit payments	9,875,770,000	11,210,000,000	11,108,000,000	+1,232,230,000	-102,000,000
Beneficiary services	8,200,000	12,474,000	12,474,000	+4,274,000	---
Research demonstration	275,000	275,000	275,000	---	---
Administration	979,693,000	1,080,184,000	1,080,184,000	+100,491,000	---
FY 1986 & 1987 shortfall, federal administrative costs	---	---	99,451,000	+99,451,000	+99,451,000
Subtotal, Supplemental Security Income, program.	10,863,938,000	12,302,933,000	12,300,384,000	+1,436,446,000	-2,549,000
Less funds advanced in prior year	-2,339,250,000	-2,765,000,000	-2,765,000,000	-425,750,000	---
Total, SSI, current request	8,524,688,000	9,537,933,000	9,535,384,000	+1,010,696,000	-2,549,000
New advances biennial budget FY 89	2,765,000,000	12,102,224,000	3,000,000,000	+235,000,000	-9,102,224,000
New advances biennial budget FY 90	---	2,684,000,000	---	---	-2,684,000,000
LIMITATION ON ADMINISTRATIVE EXPENSES (Trust Funds)	(3,871,562,000)	(3,805,121,000)	(3,680,921,000)	(-190,641,000)	(-124,200,000)
Working Capital Fund Costs, federal funds	23,987,000	---	---	-23,987,000	---
Total, Social Security Administration:					
Federal funds	12,391,200,000	26,256,838,000	13,542,134,000	+1,150,934,000	-12,714,704,000
Current year	9,373,750,000	10,294,683,000	10,292,134,000	+918,384,000	-2,549,000
New advances biennial budget FY 89	3,017,450,000	13,058,105,000	3,250,000,000	+232,550,000	-9,808,105,000
New advances biennial budget FY 90	---	2,904,050,000	---	---	-2,904,050,000
Trust funds	(3,871,562,000)	(3,805,121,000)	(3,680,921,000)	(-190,641,000)	(-124,200,000)
FAMILY SUPPORT ADMINISTRATION					
FAMILY SUPPORT PAYMENTS TO STATES 2/					
Aid to Families with Dependent Children (AFDC)	8,940,275,000	8,742,800,000	9,624,132,000	+683,857,000	+881,332,000
Payments to territories	13,368,000	13,368,000	13,368,000	---	---
Emergency assistance and repatriation	82,900,000	100,000,000	100,000,000	+17,100,000	---
State and local welfare administration	1,061,200,000	1,045,500,000	1,045,500,000	-15,700,000	---
Subtotal, Welfare payments	1,157,468,000	1,158,868,000	1,158,868,000	+1,400,000	---
Child Support Enforcement:					
State and local administration	733,000,000	772,000,000	772,000,000	+39,000,000	---
Federal incentive payments	194,000,000	216,000,000	216,000,000	+22,000,000	---
Less federal share collections	-611,000,000	-646,000,000	-646,000,000	-35,000,000	---
Subtotal, Child support	316,000,000	342,000,000	342,000,000	+26,000,000	---
Total, payments to states	10,413,743,000	10,243,668,000	11,125,000,000	+711,257,000	+881,332,000
Less funds advanced in previous years	-2,364,504,000	-2,480,615,000	-2,480,615,000	-116,111,000	---
Total, Payments to States, current request	8,049,239,000	7,763,053,000	8,644,385,000	+595,146,000	+881,332,000
New advance, biennial budget, FY 89	2,480,615,000	10,107,868,000	2,500,000,000	+19,385,000	-7,607,868,000
New advance, biennial budget, FY 90	---	2,673,942,000	---	---	-2,673,942,000
LOW INCOME HOME ENERGY ASSISTANCE					
Energy Assistance Block Grant	1,822,265,000	1,237,000,000	1,822,265,000	---	+585,265,000
REFUGEE AND ENTRANT ASSISTANCE 3/ 4/					
Cash and medical assistance	225,316,000	178,700,000	216,256,000	-9,060,000	+37,556,000
State administration	33,797,000	21,000,000	21,000,000	-12,797,000	---
Social services	68,617,000	45,529,000	45,529,000	-23,088,000	---
Voluntary agency program	3,828,000	2,000,000	8,000,000	+4,172,000	+6,000,000
Preventive health	8,039,000	6,100,000	6,100,000	-1,939,000	---
Targeted assistance	---	---	24,000,000	+24,000,000	+24,000,000
Total, Refugee Resettlement	339,597,000	253,329,000	320,885,000	-18,712,000	+67,556,000

1/ Includes legislative savings of $12,000,000.

2/ Consolidates Assistance Payments and Child Support Enforcement appropriations.

3/ Special education payments transferred to Dept. of Education.

4/ State legalization payment of $1 billion is a permanent appropriation.

H.R. 3058—FISCAL YEAR 1988 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION AND RELATED AGENCIES—Continued

	Fiscal year 1987 comparable	Fiscal year 1988 budget request	House bill	House bill compared with—	
				Fiscal year 1987 comparable	Fiscal year 1988 request
WORK INCENTIVES					
Grants to States (new authorization pending)	(128,892,000)	---	DEFER	DEFER	DEFER
COMMUNITY SERVICES BLOCK GRANT					
Grants to States (General)	335,000,000	310,000,000	335,000,000	---	+25,000,000
Grants for services to the homeless	36,800,000	---	35,000,000	-1,800,000	+35,000,000
Discretionary funds	29,736,000	---	32,700,000	+2,964,000	+32,700,000
Community Partnerships	1,000,000	---	3,000,000	+2,000,000	+3,000,000
Community Food and Nutrition	2,500,000	---	2,500,000	---	+2,500,000
Total, Community Services appropriation	405,036,000	310,000,000	408,200,000	+3,164,000	+98,200,000
PROGRAM ADMINISTRATION					
Federal Administration:					
Aid to Families with Dependent Children	32,954,000	---	---	-32,954,000	---
Child Support	21,883,000	---	---	-21,883,000	---
Energy Assistance	2,735,000	---	---	-2,735,000	---
Refugee and Entrant Assistance	6,030,000	---	---	-6,030,000	---
WIN	7,000,000	---	---	-7,000,000	---
Community Services Block Grant	4,115,000	---	---	-4,115,000	---
Working Capital Fund Costs	4,135,000	---	---	-4,135,000	---
Interstate child support enforcement 1/	15,000,000	---	---	-15,000,000	---
Research	3,150,000	2,750,000	2,750,000	-400,000	---
Consolidated Request	---	73,046,000	73,046,000	+73,046,000	---
Federal Retiree Cost Savings	---	---	-883,000	-883,000	-883,000
Total, Program Administration	97,002,000	75,796,000	74,913,000	-22,089,000	-883,000
Total, Family Support Administration	13,193,754,000	22,420,988,000	13,770,648,000	+576,894,000	-8,650,340,000
Current year	10,713,139,000	9,639,178,000	11,270,648,000	+557,509,000	+1,631,470,000
New advance, biennial budget, FY 89	2,480,615,000	10,107,868,000	2,500,000,000	+19,385,000	-7,607,868,000
New advance, biennial budget, FY 90	---	2,673,942,000	---	---	-2,673,942,000
ASSISTANT SECRETARY FOR HUMAN DEVELOPMENT SERVICES					
SOCIAL SERVICES BLOCK GRANT (TITLE XX)	2,700,000,000	2,700,000,000	2,700,000,000	---	---
HUMAN DEVELOPMENT SERVICES					
Social Services Discretionary Programs	---	1,384,712,000	---	---	-1,384,712,000
(Unauthorized activities)	---	(825,130,000)	DEFER	DEFER	DEFER
Programs for Children, Youth, and Families:					
Head start	1,130,542,000	---	1,256,000,000	+125,458,000	+1,256,000,000
Child abuse : (unauthorized)					
State grants	(12,000,000)	---	DEFER	DEFER	DEFER
Discretionary activities	(13,898,000)	---	DEFER	DEFER	DEFER
Challenge grants	(5,000,000)	---	DEFER	DEFER	DEFER
Subtotal, child abuse (unauthorized)	(30,898,000)	---	DEFER	DEFER	DEFER
Child development associate scholarships	1,000,000	---	1,500,000	+500,000	+1,500,000
Runaway youth	23,250,000	---	27,250,000	+4,000,000	+27,250,000
Dependent Care Planning and Development	5,000,000	---	10,000,000	+5,000,000	+10,000,000
Family violence (unauthorized)	(8,500,000)	---	DEFER	DEFER	DEFER
Temporary childcare/crisis nurseries	---	---	5,000,000	+5,000,000	+5,000,000
Child welfare assistance	222,500,000	---	260,000,000	+37,500,000	+260,000,000
Child welfare training	3,823,000	---	3,823,000	---	+3,823,000
Adoption opportunities (unauthorized)	(5,000,000)	---	DEFER	DEFER	DEFER
Child welfare research	11,340,000	---	11,340,000	---	+11,340,000
Subtotal, Children, Youth & Families	1,397,455,000	1,384,712,000	1,574,913,000	+177,458,000	+190,201,000
(Unauthorized)	(44,398,000)	(825,130,000)	DEFER	DEFER	DEFER
Programs for the Aging: (unauthorized)					
Grants to States:					
Supportive Services and Centers	(270,000,000)	---	DEFER	DEFER	DEFER
Nutrition:					
Congregate meals	(349,400,000)	---	DEFER	DEFER	DEFER
Home-delivered meals	(74,000,000)	---	DEFER	DEFER	DEFER
Grants to Indians	(7,500,000)	---	DEFER	DEFER	DEFER
Research, training, and special projects	(25,000,000)	---	DEFER	DEFER	DEFER
Federal Council on Aging	(200,000)	---	DEFER	DEFER	DEFER
Subtotal, Aging programs, unauthorized	(726,100,000)	---	DEFER	DEFER	DEFER
Developmental disabilities program: (unauthorized)					
State grants	(56,500,000)	---	DEFER	DEFER	DEFER
Protection and advocacy	(15,500,000)	---	DEFER	DEFER	DEFER
Special projects	(2,500,000)	---	DEFER	DEFER	DEFER
University affiliated facilities	(9,187,000)	---	DEFER	DEFER	DEFER
Subtotal, Developmental disabilities (unauth)	(83,687,000)	---	DEFER	DEFER	DEFER
Native American Programs (unauthorized)	(28,989,000)	---	DEFER	DEFER	DEFER
Program direction	66,824,000	67,524,000	66,543,000	-281,000	-981,000
Total, Human Development Services	1,464,279,000	1,452,236,000	1,641,456,000	+177,177,000	+189,220,000
(Unauthorized)	(883,174,000)	(825,130,000)	DEFER	DEFER	DEFER

1/ $3,000,000 reprogrammed to federal parent locator.

H.R. 3058—FISCAL YEAR 1988 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION AND RELATED AGENCIES—Continued

	Fiscal year 1987 comparable	Fiscal year 1988 budget request	House bill	House bill compared with—	
				Fiscal year 1987 comparable	Fiscal year 1988 request
FAMILY SOCIAL SERVICES					
Entitlement activities: 1/					
Foster care	764,184,000	585,022,000	703,178,000	-61,006,000	+118,156,000
Adoption assistance	97,947,000	97,018,000	108,000,000	+10,053,000	+10,982,000
Total, Family Social Services	862,131,000	682,040,000	811,178,000	-50,953,000	+129,138,000
Total, Asst. Sec. for Human Development	5,026,410,000	4,834,276,000	5,152,634,000	+126,224,000	+318,358,000
DEPARTMENTAL MANAGEMENT					
GENERAL DEPARTMENTAL MANAGEMENT:					
Federal funds	45,874,000	67,135,000	66,359,000	+20,485,000	-776,000
Trust funds	(27,500,000)	(7,000,000)	(7,000,000)	(-20,500,000)	---
Total, Departmental management	73,374,000	74,135,000	73,359,000	-15,000	-776,000
OFFICE OF THE INSPECTOR GENERAL:					
Federal funds	32,778,000	38,439,000	37,361,000	+4,583,000	-1,078,000
Trust funds	(40,000,000)	(40,000,000)	(40,000,000)	---	---
Total, Inspector General	72,778,000	78,439,000	77,361,000	+4,583,000	-1,078,000
OFFICE FOR CIVIL RIGHTS:					
Federal funds	16,306,000	17,395,000	17,070,000	+764,000	-325,000
Trust funds	(4,000,000)	(4,000,000)	(4,000,000)	---	---
Total, Civil Rights	20,306,000	21,395,000	21,070,000	+764,000	-325,000
POLICY RESEARCH	8,287,000	5,090,000	5,090,000	-3,197,000	---
Total, Departmental management:					
Federal funds	103,245,000	128,059,000	125,880,000	+22,635,000	-2,179,000
Trust funds	(71,500,000)	(51,000,000)	(51,000,000)	(-20,500,000)	---
Total, Department of Health and Human Services:					
Federal Funds (all years)	87,313,697,000	177,930,247,000	99,188,886,000	+11,875,189,000	-78,741,361,000
Current year	(74,715,632,000)	(79,385,932,000)	(85,438,886,000)	(+10,723,254,000)	(+6,052,954,000)
New advances biennial budget FY 89	(12,598,065,000)	(84,466,323,000)	(13,750,000,000)	(+1,151,935,000)	(-70,716,323,000)
New advances biennial budget FY 90	---	(14,077,992,000)	---	---	(-14,077,992,000)
(Unauthorized)	(2,467,533,000)	(2,004,757,000)	DEFER	DEFER	DEFER
Trust funds	(5,166,595,000)	(5,168,701,000)	(5,153,499,000)	(-13,096,000)	(-15,202,000)
(Unauthorized)	(1,050,000)	(1,050,000)	DEFER	DEFER	DEFER
TITLE III--DEPARTMENT OF EDUCATION					
COMPENSATORY EDUCATION FOR THE DISADVANTAGED 2/					
Grants for the Disadvantaged (Chapter 1):					
Grants to local educational agencies	3,453,500,000	3,636,853,000	4,075,000,000	+621,500,000	+438,147,000
State agency programs:					
Migrants	264,524,000	264,524,000	278,000,000	+13,476,000	+13,476,000
Handicapped	150,170,000	150,170,000	158,000,000	+7,830,000	+7,830,000
Neglected and delinquent	32,616,000	32,616,000	34,000,000	+1,384,000	+1,384,000
State administration	37,107,000	40,000,000	40,000,000	+2,893,000	---
Evaluation and technical assistance	6,246,000	20,000,000	10,000,000	+3,754,000	-10,000,000
Total, Chapter 1	3,944,163,000	4,144,163,000	4,595,000,000	+650,837,000	+450,837,000
Migrant education:					
High school equivalency program	6,300,000	---	6,600,000	+300,000	+6,600,000
College assistance migrant program	1,200,000	---	1,400,000	+200,000	+1,400,000
Total, Compensatory Education programs	3,951,663,000	4,144,163,000	4,603,000,000	+651,337,000	+458,837,000
IMPACT AID					
Maintenance and operations:					
Payments for "a" children	533,000,000	533,000,000	568,000,000	+35,000,000	+35,000,000
Payments for "b" children	130,000,000	---	145,000,000	+15,000,000	+145,000,000
Special provisions (Section 2)	22,000,000	10,000,000	22,000,000	---	+12,000,000
Subtotal	685,000,000	543,000,000	735,000,000	+50,000,000	+192,000,000
Disaster assistance	10,000,000	---	---	-10,000,000	---
Construction	22,500,000	5,000,000	22,500,000	---	+17,500,000
Total	717,500,000	548,000,000	757,500,000	+40,000,000	+209,500,000

1/ Supplemental includes transfers of $43,583,000.

2/ President's request proposed for later transmittal.

H.R. 3058—FISCAL YEAR 1988 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION AND RELATED AGENCIES—Continued

	Fiscal year 1987 comparable	Fiscal year 1988 budget request	House bill	House bill compared with—	
				Fiscal year 1987 comparable	Fiscal year 1988 request
SPECIAL PROGRAMS					
Improving School Programs (Chapter 2):					
STATE BLOCK GRANTS	500,000,000	500,000,000	500,000,000	---	---
Drug free schools and communities:					
State grants	161,046,000	82,800,000	161,000,000	-46,000	+78,200,000
National programs	38,954,000	17,200,000	39,000,000	+46,000	+21,800,000
Secretary's discretionary fund:					
Inexpensive book distribution (including RIF)	7,800,000	7,800,000	7,800,000	---	---
Arts in education	3,337,000	3,337,000	3,337,000	---	---
Alcohol and drug abuse education	3,000,000	---	---	-3,000,000	---
Law related education	3,000,000	3,000,000	3,000,000	---	---
National Diffusion Network	10,700,000	---	10,700,000	---	+10,700,000
Discretionary projects	1,500,000	15,200,000	4,500,000	+3,000,000	-10,700,000
Subtotal, Secretary's discretionary fund	29,337,000	29,337,000	29,337,000	---	---
Total, Chapter 2	729,337,000	629,337,000	729,337,000	---	+100,000,000
Other Special Programs:					
Teacher training and improvement:					
State grants	---	64,000,000	---	---	-64,000,000
National programs	---	16,000,000	---	---	-16,000,000
Christa McAuliffe fellowships	2,000,000	---	2,000,000	---	+2,000,000
Science and mathematics education	80,000,000	---	55,000,000	-25,000,000	+55,000,000
Training and advisory services (Civil Rights IVA)	24,000,000	---	25,000,000	+1,000,000	+25,000,000
Follow through	7,176,000	---	7,800,000	+624,000	+7,800,000
Territorial teacher training assistance	2,000,000	---	2,000,000	---	+2,000,000
General assistance for the Virgin Islands	5,000,000	---	5,000,000	---	+5,000,000
Ellender fellowships	1,700,000	---	2,000,000	+300,000	+2,000,000
Women's educational equity	3,500,000	---	3,500,000	---	+3,500,000
Magnet schools	75,000,000	75,000,000	75,000,000	---	---
LEAD	7,177,000	---	7,177,000	---	+7,177,000
Chicago litigation settlement (non-add)	(83,000,000)	---	---	(-83,000,000)	---
Aid to the homeless	4,600,000	---	7,500,000	+2,900,000	+7,500,000
Total, Special programs 1/	941,490,000	784,337,000	921,314,000	-20,176,000	+136,977,000
BILINGUAL EDUCATION					
Bilingual programs	99,161,000	99,161,000	105,701,250	+6,540,250	+6,540,250
Training grants	33,564,000	33,564,000	37,023,750	+3,459,750	+3,459,750
Support services	10,370,000	10,370,000	10,370,000	---	---
Emergency immigrant education 3/	30,000,000	---	30,000,000	---	+30,000,000
Refugee Education grants 2/ 3/	15,886,000	---	15,886,000	---	+15,886,000
Total	188,981,000	143,095,000	198,981,000	+10,000,000	+55,886,000
EDUCATION FOR THE HANDICAPPED					
Education for the handicapped:					
State assistance:					
State grant program	1,338,000,000	1,259,381,000	1,490,000,000	+152,000,000	+230,619,000
Preschool incentive grants	180,000,000	85,500,000	189,000,000	+9,000,000	+103,500,000
Early intervention initiative	50,000,000	---	52,000,000	+2,000,000	+52,000,000
Special purpose funds:					
Deaf-blind centers	15,000,000	9,000,000	16,000,000	+1,000,000	+7,000,000
Severely handicapped projects	5,300,000	5,300,000	5,600,000	+300,000	+300,000
Early childhood education	24,470,000	17,600,000	25,700,000	+1,230,000	+8,100,000
Educational technology and materials	4,696,000	4,696,000	5,000,000	+304,000	+304,000
Secondary and transitional services	7,300,000	7,300,000	7,700,000	+400,000	+400,000
Postsecondary programs	5,900,000	5,900,000	6,200,000	+300,000	+300,000
Innovation and development	18,000,000	18,000,000	19,000,000	+1,000,000	+1,000,000
Media services and captioned films	13,804,000	13,804,000	14,500,000	+696,000	+696,000
Regional resource centers	6,700,000	6,700,000	7,000,000	+300,000	+300,000
Recruitment and information	1,200,000	1,200,000	1,300,000	+100,000	+100,000
Special education personnel development	67,730,000	50,000,000	71,000,000	+3,270,000	+21,000,000
Special studies	3,800,000	3,800,000	3,800,000	---	---
Total, Education for the handicapped	1,741,900,000	1,488,181,000	1,913,800,000	+171,900,000	+425,619,000

1/ FY 1988 request includes $609,337,000 proposed for later transmittal.

2/ Transferred from Dept. of Health and Human Services in FY 1987.

3/ Requested as separate account.

H.R. 3058—FISCAL YEAR 1988 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION AND RELATED AGENCIES—Continued

	Fiscal year 1987 comparable	Fiscal year 1988 budget request	House bill	House bill compared with—	
				Fiscal year 1987 comparable	Fiscal year 1988 request
REHABILITATION SERVICES AND HANDICAPPED RESEARCH					
Rehabilitation services:					
Basic State grants	1,281,000,000	1,228,142,000	1,350,000,000	+69,000,000	+121,858,000
Supported Employment grants	24,190,000	---	25,400,000	+1,210,000	+25,400,000
Service projects:					
Special demonstration programs	24,860,000	27,400,000	26,785,000	+1,925,000	-615,000
Transitional funding	450,000	---	475,000	+25,000	+475,000
Recreational programs	2,330,000	---	2,470,000	+140,000	+2,470,000
Migratory workers	1,058,000	1,058,000	1,100,000	+42,000	+42,000
American Indians	1,500,000	---	---	-1,500,000	---
Projects with industry	16,070,000	16,070,000	17,000,000	+930,000	+930,000
Subtotal, Service projects	46,268,000	44,528,000	47,830,000	+1,562,000	+3,302,000
Helen Keller Center	4,600,000	4,600,000	4,800,000	+200,000	+200,000
Client assistance	7,100,000	7,100,000	7,500,000	+400,000	+400,000
Independent living:					
Comprehensive services	11,830,000	11,830,000	12,310,000	+480,000	+480,000
Centers	24,320,000	24,320,000	25,500,000	+1,180,000	+1,180,000
Services for older blind	5,290,000	5,290,000	5,600,000	+310,000	+310,000
Subtotal, Independent living	41,440,000	41,440,000	43,410,000	+1,970,000	+1,970,000
Training	29,550,000	25,838,000	30,000,000	+450,000	+4,162,000
Subtotal	1,434,148,000	1,351,648,000	1,508,940,000	+74,792,000	+157,292,000
National Institute on Disability and Rehabilitation	48,500,000	48,500,000	52,000,000	+3,500,000	+3,500,000
Evaluation	2,110,000	975,000	1,000,000	-1,110,000	+25,000
Total	1,484,758,000	1,401,123,000	1,561,940,000	+77,182,000	+160,817,000
VOCATIONAL AND ADULT EDUCATION					
Vocational education:					
Basic grants	815,000,000	---	835,000,000	+20,000,000	+835,000,000
National research & data programs	11,000,000	---	13,000,000	+2,000,000	+13,000,000
Consumer and homemaking education	31,633,000	---	33,500,000	+1,867,000	+33,500,000
State advisory councils	7,500,000	---	7,900,000	+400,000	+7,900,000
Community based organizations	6,000,000	---	6,300,000	+300,000	+6,300,000
Bilingual Vocational training	3,686,000	---	3,900,000	+214,000	+3,900,000
Subtotal, Vocational education	874,819,000	---	899,600,000	+24,781,000	+899,600,000
Adult education	112,881,000	130,000,000	130,000,000	+17,119,000	---
Total	987,700,000	130,000,000	1,029,600,000	+41,900,000	+899,600,000
STUDENT FINANCIAL ASSISTANCE					
Pell Grants:					
Current year	3,862,000,000	2,710,000,000	4,450,000,000	+588,000,000	+1,740,000,000
Prior Year shortfall	325,000,000	---	---	-325,000,000	---
Supplemental grants	412,500,000	---	425,000,000	+12,500,000	+425,000,000
Work-study	592,500,000	---	625,000,000	+32,500,000	+625,000,000
Perkins' direct loans:					
Capital	188,000,000	---	200,000,000	+12,000,000	+200,000,000
Cancellations	22,000,000	26,000,000	26,000,000	+4,000,000	---
Income contingent loans (proposed legislation)	5,000,000	600,000,000	---	-5,000,000	-600,000,000
State student incentive grants	76,000,000	---	80,000,000	+4,000,000	+80,000,000
Total, Student Financial Assistance 3/	5,483,000,000	3,336,000,000	5,806,000,000	+323,000,000	+2,470,000,000
GUARANTEED STUDENT LOANS					
Guaranteed student loan program 4/	2,717,000,000	1,176,574,000	2,425,000,000	-292,000,000	+1,248,426,000

3/ FY 1988 request reflects $2,797,000,000 of legislative savings.

4/ FY 1988 request reflects $1,333,809,000 of legislative savings and $287 million from FY 88 supplemental language not transmitted in the budget

H.R. 3058—FISCAL YEAR 1988 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION AND RELATED AGENCIES—Continued

	Fiscal year 1987 comparable	Fiscal year 1988 budget request	House bill	House bill compared with—	
				Fiscal year 1987 comparable	Fiscal year 1988 request
HIGHER EDUCATION					
Program development:					
Institutional development	147,208,000	50,741,000	180,000,000	+32,792,000	+129,259,000
Minority institutions science improvement	5,000,000	5,000,000	5,500,000	+500,000	+500,000
International education and foreign language studies:					
Domestic programs	26,550,000	---	26,550,000	---	+26,550,000
Special projects	1,000,000	---	---	-1,000,000	---
Overseas programs	5,500,000	---	5,500,000	---	+5,500,000
Fund for the Improvement of Postsec. Education	12,163,000	7,500,000	12,163,000	---	+4,663,000
Innovative community projects	1,537,000	---	1,537,000	---	+1,537,000
Cooperative education	14,400,000	---	14,400,000	---	+14,400,000
Subtotal, Program development	213,358,000	63,241,000	245,650,000	+32,292,000	+182,409,000
Special programs for the disadvantaged	176,370,000	82,370,000	215,000,000	+38,630,000	+132,630,000
Veterans' education outreach	3,000,000	---	3,000,000	---	+3,000,000
Subtotal, Academic facilities and projects	179,370,000	82,370,000	218,000,000	+38,630,000	+135,630,000
Academic facilities and projects:					
Interest subsidy grants	23,000,000	22,500,000	22,500,000	-500,000	---
Special higher education projects	18,000,000	---	12,550,000	-5,450,000	+12,550,000
Construction grants	---	---	7,000,000	+7,000,000	+7,000,000
Subtotal, Academic facilities and projects	41,000,000	22,500,000	42,050,000	+1,050,000	+19,550,000
Graduate programs:					
Patricia Roberts Harris Fellows:					
Graduate/professional opportunity fellowships	11,750,000	---	15,000,000	+3,250,000	+15,000,000
Public service fellowships	2,500,000	---	3,000,000	+500,000	+3,000,000
Jacob Javits Fellowships	4,700,000	---	7,000,000	+2,300,000	+7,000,000
Legal training for disadvantaged	1,500,000	---	2,000,000	+500,000	+2,000,000
Law school clinical experience	1,500,000	---	5,000,000	+3,500,000	+5,000,000
National need	---	---	12,000,000	+12,000,000	+12,000,000
Minority	---	---	5,000,000	+5,000,000	+5,000,000
Subtotal, Graduate programs	21,950,000	---	49,000,000	+27,050,000	+49,000,000
Special grants:					
Robert C. Byrd honors scholarships program	8,000,000	8,000,000	8,000,000	---	---
Assistance to Guam	500,000	---	500,000	---	+500,000
Robert A. Taft Institute of Government	750,000	---	750,000	---	+750,000
Congressional Teacher Scholarships	15,500,000	---	15,500,000	---	+15,500,000
School & University Partnerships	---	---	5,000,000	+5,000,000	+5,000,000
Subtotal, Special grants	24,750,000	8,000,000	29,750,000	+5,000,000	+21,750,000
Total, Higher education	480,428,000	176,111,000	584,450,000	+104,022,000	+408,339,000
HIGHER EDUCATION FACILITIES LOANS AND INSURANCE	19,205,000	---	---	-19,205,000	---
COLLEGE CONSTRUCTION LOAN INSURANCE	---	---	20,000,000	+20,000,000	+20,000,000
COLLEGE HOUSING LOANS, LOAN LIMITATION (non-add)	(60,000,000)	---	(90,000,000)	(+30,000,000)	(+90,000,000)
EDUCATION RESEARCH AND STATISTICS					
Education research and statistics	---	70,231,000	73,801,000	+73,801,000	+3,570,000
National Institute of Education	54,831,000	---	---	-54,831,000	---
Center for Education Statistics	8,747,000	---	---	-8,747,000	---
Total	63,578,000	70,231,000	73,801,000	+10,223,000	+3,570,000
LIBRARIES					
Public libraries:					
Services	80,000,000	---	85,000,000	+5,000,000	+85,000,000
Interlibrary cooperation	18,000,000	---	20,000,000	+2,000,000	+20,000,000
Training and demonstrations	1,000,000	---	1,000,000	---	+1,000,000
Research libraries	6,000,000	---	6,000,000	---	+6,000,000
Construction	22,500,000	---	22,500,000	---	+22,500,000
Literacy Initiative	5,000,000	---	5,000,000	---	+5,000,000
Technology cooperation	---	---	5,000,000	+5,000,000	+5,000,000
Total	132,500,000	---	144,500,000	+12,000,000	+144,500,000
PAYMENTS TO SPECIAL INSTITUTIONS					
AMERICAN PRINTING HOUSE FOR THE BLIND	5,500,000	5,510,000	5,510,000	+10,000	---
NATIONAL TECHNICAL INSTITUTE FOR THE DEAF	32,000,000	33,000,000	33,000,000	+1,000,000	---
GALLAUDET UNIVERSITY	62,000,000	63,000,000	65,925,000	+3,925,000	+2,925,000
HOWARD UNIVERSITY	168,230,000	168,230,000	179,865,000	+11,635,000	+11,635,000
Endowment contribution (unauthorized)	(2,000,000)	(2,000,000)	DEFER	DEFER	DEFER
Total, Payments to Special Institutions	267,730,000	269,740,000	284,300,000	+16,570,000	+14,560,000

H.R. 3058—FISCAL YEAR 1988 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION AND RELATED AGENCIES—Continued

	Fiscal year 1987 comparable	Fiscal year 1988 budget request	House bill	House bill compared with—	
				Fiscal year 1987 comparable	Fiscal year 1988 request
DEPARTMENTAL MANAGEMENT					
SALARIES AND EXPENSES	234,692,000	254,404,000	251,753,000	+17,061,000	-2,651,000
OFFICE FOR CIVIL RIGHTS, SALARIES AND EXPENSES	43,000,000	42,975,000	42,333,000	-667,000	-642,000
OFFICE OF THE INSPECTOR GENERAL, SALARIES AND EXPENSES	16,378,000	18,621,000	18,341,000	+1,963,000	-280,000
Total, Departmental management	294,070,000	316,000,000	312,427,000	+18,357,000	-3,573,000
Total, Department of Education:					
Federal funds	19,471,503,000	13,983,555,000	20,636,613,000	+1,165,110,000	+6,653,058,000
(Unauthorized)	(2,000,000)	(2,000,000)	DEFER	DEFER	DEFER
TITLE IV - RELATED AGENCIES					
Action (Domestic Programs):					
Volunteers in Service to America:					
VISTA operations	19,000,000	20,710,000	20,710,000	+1,710,000	---
VISTA Literacy Corps	2,000,000	---	---	-2,000,000	---
Service learning	1,368,000	1,368,000	1,368,000	---	---
Subtotal	22,368,000	22,078,000	22,078,000	-290,000	---
Citizen Participation and Volunteer Demonstration Programs	4,601,000	1,801,000	1,801,000	-2,800,000	---
Older Americans Volunteer Programs:					
Foster Grandparents Program	56,100,000	56,100,000	60,000,000	+3,900,000	+3,900,000
Senior Companion Program	18,086,000	18,086,000	20,000,000	+1,914,000	+1,914,000
Retired Senior Volunteer Program	29,620,000	29,620,000	32,000,000	+2,380,000	+2,380,000
Subtotal, Older Volunteers	103,806,000	103,806,000	112,000,000	+8,194,000	+8,194,000
Program Support	25,512,000	25,312,000	26,312,000	+800,000	+1,000,000
Total, Action	156,287,000	152,997,000	162,191,000	+5,904,000	+9,194,000
Commission on Education of the Deaf	750,000	---	---	-750,000	---
Corporation for Public Broadcasting: 1/					
FY 1989	228,000,000	---	---	-228,000,000	---
FY 1990 (current request) 2/	---	132,000,000	238,000,000	+238,000,000	+106,000,000
1/ FY 1987 approp. adv. in FY85 is $200 million. FY 1988 approp. adv. in FY86 is $214 million. FY 1989 approp. adv. in FY87 is $228 million.					
2/ FY 1990 proposed to be derived by transfer from FY 1988 and FY 1989 funds.					
Federal Mediation and Conciliation Service	23,892,000	24,920,000	25,601,000	+1,709,000	+681,000
Federal Mine Safety and Health Review Commission	3,785,000	4,139,000	4,080,000	+295,000	-59,000
National Center for the Study of Afro-American History and Culture 1/	139,000	---	---	-139,000	---
National Commission on Infant Mortality	700,000	---	---	-700,000	---
National Commission on Libraries and Information Science	683,000	791,000	750,000	+67,000	-41,000
National Council on the Handicapped	860,000	932,000	932,000	+72,000	---
National Labor Relations Board	132,247,000	141,580,000	139,019,000	+6,772,000	-2,561,000
National Mediation Board	6,505,000	4,873,000	7,316,000	+811,000	+2,443,000
Occupational Safety and Health Review Commission	5,750,000	6,232,000	6,147,000	+397,000	-85,000
Physician Payment Review Commission (trust funds)	(1,000,000)	(3,209,000)	(3,130,000)	(+2,130,000)	(-79,000)
Prospective Payment Assessment Commission (trust funds)	(3,421,000)	(3,798,000)	(3,752,000)	(+331,000)	(-46,000)
Railroad Retirement Board:					
Dual benefits payments account	380,000,000	276,000,000	368,000,000	-12,000,000	+92,000,000
Federal payment to the Railroad Retirement Account	3,100,000	3,100,000	3,100,000	---	---
New advance related to biennial budget, FY 89	---	3,100,000	---	---	-3,100,000
(Limitation on administration, retirement)	(58,520,000)	(55,389,000)	(60,434,000)	(+1,914,000)	(+5,045,000)
(Limitation on administration, unemployment) (non-add)	(15,156,000)	(9,010,000)	(14,445,000)	(-711,000)	(+5,435,000)
(Limitation on administration, review activity)	(1,289,000)	(3,800,000)	(2,310,000)	(+1,021,000)	(-1,490,000)
Soldiers' and Airmen's Home (trust fund limitation):					
Operation and maintenance	35,154,000	37,080,000	36,647,000	+1,493,000	-433,000
Capital outlay	15,109,000	---	---	-15,109,000	---
United States Institute of Peace	625,000	3,310,000	---	-625,000	-3,310,000
Total, title IV, Related Agencies:					
Federal Funds (all years)	993,586,000	791,054,000	991,783,000	-1,803,000	+200,729,000
Appropriations, 1988	(765,586,000)	(655,954,000)	(753,783,000)	(-11,803,000)	(+97,829,000)
Appropriations, 1989	(228,000,000)	(3,100,000)	---	(-228,000,000)	(-3,100,000)
Appropriations, 1990	---	(132,000,000)	(238,000,000)	(+238,000,000)	(+106,000,000)
Trust funds	(64,230,000)	(66,196,000)	(69,626,000)	(+5,396,000)	(+3,430,000)

1/ FY 87 amount reappropriation of unexpended balances

H.R. 3058—FISCAL YEAR 1988 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION AND RELATED AGENCIES—Continued

	Fiscal year 1987 comparable	Fiscal year 1988 budget request	House bill	House bill compared with—	
				Fiscal year 1987 comparable	Fiscal year 1988 request
SUMMARY					
Title I - Department of Labor:					
Federal Funds	5,163,204,000	5,475,022,000	5,959,806,000	+796,602,000	+484,784,000
(Unauthorized)	(536,000,000)	(326,000,000)	DEFER	DEFER	DEFER
Trust Funds	(2,672,664,000)	(2,612,893,000)	(2,818,966,000)	(+146,302,000)	(+206,073,000)
Title II - Department of Health and Human Services:					
Federal Funds (all years)	87,313,697,000	177,930,247,000	99,188,886,000	+11,875,189,000	-78,741,361,000
Current year	(74,715,632,000)	(79,385,932,000)	(85,438,886,000)	(+10,723,254,000)	(+6,052,954,000)
1989 advance	(12,598,065,000)	(84,466,323,000)	(13,750,000,000)	(+1,151,935,000)	(-70,716,323,000)
1990 advance	---	(14,077,992,000)	---	---	(-14,077,992,000)
(Unauthorized)	(2,467,533,000)	(2,004,757,000)	DEFER	DEFER	DEFER
Trust Funds	(5,166,595,000)	(5,168,701,000)	(5,153,499,000)	(-13,096,000)	(-15,202,000)
(Unauthorized)	(1,050,000)	(1,050,000)	DEFER	DEFER	DEFER
Title III - Department of Education:					
Federal Funds	19,471,503,000	13,983,555,000	20,636,613,000	+1,165,110,000	+6,653,058,000
(Unauthorized)	(2,000,000)	(2,000,000)	DEFER	DEFER	DEFER
Title IV - Related Agencies:					
Federal Funds (all years)	993,586,000	791,054,000	991,783,000	-1,803,000	+200,729,000
Current year	(765,586,000)	(655,954,000)	(753,783,000)	(-11,803,000)	(+97,829,000)
1989 advance	(228,000,000)	(3,100,000)	---	(-228,000,000)	(-3,100,000)
1990 advance	---	(132,000,000)	(238,000,000)	(+238,000,000)	(+106,000,000)
Trust Funds	(64,230,000)	(66,196,000)	(69,626,000)	(+5,396,000)	(+3,430,000)
Total, all titles:					
Federal Funds (all years)	112,941,990,000	198,179,878,000	126,777,088,000	+13,835,098,000	-71,402,790,000
Current year	(100,115,925,000)	(99,500,463,000)	(112,789,088,000)	(+12,673,163,000)	(+13,288,625,000)
1989 advance	(12,826,065,000)	(84,469,423,000)	(13,750,000,000)	(+923,935,000)	(-70,719,423,000)
1990 advance	---	(14,209,992,000)	(238,000,000)	(+238,000,000)	(-13,971,992,000)
(Unauthorized)	(3,005,533,000)	(2,332,757,000)	DEFER	DEFER	DEFER
Trust Funds	7,903,489,000	7,847,790,000	8,042,091,000	+138,602,000	+194,301,000
(Unauthorized)	(1,050,000)	(1,050,000)	DEFER	DEFER	DEFER

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mrs. Emery, one of his secretaries.

NUCLEAR REGULATORY COMMISSION AUTHORIZATION ACT FOR FISCAL YEARS 1988 AND 1989

The **SPEAKER** pro tempore. Pursuant to House Resolution 237 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 1315.

□ 1820

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 1315) to authorize appropriations for the Nuclear Regulatory Commission for fiscal years 1988 and 1989, and for other purposes, with Mr. OBERSTAR in the chair.

The CHAIRMAN. When the Committee of the Whole rose on Tuesday, August 4, 1987, 25½ minutes of general debate were remaining. The gentleman from Arizona [Mr. UDALL] had 6 minutes remaining; the gentleman from Indiana [Mr. SHARP] had 8 minutes remaining; and the gentleman from New York [Mr. LENT] had 11½ minutes remaining.

The Chair recognizes the gentleman from Arizona [Mr. UDALL].

Mr. UDALL. Mr. Chairman, I yield myself 30 seconds to state for the information of our colleagues the position of the managers of the bill of the two committees. There are about 25 minutes left in general debate. Following that, we would propose by unanimous consent to open the bill for amendment at any point. We will then proceed with the Markey amendment, which is the major controversial matter still left before us. We will try to get, by unanimous consent, a time limitation on the Markey amendment.

Following the Markey amendment, we have four or five relatively noncontroversial amendments which we will either accept or take a vote on after a little debate.

So I think the Members are safe in assuming there will be no rollcall votes for the next hour and a half, and with any luck, we can get out of here by 9 o'clock or perhaps a bit earlier.

Mr. LENT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, it is my understanding that an agreement has been worked out to limit debate on the Markey amendment to 1½ hours, with the time to be equally divided, 45 minutes to the proponents and 45 minutes to the opponents. Can the gentleman from Arizona or the gentleman from Indiana confirm that understanding?

Mr. UDALL. Mr. Chairman, if the gentleman will yield, we have had some discussions over here, and I am agreeable to 1½ hours. I would like to make it an hour, and there are others who feel likewise. When we reach a point when we need unanimous consent to limit time, we will try to make it as short as possible. We have probably changed about as many minds as we are going to change, I believe.

Mr. LENT. Mr. Chairman, I thank the gentleman.

Mr. UDALL. Mr. Chairman, I have no requests for time at this point.

Mr. SHARP. Mr. Chairman, I yield 7 minutes to the distinguished gentleman from New York [Mr. HOCHBRUECKNER].

Mr. HOCHBRUECKNER. Mr. Chairman, let me say to my colleagues that this is the No. 1 issue in my district on eastern Long Island in New York State. Eighty-five percent of the people in my congressional district oppose the opening of this plant, and they have sent me here as a freshman Congressman to state their claim that that plant should not open.

There are three reasons why the people of Long Island are strongly opposed to the opening of the Shoreham nuclear powerplant. Certainly the most important reason is that they strongly believe that there can be no safe evacuation plan that could work should there be a nuclear accident. I cite to the Members a Newsday article of Friday, July 18, 1986: "The day the Long Island Expressway stood still." The major east-west road that we have on Long Island for evacuating people is the Long Island Expressway, and it has received the dubious distinction of being called "the longest parking lot in the world," because people have been on it and they recognize that you cannot evacuate people using the road system that exists on Long Island.

Also if that plant were to open, the people of Long Island would be subjected to the doubling of the cost of electricity, which would give us the dubious distinction of having the highest electricity rates in the entire Nation.

Third, we have many alternative ways of meeting our energy needs. I come from an engineering background, and I have researched many alternative ways, and I am pleased to say that the Long Island Lighting Company has in fact put in place three of the four suggestions that I have made in terms of how to meet our growing electricity needs without opening the Shoreham nuclear powerplant.

We tried to tell the NRC and the AEC that you cannot evacuate Long Island, but they would not listen to us. They said, "Go away. Come back when it is time. It is time when the granting of the operating license is being considered."

This is the time, and that is why we are raising it now, We tried sooner. And the opposition is bipartisan. The Republican-dominated county legislature years ago said, "No, you can't have an evacuation plan that would work safely for Long Island." The State of New York, which is Democratically controlled, also agreed.

So this is not a partisan issue. Both Democrats and Republicans alike agree that the Shoreham nuclear powerplant should not open.

In 1980, after the Three Mile Island accident, the NRC made a rule, and that rule was that they would not issue an operating license for any nuclear powerplant that did not have a State and locally approved evacuation plan. That was a very wise move. That rule worked very well for the last 7 years. We have had 36 nuclear plants in this Nation licensed under that rule. It made a lot of sense then, and it makes a lot of sense now, especially since Chernobyl.

But now we have a situation where the Nuclear Regulatory Commission is changing its own rule. They want to open the Shoreham nuclear powerplant and the Seabrook nuclear powerplant, which has similar situations in terms of unsafe evacuation circumstances.

So we have this problem, and the purpose of the Markey amendment is to only affect those two plants. The Markey amendment says the NRC can change its regulations, but not relative to the Shoreham or Seabrook plants, that the old regulation should apply to those two plants. So the Markey amendment would in no way affect the 107 nuclear plants in existence now in the United States, nor would it affect the 15 that are in the pipeline. It would only affect the Shoreham and Seabrook plants.

So this is a local problem. It is not a national referendum on nuclear power, as some would have us believe.

Let me talk about some of the previous arguments that have been raised. We heard on the floor yesterday that passing this Markey amendment would in fact set a major precedent in the nuclear industry in the United States, and that eventually we would shutdown all the nuclear plants. Let me say that they are all going to be shutdown anyway as they get old and tired and get retired, because we are not building any new ones. We have not had a new order for a nuclear plant since 1973. So it is a passing phase in terms of how we produce our energy.

We would not create a precedent with the abandoning of the Shoreham and Seabrook plants. The fact of the matter is that 29 plants have already been abandoned during the course of construction. We would merely add 2 more plants to the 29 that have already been abandoned.

So passing the Markey-Hochbrueckner amendment, as it is now referred to, would in fact not establish a major precedent. No change would occur. We have heard that the national energy policy of this Nation would be affected if the Markey-Hochbrueckner amendment were passed.

□ 1830

Less than 3 percent of our electricity is generated by oil, and very little of that comes from the Middle East.

I would like to point out to the Members that none of the oil being carried out of Kuwait by the tankers we reflagged, comes to us. That oil is going to Japan, Germany, and other places. That is not our oil.

We talk about jobs. I have been told, if the plants are abandoned, we will lose jobs. If those plants are abandoned, we will convert them to either coal or to natural gas or to oil, domestic hopefully.

How often do unions get an opportunity to build a plant twice and then operate it? We are not talking about losing jobs; we are adding jobs.

I have some good news for the Members. There are some major breakthroughs in desulfurization of coal. For those Members with coal in their districts, look ahead. It is looking good for coal.

We can remove the sulfur before we burn it, so I think coal is coming back.

Let me share with the Members some words from the President of the United States.

He put this in a letter to my predecessor in 1984. "* * * this Administration does not favor the imposition of Federal Government authority over the objections of State and local governments in matters regarding the adequacy of an emergency evacuation plan for a nuclear powerplant such as Shoreham."

It is signed by Ronald Reagan.

Let me remind the other side of the aisle that the President in writing has committed to, in essence, what the Markey amendment would do, so let me point out to the Members, this is not a national referendum on nuclear power.

These two plants were built in the wrong place and we need to stop them from opening.

Please support the Markey amendment.

Mr. LENT. Mr. Chairman, I yield 2 minutes to the gentlewoman from Connecticut [Mrs. JOHNSON].

Mrs. JOHNSON of Connecticut. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in opposition to the Markey amendment offered by the gentleman from Massachusetts.

Mr. Chairman, we have as a nation for many years thoughtfully, planfully, and rationally included nuclear amongst that energy mix on which our Nation's future was to depend.

In accordance with that national policy, I am proud to say that my State has reduced its reliance on oil for the production of electricity from

75 to 24 percent; and we did that by building safe nuclear plants which are seen today as amongst some of the finest in the Nation.

That differential, the oil that we saved, was picked up by the nuclear power that we are capable of generating. To the elderly that I represent, to the poor that I represent, to the consumers of Connecticut that I represent, that has meant a $2 billion saving; and that is very important to this Member, because if this amendment passes United Illuminating goes bankrupt, my people are going to feel it in their utility bills day in and day out. They will feel it directly and heavily.

And, Mr. Chairman, Connecticut is fast growing. Last year its demand for energy increased 5.5 percent while the Nation's demand grew only 2 percent. In the face of that new demand, there is not another plant, another source of power available or under construction, or even in the planning stages, that could support Connecticut's economic growth and provide the job opportunities my constituent's need. On the other hand, Seabrook is built, fueled, tested, ready to produce power, and we need it. It has undergone thousands of hours of inspections by the Nuclear Regulatory Commission, industry experts, and independent reviewers and has passed every review, every test. In addition, it's proposed evacuation plan would evacuate all within its 10-mile E&Z in the same time frame as the evacuation plans at all of the country's 108 licensed nuclear plants. Our nuclear plants have larger populations and worse roads than either the Seabrook or Shoreham plants, which are each sited with the assistance and concurrence of State siting councils. When operative, Shoreham will save 11.5 million barrels of oil per year, as much as is needed to fuel all the oil-heated homes in Connecticut for 14 months.

Seabrook has been sited and constructed in conformance with Federal requirements. Now it should be allowed to be operated in conformance with national standards. Parochial political interests should not be allowed to override national energy policy nor the needs of Connecticut consumers.

The CHAIRMAN. The gentleman from Arizona [Mr. UDALL] has 6 minutes remaining; the gentleman from New York [Mr. LENT] has 9½ minutes remaining; and the gentleman from Indiana [Mr. SHARP] has 1 minute remaining.

Mr. LENT. Mr. Chairman, I yield 3 minutes to the gentleman from Utah [Mr. NIELSON], a member of the Committee on Energy and Commerce.

Mr. NIELSON of Utah. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise to address for a moment several matters which have arisen with respect to the Uranium Enrichment Program operated by the Department of Energy which may also involve the Nuclear Regulatory Commission.

Two basic inputs are required to make nuclear fuel: natural uranium and uranium enrichment. In adopting the Private Ownership Act in 1964, Congress determined that the United States must strive to maintain a viable domestic uranium industry capable of serving domestic needs, in order to assure our national security and energy independence. DOE now has the legal obligation under the Atomic Energy Act to limit enrichment of foreign source uranium for domestic end use to the extent necessary to assure the maintenance of a viable domestic uranium industry. Unfortunately, DOE for 2 consecutive years has admitted that the industry's viability is not only not assured, but that the industry is in fact nonviable. Yet the agency has done nothing to discharge its obligation. This has had tragic consequences for the Nation's domestic uranium industry. The industry in southeastern Utah, like that in western Colorado and northern New Mexico and in Wyoming has been devastated. Unemployment approaches 90 percent. Almost all new contracts for uranium for domestic end use have been for subsidized foreign uranium, sold on the U.S. market at prices far less than those commanded on other markets of the countries of origin.

On July 20 of this year, the U.S. Court of Appeals for the 10th Circuit upheld an injunction barring enrichment of foreign source uranium for domestic end use until the viability of the industry is assured. This action will assist in rekindling the industry in Utah and in other Western States, and, with DOE's cooperation, or with appropriate pressure from the courts, can result in a restoration of production within 1 or 2 years, at least in Utah. I accordingly welcome this result.

In resisting the injunction, DOE has claimed that U.S. utilities will simply go abroad from enrichment services, causing the agency to lose business without assisting the domestic uranium industry. I believe that the United States needs a vigorous enrichment enterprise just as well as a viable domestic uranium industry. I have therefore been troubled by DOE's argument. However, it is my understanding that even if U.S. utilities wished to go abroad, and even if there were sufficient capacity abroad to service their needs, there is existing authority under the Atomic Energy Act to fully protect DOE's interests while it carries out its duties under the jurisdiction. In particular, the agency has authority under sections 161b and p of the Act to issue orders or regulations to require use of its enrichment facilities, and the Nuclear Regulatory Commission can be petitioned to exercise its licensing authority over imported enriched uranium to limit the influx of such material. The Commission has advised that it can exercise such authority if there is a tie to national security and it makes the proper finding. Such should not pose difficulty here since the 10th circuit has advised that "a viable domestic uranium industry [is] vitally important to U.S. defense and security interests" and that "Congress did not want the United States to become dependent on foreign sources of supply." I am pleased that nothing in the NRC authorization bill before us is inconsistent with NRC action as appropriate to assist DOE in discharging its obligations in this area.

Mr. UDALL. Mr. Chairman, I yield 2 minutes to the gentlewoman from Maryland [Mrs. MORELLA].

Mrs. MORELLA. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Chairman, I would like to ask the gentleman from Massachusetts [Mr. MARKEY], the maker of the amendment, even though this is general debate, if the gentleman would engage in a brief colloquy with me and answer some questions with regard to the amendment.

I would like to ask the gentleman from Massachusetts, there has been a lot of talk about what is implied or what is brought into this amendment. Can the gentleman tell me specifically what plants and how many plants would be affected by the gentleman's amendment?

Mr. MARKEY. Mr. Chairman, will the gentlewoman yield?

Mrs. MORELLA. I yield to the gentleman from Massachusetts.

Mr. MARKEY. Mr. Chairman, I thank the gentlewoman for yielding.

There would be two plants, and those two plants would be the Shoreham plant in New York and the Seabrook plant in New Hampshire.

Mrs. MORELLA. No other plants would be affected by the gentleman's amendment?

Mr. MARKEY. No other plants.

Mrs. MORELLA. In the State of Maryland, we have Calvert Cliffs nuclear powerplant, which is one of the most safe and productive in the Nation.

Can the gentleman give me any assurance that the gentleman's amendment is not going to allow an elected official to be able to rescind or revoke the license that they have been granted during that biennial evaluation?

Mr. MARKEY. I appreciate the inquiry from the gentlewoman from Maryland, and I understand the gentlewoman's concerns.

My amendment will affect only two plants, the Seabrook and the Shoreham reactors.

No other plants will be affected in any way, including the Calvert Cliffs reactor. Moreover, the amendment contains explicit statutory language which states clearly that it in no way affects any biennial exercise, emergency plans for any operating reactor with a full power license.

Mr. LENT. Mr. Chairman, will the gentlewoman yield?

Mrs. MORELLA. I yield to the gentleman from New York.

Mr. LENT. Mr. Chairman, I thank the gentlewoman for yielding to me.

Is it not a fact that every nuclear plant's evacuation plan comes up for testing and retesting every 2 years, including Calvert Cliffs, the plant that the gentlewoman is concerned about?

Mr. MARKEY, Mr. Chairman, if the gentlewoman would continue to yield, that is correct; and the language in my amendment makes it clear that those biennial reviews would not be affected by the amendment in any manner, shape, or form.

Mrs. MORELLA. Mr. Chairman, I believe I got my answer, and I would take the gentleman at the gentleman's word.

□ 1840

Mr. UDALL. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Massachusetts [Mr. MAVROULES].

Mr. SHARP. Mr. Chairman, I yield the 1 remaining minute that I have to the gentleman from Massachusetts [Mr. MAVROULES].

The CHAIRMAN. The gentleman from Massachusetts [Mr. MAVROULES] is recognized for a total of 3 minutes.

Mr. MAVROULES. Mr. Chairman, let me thank both my colleagues for yielding the time to me.

Mr. Chairman, before we get to the Markey amendment after this debate, I think we ought to lay all the cards out on the table. I think we should be honest with ourselves when we consider the vote on the Markey amendment after the debate.

Let me assure all of you, the reason I take a deep interest is because the Seabrook powerplant is right next door to my district and I am going to represent my constituents, and hopefully to represent them well.

This is not a pronuclear or antinuclear argument. Those who come in the well or speak to the points are attempting to make this a nuclear or antinuclear argument.

There are two locations, Seabrook and Shoreham.

My colleague, the gentleman from New York, during the debate just a moment ago mentioned the roads. Perhaps it would have been wiser for all of us to take a visit to both locations on the beautiful ocean front, with archaic roads which cannot handle traffic, whether it is summer or winter, and the devastating danger posed by a nuclear powerplant in those two locations.

But more importantly, we are talking about States rights, something we ought to pay very close attention to.

On more than one occasion in my 9 years in this Congress, I have sat in this beautiful House and I have listened to people put forth parochial arguments, things that we did not understand from the northeast corner, and I voted for them because I took their word for it.

The roads that we have at the Seabrook powerplant are back roads. To deal with an emergency at this point would be absolutely impossible.

So when we talk about the Markey amendment, we are talking about States rights, safety and evacuation, and certainly not a nuclear or antinuclear argument. That is not the argument here. We are not trying to set national policy.

Two locations, let us keep that in mind.

Mrs. JOHNSON of Connecticut. Mr. Chairman, will the gentleman yield on that point?

Mr. MAVROULES. I am pleased to yield to the gentlewoman from Connecticut.

Mrs. JOHNSON of Connecticut. Mr. Chairman, it is not two locations, because the plan for evacuation around Seabrook meets the same time estimates that the plans for all of the country's 108 licensed nuclear plants meet, so the plans are consistent.

Mr. MAVROULES. Mr. Chairman, may I take my time back. How can we say that? We do not have an evacuation plan.

Mrs. JOHNSON of Connecticut. But there is a plan, there is a proposed plan, and it meets the time constraints for evacuation.

Mr. MAVROULES. It is a proposed plan. We do not have an evacuation plan.

Mrs. JOHNSON of Connecticut. There is a time plan for the evacuation.

Mr. LENT. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. BARTON], a member of the committee.

Mr. BARTON of Texas. Mr. Chairman, I would first rise in support of the NRC authorization bill, which is the principal reason that we are here this evening.

With respect to the amendment that is commonly called the Markey amendment, when the time comes to debate that I must be in opposition to that amendment.

The debate over the Markey amendment has been structured as a debate over the safety and the possibility of evacuation of the two powerplants in question, with the immediate issue being Seabrook and Shoreham.

I think we all agree that we must insure the absolute safety for all our nuclear powerplants, not only Seabrook and Shoreham. Let us go through some of the facts at hand regarding safety for these two powerplants.

First of all, we need to understand that the probability or the possibility of a nuclear accident that actually has fuel integrity damage; that is, some radioactivity escapes from the core, is 1 in 10,000 per plant per year. That is the same as the possibility of a major fault in one of our hydroelectric dams, 1 in 10,000 per year.

But let us assume that that happens. Let us assume that were to happen at either Seabrook or Shoreham. What do we have as safeguards against that?

This is a drawing of one of the containment structures at one of the powerplants. This one happens to be up at Seabrook in New Hampshire. This particular containment building has a double containment configuration. The one in Shoreham is just as safe, although it is not double containment.

The Seabrook plant has been designed so that if a F-111 flying at maximum power runs smack dab into the side of this building, it will not impact it at all. There is a squadron of F-111's stationed at a nearby Air Force base.

If the operators inside the plant were to decide that they wanted to create the worst accident they could, and do nothing to control it, this containment building would prevent any type of radiation from escaping for at least 18 hours, and possibly as much as 27 hours. That is if they do absolutely nothing in the worst case.

Now, if they were to fight a worst case scenario, they could have up to 200 hours, at a minimum.

In the emergency plans that have been presented for consideration at both Shoreham and Seabrook, the emergency evacuation times, according to a document that was forwarded to Congressman UDALL, the chairman of the Interior Committee, at Seabrook were between 6¼ to 9¾ hours. At Shoreham the estimate was between 5 to 6⅓ hours. That is the worst case, worst weather situation, you name it. So the containment vessel itself has the ability to allow the people time to evacuate, even if the evacuation times turn out to be twice as long, in a worst case situation.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. LENT. Mr. Chairman, I yield an additional 30 seconds to the gentleman from Texas.

Mr. CHAIRMAN, will the gentleman yield to me?

Mr. BARTON of Texas. I am more than happy to yield to the gentleman from New York.

Mr. LENT. Mr. Chairman, first of all, I want to thank the gentleman for his statement.

I would point out to the gentleman that in the Nuclear Regulatory Commission latest listing of licensee performance review, awarded that plant, the Seabrook plant, the highest marks on all facets of construction quality and placed it as superior in terms of safety to for example the Calvert Cliffs plant that the gentlewoman from Maryland was concerned about.

Mr. UDALL. Mr. Chairman, I yield the remaining 2 minutes of my time to the gentleman from Massachusetts [Mr. MARKEY].

Mr. MARKEY. Mr. Chairman, I thank the gentleman, and I will speak more extensively when my amendment comes up in another 2 or 3 minutes.

Just to clarify the record for the benefit of the gentleman from Texas, the Brookhaven Institute has done a study on the Seabrook plant. They have developed a number of scenarios that have a major accident occurring bypassing the containment area. I do not know how the gentleman's F-111 accident deals with that type of situation.

To the gentlewoman from Connecticut who said that there is in fact a plan which has the same time frame for evacuation as any other plant in America, I would just note to the gentlewoman that FEMA, [the Federal Emergency Management Agency] has rejected the proposed emergency plans from New Hampshire, much less Massachusetts, in terms of their capacity to be able to meet the requirements that have been laid down by the Federal Government for insuring that the public health and safety is adequately protected.

So I just want to get that into the record, Mr. Chairman, as we go into the debate, because I am sure we are going to hear a lot more erroneous information as we go through the process of this debate. I just wanted to deal with those as we get out of the gate.

Mr. LENT. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. HALL].

Mr. HALL of Texas. Mr. Chairman, I doubt that I can add too much, and I doubt that once we actually get on the amendment itself that anyone is going to say anything that has not already been said.

I think it should be pointed out that it is not just educational institutions and areas where the think tank guys are that have information on this. Guys without ties on, working guys, people who have worked in this area back when it was constructed, brought by my office a letter entitled "Citizens for Shoreham Electricity," and said that during the 100th Congress, as they pointed out and we already know, that three House Committees have rejected the Markey amendment and there is no compelling reason why the full House should now reverse the actions of these.

I think we can go from these working guys here to the Governor of New York, who said, and this is in contradiction to what the gentleman from New York said, their own Governor has stated that although such an amendment may be limited in application to Seabrook and Shoreham, it would have a much broader impact. I think that is the thing that should be pointed out.

Actually, the first exhibit that the gentleman from Massachusetts showed us, a beautiful beach with two miles in the background, the facility named Seabrook, I think that picture speaks very loudly. That picture shows air-conditioned and luxurious apartments that are heated in the wintertime and cooled in the summer; cars that they drive there, tires that they rode on, chemicals and floats and rafts that they enjoy at the beach, gracious living, and all of them associated with energy.

Now, it does not seem fair to me to cry "home rule" or "states rights." As a matter of fact, even the garbage raft from New York was launched by a home rule city and under a State's rights outlook, but soon it became a national problem to be solved nationally.

The good people in New York and Massachusetts and that part of the world know that they cannot have it both ways. They cannot export their garbage and import their energy. It is just not fair and I do not believe this Congress is going to go along with it.

Mr. LENT. Mr. Chairman, I yield my remaining 1 minute, the balance of my time, to the gentleman from California [Mr. PASHAYAN].

Mr. PASHAYAN. Mr. Chairman, I thank my colleague.

Mr. Chairman, I intend to participate in the upcoming debate on the Markey amendment, but let me just say that there is one issue concerning the Markey amendment and that issue is, who shall have the final decision in whether or not to license a plant? Shall it be the NRC, or shall it be a State or local government? That is the only issue here.

Whether or not the plant is adequate, or whether or not there is a proposed plan or a perfected plan and all the other considerations are by comparison secondary to a simple issue. Shall the NRC have the final authority or shall the final authority in effect be vested in the State and local government having the power to overrule the Federal agency? That is the only issue presented by the Markey amendment. It is a procedural question, not a substantive question.

The CHAIRMAN. All time has expired.

Pursuant to the rule, an amendment in the nature of a substitute consisting of the text of H.R. 3037 shall be considered as an original bill for the purpose of amendment under the 5-minute rule in lieu of the amendments now printed in the reported bill and each section is considered as having been read.

The Clerk will designate section 1.

The text of section 1 is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Nuclear Regulatory Commission Authorization Act for Fiscal Years, 1988 and 1989".

SECTION 1. AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEARS 1988 AND 1989.

There are hereby authorized to be appropriated to the Nuclear Regulatory Commission in acordance with the provisions of section 261 of the Atomic Energy Act of 1954 (42 U.S.C. 2017) and section 305 of the Energy Reorganization Act of 1974 (42 U.S.C. 5875) for the fiscal years 1988 and 1989 to remain available until expended, $427,800,000 for fiscal year 1988, and $422,600,000 for fiscal year 1989.

□ 1855

Mr. UDALL. Mr. Chairman, I ask unanimous consent that the bill be printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The text of the remainder of the bill is as follows:

SEC. 2. ALLOCATION OF AMOUNTS AUTHORIZED.

(a) IN GENERAL.—The sums authorized to be appropriated in this Act for fiscal years 1988 and 1989 shall be allocated as follows:

(1) not more than $154,460,000 for fiscal year 1988 and $146,630,000 for fiscal year 1989, may be used for "Nuclear Reactor Regulation";

(2) not more than $46,955,000 for fiscal year 1988 and $46,385,000 for fiscal year 1989, may be used for "Nuclear Material Safety and Safeguards";

(3) not more than $132,396,000 for fiscal year 1988 and $136,591,000 for fiscal year 1989, may be used for "Nuclear Regulatory Research", of which an amount not to be exceed $2,000,000 authorized each such fiscal year to be used to continue the effort in gascooled thermal reactor safety research;

(4) not more than $52,084,000 for fiscal year 1988 and $51,720,000 for fiscal year 1989, may be used for "Program Technical Support";

(5) not more than $41,905,000 for fiscal year 1988 and $41,274,000 for fiscal year 1989, may be used for "Program Direction and Administration".

(b) LIMITATION.—The Nuclear Regulatory Commission may use not more than 1 per centum of the amounts allocated under subsection (a)(4) to exercise its authority under section 31a. of the Atomic Energy Act of 1954 (42 U.S.C. 2051(a)) to enter into grants and cooperative agreements with universities pursuant to such paragraph. Grants made by the Commission shall be made in accordance with chapter 63 of title 31, United States Code and other applicable law.

(c) Reallocation.—Any amount allocated under any paragraph of subsection (a) for purposes of the program referred to in any such paragraph may be reallocated by the Commission for use in a program referred to in any other paragraph of such subsection, or for use in any other activity within a program, except that the amount available from appropriations for such fiscal year for use in any program or specified activity may not, as a result of reallocations made under this subsection, be increased or reduced by more than $500,000 unless a period of thirty calendar days (excluding any day in which either House of Congress is not in session because of an adjournment of more than three calendar days to a day certain or an adjournment sine die) passes after the receipt by the Committee on Energy and Commerce and the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Environment and Public Works of the Senate, of notice submitted by the Commission containing a full and complete statement of the reallocation proposed to be made and the facts and circumstances relied upon in support of such proposed reallocation.

SEC. 3. RETENTION OF CERTAIN FUNDS

Money received by the Nuclear Regulatory Commission for the cooperative nuclear safety research program, services rendered to foreign governments and international organizaitons, and the material and information access authorization programs, including criminal history checks under section 149 of the Atomic Energy Act (42 U.S.C. 2169) may be retained and used for salaries and expenses associated with those activities, notwithstanding the provisions of section 3302 of title 31, United States Code, and shall remain available until expended.

SEC. 4. TRANSFER OF CERTAIN FUNDS.

From amounts appropriated to the Nuclear Regulatory Commission pursuant to this title, the Commission may transfer to other agencies of the Federal Government sums for salaries and expenses for the performance by such agencies of activities for which such appropriations of the Commission are made. Any sums so transferred may be merged with the appropriation of the agency to which such sums are transferred.

SEC. 5. LIMITATION.

Notwithstanding any other provisions of this Act, no authority to make payments under this Act shall be effective except to such extent or in such amounts as are provided in advance in appropriation Acts.

SEC. 6. USER FEES.

(a) In General.—

(1)(A) The Nuclear Regulatory Commission shall annually assess and collect such fees and charges as are described in paragraphs (2) and (3) in an amount that approximates 75 percent of the budget of the Commission in the fiscal year in which such assessment is made.

(B) The first such assessment shall be made not later than September 30, 1988, and shall be based on the budget of the Commission for fiscal year 1988.

(2) Pursuant to section 9701 of title 31, United States Code, any person who receives a service or thing of value from the Commission shall pay fees to cover the Nuclear Regulatory Commission's costs in providing any such service or thing of value.

(3)(A) Any person who holds a license issued under section 103 or 104 b. of the Atomic Energy Act of 1954 (42 U.S.C. 2133, 2134(b)), that authorizes such person to operate a utilization facility with a rated thermal capacity in excess of 50,000,000 watts shall pay, in addition to the fees set forth in paragraph (2), an annual charge. The Commission shall recover from such charge such costs of the Commission as are recoverable under paragraph (1) and not recovered under paragraph (2).

(B) The Nuclear Regulatory Commission shall, by rule, determine the amount of such annual charge for each licensee described in subparagraph (A) in a manner that ensures that the licenses who require the greatest expenditures of Nuclear Regulatory Commission resources pay the greatest annual charge.

(b) Use of Funds.—Amounts collected under this section shall be deposited in the General Fund of the Treasury to reimburse the United States for amounts appropriated for use by the Nuclear Regulatory Commission in carrying out its functions.

(c) Repeal.—Title VII of the Consolidated Omnibus Budget Reconciliation Act of 1985 (Public Law 99-272) is amended by striking subtitle G. This repeal shall become effective upon promulgation of the Commission's final rule implementing this section.

Mr. UDALL. Mr. Chairman, I ask unanimous consent that the gentleman from Massachusetts [Mr. Markey] now be permitted to offer his amendment.

The CHAIRMAN. The gentleman from Massachusetts is entitled to offer his amendment at any time.

Mr. UDALL. Mr. Chairman, I ask unanimous consent that all debate on the Markey amendment and all amendments thereto shall close in 1½ hours.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

Mr. LENT. Mr. Chairman, we have no objection on this side.

The CHAIRMAN. Is there objection to closing debate on the Markey amendment and all amendments thereto in 1½ hours?

Mr. SHARP. Mr. Chairman, reserving the right to object, do I understand the gentleman intends to have the time divided, with 45 minutes to be controlled by the gentleman from Massachusetts [Mr. Markey] and 45 minutes to be controlled by the gentleman from New York [Mr. Lent]?

Mr. UDALL. Mr. Chairman, that is my purpose and I so request.

The CHAIRMAN. Is there objection to the division of the time as stated by the gentleman from Indiana [Mr. Sharp]?

Mr. LENT. Mr. Chairman, reserving the right to object, I do not think I will, but I was not sure whether it was understood as part of the motion that half of the 1½ hours would be allocated to the opponents of the Markey amendment?

Mr. UDALL. Mr. Chairman, the gentleman is entirely correct and, in fact, the request designated him as the member controlling the 45 minutes.

Mr. LENT. Mr. Chairman, I thank the gentleman, and I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

AMENDMENT OFFERED BY MR. MARKEY

Mr. MARKEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Markey: Page 6, after line 21, add the following new section:

SEC. 7. EMERGENCY PLANNING.

(a) In General.—

(1) Emergency regulations.—The amount authorized to be appropriated under section 1 may be used by the Nuclear Regulatory Commission to issue or change the terms of an operating license under section 103 or 104 b. of the Atomic Energy Act of 1954 (42 U.S.C. 2133, or 2134(b)) for a production or utilization facility described in paragraph (2) only if such license is issued (or changed) in compliance with section 50.47 of title 10, Code of Federal Regulations and Appendix E of part 50 of such title, as in effect on June 1, 1987.

(2) Production and utilization facilities.—Paragraph (1) shall only apply to a production or utilization facility—

(A) in possession of a license to load fuel or operate at not more than 5 percent of the rated capacity of such facility on June 1, 1987; and

(B) for which a State government with jurisdiction over any area within a 10-mile radius of such facility has refused, on or before June 1, 1987, to submit emergency plans for such facility in accordance with part 350 of title 44, Code of Federal Regulations (as in effect on June 1, 1987), or to authorize submission of such plans in accordance with part 50 of title 10, Code of Federal Regulations (as in effect on June 1, 1987).

(b) Limitations.—Nothing in subsection (a) shall be construed—

(1) to change the requirements described in section IV F. of Appendix E of part 50 of title 10, Code of Federal Regualtions (as in effect on June 1, 1987) governing the Nuclear Regulatory Commission review of a biennial exercise of emergency plans for a production or utilization facility in possession of a license to operate at greater than 5 percent of the rated capacity of such facility on the date of the enactment of this Act; or

(2) to affect any production or utilization facility in possession on June 1, 1987, of a license to operate at greater than 5 percent of the rated capacity of such facility.

Mr. MARKEY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN. The gentleman from Massachusetts [Mr. Markey] is recognized for 45 minutes.

Mr. MARKEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, there have been a number of allegations which have arisen surrounding the nature of the amendment which is pending. But at the core of those allegations is the charge that this is a debate which boils down to whether you are pronuclear or antinuclear. And at the heart of that debate is the sense that there is a small number of antinuclear zealots who are obstinately standing in the way of the legitimate licensing of two nuclear powerplants and invoking frivolous objections at the last minute to their operation. Nothing could be further from the truth.

The issue which is to be heard this evening in this Chamber is the question of whether two and only two nuclear powerplants shall be licensed with a lower standard of safety than the other nuclear powerplants located in all other regions of America licensed under the existing Nuclear Regulatory Commission standard for emergency evacuation plans in the event of a meltdown or a major accident at a nuclear powerplant. This is what the issue is all about, two plants seeking to ensure that they will be covered by the same laws which have covered the other plants which have come before the Nuclear Regulatory Commission seeking licensing, but with an emergency plan that has been approved according to the standards established by the Nuclear Regulatory Commission, FEMA, the States, and local communities participating under existing regulation.

If any Member of this body believes that Congress or the NRC should lower the standard of public safety protection at these two plants, in the course of this debate they should say so. If any Member believes that the NRC should license these two powerplants without finding that there is reasonable assurance that adequate protective measures can and will be taken to protect the public, then please in the course of this long evening let us hear that sentiment.

The question which is being posed here is one in which we are hearing about the Ayatollah, and hearing about the energy needs of New England and the Northeast, and the great concern which people have about our interests.

Let me tell my colleagues what the choice is, and the choice is a local one. It is a local one for the State of New York, it is a local one for the people of Massachusetts and New Hampshire. For 12 years we have tried before the NRC and the courts of this country to raise the legitimate concerns we have about the adequacy of emergency evacuation plans around these two plants. We tried at every legal opportunity to raise our concerns. We were rebuffed in our attempts to do so.

In 1975 Attorney General Frank Bellotti of Massachusetts and WARREN RUDMAN of New Hampshire sought to raise these issues at the Nuclear Regulatory Commission. That case was tossed out by the NRC saying that the likelihood of a nuclear accident at this plant was so incredible, so small, that there was no need for an emergency evacuation plan.

In 1979, after the Three Mile Island accident, we once again tried to raise the issue, the State of Massachusetts, Frank Bellotti, the intervenors once again going before the NRC and we raised the same issue and we were once again dismissed with the promise that the economic investment already made would not be used to discriminate in the event that we raised those issues again at the conclusion of the construction of the plant. The NRC dismissed us once again.

That was appealed up to the circuit court by the intervenors. There at the circuit court it was ruled that the Nuclear Regulatory Commission, having stated that economic considerations would not play a role, that the court would uphold the NRC's decision, but with the stipulation that the States would still be able to raise under existing standards their concern about emergency evacuation plans at that plant.

In dicta on that decision the court noted:

> However wise we think it would be to hold a hearing now in 1982 on the feasibility of emergency planning zone evacuation, we cannot order the Commission to hold a hearing.

Why? Because those issues will be raised at the end without prejudice because of economic investment already made.

In 1986 the State of New York and the State of Massachusetts, both having tried to comply with the emergency preparedness requirements which are placed upon the States and local communities raised these concerns once again. Many say that here are two States, here are local counties who are turning their backs, not even trying to participate. Ladies and gentlemen, nothing could be further from the truth.

Here we have four, four of dozens of completed emergency response plan attempts by the State of Mssachusetts. We have boxes of them outside all accompanying us here today, and if anyone would wish to persue them they may do so. These are plans at a cost of $800,000 to the State of Massachusetts which have been deemed to be inadequate to protect the people of our state. If the people who are listening to this debate would like, we have an equally large box full of New Hampshire plans at a cost of hundreds of thousands of dollars to the State of New Hampshire which have been ruled inadequate by the Federal Emergency Management Agency. And if anyone still suffers from insomnia, we have an equally large number of boxes of plans which have been built around the Shoreham plant on Long Island that have been deemed to be inadequate, hundreds of thousands of additional dollars by our Governors, by our county commissioners, by our mayors, by our selectmen. We have been unable to build emergency plans around these plants and FEMA in Long Island, in New Hampshire, in Massachusetts, has been unable to certify any plan which would be in fact adequate.

These beaches here on Long Island are densely populated areas. The Federal Government is not an expert on the back roads of New Hampshire and Long Island and Massachusetts. They are experts on nuclear power, nuclear energy. Onsite at the nuclear reactor they are experts, but for the 10-mile radius surrounding the communities, the bridges, the roads, the police, and fire, the local communities are the experts, the states are the experts, the civil defense people in those States are the experts. They have tried to develop plans. We have spent millions of dollars trying to prepare plans. We have been unable to do it.

Do my colleagues think that the State of Massachusetts or the State of New York wants to cancel a $5 billion nuclear powerplant? Do they think that we want to tell our residents that after 12 and 15 years of trying to construct these two facilities to generate electricity for our States that we want to cancel $5 billion in each State that very likely could go on the rate base of our citizens? Do they think we want to make that choice?

That is why we raised the questions 12 years ago about building these plants on a beach or on Long Island that requires people to drive by the plant in order to in fact evacuate the surrounding areas.

This is a heartbreaking choice for the people of New York and Massachusetts and New Hampshire. We are being forced to choose between $5 billion in investments in both States that could very well go on the rate base for electric consumers in both areas for a generation against licensing a nuclear powerplant in both States without adequate emergency evacuation plans around it to protect the health and safety of the people who live within a 10-mile radius.

What a heartbreaking choice to place on the shoulders of the people of these States. But in the end, as heartbreaking as it is, it is an easy choice. It is an easy choice because there is not a person in this hall, there is not a person listening to this anywhere in America that would ever put their families in a situation where they had to be exposed to life-threatening situations. There is not a person in this country, a right-thinking person, that would put their families in the situation where they would in fact ask them to live anywhere that would endanger the lives of their families. They would not do it.

If the choice for us is higher electric rates, we will pay the price. If the price is that we have to spend another billion dollars or so to convert it over to coal or oil or gas, we will pay the price. Do not tell us that we have to force our citizens to live within the 10-mile radius of nuclear powerplants, and only two nuclear powerplants in this country will every be put into this situation, that do not have State approved, locally approved, county approved, citizen approved plans to evacuate the areas in the event that there is a meltdown. And God knows, nobody wants a meltdown. But if there is, these people have made a choice. It is our choice. It is the choice of the people within the 10-mile radius. Their rates are the ones that are going to go up if that is the way it has to be. It is their choice.

What has happened here? The Nuclear Regulatory Commission, unhappy with these citizen concerns, has now proposed a new rule which is under consideration. What does that rule say?

□ 1910

It says that rather than using the safety consideration which is the sole and exclusive basis upon which the Nuclear Regulatory Commission can license plants, it is now going to consider economics as the basis for licensing this plant.

In 1974, we broke off the Nuclear Regulatory Commission from the Atomic Energy Commission so that we would have a separate special agency that licensed nuclear powerplants solely and exclusively upon the basis of safety, not economics.

The Supreme Court in 1962 ruled, when asked whether or not economics could override safety in terms of licensing of nuclear power plants, that the Atomic Energy Act makes it clear that it "is absolutely denied, any authority to consider this investment when acting upon an application for a license of an operation. PRDC has been on notice long since that it proceeds with its construction at its own risk and that all its funds may go for naught."

In 1982 at the Seabrook plant the circuit court of appeals upheld the very same principle. And yesterday the circuit court of appeals once again upheld the principle that economics cannot override safety in the licensing of nuclear powerplants when they ruled on a 1985 Nuclear Regulatory Commission rule which says that in backfit cases where you are retrofitting and going in and putting in needed safety devices for nuclear powerplants where deficiencies have been identified, that the utility and the NRC cannot consider economics but only safety in terms of whether or not that retrofit has to in fact be built into the nuclear powerplant.

That decision was made yesterday by the circuit court of cppeals, Federal Circuit Court of Appeals.

John Herrington, Secretary of Energy wrote a letter today to Members of Congress. Here is his letter:

> By effectively blocking the operation of two completed nuclear facilities, the amendment would squander the investment of billions of dollars in the construction of safe nuclear powerplants.

The Nuclear Regulatory Commission is not allowed to consider economic investment in nuclear powerplants in determining whether or not they should be licensed.

I conclude on this note: I believe there is one area of life where all of us have to be especially respectful, especially deferential, and that is in cases where people are trying to protect their own families. If people want to pay the price for clean air, for their families, their children, they should be able to pay it; if they want to pay for clean water, for hazardous waste sites that will protect their children and their families from being exposed to hazardous materials, for sewage facilities. If people are willing to pay for it and they want to provide a certain level of health and safety for their families and for their children, they should have a right to do so.

Here the people of New York and Massachusetts and the large majority of people who live inside that area in New Hampshire are willing to pay the price in higher rates, in converting this plant so that their families do not have to be exposed unnecessarily to dangers which no other people in this country will have been exposed to—and that is to have to live within a 10-mile radius without an emergency evacuation plan which has been approved at the State and local level as having been effective.

I urge you, all of you who will be debating this issue to keep that issue in mind. This is not a pro- or anti-nuclear vote. This has nothing to do with the Ayatollah. This has nothing to do with anything except for the legitimate rights of people at the local level to control their own destinies where they are willing to pay the price.

All we are looking for is that opportunity. We are not looking for special treatment, we are not looking for special exemptions; we are looking for equal protection under the law, the existing law. If we are granted that, we are granted all that is our due, and that is all that we are requesting.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentleman from Massachusetts [Mr. MARKEY] has consumed 18 minutes.

Mr. LENT. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. RITTER].

Mr. RITTER. Mr. Chairman, I think we have just witnessed a great peroration, some great oratory on the part of our friend, the gentleman from Massachusetts. But we have also witnessed a very severe distortion of this debate. This debate is about licensing powerplants and about evacuation plans; it is not about the safety of this particular plant. No one opposing the Markey amendment seeks to lower safety standards for licensing. Those standards remain whether or not Markey passes. But if you want to talk about the safety of these particular plants, then let us talk about it.

The Nuclear Regulatory Commission views these plants, Seabrook and Shoreham, as two of the best plants in terms of their safety; and that means their steel supports, their piping systems, their mechanical components, their auxiliary systems, their electrical equipment, their cables, et cetera. Mr. Chairman, contrary to what the proponents of the amendment have been saying, these are some of the safest plants in the country.

I would recommend to the gentleman from Massachusetts a letter we have all received from 16 of the top scientists in the United States of America, including 8 Nobel Prize winners which tells us that these plants are exceedingly safe. I'd like to include that letter at this point in the RECORD.

SCIENTISTS AND ENGINEERS
FOR SECURE ENERGY,
New York, NY, July 31, 1987.

Hon. JIM WRIGHT,
Speaker of the House, House of Representatives, Washington, DC.

Hon. ROBERT H. MICHEL,
Minority Leader, House of Representatives, Washington, DC.

HONORABLE GENTLEMEN: We are gravely disturbed that you may soon be asked to make a very important decision without being provided the relevant scientific and technical facts.

THE CONGRESSIONAL ISSUE

You may be asked to vote for a Floor Amendment relating to emergency planning for nuclear power plants. You will be told that it is a "local issue" relating to "only two" plants and that it is a matter of "states' rights."

As scientists and engineers, we can't advise you whether Massachusetts has the "right" to veto New Hampshire's decision to use domestic nuclear power. Nor can we advise you whether the Supreme Court's recent decisions in First Lutheran Church and Nollan will require New York to compensate the utility for the temporary deprivation of use of Shoreham after that government authorized and approved such use. And we cannot judge whether the amendment would really affect only two plants.

However, as persons knowledgeable in the theoretical and applied sciences, we feel bound to advise you on the heart of the matter the safety of nuclear power and the need for emergency plans including, occasionally, evacuation.

NUCLEAR PLANT SAFETY

Nuclear plants in the U.S. have inherent safety through the incorporation of the negative power coefficient which suppresses power in the event of a loss of coolant accident. (Tragically, the Soviet RBMK dsesign has a positive power coefficient which caused an immense power surge at Chernobyl.) This fundamental stability of design is reinforced by redundancy of systems so no single failure can allow an accident. Those systems have been refined over the years both on the basis of experience, and the use probabilistic-risk analysis. As a final safety measure (absent at Chernobyl), containment has been required and, over the years, the specifications have been strengthened.

The synergism of these safety features is such that the risk of reactors of the Seabrook and Shoreham generation having an accident with a sudden large release of radioactivity is on the order of one in a billion per year, about once in the age of the earth. This is about 10,000 times safer than the hazard encountered each time you ride a commercial aircraft. Is that a level of risk which a rational person avoids?

EMERGENCY PLANNING

Nevertheless, the NRC conservatively requires emergency plans for such an unlikely instance. And we believe those plans can and should be simple, placing little or no burden on local resources. There are basically four stages of action: first, identify the problem and try to solve it without internal damage; second, if step one doesn't succeed, contain any potential release; third, if there may be a significant release, advise the public within a ten mile radius of the reactor how to avoid possible harm—the preferred response of technical people is "sheltering" (stay indoors). This is simple and will be effective in almost all cases.

The fourth step, evacuation, would be necessary, if ever, only within one or two miles of the plant, followed perhaps by evacuation of those within a narrow strip downward of the plant at a later time. In view of the low population density required in siting plants, the last resort of evacuation is not a challenging task. An evacuation of everyone within the entire ten mile radius probably would never be advisable but, if done, it would not incur the volume or congestion which local police routinely handle after a college or pro football game.

THE IRRATIONAL OBJECTION

The only way that fear mongers can create a threatening scenario is by (1) characterizing the one-in-a-billion accident as a realistic basis for planning, (2) insisting on a zone for evacuation 25 miles in radius instead of the NRC's 10 mile radius, and then (3) postulating a need for instantaneous evacuation of the entire zone. The second and third parts of the scenerio have no technical (or legal) justification. However, they do make a modest task much larger, as well as much more complex and hazardous.

Further perspective on this issue is gained by considering that evacuations are relatively often needed for many other industrial activities such as chemical plant and railroad accidents. However, nuclear power is the only human activity where such evacuation plans are a pre-condition to operation.

CONCLUSION

What we need is an understanding of the immense amount of scientific scrutiny which has been given to develop safety in nuclear power plants and emergency planning to the point where the risk from a nuclear plant pales beside the risk of commercial air travel.

We also need a rational appreciation of the alternatives to nuclear energy. We do not need to further expose our economy and national security to the risks of reliance on imported oil or electricity.

We hope that the reflections presented in this letter will help you and your colleagues arrive at a considered position and assist you in avoiding the imposition, locally or nationally, of unwarranted statutory prohibitions which would proscribe otherwise very effective, useful and, by most professional reckoning, safe nuclear power.

Very truly yours,

Luis W. Alvarez, Nobel Laureate, U. Calif., Berkeley; A.M. Cormack, Nobel Laureate, Tufts, Univ.; Arno A. Penzias, Nobel Laureate, Bell Laboratories; Dixy Lee Ray; Former Chairman, USAEC, Former Governor, State of Washington; Charles H. Townes, Nobel Laureate, U. Calif., Berkeley; Hans A. Bethe, Nobel Laureate, Cornell Univ.

William W. Havens, Jr., Exec. Secretary, Amer. Physical Soc., Columbia Univ.; Thomas H. Pigford, Member, Pres. Comm. on TMI Accident, Chairman, Nucl. Engin. Dept., U. Calif., Berkeley; Glenn T. Seaborg, Nobel Laureate, L. Berkeley Laboratory; Eugene P. Wigner, Nobel Laureate, Princeton Univ.; Thomas J. Connolly, Assoc. Chairman, Mech. Engin. Dept., Stanford Univ.; John McCarthy, Prof. of Computer Science, Stanford Univ.; Norman C. Rasmussen, McAfee Prof. of Engin., Mass. Inst. of Tech.; Frederick Seitz, Past President, Nat. Acad. of Sciences, President Emer., Rock. U.; Richard Wilson, Mallinckrodt Prof. of Physics, Harvard Univ.; and Rosalyn S. Yalow, Nobel Laureate, Albert Einstein Coll. of Medicine.

Let's talk about costs. Maybe the Nuclear Regulatory Commission cannot consider economics in the licensing process but this is $10 billion worth of American energy production that the gentleman from Massachusetts would scrap while our boys are sent to the Persian Gulf to risk their lives. That's something we should consider.

You know, we talk about safety of this plant and the numbers of people to be evacuated. I would like to call the attention of my colleagues to nuclear plants at Beaver Valley, PA, which has a higher population than Shoreham and to the plant at Zion, IL, which has a higher population than Seabrook in the 10-mile radius and Three Mile Island, PA, and Millstone, CT, and Indian Point, NY, all of which have higher populations in a 10-mile radius than these two plants.

The Framers of our Constitution figured out 200 years ago that for certain areas, a central government was necessary for defense, for the security of our Nation, for trade, and for foreign policy. Let me ask my colleagues if they think the energy security of the United States is an interest to be promoted by the central Government or do they think that this is a States rights issue?

The gentleman from Massachusetts [Mr. MAVROULES] talked about this as a States rights issue. Well, if it is, how come New Hampshire has supported this effort? Wouldn't we take their States rights away from them if Markey passed? These books here on my right that my colleague from Massachusetts has described constitute emergency response plans that are under review. New Hampshire has sought to participate. Not only that, for 8 to 10 years, both the Shoreham communities and the Seabrook communities participated in the developement emergency plan. It is only since 1983 that local government on Long Island switched horses.

And finally let us go beyond that. Let's look at the "Shut Down Strategies," by Ralph Nader's "Public Citizen" has published an entire section, section IIIb that discusses what nuclear plants are next. I urge my colleagues to take a look at it.

Mr. LENT. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. MOORHEAD], the distinguished ranking member of the Subcommittee on Energy and Power.

Mr. MOORHEAD. I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in opposition to Mr. MARKEY's amendment on emergency planning. Statements have been made today that this amendment responds to proven safety problems. That is not the case. While neither Mr. MARKEY nor I are nuclear engineers, Congress had created the Nuclear Regulatory Commission, an agency comprised of technical experts, who make safety judgments on nuclear safety issues for Congress. NRC's most recent safety reviews of the Seabrook and Shoreham plants give both plants very high marks. Seabrook received the highest ratings in all categories reviewed.

Statements have also been made today that the Shoreham and Seabrook cases represent uniquely difficult problems of emergency planning. That also is not the case. At least five other nuclear plants in this country have larger populations and worse road systems in the emergency planning zone than Seabrook and Shoreham. Most interesting in the context of Mr. MARKEY's amendment is the Indian Point plant which is 20 miles from New York City. In that case, New York Governor Cuomo overrode the objections of local officials who believed that emergency planning was impossible. In effect, Governor Cuomo took the position that it is easier to evacuate 200,000 people over bad roads in the shadow of New York City than it is to evacuate 135,000 people over the excellent roads on Long Island.

Regardless of the merits of these positions, it is quite clear that NRC will not license either Shoreham or Seabrook until it decides that the plants are safe and that emergency planning in the vicinity of the plants is adequate. NRC is insisting that Seabrook have an adequate emergency plan before being granted a low power license. At the same time, NRC is making the same requirement on Shoreham before granting a 25 percent power license. If Mr. MARKEY were correct and NRC intended to license Seabrook and Shoreham without regard to safety, that would have been done long ago.

Finally, I would like to respond to the statement that NRC is changing its emergency planning rules "in the middle of the game." In fact, what NRC is proposing to do is implement on a generic basis, rather than through case-by-case litigation, statutory authority granted it by Congress in 1980. At that time, Congress authorized NRC to license nuclear plants on the basis of utility emergency plans if State and local governments decline to participate in emergency planning. Of course, NRC is required to determine if utility emergency plans provide reasonable assurance that public health and safety will be protected in the event of an accident. This is the same finding NRC must make when it reviews a State or local government emergency plan prior to issuance of an operating license. Thus, Congress has recognized in the past that State and local governments must not be permitted to veto operation of completed safe nuclear plants simply through inaction or failure to participate in the emergency planning process.

I urge you to recognize that Mr. MARKEY's amendment is not sound national energy policy and to vote no on Mr. MARKEY's emergency planning amendment.

Mr. MARKEY. Mr. Chairman, I yield 2 minutes to the gentlewoman from Illinois [Mrs. COLLINS].

Mrs. COLLINS. Mr. Chairman, I rise in support of the amendment offered by my distinguished colleague, Mr. MARKEY.

As a Member whose district is served by a utility with substantial investment in nuclear power, I am deeply concerned by the NRC's regulatory activities.

Clearly, the NRC's actions must be guided by one fundamental concern—public safety.

The Commission's current rulemaking on emergency preparedness, however, totally disregards this basic concern. The NRC now proposes to eliminate the requirement that State and local governments have emergency plans in place before a nuclear plant is licensed. This action is inexcusable!

If the NRC is allowed to proceed, who will provide these vital emergency services? Clearly, if State and local officials do not believe it is safe to operate a plant, and do not cooperate in this planning process, then who has the responsibility to do so? Would it fall to the utilities to provide these services? Can any utility provide essential police, fire, and health services if an accident occurs? Clearly the answer is "No."

Today, we have the opportunity to put the Commission on notice that promoting the public's safety is its primary responsibility. Without the cooperation and active involvement of State and local governments, it cannot fulfill this responsibility.

The Markey amendment simply retains current regulations that require emergency plans to be in place before any new nuclear plant under construction is licensed. It would not alter the licensing conditions for plants currently in operation, and should be agreed to.

Given the importance of this issue to the public's safety, be it in Chicago or the communities which are the focus of the dispute in the NRC rulemaking, I urge my colleagues to support the Markey amendment.

□ 1925

Mr. LENT. Mr. Chairman, I yield 2 minutes to the gentleman from Colorado [Mr. SCHAEFER].

Mr. SCHAEFER. Mr. Chairman, since there are such diverse opinions among Members on this amendment, I thought it might be helpful to include in the debate some notable quotations from newspaper editorials.

The New York Times states that "giving local authorities a veto power over new plants means none will be built. Removing this power would be a welcome and overdue step."

From the Wall Street Journal: "emergency planning has become little more than a stalling tactic. There's no good reason why Shoreham and Seabrook shouldn't receive permission for full-scale operation."

The New Hampshire Sunday News says that "it is clearer than ever that the Seabrook nuclear plant is a must for the State and region's power needs."

From the Worcester Telegram: "the NRC's common sense approach is in stark contrast to the Seabrook plant's opponents."

The Daily Evening item from Lynn, MA, states that "the concern for safety has been pushed to such lengths that this vital energy source is being strangled."

From the New Haven Register: "the availability of power for commercial and industrial use is critical to the economy of Connecticut and the rest of New England. If the power is limited, and costly, industry will look elsewhere to expand."

That's not all.

The Hartford Courant points out that "it is cavalier of any governor to assert a last-minute right to block a plant after years and billions of dollars have been spent in planning and construction. It is equally cavalier to refuse to plan for the health of citizens in the event of a catastrophe."

Although not in the Northeast, the Cincinnati Enquirer states that "it is insane to give a village council, a mayor or even a governor the power to require the dismantling of a multimillion-dollar nuclear power plant by the simple expedient of noncooperation in evacuation planning."

And finally, the Chicago Tribune argues that "by delaying the startup of Shoreham and Seabrook, the politicians may be gaining some votes with the anti-nuclear block, but they are penalizing the utility, its consumers and shareholders in the long run."

With those glowing endorsements, it is easy to see why the gentleman's amendment was defeated in the Energy and Commerce Committee. I urge all Members to join me in opposing this amendment and continue the string of amendments lost by our antinuclear colleagues.

Mr. LENT. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. BARTON].

Mr. BARTON of Texas. Mr. Chairman, I would point out to my colleagues that my allusion to the F-111 in my earlier comments was because of Pease Air Force Base, where a squadron of F-111's are based.

Mr. Chairman, we are going to need all of the energy we can develop in this Nation in the years ahead. We are going to need all of our oil resources, all of our gas resources, all of our coal resources, and we are going to need all of our nuclear resources. Nuclear power currently contributes 17 percent of our energy needs.

In our Northeast United States, where Shoreham and Seabrook are located, they do not have large oil deposits and they do not have large natural gas deposits. They do have some coal, but primarily they are going to get their power from nuclear and hydroelectric. They are going to need that power.

The gentleman from Massachusetts says that his amendment relates only to two nuclear powerplants, and he is technically correct. The amendment is structured that way, it is written that way, and technically he is exactly right. The reality is, though, that if his amendment passes, we open Pandor's box because we set a precedent and we cannot prevent other powerplants from being litigated in court, using the Seabrook and Shoreham plants as a precedent to stop other powerplants.

The gentleman from Massachusetts [Mr. MARKEY] also tells us this is not a pronuclear or an antinuclear vote, that it is a vote on two particular powerplants.

The reality again is totally different. I would point out that many of his supporters have done everything they can to stop nuclear power. That is all well and good. That is the open democratic system, but they have grasped at this emergency planning route as an indirect means of stopping something that they cannot stop directly. We should do everything we can to defeat them.

They talk about the States' rights issue. The Atomic Energy Act in the 1950's said that nuclear power is not a States' right; it is a Federal issue. It should be a Federal issue because it affects all Americans.

Mr. Chairman, we cannot afford to let the amendment offered by the gentleman from Massachusetts [Mr. MARKEY] pass. We need nuclear power in this country, we need it today, and we need these two powerplants. Each of them will save 18 million barrels of oil per year immediately if they go line. We should vote "no" on Markey. We should let nuclear power live in the United States.

Mr. MARKEY. Mr. Chairman, I yield 4 minutes to the gentleman from New York [Mr. DOWNEY].

Mr. DOWNEY of New York. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in strong support of the Markey amendment. Of course, there is a precedent that will be set either way, if we accept the Markey amendment or if we reject the Markey amendment, and I think it is appropriate that we try to examine some of the precedents both ways. They have been discussed ad nauseam here, and I am going to start by invoking the oft-quoted statements of the Founding Fathers of our Republic. We will recall that about 200 years ago this very day they were sitting down and trying to resolve what should be national or Federal responsibilities and they decided that they could not decide. They recognized above all things that things would change, and that there needed to be a recognition that there would be in future times varying apportionment of responsibilities.

I suspect that if they heard the debate today, they would turn collectively in their graves to think that we have decided in one area above all else that the Federal Government should have a sole priority. And it is not in a military area; it is in the area of the generation of electricity by nuclear power.

Just what is the State's responsibility when generating electricity. The States, may take action on oil-fired plants if they feel the plant is unsafe, and if they do not think it is safe, they can close the plant down. With respect to coal, they can say the same thing, or on gas or electricity possibly generated by the Sun. The States have an important role to play in determining safety. Could we imagine for a moment, if the Federal Government said, "I see you have a coal-fired plant on Long Island," or, "an oil-fired plant. We do think that the technology is such, it being so sophisticated, so completely refined and developed, that there now is no need for you to have a sprinkler system, or a fire dam system to get people out in the event of a fire."

We would sit here and say that is crazy. Anything made by man can fail. Yet today in the area of nuclear power we are saying that the Federal Government has everything to say and the rule that has been developed by the Nuclear Regulatory Commission trammels on the notion that the States or the localities have anything to say with respect to planning. That is insane. That is what we are debating today.

We are not debating all the nuclear power plants because we are prepared to give a free ride, and we are prepared to say to the States and localities, "States, you do not have a role to play anymore; localities, you do not have a role to play," and all Mr. MARKEY has done is say that in the one spot in New Hampshire and in the one spot in New York where there have been mistakes in the siting of the plant, we want the old rules of an evacuation plan to apply. That is the issue.

Today we have heard people who are watching this on Long Island and in New Hampshire and in Massachusetts who have been told they have nothing to fear from Congressman RITTER, from Congressman BARTON, about the safety of nuclear power. Now is that not reassuring?

Mr. Chairman, I am sure that these two gentlemen would not have believed for a moment that there could have been an accident with the *Challenger* or that there could have been an accident at Chernobyl or they could have believed all the statements before that Three Mile Island could never have happened. Unfortunately, accidents occur, and all we want to say to the people of my island and in the place in New Hampshire is that we want to be prepared for the accident. We want to have a plan. We want to be able to say that if there is a problem we can get you out.

But you do not want to give us that option. The nuclear industry is so afraid, they are so afraid of this that they are prepared to stop and say, "Please, our friends in Congress, do not allow these two plants to have any sort of exemption, have a special measure of safety, because this somehow will hurt the whole industry."

What do you have to be afraid of? You have nothing to be afraid of, my colleagues. This amendment is sensible, it is rational, it is in the public interest, and I urge my colleagues to please accept it.

Mr. LENT. Mr. Chairman, I am happy to yield 3 minutes to the gentleman from Ohio [Mr. OXLEY], a member of the Committee on Energy and Commerce.

Mr. OXLEY. Mr. Chairman, the history of the Markey amendment is a history of failure. It lost in the Interior Committee. It lost in the Subcommittee on Energy Conservation and Power. It lost in the Interior Committee. It lost in the Energy and Commerce Committee. When a resolution was presented to the National Conference of State Legislators just a week or two ago in Indianapolis, it never was passed. When it was presented to the National Conference of Governors in Michigan just recently, it did not pass.

Mr. Chairman, I think the record of the Markey amendment certainly speaks for itself. It is a loser. It is recognized as a loser. It is one that should be defeated here on the floor today.

This is indeed a national energy issue, yet we have people, the same people in many cases who support the Markey amendment, who do not want to look for any more oil, who do not want to burn coal, who do not want to see us discover oil or gas off the coast, who do not want to see us even look for oil or gas in Alaska, and yet they are the same people who claim in many cases they are pronuclear, no matter whether they support this type of amendment.

I think that obviously the committee process has worked well to this point, and it certainly points out the weaknesses of this amendment. Eighteen million barrels of imported oil are displaced by each of these particular facilities. That is an awful lot of oil that we can save and not have to import into this country, and yet the same people who support Markey and oppose all the different ways we can get energy independence in this country are the same people who find some fault with this nuclear system.

What has really happened, of course, is that with the Markey amendment what we are going to do is say to certain States that they will be able to employ what I like to call the "rope-a-dope" defense. That is, you do not do anything; you allow the people who are trying to do something, who are trying to bring some energy independence to this country, to basically punch themselves out because they have not done anything, and as a result the will of the Congress and the will of the utilities who are trying to provide reasonable energy is thwarted. I do not think we ought to allow that to happen.

Mr. Chairman, I would like to quote from a Newsday article. As far as I know, Newsday is located either on Long Island or very close to Long Island. This is dated July 3, 1987, and indeed they say, speaking of the Markey amendment, that it should not pass. Referring to the health and safety requirements of individual nuclear plants, they state that the regulatory agency is created for just that purpose. That is really what this is all about.

Mr. Chairman, I ask that we defeat the Markey amendment and let us get on to pass the NRC reauthorization bill.

□ 1940

Mr. MARKEY. Mr. Chairman, may I inquire of the Chair once again, what is the remaining time?

The CHAIRMAN. The gentleman from New York [Mr. Lent] has 30 minutes remaining; the gentleman from Massachusetts [Mr. Markey] has 21 minutes remaining.

Mr. MARKEY. Mr. Chairman, I would ask if the gentleman from New York might want to consume some time, so we can level out as we get near the end of the debate?

Mr. LENT. Mr. Chairman, I would be happy to accommodate the gentleman from Massachusetts on this one occasion.

Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. Hall].

Mr. HALL of Texas. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in opposition to the Markey amendment.

The gentleman from Massachusetts has characterized his amendment as the gentleman chooses, and the gentleman has that right.

The gentleman has characterized the amendment before and we heard every suggestion, every speech the gentleman from Massachusetts has made; and three committees have heard the gentleman and turned the gentleman down.

I admire the gentleman's spunk in pursuing it. It is bad legislation. It is not safe for this country. For most of the Members, we see it as a continuation of the gentleman from Massachusetts simply shaking his fist at nuclear energy.

The amendment's sponsor has characterized the intent of the amendment as only affecting the Shoreham and Seabrook plants. That is literally true; but I can assure all of the Members of this House, that the real purpose of the amendment is to lay out a path for that class of intervenor in the licensing process whose sole objective is to use the process to prevent the licensing and operation of those plants under construction, intervenors who have no interest in playing a constructive role in the licensing process.

The Markey amendment provides a simple mechanism to stop the licensing process in its tracks.

The amendment gives to State and local officials the authority to say no to the NRC, just simply say, "We won't play; we won't participate in the emergency planning process," not even a rope-a-dope defense. If the Markey amendment is adopted, that is the entire ballgame, the end of the line for the licensing process; and the investments that have been made in the plant go down the drain for all practical purposes.

It puts no burden on the public officials who make that determination to justify their reasons for their actions. Under the Markey amendment, State and local officials can block a plant, because they do not like the color of the paint on the front gate of the plant, or for even lesser reasons, for that matter. They do not have to give a reason.

The Markey amendment is the worst kind of public policy, because it removes from the process any notion of accountability, and then they talk of hundreds of thousands to be evacuated.

Where were those people when the facility went up, when it was built brick by brick, block by block, steel girder by steel girder? I'll tell you where they were! They were employed; they were working on Seabrook. It was a big employer.

Temporarily it solved their public works problem and gave them the 3-percent unemployment figure that they enjoyed.

I do not believe the good people of New York or Massachusetts or New Hampshire or others believe that it is right now to say, "Tear it down, we have got all the benefits from it we want."

We cannot do that in the oil patch. We have to have the gutted pipelines, the derricks in our front yard; but energy is so important, and this amendment does not just involve two plants.

It involves nuclear energy in general. To have a sound national evergy policy, an alternate source of energy is so important. We forced the Japanese south into Malaysia in 1941 looking for energy.

Russia and other countries were invaded by Hitler for the Ploesti oil fields, and the Sudetenland—and this country will fight for energy. We need nuclear energy to supplement oil and gas, solar, and all other pursuits.

This is a bad policy, an unfair policy, a dangerous policy. I urge the Members to vote against the amendment of the gentleman from Massachusetts [Mr. Markey].

Mr. MARKEY. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. Scheuer].

Mr. SCHEUER. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, anybody who looks at this picture, certainly anybody who has ever spent a sunny weekend afternoon in Montauk or in the Hamptons on Long Island would know the absurdity, the bizarre absurdity of locating these nuclear plants where they have been located.

It defies imagining that they could have been put next to tens of thousands of people enjoying a beach. It defies reasoning that the Shoreham plant could have been placed way out on Long Island with that thin little artery known as the Long Island Expressway, sometimes referred to as the largest parking lot in the world; on just a plain summer weekend afternoon, imagine, if you will, the chaos, the consternation that would occur with a nuclear accident in the summer in either of these locations.

This was perfectly self-evident when the plants were first suggested.

In both cases—Shoreham and Seabrook—State and local officials have raised legitimate concerns about evacuating masses of humanity through tight highway bottlenecks in the event of a nuclear accident.

These officials attempted to voice their concern years ago—as early as 1970 in the case of Shoreham and 1974 in Seabrook's case—but they were precluded by the NRC from doing so until the operating license proceedings began.

Now that the licensing procedure is underway, the NRC wants to alter the game plan and move ahead with licensing the plants, despite the prudent concerns of local officials.

Now the NRC wants to change the rules in midcourse so as to deny States and localities a meaningful role in the licensing procedure.

As Abraham Lincoln so wisely said more than a century ago: "You don't swap horses while crossing the river."

Apparently reacting to financial concerns of the utilities that own Shoreham and Seabrook, the NRC is attempting to do just that—change the rules in the middle of the game.

But we are not dealing with a game here.

We are dealing with the health and safety of hundreds of thousands, if not millions, of residents and tourists who would be affected by an accident at either of these nuclear plants.

The Markey amendent reaffirms the status quo in terms of the public's welfare.

This amendment is further bolstered by a U.S. court of appeals decision issued yesterday which said the NRC "may not take economic costs into account in fulfilling its statutory mandate to ensure adequate protection of public health and safety."

Mr. Chairman, we cannot be fickle when it comes to this important issue—we must stay the course. We must maintain the integrity of the process.

Without process, we are left with chaos. We cannot sacrifice process on the altar of expediency.

As Martin Luther noted in the 16th century:

> The mad mob does not ask how it could be better, only that it be different. And when it then becomes worse, it must change again. Thus they get bees for flies and at last hornets for bees.

I urge my colleagues to support the amendment offered by my colleagues from New York and Massachusetts.

To do otherwise would fly in the face of common sense and the sanity of the rule of law.

Mr. LENT. Mr. Chairman, will the gentleman yield?

Mr. SCHEUER. Mr. Chairman, I only have 3 minutes, I am sorry.

Mr. LENT. Mr. Chairman, I yield 30 seconds to the gentleman from New York [Mr. SCHEUER].

Mr. SCHEUER. Mr. Chairman, I yield to the gentleman from New York [Mr. LENT].

Mr. LENT. Mr. Chairman, I thank the gentleman for yielding to me.

Neither of these plants would be located where they are had it not been that the State public utility commission issued a siting permit. Likewise, a certificate of need was issued for both of these plants, the same as the Diablo plant in California and the San Onofre plant in California, and many other plants which are located along the oceanfronts of this Nation.

Mr. SCHEUER. Mr. Chairman, I am not talking about any of those. We have over 100 of these plants, and this amendment is only addressed to 2, the 2 that were put in place in violation of the orderly procedures of the Nuclear Regulatory Commission processes.

I think we have learned from watching the television in the last month how important this process is. Let us not sacrifice process on the altar of expediency.

Mr. LENT. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. FIELDS], a member of the Committee on Energy and Commerce.

Mr. FIELDS. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. CHAIRMAN, I rise in opposition to the Markey amendment.

Although I have a great deal of respect for my friend and colleague, Mr. MARKEY, I must oppose the amendment before us today.

Proponents of the Markey amendment would have us believe that the amendment is purely a local rights issue. Proponents claim that the Markey language affects only the Shoreham and Seabrook nuclear plants. However, my colleagues should understand that while the Markey amendment technically prevents only the Shoreham and Seabrook plants from being licensed, the repercussions of the Markey amendment will be felt throughout the entire nuclear industry.

After the Three Mile Island nuclear accident, Congress passed legislation requiring State and local governments within 10 miles of a nuclear plant to help develop local emergency response plans. Congress rightly decided that local cooperation in developing emergency evacuation plans would better protect area residents. But, Congress never intended for State or local governments to be granted virtual veto authority over the operation of a nuclear reactor. Yet, in two cases, the Seabrook and Shoreham plants, State and local governments have blocked the licensing of nuclear reactors by simply refusing to participate in emergency planning.

I might point out that in the Seabrook case, it is the State of Massachusetts, not New Hampshire where Seabrook is located, which is blocking the plant's operating license.

In February of this year, the Nuclear Regulatory Commission proposed new regulations which would allow a nuclear reactor to receive an operating license without State or local government participation in an emergency plan if the utility attempted to but could not obtain State or local government cooperation and, instead, submits its own emergency evacuation plan. The proposed NRC rule change is clearly in keeping with expressed congressional intent. In the 1980 Nuclear Regulatory Commission authorization bill, the conferees specifically stated that the emergency response plan may be developed by the State or local government or the utility.

Congress made a decision several decades ago that nuclear power should be regulated at the Federal level. That policy of Federal supervision has remained firmly in place. But, if Congress undermines that policy by passing the Markey amendment, what signal will be sent to the Nuclear Regulatory Commission? The Markey amendment tells the NRC that local politics—not reasoned energy policy—should govern nuclear power.

This amendment is not just a debate about Seabrook and Shoreham, it is a referendum on nuclear power in the United States. If the Markey amendment passes, the political opponents of nuclear power will waste no time in pressuring State and local in every community near a nuclear powerplant to withdraw support for existing emergency plans. Since emergency plans are recertified every 2 years, antinuclear activists will have a perfect forum to press their cause.

Nuclear power safely supplies 17 percent of the electricity in the United States. In France, nuclear power safely supplies over 75 percent of that country's electricity. Billions of dollars have been invested in nuclear reactors in America. Can we afford to let that investment be wasted by 11th hour license denials?

Antinuclear activists have failed at every step of the way to prevent these nuclear powerplants from being built. Having lost the battle, antinuclear activists are now attempting to win the war by subverting the emergency planning process.

Don't make the mistake of underestimating the significance of the Markey amendment. While we all would like to be able to defer to the wishes of some Members of Congress near the Seabrook and Shoreham plants, we must consider the public policy implications of doing so. The Markey amendment is not just local interest legislation, it is a giant first strike against nuclear power.

A well-regulated nuclear energy industry can provide a safe source of domestic energy for decades to come. The Markey amendment will undermine that potential.

I urge the defeat of the Markey amendment.

□ 1950

Mr. MARKEY. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. ATKINS].

Mr. ATKINS. Mr. Chairman, nuclear power is one of our newest, and most promising technologies, but it is also one of our most dangerous. We have coexisted with it for over three decades, and have continually learned from our experience.

Ten years ago, the Atomic Licensing and Safety Board discounted the possibility that there could ever—ever—be a nuclear accident serious enough to warrant evacuation. But we've learned that accidents can happen.

Emergency planning for nuclear power accidents was considered a low priority for many years, but we've learned that planning is a key component for nuclear safety.

State and local governments were not involved in the planning process prior to Three Mile Island, but we've learned that they are the most familiar with local weather and traffic patterns, and the front line in any emergency.

We have learned. Where there was no evacuation plan required before, we now have the active involvement of FEMA and State and local governments in developing plans in case of a nuclear accident. We no longer consider a nuclear accident impossible. We've learned it can happen.

The NRC rules under discussion today are not some arbitrary regulations that were issued on a whim. They are a product of our experience with Three Mile Island—with what we learned from that serious accident.

And that brings us to this amendment.

There are over 100 nuclear powerplants in this country, all of which were licensed under the existing rules.

The existing rules were made after the 1979 accident at Three Mile Island, when the crucial role of State and local government in evacuation plans was clearly defined. And those existing rules are what we ask for Shoreham and Seabrook—not special treatment, not different rules, but equal treatment with other plants.

The Markey amendment makes no judgment on the merits of either side's argument. It merely says that Seabrook and Shoreham will be treated during the licensing process in an identical manner to every other nuclear plant in this country.

We should not move goal lines 20 yards in so that a team retroactively scored, or cut a baseball game at six innings to make one team a winner. We should not allow two nuclear plants to be licensed under different safety regulations than all the other nuclear plants in the Nation. Simply because they cannot devise an evacuation plan that local public safety officials think can work.

Not special treatment, just equal treatment. I urge the adoption of the Markey amendment.

Mr. LENT. Mr. Chairman, I yield 2 minutes to the gentleman from Connecticut [Mr. ROWLAND], our neighbor to the north.

Mr. ROWLAND of Connecticut. Mr. Chairman, this has been a very intriguing debate over the last 2 days. We have heard a lot of emotion, some misfacts and a lot of different arguments.

I think one of the most intriguing arguments that we have heard from our friends on the other side of the aisle is that this side of the aisle is not concerned with conservation.

I simply point out that assuming a capacity of 70 percent at Seabrook, we would save approximately 7 billion kilowatt hours of electricity a year.

In my State of Connecticut, the oil saved by Seabrook would add up to enough oil to heat every single home in the State of Connecticut for well over a year.

The other contention that I find quite interesting is the one that we have talked the most about, and that is states rights. Well, Mr. Chairman, it does not really matter whether it is 1 plant or 2 plants or 3 plants or 10 plants. The fact of the matter is that we are asking Congress, the U.S. Congress, to make a determination on a case-by-case basis of whether to approve this plant.

I would also point out that the original amendment that the gentleman from Massachusetts [Mr. MARKEY] offered back in one of the committees would have impacted some 17 plants.

Now, knowing that it is not a States' rights issue, States do have a right and are encouraged to participate in the decisions which affect the interests of our Nation.

The Markey amendment will set a terrible precedent. By preserving a loophole, you can bet that the proponents hope to kill a good approach to safe energy.

Everyone agrees that we must have good, safe energy, but we should not dismantle years of progress by sleight of hand.

The fact of the matter is that this plant has been supported by local and State governments. We have obtained all the appropriate permits for construction and operation, that both have completed hours and hours of inspection and reviews and safety checks, and that both plants will provide needed energy to our region.

New England, as we all know, has had tremendous growth. We have had tremendous economic and electric needs.

Historically, and we were asked not to bring it up, but it is true, historically we have been dependent on imported oil. If we want to benefit from this good safe energy, we need to work together to make sure for all our environmental and economic reasons and not emotional and irresponsible reasoning.

Mr. MARKEY. Mr. Chairman, I would request that there be some equalization of the time now.

The CHAIRMAN. The Chair has been alternating back and forth, trying to equalize the time.

Mr. LENT. Mr. Chairman, I think we ought to alternate back and forth. The gentleman from Massachusetts started out and took 18 minutes in his initial remarks. It is my hope to husband some of the time for this side for closing remarks to the gentleman from New York.

Therefore, since a representative of the opposition to the Markey amendment just spoke, I think, in all fairness, the next speaker ought to be one chosen by the gentleman from Massachusetts.

Mr. MARKEY. Mr. Chairman, will the gentleman indicate how much time he is intending to reserve for himself at the end?

Mr. LENT. About 5 to 7 minutes.

Mr. MARKEY. Mr. Chairman, I thank the gentleman.

I yield 4 minutes to the gentleman from New York [Mr. MRAZEK].

Mr. MRAZEK. Mr. Chairman, the question was asked a little earlier, what are the chances of a major nuclear accident? The response from my wide-eyed innocent young colleague from Texas was 1 in 10,000, who then suggested that Seabrook could withstand an F-111 flying into its containment vessel.

Well, I would like to tell you a little story about another major public works project we had on Long Island, in Suffolk County, sometimes known as the Dodge City of local politics in the United States. It was called the southwest sewer district. We spent a billion dollars on it, and it had hundreds of miles of reinforced concrete pipe. Before the system was even finalized, we found it was disintegrating in the ground.

Do you know what happened? We found there was an organized crime task force that went to the company that supplied the reinforced concrete, one of the largest suppliers on Long Island, and it turned out they were rigging the tests for the concrete pipe.

I submit that if there is any of the same concrete in the containment vessel, at Shoreham, it will not survive the impact of an F-111 aircraft. A tuna fish sandwich aimed properly at the containment vessel could create a substantial problem.

Then, you might ask, what are the chances that all three backup generators designed to provide backup safety in the event there was an emergency at a plant, and you had to continue to cool the plant, what do you think the chances would be if all three backup generators breaking down? Well, do you know what happened to all three backup generators at the Shoreham nuclear power facility? Each one, as it was tested, froze up, ground to a halt, with circumferential cracks down every rod. It took $30 million to repair them.

We have 1.3 million people in Suffolk County. Who are they? Are they people who think that we are going to generate our power needs on Long Island by converting cow manure into electricity? No, they are not.

The people who live on Long Island are just like the rest of the people in this country. They are mostly 9 to 5'ers. They are working people. They work at Grumman Aircraft, Airborne Instruments, Hazeltine, Unysis-Sperry. I am proud to represent what is among other things the third wealthiest congressional district in the United States of America. We have the highest educational levels in my district in the Northeast; yet when my constituents started out asking the question, Is this plant safe, they came to a simple conclusion. Because, if it could go wrong at Shoreham, it went wrong at Shoreham. Bad things happened at this plant, and we are talking about fundamental safety. We are telling you, our colleagues, in all deference and respect, that our constituents have made a difficult decision. They made a decision to protect their families.

Now, 85 percent of the people in our county have made this decision, and they fully recognize that it is going to be a difficult one, and that there are going to be even tougher decisions ahead when it comes to how we are going to provide our power needs.

But the fundamental decision they reached in Suffolk County is this. Do not force us to put a plant which may be unsafe on line in Suffolk County.

I submit that if you watched the catalog of mismanagement and abuse and fraud and mismanagement that occurred in the construction of this 1 plant, and I am not talking about the 107 other plants operating in this country, I am talking about the one plant we know about, that every elected official in Suffolk County, Republican and Democrat alike, has seen take place. They have reached a decision that maybe we are going to have to convert to coal, maybe we are going to have to import more power, yes, hydroelectric power from upstate New York or Canada; yes, there may be higher expense attached to it, but we do not want a plant to go on line that is unsafe.

Mr. LENT. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. STRATTON].

Mr. STRATTON. Mr. Chairman, I have had for the last 15 years the honor to chair the subcommittee in the Armed Services Committee that looks over nuclear weapons with a military aspect. The idea and the problem of nuclear energy is one that has a different approach when it comes to nuclear power stations, but with the military applications of nuclear energy, we are expanding our defenses and our credibility and also our deterrent.

I think it ought to be mentioned that we in that committee recognize the dangers of nuclear power. As a matter of fact, we have put some three generating plants in Savannah River out of action and we have also closed down the end reactor in the Northwest precisely so that we have a margin of safety in operating these plants which are vital to the defense of the country.

Let me join in the battle in this case with an editorial by a very thoughtful piece that appeared in the New York Times by a senior fellow from The Brookings Institution. Here is what he said today:

> If the vetoes of Shoreman and Seabrook would prevail, a dangerous precedent could prevent utilities from considering nuclear power as an option for future generating capacity.

He pointed out that this is not to say that the States do not have a right to participate in decisions that vitally affect them, but he pointed out that the Federal Government enjoys ultimate authority over an impressive range of activities, such as interstate commerce and national defense. What about energy policy? All of these are carried out by the agencies of the executive branch of the Government.

What the Markey amendment is trying to do is trying to bring this into a political arrangement by having Congress determine whether Shoreham is safe or not. The Nuclear Regulatory Commission is the one that has been given that authority. We ought to keep that authority in their hands.

□ 2005

Mr. MARKEY. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Chairman, State and local officials have spoken. They conclude that the public cannot be protected if an accident occurs.

There is only one issue before us today, and that issue is safety. If a meltdown did occur, the first to hide would be the NRC. In fact, we would be hearing from so many attorneys it would look like the National Bar Association convention down here.

What bothers me is the NRC is trying to sell us on the economics. This is not a case for economics. This is a case for safety.

The people have spoken and they want a safe evacuation plan and they want to have a say in the process. Now think about that. They are 100 percent right, and our job today is to tell the NRC they do not work for the corporations, they work for the people, and that is what our vote should be today.

Vote yes, because a dangerous precedent will be set and that is the danger that is posed to the people that live in that area, and that is the precedent we should concern ourselves with today.

Mr. LENT. Mr. Chairman, I yield 3 minutes to the gentleman from Utah [Mr. NIELSON], a member of the Committee on Energy and Commerce.

Mr. NIELSON of Utah. Mr. Chairman, I rise in support of H.R. 1315, the Nuclear Regulatory Commission authorization bill but against the emergency planning amendment. I would have to oppose this legislation if this amendment were added to H.R. 1315. That amendment, if enacted, would prohibit the Nuclear Regulatory Commission [NRC] from issuing a full power operating license for a nuclear powerplant that had not received such a license as of January 1, 1987 unless all States within a 10-mile radius of the plant, the Federal Emergency Management Agency, and NRC agree that the emergency plans for the plant are adequate and that, as a result, the plant can be safely operated.

Just recently, several members of the Energy and Commerce Committee sent letters to 12 utility companies asking these companies if the emergency planning amendment were implemented, what affects it would have on the industry. Mr. Chairman, the responses showed that it would adversely affect electrical service reliability, retard economic growth and, in some instances, turn flourishing local economies into depressed areas; it will diminish local governments revenues, increase residential electric rates, hurt senior citizens, and perpetuate reliance on imported oil. Further, this amendment could have these effects, not just in New Hampshire and New York, but in many other areas of the country.

In the case of Shoreham, I am informed that local officials who assessed the need for electricity recommended a nuclear rather than a coal fired utility, and they also recommended the site for the plant, approved the engineering at all phases of the construction. The local officials have become obstructionist now that the $4 billion has been spent. They not only refuse to participate in any of the suggested emergency plans but also refuse to suggest any alternatives.

The chief sponsor's attitude toward nuclear energy has been demonstrated many times—as recently as last week.

I would like to point out that in 1983, Congressman HOCHBRUECKNER introduced a bill to the New York Legislature that would have had the State of New York buy the Shoreham plant and operate it on behalf of Long Islanders. At that time, only 4 years ago, Mr. HOCHBRUECKNER was not concerned about safety of the Shoreham plant, as he claims he is today. He was concerned about economics, about rates—not safety.

Mr. Chairman, this amendment, if enacted, would have far-reaching, adverse, and, in some cases, devastating impacts on many Americans. I strongly urge my colleagues to follow the lead of three House committees and vote "no" on the Markey amendment.

Mr. MARKEY. Mr. Chairman, I yield 2 minutes to the gentleman from Missouri [Mr. GEPHARDT].

Mr. GEPHARDT. Mr. Chairman, I rise in support of the Markey amendment to prevent the NRC from licensing the Shoreham and Seabrook plants on the basis of relaxed emergency planning standards. I urge my colleagues to do the same.

Just over a year ago, the Chernobyl accident sent a radioactive cloud across thousands of square miles of Europe. Nearly 40 people have died. Over 200 were exposed to serious levels of radiation and 135,000 were evacuated from an area 20 miles around the reactor. The city of Pripyat remains deserted. The Soviet Government continues a long, difficult clean up.

Some have said that Chernobyl cannot happen here, that our commercial reactors are different from those in the Soviet Union.

But this cannot be a reason for compliance. It cannot be a reason to belittle the importance of emergency planning.

The NRC reports that there is a significant chance of another reactor accident over the next 15 years. Former NRC Commissioner Jim Asselstine is on record saying that the containment on certain types of our reactors have "an 80 or 90 percent chance" of being breached in the event of a core meltdown.

The 1979 accident at Three Mile Island demonstrated clearly the need for adequate emergency planning around nuclear plants and for State involvement in that planning.

In 1980, after much deliberation in the wake of the Three Mile Island accident, the Nation implemented policies to improve nuclear plant safety. The Nuclear Regulatory Commission issued rules requiring "an applicant/licensee * * * to submit its emergency plans, as well as State and local governmental emergency plans, to the NRC."

These rules provide States an explicit and critical role in developing plans to protect the public in the event of a nuclear accident.

The NRC is now considering a rule to bypass the present emergency planning process if States do not approve emergency plans. The practical effect is that State and local governments might have to implement plans they had no hand in designing and that are inadequate to protect public safety.

The result is this: Two densely populated areas where evacuation planning is most critical, those around the Seabrook and Shoreham plants, could end up with inadequate emergency planning.

What Mr. MARKEY proposes to do is to maintain current regulations for two plants: the Shoreham and Seabrook plants. The legislation simply applies current rules to those two plants. It doesn't say that Congress will shut them. What it says is that we aren't going to let the NRC change the rules and override local concerns just so they can get two plants on line.

Whatever you think of nuclear power, whether you are for it or against it, the question today is whether you want the States to have real roles and prerogatives in protecting public safety. Will they have the leverage they feel that they need to get others to take seriously their concerns about safety?

Safety must be our paramount concern. If evacuation plans ever have to be used, we had better make sure that those plans are workable and that the States are up to the job.

This amendment will put Congress firmly on record in support of nuclear safety. I urge your support.

Mr. LENT. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. PASHAYAN], a member of the Committee on Interior and Insular Affairs.

Mr. PASHAYAN. Mr. Chairman, there has been a lot of talk on this bill tonight, and let me say very cryptically what is not at issue.

Whether or not the standard is going to be lowered is not. Whether the people in the words of the gentleman from Massachusetts [Mr. MARKEY] are willing to pay the price is not. Economic investment is not. The quality of the emergency plan is not. The overall general issue is not, and certainly Chernobyl is not at issue.

There is but one issue raised by the Markey amendment: Who shall have the authority to make the decision whether or not to issue a license? That issue was really resolved in the original Atomic Energy Act passed in 1954. The Federal Government was to have the final authority, not the State government and not the local government, but the Federal Government. Why? Because this is not a violation of any tradition of State rights. It goes without saying that nuclear power did not exist 200 years ago when the Founding Fathers wrote the Constitution. But they did vest in the Federal Government the responsibility to regulate interstate commerce.

The plants at Shoreham and Seabrook and every nuclear plant in this country, all 108 of them, are under the Interstate Commerce Authority of the U.S. Government, and for us to say that it is proper for a State and local government to have the final authority in making a decision over a subject that the Constitution specifically vests in the Federal Government I think is entirely wrong.

I should like to ask a rhetorical question of the people who support this amendment. Would they have the State and local governments, would they grant them the power to overrule Federal highways, Federal airport projects, Federal seaport projects, reclamation projects? Would they go so far as to engage in the absurdity of granting the State and local governments the power to overrule welfare programs, Medicare programs, all the other programs that this Congress passes under various specific provisions of the U.S. Constitution granted the Federal Government?

I think the answer is no, and I think my friend from Massachusetts knows.

Let me address one more point. The NRC is not attempting to create some horrible new power here. They are not attempting to create in their proposed rule a new insidious authority. They are simply restoring authority that they were originally granted in the original enacting legislation many years ago, an authority that was eroded away by various actions by various States and local govenments taking the authority away for them to make the decision.

The issue here is very simple and very clear. Who shall have the final authority to make the decision to issue powerplants? I think my friend from Massachusetts knows that is the only issue. We do not even know whether or not the NRC will grant the licenses under their new rule if they shall pass this new rule, because that is not at issue.

Mr. MARKEY. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. MAVROULES].

Mr. MAVROULES. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I think we are winding down the debate on this very important amendment that has been put forth. Let me just get back to the basic issue here, and I would like to get some attention from the opposition to this.

It was mentioned here before about the $10 billion cost, Mr. Chairman, and the $10 billion cost of both plants, or even more should not be an issue. It is a nonissue in this debate on this particular amendment.

It was mentioned here also, and I thought it was kind of a low blow, and let me say it, someone mentioned that we have our young men in the Persian Gulf. This has nothing to do with the Persian Gulf, absolutely nothing.

Let me not give the impression that the Governor of the Commonwealth of Massachusetts did not try. He most absolutely did try to come up with a plan for an evacuation which was for the safety of our people. He went out and he hired technical help, and he made the statement that in good conscience he could not come up with an evacuation plan to guarantee the safety of the people from a nuclear powerplant in Seabrook, NH.

Let me remind all of my colleagues the best thing we all can do, and I am speaking parochially at this moment, is to take a ride up Route 95 through Massachusetts, New Hampshire and Maine, and if you can tell me in good conscience in the event that we have an accident at the Seabrook nuclear-plant that you can guarantee the safety, when we have a death trap for a highway which is gridlocked on any given weekend, then I think your position is clear. I cannot in good conscience give that kind of a guarantee to the people who live in that area and the people who utilize that major highway.

The bottom line is that I think we have a right to determine the evacuation plan at the Seabrook and the Shoreham nuclear powerplants.

Mr. LENT. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. RITTER].

Mr. RITTER. Mr. Chairman, I thank the gentleman for yielding me this time.

Just reflecting on the comments of my good friend from the State of Massachusetts, again he got up there in the well and talked about States rights, and yet he is from Massachusetts talking about a powerplant in New Hampshire. That's not his State!

I did mention that there is $10 billion worth of investment in American energy production, and it is a factor, maybe not a legislative factor, maybe not technically, but do my colleagues want to scrap $10 billion of American energy production while our boys are out fighting for oil? I do not.

I would like to point out a situation that occurred in New York State. When Governor Cuomo was faced with getting together an evacuation plan for Indian Point, they were right on target, they came up with the evacuation plan, yet Indian Point is located near population zones much denser than Shoreham, much closer to New York City. Why, because the New York City subway was at stake here; its electricity was at stake. When the necessity was there, the same Governor who now opposes Shoreham was there on Indian Point, and the logistics of evacuation were far, far more difficult.

I yield back the balance of my time to the gentleman from New York [Mr. Lent].

Mr. LENT. Mr. Chairman, I am very pleased to yield 4 minutes to the gentleman from New Hampshire [Mr. Smith], the gentleman who represents the Seabrook nuclear plant area.

Mr. SMITH of New Hampshire. Mr. Chairman, I thank the gentleman for yielding me this time and would also like to thank him for the courtesy he has extended to me as I am not a Member of the committee, but the plant is in my district, one of these plants, and also my friend from Massachusetts [Mr. Markey]. We have both struggled over this issue from a different perspective, and I appreciate the conversations we have had both privately and publicly.

□ 2020

It is interesting, as we look at the photographs that have been displayed here of New Hampshire beaches in the State of New Hampshire where the Seabrook nuclear powerplant is located, and when we talk about States rights, I think New Hampshire has some States rights here.

Mr. Markey said a little while ago that it is intolerable to place citizens of Massachusetts within a 10-mile radius without safety and evacuation plans. I agree with you. But you made that decision not to submit evacuation plans.

Your towns made that decision voluntarily, Mr. Markey, and they are not in the State of New Hampshire where that plant is located. This amendment would have this body say that we are unwilling, we are unwilling, this Congress, to let our own technical experts handle the licensing. I am not qualified; is anybody else here a nuclear expert who is qualified to make those kinds of decisions?

The Markey amendment simply walks away from the process, that is all it does. It walks away from the process. It is negative. It risks the safety of both New Hampshire and Massachusetts citizens because of the refusal to participate and frankly it is not in the national interest.

There is also a question of simple justice involved here. Seabrook and Shoreham did not materialize overnight, ladies and gentlemen. If the plant was to be blocked due to outright opposition to nuclear power, and that is all this amendment is, it should have happened earlier, along the regulatory trail; perhaps site selection, design stage or the beginning of construction. In Seabrook's case, Massachusetts only decided to oppose the Seabrook project in 1986 when the project was virtually complete. Where were they before that? Despite the fact that Massachusetts has participated in developing emergency plans for other nuclear powerplants within and near its borders the State is now claiming that the six towns which lie within Seabrook's 10-mile evacuation zone cannot be evacuated.

One reactor at the University of Massachusetts does not even have evacuation plans. What about that, Mr. Markey and Mr. Dukakis? It is my understanding that the utility has made a number of offers to address Massachusetts and New Hampshire's concerns by voluntarily agreeing to close the plant down in June, July, and August. So those signs and those posters depicting those beaches are simply not relevant.

And finally, Mr. Chairman, if you are opposed to nuclear power and no nuclear powerplant is safe enough for you under any circumstance, then the vote is "yes" on Markey. If you are opposed to nuclear power and there is no way you would support it under any circumstances, it is "yes" vote on Markey. That is the bottom line.

But with all due respect to the gentleman, my friend from Massachusetts, if you are opposed to nuclear power as we have talked about privately, do it honestly, forthrightly, develop a plan for conversion, be ready to accept the costs that are going to go along with that; decide where we are going to put the gas pipeline if that is what we are going to do, decide whether we are going to be able to be held hostage to the oil situation, decide also if we can comply with the EPA regulations to convert it to coal.

We are not doing that in this amendment. We are not talking about safety in this amendment. Let us be honest. Simply holding up a process with this amendment does not resolve any of the safety concerns which we mutually share.

Delay for the sake of delay does not decide one way or the other what happens to Seabrook or Shoreham or any other nuclear powerplant.

I submit with all due respect the best way to assure safe plants is not to pull out of the process, do not pull out and run away, stay involved with the process, get your towns involved and let us have a safe plant.

States have the opportunity to participate fully in developing these plans under these NRC rules, even if the NRC proceeds with this rule. All towns should be in the process.

If you are an advocate of nuclear power under strict safety supervision, strict safety guidance and strict safety oversight and responsible Government action then the vote is "no" on Markey.

The CHAIRMAN. There are 7½ minutes remaining for the gentleman from New York [Mr. Lent] and 8 minutes remaining for the gentleman from Massachusetts [Mr. Markey].

Mr. AuCOIN. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently, a quorum is not present.

Members will record their presence by electronic device.

This will be a regular quorum call.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 308]

ANSWERED "PRESENT"—386

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Armey
Atkins
AuCoin
Badham
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Bates
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Biaggi
Bilbray
Bilirakis
Bliley
Boehlert
Boggs
Borski
Bosco
Boucher
Boulter
Boxer
Brennan
Brooks
Broomfield
Brown (CA)
Brown (CO)
Bruce
Bryant
Buechner
Bunning
Burton
Bustamante
Campbell
Cardin
Carper
Carr
Chandler
Cheney
Clarke
Clinger
Coats
Coble
Coelho
Coleman (MO)
Collins
Combest
Conte
Conyers
Cooper
Coughlin
Courter
Coyne
Craig
Crane
Crockett
Dannemeyer
Darden
Daub
Davis (IL)
Davis (MI)
de la Garza
DeFazio
DeLay
Dellums
Derrick
DeWine
Dicks
Dingell
DioGuardi
Dixon
Dorgan (ND)
Dornan (CA)
Dowdy
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Edwards (OK)
Emerson
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flake
Flippo
Florio
Foglietta
Frenzel
Gallegly
Gallo
Gaydos
Gejdenson
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Gradison
Grandy
Grant
Gray (IL)
Gray (PA)
Green
Gregg
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton

Hammerschmidt
Hansen
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hertel
Hiler
Hochbrueckner
Holloway
Hopkins
Horton
Houghton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Hyde
Inhofe
Ireland
Jacobs
Jenkins
Johnson (CT)
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kolbe
Kolter
Konnyu
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
Leach (IA)
Leath (TX)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken, Thomas
Lukens, Donald
Lungren
Mack
MacKay
Madigan
Manton
Markey
Marlenee
Martin (IL)
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCollum
McCurdy
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
Meyers
Mfume
Mica
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murtha
Myers
Nagle
Natcher
Neal
Nielson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (UT)
Oxley
Packard
Panetta
Parris
Pashayan
Patterson
Pease
Pelosi
Penny
Perkins
Petri
Pickett
Pickle
Porter
Price (IL)
Price (NC)
Pursell
Quillen
Rahall
Rangel
Ravenel
Ray
Regula
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Roe
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Savage
Sawyer
Saxton
Schaefer
Schneider
Schroeder
Schuette
Schulze
Schumer
Sensenbrenner
Sharp
Shaw
Shumway
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solarz
Solomon
Spence
Spratt
St Germain
Staggers
Stallings
Stangeland
Stenholm
Stokes
Stratton
Studds
Stump
Sundquist
Sweeney
Swift
Swindall
Synar
Tallon
Tauke
Taylor
Thomas (CA)
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Walker
Watkins
Waxman
Weber
Weiss
Weldon
Wheat
Whittaker
Whitten
Wilson
Wise
Wolf
Wolpe
Wortley
Wyden
Wylie
Yates
Yatron
Young (FL)

☐ 2035

The CHAIRMAN. Three hundred eighty-six Members have answered to their names, a quorum is present, and the Committee will resume its business.

The Chair will advise Members that the gentleman from New York [Mr. LENT] has 7½ minutes remaining, and the gentleman from Massachusetts [Mr. MARKEY] has 8 minutes remaining.

The Chair recognizes the gentleman from Massachusetts [Mr. MARKEY].

Mr. MARKEY. Mr. Chairman, I yield 1½ minutes to the gentleman from Arizona [Mr. UDALL].

Mr. UDALL. Mr. Chairman, 40 years ago or so this country came into the nuclear age. We did not know that its bright promise brought with it some problems, but nuclear really meant two things for mankind. It meant cheap power for the world, we no longer even have to have meters, you could plug in without a meter. It also meant peace in our time because we were going to have a U.S. monopoly.

Mr. Chairman, neither one of these predictions has turned out, and we have learned that we face a whole raft of problems.

I think probably nuclear has some place in our energy mix. The electricity burning all over America today is about 18 percent nuclear.

I suspect that if we are not going to go nuclear, and if we are going to close down the nuclear plants, we are going to have to wrestle with burning coal and acid rain.

Mr. Chairman, I have had misgivings about the Markey amendment. It has gone through some perfection and rewriting over the last few months, but I am going to vote for it tonight because basically there is no change in the posture of the law. The provisions that are objected to in this bill were in the last authorization of last year and the year before that.

Second, this provision applies only to two plants, the Seabrook plant in New Hampshire and to the plant on Long Island, the Shoreham plant. We will be back 2 years later with nuclear waste disposal, and nuclear waste transportation legislation, I am sure, but today we deal with only one aspect of emergency planning of the whole nuclear planning scene.

So I urge support for this amendment, and I yield back the balance of my time.

Mr. MARKEY. Mr. Chairman, I yield 1 minute to the gentleman from Indiana [Mr. SHARP].

Mr. SHARP. Mr. Chairman, last week I opposed several of the amendments the gentleman from Massachusetts was offering on the Price-Anderson Act, this week I support him on this amendment. Mr. Chairman, this represents no new regulations or law with respect to these two plants. What it represents is an effort to block the Nuclear Regulatory Commission from changing the rules in the fourth quarter of the game for these two powerplants.

This position is one that Mr. Asseltine, an appointee of President Reagan on the Commission, took when he opposed that rules change by the NRC.

Mr. Chairman, the local officials and people in these two States raised the issue of emergency planning before investments were made, they raised them during the making of investments, they raised them again and again over the year these plants were under construction, and every time they were told by the Nuclear Regulatory Commission and the courts that they would have to wait until the final inning before they could do anything about it.

When they got to the final time to consider these plants, they were then told, no, the money has been invested, it is too late.

Mr. Chairman, we have to be fair.

Mr. MARKEY. Mr. Chairman, I yield 3½ minutes to the gentleman from New York [Mr. HOCHBRUECKNER] in whose district this Shoreham plant is located.

Mr. HOCHBRUECKNER. Mr. Chairman, is it possible that we could have two nuclear plants that were built in the wrong place?

The answer is "Yes."

When a mayonnaise truck can overturn on the Long Island Expressway, which is the main east-west artery on Long Island, and can bring traffic to a standstill for 5 hours as illustrated by this Newsday story from last year, we do not have a safe evacuation possibility for Long Island. That is why I am here today. That is why I am in office. This is the most important issue in my district. Eighty-five percent of the people from my district, 2 million people on Long Island, have said we do not want Shoreham, we cannot safely evacuate. That is the problem. It is a local problem. This is not a problem nationally. It is my problem. The Shoreham plant is in my district. I am responsible. It is my job to stop that plant because we cannot save my family or anyone's family if there is an accident.

Mr. Chairman, I am disturbed by some people here tonight who have never been on Long Island, who have never been on our roads, who are saying how safe the plant is and how easy it is to evacuate my people and my family.

Mr. Chairman, I live within 10 miles of that plant.

Mr. Chairman, I am also displeased by people who tell me what is good for my people. They do not have the right to do that, and I am outraged especially by the nuclear industry because they have chosen to make this a referendum on nuclear power, and it is not. The issue is two nuclear powerplants that should never have been built at those locations.

Mr. Chairman, I was born on Long Island. I have lived there most of my life. It is my territory. It is my home. Now I am being told tonight that I should subject my people to the potential of nuclear disaster, double their cost of electricity when we have good alternative ways to meet our electrical needs without Shoreham. We are doing fine, just do not tell us how to run our lives. We do not need the Shoreham plant.

Mr. Chairman, I am a freshman. I have been here for 7 months. I went to Philadelphia 3 weeks ago, and I sat in the same chair that George Washington sat in. I participated in those ceremonies with the Congress, and I believe the people can be heard in this Nation and that is one reason why America is so great. This is my problem. I am asking each and every one of you to recognize that. The nuclear fission industry in my view is a corrupt industry for putting profit ahead of safety on this issue. They are on their way out. Over 100 plants have been abandoned since the time of inception, 29 during construction. They have not had a new plant ordered since 1973, and the fact of the matter is that the Shoreham and the Seabrook plants should not open. That is the issue tonight.

Mr. Chairman, I ask my colleagues to please support the Markey-Hochbrueckner amendment. It is important to me, it is important to other Members who live near those plants, because it is our family, our people, our lives. Please vote for the Markey-Hochbrueckner amendment.

Mr. JEFFORDS. Mr. Chairman, I rise as one of several Members from New England representing ratepayers who will be directly affected by the outcome of congressional action on Seabrook. So I am not speaking purely from some ideological pro-nuclear or anti-nuclear high ground.

I have fought on the floor of the House against Federal intrusion into States rights on numerous occasions; yet I will not make a States right argument here today. I do not support veto power for the States over the operation of existing nuclear plants involved in interstate commerce. Regional power planners and power pools cannot plan for our energy future in such an uncertain atmosphere, particularly when the actions of one Governor can harm ratepayers, businesses, and industries in several other States. The national interest is served by utility interdependence.

I have also been an outspoken critic of the nuclear industry, the NRC and Federal subsidization of the Industry. Yet I take the floor today recognizing that nuclear power is playing a vital role in meeting the energy needs of this Nation—and in particular the energy-poor Northeast. We cannot ignore or wish away existing nuclear plants. We must move forward with efforts to site a repository to reduce the risk posed by onsite storage of spent fuel.

Having made these points, however, I will be supporting the Markey amendment today because I have serious concerns about the NRC's judgment in siting the Shoreham and Seabrook plants. And if we allow the NRC to change the rules now, we would jeopardize confidence in the Government institutions designed to protect our citizens.

In the case of Shoreham, the NRC ignored concerns raised by residents—before the first shovel of dirt was even turned—and with dubious rational allowed the construction of a plant that may have been a multibillion-dollar mistake. I believe my colleague from New York, Mr. HOCKBRUECKNER, Governor Cuomo of New York, and Suffolk County officials, Republican and Democrat, when they say that timely evacuation is not possible.

Long Island residents don't want this plant. They know they will have to pay higher rates, and they still don't want the plant. Who are we in Washington to say that we know better? Congress must not allow the NRC to ram this plant down their throats.

Seabrook is a different case. Governor Sununu—who is responsible for the safety of at least 80 percent of the affected citizens—believes evacuation is possible. And for the most part, New Hampshire citizens near the plant support it. Governor Dukakis—whose citizens are further from the plant and would have less trouble evacuating the area than New Hampshire residents—does not believe evacuation is possible.

Should the Governor of one State have veto power over plants in another State? Probably not. Yet legitimate questions have been raised about summertime evacuation of the area's crowded beaches.

Is there room for compromise? I think so. Yesterday I heard the gentleman from New Hampshire [Mr. SMITH] mention the possibility of idling the plant during the summer months. However, if the Markey amendment is defeated, the Public Service Co. of New Hampshire will have no incentive to sit down with Massachusetts officials and try to address their concerns. Passage of the Markey amendment could get both parties to the table.

Finally, Mr. Chairman, a word about the process. After Three Mile Island, the NRC determined that a workable evacuation plan is essential to protect public safety. Now the NRC would go back on this policy, claiming that a Federal commission knows better than State and local officials how to best evacuate the area around the plant. This is unacceptable.

This is not a vote on the future of nuclear energy. It is a vote on whether or not Americans can have faith in the process created to protect their safety. If we allow the NRC to change the process every time it is expedient, why should the American people have any faith in the institutions designed to protect them?

Please support the Markey amendment.

Mr. MURPHY. Mr. Chairman, I rise in strong opposition to the amendment. I would like to give some background on the current regulatory situation, as well as discuss some of the major flaws in the proposal pending amendment.

In March 1987, the NRC proposed to change its emergency planning rule to address the problem of "hostage" nuclear powerplants. These are plants which have received necessary State and Federal siting and safety approvals but are prevented from being licensed by the refusal of State or local governments to participate in the development of emergency plans. The rule change would allow the issuance of an operating license if the NRC determines that an emergency plan developed by the utility to compensate for the lack of State and local government participation adequately protects public health and safety.

The amendment presently before the committee would block the application of the proposed rule change to the Seabrook, NH, and Shoreham, NY, nuclear plants. Mr. Chairman, there are several major reasons why this amendment should be defeated.

This first is procedural. Efforts to block the proposed rule changes have already been rejected by two House committees. The Interior and Insular Affairs, and Energy and Commerce Committees have each voted to reject efforts to block implementation of the rule change. Although the amendments before these committees differed in scope of application, I want to stress that two House committees with jurisdiction over the NRC voted against the policy in the pending amendment.

The second reason to oppose the amendment results from the precedent it would establish. The amendment would condone a serious misuse of existing NRC emergency planning rules. The emergency planning rules were adopted to assure the active involvement of States and localities in decisions affecting public heath and safety—not as leverage to block operation of a nearly completed facility by deliberate noninvolvement. If successful, the amendment could be used as a precedent for extending such veto power to other plants which are under construction or in operation, thus creating new problem facilities.

The third reason this amendment should be rejected is fundamental fairness. The amendment would block the operation of two plants which are essentially complete, have received necessary NRC safety approvals and represent a combined investment of over $10 billion. Both the Seabrook and Shoreham projects have been in the pipeline for well over a decade and have received numerous State and local siting and construction approvals. Forcing the abandonment of these plants at this late stage would seriously threaten the financial stability and generating capacity of the participating utilities.

The fourth reason to oppose the amendment is that it reflects a shortsighted energy policy. The practical alternative to nuclear power in New England is oil. Over one-third of New England generating capacity is oil fired—almost all of it imported. Continuing tensions in the Mideast, particularly the United States decision to reflag Kuwaiti oil tankers, underscore the importance of improving United States energy security through reliance on domestic sources.

Mr. Chairman, the fifth reason why we should oppose this amendment relates to its impact on jobs and economic progress. Abandonment of planned or currently operating nuclear facilities will eliminate jobs and retard efforts to increase U.S. economic competitiveness. Up to 30,000 jobs may be directly linked to the construction, operation, and maintenance of a single nuclear plant over its lifetime. For this reason, the amendment is strongly opposed by the IBEW, the Building and Construction Trades Department, and the International Union of Operating Engineers.

Mr. Chairman, the problem of hostage plants must be resolved. The rule change proposed by the NRC is reasonable and in keeping with congressional intent. The rule change will not jeopardize public safety or eliminate State or local rights over nuclear plant siting or construction.

Efforts to block operation of the Seabrook and Shoreham plants represent a first step toward "balkanizing" national nuclear policy. This is not consistent with longstanding congressional policy, and it has been rejected in prior decisions of the Interior and Energy and Commerce Committees. These decisions were sound and should be confirmed by the full House in rejecting the amendment.

Mr. Chairman, I rise in opposition to the amendment. Over the last several months, we have spent a considerable amount of time in this Chamber debating issues of the economy, jobs, and competitiveness. Today, we have before us an opportunity to vote on an issue that will have a direct and adverse impact on our efforts on these fronts. This amendment will cost jobs, and will adversely impact the competitiveness of industry in two fast growing regions of the country.

Over 30,000 jobs may be directly linked to the construction, maintenance, and operation of a single nuclear powerplant over its lifetime. During the height of construction activity at a nuclear powerplant, up to 9,000 workers may be employed at a single site.

Mr. Chairman, passage of this amendment would send a very negative signal to those utilities which have nuclear plants under construction. These plants might be next in line. Thousands of jobs could be put in jeopardy.

For this and other reasons, the amendment is opposed by the International Brotherhood of Electrical Workers, the Building and Construction Trades Department of the AFL-CIO, and the International Union of Operating Engineers.

In addition to the adverse impact on employment associated with these specific plants, Mr. Chairman, the amendment will also impact the ability of industries served by the two utilities to remain competitive. Without assured and reliable sources of energy, it will be impossible to maintain strong economic growth in these regions.

For many of us, an occasional electric brownout is an annoyance. For an industrial or other business enterprise, it is a variable which can and must be avoided. If planned nuclear plants are abandoned as a result of the precedent established by this amendment, there is little question that we will face power shortfalls and brownouts throughout many regions of the country.

Our efforts to enhance the competitiveness of U.S. business in the global markets depends on many factors. Adequate and reliable sources of electrical power is one component of the competitiveness equation that we can affect today. In the face of unfair trade practices by many of our major trading partners, we cannot tell American business that we, as national legislators, are going to handicap them by undercutting such a basic industrial and business input as energy.

Mr. Chairman, the amendment will cost jobs, and it will frustrate our efforts to ensure that American business can become internationally competitive. It should be defeated.

Mr. OWENS of Utah. Mr. Chairman, the opponents of the Markey amendment have tried to portray it as a Northeastern, liberal amendment. I am not from the Northeast, I am from the West. I am not a liberal, I consider myself to be a moderate Democrat, and I rise today in support of the amendment of my good friend and distinguished colleague from Massachusetts.

All that the amendment does is to prohibit the NRC from using fiscal years 1988 and 1989 appropriations to license Shoreham or Seabrook unless they meet the NRC's existing emergency planning rules. That is to say, it preserves current law.

I support the Markey amendment for two reasons. First, because the State of Utah, two-thirds owned by the Federal Government, is extremely sensitive to the policy decisions made by the agencies of our Government with control over nuclear matters.

For example, it has always been the policy of the Federal Government, whether the Department of Energy or its predecessors, to test nuclear weapons in the State of Nevada only when the wind is blowing toward Utah. Since 1951, for 36 years, this has been the policy. It is a dubious honor which we would prefer to decline. That many Utahns died from fallout from the testing has been proven in Federal District Court. With numerous instances of post-test venting of radiation, Utah knows and understands the impact of misguided Federal nuclear policies.

In more recent years the Nuclear Regulatory Commission, the agency whose rule change we are considering today, has made the State of Utah No. 4 on its list of potential national radioactive waste dump sites. The process by which this decision was made is highly questionable. For example, Utah's proposed dump site is only 1½ miles outside of, and within clear sight of, Canyonlands National Park, one of the most beautiful spots in the United States, if not on the planet Earth. The fact that the NRC is now relaxing its emergency planning rules, will increase Utah's mistrust of the manner in which the NRC carries out other programs in its jurisdiction, such as the final selection of a dump site.

My State and region of the country has perhaps the deepest understanding of the fact that Federal nuclear bureaucracies, such as the DOE and NRC, often pursue their policy objectives without adequately considering the social impact of those policies. New York and Massachusetts are in essence stepping into the fray of a battle that Utah has been fighting for 20 years.

The second reason I oppose the NRC's proposed rule change is that such a change, with respect to the Seabrook and Shoreham plants, would comprise one more instance in which the foundations of our legal system are being gradually eroded. This is an argument which has been well-developed today and yesterday, and I therefore need to touch on it only briefly.

It is unjust for the NRC to change rules which resulted from the lessons of Three Mile Island, especially when such rules have been further legitimized by the lessons of Chernobyl. It is unjust for the NRC to adopt a rule change which may possibly compromise the safety of the people of Massachusetts and New York. But above all, it is unjust for the NRC to relax its own laws and emergency planning rules simply to accommodate the desires and wishes of the board of directors and stockholders of two utilities.

I urge my colleagues to support the Markey amendment.

Mr. WEISS. Mr. Chairman, I rise in strong support of the Markey amendment.

Following the serious nuclear accident at Three Mile Island, Congress mandated that emergency planning regulations for nuclear powerplants be improved. As a result, the Nuclear Regulatory Commission [NRC] issued regulations requiring State participation in emergency planning as a condition for granting an operating license for new nuclear powerplants.

Since that time, 36 powerplants have been licensed under these regulations, which were designed to ensure the safety of the people living near nuclear powerplants.

However, in February of this year, the NRC proposed that these regulations be altered to permit licensing of a nuclear powerplant without any State or local emergency plans having been submitted or considered.

This rule change was proposed with only one idea in mind: The approval of full-power operating licenses for two nuclear powerplants—Shoreham on Long Island and Seabrook in New Hampshire.

Both on Long Island and in the areas of Massachusetts that border on New Hampshire, State and local officials have long raised serious concerns about their ability to provide for a safe evacuation of the surrounding areas in the event of a serious nuclear accident. However, the utilities and the NRC chose to overlook these objections while they proceeded with construction of the plants.

Finally, after long and careful consideration, State and local officials judged that it is impossible to produce an emergency plan that will ensure the safety of the citizens who they are elected to represent. They have, therefore, refused to submit the emergency plans required for an operating license to be issued for either of these plants.

The NRC is now seeking to make an end run around its own essential safety regulations by changing the rules in the middle of the game. It wants to eliminate State and local participation as an essential part of the emergency planning process. It has chosen to ignore the lessons of Three Mile Island and Chernobyl and to take us back to a time when the economic future of the nuclear utilities counted more than the health and safety of the surrounding population.

There is no one better suited to develop emergency response plans than the State and local officials who will be called upon to respond to a serious accident. The current regulations recognize this fact by assigning these officials a key role. But the NRC would have us substitute the emergency plans of bureaucrats in Washington for the insights of local personnel uniquely qualified to address this subject.

The Markey amendment, which has been described in apocalyptic terms by its opponents, is in reality strikingly simple. It requires that the licensing of Seabrook and Shoreham be carried out in the same manner as the licensing of all other nuclear powerplants. It continues to give States a role in the emergency planning process. It does not affect the licensing of other plants, nor will it affect the status of plants that are already operating. In other words, it does nothing more than preserve the status quo.

Opponents claim that the amendment will harm our national interest by increasing our reliance on foreign oil. But the fact of the matter is that only 3 percent of our Nation's electricity is supplied by oil-fired powerplants. And only a fraction of that oil is imported from the Middle East. If Members wish to reduce America's reliance on foreign oil sources, they should support a policy that emphasizes renewable energy sources and prudent conservation measures. These steps would significantly reduce our long-term reliance on foreign energy sources without endangering the health and safety of American citizens.

Mr. Chairman, the issue is clear. The health and safety of American citizens must take precedence over the financial interests of the nuclear utilities. I urge my colleagues to join me in approving the Markey amendment.

Mr. ROBINSON. Mr. Chairman, I am opposed to this amendment because it is counterproductive and it presents an impediment to our national goal of energy independence. Today, we are being asked to approve an amendment that will single out and eliminate two completed, needed and demonstrably safe powerplants because of an alleged belief that planning for an emergency at these sites is impossible.

The Markey amendment is being championed as being necessary to prevent the NRC from cutting the State and local government role out of offsite emergency planning for nuclear powerplants. Its advocates suggest that the amendment is necessary to assure public health and safety, which somehow would otherwise be compromised. These claims are simply untrue.

The NRC's proposed rule to deal with licensing of nuclear powerplants in cases where State and/or local governments refuse to participate in offsite emergency planning is the focus of the Markey amendment. That rule, however, simply establishes meaningful technical criteria to be applied by the NRC in order to make a licensing decision in rare cases such as Shoreham and Seabrook, the only two cases for which the rule is presently needed.

First, the proposed rule does not eliminate State and local governments from offsite planning around nuclear powerplants. The NRC's emergency planning regulations, as they do now, will continue to encourage and provide for State and local government cooperation in the development and implementation of offsite emergency plans. State and local governments have substantial expertise in emergency response and their continued participation in emergency planning is valuable. There is absolutely no suggestion that emergency planning without State and local governments should become the norm. The NRC's proposed rule merely offers a viable and effective solution for those relatively few cases in which governments, at least for the time being, choose not to participate.

Second, the Markey amendment is unrelated to protecting public health and safety. Following the Three Mile Island accident, the NRC recognized the need to provide some requirement for emergency planning. In the case of that plant, there had been, effectively, no prior planning. The result was an uncoordinated response and a pattern of conflicting information provided to the authorities and to the public. The NRC therefore promulgated its emergency planning requirements as a supplement to siting requirements and requirements for engineered safety features that make offsite releases of radioactivity very low probability accidents. This supplemental layer of public protection will continue to exist without the Markey amendment.

Contrary to the common misperception, the NRC's proposed rule does not eliminate or even significantly reduce the effectiveness of offsite emergency planning to provide significant dose savings in the unlikely event of an accident. Under the rule, no emergency plan, whether prepared by a State government or a utility, can be approved by the NRC if it does not meet the existing overall standard that there be reasonable assurance that there is adequate emergency planning to protect public health and safety. Utility plans must also specifically provide effective measures to compensate for the lack of Government participation, and such measures must be "reasonable and achievable under the circumstances." The emergency planning effort will continue to represent a major investment of utility resources. In short, emergency planning on a scale unheard of at the time of the Three Mile Island accident will be provided. The purpose behind the post-TMI emergency planning requirements will be fulfilled—without the Markey amendment.

Finally, I would like to remind my colleagues what we are being asked to do today. We are being asked to approve a State veto over a Federal licensing process. We are being asked to single out two specific powerplants and effectively deny them a license even though they have met all required safety tests. We are being asked to approve an amendment that has the potential to foreclose nuclear power as an energy option in this country. We are being asked to approve an amendment that has not passed muster in our committee process.

In my book, when you get three strikes—you're out. I can quickly think of four strikes against this amendment. It is in our best interest to bench this amendment before it costs us the ballgame. I urge my colleagues to vote against this amendment.

Mr. LENT. Mr. Chairman, I yield myself the balance of my time.

Mr. CRAIG. Mr. Chairman, will the gentleman yield to me for a brief moment?

Mr. LENT. I am happy to yield to the gentleman from Idaho.

Mr. CRAIG. Mr. Chairman, I rise in opposition to the Markey amendment.

Mr. LENT. Mr. Chairman, many of us, and I would say this to my dear colleague and friend from the neighboring district of Long Island, my area will be served by the Shoreham nuclear powerplant, and that many of us in this room were elected here on the basis of running against something. Some of us ran against forced busing, some of us ran against Watergate, or against a highway or a bridge or a nuclear powerplant, but after we get here awhile we calm down a little bit and we try to become statesmen.

□ 2050

I have here to prove my point a bill offered in the New York State Assembly sponsored by the gentleman from New York [Mr. HOCHBRUECKNER], who was just in the well, Assembly Bill A-8140, an act to amend the public authorities law in relation to the acquisition and completion of generation and transmission facilities by the Power Authority of the State of New York.

The act provides, and this is from the gentleman's bill, "the Authority is further directed to acquire the Shoreham Nuclear Power Station from the Long Island Lighting Co. and to complete such baseload generating transmission and related facilities as are deemed necessary or desirable to assist in maintaining an adequate, dependable and cost-efficient supply of electricity to the Long Island area."

I do not hold the gentleman responsible for this any more. He was a statesman then, and he is a statesman now; and we have all had enough time here to know that once in a while, we have to change our position when the political exigencies of the situation call for it.

I am probably out of whack with the constituency in my district, and the polls are there. Most of the people do favor the shutdown of the nuclear powerplant at Shoreham, and it might be easy for me to simply stand here tonight and echo some of the platitudes that have been echoed on the Markey amendment and talk about home rule and States rights, support the Markey amendment, and let it go at that; but I cannot do that.

Mr. HOCHBRUECKNER. Mr. Chairman, will the gentleman yield?

Mr. LENT. Mr. Chairman, I am going to extend the same courtesy to the gentlemen on the other side of the aisle as extended to me when not a one of the gentlemen would yield to me, so I am not going to yield at the present time.

Sometimes good local politics makes for a disastrous shortsighted policy jeopardizing the energy security of the United States.

The security of the United States, my colleagues, is what this fight is all about. Many of the Members in this body can recall the two energy crises of the 1970's when the OPEC oil cartel ratcheted down the oil spigots, and almost brought this Nation and other industrialized nations to their knees.

When it came time during those crises to allocate the precious supply of oil supplies to alleviate the inflation and the unemployment that was foisted upon this country as a result of that shortfall, to set up the Strategic Petroleum Oil Reserve, it was the National Government that had to bear the burden and lead this Nation out of its predicament.

We did not hear a word at that time from the supporters of this amendment talking about handling the energy problem by home rule then. Indeed, we have all followed the progress or lack of progress of the famous Long Island garbage barge, an international incident sailing all over this world looking for a safe harbor.

Here are the people who do not know how to handle their garbage that are saying, "Give us home rule, so we can run the nuclear powerplants."

Are we so shortsighted that we have forgotten the spectacle of our President, Jimmy Carter, wearing his sweater, sitting in front of the fireplace on TV? Here we have forgotten those Christmases when the Christmas trees and the monuments in this city went unlighted, when the temperature controls were fixed, the gasoline lines, the rationing coupons that were printed just down the street from this very building, never issued, but they were ready to go, and the summer that we sweltered in this very Chamber to conserve precious energy.

Do we not even remember the rhetoric of our own speeches resounding in this Chamber about energy independence and how we would never again allow our Nation to become dependent on foreign oil?

George Santayana put it best, "Those who cannot remember the past are condemned to repeat it."

The fundamental lesson that should have been learned from the experience of two oil shocks during the 1970's is that excessive reliance on oil imports from a market ultimately controlled by OPEC undermines our national security.

It is here in Washington, not in the States, here in the Congress, not up there in the county and town boards, that responsibility for this country's energy security lies.

What are the facts about Shoreham and Seabrook?

The electricity, and these are facts, the electricity generated in the area represented by the gentleman from Massachusetts is 40 percent generated by oil. Long Island is even more dependent.

Three million Long Islanders depend on oil for 80 to 100 percent of their power, so that when and if these two plants are ever placed on line, they are going to displace 20 million barrels of oil, of OPEC oil, so if the vote on the Markey amendment is going to be cast, remember it is not just for two plants. It is a very important vote because of the message it is going to send overseas, it is going to send to OPEC, and also the message it is going to send to the American people on how deeply committed we in this Congress are to energy independence; but in deciding which way to vote, keep two additional points in mind.

Do not let yourself be hoodwinked into thinking that the Markey amendment applies only to Shoreham and only to Seabrook and the 2,000 megawatts of oil-free electricity they will generate.

I would urge my colleagues to vote no on the Markey amendment, a bad amendment.

□ 2100

Mr. MARKEY. Mr. Chairman, I yield myself the final 2 minutes to conclude debate.

Mr. Chairman, we just heard a lengthy presentation describing what this debate is not about. This debate is not about whether you are pronuclear or antinuclear. This debate is not about whether you support the Ayatollah or you oppose the Ayatollah. This amendment is not about energy independence for the United States. This issue is not about those things.

This issue is about two nuclear powerplants, two nuclear powerplants that invoked their rights in the 1970's under existing laws to ensure that they would have emergency evacuation plans around their plants like every other nuclear powerplant in the United States.

Attorney General Warren Rudman for the State of New Hampshire and Frank Bellotti for the State of Massachusetts went before the NRC in 1975 to raise these issues, and they were tossed out. They were told that they cannot come back until after the plants are completed.

Well, we are back. The NRC told us that economics would have no bearing on this issue. The courts told us economics would have no bearing on this issue.

We were concerned because it is our ratepayers who will have to pay the $5 billion on Long Island and in Massachusetts and New Hampshire, our ratepayers. We did not want to be put in this position, but here we are, and now the Nuclear Regulatory Commission after all these years is in the midst of propounding a new rule for two plants, only two plants, so that we will not be given the same level of protection for our citizens around our nuclear powerplants as every other nuclear powerplant in this country.

That is wrong, Mr. Chairman. It is fundamentally a violation of procedural due process to strip away the rights of two States who invoked them properly and in proper time. It is a violation of equal protection. It is a violation of the health and safety requirements that every person should be able to offer to their families.

Mr. Chairman, I urge you all to support this fundamental protection for the people of Long Island, Massachusetts and New Hampshire. And if this amendment should not prevail, I would remind the NRC, and the citizens of Massachusetts, New Hampshire, and New York, that Congress does not thereby endorse the NRC's proposed rule change, but rather, puts that Commission on notice.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Massachusetts [Mr. MARKEY].

The question was taken; and the chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. MARKEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 160, noes 261, not voting 12, as follows:

[Roll No. 309]

AYES—160

Ackerman
Akaka
Applegate
Aspin
Atkins
AuCoin
Bates
Beilenson
Bennett
Berman
Biaggi
Bilbray
Bonior (MI)
Bonker
Borski
Boucher
Boxer
Brennan
Brown (CA)
Bruce
Bryant
Bustamante
Campbell
Clarke
Clay
Coelho
Collins
Conyers
Cooper
Coyne
Crockett
DeFazio
Dellums
Derrick
Dicks
Dingell
DioGuardi
Dixon
Dorgan (ND)
Downey
Durbin
Dymally
Eckart
Edwards (CA)
Evans
Feighan
Fish
Flake
Florio
Foglietta
Ford (TN)
Frank
Garcia
Gekas
Gephardt
Gibbons
Gilman
Glickman
Gonzalez
Goodling
Gordon
Gray (IL)
Gray (PA)
Hall (OH)
Hamilton
Hayes (IL)
Hertel
Hochbrueckner
Howard
Hoyer
Hughes
Jacobs
Jeffords
Johnson (SD)
Jones (TN)
Jontz
Kaptur
Kastenmeier
Kennedy
Kildee
Kleczka
Kostmayer
LaFalce
Lantos
Leath (TX)
Lehman (CA)
Leland
Levin (MI)
Levine (CA)
Lowry (WA)
Luken, Thomas
Manton
Markey
Mavroules
McCloskey
McGrath
McHugh
Mfume
Miller (CA)
Mineta
Moakley
Morella
Morrison (CT)
Mrazek
Nagle
Nowak
Oakar
Oberstar
Obey
Ortiz
Owens (NY)
Owens (UT)
Panetta
Pease
Pelosi
Penny
Perkins
Price (IL)
Rangel
Ridge
Roybal
Russo
Sabo
Savage
Sawyer
Scheuer
Schneider
Schroeder
Schumer
Sharp
Sikorski
Skaggs
Skelton
Slattery
Slaughter (NY)
Snowe
Solarz
St Germain
Staggers
Stark
Stokes

Studds
Synar
Torres
Towns
Traficant
Udall
Vento

Visclosky
Walgren
Walker
Waxman
Weiss
Wheat
Williams

Wilson
Wise
Wolpe
Wyden
Yates

NOES—261

Alexander
Anderson
Andrews
Annunzio
Anthony
Archer
Armey
Badham
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Bentley
Bereuter
Bevill
Bilirakis
Bliley
Boehlert
Boggs
Boland
Bosco
Boulter
Brooks
Broomfield
Brown (CO)
Buechner
Bunning
Burton
Byron
Callahan
Cardin
Carper
Carr
Chandler
Chapman
Chappell
Cheney
Clinger
Coats
Coble
Coleman (MO)
Coleman (TX)
Combest
Conte
Coughlin
Courter
Craig
Crane
Dannemeyer
Darden
Daub
Davis (IL)
Davis (MI)
de la Garza
DeLay
DeWine
Donnelly
Dornan (CA)
Dowdy
Dreier
Duncan
Dwyer
Dyson
Early
Edwards (OK)
Emerson
English
Erdreich
Espy
Fascell
Fawell
Fazio
Fields
Flippo
Foley
Frenzel
Frost
Gallegly
Gallo
Gaydos
Gejdenson
Gingrich
Gradison
Grandy
Grant
Green

Gregg
Guarini
Gunderson
Hall (TX)
Hammerschmidt
Hansen
Harris
Hastert
Hatcher
Hawkins
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hiler
Holloway
Hopkins
Horton
Houghton
Hubbard
Huckaby
Hutto
Hyde
Inhofe
Ireland
Jenkins
Johnson (CT)
Jones (NC)
Kanjorski
Kasich
Kennelly
Kolbe
Kolter
Konnyu
Kyl
Lagomarsino
Lancaster
Leach (IA)
Lehman (FL)
Lent
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Lott
Lowery (CA)
Lujan
Lukens, Donald
Lungren
Mack
MacKay
Madigan
Marlenee
Martin (IL)
Martin (NY)
Martinez
Matsui
Mazzoli
McCandless
McCollum
McCurdy
McDade
McEwen
McMillan (NC)
McMillen (MD)
Meyers
Mica
Michel
Miller (OH)
Miller (WA)
Molinari
Mollohan
Montgomery
Moody
Moorhead
Morrison (WA)
Murphy
Murtha
Myers
Natcher
Neal
Nelson
Nichols
Nielson

Olin
Oxley
Packard
Parris
Pashayan
Patterson
Petri
Pickett
Pickle
Porter
Price (NC)
Pursell
Quillen
Rahall
Ravenel
Ray
Regula
Rhodes
Richardson
Rinaldo
Ritter
Roberts
Robinson
Roe
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Saiki
Saxton
Schaefer
Schuette
Schulze
Sensenbrenner
Shaw
Shumway
Shuster
Sisisky
Skeen
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Solomon
Spence
Spratt
Stallings
Stangeland
Stenholm
Stratton
Stump
Sundquist
Sweeney
Swindall
Tallon
Tauke
Taylor
Thomas (CA)
Thomas (GA)
Torricelli
Traxler
Upton
Valentine
Vander Jagt
Volkmer
Vucanovich
Watkins
Weber
Weldon
Whittaker
Whitten
Wolf
Wortley
Wylie
Yatron
Young (AK)
Young (FL)

NOT VOTING—12

Boner (TN)
Daniel
Dickinson
Ford (MI)

Hunter
Kemp
Latta
Pepper

Rodino
Roemer
Swift
Tauzin

☐ 2115

Mr. ANDREWS and Mr. VOLKMER changed their votes from "aye" to "no."

Mr. GEKAS and Mr. TORRES changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. ECKART

Mr. ECKART. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ECKART: Page 6, after line 21, add the following new section:

SEC. 7. OPEN MEETINGS.

No amount authorized to be appropriated under section 1 may be used in fiscal year 1988 or 1989 to hold any Nuclear Regulatory Commission meeting in accordance with the interim rule described on pages 20889 through 20892 of volume 50, number 98, of the Federal Register on May 21, 1985.

Mr. ECKART [during the reading]. Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. ECKART. Mr. Chairman, simply put, my amendment would restore to the NRC the requirements of the Open Meeting Sunshine Act which had been repealed by rule without the benefit of public hearings to all NRC meetings and deliberations.

My amendment, which passed unanimously in the Energy and Commerce Committee with both majority and minority support, has been agreed to, at least by all parties, as I understand.

Mr. Chairman, on May 21, 1985, the Nuclear Regulatory Commission issued a rule, reinterpreting for its purposes the meaning of the word "meeting" as it is applied under the Sunshine in Government Act. The rule change, which the Commission made effective immediately, created a new category of meetings called "gatherings" which would be closed to the public.

Congressman MARKEY, then chairman of the Energy and Commerce Committee Subcommittee on Energy Conservation and Power, immediately called the Commissioners to appear before a hearing of the subcommittee to explain their reasons for the sudden change in policy, up till then, the NRC had been operating under the same set of Sunshine Act regulations for 8 years. The Commissioners stated the change was necessary for a couple of reasons:

First, to bring Commission practice in line with a recent Supreme Court decision, FCC versus ITT World Communications; and

Second, to promote "collegiality" and thus improve their ability to conduct the public's business.

I. THE SUPREME COURT DECISION

As I told then-NRC Chairman Palladino in a letter written at the time, it is impossible, at least for me, to believe that the public interest can in any way be protected, let alone better protected, by the NRC's secret discussions of matters affecting public safety. The public is best served when decisions affecting its interests are in fact made in public.

This is a principle of which, by now, the NRC should be well aware. In fact, it was articulated again in 1984, the year just prior to issuance of the new Sunshine rule, by a U.S. court of appeals in a case in which the NRC was a principle party. I'd like to quote briefly from that decision, Philadelphia Newspaper, Inc. versus NRC:

> A decade ago, revelations of secret abuse of official power shocked this nation and seared in our minds a lesson vital to the health of a democratic polity: government should conduct the public's business in public. In the Sunshine Act, Congress moved to ensure that those in government do not forget that they are above all accountable to the people of this nation. Nowhere is the need for accountability more acute than in the Commission's handling of the Three Mile Island controversy. Without a doubt, Congress intended that the Sunshine Act would guarantee public accountability on what is one of the most sensitive and difficult issues of our time: the safety of nuclear power.

With its 1985 "reinterpretation of its Sunshine Act regulations," the Nuclear Regulatory Commission chose to ignore the pointed advice of a judicial opinion written expressly about the activities of the NRC. Instead, the Commission said its rule change was based on a Supreme Court decision written within the confines of a specific and very different factual situation. This is not very firm ground upon which to carefully build new regulatory policy, much less to throw one together overnight, as the NRC did with this rule.

Indeed, FCC versus ITT World Communications didn't really change anything at the NRC. History shows that in 1976 the Commission was fully cognizant that its open meeting requirements—those that the Commission was to operate under for the next 8 years—went beyond the minimum legal standard. The NRC's 1976 "Notice of Proposed Rulemaking stated that the Commission intended to be more inclusive than exclusive in its definition of meetings," noting that this had been done "because of the presumption in favor of opening business to public observation established by the Sunshine Act." The Supreme Court's decision in FCC versus ITT World Communications in no way refutes this logic; even the NRC has never been able to explain how it does, or why this original rationale should now be viewed as obsolete.

II. THE "COLLEGIALITY" ARGUMENT AND THE ABA REVIEW

As to the Commissioners' contention that the rule change would foster "collegiality" and thus improve their ability to conduct the public's business, let me quote briefly from a recent American Bar Association review of the NRC's new Sunshine rule:

> It remains to be considered whether a broad reading of the ITT case would check the loss of collegiality * * *. It was the well nigh unanimous view of those to whom we spoke, both proponents and critics of Sunshine, that the impact of the case on collegiality is likely to be slight. It is true that to the extent it would contribute to more normal interpersonal relationships among agency members, it would have some tendency to increase collegiality; But since the line between "preliminary" or "general" discussions is likely to remain hazy, conscientious agency members are likely to feel inhibited whenever such discussions move to address agency choices. Ultimately, it is those exchanges of views which are part of the process of reaching a group decision where collegiality is most important, and those discussions are clearly meetings under the Act.

Mr. Chairman, the ABA made a number of other points about the NRC's rule change. In the summary, for example, the ABA emphasized that "it is not over purpose to urge agencies to close any discussions now open. Open meetings serve valuable functions. Furthermore, * * * we believe that * * * the exemptions in the act are sufficient to protect information for which there is a legitimate need for confidentiality." Other points made by the ABA:

> A briefing can very easily turn into a serious exchange of views, particularly if the briefing relates to a discrete issue before the agency.
>
> With respect to "the serious general 'discussion' among agency members" and "'preliminary' or 'exploratory' discussion," "Obviously, this kind of 'non-meeting' presents the hardest case; * * * the difficulties of application are intimidating."
>
> Obviously, there are problems in proceduralizing "non-meeting" meetings.

Finally, the ABA recommended that, if agencies intend to hold non-meeting meetings, such as the "gatherings" the NRC would like to convene without benefit of public scrutiny, "appropriate mechanisms, such as monitoring by general counsel or other agency representatives, should be undertaken to ensure that such discussions do not proceed to the point of becoming 'meetings.' In addition, agencies should memorialize such discussions through notes, minutes or recording as assurances to the public of compliance with the act."

Mr. Chairman, these are safeguards which, despite a written request from Chairman DINGELL, Subcommittee Chairman MARKEY, and then ranking Republican committee and subcommittee members Mr. BROYHILL and Mr. MOORHEAD at the time this rule was promulgated, the NRC has specifically declined to implement. Fortunately for the American people, the NRC has also yet to actually implement this ill-conceived rule. However, I have reason to suspect that the Commission intends to begin holding these amorphous "gatherings," without benefit of any safeguard to prevent their turning into decisionmaking meetings, in the near future.

Mr. Chairman, if a viable, safe nuclear power industry is to survive in this country, the one thing it definitely does not need is the one thing this NRC rule is bound to deliver: more public mistrust of the Nuclear Regulatory Commission's commitment to public safety. Whether you support nuclear power or not, this NRC rule is a bad mistake, and I urge all my colleagues to vote with me today to rescind it.

Mr. SHARP. Mr. Chairman, will the gentleman yield?

Mr. ECKART. I am delighted to yield to my colleague, the gentleman from Indiana.

Mr. SHARP. Mr. Chairman, I believe all of the principals on both committees are in agreement. This did pass unanimously in the Energy and Commerce Committee and simply neutralizes a rule change which the gentleman has worked very hard on.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. ECKART. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, the Interior and Insular Affairs Committee agrees with the gentleman who just spoke and we have no objection to the amendment.

Mr. LUJAN. Mr. Chairman, will the gentleman yield?

Mr. ECKART. I am happy to yield to my colleague, the gentleman from New Mexico.

Mr. LUJAN. Mr. Chairman, I would also tell the gentleman on this side we have discussed the amendment, and while we are not totally comfortable with the amendment I think because of the late hour we would accept the amendment and then we would look for ways to modify it.

Mr. ECKART. Mr. Chairman, in light of the unanimous agreement, I urge adoption of the amendment and I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. ECKART].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. MADIGAN

The Clerk read as follows:

> Amendment offered by Mr. MADIGAN: Page 6, after line 21, add the following new section:
>
> SEC. 7. FACILITIES IN WILL COUNTY, ILLINOIS.
>
> Of the amounts authorized to be appropriated under section 1, the Nuclear Regulatory Commission shall use such sums as are necessary to suspend any byproduct, source, or special nuclear materials license granted in accordance with application dated June 20, 1986, to any low-level nuclear waste processing facility in Will County, Illinois, until such facility has obtained a special use permit for such facility under the I-3 zone classification laws of such county.

Mr. MADIGAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MADIGAN. Mr. Chairman, the amendment I am offering on behalf of the gentleman from Illinois [Mr. DAVIS] and myself, would resolve a problem with a low-level nuclear waste processing facility in Illinois. In order to operate the facility it received a license from the Nuclear Regulatory Commission without being in compliance with a preexisting zoning requirement, and this amendment would simply suspend that license until that zoning requirement which was preexisting could be met.

Mr. SHARP. Mr. Chairman, will the gentleman yield?

Mr. MADIGAN. I yield to the gentleman from Indiana.

Mr. SHARP. Mr. Chairman, we had an opportunity to examine this well in advance and are willing to accept the gentleman's amendment tonight and we hope we can move forward.

Mr. LUJAN. Mr. Chairman, will the gentleman yield?

Mr. MADIGAN. I yield to the gentleman from New Mexico.

Mr. LUJAN. Mr. Chairman, we have looked at the amendment and we understand that there is a pending suit involved in this. In the interest of time and because we think that there is not a clear definition of this matter, we would at this time accept the amendment but would hope that we can work on it at a later time.

Mr. MADIGAN. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. MADIGAN].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. SLATTERY

Mr. SLATTERY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. SLATTERY: Page 5, line 11, strike "75" and insert "100".
>
> Page 6, line 4, strike "recoverable under paragraph (1) and".

Mr. SLATTERY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. SLATTERY. Mr. Chairman, I am offering this amendment on behalf of the Energy and Commerce Committee. This amendment was adopted on a voice vote when the NRC authorization legislation came before that committee. This proposal would require the NRC to collect enough revenue in regulatory fees to offset its entire annual budget. When this legislation was considered earlier this year by the House Interior Committee, that committee approved increasing current law requirements that the NRC raise 33 percent of its budget in user fees to a level of 50 percent. The joint bill now before us would require that 75 percent of the Agency's annual appropriations be collected in regulatory fees.

The increased annual NRC fees would be borne by commercial nuclear reactors. Licensing fees and other special charges imposed upon university research reactors, nuclear medical facilities, and other nuclear materials users would remain the same. All fees would continue to be counted as general revenues, rather than being retained by the NRC.

Under current law, all types of NRC licensees pay fees for specific regulatory services, such as inspections and the review of license applications, which provide an identifiable benefit to an individual licensee. In addition to these fees, nuclear powerplant operators currently are required to pay a uniform annual user fee to cover the costs of other regulatory services such as research and rulemaking, which provide benefits to a number of licensees.

This legislation, if my amendment is added, will retain the current system of fees for specific regulatory services, but will change how the annual fees will be charged to nuclear powerplant operators. Under the bill, the annual fees will be calculated individually for each reactor based on the principle that those licensees requiring greater NRC regulatory expenditures should pay greater annual fees. Therefore, the annual fee will vary from plant to plant depending upon the amount of regulatory attention needed.

Mr. Chairman, imposition of regulatory fees is not a new idea, or a partisan concept. President Reagan called for increased utilization of user fees in his 1988 budget proposal. In addition, the Office of Management and Budget recently proposed to update its policy circular regarding fee assessment for Government services. Currently, several regulatory agencies and programs, including the Federal Communication Commission, the Federal Energy Regulatory Commission, the Securities and Exchange Commission, and the Pipeline Safety Program, are funded through imposition of annual regulatory charges and user fees.

Adoption of this amendment will ensure that this legislation reflects the actions recently taken by the Energy and Commerce Committee with regard to budget reconciliation. The budget resolution which was approved by both the House and Senate called upon Congress to increase the regulatory fee requirement of the NRC from 33 percent of their budget to approximately 70 percent of their budget. The reconciliation provisions being developed by that committee call upon the NRC to recover its entire appropriation through fee imposition. With all functions of the Federal budget coming under increasing pressure due to the need to reduce our Federal deficit, it is clear to me that if we do not take this fee requirement to the 100 percent level this year, we will be back here next year to finish the job. That means that the NRC staff will have to rewrite the rules in this area an additional time. If we adopt this amendment today, we will have brought this authorization bill in line with the reconciliation legislation that will be before us later this year. I urge my colleagues to join me in supporting this committee amendment.

Mr. LUJAN. Mr. Chairman, will the gentleman yield?

Mr. SLATTERY. I am happy to yield to the gentleman from New Mexico.

Mr. LUJAN. Mr. Chairman, I will tell the gentleman I suppose under normal circumstances I would probably oppose this amendment because of the cost, as I see it, to the ratepayer. But I think the utility industry has sent us a message yesterday on the bill that we considered yesterday that really costs are not significant as far as the industry is concerned. As long as the industry feels that way, I suppose maybe we had better stick them with 100 percent user fee and so we on this side accept the amendment.

Mr. SLATTERY. I appreciate the gentleman's support.

Mr. SHARP. Mr. Chairman, will the gentleman yield?

Mr. SLATTERY. I yield to the gentleman from Indiana.

Mr. SHARP. Mr. Chairman, this has passed the Energy and Commerce Committee and it is parallel to what we had for the Federal Energy Regulatory Commission. The gentleman from California [Mr. DANNEMEYER], has been involved with this approach as well, and we certainly accept the amendment tonight.

□ 2130

Mr. SLATTERY. I appreciate the support of the gentleman and yield back any time I may have remaining.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. SLATTERY].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. DANNEMEYER

Mr. DANNEMEYER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DANNEMEYER: Page 7, after line 4, insert the following new title:

SEC. 7. USE OF FUNDS.

Of the amount authorized to be appropriated under section 101, the Nuclear Regulatory Commission shall use such funds as are necessary to carry out the provisions of this title.

SEC. 8. DEFINITIONS.

For the purposes of this title—

(1) the term "Agency" means the Nuclear Regulation Agency established under section 203; and

(2) the term "Director" means the Director of the Nuclear Regulation Agency appointed under section 204(a).

SEC. 9. ESTABLISHMENT OF NUCLEAR REGULATORY AGENCY.

(a) There is established as an independent regulatory agency the Nuclear Regulation Agency (hereinafter in this title referred to as the "Agency"). The Agency shall succeed the Nuclear Regulatory Commission in existence on the day before the effective date of this title.

(b) For purposes of chapter 9 of title 5 of the United States Code, the Agency is an independent regulatory agency.

(c) There shall be transferred to the Nuclear Regulation Agency all functions of the Nuclear Regulatory Commission, subject to section 204(d)(4).

SEC. 10. OFFICERS.

(a) The Agency shall be administered by a Director, who shall be appointed by the President, by and with the advice and consent of the Senate. The Director shall carry out all functions transferred to the Agency by this title and shall have authority and control over all personnel, programs, and activities of the Agency.

(b) There shall be in the Agency a Deputy Director, who shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Director shall perform such functions as the Director shall prescribe. The Deputy Director shall act for and perform the functions of the Director during the absence or disability of the Director, or in the event of a vacancy in the office of the Director.

(c) There shall be in the Agency no more than 3 Assistant Directors. The Assistant Directors shall perform such functions as the Director shall prescribe. The Director shall designate the order in which the Assistant Directors shall act for and perform the functions of the Director during the absence or disability of the Director or the Deputy Director, or in the event of vacancies in all of those offices.

(d) There shall be in the Agency an Inspector General and an office to be known as the Office of Inspector General of the Nuclear Regulation Agency that shall operate as follows:

(1) The Office shall be under the direction of the Inspector General of the Nuclear Regulation Agency, who shall be appointed for a term of 4 years by the President, by and with the advice and consent of the Senate, without regard to political affiliation, and solely on the basis of integrity and demonstrated ability in accounting, auditing, financial analysis, law, management analysis, public administration, or investigation.

(2) The Inspector General and the Office of the Inspector General shall be governed by the provisions of the Inspector General Act of 1978, (5 U.S.C. App.) and shall be vested with the authorities, duties, and responsibilities set forth herein.

(3) For purposes of section 7324 of title 5, United States Code, the Inspector General shall not be considered to be an employee who determines policies to be pursued by the United States in the nationwide administration of Federal laws.

(4) TRANSFER OF FUNCTIONS.—There shall be transferred to the Office of Inspector General of the Nuclear Regulation Agency—

(A) the office of the Nuclear Regulatory Commission referred to as the "Office of Inspector and Auditor"; and

(B) such other offices of the Nuclear Regulatory Commission, or functions, powers, or duties of such offices, as the Director may determine are properly related to the functions of the Office of Inspector General and will further the purposes of this title, except that there shall not be transferred to the Office of Inspector General any program operating responsibilities.

(e) There shall be established within the Agency a Nuclear Safety Board (hereinafter referred to as the "Board"), consisting of 3 members, including a chairman, chosen by and removable by the President, and reporting to the Director:

(1) The terms of office of Members of the Board shall be for 5 years, except that of the members initially chosen, one term shall expire 6 years after the effective date of this title, one term shall expire 4 years after such effective date, and one term shall expire 2 years after such effective date.

(2) The Board may independently evaluate and report upon any abnormal occurrences reported to the Congress pursuant to section 208 of the Energy Reorganization Act of 1974 (42 U.S.C. 5848), or any other incident, event, occurrence, or circumstance referred to it by the Director.

(3) The Director shall ensure that all relevant material available to the Agency concerning an occurrence under evaluation will be made available to the Board. The Board may, from time to time, and with the concurrence of the Director, transfer employees of the Agency to its staff for the purpose of completing an evaluation. Such transfers shall not exceed 6 calendar months.

(4) The Board shall issue periodic reports of the results of its evaluations to the Director and shall report to the Congress on the final results of its evaluations of abnormal occurrences in a timely manner. The Board shall issue an annual report to the President and the Congress on October 1 of each year. Within 120 days of enactment, the Director shall publish regulations as necessary to implement the provisions of this section.

(f) Title II of the Energy Reorganization Act of 1974 (42 U.S.C. 5841 et seq.) is amended by redesignating the second section 210 as section 211.

(g)(1) Section 5313 of title 5, United States Code, is amended by adding at the end thereof the following:

"Director, Nuclear Regulation Agency".

(2) Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following;

"Inspector General, Nuclear Regulation Agency",

"Chairman, Nuclear Safety Board, Nuclear Regulation Agency",

(3) Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following:

"Members, Nuclear Safety Board, Nuclear Regulation Agency".

(h) Section 2(1) the Inspector General Act of 1978, (5 U.S.C. App.) is amended by adding "Nuclear Regulation Agency;" after "Veterans' Administration;".

SEC. 205. ABOLITION OF NUCLEAR REGULATORY COMMISSION.

The Nuclear Regulatory Commission is hereby abolished. Sections 201, 203, 204, 205, and 209 of the Energy Reorganization Act of 1974 (42 U.S.C. 5841, 5843, 5844, 5845, and 5849) are repealed.

SEC. 11. TRANSFER AND ALLOCATION OF APPROPRIATIONS AND PERSONNEL.

The personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available, or to be made available, in connection with the Nuclear Regulatory Commission and the functions transferred under this title, are, subject to section 1531 of title 31, United States Code, transferred to the Agency for appropriate allocation.

SEC. 12. EFFECT ON PERSONNEL.

(a) The transfer of personnel pursuant to this title shall not cause any such employee to be separated or reduced in grade or compensation for one year after the date of such transfer.

(b) Any person who, on the day before the effective date of this title, held a position compensated in accordance with the Executive Schedule prescribed in chapter 53 of title 5, United States Code, and who without a break in service, is appointed in the Agency to a position having duties comparable to those performed immediately preceding his appointment, shall continue to be compensated in his new position at not less than the rate provided for his previous position for the duration of his service in his new position.

SEC. 13. INCIDENTAL TRANSFERS.

(a) The Director of the Office of Management and Budget, at such time or times as the Director shall provide is authorized to make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriation, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with the Nuclear Regulatory Commission and the functions transferred under this title, as may be necessary to carry out the provisions of this title. The Director of the Office of Management and Budget shall provide for such further measures and dispositions as may be necessary to effectuate the purposes of this title.

(b) After consultation with the Director of the Office of Personnel Management, the Director of the Office of Management and Budget is authorized, at such time as the Director of the Office of Management and Budget provides, to make such determination as may be necessary with regard to the transfer of positions within the Senior Executive Service in connection with the transfer of the Nuclear Regulatory Commission pursuant to this title and the transfer of functions under this title.

SEC. 209. SAVINGS PROVISIONS.

(a) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges—

(1) which have been issued, made, granted, or allowed to become effective by the President, the Nuclear Regulatory Commission, or any court of competent jurisdiction, in the performance of functions which are transferred under this title; and

(2) which are in effect at the time this title takes effect, shall continue in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the President, the Director, a court of competent jurisdiction, or by operation of law.

(b)(1) The provisions of this title shall not affect any proceedings pending at the time this title takes effect before the Nuclear Regulatory Commission with respect to functions transferred under this title; but such proceedings, to the extent that they relate to functions so transferred, may be continued before the Agency. Orders may be issued in such proceedings, appeals may be taken therefrom, and payments may be made pursuant to such orders, as if this title had not been enacted; and orders issued in any such proceedings may continue in effect until modified, terminated, superseded, or repealed by the Director, by a court of competent jurisdiction, or by operation of law.

(2) The Director is authorized to promulgate regulations providing for the orderly transfer of proceedings continued under paragraph (1) of the Agency.

(c) Except as provided in subsection (e)—

(1) the provisions of this title shall not affect actions commenced prior to the date this title takes effect, and

(2) in all such actions proceedings shall be had, appeals taken, and judgments rendered, in the same manner and effect as if this title had not been enacted.

(d) No action or other proceeding commenced by or against any officer in his official capacity as an officer of the Nuclear Regulatory Commission shall abate by reason of the enactment of this title. No cause of action by or against the Nuclear Regulatory Commission or functions transferred under this title, or by or against any officer thereof in his official capacity shall abate by reason of the enactment of this title. Causes of action and actions or other proceedings with respect to any function transferred under this title or with respect to the Nuclear Regulatory Commission, may be asserted by or against the United States or an official of the Agency, as may be appropriate, and, in an action pending when this title takes effect, the court may at any time, on its own motion or that of any party, enter an order which will give effect to the provisions of this subsection.

(e) If, before the date on which this title takes effect, the Nuclear Regulatory Commission, or any officer thereof in the official capacity of such officer, is a party to an action under this title, such action shall be continued with the Director or other appropriate official of the Agency, as the case may be, substituted or added as a party.

(f) Final orders and actions of the Director in the exercise of the functions transferred under this title shall be subject to judicial review to the same extent and in the same manner as if such orders and actions had been by the Nuclear Regulatory Commission in exercising such functions immediately preceding their transfer.

SEC. 14. REFERENCE.

With respect to any function transferred under this title and exercised after the effective date of this title, any reference in any other law, or in any rule, regulation, certificate, directive, instruction, or other official paper in force on the effective date of this title to the Nuclear Regulatory Commission shall be deemed to refer and apply to the Agency or Director.

TITLE III. STANDARDIZED DESIGN

SEC. 211. APPROVAL OF DESIGNS.

The Atomic Energy Act of 1954, as amended, is amended by adding a new section 194 to read as follows:

"SEC. 194. APPROVAL OF DESIGNS.

"a. The Director is authorized and directed to establish procedures permitting the approval of standardized facility designs for thermal neutron power generation facilities. The Director may also consider, in accordance with its regulations, requests under this section for the approval of the design for any major subsystem which represents a discrete element of a thermal neutron power generation facility.

"b. The Director shall within one hundred and twenty days following the effective date of this section, propose regulations establishing procedures and criteria for implementing the provisions of this Act for approval of standardized facility designs for any thermal neutron power generation facility licensed for construction or operation under this Act.

"c. After the regulations referred to in subsection b. of this section become more effective, no license, permit or approval granted under this Act for a thermal neutron power generation facility shall be modified except pursuant to such regulations."

SEC. 212. DEFINITIONS

Section 11 of the Atomic Energy Act of 1954, as amended, is amended by adding new subsection dd. and ee. as follows:

"dd. 'Thermal neutron power generation facility' means a utilization facility which is designed to produce electrical energy and in which core power is designed to be produced primarily by thermal neutron fisson."

"ee. 'Standard design' means a design which the Director determines is sufficiently detailed and complete to support licensing of a commercial production or utilization facility or approval of a major portion of such a facility when referenced in an application for a construction permit and operating license or a design approval and which is usable for a multiple number of units and/or at a multiple number of sites without reopening or repeating the review."

SEC. 213. GENERAL PROVISIONS.

Section 161o of the Atomic Energy Act of 1954, as amended, is amended by inserting the words "or approvals authorized by section 194" after the number "104".

SEC. 214. EFFECTIVE DATE.

All sections of this title shall take effect as of 90 days after the date of enactment, and shall apply to all proceedings pending as of that date or commenced on or after that date, in accordance with the terms of this title.

Mr. DANNEMEYER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SHARP. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from Indiana reserves a point of order against the amendment.

Mr. DANNEMEYER. Mr. Chairman, I do not know the exact number, but I would estimate that this Nation has produced probably 2,000 wide-bodied jets in the history of aviation, at least at the current time.

The reason I make reference to the number of wide-bodied jets we produced is to contrast how in America we are building wide-bodied jets with how we are building nuclear reactors, and to suggest to my colleagues that if we pursued the policy in building wide-bodied jets the way we build new reactors as to what would happen. If we built wide-bodied jets the same way, this is what we would do: Every time one wanted to take off we would have to file an environmental impact report before the airplane could take off.

Now how do you think the consumers of America would react to that little impediment in their travel plans? It is ridiculous to even suggest it, but that is the current policy that we are pursuing today in developing nuclear power in this country. We have so convoluted the process of building nuclear powerplants that it is amazing we have any today.

Mr. MOORHEAD. Mr. Chairman, will the gentleman from California yield to me?

Mr. DANNEMEYER. I yield to the gentleman from California [Mr. MOORHEAD].

Mr. MOORHEAD. Mr. Chairman, I rise in support of the Dannemeyer amendment to standardize nuclear powerplants and reorganize the Nuclear Regulatory Commission.

The amendment would make significant changes in the way in which the Federal Government performs the important function of ensuring the safe operation of commercial nuclear powerplants. Each of these changes will enhance the safety of nuclear power generation by improving the efficiency, accountability and quality of the nuclear regulatory process.

Mr. Dannemeyer's amendment will require standardized designs for nuclear powerplants. There are several reasons why this requirement would promote safety. First, standardization would allow the industry to concentrate its skills and expertise on a few improved designs, rather than diffusing those skills and expertise on many different designs. Second, standardized designs result in standardized construction, quality assurance and operating experiences. Third, all of these considerations will encourage the industry to share information and thereby reinforce safety enhancement measures and avoid safety threatening ones. Finally, complete information will also be shared with the public, as the designs will be known long before construction begins. With these factors all working in the positive direction toward safer nuclear powerplant operation, public confidence in the industry will increase.

The amendment will eliminate the five-member commission and replace it with a single administrator. The five-member commission form of organization is a carryover from the predecessor to the NRC—the Atomic Energy Commission. The Atomic Energy Commission was established in 1946 and was originally responsible for the production and handling of nuclear weapons. Safety regulation of nuclear powerplants was only later added to the AEC's duties. Thus, the five-member commission format was created for an agency with a different mission than that which is performed today by the NRC.

Today, as a general rule, safety regulation is carried out under the single administrator form of organization. This type of organization centralizes decisionmaking which increases speed and efficiency and clearly focuses responsibility. A single administrator will also lead to more consistent regulation. Both the industry regulated by the NRC and the environmentalist-intervenor community support this change in organization. There is no reason why these improvements to the decisionmaking process should be denied to the regulation of commercial nuclear power. It is time, therefore, to eliminate the current anachronistic five-member commission and replace it with a single administrator.

The Dannemeyer amendment could also create two independent organizations which could work in tandem with the newly authorized single administrator. The first is an independent safety inspection board to investigate "abnormal occurrences" and other events affecting safety referred by the director. This function is now performed within the NRC. Replacement of the commission with a single administrator would make establishment of an independent safety board appropriate. It will increase public confidence in Federal regulation to formalize the safety investigation function in a separate entity that is not responsible for the day-to-day regulation of the industry and is less subject to possible political pressures than the single administrator. Further, by focusing the board's authority to investigate on "abnormal occurrences" the amendment will ensure that the board's attention and resources are focused on the most important safety questions.

Finally, the Dannemeyer amendment would also establish an Office of Inspector General to investigate waste, fraud, and abuse within the new nuclear regulation agency. These are the duties of an inspector general as defined by the Inspector General Act of 1978. This step will help boost public confidence in the regulation of nuclear power safety by ensuring that the regulators are above reproach.

In closing, I would emphasize that there are approximately 110 nuclear powerplants in operation in this country today. These plants are an integral part of our Nation's electric power supply. It is crucial that the agency responsible for overseeing the safety of these plants operate at maximum efficiency and provide consistent oversight of these operations. The Dannemeyer amendment will make several reforms in the structure of safety regulations that I believe will significantly enhance the safety of our nuclear activities by improving the efficiency and quality of decisionmaking in this vital area. I urge my colleagues to vote for the amendment.

Thank you.

Mr. DANNEMEYER. This amendment would require the NRC to promulgate rules providing for standardized plant designs within 120 days. We would not prescribe with this amendment how it is to be done, we merely direct NRC to do it.

Standardization of nuclear plant design so that when a utility wants to build a nuclear powerplant they go to a producer of the plant and select one that has been approved by the NRC as providing for the safety requirements that all of us on all sides of this issue want to be in existence.

In other words, rather than designing each 747 as we go along we say, "If you build it by these specifications you will get approval and you don't have to go through all this nonsense." The licensing board, the appeals board, the Commission itself and then you get to the point where you get into the federal system, specifically the circuit court of appeals.

Mr. OXLEY. Mr. Chairman, will the gentleman yield?

Mr. DANNEMEYER. I yield to the gentleman from Ohio [Mr. OXLEY].

Mr. OXLEY. I thank the gentleman for yielding.

Mr. Chairman, I want to commend the gentleman from California for his amendment and for his forthright leadership on this issue. We have a lot of catchup to do in this country vis-a-vis other countries such as France, and the standardization process it seems to me makes a great deal of sense. I think we should commit ourselves to that kind of program and I again commend the leadership of the gentleman from California.

Mr. DANNEMEYER. I thank the gentleman.

Mr. Chairman, I want to contrast what our friends, the French, are doing today.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. DANNEMEYER. My chairman, the gentleman from the State of Arizona [Mr. UDALL] I yield to him at this time.

Mr. UDALL. I thank the gentleman for yielding.

The gentleman is on the right track. Mr. Chairman, I have studied this situation as subcommittee chairman for a number of years and I have come down to where the gentleman comes down. We need a single administrator, a nuclear safety board patterned on the Highway Transportation Safety Board and an inspector general. We need standardized design as the gentleman has outlined here. But the problem is I do not think that is right tonight to add this to an authorization bill. We have not held hearings, extended hearings on this problem. I want to get into it later in this Congress and I hope that I can work with the gentleman and get the reforms he is advocating in this amendment. But I find it very difficult tonight when we have not had adequate hearings and discussion to join the gentleman in the amendment.

Mr. DANNEMEYER. I thank my colleague for his comments. They are very constructive.

Mr. LUJAN. Mr. Chairman, will the gentleman yield?

Mr. DANNEMEYER. I yield to my friend from New Mexico [Mr. LUJAN].

Mr. LUJAN. I thank the gentleman for yielding.

Mr. Chairman, I agree with the gentleman from California. It is absolutely on the right track. It is correct, it is the most sensible amendment that has been offered today if we are going to fix the problems with the nuclear industry. We do not need to reinvent the wheel each time. The gentleman has said how the French do it, they move from one to the next, they move their crews to do one phase of the work and then move it on to the next one and the second crew comes on and builds onto that.

I think that is exactly the way to go. It is the recommendation of both the Department of Energy, the Nuclear Regulatory Commission that we do go to standardization. So I commend the gentleman and do support his amendment.

The CHAIRMAN. Does the gentleman from Indiana [Mr. SHARP] insist on his point of order?

Mr. SHARP. Mr. Chairman, I would rather not take the time to do that but perhaps it may be necessary. I was hoping that the gentleman from California [Mr. DANNEMEYER] might withdraw his amendment and let our committees take action on it. Many of us are very sympathetic to the basic ideas the gentleman is propounding. It is a matter of working out some major details.

Does the gentleman plan to withdraw his amendment?

Mr. DANNEMEYER. Mr. Chairman, may I suggest that my colleague, the gentleman from Florida [Mr. BILIRAKIS] take some time to talk about the issue, and then I will address the concern the chairman has indicated about whether the House should continue this evening.

The CHAIRMAN. Does the gentleman from Indiana [Mr. SHARP] continue to insist on his point of order, or does he reserve his point of order?

Mr. SHARP. Mr. Chairman, I have an agreement from my colleague to withdraw. Mr. Chairman, I will not pursue the point of order at this time.

The CHAIRMAN. The gentleman withdraws his reservation of a point of order.

Mr. SHARP. Mr. Chairman, I withdraw my reservation of a point of order.

Mr. BILIRAKIS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, as the author of the amendment has so ably explained, this amendment would both restructure the Nuclear Regulatory Commission and require new regulations regarding the standardized design of nuclear reactors.

With regard to the NRC restructuring—many arguments may be advanced in favor of establishing a single administrator in charge of an agency—rather than the current administration of the NRC by a group of commissioners.

First, a single administrator would allow for more prompt and consistent decisions on matters of nuclear safety. At present, the NRC must comply with a host of restrictions consistent with its legal character as a commission. Formal meeting requirements and other restrictions have produced nearly inevitable delays. Inordinate delays can work against safety concerns.

In addition, a single administrator has worked effectively with other agencies charged with important matters of public safety. The Environmental Protection Agency, for example, oversees a multitude of potential threats to human health. Likewise, the Federal Emergency Management Agency operates under a single director.

Finally, the amendment specifically provides for an inspector general office to review agency actions as well as a nuclear safety board consisting of three members. I believe these provisions should alleviate any concerns about having sufficient internal review mechanisms and maintaining a diversity of opinion within the agency on important safety matters.

Turning to the amendment's provisions on nuclear standardization, the amendment would require the new Nuclear Regulatory Agency Director to establish procedures for approval of standardized nuclear powerplant designs. It would also require the Director to propose these regulations within 120 days.

Mr. Chairman, in my own Subcommittee on Energy and Power and in the former Subcommittee on Energy Conservation and Power, the subject of nuclear powerplant standardization has been discussed many times.

We now rely on nuclear power for 17 percent of our electric generation—yet the building of new powerplants has come to a standstill. No utility has ordered a new reactor for many years. There are many reasons for this informal moratorium. The sheer cost of new powerplants has certainly played a key role in suspending any new construction.

However, standardized designs and, more importantly, standardized design approval by the relevant governmental agency, could aid in reviving the nuclear option. Other countries, notably France, have had great success with standardized facilities and I think it is clear that not only construction—but safety—could be promoted if we took this course.

To date, the NRC has been reluctant to pursue standardization on the basis of its present legal authority. What the amendment would do is clear up this ambiguity. The amendment would not promote any one design over another—but merely require the Nuclear Regulatory Agency to move in this direction.

I believe all Members, whatever their personal opinion on nuclear power may be, should support this course of action. The creation of standard designs and standard nuclear facilities is a rational, logical attempt to both streamline decisionmaking and ensure that any future nuclear reactors utilize thoroughly tested and reviewed technology.

Today, we custom design and license each nuclear powerplant. This is efficient and subject to repetitive challenges and litigation. Standardized designs would provide the assurance that all major elements of a nuclear powerplant were produced to exacting requirements and that these requirements had been subject to a thorough public review process.

Shortly after the turn of the century, Henry Ford taught the Nation what benefits can be realized through standardized design and production. It's time we relearned the lessons of Henry Ford and take at least a small, initial step toward nuclear standardization in this country.

The offered amendment does not go as far as I would like toward standardization, but I believe it's a good first start. In the past few years, it has been unclear whether the nuclear option could even be called an option. Let us take a first step toward a more sensible energy policy and pursue the best possible design and construction of nuclear powerplants.

I realize that—for a number of reasons—we will not be able to fully pursue this amendment today. However, I think that all Members should realize that this is an issue which will not go away. It is an issue for the future and an issue of public safety and confidence in nuclear power. The nuclear option is not dead in the United States, it is only awaiting a sensible rebirth framed on fundamental concepts like standardized design and reformation of the licensing process.

Mr. SHARP. Mr. Chairman, will the gentleman yield?

Mr. BILIRAKIS. I yield to the gentleman from Indiana [Mr. SHARP].

Mr. SHARP. I thank the gentleman for yielding.

Mr. Chairman, our colleague from Florida is very knowledgeable, as we are learning here. We will certainly be drawing upon his expertise in our subcommittee as we consider this because most of us fundamentally believe in the goal. Our problem is working out how to get to that goal with the Nuclear Regulatory Commission. I think as the gentleman recognizes tonight we can close out and we plan to give this thorough attention and I believe our colleague from California is going to withdraw his amendment.

Mr. BILIRAKIS. I appreciate my colleague from California is going to do that, also and I appreciate the comments and look forward to working with the gentleman also.

The CHAIRMAN. The time of the gentleman from Florida [Mr. BILIRAKIS] has expired.

(On request of Mr. LUJAN and by unanimous consent Mr. BILIRAKIS was allowed to proceed for 1 additional minute.)

Mr. LUJAN. Mr. Chairman, will the gentleman yield?

Mr. BILIRAKIS. I yield to my colleague from New Mexico.

Mr. LUJAN. I thank the gentleman for yielding.

Mr. Chairman, I simply want to congratulate the gentleman on his words tonight because they really come to the point of this particular issue. I think that we will be well served and this country will be well served by following the example that the gentleman has pointed out and I think that we have the assurances that there will be hearings and we will continue the work in the direction that the gentleman is pointed and I congratulate him on it.

Mr. BILIRAKIS. I thank the gentleman for his remarks.

Mr. DANNEMEYER. Mr. Chairman, in response to suggestions of the distinguished chairman of the Committee on Interior and Insular Affairs, the gentleman from Arizona [Mr. UDALL], I ask unanimous consent that my amendment be withdrawn.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

□ 2145

AMENDMENT OFFERED BY MR. HASTERT

Mr. HASTERT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HASTERT: Page 6, insert after line 21 the following:

SEC. 7. DISPOSAL SITE.

The Nuclear Regulatory Commission may not designate a permanent disposal site for low-level nuclear wastes at Ann and Factory Streets in West Chicago, Illinois, until the Commission has studied alternative sites to determine the safest site available to store such wastes.

Mr. HASTERT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. HASTERT. Mr. Chairman, this amendment concerns a recent recommendation by the Nuclear Regulatory Commission to permanently bury radioactive waste at a site in West Chicago, IL. This radioactive material is a manufacturing byproduct which was generated in the West Chicago area over a period of 41 years.

The West Chicago site represents the second largest volume of low-level radioactive waste anywhere in the country. Understandably the burial of this material within the center of the city of West Chicago presents a very real concern to the residents of this area. In fact, this storage site would be located only two blocks from the West Chicago High School.

The Nuclear Regulatory Commission has indicated that the radioactive material might well be expected to present a danger for the next thousand years. In light of this information, I am simply asking in this amendment for the NRC to review alternatives to storage of this material within the city limits of West Chicago, and to determine if a more appropriate site for the storage of this waste exists. Certainly, small communities should not be asked to gamble with the lives of their residents if better and safer solutions exist.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. HASTERT. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, the gentleman from Indiana [Mr. SHARP] and I have examined the amendment, and since it calls for a study, we think it might be beneficial, and we are prepared to accept the amendment.

Mr. LUJAN. Mr. Chairman, will the gentleman yield?

Mr. HASTERT. I yield to the gentleman from New Mexico.

Mr. LUJAN. Mr. Chairman, I think the gentleman from Illinois [Mr. HASTERT] makes an excellent suggestion. Nothing should be done until alternative sites have been studied to determine the safest site available to store such waste, and I think the gentleman is on the right track.

I think this is a good amendment, and from this side of the aisle we are prepared to accept it.

Mr. HASTERT. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. HASTERT].

The amendment was agreed to.

Mr. PASHAYAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the gentleman from New York [Mr. STRATTON] and I had prepared an amendment requiring the NRC to promulgate its proposed rule. However, in light of the results on the Markey amendment, we do not plan to offer that amendment. We think Congress has already expressed its opinion as to what it should like to see the NRC do.

The CHAIRMAN. The question is on the amendment in the nature of a substitute, as amended.

The amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. COELHO] having assumed the chair, Mr. OBERSTAR, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1315) to authorize appropriations for the Nuclear Regulatory Commission for fiscal years 1988 and 1989, and for other purposes, pursuant to House Resolution 237, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. BADHAM. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 389, noes 20, not voting 24, as follows:

[Roll No. 310]

AYES—389

Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Armey
Aspin
AuCoin
Badham
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Bates
Beilenson
Bennett
Bereuter
Berman
Bevill
Biaggi
Bilbray
Bilirakis
Bliley
Boehlert
Boggs
Boland
Bonior (MI)
Borski
Bosco
Boucher
Boulter
Brennan
Brooks
Broomfield
Brown (CA)
Brown (CO)
Bruce
Bryant
Buechner
Bunning
Burton
Bustamante
Byron
Callahan
Campbell
Cardin
Carper
Carr
Chandler
Chapman
Chappell
Cheney
Clarke
Clinger
Coats
Coble
Coelho
Coleman (MO)
Coleman (TX)
Collins
Combest
Conte
Cooper
Coughlin
Courter
Coyne
Craig
Crane
Dannemeyer
Darden
Daub
Davis (IL)
Davis (MI)
de la Garza
DeFazio
DeLay
Derrick
DeWine
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Dowdy
Dreier
Duncan
Durbin
Dwyer
Dymally
Dyson
Eckart
Edwards (CA)
Edwards (OK)
Emerson
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flake
Flippo
Florio
Foglietta
Foley
Frank
Frenzel
Frost
Gallegly
Gallo
Gaydos
Gejdenson
Gekas
Gibbons
Gilman
Gingrich
Glickman
Goodling
Gordon
Gradison
Grandy
Grant
Gray (IL)
Gray (PA)
Green
Gregg
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Harris
Hastert
Hatcher
Hawkins
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hertel
Hiler
Holloway
Hopkins
Horton
Houghton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Hyde
Inhofe
Ireland
Jacobs
Jeffords
Jenkins
Johnson (CT)
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Konnyu
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken, Thomas
Lukens, Donald
Lungren
Mack
MacKay
Madigan
Manton
Marlenee
Martin (IL)
Martin (NY)
Martinez
Matsui
Mazzoli
McCandless
McCloskey
McCollum
McCurdy
McDade
McEwen
McHugh
McMillan (NC)
McMillen (MD)
Meyers
Mfume
Mica
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Morella
Morrison (WA)
Murphy
Murtha
Myers
Nagle
Natcher
Neal
Nelson
Nichols
Nielson
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (UT)
Oxley
Packard
Parris
Pashayan
Patterson
Pease
Pelosi
Penny
Perkins
Petri
Pickett
Pickle
Price (IL)
Price (NC)
Pursell
Quillen
Rahall
Ravenel
Ray
Regula
Rhodes
Ridge
Rinaldo
Ritter
Roberts
Robinson
Roe
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schroeder
Schuette
Schulze
Schumer
Sensenbrenner
Sharp
Shaw
Shumway
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solarz
Solomon
Spence
Spratt
St Germain
Staggers
Stallings
Stangeland
Stark
Stenholm
Stokes
Stratton
Studds
Stump
Sundquist
Sweeney
Swift
Swindall
Synar
Tallon
Tauke
Taylor
Thomas (CA)
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Walker
Watkins
Waxman
Weber
Weldon
Whittaker
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wortley
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)

NOES—20

Atkins
Boxer
Dellums
Downey
Gephardt
Gonzalez
Hayes (IL)
Hochbrueckner
Kennedy
Leland
Markey
Mavroules
McGrath
Morrison (CT)
Mrazek
Owens (NY)
Rangel
Schneider
Weiss
Wheat

NOT VOTING—24

Ackerman
Bentley
Boner (TN)
Bonker
Clay
Conyers
Crockett
Daniel
Dickinson
Early
Ford (MI)
Ford (TN)
Garcia
Hunter
Kemp
Latta
Nowak
Panetta
Pepper
Porter
Richardson
Rodino
Roemer
Tauzin

□ 2200

Mr. RANGEL and Mr. HAYES of Illinois changed their votes from "yea" to "nay."

Mr. DONALD E. LUKENS changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SHARP. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 1315, the bill just passed.

The SPEAKER pro tempore (Mr. JONTZ). Is there objection to the request of the gentleman from Indiana?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 125. Concurrent Resolution authorizing the printing of the revised edition of the pamphlet entitled "The Constitution of the United States of America."

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1550. An act to complete the Federal Triangle in the District of Columbia, to construct a public building to provide Federal office space and space for an international cultural and trade center, and for other purposes.

PERMISSION FOR COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO HAVE UNTIL MIDNIGHT FRIDAY, AUGUST 7, 1987 TO FILE REPORTS ON H.R. 3051 AND H.R. 1517

Mr. GRAY of Illinois. Mr. Speaker, I ask unanimous consent that the House Committee on Public Works and Transportation have until midnight Friday, August 7, 1987, to file two reports on the two bills, H.R. 3051 and H.R. 1517, relating to airline safety.

Mr. Speaker, this matter has been cleared with the gentleman from Arkansas [Mr. HAMMERSCHMIDT], the ranking minority member.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

□ 2210

PERMISSION FOR COMMITTEE ON ENERGY AND COMMERCE TO MEET TOMORROW DURING 5-MINUTE RULE

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that the Committee on Energy and Commerce be permitted to meet tomorrow, notwithstanding the fact that the House may be under the 5-minute rule.

We have cleared this with the minority.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

PRESIDENTIAL ACTION TO BE TAKEN WITH RESPECT TO REPORT OF U.S. INTERNATIONAL TRADE COMMISSION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 100-95)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read, together with the accompanying papers, without objection, referred to the Committee on Ways and Means and ordered to be printed:

(For message, see proceedings of the Senate of today, Wednesday, August 5, 1987.)

ORDER OF BUSINESS

Mr. LENT. Mr. Speaker, I ask unanimous consent that on the 1-hour special order allocated to me, I be permitted to yield that hour to the gentleman from New York [Mr. DIOGUARDI].

The SPEAKER pro tempore. The Chair believes that the gentleman from New York [Mr. DIOGUARDI] already has an hour and no Member is allowed to have more than 1 hour.

Mr. LENT. I thank the Chair.

Mr. FISH. Mr. Speaker, may I be heard on this matter?

The SPEAKER pro tempore. The Chair recognizes the gentleman from New York.

Mr. FISH. Mr. Speaker, the gentleman from New York [Mr. LENT] is backing me up on a second hour of a special order we are taking honoring the former Secretary of Commerce, so that it is rather important to the order in which we speak.

I do do not know where the hour of the gentleman from New York [Mr. DIOGUARDI] appears in the sequence. Hence we asked, because the gentleman from New York [Mr. LENT] had been on his feet participating in parliamentary debate all day, that the gentleman from New York be permitted to yield his hour.

Mr. LENT. Mr. Speaker, if I may, I would rephrase my unanimous-consent request.

Mr. Speaker, I ask unanimous consent that the 1-hour special order allocated to me for the purpose of recognizing the contribution of the late Secretary of Commerce, Mr. Baldrige, be yielded to the gentleman from New York [Mr. DIOGUARDI], and that the order of the hour of the gentleman from New York [Mr. DIOGUARDI] and my hour be reversed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

INTRODUCTORY STATEMENT ON CBI LEGISLATION

(Mr. GIBBONS asked and was given permission to address the House for 1 minute.)

Mr. GIBBONS. Mr. Speaker, in behalf of a bipartisan group of this House, I have introduced H.R. 3101, the new Caribbean Basin Initiative Act.

I ask unanimous consent that my remarks, a copy of the bill, and an explanation of the bill be placed in the RECORD at this point.

The SPEAKER pro tempore. (Mr. COELHO). Is there objection to the request of the gentleman from Florida?

Mr. SCHULZE. Mr. Speaker, reserving the right to object, and I will not object, but I take this reservation and ask the gentleman if he will give the Members a brief explanation of the action the gentleman is taking.

The SPEAKER pro tempore. The gentleman is just going to put remarks in the RECORD.

Mr. GIBBONS. Mr. Speaker, will the gentleman yield?

Mr. SCHULZE. I yield to the gentleman from Florida.

Mr. GIBBONS. Mr. Speaker, I thank the gentleman for yielding.

I think the gentleman from Pennsylvania understands the nature of this, and all we are trying to do is get unanimous consent to put this very important piece of legislation of which the gentleman is a cosponsor in the RECORD, so that when we get the numerous requests that we are bound to get in about this legislation, we will be able to respond intelligently.

The SPEAKER pro tempore. Without objection, the material may be supplied for the RECORD.

There was no objection.

Mr. GIBBONS. Mr. Speaker, today I am introducing an important piece of trade legislation designed to enhance the effectiveness of the Caribbean Basin Initiative or "CBI." I am very pleased that a broad bipartisan group of Members have agreed to cosponsor the bill. The legislation, entitled the "Caribbean Basin Economic Recovery Expansion Act of 1987" would expand the current duty-free treatment of exports from the region and extend the trade benefits of the CBI Program beyond the original 1995 expiration date.

As my colleagues are aware, the Caribbean Basin is a crucial region to the United States and its political and economic stability is a key component of our foreign policy. With the enactment in 1983 of the landmark Caribbean Basin Economic Recovery Act, Congress authorized certain unilateral and preferential trade and tax measures for Caribbean Basin countries and territories. Presently, 22 countries are eligible for unilateral duty-free treatment of their exports to the United States for a 12-year period. Current law exempts from duty-free treatment certain goods produced in CBI countries which are "import sensitive" in the United States. These include textile and apparel goods, footwear, handbags, workgloves, leather flat goods and apparel, certain watches and parts, petroleum and tuna. The CBI also provides benefits such as a convention tax deduction, operation of foreign sale corporations, and the availability of financing for active business investments in those countries that have signed a Tax Information Exchange Agreement.

We are concerned, however, that the program has not achieved the positive results that were intended. It appears that changing market conditions, falling commodity prices, and other factors have weakened the trade results of the program. Our purpose in introducing the legislation now is to build confidence in the region, create business certainty, and provide a long-term investment climate, thereby promoting trade and development. Our hope is that economic prosperity will ensure political stability in the region for years to come.

This legislation is the result of a year-long investigation by the Subcommittee on Oversight of the Committee on Ways and Means on the impact and effectiveness of the CBI under the leadership of its distinguished chairman, and my good friend, JAKE PICKLE. The Oversight Subcommittee worked long and hard to fashion a report that would strengthen the operation of the program. Their investigation included hearings, a delegation factfinding mission to the region, and a followup report entitled "Recommendations to Improve the Impact and Effectiveness of the CBI."

The subcommittee carefully considered numerous proposed changes offered by Government officials and private sector investors in the Caribbean Basin countries and this bill incorporates the trade recommendations.

Let me briefly mention just a few key provisions in the bill.

First, the bill increases the duty-free allowance for U.S. citizens returning from a CBI beneficiary country by $200 from the present law $400 exemption to $600. Similarly, for U.S. insular possessions, the exemption for returning citizens is increased from $800 to $1,000. Second, the bill would establish a separate injury determination for CBI beneficiary countries in countervailing duty and antidumping cases. This would cumulate imports from CBI countries as a group in determining whether a unfair trade practice causes material injury to a U.S. domestic injury. The bill also provides limited duty-free treatment for articles exempt under current law as follows: First, duty-free treatment for dutiable articles not produced or in short supply in the United States based upon determinations by the President and findings by the International Trade Commission [ITC]; second, unlimited duty-free treatment for articles manufactured, assembled, or processed from 100 percent U.S. materials, components, and other products; for example, this would allow CBI garments and apparel made wholly of U.S. textiles to enter the United States both duty and quota free; and third, a "tariff-rate quota" allowing a specific volume of goods in each product category that are currently dutiable under CBI to enter duty-free.

Finally, the bill proposes to liberalize sugar import quotas for CBI beneficiaries by restoring sugar quotas to the levels existing when the CBI Program went into effect. Although I realize this is a controversial provision to many of my colleagues, I believe it is essential for the program and the region's development to compensate for the drastic reductions in traditional CBI exports such as sugar since the enactment of the program.

Mr. Speaker, in closing, I believe this is a good bill, one that seeks to strengthen economic, rather than military, ties with our neighbors in the Caribbean and Central America region. It is necessary not only for the economic development of the CBI, but also for U.S. security and economic interests in the regions. Therefore, I urge my colleagues to review this legislation and I seek your support.

A summary of the provisions of the bill is set forth below:

SUMMARY OF CARIBBEAN BASIN INITIATIVE (CBI) LEGISLATION

SHORT TITLE (SECTION 1)

The short title of the legislation is the "Caribbean Basin Economic Recovery Expansion Act of 1987."

CONGRESSIONAL FINDINGS (SECTION 2)

Section 2 contains findings of the Congress that a stable political and economic climate is necessary for the development of the Caribbean Basin Initiative and for U.S. security and economic interests, and that the U.S. commitment to the development of that region should be reaffirmed and strengthened by improving the operation of the Caribbean Basin Economic Recovery Act (Caribbean Basin Initiative (CBI)).

SPECIAL RULE-OF-ORIGIN FOR EASTERN CARIBBEAN PRODUCTS (SECTION 3)

Section 3 establishes a special rule-of-origin for the Eastern Caribbean States (Antigua and Barbuda, Anguilla, Aruba, British Virgin Islands, Cayman Islands, Dominica, Grenada, Montserrat, Netherlands-Antilles, St. Christopher-Nevis, St. Lucia, St. Vincent and the Grenadines, and Turks and Caicos Islands). This provision increases from 15 percent to 25 percent, for Eastern Caribbean States only, the value of U.S. components which may be counted toward the 35 percent minimum value-added requirement in determining eligibility for duty-free treatment under the CBI program. The existing requirement that the products must also be "substantially transformed" in such country would be maintained.

LIMITED DUTY-FREE TREATMENT FOR EXEMPT ARTICLES (SECTIONS 4 AND 7(a))

Under the present CBI, imports of textiles and apparel; footwear, handbags, luggage, flat goods, work gloves and leather wearing apparel; canned tuna; petroleum and petroleum products; and certain watches and watch parts are exempt from duty-free treatment. Certain imports of textiles and apparel are also subject to quotas under textile agreements. Imports from the Caribbean are also dutiable if they do not meet the rule-of-origin requirements.

Sections 4 and 7(a) expand CBI benefits through limited duty-free treatment on these products:

1. Duty-free treatment for dutiable articles not produced or in short supply in the United States.

Duty-free treatment will be provided upon determinations by the President, based on findings by the International Trade Commission (ITC), that similar products are either not produced in the United States or are in short supply. Determinations to provide or remove duty-free treatment would be made upon petitions filed with the ITC.

2. Unlimited duty-free treatment for articles manufactured, assembled, or processed from 100 percent U.S. materials, components, and other products.

The effect of this provision is to eliminate the duty and any applicable import quotas on any product currently dutiable from the CBI if 100 percent of the content of that product is U.S. origin. Unlike duty-free treatment under item 807.00 (which would still apply to articles assembled in the CBI in part from U.S. components), this provision does not require that components be fabricated prior to their export from the United States. The 35 percent minimum value-added and substantial transformation rule-of-origin requirements would continue to apply for duty-free treatment by these articles.

3. A "tariff-rate quota" allowing a specific volume of goods in each product category that are currently dutiable under CBI to enter duty-free.

Imports in a product-exempt category from each Caribbean Basin country could enter duty free up to the amount entered in the preceding 12-month period plus an annual growth of 3 percent, the aggregate duty-free amount from all CBI beneficiaries not to exceed 5 percent of U.S. total imports in the category. Duty-free imports under the no production/short supply or 100 percent U.S. content provisions would not be included in the quota amount. Any amount above the specified quota would continue to be subject to duty.

AN INCREASE IN THE DUTY-FREE ALLOWANCE FOR U.S. CITIZENS RETURNING FROM A CBI BENEFICIARY COUNTRY OR A U.S. INSULAR POSSESSION BY $200 (SECTION 7 (b))

This provision increases the duty-free allowance for persons returning to the United States from a CBI beneficiary country from $400 to $600 and from a U.S. insular possession from $800 to $1,000.

A SEPARATE INJURY DETERMINATION FOR CBI BENEFICIARY COUNTRIES IN COUNTERVAILING DUTY AND ANTIDUMPING CASES (SECTION 8)

Currently, in countervailing duty and antidumping cases, imports from CBI beneficiary countries are aggregated together with worldwide imports of the product into the United States in determining whether the unfair trade practice causes material injury to the U.S. domestic industry. Section 8 creates a separate cumulation of imports from CBI beneficiary countries, as a group. If ITC determines that the CBI beneficiary countries injures U.S. producers, current law and sanctions would apply.

MORE LIBERAL SUGAR IMPORT QUOTAS FOR CBI BENEFICIARIES (SECTION 10)

Restores sugar import quotas for CBI beneficiaries to the levels existing when the CBI program went into effect.

DUTY-FREE ENTRY UNTIL DECEMBER 31, 1988, OF ETHANOL WHICH IS DEHYDRATED BY CERTAIN FACILITIES IN COSTA RICA AND JAMAICA (SECTION 9)

Section 9 provides similar tariff treatment to Caribbean facilities in Costa Rica and Jamaica as is afforded under the Tax Reform Act of 1986 to certain U.S. ethanol producers in the Caribbean Basin region. The "substantial transformation" requirement under the current country-of-origin rules and current law governing the export of ethanol would remain unchanged.

REPORTS BY CBI BENEFICIARY COUNTRIES (SECTION 5)

Section 5 requires each CBI beneficiary country to submit a report to the President by September 1, 1988, and every three years thereafter, on its promotion and use of the CBI benefits and efforts it has undertaken to encourage investment and exports.

EXTENSION OF THE CARIBBEAN BASIN INITIATIVE FOR TWELVE ADDITIONAL YEARS TO SEPTEMBER 30, 2007 (SECTION 6)

Section 6 extends U.S. duty-free treatment for eligible imports from CBI beneficiary countries an additional 12-year period, from September 30, 1995, to September 30, 2007.

H.R.—

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Caribbean Basin Economic Recovery Expansion Act of 1987".

SEC. 2. CONGRESSIONAL FINDINGS.

The Congress finds that—

(1) a stable political and economic climate in the Caribbean region is necessary for the development of the countries in that region

and for the security and economic interests of the United States;

(2) the Caribbean Basin Economic Recovery Act was enacted in 1983 to assist in the achievement of such a climate by stimulating the development of the export potential of the region; and

(3) the commitment of the United States to the successful development of the region, as evidenced by enactment of the Caribbean Basin Economic Recovery Act, should be reaffirmed, and further strengthened, by amending that Act to improve its operation.

SEC. 3. UNITED STATES CONTENT OF BENEFICIARY COUNTRY PRODUCTS.

Section 213(a)(1) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(a)(1)) is amended by striking out the last sentence and inserting the following: "If the cost or value of materials produced in the customs territory of the United States (other than the Commonwealth of Puerto Rico) is included with respect to an article to which this paragraph applies, an amount not to exceed—

"(i) 25 percent, if the article is the product of an East Caribbean beneficiary country; or

"(ii) 15 percent, if the article is the product of a beneficiary country other than an East Caribbean beneficiary country;

of the appraised value of the article at the time it is entered that is attributed to such United States cost or value may be applied toward determining the percentage referred to in subparagraph (B). For purposes of the preceding sentence, each of the following, during any period when designated as a beneficiary country under this subtitle, shall be considered as an East Caribbean beneficiary country: Antigua and Barbados, Anguilla, Aruba, the British Virgin Islands, the Cayman Islands, Dominica, Grenada, Montserrat, Netherlands-Antilles, St. Christopher-Nevis, St. Lucia, St. Vincent and the Grenadines, and the Turks and Caicos Islands.".

SEC. 4. TREATMENT OF EXEMPT ARTICLES.

(a) IN GENERAL.—The Caribbean Basin Recovery Act is amended by inserting after section 213 the following new section:

"SEC. 213A. SPECIAL CATEGORY ARTICLES.

"(a) Except as provided in subsections (c) and (d), the duty-free treatment provided under this subtitle shall not apply to—

"(1) textile and apparel articles which are subject to textile agreements;

"(2) footwear, handbags, luggage, flat goods, work gloves, and leather wearing apparel not designated at the time of the effective date of this title as eligible articles for the purpose of the generalized system of preferences under title V of the Trade Act of 1974;

"(3) tuna, prepared or preserved in any manner, in airtight containers;

"(4) petroleum, or any product derived from petroleum, provided for in part 10 of schedule 4 of the TSUS; or

"(5) watches and watch parts (including cases, bracelets, and straps), of whatever type including, but not limited to, mechanical, quartz digital or quartz analog, if such watches or watch parts contain any material which is the product of any country with respect to which TSUS column 2 rates of duty apply.

"(b) The President shall establish such categories of the kinds of articles referred to in each of paragraphs (1) through (5) of subsection (a) as may be appropriate for purposes of administering each of subsection (c) and (d).

"(c)(1) The President shall provide duty-free treatment under this subtitle to articles within any category established under subsection (b) if the United States International Trade Commission determines that—

"(A) the articles within that category either—

"(i) are not produced in the United States, or

"(ii) are not produced in the United States in quantities sufficient to meet the domestic demand for the product; and

"(B) no directly competitive articles are produced in the United States.

"(2) The President shall withdraw the duty-free treatment provided under paragraph (1) to articles within any category if the Commission determines, after a petition for such a determination is filed under paragraph (3), that the category is no longer eligible for such treatment under subparagraph (A) and (B) of paragraph (1).

"(3) A request for a determination under paragraph (1) or (2) may be made by any interested person by filing a petition for the determination in such form as the Commission shall prescribe. The Commission shall make the determination within 120 days after the date on which the request is received. A petition for a determination under paragraph (2) with respect to any category of articles may not be filed sooner than the first anniversary of the date on which the determination under paragraph (1) extending duty-free treatment to that category was made.

"(d)(1) As used in this subsection, the term "duty-free quota' means, with respect to each category of articles established under subsection (b) and not excluded under paragraph (2), for each beneficiary country—

"(A) for calendar year 1988, a quantity equal to 103 percent of the base quantity for that category for that country; and

"(B) for each calendar year after 1988, a quantity equal to 103 percent of the duty-free quota for the immediately preceding calendar year for that category for that country.

The base quantity of any category of articles established under subsection (b) for a beneficiary country is the larger of—

"(i) the quantity of articles in that category that are a product of such country and were exported to the United States during the most recent 12-month period for which data is available; or

"(ii) the quantity of articles in that category that results from dividing—

"(I) the aggregate quantity of articles in that category that are a product of all beneficiary countries and exported to the United States during such 12-month period, by

"(II) the number of beneficiary countries.

"(2) For purposes of applying this subsection, articles that are provided duty-free treatment under subsection (c) or item 807.50 of the TSUS shall be disregarded.

"(3) Subject to paragraph (4), the President shall provide duty-free treatment under this subsection to articles of any beneficiary country that are entered during any calendar year after 1987 before the total quantity entered during the year equals or exceeds the duty-free quota for those articles for that country for that year.

"(4) The aggregate quantity of articles—

"(A) in any category to which a duty-free quota applies; and

"(B) produced in all beneficiary countries;

that may be entered duty-free during any calendar year after 1987 may not exceed an amount equal to 5 percent of the aggregate quantity of articles of that kind that are entered during that year from all beneficiary countries. If the 5 percent limitation set forth in the preceding sentence is exceeding during any calendar year, the President shall apply the excess, on an appropriate pro-rated basis, against the duty-free quotas for the following year for that category for all beneficiary countries.".

"(b) CONFORMING AMENDMENT.—Section 213(b) of the Caribbean Basic Economic Recovery Act (19 U.S.C. 2703(b)) is repealed.

SEC. 5. REPORTS BY BENEFICIARY COUNTRIES.

Section 217 of the Caribbean Basin Economic Recovery Act is amended to read as follows:

"SEC. 217. REPORTS BY BENEFICIARY COUNTRIES.

"(a) Each beneficiary country shall prepare, and submit to the President reports setting forth, with respect to the period covered by each report—

"(1) the extent to which the government of the country has promoted and used benefits provided under this subtitle;

"(2) any change in the policies of the government for purposes of encouraging investment, and promoting exports, under this subtitle; and

"(3) the efforts by the government to enter into an exchange of information agreement under section 274(h)(6)(C) of the Internal Revenue Code of 1986, or, if such an agreement has been entered into, the extent to which the country has used the benefits under sections 274(h)(6)(C) and 936 of the Internal Revenue Code of 1986.

Each beneficiary government shall submit a report under this section not later than September 1, 1988, and a subsequent report before the close of each 3-year period occurring thereafter.

"(b) If a beneficiary country fails to comply with a reporting requirement under subsection (a), the President may suspend the provision of duty-free treatment under this title until such time as compliance occurs.".

SEC. 6. TERMINATION OF DUTY-FREE TREATMENT.

Section 218(b) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2706(b)) is amended by striking out "1995" and inserting "2007".

SEC. 7. SPECIAL TARIFF TREATMENT FOR BENEFICIARY COUNTRY PRODUCTS.

(a) BENEFICIARY COUNTRY ARTICLES WHOLLY OF UNITED STATES MATERIALS.—Subpart B of part 1 of schedule 8 of the Tariff Schedules of the United States (19 U.S.C. 1202) is amended—

(1) by adding the following new headnote:

"5. No quantitative import restriction provided for under any law shall apply with respect to any article provided for under item 807.50"; and

(2) by adding at the end thereof the following new item:

"807.50	Articles manufactured, assembled, or otherwise produced in a country listed in general headnote 3(e)(vii)(A) in whole of materials, components, or other goods that are products of the United States.	Free".

(b) DUTY-FREE ALLOWANCE FOR RETURNING RESIDENTS.—Subpart A of part 2 of schedule 8 of the Tariff Schedules of the United States (19 U.S.C. 1202) is amended—

(1) by inserting the following new headnote:

"4. As used in items 813.31 and 813.32, the term 'beneficiary country' means a country listed in general headnote 3(e)(vii)(A).";

(2) by striking out "item 813.30" and all that follows thereafter in the superior head-

ing to items 813.30 and 813.31 and inserting "item 813.30, 813,31, or 813.32 within 30 days preceding his arrival, and claims exemption under only one of such items on his arrival.";

(3) by striking out "$800" in item 813.31 and inserting "$1,000";

(4) by inserting "or up to $600 of which have been acquired in one or more beneficiary countries" before the parenthetical matter in item 813.31; and

(5) by inserting after item 813.31 the following new item:

"813.32 Articles whether or not accompanying a person, not over $600 in aggregate fair market value in the country of acquisition, including— Free............ Free".
(a) but only in the case of an individual who has attained the age of 21, not more than 1 liter of alcoholic beverages, and
(b) not more than 200 cigarettes, and not more than 100 cigars,
if such person arrives directly or indirectly from a beneficiary country, not more than $400 of which shall have been acquired elsewhere than in beneficiary countries (but this item does not permit the entry of articles not accompanying a person which were acquired elsewhere than in beneficiary countries).

(c) EFFECTIVE DATES.—

(1) The amendments made by subsection (a) apply with respect to articles exported from the United States on or after the 15th day after the date of the enactment of this Act.

(2) The amendments made by subsection (b) apply with respect to residents of the United States who depart from the United States on or after the 15th day after the date of the enactment of this Act.

SEC. 8. CUMULATION INVOLVING BENEFICIARY COUNTRY PRODUCTS UNDER THE COUNTERVAILING DUTY AND ANTIDUMPING LAWS.

Section 771(7)(C)(iv) of the Tariff Act of 1930 (19 U.S.C. 1677(7)(C)(iv) is amended by inserting before the period the following: "; except that the volume and effect of imports from a country designated as a beneficiary country under the Caribbean Basin Economic Recovery Act may only be cumulatively assessed with respect to the imports of like products that are the product of one or more other countries designated as beneficiary countries".

SEC. 9. ETHYL ALCOHOL PRODUCED IN BENEFICIARY COUNTRIES.

Section 423(b)(1)(A) of the Tax Reform Act of 1986 is amended to read as follows:

"(A) an azeotropic distillation facility located in—

"(i) an insular possession of the United States, if that facility was established before, and in operation on, January 1, 1986, or

"(ii) a beneficiary country if that facility, was established before, and in operation on, January 1, 1987, or".

SEC. 10. SUGAR IMPORTS FROM BENEFICIARY COUNTRIES.

Notwithstanding any other provision of law, the aggregate quantity of sugar that is the product of any country designated as a beneficiary country under the Caribbean Basin Economic Recovery Act that may be entered, or withdrawn from warehouse for consumption, in the customs territory of the United States during any annual period occurring after December 31, 1987, is the aggregate quantity of sugar (expressed in short tons) that was allocated to that country for entry or withdrawal in such territory during the period beginning on September 26, 1983, and ending September 30, 1984.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana [Mr. JONTZ] is recognized for 5 minutes.

[Mr. JONTZ addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

REPORT FROM THE CONSTITUTIONAL CONVENTION, 1787

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. GEKAS] is recognized for 5 minutes.

Mr. GEKAS. Mr. Speaker, it is now August 5, 1787. I am reporting to you from the floor of the Constitutional Convention in Independence Hall, Philadelphia.

It is the last day of the declared recess and the delegates are getting a little fidgety about the outcome of the work of the Committee of Detail which is to be presented tomorrow, the first day when they will be back from their recess.

The Committee of Detail has been made up over the last 10 days of the gentleman from South Carolina, Mr. Rutledge; the gentleman from Virginia, Mr. Randolph; the gentleman from Pennsylvania, Mr. Wilson; the gentleman from Connecticut, Mr. Ellsworth; and the gentleman from Massachusetts, Mr. Gorham. They have been working diligently to put together a draft document for the approval or disapproval of the delegates. They feel they have a great chance of success because what they have put together is a compendium of all the resolutions that were passed by the delegates thus far, as well as all those motions that did carry throughout the process of the Convention thus far.

I have asked Mr. Madison whether or not I could look at one of the drafts on which he is working, and although he is not on the Committee of Detail, he has been taking notes throughout this Convention. He said that I could look at the work thus far.

All I can tell you at this point is that it appears that this document is going to have an opening called the Preamble and then some other remarks and then will begin the structuring of the Congress of the United States.

The first six, seven, or eight articles of the Constitution, or document that is now being formulated, will be devoted to how the Congress is going to be structured and how it will work.

The remainder, of course, is going to be to carry out the balance of power arguments and debate that have prevailed for so long, so there will be articles on the executive and on the judiciary.

Then there are going to be some other provisions, it appears, we are not sure, but it appears that there will be some provisions on how amendments to this document can be offered and passed in the future, on how admission of new States is going to be permitted, and several other ancillary parts of this basic document.

Benjamin Franklin for the first time in this recess did not appear here in Independence Hall and some people were concerned because he has not been in the finest health for the last 10 years, let alone the last 10 days, so the friends and colleagues who cowork with him on the floor of the convention are a little concerned about him.

Mr. Rutledge, the chairman of the Committee of Detail, has indicated to me that he feels now he has the votes with respect to the Committee of Detail to present a solid front on what they are going to be doing once the Convention resumes tomorrow.

Mr. Speaker, I am reporting to you 200 years ago today from the floor of the Convention in Philadelphia.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. HAYES] is recognized for 5 minutes.

[Mr. HAYES of Illinois addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. OWENS] is recognized for 5 minutes.

[Mr. OWENS of New York addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

ON-LINE SERVICE FOR PRINTING HOUSE PUBLICATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, with all the demands placed on the legislative branch budget, and with everything costing more these days, it is a great pleasure to present a program which combines greater efficiency with substantial cost savings.

Working together, committee staffs, the Government Printing Office, the Clerk of the House, and House Information Systems have developed an on-line service for printing committee hearings, reports, and other publications that substantially reduces the time lag we now experience from hearing to printed document. At the same time, the system promises significant reductions in the costs of committee printing. House Information Systems staff estimates savings of up to $10 million.

In the past, immediately after a hearing, the stenographic transcript was typed and copies distributed to participants for corrections. The corrected manuscript was then carried to GPO for keyboarding, insertion of printing symbols, and production of galleys, which would then be carried back to the committee for further correction, then back to GPO for more typesetting, and so on. Finally, page proofs were prepared and approval to print given by the committee.

When our new system is fully in place, electronic connections between committees, the Clerk, and GPO will shorten the time and eliminate many steps. Hearing testimony, keyboarded by the Clerk's office, will be printed on committee's laser printer, corrections made electronically, and the proper printing symbols inserted through the Clerk's ATEX system. The file will then be transmitted to GPO, page proofs electronically returned to the committee for final corrections, and GPO can go ahead with the printing.

The HIS interface between committees, the Clerk, and GPO will permit committee computers to communicate with GPO through HIS-developed software. Personal computers or larger office systems will all be able to send copy in a format that GPO can use for printing.

Chairman G.V. (SONNY) MONTGOMERY of the Veterans' Affairs Committee has been most helpful in arranging for his committee staff to test the system. The House is obligated to Chairman MONTGOMERY for his enthusiastic support.

Other committees are beginning to use the system, including the Select Committee on Iran, which will rely heavily on it to produce its transcripts and reports. While use of the system will be optional for committees, we expect that the cost savings possible will be most attractive to those who elect to use it.

The system was developed with part-time participation by the Clerk's staff, HIS, and the Government Printing Office, and the total development cost did not exceed $200,000—a real bargain for the House. The staff of the Joint Committee on Printing is looking into the potential of the system for other printing, both in the House and the Senate.

Mr. Speaker, the House Administration Committee is deeply appreciative of the cooperation of so many people in developing and testing this system; Chairman MONTGOMERY, staff director Mack Fleming and the Veterans' Committee staff; Clerk Donn Andersen and his staff; Public Printer Ralph Kennickell and the GPO staff; and staff director Richard Oleszewski and the staff of the Joint Committee on Printing. The HIS programmers who developed the software included Todd Featherstone, William Welch, and Charles Ratcliff. We are grateful to all and each of them for their cooperation and contribution.

SUPPORT FOR OUR SAFETY NET HOSPITALS IS VITAL TO HEALTH OF ALL AMERICANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. STARK] is recognized for 5 minutes.

Mr. STARK. Mr. Speaker, today I am proud to introduce the Hospital Indigent Care Assistance Act of 1987. This is a bill to provide necessary support to hospitals burdened by the costs of uncompensated care.

As chairman of the Ways and Means Subcommittee on Health, I believe we have too long ignored those hospitals committed to the care of people unable to afford the high costs of hospitalization. These hospitals, both public and voluntary, not-for-profit, are the very backbone of the hospital industry. We must ensure their continued survival in the face of an industry torn by dramatic changes during the past decade.

Hospitals have altered their business practices to accommodate to the changing financial incentives of competition and prospective payment. It is increasingly difficult for some hospitals to cost-shift to make up uncompensated care costs. While many hospitals steadily decrease their commitment to the care of these less fortunate people, there are other hospitals that remain deeply committed despite extreme financial hardships on the institution.

The recent Robert Wood Johnson Foundation Study of Access to Care confirmed a distressing decline in access to care over the 4 years since the foundation's 1982 study. This decline in access was particularly harsh for the poor, minorities, and for the medically uninsured. For example, 13.5 million Americans reported not receiving medical care for financial reasons. Furthermore, the poor who are in fair or poor health had an 8-percent decline in physician visits between 1982 and 1986.

In 1985, U.S. hospitals provided $7.4 billion in uncompensated care. Virtually all of that care was given by public and not-for-profit hospitals. It is clear that the financial difficulties faced by many hospitals has led to a serious access problem that must be addressed by Congress.

While public hospitals have about 21 percent of all hospital beds, they provide 55 percent of all charity care. In our largest metropolitan areas these public hospitals have only 6 percent of the beds but provide 22 percent of charity care.

But it is not only the public hospitals that are stressed because of the rising costs of charity care. Slightly less than half of our 100 largest metropolitan areas have public hospitals. Voluntary, not-for-profit hospitals provide large volumes of charity care in the majority of our metropolitan areas.

I am deeply concerned that in the rush to discover ways to make our health care system more efficient and cost effective, we must also find ways to support our safety net hospitals that care for people others don't want. Without a doubt, the hospital industry is no stronger than those hospitals that care for the poor.

Mr. Speaker, I am introducing today a bill that not only will provide support to these hospitals but gives the Federal Government a demonstrable and strong presence in the arena of hospital uncompensated care.

The bill contains two basic components. The first creates the hospital indigent care assistance trust fund. The trust fund receives revenues from an excise tax paid by employers on the costs of all health insurance benefits. This 1 percent tax is paid for by all employers regardless of the type of medical plan provided to their employees. Current estimates indicate this tax will bring $500 million in 1988 to the hospital indigent care assistance trust fund for distribution to eligible hospitals.

The second part of this bill provides for the distribution of the funds to hospitals. Based on audited financial information submitted to the Secretary of Health and Human Services, a hospital must show a substantial commitment to caring for the poor and a patient care operating margin that is negative. Hospitals that fit these criteria are eligible for support based on the amount of charity care they provide.

For each eligible hospital, charity care costs are computed. If a hospital receives State or local government tax support for charity care, the computed charity care costs are adjusted to reflect that support. In addition, to recognize the commitment of States to reduce uncompensated care through a generous Medicaid program, an adjustment is made for hospitals in those States with programs providing support above the national average. Appropriate penalties are included to prevent a reduction of support of indigent patient care by State and local governments.

I have been critical of the nonprofit status of hospitals because some of these so-called nonprofit hospitals do little for their communities in return for their tax-exempt status. This is a problem that requires additional investigation and thought.

The Hospital Indigent Care Assistance Act of 1987 is carefuly tailored to identify those hospitals with a strong commitment to indigent care. Indeed, the hospitals that will receive support under this program are financially distressed in large part because of the strong commitment to their communities.

A section-by-section analysis of this bill is included at the end of this statement.

Mr. Speaker, Congress can begin to repair some of the damage done to our safety net hospitals during the past 6 years. Congress can ensure continued access to necessary medical care for people who cannot afford the high costs of hospitalization. The Hospital Indigent Care Assistance Act of 1987 will solve some of the problems currently facing the hospital industry. More importantly, it will ensure that our safety net institutions who are the backbone of the industry can continue to care for the less fortunate in our society.

SECTION-BY-SECTION ANALYSIS—HOSPITAL INDIGENT CARE ASSISTANCE ACT OF 1987

The bill provides that the Act may be cited as the "Hospital Indigent Care Assistance Act of 1987."

TITLE I. SECTION 1. EXCISE TAX ON THE COST OF PROVIDING MEDICAL BENEFITS TO EMPLOYEES

a. *Excise Tax.* The bill provides for a 1 percent excise tax on the amount paid by an employer during the calendar quarter for employee medical benefits. This tax is imposed whether the employer provides the benefit directly or through other arrangements.

b. *Welfare Benefit Funds.* The amount paid by a welfare benefit fund for medical benefits is treated as the amount paid by the employer for the medical benefits.

c. *Medical Benefits.* Employee medical benefits means any benefit which provides medical care either directly or indirectly through insurance. This definition includes (i) the benefits provided to employees, former employees, and their beneficiaries and (ii) the administrative costs associated with providing the benefits.

d. *Self-employed Individuals.* The bill applies equally to self-employed individuals.

e. *Treatment of Certain Refunds.* Any refunds received as a result of a policy dividend or experience rating reduces the amount paid by an employer or welfare benefit fund to provide medical benefits.

Section 2. Hospital Indigent Care Assistance Trust Funds

a. *Truat Fund.* The bill creates the Hospital Indigent Care Assistance Trust Fund within the Treasury. Funds are appropriated to the Trust Fund equivalent to the amounts received from the excise tax.

TITLE II. SECTION 1. ASSISTANCE TO HOSPITALS PROVIDING INDIGENT CARE.

a. *Eligible Hospitals.* To be eligible for funds under this Act a hospital must submit to the Secretary the audited financial information required to determine uncompensated care charges, total patient charges, Medicaid inpatient days, total patient days, patient care expenses, and uncompensated care costs. A hospital is eligible for support if the following conditions are met:

(i) 10% or more of either:

(a) inpatient days are attributable to Medicaid recipients,

(b) total patient charges are uncompensated care charges.

(ii) the hospital has patient care expenses greater than patient care revenues.

a. *Uncompensated Care Costs.* For each eligible hospital, allowable uncompensated care costs are calculated from the information submitted to the Secretary and are based on Medicare allowable costs including labor and delivery services. To account for state and local government tax support of indigent care, a hospital's allowable uncompensated care costs are reduced by 50% of the dollar amount of those appropriations.

b. *Adjustment for State Medicaid Programs.* To account for states with generous Medicaid programs an adjustment to a hospital's allowable indigent care costs is provided in a state with a plan more generous than the national average.

c. *Distribution of Funds.* Each eligible hospital receives 50% of the hospital's allowable indigent care costs in 1989. In subsequent years the precentage is adjusted to reflect the funds available to the Secretary in the Trust Fund. The amount a hospital receives is capped so that the patient care operating margin does exceed zero. The total amount paid to all eligible hospitals will not exceed the Secretary's estimate of the total funds received by the Treasury under the tax provisions of this Act.

d. *Penalties for Reduction of Local Support.* If a hospital receives less state or local governmental tax support in a cost reporting period than it received in the prior year, the allowable indigent care costs are reduced by the amount of such decrease in support.

e. *Collection Policies.* An eligible hospital is required to have reasonable collection policies and procedures. To the extent these policies are deficient, the allowable uncompensated care costs are reduced by 125% of the Secretary's estimate of the additional amounts that could have been collected if such policies had been in effect.

Section 2. Study of Indigent Care

The Secretary will study the extent of uncompensated care provided by hospitals, physicians, health departments, and others. A report to Congress is due by July 1, 1990.

DEFERRAL OF SPECIAL ORDER

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland [Mrs. BENTLEY] is recognized for 60 minutes.

Mrs. BENTLEY. Mr. Speaker, In view of the lateness of the hour, I will defer my special order until tomorrow night in order not to delay those who are here to pay tribute this evening to the late Secretary of Commerce, Malcolm Baldrige. I will join in that tribute later with our distinguished colleague, the gentleman from New York [Mr. FISH].

Thus, I yield my time to the other Members.

AN EXTRAORDINARY GAMBLE FOR PEACE IN NICARAGUA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas [Mr. GLICKMAN] is recognized for 60 minutes.

Mr. GLICKMAN. Mr. Speaker, the Speaker of the House, the Honorable JIM WRIGHT, has taken an extraordinary gamble for peace by being the catalyst, I believe, along with the President of the United States, to try to reach some bipartisan consensus to end the hostilities in Central America. I believe that credit largely is due to the leader of this body for doing something which very few other people in this Nation have had the courage to do. I believe that history will show him to be the catalyst, hopefully the catalyst to a successful resolution to our problems with Nicaragua and Central America.

I think that it is useful to outline for the people of this great country of ours generally what has been discussed by the Speaker of the House and the President of the United States in working together for a peace plan, a plan that at least to date has the consensus and the agreement of the Speaker of this House and the President of the United States.

That plan provides that recognizing that the Central American presidents are soon to meet to discuss the issues involved in achieving peace in Central America, the United States desires to make known its views on certain of the basic elements that need to be included in a peace plan, and here is what has been agreed to essentially in this peace plan.

With respect to Nicaragua, the United States has three legitimate concerns for the well-being of the hemisphere.

First. That there be no Soviet, Cuban, or Communist bloc base established in Nicaragua that poses a threat to the United States and the other democratic governments in the hemisphere. I would add parenthetically that is a goal shared by the Speaker, by the President, by Republicans and by Democrats in this great country of ours.

Second. That Nicaragua pose no military threat to its neighbor countries, nor provide a staging ground for subversion or destabilization of duly elected governments in the hemisphere.

Third. That the Nicaraguan Government respect the basic human rights of its people including political rights guaranteed in the Nicaraguan constitution and pledges made to the OAS—free speech, free press, religious liberty, and a regularly established system of free, orderly elections.

Beyond this, the peace plan points out, the United States has no right to influence or determine the identity of the political leaders of Nicaragua nor the social and economic system of the country. These are matters wholly within the right of the Nicaraguan people. The United States affirms its support for the right of the Nicaraguan people to peaceful, democratic self-determination, free from outside intervention from any source.

In order to bring an immediate end to hostilities and begin a process of reconciliation, we propose the following:

First, An immediate cease-fire in place, on terms acceptable to the parties involved subject to verification by the OAS or an international group of observers should be negotiated as soon as possible. When the cease fire is in place, the United States will immediately suspend all military aid to the Contras and simultaneously Nicaragua will stop receiving military aid from Cuba, the Soviet Union, and the Communist-bloc countries, again a simultaneous mutual cease-fire. Humanitarian aid can be supplied to both groups. The emergency law will be immediately suspended and all civil rights and liberties will be restored and an agreed, independent, multiparty electoral commission will be established to assure regular elections, and a timetable and procedures will be established within 60 days, open to free participation by all. A timetable and procedures for all elections including those to be supervised and guaranteed by an international body such as the OAS will be established within 60 days.

Second. The withdrawal of foreign military personnel and advisers from Nicaragua and its immediate neighbors that are in excess of the normal and legitimate needs of the region will be subject to negotiations among the countries of the region. The United States will suspend combat maneuvers in Honduras as a demonstration of good faith when the cease-fire is in place.

Third. After the cease-fire is in place, negotiations among the Governments of the United States, Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua shall begin on reductions in standing armies in the region, withdrawal of foreign military personnel, restoration of regional military balance, security guarantees against outside support for insurgent forces, and verification and enforcement provisions. As part of this negotiating process, the United States shall enter into bilateral discussions with the governments of the region—including the Government of Nicaragua—concerning security issues. A regional agreement on security issues shall be negotiated within 60 days, unless this period is extended by mutual agreement. The OAS shall be invited to be a signatory to and guarantor of this agreement.

Fourth. A plan of national reconciliation and dialog among citizens of Nicaragua, including amnesty for former combatants and equal rights to participation in the political process. There shall be a plan of demobilization of both Sandinista and resistance forces. In accordance with the implementation of this plan, the United States simultaneously shall cease all resupply of resistance forces. Both the Government of Nicaragua and the Government of the United States shall encourage and support the reintegration of demobilized forces in Nicaraguan civil and political society on terms guaranteeing their safety. Nicaragua shall at this time become eligible for existing and prospective United States assistance programs.

Fifth. A plan of expanded trade, and long-range economic assistance for the democratic governments of Central America in which Nicaragua might participate. By the process of democratization and compliance with bilateral nonaggression agreements, Nicaragua would qualify for participation in the Caribbean basin initiative, and the United States will lift its economic embargo.

Sixth. The negotiating process shall commence immediately and be completed by September 30, 1987. If the Nicaraguan resistance, or forces under its command, should refuse to engage in this negotiating process, willfully obstruct its progress, or violate its terms, the United States shall immediately suspend all assistance to the resistance. If, because of actions taken by the Nicaraguan Government or the forces under its command, the negotiating process should not proceed; or its terms, conditions, and deadlines should not be met; the parties to these undertakings would be free to pursue such actions as they deem necessary to protect their national interest.

□ 2225

I think it is important to realize that it is an incredibly important event which has taken place, that we have the framework for serious, responsible bilateral negotiations to resolve the problem in Nicaragua. It requires both the United States as well as Nicaragua to make good faith assurances that we will stop the military involvement while we try to negotiate this problem.

What has happened since this peace plan was at least initially announced by the President, again largely developed by the Speaker of the House. I quote from an Associated Press release which came out today which provides the following news story:

> President Daniel Ortega on Wednesday offered to discuss with the U.S. Government a peace plan announced in Washington that calls for a cease-fire between Sandinista troops and Contra rebels.
>
> The government of Nicaragua invites the government of the United States to immediately initiate negotiations in Washington, Managua or in a third country to have an unconditional dialogue to discuss the American initiative.

The article points out that—

> President Reagan said: Wednesday in Washington he would hold off on seeking further military aid for Contra rebels if Nicaragua's leftist government agrees to a cease fire and democratic reforms.
>
> Ortega said a refusal by the United States to meet with Nicaraguan officials would show that the proposal from Washington is only a maneuver to appease the U.S. Congress.

I would say to Mr. Ortega that I believe that the proposal hopefully is a sign from the President of the United States that he wants to join with the Congress in providing a uniform, responsible policy to end the fighting in Central America, but at the same time to accomplish long-term objectives of the United States. Whether Mr. Reagan is trying to appease the U.S. Congress or not, only time will tell. But right now I have to take the President at his word, as the Speaker of the House is doing, that we are at least going down the road of mutual conciliation to try to reach peace in Central America.

The issue now I believe, now that this plan has been proposed, is the credibility of the President of the United States as well as the credibility of the Government of Nicaragua. The President must prove that this plan is not a ploy for Contra aid, and he also I think must demonstrate that he truly wants peace.

The fact that the President and the Speaker have reached an agreement regarding these issues indicates that he is at least initially presenting his good faith, that this is not a ploy just to get the Congress to approve more Contra aid. The fact of the matter is if we perceive this as a ploy, there is no way in the world that Congress will ever approve any military aid whatsoever to provide the termination of the existing Nicaraguan Government.

That does not mean that the Congress would approve military aid to the Contras in any event, but if it is a ploy, then the Congress itself will feel that it has not been treated fairly and that it has been manipulated, and the burden is on the Sandinistas as well to recognize that the United States has legitimate concerns in promoting freedom in Central America, to ensuring that the Soviet Union and Cuba and other Communist bloc nations do not dominate Central America. We have that responsibility to protect the American citizenry from an expanded Soviet and Communist influence in that part of the world.

Mr. Ortega needs to know that while we have not supported aid for the Contras on any kind of consistent basis, and this Member has not supported aid for the Contras at all, that does not mean that we give countenance to what we consider to be his problematic concerns by the Nicaraguan Government in terms of freedom of the press, in terms of freedom of religion, in terms of their treament of the Catholic Church and a whole assortment of other things on which they are on the wrong side of human rights. And it also means that the United States, both parties, believe that the Sandinista government cannot expect to get away with repression, and Democrats as well as Republicans believe in freedom and democracy in Central America, and we will join together in a bipartisan effort to ensure that occurs.

But the Speaker's initiative which the President has now picked up and said he will not request Contra aid for 60 days pending this kind of negotiation, pending the approval of a peace plan similar to what President Arias of Costs Rica has proposed, indicates to us that there is a chance for peace in Central America. And I for one am tired of the polarization that has divided my political party, my legislative body and my country on these issues in terms of how to prevent warfare in Central America, because the people in that region of the world need peacefare, not warfare. They need humanitarian help, they need education.

At the same time, they need freedom as well, political freedom which we as Americans can probably do more to help them with than anything else. If we can end this crazy radical polarization that has occurred largely, in my judgement, because of the President's insistence in pursuing a military solution as opposed to a diplomatic solution in that part of the World, then I think there is no question that the influence of America will be much greater.

To do that requires both the United States and Nicaragua to negotiate both in good faith. The President has started this process. The Speaker of the House, as I have said before, has taken an extraordinary gamble for peace.

The issue now is the credibility of the President to prove that he is serious in seeking peace and not using this as a ploy to get more Contra aid. If the President is serious, if the gambit works, then the President of the United States will receive justifiably kudos from us, Democrats and Republicans, as well as the American people.

If the President is not serious and really wants nothing more than to topple the Nicaraguan Government through aid to the Contras, and is using this as an excuse, then the President as well as this country will face more chaos in terms of what our future role will be in Central America.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Texas [Mr. BOULTER] is recognized for 60 more minutes.

[Mr. BOULTER addressed the House. His remarks will appear hereafter in the Extension of Remarks.]

DRUG ISSUES AND THE BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. RANGEL] is recognized for 60 minutes.

Mr. RANGEL. Mr. Speaker, I have taken out this special order to address the problem of drug abuse and drug trafficking and the Federal response to this problem.

No problem confronting our Nation today is more serious than the uncontrolled production, traffic and abuse of illicit drugs.

Just over a year ago, then Chief Justice of the Supreme Court Warren E. Burger told me that he believed drug abuse and drug trafficking was a more serious threat to the national security of our Nation than communism.

I would certainly agree with the Chief Justice's assessment. I have yet to pick up a newpaper in the morning and read about any neighborhoods in our cities that have been taken over by Communists. But on almost any day of the week, you can read about the devastation and the toll of human lives that drug abuse and drug trafficking are exacting from our communities.

Unfortunately, there is little hope that the situation will improve in the near future.

The production of illicit narcotics abroad has been increasing steadily, and we can expect bumper crops again this year. According to the State Department's International Narcotics Control Strategy Report for 1987, worldwide production of opium, coca, and marijuana is up.

The annual report of the United Nations International Narcotics Control Board for 1986 underscores the worldwide expansion of drug abuse and drug trafficking. The report states that, "illicit production and manufacture of drugs takes place in a growing number of countries, located in many regions worldwide." In some areas, the report notes, drug trafficking is closely connected with arms trafficking and is associated with subversion and international terrorism. Drug trafficking generates vast sums which are laundered to conceal their illicit origins. The entire process, the report states, "imperils the very political stability and security of some countries."

Earlier this year, I was honored to represent the Speaker at a meeting of Andean parliamentarians in Colombia, South America. It was disheartening to see how powerful drug traffickers in Colombia have waged a war of fear and intimidation against the government, the press, and almost anyone who dares to oppose them, effectively paralyzing drug enforcement efforts.

The Select Committee on Narcotics Abuse and Control, which I chair, estimates that approximately 178 tons of cocaine, 12 tons of heroin, and 30,000 to 60,000 tons of marijuana were smuggled into the United States last year.

Our borders are like a sieve against the flood of narcotics entering our country. Despite their best efforts, Federal drug enforcement agencies intercept only an estimated 10 to 15 percent of the flow of illegal drugs destined for our shores.

Federal law enforcement officials have testified before the select committee that they cannot do a significantly better job of reducing the availability of drugs in the United States, even if their resources are doubled, as long as foreign production and domestic demand continues to grow.

As a result of the Federal Government's inability to halt expanding drug production and trafficking, illegal drugs have never been more readily available on the streets of our cities and communities. Drugs are also cheaper and purer than ever before.

Many drug law enforcement officials have become frustrated about the ability of their profession to cope with the drug problem. They say that drug enforcement is, at best, a holding action and plead for a massive educational effort to attack drug abuse.

Unfortunately, efforts to reduce the demand for drugs through treatment and prevention lag far behind the growing abuse of drugs. The facts and figures of the drug epidemic are all too familiar.

But the simple fact is that we face a drug abuse epidemic in this country today that experts tell us is unparalleled in any other industrialized nation in the world. Drug abuse has become a national tragedy in term of lives lost and ruined, families torn apart, communities destroyed.

In the face of this growing tragedy, existing treatment programs have been unable to keep up with the expanding number of people who need help. Long waiting lists for treatment are common in many cities.

Despite the clamor for extensive drug education efforts, led by administration officials from the President on down, State and local school agencies have not had the resources to mount such efforts.

And until last year, the Federal Department of Education spent only $3 million a year for drug abuse education out of a budget of nearly $18 billion.

Against the backdrop of a drug problem growing more severe and out of control, the Congress acted boldly last year to enact sweeping legislation that for the first time provides a comprehensive Federal program to attack drug trafficking and abuse.

The Anti-Drug Abuse Act of 1986 (Public Law 99-570), and the continuing resolution that funded it, provided nearly $1.7 billion in new Federal funds to attack all aspects of our Nation's drug abuse problem. This legislation significantly enhanced Federal resources for drug enforcement and interdiction, international narcotics control, drug abuse treatment and rehabilitation, and drug abuse education and prevention.

Enactment of the Anti-Drug Abuse Act of 1986, with overwhelming bipartisan support and cooperation in the Congress, was a truly historic achievement. The Anti-Drug Abuse Act makes a good start toward bringing drug abuse and drug trafficking under control. It is only a first step, however. Much more remains to be done.

Congress and the administration have not always agreed on the priority to give to drug programs in terms of Federal spending. In the Anti-Drug Abuse Act, some changes were negotiated to accommodate a number of a number of the administration's concerns about drug funding. The administration, however, did not play an active role in the shaping of this legislation. I have no doubt that Congress could have written a better bill if the administration has been willing to work with us to allocate the resources we provided in the most effective way possible.

Nonetheless, when the President signed the Act into law at an impressive White House ceremony last October 27, he embraced it fully, saying it reflected, "The total commitment of the American people and their Government to fight the evil of drugs."

The President also said, "The American people want their Government to get tough and go on the offensive and that's exactly what we intend, with more ferocity than ever before."

Standing behind the President that day as he signed the bill and handed the pen to the First Lady, I hoped he was signaling a new willingness on the part of his administration to work cooperatively with Congress in funding a vigorous and effective anti-drug program.

However, when the President's 1988 budget proposals arrived on Capitol Hill just over 2 months later, many of my congressional colleagues and I were shocked and dismayed to find that the total commitment and ferocity the President had spoken of seemed to have been forgotten.

The President's budget proposed to cut funding in a number of critical programs included by Congress in the anti-drug bill:

The State and Local Narcotics Control Assistance Program, which provides $225 million to State and local governments for enhanced drug enforcement activites, was eliminated entirely in 1988. Congress has authorized this program through 1989.

Funds for drug abuse education programs were slashed in half from $200 million in 1987 to $100 million in 1988. The 1988 request is $150 million below the amount authorized by Congress in the Anti-Drug Abuse Act. This program, too, is authorized through 1989, and the House voted earlier this year, in H.R. 5 (The School Improvement Act of 1987), to extend the program through 1993.

No additional funds were requested for drug abuse treatment in 1988. Instead, funds provided to carry out the expanded treatment initiatives authorized in the Anti-Drug Abuse Act would be spread over 2 years to support programs in both 1987 and 1988. The Alcohol, Drug Abuse and mental Health Block Grant was frozen at the 1987 level of $495 million.

A total of 1998 positions were eliminated from the Customs Service in 1987 and 1988, more than wiping out the gains Congress intended for the Customs Service in the drug law. The 1988 request of $86 million for the Customs Air Program was half of the 1987 funding level of $171 million.

At $98.8 million, the 1988 proposed funding level for international narcotics control efforts by the State Department's Bureau of International Narcotics Matters was nearly $20 million below the 1987 funding provided by Congress.

The 1988 request for Federal drug enforcement spending was also lower than the 1987 level because approximately $350 million appropriated for capital purchases in 1987 is not repeated in the 1988 budget. Now I understand that if you buy a ship or a plane in one year, you don't have to buy it again the next year. But do the President and his budget advisers really believe the additional equipment Congress authorized last year is enough to deter, let alone stop, the tons and tons of illegal drugs flooding across our borders each year? Have they no plan to share with us to enhance our border defenses against drugs?

The President's budget did propose about $70 million in increases for Federal drug law enforcement and I support those proposals. But they pale in comparison to the overall cuts.

All in all, the President's 1988 budget would have reduced Federal spending for drug abuse prevention and control by about $950 million from the 1987 level of $4 billion overall. I fail to see how cuts of this magnitude reflect a strong commitment to an effective national drug abuse strategy.

Congress felt strongly that the programs established in the Anti-Drug Abuse Act are necessary to assist State and local governments in effectively combatting drug abuse and drug traffic. The Reagan administration has been urging the American people to "Just Say No" to drugs, but their budget sounds more like "Just Say No" to drug funding.

A major concern that has emerged from hearings the select committee has held this year is that the President's proposed budget would have a chilling effect on the new drug abuse programs made possible by the Anti-Drug Abuse Act. Witness after witness has told our committee that it makes little sense for State and local governments to embark upon new and innovative drug control and prevention efforts if Federal support for those efforts is to be terminated or subtantially reduced after a year.

The administration apparently believes that the problems many of our communities are having because of drugs are local problems, not national problems. In testimony before the select committee in March of this year, OMB Director James C. Miller III defended the administration's plan to terminate funding for State and local drug law enforcement grants saying, "It is our view that programs which primarily benefit a local community should, in most cases, be paid for by that community."

To that argument, I say let the President, Attorney General Meese, and their budget advisers visit the crowded courtrooms of New York, the packed jails of Los Angeles County, and the out-gunned police of Miami and tell them that drug enforcement is not a national problem and that the drug enforcement assistance Congress authorized for 1987 is not needed in 1988.

Let the President, Secretary Bowen, and their budget advisers inspect the drug abuse treatment centers in Newark, Boston or in any other part of the country and tell those people who are on waiting lists desperately seeking help for their addictions that Congress was wrong in coming to their aid. Let them tell the innocent men, women, and children who have, or will develop, AIDS from an infected IV-drug using parent or loved one that drug abuse is a local problem.

Let the President, Secretary Bennett, and their budget advisers go into any classroom in America and tell our kids that Congress was wrong in trying to provide them with the best drug abuse education possible.

The Democratic budget, embodied in the recently passed congressional budget resolution for 1988 (H. Con. Res. 93), rejects the administration's deep cuts in Federal drug programs and generally assumes full funding of the new initiatives enacted in the Anti-Drug Abuse Act of 1986.

Funding for drug abuse agencies and programs cuts across a number of budget functions including health (drug abuse treatment, prevention and research); education (drug abuse education); administration of justice (e.g., Justice, DEA, State and local drug law enforcement grants, Customs); transportation (Coast Guard); and international affairs (international narcotics control). The budget resolution generally provides spending targets for these functions that are nearly identical to or higher than the House-passed versions of the budget resolution. The major exception is in the area of international affairs which provides $150 million less in budget authority and $100 million less in outlays than the House bill.

In addition, the spending ceilings included in the budget resolutions for the health, education and administration of justice functions are all well above the CBO current policy baseline which is the level needed to keep pace with inflation and continue current policy. The transportation function, although $500 million below current policy, is still $850 million above the House mark. International affairs spending is $1.3 billion less than current policy for budget authority and $650 million less for outlays.

The spending targets in the congressional budget resolution provide ample flexibility to sustain the antidrug initiatives begun last year. As the primary sponsor of the State and local narcotics control assistance program incorporated in last year's omnibus drug bill, I am especially pleased with the spending targets for administration of justice in the budget resolution. The resolution is $400 million above the House target and $250 million over current services. This level is more than adequate to permit all discretionary programs in 1988 to be funded at 1987 levels with increases for key priorities such as drug enforcement.

I am pleased this budget blueprint recognizes the need to give drug abuse prevention and control a top national priority, and I urge my colleagues in the House and Senate to give these efforts the high priority they deserve in the consideration of appropriations measures.

Mr. SCHEUER. Mr. Speaker, last year we passed legislation aimed at attacking our Nation's drug abuse problem on several fronts.

The Anti-Drug Abuse Act of 1986 provided ample money to fund drug enforcement, eradication, interdiction, education and treatment programs.

The new law was not heralded as a cure-all for the scourge of drug abuse that is seducing our youth in every city, town and hamlet of our Nation. But it was a comprehensive first step in the right direction.

For the first time, adequate funding was authorized to establish comprehensive drug abuse education programs in our schools.

For years, I have said that we must devote more of our resources to attacking the demand side of the drug abuse problem, rather than spending the lion's share of Federal dollars on ineffectual and frustrating efforts to halt the supply of drugs.

The last decade has shown us that efforts to halt the supply of drugs are practically futile. We never succeeded in stopping more than 10 to 15 percent or so of the drugs coming into the country—no matter how much money we spend on such efforts.

The lure of easy money fuels the drug trafficking trade and it will continue to do so unless and until we succeed in drying up the demand.

And that's where education comes in to play.

If we can succeed in educating our youth about the dangers of drugs—show them from the time they can comprehend that drugs wreck families, careers and lives—we can win the battle against illegal drugs.

Virtually everyone involved in anti-drug abuse efforts—law enforcement officials, politicians, educators, community leaders, religious leaders, and parents—now agree that we must drastically reduce the demand for drugs.

It won't be easy and it may take a decade or two, but we can and must win.

The Anti-Drug Abuse Act of 1986 set the stage for such a drug education program, providing $200 million in fiscal year 1987, and $250 million a year for fiscal years 1988 and 1989.

But the Reagan administration's fiscal year 1988 budget virtually gutted the education component of the new law, cutting it by more than 60 percent to a mere $100 million.

I can't say I was surprised or astonished by the administration move because prior to passage of the Anti-Drug Abuse Act, the Department of Education spent only $3 million of its $18 billion budget—less than one-tenth of 1 percent—on drug education.

Our Nation has gone through too much trauma from drug abuse to accept lip service from the Reagan administration.

It isn't enough for Reagan to preach "Say No to Drugs" on one hand, and then have his administration "Say no to drug education" funding with the other.

Every day, every week, every month we delay planning and funding for drug education programs will mean more devastated lives, hopes, and communities.

Mr. Speaker, I am confident that Congress will restore the funding necessary to provide our children with the knowledge they need to make the responsible decision to avoid the pressures to use illegal drugs.

But it is a tragedy that we have not had more support from the administration in this critical area.

MAC BALDRIGE THE MAN

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from New York [Mr. FISH] is recognized for 60 minutes.

Mr. **FISH**. Mr. Speaker, I begin my remarks by placing in the RECORD the President's eulogy at the National Cathedral on July 29, and Senator ALAN SIMPSON's eulogy at the funeral service in Connecticut on July 30, and also the remarks of our former colleague in the House, the Honorable John V. Lindsay.

The remarks referred to follow:

REMARKS BY THE PRESIDENT AT MEMORIAL SERVICE FOR MALCOLM BALDRIGE, THE NATIONAL CATHEDRAL, WASHINGTON, DC, JULY 29, 1987

The PRESIDENT. Midge, Megan, Molly, distinguished ladies and gentlemen, the day I called Mac Baldrige to ask him to join the Cabinet, I was told by Midge I would have to call back later. He was out on his horse roping and couldn't come to the phone. Right then I knew he was the kind of man I wanted.

It's a gift to be simple, we're told. If that means to hold simple, strong, and decent values, Mac had that gift.

You could see it in the way he moved around the White House. He seemed to know everyone—not just those in the public eye, but the secretaries and assistants as well. And he treated everyone with the same measure of courtesy and respect—from his driver to the President. He never judged a man or woman by rank or trappings. Despite his many remarkable successes, worldly success was not the way he measured people. No, money was not, position was not, qualities of character were. Honesty, courage, industry and humility. These were his yardsticks. And if you had these simple qualities, you'd made it in his eyes—whether you were rich or poor, famous or unknown.

Language was one way he decided if you were his kind of person. It's well known now that he insisted on simple language in memos at the Commerce Department. He banned phrases that were vague or redundant. He once said that the thing he liked about cowboys was that they didn't talk unless they had something to say, and when they said something, they meant it.

To him, simple language did not mark a simple mind, but a strong and fearless one. It was a sign of those who didn't hide their meaning behind a cloud of ambiguous words.

Mac, of course, never hid his opinions. Even if the tide was against him, he was forceful and clear and unflinching. I always knew where he stood, and so did the country. I could always count on him for the truth as he saw it—no matter how unpleasant or unpopular. There were times the Cabinet came down on an issue 12-to-1, and he was on the short end. But I knew that if he believed something that others didn't he wouldn't reign himself in and follow the herd. He would step forward and be clear.

What I'm saying about Mac Baldrige adds up to a simple but extraordinary quality that I would call, more than anything else, "American." In his directness, in his honesty, in his independence, in his disregard for rank, in his courage, he embodied the best of the American spirit. I suppose we think of that spirit as living most of all in cowboys. And that's why I've always suspected that it was more than just roping and his place here in Washington that got Mac voted into the Cowboy Hall of Fame. He belonged there. It was in his blood. It was in his heart and soul.

Let me say a word about his many contributions to his country. These were not simple, although they were built on simple principles—principles like his reverence for the independence of the American character, for the freedom that lets independence flourish, and for the opportunities of a free society.

Mac was an architect of American international economic policy during years in which that policy moved to center stage. He also helped shape our policy towards East-West trade in a period in which that was a source of new questions and concerns. And perhaps the least recognized of his major achievements was the securing of trade ties with China. In just four years since his 1983 visit to China, trade has become a pillar of the Sino-American relationship.

To contribute so much required skill and persistence—qualities Mac had in abundance. It also required vision—vision not only for dealing with immediate issues, but for the future of the entire world and its economy, as well.

I always prized the quality of Mac's vision. He had the capacity to look up from the dust of the plains to the distant mountains. He never forgot that all the skirmishes and battles over trade policy that we have here in Washington and around the world have one final goal. We're building a world in which our children and grandchildren will live. And we who love freedom and revere the dignity of humanity, have a sacred duty to make that an open world of real hope and abundant opportunity, a world in which the spirit of freedom—yes, what you might call that part of the American spirit that lives in all of mankind—in which that spirit can ride across an open range toward the peaks beyond.

I'm told that Mac's staff had orders to interrupt him at whatever time of the day with calls from only two people. I was one. And any cowboy who rang up was the other. Well, I'm honored to have been in that company. Mac, as we know, left us while he was doing what he loved most. And now, whenever any of us wants to ring him up, we'll have to remind ourselves that he's out on a horse somewhere and we'll just have to wait. Yet in his simplicity, he has entered the company of the men and women who have shaped our nation and its destiny. And he will live in that company forever.

Yes, there is sorrow, but the sorrow is with us and for us. We must believe that door is opened that God promised and he has just gone through that door into another life where there is no more pain, no more sorrow, and we must believe that we, too, will one day go through that door and join him again.

Thank you. God bless you.

REMARKS OF SENATOR ALAN K. SIMPSON AT FUNERAL SERVICE IN CONNECTICUT, JULY 30, 1987

Mr. Vice President—George—Midge, Megan and Molly.

A rich honor to be here. In the Christian experience, this is the day when we gather to celebrate the life of Mac Baldrige. We really must not mourn this magnificent life lived. But that is so very hard not to do. Christianity teaches us to celebrate his life. So we celebrate this man. His marvelous mannerisms. His friendliness. His love of life and fellow man. His wisdom. His great courage. His intellect. His heart. His soul. Those attributes were part of the essence of his stewardship in his life here on earth—and we knew they were to be returned to God one unknown day.

But none of us were ready for that day. We mourn his loss in our own lives—what he was to each of us. So personal. So special. It would have been much easier to celebrate his life with him here! But he is gone—irrevocably gone.

My wife, Ann, and I have spent many marvelous moments with Mac and Midge Baldrige. I cherish the years that I have been the beneficiary of that man's wise counsel and direction. We had special and fragile and easily-remembered times together. One such occasion was a Sunday in Kenneybunkport, Maine, with Barbara and George on a beautiful Memorial Day. Mac gave the sermon. He talked about Memorial Day and about war, and about peace. He served in the Second World War—a decorated combatant of that war. Yet, what he really was—always—was a man of peace. In his face, in his actions, in his life—a man of peace. That Sunday he spoke about war—and his reluctant part in it—and about killing and about innocent victims, and I remember he choked up a bit. Only a bit, for it is not always right for a cowboy to cry. Then he went on. There wasn't a sound in that little church. All were deeply moved by the beauty of his remarks.

Then at a lovely memorial service afterwards out in the town square I remember saying, "Mac, I don't think I've ever heard you speak like that—so personal, so intimate, so powerful, so you." He said, "Well, I kind of got a little choked up there. I didn't mean to do that. I don't do that very often—but war really is hell. We must see that we never do that again." That was his love shining through. The silence. Then a sigh and a pause, and then that shy and pixie-like grin—that wouldn't be corny to call it his "aw shucks" look. It wasn't corny because that was him. It was a most real and authentic part of him.

Then let me mention another time much more recently at a small dinner in their Washington apartment. Two of the guests that night had recently been in deep personal extremity. The Washington experience can inexoriably crush, pull and tear down human beings. It has so visited itself upon those two guests and I remember Mac ambling up to the man and just saying softly—"It's been kind of a tough one hasn't it?" The guest allowed as to the fact it sure had been. Mac said, "Let me tell you about a time or two of mine in my life when I didn't know where to turn." And as I stood there, he shared a most intimate and dramatic turn of his life. Relating it slowly, softly, in his folksy, earthy, riveting and distinctly-hearable way. He revealed his own full vulnerability and his own rich humanness to that man. I saw the rigidity and pain drop a bit from the man's face and then the loosened shoulders and then a big grin.

And Mac certainly always knew what a big grin was. He was a friend to his friends. I never saw him abuse or misuse a friendship. Steady on the course. He had "no truck" with pomp or posturing. I never heard him say hateful things or speak about others in hateful ways. He was bigger than all of that.

Mac Baldrige was as comfortable with cowboys as he was with kings—maybe even more.

He loved his job and he loved his President and Vice President and he loved his country. He brought that overwhelming human dimension of his to the task. He knew exactly what he wanted to accomplish with that intellectual bouyancy and honesty and feeling. He made his mark as few before him have.

He made unmatched strides in the Department of Commerce in seven league boots—cowboy boots for sure. He loved the beauty of words and language and the classics—and then he'd get right out there and kick around in that sagebrush or in the arena with the best of the cowpokes.

He rigged those new computers over there at the Commerce Department so they would simply spit out and reject words that he just would never chamber in his own talk with fellow humans. Words like "specificity," "viable," "input," "output," "feedback" or simply any word ending in "ize!" "Finalize" and all such unrelenting garble.

He was a rainbow of life. He brought joy and love and good spirit wherever he went. He really did. Fair, tough, loving and so wise. What a huge capacity for human loving and caring he had.

My wife, Ann, said wistfully, "I wish we had seen more of Mac. He was so great a guy." Then she added quietly, "But nobody would ever see enough of a guy like Mac." For he carried a great secret of life—the ability to love and be loved. That requires real strength and grace.

His tap root reached out across this entire land. He loved the East, here in this beautiful, pastoral community and this lovely little church—and he loved the West, out there in the cathedrals of sky and mountain.

A great tree has fallen from the skyline. He leaves a very empty place here—and there.

And to Midge. Dear Midge. The lady he loved—and loved to be with. They lived, loved, laughed and danced together—and oh how Mac loved to dance!

To you, Midge, and to dear Molly and Megan, Tish, Bob, and Craig and Malcolm and Fonda—families now all drawn together in an ever tighter bond of love and caring—our love and sympathy.

Midge, yours was a remarkable union. We witnessed the bond of two very strong and very dear people. A union that you often refreshed and renewed as you drew strength and comfort from each other in a very visible way. Hard to describe—beautiful to observe.

I shall always have a vivid mental picture of Mac Baldrige. Seared here. There is his marvelous voice, the incredibly mobile face, bright, twinkling and piercing eyes—that beautiful and very kind face with that smile you could see a mile. That friendly and all encompassing presence. That cowboy hat scrunched down on his head and those old worn boots and white shirt and those levis just barely hanging on to that bony and wirey frame of his—defying gravity, indeed—and held up by an old western belt. Mac.

There really is a lore and love of the West. He often told me that it had a very special draw on him—compelling pull. He would tell me of the days as a boy—and after—when he read Zane Grey and Robert Service and Owen Wister. And from those writings of those authors who he loved comes a phrase which I guess is really about the finest thing you can ever say about a cowboy and a man. "He died with his boots on." That was Mac. Now we give him up. God, we commend him to your loving hands. Thank you for him.

"MAC BALDRIGE"—STATEMENT BY THE HONORABLE JOHN V. LINDSAY

I am very grateful to Congressman Ham Fish, an old friend and a superb Congressman, for having this Special Order as a memorial to Malcolm Baldrige. As a former Member of Congress myself for some years, I am especially privileged to be a part of this important event on the Floor of the House of Representatives. Mac Baldrige and I go back to our early days at Yale University, before World War II, when we became college classmates. We have been dear friends ever since.

I was privileged to be present in the Washington Cathedral during the memorial service for Mac Baldrige, sitting with Ham Fish and other colleagues from the Congress. The President of the United States correctly described Mac Baldrige as a great American. I underscore that, but I would like to add the word decency, for Mac has always been one of the most decent and thoughtful persons to have graced our Nation. I think of him as a wonderfully "nice guy." But more than that his competence comes through. In his unassuming way, he has competently shaped policies and guided the Department of Commerce.

Mac will be deeply missed by all who value public life in this country and by those also in private life who had the privilege of knowing Mac and his family over the years.

GENERAL LEAVE

Mr. FISH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of this special order.

The SPEAKER pro tempore (Mr. JONTZ). Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FISH. Mr. Speaker, this special order we dedicate to the family of Secretary Malcolm Baldrige. Midge, Megan, and Molly, you three have heard from the President, from the Vice President and from your friends, and tonight we at the other end of Pennsylvania Avenue want to express our admiration and affection for the Secretary.

Mr. Speaker, I am happy to yield to the gentlewoman from Maryland [Mrs. BENTLEY].

Mrs. BENTLEY. Mr. Speaker, I do appreciate very much the gentleman from New York taking this time to honor this great Secretary of Commerce.

Those of us who are so concerned about fair trade for the United States sorely feel the loss of Mac Baldrige at the helm of the Department of Commerce. As a former businessmen, Mr. Baldrige well recognized the importance of maintaining a strong industrial base for the Nation's security, and he worked very hard toward that end.

Others do not feel as strongly as he did about that.

One situation in particular in which I was directly involved with Mac Baldrige concerned the All American Pipeline which runs from California to Texas. Some 400,000 tons of steel pipe were involved, and somehow France managed to manipulate a contract with the American supplier whereby France would supply the entire quantity of 400,000 tons, and wanted it outside the voluntary restraint agreement. This agreement, of course, restrains or controls how much steel each country can now export into the United States.

Upon hearing of this very questionable agreement I called Mr. Baldrige. He confirmed that this was happening and that he was very disturbed about it. He pointed out that he was under particular pressure now because the entire European Community was trying to make the United States uphold that agreement that France had negotiated with the individual supplier on this end.

Following several discussions we agreed that perhaps 100,000 tons would not be unreasonable in view of the fact there was a contract and that could be questioned, and if certain things would take place that we would let this 100,000 come in for the All American Pipeline, but it would not come in under any condition outside the VRA.

So Mr. Baldrige, when he went to negotiate with the European Community, was able to take over there a bill that we had introduced on the floor that called for pressure upon the European Community and other countries exporting steel into this country, and he was able to hold that particular deal down to one-quarter of what it originally was intended to be. Mr. Baldrige said I know how important this is to the steel industry in this country, and we must have a steel industry in this country.

He also recognized and spoke again of the importance of fair trade and that all trade cannot be only in one direction. Those of us, as I said earlier, who are as concerned about fair trade as he was, sorely miss him, and as the days go on will miss him more and more.

I thank the gentleman for taking this time to pay honor to this great American.

Mr. FISH. I thank the gentlewoman very much for her comments.

Mr. Chairman, I yield to the gentleman from New York [Mr. LaFalce].

Mr. LaFALCE. Mr. Speaker, I first met Mac Baldrige in 1981 when he was appointed Secretary of Commerce. He stood out in my mind from that very first meeting because of both his substance and his style. He was neither an ostentatious nor affected man, but rather "down to Earth"—a man who clearly understood the practical implications of any policy decision, as well as its theoretical complexities. While he was a "rough and ready" man—a man who literally "died with his boots on"—he was also an extremely gentle man. When he spoke, he spoke gently but with great strength and conviction. He reminded me of the words of the Immortal Bard: "His life was gentle, but the elements so mixed in him, that nature might stand up and say to all the world: 'this was a man'."

Mac and I developed a close working relationship over the course of the past 6½ years. Beginning with our work together on the Export Trading Company Act, which became law in 1982, we shared the common goal of increasing American competitiveness. We often engaged in discussions on the best ways to achieve this goals, and the need for free, yet fair, international trade. Mac was always easy to work with, and he was amenable to another's perspective and amenable to compromise if he was shown that another approach would be more effective in reaching the desired goal.

As a result of his great strength of character, he was widely respected as a "straight shooter." I do not know of anyone in Congress who ever felt any animosity toward him, regardless of any possible differences of opinion on the issues.

Beyond all the great contributions that he made, we shall remember what he was—an unusual and profoundly valuable person who was highly creative in imagination and always mindful of the cares and needs of others. In his company, people felt enlarged, not diminished, and they realized how much they had in common. His heart was great and warm, and now that it has stopped beating, we are all the poorer.

□ 2240

Mr. FISH. I thank my colleague very much.

Mr. Speaker, I yield briefly to the gentleman from Ohio [Mr. Regula].

Mr. REGULA. I thank the gentleman for yielding.

Mr. Speaker, I want to commend the gentleman for reserving the time today to honor the late Malcolm Baldrige.

It was with great shock and sadness that I learned of the tragic death of Secretary Baldrige. I got to know Mac quite well through my work overseeing the Commerce Department's budget in the Appropriations Committee. We also worked together with the Steel Caucus.

Mac and I shared identical philosophies about international trade. His dedication to the ideals of fair trade frequently isolated him from the rest of the administration, but I always admired his courage in taking an unpopular stand in which he so strongly believed.

Mac provided a candid, refreshing view of the solutions to the trade problem. Under his leadership, the Commerce Department emerged as a forerunner in the international trade battle. Mac was not afraid to insist on trade sanctions and remedies which were not always condoned by others in the administration. He was a man with a clear vision of the problem and a fierce devotion to its resolution.

Mac came from a place, like myself, where the trade crisis is hitting the hardest. After graduating from Yale and serving in the infantry in World War II, he took a job as a mill hand in a Cleveland foundry. He was promoted to superintendent, and was remembered there as a fair but tough boss.

He moved from the shop floor to become president of Eastern Malleable Iron Co. of Naugatuck, CT, in 1960. Two years later he joined Scovill, Inc., of Waterbury, transforming it from a financially troubled brass mill to a diversified manufacturer of consumer, housing and industrial goods with 81 plants in the United States and 22 other countries.

As Secretary of Commerce, Mac transformed the Department from an agency concerned mainly with domestic industries to one that pressed the United States global trade concerns. He often lead the fight to ease restrictions on exports, and he fought hard to insure fairness in the export/import flow.

The country will certainly miss Mac's commitment to fair trade. His background in industry hardened his resolve to fight for an even break for the American worker. His death silences a voice for those workers, and they will undoubtedly suffer from his loss.

I found a common voice in Mac Baldrige and I, too, will miss that voice. He was a man of great personal integrity and warmth, and his views on issues of critical national importance were right on the money. I will very much miss our exchanges, and I will certainly miss his consistent support for fair trade. I will also miss our shared love for horses, cattle ranching and the great outdoors.

There is no question that his loss is a deep and enduring one. I only hope that his example to fight the hard battles despite extreme opposition will prove a lasting one for my colleagues and me in this body. Mac Baldrige left us with his guidance for change, and it would serve him well to have the courage to affect that change by insisting on fair trade for America.

Thank you.

Mr. FISH. I thank the gentleman for his statement. Mr. Speaker, I yield to the gentleman from New York [Mr. Gilman].

Mr. GILMAN. Mr. Speaker, I thank the gentleman from New York [Mr. Fish], for arranging this opportunity for us to memorialze the late Secretary Malcolm Baldrige. It is with deep regret that I join with my colleagues to pay tribute to an outstanding public servant. Our Nation was shocked and saddened by the tragic, untimely death of a good friend of so many of us, U.S. Commerce Secretary Malcolm Baldrige.

As our Nation's Secretary of Commerce, Mac Baldrige was highly regarded of his common sense and his wise counsel. During his 6-year tenure as the head of our Department of Commerce, he transformed that agency from one concerned with our domestic economy to an agency that helped guide our Nation through the complexities of international trade.

Mac Baldrige will always be remembered as the Secretary of Commerce who played a mjaor role in the economic recovery of the 1980's. And, just as Herbert Hoover is remembered for modernizing the Department of Commerce in the 1920's and making it responsive to the modern industrial state at that time, Mac Baldrige will long be remembered as the leader who brought the Department of Commerce into the world of international economics in the 1980's.

Secretary Baldrige's passing comes at a crucial time as we formulate new trade policies, designed to ensure that American industry is allowed to compete on a level playing field. Both Congress and the administration had come to depend upon his expertise. His loss leaves a void that will be extremely difficult if not impossible to fill.

We will miss Mac grealty. More than any other Cabinet member during my 15 years of service in Congress, he was always willing to sit down and discuss problems of concern to business men and women in our 22nd Congressional District. He was never reluctant to sit down with our constituents to discuss face to face what our Government might be able to do to help with their problems. Secretary Baldrige was always there with a helping hand. We will miss him greatly.

To his widow, Midge, and his daughters, Megan and Mally, and to the entire Baldrige family, we extend our deepest condolences. I hope it is of some consolation to them to know that millions share their loss—the loss of an outstanding dedicated American leader.

Mr. FISH. I thank my colleague from New York.

Mr. Speaker, I yield to the gentleman from New York [Mr. HOUGHTON].

Mr. HOUGHTON. Mr. Speaker, I would like to thank Representative FISH for arranging for this extraordinary tribute to an extraordinary man.

Mr. Speaker, I have known Mr. Baldrige for many years, primarilly as a businessman because he and I were associated with many different committees: the Business Council, the Business Roundtable, and we had numerous interchanges throughout the years. If you judge a man by his record, Mr. Baldrige was an extraordinary American. But even more than that, Mr. Baldrige was an extraordinary American because he was just as nice to the janitor of his company as he was to any of the officers. He had an unusual mark in industrial America and I am proud to be associated with him.

I also had the opportunity to know Mr. Baldrige coming down to Washington when I was doing quasi-governmental work on behalf of the Grace Commission. Our part of that Commission was to look at and try to apply business techniques to the Department of Commerce. But it was a very easy job because all the efficiencies and all the cost cutting and all the human concerns which we were dealing with on an everyday basis had already been practiced and already been put into place by Mac Baldrige. It was an example for all of us, not only on this particular team at the Department of Commerce, but also for all of those who worked so hard on the Grace Commission in 1982.

I have also had occasion to be associated with Mr. Baldrige working on trade legislation. I was the cochairman of a committee called the Labor Industry Coalition for International Trade, composed of, voluntarily, unions and businesses throughout this country. And the person we worked most closely with was Secretary Baldrige. He understood trade, he understood the fairness of trade and he understood that trade was evolving almost as sports had evolved. In the old days, the Olympics used to be amateur sports and then they changed because of the incursion of the Soviet system and the various eastern countries.

The same thing with trade. He understood that countries were focusing on companies and that was impossible for this type of system of ours to endure.

He was fair, he was not bigoted in any way in terms of any of the foreign people that tried to take the most precious asset we had, which is our market.

As a result, I think his voice was not only a voice of reason, but also a voice of great practicality.

I would like to say one other thing. Mac was a good friend. Some of the wags in this world will say that "a friend in need is a pest." I will say, "Wrong, a friend in need is somebody like Mac Baldrige when you needed him."

He always would do something and never ask for anything in return. He was decent, he was there, he was available. It seems to me, Mr. Speaker, that so many forces in this world try to pull us down to the lowest common denominator. Mr. Baldrige was always one of those lights who kept pushing and pushing and pushing up the standards of this society.

Mac was a great human. Could anyone ask to be more?

Thank you.

Mr. FISH. I thank my colleague from New York.

Mr. Speaker, I now yield to the gentleman from Connecticut [Mr. ROWLAND].

Mr. ROWLAND of Connecticut. First I want to thank our colleague from New York for taking up this special order and offering so many of us an opportunity to share our thoughts and feelings about a great human being.

Mr. Speaker, fate is not kind to some men. In the case of our friend Mac Baldrige, fate had it that he would be the victim of a freak accident and would have his life tragically cut short at the age of 64.

It is fitting, perhaps, that Mac Baldrige spent the last day of his life in the saddle. Because Mac spent his entire life challenging himself and challenging others to excel. Whether it was in the field of rodeo riding, public service or business, he rose to the challenge brilliantly. Few men have been able to live as much life as Mac Baldrige succeeded in living.

Many have paid tribute to Mac's successes as Secretary of Commerce and as the president of the Waterbury-based Scovill Corp, a foundering company he built into an industrial giant. He deserves special recognition for the influence he attained within the Reagan administration—more than any other Secretary of Commerce in history.

But what I remember most about Mac Baldrige were his truly unique personal qualities—qualities all too rarely seen among participants in public life.

My family and I had a very close, personal relationship with Mac for the past 20 years as a matter of fact. We will always remember him as a gentle, caring man, unpretentious, kind. He was someone who always had time for his friends and even young aspiring public servants. He always reached out to others despite the many demands on his time to champion important civic causes, whether it was a summer basketball camp for urban youth in Waterbury or the United Way.

But most of all, Mac was a straight shooter, candid and honest some said, to a fault. Most of his productive life was largely spent in his adopted home State of Connecticut. Born in Omaha, Mac graduated from Hotchkiss School and Yale Unversity. He received his education about the world of business from a different classroom, however, starting as a mill hand at the Eastern Malleable Iron Co. in Naugatuck. He spent 13 years at Eastern Malleable and eventually became the firm's president. He then took over as president of Scovill and led the company through its greatest period of growth and prosperity.

Throughout his business career, Mac showed employees and managers alike what it meant to work with one's hands, what it meant to produce something of value—while still being able to treat his fellow workers and subordinates with dignity.

The most recent years of Mac's life were spent as one of the most productive members of President Reagan's cabinet. As Secretary of Commerce, he eliminated confusing language. He led critical trade negotiations with Europe and Japan. He brought attention to the need for improved American competitiveness, and the need to respond to unfair foreign trade practices. Mac took these steps long before these issues became political buzzwords. Mac's legacy to millions who never met this remarkable man will be his contribution to a more prosperous America and a better standard of living in the world economy.

To me, Mac was an inspiration, balancing family needs, business, political, and life—accomplishments and attributes many of us only dream of.

I would like to read a prayer that would be appropriate here:

A COWBOY'S PRAYER

> Lord, help the rest of our nation in these trying times to be a nation as a rodeo cowboy is.
>
> A nation not afraid, not afraid to take a chance, not afraid to try, not afraid to express ourselves, and, with Your help, we'll have a better world.
>
> We also pray that You will guide us as cowboys in the arena of life.
>
> We don't ask for special favors; We don't ask to draw around a chute-fightin' horse or never break a barrier. Nor do we ask for all daylight runs or not to draw a steer that won't lay.
>
> Help us, Lord, to live our lives in such a manner that when we make that last inevitable ride to the country up there, where the grass grows lush, green and stirrup high, and the water runs cool, clear and deep, that You, as our last Judge, will tell us that our entry fees are paid.

Mac, you have made it a better world for all of us and we thank you.

□ 2255

Again, I would like to thank my colleague from New York [Mr. FISH] and the many people that have come at this very, very late hour to pay tribute to an outstanding person, an outstanding American and someone we will truly all miss.

Mr. FISH. Mr. Speaker, I thank my colleague.

Mr. Speaker, it is with a sense of great loss personally and for my country that I speak in honor of the late Malcolm Baldrige, who served as an extraordinary Secretary of Commerce. We have been told this evening that he was a gentlemanly, soft-spoken man. We also know he had a strong competitive spirit. One does not ride a horse and rope steers in a rodeo unless one has that spirit.

"Win some, lose some," said Mac. "But don't miss any." Baldrige didn't miss any, in the rodeo arena, in business, in Government.

As Secretary of Commerce, Mac gave definitive meaning to the oft-repeated word "competitiveness." Mac Baldrige raised the issue constantly and took steps to make America competitive again in the global economy. To be that kind of leader required experience, an uncommon degree of common sense and a vision of what America should be. Mac Baldrige had all these.

At Commerce, Mac was a tough and skilled negotiator. He believed that there came a point to stop talking, and that's just what he did in one negotiation. He trained a silent stare on his interlocutors for a good quarter hour. Finally, a young member of his delegation threatened to pierce the silence. Baldrige's well-aimed kick under the table preserved the silence, and eventually the other side relented.

Roy Denman, head of the delegation of the Commission on European Communities, said:

> Mac never raised his voice or pounded the table. He was always quiet, rational and courteous.

But Denman added: "I have never met a tougher negotiating partner."

Mac once said that he admired cowboys because, "they don't talk unless they have something to say." he made sure that he not only had something to say, but that he said it with precision, style and directness. Mac had an English degree from Yale. He programmed his computer at the Commerce Department to reject the gobbledygook that we hear all too often in bureaucratic lingo. His list of bad English ranged from the noun-cum-verb "to interface" to such redundant phrases as "serious crisis" and "important essentials."

With his love of words and his business background, you might have mistaken Mac Baldrige for simply a scholar or a corporate man—you might, that is, until you met him. He stood 6 feet 1 inch and sported a cowboy belt buckle engraved with his nickname, "Mac." His office displayed bronze cowboy statues, a coiled lasso, a hand-tooled saddle that he had won in a rodeo.

Rodeo was his passion. He had started to ride horses when he was eight. Later he spent his summer vacations earning $1 a day on a Nebraska ranch, where he honed his skills in steer roping. He once said that he found steer roping a beautiful combination of timing, rhythm and coordination. Professional Rodeo Man of the Year and National Cowboy Hall of Famer, Mac said:

> The rodeo put you in close and natural touch with the most independent and self-reliant group of people that are probably left in the USA.

Among the bureaucratese that Mac had banned at the Commerce Department was the phrase "untimely death."

"Has there ever been a timely death?" He asked. Perhaps not. But today I must violate his rule to express my feeling that Mac's was a particularly untimely death.

Mr. Speaker, at this point I am happy to yield to my colleague from Connecticut [Mrs. JOHNSON].

Mrs. JOHNSON of Connecticut. Mr. Speaker, I thank the gentleman for yielding and for arranging this special order at this late hour for a truly remarkable man, Mac Baldrige, Secretary of Commerce, CEO of Scoville, cowboy, community leader, volunteer, slinger of hash at local barbecues to raise funds for whatever his community needed.

Mr. Speaker, I do not come here tonight to eulogize Mac Baldrige, for he needs not my eulogy. I come in hopes that by reflecting on his life and service I will find the strength to do some measure better in my remaining days.

Mac lived with integrity, that is honesty, consistency, and dedication over time.

Mac lived with courage, that is, with daring and steadiness.

Mac lived with intelligence, not just a sharp mind but a deep-seated respect for the experience and opinions of others, a respect and tolerance that is as much a part of intelligence as brain power with which he was well endowed.

Integrity, courage, intelligence, Mac had, in short, character and a sense of fun, a love of politics, a deep respect and love for Government and for the Republican Party.

Mr. Speaker, Mac Baldrige was a superb Secretary of Commerce. He had business experience and a real grasp of the issues; he spoke simply but recognized the world's complexities; he always acted courteously, yet he could be tough, too. No wonder then that he built an impressive record of success at Commerce.

Mac understood, and helped us to understand, that America must insist on fair trade while resisting protectionist measures that would only harm us.

Mac chaired the Cabinet-level Trade Strike Force to uncover and eliminate unfair trade practices. He could play hardball with the Japanese, as when he argued for stiff sanctions against Japan for breaching a 1986 agreement to stop dumping computer chips on the world market. His public opposition to Fujitsu Limited's bid to gain majority interest in Fairchild Semiconductor Corp. led the Japanese firm to withdraw its bid. Most recently, following Toshiba's sale of high-technology secrets to the Soviet Union, Mac persuaded the Japanese Government to tighten its export control policy to prevent further incidents.

The Secretary was tough, but he was also fair. That is why Japanese leaders have warmly praised him. The Minister of International Trade and Industry, Hajime Tamura, said that Mac "not only was knowledgeable about Japan, but was a friend of Japan," calling Mac's death "an immeasurable loss" to United States-Japanese relations.

We will sorely miss the Secretary's pragmatism, which is perhaps best expressed in the administrative changes that he made on export controls.

Under his guidance, the department developed a comprehensive plan to address our Nation's trade deficit and competitiveness in the global economy and, in the Secretary's words, to "improve both the level of U.S. competitiveness and the level of U.S. security."

Balancing our Nation's economic and security needs, Mac was the first to understand the need for coordinated public policies and private sector action to save the critical machine tool industry, deeply wounded by targeted competition and the strong dollar. Mac effectively advocated streamlined export controls to interdict militarily critical goods and technology, while decontrolling many products that were not high technology and would not contribute significantly to the military potential of our adversaries.

Mac took the lead in opening technological trade with China. Thanks largely to his efforts, trade with China has more than doubled during Ronald Reagan's presidency. The Secretary opened the way for increased technology transfer to India as well. And he held the first Cabinet-level trade talks with the Soviet Union in 7 years.

Mac played a crucial role in the agreement last year in Uruguay to open a new round of global talks under the general agreement on tariffs and trade. He was also a key player in the new round of GATT talks in Geneva.

At the memorial service last week at the National Cathedral, President Reagan said:

> Mac was an architect of American international economic policy during years in which that policy moved to center stage.

Mac Baldrige was a great man, a great friend, a great servant of the American people and we will all miss him.

Mr. FISH. Mr. Speaker, I thank the gentlewoman for her remarks.

Mr. Speaker, I am very happy to recognize the gentleman from Minnesota [Mr. FRENZEL], a close friend and colleague.

Mr. FRENZEL. Mr. Speaker, I want to congratulate the gentleman from New York [Mr. FISH] for presiding over this special order at which time a number of the Members could pay tribute to their departed friend, Mac Baldrige.

Mr. Speaker, this is not the best time for such an affair. The House has worked late tonight, our membership is scattered far and wide. We have a conference committee of more than 10 percent of the House engaged in a particularly vexing labor, and it is very hard to assemble all of the people who would like to have paid tribute to Mac Baldrige. Those of us who are here are only a few of those who would have enjoyed taking part in this special order.

Mr. Speaker, Mac Baldrige was our friend. I am told that he was the person to hold the job of Secretary of Commerce longer than any other had in history, and I suppose that is not surprising to people who knew Mac, knowing of his ability to work with people in all kinds of situations under all kinds of stresses, to be able to disagree, to be able to agree, to never be disagreeable and to retain one's sense of humor, sense of balance, and all of one's friendships through very difficult and trying times.

It has been stated here already on this floor the number of things that Mac dealt with while he was Secretary of Commerce, and his achievements are many and they have been cataloged and will continue to be cataloged far into the future. I do not want to list again for the RECORD some of his achievements, but only say how much I enjoyed working with the man. He was a former businessman. He conducted his affairs in a businesslike, brisk, efficient, professional way but lacked in the friendliness that was necessary to conduct business in the traditional American way.

He had to represent both sides of the trade equation, that is those industries who were anxious to be protected and those who were anxious that other not be protected in order that their markets could be opened abroad. Every industry and every company that came to Mac knew they would get a fair hearing, and if he felt they had a case, he would fight it to the end, and if he felt they did not have a case, he would show them the door.

Mr. Speaker, he invariably did what he felt was right and almost invariably made new friends with every group that came to see him despite the fact that a number of those had to be turned down.

His death occurred in a freak accident, and it was a surprise to all of us. It was premature, of course, but there was on the other hand the fact that he died doing that which he loved to do, that is, the rodeo arts.

I am going to miss working with Mac Baldrige. I have been active with him on trade matters almost from the day that he arrived. I have traveled with him. I have sat down in conferences with him. I have found him a source of wisdom, of strength, of reconciliation. I have understood that his presence in the cabinet meetings has been the same, one of balance, of being the person that others look to for real wisdom and common sense at a time of snarls.

Mr. Speaker, Mac is a person who had innumerable friends on both sides of the aisle. I shall miss him. We shall all miss him. We give our very best and our deepest sympathy to Midge Baldrige and the family. We hope that their days will be filled with consolation and with warm memories and like her, we are not going to forget Mac Baldrige.

□ 2310

Mr. FISH. Mr. Speaker, I thank the gentleman from Minnesota [Mr. FRENZEL] for his remarks.

Mr. Speaker, I yield to the gentleman from New York [Mr. DIOGUARDI].

Mr. DIOGUARDI. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, I thank the gentleman for providing the Members this opportunity to honor a great man such as Malcolm Baldrige. I make my comments also on behalf of the gentleman from New York [Mr. LENT], who worked very closely with the Secretary, and shares the comments that I am going to be making.

I did not know the Secretary that long. I met Mac recently when I reached out to him to host a breakfast for me in the business community here in Washington.

Despite the huge demands on his schedule, he responded in a very positive way, and for someone that he did not know very well.

He was obviously a very generous and sensitive man, and exhibited those traits all through his life, based on the comments we heard here tonight.

Mr. Speaker, I join my colleagues today in mourning the tragic and untimely death of Malcolm Baldrige, Secretary of Commerce. Malcolm Baldrige's death mirrored his life—he died courageously and stoicly pursuing the hobby he most enjoyed, rodeo riding. His skill as a rodeo rider was widely recognized and he pursued this hobby with the same vigor and excellence that were pervasive throughout his distinguished career.

Malcolm Baldrige served as Secretary of Commerce at a difficult time when the trade deficit and heightened American protectionist sentiment made that Department the target of much controversy and criticism. Nevertheless, Secretary Baldrige's pragmatism and sincerity made him one of the most influential and respected Secretary's in the Commerce Department's history.

Malcolm Baldrige was a visionary with his feet firmly planted on the ground. He was one of the first people to perceive the threat posed to American businesses by the high valued dollar. He pushed the administration to address this onerous issue and to bring the value of the dollar down.

I was always impressed, as were many of my colleagues, by Secretary Baldrige's adeptness in walking the tightrope between the dangers of protectionism and the impracticality of the utopian vision of pure free trade. While he took a tough stand against unfair trade practices and often emphasized the distinction between "free" and "fair" trade, Secretary Baldrige also recognized the benefits and necessity of responsible free trade.

Previous to his appointment as Secretary of Commerce in 1981, Malcolm Baldrige served as chairman and chief executive officer of the Scovill Manufacturing Co. His extraordinary rise within that company, from executive vice president in 1962 to CEO and chairman of the board in 1969, was testament to his exceptional skill as a corporate manager. Indeed, through his efforts, Scovill, Inc., was transformed from a sluggish brass-milling firm into a flourishing, multinational business with annual sales of about $1 billion.

In closing, John Wayne once remarked "talk low, talk slow, and don't say too much". Well, I know Malcolm Baldrige would have agreed with that statement and being a man of few words himself, he would have thought I had gone on entirely too long. We will miss Malcolm Baldrige and his family has my deepest sympathy.

Mr. HORTON. Mr. Speaker, it is with a great sense of loss that I join my colleagues today in paying tribute to a great American and outstanding leader, Mac Baldrige. Our country has lost a man of vision, whose ability to persuade, compromise, and move forward an agenda benefited our Nation and its economic position in an increasingly competitive and suspicious world. I worked closely with Mac on trade issues, reorganization plans, and a number of industry and company-specific issues as well. He was a friend and unequaled advocate for American business. As Secretary of Commerce, he guided our Nation through an explosive economic period, balancing efforts to remove trade barriers against increasing pressures for protection here in the United States. His work was unfinished, but the course he steered will, I am confident, continue.

I recognize the loss our country has suffered. But the great loss I feel is personal. Mac Baldrige was a good and trusted friend. He was one of those rare individuals whose style and personality made him appear larger than life. The country will miss his leadership. I will miss his friendship.

Mac Baldrige was a great man. For those of us fortunate enough to have been considered among his friends, his spirit will be with us always. My wife, Nancy, and I send our prayers and sympathies to Mac's wife, Midge, during this period of mourning and reflection.

Thank you, Mr. Speaker.

Mrs. MORELLA. Mr. Speaker, I want to join my fellow colleagues both in sorrow, and in admiration for a man who led his Department and the executive branch of Government in honesty, forthrightness, and leadership. Secretary Malcolm Baldrige will be sorely missed, and we have lost a good human being.

Malcolm Baldrige was an outstanding Cabinet Secretary. He had an expertise and sensitivity to all sides of an issue and then reaching a resolution. He was an inspiration for all of us as we endeavor to balance difficult positions.

We should perhaps be grateful that the Secretary died doing something that he loved the best, and that he had led a life of which both he and his family can be proud.

Mr. DE LA GARZA. Mr. Speaker, I have a prediction; one on which I feel many of our colleagues will agree. In years to come, the historians will talk of our U.S. Department of Commerce in terms of what happened before Malcolm Baldrige, and what happened after him. Secretary Baldrige is a watershed in the history of his Department.

He accomplished what no other Commerce Secretary could manage: He translated one of our largest Federal departments into a language that was understood by most citizens—he actually magnified the Department, revealing its important contributions to national commerce and international trade.

He did this with a quiet persistence. Secretary Baldrige combined professional management with public service in a way that exemplified the finest attributes of a leader. His high ethic and devotion to perfecting his Department's contributions to American society made him the new definition as to what a public servant is—and how a public official conducts the business of the Nation.

How strangely ironic that during this year when we celebrate the 200th anniversary of our Constitution, we should be so unfortunate to lose the one person who so purely represents the kind of character that Madison, Jefferson, Franklin, and the others believed should be leading the Nation.

This is the greatest legacy anyone can leave behind. It is a legacy which this Congressman humbly acknowledges, but I guess the most appropriate tribute I can pay him, this great man who was a cowboy during the time that was freely his own, is he should have been a Texan. He rode tall in the saddle.

To Representatives HAMILTON FISH and NORMAN LENT, I thank you for inviting me to offer a tribute to this great man. His family has been in our prayers and we know Secretary Baldrige is with our Lord who watches over us all.

Mr. HAMMERSCHMIDT. Mr. Speaker, I rise today along with my distinguished colleagues to mark the passing of a great public servant, Secretary of Commerce Malcolm Baldrige. Before he was appointed Commerce Secretary, I had the privilege of meeting Secretary Baldrige through our mutual friend, Vice President GEORGE BUSH. Over the last 6 years I have had the occasion to associate with the Secretary both on business and social matters. I was always impressed by his humble spirit and his commonsense approach to life.

As a child growing up in Nebraska, Malcolm Baldrige acquired an early interest in two areas which he would pursue vigorously throughout his life. First was his dedication to public service. He strongly believed that businessmen have a responsibility to be civically and politically active. The Red Cross, NAACP, and Easter Seals Society are just a few of the community organizations that he was involved in. The peak of his public service career began in December 1980 when President-elect Ronald Reagan chose Malcolm Baldrige to be his Secretary of Commerce. Considered to be one of the most effective Commerce Secretaries in history, Malcolm Baldrige had a keen ability to understand economic trends. In the early 1980's he was one of the first administration officials to recognize and advocate remedies to the increasing difficulties that U.S. industries faced on the international trade market.

In addition to his vigorous participation in public service he also maintained a lifelong passion for the rodeo. He started riding when he was 8 years old and it was then that he developed his admiration for the American cowboy. Like those cowboys he so much admired, he was always most at home on the range. From cowboy to Commerce Secretary, Malcolm Baldrige was truly the epitome of the American spirit. His leadership and wisdom will be sorely missed.

Mr. PORTER, Mr. Speaker, the United States and the world lost an important champion of reason and honor when Commerce Secretary Baldrige was tragically killed this past Saturday. We had grown accustomed to his logical advice and strong voice for a better and fairer world economy. As the United States continues to grapple with the complexities of the rapidly changing world economy, Mac Baldrige's voice and input will be sorely missed.

As we all know, the U.S. position in the world economy has suffered setbacks during the last few years. Our once positive balance of payments has turned into a $169 billion trade deficit. At the same time, the Government continues to spend beyond its means, accumulating over $2 trillion in debt, which continues to threaten our economy and that of the rest of the world. Third World debt, education shortfalls, industrial rigidity, and unfair trade practices have also contributed to our unacceptably high trade deficits. Malcolm Baldrige had a keen understanding of these factors, and the role they play in our economy.

Secretary Baldrige also appreciated the political nature of our trade woes and the need to temper parochial interests. While unfair trade practices must be combated, Mac Baldrige understood that their abolishment would not alone rid the United States of imbalances.

At the same time, he appreciated the delicate balance between fighting unfair trade practices and giving in to protectionism. While we believe in free and fair trade, the message had to go out to our trading partners that the United States would not allow them to break the rules with impunity. Secretary Baldrige delivered his message with balance and integrity and helped maintain a sense of order in what was often a chaotic and hostile atmosphere.

Finally, Mr. Speaker, Malcolm Baldrige brought to his job and his service to our country a sense of America that was bright, enlightening, and energetic. His love for the West and the historical fabric of our country brought realism and honesty to the bargaining tables of Europe, Japan, and the world.

As we strive to compete with the rest of the world, and as we continue to struggle to keep our own economic house in order, the loss of Malcolm Baldrige will not easily be forgotten. What we must do now is heed his words and honor his wisdom by dedicating ourselves to the ideals he so elequently espoused.

Mr. BADHAM. Mr. Speaker, today we are here to honor the life of a man whose soft-spoken style and managerial success were legendary even as he began his service as Secretary of Commerce. Malcolm Baldrige's achievements have been well documented, and one thing he frowned upon was redundancy, so I will not recite his resume.

But the way he went about achieving his goals is noteworthy and we can all learn from looking at that. His demand that the staff at the Department of Commerce write clearly is one example of his keen understanding of how to get things done. Too many in Government take refuge in ambiguous, impercise language. Mac's success at the Department of Commerce in weeding out this language should be required study for business students and government managers alike.

I met Mac when he was first appointed to President Reagan's Cabinet. Over the years, I found that we shared similar opinions about the issues confronting the Federal Government. But even those who disagreed with Mac had to respect his opinions, which were presented quietly, but forcefully, with reasoned arguments and logical conclusions.

Three times, Cowboy Mac Baldrige rode into town and showed that he deserved a white hat. At Eastern Malleable Iron, Mac went from foundry hand to company president in 13 years and his quick promotion demonstrates that he did a good job there. At Scovill, Mac changed the company from a struggling brass mill to a diversified, highly respected manufacturing company. And at the Department of Commerce, he streamlined operations, opened world markets, and was a key player in one of the longest periods of economic growth in history.

The one word that comes to mind again and again when talking about Mac Baldrige is respect. He earned that respect through his hard work and dedication to ideals. I will always have the highest respect for him. He was a great American.

Mr. SCHEUER. Mr. Speaker, I rise today to honor a man who has been called "one of the most influential Commerce Secretaries in history." I am speaking of the Honorable Malcolm Howard Baldrige, "Mac" to his friends.

In his life he played many roles, including statesman, scholar, soldier, and professional athlete, each with the intensity and devotion characteristic of a true cowboy. Unfortunately, the role he cherished most, that of a rodeo athlete, led to his death.

As Secretary of Commerce, Mr. Baldrige took innovative stances in both policy and management. The wisdom of these stances is only recently becoming apparent.

"Mac" was one of the first Cabinet members to recognize the threat to American businesses from the overvalued dollar. Other officials asserted that the appreciating value of the dollar was a sign of a strengthening of our economy. History has shown the wisdom and foresight of Mr. Baldrige in seeing this threat.

"Mac" was fond of saying that the difference between cowboys and bureaucrats was that cowboys only spoke when they had something to say. He applied this tenet to his Commerce staff by limiting the amount of "redundant bureaucratic words and phrases" they were allowed to use in their writing. The computers at Commerce were programmed to delete split infinitives, redundances, and imprecise words. I feel all of Congress could benefit from such a truly "smart computer" program.

In a time of soaring trade deficits, Mr. Baldrige maintained that free trade was best for the world economy. However, when he felt that a U.S. company was facing unfair competition from foreign firms, he would be the first one to recommend sanctions. In the dispute with Japan over computer chips, "Mac" was the driving force behind the Cabinet's recommendation that sanctions be placed on the Japanese firms involved.

Malcolm Baldrige achieved honors in nearly every activity he undertook. He graduated from Yale University with a B.A. degree in English. While he served in the 27th Infantry Division in World War II, he earned the rank of captain. In a mere 13 years, he rose from a foundary foreman to the presidency of Eastern Malleable Iron Co. He was named Professional Rodeo Man of the Year in 1980 and he is a member of the National Cowboy Hall of Fame.

Despite this large number of personal accomplishments, "Mac" always placed the credit for them on others. In 1984, upon receiving the Government Executive's Award for Exemplary Leadership, "Mac" said, "I have been saved from making a great many mistakes by the career people implicitly involved in the receipt of this award. They and I want Commerce to be the best run department in Government."

I conclude my comments by reading a quote from Mr. Reagan who said this of his friend: "An experienced businessman and respected community leader, he was a talented and dedicated public servant who thought nothing more than to make a contribution to America, and indeed he did."

Mr. CLINGER. Mr. Speaker, America today is at a crossroads in our trading relationships with other nations, and Mac Baldrige was the man who was going to navigate America through those crossroads. When a staff member of mine first broke the news to me about Mac Baldrige's tragic and untimely death, the first thing I said was, "This country is really going to miss him." He was set to take on the monumental task later this year of negotiating fair trade policies for this Nation that would help reduce the trade deficit. He was keenly aware of the need for this Nation to become more competitive. He was a strong proponent of fair trade, and fortunately for all of us, shunned protectionist measures that would involve America in a fight from which we could not win. He was a man of courage and intellect who spoke softly but was not afraid to get his message across in whatever way he had to. Yes, this Nation will really miss Mac Baldrige and our hearts go out to his wife and children who can take solace in the fact that the job he started will continue and serve as a legacy to their husband and father.

Mr. PEASE. Mr. Speaker, I would like to join my colleagues today in paying tribute to Secretary of Commerce Malcolm Baldrige.

As a member of the Subcommittee on Trade, I expend much of my legislative energy on international trade issues. Through my work in this area, I came to know and respect Secretary Baldrige. Perhaps alone among Cabinet officers, Secretary Baldrige understood the nature of the challenge confronting the American economy from abroad. He understood that support for an open trading system is not served by support for a laissez-faire trade policy. He had the integrity and clear vision to lead the Reagan administration away from its ideological approach to international economic policy.

It must have been lonely and frustrating to take this minority position within the Government for so long. Yet the Secretary stuck with his pragmatic line. It paid off for him and for the country.

In recent months, administration policy was moving swiftly toward the Secretary's position on international economic issues. Thanks largely to him, the administration was gaining credibility on Capitol Hill in trade policy at the same time that it was losing overall credibility as a result of the Iran-Contra debacle. This is shining testimony to the value of personal integrity in Government as in all walks of life. Secretary Baldrige's unimpeachable integrity will be sorely missed by his President, by those of us in Congress who were looking forward to working closely with him in the upcoming trade bill conference, and by the American people.

Mr. GUARINI. Mr. Speaker, on July 25 the world lost a great man. Malcolm Baldrige was an outstanding individual with a notable mix of pragmatism and idealism. He was a dreamer with his feet firmly on the ground.

Malcolm Baldrige was well respected on Capitol Hill. The son of a former Member of Congress, he had a special ability to relate to Congress. He realized that our system of government works best when there is cooperation rather than confrontation between the executive and legislative branches.

As Secretary of Commerce at a time when the U.S. position as a world leader in trade was deteriorating rapidly, Mac Baldrige took a tough position in dealing with our trading partners. A believer in free trade, he nevertheless stood firm in demanding that foreign markets be open to U.S. goods. He played a major role in resolving the difficult problem of technology transfer to China, opened the way for increase technology transfer to India, and gained agreement from the Soviets to provide United States firms with improved access. His businesslike approach to administration also put economy, efficiency and effectiveness back in government.

We mourn the passing of this great man. He will be sorely missed as a source of pragmatic wisdom in the Reagan administration.

Mr. MINETA. Mr. Speaker, it was with great sadness that I learned of Malcom Baldrige's tragic death. With his passing, America has suffered a great loss.

For the last 7 years, Malcolm Baldrige had served his country with honor, integrity, and an unmatched strength of purpose, standing at the helm of the Department of Commerce to guide America's business and trade policies through the shoals of a changing world economy.

History will remember Malcolm Baldrige as a man of both great political vision and an invaluable down-to-earth business practicality, a man used his Cabinet position to become a leader in the fight for a strong U.S. trade policy at a time when this was crucial to our country.

Most importantly, Malcolm Baldrige will be remembered as one of those rare individuals who was determined that, through his efforts, the world was going to be a better place. He was a man for whom I had the greatest respect and admiration, and I mourn his passing. I wish to join my colleagues in extending our deepest sympathies to his family during this time of grief.

We'll miss you, Mac.

Mr. LENT. Mr. Speaker, I join my colleagues today in mourning the tragic and untimely death of Malcolm Baldrige, Secretary of Commerce. Malcolm Baldrige's death mirrored his life—he died courageously and stoicly pursuing the hobby he most enjoyed, rodeo riding. His skill as a rodeo rider was widely recognized and he pursued this hobby with the same vigor and excellence that were pervasive throughout his distinguished career.

Malcolm Baldrige served as Secretary of Commerce at a difficult time when the trade deficit and heightened American protectionist sentiment made that Department the target of much controversy and criticism. Nevertheless, Secretary Baldrige's pragmatism and sincerity made him one of the most influential and respected Secretary's in the Commerce Department's history.

Malcolm Baldrige was a visionary with his feet firmly planted on the ground. He was one of the first people to perceive the threat posed to American businesses by the high-valued dollar. He pushed the administration to address this onerous issue and to bring the value of the dollar down.

I was always impressed, as were many of my colleagues, by Secretary Baldrige's adeptness in walking the tightrope between the dangers of protectionism and the impracticality of the utopian vision of pure free trade. While he took a tough stand against unfair trade practices and often emphasized the distinction between "free" and "fair" trade, Secretary Baldrige also recognized the benefits and necessity of responsible free trade.

Previous to his appointment as Secretary of Commerce in 1981, Malcolm Baldrige served as chairman and chief executive officer of the Scovill Manufacturing Co. His extraordinary rise within that company, from executive vice president in 1962 to CEO and chairman of the board in 1969, was testament to his exceptional skill as a corporate manager. Indeed, through his efforts, Scovill Inc., was transformed from a sluggish brass-milling firm into a flourishing, multinational business with annual sales of about $1 billion.

In closing, John Wayne once remarked "talk low, talk slow, and don't say too much." Well, I know Malcolm Baldrige would have agreed with that statement and being a man of few words himself, he would have thought I had gone on entirely too long. We will miss Malcolm Baldrige and his family has my deepest sympathy.

Mr. FISH. Mr. Speaker, it was my personal privilege to have worked closely with the Secretary on a number of significant legislative initiatives. I would like to recall a few of them this evening.

The first one was an effort that brought about the enactment of the National Cooperative Research Act (Public Law 98-462).

The purpose of that legislation was to encourage the formation of research and development joint ventures by reducing the threat of antitrust litigation and treble damage awards against such efforts. With the enactment of this legislation, American corporations are now able to cooperate on important scientific and industrial research without the same pressing concerns of antitrust liability. Since the enactment of that law, 60 such joint venture filings have been made with the Department of Justice under the terms of the National Cooperative Research Act. In my estimation, this very important and logical refinement of the Federal antitrust laws would never have occurred but for the personal intervention and support of Mac Baldrige.

Mac Baldrige also recognized that our Federal antitrust laws needed to be updated and refined in a comprehensive fashion, persuasively arguing that their strict application had often hampered American business in the international marketplace. Indeed, when the Clayton Act was enacted in 1914, Congress was concerned about the domestic concentration in such industries as oil, steel, and railroads. In the 1980's, Congress is concerned with the need to enhance American productivity and competitiveness in the face of ever increasing foreign technological competition and inexpensive imports. One need only look at the current status of such American industries as steel, shoes, and textiles to know that Secretary Baldrige was on the right track.

The fruit of our collaborative work in the antitrust area was the "Antitrust Reform Package" which I introduced in February 1986 in response to the joint recommendation of the Department of Commerce and the Department of Justice. This five-part legislative proposal would give the antitrust enforcement agencies and the Federal courts a new and more flexible yardstick upon which to judge the legality of proposed mergers. Most importantly, that legislation would have required that those agencies and the courts consider not only the effect of a proposed merger on U.S. markets, but on global markets as well. Another bill in that same package proposed to reform the unfairness that often results from the imposition of joint and several liability in antitrust damage cases. Finally, our proposal would have allowed those companies that suffer acutely from foreign imports, limited immunity from the antitrust laws for a period of 5 years.

The Secretary also was strongly supportive of legislation to encourage the transfer of intellectual property. That bill, known as the "Intellectual Property Antitrust Protection Act" (H.R. 557), would require the courts to consider the procompetitive benefits of the sale or lease of patents or copyrights. Most importantly, this legislation would overturn the invalid legal presumption that "market power" is always present when a product has received patent or copyright protection. H.R. 557—strongly endorsed by the Department of Commerce in a Judiciary Antitrust Subcommittee hearing held on April 30 of this year—also would reduce the threat of antitrust damage awards where the sale or lease of a patent or copyright is involved.

INTELLECTUAL PROPERTY

The Secretary also took a strong interest in making our intellectual property laws realistic in an international context. America's ability to compete in a global marketplace and reduce the trade deficit requires protection of creativity, inventions and the established reputation of its products.

Counterfeiting, or trademark copying, and piracy, or patent and copyright infringement, abroad have already been major contributors to our trade deficit. The International Trade Commission has estimated that $6 to $8 billion of total domestic and export sales by U.S. companies and 131,000 jobs were lost in 1982 as a result of foreign product counterfeiting and similar practices. The lost jobs identified as a result of that survey were representative of only five sectors hardest hit by counterfeiting—apparel, chemicals, transportation equipment, records and tapes, and sporting goods. The latest estimate for lost sales from 1984 is as high as $20 billion.

Counterfeiters and pirates of U.S. intellectual property avoid the costs associated with innovation, product development and marketing. They are having a free ride. For example, 1 percent of Taiwan's gross national income is estimated to come from piracy and counterfeiting.

Secretary Baldrige understood that we must assure the U.S. creator and inventor that the product of their ingenuity will not be permitted entry into or sale within the United States after it has been misappropriated abroad.

The process patent idea is contained in both versions of the Senate and House passed trade bills. Also contained in the trade bills is the reform of the International Trade Commission when it considers complaints dealing with intellectual property. Other issues supported by Secretary Baldrige that are moving through Congress in the trade bill are the reform of the patent misuse doctrine along with a revision of the patent concept of licensee estoppel. His legislative agenda also includes proposals for the United States to join the Berne Convention, which is the international law dealing with copyright. The Secretary testified before a House Judiciary Committee Subcommittee on this issue the Thursday before his fatal accident. His unfinished agenda in the intellectual property area also includes patent term restoration for certain agricultural and chemical products and a proposal to prohibit the importation of audio equipment that does not contain an anticopying chip. This measure was reported out of a Commerce Committee Subcommittee last week. His legacy to us is his unfinished agenda. Our highest tribute to him would be the enactment of this agenda.

PRODUCT LIABILITY

Another area in which the Secretary and I worked closely was in favor of product liability reform. Interstate commerce has been burdened increasingly by development of 50 different product liability laws. American consumers suffer when beneficial products are removed from the market and skyrocketing liability insurance costs are passed on through higher prices. In the 99th Congress, I was the principal sponsor of the administration's Product Liability Reform Act. This legislation called for a return to a fault-based liability system and a reform of the joint and several liability concept. The bill also made it clear that manufacturers should have certain absolute defenses in such liability suits and limited the awarding of punitive damages to those instances where a reckless disregard of the public safety is proven. The Commerce Department, under the leadership of Secretary Baldrige, was deeply involved in the development and drafting of this legislation.

Mac Baldrige saw in all of these issues a common theme: to make America strong, to encourage our economic growth in face of global competition. Mac Baldrige was a man of vision, a vision perhaps best expressed in "a cowboy's prayer":

> Lord, help the rest of our Nation in these trying times to be a nation as a rodeo cowboy is. A nation not afraid, not afraid to take a chance, not afraid to try, not afraid to express ourselves, and, with your help, we'll have a better world.

Mac Baldrige made this a better world, and we all miss him.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. Bonior] is recognized for 60 minutes.

[Mr. BONIOR of Michigan addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

BASIC ACCOUNTING PRINCIPLES FOR THE FEDERAL GOVERNMENT

The SPEAKER pro tempore (Mr. Jontz). Under a previous order of the House, the gentleman from New York [Mr. DioGuardi] is recognized for 60 minutes.

Mr. DioGUARDI. Mr. Speaker, I do not think I will be taking the entire 60 minutes, and there are many Members that would have been here to talk about this important issue of fiscal responsibility and public accountability.

I think we will also be speaking tomorrow on this subject, but I thought I would, nevertheless, take the time to at least alert the House and the American public to one of the most critical issues facing this country today, especially at a time when we are dealing again with the debt ceiling and the lack of planning, the lack of financial management that leads us every year, and sometimes as we have seen recently, every month to address the issue of $1 trillion which we are spending by just raising the debt ceiling every year as a nice way of getting around raising taxes which obviously I do not support either.

It seems to me that Congress does not realize that when we raise the debt limit, we are in effect raising taxes, because what we are doing is, we are allowing the Treasury Department to sell bonds, and what that does is mortgage the future; and therefore, taxes will have to be raised in the future, probably by our kids, to deal with the issue.

Mr. Speaker, I rise to report to the American people that if they are planning to take their summer vacation at Disneyland or Disney World, they may not find Mickey Mouse when they arrive. No, he is not sick. He is feeling fine.

In fact, Mickey is right here in Washington working his second job as he has done for as long as I can remember as a Congressman.

He is producing the financial information Congress uses each year to conduct our budget. Of course, Mickey's services do not come cheap. Mickey Mouse's financial management and accounting systems cost the American taxpayers billions each year.

If you are like me, I am sure you would rather see Mickey making children smile as opposed to making taxpayers cry.

I am introducing tomorrow legislation to relieve Mickey of his Federal duties by calling for radical changes in the Federal financial management system through the creation of a chief financial officer of the United States of America.

It is time to send Mickey Mouse back to Disneyland and take Fantasyland accounting and budgeting systems out of Washington. That is one of the problems we face today in Washington.

We have to report, he resorts to another way to demonstrate what the problem is in Washington, because it is a shame that not enough of the press is writing about an issue of this importance, that not enough of the Congressmen and their staffs that inhabit this great body or a part of it seem to understand the financial management necessities of spending a trillion dollars; but I was thinking what this means, and how it can be conveyed to the American people.

I was thinking about the credit-card mentality we seem to have here in Congress today, and I was looking at my own voting card.

Many of our citizens have not seen the card that we use to vote each day. They are used to seeing the commercials on television, "Do you know who I am?"

I guess American Express is the one that does that commerical. I would say it this way: Do you know what this is? This is the card I use to vote for you each day that I am in Congress.

We have a computerized system here in the House of Representatives. Whether you live in my district or not, I cast votes that impact your life.

My friends, take a good, hard look at this card. This is the most expensive credit card in the world. This card has no limit.

When you or your spouse gets a call from American Express, Diners Club, Master Charge, or whatever, and you have reached a $2,000 limit, or your $5,000 limit, you know as a family that economic reality has arrived.

You sit down with the family, and you look at your standard of living. You might even defer a vacation. Not with this card.

Last year we reached $1 trillion or $2 trillion, the national debt, and what do we do? We just kept raising the debt ceiling.

We say, "Pass it on to the kids."

We are now up to $2.2 trillion, and we now want to raise it even further. Pass it on to the kids. Let them pay for it.

We have a credit-card mentality here in Washington, and we have got to get rid of it, and one of the only ways I know to get rid of it is to do some pretty mundane things.

Having practiced as an accountant for 22 years, I understand the need for improved accounting systems, improved and reformed budgeting systems, and yes, financial management systems.

That is why tomorrow I am reintroducing my bill, so that we can bring a chief financial officer, an independent chief financial officer to the United States of America in the Executive Office of the President with a 10-year term.

We must take numbers away from politics. We must give the public a good count.

The public is not getting a dollar's worth of goods and services for a dollar's worth of taxes.

□ 2325

We are not accountable to the American public. In fact, we continue to use a double standard here in Washington. We in Congress, through the Securities and Exchange Commission, impose on the American people, at least public corporations, because a public company could not sell a share of stock unless it used a meaningful accounting system. We call it generally accepted accounting principles, or the accrual basis of accounting.

And yet, what does Government do? Government sells tens of billions of dollars of bonds every month and you cannot get one piece of paper that gives you the financial condition of the United States of America.

Worse than that, we use what we call a cash basis. It is a Mickey Mouse cash system of accounting that we actually took New York City off in the midseventies as a price for the Federal bailout. But guess what, we still use it here in Washington in our accounting systems, in our budget systems, and if you think a trillion dollars is a lot of money that we spend each year and if you think $2.2 trillion in debt is a lot of money, that is the good news. That is what is on the books. You cannot believe what is off the books here.

We as Congressmen do not even know the full costs of the Government programs we pass, because the only measure we have is what it is going to cost us this year? What is the cash requirement this year to get out of this year so that we deal with this year's budget. We say that whatever is the encumbrance on the future, let the kids worry about that.

I want a system that is accountable. I want a system that tells me and all other Congressmen what the actual costs of our Federal programs are.

I do not think we have to cut Federal programs. I think that if we imposed financial management systems and good accounting systems, we would identify the real waste here in Congress and we would do what Peter Grace set out to do, and unfortunately the Grace Commission with all those volumes are now hostage to politics, sitting somewhere on a shelf.

So not to belabor the point, because I will be here tomorrow with many of my colleagues to deal with the issue, we need accounting reforms. We need generally accepted accounting principles. We need a capital budget.

We do not differentiate what we pay to the toll collector on a bridge from the bridge. It is all in one big pot. We make no discretion or discretionary choices on that.

It is difficult for us to pan when we do not separate what we spend for capital items and what we spend for current consumption.

We need budget reform. We need a new concept. It is called zero base budgeting.

Why should someone be entitled to what they got last year, plus 2 or 5 percent? But that is the mentality we have here in Washington.

We have the bureaucrats saying, "Hey, I know that if I spend what I was given last year, I'm going to get that back, plus maybe an override."

We have conditioned everybody to spend here in Washington. We have got to go back to something called zero base budgeting. Go back to the first dollar. Have each agency and department justify their needs, including the military, from the first dollar up.

Let us build a house from the foundation up, not a budget process which is from the fifth floor down. It makes no sense. We have got to change that.

We need to buy a new budget. We waste too much time here talking about budgeting and after we get a budget resolution, what do you have? You have heroes the next day on the floor looking for continuing resolutions and supplemental budgets.

So why do we need a budget to begin with? I say we do need one, but do it every 2 years. Give us the chance to really examine the budget from the ground floor up and make meaningful choices, set priorities.

Finally, the third leg on the tripod, financial management systems. We need to know more about how that trillion dollars is spent, how well it is managed. We need to know about receipts. When the IRS and the Treasury Department gets its money, is it making a deposit that day?

I still hear stories from my accounting friends that sometimes it is 2 or 3 weeks before the IRS deposits a check. Is that financial management? And they want to come back to us for more money when they need it for administrative purposes?

We need it on payments. Do we take the discounts we are entitled to by making our payments on time?

On assets, do we really have the control around all the equipment that we buy, the military and other agencies? Not from position on the Government Operations Committee, not the war stories I keep hearing every time we have a meeting.

These are just some of the things that I would put forward.

So we need to do more. It is important for two basic reasons, and I will conclude on this note. Congressman must know the full costs of the legislation they are passing so that they can make meaningful choices. They do not now get that information. We cannot now make meaningful choices because we do not have a data base. There is not meaningful, timely information, given to Congressmen here as decisionmakers.

More than that, the taxpayers need to know what they are passing on to their children, because literally what we do not raise in tax revenues and we allow the Treasury to borrow, as we are going to do tomorrow when they raise that debt limit, that is encumbering future revenue. We are really raising taxes, but we are not raising taxes this year. We are forcing future generations to raise taxes, and it is not right.

My friends, King George is back. The Stamp Act is back. We have got taxation without representation, because our kids cannot vote, and yet they will have to pay for the excesses of our standards of living today.

So, Mr. Speaker, I would say that it is time to get back to common sense, to get back to the things that we in Government impose on the private sector. Let us have one standard. If through the SEC we are going to tell public corporations to use meaningful accounting systems, to have outside audits, let us do it ourselves when we sell bonds, when we go to the American public to raise the money that we seem to need to balance the budget here.

The SPEAKER pro tempore. Under a previsous order of the House, the gentleman from Massachusetts [Mr. FRANK] is recognized for 60 minutes.

[Mr. FRANK addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. LENT] is recognized for 60 minutes.

[Mr. LENT addressed the House. His remarks will appear hereafter in the Extension of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. GAYDOS] is recognized for 60 minutes.

[Mr. GAYDOS addressed the House. His remarks will appear hereafter in the Extension of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana [Mr. BURTON] is recognized for 60 minutes.

[Mr. BURTON of Indiana addressed the House. His remarks will appear hereafter in the Extension of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes.

[Mr. GONZALEZ addressed the House. His remarks will appear hereafter in the Extension of Remarks.]

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GALLEGLY) to revise and extend their remarks and include extraneous material:)

Mr. DELAY, for 60 minutes, on August 6.

Mr. GEKAS, for 5 minutes, today.

Mr. BOULTER, for 60 minutes, on September 16.

(The following Members (at the request of Mr. GRAY of Illinois) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. STARK, for 5 minutes, today.

Mr. GONZALEZ, for 60 minutes each day, on today and August 6.

Mr. DYMALLY, for 60 minutes, on September 10.

Mr. CONYERS, for 60 minutes on September 10.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Murphy, on the Markey amendment to H.R. 1315 in the Committee of the Whole today.

Mr. Weiss, in Committee of the Whole, today, immediately prior to vote on Markey amendment.

(The following Members (at the request of Mr. Gallegly) and to include extraneous matter:)

Mr. Gilman in two instances.
Mr. Schuette.
Mr. Michel in two instances.
Mr. Sundquist.
Mr. McDade.
Mr. Dannemeyer.
Mr. Green.
Mr. Gunderson in two instances.
Mr. Saxton.
Mr. Duncan.
Mr. Hefley.
Mr. Lagomarsino in two instances.
Mr. Schulze.
Mr. Crane.
Mr. Lightfoot.
Mr. Lent.
Mr. McEwen in two instances.
Mr. Bereuter in three instances.
Mrs. Bentley.

(The following Members (at the request of Mr. Gray of Illinois) and to include extraneous matter:)

Mr. Applegate.
Mr. Donnelly.
Mr. Spratt.
Mr. Hoyer.
Mr. de Lugo.
Mr. Daniel.
Mr. Lantos in three instances.
Mr. Martinez in two instances.
Mr. Montgomery in two instances.
Mr. Rodino in two instances.
Mr. Vento.
Mr. Miller of California in two instances.
Mr. Obey.
Mr. Lipinski.
Mr. Morrison of Connecticut.
Mr. Fascell in two instances.
Mr. Tauzin.
Mr. Kolter.
Mr. Feighan.
Mr. Garcia.
Mr. Torres.
Mr. Price of Illinois.
Mr. Hamilton.
Mr. Mavroules.
Mrs. Collins of Illinois.
Mr. Scheuer.
Mr. LaFalce.
Ms. Oakar.
Mr. Rangel in two instances.
Mr. Studds.
Mr. Hubbard.

ADJOURNMENT

Mr. DioGUARDI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 34 minutes p.m.), the House adjourned until tomorrow, Thursday, August 6, 1987, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1903. A letter from the Administrator, Panama Canal Commission, transmitting a report of a violation of an overobligation of an expense item in the Administrator's reception and representation account, pursuant to 31 U.S.C. 1351; to the Committee on Appropriations.

1904. A letter from the Secretary of Education, transmitting a copy of final regulations for the Income Contingent Loan Program, pursuant to 20 U.S.C. 1232(d)(i); to the Committee on Education and Labor.

1905. A letter from the Secretary of Education, transmitting a copy of final regulations—Cooperative Education Program and Supplemental Funds Program for cooperative education, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

1906. A letter from the Chairman, Federal Communications Commission, transmitting a report on alternative means of administering and enforcing the fairness doctrine, pursuant to Public Law 99-500; to the Committee on Energy and Commerce.

1907. A letter from the Director, Defense Security Assistance Agency, transmitting notification that as of July 10, 1987, the Department of Defense has provided the defense articles, services and training to Honduras, as listed therein, under the authority of Presidential Determination 86-8, dated March 25, 1986, pursuant to 22 U.S.C. 2318(b)(2); to the Committee on Foreign Affairs.

1908. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting copies of reports of political contributions by Peter R. Sommer, of the District of Columbia, Ambassador-designate, Extraordinary and Plenipotentiary to the Republic of Malta and members of his family, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

1909. A letter from the Deputy Administrator, Agency for International Development, transmitting the reasons for continuing AID-funded private voluntary organization activity in Argentina, pursuant to 22 U.S.C. 2151u(e); to the Committee on Foreign Affairs.

1910. A letter from the Assistant Secretary Legislative and Intergovernmental Affairs, Department of State, transmitting the Department's semiannual report on the progress of construction in Moscow, pursuant to Public Law 99-500; to the Committee on Foreign Affairs.

1911. A letter from the Plan Administrator, Eighth Farm Credit District Employee Benefit Trust, transmitting the banks 1986 annual pension plan reports, pursuant to 31 U.S.C. 9503(a)(1)(B); to the Committee on Government Operations.

1912. A letter from the Plan Administrator, Farm Credit Banks of Jackson, transmitting the 1986 annual pension plan reports for the Farm and Credit and the Production Credit Associations' retirement plan, pursuant to 31 U.S.C. 9503(a)(1)(B); to the Committee on Government Operations.

1913. A letter from the Benefits Manager, Freddie Mac, transmitting the Corporation's 1986 annual report on its employees' pension plan, pursuant to 31 U.S.C. 9503(a)(1)(B); to the Committee on Government Operations.

1914. A letter from the Acting Archivist, National Archives and Records Administration, transmitting the second annual report of the Archivist for fiscal year 1986, pursuant to 44 U.S.C. 2106; to the Committee on Government Operations.

1915. A letter from the Secretary, Railroad Retirement Board, transmitting the Board's determination to use procedures other than competitive in the award of a contract, pursuant to 41 U.S.C. 253(c)(7); to the Committee on Government Operations.

1916. A letter from the Acting Chairman, Securities and Exchange Commission, transmitting the Commission's annual report on the Government in the Sunshine Act for calendar year 1986, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1917. A letter from the Assistant Secretary for Administration, Smithsonian Institution, transmitting the 1986 annual pension report for the Smithsonian Institution, the Woodrow Wilson International Center for Scholars, and Reading is Fundamental, to the Committee on Government Operations.

1918. A letter from the Deputy Associate Director for Royalty Management, Department of the Interior, transmitting notice of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

1919. A letter from the Director, Administrative Office of the U.S. Courts, transmitting a draft of proposed legislation to amend the Comprehensive Crime Control Act of 1984 to provide for an orderly transition into sentencing with guidelines and for other purposes; to the Committee on the Judiciary.

1920. A letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to amend title 15, United States Code, to authorize buying power maintenance accounts within the Department of Commerce; jointly, to the Committees on Energy and Commerce and Foreign Affairs.

1921. A letter from the Assistant Secretary of Treasury, transmitting the notice required by 5 U.S.C. 8348(i)(2) and 5 U.S.C. 8438(i)(2) that in the absence of a debt limit increase by August 6, the Treasury will be unable to invest or roll over maturing investments of trust funds and other Government accounts, including the civil service retirement fund of the Federal employees' retirement system; jointly, to the Committees on Post Office and Civil Service and Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mrs. SCHROEDER: Committee on Post Office and Civil Service. H.R. 25. A bill to amend title 5, United States Code, to strengthen the protections available to Federal employees against prohibited personnel practices, and for other purposes; with an amendment (Rep. 100-274). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FASCELL:

H.R. 3100. A bill to authorize international security and development assistance programs and Peace Corps programs for fiscal years 1988 and 1989, and for other purposes; to the Committee on Foreign Affairs.

By Mr. GIBBONS (for himself, Mr. Pickle, Mr. Rangel, Mr. Ford of Tennessee, Mr. Downey of New York, Mr. Guarini, Mr. Matsui, Mr. Anthony, Mr. Vander Jagt, Mr. Crane, Mr. Frenzel, Mr. Schulze, Mr. Fascell, Mr. Bereuter, Mr. Towns, Mr. Fauntroy, Mr. Gray of Pennsylvania, Mr. de Lugo, Mr. Savage, Mr. Inhofe, Mr. Rodino, Mr. Miller of Washington, Mr. Lagomarsino, Mr. Crockett, Mr. Mfume, Mr. Pursell, and Mr. Dymally):

H.R. 3101. A bill to remove the operation of the Caribbean Basin Economic Recovery Act; to the Committee on Ways and Means.

By Mr. CONYERS:

H.R. 3102. A bill to amend the Federal Rules of Criminal Procedure with respect to the timing of the court's instructions to the jury; to the Committee on the Judiciary.

By Mr. EDWARDS of Oklahoma:

H.R. 3103. A bill providing for resolutions making continuing appropriations for a fiscal year to be delivered to the President as a series of separate resolutions; to the Committee on Rules.

H.R. 3104. A bill to require a 60-percent majority vote of the Senate and House of Representatives for passage of a resolution making continuing appropriations for a fiscal year; to the Committee on Rules.

By Mr. JONES of North Carolina (for himself, Mr. Biaggi, Mr. Anderson, Mr. Davis of Michigan, and Mr. Lent):

H.R. 3105. A bill to revise, consolidate, and enact certain laws related to maritime commercial instruments and liens and public vessels and goods as chapters 313 and 315 of title 46, United States Code, "Shipping"; to the Committee on Merchant Marine and Fisheries.

H.R. 3106. A bill to revise, consolidate, and enact certain maritime laws as subtitles I and IV-VI and chapters 106 and 125 of title 46, United States Code, "Shipping", to revise chapter 121 of title 46, and to make other necessary technical and conforming revisions; to the Committee on Merchant Marine and Fisheries.

By Mr. CALLAHAN (for himself, Mr. Nichols, and Mr. Erdreich):

H.R. 3107. A bill to provide Federal recognition of the Mowa Band of Choctow Indians of Alabama; to the Committee on Interior and Insular Affairs.

By Mr. de la GARZA:

H.R. 3108. A bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act to extend for 1 year the term of the Scientific Advisory Panel under that act; to the Committee on Agriculture.

By Mr. DORNAN of California (for himself and Mr. Weber):

H.R. 3109. A bill to prohibit certain health care facilities from withholding from patients of such facilities food, water, nourishment, and hydration, if such withholding would cause the death of patients; to the Committee on Energy and Commerce.

By Mr. FLORIO:

H.R. 3110. A bill to amend the Clean Air Act to require the Environmental Protection Agency to establish a standard for exposure to radon in indoor environments; to the Committee on Energy and Commerce.

By Mr. GUNDERSON:

H.R. 3111. A bill to appropriate funds for the improvement project for the Kickapoo River, WI; to the Committee on Appropriations.

By Mr. MILLER of California (for himself, Mr. Ackerman, Mr. Bates, Mr. Bennett, Mr. Berman, Mr. Biaggi, Mr. Bilbray, Mrs. Boxer, Mr. Brown of California, Mr. Bustamante, Mr. Clay, Mr. Conyers, Mr. Dellums, Mr. de Lugo, Mr. Edwards of California, Mr. Evans, Mr. Fauntroy, Mr. Fazio, Mr. Florio, Mr. Ford of Michigan, Mr. Frank, Mr. Garcia, Mr. Gray of Illinois, Mr. Hall of Ohio, Mr. Henry, Mr. Howard, Mr. Kildee, Mr. Kostmayer, Mr. Lancaster, Mr. Levine of California, Mr. Lewis of Georgia, Mr. Martinez, Mr. McCloskey, Mr. Moody, Mr. Morrison of Connecticut, Ms. Oakar, Mr. Oberstar, Mr. Owens of New York, Mr. Rodino, Mr. Sikorski, Mr. Smith of New Jersey, Mr. Solarz, Mr. Stark, Mr. Stokes, Mr. Torres, Mr. Towns, Mr. Traficant, Mr. Traxler, Mr. Visclosky, Mr. Waxman, Mr. Williams, Mr. Wilson, Mr. Wolpe, Mr. Weiss, and Mr. Lipinski):

H.R. 3112. A bill to prohibit the importation into the United States of items made by child labor which is in violation of internationally recognized child labor rights; jointly, to the Committees on Ways and Means and Foreign Affairs.

By Mr. MONTGOMERY (for himself and Mr. Solomon) (both by request):

H.R. 3113. A bill to amend title 38, United States Code, to provide certain additional protection from reduction for the disability ratings of veterans with service-connected disabilities rated total for not less than 10 years; to the Committee on Veterans' Affairs.

H.R. 3114. A bill to amend title 38 of the United States Code, in order to provide mortgage protection life insurance to certain veterans unable to acquire commercial life insurance because of service-connected disabilities; to the Committee on Veterans' Affairs.

H.R. 3115. A bill to amend title 38, United States Code, to reduce from 10 years to 5 years the period of continuous total service-connected disability of a veteran immediately preceding death required for purposes of entitlement of the veteran's surviving spouse to so-called presumptive dependency and indemnity compensation; to the Committee on Veterans' Affairs.

H.R. 3116. A bill to amend title 38, United States Code, to extend from 60 days to 120 days the period between notice and effective date for certain reductions and discontinuations of Veterans' Administration monetary benefits; to the Committee on Veterans' Affairs.

H.R. 3117. A bill to amend title 38, United States Code, to extend from 1 year to 3 years the period after separation from service during which the conditions of Hodgkin's disease and leukemia occuring in a veteran shall be presumed to be service-connected; to the Committee on Veterans' Affairs.

By Mr. RICHARDSON:

H.R. 3118. A bill to designate the site of the Glorieta Battle in the Civil War as a national historic site; to the Committee on Interior and Insular Affairs.

By Mr. ROSE (for himself, Mr. Dellums, Mr. Mrazek, Mr. Dornan of California, Mr. Synar, Mrs. Schroeder, and Mrs. Boxer):

H.R. 3119. A bill to amend title 35 of the United States Code to prohibit the patenting of genetically altered or modified animals; to the Committee on the Judiciary.

By Mr. WAXMAN (for himself and Mr. Kastenmeier):

H.R. 3120. A bill to amend the Federal Food, Drug, and Cosmetic Act to authorize abbreviated new animal drug applications and to amend title 35, United States Code, to authorize the extension of the patents for animal drug products; jointly, to the Committees on Energy and Commerce and the Judiciary.

By Mr. ANTHONY (for himself, Mr. Andrews, Mrs. Kennelly, Mr. Downey of New York, Mr. Gradison, Mr. Guarini, Mr. Brown of Colorado, Mr. Matsui, Mr. Daub, Mr. Schulze, Mr. McGrath, Mr. Archer, Mr. Gregg, Mr. Dorgan of North Dakota, Mr. Vander Jagt, Mr. Mineta, Mr. Crane, Mr. Jacobs, Mr. Pickle, Mr. Duncan, Mr. Thomas of California, Mr. Gephardt, Mr. Flippo and Mr. Frenzel):

H.R. 3121. A bill to amend the Internal Revenue Code of 1986 with respect to the allocation of research and experimental expenditures; to the Committee on Ways and Means.

By Mr. DARDEN (for himself and Mr. Jenkins):

H.R. 3122. A bill to direct the Secretary of the Interior to convey certain lands and facilities in Whitfield County, GA, to the University of Georgia; to the Committee on Merchant Marine and Fisheries.

By Mr. ECKART:

H.R. 3123. A bill to create an independent oversight board to ensure the safety of U.S. Government nuclear facilities, to apply the provisions of OSHA to certain Department of Energy nuclear facilities, to clarify the jurisdiction and powers of Government agencies dealing with nuclear wastes, to ensure independent research on the effects of radiation on human beings, and for other purposes; jointly, to the Committees on Interior and Insular Affairs, Energy and Commerce, and Education and Labor.

By Mr. GEJDENSON:

H.R. 3124. a bill to amend the Energy Reorganization Act of 1974 to require Presidential appointment and Senate confirmation of the Executive Director for Operations of the Nuclear Regulatory Commission; to the Committee on Interior and Insular Affairs.

By Mr. HEFLEY:

H.R. 3125. a bill to amend title III of the Congressional Budget Act of 1974 to automatically reduce the pay of Members of Congress if, beginning with fiscal year 1992, Congress fails to adopt a concurrent resolution on the budget as required by such act, and for other purposes; jointly, to the Committees on Rules House Administration, and Post Office and Civil Service.

By Mr. McMILLEN of Maryland:

H.R. 3126. A bill to amend title 5, United States Code, with respect to the maximum rate of basic pay payable to civilian faculty members at the U.S. Naval Academy; to the Committee on Post Office and Civil Service.

By Mr. SCHULZE (for himself, Mr. Donald E. Lukens, Mr. Bevill, Mr. Davis of Illinois, and Mr. Regula):

H.R. 3127. A bill to provide authority for the negotiation of bilateral arrangements regarding imported steel products in order to implement effectively the national policy for the U.S. steel industry, and for other purposes; to the Committee on Ways and Means.

By Mr. STARK:

H.R. 3128. A bill to amend the Internal Revenue Code of 1986 to impose an excise tax on an employer's cost of providing medical benefits to his employees and to amend the Social Security Act to provide support for hospitals in meeting indigent care costs; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. DYMALLY:

H. Con. Res. 173. Concurrent resolution expressing the support of the Congress for the July 29, 1987, agreement between Sri Lanka and India, and commending the leaders of both those countries for reaching a peaceful agreement; to the Committee on Foreign Affairs.

By Mr. GINGRICH:

H. Res. 244. Resolution to direct the Committees on Standards of Official Conduct to further investigate the conduct of Representative Fernand J. St Germain; considered and not agreed to.

By Mr. LAGOMARSINO (for himself and Mr. Crockett):

H. Res. 245. Resolution expressing the sense of the House of Representatives on the occasion of the 25th anniversary of the independence of Jamaica; to the Committee on Foreign Affairs.

By Mr. RANGEL (for himself, Mr. Crockett, Mr. Mfume, Mr. Espy, Mr. Lewis of Georgia, and Mr. Hayes of Illinois):

H. Res. 246. Resolution to urge the Government of South Africa to indicate its willingness to engage in meaningful political negotiations with that country's black majority; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

178. By the SPEAKER: Memorial of the Assembly of the State of California relative to handicapped children; to the Committee on Education and Labor.

179. Also, memorial of the Legislature of the State of Texas, relative to legislation to establish and fund the Medical Manhattan Project on AIDS; to the Committee on Energy and Commerce.

180. Also, memorial of the General Assembly of the State of Ohio, relative to corporations pension and insurance obligations of employees and retired employees; to the Committee on the Judiciary.

181. Also, memorial of the General Assembly of the State of Ohio, relative to funds for rehabilitating the locks and dams on the Muskingum River; to the Committee on Public Works and Transportation.

182. Also, memorial of the General Assembly of the State of Ohio, relative to the notch year retirees; to the Committee on Ways and Means.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 47: Mr. Bliley.

H.R. 74: Mr. Studds.

H.R. 378: Mr. Jontz.

H.R. 442: Mr. Anthony, Mr. Dannemeyer, Mr. Daub, Mr. Levin, of Michigan, Mr. Skaggs, Mr. Swindall, Mr. Gonzalez, and Mr. Davis of Illinois.

H.R. 622: Mr. Matsui, Mr. Flippo, and Mr. Wortley.

H.R. 639: Mr. Russo and Mr. Spratt.

H.R. 940: Mr. Wolpe, Mr. Owens of New York, and Mr. Gonzalez.

H.R. 1005: Mr. Towns, Mr. Gray of Pennsylvania, Mr. Dwyer of New Jersey, Mr. Dellums, Mr. Fauntroy, Mr. Conyers, Mr. Garcia, Mr. Wheat, Mr. Hayes of Illinois, Mr. Mfume, Mr. Bustamante, Mr. Martinez, Mr. Ackerman, Mr. Fazio, Mr. Lewis of Georgia, Mr. Solarz, Mr. Gibbons, Mr. Stark, Mr. Jenkins, Mr. Guarini, Mr. Matsui, Mr. Flippo, Mrs. Kennelly, Mr. Dorgan of North Dakota, Mr. Levin of Michigan, and Mr. Crockett.

H.R. 1313: Mr. Quillen, Mr. Lancaster, Mr. Mica, Mr. Lewis of California, Mr. McCandless, Mr. Nielson of Utah, Mrs. Collins, Mr. Grant, Mr. Emerson, Mr. Davis of Illinois, Mr. Sundquist, Mrs. Meyers of Kansas, Mr. Shumway, and Mr. Petri.

H.R. 1442: Mr. Traxler.

H.R. 1443: Mr. Sweeney.

H.R. 1546: Mr. Jontz.

H.R. 1597: Mr. Brennan.

H.R. 1604: Mr. DeLay.

H.R. 1710: Mr. Howard and Mr. Roe.

H.R. 1733: Mr. Kolter and Mr. Martinez.

H.R. 1759: Mr. Young of Alaska.

H.R. 1770: Mr. Howard.

H.R. 1885: Mr. Sensenbrenner.

H.R. 1932: Mr. Clarke.

H.R. 1940: Mr. Oberstar, Mr. Kennedy, Mr. Moody, Mr. St Germain, Mr. Fauntroy, Miss Schneider, Mr. Morrison of Connecticut, Mr. Berman, Mr. Edwards of California, Mr. Badham, Mr. Mineta, Mr. Martinez, Mr. Skelton, Mr. Cardin, Mrs. Kennelly, Mr. Kolbe, Mr. Akaka, Mr. Yates, Mr. Bliley, Mr. Johnson, of South Dakota, Mr. Garcia, Mr. Sikorski, and Mr. Solarz.

H.R. 1950: Mr. Cooper, Mr. Coyne, Mr. Dwyer of New Jersey, Mr. Eckart, Mr. Hatcher, Mr. Lipinski, Mr. McCloskey, Mr. Ortiz, Mr. Price of Illinois, Mr. Skaggs, Mr. Slattery, and Mr. Stark.

H.R. 2050: Mr. Andrews, Mrs. Boxer, Mr. Lehman of Florida, Mr. Waxman, Mr. Owens of New York, Mr. Martinez, Mr. Mrazek, Mr. Panetta, Mr. Wolpe, Mr. Gephardt, Mr. Yates, and Mr. Vander Jagt.

H.R. 2052: Mr. Bereuter.

H.R. 2063: Mr. Neal.

H.R. 2134: Mr. Foglietta, Mr. Thomas A. Luken, Mr. Martinez, Mr. Atkins, Mr. Lancaster, Mr. Markey, and Mr. Frank.

H.R. 2168: Mr. Wortley.

H.R. 2270: Mr. Brown of California.

H.R. 2532: Mr. Markey and Mr. DeFazio.

H.R. 2538: Mr. DeFazio and Mr. Dymally.

H.R. 2673: Mr. Atkins, Mr. DeWine, Mr. Feighan, Mr. Morrison of Connecticut, and Ms. Slaughter of New York.

H.R. 2692: Mr. Wolpe, Mr. Torricelli, and Mr. Manton.

H.R. 2694: Mr. Torricelli.

H.R. 2708: Mr. Boulter.

H.R. 2854: Mr. Downey of New York.

H.R. 2858: Mr. Davis of Illinois and Mr. Jontz.

H.R. 2859: Mr. Atkins.

H.R. 2911: Mr. Owens of New York.

H.R. 2989: Mr. Weiss and Mr. Towns.

H.R. 3001: Mr. Glickman.

H.R. 3023: Mr. Smith of Iowa, Ms. Pelosi, Mr. Morrison of Connecticut, Mr. Levin of Michigan, Mr. Fauntroy, Mr. Berman, and Mr. Frank.

H.R. 3071: Mr. Lewis of Georgia, Mr. Kennedy, Mr. Wheat, Mr. Gejdenson, Miss Schneider, and Ms. Oakar.

H.J. Res. 130: Mrs. Kennelly.

H.J. Res. 145: Mr. Montgomery.

H.J. Res. 152: Mr. Leland, Mr. Traxler, Mr. Conyers, Mr. DeFazio, and Mr. Roberts.

H.J. Res. 171: Mr. Schuette and Mr. DeLay.

H.J. Res. 180: Mr. Chapman, Mr. Wolpe, Mr. Grant, Mr. Spratt, Mr. Gibbons, Mr. Solarz, Ms. Slaughter of New York, Mr. Mica, Mr. Wheat, Mr. Dingell, Mr. Leland, Mr. Wilson, Mr. DeFazio Mr. Dicks, Mr. Hatcher, Mr. Bryant, Mr. Boland, Mr. Owens of Utah, and Mr. Leath of Texas.

H.J. Res. 193: Mr. Barnard, Mr. Daniel, Mr. Dowdy of Mississippi, Mr. Fascell, Mr. Ford of Tennessee, Mr. Hammerschmidt, Mr. Hughes, Mr. Latta, Mr. Lehman of Florida, Mr. McDade, and Mr. Rinaldo.

H.J. Res. 227: Mrs. Boxer, Mr. Clay, Mr. Mineta, Mr. Traxler, Mr. Lipinski, Mr. Fascell, Mr. de Lugo, Mr. Florio, Mr. Neal, Mr. Fauntroy, Mr. Howard, Mr. Coelho, and Mr. Aspin.

H.J. Res. 246: Mr. Flake, Mr. Akaka, Mr. Hefner, Mr. McGrath, Mr. Espy, Mr. Anderson, Mrs. Saiki, Mrs. Meyers of Kansas, Ms. Pelosi, Mr. Schuette, Mr. Atkins, Mr. Stokes, Mr. Erdreich, Mr. Kennedy, and Mr. de la Garza.

H.J. Res. 266: Mr. Daniel, Mr. Kolbe, Mr. Stratton, Mr. Aspin, Mr. Coats, Mr. Anderson, Mr. Frenzel, Mr. Sisisky, Mr. Fauntroy, and Mr. Studds.

H.J. Res. 268: Mr. Aspin.

H.J. Res. 276: Mr. Mfume, Mr. Savage, Mr. Flake, and Mr. Martinez.

H.J. Res. 288: Mr. Dwyer of New Jersey, Mr. Crockett, Mr. Biaggi, Mr. Atkins, Mr. Owens of New York, Mr. Evans, Mr. Conte, Mr. Lipinski, Mr. Clinger, Mr. Wolf, Mr. Erdreich, Mr. Espy, Mr. Dymally, Mr. Conyers, Mr. McDade, and Mr. de Lugo.

H.J. Res. 289: Mr. Buechner, Mr. Donnelly, Mr. Dwyer of New Jersey, Mr. Feighan, Mr. Foglietta, Mr. Garcia, Mr. Guarini, Mr. Jeffords, Mr. Murtha, Mr. Schuette, and Mr. Wortley.

H.J. Res. 297: Mr. Towns, Mr. Dymally, Mr. Emerson, Mr. Foley, Mr. Martinez, Mr. Morrison of Connecticut, Mr. Volkmer, Mr. Pickle, Mr. Jones of North Carolina, Ms. Kaptur, Mr. Glickman, Mr. Gray of Illinois, Mr. Mazzoli, Mr. Shaw, Mr. Smith of Florida, Mr. Swindall, Mr. Synar, Mr. Howard, Mr. Montgomery, Mr. Frost, and Mr. Stark.

H.J. Res. 326: Mr. Torricelli, Mr. Montgomery, Mr. Fish, Mr. Walgren, Mr. Darden, and Mrs. Collins.

H.J. Res. 338: Mr. Ackerman, Mr. Akaka, Mr. Annunzio, Mr. Atkins, Mrs. Bentley, Mr. Berman, Mr. Bevill, Mr. Blaz, Mr. Bliley, Mr. Bonior of Michigan, Mr. Borski, Mr. Boucher, Mrs. Boxer, Mr. Broomfield, Mr. Bryant, Mr. Campbell, Mr. Carr, Mrs. Collins, Mr. Conyers, Mr. Cooper, Mr. Craig, Mr. Crockett, Mr. Daniel, Mr. Dannemeyer, Mr. Darden, Mr. Daub, Mr. Davis of Michigan, Mr. de la Garza, Mr. de Lugo, Mr. Derrick, Mr. DeWine, Mr. Dixon, Mr. Donnelly, Mr. Dornan of California, Mr. Dowdy of Mississippi, Mr. Dwyer of New Jersey, Mr. Dymally, Mr. Espy, Mr. Fascell, Mr. Fazio, Mr. Feighan, Mr. Foglietta, Mr. Foley, Mr. Ford of Michigan, Mr. Frenzel, Mr. Frost, Mr. Garcia, Mr. Gordon, Mr. Grant, Mr. Gray of Illinois, Mr. Gray of Pennsylvania, Mr. Guarini, Mr. Hansen, Mr. Hastert, Mr. Hayes of Illinois, Mr. Hayes of Louisiana, Mr. Hefner, Mr. Henry, Mr. Hertel, Mr. Hochbrueckner, Mr. Horton, Mr. Howard, Mr. Hoyer, Mr. Hughes, Mr. Hutto, Mr. Hyde, Mr. Jacobs, Mrs. Johnson of Connecticut, Mr. Kennedy, Mr. Kildee, Mr. Kostmayer, Mr. LaFalce, Mr. Lagomarsino, Mr. Lehman of Florida, Mr. Lehman of California, Mr. Levin of Michigan, Mr. Lewis of California, Mr. Lewis of Georgia, Mr. Lewis of Florida, Mrs. Lloyd, Mr. Lungren, Mr. McCloskey, Mr. McDade, Mr. McGrath, Mr. Manton, Mr. Markey, Mr. Matsui, Mr. Mfume, Mr. Mineta, Mr. Moakley, Mrs. Morella, Mr. Morrison of Connecticut, Mr. Mrazek, Mr. Murphy, Ms. Oakar, Mr. Oberstar, Mr. Owens of New York, Mrs. Patterson, Mr. Pepper, Mr. Perkins, Mr. Pursell, Mr. Rahall, Mr. Ravenel, Mr. Robinson, Mr. Rodino, Mr. Rowland of Georgia, Mr. Sabo, Mr. Savage, Mrs. Schroeder, Mr. Schuette, Mr. Sharp, Mr. Sikorski, Mr. Sisisky, Mr. Skelton, Ms. Slaughter of New York, Mr. Solarz, Mr. Stokes, Mr. Tallon, Mr. Tauke, Mr. Torricelli, Mr. Towns, Mr. Traficant, Mr. Traxler, Mr. Upton, Mr. Valentine, Mr. Vander Jagt, Mr. Walgren, Mr. Weiss, Mr. Weldon, Mr. Wolf, Mr. Wolpe, Mr. Wortley, Mr. Yates, Mr. Yatron, and Mr. Young of Alaska.

H.J. Res. 346: Mrs. Saiki.

H. Con. Res. 5: Mr. Morrison of Connecticut, Mr. Walgren, Mr. Levine of California, Mr. Molinari, and Mr. McCloskey.

H. Con. Res. 108: Mr. Lehman of California and Mr. Bruce.

H. Res. 141: Mr. Fish.

H. Res. 144: Mr. Conyers, Mr. Wheat, Mr. Hayes of Illinois, Mr. Mfume, Mr. Fauntroy, Mrs. Boxer, Mr. Garcia, Mr. Owens of New York, Mr. Roybal, Mr. Udall, Mr. Morrison of Connecticut, Mr. Martinez, Mrs. Collins, Mr. Towns, Mr. Wise, Mr. Oberstar, and Mr. Gray of Pennsylvania.

H. Res. 192: Mr. Bereuter and Mr. Bilbray.

H. Res. 205: Mr. Torricelli.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2897

By Mrs. BYRON:

—Page 26, insert after line 8 the following:

SEC. 117. AVAILABILITY OF SPARE PARTS.

(a) Availability Statements.—

(1) Sections 109 through 112 of the Magnuson-Moss Warranty—Federal Trade Commission Improvement Act (15 U.S.C. 2309-2312) are redesignated as sections 110 through 113, respectively, and such Act is amended by inserting after section 108 the following new section:

"AVAILABILITY OF SPARE PARTS

"Sec. 109. (a) Each manufacturer or supplier of a consumer product which provides the consumer a written warranty shall include, in accordance with rules of the Commission, with the warranty a statement of the period (if any) during which spare parts for the product will be available from the manufacturer after the expiration of the warranty.

"(b) The manufacturer or supplier of a consumer product which provides in accordance with subsection (a) a statement of the availability of spare parts for the product shall, if spare parts are not available from the manufacturer during the period specified in the statement, be liable in accordance with rules of the Commission for the replacement of the product.".

(2) Section 112(c)(2) of such Act (as so redesignated) is amended by striking out "section 109" and inserting in lieu thereof "section 110".

(b) Effective Date.—The amendments made subsection (a) shall apply with respect to warranties issued for consumer products after the expiration of one year from the date of the enactment of this Act.

REGULATION OF LOBBYING ACT

In compliance with Public Law 601, 79th Congress, title III, Regulation of Lobbying Act, section 308(b), which provides as follows:

(b) All information required to be filed under the provisions of this section with the Clerk of the House of Representatives and the Secretary of the Senate shall be compiled by said Clerk and Secretary, acting jointly, as soon as practicable after the close of the calendar quarter with respect to which such information is filed and shall be printed in the CONGRESSIONAL RECORD.

The Clerk of the House of Representatives and the Secretary of the Senate jointly submit their report of the compilation required by said law and have included all registrations and quarterly reports received.

REGISTRATIONS

The following registrations were submitted for the second calendar quarter 1987:

(NOTE.—The form used for reporting is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective headings. This page (Page 1) is designed to supply identifying data.)

PLEASE RETURN 1 ORIGINAL TO: THE CLERK OF THE HOUSE OF REPRESENTATIVES, OFFICE OF RECORDS AND REGISTRATION, 1036 LONGWORTH HOUSE OFFICE BUILDING, WASHINGTON, D.C. 20515

PLEASE RETURN 1 ORIGINAL TO: THE SECRETARY OF THE SENATE, OFFICE OF PUBLIC RECORDS, 232 HART SENATE OFFICE BUILDING, WASHINGTON, D.C. 20510

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19..... ◆

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

Is this an Amendment?
☐ YES ☐ NO

IDENTIFICATION NUMBER

NOTE on ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:

(i) *"Employee"*.—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)

(ii) *"Employer"*.—To file as an "employer", write "None" in answer to Item "B".

(*b*) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:

(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.

(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:

1. State name, address, and nature of business.

☐ CHECK IF ADDRESS IS DIFFERENT THAN PREVIOUSLY REPORTED

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE on ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (*a*) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (*b*) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER—State name, address, and nature of business. If there is no employer, write "None."

NOTE on ITEM "C".—(*a*) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).

(*b*) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).

(*c*) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, place an "X" in the box at the left, so that this Office will no longer expect to receive Reports. ☐

2. State the general legislative interests of the person filing and set forth the specific legislative interests by reciting: (*a*) Short titles of statutes and bills; (*b*) House and Senate numbers of bills, where known; (*c*) citations of statutes, where known; (*d*) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (*a*) description, (*b*) quantity distributed, (*c*) date of distribution, (*d*) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed.)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and, if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. *If this is a "Quarterly" Report, disregard this item "C4" and fill out items "D" and "E" on the back of this page.* Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly Report."◆

STATEMENT OF VERIFICATION

[Omitted in printing]

PAGE 1◆

Organization or Individual Filing	Employer/Client
Ablondi & Foster, P.C., 1776 K Street, NW, #606 Washington, DC 20006	Rhone-Poulenc, Inc
Ad Hoc Coalition on International Electric Power Trade, 12800 Shaker Blvd. Cleveland, OH 44120-2099	
Marsha Nye Adler, 1424 16th St., NW, #601 Washington, DC 20036	People for the American Way
Akin Gump Strauss Hauer & Feld, 1333 New Hampshire Ave., NW, #400 Washington, DC 20036	Asamera Minerals (U.S.), Inc
Do	COMSAT Corp
Do	Pharmaceutical Manufacturers Assn
Do	United Illuminating Company
Do	Warner Lambert
Alcalde Henderson O'Bannon & Rousselot, 1901 N. Fort Myer Drive, #1204 Rosslyn, VA 22209	Alliance for Responsible CFC Policy
Donald C. Alexander, Cadwalader Wickersham & Taft 1333 New Hampshire Ave., NW Washington, DC 20036	Amsted Industries, Inc
Barbara Allen, 1300 19th St., NW, #501 Washington, DC 20036	National Comm to Preserve Social Security & Medicare
Robert F. Allnut, 1100 15th St., NW, #900 Washington, DC 20005	Pharmaceutical Manufacturers Assn
Christopher E. Anders, 1667 K Street, NW, #660 Washington, DC 20006	Marlowe & Company (For:EXPEX, Inc)
A. Richard Anderson, Pillsbury Center, MS 3551 Minneapolis, MN 55402	Pillsbury Company
Anderson Hibey Nauheim & Blair, 1708 New Hampshire Ave., NW Washington, DC 20009	Seidman & Seidman/BDO
Do	TECO Transport & Trade Corp
Mark Andrews, 2550 M St., NW, #695 Washington, DC 20037	Akai America, Ltd
Do	Association of Trial Lawyers of America
Do	Columbia, Inc
Do	CSX Corporation
Do	Freedom to Advertise Coalition
Do	Fuji Photo Film USA, Inc
Do	Hitachi Sales Corp of America
Do	Kenwood USA Corporation
Do	Mars, Inc
Do	Martin Marietta Corp
Do	Matsushita Electric Corp of America
Do	Maxell Corp of America
Do	Mitsubishi Electric Sales of America, Inc
Do	Nakamichi USA Corp
Do	National Gypsum Co
Do	NEC Electronics (USA) Inc
Do	Onkyo USA Corp
Do	Pioneer Electronics (USA), Inc
Do	Sansui Electronics Corp
Do	Sanyo Electronics, Inc
Do	Sharp Electronics Corp
Do	Sony Corp of America
Do	Toshiba America, Inc
Do	TDK USA Corp
Do	TEAC Corp of America
Do	US JVC Corporation
Do	Yamaha Electronics Corp
Andrews' Associates, Inc, 2550 M St., NW, #695 Washington, DC 20037	Akai America, Ltd
Do	Association of Trial Lawyers of America
Do	Columbia, Inc
Do	CSX Corporation
Do	Freedom to Advertise Coalition
Do	Fuji Photo Film USA, Inc
Do	Hitachi Sales Corp of America
Do	Kenwood USA Corp
Do	Mars, Inc
Do	Martin Marietta Corp
Do	Matsushita Electric Corp of America
Do	Maxell Corp of America
Do	Mitsubishi Electric Sales of America, Inc
Do	Nakamichi USA Corp
Do	National Gypsum Co
Do	NEC Electronics (USA) Inc
Do	Onkyo USA Corp
Do	Pioneer Electronics (USA), Inc
Do	Sansui Electronics Corp
Do	Sanyo Electronics, Inc
Do	Sharp Electronics Corp
Do	Sony Corp of America
Do	Toshiba America, Inc
Do	TDK USA Corp
Do	TEAC Corp of America
Do	US JVC Corporation
Do	Yamaha Electronics Corp
Arent Fox Kintner Plotkin & Kahn, 1050 Connecticut Ave., NW Washington, DC 20036-5339	Washington Gas Light Co
Aries Properties Inc, 111 South Tejon, #700 Colorado Springs, CO 80903	
Carl F. Arnold, 617 Rivercrest Drive McLean, VA 22101	Ashland Oil Co
Arnold & Porter, 1200 New Hampshire Ave., NW Washington, DC 20036	Asocolflores
Do	Business Roundtable
Do	Harris Bank Corp, Inc
Do	Resorts International, Inc
Do	Survival Technology, Inc
Milton F. Ashford, P.O. Box 24305 Oakland, CA 94623	Clorox Company
APCO Associates, 1200 New Hampshire Ave., NW Washington, DC 20036	Asocolflores
Do	Harris Trust & Savings
Do	Profilo Holding A.S.
Franklin Eugene Bailey, 1030 15th St., NW, #700 Washington, DC 20005	National Cotton Council of America
Monica S. Baker, Foley and Company 206 G St., NE, #201 Washington, DC 20002	Gray's Family Department Stores
Do	Polyphaser Corp
Baker & Hostetler, 1050 Connecticut Ave., NW, #1100 Washington, DC 20036	Alamo Rent-A-Car, Inc
Do	Astroline Communications Co
Do	Beverly Enterprises, Inc
Do	Burlington Northern Railroad
Do	Uniden Corp of America
Baker & McKenzie, 815 Connecticut Ave., NW Washington, DC 20006	Mitsubishi Electric Sales of America, Inc
Jacqueline Balk-Tusa, 2550 M St., NW, #695 Washington, DC 20037	Akai America, Ltd
Do	Association of Trial Lawyers of America
Do	Columbia, Inc
Do	CSX Corp
Do	Freedom to Advertise Coalition
Do	Fuji Photo Film USA, Inc
Do	Hitachi Sales Corp of America
Do	Kenwood USA Corporation
Do	Mars Co
Do	Martin Marietta Corp
Do	Matsushita Electric Corp of America
Do	Maxell Corp of America
Do	Mitsubishi Electric Sales of America, Inc
Do	Nakamichi USA Corp
Do	National Gypsum Co
Do	NEC Electronics (USA) Inc
Do	Onkyo USA Corp
Do	Pioneer Electronics (USA), Inc
Do	Sansui Electronics Corp
Do	Sanyo Electronics, Inc
Do	Sharp Electronics Corp
Do	Sony Corp of America

Organization or Individual Filing	Employer/Client
Do	Toshiba America, Inc
Do	TDK USA Corp
Do	TEAC Corp of America
Do	US JVC Corporation
Do	Yamaha Electronics Corp
Charles E. Ball Jr., 1301 Pennsylvania Ave., NW, #300 Washington, DC 20004	National Cattlemen's Assn
Graeme Bannerman, 9108 Parliament Drive Burke, VA 22015	Embassy of Lebanon
Barnett Sivon Schott & Shay, P.C., 1090 Vermont Ave., NW, #810 Washington, DC 20005	Investors in Industry
Brenda Barnicle, 7301 Pinehurst Parkway Chevy Chase, MD 20815	Edward Blankstein, Inc
Baumbach & Fisher Assoc., Inc, 1900 S. Harbor City Blvd. Melbourne, FL 32901	Etradiction Corp of America
Beer Institute, 1750 K St., NW, #500 Washington, DC 20006	
Peter M. Belanger, 1220 L St., NW Washington, DC 20005	American Petroleum Institute
James P. Bellis, 1629 K St., NW, #1100 Washington, DC 20006	Palumbo & Cerrell, Inc (For:Altantic Ritchfield Co)
Pamela M. Berkwitz, 1200 Peavey Building Minneapolis, MN 55479-1032	Norwest Corporation
Berman Bergner & Boyette, 1016 16th Street, NW, #700 Washington, DC 20036	First Boston Corp
Do	Galesi Group
Robert D. Billings, 6901 Ontario Street Springfield, VA 22152	American Conservative Union
Leon G. Billings, Inc, 1660 L St., NW, #809 Washington, DC 20036	Coalition for Scenic Beauty
Bishop Cook Purcell & Reynolds, 1200 17th Street, NW, #700 Washington, DC 20036	Akhiok-Kaguyak, Inc
Do	Americans Against Socialized Medicine
Do	BATUS, Inc
Do	Mobil Oil Corp, et al.
Do	Washington Public Power Supply System
Gordon B. Bluechel, 9805 Avondale Rd., E214 Redmond, WA 98052	Gordon Bluechel & Associates, Inc
Gordon Bluechel & Associates, Inc, T.L.P.O. Box 8006 Kirkland, WA 98034	International Services, Inc
George H. Bohlinger III, 1015 18th St., NW, #400 Washington, DC 20036	Domino's Pizza, Inc
Carol Bok, 1133 15th St., NW, #640 Washington, DC 20005	American Logistics Association
Richard H. Bornemann, 410 First Street, SE Washington, DC 20003	United Illuminating Co
John Bowers Jr., 815 16th Street, NW Washington, DC 20006	International Longshoremen's Assn, AFL-CIO
Bracewell & Patterson, 2000 K St., NW, #500 Washington, DC 20006	Austin Capital Metropolitan Authority
Do	Coalition of Funeral Directors
Bracy Williams & Company, 1000 Connecticut Avenue, NW, #304 Washington, DC 20036	Coin Coalition
Do	Doctor's Pharmacy
Bregman Abell & Kay, 1156 15th St., NW, #1212 Washington, DC 20005	Murry's, Inc
Do	Temistocles Ramirez
William M. Brodhead, 900 Marquette Building Detroit, MI 48226	Murray & Scheer (for: Lightning Location & Protection, Inc)
Do	Murray & Scheer (for: PHP Healthcare Corp)
Do	Plunkett & Cooney (for: Humane Soc of the U.S.)
Do	Plunkett & Cooney (for: Michigan Humane Soc)
Robert M. Brooks, 206 G St., NE Washington, DC 20002	Automated Business Management Systems, Inc
Do	Computer Dynamics & Aeronautics Corp
Do	DCL Industries
Do	Military Impacted Schools Assn
Cynthia L. Brown, 1110 Vermont Ave., NW, #1250 Washington, DC 20005	Shipbuilders Council of America
Brownstein Zeidman & Schomer, 1401 New York Ave., NW, #900 Washington, DC 20005	Universal Furniture Limited
Don C. Buchanan, 1750 New York Ave., NW Washington, DC 20006	Sheet Metal Workers International Assn
Roy C. Buckner, 1090 Vermont Ave., NW, #1100 Washington, DC 20005	Bell Helicopter Textron, Inc
Lon Burnam, 6220 Gaston Ave., #609 Dallas, TX 75214	Sierra Club
Burridge Associates, 1612 K St., NW, #204 Washington, DC 20006	FMC Corporation
Burson-Marsteller, 1850 M Street, NW, #900 Washington, DC 20036	Epson America, Inc
Do	Harcourt Brace Jovanovich, Inc
Busby Rehm and Leonard, P.C., 1330 Connecticut Ave., NW, #200 Washington, DC 20036	Texas Assn of Steel Importers
BMc Strategies, Inc, 18 Muzzey Street Lexington, MA 02173	New Hampshire Yankee
Christopher G. Caine, 1801 K St., NW, #1200 Washington, DC 20006	IBM Corp
James D. Calaway, 2011 Crystal Drive, #903 Arlington, VA 22202	Space Industries, Inc
Karen J. Callaghan, 48 Soundview Drive Northport, NY 11768	
Jeanne Campbell, Campbell-Raupe, Inc 1015 15th Street, NW, #907 Washington, DC 20005	Air Transport Assn of America
Do	Securities Industry Assn
John G. Campbell, 9418 Wooded Glen Ave. Burke, VA 22015	General Motors Corp
Do	National Civic Crusade for Panama
Robert P. Canavan, 1909 K St., NW Washington, DC 20049	American Assn of Retired Persons
Howard W. Cannon & Associates, 499 South Capitol St., SW, #400 Washington, DC 20003	Rockwell International Corp
Capitol Associates, Inc, 426 C Street, NE Washington, DC 20002	Saatchi & Saatchi Compton Worldwide
Do	Technicon Data Systems Corp
Do	Thompson Medical Co
Do	University of Arizona
Caplin & Drysdale, Chtd, One Thomas Circle, NW Washington, DC 20005	Government of the Philippines
Maurice E. Carino Jr., 1000 16th St., NW, #800 Washington, DC 20036	Bethleham Steel Corp
Robert E. Carlstrom Jr., 1627 K Street, NW, #200 Washington, DC 20006	Fluor Corporation
Carroll Sain & Epstein, 55 East Monroe Chicago, IL 60603	RAM, Inc
Daniel L. Casey, 5A East Curtis Avenue Alexandria, VA 22301	American Conservative Union
Cassidy and Associates, Inc, Metropolitan Square 655 15th St., NW, #1100 Washington, DC 20005	J & B Management Co
Do	Louisiana Public Facilities Authority
Do	Loyola Marymount University
Do	Martha Graham Center of Contemporary Dance, Inc
Do	Medical College of Pennsylvania
Do	Medical University of South Carolina
Do	Saint Joseph's University
Do	University of Hawaii
Do	University of Utah
Do	Wertheim Schroder & Co, Inc
Do	West Virginia University
Do	Wojdak & Assocs, Inc for: Children's Hospital of Pittsburgh
Deborah M. Chalfie, 1319 F St., NW, #300 Washington, DC 20004	Halt, Inc
Chambers Associates, Inc, 1625 K Street, NW, #200 Washington, DC 20006	Coalition of State Employment Security Agencies
Scott Charles Clarkson, 333 Pennsylvania Ave., SE Washington, DC 20003	Congress of American Homeowners
Cleary Gottlieb Steen & Hamilton, 1752 N Street, NW Washington, DC 20036	Ministry of Finance & Public Credit of the United Mexican St
Coalition Against Takeover Abuse, 1800 M St., NW, #900N Washington, DC 20036	
Cole & Corette, P.C., 1100 Vermont Avenue, NW, #900 Washington, DC 20005	Ad Hoc Ski Boot Committee
Collier Shannon Rill & Scott, 1055 Thomas Jefferson St., NW, #308 Washington, DC 20007	Alliance for Capital Access
Do	PetroJam, Ltd
Lori A. Comeau, 2550 M Street, NW, #640 Washington, DC 20037	CF Industries, Inc
Cheryl L. Cook, 600 Maryland Ave., SW, #202W Washington, DC 20024	Farmers' Educational & Co-operative Union of America
Kevin C. Cooper, 414 Ridge Road, #12 Greenbelt, MD 20770	Edward Blankstein, Inc
Roger C. Courtney, 1401 New York Ave., NW, #1200 Washington, DC 20005-2187	Franklin Diagnostics, Inc
Philip E. Couture, 4861 Claradale Toledo, OH 43614	Couture Associates
Covington & Burling, 1201 Pennsylvania Ave., NW P.O. Box 7566 Washington, DC 20044	Brown Brothers Harriman & Co
Do	Facemate Corp
Do	Georgia-Pacific Corp
Do	International Paper Co
Do	Scott Paper Co
Mark D. Cowan, 901 31st Street, NW Washington, DC 20007	Hill & Knowlton, Inc (For:Ministry of Foreign Affairs, Government of Iceland)
Jerry W. Cox, 901 31st Street, NW Washington, DC 20007	Hill & Knowlton, Inc (For:Commonwealth Financial Group)
Do	Hill & Knowlton, Inc (For:Fleischmann's Yeast)
Kevin J. Coyle, 801 Pennsylvania Ave., SE, #303 Washington, DC 20003	American Rivers
Bruce Craig, P.O. Box 677 Harpers Ferry, WV 25425	National Parks & Conservation Association
Robin Crawford, Box M Allentown, PA 18105-5000	Mack Trucks, Inc
Patricia Cregan, 1100 Connecticut Ave., NW Washington, DC 20036	Chrysler Corporation
Richard E. Cristol, 1101 15th St., NW, #202 Washington, DC 20005	National Assn of Margarine Manufacturers
Charles H. Cromwell, Inc, 6709 Georgia St. Chevy Chase, MD 20815	EDO Corp
John M. Cross, 1015 18th St., NW, #702 Washington, DC 20036	ISFA Corporation
Cushman Darby & Cushman, 1615 L St., NW, 11th Floor Washington, DC 20036	Holland Sweetener Co
Ross H. Cutmore, Dow Lohnes & Albertson 1255 23rd Street, NW Washington, DC 20037	Algoma Steel Corp, Ltd

Organization or Individual Filing	Employer/Client
D'Amour & Doyle, Inc, 1156 15th St., NW, #1100 Washington, DC 20005	New England Assn of Business, Industry & Rehabilitation, Inc
Susan Dahlquist, 1300 19th St., NW, #501 Washington, DC 20036	National Committee to Preserve Social Security
James H. Davidson, 1250 Connecticut Ave., NW, #650 Washington, DC 20036	American Advertising Federation
Do	American Assn of Advertising Agencies
Do	Association of National Advertisers
Do	National Assn of Broadcasters
Davis Polk & Wardwell, 1575 Eye St., NW Washington, DC 20005	American Inst of Certified Public Accountants
Davis Wright & Jones, 1752 N St., NW, #800 Washington, DC 20036	Pacific Northwest Coalition for Maritime Law Reform
Brenda T. Day, 655 15th St., NW, #300 Washington, DC 20005	Armtek Corp
Dona M. De Carolis, 20 Black Oak Mews Newton, PA 18940	Philadelphia Maritime Exchange
Philip De Marigny, 1635 North Oak St. Arlington, VA 22209	Edward Blankstien, Inc
Debevoise & Plimpton, 555 13th Street, NW Washington, DC 20004	Westpac Banking Corp
Robin Deck, 1155 15th St., NW, #400 Washington, DC 20005	Hospital Corp of America
Willard L. Demory, 901 31st Street, NW Washington, DC 20007	Hill & Knowlton, Inc (For:Commonwealth Financial Group)
Connie Denzer, 6517 City West Parkway Eden Prairie, MN 55344	Crop Insurance Research Bureau
Dewey Ballantine Bushby Palmer & Wood, 1775 Pennsylvania Ave., NW Washington, DC 20006	Arctic Alaska Seafoods, Inc
Do	Dolco Packaging Corp
Do	Health Insurance Assn of America
Do	Hospital Coalition
Do	Household International
Do	Mutual Life Insurance Co of New York
Do	Pfizer, Inc
Do	Potlatch Corp
Do	Squibb Corporation
Do	Tribune Broadcasting Co
Beth DeGrasse, 100 Maryland Ave., NE Washington, DC 20002	Council for a Livable World
Dickinson Wright Moon Van Dusen & Freeman, 1901 L St., NW, #801 Washington, DC 20036	United Technologies Corporation
Dickstein Shapiro & Morin, 2101 L St., NW Washington, DC 20037	Avondale Industries, Inc
Do	Technomed
Diepenbrock Wulff Plant & Hannegan, 300 Capitol Mall, 17th Floor Sacramento, CA 95814	St. Elizabeth Community Hospital
Gloria Dittus, 1111 19th St., NW Washington, DC 20036	Edison Electric Institute
J. Graham Dodson, P.O. Box 21106 Shreveport, LA 71156	Southwestern Electric Power Co
Margarite Donoghue, 729 8th St., SE, #200 Washington, DC 20003	FARO-AIDS Action Council
Russell E. Dougherty, P.O. Box 9346, 8280 Greensboro Dr. McLean, VA 22102	Military Impacted School Districts Assn
Dow Lohnes & Albertson, 1255 23rd St., NW Washington, DC 20037	Asia North America Eastbound Rate Agreement
Do	Directors Guild of America
Do	Greece/U.S. Atlantic & Gulf Conference
Do	Home Shopping Network, Inc
Do	Israel Eastbound Conference
Do	Israel Westbound Conference
Do	Masstock (International) Ltd
Do	Mediterranean North Pacific Coast Freight Conference
Steve Doyle, 5205 Leesburg Pike, #505 Falls Church, VA 22041	National Beer Wholesalers' Assn
John Dudinsky Jr., 201 Massachusetts Ave., NE, #C-9 Washington, DC 20002	AMSPEC
Do	Harris/3-M Document Products, Inc
Do	Lantana Boatyard, Inc
Duncan Allen & Mitchell, 1575 Eye Street, NW Washington, DC 20005	Cecil Saydah Co
Duncan Weinberg Miller & Pembroke, P.C., 1615 M Street, NW, #800 Washington, DC 20036	Lake Andes-Wagner Water Systems, Inc
Dyer Ellis Joseph & Mills, 600 New Hampshire Ave., NW, #1000 Washington, DC 20037	Allscrips, et al.
Do	ARCO Marine Co, Inc
William A. Edwards, 201 Massachusetts Ave., NE Washington, DC 20002	New Hampshire Yankee
Electronic Industries Assn, 2001 Eye St., NW Washington, DC 20006	
Mark G. Ellis, 1920 N St., NW Washington, DC 20036	American Mining Congress
J. Terry Emerson, 3700 Maryland Street Alexandria, VA 22309	China External Trade Development Council
Randy Eminger, 5205 West 37th Street Amarillo, TX 79109	Southwestern Public Service Co
Gary D. Engebretson, 1350 New York Ave., NW, #200 Washington, DC 20005	Contract Services Assn
Cheryl Anthony Epps, 13 Firstfield Road Gaithersburg, MD 20878	International Assn of Chiefs of Police
Epstein Becker Borsody & Green, P.C., 1140 19th St., NW, #900 Washington, DC 20036	American Bankers Assn
Frank J. Farfone, 1800 M St., NW, #700 South Washington, DC 20036	Dow Chemical USA
J. Dent Farr, 2000 M St., NW, #550 Washington, DC 20036	North American Telecommunications Assn
Sarah Farrell, 1730 K St., NW, #1100 Washington, DC 20006	National Treasury Employees Union
Federal Land Bank Assn of Texas Stockholders' Defense Fund, P.O. Box 1528 Jacksonville, TX 75766	
Federation of Employees Union Local 1027, 274 Central Avenue Orange, NJ 07050	
William Ferguson Jr., 1730 Rhode Island Ave., NW, #400 Washington, DC 20036	City of Santa Ana
Fierce & Associates, 600 New Hampshire Ave., NW, #1010 Washington, DC 20037	Apex Marine Corp
Do	AB Hagglund & Sonar
Do	Bollinger Machine Shop & Shipyard
Do	Spar Aerospace, Ltd
Marshall S. Filler, 2033 M Street, NW, #700 Washington, DC 20006	National Business Aircraft Assn
Finley Kumble Wagner Heine Underberg Manley Myerson & Casey, 1120 Connecticut Ave., NW, 10th Floor Washington, DC 20036	Ashland Oil, Inc
Do	Asociacion de Empresas RENFE/Patentes TALGO, S.A.
Do	Carribean Tubular Co, Inc
Do	Loyola University
Do	Lutheran Health Systems
Do	Pennington Biomedical Complex Foundation
Do	Southwest Organ Bank, Inc
Carlton W. Fish, P.O. Box 35106 Minneapolis, MN 55435	American Collectors Assn
Mary Clare Fitzgerald, 1025 Thomas Jefferson St., NW, #301 Washington, DC 20007	Secura Group (For:Chase Manhattan Bank, N.A.)
Do	Secura Group (For:Northeast Bancorp)
Do	Secura Group (For:Yankee Bank)
Susan G. Flack, 1320 19th St., NW, #400 Washington, DC 20036	Flack, Inc (For:Spiegel, Inc)
Fleishman-Hillard, Inc, 1225 Connecticut Ave., NW, #303 Washington, DC 20036	Home Satellite Services
Do	Pathology Practice Assn
Do	Syva Company
Joseph P. Foley, Foley and Company 206 G St., NE, #201 Washington, DC 20002	Artel Communications Corp
Do	Dense-Pac Microsystems, Inc
Do	Gray's Family Department Stores
Do	Poly Phaser Corp
Do	Systems Research Corp
Foley & Lardner, 1775 Pennsylvania Ave., NW Washington, DC 20006-4680	Holland Sweetener Co, VOF
Do	Paper Machine Cloth Group
Stacie Foster, 1100 15th St., NW, #700 Washington, DC 20005	Sonat, Inc
Alissa T. Fox, 1709 New York Ave., NW, #303 Washington, DC 20006	Blue Cross & Blue Shield Assn
Richard L. Frank, 1029 Vermont Ave., NW, #400 Washington, DC 20005	Olsson Frank & Weeda (For:Ad Hoc Pizza Standard Rulemaking Group)
Sally Narey Frans, 385 Washington Street St. Paul, MN 55102	St. Paul Fire & Marine Insurance Co
Susan C. Frary, 1133 19th St., NW Washington, DC 20036	MCI Communication Corp
Ronna Freiberg, 901 31st Street, NW Washington, DC 20007	Hill & Knowlton, Inc (For:Fleischmann's Yeast)
French & Company, 1455 Pennsylvania Ave., NW, #1260 Washington, DC 20004	International Electronics Mfgrs & Consumers of America, Inc
Isabella Garcia, 1201 16th St., NW, #624 Washington, DC 20036	National Education Assn
Gardner Carton & Douglas, 1875 I St., NW, #1050 Washington, DC 20006	Alamo Rent-A-Car, Inc
Do	BP North America, Inc
Garvey Schubert & Barer, 1000 Potomac St., NW Washington, DC 20006	Port of Bellingham
Jerome C. Gatto, P.O. Box 5159 San Jose, CA 95030	
Michael S. Gelacak, 12141 Holly Knoll Circle Great Falls, VA 22066	Hill & Knowlton, Inc (For:Title Insurance Industry Coalition)
Gerard Byler & Associates, Inc, 1100 17th Street, NW, #1000 Washington, DC 20036	Havasupai Tribal Council
Ginn Edington Moore & Wade, 803 Prince Street Alexandria, VA 22314	Oglethorpe Power Corp
Sara B. Glenn, 1100 Connecticut Ave., NW Washington, DC 20036	Mobil Oil Corp
Global USA, Inc, Global House 1823 Jefferson Place, NW Washington, DC 20036	Japan Fed of Construction Contractors, Inc
Do	Teco Transport & Trade Corp
Gold & Liebengood, Inc, The Willard Office Building 1455 Pennsylvania Avenue, NW, #950 Washington, DC 20004	American Medical Assn
Do	Chemical Manufacturers Assn
Goldman Sachs & Co, 1825 Eye St., NW, #450 Washington, DC 20006	
Law Offices of Gordon Gooch, 1100 15th St., NW, #1200 Washington, DC 20005	Coalition to Oppose Energy Taxes

Organization or Individual Filing	Employer/Client
Craig G. Goodman, 1101 16th St., NW Washington, DC 20036	Independent Petroleum Assn of America
John Gordley, 901 31st Street, NW Washington, DC 20007	Hill & Knowlton, Inc (For:Fleishmann)
Do	Hill & Knowlton, Inc (For:Nebraska Wheat Board)
Emerson F. Gower Jr., 411 Fayetteville St. Mall, #1925 Raleigh, NC 27601	Carolina Power & Light Co
James I. Granger, 1911 Jefferson Davis Highway, #1002 Arlington, VA 22206	Lear Siegler Astronics Corp
Micah S. Green, 1000 Vermont Ave., NW, #800 Washington, DC 20005	Public Securities Assn
Griffin Johnson & Associates, 1211 Connecticut Ave., NW, #700 Washington, DC 20036	Air Transport Assn of America
Do	American Psychological Assn
Do	Pharmaceutical Manufacturers Assn
Griffin Media Group, 44 East 29th Street New York, NY 10016	National Bondholders Committee
John Grigsby, 108 N. Alfred Street Alexandria, VA 22314	Conservative Alliance
Milton S. Gwirtzman, 2550 M St., NW Washington, DC 20037	Lazare Kaplan International, Inc
John F. Haifley, 8111 Gatehouse Road Falls Church, VA 22047	American Automobile Assn
Angelynn Hall, 1709 New York Ave., NW Washington, DC 20006	Air Transport Assn of America
David S. Hamilton, 215 Pennsylvania Ave., SE Washington, DC 20003	U.S. Public Interest Research Group
Thomas A. Hammer, 1000 Potomac St., NW, #106A Washington, DC 20007	Sweetener Users Assn
Steven A. Hammond, Hughes Hubbard & Reed One Wall Street New York, NY 10005	Bureau Veritas
Hannaford Co, Inc, 655 15th St., NW, #200 Washington, DC 20005	Embraer Aircraft Corp
Do	3M Corporation
Richard L. Hanneman, 206 North Washington Street Alexandria, VA 22314	Salt Institute
Mary V. Harcar, 1747 Pennsylvania Ave., NW, #704 Washington, DC 20006	GTE Service Corp
Do	Manufacturers Life Insurance Co, Inc
Eric Hard, 2114 N St., NW, #31 Washington, DC 20037	Public Citizen's Congress Watch
Jeffrey Harris, Sachs Greenbaum & Taylor 1140 Connecticut Ave., NW Washington, DC 20036	Domino's Pizza, Inc
Harris & Berg, 1101 30th St., NW, #103 Washington, DC 20007	Adidas, USA
Harris Merick & Orr, 999 Third Ave., #3210 Seattle, WA 98104	SP Energy Development Co
Vance Hartke, 7637 Leesburg Pike Falls Church, VA 22043	
Janet S. Hathaway, 1350 New York Ave., NW, #300 Washington, DC 20005	National Resources Defense Council
Arnold I. Havens, 1818 N Street, NW Washington, DC 20036	Eckert Seamans Cherin & Mellott (For:Corning Glass Works)
Robert G. Hayes, Bogle and Gates One Thomas Circle, NW, #900 Washington, DC 20005	William D. Ray
Bill Hecht and Associates, Inc, 499 South Capitol Street, SE, #507 Washington, DC 20003	Freedom & Justice for Cyprus Trust
Do	Kansas City Southern Industries, Inc
Do	Multinational Business Services
Mark G. Heesen, 1725 K St., NW, #601 Washington, DC 20006	Association of National Advertisers
Edward D. Heffernan, 1513 16th St., NW, 4th Fl. Washington, DC 20036	Panhandle Eastern Corp
Robert M. Heine, 1701 Pennsylvania Ave., NW, #900 Washington, DC 20006	E. I. du Pont de Nemours & Co
Dan C. Heinemeier, 2001 Eye St., NW Washington, DC 20006	Electronic Industries Assn
Leonard N. Henderson, 1615 L St., NW, #1210 Washington, DC 20036	Metropolitan Life Insurance Co
Kathleen Henderson-Whyte, 1625 Eye St., NW, #500 Washington, DC 20006	Ketchum Public Relations
Heron Burchette Ruckert & Rothwell, 1025 Thomas Jefferson St., NW, #700 Washington, DC 20007	Bramelea Pacific
Do	East Kentucky Power Cooperative
Do	GA Technologies, Inc
Do	International Apple Institute
Do	Las Vegas YMCA
Do	Manhattan Building Companies, Inc
Do	Native American Gaming, Inc
Do	Vermont Electric Cooperative
John S. Hightower, 1344 Kenilworth Parkway Baton Rouge, LA 70808	Louisiana Pacific Corp
Shepard William Hill, 1745 Jefferson Davis Highway Arlington, VA 22202	Rockwell International Corp
Thomas M. Hill, 1726 M St., NW, #1100 Washington, DC 20036-4502	Pacific Gas & Electric Co
Grace L. Hinchman, 1331 Pennsylvania Ave., NW, #600-2 Washington, DC 20004	Digital Equipment Corp
Beth Hochman, 10837 Childs Street Silver Spring, MD 20901	Edward Blankstein, Inc
Arthur Hoffer, 14 Durham Drive Dix Hills, NY 11746	Municipal Bond Investors Committee
Thomas F. Hoffman, 1701 Pennsylvania Avenue, NW, #900 Washington, DC 20006	E. I. du Pont de Nemours & Co
Elizabeth Hogan, 1133 19th St., NW Washington, DC 20036	MCI Communications Corp
Hogan & Hartson, 555 13th St., NW Washington, DC 20004-1109	Ontario Ministry of Industry, Trade & Technology
Do	Shelton Savings & Loan Assn, Inc
Holland & Hart, 1875 Eye St., NW, #1200 Washington, DC 20006	Citmoco Services, Inc
Karen A. Hoover, 430 M St., SW, Apt. N-409 Washington, DC 20024	American Maritime Officers Service
Hudson Bayless Associates, 438 New Jersey Ave., SE Washington, DC 20003	Perot Group
Do	Salomon Brothers, Inc
Do	Trammell Crow Co
Ken Hughes, 330 Pennsylvania Ave., SE Washington, DC 20003	Sierra Club
Jeffrey L. Hunter, 4218 Indianola Avenue Columbus, OH 43214	Logan College of Chiropractic
Gary Hymel, 901 31st Street, NW Washington, DC 20007	Hill & Knowlton, Inc (For:Colonial Williamsburg)
Do	Hill & Knowlton, Inc (For:Fleischmann's Yeast)
Do	Hill & Knowlton, Inc (For:MediVision, Inc)
Do	Hill & Knowlton, Inc (For:Panhandle Eastern Corp)
Do	Hill & Knowlton, Inc (For:Tambrands)
Kristine Jacobs, 1613 Harvard St., NW, #513 Washington, DC 20009	National Save the Family Farm Coalition
Jeford International, Inc, 1600 Wilson Blvd., #713 Arlington, VA 22209	Garber International Associates, Inc
Do	ISC Defense & Space Group
Do	John Deere Technologies International, Inc
Do	LTV Defense & Space Co
Do	Newport News Shipbuilding & Drydock Co
Do	Pratt & Whitney Group
Do	Raytheon Corp
Jellinek Schwartz Connolly & Freshman, Inc, 1350 New York Avenue, NW, #400 Washington, DC 20005	Colorado School of Mines Foundation
Bruce Johnson, Law Offices of Bruce Johnson 1718 Connecticut Ave., NW, #410 Washington, DC 20009	Kellner DiLeo & Co
John W. Johnson, P.O. Box 35106 Minneapolis, MN 55435	American Collectors Assn
Nancie S. Johnson, 1701 Pennsylvania Avenue, NW, #900 Washington, DC 20006	E. I. du Pont de Nemours & Co
Jones Day Reavis & Pogue, 655 15th St., NW, 6th Floor Washington, DC 20005-5701	Ameritrust Co, Nat'l Assn
Do	Bank Street Consultanting Group
Do	Geostar Corp
Do	Heron International, Ltd
Do	McKinley Federal Savings & Loan Assn
Do	National Assn of Independent Insurers
Do	North Wilkesboro Federal Savings & Loan Assn
Do	Peoples Bank & Trust Co
Do	USAA Federal Savings Bank
Patricia Jordan, 1730 Rhode Island Ave., NW, #400 Washington, DC 20036	City of Santa Ana
John J. Joyce, 25 Louisiana Ave., NW Washington, DC 20001	International Brotherhood of Teamsters
Robert E. Juliano Associates, 2555 M Street, NW, #303 Washington, DC 20037	ADAPSO
Do	Stock Information Group
JK Research Associates, Inc, 3408 Bonnie Road Austin, TX 78703	Seabed Assn
Martin B. Kanner, 2301 M St., NW Washington, DC 20037	American Public Power Assn
Robert C. Kaufmann, 1250 Connecticut Ave., NW Washington, DC 20036	American Paper Institute, Inc
Kaye Scholer Fierman Hays & Handler, 1575 Eye Street, NW, #1150 Washington, DC 20005	Alfredo J. Estrada
Robert J. Keefe, 444 N. Capitol Street, #711 Washington, DC 20001	Keefe Company (For:Yearbook Printers Assn)
Keene Monk & Associates, Inc, 919 Prince Street Alexandria, VA 22314	Limited, Inc
Brien E. Kehoe, Hill Betts & Nash 1818 N Street, NW, #700 Washington, DC 20036	American President Lines
Kelley Drye & Warren, 1330 Connecticut Ave., NW Washington, DC 20036	Burlington Industries, Inc
Do	Kingdom of Tonga
Do	Tokyo Electric Co., Ltd
Joseph T. Kelliher, 410 First St., SE Washington, DC 20003	American Nuclear Energy Council
John E. Kelly, 3408 Bonnie Road Austin, TX 78703	JK Research Associates, Inc (For:Seabed Assn)
Richard B. Kelly, Kelly Eckhaus & Mohen 230 Park Avenue New York, NY 10169	Resource Technical Consultant (USA), Inc
Jackson Kemper Jr., 1215 Jefferson Davis Hwy., #1004 Arlington, VA 22202	Diagnostic/Retrieval Systems, Inc
Jonathan Kempner, 1250 Connecticut Ave., NW, #620 Washington, DC 20036	National Multi Housing Council
James J. Kennedy Jr., 400 First St., NW, #804 Washington, DC 20001	Railway Labor Executives' Assn
Susan Akers Kernus, 1330 Connecticut Ave., NW, #300 Washington, DC 20036	Synthetic Organic Chemical Manufacturers Assn, Inc
Conrad Peter Kessler, 815 15th St., NW, #711 Washington, DC 20005	Americans for Democratic Action
Thomas J. Kilcline, 201 North Washington Street Alexandria, VA 22314	Retired Officers Assn

Organization or Individual Filing	Employer/Client
Thomas N. Kindness, 1001 Prince Street Alexandria, VA 22314	Recording Industry Assn of America, Inc
Lewis O. King, P.O. Box 10045 Austin, TX 78766	National Guard Assn of Texas
King & Spalding, 1730 Pennsylvania Ave., NW, #1200 Washington, DC 20006	Emory University
Do	National Pharmaceutical Alliance
Kirkpatrick & Lockhart, 1800 M St., NW, S. Lobby-9th Fl. Washington, DC 20036	Color Systems Technology, Inc
Lisa K. Kjaer, 2001 Eye St., NW Washington, DC 20006	Electronic Industries Assn
Kogovsek & Associates, Inc, 3600 S. Yosemite, #830 Denver, CO 80237	Dolores Water Conservancy District
Do	Rio Grande Water Conservation District
Do	Rocky Mountain Health Care Corp
Kominers Fort & Schlefer, 1401 New York Ave., NW, 12th Fl. Washington, DC 20005	Avia Footwear, Inc
Kenneth B. Kramer, 111 South Tejon, #700 Colorado Springs, CO 80903	Aries Properties Inc
Yong T. Kuem, 2112 S. Buchanan St. Arlington, VA 22206	K.S. Line West America
Kurrus & Kirchner, P.C., 1055 Thomas Jefferson St., NW, #418 Washington, DC 20007	Seafarers International Union
Kutak Rock & Campbell, 1101 Connecticut Aven., NW, #1000 Washington, DC 20036	State of New York Mortgage Agency
John R. Kyte, 201 Massachusetts Ave., NE Washington, DC 20002	BMc Strategies, Inc
Virginia E. Lancaster, 1730 K St., NW, #703 Washington, DC 20006	American Business Conference
Robert D. Landis, 777 14th St., NW Washington, DC 20005	National Assn of Realtors
Landis Cohen Rauh & Zelenko, 1019 19th St., NW, #500 Washington, DC 20036	National Council for Japanese American Redress
Lane & Edson, P.C., 2300 M Street, NW Washington, DC 20036	Pyropower Corp
Lane Powell Moss & Miller, 3800 Ranier Bank Tower Seattle, WA 98101-2647	Afognak Joint Venture
Lash Group, 555 13th St., NW Washington, DC 20004	American Psychological Assn
Do	Caremark/Home Health Care of America
Do	University of Pennsylvania
Charles B. Lavin Jr., 180 South Washington Street Falls Church, VA 22046	National Burglar & Fire Alarm Assn, Inc, et al.
Leboeuf Lamb Leiby & Macrae, 1333 New Hampshire Ave., NW, #1100 Washington, DC 20036	Maritrans Operating Partners, L.P.
Carlton Lee, 1012 14th St., NW, 6th Fl. Washington, DC 20013	Human Rights Campaign Fund
C. Hoke Leggett, 1875 I St., NW, #800 Washington, DC 20006	Tobacco Institute
Matthew R. Lehrman, 777 14th St., NW Washington, DC 20005	National Assn of Realtors
Leibowitz & Spencer, 3050 Biscayne Blvd., #501 Miami, FL 33137	Curt Gowdy Broadcasting, et al.
Leighton & Regnery, 1667 K Street, NW Washington, DC 20006	Visiting Nurse Assn of America
Lesher and Associates, Inc, 517 C Street, NE Washington, DC 20002	
Lillick McHose & Charles, 1800 M Street, NW, #250N Washington, DC 20036	American High Seas Fisheries Assn
Roger Lindberg, 901 31st St., NW Washington, DC 20007	Hill & Knowlton, Inc (For:Colonial Williamsburg)
Do	Hill & Knowlton, Inc (For:Tambrands)
Lipsen Hamberger Whitten & Hamberger, 1725 Desales St., NW, #800 Washington, DC 20036	Enserch Corporation
Do	Gray Communications Systems, Inc
Do	Seatrain Tankers Corp
Loomis Owen Fellman & Howe, 2020 K St., NW, #800 Washington, DC 20006	First Co
Gary S. Lucenti, Dow Lohnes & Albertson 1255 Twenty Third St., NW Washington, DC 20037	Algoma Steel Corp, Ltd
William T. Lundeen, 127 Hicks Street Brooklyn, NY 11201	Morality in Media, Inc
Ann P. Lunson, Eastman Kodak Company 1919 Pennsylvania Ave., NW Washington, DC 20006	Eastman Chemicals Division
Margaret Lyons, 1747 Pennsylvania Ave., NW, #700 Washington, DC 20006	Ciba-Geigy Corp
Cliff Madison Government Relations, Inc, P.O. Box 7006 Northridge, CA 91327-7006	American Assn of Airport Executives
Do	Quantas Airways, Ltd
Do	Ventura Port District
John Francis Mahoney, 536 Seventh St., SE Washington, DC 20003	Mahoney & Associates (For:American Medical Assn)
Manatt Phelps Rothenberg & Evans, 1200 New Hampshire Ave., NW, #200 Washington, DC 20036	Fairfield Communities, Inc
Manchester Associates, Ltd, 1155 15th Street, NW, #811 Washington, DC 20005	Nissan Motor Manufacturing Corp, USA
Matthew J. Marks, 1120 20th St., NW, #650 Washington, DC 20036	UETA, Inc
Howard Marlowe, 1667 K St., NW, #660 Washington, DC 20006	Marlowe & Company (For:EXPEX, Inc)
Do	Marlowe & Company (For:Lazare Kaplan International, Inc)
Marlowe & Company, 1667 K Street, NW, #660 Washington, DC 20006	EXPEX, Inc
Do	Lazare Kaplan International, Inc
Valsin A. Marmillion, Hunt Marmillion & Associates 10880 Wilshire Blvd., #2010 Los Angeles, CA 90024	American Bankers Assn
Donald F. Massey, 901 31st Street, NW Washington, DC 20007	Hill & Knowlton, Inc (For:Colonial Williamsburg)
Do	Hill & Knowlton, Inc (For:Commonwealth Financial Group)
Do	Hill & Knowlton, Inc (For:Fleischmann's Yeast)
Do	Hill & Knowlton, Inc (For:Kelly Services)
Do	Hill & Knowlton, Inc (For:MediVision, Inc)
Do	Hill & Knowlton, Inc (For:Palm Oil Registration & Licensing Authority)
Do	Hill & Knowlton, Inc (For:Panhandle Eastern Corp)
Do	Hill & Knowlton, Inc (For:Societe Generale through SGS North America, Inc)
Do	Hill & Knowlton, Inc (For:Tambrands)
Noel D. Matchett, 1001 Spring St., #123 Silver Spring, MD 20910	Information Security, Inc
Mary Helen Mathis, 444 North Capitol St., #711 Washington, DC 20001	Keefe Company (For:Yearbook Printers Assn)
Daniel J. Mattoon, 1133 21st St., NW, #900 Washington, DC 20036	BellSouth Corp
Mike Matz, 330 Pennsylvania Ave., SE Washington, DC 20003	Sierra Club
Mayer Brown & Platt, 2000 Pennsylvania Avenue, NW, #6500 Washington, DC 20006	FMC Corporation
Wiley Mayne, P.O. Box 1557 Sioux City, IA 51102	Monona County Land Assn
John H. McAllister, Dow Lohnes & Albertson 1255 Twenty Third St., NW Washington, DC 20037	Dofasco, Inc
McAuliffe Kelly Furlong Aldrich & Siemens, 555 New Jersey Ave., NW, #880 Washington, DC 20001	American Health Care Assn
Do	Human Rights Campaign Fund
Do	Joseph E. Seagram & Sons, Inc
Cliff G. McCreedy, 8100 Oak Street Dunn Loring, VA 22027	National Pest Control Assn
Patricia McDonald, 1301 Pennsylvania Ave., NW, #300 Washington, DC 20004	National Cattlemen's Assn
Stanley J. McFarland, 11718 Devilwood Drive Potomac, MD 20854	National Assn of Federal Education Program Administrators
Ann McFarren, 729 8th St., SE, #200 Washington, DC 20003	FARO AIDS Action Council, Inc
Gale W. McGee, 901 31st St., NW Washington, DC 20007	Hill & Knowlton, Inc (For:Republic of Turkey)
Mary Lee McGuire, 2232 N. Illinois Street Arlington, VA 22205	Cook Inlet Regional, Inc
Francis X. McLaughlin, 1730 K St., NW, #1100 Washington, DC 20006	National Treasury Employees Union
McNair Group, Inc, 1155 15th St., NW, S-400 Washington, DC 20005	
McNair Law Firm, P.A., 1155 15th Street, NW, #400 Washington, DC 20005	American Financial Services Assn
Do	Citmoco Services, Inc
Do	Michelin Tire Company
Do	New York State Bankers Assn
John P. McNerney, 1957 E Street, NW Washington, DC 20006	Associated General Contractors of America
Martha McSteen, 1300 19th St., NW, #501 Washington, DC 20036	National Comm to Preserve Social Security
Carol Melton, 1133 21st St., NW, #400 Washington, DC 20036	Warner Communications, Inc
Howard H. Menaker, 600 Maryland Ave., SW, #400 Washington, DC 20024	National Assn of Truck Stop Operators, Inc
Donald H. Mensch, 2200 Mill Road Alexandria, VA 22314	American Movers Conference
J. Gregory Mermelstein, 4854 MacArther Blvd., #303 Washington, DC 20007	Edward Blankstein, Inc
Howard M. Messner, 1015 15th St., NW, #802 Washington, DC 20005	American Consulting Engineers Council
Joyce E. Metcalf, 116 6th St., NE, #101 Washington, DC 20002	Edward Blankstein, Inc
Metcalf & Eddy, Inc, 3901 National Drive, #200 Burtonsville, MD 20866	
Larry D. Meyers, 412 First Street, SE Washington, DC 20003	International Assn of Refrigerated Warehouses
Do	National Coalition to Defeat H.R. 28l/S. 492
Do	Texas A&M University
John L. Mica, 201 Massachusetts Ave., NE, #C-9 Washington, DC 20002	Harris RF Communications
Do	Harris/3-M Document Products, Inc
Do	Lantana Boatyard, Inc
Kyle Michel, 340 8th St., NE Washington, DC 20002	National Save the Family Farm Coalition
Harris Miller & Associates, 1655 N. Fort Myer Drive #700 Arlington, VA 22209	National Unity Fund
Miller & Chevalier, Chtd, Metropolitan Square 655 15th Street, NW Washington, DC 20005	American Nuclear Energy Council
Do	Electronic Industries Assn
Miller Cassidy Larroca & Lewin, 2555 M St., NW, #500 Washington, DC 20037	Independent Insurance Agents of America, Inc, et al.
Mintz Levin Cohn Ferris Glovsky & Popeo, P.C., 1825 I Street, NW, #1025 Washington, DC 20006	Siemens Capital Corp
John Moehring, 2200 Mill Road Alexandria, VA 22314	American Movers Conference
John V. Moller, 1155 15th Street, NW, #1010 Washington, DC 20005	Manchester Associates, Ltd (For:Nissan Motor Manufacturing Corp, USA)
Susan Monteverde, 1730 Rhode Island Ave., NW Washington, DC 20036	National Solid Waste Management Assn
David H. Montplaisir, Patton Boggs & Blow 2550 M St., NW Washington, DC 20037	Association of Trial Lawyers of America
Mark E. Moran, 1001 Prince Street Alexandria, VA 22314	Kindness & Moran (For:Republic of Mexico)
Fred Morgan, 515 Fifth Avenue Des Moines, IA 50308	Crop Insurance Research Bureau
Morgan Lewis & Bockius, Suite 800 North 1800 M St., NW Washington, DC 20036	Coalition Against Takeover Abuse

Organization or Individual Filing	Employer/Client
Mortgage Bankers Assn of America, 1125 15th St., NW Washington, DC 20005	
George R. Moses, 2001 Eye St., NW Washington, DC 20006	Electronic Industries Assn
L. A. Motley and Company, 1800 K Street, NW, #1000 Washington, DC 20006	Thai Food Processors Assn
Mudge Rose Guthrie Alexander & Ferdon, 2121 K Street, NW, #700 Washington, DC 20037	Toshiba Corp
Muldoon Murphy & Faucette, 5101 Wisconsin Ave., NW, #508 Washington, DC 20016	First Federal Savings & Loan Assn of Rochester
Do	Washington Mutual Savings Bank
William F. Mullin, 1615 L St., NW, #1210 Washington, DC 20036	Metropolitan Life Insurance Co
James P. Murphy, 485 Lexington Ave., 25th Floor New York, NY 10017	New York State Bankers Assn
Richard E. Murphy, 414 West Braddock Rd. Alexandria, VA 22302	Generic Pharmaceutical Industry Assn
Daniel H. Murray, 1133 21st St., NW, #900 Washington, DC 20036	BellSouth Corp
Murray & Scheer, 2715 M Street, NW, #300 Washington, DC 20007	Lightning Location & Protection, Inc
Do	PHP Healthcare Corp
Gary M. Nateman, 1750 K St., NW, #500 Washington, DC 20006	Beer Institute
National Assn for the Advancement of Justice, 5210 Banks Place, NE Washington, DC 20019	
National Assn of Auto Fleet Buyers, Inc, 66 Bay 19th Street Brooklyn, NY 11214	
National Assn of Federal Employees, 4101 NW 122nd, Suite D OKlahoma City, OK 73120	
National Save the Family Farm Coalition, 80 F St., NW, #714 Washington, DC 20001	
Noill Mullenholz & Shaw, 900 17th St., NW, #400 Washington, DC 20006	TACA International Airlines
Paul Gunnar Nelson, Hamilton & Hamilton 734 15th St., NW, 11th Floor Washington, DC 20005	Weyerhaeuser Company
Loretta Neumann, Foresight Science & Technology, Inc 2000 P St., NW, #305 Washington, DC 20036	Society for American Archeology
Cynthia E. Newman, 400 North Washington Street Alexandria, VA 22314	Professional Insurance Agents
E. Bruce Nicholson, 1800 M St., NW Washington, DC 20036	American Bar Assn
David F. Norcross, 1010 Kings Highway So., #2-C Cherry Hill, NJ 08034	National Check Cashers Coalition
Graham T. Northup, 2333 Highland Avenue Falls Church, VA 22046	Commerzbank
Nossaman Guthner Knox & Elliott, 1140 19th St., NW, #600 Washington, DC 20036	MEBA District II, et al.
Terrence M. O'Connell II, 444 N. Capitol Street, NW, #711 Washington, DC 20001	Keefe Company (For:Yearbook Printers Assn)
Patrick C. O'Connor, Kent & O'connor, Inc 1211 Connecticut Avenue, NW Washington, DC 20036	Movers' Round Table
O'Connor & Hannan, 1919 Pennsylvania Ave., NW, #800 Washington, DC 20006	Arch Communications
Do	China External Trade Development Council
Do	Minnesota Mutual Life Insurance Co
Do	Press Broadcasting Co
Do	Quantum Computer Services, Inc
Do	State of West Virginia
Do	United Illuminating Co
O'Melveny & Myers, 555 13th St., NW Washington, DC 20004	American Institute for Imported Steel, Inc
Do	Southwestern Bell Corp
O'Neill and Athy, P.C., 1310 19th Street, NW Washington, DC 20036	National Assn of Jai-Alai Frontons, Inc
Richard C. Olson, 6862 Elm Street, #510 McLean, VA 22101	Citibank, N.A.
Omega International, Inc, 11 Carriage House Circle Alexandria, VA 22304	Colorado Springs Chamber of Commerce
Thomas J. Owens, P.O. Box 12266 Seattle, WA 98102	Everett Mutual Savings Bank, et al.
Pagonis & Donnelly Group, 1620 I Street, NW, #603 Washington, DC 20006	City of Pompano Beach
Benjamin L. Palumbo, 1629 K St., NW Washington, DC 20006	Atlantic Richfield Co
Kenneth O. Parris, 2638 Rivers Road Atlanta, GA 30305	Parris Group (For:Redi-Med, Inc)
Patton Boggs & Blow, 2550 M St., NW, #800 Washington, DC 20037	Ad Hoc Group for 8(a) Reform
Do	BATUS, Inc
Do	May Department Stores Co
Paul Hastings Janofsky & Walker, 1050 Connecticut Avenue, NW, #1200 Washington, DC 20036	Shell Oil Co
Paul Weiss Rifkind Wharton & Garrison, 1615 L Street, NW, #1300 Washington, DC 20036	McDonnell Douglas Corp
Perkins Coie, 1110 Vermont Ave., NW, #1200 Washington, DC 20005	Cook Inlet Region, Inc
Kenneth W. Peterson, Kansas Petroleum Council 1414 Merchants Bank Tower Topeka, KS 66612	American Petroleum Institute
Sheryl L. Peterson, 1101 14th St, NW Washington, DC 20005	American Financial Services Assn
Paul Joseph Pew, 345 West 200 South Provo, UT 84601	
William W. Phelps, P.O. Box 2159 Dallas, TX 75221	American Petrofina, Inc
Physicians for Social Responsibility, 1601 Connecticut Avenue, NW, #800 Washington, DC 20009	
Suellen Pirages, 1730 Rhode Island Ave., NW Washington, DC 20036	National Solid Waste Management Assn
Pirtle Morisset Schlosser & Ayer, 1500 Seattle Trust Tower 1000 Second Avenue Seattle, WA 98104	Ketchikan Indian Corp
Powell Goldstein Frazer & Murphy, 1001 Pennsylvania Ave., NW, 6th Floor Washington, DC 20004	Hitachi Sales Corp of America
Do	Societe Generale de Surveillance, S.A.
Lowell Press, 901 31st St., NW Washington, DC 20007	Hill & Knowlton, Inc (For:Fleishmann)
Preston Thorgrimson Ellis & Holman, 1735 New York Avenue, NW, #500 Washington, DC 20006	Seaboard Pacific Co
Do	Waste Management, Inc
Sheila M. Prindiville, 1730 Rhode Island Ave., NW, #1000 Washington, DC 20036	National Solid Waste Management Assn
George W. Pritts Jr., 1745 Jefferson Davis Hwy., #1200 Arlington, VA 22202	Rockwell International Corp
Gerald R. Prout, 1627 K St., NW, #500 Washington, DC 20006	FMC Corporation
Theresa Pugh, 1331 Pennsylvania Ave., NW, #1500-N Washington, DC 20004-1703	National Assn of Manufacturers
Mark J. Raabe, 1615 L St., NW, #1320 Washington, DC 20036	Merck & Co, Inc
Thomas F. Railsback, Nash Railsback & Plesser 1133 15th St., NW, #1100 Washington, DC 20005	Merck & Co, Inc
Do	State of Illinois
Elizabeth L. Raisbeck, 801 Pennsylvania Ave., SE, #301 Washington, DC 20003	National Audubon Society
Robert A. Rapoza Associates, 2001 S Street, NW, #500 Washington, DC 20009	Policy & Management Associates
Craig Raupe, Campbell-Raupe, Inc 1015 15th Street, NW, #907 Washington, DC 20005	Air Transport Assn of America
Do	Securities Industry Assn
Timothy M. Reynolds, 1001 22nd St., NW Washington, DC 20037	Standard Oil Co (Ohio)
Frederick W. Rhodes, 1828 L Street, NW Washington, DC 20036	Loral Systems Group
Kevin C. Richardson, 2001 Eye St., NW Washington, DC 20006	Electronic Industries Assn
Riddell Holroyd & Butler, 1331 Pennsylvania Avenue, NW, #1215 Washington, DC 20004	First Chicago Corp
David Ringler, One Post Street, #3275 San Fransisco, CA 94104	McKesson Corp
Ivette E. Rivera, 412 First Street, SE Washington, DC 20003	National Automobile Dealers Assn
Rivkin Radler Dunne & Bayh, 1575 I Street, NW, #1025 Washington, DC 20005	American Bakers Assn
Richard R. Roberts, 304 Pennsylvania Ave., SE, #300 Washington, DC 20003	South Sea Charter Service
William A. Roberts, 444 North Capitol Street, #711 Washington, DC 20001	Keefe Company (For:Coalition to Extend Safe Harbor Leasing for Mass Transit)
Do	Keefe Company (For:Yearbook Printers Assn)
Robert N. Robertson, Dow Lohnes & Albertson 1255 Twenty Third St., NW Washington, DC 20037	Algoma Steel Corp, Ltd
Rogers & Wells, 1737 H Street, NW Washington, DC 20006	Compagnie Financiere de Paribas
Do	Manufacturers Life Insurance Co, Inc
Do	National Assn of Beverage Importers
Do	Walker Telecommunications Corp
Do	Wine & Spirits Wholesalers of America, Inc
Joseph D. Romer, 304 N. Virginia Avenue Falls Church, VA 22046	Brown Bridgman & Company
Francis P. Rooney, 888 Sixteenth St., NW Washington, DC 20006	Biscuit & Cracker Mfgrs Assn
Ropes & Gray, 1001 22nd St., NW, #700 Washington, DC 20037	Digital Equipment Corp
Rose Communications, Inc, 1660 L St., NW, #809 Washington, DC 20036	Johnson Matthey Inc
Richard H. Rosenzweig, 1025 Connecticut Ave., NW, #700 Washington, DC 20036	Miner Fraser & Gabriel Public Affairs, Inc (For:STRATCO, Inc)
Ross & Hardies, 1090 Vermont Ave., NW, #540 Washington, DC 20005	Intertek Services International, Ltd
Rowan & Blewitt, Inc, 1000 Vermont Ave., NW Washington, DC 20005	Velsicol Chemical Corp
Amy M. Rowen, Independence Towers #700 5755 Granger Road Independence, OH 44131	OHIO, Inc
James S. Rubin, Kleinfeld Kaplan & Becker 1140 19th Street, NW Washington, DC 20036	Pacific Western Distributing Corp
William Russell & Associates, Inc, 1775 Pennsylvania Ave., NW, #450 Washington, DC 20006	Columbia Communications Corp
Do	Pacific Telecom, Inc
Saginaw County Chamber of Commerce, 901 S. Washington Avenue Saginaw, MI 48601	
James C. Sanders, 1750 K St., NW, #500 Washington, DC 20006	Beer Institute
Eric Sapirstein, ENS Resources, Inc 2712 Wisconsin Avenue, NW, #801 Washington, DC 20007	City of Bakersfield
Do	Cure Corp
Do	Jellinek Schwartz Connolly & Freshman, Inc
Do	Las Virgenes Municipal Water District
Do	Victor Valley Wastewater Reclamation Authority
Do	Western Research Institute
Betty O. Sapp, 1601 Duke Street Alexandria, VA 22314	Society of American Florists
Schagrin Associates, 1112 16th St., NW, #1000 Washington, DC 20036	Committee on Pipe & Tube Imports
Schmeltzer Aptaker & Sheppard, 1800 Massachusetts Ave., NW Washington, DC 20036	American Honda Motor Co, Inc
Carl J. Schramm, 1025 Connecticut Ave., NW Washington, DC 20036	Health Insurance Assn of America, Inc
Amy J. Schultz, 317 Third St., SE, #22 Washington, DC 20003	Robert A. Rapoza Associates (For:National Rural Health Assn)
Alan R. Schwartz, Nash Railsback & Plesser 1133 15th Street, NW, #1100 Washington, DC 20005	Information Industry Assn

Organization or Individual Filing	Employer/Client
Seabed Assn, 3408 Bonnie Road Austin, TX 78703	
Charles M. Seeger III, 2000 Pennsylvania Ave., NW, #6200 Washington, DC 20006	Chicago Mercantile Exchange
J. Peter Segall, 1025 Connecticut Ave., NW, #700 Washington, DC 20036	Miner Fraser & Gabriel Public Affairs, Inc (For:STRATCO, Inc)
M. Mark Seklecki, 50 F Street, NW Washington, DC 20001	American Hospital Assn
Peter M. Seremet, 16 Munson Road Farmington, CT 06034-0338	Heublein, Inc
Seyfarth Shaw Fairweather & Geraldson, 1111 19th St., NW, #500 Washington, DC 20036	Bear Stearns & Co., Inc
Do	Technology for Communications International
Ali A. Shami, 6863 Calhoun Dearborn, MI 48126	United Lebanese Lobby of America
Susan Shaw, 1533 New Hampshire Ave., NW Washington, DC 20036	National Assn of Retired Federal Employees
Cheryl Y. Shelton, 236 Massachusetts Ave., NE, #409 Washington, DC 20002	Rainbow Lobby
William Jeffry Shipp, 50 F St., NW, #900 Washington, DC 20001	Farm Credit Council
William A. Signer, 444 North Capitol St., NW, #711 Washington, DC 20001	Keefe Company (For:Coalition to Extend Safe Harbor Leasing for Mass Transit)
Do	Keefe Company (For:CIC Enterprises)
Do	Keefe Company (For:Pierce Kennedy & Hearth)
Do	Keefe Company (For:RJR Nabisco, Inc)
Do	Keefe Company (For:Vrain)
Do	Keefe Company (For:Yearbook Printers Assn)
Steve Silver, Robertson Monagle & Eastaugh 1050 Thomas Jefferson St., NW, 6th Fl. Washington, DC 20007	ARCO Marine Co, Inc
Do	General Communications, Inc
Jonathan Slade, 444 North Capitol St., #711 Washington, DC 20001	Keefe Company (For:UNITA)
Do	Keefe Company (For:Yearbook Printers Assn)
Debbi L. Smith, 6760 Springing Step Columbia, MD 21044	Hydrogen Research Center
Grant Smith, 901 31st St., NW Washington, DC 20007	Hill & Knowlton, Inc (For:Fleischmann's Yeast)
Herbert Smith, 901 31st Street, NW Washington, DC 20007	Hill & Knowlton, Inc (For:Angus Defense Systems, Inc)
Do	Hill & Knowlton, Inc (For:Euromissile)
Kern Smith, 400 First St., NW, #710 Washington, DC 20001	
Stephen Smith, 1012 14th St., NW, 6th Fl. Washington, DC 20005	Human Rights Campaign Fund
Smith Dawson & Andrews, Inc, 1000 Connecticut Ave., NW, #304 Washington, DC 20036	National Assn of Foreign Trade Zones
Do	S & F Warehouses, Inc
David F. Snyder, 1025 Connecticut Ave., NW, #415 Washington, DC	American Insurance Assn
Gene Snyder, 140 Chenoweth Lane Louisville, KY 40207	Home Supply Company, Inc
Walter Larke Sorg, 1625 Eye St., NW, #204 Washington, DC 20006	American Assn of Small Dredging & Marine Construction Cos
Do	Atkinson Dredging Co
Do	Cottrell Engineering Corp
Sparber Shevin Shapo & Heilbronner, P.A., 1455 Pennsylvania Ave., NW, #1270 Washington, DC 20004	Emma L. Bixby Hospital
Do	City of Bridgeport
Do	Dow Corning USA
John D. Sparks, 1025 Connecticut Ave., NW, #700 Washington, DC 20036	Miner Fraser & Gabriel Public Affairs, Inc (For:STRATCO, Inc)
Spiegel & McDiarmid, 1350 New York Ave., NW Washington, DC 20005-4798	American Assn of Airport Executives
Do	Connecticut Municipal Electric Energy Cooperative
Do	Minneapolis/St. Paul Metropolitan Airport Commission
Do	State of Florida Department of Transportation
William M. Spodak, 1801 K St., NW Washington, DC 20006	Westinghouse Electric Corp
Gillian M. Spooner, Touche Ross & Co. 1900 M Street, NW Washington, DC 20036	Robert Rogers
David P. Stang, P.C., 1629 K St., NW, #601 Washington, DC 20006	Texas Ophthalmological Assn
Jane Sutter Starke, 1818 N St., NW Washington, DC 20036	Eckert Seamans Cherin & Mellott (For:Corning Glass Works)
H. Gerald Staub, 1745 Jefferson Davis Highway, #1000 Arlington, VA 22202	General Dynamics
Randolph J. Stayin, 1620 Eye St., NW, #800 Washington, DC 20006	Taft Stettinius & Hollister (For:National Candle Assn)
Steptoe & Johnson, 1330 Connecticut Ave., NW Washington, DC 20036	Canadian Sugar Institute
Do	Harley-Davidson Motor Co, Inc
Eugene L. Stewart, 1001 Connecticut Ave., NW, #910 Washington, DC 20036	Timken Co
Dena G. Stoner, 1800 Massachusetts Ave., NW Washington, DC 20036	National Rural Electric Cooperative Assn
Marcy B. Stras, 1620 Eye St., NW, #800 Washington, DC 20006	Taft Stettinius & Hollister (For:National Candle Assn)
Straub Brewery, Inc, 303 Sorg Street St. Mary, PA 15857	
Dorothy E. Stucke, 729 15th St., NW Washington, DC 20005	Associated Builders & Contractors, Inc
Arthur E. Sullivan Jr., 1215 Jefferson Davis Hwy., #1004 Arlington, VA 22202	Diagnostic/Retrieval Systems, Inc
Sutherland Asbill & Brennan, 1275 Pennsylvania Ave., NW Washington, DC 20004	American Insurance Assn
William R. Sweeney Jr., 536 7th Street, SE Washington, DC 20003	China External Trade Development Council
Swidler & Berlin, Chtd, 3000 K Street, NW #300 Washington, DC 20007	D.C. Hospital Energy Cooperative
Anthony Syrett, Crystal Gateway 3, #900 1215 Jefferson Davis Highway Arlington, VA 22202	Marconi Electronics, Inc, et al.
Ronald P. Szabat, 1101 Vermont Ave., NW Washington, DC 20005	American Medical Assn
William E. Tanner, 10803 Norman Ave. Fairfax, VA 22030	American Maritime Officers Service
Templeton & Company, 1000 Potomac St., NW Washington, DC 20007	Space Industries, Inc
Thacher Proffitt & Wood, 1140 Connecticut Ave., NW, #512 Washington, DC 20036	Connecticut Savings Bank Life Insurance Co
J. David Thomas, 1919 Pennsylvania Ave., NW, #705 Washington, DC 20006	Eastman Chemical Division
Marilyn A. Berry Thompson, 444 North Capitol Street, #711 Washington, DC 20001	Keefe Company (For:Yearbook Printers Assn)
Thompson Mann & Hutson, 1730 Pennsylvania Ave., NW, #1250 Washington, DC 20006	Bechtel Group, Inc
Do	Combustion Engineering, Inc
Do	M.W. Kellogg Company
Do	Morrison-Knudsen Co, Inc
Margaret A. Thomson, 655 15th St., NW, #300 Washington, DC 20005	City of Moorhead
Tighe Curhan & Piliero, 1750 Pennsylvania Avenue, NW Washington, DC 20006	Latin American Manufacturers Assn (LAMA)
Tripp Scott Conklin & Smith, 2000 E. Oakland Park Blvd Fort Lauderdale, FL 33306	Alamo Rent-A-Car
Marvin C. Umholtz, 805 15th St., NW, #300 Washington, DC 20005	Credit Union National Assn, Inc
Van Dyk Associates, Inc, 2550 M St., NW, #300 Washington, DC 20037	U.S.F.&G. Corp
Van Ness Feldman Sutcliffe & Curtis, P.C., 1050 Thomas Jefferson St., NW, 7th Floor Washington, DC 20007	Ad Hoc Coalition for Health Security
Do	Bumble Bee Seafoods, Inc
Do	Collier Company
Kathleen M. Vanston, 888 Sixteenth St., NW Washington, DC 20006	Biscuit & Cracker Mfgrs Assn
Verner Liipfert Bernhard Mcpherson & Hand, Chtd, 1660 L Street, NW, #1000 Washington, DC 20036	Atlantic Richfield Co
Vinson & Elkins, 1455 Pennsylvania Ave., NW, #800 Washington, DC 20004-1007	Enserch Corporation
Vorys Sater Seymour & Pease, 1828 L Street, NW, #1111 Washington, DC 20036	Cardinal Industries, Inc
Do	Crisis Comm for Foreign Affairs Resources
Do	Distrigas Corp
Do	Hanson Industries
Do	PubCo Corp
Charls E. Walker Associates, Inc, 1730 Pennsylvania Ave., NW Washington, DC 20006	Clabir Corp
Do	Coalition to Preserve Group Workers' Compensation Funds
Do	MK-Ferguson Company
Do	Oppenheimer & Co, Inc
Do	Texas Ozone Task Force
R. Duffy Wall & Associates, Inc, 1317 F Street, NW, #400 Washington, DC 20004	Bell Atlantic Corp
Do	California Federal Savings & Loan Assn
William C. Walsh, 215 Pennsylvania Ave., SE Washington, DC 20003	U.S. Public Interest Research Group
Ann D. Warner, 1228 17th St., NW Washington, DC 20036	Air Conditioning Contractors of America
Lucy R. Watkins, 236 Massachusetts Ave., NE, #504 Washington, DC 20002	Center for Law and Education, Inc
James M. Webb, 801 North 11th Street St., Louis, MO 63101	Sverdrup Corp
Webster Chamberlain Bean & McKevitt, 1747 Pennsylvania Ave., NW, #1000 Washington, DC 20006	Fruehauf Corporation
Stephen Wehrly, Route 4, Box 457 Vashon, WA 98070	Miller Brewing Co
Do	Services Group of America
Do	United Pacific Insurance Co
Weil Gotshal & Manges, 1615 L Street, NW, #700 Washington, DC 20036	Chevron USA, Inc
Susan Weiss, 1424 16th St., NW, #604 Washington, DC 20036	Consumer Federation of America
Wellford Wegman & Hoff, 1775 Pennsylvania Ave., NW, #450 Washington, DC 20006	National Independent Energy Producer's Hydro Tax Reform Comm
Philip A. Wenk, Independence Tower #760 5755 Granger Road Independence, OH 44131	OHIO, Inc
John C. White, 1899 L Street, NW, #500 Washington, DC 20036	Tobacco Institute
Harry G. Wiles II, 1023 15th St., NW, 4th Fl Washington, DC 20005	Wine & Spirits Wholesalers of America, Inc
Wiley Rein & Fielding, 1776 K St, NW, 12th Fl. Washington, DC 20006	Chaparral Steel Co
Do	Georgetown Industries
Do	Raritan River Steel Co
Do	Steel Bar Mills Assn
Williams & Connolly, 839 17th St., NW Washington, DC 20006	Institute for Clinical Research, Inc
Williams & Jensen, P.C., 1101 Connecticut Ave., NW, #500 Washington, DC 20036	Alimenta (USA), Inc

Organization or Individual Filing	Employer/Client
Do	Environmental Processing, Inc
Do	National Assn of Rehabilitation Agencies
Willkie Farr & Gallagher. 818 Connecticut Ave., NW, #1100 Washington, DC 20006	Council of Institutional Investors
Do	Ferro Union
Do	LEGI-SLATE
Do	Westinghouse Electric Corp
Charlotte M. Wilmer, 1730 Rhode Island Ave., NW Washington, DC 20036	National Solid Wastes Management Assn
Wilmer Cutler & Pickering, 2445 M Street, NW Washington, DC 20037-1420	American Honda Motor Co, Inc
Do	National Assn of Broadcasters
Do	World Wildlife Fund
Patrick Wilson, 1301 Pennsylvania Ave., NW, #300 Washington, DC 20004	National Cattlemen's Assn
John P. Winburn, Winburn Associates, Inc 453 New Jersey Ave., SE Washington, DC 20003	Coalition to Preserve Group Worker's Compensation Funds
Do	Gray Communications Systems, Inc
Do	Hospital Coalition
Windels Marx Davies & Ives, 1701 Pennsylvania Avenue, NW Washington, DC 20006	Onkyo USA Corp
Joseph B. Winkelmann, 1250 Connecticut Ave., NW, #620 Washington, DC 20036	American Resort & Residential Development Assn
Winthrop Stimson Putnam & Roberts, 1155 Connecticut Ave., NW, #1000 Washington, DC 20036	Defense Products Division of Kongsberg Vapenfabrikk A/A Mfg
Do	Fusion Systems Corp
Do	KV Forsvar A/S
Do	Patrolmen's Benevolent Assn
Marshall Wittmann, 1533 New Hampshire Ave., NW Washington, DC 20036	National Assn of Retired Federal Employees
S.R. Wojdak and Associates, Inc, 1401 Walnut St., #1000 Philadelphia, PA 19102	Children's Hospital of Pittsburgh
Patricia Lee Woods, 865 Howe Avenue, #210 Sacramento, CA 95825	Carling-Smith Associates, Ltd
Worthington Associates, 2132 Southbay Lane Reston, VA 22091	HRM
David L. Wray, 20 North Wacker Drive Chicago, IL 60606	Profit Sharing Council of America
Wunder & Diefenderfer, 1615 L St., NW, #650 Washington, DC 20036	Airship Industries, Ltd
Do	Interlocking Directorate Reform Coalition
Do	Johnson-Simmons Co
Do	MDRX, Inc
Do	Shared Medical Systems (SMS)
Do	Solar Turbines, Inc
Do	Tobacco Institute
Yong Jin Yoon, 2112 S. Buchanan St. Arlington, VA 22206	K.S. Line West America
Edward A. Yopp, 1200 Golden Key Circle, #141 El Paso, TX 79925	West Texas Higher Education Servicing Corp
Thane Young, 1730 Rhode Island Ave., NW, #400 Washington, DC 20036	City of Santa Ana
Mitchell Zeller, 1501 16th Street, NW Washington, DC 20036	Center for Science in the Public Interest
Carl A. Zichella, 214 N. Henry St., #203 Madison, WI 53703	Sierra Club

QUARTERLY REPORTS*

*All alphanumeric characters and monetary amounts refer to receipts and expenditures on page 2, paragraphs D and E of the Quarterly Report Form.

The following reports for the first calendar quarter of 1987 were received too late to be included in the published reports for that quarter:

(NOTE.—The form used for report is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective headings. This page (Page 1) is designed to supply identifying data, and Page 2 deals with financial data.)

PLEASE RETURN 1 ORIGINAL TO: THE CLERK OF THE HOUSE OF REPRESENTATIVES, OFFICE OF RECORDS AND REGISTRATION, 1036 LONGWORTH HOUSE OFFICE BUILDING, WASHINGTON, D.C. 20515

PLEASE RETURN 1 ORIGINAL TO: THE SECRETARY OF THE SENATE, OFFICE OF PUBLIC RECORDS, 232 HART SENATE OFFICE BUILDING, WASHINGTON, D.C. 20510

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19..... ◆

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

Is this an Amendment?

IDENTIFICATION NUMBER

☐ YES ☐ NO

NOTE on ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:

(i) *"Employee".*—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)

(ii) *"Employer".*—To file as an "employer", write "None" in answer to Item "B".

(*b*) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:

(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.

(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:

1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

☐ CHECK IF ADDRESS IS DIFFERENT THAN PREVIOUSLY REPORTED

NOTE on ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (*a*) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (*b*) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER—State name, address, and nature of business. If there is no employer, write "None."

NOTE on ITEM "C".—(*a*) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).

(*b*) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).

(*c*) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have ☐ terminated, place an "X" in the box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the specific legislative interests by reciting: (*a*) Short titles of statutes and bills; (*b*) House and Senate numbers of bills, where known; (*c*) citations of statutes, where known; (*d*) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (*a*) description, (*b*) quantity distributed, (*c*) date of distribution, (*d*) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed.)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and, if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. *If this is a "Quarterly" Report, disregard this item "C4" and fill out items "D" and "E" on the back of this page.* Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly Report."◆

STATEMENT OF VERIFICATION

[Omitted in printing]

PAGE 1◆

NOTE on ITEM "D."—*(a)* IN GENERAL. The term "contribution" includes *anything of value.* When an organization or individual uses printed or duplicated matter in a campaign attempting to influence legislation, money received by such organization or individual—for such printed or duplicated matter—is a "contribution." "The term 'contribution' includes a gift, subscription, loan, advance, or deposit of money, or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution"—§ 302(a) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN EMPLOYER.—(i) *In general.* Item "D" is designed for the reporting of all receipts from which expenditures are made, or will be made, in connection with legislative interests.

(ii) *Receipts of Business Firms and Individuals.*—A business firm (or individual) which is subject to the Lobbying Act by reason of expenditures which it makes in attempting to influence legislation—but which has no funds to expend except those which are available in the ordinary course of operating a business not connected in any way with the influencing of legislation—will have no receipts to report, even though it does have expenditures to report.

(iii) *Receipts of Multi-purpose Organizations.*—Some organizations do not receive any funds which are to be expended solely for the purpose of attempting to influence legislation. Such organizations make such expenditures out of a general fund raised by dues, assessments, or other contributions. The percentage of the general fund which is used for such expenditures indicates the percentage of dues, assessments, or other contributions which may be considered to have been paid for that purpose. Therefore, in reporting receipts, such organizations may specify what that percentage is, and report their dues, assessments, and other contributions on that basis. However, each contributor of $500 or more is to be listed, regardless of whether the contribution was made solely for legislative purposes.

(c) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE.—(i) *In general.* In the case of many employees, all receipts will come under Items "D 5" (received for services) and "D 12" (expense money and reimbursements). In the absence of a clear statement to the contrary, it will be presumed that your employer is to reimburse you for all expenditures which you make in connection with legislative interests.

(ii) *Employer as Contributor of $500 or More.*—When your contribution from your employer (in the form of salary, fee, etc.) amounts to $500 or more, it is not necessary to report such contribution under "D 13" and "D 14," since the amount has already been reported under "D 5," and the name of the "employer" has been given under Item "B" on page 1 of this report.

D. RECEIPTS (INCLUDING CONTRIBUTIONS AND LOANS):

Fill in every blank. If the answer to any numbered item is "None," write "NONE" in the space following the number.

Receipts (other than loans)

1. $..............Dues and assessments
2. $..............Gifts of money or anything of value
3. $..............Printed or duplicated matter received as a gift
4. $..............Receipts from sale of printed or duplicated matter
5. $..............Received for services (e.g., salary, fee, etc.)
6. $..............TOTAL for this Quarter (Add "1" through "5")
7. $..............Received during previous Quarters of calendar year
8. $..............TOTAL from Jan. 1 through this Quarter (Add "6" and "7")

Loans Received—"The term 'contribution' includes a . . . *loan* . . ."—§ 302(a).

9. $..............TOTAL now owed to others on account of loans
10. $..............Borrowed from others during this Quarter
11. $..............Repaid to others during this Quarter

12. $..............“Expense Money” and Reimbursements received this Quarter.

Contributors of $500 or More (from Jan. 1 through this Quarter)

13. Have there been such contributors?
Please answer "yes" or "no": ....

14. In the case of each contributor whose contributions (including loans) during the "period" from January 1 through the last day of this Quarter, total $500 or more:

Attach hereto plain sheets of paper, approximately the size of this page, tabulate data under the headings "Amount" and "Name and Address of Contributor"; and indicate whether the last day of the period is March 31, June 30, September 30, or December 31. Prepare such tabulation in accordance with the following example:

Amount	*Name and Address of Contributor* *("Period"* from Jan. 1 through.............................., 19.......)
$1,500.00	John Doe, 1621 Blank Bldg., New York, N.Y.
$1,785.00	The Roe Corporation, 2511 Doe Bldg., Chicago, Ill.
$3,285.00	TOTAL

NOTE on ITEM "E".—*(a)* IN GENERAL. "The term 'expenditure' includes a payment, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure"—§ 302(b) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE. In the case of many employees, all expenditures will come under telephone and telegraph (Item "E 6") and travel, food, lodging, and entertainment (Item "E 7").

E. EXPENDITURES (INCLUDING LOANS) IN CONNECTION WITH LEGISLATIVE INTERESTS:

Fill in every blank. If the answer to any numbered item is "None," write "NONE" in the spaces following the number.

Expenditures (other than loans)

1. $..............Public relations and advertising services
2. $..............Wages, salaries, fees, commissions (other than Item "1")
3. $..............Gifts or contributions made during Quarter
4. $..............Printed or duplicated matter, including distribution cost
5. $..............Office overhead (rent, supplies, utilities, etc.)
6. $..............Telephone and telegraph
7. $..............Travel, food, lodging, and entertainment
8. $..............All other expenditures
9. $..............TOTAL for this Quarter (Add "1" through "8")
10. $..............Expended during previous Quarters of calendar year
11. $..............TOTAL from Jan. 1 through this Quarter (Add "9" and "10")

Loans Made to Others—"The term 'expenditure' includes a . . . *loan* . . ."—§ 302(b).

12. $..............TOTAL now owed to person filing
13. $..............Lent to others during this Quarter
14. $..............Repayments received during this Quarter

15. *Recipients of Expenditures of $10 or More*______________

If there were no single expenditures of $10 or more, please so indicate by using the word "NONE".

In the case of expenditures made during this Quarter by, or on behalf of, the person filing: Attach plain sheets of paper approximately the size of this page and tabulate data as to expenditures under the following heading: "Amount," "Date or Dates," "Name and Address of Recipient," "Purpose." Prepare such tabulation in accordance with the following example:

Amount	*Date or Dates—Name and Address of Recipient—Purpose*
$1,750.00	7-11: Roe Printing Co., 3214 Blank Ave., St. Louis, Mo.—Printing and mailing circulars on the "Marshbanks Bill."
$2,400.00	7-15, 8-15, 9-15: Britten & Blaten, 3127 Gremlin Bldg., Washington, D.C.—Public relations service at $800.00 per month.
$4,150.00	TOTAL

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Robert J. Aagre, 1615 H Street, NW Washington, DC 20062	Chamber of Commerce of the U.S.	210.00	26.00
Christian M. Abeel, 70 Pine Street, 39th Floor New York, NY 10270	American International Group, Inc		
Thomas G. Abernethy Sr., 3973 Stuart Place Jackson, MS 39211	U.S. Cane Sugar Refiners' Assn		
Ablondi & Foster, P.C., 1776 K Street, NW, #606 Washington, DC 20006	Taiwan Textile Federation	43,961.88	816.30
Burt J. Abrams, Milbank Tweed Hadley & McCloy One Chase Manhattan Plaza New York, NY 10005	Rockefeller Group, Inc		
Matthew J. Abrams, CANAMCO 1828 L Street, NW, #660 Washington, DC 20036	Dominion Marine Assn		
Elaine Acevedo, 1601 Duke Street Alexandria, VA 22314	Society of American Florists	2,000.00	
Action for Children's Television, 20 University Road Cambridge, MA 02138		4,862.48	8.53
Action, Inc, 333 Pennsylvania Ave., SE Washington, DC 20003	American Indian Higher Education Consortium		
Ad Hoc Coalition on International Electric Power Trade, 12800 Shaker Blvd. Cleveland, OH 44120-2099			1,134.08
John J. Adams, 2000 Pennsylvania Ave., NW, #900 Washington, DC 20006	Ethyl Corporation		
Do	Vepco		
Adams Quackenbush Herring & Stuart, P.O. Box 394 Columbia, SC 29202	Empire of America	718.00	56.36
Robert O. Aders, 1750 K Street, NW Washington, DC 20006	Food Marketing Institute	200.00	
Terrance M. Adlhock, 1111 19th St., NW, #303 Washington, DC 20036	Southern California Edison Co	2,000.00	1,500.00
Aerospace Industries Assn of America, Inc, 1725 Desales St., NW Washington, DC 20036		34,717.56	34,717.56
Agendas International, 820 Second Avenue, #1302 New York, NY 10017	Ministerio del Exterior, Republic of Nicaragua		
Creigh H. Agnew, 2001 L St., NW, #304 Washington, DC 20036	Weyerhaeuser Company		
David J. Aho, 1667 K Street, NW, #710 Washington, DC 20006	Baxter Travenol Laboratories, Inc	2,000.00	280.00
Robert S. Aiken, 1730 M St., NW, #607 Washington, DC 20036	Arizona Public Service Company	1,950.00	1,848.02
Herbert Allen Ailsworth, 1615 L Street, NW, #420 Washington, DC 20036	Sandoz Corp		70.00
Air Conditioning & Refrigeration Institute, 1501 Wilson Boulevard, #600 Arlington, VA 22209			
Air Products & Chemicals, Inc, 1730 Pennsylvania Ave., NW, #265 Washington, DC 20006			3,876.63
Air Traffic Control Assn, Inc, 2020 North 14th Street, #410 Arlington, VA 22201		4,622.32	4,622.32
Air Transport Assn of America, 1709 New York Ave., NW Washington, DC 20006		57,768.25	140,866.38
Randolf H. Aires, 633 Pennsylvania Avenue, NW, #600 Washington, DC 20004	Sears Roebuck & Co	2,550.00	21.25
Michael A. Aisenberg, 1331 Pennsylvania Ave., NW, #600 Washington, DC 20004	Digital Equipment Corp	14,950.00	
Donna A. Akers, 1800 M Street, NW, #700 South Washington, DC 20036	Dow Chemical Co		4,875.00
Akin Gump Strauss Hauer & Feld, 1333 New Hampshire Ave., NW, #400 Washington, DC 20036	Amerada Hess Corporation		
Do	American Telephone & Telegraph Co	1,115.00	19.00
Do	Archer Daniels Midland Company		
Do	Asamera Minerals (U.S.), Inc	550.00	10.00
Do	Beneficial Corporation		
Do	City of Philadelphia	2,050.00	38.00
Do	Clark Enterprises, Inc		
Do	Coalition for Fair Capital Reimbursement	5,250.00	95.00
Do	Commercial Metals Co	9,400.00	171.00
Do	COMSAT Corp	1,575.00	28.00
Do	Dallas Area Rapid Transit		
Do	Drexel Burnham Lambert, Inc	57,750.00	1,100.00
Do	E & J Gallo Winery		
Do	Embassy of the People's Republic of China		
Do	First Texas Savings & Loan	1,550.00	28.00
Do	Geico Corporation		
Do	General Motors Corp		
Do	Goldman Sachs & Co		
Do	W. R. Grace & Co	13,850.00	262.00
Do	Guardian Industries	100.00	
Do	Gulf & Western Industries, Inc	2,100.00	38.00
Do	GTE Corporation		
Do	Hoerchst Celanese, Inc		
Do	Houston Oilers		
Do	Peter Kiewit Sons', Inc	1,000.00	19.00
Do	Levi Strauss & Co	4,150.00	76.00
Do	Lone Star Steel Co		
Do	Marriott Corporation		
Do	Mesa Petroleum Co	13,600.00	262.00
Do	Metropolitan Transit Authority of Harris County	5,125.00	95.00
Do	Morgan Stanley & Co, Inc	1,735.00	38.00
Do	Motion Picture Assn of America, Inc	8,525.00	152.00
Do	Mutual Fairness Taxation Assn	4,350.00	76.00
Do	National Football League		
Do	Nederlander Theatres		
Do	News America	550.00	10.00
Do	Pharmaceutical Manufacturers Assn	810.00	
Do	Population Services International	3,350.00	57.00
Do	Purolator, Inc		
Do	Reebok International Ltd	150.00	
Do	Research Corporation	525.00	10.00
Do	RJR Nabisco, Inc	2,775.00	57.00
Do	Sacramento Regional Transit District		
Do	Southern California Edison Co	1,000.00	19.00
Do	St. Luke's Roosevelt Hospital Center		
Do	Texas Air Corp	950.00	19.00
Do	United Illuminating Company	700.00	19.00
Do	W. B. Voss	300.00	
Do	Warner Lambert	20,250.00	380.00
Do	Wertheim & Co	1,225.00	19.00
Do	Western Governors Policy Office		
Alaska Pulp Corp, P.O. Box 1050 Sitka, AK 99835			3,900.00
William E. Albers, 1731 Connecticut Ave., NW Washington, DC 20009	Albers & Company (For:May Department Stores Co)	23,300.00	758.41
James J. Albertine, 1575 Eye Street, NW Washington, DC 20005	American Soc of Assn Executives	300.00	
C. Eddie Aldrete, P.O. Box 9527 Austin, TX 78766	Texas Agricultural Cooperative Council		
Donald C. Alexander, Cadwalader Wickersham & Taft 1333 New Hampshire Ave., NW Washington, DC 20036	Air Products & Chemicals, Inc		
Do	Air Transport Assn of America		
Do	American Financial Corp		
Do	Amsted Industries, Inc		
Do	ALIGNPAC		
Do	Bechtel Group, Inc		
Do	Disabled American Veterans		
Do	Eastern Air Lines, Inc		
Do	Family Life Insurance Co	12.50	
Do	Mortgage Guaranty Insurance Corp	12.50	
Do	PepsiCo, Inc		
Do	Scott Paper Co		
Do	Security Life of Denver		
Alexander & Associates, Inc, 400 C Street, NE Washington, DC 20002	GATX Corp		
Richard F. Ali, Suite 808 1901 North Moore Street Arlington, VA 22209	National Assn of the Remodeling Industry	2,500.00	
John D. Allan, c/o Doh Lohnes & Albertson 1255 23rd St., NW Washington, DC 20037	Stelco, Inc		
Maxton Allcox, 400 First St., NW, Rm 801 Washington, DC 20001	Brotherhood of Maintenance of Way Employes		
Alexandra Allen, 215 Pennsylvania Avenue, SE Washington, DC 20003	U.S. Public Interest Research Group	3,769.22	
Robert G. Allen, 511 C Street, NE Washington, DC 20002	C.A.R.E.		
Alliance for Acid Rain Control, 444 N. Capitol Street, #526 Washington, DC 20001		15,000.00	1,913.55
Alliance for Capital Access, 1919 Pennsylvania Ave., NW, #704 Washington, DC 20006		512,500.00	104,024.85
Alliance of American Insurers, 1501 Woodfield Road, #400 West Schaumburg, IL 60195			47,672.59
Alliance to Save Energy, 1925 K Street, NW, #206 Washington, DC 20006			993.90
Allied Acid Rain Prohibition, 11573 Embers Court Reston, VA 22091			
Robert F. Allnut, 1100 15th St., NW, #900 Washington, DC 20005	Pharmaceutical Manufacturers Assn	1,000.00	
Alltel Corporation, 100 Executive Parkway Hudson, OH 44236			1,130.00
Harvey Alter, 1615 H Street, NW Washington, DC 20062	U.S. Chamber of Commerce	3,200.00	
Michael J. Altier, 1000 Connecticut Avenue, NW Washington, DC 20036	National Retail Merchants Assn	2,310.00	49.10
Thomas H. Altmeyer, 1130 17th St., NW Washington, DC 20036	National Coal Assn	5,000.00	402.00
Ricardo R. Alvarado, 1001 Pennsylvania Avenue, NW, #700 Washington, DC 20004	Allied-Signal Inc	2,261.43	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Amalgamated Transit Union, AFL-CIO, 5025 Wisconsin Avenue, NW Washington, DC 20016			5,000.00
Amalgamated Transit Union, Nat'l Cap Div. 689, 2001 9th Street, NW, #300 Washington, DC 20001			
Robert P. Ambrose, 14615 Lone Oak Road Eden Prairie, MN 55344	Cooperative Power Association	4,000.00	1,027.95
American Academy of Family Physicians, 1740 West 92nd St. Kansas City, MO 64114		14,372.77	14,372.77
American Advertising Federation, 1400 K Street, NW, #1000 Washington, DC 20005			5,455.00
American Arts Alliance, 1319 F Street, NW, #307 Washington, DC 20004-1182		72,350.93	137,187.59
American Assn for Respiratory Therapy, 1720 Regal Row, #112 Dallas, TX 75235		2,345.63	23,237.10
American Assn of Blood Banks, 1117 North 19th St., #600 Arlington, VA 22209		1,250.00	1,250.00
American Assn of Equipment Lessors, 1300 North 17th St., #1010 Arlington, VA 22209			
American Assn of Exporters & Importers, 11 West 42nd Street, 30th Fl. New York, NY 10036			2,070.00
American Assn of Meat Processors, P.O. Box 269 Elizabethtown, PA 17022		186.34	629.11
American Automobile Assn, 8111 Gatehouse Rd. Falls Church, VA 22047			
American Bankers Assn, 1120 Connecticut Avenue, NW Washington, DC 20036		66,208.55	66,208.55
American Business Conference, Inc, 1730 K Street, NW, #703 Washington, DC 20006		3,062.50	1,654.55
American Camping Association, Bradford Woods Martinsville, IN 46151			
American Chamber of Commerce of the Dominican Republic, P.O. Box 95-2 Santo Domingo Dominican Republic			
American Council for Capital Formation, 1850 K Street, NW, #520 Washington, DC 20006		8,044.00	3,792.00
American Council of Life Insurance, Inc, 1001 Pennsylvania Avenue, NW Washington, DC 20004		260,172.52	260,172.52
American Farm Bureau Federation, 225 Touhy Ave Park Ridge, IL 60068		128,899.00	128,899.00
American Fed of Labor & Congress of Industrial Organizations, 815 16th St., NW Washington, DC 20006			152,908.15
American Feed Industry Assn, 1701 N. Ft. Myer Dr. Arlington, VA 22209		3,240.00	3,240.00
American Financial Services Assn, 1101 14th St., NW Washington, DC 20005			250.00
American Frozen Food Institute, 1700 Old Meadow Rd., #100 Mclean, VA 22102		6,000.00	6,000.00
American Health Care Assn, 1200 15th Street, NW Washington, DC 20005		235,255.20	22,026.49
American Hellenic Institute Public Affairs Committee, Inc, 1730 K St., NW Washington, DC 20006		2,000.00	
American Honey Producers Assn, P.O. Box 368 Minco, OK 73059		6,355.35	8,763.14
American Hospital Assn, 840 N. Lake Shore Dr. Chicago, IL 60611		65,329.21	65,329.21
American Hotel & Motel Assn, 888 Seventh Ave. New York, NY 10106		23,125.15	13,459.48
American Institute of Merchant Shipping, 1000 16th Street, NW, #511 Washington, DC 20036			4,935.49
American Insurance Assn, 1025 Connecticut Avenue, NW Washington, DC 20036		3,874.00	3,874.00
American International Group, Inc, 70 Pine Street New York, NY 10270			51,077.70
American Israel Public Affairs Comm, 500 N. Capitol St., NW, #300 Washington, DC 20001		128,004.00	145,337.18
American Land Title Assn, 1828 L St., NW, #705 Washington, DC 20036			2,625.00
American League for Exports & Security Assistance, Inc, 122 C St., NW, #740 Washington, DC 20001		54,250.00	9,307.37
American Library Assn, 50 E. Huron St. Chicago, IL 60611		1,634.00	8,501.81
American Malting Barley Assn, Inc, 735 North Water Street, #908 Milwaukee, WI 53202		11,641.16	1,671.87
American Meat Institute, P.O. Box 3556 Washington, DC 20007			6,500.00
American Medical Assn, 535 North Dearborn St. Chicago, IL 60610			116,468.06
American Medical Care & Review Assn, 5410 Grosvenor Lane, #210 Bethesda, MD 20814			
American Medical Peer Review Assn, 440 First Street, NW, #510 Washington, DC 20001			
American Movers Conference, 2200 Mill Road Alexandria, VA 22314			5,518.00
American Newspaper Publishers Assn, Box 17407 Dulles International Airport Washington, DC 20041		20,520.56	20,520.56
American Nurses' Assn, 2420 Pershing Rd Kansas City, MO 64108		32,981.39	32,981.39
American Paper Institute, Inc, 260 Madison Ave. New York, NY 10016			8,775.00
American Petroleum Institute, 1220 L St., NW Washington, DC 20005		255,935.32	234,209.94
American Physical Therapy Assn, 1111 N. Fairfax St. Alexandria, VA 22314		7,644.50	7,644.50
American Podiatric Medical Assn, 20 Chevy Chase Circle Washington, DC 20015			64,803.91
American Postal Workers Union, AFL-CIO, 1300 L Street, NW Washington, DC 20005		59,572.03	77,459.55
American Public Transit Assn, 1225 Connecticut Ave., NW Washington, DC 20036		81,930.00	81,930.00
American Pulpwood Assn, 1025 Vermont Avenue, NW Washington, DC 20005			
American Retreaders' Assn, P.O. Box 17203 Louisville, KY 40217		500.00	500.00
American Seed Trade Assn, 1030 15th Street, NW, #964 Washington, DC 20005			14,585.00
American Short Line Railroad Assn, 2000 Massachusetts Ave., NW Washington, DC 20036			
American Soc for the Prevention of Cruelty to Animals, 441 E. 92nd Street New York, NY 10128			3,000.00
American Soc of Anesthesiologists, 1111 14th Street, NW, #501 Washington, DC 20005			99,007.27
American Soc of Hospital Pharmacists, 4630 Montgomery Avenue Bethesda, MD 20814			1,275.00
American Soybean Association, 600 Maryland Avenue, SW, #510 Washington, DC 20024		4,950.00	4,242.15
American Textile Machinery Assn, 7297 N. Lee Hwy. Falls Church, VA 22042		2,100.00	2,100.00
American Textile Manufacturers Institute, Inc, 1101 Connecticut Avenue, NW, #300 Washington, DC 20036		34,128.90	46,647.26
American Veterans of World War II, Korea & Vietnam (AMVETS), 4647 Forbes Boulevard Lanham, MD 20706		6,950.47	6,950.47
American Veterinary Medical Assn, 1522 K Street, NW, #828 Washington, DC 20005			
American Waterways Operators, Inc, 1600 Wilson Boulevard, #1000 Arlington, VA 22209		177,161.50	230.28
Americans for the High Frontier, 1010 Vermont Ave., NW, #1015 Washington, DC 20005		78,343.48	61,875.50
Americans for the National Voter Initiative Amendment, 3115 N St., NW Washington, DC 20007			
Americans for Immigration Control, Inc, P.O. Box 738 Monterey, VA 24465		5,643.35	5,643.35
Americans for Nonsmokers' Rights, 2054 University Ave., #500 Berkeley, CA 94704		2,600.00	1,981.00
Americans for Tax Reform, 2300 N Street, NW Washington, DC 20037			2,349.50
Ameriserv, Inc, The Paragon Center 2400 East Commercial Blvd., #500 Fort Lauderdale, FL 33308			
Morris J. Amitay, P.C., 444 N. Capitol Street, NW, #712 Washington, DC 20001	Coalition for American Energy Security	4,500.00	
Do	Feather & Down Assn	5,000.00	
Do	Nathan Lewin (for 47th Street Photo)	7,500.00	
Do	Northrop Corp	3,000.00	
Do	Pan American World Airways, Inc	4,500.00	
Do	Thompson Medical	3,000.00	
Jan S. Amundson, 1331 Pennsylvania Ave., #1500 N. Washington, DC 20005	National Assn of Manufacturers		
Edward Andersen, 1616 H St., NW Washington, DC 20006	National Grange	8,750.00	
Stephen O. Andersen, 2000 L Street, NW, #802 Washington, DC 20036	Consumer Energy Council of America		
Arne Anderson, 80 F St., NW Washington, DC 20001	American Fed of Government Employees	10,427.83	
Bette Anderson, 1020 19th Street, NW Washington, DC 20036	Anderson Benjamin Read & Haney (For:U.S. Banknote Corp)		
Byron Anderson, 777 14th St., NW Washington, DC 20005	National Assn of Realtors	2,500.00	492.19
H. Kim Anderson, Virginia Petroleum Council 1001 E. Broad Street Richmond, VA 23219	American Petroleum Institute	600.00	843.59
J. Lem Anderson, 4111 Franconia Rd. Alexandria, VA 22310	Temple-Inland		
James A. Anderson Jr., 1725 K Street, NW, #710 Washington, DC 20006	National Assn of Wholesaler-Distributors		
Steven C. Anderson, 1764 Old Meadow Rd, #350 Mclean, VA 22102	American Frozen Food Institute	5,000.00	
William C. Anderson, 1101 16th St., NW Washington, DC 20036	Independent Petroleum Assn of America		97.50
Anderson & Pendleton, 1000 Connecticut Avenue, NW, #707 Washington, DC 20036	Military Mission of Chile		
Mark Andrews, 2550 M St., NW, #695 Washington, DC 20037	Aiwa America, Inc		
Do	Akai America, Ltd		
Do	Association of Trial Lawyers of America		
Do	Columbia, Inc		
Do	Freedom to Advertise Coalition		
Do	Fuji Photo Film USA, Inc		
Do	Hitachi Sales Corp of America		
Do	Kenwood USA Corporation		
Do	Matsushita Electric Corp of America		
Do	Maxell Corp of America		
Do	Mitsubishi Electric Sales of America, Inc		
Do	Nakamichi USA Corp		
Do	NEC Electronics (USA) Inc		
Do	Onkyo USA Corp		
Do	Pioneer Electronics (USA), Inc		
Do	Sansui Electronics Corp		
Do	Sanyo Electronics, Inc		
Do	Sharp Electronics Corp		
Do	Sony Corp of America		
Do	Toshiba America, Inc		
Do	TDK USA Corp		
Do	TEAC Corp of America		
Do	US JVC Corporation		
Do	Yamaha Electronics Corp		
Michael Andrews, 1455 Pennsylvania Ave., NW, #325 Washington, DC 20004	Salomon Brothers, Inc	875.00	210.20
Robert B. Andrews, 1100 Connecticut Avenue, NW, #620 Washington, DC 20036	Mobil Oil Corp	500.00	
Andrews' Associates, Inc, 2550 M St., NW, #695 Washington, DC 20037	Aiwa America, Inc		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Akai America, Ltd		
Do	Association of Trial Lawyers of America		
Do	Columbia, Inc		
Do	Freedom to Advertise Coalition		
Do	Fuji Photo Film USA, Inc		
Do	Hitachi Sales Corp of America		
Do	Kenwood USA Corp		
Do	Matsushita Electric Corp of America		
Do	Maxell Corp of America		
Do	Mitsubishi Electric Sales of America, Inc		
Do	Nakamichi USA Corp		
Do	NEC Electronics (USA) Inc		
Do	Onkyo USA Corp		
Do	Pioneer Electronics (USA), Inc		
Do	Sansui Electronics Corp		
Do	Sanyo Electronics, Inc		
Do	Sharp Electronics Corp		
Do	Sony Corp of America		
Do	Toshiba America, Inc		
Do	TDK USA Corp		
Do	TEAC Corp of America		
Do	US JVC Corporation		
Do	Yamaha Electronics Corp		
Owen W. Anglum, 1667 K Street, NW, #650 Washington, DC 20006	Armco	2,600.00	588.31
Animal Political Action Committee, P.O. Box 2706 Washington, DC 20013			
J. Donald Annett, 1050 17th St., NW, #500 Washington, DC 20036	Texaco, Inc	500.00	
Philip H. Anns, 1101 Vermont Avenue, NW, #405 Washington, DC 20005	A. H. Robins, Inc	2,000.00	414.42
Apartment & Office Building Assn, 1413 K Street, NW, #600 Washington, DC 20005			
Paul W. Arcari, 201 N. Washington Street Alexandria, VA 22314	Retired Officers Assn	2,585.00	
John Archer, 8111 Gatehouse Rd. Falls Church, VA 22047	American Automobile Assn		
R. M. Julie Archuleta, 1747 Pennsylvania Avenue, NW, 3rd Fl. Washington, DC 20006	Occidental Chemical Corp	30.00	10.00
Arent Fox Kintner Plotkin & Kahn, 1050 Connecticut Ave., NW Washington, DC 20036-5339	All Industry Television Station Music License Committee		81.65
Do	Ameritech	27,240.59	1,009.40
Do	Artery Corp	8,600.00	3.00
Do	Breed Corporation	7,314.95	
Do	Central States SE & SW Areas Health Welfare & Pension Funds	118,818.45	2,318.36
Do	ConAgra		
Do	Guardian Life Insurance Co of America	97,944.06	370.91
Do	Insurance Servicing & Information Systems Corp		
Do	Motor and Equipment Manufacturers Association		
Do	Real Estate Dynamics, Inc	36,912.82	80.68
Do	Toshiba America, Inc	31,288.00	1,283.15
Do	Toyota Motor Corporation		6.50
Do	Washington Gas Light Co	2,400.00	26.00
Aries Properties Inc, 111 South Tejon, #700 Colorado Springs, CO 80903			18,001.29
Arkansas Assn of Bank Holding Companies, 103 W. Capitol Little Rock, AR 72201			
Olin F. Armentrout, 1448 Duke Street Alexandria, VA 22314	National Rural Letter Carriers Assn	13,348.00	
John A. Armstrong, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington, DC 20037	Dofasco, Inc	38.75	
Carl F. Arnold, 617 Rivercrest Drive McLean, VA 22101	American Iron & Steel Institute	600.00	
Do	Corporate Property Investors	750.00	
Do	Quintana Petroleum Corp	1,875.00	
Arnold & Porter, 1200 New Hampshire Ave., NW Washington, DC 20036	American Assn of Exporters & Importers		322.80
Do	Amok, Ltd, et al	375.00	
Do	Asea AB	260.00	
Do	Business Roundtable		
Do	Canadian Forest Industries Council	2,450.00	13.70
Do	Canadian Meat Council	506.25	1.50
Do	Cemai		
Do	Grain & Feed Trade Assn		
Do	Harris Bank Corp, Inc		785.14
Do	International Commodities Clearing House		
Do	London Commodity Exchange (1986) Limited	15.00	
Do	London International Financial Futures Exchange, Ltd		
Do	Metal Market & Exchange Co, Ltd		
Do	Recording Industry Assn of America, Inc	8,002.12	78.25
Do	Sacramento Public Utility District, et al.		
Do	State Farm Mutual Automobile Insurance Co	15,480.75	8,978.76
Do	Survival Technology, Inc		641.36
Do	Venezolana de Cementos Ca	4,171.25	232.54
Nan Aron, 600 New Jersey Avenue, NW Washington, DC 20001	Alliance for Justice		
Lud Ashley, P.C., 1735 New York Avenue, NW, 6th Fl. Washington, DC 20006	American International Group, Inc	63,860.00	
Do	Amerifirst Mortgage Corp	5,000.00	
Do	Central States of Omaha		
Do	Grocery Manufacturers of America, Inc		
Do	Irving Trust Co	5,000.00	
Do	ISFA Corporation		
Do	Manville Corporation	18,302.40	
Do	Mineral Insulation Manufacturers Association	40,000.00	207.37
Do	J. C. Penney Co, Inc	30,075.00	
Do	Wells Fargo Bank, N.A.	10,000.00	
Joseph Ashooh, 1957 E St., NW Washington, DC 20006	Associated General Contractors of America		
Nicholas J. Ashooh, 1000 Elm Street P.O. Box 330 Manchester, NH 03105	Public Service Co of New Hampshire	2,383.68	1,764.24
Asian Pacific Economic Educational Cultural Organization, P.O. Box 891 Manila, Philippine			
Asphalt Roofing Manufacturers Association, 6288 Montrose Road Rockville, MD 20852			
Associated Credit Bureaus, Inc, P.O. Box 218300 16211 Park 10 Place Houston, TX 77084		1,500.00	
Associated General Contractors of America, 1957 E St., NW Washington, DC 20006			
Association for the Improvement of the Mississippi River, 100 S. 4th Street, #500 St. Louis, MO 63102			
Association of American Foreign Service Women, P.O. Box 8068 Washington, DC 20024		1,108.80	
Association of American Publishers, 2005 Massachusetts Ave., NW Washington, DC 20036		7,904.35	7,904.35
Association of American Railroads, American Railroads Building 50 F Street, NW Washington, DC 20001		100,235.58	100,235.58
Association of American Veterinary Medical Colleges, 1522 K Street, NW, #834 Washington. DC 20005			
Association of Government Accountants, 727 South 23rd Street, #100 Arlington, VA 22202			
Association of Junior Leagues, Inc, 825 Third Avenue New York, NY 10022		15,000.00	4,140.00
Association of Maximum Service Telecasters, Inc, 1730 M St., NW, #713 Washington, DC 20036			430.00
Association of Trial Lawyers of America, 1050 31st St., NW Washington, DC 20007		11,059.00	11,059.00
Association of Urban Universities, 1225 Connecticut Ave., NW, #300 Washington, DC 20036		22,000.00	6,432.99
George J. Aste, 1707 L St., NW, #300 Washington, DC 20036-4202	United Airlines, Inc	500.00	
Victor Atiyeh & Co, 519 SW Park St., #208 Portland, OR 97205	Fujitsu, Ltd		
Atlantic Richfield Co, 515 South Flower Street Los Angeles, CA 90071			1,143.11
John J. Auciello, P.O. Box 269 Elizabethtown, PA 17022	American Assn of Meat Processors		
Audio Recording Rights Coalition, P.O. Box 33705 1145 19th Street, NW Washington, DC 20033			
Kenneth E. Auer, 50 F Street, NW, #900 Washington, DC 20001	Farm Credit Council	800.00	
Claire H. Austin, 214 Massachusetts Ave, NE, #350 Washington, DC 20002	Russell Corporation	4,000.00	75.00
Richard E. Austin, 2550 M Street, NW, #770 Washington, DC 20037	RJR Nabisco, Inc	702.00	
Automotive Parts Rebuilders Assn, 6849 Old Dominion Drive Mclean, VA 22101			363.50
John S. Autry, 2000 L Street, NW, #810 Washington, DC 20036	Unisys Corp	3,000.00	1,500.00
William H Axtman, 950 N. Glebe Rd., Rm. 160 Arlington, VA 22203	American Boiler Manufacturers Assn, Inc		2,000.00
ADAPSO, 1300 North 17th Street, #300 Arlington, VA 22209			76.00
Hope M. Babcock, 801 Pennsylvania Avenue, SE Washington, DC 20003	National Audubon Society	14.25	9.75
Dale R. Babione, 1700 N. Moore St. Rosslyn, VA 22209	Boeing Company	1,774.50	
Richard Anthony Baenen, 1735 New York Avenue, NW, #600 Washington, DC 20006	NANA Regional Corp, Inc		
Do	People's Republic of Angola		
Do	Shee Atika, Inc		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
William T. Bagatelas, 1730 K Street, NW, #319 Washington, DC 20006	American Hellenic Institute Public Affairs Committee, Inc		
Joan N. Baggett, 815 15th St., NW Washington, DC 20005	International Union of Bricklayers & Allied Craftsmen	5,000.00	214.10
Brent A. Baglien, 725 15th Street, NW Washington, DC 20005	National Grain & Feed Assn		333.40
John P. Bailey, 625 Slaters Lane, #200 Alexandria, VA 22314	National Assn of Medical Equipment Suppliers	7,000.00	664.44
Paul C. Bailey Jr., 1101 17th Street, NW, #405 Washington, DC 20036	Southern Company Services, Inc	1,370.92	390.62
Judith L. Baird, 1333 New Hampshire Ave., NW Washington, DC 20036	Atlantic Richfield Co	150.00	
John Baize, Capitol Gallery Bldg., #510 600 Maryland Avenue, SW Washington, DC 20024	American Soybean Association	1,088.75	127.55
Edward R. Bajer, 1015 15th St., NW, #802 Washington, DC 20005	American Consulting Engineers Council	400.00	
Emil F. Baker, 1303 New Hampshire Ave., NW Washington, DC 20036	Fleet Reserve Assn		
Gerald E. Baker, 1625 Massachusetts Avenue, NW Washington, DC 20036	Air Line Pilots Assn	6,000.00	517.33
James Jay Baker, 1600 Rhode Island Ave., NW Washington, DC 20036	National Rifle Assn of America	1,206.25	194.72
Lisa Baker, 1730 K Street, NW, #703 Washington, DC 20006	American Business Conference, Inc	125.00	25.00
Monica S. Baker, Foley and Company 206 G St., NE, #201 Washington, DC 20002	Gray's Family Department Stores		
Do	Polyphaser Corp		
Quinter S. Baker, P.O. Box 24 New Geneva, PA 15467	Friendship Hill Assn		
Baker & Botts, 1701 Pennsylvania Ave., NW Washington, DC 20006	Natural Resource Management Corp		
Baker & Hostetler, 1050 Connecticut Ave., NW, #1100 Washington, DC 20036	Astroline Communications Co	700.00	
Baker & McKenzie, 815 Connecticut Ave., NW Washington, DC 20006	Mitsubishi Electric Sales of America, Inc	4,089.66	4,089.66
S. Eason Balch, P.O. Box 306 Birmingham, AL 35201	Balch & Bingham (For:Southern Company Services, Inc)		
Patricia A. Baldi, 801 Pennsylvania Avenue, SE Washington, DC 20003	National Audubon Society		
H. R. Balikov, 333 Thornall St. Edison, NJ 08818	J. M. Huber Corp		
Jacqueline Balk-Tusa, 2550 M St., NW, #695 Washington, DC 20037	Aiwa America, Inc		
Do	Akai America, Ltd		
Do	Association of Trial Lawyers of America		
Do	Columbia, Inc		
Do	Freedom to Advertise Coalition		
Do	Fuji Photo Film USA, Inc		
Do	Hitachi Sales Corp of America		
Do	Kenwood USA Corporation		
Do	Matsushita Electric Corp of America		
Do	Maxell Corp of America		
Do	Mitsubishi Electric Sales of America, Inc		
Do	Nakamichi USA Corp		
Do	NEC Electronics (USA) Inc		
Do	Onkyo USA Corp		
Do	Pioneer Electronics (USA), Inc		
Do	Sansui Electronics Corp		
Do	Sanyo Electronics, Inc		
Do	Sharp Electronics Corp		
Do	Sony Corp of America		
Do	Toshiba America, Inc		
Do	TDK USA Corp		
Do	TEAC Corp of America		
Do	US JVC Corporation		
Do	Yamaha Electronics Corp		
Ballard Spahr Andrews & Ingersoll, 555 13th St., NW, #900 East Washington, DC 20004	Arthur Andersen & Co		
Do	U.S. Committee for UNICEF		
Thomas M. Balmer, 888 16th Street, NW Washington, DC 20006	Milk Industry Foundation/Int'l Assn of Ice Cream Mfrs		
Philip A. Bangert, 1010 Wisconsin Avenue, NW, #800 Washington, DC 20007	Grocery Manufacturers of America, Inc		
Charles E. Bangert, P.C., 1825 Eye Street, NW, #300 Washington, DC 20006	Business Roundtable	5,137.00	
Bank of Boston Corporation, 100 Federal St. Boston, MA 02110			
Bank Capital Markets Assn, National Press Building, 2nd Fl. Washington, DC 20045			
James T. Banks, 1155 Connecticut Avenue, NW, #800 Washington, DC 20036	Waste Management, Inc	5,000.00	
Delmar K. Banner, 50 F Street, NW, #900 Washington, DC 20001	Farm Credit Council		
Graeme Bannerman, 9108 Parliament Drive Burke, VA 22015	Embassy of Lebanon	2,000.00	540.00
Robert D. Bannister, 15th & M Streets, NW Washington, DC 20005	National Assn of Home Builders of the U.S.	21,000.00	15.53
Samuel J. Baptista, 1101 14th St., NW Washington, DC 20005	American Financial Services Assn		
E. W. Baragar, 1700 North Moore St., 20th Fl. Rosslyn, VA 22209	Boeing Company	1,634.23	716.50
Robert O. Barker, 4000 Town Center, #540 Southfield, MI 48075-1406	National Assn of Manufacturers	1,500.00	57.00
William J. Barnds, 1000 Connecticut Avenue, NW Washington, DC 20036	Japan Economic Institute of America	500.00	
Barnes Richardson & Colburn, 1819 H St., NW, #400 Washington, DC 20006	Brown-Forman Corp		
Do	Commonwealth Garment Manufacturing Co		
Do	Dow Chemical Co		
Do	EHA Ventilfabrik Wilhelm Fritz KG		
Do	Heidelberg Eastern, Inc	4,795.00	70.76
Do	Heublein, Inc		
Do	Hiram Walker & Sons, Inc		
Do	Italy-America Chamber of Commerce, Textile & Apparel Comm		
Do	Rukert Marine Corp	1,567.50	67.38
Do	Schieffelin & Co		
Do	Joseph E. Seagram & Sons, Inc		
Do	Stratton Hats, Inc		60.48
Do	Texas Citrus and Vegetable Import Association	2,457.50	88.85
Do	Uniroyal Chemical Co	1,158.25	275.78
Larry P. Barnett, 1709 New York Ave., NW Washington, DC 20006	Air Transport Assn of America	11,179.36	13,795.95
Barnett & Alagia, 250 South County Rd. Palm Beach, FL 33480	Cuban American Freedom Coalition, Inc		
Do	Dairymen, Inc	10,780.00	1,197.24
Barnett Sivon Schott & Shay, P.C., 1090 Vermont Ave., NW, #810 Washington, DC 20005	Citibank, N.A	3,360.00	159.00
Neil D. Baron, Booth & Baron 122 East 42nd Street, #1507 New York, NY 10168	Standard & Poor's Corporation		
James C. Barr, 1840 Wilson Blvd Arlington, VA 22201	National Milk Producers Federation	3,300.00	
Terry N. Barr, 50 F Street, NW, #900 Washington, DC 20001	National Council of Farmer Cooperatives		
David M. Barrett, Barrett Hanna Daily & Gaspar 2555 M Street, NW, #100 Washington, DC 20037	Allied Tube & Conduit Corp		
Do	Energy Consumers & Producers Assn		
Robert E. Barrett, 69844 Highway 111, Suite C Rancho Mirage, CA 92270	Rockwell International Corp		
Robert W. Barrie, 1331 Pennsylvania Avenue, NW Washington, DC 20004	General Electric Co	1,500.00	
Roger V. Barth, 1735 Eye St., NW, #715 Washington, DC 20006	American Assn for Clinical Chemistry Inc		
Linda L. Bartlett, 1100 17th Street, NW, #601 Washington, DC 20036	Kraft, Inc	750.00	
James E. Bartley, 1090 Vermont Avenue, NW, #410 Washington, DC 20005	National Industrial Transportation League	7,000.00	79.05
Mark A. Bartner, 100 Maryland Avenue, NE Washington, DC 20002	Religious Coalition for Abortion Rights, Inc	5,875.02	9.25
Diane Bateman, 1015 18th Street, NW Washington, DC 20036	Fertilizer Institute	9,000.00	1,557.21
Robert E. Bates Jr., 1100 Connecticut Ave, NW Washington, DC 20036	Mobil Oil Corp	1,125.00	
Catharine R. Batky, 1050 Connecticut Avenue, NW Washington, DC 20036	Burlington Northern, Inc	750.00	409.58
Davis M. Batson, 1155 15th Street, NW, #611 Washington, DC 20005	Ethyl Corporation	500.00	
Laurie C. Battle, 1709 New York Ave., NW, #801 Washington, DC 20006	U.S. League of Savings Institutions	2,275.00	
John F. Battles, Massachusetts Petroleum Council 11 Beacon St., #515 Boston, MA 02108	American Petroleum Institute		
John L. Bauer Jr., 1667 K St., NW, #650 Washington, DC 20006	Armco, Inc	2,600.00	523.71
Barbara Bauman, 1990 M Street, NW, #480 Washington, DC 20036	Detroit Edison Company	450.00	35.00
Baumbach & Fisher Assoc., Inc, 1900 S. Harbor City Blvd. Melbourne, FL 32901	Etradiction Corp of America	1,500.00	
Ann F. Bavaria, 35 North Sixth Street Reading, PA 19601	Meridian Bancorp, Inc		
James R. Baxter, 1101 15th St., NW, #1040 Washington, DC 20005	National Construction Employers Council		
Margaret E. Bayers, 1420 King Street Alexandria, VA 22314-2715	National Society of Professional Engineers	1,250.00	
Tina Marts Beach, 1331 Pennsylvania Avenue, NW, #700 Washington, DC 20004	General Electric Co	372.00	
Bruce A. Beam, 1667 K St., NW, #450 Washington, DC 20006	American Electric Power Service Corp	644.16	616.59
Donald S. Beattie, 400 First St., NW #804 Washington, DC 20001	Railway Labor Executives' Assn	5,531.90	
Hubert Beatty, 1957 E St., NW Washington, DC 20006	Associated General Contractors of America		
Orren Beaty Jr., Magruder Building 1625 M St., NW Washington, DC 20036	Western Fuels Association, Inc	7,315.00	736.08
Gerald F. Beavan, 190 Highland Drive Centerville, MA 02632	Capital Holding Corp	17,500.00	15,080.89
Edward A. Beck III, 1220 L Street, NW Washington, DC 20005	American Petroleum Institute	7,848.75	126.16
Daniel F. Becker, 1525 New Hampshire Ave., NW Washington, DC 20036	Environmental Action, Inc	1,138.25	
Steven M. Beckman, 1757 N Street, NW Washington, DC 20036	Int'l Union, United Auto Aerospace & Agric Implement Workers	7,829.15	16.00
Howard Bedlin, 1909 K Street, NW Washington, DC 20049	American Assn of Retired Persons	538.46	246.20
Jon Charles Bednerik, 11 Embarcadero West, #202 Oakland, CA 94607	Western Independent Bankers	500.00	
Beer Drinkers of New Mexico, 8100 Mountain Road, NE Albuquerque, NM 87110			1,359.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Beer Institute, 1750 K St., NW, #500 Washington, DC 20006			38.00
Robert M. Beers, 2101 E Street, NW Washington, DC 20037	American Foreign Service Assn	5,562.00	614.00
William A. Behan, 1700 N. Moore St., #820 Rosslyn, VA 22209	Magnavox Government & Industrial Electronics Co	9,369.00	689.55
Edwin L. Behrens, 801 18th Street, NW, #400 Washington, DC 20006	Procter & Gamble Manufacturing Co		
James Beizer, 1920 N St., NW Washington, DC 20036	American Mining Congress		
Mark Belanger, 805 Third Avenue New York, NY 10022	Major League Baseball Players Assn		
Donald K. Belch, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington, DC 20037	Stelco, Inc	198.50	451.95
M. Wendell Belew Jr., 499 South Capitol St., SW, #407 Washington, DC 20003	American Electronics Laboratories, Inc		
Do	Crowley Maritime Corp		
Do	Long Lake Energy Corp		
Do	Massachusetts Mutual Life Insurance Co		
Do	National Tooling & Machining Assn		
Denise Bell, 777 14th Street, NW Washington, DC 20005	National Assn of Realtors	2,500.00	135.49
Diane L. Bell, 2626 Pennsylvania Ave., NW Washington, DC 20037	National Telephone Cooperative Assn	1,875.00	737.57
Howard H. Bell, 1400 K St., NW, #1000 Washington, DC 20036	American Advertising Federation		
Matt Langley Bell III, P.O. Box 1312 Pensacola, FL 32596			
Stephen E. Bell, 1455 Pennsylvania Ave., NW, #325 Washington, DC 20004	Salomon Brothers, Inc	1,000.00	
Winston Everett Bell, P.O. Box 26543 Las Vegas, NV 89126			
Mary K. Bellamy, 1600 M St., NW Washington, DC 20036	Investment Company Institute		
James P. Bellis, 1629 K St., NW, #1100 Washington, DC 20006	Palumbo & Cerrell, Inc (For:Altantic Ritchfield Co)	9,600.00	
Do	Palumbo & Cerrell, Inc (For:American Soc of Composers Authors & Publishers)	9,600.00	
Do	Palumbo & Cerrell, Inc (For:European Community)	9,600.00	
Do	Palumbo & Cerrell, Inc (For:Southern California Rapid Transit District)	9,600.00	
Bruce Benefield, 1000 Wilson Blvd., #2600 Arlington, VA 22209	TRW, Inc	270.00	
Beverly L. Bennett, 1001 Pennsylvania Ave., NW Washington, DC 20006	American Council of Life Insurance, Inc	2,500.00	
David E. Bennett, 740 Hillgrove Avenue Western Springs, IL 60558	West Central Municipal Conference		
John C. Bennison, 4400 Macarthur Blvd., NW Washington, DC 20007	American Soc of Travel Agents	8,500.00	
Frederick S. Benson III, 2001 L Street, NW, #304 Washington, DC 20036	Weyerhaeuser Company		
Tom Benson, 501 Union Street, #506 Nashville, TN 37219	CSX Transportation		
James E. Benton, N. J. Petroleum Council 150 W. State Street Trenton, NJ 08608	American Petroleum Institute		
Diana Berardocco, 1660 L Street, NW, #915 Washington, DC 20036	Avon Products, Inc		
George L. Berg Jr., 600 Maryland Avenue, SW Washington, DC 20024	American Farm Bureau Federation	5,813.00	212.67
Rebecca J. Berg, 1331 Pennsylvania Ave., NW, #560 Washington, DC 20004	Sea-Land Corporation	450.00	
Richard Scott Berg, 1250 Connecticut Avenue, NW, #210 Washington, DC 20036	National Forest Products Assn		
O. M. Berge, 12050 Woodward Ave. Detroit, MI 48203	Brotherhood of Maintenance of Way Employes		
Bob Bergland, 1800 Massachusetts Avenue, NW Washington, DC 20036	National Rural Electric Cooperative Assn	657.00	74.22
Edwin M. Bergsmark, Three Seagate Toledo, OH 43603	Toledo Trust Company		
Paul C. Bergson, 2550 M St., NW, #770 Washington, DC 20037	RJR Nabisco, Inc	3,000.00	
Jane W. Bergwin, 1050 17th Street, NW, #490 Washington, DC 20036	Consumers Power Co	3,448.00	1,266.00
Christopher Berka, 2550 M St., NW Washington, DC 20037	McCutchen Doyle Brown & Enersen (For:Castle & Cooke)		160.00
Do	McCutchen Doyle Brown & Enersen (For:Rohr Industries, Inc)		
Peter A. A. Berle, 950 Third Avenue New York, NY 10022	National Audubon Society	1,000.00	362.10
Berliner & Maloney, 1101 17th Street, NW, #1004 Washington, DC 20036-4798	Embassy of Belize	2,200.00	81.95
Do	Government of Barbados, Ministry of Finance & Planning	14,954.00	724.58
Carol Lee Berlinsky, 1001 Prince Street Alexandria, VA 22314	John R. Zagame Associates, Inc (For:National Music Publishers Assn, Inc)	6,000.00	47.50
Debra Berlyn, 1400 K St., NW, #500 Washington, DC 20005	Handgun Control, Inc	8,615.39	
Ellen Berman, 2000 L St., NW, #802 Washington, DC 20036	Consumer Energy Council of America		
Jason S. Berman, 1020 19th St., NW, #200 Washington, DC 20036	Recording Industry Assn of America, Inc	56,250.00	
Jay Harris Berman, 400 N. Washington St. Alexandria, VA 22314	National Assn of Professional Insurance Agents		
William R. Berman, 8111 Gatehouse Rd. Falls Church, VA 22047	American Automobile Assn		
Berman Bergner & Boyette, 1016 16th Street, NW, #700 Washington, DC 20036	Blaw Knox	2,500.00	1,923.17
Do	China External Trade Development Council	2,000.00	1,236.00
Do	First Atlantic Investment Corp	1,500.00	1,149.43
Do	Flo-Sun Land Corp	2,000.00	1,949.43
Do	Home Recording Rights Coalition	3,000.00	3,326.18
Do	Kasnar Imports, Inc	300.00	995.00
Do	Malone and Hyde		
Do	Natural Gas Supply Assn	3,000.00	3,216.40
Do	Okeelanta Corp	1,700.00	3,237.52
Do	Republic of Korea	2,000.00	1,230.00
Mary E. Bernhard, 1090 Vermont Avenue, NW, #500 Washington, DC 20005	Flexible Packaging Association		
Charles Bernhardt, 1016 16th St., NW Washington, DC 20036	National Fed of Federal Employees	53.52	
Donald C. Berno, 1615 H St., NW Washington, DC 20062	U.S. Chamber of Commerce	7,500.00	20.00
Craig A. Berrington, 1025 Connecticut Ave., NW, #415 Washington, DC 20036	American Insurance Assn		
Max N. Berry, 3213 O St., NW Washington, DC 20007	American Importers Meat Products Group		
Do	Centre National Interprofessionnel de L'Economic Laitiere		
Do	Committee to Assure the Availability of Casein	5,000.00	325.63
Do	Federation des Exportateurs de Vins & Spiritueux de France		
Willard M. Berry, 900 17th Street, NW, #514 Washington, DC 20006	National Foreign Trade Council, Inc	5,000.00	1,100.00
Eve Berton, 1016 16th St., NW Washington, DC 20036	National Fed of Federal Employees		
John F. Betar, 730 15th Street, NW Washington, DC 20005	Association of Bank Holding Cos	1,100.00	115.00
Better Working Environments, Inc, 3716 Scripps Way Las Vegas, NV 89103			
Robert Betz, 1010 Vermont Avenue, NW, #1116 Washington, DC 20005	Robert Betz Associates, Inc (For:Alabama Hospital Association)	5,250.00	458.81
Beveridge & Diamond, P.C., 1333 New Hampshire Ave, NW Washington, DC 20036	Metal Box America, Inc		
Do	Town of Oyster Bay Industrial Development Agency		
Beverly Enterprises, Inc, 1901 N. Fort Myer Drive, #302 Rosslyn, VA 22209			25,289.42
John C. Biechman, 655 15th St., NW, #1200 Washington, DC 20005	Safe Building Alliance		
Joan T. Bier, 1726 M Street, NW, #701 Washington, DC 20036	International Minerals & Chemical Corp		
Moe Biller, 1300 L St., NW Washington, DC 20005	American Postal Workers Union, AFL-CIO	12,113.07	
Kevin W. Billings, 410 First Street, SE Washington, DC 20003	American Nuclear Energy Council	2,768.94	1,180.46
Leon G. Billings, Inc, 1660 L St., NW, #809 Washington, DC 20036	Coalition for Scenic Beauty	2,521.63	
Hugh L. Binford, 50 Coe Road, #223 Belleair, FL 33516			
Bingham Dana & Gould, 1724 Massachusetts Avenue, NW Washington, DC 20036	Disabled American Veterans	1,890.00	10.00
Birch Horton Bittner Pestinger & Anderson, 12th Floor 1155 Connecticut Ave., NW Washington, DC 20036	Alaska Pacific Refining, Inc		
Do	Alaska Power Authority		
Do	Alaska Teamsters-Employer Pension Trust		
Do	Alaska Teamsters-Employer Welfare Trust		
Do	Amerada Hess Corp		
Do	Calista Corp		
Do	City of St. George		
Do	CP National Corp		
Do	First Federal Bank of Alaska, S.B.		
Do	North Slope Borough		
Do	Old Harbor Corp		
Do	Sealaska Corp		
Do	St. George Tanaq Corp		
Do	Tanadgusix Corporation		
Do	Teamsters Local 959		
Do	Westinghouse Electric Corp		
Do	Yukon Pacific Corp		
Robert J. Bird, 888 16th St., NW Washington, DC 20006	General Mills, Inc	75.00	
Do	Zachry, Inc		
Charles O. Bishop Jr., 1225 Connecticut Ave., NW Washington, DC 20036	American Public Transit Assn	6,650.00	253.00
Bishop Cook Purcell & Reynolds, 1200 17th Street, NW, #700 Washington, DC 20036	Akhiok-Kaguyak, Inc	2,600.00	
Do	Americans Against Socialized Medicine		
Do	BATUS, Inc	8,033.75	77.50
Do	Mobil Oil Corp, et al	9,979.85	87.00
Do	Natural Gas Pipeline Coalition		
Do	Tobacco Institute	23,837.50	439.32
Do	Washington Public Power Supply System	8,800.00	
Dennis A. Bitz, 999 Meredith Court Sonoma, CA 95476	Bechtel Power Corporation		
Gerrie Bjornson, 1825 Eye Street, NW, #400 Washington, DC 20006	B.F. Goodrich Co	100.00	
Black Crotty Sims Hubka Burnett & Samuels, 501 North Grandview Ave. P.O. Box 5488 Daytona Beach, FL 32018	Aetna Life Insurance Company		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Black Manafort Stone & Kelly, P.C., 211 North Union Street, 3rd Floor Alexandria, VA 22314	Allied Signal Companies	22,500.00	441.79
Do	Bethlehem Steel Corp	22,500.00	491.60
Do	Chicago RTA	9,000.00	242.93
Do	Diamond Star Corp	30,000.00	330.96
Do	Johnson & Johnson	30,000.00	616.01
Do	Kaman Aerospace Corp	45,000.00	406.90
Do	Tobacco Institute	22,500.00	654.07
Do	Trans World Airlines, Inc	18,000.00	131.00
Do	U.N.I.T.A.	75,000.00	1,988.25
Do	Union Pacific Corp	22,500.00	499.85
Robert J. Blackwell, One Thomas Circle, NW, #900 Washington, DC 20005	American Trading Transportation Co, Inc		
Do	Cove Maritime Companies		
Do	Crest Tankers, Inc		
Do	Enserch Corporation	3,038.00	2,412.93
Do	Equity Carriers I, Inc		
Do	Equity Carriers III, Inc		
Do	Falcon Tankers, Inc		
Do	Sun Transport, Inc		
Do	Trinidad Corporation		
Do	Victory Carriers, Inc		
Bev D. Blackwood, 1899 L Street, NW, #1100 Washington, DC 20036	Exxon Corporation		
David A. Blair, 5205 Leesburg Pike, #505 Falls Church, VA 22041	National Beer Wholesalers Assn	2,324.00	118.28
Neal B. Blair, Suite J 11244 Waples Mill Rd. Fairfax, VA 22030	Free the Eagle, et al.	18,296.52	
Stephen Blair, 2251 Wisconsin Ave., NW Washington, DC 20007	National Assn of Trade & Technical Schools	750.00	
Richard R. Blake Jr., 777 14th Street, NW Washington, DC 20005	National Assn of Realtors		
Helen Blank, 122 C Street, NW Washington, DC 20001	Children's Defense Fund	2,624.01	
Kenneth T. Blaylock, 80 F St., NW Washington, DC 20001	American Fed of Government Employees	21,850.57	5,967.15
Beatrice K. Bleicher, 1700 K Street, NW, #1107 Washington, DC 20006	Owens-Illinois, Inc	2,000.00	100.00
Jerald Blizin, 901 31st Street, NW Washington, DC 20007	Hill & Knowlton, Inc		
John R. Block, 201 Park Washington Court Falls Church, VA 22046	National-American Wholesale Grocers' Assn	3,000.00	
L. Thomas Block, One Wall Street New York, NY 10015	Irving Trust Co	5,000.00	2,000.00
Peter L. Blocklin, 1120 Connecticut Ave., NW Washington, DC 20036	American Bankers Assn	3,500.00	
Douglas M. Bloomfield, 500 N. Capitol St., NW, #300 Washington, DC 20001	American Israel Public Affairs Comm	20,424.96	1,460.18
Mark Bloomfield, 1850 K St., NW, #400 Washington, DC 20006	American Council for Capital Formation	900.00	
Shirley A. Bloomfield, 2626 Pennsylvania Ave., NW Washington, DC 20037	National Telephone Cooperative Assn	1,875.00	785.07
Vera Steiner Blore, 1615 H Street, NW Washington, DC 20062	Chamber of Commerce of the U.S.	300.00	5.00
John B. Blount Jr., 777 14th Street, NW Washington, DC 20005	National Assn of Realtors	2,500.00	363.95
Gordon B. Bluechel, 9805 Avondale Rd., E214 Redmond, WA 98052	Gordon Bluechel & Associates, Inc	1,410.53	
Gordon Bluechel & Associates, Inc, T.L.P.O. Box 8006 Kirkland, WA 98034	International Services, Inc	1,875.00	1,437.15
Robert A. Blum, 600 Montgomery Street San Francisco, CA 94111	Orrick Herrington & Sutcliffe (For:Permanente Medical Group, Inc)		
Charles R. Blumenfeld, Bogle & Gates 2100 Bank of California Center Seattle, WA 98164	Coalition of Independent Timber Growers		
Do	Pacific Seafood Processors Assn		
Patti Blumer, 1667 K Street, NW, #430 Washington, DC 20007	American Dietetic Assn		
William J. Boarman, 1925 K Street, NW Washington, DC 20006	Communications Workers of America		
Boat Owners Assn of the U.S., 880 S. Pickett St. Alexandria, VA 22304		60,000.00	60,000.00
Karen Bodenhorn, 1522 K Street, NW, #1120 Washington, DC 20005	American College of Nurse-Midwives		
Seth M. Bodner, 386 Park Avenue South New York, NY 10016	National Knitwear & Sportswear Assn	1,312.50	
Larry A. Boggs, 1920 N St., NW Washington, DC 20036	American Mining Congress		
Timothy A. Boggs, 1133 21st Street, NW, #400 Washington, DC 20036	Warner Communications, Inc	16,080.00	13,300.49
Bogle and Gates, One Thomas Circle, NW, #900 Washington, DC 20005	Alaskan Factory Trawlers Assn	2,000.00	
Do	Alliance for Fair Trade		
Do	American Fair Trade Council		
Do	Coalition for Clean Water		
Do	Northwest Apparel & Textile Assn	1,000.00	
Do	Pacific Seafood Processors Assn	300.00	
Robert Z. Bohan, 1101 16th St., NW Washington, DC 20036	National Soft Drink Assn		
Patricia Boinski, 1333 New Hampshire Ave., NW Washington, DC 20036	Atlantic Richfield Co	62.00	
Bernadette Bolton, 400 First Street, NW, #800 Washington, DC 20001	Brotherhood of Railroad Signalmen	300.00	
Sharon E. Bomer, 727 N. Washington Street Alexandria, VA 22314	United Fresh Fruit & Vegetable Assn	2,287.50	544.91
Joseph C. Bonanno Jr., 4068 Keith Drive Campbell, CA 95008			
A. Dewey Bond, P.O. Box 3556 Washington, DC 20007	American Meat Institute	500.00	
Edward N. Bond, 1700 North Moore St. Rosslyn, VA 22209	Boeing Company	600.00	
Bonner & Associates, Inc, 1625 K Street, NW, #300 Washington, DC 20006	Blue Cross & Blue Shield Assn		
Bonneville Associates, 200 E. South Temple, #300 Salt Lake City, UT 84111	Western Regional Council	560.00	85.18
Gaylon B. Booker, 1918 N. Parkway Memphis, TN 38112	National Cotton Council of America		
W. Dan Boone, 345 Park Ave. New York, NY 10154	Union Pacific Corp, et al.		
John K. Booth, 1001 Pennsylvania Ave., NW Washington, DC 20006	American Council of Life Insurance, Inc	100.00	
Diane Boratyn, 1230 31st St., NW, #5 Washington, DC 20007	D Boratyn, Ltd		
Richard H. Bornemann, 410 First Street, SE Washington, DC 20003	United Illuminating Co	2,332.00	1,483.94
Patricia A. Borowski, 400 North Washington Street Alexandria, VA 22314	National Assn of Professional Insurance Agents		
Laurence D. Bory, 1015 15th St., NW, #802 Washington, DC 20005	American Consulting Engineers Council	900.00	
G. Stewart Boswell, 2500 Wilson Blvd. #301 Arlington, VA 22201	American Apparel Manufacturers Assn, Inc	2,825.00	157.85
Nancy Bothne, 2001 S Street, NW, #312 Washington, DC 20009	Farmworker Justice Fund, Inc		
Charles G. Botsford, 1730 M St., NW, #515 Washington, DC 20036	Charles G. Botsford, et al	1,500.00	113.00
John E. Bouchard, 1667 K Street, NW, #350 Washington, DC 20036	Moller Steamship Co, Inc		
James J. Boulet Jr., 1420 West Abingdon, #341 Alexandria, VA 22314	Moral Majority	4,615.38	
Mary M. Bourdette, 122 C St., NW, 4th Fl. Washington, DC 20001	Children's Defense Fund of the Washington Research Project	3,200.06	106.89
James G. Bourie, 4647 Forbes Boulevard Lanham, MD 20706	AMVETS	6,800.00	150.47
Albert D. Bourland, 1615 H Street, NW Washington, DC 20062	Chamber of Commerce of the U.S.		
Laura L. Bourne, 1750 K Street, NW Washington, DC 20006	Food Marketing Institute	100.00	
Wayne A. Boutwell, 50 F Street, NW, #900 Washington, DC 20001	National Council of Farmer Cooperatives	3,400.00	
Bowery Savings Bank, 110 East 42nd Street New York, NY 10017			
Doug B. Bowles, 205 Spring Hill Terrace Roswell, GA 30075	Georgia Power Co	9,991.50	8,913.54
Richard P. Bowling, 1020 Princess Street Alexandria, VA 22314	Truck Trailer Manufacturers Assn	1,000.00	
Gina M. Bowman, P.O. Box 7305, Dept. 178 Kansas City, MO 64116	Farmland Industries, Inc		
Jim D. Bowmer, P.O. Box 844 Temple, TX 76503	Tribal Council of the Coushatta Tribe of Louisiana		
Bowmer Courtney Burleson Pemberton & Normand, P.O. Box 844 Temple, TX 76503	Tribal Council of the Coushatta Tribe of Louisiana		219.67
Joan Costain Bowyer, 1015 15th St., NW, #909 Washington, DC 20005	Phelps Dodge Corp	150.00	
James H. Boyd, 1233 20th St., NW, #200 Washington, DC 20036	Newmont Mining Corp		
John G. Boyd, 1801 K St., NW Washington, DC 20006	International Business Machines Corp	400.00	39.00
Robert K. Boyd, 1515 Wilson Blvd. Arlington, VA 22209	American Gas Assn	3,000.00	382.10
Bracewell & Patterson, 2000 K St., NW, #500 Washington, DC 20006	American Gas Assn		
Do	American Insurance Assn		
Do	Appalachian Energy Group		
Do	Austin Capital Metropolitan Authority		
Do	Chemical Manufacturers Assn, Inc	900.00	359.10
Do	Coalition of Funeral Directors	1,049.25	
Do	Computer Dealers & Lessors Assn, Inc		
Do	COMDISCO, Inc		
Do	Enron Corp	720.00	287.28
Do	Liberty Bank & Trust of New Jersey	720.00	287.28
Do	Louisiana Land & Exploration Co	540.00	215.46
Do	Massachusetts Mutual Life Insurance	104.93	
Do	National Cable Television Assn, Inc		
Do	Pennsylvania Natural Gas Associates		
Do	Southdown/Pelto Oil Company		
Do	Star-Kist Foods, Inc	1,080.00	430.92
Do	Tennessee Gas Transmission Co	540.00	215.46
Do	Texas Funeral Directors Assn, Inc		
Do	U.S. Tuna Foundation		
Do	Valero Energy Corporation	1,440.00	547.56
Bracy Williams & Company, 1000 Connecticut Avenue, NW, #304 Washington, DC 20036	American Southwest Financial Co	30,000.00	450.00
Do	Arkla, Inc	4,000.00	165.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	City of Tucson	7,000.00	185.00
Do	Coin Coalition		
Do	CSX Corporation	8,000.00	265.00
Do	Doctor's Pharmacy	1,500.00	150.00
Do	Energy Absorption Systems, Inc	8,000.00	390.00
Do	Energy Contractors Price-Anderson Group	4,000.00	175.00
Do	Estes Company	3,000.00	155.00
Do	LaserVideo, Inc	4,000.00	175.00
Do	Pratt & Whitney Aircraft Group	4,000.00	50.00
Do	Southern Arizona Water Resources Association	2,000.00	180.00
Robert W. Bradford, 1101 John A. Denie Road P.O. Box 34550 Memphis, TN 38184-0550			
Frank W. Bradley, 1700 K St., NW Washington, DC 20006	Chevron USA, Inc	6,000.00	
Wayne W. Bradley, 1101 Vermont Ave., NW Washington, DC 20005	American Medical Assn	750.00	
Dennis M. Bradshaw, 1957 E St., NW Washington, DC 20006	Associated General Contractors of America		
Carren Bragg, 1901 L Street, NW, #303 Washington, DC 20036	Colt Industries, Inc	500.00	
Charles G. Bragg, P.O. Box 12285 Memphis, TN 38182	National Cotton Council of America	540.00	8.10
Raymond F. Bragg Jr., 50 F Street, NW, #1040 Washington, DC 20001	Agrifuels Refining Corp, et al.	100.00	
Do	American Independent Refiners Assn	300.00	
Sally M. Brain, 1957 F Street, NW Washington, DC 20006	Associated General Contractors of America		
Brand & Lowell, 923 15th Street, NW, Fifth Fl. Washington, DC 20005	General Dynamics Corp		
Do	Winstead McGuire Sechrest & Minick		
Robert M. Brandon, 1300 Connecticut Ave., NW, #401 Washington, DC 20036	Citizen Action	2,000.00	
Do	Citizen/Labor Energy Coalition		
William C. Brashares, Mintz Levin Cohn Ferris Glovsky & Popeo 1825 Eye St., NW, #1201 Washington, DC 20006	Smith Barney Harris Upham & Co, Inc		
Christian N. Braunlich, 1331 Pennsylvania Avenue, NW, #1500N Washington, DC 20004-1703	National Assn of Manufacturers	125.00	
Roy Braunstein, 1300 L Street, NW Washington, DC 20005	American Postal Workers Union, AFL-CIO	13,169.90	
Harold E. Brazil, 1900 Pennsylvania Avenue, NW Washington, DC 20068	Potomac Electric Power Co	73.43	
Noel Brazil, 1505 Prince Street, #300 Alexandria, VA 22314	American Optometric Assn		
Edward T. Breathitt, 1050 Connecticut Ave., NW Washington, DC 20036	Norfolk Southern Corp	1,000.00	
Bregman Abell & Kay, 1156 15th St., NW, #1212 Washington, DC 20005	Air Transport Assn of America	5,000.00	
Do	American Car Rental Assn	5,000.00	
Do	American Fed of Labor & Congress of Industrial Organizations	5,000.00	
Do	Committee for Tax Equity		
Do	Committee to Eliminate Equipment Giveaways	5,000.00	
Do	Murry's, Inc	5,000.00	
Do	National Car Rental System, Inc		
Do	Temistocles Ramirez	1,500.00	
Do	Ryder Systems, Inc		
Do	Trans World Airlines, Inc		
Do	Truck Renting & Leasing Assn	5,000.00	
Carolyn L. Brehm, 1660 L Street, NW Washington, DC 20036	General Motors Corp	5,000.00	2,257.31
Michael J. Brennan, 1750 New York Ave., NW Washington, DC 20006	International Assn of Bridge Struct & Ornamental Iron Wkrs	10,800.00	573.48
Peter E. Brereton, 900 Euclid Avenue P.O. Box 5937 Cleveland, OH 44107	Ameritrust Co, Nat'l Assn	2,106.00	1,906.07
Thomas M. Bresnahan III, 1700 K Street, NW, #1200 Washington, DC 20006	Chevron USA, Inc	1,500.00	
Albert E. Brewster, 1000 Wilson Blvd., #2300 Arlington, VA 22209	Northrop Corp		152.25
Robert J. Brinkmann, 1627 K Street, NW, #400 Washington, DC 20006	National Newspaper Assn	5,000.00	
Belva B. Brissett, 1771 N St., NW Washington, DC 20036	National Assn of Broadcasters	1,500.00	511.00
Elizabeth Y. Britton, 2550 M Street, NW Washington, DC 20037	RJR Nabisco, Inc	119.88	209.32
Broadhurst Brook Mangham & Hardy, 1730 Pennsylvania Ave., NW, #300 Washington, DC 20006	CSX Corporation		
Do	GNB, Inc		
Do	Primark Corp		
Do	Sunmar Shipping, Inc		
Stephen W. Broadie, 1629 K Street, NW, #1010 Washington, DC 20006	Alliance of American Insurers	1,500.00	3.20
Mary Broderick, 1625 K St., NW, 8th Fl. Washington, DC 20006	National Legal Aid & Defender Assn	1,500.00	1.60
William M. Brodhead, 900 Marquette Building Detroit, MI 48226	Plunkett & Cooney (For:Blue Cross & Blue Shield Assn)	2,775.00	90.31
Do	Plunkett & Cooney (For:City of Detroit, Michigan)	7,500.00	145.07
Do	Plunkett & Cooney (For:Detroit Educational TV Foundation)	270.00	
Do	Plunkett & Cooney (For:Michigan Consolidated Gas Co)	10,000.00	526.97
Do	Murray & Scheer (for: Lightning Location & Protection, Inc)	4,000.00	18.60
Do	Murray & Scheer (for: PHP Healthcare Corp)	2,397.50	4.00
Do	Plunkett & Cooney (for: Humane Soc of the U.S.)	1,425.00	46.69
Do	Plunkett & Cooney (for: Michigan Humane Soc)	1,425.00	46.68
David A. Brody, 1640 Rhode Island Ave., NW Washington, DC 20036	Anti-Defamation League of B'nai B'rith	4,000.00	
Marcia D. Brody, 1522 K Street, NW, #828 Washington, DC 20005	American Veterinary Medical Assn		
Nancy B. Broff, 600 New Jersey Ave., NW Washington, DC 20001	Alliance for Justice	200.00	
E. Bernard Brogan, 1850 M Street, NW, #600 Washington, DC 20036	Toyota Motor Sales, USA, Inc		
Michael D. Bromberg, 1111 19th St., NW, #402 Washington, DC 20036	Federation of American Health Systems	4,500.00	
Brook Associates, Inc, 1620 Eye Street, NW, #706 Washington, DC 20006	Northern Textile Assn	7,875.00	7,875.00
Dale E. Brooks, 1700 K St., NW Washington, DC 20006	Chevron USA, Inc	5,625.00	
E. R. Brooks, P.O. Box 2121 Corpus Christi, TX 78403	Central Power & Light Co		
Mary E. Brooks, 1730 M Street, NW Washington, DC 20036	League of Women Voters of the U.S.	4,446.68	229.25
Philip A. Brooks, 1125 15th Street, NW Washington, DC 20005	Mortgage Bankers Assn of America		
Brotherhood of Railway Airline & Steamship Clerks, 815 16th St., NW Washington, DC 20006		18,100.00	32,410.75
Donald G. Brotzman, 1400 K St., NW Washington, DC 20005	Rubber Manufacturers Assn	10,000.00	
Ben Jarratt Brown, 325 Pennsylvania Ave., SE Washington, DC 20003	Washington Lobby Group, Inc (For:Preston Corp)	3,000.00	
Cheryl Brown, 1667 K Street, NW, #710 Washington, DC 20006	Baxter Travenol Laboratories, Inc		
David S. J. Brown, 1101 17th St., NW, #604 Washington, DC 20036	Monsanto Co	700.00	90.20
Diane R. Brown, 1515 Wilson Boulevard Arlington, VA 22209	American Gas Assn	3,700.00	1,087.33
Doreen L. Brown, 1001 Connecticut Ave., NW, #800 Washington, DC 20036	Consumers for World Trade		
Ellen B. Brown, 1615 H Street, NW Washington, DC 20062	Chamber of Commerce of the U.S.		
George L. Brown, 1000 Wilson Boulevard Arlington, VA 22209	Grumman Corporation	1,250.00	473.18
Jesse P. Brown Jr., 1918 N. Parkway Memphis, TN 38112	National Cotton Council of America		
Ralph Brown, Suite 107 701 S. 22nd Street Omaha, NB 68102	M.O.A.A.I.O.A. & Subs, Inc		
S. M. Henry Brown Jr., 411 Fayetteville Street Mall, #1925 Raleigh, NC 27601	Carolina Power & Light Co		
Vincent D. Brown, Nebraska Petroleum Council P.O. Box 95063 Lincoln, NB 68509	American Petroleum Institute	2,500.00	1,936.20
Virginia Brown, 15th & M streets, NW Washington, DC 20005	National Assn of Home Builders of the U.S.		
William E. Brown, 815 Connecticut Ave., NW Washington, DC 20006	Ford Motor Co	180.00	820.95
William R. Brown, 122 C Street, NW, #200 Washington, DC 20001	Council of State Chambers of Commerce	307.60	
William Y. Brown, 1155 Connecticut Ave., NW, #800 Washington, DC 20036	Waste Management, Inc	5,000.00	
Brown & Finn, Chtd, 1920 N Street, NW, #510 Washington, DC 20036	Cincinnati Microwave, Inc		
Do	Regency Electronics, Inc		
Do	RADAR	1,312.50	
Do	Satellite TV Viewing Rights Coalition, Inc	1,501.50	
Brown Todd & Heyburn, 1600 Citizens Plaza Louisville, KY 40202	Brown & Williamson Tobacco Corp		
Brownstein Zeidman & Schomer, 1401 New York Ave., NW, #900 Washington, DC 20005	Camara de la Industria de Transformacion de Nuevo Leon	38,634.00	5,590.28
Do	New York City Housing Development Corp	17,006.88	
Do	New York State Mortgage Loan Enforcement & Admin Corp	11,809.97	
Do	Universal Furniture Limited		191.60
Wolf Brueckmann, 1615 H Street, NW Washington, DC 20062	Chamber of Commerce of the U.S.	250.00	57.49
Kathryne M. Bruner, 1025 Connecticut Ave., NW, #704 Washington, DC 20036	GA Technologies, Inc	875.00	147.45
William K. Brunette, 1909 K Street, NW Washington, DC 20049	American Assn of Retired Persons	541.15	171.75
Michael E. Brunner, 2626 Pennsylvania Avenue, NW Washington, DC 20037	National Telephone Cooperative Assn	1,000.00	3.50
J. Charles Bruse, 633 Pennsylvania Ave., NW, #600 Washington, DC 20004	Allstate Insurance Group	1,950.00	412.67
Bryan Cave McPheeters & McRoberts, 1015 15th Street, NW, #1000 Washington, DC 20005	Miller & Chevalier Chtd (for Western Savings & Loan Assn...)		
Dawn M. Brydon, 888 16th Street, NW Washington, DC 20006	Milk Industry Foundation/Int'l Assn of Ice Cream Mfrs		
Judith A. Buckalew, 1667 K Street, NW, #500 Washington, DC 20006	International Assn for Financial Planning, Inc	16,585.00	4,162.03
Thomas L. Buckmaster, 1225 Connecticut Avenue, NW, #303 Washington, DC 20036	Citizens for Sensible Control of Acid Rain	750.00	
G. N. Buffington, 2230 California Street, NW Washington, DC 20008	National Assn of Real Estate Investment Trusts, Inc	5,847.36	3.82
Building Owners & Managers Assn International, 1250 Eye St., NW, #200 Washington, DC 20005			
Douglas W. Bulcao, 1101 Connecticut Ave., NW, #300 Washington, DC 20036	American Textile Manufacturers Institute, Inc	3,750.00	24.00
Linda Knell Bumbalo, 1125 15th Street, NW Washington, DC 20005	Mortgage Bankers Assn of America		
Darrel D. Bunge, Minnesota Petroleum Council 350 St. Peter Street, #1025 St. Paul, MN 55102	American Petroleum Institute	637.00	
David A. Bunn, 1211 Connecticut Avenue, NW, #406 Washington, DC 20036	Hearst Corporation	1,000.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Magazine Publishers Assn, Inc	3,000.00	
Do	Parcel Shippers Assn	2,000.00	
Norman D. Burch, 1101 Vermont Ave., NW, #604 Washington, DC 20005	College of American Pathologists	9,000.00	160.90
Barbara G. Burchett, 1615 L Street, NW, #1220 Washington, DC 20036	Hallmark Cards, Inc		
David G. Burden, 200 E. Randolph Dr. Chicago, IL 60601	Amoco Corporation		
Paul F. Burdett, Suite 700 South 1800 M Street, NW Washington, DC 20036	Merrell Dow Pharmaceuticals, Inc		84.25
Robert J. Burdick, 1126 16th Street, NW Washington, DC 20036	Oil Chemical & Atomic Workers Int'l Union	3,057.90	
Harriet Hunt Burgesss, 82 Second Street San Francisco, CA 94105	Trust for Public Lands	8,437.50	4,687.44
William J. Burhop, 1709 New York Ave., NW Washington, DC 20006	Air Transport Assn of America	10,646.18	13,003.09
Gerard P. Burke, 1117 Spotswood Drive Silver Spring, MD 20904	International Air Leases, Inc		
Kevin Burke, 1771 N Street, NW Washington, DC 20036	National Assn of Broadcasters	1,500.00	550.00
Burley & Dark Leaf Tobacco Export Assn, 1100 17th St., NW Washington, DC 20036		27,521.00	950.00
Lon Burnam, 6220 Gaston Ave., #609 Dallas, TX 75214	Sierra Club	1,182.00	693.55
Charles S. Burns, 1015 15th St., NW, #909 Washington, DC 20005	Phelps Dodge Corp	1,200.00	
Timothy F. Burns, 2501 M St., NW Washington, DC 20037	Chemical Manufacturers Assn, Inc	2,000.00	172.75
Burr & Forman, 3000 Southtrust Tower Birmingham, AL 35203	Investment Company Institute	3,750.00	
Burr Pease & Kurtz, Inc, 810 N St. Anchorage, AK 99501-3293	Eklutna, Inc		
Burson-Marsteller, 1850 M Street, NW, #900 Washington, DC 20036	Arthur Andersen & Co	550.00	12.00
Do	City of Philadelphia	300.00	12.00
Do	Clark Equipment Co	1,400.00	42.00
Do	COMSAT Corp	600.00	12.00
Do	Epson America, Inc	500.00	18.00
Do	Hankin Management-Arsenal Business Center Associates	750.00	33.00
Do	Harcourt Brace Jovanovich, Inc	575.00	36.00
Do	Health Policy Agenda		
Do	Kansas City Southern Industries, Inc	2,500.00	3,586.70
Do	Medtronic, Inc		
Do	Philadelphia Industrial Development Corp	300.00	12.00
Do	Philadelphia Port Corp	300.00	24.00
Do	Philip Morris, Inc		
Do	Softgel Assn		
Do	Temple University	260.00	18.00
Busby Rehm and Leonard, P.C., 1330 Connecticut Ave., NW, #200 Washington, DC 20036	Guam Contractors Assn	1,548.39	
Do	Universal Leaf Tobacco Co, Inc		
Barbara L. Bush, 1220 L St., NW Washington, DC 20005	American Petroleum Institute	200.00	
James T. Bush, 1500 Massachusetts Avenue, NW Washington, DC 20005	CDI Policy Institute		
Nicholas J. Bush, 1730 Rhode Island Avenue, NW, #200 Washington, DC 20036	Natural Gas Supply Assn	3,500.00	2,227.93
Helen C. Butler, 1630 Connecticut Avenue, NW, #202 Washington, DC 20009	Taiwan Power Company	4,500.00	
Henry Butler, 3707 Woodview Trace Indianapolis, IN 46268	Crop Insurance Research Bureau	525.00	
M. Caldwell Butler, P.O. Box 720 Roanoke, VA 24004	National Conference of Bankruptcy Judges	8,910.00	
Patrick Butler, 1875 Eye Street, NW, #1110 Washington, DC 20006	Times Mirror Co		
Mrs. H. E. Butt, 3700 Ocean Drive Corpus Christi, TX 78411			
Bruce Butterfield, 1745 Jefferson Davis Hwy, #511 Arlington, VA 22202	Manufacturing Housing Institute	900.00	100.00
John Butts, 777 14th Street, NW Washington, DC 20005	National Assn of Realtors	1,250.00	
James R. Byron, 1627 K Street, NW, #200 Washington, DC 20006	Fluor Corporation		
C.A.R.E., 511 C Street, NE Washington, DC 20002			
C. Richard Cahoon, 1120 Vermont Ave., NW, #1130 Washington, DC 20005	Petroleum Marketers Assn of America	4,000.00	95.00
Roy C. Cahoon, 6100 Knollwood Dr. Falls Church, VA 22041	National Automatic Merchandising Assn		
Christopher G. Caine, 1801 K St., NW, #1200 Washington, DC 20006	IBM Corp	3,000.00	750.00
Tony Calandro, 2251 Wisconsin Ave., NW Washington, DC 20007	National Assn of Trade & Technical Schools	1,750.00	
Alan Caldwell, 2550 M Street, NW, #770 Washington, DC 20037	RJR Nabisco, Inc	1,200.00	
James Callan, 1726 M Street, NW, #1000 Washington, DC 20036	Electronic Funds Transfer Assn	375.00	
Peter E. Callanan, 1100 Connecticut Ave., NW Washington, DC 20036	Honeywell, Inc	275.00	600.00
John C. Callihan, 299 Park Avenue New York, NY 10171	Westvaco Corporation		
Calorie Control Council, 5775 Peachtree-Dunwoody Rd., #500-D Atlanta, GA 30342			360.00
Cambridge International, Inc, 1600 Wilson Boulevard, #713 Arlington, VA 22209	Avco Lycoming Textron	200.00	
Do	Ford Aerospace & Communications Corp	175.00	
Do	FMC Corporation	175.00	
Do	General Dynamics Land Systems	300.00	
Do	General Dynamics Valley Systems Division	200.00	
Do	Lockheed-California Co	175.00	
Do	Lockheed-Georgia Co	150.00	
Do	Norden Systems, Inc	180.00	
Arthur E. Cameron, 316 Pennsylvania Ave., SE, #402 Washington, DC 20003	Amerace Corporation, et al.	5,498.00	
Do	Hall Signs, Inc, et al.	2,499.00	
Do	Safetran Systems Corporation	8,625.00	
Do	Syro Steel Co, et al.	4,200.00	
Do	3M Company	5,962.00	
Nancy Camm, 1800 K Street, NW, #900 Washington, DC 20006	Bank of America	161.13	315.74
Camp Barsh Bates & Tate, 2550 M St., NW, #275 Washington, DC 20037	BellSouth Corp		
Do	Champlin Petroleum Company		
Do	Chemical Manufacturers Assn, Inc	4,400.00	
Do	Mobil Oil Corp		
Do	Natural Gas Supply Assn		
Do	Occidental Petroleum Corp		
Do	Pennzoil Co		
Do	PPG Industries, Inc		
Do	Sears Roebuck & Co	24,958.75	11,925.00
Do	South Central Bell		
Do	Texaco, Inc		
C. R. Campbell Jr., 1850 M St., NW, #1200 Washington, DC 20036	GTE Corporation	2,000.00	
Carl C. Campbell, 1030 15th St., NW, Suite 700 Washington, DC 20005	National Cotton Council of America	500.00	
Charles Argyll Campbell, 1331 Pennsylvania Ave., NW, #1500 N. Washington, DC 20004-1703	National Assn of Manufacturers		
Charles O. Campbell, 1420 King Street Alexandria, VA 22314-2715	National Society of Professional Engineers	2,500.00	
Jeanne Campbell, Campbell-Raupe, Inc 1015 15th Street, NW, #907 Washington, DC 20005	Algonquin Gas Transmission		
Do	American Nuclear Energy Council		
Do	Invest to Compete Alliance		
Do	LTV Aerospace & Defense Co		
Do	New England Life		
Do	Pitney Bowes		
Do	Riffe Petroleum Co		
Do	Stone & Webster Engineering Corp		
Do	Texas Air Corp		
Do	Texas Utilities Services, Inc		
Do	Union Pacific Corp		
Do	Westinghouse Corp		
Jerry L. Campbell, 1201 Chestnut St. Chattanooga, TN 37402	Tennessee Valley Public Power Assn		
John G. Campbell, 9418 Wooded Glen Ave. Burke, VA 22015	General Motors Corp		
Thomas D. Campbell & Associates, Inc, 517 Queen Street Alexandria, VA 22314	Cyprus Minerals Co	5,000.00	698.98
Charles J. Campisi, 1300 19th Street, NW, #501 Washington, DC 20036	National Comm to Preserve Social Security	11,250.00	
Canadian Coalition on Acid Rain, 112 St. Clair Avenue, #401 Toronto, Ontario Canada M4V 2Y3			472.72
Robert P. Canavan, 1909 K St., NW Washington, DC 20049	National Education Assn		
Sharon M. Canavan, 1125 15th St., NW Washington, DC 20005	Mortgage Bankers Assn of America		
Candlelighters, 123 C St., SE Washington, DC 20003		95.00	
Anne C. Canfield, 1331 Pennsylvania Avenue, NW Washington, DC 20004	General Electric Co	455.00	
Edward F. Canfield, 1331 Pennsylvania Avenue, NW, #524 Washington, DC 20004	Casey Scott & Canfield, P.C. (For:Association for Regulatory Reform)		
H. Spofford Canfield, 1020 16th Street, NW, Washington, DC 20036	Enron Corp	2,000.00	
Sharon F. Canner, 1331 Pennsylvania Ave., NW, #1500 N. Washington, DC 20004-1703	National Assn of Manufacturers	186.80	
W. Dean Cannon Jr, 9800 S. Sepulveda Blvd., #500 Los Angeles, CA 90045	California League of Savings Institutions	3,000.00	3,896.71
David L. Cantor, 1233 20th St., NW, #400 Washington, DC 20036	Porter Wright Morris & Arthur (For:Coalition for Environmental-Energy Balance)	270.00	
Anne Gavaghan Cantrel, 1667 K Street, NW Washington, DC 20005	Baxter Travenol Laboratories, Inc		
Gary Capistrant, 1200 15th Street, NW Washington, DC 20005	American Health Care Assn	3,967.44	169.23
Capital Advocates, 1127 11th Street, #950 Sacramento, CA 95814	Crowley Maritime Corp	2,500.00	6,048.01

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Capitol Associates, Inc, 426 C Street, NE Washington, DC 20002	Citizens Comm for Medical Research & Health Education	300.00	
Do	Cystic Fibrosis Foundation	450.00	
Do	Emory University Medical School	861.25	
Do	Endocrine Society	400.00	
Do	Illinois Collaboration on Youth	88.00	
Do	Joint Council of Allergy & Immunology	412.50	
Do	National Assn of Pediatric Nurse Associates & Practitioners	375.00	
Do	National Multiple Sclerosis Society	572.50	
Do	Rehabilitation Institute of Chicago	812.50	
Caplin & Drysdale, Chtd, One Thomas Circle, NW Washington, DC 20005	Government of the Philippines		57.69
Do	National Council of YMCA of the USA	1,125.00	
Robert Capozzi, 1015 18th Street, NW, #702 Washington, DC 20003	ISFA Corporation		
Denise A. Cardman, 1800 M St., NW Washington, DC 20036	American Bar Assn	400.00	50.00
Norval E. Carey, 1025 Connecticut Ave., NW #704 Washington, DC 20036	Gulf Oil Corp (for GA Technologies, Inc)	13,850.00	779.01
Don Cargill, P.O. Box 4569 Atlanta, GA 30302	Atlanta Gas Light Co		
Robert B. Carleson, 1800 K Street, NW, #605 Washington, DC 20006	KMG Main Hurdman (For:ICC Industries, Inc)		
Do	KMG Main Hurdman (For:Mercedes Benz of North America, Inc)		
Anne E. Carlson, 1620 Eye Street, NW, #1000 Washington, DC 20006	Motor Vehicle Manufacturers Assn of the U.S., Inc	720.00	
Carmen & Muss, 1901 Pennsylvania Ave., NW, #1000 Washington, DC 20006	Carmen Carmen & Hugel (for CareerCom)		
Carmen Carmen & Hugel, Inc, 1667 K Street, NW, #950 Washington, DC 20006	CareerCom		
Bertram W. Carp, 1724 Massachusetts Avenue, NW Washington, DC 20036	National Cable Television Assn, Inc	4,250.00	
Chapin Carpenter Jr., 1211 Connecticut Avenue, NW, #406 Washington, DC 20036	Magazine Publishers Assn, Inc	4,000.00	
Cy Carpenter, 10065 East Harvard Avenue Denver, CO 80251	Farmers' Educational & Co-Operative Union of America	12,000.00	560.66
George D. Carpenter, 6110 Center Hill Road Cincinnati, OH 45224	Procter & Gamble Manufacturing Co		
Susan Carr, 1709 New York Avenue, NW, #801 Washington, DC 20006	U.S. League of Savings Institutions	1,100.00	
John R. Carson, 20 Chevy Chase Circle Washington, DC 20015	American Podiatric Medical Assn	18,000.00	
R. D. Carson Jr., P.O. Box 2021 40 Franklin Rd., SW Roanoke, VA 24022	Appalachian Power Co		
David C. Carter, 1156 15th St., NW, #1019 Washington, DC 20005	U.S. Beet Sugar Assn		
John R. Carter, 1000 Wilson Blvd., #2600 Arlington, VA 22209	TRW, Inc	1,294.00	
Joseph L. Carter Jr., 50 F Street, NW, #1200 Washington, DC 20001-1564	Association of American Railroads	661.96	196.40
Terrie M. Carter, 1667 K Street, NW, #1230 Washington, DC 20006	Deere & Company	125.00	
James P. Carty, 1331 Pennsylvania Ave., NW, #1500 N. Washington, DC 20004-1703	National Assn of Manufacturers	500.00	
Allen R. Caskie, 1850 K Street, NW Washington, DC 20006	American Council of Life Insurance, Inc	5,500.00	
Eugene I. Casraiss Jr., 1757 N St., NW Washington, DC 20036	United Auto Aerospace & Agricultural Implement Workers	15,704.75	227.75
J. Warren Cassidy, 1600 Rhode Island Avenue, NW Washington, DC 20036	National Rifle Assn of America	2,437.50	
Lawrence J. Cassidy, 1750 New York Avenue, NW Washington, DC 20006	Sheet Metal Workers International Assn	13,929.00	
Cassidy and Associates, Inc, Metropolitan Square 655 15th St., NW, #1100 Washington, DC 20005	Alexander Graham Bell Assn for the Deaf	150.00	
Do	Alloy Technology	300.00	
Do	American Hospital in Shanghai Foundation	225.00	
Do	Anatolia College Board of Trustees		
Do	Arizona State University	300.00	
Do	Atlanta University	225.00	
Do	Barry University		
Do	Boston College	375.00	
Do	Boston University	1,050.00	26.00
Do	Brown University		
Do	Catholic University of America	75.00	
Do	Centex Communications, Inc		
Do	Children's Hospital		
Do	Columbia University	225.00	13.00
Do	Crane Co Resistoflex		
Do	Crane Company		
Do	Crane Hydroaire		
Do	Crane National Vendors		
Do	Drexel University	225.00	6.50
Do	Fudan Foundation	975.00	92.50
Do	Global Broadcasting Group, Inc	75.00	
Do	Indiana University		
Do	J & B Management Co		
Do	Louisiana Public Facilities Authority	150.00	
Do	Loyola Marymount University		
Do	Martha Graham Center of Contemporary Dance, Inc		
Do	Medical College of Pennsylvania	300.00	
Do	Medical University of South Carolina	450.00	
Do	Medusa Cement		
Do	Mount Sinai Medical Center	150.00	
Do	NeoRx	300.00	
Do	New England College of Optometry		
Do	Northwestern University		
Do	O'Connell Management Co		
Do	Ocean Spray Cranberries, Inc	375.00	3.25
Do	Oceanic Institute	300.00	10.00
Do	Pirelli Cable Co	675.00	9.75
Do	Polytechnic University	450.00	26.50
Do	Rochester Institute of Technology	600.00	22.50
Do	Rocky Mountain Energy Co		
Do	Saint Joseph's University	150.00	
Do	Tufts University	150.00	19.50
Do	United Hospitals		
Do	University of Alabama in Huntsville	450.00	26.00
Do	University of Bridgeport	150.00	
Do	University of Hawaii	300.00	16.00
Do	University of Southern Mississippi	150.00	
Do	University of Utah		
Do	University of Vermont	75.00	
Do	Wertheim Schroder & Co, Inc		
Do	West Virginia University		
Do	Wojdak & Assocs, Inc for: Children's Hospital of Pittsburgh	600.00	
Mark A. Casso, 1015 15th Street, NW, #802 Washington, DC 20005	American Consulting Engineers Council	700.00	
John J. Castellani, 27th Floor 1000 Wilson Blvd. Arlington, VA 22209	TRW, Inc	2,100.00	
G. Thomas Cator, 1050 17th Street, NW Washington, DC 20036	Neece Cator & Associates, Inc (For:Southeastern Lumber Manufacturers Assn)	1,350.00	1,350.00
Gordon Cavanaugh, 509 C Street, NE Washington, DC 20002	Roisman Reno & Cavanaugh (For:Council of Large Public Housing Authorities)	11,618.73	551.99
Red Cavaney, 260 Madison Avenue New York, NY 10016	American Paper Institute, Inc	3,650.00	
Nicholas G. Cavarocchi, 6th Floor 2010 Massachusetts Avenue, NW Washington, DC 20036			
Cavenham Forest Industries, Inc, 1500 S.W. First Avenue Portland, OR 97201			
Cederberg & Associates, 7100 Sussex Place Alexandria, VA 22307	Grumman Corporation	250.00	
Do	Martin Marietta Corp	250.00	
Cellular Telecommunications Industry Assn, 1990 M St., NW, #610 Washington, DC 20036			
Cendrowski & Selecky, P.C., 2050 N. Woodward, #310 Bloomfield Hills, MI 48013	Taubman Company, Inc	8,786.00	
Centerior Energy Corp, P.O. Box 94661 Cleveland, OH 44101-4661			104.22
David Certner, 1909 K Street, NW Washington, DC 20049	American Assn of Retired Persons	533.07	182.60
Chadbourne & Parke, 1101 Vermont Ave., NW, #900 Washington, DC 20005	Applied Energy Services, Inc	15,452.00	347.25
Do	ENCOA		
Do	Manufacturer's Life Insurance Co	11,435.00	131.36
Do	Napp Chemicals, Inc	1,000.00	25.00
Do	Peat Products of America, Inc	250.00	
Do	Ruan Transportation Management Systems	7,617.00	69.52
Do	Ultrapower, Inc	3,358.68	80.65
Chadwell & Kayser, Ltd, 8500 Sears Tower Chicago, IL 60606-6592	Harza Engineering Co		
Henry Chajet, 1920 N St., NW Washington, DC 20036	American Mining Congress	150.00	30.00
Deborah M. Chalfie, 1319 F St., NW, #300 Washington, DC 20004	Halt, Inc		
Dean S. Chalios, 1350 New York Avenue, NW, #900 Washington, DC 20005	International Franchise Assn		
Durwood Chalker, P.O. Box 660164 2121 San Jacinto Street, #2500 Dallas, TX 75266-0164	Central & South West Corp		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Mark G. Chalpin, 1735 New York Avenue, NW Washington, DC 20006	American Institute of Architects	1,970.00	
Terry M. Chamberlain, 1957 E Street, NW Washington, DC 20006	Associated General Contractors of America		
Ed Chandler, 7901 Westpark Drive Mclean, VA 22102	National Machine Tool Builders' Assn	10,560.00	500.00
William J. Chandler, 1511 K Street, NW, #1100 Washington, DC 20005	Natural Resources Defense Council, Inc	12,250.00	317.01
Richard M. Charlton, 1331 Pennsylvania Avenue, NW, #1300N Washington, DC 20004	Electronic Data Systems Corp		
Robert W. Charlton, 1800 M St., NW, #700 S. Washington, DC 20036	Dow Chemical USA		
Peggy Charren, 975 Memorial Drive, #504 Cambridge, MA 02138	Action for Children's Television		
Alan C. Chase, 1025 Broad Branch Court McLean, VA 22101	Lockheed Corporation	7,000.00	6,886.11
Leslie Cheek III, 1025 Connecticut Avenue, NW, #414 Washington, DC 20036	Crum & Forster Corp	27,750.00	372.00
Chemical Specialties Manufacturers Assn, Inc, 1001 Connecticut Avenue, NW, #1120 Washington, DC 20036			2,026.77
Joy Cherian, 1001 Pennsylvania Ave., NW Washington, DC 20004	American Council of Life Insurance	1,375.00	
William B. Cherkasky, 1350 New York Ave., nW, #900 Washington, DC 20005	International Franchise Assn		
Chesebrough-Pond's, Inc, Nyala Farm Road Westport, CT 06881-0850			7,263.50
John B. Childers, 122 C St., NW, #750 Washington, DC 20001	National Assn of Independent Colleges & Universities	8,102.00	320.00
Chlorine Institute, Inc, 2001 L Street, NW, #506 Washington, DC 20036			
J. Samuel Choate Jr., 1101 Connecticut Ave., NW, #405 Washington, DC 20036	Choate & Nehf, P.C. (For:Association of Progressive Rental Organizations)		
Joseph L. Choquette III, Vermont Petroleum Assn P.O. Box 566 Montpelier, VT 05602	American Petroleum Institute	1,050.00	1,048.90
Leslie Christensen, 600 Maryland Ave., SW, #700 Washington, DC 20024	National Fed of Independent Business	3,189.00	140.00
Jack E. Christy, 1909 K Street, NW Washington, DC 20049	American Assn of Retired Persons	617.89	
James T. Christy, 1730 Pennsylvania Ave., NW, #265 Washington, DC 20006	Air Products & Chemicals, Inc	1,800.00	202.63
Chugach Electric Assn, Inc, P.O. Box 196300 Anchorage, AK 99519-6300			9,190.83
Donald T. Chunn, Route 2, Box 89 Columbia, TN 38401	Title Associates, Inc		
Chwat/Weigend Associates, 400 First Street, NW, #816 Washington, DC 20001	American Home Sewing Assn, Inc	500.00	500.00
Do	Associated Locksmiths of America	1,200.00	1,200.00
Do	Coalition on Alcoholic Beverage Procurement	3,016.95	3,016.95
Do	National Assn of Companion Sitter Agencies & Referral Serv	375.00	375.00
Do	National Assn of Tobacco Distributors	3,000.00	3,000.00
Do	National Licensed Beverage Assn	3,000.00	3,000.00
Do	National Weather Service Employees Organization	300.00	300.00
Citizen Action, 1300 Connecticut Ave., NW, #401 Washington, DC 20036		6,000.00	6,034.50
Citizen/Labor Energy Coalition, 1300 Connecticut Ave., NW, # 401 Washington, DC 20036		2,500.00	2,500.00
Citizens for Sensible Control of Acid Rain (CSCAR), 1225 Connecticut Avenue, NW, #300 Washington, DC 20036		162,000.00	275,970.00
Citizens for Stabilizing Corporate Taxes & Foreign Policy, P.O. Box 1036 Guthrie, OK 73044-1036			
Citizens Political Action Committee, P.O. Box 645 228 South A Street, #2 Oxnard, CA 93032			
Donald D. Clancy, 6507 Leeds Lane Cincinnati, OH 45215	American Continental Corp	4,500.00	760.00
Do	Grocery Manufacturers of America, Inc		
Gilbert Clark, 1117 N. 19th Street, NW, #600 Arlington, VA 22209	American Assn of Blood Banks		
James F. Clark, Robertson, Monagle, Eastaugh & Bradley 240 Main St., # 800, PO Box 1211 Juneau, AK 99802	Alaska Pulp Corp	2,200.00	
James W. Clark Jr., 600 Maryland Avenue, SW, #400 Washington, DC 20024	American Optometric Assn		
Jordan Clark, 15th & M streets, NW Washington, DC 20005	National Assn of Home Builders of the U.S.		
Julie Clark, 1625 K St., NW, #800 Washington, DC 20006	National Legal Aid & Defenders Assn	10,631.25	677.53
Robert Clark, 400 Madison St., #1908 Alexandria, VA 22314	Ryder Systems, Inc		
Rudy I. Clark, 5342 Woodbury Woods Lane Fairfax, VA 22032	Air Force Sergeants Assn, Inc		
Vernon A. Clark, 1899 L St., NW, #403 Washington, DC 20036	Outdoor Advertising Assn of America, Inc	2,438.00	3,804.00
Joan Claybrook, 2000 P Street, NW, #605 Washington, DC 20036	Public Citizen, Inc	3,000.00	
Cleary Gottlieb Steen & Hamilton, 1752 N Street, NW Washington, DC 20036	Bear Stearns & Co		
Do	Crompton & Knowles Corp	970.00	
Do	Ministry of Finance & Public Credit of the United Mexican St		
Do	Public Securities Assn	400.00	
Do	Synthetic Organic Chemical Manufacturers Assn, Inc	2,000.00	35.10
Do	Union Oil Co of California, et al.	725.00	26.95
Ronald D. Clements, 1111 19th St., NW, 9th Floor Washington, DC 20036	Edison Electric Institute	2,977.32	324.59
Cleveland Electric Illuminating Co, 55 Public Square P.O. Box 5000 Cleveland, OH 44113			2,429.67
W. M. Click, P.O. Box 719 Dallas, TX 75221	Southland Corporation		
Clifford & Warnke, 815 Connecticut Ave., NW Washington, DC 20006	Australian Meat & Live-Stock Corp	22,462.50	15,358.16
Do	Joint Corporate Comm on Cuban Claims	600.00	43.20
Do	J. C. Maxtone-Mailer	600.00	210.16
Do	Proprietary Association		
Dexanne B. Clohan, 1101 Vermont Ave., NW Washington, DC 20005	American Medical Assn	3,769.00	
Edward T. Cloonan, 70 Pine Street, 39th Floor New York, NY 10270	American International Group, Inc		
Stephen J. Cloud, 1220 L St., NW Washington, DC 20005	American Petroleum Institute	300.00	
Stanley A. Cmich, 1700 Gateway Boulevard, SE Canton, OH 44707	Gibbons & Grable Co		
Do	Hercules Engines		
Do	Putman Properties, Inc		
Do	Timken Co		
Coalition for Alternatives in Nutrition & Healthcare, Inc, P.O. Box B-12 Richlandtown, PA 18955		1,356.00	1,735.00
Coalition to Keep Alaska Oil, AFL-CIO Building 815 16th Street, NW, #309 Washington, DC 20006		4,999.25	4,999.25
Coalition to Oppose Energy Taxes, 1100 15th St., NW, #1200 Washington, DC 20005		40,000.00	5,640.00
Coalition Against Takeover Abuse, 1800 M St., NW, #900N Washington, DC 20036			
Alan J. Cobb, 1120 Vermont Avenue, NW, #1130 Washington, DC 20005	Petroleum Marketers Assn of America	7,500.00	436.00
Richard B. Cobb, Petroleum Council of Ga 230 Peachtree St., NW, #1500 Atlanta, GA 30303	American Petroleum Institute	1,100.00	2,052.85
Don V. Cogman, 1100 Connecticut Avenue, NW, #535 Washington, DC 20036	MAPCO, Inc	4,750.00	169.09
Dan Cohen, 500 North Capitol Street, NW, #300 Washington, DC 20001	American Israel Public Affairs Comm	11,250.00	363.86
Daniel L. Cohen, 1050 31st Street, NW Washington, DC 20007	Association of Trial Lawyers of America	2,000.00	100.00
David Cohen, 1616 P St., NW, #320 Washington, DC 20036	Professionals' Coalition for Nuclear Arms Control	9,833.33	97.41
George T. Coldeway, 8245 NW 53rd St., #200 Miami, FL 33166-4609	South Florida Hospital Assn		
E. William Cole, 1050 Connecticut Avenue, NW, #760 Washington, DC 20036	Union Oil Co of California	700.00	92.00
Ken W. Cole, 1001 Pennsylvania Avenue, NW, #700 Washington, DC 20004	Allied-Signal, Inc	750.00	60.00
Randall I. Cole, 1050 Connecticut Avenue, NW, #200 Washington, DC 20036	Burlington Northern, Inc	1,000.00	548.36
Cole & Corette, P.C., 1100 Vermont Avenue, NW, #900 Washington, DC 20005	Ad Hoc Ski Boot Committee		682.89
Do	Chase Manhattan Bank, N.A.		
Do	Government of the Netherlands Antilles		87.23
Do	Millipore Corporation		
Colette R. Coleman, 311 First Street, NW Washington, DC 20001	National Restaurant Assn		
Jessie M. Colgate, 51 Madison Avenue New York, NY 10010	New York Life Insurance Company		
Emilio G. Collado III, Collado Associates 1405 Montague Drive Vienna, VA 22180	American Watch Assn, Inc	1,500.00	6.50
Collier Shannon Rill & Scott, 1055 Thomas Jefferson St., NW, #308 Washington, DC 20007	Alliance for Capital Access	30,000.00	30,000.00
Do	American Couplings Coalition	557.50	557.50
Do	American Frozen Food Institute		
Do	American Meat Institute		
Do	American Textile Machinery Assn	1,500.00	1,500.00
Do	Crop Insurance Research Bureau	1,875.00	1,875.00
Do	Cylinder Manufacturers Association		
Do	Ferrous Scrap Consumers Coalition		
Do	Food Marketing Institute		
Do	Independent Lubricant Manufacturers Assn	230.00	230.00
Do	Inland Steel Corp		
Do	Municipal Castings Fair Trade Council	225.00	225.00
Do	National Assn of Convenience Stores	5,842.50	5,842.50
Do	National Assn of Mutual Insurance Cos	1,500.00	1,500.00
Do	National Broiler Council		
Do	National Coalition of Fresh Potato Processors		
Do	National Hairdressers & Cosmetologists Assn		
Do	National Pasta Assn	2,565.00	2,565.00
Do	North American Phillips Corp		
Do	Outdoor Power Equipment Institute		
Do	Petroleos de Venezuela, S.A.	7,877.50	7,877.50
Do	PetroJam, Ltd	10,000.00	10,000.00
Do	Pittsburgh Corning Corporation		
Do	Secondary Lead Smelters Assn, Inc		
Do	Society of Independent Gasoline Marketers of America	5,342.50	5,342.50
Do	Specialty Steel Industry of the United States	6,142.50	6,142.50
Paul Edward Michael Collin, 1299 Seaside Ave. P.O. Box 3007 Terminal Island, CA 90731-0207			

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Terese Colling, 2000 Pennsylvania Ave., NW, #3700 Washington, DC 20006	Jaeckle Fleischmann & Mugel	5,500.00	214.12
Eileen M. Collins, 50 F Street, NW, #1100 Washington, DC 20001	American Hospital Assn	790.46	59.46
Mary M. Collins, 1120 20th Street, NW, #600 South Washington, DC 20036	Union Pacific Corp	1,500.00	
Michael A. Collins, 13106 Ivy Drive Beltsville, MD 20705	United Assn of Jnymen & Appren of Plmbg & Pipeftg Industry	6,000.00	471.71
Dominique Colon, 2000 L Street, NW Washington, DC 20036	Medtronic, Inc		41.29
Colorado Ski Country USA, Inc, One Civic Center Plaza 1560 Broadway, #1440 Denver, CO 80202			
Kent W. Colton, 15th & M streets, NW Washington, DC 20005	National Assn of Home Builders of the U.S.		
Tim Colton, P.O. Box 498 Chester, PA 19016	Pennsylvania Shipbuilding Co	720.00	51.00
Committee for Do-It-Yourself Household Moving, 2011 Eye Street, NW, #500 Washington, DC 20006			
Committee for Humane Legislation, Inc, 11 West 60th St. New York, NY 10023		2,399.89	455.33
Committee for Private Education, 1025 Michigan Avenue, NE Washington, DC 20017			
Committee for Production Sharing, 1629 K St., NW, #801 Washington, DC 20006		33,432.70	17,212.35
Committee for Proposition Thirty, P.O. Box 915 Hartselle, AL 35640			
Committee to Assure the Availability of Casein, 3213 O St., NW Washington, DC 20007		36,250.00	5,804.21
Common Cause, 2030 M St., NW Washington, DC 20036		2,900,375.00	853,533.19
Lance Compa, 1411 K St., NW, #410 Washington, DC 20005	United Electrical Radio & Machine Workers of America	6,120.50	
Competitive Enterprise Institute, 611 Pennsylvania Avenue, SE Washington, DC 20003		38,500.00	
Computer & Communications Industry Assn, 1500 Wilson Blvd., #512 Arlington, VA 22209			
Bert M. Concklin, 1500 Planning Research Drive Mclean, VA 22102	Planning Research Corporation		1,783.22
Edward C. Cone Jr., P.O. Box 1788 Forest Park, GA 30051	Southeastern Lumber Manufacturers Assn		
Congress Watch, 215 Pennsylvania Ave., SE Washington, DC 20003		62,061.29	17,700.00
Gary L. Conkling, P.O. Box 500, Y3-439 Beaverton, OR 97077	Tektronix, Inc	8,500.00	1,385.08
Jeanne K. Connelly, 1875 Eye St., NW, #540 Washington, DC 20006	Champion International Corp		
Robert J. Conner Jr., 1100 Connecticut Ave., NW Washington, DC 20036	Chrysler Corporation	500.00	671.05
Connerton & Bernstein, 1899 L St., NW, #800 Washington, DC 20036	National Assn of Police Organizations		3,808.13
Catherine Connor, 1015 15th Street, NW, #802 Washington, DC 20005	American Consulting Engineers Council	700.00	
Richard J. Connor Jr., 1455 Pennsylvania Avenue, NW, #600 Washington, DC 20004	Joseph E. Seagram & Sons, Inc	562.50	
Jerry C. Connors, 1745 Jefferson Davis Highway, #511 Arlington, VA 22202	Manufactured Housing Institute	1,000.00	100.00
David Conover, 1600 Rhode Island Ave., NW Washington, DC 20036	National Rifle Assn of America	762.50	
C. Judith Conrad, 1111 14th Street, NW Washington, DC 20005	American Dental Assn	1,000.00	101.60
Gregory E. Conrad, 1920 N St., NW Washington, DC 20036	American Mining Congress		
Consolidated Edison Co of New York, Inc, 410 First St., SE Washington, DC 20003			
Consolidated Rail Corporation, P.O. Box 23451 Washington, DC 20026			14,341.00
Consumer Energy Council of America, 2000 L St., NW, #802 Washington, DC 20036			
Consumers for World Trade, 1001 Connecticut Ave., NW Washington, DC 20036		47,155.00	39,229.00
Continental Communications Group, Inc, 12600 West Cedar Drive Denver, CO 80228			
John J. Contney, 1250 E. Hollandale Beach Blvd. Hollandale, FL 33009	Textile Rental Services Assn of America		
Daniel J. Conway, 1819 L St., 7th Floor Washington, DC 20036	Reinsurance Assn of America		
John A. Conway, 1201 16th Street, NW Washington, DC 20036	National Education Assn		
Emery S. Conyers, P.O. Box 1706 Midland, MI 48640	Dow Chemical USA		
Peter W. Coogan, Foley Hoag & Eliot One Post Office Square Boston, MA 02109	Mutual Savings Central Fund, Inc		
Alexandra W. Cook, 1331 Pennsylvania Avenue, NW, #1300N Washington, DC 20004	Electronic Data Systems Corp	240.00	186.00
K. Richard Cook, 1331 Pennsylvania Avenue, NW Washington, DC 20004	General Electric Co	450.00	
Thomas M. Cook, 1301 Pennsylvania Ave., NW, #300 Washington, DC 20004	National Cattlemen's Assn	1,000.00	
Eileen D. Cooke, 110 Maryland Ave., NE, Suite 101, Box 54 Washington, DC 20002	American Library Assn	2,532.00	
Stoney Cooks, 433 6th Street, NE Washington, DC 20002	South/North Development Group, Ltd	8,250.00	
Bente E. Cooney, 1300 19th St., NW, #501 Washington, DC 20036	National Comm to Preserve Social Security	1,300.00	
Brian D. Cooney, 1125 15th Street, NW Washington, DC 20005	Mortgage Bankers Assn of America		
Edward Cooney, 1319 F St., NW, #500 Washington, DC 20004	Food Research & Action Center	2,012.00	
Benjamin Y. Cooper Jr., 1730 North Lynn St. Arlington, VA 22209	Printing Industries of America, Inc	10,000.00	
C. William Cooper, 603 Broad St. Sewickley, PA 15143	United Distribution Companies		
Jesse D. Cooper, 1860 Lincoln Street, #404 Denver, CO 80295	Rocky Mountain Oil & Gas Assn	3,000.00	27.28
Mitchell J. Cooper, 1001 Connecticut Ave., NW Washington, DC 20036	Rubber & Plastic Footwear Manufacturers Assn	16,500.00	784.60
Darrell Coover, 499 South Capitol St., SW, #401 Washington, DC 20003	National Assn of Independent Insurers	2,000.00	838.00
Michael J. Copps, 1660 L St., NW, #1000 Washington, DC 20036	Collins and Aikman Corp	8,300.00	4,504.10
John F. Corcoran, 1050 Connecticut Ave., NW, #740 Washington, DC 20036	Norfolk Southern Corp	1,000.00	
William M. Corcoran, 1001 Pennsylvania Ave., NW, #700 Washington, DC 20004	Allied-Signal, Inc		
Alfred C. Cordon, 1920 N St., NW Washington, DC 20036	Buffalo Broadcasting Co, Inc		
Corman Law Offices, 1420 16th Street, NW Washington, DC 20036	Alcalde Henderson O'Bannon & Rousselot	2,000.00	
Do	American Bakers Assn		
Do	American Leather Goods Manufacturers Assn	1,050.00	
Do	Connell Rice & Sugar Co, Inc		
Do	Grobstein Blankstein Goldman & Co		
Do	GATX Corporation		
Do	Institute of Electrical & Electronics Engineers, Inc	1,300.00	
Do	Investment Partnership Assn	500.00	
Do	Kelso & Company	10,700.00	
Do	MCA, Inc	8,950.00	
Do	National Structured Settlements Trade Assn	9,300.00	
Do	Petersen Publishing Co		
Do	Republic National Bank of New York		
Do	State of Michigan		
Do	State of Washington	21,400.00	
Do	Systems Leasing Corp		
Do	Texas Air Corp	250.00	
Do	U.S. League of Savings Institutions		
Do	Winn Development Co		
Corn Refiners Assn, Inc, 1001 Connecticut Ave., NW Washington, DC 20036		4,964.00	2,428.00
Ernest J. Corrado, 1000 16th St., NW, #511 Washington, DC 20036	American Institute of Merchant Shipping	4,802.49	133.00
Mary Marcotte Corrigan, 1600 Rhode Island Ave., NW Washington, DC 20036	National Rifle Assn of America		
Richard L. Corrigan, 1201 Pennsylvania Avenue, NW, #250 Washington, DC 20004	CH2M Hill	2,000.00	
Marty Corry, 1909 K Street, NW Washington, DC 20049	American Assn of Retired Persons	627.08	717.22
Allan D. Cors, 1455 Pennsylvania Avenue, NW, #500 Washington, DC 20004	Corning Glass Works	2,500.00	
William R. Corson, 1707 H St., NW Washington, DC 20006	Penthouse International, Ltd		
Alfred W. Cortese Jr., 655 15th Street, NW, #1200 Washington, DC 20005	General Motors Corp	6,970.00	
Philip S. Corwin, 1120 Connecticut Ave., NW Washington, DC 20036	American Bankers Assn	1,500.00	
R. H. Cory, 1005 Congress Avenue, #795 Austin, TX 78701	Central & South West Services, Inc	1,300.00	807.32
Cosmetic Toiletry & Fragrance Assn, Inc, 1110 Vermont Ave., NW, #800 Washington, DC 20005			
J. Daniel Costello, 1615 H St., NW Washington, DC 20006	U.S. Chamber of Commerce	2,300.00	310.00
Michael E. Costello, 1090 Vermont Avenue, NW, #600 Washington, DC 20005	Texas Eastern Transmission Corp		941.05
Mary Alice Cotter, 410 First Street, SE Washington, DC 20003	American Nuclear Energy Council		
Council for Languages and Other Int'l Studies, 20 F Street, NW, 4th F. Washington, DC 20001		16,787.50	19,139.39
Council for Rural Housing and Development, 2300 M St., NW Washington, DC 20036		4,000.00	4,000.00
Council of Industrial Boiler Owners, 5817 Burke Centre Parkway Burke, VA 22015			
Council of State Chambers of Commerce, 122 C St., NW, #200 Washington, DC 20001		1,442.00	720.79
Council on Alternate Fuels, 1225 Eye St., NW, #320 Washington, DC 20005			
Council on Non-Profit Organizations, 1747 Pennsylvania Ave., NW, #1000 Washington, DC 20006		3,050.00	3,050.00
Roger C. Courtney, 1401 New York Ave., NW, #1200 Washington, DC 20005-2187	Franklin Diagnostics, Inc		185.00
William R. Courtney, P.O. Box 844 Temple, TX 76503	Tribal Council of the Coushatta Tribe of Louisiana		
James Cousins, 1709 New York Avenue, NW, #801 Washington, DC 20006	U.S. League of Savings Institutions	14,250.00	
Mark J. Covall, 1319 F Street, NW, #1000 Washington, DC 20004	National Assn of Private Psychiatric Hospitals	500.00	
John F. Cove, 918 16th St., NW, #702 Washington, DC 20006	Cove Associates, Inc (For:Association of U.S. Night Vision Manufacturers)		
Covington & Burling, 1201 Pennsylvania Ave., NW P.O. Box 7566 Washington, DC 20044	American Council on Education		31.50
Do	American Watch Assn	4,500.00	
Do	Association of Maximum Service Telecasters, Inc		
Do	Brown Brothers Harriman & Co		16.50
Do	Coalition for Effective Tax Reform		
Do	Coalition to Preserve The Integrity of American Trademarks	90,000.00	8,570.00
Do	Commonwealth of Puerto Rico	3,530.00	
Do	CEO Tax Group		
Do	ERISA Industry Committee		20.00
Do	Georgia-Pacific Corp	495.00	0.80
Do	Hallmark Cards, Inc		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	International Business Machines	2,745.00	28.05
Do	International Paper Co	495.00	0.80
Do	Investment Company Institute	7,000.00	63.00
Do	Marathon U.S. Realties, Inc	11,500.00	222.00
Do	Midwest Television, Inc		
Do	National Football League		
Do	Post-Newsweek Stations, Inc	7,980.08	
Do	Scott Paper Co	1,320.00	6.00
Do	Sun Life Assurance Co of Canada (U.S.)	15,500.00	361.16
Do	Wesleyan University, et al.		
Eugene S. Cowen, 2445 M St., NW Washington, DC 20037-1420	Capitol Cities/ABC	230.40	
C. Deming Cowles, 6th Floor 1050 Thomas Jefferson Street, NW Washington, DC 20007	Bering Sea Fishermen's Assn	500.00	155.12
Do	Municipality of Anchorage	8,000.00	600.02
Do	United Fishermen of Alaska		153.75
Archibald Cox, 2030 M St., NW Washington, DC 20036	Common Cause	5,757.54	455.87
C. Bryan Cox, PO Box 139 Kansas City, MO 64141	Kansas City Life Insurance Co		
C. Richard Cox, 800 Briar Creek Road Charlotte, NC 28232	Belk Stores Services, Inc		
Eric Cox, 418 7th St., SE Washington, DC 20003	Campaign for U.N. Reform-Political Education Committee	3,075.00	127.70
Jeffrey T. Cox, 1420 King St. Alexandria, VA 22314	National Society of Professional Engineers	1,250.00	
Jerry W. Cox, 901 31st Street, NW Washington, DC 20007	Hill & Knowlton, Inc (For:Anglo American Auto Auctions, Inc)	700.00	
Do	Hill & Knowlton, Inc (For:Bell Atlantic Network Services, Inc)		
Do	Hill & Knowlton, Inc (For:Commonwealth Financial Group)	2,887.50	
Do	Hill & Knowlton, Inc (For:Fleischmann's Yeast)		
Do	Hill & Knowlton (For:Societe Generale thru SGS North America, Inc)		
Tamara Cox, 901 31st Street, NW Washington, DC 20007	Hill & Knowlton, Inc (For:Nebraska Wheat Board)		
W. O. Craft Jr., Craft & Loesch 1050 Thomas Jefferson St., NW, 6th Fl. Washington, DC 20008	Edison Electric Institute		
Donald Forsyth Craib III, 633 Pennsylvania Avenue, NW, #600 Washington, DC 20004	Sears Roebuck & Co	300.00	
Bruce Craig, P.O. Box 677 Harpers Ferry, WV 25425	National Parks & Conservation Association	110.00	8.90
William C. Cramer, 818 Connecticut Ave., NW Washington, DC 20006	Cramer & Haber, P.C. (For:Canaveral Port Authority)	6,750.00	
Do	Cramer & Haber, P.C. (For:Dade County)	6,666.68	
Do	Cramer & Haber, P.C. (For:Dade County International Airport)		
Cramer & Haber, P.C., 818 Connecticut Ave., NW Washington, DC 20036	Canaveral Port Authority	6,750.00	
Do	Dade County	6,666.68	
Do	Dade County International Airport		
Eric F. Craven, P.O. Box 2943 Fort Worth, TX 76113	Texas-New Mexico Power Co		
Richard L. Crawford, 311 First Street, NW Washington, DC 20001	National Restaurant Assn	17,500.00	
William D. Crawford, 400 First St., NW Washington, DC 20001	Brotherhood of Railway Carmen of the U.S. & Canada	2,032.53	
William H. Creamer III, 600 New Hampshire Ave., NW Washington, DC 20037	New York Life Insurance Company		
John P. Cregan, 220 National Press Building Washington, DC 20045	U.S. Business & Industrial Council	4,000.00	
Patricia Cregan, 1100 Connecticut Ave., NW Washington, DC 20036	Chrysler Corporation	3,500.00	350.00
Douglas P. Crew, 100 N.E. Adams Street Peoria, IL 61629	Caterpillar Tractor Co	500.00	753.09
Anne Crichton Crews, 8787 Stemmons Freeway Dallas, TX 75247	Mary Kay Cosmetics, Inc		
Joseph M. Cribben, 6900 Valley Brook Dr. Falls Church, VA 22042	United Assn of Jnymen & Appren of Plmbg & Pipeftg Industry	1,750.00	
Mary Dent Crisp, 21 Dupont Circle, NW, #300 Washington, DC 20036	Business Executives for National Security, Inc		
P. H. Croft, 2000 Massachusetts Ave., NW Washington, DC 20036	American Short Line Railroad Assn		
Robert W. Cromartie, 1800 Massachusetts Ave., NW Washington, DC 20036	National Rural Electric Cooperative Assn	320.00	
Charles H. Cromwell, Inc, 6709 Georgia St. Chevy Chase, MD 20815	McDonnell Douglas Helicopters		
Do	Northrop Corp		
Rae E. Cronmiller, 1800 Massachusetts Avenue, NW Washington, DC 20036	National Rural Electric Cooperative Assn	85.00	
Crop Insurance Research Bureau, 3707 Woodview Trace P.O. Box 68700 Indianapolis, IN 46268		2,820.00	2,820.00
John M. Cross, 1015 18th St., NW, #702 Washington, DC 20036	ISFA Corporation		
David T. Crow, 1015 18th St., NW Washington, DC 20036	Fertilizer Institute	10,000.00	2,855.45
Crowell & Moring, 1001 Pennsylvania Ave., NW Washington, DC 20004-2505	Asarco Inc	1,437.50	10.00
Do	Associated Gas Distributors		
Do	Avon Products, Inc		
Do	Brooklyn Union Gas Co	150.00	10.00
Do	Central Nebraska Public Power & Irrigation District	300.00	22.50
Do	City of North Miami	1,260.00	35.00
Do	Communications Satellite Corp		
Do	Contractors Liability & Indemnification Alliance	577.50	
Do	Cook Inlet Region, Inc		
Do	Eli Lilly & Company	125.00	10.00
Do	Emery Worldwide		
Do	Meridian Minerals Co		
Do	National Assn of Wholesaler-Distributors	2,062.50	10.00
Do	Nebraska Public Power District	300.00	22.50
Do	Pan American World Airways, Inc, et al.		
Do	Regional Airline Association		
Do	Sterling Drug, Inc		
Do	Tiffany & Co		
Do	Trust for Public Lands	3,948.75	60.00
Do	United Cities Gas Co		
Do	Western Governors Assn		
Cuba Claims Association, P.O. Box 014004 Miami, FL 33101			
Cuban American Freedom Coalition, Inc, 1000 Thomas Jefferson St., NW, #601 Washington, DC 20007			
Brien F. Culhane, 5752 Drake Ct., #371 Alexandria, VA 22311	National Parks & Conservation Assn	50.00	10.00
Barry M. Cullen, 1620 Eye St., NW, #700 Washington, DC 20006	International Paper Co		
Culley-Foster & Co, P.O. Box 17370 Washington, DC 20041			
David M. Culp, 1525 New Hampshire Ave., NW Washington, DC 20036	Environmental Action, Inc	4,051.68	84.50
Scott S. Cunningham, 1100 15th Street, NW Washington, DC 20005	Union Carbide Corp		
William J. Cunningham, 815 16th St., NW Washington, DC 20006	American Fed of Labor & Congress of Industrial Organizations	17,090.03	1,555.32
John T. Curran, 815 16th St., NW, #603 Washington, DC 20006	Laborers' Intl Union of North America, AFL-CIO	17,018.75	283.64
Do	National Coordinating Comm for Multiemployer Plans		
Kathleen L. Curry, 122 C St., NW, #750 Washington, DC 20001	National Assn of Independent Colleges & Universities	4,834.00	70.00
Mary Beth Curry, 1050 17th Street, NW, #770 Washington, DC 20036	American Assn of Homes for the Aging		
M. Rupert Cutler, 1325 G Street, NW, #1003 Washington, DC 20005	Population-Environment Balance	467.00	4.80
Everett E. Cutter, 620 SW Fifth Avenue Bldg., Suite 300 Portland, OR 97204	Oregon Railroad Assn		
CF Industries, Inc, Salem Lake Dr. Long Grove, IL 60047			1,000.00
CR Associates, 2010 Massachusetts Avenue, NW Washington, DC 20036	Alzheimer's Disease & Related Disorders Assn		
D'Amour & Doyle, Inc, 1156 15th St., NW, #1100 Washington, DC 20005	New England Assn of Business, Industry & Rehabilitation, Inc	3,000.00	1,252.43
Norman E. D'Amours, 1217 Evermay Court Mclean, VA 22101	Alcalde Henderson O'Bannon & Rousselot	24,000.00	
Do	American Council of State Savings Supervisors	12,000.00	
Do	Marine Midland Banks, Inc	12,000.00	
William D. D'Onofrio, 1800 W. 8th St. Wilmington, DE 19805	National Assn for Neighborhood Schools, Inc		
William K. Dabaghi, Arter & Hadden 1919 Pennsylvania Ave., NW, #400 Washington, DC 20006	Central Union of Agricultural Cooperatives (ZENCHU)	750.00	159.97
Do	Coalition for Regional Banking & Economic Development	400.00	30.00
Do	Houston Clearing House Assn	5,570.00	527.35
Susan Dahlquist, 1300 19th St., NW, #501 Washington, DC 20036	National Committee to Preserve Social Security	1,820.00	
Stephen J. Daigler, 1601 Duke Street Alexandria, VA 22314	Society of American Florists		
William Kay Daines, 1616 H St., NW Washington, DC 20006	American Retail Federation	650.00	210.00
Dairy Farmers for Responsible Dairy Policy, 517 C Street, NE Washington, DC 20002		5,000.00	8,590.09
Lewis I. Dale, 1660 L Street, NW, #401 Washington, DC 20036	General Motors Corp	3,000.00	1,825.14
James G. Dalton, 1420 King St. Alexandria, VA 22314	National Society of Professional Engineers	2,500.00	
Robert C. Daly, 1850 M Street, NW, #600 Washington, DC 20036	Toyota Motor Sales, USA, Inc		
Tracy Danese, P.O. Box 14000 Juno Beach, FL 33408	Florida Power & Light Co	1,123.00	10,361.08
John E. Daniel, 1233 20th St., NW, #400 Washington, DC 20036	Ohio Edison Co		
David C. Daniels, 1608 K Street, NW Washington, DC 20006	American Legion	6,360.00	68.23
David S. Danielson, 1505 Prince Street, #300 Alexandria, VA 22314	American Optometric Assn		
Charles Franklin Daoust, P.O. Box 12910 Charleston, SC 29412-0910	Kiawah Island Co, Ltd		
Colleen A. Darling, 1730 Rhode Island Avenue, NW, #204 Washington, DC 20036	Japanese American Citizens League	6,000.00	15.00
Diane Davenny Darneille, 1726 M St., NW, #300 Washington, DC 20036	Schering-Plough Corp	3,323.00	6,040.15
Linda Daschle, 1709 New York Ave., NW Washington, DC 20006	Air Transport Assn of America	12,197.21	15,288.83
John C. Datt, 600 Maryland Ave., SW Washington, DC 20024	American Farm Bureau Federation	11,225.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
John B. Davenport Jr., 1800 Massachusetts Ave., NW Washington, DC 20036	National Rural Electric Cooperative Assn	135.00	
Davenport & Seay, One Thomas Circle, NW, #375 Washington, DC 20005	City of Detroit, Michigan	38,569.19	15,789.64
Earl F. David, 1825 K St., NW, #1107 Washington, DC 20006	Phillips Petroleum Co	1,000.00	
James H. Davidson, 1250 Connecticut Ave., NW, #650 Washington, DC 20036	American Advertising Federation	4,066.10	
Do	American Assn of Advertising Agencies	4,066.10	
Do	American Newspaper Publishers Assn	19,395.56	
Do	Association of National Advertisers	4,066.10	
Do	National Assn of Broadcasters	4,066.10	
John J. Davidson, 7901 Westpark Drive McLean, VA 22102	National Machine Tool Builders' Assn	1,200.00	500.00
James H. Davidson & Associates, Inc, 1250 Connecticut Ave, NW, #650 Washington, DC 20036	Magazine Publishers Assn, Inc	14,177.38	
Do	National Assn of Industrial & Office Parks	17,175.49	
Do	Rouse Company	3,239.60	
Drew M Davis, 1101 16th St., NW Washington, DC 20036	National Soft Drink Assn	48.56	20.00
Edward M. Davis, 410 First St., SE Washington, DC 20003	American Nuclear Energy Council	6,000.00	720.58
Fred G. Davis, 1111 19th Street, NW Washington, DC 20036	Edison Electric Institute	4,624.96	570.54
Kenneth E. Davis, Suite 1210 1667 K St., NW Washington, DC 20006	Rohm & Haas Co	500.00	32.50
Michael Davis, 735 North Water St., #908 Milwaukee, WI 53202-4105	American Malting Barley Assn, Inc	1,200.00	1,200.00
Ovid R. Davis, P.O. Drawer 1734 Atlanta, GA 30301	Coca-Cola Company		
Robert Davis, 815 Connecticut Ave., NW Washington, DC 20006	Ford Motor Co	1,400.00	607.00
Davis & Harman, 1455 Pennsylvania Avenue, NW, #1200 Washington, DC 20004	American General Life Insurance Co	931.13	34.93
Do	American Horse Council	937.50	34.30
Do	Chicago Board of Trade	2,083.32	61.85
Do	Committee for American Steel	2,400.00	90.00
Do	Committee of Annuity Insurers	172.00	
Do	CIGNA Corporation	186.85	12.00
Do	Florida Power & Light	200.00	
Do	Florida Sugar Cane League, Inc		
Do	ICH Corporation		
Do	James Graham Brown Foundation	298.50	7.50
Do	Lincoln Life Improved Housing, Inc		
Do	Lincoln National Life Insurance Co	312.00	5.00
Do	National Assn of Life Companies	250.00	7.00
Do	National Cattlemen's Assn	1,175.00	
Do	NEOAX, Inc	2,182.00	23.00
Do	Property/Casualty Group		
Do	Stock Information Group	3,700.00	2,536.00
Do	Sunrise Company		
Do	U.S. Sugar Corp	370.00	
Davis Graham & Stubbs, 1001 22nd St., NW, #500 Washington, DC 20037	Municipal Subdistrict, No. Colorado Water Conservancy Dist	13,200.30	13,200.30
Do	Northern Colorado Water Conservancy District	8,588.70	8,588.70
Davis Hockenberg Wine Brown & Koehn, 2300 Financial Center Des Moines, IA 50309	E&J Gallo Winery		
Do	Northwestern Bell (Iowa Div)		
Davis Polk & Wardwell, 1575 Eye St., NW Washington, DC 20005	Ernst & Whinney	1,952.50	96.25
Do	Kohlberg Kravis Roberts & Co		
Do	Manville Corporation		
Do	Morgan Guaranty Trust Co	1,760.00	101.00
Do	Norwest Corporation		
Do	Occidental International Corp	1,595.00	52.00
Do	U.S. Trust Corp		
Davis Wright & Jones, 1752 N St., NW, #800 Washington, DC 20036	Pacific Northwest Coalition for Maritime Law Reform	11,000.00	
Do	Star-Kist Foods, Inc	3,152.00	
Donald S. Dawson, 1155 Connecticut Ave., #700 Washington, DC 20036	Opticians Assn of America		
Do	Virgin Islands Gift & Fashion Shop Assn		
Do	Virgin Islands Merchants Assn		
Robert M. Dawson, 1800 Massachusetts Ave., NW Washington, DC 20036	National Rural Electric Cooperative Assn		
Brenda T. Day, 655 15th St., NW, #300 Washington, DC 20005	Armtek Corp	6,330.00	2,953.88
Harry F. Day, 1800 K Street, NW, #1100 Washington, DC 20006	New York Stock Exchange, Inc		
Gaston De Bearn, 1050 Connecticut Avenue, NW, #401 Washington, DC 20036	Hoffmann-La Roche, Inc		
Dona M. De Carolis, 20 Black Oak Mews Newton, PA 18940	Guilford Transportation Industries, Inc		
Do	Philadelphia Maritime Exchange		
Ralph De La Cruz, 1225 Connecticut Avenue, NW Washington, DC 20036	American Public Transit Assn	2,960.00	106.00
Gail De Loach, P.O. Box 8091 Falls Church, VA 22041	Friendship Hill Assn		
O. Mark De Michele, 411 North Central Avenue P.O. Box 21666 Phoenix, AZ 85014	Arizona Public Service Company		
Trevia A. Dean, Dean & Company 2550 M St., NW, #300 Washington, DC 20037	American Insurance Assn		
Do	Lottery Technology Enterprises		
Do	Manatt Phelps... (for American Petrofina, Inc)		
Do	National Rifle Assn of America		
John Russell Deane III, 1607 New Hampshire Ave., NW Washington, DC 20009	Auto Internacional Assn	1,312.50	628.43
Do	Coalition of Automotive Assns	1,399.00	643.10
Do	Specialty Equipment Market Assn	3,898.00	1,794.51
Debevoise & Plimpton, 555 13th Street, NW Washington, DC 20004	Sony Corp of America	1,869.00	
Dechert Price & Rhoads, 1730 Pennsylvania Avenue, NW, #1100 Washington, DC 20006	Center for Civic Education	1,087.50	153.84
Do	Constitutional Rights Foundation	2,916.52	329.89
Do	Yonkers Racing Corp		
Mark O. Decker, 1101 17th Street, NW, #700 Washington, DC 20036	National Assn of Real Estate Investment Trusts, Inc	450.00	
Do	Pension Real Estate Assn		
Winston M. Decker, 1522 K St., NW, #828 Washington, DC 20005	American Veterinary Medical Assn		
Richard A. Deem, 1101 Vermont Avenue, NW Washington, DC 20005	American Medical Assn	25.00	
Brian Deery, 1957 E St., NW Washington, DC 20006	Associated General Contractors of America		
James L. Deger, 719 D St., NE, #105 Washington, DC 20002		5,802.68	898.27
John J. Degnan, Shanley & Fisher, P.C. 131 Madison Avenue Morristown, NJ 07960	Sharp Electronics Corp		
George K. Degnon Associates, Inc, 1311-A Dolley Madison Bldg., #3a Mclean, VA 22101	Association of State & Territorial Health Officials		1,000.00
Gene A. Del Polito, 1333 F Street, NW, #710 Washington, DC 20004-1108	Third Class Mail Association	600.00	
Thomas J. Delaney, 1111 North 19th Street, #700 Arlington, VA 22209	National Assn of Federal Credit Unions	1,500.00	114.17
Delaney & Young, Chtd, 1629 K Street, NW, #1000 Washington, DC 20006	Harcourt Brace Jovanovich, Inc	43,752.50	167.54
Do	National Assn of Independent Insurers	22,500.00	2,947.74
Do	Transamerica Insurance Services	15,075.00	152.59
George B. Delta, Silverstein & Mullens 1776 K Street, NW Washington, DC 20006	Rockefeller Group, Inc		
Tania Demchuk, 499 South Capitol St., SW, #401 Washington, DC 20003	National Assn of Independent Insurers	100.00	
Willard L. Demory, 901 31st Street, NW Washington, DC 20007	Hill & Knowlton, Inc (For:Bell Atlantic Management Services)		
Do	Hill & Knowlton, Inc (For:Commonwealth Financial Group)		
Do	Hill & Knowlton, Inc (For:Gurman Kurtis & Blask (for McCaw Communications))	625.00	
Do	Hill & Knowlton, Inc (For:United Airlines, Inc)		
George Demougeot, 1612 K St., NW, #206 Washington, DC 20006	Government of Haiti	3,615.00	58.75
Bradford T. Dempsey, Dempsey Associates, Ltd 919 Pennsylvania Avenue Harrisburg, PA 17112			
George H. Denison, 4801 Massachusetts Ave., NW, #400 Washington, DC 20016	Cruise America Line, Inc		
Do	N U S Corporation		
Do	National Office Products Assn		
Do	Westinghouse Electric Corp	525.00	
John H. Denman, Missouri Oil Council 428 E. Capital St., #203 Jefferson City, MO 65101	American Petroleum Institute		
Robert A. Denman, 600 Maryland Avenue, SW, #202w Washington, DC 20024	Farmers' Educational & Co-Operative Union of America	5,538.24	239.17
Edward A. Dent, 3115 N St., NW Washington, DC 20007	Americans for the National Voter Initiative Amendment		
Wells Denyes, 1919 Pennsylvania Ave., NW Washington, DC 20006	Eastman Chemicals Division	375.00	21.20
Connie Denzer, 6517 City West Parkway Eden Prairie, MN 55344	Crop Insurance Research Bureau		314.50
Department for Professional Employees, AFL-CIO, 815 16th St., NW Washington, DC 20006		10,661.24	10,661.24
Lloyd J. Derrickson, 1828 L St., NW, #906 Washington, DC 20036	Merrill Lynch & Co, Inc	6,500.00	
Detroit Tooling Assn, P.O. Box 338 Dearborn, MI 48121			770.00
Samuel L. Devine, 170 Burning Tree Drive Naples, FL 33942	American Continental Corp	3,900.00	804.50
Do	Grocery Manufacturers of America, Inc		
Dewey Ballantine Bushby Palmer & Wood, 1775 Pennsylvania Ave., NW Washington, DC 20006	Amax, Inc		
Do	American Stock Exchange, Inc		
Do	Bear Stearns & Co, Inc		
Do	Beneficial Corporation		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Browning-Ferris Industries, Inc		
Do	Catholic Health Assn of the U.S.	750.00	
Do	Chase Manhattan Corp		
Do	Chrysler Corporation		
Do	Committee for Future Investment in America's Past	1,500.00	
Do	CIC Enterprises, Inc	1,250.00	
Do	Dee Corporation PLC		
Do	Digital Equipment Corp	2,500.00	
Do	Duke Endowment		
Do	Federal National Mortgage Assn	250.00	
Do	Federation of American Health Systems	750.00	
Do	General Electric Pension Trust		
Do	Hanschell Inniss, Ltd		
Do	Health Insurance Assn of America		
Do	Hershey Foods Corp		
Do	Historic Landmarks for Living		
Do	Household International		
Do	Integrated Resources, Inc		
Do	Labor-Industry Coalition for International Trade	1,650.00	
Do	Marriott Corporation		
Do	Mutual Life Insurance Co of New York	500.00	
Do	National Assn for Home Care		
Do	Nynex Corporation	250.00	10.00
Do	Pfizer, Inc	837.50	
Do	Primerica Inc	250.00	
Do	Salomon Inc		
Do	Joseph E. Seagram & Sons, Inc	2,500.00	
Do	Semiconductor Industry Association	2,664.50	
Do	Squibb Corporation	837.50	
Do	Sybedon Corporation		
Do	Teachers Insurance & Annuity Assn of America		
Do	Tobacco Row Associates		
Do	U.S. Coalition for Fair Lumber Imports	125.00	
Doris J. Dewton, 1025 Connecticut Ave., NW, #507 Washington, DC 20036	Ashland Oil, Inc	2,000.00	
George T. DeBakey, 1300 North 17th St., #300 Arlington, VA 22209	ADAPSO		
James U. DeFrancis, 1025 Connecticut Ave., NW, #1014 Washington, DC 20036	Enserch Corporation	3,187.00	2,163.00
Mary Elise DeGonia, 600 Maryland Avenue, SW West Wing, Suite 300 Washington, DC 20024	70001 Training & Employment Institute	500.00	20.00
Law Offices of Paul H. DeLaney, Jr., 1920 N Street, NW, #610 Washington, DC 20036	Continental Grain Co		
Do	Groth Air Services, Inc		
Martin L. DePoy, 777 14th St., NW Washington, DC 20005	National Assn of Realtors	2,500.00	222.21
Gregory L. DePriest, 1730 M Street, NW, #713 Washington, DC 20036	Association of Maximum Service Telecasters, Inc		
William R. DeReuter, 1828 L Street, NW, #906 Washington, DC 20036	Merrill Lynch & Co, Inc	2,000.00	
Diamond Shamrock Corp, 717 N. Harwood Dallas, TX 75201			
John M. Dickerman, 1015 15th St., NW, #700 Washington, DC 20005	National Lumber & Building Material Dealers Assn		
Chester T. Dickerson Jr., 1101 17th St., NW, #604 Washington, DC 20036	Monsanto Co		4,600.99
Elaine Dickinson, 880 S. Pickett Street Alexandria, VA 22304	Boat Owners Assn of the U.S.	7,000.00	
Gary Alan Dickinson, 2 International Plaza Dr., #600 Nashville, TN 37217	Anglo American Auto Auctions, Inc		
Norman Dickinson, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington, DC 20037	Canadian Institute of Steel Construction		
Dickinson Wright Moon Van Dusen & Freeman, 1901 L St., NW, #801 Washington, DC 20036	Allied Signal, Inc	12,600.00	
Do	Chicago & Northwestern Transportation	12,900.00	
Do	United Technologies Corporation		
Dickstein Shapiro & Morin, 2101 L St., NW Washington, DC 20037	Advance Publications		
Do	American Greyhound Track Operators Assn	12,725.00	
Do	ABD Securities Corp	3,000.00	
Do	Bear Stearns & Co	1,200.00	
Do	Boundary Gas, Inc		
Do	California Assn of Thrift & Loan Companies	6,078.75	
Do	Car Audio Specialists Assn (CASA)	500.00	
Do	Children's Hospital		
Do	Fairchild Industries, Inc		
Do	Federal National Mortgage Assn	3,970.00	
Do	Federated Cash Management Systems	7,500.00	
Do	Fiat USA		
Do	Iroquois Gas, Inc		
Do	Marine Engineers' Beneficial Assn		
Do	Morgan Guaranty Trust Co	15,506.25	
Do	National Fed of Societies for Clinical Social Work	4,000.00	
Do	Ocean State Power	16,835.00	
Do	Paulucci Enterprises	4,722.50	
Do	Providence Hospital		
Do	Saco Defense, Inc		
Do	States of Arkansas, et al.		
Do	Technomed	5,100.00	
Rick Diegel, 1125 15th Street, NW Washington, DC 20005	International Brotherhood of Electrical Workers, AFL-CIO-CLC	2,281.25	150.00
Walter E. Diercks, Rubin Winston & Diercks 1730 M Street, NW, #412 Washington, DC 20036	Outdoor Advertising Assn of America, Inc		
George Dillard, 5128 Sauer, Suite A Houston, TX 77004	Kaleidoscope Research & Marketing Group		
Thomas A. Dine, 500 North Capitol St, NW, #300 Washington, DC 20001-1510	American Israel Public Affairs Comm	16,749.99	2,578.35
James C. Dinegar, 600 Pennsylvania Avenue, SE, #200 Washington, DC 20003	Independent Insurance Agents of America, Inc		
Direct Selling Association, 1776 K Street, NW Washington, DC 20006			
Dale P. Dirks, 400 First St., NW, #712 Washington, DC 20001	Health & Medicine Counsel of Washington		
Do	Professional Services Counsel		
Disabled American Veterans, 3725 Alexandria Pike Cold Spring, KY 41076		127,847.34	127,847.34
Gloria Dittus, 1111 19th St., NW Washington, DC 20036	Edison Electric Institute	643.87	68.75
Patsy B. Dix, 1201 16th St., NW Washington, DC 20036	National Education Assn	2,796.00	122.00
Sharon Pratt Dixon, 1900 Pennsylvania Avenue, NW Washington, DC 20068	Potomac Electric Power Co	44.08	
Charles J. DiBona, 1220 L St., NW Washington, DC 20005	American Petroleum Institute	1,875.00	
Margaret R. DiPaula, 1700 K Street, NW, #1204 Washington, DC 20006	Chevron USA, Inc	185.00	
Dobrovir & Gebhardt, 1025 Vermont Avenue, NW, #1105 Washington, DC 20005	New York State Ophthalmological Society	172.00	
Julie Domenick Doerr, 1600 M St., NW Washington, DC 20036	Investment Company Institute	337.45	
Eileen Marie Doherty, 1000 Connecticut Avenue, NW Washington, DC 20036	Japan Economic Institute of America	500.00	
John T. Dolan, 108 N. Alfred St. Alexandria, VA 22314	Conservative Alliance		
Robin C. Dole, 1101 Connecticut Avenue, NW, #500 Washington, DC 20036	Century 21 Real Estate Corp		
Domestic Wildcatters Assn, 1 Post Oak Circle Houston, TX 77024			
Brian J. Donadio, 122 C St., NW, #875 Washington, DC 20001	American Osteopathic Assn	3,503.00	
Nancy A. Donaldson, 110 Maryland Avenue, NE, #211 Washington, DC 20002	Women's Action for Nuclear Disarmament, Inc, et al	1,875.00	
John F. Donelan, Donelan Cleary Wood & Maser, P.c. 1275 K St., NW, #850 Washington, DC 20005	Procompetitive Rail Steering Committee		
Andrew J. Donelson, 1101 15th Street, NW Washington, DC 20005	Minnesota Mining & Manufacturing Co	2,500.00	
Thomas E. Donley, 1615 H Street, NW, #516 Washington, DC 20062	U.S. Chamber of Commerce		
Thomas F. Donnelly, 955 L'enfant Plaza, SW, #1202 Washington, DC 20024	National Water Resources Assn	3,125.00	
Sally S. Donner, 1710 Rhode Island Avenue, NW, #400 Washington, DC 20036	General Foods Corporation	1,229.25	117.35
Margarite Donoghue, 729 8th St., SE, #200 Washington, DC 20003	FARO-AIDS Action Council	2,500.00	
Donohue & Associates, Inc, 11445 Isaac Newton Square So. Reston, VA 22090			
William Donovan, 1111 N. 19th St, #700 Arlington, VA 22209	National Assn of Federal Credit Unions	2,500.00	88.72
Kevin L. Dorn, 1400 K Street, NW, #801 Washington, DC 20005	General Aviation Manufacturers Assn	5,539.00	
James A. Dorsch, 1025 Connecticut Avenue, NW Washington, DC 20036	Health Insurance Assn of America, Inc	27.28	
Dean R. Dort II, 1667 K Street, NW, #370 Washington, DC 20006	Deere & Company	715.00	
Michael I. Dougherty, Pillsbury Center MS 3771 Minneapolis, MN 55402	Pillsbury Co	1,000.00	593.70
Sally L. Douglas, 600 Maryland Ave., SW, #700 Washington, DC 20024	National Fed of Independent Business	4,785.50	200.00
Dow Lohnes & Albertson, 1255 23rd St., NW Washington, DC 20037	Beeman and Gould	100.00	
Do	Canadian Institute of Steel Construction		
Do	Dart-M.L., Ltd		
Do	Government of the Republic of Panama		
Do	Hapag-Lloyd, A.G.		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Harris Steel Group, Inc	48.00	40.38
Do	Home Shopping Network, Inc	3,305.50	791.36
Do	Lake Ontario Cement Limited		
Do	Laurel Steel Products, Ltd		
Do	Masstock (International) Ltd		
Do	Mediterranean/U.S.A. Freight Conference		
Do	Stanley Precision		
Do	The '8900' Lines		
Do	U.S. Atlantic & Gulf Ports/East Med & N. Africa Freight Conf		
Do	U.S. Atlantic & Gulf/Australia-New Zealand Conference		
L. Michael Dowling, Suite 320 1901 L Street, NW Washington, DC 20036	Ogilvy and Mather Public Relations		
Charles P. Downer, 7901 Westpark Drive Mclean, VA 22102	National Machine Tool Builders' Assn	1,113.00	250.00
Jane Lind Downey, 2200 Mill Rd Alexandria, VA 22314	American Movers Conference	800.00	
John A. Doyle, 1156 15th St., NW, #1100 Washington, DC 20005	American Psychological Assn	7,500.00	3,897.93
John P. Doyle Jr., 8600 Boundbrook Lane Alexandria, VA 22309	J. P. Doyle Enterprises, Inc	1,000.00	
Steve Doyle, 5205 Leesburg Pike, #505 Falls Church, VA 22041	National Beer Wholesalers' Assn		
William A. Doyle, 2346 S. Rolfe Street Arlington, VA 22202	Harris Corporation	3,050.00	1,382.75
Ronald W. Drach, 807 Maine Avenue, SW Washington, DC 20024	Disabled American Veterans	17,300.40	
David P. Drake, 1747 Pennsylvania Ave., NW, #700 Washington, DC 20006	Ciba-Geigy Corp	3,000.00	
James E. Drake, 1101 Vermont Ave., NW Washington, DC 20005	American Medical Assn	5,272.00	
Paul A. Drazek, 600 Maryland Avenue, SW Washington, DC 20024	American Farm Bureau Federation	8,063.00	56.30
Dressendorfer-Laird, Inc, 1730 Rhode Island Avenue, NW, #210 Washington, DC 20036	Briggs & Stratton	250.00	
Do	General Dynamics Corp	250.00	
Do	Metropolitan Life Insurance Cos	300.00	
Do	Science Applications Int'l Corp		
Joan Albert Dreux, 600 Pennsylvania Avenue, SE, #211 Washington, DC 20003	National Assn of Casualty & Surety Agents	3,000.00	1,735.03
William B. Driggers, 1745 Jefferson Davis Highway, #605 Arlington, VA 22202	Texas Instruments, Inc	525.00	
John P. Dring, 1331 Pennsylvania Ave., NW, #565 Washington, DC 20004	Texas Gas Transmission Corp		
Kevin J. Driscoll, 1800 M St., NW Washington, DC 20036	American Bar Assn	400.00	50.00
Fran Du Melle, 1101 Vermont Avenue, NW, #402 Washington, DC 20005	American Lung Assn	2,890.00	2,699.00
Stan Dublinske, 10801 Rockville Pike Rockville, MD 20852	American Speech-Language-Hearing Assn		
Morgan D. Dubrow, 1800 Massachusetts Ave., NW Washington, DC 20036	National Rural Electric Cooperative Assn	90.00	
Dudek Communications, 902 Pennsylvania Avenue, SE Washington, DC 20003	Lyonnaise des Eaux Group	12,000.00	5,762.00
Tim Dudgeon, 1250 Eye Street, NW, #900 Washington, DC 20005	Distilled Spirits Council of the U.S., Inc	2,000.00	
John Dudinsky Jr., 201 Massachusetts Ave., NE, #C-9 Washington, DC 20002	AMSPEC	2,000.00	72.30
Do	Lantana Boatyard, Inc	2,000.00	146.45
Jane McPike Dudley, 888 17th Street, NW, #901 Washington, DC 20006	Whiteford Taylor & Preston		
Ann Anderson Duff, 1331 Pennsylvania AVenue, NW Washington, DC 20004	National Assn of Manufacturers	1,200.00	
Michael J. Duff, 1101 16th Street, NW Washington, DC 20036	Scientific Apparatus Makers Assn	1,400.00	395.00
Daniel A. Duffy, 1400 K St., NW, #900 Washington, DC 20005	Rubber Manufacturers Assn	2,500.00	
Joseph R. Dugan, 888 16th Street, NW Washington, DC 20006	Milk Industry Foundation & International Ice Cream Assn		
C. R. Duggan, 815 16th St., NW Washington, DC 20006	Brotherhood of Railway Airline & Steamship Clerks	3,100.00	3,100.00
Francis J. Duggan, 50 F Street, NW, #12800 Washington, DC 20001	Association of American Railroads	888.96	296.73
Dulles Access Rapid Transit Corp, 8000 Towers Crescent Dr., #801 Vienna, VA 22180			10,240.28
Mervin E. Dullum, 1629 K St., NW, #204 Washington, DC 20006	Delta Air Lines, Inc	200.00	61.90
Amy K. Dunbar, One Beacon Street Boston, MA 02108	Palmer & Dodge (For:National Assn of Bond Lawyers)		402.16
Don R. Duncan, 1825 K Street, NW, #1107 Washington, DC 20006	Phillips Petroleum Co	5,000.00	146.59
Leslie Delong Duncan, 1925 K Street, NW, #206 Washington, DC 20006	Alliance to Save Energy	106.51	
William C. Duncan, 1050 17th Street, NW, #410 Washington, DC 20036	Japan Automobile Manufacturers Assn	1,800.00	1,023.13
Duncan Weinberg Miller & Pembroke, P.C., 1615 M Street, NW, #800 Washington, DC 20036	Kenai Natives Assn, Inc		
Do	Mid West Electric Consumers' Assn, Inc		
Do	National Assn of State Energy Officials		
Do	State of Nevada		
Do	Western Fuels Association, Inc		
Mari Lee Dunn, 1850 K St., NW, #400 Washington, DC 20006	American Council for Capital Formation		
Patrick W. Dunn, 4400 Seattle First National Bank Bldg. 1001 Fourth Ave. Plaza #4400 Seattle, WA 98154	Riddell Williams Bullitt & Walkinshaw (For:Friends of the Columbia River Gorge)		
Dunnells Duvall Bennett & Porter, 1220 19th Street, NW, #400 Washington, DC 20036	National Assn of Aircraft & Communications Suppliers, Inc		839.69
James A. Dupree, 815 Connecticut Ave., NW Washington, DC 20006	Ford Motor Co	4,312.00	1,821.00
Joseph L. Duran, 100 Federal St. Boston, MA 02110	First National Bank of Boston		
Margaret A. Durbin, 1001 pennsylvania Ave., NW Washington, DC 20004	American Council of Life Insurance, Inc	2,200.00	
B. J. Durham, P.O. Box 2121 Corpus Christi, TX 78403	Central Power & Light Company		
David Durham, 777 14th Street, NW Washington, DC 20005	National Assn of Realtors	1,250.00	
Ed Durkin, 101 Constitution Avenue, NW Washington, DC 20001	United Brotherhood of Carpenters & Joiners of America		
Duryea Murphy Davenport & Van Winkle, 711 Capitol Way Olympia, WA 98501	State of Nevada, Nuclear Waste Project Office	4,485.00	1,207.83
Dutko & Associates, 412 First St., SE, #40 Washington, DC 20003	Miguel H. Agosto	800.00	
Do	American Consumer Trade Council	10,590.00	
Do	Associates of North America		
Do	Colorado River Municipal Water District (CRMWD)	48.00	
Do	Communications Satellite Corp	5,297.50	
Do	D & B Wholesale Cosmetics, Inc	62.50	
Do	DSC Communications	7,816.00	
Do	William Gold		
Do	Jaime Goldenberg	62.50	
Do	Granger Associates		
Do	Gulf & Western Industries, Inc	9,000.00	
Do	Hart-Culp International	22,754.00	
Do	Large Scale Program Institute		
Do	Lightnet	5,211.00	
Do	MedMax		
Do	Model Imperial Supply Co, Inc	25.00	
Do	Oklahoma State University	3,600.00	
Do	PacifiCare Health Systems	2,683.00	
Do	Pitts Energy Group		
Do	Psychemedics Corp	4,767.50	
Do	R-Max	1,840.00	
Do	Southland Corporation		
Do	M. Stevens Cosmetics Co	262.50	
Do	Superconducting Super Collider	2,160.00	
Do	US Sprint	9,309.70	
Peggy L. Duxbury, 1331 Pennsylvania Avenue, NW, #1500N Washington, DC 20004	National Assn of Manufacturers	900.00	
Ernest DuBester, 815 16th Street, NW Washington, DC 20006	American Fed of Labor & Congress of Industrial Organizations	17,466.23	511.10
Denis J. Dwyer, 700 North Fairfax St. Alexandria, VA 22314	Railway Progress Institute	556.25	
Roderick T. Dwyer, 1920 N Street, NW Washington, DC 20036	American Mining Congress		
William J. Dyess, Wm. Dyess Associates 4444 Dexter Street, NW Washington, DC 20007	B.V. Stevedore Co Quick Dispatch		
DynCorp, 1313 Dolley Madison Blvd. Mclean, VA 22101			2,220.00
Talis Dzenitis, 633 Pennsylvania Avenue, NW, #600 Washington, DC 20004	Sears Roebuck & Co	500.00	
DGA International, Inc, 1818 N Street, NW Washington, DC 20036	Dir Intl Aff of the Gen Del for Armements		
Do	Societe Nationale D'Etude et de Const de Moteurs D'Aviation	951.50	129.23
Do	Sofreavia	3,163.50	511.95
Earle Grovatt & Assoc, Inc, 55 W. Main Street Freehold, NJ 07728	Dickinson Business School	3,000.00	979.00
A. Blakeman Early, 555 13th St., NW, #500-W Washington, DC 20004	Environmental Action, Inc		
Jack D. Early, The Madison Building, #900 1155 15th Street, NW Washington, DC 20005	National Agricultural Chemicals Assn	750.00	44.00
Charles H. Eaton, 1725 K St., NW, #1111 Washington, DC 20006	Eaton Associates, Inc		
Robert E. L. Eaton, 1725 K St., NW, #1111 Washington, DC 20006	Eaton Associates, Inc		
Eaton Associates, Inc, 1725 K St., NW, #1111 Washington, DC 20006			
Robert E. Ebel, 1025 Connecticut Ave., NW, #1014 Washington, DC 20036	Enserch Corporation	1,450.00	525.00
Charles J. Eby, 8408 Queen Elizabeth Blvd. Annandale, VA 22003	Hill & Knowlton, Inc (For:Monsanto Co)		
N. Boyd Ecker, 1100 Connecticut Ave., NW Washington, DC 20036	Mobil Oil Corp	1,500.00	79.70
Patricia K. Economos, 15th & M Streets, NW Washington, DC 20005	National Assn of Home Builders of the U.S.		
William R. Edgar, 1620 Eye St., NW, #501 Washington, DC 20006	Gates Learjet Corporation		
Helen H. Edge, 700 N. Fairfax St. Alexandria, VA 22314	Railway Progress Institute	512.50	
Edison Electric Institute, 9th Floor 1111 19th St., NW Washington, DC 20036		26,362.74	62,755.17
V. Anne Edlund, 1620 Eye St., NW, #1000 Washington, DC 20006	Motor Vehicle Manufacturers Assn of the U.S., Inc		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Stephen L. Edmiston, 807 Maine Ave., SW Washington, DC 20024	Disabled American Veterans	15,464.80	354.05
Ed Edmondson, 416 Court St., P.O. Box 11 Muskogee, OK 74401-0011	Association of Oklahoma General Contractors		
Christine A. Edwards, 633 Pennsylvania Ave., NW, #600 Washington, DC 20004	Dean Witter Financial Services Group	662.65	33.50
J. Rodney Edwards, 260 Madison Ave. New York, NY 10016	American Paper Institute, Inc		
Jack Edwards, 3000 First Natonal Bank Bldg. P.O. Box 123 Mobile, AL 36601	Societe Nationale d'Etude et de Const de Moteurs d'Aviation	510.35	6.50
Michael D. Edwards, 1201 16th Street, NW Washington, DC 20036	National Education Assn	3,291.30	65.00
William A. Edwards, 201 Massachusetts Ave., NE Washington, DC 20002	Edison Electric Institute	946.50	151.39
Do	New Hampshire Yankee	6,703.00	868.71
Edwards & Antholis, 95 Madison Avenue Morristown, NJ 07960	Resorts International, Inc		2,601.86
Edwards Associates, 507 Second St., NE Washington, DC 20002	Confederated Tribes of Warm Springs		
Paul S. Egan, 1608 K St., NW Washington, DC 20006	American Legion	10,452.00	214.23
Albert C. Eisenberg, 1735 New York Avenue, NW Washington, DC 20006	American Institute of Architects	9,000.00	
Linda S. Eisnaugle, 225 W. 34th Street New York, NY 10001	National Commercial Finance Assn	11,500.00	1,290.00
H. J. Elam III, 1201 Maple St. Greensboro, NC 27405	Cone Mills Corp	30,000.00	9,185.68
Jane Elder, 214 N. Henry St., #203 Madison, WI 53703	Sierra Club	921.25	477.38
Timothy L. Elder, 100 N.E. Adams Street Peoriagton, IL 61629-1430	Caterpillar, Inc	250.00	540.76
Electronic Funds Transfer Assn, 1726 M Street, NW, #1000 Washington, DC 20036			200.00
Electronic Industries Assn, 2001 Eye St., NW Washington, DC 20006		2,925.00	16,767.33
Eileen Elgin, 1250 Connecticut Avenue, NW Washington, DC 20036	National Forest Products Assn	1,200.00	
George K. Eliades, 7297-P Lee Highway Falls Church, VA 22042	Society of American Wood Preservers, Inc	3,000.00	1,510.00
C. M. Elkins Associates, 1100 17th St., NW, #310 Washington, DC 20036	Delaware & Hudson Railway Co		
Do	Missouri Kansas Texas Railroad		
Do	Pittsburgh & Lake Erie Railroad Co		
J. Burton Eller Jr., 1301 Pennsylvania Ave., NW, #300 Washington, DC 20004	National Cattlemen's Assn	1,000.00	
Charles W. Elliott, Wisconsin Petroleum Council 25 W. Main St., #703 Madison, WI 53703	American Petroleum Institute		
Christine Elliott-Groves, 600 Maryland Avenue, SW, #700 Washington, DC 20024	National Fed of Independent Business	3,401.75	153.00
John M. Ellis, 1120 Fairfield Avenue Roseville, CA 95678	Nor-Cal Federal Coalition		
Mark G. Ellis, 1920 N St., NW Washington, DC 20036	American Mining Congress		
Mark M. Ellison, French & Company 1455 Pennsylvania Ave., NW, #1260 Washington, DC 20004	Hong Kong Trade Development Council	1,000.00	
Emergency Committee for American Trade, 1211 Connecticut Ave. Washington, DC 20036			
J. Terry Emerson, 3700 Maryland Street Alexandria, VA 22309	China External Trade Development Council	3,000.00	1,519.00
Emerson Electric Co, 8000 W. Florissant St. Louis, MO 63136			1,414.24
Michael J. Emig, 1125 15th St., NW Washington, DC 20005	International Brotherhood of Electrical Workers	6,000.00	124.93
Lowell J. Endahl, 1800 Massachusetts Ave., NW Washington, DC 20036	National Rural Electric Cooperative Assn		
H. John Endean, 1730 K St., NW, #1200 Washington, DC 20006	American Business Conference	100.00	25.00
Energy Consumers & Producers Assn, Box 1726 Seminole, OK 74868		14,750.00	698.21
Energy Security Policy, Inc, 750 Baker Building 706 Second Ave. South Minneapolis, MN 55402		46,535.00	2,395.41
Ralph Engel, 1001 Connecticut Ave., NW, #1120 Washington, DC 20036	Chemical Specialties Manufacturers Assn, Inc	189.00	35.50
Joseph J. English, 1010 Vermont Avenue, NW Washington, DC 20005	Stewart-Warner Corp	10,233.00	123.69
Patricia A. English, 777 14th St., NW Washington, DC 20005	National Assn of Realtors		
Christopher Engquist, 1957 E St., NW Washington, DC 20006	Associated General Contractors of America		
Richard Engram Jr., P.O. Box 506 Merchants & Miners Bank Bldg. Welch, WV 24801			
Clinton W. Ensign, 2600 Virginia Avenue, NW, #901 Washington, DC 20037	Sinclair Oil Corporation	1,000.00	303.44
Environmental Action, 1525 New Hampshire Ave., NW Washington, DC 20036		11,390.00	17,225.00
Cheryl Anthony Epps, 13 Firstfield Road Gaithersburg, MD 20878	International Assn of Chiefs of Police	8,250.00	267.81
Epstein Becker Borsody & Green, P.C., 1140 19th St., NW, #900 Washington, DC 20036	National Cable Television Assn, Inc	22,422.00	
Do	Voluntary Hospitals of America, Inc	15,461.48	
Ingolf G. Esders, 815 16th Street, NW Washington, DC 20006	International Longshoremen's Assn, AFL-CIO	6,887.81	547.87
Estate of W. W. Callan, 1509 East 31st Street Byran, TX 77801			
European Travel Commission, 630 Fifth Avenue New York, NY 10111			
Andreas W. Evans, 1016 16th Street, NW Washington, DC 20036	National Fed of Federal Employees		
Elaine Evans, 1133 21st Street, NW, #500 Washington, DC 20036	National Hydropower Assn		
John R. Evans, 9208 Seven Locks Road Bethesda, MD 20817	Drexel Burnham Lambert, Inc	7,300.00	5.00
Joseph O. Evans, Apartment 21 4401 Lee Hwy. Arlington, VA 22207			
Rae Forker Evans, 1615 L Street, NW, #1220 Washington, DC 20036	Hallmark Cards, Inc		
Robert B. Evans, 1101 14th Street, NW Washington, DC 20005	American Financial Services Assn		
Robert D. Evans, 1800 M St., NW Washington, DC 20036	American Bar Assn	400.00	50.00
Wayne S. Ewing, Associated Petroleum Industries of Pa P.O. Box 925 Harrisburg, PA 17108	American Petroleum Institute		
Robbie G. Exley, 1016 16th St., NW Washington, DC 20036	National Fed of Federal Employees		
Paul K. Eyer, 122 C Street, NW, #875 Washington, DC 20001	American Osteopathic Assn	1,400.00	
EDS Corporation, 1331 Pennsylvania Ave., NW, #1300 Washington, DC 20004			1,908.23
F/P Research Associates, 1700 K St., NW, #504 Washington, DC 20006	National Cable Television Assn, Inc	500.00	
Do	Shell Oil Co	500.00	
Robert R. Fahs, 1101 15th St., NW, #205 Washington, DC 20005	Cargill Inc	2,500.00	
Dale W. Fallat, P.O. Box 119 Maumee, OH 43537	Andersons		
Peter M. Fannon, 1818 N Street, NW, #410 Washington, DC 20036	National Assn of Public Television Stations	600.00	150.00
Frank J. Farfone, 1800 M St., NW, #700 South Washington, DC 20036	Dow Chemical USA		4,875.00
Thomas B. Farley II, 1220 L St., NW Washington, DC 20005	American Petroleum Institute	6,400.00	87.00
Farm Credit Council, 50 F Street, NW, #900 Washington, DC 20001		218,000.00	9,062.00
David M. Farmer, 1629 K Street, NW, #1010 Washington, DC 20006	Alliance of American Insurers	7,000.00	421.91
Farmers' Educational & Co-Operative Union of America, 600 Maryland Ave., SW, #202w Washington, DC 20024		196,649.00	75,315.70
John W. Farquhar, 1750 K St., NW Washington, DC 20006	Food Marketing Institute	300.00	
Dagmar T. Farr, 1750 K Street, N.w. Washington, DC 20006	Food Marketing Institute	450.00	
J. Dent Farr, 2000 M St., NW, #550 Washington, DC 20036	North American Telecommunications Assn	9,615.40	
Christopher G. Farrand, 1120 20th Street, NW, #720 Washington, DC 20036	Peabody Holding Co, Inc		200.72
Michael Farrar, 1250 Connecticut Avenue, NW Washington, DC 20036	American Paper Institute, Inc	200.00	
Joseph A. Farrell, 1600 Wilson Boulevard, #1000 Arlington, VA 22209	American Waterways Operators, Inc		
Sarah Farrell, 1730 K St., NW, #1100 Washington, DC 20006	National Treasury Employees Union	7,424.00	127.58
Marcus G. Faust, 2121 K St., NW, #880 Washington, DC 20037	Central Utah Water Conservancy District	10,706.26	1,635.36
Do	Public Service Co of New Mexico	17,821.90	1,739.66
Do	Sierra Pacific Power Co	15,590.93	1,488.33
Do	Standard Oil Co (Ohio)	11,250.00	
Jane Fawcett-Hoover, 801 18th St., NW, #400 Washington, DC 20006	Procter & Gamble Manufacturing Co	50.00	
Elizabeth Fayad, 1033 Union Church Rd. McLean, VA 22102	National Parks & Conservation Assn	532.04	45.50
Federal Company, 1755D Lynnfield Road, #149 Memphis, TN 38119			15,381.73
Federal Land Bank Assn of Texas Stockholders' Defense Fund, P.O. Box 1528 Jacksonville, TX 75766			2,982.85
Federation of American Controlled Shipping, 50 Broadway New York, NY 10004		1,601.60	1,601.60
Federation of American Health Systems, 1111 19th St., NW, #402 Washington, DC 20036		10,750.00	10,750.00
Federation of American Scientists, 307 Massachusetts Ave., NE Washington, DC 20002			3,696.70
Robert Feenstra, 13545 Euclid Avenue Ontario, CA 91761	Milk Producers Council (For:Dairy Farmers for Responsible Dairy Policy)		
Donald M. Fehr, 805 Third Ave. New York, NY 10022	Major League Baseball Players Assn		
Joel F. Feldman, 1752 N St., NW, #800 Washington, DC 20036	National Welding Supply Assn	5,100.00	
Kenneth E. Feltman, 1660 L Street, NW, #715 Washington, DC 20036	Employers Council on Flexible Compensation	200.00	
Randolph Fenninger, 10000 Falls Road, #300 Potomac, MD 20854	American Assn of Colleges of Osteopathic Medicine	3,000.00	
Do	American Gastroenterological Assn		
Do	American Soc for Gastrointestinal Endoscopy	300.00	
Do	American Soc of Anesthesiologists	12,180.07	
Do	American Soc of Clinical Pathologists	6,000.00	
Do	American Urological Assn/Amer Assn of Clinical Urologists	1,200.00	35.00
Judith W. Fensterer, 242 E. 80th Street New York, NY 10021	Generic Pharmaceutical Industry Assn	458.00	161.75
Fensterwald & Alcorn, 1000 Wilson Blvd., #900 Arlington, VA 22209	Concerned Federal Railroad Administration Employees		
George F. Fenton Jr., 1920 N Street, NW Washington, DC 20036	American Mining Congress	180.00	
Edward T. Fergus, 100 Gold St. New York, NY 10292	Prudential-Bache Securities, Inc	750.00	
Betsy Ferguson, 1875 Eye St., NW, #1110 Washington, DC 20006	Times Mirror Co		
Fred E. Ferguson, 122 C Street, NW, #200 Washington, DC 20001	Council of State Chambers of Commerce		
William Ferguson Jr., 1730 Rhode Island Ave., NW, #400 Washington, DC 20036	Aries Properties, Inc		
Do	Berg-Revoir Corp		
Do	City of Alhambra		
Do	City of Baldwin Park		
Do	City of Inglewood		
Do	City of Oceanside	700.00	20.14
Do	City of Provo		
Do	City of Redondo Beach		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	City of South Salt Lake		
Do	Gavin Associates		
Do	Imperial Irrigation District		
Do	Irvine Company	5,500.00	130.76
Do	Long Beach Transit		
Do	Oceanside Redevelopment Agency		
Do	Santa Cruz Properties, Inc		
Robert J. Fersh, 1319 F St., NW, #500 Washington, DC 20004	Food Research & Action Center	89.00	
John L. Festa, 1250 Connecticut Avenue, NW Washington, DC 20036	American Paper Institute, Inc		
Fiber Fabric & Apparel Coalition for Trade, 1101 Connecticut Ave., NW, #300 Washington, DC 20036		366,022.98	344,503.66
Fred C. Fielding, 1725 Jefferson Davis Hwy, #900 Arlington, VA 22202	AM General Corporation		
C. H. Fields, 600 Maryland Ave., SW Washington, DC 20024	American Farm Bureau Federation	7,187.00	27.30
Herbert A. Fierst, 610 Ring Bldg. 1200 18th St., NW Washington, DC 20036	Council of Forest Industries of B.C., et al.	31,251.00	805.00
Marshall S. Filler, 2033 M Street, NW, #700 Washington, DC 20006	Air Transport Assn of America		
Do	Eastern Airlines, Inc		
Do	National Business Aircraft Assn	6,201.00	
Do	Texas Air Corp		
Robert E. Finch, 2400 E. Commercial Blvd., #500 Ft. Lauderdale, FL 33308	Ameriserv, inc		
Lawrence A. Fineran, 1331 Pennsylvania Ave., NW, #1500 N. Washington, DC 20004	National Assn of Manufacturers	125.00	
Matthew P. Fink, 1600 M St., NW Washington, DC 20036	Investment Company Institute	109.89	22.50
Nelson L. Fink, 378 Valley Oak Court Waldorf, MD 20601	Air Force Sergeants Assn, Inc		
Finley Kumble Wagner Heine Underberg Manley Myerson & Casey, 1140 Connecticut Ave., NW, #400 Washington, DC 20036	American College of Neuropsychopharmacology	905.00	
Do	American Protestant Health Assn	1,614.17	
Do	Ashland Oil, Inc		
Do	Asociacion de Empresas RENFE/Patentes TALGO, S.A.	800.00	
Do	Association of British Insurers		
Do	AVW Electronic Systems, Inc	1,965.63	
Do	Carribean Tubular Co, Inc		79.00
Do	City of Inglewood		
Do	City of Oakland	5,271.88	
Do	Committee on Problems of Drug Dependence, Inc	730.00	
Do	Golden Nugget, Inc		
Do	Government of Antigua & Barbuda	87.50	
Do	Group Hospitalization & Medical Services, Inc		
Do	Home Group, Inc		
Do	IBM Corp		
Do	Loyola University	8,277.86	
Do	Lutheran Health Systems	850.00	
Do	Mutual Protection Trust Cooperative of American Physicians	740.00	213.40
Do	New Orleans Cold Storage & Warehouse Co, Ltd		
Do	Nordisk-USA	150.00	
Do	Norfolk Southern Corp		
Do	Occidental Petroleum Corp		
Do	Pennington Biomedical Complex Foundation	970.00	816.85
Do	Population Crisis Committee	1,075.00	
Do	Puerto Rico Department of Health	7,000.00	
Do	Puerto Rico Hospital Assn	6,000.00	
Do	PTAT System, Inc		
Do	Small Business Council of America		
Do	Society of Real Estate Appraisers		
Do	Southwest Organ Bank, Inc	857.50	
Do	Syncor Int'l Corp/Nat'l Assn of Nuclear Pharmacies	3,345.00	
Do	TechAmerica Group, Inc		
Do	Toyota Motor Manufacturing, U.S.A.	1,652.50	
Do	TRT Telecommunications Corp		
Do	U.S. Telephone Assn		
Thomas D. Finnigan, 1100 15th Street, NW, 12th Fl. Washington, DC 20005	Union Carbide Corp		
M. J. Fiocco, 1090 Vermont Ave., NW, #410 Washington, DC 20005	National Industrial Transportation League	5,000.00	125.00
First National Bank of Boston, 100 Federal St. Boston, MA 02110			19,182.70
Richard L. Fischer, 1615 M St., NW, #200 Washington, DC 20036	Amoco Corporation		
Deborah A. Fischione, 2000 Pennsylvania Ave., NW, #6200 Washington, DC 20006	Chicago Mercantile Exchange		
Carlton W. Fish, P.O. Box 35106 Minneapolis, MN 55435	American Collectors Assn	1,000.00	
Donald W. Fisher, 3814 Ivanhoe Lane Alexandria, VA 22310	American Group Practice Assn, Inc	3,519.00	
Dwight R. Fisher, 600 Maryland Avenue, SW, #700 Washington, DC 20024	National Fed of Independent Business	700.00	100.00
Janet S. Fisher, 1333 New Hampshire Avenue, NW Washington, DC 20036	Atlantic Richfield Co		
Fisher Wayland Cooper & Leader, 1255 23rd Street, NW, #800 Washington, DC 20037-1125	International Communications Assn		
Charles L. Fishman, P.C., 1717 K Street, NW, #502 Washington, DC 20036	Carolina Power & Light Co		
Do	Consolidated Edison Co of New York, Inc		
Do	Stone & Webster Engineering Corp		
Do	Westinghouse Electric Corp		
David H. Fiske, Fiske & Associates 1776 K Street, NW, #900 Washington, DC 20006	Software Publishers Assn	1,888.00	51.00
Patrick E. Fitch, 1755 Jefferson Davis Highway, #900 Arlington, VA 22202	Gould, Inc	115.40	690.62
Lauri J. Fitz, 901 31st St., NW Washington, DC 20007	Hill & Knowlton, Inc (For:Societe Generale thru SGS North America, Inc)		
Thomas H. Fitzpatrick, Connecticut Petroleum Council 410 Asylum Street Hartford, CT 06103	American Petroleum Institute		
Richard S. Fitzsimmons, 1025 Connecticut Ave., NW, #415 Washington, DC 20036	American Insurance Assn		
Alan M. Fitzwater, 3800 Continental Plaza 777 Main Street Fort Worth, TX 76102	Burlington Northern Railroad	22,500.00	3,725.08
Hilliard J. Fjord, 602 Main St., #600 Cincinnati, OH 45202	Ohio River Co	3,000.00	612.64
Daniel V. Flanagan Jr., 12 Third Street, NE Washington, DC 20002	Virginia Power		
James J. Flanagan, 25 Research Dr. Westborough, MA 01581	New England Power Service Co	1,018.50	152.65
Fleishman-Hillard, Inc, 1225 Connecticut Ave., NW, #303 Washington, DC 20036	Home Satellite Services	34,240.00	2,373.98
Do	Pathology Practice Assn	24,000.00	2,928.80
Do	Syva Company	18,000.00	234.19
Michael Fleming, 1300 17th St., #1010 Arlington, VA 22209	American Assn of Equipment Lessors		
Terry P. Fleming, Ohio Petroleum Council 88 E. Broad St., #1960 Columbus, OH 43215	American Petroleum Institute	2,000.00	986.99
Florida Business Associates, 1575 Eye Street, NW, #530 Washington, DC 20005	CSX Transportation Systems	6,874.00	
Do	ETA Systems, Inc	21,373.47	
Do	Westinghouse Electric Corp	22,928.00	
Veronica M. Floyd, 2001 S. Jeff Davis Highway, #1107 Arlington, VA 22202	Brunswick Corp	7,000.00	896.90
David H. Foerster, 1201 16th St., NW Washington, DC 20036	National Education Assn		
Joseph P. Foley, Foley and Company 206 G St., NE, #201 Washington, DC 20002	Artel Communications Corp	4,500.00	
Do	Dense-Pac Microsystems, Inc		
Do	Gray's Family Department Stores	247.00	97.00
Do	Poly Phaser Corp	1,800.00	
Do	Systems Research Corp		
Foley & Lardner, 1775 Pennsylvania Ave., NW Washington, DC 20006-4680	City of Kenosha, Wisconsin	840.00	15.88
Do	Dimensions, Inc	1,200.00	93.18
Do	Kohlberg Kravis Roberts & Co		
Do	Paper Machine Cloth Group	9,235.00	273.26
Gary L. Fontana, Thelen Marrin Johnson & Bridges 2 Embarcadero Center San Francisco, CA 94111	Hawaiian Electric Co, Inc	738.00	485.78
Do	Thermal Power Co	266.50	10.44
Food & Allied Service Trades Dept, AFL-CIO, 815 16th Street, NW, #408 Washington, DC 20006		14,662.00	14,662.00
Food Marketing Institute, 1750 K St., NW Washington, DC 20006			7,389.00
Mari S. Forbes, 1731 Connecticut Ave., NW Washington, DC 20009	Albers & Company (For:May Department Stores Co)	11,745.00	
James E. Ford, 1333 New Hampshire Avenue, NW Washington, DC 20036	Atlantic Richfield Co		
Foresight Science & Technology, Inc, 2000 P St., NW, #305 Washington, DC 20036	National Coalition for Science & Technology	675.00	663.45
Do	Society for American Archaeology	2,500.00	2,583.64
Mark A. Forman, 345 Park Ave., 31st Fl New York, NY 10154	Union Pacific Corp	625.00	
Sallie H. Forman, 1825 K Street, NW, #807 Washington, DC 20006	National Broadcasting Co, Inc	1,000.00	50.34
Larry Forrester, 3707 Woodview Trace P.O. Box 68700 Indianapolis, IN 46268	National Assn of Mutual Insurance Cos		
Michael A. Forscey, 1735 New York Avenue, NW Washington, DC 20006	Metropolitan Life & Affiliated Cos		
Do	Tobacco Institute		
Maria Foscarinis, 1620 Eye St., NW, #300 Washington, DC 20006	National Coalition for the Homeless	625.00	
Bruce Foster, 1111 19th Street, NW, #303 Washington, DC 20036	Southern California Edison Co	2,940.00	1,500.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Nancy E. Foster, 600 Maryland Ave., SW, #510 Washington, DC 20024	American Soybean Association	2,122.50	255.50
Stacie Foster, 1100 15th St., NW, #700 Washington, DC 20005	Sonat, Inc		
Conrad M. Fowler, Box 71 West Point, GA 31833	West Point Pepperell	8,610.00	5,743.00
Fox Group, USA Ltd, P.O. Box 1831 Charleston, SC 29402	Camp Carmouche Barsh... (for Sears Roebuck & Co), et al.	12,000.00	
Donald Fraher, 633 E Street, NW Washington, DC 20004	American Symphony Orchestra League	9,831.54	999.39
John R. Frahm, 1101 15th Street, NW Washington, DC 20005	Minnesota Mining & Manufacturing Co	3,000.00	
David E. Franasiak, 1001 22nd Street, #600 Washington, DC 20037	Standard Oil Co (Ohio)		
Douglas L. Francisco, 1101 16th St., NW Washington, DC 20036	Independent Petroleum Assn of America		81.50
Peter M. Frank, 1667 K St., NW, #250 Washington, DC 20006	Kerr-McGee Corp	2,500.00	2,174.96
Richard L. Frank, 1029 Vermont Ave., NW, #400 Washington, DC 20005	Olsson Frank & Weeda (For:Ad Hoc Pizza Standard Rulemaking Group)	5,730.00	
David C. Frankil, 918 16th Street, NW, #402 Washington, DC 20006	American Furniture Manufacturers Assn	750.00	490.83
Walter L. Frankland Jr., 1717 K St., NW Washington, DC 20006	Silver Users Assn, Inc	1,754.50	27.00
Ellis B. Franklin, 5025 Wisconsin Ave., NW Washington, DC 20016	Amalgamated Transit Union, AFL-CIO		
James R. Franklin, 1185 Avenue of the Americas New York, NY 10036	J. P. Stevens & Co, Inc		1,672.95
Thomas C. Franks, 1220 L St., NW, #510 Washington, DC 20005	American Resort & Residential Development Assn	1,500.00	107.91
Sally Narey Frans, 385 Washington Street St. Paul, MN 55102	St. Paul Fire & Marine Insurance Co	15,270.00	51.01
John B. Franz, P.O. Box 10568 Pompano Beach, FL 33061			
Marian C. Franz, 2121 Decatur Place, NW Washington, DC 20008	National Campaign for a Peace Tax Fund	825.00	525.00
Susan C. Frary, 1133 19th St., NW Washington, DC 20036	MCI Communication Corp	666.00	
Charles L. Frazier, 475 L'Enfant Plaza, SW, #2250 Washington, DC 20024	National Farmers Organization	5,416.67	4,211.13
Fran Frazier, 1730 K Street, NW, #703 Washington, DC 20006	American Business Conference	95.00	48.83
Robert M. Frederick, 1616 H St., NW Washington, DC 20006	National Grange	6,000.00	
Ann Todd Free, 1120 Connecticut Avenue, NW Washington, DC 20036	American Bankers Assn	500.00	
Free the Eagle, 11244 Waples Mill Rd., Suite J Fairfax, VA 22030		22,052.00	243,371.54
Joel Freedman, 1600 M St., NW, 5th Floor Washington, DC 20036	Hartford Fire Insurance Co	5,000.00	
James O. Freeman, 50 E Street, SE Washington, DC 20003	U.S. League of Savings Institutions	6,250.00	
Mary Ann Freeman, 1331 Pennsylvania Ave, NW Washington, DC 20005	General Electric Co	140.00	
Paula D. Freer, 818 Connecticut Avenue, NW, #900 Washington, DC 20006	Marathon Oil Co		64.00
Ronna Freiberg, 901 31st Street, NW Washington, DC 20007	Hill & Knowlton, Inc (For:Budd Company)		
Do	Hill & Knowlton, Inc (For:Fleischmann's Yeast)	200.00	
Do	Hill & Knowlton, Inc (For:Republic of Turkey)		
Do	Hill & Knowlton, Inc (For:Shaklee Corporation)		
Do	Hill & Knowlton, Inc (For:Societe Generale thru SGS North America, Inc)		
Do	Hill & Knowlton, Inc (For:Stroh Brewery Co)	1,200.00	
Do	Hill & Knowlton, Inc (For:Title Insurance Industry Coalition)	400.00	
Verrick O. French, French & Company 1455 Pennsylvania Ave., NW, #1260 Washington, DC 20004	Hong Kong Trade Development Council	4,000.00	
French & Company, 1455 Pennsylvania Ave., NW, #1260 Washington, DC 20004	Artery Organization, Inc	900.00	
Do	Montgomery Ward & Co, Inc	3,000.00	
Do	Wheels, Inc	800.00	
Annette P. Fribourg, 3900 Wisconsin Ave., NW Washington, DC 20016	Federal National Mortgage Assn	22,250.00	1,307.21
Fried Frank Harris Shriver & Jacobson, 1001 Pennsylvania Ave., NW, #800 Washington, DC 20004	Doyon, Limited		
Do	General Electric Co	990.00	3.60
Do	Lonza, Inc	3,229.53	6.00
Philip P. Friedlander Jr., 1250 Eye Street, NW, #400 Washington, DC 20005	National Tire Dealers & Retreaders Assn		
James M. Friedman, 1100 Citizens Bldg. Cleveland, OH 44114	Cleveland Electric Illuminating Co	17,519.00	2,247.54
Do	Coalition for Environmental-Energy Balance	18,947.00	
Gay H. Friedmann, 1150 Connecticut Ave., NW, #717 Washington, DC 20036	Southern California Gas Co	10,250.00	
Susan T. Fritschler, 1111 19th Street, NW Washington, DC 20036	Edison Electric Institute	1,838.04	351.21
William D. Fritts Jr., 1025 Connecticut Ave., NW Washington, DC 20036	Health Insurance Assn of America, Inc		
Charles H. Fritzel, 499 S. Capitol St., SW, #401 Washington, DC 20003	National Assn of Independent Insurers	400.00	340.00
Jeffrey Fritzlen, 1120 20th Street, NW, #600-S Washington, DC 20036	Union Pacific Corp	2,000.00	
Catherine J. Frompovich, P.O. Box B-12 Richlandtown, PA 18955	Coalition for Alternatives in Nutrition & Healthcare, Inc		
Marcy Stephens Frosh, 2030 M Street, NW Washington, DC 20036	Common Cause	7,469.04	
Don Fuqua, 1725 DeSales Street, NW Washington, DC 20036	Aerospace Industries Assn of America, Inc	2,500.00	
Claudia R. Fuquay, 727 North Washington Street Alexandria, VA 22314	United Fresh Fruit & Vegetable Assn	2,919.00	398.25
FARO-AIDS Action Council, Inc, 729 8th Street, SE, #200 Washington, DC 20003		59,199.84	77,657.27
James E. Gaffigan, 1133 21st Street, NW Washington, DC 20036	Travel & Tourism Government Affairs Council	2,000.00	
Norman S. Gaines, 2550 M St., NW, #770 Washington, DC 20037	RJR Nabisco, Inc	2,200.00	
Joe H. Galis, D.C. 1, 19000 SW 377 St. Florida City, FL 33034			
Karl Gallant, 8001 Braddock Road Springfield, VA 22160	National Right to Work Committee	3,300.00	170.65
Mark Gallant, 1250 Connecticut Avenue, NW Washington, DC 20036	National Forest Products Assn	1,600.00	
Cheryl Gannon, 1750 New York Ave., NW Washington, DC 20006	International Assn of Fire Fighters	6,754.54	
Nicole Gara, 1117 North 19th Street, NW, #300 Arlington, VA 22209	American Academy of Physician Assistants		
Isabella Garcia, 1201 16th St., NW, #624 Washington, DC 20036	National Education Assn	2,095.25	165.50
Raymond Garcia, 1745 Jefferson Davis Highway, #1200 Arlington, VA 22202	Rockwell International Corp	3,000.00	34.23
Shelley Ann Gardner, 20 Black Oak Mews Newtown, PA 18940	Electrical Alliance		
Do	Philadelphia Maritime Exchange		
Sherwin Gardner, 1010 Wisconsin Ave., NW, #800 Washington, DC 20007	Grocery Manufacturers of America, Inc	75.00	
Gardner Carton & Douglas, 1875 I St., NW, #1050 Washington, DC 20006	Alamo Rent-A-Car, Inc	4,720.00	
Do	BP North America, Inc	520.00	
Do	Midcon Corp		
Nancy Garland, 600 Maryland Avenue, SW, #400 Washington, DC 20024	American Optometric Assn		
Mary Leslie Garmon, 1010 Massachusetts Avenue, NW Washington, DC 20001	National Food Brokers Assn		
Robin Bass Garnto, 3597 Gallberry Road Chesapeake, VA 23323	Nansemond Indian Tribe		
Garrett & Company, 1630 Connecticut Avenue, NW, #202 Washington, DC 20009	Taiwan Power Company	3,000.00	4,500.00
John C. Gartland, 7575 E. Fulton Road Ada, MI 49355	Amway Corp		
Ann Lakin Garver, 1101 Connecticut Ave., NW, #300 Washington, DC 20036	American Textile Manufacturers Institute, Inc	30.00	40.00
Garvey Schubert & Barer, 1000 Potomac St., NW Washington, DC 20006	Space Industries, Inc	18,947.25	
Do	Totem Ocean Trailer Express, Inc	7,100.00	
Gas Appliance Manufacturers Assn, Inc, 1901 North Moore Street Arlington, VA 22209			
Vernon Gasaway, 191 Sands Street, Apt. 5j Brooklyn, NY 11201			
Lillian B. Gaskin, 1800 M St., NW Washington, DC 20036	American Bar Assn	400.00	50.00
Frank T. Gasper, 8104 River Falls Drive Potomac, MD 20854	Moog, Inc		
Philip Gasteyer, 1709 New York Ave., NW, #801 Washington, DC 20006	U.S. League of Savings Institutions	8,000.00	
Bruce A. Gates, 201 Park Washington Court Falls Church, VA 22046	National-American Wholesale Grocers' Assn	3,000.00	
Fred Gebler, 1331 Pennsylvania Ave., NW, #1300 Washington, DC 20004	Electronic Data Systems Corp	208.00	343.00
Fred Gehringer, P.O. Box 1002 Chino, CA 91710			
Ruthann Geib, 1156 15th Street, NW, #1020 Washington, DC 20005	American Sugarbeet Growers Assn		
Ronald L. Geigle, 1030 15th Street, NW, #1100 Washington, DC 20005	Health Industry Manufacturers Assn		
Michael S. Gelacak, 12141 Holly Knoll Circle Great Falls, VA 22066	Hill & Knowlton, Inc (For:Republic of Turkey)		
Do	Hill & Knowlton, Inc (For:Title Insurance Industry Coalition)	1,000.00	2.00
Robert C. Gelardi, 5775 Peachtree-Dunwoody Rd., #500-D Atlanta, GA 30342	Robert H. Kellen Co (For:Calorie Control Council)	360.00	
Do	Robert H. Kellen Company (For:Infant Formula Council)		
Morton A. Geller, 100 Federal St. Boston, MA 02110	First National Bank of Boston		
Jose A. Gemeil, 1725 DeSales Street, NW, #804 Washington, DC 20036	Samuel E. Stavisky & Associates, Inc (For:Federacion Nacional de Cafeteros de Colombia).	500.00	20.00
General Aviation Manufacturers Association, 1400 K Street, NW, #801 Washington, DC 20005			8,853.00
General Instrument Corporation, 767 Fifth Avenue New York, NY 10153		1,000.00	58.80
Generic Pharmaceutical Industry Assn, 200 Madison Ave., #2404 New York, NY 10016		8,796.75	8,796.75
John Gentille, 1957 E St., NW Washington, DC 20006	Associated General Contractors of America		
Nancy Whorton George, 499 South Capitol Street, SW, #407 Washington, DC 20003	Enron	1,000.00	
Do	Transco, Inc	2,000.00	
George W. Gephart, P.O. Box 1475 Baltimore, MD 21203	Baltimore Gas & Electric Co		
Joseph G. Gerard, 918 16th St., NW, #402 Washington, DC 20006	American Furniture Manufacturers Assn	1,500.00	915.63
Louis Gerber, 1925 K St., NW Washington, DC 20006	Communications Workers of America	6,927.09	175.38
Phyllis H. Gerstell, 1001 Pennsylvania Ave., NW Washington, DC 20004	American Council of Life Insurance, Inc	1,500.00	
David Troy Saxton Getty, 1857 N. Wilton Pl., #102 Los Angeles, CA 90028-5765			
Danny Ghorbani, 10506 Cavalcade Street Great Falls, VA 22066	Association for Regulatory Reform	4,950.00	146.00
William C. Gibb, 1050 Thomas Jefferson St., NW, 6th Fl Washington, DC 20007		500.00	
William T. Gibb, 1001 Pennsylvania Ave., NW9 Washington, DC 20004	American Council of Life Insurance, Inc	2,000.00	
Wayne Gibbens, 1919 Pennsylvania Ave., NW, #503 Washington, DC 20006	Mid-Continent Oil & Gas Assn	16,000.00	274.00
Anne Marie Gibbons, Third Floor 2301 M Street, NW Washington, DC 20037	American Public Power Assn	500.00	
Gibson Dunn & Crutcher, 1050 Connecticut Ave., NW, #900 Washington, DC 20036	Wheeling-Pittsburgh Steel Corp		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
William L. Gifford, 100 Interpace Parkway Parsippany, NJ 07054	GPU Service Corp		
Lucie Kristie Gikovich, 444 North Capitol St., #718 Washington, DC 20001	Pacific Telesis Group	15,450.00	
Pamela Gilbert, 215 Pennsylvania Avenue, SE Washington, DC 20003	U.S. Public Interest Research Group	4,846.10	
Richard Gilbert, 1015 15th Street, NW Washington, DC 20005	American Public Health Assn	1,222.00	
Michael Gildea, 815 16th St., NW Washington, DC 20006	American Fed of Labor & Congress of Industrial Organizations	17,519.03	
Floyd H. Gilkey, 2111 Harbor Drive Annapolis, MD 21401	Chesapeake Industries, Inc		
Mary Ann Gilleece, 1713 Maple Hill Place Alexandria, VA 22302	Allied Defense Industries	200.00	
Daniel F. Gilligan, 1015 15th St., NW, #1240 Washington, DC 20005	National Manufactured Housing Federation	1,000.00	55.00
C. Michael Gilliland, 1025 Connecticut Avenue, NW, #415 Washington, DC 20036	American Insurance Assn		
Maureen Gilman, 1730 K Street, NW, #1100 Washington, DC 20006	National Treasury Employees Union	4,000.00	
Ginn Edington Moore & Wade, 803 Prince Street Alexandria, VA 22314	Allied-Signal, Inc	3,000.00	42.75
Do	American League for Exports & Security Assistance, Inc	2,000.00	28.38
Do	American Polygraph Assn	7,200.00	106.42
Do	Astroline Communications Co	1,000.00	14.19
Do	Gulfstream Aerospace Corp		
Do	Lockheed Corporation	1,200.00	21.28
Do	Lockheed-Georgia Co	5,000.00	78.04
Do	Mechanical Technology, Inc	8,746.00	127.71
Do	Oglethorpe Power Corp	2,200.00	35.47
Do	Rockwell International Corp	10,000.00	149.00
Do	Texas Instruments, Inc	4,000.00	56.76
Do	Turner Broadcasting System, Inc		
Do	U.S. Cane Sugar Refiners' Assn	3,000.00	42.57
Do	Watkins Associated Industries, Inc		
Gerard Giovaniello, 777 14th St., NW Washington, DC 20005	National Assn of Realtors	2,500.00	403.12
Brenda M. Girton, 633 Pennsylvania Avenue, NW, #600 Washington, DC 20004	Sears Roebuck & Co	300.00	
Francis J. Gist, 1511 K Street, NW, #809 Washington, DC 20005			
Michael J. Giuffrida, 204 E Street, NE Washington, DC 20002	National Frozen Food Association	2,000.00	
Donna Gleason, 2000 L Street, NW, #810 Washington, DC 20036	Unisys Corp		
Law Offices of Thos Gleason, 26 Broadway, 17th Floor New York, NY 10004	International Longshoremen's Assn, AFL-CIO		
Robert E. Gleason, 815 16th Street, NW Washington, DC 20006	International Longshoremen's Assn, AFL-CIO	8,958.65	37.41
Donald R. Glenn, 1627 K Street, NW, #200 Washington, DC 20006	Energy Research Corp		
Raymond A. Glennon, 1730 Pennsylvania Avenue, NW, #265 Washington, DC 20006	Air Products & Chemicals, Inc	1,800.00	74.00
Global USA, Inc, Global House 1823 Jefferson Place, NW Washington, DC 20036	All Nippon Airways Co, Ltd		
Do	Fanuc Ltd		
Do	Hitachi Ltd	325.00	
Do	Komatsu Ltd	180.00	
Do	Kyocera Corporation		
Do	Mazak Corporation		
Do	Samsung Semiconductor & Telecommunication Co	240.00	
Do	Teco Transport & Trade Corp	196.00	
Gnau & Associates, Inc, 44 E. Long Lake Rd., #100 Bloomfield Hills, MI 48013	ICM Corp		
Stephanie R. Godley, 2500 Wilson Blvd. #301 Arlington, VA 22201	American Apparel Manufacturers Assn, Inc	1,000.00	50.00
James W. Godlove, 1825 K Street, NW, #1107 Washington, DC 20006	Phillips Petroleum Co	1,050.00	52.02
Judith M. Goff, 375 Jackson Street St. Paul, MN 55101	Farm Credit Services	600.00	959.88
Joseph Goffman, 215 Pennsylvania Avenue, SE Washington, DC 20003	Public Citizen's Congress Watch	5,750.00	
A. James Golato, 2300 M St., NW, #800 Washington, DC 20037	H&R Block, Inc		
Harvey S. Gold, 8100 Oak Street Dunn Loring, VA 22027	National Pest Control Assn		
Gold & Liebengood, Inc, The Willard Office Building 1455 Pennsylvania Avenue, NW, #950 Washington, DC 20004	Aerojet Ordnance Co	1,270.00	1,912.00
Do	American Academy of Ophthalmology	5,092.00	2,058.00
Do	American Medical Assn	22,750.00	2,058.00
Do	Camp Barsh Bates & Tate	11,147.00	1,888.00
Do	Chemical Manufacturers Assn	1,443.00	1,886.00
Do	College of American Pathologists	5,000.00	2,058.00
Do	Electronic Data Systems Corp	12,500.00	2,058.00
Do	Energy Research Corp	16,800.00	2,058.00
Do	Equitable Life Assurance Society of the U.S	25,000.00	2,058.00
Do	Eye Bank Assn of America	2,438.00	2,058.00
Do	Federal Express Corp	9,930.00	2,058.00
Do	Federated Investors, Inc		2,058.00
Do	Fiat, USA	50,960.00	2,058.00
Do	Ford Motor Co	400.00	1,658.00
Do	Investment Company Institute	4,131.00	1,768.00
Do	Martin Marietta Corp	3,000.00	1,770.00
Do	MCI Communications	11,700.00	2,058.00
Do	National Assn of Homes for Children	3,000.00	1,956.00
Do	National Football League	4,090.00	2,058.00
Do	National Restaurant Assn	15,000.00	2,058.00
Do	National School Transportation Assn	7,265.00	2,058.00
Do	Outdoor Advertising Assn of America, Inc		1,658.00
Do	Phillips Petroleum Co	5,000.00	2,001.00
Do	Public Securities Assn	3,510.00	2,058.00
Do	Ricoh Corp		2,058.00
Do	Texas Cattlefeeders Assn	3,262.00	2,058.00
Do	Ticor Title Insurance Co	7,131.00	1,950.00
Do	Times Mirror Co	2,360.00	2,058.00
Do	Tobacco Institute	20,000.00	2,058.00
Do	Transportation Infrastructure Advisory Group	11,000.00	2,058.00
Do	Washington Metropolitan Area Transit Authority	23,625.00	1,658.00
Goldberg & Spector, 1229 19th St., NW Washington, DC 20036	Pan American Satellite Corp	4,230.00	
Ronald L. Goldfarb, Goldfarb & Singer 918 16th Street, NW, #503 Washington, DC 20003	Washington Independent Writers, Inc		
Patricia R. Goldman, 50 F St., NW, #1100 Washington, DC 20001	American Hospital Assn	4,227.94	291.05
Goldman Sachs & Co, 1825 Eye St., NW, #450 Washington, DC 20006			520.00
Robert H. Goldsborough, 5508 Lombardy Place Baltimore, MD 21210	Americans for Immigration Control, Inc	6,300.00	
Benson S. Goldstein, 1010 North Fairfax Street Alexandria, VA 22314	National Soc of Public Accountants		
Jack Golodner, 815 16th St., N.w. Washington, DC 20006	Department for Professional Employees, AFL-CIO	4,381.40	
Linda F. Golodner, 815 15th Street, NW, #516 Washington, DC 20005	National Consumers League	332.00	332.00
John Gonella, 50 F Street, NW, Washington, DC 20001-1564	Association of American Railroads	939.79	
David R. Goode, 8 N. Jefferson Street Roanoke, VA 24042	Norfolk Southern Corp		
Richard F. Goodstein, 1150 Connecticut Avenue, NW, #600 Washington, DC 20036	Browning-Ferris Industries, Inc	240.00	154.70
Lee M. Goodwin, Wickwire Gavin & Gibbs, P.C. 1133 21st Street, NW Washington, DC 20036	National Hydropower Assn		
Robert F. Goodwin, 1850 K St., NW, Suite 275 Washington, DC 20006	Meredith Corp	40.00	14.00
John Gordley, 901 31st Street, NW Washington, DC 20007	Hill & Knowlton, Inc (For:Evans Grain Co)		
Do	Hill & Knowlton, Inc (For:Fleishmann)		
Do	Hill & Knowlton, Inc (For:Iowa Pork Producers Assn)		
Do	Hill & Knowlton, Inc (For:Monsanto Co)		
Do	Hill & Knowlton, Inc (For:National Sunflower Assn)	1,800.00	
Do	Hill & Knowlton, Inc (For:Nebraska Wheat Board)	1,350.00	
Do	Hill & Knowlton, Inc (For:Societe Generale thru SGS North America, Inc)		
Randall C. Gordon, 725 15th Street, NW Washington, DC 20005	National Grain & Feed Assn	100.00	115.00
William Gordon, 1515 Wilson Boulevard Arlington, VA 22209	American Gas Assn	3,000.00	832.91
Brenda J. Gore, 1000 Wilson Blvd., 2600 Arlington, VA 22209	TRW, Inc	2,914.60	4,896.88
David W. Gorman, 807 Maine Avenue, SW Washington, DC 20024	Disabled American Veterans	13,993.20	219.75
James D. Gormley, 1400 K Street, NW, #801 Washington, DC 20005	General Aviation Manufacturers Association	1,800.00	
Ann M. Gosier, 1920 N St., NW Washington, DC 20036	American Mining Congress		
Gould, Inc, 1755 Jefferson Davis Highway, #900 Arlington, VA 22202			1,202.57
Government Strategies, Inc, 1518 Walnut Street, #1600 Philadelphia, PA 19102	Lukens, Inc	4,600.00	5,100.00
Edmund Graber, 1957 E Street, NW Washington, DC 20006	Associated General Contractors of America	1,000.00	500.00
Rick Grafmeyer, 1133 19th Street, NW Washington, DC 20036	MCI Communications Corp	2,000.00	
David W. Graham, 1800 M St., NW, #700 South Washington, DC 20036	Dow Chemical USA		4,824.60
Elaine Z. Graham, 201 Park Washington Court Falls Church, VA 22046	National Restaurant Assn		
Lawrence T. Graham, 1401 New York Avenue, NW, #400 Washington, DC 20005	National Food Processors Assn	500.00	100.00
John K. Gram, 610 S.W. Broadway, #608 Portland, OR 97205	Public Timber Purchasers Group	1,781.25	175.35

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Frances Turk Granahan, 1090 Vermont Avenue, NW, #600 Washington, DC 20005	Texas Eastern Transmission Corp		113.69
Grange Mutual Casualty Co, 650 South Front Street Columbus, OH 43206			
James I. Granger, 1911 Jefferson Davis Highway, #1002 Arlington, VA 22206	Piper Aircraft Corporation		225.00
William W. Grant, 1150 Connecticut Ave., NW, #710 Washington, DC 20036	Utah International, Inc		460.27
James L. Granum, 1050 Connecticut Ave., NW Washington, DC 20036	Norfolk Southern Corp	1,000.00	
Grassroots, Nat'l Assn of Farm Credit System Stockholders, 501 Alabama Street P.O. Box 1070 Jacksonville, TX 75766		175.00	175.00
Karla L. Graue, 1724 Massachusetts Avenue, NW Washington, DC 20036	National Cable Television Assn, Inc	1,000.00	
David C. Gray, 3728 Kanawha Street, NW, Washington, DC 20015	American Camping Association	4,500.00	511.23
Do	Portsmouth-Kittery Armed Services Committee, Inc	4,800.00	1,002.02
James A. Gray, 7901 Westpark Dr. Mclean, VA 22102	National Machine Tool Builders' Assn	960.00	25.00
Neil A. Gray, 6811 Kenilworth Ave. Riverdale, MD 20737	National Asphalt Pavement Assn	1,350.00	47.00
Robert K. Gray, 901 31st Street, NW Washington, DC 20007	Hill & Knowlton, Inc (For:Bell Atlantic Management Services)		
Do	Hill & Knowlton, inc (For:Borg-Warner Corp)		
Do	Hill & Knowlton, Inc (For:Budd Company)		
Do	Hill & Knowlton, Inc		
Do	Hill & Knowlton, Inc (For:HTB Corporation)		
Do	Hill & Knowlton, Inc (For:Mutual of Omaha)		
Do	Hill & Knowlton, Inc (For:Republic of Turkey)	58.30	
Do	Hill & Knowlton, Inc (For:Seminole Indian Tribe of Florida)		
Do	Hill & Knowlton, Inc (For:Shaklee Corporation)		
Do	Hill & Knowlton, Inc (For:Societe Generale thru SGS North America, Inc)		
Do	Hill & Knowlton, Inc (For:Stroh Brewery Co)		
Do	Hill & Knowlton, Inc (For:Tesoro Petroleum Corp)		
Do	Hill & Knowlton, Inc (For:Title Insurance Industry Coalition)		
Do	Hill & Knowlton, Inc (For:Tobacco Institute)		
Do	Hill & Knowlton, Inc (For:U.S. Banknote Corp)		
Do	Hill & Knowlton, Inc (For:United Airlines, Inc)		
Do	Hill & Knowlton, Inc (For:Waterman Steamship Corp)		
William T. Gray III, 5210 Banks Place, NE Washington, DC 20019			450.00
Mary R. Grealy, 1111 19th Street, NW, #402 Washington, DC 20036	Federation of American Health Systems	1,500.00	
Great American Reserve Insurance Co, 2020 Live Oak P.O. Box 388 Dallas, TX 75221			
Greater Washington Board of Trade, 1129 20th St., NW Washington, DC 20036			
Greater Washington/Maryland Service Station Assn, 9420 Annapolis Rd., #307 Lanham, MD 20706		500.00	500.00
James R. Greco, P.O. Box 3151 Houston, TX 77001	Browning-Ferris Industries, Inc		
Donald R. Greeley, 1101 17th St., NW, #307 Washington, DC 20036	Hoechst Celanese Corp	3,000.00	441.24
Edward M. Green, 1920 N St., NW Washington, DC 20036	American Mining Congress		
George R. Green, 1750 K St., NW Washington, DC 20006	Food Marketing Institute	450.00	
Micah S. Green, 1000 Vermont Ave., NW, #800 Washington, DC 20005	MCI Communications Corp		
Do	Public Securities Assn	12,500.00	1,690.79
H. Thomas Greene, 412 1st St., SE Washington, DC 20003	National Automobile Dealers Assn	8,000.00	
Howard W. Greene, 205 E. 42nd Street New York, NY 10017	Risk & Insurance Management Society, Inc		
Sarah Massengale Gregg, 1667 K Street, NW, #710 Washington, DC 20006	Baxter Travenol Laboratories, Inc		
Saunders Gregg, PO Box 2628 Houston, TX 77252	Entex, Inc		
John D. Gregory, 1330 Lady St., #606 P.O. Box 12458 Columbia, SC 29211	Norfolk Southern Corp		
Neal Gregory, 1400 K St., NW, #750 Washington, DC 20005	Empacadora del Norte, S.A.	10,500.00	142.66
William G. Greif, 1155 15th St., NW Washington, DC 20005	Bristol-Myers Co	25,000.00	
Karen M. Greiner, 1300 North 17th Street, #300 Arlington, VA 22209	ADAPSO, the Computer Software & Services Industry Assn		
Ginny Grenham, 2501 M Street, NW Washington, DC 20037	Chemical Manufacturers Assn, Inc	280.00	369.55
Ellen Griffee, 1413 K Street, NW, 10th Fl. Washington, DC 20005	Association of Science-Technology Centers	7,750.00	163.80
Griffin Johnson & Associates, 1211 Connecticut Ave., NW, #700 Washington, DC 20036	Air Transport Assn of America	400.00	12.00
Do	American Insurance Assn	400.00	12.00
Do	Arthur Anderson & Co	400.00	12.00
Do	Camp Barsh Bates & Tate		
Do	Coalition to Preserve the Integrity of American Trademarks	1,200.00	36.00
Do	COMSAT Corp	200.00	6.00
Do	Health Policy Agenda (American Medical Assn)		
Do	Kansas City Southern Industries, Inc		
Do	Mid-Atlantic Toyota, Inc		
Do	NutraSweet Co		
Do	Pharmaceutical Manufacturers Assn	800.00	24.00
Do	Philip Morris, Inc		
Mark N. Griffiths, Smith Bucklin & Associates 1101 Connecticut Ave, NW, #700 Washington, DC 20036	National Assn of Metal Finishers	750.00	
John Grigsby, 108 N. Alfred Street Alexandria, VA 22314	Conservative Alliance	600.00	
A. Jack Grimes, 8100 Oak Street Dunn Loring, VA 22027	National Pest Control Assn		
Norman E. Grimm Jr., 8111 Gatehouse Road Falls Church, VA 22047	AAA Potomac		
Olga Grkavac, 1300 North 17th St., #300 Arlington, VA 22209	ADAPSO-Computer Software & Services Industry Assn		76.00
Grocery Manufacturers of America, Inc, 1010 Wisconsin Ave., NW, #800 Washington, DC 20007			198.82
James J. Grogan, P.O. Box 19614 Irvine, CA 92714	Lincoln Savings & Loan Assn	10,000.00	1,000.00
James N. Groninger, 777 14th Street, NW Washington, DC 20005	National Assn of Realtors	2,500.00	642.92
Groom & Nordberg, Chtd, 1775 Pennsylvania Avenue, NW, #700 Washington, DC 20006	Aluminum Company of America		
Do	American Petrofina, Inc		
Do	American Petroleum Institute		
Do	Bankers Life Company		
Do	Baxter Travenol Laboratories, Inc		
Do	Chevron Corporation	200.00	10.00
Do	Colorado-Ute Electric Assn, Inc		
Do	Connecticut General Insurance Co		
Do	Eli Lilly & Company		
Do	Equitable Life Assurance Society of the U.S.		
Do	Goldman Sachs & Co		
Do	John Hancock Mutual Life Insurance Co		
Do	Minnesota Mutual Life Insurance Company		
Do	Murphy Oil USA, Inc		
Do	New York City Teachers Retirement System		
Do	Ocean Drilling & Exploration Co		
Do	Phillips Petroleum Co		
Do	Physicians Mutual Insurance Co	200.00	10.00
Do	Prudential Insurance Co of America	300.00	20.00
Do	Puerto Rico, USA Foundation	400.00	3,900.00
Do	R.J. Reynolds		
Do	Reading & Bates Corporation		
Do	Southern California Edison Co		
Do	Union Texas Petroleum Corp		
Do	Westinghouse Electric Corp		
Ed Grosswiler, 920 SW Sixth Avenue 1400 Public Service Building Portland, OR 97204	Pacific Power & Light Co	2,476.00	221.40
Walter B. Grubbs, P.O. Box 841 Abilene, TX 79604	West Texas Utilities Co		
John T. Grupenhoff, 10000 Falls Rd., #300 Potomac, MD 20854	American Academy of Dermatology	3,150.00	135.10
Do	American Academy of Otolaryngology-Head & Neck Surgery	1,020.00	110.00
Do	American Gastroenterological Assn		
Do	American Soc for Gastrointestinal Endoscopy	1,200.00	126.60
Do	American Soc of Clinical Oncology	810.00	110.00
Do	American Urological Assn/Amer Assn of Clinical Urologists	425.00	110.00
Do	Association of American Cancer Institutes	1,720.00	110.00
Do	Cooley's Anemia Foundation	290.00	119.70
Do	National Hemophilia Foundation	520.00	110.00
Geri A. Guardino, 1300 19th St., NW, #501 Washington, DC 20036	National Comm to Preserve Social Security	8,000.00	
Gerald M. Guarilia, 70 North Main Street Wilkes-Barre, PA 18711	Blue Cross of Northeastern Pennsylvania		
Mary Scott Guest, 1919 Pennsylvania Ave., NW, #800 Washington, DC 20006	CSX Corp		
Do	Dillon Reed & Co, Inc		
Do	LF Rothschild Unterberg Towbin, Inc	17,000.00	
Do	Michigan State Housing Development Authority	2,000.00	
Do	Morris Communications		
Do	O'Connor & Hannan	23,000.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Paine Webber Group, Inc	13,000.00	
Do	Riverton Investment Corp	2,000.00	
Do	South Carolina State Family Farm Development Authority		
Clark J. Guild Jr., Guild Hagen & Clark, Ltd 102 Roff Way Reno, NV 89505	Motion Picture Assn of America, Inc		
James E. Guirard Jr., 1730 Rhode Island Avenue, NW, #419-19 Washington, DC 20036	BASF Chemicals Corp	2,000.00	80.00
Do	KMS Fusion, Inc	1,000.00	70.00
Do	Rexnord Defense Systems, Inc		
Do	Walk-Haydel & Associates, Inc	1,000.00	
Lewis Gulick, 1008 N. Randolph Street, #206 Arlington, VA 22201	TCR Services, Inc	5,000.00	
Dan A. Gunderson, Minnesota Petroleum Council 350 St. Peter St., #1025 St. Paul, MN 55102	American Petroleum Institute		
David Gusky, 1016 16th Streeet, NW Washington, DC 20036	National Fed of Federal Employees	1,282.40	
Paul D. Guth, 226 W. Rittenhouse Square, #3200 Philadelphia, PA 19103	Philadelphia Stock Exchange		
Do	Wire Pro, Inc		
Robert F. Guthrie, 815 16th St., NW, #608 Washington, DC 20006	Department for Professional Employees, AFL-CIO	5,435.90	
Alvin M. Guttman, 818 Connecticut Ave., NW, #300 Washington, DC 20006	Towing & Recovery Assn of America, Inc		
George Guyant, 1925 K St., NW, #206 Washington, DC 20006	Alliance to Save Energy		
Dallas E. Gwynn, Balcor Plaza 4849 Golf Road Skokie, IL 60077	Balcor Co	19,500.00	8,343.37
GA Assn of Petroleum Retailers, Inc, 900 N. Hairston Road, Suite D Stone Mountain, GA 30083			
Jane Scherer Haake, 1667 K Street, NW, #420 Washington, DC 20006	Mead Corporation	200.00	
Dana W. Haas, 1800 K Street, NW, #1018 Washington, DC 20006	Kansas City Power & Light Co, et al	3,168.75	7,137.74
George Hacker, 1501 16th Street, NW Washington, DC 20036	Center for Science in the Public Interest	1,180.00	38.00
Craig Hackler, 400 N. Capitol St., NW, #320 Washington, DC 20001	International Chiropractic Assn		
Loyd Hackler, 1616 H St., NW Washington, DC 20006	American Retail Federation	1,000.00	45.00
Charles W. Hackney Jr., 15th & M Streets, NW Washington, DC 20005	National Assn of Home Builders of the U.S.		
William G. Haddeland, 1025 Connecticut Ave., NW, #507 Washington, DC 20036	Ashland Oil, Inc	2,000.00	
Anthony L. Hadley, 1745 Jefferson Davis Highway, #511 Arlington, VA 22202	Manufactured Housing Institute	700.00	100.00
Gene P. Haflich, Indiana Petroleum Council 714 Harrison Building Indianapolis, IN 46204	American Petroleum Institute	1,471.21	2,194.62
Thomas M. Hagan, 1005 Congress Ave., #795 Austin, TX 78701	Central & South West Services, Inc	235.44	16.58
Hagedorn-Cando, Inc, 1704 23rd St., So. Arlington, VA 22202	Hansen Engine Corp	7,400.00	
Do	Davy McKee Corp		
Do	Yankee Energy Co		
Ann Hagemann, 1730 M Street, NW, #713 Washington, DC 20036	Association of Maximum Service Telecasters, Inc		
Kenneth C.O. Hagerty, 1612 K Street, NW, #1100 Washington, DC 20006	American Electronics Assn	2,000.00	4,216.02
Bruce N. Hahn, 9300 Livingston Rd. Ft. Washington, MD 20744	National Tooling & Machining Assn	15,785.57	1,754.67
Peter H. Hahn, 1100 17th St., NW, #1000 Washington, DC 20036	Chromalloy American Corp		
Thomas F. Hairston, 1050 Connecticut Ave., NW, #760 Washington, DC 20036	Union Oil Co of California	7,000.00	654.89
Randolph M. Hale, 1331 Pennsylvania Ave., NW, #1500 N. Washington, DC 20004	National Assn of Manufacturers		
Hale and Dorr, 1455 Pennsylvania Avenue, NW Washington, DC 20004	Indian Land Claim Committee		
Do	Town of Mashpee		
Beverly Halem, P.O. Box 1419 Cocoa, FL 32922	Halem Industries, Inc		
Cheryl A. Haley, 50 F St., NW, #1100 Washington, DC 20001	American Hospital Assn	1,834.19	354.20
George W. Haley, 1050 Connecticut Ave., #300 Washington, DC 20036	Grocery Manufacturers of America, Inc		
Martin Haley Companies, Inc, 1015 15th St., NW Washington, DC 20005	M&M/Mars		
Angelynn Hall, 1709 New York Ave., NW Washington, DC 20006	Air Transport Assn of America	10,938.25	14,364.08
Delano J. Hall, 114 Crescent Drive Williamsburg, VA 23185	Oil Chemical Atomic Union		
Edwin K. Hall, 1133 19th Street, NW Washington, DC 20036	MCI Communications Corp	5,000.00	262.23
Richard F. Hall, 1700 K Street, NW, #502 Washington, DC 20006	Pacific Resources, Inc	500.00	
William F. Hall, P.O. Box 803887 Chicago, IL 60680-3887	Midwest Public Affairs-Management Consulting Group		
Marian Hall-Crawford, 316 Pennsylvania Avenue, SE, #301 Washington, DC 20003	San Diego Gas & Electric	1,385.00	2,689.56
Paul Hallisay, 1625 Massachusetts Avenue, NW Washington, DC 20036	Air Line Pilots Assn	6,250.00	388.00
Maurice E. Halsey, P.O. Box 190 Aurora, IL 60507	Northern Illinois Gas Company	2,000.00	
Paul T. Haluza, 1325 Pennsylvania Ave., NW Washington, DC 20004	Motor and Equipment Manufacturers Association	3,000.00	645.46
Rhonda Lee Halverson, 1730 K St., NW, #703 Washington, DC 20006	American Business Conference, Inc	137.50	25.00
Hamel & Park, 888 16th Street, NW Washington, DC 20006	Graeper-Van Noy-Wagner, Inc		
Do	Grand Trunk Corp	1,770.00	28.50
Do	Skylink Corporation, Inc		
Do	Tandy Corporation	2,925.00	
David S. Hamilton, 215 Pennsylvania Ave., SE Washington, DC 20003	U.S. Public Interest Research Group	4,038.46	
J. Lee Hamilton, 1331 Pennsylvania Avenue, NW, #1550N Washington, DC 20004-1703	National Assn of Manufacturers	228.96	
James L. Hamilton III, 818 Connecticut Ave., NW Washington, DC 20006	USX Corp	533.75	130.75
Philip W. Hamilton, 1825 K St., NW Washington, DC 20006	American Soc of Mechanical Engineers		
Ronald P. Hamm, 1620 Eye St., NW, #1000 Washington, DC 20006	Motor Vehicle Manufacturers Assn of the U.S., Inc	2,736.00	
Amy R. Hammer, 1899 L St., NW, #1100 Washington, DC 20036	Exxon Corporation	2,220.00	602.53
Thomas A. Hammer, 1000 Potomac St., NW, #106A Washington, DC 20007	Sweetener Users Assn	7,500.00	75.00
Timothy A. Hanan, 1100 Connecticut Avenue, NW, #620 Washington, DC 20036	Mobil Oil Corp	1,500.00	
Nolan W. Hancock, 1126 16th St., NW Washington, DC 20036	Oil Chemical & Atomic Workers International Union	5,926.37	
Donald K. Hanes, 50 F St., NW, #900 Washington, DC 20001	National Council of Farmer Cooperatives	990.00	
James M. Hanley & Associates, 300 Metropolitan Square 655 15th Street, NW Washington, DC 20005	Alliance of Non-Profit Mailers	7,500.00	
Elisabeth Hanlin, 2000 L St., NW, #810 Washington, DC 20036	Unisys Corp		
Thomas H. Hanna, 300 New Center Building Detroit, MI 48202	Motor Vehicle Manufacturers Assn of the U.S., Inc	375.00	239.12
Hannaford Co, Inc, 655 15th St., NW, #200 Washington, DC 20005	China External Trade Development Council	3,300.00	1,415.02
Do	Embraer Aircraft Corp	5,866.00	404.01
Do	Presidency of the Republic of Mexico		
Do	Rockwell International Corp		
Do	Royal Embassy of Saudi Arabia		
Do	Trans World Airlines, Inc		
Do	3M Corporation	3,945.60	220.58
Richard L. Hanneman, 206 North Washington Street Alexandria, VA 22314	Salt Institute	250.00	250.00
Hansell & Post, 1667 K St., NW, #500 Washington, DC 20006	Rockwell International Corp	6,000.00	5.36
Do	United Family Life Insurance Co		
Erling Hansen, 1129 20th Street, NW, #600 Washington, DC 20036	Group Health Assn of America, Inc		
J. E. Hansen, 400 First St., NW Washington, DC 20001	Brotherhood of Railroad Signalmen	350.00	
Daniel J. Hanson Sr., 5600 Utah Avenue, NW Washington, DC 20015	American Road & Transportation Builders Assn	12,000.00	705.00
Robert N. Harbor, P.O. Box 1492 El Paso, TX 79978	El Paso Natural Gas Co		
Eric Hard, 2114 N St., NW, #31 Washington, DC 20037	Public Citizen's Congress Watch	5,000.00	
Ralph Harding, Suite 717 Watergate 2600 Virginia Avenue, NW Washington, DC 20037	Sugar Regulatory Administration	60,000.00	30,105.67
Eugene J. Hardy, 1100 17th St., NW, #1000 Washington, DC 20036	Gerber Products Co	250.00	
Jon Harkavy, 205 East 42nd Street New York, NY 10017	Risk & Insurance Management Society, Inc		
Dan R. Harlow, 717 N. Harwood Street Dallas, TX 75201	Maxus Energy Corp	1,000.00	
Patricia L. Harmening, 316 Pennsylvania Ave., SE, #301 Washington, DC 20003	San Diego Gas & Electric	793.00	2,649.87
Wiley C. Harrell Jr., 1211 Connecticut Ave., NW, #502 Washington, DC 20036	Anheuser-Busch Companies, Inc		
Toni Harrington, 950 L'Enfant Plaza North, SW Washington, DC 20024	Honda North America, Inc	200.00	122.73
Crane B. Harris, 1735 New York Avenue, NW Washington, DC 20006	American Institute of Architects	1,000.00	
Marilyn A. Harris, 818 Connecticut Avenue, NW Washington, DC 20006	USX Corporation	100.00	7.50
Milton E. Harris, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington, DC 20037	Harris Steel Group, Inc		
Richard M. Harris, 525 School St., SW Washington, DC 20024	American Road & Transportation Builders Assn	10,500.00	1,168.72
Sandra Zeune Harris, 1120 20th Street, NW, #700 Washington, DC 20036	Williams Companies	500.00	
Teena Harris, 1627 K St., NW, #400 Washington, DC 20006	National Newspaper Assn		
Harris & Berg, 1101 30th St., NW, #103 Washington, DC 20007	Adidas, USA		10.00
Do	Association of Food Industries, Inc	1,000.00	76.00
Do	Cheese Importers Assn of America, Inc		
Do	Committee of Domestic Steel Wire Rope & Specialty Cable Mfrs		
Do	P. L. Thomas & Co, Inc, et al		
Jack E. Harrison, West Virginia Petroleum Council 1250 One Valley Square Charleston, WV 25301	American Petroleum Institute	282.00	793.52
Jim Harrison, 1225 Connecticut Ave., NW, 306 Washington, DC 20036	Association of Urban Universities	3,750.00	
Anne Harrison-Clark, 1725 K Street, NW, #814 Wsahington, DC 20006	March of Dimes Birth Defects Foundation	4,125.00	81.82
J. William W. Harsch, 6th Floor 1722 Eye Street, NW Washington, DC 20006	Solv-Ex Corporation	3,636.00	2,700.42
Do	Wormser Engineering, Inc		
Jayne A. Hart, 1101 Vermont Avenue, NW Washington, DC 20005	American Medical Assn	3,750.00	
Lynn S. Hart, 1111 19th St., NW, #402 Washington, DC 20036	Federation of American Health Systems	3,000.00	
Susan P. Hart, 1600 M Street, NW Washington, DC 20036	Investment Company Institute		
Hartford Fire Insurance Co, Hartford Plaza Hartford, CT 06115			35,800.00
Gabriel A. Hartl, 2020 N. 14th Street, #410 Arlington, VA 22201	Air Traffic Control Assn, Inc		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Arthur W. Hartmann, 1800 Massachusetts Avenue, NW Washington, DC 20036	National Rural Electric Cooperative Assn		
Edwin Harold Harvey, 1016 16th Street, NW Washington, DC 20036	National Fed of Federal Employees		
Clifford J. Harvison, 2200 Mill Rd. Alexandria, VA 22314	National Tank Truck Carriers, Inc		
Fanny L. Haslebacher, 1101 Vermont Ave., NW Washington, DC 20005	American Medical Assn	400.00	
Holly Hassett, 1730 Rhode Island Avenue, NW, #206 Washington, DC 20036	Hershey Foods Corp		
Walter A. Hasty Jr., 801 18th Street, NW, #400 Washington, DC 20006	Procter & Gamble Manufacturing Co	60.75	
Janet S. Hathaway, 1350 New York Ave., NW, #300 Washington, DC 20005	National Resources Defense Council	7,671.00	
Howard M. Haug, 100 East 42nd St. New York, NY 10017	National Foreign Trade Council, Inc	17,000.00	6,269.00
Barbara S. Haugen, 1401 New York Ave., NW, #720 Washington, DC 20005	National Assn of Insurance Brokers, Inc		
Marilyn Beth Haugen, 1250 Connecticut Avenue, NW Washington, DC 20036	American Paper Institute, Inc		
Barbara J. Haugh, 1050 Connecticut Avenue, NW, #760 Washington, DC 20036	Union Oil Co of California		1,180.19
Mary W. Haught, 555 13th Street, NW, #1010 East Washington, DC 20004-1109	Sun Co, Inc	725.00	86.20
Charles W. Havens III, 1333 New Hampshire Avenue, NW Washington, DC 20036	Leboeuf Lamb Leiby & Macrae		
Kathryn Joann Hawes, 8701 Georgia Ave., #701 Silver Spring, MD 20910	International Fed of Professional & Technical Engineers		
Sidney G. Hawkes, 1667 K St., NW, #420 Washington, DC 20006	Mead Corporation	625.00	40.00
John H. Hawkins Jr., 600 N. 18th St. Birmingham, AL 35291	Alabama Power Co	17,304.00	
Paul M. Hawkins, 25 Audubon Place Hilton Head, SC 29928	Colonial Life & Accident Insurance Co	25.00	101.82
David J. Hayes, 815 Connecticut Ave., NW Washington, DC 20006	American Electronics Assn	22.59	41.55
Do	Hogan & Hartson (For:Semiconductor Industry Association)	13.96	77.34
Peter M. Hayes, 214 Massachusetts Ave., NE Washington, DC 20002	Salt River Project	3,521.00	3,500.68
Robert G. Hayes, Bogle and Gates One Thomas Circle, NW, #900 Washington, DC 20005	American Fishing Tackle Manufacturers Assn	2,000.00	
Do	Coastal Conservation Assn	2,000.00	
R. Michael Haynes, 1156 15th Street, NW, #1101 Washington, DC 20005	National Assn of Small Business Investment Companies	3,000.00	
Robert A. Haynos, 4711 Hunt Circle Harrisburg, PA 17112	Harsco Corporation	18,375.00	989.51
Health Insurance Assn of America, Inc, 1025 Connecticut Ave., NW Washington, DC 20036		46.00	46.00
Robert L. Healy, 1333 New Hampshire Ave., NW Washington, DC 20036	Atlantic Richfield Co	300.00	
Keith Heard, 1030 15th St., NW, #700 Washington, DC 20005	National Cotton Council of America	11,287.50	382.50
Herbert A. Hedden, 1350 New York Ave., NW, #900 Washington, DC 20005	International Franchise Assn		
Jay Hedlund, 2030 M St., NW Washington, DC 20036	Common Cause	11,493.78	1,932.83
John Heffner, 1957 E Street, NW Washington, DC 20006	Associated General Contractors of America		
Robert E. Heggestad, 1331 Pennsylvania Avenue, NW, #524 Washington, DC 20004	Casey Scott & Canfield, P.C. (For:Association for Regulatory Reform)		
John F. Heilman, 807 Maine Ave., SW Washington, DC 20024	Disabled American Veterans	19,110.00	593.55
Robert M. Heine, 1701 Pennsylvania Ave., NW, #900 Washington, DC 20006	Conoco, Inc		
Do	E. I. du Pont de Nemours & Co	176.00	
Dan C. Heinemeier, 2001 Eye St., NW Washington, DC 20006	Electronic Industries Assn	625.00	
Richard L. Hellwege, 1911 Jefferson Davis Highway, #1002 Arlington, VA 22202	Lear Siegler, Inc		
DeWitt F. Helm Jr., 155 East 44 St. New York, NY 10017	Association of National Advertisers, Inc		
Edward A. Helme, 444 N. Capitol Street, #526 Washington, DC 20001	Alliance for Acid Rain Control	1,327.63	
Suzanne C. Helmick, One Nationwide Plaza Columbus, OH 43216	Nationwide Insurance Co	600.00	
Thomas M. Helscher, 901 31st St., NW Washington, DC 20007	Hill & Knowlton, Inc (For:Monsanto Co)	700.00	
Mike D. Helton, Kentucky Petroleum Council 305 Ann St., #403 Frankfort, KY 40601	American Petroleum Institute	211.54	73.50
Carol C. Henderson, 110 Maryland Ave., NE, #101, Box 54 Washington, DC 20002	American Library Assn	1,545.00	
Donald E. Henderson, 130 E. Washington Street Indianapolis, IN 46204	Indiana Farm Bureau, Inc	6,000.00	1,773.00
Kathleen Henderson-Whyte, 1625 Eye St., NW, #500 Washington, DC 20006	Miles Laboratories, Inc		
Carol Diane Hendricks, 1805 Crystal Drive, #209 Arlington, VA 22202	American Maritime Officers Service		
Karen Hendricks, 1319 F St., NW, #604 Washington, DC 20004	Association of Junior Leagues, Inc	1,400.00	265.00
C. Dayle Henington, 2000 Pennsylvania Ave., NW, #6200 Washington, DC 20006	Chicago Mercantile Exchange		
Hennessy Associates, 152 Washington Avenue Albany, NY 12210		2,000.00	600.00
George F. Hennrikus Jr., 201 N. Washington St. Alexandria, VA 22314	Retired Officers Assn	7,404.00	
LeAnn Hensche, 2550 M St., NW, #770 Washington, DC 20037	RJR Nabisco, Inc	205.00	271.90
David A. Henson, 100 N.E. Adams Street Peoria, IL 61629-1460	Caterpillar Tractor Co	375.00	700.04
Bruce Heppen, 1016 16th St., NW Washington, DC 20036	National Fed of Federal Employees		
George B. Herbert Sr., 6601 Southpoint Drive, #245 Jacksonville, FL 32216	J M Family Enterprises, Inc	411.25	37.20
Mary Lyn Herdt, 1001 22nd Street, NW Washington, DC 20037	Standard Oil Co (Ohio)		
William Hermelin, 1200 15th Street, NW Washington, DC 20005	American Health Care Assn	4,768.81	
Catherine L. Heron, 1600 M St., NW Washington, DC 20036	Investment Company Institute	436.69	16.75
Heron Burchette Ruckert & Rothwell, 1025 Thomas Jefferson St., NW, #700 Washington, DC 20007	Aerojet General Corp	2,877.94	1,545.32
Do	American Grape Growers Alliance for Fair Trade	2,778.44	33.44
Do	American Internation Manufacturing Corp	1,690.00	309.22
Do	Association of Floral Importers of Florida	64,186.43	499.31
Do	Association of Human Resource Consultants	10,703.80	1,071.35
Do	ARCO	3,750.00	2,357.05
Do	Bay Area Rapid Transit District		1,462.51
Do	Bechtel Civil, Inc	683.44	1,887.03
Do	Bell & Howell/Columbia Pictures Video Services, Inc	2,217.05	0.86
Do	Bramelea Pacific	2,507.50	956.73
Do	California Almond Growers Exchange	7,664.19	1,645.18
Do	California Assn of Rehabilitation Professionals	1,663.44	0.86
Do	California Kiwi Commission	1,946.00	23.64
Do	California Student Loan Finance Corp		
Do	Cellular Telecommunications Industry Assn	1,976.88	377.54
Do	Central Contra Costa Sanitary District		
Do	Central Utah Water Conservancy District	3,912.50	1,199.44
Do	Chicago Mercantile Exchange	1,745.63	528.22
Do	Credit-Rite		0.86
Do	Desert Research Institute	993.75	170.86
Do	Farm Labor Alliance	11,159.45	2,354.62
Do	G.C. Services Corp	2,250.00	171.31
Do	Girling Health Care, Inc	3,750.00	1,435.78
Do	Granite Rock Co	760.63	137.25
Do	Gulf South Engineering, Inc	1,000.00	460.86
Do	GA Technologies, Inc		272.08
Do	Hughes Aircraft Co	6,085.32	2,331.19
Do	Independent Cement Corp	5,769.40	138.58
Do	International Apple Institute	1,180.00	0.86
Do	International Gaming Managers		
Do	John Hancock Mutual	2,308.44	938.92
Do	Manhattan Building Companies, Inc		598.36
Do	Ralph G. Martinez & Associates		3.36
Do	Massachusetts Maritime Academy	2,250.00	733.36
Do	Massport/Commonwealth of Massachusetts	3,176.25	1,472.90
Do	McCarren International Airport		3.13
Do	Mid-Valley Water Authority	2,077.82	928.75
Do	Tom Mills	1,250.00	5.86
Do	National Assn of Insurance Commissioners	8,634.38	504.38
Do	National Council on Teacher Retirement	4,787.19	162.06
Do	National Medical Care	6,034.19	2,606.01
Do	National Potato Council	6,488.75	1,499.03
Do	Native American Gaming, Inc		245.24
Do	NTEC - Northeast Texas Electric Cooperative, Inc	19,532.19	356.67
Do	Oceanic Institute	3,000.00	788.36
Do	Pacific Mutual Life Insurance Co	1,393.13	773.18
Do	Piedmont Aviation, Inc	7,892.81	1,661.26
Do	Riverside Resorts	8,952.50	3,676.00
Do	Sabine River Authority	14,334.69	263.20
Do	Safecard Services, Inc		
Do	Southwestern Power Resources Assn		0.86
Do	State Maritime Schools	1,500.00	373.36
Do	Sunkist Growers, Inc	20,208.26	1,699.61
Do	Tex-La	111,342.00	2,276.77
Do	U.S. Telephone Association	3,698.75	203.36
Do	University of California	6,625.00	7,584.35
Do	University of Nevada/Las Vegas	1,892.50	1,118.86

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	University of Nevada/Reno	4,950.00	2,158.05
Do	Westlands Water District	904.69	329.61
Jo-Ann T. Herrick, 1800 K Street, NW, #530 Washington, DC 20006	Tesoro Petroleum Corp	1,500.00	
Barry Alexander Herring, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington, DC 20037	Laurel Steel Products, Ltd		
Fred Hervey, 909 N. Mesa El Paso, TX 79902	Reduce Our Debt Foundation		
G. Brockwel Heylin, 1957 E Street, NW Washington, DC 20006	Associated General Contractors of America		
Robert G. Hibbert, P.O. Box 3556 Washington, DC 20007	American Meat Institute	1,000.00	
Paul T. Hicks, Rhode Island Petroleum Assn 154 Francis St. Providence, RI 02903	American Petroleum Institute	700.00	744.52
J. Thomas Higginbotham, One Mellon Bank Center, #2002 Pittsburgh, PA 15258-0001	Mellon Bank N.A., et al.	2,000.00	643.33
Carol A. Higgins, 1600 M Street, NW Washington, DC 20036	Investment Company Institute	276.93	54.73
Vern F. Highley, 1735 I Street, NW, #716 Washington, DC 20006	Amcot, Inc	6,000.00	935.00
John S. Hightower, 1344 Kenilworth Parkway Baton Rouge, LA 70808	Louisiana Pacific Corp	7,125.00	2,635.00
William F. Hildenbrand, Gold & Liebengood, Inc 1050 Connecticut Avenue, NW, #980 Washington, DC 20036	Chemical Manufacturers Assn, Inc		
Clifton T. Hilderley Jr., 1025 Connecticut Ave., NW, #507 Washington, DC 20036	Ashland Oil, Inc	2,000.00	
Cynthia A. Hill, 777 14th St., NW Washington, DC 20005	National Assn of Realtors		
Gerald 'Jerry' Hill, 6 Executive Park Drive Atlanta, GA 30329	Amoco Corporation		
J. Eldred Hill Jr., 600 Maryland Ave., SW, #603 Washington, DC 20024	UBA, Inc	2,000.00	
Patricia Hill, 1250 Connecticut Avenue, NW Washington, DC 20036	American Paper Institute, Inc		
Robert B. Hill, 2501 M Street, NW Washington, DC 20037	Chemical Manufacturers Assn, Inc	400.00	128.00
Shepard William Hill, 1745 Jefferson Davis Highway Arlington, VA 22202	Rockwell International Corp	15,625.00	1,652.00
Hill Betts & Nash, 1818 N St., NW, #700 Washington, DC 20036	Hispacement, S.A		
Edward Joseph Hillings, 1020 16th Street, NW Washington, DC 20036	Enron Corp	7,500.00	
John L. Hills, Rt. 1, Box 645 Purcellville, VA 22132	Sundstrand Corporation	2,160.00	
Heidi A. Hiltgen, 1957 E Street, NW Washington, DC 20006	Associated General Contractors of America	1,000.00	500.00
John M. Himmelberg, Scott McLeod Himmelberg Matz Pires... 2501 M Street, NW, #400 Washington, DC 20037	Florida Fruit & Vegetable Assn	3,000.00	
Do	Florida Tomato Exchange	1,500.00	
Rick Hind, 215 Pennsylvania Avenue, SE Washington, DC 20003	U.S. Public Interest Research Group	5,653.83	
Robert A. Hirsch, 2200 Mill Road Alexandria, VA 22314	National Private Trucking Assn		
J. D. Hittle, 3137 S. 14th St. Arlington, VA 22204	KMS Industries, Inc	1,500.00	
Do	LTV Aero-Space & Defense Co	2,500.00	175.45
Sheila K. Hixson, 1111 14th Street, NW, #1200 Washington, DC 20005	American Dental Assn	1,000.00	1,566.90
Kenneth Hoagland, 1300 19th St., NW, #501 Washington, DC 20036	National Comm to Preserve Social Security	1,833.00	
Lawrence S. Hobart, 2301 M St., NW, #300 Washington, DC 20037	American Public Power Assn	2,000.00	
Claude E. Hobbs, 1801 K St., NW Washington, DC 20006	Westinghouse Electric Corp	2,500.00	63.00
Scott Hodes, 180 North La Salle St., #3800 Chicago, IL 60601	Zalman C. Bernstein		
Do	Investment Company Institute	8,500.00	
Glen D. Hofer, 50 F Street, NW, #900 Washington, DC 20001	National Council of Farmer Cooperatives		
Irvin A. Hoff, 20 N. Live Oak Rd. Hilton Head Island, SC 29928	U.S. Cane Sugar Refiners' Assn		
Gail Hoffman, 1400 K St., NW, #500 Washington, DC 20005	Handgun Control, Inc	9,423.05	
Thomas F. Hoffman, 1701 Pennsylvania Avenue, NW, #900 Washington, DC 20006	Consolidation Coal Co		
Do	E. I. du Pont de Nemours & Co		
William L. Hoffman, 516 First Street, SE Washington, DC 20003	American University of Beirut	11,856.00	1,861.01
F. Nordy Hoffmann and Assoc, Inc, 400 N. Capitol St., NW, #327 Washington, DC 20001	Archer Daniels Midland Company		
Do	Coca-Cola Company		
Do	Marine Engineers' Beneficial Assn		
Do	Wilmorite, Inc		
Elizabeth Hogan, 1133 19th St., NW Washington, DC 20036	MCI Communications Corp	333.00	
Hogan & Hartson, 555 13th St., NW Washington, DC 20004-1109	American Psychological Assn	772.50	2.50
Do	Caremark/Home Health Care of America		53.10
Do	CH2M Hill	200.00	29.75
Do	GL International Trade, Inc		
Do	International Comm of Passenger Lines (ICPL)		
Do	May Department Stores Co	6,446.25	165.12
Do	Mercedes-Benz of North America, Inc		
Do	Merck & Co, Inc		
Do	Mutual Life Insurance Co of New York	5,025.00	105.84
Do	National Hospice Organization	455.00	12.00
Do	National Telecommunications Network		
Do	Ontario Ministry of Industry, Trade & Technology		79.25
Do	Rohm & Haas Co		
Do	Shelton Savings & Loan Assn, Inc		8.00
Do	SouthernNet, Inc	925.00	
Do	Storage Technology Corp		120.00
Do	Timex Corporation	425.00	15.00
Do	Toyota Motor Sales, USA, Inc	11,208.75	176.69
Do	University of Pennsylvania		1.60
Richard F. Hohlt, 1709 New York Ave., NW, #801 Washington, DC 20006	U.S. League of Savings Institutions	11,550.00	48.75
Bruce E. Holbein, 111 Powdermill Rd. (b79) Maynard, MA 01754	Digital Equipment Corp	17,500.00	
Holden Group, Inc, 11365 West Olympic Boulevard Los Angeles, CA 90064			2,887.89
Philip C. Holladay, 1025 Connecticut Avenue, NW, #200 Washington, DC 20036	Shell Oil Co	500.00	
Holland & Hart, 1875 Eye St., NW, #1200 Washington, DC 20006	Citgo Petroleum Corp		
Do	Citmoco Services, Inc		
Do	Grocery Manufacturers of America, Inc		
Do	Southland Corporation	250.00	
Holland & Knight, 888 17th St., NW, #400 Washington, DC 20006	Florida Downtown Development Assn		
Do	Pan American Satellite Corp	4,500.00	
Do	Sikes Corp		
Do	Spanish International Communications Corp		
Brigid A. Holleran, 2550 M Street, NW, #640 Washington, DC 20037	CF Industries, Inc	500.00	243.00
Thomas L. Holloway, 1800 K Street, NW, #1018 Washington, DC 20006	Union Electric Co, et al	2,604.17	6,436.61
Wendell M. Holloway, 815 Connecticut Ave., NW, #900 Washington, DC 20006	Ford Motor Co	2,490.00	3,208.04
Diane S. Holmes, 410 First Street, SE Washington, DC 20003	American Nuclear Energy Council	1,431.00	670.01
Moses D. Holmes Jr., 1201 16th St., NW Washington, DC 20036	National Education Assn	2,948.35	98.00
E. Y. Holt Jr., 1111 North 19th St., #700 Arlington, VA 22209	National Assn of Federal Credit Unions		
Fred H. Holt, 119 Oronoco Street Box 1417-D50 Alexandria, VA 22313	Animal Health Institute		
John W. Holt, 1850 K St., NW Washington, DC 20006	American Council of Life Insurance	350.00	
John F. Holtz, NJ Petroleum Council 150 West State Street Trenton, NJ 08608	American Petroleum Institute		
Paul R. Holtz, 1111 14th Street, NW, #1200 Washington, DC 20005	American Dental Assn		
Home Recording Rights Coalition, P.O. Box 33576 Washington, DC 20033		460,000.00	431,497.14
Pete Homer Jr., 4905 Arroyo Chamisa, NE Albuquerque, NM 87111			
Hoog & Associates, 1877 Broadway, #405 Boulder, CO 80302	Denelcor, Inc		
Do	National Assn of Broadcasters		
Billy E. Hooper, 1522 K Street, NW, #834 Washington, DC 20005	Association of American Veterinary Medical Colleges		
Candice Shy Hooper, 1025 Connecticut Ave., NW, #1014 Washington, DC 20036	Enserch Corporation	5,570.00	4,810.91
Karen A. Hoover, 430 M St., SW, Apt. N-409 Washington, DC 20024	American Maritime Officers Service		
Mark Hopkins, 1925 K St., NW, #206 Washington, DC 20006	Alliance to Save Energy	200.54	
Virginia E. Hopkins, 1620 Eye St., NW, #800 Washington, DC 20006	Taft Stettinius & Hollister (For:Kings Entertainment Co)		
Do	Taft Stettinius & Hollister (For:Taft Broadcasting Company)		
Do	Taft Stettinius & Hollister (For:Telephone & Data Systems, Inc)		
Do	Taft Stettinius & Hollister (For:Wald Manufacturing Co, Inc)		
Robert Jack Horn, 1990 M St., NW, #480 Washington, DC 20036	Detroit Edison Company	750.00	35.00
Robert Horvitz, 1006 Poplar Drive Falls Church, VA 22046	Association of North American Radio Clubs		
Sanford D. Horwitt, 5935 N. 5th Road Arlington, VA 22203	Committee for Humane Legislation, Inc		
Do	Friends of Animals, Inc		
William J. Hotes, 919 18th St., NW, #400 Washington, DC 20006	Diamond Shamrock Corp		
Thomas B. House, 1700 Old Meadow Rd. Mclean, VA 22102	American Frozen Food Institute	1,000.00	
Jack W. Houston, 900 N. Hairston Road, Suite D Stone Mountain, GA 30083	GA Assn of Petroleum Retailers, Inc		
John H. F. Hoving, The Hoving Group 910 17th Street, NW, #318 Washington, DC 20006	Valsan Re-Engining, Inc		47.89
Hoving Group, 910 17th St., NW, #318 Washington, DC 20006	Eagle-Picher Industries, Inc	24,000.00	194.80
Do	Western-Southern Life Insurance	10,100.00	305.75
John Howard, 1615 H Street, NW Washington, DC 20062	Chamber of Commerce of the U.S	300.00	5.00
Robert M. Howard, 815 Connecticut Avenue, NW Washington, DC 20006	Ford Motor Co	1,794.90	1,931.93
Senga Howat, 1155 15th Street, NW, #710 Washington, DC 20005	National Small Business United	1,846.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Allynn Howe, 80 F Street, NW Washington, DC 20001	American Fed of Government Employees	9,032.45	
Gary Howell, 1745 Jefferson Davis Highway, #605 Arlington, VA 22202	Texas Instruments, Inc	1,000.00	
J. William Howell, 1801 K St., NW, #1200 Washington, DC 20006	International Business Machines Corp	366.00	
James P. Howell, 50 F Street, NW, #900 Washington, DC 20001	National Council of Farmer Cooperatives	1,205.00	
Mary Lynch Howell, 1090 Vermont Ave., NW, #1100 Washington, DC 20005	Textron, Inc	1,500.00	
John A. Howes, 1050 17th St., NW, #490 Washington, DC 20036	Consumers Power Co	6,000.00	1,266.00
Susan Howland, 20 Black Oak Mews Newtown, PA 18940	Electrical Alliance		
Do	Guilford Transportation Industries - Rail Division		
Do	Philadelphia Maritime Exchange		
Clifford T. Howlett Jr., 1875 Eye St., NW, #400 Washington, DC 20006	Georgia-Pacific Corp	2,400.00	
Paul R. Huard, 1331 Pennsylvania Avenue, NW, #1500N Washington, DC 20004-1703	National Assn of Manufacturers	3,750.00	
Henry W. Hubbard, 901 31st Street, NW Washington, DC 20007	Hill & Knowlton, Inc (For:Republic of Turkey)		
Do	Hill & Knowlton, Inc (For:Vietnam Veterans of America)		
Mark Huber, 718 N. Carolina Avenue, SE Washington, DC 20003	Americans for Tax Reform	1,300.00	106.40
Betty Hudson, 1627 K Street, NW, #200 Washington, DC 20006	Fluor Corporation	15,000.00	413.88
Margaret Renken Hudson, 600 Maryland Avenue, SW, #700 Washington, DC 20024	National Fed of Independent Business	3,401.75	385.00
Hudson Bayless Associates, 438 New Jersey Ave., SE Washington, DC 20003	Perot Group	2,793.00	
Do	Salomon Brothers, Inc	3,388.00	
Do	Trammell Crow Co	2,982.00	
Gary E. Hughes, 1001 Pennsylvania Ave., NW Washington, DC 20004	American Council of Life Insurance, Inc		
Peter W. Hughes, 1300 19th Street, NW, #501 Washington, DC 20036	National Comm to Preserve Social Security	21,750.00	
Richard H. Hughes, P.O. Box 880 Valley Forge, PA 19482	Avtex Fibers, Inc		
Richard T. Hughes, 1700 K St., NW Washington, DC 20006	Chevron USA, Inc	934.47	
Sharon M. Hughes, 1401 New York Avenue, NW, #400 Washington, DC 20005	National Food Processors Assn	500.00	52.80
Vester T. Hughes Jr., Hughes & Hill 1000 Mercantile Dallas Building Dallas, TX 75201	Mrs. H. E. Butt		
Do	Estate of W. W. Callan		
Do	Sammons Enterprises, Inc	1,000.00	2,526.37
William Hughes, 1522 K St., NW, #836 Washington, DC 20005	National Assn of Federal Veterinarians	39.72	
Hughes Hubbard & Reed, 1201 Pennsylvania Ave., NW, #300 Washington, DC 20004	American Institute of Certified Public Accountants		
Do	Anglo American Auto Auctions, Inc		
Do	Grocery Manufacturers of America, Inc	700.00	4.50
Do	47th Street Photo		
Edward L. Huie, Wheaton Plaza North, #415 Wheaton, MD 20902	National Assn of Air Traffic Specialists	6,214.38	676.08
Thomas Humber, 499 South Capitol St., SW, #507 Washington, DC 20003	Brown & Williamson Tobacco Corp	2,500.00	
Jean E. Hungiville, 1111 14th St., NW Washington, DC 20005	American Dental Assn	1,000.00	62.74
Francis M. Hunt, 1800 M Street, NW, #700s Washington, DC 20036	Dow Chemical Co	500.00	4,880.00
James C. Hunter, 1747 Pennsylvania Avenue, NW, #300 Washington, DC 20006	Cities Service Oil & Gas Corp	388.50	255.99
Michael M. Hunter, 1600 M St., NW Washington, DC 20036	International Telephone & Telegraph Corporation	1,600.00	63.00
Milton F. Huntington, Maine Petroleum Assn 283 Water St. Augusta, ME 04330	American Petroleum Institute		
Hunton & Williams, 2000 Pennsylvania Ave., NW, #9000 P.O. Box 19230 Washington, DC 20036	Copyright Justice Coalition	937.50	71.25
Do	Edison Electric Institute	29,166.25	1,619.26
Do	Long Island Lighting Co		
Do	Richfields Assn		
Adele M. Hurley, 112 St. Clair Ave., West, #504 Toronto, Ontario Canada M4V 2Y3	Canadian Coalition on Acid Rain	1,080.00	353.93
Ronald A. Hurst, 5410 Grosvenor Lane, #210 Bethesda, MD 20814	American Medical Care & Review Assn		
Cathy Hurwit, 1300 Connecticut Ave., NW, #401 Washington, DC 20036	Citizen Action	4,000.00	34.50
Do	Citizen/Labor Energy Coalition	1,000.00	
Geoffrey B. Hurwitz, 1667 K St., NW, #1210 Washington, DC 20006	Rohm & Haas Co	500.00	
Michael Hussey, 777 14th Street, NW Washington, DC 20005	National Assn of Realtors	2,500.00	901.05
Raymond W. Hussey, 29400 Lakeland Blvd. Wickliffe, OH 44092	Lubrizol Corporation	700.00	1,661.99
Philip A. Hutchinson, 490 L'enfant Plaza, #3210 Washington, DC 20024	Volkswagen of America, Inc	200.00	15.00
Robert E. Hutchinson, 909 N. Mesa El Paso, TX 79902	Reduce Our Debt Foundation		
James L. Hutchison, 260 Madison Avenue New York, NY 10016	American Paper Institute, Inc		
Karen Hutchison, 1725 K Street, NW, #601 Washington, DC 20006	Association of National Advertisers, Inc		
Jean Hutter, 1730 M Street, NW Washington, DC 20036	League of Women Voters of the U.S.	3,880.37	14.75
Helena C. Hutton, 1101 15th Street, NW Washington, DC 20005	Minnesota Mining & Manufacturing Co	2,500.00	
Randy Huwa, 2030 M St., NW Washington, DC 20036	Common Cause	10,040.63	33.15
B. F. Hyde, Tennessee Petroleum Council 211 7th Avenue, North, 4th Fl. Nashville, TN 37219	American Petroleum Institute	750.00	807.85
Floyd H. Hyde, 815 15th Street, NW, #709 Washington, DC 20005	Floyd H. Hyde Associates (For:Alameda, CA, et al.)		
Floyd H. Hyde Associates, 815 15th St., NW, #709 Washington, DC 20005	Alameda, California	10,966.52	2,151.63
Do	Fresno City, California	23,992.63	5,421.82
Do	Fresno County, California	10,000.00	
Do	Gary, Indiana	13,441.53	1,544.67
Do	San Leandro, California	15,628.18	2,455.93
Steven M. Hyjek, One Thomas Circle, NW, #900 Washington, DC 20005	Sinnott & Co, Richard L. (For:Dallas/Ft. Worth International Airport)		
Do	Sinnott & Co., Richard L. (For:Oakland Colliseum)		
Do	Sinnot & Co., Richard L. (For:Port of Oakland)		
Gary Hymel, 901 31st Street, NW Washington, DC 20007	Hill & Knowlton (For:Borg-Warner Corp)		
Do	Hill & Knowlton, Inc (For:Budd Company)		
Do	Hill & Knowlton, Inc (For:Colonial Williamsburg)		
Do	Hill & Knowlton, Inc (For:Fleischmann's Yeast)	50.00	
Do	Hill & Knowlton, Inc (For:Hitachi America Ltd)		
Do	Hill & Knowlton, Inc (For:HTB Corporation)		
Do	Hill & Knowlton, Inc (For:MediVision, Inc)	450.00	
Do	Hill & Knowlton, Inc (For:Mutual of Omaha)		
Do	Hill & Knowlton, Inc (For:Republic of Korea)		
Do	Hill & Knowlton, Inc (For:Republic of Turkey)	1,775.00	
Do	Hill & Knowlton, Inc (For:Shaklee Corporation)		
Do	Hill & Knowlton, Inc (For:Societe Generale thru SGS North America, Inc)		
Do	Hill & Knowlton, Inc (For:Stroh Brewery Co)	150.00	
Do	Hill & Knowlton, Inc (For:Tambrands)		
Do	Hill & Knowlton, Inc (For:Title Insurance Industry Coalition)	2,625.00	
Do	Hill & Knowlton, Inc (For:Tobacco Institute)		
Do	Hill & Knowlton, Inc (For:U.S. Banknote Corp)		
Do	Hill & Knowlton, Inc (For:United Airlines, Inc)		
Do	Hill & Knowlton, Inc (For:Waterman Steamship Corp)		
Robert D. Hynes Jr., 1825 K St., NW, #807 Washington, DC 20006	National Broadcasting Co, Inc	1,000.00	2,787.79
Brian M. Hyps, 2215 Constitution Avenue, NW Washington, DC 20037	American Pharmaceutical Assn	500.00	
Richard H. Ichord, 499 S. Capitol St., SW, #520 Washington, DC 20003	AAI Corporation	828.75	347.89
Do	Emerson Electric Co	630.00	170.53
Do	Washington Industrial Team, Inc	300.00	
Kevin J. Igli, 1155 Connecticut Ave., NW Washington, DC 20036	Waste Management, Inc	1,250.00	
Independent Consultants, Inc, 400 North Capitol St., NW, #320 Washington, DC 20001	John Camp	500.00	79.82
Do	Tropicana Petroleum, Ltd	1,000.00	
Independent Data Communications Manufacturers Assn, c/o Squire Sanders & Dempsey 1201 Pennsylvania Ave., NW Washington, DC 20004.		2,646.63	2,646.63
Independent JOA Publishers Assn, 1050 17th St., NW, #590 Washington, DC 20036			
Independent Lubricant Manufacturers Assn, 1055 Thomas Jefferson Street, NW Washington, DC 20007		230.00	230.00
Independent Producers Group, 1120 KSB & T Building 125 N. Market Wichita, KS 67202		325.00	3,000.00
Indiana Hi-Rail Corporation, R.R. 1 Connersville, IN 47331			350.80
Industrial Biotechnology Assn, 1625 K Street, NW, #1100 Washington, DC 20006		154.77	154.77
Industrial Union Department, AFL-CIO, 815 16th St., NW, #301 Washington, DC 20006		25,579.42	25,579.42
Infant Formula Council, 5775 Peachtree-Dunwoody Rd., #500-D Atlanta, GA 30342			
Marie Infante, 1200 15th Street, NW Washington, DC 20005	American Health Care Assn	2,588.13	
Charles E. Ing, 1850 M Street, NW, #600 Washington, DC 20036	Toyota Motor Sales, USA, Inc	2,440.00	333.65
Robert A. Ingram, 1050 17th Street, NW, #650 Washington, DC 20036	Merck & Co, Inc	1,000.00	304.18
Institute of Foreign Bankers, Suite 303 East, Rm. 23 200 Park Ave. New York, NY 10017			714.45
Institute of Makers of Explosives, 1120 19th St., NW, #310 Washington, DC 20036			
Int'l Union, United Auto Aerospace & Agric Implement Workers, Workers of America (uaw) 8000 E. Jefferson Avenue Detroit, MI 48214.		142,796.15	142,796.15
Integrated Resources, Inc, 666 Third Avenue, 4th Fl. New York, NY 10017			
International Assn of Bridge Struct & Ornamental Iron Wkrs, 1750 New York Ave., NW Washington, DC 20006			10,800.00
International Brotherhood of Teamsters, 25 Louisiana Ave., NW Washington, DC 20001			81,423.59

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
International Communications Industries Assn, 3150 Spring St. Fairfax, VA 22031		27,929.00	4,736.08
International Longshoremen's Assn, AFL-CIO, 17 Battery Place, #1500 New York, NY 10004			47,864.05
International Taxicab Assn, 3849 Farragut Avenue Kensington, MD 20895			
International Union of Bricklayers & Allied Craftsmen, 815 15th St., NW Washington, DC 20005			12,048.85
Investment Company Institute, 1600 M St., NW Washington, DC 20036			29,332.96
Investment Counsel Assn of America, Inc, 20 Exchange Place New York, NY 10005			
Charles C. Irions, 2200 Mill Rd. Alexandria, VA 22314	American Movers Conference	3,308.00	
Thomas L. Irmen, P.O. Box 119 Maumee, OH 43537	Andersons		
Iron Ore Lessors Assn, Inc, 2081 First National Bank Bldg Saint Paul, MN 55101		6,146.12	13,297.37
Ivins Phillips & Barker, Chtd, 1700 Pennsylvania Ave., NW, #600 Washington, DC 20006	American Textile Manufacturers Institute, Inc		
Do	Limited, Inc		
Do	Oberlin College		
Do	Rochester Tax Council		
Charles R. Jackson, 225 North Washington Street Alexandria, VA 22314	Non Commissioned Officers Assn of the USA	6,500.00	15,301.01
Glenn Jackson, 1660 L Street, NW, #601 Washington, DC 20036	Interstate Natural Gas Assn of America	300.00	
Kristine Jacobs, 1613 Harvard St., NW, #513 Washington, DC 20009	National Save the Family Farm Coalition		
Stephen Jacobs, 1771 N Street, NW Washington, DC 20036	National Assn of Broadcasters	1,500.00	640.00
E. A. Jaenke & Associates, Inc, 777 14th St., NW, #666 Washington, DC 20005	University of Kansas	250.00	
Daniel L. Jaffe, 1725 K Street, NW, #601 Washington, DC 20006	Association of National Advertisers		
Jaffe Snider Raitt & Heuer, P.C., 1800 First National Building Detroit, MI 48226			
Edward L. Jaffee, 1730 Rhode Island Avenue, NW, #713 Washington, DC 20036	PPG Industries, Inc	84.00	20.00
Japan Economic Institute of America, 1000 Connecticut Ave., NW Washington, DC 20036		1,909.83	1,909.83
Japanese American Citizens League, 1765 Sutter Street San Francisco, CA 94118			
Joseph J. Jaquay, 5025 Wisconsin Ave., NW Washington, DC 20016	Amalgamated Transit Union, AFL-CIO		
Evelyn Jarvis-Ferris, 444 Market Street San Francisco, CA 94111	Shaklee Corporation		
Jerry J. Jasinowski, 1331 Pennsylvania Ave., NW, #1550N. Washington, DC 20004-1703	National Assn of Manufacturers	2,000.00	
Sonia S. Jasso, 815 16th Street, NW, #707 Washington, DC 20006	Labor Council for Latin American Advancement		
Julie A. Javernick, 413 North Lee St. P.O. Box 1417-D49 Alexandria, VA 22313	National Assn of Chain Drug Stores, Inc		
Joseph A. Jeffrey, 1920 N St., NW, #300 Washington, DC 20036	American Mining Congress		
Jeford International, Inc, 1600 Wilson Blvd., #713 Arlington, VA 22209	Garber International Associates, Inc	200.00	
Do	ISC Defense & Space Group	200.00	
Do	John Deere Technologies International, Inc	300.00	
Do	LTV Defense & Space Co	200.00	
Do	Newport News Shipbuilding & Drydock Co	300.00	
Do	Pratt & Whitney Group	200.00	
Do	Raytheon Corp	200.00	
Jellinek Schwartz Connolly & Freshman, Inc, 1350 New York Avenue, NW, #400 Washington, DC 20005	Adolph Coors Co	33,303.00	1,191.00
Do	ASARCO, Inc	46,641.00	909.00
Do	California Assn of Sanitation Agencies		
Do	Colorado School of Mines Foundation	17,239.00	261.00
Do	East Bay Municipal Utility District	9,303.00	597.00
Do	Los Angeles County Sanitation District	18,645.00	1,275.00
Do	New York Power Authority	5,200.00	414.00
Do	Padre Dam Municipal Water District	1,134.00	31.00
Do	Rhone-Poulenc, Inc	60,369.00	2,323.00
Joseph S. Jenckes, Suite 300 1710 Rhode Island Ave., NW Washington, DC 20036	Abbott Laboratories	5,000.00	30.00
Linda Jenckes, 1025 Connecticut Avenue, NW Washington, DC 20036	Health Insurance Assn of America, Inc		
Jenner & Block, 21 Dupont Circle, NW Washington, DC 20036	Citicorp Capital Investors, Ltd		
Do	Metropolitan Transit Authority	4,125.00	68.93
Do	MCI	500.00	
Do	San Francisco Public Utilities Commission	2,946.41	53.59
James C. Jennings, 901 31st Street, NW Washington, DC 20007	Hill & Knowlton, Inc		
Rusty L. Jesser, 1120 Connecticut Avenue, NW Washington, DC 20036	American Bankers Assn	3,000.00	
Nancy H. Jessick, 1331 Pennsylvania Ave., NW, #720 Washington, DC 20004	Hiram Walker & Sons, Inc		
Guy E. Jester, 2150 Kienlen Ave. St. Louis, MO 63121	Association for the Improvement of the Mississippi River		
Michael E. Johns, 2033 M Street, NW, #900 Washington, DC 20036	National Assn of Arab Americans		
Ronald P. Johnsen, 1250 Eye St., NW, #703 Washington, DC 20005	Columbia Gas System Service Corp	175.00	255.47
Aileen A. Johnson, 2000 P St., NW, #400 Washington, DC 20036	Women's Legal Defense Fund		
Bruce Johnson, Law Offices of Bruce Johnson 1718 Connecticut Ave., NW, #410 Washington, DC 20009	Columbia Savings & Loan Assn	2,000.00	512.00
Calvin P. Johnson, 815 16th Street, NW Washington, DC 20006	American Fed of Labor & Congress of Industrial Organizations	17,314.43	961.24
Clifford T. Johnson, 1700 North Moore Street Rosslyn, VA 22209	Boeing Military Airplane Company		
Jess Johnson Jr., 1025 Connecticut Ave., NW, #200 Washington, DC 20036	Shell Oil Co	500.00	
Joel L. Johnson, 122 C St., NW, #740 Washington, DC 20001	American League for Exports & Security Assistance, Inc	4,500.00	346.26
John B. Johnson, Alabama Petroleum Council P.O. Box 4220 Montgomery, AL 36195	American Petroleum Institute	1,260.00	1,077.60
John W. Johnson, P.O. Box 35106 Minneapolis, MN 55435	American Collectors Assn		
Kenneth A. Johnson, 4524 Hillsboro Ave. North New Hope, MN 55428	Pillsbury Company		
L. Oakley Johnson, 1455 Pennsylvania Avenue, NW, #900 Washington, DC 20004	American International Group, !nc	5,000.00	
Mark R. Johnson, 1667 K Street, NW, #350 Washington, DC 20036	Moller Steamship Co, Inc		
Nancie S. Johnson, 1701 Pennsylvania Avenue, NW, #900 Washington, DC 20006	Conoco, Inc		
Do	E. I. du Pont de Nemours & Co	378.00	
Rady A. Johnson, 200 East Randolph Drive P.O. Box 87703 Chicago, IL 60680-9978	Amoco Corporation		
Richard W. Johnson Jr., 225 N. Washington Street Alexandria, VA 22314	Non Commissioned Officers Assn of the USA	7,274.88	172.43
Stanley L. Johnson, 5344 29th St., NW Washington, DC 20015	Texaco, Inc	50.00	
Susan E. Johnson, 633 Pennsylvania Ave., NW, #600 Washington, DC 20004	Sears Roebuck & Co	405.00	169.78
Thomas G. Johnson, One Shell Plaza P.O. Box 2463 Houston, TX 77001	Shell Oil Co		
David Johnston, 1957 E St., NW Washington, DC 20006	Associated General Contractors of America		
Geo. Allen Johnston, 1300 19th Street, NW, #501 Washington, DC 20036	National Comm to Preserve Social Security	17,175.00	
James D. Johnston, 1660 L St., NW Washington, DC 20036	General Motors Corp	3,600.00	5,544.08
Joint Task Force on Fed Financial Assist. for Law Students, 10th St. Newton Industrial Common Newton, PA 18940			
Mary K. Jolly, 1600 Rhode Island Avenue, NW Washington, DC 20036	National Rifle Assn of America	950.00	163.02
Herbert A. Jolovitz, 7531 Sebago Road Bethesda, MD 20817	Owens-Corning Fiberglas Corporation	1,170.00	54.00
Charlie W. Jones, 2111 Belle Haven Road Alexandria, VA 22307	Man-Made Fiber Producers Assn, Inc	7,220.70	148.00
Ernest W. Jones, 1957 E St., NW Washington, DC 20006	Associated General Contractors of America		
Gerald R. Jones, 2000 L St., NW, #810 Washington, DC 20036	Unisys Corp		
James E. Jones Jr., 1629 K St., NW, #1010 Washington, DC 20006	Alliance of American Insurers	295.00	140.00
Randall T. Jones, 50 F Street, NW, #900 Washington, DC 20001	National Council of Farmer Cooperatives	2,133.33	
Roy C. Jones, 717 2nd St., NW, #300 Washington, DC 20002	Moral Majority, Inc		
Theodore L. Jones, 1730 Pennsylvania Ave., NW, #300B Washington, DC 20006	City of Baton Rouge		
Do	Hartford Fire Insurance Group		
Do	Mall Properties, Inc	1,500.00	
Do	U.S. Cane Refiners' Assn	2,000.00	
Do	United Companies Life Insurance Co		
Wiley N. Jones, 1667 K St., NW, #600 Washington, DC 20006	Southern Pacific Transportation Co	1,000.00	500.00
Jones Day Reavis & Pogue, 655 15th St., NW, 6th Floor Washington, DC 20005-5701	Ameritrust Co, Nat'l Assn	11,568.25	297.28
Do	Automotive Dismantlers & Recyclers Assn, Inc		
Do	Bank Street Consultanting Group	2,943.50	
Do	Embassy of the People's Republic of China	4,543.75	45.00
Do	Heron International, Ltd		
Do	Litel Telecommunications Corp		
Do	Los Angeles County	13,934.00	3,223.58
Do	McKinley Federal Savings & Loan Assn		
Do	Mississippi Chemical Corp		
Do	Morgan Grenfell & Co Ltd	5,884.75	404.65
Do	National Assn of Independent Insurers	210.75	
Do	National Assn of State Auditors Comptrollers & Treasurers		
Do	National Beer Wholesaler's Assn, Inc		
Do	North Wilkesboro Federal Savings & Loan Assn	1,970.50	10.29
Do	Peoples Bank & Trust Co	2,226.25	10.28
Do	Pfizer, Inc	3,806.00	236.05
Do	Stakeholders in America	17,430.00	4,920.80
Do	SCM Corp		
Do	Teleconnect Co		
Do	USAA Federal Savings Bank	675.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Westinghouse Electric Corp		
De Soto Jordan, 1331 Pennsylvania Ave., NW, #1300 Washington, DC 20004	EDS Corporation	220.00	86.23
James C. Jordan, 1785 Massachusetts Ave., NW Washington, DC 20036	National Trust for Historic Preservation	2,824.56	
Patricia Jordan, 1730 Rhode Island Ave., NW, #400 Washington, DC 20036	Aries Properties, Inc		
Do	Berg-Revoir Corp		
Do	City of Alhambra		
Do	City of Baldwin Park		
Do	City of Inglewood		
Do	City of Oceanside		
Do	City of Provo		
Do	City of Redondo Beach	1,500.00	79.60
Do	City of South Salt Lake		
Do	Gavin Associates		
Do	Imperial Irrigation District		
Do	Irvine Co		
Do	Long Beach Transit	2,000.00	24.94
Do	Oceanside Redevelopment Agency		
Do	Santa Cruz Properties		
David C. Jory, 1200 New Hampshire Ave., NW, #350 Washington, DC 20036	Citibank, N.A.	500.00	
Mary Lou Joseph, 2025 M Street, NW Washington, DC 20036	National Public Radio	17,910.00	520.84
John J. Joyce, 25 Louisiana Ave., NW Washington, DC 20001	International Brotherhood of Teamsters	3,000.00	
Kathy L. Judd, 1700 K St., NW, #1204 Washington, DC 20006	Chevron USA, Inc	125.00	
Amy Judy, 2030 M St., NW Washington, DC 20036	Common Cause	5,041.26	343.98
Robert E. Juliano, 2555 M Street ,NW Washington, DC 20037	American Express Co	10,000.00	
Do	Hotel & Restaurant Employees & Bartenders Intl Union	24,437.52	1,011.67
Robert E. Juliano Associates, 2555 M Street, NW, #303 Washington, DC 20037	Aetna Life & Casualty Insurance Co	10,000.00	
Do	ADAPSO	5,000.00	
Do	International Speedway Corp	7,500.00	
Do	ICH Corp		
Do	National Academies of Practice	2,500.00	
Do	Rentar Industries, Inc	4,000.00	
Do	Stock Information Group	10,000.00	
JK Research Associates, Inc, 3408 Bonnie Road Austin, TX 78703	Seabed Assn	4,144.50	4,144.50
Geza Kadar Jr., 1025 Connecticut Avenue, NW Washington, DC 20036	Health Insurance Assn of America, Inc		
H. Richard Kahler, 100 N.E. Adams Street Peoria, IL 61629	Caterpillar Tractor Co		
Jim Kaitz, 1667 K Street, NW, #710 Washington, DC 20006	Baxter Travenol Laboratories, Inc		
Betty Ann Kane, 1225 19th street , n.w. suite 400 Washington, DC 20036	Miller & Young		
James L. Kane Jr., 1315 Vincent Place Mclean, VA 22101			
Donald J. Kaniewski, 905 16th St., NW Washington, DC 20006	Laborers' Intl Union of North America, AFL-CIO	11,749.00	68.40
Dennis R. Kanin, Foley Hoag & Eliot One Post Office Square Boston, MA 02109	Humane Society of the U.S., et al.	10,234.00	464.23
James W. Kanouse, 1700 North Moore Street, 21st Floor Rosslyn, VA 22209	Boeing Company	14,500.00	2,657.57
Nancy E. Kantola, 1401 New York Avenue, NW, #1100 Washington, DC 20005	National Cooperative Business Assn	2,500.00	
Kaplan Russin & Vecchi, 1215 17th Street, NW Washington, DC 20036	American Chamber of Commerce of the Dominican Republic		
Emily O'Connor Karolyi, 777 14th Street, NW Washington, DC 20005	National Assn of Realtors		
Eric H. Karp, 115 Broad Street Boston, MA 02110	Edward Blankstein, Inc		
Gene Karpinski, 215 Pennsylvania Avenue, SE Washington, DC 20003	U.S. Public Interest Research Group	6,000.00	
Anthony K. Karwoski, 1745 Jefferson Davis Hwy, #511 Arlington, VA 22202	Manufactured Housing Institute	700.00	100.00
Peter J. Kassander, 412 Fifth St., SE #1 Washington, DC 20003	Seattle Organizing Committee, 1990 Goodwill Games	2,301.89	
Patricia L. Katson, 11215 Oak Leaf Drive Silver Spring, MD 20901	Liberty Lobby, Inc	8,250.00	
Steven L. Katz, 1424 16th St., NW, #601 Washington, DC 20036	People for the American Way	3,207.72	
Everett E. Kavanaugh, 1110 Vermont Ave., NW, #800 Washington, DC 20005	Cosmetic Toiletry & Fragrance Assn, Inc		
Bronwen A. Kaye, 1575 Eye St., NW, #200 Washington, DC 20005	American Cyanamid Co	451.22	130.74
Kaye Scholer Fierman Hays & Handler, 1575 Eye Street, NW, #1150 Washington, DC 20005	Carlon Company	449.75	331.73
Do	Alfredo J. Estrada		1,059.59
Do	Goldman Sachs & Co	9,992.83	3,560.67
Do	Kraft, Inc	3,000.00	3,017.13
Do	LDX Net, Inc		
Do	Morgan Guaranty Trust Co of New York	9,481.40	4,373.52
Do	Pioneer Systems, Inc		
Do	Westwood One, Inc		532.82
Do	Winfield Manufacturing Co		1,072.50
Lisa E. Kazel, 1331 Pennsylvania Avenue, NW, #1500N Washington, DC 20004-1703	National Assn of Manufacturers		
Richard F. Keating, 1211 Connecticut Ave., NW, #502 Washington, DC 20036	Anheuser-Busch Companies, Inc		
Robert J. Keefe, 444 N. Capitol Street, #711 Washington, DC 20001	Keefe Co (For:Republic of the Philippines)		
Do	Keefe Company (For:UNIAO Nacional Para Independencia Total DeAngola)		
Do	Keefe Company (For:Westinghouse Electric Corp)		
Vicki R. Keenan, 1015 15th Street, NW, #802 Washington, DC 20005	American Consulting Engineers Council	700.00	
Keith Keeney, 5775 Peachtree-Dunwoody Rd., #500-D Atlanta, GA 30342	Robert H. Kellen Co (For:Calorie Control Council)		
Robert C. Keeney, 727 N. Washington St. Alexandria, VA 22314	United Fresh Fruit & Vegetable Assn	3,565.00	359.31
Robin E. Keeney, 1828 L Street, NW Washington, DC 20036	American Land Title Assn	2,025.00	
Brien E. Kehoe, Hill Betts & Nash 1818 N Street, NW, #700 Washington, DC 20036	Waterman Steamship Corp		
Kendell W. Keith, 725 15th Street, NW Washington, DC 20005	National Grain & Feed Assn		
Jerilyn Fay Kelle, 110 Maryland Avenue, NE, #211 Washington, DC 20002	Women's Action for Nuclear Disarmament, Inc, et al.	1,187.50	
William D. Kelleher, 1615 H Street, NW Washington, DC 20062	Chamber of Commerce of the U.S.	2,500.00	
Robert H. Kellen, 5775 Peachtree-Dunwoody Rd., #500-D Atlanta, GA 20342	Robert H. Kellen Co (For:Calorie Control Council)		
Keller & Heckman, 1150 17th Street, NW, #1000 Washington, DC 20036	Specialty Advertising Assn Int'l	2,187.00	109.00
Paul J. Kelley, 2727 North Central Ave. Phoenix, AZ 85004	U-Haul Intl, Inc	2,000.00	
Thomas F. Kelley III, 311 First Street, NW Washington, DC 20001	National Restaurant Assn		
Kelley Drye & Warren, 1330 Connecticut Ave., NW Washington, DC 20036	Alaska Surimi Products, Inc		
Do	Burlington Industries, Inc	962.50	
Do	Business Roundtable	867.50	54.26
Do	ITT Consumer Financial Corp	607.50	80.50
Do	Kingdom of Tonga		
Do	Marconi Underwater Systems Ltd		
Do	J.P. Morgan & Co, Inc	585.00	6.40
Do	Society of the New York Hospital	4,695.00	938.94
Stephen G. Kellison, 1720 Eye Street, NW, 7th Floor Washington, DC 20006	American Academy of Actuaries		
Stephen S. Kellner, 1001 Connecticut Ave., NW, #1120 Washington, DC 20036	Chemical Specialties Manufacturers Assn, Inc		
Dorothy Allen Kellogg, 1615 H Street, NW Washington, DC 20062	Chamber of Commerce of the U.S.		
Edward L. Kelly, 1319 F Street, NW, #1000 Washington, DC 20004	National Assn of Private Psychiatric Hospitals	500.00	
Ernest B. Kelly III, 950 L'Enfant Plaza, SW Washington, DC 20024	Communications Satellite Corp	1,500.00	
Harold V. Kelly, 1025 Thomas Jefferson St., NW, #511 W. Washington, DC 20007	LTV Corporation		
John E. Kelly, 3408 Bonnie Road Austin, TX 78703	JK Research Associates, Inc (For:Seabed Assn)	1,470.00	
John F. Kelly, 1828 L Street, NW # 906 Washington, DC 20036	Merrill Lynch & Co, Inc	2,000.00	
Mark L. Kemmer, 1660 L Street, N.w. Washington, DC 20036	General Motors Corp	2,500.00	1,005.42
Mary Linda Kemp, 815 15th Street, NW, #709 Washington, DC 20005	Floyd H. Hyde Associates (For:Alameda, CA, et al.)		
Coletta Kemper, 1401 New York Avenue, NW, #720 Washington, DC 20005	National Assn of Insurance Brokers		
Jackson Kemper Jr., 1215 Jefferson Davis Hwy., #1004 Arlington, VA 22202	Diagnostic/Retrieval Systems, Inc	8,750.00	
William T. Kendall, 50 E St., SE Washington, DC 20003	Alliance for Free Enterprise		
Kendall & Associates, Inc, 50 E St., SE Washington, DC 20003	ALC Communications Corp		
Do	Heller Ehrman White & McAuliffe		
Do	Hogan & Hartson (for Timex Group, Ltd)		
Do	Hogan & Hartson (for Volume Shoe Corp)		
Do	Manville Corporation	250.00	
Do	Rose Communications		
Do	Toyota Motor Sales, USA, Inc	1,000.00	
Do	Williams Technologies, Inc		
Do	Worldwide Information Resources, Inc		
Stephanie Kennan, 1909 K Street, NW Washington, DC 20049	American Assn of Retired Persons		
Joseph W. Kennebeck, 490 L'enfant Plaza, SW, #3210 Washington, DC 20024	Volkswagen of America, Inc	250.00	20.00
Art Kennedy, Box 200576 Anchorage, AK 99520	Alaska Resource Analysts, Inc		
Do	Koniag, Inc		
Michael E. Kennedy, 1957 E Street, NW Washington, DC 20006	Associated General Contractors of America		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Robert P. Kennel, 12500 Fair Lakes Circle, #260 Fairfax, VA 22033	National Wood Energy Assn, Inc		
Do	Ultrasystems, Inc		
Jeremiah J. Kenney Jr., 12th Fl. 1100 15th St., NW Washington, DC 20005	Union Carbide Corp		
Brendan Kenny, 1625 Massachusetts Avenue, NW Washington, DC 20036	Air Line Pilots Assn	5,050.00	517.33
J. H. Kent, Kent & O'Connor 1211 Connecticut Avenue, NW Washington, DC 20036	American Soc of Plastic & Reconstructive Surgery		
Do	American Supply Association	7,665.02	2,789.47
Do	American Warehousemen's Association		
Do	Gould, Inc		
Do	Intermedics, Inc		
Do	International Assn of Airport Duty Free Stores	3,457.50	1,252.42
Do	National Customs Brokers & Forwarders Assn of America	7,030.00	2,542.72
Do	Transportation Lawyers Assn		
Elizabeth Kepley, 122 C St., NW, #800 Washington, DC 20001	Concerned Women for America		
Vytautas Kerbelis, P.O. Box 44 Sea Harbor, ME 04675	ARAS		
Michael L. Kerley, 1922 F Street, NW Washington, DC 20006	National Assn of Life Underwriters	5,312.00	196.00
Michael J. Kerrigan, 1925 K Street, NW, #504 Washington, DC 20006	Smokeless Tobacco Council, Inc		
Victoria M. Kessler, 1731 Connecticut Avenue, NW Washington, DC 20009	Albers & Co (For:May Department Stores Co)	31,657.00	38.60
Robert M. Ketchel, 1331 Pennsylvania Ave., NW, #895 Washington, DC 20004	General Electric Co		
Dorothy A. Keville, 2215 Constitution Ave., NW Washington, DC 20037	American Pharmaceutical Assn	1,000.00	6,092.00
Do	Mothers Without Custody, Inc		
Gilbert W. Keyes, P.O. Box 3999 (mail Stop 8c-68) Seattle, WA 98124	Boeing Aerospace Co	868.04	431.75
G. Chandler Keys III, 1301 Pennsylvania Avenue, NW, #300 Washington, DC 20004	National Cattlemen's Assn	1,000.00	
Kiawah Island Co, Ltd, P.O. Box 12910 Charleston, SC 29412-0910			
Richard F. Kibben, 200 Park Ave., #2222 New York, NY 10166	Business Roundtable		
Brian D. Kidney, 444 N. Capitol Street, NW, #718 Washington, DC 20001	Pacific Telesis Group	15,450.00	
William S. Kies, 1750 K St., NW Washington, DC 20006	Food Marketing Institute	200.00	
Ingolf N. Kiland Jr., 1660 L Street, NW Washington, DC 20036	General Motors Corp	3,000.00	3,922.84
Brian M. Kilbury, 815 16th St., NW, #511 Washington, DC 20006	Brotherhood of Railway Airline & Steamship Clerks	2,200.00	2,200.00
Thomas J. Kilcline, 201 North Washington Street Alexandria, VA 22314	Retired Officers Assn	875.00	
Gregory Kilgore, 1101 16th Street, NW Washington, DC 20036	Scientific Apparatus Makers Assn	1,100.00	247.05
John J. Killeen, 1090 Vermont Ave., NW, #1100 Washington, DC 20005	Textron, Inc	600.00	150.00
Mary K. Killorin, 1101 15th Street, NW Washington, DC 20005	Minnesota Mining & Manufacturing Co	1,500.00	
Kilpatrick & Cody, 2501 M St., NW, #500 Washington, DC 20037	Chemical Fuels Corp	3,250.00	62.07
Do	City of Atlanta		
Do	Clean Water Action Project	550.00	
Do	Furniture Rental Assn of America		
Do	Kootznoowoo, Inc	1,000.00	
Do	PepsiCo, Inc	9,844.00	52.45
Do	Sierra Club Legal Defense Fund	1,300.00	
Eun Sang Kim, 1030 15th Street, NW, #776 Washington, DC 20005	Korean Foreign Trade Assn	1,200.00	770.00
Hee Jin Kim, 1030 15th Street, NW, #776 Washington, DC 20005	Korean Foreign Trade Assn	900.00	830.00
Richard H. Kimberly, 1201 Pennsylvania Avenue, NW, #730 Washington, DC 20004	Kimberly-Clark Corp	4,956.25	252.50
Kimberly-Clark Corp, 401 North Lake Street Neenah, WI 54956			6,008.75
James L. Kimble, 1025 Connecticut Ave., NW, #415 Washington, DC 20036	American Insurance Assn		
Thomas N. Kindness, 1001 Prince Street Alexandria, VA 22314	Recording Industry Assn of America, Inc	6,450.00	
Ann Ottoson King, 1620 Eye Street, NW, #800 Washington, DC 20006	Taft Stettinius & Hollister (For:Recordings Import Trade Committee)		
Edward H. King, 200 Wilmot Rd. Deerfield, IL 60015	Walgreen Co		
Lewis O. King, P.O. Box 10045 Austin, TX 78766	National Guard Assn of Texas	7,000.00	150.00
W. Russell King, 50 F St., NW, #1050 Washington, DC 20001	Freeport McMoran, Inc	500.00	139.81
King & Spalding, 1730 Pennsylvania Ave., NW, #1200 Washington, DC 20006	Camberent Financial Group		269.90
Do	National Assn of Bond Lawyers		267.49
Do	National Pharmaceutical Alliance	12,995.00	321.62
Do	Woodruff Foundation	2,340.00	
Ruby King-Williams, 1201 16th Street, NW Washington, DC 20036	National Education Assn		
Kathleen N. Kingscott, 1801 K Street, NW, #1200 Washington, DC 20006	IBM Corp	5,275.00	1,879.17
Daniel T. Kingsley, 1655 N. Ft. Myer Dr., #700 Arlington, VA 22209	National Venture Capital Association	51,000.00	2,827.58
Roger P. Kingsley, 10801 Rockville Pike Rockville, MD 20852	American Speech-Language-Hearing Assn		
Janie A. Kinney, 1050 17th Street, NW, #650 Washington, DC 20036	Merck & Co, Inc	575.00	175.00
Do	Walt Disney Productions		
Marcia Y. Kinter, 1600 Wilson Boulevard, #1000 Arlington, VA 22209	American Waterways Operators, Inc		
Cecilia Anne Kirby, 1819 L Street, NW, #600 Washington, DC 20036	American Hotel & Motel Assn	1,524.41	
Kirby Gillick Schwartz & Tuohey, P.C., 1220 L Street, NW, #310 Washington, DC 20005	America West Airlines, Inc		
Do	Lake Ontario Cement, Ltd		
Do	National Vehicle Leasing Assn		
Alan G. Kirk II, 1900 Pennsylvania Ave., NW Washington, DC 20068	Potomac Electric Power Co		
John R. Kirk, Bingham, Dana & Gould 100 Federal St. Boston, MA 02110	First National Bank of Boston		
Kirkpatrick & Lockhart, 1800 M St., NW, S. Lobby-9th Fl. Washington, DC 20036	American Council of Life Insurance, Inc		
Do	Investors Fiduciary Trust Co	5,869.50	
Kirlin Campbell & Keating, One Farragut Square South Second Floor Washington, DC 20006	Council of European & Japanese National Shipowners' Assn		529.03
Robert A. Kirshner, 1250 Connecticut Avenue, NW Washington, DC 20036	National Forest Products Assn	500.00	
Mary Brice Kirtley, 888 17th Street, NW, #300 Washington, DC 20006	ConAgra, Inc	200.00	
Dean Kleckner, 225 Touhy Avenue Park Ridge, IL 60068	American Farm Bureau Federation	3,125.00	
James A. Klein, 1615 H Street, NW Washington, DC 20062	Chamber of Commerce of the U.S	1,750.00	63.57
Jerry D. Klepner, 1020 19th St., NW Washington, DC 20036	Anderson Benjamin Read & Haney (For:Blue Cross & Blue Shield of Florida)		
Do	Anderson Benjamin Read & Haney (For:Boston Company)		
Kline Knopf & Wojdak, Inc, 355 N. 21st Street, #303 Camp Hill, PA 17011	General Public Utilities Corp		
Jill Klowden, 2807 Connecticut Ave., NW, #102 Washington, DC 20008	Rainbow Lobby	2,075.00	
David M. Klucsik, 1415 Wyckoff Road Wall, NJ 07719	New Jersey Natural Gas Co		238.75
John A. Knebel, 1920 N Street, NW, #300 Washington, DC 20036	American Mining Congress	108.00	
Gary D. Knight, 1111 19th Street, NW Washington, DC 20036	Edison Electric Institute	130.50	8.00
Knights of Columbus, Columbus Plaza New Haven, CT 06507			
Keith R. Knoblock, 1920 N St., NW Washington, DC 20036	American Mining Congress		
Albert B. Knoll, 555 13th Street, NW, #1010 East Washington, DC 20004-1109	Sun Co, Inc	1,750.00	1,042.10
C. Neal Knox, Neal Knox Associates Box 6537 Silver Spring, MD 20906		5,000.00	650.00
Ruth E. Kobell, 600 Maryland Ave., SW, #202 Washington, DC 20024	Farmers' Educational & Co-Operative Union of America	3,526.36	209.01
Thomas G. Kobus, 1112 16th St., NW, #2000 Washington, DC 20036	National Parking Association	33,228.51	
Bradley R. Koch, 1800 Massachusetts Ave., NW Washington, DC 20036	National Rural Electric Cooperative Assn	138.50	
George W. Koch, 1010 Wisconsin Ave., NW, #800 Washington, DC 20007	Grocery Manufacturers of America, Inc	62.00	
Kogovsek & Associates, Inc, 3600 S. Yosemite, #830 Denver, CO 80237	Animas-La Plata Water Conservancy District, Durango County	3,375.00	2,270.54
Do	City of Pueblo, Pueblo County	4,500.00	1,703.00
Do	Colorado State University	3,750.00	1,482.71
Do	Colorado-Ute Electric Assn	4,000.00	2,604.00
Do	Public Employees Retirement Assn of Colorado	5,325.00	1,045.00
Do	Southern Ute Indian Tribe	7,500.00	4,076.92
Do	Southwestern Water Conservation District, Durango County	6,124.99	2,636.50
Do	St. Mary Corwin Hospital, Pueblo County		
Do	Upper Yampa Water Conservation District		1,048.00
Do	Ute Mountain Ute Indian Tribe	10,000.00	
Gary J. Kohn, 1600 M Street, NW Washington, DC 20036	Investment Company Institute	1,350.00	402.37
Michael S. Koleda, 1225 Eye St., NW, #320 Washington, DC 20005	Council on Alternate Fuels		
Diane J. Koller, 1899 L Street, NW, #403 Washington, DC 20036	Outdoor Advertising Assn of America, Inc	338.00	158.00
Timothy S. Kolly, P.O. Box 9033 Charlottesville, VA 22906	Worrell Enterprises, Inc		
Nicholas Kominus, 1001 Connecticut Ave., NW Washington, DC 20036	U.S. Cane Sugar Refiners' Assn	806.25	56.55
Eugene P. Kopp, Suite 600 South 1120 20th Street, NW Washington, DC 20036	Union Pacific Corp	1,250.00	
Steven Kopperud, 1701 N. Ft. Myer Drive Arlington, VA 22209	American Feed Industry Assn	3,240.00	
Horace R. Kornegay, 1875 I St., NW, #800 Washington, DC 20006	Tobacco Institute		
Kerrill K. Kornegay, 1025 Connecticut Ave., NW, #1014 Washington, DC 20036	Enserch Corporation	1,937.00	1,849.16
Paul A. Korody Jr., 888 17th Street, NW, #300 Washington, DC 20006	ConAgra, Inc	920.00	
Ronald W. Kosh, 8111 Gatehouse Road Falls Church, VA 22047	AAA Potomac		
Marilyn S. Koss, 600 New Hampshire Ave., NW Washington, DC 20037	New York Life Insurance Company	100.00	50.00
Gerald J. Kovach, 1133 19th Street, NW Washington, DC 20036	MCI Communications Corp	2,000.00	44,863.90
Kenneth S. Kovack, 815 16th St., NW, #706 Washington, DC 20006	United Steelworkers of America	10,921.59	
Mylio S. Kraja, 1608 K St., NW Washington, DC 20006	American Legion	3,750.00	600.79

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Joseph H. Kramer III, 901 31st Street, NW Washington, DC 20007	Hill & Knowlton, Inc (For:Budd Company)		
Do	Hill & Knowlton, Inc (For:HTB Corporation)		
Kenneth B. Kramer, 111 South Tejon, #700 Colorado Springs, CO 80903	Aries Properties Inc		
Stephen W. Kraus, 1001 Pennsylvania Ave., NW Washington, DC 20004	American Council of Life Insurance, Inc	1,000.00	
Raymond R. Krause, 3771 Pillsbury Center Minneapolis, MN 55402	Pillsbury Company	1,500.00	310.00
Earl R. Kreher, 1620 Eye Street, NW, #1000 Washington, DC 20006	Motor Vehicle Manufacturers Assn of the U.S., Inc		
Katherine Krell, 901 31st St, NW Washington, DC 20007	Hill & Knowlton, Inc (For:Monsanto Co)		
Hugh A. Krentz, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington, DC 20037	Canadian Institute of Steel Construction		
Krivit & Krivit, P.C., 50 E Street, SE Washington, DC 20003		1,200.00	
Kroger Company, 1014 Vine St. Cincinnati, OH 45201			3,668.00
Krooth & Altman, 2101 L Street, NW, #210 Washington, DC 20037	Healthcare Financing Study Group	7,500.00	
Robin L. Kropf, 1319 F St., NW, #1000 Washington, DC 20004	National Assn of Private Psychiatric Hospitals		
Paul R. Kruse, 1155 15th St., NW Washington, DC 20005	Pennzoil Co	625.00	
James S. Krzyminski, 50 F Street, NW, #900 Washington, DC 20001	National Council of Farmer Cooperatives	850.00	
Thomas A. Kube, 8111 Gatehouse Road Falls Church, VA 22047	American Automobile Assn		
M. J. Kuehne, P.O. Box 11346 Tacoma, WA 98411	Northwest Independent Forest Manufacturers	5,000.00	2,286.00
Yong T. Kuem, 2112 S. Buchanan St. Arlington, VA 22206	K.S. Line West America		
Philip Kugler, 555 New Jersey Ave., NW Washington, DC 20001	American Fed of Teachers		
Sara E. Kuhn, 1735 New York Avenue, NW Washington, DC 20006	American Institute of Architects	2,000.00	
Thomas R. Kuhn, 1111 19th Street, NW Washington, DC 20036	Edison Electric Institute	7,698.80	881.32
Rebecca L. Kupper, 655 15th Street, NW 300 Metropolitan Square Washington, DC 20005	American Medical International	138.00	101.50
Kurrus & Kirchner, P.C., 1055 Thomas Jefferson St., NW, #418 Washington, DC 20007	Marine Transport Lines, Inc	7,461.25	221.40
Valerie W. Kurylo, 1601 Duke Street Alexandria, VA 22314	Society of American Florists		
Ester Kurz, 500 North Capitol St., NW, #300 Washington, DC 20001	American Israel Public Affairs Comm	16,249.98	545.81
Kutak Rock & Campbell, 1101 Connecticut Aven., NW, #1000 Washington, DC 20036	Citicorp Investment Bank		278.77
Do	Fidelity Management Research Co	3,462.51	1,577.35
Do	Financial Security Assurance Co		2,112.79
Do	Municipal Bond Insurance Assn	1,333.25	579.38
Kuykendall Company, 517 3rd Street, SE Washington, DC 20003	Alpha Environmental, Inc		
Do	Alpha 21 Corporation		
Do	Guardsmark, Inc	5,000.00	
Do	Gulf & Caribbean Foundation		
Do	R. F. Shoup Corp		
Do	SENTINAL	3,228.00	
John R. Kyte, 201 Massachusetts Ave., NE Washington, DC 20002	BMc Strategies, Inc	380.00	80.76
James La Sala, 5025 Wisconsin Avenue, NW Washington, DC 20016	Amalgamated Transit Union, AFL-CIO		
Labor Bureau, Inc, 1101 15th Street, NW, #1010 Washington, DC 20005			
Laborers' Intl Union of North America, AFL-CIO, 905 16th St., NW Washington, DC 20006			29,120.78
Joseph L. Lach, 1625 K Street, NW, #750 Washington, DC 20006	Manville Corp	500.00	
Marc E. Lackritz, 1000 Vermont Ave., NW, #800 Washington, DC 20005	Public Securities Assn	12,500.00	1,516.95
John D. Lacopo, 1331 Pennsylvania Ave., NW, #1300 Washington, DC 20004	EDS Corporation		
Bruce C. Ladd Jr., 1776 K Street, NW Washington, DC 20006	Motorola, Inc	16,500.00	89.00
Robert A. Ladig, Scott Plaza Philadelphia, PA 19113	Scott Paper Co	1,450.00	534.37
David F. Lambert III, 1401 New York Ave., NW, #720 Washington, DC 20005	National Assn of Insurance Brokers, Inc		
David P. Lambert, 1800 K St., NW, #1100 Washington, DC 20006	New York Stock Exchange, Inc		
David R. Lambert, 1030 15th St., NW, #964 Washington, DC 20005	American Seed Trade Assn	6,000.00	
Stephen K. Lambright, One Busch Place St. Louis, MO 63118	Anheuser-Busch Companies, Inc		
Virginia A. Lampley, 1818 N St., NW, #600 Washington, DC 20036	DGA International, Inc (For:Dir Intl Aff of the Gen Del for Armements)		
Do	DGA International, Inc (For:Societe Nationale D'Etude et de Const de Moteurs D'Aviation).		
Ray H. Lancaster, 1331 Pennsylvania Ave., NW, #565 Washington, DC 20004	Texas Gas Transmission Corp	3,000.00	189.62
L. Charles Landgraf, 1333 New Hampshire Avenue, NW Washington, DC 20036	Leboeuf Lamb Leiby & Macrae		
Thomas M. Landin, P.O.Box 7029 One Franklin Plaza Philadelphia, PA 19101	SmithKline Beckman Corp		
Landis Cohen Rauh & Zelenko, 1019 19th St., NW, #500 Washington, DC 20036	American Soc of Composers Authors & Publishers	3,000.00	
Do	NFL Players Association	3,000.00	
David W. Landsidle, 1710 Rhode Island Avenue, NW, #300 Washington, DC 20036	Abbott Laboratories	4,000.00	
Bruce Alan Landy, 2601 Virginia Ave., NW Washington, DC 20037	B.A.L. Co		
Do	Cryogenic Vacuum Technology Co		
Do			
Albert E. Lane, P.O. Box 37152 Cincinnati, OH 45222	Media-Independence-Competition-Medcom-Mic		
Do	People Opposed to Energy Lobby - Potel		
Scott H. Lane, 412 First Street, SE Washington, DC 20003	National Automobile Dealers Assn	3,000.00	
William C. Lane, 100 N.E. Adams Street Peoria, IL 61629-1460	Caterpillar, Inc	1,125.00	2,087.91
Lane & Edson, P.C., 2300 M Street, NW Washington, DC 20036	City of Baltimore	7,800.00	
Do	Council for Rural Housing and Development	4,000.00	
Do	National Glass Association	7,833.45	
Lane Powell Moss & Miller, 3800 Ranier Bank Tower Seattle, WA 98101-2647	Afognak Joint Venture		22,812.06
Adrienne C. Lang, 1111 14th Street, NW, #501 Washington, DC 20005	American Soc of Anesthesiologists	3,000.00	
Richard Langan, 1801 K Street, NW Washington, DC 20006	Price Waterhouse (For:Tom's Foods)		
Robin W. Lanier, 1000 Connecticut Ave., NW Washington, DC 20036	National Retail Merchants Assn	4,000.00	107.02
Wayne R. Lapierre Jr., 1600 Rhode Island Ave., NW Washington, DC 20036	National Rifle Assn of America	2,062.50	
Clifford Laplante, 1331 Pennsylvania Avenue, NW Washington, DC 20004	General Electric Co	1,600.00	
Lillie Hoover Largent, P.O. Box 1085 Martinsburg, WV 25401	National Peach Council		
J. Stephen Larkin, 9225 Katy Freeway, #310 Houston, TX 77024	Petroleum Equipment Suppliers Assn	1,430.00	645.70
William L. Larsen, 1025 Connecticut Avenue, NW, #415 Washington, DC 20036	American Insurance Assn		
Mary Ellen Larson, 1420 King Street Alexandria, VA 22314	National Soc of Professional Engineers	1,250.00	
Reed E. Larson, 8001 Braddock Road, #600 Springfield, VA 22160	National Right to Work Committee		
Lash Group, 555 13th St., NW Washington, DC 20004	American Psychological Assn		5.00
Do	Caremark/Home Health Care of America		22.00
Do	University of Pennsylvania		
Warren Lasko, 1125 15th Street, NW Washington, DC 20005	Mortgage Bankers Assn of America		
Theodore A. Lattanzio, 1600 Rhode Island Ave., NW Washington, DC 20036	National Rifle Assn of America	1,206.25	
Laughter Power Group, c/o Communications Consultants P.O. Box 23378 Washington, DC 20026-3378			
Dennis Lavallee, 180 S. Washington St., P.O. Box 6808 Falls Church, VA 22046	National Assn of Plumbing-Heating-Cooling Contractors	500.00	159.45
Joan H. Lavor, 1957 E Street, NW Washington, DC 20006	Associated General Contractors of America		
Lloyd R. Lawrence Jr., Bob Lawrence & Associates 803 Prince Street Alexandria, VA 22314	Valmont Industries, Inc	10,500.00	1,250.00
Ursula Lawrence, 167 Maple Avenue Sea Cliff, NY 11579	America's Conscience		8.10
Elizabeth Lawson, 1730 M Street, NW Washington, DC 20036	League of Women Voters of the U.S.	4,057.45	32.10
Janie L. Lawson, 1025 Connecticut Avenue, NW, #200 Washington, DC 20036	Shell Oil Co	500.00	
Laxalt Corporation, 1455 Pennsylvania Ave., NW, #985 Washington, DC 20002	W. R. Grace & Co		
Do	Peter Kiewit Sons', Inc		
Do	Mesa Petroleum Co	1,800.00	
Do	Motion Picture Assn of America, Inc	2,000.00	
Do	Purolator Courier		
Do	R. T. Vanderbilt Co, Inc		
Sandra L. LaFevre, 2500 Riva Road, SE Annapolis, MD 21401	Nationwide Insurance Co		
League of Rural Voters Education Project, Inc, 3255 Hennepin Avenue South, #225 Minneapolis, MN 55408		58,000.00	3,850.00
League of Rural Voters, Inc, 3255 Hennepin Avenue South, #225 Minneapolis, MN 55408		2,474.80	7,425.79
League of Women Voters of the U.S., 1730 M St., NW Washington, DC 20036		52,297.78	52,297.78
League to Save Lake Tahoe, 2197 Lake Tahoe Blvd. P.O. Box 10110 South Lake Tahoe, CA 95731			1,517.00
Thomas B. Leary, Hogan & Hartson 555 13th St., NW Washington, DC 20004-1109	Business Roundtable	24,438.63	
Richard J. Lease, 2145 Boise Drive Las Cruces, NM 88001			
Leboeuf Lamb Leiby & Macrae, 1333 New Hampshire Ave., NW, #1100 Washington, DC 20036	General Conf of the 7th Day Adventists Church Risk Mgt Svcs		193.00
Do	Underwriters at Lloyd's London		
Carlton Lee, 1012 14th St., NW, 6th Fl. Washington, DC 20013	Human Rights Campaign Fund	4,759.62	115.75
Thomas J. Lee Jr., P.O. Box 2628 Houston, TX 77252	Entex, Inc		
Young K. Lee, 2112 S. Buchanan Street Arlington, VA 22206	Washington Lobby Group, Inc (For:Preston Corp)	1,500.00	
L. Courtland Lee, Inc, 3814 West Street Landover, MD 20785	Minerals Exploration Coalition, Inc	200.00	35.00
Peter A. Lefkin, 1025 Connecticut Avenue, NW, #415 Washington, DC 20036	American Insurance Assn	265.00	80.00
C. Hoke Leggett, 1875 I St., NW, #800 Washington, DC 20006	Tobacco Institute		
C. Richard Lehmann, 15327 NW 60th Ave., #240 Miami Lakes, FL 33014	Richard Lehmann & Associates, Inc (For:National WPPSS 4&5 Bond Holders)		
Leslie A. Lehmann, 111 SW Columbia, #800 Portland, OR 97201	Nerco, Inc	6,765.00	
Mary Nell Lehnhard, 1709 New York Ave., NW Washington, DC 20006	Blue Cross & Blue Shield Assn	480.76	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Lehrfeld & Henzke, P.C., 1301 Pennsylvania Ave., NW, #1110 Washington, DC 20004	Knights of Columbus		
Leighton & Regnery, 1667 K Street, NW Washington, DC 20006	American Dairy Products Institute		
Do	ALPO Petfoods, Inc		
Do	Clorox Co		
Do	Correctional Services Providers Institute		
Do	Express Foods Co, Inc		
Do	General Instrument Corp		
Do	GTE Products Corp		
Do	Johnson & Johnson		
Do	Leprino Foods, Inc		
Do	Merrick's, Inc		
Do	Visiting Nurse Assn of America		
Terry L. Leitzell, Bogle and Gates One Thomas Circle, NW, #900 Washington, DC 20005	American Shrimpboat Association		
Do	Marine Construction & Design Co		
Do	Northern Eagle Partners, L. P.		
Do	Port of Seattle		
Joseph L. Leitzinger, 900 4th Ave. Seattle, WA 98164	Simpson Investment Co	480.00	232.00
Robert A. Lembo, 1050 31st Street, NW Washington, DC 20007	Association of Trial Lawyers of America	2,000.00	100.00
Laverne Still Lemen, 1030 15th St., NW, #700 Washington, DC 20005	National Cotton Council of America	1,155.00	42.31
Donna Lenhoff, 2000 P St., NW, #400 Washington, DC 20036	Women's Legal Defense Fund	997.43	289.66
Betty Jane Leonard, P.O. Box 19109 Greensboro, NC 27419	Unifi, Inc		
Burleigh C. W. Leonard, 2550 M Street, NW, #770 Washington, DC 20037	RJR Nabisco, Inc	600.00	594.17
Earl T. Leonard Jr., P.O. Drawer 1734 Atlanta, GA 30301	Coca-Cola Company	1,716.00	3,404.00
Lloyd Leonard, 1730 M St., NW Washington, DC 20036	League of Women Voters of the U.S.	5,681.48	128.24
Charles Leppert Jr., 801 18th Street, NW, #400 Washington, DC 20006	Procter & Gamble Manufacturing Co	80.04	
Richard L. Lesher, 1615 H St., NW Washington, DC 20062	Chamber of Commerce of the U.S.		
William Gene Lesher, 517 C Street, NE Washington, DC 20002	Lesher and Associates, Inc		
Lesher and Associates, Inc, 517 C Street, NE Washington, DC 20002	Agricultural Policy Working Group	5,000.00	16,390.20
Do			
Daniel Lesmez, 15th & M Streets, NW Washington, DC 20005	National Assn of Home Builders of the U.S.		
William J. Lessard Jr., 1300 19th Street, NW, #501 Washington, DC 20036	National Comm to Preserve Social Security & Medicare	3,312.00	
Dale Lestina, 1201 16th St., NW Washington, DC 20036	National Education Assn	3,291.30	171.50
Leva Hawes Mason & Martin, 1220 19th St., NW, #700 Washington, DC 20036	Finnigan Corporation		
Do	Scientific Apparatus Makers Assn		
Leventhal Senter & Lerman, 2000 K Street, NW, #600 Washington, DC 20006-1809	Aeronautical Radio, Inc	2,520.00	30.00
Do	Pan American Satellite Corp		
Morris J. Levin, 1050 17th St., NW Washington, DC 20036	Association of American Railroads	2,500.00	
Do	Independent JOA Publishers Assn		
Barbara W. Levine, 1015 15th Street, NW Washington, DC 20005	American Public Health Assn	634.50	
Bertram J. Levine, 1667 K Street, NW, #410 Washington, DC 20006	Johnson & Johnson	1,000.00	225.00
Harry Levine Jr., 1331 Pennsylvania Ave., NW Washington, DC 20004	General Electric Co		
Kenneth S. Levine, 1455 Pennsylvania Avenue, NW, #600 Washington, DC 20004	Joseph E. Seagram & Sons, Inc	977.50	
Lawrence E. Levinson, 1875 Eye St., NW, #940 Washington, DC 20006	Gulf & Western, Inc	2,750.00	80.00
Roger N. Levy, 1660 L St., NW, #1000 Washington, DC 20036	Travelers Companies	2,500.00	
Jack W. Lewis, 5205 Leesburg Pike, #505 Falls Church, VA 22041	National Beer Wholesalers Assn	2,066.00	352.40
Michael R. Lewis, 1133 15th St., NW, #640 Washington, DC 20005	International Longshoremen's & Warehousemen's Union	10,900.00	665.57
Richard Lewis, 1025 Vermont Ave., NW Washington, DC 20005	American Pulpwood Assn		
Richard W. Lewis, 1700 K St., NW Washington, DC 20006	Chevron USA, Inc	750.00	
William H. Lewis, Morgan Lewis & Bockius 1800 M Street, NW Washington, DC 20036	U.S. Gypsum Co	1,000.00	50.00
John F. Leyden, 815 16th Street, NW, #308 Washington, DC 20006	Public Employee Department, AFL-CIO	4,876.44	
Harris W. LeFew, 300 Pratt Street Luke, MD 21540-1099	Westvaco Corp		
Lynn H. LeMaster, 1111 19th Street, NW Washington, DC 20036	Edison Electric Institute	1,410.06	359.01
James M. LeMunyon, 1612 K St., NW, #1100 Washington, DC 20006	American Electronics Assn	3,000.00	
William J. Lhota, 215 N. Front Street Columbus, OH 43215	Columbus and Southern Ohio Electric Co		267.23
Judith Lichtman, 2000 P St., NW, #400 Washington, DC 20036	Women's Legal Defense Fund	2,862.75	1,148.78
Richard A. Lidinsky Jr., 655 15th Street, NW, #300 Washington, DC 20005	Sea Containers America, Inc		
William C. Lienesch, 238 10th St., SE Washington, DC 20003	National Parks & Conservation Association	962.00	65.30
Howard C. Liggett, 9916 Stone Meadow Rd Pensacola, FL 32514	Escambia County Tax Collector		
Ross W. Lillard, 920 Main Street Kansas City, MO 64105	Stinson Mag & Fizzell (For:Farmland Industries, Inc)		
William Lilley III, 1730 K Street, NW, #703 Washington, DC 20006	American Business Conference	3,125.00	59.00
Diane Palmer Lilly, 1200 Peavey Building Minneapolis, MN 55479	Norwest Corporation		
Leanne Klyza Linck, 214 N. Henry St., #203 Madison, WI 53703	Sierra Club	373.75	277.22
Lincoln Savings & Loan Assn, P.O. Box 19614 Irvine, CA 92714			30,723.24
Stephen R. Lindauer, 1957 E Street, NW Washington, DC 20006	Associated General Contractors of America		
Roger Lindberg, 901 31st St., NW Washington, DC 20007	Hill & Knowlton, Inc (For:Colonial Williamsburg)	335.42	
Do	Hill & Knowlton, Inc (For:MediVision)	189.58	
Do	Hill & Knowlton, Inc (For:Panhandle Eastern Corp)		
Do	Hill & Knowlton, Inc (For:Seminole Tribe of Florida)		
Do	Hill & Knowlton, Inc (For:Societe Generale thru SGS North America, Inc)		
Do	Hill & Knowlton, Inc (For:Tambrands)		
George E. Lindow, 2 Gateway Center Pittsburg, PA 15222	Peoples Natural Gas Co	634.60	452.41
Donald Lindsey, 400 First Street, NW, #819 Washington, DC 20001	Brotherhood of Locomotive Engineers (OH)	415.17	53.68
Kathleen M. Linehan, 1875 Eye St., NW, #500 Washington, DC 20006	Philip Morris, Inc	1,250.00	230.00
Linton Mields Reisler & Cottone, 477 H St., NW Washington, DC 20001	Iowa Department of Transportation	5,640.00	21.00
Do	Madison Gas & Electric Co	1,292.00	
Do	Metropolitan Sanitary District of Greater Chicago	7,521.00	38.00
Do	Michigan Dept of Transportation	4,563.00	30.00
Do	Northern States Power Co	2,694.00	
Do	Oregon Department of Transportation	3,750.00	
Do	State of Colorado, Dept of Highways	2,970.00	
Do	State of IL, Dept of Transportation	7,377.00	137.00
Do	State of IL, Dept of Transportation, Div of Water Resources	3,597.00	
Do	Superior Water Light & Power Co	350.00	
Do	Wisconsin Electric Power Co	5,477.00	179.00
Do	Wisconsin Fuel and Light Co	254.00	
Do	Wisconsin Natural Gas Co	965.00	
Do	Wisconsin Power & Light Co	2,960.00	
Do	Wisconsin Public Service Corp	3,812.00	
Andrew D. Lipman, Pepper Hamilton & Scheetz 1777 F Street, NW Washington, DC 20006	MCI Telecommunications Corp		
Do	Norlight, Inc		
Lisboa Associates, Inc, 1317 F St., NW, #400 Washington, DC 20004	University of the Virgin Islands	2,062.50	
John M. Lison, 200 West Adams, #2015 Chicago, IL 60606	Atcor, Inc		
Barbara A. Little, 1155 15th St., NW, #611 Washington, DC 20005	Ethyl Corporation	1,700.00	
Charles B. Little, 600 Maryland Ave., SW, #603 Washington, DC 20024	UBA, Inc	1,000.00	
Thomas W. Little, 1750 K Street, NW Washington, DC 20006	Food Marketing Institute	750.00	
William F. Little, 815 Connecticut Ave., NW Washington, DC 20006	Ford Motor Co	487.00	612.95
Roy Littlefield, 15900 Pinecroft Lane Bowie, MD 20716	American Retreaders' Assn	500.00	
Do	Greater Washington/Maryland Service Station Assn	500.00	
E. Geoffrey Littlehale, 1100 15th Street, NW Washington, DC 20005	Pharmaceutical Manufacturers Assn	4,000.00	117.00
E. F. Livaudais Jr., 1333 New Hampshire Ave., NW Washington, DC 20036	Atlantic Richfield Co		300.00
Robert W. Lively, 1800 Massachusetts Avenue, NW Washington, DC 20036	National Rural Electric Cooperative Assn	115.00	
Livestock Marketing Association, 301 E. Armour Blvd. Kansas City, MO 64111			
Franci Livingston, 215 Pennsylvania Avenue, SE Washington, DC 20003	Public Citizen's Congress Watch	5,500.00	
Lobel Novins Lamont & Flug, 1275 K St., NW, #770 Washington, DC 20005	Generic Pharmaceutical Industry Assn	2,413.07	260.07
Paul Locigno, 25 Louisiana Avenue, NW Washington, DC 20001	International Brotherhood of Teamsters	21,533.73	
Robert F. Lockhart Jr., 490 L'enfant Plaza East, SW Washington, DC 20024	Tenneco, Inc		
Karen Lockwood, 50 F Street, NW, #1100 Washington, DC 20001	American Hospital Assn		92.98
Stephen G. Lodge, 15th & M Streets, NW Washington, DC 20005	National Assn of Home Builders of the U.S.		
Law Ofcs of Sheldon London, 1725 DeSales St., NW, #401 Washington, DC 20036	American Hardware Manufacturers Assn		
William E. Long, One Nationwide Plaza Columbus, OH 43216	Nationwide Insurance Co	600.00	
John H. Lonnquist, 1625 K Street, NW, #750 Washington, DC 20006	Manville Corporation	1,500.00	
Susan J. Loomis, 1957 E Street, NW Washington, DC 20006	Associated General Contractors of America	5,000.00	500.00
Loomis Owen Fellman & Howe, 2020 K St., NW, #800 Washington, DC 20006	Association of Bituminous Contractors		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Classroom Publishers Assn		
Do	First Co		
Do	Industrial Diamond Assn		
Do	Optical Manufacturers Assn		
Do	Textile Rental Services Assn of America		
Gerald D. Lore, 1050 Connecticut Avenue, NW, #401 Washington, DC 20036	Hoffmann-La Roche, Inc		
Philip J. Loree, 50 Broadway New York, NY 10004	Federation of American Controlled Shipping	200.00	
Robert E. Losch, P.C., 1716 New Hampshire Ave., NW Washington, DC 20009	American Dredging Co, et al	28,000.00	3.132.00
Timothy Lovain, 3713 Gunston Road Alexandria, VA 22302	Denny Miller Associates	9,360.00	
James F. Lovett, 1801 K St., NW Washington, DC 20006	Westinghouse Electric Corp	500.00	200.00
Paula D. Lucak, 815 16th Street, NW, #308 Washington, DC 20006	Public Employee Department, AFL-CIO	9,275.11	108.50
James D. Lucas, 25 South Charles Street Baltimore, MD 21201	First Maryland Bancorp		
Mrs. Freddie H. Lucas, 1660 L St., NW Washington, DC 20036	General Motors Corp	3,000.00	809.09
William L. Lucas, 2021 K Street, NW, #300 Washington, DC 20006	Primark Corporation	500.00	
Charles Emmet Lucey, 1200 New Hampshire Avenue, NW, #200 Washington, DC 20036	Catholic Press Assn		
Do	Manatt Phelps Rothenberg & Evans		
Kathy K. Luhn, 5205 Leesburg Pike, #505 Falls Church, VA 22041	National Beer Wholesalers Assn, Inc	2,858.00	300.92
Sylvester Lukis, 1155 15th St., NW, #510 Washington, DC 20005	Cassidy & Associates, Inc	3,000.00	
Do	City of Miami	3,750.00	
Do	City of Miami Beach	2,500.00	
Do	Cybernectics & Systems, Inc	6,000.00	
Do	Dade County, Florida	4,166.66	
J.C. Luman & Associates, 1030 15th Street, NW, #720 Washington, DC 20005	National Assn of Personnel Consultants	4,000.00	
Michael L. Lunceford, 8787 Stemmons Freeway Dallas, TX 75247	Mary Kay Cosmetics, Inc		
Milton F. Lunch, 1420 King St. Alexandria, VA 22314	National Society of Professional Engineers	1,000.00	
Lund & O'Brien, 1625 Eye St., NW Washington, DC 20006	Federation of American Controlled Shipping	900.00	8.26
Do	Pennsylvania Power & Light Co	1,500.00	110.71
Francis M. Lunnie Jr., 1331 Pennsylvania Ave., NW, #1500 N. Washington, DC 20005	National Assn of Manufacturers		
Ann P. Lunson, Eastman Kodak Company 1919 Pennsylvania Ave., NW Washington, DC 20006	Eastman Chemicals Division	80.00	24.90
David C. Luttrell, 1422 W. Peachtree St., NW, #612 Atlanta, GA 30309	National Assn of Manufacturers		
W. Fletcher Lutz, 727 South 23rd St., #100 Arlington, VA 22202	Association of Government Accountants		
Howard T. Lyman, 600 Maryland Ave., SW, #202W Washington, DC 20024	Farmers' Educational & Co-Operative Union of America	7,500.60	146.88
Timothy P. Lynch, 1901 N. Fort Myer Dr., #204 Arlington, VA 22209	Roadway Express, Inc	425.00	200.00
John E. Lynn, 1735 New York Avenue, NW Washington, DC 20006	American Institute of Architects	1,600.00	
Margaret Lyons, 1747 Pennsylvania Ave., NW, #700 Washington, DC 20006	Ciba-Geigy Corp	2,875.00	
William T. Lyons, 1747 Pennsylvania Ave., NW, #700 Washington, DC 20006	Ciba-Geigy Corp	5,495.00	5,604.00
M.O.A./AIOA & Subs, Inc, 701 S. 22nd, #107 Omaha, NB 68102			
James E. Mack, 9005 Congressional Court Potomac, MD 20854	National Assn of Mirror Manufacturers		
Do	Peanut Butter & Nut Processors Assn		
James H. Mack, 7901 Westpark Dr. Mclean, VA 22102	National Machine Tool Builders' Assn	18,975.00	500.00
Timothy MacCarthy, 1620 I Street, NW, #1000 Washington, DC 20006	Motor Vehicle Manufacturers Assn of the U.S., Inc	2,275.00	
Jack A. MacDonald, 1901 N. Fort Meyer Drive, #302 Rosslyn, VA 22209	Beverly Enterprises, Inc	6,250.00	75.00
Miriam A. MacDonald, 1615 L Street, NW, #1210 Washington, DC 20036	Metropolitan Life Insurance Cos	1,000.00	
Malcolm MacKay, 51 Madison Avenue New York, NY 10010	New York Life Insurance Company		
Cliff Madison Government Relations, Inc, P.O. Box 7006 Northridge, CA 91327-7006	American Assn of Airport Executives	1,000.00	
Do	Burbank-Glendale-Pasadena Airport Authority	2,000.00	
Do	City of Avalon	750.00	
Do	Federal Express	3,500.00	
Do	Mark Air, Inc	4,000.00	
Do	Quantas Airways, Ltd	5,000.00	
Do	Regency Outdoor Advertising	2,000.00	
Do	Southern California Rapid Transit District	5,000.00	
Do	Ventura Port District	3,000.00	
Susan Magaw, P.O. Box 3556 Washington, DC 20007	American Meat Institute	2,000.00	
James N. Magill, 200 Maryland Avenue, NE Washington, DC 20002	Veterans of Foreign Wars of the U.S	4,500.00	1,094.64
A. John Maguire, 1030 15th Street, NW Washington, DC 20005	National Cotton Council of America	20,610.00	1,506.91
W. Terry Maguire, Box 17407 Dulles International Airport Washington, DC 20041	American Newspaper Publishers Assn	1,125.00	
David L. Mahan, 1818 N St., NW Washington, DC 20036	DGA International, Inc (For:Societe Nationale D'Etude et de Const de Moteurs D'Aviation)		
Do	Dga International, Inc (For:Sofreavia)	1,197.00	217.00
Terence P. Mahony, 1825 K Street, NW, #807 Washington, DC 20006	National Broadcasting Co, Inc	500.00	130.93
Steven R. Maimon, P.O. Box 7579 Washington, DC 20044	Ibus Group, Ltd		
Major League Baseball Players Assn, 805 Third Avenue New York, NY 10022			
K. Wayne Malbon, 1250 I Street, NW, #400 Washington, DC 20005	National Tire Dealers & Retreaders Assn	422.00	
Daniel C. Maldonado, 10000 Falls Rd., #300 Potomac, MD 20854	American Soc of Anesthesiologists	34,531.00	23,147.74
Do	Los Angeles Alliance for Equitable Customs Staffing	100.00	
Do	National Hemophilia Foundation	320.00	
Do	Research Society on Alcoholism	600.00	166.56
Do	Samaritan Health Services	1,560.00	47.72
Andrew T. Malleck, 400 First Street, NW Washington, DC 20001	Brotherhood of Maintenance of Way Employes	14,922.46	
Conrad L. Mallett Jr., 1800 First National Bldg Detroit, MI 48226	Jaffe Snider Raitt & Heuer		
David Mallino, 815 16th Street, NW Washington, DC 20006	Industrial Union Department, AFL-CIO	8,177.33	1,083.39
J. Wilson Malloy Jr., 1919 Pennsylvania Ave., NW Washington, DC 20006	Eastman Chemicals Division	850.00	136.00
Lawrence R. Malone, 1211 Avenue of The Americas New York, NY 10036	Celanese Corp		279.50
Robert H. Maloney, 490 L'enfant Plaza East, SW Washington, DC 20024	Tenneco, Inc		
William R. Maloni, 3900 Wisconsin Avenue, NW Washington, DC 20016	Federal National Mortgage Assn	28,750.00	480.31
Man-Made Fiber Producers Assn, Inc, 1150 17th St., NW, #310 Washington, DC 20036		7,767.00	15,784.66
Management & Government Resources, 1305 Mt. Holly Road Burlington, NJ 08016	Burlington Coat Factory	34,457.80	14,999.58
Manatt Phelps Rothenberg & Evans, 1200 New Hampshire Ave., NW, #200 Washington, DC 20036	American Institute of Real Estate Appraisers	1,732.50	
Do	American Petrofina, Inc	3,732.50	
Do	Bowling Proprietors' Assn of America	315.00	
Do	Chronar Corporation		
Do	Coalition to Save the Polygraph	2,720.00	
Do	Commerce Union Bank		
Do	Connecticut National Bank		
Do	Fairfield Communities, Inc	210.00	
Do	First Pennsylvania Bank		
Do	Flying Tiger Line, Inc		
Do	Government of Cyprus	1,100.00	
Do	Government of Jamaica		
Do	Jamaican Broadcasting Corp		
Do	Money Store		
Do	Northrop Corp		
Do	Philip Morris, Inc	1,310.00	
Do	Rollins Environmental Services		
Do	Rollins, Inc		
Do	RLC Corporation		
Do	Security First Group		
Do	Donald T. Sterling & Associates		
Do	Superior Training Services	450.00	
Do	Traweek Investment Co, Inc		
Katherine T. Mance, 1616 H Street, NW Washington, DC 20006	American Retail Federation	200.00	45.00
Susan Manes, 2030 M Street, NW Washington, DC 20036	Common Cause	12,337.50	208.80
Frank Mankiewicz, 901 31st Street, NW Washington, DC 20007	Hill & Knowlton, Inc (For:Bell Atlantic Management Systems)	150.00	
Do	Hill & Knowlton, Inc (For:Borg-Warner)		
Do	Hill & Knowlton, Inc (For:Republic of Turkey)		
Do	Hill & Knowlton, Inc (For:Stroh Brewery Co)		
Do	Hill & Knowlton, Inc (For:Title Insurance Industry Coalition)	150.00	
Do	Hill & Knowlton, Inc (For:United Air Lines)		
Do	Hill & Knowlton, Inc (For:Vietnam Veterans of America)		
Donald W. Mann, 210 The Plaza Teaneck, NJ 07666	Negative Population Growth, Inc		
Manufactured Housing Institute, 1745 Jefferson Davis Highway, #511 Arlington, VA 22202			6,700.00
John V. Maraney, 324 East Capitol St., NE Washington, DC 20003	National Star Route Mail Contractors Assn		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
R. A. Marble, 2550 M St., NW, #770 Washington, DC 20037	RJR Nabisco, Inc	1,978.02	
March for Life, Inc, P.O. Box 90300 Washington, DC 20090		3,431.41	7,773.69
R. V. Mariani, 815 16th St., NW Washington, DC 20006	Brotherhood of Railway Airline & Steamship Clerks	3,600.00	3,600.00
Maritime Institute for Research & Industrial Development, 1133 15th St., NW, #600 Washington, DC 20005			20,046.00
Richard Mark, 1616 P St., NW, #320 Washington, DC 20036	Professionals' Coalition for Nuclear Arms Control	9,791.63	5,605.35
Patricia Markey, 1155 15th St., NW, #400 Washington, DC 20005	United Distribution Companies	3,040.00	117.00
Lawrence D. Markley, P.O. Box 196300 Anchorage, AK 99519	Chugach Electric Assn, Inc	3,752.64	5,438.19
Marc L. Marks, 1801 K Street, NW Washington, DC 20006	Westinghouse Electric Corp		
Ronald Anthony Marks, 10 Waterside Plaza, #2b New York, NY 10010			
Luther A. Markwart, 1156 15th St., NW, #1019 Washington, DC 20005	American Sugarbeet Growers Assn		
Ernest Robert Marlow, 1126 16th Street, NW, #410 Washington, DC 20036-1081	International Chemical Workers Union	5,000.00	
Howard Marlowe, 1667 K St., NW, #660 Washington, DC 20006	Coalition to Keep Alaska Oil	4,725.00	274.25
Chalmers H. Marquis, 3430 Blair Rd. Falls Church, VA 22041	National Assn of Public Television Stations	600.00	150.00
Lori A. Marsden, 1015 15th Street, NW, #802 Washington, DC 20005	American Consulting Engineers Council	200.00	
C. Travis Marshall, 1776 K St., NW, #300 Washington, DC 20006	Motorola, Inc		81.50
Scott Marshall, 1909 K Street, NW Washington, DC 20049	American Assn of Retired Persons	342.60	
Thomas A. Martens, P.O. Box 10110 SO. Lake Tahoe, CA 95731	League to Save Lake Tahoe	770.84	
Danea Kehoe Martin, 1922 F Street, NW Washington, DC 20006	National Assn of Life Underwriters	560.00	65.00
David F. Martin, 2020 14th Street, North Arlington, VA 22201	American Standard Inc	750.00	
Dennis G. Martin, Dow Lohnes & Albertson 1255 23rd St., NW Washington, DC 20037	Dofasco, Inc		
Donald N. Martin, Donald N. Martin & Company, Inc 630 Fifth Ave. New York, NY 10111			
Fred J. Martin Jr., 1800 K Street, NW Washington, DC 20006	Bank of America	787.63	192.11
J. Ross Martin, Kansas Petroleum Council 1414 Merchants Nat'l Bank Bldg. 8th & Jackson Topeka, KS 66612	American Petroleum Institute		
John M. Martin Jr., 1750 K Street, NW Washington, DC 20006	Food Marketing Institute	100.00	
Katherine E. Martin, 50 F Street, NW Washington, DC 20001	Association of American Railroads	463.85	589.54
Larry K. Martin, 2500 Wilson Blvd. #301 Arlington, VA 22201	American Apparel Manufacturers Assn, Inc	2,600.00	75.00
Maureen A. Martin, 23 Wall Street New York, NY 10015	Morgan Guaranty Trust Co	275.00	227.60
Robert L. Martin, 1615 H Street, NW Washington, DC 20062	Chamber of Commerce of the U.S.	2,500.00	86.16
Stephen I. Martin, Hartford Plaza Hartford, CT 06115	Hartford Fire Insurance Co		
Judith Marty, 85 Ridge St. North Sydney, NSW 2060 Australia			
Merrill D. Marxman, 7708 Fullerton Road Springfield, VA 22153	Marxman & Associates, Inc		
Maryland People's Counsel, 231 E. Baltimore Street, 9th Fl. Baltimore, MD 21202			1,071.26
Mike M. Masaoka, Suite 520, The Farragut Bldg. 900 17th St., NW Washington, DC 20006	American Japanese Trade Comm		
Do	Japan Telescopes Manufacturers Assn	200.00	
Do	Nisei Lobby		
Do	Toyota Motor Sales, USA, Inc	750.00	
Do	West Mexico Vegetable Distributors Assn	500.00	
Mark A. Maslyn, 600 Maryland Avenue, SW Washington, DC 20024	American Farm Bureau Federation	5,938.00	262.71
Michael J. Mason, 1220 L St., NW Washington, DC 20005	American Petroleum Institute	10,600.00	92.96
W. A. Mason, P.O. Box 21106 Shreveport, LA 71156	Southwestern Electric Power Co	462.48	251.76
Ned W. Massee, 299 Park Avenue New York, NY 10171	Westvaco Corporation		978.88
Donald F. Massey, 901 31st Street, NW Washington, DC 20007	Hill & Knowlton, Inc (For:Commonwealth Financial Group)	756.25	
Do	Hill & Knowlton, Inc (For:Euromissile)		
Do	Hill & Knowlton, Inc (For:Fleischmann's Yeast)		
Do	Hill & Knowlton, Inc (For:Hitachi America Ltd)	275.00	
Do	Hill & Knowlton, Inc (For:Mutual of Omaha)		
Do	Hill & Knowlton, Inc (For:Palm Oil Registration & Licensing Authority)	137.50	
Do	Hill & Knowlton, Inc (For:Republic of Turkey)	4,812.50	
Do	Hill & Knowlton, Inc (For:Seminole Tribe of Florida)		
Do	Hill & Knowlton, Inc (For:Stroh Brewery Co)		
Do	Hill & Knowlton, Inc (For:Tesoro Petroleum Corp)		
Do	Hill & Knowlton, Inc (For:Title Insurance Industry Coalition)	3,300.00	
Do	Hill & Knowlton, Inc (For:United Airlines, Inc)	45.80	
Do	Hill & Knowlton, Inc (For:Waterman Steamship Corp)		
James D. Massie, 50 F Street, NW, #1050 Washington, DC 20001	Freeport McMoran, Inc	300.00	102.00
Masson Grimm & Burgum, Ltd, 106 North Carolina Ave., SE Washington, DC 20003	JEFCO	1,500.00	
Do	Parsons Brinkerhoff Quad & Douglas, Inc	1,875.00	
Cheryl Matheis, 1909 K Street, NW Washington, DC 20049	American Assn of Retired Persons	568.08	254.90
Julie Mathews, 2030 M Street, NW Washington, DC 20036	Common Cause	4,522.47	
Richard D. Mathias, 1660 L St., NW, #901 Washington, DC 20036	Pan American World Airways, Inc		
Dawson Mathis, 499 South Capitol St., SW, #407 Washington, DC 20036	Dawson Mathis & Associates (For:American Electronic Laboratories, Inc)		
Do	Dawson Mathis & Associates (For:Crowley Maritime Corp)		
Do	Long Lake Energy Corp		
Do	Dawson Mathis & Associates (For:Massachusetts Mutual Life Insurance Co)		
Do	Dawson Mathis & Associates (For:National Tooling & Machining Assn)		
Mary Helen Mathis, 444 North Capitol St., #711 Washington, DC 20001	Keefe Company (For:Carteret Savings & Loan)	135.00	
Do	Keefe Company (For:New York University)	1,620.00	
Do	Keefe Company (For:University of Medicine & Dentistry of New Jersey)	270.00	
Do	Keefe Co (For:University of Miami)	99.00	
Dawson Mathis & Associates, 499 South Capitol St., SW, #407 Washington, DC 20003	American Electronic Laboratories, Inc		
Do	Crowley Maritime Corp		
Do	Massachusetts Mutual Life Insurance Co		
Do	National Tooling & Machining Assn		
Peter Mattheis, 1050 Connecticut Avenue, NW Washington, DC 20036	Baker & Hostetler (For:Soap & Detergent Assn)		
Charles D. Matthews, 1050 17th St., NW, #700 Washington, DC 20036	National Ocean Industries Assn	3,250.00	
Robert A. Matthews, 700 North Fairfax St. Alexandria, VA 22314	Railway Progress Institute	1,125.00	
Suzette Matthews, 2020 North 14th Street, #410 Arlington, VA 22201	Air Traffic Control Assn, Inc	4,603.72	18.60
Joseph M. Mattingly, 1901 North Moore Street Arlington, VA 22209	Gas Appliance Manufacturers Assn, Inc		
Marshall L. Matz, Scott Harrison & Mcleod 2501 M Street, NW, 4th Fl. Washington, DC 20037	American School Food Service Assn	9,000.00	1,732.27
Michael Mawby, 2030 M Street, NW Washington, DC 20036	Common Cause	10,762.50	303.00
Jerry C. May, 1957 E Street, NW Washington, DC 20006	Associated General Contractors of America		
Walter R. May, 7004 Park Terrace Drive Alexandria, VA 22307	Yellow Freight System, Inc	13,500.00	2,420.00
Mayer Brown & Platt, 2000 Pennsylvania Avenue, NW, #6500 Washington, DC 20006	Attorneys' Liability Assurance Society Ltd		
Do	Business Roundtable		
Do	Comdisco, Inc		
Do	FMC Corporation	750.00	
Do	Goldman Sachs & Co		
Do	GATX Corporation		
Do	Hewlett-Packard Co		
Do	Household Commercial Financial Services, Inc		
Do	Inland Steel Corp		
Do	JMB Realty Corp		
Do	Lasalle Partners, Inc		
Do	Merrill Lynch Capital Markets		
Do	Sears Roebuck & Co		
Do	Shearson Lehman Brothers, Inc		
Do	Voluntary Hospital Assn		
Martin Mayfield, 8001 Braddock Road Springfield, VA 22160	National Right to Work Committee	600.00	284.64
Wiley Mayne, P.O. Box 1557 Sioux City, IA 51102	Monona County Land Assn		4,125.04
Jeffrey G. Mays, 1505 Prince Street, Suite 300 Alexandria, VA 22314	American Optometric Assn		
Michael J. McAdams, 1015 18th Street, NW Washington, DC 20036	Fertilizer Institute	10,000.00	2,038.60
H. Wesley McAden, 1155 15th St., NW, #504 Washington, DC 20005	J. G. Boswell Co	3,000.00	
Do	New York Cotton Exchange	2,000.00	
Do	Supima Association of America	2,000.00	
Douglas E. McAllister, 1920 N St., NW Washington, DC 20036	American Mining Congress		
John H. McAllister, Dow Lohnes & Albertson 1255 Twenty Third St., NW Washington, DC 20037	Dofasco, Inc		
McAuliffe Kelly Furlong Aldrich & Siemens, 555 New Jersey Ave., NW, #880 Washington, DC 20001	American Health Care Assn	600.00	
Do	ADAPSO	200.00	
Do	Human Rights Campaign Fund	600.00	
Do	Joseph E. Seagram & Sons, Inc	800.00	
Do	Southern California Rapid Transit District	1,400.00	
Do	State Street Development Co of Boston		
Do	Stock Information Group		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Ann McBride, 2030 M St., NW Washington, DC 20036	Common Cause	15,276.30	152.00
R. G. McBride, Mississippi Petroleum Council P.O. Box 42 Jackson, MS 39205	American Petroleum Institute	1,150.00	967.10
Stephen C. McCaffrey, 1828 N. Meridian Street Indianapolis, IN 46202	United Way of Central Indiana		
Julie P. McCahill, 1101 16th Street, NW Washington, DC 20036	National Soft Drink Assn		
John D. McCallum, 1900 Pennsylvania Ave., NW Washington, DC 20068	Potomac Electric Power Co		
McCamish Ingram Martin & Brown, 650 MBank Tower 221 West 6th Street Austin, TX 78701	Federal Land Bank Defense Fund	1,516.66	952.95
Do	SSC Commission of the West Texas Chamber of Commerce		
Do	United Services Automobile Assn	990.00	782.05
Katherine S. McCarter, 1015 15th Street, NW Washington, DC 20005	American Public Health Assn	2,566.00	
Robin W. McClung, 1667 K St., NW, #1210 Washington, DC 20006	Rohm & Haas Co	500.00	22.06
Frederick D. McClure, 1201 Pennsylvania Ave., NW, #300 Washington, DC 20004	Texas Air Corp	2,500.00	2,098.00
McClure & Trotter, 1100 Connecticut Ave., NW, #600 Washington, DC 20036	Bell & Howell (for Columbia Pictures Video Services)		43.95
Do	Coca-Cola Company		114.04
Do	Gulf & Western Industries, Inc		139.98
Do	Mobil Oil Corp	2,979.38	91.90
Do	National Assn of Small Business Investment Cos		
Do	Ross Capital Corp		
Do	TSO Financial Corp		58.82
Mark L. McConaghy, 1801 K St., NW, #700 Washington, DC 20006	Price Waterhouse (For:Toyota Motor Kentucky, Inc)		
Robert S. McConnaughey, 1001 Pennsylvania Ave., NW Washington, DC 20004	American Council of Life Insurance, Inc		
Hugh T. McCormick, 520 Madison Avenue New York, NY 10022	LeBoeuf Lamb Leiby & MacRae (For:General Conf of the 7th Day Adventists Church Risk Mgt Svcs).		193.00
Molly McCormick, 2301 Market Street, S 13-1 Philadelphia, PA 19101	Philadelphia Electric Company		
Dennis R. McCoy, 1747 Pennsylvania Ave., NW, #300 Washington, DC 20006	United Gas Pipe Line Co		
Meredith McCoy, 11101 Connecticut Ave., NW, #500 Washington, DC 20036	Arkansas Assn of Securities Dealers		
Do	Mid-South International Trade Assn		
James K. McCracken, 111 Massachusetts Avenue, NW, #200 Washington, DC 20001			
Cliff G. McCreedy, 8100 Oak Street Dunn Loring, VA 22027	National Pest Control Assn		
John McDavitt, 1300 19th St., NW, #501 Washington, DC 20036	National Comm to Preserve Social Security	2,600.00	
Albert L. McDermott, 1819 L Street, NW, #600 Washington, DC 20036	American Hotel & Motel Assn	2,561.98	
Mark T. McDermott, Joseph, Powell, Mcdermott & Reiner, P.c. 1300 19th Street, NW, #400 Washington, DC 20036	Civil Pilots for Regulatory Reform		
E. T. McDonald, 815 16th St., NW Washington, DC 20006	Brotherhood of Railway Airline & Steamship Clerks	3,200.00	3,200.00
Jack McDonald, 1489 Chain Bridge Road, #200 McLean, VA 22101	Jack McDonald Co (For:American Express Corp)		
Do	Jack McDonald Co (For:Chase Manhattan Bank, N.A.)		
Do	Jack McDonald Co (For:Dow Corning Corp)		
Do	Jack McDonald Co (For:Hitachi Sales Corp of America)		30.00
Do	Jack McDonald Co (For:Jacques Borel Enterprises, Inc)		
Do	Jack McDonald Co (For:Royal Zenith Corp)		
Do	Jack McDonald Co (For:Societe Generale de Surveillance, S.A.)		
Michael D. McDonald, Maryland Petroleum Assn 60 West St. Annapolis, MD 21401	American Petroleum Institute	120.00	
Jack McDonald Co, 1489 Chain Bridge Road, #200 McLean, VA 22101	American Express Corp		
Do	Chase Manhattan Bank, N.A.		
Do	Dow Corning Corp		
Do	Hitachi Sales Corp of America		30.00
Do	Jacques Borel Enterprises, Inc		
Do	Royal Zenith Corp		
Do	Societe Generale de Surveillance, S.A.		
Sandra McDonough, 920 SW 6th Ave., 1400 PSB Portland, OR 97204	Pacific Power & Light Co	1,320.00	199.50
Marian E. McDowell, 1111 19th Street, NW Washington, DC 20036	Edison Electric Institute	2,228.28	489.60
Dinah D. McElfresh, 1255 23rd Street, NW, #850 Washington, DC 20037	Hauck & Associates (For:National Assn for Child Care Management)		
Rick McElheny, 901 31st Street, NW Washington, DC 20007	Hill & Knowlton, Inc (For:International Brotherhood of Teamsters)		
Christine W. McEntee, 50 F Street, NW, #1100 Washington, DC 20001	American Hospital Assn		91.28
Robert H. McFadden, 1620 Eye Street, NW, #1000 Washington, DC 20006	Motor Vehicle Manufacturers Assn of the U.S., Inc		
Ann McFarren, 729 8th St., SE, #200 Washington, DC 20003	FARO AIDS Action Council, Inc	3,403.75	
Terry M. McGann, 1121 L Street, #100 Sacramento, CA 95814	California Assn for Health Services at Home (CAHSAH)		380.44
Do	Foundation Health Corp		
Do	Maxicare		
Donna Lee McGee, 1726 M St., NW, #401 Washington, DC 20036	Burlington Industries, Inc	1,000.00	1,967.50
Gale W. McGee, 901 31st St., NW Washington, DC 20007	Hill & Knowlton, Inc (For:Republic of Turkey)	225.00	
P. Anne McGhee, 1750 K St., NW Washington, DC 20006	Food Marketing Institute	450.00	
Robert M. McGlotten, 815 16th St., NW Washington, DC 20006	American Fed of Labor & Congress of Industrial Organizations	18,969.00	1,663.41
McGough & Associates, Inc, 65 East State Street, #1510 Columbus, OH 43215	Timken Co	12,000.00	29,390.24
Phyllis M. McGovern, 1875 Eye Street, NW, #800 Washington, DC 20006	Tobacco Institute		
Jeanne H. McGowan, 1025 Connecticut Avenue, NW, #415 Washington, DC 20036	American Insurance Assn		
Christopher C. McGrath, New York State Petroleum Council 156 William St. New York, NY 10038	American Petroleum Institute	298.85	255.50
Jerome J. McGrath, 1660 L St., NW, #601 Washington, DC 20036	Interstate Natural Gas Assn of America	500.00	
Richard L. McGraw, 950 L'enfant Plaza, SW Washington, DC 20024	Communications Satellite Corp		
McGuiness & Williams, 1015 15th Street, NW, #1200 Washington, DC 20005	American Polygraph Assn		
Do	Borg-Warner Corp		
Do	City of West Lafayette		
Do	Coin Depot Corp		
Do	National Manufactured Housing Assn		
Do	Pony Express Courier Corp		
Do	Wells Fargo Armored Service Corp		
Joseph M. McGuire, 1501 Wilson Blvd. Arlington, VA 22209	Air Conditioning & Refrigeration Institute		
Peter E. McGuire, 1219 28th Street, NW Washington, DC 20007	Hotel Employees & Restaurant Employees Int'l Union		
McGuire Woods Battle & Boothe, One James Center Richmond, VA 23219	United Co		
McHenry & Staffier, P.C., 1300 19th St., NW, #408 Washington, DC 20036	Foothills Pipe Lines (Yukon) Ltd	277.50	
Do	Nova, An Alberta Corp		
Do	Novacor Chemicals, Ltd	370.00	
Do	Pan-Alberta Gas Ltd	277.50	
James E. McInerney Jr., 122 C Street, NW, #740 Washington, DC 20001	American League for Exports & Security Assistance, Inc	3,500.00	186.11
Clarence M. McIntosh Jr., 400 First St., NW Washington, DC 20001	Railway Labor Executives' Assn	2,382.02	
Jan E. McKenzie, 1111 19th St., NW, #702 Washington, DC 20036	Edison Electric Institute	2,703.70	593.53
Robert T. McKernan, 1250 Connecticut Ave., NW Washington, DC 20036	American Paper Institute, Inc	250.00	
William Colm McKeveny, Chadbourne Park Law Firm 30 Rockefeller Plaza New York, NY 10112	American Pulpwood Assn		
C. A. 'Mack' McKinney, 225 North Washington Street Alexandria, VA 22314	Non Commissioned Officers Assn of the USA	10,025.00	652.29
Steven G. McKinney, P.O. Box 306 Birmingham, AL 35201	Balch & Bingham (For:Southern Company Services, Inc)		
Thomas I. McKnew Jr., 1667 K St., NW, #600 Washington, DC 20006	Santa Fe Southern Pacific Corp	1,500.00	
Francis X. McLaughlin, 1730 K St., NW, #1100 Washington, DC 20006	National Treasury Employees Union	8,413.25	1,114.82
James D. McLaughlin, 1120 Connecticut Ave., NW Washington, DC 20036	American Bankers Assn	650.00	
Edward T. McMahon, 218 D Street, SE Washington, DC 20003	Coalition for Scenic Beauty	587.00	24.00
William F. McManus, 1331 Pennsylvania Avenue, NW Washington, DC 20004	General Electric Co	530.00	
C. W. McMillan, 2021 K Street, NW, #306 Washington, DC 20006	McMillan & Farrell Associates, Inc	300.00	187.90
James D. McMillan, 1899 L St., NW, #1100 Washington, DC	Exxon Corporation	1,100.00	455.57
Sandra H. McMullan, 122 C St., NW, #750 Washington, DC 20001	National Assn of Independent Colleges & Universities	4,938.00	208.00
McNair Law Firm, P.A., 1155 15th Street, NW, #400 Washington, DC 20005	Alabama Construction Contractors, et al.	2,660.00	406.45
Do	Alabama Power Co	3,015.45	333.96
Do	Allied-Signal, Inc	53.00	40.27
Do	Amalgamated Clothing & Textile Workers Union	900.00	29.55
Do	American Financial Services Assn		44.99
Do	ADDSCO Industries, Inc	1,600.00	139.79
Do	Bell South Corp	9,993.70	475.54
Do	Beneficial Management Corp of America		
Do	Bristol-Myers Co	290.00	148.19
Do	Business Roundtable	1,550.00	674.51
Do	BF Goodrich Co	12,606.00	579.79
Do	Carolina Urocorp		39.33
Do	Citmoco Services, Inc		15.65
Do	Commercial Law League of America		
Do	CBS, Inc		
Do	CF&I Steel Corp	1,002.50	
Do	Food Marketing Institute	2,039.00	56.73

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Georgia-Pacific Corp		
Do	GTE Corporation		4.39
Do	Hospital Corp of America		33.63
Do	Intergraph Corporation		
Do	Kraft, Inc		
Do	Louisiana Pacific Corp		
Do	Marriott Corp		
Do	Mesa Ltd Partnership	442.00	5.12
Do	Metropolitan Insurance		
Do	Michelin Tire Company		51.94
Do	Milliken Mills		36.71
Do	Monarch Group		
Do	National Assn of Realtors		
Do	National Football League		
Do	National Industries	1,308.60	97.90
Do	New York State Bankers Assn	4,000.00	70.65
Do	Norfolk Southern Corp		42.32
Do	Pacific Theatres		
Do	R.J. Reynolds Tobacco Co	5,309.96	266.93
Do	SmithKline Beckman Corp		
Do	Texas Gas Transmission Corp		
Do	Texas Oil & Gas Corp		
Do	Times Mirror Co		
Do	Union Pacific Corp	865.48	28.15
Do	Vulcan Materials Co	1,867.20	86.80
Do	Waste Management, Inc	300.00	130.53
Do	Westinghouse Electric Corp		104.35
Kathryn M. McNamara, 633 Pennsylvania Avenue, NW, #600 Washington, DC 20004	Sears Roebuck & Co	375.00	91.43
Laramie Faith McNamara, 1000 Wilson Blvd., #2700 Arlington, VA 22209	TRW, Inc	1,000.00	
Peter F. McNeish, 1156 15th Street, NW, #1101 Washington, DC 20005	National Assn of Small Business Investment Cos	3,000.00	
Michael J. McShane, 1101 30th Street, NW, #500 Washington, DC 20007	National Computer Systems		
Martha McSteen, 1300 19th St., NW, #501 Washington, DC 20036	National Comm to Preserve Social Security	2,667.00	
George G. Mead, 1908 Ednor Road Cloverly, MD 20904	North American Van Lines, Inc	2,500.00	
Leslie S. Mead, 50 F Street, NW, #900 Washington, DC 20001	National Council of Farmer Cooperatives		
Joseph F. Meadow, 7100 Baltimore Avenue College Park, MD 20740	United Action for Animals, Inc	1,200.00	
John K. Meagher, 1025 Thomas Jefferson Street, NW Washington, DC 20007	LTV Corporation	3,000.00	975.00
Francis X. Meaney, 1825 Eye Street, NW Washington, DC 20006	Mintz Levin Cohn Ferris Glovsky & Popeo (For:Goldman Sachs & Co)		
Do	Mintz Levin Cohn Ferris Glovsky & Popeo (For:Securities Industry Assn)	1,500.00	
Medical-Dental Diversified Services, Inc, 15600 San Pedro #107 San Antonio, TX 78232-3738	U.A.G. Alumni Assn		
Medtronic, Inc, 7000 Central Ave., NE Minneapolis, MN 55432			41.29
Colise G. Medved, 1800 Diagonal Rd., #500 Alexandria, VA 22314	Penn Central Corporation		
William H. Megonnell, 1111 19th St., NW, 9th Floor Washington, DC 20036	Edison Electric Institute	2,447.60	154.00
Richard A. Mehler, 1818 N Street, NW, #200 Washington, DC 20036	Automotive Parts Rebuilders Assn	350.00	13.50
Larry Mehlhaff, 23 N. Scott Sheridan, WY 82801	Sierra Club	6,500.00	3,268.15
Kenneth F. Melley, 1201 16th Street, NW Washington, DC 20036	National Education Assn		
Carol Melton, 1133 21st St., NW, #400 Washington, DC 20036	Warner Communications, Inc	9,250.00	294.20
Howard A. Menell, 1020 19th St., NW, #600 Washington, DC 20036	American Express Co		
Edward L. Menning, 1522 K St., NW, #836 Washington, DC 20005	National Assn of Federal Veterinarians	70.28	
Donald H. Mensch, 2200 Mill Road Alexandria, VA 22314	American Movers Conference	785.00	
Jane Mentzinger, 2030 M Street, NW Washington, DC 20036	Common Cause	6,866.28	213.59
Merit Stainless Steel, Inc, 28332 Hayes Road Roseville, MI 48066			
Edward A. Merlis, 1724 Massachusetts Avenue, NW Washington, DC 20036	National Cable Television Assn, Inc	3,100.00	
Edward L. Merrigan, 6000 Connecticut Ave., NW Washington, DC 20815	Central Gulf Lines, Inc	10,000.00	798.84
Do	National Assn of Recycling Industries, Inc		
Do	Rolls-Royce Motors, Inc	1,912.50	23.50
Nancy Jo Merrill, 1725 K St., NW, #814 Washington, DC 20006	March of Dimes Birth Defects Foundation		
Merrill Lynch & Co, Inc, 1828 L St., NW, #906 Washington, DC 20036			19,500.00
Richard P. Merski, 1455 Pennsylvania Avenue, NW, #900 Washington, DC 20004	American International Group, Inc	5,000.00	2,177.70
Harold E. Mesirow, 1800 M St., NW, #250 Washington, DC 20036	Lillick Mchose & Charles (For:Foss Launch & Tug Company, et al.)		
Neil T. Messick, 1331 Pennsylvania Ave., NW Washington, DC 20004	General Electric Co	1,200.00	
Jean L. Mestres, 1747 Pennsylvania Avenue, NW, #300 Washington, DC 20006	Cities Service Oil & Gas Corp	1,509.48	122.65
Jeremy Metz, 260 Madison Avenue New York, NY 10016	American Paper Institute, Inc		
M. Barry Meyer, 900 19th Street, NW Washington, DC 20006	Aluminum Assn	50.00	25.00
Larry D. Meyers, 412 First Street, SE Washington, DC 20003	American Beekeeping Federation		
Do	CEPEX Pacific, Inc	1,800.00	
Do	Hucheng International Co		
Do	National Agricultural Chemicals Assn	15,000.00	
Do	National Peanut Growers Group	1,000.00	
Do	Nuclear Waste Task Force	5,000.00	
Do	Rice Belt Warehouse, Inc	4,500.00	
Do	Sam Kane Packing		
Do	Superconducting Super Collider	3,600.00	
Do	Texas Cotton Marketing		
David R. Mica, Florida Petroleum Institute 325 John Knox Rd., #F-210 Tallahassee, FL 32303	American Petroleum Institute		
John L. Mica, 201 Massachusetts Ave., NE, #C-9 Washington, DC 20002	Harris RF Communications	8,000.00	120.00
Do	Lantana Boatyard, Inc	2,000.00	
Eileen F. Michaels, 1317 F Street, NW, #202 Washington, DC 20004	Lisboa Associates, Inc (For:University of the Virgin Islands)	525.00	
James G. Michaux, P.O. Box 70297 Washington, DC 20088	Federated Dept Stores, Inc	500.00	
Kyle Michel, 340 8th St., NE Washington, DC 20002	National Save the Family Farm Coalition		
Laurie L. Michel, 555 13th St., NW, #900 East Washington, DC 20004	Ballard Spahr Andrews & Ingersoll (For:Arthur Andersen & Co)		
Thomas A. Micheletti, 1111 19th Street, NW, #303 Washington, DC 20036	Southern California Edison Co	3,750.00	1,500.00
Kathleen Michels, 1101 14th Street, NW, #200 Washington, DC 20005	American Nurses' Assn	4,415.00	270.54
Michigan Council of Self-Insured Group Administrators, 3670 Golfside Rd. Ypsilanti, MI 48197			
Mid-Continent Oil & Gas Assn, 711 Adams Office Bldg. Tulsa, OK 74103		21,446.44	25,142.70
Roger E. Middleton, 1615 H Street, NW Washington, DC 20062	Chamber of Commerce of the U.S.	2,400.00	17.00
Paul J. Mignini Sr., 815 16th Street, NW, #310 Washington, DC 20006	Amalgamated Clothing & Textile Workers Union		
Migrant Legal Action Program, Inc, 2001 S St., NW, #310 Washington, DC 20009			
Lisa Mihaly, 122 C Street, NW, 4th Fl. Washington, DC 20001	Children's Defense Fund of the Washington Research Project	1,126.40	
Sharon Mihnovets, 2809 S. Joyce St. Arlington, VA 22202			
Janice I. Milazzo, 1001 22nd Street, NW Washington, DC 20037	Standard Oil Co (Ohio)		
Milbank Tweed Hadley & McCloy, 1825 Eye St., NW Washinton, DC 20006	Joint Task Force on Fed Financial Assist. for Law Students		
Miles & Stockbridge, 1701 Pennsylvania Ave., NW, #500 Washington, DC 20006	Black and Decker Manufacturing Company		125.00
Do	Pepsico, Inc		75.00
Do	Pizza Hut, Inc		100.00
Charles R. Miller, 1155 Connecticut Ave., NW Washington, DC 20036	Waste Management, Inc	1,250.00	
Dale Miller, 4000 Reno Road, NW Washington, DC 20008	Texasgulf, Inc	1,125.00	223.61
Deborah Imle Miller, 15th & M Streets, NW Washington, DC 20005	National Assn of Home Builders of the U.S.		
Grant Miller, 1725 Jefferson Davis Highway, #900 Arlington, VA 22202	LTV Aerospace & Defense Co	2,500.00	125.00
Harris C. Miller, 1747 Pennsylvania Avenue, #300 Washington, DC 20006	Occidental Chemical Corp	1,620.00	235.98
Jeffrey T. Miller, P.O. Box 1933 East Hanover, NJ 07936	Nabisco Brands, Inc		
Joseph E. Miller Jr., 1608 K Street, NW Washington, DC 20006	American Legion	7,608.00	45.40
Lawrence E. Miller, 1522 K Street, NW, #828 Washington, DC 20005	American Veterinary Medical Assn		
Linda B. Miller, 1625 Eye St., NW, #810 Washington, DC 20006	Volunteer Trustees of Not-For-Profit Hospitals		
Marye T. Miller, 50 F St., NW, #1040 Washington, DC 20001	Ray F. Bragg, Inc (For:American Independent Refiners Assn)	50.00	
Nicholas P. Miller, 1150 Connecticut Ave., NW, #617 Washington, DC 20036	Miller & Young		
Paul J. Miller, 8000 Sears Tower Chicago, IL 60606	Investment Counsel Assn of America, Inc		
Richard G. Miller, 1101 14th Street, NW, #200 Washington, DC 20005	American Nurses' Assn	3,900.00	931.98
Robert H. Miller, 490 L'enfant Plaza East, SW, #2202 Washington, DC 20024	Tenneco, Inc		28.00
Robin Miller, 1925 K Street, NW Washington, DC 20006	Alliance to Save Energy		
Harris Miller & Associates, 1655 N. Fort Myer Drive #700 Arlington, VA 22209	Agricultural Producers		
Do	Florida Fruit & Vegetable Assn		
Do	Home Group	1,500.00	420.00
Do	National Council of Agricultural Employers	6,000.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	National Unity Fund	1,304.00	306.50
Do	Western Range Assn	108.00	825.00
Miller & Chevalier, Chtd, Metropolitan Square 655 15th Street, NW Washington, DC 20005	Electronic Industries Assn		
Do	Ideal Basic Industries, Inc	8,000.00	
Do	National Assn of Temporary Services, Inc		
Miller & Young, 1225 19th street, n.w. suite 400 Washington, DC 20036	City of Sacramento, et al.	2,098.37	31.75
Do	Sugar Land Telephone Co	7,198.80	72.05
Denny Miller Associates, Inc, 400 N. Capitol St., NW, #325 Washington, DC 20001	Boeing Company	3,000.00	
Do	Marine Engineers' Beneficial Assn	800.00	
Do	Olin Corp	3,000.00	
Do	Port of Tacoma	945.00	
Do	State of Washington, Dept of Transportation	3,737.50	
Miller Cassidy Larroca & Lewin, 2555 M St., NW, #500 Washington, DC 20037	Independent Insurance Agents of America, Inc, et al.	2,362.50	
Do	National Assn of Life Underwriters, et al	2,362.50	
Do	47th Street Photo	1,000.00	
C.G. Pete Milligan, 1442 S.W. Troon Circle Palm City, FL 33490	American Telephone & Telegraph Co	2,800.00	124.36
Jeanne Milliken, 2000 Pennsylvania Ave., NW, #3700 Washington, DC 20006	Jaeckle Fleischmann & Mugel	200.00	18.00
John C. Milliner Jr., P.O. Box 1788 Forest Park, GA 30051	Southeastern Lumber Manufacturers Assn		
Amy J. Millman, 1875 Eye St., NW, #500 Washington, DC 20006	Philip Morris, Inc	700.00	200.00
Robert G. Mills, 450 Maple Ave., East, #204 Vienna, VA 22180	U.S. Defense Committee	2,400.00	
Mineral Insulation Manufacturers Association, 1420 King Street Alexandria, VA 22314		10,250.80	40,207.37
Joseph G. Minish, 66 Sheridan Avenue West Orange, NJ 07052	Bayamon Federal Savings	6,000.00	158.00
Mintz Levin Cohn Ferris Glovsky & Popeo, P.C., 1825 I Street, NW, #1025 Washington, DC 20006	Cablevision Systems Development Co		
Do	Home Recording Rights Coalition	35,500.00	
Do	Houghton Mifflin Company	1,331.26	
Do	Siemens Capital Corp	27,500.00	
Do	Turner Broadcasting System, Inc	1,000.00	
Edward F. Mitchell, 1900 Pennsylvania Avenue, NW Washington, DC 20068	Potomac Electric Power Co	31.11	
Jo Anne Mitchell, 1331 Pennsylvania Ave., NW, #550 Washington, DC 20004	Commodity Exchange, Inc	2,000.00	2,224.50
Stacey J. Mobley, 1701 Pennsylvania Avenue, NW, #900 Washington, DC 20006	E. I. du Pont de Nemours & Co		
Robert G. Moch, Roberts & Shefelman 800 Fifth Avenue, #4100 Seattle, WA 98104	Justin E. Marshall	1,100.00	579.10
David T. Modi, 1701 Pennsylvania Avenue, NW, #900 Washington, DC 20006	E. I. du Pont de Nemours & Co		
John Moehring, 2200 Mill Road Alexandria, VA 22314	American Movers Conference	625.00	
Robert M. Moliter, 1331 Pennsylvania Ave., NW, #865 Washington, DC 20004	General Electric Co		
Robert H. Mollohan, 912 Sylvan Avenue Fairmount, WV 26554	Airspace Technology, Inc	300.00	
Do	Austin Powder Co, Inc	300.00	
Do	Lynch Associates	300.00	
Robert A. Molofsky, 5025 Wisconsin Avenue, NW Washington, DC 20016	Amalgamated Transit Union, AFL-CIO	5,000.00	93.00
C. Manly Molpus, P.O. Box 3556 Washington, DC 20007	American Meat Institute	1,000.00	
Christopher Monek, 1957 E St., NW Washington, DC 20006	Associated General Contractors of America		
Elizabeth R. Monro, 1709 New York Ave., NW Washington, DC 20006	Air Transport Assn of America	12,807.25	15,348.93
Michael Monroney, 1000 Wilson Blvd., #2700 Arlington, VA 22209	TRW, Inc	1,000.00	
John H. Montgomery, 2555 M St., NW, #100 Washington, DC 20037	National Rural Water Assn	12,060.00	6,999.00
Alfredo C. Montoya, 815 16th Street, NW, #707 Washington, DC 20006	Labor Council for Latin American Advancement		
David H. Montplaisir, Patton Boggs & Blow 2550 M St., NW Washington, DC 20037	Association of Trial Lawyers of America		
James P. Mooney, 1724 Massachusetts Ave., NW Washington, DC 20036	National Cable Television Assn, Inc	6,125.00	
Alan J. Moore, 1667 K St., NW, #600 Washington, DC 20006	Santa Fe Southern Pacific Corp	1,000.00	
Carlos Moore, 1101 Connecticut Avenue, NW, #300 Washington, DC 20036	American Textile Manufacturers Institute, Inc	440.00	46.00
Francis B. Moore, 3003 Butterfield Road Oak Brook, IL 60521	Waste Management, Inc	5,000.00	2,831.75
Richard L. Moore, P.O. Box 338 Dearborn, MI 48121	Detroit Tooling Assn Worker's Compsensation Fund	1,530.00	1,405.00
Thomas L. Moore, 2200 Mill Road Alexandria, VA 22314	National Private Trucking Assn		
Walter K. Moore, 50 F Street, NW, #1100 Washington, DC 20001	American Hospital Assn		1,636.23
William D. Moore, Commerce Center 30 Exchange Terrace Providence, RI 02903	Greater Providence Chamber of Commerce	337.63	3,472.00
Judith Morehouse, 1700 N. Moore Street Rosslyn, VA 22209	Boeing Company	4,704.00	
Dudley Digges Morgan III, 4900 Baronne New Orleans, LA 70115	Southern Forest Products Assn	12,402.54	
E. Joyce Morgan, 1920 N St., NW Washington, DC 20036	American Mining Congress		
Fred Morgan, 515 Fifth Avenue Des Moines, IA 50308	Crop Insurance Research Bureau		105.50
J. Railton Morgan, 412 First Street, SE Washington, DC 20003	National Automobile Dealers Assn	3,000.00	
John Morgan, 1925 K St., NW Washington, DC 20006	Communications Workers of America		
Peter Denis Morgan, 777 14th Street, NW Washington, DC 20005	National Assn of Realtors	1,750.00	
Morgan Lewis & Bockius, Suite 800 North 1800 M St., NW Washington, DC 20036	Business Roundtable		
Do	Coalition Against Takeover Abuse		
Do	Consolidated Natural Gas Co		
Do	Scotch Whisky Assn		
James A. Morrill, 1726 M St., NW, #901 Washington, DC 20036	Scott Paper Co	6,000.00	309.03
Loretta C. Morris, 1725 K Street, NW, #814 Washington, DC 20006	March of Dimes Birth Defects Foundation	1,131.25	20.20
Tessa Morris, 1155 Connecticut Ave., NW, #1130 Washington, DC 20036	Security Pacific National Bank		
W. Patrick Morris, 1110 Vermont Avenue, NW Washington, DC 20005	Shipbuilders Council of America	1,500.00	
James Morrison, 21 Dupont Circle, NW, #300 Washington, DC 20036	Business Executives for National Security	4,015.00	93.00
James W. Morrison Jr., 1390 Piccard Dr. Rockville, MD 20850	CNA Insurance Co		
William C. Morrison, 2001 North Adams St. Arlington, VA 22201	Meat Importers Council of America, Inc		
Morrison & Foerster, 2000 Pennsylvania Ave., NW Washington, DC 20006	City and County of San Francisco	195.00	27.00
Do	Consolidated Freightways		
Do	Rosenberg Real Estate Equity Fund, Inc	1,560.00	
Michael L. Morton, 918 16th Street, NW, #701 Washington, DC 20006	Godfrey Associates, Inc		
George R. Moses, 2001 Eye St., NW Washington, DC 20006	Electronic Industries Assn	1,000.00	20.93
Russell N. Mosher, 950 N. Glebe Rd., #160 Arlington, VA 22203	American Boiler Manufacturers Assn, Inc		2,180.00
Dorothy J. Moss, 1101 Vermont Avenue, NW Washington, DC 20005	American Medical Assn	25.00	
Moss Associates, Inc, 2450 Virginia Ave., NW Washington, DC 20037	Association of Bank Holding Cos	900.00	
Gerald J. Mossinghoff, 1100 15th Street, NW, #900 Washington, DC 20005	Pharmaceutical Manufacturers Assn	1,000.00	
Beth Moten, 1016 16th St., NW, Washington, DC 20036	National Fed of Federal Employees	9,010.28	
John J. Motley, 600 Maryland Ave., SW, #695 Washington, DC 20024	National Fed of Independent Business	9,570.00	717.00
L. A. Motley and Company, 1800 K Street, NW, #1000 Washington, DC 20006	Adical	74,980.00	830.47
Do	Seatrain Tankers Corp	16,000.00	
Do	Thai Food Processors Assn		
Motor and Equipment Manufacturers Association, 1325 Pennsylvania Ave., NW Washington, DC 20004			3,645.46
Motor Vehicle Manufacturers Assn of the U.S., Inc, 300 New Center Bldg. Detroit, MI 48202		9,674.12	9,674.12
Thomas O. Moulton Jr., 444 North Capitol St., NW, #718 Washington, DC 20001	Pacific Telesis Group	12,000.00	
Susan Connolly Moya, 1615 H St., N.w. Washington, DC 20061	U.S. Chamber of Commerce	2,500.00	
Muldoon Murphy & Faucette, 5101 Wisconsin Ave., NW, #508 Washington, DC 20016	Anchor Savings Bank, FSB	20,000.00	150.20
Do	Carteret Savings Bank, F.A	20,000.00	150.20
Do	Empire of America, FSB	20,000.00	264.55
Do	Gibraltar Savings	20,000.00	114.35
Do	Glendale Federal Savings & Loan Assn	20,000.00	150.20
Do	Meritor Savings Bank	20,000.00	150.20
Do	Northeast Savings, F.A	20,000.00	150.20
Do	Wilmington Savings Fund Society, FSB	20,000.00	114.35
James S. Mulhern, 1840 Wilson Boulevard Arlington, VA 22201	National Milk Producers Federation	3,225.00	593.11
Albert E. Mullin Jr, 111 Powdermill Rd. (b79) Maynard, MA 01754	Digital Equipment Corp	15,000.00	
Tracy Mullin, 1000 Connecticut Ave., NW, #700 Washington, DC 20036	National Retail Merchants Assn	4,000.00	85.50
H. Edward Munnerlyn, P.O. Box 1017 Greenwood, SC 29648	Greenwood Mills, Inc	2,500.00	799.35
James Brian Munroe, 1747 Pennsylvania Ave., NW, 3rd Fl. Washington, DC 20006	Occidental Chemical Corp	31.24	30.71
Daniel J. Murphy, 901 31st Street, NW Washington, DC 20007	Hill & Knowlton, Inc (For:Republic of Turkey)		
Elizabeth A. Murphy, 1901 N. Fort Myer Drive, #204 Arlington, VA 22209	Roadway Express, Inc		
George F. Murphy Jr., 410 First Street, SE Washington, DC 20003	American Nuclear Energy Council	850.00	467.12
James P. Murphy, 485 Lexington Ave., 25th Floor New York, NY 10017	New York State Bankers Assn		
John P. Murphy, 1001 Connecticut Ave., NW, #1120 Washington, DC 20036	Chemical Specialties Manufacturers Assn, Inc	1,294.00	508.27
Lester L. Murphy Jr., 5709 W. 21st St., P.O. Box 4267 Topeka, KS 66604	Kansas Electric Cooperatives, Inc	490.08	1,219.42
Gordon L. Murray, 1911 Jefferson Davis Highway, #1002 Arlington, VA 22202	Lear Siegler, Inc/Energy Products Div	106.05	106.05
James E. Murray, One Farragut Square South Washington, DC 20006	Brown Wood Ivey Mitchell & Petty (For:National Assn of Small Business Investment Cos, et al.).		
Margaret R. Murray, Scott McLeod Himmelberg Matz Pires & Price 2501 M Street, N.W. #400 Washington, DC 20037	American Assn of Crop Insurers	345.00	
Do	Chicago Board of Trade		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	National Rural Telecom Assn	120.00	
Do	United Egg Producers	690.00	
Rosemary Griffin Murray, 1660 L St., NW, #901 Washington, DC 20036	Pan American World Airways, Inc		
Murray & Scheer, 2715 M Street, NW, #300 Washington, DC 20007	American Cyanamid Co	500.00	
Do	Bear Stearns & Co	500.00	
Do	Cleveland Cliffs Iron Co	250.00	
Do	Connecticut Mutual Life Insurance Co	500.00	
Do	Home Life Insurance Co	500.00	
Do	Industry Council for Tangible Assets	400.00	
Do	Iron Ore Lessors Assn, Inc	250.00	
Do	LTV Corporation	450.00	
Do	National Business Aircraft Assn	500.00	
Do	National Council of Coal Lessors	300.00	
Do	New England Mutual Life Insurance Co	500.00	
Do	Pacific Mutual Life Insurance Co	500.00	
Do	Penn Mutual Life Insurance Co	500.00	
Do	Provident Mutual Life Insurance Co of Philadelphia	500.00	
Do	Shubert Organization, Inc	400.00	
Do	Swaziland Sugar Assn	400.00	
Robert J. Muth, 180 Maiden Ln. New York, NY 10038	Asarco Inc	750.00	
Lawrence P. Mutter, 6849 Old Dominion Dr. Mclean, VA 22102	Automotive Parts Rebuilders Assn		
Fred J. Mutz, 1120 Connecticut Ave., NW Washington, DC 20036	American Bankers Assn	5,400.00	
Paul J. Myer, 2445 M St., NW Washington, DC 20037-1420	Capitol Cities/ABC, Inc		
Gary D. Myers, 1015 18th Street, NW Washington, DC 20036	Fertilizer Institute	4,500.00	
Timothy D. Naegele & Associates, 1850 K Street, NW, #1280 Washington, DC 20006	Baybanks, Inc		
Stephen M. Nagler, 20415 Nordhoff St., P.O. Box 2158 Chatsworth, CA 91311	Patlex Corporation		
John Francis Nash Jr., 214 Massachusetts Ave., NE, #420 Washington, DC 20002	Milliken & Company	5,000.00	2,800.00
Nash Railsback & Plesser, 1133 15th Street, NW, #1100 Washington, DC 20005	Direct Marketing Assn	1,000.00	
Do	Disclosure Information Group	1,780.90	20.55
Do	Information Industry Assn	4,942.50	25.00
Do	Journal of Commerce, Inc	5,000.00	20.00
Gary M. Nateman, 1750 K St., NW, #500 Washington, DC 20006	Beer Institute	50.00	20.00
Frances E. Nathan, 455 Fifth Avenue New York, NY 10016	New York Public Library	5,896.23	
Hardy L. Nathan, 1750 K St., NW Washington, DC 20006	Food Marketing Institute	750.00	
National Agricultural Chemicals Assn, 1155 15th St., NW Washington, DC 20005		11,101.82	11,101.82
National Air Carrier Assn, 1730 M St., NW, #710 Washington, DC 20036			
National Assn for the Advancement of Justice, 5210 Banks Place, NE Washington, DC 20019		100.00	
National Assn for Biomedical Research, 818 Connecticut Ave., NW, #303 Washington, DC 20006		100,755.00	14,274.27
National Assn for Neighborhood Schools, Inc, 335 Locust St. Pittsburgh, PA 15218		847.77	1,244.57
National Assn for Stock Car Auto Racing, Inc (NASCAR), 1801 Speedway Boulevard Daytona Beach, FL 32015			8,000.00
National Assn for Uniformed Services, 5535 Hempstead Way Springfield, VA 22151		7,712.04	3,604.38
National Assn of Air Traffic Specialists, Wheaton Plaza North, #415 Wheaton, MD 20902			8,422.37
National Assn of Aircraft & Communications Suppliers, Inc, 23871 Madison Torrance, CA 90505		3,820.00	4,079.55
National Assn of Energy Service Companies, 2330 M St., NW Washington, DC 20037			
National Assn of Federal Employees, 4101 NW 122nd, Suite D OKlahoma City, OK 73120			
National Assn of Federal Veterinarians, 1522 K St., NW, #836 Washington, DC 20005			110.00
National Assn of Independent Colleges & Universities, 122 C St., NW, #750 Washington, DC 20001			63,531.00
National Assn of Insurance Brokers, Inc, 1401 New York Ave., NW, #720 Washington, DC 20005			
National Assn of Manufacturers, 1331 Pennsylvania Ave., NW, #1500 Washington, DC 20004-1703		79,150.64	79,150.64
National Assn of Mutual Insurance Cos, 3707 Woodview Trace P.O. Box 68700 Indianapolis, IN 46268		3,782.57	3,782.57
National Assn of Olympic Businesses, P.O. Box 3337 Idyllwild, CA 92349-3337		40.00	30.00
National Assn of Plumbing-Heating-Cooling Contractors, P.O. Box 6808 Falls Church, VA 22046		6,383.85	6,383.85
National Assn of Real Estate Investment Trusts, Inc, 1101 17th St., NW, #700 Washington, DC 20036			5,694.48
National Assn of Stevedores, 2011 I Street, NW, #601 Washington, DC 20006		3,250.00	2,580.00
National Assn of Temporary Services, Inc, 119 South Saint Asaph Street Alexandria, VA 22314			
National Assn of Trade & Technical Schools, 2251 Wisconsin Ave., NW Washington, DC 20007		7,500.00	7,500.00
National Assn of Truck Stop Operators, Inc, 1199 N. Fairfax Street, #801 Alexandria, VA 22314			
National Assn of Wheat Growers, 415 2nd St., NE, #300 Washington, DC 20002		8,125.00	9,147.00
National Beer Wholesalers of America, 6310 N. Cicero Ave. Chicago, IL 60646		130,153.00	33,386.00
National Broiler Council, 1155 15th St., NW Washington, DC 20005		2,750.00	2,750.00
National Cable Television Assn, Inc, 1724 Massachusetts Ave., NW Washington, DC 20036		43,888.47	43,888.47
National Cattlemen's Assn, 5420 S. Quebec Street P.O. Box 3496 Englewood, CO 80155			4,000.00
National Coal Assn, 1130 17th Street, NW Washington, DC 20036		1,262,136.00	20,806.97
National Coalition for Fair Trade, 1718 Connecticut Avenue, NW, #310 Washington, DC 20009			
National Coalition for Marine Conservation, Inc, P.O. Box 23298 Savannah, GA 31403		9,113.00	12,018.58
National Coalition of Fresh Potato Processors, 1764 Old Meadow Ln, #350 McClean, VA 22102			
National Comm of Cities & States for Airline Service, Transportation Bldg., #417 St. Paul, MN 55156		16,511.22	17,608.73
National Comm to Preserve Social Security, 1300 19th Street, NW, #310 Washington, DC 20036		669,335.00	669,335.00
National Comm Against Repressive Legislation, 236 Massachusetts Avenue, NE, #406 Washington, DC 20002		2,999.00	6,127.77
National Commercial Finance Assn, 225 W. 34th St. New York, NY 10001		11,500.00	
National Community Action Foundation, Inc, 2100 M Street, NW, #604A Washington, DC 20037		66,995.54	40,186.00
National Consumers League, 815 15th Street, NW, #516 Washington, DC 20005		1,029.00	1,029.00
National Cooperative Business Assn, 1401 New York Ave., NW, #100 Washington, DC 20005		27,500.00	7,960.00
National Cotton Council of America, P.O. Box 12285 Memphis, TN 38182		45,921.03	45,921.03
National Council of Farmer Cooperatives, 1800 Massachusetts Ave., NW Washington, DC 20036		28,857.00	11,542.00
National Electrical Manufacturers Assn, 2101 L St., NW Washington, DC 20037		7,515.51	7,515.51
National Fed of Community Development Credit Unions, 29 John Street, #903 New York, NY 10038			
National Fed of Federal Employees, 1016 16th Street, NW Washington, DC 20036		24,913.74	24,913.74
National Fed of Independent Business, 150 W. 20th Ave. San Mateo, CA 94403		50,173.25	50,173.25
National Food Processors Assn, 1401 New York Avenue, NW, #400 Washington, DC 20005		5,002.80	5,002.80
National Grain & Feed Assn, 725 15th St., NW Washington, DC 20005			548.40
National Grange, 1616 H St., NW Washington, DC 20006		22,500.00	22,500.00
National Guard Assn of the U.S., One Massachusetts Ave., NW Washington, DC 20001		30,212.92	1,395.00
National Independent Automobile Dealers Assn, 600 E. Las Colinas Blvd., #314 Irving, TX 75039			
National Industrial Transportation League, 1090 Vermont Ave., NW, #410 Washington, DC 20005		14,000.00	13,514.25
National Knitwear & Sportswear Assn, 386 Park Avenue South New York, NY 10016			17,544.15
National Milk Producers Federation, 1840 Wilson Blvd. Arlington, VA 22201		13,151.65	13,151.65
National Motorsports Comm of Accus, 1500 Skokie Boulevard, #101 Northbrook, IL 60062		6,054.65	15,846.42
National Multi Housing Council, 1250 Connecticut Ave., NW, #620 Washington, DC 20036		10,557.69	4,116.01
National Newspaper Assn, 1627 K St., NW, #400 Washington, DC 20006		88,161.00	7,800.00
National Organization for Women, 1401 New York Ave., NW, #800 Washington, DC 20005			3,167.44
National Parking Association, 1112 16th St., NW, #2000 Washington, DC 20036			52,104.65
National Peach Council, P.O. Box 1085 Martinsburg, WV 25401			
National Pest Control Assn, 8100 Oak St. Dunn Loring, VA 22027			
National Printing Equipment & Supplies Assn, Inc, 1899 Preston White Drive Reston, VA 22091			
National Public Affairs Corp, 900 17th Street, NW Washington, DC 20006	Westinghouse Electric Corp	300.00	
National Realty Committee, 1250 Connecticut Ave., NW, #303 Washington, DC 20036		2,978.46	2,978.46
National Retail Merchants Assn, 1000 Connecticut Avenue, NW Washington, DC 20036			16,190.15
National Right to Work Committee, 8001 Braddock Rd., #600 Springfield, VA 22160		7,160.74	7,160.74
National Rural Electric Cooperative Assn, 1800 Massachusetts Ave., NW Washington, DC 20036			4,567.47
National Rural Letter Carriers Assn, 1448 Duke St., #100 Alexandria, VA 22314		22,748.00	17,480.00
National Save the Family Farm Coalition, 80 F St., NW, #714 Washington, DC 20001			200.00
National Security Traders Assn, Inc, One World Trade Center, #4511 New York, NY 10048			4,375.00
National Society of Professional Engineers, 1420 King Street Alexandria, VA 22314		12,500.00	11,350.00
National Soft Drink Assn, 1101 16th St., NW Washington, DC 20036		48.56	129.43
National Solid Wastes Management Assn, 10th Floor 1730 Rhode Island Ave., NW Washington, DC 20036			
National Strategies & Marketing Group, 1919 Pennsylvania Ave., NW, #704 Washington, DC 20006	Alliance for Capital Access	26,250.00	
Do	Manor Care	3,235.00	51.68
Do	PGA Tour, Inc		
Do	U.S. Sprint		72.12
National Telephone Cooperative Assn, 2626 Pennsylvania Ave., NW Washington, DC 20037		8,080.00	2,689.32
National Tire Dealers & Retreaders Assn, 1250 Eye Street, NW, #400 Washington, DC 20005		6,297.00	6,297.00
National Venture Capital Association, 1655 N. Fort Meyer Dr., #700 Arlington, VA 22209			8,862.08

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
National Wood Energy Assn, Inc, 1730 North Lynn Street Arlington, VA 22209-2009			
National-American Wholesale Grocers' Assn, 201 Park Washington Court Falls Church, VA 22046		9,000.00	9,000.00
Natural Gas Supply Assn, 1730 Rhode Island Ave., NW Washington, DC 20036		495,194.00	27,280.00
Landis M. Neal, 1300 19th St., NW, #501 Washington, DC 20036	National Comm to Preserve Social Security	7,875.00	
Karen J. Neale, 2501 M Street N.w. Washington, DC 20037	Chemical Manufacturers Assn, Inc	465.00	110.65
Jeffrey Nedelman, 1010 Wisconsin Avenue, NW, #800 Washington, DC 20007	Grocery Manufacturers of America, Inc	31.23	
Allen Neece Jr., 1050 17th Street, NW Washington, DC 20036	Neece Cator & Associates, Inc (For:Association of Small Business Development Centers).	1,350.00	1,350.00
Do	Neece Cator & Associates, Inc (For:National Venture Capital Association)		
Neece Cator & Associates, Inc, 1050 17th Street, NW Washington, DC 20036	Colson Investments	1,350.00	1,350.00
Do	National Assn of Development Companies (NADCO)	1,350.00	1,350.00
Do	National Venture Capital Association		
Laura C. Nehf, 1101 Connecticut Avenue, NW, #405 Washington, DC 20036	Choate & Nehf, P.C. (For:Association of Progressive Rental Organizations)		
Stanley Nehmer, 1320 19th Street, NW, #600 Washington, DC 20036	Lead-Zinc Producers Committee	500.00	350.00
Neighborhood Housing Services of America, 3805 Alton Place, NW Washington, DC 20016			
Neill & Company, Inc, 900 17th St., NW, #400 Washington, DC 20006	Arab Republic of Egypt	180,000.00	21,313.96
Do	Hashemite Kingdom of Jordan	55,000.00	4,911.48
Do	Islamic Republic of Pakistan	60,000.00	2,523.41
Do	Kingdom of Morocco		680.17
Do	Republic of Gabon		203.53
Do	Republic of Kenya	205,000.00	8,018.34
Neill Mullenholz & Shaw, 900 17th St., NW, #400 Washington, DC 20006	Florida East Coast Railway Co		
Do	National Council Social Security Management Assns, Inc	5,000.00	225.00
Do	National Farm & Power Equipment Dealers Assn	1,500.00	15.00
Do	PHH Group, Inc		
Do	Senior Executives Assn	5,000.00	350.00
Do	Soo Line Corporation	2,500.00	
Do	TACA International Airlines	1,000.00	
Douglas J. Neilson, 8111 Gatehouse Road Falls Church, VA 22047	AAA Potomac		
Joshua E. Neiman, 815 16th St., NW, #408 Washington, DC 20006	Food & Allied Service Trades Dept., AFL-CIO	445.00	
Mark D. Nelson, 1701 Pennsylvania Ave., NW, #900 Washington, DC 20036	E. I. du Pont de Nemours & Co		
Lynda L. Nersesian, 1100 15th St., NW, #900 Washington, DC 20005	Pharmaceutical Manufacturers Assn	4,000.00	195.00
Mark Nestlen, 1616 H Street, NW Washington, DC 20006	National Grange	5,000.00	
Network, 806 Rhode Island Ave., NE Washington, DC 20018		36,790.98	41,583.65
E. John Neumann, 1100 Connecticut Ave., NW, #820 Washington, DC 20036	Baltimore Gas & Electric Co	2,066.78	1,029.13
Loretta Neumann, Foresight Science & Technology, Inc 2000 P St., NW, #305 Washington, DC 20036	Society for American Archeology		
David B. Neumeyer, 1319 F St., NW, #500 Washington, DC 20004	Food Research & Action Center	505.00	
New York Comm of Intl Comm of Passenger Lines, 74 Trinity Place New York, NY 10006			
Cynthia E. Newman, 400 North Washington Street Alexandria, VA 22314	Professional Insurance Agents	500.00	200.00
George S. Newman, 7915 Jones Branch Dr. McLean, VA 22102	BDM International, Inc		127.37
William B. Newman Jr., P.O. Box 23451 Washington, DC 20024	Consolidated Rail Corporation	5,000.00	
Newman & Holtzinger, P.C., 1615 L St., NW, #1000 Washington, DC 20036	Utility Nuclear Waste Management Group		
James R. Nicholas, 11570 378 San Jose Blvd. Jacksonville, FL 32217	North American Telephone		
Thomas Nickels, 1101 14th Street, NW, #200 Washington, DC 20005	American Nurses' Assn	5,144.00	519.47
Daniel E. Nickelson, 2000 L St., NW, #200 Washington, DC 20036	Cleveland Clinic Foundation		
Patrick J. Nilan, 1300 L Street, NW Washington, DC 20005	American Postal Workers Union, AFL-CIO	14,168.97	2,177.06
Nissan Motor Corporation, U.S.A., 1919 Pennsylvania Avenue, NW, #707 Washington, DC 20006			3,200.00
Nixon Hargrave Devans & Doyle, One Thomas Circle, NW, #800 Washington, DC 20005	American Free Trade Assn, Inc	5,277.25	313.60
Do	Bausch & Lomb		
Barbara D. Nocera, 955 L'enfant Plaza, SW, #905 Washington, DC 20024	Honda North America, Inc	200.00	
A. Allan Noe, 1828 L Street, NW, #710 Washington, DC 20036	Chesebrough-Pond's, Inc	1,500.00	2,742.17
Robert W. Nolan, 1303 New Hampshire Ave., NW Washington, DC 20036	Fleet Reserve Assn	100.00	
Walker F. Nolan, 1111 19th St., NW, 9th Fl. Washington, DC 20036	Edison Electric Institute	8,242.50	228.55
Robert I. Nooter, 600 Maryland Avenue, SW Washington, DC 20024	American Farm Bureau Federation	6,000.00	180.37
Grover G. Norquist, 718 North Carolina Ave., SE Washington, DC 20003	Americans for Tax Reform		324.00
Julia J. Norrell, 1850 K St., NW Washington, DC 20006	American Council of Life Insurance, Inc	5,325.00	
North American Telecommunications Assn, 2000 M St., NW, #550 Washington, DC 20036		3,650.00	3,650.00
Northeast Utilities Service Co, Selden St. Berlin, CT 06037			4,138.03
Northern Telecom, Inc, 600 Maryland Avenue, SW, #605 Washington, DC 20024			
Graham T. Northup, 2333 Highland Avenue Falls Church, VA 22046	Commerzbank	7,700.00	355.27
Edward M. Norton Jr., 1600 L St., NW, #812 Washington, DC 20036	Grand Canyon Trust		
Mary Jane Norville, 600 Maryland Avenue, SW, #700 Washington, DC 20024	National Fed of Independent Business	4,875.50	344.00
P. Michael Nugent, Suite 1300, North Tower 1331 Pennsylvania Ave., NW Washington, DC 20004	EDS Corporation		
Patrick J. Nugent, 1133 19th Street, NW Washington, DC 20036	MCI Communications Corp	2,000.00	4,206.88
Silas O. Nunn, 1110 Vermont Avenue, NW, #1250 Washington, DC 20005	Shipbuilders Council of America	1,500.00	
Ralph D. Nurnberger, 500 North Capitol Street, NW, #300 Washington, DC 20001	American Israel Public Affairs Comm	12,499.98	1,039.72
Nutter McClennen & Fish, 600 Atlantic Ave. Boston, MA 02210	Merit Stainless Steel, Inc		
C. D. Nyberg, P.O. Box 800 Austin, MN 55912	Geo. A. Hormel & Co		
Hubert K. O'Bannon, P.O. Box 23451 Washington, DC 20026	Consolidated Rail Corporation	2,667.00	
George O'Bea Jr., 815 16th Street, NW, #701 Washington, DC 20006	United Paperworkers International Union		
Dinah K. O'Berry, 1300 19th St., NW, #501 Washington, DC 20036	National Comm to Preserve Social Security	8,000.00	
Coleman C. O'Brien, 1709 New York Ave., NW, #801 Washington, DC 20006	U.S. League of Savings Institutions	9,562.00	38.25
Mary Eileen O'Brien, 1800 M St., NW, Suite 710 South Washington, DC 20036	Dow Corning Corp		
Raymond V. O'Brien, 1600 M St., NW Washington, DC 20036	International Telephone & Telegraph Corporation	2,200.00	120.00
Rosemary L. O'Brien, 2550 M St., NW, #640 Washington, DC 20037	CF Industries, Inc	500.00	52.52
Thomas H. O'Brien, 1201 East Abingdon Dr. #300 Alexandria, VA 22314	Harris Corporation	2,500.00	1,290.89
David S. O'Bryon, 7297 Lee Highway, Unit N Falls Church, VA 22042	American Textile Machinery Assn	600.00	
Frank J. O'Connell, 148 South Maple Avenue Kingston, PA 18101	Pennsylvania Power & Light Co		23.00
James J. O'Connell, 1201 Pennsylvania Avenue, NW Washington, DC 20004	Control Data Corporation	222.00	178.14
Richard T. O'Connell, Richard T. O'Connell & Associates, Inc 3208 Traveler Street Fairfax, VA 22030	Chocolate Manufacturers Assn of the USA		200.00
Do	National Confectioners Assn of the U.S		200.00
Terrence M. O'Connell II, 444 N. Capitol Street, NW, #711 Washington, DC 20001	Keefe Company (For:UNIAO Nacional Para Independencia Total DeAngola)	2,500.00	
Do	Keefe Company (For:Westinghouse Electric Corp)		
William B. O'Connell, 111 East Wacker Dr. Chicago, IL 60601	U.S. League of Savings Institutions	25,375.00	4,921.95
K. James O'Connor Jr., 2501 M Street, NW Washington, DC 20037	Chemical Manufacturers Assn, Inc	400.00	102.55
Patrick C. O'Connor, Kent & O'connor, Inc 1211 Connecticut Avenue, NW Washington, DC 20036	American Supply Association	7,665.02	3,129.98
Do	American Warehousemen's Association		
Do	Movers' Round Table	5,999.25	2,427.47
Do	National Assn of Fleet Administrators		
Do	Steel Tank Institute		
Do	Transportation Lawyers Assn	2,262.50	936.87
O'Connor & Hannan, 1919 Pennsylvania Ave., NW, #800 Washington, DC 20006	Alliance for Capital Access		
Do	American Bus Assn	5,830.00	
Do	American Businesses for Int'l Trade	10,000.00	
Do	American Clinical Laboratory Assn	1,250.00	
Do	American Family Life Assurance Co		
Do	American Inst of Certified Public Accountants		
Do	American Insurance Assn		
Do	American Soc of Assn Executives	1,894.50	
Do	American Soc of Cataract & Refractive Surgery	7,448.00	
Do	American Trucking Assns, Inc		
Do	California Student Loan Finance Corp	1,521.83	
Do	Center for Environmental Education, Inc		
Do	Chamber of Commerce of the U.S		
Do	ChemWaste Management, Inc	1,675.00	
Do	City of Minneapolis	600.00	
Do	Coca-Cola Company	9,300.00	
Do	Connaught Laboratories, Inc	12,073.75	
Do	CNA Insurance	2,226.75	
Do	Distilled Spirits Council of the U.S., Inc	1,000.00	
Do	Drexel Burnham Lambert, Inc		
Do	Eastern Michigan University	523.52	
Do	Electronic Data Systems Corp	1,000.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Embassy of Bolivia	10,000.00	
Do	Government of Netherlands Antilles	155,900.00	
Do	Health Care Financing Study Group	1,500.00	
Do	Hennepin County	300.00	
Do	Historic Landmarks for Living		
Do	Independent Computer Consultants Assn	5,041.25	
Do	Insurance Assn of Connecticut		
Do	International Racquet Sports Assn	2,032.50	
Do	Investment Company Institute	7,500.00	
Do	Journal Newspapers	178.20	
Do	Kawasaki Kisen Kaisha, Ltd		
Do	M.A.T.		
Do	Mercedes-Benz of North America, Inc		
Do	Merrill Lynch & Co, Inc		
Do	Mexican Cement Chamber		
Do	Miller & Schroeder Financial, Inc	1,500.00	
Do	Minnesota Mutual Life Insurance Co	3,000.00	
Do	Mitchell Sweet & Associates	2,417.60	
Do	National Apartment Assn		
Do	National Assn of Portable X-Ray Providers		
Do	National Assn of Private Enterprise of El Salvador	10,000.00	
Do	Owens-Illinois	6,900.00	
Do	Pacific Telesis Group	6,239.00	
Do	Primark Corp	2,250.00	
Do	Prudential Insurance Co of America	1,398.00	
Do	Joseph E. Seagram & Sons, Inc	1,116.98	
Do	Securities Industry Assn	9,980.00	
Do	Small Advertisers Counsel	8,000.00	
Do	SmithKline Beckman Corp	4,500.00	
Do	U.S. Tuna Foundation		
Do	United Illuminating Co	3,000.00	
Do	Westinghouse Electric Corp	1,500.00	
Paul T. O'Day, 1150 17th Street, NW Washington, DC 20036	Man-Made Fiber Producers Assn, Inc	2,500.00	105.00
Thomas A. O'Day, 1629 K St., NW, #1010 Washington, DC 20006	Alliance of American Insurers	1,200.00	
J. Daniel O'Flaherty, 1625 K St., NW, #1090 Washington, DC 20006	National Foreign Trade Coucnil	5,000.00	400.00
Daniel J. O'Grady, 815 16th Street, NW, #408 Washington, DC 20006	Food & Allied Service Trades Dept, AFL-CIO	635.00	
Jane O'Grady, 815 16th St., NW Washington, DC 20006	American Fed of Labor & Congress of Industrial Organizations	17,519.03	299.64
Terri O'Grady, 1600 Rhode Island Avenue, NW Washington, DC 20036	National Rifle Assn of America	950.00	231.84
Barbara E. O'Hara, 4400 Macarthur Blvd., NW Washington, DC 20007	American Soc of Travel Agents	125.00	
Kathleen O'Leary, 1250 Eye St., NW, #703 Washington, DC 20005	Columbia Gas Distribution Companies	4,000.00	147.48
Michael A. O'Malley, 4647 Forbes Boulevard Lanham, MD 20706	AMVETS	6,800.00	150.47
O'Melveny & Myers, 555 13th St., NW Washington, DC 20004	Amax, Inc		
Do	American Institute for Imported Steel, Inc		685.03
Do	Dulles Access Transit Corp	9,750.00	490.28
Do	Holden Group, Inc (Public Employer Benefits Council)	2,700.00	187.89
Joseph O'Neil, 1600 M St., NW Washington, DC 20037	ITT Corporation	4,280.00	80.00
Sarah E. O'Neil, 1600 M St., NW Washington, DC 20036	Investment Company Institute		
Joseph P. O'Neill, 1616 H Street, NW Washington, DC 20006	American Retail Federation	2,200.00	123.00
O'Neill and Athy, P.C., 1310 19th Street, NW Washington, DC 20036	Allegheny County Commission		
Do	Bank of New England		
Do	Business Roundtable	3,150.00	
Do	BHC, Inc		
Do	Chris-Craft Industries, Inc		
Do	Commercial Union Insurance Cos		
Do	Connecticut Bank & Trust Corp	1,400.00	
Do	Conrail Acquisition Corp, Inc		
Do	Cruise America Line, Inc		
Do	Glass Packing Institute		
Do	Housing America Foundation		
Do	Marriott Corp		
Do	Massachusetts General Hospital	900.00	
Do	Milk Industry Foundation		
Do	National Assn of Jai-Alai Frontons, Inc		
Do	New England Deaconess Hospital	1,600.00	
Do	Northwestern Mutual Life		
Do	Retail Industry Trade Action Coalition		
Do	Sears Roebuck & Co	2,800.00	
Do	Texas Utilities Co		
Do	USX	1,300.00	
J. Denis O'Toole, 1120 Connecticut Ave., NW Washington, DC 20036	American Bankers Assn	8,500.00	
John E. O'Toole, 1899 L Street, NW Washington, DC 20036	American Assn of Advertising Agencies	2,500.00	750.00
M. Diane O'Toole, 1000 Wilson Blvd., #2300 Arlington, VA 22209	Northrop Corp		
Stephen E. O'Toole, 1660 L St., NW Washington, DC 20036	General Motors Corp	3,000.00	3,084.97
Jana R. Oakley, 1331 Pennsylvania Avenue, NW, #1500N Washington, DC 20004-1703	National Assn of Manufacturers		
Paul C. Oakley, 50 F Street, NW Washington, DC 20001	Association of American Railroads	250.00	27.50
Harry R. Obley, One Mellon Bank Center Pittsburgh, PA 15258	Mellon Bank N.A. and Mellon National Corp	2,000.00	4,676.83
Kim M. Oboz, 1020 19th Street, NW, #700 Washington, DC 20036	U S West, Inc	600.00	
Thomas J. Oden, 1840 Wilson Boulevard Arlington, VA 22201	National Milk Producers Federation	4,062.48	168.46
Neil H. Offen, 1776 K Street, NW Washington, DC 20006	Direct Selling Association		
Donald G. Ogilvie, 1120 Connecticut Ave., NW Washington, DC 20036	American Bankers Assn	2,500.00	
Ogilvy & Mather, 1901 L Street, NW Washington, DC 20036			
Ohrenstein & Brown, 655 Third Avenue New York, NY 10017	Mutual Signal Corp		138.00
Philip M. Ola, 1919 Pennsylvania Avenue, NW, #400 Washington, DC 20006	Steel Service Center Institute		
Michael D. Oldak, 1800 Massachusetts Avenue, NW Washington, DC 20036	National Rural Electric Cooperative Assn	125.00	
R. Teel Oliver, 1615 L Street, NW, #1320 Washington, DC 20036	Merck & Co, Inc	687.50	500.00
Van R. Olsen, 1156 15th St., NW, #1019 Washington, DC 20006	U.S. Beet Sugar Assn		
Gerald L. Olson, Pillsbury Center, Ms 3771 Minneapolis, MN 55402	Pillsbury Company		570.00
Richard C. Olson, 6862 Elm Street, #510 McLean, VA 22101	Citibank, N.A.		
Do	Dynalectron Corporation	1,787.00	55.00
Roy E. Olson, 260 Madison Ave. New York, NY 10016	American Paper Institute, Inc		
Omega International, Inc, 11 Carriage House Circle Alexandria, VA 22304	Colorado Springs Chamber of Commerce	100.00	
Clark Onstad, 1201 Pennsylvania Ave., NW, #300 Washington, DC 20004	Texas Air Corp, et al	3,000.00	2,098.00
Charles J. Orasin, 1400 K Street, NW, #500 Washington, DC 20005	Handgun Control, Inc	8,211.53	
Abraham Orlofsky, 1016 16th Street, NW Washington, DC 20036	National Fed of Federal Employees	1,311.52	
Elvira J. Orly, 1050 Connecticut Ave., NW, #800 Washington, DC 20036	Allied-Signal, Inc		
James L. Osborne, 4th & Davis Streets P.O. Box 808 McMinnville, OR 97128	National Assn of Mutual Insurance Cos		982.57
J. F. Otero, 815 16th Street, NW Washington, DC 20006	Brotherhood of Railway Airline & Steamship Clerks	1,000.00	300.00
Kevin D. Ott, 1331 Pennsylvania Avenue, NW, #1500N Washington, DC 20004-1703	National Assn of Manufacturers	450.00	
Karl Ottosen, 208 G Street, NE Washington, DC 20002	NL Industries, Inc	7,500.00	
Do	U.S. Federation of Small Businesses, Inc		
Cliff Ouse, 1800 Massachusetts Ave., NW Washington, DC 20036	National Rural Electric Cooperative Assn	25.00	
Gene E. Overbeck, 1101 17th Street, NW Washington, DC 20036	American Airlines, Inc	2,125.00	105.95
Jack W. Owen, 50 F St., NW, #1100 Washington, DC 20001	American Hospital Assn		101.56
Thomas J. Owens, P.O. Box 12266 Seattle, WA 98102	Dollar Savings Bank, et al	55,251.00	9,003.77
Do	Everett Mutual Savings Bank, et al	24,063.00	4,899.76
William H. Owens Jr., 1111 14th St., NW, #1200 Washington, DC 20005	American Dental Assn	1,000.00	334.13
William J. Owens, 1745 Jefferson Davis Highway, #511 Arlington, VA 22202	Manufactured Housing Institute	900.00	100.00
P/M Consulting, Inc, 202 E Street, NE Washington, DC 20002-4923	Talley Corporation	9,000.00	
R. Ray Paabo, 1667 K St., NW, #600 Washington, DC 20006	Santa Fe Southern Pacific Corp	1,000.00	
Pacific Management Dynamics Corp, 910 Floein Rd., #107 Sacramento, CA 95831			
Allen Scott Pack, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington, DC 20037	Algoma Steel Corp, Ltd	62.50	302.62
Joel Packer, 1201 16th Street, NW Washington, DC 20036	National Education Assn	2,491.00	106.00
Lee W. Paden, P.O. Box 201 Tulsa, OK 74102	Public Service Co of Oklahoma		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Pagonis & Donnelly Group, 1620 I Street, NW, #603 Washington, DC 20006	Algoma Steel Corp, Ltd, et al		
Do	Brown Boveri Corp		
Do	Burroughs Wellcome Co	10,500.00	447.14
Do	City of Pompano Beach	3,060.00	
Do	Dow Chemical USA	2,350.00	119.66
Do	Fox Technology, Inc		
Do	Harrah's, Inc		
Do	Holiday Corp	4,296.88	483.01
Do	Management Compensation Group		
Do	National Woolgrowers Assn	11,250.00	295.10
Do	Nord Resources Corp		
John M. Palatiello, 11445 Isaac Newton Square South Reston, VA 22090	American Cong. on Survey. & Mapp./Amer Soc of Photogrammetry	14,590.16	47.96
Henry S. Palau, 201 N Washington St. Alexandria, VA 22134	Retired Officers Assn		
Cindy Grant Pallatino, 1101 Vermont Avenue, NW, #405 Washington, DC 20005	A. H. Robins Co	200.00	86.00
Benjamin L. Palumbo, 1629 K St., NW Washington, DC 20006	Atlantic Richfield Co	20,000.00	
Do	Business Executives for National Security, Inc	4,500.00	
Do	European Community	18,600.00	
Palumbo & Cerrell, Inc, 1629 K St., NW Washington, DC 20006	American Soc of Composers Authors & Publishers	54,000.00	
Do	Contra Costa Building & Construction Trades Council	3,200.00	
Do	RJR Nabisco, Inc	9,000.00	
Do	Southern California Rapid Transit District	15,000.00	
Pan American Satellite Corp, 460 W. 42nd Street, 4th Fl. New York, NY 10036			8,990.00
Gerard Paul Panaro, Webster Chamberlain & Bean 1747 Pennsylvania Ave., NW, #1000 Washington, DC 20006	Retail Bakers Assn		
Marcia Pape-Daniels, 1201 Pennsylvania Ave., NW, #250 Washington, DC 20004	CH2M Hill	750.00	
G. Oliver Papps, N.j. Petroleum Council 170 W. State St. Trenton, NJ 08608	American Petroleum Institute		
Stephen J. Paradise, 1800 K Street, NW, #1100 Washington, DC 20006	New York Stock Exchange, Inc		
Alan A. Parker, 1050 31st Street, NW Washington, DC 20007	Association of Trial Lawyers of America	5,000.00	100.00
David N. Parker, 1111 19th Street, NW Washington, DC 20036	Edison Electric Institute		
John N. Parker, 1100 Connecticut Ave., NW, #620 Washington, DC 20036	Mobil Oil Corp	375.00	
Kimberly C. Parker, 1300 L Street, NW Washington, DC 20005	American Postal Workers Union, AFL-CIO	9,553.63	356.60
Sara Lynn Parker, 1319 F St., NW, #500 Washington, DC 20004	Food Research & Action Center		
Tom V. Parker, Arkansas Petroleum Council 460 Twin City Bank Bldg. North Little Rock, AR 72114	American Petroleum Institute	1,625.00	1,298.40
Benjamin G. Parks III, 1919 Pennsylvania Avenue, #300 Washington, DC 20006	National Forest Recreation Assn	450.00	99.00
Do	National Inholders Assn	6,000.00	870.00
Carl M. Parks, 633 Pennsylvania Avenue, NW, #600 Washington, DC 20004	Sears Roebuck & Co	1,500.00	445.15
Ann M. Parman, 1015 15th St., NW, #1240 Washington, DC 20005	National Manufactured Housing Federation	100.00	35.00
Ken Parmelee, 1448 Duke Street, #100 Alexandria, VA 22314	National Rural Letter Carriers Assn	12,779.00	1,440.00
Tom E. Paro, 1735 DeSales St., NW Washington, DC 20036	Association of Maximum Service Telecasters, Inc	385.00	
Parry and Romani Associates, Inc, 233 Constitution Avenue, NE Washington, DC 20002	American Family Life Assurance Co	1,500.00	
Do	Association for the Advancement of Human Rights in Japan	2,100.00	
Do	Care Enterprises	3,375.00	
Do	Generic Pharmaceutical Industry Assn	1,500.00	130.82
Do	Herbalife International	1,500.00	
Do	Hotel Employees & Restaurant Employees Int'l Union		
Do	International Brotherhood of Teamsters	3,000.00	
Do	Johnson & Johnson		
Do	Manville Corporation	1,000.00	
Do	Motion Picture Assn of America, Inc	3,600.00	237.65
Do	National Beer Wholesalers of America	2,000.00	293.88
Do	Pharmaceutical Manufacturers Assn		
Do	T.I.M.E.-DC, Inc		
Do	United Food & Commercial Workers International Union		
Charles C. Partridge, 5535 Hempstead Way Springfield, VA 22151	National Assn for Uniformed Services	2,312.49	
Jack Partridge, 1014 Vine St. Cincinnati, OH 45201	Kroger Company	2,500.00	592.00
John V. Parziale, 818 Connecticut Ave., NW, 9th Fl. Washington, DC 20006	Marathon Oil Co		24.00
Richard E. Pasco, 1015 15th St., NW, #402 Washington, DC 20005	National Pork Producers Council	2,000.00	9.00
David J. Passamaneck, 4647 Forbes Boulevard Lanham, MD 20706	AMVETS	6,800.00	150.47
James W. Pates, 1625 Massachusetts Ave., NW, #202 Washington, DC 20036	Independent Bankers Assn of America		
Janet K. Patten, 1090 Vermont Ave., NW, #1100 Washington, DC 20005	Textron, Inc	400.00	100.00
Gary B. Patterson, Delaware Petroleum Council P.O. Box 1429 Dover, DE 19903	American Petroleum Institute	51.02	138.68
Richard M. Patterson, 1800 M St., NW, #700 South Washington, DC 20036	Dow Chemical Co	500.00	5,000.00
William H. Patterson, 1331 Pennsylvania Ave., NW Washington, DC 20004	General Electric Co	274.00	
Kenton H. Pattie, 3150 Spring St. Fairfax, VA 22031	International Communications Industries Assn	4,069.00	142.08
David J. Pattison, 1025 Connecticut Ave., NW Washington, DC 20036	Health Insurance Assn of America, Inc		
Patton Boggs & Blow, 2550 M St., NW, #800 Washington, DC 20037	Ad Hoc Group for 8(a) Reform	833.75	
Do	Aiwa America, Inc	41.60	0.07
Do	Akai America, Ltd	65.60	0.11
Do	Alexander & Baldwin, Inc	150.00	
Do	American Congress on Surveying & Mapping	362.50	10.00
Do	American Express Co		
Do	American International Automobile Dealers Assn		
Do	American Maritime Assn	940.00	10.00
Do	Association of Professional Flight Attendants		
Do	Association of Trial Lawyers of America	1,455.00	80.00
Do	Atacra Trustees		
Do	ALTA Technology		
Do	Biogen		
Do	BATUS, Inc	150.00	10.00
Do	Cadawalader Wickersham & Taft		
Do	Chelsea Property Owners		
Do	Chemfix Technologies, Inc	3,055.00	
Do	Chicago Board Options Exchange		
Do	Chrysler Corporation		
Do	Coalition on State Use Taxes	3,000.00	
Do	Columbia, Inc	6.60	0.01
Do	Computerland Corporation		
Do	Council of Graduate Schools	825.00	
Do	Crowley Maritime Corp		
Do	Cryolife, Inc		
Do	Dealer Action Association	450.00	
Do	Dredging Industry Size Standards Committee (DISSC)	870.00	
Do	Duty Free Shoppers Group, Ltd	75.00	5.00
Do	Fiart Cantieri Italiani, S.P.A.	10,122.50	200.00
Do	Fidelity Investors	1,175.00	
Do	Flint Industries		
Do	Freedom to Advertise Coalition	900.00	
Do	Fuji Photo Film USA, Inc	142.65	0.24
Do	Hitachi Sales Corp of America	1,900.00	3.25
Do	Hobby Industry Assn	540.00	
Do	Hotel Dieu Hospital		
Do	Institute of Scrap Iron & Steel, Inc		
Do	Kaiser Aluminum & Chemical Corp		
Do	Kenwood USA Corporation	41.60	0.07
Do	Litton Industries, Inc		
Do	Loan America Financial Corp		
Do	Loop, Inc	940.00	
Do	Marathon Oil Co	2,400.00	
Do	Mars, Inc		
Do	Mass Mutual	1,650.00	
Do	Matson Navigation Co		
Do	Matsushita Electric Corp of America	3,352.00	5.75
Do	Maxell Corp of America	258.80	0.44
Do	May Department Stores Co	330.00	20.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Metropolitan Life	495.00	
Do	Mitsubishi Electric Sales of America, Inc	698.10	1.20
Do	Mocatta Metals Corp		
Do	Mutual Benefit Life		
Do	MCI Telecommunications, Inc		
Do	Nakamichi USA Corp	36.60	0.06
Do	National Assn for Foreign Student Affairs	165.00	
Do	National Assn of Retail Druggists		
Do	National Cable Television Assn, Inc		
Do	National Gypsum Co	29,140.00	
Do	National Marine Manufacturers Assn		
Do	National Soft Drink Assn		
Do	Navajo Nation		
Do	New Process Co		
Do	New York Life Insurance Co	165.00	
Do	Northwestern Mutual Life	165.00	
Do	NEC Electronics (USA) Inc	103.50	0.17
Do	Onkyo USA Corp	22.70	0.03
Do	Options Clearing Corp		
Do	OSG Bulk Ships, Inc	2,425.00	10.00
Do	OTASCO, Inc		
Do	Paine Webber, Inc		
Do	Pioneer Electronics (USA), Inc	56.80	0.09
Do	Reader's Digest Assn, Inc		
Do	Retail Industry Trade Action Coalition	2,625.00	45.00
Do	Retail Tax Committee	350.00	
Do	Rice Millers' Assn		
Do	Sansui Electronics Corp	59.30	0.10
Do	Sanyo Electronics, Inc	1,632.50	2.80
Do	Sharp Electronics Corp	1,023.80	1.65
Do	Shell Oil Co		
Do	Smokeless Tobacco Council, Inc	940.00	
Do	Sony Corp of America	1,040.00	1.70
Do	Squibb Corporation		
Do	State of LA, Dept of Conservation		
Do	Sultantate of Oman		
Do	Teac Corp of America	50.50	0.08
Do	Toshiba America, Inc	619.85	1.06
Do	TDK USA Corp	320.65	0.55
Do	U.S.A. Coalition/Fishing Vessel Reflagging	1,650.00	
Do	Union Pacific Corp	1,900.00	75.00
Do	Unitary Tax Campaign		
Do	US JVC Corporation	1,136.25	1.95
Do	Yamaha Electronics Corp, USA	15.60	0.02
Andrew R. Paul, 1875 Eye Street, NW, #940 Washington, DC 20006	Gulf & Western, Inc	7,500.00	271.17
Paul Hastings Janofsky & Walker, 1050 Connecticut Avenue, NW, #1200 Washington, DC 20036	Associated Life Ins Group Policyholder Advisory Comm		
Do	CalMat Company		
Do	GAF Corporation		
Do	Kawasaki Motors Corp, USA	3,813.75	
Do	Oglethorpe Power Corp		
Do	Philippine Sugar Regulatory Administration		
Do	Security Life of Denver		
Larry E. Paulick, 2111 Eisenhower Avenue Alexandria, VA 22314	National Spa & Pool Institute		
Richard A. Paysor, 1415 Elbridge Payne Rd., #135 St. Louis, MO 63017	First Capitol Associates - Gateway, Inc		
Ronald Pearson, 422 First Street, SE, #208 Washington, DC 20003	Embassy of South Africa		
Russell H. Pearson, 1156 15th Street, NW, #1015 Washington, DC 20005	J. C. Penney Co, Inc		
Pearson and Pipkin, Inc, 422 First Street, SE, #208 Washington, DC 20003	Embassy of South Africa		
James M. Peirce Jr., 1016 16th Street, NW Washington, DC 20036	National Fed of Federal Employees	1,918.56	
LeeAnn Pelham, 2030 M Street, NW Washington, DC 20036	Common Cause	5,923.86	245.47
Humberto R. Pena, 1155 15th St., NW Washington, DC 20005	Bristol-Myers Co	500.00	
Margaret Pena, 80 F Street, NW Washington, DC 20001	American Fed of Government Employees	9,870.00	
James C. Pennington, 5535 Hempstead Way Springfield, VA 22151	National Assn for Uniformed Services		
Pennsylvania Power & Light Co, 2 N. 9th St. Allentown, PA 18101			1,610.71
Joseph M. Penot Sr., 444 North Capitol St., NW Washington, DC 20001	Radio Officers Union, Dist. #3, NMEBA, AFL-CIO		
Gregory M. Pensabene, 1667 K St., NW, #600 Washington, DC 20006	Santa Fe Southern Pacific Corp	2,700.00	
Pension Real Estate Assn, 1101 17th Street, NW, #700 Washington, DC 20036			
Pepper & Corazzini, 1776 K St., NW Washington, DC 20006	Tempo Enterprises, Inc	3,306.25	
Pepper Hamilton & Scheetz, 1777 F Street, NW Washington, DC 20006	North American Telephone Assn		
Barbara K. Pequet, 1311 Quincy St., NE Washington, DC 20017	American Soc for The Prevention of Cruelty to Animals	1,625.00	1,500.00
Dell E. Perelman, 1501 Wilson Blvd., #600 Arlington, VA 22209	Air-Conditioning & Refrigeration Institute		
Victor J. Perini Jr., 1776 Massachusetts Ave., NW Washington, DC 20036	Highway Users Federation for Safety & Mobility		
James W. Perkins, 1 Beacon Street, Rm. 2200 Boston, MA 02108	National Assn of Bond Lawyers, et al		
Perkins Coie, 1110 Vermont Ave., NW, #1200 Washington, DC 20005	Aerospace Industries Assn of America, Inc		
Do	Boeing Company		
Do	Burlington Northern, Inc		
Do	Kootznoowoo, Inc		
Do	Ormat Systems, Inc		
Gary J. Perkinson, Perkinson & Associates, Inc 453 New Jersey Avenue, SE Washington, DC 20003	Beneficial Management Corp of America		
Perkinson & Associates, 453 New Jersey Ave., SE Washington, DC 20003	Beneficial Management Corp		
Ernest Michael Perley, 112 St Clair Ave., W., #504 Toronto, Ontario M4v 2y3	Canadian Coalition on Acid Rain		22.00
Jeffry L. Perlman, 1615 H St., NW Washington, DC 20062	Chamber of Commerce of the U.S	2,400.00	147.03
Kate M. Perry, 1785 Massachusetts Avenue, NW Washington, DC 20036	National Trust for Historic Preservation		
Susan Perry, 1025 Connecticut Avenue, NW Washington, DC 20036	American Bus Assn	2,687.50	75.00
Mark Pertschuk, 2054 University Ave., #500 Berkeley, CA 94704	Americans for Nonsmokers' Rights	600.00	
John J. Pesch, 3422 Stoneybrae Drive Falls Church, VA 22044	Northrop Corp		
Phillips S. Peter, 1331 Pennsylvania Avenue, NW Washington, DC 20004	General Electric Co	100.00	
Geoffrey G. Peterson, 1250 Eye St., NW, #900 Washington, DC 20004	Distilled Spirits Council of the U.S., Inc	2,000.00	
Kenneth W. Peterson, Kansas Petroleum Council 1414 Merchants Bank Tower Topeka, KS 66612	American Petroleum Institute	531.00	1,052.86
Lars E. Peterson, 1750 K Street, NW Washington, DC 20006	Food Marketing Institute	450.00	
Mary Jo Peterson, 1957 E Street, NW Washington, DC 20006	Associated General Contractors of America	1,000.00	500.00
Peterson Engberg & Peterson, 1730 M St., NW, #907 Washington, DC 20036	Federated Research Corp	25,050.00	465.58
Susan F. Petniunas, 1625 K Street, NW, #750 Washington, DC 20006	Manville Corporation	500.00	
Michael J. Petrina Jr., 1110 Vermont Avenue, NW, #800 Washington, DC 20005	Cosmetic Toiletry & Fragrance Assn, Inc		
Petroleum Marketers Assn of America, 1120 Vermont Ave., NW, #1130 Washington, DC 20005		200,000.00	19,441.22
Stephan Petry, 1800 Massachusetts Avenue, NW Washington, DC 20036	National Rural Electric Cooperative Assn	234.00	
Brian T. Petty, 1901 L St., NW, #702 Washington, DC 20036	International Assn of Drilling Contractors		
Annabelle Petys, Internat'l Institute of Human Asset Acc 1966 McKinley Street Clearwater, FL 33575			286.58
Peyser Associates, Inc, 1000 Vermont Street, NW, #400 Washington, DC 20005	Department of Public Property	12,000.00	40.74
Do	Metro	4,300.00	114.56
Do	Metropolitan Toledo Consortium	5,750.00	413.37
Do	New York State Bridge Authority	29,500.00	3.72
Do	Regional Transit Authority	13,500.00	1,652.47
Do	Southeastern Pennsylvania Transit Authority	9,000.00	115.12
Steven J. Pfister, 1000 Connecticut Avenue, NW Washington, DC 20036	National Retail Merchants Assn	2,000.00	118.53
James R. Phalen, 1100 Connecticut Avenue, NW, #535 Washington, DC 20036	MAPCO, Inc	3,570.00	
Pharmaceutical Manufacturers Assn, 1100 15th Street, NW Washington, DC 20005		34,085.00	34,085.00
Marshall A. Pharr, 6103 Adirondack Amarillo, TX 79106	Southwestern Public Service Co	4,209.75	250.28
Dennis J. Phelan, 1401 New York Avenue, NW, #400 Washington, DC 20005	National Food Processors Assn	3,750.00	100.00
Do	Pacific Seafood Processors Assn	7,500.00	540.00
Mary Frances Phelps, 1050 Connecticut Ave., NW, #760 Washington, DC 20036	Union Oil Co of California		
William C. Phelps, 2929 Allen Parkway Houston, TX 77019	American General Corporation	6,800.00	3,920.62
William W. Phelps, P.O. Box 2159 Dallas, TX 75221	American Petrofina, Inc	20,000.00	3,106.75
Michael D. Philips, 1616 P St., NW Washington, DC 20036	Union of Concerned Scientists	5,600.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Barbara Phillips, 2000 M St., NW, #230 Washington, DC 20036	Telocator Network of America	12,000.00	42.63
Deborah M. Phillips, 1155 21st Street, NW, 4th Fl. Washington, DC 20036	General Instrument Corporation		
Deirdre B. Phillips, 100 Federal Street Boston, MA 02110	Bank of Boston Corporation		
Do	First National Bank of Boston	200.00	417.90
Janet K. Phillips, 1724 Massachusetts Ave., NW Washington, DC 20036	National Cable Television Assn, Inc	1,000.00	
Patricia Lynn Phillips, 12907 Melville Lane Fairfax, VA 22033	National Assn of State Agencies for Food Distribution	6,000.00	
Susan E. Phillips, 1709 New York Ave., NW, #303 Washington, DC 20006	Blue Cross & Blue Shield Assn		
William G. Phillips, 417 Sixth Street, SE Washington, DC 20003	Association of Univ Environmental Health Science Centers		585.82
Do	Association of Univ Programs & Occupational Health & Safety	11,050.00	1,321.41
Do	Metal Trades Department, AFL-CIO	8,275.00	535.27
Paul J. Phoenix, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington, DC 20037	Dofasco, Inc	412.50	304.82
Dan Phythyon, 1771 N St., NW Washington, DC 20036	National Assn of Broadcasters	1,500.00	1,000.00
Paulette C. Pidcock, 1100 Connecticut Avenue, NW, #530 Washington, DC 20036	Baltimore Gas & Electric Co	315.56	283.43
Theodore M. Pierce, 1300 North 17th St., #300 Arlington, VA 22209-3899	ADAPSO, the Computer Software & Services Industry Assn		
Wayne Pierce, 101 Constitution Avenue, NW Washington, DC 20001	United Brotherhood of Carpenters & Joiners of America	29,575.00	98.95
Pierson Semmes & Finley, 1054 31st Street, NW Washington, DC 20007	Mauritius Sugar Syndicate		6.82
Do	Oklahoma Natural Gas Company		
Do	Six Flags Corporation		
Susan G. Pikrallidas, 8111 Gatehouse Road Falls Church, VA 22047	American Automobile Assn		
John H. Pilcher, 1331 Pennsylvania Ave.,NW, #1500 Washington, DC 20004-1703	National Assn of Manufacturers	125.00	
Pillsbury Madison & Sutro, 1667 K St., NW, #1100 Washington, DC 20006	D. L. Berger Associates, Inc	1,130.00	48.00
Do	Pfizer, Inc		
Do	Temis Ramires de Arellano	1,640.00	107.50
Jane Pinsky, 1101 14th St., NW, #200 Washington, DC 20005	American Nurses' Assn	4,625.00	123.16
Valerie F. Pinson, 1724 Massachusetts Avenue, NW Washington, DC 20036	National Cable Television Assn, Inc	1,157.00	
Piper & Marbury, c/o A. Carl Kasemen, III 888 Sixteenth Street, NW Washington, DC 20006	Consolidated Rail Corporation		
Robert Pipkin Jr., Pearson & Pipkin, Inc 422 First Street, SE, #208 Washington, DC 20003	Embassy of South Africa		
Suellen Pirages, 1730 Rhode Island Ave., NW Washington, DC 20036	National Solid Waste Management Assn	200.00	
Pirtle Morisset Schlosser & Ayer, 1500 Seattle Trust Tower 1000 Second Avenue Seattle, WA 98104	American Indian Business Development Consortium	1,732.50	
Do	Central Council of Tlingit & Haida Tribes of Alaska	3,255.00	
Do	Colville Confederated Tribes		
Do	Confederated Tribes of the Goshute Reservation		
Do	Hoopa Valley Tribe	343.40	
Do	Ketchikan Indian Corp	75.00	
Do	Makah Indian Tribe	441.00	
Do	Navajo National Health Foundation, Inc	165.00	
Do	Red Lake Band of Chippewa Indians	8,040.50	
Do	Rosebud Sioux Tribe	5,189.50	
Do	Sault Ste. Marie Chippewa Tribal Council		
Do	Seneca-Cayuga Tribe of Oklahoma		
Do	Shoshone-Bannock Tribe-Fort Hall Reservation		
Do	Tulalip Tribes of Washington	1,389.00	
Do	Ukpeagvik Inupiat Corp		
Lillian M.S. Pitcaithly, 1730 K St., NW, #703 Washington, DC 20006	American Business Conference, Inc		
Virginia L. Pitcher, 2000 L St., NW, #200 Washington, DC 20036	American College of Emergency Physicians	2,556.00	159.20
Plains Cotton Growers, Inc, 4510 Englewood Lubbock, TX 79414			
Reuben C. Plantico, 111 SW Columbia, #800 Portland, OR 97201	Nerco, Inc	4,475.00	644.22
Wyll W. Pleger, 1730 Rhode Island Ave., NW, #213 Washington, DC 20036	Brown & Root, Inc		
Ronald L. Plesser, Nash Railsback & Plesser 1133 15th St., NW, #1100 Washington, DC 20005	Direct Marketing Assn	1,000.00	
Do	Disclosure Information Group	1,780.90	20.55
Do	Information Industry Assn	4,942.50	25.00
Do	Journal of Commerce, Inc	5,000.00	20.00
Martha Rachel Plotkin, 2300 M Street, NW, #910 Washington, DC 20037	Police Executive Research Forum	1,270.45	29.50
John A. Poindexter, 3805 West Alabama Houston, TX 77027	Columbia Gulf Transmission Co		
Jean S. Polatsek, 50 F Street, NW, #1100 Washington, DC 20001	American Hospital Assn		336.79
Richard J. Pollack, 50 F Street, NW #1100 Washington, DC 20001	American Hospital Assn		337.74
Michele Pollak, 1909 K Street, NW Washington, DC 20049	American Assn of Retired Persons	529.61	567.52
Alfred M. Pollard, 1155 Connecticut Ave., NW, #1130 Washington, DC 20036	Security Pacific National Bank	5,124.70	500.00
Harlan Pomeroy, 1050 Connecticut Avenue, NW, #1100 Washington, DC 20036	Baker & Hostetler (For:North Coast Cable, Ltd)		
Population-Environment Balance, 1325 G St., NW #1003 Washington, DC 20005			9,730.28
Edward T. Porcaro, 1615 L Street, NW, #1210 Washington, DC 20036	Metropolitan Life & Affiliated Cos	1,000.00	
Port of Seattle, P.O. Box 1209 Seattle, WA 98111			
Carol Alice Porter, 1000 Connecticut Ave., NW, #1002 Washington, DC 20006	Wildlife Legislative Fund of America	5,056.32	
Porter Wright Morris & Arthur, 41 South High Street Columbus, OH 43215	Coalition for Environmental Energy Balance	56,500.00	1,789.58
Donna Potemken, 50 F Street, NW, #1100 Washington, DC 20001	American Hospital Assn	3,538.70	87.43
John Michael Powderly, 815 16th St., NW, #706 Washington, DC 20006	United Steelworkers of America	7,145.43	
Joseph L. Powell Jr., 1901 L Street, NW, #320 Washington, DC 20036	Ogilvy & Mather Public Affairs		
Robert D. Powell, 1750 K St., NW, #460 Washington, DC 20006	National Business Aircraft Assn		
Powell Goldstein Frazer & Murphy, 1001 Pennsylvania Ave., NW, 6th Floor Washington, DC 20004	Bayley Seton Hospital		
Do	Belz Investment Co		
Do	Chase Manhattan Bank, N.A.	8,369.00	
Do	Coalition for Competition		
Do	Council of State Housing Agencies	144.00	
Do	Federal National Mortgage Assn		
Do	Massachusetts Housing Finance Agency		
Do	National Investment Development Corp		
Do	National Multi Housing Council		
Do	Shea & Gardner		
Do	Societe Generale de Surveillance, S.A.	2,436.00	
Do	Starrett Housing Corp		
John J. Power, 815 16th St., NW Washington, DC 20006	American Fed of Labor & Congress of Industrial Organizations	17,519.03	642.99
Frederick W. Powers III, 223 Perimeter Center Parkway P.O. Box 89000 Atlanta, GA 30338	Siemens Energy & Automation, Inc		
Graydon R. Powers Jr., 1101 16th St., NW Washington, DC 20036	Scientific Apparatus Makers Assn		
Prather Seeger Doolittle & Farmer, 1600 M Street, NW, 7th Floor Washington, DC 20036	Dollar Bank, Federal Savings Bank		6.82
David J. Pratt, 1025 Connecticut Ave., NW, #415 Washington, DC 20036	American Insurance Assn	500.00	120.00
Robert L. Pratt, 101 First Ave. Waltham, MA 02254	Thermo Electron Corporation	2,750.00	1,567.00
Lowell Press, 901 31st St., NW Washington, DC 20007	Hill & Knowlton, Inc (For:Fleishmann)	6,930.00	
Preston Thorgrimson Ellis & Holman, 1735 New York Avenue, NW, #500 Washington, DC 20006	Alaska Loggers Assn		
Do	American Nuclear Insurers	1,272.00	
Do	American President Lines		
Do	Bay Tankers Inc	7,642.50	
Do	Bellingham Cold Storage		
Do	Boeing Company		
Do	Calista Corp		
Do	Council of American-Flag Ship Operators		
Do	Council on Research & Technology	1,425.00	
Do	COMPACT		
Do	Data General Corp	3,630.00	
Do	Design Professionals Coalition		
Do	Grant County Public Utility District		
Do	Intelsat	720.00	
Do	Kellogg Company	270.00	
Do	Martin Marietta Corp		
Do	McDonnell Douglas Corp		
Do	Moore McCormack Resources, Inc		
Do	Mutual Atomic Energy Liability Underwriters		
Do	National Council on Compensation Insurance	262.50	
Do	Port of Seattle		
Do	Professional Services Council		
Do	Shonomish County Public Utility District No. 1		
Do	Sunmar Shipping, Inc		
Do	Transportation Institute		
Do	Tri-City Industrial Development Council		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	University of Michigan Hospitals	135.00	
Do	University of Washington		
Keith A. Pretty, 1615 M Street, NW, #200 Washington, DC 20036	Amoco Corporation	1,500.00	947.74
James M. Price, P.O. Box 11248 Knoxville, TN 37919	Sierra Club		695.00
Robert V. Price, 1150 Connecticut Avenue, NW, #600 Washington, DC 20036	Browning-Ferris Industries, Inc	4,500.00	400.16
Thomas J. Price, 410 First Stret, SE Washington, DC 20003	American Nuclear Energy Council	5,000.00	662.11
Patricia Pride, 1129 20th St., NW Washington, DC 20036	Financial Accounting Foundation	350.00	68.25
Sheila M. Prindiville, 1730 Rhode Island Ave., NW, #1000 Washington, DC 20036	National Solid Waste Management Assn	200.00	
Joel Pritchard, Bogle & Gates One Thomas Circle, NW, #900 Washington, DC 20005	International Telecommunications Satellite Organization		
Jerry C. Pritchett, 5410 Grosvenor Ln., #120 Bethesda, MD 20814	Mechanical Contractors Assn of America, Inc		
George W. Pritts Jr., 1745 Jefferson Davis Hwy., #1200 Arlington, VA 22202	Rockwell International Corp	1,875.00	535.27
Pro-Life CDAC 12, P.O. Box 7145 Menlo Park, CA 94025			190.53
Sydney Probst, 1250 Eye Street, NW, #900 Washington, DC 20005	Distilled Spirits Council of the U.S., Inc	2,000.00	
Stuart E. Proctor Jr., 2626 Pennsylvania Ave., NW Washington, DC 20037	National Telephone Cooperative Assn	1,250.00	649.41
Professional Managers' Assn, P.O. Box 7762, Ben Franklin Station Washington, DC 20044			
Profit Sharing Council of America, 20 N. Wacker Drive Chicago, IL 60606			
Project Advisory Group, 1029 Vermont Ave., NW, #860 Washington, DC 20005			2,343.05
Proprietary Association, 1150 Connecticut Ave., NW, #1200 Washington, DC 20036			3,793.75
Proskauer Rose Goetz & Mendelsohn, 300 Park Avenue New York, NY 10022	Integrated Resources, Inc		
Prudential-Bache Securities, Inc, 100 Gold St. New York, NY 10292			750.00
James C. Pruitt, 1050 17th St., NW, #500 Washington, DC 20036	Texaco, Inc	250.00	
Public Citizen Health Research Group, 2000 P St., NW, #700 Washington, DC 20036			
Public Employee Department, AFL-CIO, 815 16th St., NW Washington, DC 20006		57,319.73	21,473.68
Public Timber Purchasers Group, 610 SW. Broadway, #608 Portland, OR 97205		25,266.54	2,638.62
Philip N. Pulizzi Jr., 1000 16th Street, NW, #800 Washington, DC 20036	Bethlehem Steel Corp	95.00	
David E. Pullen, 1625 K Street, NW, #750 Washington, DC 20006	Manville Corporation	1,000.00	
John R. Purcell, 204 E Street, NE Washington, DC 20002	National Frozen Food Association	500.00	
Sue P. Purvis, P.O. Box 14042(d2b) St. Petersburg, FL 33733	Florida Power Corp	2,400.00	483.12
Do	Florida Progress Corp	600.00	65.88
Earle W. Putnam, 5025 Wisconsin Avenue, NW Washington, DC 20016	Amalgamated Transit Union, AFL-CIO		
Howard Pyle III, 4930 Quebec St., NW Washington, DC 20016	Houston Lighting & Power Company	4,200.00	
Robert N. Pyle & Associates, 1701 K St., NW, #1004 Washington, DC 20007	Ceramatec, Inc	3,500.00	86.00
Do	Elkem Metals Company	4,400.00	106.00
Do	Independent Bakers Assn	3,000.00	150.00
Do	Stratcor	6,400.00	135.00
Do	Welch Foods, Inc	3,600.00	85.00
John R. Quarles Jr., Morgan Lewis & Bockius 1800 M St., NW Washington, DC 20036	National Environmental Development Assn		
William A. Quinlan, 3045 Riva Rd. Riva, MD 21140	National Candy Wholesalers Assn, Inc		
Do	Retail Bakers of America		
Harold P. Quinn Jr., 1130 17th St., NW Washington, DC 20036	National Coal Assn	3,000.00	
George Gregory Raab, 2000 L Street, NW Washington, DC 20036	Medtronic, Inc		
Theresa Rabel, 1771 N Street, NW Washington, DC 20036	National Assn of Broadcasters	1,500.00	800.00
Clifford Raber, One McDonald's Plaza Oak Brook, IL 60521	McDonald's Corp		
Steve Rabin, 1901 L Street, NW, #320 Washington, DC 20036	Ogilvy & Mather		
Alex Radin, 1200 New Hampshire Ave., NW, #235 Washington, DC 20036	Tennessee Valley Public Power Assn	150.00	
Radin & Associates, Inc, 1200 New Hampshire Ave., NW Washington, DC 20036	Arnold & Porter	1,468.75	
W. A. Radziewicz, 400 First Street, NW Washington, DC 20001	Brotherhood of Railroad Signalmen	350.00	
Michael Rae, 2030 M St., NW Washington, DC 20036	Common Cause	5,140.02	91.00
Tess A. Rae, 1001 Pennsylvania Ave., NW Washington, DC 20004	American Council of Life Insurance, Inc		
John D. Raffaelli, Law Offices of John D. Raffaelli 499 South Capitol St., SW, #407 Washington, DC 20003	Dean Witter Realty, Inc		
Do	Gulf Coast Waste Disposal Authority		
Do	Lloyd's U.S. Corp		
Do	National Council for Higher Education Loan Programs		
Do	R. Duffy Wall & Associates, Inc (For:Taylor & Mizell)		
Tanya A. Rahall, 2033 M Street, NW, #900 Washington, DC 20036	National Assn of Arab Americans	6,583.26	27.90
Roderic W. Rahe Jr., 1015 15th Street, NW, #802 Washington, DC 20005	American Consulting Engineers Council	700.00	
Richard W. Rahn, 1615 H St., NW Washington, DC 20062	Chamber of Commerce of the U.S	525.00	274.00
Thomas F. Railsback, Nash Railsback & Plesser 1133 15th St., NW, #1100 Washington, DC 20005	Federal Judges Association		
Do	Merck & Co, Inc		
Do	National Council of U.S. Magistrates	1,045.00	
Do	Walt Disney Productions		
Railway Labor Executives' Assn, 400 First St., NW, #804 Washington, DC 20001		115,200.00	197,098.66
Railway Progress Institute, 700 North Fairfax St. Alexandria, VA 22314			
Rainbow Lobby, 236 Massachusetts Avenue, NE, #409 Washington, DC 20002		272,385.16	214,551.90
Elizabeth L. Raisbeck, 801 Pennsylvania Ave., SE, #301 Washington, DC 20003	National Audubon Society	3,687.50	320.94
Donald A. Randall, P.C., 321 D Street, NE Washington, DC 20002	Automotive Service Assn	11,369.60	
Do	National Independent Dairy-Foods Assn	6,575.00	
Randolph & Truitt, 1752 N Street, NW, #801 Washington, DC 20036	Tanadgusix Corporation		
James D. Range, 1155 Connecticut Ave., NW, #800 Washington, DC 20036	Waste Management, Inc	5,000.00	
D. Michael Rappoport, P.O. Box 52025 Phoenix, AZ 85072	Salt River Project	1,680.00	6,639.59
Magda Ratajski, One Commercial Place Norfolk, VA 23510-2191	Norfolk Southern Corp		
Billye Lynn Ratliff, 1025 Connecticut Ave., NW Washington, DC 20036	Shell Oil Co	500.00	
John W. Rauber Jr., 2501 M Street, NW Washington, DC 20037	Chemical Manufacturers Assn	350.00	2,224.34
Carol L. Raulston, 1250 Connecticut Ave., NW Washington, DC 20036	American Paper Institute, Inc	2,075.00	
Craig Raupe, Campbell-Raupe, Inc 1015 15th Street, NW, #907 Washington, DC 20005	Algonquin Gas Transmission		
Do	American Nuclear Energy Council		
Do	Invest to Compete Alliance		
Do	LTV Aerospace & Defense Co		
Do	Pitney Bowes		
Do	Riffe Petroleum Co		
Do	Stone & Webster Engineering Corp		
Do	Texas Air Corp		
Do	Texas Utilities Services, Inc		
Do	The New England		
Do	Union Pacific Corp		
Do	Westinghouse Electric Corp		
John K. Rayburn, 1801 K Street, NW Washington, DC 20006	Westinghouse Electric Corp	235.00	30.00
David A. Raymond, 1025 Connecticut Ave., NW, #1014 Washington, DC 20036	Enserch Corporation	3,379.00	2,224.00
Sharon Raymond, 1120 Connecticut Ave., NW Washington, DC 20036	American Bankers Assn	2,500.00	
Richard J. Razook, 200 South Biscayne Blvd. 4900 Southeast Financial Center Miami, FL 33131	Thomson Zeder Bohrer Werth & Razook (For:Burger King Corp)	354.33	
Julian O. Read, 1005 Congress Avenue, #500 Austin, TX 78701	Central & South West Corp		
Stephen F. Ready, 129 Cabrillo, #201 Costa Mesa, CA 92627	National Bicycle Dealers Assn		
Sydney C. Reagan, 10 Duncannon Ct., Glen Lakes Dallas, TX 75225	Southwestern Peanut Shellers Assn		
Linda S. Rearick, 1120 Connecticut Ave., NW Washington, DC 20036	American Bankers Assn	1,500.00	407.88
Recon/Optical, Inc, 550 West Northwest Highway Barrington, IL 60010			
Recording Industry Assn of America, Inc, 888 Seventh Avenue, 9th Fl. New York, NY 10106		85,452.12	160,800.51
John M. Rector, 205 Daingerfield Rd. Alexandria, VA 22314	National Assn of Retail Druggists	700.00	1,150.00
Robert E Redding, 7315 Wisconsin Ave., #325 E Bethesda, MD 20814	Shippers National Freight Claim	148.40	
Jo Reed, 1909 K Street, NW Washington, DC 20049	American Assn of Retired Persons	571.92	87.80
Michael L. Reed, 1100 15th Street, NW, #900 Washington, DC 20005	Pharmaceutical Manufacturers Assn	4,000.00	111.00
J. Mitchell Reese, 1700 K Street, NW, #1204 Washington, DC 20006	Chevron USA, Inc	400.00	50.00
William D. Reese, P.O. Box 899 Salt Lake City, UT 84110	Utah Power & Light Co	2,250.00	1,750.00
Benjamin F. Reeves, 1100 17th Street, NW Washington, DC 20036	Burley & Dark Leaf Tobacco Export Assn	950.00	
J. Ronald Reeves, Washington National Airport Washington, DC 20001	U.S. Air, Inc	2,000.00	238.75
Timothy J. Regan, 1455 Pennsylvania Ave., NW, #500 Washington, DC 20004	Corning Glass Works	2,500.00	
John T. Reggitts Jr., 95 Booton Ave. P.O. Box 470 Boonton, NJ 07005			
John Regnier, 1025 Connecticut Ave., NW, #200 Washington, DC 20036	Shell Oil Co	500.00	
David K. Rehr, 600 Maryland Ave., SW, #700 Washington, DC 20024	National Fed of Independent Business	3,401.75	707.00
Reichler & Appelbaum, 888 17th St., NW, #1101 Washington, DC 20006	Republic of Guatemala		
Do	Republic of Nicaragua	6,000.00	
Charlotte Reid, 2466 Chatham Road Aurora, IL 60506	Motorola, Inc		
Michael Reid, 1925 K Street, NW, #206 Washington, DC 20006	Alliance to Save Energy		
Michael W. Reid, 1300 L Street, NW Washington, DC 20005	American Postal Workers Union, AFL-CIO	2,623.14	116.40

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Reid & Priest, 1111 19th St., NW, #1100 Washington, DC 20036	Associated Natural Gas Company, et al.		
Do	Committee of Corporate Telecommunications Users		
Do	Edison Electric Institute		
Do	Kentucky Utilities Co		
Kathleen Reinburg, 2000 P Street, NW, #305 Washington, DC 20036	Foresight Science & Technology, Inc (For:Society for American Archaeology)	2,037.00	
Nooley Reinheardt, Nooley Reinheardt & Assoc. P.O. Box 23190 Washington, DC 20024	Rural Builders Council of California		
Reinsurance Assn of America, 1819 L St., NW, 7th Floor Washington, DC 20036			
Dale L. Reistad, 1726 M Street, NW, #1000 Washington, DC 20036	Electronic Funds Transfer Assn	375.00	
Religious Coalition for Abortion Rights, Inc, 100 Maryland Avenue, N.e. Washington, DC 20002		140,322.73	8,283.82
Zev M. Remba, 1111 14th Street, NW Washington, DC 20005	Academy of General Dentistry		
John W. Rendon Jr., 1439 Rhode Island Ave., NW Washington, DC 20005	Rendon Company		
Rendon Company, 1439 Rhode Island Ave., NW Washington, DC 20009			
Sarah M. Renfroe, 16805 Weld County Rd. 19 1/2 Platteville, CO 80651	Public Service Co of Colorado		
Diane Rennert, 2005 Massachusetts Avenue, NW Washington, DC 20036	Association of American Publishers	4,300.00	259.27
Retired Officers Assn, 201 N. Washington St. Alexandria, VA 22314		88,791.67	19,307.51
John H. Reurs, 74 Trinity Place New York, NY 10006	New York Comm of Intl Comm of Passenger Lines		
Vincent P. Reusing, 1615 L Street, MW, #1210 Washington, DC 20036	Metropolitan Life & Affiliated Cos	1,000.00	
Alan V. Reuther, 1757 N Street, NW Washington, DC 20036	United Auto Aerospace & Agricultural Implement Workers	20,129.91	279.85
Allan R. Rexinger, 1150 Connecticut Ave., NW, #1200 Washington, DC 20036	Proprietary Association	3,643.75	150.00
Mark E. Rey, 1250 Connecticut Avenue, NW Washington, DC 20036	National Forest Products Assn	1,500.00	
Renee Reymond, 1331 Pennsylvania Ave., NW, #1500 N. Washington, DC 20004	National Assn of Manufacturers		
Mary Anne Reynolds, 8111 Gatehouse Road Falls Church, VA 22047	AAA Potomac		
Timothy M. Reynolds, 1001 22nd St., NW Washington, DC 20037	Standard Oil Co (Ohio)		
Frederick W. Rhodes, 1828 L Street, NW Washington, DC 20036	Loral Systems Group	4,250.00	
John J. Rhodes, Hunton & Williams 2000 Pennsylvania Avenue, NW Washington, DC 20006	Central Arizona Water Conservation District	3,600.00	
Do	Rocky Mountain Energy Co	3,000.00	
Grace Ellen Rice, 600 Maryland Ave., SW Washington, DC 20024	American Farm Bureau Federation	7,187.00	188.41
Lois D. Rice, 1201 Pennsylvania Avneue, NW Washington, DC 20004	Control Data Corporation	300.00	38.00
James E. Rich Jr., 1025 Connecticut Ave., NW, #200 Washington, DC 20036	Shell Oil Co	500.00	
Richard Richards, Law Office of Richard Richards 1050 Thomas Jefferson Street, NW, 6th Fl Washington, DC 20007	Hughes Aircraft Company		
Alan H. Richardson, 2301 M St., NW Washington, DC 20037	American Public Power Assn	500.00	
Donna Richardson, 1101 14th Street, NW, #200 Washington, DC 20005	American Nurses' Assn	4,935.00	231.80
K. O. Richardson, 815 16th St., NW Washington, DC 20006	Brotherhood of Railway Airline & Steamship Clerks	3,000.00	84.97
Kevin C. Richardson, 2001 Eye St., NW Washington, DC 20006	Electronic Industries Assn	825.00	
Steve Richardson, 1400 Eye Street, NW Washington, DC 20005	Wilderness Society	4,877.74	494.43
Warren S. Richardson, 325 Pennsylvania Ave., SE Washington, DC 20003	Washington Lobby Group, Inc (For:Preston Corp)	3,000.00	
Wesley S. Richardson, P.O. Box #65 Washington Grove, MD 20880	Washington Lobby Group, Inc (For:Preston Corp)	1,500.00	
William J. Richardson Jr., 1819 H Street, NW, #1100 Washington, DC 20006			
Lois Richerson, 1724 Massachusetts Avenue, NW Washington, DC 20036	National Cable Television Assn, Inc	1,142.00	
Les Richter, 1801 Speedway Boulevard Daytona Beach, FL 32015	National Assn for Stock Car Auto Racing, Inc (NASCAR)	8,000.00	
Do	National Motorsports Comm of ACCUS, FIA, Inc		
Glenn Wadsworth Riddell, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington, DC 20037	Laurel Steel Products Ltd, et al.		
Judy Noel Riddle, 6630 W. Broad St. Richmond, VA 23230	Lawyers Title Insurance Co		
Mary Catherine Riddle, 1700 K St., NW, #1200 Washington, DC 20006	Chevron USA, Inc	220.00	33.00
Lowell J. Ridgeway, North Dakota Petroleum Council P.O. Box 1395 Bismarck, ND 58502	American Petroleum Institute	693.00	703.05
E. George Riedel, 1600 M Street, NW Washington, DC 20036	International Telephone & Telegraph Corporation	4,280.00	80.00
E. Philip Riggin, 1608 K St., NW Washington, DC 20006	American Legion	12,885.00	439.91
P. Robert Rigney Jr., 1117 North 19th Street, #600 Arlington, VA 22209	American Assn of Blood Banks	1,250.00	
Pat Riley, 1016 16th Street, NW Washington, DC 20036	National Fed of Federal Employees		
Susan Riley, 1250 Connecticut Ave., NW, #620 Washington, DC 20036	National Multi Housing Council	300.00	
John F. Ring, 25 Louisiana Avenue, NW Washington, DC 20001	International Brotherhood of Teamsters		
David Ringler, One Post Street, #3275 San Fransisco, CA 94104	McKesson Corp	3,000.00	1,271.00
Dale P. Riordan, 3900 Wisconsin Avenue, NW Washington, DC 20016	Federal National Mortgage Assn		
Kevin J. Riordan, 1700 K St., NW, #1204 Washington, DC 20006	Chevron USA, Inc	240.00	185.00
John S. Rippey, 730 15th St., NW Washington, DC 20005	Association of Bank Holding Cos	1,462.50	35.00
Riselli & Pressler, 2033 M Street, NW, #504 Washington, DC 20036	Professional Managers' Assn		
Carol A. Risher, 2005 Massachusetts Ave., NW Washington, DC 20036	Association of American Publishers	2,000.00	
Robin Risso, 511 C Street, NE Washington, DC 20002	Continental Assn of Resolute Employers (C.A.R.E.)		
Jeanne M. Ritchie, 1001 Pennsylvania Ave., NW Washington, DC 20004	American Council of Life Insurance, Inc		
James E. Ritchie & Associates, 499 S. Capitol St., SW, #400 Washington, DC 20003	Gaming Industry Assn of Nevada, Inc	3,200.00	4,759.56
Do	Golden Nugget, Inc		
Do	National Assn of Off-Track Betting	1,900.00	5,320.73
Do	National Assn of Optometrists & Opticians, Inc		5,939.46
Do	Nevada Resort Assn	4,800.00	7,139.36
Valentin Riva, 1957 E St., NW Washington, DC 20006	Associated General Contractors of America		
Phillip W. Rivers, 1050 17th St., NW #500 Washington, DC 20036	Texaco, Inc	270.00	
Rivkin Radler Dunne & Bayh, 1575 I Street, NW, #1025 Washington, DC 20005	Akin Gump... (Drexel Burnham Lambert, Inc)	4,300.00	38.00
Do	American Bakers Assn		5.00
Do	American Cancer Society	204.70	
Do	ALC Communications Corp	3,629.70	200.00
Do	Borg-Warner Corp	3,832.00	140.00
Do	Business Coalition for RICO Reform		203.80
Do	Cranston Securities, Inc		130.00
Do	Dow Chemical Co	4,000.00	50.00
Do	Energy Contractors Price-Anderson Group	17,207.61	1,019.28
Do	Food Marketing Institute		
Do	Gunnar Dana Associates		
Do	Lever Brothers Co, Inc	2,036.25	150.00
Do	National Basketball Assn	1,750.00	20.00
Do	National Soft Drink Assn	4,516.50	135.00
Do	New Energy Corporation	800.00	10.00
Do	Primerica	2,000.00	25.00
Do	Renewable Fuels Assn	1,625.00	15.00
Do	Tiffany & Co	25.00	30.00
Carole T. Roberts, 1660 L St., NW, #1000 Washington, DC 20036	Travelers Companies	1,437.50	
Perry A. Roberts, 8000 W. Florissant St. Louis, MO 63136	Emerson Electric Co		852.14
Richard R. Roberts, 304 Pennsylvania Ave., SE, #300 Washington, DC 20003	American Council of Highway Advertisers	1,500.00	2,489.10
Do	South Sea Charter Service	750.00	442.51
Richard W. Roberts, 100 East 42nd St. New York, NY 10017	National Foreign Trade Council, Inc	500.00	50.00
William A. Roberts, 444 North Capitol Street, #711 Washington, DC 20001	TKC International Inc (For:Capitol Metropolitan Transportation Authority)	308.26	
Do	TKC International Inc (For:University of Miami)	600.00	
Do	TKC International Inc (For:UNIAO Nacional Para Independencia Total DeAngola)	8,925.00	9,110.00
Do	TKC International Inc (For:Westinghouse Electric Corp)		
Gordon C. Robertson, 1412 16th Street, NW Washington, DC 20036	International Assn of Fish & Wildlife Agencies	9,411.82	220.01
Robins Zelle Larson & Kaplan, 1627 Eye St., NW, #610 Washington, DC 20006	Cabot Corporation		1,023.91
Betty S. Robinson, 1757 N St., NW Washington, DC 20036	United Auto Aerospace & Agricultural Implement Workers	15,844.80	141.75
Ernestine S. Robinson, 1575 Eye Street, NW Washington, DC 20005	American Soc of Assn Executives	300.00	
Kenneth L. Robinson, 1111 N. 19th Street, #700 Arlington, VA 22209	National Assn of Federal Credit Unions		
Thomas E. Robinson, 1101 17th St., NW, #700 Washington, DC 20036	National Assn of Real Estate Investment Trusts, Inc	800.00	
Do	Pension Real Estate Assn		
Robinson Lake & Lerer, Inc, 1667 K St., NW, #900 Washington, DC 20007	Grocery Manufacturers of America		
Do	Sun-Diamond Growers of California	5,000.00	
Robison International, Inc, 2300 N St., NW, #600 Washington, DC 20037	Euromissile	10,500.00	7,676.00
Do	FMC Corporation	4,500.00	3,090.00
Do	Kaman Sciences Corp	7,500.00	5,483.00
Do	McDonnell Douglas Corp	7,500.00	5,483.00
Do	Royal Ordnance, Inc	12,000.00	8,772.00
Do	Systems Planning Corp	9,000.00	6,579.00
James Anthony Rock, 1730 M Street, NW, #607 Washington, DC 20036	Montana Power Co, et al.	1,250.00	2,157.56
Michael J. Rock, 50 F Street, NW, #1100 Washington, DC 20001	American Hospital Assn	3,381.99	224.08
David W. Roderer, 3900 Wisconsin Avenue, NW Washington, DC 20016	Federal National Mortgage Assn		
Quincy Rodgers, 2033 M Street, NW, #800 Washington, DC 20036	General Instrument Corporation	1,000.00	58.80
Jose Luis Rodriguez, 1000 Thomas Jefferson St., NW, #601 Washington, DC 20007			

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Rodriquez & Associates, 1325 18th Street, NW, #103 Washington, DC 20036	New York Foreign Freight Forwards & Brokers Assn	2,000.00	237.30
Arthur P. Rogers, 888 17th St., NW, #901 Washington, DC 20006	Whiteford Taylor & Preston		
Bruce N. Rogers, 1660 L St., NW Washington, DC 20036	General Motors Corp	3,000.00	3,332.20
Donald L. Rogers, 730 15th St., NW Washington, DC 20005	Association of Bank Holding Cos	3,025.00	
Gardiner Rogers, 105 Forrest Avenue, Suite 7 Narberth, PA 19072	Liberty Lobby	771.00	395.44
Nancy Rogers, 815 16th Street, NW Washington, DC 20006	Industrial Union Department, AFL-CIO	6,494.01	78.14
Terrence L. Rogers, 80 F St., NW Washington, DC 20001	American Fed of Government Employees	12,322.45	12,487.90
Rogers & Wells, 200 Park Avenue New York, NY 10166	Adamar of New Jersey, Inc, et al.		
Do	American Express Co		
Do	Cementos Anahuac del Golfo, S.A.		
Do	Liz Claiborne, Inc		
Do	Compagnie Financiere de Paribas		
Do	Desert Palace, Inc		
Do	Dreyfus Corporation		
Do	Grocery Manufacturers of America, Inc		
Do	International Sleep Products Assn		
Do	Internoor Trade, Inc		
Do	Investment Partnership Assn		
Do	Kamehameha Schools/Bernice P. Bishop Estate		
Do	Liga Agricola Industrial de la Cana de Azucar		
Do	Manufacturers Life Insurance Co, Inc	500.00	
Do	Merrill Lynch & Co, Inc		
Do	Pan American World Airways, Inc		
Do	Pan American World Services, Inc		
Do	Republic National Bank		
Do	Rutgers, The State University of New Jersey		
Do	Teachers Insurance & Annuity Assn/College Ret. Equities Fund		
Carole M. Rogin, 1255 23rd Street, NW, #850 Washington, DC 20037	Hauck & Associates, Inc (For:Hearing Industries Assn)		
Do	Hauck & Associates, Inc. (For:National Assn for Child Care Management)		
Richard A. Rohrbach, 1615 M Street, NW, #570 Washington, DC 20036	Boise Cascade Corp	32,250.00	148.14
Stephen F. Rohrkemper, 150 S. Washington St., #100 Falls Church, VA 22046	International Technical Expertise Ltd		
John F. Rolph III, 1200 New Hampshire Ave., NW, #350 Washington, DC 20036	Citibank, N.A.	1,000.00	
Kenneth S. Rolston Jr, 1025 Vermont Ave., NW, #1020 Washington, DC 20005	American Pulpwood Assn		
Emil A. Romagnoli, 180 Maiden Lane New York, NY 10038	Asarco Inc	1,900.00	
Daniel Romanko, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington, DC 20037	Canadian Steel Producers Assn	137.50	859.62
Joseph D. Romer, 304 N. Virginia Avenue Falls Church, VA 22046	Brown Bridgman & Company	682.50	13.25
Wilfred J. Romero, 51 Madison Avenue New York, NY 10010	New York Life Insurance Company		
Michael J. Romig, 1850 K Street, NW Washington, DC 20006	American Council of Life Insurance, Inc	2,500.00	
Francis P. Rooney, 888 Sixteenth St., NW Washington, DC 20006	Biscuit & Cracker Mfgrs Assn		
Fred B. Rooney, 1050 Connecticut Ave., NW, 12th Fl. Washington, DC 20036	American Iron & Steel Institute	1,850.00	
Do	Association of American Railroads	1,950.00	
Do	CalMat Company	1,750.00	
Do	Crawford Fitting Co	1,750.00	
Do	Denver & Rio Grande Western Railroad Co	1,800.00	
Do	Inter-Con Security Systems, Inc	850.00	
Do	Kawasaki Motors Corp, USA	1,450.00	
Do	Lone Star Industries, Inc	1,750.00	
Do	M Life Insurance Co	1,950.00	
Do	Paul Hastings Janofsky & Walker (For:Security Life of Denver)	1,850.00	
James Roosevelt, 201 East Sand Point, #250 Santa Ana, CA 92715	National Committee to Preserve Social Security	15,000.00	
John C. Roots, 1333 New Hampshire Ave., NW, #1001 Washington, DC 20036	Atlantic Richfield Co	41.48	
Ropes & Gray, 1001 22nd St., NW, #700 Washington, DC 20037	Amherst College, et al.		
Rose Schmidt Hasley & DiSalle, 1825 Eye St., NW, #300 Washington, DC 20006-5486	Cigar Assn of America, Inc		
Do	Social Security Protection Bureau	1,500.00	
Lester L. Rosen, 7 Fulham Court Silver Spring, MD 20902	Miles Laboratories, Inc		
Richard Rosen, 5010 Wisconsin Ave., NW, #118 Washington, DC 20016			
Albert B. Rosenbaum III, 2200 Mill Rd. Alexandria, VA 22314	National Tank Truck Carriers, Inc		
Richard Rosenbaum, 666 Third Ave., 4th Fl. New York, NY 10017	Integrated Resources, Inc		
Roger C. Rosenthal, 2001 S St., NW, #310 Washington, DC 20009	Migrant Legal Action Progran, Inc		
Gail E. Ross, 918 16th St., NW, #503 Washington, DC 20006	Washington Independent Writers, Inc		
Joe Ross, P.O. Box 1582 Little Rock, AR 72203-1582			
Lawrence J. Ross, Ross & Duerk, P.C. 1700 K Street, NW, #1100 Washington, DC 20006			
Nancy Ross, 236 Mass. Ave., NE Washington, DC 20001	Rainbow Alliance	4,225.00	300.00
Phillip T. Ross, 198 Macdougal Street, #3L Brooklyn, NY 11233	Grady O'Cummings and O'Cummings		
William F. Ross, South Carolina Petroleum Council 716 Keenan Bldg. Columbia, SC 29201	American Petroleum Institute	657.00	1,099.95
Richard Rosser, 122 C Street, NW, #750 Washington, DC 20001	National Assn of Independent Colleges & Universities	5,205.00	
Barry N. Roth, 1120 20th Street, NW, #700 Washington, DC 20036	Williams Companies	500.00	
Rhond Rudolph Roth, 813 Maryland Avenue, NE Washington, DC 20002	Hauck & Associates, Inc		
John C. Rother, 1909 K Street, NW Washington, DC 20049	American Assn of Retired Persons	1,211.54	216.05
Edwin Rothschild, 1300 Connecticut Ave., NW, #401 Washington, DC 20036	Citizen/Labor Energy Coalition	1,500.00	
Donald D. Rounds, South Dakota Petroleum Council 222 E. Capitol, #16 Pierre, SD 57501	American Petroleum Institute	1,100.00	1,151.39
William C. Rountree, Suite 600 1001 22nd St., NW Washington, DC 20037	Standard Oil Co (Ohio)		
Michael O. Roush, 600 Maryland Avenue, SW. #700 Washington, DC 20024	National Fed of Independent Business	4,875.50	516.00
Eugene F. Rowan, 2550 M Street, NW Washington, DC 20037	National Assn of Chain Drug Stores, Inc	44.00	
Do	Revco D.S., Inc	131.00	
Ted Rowland, 47 W. 34th Street, #807 New York, NY 10001	International Footwear Assn		
Charles Rowton, 1899 L Street, NW, #1100 Washington, DC 20036	Exxon Corporation	300.00	35.67
Roxton, Inc, 2000 S. Eads Street, #1003 Arlington, VA 22202	Medical Identification Card		
Tobi Z. Rozen, 888 16th St., NW Washington, DC 20006	Milk Industry Foundation/Int'l Assn of Ice Cream Mfrs		
Eugene T. Ruane, 1325 G Street, NW, #1003 Washington, DC 20005	Population-Environment Balance	788.99	5.60
James S. Rubin, Kleinfeld Kaplan & Becker 1140 19th Street, NW Washington, DC 20036	Allied-Signal, Inc	13,437.50	
Do	Pacific Western Distributing Corp	1,350.00	
Joseph T. Ruble, 1300 North 17th Street, #300 Arlington, VA 22209	ADAPSO, the Computer Software & Services Industry Assn		
Eldon Rudd, Shimmel Hill Bishop & Gruender, P.C. 3700 North 24th Street Phoenix, AZ 85016	Central Arizona Project Assn	10,022.68	2,545.44
Barbara A. Rudolph, 1901 N. Fort Myer Drive, #302 Rosslyn, VA 22209	Beverly Enterprises, Inc	3,375.00	104.67
Henry C. Ruempler, 1200 New Hampshire Avenue, NW, #350 Washington, DC 20036	American Bankers Assn	2,000.00	221.71
Nicholas L. Ruggiere, 1667 K Street, NW, #410 Washington, DC 20006	Johnson & Johnson	1,000.00	225.00
Ronald R. Rumbaugh, 5205 Leesburgh Pike, #505 Falls Church, VA 22041	National Beer Wholesalers of America	211.00	
John Runyan, 1730 North Lynn St., #409 Arlington, VA 22209	Printing Industries of America, Inc	1,000.00	
Morgan S. Ruph, 4647 Forbes Boulevard Lanham, MD 20706	AMVETS	6,800.00	150.47
Domenic R. Ruscio, 6th Floor 2010 Massachusetts Avenue, NW Washington, DC 20036			
Barry Russell, 1101 16th St., NW Washington, DC 20036	Independent Petroleum Assn of America		15.00
Dorothea L. Russell, 1120 Vermont Avenue, NW, #1120 Washington, DC 20005	National Candy Wholesalers Assn, Inc		
Randall M. Russell, 517 C Street, NE Washington, DC 20002-5809	Lesher and Associates, Inc		
William Russell & Associates, Inc, 1775 Pennsylvania Ave., NW, #450 Washington, DC 20006	Columbia Communications Corp		
Do	Pacific Telecom, Inc		
Wally Rustad, 1800 Massachusetts Ave., NW Washington, DC 20036	National Rural Electric Cooperative Assn	50.00	
Herman Max Ruth 71990-158, P.O. Box 1000 Otisville, NY 10963	Herman Max Ruth		
J. T. Rutherford & Associates, Inc, 1301 N. Courthouse Rd., #1802 Arlington, VA 22201	American Assn of Bioanalysts/Intl Soc of Clinical Lab Techs		602.50
Do	American College of Radiology		750.30
Do	American Optometric Assn		520.10
Frank T. Ryan, 1400 K Street, NW Washington, DC 20005	Rubber Manufacturers Assn	2,500.00	
George J. Ryan, 915 Rockefeller Building Cleveland, OH 44113	Lake Carriers' Assn		
John F. Ryan, 1600 M Street, NW Washington, DC 20036	International Telephone & Telegraph Corporation		
Joseph Ryan, 1155 21st., NW, 4th Fl Washington, DC 20036	General Instrument Corporation		
Kermit W. Ryman, 1700 K St., NW, #1200 Washington, DC 20006	Chevron USA, Inc	203.11	61.50
RADAR, 4949 S 25A Tipp City, OH 45371		294,249.83	16,812.64
RBC Associates, 324 Fourth Street, NE Washington, DC 20002	Ann Arbor Railroad	7,500.00	4,926.75
Do	Bangor & Aroostook Railroad	6,750.00	4,978.74
Do	Chicago & North Western Transportation Corp	31,500.00	5,733.04
Do	Delaware Otsego System	24,000.00	5,357.66
Do	Genesee & Wyoming Corp	1,000.00	4,895.40
Do	Regional Railroads of America	14,000.00	4,895.40

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
RJR Nabisco, Inc, 1100 Reynolds Blvd. Winston-Salem, NC 27106			13,530.57
Paul R. Sacia, Suite 202, West Wing 600 Maryland Avenue, SW Washington, DC 20024	Farmers' Educational & Co-Operative Union of America		
David J. Sadd, 2033 M Street, NW, #900 Washington, DC 20036	National Assn of Arab Americans	4,536.80	
G. J. Thomas Sadler Jr., 3521 Valley Drive Alexandria, VA 22302	Communications Satellite Corp	1,500.00	267.46
Susan L. Sadtler, 2626 Pennsylvania Avenue, NW Washington, DC 20037	National Telephone Cooperative Assn	1,625.00	540.77
Anthony J. Saggese Jr., 1050 17th St., NW, #500 Washington, DC 20036	Texaco, Inc		
Saginaw County Chamber of Commerce, 901 S. Washington Avenue Saginaw, MI 48601			
Frank Max Salinger, 1101 14th St., NW Washington, DC 20005	American Financial Services Assn	250.00	
James H. Sammons, 535 North Dearborn Street Chicago, IL 60610	American Medical Assn	2,500.00	
Sammons Enterprises, Inc, 403 South Akard Dallas, TX 75202			3,526.37
Felix R. Sanchez, 1515 Wilson Blvd. Arlington, VA 22209	American Gas Assn	2,500.00	2,049.07
James C. Sanders, 1750 K St., NW, #500 Washington, DC 20006	Beer Institute		
Sanders Schnabel & Brandenburg, P.C., 1110 Vermont Avenue, NW, #600 Washington, DC 20005	American Soc of Assn Executives	2,037.61	17.50
Stephen E. Sandherr, 1957 E Street, NW Washington, DC 20006	Associated General Contractors of America	2,000.00	500.00
Myron G. Sandifer III, 1489 Chain Bridge Road, #200 McLean, VA 22101	Jack McDonald Co (For:Chase Manhattan Bank, N.A.)		
Do	Jack McDonald Co (For:Dow Corning Corp)		
Do	Jack McDonald Co (For:Hitachi Sales Corp of America)		30.00
Do	Jack McDonald Co (For:Jacques Borel Enterprises, Inc)		
Do	Jack McDonald Co (For:Royal Zenith Corp)		
Do	Jack McDonald Co (For:Societe Generale de Surveillance, S.A.)		
Charles E. Sandler, 1220 L Street, NW Washington, DC 20005	American Petroleum Institute	6,000.00	
Peter G. Sandlund, 1725 Eye St., NW, #315 Washington, DC 20006	Council of European & Japanese National Shipowners' Assn	300.00	
Eric Sapirstein, ENS Resources, Inc 2712 Wisconsin Avenue, NW, #801 Washington, DC 20007	Cure Corp		
Do	Jellinek Schwartz Connolly & Freshman, Inc	3,000.00	687.58
Do	Las Virgenes Municipal Water District	150.00	176.62
Do	Victor Valley Wastewater Reclamation Authority		
Do	Western Research Institute	1,023.75	1,181.77
Ronald A. Sarasin, 311 First Street, NW Washington, DC 20001	National Restaurant Assn		
Klara B. Sauer, 9 Vassar Street Poughkeepsie, NY 12601	Scenic Hudson, Inc		
Albert C. Saunders, 1100 15th St., NW #900 Washington, DC 20005	Pharmaceutical Manufacturers Assn	4,000.00	18.50
Mary Jane Saunders, 1300 N. 17th Street, #300 Arlington, VA 22209	ADAPSO, the Computer Software & Services Industry Assn		
Richard N. Sawaya, 1333 New Hampshire Ave., NW Washington, DC 20036	Atlantic Richfield Co		
Thomas C. Sawyer, 1825 K Street, NW Washington, DC 20006	National Broadcasting Co, Inc	5,000.00	500.11
Laurie S. Schaffer, 1120 Connecticut Ave., NW Washington, DC 20036	American Bankers Assn	385.00	
Harold A. Schaitberger, 1750 New York Ave., NW Washington, DC 20006	International Assn of Fire Fighters	13,763.94	
William T. Schapaugh, 1030 15th Street, NW Washington, DC 20005	American Seed Trade Assn	5,000.00	
C. M. Schauerte, P.O. Box 3247 Houston, TX 77253	American General Corporation		
Jay T. Scheck Jr., Rt. 202-206 North Somerville, NJ 08876	Hoechst Celanese Corporation		
Schell & Co, Inc, 1776 K Street, NW, #700 Washington, DC 20006	Fuller Co		
Do	GATX Corp		
Robert J. Schenk, 15th & M Streets, NW Washington, DC 20005	National Assn of Home Builders of the U.S.		
S. Jacob Scherr, 1350 New York Ave., NW, #300 Washington, DC 20005	Natural Resources Defense Council, Inc	262.00	6.00
Schiff Hardin & Waite, 1101 Connecticut Avenue, NW Washington, DC 20036	Chicago Board Options Exchange		
Michael T. Schilling, 1000 Wilson Blvd. Arlington, VA 22209	TRW, Inc	540.00	
Kenneth D. Schloman, 1600 Rhode Island Avenue, N.w. Washington, DC 20036	National Rifle Assn of America	981.25	53.52
Schmeltzer Aptaker & Sheppard, 1800 Massachusetts Ave., NW Washington, DC 20036	American Honda Motor Co, Inc	8,962.00	108.60
Richard M. Schmidt Jr., 1333 New Hampshire Ave., NW, #600 Washington, DC 20036	Association of American Publishers	500.00	
Arthur C. Schmitt, 3705 S. George Mason Drive, Apt. 301 So. Falls Church, VA 22041	Oxford Group, Limited		
Schnader Harrison Segal & Lewis, Suite 1000 1111 19th St., NW Washington, DC 20036	Savin Corporation		
Do	Toyota Motor Corporation	8,481.00	81.80
Robert V. Schneider, 360 Herndon Parkway, #2100 Herndon, VA 22070	ACS Systems, Inc		
Theresa A. Schneider, 1120 19th Street, NW, #310 Washington, DC 20036-3605	Institute of Makers of Explosives		
Leonard Schneidman, Foley Hoag & Eliot One Post Office Square Boston, MA 02109	Mutual Savings Central Fund, Inc		
Abraham Schneier, 600 Maryland Ave., SW, #700 Washington, DC 20024	National Fed of Independent Business	3,401.75	189.00
Frank Schneller, 1957 E St., NW Washington, DC 20006	Associated General Contractors of America		
Nancy L. Schoenig, 25 Louisiana Avenue, NW Washington, DC 20001	International Brotherhood of Teamsters		
Ann M. Schonfield, 1759 Lamont St., NW Washington, DC 20010	Natural Resources Defense Council, Inc	1,500.00	50.00
Jack J. Schramm, 1155 Connecticut Ave., NW, #800 Washington, DC 20036	Waste Management, Inc	5,000.00	
H. B. W. Schroeder, 1050 17th Street, NW, #490 Washington, DC 20036	Consumers Power Co	8,000.00	1,266.00
Leah Webb Schroeder, 1030 15th Street, NW, #100 Washington, DC 20005	Health Industry Manufacturers Assn		
N. Donald Schroeder, Maryland Petroleum Council 60 West St., #403 Annapolis, MD 21401	American Petroleum Institute	40.00	
Judy Schub, 1909 K Street, NW Washington, DC 20049	American Assn of Retired Persons	593.66	820.34
Jill Schuker, 901 31st Street, NW Washington, DC 20007	Hill & Knowlton, Inc (For:Societe Generale thru SGS North America, Inc)		
Amy J. Schultz, 317 Third St., SE, #22 Washington, DC 20003	Robert A. Rapoza Associates (For:National Rural Health Assn)	8,750.00	
Mark Schultz, 1615 H St., NW Washington, DC 20062	Chamber of Commerce of the U.S.	5,000.00	81.96
Richard F. Schultz, 807 Maine Avenue, SW Washington, DC 20024	Disabled American Veterans	12,854.40	411.38
Robert L. Schulz, c/o Iowa Petroleum Council 1012 Fleming Bldg. Des Moines, IA 50309	American Petroleum Institute	1,475.00	2,154.85
Ralph D. Schumack, 1800 M Street, NW, #325 South Washington, DC 20036	Dow Corning Corp		52.00
Walter A. Schumann III, 4319 Eisenhaver Rd. San Antonio, TX 78218-2606	Potomac Overlook Associates		
James H Schuyler, 15th & M Street, NW Washington, DC 20005	National Assn of Home Builders of the U.S.		
Alan R. Schwartz, Nash Railsback & Plesser 1133 15th Street, NW, #1100 Washington, DC 20005	Disclosure Information Group		
Do	Information Industry Assn		
Do	Journal of Commerce, Inc		
Elinor Schwartz, 318 S. Abingdon Street Arlington, VA 22204	California State Lands Commission	13,035.00	2,266.27
Richard Schwartz, 880 S. Pickett St. Alexandria, VA 22304	Boat Owners Assn of the U.S.	11,000.00	
Richard S. Schweiker, 1850 K Street, NW Washington, DC 20006	American Council of Life Insurance, Inc	3,050.00	
Carl F. Schwensen, 415 2nd St., NE, #300 Washington, DC 20002	National Assn of Wheat Growers	3,500.00	
Scientific Apparatus Makers Assn, 1101 16th St., NW Washington, DC 20036		6,989.57	14,034.34
Michael Sciulla, 880 S. Pickett St. Alexandria, VA 22304	Boat Owners Assn of the U.S.	12,000.00	
Harold B. Scoggins, 1101 16th St., NW Washington, DC 20036	Independent Petroleum Assn of America		13.50
Ellen Scott, 1750 New York Avenue, NW Washington, DC 20006	Sheet Metal Workers International Assn	7,423.00	
Gregory R. Scott, 1875 Eye St., NW, #500 Washington, DC 20006	Philip Morris, Inc	736.25	195.00
James L. Scott, 1919 Pennsylvania Ave., NW, #703 Washington, DC 20006	American Healthcare Institute	10,500.00	208.36
John N. Scott, 1825 K Street, NW, #1107 Washington, DC 20006	Phillips Petroleum Co	222.00	543.66
Scribner Hall & Thompson, 1850 K St., NW, #1100 Washington, DC 20006	Security Enterprises, Inc		
Do	Security Life of Denver Insurance Co		
Do	USLIFE Corporation		
Timothy Scully, 25 Louisiana Avenue, NW Washington, DC 20001	International Brotherhood of Teamsters	10,769.61	
Walter J. Sczudlo, 1129 20th Street, NW, #300 Washington, DC 20036	Natural Gas Supply Assn	15,000.00	365.91
Seabed Assn, 3408 Bonnie Road Austin, TX 78703		4,172.50	4,144.50
Earl W. Sears, P.O. Box 12285 Memphis, TN 38112	National Cotton Council of America	1,068.75	13.70
Pamela Sederholm, 1875 Eye St., NW, #1200 Washington, DC 20006	Southland Corporation		145.00
Charles M. Seeger III, 2000 Pennsylvania Ave., NW, #6200 Washington, DC 20006	Chicago Mercantile Exchange	2,650.00	
J. Peter Segall, 1025 Connecticut Ave., NW, #700 Washington, DC 20036	Miner Fraser & Gabriel Public Affairs, Inc (For:STRATCO, Inc)		
H. Richard Seibert Jr., 1331 Pennsylvania Ave., NW, #1500 N Washington, DC 20004-1703	National Assn of Manufacturers	380.00	
George H. Seidel Jr., Associated Petroleum Industries of Pa P.O. Box 925 Harrisburg, PA 17108	American Petroleum Institute	150.00	40.53
Seidman & Associates, P.C., Federal Bar Building, #1001 1815 H Street, NW Washington, DC 20006	National Tooling & Machining Assn	2,870.36	114.62
M. Frank Sellers, 1615 H Street, NW Washington, DC 20062	U.S. Chamber of Commerce (For:Business Alliance on Government Competition)	5,000.00	
Stanton P. Sender, 633 Pennsylvania Ave., NW Washington, DC 20004	Sears Roebuck & Co	4,100.00	263.72
John J. Serfustini, P.O. Box 899 Salt Lake City, UT 84110	Utah Power & Light Co	6,250.00	2,500.00
Terry L. Serie, 1250 Connecticut Avenue, NW Washington, DC 20036	American Paper Institute, Inc	2,000.00	
Seven Months Session for Congress, 4210 Spicewood Road, #202 Austin, TX 78759			198.00
Seward & Kissel, 818 Connecticut Avenue, NW, #800 Washington, DC 20006	Daily Dollar Reserves, Inc		
Do	Furman Selz Mager Dietz & Birney, Inc		
Do	Gordon Forte Management Co		
Do	GT Partners		
Do	KAR Management, Inc		
Do			
J. Richard Sewell, 1800 K St., NW, #1110 Washington, DC 20006	Florida Power & Light Co	3,000.00	943.27
Seyfarth Shaw Fairweather & Geraldson, 1111 19th St., NW, #500 Washington, DC 20036	Agricultural Producers		
Do	American Soc of Pension Actuaries	12,600.00	136.58
Do	Bear Stearns & Co., Inc	1,250.00	
Do	Flxible Corp		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Technology for Communications International	2,051.80	
Victoria McKenzie Shain, 1710 Rhode Island Avenue, NW, #300 Washington, DC 20036	Abbott Laboratories	2,000.00	17.00
Thomas A. Shallow, 1220 L Street, NW Washington, DC 20005	American Petroleum Institute	200.00	
James M. Shamberger, 1819 L St., NW, 7th Floor Washington, DC 20036	Reinsurance Assn of America		
James R. Shanahan, 1801 K Street, NW, #700 Washington, DC 20006	Price Waterhouse (For:Toyota Motor Kentucky, Inc)		
Deborah L. Shannon, 1250 Connecticut Ave., NW, #620 Washington, DC 20036	National Multi Housing Council	1,391.25	45.99
Bernard M. Shapiro, 1801 K Street, NW, #700 Washington, DC 20006	Price Waterhouse (For:Investment Co Institute)	556.00	
Gary J. Shapiro, 2001 Eye Street, NW Washington, DC 20006	Electronic Industries Assn		16,746.40
Daniel E. Shaughnessy, 1008 N. Randolph St., #206 Arlington, VA 22201	Western Great Lakes Maritime Assn	3,000.00	
Luther W. Shaw, 1155 15th St., NW, #900 Washington, DC 20005	National Agricultural Chemicals Assn	5,625.00	117.30
Shaw Pittman Potts & Trowbridge, 2300 N Street, NW Washington, DC 20037	Association for the Improvement of the Mississippi River		
Do	Atlas Minerals Division		
Do	Committee for Private Education		
Do	Emerson Electric Co		
Do	Federal Company	13,555.00	1,826.73
Do	Institute of Foreign Bankers		714.45
Do	Investment Company Institute		
Do	Investment Counsel Assn of America, Inc		
Do	Knights of Columbus		
Do	National Automobile Dealers Assn		
Do	Taiwan Power Company		
Do	Utility Nuclear Waste Management Group		
Shea & Gardner, 1800 Massachusetts Avenue, NW Washington, DC 20036	Societe Generale de Surveillance	2,925.00	1,075.00
James V. Sheahan, 223 Perimeter Ctr. Pkwy. P.O. Box 89000 Atlanta, GA 30338	Siemens Energy & Automation, Inc		
John J. Sheehan, 815 16th St., NW, #706 Washington, DC 20006	United Steelworkers of America	12,817.84	
Patricia Q. Sheehan, 1667 K Street, NW, #410 Washington, DC 20006	Johnson & Johnson		
Peggy A. Sheehan, 1401 New York Avenue, NW, #1100 Washington, DC 20005	National Cooperative Business Assn	2,700.00	200.00
Shaun M. Sheehan, 1111 19th Street, NW, #1000 Washington, DC 20036	Tribune Broadcasting Co	3,000.00	960.61
Kathleen Sheekey, 3rd Floor 2030 M Street, NW Washington, DC 20036	Common Cause	12,351.30	375.23
Deborah A. Sheiman, 1350 New York Avenue, NW Washington, DC 20005	Natural Resources Defense Council, Inc	455.00	
C. Douglas Shelby, Florida Petroleum Council 325 John Knox Rd., #F-210 Tallahassee, FL 32303	American Petroleum Institute	750.00	1,075.03
Richard D. Shelby, 444 No. Capitol Street, NW, #711 Washington, DC 20001	Keefe Co (For:Republic of the Philippines)		
Do	Keefe Co (For:UNIAO Nacional Para Independencia Total DeAngola)		
Zack H. Shelley Jr., 1331 Pennsylvania Avenue, NW Washington, DC 20004	General Electric Co	200.00	
Robert G. Shepherd Jr., 1155 21st Street, NW Washington, DC 20036	Federal Express Corp		
Seymour Sheriff, 1126 Woodward Bldg. Washington, DC 20005	Man-Made Fiber Producers Assn, Inc		
Nancy Sherman, 1025 Connecticut Ave., NW Washington, DC 20036	Single Service Institute, Inc		
Nelson T. Shields, 1400 K St., NW Washington, DC 20015	Handgun Control, Inc	2,965.84	
Harvey A. Shipman, 1800 Diagonal Road, #500 Alexandria, VA 22314	Penn Central Corporation		50.00
Shippers National Freight Claim Council, Inc, 120 Main Street Huntington, NY 11743			148.40
Scott Shotwell, 1250 Connecticut Avenue, NW Washington, DC 20036	National Forest Products Assn	2,475.00	
A. Z. Shows, 1801 Columbia Rd., NW, #203 Washington, DC 20009			
Sana F. Shtasel, 1909 K Street, NW Washington, DC 20049	American Assn of Retired Persons	1,168.46	100.45
John Shuey, P.O. Box 3151 Houston, TX 77253	Browning-Ferris Industries, Inc		
Kathy Shulman, 1730 M St., NW Washington, DC 20036	League of Women Voters of the U.S.	3,628.22	1,145.90
Sidley & Austin, 1722 Eye Street, NW Washington, DC 20006	Peoria Journal Star, Inc	1,904.75	
Elisa Siegel, 919 18th Street, NW, #400 Washington, DC 20006	Diamond Shamrock Corp		
Mark A. Siegel & Associates, 1030 Fifteenth Street, NW, #408 Washington, DC 20005	Commonwealth of Puerto Rico	54,200.00	3,713.21
Do	Money Store	7,500.00	167.21
Do	Power Authority of the State of New York	7,208.32	1,050.84
Siegel Mandell Davidson, P.C., One Whitehall Street New York, NY 10004	Sigallo, Ltd	3,500.00	800.00
James V. Siena, 1735 New York Avenue, NW Washington, DC 20006	American Institute of Architects	2,000.00	
William A. Signer, 444 North Capitol St., NW, #711 Washington, DC 20001	Keefe Company (For:A.P.G. Corp)		
Do	Keefe Company (For:Committee for Employment Opportunities)	200.00	
Do	Keefe Company (For:Dormitory Authority)	3,000.00	
Do	Keefe Company (For:Greater New York Hospital Assn)	1,500.00	
Do	Keefe Company (For:Management Insights, Inc)		
Do	Keefe Company (For:National 4&5 Bondholders)	4,000.00	
Do	Keefe Company (For:New York City Council)	1,000.00	
Do	Keefe Company (For:New York Hospital)	1,300.00	
Do	Keefe Company (For:Targeted Management Consultants)	4,000.00	
Stephan Silberfarb, 500 North Capitol St., NW, #300 Washington, DC 20001	American Israel Public Affairs Comm	7,998.98	891.44
David Silver, 1600 M St., NW Washington, DC 20036	Investment Company Institute	315.25	35.00
Steve Silver, Robertson Monagle & Eastaugh 1050 Thomas Jefferson St., NW, 6th Fl. Washington, DC 20007	Alaska Loggers Assn		
Do	Alaska Pulp Corp		
Do	Amselco Minerals, Inc	287.50	
Do	Bristol Bay Native Corp	16,112.50	
Do	General Communications, Inc	2,862.50	
Do	Standard Oil Co		
Silver Users Assn, Inc, 1717 K St., NW Washington, DC 20006			4,283.04
Leonard L. Silverstein, Silverstein & Mullens 1776 K Street, NW Washington, DC 20006	Rockefeller Group, Inc		
Silverstein & Mullens, 1776 K St., NW Washington, DC 20006	Association for Advanced Life Underwriting		
Do	Bristol-Myers Co		
Do	GATX Corporation		
Do	Music Corp of America, Inc		
Do	National Assn of Home Builders of the U.S.		
Do	Rolls-Royce Motors, Inc		
M. P. Simmons, P.O. Box 860 Valley Forge, PA 19482	Certainteed Corp		
Gary D. Simms, 1720 EYE ST., NW Washington, DC 20006	American Academy of Actuaries		
Neil A. Simon, 1350 New York Ave., NW, #900 Washington, DC 20005	International Franchise Assn		
Philip Simon, 2030 M Street, NW Washington, DC 20036	Common Cause	4,793.04	111.80
Stanley C. Simon, Ginsberg & Forman 820 Hartford Building Dallas, TX 75201	Southland Corporation	7,500.96	1,021.99
William Douglas Simon, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington, DC 20037	Dofasco, Inc	125.00	
David C. Simonson, 1627 K St., NW, #400 Washington, DC 20006	National Newspaper Assn		
C. Kyle Simpson, 9 Greenway Plaza, #714 Houston, TX 77046	Brown & Root, Inc		
Do	Coastal Corporation		
William G. Simpson, 1155 15th St., NW Washington, DC 20005	First Mississippi Corporation	2,000.00	
Do	Mississippi Power & Light Company	2,000.00	
Do	State of Mississippi	4,000.00	
Albert M. Sims, 1935 Wilson Lane, #204 Mclean, VA 22102	Performance Engineering, Inc		
Ivan E. Sinclair, 1000 Wilson Boulevard, #2700 Arlington, VA 22209	TRW, Inc	1,000.00	
James W. Singer III, 1100 15th Street, NW Washington, DC 20005	Pharmaceutical Manufacturers Assn	4,000.00	19.50
Single Service Institute, Inc, 1025 Connecticut Ave., NW Washington, DC 20036			
Donna L. Singletary, 1730 North Lynn Street Arlington, VA 22209	Printing Industries of America, Inc	500.00	
Gregg P. Skall, Baker Hostetler 1050 Connecticut Ave., NW Washington, DC 20006	Uniden Corp of America		
Edmund J. Skernolis, 1155 Connecticut Ave., NW Washington, DC 20036	Waste Management, Inc	1,250.00	
James H. Skidmore, 1156 15th St., NW, #1201 Washington, DC 20005	NCR Corporation		
William J. Skinner, 815 15th St., NW, #534 Washington, DC 20005	U.S. Pharmacopeial Convention, Inc	1,944.00	30.00
Barney J. Skladany Jr., 1100 Connecticut Ave., NW, #620 Washington, DC 20036	Mobil Oil Corp	1,125.00	
Scott Sklar, 1730 N. Lynn St., #610 Arlington, VA 22209	Solar Energy Industries Assn	8,350.00	7,558.00
Steven A. Skonberg, 1111 North 19th Street, #700 Arlington, VA 22209	National Assn of Federal Credit Unions	1,250.00	93.00
Paul A. Skrabut Jr., 1629 K Street, NW Washington, DC 20006	Palumbo & Cerrell, Inc (For:American Soc of Composers Authors & Publishers)	16,500.00	
Do	Palumbo & Cerrell, Inc (For:Business Executives for National Security)	16,500.00	
Dale D. Skupa, 3707 Woodview Trace P.O. Box 68700 Indianapolis, IN 46268	National Assn of Mutual Insurance Cos	1,300.00	
Jonathan Slade, 444 North Capitol St., #711 Washington, DC 20001	Cuban-American Freedom Coalition, Inc	4,500.00	750.00
Do	Keefe Company (For:UNITA)	3,000.00	
F. Slatinshek & Associates, Inc, 1102 Belle Vista Dr. Alexandria, VA 20007	Grumman Aero Corp, et al	300.00	
Robert G. Slaughter, 1615 M ST., NW, #200 Washington, DC 20036	Amoco Corporation		
Joshua J. Slavitt, 450 Maple Ave., E., #204 Vienna, VA 22180	U.S. Defense Committee	1,500.00	
Barry S. Slevin, 1000 Potomac Street, NW Washington, DC 20007	Seifman Semo & Slevin, P.C. (For:United Food & Commercial Workers International Union).		
William T. Slider, 15th & M Streets, NW Washington, DC 20005	National Assn of Home Builders of the U.S.		
Ronald J. Slinn, 260 Madison Avenue New York, NY 10016	American Paper Institute, Inc		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Deborah Sliz, 2301 M Street, NW Washington, DC 20037	American Public Power Assn	1,000.00	
John E. Sloan Jr., Capital Gallery East, #695 600 Maryland Avenue, SW Washington, DC 20024	National Fed of Independent Business	1,150.00	200.00
Small Business Council of America, Inc, P.O. Box 4299 Columbus, GA 31904		12,657.39	27,066.14
Smathers Hickey & Smathers, 1050 Connecticut Avenue, NW, #1230 Washington, DC 20036	American Horse Council	3,666.00	
Do	Florida East Coast Railway Co	750.00	
Do	National Hockey League	500.00	
Do	Pennzoil Co	6,000.00	
Robert G. Smerko, 2001 L St., NW, #506 Washington, DC 20036	Chlorine Institute, Inc		
Donald E. Smiley, 1899 L St., NW, #1100 Washington, DC 20036	Exxon Corporation		
James R. Smircina, P.O. Box 5000 Cleveland, OH 44101	Cleveland Electric Illuminating Co	1,080.00	2,308.35
Christine M.B. Smith, 1700 K Street, NW, #502 Washington, DC 20006	Pacific Resources, Inc	500.00	
Daniel T. Smith, P.O. Box 660074 Dallas, TX 75266	International Airline Passengers Assn, Inc		
Elizabeth M. Smith, 815 16th St., NW, #310 Washington, DC 20006	Amalgamated Clothing & Textile Workers Union	6,356.00	605.69
Frederick P. Smith Jr., 1120 19th Street, NW, #310 Washington, DC 20036-3605	Institute of Makers of Explosives		
Gordon L. Smith, 901 31st Street, NW Washington, DC 20007	Hill & Knowlton, Inc (For:Florists' Transworld Delivery Assn)	2,500.00	
Do	Hill & Knowlton (For:Societe Generale thru SGS North America, Inc)		
Grant Smith, 901 31st St., NW Washington, DC 20007	Hill & Knowlton, Inc (For:Fleischmann's Yeast)	10.00	
Herbert Smith, 901 31st Street, NW Washington, DC 20007	Hill & Knowlton, Inc (For:Angus Defense Systems, Inc)		
Do	Hill & Knowlton, Inc (For:Euromissile)		
Hugh H. Smith, 1020 19th Street, NW, #600 Washington, DC 20036	American Express Co		
Jeffrey A. Smith, 771 Corporate Dr., #800 Lexington,, KY 40503	Toyota Motor Sales, USA, Inc		
Jeffrey A. Smith, 1600 Wilson Boulevard, #1000 Arlington, VA 22209	American Waterways Operators, Inc		
Jennifer L. Smith, 900 17th Street, NW, #520 Washington, DC 20006	West Mexico Vegetable Distributors Assn	300.00	
Julian H. Smith Jr., 600 North 18th Street Birmingham, AL 35291	Alabama Power Co	19,263.00	9,403.03
Michael E. Smith, 55 Public Square, Rm. 624 P.O. Box 5000 Cleveland, OH 44113	Cleveland Electric Illuminating Co	105.85	121.32
Michael P. Smith, 485 Lexington Ave. New York, NY 10017	New York State Bankers Assn	96,944.00	96,881.00
Patricia Smith, 1909 K St., NW Washington, DC 20049	American Assn of Retired Persons	568.08	453.55
Patrick F. Smith Jr., Suite 1101 1730 K Street, NW Washington, DC 20006	National Treasury Employees Union	15,900.00	
Richard F. Smith, 1090 Vermont Ave., NW, #1100 Washington, DC 20005	Textron, Inc	600.00	150.00
Ronald E. Smith, 2501 M Street, NW Washington, DC 20037	Chemical Manufacturers Assn, Inc	600.00	932.85
Sara Hope Smith, 444 North Capitol St., NW, #718 Washington, DC 20001	Pacific Telesis Group	15,450.00	
Shalah Smith, 1130 17th Street, NW Washington, DC 20036	National Coal Assn		
Stephen Smith, 1012 14th St., NW, 6th Fl. Washington, DC 20005	Human Rights Campaign Fund	3,365.38	48.00
Susan Snyder Smith, 7900 Westpark Drive, #514 Mclean, VA 22102	Chocolate Manufacturers Assn of the USA	300.00	313.49
William A. Smith, 453 New Jersey Ave., SE Washington, DC 20003	Beneficial Management Corp		
Smith Anderson Blount Dorsett Mitchell & Jernigan, P.O. Box 12807 1300 St. Mary's Street Raleigh, NC 27605	Investment Company Institute	6,250.02	
Wayne H. Smithey, 815 Connecticut Ave., NW Washington, DC 20006	Ford Motor Co	2,804.00	642.00
Smokeless Tobacco Council, Inc, 1925 K Street, NW, #504 Washington, DC 20006		940.00	940.00
Larry S. Snowhite, 1825 Eye St., NW, #1201 Washington, DC 20006	GSX Corporation		
Do	Massachusetts Education Loan Authority		
Do	New England Education Loan Marketing Corp		
Clair A. Snyder, 35 North Sixth Street Reading, PA 19601	Meridian Bancorp, Inc		
David F. Snyder, 1025 Connecticut Ave., NW, #415 Washington, DC	American Insurance Assn		
Do	Nationwide Insurance Co	400.00	9.67
Gene Snyder, 140 Chenoweth Lane Louisville, KY 40207	Cincinnati Microwave, Inc	22,500.00	2,526.47
Do	Home Supply Company, Inc		
Do	Norfolk Southern Corp	15,000.00	2,194.86
Do	U.S. Air Group	15,000.00	2,634.48
J. R. Snyder, 400 1st St., NW, #704 Washington, DC 20001	United Transportation Union		1,200.00
John M. Snyder, 600 Pennsylvania Ave., S.e. Suite 205 Washington, DC 20003	Citizens Comm for the Right to Keep & Bear Arms	9,000.00	
Wallace S. Snyder, 1400 K Street, NW, #1000 Washington, DC 20005	American Advertising Federation	5,312.00	
Snyder Ball Kriser & Assoc, Inc, 499 S. Capitol St., SW, #520 Washington, DC 20003	General Motors Corp	35.00	
Alan C. Sobba, 1301 Pennsylvania Ave., NW, #300 Washington, DC 20004	National Cattlemen's Assn	1,000.00	
Society for Animal Protective Legislation, P.O. Box 3719 Georgetown Station Washington, DC 20007		34,317.03	49,257.12
Charles R. Sonnier, Sonnier & Hebert P.O. Drawer 1040 Abbeville, LA 70511	Coushatta Tribe of Louisiana		
E. Richard Soper, 1957 E Street, NW Washington, DC 20006	Associated General Contractors of America		
Roberta Lee Sorensen, 1101 Vermont Ave., NW, #604 Washington, DC 20000	College of American Pathologists	7,000.00	68.50
Walter Larke Sorg, 1625 Eye St., NW, #204 Washington, DC 20006	American Assn of Small Dredging & Marine Construction Cos	16,800.00	3,358.72
South/North Development Group, Ltd, 610 Fourth Place, SW Washington, DC 20002	Government of the People's Republic of Angola	13,156.00	11,531.56
Southern Forest Products Assn, P.O. Box 52468 New Orleans, LA 70152		16,967.12	16,967.12
Southwestern Peanut Shellers Assn, 10 Duncannon Ct. Dallas, TX 75225			
Space Industries, Inc, 2011 Crystal Drive, #903 Arlington, VA 22202			32,697.25
Thomas J. Spangler, 1730 K Street, NW, #1100 Washington, DC 20006	National Treasury Employees Union	11,250.00	658.72
Sparber Shevin Shapo & Heilbronner, P.A., 1455 Pennsylvania Ave., NW, #1270 Washington, DC 20004	Emma L. Bixby Hospital	1,536.00	
Do	City of Bridgeport		
Do	City of East Cleveland		
Do	City of Miami		
Do	Dow Corning USA	359.00	
D. Dean Sparkman, 1707 L St., NW, #300 Washington, DC 20036-4202	United Airlines, Inc	300.00	
Ian D. Spatz, 1785 Massachusetts Avenue, NW Washington, DC 20036	National Trust for Historic Preservation	1,045.39	
John F. Speer Jr., 888 16th Street, NW Washington, DC 20006	Milk Industry Foundation/Int'l Assn of Ice Cream Mfrs		
William C. Spence, 3805 W. Alabama Houston, TX 77027	Columbia Gulf Transmission Co		
Philip Speser, 2000 P St., NW, #305 Washington, DC 20036	Foresight Science & Technology, Inc (For:National Coalition for Science & Technology).		
Do	Foresight Science & Technology, Inc (For:Society for American Archaeology)		
Larry N. Spiller, 1015 15th St., NW, #802 Washington, DC 20005	American Consulting Engineers Council	200.00	
Peter A. Spina, 150 East 42nd Street New York, NY 10017	Mobil Oil Corp	900.00	
Frances Spivy-Weber, 801 Pennsylvania Avenue, SE Washington, DC 20003	National Audubon Society	500.00	215.00
Earl C. Spurrier, The Madison Building, #514 1155 15th Street, NW Washington, DC 20005	National Agricultural Chemicals Assn		
Mark G. Spurrier, 400 Kenilworth Drive Towson, MD 21204	Baltimore County Police Department, et al		
Squire Sanders & Dempsey, 1201 Pennsylvania Ave., NW P.O. Box 407 Washington, DC 20044	American Chamber of Commerce in Germany		
Do	American Soc of Anesthesiologists	5,390.00	
Do	Association of Data Processing Service Organizations		
Do	Chemstar, Inc		8.50
Do	Independent Data Communications Manufacturers Assn	550.00	74.95
Do	Microband Corp of America		
Do	National Collegiate Athletic Assn	6,938.75	264.02
Do	Public Securities Assn		
Do	Samaritan Health Services	18,602.00	37.02
John W. Sroka, 1957 E St., NW Washington, DC 20006	Associated General Contractors of America		
Janet G. St. Amand, 1120 Connecticut Avenue, NW Washington, DC 20036	American Bankers Assn	3,000.00	
Connell Stafford, P.O. Drawer 1734 Atlanta, GA 30301	Coca-Cola Company	400.00	481.50
Elvis J. Stahr Jr., 1815 H Street, NW, #600 Washington, DC 20006	Cassidy & Associates, Inc		
Do	National Audubon Society		
Stakeholders in America, Trumble & Associates 750 Baker Building Minneapolis, MN 55402		22,500.00	26,228.87
Tyrone Stallworth, 220 North Devillers Street Pensacola, FL 32501			
David P. Stang, P.C., 1629 K St., NW, #601 Washington, DC 20006	American Truck Dealers	1,072.52	
Do	Employee Stock Ownership Assn	1,117.24	
Do	McDermott, Inc	1,890.89	
Do	National Assn of Royalty Owners, Inc	487.33	
Do	Small Business Council of America, Inc	545.68	
Do	Texas Ophthalmological Assn	300.00	
Joseph M. Stanton, 15th & M Streets, NW Washington, DC 20005	National Assn of Home Builders of the U.S.		
Melvin L. Stark, 1025 Connecticut Ave., NW, #415 Washington, DC 20036	American Insurance Assn	13,750.00	250.00
Bette Anne Starkey, 1030 15th Street, NW, #1100 Washington, DC 20005	Health Industry Manufacturers Assn		
Lois Starkey, Suite 511 1745 Jefferson Davis Hwy. Arlington, VA 22202	Manufactured Housing Institute	900.00	100.00
Alan J. Statman, 1050 17th St., NW, #600 Washington, DC 20036	Tennessee Gas Transmission Co		
David Michael Staton, 1615 H Street, NW Washington, DC 20062	Chamber of Commerce of the U.S.		
James D. Staton, 320 Timberbrook Drive Waldorf, MD 20601	Air Force Sergeants Assn, Inc		
Mick Staton Associates, Inc, 8712 Gateshead Road Alexandria, VA 22309	Delchamps, Inc	220.00	
Samuel E. Stavisky, 1725 Desales Street, NW, #804 Washington, DC 20036	Samuel E. Stavisky & Associates, Inc (For:Broadcast Music, Inc)		30.00
Do	Samuel E. Stavisky & Associates, Inc (For:Federacion Nacional de Cafeteros de Colombia).	1,500.00	40.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Samuel E. Stavisky & Associates, Inc, 1725 Desales Street, NW, #804 Washington, DC 20036	Broadcast Music, Inc		45.00
Do	Federacion Nacional de Cafeteros de Colombia	2,000.00	60.00
Randolph J. Stayin, 1620 Eye St., NW, #800 Washington, DC 20006	Taft Stettinius & Hollister (For:Effective Spray Control Organization)	5,865.00	120.59
Do	Taft Stettinius & Hollister (For:James Graham Brown Foundation)	37.50	
Do	Taft Stettinius & Hollister (For:Machinery Dealers National Association)		
Do	Taft Stettinius & Hollister (For:National Candle Assn)		
Do	Taft Stettinius & Hollister (For:Special Comm for Workplace Product Liability Reform).		
Do	Taft Stettinius & Hollister (For:Wald Manufacturing Co, Inc)	622.50	15.60
Dean E. Steel, 1655 N. Ft. Myer Drive, #1120 Arlington, VA 22209	Varian Associates, Inc		
Steele Simmons & Fornaciari, 2020 K Street, NW, #850 Washington, DC 20006	K Mart Corp		
Ramona C. Stelford, 1818 N Street, NW Washington, DC 20036	DGA International, Inc (For:Societe Nationale D'Etude et de Const de Moteurs D'Aviation).		
Charles W. Stellar, 5410 Grosvenor Lane, #210 Bethesda, MD 20814	American Medical Care & Review Assn		
Jack L. Stempler, 1725 Jefferson Davis Highway, #900 Arlington, VA 22202	LTV Aerospace & Defense Co	2,500.00	75.00
Steptoe & Johnson, 1330 Connecticut Ave., NW Washington, DC 20036	American Express Co	265.79	
Do	Bear Stearns & Co	2,014.08	
Do	Caltex Petroleum Corp	432.00	14.00
Do	Canadian Sugar Institute		
Do	Citizens Savings Financial Corp		
Do	Co-Operative Central Bank		
Do	CSO Company	1,691.15	
Do	Rule of Law Committe	727.50	7.00
Sterling Drug, Inc, 1615 L St., NW, #920 Washington, DC 20036			
Richard W. Sternberg, 1800 Massachusetts Ave., NW Washington, DC 20036	National Rural Electric Cooperative Assn	70.00	
Michael E. Steward, 7957 Revenna Lane Springfield, VA 22153	Puget Sound Power & Light Co	3,850.00	507.89
Eugene L. Stewart, 1001 Connecticut Ave., NW, #910 Washington, DC 20036	Monsanto Co	1,875.00	
Do	Roses, Inc	1,548.33	10.36
Do	Timken Co	5,812.50	
Robert B. Stewart, 1050 17th St., NW, #700 Washington, DC 20036	National Ocean Industries Assn	1,095.00	
Terence P. Stewart, Stewart and Stewart I00I Connecticut Avenue, NW, #910 Washington, DC 20036	Cabot Corp	2,120.67	275.49
Do	Monsanto Co	2,389.58	2.25
Do	PPG Industries, Inc	2,797.41	221.69
Do	Smith Corona Corp	1,630.00	49.13
Do	Timken Co	6,746.84	449.14
Don Stillman, 1757 N Street, NW Washington, DC 20036	Int'l Union, United Auto Aerospace & Agric Implement Workers	1,868.21	18.00
Edward W. Stimpson, Suite 801 1400 K St., NW Washington, DC 20005	General Aviation Manufacturers Association	1,060.00	
John J. Stocker, 1110 Vermont Avenue, NW Washington, DC 20005	Shipbuilders Council of America	3,300.00	
Stockholders of America, Inc, 1625 Eye St., N.w. # 724a Washington, DC 20006		10,525.00	583.05
Dennis C. Stolte, 600 Maryland Avenue, SW Washington, DC 20024	American Farm Bureau Federation	5,938.00	209.71
Dena G. Stoner, 1800 Massachusetts Ave., NW Washington, DC 20036	National Rural Electric Cooperative Assn	750.00	
Floyd E. Stoner, 1120 Connecticut Avenue, NW Washington, DC 20036	American Bankers Assn	3,000.00	
Stephen Storch, 1800 K Street, NW, #1100 Washington, DC 20006	New York Stock Exchange, Inc		
William M. Stover, 2501 M St., NW Washington, DC 20037	Chemical Manufacturers Assn, Inc	1,000.00	
John L. Stowell, 1800 K St., NW, #1018 Washington, DC 20006	Public Service Co of Indiana	2,562.50	6,394.27
Luther J. Strange III, 1100 15th Street, NW, #700 Washington, DC 20005	Sonat, Inc		
Marcy B. Stras, 1620 Eye St., NW, #800 Washington, DC 20006	Taft Stettinius & Hollister (For:National Candle Assn)		
Raymond L. Strassburger, 1020 19th Street, NW, #700 Washington, DC 20036	U S West, Inc	1,250.00	
Terrence D. Straub, 818 Connecticut Avenue, N.w. Washington, DC 20006	USX Corporation	250.00	100.50
Roger J. Stroh, 727 N. Washington Street Alexandria, VA 22314	United Fresh Fruit & Vegetable Assn		
Albert E. Strong, Suite 1500 North 1331 Pennsylvania Avenue, NW Washington, DC 20004	National Assn of Manufacturers	900.00	
George W. Strong, 2242 Bartlett Houston, TX 77098	Enron		
Stroock & Stroock & Lavan, 1150 17th St., NW Washington, DC 20036	Dreyfus Corporation	152.50	10.00
R. Keith Stroup, Suite 500A, Box 69 100 Maryland Ave., NE Washington, DC 20002	League of Rural Voters Education Project, Inc		
Do	League of Rural Voters, Inc	4,500.00	
George Strumpf, 1150 17th St., NW, #600 Washington, DC 20036	Health Insurance Plan of Greater New York		14,940.00
Cory N. Strupp, 23 Wall Street New York, NY 10015	Morgan Guaranty Trust Co	3,975.00	484.41
Susan Stuebing, 490 L'Enfant Plaza East, SW, #4200 Washington, DC 20024	Xerox Corp	300.00	
Eugene F. Sturgeon, 182 Crater Lane Kensington, CT 06037	Northeast Utilities Service Co	2,862.18	1,275.85
Ann Sullivan, 1660 L Street, NW, #601 Washington, DC 20036	Interstate Natural Gas Assn of America	300.00	
Arthur E. Sullivan Jr., 1215 Jefferson Davis Hwy., #1004 Arlington, VA 22202	Diagnostic/Retrieval Systems, Inc	3,250.00	
Austin P. Sullivan Jr., P.O. Box 1113 Minneapolis, MN 55440	General Mills, Inc		
Charles S. Sullivan, 11 15th Street, NE, #6 Washington, DC 20002	Citizens United for Rehabilitation of Errants	3,380.00	2,212.75
Edward L. Sullivan, 1120 20th St., NW, Suite S-720 Washington, DC 20036	Peabody Holding Co, Inc		
Gael M. Sullivan, 1025 Thomas Jefferson St., NW, #511 Washington, DC 20005	LTV Corporation	2,344.00	755.40
Harold R. Sullivan, 1750 K St., NW Washington, DC 20006	Food Marketing Institute	750.00	
Margaret Cox Sullivan, 1625 Eye St., NW, #724a Washington, DC 20006	Stockholders of America, Inc		
Marty R. Sullivan, P.O. Box 970 Ft. Worth, TX 76101	Texas Electric Service Co	121.14	182.98
Patrick J. Sullivan, 815 16th Street, NW Washington, DC 20006	International Longshoremen's Assn, AFL-CIO	10,094.45	1,132.78
Pauline Sullivan, #11 15th St., NE, #6 Washington, DC 20002	Citizens United for Rehabilitation of Errants	300.00	
Sullivan & Cromwell, 1775 Pennsylvania Ave., NW Washington, DC 20006	American International Group, Inc		
Do	BP North America, Inc		
Do	Esselte Business Systems, Inc		
Do	Goldman Sachs & Co		
Do	Grand Met USA, Inc		
Do	Kidder Peabody & Co, Inc		
Do	Securities Industry Assn		8.00
Sullivan & Worcester, 1025 Connecticut Ave., NW Washington, DC 20036	Marion Laboratories, Inc	16,729.94	
John B. Summers, 1771 N Street, NW Washington, DC 20036	National Assn of Broadcasters	1,500.00	14.00
Sutherland Asbill & Brennan, 1275 Pennsylvania Ave., NW Washington, DC 20004	Committee Against Revising Staggers	15,000.00	
Do	Council of Industrial Boiler Owners		
Do	Industrial Oil Consumers Group		
Do	Process Gas Consumers Group		
W. Thomas Suttle, 1755 Willard St., NW, #4 Washington, DC 20009	Institute of Electrical & Electronics Engineers	2,900.00	609.00
William W. Suttle, 1025 Connecticut Ave., NW, #415 Washington, DC 20036	American Insurance Assn	560.00	18.70
Douglass W. Svendson Jr., 1730 Rhode Island AVenue, NW, #417-19 Washington, DC 20036	Hollywood Marine Service, Inc	2,000.00	45.00
Do	Shell Oil Co	450.00	138.50
David L. Swanson, Craft & Loesch 1050 Thomas Jefferson St., NW, 6th Fl. Washington, DC 20007	Clean Coal Technology Coalition	14,175.00	
Do	Edison Electric Institute	13,825.00	
Do	GA Technologies, Inc	15,000.00	
Irving W. Swanson, 11212 Farmland Drive Rockville, MD 20852	Harris Corporation	31,200.00	4,369.67
Deborah Swartz, Economic Consulting Services, Inc 1320 19th St., NW Washington, DC 20036	Luggage & Leather Goods Manufacturers of America, Inc	500.00	
Do	Neckwear Assn of America, Inc	500.00	
Do	Outboard Marine Corp	2,800.00	
David A. Sweeney, 25 Louisiana Ave., NW Washington, DC 20001	International Brotherhood of Teamsters	19,260.81	
Rosemarie Sweeney, Suite 770 600 Maryland Ave., SW Washington, DC 20024	American Academy of Family Physicians	3,562.00	1,446.28
William R. Sweeney Jr., 536 7th Street, SE Washington, DC 20003	American Nuclear Energy Council	875.00	12.24
Do	China External Trade Development Council	5,000.00	
Do	National Investment Development Corp	2,500.00	
Robert D. Swezey Jr., 1133 19th St., NW Washington, DC 20036	MCI Communications Corp	250.00	
Joseph C. Swidler, 1000 Thomas Jefferson St., NW Washington, DC 20007	Swidler & Berlin (For:South Carolina Public Service Authority)	290.00	8.00
Swidler & Berlin, Chtd, 3000 K Street, NW #300 Washington, DC 20007	Airco, Inc		
Do	All-Industry Television Station Music Licensing Committee	17,220.00	
Do	Lucasfilm, Ltd		
Do	MD People's Counsel (Natl Assn of State Util. Consumer Advo)	75.00	
Tricia L. Swift, 1250 Connecticut Avenue, NW Washington, DC 20036	National Forest Products Assn	1,200.00	
Richard P. Swigart, 1010 Wisconsin Ave., NW, #800 Washington, DC 20007	Grocery Manufacturers of America, Inc		
Randall Swisher, 2301 M Street, NW Washington, DC 20037	American Public Power Assn	2,500.00	
Ronald G. Sykes, 1660 L Street, NW Washington, DC 20036	General Motors Corp	2,500.00	5,237.62
David A. Sykuta, Illinois Petroleum Council P.O. Box 12047 Springfield, IL 62791	American Petroleum Institute		
Christopher U. Sylvester, 1831 Briar Ridge Court Mclean, VA 22101	Garrison Diversion Conservancy District	3,000.00	367.96
Anthony Syrett, Crystal Gateway 3, #900 1215 Jefferson Davis Highway Arlington, VA 22202	Marconi Electronics, Inc, et al		
Systematics, Inc, 4001 Rodney Parham Road Little Rock, AR 72212			

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
T. Boone Pickens, Jr. United Shareholders Assn, 1667 K St., NW, #990 Washington, DC 20006			
Robert Taft Jr., 1620 Eye St., NW, #800 Washington, DC 20006	Taft Stettinius & Hollister (For:Effective Spray Control Organizatin)		
Do	Taft Stettinius & Hollister (For:Grocery Manufacturers of America, Inc)		
Do	Taft Stettinius & Hollister (For:James Graham Brown Foundation)		
Do	Taft Stettinius & Hollister (For:Kings Entertainment Co)	175.00	
Do	Taft Stettinius & Hollister (For:Machinery Dealers National Association)		
Do	Taft Stettinius & Hollister (For:Recordings Import Trade Committee)		
Do	Taft Stettinius & Hollister (For:Special Comm for Workplace Product Liability Reform).		
Do	Taft Stettinius & Hollister (For:Taft Broadcasting Company)	400.00	
Do	Taft Stettinius & Hollister (For:Telephone & Data Systems, Inc)		
Do	Taft Stettinius & Hollister (For:Wald Manufacturing Co, Inc)		
Taggart & Associates, Inc, 1155 15th Street, NW, #1108 Washington, DC 20005	Animal Health Institute		
Do	Association of American Railroads		
Do	Marion Laboratories, Inc		
Do	Telephone & Data Systems, Inc		
Tanaka Ritger & Middleton, 1919 Pennsylvania Ave., NW, #303 Washington, DC 20006	Electronic Industries Assn of Japan		
Do	Japan Automobile Tire Manufacturers Assn (JATMA)		
Do	Koyo Corp, USA		42.00
Susan Tannenbaum, 2030 M St., NW Washington, DC 20036	Common Cause	6,082.50	185.00
William E. Tanner, 10803 Norman Ave. Fairfax, VA 22030	American Maritime Officers Service		
Do	Coalition for Environmental-Energy Balance	9,600.00	2,371.73
Augustine D. Tantillo, 214 Massachusetts Ave., NE, #350 Washington, DC 20002	Russell Corporation	7,000.00	
Target, Inc, 11244 Waples Mill Road, Suite J Fairfax, VA 22030			
John F. Tate, 450 Maple Avenue, E., #204 Vienna, VA 22180	U.S. Defense Committee		
M. Louise Tate, 450 Maple Avenue, E., #204 Vienna, VA 22180	U.S. Defense Committee	900.00	
Thomas N. Tate, 1725 DeSales St., NW Washington, DC 20036	Aerospace Industries Assn of America, Inc	22,318.00	
Susan Tatum, 1250 Connecticut Avenue, NW Washington, DC 20036	National Forest Products Assn	1,600.00	
Graca Da Silva Tavares, 17 Perkins Street West Newton, MA 02165			
Charles A. Taylor III, 499 South Capitol St., SW, #401 Washington, DC 20003	National Assn of Independent Insurers	1,000.00	
Elizabeth L. Taylor, 1155 15th Street, NW, #400 Washington, DC 20005	Puerto Rico Federal Affairs Administration	2,025.00	
Jefferson D. Taylor, 777 14th Street, NW Washington, DC 20005	National Assn of Realtors		
Peggy Taylor, 815 16th St., NW Washington, DC 20006	American Fed of Labor & Congress of Industrial Organizations	18,269.02	525.11
R. William Taylor, 1575 Eye Street, NW Washington, DC 20005	American Soc of Assn Executives	300.00	
Robert C. Taylor, 3000 Lincoln Plaza, Lb-5 Dallas, TX 75201	Taylor & Mizell		
Taylor & Mizell, 3000 Lincoln Pl., Lb5 Dallas, TX 75201			
Elayne L. Tempel, 1016 16th St., NW, Washington, DC 20006	National Fed of Federal Employees	60.58	
Norman J. Temple, 155 Dresden Avenue Gardiner, ME 04345	Central Maine Power Co, et al.	2,250.00	2,370.56
Templeton & Company, 1000 Potomac St., NW Washington, DC 20007	Space Industries, Inc		
Tempo Enterprises, Inc, P.O. Box 702160 Tulsa, OK 74170			3,314.20
Paul M. Tendler, 1090 Vermont Ave., NW Washington, DC 20005	Paul Tendler Associates, Inc (For:American Licensed Practical Nurses Assn)		
Do	Paul Tendler Associates, Inc (For:Bascom, Inc)		
Do	Tendler & Biggins (For:Geodesco)		
Do	Paul Tendler Associates, Inc (For:National Institute of Tenants)		
Do	Paul Tendler Associates, Inc (For:Rasch Elektronik)		
Do	Paul Tendler Associates, Inc (For:Schoeneman, Inc)		
Do	Tendler & Biggins (For:Solargistics Corp)		
Do	Paul Tendler Associates, Inc (For:Southeastern Exporters)		
Tennessee Home Medical Providers Assn, Inc, P.O. Box 421 Knoxville, TN 37901			
Betty-Grace Terpstra, 1726 M St., NW, #901 Washington, DC 20036	Scott Paper Co	4,000.00	255.08
James Terrell, 600 Maryland Avenue, SW Washington, DC 20024	American Farm Bureau Federation	4,625.00	389.43
Joseph L. S. Terrell, 50 F Street, NW, #900 Washington, DC 20001	Farm Credit Council		
Michelle C. Tessier, 1818 N Street, NW, #410 Washington, DC 20036	National Assn of Public Television Stations	600.00	150.00
James G. Tetirick, 1156 15th Street, NW, #1015 Washington, DC 20005	J. C. Penney Co, Inc		
Textron, Inc, 40 Westminster St. Providence, RI 02903		4,450.00	980.00
Thacher Proffitt & Wood, 1140 Connecticut Ave., NW, #512 Washington, DC 20036	American Resort & Residential Development Assn		
Do	Amoskeag Savings Bank	2,900.00	110.22
Do	Connecticut Savings Bank Life Insurance Co	113.57	81.65
Do	Maine Savings Bank	13,954.00	155.22
Do	Massachusetts Bankers Assn	516.00	79.65
Do	Massachusetts Savings Bank Life Insurance Co	113.57	81.65
Do	Mutual Savings Central Fund, Inc		
Do	New Hampshire Savings Bank	2,900.00	110.22
Do	Salomon Brothers, Inc		318.66
Do	Savings Bank Life Insurance Fund	113.57	81.65
Mary Kay Thatcher, 600 Maryland Avenue, SW Washington, DC 20024	American Farm Bureau Federation	5,563.00	552.74
Karen E. Theibert, 1750 K Street, NW Washington, DC 20006	Food Marketing Institute	200.00	
Janelle Morris Thibau, 1828 L Street, NW, #906 Washington, DC 20036	Merrill Lynch & Co, Inc	1,500.00	
Alan J. Thiemann, 1199 N. Fairfax Street, #801 Alexandria, VA 22314	National Assn of Truck Stop Operators, Inc		
Douglas E. Thierwechter, 818 Connecticut Avenue, NW, #900 Washington, DC 20006	Marathon Oil Co		21.00
Third Class Mail Association, 1333 F Street, NW, #710 Washington, DC 20004-1108		600.00	600.00
Doris I. Thomas, 15th & M Sts., NW Washington, DC 20005	National Assn of Home Builders of the U.S.		
Gordon M. Thomas, 1090 Vermont Avenue, NW, #1100 Washington, DC 20005	Textron, Inc	600.00	150.00
J. David Thomas, 1919 Pennsylvania Ave., NW, #705 Washington, DC 20006	Eastman Chemical Division	140.00	235.25
James M. Thomas Jr., 2001 9th Street, NW, #300 Washington, DC 20001	Amalgamated Transit Union, Natl Cap Local 689		
John W. Thomas, 119 Oronoco Street Box 1417-D50 Alexandria, VA 22313	Animal Health Institute		
Meshall Thomas, Suite 400 2000 P Street, NW Washington, DC 20036	Women's Legal Defense Fund		
Patricia Thomas, 1016 16th Street, NW Washington, DC 20036	National Fed of Federal Employees	10,852.80	
Randi Parks Thomas, 1101 17th Street, NW, #603 Washington, DC 20036	Tuna Research Foundation, Inc	963.90	
Robert L. Thomas, 1319 F St., NW, #1000 Washington, DC 20004	National Assn of Private Psychiatric Hospitals	500.00	
Sarah M. Thomas, 1325 G Street, NW, #1003 Washington, DC 20005	Population-Environment Balance	4,500.00	32.00
Virginia B. Lamp Thomas, 1615 H Street, NW Washington, DC 20062	Chamber of Commerce of the U.S.	2,400.00	154.24
Sara Thomasson, 1200 15th St., NW Washington, DC 20005	American Health Care Assn	2,707.69	230.08
Barbara Thompson, 1401 New York Avenue, NW, #1100 Washington, DC 20005	National Cooperative Business Assn	2,500.00	60.00
Bruce E. Thompson, 1828 L Street, NW, #906 Washington, DC 20036	Merrill Lynch & Co, Inc	7,500.00	
Frank Thompson Jr., 1020 Prince Street Alexandria, VA 22314	Boilermakers Iron Ship Bldrs Blacksmiths Forgers & Helpers	2,500.00	386.07
Do	Metal Trades Department, AFL-CIO		
Do	Sheet Metal Workers Int'l Assn	3,000.00	210.03
Kenneth W. Thompson, 2021 K Street, NW, #300 Washington, DC 20006	Primark Corporation	2,200.00	
Marilyn A. Berry Thompson, 444 North Capitol Street, #711 Washington, DC 20001	Keefe Company (For:Carteret Savings & Loan)	600.00	
Do	Keefe Company (For:Dormitory Authority)	1,530.00	
Do	Keefe Company (For:Mutual Benefit Insurance Co)	7,380.00	
Do	Keefe Company (For:New York University)	8,100.00	
Do	Keefe Company (For:University of Medicine & Dentistry of New Jersey)	1,350.00	
Do	Keefe Co (For:University of Miami)	600.00	
Robert L. Thompson Jr., P.O. Box 70 Fort Mill, SC 29715	Springs Industries, Inc		1,209.26
Roger G. Thompson, 117 Bellefonte Drive Ashland, KY 41101	Kentucky Power Co	7,500.00	1,958.43
W. Reid Thompson, 1900 Pennsylvania Ave., NW Washington, DC 20068	Potomac Electric Power Co		
Thompson & Bussart, 1919 Pennsylvania Avenue, NW, #850 Washington, DC 20006	Central States SE & SW Areas Health & Welfare & Pension Fund	5,560.00	
Do	Westinghouse Electric Corp	1,591.00	
Thompson & Mitchell, 1120 Vermont Avenue, NW, #1000 Washington, DC 20005	Cold Finished Steel Bar Institute	3,657.50	62.00
Thompson Hine & Flory, 1920 N St., NW, #700 Washington, DC 20036	Alltel Corporation	1,130.00	
Thompson Mann & Hutson, 1730 Pennsylvania Ave., NW, #1250 Washington, DC 20006	Daniel International Corp	7,818.63	375.54
Do	Morrison-Knudsen Co, Inc	7,818.62	375.54
Do	National Coalition to Defeat H.R. 281/S. 492		23,840.25
Margaret A. Thomson, 655 15th St., NW, #300 Washington, DC 20005	City of Moorhead		
Parker D. Thomson, 200 South Biscayne Blvd. 4900 Southeast Financial Center Miami, FL 33131	Thomson Zeder Bohrer Werth Adorno & Razook (For:Burger King Corp)		
Thomson Zeder Bohrer Werth Adorno & Razook, 200 South Biscayne Blvd. 4900 Southeast Financial Center Miami, FL 33131	Burger King Corp		8,249.38
John A. Thorner, 1250 Connecticut Avenue, NW Washington, DC 20036	National Forest Products Assn		
Margo Thorning, 1850 K St., NW, #400 Washington, DC 20006	American Council for Capital Formation	218.00	
Pamela J. Thurber, 1785 Massachusetts Ave., NW Washington, DC 20036	National Trust for Historic Preservation	4,565.66	73.60
Tighe Curhan & Piliero, 1750 Pennsylvania Avenue, NW Washington, DC 20006	Ad Hoc Comm of Mutual Fund Managers	1,887.40	
Do	Integrated Resources, Inc		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Latin American Manufacturers Assn (LAMA)		
Do	Mid Atlantic Toyota Distributors, Inc		
Do	Sharp Manufacturing Co of America		
Do	Town of Andover, Massachusetts	200.00	
Wallace Tillman, 1800 Massachusetts Ave., NW Washington, DC 20036	National Rural Electric Cooperative Assn	151.00	
Patti A. Tilson, Suite 520 900 17th Street, NW Washington, DC 20006	Toyota Motor Sales, USA, Inc	500.00	
Gary G. Timmons, 1201 16th Street, NW Washington, DC 20036	National Education Assn	2,643.40	6.00
Timmons & Co, Inc, 1850 K St., NW, #850 Washington, DC 20006	American Petroleum Institute	988.12	
Do	American Trucking Assns	1,128.75	
Do	Amoco Corporation	225.00	
Do	Anheuser-Busch Companies, Inc		
Do	Association of Trial Lawyers of America	262.50	
Do	Boeing Company	375.00	
Do	Brown Group, Inc		
Do	Capital Cities/ABC, Inc	806.25	
Do	Capital Markets Group	2,645.00	
Do	Chrysler Corporation	1,558.75	
Do	H. J. Heinz Co	125.00	
Do	Major League Baseball	806.25	
Do	Morgan Stanley & Co, Inc	1,365.00	
Do	MSU System Services, Inc	750.00	
Do	National Rifle Assn of America	125.00	
Do	Northern Telecom, Inc	375.00	
Do	Northrop Corp	470.00	
Do	NutraSweet Co	1,312.50	
Do	G. D. Searle & Co	1,312.50	
Alan R. Timothy, 601 Pennsylvania Ave., NW, #500 Washington, DC 20004	Adolph Coors Co	11,947.00	33,217.29
G. Wayne Tingle, 1725 Jefferson Davis Highway, #900 Arlington, VA 22202	LTV Aerospace & Defense Co	2,500.00	125.00
William C. Tinklepaugh, 888 16th Street, NW Washington, DC 20006	Milk Industry Foundation & Int'l Ice Cream Assn		
Constance D. Tipton, 888 16th Street, NW Washington, DC 20006	Milk Industry Foundation/Int'l Assn of Ice Cream Mfrs		621.00
E. Linwood Tipton, 888 16th St., NW Washington, DC 20006	Milk Industry Foundation & Int'l Ice Cream Assn		
Eben S. Tisdale, 1550 Wilson Blvd., #600 Arlington, VA 22209	Hewlett-Packard Co	3,500.00	952.79
Title Associates, Inc, Rt.2, Box 89 Columbia, TN 38401			
Francis M. Tivnan, Massachusetts Petroleum Council 11 Beacon Street Boston, MA 02108	American Petroleum Institute		
Tobacco Associates, Inc, Suite 912 1101 17th St., NW Washington, DC 20036			4,356.60
James S. Todd, 535 North Dearborn Street Chicago, IL 60610	American Medical Assn		
M. Douglas Todd, Suite 2300 1000 Wilson Boulevard Arlington, VA 22209	Northrop Corp		15.00
David R. Toll, 2121 K Street, NW, #880 Washington, DC 20037	Public Service Co of Colorado		
Do	Western Utilities Clean Air Group		
William R. Tolley Jr., PO Box 37 Melbourne, FL 32919	Harris Corporation		126.15
Edward Tonat, 6723 Brigadoon Drive Bethesda, MD 20817	Robert Goff & Associates, Inc		
Tonya, Inc, 1620 Eye Street, NW Washington, DC 20006	City of Philadelphia, PA, et al		
William D. Toohey, 1899 L St., NW, #600 Washington, DC 20036	Travel Industry Assn of America		
Peter W. Tooker, 1920 N Street, NW Washington, DC 20036	American Mining Congress		
Frank V. Toti Jr., 600 Maryland Ave., SW, #700 Washington, DC 20024	National Fed of Independent Business	3,401.75	368.00
Gilbert D. Tough, 70 North Main St. Wilkes-Barre, PA 18711	Blue Cross of Northeastern Pennsylvania		
Wanda Townsend, 1724 Massachusetts Ave., NW Washington, DC 20036	National Cable Television Assn, Inc	1,150.00	
Joseph P. Trainor, 815 16th St., NW Washington, DC 20006	Brotherhood of Railway Airline & Steamship Clerks	2,000.00	825.78
Jeffrey B. Trammell, 1020 19th Street, NW Washington, DC 20036	Anderson Benjamin Read & Haney (For:Blue Cross & Blue Shield of Florida)		
Do	Anderson Benjamin Read & Haney (For:U.S. Banknote Corp)		
Travel & Tourism Government Affairs Policy Council, 1133 21st Street, NW Washington, DC 20036		2,010.00	2,010.00
Trilling & Kennedy, 1900 L Street, NW, #310 Washington, DC 20036	Ace Metal Fabricators, et al		
Sally A. Triplett, 1725 Desales Street, NW, #804 Washington, DC 20036	Samuel E. Stavisky & Associates, Inc (For:Broadcast Music, Inc)		15.00
Tripp Scott Conklin & Smith, 2000 E. Oakland Park Blvd Fort Lauderdale, FL 33306	Alamo Rent-A-Car	10,000.00	2,000.00
Michael G. Troop, 1709 New York Avenue, NW, #801 Washington, DC 20006	U.S. League of Savings Institutions	3,500.00	20.00
Robert C. Troup, 730 Smith Ridge Rd. New Canaan, CT 06840			
George G. Troutman, Suite 1100 1090 Vermont Ave., NW Washington, DC 20005	Bell Helicopter Textron, Inc	150.00	
Alexander B. Trowbridge, 1776 F Street, NW Washington, DC 20006	National Assn of Manufacturers	2,125.00	
Thomas L. Trueblood, 401 North Michigan Ave. Chicago, IL 60611	Navistar International Transportation Corp	1,000.00	395.20
Trumble & Associates, 750 Baker Building 706 Second Ave. South Minneapolis, MN 55402	Energy Security Policy	1,131.25	1,263.25
Do	Stakeholders in America	2,063.00	1,793.07
Trust for Public Lands, 82 Second St. San Francisco, CA 94105			20,649.72
Paul E. Tsongas, Foley Hoag & Eliot One Post Office Square Boston, MA 02109	H.N. Gorin Associates, Inc		
Motoyuki Tsutsui, 919 18th Street, NW, #600 Washington, DC 20006	Toyota Motor Sales, USA, Inc		
Anh Tu, 1029 Vermont Ave., NW, #860 Washington, DC 20005	Project Advisory Group	880.47	
Tucker & Vaught, Western Federal Savings Bldg., #1330 718 17th St. Denver, CO 80202	Manville Corporation		
Do	Regional Transportation District	500.00	
Shannon B. Tuel, 311 First Street, NW Washington, DC 20001	National Restaurant Assn		
Stephen Tull, 1925 K St., NW, #206 Washington, DC 20006	Alliance to Save Energy	51.15	
Jon R. Tumler, 1000 Vermont Ave., NW, #800 Washington, DC 20005	Public Securities Assn		
Tuna Research Foundation, Inc, 1101 17th St., NW Washington, DC 20036		885.45	2,265.84
B. Elizabeth Tunney, 311 W 3003 Van Ness St NW Washington, DC 20008	Retail Wholesale & Dept Store Union		
Brian Turner, 815 16th Street, NW Washington, DC 20006	Industrial Union Department, AFL-CIO	8,446.55	
Jane L. Turner, 1920 N Street, NW Washington, DC 20036	American Mining Congress		
John M. Turner, 1875 Eye St., NW, #470 Washington, DC 20006	Georgia-Pacific Corp	2,000.00	
Richard F. Turney, 1725 K St., NW Washington, DC 20006	Courtney McCamant & Turney	300.00	
Max Turnipseed, 1155 15th Street, NW, #611 Washington, DC 20005	Ethyl Corporation	1,780.00	67.00
St. Clair J. Tweedie, Suite 220 1575 Eye Street, NW Washington, DC 20005	American Cyanamid Co	5,000.00	
U.S. Cane Sugar Refiners' Assn, 1001 Connecticut Ave., NW Washington, DC 20036		5,110.20	6,137.80
U.S. Committee for the Oceans, Route 2, Box 91 Ararat, VA 24053			
U.S. Defense Committee, 450 Maple Avenue, E., #204 Vienna, VA 22180		8,954.81	8,954.81
U.S. League of Savings Institutions, 111 E. Wacker Dr. Chicago, IL 60601			193,650.44
U.S. Public Interest Research Group, 215 Pennsylvania Avenue Washington, DC 20003		94,562.63	72,216.17
Gilman Udell, 1750 New York Avenue, NW Washington, DC 20006	International Assn of Fire Fighters	4,500.00	
Jerry G. Udell, 1616 H St., NW Washington, DC 20006	American Retail Federation	100.00	55.00
Kenji Ueno, 1850 M Street, NW, #600 Washington, DC 20036	Toyota Motor Sales, USA, Inc		
Mark J. Ugoretz, 1726 M Street, NW, #1101 Washington, DC 20036	Erisa Industry Committee	2,380.00	36.00
Robert D. Umphrey Jr., 1150 17th Street, NW Washington, DC 20036	Man-Made Fiber Producers Assn, Inc	5,000.00	810.96
Unifi, Inc, P.O. Box 19109 Greensboro, NC 27419			
Unique Athletes, Inc, 3 Woodland Avenue Westhampton Beach, NY 11978			
United Brotherhood of Carpenters & Joiners of America, 101 Constitution Ave., NW Washington, DC 20001			29,673.95
United Fresh Fruit & Vegetable Assn, 727 N. Washington St. Alexandria, VA 22314		8,771.50	1,302.47
United Gas Pipe Line Co, PO Box 1478 Houston, TX 77001			
United International Consultants, 1800 Diagonal Road Alexandria, VA 22314	Republic of South Africa	90,000.00	24,999.00
United Services Automobile Assn, 9800 Fredericksburg Road San Antonio, TX 78288			
United Way of Indianapolis, Community Service Council of Metro Indianapolis 1828 N. Meridian Street Indianapolis, IN 46202			
Marian S. Urnikis, 1120 Connecticut Avenue, NW Washington, DC 20036	American Bankers Assn	1,050.00	
Edward M. Urschel, 1424 16th St., NW, #701 Washington, DC 20036	Federation for American Immigration Reform		
Utility Nuclear Waste Management Group, c/o Edison Electric Institute 1111 19th St., NW Washington, DC 20036			
Grayce K. Uyehara, 1730 Rhode Island Avenue, NW, #204 Washington, DC 20036	Japanese American Citizens League Legislative Education Comm	2,034.00	273.10
Robert E. Vagley, 1025 Connecticut Avenue, NW, #415 Washington, DC 20036	American Insurance Assn		
Anthony Valanzano, 1001 Pennsylvania Ave., NW Washington, DC 20004	American Council of Life Insurance, Inc	5,000.00	474.52
R. Thomas Van Arsdall, 50 F Street, NW, #900 Washington, DC 20001	National Council of Farmer Cooperatives		
Van Dyk Associates, Inc, 2550 M St., NW, #300 Washington, DC 20037	American Gas Assn	3,750.00	
Do	UAL, Inc		
Juliane H. Van Egmond, 1575 Eye Street, NW, #200 Washington, DC 20005	American Cyanamid Co	2,970.00	1,030.34
Van Fleet Associates, Inc, 499 South Capitol St., SW, #520 Washington, DC 20003	Cadillac Gage	12,939.00	
Do	Ford Aerospace	1,100.00	
Do	Marconi Electronics	4,300.00	
Henry B. Van Gieson, 1700 North Moore St., 2120 Arlington, VA 22209	Boeing Company	1,320.00	138.27
Nick L. Van Nelson, Suite 540 1875 Eye Street, NW Washington, DC 20006	Champion International Corp		
Van Ness Feldman Sutcliffe & Curtis, P.C., 1050 Thomas Jefferson St., NW, 7th Floor Washington, DC 20007	Ad Hoc Coalition for Health Security	4,620.00	50.00
Do	Ad Hoc Group for Geothermal Energy	2,677.50	62.44

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Alaska Eskimo Whaling Commission		
Do	American Inst of Certified Public Accountants	570.00	
Do	American President Lines	1,710.00	
Do	Arctic Slope Regional Corp	1,197.00	
Do	Bumble Bee Seafoods, Inc	1,157.00	
Do	BRAE Corporation		
Do	Chugach Electric Assn, Inc		
Do	Clean Coal Technology Coalition	6,519.50	
Do	Collier Enterprises	3,523.50	
Do	Consumers United for Rail Equity (C.U.R.E.)	14,828.00	216.55
Do	Hawaiian Electric Company, Inc		
Do	LUZ International Ltd	8,502.00	
Do	Recording Industry of America		
Do	Republic of Palau		
Do	State of Alaska		
Do	Texas Air Corp		
Do	Tranquillity Irrigation District		
Do	Union Carbide Corp		
Norman C. VanderNoot, New Hampshire Petroleum Council 23 School Street Concord, NH 03301	American Petroleum Institute	110.00	
Martha A. Vanier, 119 Oronoco Street P.O. Box 1417-D50 Alexandria, VA 22313	Animal Health Institute		
Kathleen M. Vanston, 888 Sixteenth St., NW Washington, DC 20006	Biscuit & Cracker Mfgrs Assn		
Robert C. Varah, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington, DC 20037	Dofasco, Inc	375.00	347.39
Variable Annuity Life Insurance Co, 2929 Allen Parkway Houston, TX 77019			20,707.23
Theresa Varner, 1909 K Street, NW Washington, DC 20049	American Assn of Retired Persons	680.19	
George F. Vary, 1667 K St., NW Washington, DC 20006	Armco, Inc	1,100.00	567.26
Jennifer Vasiloff, 1730 M Street, NW Washington, DC 20036	League of Women Voters of the U.S.	3,855.17	130.15
Kristin Lea Vehrs, 1110 Vermont Avenue, NW, #1160 Washington, DC 20005	American Assn of Zoological Parks & Aquariums		
Do	Texas Shrimp Assn	1,000.00	510.00
Nicholas A. Veliotes, 2005 Massachusetts Avenue, NW Washington, DC 20036	Association of American Publishers		
Carol Verby, 1390 Piccard Drive Rockville, MD 20850	CNA Insurance Co		
Jerry T. Verkler, 1660 L Street, NW, #601 Washington, DC 20036	Interstate Natural Gas Assn of America	6,250.00	155.95
Frank Verrastro, 1155 15th Street, NW, #600 Washington, DC 20005	Pennzoil Co	937.50	
Linda Vickers, 1706 23rd St., South Arlington, VA 22202	Communicating for Agriculture, Inc		
Do	National Assn of Crop Inusrance Agents		
Ralph Vinovich, 1875 Eye Street, NW, #800 Washington, DC 20006	Tobacco Institute	5,000.00	465.52
Vinson & Elkins, 1455 Pennsylvania Ave., NW, #800 Washington, DC 20004-1007	American Airlines, Inc	1,443.75	65.17
Do	Attorney's Liability Assurance Society Ltd		
Do	Bank of America		
Do	Bear Stearns & Co, Inc		
Do	Chemical Bank		
Do	Citicorp		
Do	Continental Health Affiliates		
Do	Dunigan Enterprises		
Do	Enserch Corporation		
Do	Federal Express Corp	1,670.00	2,637.18
Do	Federal Land Bank Assns of Texas Stockholders' Defense Fund		127.80
Do	Fidelity Management & Research Co		
Do	Alfred C. Glassell Jr.		
Do	Goldman Sachs & Co		
Do	International Raw Materials, Ltd		
Do	John Hancock Mutual Life Insurance Co		
Do	Merrill Lynch & Co, Inc		
Do	Metropolitan Transit Authority		
Do	Pennzoil Co		
Do	Provident Life & Accident Insurance Co		
Do	Public Service Co of New Mexico	632.50	64.44
Do	Salomon Brothers, Inc	1,352.25	43.50
Do	Shearson Lehman/American Express, Inc		
Do	Southern California Edison	1,137.50	7.00
Do	Southern Star Shipping Co, Inc		
Do	Texas Commerce Bank		
Do	Travelers Insurance Co		
Do	Warburg Pincus Capital Corp		
Do	Warner Amex Cable Communications, Inc		
Walter D. Vinyard Jr., Zuckert, Scoutt, Rasenberger & Johnson 888 17th St., NW, 7th Fl. Washington, DC 20006	Continental Insurance Companies	2,000.00	
Do	National Fraternal Congress of America	75.00	
Virginia Association of Railway Patrons, P.O.box 867 Richmond, VA 23207		600.00	0.78
George A. Viverette Jr., 8111 Gatehouse Road Falls Church, VA 22047	American Automobile Assn		
Jesse S. Vogtle, 600 North 18th Street Birmingham, AL 35291	Alabama Power Co	49,000.00	1,386.12
Nick J. Volcheff, 2509 E. San Miguel Phoenix, AZ 85016	AT&T		
Volkswagen of America, Inc, 490 L'enfant Plaza, SW, #3210 Washington, DC 20024			450.00
Douglas K. Vollmer, 801 18th St., NW Washington, DC 20006	Paralyzed Veterans of America	13,481.52	
Ian D. Volner, 1333 New Hampshire Ave., NW, #600 Washington, DC 20036	National Assn of Trade & Technical Schools	1,250.00	
Volpe Boskey & Lyons, Suite 602 918 16th Street, NW Washington, DC 20006	American Assn of Equipment Lessors		
Voluntary Hospitals of America, Inc, 1150 Connecticut Ave., NW, #800 Washington, DC 20036			16,309.50
Volunteer Trustees of Not-For-Profit Hospitals, 1625 Eye St., NW, #810 Washington, DC 20006		59,000.00	10,960.00
Vorys Sater Seymour & Pease, 1828 L Street, NW, #1111 Washington, DC 20036	Cabot Corporation	1,737.50	207.71
Do	Committee of Publicly Owned Companies		
Do	Distrigas Corp	4,372.50	171.24
Do	Grocery Manufacturers of America, Inc		
Do	Ohio Manufacturers Assn	3,936.75	
Do	Trustcorp/Toledo Trust Co	21,600.00	2,589.12
R. B. Wackerle, 1000 Wilson Boulevard, #2300 Arlington, VA 22209	Northrop Corp		
Sadami Wada, 9 West 57th Street New York, NY 10019	Sony Corp of America		
Kerri Wagner, 1155 15th Street, NW Washington, DC 20005	National Broiler Council	1,250.00	
Wagner & Baroody, Inc, 1615 L St., NW, #750 Washington, DC 20036	Alfin Fragrance		
Do	Canadian General Electric		
Do	Daewoo International Corp	5,296.88	2,079.65
Do	National Beer Wholesalers of America	15,906.25	5,364.98
Do	National Debt Repayment Foundation	218.75	93.98
Herbert R. Waite, 100 Federal St. Boston, MA 02110	Bank of Boston Corporation		
Do	First National Bank of Boston	9,000.00	9,564.80
John A. Waits, 50 F Street, NW, #900 Washington, DC 20001	Farm Credit Council	4,000.00	
Susan Stephenson Walden, 1667 K St., NW, #410 Washington, DC 20006	Johnson & Johnson	1,000.00	225.00
Angela S. Waldorf, N.C. Petroleum Council P.O. Box 167 Raleigh, NC 27602	American Petroleum Institute		
Robert E. Waldron, Associated Petroleum Industries of Michi 930 Michigan Natl Tower, PO Box 10070 Lansing, MI 48901	American Petroleum Institute	920.00	839.64
Jean A. Walker, 122 C Street, NW, #200 Washington, DC 20001	Council of State Chambers of Commerce		
Charls E. Walker Associates, Inc, 1730 Pennsylvania Ave., NW Washington, DC 20006	Agrico Chemical Company, et al.		
Do	Aluminum Company of America	750.00	
Do	American Telephone & Telegraph Co	750.00	
Do	Arthur Anderson & Co		
Do	Anheuser-Busch Companies, Inc	8,250.00	
Do	Bank Capital Markets Assn	5,999.99	
Do	Broadcast Music, Inc	1,875.00	
Do	Champion International Corp	750.00	
Do	CBS Records Group	3,000.00	
Do	CSX Corporation	750.00	
Do	Dresser Industries, Inc	750.00	
Do	First Texas Savings & Loan	1,000.00	
Do	Ford Motor Co	750.00	
Do	Goodyear Tire & Rubber Co	750.00	
Do	Green Bay Packaging, Inc	300.00	
Do	Independent Refiners Coalition	10,822.50	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Leucadia National Corp	6,666.68	
Do	Lone Star Steel Co	1,875.00	
Do	MK-Ferguson Company	541.65	
Do	Northwestern Mutual Life Insurance Co	1,875.00	
Do	Owens-Illinois		
Do	Quanex Corp	250.00	
Do	Southern Company Services, Inc	5,625.00	
Do	Texas Ozone Task Force	500.00	
Do	U.S. Fidelity & Guaranty Co	4,500.00	
Do	Union Carbide Corp		
Do	Weil Gotshal & Manges	4,000.00	
Do	Weyerhaeuser Company	2,000.00	
Do	Wometco Broadcasting Corp		
Martin A. Wall, 1025 Vermont Avenue, NW, #800 Washington, DC 20005	American Osteopathic Hospital Assn		
R. Duffy Wall & Associates, Inc, 1317 F Street, NW, #400 Washington, DC 20004	Ad Hoc Comm on Coal Taxation	1,500.00	
Do	Bell Atlantic Corp	500.00	
Do	Brinks, Inc	1,000.00	
Do	California Federal Savings & Loan Assn	1,000.00	
Do	Cogentrix, Inc	500.00	
Do	Footwear Retailers of America	1,500.00	
Do	Henley Group	500.00	
Do	Hong Kong Trade Development Council	1,500.00	
Do	JMB Realty Corp	1,000.00	
Do	Life of Virginia	1,000.00	
Do	Morgan Guaranty Trust Co	1,500.00	
Do	New York State Bankers Assn	1,500.00	
Do	Pharmaceutical Manufacturers Assn	1,500.00	
Do	Securities Industry Assn	500.00	
Do	Torchmark Corporation	1,000.00	
Henry Scott Wallace, 1815 H Street, NW, #550 Washington, DC 20006	National Assn of Criminal Defense Lawyers	11,250.00	50.00
Raymond C. Wallace, 5025 Wisconsin Avenue, NW Washington, DC 20016	Amalgamated Transit Union, AFL-CIO		
Wallace & Edwards, 1150 Connecticut Ave., NW, #507 Washington, DC 20036	Alabama Farm Bureau Federation	1,500.00	
Do	American Sugar Cane League	3,750.00	
Do	Amstar Corp	2,500.00	
Do	Cotton Warehouse Assn of America	4,550.00	
Do	Fiber Fabric & Apparel Coalition for Trade	8,750.00	
Do	Flue-Cured Tobacco Cooperative Stabilization Corp	4,375.00	
Do	Merchants Grain & Transportation, Inc		
Do	Service Corporation International	600.00	
Lionel L. Wallenrod, 260 Madison Ave. New York, NY 10016	American Paper Institute, Inc		
Kristi Wallin, 1730 K St., NW, #703 Washington, DC 20006	American Business Conference		
R. Douglas Wallin Jr., 1235 Jefferson Davis Hwy. Arlington, VA 22202	Emerson Electric Co		62.10
Charles S. Walsh, Fleischmen & Walsh 1725 N St., NW Washington, DC 20036	National Cable Television Assn, Inc		
James P. Walsh, Davis Wright & Jones 1752 N St., NW, #800 Washington, DC 20036	American Tunaboat Assn	5,200.00	
Susan M. Walsh, 1725 De Sales St., NW Washington, DC 20036	Aerospace Industries Assn of America, Inc	9,372.00	
William C. Walsh, 215 Pennsylvania Ave., SE Washington, DC 20003	U.S. Public Interest Research Group	900.00	
Frank J. Walter, 1745 Jefferson Davis Hwy, #511 Arlington, VA 22202	Manufactured Housing Institute	900.00	100.00
Rita S. Walters, 1875 Eye St., NW, #800 Washington, DC 20006	Tobacco Institute	79.11	5.00
Henry L. Walther, 450 Maple Avenue, E., #204 Vienna, VA 22180	U.S. Defense Committee	3,000.00	
William C. Wampler, 412 First Street, SE Washington, DC 20003	Sterling Drug, Inc	7,500.00	
Bonnie B. Wan, 1201 Pennsylvania Avenue, #730 Washington, DC 20004	Kimberly-Clark Corp		
John F. Wanamaker, 201 N. Washington, St. Alexandria, VA 22314	Retired Officers Assn	2,591.00	
Alan S. Ward, 1050 Connecticut Ave., NW, #1100 Washington, DC 20036	Baker & Hostetler (For:Soap & Detergent Assn)		
Justin R. Ward, 1350 New York Avenue, NW, #300 Washington, DC 20005	Natural Resources Defense Council, Inc		
Stephen E. Ward, 1919 Pennsylvania Avenue, NW, #503 Washington, DC 20006	Mid-Continent Oil & Gas Assn	5,606.25	153.00
Richard D. Warden, 1757 N St., NW Washington, DC 20036	United Auto Aerospace & Agricultural Implement Workers	22,541.18	236.00
Jack Ware, 1220 L Street, NW Washington, DC 20005	American Petroleum Institute	8,790.00	148.65
Michael O. Ware, 1701 Pennsylvania Ave., NW, #900 Washington, DC 20006	Conoco, Inc	2,250.00	
Do	E. I. du Pont de Nemours & Co		
Peter F. Warker, Suite 2700 1000 Wilson Boulevard Arlington, VA 22209	TRW, Inc	1,250.00	
William H. Warner, 1201 Pennsylvania Avenue, NW Washington, DC 20004	Control Data Corporation		
Christine M. Warnke, Suite 300 1101 Connecticut Avenue, NW Washington, DC 20036	American Textile Manufacturers Institute, Inc	400.00	241.80
B. Jack Warren, P.O. Box 95385 Atlanta, GA 30347	Forest Farmers Assn		
Barbara J. Washburn, 1201 Pennsylvania Avenue, NW, #370 Washington, DC 20004	Control Data Corporation	739.50	139.30
Washington Independent Writers, Inc, 733 15th St., NW, #220 Washington, DC 20005			
Washington Industrial Team, Inc, 499 S. Capitol St., SW, #520 Washington, DC 20003	Hughes Aircraft Company	1,800.00	814.61
Washington Lobby Group, Inc, 325 Pennsylvania Ave., SE Washington, DC 20003	Preston Corp	9,000.00	
Koichi Watanabe, 1850 M St., NW, #600 Washington, DC 20036	Toyota Motor Sales, USA, Inc	50.00	302.50
Waterbed Manufacturers Assn, 2500 Wilshire Boulevard, #603 Los Angeles, CA 90057			
Millie Waterman, 5656 Corduroy Road Mentor, OH 44060	National Congress of Parents & Teachers		1,454.96
Jerry B. Waters, 777 14th Street, NW, #680 Washington, DC 20005	Farmland Industries	2,400.00	
Clarke R. Watson, 769 Detroit Street Denver, CO 80206	Westland Companies, Inc		
John L. Watson III, One World Trade Center, #4511 New York, NY 10048	National Security Traders Assn, Inc	4,375.00	
Leroy Watson, 1616 H Street, NW Washington, DC 20006	National Grange	2,750.00	
Carl E. Watt Jr., 1745 Jefferson Davis Hwy, #1200 Arlington, VA 22202	Rockwell International Corp		500.76
Carolyn Herr Watts, 1800 Massachusetts Ave., NW Washington, DC 20036	National Rural Electric Cooperative Assn	50.00	
Douglas R. Watts, 1724 Massachusetts Avenue, NW Washington, DC 20036	National Cable Television Assn, Inc	1,570.00	
George B. Watts, 1155 15th St., NW Washington, DC 20005	National Broiler Council	1,500.00	
Bruce H. Watzman, 1130 17th Street, N.w. Washington, DC 20036	National Coal Assn	6,660.00	481.62
William H. Weatherspoon, North Carolina Petroleum Council PO Box 167 Raleigh, NC 27602	American Petroleum Institute	1,500.00	2,984.55
James M. Webb, 801 North 11th Street St., Louis, MO 63101	Sverdrup Corp		
Andrew H. Webber, 440 First Street, NW, #510 Washington, DC 20001	American Medical Peer Review Assn		
Frederick L. Webber, 1101 16th Street, NW Washington, DC 20036	National Soft Drink Assn		
Webster & Sheffield, 1200 New Hampshire Ave., NW, #350 Washington, DC 20036	Asarco Corporation	675.00	
Do	Colorado SSC Project		16.00
Do	Mazda Motor Manufacturing (USA) Corp		
Webster Chamberlain Bean & McKevitt, 1747 Pennsylvania Ave., NW, #1000 Washington, DC 20006	Better Working Environments, Inc		
Do	Fruehauf Corporation		
Do	International Taxicab Assn		
Do	Kelly Assisted Living	1,000.00	95.00
Do	Kelly Services, Inc		
Do	Miller Brewing Co	1,500.00	225.00
Do	National Assn of Wholesaler-Distributors	1,000.00	
Do	National Fed of Independent Business	3,000.00	265.00
Do	Waterbed Manufacturers Assn		
Lee J. Weddig, Suite 580 2000 M St., NW Washington, DC 20036	National Fisheries Institute	4,000.00	150.00
Charles W. Wegner Jr., 400 N. Washington St. Alexandria, VA 22314	National Assn of Professional Insurance Agents	700.00	13,477.00
Stephen Wehrly, Route 4, Box 457 Vashon, WA 98070	Miller Brewing Co	500.00	463.83
Do	Services Group of America	625.00	447.69
Do	United Pacific Insurance Co	500.00	447.69
Theodore F. Weihe, 1800 Massachusetts Avenue, NW Washington, DC 20036	U.S. Overseas Cooperative Development Committee	2,812.00	
Steven A. Wein, 1090 Vermont Avenue, NW, #1100 Washington, DC 20005	Textron, Inc	600.00	150.00
Nancy Weinberg, 2001 L St., NW, #506 Washington, DC 20036	Chlorine Institute, Inc		
Weiner McCaffrey Brodsky & Kaplan, P.C., 1350 New York Ave., NW, #800 Washington, DC 20005	National Manufactured Housing Finance Assn	480.00	40.20
Donald G. Weinert, 1420 King St. Alexandria, VA 22314	National Society of Professional Engineers	1,500.00	
Arthur E. Weisberg, 2200 First Bank Place East Minneapolis, MN 55402	Dorsey & Whitney		
Arthur A. Weiss, 1800 First National Building Detroit, MI 48226	Jaffe Snider Raitt & Heuer, P.C.		
David Weiss, 777 14th Street, NW Washington, DC 20005	National Assn of Realtors	1,250.00	194.07
Bryant L. Welch, 1200 17th St., NW Washington, DC 20036	American Psychological Assn	3,750.00	10.00
Don Welch, P.O. Box 841 Abilene, TX 79604	West Texas Utilities Co		
John F. Welch, 655 15th Street, NW, #1200 Washington, DC 20005	Safe Buildings Alliance		
Kathleen Welch, 215 Pennsylvania Ave., SE Washington, DC 20003	U.S. Public Interest Research Group	5,115.39	
Jerry Welcome, P.O. Box 3556 Washington, DC 20007	American Meat Institute	2,000.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Paul S. Weller Jr., Agri/Washington 1629 K St., NW, #1100 Washington, DC 20006	American Soc of Composers Authors & Publishers	7,500.00	
Wellford Wegman & Hoff, 1775 Pennsylvania Ave., NW, #450 Washington, DC 20006	American Business Conference	2,500.00	
Do	Canadian Embassy	5,000.00	
Do	Department of Natural Resources, Province of Manitoba	1,350.00	
Do	Family Service America		
Do	Grants & Contracts Projects, United Way of America		
Do	J&B Management Company	4,200.00	
Do	Long Lake Energy Corp	3,000.00	
Do	Manville Corporation		
Do	Ministry of the Environment	5,000.00	
Do	Mitex	1,000.00	
Do	National Corp for Housing Partnerships	1,500.00	
Do	National Hydro Assn		
Do	National Independent Energy Producer's Hydro Tax Reform Comm	1,500.00	
Do	National Independent Energy Producers	6,500.00	
Do	VMS Realty		
Do	YMCA of the USA	4,000.00	
L. H. Wells, Suite 200 1025 Connecticut Avenue, NW Washington, DC 20036	Shell Oil Co	500.00	
Eleanor Wenner, 1025 Connecticut Avenue, NW Washington, DC 20036	Health Insurance Assn of America, Inc		
Thomas F. Wenning, 1825 Samuel Morse Dr. Reston, VA 22090	National Grocers Assn		
Fred Wertheimer, 2030 M St., NW Washington, DC 20036	Common Cause	17,272.50	270.00
Roland Wesley, 1159 Quail Run Bolingbrook, IL 60439	Committee for Minor. Access to Post Second. School Ownership		
Charles M. West, 205 Daingerfield Road Alexandria, VA 22314	National Assn of Retail Druggists	1,500.00	300.00
Ford B. West, 1015 18th Street, NW Washington, DC 20036	Fertilizer Institute	25,000.00	761.68
W. P. West Jr., 1629 K Street, NW, #204 Washington, DC 20006	Delta Air Lines, Inc	273.00	192.52
West Mexico Vegetable Distributors Assn, PO Box 848 Nogales, AZ 85621			1,000.00
Harry H. Westbay III, 1615 H Street, NW Washington, DC 20062	Chamber of Commerce of the U.S.	300.00	100.96
Western Fuels Association, Inc, 1625 M St., NW Washington, DC 20036			14,208.03
John F. Wetzel Jr., 50 F St., NW Washington, DC 20001	Association of American Railroads	321.60	51.89
William Wewer, 1300 19th Street, NW, #501 Washington, DC 20036	National Comm to Preserve Social Security	26,901.00	
Brian B. Whalen Jr., 401 N. Michigan Ave. Chicago, IL 60611	Navistar International Transportation Corp	1,250.00	449.44
Ellan Wharton, 1701 Pennsylvania Avenue, NW, #900 Washington, DC 20006	E. I. du Pont de Nemours & Co		
Leonard P. Wheat, 1111 14th St., NW, #1200 Washington, DC 20005	American Dental Assn		
June M. Whelan, Suite 600 S 1120 20th Street, NW Washington, DC 20036	Union Pacific Corp	1,250.00	
John C. Whitaker, 2021 L Street, NW, #320 Washington, DC 20036-4909	Union Camp Corporation	2,165.00	78.85
Deborah A. White, 1333 New Hampshire Ave., NW Washington, DC 20036	Atlantic Richfield Co	289.63	
George E. White Jr., P.O. Box 61000 New Orleans, LA 70161	MSU System Services, Inc	2,023.54	447.20
John C. White, 1899 L Street, NW, #500 Washington, DC 20036	Camp Barsh Bates & Tate	20,000.00	
Do	Chicago Mercantile Exchange	5,000.00	
Do	Coastal Corp	12,500.00	
Do	Comtran, Ltd		
Do	Louis Dreyfus Corp		
Do	Tobacco Institute	28,000.00	
John Thomas White II, Suite 2202 490 L'Enfant Plaza East, SW Washington, DC 20024	Tenneco, Inc		
Larry White, 1909 K St., NW Washington, DC 20049	American Assn of Retired Persons		
Margita E. White, 1730 M Street, NW, #407 Washington, DC 20036	Television Operators Caucus, Inc		
Raymon M. White Jr., 5501 Seminary Road, Apt. 2211-South Falls Church, VA 22041	Harris Corp	3,500.00	7,177.72
Sam White, 412 First Street, SE Washington, DC 20003	American Beekeeping Federation		
Do	Independent Cattlemen's Assn		
Do	National Agricultural Chemicals Assn	15,000.00	
Do	National Peanut Growers Group	6,000.00	
Do	Nuclear Waste Task Force	7,500.00	
Do	Sam Kane Packing		
White Fine & Verville, 1156 15th St., NW, #1100 Washington, DC 20005	United Education & Software		
Do	University of Maryland		
Josiah R. Whitehead, 3030 Cornwallis Road Research Triangle Park, NC 27709	Burroughs Wellcome Co		
Richard M. Whiting, 730 15th Street, NW Washington, DC 20005	Association of Bank Holding Cos	1,250.00	
William F. Whitsitt, 1800 K St., NW Suite 820 Washington, DC 20006	Sun Co, Inc	1,700.00	730.38
Pamela J. Whitted, 1700 K St., NW, #502 Washington, DC 20006	Pacific Resources, Inc	500.00	
William E. Wickert Jr., 1000 16th Street, NW, #800 Washington, DC 20036	Bethlehem Steel Corp	800.00	
Scott Widmeyer, 1901 L St., NW Washington, DC 20036	Ogilvy & Mather		
Mary Frances Widner, 1450 Peensylvania Ave, NW Washington, DC 20004	American Inst of Certified Public Accountants	500.00	2,129.56
Phillip R. Wiedmeyer, 600 North 18th Street Birmingham, AL 35291	Alabama Power Co	14,352.90	14,678.55
W. Scott Wilber, 1101 Vermont Avenue, NW Washington, DC 20005	American Medical Assn	3,975.00	
Thomas D. Wilcox, 2011 Eye Street, NW, #601 Washington, DC 20006	National Assn of Stevedores	1,830.00	1,830.00
Harry G. Wiles II, 1023 15th St., NW, 4th Fl Washington, DC 20005	National Assn of Independent Insurers		
Wiley Rein & Fielding, 1776 K St, NW, 12th Fl. Washington, DC 20006	Chaparral Steel Co	1,800.00	50.00
Do	Committee of Domestic Nitrogen Producers	3,600.00	25.00
Do	CBS, Inc		
Do	Georgetown Industries	1,800.00	50.00
Do	Oklahoma Steel & Wire Co	2,400.00	20.00
Do	Raritan River Steel Co	1,800.00	30.00
Do	Steel Bar Mills Assn	1,800.00	50.00
Guenther O. Wilhelm, Suite 1100 1899 L Street, NW Washington, DC 20036	Exxon Corporation		
Carl B. Wilkerson, 1001 Pennsylvania Ave., NW Washington, DC 20004	American Council of Life Insurance, Inc		
Dean M. Wilkinson, 1611 Connecticut Avenue, NW Washington, DC 20009	Greenpeace, USA	317.40	41.10
Wilkinson Barker Knauer & Quinn, 1735 New York Ave., NW Washington, DC 20006	American Assn of Presidents of Independent Colleges & Univs	14,511.00	402.32
Do	Apache Corporation	2,980.00	6.23
Do	Bonneville International Corp	3,916.00	9.00
Do	Central States Health & Life Co of Omaha		
Do	Empire Blue Cross & Blue Shield	27,904.50	1,513.53
Do	Manville Corporation	20,561.62	2,121.19
Do	National Assn of Independent Colleges & Universities	1,879.50	163.43
Do	J. C. Penney Co, Inc	30,625.00	3,797.16
Do	Shee Atika, Inc		
Do	Tobacco Institute		
Ralph E. Willham, 1750 New York Ave., NW Washington, DC 20006	Sheet Metal Workers International Assn	14,220.36	
Annelise Williams, 1250 Connecticut Avenue, NW Washington, DC 20036	National Forest Products Assn	1,200.00	
Faith Williams, 600 New Hampshire Ave., NW Washington, DC 20037	New York Life Insurance Company		
Floyd L. Williams, 15th & M Streets, NW Washington, DC 20005	National Assn of Home Builders of the U.S.		
Lee Williams, 1616 H St., NW Washington, DC 20006	American Retail Federation	800.00	
Leonard B. Williams, 1000 16th Street, NW, #800 Washington, DC 20036	Bethlehem Steel Corp	100.00	
Lucinda L. Williams, 1155 15th Street, NW, #400 Washington, DC 20005	National Medical Enterprises, Inc	4,980.00	
Peter Williams, 2030 M St., NW Washington, DC 20036	Common Cause	362.50	
Robert E. Williams, 1825 K St., NW, #607 Washington, DC 20006	United Airlines, Inc	1,500.00	
Thomas F. Williams, 6812 Old Kent Road Amarillo, TX 79109	Southwestern Public Service Co	2,800.00	611.45
David K. Willis, 1620 Eye Street, NW, #1000 Washington, DC 20006	Motor Vehicle Manufacturers Assn of the U.S., Inc		
Wayne D. Willis, 1025 Connecticut Ave., NW, #704 Washington, DC 20036	GA Technologies, Inc	765.00	93.65
Willkie Farr & Gallagher, 818 Connecticut Ave., NW, #1100 Washington, DC 20006	American Trucking Assns, Inc		
Do	Companhia Siderurgica Paulista (COSIPA)	500.00	
Do	Comptroller of the State of New York	1,300.00	51.00
Do	Council of Institutional Investors	3,857.50	128.96
Do	Ferro Union	405.00	5.00
Do	Japan Iron & Steel Exporters' Assn	1,500.00	36.82
Do	LEGI-SLATE	3,000.00	21.00
Do	Westinghouse Electric Corp	4,000.00	109.36
Do	Yamaha Motor Co, Ltd, et al.	500.00	
Charlotte M. Wilmer, 1730 Rhode Island Ave., NW Washington, DC 20036	National Rural Electric Cooperative Assn		
Do	National Solid Wastes Management Assn	200.00	
Wilmer Cutler & Pickering, 2445 M Street, NW Washington, DC 20037-1420	American Broadcasting Co, Inc, et al.	552.50	84.00
Do	American Cyanamid Co	900.00	187.40
Do	American Honda Motor Co, Inc	675.00	56.10
Do	American Textile Manufacturers Industries, Inc		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Apache Corporation		
Do	Capital Cities/ABC, Inc		
Do	Citicorp		
Do	CPC International, Inc	450.00	
Do	Handgun Control, Inc		6.61
Do	National Assn of Broadcasters	3,342.00	98.41
Do	People of Enewetak	2,225.00	6.00
Do	RMI Company	1,230.00	
Do	University Patents, Inc	3,400.00	31.60
Charles D. Wilson, 2021 L Street, NW, #320 Washington, DC 20036-4909	Union Camp Corporation		
Craig S. Wilson, 4500 Vestal Parkway East Binghamton, NY 13903	New York State Electric & Gas Corp		
Dena L. Wilson, Suite 1000 1600 Wilson Blvd. Arlington, VA 22209	American Waterways Operators, Inc	4,050.00	230.28
Don T. Wilson, 1250 I Street, NW, #400 Washington, DC 20005	National Tire Dealers & Retreaders Assn	1,850.00	25.00
G. Peter Wilson, 249 Maitland Avenue P.O. Box 1119 Altamonte Springs, FL 32701	Institute of Internal Auditors, Inc		
H. Graham Wilson, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington, DC 20037	Dofasco, Inc		
Kerrie Bunting Wilson, 1575 Eye Street, NW, #1060 Washington, DC 20005	American Cancer Society	4,000.00	50.00
Robert C. Wilson, 499 S. Capitol St., SW, #520 Washington, DC 20003	Washington Industrial Team, Inc	300.00	
Robert Gary Wilson, 1730 Rhode Island Avenue, NW Washington, DC 20036	PPG Industries, Inc	40.00	11.75
William F. Wilson, 231 W. Michigan Street Milwaukee, WI 53201	Wisconsin Electric Power Co	56.00	
John P. Winburn, Winburn Associates, Inc 453 New Jersey Ave., SE Washington, DC 20003	American Assn of Equipment Lessors	9,000.00	1,072.51
Do	American Automotive Leasing Assn	8,000.00	328.34
Do	American Financial Services Assn	19,500.00	
Do	Beneficial Management Corp	30,000.00	
Do	Burlington Northern, Inc	15,000.00	517.42
Do	Green Bay Packaging Co		
Do	GEO Products		
Do	Leggett & Platt	12,000.00	587.37
Do	McDonnell Douglas Corp	12,000.00	
Do	McLouth Steel Products Corp		
Do	National Assn of ASCS County Office Employees	2,490.00	
Do	Pennzoil Co	15,000.00	262.00
Do	Quanex Corp	12,500.00	
Do	Rosenberg Real Estate Equity Fund, Inc		
Do	Ruan Transport Corp	27,000.00	
Do	U.S. Air, Inc		
Kathleen J. Winn, 1155 15th St., NW Suite 602 Washington, DC 20006	Pennzoil Co	475.00	
Winstead Mcguire Sechrest & Minick, P.C., 1700 Mercantile Dallas Building Dallas, TX 75201	Real Estate Council	1,679.47	1,721.21
David A. Winston, 1922 F Street, NW Washington, DC 20006	National Assn of Life Underwriters	593.75	64.00
Winston & Strawn, 2550 M St., NW, #500 Washington, DC 20037	American Assn of Museums		
Do	Association of Seat Lift Manufacturers		
Do	Beatrice Foods Co		
Do	City of Tucson		
Do	CNA Financial Corp		
Do	Emerson Radio Corp	600.00	
Do	Gould, Inc		
Do	Hanson Industries		
Do	International Council of Shopping Centers		
Do	Lease Management Corp		
Do	National Audubon Society		
Do	National Council of Health Facilities Finance Authorities		
Do	Penox Technologies		
Do	Queen City Home Health Care		
Do	Syntex Laboratories, Inc		
Do	Terson Company, Inc		
Winthrop & Weinstine, 1800 Conwed Tower, 444 Cedar Street St. Paul, MN 55101	Otto Bremer Foundation		454.00
Claudia A. Withers, 2000 P Street, NW, #400 Washington, DC 20036	Women's Legal Defense Fund	56.02	13.74
Dianne Witte, 1925 K St., NW, #206 Washington, DC 20006	Alliance to Save Energy		
Glenn P. Witte, 888 16th St., NW Washington, DC 20006	Milk Industry Foundation/Int'l Assn of Ice Cream Mfrs		
Herman C. Witthaus, 1660 L St., NW Washington, DC 20036	General Motors Corp	3,000.00	2,448.15
James Wolf, 1925 K St., NW, #206 Washington, DC 20006	Alliance to Save Energy	265.92	
James E. Wolf, 2020 14th St., North Arlington, VA 22201	American Standard Inc	2,500.00	
Megan McGrath Wolfe, 1726 M Street, NW, #300 Washington, DC 20036	Schering-Plough Corp	182.75	313.80
Sidney M. Wolfe, 2000 P St., NW, #708 Washington, DC 20036	Public Citizen Health Research Group		
Ronald Wolsey, One North Charles St., #1520 Baltimore, MD 21201	Amoco Corporation		
Don Womack, Suite 303 1825 K St., NW Washington, DC 20006	Texas Utilities Services, Inc	3,175.00	214.61
John L. Wood, 2121 San Jacinto St. P.O. Box 660164 Dallas, TX 75266	Central & South West Corp		
S. Roy Woodall Jr., 1455 Pennsylvania Ave., NW, #530 Washington, DC 20005	National Assn of Life Companies	1,393.75	250.00
Perry W. Woofter, Suite 530 1800 K St. NW Washington, DC 20006	Tesoro Petroleum Corp	3,000.00	
Howard E. Woolley, 1771 N Street, NW Washington, DC 20036	National Assn of Broadcasters	1,500.00	450.00
Linda Anzalone Woolley, 1600 M St., NW Washington, DC 20036	International Telephone & Telegraph Corporation	94.50	126.00
Worldwide Information Resources, Ltd, 1717 K Street, NW, #706 Washington, DC 20006	Avon Products, Inc		
Do	Equitable Life Assurance Society of the U.S		
Do	Pan American World Airways, Inc		
Do	Toyota Motor Sales, USA, Inc		
Do	Transportation Group, Inc		
W. Robert Worley, 1736 Creek Crossing Road Vienna, VA 22180	Southern Company Services, Inc	1,596.00	1,873.39
Worthington Associates, 2132 Southbay Lane Reston, VA 22091	HRM		
David L. Wray, 20 North Wacker Drive Chicago, IL 60606	Profit Sharing Council of America		
Alan D. Wright, P.O. Box 5000 Cleveland, OH 44101	Centerior Energy Corp, et al	2,812.40	104.22
David L. Wright, Anderson Hill Rd. Purchase, NY 10577	Pepsico, Inc		122.85
Tracey C. Wright, 1819 L St., NW, 7th Floor Washington, DC 20036	Reinsurance Assn of America		
Kenneth Wu, 1755 Jefferson Davis Highway, #900 Arlington, VA 22202	Gould, Inc	164.00	230.55
Wunder & Diefenderfer, 1615 L St., NW, #650 Washington, DC 20036	Airship Industries, Ltd	3,262.50	7.17
Do	Alliance of American Insurers	12,000.00	398.64
Do	BellSouth Corp		
Do	Bohemia Lumber Co	2,970.00	182.10
Do	Chesebrough-Pond's, Inc		
Do	Colt Industries, Inc		
Do	CBS, Inc		
Do	Enserch Corporation		
Do	Georgia-Pacific Corp		
Do	Grocery Manufacturers of America, Inc		
Do	Hospital Corp of America		
Do	Interlocking Directorate Reform Coalition	26,981.25	1,021.47
Do	Marriott Corp	6,671.51	698.82
Do	Metropolitan Insurance Co	5,715.00	201.96
Do	Mortgage Guarantee Insurance Corp	14,070.00	160.31
Do	MDRX, Inc	3,538.50	
Do	National Cable Television Assn, Inc	6,110.00	15.13
Do	Northwestern Mutual Life Insurance Co		
Do	Pennsylvania Higher Education Assistance Agency	1,950.00	118.58
Do	Shared Medical Systems (SMS)		
Do	Solar Turbines, Inc		
Do	Sony Corporation of America	6,725.00	84.84
Do	State of North Carolina		
Do	Texas Oil & Gas Corp		
Do	U.S. Telephone Assn	3,532.30	46.74
Robert Wurwarg, Milbank Tweed Hadley & McCloy One Chase Manhattan Plaza New York, NY 10005	Rockefeller Group, Inc		
Thomas L. Wylie, 1800 K Street, NW, #820 Washington, DC 20006	Sun Co, Inc	1,519.00	54.35
Lucia Wyman, 1401 Elm St., #4100 Dallas, TX 75202	Cattle Resources, Inc		
Do	Swift Independent Corp	5,000.00	
Do	Valley View Energy Corp		
Wyman Bautzer Christensen Ruchel & Silbert, Suite 580 600 New Hampshire Ave., NW Washington, DC 20037	American Boiler Manufacturers Assn, Inc		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Eklutna, Inc		
Marc D. Yacker, 1250 Connecticut Ave., NW Washington, DC 20036	American Paper Institute, Inc	600.00	
T. Albert Yamada, Suite 520 900 17th St., NW Washington, DC 20006	Toyota Motor Sales, USA, Inc	500.00	
Do	West Mexico Vegetable Distributors Assn	500.00	
Nancy Foster Yanish, 1750 K Street, NW Washington, DC 20006	Food Marketing Institute	200.00	
Mary J. Yarrington, 1300 19th Street, NW, #501 Washington, DC 20036	National Comm to Preserve Social Security	2,500.00	
Edward R. Yawn, 1111 19th St., NW Washington, DC 20036	Edison Electric Institute	457.66	388.14
Simin Yazdgerdi, 514 2nd Street, SE Washington, DC 20003	FAIR		25.00
Kim Yelton, 8120 Fenton St. Silver Spring, MD 20910	Americans United for Separation of Church and State	8,116.60	30.45
Jack Yelverton, 1303 New Hampshire Ave., NW Washington, DC 20036	Fleet Reserve Assn		
Paul Yestrumskas, Gate Post Lane Southbury, CT 06488	Timex Group Ltd	870.00	778.60
Mehmet Yildiz, 1559 Rockville Pike, #78 Rockville, MD 20852	Citizens Alliance, Inc	2,400.00	2,400.00
Edward L. Yingling, 1120 Connecticut Ave., NW Washington, DC 20036	American Bankers Assn	6,000.00	35.00
Larry E. Yoakam, 650 S. Front Street Columbus, OH 43206	Grange Mutual Casualty Co		
D. Scott Yohe, 1629 K St., NW, #204 Washington, DC 20006	Delta Air Lines, Inc	390.00	216.80
Andrew Yood, 1220 L Street, NW Washington, DC 20005	American Petroleum Institute	200.00	
Yong Jin Yoon, 2112 S. Buchanan St. Arlington, VA 22206	K.S. Line West America		
Edward A. Yopp, 1200 Golden Key Circle, #141 El Paso, TX 79925	West Texas Higher Education Servicing Corp		
Roberta Lynn Youmans, 509 C Street, NE Washington, DC 20002	Roisman, Reno & Cavanaugh (For:National Housing Law Project)	2,100.00	
Eugene S. Young, 955 L'Enfant Plaza, SW, #905 Washington, DC 20024	Honda North America, Inc	200.00	49.96
Jay L. Young, 108 N. Alfred Street Alexandria, VA 22314	Conservative Alliance	2,000.00	
Robert A. Young, 10113 Wood Green Way Burke, VA 22015	Brown & Associates	3,000.00	66.81
Thane Young, 1730 Rhode Island Ave., NW, #400 Washington, DC 20036	Aries Properties, Inc		
Do	Berg-Revoir Corp		
Do	City of Alhambra		
Do	City of Baldwin Park		
Do	City of Inglewood		
Do	City of Norwalk		
Do	City of Oceanside		
Do	City of Provo		
Do	City of Redondo Beach		
Do	City of South Salt Lake		
Do	Gavin Associates		
Do	Imperial Irrigation District		
Do	Irvine Company		
Do	Long Beach Transit		
Do	Maritime Center at Norwalk		
Do	Oceanside Redevelopment Agency		
Do	Santa Cruz Properties, Inc		
Thomas F. Youngblood, 1819 L Street, NW, #600 Washington, DC 20036	American Hotel & Motel Assn	1,803.04	
Betsy Younkins, 1220 L Street, NW, #1200 Washington, DC 20005	American Petroleum Institute	6,000.00	205.83
Eugene A. Yourch, 50 Broadway New York, NY 10004	Federation of American Controlled Shipping	200.00	
David E. Yudin, 1707 H Street, NW, #500 Washington, DC 20006	Bus Transit Caucus	637.00	
Do	Regional Transportation District	1,584.00	52.50
Ralph Zaayenga, 1800 K Street, NW, #820 Washington, DC 20006	Sun Co, Inc	400.00	
Laurence E. Zabar, 11 Mystic Road Marblehead, MA 01945	Warren H. Suss Associates		
John R. Zagame Associates, Inc, 1001 Prince Street, #116 Alexandria, VA 22314	National Music Publishers Assn, Inc	12,000.00	6,388.30
Lynn Zakupowsky, 1331 Pennsylvania Ave., NW Washington, DC 20004	General Electric Co	1,750.00	
John S. Zapp, 1101 Vermont Ave., NW Washington, DC 20005	American Medical Assn	4,900.00	
Thomas K. Zaucha, 1825 Samuel Morse Drive Reston, VA 22090	National Grocers Assn		
Leo C. Zeferetti, 9912 Fort Hamilton Parkway Brooklyn, NY 11209	Building & Construction Trades Dept, AFL-CIO		
Do	New York Telephone		
Do	Pratt & Whitney		
Denis R. Zegar, 201 Park Washington Court Falls Church, VA 22046	National-American Wholesale Grocers' Assn	3,000.00	
Geoffrey Zeh, 12050 Woodward Avenue Detroit, MI 48203-3596	Brotherhood of Maintenance of Way Employes		
Philip F. Zeidman, 1401 New York Ave., NW, #900 Washington, DC 20005	American Business Conference, Inc		
Don J. Zeller, 1615 M Street, NW, #200 Washington, DC 20036	Amoco Corporation	1,850.00	560.09
Carl A. Zichella, 214 N. Henry St., #203 Madison, WI 53703	Sierra Club	120.00	
Ronald L. Ziegler, 1199 N. Fairfax Street, #801 Alexandria, VA 22314	National Assn of Truck Stop Operators, Inc		
Judith Ziewacz, 1840 Wilson Boulevard Arlington, VA 22201	National Milk Producers Federation	1,650.00	152.60
Zuckert Scoutt Rasenberger & Johnson, 888 17th St., NW, #600 Washington, DC 20006-3959	National Comm of Cities & States for Airline Service	16,314.00	2,505.00
Charles O. Zuver, 1120 Connecticut Ave., NW Washington, DC 20036	American Bankers Assn	5,000.00	
Kurt D. Zwikl, 702 Hamilton Mall Allentown, PA 18101	Merchants Bank		
23rd Congressional District Action Comm, 575 Charles St. St. Marys, PA 15857			

QUARTERLY REPORTS*

*All alphanumeric characters and monetary amounts refer to receipts and expenditures on page 2, paragraphs D and E of the Quarterly Report Form.

The following quarterly reports were submitted for the second calendar quarter 1987:

(NOTE.—The form used for reporting is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective headings. This page (Page 1) is designed to supply identifying data, and Page 2 deals with financial data.)

PLEASE RETURN 1 ORIGINAL TO: THE CLERK OF THE HOUSE OF REPRESENTATIVES, OFFICE OF RECORDS AND REGISTRATION, 1036 LONGWORTH HOUSE OFFICE BUILDING, WASHINGTON, D.C. 20515

PLEASE RETURN 1 ORIGINAL TO: THE SECRETARY OF THE SENATE, OFFICE OF PUBLIC RECORDS, 232 HART SENATE OFFICE BUILDING, WASHINGTON, D.C. 20510

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19 . . . . . ◆

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

IDENTIFICATION NUMBER

Is this an Amendment? ☐ YES ☐ NO

NOTE on ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:

(i) *"Employee".*—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)

(ii) *"Employer".*—To file as an "employer", write "None" in answer to Item "B".

(*b*) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:

(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.

(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:

1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

☐ CHECK IF ADDRESS IS DIFFERENT THAN PREVIOUSLY REPORTED

NOTE on ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (*a*) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (*b*) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER—State name, address, and nature of business. If there is no employer, write "None."

NOTE on ITEM "C".—(*a*) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).

(*b*) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).

(*c*) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have ☐ terminated, place an "X" in the box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the specific legislative interests by reciting: (*a*) Short titles of statutes and bills; (*b*) House and Senate numbers of bills, where known; (*c*) citations of statutes, where known; (*d*) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (*a*) description, (*b*) quantity distributed, (*c*) date of distribution, (*d*) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed.)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and, if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. *If this is a "Quarterly" Report, disregard this item "C4" and fill out items "D" and "E" on the back of this page.* Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly Report."◆

STATEMENT OF VERIFICATION

[Omitted in printing]

NOTE on ITEM "D."—*(a)* IN GENERAL. The term "contribution" includes *anything of value.* When an organization or individual uses printed or duplicated matter in a campaign attempting to influence legislation, money received by such organization or individual—for such printed or duplicated matter—is a "contribution." "The term 'contribution' includes a gift, subscription, loan, advance, or deposit of money, or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution"—§ 302(a) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN EMPLOYER.—(i) *In general.* Item "D" is designed for the reporting of all receipts from which expenditures are made, or will be made, in connection with legislative interests.

(ii) *Receipts of Business Firms and Individuals.*—A business firm (or individual) which is subject to the Lobbying Act by reason of expenditures which it makes in attempting to influence legislation—but which has no funds to expend except those which are available in the ordinary course of operating a business not connected in any way with the influencing of legislation—will have no receipts to report, even though it does have expenditures to report.

(iii) *Receipts of Multi-purpose Organizations.*—Some organizations do not receive any funds which are to be expended solely for the purpose of attempting to influence legislation. Such organizations make such expenditures out of a general fund raised by dues, assessments, or other contributions. The percentage of the general fund which is used for such expenditures indicates the percentage of dues, assessments, or other contributions which may be considered to have been paid for that purpose. Therefore, in reporting receipts, such organizations may specify what that percentage is, and report their dues, assessments, and other contributions on that basis. However, each contributor of $500 or more is to be listed, regardless of whether the contribution was made solely for legislative purposes.

(c) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE.—(i) *In general.* In the case of many employees, all receipts will come under Items "D 5" (received for services) and "D 12" (expense money and reimbursements). In the absence of a clear statement to the contrary, it will be presumed that your employer is to reimburse you for all expenditures which you make in connection with legislative interests.

(ii) *Employer as Contributor of $500 or More.*—When your contribution from your employer (in the form of salary, fee, etc.) amounts to $500 or more, it is not necessary to report such contribution under "D 13" and "D 14," since the amount has already been reported under "D 5," and the name of the "employer" has been given under Item "B" on page 1 of this report.

D. RECEIPTS (INCLUDING CONTRIBUTIONS AND LOANS):

Fill in every blank. If the answer to any numbered item is "None," write "NONE" in the space following the number.

Receipts (other than loans)

1. $..............Dues and assessments
2. $..............Gifts of money or anything of value
3. $..............Printed or duplicated matter received as a gift
4. $..............Receipts from sale of printed or duplicated matter
5. $..............Received for services (e.g., salary, fee, etc.)
6. $..............TOTAL for this Quarter (Add "1" through "5")
7. $..............Received during previous Quarters of calendar year
8. $..............TOTAL from Jan. 1 through this Quarter (Add "6" and "7")

Loans Received—"The term 'contribution' includes a . . . *loan* . . ."—§ 302(a).

9. $..............TOTAL now owed to others on account of loans
10. $..............Borrowed from others during this Quarter
11. $..............Repaid to others during this Quarter

12. $..............“Expense Money" and Reimbursements received this Quarter.

Contributors of $500 or More (from Jan. 1 through this Quarter)

13. Have there been such contributors?
Please answer "yes" or "no": ....

14. In the case of each contributor whose contributions (including loans) during the "period" from January 1 through the last day of this Quarter, total $500 or more:

Attach hereto plain sheets of paper, approximately the size of this page, tabulate data under the headings "Amount" and "Name and Address of Contributor"; and indicate whether the last day of the period is March 31, June 30, September 30, or December 31. Prepare such tabulation in accordance with the following example:

Amount	*Name and Address of Contributor* (*"Period"* from Jan. 1 through.............................., 19.......)
$1,500.00	John Doe, 1621 Blank Bldg., New York, N.Y.
$1,785.00	The Roe Corporation, 2511 Doe Bldg., Chicago, Ill.
$3,285.00	TOTAL

NOTE on ITEM "E".—*(a)* IN GENERAL. "The term 'expenditure' includes a payment, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure"—§ 302 (b) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE. In the case of many employees, all expenditures will come under telephone and telegraph (Item "E 6") and travel, food, lodging, and entertainment (Item "E 7").

E. EXPENDITURES (INCLUDING LOANS) IN CONNECTION WITH LEGISLATIVE INTERESTS:

Fill in every blank. If the answer to any numbered item is "None," write "NONE" in the spaces following the number.

Expenditures (other than loans)

1. $..............Public relations and advertising services
2. $..............Wages, salaries, fees, commissions (other than Item "1")
3. $..............Gifts or contributions made during Quarter
4. $..............Printed or duplicated matter, including distribution cost
5. $..............Office overhead (rent, supplies, utilities, etc.)
6. $..............Telephone and telegraph
7. $..............Travel, food, lodging, and entertainment
8. $..............All other expenditures
9. $..............TOTAL for this Quarter (Add "1" through "8")
10. $..............Expended during previous Quarters of calendar year
11. $..............TOTAL from Jan. 1 through this Quarter (Add "9" and "10")

Loans Made to Others—"The term 'expenditure' includes a . . . *loan* . . ."—§ 302 (b).

12. $..............TOTAL now owed to person filing
13. $..............Lent to others during this Quarter
14. $..............Repayments received during this Quarter

15. *Recipients of Expenditures of $10 or More*

If there were no single expenditures of $10 or more, please so indicate by using the word "NONE".

In the case of expenditures made during this Quarter by, or on behalf of, the person filing: Attach plain sheets of paper approximately the size of this page and tabulate data as to expenditures under the following heading: "Amount," "Date or Dates," "Name and Address of Recipient," "Purpose." Prepare such tabulation in accordance with the following example:

Amount	*Date or Dates—Name and Address of Recipient—Purpose*
$1,750.00	7-11: Roe Printing Co., 3214 Blank Ave., St. Louis, Mo.—Printing and mailing circulars on the "Marshbanks Bill."
$2,400.00	7-15, 8-15, 9-15: Britten & Blaten, 3127 Gremlin Bldg., Washington, D.C.—Public relations service at $800.00 per month.
$4,150.00	TOTAL

PAGE 2

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
A-K Associates, Inc, 1024 10th Street, #300 Sacramento, CA 95814	American Ambulance Assn	10,999.98	12,809.95
Do	Director of Timber Counties Coalition	6,187.50	10,706.45
Do	Golden Gate Bridge Highway & Transportation District	6,300.00	10,723.45
Do	Hemet Valley Flying Service		
Do	Tobacco Institute	19,425.00	15,082.47
Leanne J. Abdnor, 2000 Pennsylvania Avenue, NW, #3580 Washington, DC 20006	Koppelman Fuel Development Corp		
Samuel F. Abernethy, Four World Trade Center, 8th Fl. New York, NY 10048	Coffee Sugar & Cocoa Exchange, Inc		
Thomas G. Abernethy Sr., 3973 Stuart Place Jackson, MS 39211	U.S. Cane Sugar Refiners' Assn		
Ablondi & Foster, P.C., 1776 K Street, NW, #606 Washington, DC 20006	Taiwan Textile Federation		
Matthew J. Abrams, CANAMCO 1828 L Street, NW, #660 Washington, DC 20036	Dominion Marine Assn		
Action, Inc, 333 Pennsylvania Ave., SE Washington, DC 20003	American Indian Higher Education Consortium		
Ad Hoc Coalition on International Electric Power Trade, 12800 Shaker Blvd. Cleveland, OH 44120-2099		74.29	74.29
Kenneth R. Adams, 2211 Congress Street Portland, ME 04122	UNUM Life Insurance Co	500.00	1,009.05
Adams Quackenbush Herring & Stuart, P.O. Box 394 Columbia, SC 29202	Empire of America		
Marsha Nye Adler, 1424 16th St., NW, #601 Washington, DC 20036	People for the American Way	1,987.57	
Agency for Instructional Technology, Box A Bloomington, IN 47401			
Aker Associates, Inc, 1350 New York Ave., NW, #700 Washington, DC 20005	Independent Refiners Coalition		
Do	Semiconductor Industry Association		
William E. Albers, 1731 Connecticut Ave., NW Washington, DC 20009	Albers & Company (For:May Department Stores Co)	24,447.50	349.92
Nancy C. Alexander, 245 Second Street, NE Washington, DC 20002	Friends Comm on National Legislation	4,272.51	
Robert G. Allen, 511 C Street, NE Washington, DC 20002	C.A.R.E.		
Alliance Against Handguns, P.O. Box 75700 Washington, DC 20013			
Allied Acid Rain Prohibition, 11573 Embers Court Reston, VA 22091			
Jerome A. Ambro Associates, 4734 Timber Ridge Dr. Mountclair, VA 22026	Associated Universities	5,593.75	3,034.19
Do	County of Suffolk, New York	9,000.00	6,447.66
American Amusement Machine Assn, 205 The Strand Alexandria, VA 22314			
American Apparel Manufacturers Assn, Inc, 2500 Wilson Blvd., #301 Arlington, VA 22201		92,466.29	92,466.29
American Assn for Respiratory Therapy, 1720 Regal Row, #112 Dallas, TX 75235		2,294.14	17,067.33
American Assn of Presidents of Independent Colleges & Univs, Grove City College Grove City, PA 16124			21.25
American Business Conference, Inc, 1730 K Street, NW, #703 Washington, DC 20006		3,375.00	2,935.13
American Fed of State County & Municipal Employees, 1625 L St., NW Washington, DC 20036			107,466.80
American Gas Assn, 1515 Wilson Boulevard Arlington, VA 22209		19,380.00	41,150.00
American Hospital Assn, 840 N. Lake Shore Dr. Chicago, IL 60611		45,376.72	45,376.72
American International Group, Inc, 70 Pine Street New York, NY 10270			49,717.46
American Medical Student Assn, 1890 Preston White Drive Reston, VA 22091			6,183.30
American Nuclear Energy Council, 410 1st St., SE Washington, DC 20003		6,908.61	48,887.49
American Radio Relay League, Inc, 225 Main St. Newington, CT 06111			
American Subcontractors Assn, 1004 Duke St. Alexandria, VA 22314			4,400.00
American Trucking Assns, Inc, 2200 Mill Road Alexandria, VA 22314		10,290.06	73,930.03
American Wind Energy Assn, 1017 King St., #A Alexandria, VA 22314-2922		1,541.75	5,152.46
American Wood Preservers Institute, 1945 Gallows Road, #405 Vienna, VA 22180			45,641.81
Americans for the High Frontier, 1010 Vermont Ave., NW, #1015 Washington, DC 20005		9,805.00	827.83
James A. Anderson Jr., 1725 K Street, NW, #710 Washington, DC 20006	National Assn of Wholesaler-Distributors		
Anderson Hibey Nauheim & Blair, 1708 New Hampshire Ave., NW Washington, DC 20009	Alamo Rent-A-Car, Inc	16,396.28	984.04
Do	Bay Area Rapid Transit District		
Do	Communication Industries Assn of Japan	26,637.00	2,266.40
Do	Institute for Financial & Fiscal Studies		
Do	Japan Machine Tool Builders Assn	2,818.00	235.29
Do	Project Orbis, Inc	3,240.00	22.27
Do	Riviana Foods, Inc		
Do	Taylor & Mizell (for Int'l Futures Management Co)		
David R. Andrews, Three Embarcadero Center San Francisco, CA 94111	McCutchen Doyle Brown & Enersen (For:Castle & Cooke, Inc)		1,298.50
Do	McCutchen Doyle Brown & Enersen (For:Rohr Industries, Inc)		
Owen W. Anglum, 1667 K Street, NW, #650 Washington, DC 20006	Armco	1,000.00	564.85
Eddie T. Arnold, 3620 Peartree Court, #32 Silver Spring, MD 20906			
Arnold & Porter, 1200 New Hampshire Ave., NW Washington, DC 20036	American Assn of Exporters & Importers	2,070.00	209.00
Do	Asea AB	227.50	20.81
Do	Grain & Feed Trade Assn		
Do	Inter-Local Pension Fund of the Graphic Communications	297.50	
Do	International Commodities Clearing House		
Do	London Commodity Exchange (1986) Limited	2,858.75	
Do	London International Financial Futures Exchange, Ltd		
Do	Manitoba Energy Authority		
Do	Metal Market & Exchange Co, Ltd		
Do	Recording Industry Assn of America, Inc	1,198.06	8.00
Do	Sacramento Public Utility District, et al.	555.75	2.35
Do	State of Israel		
Do	State Farm Mutual Automobile Insurance Co		1,882.70
Do	Venezolana de Cementos Ca	9,185.00	123.43
Asbill Junkin Myers & Buffone, 1607 New Hampshire Ave., NW Washington, DC 20009	Coalition on Smoking or Health	18,650.00	14,760.88
Lud Ashley, P.C., 1735 New York Avenue, NW, 6th Fl. Washington, DC 20006	American International Group, Inc	27,722.50	
Do	Central States of Omaha		
Do	Federal Home Loan Mortgage Corp		
Do	Grocery Manufacturers of America, Inc		
Do	Irving Trust Co		
Do	ISFA Corporation		
Do	Manville Corporation		
Do	J. C. Penney Co, Inc	21,725.00	
Associated Builders & Contractors, Inc, 729 15th St., NW Washington, DC 20005		17,500.00	
Association for the Improvement of the Mississippi River, 100 S. 4th Street, #500 St. Louis, MO 63102			
Association of American Foreign Service Women, P.O. Box 8068 Washington, DC 20024		3,468.00	
Association of Private Pension & Welfare Plans, Inc, 1331 Pennsylvania Ave., NW, #719 Washington, DC 20004		1,031.16	1,031.16
Association of Thrift Holding Companies, 900 17th Street, NW, #500 Washington, DC 20006		4,511.00	4,511.00
Avon Products, Inc, 9 West 57th St. New York, NY 10019			
Michael G. Ayre, P.O. Box 130 Levis P.Q. Canada G6V 6N7	Mil Davie Inc		
Larry Ayres, 1901 L Street, NW, #303 Washington, DC 20036	Colt Industries, Inc	1,500.00	341.89
Azanian Coalition, P.O. Box 76615 Washington, DC 20013-6615			
APCO Associates, 1200 New Hampshire Ave., NW Washington, DC 20036	Advanced Center for Technology Training	1,375.00	36.46
Do	Amok, Ltd, et al.	2,391.25	
Do	ASEA AB	612.50	
Do	Canadian Forest Industries Council	1,341.25	216.55
Do	Canadian Meat Council	401.25	3.00
Do	Cemai		
Do	CEL Educational Resources		
Do	Manitoba Energy Authority	518.75	15.52
Do	Outboard Marine Corp		
Do	Profilo Holding A.S.	6,311.25	
Do	Recording Industry Assn of America	2,845.00	2.50
Do	Sacramento Municipal Utility District	331.25	
Do	Sacramento Public Utility District, et al.		
Do	Tulane University	270.00	
Do	West Mexico Vegetable Distributors Assn	57.50	
Hope M. Babcock, 801 Pennsylvania Avenue, SE Washington, DC 20003	National Audubon Society	28.50	22.73
Victor Bach, 105 East 22nd Street New York, NY 10010	Community Service Society		
Geoffrey Bacino, 1730 Rhode Island Ave., NW, #810 Washington, DC 20036	Credit Union National Assn, Inc	300.00	139.91
Lisa Baker, 1730 K Street, NW, #703 Washington, DC 20006	American Business Conference, Inc	125.00	25.00
Baker & McKenzie, 815 Connecticut Ave., NW Washington, DC 20006	National Building Granite Quarries Assn		
Peter Gordon Bakos, 2227 Alpine Avenue Sarasota, FL 33579	Alpine, Group, Inc		
Patricia A. Baldi, 801 Pennsylvania Avenue, SE Washington, DC 20003	National Audubon Society	250.00	230.00
Catherine A. Ball, 1000 16th Street, NW, #701 Washington, DC 20036	Federal Managers Assn	8,438.00	444.00
Christian Ballantyne, 214 N. Henry Street, #203 Madison, WI 53703	Sierra Club	795.50	352.15
Debra T. Ballen, 1025 Connecticut Avenue, NW, #415 Washington, DC 20036	American Insurance Assn		
Michael Baly III, 1515 Wilson Blvd. Arlington, VA 22209	American Gas Assn	6,000.00	1,183.18

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Robert D. Bannister, 15th & M Streets, NW Washington, DC 20005	National Assn of Home Builders of the U.S.	19,115.39	217.22
Baraff Koerner Olender & Hochberg, P.C., 2033 M Street, NW, #203 Washington, DC 20036	College Football Association		
Do	Major Indoor Soccer League		
Do	National Assn of Collegiate Directors of Athletics	7,115.00	
Do	National Basketball Assn	300.00	
Haley R. Barbour, P.O. Box 960 Yazoo City, MS 39194	Joint Maritime Congress	4,500.00	4,519.50
Barnes Richardson & Colburn, 1819 H St., NW, #400 Washington, DC 20006	American Int'l Knitters Corp		
Do	Brown-Forman Corp		
Do	Commonwealth Garment Manufacturing Co		
Do	Dow Chemical Co	770.00	150.30
Do	EHA Ventilfabrik Wilhelm Fritz KG		
Do	Florida Citrus Mutual		40.95
Do	Heublein, Inc		
Do	Hiram Walker & Sons, Inc		
Do	Italy-America Chamber of Commerce, Textile & Apparel Comm		
Do	Magid Glove & Safety Mfg Co		85.42
Do	Schieffelin & Co		
Do	Joseph E. Seagram & Sons, Inc		
Do	Uniroyal Chemical Co	4,737.09	134.06
Robert E. Barrett, 69844 Highway 111, Suite C Rancho Mirage, CA 92270	Rockwell International Corp	12,333.33	381.72
Barrett Smith Schapiro Simon & Armstrong, 1201 Pennsylvania Avenue, NW, #821 Washington, DC 20004	Coffee Sugar & Cocoa Exchange, Inc		
Do	Irving Trust Co		338.30
Richard 'Sandy' Beach, 1730 Rhode Island Ave., NW, #810 Washington, DC 20036	Credit Union National Assn, Inc		
Bear West Company, Inc, 9 Exchange Place, #1000 Salt Lake City, UT 84111	Rocky Mountain Energy Co	2,750.00	1,031.25
Barbara F. Beatty, 729 15th Street, NW Washington, DC 20005	Associated Builders & Contractors, Inc	2,500.00	
Mark Belanger, 805 Third Avenue New York, NY 10022	Major League Baseball Players Assn		
Daniel Bennet, 729 15th Street, NW Washington, DC 20005	Associated Builders & Contractors, Inc	2,500.00	
Jason S. Berman, 1020 19th St., NW, #200 Washington, DC 20036	Warner Communications, Inc		
George K. Bernstein, 1730 K St., NW Washington, DC 20006	American Insurance Assn	1,223.50	
Zalman C. Bernstein, Sanford C. Bernstein & Co, Inc 767 Fifth Avenue New York, NY 10153			
Kevin W. Billings, 410 First Street, SE Washington, DC 20003	American Nuclear Energy Council	2,072.51	1,001.94
Pat Billings, 1129 20th St, NW, #600 Washington, DC 20036	Group Health Assn of America, Inc	4,374.99	
Hugh L. Binford, 50 Coe Road, #223 Belleair, FL 33516			
Robert J. Bird, 888 16th St., NW Washington, DC 20006	Zachry, Inc		
Bishop Cook Purcell & Reynolds, 1200 17th Street, NW, #700 Washington, DC 20036	Akhiok-Kaguyak, Inc	2,520.00	
Do	American Rice, Inc	3,925.00	
Do	Audio Recording Rights Coalition		
Do	Board of Trade of Kansas City, MO, Inc	6,249.99	
Do	CNA Insurance Co of Chicago, Illinois	2,348.00	
Do	Enserch Corporation		
Do	IBP, Inc	4,000.00	
Do	Nabisco Brands, Inc	966.25	
Do	Natural Gas Pipeline Coalition		
Do	Pesticide Producers Assn		
Do	Pioneer Corp		
Do	Salomon Brothers, Inc	4,578.75	
Do	Technicon Data Systems Corp		
Do	Texaco, Inc	1,770.00	
Do	Texas Gas Transmission Corp	1,666.66	
Do	Tobacco Institute	12,862.50	193.23
Do	U.S. Rice Producers' Legislative Group	24,344.99	
Do	Washington Public Power Supply System	6,100.00	
Do	Western Peanut Growers' Assn		
Roger Blacklow, 100 Indiana Avenue, NW Washington, DC 20001	National Assn of Letter Carriers	7,368.01	70.93
Brent Blackwelder, 218 D St., SE Washington, DC 20003	Environmental Policy Institute	275.64	
Robert J. Blackwell, One Thomas Circle, NW, #900 Washington, DC 20005	American Trading Transportation Co, Inc		
Do	Cove Maritime Companies		
Do	Crest Tankers, Inc		
Do	Equity Carriers I, Inc		
Do	Equity Carriers III, Inc		
Do	Falcon Tankers, Inc		
Do	Sun Transport, Inc		
Do	Victory Carriers, Inc		
Bryant C. Blewett, P.O. Box 24305 Oakland, CA 94623	Clorox Company		
Richard W. Bliss, 3242 Grace Street, NW Washington, DC 20007	Amax, Inc		
Do	Environmental Science & Engineering		
Do	Fluor Corporation	3,630.00	501.65
Do	National Paint & Coatings Assn, Inc	320.00	6.40
Do	Pb-Kbb, Inc	1,430.00	157.74
Do	St. Joe Minerals Corp		
Do	Varian EIMAC	500.00	24.35
Larry A. Boggs, 1920 N St., NW Washington, DC 20036	American Mining Congress		
John E. Bonitt, 1001 Pennsylvania Avenue, NW, #700 Washington, DC 20004	Allied-Signal, Inc	275.00	65.00
Bonneville Associates, 200 E. South Temple, #300 Salt Lake City, UT 84111	Western Regional Council		72.72
Richard H. Bornemann, 410 First Street, SE Washington, DC 20003	American Nuclear Energy Council	1,900.01	1,378.47
James J. Boulet Jr., 1420 West Abingdon, #341 Alexandria, VA 22314	Moral Majority	5,384.61	
James J. Bowe, 4 World Trade Center New York, NY 10048	Coffee Sugar & Cocoa Exchange, Inc		
Bracy Williams & Company, 1000 Connecticut Avenue, NW, #304 Washington, DC 20036	Confederated Salish & Kootenai of the Flathead Reservation	4,000.00	250.00
Robert W. Bradford, 1101 John A. Denie Road P.O. Box 34550 Memphis, TN 38184-0550			
Raymond F. Bragg Jr., 50 F Street, NW, #1040 Washington, DC 20001	Agrifuels Refining Corp, et al.	100.00	
Do	American Independent Refiners Assn	300.00	
Do	National Hydropower Assn		
Stuart J. Brahs, 1331 Pennsylvania Ave., NW, #719 Washington, DC 20004	Association of Private Pension & Welfare Plans, Inc	1,031.16	
Christel Brellochs, 105 East 22nd Street New York, NY 10010	Community Service Society		
Broadhurst Brook Mangham & Hardy, 1730 Pennsylvania Ave., NW, #300 Washington, DC 20006	CSX Corporation		
Do	GNB, Inc		
Do	Phillips Petroleum Co		
Do	Primark Corp		
Do	Sunmar Shipping, Inc		
Ben Jarratt Brown, 325 Pennsylvania Ave., SE Washington, DC 20003	Washington Lobby Group, Inc (For:Preston Corp)	3,000.00	
Donald K. Brown, 1121 L St., #810 Sacramento, CA 95814	Crowley Maritime Corp		
Do	Summa Corporation		
Marguerite Bracy Brown, 1625 L St., NW Washington, DC 20036	American Fed of State County & Municipal Employees	18,090.37	72.75
Shirle L. Brown, P.O. Box 663, GPO New York, NY 10001	SLB Enterprises		
Brownstein Zeidman & Schomer, 1401 New York Ave., NW, #900 Washington, DC 20005	New York City Housing Development Corp	20,867.23	
Do	New York State Mortgage Loan Enforcement & Admin Corp	22,876.06	
David G. Burden, 200 E. Randolph Dr. Chicago, IL 60601	Amoco Corporation		
Diane B. Burke, 1625 L Street, NW Washington, DC 20036	American Fed of State County & Municipal Employees	9,336.78	147.40
J. J. Burke Jr., 40 E. Broadway Butte, MT 59701	Montana Power Co		302.40
Michael Burns, 21 Dupont Circle, NW, #300 Washington, DC 20036	Business Executives for National Security	7,115.00	25.50
Busby Rehm and Leonard, P.C., 1330 Connecticut Ave., NW, #200 Washington, DC 20036	Automobile Importers of America, Inc	6,800.00	50.00
Do	European Confederation of the Footwear Industry		
Do	Guam Contractors Assn	4,975.00	
Do	MacMillan Bloedel, Inc		
Do	Timex Corporation		
Nicholas J. Bush, 1730 Rhode Island Avenue, NW, #200 Washington, DC 20036	Natural Gas Supply Assn	3,500.00	3,799.38
Helen C. Butler, 1630 Connecticut Avenue, NW, #202 Washington, DC 20009	Taiwan Power Company	4,500.00	
M. Caldwell Butler, P.O. Box 720 Roanoke, VA 24004	National Conference of Bankruptcy Judges	2,160.00	
C.A.R.E., 511 C Street, NE Washington, DC 20002			
Cades Schutte Fleming & Wright, 2000 Pennsylvania Ave., NW, #7400 Washington, DC 20006	Hawaii Financial Service Assn		
Do	Hawaii Sugar Planters Assn		
Do	Hawaiian Electric Company, Inc		
Do	U.S. Windpower, Inc		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Roy C. Cahoon, 6100 Knollwood Dr. Falls Church, VA 22041	National Automatic Merchandising Assn		
Campaign for U.N. Reform-Political Education Committee, 418 7th St., S.E. Washington, DC 20003		14,158.49	15,585.23
Candlelighters, 123 C St., SE Washington, DC 20003			
Edward F. Canfield, 1331 Pennsylvania Avenue, NW, #524 Washington, DC 20004	Casey Scott & Canfield, P.C. (For:Association for Regulatory Reform)		
Capital Advocates, 1127 11th Street, #950 Sacramento, CA 95814	Crowley Maritime Corp	1,250.00	9,599.92
Caplin & Drysdale, Chtd, One Thomas Circle, NW Washington, DC 20005	J. Paul Getty Trust		
Denise A. Cardman, 1800 M St., NW Washington, DC 20036	American Bar Assn	400.00	50.00
Edward J. Carlough, 1750 New York Avenue, NW Washington, DC 20006	Sheet Metal Workers International Assn	25,987.00	
Robert E. Carlstrom Jr., 1627 K Street, NW, #200 Washington, DC 20006	Fluor Corporation	15,000.00	282.49
Lawrence J. Cassidy, 1750 New York Avenue, NW Washington, DC 20006	Sheet Metal Workers International Assn	13,929.00	
Cassidy and Associates, Inc, Metropolitan Square 655 15th St., NW, #1100 Washington, DC 20005	Pyramid Companies		
Rita L. Castle, 100 NE Adams Street Peoria, IL 61629	Caterpillar, Inc	8,500.00	4,063.00
G. Thomas Cator, 1050 17th Street, NW Washington, DC 20036	Neece Cator & Associates, Inc (For:Association of Small Business Development Centers).	1,350.00	1,350.00
Do	Neece Cator & Associates, Inc (For:Small Business United)	1,350.00	1,350.00
Gordon Cavanaugh, 509 C Street, NE Washington, DC 20002	Roisman Reno & Cavanaugh (For:Council of Large Public Housing Authorities)	11,618.73	508.51
Center for Law and Education, Inc, Larsen Hall, 6th Floor 14 Appian Way Cambridge, MA 02138		2,807.21	4,594.63
Henry Chajet, 1920 N St., NW Washington, DC 20036	American Mining Congress	120.00	24.00
Durwood Chalker, P.O. Box 660164 2121 San Jacinto Street, #2500 Dallas, TX 75266-0164	Central & South West Corp		
Chambers Associates, Inc, 1625 K Street, NW, #200 Washington, DC 20006	American Postal Workers Union, AFL-CIO		
Do	Apache Corporation	525.00	
Do	Belk Stores Services, Inc		
Do	Coalition of Publicly Traded Limited Partnerships	400.00	
Do	Coalition of State Employment Security Agencies	5,000.00	
Do	Manville Corporation	350.00	
Do	Metcalf & Eddy/KVB Group	2,000.00	
Do	National Assn of Retired Federal Employees		
Do	State of Idaho, Dept of Employment		
Charles Karalekas McCahill & Wilson, 1250 Connecticut Avenue, NW, #318 Washington, DC 20036	Independent Insurance Agents of America	500.00	
Alan C. Chase, 1025 Broad Branch Court McLean, VA 22101	Lockheed Corporation	7,000.00	1,000.57
Children's Television Workshop, One Lincoln Plaza New York, NY 10023			
Charisse Victoria Ciambrone, 2029 Griffith Avenue Las Vegas, NV 89104			
Citizens Comm for the Right to Keep & Bear Arms, Liberty Park, 12500 NE Tenth Place Bellevue, WA 98005		429,500.27	150,952.99
Julie Clark, 1625 K St., NW, #800 Washington, DC 20006	National Legal Aid & Defenders Assn	10,631.25	353.19
Robert Clark, 400 Madison St., #1908 Alexandria, VA 22314	Ryder Systems, Inc		
Scott Charles Clarkson, 333 Pennsylvania Ave., SE Washington, DC 20003	Waste Management, Inc		
Coalition for Uniform Product Liability Law, 1330 Connecticut Avenue, NW, #336 Washington, DC 20036		28,250.00	1,121.64
Coffee Sugar & Cocoa Exchange, Inc, 4 World Trade Center, 8th Fl. New York, NY 10048			11,050.88
Ken W. Cole, 1001 Pennsylvania Avenue, NW, #700 Washington, DC 20004	Allied-Signal, Inc		1,605.00
Randall I. Cole, 1050 Connecticut Avenue, NW, #200 Washington, DC 20036	Burlington Northern, Inc	1,000.00	1,464.82
Robert E. Cole, 900 17th St., NW Washington, DC 20006	Kaiser Aluminum & Chemical Corp	375.00	40.00
Cole & Corette, P.C., 1100 Vermont Avenue, NW, #900 Washington, DC 20005	Government of the Netherlands Antilles	400.00	
Collier Shannon Rill & Scott, 1055 Thomas Jefferson St., NW, #308 Washington, DC 20007	Alliance for Capital Access		
Eileen M. Collins, 50 F Street, NW, #1100 Washington, DC 20001	American Hospital Assn	1,158.33	413.13
Stephen J. Collins, 1620 Eye St., NW, #1000 Washington, DC 20006	Motor Vehicle Manufacturers Assn of the U.S., Inc		
Colorado Ski Country USA, Inc, One Civic Center Plaza 1560 Broadway, #1440 Denver, CO 80202			
Tim Colton, P.O. Box 498 Chester, PA 19016	Pennsylvania Shipbuilding Co	630.00	35.00
Committee for Humane Legislation, Inc, 11 West 60th St. New York, NY 10023		55,872.50	2,365.07
Committee for Production Sharing, 1629 K St., NW, #801 Washington, DC 20006		28,945.00	14,594.52
Committee for Reasonable Inventory Accounting Rules, 1700 Pennsylvania Ave., NW, #600 Washington, DC 20006			
Committee to Protect the Family, 8001 Forbes Place, #102 Springfield, VA 22151		710,799.35	836,076.55
Communications Management, Inc, 1925 North Lynn Street, #1140 Arlington, VA 22209	Citizens for Sensible Control of Acid Rain (CSCAR)	98,747.00	60,443.00
Do	Philip Morris USA	77,415.00	27,928.00
Francis J. Conners, 100 Indiana Avenue, NW Washington, DC 20001	National Assn of Letters Carriers	10,580.17	
John J. Connolly, 499 South Capitol St., SW, #507 Washington, DC 20003	Bill Hecht & Associates, Inc (For:Crowley Maritime Corp)		
Do	Bill Hecht & Associates, Inc (For:Freedom & Justice for Cyprus Trust)		
Do	Bill Hecht & Associates, Inc (For:Hong Kong Trade Development Council)		
Do	Bill Hecht & Associates, Inc (For:Kansas City Southern Industries, Inc)		
Do	Bill Hecht & Associates, Inc (For:Southern California Rapid Transit District)		
Do	Bill Hecht & Associates, Inc (For:Western Growers Association)		
Kathryn Conroy, 105 East 22nd Street New York, NY 10010	Community Service Society		
Consolidated Edison Co of New York, Inc, 410 First St., SE Washington, DC 20003			
Consolidated Rail Corporation, P.O. Box 23451 Washington, DC 20026			14,452.00
Consortium of Social Science Assns, 1625I Street, NW, #911 Washington, DC 20006		147,100.00	1,026.55
Consumer Federation of America, 1424 16th St., NW, #604 Washington, DC 20036		55,953.00	57,155.00
Harry N. Cook, 1130 17th St., NW Washington, DC 20036	National Waterways Conference, Inc		
Edward Cooney, 1319 F St., NW, #500 Washington, DC 20004	Food Research & Action Center	1,142.00	
Mark N. Cooper, 1424 16th St., NW, #604 Washington, DC 20036	Consumer Federation of America	300.00	
Stephen H. Cooper, 74 North Pearl St. Albany, NY 12207	Hospital Assn of New York State	288.45	2,348.17
Patrick H. Corcoran, 1725 K St., NW, #1205 Washington, DC 20006	Association of Oil Pipelines		
Corman Law Offices, 1420 16th Street, NW Washington, DC 20036	Texas Air Corp		
Bennett J. Corn, Four World Trade Center New York, NY 10048	Coffee Sugar & Cocoa Exchange, Inc	550.00	
Alfred W. Cortese Jr., 655 15th Street, NW, #1200 Washington, DC 20005	General Motors Corp	2,500.00	
Mary Alice Cotter, 410 First Street, SE Washington, DC 20003	American Nuclear Energy Council		
Walter Coulliard, 100 Indiana Avenue, NW Washington, DC 20001	National Assn of Letter Carriers	6,858.74	
Council for a Livable World, 20 Park Plaza, #603 Boston, MA 02116			34,371.06
Council on Alternate Fuels, 1225 Eye St., NW, #320 Washington, DC 20005			
William D. Crawford, 400 First St., NW Washington, DC 20001	Brotherhood of Railway Carmen of the U.S. & Canada	2,032.53	
Ken A. Crerar, 1611 N. Kent Street, #900 Arlington, VA 22209	Footwear Industries of America	3,000.00	205.36
Douglas P. Crew, 100 N.E. Adams Street Peoria, IL 61629	Caterpillar Tractor Co		
Mary Dent Crisp, 21 Dupont Circle, NW, #300 Washington, DC 20036	Business Executives for National Security, Inc		
Herminia L. Cubillos, 20 F Street, NW, 2nd Floor Washington, DC 20001	National Council of La Raza	1,250.00	900.00
William J. Cunningham, 815 16th St., NW Washington, DC 20006	American Fed of Labor & Congress of Industrial Organizations	13,467.72	775.20
Richard C. Curry, P.O. BOX 66 Mclean, VA 22101	Fire Island Associates, Inc		
Edward P. Curtis Jr., Genesee Public Affairs, Inc 36 W. Main Street Rochester, NY 14614	Lake Ontario Cement Limited		
Jay B. Cutler, 1400 K Street, NW Washington, DC 20005	American Psychiatric Assn	6,586.00	876.91
CPT Corporation, 8100 Mitchell Road P.O. Box 295 Minneapolis, MN 55440			
CRS, P.O. Box 118 Cold Spring Harbor, NY 11724-0118			
Norman E. D'Amours, 1217 Evermay Court Mclean, VA 22101	Alcalde Henderson O'Bannon & Rousselot	20,000.00	
Do	American Council of State Savings Supervisors	8,000.00	
Do	Credit Union National Assn, Inc		
Do	Marine Midland Banks, Inc	24,000.00	
Leslie Dach, 801 Pennsylvania Avenue, SE Washington, DC 20003	National Audubon Society		
Tracy Danese, P.O. Box 14000 Juno Beach, FL 33408	Florida Power & Light Co	561.74	2,370.80
Cynthia L. Darcy, 245 Second St., NE Washington, DC 20002	Friends Committee on National Legislation	2,250.00	
Craig D. Dart, 1957 E Street, NW Washington, DC 20006	Associated General Contractors of America		
Davenport & Seay, One Thomas Circle, NW, #375 Washington, DC 20005	City of Detroit, Michigan	37,420.17	17,700.21
Edward M. Davis, 410 First St., SE Washington, DC 20003	American Nuclear Energy Council	3,000.00	794.72
Dona M. De Carolis, 20 Black Oak Mews Newton, PA 18940	Guilford Transportation Industries, Inc		
Robin Deck, 1155 15th St., NW, #400 Washington, DC 20005	Hospital Corp of America	7,517.36	
John J. Degnan, Shanley & Fisher, P.C. 131 Madison Avenue Morristown, NJ 07960	Sharp Electronics Corp		
Elizabeth C. Demato, 5210 Auth Way Camp Springs, MD 20746	Seafarers International Union	3,000.00	66.95
Edward A. Dent, 3115 N St., NW Washington, DC 20007	Americans for the National Voter Initiative Amendment		
R. Daniel Devlin, 1825 Eye Street, NW, #350 Washington, DC 20006	Trans World Airlines, Inc	375.00	
Doris J. Dewton, 1025 Connecticut Ave., NW, #507 Washington, DC 20036	Ashland Oil, Inc	2,000.00	
Kendall P. Dexter, 9 Country Club Road Mobile, AL 36608	MacMillan Bloedel, Inc		
Nicholas DeBenedictis, 1346 Chestnut St., #800 Philadelphia, PA 19107	Greater Philadelphia Chamber of Commerce		
Beth DeGrasse, 100 Maryland Ave., NE Washington, DC 20002	Council for a Livable World	3,901.20	
Diamond Shamrock Corp, 717 N. Harwood Dallas, TX 75201			
Ann Sanders Dickey, 300 Maryland Avenue, NE Washington, DC 20002	Federal Express Corp	6,000.00	
Walter E. Diercks, Rubin Winston & Diercks 1730 M Street, NW, #412 Washington, DC 20036	Outdoor Advertising Assn of America, Inc	2,000.00	
Michael F. Dineen, 600 Pennsylvania Ave., SE, #206 Washington, DC 20003	Lumbermens Mutual Casualty Co (For:Federal Kemper Life Assurance Co)		
Do	Lumbermens Mutual Casualty Co (For:Kemper Financial Services, Inc)		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Lumbermens Mutual Casualty Co (For:Kemper Investors Life Insurance Co)		
Do	Lumbermens Mutual Casualty Company	2,100.00	137.44
James C. Dinegar, 600 Pennsylvania Avenue, SE, #200 Washington, DC 20003	Independent Insurance Agents of America, Inc	6,173.00	
Dobrovir & Gebhardt, 1025 Vermont Avenue, NW, #1105 Washington, DC 20005	New York State Ophthalmological Society		
Steven P. Doehler, 1615 L Street, NW, #1230 Washington, DC 20036	Mortgage Insurance Companies of America	5,000.00	139.65
James F. Doherty, 1129 20th St., NW, #600 Washington, DC 20036	Group Health Assn of America, Inc	2,848.12	
John D. Doherty Jr., 900 17th Street, NW, #706 Washington, DC 20006	Chase Manhattan Bank, N.A.	230.75	15.02
Robin C. Dole, 1101 Connecticut Avenue, NW, #500 Washington, DC 20036	Century 21 Real Estate Corp		
Kevin J. Donnellan, 1909 K Street, NW Washington, DC 20049	American Assn of Retired Persons		
Thomas F. Donnelly, 955 L'enfant Plaza, SW, #1202 Washington, DC 20024	National Water Resources Assn	3,125.00	
Thomas J. Donohue, 2200 Mill Road Alexandria, VA 22314	American Trucking Assns, Inc	11,000.00	
Linda L. Doorfee, 600 Pennsylvania Avenue, SE, #200 Washington, DC 20003	Independent Insurance Agents of America, Inc	5,884.00	
May Del Rio Dorfman, 380 Second Avenue New York, NY 10010	Planned Parenthood of New York City, Inc	445.21	316.98
Charlene Dougherty, 801 Pennsylvania Avenue, SE Washington, DC 20003	National Audubon Society	8,000.00	2,013.50
Dow Lohnes & Albertson, 1255 23rd St., NW Washington, DC 20037	Algoma Steel Corp, Ltd, et al	6,277.00	1,033.63
Do	Beeman and Gould	17.00	
Do	Canadian Institute of Steel Construction		194.54
Do	Dart-M.L., Ltd		
Do	Government of the Republic of Panama		
Do	Hapag-Lloyd, A.G.		
Do	Harris Steel Group, Inc	2,418.50	194.62
Do	Home Shopping Network, Inc	890.00	15.00
Do	Lake Ontario Cement Limited		
Do	Laurel Steel Products, Ltd		432.48
Do	Masstock (International) Ltd		
Do	Mediterranean/U.S.A. Freight Conference		
Do	The '8900' Lines		
Do	U.S. Atlantic & Gulf Ports/East Med & N. Africa Freight Conf		
Do	U.S. Atlantic & Gulf/Australia-New Zealand Conference		
Stan Dublinske, 10801 Rockville Pike Rockville, MD 20852	American Speech-Language-Hearing Assn		
Dunnells Duvall Bennett & Porter, 1220 19th Street, NW, #400 Washington, DC 20036	National Assn of Aircraft & Communications Suppliers, Inc		
Dyer Ellis Joseph & Mills, 600 New Hampshire Ave., NW, #1000 Washington, DC 20037	Apex Marine Corp	3,620.00	1,416.50
Do	Crowley Maritime Corp	1,000.00	
Dennis J. Earhart, 1753 Euclid St, NW Washington, DC 20009	Bear West Co, Inc (for Rocky Mountain Energy Co)	1,031.25	
Yvonne B. Eider, 400 First Street, NW, #403 Washington, DC 20001	Friends of Animals, Inc		
Jill W. Eiland, 507 Second Street, NE Washington, DC 20002	Portland General Electric Co		
C. M. Elkins Associates, 1100 17th St., NW, #310 Washington, DC 20036	Delaware & Hudson Railway Co		
Do	Missouri Kansas Texas Railroad		
Do	Pittsburgh & Lake Erie Railroad Co		
Dorothy A. Ellsworth, 1300 Connecticut Ave., NW Washington, DC 20036	International Assn of Machinists & Aerospace Workers	14,661.03	156.40
Employee Relocation Council, 1720 N St., NW Washington, DC 20036			
Irene R. Emsellem, 1800 M Street, NW Washington, DC 20036	American Bar Assn	400.00	50.00
H. John Endean, 1730 K St., NW, #1200 Washington, DC 20006	American Business Conference	90.00	25.00
John T. Engelen, 729 15th Street, NW Washington, DC 20005	Associated Builders & Contractors, Inc	2,500.00	
Michael D. Engelhardt, P.O. Box 24305 Oakland, CA 94623	Clorox Co		
J. Barry Epperson, P.O. Box 42464 Houston, TX 77242	Associated Wire Rope Fabricators	250.00	1,869.37
Paul A. Equale, 600 Pennsylvania Ave., SE, #200 Washington, DC 20003	Independent Insurance Agents of America, Inc	18,462.00	
Erisa Industry Committee, 1726 M Street, NW, #1101 Washington, DC 20036		88,200.00	9,185.00
Mark Esherick, 1601 Connecticut Ave, NW, #400 Washington, DC 20009	Zero Population Growth, Inc	1,350.00	
Billy Lee Evans, 499 South Capitol St., SW, #507 Washington, DC 20003	Bill Hecht & Associates, Inc (For:Brown & Williamson Tobacco Corp)		
Do	Bill Hecht & Associates, Inc (For:Crowley Maritime Corp)		
Do	Bill Hecht & Associates, Inc (For:Freedom & Justice for Cyprus Trust)		
Do	Bill Hecht & Associates, Inc (For:Hong Kong Trade Development Council)		
Do	Bill Hecht & Associates, Inc (For:Western Growers Association)		
Brock Evans, 645 Pennsylvania Avenue, SE Washington, DC 20003	National Audubon Society		
Donald C. Evans Jr., 655 15th St., NW, #310 Washington, DC 20005	American Family Corp		
Do	American Hoechst Corporation		
Do	Stepan Corporation		
Robert J. Evans, 2013 Canterbury Rd. Kingsport, TN 37660			
Fawn K. Evenson, 1611 N. Kent St., #900 Arlington, VA 22209	Footwear Industries of America	7,500.00	182.18
Ellen E. Eves, 1600 M Street, NW, #702 Washington, DC 20036	ICI Americas, Inc		
Joseph A. Farrell, 1600 Wilson Boulevard, #1000 Arlington, VA 22209	American Waterways Operators, Inc		
Frederick Fedeli, 1400 K St., NW Washington, DC 20005	American Psychiatric Assn	2,129.00	857.00
Federal Express Corp, 2990 Airways #404 Memphis, TN 38116			4,000.00
Federal Kemper Life Assurance Co, Kemper Bldg. D-3 Long Grove, IL 60049			153.61
Federal Managers Assn, 1000 16th Street, NW Washington, DC 20036		10,000.00	19,432.00
Federation of Behavioral Psychological & Cognitive Sciences, 1200 17th Street, NW Washington, DC 20036			
Donald M. Fehr, 805 Third Ave. New York, NY 10022	Major League Baseball Players Assn		
Claudia Feller, 1200 17th Street, NW Washington, DC 20036	Federation of Behavioral Psychological & Cognitive Sciences		
Randolph Fenninger, 10000 Falls Road, #300 Potomac, MD 20854	American Soc of Anesthesiologists	7,665.00	
Fensterwald & Alcorn, 1000 Wilson Blvd., #900 Arlington, VA 22209	Concerned Federal Railroad Administration Employees		
George F. Fenton Jr., 1920 N Street, NW Washington, DC 20036	American Mining Congress	90.00	
Jack Ferguson Associates, Inc, 203 Maryland Ave., NE Washington, DC 20002	BellSouth D.C.		
Do	Dick Fischer Development, Inc	3,700.00	
Do	Dillingham Construction Group	8,937.50	860.35
Do	Foss Maritime Co	500.00	648.37
Do	Global Marine, Inc	185.00	611.87
Do	Haida Corporation		
Do	Northwest Alaska Natural Gas Pipeline Co		
Do	Pyro Power		
Do	Standard Oil/BP North America, Inc	937.50	
Do	Tacoma Boat Building Co	1,000.00	630.55
Do	U.S. Borax & Chemical Corp	3,517.66	683.01
Do	We All Need H-3 Committee		
Robert J. Fersh, 1319 F St., NW, #500 Washington, DC 20004	Food Research & Action Center	339.00	
Manuel D. Fierro, 1901 N. Fort Myer Dr., #202 Rosslyn, VA 22209	Fond Du Lac Reservation		
Do	Great Lakes Indian Fish & Wildlife Commission		
Fine & Ambrogne, Exchange Place Boston, MA 02109	Smith College		
Finkelstein Thompson Levenson & Lewis, 2828 Pennsylvania Avenue, NW, #200 Washington, DC 20007	Manivest Corporation		
Finley Kumble Wagner Heine Underberg Manley Myerson & Casey, 1120 Connecticut Ave., NW, 10th Floor Washington, DC 20036.	National Limousine Assn		
Mary Clare Fitzgerald, 1025 Thomas Jefferson St., NW, #301 Washington, DC 20007	Secura Group (For:Chase Manhattan Bank, N.A.)		2,100.00
Do	Secura Group (For:Northeast Bancorp)		
Do	Secura Group (For:Yankee Bank)		1,496.00
Barry Flamm, 1400 Eye Street, NW Washington, DC 20005	Wilderness Society	510.27	
Ruth Flower, 245 Second Street, NE Washington, DC 20002	Friends Committee on National Legislation	4,450.53	
David H. Foerster, 1201 16th St., NW Washington, DC 20036	National Education Assn		
Food Research & Action Center, 1319 F Street, NW, #500 Washington, DC 20004		5,000.00	3,218.00
Footwear Retailers of America, 1319 F St., NW, #700 Washington, DC 20004			1,637.50
Mari S. Forbes, 1731 Connecticut Ave., NW Washington, DC 20009	Albers & Company (For:May Department Stores Co)	2,986.87	
Foresight Science & Technology, Inc, 2000 P St., NW, #305 Washington, DC 20036	National Coalition for Science & Technology	675.00	653.93
Do	Society for American Archaeology	2,500.00	2,516.87
John P. Fowler, 1187 National Press Building Washington, DC 20045	Ad Hoc Comm in Defense of Life, Inc	2,598.00	5,980.10
Alan Fox, 1424 16th Street, NW, #604 Washington, DC 20036	Consumer Federation of America	6,841.00	
David E. Franasiak, 1001 22nd Street, #600 Washington, DC 20037	Standard Oil Co (Ohio)		
Sally Narey Frans, 385 Washington Street St. Paul, MN 55102	St. Paul Fire & Marine Insurance Co		
Fran Frazier, 1730 K Street, NW, #703 Washington, DC 20006	American Business Conference	88.75	36.20
Mary Ann Freeman, 1331 Pennsylvania Ave, NW Washington, DC 20005	General Electric Co	195.75	89.45
G. William Frick, 1220 L Street, NW Washington, DC 20005	American Petroleum Institute		
Fried Frank Harris Shriver & Jacobson, 1001 Pennsylvania Ave., NW, #800 Washington, DC 20004	American Indian National Bank		
Friends Committee on National Legislation, 245 2nd St., NE Washington, DC 20002			24,313.60
Owen V. Frisby, 900 17th St., NW Washington, DC 20006	Chase Manhattan Bank, N.A	758.16	33.86
Charles H. Fritts, 1111 14th St., NW, #900 Washington, DC 20005	National Apartment Assn	10,630.00	34.75

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Raymond Garcia, 1745 Jefferson Davis Highway, #1200 Arlington, VA 22202	Rockwell International Corp	3,000.00	23.69
Shelley Ann Gardner, 20 Black Oak Mews Newtown, PA 18940	Electrical Alliance		
Do	Philadelphia Maritime Exchange		
Garvey Schubert & Barer, 1000 Potomac St., NW Washington, DC 20006	Aerolift, Inc	8,588.75	
Do	Greenbriar Leasing	12,322.00	
Do	Japan Fisheries Association		
Do	Northwest Marine Iron Works	25,500.00	
Do	Port of Tillamook Bay & Tillamook County	13,824.94	
Do	Totem Ocean Trailer Express, Inc	6,700.00	
Vernon Gasaway, 191 Sands Street, Apt. 5j Brooklyn, NY 11201			
Frank T. Gasper, 8104 River Falls Drive Potomac, MD 20854	Moog, Inc		
Michael S. Gelacak, 12141 Holly Knoll Circle Great Falls, VA 22066	Hill & Knowlton, Inc (For:Republic of Turkey)		
Do	Hill & Knowlton, Inc (For:Title Insurance Industry Coalition)	2,000.00	
Gerard Byler & Associates, Inc, 1100 17th Street, NW, #1000 Washington, DC 20036	Colville Business Council	450.00	
Do	Commissioned Officers Assn of the U.S. Public Health Service	300.00	
Do	Leech Lake Reservation Business Committee	300.00	
Do	Quechan Indian Tribe		
Do	Siletz Tribal Council		
Do	Tohono O'odham Nation	908.00	
Do	Tulalip Tribes	1,835.80	
Do	White Earth Tribal Council		
Alvin J. Geske, 1016 16th Street, NW, 6th Floor Washington, DC 20036	Renewable Fuels Assn		
David Troy Saxton Getty, 1857 N. Wilton Pl., #102 Los Angeles, CA 90028-5765			
Gibson Dunn & Crutcher, 1050 Connecticut Ave., NW, #900 Washington, DC 20036	Wheeling-Pittsburgh Steel Corp	482.40	40.41
William L. Gifford, 100 Interpace Parkway Parsippany, NJ 07054	GPU Service Corp		
Maureen Gilman, 1730 K Street, NW, #1100 Washington, DC 20006	National Treasury Employees Union	11,000.00	191.15
Horace D. Godfrey, 918 16th St., NW, #701 Washington, DC 20006	Godfrey Associates, Inc		
Godfrey Assoc, Inc, 918 16th St., NW, #701 Washington, DC 20006			
Gold & Liebengood, Inc, The Willard Office Building 1455 Pennsylvania Avenue, NW, #950 Washington, DC 20004	American Medical Assn		1,044.00
Linda F. Golodner, 815 15th Street, NW, #516 Washington, DC 20005	National Consumers League		
Beth Goodrich, 1331 Pennsylvania Ave., NW, #719 Washington, DC 20004	Association of Private Pension & Welfare Plans, Inc		
Brenda J. Gore, 1000 Wilson Blvd., 2600 Arlington, VA 22209	TRW, Inc	1,717.90	
George B. Gould III, 100 Indiana Ave., NW Washington, DC 20001	National Assn of Letter Carriers	13,242.97	2,375.70
Karen Graham, 1331 Pennsylvania Ave., NW, #719 Washington, DC 20004	Association of Private Pension & Welfare Plans, Inc		
James I. Granger, 1911 Jefferson Davis Highway, #1002 Arlington, VA 22206	Piper Aircraft Corporation		225.00
Ruth P. Graves, 600 Maryland Ave., SW, #500 Washington, DC 20024	Reading Is Fundamental, Inc	255.00	45.05
Great American Reserve Insurance Co, 2020 Live Oak P.O. Box 388 Dallas, TX 75221			
Edward M. Green, 1920 N St., NW Washington, DC 20036	American Mining Congress		
Ellen F. Greenberg, 1200 17th Street, NW Washington, DC 20036	American Psychological Assn	2,960.00	132.78
Phyllis Greenberger, 1400 K Street, NW Washington, DC 20005	American Psychiatric Assn	2,129.00	1,880.11
Edward F. Greissing Jr., 1660 L St., NW, #205 Washington, DC 20036	Upjohn Company		10,093.00
Mark N. Griffiths, Smith Bucklin & Associates 1101 Connecticut Ave, NW, #700 Washington, DC 20036	National Assn of Metal Finishers	750.00	
Jerome Grossman, 20 Park Plaza, #603 Boston, MA 02116	Council for a Livable World	5,497.62	
Kenneth A. Guenther, One Thomas Circle, NW, #950 Washington, DC 20005	Independent Bankers Assn of America		
Mary Scott Guest, 1919 Pennsylvania Ave., NW, #800 Washington, DC 20006	Morris Communications		
James E. Guirard Jr., 1730 Rhode Island Avenue, NW, #419-19 Washington, DC 20036	Textron Marine Systems, Inc		
Gun Owners of America, Inc, 8001 Forbes Place Springfield, VA 22151		193,420.96	176,477.13
Leland M. Gustafson, 1726 M St., NW, 1100 Washington, DC 20036	Pacific Gas & Electric Co	2,702.75	1,716.72
Ned H. Guthrie, 209 Hayes Avenue Charleston, WV 25314	American Fed of Musicians	3,591.25	4,243.93
Richard E. Gutting Jr., 2000 M St., NW, #580 Washington, DC 20036	National Fisheries Institute	6,000.00	54.33
GA Assn of Petroleum Retailers, Inc, 900 N. Hairston Road, Suite D Stone Mountain, GA 30083			
Craig Hackler, 400 N. Capitol St., NW, #320 Washington, DC 20001	International Chiropractic Assn		
William G. Haddeland, 1025 Connecticut Ave., NW, #507 Washington, DC 20036	Ashland Oil, Inc	2,000.00	
George W. Haley, 1050 Connecticut Ave., #300 Washington, DC 20036	Grocery Manufacturers of America, Inc		
Martin Haley Companies, Inc, 1015 15th St., NW Washington, DC 20005	M&M/Mars		
John F. Hall, 1945 Old Gallows Road, #405 Vienna, VA 22180	American Wood Preservers Institute	5,000.00	
Rhonda Lee Halverson, 1730 K St., NW, #703 Washington, DC 20006	American Business Conference, Inc	125.00	25.00
Jerald V. Halvorsen, 2200 Mill Road Alexandria, VA 22314	American Trucking Assns, Inc	15,000.00	326.49
Martin Hamburger, 100 Maryland Ave., NE Washington, DC 20002	Peace Political Action Committee	4,872.00	
Hamel & Park, 888 16th Street, NW Washington, DC 20006	Beneficial Foundation		
Do	Estate of Helen Wodell Halbach		
Violet B. Hamilton, 4-21 Astoria Blvd., #5b Long Island City, NY 11102	Astoria Tenants Organization		
Handgun Control, Inc, 1400 K Street, NW, #500 Washington, DC 20005		781,126.00	210,936.00
Hannaford Co, Inc, 655 15th St., NW, #200 Washington, DC 20005	China External Trade Development Council	13,200.00	288.07
Do	Presidency of the Republic of Mexico		
Do	Rockwell International Corp		
Do	Royal Embassy of Saudi Arabia		
Do	Trans World Airlines, Inc		
Mary V. Harcar, 1747 Pennsylvania Ave., NW, #704 Washington, DC 20006	Manufacturers Life Insurance Co, Inc	13,060.00	1,303.00
Sandra K. Harding, 7981 Eastern Avenue Silver Spring, MD 20910	National Assn of Social Workers	4,334.00	1,030.80
Eugene J. Hardy, 1100 17th St., NW, #1000 Washington, DC 20036	Gerber Products Co		
William G. Harley, 1235 Jefferson Davis Highway, #606 Arlington, VA 22202	National Utility Contractors Assn		
Sunny Harris, 7981 Easter Avenue, 4th Floor Silver Spring, MD 20910	National Assn of Social Workers	6,563.00	734.00
J. William W. Harsch, 6th Floor 1722 Eye Street, NW Washington, DC 20006	Solv-Ex Corporation	4,351.50	2,099.62
Do	Wormser Engineering, Inc		
Holly Hassett, 1730 Rhode Island Avenue, NW, #206 Washington, DC 20036	Hershey Foods Corp		
Lewis B. Hastings, 1776 K St., NW, #300 Washington, DC 20006	Motorola, Inc	3,000.00	
Arnold I. Havens, 1818 N Street, NW Washington, DC 20036	Eckert Seamans Cherin & Mellot (For:Armstrong World Industries, Inc)	15,000.00	127.18
Do	Eckert Seamans Cherin & Mellott (For:Burlington Northern, Inc)	16,417.50	679.63
Do	Eckert Seamans Cherin & Mellott (For:CSX Corp)	10,046.25	214.53
Charles E. Hawkins III, 729 15th Street, NW Washington, DC 20005	Associated Builders & Contractors, Inc	2,500.00	
R. Michael Haynes, 1156 15th Street, NW, #1101 Washington, DC 20005	National Assn of Small Business Investment Companies	3,000.00	
Robert A. Haynos, 4711 Hunt Circle Harrisburg, PA 17112	Harsco Corporation	17,250.00	1,242.70
Charles L. Hebner, New Murphy Road & Concord Pike Wilmington, DE 19897	ICI Americas, Inc		
Bill Hecht, 499 South Capitol St., SE, #507 Washington, DC 20003	Bill Hecht & Associates, Inc (For:Boy Scouts of America)		
Do	Brown & Williamson Tobacco Corp		
Do	Bill Hecht & Associates, Inc (For:CSX Corporation)		
Do	Bill Hecht & Associates, Inc (For:Freedom & Justice for Cyprus Trust)		
Do	Bill Hecht & Associates, Inc (For:Hong Kong Trade Development Council)		
Do	Los Angeles Raiders		
Do	Southern California Rapid Transit District		
Bill Hecht and Associates, Inc, 499 South Capitol Street, SE, #507 Washington, DC 20003	Boy Scouts of America	1,000.00	
Do	Brown & Williamson Tobacco Corp	2,000.00	
Do	Church Alliance	1,000.00	
Do	Crowley Maritime Corp	500.00	
Do	CSX Corporation	1,000.00	
Do	Freedom & Justice for Cyprus Trust	750.00	
Do	Hong Kong Trade Development Council	2,000.00	
Do	Illinois Dept of Energy & Natural Resources	1,000.00	
Do	Irvine Company		
Do	Kansas City Southern Industries, Inc	1,000.00	
Do	Los Angeles Raiders		
Do	Multinational Business Services	250.00	
Do	Mutual Fairness Taxation Assn	1,000.00	
Do	Southern California Rapid Transit District	2,000.00	
Do	Traweek Investment Co, Inc		
Do	Western Growers Association	2,500.00	
Robert E. Heggestad, 1331 Pennsylvania Avenue, NW, #524 Washington, DC 20004	Casey Scott & Canfield, P.C. (For:Association for Regulatory Reform)		
Suzanne C. Helmick, One Nationwide Plaza Columbus, OH 43216	Nationwide Insurance Co	600.00	
Craig R. Helsing, 499 S. Capitol St., SW, #507 Washington, DC 20005	Bill Hecht & Associates, Inc (For:Freedom & Justice for Cyprus Trust)		
Do	Bill Hecht & Associates, Inc (For:Hong Kong Trade Development Council)		
Do	Bill Hecht & Associates, Inc (For:Illinois Department of Energy & Natural Resources)		
Do	Bill Hecht & Associates, Inc (For:Kansas City Southern Industries, Inc)		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Bill Hecht & Associates, Inc (For:Multinational Business Services)		
Richard Dean Henderson, 2022 P Street, NW Washington, DC 20036	Private Truck Council of America, Inc		40.00
David A. Henson, 100 N.E. Adams Street Peoria, IL 61629-1460	Caterpillar Tractor Co	625.00	736.67
Bruce Heppen, 1016 16th St., NW Washington, DC 20036	National Fed of Federal Employees		
Mary Lyn Herdt, 1001 22nd Street, NW Washington, DC 20037	Standard Oil Co (Ohio)		
Heron Burchette Ruckert & Rothwell, 1025 Thomas Jefferson St., NW, #700 Washington, DC 20007	Pacific Mutual Life Insurance Co		
Jo-Ann T. Herrick, 1800 K Street, NW, #530 Washington, DC 20006	Tesoro Petroleum Corp	1,500.00	
Fred Hervey, 909 N. Mesa El Paso, TX 79902	Reduce Our Debt Foundation		
Heublein, Inc, 16 Munson Road Farmington, CT 06034-0388			20,352.00
Vern F. Highley, 1735 I Street, NW, #716 Washington, DC 20006	Amcot, Inc	6,000.00	
John S. Hightower, 1344 Kenilworth Parkway Baton Rouge, LA 70808	Louisiana Pacific Corp	2,375.00	1,281.00
Clifton T. Hilderley Jr., 1025 Connecticut Ave., NW, #507 Washington, DC 20036	Ashland Oil, Inc	2,000.00	
Maureen K. Hinkle, 801 Pennsylvania Avenue, SE Washington, DC 20003	National Audubon Society	1,696.15	254.35
J. D. Hittle, 3137 S. 14th St. Arlington, VA 22204	KMS Industries, Inc	1,500.00	
Do	LTV Aero-Space & Defense Co	2,500.00	98.75
Walter F. Hoffmann, 418 7th Street, SE Washington, DC 20003	Campaign for U.N. Reform	2,375.01	
Philip A. Hogue, 150 S. Washington St., #100 Falls Church, VA 22046	International Technical Expertise Ltd		
William J. Holayter, 1300 Connecticut Avenue, NW Washington, DC 20036	International Assn of Machinists & Aerospace Workers	8,063.51	
Holden Kidwell Hahn & Crapo, P.O. Box 129 Idaho Falls, ID 83402	George Hatch, et al		
Do	Blaine Larsen, et al		
Diane S. Holmes, 410 First Street, SE Washington, DC 20003	American Nuclear Energy Council	1,431.00	508.66
Lois Holwerda-Hoyt, 600 Maryland Avenue, SW, #770 Washington, DC 20024	American Academy of Family Physicians	2,394.00	69.00
Hospital Association of New York State, 74 N. Pearl St. Albany, NY 12207		3,728.00	3,728.00
Hospital Corp of America, 1300 N. 17th St., #1000 Arlington, VA 22209			22,200.23
William J. Hotes, 919 18th St., NW, #400 Washington, DC 20006	Diamond Shamrock Corp		
Jack W. Houston, 900 N. Hairston Road, Suite D Stone Mountain, GA 30083	GA Assn of Petroleum Retailers, Inc		
Susan Howland, 20 Black Oak Mews Newtown, PA 18940	Electrical Alliance		
Do	Guilford Transportation Industries - Rail Division		
Do	Philadelphia Maritime Exchange		
Karl T. Hoyle, 1730 Rhode Island Ave., NW, #810 Washington, DC 20036	Credit Union National Assn, Inc	300.00	68.09
Betty Hudson, 1627 K Street, NW, #200 Washington, DC 20006	Fluor Corporation	15,000.00	686.51
Richard H. Hughes, P.O. Box 880 Valley Forge, PA 19482	Avtex Fibers, Inc		
Thomas Humber, 499 South Capitol St., SW, #507 Washington, DC 20003	Brown & Williamson Tobacco Corp	2,500.00	
Gregory A. Humphrey, 555 New Jersey Ave., NW Washington, DC 20001	American Fed of Teachers	16,000.02	104.00
Richard M. Hunt, 1800 K St., NW, #622 Washington, DC 20006	NL Industries, Inc	3,500.00	
Robert E. Hutchinson, 909 N. Mesa El Paso, TX 79902	Circle K Corporation		
Do	Reduce Our Debt Foundation		
Independent Consultants, Inc, 400 North Capitol St., NW, #320 Washington, DC 20001	John Camp		
Do	Tropicana Petroleum, Ltd	1,000.00	
Independent Insurance Agents of America, Inc, 100 Church St., 19th Fl. New York, NY 10007		31,168.00	31,168.00
Industrial Union Department, AFL-CIO, 815 16th St., NW, #301 Washington, DC 20006		41,529.18	41,529.18
International Assn of Machinists & Aerospace Workers, 1300 Connecticut Ave., NW Washington, DC 20036			2,977.04
John Isaacs, 100 Maryland Ave., NE Washington, DC 20002	Council for a Livable World	12,045.56	
Marilyn J. Ittner, 1001 22nd Street, NW Washington, DC 20037	Standard Oil Co (Ohio)		
Ivins Phillips & Barker, Chtd, 1700 Pennsylvania Ave., NW, #600 Washington, DC 20006	American Textile Manufacturers Institute, Inc		
Do	Committee for Reasonable Inventory Accounting Rules		
Do	Employee Relocation Council		
Do	Oberlin College		
Do	Rochester Tax Council		
Charles R. Jackson, 225 North Washington Street Alexandria, VA 22314	Non Commissioned Officers Assn of the USA	6,500.00	15,472.45
William P. Jackson Jr., Jackson & Jessup, P.C. 3426 N. Washington Boulevard Arlington, VA 22201	City of Tuscaloosa	647.25	647.25
Do	Osborne Truck Line, Inc, et al	1,425.00	6,375.00
Jellinek Schwartz Connolly & Freshman, Inc, 1350 New York Avenue, NW, #400 Washington, DC 20005	ASARCO, Inc	17,022.00	288.00
Do	California Assn of Sanitation Agencies	2,888.00	3,113.00
Do	County Sanitation Districts of Orange County		
Do	East Bay Municipal Utility District	8,798.00	1,102.00
Do	IBM Corp		
Do	Las Virgenes Municipal Water District		
Do	Los Angeles County Sanitation District	7,320.00	299.00
Do	New York Power Authority	1,800.00	29.00
Do	Padre Dam Municipal Water District	7,919.00	674.00
David Jenness, 1625 I Street NW, #911 Washington, DC 20006	Consortium of Social Science Assns		
Guy E. Jester, 2150 Kienlen Ave. St. Louis, MO 63121	Association for the Improvement of the Mississippi River		
Ronald P. Johnsen, 1250 Eye St., NW, #703 Washington, DC 20005	Columbia Gas System Service Corp	175.00	249.68
Bruce Johnson, Law Offices of Bruce Johnson 1718 Connecticut Ave., NW, #410 Washington, DC 20009	Ad-Hoc Asset Backed Securities Legis. & Regulatory Assn		
Do	FAIC Securities, Inc	9,000.00	305.03
Nicholas Johnson, Box 1876 Iowa City, IA 52244			
Allan R. Jones, 2200 Mill Rd. Alexandria, VA 22314	American Trucking Assns, Inc	9,000.00	
Belva W. Jones, 1101 15th Street Washington, DC 20005	National Assn of Margarine Manufacturers		
Beverly E. Jones, Wickwire Gavin & Gibbs, P.C. 1133 21st Street, NW, #500 Washington, DC 20036	American Independent Refiners Assn		
Do	Consolidated Natural Gas Co	500.00	20.00
Do	National Hydropower Assn		
Jones Day Reavis & Pogue, 655 15th St., NW, 6th Floor Washington, DC 20005-5701	Ameritrust Co, Nat'l Assn	4,032.25	60.40
Do	Bank Street Consultanting Group	884.00	
Do	Heron International, Ltd	110.00	
Do	McKinley Federal Savings & Loan Assn		
Do	North Wilkesboro Federal Savings & Loan Assn		
Do	Peoples Bank & Trust Co	733.00	
Do	USAA Federal Savings Bank	1,400.00	101.26
Robert E. Juliano Associates, 2555 M Street, NW, #303 Washington, DC 20037	ICH Corp	3,000.00	
Hans Kaehler, P.O. Box 118 Cold Spring Harbor, NY 11724			
James L. Kane Jr., 1315 Vincent Place Mclean, VA 22101			
David A. Karcher, 3700 Pender Drive, #108 Fairfax, VA 22030	American Soc of Cataract & Refractive Surgery		4,209.00
Patricia L. Katson, 11215 Oak Leaf Drive Silver Spring, MD 20901	Liberty Lobby, Inc	8,250.00	
Steven L. Katz, 1424 16th St., NW, #601 Washington, DC 20036	People for the American Way	4,500.00	155.70
David A. Keene, 919 Prince Street Alexandria, VA 22314	Marine Engineers Beneficial Assn	3,000.00	
Do	National Tax Limitation Committee	1,500.00	
Carol A. Kelly, 1285 Avenue of the Americas New York, NY 10019	Equitable Life Assurance Society of the U.S	675.00	15.00
Richard B. Kelly, Kelly Eckhaus & Mohen 230 Park Avenue New York, NY 10169	National Assn of Catalog Showroom Merchandisers	3,500.00	
Do	Resource Technical Consultant (USA), Inc	6,300.00	1,456.82
Kemper Financial Services, Inc, 120 South Lasalle Street Chicago, IL 60603			
Kemper Investors Life Insurance Co, 120 South Lasalle Street Chicago, IL 60603			82.71
Michael L. Kerley, 1922 F Street, NW Washington, DC 20006	National Assn of Life Underwriters	2,125.00	76.00
Anne S. Kerman, 122 C Street, NW, #380 Washington, DC 20001	National Family Planning & Reproductive Health Assn, Inc	15.00	
T. Michael Kerr, 1625 L St., NW Washington, DC 20036	American Fed of State County & Municipal Employees	11,923.56	159.12
Victoria M. Kessler, 1731 Connecticut Avenue, NW Washington, DC 20009	Albers & Co (For:May Department Stores Co)	8,960.63	26.00
Dale Rodney Ketcham, 1980 N. Atlantic Ave., #918 Cocoa Beach, FL 32931			
Earline A. Keyser, 3022 Cedar Hill Road Falls Church, VA 22042	Bechtel Power Corporation		
Roberta D. Kimball, 729 15th Street, NW Washington, DC 20005	Associated Builders & Contractors, Inc	2,500.00	
Gene Kimmelman, 1424 16th St., NW, #604 Washington, DC 20036	Consumer Federation of America	9,149.00	
Kirkpatrick & Lockhart, 1800 M St., NW, S. Lobby-9th Fl. Washington, DC 20036	American Council of Life Insurance, Inc		
Do	Capitol Markets Group	523.00	
Do	Columbia Pictures Industries, Inc	523.00	
Do	Grocery Manufacturers of America, Inc		
Do	Investors Fiduciary Trust Co	1,995.00	
Do	H. K. Porter Company, Inc		
Do	Search Group, Inc	6,943.00	171.75
Kirlin Campbell & Keating, One Farragut Square South Second Floor Washington, DC 20006	Council of European & Japanese National Shipowners' Assn	8,400.00	303.44
William J. Kissick, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington, DC 20037	Algoma Steel Corp, Ltd	236.25	651.91
Ralph W. Kittle, Route 2, Box 10 Keswick, VA 22947	International Paper Co		
Do	McNair Law Firm		
Jerry D. Klepner, 1020 19th St., NW Washington, DC 20036	Anderson Benjamin Read & Haney (For:Blue Cross & Blue Shield of Florida)		
Do	Anderson Benjamin Read & Haney (For:Boston Company)	100.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Glenn Knapp, 773 Dartmouth Ave. San Carlos, CA 94070			
John A. Knebel, 1920 N Street, NW, #300 Washington, DC 20036	American Mining Congress	720.00	131.89
Mark S. Knouse, 5603 Kirkside Dr. Chevy Chase, MD 20815	Batus D.C.		
Carol R. Koch, 401 Wythe Street Alexandria, VA 22314	National Assn of Children's Hospitals & Related Institutions	800.00	
Kominers Fort & Schlefer, 1401 New York Ave., NW, 12th Fl. Washington, DC 20005	Apex Marine Corp		
Do	Avia Footwear, Inc		
Do	Lykes Bros Steamship Co, Inc		
Do	Marathon LeTourneau Co, et al		
Do	Ocean Transportation Coalition		
Do	Oregon Economic Development Dept	8,750.00	
Do	Pacific Coast Council of Freight Forwarders	6,000.00	246.86
Do	Riedel International	1,000.00	
Paul A. Korody Jr., 888 17th Street, NW, #300 Washington, DC 20006	ConAgra, Inc	1,150.00	
Alan G. Kraut, 1200 17th Street, NW Washington, DC 20036	American Psychological Assn	2,000.00	65.50
M. J. Kuehne, P.O. Box 11346 Tacoma, WA 98411	Northwest Independent Forest Manufacturers	500.00	
Kuykendall Company, 517 3rd Street, SE Washington, DC 20003	Gulf & Caribbean Foundation		
Labor Bureau, Inc, 1101 15th Street, NW, #1010 Washington, DC 20005			
Bruce C. Ladd Jr., 1776 K Street, NW Washington, DC 20006	Motorola, Inc	16,500.00	74.00
James E. Lamble, 4000 Tunlaw Road, NW, #324 Washington, DC 20006	Bechtel Power Corporation		
Robert D. Lamson, 21 Dupont Circle, NW, #300 Washington, DC 20036	Business Executives for National Security		
Moon Landrieu, 717 Girod Street New Orleans, LA 70130	Mainstreets Coalition		
William C. Lane, 100 N.E. Adams Street Peoria, IL 61629-1460	Caterpillar, Inc	1,250.00	2,224.74
Lane & Edson, P.C., 2300 M Street, NW Washington, DC 20036	National Assn of Energy Service Cos		
Do	Pyropower Corp	3,219.49	
Lane & Mittendorf, 1750 K Street, NW, #1200 Washington, DC 20006	Floating Point Systems, Inc	246.25	
Do	Nike, Inc	1,687.50	
Karl F. Lauenstein, 1745 Jefferson Davis Highway, #1000 Arlington, VA 22202	General Dynamics Corp	1,000.00	375.97
Dennis Lavallee, 180 S. Washington St., P.O. Box 6808 Falls Church, VA 22046	National Assn of Plumbing-Heating-Cooling Contractors	500.00	149.22
George H. Lawrence, 1515 Wilson Blvd. Arlington, VA 22209	American Gas Assn	3,500.00	
Leadership Conference on Civil Rights, 2027 Massachusetts Ave., NW Washington, DC 20036		81,269.75	41,332.90
League of American Investors, 32123 Lindero Canyon Rd., #300 Westlake Village, CA 91361			
Young K. Lee, 2112 S. Buchanan Street Arlington, VA 22206	Washington Lobby Group, Inc (For:Preston Corp)	1,500.00	
Leibowitz & Spencer, 3050 Biscayne Blvd., #501 Miami, FL 33137	Curt Gowdy Broadcasting, et al		
Cynthia R. Lenhart, 801 Pennsylvania Avenue, SE Washington, DC 20003	National Audubon Society	7,000.00	2,858.77
Donna Lenhoff, 2000 P St., NW, #400 Washington, DC 20036	Women's Legal Defense Fund	584.90	251.77
Lesher and Associates, Inc, 517 C Street, NE Washington, DC 20002	Agricultural Policy Working Group		12,500.00
Leventhal Senter & Lerman, 2000 K Street, NW, #600 Washington, DC 20006-1809	Pan American Satellite Corp		
David A. Lewis, 1601 Connecticut Ave., NW, #800 Washington, DC 20009	Physicians for Social Responsibility	2,846.17	87.55
James Patton LeGory, P.O. Drawer 2176 Merrifield, VA 22116-2176	Oxford Group, Limited		
James M. LeMunyon, 1612 K St., NW, #1100 Washington, DC 20006	American Electronics Assn	2,000.00	
Robert G. Liberatore, 1100 Connecticut Avenue, NW, #930 Washington, DC 20036	Chrysler Corporation	2,250.00	350.05
Judith Lichtman, 2000 P St., NW, #400 Washington, DC 20036	Women's Legal Defense Fund	1,290.00	375.00
William C. Lienesch, 238 10th St., SE Washington, DC 20003	National Parks & Conservation Association	962.00	65.30
William Lilley III, 1730 K Street, NW, #703 Washington, DC 20006	American Business Conference	3,125.00	130.10
Linton Mields Reisler & Cottone, 477 H St., NW Washington, DC 20001	Iowa Department of Transportation	5,366.00	
Do	Madison Gas & Electric Co	1,632.00	
Do	Metropolitan Sanitary District of Greater Chicago	8,367.00	87.20
Do	Michigan Dept of Transportation	4,815.00	77.75
Do	Northern States Power Co	2,627.00	
Do	Oregon Department of Transportation	3,750.00	
Do	State of Colorado, Dept of Highways	2,970.00	
Do	State of IL, Dept of Transportation	7,491.00	63.06
Do	State of IL, Dept of Transportation, Div of Water Resources	3,507.00	
Do	Superior Water Light & Power Co	339.00	
Do	Wisconsin Electric Power Co	7,088.00	224.36
Do	Wisconsin Fuel and Light Co	260.00	
Do	Wisconsin Natural Gas Co	989.00	
Do	Wisconsin Power & Light Co	3,441.00	
Do	Wisconsin Public Service Corp	3,009.00	
Andrew D. Lipman, Pepper Hamilton & Scheetz 1777 F Street, NW Washington, DC 20006	MCI Telecommunications Corp		
Do	Norlight, Inc		
Lipsen Hamberger Whitten & Hamberger, 1725 Desales St., NW, #800 Washington, DC 20036	Acumenics, Inc		
Do	Air Transport Assn of America		
Do	American Dehydrated Onion & Garlic Assn	6,000.00	762.00
Do	American Genealogies		
Do	American Public Transit Assn	42,000.00	460.00
Do	Association of Scientists & Prof Engineering Personnel	11,100.00	395.00
Do	Calfon Construction, Inc		
Do	Chellingworth & Singer, Ltd	16,925.00	1,270.00
Do	Computers & Information Management, Inc		
Do	Council of Engineers Scientists Organizations	7,500.00	211.00
Do	Diagnostic Retrieval Systems, Inc	7,500.00	384.00
Do	Dravo Corporation	17,170.00	1,607.00
Do	DINAMO/ovia	10,000.00	145.00
Do	Federal National Mortgage Assn		
Do	Joneric Products, Inc		
Do	LHT Industries, Inc		
Do	McKesson Corp	10,833.33	485.00
Do	Meridian Bancorp, Inc	20,250.00	533.00
Do	Moore McCormack Resources, Inc		
Do	National Fed of Independent Business	1,800.00	104.00
Do	National Rural Letter Carriers Assn		
Do	Olivetti Corp of America		
Do	Pillsbury Company	23,525.00	573.00
Do	RJR Nabisco, Inc	15,000.00	1,457.00
Do	Staley Continental, Inc	10,000.00	485.00
Do	Tobacco Institute	15,000.00	1,768.00
Do	United Chem Con Corporation	22,251.00	402.00
Do	University of Syracuse		
Do	Westfield Tannery, Inc		
Do	Westinghouse Electric Corp	7,800.00	1,629.12
Susan Liss, 1424 16th Street, NW, #601 Washington, DC 20036	People for the American Way	3,187.48	15.50
David A. Litvin, 1001 22nd St., NW, #600 Washington, DC 20037	Standard Oil Company (Ohio)		
Law Ofcs of Sheldon London, 1725 DeSales St., NW, #401 Washington, DC 20036	American Hardware Manufacturers Assn		
William E. Long, One Nationwide Plaza Columbus, OH 43216	Nationwide Insurance Co	600.00	
Charles M. Loveless, 1625 L Street, NW Washington, DC 20036	American Fed of State County & Municipal Employees	11,566.74	314.65
Charles Emmet Lucey, 1200 New Hampshire Avenue, NW, #200 Washington, DC 20036	Manatt Phelps Rothenberg & Evans		
Sylvester Lukis, 1155 15th St., NW, #510 Washington, DC 20005	City of Miami Beach	2,500.00	
Lumbermens Mutual Casualty Company, Long Grove, IL 60049			3,812.49
John Macnamara, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington, DC 20037	Algoma Steel Corp, Ltd		
Cliff Madison Government Relations, Inc, P.O. Box 7006 Northridge, CA 91327-7006	Burbank-Glendale-Pasadena Airport Authority	2,000.00	
Do	City of Avalon	750.00	
Do	County of San Bernardino		
Do	Federal Express	3,500.00	
Do	Mark Air, Inc	4,000.00	
Do	Regency Outdoor Advertising	5,000.00	
Do	Southern California Rapid Transit District	5,000.00	
Mary Mahon, 380 Second Avenue New York, NY 10010		42.90	166.97
Michael C. Maibach, Intel Corporation, SC6-65 P.O. 58121 Santa Clara, CA 95052-8121	Intel Corporation	12,000.00	8,402.47
Major League Baseball Players Assn, 805 Third Avenue New York, NY 10022			
Daniel C. Maldonado, 10000 Falls Rd., #300 Potomac, MD 20854	Samaritan Health Services	1,375.00	
Andrew T. Malleck, 400 First Street, NW Washington, DC 20001	Brotherhood of Maintenance of Way Employes	14,922.46	
Manchester Associates, Ltd, 1155 15th Street, NW, #811 Washington, DC 20005	Corporacion Del Cobre (USA), Inc		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Eldorado Resources, Ltd		
Do	Nissan Motor Company, Ltd		
Peter T. Mangione, 1319 F Street, NW, #700 Washington, DC 20004	Footwear Retailers of America	137.50	
Donald W. Mann, 210 The Plaza Teaneck, NJ 07666	Negative Population Growth, Inc		
Claudia Mansfield, 1801 N. Moore Street Arlington, VA 22209	American Assn of School Administrators		
Patricia Markey, 1155 15th St., NW, #400 Washington, DC 20005	United Distribution Companies	4,606.00	177.00
Valsin A. Marmillion, Hunt Marmillion & Associates 10880 Wilshire Blvd., #2010 Los Angeles, CA 90024	American Bankers Assn	50,000.00	13,113.38
Dan Marriott, 900 Kennecott Building Salt Lake City, UT 84133	Guardian Life Insurance Co of America		
C. Travis Marshall, 1776 K St., NW, #300 Washington, DC 20006	Motorola, Inc	1,500.00	96.96
Danea Kehoe Martin, 1922 F Street, NW Washington, DC 20006	National Assn of Life Underwriters	560.00	90.00
Masson Grimm & Burgum, Ltd, 106 North Carolina Ave., SE Washington, DC 20003	Coalition for Scenic Beauty	1,000.00	
Do	Parsons Brinkerhoff Quad & Douglas, Inc	1,875.00	
Richard D. Mathias, 1660 L St., NW, #901 Washington, DC 20036	Pan American World Airways, Inc		
Mary Helen Mathis, 444 North Capitol St., #711 Washington, DC 20001	Keefe Company (For:Carteret Savings & Loan)	150.00	
Do	Keefe Company (For:Cordish & Embry Associates)		
Do	Keefe Company (For:Essex County)		
Do	Keefe Company (For:New York University)	1,800.00	
Do	Keefe Co (For:University of the Sacred Heart)		
Do	Keefe Company (For:University of Medicine & Dentistry of New Jersey)	300.00	
Do	Keefe Co (For:University of Miami)	110.00	
Marshall L. Matz, Scott Harrison & Mcleod 2501 M Street, NW, 4th Fl. Washington, DC 20037	American School Food Service Assn	9,000.00	1,653.95
William W. Maurer, 1745 Jefferson Davis Highway, #1000 Arlington, VA 22202	General Dynamics Corp	1,000.00	1,490.86
Albert E. May, 1627 K Street, NW, 1200 Washington, DC 20006	Council of American-Flag Ship Operators	4,500.00	19.20
John A. McCahill, 1250 Connecticut Ave, NW Washington, DC 20036	U.S. Olympic Committee		
Margaret M. McCormick, 5000 Forbes Avenue Pittsburgh, PA 15213	Carnegie-Mellon University	5,208.03	2,578.21
Molly McCormick, 2301 Market Street, S 13-1 Philadelphia, PA 19101	Philadelphia Electric Company		
Meredith McCoy, 11101 Connecticut Ave., NW, #500 Washington, DC 20036	Arkansas Assn of Securities Dealers		
Do	Mid-South International Trade Assn		
Rose McCullough, 1424 K St., NW Washington, DC 20005	National Abortion Rights Action League	3,507.00	
David F. McDermitt, 2238 Highland Avenue Falls Church, VA 22046	National Utility Contractors Assn	29,600.00	31,828.93
Marianne McDermott, 1350 New York Avenue, NW, #615 Washington, DC 20005	Greeting Card Assn		
McDermott Will & Emery, 1850 K St., NW, #500 Washington, DC 20006	American Dental Hygienists' Assn	12,000.00	
Do	Banks of Iowa		
Do	Caterpillar Tractor Co		
Do	Federal Kemper Life Assurance Co		
Do	Kemper Investors Life Insurance Co		
Do	Lumberman Mutual Co		
Do	Public Employees Retirement Assn of Colorado	1,247.50	
Jack McDonald, 1489 Chain Bridge Road, #200 McLean, VA 22101	Jack McDonald Co (For:Societe Generale de Surveillance, S.A.)		
Jack McDonald Co, 1489 Chain Bridge Road, #200 McLean, VA 22101	Societe Generale de Surveillance, S.A.		
McGuiness & Williams, 1015 15th Street, NW, #1200 Washington, DC 20005	National Manufactured Housing Assn		
Robert T. McKernan, 1250 Connecticut Ave., NW Washington, DC 20036	American Paper Institute, Inc	250.00	
Michael R. McLeod, Scott Mcleod Himmelberg Matz Pires Price 2501 M St., NW, #400 Washington, DC 20037	Chicago Board of Trade	800.00	
Do	United Egg Producers		
Edward T. McMahon, 218 D Street, SE Washington, DC 20003	Coalition for Scenic Beauty	1,175.00	121.00
Sandra H. McMullan, 122 C St., NW, #750 Washington, DC 20001	National Assn of Independent Colleges & Universities	3,292.00	199.00
McNair Law Firm, P.A., 1155 15th Street, NW, #400 Washington, DC 20005	Vulcan Materials Co		
Peter F. McNeish, 1156 15th Street, NW, #1101 Washington, DC 20005	National Assn of Small Business Investment Cos	3,000.00	
Francis X. Meaney, 1825 Eye Street, NW Washington, DC 20006	Mintz Levin Cohn Ferris Glovsky & Popeo (For:Goldman Sachs & Co)		
Nanine Meiklejohn, 1625 L St., NW Washington, DC 20036	American Fed of State County & Municipal Employees	7,259.22	111.50
James T. Melville, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington, DC 20037	Algoma Steel Corp, Ltd		
Michigan Council of Self-Insured Group Administrators, 3670 Golfside Rd. Ypsilanti, MI 48197			
Sharon Mihnovets, 2809 S. Joyce St. Arlington, VA 22202			
Janice I. Milazzo, 1001 22nd Street, NW Washington, DC 20037	Standard Oil Co (Ohio)		
Miles & Stockbridge, 1701 Pennsylvania Ave., NW, #500 Washington, DC 20006	Black and Decker Manufacturing Company		100.00
Do	Pepsico, Inc		50.00
Do	Pizza Hut, Inc		100.00
David H. Miller, 900 17th Street, NW Washington, DC 20006	Chase Manhattan Bank, N.A.	195.75	15.02
Jeffrey T. Miller, P.O. Box 1933 East Hanover, NJ 07936	Nabisco Brands, Inc		1,025.00
Marye T. Miller, 50 F St., NW, #1040 Washington, DC 20001	Ray F. Bragg, Inc (For:American Independent Refiners Assn)	50.00	
Harris Miller & Associates, 1655 N. Fort Myer Drive #700 Arlington, VA 22209	Agricultural Producers		
Do	Florida Fruit & Vegetable Assn		
Do	Home Group	1,000.00	127.00
Do	National Assn for Foreign Student Affairs		
Do	National Council of Agricultural Employers	6,000.00	
Do	U.S. English		
Do	Western Range Assn	45.00	790.00
Miller & Chevalier, Chtd, Metropolitan Square 655 15th Street, NW Washington, DC 20005	American Electronics Assn		
Do	Ideal Basic Industries, Inc	7,206.67	
Do	Perpetual American Bank, F.S.B.	243.00	
Do	Semiconductor Industry Association		
Do	Western Savings & Loan Assn	2,269.64	
Miller Hamilton Snider & Odom, 256 State St., P.O. Box 46 Mobile, AL 36601	Camp Carmouche Barsh... (for Sears Roebuck & Co)		12,613.19
C.G. Pete Milligan, 1442 S.W. Troon Circle Palm City, FL 33490	American Telephone & Telegraph Co	2,500.00	
Edward J. Milne Jr., 250 Old Country Road Mineola, NY 11501	Long Island Light Co	2,875.00	138.22
John H. Miner, Room 1414-South Building, USDA Washington, DC 20250	Organization of Professional Employees of USDA	652.20	
Joseph G. Minish, 66 Sheridan Avenue West Orange, NJ 07052	Bayamon Federal Savings	6,000.00	
Mintz Levin Cohn Ferris Glovsky & Popeo, P.C., 1825 I Street, NW, #1025 Washington, DC 20006	Home Recording Rights Coalition	17,000.00	
Do	Siemens Capital Corp	23,850.00	
Miro Miro & Weiner, P.C., 500 N. Woodward Ave., #200 P.O. Box 908 Bloomfield Hills, MI 48303-0908	Detroit Tooling Assn		
Do	Michigan Council of Self-Insured Group Administrators	47.50	
Do	Taubman Company, Inc		
David T. Modi, 1701 Pennsylvania Avenue, NW, #900 Washington, DC 20006	E. I. du Pont de Nemours & Co		
John V. Moller, 1155 15th Street, NW, #1010 Washington, DC 20005	Manchester Associates (For:Corporacion Nacional del Cobre de Chile)		
Do	Manchester Associates, Ltd (For:Eldorado Resources, Ltd)		
Do	Manchester Associates, Ltd (For:Nissan Motor Company, Ltd)		
Walter K. Moore, 50 F Street, NW, #1100 Washington, DC 20001	American Hospital Assn		852.92
E. Joyce Morgan, 1920 N St., NW Washington, DC 20036	American Mining Congress		
John Morgan, 1925 K St., NW Washington, DC 20006	Communications Workers of America		
Morgan Lewis & Bockius, Suite 800 North 1800 M St., NW Washington, DC 20036	Artery Organization, Inc	14,353.00	136.09
Do	Zalman C. Bernstein		
Do	Business Roundtable	550.00	
Do	Consolidated Natural Gas Co		
Do	Wheels, Inc		
Gerald D. Morris, 555 New Jersey Ave., NW Washington, DC 20001	American Fed of Teachers, AFL-CIO	11,041.67	100.00
James Morrison, 21 Dupont Circle, NW, #300 Washington, DC 20036	Business Executives for National Security	4,007.00	33.00
H. T. Steve Morrissey, 1533 New Hampshire Ave., NW Washington, DC 20036	National Assn of Retired Federal Employees	614.00	29.70
Valerie T. Morse, 1020 19th St., NW, #600 Washington, DC 20036	American Express Co		
Michael L. Morton, 918 16th Street, NW, #701 Washington, DC 20006	Godfrey Associates, Inc		
Richard J. Muller, 1100 Connecticut Ave., NW, #930 Washington, DC 20036	Chrysler Corporation	2,000.00	105.00
W. H. L. Mullins, 1745 Jefferson Davis Highway, #1000 Arlington, VA 22202	General Dynamics Corp	2,000.00	491.30
Daniel J. Murphy, 901 31st Street, NW Washington, DC 20007	Hill & Knowlton, Inc (For:Government of the Cayman Islands)		
Do	Hill & Knowlton, Inc (For:Republic of Turkey)		
Edward L. Murphy, 1313 L Street, NW, 2nd Floor Washington, DC 20005	National Assn of Government Employees	5,000.00	
George F. Murphy Jr., 410 First Street, SE Washington, DC 20003	American Nuclear Energy Council	450.00	268.37
Jeanne Marie Murphy, 805 15th St., NW, #300 Washington, DC 20005	Credit Union National Assn, Inc	300.00	76.41
Rosemary Griffin Murray, 1660 L St., NW, #901 Washington, DC 20036	Pan American World Airways, Inc		
Murray & Scheer, 2715 M Street, NW, #300 Washington, DC 20007	Home Life Insurance Co	500.00	
Do	Pacific Mutual Life Insurance Co	500.00	
Diane M. Nash, 600 Pennsylvania Avenue, SE, #200 Washington, DC 20003	Independent Insurance Agents of America, Inc	7,869.00	
Nash Railsback & Plesser, 1133 15th Street, NW, #1100 Washington, DC 20005	Animal Health Institute		
Do	Disclosure Information Group	1,443.75	7.50
Do	Information Industry Assn	2,925.00	15.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Journal of Commerce, Inc	1,500.00	7.50
National Assn for Stock Car Auto Racing, Inc (NASCAR), 1801 Speedway Boulevard Daytona Beach, FL 32015			8,000.00
National Assn for Uniformed Services, 5535 Hempstead Way Springfield, VA 22151			
National Assn of Beverage Importers, 1025 Vermont Avenue, NW, #1205 Washington, DC 20005			
National Assn of Catalog Showroom Merchandisers, 276 Fifth Avenue New York, NY 10021			4,365.75
National Assn of Energy Service Companies, 2330 M St., NW Washington, DC 20037			
National Assn of Home Builders of the U.S., 15th & M Sts., NW Washington, DC 20005		65,623.97	145,026.00
National Assn of Letter Carriers, 100 Indiana Ave., NW Washington, DC 20001		4,832,757.72	317,460.98
National Assn of Margarine Manufacturers, 1101 15th St., NW, #202 Washington, DC 20005			
National Assn of Plumbing-Heating-Cooling Contractors, P.O. Box 6808 Falls Church, VA 22046		1,549.22	1,549.22
National Assn of Realtors, 777 14th St., NW Washington, DC 20005			110,463.53
National Assn of Retired Federal Employees, 1533 New Hampshire Ave., NW Washington, DC 20036		4,399.00	3,576.00
National Assn of Wheat Growers, 415 2nd St., NE, #300 Washington, DC 20002		7,900.00	10,376.51
National Automobile Dealers Assn, 8400 Westpark Drive Mclean, VA 22102			16,825.00
National Citizens Communications Lobby, P.O. Box 1876 Iowa City, IA 52244			
National Coalition for Fair Trade, 1718 Connecticut Avenue, NW, #310 Washington, DC 20009			
National Community Action Foundation, Inc, 2100 M Street, NW, #604A Washington, DC 20037		163,967.19	40,200.00
National Consumers League, 815 15th Street, NW, #516 Washington, DC 20005			
National Council of Farmer Cooperatives, 1800 Massachusetts Ave., NW Washington, DC 20036		14,231.25	11,462.99
National Education Assn, 1201 16th St., NW Washington, DC 20036		27,525.96	27,525.96
National Family Planning & Reproductive Health Assn, Inc, 122 C St., NW, #380 Washington, DC 20001		86,898.00	17.00
National Fed of Community Development Credit Unions, 29 John Street, #903 New York, NY 10038			
National League of Postmasters of the U.S., 1023 North Royal Street Alexandria, VA 22314			67,249.00
National Lottery Association, P.O. Box 13365 Las Vegas, NV 89112			
National Low Income Housing Coalition, 1012 14th Street, NW, #1006 Washington, DC 20005		45,719.00	38,855.00
National Motorsports Comm of Accus, 1500 Skokie Boulevard, #101 Northbrook, IL 60062		4,175.49	10,245.12
National Rifle Assn of America, 1600 Rhode Island Ave., NW Washington, DC 20036		185,582.14	139,864.27
National Tour Assn, Inc, 546 E. Main Street Lexington, KY 40508		33,075.00	33,075.00
National Turkey Federation, 11319 Sunset Hills Rd. Reston, VA 22090			1,000.00
Ralph G. Neas, 2027 Massachusetts Ave., NW Washington, DC 20036	Leadership Conference on Civil Rights	13,500.00	269.75
Allen Neece Jr., 1050 17th Street, NW Washington, DC 20036	Neece Cator & Associates, Inc (For:Small Business United)	1,350.00	1,350.00
Neece Cator & Associates, Inc, 1050 17th Street, NW Washington, DC 20036	Association of Small Business Development Centers	1,350.00	1,350.00
Do	National Assn of Development Companies (NADCO)	1,350.00	1,350.00
Do	Small Business United	1,350.00	1,350.00
Do	Southeastern Lumber Manufacturers Assn	1,350.00	1,350.00
Neighborhood Housing Services of America, 3805 Alton Place, NW Washington, DC 20016			
Donald W. Nelson, 1000 16th Street, NW, #701 Washington, DC 20036	Federal Managers Assn	4,200.00	50.00
E. Colette Nelson, 1004 Duke St. Alexandria, VA 22314	American Subcontractors Assn	3,500.00	
Gaylord Nelson, 1400 Eye Street, NW Washington, DC 20005	Wilderness Society	212.26	10.00
Mark D. Nelson, 1701 Pennsylvania Ave., NW, #900 Washington, DC 20036	E. I. du Pont de Nemours & Co		
Frederick H. Nesbitt, 100 Indiana Avenue, NW Washington, DC 20001	National Assn of Letter Carriers	9,240.14	774.99
David B. Neumeyer, 1319 F St., NW, #500 Washington, DC 20004	Food Research & Action Center	174.00	
William B. Newman Jr., P.O. Box 23451 Washington, DC 20024	Consolidated Rail Corporation	5,000.00	
Robert B. Nicholas, Nash, Railsback & Plesser 1133 15th Street, NW, #1100 Washington, DC 20005	Animal Health Institute		
Peter Nixon, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington, DC 20037	Algoma Steel Corp, Ltd		
North American Telecommunications Assn, 2000 M St., NW, #550 Washington, DC 20036		8,400.00	8,400.00
Edward M. Norton Jr., 1600 L St., NW, #812 Washington, DC 20036	Grand Canyon Trust		
Nossaman Guthner Knox & Elliott, 1140 19th St., NW, #600 Washington, DC 20036	AEtna Life & Casualty	1,170.00	3,000.00
Do	California Co-Compost Systems		
Do	California Student Loan Finance Corp		3,800.00
Do	Mortgage Marketing Service Co, Inc		
Do	Northwestern National Life Insurance Co	1,035.00	1,344.00
Do	Southern California Edison	517.50	1,272.00
Michael Novelli, 3012 Cambridge Place, NW Washington, DC 20007	Pacific Potomac Services		
Cynthia H. Null, 1200 17th Street, NW Washington, DC 20036	Federation of Behavioral Psychological & Cognitive Sciences		
Nutter McClennen & Fish, 600 Atlantic Avenue Boston, MA 02210	Research-Cottrell, Inc		
NL Industries, Inc, 1230 Avenue of The Americas New York, NY 10020			9,161.00
Hubert K. O'Bannon, P.O. Box 23451 Washington, DC 20026	Consolidated Rail Corporation	2,667.00	
Michael P. O'Brien, 1004 Duke Street Alexandria, VA 22314	American Subcontractors Assn	900.00	
Rindy O'Brien, 1400 Eye Street, NW Washington, DC 20005	Wilderness Society	3,065.81	3,226.87
O'Connor & Hannan, 1919 Pennsylvania Ave., NW, #800 Washington, DC 20006	American Insurance Assn		
Do	Glass Packaging Institute		
Do	Mitchell Sweet & Associates		
Do	National Assn of Portable X-Ray Providers		
Grady O'Cummings III, 198 MacDougal Ct. Brooklyn, NY 11233	National Comm for Poor People		
Kathleen O'Leary, 1250 Eye St., NW, #703 Washington, DC 20005	Columbia Gas Distribution Companies	4,000.00	167.56
O'Melveny & Myers, 555 13th St., NW Washington, DC 20004	Santa Fe International Corp		
Law Offices of John O'Neal, P.C., 1455 Pennsylvania Ave., NW, #1200 Washington, DC 20004	National Rural Telecom Assn	2,187.50	
Joseph O'Neil, 1600 M St., NW Washington, DC 20037	ITT Corporation	4,000.00	100.00
Patricia M. O'Toole, 1201 West 5th Street Los Angeles, CA 90017	Union Oil Co of California		
Marion Browne Oglesby Jr., 499 South Capitol Street, SW, #507 Washington, DC 20003	Bill Hecht & Associates, Inc (For:Boys Scouts of America)		
Do	Bill Hecht & Associates, Inc (For:Brown & Williamson Tobacco Corp)		
Do	Bill Hecht & Associates, Inc (For:CSX Corporation)	1,000.00	
Do	Bill Hecht & Associates, Inc (For:Freedom & Justice for Cyprus Trust)		
Do	Bill Hecht & Associates, Inc (For:Hong Kong Trade Development Council)		
Do	Bill Hecht & Associates, Inc (For:Illinois Department of Energy & Natural Resources)		
Do	Bill Hecht & Associates, Inc (For:Kansas City Southern Industries, Inc)		
Do	Bill Hecht & Associates, Inc (For:Multinational Business Services)		
Do	Bill Hecht & Associates, Inc (For:Mutual Fairness Taxation Assn)		
Do	Bill Hecht & Associates, Inc (For:Western Growers Association)		
Michel Orban, American Express Tower World Financial Center New York, NY 10285-4705	American Express Co		
Organ. for Protection & Advancement of Small Telephone Cos, 2301 M Street, NW, #530 Washington, DC 20037			
Organization of Professional Employees of USDA, Rm. 1414 S. Building U.S. Dept of Agriculture Washington, DC 20250		2,535.88	1,590.62
Cathy E. Overly, 1730 K Street, NW, 1100 Washington, DC 20006	National Treasury Employees Union	11,500.00	261.15
Judith E. Park, 1533 New Hampshire Ave., NW Washington, DC 20036	National Assn of Retired Federal Employees	15,944.00	
Nancy L. Parke, 729 15th Street, NW Washington, DC 20005	Associated Builders & Contractors, Inc	2,500.00	
Sara Lynn Parker, 1319 F St., NW, #500 Washington, DC 20004	Food Research & Action Center		
Parry and Romani Associates, Inc, 233 Constitution Avenue, NE Washington, DC 20002	American Family Life Assurance Co	1,500.00	
Do	Association for the Advancement of Human Rights in Japan	2,100.00	
Do	Care Enterprises	3,375.00	
Do	Generic Pharmaceutical Industry Assn	2,500.00	138.31
Do	Herbalife International		
Do	Hotel Employees & Restaurant Employees Int'l Union	2,000.00	
Do	International Brotherhood of Teamsters	2,250.00	
Do	Johnson & Johnson	3,500.00	
Do	Manville Corporation	2,000.00	106.34
Do	Motion Picture Assn of America, Inc	4,800.00	348.14
Do	National Beer Wholesalers of America	1,500.00	137.33
Do	Pharmaceutical Manufacturers Assn	250.00	
Do	T.I.M.E.-DC, Inc	4,800.00	
Do	TechAmerica, Inc	4,800.00	
Do	United Food & Commercial Workers International Union		
Charles C. Partridge, 5535 Hempstead Way Springfield, VA 22151	National Assn for Uniformed Services		
Peace Political Action Committee, 100 Maryland Avenue, NE Washington, DC 20002			9,576.29
Nicholas J. Penning, 1801 N. Moore Street Arlington, VA 22209	American Assn of School Administrators		
James C. Pennington, 5535 Hempstead Way Springfield, VA 22151	National Assn for Uniformed Services		
Joseph M. Penot Sr., 444 North Capitol St., NW Washington, DC 20001	Radio Officers Union, Dist. #3, NMEBA, AFL-CIO		
Pension Rights Center, 918 16th St., NW, #704 Washington, DC 20006			
People for the American Way Action Fund, 1424 16th Street, NW, #601 Washington, DC 20036		1,83,146.00	52,365.00
Pepper & Corazzini, 1776 K St., NW Washington, DC 20006	Tempo Enterprises, Inc		
Robert A. Perkins, 1100 Connecticut Avenue, NW Washington, DC 20036	Chrysler Corporation	15,000.00	450.00
Esther Peterson, 2001 S St., NW, #510 Washington, DC 20009	International Organization of Consumers Unions		98.00
Peyser Associates, Inc, 1000 Vermont Street, NW, #400 Washington, DC 20005	Basix Corp		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Susan E. Phillips, 1709 New York Ave., NW, #303 Washington, DC 20006	Blue Cross & Blue Shield Assn		
Physicians for Social Responsibility, 1601 Connecticut Avenue, NW, #800 Washington, DC 20009		13,166.18	11,816.55
Joan Piccolo, 1776 K Street, NW, #300 Washington, DC 20006	Motorola, Inc	3,000.00	
Pierson Ball & Dowd, 1200 18th St., NW, #1000 Washington, DC 20036	American Academy of Pediatrics	15,510.83	
Do	Genentech	7,680.97	
Do	Infectious Diseases Society of America	8,932.61	
Do	National Assn for Biomedical Research		
Pierson Semmes & Finley, 1054 31st Street, NW Washington, DC 20007	Oklahoma Natural Gas Company	315.00	12.10
Piper & Marbury, c/o A. Carl Kasemen, III 888 Sixteenth Street, NW Washington, DC 20006	Consolidated Rail Corporation		
Pirtle Morisset Schlosser & Ayer, 1500 Seattle Trust Tower 1000 Second Avenue Seattle, WA 98104	Colville Confederated Tribes		
Do	Confederated Tribes of the Goshute Reservation		
Do	Seneca-Cayuga Tribe of Oklahoma		
Do	Shoshone-Bannock Tribe-Fort Hall Reservation		
Lillian M.S. Pitcaithly, 1730 K St., NW, #703 Washington, DC 20006	American Business Conference, Inc	175.00	
Ronald L. Plesser, Nash Railsback & Plesser 1133 15th St., NW, #1100 Washington, DC 20005	Disclosure Information Group	1,443.75	7.50
Do	Information Industry Assn	2,925.00	15.00
Do	Journal of Commerce, Inc	1,500.00	7.50
Nancy Polikoff, 2000 P Street, NW, #400 Washington, DC 20036	Women's Legal Defense Fund		
Phillip Porte & Assocs, Inc, 1050 17th Street, NW, #840 Washington, DC 20036	American Medical Records Assn	3,000.00	
Do	National Assn of Medical Directors of Respiratory Care	6,000.00	
Do	National Dialysis Assn	9,000.00	
Robert D. Powell, 1750 K St., NW, #460 Washington, DC 20006	National Business Aircraft Assn		
Powell Goldstein Frazer & Murphy, 1001 Pennsylvania Ave., NW, 6th Floor Washington, DC 20004	Alliance for Medical Nutrition	3,475.00	3,475.00
Do	Chase Manhattan Bank, N.A.		
Do	Coalition for the Advancement of Industrial Technology		
Do	CORTECH		
Prather Seeger Doolittle & Farmer, 1600 M Street, NW, 7th Floor Washington, DC 20036	Banker's Assn for Foreign Trade	2,700.00	74.41
Do	John Hancock Mutual Life Insurance Co		158.44
Thomas J. Price, 410 First Stret, SE Washington, DC 20003	American Nuclear Energy Council	2,812.50	573.42
Pro-Life Congressional District 11, P.O. Box 727 San Carlos, CA 94070		25.00	231.67
Project Cure, Inc, 2020 K Street, NW, #350 Washington, DC 20006		36,401.96	250,639.27
Thomas F. Railsback, Nash Railsback & Plesser 1133 15th St., NW, #1100 Washington, DC 20005	Federal Judges Association		
Do	National Council of U.S. Magistrates	2,128.00	
Do	Walt Disney Productions	630.00	
Kathleen Marie Ramsey, 1010 Wisconsin Avenue, NW, #800 Washington, DC 20007	Grocery Manufacturers of America, Inc		
Brian Rasmussen, 1709 New York Ave., NW, #303 Washington, DC 20006	Blue Cross & Blue Shield Assn		
G. David Ravencraft, 1025 Connecticut Ave., NW, #507 Washington, DC 20036	Ashland Oil, Inc	2,000.00	
Reading Is Fundamental, Inc, 600 Maryland Ave., SW, #500 Washington, DC 20560			400.35
Robert S. Reese Jr., 2200 Mill Road Alexandria, VA 22314	American Trucking Assns, Inc	9,000.00	361.42
William D. Reese, P.O. Box 899 Salt Lake City, UT 84110	Utah Power & Light Co	5,200.00	2,796.00
Reese Communications Companies, Inc, 1925 North Lynn St., #1140 Arlington, VA 22209	Blue Cross & Blue Shield Assn		
William Reffalt, 1400 Eye St., NW Washington, DC 20005	Wilderness Society	1,068.75	100.00
Kathleen Reinburg, 2000 P Street, NW, #305 Washington, DC 20036	Foresight Science & Technology, Inc (For:Society for American Archaeology)	937.00	
Nooley Reinheardt, Nooley Reinheardt & Assoc. P.O. Box 23190 Washington, DC 20024	Rural Builders Council of California		
John W. Rendon Jr., 1439 Rhode Island Ave., NW Washington, DC 20005	Rendon Company		
Rendon Company, 1439 Rhode Island Ave., NW Washington, DC 20009			
Resource Technical Consultants (USA), Inc, D/B/A Tecna, 19th Floor 330 Seventh Avenue New York, NY 10001		14,747.08	11,122.26
Richard Richards, Law Office of Richard Richards 1050 Thomas Jefferson Street, NW, 6th Fl Washington, DC 20007	Aerospace Industries Assn of America		
Do	Hughes Aircraft Company		
Do	Sikorsky Aircraft		
Do	Universidad Autonoma de Guadalajara	600.00	31.48
Warren S. Richardson, 325 Pennsylvania Ave., SE Washington, DC 20003	Washington Lobby Group, Inc (For:Preston Corp)	3,000.00	
Wesley S. Richardson, P.O. Box #65 Washington Grove, MD 20880	Washington Lobby Group, Inc (For:Preston Corp)	1,500.00	
Les Richter, 1801 Speedway Boulevard Daytona Beach, FL 32015	National Assn for Stock Car Auto Racing, Inc (NASCAR)	8,000.00	
Do	National Motorsports Comm of ACCUS, FIA, Inc		2,354.59
Larry D. Rickards, 1200 17th Street, NW Washington, DC 20036	American Psychological Assn	2,288.00	227.85
Riddell Holroyd & Butler, 1331 Pennsylvania Avenue, NW, #1215 Washington, DC 20004	H. F. Ahmanson & Co	3,750.00	
Do	Associates Corp of North America	1,000.00	
Do	Beneficial Corporation		
Do	W. K. Kellogg Foundation	3,750.00	
Siert F. Riepma, 1101 15th St., NW, #202 Washington, DC 20005	National Assn of Margarine Manufacturers		
William A. Roberts, 444 North Capitol Street, #711 Washington, DC 20001	TKC International Inc (For:Capitol Metropolitan Transportation Authority)	400.00	
Do	TKC International Inc (For:University of Miami)	600.00	
Do	TKC International Inc (For:UNIAO Nacional Para Independencia Total DeAngola)	9,800.00	
Do	TKC International Inc (For:Westinghouse Electric Corp)		
Michelle Robinson, 100 Maryland Avenue, NE Washington, DC 20002	Council for a Livable World	3,649.50	
Tom Robinson, 1400 Eye St., NW Washington, DC 20005	Wilderness Society	1,301.01	
Robinson Lake & Lerer, Inc, 1667 K St., NW, #900 Washington, DC 20007	Grocery Manufacturers of America		
Do	Sun-Diamond Growers of California	5,000.00	
Michael J. Rock, 50 F Street, NW, #1100 Washington, DC 20001	American Hospital Assn	1,805.25	175.09
Keith Rogers, 47 Lafayette Place, Apt. 6d Greenwich, CT 06830	U.S. Tobacco Company		
Margaret Rogers, 1275 K Street, NW, #400 Washington, DC 20005	Society of the Plastics Industry, Inc		
Terrell A. Rogers, 7 Wildwood Road Cornelia, GA 30531			
Rogers & Wells, 1737 H Street, NW Washington, DC 20006	Manufacturers Life Insurance Co, Inc		
Stephen F. Rohrkemper, 150 S. Washington St., #100 Falls Church, VA 22046	International Technical Expertise Ltd		
Jack Rollins, 1201 16th Street, NW Washington, DC 20036	Overseas Education Assn & National Education Assn		
James Roosevelt, 201 East Sand Point, #250 Santa Ana, CA 92715	National Committee to Preserve Social Security	10,000.00	
Michael F. Rosanio, 1620 I Street, NW, #1000 Washington, DC 20006	Motor Vehicle Manufacturers Assn of the U.S., Inc		
Lawrence J. Ross, Ross & Duerk, P.C. 1700 K Street, NW, #1100 Washington, DC 20006			
William H. Rossi, 601 Indiana Ave., NW, #605 Washington, DC 20004			
Joseph L. Rosso, 2200 Mill Road Alexandria, VA 22314	American Trucking Assns, Inc	9,000.00	969.83
Rhond Rudolph Roth, 813 Maryland Avenue, NE Washington, DC 20002	Hauck & Associates, Inc		
William C. Rountree, Suite 600 1001 22nd St., NW Washington, DC 20037	Standard Oil Co (Ohio)		
Robert S. Royer, Royer & Shacknai 1747 Pennsylvania Ave., NW Washington, DC 20006	Drexel Burnham Lambert, Inc		
Eric M. Rubin, Rubin Winston & Diercks 1730 M St., NW, #412 Washington, DC 20036	Outdoor Advertising Assn of America, Inc	2,000.00	
James S. Rubin, Kleinfeld Kaplan & Becker 1140 19th Street, NW Washington, DC 20036	Allied-Signal, Inc	4,250.00	
Do	Pacific Western Distributing Corp	450.00	
Robert A. Rusbuldt, 600 Pennsylvania Avenue, SE, #200 Washington, DC 20003	Independent Insurance Agents of America, Inc	16,154.00	
George J. Ryan, 915 Rockefeller Building Cleveland, OH 44113	Lake Carriers' Assn		
John G. Ryan, 1700 K Street, NW, #601 Washington, DC 20006	Squibb Corporation	1,000.00	
Patricia Ryan, 1400 K Street, NW Washington, DC 20005	American Psychiatric Assn	1,690.00	988.66
David W. Sanasack, 1000 16th Street, NW, #701 Washington, DC 20036	Federal Managers Assn	4,800.00	50.00
Myron G. Sandifer III, 1489 Chain Bridge Road, #200 McLean, VA 22101	Jack McDonald Co (For:Societe Generale de Surveillance, S.A.)		
Eric Sapirstein, ENS Resources, Inc 2712 Wisconsin Avenue, NW, #801 Washington, DC 20007	City of Bakersfield		
Do	Jellinek Schwartz Connolly & Freshman, Inc	3,000.00	46.72
Do	Las Virgenes Municipal Water District	150.00	41.84
Do	Western Research Institute	845.00	578.50
Robert Wayne Sayer, 1900 M St., NW, #1029 Washington, DC 20036	GCA Corp		
Schagrin Associates, 1112 16th St., NW, #1000 Washington, DC 20036	Committee on Pipe & Tube Imports	31,732.51	212.34
Schiff Hardin & Waite, 1101 Connecticut Avenue, NW Washington, DC 20036	Chicago Board Options Exchange		
James P. Schlicht, 1700 K Street, NW, #601 Washington, DC 20006	Squibb Corporation	1,000.00	
Arthur C. Schmitt, 3705 S. George Mason Drive, Apt. 301 So. Falls Church, VA 22041	Oxford Group, Limited		
Herbert K. Schmitz, 1600 M St., NW, #702 Washington, DC 20036	ICI Americas Inc		
Mark L. Schneider, 1001 22nd Street, NW, #600 Washington, DC 20037	Standard Oil Co (Ohio)		
Leah Webb Schroeder, 1030 15th Street, NW, #100 Washington, DC 20005	Health Industry Manufacturers Assn		
William B. Schultz, Suite 700 2000 P St., NW Washington, DC 20036	Public Citizen, Inc		
Schwabe Williamson Wyatt Moore & Roberts, Suite 302 1000 Potomac St., NW Washington, DC 20007	Investment Co Institute	666.97	502.79
Do	Mountain States Energy, Inc	2,138.03	1,611.92
Do	State of Oregon, City of Portland, Oregon Metro	2,999.46	2,261.38
Alan R. Schwartz, Nash Railsback & Plesser 1133 15th Street, NW, #1100 Washington, DC 20005	Disclosure Information Group		
Do	Journal of Commerce, Inc		
Carl F. Schwensen, 415 2nd St., NE, #300 Washington, DC 20002	National Assn of Wheat Growers	4,143.23	
Schwinn Bicycle Co, 217 North Jefferson St. Chicago, IL 60606			850.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Ellen Scott, 1750 New York Avenue, NW Washington, DC 20006	Sheet Metal Workers International Assn	6,325.00	
Michael Scott, 1400 Eye St., NW, 10th Fl. Washington, DC 20005	Wilderness Society	2,329.68	267.81
Scrivens Goldstone & Co, 5857 S. Gessner, #287 Houston, TX 77036			
Walter J. Sczudlo, 1129 20th Street, NW, #300 Washington, DC 20036	Natural Gas Supply Assn	15,000.00	380.63
Peter M. Seremet, 16 Munson Road Farmington, CT 06034-0338	Heublein, Inc	15,215.00	5,136.68
John J. Serfustini, P.O. Box 899 Salt Lake City, UT 84110	Utah Power & Light Co	6,250.00	4,500.00
Terry L. Serie, 1250 Connecticut Avenue, NW Washington, DC 20036	American Paper Institute, Inc	2,000.00	
Ali A. Shami, 6863 Calhoun Dearborn, MI 48126	United Lebanese Lobby of America		
Norman F. Sharp, 1100 17th Street, NW, #1201 Washington, DC 20036	Cigar Assn of America, Inc		
Daniel E. Shaughnessy, 1008 N. Randolph St., #206 Arlington, VA 22201	Western Great Lakes Maritime Assn		
Shaw Pittman Potts & Trowbridge, 2300 N Street, NW Washington, DC 20037	Association for the Improvement of the Mississippi River		
Shea & Gould, 1627 K St., NW, #1000 Washington, DC 20006	Group Health, Inc		
Shipley Smoak Henry & Holdgreiwe, 910 17th Street, NW, #320 Washington, DC 20006	Bluejay Oil Company		
Do	Fort Sill Gardens, Inc		
Do	Steadman Mutual Funds		
Do	Steadman Security Corporation		
Do	WBNO Radio and WLKM Radio		
Elizabeth Shipley-Moses, 1107 Jackson Court Falls Church, VA 22046	Society for Nutrition Education	207.00	
Craig Shirley & Assoc., Inc, 919 Prince Street Alexandria, VA 22314	National Farmers' Federation of Australia		
Elaine Shocas, 555 New Jersey Avenue, NW Washington, DC 20001	American Fed of Teachers	8,437.50	60.00
Elisa Siegel, 919 18th Street, NW, #400 Washington, DC 20006	Diamond Shamrock Corp		
Sierra Club, 730 Polk Street San Francisco, CA 94109		232,599.35	232,599.35
Stephen Silbiger, 1625 L St., NW Washington, DC 20036	American Fed of State County & Municipal Employees	15,420.96	245.78
Ronald G. Sills, 1148 Conroy Lane, #17 Roseville, CA 95661	Military, Federal & State Prisoner Inmates		
Howard J. Silver, 1200 17th St., NW, #520 Washington, DC 20036	Consortium of Social Science Assns	900.00	28.85
Steve Silver, Robertson Monagle & Eastaugh 1050 Thomas Jefferson St., NW, 6th Fl. Washington, DC 20007	Apex Marine Corp		
Do	Crowley Maritime Corp		
Don S. Smith, The Smith Firm 1730 Pennsylvania Ave., NW, #300 Washington, DC 20006	Kern River		
Do	Northwest Pipeline Corp	818.75	8.00
Ellen S. Smith, 1400 K Street, NW Washington, DC 20005	American Psychiatric Assn	2,432.00	1,420.35
Herbert Smith, 901 31st Street, NW Washington, DC 20007	Hill & Knowlton, Inc (For:Angus Defense Systems, Inc)		
Do	Hill & Knowlton, Inc (For:Euromissile)		
Hugh H. Smith, 1020 19th Street, NW, #600 Washington, DC 20036	American Express Co		
James P. Smith, 1300 N. 17th St., #1000 Arlington, VA 22209	Hospital Corp of America		
Patrick F. Smith Jr., Suite 1101 1730 K Street, NW Washington, DC 20006	National Treasury Employees Union	15,900.00	
Velma Smith, 218 D Street, SE Washington, DC 20003	Environmental Policy Institute	13.29	
Smith Dawson & Andrews, Inc, 1000 Connecticut Ave., NW, #304 Washington, DC 20036	City of Eugene, Oregon	9,000.00	
Do	Colorado Dept of Labor	4,275.00	
Do	Illinois Diversatech Corp		
Do	N.Y. Metropolitan Transportation Agency	16,500.00	17,575.00
Do	Power Packaging, Inc		
Do	San Francisco P.U.C	10,998.00	
Wayne H. Smithey, 815 Connecticut Ave., NW Washington, DC 20006	Ford Motor Co	2,804.80	653.60
Randall D. Snodgrass, 1400 Eye St., NW Washington, DC 20005	Wilderness Society	5,187.60	4,329.98
Edward F. Snyder, 245 2nd St., NE Washington, DC 20002	Friends Committee on National Legislation	6,246.45	
Society for Nutrition Education, 1736 Franklin Street, 9th Floor Oakland, CA 94612		23.88	227.00
Vincent R. Sombrotto, 100 Indiana Ave., NW Washington, DC 20001	National Assn of Letter Carriers	5,046.81	
Terry Sopher, 1400 Eye St., NW, 10th Fl. Washington, DC 20005	Wilderness Society	3,297.00	254.97
Walter Larke Sorg, 1625 Eye St., NW, #204 Washington, DC 20006	Atkinson Dredging Co		
Do	Cottrell Engineering Corp		
Do	Southeastern Dredge Owners Assn Size Standard Appeal Comm		
Thomas J. Spangler, 1730 K Street, NW, #1100 Washington, DC 20006	National Treasury Employees Union	11,250.00	130.20
Philip Speser, 2000 P St., NW, #305 Washington, DC 20036	Foresight Science & Technology, Inc (For:National Coalition for Science & Technology).		
Do	Foresight Science & Technology, Inc (For:Society for American Archaeology)	1,100.00	
Spiegel & McDiarmid, 1350 New York Ave., NW Washington, DC 20005-4798	Northern California Power Agency, et al		
Do	Service Employees International Union, AFL-CIO		
Alan P. Spielman, 1709 New York Avenue, NW, #303 Washington, DC 20006	Blue Cross & Blue Shield Assn		
Frances Spivy-Weber, 801 Pennsylvania Avenue, SE Washington, DC 20003	National Audubon Society	250.00	205.00
Squire Sanders & Dempsey, 1201 Pennsylvania Ave., NW P.O. Box 407 Washington, DC 20044	Chase Manhattan Bank National Assn		
Do	Samaritan Health Services		
Walter Stafford, 105 East 22nd Street New York, NY 10010	Community Service Society		
Melvin R. Stahl, Suite 1410 1235 Jefferson Davis Hwy. Arlington, VA 22202	Motorcycle Industry Council, Inc		
Elvis J. Stahr Jr., 1815 H Street, NW, #600 Washington, DC 20006	Cassidy & Associates, Inc		
Do	National Audubon Society		
Standard Oil Co (Ohio), 1001 22nd St., NW, #600 Washington, DC 20037			35,210.59
Melvin L. Stark, 1025 Connecticut Ave., NW, #415 Washington, DC 20036	American Insurance Assn		
Jane Sutter Starke, 1818 N St., NW Washington, DC 20036	Eckert Seamans Cherin & Mellott (For:Burlington Northern, Inc)	4,666.25	
Henry J. Steenstra Jr., 1000 Wilson Boulevard, #2600 Arlington, VA 22209	TRW, Inc	1,226.00	269.00
Steptoe & Johnson, 1330 Connecticut Ave., NW Washington, DC 20036	Alliance for Cannabis Therapeutics		
Do	Association of Private Pension & Welfare Plans, Inc		
Do	Cement Importers Assn	17,775.50	1,844.00
Do	Coalition for Uniform Product Liability Law		
Robert B. Stewart, 1050 17th St., NW, #700 Washington, DC 20036	National Ocean Industries Assn	583.00	
Kenneth F. Stinger, 2200 Mill Rd Alexandria, VA 22314	American Trucking Assns, Inc	9,000.00	222.55
John J. Stirk, 1745 Jefferson Davis Highway, #1000 Arlington, VA 22202	General Dynamics Corp	1,000.00	301.84
George W. Strong, 2242 Bartlett Houston, TX 77098	Enron		
Sutherland Asbill & Brennan, 1275 Pennsylvania Ave., NW Washington, DC 20004	American Industrial Clay & Georgia Kaolin	700.83	81.07
Do	Anglo-American Clays Corp	700.83	81.07
Do	Engelhard Minerals & Chemicals Corp	700.84	81.07
Do	J. M. Huber Corp	700.83	81.07
Do	Nord Resources Corp	700.83	81.07
Do	Thiele Kaolin Co	700.84	81.06
Rosemarie Sweeney, Suite 770 600 Maryland Ave., SW Washington, DC 20024	American Academy of Family Physicians	3,562.00	1,650.61
Scott R. Swirling, 122 C St., NW, #380 Washington, DC 20001	National Family Planning & Reproductive Health Assn, Inc		
Taggart & Associates, Inc, 1155 15th Street, NW, #1108 Washington, DC 20005	Animal Health Institute		
Do	Association of American Railroads		
Do	Marion Laboratories, Inc		
Do	Telephone & Data Systems, Inc		
Charles E. Taylor, 1801 K Street, NW, #1200 Washington, DC 20006	IBM Corp		
Tempo Enterprises, Inc, P.O. Box 702160 Tulsa, OK 74170			
Paul M. Tendler, 1090 Vermont Ave., NW Washington, DC 20005	Paul Tendler Associates, Inc (For:American Licensed Practical Nurses Assn)		
Do	Paul Tendler Associates, Inc (For:Bascom, Inc)		
Do	Tendler & Biggins (For:Geodesco)		
Do	Paul Tendler Associates, Inc (For:National Institute of Tenants)		
Do	Paul Tendler Associates, Inc (For:Rasch Elektronik)		
Do	Paul Tendler Associates, Inc (For:Schoeneman, Inc)		
Do	Tendler & Biggins (For:Solargistics Corp)		
Do	Paul Tendler Associates, Inc (For:Southeastern Exporters)		
Thacher Proffitt & Wood, 1140 Connecticut Ave., NW, #512 Washington, DC 20036	Connecticut Savings Bank Life Insurance Co		
Do	Massachusetts Savings Bank Life Insurance Co		
Do	Savings Bank Life Insurance Fund		
Edlu J. Thom, 919 18th Street, NW, #400 Washington, DC 20006	Diamond Shamrock Corp	1,000.00	51.69
Thomas E. Thomason, 1620 Eye Street, NW, #703 Washington, DC 20006	Bechtel Power Corporation		
Marilyn A. Berry Thompson, 444 North Capitol Street, #711 Washington, DC 20001	Keefe Company (For:American Business Coalition, Inc)		
Do	Keefe Company (For:Carteret Savings & Loan)	900.00	
Do	Keefe Company (For:Cordish & Embry Associates)		
Do	Keefe Company (For:Dormitory Authority)	1,700.00	
Do	Keefe Company (For:Essex Company)		
Do	Keefe Company (For:Mutual Benefit Insurance Co)	8,200.00	
Do	Keefe Company (For:New York University)	9,000.00	
Do	Keefe Co (For:University of the Sacred Heart)		
Do	Keefe Company (For:University of Medicine & Dentistry of New Jersey)	1,500.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Keefe Co (For:University of Miami)	550.00	
Richard L Thompson, 1700 K Street, NW, #601 Washington, DC 20006	Squibb Corporation	1,500.00	
Thompson & Bussart, 1919 Pennsylvania Avenue, NW, #850 Washington, DC 20006	Central States SE & SW Areas Health & Welfare & Pension Fund	4,900.00	
Do	Westinghouse Electric Corp		
Thompson Hine & Flory, 1920 N St., NW, #700 Washington, DC 20036	National Pork Producers Council		408.67
Margaret A. Thomson, 655 15th St., NW, #300 Washington, DC 20005	City of Moorhead	100.00	
Pamela J. Thurber, 1785 Massachusetts Ave., NW Washington, DC 20036	National Trust for Historic Preservation	978.87	211.55
Whitney C. Tilt, 801 Pennsylvania Ave., SE Washington, DC 20003	National Audubon Society	7,000.00	2,858.77
Ron Tipton, 1400 Eye St., NW Washington, DC 20005	Wilderness Society	1,524.17	130.06
David R. Toll, 2121 K Street, NW, #880 Washington, DC 20037	Public Service Co of Colorado		
Do	Western Utilities Clean Air Group		
Jay C. Townley, 217 North Jefferson St. Chicago, IL 60606	Schwinn Bicycle Co		
Trilling & Kennedy, 1900 L Street, NW, #310 Washington, DC 20036	Ace Metal Fabricators, et al	10,688.43	
J. Terry Turner, 2200 Mill Road Alexandria, VA 22314	Interstate Carriers Conference	500.00	150.00
Jane L. Turner, 1920 N Street, NW Washington, DC 20036	American Mining Congress		
Max Turnipseed, 1155 15th Street, NW, #611 Washington, DC 20005	Ethyl Corporation	2,475.00	69.00
Twentieth Century Enterprises, 3615 Wisconsin Avenue, NW Washington, DC 20016			
U.S. Committee for the Oceans, Route 2, Box 91 Ararat, VA 24053			
Mark J. Ugoretz, 1726 M Street, NW, #1101 Washington, DC 20036	Erisa Industry Committee	2,380.00	
Steven W. Unglesbee, 729 15th Street, NW Washington, DC 20005	Associated Builders & Contractors, Inc	2,500.00	
Unique Athletes, Inc, 3 Woodland Avenue Westhampton Beach, NY 11978			9,310.00
United Services Automobile Assn, 9800 Fredericksburg Road San Antonio, TX 78288			
Uranium Producers of America, c/o Covington & Burling 1201 Pennsylvania Ave., NW P.O. Box 7566 Washington, DC 20044		50,620.55	90,746.33
Edward M. Urschel, 1424 16th St., NW, #701 Washington, DC 20036	Federation for American Immigration Reform		47.05
Mary Uyeda, 1200 17th Street, NW Washington, DC 20036	American Psychological Assn	2,675.00	94.00
John A. Vance, 1726 M St., NW, #1100 Washington, DC 20036-4502	Pacific Gas & Electric Co	8,472.00	6,702.44
Karl VanVeen, 1957 E Street, NW Washington, DC 20006	Associated General Contractors of America		
Donald R. Vaughan, P.O. Box 1288 Asheboro, NC 27204	Stedman Corporation		
Kristin Lea Vehrs, 1110 Vermont Avenue, NW, #1160 Washington, DC 20005	American Assn of Zoological Parks & Aquariums		
Do	Texas Shrimp Assn		
Verner Liipfert Bernhard Mcpherson & Hand, Chtd, 1660 L Street, NW, #1000 Washington, DC 20036	Brown & Root, Inc	1,122.00	
Do	Central Gulf	500.00	
Do	Federated Dept Stores, Inc	1,297.00	
Do	GenCorp	4,157.00	
Do	Investment Company Institute	9,133.00	
Do	John F. Kennedy Center for the Performing Arts	300.00	
Do	Mutual of America		
Do	Rayburn Country Electric Cooperative, Inc	5,115.00	
Do	STV Engineers	2,015.00	
Do	Travelers Corporation	13,866.00	
Do	John Tudor		
Do	TRW, Inc	2,049.00	
Melanne Verveer, 1424 16th St., NW Washington, DC 20036	People for the American Way	5,937.48	116.50
Vorys Sater Seymour & Pease, 1828 L Street, NW, #1111 Washington, DC 20036	Alliance for Corporate Growth	22,457.55	2,286.61
Do	Cabot Corporation	2,692.55	263.96
Do	Committee of Publicly Owned Companies		
Do	Executive Jet Aviation		
Do	Ohio Deposit Guaranty Fund		
Do	Ohio Manufacturers Assn		
Do	Smith Corona Corp	17,550.40	3,667.00
Do	Trustcorp/Toledo Trust Co	21,600.00	3,059.57
Sadami Wada, 9 West 57th Street New York, NY 10019	Sony Corp of America		
Wagner & Baroody, Inc, 1615 L St., NW, #750 Washington, DC 20036	Alfin Fragrance		
Do	Canadian General Electric		
Do	Daewoo International Corp	3,125.00	2,603.00
Do	National Beer Wholesalers of America	5,681.25	1,844.23
Do	National Debt Repayment Foundation	875.00	406.73
Andrew B. Waldo, 1330 Connecticut Ave., NW, #300 Washington, DC 20036-1702	Synthetic Organic Chemical Manufacturers Assn, Inc		
Kristi Wallin, 1730 K St., NW, #703 Washington, DC 20006	American Business Conference	55.00	25.00
Barbara F. Warden, 1710 Broadway New York, NY 10019	International Ladies Garment Workers Union	7,586.51	205.62
Washington Independent Writers, Inc, 733 15th St., NW, #220 Washington, DC 20005			
Washington Lobby Group, Inc, 325 Pennsylvania Ave., SE Washington, DC 20003	Preston Corp	9,000.00	
Ronald D. Waterman, 227 Massachusetts Ave., NE, #300 Washington, DC 20002	Milwaukee County-Intergovernmental Relations	18,375.00	4,733.32
Lucy R. Watkins, 236 Massachusetts Ave., NE, #504 Washington, DC 20002	Center for Law and Education, Inc	1,553.29	
Carl E. Watt Jr., 1745 Jefferson Davis Hwy, #1200 Arlington, VA 22202	Rockwell International Corp	9,250.00	489.40
James D. Webb, 1400 Eye Street, NW Washington, DC 20005	Wilderness Society	385.72	
Susan Weber, 1601 Connecticut Ave., NW, 4th Fl. Washington, DC 20009	Zero Population Growth, Inc	25.00	
Webster & Sheffield, 1200 New Hampshire Ave., NW, #350 Washington, DC 20036	Colorado SSC Project		62.00
Webster Chamberlain Bean & McKevitt, 1747 Pennsylvania Ave., NW, #1000 Washington, DC 20006	Beer Industry Alliance		
Do	Kelly Assisted Living	1,000.00	150.00
Do	Kelly Services, Inc		
Do	Mesaba Aviation, Inc		
Do	National Assn of Wholesaler-Distributors	2,000.00	
Do	National Fed of Independent Business	5,000.00	345.00
Paul Weckstein, 236 Massachusetts Ave., NE, #504 Washington, DC 20002	Center for Law and Education, Inc	1,532.94	
Lee J. Weddig, Suite 580 2000 M St., NW Washington, DC 20036	National Fisheries Institute	4,000.00	
Stanley A. Weiss, 21 Dupont Circle, NW, #300 Washington, DC 20036	Business Executives for National Security		
Suzanne Weiss, 1129 20th Street, NW, #400 Washington, DC 20036	American Assn of Homes for the Aging	225.00	
William B. Welsh, 1625 L St., NW Washington, DC 20036	American Fed of State County & Municipal Employees	17,856.18	58.50
Roland Wesley, 1159 Quail Run Bolingbrook, IL 60439	Committee for Minor. Access to Post Second. School Ownership		
G. Franklin West, 499 S. Capitol St., SW, #507 Washington, DC 20003	Bill Hecht & Associates, Inc (For:Church Alliance)		
Do	Bill Hecht & Associates, Inc (For:Freedom & Justice for Cyprus Trust)		
Do	Bill Hecht & Associates, Inc (For:Hong Kong Trade Development Council)		
Do	Bill Hecht & Associates, Inc (For:Mutual Fairness Taxation Assn)		
Pamela R. West, 1200 17th Street, NW Washington, DC 20036	American Psychological Assn	2,250.00	60.00
Curtis E. Whalen, 490 L'enfant Plaza, SW, #3202 Washington, DC 20024	Transco Energy Company	5,000.00	2,601.30
Robert L. Whitmire, 1745 Jefferson Davis Highway, #1000 Arlington, VA 22202	General Dynamics Corp	1,000.00	495.70
Steven C. Whitney, 1400 Eye Street, NW Washington, DC 20005	Wilderness Society	2,122.42	57.25
Dean M. Wilkinson, 1611 Connecticut Avenue, NW Washington, DC 20009	Greenpeace, USA	333.27	44.54
Ralph E. Willham, 1750 New York Ave., NW Washington, DC 20006	Sheet Metal Workers International Assn	14,220.36	
Margie R. Williams, 415 2nd St., NE, #300 Washington, DC 20002	National Assn of Wheat Growers	1,708.28	
Perry F. Williams, 225 Main St. Newington, CT 06111	American Radio Relay League, Inc		
Williams & Jensen, P.C., 1101 Connecticut Ave., NW, #500 Washington, DC 20036	American Home Products		
Do	American Hospital Assn	2,967.50	193.86
Do	American Physical Therapy Assn	200.00	16.27
Do	American Real Estate Committee	172.50	
Do	Association of Family Farmers	862.50	33.90
Do	Association of Progressive Rental Organizations	67.50	8.13
Do	Bato Company		
Do	Century 21 Real Estate Corp		
Do	Committee for Employment Opportunities		
Do	Committee for Fairness in Real Estate Taxation		
Do	CIGNA	452.50	21.71
Do	Echo Bay Mines, Ltd		
Do	Estee Lauder, Inc		
Do	Federation for American Immigration Reform	475.00	58.29
Do	Financial Security Assurance		
Do	First Boston Corp	1,525.00	134.21
Do	First Data	250.00	16.27
Do	Freight Forwarders Institute		
Do	General Electric Co		
Do	Goldome FSB		
Do	Higher Education Assistance Foundation	125.00	16.27

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Houston Endowment, Inc	652.50	16.27
Do	IU International Management Corp	125.00	16.27
Do	Kellogg Company		
Do	Kelly Appleman Hart & Hallman	380.00	18.98
Do	Miller and Leher	2,505.00	
Do	Mustang Fuel Corporation		
Do	National Cable Television Assn, Inc	1,450.00	84.06
Do	Nationwide Insurance Co		
Do	Norfolk Southern Corp	2,025.00	126.08
Do	Ken Norris		
Do	Paralyzed Veterans of America	65.00	8.13
Do	Pharmaceutical Manufacturers Assn		67.78
Do	Prolerize-Shiabo-Neu		
Do	Recording Industry Assn of America, Inc	4,975.00	169.79
Do	Student Loan Marketing Assn	375.00	50.17
Do	Texaco, Inc		
Do	Texas Air Corp	2,100.00	153.03
Do	U.S. Telephone Communications, Inc		
Do	Universal Foods, Inc		
Do	USAA Financial Service Co	1,050.00	67.78
Harriet D'Nell Williamson, 1775 K Street, NW Washington, DC 20006	United Food & Commercial Workers Int'l Union		
Willkie Farr & Gallagher, 818 Connecticut Ave., NW, #1100 Washington, DC 20006	Westinghouse Electric Corp	3,000.00	919.34
Wilmer Cutler & Pickering, 2445 M Street, NW Washington, DC 20037-1420	American Textile Manufacturers Industries, Inc		
Do	Capital Cities/ABC, Inc		
Do	Citicorp	2,081.25	78.50
Do	RMI Company	205.00	
Do	World Wildlife Fund	87.50	
David W. Wilmot, 1029 Vermont Ave., NW, #300 Washington, DC 20005	Anheuser-Busch Companies, Inc		
Craig S. Wilson, 4500 Vestal Parkway East Binghamton, NY 13903	New York State Electric & Gas Corp		
Dorothy Wilson, 4201 Cathedral Avenue, NW, #607-E Washington, DC 20016	Coalition of Concerned Charities		
Kerrie Bunting Wilson, 1575 Eye Street, NW, #1060 Washington, DC 20005	American Cancer Society	4,000.00	175.00
Thomas E. Wilson, 1111 19th Street, NW Washington, DC 20036	Seyfarth Shaw Fairweather & Geraldson (For:Independent Insurance Agents of America).	500.00	
Joseph B. Winkelmann, 1250 Connecticut Ave., NW, #620 Washington, DC 20036	National Assn of the Remodeling Industry	1,000.00	
Do	National Assn of Realtors	3,000.00	
S.R. Wojdak and Associates, Inc, 1401 Walnut St., #1000 Philadelphia, PA 19102	Children's Hospital of Pittsburgh	5,700.00	458.52
Do	Health America Corp		
Do	Medical College of Pennsylvania	8,775.00	1,529.34
Do	St. Christopher's Hospital for Children	8,625.00	767.55
G. Kent Woodman, 1818 N Street, NW Washington, DC 20036	Eckert Seamans Cherin & Mellott (For:Burlington Northern, Inc)	1,787.50	
Perry W. Woofter, Suite 530 1800 K St. NW Washington, DC 20006	Tesoro Petroleum Corp	3,000.00	
Linda Anzalone Woolley, 1600 M St., NW Washington, DC 20036	International Telephone & Telegraph Corporation	252.00	114.00
Wunder & Diefenderfer, 1615 L St., NW, #650 Washington, DC 20036	Hospital Corp of America		
Wyatt & Saltzstein, Suite 802 1725 Desales Street, NW Washington, DC 20036	Association of Business Publishers		
Simin Yazdgerdi, 514 2nd Street, SE Washington, DC 20003	FAIR		25.00
Paul Yestrumskas, Gate Post Lane Southbury, CT 06488	Timex Group Ltd	270.00	444.92
Roberta Lynn Youmans, 509 C Street, NE Washington, DC 20002	Roisman, Reno & Cavanaugh (For:National Housing Law Project)	2,100.00	
Jay L. Young, 108 N. Alfred Street Alexandria, VA 22314	Conservative Alliance	2,000.00	
John R. Zagame, John R. Zagame Associates, Inc 1001 Prince Street Alexandria, VA 22314	Bayley Seton Hospital		
Michael Zagorac Jr., 8333 Bryan Dairy Rd. P.O. Box 4689 Clearwater, FL 33518	Jack Eckerd Corp		
Barnaby W. Zall, 1156 15th St., NW, #525 Washington, DC 20005-1704	Fair Congressional Task Force, Inc		
Do	Federation for American Immigration Reform	60.00	
Janice Zarro, Suite 715-16 1660 L St., NW Washington, DC 20036	Avon Products, Inc		
Sharon G. Zedd, 1945 Old Gallows Road, #405 Vienna, VA 22180	American Wood Preservers Institute	7,857.00	784.53
Zero Population Growth, Inc, 1601 Connecticut Ave., NW, 4th Fl. Washington, DC 20009		6,439.00	4,416.00
Barry Zigas, 1012 14th Street, NW, #1006 Washington, DC 20005	National Low Income Housing Coalition	6,250.00	710.00
Michael J. Zimmer, Wickwire Gavin & Gilbs, P.C. 1133 21st Street, NW, #500 Washington, DC 20036	Cogeneration Coalition, Inc	2,000.00	60.00
Do	Consolidated Natural Gas Co	500.00	10.00
Do	PURPA Coalition, Inc		

EXTENSIONS OF REMARKS

GILMAN AGAIN URGES COLLEAGUES TO GRANT COMBAT MERCHANT MARINERS OF WORLD WAR II VETERANS' STATUS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. GILMAN. Mr. Speaker, I would like to take this opportunity to bring to the attention of my colleagues a recent landmark decision by U.S. District Court Judge Louis F. Oberdorfer who overturned the refusal by the Department of Defense to approve veterans status for our merchant marines.

During the 95th Congress, an act was adopted which gave the Department of Defense authority to confer veteran status on groups that participated in the war effort. Although several groups, such as the Women's Army Auxiliary Corps and the Women's Air Force Service Pilots, were granted such status, merchant marines, who had a casualty rate comparable to the Marine Corps, were denied their request on very technical grounds. After exhausting the application procedure, the merchant mariners brought their case before the courts. Judge Oberdorfer ruled that the Defense Department has failed to substantiate its ruling against them. The judge could declare World War II merchant marines active duty veterans or he could order the Pentagon to reconsider their request within explicit guidelines. Lawyers from both sides will submit further arguments in early August.

Judge Oberdorfer is to be commended for his decision. Unfortunately, this is long overdue and had to occur because Congress has neglected its duty for about 40 years. Moreover, while the judge's decision seems to have paved the way for recognizing combat merchant mariners as veterans, the issue is still not even resolved. I believe that we in Congress should send a clear message to the Department of Defense and the American people that we consider those brave merchant mariners who risked their lives in defense of our Nation to be veterans.

Accordingly, I would like to again bring to the attention of my colleague H.R. 1235, a bill introduced by my colleague from New York, Mr. BIAGGI. While this bill is not perfect, it does send a clear message to the Defense Department in support of the merchant mariners. Furthermore, should further delays occur in granting merchant mariners veterans' status, H.R. 1235 would be a viable legislative vehicle to accomplish that goal. These men simply want to be recognized for the vital contribution they made to the war effort. It is about time that our merchant marines receive this due recognition. Accordingly, I urge my colleagues who have not yet done so to cosponsor H.R. 1235.

THE HOMEOWNERSHIP OPPORTUNITY ACT OF 1987

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. LANTOS. Mr. Speaker, having a home of one's own is—and remains—the quintessential symbol of the American dream. Nothing typifies our American way of life more than the ability of normal, working people to house themselves and their families in a decent home at a reasonable cost.

In recent years, however, it has become increasingly difficult, sometimes even impossible, for middle-class Americans to purchase a home—especially a first home. Inflation, a period of high interest rates, and demographic factors have all contributed to this situation. Nowhere is this more evident, unfortunately, than the San Francisco Peninsula which I represent. There skyrocketing costs of housing have simply priced many people out of the housing market.

As chairman of the Subcommittee on Employment and Housing of the Government Operations Committee, I recently chaired a hearing in White Plains, NY, the home of the ranking minority member of the subcommittee, my friend and colleague, Congressman JOE DIOGUARDI. There we examined whether the FHA mortgage program, which has been the backbone of the Federal effort to help middle America buy affordable housing, is effective in high-cost areas. In Westchester County, as in my own congressional district, the average cost of a home is at least twice the maximum amount available through an FHA-insured mortgage. Average home buyers, especially first-time buyers, young families, find it impossible to get started in a home, and they are falling farther behind with each passing year.

A number of policy changes can help make it possible for first-time home buyers with middle-class incomes to take part in this aspect of American life. The legislation which I am introducing today is one step in that direction.

H.R. 3076 will amend the Internal Revenue Code to make it possible for first-time buyers to transfer funds from their IRA accounts or other annuity accounts for use as a down payment on a first home, without a tax penalty which would be required if they withdraw funds for other reasons.

The legislation includes appropriate safeguards to prevent abuse: The maximum amount which may be used in this way is $10,000; and the tax basis of the house will be adjusted accordingly so that, upon sale or rollover, tax will be collected. We do not need and do not intend to provide double tax benefits, but we can help by freeing up IRA funds without tax penalty for the purpose of purchasing a first home.

Mr. Speaker, this bill does not cost the Treasury or the American taxpayers any money. We already defer taxation on these retirement funds. All this legislation does is make it possible to use these funds, without penalty, in order for more Americans to have a part of the American dream.

LESSONS TO BE LEARNED FROM THE IRAN-CONTRA HEARINGS

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. LAGOMARSINO. Mr. Speaker, now that the public phase of the Iran-Contra hearings has ended, I think there are a number of preliminary conclusions which can be drawn.

As my colleague, DICK CHENEY, the ranking House Member on the committee, has noted, the hearings show us several things. First, as the President himself has said, mistakes were made. Selling arms to Iran was a mistake. The diversion of funds from the arms sale to the Contras was a mistake. The delay in notifying Congress was a mistake.

At the same time, there are some mitigating factors, which, while they don't justify the mistakes, do help in understanding them. For example, there is the need, still evident today, to develop better relations with moderate, or more accurately, less radical, factions in Iran. Another mitigating factor is the President's continuing concern over the fate of the American hostages. And finally, there is the fact that classified information given to Congress in confidence, often winds up becoming public knowledge.

I think it is also important to note that the President has cooperated fully and completely with the select committee. He ordered administration witnesses to cooperate fully with the committee, never claiming Executive privilege. He provided thousands of pages of documents, classified and unclassified, including even access to his own personal diary. He created the Tower Commission, cooperated with their investigation, and took their criticisms to heart. He supported the call for an independent counsel. He replaced the top staff of the National Security Council. It takes a strong leader, confident of his own actions, to willingly subject himself and his administration to thorough investigation, which he did.

Also, I think it is important to point out what these hearings did not show. There was no evidence that the President knew of the diversion of profits from the arms sale to the Contras. There was no evidence that the President tried to conceal the diversion; in fact, it

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

was his Attorney General who discovered and announced the diversion.

So what lessons can we draw from the hearings? I think there are several. First, there is the policy question. What should we do about the American hostages, and about the general situation in the Middle East? I don't know the answer to this very complex question, but I think we need to acknowledge that the problem still exists, and is liable to persist for some time. Already, the Soviets are making their moves in Iran. We need to develop a coherent policy and to mobilize the Congress and the administration behind it. We cannot continue to present a divided face to the nations in that region.

The same need applies to the situation in Nicaragua. We cannot afford to have the Congress and the administration going different ways on this issue, and especially when Congress changes its view from one year to the next and then back again. Again, we need a coherent policy in this area, and hopefully, one of the outcomes of the hearings will be to unify the Congress and the administration on this issue.

Finally, there is the question of institutional reform. The President has already undertaken reforms in the way the White House and the National Security Council operate. Further reforms may be needed. The Congress also needs to take a look at some reforms on its own. We should end the practice, for example, of legislating significant policy changes, especially foreign policy changes, in "continuing resolutions." These resolutions have become omnibuses, carrying everything from soup to nuts in one package. Members have no realistic way of differentiating between good and bad policies in voting on these resolutions, which are typically presented on a straight, up-or-down, take-it-or-leave-it basis. Nor is the President given any opportunity to separate the good from the bad. He can only sign or veto the entire package, and often the choice is between closing down the whole Government or accepting policies he does not agree with. It's a form of blackmail, and it damages the balance of powers established in the Constitution.

The other institutional problem we need to address is Congress' own inability to safeguard classified information. I believe the suggestion of my colleague from Illinois, Mr. HYDE, is appropriate. He has introduced legislation which I have cosponsored, to establish a small, joint intelligence committee to minimize the opportunities for disclosure of secrets while still preserving congressional prerogatives.

In conclusion, Mr. Speaker, I think there are many lessons we can learn from these hearings, and I await with anticipation the final committee report.

TRIBUTE TO GENERAL CHAPTER 64 OF THE DISABLED AMERICAN VETERANS

HON. JOE KOLTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. KOLTER. Mr. Speaker, today I rise to honor the General Chapter 64 of the Disabled American Veterans for 50 years of dedicated service. I would now like to acknowledge the 34 charter members: John Adams, Phillip Barrickman, William Breese, C.A. Brown, John Causer, E. Cummings, George Curtis, Leo Di Biccari, James Dietrick, Martin Dietrick, Roy Dipner, Robert Elder, Charles Evans, Harry Freehling, Clarence Fry, Paul Haben, James Hampton, Damuel Holland, Robert Hunter, Richard James, Clyde Keyes, C.O. King, Frank Marini, Fred Marrow, William Mechling, Howard Miller, Emil Muhla, Charles Raymond, Clarence Shook, Harry Thompson, Frank Turner, Joseph Varacallo, Ernest Walborn, and Herbert Wilson.

Over the years the chapter has contributed a wide range of services to the community. For example, they have volunteered at the Veterans' Administration Medical Center, taken flags to various cemeteries on Memorial Day, donated to hospitals, helped educate the public regarding handicapped parking problems, held bingo parties for hospitalized veterans, and participated in veterans events on Memorial Day and Veterans Day.

Since 1937 these men and all other members of the Chapter 64 of the Disabled American Veterans have worked unselfishly on behalf of their fellow veterans. Thus it is with great pride that I make their good work performance and selfless deeds known to the Congress today. I know that my colleagues will join me in wishing all of the members of the General Butler Chapter 64 of the Disabled American Veterans a happy 50th anniversary and continued success in the future.

THE GORBACHEV GAMBIT: A NEUTRAL GERMANY

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. MICHEL. Mr. Speaker, while the West continues to go ga-ga over every new disclosure of the glasnost policy, Mr. Gorbachev is playing the west European public like a fiddle. Hypnotized by Gorbachev's rhetoric about openness, we fail to see that at the same time he rattles on about the need to be open, he is very carefully and very skillfully pursuing a policy of soft words and hard policy in West Germany. And it would appear he is succeeding.

At this point I wish to include in the RECORD, "Gorbachev is Going Over Kohl's Head To Woo New Generations of Germans," from the Wall Street Journal, Monday, August 3, 1987.

GORBACHEV IS GOING OVER KOHL'S HEAD TO WOO NEW GENERATIONS OF GERMANS

(By Frederick Kempe)

WASHINGTON.—The Soviet Union has maneuvered West German Chancellor Helmut Kohl into a corner over 72 militarily insignificant missiles. But its real aim is to expand its influence on West German politics at Washington's expense.

A vital part of this plan is a Soviet effort to bypass Mr. Kohl and other conservative leaders and reach out to a younger generation of Germans who don't share their elders' fears of the Soviet Union or see the U.S. as a savior.

After several years of cold-shouldering Bonn, Moscow this year turned on the warmth. The Kremlin rolled out its red carpet for President Richard von Weizsacker in July, the first visit to Moscow by a West German head of state in 15 years. It followed by permitting Erich Honecker to make the first official visit by an East German party chief to Bonn; he will go there next month.

Having whetted Bonn's appetite for a new round of detente, Soviet leader Mikhail Gorbachev hopes the West German public's hunger for arms reduction will override the Bonn government's insistence that it hang on to 72 Pershing 1A missiles, weapons that have a range of 300 to 500 miles and nuclear warheads controlled by the U.S. Moscow never paid much attention to the obsolescent missiles, which weren't part of superpower talks.

But it couldn't resist using the pending Honecker visit as leverage to, among other things, sow tension in the alliance and weaken Mr. Kohl, a man who angered the Kremlin by comparing Mr. Gorbachev's public relations blitzkrieg to that of Nazi propagandist Josef Goebbels.

"OVER KOHL'S HEAD"

Mr. Gorbachev "is talking over Kohl's head to the West Germans, and they are listening," says John Hardt, a Library of Congress expert on the Soviet Union. "The Pershing 1As are only part of it."

Mr. Hardt says the Soviet goal isn't as limited as arms control or as ambitious as wrenching Bonn from the Western alliance. Instead, Miscow wants to breed "de facto neutralism," making Bonn a voice within the North Atlantic Treaty Organization that is more responsive to Moscow's wishes and less attached to Washington on issues ranging from conventional arms talks to allied controls on technology sales to Moscow.

Moscow's risk in making so much of the Pershing 1A issue is that Bonn will hold fast to its position and the Kremlin will back down. West German officials say Moscow wants an agreement on short-range and intermediate-range missiles too badly to lose it over weapons that will be obsolete in five to seven years, anyway. They hope the Soviets will be satisfied with a West German promise that after an arms agreement they are likely to mothball the weapons.

But some U.S. officials believe it is far more likely West Germany will give in. Mr. Kohl doesn't want to appear to be the major impediment to an arms agreement on the eve of Mr. Honecker's visit. He will be pushed toward compromise by public opinion and by his foreign minister, Hans Dietrich Genscher, who is eager to open a second phase of detente.

Moreover, most U.S. officials feel that holding onto the warheads for the German systems is a losing cause after Washington agreed to give up all its similar warheads on this class of weapon. Some West German officials privately hope the U.S. will make the decision, taking the onus off them. But Washington doesn't want to be blamed for pulling the rug out from under Mr. Kohl.

But the problem goes beyond arms control. While President Reagan and his Republican Party might view an arms agreement as a political elixir, the Soviets see it as a tool to help construct a "European House" without U.S. influence. Moscow recognizes that its defense buildup has hurt its political ambitions, so it is trying to reduce Western Europe's defense dependence on Washington by altering the perception that the Soviet Union is a threat.

"They are initiating a situation where they are trying to restructure the security map," say Ronald Asmus, a research fellow at the Free University of Berlin. "They are preparing the next generation of Germans to think of the Soviets as a basically benign, peace-seeking, European power. Very few people here believe in the Soviet threat anymore."

Mr. Gorbachev clearly has made serious inroads in West German perceptions. When the Wickert polling institute last month asked West Germans from whom they'd perfer to buy a used car, 42% said Mr. Gorbachev and 36% said Mr. Reagan. There was an even larger gap (38% to 30%) over which leader they would invite to their house and a still larger (62% to 38%) pro-Gorbachev margin when Germans were asked who wants peace most seriously.

"It is very sad that this is happening," says Guenter Wickert, the founder of the polling group. "This phenomenon also has great political influence. Arms control questions are so complex that the average citizen must depend on other factors. Their judgments are totally emotional."

EMOTIONAL IMPACT

Nothing could have more emotional impact than improved relations between East and West Germany. Moscow hopes these will strengthen communist East Germany's stability by enhancing its legitimacy and make capitialist West Germany a more willing economic and political partner.

Aside from official meetings, Mr. Konecker in September will visit his birthplace in the Saarland and Karl Marx's home in Trier. Rumors also abound that East Germany will make it easier for its citizens to visit West Germany after Mr. Honecker returns home. West German officials already estimate that one million East Germans will visit the West this year, compared to just 60,000 two years ago.

But a West German official says that whatever the Soviets and East Germans give is done unilaterally—and their concessions also can be revoked unilaterally. But what carrots West Germany gives in return—credits and perhaps a commitment to scrap the Pershing 1As—are nearly impossible to get back. "They can reverse what they are doing whenever they find it necessary, and we can't," he complains.

WHAT WELFARE CLIENTS TELL US THEY NEED TO FIND WORK

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. MILLER of California. Mr. Speaker, in response to an inquiry of the Select Committee on Children, Youth, and Families, the Salt Lake City Community Action Program recently surveyed over 4,000 Utah families currently receiving AFDC benefits to ascertain what barriers they face in trying to find employment. As Congress continues to debate welfare reform, the results of this survey are particularly enlightening.

Above all, the families in this survey tell us that lack of adequate training and retraining is the major barrier to finding work. In that regard, the emphasis on training and basic education embodied in H.R. 1720, the Family Welfare Reform Act of 1987, is well placed. However, the experience in California, where over 50 percent of recent applicants to the GAIN Employment and Training Program were found to need basic remedial education, informs us that we must be serious in our commitment to comprehensive education and training if welfare reform is truly to be successful.

This survey also redirects our attention to the lack of child care as a major impediment to employment. Over one-quarter of the survey families noted a need for child care in order to obtain employment. This finding corroborates the testimony of officials from the Massachusetts Employment and Training Program [ET] who, in explaining the great success of the program in placing welfare clients in gainful employment, told the select committee that without child care, "* * * ET would not work. It is that simple."

I also bring the attention of my colleagues to the fact that less than 1 percent of the families surveyed said they were not interested in getting a job. In fact, nearly 7 percent of the respondents indicated that at least one adult in the family already had a full time job, and yet could not earn enough to stay off welfare.

What follows is a summary of results form the study:

The most significant problem respondents indicated in relation to getting a job was lack of training; 45.5 percent of those surveyed noted that this was detrimental to them.

The next most prevalent problem for clients was no transportation—25.37 percent or 1,067 respondents said this was a problem. Many wrote that they had no money to pay for gas, licensing, and repairs on vehicles they possessed. Others noted that they couldn't afford a bus pass. Still others said they had no vehicle and there was no bus service in their area.

Running neck and neck with transportation was the response of no child care—1,069 people said this was a problem. This number represents 25.42 percent of all survey respondents. These clients had among them 1,790 children under age of 6. This equates to 1.67 children under age 6 per client. Eighty-six of these respondents indicated they had only children over the age of 6 who were in need of care.

Also, 377 clients, an even 9 percent said that illness was a factor in not having a job. Some indicated that their problems were of a permanent nature. Yet others remarked that they needed services like dental work, physical therapy, and surgery.

Another 455—10.8 percent of the respondents—wrote that the reason they had a hard time getting jobs was there were no jobs available. On a per district breakdown the high was in 7A with 37.3 percent listing this reason. The low was 2T with no one giving this response.

Only three respondents, 0.07 percent indicated that they were not interested in getting a job.

In addition to their responses to survey questions, some of the families also took the opportunity to comment directly on their situation. Here are a sampling of their words:

"There isn't too many jobs available. But when some come up for hiring, they pick through the applications seeing who has the highest score on that aptitude test Job Service has you take. Therefore, people with lower scores never get hired or even a chance to try. It's discriminating against many people."

"My husband and I stagger shifts to save some on this expense (child care) but now we hardly see each other."

"Not enough money to make it on my own. You get a job and instantly you lose most of your assistance before you can get completely on your feet. Which sets you back even further."

"I can realize the point of the welfare program but I just wish they could have an in-between program that people could feel better about, having confidence to really make it on their own and not feel like they would be better off or more secure to just stay on welfare. I am trying to find a better paying job (more than $6.00/hour) than I have now with benefits but it's hard and their doesn't seem to be any out there. I hope you can see my viewpoint and maybe one day soon have a program that can help this problem."

Mr. Speaker, this Congress must respond to the basis needs for training, health care, child care, transportation, and other necessities which low-income families tell us they need in order to become self-sufficient. And we must realize that these entrenced problems will not go away with the wave of a magic wand as some recent alternatives to H.R. 1720 would have us believe.

I commend the authors of this survey for conducting this study in response to the select committee's interest in this area, and urge all my colleagues to pay close attention to its findings.

TRIBUTE TO RABBI HERBERT MORRIS

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. LANTOS. Mr. Speaker, I rise today to pay special tribute to my dear friend, Rabbi

Herbert Morris—a leader who is dedicated to change but who exhibits a respect and love for tradition. Rabbi Morris is being honored for 25 years of service with Congregation Beth Israel-Judea.

Rabbi Morris has shown his firm commitment to education through his own studies. He received a bachelor of arts degree from the University of Delaware. He then received both bachelors and masters degrees in Hebrew letters from the Hebrew Union College in Cincinnati, OH, and in 1981 he received a doctorate of divinity there. He is accredited as an instructor in philosophy and religion for the California community colleges.

After his ordination in 1956, he served as a U.S. military chaplain and was stationed in East Asia. During that tour of duty, he established a program which resulted in the admission of the first Japanese student at Hebrew Union College. He was commended for his outstanding work and his efforts to help others.

Following 10 years as a military chaplain, he came to San Francisco, where he has continued his service to his fellow men. He has actively been involved in the design and construction of synagogues and activities buildings in the bay area, and he established many programs to preserve and enhance Jewish traditions, including the Tree of Life, special Hanukkah lighting ceremonies, and the unwrapping of the entire Torah scroll at the holiday of Simhat Torah. He initiated the adult Bar and Bat Mitzvah programs, helped with the merger of Congregation Beth Israel and Temple Judea, and instituted the "Shabbos Shmooz" and other special Saturday morning programs.

Mr. Speaker, I wish to join the members of Congregation Beth Israel-Judea in honoring Rabbi Morris and in honoring his wife Judith Weiss Morris and their four children—Abram, Rayna, Tamra, and Dina. Rabbi Morris is not only a great spiritual leader and a preserver of traditions, but he is also a man who cares for all women and men. He is a respected member of our community, and an extraordinary human being.

THE SIGNIFICANCE OF THE DEPARTMENT OF EDUCATION'S "SIGNIFICANCE PANELS": CENSORSHIP, NATIONAL CURRICULUM, AND LESS LOCAL CONTROL

HON. MATTHEW G. MARTINEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. MARTINEZ. Mr. Speaker, I would like to draw the attention of my colleagues to a proposed policy change that deserves special attention. You may have seen an article in Tuesday's Washington Post regarding the Department of Education's proposal to create "significance panels" that will determine which programs shall be included in the national diffusion network. I would like to submit the following article from the August 4 issue of Education Week which provides additional information.

A Republican once said, "Watch what we do, not what we say." The Department's experience with preliminary "significance panels" is troubling both for what it already has done and for what it is likely to do. For example, although a rigorous review process by the NDN's joint dissemination review panel had earlier certified "Facing History and Ourselves" an educational program focusing on the Holocaust of World War II, it received low marks from "significance" content panelists, apparently on political grounds. One panelist complained that the Nazi and the Ku Klux Klan points of view were not included in this particular program. Although it had earlier been certified as effective by an NDN panel and had been adopted by hundreds of schools, "Facing History" was denied Federal funding to aid in its dissemination. Earlier the Department had done a flip-flop on whether drug abuse prevention programs should be included in the NDN since some groups objected to teaching about the risks of drug abuse. This is an example of what can happen if a program is blackballed for ideological reasons. Extreme points of view among members of the panel could block the diffusion of useful programs.

The preliminary panel is being formed despite the fact that as part of a sweeping school improvement proposal, H.R. 5, the House voted 401 to 1 to block most of the changes in the national diffusion network that the administration had proposed. Since H.R. 5 has not yet become law, Department officials have indicated that they will go ahead. The Department has received almost 300 letters in response to the proposal, about two-thirds of them strongly against the changes. This includes a joint letter from Congressmen HAWKINS, JEFFORDS, KILDEE, GOODLING, ATKINS, and myself.

It is ironic that in an administration that talks so freely of "New Federalism" and local control that this dangerous precedent toward Federal censorship of education and this restriction on information about education options is being taken. This "significance panel" is a dangerous step toward natonal curriculum and toward undercutting the diversity and the local control in education that give our country its strength and that provide foundations for democracy.

The national diffusion network is valuable precisely because it allows our schools to build on America's diversity. The Department's action is dangerous because it reduces information about diverse programs that work to boost student achievement. I hope that Members on both sides of the aisle will examine more carefully the dangers in the Department's action, and I hope that administration will reconsider this dangerous precedent.

[From Education Week, Aug. 4, 1987]

DIFFUSION NETWORK BACKERS CRITICIZE CHANGE IN RULES—CENSORSHIP CHARGES LEVELED AGAINST 'SIGNIFICANCE' PANEL

(By James Crawford)

WASHINGTON.—A Reagan Administration proposal to screen applicants for the National Diffusion Network on the basis of educational "appropriateness" has stirred strong opposition from teachers, school administrators, and members of the Congress.

This screening committee, one of several controversial changes in the network that the Education Department proposed on June 30, could lead to censorship and politicization of the network, critics say.

During its 13-year history, the network has disseminated information on exemplary instructional programs selected solely on the criterion of educational effectiveness.

The department proposes to create a "program significance panel" to conduct a second stage of review: whether a program "would be generally acceptable to education service providers and parents."

In a letter to Secretary of Education William J. Bennett, the bipartisan leadership of the House Education and Labor Committee warned of "the potential misuse" of such a content review. "It is hard to see how a panel could be expected to determine what over 16,000 school districts might find acceptable or unacceptable," the lawmakers said, adding that the plan "raised obvious questions of censorship."

Extreme points of view among members of such a panel could block the dissemination of useful curricula, opponents have argued, citing the results of a trial run of the plan last fall.

"Facing History and Ourselves," an educational program focusing on the Holocaust of World War II, received low marks from the content panelists, apparently on political grounds.

"The program gives no evidence of balance or objectivity," one reviewer wrote. "The Nazi point of view, however unpopular, is still a point of view, and it is not presented; nor is that of the Ku Klux Klan."

Also, the curriculum should have focused on human-rights violations not just by Germany but by "the U.S.S.R., Afghanistan, Cambodia, and Ethiopia," the reviewer said.

Although it had earlier been certified as effective by an N.D.N. panel and had been adopted by hundreds of schools, "Facing History" was denied federal funding to aid in its dissemination.

"This is an example of what can happen if a program is black-balled for ideological reasons," said Max McConkey, a spokesman for the National Dissemination Study Group, a professional association of N.D.N. members. "If a school doesn't want 'Facing History' in its curriculum, it doesn't have to adopt it. But if a local district finds that it meets their needs, [the program] should be available."

"When you get into pedagogical debates about which is the most appropriate methodology, or ethical debates, or ideological debates," Mr. McConkey added, "then issues like 'appropriateness' or 'balance' are very sticky. . . . Better to keep the federal government out of that role altogether."

CRITICAL COMMENTS

Although the N.D.N. has an annual budget of only $10.7 million, the programs it sponsors have been widely disseminated to school districts. In 1985-86, network projects were in use in 18,000 schools; 62,675 teachers received training; and 2.2 million students were served.

Of about 400 programs that have been certified as effective, federal funds were available to aid only 79 this year.

Department officials expressed surprise at the large number of comments on the proposed rules. More than 300 educators, public officials, and parents responded during a 10-day comment period. About two-thirds of the comments opposed one or more of the proposed changes; of 79 received from school districts, 78 were critical.

Opinions, both pro and con, focused most often on the proposed program-significance panel. A number of writers, including some identifying themselves with the Eagle Forum, an organization that promotes the conservative viewpoint on social issues, praised the idea.

"We especially favor the inclusion of parents on the P.S.P.," wrote a group calling itself Western Pennsylvania Parents to Protect Our Youth from Propaganda, Brainwashing, and Subversive Textbooks in Our Schools.

Opponents, including several organized by Mr. McConkey's group, criticized the panel as a departure from the Reagan Administration's stated preference for local control.

"I, as one educator, am incensed that my government does not believe that I or my colleagues have the good sense to [distinguish] appropriate from inappropriate materials," said the director of an N.D.N. project in Mobile, Ala.

In May, as part of a sweeping school-improvement proposal, H.R. 5, the House voted to block most of the changes in the network that the Administration had proposed.

The bill's "report language" instructs the department to retain the one-stage review process: "Selection of projects based upon their content, or 'program significance,' shall remain the decision of local schools, not the federal government."

Congressional sources last week predicted that the United States would approve similar restrictions as part of the omnibus reauthorization of elementary- and secondary-education programs, but not until next year.

Because H.R. 5 does not yet have the force of law, the department plans to proceed with the significance panel, according to Ronald P. Preston, a deputy assistant secretary in the office of educational research and improvement.

Two other changes that the House has barred—a "private-school facilitator" to increase private-school participation in the N.D.N. and "dissemination process projects" to distribute curricula by such organizations as National Geographic—will also go forward, Mr. Preston said.

But for now, the department will drop plans to limit eligibility for N.D.N. funding to six years and to use part of its budget for the Secretary's "school recognition program," he said.

NO 'RIGHT-WING IDEOLOGUES'

Mr. Preston denied that the Administration has any intention of censoring N.D.N. programs or imposing its own political viewpoint.

"We don't want a stilted panel of right-wing ideologues," he said. "That would be dangerous for conservatives. What goes around comes around in this town."

He argued that the federal government has an obligation to determine whether N.D.N. projects are worthwhile before approving financial support, likening the process to Food and Drug Administration procedures for determining that new drugs are both "safe and effective."

A content review is needed to ensure that programs that are racist or ethically "beyond the pale" do not receive "the federal imprimatur," he said.

Mr. Preston characterized last year's experiment with the program-significance panel—and specifically the criticism of the holocaust project as unfair to the Nazi viewpoint—as "a disaster. . . . So, it was a mistake; so, we bungled it; we were dumb."

"I don't know how [the reviewer] got on the panel," he added, "but I'm sorry [she] did. That's the best I can say. We will try to have people who are a little more a part of the mainstream. But people exercise individual judgment ultimately, and you don't know what one reviewer is going to say. The point is, there's always more than one reviewer."

He added that the content-review process has been improved—for example, soliciting nominations for the panel from a variety of sources to ensure balance. Also, he said, last year's program-significance panel was not used to make funding decisions.

But according to informed sources, the reviewer who believed that "Facing History" lacked objectivity, Christina Price, also served on the "technical review" committee whose low marks resulted in a denial of funding. She made similar comments on both panels.

Ms. Price, a political scientist at Troy State University in Alabama, last week said the department had instructed her not to comment on the specifics of any N.D.N. applicant. But she agreed to comment in general terms about the issue of historical balance.

"I'm concerned, when we use federal money, that an interest group not be used to promote one point of view," she said, noting that her objection would apply to educational programs on "the Civil War from the point of view of the South or the Spanish Inquisition from the point of view of Catholics."

Ms. Price, who said she had been a supporter of Eagle Forum since her days in "the anti-E.R.A. movement," said she had been selected for the panels by Shirley Curry, director of the department's recognition division. According to sources, Ms. Curry also has close ties to Eagle Forum and its leader, Phyllis Schlafly. Ms. Curry did not return phone calls last week.

PROCESS UNDER WAY

Although the department is not expected to issue final regulations until mid-August, it has already begun to assemble a program-significance panel and to screen N.D.N. applicants.

Two weeks ago, "Facing History" again received low marks in the content review. One panelist's complaints included the following: "Profoundly anti-Christian bias, inappropriate discussion of scripture in ways profoundly offensive to fundamentalists and evangelicals . . . selective use of leftist authorities, e.g., Kurt Vonnegut, A.J.P. Taylor, Tom Driver, Flora Lewis. . . . Accounts of violence should be R-rated . . . overt and consistent bias—anti-war and anti-hunting."

Other reviewers found the curriculum guide "unbalanced, simplistic," "overly emotional," and likely to "induce a guilt trip" by students.

One argued that the presentation of the Holocaust would be disturbing to junior-high-school students. Another said that "8-12 weeks is far too long to spend on this historical period."

Martot Strom, who directs the "Facing History" project, which is affiliated with the Brookline, Mass., public schools, said she was saddened by the reviewers' reactions—especially the implication that Holocaust education is a "Jewish program."

"The Jews did not create this history," she said. "You don't look at the history of victims in order to practice prevention. You find out what the victimizers were up to."

The panelists' fears that the curriculum could be traumatic for children "are exactly the reasons we have extensive teacher training," she said. "If they think this is just teaching horror, they haven't looked at our program. They've looked at something in their imagination."

IN MEMORY OF DR. WILLIAM H. DUNBAR IV

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. LAGOMARSINO. Mr. Speaker, it is with deep sadness but with respect and a certain sense of pride that I want to comment on the passing of a man of distinction from Santa Barbara, CA, Dr. William H. Dunbar IV. Though only 45 years old, he had accomplished so much in his dedicated service to others.

Dr. Dunbar was a surgeon, scientist, inventor, U.S. Navy veteran, pilot, sportsman, family man, and a friend to many. His achievements and the lives he touched are innumerable. A chronology of his life reflects a continuing quest for knowledge, service to others, and improving the quality of life.

Born October 4, 1941, in Hershey, PA, William Dunbar graduated from Mercersberg Academy and Cornell University. While at Cornell, Dunbar was a member of a varsity lightweight rowing crew that represented the United States at the Henley Royal Regatta.

He received his medical degree from Temple University in 1968. While an intern at the Presbyterian Medical Center in Denver from 1968 to 1969, Bill married the former Janet Larson, who remained through his life as his closest friend, confidante and staunch supporter.

Dr. Dunbar served a residency in surgery at the Mayo Graduate School of Medicine, Rochester, MN, from 1969 to 1970, and another residency in orthopedics at the University of Utah in Salt Lake City from 1973 to 1978.

During the Vietnam war, Dunbar studied flight surgery at the Naval Aerospace Medical Institute in Pensacola, FL, and was a naval flight surgeon for 2 years. He served as a lieutenant commander and flew with pilots in the VX-5 Experimental/Test Squadron at China Lake, CA.

An active pilot, Dunbar served on the board of directors of the Aerostar Owners Association. As a competitive golfer, he won the Porter Tournament at the La Cumbre Country Club in 1982.

Dr. Dunbar, who began orthopedics practice in Santa Barbara in 1976, helped pioneer video surgical demonstrations for medical education programs for the Arthroscopy Association of North America. He was elected to the board of directors of the organization in March of this year.

He served on the editorial board of Arthroscopy, the Journal of Arthroscopic and Related Surgery since 1985.

Dr. Dunbar presented numerous scientific papers around the world. He served on the faculty of the Summer Institute of the American Academy of Orthopedic Surgeons and the UCLA Operative Arthroscopy Seminar.

He recently applied for a patent for an arthroscopic drill guide system developed and made locally by surgeons to repair knee ligaments.

The recent passing of Dr. Dunbar is a great loss to the many whose lives were affected both directly and indirectly. However, he left for all an example of a patriotic American that utilized his talents to the fullest, as our free society allows, to improve the quality of life of man.

It is without doubt that the energetic, creative and selfless efforts of Dr. William H. Dunbar IV have benefited many, and will continue to assist countless others in the future.

Dr. Dunbar is survived by a family that was always supportive of his work; his wife, Janet; a son, William Dunbar; and a daughter, Jill Dunbar, all of Santa Barbara; his mother, Harriet Slegrist Silberman, of Lebanon, PA; and two sisters, Betsy Dunbar Rouse of Euphala, AL, and Anne Dunmire of Harleysville, PA.

TRIBUTE TO JOSEPH SANNA

HON. JOE KOLTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. KOLTER. Mr. Speaker, today I rise to honor Joseph Sanna for his 22 years of dedication to the welfare of the people of western Pennsylvania. Mr. Sanna has indeed proved to be a model citizen of my Fourth Congressional District.

Mr. Sanna has served on numerous councils, committees, and commissions to help the local community. For example, he was the chairman of the board of supervisors in East Wheatfield Township, served on the Tri-County Private Industry Council, was vice chairman of the Development Committee of the American Heart Association of the Indiana Chapter, and was a member of: the Indiana County Association of Township Supervisors, the Prosper Review Committee of Indiana County, the Indiana County Economic Development Commission, the Pennsylvania Association of Township Supervisors, and the Pennsylvania Rural Economic Development Coalition. Mr. Sanna was also elected Democratic Committeeman of East Wheatfield Township.

Mr. Sanna has served on numerous union positions and has been a dedicated member of the Pennsylvania State Electrical Workers Association. He has been locally acknowledged by the community in receiving the Labor Movement and Community Award in Johnstown and was voted the Democratic Man of the Year in Indiana County, both in 1984.

It is with great pride that I honor Joseph Sanna today. I know that my colleagues will join me in thanking Mr. Sanna for his 22 years of faithful service to the community and in wishing him many prosperous years to come.

A CENTENNIAL TRIBUTE TO MADAME MARIA JERITZA

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. RODINO. Mr. Speaker, on October 6, 1987, Madame Maria Jeritza, one of the legendary figures in the opera world and a long-time resident of the north ward of Newark, NJ, would have been 100 years old. To celebrate this important milestone in the history of music, the North Ward Center of Newark and the New Jersey Council on the Arts will sponsor a special musical tribute later this month. The evening, organized by Fran Adubato of the North Ward Center, will feature operatic highlights by the New Jersey Opera Institute in honor of Madame Jeritza.

Maria Jeritza was born in what is now Czechoslovakia. After studying singing at the Brno Musikschule, she made her debut in 1910 at the age of 17 with the Olmutz Opera. The following year Madame Jeritza sang with the Vienna Volksoper, appearing in a special performance before the Emperor, before joining the Vienna Royal Opera. She remained a star of the Royal Opera until 1932 and achieved public acclaim singing the works of Puccini, Korngold and Richard Strauss.

Madame Jeritza's large, glowing voice, instinctive acting style and unforgettable stage presence made her the personal favorite of many composers. When an assistant complained to Richard Strauss that Jeritza was departing from the score of his "Ariadne," Strauss replied, "leave her alone, she knows what she's doing." She was most closely identified with the great composer Giacomo Puccini. Puccini considered Madame Jeritza his favorite "Tosca," a role which was her most famous, and she also appeared in his "Turandot" and "Girl of the Golden West."

Madame Jeritza's American debut was delayed by World War I. But on December 1, 1921, she created a sensation at New York's Metropolitan Opera in "Tosca." The New York World reported the next morning that "Maria Jeritza gave a performance that left a packed house alternately breathless and cheering. She gave a performance of thrilling beauty and intensity with authority and imagination." She continued to sing at the Met for the next 10 years, scoring striking successes in new roles and revivals. She pubilshed her autobiography, "Sunlight and Song," in 1924. At the height of her career, Madame Jeritza was mobbed on the streets and treated like royalty.

After Madame Jeritza retired from a full-time opera schedule, she moved to the north ward of Newark. Her home became the gathering place for the great artists of our time and she continued to sing in concert. Although hailed throughout the world, she considered her Newark residence as her only home and was much loved by her friends and neighbors. Madame Jeritza devoted her later years to charity activities and on her 90th birthday she became the first recipient of the New Jersey State Council on the Arts' Distinguished Award.

It gives me great personal pleasure to join in celebrating the centennial of the birth of Maria Jeritza. I had the distinct privilege of calling Madame Jeritza my personal friend for almost 30 years. She was the godmother to my granddaughter who bears her name. At Madame Jeritza's home in New Jersey, it was my privilege to meet many of the luminaries of the music world. Among my most valued possessions is a photograph she gave to me showing Puccini presenting her with a complete score of one of his works. I extend my warmest wishes to Fran Adubato and the North Ward Center as they host this special tribute to Maria Jeritza, a great artist and humanitarian whose work and spirit brought joy to the world.

ADMINISTRATION POLICIES "SOAK THE POOR"

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. MILLER of California. Mr. Speaker, the administration is claiming great significance in the news reports that the proportions of Americans living in poverty has dropped to the lowest level since 1980.

That is hardly a statistic to be proud of, because what it really says is that we have made no progress, as a nation, in reducing our unacceptable level of poverty in the 7 years of alleged economic revitalization under Reaganomics.

Despite a return to the pre-Reagan poverty level, nearly 14 percent of all Americans—over 32 million people—are living in poverty today. This is barely below the recent high poverty rate of 15.2 percent in 1983, during the Reagan recession, the peak of a growth in poverty which began in 1980 and continued for much of President Reagan's first term.

It is a staggering realization that despite the much touted economic strategy of this administration, despite all of the talk about revitalization and competition, despite all the emphasis on trickledown and growth, despite all the tax concessions to the wealthy and the corporations to promote business expansion—despite all those so-called initiatives, we have made no progress on reducing poverty.

In fact, the policies of this administration have made a bad situation worse. As I pointed out on the House floor last week, poverty among children rose 37 percent during the first years of this administration, and among two parent families, poverty increased more than 50 percent.

Two and a half million children have been thrown into poverty since 1979 in this country, and today, one-fifth of all children—and far more minority children—are growing up in a culture of poverty.

The fact is that actions of this administration—in slashing job training programs, reducing educational opportunities, and failing to provide adequate child care—have greatly discouraged many from seeking the jobs they would far prefer to public welfare.

But even when men and women do find employment, the evidence is that they labor too often for poverty wages, and therefore remain impoverished.

Recent studies by the Center on Budget and Policy Priorities show that over 40 percent of all poor people—nearly 9 million Americans—were employed in 1986. While we can be pleased that these men and women are working, despite the paucity of their wages, it is clear that millions of others will be discouraged from freeing themselves from public dependency to enter the labor market if all they can look forward to is continued poverty.

The evidence indicates that the Reagan administration's economic policies have produced an odd variant on an old theme—soak the poor. The center's research also indicates that the income gap between the wealthy and the poor is at its widest point ever recorded. The income of the average poor family in 1986 was further below the poverty line—$11,200 for a family of four—than at any time since 1963, with the exception of the Reagan recession years from 1982 and 1983.

Those who are categorized as the "poorest of the poor"—with incomes less than half the poverty line—is now at the highest level in over a decade—nearly 40 percent of all the poor.

Nor are the poor the only ones feeling the effects of changes in income distribution. Middle-income Americans, according to the center, are receiving the lowest share of national family income recorded since 1947. Meanwhile, those with the highest levels of income have recorded the largest increase in income since 1979.

These findings have profound implications for a wide range of policy matters. We are all aware that most of the new jobs which have been created in recent years, and about which the President boasts, are really service sector jobs, many of which pay very low wages. As the statistics I have cited today indicate, these jobs in many cases cannot replace the higher wage manufacturing jobs, and families which fall back on service sector jobs often suffer significant loss of income and increasing dependence on Government support of one form or another.

It is evident that we must focus on more than just the unemployment rate to appreciate the impact of Reaganomics on the economic security of the American family. Creating jobs which pay a nonliving wage, and restoring the poverty level to the level at which you found it 7 years ago is hardly a record of economic achievement which is likely to improve American productivity or restore our economic predominance in the world.

TRIBUTE TO TERRY ANDERLINI

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. LANTOS. Mr. Speaker, I wish to pay tribute today to my very dear friend and fellow Peninsulan—Terry Anderlini, the first person from San Mateo County to be elected president of the California Bar Association. This is a great honor for San Mateo County, but even more, it is a well-deserved and most appropriate distinction for Terry. He will be formally recognized later this month at a special celebration in his honor in Redwood City being hosted by Bill and Marie Addiego.

Mr. Speaker, Terry Anderlini is a person who exemplifies the qualities and virtues that are important to all Americans. Terry was born in Arizona, received his B.A. degree from Tulane University in 1965, and earned his J.D. degree from San Fransciso Law School in 1969. He has been a partner in the firm of Monaco, Anderlini, & Finkelstein in San Mateo.

Terry has been devoted to the legal profession. In 1975 he was named president of the San Mateo Barrister's Club. Two years later, he became president of the San Mateo Trial Lawyers Association. Over the intervening years, he has continued to serve as a leader in many professional organizations. He was a member of the San Mateo County Lawyers Referral Committee and the San Mateo Private Defender Committee. He has been a member of the Board of Governors of both the California Bar Association and of the California Trial Lawyers Association, and he was president of the San Mateo County Bar Association and vice president of the State bar association.

Although Mr. Anderlini has devoted much time to his profession, he has also been actively involved in serving our community in San Mateo County. He is a past director of the Poplar Center for retarded adults and children and a current member of the Service League of San Mateo County. He is a leader of the Peninsula Social Club, the Italian-American Federation, and the San Francisco Bay Knarr Sailing Association.

Mr. Speaker, Terry Anderlini is a distinguished citizen and an exemplary member of the legal profession. It is a great pleasure and an honor for me to pay tribute to him today.

CREATING ARTIFICIAL HANDICAPS FOR HANDICAPPED AND LIMITED-ENGLISH PROFICIENT CHILDREN

HON. MATTHEW G. MARTINEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. MARTINEZ. Mr. Speaker, President Reagan told the National Governors' Association on March 26 of this year:

> I met one young man who had graduated there in East Los Angeles from high school—top in his class. He had spent several years in a class for the mentally retarded because teachers had just decided that that is what was wrong. And then along came—God bless her—a teacher who went a little deeper and found out it was the language problem.

The President is fond of anecdotes, but in this case he seems to have succeeded in identifying a real problem. Throwing students, like this young man, into special education classes where they don't belong drains the limited resources of special education programs. The students are forced to do time in courses that are not designed to meet their needs.

Handicapped children do not all speak English. When a limited-English proficient [LEP] child has a learning disability, the child is often placed in a special education class conducted in English. In effect, a handicapped LEP child is often placed in "sink or swim" immersion course in English. A growing body of research suggests that handicapped language minority students should receive instruction in their native language in order to facilitate cognitive and academic development. Handicapped children don't need the additional artificial handicap of being thrown into courses conducted in a language that they do not understand.

Mr. Speaker, many normal American students are being misdiagnosed as "learning disabled." A minority child is far more likely to be placed in a class for the learning disabled than an Anglo student. A minority child is also less likely to be identified as gifted or talented than his Anglo counterpart. Clearly students are not receiving the services they need—whether they are misdiagnosed or handicapped. One suspects that there is something wrong in the process by which students are identified, evaluated, and classified as eligible for special education programs.

PROTECTION IN THE ABSTRACT

In principle, current law should already be eliminating these abuses. Mandates aimed at assuring that handicapped LEP students receive an appropriate education are embodied in policy, law, and judicial decisions. These include the Education of the Handicapped Act, the Equal Educational Opportunities Act of 1974; section 504 of the Rehabilitation Act of 1973, and title VI of the Civil Rights Act of 1964; Diana versus State Board of Education, 1970; Lau versus Nichols, 1974; and regulations written by the U.S. Department of Education. Currently, the process requires, but is not limited to—

The parents or guardian to have the opportunity to be knowledgeable participants in the identification, evaluation, and educational placement of the handicapped child. This involves taking whatever steps are necessary to ensure that the parents understand the proceedings;

The States to establish testing guidelines and utilize evaluation materials that are not racially or culturally discriminatory. The materials and procedures are to be provided and administered in the child's native language, unless it is not feasible to do so;

A process by which no single procedure shall be the sole criterion for determining educational placement or program for the child;

A free and appropriate education for every child classified, and an individual educational plan to address the student's needs; and

A comprehensive reevaluation of the child every 3 years.

PROBLEMS IN PRACTICE

The Devil is in the details. Despite protections in the abstract, assessment and referral techniques are frequently flawed in practice. Are the safeguards built in to the process working for LEP handicapped children? Are parents knowledgeable about the implications of the testing and classification? Are adequately trained translators being provided so that limited-English proficient students and their parents can fully participate in the process? Are educators often relying on particular IQ tests that are invalid or that have not been normed for the population being tested? Are the other utilized measures also racially unbiased? Are the students being tested in their native language? Are there enough bilingual evaluators to provide valid and reliable assessment? Do school districts administer comprehensive language assessments to LEP children? The answer to these questions seems to be "no" in far too many of our States and communities.

Available evidence is troubling. The fact that State and local school authorities are, in many cases, paying little more than lip service to the legal safeguards is reflected in the disproportionate number of Hispanic students in learning disabled classes and gifted programs. The National Coalition of Advocates for Students recently released a special report, with information gathered in 1984 by the Office for Civil Rights, U.S. Department of Education, analyzing the percent of Hispanic enrollments in 3,312 school districts selected to be representative of all the Nation's schools. The findings confirmed the disproportionate percentage of placements in educable mentally retarded [EMR] and gifted classes in the 15 States with the highest concentrations of Hispanics. In Colorado, Hispanics comprise 16 percent of the total student enrollment, yet they represent 30 percent of the EMR children and 10 percent of the gifted. In New Jersey, 9 percent of the children in schools are Hispanics, while in the EMR and gifted classes they are 18 percent and 4 percent respectively. The figures are also alarming in California, where Hispanics make up 32 percent of the EMR and 11 percent of the gifted students, while the total enrollment is 29 percent. The fact that the Freedom of Information Act had to be used to get these facts out into sunlight is also troubling. The Office of Civil Rights has been woefully neglectful in uncovering and correcting these problems.

In other evidence of the inadequate implementation of congressional intent, Salend and Fradd recently reported in the Journal of Special Education that in a study of 49 States, only 5 had established a definition for the category of bilingual handicapped and only 2 had a specific funding category for bilingual special education. None of the States reported a statewide curriculum to guide the instruction of LEP handicapped students.

Ignorance of the problems associated with learning a second language is not bliss when it comes to assessing students. Researchers in bilingual special education at the University of Texas at Austin, are playing a leading role in identifying the nature and scope of these assessment problems. Dr. Alba Ortiz of the University of Texas stated:

> The greatest concern which emerged from the data is that procedures used in diagnosing communication disorders virtually ignored students' limited-English proficient status. Studies have found that data in eligibility folders were generally insufficient to determine whether limited-English proficient students were in the process of normal second language acquisition, or whether their speech and language behaviors were symptomatic of a speech or language disorder.

National statistics presented in a GAO report indicate that approximately 30 percent of the language minority students in special education are classified as communication disordered and receive therapy for articulation, language disorders, stuttering, and/or voice impairment. The percentage of Hispanics and other minority language students is actually much higher when students who receive speech therapy as a related service are included in prevalence counts.

In one study of Spanish speaking children, the sounds that have been identified as most problematic for Spanish speakers learning English were those identified as troubled in the referral documentation. For example, a study of Texas schools reports that the majority of LEP students in the sample has at least one language-related referral reason—a ratio far higher than for native English speakers. Very few students were tested in a minority language or bilingually; only 25 percent of the eligibility folders contained evidence of current language testing. For some students significant discrepancies between intelligence and achievement—the operational definition of a learning disability—may have been an artifact of testing conducted in English.

When students are misplaced by schools, the consequences may be substantial. These students may never reach their full potential because teachers are likely to demand less from "learning disabled" students then from normal students. There is evidence that IQ scores may actually drop as a result of misplacement. For example, Wilkinson and Ortiz report in the fall 1986 issue of the Bilinqual Special Education Newsletter that limited-English proficient students' scores on WISC–R IQ tests actually declined after 3 years in a program for the learning disabled. Moreover, misplacement of normal limited-English proficient students in special education courses can have the effect of stigmatizing these students as "learning disabled" for life. This combination of lowering performance expectations, providing inappropriate course work, and stigmatizing students is particularly troubling when we recall that this is done at the cost of diluting the special education resources for the students who really do need them.

REFORMS ARE NEEDED

In brief, America is putting many normal students in special education classes they don't need. We are wasting millions and millions of dollars by putting minority language children in special education courses where they don't belong and stigmatizing them in the process. At the same time, these processes are consuming the resources that are badly needed by our Nation's handicapped students. There is a critical need to upgrade the procedures used to identify students with learning disabilities, and to insure that minority language handicapped students are not forced to "sink or swim" in English immersion courses. Our Nation's educational programs must work better for both minority language students and the handicapped.

GUY DE VRIES ON A EUROPEAN COMMON MARKET IN DEFENSE

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. GILMAN. Mr. Speaker, I would like to bring to the attention of the House a commendable article by a member of the European Parliament, Mr. Guy M. de Vries. Elected by a Dutch constituency, Mr. De Vries has recently written a column for the International Herald Tribune on the Common Market's need for a common defense market in order to increase the effectiveness of Europe's military posture.

Mr. De Vries asserted that Europeans must take increased responsibility to adequately protect themselves. While acknowledging the political limits of increasing European defense expenditures, Mr. De Vries has offered other options which would help prepare Europe to counter the considerable conventional strength of the Warsaw Pact countries. He has called for the elimination of protective measures against many arms sales within the European Community which would increase the competitive nature of the arms industry, decrease the duplication of defense efforts, and thereby enhance the cooperative nature of the defense within the European Community.

A 1985 amendment to the EC's founding treaty, the Single European Act, pointed the way to removing some of the remaining trade barriers in the civilian sector of the arms industry; Mr. De Vries has emphasized the need to implement this change. A more efficient European arms industry will not only help Europe, but has the potential, if the competition is fair, for spurring a more efficient U.S. arms industry.

Mr. De Vries' article contains no anti-American overtones. On the contrary, Mr. De Vries is a leading member of the American-European Community Association who has participated in meetings between the U.S. Congress and the European Parliament. While I am not in a position to endorse the suggestions made here, I am inserting them in the RECORD so that my colleagues may have the benefit of reviewing Mr. De Vries' article of June 11, 1987:

[From the International Herald Tribune, June 11, 1987]

IT'S TIME FOR A COMMON DEFENSE MARKET

(By Guy M. de Vries)

THE HAGUE.—The current debate on the role of nuclear weapons in protecting Western Europe has again highlighted NATO's weakness in conventional defenses.

An East-West agreement to eliminate longer-range intermediate nuclear weapons and to significantly reduce shorter-range systems will leave the West more vulnerable to the Warsaw Pact's conventional superiority. Even under a pact made conditional on Moscow accepting uneven cuts in its conventional forces, NATO would have to pay more attention to its non-nuclear needs.

But with the notable exception of France, which has just agreed on a $71 billion five-year military spending plan, European arms budgets appear to have reached political ceilings at the same time as technological innovations are pushing up the costs of modern weaponry. With costs multiplying and budgets stagnating, the European allies risk engaging in structural disarmament. Cost cutting through multilateral production programs has been only a modest success. National military markets remain highly protected. The European market is fragmented and economies of scale are hard to achieve.

It is time the 12 nations of the European Community embarked on an ambitious program to create a common arms market. A strong case for such was made recently in a report commissioned by the Independent European Program Group, or IEPG, the forum in which NATO's European members discuss arms collaboration. It found that the manufacture of European military equipment can be made more competitive by subjecting it to normal market forces.

The report identifies critical areas of weakness in European military technology, particularly in electronics, new materials and systems engineering. Because of its fragmented market, moreover, Europe is less competitive than its technology base would suggest. Even where the United States lags in research, for example, its more market-oriented industry is able to make up the gap in the development cycle and place a piece of equipment or a system on the market before its European competitors can. To change this, several initiatives must be taken.

European public funding of military research and development now runs at about one-third of U.S. spending. The Strategic Defense Initiative program will tilt the balance further. To narrow the gap, Europe must obtain better value for its money.

There is considerable overlap between IEPG research projects and EC civilian research and development programs. Regular contacts should be established to avoid duplication.

Second, a military equivalent is needed of ESPRIT, the highly successful European Scientific Program for Research and Technology that is financed and run on a 50-50 basis by the EC and industry. An extension of IEPG's work with direct private-sector involvement, and the earmarking of military research funding for joint programs, should be feasible.

Article 223 of the Treaty of Rome exempts a long list of military and semi-military equipment from the treaty's free-trade provisions. Many of the products listed could be brought under EC public procurement rules.

Progress in removing remaining trade barriers in the civilian sector is of major importance to the European arms industry. In an important amendment to the EC's founding treaty governments agreed in 1985 to maintain the technological and industrial conditions necessary for their security. It is time to put these words into action.

CHONTALES PROVINCE: CONTRA HAVEN

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. MICHEL. Mr. Speaker, the civil war in Nicaragua continues and one place where the democratic resistance has found a haven is in the Province of Chontales, only 2 hours drive from Managua.

At this point I wish to include in the RECORD, "Contras Find a Haven Inside Nicaragua," by Clifford Krauss, in the Wall Street Journal, Monday, August 3, 1987:

[From the Wall Street Journal, Aug. 3, 1987]

CONTRAS FIND A HAVEN INSIDE NICARAGUA

CHONTALES PROVINCE THWARTS SANDINISTAS, AIDS REBELS

(By Clifford Krauss)

JUIGALPA, NICARAGUA.—Throughout most of Nicaragua, the U.S.-financed Contra rebels haven't won much popular backing. But less than two hours drive from Managua, in the center of the country, the Contras have won the active support of the peasantry.

The ruggedly individualistic ranchers of Chontales province willingly feed the Contras, hide them and offer them vital intelligence, Sandinista government efforts to install revolutionary programs have stumbled here more than anywhere else, making for a convenient corridor between the Contras' northern and southern fronts. Young Chontales peasants join the Contra ranks by the hundreds.

"The Sandinistas make the peasants slaves to kill and be killed," says Noel, a 25-year-old rancher from the village of Las Maravillas. "More people want to fight for the Contras." Such strong sentiments, and the will to put them into action, will make Chontales a military and political drain on the Sandinistas for a long time, whether or not the U.S. Congress approves more Contra aid this fall.

SANDINISTA SWEEP

The isolated hillside village of El Jicarito exemplifies the escalating civil war in Chontales. Last September, 200 Sandinista troops filed through at dawn, rustled 12 peasants out of their huts and dragged them away without explanation. Five remain in prison without a trial, without a lawyer, without being charged.

Villagers claim the arrests came as Sandinista punishment for El Jicarito's repeated refusal to form a farm cooperative. Sandinista frustration might also be explained by the collapse of the local revolutionary block committee and militia.

This year the settlement is growing bolder in its rejection of the revolution. Supplied by El Jicarito residents with food and information, 60 Contras overran a neighboring Sandinista cooperative on March 15. That night, according to the Contra commander who led the attack, the rebels hid from Sandinista units and slept in El Jicarito's grazing pastures and citrus groves with the villagers' approval.

"Chontales isn't an easy problem," grumbles Gen. Joaquin Cuadra, the Sandinista army chief of staff. "Large landowners, conservatives and politically backward people dominate. Such political conditions give the Contras an ideal base."

The situation has become so critical here for the Sandinistas that the government has been forced to reduce rations of rubber boots and batteries to the province because civilians give the footware to the rebels and use the batteries to listen to clandestine Contra broadcasts. The rationing only infuriates the population more.

UNDERGROUND FRONTS

Chontales is so anti-Sandinista that the Contras have been able to construct effective underground fronts in towns across the province—something they have failed to do almost everywhere else.

In the gold-mining town of Santo Domingo, Contra collaborators assembled a makeshift radio transmitter in the local cemetary. The radio, used to signal Sandinista troop positions to the Contras, was put out of action a year ago in a Sandinista roundup of 20 underground members.

The Santo Domingo ring was discovered because a member who was wounded and captured following the rocketing of a Sandinista-build school, fingered the other 19. One of the captured collaborators, Migalina Jeronina, age 36, who admits to having nursed wounded Contras, says the front still operates, though she doesn't participate. (The Sandinistas freed her because of her asthma; but she says they prevent her making a living selling puddings.)

Carefully choosing her words, Mrs. Jeronina says, "I worked for truth."

The Sandinistas are failing in efforts to militarize cattle cooperatives on either side of the Rama Road, the strategic eastwest road across Nicaragua, and a vital target of Contra attacks; peasants refuse to cooperate. Instead, ranchers are organizing private cooperatives under the aegis of Charismatic Catholics critical of the Sandinista revolutionaries.

A few weeks ago, the Contras displayed their audacity by occupying La Palma, a major town on the Rama Road, for eight hours even though two major Sandinista army bases are situated a few miles away. The Sandinistas didn't counterattack, apparently fearing an ambush.

"Most of the people appear to passively coexist with the Sandinistas and shuffle along, while quietly they support the Contras and stab the Sandinistas in the back," says a Roman Catholic priest who travels the countryside on horseback.

The 2,500 Contras based here rely on frequent Central Intelligence Agency DC-3 airdrops for military supplies; they get the rest of their needs from the local population. Interviewed in Miami, a Contra comandante known as Dumas, who operates in Chontales, says: "We can leave our wounded with people we don't even know, and they hide them and feed them. We've never been betrayed."

Fortunately for the Sandinistas, Chontales is unique. If they are ever to win, the Contras would have to do well in several more of the nation's 16 provinces. Peasants commonly complain that the Contras pillage and murder, and tens of thousands willingly arm themselves to defend their Sandinista-formed farm cooperatives. City folk grumble about Sandinista economic policies, they but rarely say the Contras are a viable alternative.

EFFECTIVE COUNTERMEASURES

The Contras have made advances in pockets of several provinces, but Sandinista-forced population relocations and other counterinsurgency measures have been effective. In Chontales, discontent is so rampant that nothing the Sandinistas do seems to work.

What makes Chontales so anti-Sandinista? There was hardly any fighting in the province leading to the 1979 Sandinista victory, in part because former dictator Anastasio Somoza gave land here to thousands of landless peasants. Before the revolution, large parts of Chontales were controlled by right-wing ranchers who rented small plots to peasant cattlemen. The Sandinistas expropriated those lands to form state farms and cooperatives—but they failed to supply the credit and supplies the peasants use to get from the old landowners.

Resentment grew, so the Sandinistas broke up some of the state farms into individual plots. Still, production lags.

The province's deep Catholic roots are also a factor. Before the revolution was even two-years old, the Virgin Mary was said to appear to a peasant outside the town of Cuapa to warn that the people of Nicaragua and the nation's church were about to suffer greatly. The apparition, given credence by the church hierarchy, alarmed many. A local bishop was exiled by the Sandinistas after he spoke of the right of oppressed people to bear arms.

"Communism is incompatible with Christianity," says Jesus, a 73-year-old peasant in the village of Los Mollojones, "If a priest isn't a Sandinista, they say he's a Contra. That isn't right."

IN MEMORY OF MARCUS JOY CHRISTENSEN

HON. JAMES H. BILBRAY

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. BILBRAY. Mr. Speaker, I rise today to pay respectful tribute to an outstanding Nevadan and Las Vegas pioneer, Marcus J. Christensen. M.J. passed away on June 1 of this year at the age of 88 under the loving care of his family.

M.J., a patriarch in every sense of the word, is the father of four sons and two daugthers, Don, Vern, Anna, Carl, Paul, and Adele. For nearly 66 years, he has been a loving husband to Hazel Johnson Christensen. They have 36 grandchildren and 93 great-grandchildren. He is also survived by his brothers and sisters Max, Rush, Ruth, Fay, Beth, and Marco.

M.J. arrived in Las Vegas with his family in 1941, where he worked for the railroad as a watch inspector. Shortly after his arrival, M.J. built a successful jewelers business with the help of his family. It is from this platform that M.J. based his long and outstanding record of community service.

Because of his outstanding business acumen, M.J. was named president of the Las Vegas Merchant's Association, later part of the Las Vegas Chamber of Commerce. He was made a member of the board of directors of the chamber of commerce and later elected its president. M.J. was elected four times to the Nevada State Assembly, during which time he served as chairman of the ways and means committee as well as speaker pro tem. Afterward, M.J. was elected to the Nevada State Senate.

M.J. may best be remembered, however, for his extensive activities on behalf on the LDS Church in southern Nevada. His example set spiritual guidance for all in his service as a deacon, a bishop, and as a counselor as well as missions for the church. He held in great pride in being ordained patriarch of his State by Elder Hunter of the Quorum of the Twelve.

Mr. Speaker, the civic-mindedness and community leadership demonstrated by M.J. Christensen will be impossible to replicate. I ask my colleagues here today to join me in remembrance of this gifted leader, civic activist and remarkable family man.

PROVISIONAL GOVERNMENT OF HAITI SHOULD RESPECT HUMAN RIGHTS AND HOLD FREE AND FAIR ELECTIONS

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. LANTOS. Mr. Speaker, 1 year after the ouster of former Haitian leader Jean-Claude Duvalier, the Haitian people continue to live in the clutches of a repressive government. This week with my distinguished colleague from Illinois, Mr. PORTER, I introduced legislation to show support for the human rights of the people of Haiti and support for their efforts to hold free and fair elections.

The Haitian people are committed to democracy, human rights, self determination and economic development. They have shown their support for democracy by approving a new constitution that establishes a legal framework for the return to elected civilian government.

The provisional government headed by Lt. Gen. Henri Namphy has marked its first anniversary in power with the threat of military crackdown. The provisional government appears to be hanging on to power largely by default. Supporters and opponents of the military junta agree that the Government has lost most of the backing it gained when it took control immediately after dictator Duvalier fled into exile last February.

Lieutenant General Namphy has said he will step down in February 1988, 3 months after general elections in which he has vowed not to stand for President. General Namphy has not shown trust and confidence in the people, and complaints continue that the general has failed to break with the past. Moreover, there are growing expressions of anger that little has changed materially for most of the 6 million people in this poorest country in the Western Hemisphere, and this has spurred violent uprisings.

Although General Namphy has pledged not to run for President, many observers doubt that he will keep this promise. Turmoil in the Haitian streets in the past several months have demonstrated that the people are not confident about their political and economic future.

In this context, Mr. Speaker, our resolution has been introduced to demonstrate our concern for human rights and our affirmation of democracy.

This resolution is similar one introduced in the Senate by Senator GRAHAM and cosponsored by a number of other Senators including Mr. KERRY, Mr. KENNEDY, and Mr. HELMS. Our resolution calls upon the National Council of Government to respect and abide by the decisions made by the Provisional Election Council in conducting elections called for under their new Haitian Constitution.

Furthermore, it calls upon the Government of Haiti to be mindful in improving its human rights situation while continuing its investigation of alleged human rights abuses and corruption by the Duvalier government. Our resolution expresses the sense of Congress that freedom of speech and assembly be respected and calls upon Haiti to maintain a free and independent judiciary system.

I urge my colleagues to join me and my colleague, Mr. PORTER, in support of this resolution. I am confident that this bill will contribute to fostering free elections in Haiti; furthermore, it will send an important message to the Namphy government that the U.S. Congress is committed to ensuring that the Haitian people enjoy fundamental democratic rights.

STATEMENT OF GAYLORD NELSON, COUNSELOR OF THE WILDERNESS SOCIETY

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. OBEY. Mr. Speaker, Senator Gaylord Nelson who now serves as counselor for the Wilderness Society recently testified before the Water and Power Resources Subcommittee of the House Interior Committee on the coastal plain of the Arctic National Wildlife Refuge on July 21, 1987.

I would like to insert Senator Nelson's cogent and timely remarks in the RECORD and bring them to the attention of everyone in the House.

I hope that we pay attention to the important and thoughtful comments contained in his testimony.

This issue is of critical importance to one of the last great wilderness areas in this Nation, and I think that we owe it to future generations to pay careful attention to how we manage this valuable resource with regard to the long-term environmental consequences.

STATEMENT OF GAYLORD NELSON, COUNSELOR OF THE WILDERNESS SOCIETY

Everyone is familiar with the statistical speculation about the oil potential of the 1.5 million acre coastal plain of the Arctic National Wildlife Refuge. The 1002 Assessment states that there is a 19 percent chance that a commercially producible supply of oil might be found. If such discovery is made, then design models make further percentage predictions of how much oil might be produced at certain inflation rates and price assumptions. Under one scenario, if commercially producible oil is found the model predicts a 75 percent chance of finding 1.12 billion barrels of oil; a 50 percent chance of finding 2.21 billion barrels; a 25 percent chance of finding 4.24 billion barrels. None of these numbers mean very much. At best they are guesses based upon the careful weighing of a collection of imponderables. The last estimates of this kind that I recall were in the National Petroleum Reserve—Alaska report which concluded there was a 97 percent likelihood of finding producible oil. This field, located just west of Prudhoe Bay, was expected to contain three times as much oil as the current predictions for the Coastal Plain. The reality is this: 39 holes have been drilled, and each one has been dry. The oil industry is no longer bidding on leases for this field.

However interesting this numbers speculation may be it isn't particularly relevant to the critical issue Congress must decide. Whether the 1002 Coastal Plain contains some or a lot of oil the issue remains just the same. It is this. Should we, under any set of reasonable ball-park assumptions about the oil potential of 1002, compromise the integrity of this rare ecosystem in order to extract it?

Those who say yes claim the national security is at risk and it is urgent we move promptly to protect ourselves against all kinds of dire circumstances. If, indeed, the security of the nation actually turns on finding a six- or 12-month supply of oil in this Arctic Wildlife Refuge then the battle has already been lost. This, of course, is pure nonsense. Six years ago Interior Secretary Watt used that argument to justify his proposal to open designated wilderness areas for gas and oil leasing. Congress didn't buy his argument and three times passed riders on appropriations bills to prohibit leasing. This year Interior Secretary Hodel is back with Jim Watt's national security argument again.

One is entitled to wonder about this Administration's concern over energy security when it is noted that it has no long-term energy conservation plan, no long-term alternative energy policy, vigorously opposed legislation to increase the energy efficiency of appliances and rolled back the mandated automobile mileage standard from 27.5 miles to 26.

In 1985 the Department of Energy stated that energy conservation "has proven to be the most expeditious way to reduce the need for new or imported energy resources; and in fact it now contributes more to balancing our national energy ledger than does any single fuel source". Yet just two months ago when Deputy Secretary of Energy William Martin was asked by the Senate Energy and Resources Committee about the Administration's ideas on conservation and renewable energy he stated the Administration has "no specific proposals to help these sectors at this time". So much for Administration worries about national security.

For purposes of addressing the pending issue that Congress must decide, let's assume that there is a world class oil deposit of 3 billion barrels in 1002. Over the 25-year life of the oil deposit that would represent an average of about 2 percent of our current annual consumption of oil.

If Congress were to mandate, as it surely should, that the fleet average for all new household vehicles shall be 30 miles per gallon starting with 1993 production models that would save 8 billion barrels of oil by 2025, the projected life of any significant oil find in 1002. Ironically, a 27.5 mile fleet average instead of the Administration's 26 miles would save 3.2 billion barrels during the same period. If a 6 billion barrel deposit were found that would still be 2 billion barrels less than the 8 billion that could be saved by a 30-mile fleet average during the life of the oil field. And, of course, the savings would continue after the field was exhausted. A 35-mile fleet average would save several billion additional barrels.

The technology for achieving these savings in automobile consumption is already here, in place and being used. Compared to the rest of the world we are a laggard nation in automobile fuel economy.

Doing something decisive and effective about energy conservation, especially automobiles, involves some difficult political decisions but they will look easy compared to the choices we will face if we continue to procrastinate.

A policy that continues primary emphasis on digging up a little more fragile land for a little more oil is not a substitute for a sound long-range energy program and, in fact, will perpetuate our increasing dependence on foreign oil by creating the illusion that we are doing something meaningful.

Pretending to address the energy issue by drilling in the Coastal Plain of the Arctic National Wildlife Refuge would be at the same time an act of self-delusion and a tragic degradation of a unique world resource. Whatever oil may be found it will not resolve or significantly affect any perceived national security problem. It will only further deplete that dwindling supply of the planet's rarest commodity—a complete and balanced ecosystem unaltered by human activity.

Unlike the Arctic Refuge, not a single national park, national forest, wildlife refuge or designated wilderness in the lower 48 states qualifies as a complete and balanced ecosystem unaltered by human activity. They are all fragmented, compromised, incomplete ecosystems surviving as little show piece islands increasingly degraded by incompatible external and internal human activities.

Interior Secretary Hodel argues that the national interest requires that we explore and exploit all promising gas and oil potential. If we do not we may as well hang out a sign telling the Petroleum Exporting Countries: "Take advantage of us because we lack the will to take care of ourselves."

It is time we recognized that there is no end to this rationale for exploitation of any resource that is available and profitable without regard to long-term environmental consequences. Indeed, Hodel's apocalyptic rhetoric logically applies with equal force to all nationally protected conservation units—Yellowstone, Yosemite and Glacier National Parks, all designated wilderness, including the Bob Marshall, and the whole wildlife refuge system. If we are going to drill the Arctic Refuge there is no rational reason to exempt our parks or any other potential source of gas and oil. After all, there is no other conservation unit as rare or fragile or more important as a world conservation resource than the Arctic Refuge. However, if Mr. Hodel had come before Congress to propose drilling for gas and oil in our national parks and other conservation units it would have been dismissed as a bad joke. For all of the same reasons it is an equally bad joke to propose drilling in the Arctic National Wildlife Refuge.

Even the Interior Department Draft Assessment of 1002 states that "The Arctic Refuge is the only conservation system unit that protects, in an undisturbed condition, a complete spectrum of the various Arctic ecosystems in North America." It further states that this area is "the most biologically productive part of the Arctic Refuge for wildlife and is the center of wildlife activity on the Refuge".

In 1977 the U.S. Fish and Wildlife Service successfully opposed the routing of a gas pipe line across the Arctic National Wildlife Range stating that "such a crossing is clearly not compatible with the basic purpose of the Arctic Range." . . . The Fish and Wildlife Service continued saying, "we do not believe that the long-term national interest would be served by committing this unique area to development for short-term benefits when its outstanding values for wildlife and wilderness would be forever lost. To protect our public trust and to exemplify our good conscience as concerned ecologists, we must object strongly to any development which would threaten the integrity of the Arctic National Wildlife Range" . . . "such activity would destroy wilderness values and irretrievably disrupt many wildlife populations and their habitats" . . . this Arctic Range is "the last unspoiled area of its kind in the entire Northern Hemisphere".

That says it all. It is, in fact, literally the very last of its kind. Once compromised we will never again see on the planet a comparable Arctic ecosystem representing tens of thousands of years of nature's intricate evolving works unaffected by human activity.

Several years ago Joseph Wood Krutch made a telling observation pertinent to the issue before us. He said, "If people destroy something replaceable made by mankind, they are called vandals; if they destroy something irreplaceable made by God, they are called developers."

There are many landscapes, many wildlife habitats, many undisturbed natural areas far more valuable to mankind than any commodities that may be extracted from them. This Arctic Coastal Plain is such a place. If it is not, then I know of no other. If fully developed, several thousand people will live and work on the Arctic Plain. Huge amounts of gravel will be mined and roads built for heavy equipment; millions of gallons of polluted and toxic water and drilling mud will be stored in fragile ponds and washed away into bird and fish habitats. All of these activities will have serious environmental consequences that cannot be predicted or measured. To argue the proposition that these activities can go on for twenty-five years without major, permanent adverse consequences would be challenged by every ecologist I know of in this country. Indeed, the Interior Department report states: "The existence of oil facilities and activities would eliminate the opportunity for further scientific study of an undisturbed ecosystem."

The question Congress must answer is this:

Do we want to save this rare and remarkable ecosystem in its perfectly natural condition for its intrinsic, esthetic, scientific and philosophic values or do we want to compromise it for its transitory commercial values? We can't have it both ways. We have literally thousands of examples of compromised and degraded ecosystems and almost none that are not. The choice should be clear and simple.

During the past 40 years as an observer and sometime participant in the debates and conflicts over the issue of exploitation of commodities from the public lands versus the preservation of natural habitats the argument has always been the same. Those who insist that all marketplace commodities should be exploited invariably argue that the economy or national security or both require it. They have won most of the arguments in the arena of public lands and practically all of them in the private sector. The result is that very little of natural America is left. We have colonized almost every nook and every niche. Nobody argues that we need not commercially utilize any of our commodity resources. The question is: under what circumstances and guidelines should commodities be developed and under what circumstances should they not. The tragedy is that a major portion of the disastrous environmental damage done to the nation in the name of the economy or national security has been unnecessary, economically costly to the nation and degraded the quality of our lives.

Some twenty odd years ago I was beneficiary of the good fortune to serve on the Senate Interior Committee with one of the most distinguished and influential conservationists of our time, Senator Clinton Anderson of New Mexico, then Chairman of the Interior Committee. He was the most important moving force in the Senate behind the Wilderness Act of 1964. A year before it passed he wrote an article for the July 1963 issue of American Forests. What he wrote should be read, reread and pondered by everyone concerned about our future.

Conservation is to a democratic government by free men as the roots of a tree are to its leaves. We must be willing wisely to nurture and use our resources if we are going to keep visible the inner strengths of democracy.

"For as we have and hold dear our practices of conservation, we say to the other peoples of the world that ours is not an exploitive society—solely materialistic in outlook. We take a positive position—conservation means we have faith that our way of life will go on and we are surely building for those we know will follow. . . .

"There is a spiritual value of conservation and wilderness typifies this. Wilderness is a demonstration of our people that we can put aside a portion of this which we have as a tribute to the Maker and say—this we will leave as we found it.

"Wilderness is an anchor to windward. Knowing it is there, we can also know that we are still a rich nation, tending our resources as we should—not a people in despair searching every last nook and cranny of our land for a board of lumber, a barrel of oil, a blade of grass, or a tank of water."

Senator Clinton P. Anderson of New Mexico in "American Forests," July 1983.

I suggest that it is not too late to save something rare, beautiful and irreplaceable that cannot be priced in Adam Smith's marketplace.

RETIREMENT OF SUPERINTENDENT OF ADAMS NATIONAL HISTORIC SITE

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. DONNELLY. Mr. Speaker, yesterday, the Adams National Historic Site in Quincy, MA, witnessed the end of a tradition. Wilhelmina Sellars Harris—the superintendent of the site since the 1940's—retired at the age of 91. She is the longest serving superintendent and the oldest in the National Park Service, as well as the first woman to work as a Park Service superintendent.

In 1920, Mrs. Harris came to the Adams House in Quincy as Brooks Adams' private secretary. In 1946, when the home became a national historic site, it was clear that Wilhelmina Harris should take over the home's management.

Most importantly, her knowledge of the family and the home made her a logical choice. In the words of a member of the family, "she brought a knowledge and integrity absolutely unique * * * as nearly as possible, the house and its furnishings, the library, the garden and the grounds today live, as they lived and grew during the tenure of four generations of Adamses."

The day-to-day responsibilities for managing the site have gone to Marianne Potts Peak, who worked with Mrs. Harris for 26 years. She has promised to carry on the traditions of her predecessor. Mrs. Harris will be sorely missed, and I am pleased to submit for the RECORD a tribute to Mrs. Harris by Thomas Adams.

A TRIBUTE TO WILHELMINA S. HARRIS

(By Thomas Boylston Adams)

It was a rare, good fortune for the people of the United States, when in 1920 Wilhelmina Sellers came to the Old House in Quincy to act as Brooks Adams' private secretary and to assist in the management of his household. The health of Brooks' wife, my great aunt, was failing, her memory was faulty, and the elaborate machinery of late 19-Century life, town houses, country homes, servants, horses and the new and fearful invention of the motor car were an invitation to chaos. Miss Sellers took quiet charge for the arrangements, leaving Brooks the happy illusion that he was running everything.

There is no doubt that Brooks' remaining years were made happier, very much happier, by the presence in his household of such a capable person. The details of organization appall a modern mind. The twice yearly trip to and from Quincy to Boston, a distance of a dozen miles, required the effort of Napoleon preparing to invade Russia. Fresh eggs and milk, home-grown strawberries, and flowers were the expected comforts of life. So were perfect service at table, polished woodwork, good cooking and well-raked garden paths. This meant cooks, housemaids, gardeners, coachmen, and that most dangerous of metamorphoses—a coachman turned chauffeur. All this Miss Sellers managed.

But unless some Proust can recapture such a past, it has little interest to modern Americans. What does have interest is the history of the Old House itself, the development of the minds that made it famous and the influence of its spaces and its artifacts on those minds, and the study of these objects as reflections of the tastes of their possessors. Brooks Adams spent a great deal of thought along these lines. What he thought and what he remembered would be lost were it not for the fortunate chance that brought Miss Sellers to the Old House. With an intelligence as sharp and retentive as James Boswell, she registered in memory the character, the quirks, and the wisdom of the last family member to inhabit the place. Through her, we are linked to a living past.

After Brooks Adams died, Miss Sellers became the wife of Colonel Frank Harris and the mother of three sons. For 20 years, the old place did not know her. It struggled along, falling more and more into disrepair as the depression bit into the finances of the Adams Memorial Society. Then came the Second War, with its shortages of everything old houses need, such as caretakers, carpenters, and the materials of building. A solution was found in 1946 when the Nation accepted the responsibility for maintaining the Old House as a National Historic Site.

But it would have been a barren solution without Mrs. Harris. She returned to take charge of the site for the Government. She insisted on working closely with the family. To the preservation of the traditions of the place, she brought a knowledge and integrity absolutely unique. Under her care, nothing has been changed except as meticulous maintenance can put new life in old wood, polishing can make crystal sparkle, and leather dressing can supple old books. The arrangement of furniture in its most accustomed place as remembered by the family has been respected. Only authentic objects, as returned from time to by the family, have been added. As nearly as possible, the house and its furnishings, the library, the garden and the grounds today live, as they lived and grew during the tenure of four generations of Adamses.

Although she will remain close by as a guardian for the site, we of the Adams family will miss her. The family and the American public can be grateful that her successor Marianne Peak has pledged to follow closely the indomitable Mrs. Harris.

H.R. 2309

HON. RON de LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. DE LUGO. Mr. Speaker, I am very pleased with the response that the Christopher Columbus Quincentenary Jubilee Act, H.R. 2309, received here on Monday, August 3. It passed the House almost unanimously and I thank my colleagues for their support.

H.R. 2309 will enable the National Commission, which currently operates on a staff of three and receives a relatively small amount of Federal moneys, to increase their staffing and fundraising capabilities. It will also extend the life of the Commission through December 31, 1993, to allow for the appropriate observance of Columbus' second voyage during which he landed on both St. Croix and Puerto Rico.

I wish to note that three of my colleagues, Messrs. LAGOMARSINO, MARTINEZ, and FUSTER, expressed interest in cosponsoring this bill. However, due to an unfortunate clerical error, these gentlemen were omitted from the list of additional sponsors. I thank them for their support and request at this time that they be associated with this legislation.

REV. ELDRIDGE V. CULLOM: 19 YEARS OF SERVICE

HON. JOHN J. DUNCAN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. DUNCAN. Mr. Speaker, on Sunday, July 26, members of the Grace Baptist Church honored retiring pastor, Rev. Eldridge V. Cullom, after 19 years of service and ministry. Reverend Cullom has served Southern Baptist churches for 38 years as a full-time minister, a calling E.V. himself readily admits he would welcome again if given the chance to relive his life.

E.V. is originally from Knoxville, TN, attended Carson Newman and subsequently Southern Seminary in Louisville, KY. Parishioners laud his ability to see the good side of any person and situation. He has always been happy to help those in need, and has led the church through years of consistent growth and outreach.

The special service, which I was honored to attend, poignantly highlighted E.V.'s own feelings about his ministry to God. He encouraged his congregation to be faithful and trusting in God's mercy, depending on God to provide for their needs. Those who have followed E.V. over the past 19 years will greatly miss his personal ministry and message.

Through E.V.'s efforts, the church developed and presently maintains a mission and comprehensive program of service for residents in a mobile home and trailer park located in the surrounding community.

I would like to personally commend E.V. for his many years of service and the countless good deeds he has performed over the last 19 years. The members of Grace Baptist Church will greatly miss his loving nature, and will always remember his deep faith and his ability to share it with others.

NATIONAL STANDARD TO CONTROL EXPOSURE TO RADON

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. FLORIO. Mr. Speaker, yesterday, the Environmental Protection Agency released a survey that indicated that more than one house in five has high levels of cancer-causing radon gas. EPA has estimated that up to 20,000 Americans die each year from lung cancer caused by radon. Yet, despite this serious threat to our health, there are still no Federal regulations that would limit the exposure of humans to radon and adequately protect millions of Americans.

Radon is a naturally occurring gas which has been linked to lung cancer when it is trapped within a home or a building. As a naturally occurring substance, it is perhaps more difficult to regulate than a pesticide or a chemical contaminant. However, technology has already been achieved and demonstrated to reduce radon levels to a guideline that EPA has designated as safe.

I would like to express concern not only with the fact that there is no national standard for radon but also with the guideline that is being held as a safe level by EPA.

The EPA has set as a guideline a level equivalent to 4 Picocuries per liter (PCi/L). States are using this level as an informal standard. Homeowners are under the impression that, if they can reduce radon levels in their homes to the magic number four, they and their families will be adequately protected from the risks of radon exposure. Home builders are under the impression that, if they can build a home with enough protective measures to keep radon levels at four or below, then the homes they build are safe.

Realtors are under the impression that, if the homes they sell have levels measured at 4 PCi/l, then those homes pose no significant risk. Finally, the engineers and contractors involved with developing the technology to reduce radon levels in homes are under the impression that, if their techniques can bring radon levels down to four, their job has been completed and the health of residents of these buildings is adequately protected.

Well, the unfortunate reality is that the guideline EPA is using does not protect the public from radon risks of lung cancer. Rather, the magic number four provides such a high cancer risk that, even under EPA's best estimates, 1 person out of 100 will fall victim to lung cancer as a result of radon exposure. Estimates have also put the cancer risk as high as 1 out of 20 or 1 out of 65. There are 8 million homes which are affected by indoor radon pollution. The consequences of allowing such a high cancer risk and defining it as safe can be shattering.

EPA's safe guideline of four is equivalent to receiving 200 chest x rays per year. EPA's own testimony at various committee hearings admits that there is no safe level of radon. A radon concentraion of 1.5 PCi/l is equivalent to 300 millirems of radiation per year; this figure is much higher than the 5 millirem per year level allowed for nuclear powerplants.

EPA's allegedly safe guideline of four provides almost five times the average risk of a nonsmoker of getting lung cancer. We need to remember that the risk posed by radon is in addition to the cancer risk we face from other sources such as smoking.

It has been said that EPA's guideline is so much lower than the standards adopted by other countries—certainly the action levels in Sweden and Canada are at 20 Picocuries while England has set it at 10. I want to point out to my colleagues that, even through these countries have set these high levels as standards, their standards for construction of new homes are much lower. In England, the level for new dwellings is 3 Picocuries per liter—below EPA's guideline. Just to give you an idea of what risks we would be allowing if we were to adopt the standards of these foreign countries—the level of 20 is equivalent to smoking two packs of cigarettes a day. The level of 10 is equivalent to smoking one pack per day.

Most contaminants EPA has been regulating have provided cancer risks in the range of 1 in 10,000 or 1 in 100,000. It is irresponsible policy to be issuing a guideline that will be held as safe by the average homeowner when it means that 1 out of 65 people will be victims of lung cancer caused by radon.

My legislation calls upon EPA to set a national standard and to set a standard that will be based on health and not solely on cost and currently available technology. Recent court cases have upheld the notion that standards should be based on adequately protecting human health and not solely on the cost involved in saving lives.

I urge my colleagues to join me in sending a clear message to the EPA to set this standard and provide a firm level that can truly be called safe without misleading the public into a false sense of security.

SOUTH ST. PAUL CENTENNIAL

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. VENTO. Mr. Speaker, this year marks the 100th anniversary of South St. Paul, MN. In a time when this country seems evenly divided between those who wish to turn the clock of history back and those who wish to abandon history entirely, the citizens of South St. Paul provide both a breath of fresh air and a timely reminder that the struggles of the past can provide fortitude for the future. As South St. Paul celebrates its 100th year with a vast array of festivals and community activities, one needs only examine its history to see why the city has cause to celebrate. And an inspiring history it is.

South St. Paul was founded on the sight of an old Dakota Indian village named Kaposia. Because of its unique location on the banks of the Mississippi River, the small community quickly prospered. Its early success can best be attributed to the foundry industry and the stockyard which sprung up in 1886. During its heyday, South St. Paul's stockyard was the largest of its kind in the entire United States.

Due to the enormous growth the city experienced in the developing years, the residents of South St. Paul decided to incorporate in 1887. Soon after, the city's extensive industries, most notably the meatpacking industry, lured bankers and investors to the city.

During the years from 1895 to 1960, South St. Paul enjoyed unusual distinction as a sophisticated banking and livestock trading center. Literally thousands of heads of cattle were bought and sold.

It was during World War II that South St. Paul experienced its greatest period of economic success. The Federal Government needed food to feed American soldiers. The local meatpacking industry was of vital importance in facilitating this effort. Products like the now famous Spam and other canned meats that could be efficiently shipped were crucial.

At the end of World War II, many of the young men who had left to serve their country returned to the city because of the ample supply of jobs. Indeed, by this time South St. Paul was a totally self-sufficient community, unlike many other suburban areas.

By the mid-1950's, all residential land in and immediately surrounding South St. Paul was in use. There were simply no vacant lots. And the city continued to enjoy its prosperity for the remainder of the decade.

All of this changed suddenly in the 1960's. The meatpacking Industry began to diversify and build smaller plants at dispersed locations. For the first time in its history, the city of South St. Paul experienced an unemployment crisis.

The Federal Government offered assistance to the city, providing funds for an urban renewal project. The South St. Paul Housing Authority, in conjunction with other local units of government, seized the initiative and began a major facelift on Concord Street.

The citizens of South St. Paul also responded extraordinarily. Rather than relocating, they sought employment opportunities in other parts of the Twin Cities metro area. South St. Paul citizens chose to commute rather than abandon their community. The city has not altered its residential structure and has made determined efforts to promote economic development.

Today, the mayor and city council are engaged in a sweeping effort to diversify the tax base of the city in order to lure companies and private investment. These measures are sparking hope and if hard work is any measure success can be attained.

As the citizens of South St. Paul gather to celebrate this 100th year of their city's history, they serve as an excellent example of what can be accomplished when a community joins together and pursues a common goal. Literally thousands of people from every State in the Union and six foreign countries will descend on South St. Paul at the end of August to relive old memories and celebrate past victories. But they will also look forward to the future. A more pertinent example of a community in pursuit of the American dream is literally the heart and soul of what makes America work. Remembering their roots as they build for a better South St. Paul, State, and Nation tomorrow!

JOHN WYDLER WILL NOT BE FORGOTTEN

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. CRANE. Mr. Speaker, it is a sad moment, indeed, to note the passing of the former distinguished Member of this House of Representatives, John Wydler of New York. John was a House veteran in his fourth term when I was first elected to this House. He was most helpful to me in those early days when as a new Member I sought to find order in this new world into which I had entered. John Wydler served with distinction on both the Science and Technology Committee and the Government Operations Committee. In the almost two decades he served in the House of Representatives he was a credit to his country, to the citizens who elected him, and to his family. Earlier, he had devoted some 3 years of his life to his country during World War Two, including a tour of unenviable duty in the China-Burma-India theater of operations. John Wydler was an outstanding Member of Congress, and I'm proud to say, a friend of mine. His friendship and service will not be forgotten.

A CONGRESSIONAL SALUTE TO WALTER AND MARY PHILLIPS

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. ANDERSON. Mr. Speaker, it is my honor to rise today to pay tribute to Walt and Mary Phillips, who will be celebrating their 50th wedding anniversary August 19, 1987.

Mary A. McDermott and Walter H. Phillips met in 1934. Three years later, on August 19, 1937 they were married at St. Monica's Catholic Church in Santa Monica, CA. They built a home in West Los Angeles and lived there until 1973 when they moved to Harbor City, CA.

Walter worked for the United Parcel Service and Harvel Tool & Die Co. before being drafted into World War II. He served in the U.S. Navy and was stationed aboard the U.S.S. *Hydes* before his tour of duty took him all over China from 1945 to 1946. Upon returning to the United States from the war, Walter went to work for a short time in his father's plumbing business. He then spent the next 20 years working for Bob Stoltz Plumbing near Century City, CA, until his retirement in 1970.

Mary worked as a housewife and mother until 1968 when she went to work for Farmer's Insurance in the credit union. She worked there for 5 years until she and Walter moved to Harbor City.

Mary and Walter were blessed with two children, Tom and Christine, and one grandson, Patrick.

Mr. Speaker, Mary and Walter are celebrating something that is so very special. Their 50th wedding anniversary is in itself a tribute to the commitment they made to one another 50 years ago. My wife, Lee, joins me in congratulating Mary and Walter on this special occasion. We wish them and their children, Tom and Christine, and their grandson, Patrick, happiness and all the best in the years ahead.

VA EMPLOYEES VOICE STRONG SUPPORT FOR THEIR MEDICAL COMPUTER SYSTEM

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. MONTGOMERY. Mr. Speaker, a controversy over the effectiveness and cost of the Veterans' Administration's medical computer system, known as the Decentralized Hospital Computer Program [DHCP] system, has arisen in the Congress. As chairman of the Committee on Veterans' Affairs, I have scheduled many oversight hearings on this important medical computer system over the past several years and the reports on its effectiveness and costs have been uniformly very positive.

Since our hearing of April 8, 1987, on this important subject, I have received many letters from veterans and Veterans' Administration employees in support of the DHCP.

I would like to share with my colleagues a copy of a letter which I received from Dr. Ralph S. Goldsmith, chief of staff at the VA Medical Center in San Francisco, CA, which demonstrates how the VA employees feel about "their" medical computer system. The letter follows.

MARCH 23, 1987.

Hon. G.V. (SONNY) MONTGOMERY,
Chairman, Committee on Veterans' Affairs, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: I have just learned of the possibility that funds for continuation and enhancement of the Veterans Administration's Decentralized Hospital Computer Program (DHCP) are at risk. As Chief of Staff at the San Francisco Veterans Administration Medical Center, I have more than a passing interest in this unwelcome development, and as a citizen I feel obligated to pass on to you my concern. I plead that this program not be dismantled or discontinued.

I can certainly appreciate, and in fact I applaud, your desire to help the Veterans Administration to have the best system at the lowest cost to meet the needs of the Medical Centers for management of information. It is only within the last few years that the VA has been able to enter the Information Age, and predictably the effect has been exceptionally salutary. Although we are still behind the private sector in some ways, we now can obtain prompt clinical and administrative data. For example, instead of depending on hand delivery of laboratory reports to each ward and to each clinic, physicians can obtain results directly from a video screen. Furthermore, they can quickly detect trends or changes from previous values because all data from each patient are displayed in a tabular format. This represents an enormous advantage for quality of care because each result is displayed on the screen as soon as the analysis is completed. In a similar fashion, the Pharmacy module permits each physician and pharmacist to see at a glance all the medications a patient may be receiving from different clinics and thus be alert for potential interactions between medications. On the administrative side, we now have the ability to schedule patients for clinic visits, to check eligibility, to manage scheduling of special tests such as X-ray procedures, and to monitor funds, personnel, and supplies. These represent only a few examples of what can be done now. All of the above may seem simple, but none could be accomplished satisfactorily before the DHCP. It would be a tragedy and a real blow to morale if our slow, but steady, advance were halted in the name of a better system to be obtained at some future date.

I urge, no matter what the long-term solution may be, that the DHCP not be terminated or prevented from progressing. I have not seen any detailed comparisons of the DHCP with other, commercially available hospital systems, but each such system must have strengths and weaknesses. While certainly far from perfect, the DHCP has been developed with the "blood, sweat, and tears" of many VA personnel. They have labored long and hard through Special Interest Users Groups to meet the expressed needs of our Medical Center staffs, have made corrections and changes as needed, and by and large they have succeeded.

I have not attempted to cover all aspects of our joy at having a DHCP, but I am sure you can gather that it has been welcomed greedily. Obviously, I hope that no change will be made unless there is a clear improvement in performance, cost, or both. If it appears that a change must occur, I hope that it will be possible to maintain and continue moderate enhancements to our existing system during the inevitably long and tortuous procurement process. In fact, it is absolutely essential that no obstruction to our current capability be imposed, or we risk both a serious morale problem and a potential impairment of our ability to provide high quality patient care. We are now dependent on the DHCP and cannot do without it until a new system is ready for full implementation. I urge that you assist the VA in these efforts.

If I may be of any service, such as by providing additional information or documentation, I shall be pleased to cooperate in any way possible.

Sincerely,

RALPH S. GOLDSMITH, M.D.

SPRATT TO ADMINISTRATION: ALLOW REA REFINANCING

HON. JOHN M. SPRATT, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. SPRATT. Mr. Speaker, last month, the Congress approved a provision in the Supplemental Appropriations Act permitting all rural electric and telephone systems to prepay high-interest Rural Electrification Administration [REA] backed loans owed to the Federal Financing Bank [FFB] by using private capital. This is the third time that the Congress has passed legislation to permit rural electric cooperative to prepay FFB loans and avoid onerous and excessive payments.

This is also the third time the administration has thwarted the clear intent of Congress by refusing to allow refinancing. On July 11, 1987, when the President signed the supplemental appropriations bill for fiscal year 1987, he instructed the Treasury Department to prevent rural cooperatives from prepaying any additional loans.

Mr. Speaker, permit me to provide some background information concerning refinancing and rural cooperatives. The REA was created to provide rural electric and telephone cooperatives with affordable electricity largely through low-interest loans. Ironically, the REA now has loans outstanding to cooperatives at rates far above the prevailing rate of interest; and the cooperatives do not enjoy the right to pre-pay, even at a premium or penalty, which almost any private utility would reserve for itself in contracting long-term debt. In the past several years, rural electric and telephone cooperatives obtained REA-backed loans from the FFB when interest rates ranged as high as 12 percent. Despite the fact that during 1986 and 1987 refinancing has occurred at unprecedented levels in all sectors of our economy, the administration has persisted in preventing rural electric refinancing. This means that the Federal Government will continue to earn substantial profits on long-term FFB loans made to rural cooperatives. This also means that millions of Americans living in rural areas will continue to be burdened with utility rates which are substantially higher than they would be if refinancing were allowed.

The right to prepay is particularly significant to me because an electric cooperative in my district, Saluda River Electric Cooperative, Inc., has been trying for 1 year without success to prepay approximately $250,000,000 in long-term REA loans. If Saluda River is allowed to prepay and refinance, its debt service would drop by approximately $6 million annually for the next 25 years. These savings would flow through to Saluda River's consumers living in the Piedmont region of South Carolina. The people who live in this area earn an average income that is only 60 percent of the national average and are still recovering from the worst drought to hit the area in a century.

Allowing prepayments helps not only rural America; it also helps our whole country. Every dollar prepaid by a rural cooperative represents a dollar in off-setting receipts, diminishing the national debt. At a time when our Government must close the Federal deficit, prepayments are a useful method to help achieve that goal.

Let me review the legislative history of this issue and the administration's refusal to follow the intent of Congress. On July 2, 1986, the President signed H.R. 4515, the Urgent Supplemental Appropriations Act for fiscal year 1986. The act included a provision permitting FFB loan payment by REA borrowers. However, the President in signing the bill issued a statement that prepayment would be approved "only to the most financially troubled borrowers." The record shows that not even one REA borrower prepaid under the provisions of this act.

Because of the decision of the administration to ignore congressional intent, it was necessary for Congress to re-address the prepayment issue. On October 20, 1986, the Omnibus Budget Reconciliation Act, H.R. 5300, was enacted with a provision which again spelled out the congressional intent that REA borrowers be permitted to prepay their FFB loans. To make absolutely sure that prepayment would be permitted, the Congress included a clear instruction that the administration be required to approve no less than $2.0175 billion in FFB prepayments during fiscal year 1987. Not long after this bill was enacted the REA issued rules which stated that no more than $2.0175 billion in prepayments would be approved. The $2.0175 billion level represents only 20 percent of the $10 billion in high interest FFB loans outstanding to REA borrowers.

This year, and for the third time the Congress has passed legislation to permit all REA borrowers to prepay. The provision added to this year's Supplemental Appropriations Act, signed on July 11, removes the ability of the REA Administrator to use a means test to deny a borrower's request for prepayment. This provision was debated at considerable length on the floor of the House of Representatives prior to passage and the legislative history is crystal clear: Congress intended to permit all systems to prepay any of their FFB loans.

Despite the clear intent of Congress, the administration continues to deny requests of borrowers to prepay loans using private capital. They are basing this objection on a technical provision of the Omnibus Budget Reconciliation Act of last year which was left untouched by this year's measure.

I am sure that before the end of this year the Congress will pass further legislation to remove any basis for an administration denial of requests to refinance high interest FFB loans. I am proud to be an original cosponsor of H.R. 2045 introduced by Congressmen DE LA GARZA and MADIGAN mandating REA to permit every rural cooperative which so wishes to prepay its FFB loan. H.R. 2045 has already been cosponsored by 119 members and I look forward to its adoption. Given the present state of affairs, such a further legislative step will undoubtedly be necessary.

However, my own view is that the U.S Government should not be run this way. I am troubled that the executive branch has flouted the clear intent of a law passed by Congress and signed by the President. This practice raises questions broader than the matter of prepayments. I urge my colleagues to respond to the administration's contempt for the intent of Congress by speedy adoption of H.R. 2045.

REMARKS ON THE PROPOSED CENTRAL AMERICAN PEACE PLAN

HON. MICHAEL A. ANDREWS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. ANDREWS. Mr. Speaker, like many others interested in a peaceful Central America, I am optimistic today about the new peace plan for that troubled region endorsed by the Speaker of the House, the Honorable JIM WRIGHT, and President Reagan.

While some questions remain about the specifics of the proposal, certainly the possibility of a ceasefire and the resumption of negotiations is a goal that should be pursued. I encourage my colleagues to review the outline of the proposed peace plan that follows, and urge their support of this bipartisan move toward peace:

A PEACE PLAN

Recognizing that the Central American Presidents are soon to meet to discuss the issues involved in achieving peace in Central America, the United States desires to make known its views on certain of the basic elements that need to be included in a peace plan.

With respect to Nicaragua, the United States has three legitimate concerns for the well-being of the hemisphere;

1. That there be no Soviet, Cuban or Communist block base established in Nicaragua that poses a threat to the United States and the other democratic governments in the hemisphere.

2. That Nicaragua pose no military threat to its neighbor countries nor provide a staging ground for subversion or destabilization of duly elected governments in the hemisphere.

3. That the Nicaraguan government respect the basic human rights of its people including political rights guaranteed in the Nicaraguan constitution and pledges made to the OAS—free speech, free press, religious liberty and a regularly established system of free, orderly elections.

Beyond this, the United States has no right to influence or determine the identity of the political leaders of Nicaragua nor the social and economic system of the country. These are matters wholly within the right of the Nicaraguan people. The United States affirms its support for the right of the Nicaraguan people to peaceful, democratic self-determination, free from outside intervention from any source.

In order to bring an immediate end to hostilities and begin a process of reconciliation, we propose the following:

1. An immediate cease fire in place, on terms acceptable to the parties involved subject to verification by the OAS or an international group of observers should be negotiated as soon as possible. When the cease fire is in place, the U.S. will immediately suspend all military aid to the contras and simultaneously Nicaragua will stop receiving aid from Cuba, the Soviet Union, and the Communist block countries. Humanitarian aid can be supplied to both groups. The emergency law will be immediately suspended and all civil rights and liberties will be restored and an agreed, independent, multiparty electoral commission will be established to assure regular elections open to free participation by all. A timetable and procedures for all elections including those to be supervised and guaranteed by an international body such as the OAS will be established within 60 days.

2. The withdrawal of foreign military personnel and advisers from Nicaragua and its immediate neighbors that are in excess of the normal and legitimate needs of the region will be subject to negotiations among the countries of the region. The U.S. will suspend combat maneuvers in Honduras as a demonstration of good faith when the cease fire is in place.

3. After the cease fire is in place, negotiations among the governments of the United States, Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua shall begin on reductions in standing armies in the region, withdrawl of foreign military personnel, restoration of regional military balance, security guarantees against outside support for insurgent forces, and verification and enforcement provisions. As part of this negotiating process, the United States shall enter into bilateral discussions with the governments of the region—including the government of Nicaragua—concerning security issues. A regional agreement on security issues shall be negotiated within 60 days, unless this period is extended by mutual agreement. The OAS shall be invited to be a signatory to and guarantor of this agreement.

4. A plan of national reconciliation and dialogue among citizens of Nicaragua, including amnesty for former combatants and equal rights to participation in the political process. There shall be a plan of demobilization of both Sandinista and Resistance forces. In accordance with the implementation of this plan, the United States simultaneously shall cease all resupply of Resistance forces. Both the government of Nicaragua and the Government of the United States shall encourage and support the reintegration of demobilized forces into Nicaraguan civil and political society on terms guaranteeing their safety. Nicaragua shall at this time become eligible for existing and prospective U.S. assistance programs.

5. A plan of expanded trade, and long-range economic assistance for the democratic governments of Central America in which Nicaragua might participate. By the process of democratization and compliance with bilateral nonaggression agreements, Nicaragua would qualify for participation in the Caribbean Basin Initiative, and the U.S. will lift its economic embargo.

6. The negotiating process shall commence immediately and be completed by September 30, 1987. If the Nicaraguan Resistance, or forces under its command, should refuse to engage in this negotiating process, willfully obstruct its progress, or violate its terms, the United States shall immediately suspend all assistance to the Resistance. If, because of actions taken by the Nicaraguan government or the forces under its command, the negotiating process should not proceed; or its terms, conditions, and deadlines should not be met; the parties to these undertakings would be free to pursue such actions as they deem necessary to protect their national interest.

A TRIBUTE TO MR. AND MRS. LEO SANDERSON

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. PURSELL. Mr. Speaker, I rise today with great pride and pleasure to honor two of my constituents from Michigan's Second Congressional District—Mr. and Mrs. Leo Sanderson of Quincy, MI. On September 4, 1987, the Sandersons will be among 11 families inducted into the Michigan Farmer's Hall of Fame.

Founded in 1982, the Michigan Farmer's Hall of Fame honors farmers for their generous contributions to their community and to Michigan's proud agricultural industry.

The Sandersons farmed for 46 years before selling their 350 acres to their son in 1975. Despite being retired in name, the Sandersons still live on the farm and work nearly every day, from planting through harvest.

The demands of farm and family did not keep the Sandersons from being active in their community. Leo has been a Farm Bureau member since 1938 and also was active with the Branch County Dairy Herd Improvement Association, the Michigan Animal Breeders Association, and the Michigan Milk Producers Association. In addition he was chairman of the Branch County Social Services Board for 17 years and also was a 4-H Club leader.

Both Leo and his wife, Helen, have been active members of the Quincy Methodist Church.

Mr. Speaker, I ask my colleagues in the House of Representatives to join me in congratulating Leo and Helen Sanderson and offer them warmest wishes for continued good health and success.

FEL-PRO, INC.

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. LIPINSKI. Mr. Speaker, I would like to bring to the attention of my colleagues the exemplary service and dedication of the onsite day care facility at Fel-Pro, Inc. in Skokie, IL. This past weekend, Mark Winters, a member of my staff, toured the company and its day care center. Fel-Pro has committed itself to a quality program which could serve as a model for other companies interested in day care.

The Fel-Pro center currently cares for almost 50 children. The faculty-to-child ratio is kept down and each child receives personal attention within a small group setting. The sense of community, however, was what most impressed my staff member. The children display art work in the cafeteria, perform shows, and are even served the company lunch. The children become a part of their parents life and feel proud of their mother or father's work.

Onsite day care provides the most promising solution available to many two-income families. Parents can visit their children while on breaks and feel secure that they are in a safe and healthy environment. Unfortunately, the Federal Government has done nothing in the past to foster onsite facilities. Today only 150 such centers are in operation.

I have recently introduced legislation, H.R. 3005, which would permit employers a tax credit allowable for any taxable year which shall not exceed $2,000 multiplied by the maximum number of enrollees who may be cared for in the qualified day care facility. Expenses permitted for deduction include space acquisition, construction, remodeling and expansion.

The growth of two-income families has brought the issues of work and child care to the spotlight. Onsite day care is not only a social good, but also a strong economic incentive to boost productivity and employee morale. A recent Fortune magazine study of child care found that absenteeism, tardiness, stress, and health problems were all higher for working parents. Until we face up to the reality of structural change in the family, these problems will expand further.

Our society has changed substantially in the last three decades. Unfortunately, part of that change has served to preclude many working parents from quality, affordable child care. It is my strong conviction that Government must now step in to help the business and the family help themselves. I invite all of my colleagues to join me in the effort to encourage onsite day care centers. The need for quality child care is no longer a matter of debate, but one of necessity.

STEEL IMPORT STABILIZATION EXTENSION ACT OF 1987

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. SCHULZE. Mr. Speaker, today I am introducing the Steel Import Stabilization Extension Act.

Our Nation's steel industry has taken important strides over the past 3 years to become a top worldwide competitor. In return, we have implemented a national steel policy designed to offset injurious trade practices and provide stability in our market.

The bill I am introducing today will make this policy much more effective in two key respects. First, it will enable the administration to ensure that certain countries don't undermine the progress so far made. Second, it recognizes that it has taken about 3 years for this policy to be implemented and that, therefore, this policy should be extended by a commensurate period.

Our Nation's steel industry is vital to our national economic well being. Let's make sure that our steel industry is able to complete its program of modernization. I urge my colleagues to cosponsor the Steel Import Stabilization Extension Act.

SUPPORT FOR CATHOLIC LITHUANIANS

HON. EDWARD F. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. FEIGHAN. Mr. Speaker, I rise today to talk about the plight of Catholic Lithuanians living in Soviet-occupied Lithuania. This past June, Congressman JOHN MILLER and I introduced House Resolution 192, both to commemorate the 600th anniversary of Christianity in Lithuania and to protest the denial of religious and other human rights in Lithuania still taking place.

Today, the Foreign Affairs Committee approved House Resolution 192, and our legislation is now scheduled to be brought to the floor of the House for a vote in September. I would like to take this opportunity to remind my colleagues about the types of discrimination and persecution that are taking place in Lithuania today.

As a Roman Catholic, I am perhaps most distressed by Soviet actions aimed against Catholic Lithuanian children. It is against the law, for example, for Lithuanian children under the age of 18 to attend church without their parents. Children in Lithuania may not act as "altar boys" during mass. Lithuanian children may not participate in church choirs. Religious children are ridiculed at school by other students and teachers alike. They are given lower "conduct" grades. They are not allowed to take final exams. They are denied entrance to institutions of higher learning.

Priests in Lithuania are not allowed to teach the Catholic faith to children. Nor are they allowed to organize social activities such as Christmas parties for children. Priests are not allowed to perform any religious activities outside church property such as funeral processions to cemeteries. They are fined for alleged petty offenses such as for "disturbing the peace" by ringing church bells on Sundays.

Clergy who actively pursue religious or human rights are arrested and imprisoned. For example, Father Sigitas Tamkevicius was sentenced to 6 years in a labor camp and 4 years exile beginning in 1983. One of the charges against him was organizing a Christmas party for parish youth. Bishop Julijonas Steponavicius has been in exile in a remote northern town since 1961—for the past 26 years—for refusing to prohibit priests from teaching religion to children and for refusing to allow the government to interfere with the selection of seminary students.

Only one seminary is permitted now in Lithuania. Entrance to the seminary is so strictly controlled that more priests die each year than are ordained. The Soviet Government, not the Catholic Church, makes the final decision about who is admitted to the seminary. The government tries to blackmail seminarians to inform on fellow clergy. And the government controls the appointment of faculty to the seminary.

Lithuanian churches have been seized and converted to other uses, including an art museum and a museum of atheism. Religious presses publishing prayerbooks and other religious literature are completely banned. Religious adults have been compelled to work against their will on Sundays and religious holidays, are harrassed at their workplaces, and are fired from their jobs. They have been arrested for producing religious materials such as holy cards, for circulating petitions on religious rights, and for having religious materials in their homes.

In spite of all this, Catholicism in Lithuania is thriving. Between 66 and 88 percent of all Lithuanians are Roman Catholics. Despite the house searches, the interrogations, and the arrests, a mass-based movement of Catholic Lithuanians is working hard for religious rights. It is important that we support these people—especially at this time when they are celebrating the 600th anniversary of Christianity in Lithuania. I urge my colleagues to give their full support to House Resolution 192 when it comes to the floor in September.

REMEMBERING THE NIGHT OF THE MURDERED POETS

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. HOYER. Mr. Speaker, August 12 marks the 35th anniversary of the infamous Night of the Murdered Poets. On that night in 1952, 24 Jewish poets, writers, artists, musicians and actors were arrested and subsequently tried and falsely convicted of treason and espionage. They were then executed in Moscow's Lubyanka prison. This tragic event was symbolic of the total darkness and incomprehensibility of the Stalin reign of terror.

In remembering the Night of the Murdered Poets this year, Mr. Speaker, I would like to draw my colleagues attention to the plight of an artist who is currently suffering in Soviet prison. Alexei Magarik is a 28-year-old gifted cellist who has composed, performed, and taught Jewish music. He was once a student in a Soviet music school and knew nothing of his Jewish heritage until a friend brought him the score to Ernest Bloch's "Kol Nidre." This prompted him to drop out of music school and compose Jewish songs in Russian and Hebrew. He then began to perform with unofficial Jewish music groups, and in 1981 he won an unofficial Jewish music contest held in the Moscow woods.

Yet, Mr. Speaker, on March 14, 1986, this gifted cellist was arrested at the Tbilisi Airport, his luggage planted with hashish, and he was charged with "drug possession." On June 10, of that year, he was sentenced to 3 years at hard labor.

Concerned with the imprisonment of Alexei and other individuals in the Soviet Union, a group of congressional spouses, led by Annette Lantos and Kathryn Porter, formed the Congressional Spouses Committee of 21. My wife, Judy, is a member of the committee and adopted Alexei Magarik, who is the only remaining Jewish prisoner of conscience in the Soviet Union. She has been involved in efforts to secure the freedom of Alexei and his family, most recently while we were in the Soviet Union in April. Fortunately, at the end of April, we were informed that his sentence was reduced by half. His release is now scheduled for September 15 of this year.

Although the future holds forth the promise of Alexei's release from a labor camp, today he still languishes in prison. His father, Vladimir, a mathematician and a marathon runner who lives in Israel, has quit his job and dedicated his life to securing the freedom of his son. I have met with Vladimir Magarik on a number of occasions. He is running the race of his life right now in trying to persuade Soviet authorities to free his son from camp and permit him and his family to emigrate.

Mr. Speaker, in remembering the Night of the Murdered Poets, let us also remember Alexei Magarik and hope that his suffering soon ends and he is allowed to join his loved ones in Israel in the near future.

HONORING THE EAST LOS ANGELES JAYCEES ON THEIR 25TH ANNIVERSARY

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. TORRES. Mr. Speaker, I ask my colleagues to join with me today in saluting the East Los Angeles Jaycees on the occasion of their 25th anniversary of service to their community.

On Friday, August 28, 1987, this organization will celebrate its silver Anniversary and conduct its annual installation of officers and year-end recognition of its outgoing board of directors.

It is important to note that the East Los Angeles Jaycees provide many outstanding services to the community, including the Outstanding Youth Program of east Los Angeles which recognizes local young people for their contributions to their community. They also serve as cosponsors of the famous East L.A. Christmas Parade, maintain a scholarship program for local youth and help raise funds for muscular dystrophy research. These efforts and many others provided by the East Los Angeles Jaycees help make east Los Angeles a very special community in which to live, work and raise a family.

Mr. Speaker, I also ask my colleagues to join me in congratulating the organization's outgoing president, Mr. Artemio Navarro, for a job well done, as well as Mr. Alfonso Orozco in anticipation of an equally successful year under his leadership. It gives me great pleasure to commend the East Los Angeles Jaycees for a quarter of a century of exemplifying civic leadership at its very best.

COMPETITION IN THE TELECOMMUNICATIONS INDUSTRY

HON. W.J. (BILLY) TAUZIN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. TAUZIN. Mr. Speaker, I want to commend Chairman MARKEY for holding a series of educational hearings in the Subcommittee on Telecommunication and Finance on competition in the telecommunications industry. The Department of Justice's recommendations to change the MFJ are presently before Judge Greene. We're all waiting to see if the Judge decides there has been sufficient change in the industry since divestiture to warrant removal of the line-of-business restrictions now on the BOC's.

One thing is certain, my State has experienced changes in the last 3 years. Louisiana has gone from a State with a healthy economy to a State experiencing severe economic problems. We need, and the Nation needs, to look for opportunities that will benefit consumers and our economy. The ever-changing area of high technology, of which telecommunications is an integral part, is critical to the economic vitality of our Nation as is energy policy. These hearings are structured to deal with this important subject.

The AT&T divestiture was supposed to bring us more choices in services and products. In Louisiana, we've seen some changes but divestiture has also brought us confusion and lost jobs. I'm anxious to see what services, job opportunities, and economic advantages removing the restrictions on the BOC's will bring. The chairman of the House Energy and Commerce Committee, JOHN DINGELL, in his news release on the Department of Justice's recommendations said:

> The recommendations represent a welcome step toward enabling the Bell Operating Companies to bring the benefits of information-age technology to as many Americans as possible. Continued imposition of current restrictions would merely reward a few powerful, vested economic interests.

The MFJ line-of-business competitive restrictions are not only restricting the participants in the decree but are quite possibly restricting opportunities in Louisiana and our Nation. Changing technology is dictating changes in the way people and nations live and work.

The potential exists for even more change. Today only the largest business and governmental organizations have the resources to use this technology. Millions of potential users do not have access to the technology and services due to their great cost and limited availability.

I'm not only talking about services people want, but services people need. For example, many sick or injured people especially the elderly, could be helped while being treated or recuperating at home, avoiding the great costs of extended hospital stays, by services provided over the local telephone network. Services like emergency assistance signaling; heart and blood pressure monitoring; and electrocardiograms could be transmitted from patient's own home to their doctor's office or to a specialist in a medical center. The line-of-business restrictions do not allow the companies with facilities in almost every neighborhood to be actively involved in providing these kinds of services.

The restrictions also limit their involvement in information services in many other areas, like education. In Louisiana, we have many excellent schools and teachers, but not enough of both. The linkage of the telecommunications network with computer technology could distribute excellent, innovative teaching tools and learning opportunities to every school in our State, not just those with the most resources. This linkage and distribution could be a critical step in equipping our school children for the new high technology jobs of the future and reducing the number of our children who either drop out of school or finish without the skills needed to compete for today's and tomorrow's jobs.

Many consumers and small businesses are concerned about the availability of video text services, security systems, voice storage capabilities and a host of other services that consumers in France and Japan are already enjoying. We can't let our Nation take a second or third place in new technologies available to citizens.

While these MFJ line-of-business restrictions limit the availability of information services they also create other major concerns. The restrictions on BOC manufacturing keep some of this countries' largest and best managed companies from engaging in manufacturing while we allow foreign companies to unfairly operate in our markets, reduce job opportunities for Americans, and undermine the Nation's high-tech economy.

These Bell operating companies have no economic incentive to spend money in research and development since they are barred from manufacturing. Without that incentive it seems we will be destined to lose the technological leadership in telecommunications we enjoy today. If they are not able to develop and build new telecommunication products, they will not be producing any new jobs. There appears to be a clear link between these restrictions and the lack of jobs. We need more jobs in Louisiana and every other part of our country.

Removal of the information services and manufacturing line-of-business restrictions would surely lead to more jobs. As the telecommunications networks are modified to provide new information services, new equipment must be built and installed. This can only mean more jobs created by companies with strong ties to our local communities and the people there. Either though creation of jobs in their own companies or through joint ventures with other manufacturers, removal of these restrictions will mean greater job opportunity.

It seems clear, removal of these two restrictions will have a significant positive impact in our economy. It is not so clear the long distance restrictions should be removed. I get concerned that we need more choices for consumers, especially in rural areas, but I think we need to look at how competition develops in the long distance area. If consumers have choices at good prices we can wait, if consumers don't have choices in providers, then we need to look closer at the restriction.

Those of us in Congress need to make sure American technology and ingenuity are put to their highest and best use in strengthening this Nation's competitive posture and creating job opportunities for Americans. We also need to make sure our technology and ingenuity are available to all consumers, including residential and small business users.

I'm anxious to make sure the interests of consumers and the Nation's development of a competitive world-leading telecommunications and information services market will be maximized as restrictions are removed. As these and other hearings unfold, we must focus on what approach positions Americans and America for the brightest future.

AIDS FEDERAL POLICY ACT OF 1987

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. GREEN. Mr. Speaker, I am proud to be an original sponsor of H.R. 3071, the AIDS Federal Policy Act of 1987.

On May 5, I testified before the Appropriations Subcommittee on Labor, Health and Human Services, and Education and called for increased funding for education, voluntary testing and tracing, and counseling. H.R. 3071 authorizes a program to increase the availability of testing and counseling.

Testing without counseling is counterproductive. A test result alone is unlikely to change behavior. If people test negative, they need to know that they might not truly be negative; they may have been infected too recently for the results to show. Some, who are truly negative, might be tempted to assume that they are immune to the virus. Counseling can prevent people from harboring such dangerous delusions. Those who are truly negative need to know how to stay that way.

Those who test positive need to understand how to take care of their health to lessen the chances of coming down with AIDS or at least to postpone its arrival. They also need to know how to ensure that they do not infect others.

Testing, combined with counseling, can slow the spread of AIDS, if people choose to be tested. People will avoid testing, however, if they think they might lose their jobs, health insurance, housing, or friends. That is why the confidentiality and nondiscrimination provisions of this legislation are so crucial.

This bill was crafted carefully with the involvement of key members of the medical profession and public health officials. The very delicate balance between an individual's right to privacy and society's need to know is based on public health, rather than political, considerations.

I urge my colleagues to act quickly on this worthy legislation.

TRIBUTE TO FORMER CONGRESSMAN DOMINICK V. DANIELS

HON. E de la GARZA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1987

Mr. DE LA GARZA. Mr. Speaker, it was with great sorrow that I learned of the death on July 17 of our former colleague, New Jersey Representative Dominick Daniels.

In this life we judge our fellow men by their achievements and by their character. Representative Daniels was one of those rare individuals whose life, measured by both standards, was truly remarkable.

Throughout his long and productive lifetime he exhibited unlimited devotion to his country and to the men and women of the Nation's work force championing their health and safety concerns. Dominick Daniels was a man guided by principles of justice and brotherhood. He was a man of knowledge, experience, kindness and integrity. For the 18 years he served the people of New Jersey in the U.S. House of Representatives he did so with complete dedication, and during these same years he earned the respect and affection of his colleagues in the Congress.

He will be remembered with great admiration and affection both by those he served and by those with whom he served, and to members of the Daniels family let me offer my most sincere sympathy in their loss and bereavement.

FREEDOM YOUTH ACADEMY

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. BROWN of California. Mr. Speaker, I rise today to recognize and praise the accomplishments of Dr. and Mrs. Henry J. Gaskins of Washington, DC, director and executive director of the Freedom Youth Academy. This program supports the educational achievements of our children, and is dedicated to academic excellence in meeting the needs of the individual student and in giving the youth a firm grasp of basic abilities and fundamental skills.

The Freedom Youth Academy was founded in Washington, DC in the home of Henry and Mary Ann Gaskins in 1981. The academy was founded to assist the neighborhood children in their educational, social, and recreational endeavors.

The academy is an after-school and Saturday program that strives to blend goodness of character with intellectual skills for the benefit of the students in their pursuit of academic excellence by focusing on individual and in-depth learning. The academy also features extensive programs for enrichment and accelerated instruction in a wide variety of courses and activities.

On May 20, 1987, President Ronald Reagan invited Dr. and Mrs. Gaskins to the White House for the presentation of the Department of Education's Report, "Schools that Work: Educating Disadvantaged Children."

At the White House ceremony President Reagan praised the Gaskins' Freedom Youth Academy for its dedication to education and the success of its after-school tutorial program. The President also said that their program should serve as a model and be duplicated in every community.

The Freedom Youth Academy is profiled in the Department of Education's Handbook, "Schools That Work: Educating Disadvantaged Children." The book profiles 23 schools that were chosen from previous Federal efforts to recognize top schools that the Department feels are providing a first-rate education to children born in poverty.

Dr. Gaskins and his wife were earlier profiled in the feature, "One Hundred Heroes of Our Time," in the summer 1986 special issue of Newsweek magazine celebrating the Statute of Liberty Centennial. The Newsweek article describes the Gaskins' decision to become involved in the education of young people, helping them with their studies and preparing them for college entrance exams.

Dr. and Mrs. Gaskins' home tutoring service also received extensive coverage in an article in the "District Weekly" section of the March 27, 1986, Washington Post. On May 18, 1986 the couple received a public service award from the Washington, DC alumnae chapter of Delta Sigma Theta Sorority. The public service sorority honored them for their "outstanding contribution to the community in the area of educational development." The Gaskins were cited in the August 18, 1986, issue of Jet magazine as the most worthy individuals recommended for praise by the Jet readers. The poll revealed the people who refused to give up the struggle for improvement and excellence in the black community. In the July 1987 issue of Essence magazine, "Keeping Our Families Strong," the article highlights the educational accomplishments of the five Gaskins children and reveals the family's devotion to education that is making the family stronger.

Henry and Mary Ann Gaskins were featured over the airwaves as the American Character by Norman Vincent Peale for "working through education to open the gateways to opportunity." They were also portrayed in Newsweek magazine as ordinary people with extraordinary values. The kind of values that make America America. They are heroes of everyday life because their deeds have made us better as a people.

PREARGUMENT INSTRUCTIONS POSE THREAT TO FAIR TRIALS

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. CONYERS. Mr. Speaker, today I introduced H.R. 3102, a bill which amends rule 30 of the Federal Rules of Criminal Procedure. This legislation requires judges to instruct juries on the law after closing arguments have been completed, unless the parties have agreed, with the court's approval, that such instructions may be given before arguments, or at both times. The bill permits judges to furnish to the parties a written copy of the instructions they intend to give. It also allows judges to instruct the jury on special issues at any time they deem it appropriate during the course of a trial.

This proposal modifies the recently revised text of rule 30 which became effective on August 1, 1987. The current rule permits judges to instruct juries before or after closing arguments, or at both times. In the past, instructions were permitted only after closing arguments had been completed.

The problem created by the current rule develops if judges exercise the option to give all instructions to the juries on the law before closing arguments. If they elect to do so, the adversarial balance would then shift in favor of the prosecution which, in exercising its right under rule 29.1 to offer a rebuttal summation, would have the last word with the jury before it retires to deliberate. If the prosecutor's remarks were inflammatory or incorrectly stated the law, the defense attorney could only request a curative instruction from the court. The delivery of such an instruction would, however, be discretionary and, if given, could serve to more firmly plant the prosecutor's improper comment or conduct in the minds of the jurors.

Common experience teaches that the most recent things said remain the freshest in the minds of the listener and are most likely to be remembered. Most lawyers with experience in the trial of criminal cases can appreciate the real advantage of having the last word with the jury and would certainly attempt to exploit it. That is why the last word that the jury hears before it retires to deliberate should be that of a neutral judge.

The amendment of rule 30, which was done by order of the Supreme Court, was first proposed by the Judicial Conference Advisory Committee on the Federal Rules of Criminal Procedure in 1983. Reports of favorable experience with preargument instructions in State courts led the Advisory Committee members to believe that the practice could work in the Federal system. I believe that they erred in making this judgment by failing to fully consider the impact of the prosecutor's right to offer a rebuttal summation.

The Advisory Committee members had the opportunity to address this matter before the amendment was adopted by the Supreme Court. Public hearings were held in Washington, DC, and San Francisco on February 14, 1984, during which concern about the prosecutor abusing the opportunity to have the last word with the jury was expressed. Witnesses representing three bar organizations recommended that preargument instructions be allowed only when the parties consent.

The Subcommittee on Criminal Justice, which I chair, held a hearing to examine the Supreme Court's amendment of rule 30 on July 8, 1987. Representatives of the American Bar Association, Federal Defenders Organization, National Association of Criminal Defense Lawyers, National Legal Aid and Defenders Association, and the New York Criminal Bar Association testified against the change. Witnesses representing the Judicial Conference continued to support the Court's amendment, arguing that judges could be expected to add any instructions necessitated by the arguments.

While I believe that judges generally try to protect the interests of both parties during a trial, the risk that this rule creates of improper juror influence is so great that it cannot be tolerated. Therefore, I urge all of my colleagues to join me as cosponsors of H.R. 3102. The enactment of this legislation is necessary to restore the delicate adversarial balance which is essential to a criminal defendant's right a fair trial.

H.R. 3102

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Criminal Jury Instructions Act of 1987".

SEC. 2. RULE 30 AMENDMENT.

Rule 30 of the Federal Rules of Criminal Procedure, as amended by the order of the Supreme Court dated March 9, 1987, is amended by striking out the sentence beginning "The court may instruct the jury" and inserting in lieu thereof "The court shall instruct the jury after the arguments are completed unless the parties, with the court's approval, agree that the court instruct the jury before the arguments are completed or at both times, in which case the court shall instruct the jury at the time or times specified in the agreement of the parties. In the case of multiple defendants, such agreement shall require the consent of a majority of the defendants. In addition, the court may instruct the jury on specific issues at any time the court believes appropriate, but shall repeat any such instructions in the course of instructing the jury after arguments are completed or pursuant to such an agreement. The court may furnish to the parties at any time before instructing the jury a written copy of the instructions the court proposes to give.".

GENERIC ANIMAL DRUG AND PATENT TERM RESTORATION ACT

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. WAXMAN. Mr. Speaker, I am pleased to join with my distinguished colleague from the Judiciary Committee, Mr. KASTENMEIER, in introducing today H.R. 3120, the Generic Animal Drug and Patent Term Restoration Act.

This bill has two main features. First, it would establish an expedited approval system for generic copies of off-patent brand name animal drugs. Second, it would provide for the extension of patents covering animal drugs for up to 5 years. The actual extension would be equal to a portion of the time that the animal drug was under testing by the sponsoring company and under review by the Food and Drug Administration [FDA].

These two features are vitally identical to those in the generic human drug-patent term restoration bill—the Drug Price Competition and Patent Term Restoration Act that was enacted in the 98th Congress. That 1984 human drug bill expedited the approval system for generic copies of off-patent brand name drugs, and extended drug patents for up to 5 years.

The 1984 human drug bill has proven to be a major success. Many new generic drugs are available at prices which are significantly lower than their brand name counterparts, and many new innovative drugs have received patent extensions. The bill we introduce today can provide the same benefits in the animal field. If lower priced generic animal drugs are available to farmers, the costs of producing food for consumers will be less. In addition, with patent extension providing new incentives for the development of new drugs, companies will conduct more research on innovative animal drugs that are safer for human consumption.

Mr. Speaker, Members in the House and Senate are familiar with the two basic goals of this bill because of our work on the human drug bill. When the 17-year patents expire on brand name drugs, whether they are human or animal drugs, consumers desire and deserve the aggressive price competition that is fostered by the availability of generic copies. This price competition is entirely consistent with our patent laws and free enterprise system. In addition, we can encourage higher research expenditures for new drugs by assuring longer patent terms during which the sponsoring company will have exclusive marketing rights.

This is an important bill which follows the precedent set by the 1984 human drug bill. We encourage all Members to join us in supporting it.

CAMPAIGN FINANCE REFORM LEGISLATION SHOULD BE PASSED BY THE 100TH CONGRESS

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. MAVROULES. Mr. Speaker, today I am pleased to join my colleagues, Congressmen COELHO, SYNAR, and LEACH in cosponsoring H.R. 2717, legislation which will modify and reform our present system of congressional campaign financing.

Spending for congressional campaigns has increased from 60.9 million in 1975-76 to more than 194 million in 1985-86. The tremendous increase in the cost of running for office should be of concern to Members on both sides of the aisle. This is particularly true in contested districts where Members are often forced into spending large amounts of their time simply raising money for the next election.

In my judgment, campaign reform is necessary if we are to achieve the ultimate goal of restoring public confidence in our electoral process. In order to do so, I believe that any campaign reform bill passed by the Congress must achieve two important objectives. First, it must increase the influence of the individual voter in each congressional district, and second, must lessen our dependence on political action committee contributions.

The Coelho-Synar-Leach bill contains two major provisions which move us toward these goals. The first would require that before receiving matching funds, a candidate must first demonstrate his or her viability by raising 10 percent of the spending limit in small contributions from within their home State. As recently as 1974, small individual contributions represented 50 percent of the total contributed to House candidates. However, by 1986 small contributions amounted to only 15 percent total contributions. This legislation will return thousands of small contributors to the electoral process.

In the past 10 years, political action committee contributions to House candidates have increased from 15 million to 84.6 million. We are moving quickly toward a time when a majority of Members will receive more than half of their contributions from PAC's. H.R. 2717 will ensure that those candidates who qualify for matching funds receive no more than $100,000 per 2-year election cycle from PAC's.

Another cornerstone of 2717 is a voluntary cap on campaign spending. Those candidates who agree to a spending limit of $400,000 become eligible for partial matching funds in the general election.

H.R. 2717 also contains other reforms dealing with independent expenditures, negative advertising, the amount of personal funds which a candidate may contribute, and other enforcement issues.

Mr. Speaker, when our Founding Fathers designed our constitutional form of government some 200 years ago, they envisioned a bicameral legislature which was accountable and responsive to the American people. The high cost of campaigns and our present method of financing them has raised serious doubts as to whether our present system is meeting those lofty goals. If we fail to seize this unique opportunity we may ultimately run the risk of losing the confidence of a vast majority of the electorate.

Most of us can well remember the circumstances surrounding passage of the Presidential Elections Campaign Act more than a decade ago. I am confident that the lessons gained from that experience will allow us to work together in a bipartisan manner to bring about a new system which is fair and open to everyone; a system not unlike the one envisioned 200 years ago.

SMOKING AND RISKING SERIOUS DISEASE

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. SCHEUER. Mr. Speaker, I want to bring to the attention of my colleagues the fine work being done by Dr. Donald Prue of the American Health Foundation in New York.

He is a leading authority on smoking cessation programs and is currently principal investigator on a project funded by the National Cancer Institute [NCI] to train health professionals in smoking cessation programs.

Recently, in a study partially funded by the National Institute of Drug Abuse [NIDA], Drs. Prue and Orlandi of the American Health

Foundation, and Dr. Anne Riley of Johns Hopkins tested the efficacy of the smoking cessation program life sign.

The results were reported to the Society of Behavioral Medicine and contained impressive statistics. In one test, 26 percent of the life sign users were completely abstinent 3 months after completing the program. In a second test, 27 percent of another set of users were still completely abstinent after 9 to 12 months.

Life sign is a personalized, gradual approach to total abstinence. A hand-held computer records a smoker's habits from the first week, then displays the number of days it will take the user to quit, as well as the minutes between cigarettes. As the quit date approaches zero, the minutes between cigarettes lengthens into hours and finally, at the end, the users are completely off nicotine.

Dr. Prue is now offering New Yorkers the opportunity to quit smoking by coming to the offices of the American Health Foundation and partaking in the Life Sign Program or using it in the privacy of their homes.

With 54 million Americans still smoking and risking serious disease or even death by this habit, I commend Dr. Prue in his efforts to educate and train our citizens to rid themselves of this devastating habit.

GASOHOL

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, August 5, 1987, into the CONGRESSIONAL RECORD.

GASOHOL

In recent meetings I have found Hoosier farmers pressing hard for gasohol. Once a major topic during the energy shortages of the 1970s, gasohol—a blend of 90% gasoline and 10% alcohol—is experiencing a modest revival. Both state and federal policymakers are again giving it serious attention.

The idea of using alcohol or alcohol-blends as an alternative to gasoline has a long history. Some of the earliest automobiles ran on alcohol, and during WWII the use of gasohol was widespread because of the shortage of oil. Using grain alcohol (ethanol) in cars was discussed in the years following WWII as a way of disposing of enormous corn surpluses. The oil shortages and gasoline lines of the 1970s brought renewed attention to gasohol as an alternative fuel.

In the late 1970s the federal government became heavily involved in advancing gasohol: funding research and development, providing loan guarantees for pilot plants, and granting federal excise tax breaks for alcohol fuels. These efforts, combined with incentives offered by the states, have helped promote gasohol. U.S. ethanol sales increased from 40 million gallons in 1979 to 800 million gallons last year, and gasohol now accounts for 8% of the national gasoline market. However, in recent years the federal support for gasohol has weakened. The Reagan Administration has sharply cut back federal gasohol programs and has proposed, unsuccessfully, eliminating the alcohol excise tax break. Many distilleries producing alcohol fuels have shut down, and some major gasoline retailers, citing poor sales, have stopped selling gasohol.

The major problem facing gasohol in recent years has been its cost of production. Despite extensive research and development efforts, alcohol fuels are still not price competitive to gasoline. Ethanol costs about $1.20 a gallon to produce—more than twice the wholesale price of gasoline. Even when the price of oil was high during oil shortages, the cost of making alcohol from grain still exceeded it. A major blow to gasohol was a report issued by the U.S. Department of Agriculture (USDA) last year claiming that the ethanol industry basically cannot survive without massive government subsidies.

Many question the report, saying that all the subsidies given to oil need to be considered, from generous oil depletion allowances to the costs of defending oil tankers in the Middle East. In response to criticisms, USDA is undertaking another study, due late August. Yet overall, most experts are not optimistic about the prospects of gasohol making it in the market. They believe that it would take a major breakthrough or a very sharp rise in the price of oil to make gasohol competitive. The idea being pushed in the 1970s of putting money into gasohol research and development so it could eventually make it on its own seems unlikely to be fulfilled.

So why the renewed interest in gasohol? Gasohol is being pushed for reasons other than economics. Proponents are arguing that even if gasohol remains more expensive than gasoline, we should encourage it because of its benefits for air quality, energy security, and farm policy. They argue that just as government often legislates the use of certain products or services even though they might cost more (such as requiring the use of unleaded gasoline or American-made defense equipment), so we should now legislate the use of gasohol. Congress is considering bills that would mandate that half of the total gasoline consumed in the U.S. be replaced by gasohol.

There are several arguments in favor of such a federal mandate. First, it could provide a major new market for farmers. In the last several years, the world has developed a considerable overcapacity for crop production. A full-scale U.S. ethanol fuel program could use 2-4 billion bushes of grain per year, enough to eliminate our perennial grain surpluses. That would reduce the need for many expensive federal farm programs, put idle land back into production, and reduce farmers' dependence on federal payments and uncertain export markets. Second, a strong U.S. gasohol program could help reduce our reliance on foreign oil. After declining steadily in the early 1980s, U.S. imports of foreign oil have risen sharply in recent years. That means more American dollars flowing overseas, as well as increased U.S. vulnerability to unstable foreign supplies. Third, gasohol use can help clean the air. For some areas plagued with carbon monoxide pollution, the quickest and least expensive remedy may be shifting to cleaner-burning alcohol fuels. Colorado, for example, is now requiring drivers in major cities to use gasohol during the winter months, and California is undertaking a major alcohol fuels program.

Yet when the costs of gasohol are considered, a mixed picture emerges. According to recent Library of Congress estimates, while mandated gasohol levels could reduce federal farm program costs by up to $4 billion per year, the federal government would lose $3 billion in highway trust fund revenues because of the alcohol fuels exemption. Higher market prices for corn would raise net farm income less than $1 billion per year, while increasing consumer food prices by nearly $7 billion. The higher cost of gasohol at the pump could cost consumers another $1-3 billion annually (1-3 cents per gallon). Although the U.S. would spend less on oil imports, it would also earn less from grain exports.

Proponents of gasohol face other hurdles: consumer concerns about reduced car performance, worries that too much of our crop production may be diverted to fuel production, intense oil company lobbying against mandated alcohol fuel use, and continued Reagan Administration opposition to even the current level of federal involvement in gasohol.

I view positively the renewed national attention to gasohol. Although gasohol still may not be justified on economic grounds, we need to weigh carefully its costs against its very important, long-range benefits of improved national security, cleaner air, and a stronger agriculture. The decision to embark on a major alcohol fuels program will not be made overnight, but I am pleased that the debate is going forward.

McDONALD'S ACTS TO PROTECT THE OZONE LAYER

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. LENT. Mr. Speaker, I am pleased to announce today that the McDonald Corp., has taken an exemplary step toward protecting the stratospheric ozone layer by voluntarily phasing out the use of ozone-depleting chemicals in their food packaging. This move by McDonald's demonstrates the initiative American companies can take, and are taking, to protect health and the environment, even in the face of potential economic sacrifice.

Over the past 2 years, scientists have become increasingly concerned over the damaging effect of the release of ozone depleting chemicals called chlorofluorocarbons, on the Earth's fragile ozone layer. This relatively thin layer shields us from damaging ultraviolet radiation. According to the Environmental Protection Agency, its depletion could cause more than 800,000 increased skin cancer deaths over the next century and over 1 million additional cataract cases.

Mr. Speaker, rarely in the environmental area do we see such enormous public health risks. Because of the sheer magnitude of these risks and their global nature, countries from around the world have been meeting in Vienna and Geneva in an effort to develop an international protocol that would reduce the global production of these ozone-depleting chemicals. It is clear that any meaningful solution to the stratospheric ozone problem will by necessity have to involve the full participation of countries around the world.

McDonald's action today is important because it demonstrates that the American business community can be counted on to do their part toward finding a long-term solution to the stratospheric ozone problem. It is my hope that more countries and their industries will follow McDonald's initiative.

THE FCC'S REPEAL OF THE FAIRNESS DOCTRINE

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mrs. COLLINS. Mr. Speaker, on Tuesday, the Federal Communications Commission took a dramatic step toward restricting the goals of the first amendment by repealing the Fairness Doctrine.

As an original cosponsor of the bill Congress approved earlier this year, reaffirming our support for the doctrine, I am outraged by the Commission's action.

I am outraged because the Commission continues to defy congressional mandates. The FCC has long since forgotten that it is a "child" of the Congress.

I also am outraged because the Commission continues to pursue the repudiated policies of its former chairman, Mark Fowler. The FCC's decision is supported by strained and tortuous logic and lacks legal and economic authority.

Because of this action, perhaps its time we "pull the plug" on the FCC. As I suggested in the Telecommunications and Finance Subcommittee, it may be time to severely cut, if not eliminate, the FCC's budget until it does the job Congress directs it to do. Indeed, the chairman of the subcommittee, Mr. MARKEY, now appears to agree with my recommendation.

Since 1959, Congress has expressed its strong support for this doctrine. And, until recently, the FCC monitored the activities of broadcasters to ensure "reasonable and good faith" compliance with the doctrine.

Today, however, that requirement is gone. It has fallen victim to the FCC's deregulation of the broadcasting industry.

Deregulation has meant one thing—the exchange of vital public information on the Nation's airwaves has been sacrificed to the "cut throat" competition among broadcasters for ad revenues.

Contrary to the Commission's views, there is a defined segment of the broadcasting spectrum to which the public is "tuned into." Unless broadcasters are required to present differing views on controversial issues, the public will be deprived of a critical exchange of information.

The Fairness Doctrine has served the public interest well. I look forward to working with my colleagues in the Energy and Commerce Committee in overturning this ill-considered decision by the FCC.

RULE ON H.R. 1154—TEXTILE AND APPAREL TRADE ACT OF 1987

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. ROSTENKOWSKI. Mr. Speaker, I wish to serve notice to my colleagues that, pursuant to the rules of the Democratic caucus, I have been instructed by the Committee on Ways and Means to seek less than an open rule for the consideration by the House of Representatives of H.R. 1154, the Textile and Apparel Trade Act of 1987. H.R. 1154 was ordered reported by the Committee on Ways and Means on Monday, August 3, without recommendation.

JUDGE BORK'S JUDICIAL PHILOSOPHY

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Ms. PELOSI. Mr. Speaker, one of the most important pieces of business facing the Members of the Senate is the confirmation of Judge Bork. Many legitimate questions have been raised about Judge Bork's judicial philosophy. His record dramatically demonstrates a commitment to the reversal of the advances in individual liberties fought for and won in the Supreme Court over the past three decades.

Judge Bork has said that the right to privacy is not in the Constitution and that the Supreme Court's previous decisions upholding an individual's rights to privacy are wrong. This Nation is founded on the primacy of individual rights. Designed to place basic freedoms beyond majority control, the Constitution gives citizens of the United States that guarantee. Through a number of rulings, both conservative and liberal Justices of the Supreme Court have included the right to privacy in our guaranteed rights.

Judge Bork, however, believes that our freedoms should be more narrowly defined. In matters of sex, procreation, and family, he would have the Court step aside and let the majority rule. Bork believes that if the Constitution does not specifically mention the use of contraceptives, our right to them is not guaranteed. I believe that Judge Bork's philosophy not only violates our constitutionally mandated rights and freedoms, but also presents a highly dangerous threat to the American way of life. Sexual, reproductive, and familial choices should be a matter of individual choice.

Great strides on civil rights have been made in this country over the past three decades. While the road to equality for all, regardless of race, ethnicity, sex or sexual preference, still has a way to go, we can feel some pride in the progress made so far. Judge Bork, however, has played no role in pursuing civil rights and equality. He opposed what became the 1964 Civil Rights Act, which guaranteed that public accommodations be open to all races. In fact, Bork is on record as opposing most of the landmark decisions protecting civil rights and individual liberties rendered by the Supreme Court for 40 years.

The debate on this nomination has focused on the powers of the Senate, as well as on the nominee's background and suitability. The Senate does not need to justify or to defend its powers. It has the powers and the obligation to reach a decision on the confirmation of Judge Bork. Approximately 25 percent of those individuals nominated for the Supreme Court have not been confirmed by the Senate.

The framers of the Constitution intended for the executive and legislative branches to jointly appoint to the judiciary. The public interest will only be served if the Senate makes full and vigorous use of its powers. I strongly urge our colleagues in the Senate to exercise their constitutionally mandated powers and to reject Judge Bork's nomination.

FRED "DOC" SUTTLES—A SPECIAL PERSON

HON. CHARLES HATCHER

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. HATCHER. Mr. Speaker, every town or city has at least one person that everyone knows and respects. Be it the owner of a neighborhood corner store, an especially well-liked government official, a teacher that has taught everyone in the town or just a special person who has been a good friend to the community.

Albany, GA's special person is Fred "Doc" Suttles.

On August 9, the citizens of Albany will come out to honor Suttles and to recognize his 22 years with radio station WJIZ, which he joined when he first arrived in Albany.

He began his career with the station as the disc jockey of the 15-minute gospel show. Today he is general manager and vice president of the company that owns the station.

Arriving in Albany just 4 years after Dr. Martin Luther King, Jr.'s freedom train and the Albany Movement had departed, Suttles said he realized there was a "unique situation in Albany. There was no urban radio, but there was a definite need."

In 1965, the 15-minute gospel show was the station's only daily broadcast. Today the station is a 24-hour communications affiliate with a diverse and progressive program format featuring news, sports, public affairs, gospel, jazz, urban, and contemporary music.

Suttles said his 22 years with WJIZ has rewarded him a "great deal of satisfaction."

He said he is happy to be of service, by doing publicity for the local schools or "just making someones day a little better by playing gospel music."

Doc's affiliation with the radio station has made his name a household word. But it is his unselfish and continous service to the community that has made him one of the most admired and highly regarded men in Dougherty County.

Known as the "Voice of the Golden Rams," Doc donates air time for the broadcasting of

Albany State College football and basketall games.

He also contributes free use of the station to local churches, citizens groups and the public school system.

Doc has worked to raise money for charities, to encourage political involvement in the community and to promote new programs in the schools.

Dr. William Gardner, superintendent of Dougherty County Schools, said—

> Suttles has been a friend to education and to the Dougherty County School System. He contributes time and resources in support of academics and athletics.

Gardner added:

> Through the efforts of dedicated citizens such as him, we have enhanced educational opportunities for our children. We owe him a tremendous debt of gratitude.

Dr. Carl W. Gordon, an Albany physician and businessman, also speaks well of Suttles, his friend of over 20 years:

> He has been a loyal citizen to Dougherty County. He has helped in the forward progress of Dougherty County, Albany, and its citizens.

Gordon said in 1983 Suttles supported his efforts to establish the Faith Foundation Fund, which provides financial assistance to children across the country who need liver transplants.

Gordon added:

> Doc was an integral part of those fundraising efforts. He promoted programs on the air to help raise money for the fund and he assisted me without hesitation in anything I asked of him.
>
> He is superb person, community oriented, always willing to help for the common good. I am proud to affix my name to any commendation of him. I hold him in the highest esteem.

Suttles is a native of Fairfield, AL. He was educated at Crane Junior College in Chicago and at Miles College in Birmingham. He and his wife, Minnie, have four children.

He is a member of the NAACP, the National Association of Broadcasters, the Board of Directors of the Albany Civic Center, and the Turner Job Corps Center.

PHARMACIST OF THE YEAR

HON. MELVIN PRICE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. PRICE of Illinois. Mr. Speaker, last Thursday, I had the privilege of meeting Mr. James Dedera from Granite City, IL. It is with great honor that I speak of Mr. Dedera today. Mr. Dedera has been named Pharmacist of the Year for 1987.

For the past 12 years, Mr. Dedera has been active in chemical dependency education. Mr. Speaker, as you are well aware, chemical dependency among the youth of today is on the increase. If we could only have a Mr. Dedera in every city throughout the United States, we could have a drug-free society.

Mr. Dedera began his efforts in the local schools in Madison County, IL, convincing teachers of the need for accurate information about drug dependency. Mr. Dedera developed such a successful and popular curriculum dealing with drug abuse that he found himself speaking to teachers, students, and parents, not only in Illinois, but as far away as Missouri and Colorado.

Mr. Dedera is truly a dedicated individual. He devotes his free time educating people about drug abuse and he never charges or accepts compensation.

Mr. Speaker, I am glad to see that such a devoted individual is recognized by his profession for the Pharmacist of the Year. I could not think of a more deserving individual than Mr. Dedera.

ECONOMIC WOES IN NICARAGUA PROVE LARGER THREAT THAN THE CONTRAS

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. GARCIA. Mr. Speaker, a fascinating article by Clifford Krauss appears in this morning's Wall Street Journal which analyzes the chaotic state of the Nicaraguan economy. Crippled by an enormous foreign debt, a stagnant economy, and runaway inflation, the Sandinista Government finds itself faced with a crisis much more threatening than its ongoing civil war. As Mr. Krauss points out, the Contras actually help the Sadinistas maintain control of Nicaragua by allowing President Daniel Ortega to focus national and international attention away from his disastrous fiscal policies.

Largely ineffective as a counterrevolutionary force, the Contras have proven far more useful to President Ortega as scapegoats for Nicaragua's economic and political ills. Ortega has repeatedly blamed the Contras and the United States trade embargo for the economic dilemnas which plague his nation; however, as Mr. Krauss points out, these factors have had little effect on the Nicaraguan economy. Yet, many people in Nicaragua and around the world continue to accept President Ortega's claims. With the Contras out of the picture, the true source of Nicaragua's economic crisis would be revealed—the Sandinista's inability to manage their nation's economy whether at peace or war. Mr. Krauss asserts that "economic collapse won't come from the war, but from the government's administration and direction of the economy."

As this article clearly shows, the Contras are not the only means of opposing the Sandinista regime. The United States has other political and economic alternatives to try and bring about change in Nicaragua. I urge my colleagues to read this article and to weigh our Government's numerous options.

NICARAGUA IS GETTING LITTLE FOREIGN AID IN RIGHTING ECONOMIC MESS IT CREATED

(By Clifford Krauss)

MANAGUA, NICARAGUA.—When the Sandinistas wrote their 1987 economic plan, they projected a 15 percent increase in Soviet oil shipments over last year to fuel their war effort against the U.S.-supported Contras. Moscow's reply was an embarrassing "nyet."

It was one of a number of signals the Soviet bloc has sent lately to show displeasure with Sandinista economic mismanagement. The Soviets reportedly wonder why Nicaragua, a country with no oil fields and 800 percent inflation, charges only 10 cents a gallon at the pump. So Nicaraguan officials are traveling to Iran, Algeria, Libya, Mexico, Venezuela, Peru and soon to Indonesia in search of non-Soviet oil. They must go cup in hand—there isn't any foreign exchange to pay for the crude—and so far they've come up with little.

Nicaragua's economic crisis, which is the Sandinista Achilles' heel, is exacerbated by Managua's incompetence and international isolation as much as by the Contra war. Prospects, even if the Contras are defeated, are gloomy.

LONG-TERM PROBLEM

"Our geopolitical position will always work against us," comments Francisco Lopez, director of the Nicaraguan Institute of Economic and Social Investigations, a pro-Sandinista think tank. "Even if we resolve this war and find real peace, the economic problem will be of tremendous importance over the long term."

Nicaragua's primary ally, Cuba, has been able to manage for more than a quarter century, despite a U.S. embargo, because of massive Soviet bloc aid—but its economy is still stagnant even without an insurgency to fight.

There isn't any sign that efficiency-minded Mikhail Gorbachev is ready to make the same kind of economic commitment to Sandinista Nicaragua, where the mixed socialist-capitalist economy is tottering under the weight of counterproductive government pricing policies and an overbearing bureaucracy. Meanwhile, economic assistance to Nicaragua from Western Europe and Latin America, which spurred impressive growth in the first years of the revolution, has fallen steadily since 1982.

Publicly, Sandinista leaders blame the Contras and the U.S. trade embargo for their economic woes, which include an unpayable foreign debt (to the East and West) of about $10 billion, an import-to-export ratio of nearly 4 to 1, plummeting agricultural and industrial productivity, and a nearly valueless currency. The Sandinistas claim direct and indirect economic damage by the Contras amounts to $2.8 billion over the past five years.

The Contras have attacked farm cooperatives, electric power lines, and a variety of state projects. And the growth of the army has robbed the economy of manpower and strained the government budget.

CONTRA INEFFECTIVENESS

But Nicaragua gets all its weaponry for free, and the Soviet bloc even donates rice and corn to the Sandinista military. The Contras haven't touched Nicaragua's major cities, where the major markets and industrial plants lie. Contra efforts to cut road transport have been largely ineffective. For most of the past five years, the Contras have spent more time in their Honduran base camps than in Nicaragua.

And the trade embargo, so far, is a flop—though it may be made more effective if hard-liners in the Reagan administration get their way. Many U.S. corporations still do business here (International Business Machines Corp. even services Sandinista computers); they slip through the embargo by importing spare parts and other supplies from overseas subsidiaries. Western sources here estimate the embargo caused a mere $30 million in damages from its inception in May 1985 through 1986.

"If I were President Reagan," says Mario Jose Alegria, a private-sector economist, "I'd eliminate the Contras because the Sandinistas don't have the capacity to govern a country at peace." He adds: "The economic collapse won't come from the war, but from the government's administration and direction of the economy."

To be sure, better world coffee, cotton and sugar prices would help the economy. And Sandinista pragmatists led by President Daniel Ortega and Vice President Sergio Ramirez are trying to change the more irrational policies. But market absurdities remain: It costs more to import the fertilizer to grow a bushel of bananas than the price that bushel fetches in Managua. It costs less to import a Soviet tractor on credit (which Nicaragua can't pay anyway) than to fix one that is broken. A college professor can make a better living selling car parts on the black market than teaching class.

"We must be realistic. Undoubtedly, we don't have an ideal price structure," concedes Industry Minister Emilio Baltodano. The Sandinista cabinet minister adds, "We must improve relations with the U.S. The U.S. has to be our best market. That's fundamental for us to recuperate economically." That also isn't likely soon.

CHILD LABOR PREVENTION ACT OF 1987

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. MILLER of California. Mr. Speaker, today I am introducing a bill to help stop the worldwide exploitation of child labor. My legislation would ban the importation into the United States of any item produced in violation of internationally recognized child labor rights.

According to the International Labor Organization, 88 million children between the ages of 11 and 15 are in the world's labor force. Millions more children, younger than 11, also work in dismal and dangerous conditions which threaten their health and their lives, often around dangerous equipment and materials, 24 hours a day, 7 days a week. Their employers control their lives, paying them virtually nothing and forcing them to work for weeks without rest.

These conditions exist in large part because Third World countries are racing to meet the demand for their products created by Western nations. We create the demand, but do nothing to ensure that the world's children are not sacrificed to meet it. It's time to use our economic strength to protect the children of the world rather than allow our commercial demands to underwrite their enslavement.

When concerns about international exploitation of labor are raised, we are frequently told that we cannot affect labor conditions abroad. We are told we cannot mandate remedies, or that foreign governments do not even respect their own fair labor standard laws, let alone our own standards.

Yet I note that we frequently prohibit the importation of products which are derived from endangered species, such as whales, elephants and rhinos, and in doing so, attempt to influence the policies of foreign governments. Don't the exploited and enslaved children of the world's sweatshops deserve the same level of protection that we afford to whales, elephants, and rhinos? Can't we, in effect, add "exploited children" to the list of "endangered species," so that the fruits of that exploitation and abuse are prohibited from importation to the United States? So that our commercial demands do not foster, promote and underwrite that enslavement?

We are also told that unless these children are allowed to work, they will starve. Such arguments have served to justify exploitation for centuries. Like the slaveholders who justified slavery on the basis that slaves were better off on the plantation, companies that ignore child labor laws say they offer work to 11-year-old boys out of compassion. The truth is that these companies prefer to hire children, rather than some of the millions of unemployed adults, because they can work them long and pay them little. Children are a cheap resource and they provide a good return.

By putting economic pressure on these countries, we can force them to change their child labor practices. We must not support, by importing millions of dollars of their products each year, illegal labor practices that inflict grave damage on children as well as the societies in which they live. As child labor stunts the mental and physical growth of children, it also stifles a nation's potential for development.

To ensure compliance with its provisions, my bill would allow any person to initiate legal action to prohibit the importation of items produced in violation of internationally recognized child labor rights. In addition, the Secretary of Treasury would be required to maintain a list of banned products and notify the manufacturer that its products are subject to this prohibition.

We can also help stop child labor by viewing child labor rights as we view human rights—as inviolable standards accorded to all individuals in a humane society. To evaluate respect for child labor rights abroad, my bill would require the State Department to include a full assessment of child labor conditions in its annual country-by-country report on human rights, and to identify both the countries which enforce child labor rights and the producers that fail to comply with them.

A bipartisan group of 52 Members have already joined in cosponsoring my bill. I am very pleased at the strong show of support for this effort to stop the exploitation of children in the world's work force.

The list of original cosponsors and a copy of the Child Exploitation Prevention Act of 1987 follows: Mr. ACKERMAN, Mr. ATKINS, Mr. BATES, Mr. BENNETT, Mr. BERMAN, Mr. BIAGGI, Mr. BILBRAY, Ms. BOXER, Mr. BROWN of California, Mr. BUSTAMANTE, Mr. CLAY, Mr. CONYERS, Mr. DELLUMS, Mr. DE LUGO, Mr. EDWARDS, Mr. EVANS, Mr. FAUNTROY, Mr. FAZIO, Mr. FLORIO, Mr. FORD of Michigan, Mr. FRANK, Mr. GARCIA, Mr. GRAY of Illinois, Mr. HALL, Mr. HENRY, Mr. HOWARD, Mr. KILDEE, Mr. KOSTMAYER, Mr. LANCASTER, Mr. LEVINE, Mr. LEWIS of Georgia, Mr. MARTINEZ, Mr. MCCLOSKEY, Mr. MOODY, Mr. MORRISON, Ms. OAKAR, Mr. OBERSTAR, Mr. OWENS, Mr. RODINO, Mr. SIKORSKI, Mr. SOLARZ, Mr. SMITH of New Jersey, Mr. STARK, Mr. STOKES, Mr. TORRES, Mr. TOWNS, Mr. TRAFICANT, Mr. TRAXLER, Mr. WAXMAN, Mr. WILLIAMS, Mr. WILSON, and Mr. WOLPE.

H.R. —

A bill to prohibit the importation into the United States of items made by child labor which is in violation of internationally recognized child labor rights

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION, SHORT TITLE FINDINGS

(a) SHORT TITLE.—This Act may be cited as the "Child Labor Exploitation Prevention Act of 1987".

(b) FINDINGS.—The Congress finds that—

(1) at least 88 million children—and perhaps as many as 200 million children—between the ages of 11 and 15 currently serve in the world's workforce,

(2) child workers frequently labor under extremely hazardous conditions at virtually no pay and in excess of the hours allowed by law for adults,

(3) the use of child labor is growing in many developing countries as industries in those countries seek to meet the demand created for their products by developed nations,

(4) the exploitation of child labor does grave physical, mental, and moral harm to children and severely weakens the society's future capacity for economic growth, and

(5) there exist recognized international child labor standards, including the minimum age for admission to employment, which are intended to assure the fullest physical and mental development of young persons.

SEC. 2. PROHIBITION.

(a) IMPORTS.—There may not be entered, or withdrawn from warehouse for consumption, in the customs territory of the United States any item which was made by child labor which is in violation of internationally recognized child labor rights.

(b) PUBLICATION.—The Secretary of the Treasury shall maintain and revise annually a list of items which may not be imported under subsection (a). The Secretary of the Treasury shall publish a notice in the Federal Register of any item which may not be imported under subsection (a) and which is not included in the list required by this subsection.

(c) NOTIFICATION.—The Secretary of the Treasury shall notify any foreign person who is manufacturing items with child labor which is in violation of internationally recognized child labor rights that such items may not be imported into the United States.

SEC. 3. ENFORCEMENT.

The district courts of the United States have jurisdiction of a civil action brought by any person to enjoin the importation of an item in violation of section 1(a).

SEC. 4. STUDY.

The Secretary of State, in consultation with the Secretary of Labor, shall fully assess the status of internationally recognized child labor rights as part of its annual country report on human rights. The Secretary shall identify which countries identify and enforce, and which producers fails to comply with, internationally recognized child labor rights.

SEC. 5. DEFINITION.

For purposes of this Act, the term "internationally recognized child labor rights" refers to rights which, at a minimum—

(1) establish and enforce a minimum age for the employment of children,

(2) prohibit the employment of individuals below the age of 18 at night, in hazardous occupations, or in occupations that jeopardize the health, safety, or morals of such individuals,

(3) establish and enforce standards for minimum wages, hours of work, and occupational health and safety for such individuals, and

(4) prohibit any form of forced or compulsory employment of such individuals.

SEC. 6. EFFECTIVE DATE.

This Act shall take effect upon the expiration of 180 days after the date of the enactment of this Act.

COMMENDING LEADERS OF SRI LANKA AND INDIA FOR REACHING PEACEFUL AGREEMENT

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. DYMALLY. Mr. Speaker, yesterday I addressed the House on the peace agreement reached between India and Sri Lanka. At the end of my speech, I urged my colleagues to join me in commending both Sri Lanka President Jayewardene and Indian Prime Minister Rajiv Gandhi for accomplishing this historic landmark in Indo-Sri Lankan relations.

Today I am introducing a resolution that commends both leaders for reaching an accord that serves as the basis for a just and long-lasting settlement. I call on my colleagues to join me in sending a message, that we, in Congress, appreciate the courage and leadership exhibited by both leaders.

This peace agreement hopefully would be an effective assurance that the human rights of the Tamil minority, long grossly ignored, will at last be respected. It also will assure the Sinhala community which constitutes the majority of Sri Lankan society of peace and harmony for the whole country. That atmosphere of peace will bring them the economic development which their country so desperately needs.

H. Con. Res. —

Whereas the agreement signed on July 29, 1987, by Sri Lankan President Junius Jayewardene and Indian Prime Minister Rajiv Gandhi represents an historic landmark in Indo-Sri Lankan relations and in efforts to find a solution to the Sri Lankan civil war;

Whereas the July 29 agreement provides a sound basis for ending the civil war, and as the agreement provides a basis for the just treatment of both the minority and majority groups, it represents the best opportunity for a just and lasting solution to the ethnic conflict;

Whereas this peace agreement demonstrates once again Prime Minister Rajiv Gandhi's ability at conciliation and pacific settlement of seemingly intractable problems;

Whereas President Jayewardene and Prime Minister Gandhi are to be commended for their bold initiative, despite political risks, in reaching this agreement and in moving forward with its strict implementation;

Whereas Tamil leader Velupillai Prabhakaran is also to be commended for agreeing to extend his cooperation in implementing this agreement;

Whereas all other parties in Sri Lanka who support this peace accord are to be commended;

Whereas the ethnic conflict in Sri Lanka has taken more than 6,000 lives since 1983 and caused more than 200,000 Tamils to flee Sri Lanka as refugees;

Whereas the Congress and the American people have a deep commitment to the promotion of human rights;

Whereas in the course of the conflict, human rights abuses including torture, detention without trial, extra-judicial killings, and disappearances have caused serious concern in the Congress;

Whereas the July 29 agreement offers the hope of dramatic improvements in the human rights situation in Sri Lanka; and

Whereas a solution to the civil war in Sri Lanka based on the July 29 agreement is in the interest of all concerned parties and will bolster the stability of the region: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress—

(1) supports the full and strict implementation of the July 29 agreement between Sri Lanka and India, and calls on all concerned parties to promote its implementation;

(2) urges the President to express his full support for the agreement, and also urges other leaders to convey their encouragement;

(3) declares that, upon the successful implementation of the agreement, the United States should, in concert with other donor nations, consider the appropriation of additional funds for assistance for Sri Lanka;

(4) declares that, in the allocation of such supplemental and future assistance, priority should be given to—

(A) people of all communities who were most seriously affected by the civil war, and

(B) the reconstruction and development of areas most seriously affected by the civil war, namely the northern and eastern provinces;

(5) expresses the sincere hope that the July 29 agreement will mark a new era of openness in Sri Lanka;

(6) encourages the Government of Sri Lanka to reflect in its domestic policies the letter and spirit of the July 29 agreement;

(7) in order to facilitate the reunion of families, encourages the activation of the Sri Lanka central registry listing all those arrested, detained, or otherwise displaced during the civil war;

(8) calls on all parties and sections in Sri Lanka to support this peace accord and assist in its implementation; and

(9) urges the President to publicly commend both President Junius Jayewardene of Sri Lanka and Prime Minister Rajiv Gandhi for their act of statesmanship and their contribution to peace in Sri Lanka.

BAN ALL IMPORTS OF TOSHIBA PRODUCTS

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. BEREUTER. Mr. Speaker, H.R. 2948, which passed the House on July 27, would merely prohibit Toshiba Corp.'s products from being sold on U.S. military bases, while a Senate bill calls for a ban on all imports from Toshiba.

The recent sale of militarily significant technology to the Soviet Union by Japan's Toshiba Corp. has rightly appalled our Nation. As my colleagues know, the sale of technology that allowed Soviet submarines to operate more quietly has likely done irreparable damage to our national security; many questions whether and at what cost the Western allies will once again enjoy the security lost through this sale.

This Member believes that extremely tough sanctions must be placed against Toshiba in order to show firms in all countries that the costs of such an action are too high to bear. Without a tough stand against Toshiba, other firms may in the future believe that the financial rewards of selling secrets to the Soviets are worth the risk of getting caught. The conference committee version of the bill should resemble the Senate version, not the weaker House version.

I commend to my colleague's attention the following insightful editorial on this subject that appeared in the Omaha World-Herald on July 31, 1987:

[From the Omaha World-Herald, July 31, 1987]

SALE OF DEFENSE SECRETS MERITS U.S. IMPORT BAN

Tough penalties are a proper response to foreign companies that illegally sold secret defense technology to the Soviet Union. The covert sales were so outrageous and have such devastating effects on the national security of the United States that Congress should impose a ban on all imports from Japan's Toshiba Corp. and Norway's Kongsberg Vapenfabrikk.

A Senate bill calls for such a ban, but a House bill, which was passed Monday, merely would prohibit the companies' products from being sold on U.S. military bases. A conference committee, which will try to work out differences between the bills, should push for the tougher Senate provisions.

Toshiba sells a variety of goods in the United States, including televisions, video cassette recorders, stereos, copy machines, microwave ovens, home appliances, medical equipment, telecommunication systems, electronic components and small business computers. Kongsberg, primarily a weapons manufacturer, exports some auto parts and industrial computer equipment.

Toshiba and Kongsberg officials have apologized for the Soviet sales. Some company executives have resigned. But the damage has been done. The Soviets now have the technology to allow their submarines to operate much more quietly. In undersea warfare, the noise generated by a submarine can mean the difference between stealth and detection—and life and death.

In addition to putting U.S. submarines and their crews in greater danger, the illegal sales to the Soviets could end up costing the United States billions of dollars. In the past, the United States has operated less than half as many attack submarines as the Soviets do. The United States relied on superior submarine technology. Now that the technology gap has been reduced, the United States will probably need to increase the number of its submarines.

Members of Congress are correct to take steps against Toshiba, Kongsberg and any other company that illegally sells defense secrets to the Soviet Union. If the United States refused to do business with Toshiba and Kongsberg for a period of time, other Japanese and Norwegian firms might hesitate before letting greed overtake their obligations to the Western alliance.

VIETNAM CENTER—FRONT ROW CENTER

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. BENNETT. Mr. Speaker, perhaps the greatest blessing we are given is friendship. One of my treasured friends, "Patches" Musgrove, recently published an excellent two-volume work, "Vietnam—Front Row Center." I recommend it as a great literary and historical work. It tells in an inspiring way of events in the Vietnam war witnessed by Patches, as she wrote as an able war correspondent. She describes war life as it really is, and she also depicts troublesome byproducts of that particular war, a corruption in high places which I helped her to fight to the best of my ability. I quote here a passage from the first volume, which shows her compassion and insight.

I heard a cry for help. "Medic, Medic."

I glanced over to my left and saw three wounded lying down in a gully. Looking further out I noticed that there were many wounded lying in the area. The Medics were rushing to give first aid.

Two more Dust-Off choppers had brought in more wounded. Two men were calling out for help as they bent over the form of a young man. I ran to their side. Taking off my steel pot I got on my knees in an effort to help the wounded soldier. His flak jacket had burned. Blood seeped through the sooty black char of the jacket.

I opened it. "Oh dear God!" I exclaimed, as I examined his shattered and exposed chest.

We elevated the young man and I held him in my arms. There was nothing I could do but wait until a medic could be free to come to him.

As I held him he opened his eyes. he gazed at me through glazed eyes. A smile crossed his lips and he whispered, "Ah Mom, I didn't know you were here!" The smile faded from his lips. He relaxed. The boy died in my arms.

I whispered to the others hovering over him. "He's gone! The boy is gone."

A Medic came running towards us. I glanced up at him through tear-filled eyes. "He's gone, Doc."

The Medic quickly checked him and confirmed it.

"What happened?" I asked.

The Medic looked at me. There was anger in his voice, "They were booby-trapped." Then he reached down and removed the soldier from my arms and asked me to go up to the tent.

* * * * *

I glanced down the hill. The boy was now wrapped in a green plastic shroud. A chopper would fly him off the hill. He would be home in time for Christmas.

The boy from Big Bear was called into the tent. The soldier with the gunshot wound still sat by my side. I handed him a cigarette.

"The poor son-of-a-bitch never knew what hit him." he said, in tones of grief, "I keep sayin' why all this blood and guts? I keep sayin' if I'm gonna get it let me get it fast, just like him."

The soldier inhaled the smoke from the cigarette and looked at me, "You wonder why God lets this mess go on. I never was one for church at home, but I sure get to thinkin' a lot about God out here. I've been scared shitless at times, and after it's over I keep thinkin, Thanks God for this 'one more day'. He continued to stare and talk, "Now why the hell did that guy have to die, Ma'am?

I made a quick petition to the 'Man Upstairs' asking for help in answering this young soldier. He was seeking an answer. I had to say something! I let the words flow from my mouth without thinking, "I've lost everyone in my family, son. I always try to look at it that the Lord has a real special task for all of us. When we've done our work we can go on to a pleasant place; no war, no illness, just peace and friends and love. Those of us left behind have to apparently get a certain task completed before we can be liberated."

The kid looked at me for several seconds and asked, "Then how do you explain a buddy of mine? He got mortared in the back. He's paralyzed. Twenty-one years old and he ain't never gonna walk again. He's gonna be paralyzed and a burden on his folks and hate himself for it. Can you give me the answer to that one, Ma'am?"

"I can only tell you what I believe. I look upon illness, stroke, paralyses, all defects as being part of God's test. This world we live in is a place of testing. You know, Son, in the Bible it tells us about Job being tested for years. Perhaps your friend will be the test for his parents, or perhaps a test to a friend, or perhaps God is testing the boy. When he's passed the test he will be rewarded."

The soldier was carefully searching my face. I calmly returned his gaze. He swallowed twice and then asked. "Do you believe in there being a Heaven and a Hell, Ma'am?"

I hesitated before fording the stream. "Again to tell you how I personally believe; every night when the first evening star comes out I silently say, "Hi Pa," and I picture my husband turning on the porch light at our house in heaven."

"A star?"

"Yes, the first star, son. That's my signal from Heaven."

He shifted his position, "You know Lady, you're number one. Now who'd have thought about a star bein' a porch light! Hell, my dad died when I was twelve. He was a good man. Yep, I sure missed my Dad a lot." He threw down his cigarette and stepped on it, "Now how about that! I can say 'hi' to my old man each night now . . . How about that?"

* * * * *

A boy had died in my arms, another believed his Dad would be turning on the porch light in Heaven for him tonight. Death was no stranger in this war. He had walked across the bridge of life and claimed many men on Hill 445. The dead went on to Peace; their weary travels over. Only the living must bear the tests of time.

God did indeed work in strange and mysterious ways . . . a boy had momentarily smiled and crossed the bridge of life, at the foot of Hill 35.

I knew I would be covering the war as long as I was needed. I suddenly recognized another piece to the pattern of my life had fallen into place. I was not in Viet Nam by chance.

TRIBUTE TO FORMER CONGRESSMAN BILL MOORHEAD

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Ms. OAKAR. Mr. Speaker, I was saddened to learn that former Congressman Bill Moorhead of Pennsylvania passed away on Monday, after a valiant struggle against cancer. I want to extend my deepest condolences to his lovely wife and four children.

I served with Bill for 4 years, both in the House and as a colleague on the Banking Committee. In fact, I now chair the Subcommittee on Economic Stabilization which Bill chaired while he served on the Banking Committee. As chair of the subcommittee, he distinguished himself with his command of difficult issues and his ability to move complex legislation through the legislative process.

While serving as chair of the Subcommittee on Economic Stabilization, Bill was instrumental in providing loan guarantees to New York City and the Chrysler Corp. that enabled each to return to economic and financial health. The record will show that, at the time, many in the House disapproved of the legislation to provide Chrysler Corp. the opportunity to recover with the assistance of Federal loan guarantees. Time has proven Bill correct. The rebirth of the Chrysler Corp. is a tribute to Bill's foresight and legislative skill.

Bill was a kind, decent, and intelligent man. He served the people of Pennsylvania with honor and distinction in the House for 22 years until his retirement in 1981. His wisdom and kindness will be missed by all who knew him.

REQUIREMENT FOR PRESIDENTIAL APPOINTMENT AND SENATE CONFIRMATION OF EXECUTIVE DIRECTOR OF NUCLEAR REGULATORY COMMISSION

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. GEJDENSON. Mr. Speaker, I am pleased to be introducing an amendment to the Energy Reorganization Act of 1974 to require Presidential appointment and Senate confirmation of the Executive Director for Operations of the Nuclear Regulatory Commission.

The Executive Director for Operations [EDO], by law and practice, has a great deal of authority to make and influence policy within the NRC. Unlike many other agencies and regulatory commissions, at the Nuclear Regulatory Commission the EDO is not limited to administrative functions. He can and does exert considerable policymaking discretion. The position of EDO more closely resembles that of an administrator or assistant administrator at a regulatory agency than it does an administrative officer of an independent commission. It is those administrators in policymaking positions that the Congress has traditionally required be appointed by the President and confirmed by the Senate.

In recent hearings before the House Interior Subcommittee on General Oversight and Investigations, which I chair, we identified two notable instances of policy formulation by the EDO, one involving fire safety standards at nuclear powerplants, and the other involving protection against drug and alcohol abuse at nuclear plants. We cannot allow decisions of this type, which are so basic to the operation of nuclear power in this country, to be influenced and made by an individual who has not been nominated by the President and confirmed by the Senate. Critical decisions concerning the regulation of commercial nuclear power affect the safety and lives of far too many people to be made by an individual bureaucrat with no accountability.

There has recently been discussion of reorginizing the NRC to replace the Commission with a single administrator. The purpose would be to improve the decisionmaking process and increase accountability. The down side would be a loss of the open exchanges among commissioners on policy matters. By having the EDO appointed by the President and confirmed by the Senate, we would be making this chief executive officer accountable without losing the openness that we seek to maintain.

This bill will increase the confidence of the American people in the NRC, a vital step for the success of the nuclear industry in this country.

A SALUTE TO PHILLIP ROSS

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. APPLEGATE. Mr. Speaker, I rise today to commend a citizen who "just says no" to the selfishness and short-sightedness so sadly common today. Mr. Phillip Ross of Cadiz, OH, is a fundraiser extraordinaire for the Muscular Dystrophy Telethon, Easter Seals, Christmas Seals, March of Dimes, and Multiple Sclerosis.

A person of limited means himself, Ross has worked tirelessly to help those less fortunate than most of us. He walks from place to place, many times for hours on end, collecting money and delivering it to charitable organizations which are themselves extremely fond of him. Last year he was brought by ambulance to a telethon, having recently had an operation. He was too committed to helping others to sit in a hospital room, however, and showed up just like he always has. He was awarded a Citation of Merit from the Muscular Dystrophy Association, having raised over $33,000 in 14 years.

His enthusiasm lifts the spirits of those in his community. He plays Santa Claus at Christmas parties and is beloved of children. He is a committed member of the volunteer fire department and helps at local football games.

Phillip works long hours and never asks for compensation. He gives his all and expects no reward.

But, Mr. Speaker, recognition is due, and I am pleased to extend my thanks and congratulations to him for all he has done, and all he has yet to do.

JOSEPH A. THOMAS, SR. REMEMBERED

HON. DON SUNDQUIST

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. SUNDQUIST. Mr. Speaker, not long ago, a man I considered a friend and many regarded as a pioneer passed away. I would like, with your permission, to tell my colleagues in this House something about the life of Joseph Andrew Thomas, Sr.

Mr. Thomas truly was a leader in education. From humble beginnings in the town of Linden, TN, he worked to educate himself, first at Tennessee A&I State College, then at Fisk University and Peabody College.

He served as a principal in Savannah and then in Lawrenceburg, where he organized the first high school for blacks. His teaching career took him to Nashville, where he quickly became a leader in various black professional organizations.

In a career that spanned five decades, he served as president of the Tennessee Education Congress, and the American Teachers Association before those groups merged with their white counterparts. In the latter years of his career, he became president of Tennessee's State Vocational Teachers Association, was active in the Metropolitan Nashville Education Association, and served as a delegate to the National Education Association convention.

Even after his retirement from teaching in 1971, Joseph Thomas retained his interest in teaching and in helping young people utilize their potential. He remained active in several retirement organizations for teachers.

Joseph Thomas passed away earlier this summer at the age of 80.

It is hard to briefly describe the enormous impact he had on those who knew him well and on the thousands of young people he taught in the course of his long career.

There is no greater reward we can hope for in this life than the respect of those who know us best. Joseph Thomas had that, and from a great many people who were enriched by his influence and made poorer at his passing. He will be missed.

GLORIETA BATTLEFIELD NATIONAL HISTORIC SITE BILL

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. RICHARDSON. Mr. Speaker, I am very proud to introduce a bill to designate the Glorieta Battlefield as a national historic site. The Battle of Glorieta near Sante Fe, NM, was a pivotal battle of the Civil War in the West and this historic site truly deserves national recognition and protection.

The Battle of Glorieta, often called the Gettysburg of the West, occurred on March 28, 1862, at Glorieta Pass in northern New Mexico. Confederate Gen. Henry H. Sibley led 1,000 Texas Confederate troops against 850 Union soldiers in a pitched battle beside Glorieta Creek. Sibley hoped to take Fort Union, a major Union supply point near Las Vegas, NM. Although the Confederate forces eventually won the battle, the Union forces were successful in their attack on the Confederate supply train and the Confederates had to retreat down the Rio Grande back to Texas. The Battle of Glorieta prevented the expansion of the Confederates who were bound for the rich mining fields of Colorado and possibly California.

The significance of the Glorieta site was recently underscored by the discovery of a mass Confederate gravesite. The gravesite contains the remains of at least 34 Confederate soldiers and numerous Civil War artifacts. The director of the Museum of New Mexico described the gravesite as "extraordinarily significant and very, very important historically." This discovery will greatly increase our knowledge of this pivotal battle and facilitate a greater appreciation of the site by the general public.

My bill would designate the site of the Battle of Glorieta as a national historic site to be administered by the National Park Service as a part of the nearby Pecos National Monument. Designation as a National Park Service historic site will ensure the battlefield is protected and interpretive programs are developed so visitors can better understand the significance of the site. The bill authorizes the Park Service to acquire the necessary lands through purchase, exchange or donation. We have asked the National Park Service, the Glorieta Battle Preservation Society, and the State historic preservation officer to make a recommendation as to the proper boundaries for the site.

Mr. Speaker, this bill not only recognizes and protects the historic site of the Battle of Glorieta, but adds an important national attraction to the region. The Battle of Glorieta is well known in the Southwest and the annual reenactment of the battle continues to draw increasingly large crowds. I had the pleasure to attend the reenactment this summer along with over 4,000 spectators from 20 States. This historic site added to Pecos National Monument under this bill will give the Battle of Glorieta the national status it deserves and will increase tourism at Pecos and throughout northern New Mexico.

Through our efforts today we can ensure that the site of the Battle of Glorieta receives the recognition and protection it deserves as the pivotal battle in the Confederate effort to expand into the Western States. I urge my colleagues in the House to review this legislation and to join our effort to recognize this significant historical site.

THE 25TH YEAR OF THE INCARCERATION OF NELSON MANDELA

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. DYMALLY. Mr. Speaker, today marks the 25th year of the incarceration of Nelson Mandela. Mr. Mandela was arrested in 1962 on charges of sabotage and conspiring to overthrow the Government of South Africa. At the time of his arrest, he was the commander of Umkhonto we Sizwe, the fighting arm of the African National Congress, which had been formed after years of peaceful but futile efforts to gain freedom and equality for the majority black population. He was subsequently given a sentence of life imprisonment.

Today, Mr. Mandela is 69 years old and has spent the major portion of his adult life separated from his family and from the people of South Africa, who acknowledge him as their leader. Twenty-five years is a long time and would have tested most men. Mandela, on the contrary, has only grown in stature and integrity. When offered his freedom in 1985, but told that he must renounce the use of violence, his response was that his freedom and that of the South African people were intertwined and he could not be free until they were free. He demanded an unconditional release.

In recent years, there has been international pressure for the release of Mandela, who is seen as one of the most respected symbols of resistance against the system of apartheid.

It is an indictment of the South African Government that it refuses to release Mr. Mandela, as a crucial step toward ending the unrest and strife and negotiating an end to the apartheid system. It is clear, therefore, that Mr. Botha's government intends to continue its intransigence and its brutal repression of the South African people.

Mr. Speaker, in 1986, Congress enacted the Comprehensive Anti-Apartheid Act. One year has passed and there is no progress. Stronger measures are called for if there is to be a peaceful solution to the South African crisis.

THE 100TH REUNION OF THE SONS AND DAUGHTERS 103D REGIMENT OF OHIO VOLUNTEER INFANTRY

HON. BOB McEWEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. McEWEN. Mr. Speaker, my colleagues. Allow me to take this opportunity to share with you a very special and joyful occasion—the celebration of the 100th Reunion of the Sons and Daughters of the 103d Regiment of the Ohio Volunteer Infantry formed with men from Ohio's Cuyahoga, Lorain, and Medina Counties. During the Civil War, this regiment fought with distinction and honor and immediately following the end of the war, permanently enriched a site of their own near the original encampment in a place called Sheffield Lake, OH.

In 1867, the veterans began their first annual reunion. Some 21 years later, the Sons and Daughters of the 103d Ohio Volunteer Infantry formed a company and began their yearly reunion, a tradition upheld for decades by the sons and daughters in each subsequent generation. On August 18, 1987, these fine Americans will once again meet at Sheffield Lake for the 100th time to remember their ancestors and pay tribute. It is an honor for me to bring this group of Americans spanning generations, men and women from all walks of life and corners of our country, to the attention of the 100th Congress. They deserve our attention and our tribute.

The dictionary defines a patriot as someone who loves, defends, and supports his country, makes being an American patriot entirely admirable and makes acts of patriotism something to be commended and celebrated. American patriotism is both humanitarian and humanistic and is highly moral because this country exists as a means of guaranteeing rights and protecting individuals.

Early American patriots were successful in influencing the minds of their countrymen and, thus, the minds of men everywhere. They had a cause to fight for and their determination to fight was a signal that America would battle for its independence and its ideals.

These soldiers of the Civil War were patriotic in the truest meaning of the word * * * loyal to a system that was loyal to them as human beings, a system that did not merely offer them a chance to be subservient to privileged leaders but to dignify all citizens with privileges of their own, due them as children of God.

Their devotion and their sacrifices gave them victory and gave us freedom as people. This was just the beginning of our fight for independence. It has gone ever since and the struggle will never end.

Mr. Speaker, let us take a moment today to pay tribute to the members of the 103d Regiment of the Ohio Volunteer Infantry.

Let us also take a moment today to pay tribute to the 100th anniversary of the Sons and Daughters of the 103d Ohio Volunteer Infantry. These fine Americans are today's patriots, today's loyalists, today's victors. We have done well in our quest for freedom and in our climb toward a more dignified and noble existence for all of our people. But the promise continues to be greater than the performance and we must continue to reduce the margin between what we are and what we can be as a nation * * * as a people. It is comforting to know that the Sons and Daughters of the 103d Ohio Volunteer Infantry will continue this Nation's quest for freedom.

DARK DAYS AT FOGGY BOTTOM

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. BEREUTER. Mr. Speaker, recent testimony by Secretary of State George Shultz before the Iran Contra hearings forces Congress to focus on the troubling relationship that has existed between the Department of State and the National Security Council. This Member finds of great interest the following editorial that appeared in today's Omaha World Herald. I identify with the concluding statement: "But presidents and the country would be better served if the erosion of the State Department's authority were stopped."

Mr. Speaker, I insert the full text of the editorial in the CONGRESSIONAL RECORD:

DARK DAYS AT FOGGY BOTTOM

The job frustrations described by Secretary of State George Shultz at the Iran-contra hearings are not new. Other secretaries have had to compete with national security advisers and members of the National Security Council for the ear of the president.

In recent years, sharp policy disagreements have developed between the State Department and the NSC. In one instance, the national security adviser, Henry Kissinger, continually upstaged Secretary of State William Rogers and more or less assumed Rogers' authority. Eventually, Rogers quit, and Kissinger became secretary of state in name as well as function.

The rise to power of the NSC and its chief is a recent phenomenon. Strong secretaries of state such as George C. Marshall and Dean Acheson were vigorous shapers of foreign policy, strong executives who acted as independent arms of the presidency.

President Eisenhower depended heavily on John Foster Dulles to create a foreign policy agenda and to manage that policy. President Kennedy chose a more pliable secretary of state in Dean Rusk with the result that Kennedy has a stronger voice in foreign policy matters. Rusk was more a servant of the president than an innovator and leader.

In recent years, the situation has continued. Cyrus Vance, who often played second fiddle to National Security Adviser Zbigniew Brzezinski, resigned from the Carter administration. Alexander Haig quit after only a year as President Reagan's secretary of state. Shultz has revealed that he tried to resign three times.

One of the problems is that both the National Security Council and the CIA have taken foreign policy initiatives. The NSC is made up of people close to the president, many of whom lack the broad, international training of career diplomats. The State Department has been given to news leaks and is notorious for its sluggish bureaucracy. To make matters worse. Congress has aggressively asserted its role in making foreign policy.

The smaller NSC staff may seem to offer a president a more secure forum for policy discussion as well as a more efficient policy-making body than the secretary's Cabinet department. But presidents and the country would be better served if the erosion of the State Department's authority were stopped.

NELSON MANDELA FREEDOM CALL

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. RANGEL. Mr. Speaker, 25 years ago today, in South Africa, Nelson Mandela was jailed for his opposition to the unjust and immoral system of apartheid. A man who, in 1963, embodied the hopes and aspirations of a free and equal South Africa, is still being held on charges of sabotage under South Africa's security laws. On that day the anti-apartheid movement in South Africa, led by Nelson Mandela's organization the African National Congress, added yet another reason to its fight against apartheid. Since that time, the movement has spread across the oceans to include people from all nations. And, today the principles of Nelson Mandela and his movement are stronger and more viable than ever.

Mr. Speaker, today I will introduce a resolution calling for the immediate release of Nelson Mandela. I hope that all of my colleagues will join me in my efforts opposing the unreasonable and unjust detention of this great man.

From the beginning of his career as an attorney, Mandela struggled against the restrictions imposed by apartheid. His early efforts against apartheid lead him on an inevitable collision course with the leaders of the white regime. However, the principle of his fight controlled his destiny. To quote from Nelson Mandela, "* * * there comes a time, as it came in my life, when a man is denied the right to live a normal life, when he can only live the life of an outlaw because the Government has so decreed to use the law to impose a state of outlawry upon him. I was driven to this situation, * * * other people will be driven in the same way in this country."

It is this type of profound wisdom and insight of this great man that keeps him alive in the minds of black South Africans. And, it is the depth of his perception into the nature of human beings that has made the white South Africans so threatened by the possible release of Nelson Mandela.

In 1963, Nelson Mandela, knew that unless there was change in South Africa, the amount of bloodshed would be greater than any ever known to man. As we watch the conflict between the white racist regime and the anti-apartheid freedom fighters, the visions of Nelson Mandela become extremely clear. Today, the Government must deal with thousands of individuals who have the same feelings as Nelson Mandela—individuals who are willing to die for this cause.

Mr. Speaker, as a strong supporter of democracy and justice, I am completely opposed to the actions of the South African Government. I have consistently expressed this opposition in my votes in this body and in my statements on this issue around the world. Apartheid is an abhorrent and outrageous system and must be abolished. Furthermore, the denial of Nelson Mandela's right to freedom is intolerable. Nelson Mandela must be free! While we are limited to the actions we can take on this matter, I am convinced that on the moral principles and convictions of our belief in democracy, this Congress must go on record in opposition to the incarceration of Nelson Mandela. I hope all of my colleagues will join me in support of my resolution.

HEROISM ON THE EASTERN SHORE

HON. HERBERT H. BATEMAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. BATEMAN. Mr. Speaker, every now and then we learn of an example of heroism and endurance in a life-or-death crisis which renews our faith in the resilience of the human spirit.

Just such a case was brought to our attention last Friday when the media reported the story of Patrick Donahoe of Lee Mont, a small community on the eastern shore of Virginia which I am privileged to represent in the Congress.

Suffering from multiple stab wounds and left for dead in a field, Patrick Donahoe crawled for 13 hours to get help for himself and his 3-year-old son, who also had been stabbed several times. The attack on Donahoe and his child took place on the evening of July 24, and Donahoe's incredible trip to summon aid took all night. Patrick's ordeal was attended by lapses into unconsciousness as he struggled to obtain assistance for his son and to identify their assailant.

His mission was successful. When he finally reached an empty house, he was able to call his wife and summon rescuers both for himself and his son. The boy has been released from a hospital and Patrick Donahoe is in satisfactory condition at Norfolk General Hospital. A suspect in the attack has been arrested and charged.

Residents of Accomack County, where the Donahoes live, have taken up a collection for the family, who do not have health insurance, and are trying now to raise more money to aid them.

Mr. Speaker, I wish to call to the attention of my colleagues the dramatic and inspiring account of Patrick Donahoe's ordeal which was published in the Washington Post last Friday, July 31, 1987.

The article follows:

STABBED VIRGINIA MAN CRAWLS 13 HOURS TO GET HELP FOR WOUNDED SON

(By John Lancaster)

Stabbed up to 20 times and left for dead in an Eastern Shore tomato field last Friday night, Patrick Donahoe crawled for 13 hours to summon help for himself and his wounded 3-year-old son, counting cherry trees so he could tell authorities where to find the boy, according to Donahoe's wife and law enforcement officials.

Fearing that he would die along the way, Donahoe scratched the name of Dean Edward Crowell four times in the dirt, according to Michelle Donahoe. At times he lapsed into unconsciousness, she said.

By Saturday morning, Donahoe had covered the one-mile distance to the nearest house. Finding no one at home, he cut through a screen door with a hoe, crawled inside and telephoned for an ambulance. Then he called his wife.

"I said 'Patrick?' " she recalled yesterday. "He said, 'Yeah, I'm going to the hospital.' I asked him where the baby was and he didn't want to answer me. Then he started crying and said the baby's throat had been cut."

When rescue workers arrived moments later, they found Donahoe with several stab wounds in the chest, back and head, including one wound to the left temple that partially pierced his skull, according to a doctor who later examined him.

Based on directions from Donahoe, the rescue workers found his son, Patrick Jr., lying unconscious in an isolated field a short time later. The boy had been stabbed four times in the back and twice in the chest, including one wound that pierced his lung, according to his mother.

Both father and son survived the ordeal in rural Accomack County, Va., where residents were still marveling yesterday at their remarkable escape and trying to raise money to cover their hospitals bills.

Arrested and charged with abduction, robbery, attempted murder and grand larceny was 25-year-old poultry worker Dean Edward Crowell, according to a spokeswoman for the Accomack County Sheriff's Department.

Accomack Commonwealth's Attorney Gary Agar declined to elaborate yesterday on the circumstances surrounding Crowell's arrest, saying the matter was still under investigation. But he confirmed the essential details of the account sketched by Michelle Donahoe.

The ordeal began Friday evening when Donahoe, a 25-year-old crabber and lifelong resident of the Eastern Shore, left his home in Lee Mont with his son, Michelle Donahoe said. The two were headed for a laundromat in Onancock, about 10 miles away, where Michelle Donahoe works.

Driving down U.S. 13, Donahoe spotted Crowell, whom Donahoe has known for about seven years, his wife said. Crowell was on his way to visit his girlfriend, Michelle Donahoe said, and her husband offered to go out of his way to give him a lift.

Michelle Donahoe said she has not asked her husband what prompted the attack, which, she said, occurred in a field near the girlfriend's house. "I don't know if it was in the car or not," she said.

"He saw him going for the baby and he tried to stop him but he couldn't," she said. "He told me that he just lay there and he heard the car go off and he got up and started going towards this house."

It was an all-night trip. "He said he tried to stand but he couldn't stand so he crawled most of the way," Michelle Donahoe said. Making his way through a cherry orchard, "he counted every cherry tree along the way from where the baby was so they would know where to find the baby," she said.

And he tried to leave clues for the police. "He told me that he wrote the . . . name four times in the dirt," she said.

Meanwhile, Michelle Donahoe was frantic. "I knew something was wrong because he doesn't keep the baby out all night," she said. On Saturday morning, she tried without success to get someone to fill in for her at the laundromat so she could wait at home.

She was at work when the call from her husband came. "I went hysterical," she said. "I presumed that he thought the baby was dead."

Before being taken away in an ambulance, Donahoe told the rescue workers about the cherry trees and where to find his son, his wife said. Father and son were taken to Northampton-Accomack Memorial Hospital in Nassawadox, where Donahoe was treated for collapsed lungs.

He and his son were taken to hospitals in Norfolk on Sunday. Donahoe was listed in satisfactory condition yesterday, according to a spokesman at Norfolk General Hospital.

Patrick Jr. was released from another hospital earlier this week. "He's doing great health-wise," his mother said. "But it's going to take a long time."

Accomack residents have taken up a collection for the family, which has no health insurance.

DANVILLE, VIRGINIA

HON. DAN DANIEL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. DANIEL. Mr. Speaker, this past Sunday, the Washington Post carried an article about Danville, VA, where I have lived most of my life.

Danville has been selected as one of the Nation's 100 best cities—24th—in Money magazine's most recent ranking, and it is a recognition well-deserved. Sadly, the Post writer appears to have approached his assignment with little knowledge of his subject, despite the fact that I understand he visited Danville.

Let me tell you about this town he called "stagnant". Dan River, Inc., the textile facility which for years has been the major employer, is an employee-owned corporation which survived a hostile takeover attempt of a magnitude which has put other corporations out of business. It has not been a smooth path, but all the evidence is that the corporation is stable and is looking to appreciate growth in the near future.

Likewise, the tobacco industry is far from being down for the count. Grower designations for sales on the Danville market, which will open next Tuesday, show an increase of a million pounds over last year.

I make reference to these two industries because the Post reporter chose to do this. There are a significant number of companies with national and international names who have also chosen to locate in Danville, with yet another one to begin operations in the near future. You may be sure they were drawn to the Danville area for good reason, not the least being the strong work ethic and enthusiasm of the work force.

But the quality of a town is based on things the reporter did not see and magazines cannot measure. For Danville offers to those who will accept it a way of life which is largely defined by intangibles. The friendliness of the citizens, the willingness to be neighbors in the best sense of the word are demonstrated daily. Main Street in the spring, and almost any backyard on an early summer's evening offer pleasure to the eye and to the sense of smell which cannot be put between the pages of a book. Its pace is not Washington's, but then neither are its problems.

I am told its educational system is of high standard; certainly, this is borne out by the quality of students which I have know over the years. And if some of its young people are bored, as the article states, perhaps the fault lies in a lack of imagination or of stimulation by the adults with whom they associate.

Perhaps the best assessment of a town is an examination of the people who live there. Most Danvillians are native-born; but if you check around you will find a sizeable number who have come to the city to work in one of its industries, and who have chosen to stay on when their employment was terminated. They have learned the secret which eluded the Post's reporter.

Danville truly deserves its designation as one of the country's most liveable cities, and the fact that some outsiders cannot recognize this may well be the city's advantage.

Most of us love the town, and are willing to work to see that it grows and improves without losing those qualities which attracted us in the first place.

WE DO OUR JOB, OR WE DON'T GET PAID

HON. JOEL HEFLEY

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. HEFLEY. Mr. Speaker, today I am introducing a bill that I hope will bring home to my colleagues the immediacy and urgency of the need to balance the budget. Simply, it says that if we don't do our job and produce a balanced budget, and produce it on time, we are going to have our pay docked, our office budgets cut, and the money available to operate Congress reduced.

The secret of the short-lived success of the Gramm-Rudman-Hollings amendments was that it got Congress' attention by threatening nearly every program with cuts unless we got around to setting priorities in our spending. Everyone's program stood to lose if Congress could not reach an agreement, so everyone paid attention. I hope to do something similar with this bill.

Under my bill, if Congress fails to agree to a balanced budget by the April 1 each year, then pay for Members of Congress would be cut by 10 percent from authorized levels. If Congress has still not agreed to a balanced budget by the beginning of the fiscal year, then the bill creates a point of order enforceable in the House against consideration of any legislative branch appropriations bill that exceeds 90 percent of the funding level for the preceding fiscal year.

Simple and to the point; we do our job, or we don't get paid for it. If we can't create a responsible fiscal policy for the Government as a whole, then we are going to have to do with a little bit less here.

Maybe if that pay cut forces some of us to cancel vacation plans, we can use that time to figure out ways to make the Government run a little better. Maybe if we had to do with less staff, we'd quit coming up with even more inventive ways of wasting the taxpayers' dollars.

I know we don't make many friends cutting back on Federal spending. Every time we mention a program cut someone screams. Letters start flooding our office; our phones ring off the hook; and postcards begin piling up. Even the most ardent budget balancers have some sacred cow. It's a thankless job, but no one is going to do it if we don't. The American people want a balanced budget, but they don't know how to get there.

One of the things I have learned here is that Congress is crisis oriented. We don't focus our energies on something until we can't ignore it. The recapitalization of the Savings and Loan Insurance Corp. is a good example.

Part of that is understandable. We are busy people, with many things demanding our attention. A crisis is just the thing to bring something to the top of our agenda.

With the national debt looming over $2 trillion, what worries me is the kind of crisis it is going to take to get us to balance the budget. Interest rates through the roof? A trade deficit bankrupting our Nation? A dollar that isn't worth the paper it is printed on?

I have heard several of my colleagues complain about the Social Security trust fund's euphemistic talk of a "surplus." They point out, quite rightly, that no such surplus exists. The trust fund holds Government securities which are nothing more than claims on the income of future taxpayers if the Government as a whole does not have a surplus. We're asking American to fork over $19.3 billion in new taxes this year. What will happen when the bill on those trust funds comes due?

I can hope that we'd develop a little foresight and attack the deficit before it gets any worse, but I think I'd be disappointed. I don't want to wait for the system to collapse before we fix it.

Gramm-Rudman helped create an artificial crisis to focus our attention. My bill would do the same thing, but on a little more personal level. It also has the advantage of having none of the constitutional problems of Gramm-Rudman.

I think this is a fair proposition. I think everyone of us has heard constituents call for something along these lines. I hope it helps move us a little closer to fulfilling our responsibilities to the American people.

A TRIBUTE TO FRANK SOLLARS

HON. BOB McEWEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. McEWEN. Mr. Speaker, my colleagues, on Friday, August 14, 1987, the Ohio Agricultural Council will induct four State agricultural leaders into the Ohio Agricultural Hall of Fame at the Ohio Expositions Center in Columbus. One of the inductees into the 22d Annual Agricultural Hall of Fame will be my good friend and mentor, Mr. Frank Sollars of Washington Court House, OH.

Mr. Speaker, during these difficult days in American agriculture, Ohioans have been privileged to receive the advice, counsel and support of Frank Sollars. By sharing with you, my colleagues, some of the outstanding achievements of this friend of agriculture, I am certain you, too, will join me in paying tribute.

Frank Sollars, a native of Fayette County, OH, dedicated husband and father of five, has committed his life to the Nation's agricultural industry. Mr. Sollars is a past president of the Ohio Farm Bureau Federation (1965-68) and the Ohio Federation of Soil and Water Conservation Districts. He has served on the board of the American Farm Bureau Federation, as a director of the Ohio Chamber of Commerce, past president of the Ohio Agricultural Marketing Association and is a former or present member of over 25 State and national agricultural organizations.

Frank Sollars is most well known, however, for his work in cooperative endeavors. As a board member of the National Consumer Cooperative Bank [NCCB], Frank Sollars was a prime mover in securing passage of the legislation which ultimately established the bank. Long active and prominent in cooperative endeavors, Mr. Sollars has served as a board member of the Cooperative League of the U.S.A. [CLUSA] and chaired the task force which demonstrated the need for the National Consumer Bank.

It is an honor and a privilege for me to take this opportunity to bring to the attention of this Congress the accomplishments of an outstanding friend of agriculture. I join Frank's family and friends in offering sincerest congratulations as he is inducted into the Ohio Agricultural Hall of Fame—a well deserved honor.

INCREASING SUCCESS OF THE AFGHAN RESISTANCE

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. BEREUTER. Mr. Speaker, as my colleagues well know, the Soviet invasion of Afghanistan in 1979 and ongoing aggression that has lasted to this day was and is a tragedy for the Afghan people. This Soviet aggression has also been a sobering experience for other non-Soviet bloc nations located geographically near to the U.S.S.R.

Mr. Speaker, this Member is proud that the United States is doing its part to help the brave Afghan resistance movement and to make the invasion of Afghanistan a sobering experience for the Soviets also. After almost 8 years of aggression, the Soviets still show no sign of prevailing over the resisting Afghans; the recent introduction of United States weapons has further increased the success of the resistance.

I commend to my colleagues the following editorial which appeared in the July 21 Lincoln Journal; this article describes the increasing success of the Afghan resistance and the substantial contribution that United States weapons have made to that success.

NEW WEAPONS AND COORDINATION HELPING AFGHANS REPEL SOVIETS

U.S. weapons, especially the shoulder-fired Stinger anti-aircraft missile, appear to have made a major difference in Afghanistan.

Late last week, the Soviet government publicly confirmed earlier unofficial reports that its aggressor occupational forces in Afghanistan—numbering about 115,000—are suffering increased casualities. A spokesman for the Foreign Ministry acknowledged that the introduction of U.S. weapons has "created additional difficulties for Afghan army and Soviet troops."

Two weeks ago, unidentified Western diplomatic sources in Pakistan were saying that mujaheddin insurgents had inflicted big losses on Soviet and Afghan forces in June, even fighting them to a standstill in a pitched battle near Kabul. Some of the fighting has been hand-to-hand.

With Stingers and British-made Blowpipes, the Islamic defenders are showing much improved combat confidence and ability. They are further helped by a reduction in rivalries between the warrior groups, leading to a more effective level of coordination.

The toll of Soviet helicopters and low-flying jets brought down by the anti-aircraft missiles is said to be averaging around one a day. Or it was until the bloodied Soviets began to change their tactics, resorting more to high-level bombing and extended artillery bombardments against guerrilla encampments.

The Soviet aggression is now going on eight years. There is no real prospect Moscow will prevail and subdue the resisting Afghans, despite horrendous losses suffered by the native population and infrastructure. And we are no more willing to let the Soviets off the hook any more than they were when U.S. forces were battling in Vietnam.

A figure of $300 million was mentioned during the Iran-Contra hearings as the current annual expenditure in arms and supplies going to Afghan fighters. Late last summer, 150 Stingers were sent, and units trained in their use. Another shipment of 600 was dispatched earlier this year.

According to the Washington Post, "The only limit being placed on the kind of weapons the United States is now willing to send the seven guerrilla factions is their suitability to the terrain and conditions of warfare." That is a policy which has not brought any drumfire of criticism from either Congress or the country at large. The mood here, consistent since 1979, is that the Soviets have no business trying to add objecting Afghanistan to their existing empire.

CENTENNIAL OF THE BIRTH OF MARCUS GARVEY

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. RANGEL. Mr. Speaker, I am pleased to submit Jamaican Ambassador Keith Johnson's testimony in praise of Marcus Garvey's life and work for the RECORD. He gave his testimony on July 28, 1987, before the Subcommittee on Criminal Justice of the House Judiciary Committee in support of my bill, House Concurrent Resolution 84, which expresses the sense of Congress that the mail fraud charges brought against Marcus Garvey by the U.S. Federal Government were unfounded.

It is a wonderful coincidence that the year of my proposed legislation contains both the centennial of Marcus Garvey's birth and the 25th anniversary of Jamaica's independence as a nation. I cannot think of a more appropriate or heartily welcomed anniversary gift than the recognition of Marcus Garvey, Jamaica's first national hero, as the predecessor of Dr. Martin Luther King, Jr. in the movement for international racial equality.

Ambassador Keith Johnson's testimony will give you and my colleagues some insight into the positive impact that Marcus Garvey has had on the postslavery condition of African Americans and on the suffering motivation and morale of oppressed blacks all over the globe.

TESTIMONY OF AMBASSADOR KEITH JOHNSON

Mr. Chairman, Honorable Members of the Subcommittee on Criminal Justice, it is a singular honour for me to appear before you today. My name is Keith Johnson and I am privileged to represent my country, Jamaica, as Ambassador to the United States of America.

On behalf of the Government and people of Jamaica, I wish first of all, to place on record our gratitude to Congressman Charles Rangel of New York for his indefatigable efforts in bringing before the American people, through their elected representatives in this honourable House, the views shared by us that "The charges brought against Marcus Garvey by the Federal Government were not substantiated and that his conviction on those charges was unjust and unwarranted."

Mr. Chairman, my purpose today is not to make a case for Garvey's innocence. In this respect I defer to other witnesses who will later testify. They are academicians and legal experts who have pored over the trail notes, the intelligence reports of the Bureau of Investigation as well as Justice Department documents and are therefore more qualified than I am to shed light on the peculiar circumstances of Garvey's conviction and imprisonment. Rather, I appear before you today to convey the fervent desire of the Government and people of Jamaica that the good name of our First National Hero, the Right Excellent Marcus Mosiah Garvey, be cleared by the Congress. I shall also attempt to expalin what Garvey and his philosophy mean to Jamacia and indeed to black people everywhere.

Garvey's sojourn in the United States covered the years 1916 to 1927—a period which marked the high-point of his career as an international leader. The organization which he founded, the United Negro Improvement Association and African Communities League was by 1921 unquestionably the largest black organization in history with a membership running into millions and spanning three continents. Never before, nor since then has there been a mass movement such wide geographic support. UNIA branches existed in all the Caribbean countries, the States of the United States, in Panama, Costa Rica, Ecuador and Venezuela, in England, Wales, and in African countries such as Ghana, Liberia, Nigeria, Sierra Leone and South Africa.

Garvey's philosophy and work engendered much controversy as he pitted himself against the conventional attitudes that relegated people of African origin to an inferior status. He dedicated his life to reversing this negative perception. He had to fight not just the white establishment and vested interests, but privileged blacks and some black intellectuals who, subscribing to the integrationist approach—regarded his formula for solving this problem as anathema.

Garvey preached black pride, black self-reliance and the confraternity of African peoples. He exhorted them with the ringing words, "Up you mighty race, you can accomplish what you will." In explaining the aims of the Universal Negro Improvement Assocaition, Garvey stated: "We are organized for the absolute purpose of bettering our condition industrially, commercially, socially, religiously and politically. We are organized not to hate other men, but to lift ourselves, and to demand respect to all Humanity."

Marcus Garvey believed that the black man could achieve anything if only he believed in himself, but he would have to break the shackles of 400 years of oppression, denigration, and crippling prejudice which had created a state of "mental slavery". Garvey therefore sought to demonstrate through tangible commerical projects that black people could take charge of their own destiny. He also felt that as long as Africa was not free, black people would never gain full respect before the world. Africa redemption was thus a central part of Garvey's philosophy.

Mr. Chairman, it is worth noting that as an activist and mass leader, Garvey was perhaps unique in his scrupulous respect for the laws of the land. Wherever he went, he took great care to caution his followers to "give unto Caesar the things that are Caesar's." In his own words, "I was not disloyal to anything American, to anything British, or to any constituted government in the world. All I was interested in was the liberation of the people who look like me * * *. The world has made being black a crime * * * and instead of making it a crime I hope to make it a virtue. That was all I had in mind when I traveled from one part of America to the next."

Like all great leaders who attempt to change the social order for the betterment of their people, Garvey was subjected to persecution, chicanery, sabotage, misrepresentation and ridicule; he suffered imprisonment, escaped an assassination attempt and faced repeated betrayals by people he trusted. Yet, his determination never wavered. This unrelenting pursuit of his mission is in itself an inspiration.

Marcus Garvey had a tremendous impact, not only on the civil rights movement in the United States and on socio-political advancement in the Caribbean but also on nationalist struggles in Africa. Leader such as Jomo Kenyatta of Kenya and Kwame Nkrumar of Ghana acknowledged their debt to him for the inspiration of his lectures and writings. Garvey also helped to organize liberation movements in South Africa, one of which—the African National Congress (ANC)—is still today in the forefront of the struggle for human dignity and justice in that troubled country.

As I intimated earlier, it was chiefly in the United States that Garvey was able to put into practice the tenets of his philosophy, and experience the gratification of the spontaneous response by black people to his exhortations. His arrival on the United States scene in 1916 was propitious. He drew on, and advanced the work of distinguished black leaders before him. As such, he was merely a link, albeit a very important one, in the continuous chain of black activism—reaching through time to another great leader, Dr. Martin Luther King, Jr.

Mr. Chairman, and members of this honourable Committee, we in Jamaica honour and treasure the memory of Marcus Garvey. Black peoples throughout the world are indebted to him and thank God for his life and his talents. As we in this year celebrate the centennial of his birth, it would be a most fitting tribute if, by exoneration, the Congress would signify its recognition of this invaluable contribution to the universal advancement of human dignity. It is now sixty years since his five-year sentence was commuted by President Coolidge. With the hindsight and clearer vision of the ensuing years, a fresh look at the circumstances of Garvey's prosecution is warranted.

Mr. Chairman and Honourable Members of this Committee, House Concurrent Resolution No. 89 as introduced by Congressman Charles Rangel is in harmony with representations made by my Prime Minister, the Right Honourable Edward Seaga to the President of the United States of America, Mr. Ronald Reagan.

It is our view that history has vindicated the words and actions of Marcus Mosiah Garvey; in consequence of this, he stands not only as Jamaica's First National Hero, but his bust now stands in the Hall of Heroes at the Organization of American States here in Washington, D.C. His positive contributions are now recognized throughout Africa and other parts of the world. The acceptance of this resolution by the Congress of the United States of America would assist greatly in convincing the supporters and admirers of Marcus Garvey throughout the world, that the Constitution of the United States, whose 200th anniversary is being celebrated, does indeed guarantee justice, (even if delayed) for all, irrespective of race or religious belief.

SOCIAL SECURITY ATTORNEY'S FEES

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. HUBBARD. Mr. Speaker, I recently received a letter from my longtime friend Craig Housman, an outstanding attorney and constituent from Paducah, KY, regarding Social Security attorney's fees. I believe my colleagues in the House of Representatives will agree Craig Housman's letter is timely and worthy of publication in the RECORD.

His letter follows:

JUNE 24, 1987.

Re: Social Security Attorney's Fees.
Hon. CARROLL HUBBARD,
Rayburn House Office Building,
Washington, DC.

DEAR CONGRESSMAN HUBBARD: As you know, I have devoted substantial professional effort to assisting people in Western Kentucky who have difficulty establishing entitlement to social security disability benefits. This is not a lucrative practice. I know you number many attorneys among your friends in this constituency. Ask any of them. There are no law firms waxing wealthy on social security disability claims.

It is my opinion, and I think one widely shared by people in our profession that the current administration wishes to eliminate lawyers from representing social security disability claimants. The available figures document that attorney representation makes a substantial difference. People who deserve social security disability benefits statistically are much more likely to be able to prove it with the assistance of a lawyer. The only figures I have seen reflect the results using "lawyer" as a generic term covering the experienced, the inexperienced and all shades in between. The Social Security Administration has recently sent out another of their high-handed decrees to all the administrative law judges reducing discretionary authority from $3,000 to $1,500. Additionally most administrative law judges were placed under the impression by that memorandum that there was a limit $75 per hour to be enforced; $75 per hour would represent a reasonable rate of return given the overhead items in a modern law office. However, it is not reasonable considering the contingent nature of any fee recovery, the fact that in many cases one-fourth of past due benefits amounts to much less than $75 an hour, and particularly with those of us who have been willing to help people with an SSI claim the client sometimes simply never pays us.

The bottom line is that if the secretary's latest effort at fee reductions is not remedied by Congress, we will get out of the practice altogether or refuse to help many of those categories whom we have been helping in the past. I urge you to support Representative Barney Franks bill (H.R. 2312). I also hope that the statute can be amended so as to leave the attorney fee assessment process between the lawyer and client unless the fee exceeds whatever maximum Congress thinks is appropriate or the clients objects. I would suggest $3,500. It is exceptionally rare for a client to complain and even rarer for them to have reason to complain. I am sure the Social Security Administration can come up with a few "horror stories" out of the tens of thousands of cases they review each year. I hope you perceive the hypocrisy in the Social Security Administration's concern over disability claimants welfare. Check into the number of EAJA (Equal Access to Justice Act) fees which are awarded against the Secretary of Health and Human Services. Each and every one of those constitutes a case in which the Secretary's conduct was "without reasonable justification." If the Social Security Administration would utilize the time and energy they are currently expending reviewing agreed upon attorney's fees which are subject only to occasional abuse, and redirected that energy toward rendering a better quality decision on the merits before the ALJ hearing stage (third step in the process), attorneys, claimants, and the system would be far better off.

While legislation which assists attorneys is probably not real high in the list of national priorities, I ask that you please make a serious effort to get the facts on this issue. Having done so, I hope you will realize that the system would work far better for all concerned if the Social Security Administration's fee review process were limited to cases in which the fee requested was a large one or in cases in which there was some complaint from the client. We recently experienced a delay of over eight months in obtaining fee approval. Delays of several months are common. No interest is paid. We are never paid for the substantial amount of time it takes to give the Secretary an itemized listing of the hours involved.

I would very much appreciate any assistance you can render in reversing the administration's latest drive to reduce the numbers of Social Security disability recipients by depriving them of competent, effective counsel. Without the help of Congress I think you will find in the future even fewer attorneys who are willing to handle this type of work.

Sincerely,

Williams, Housman,
Sparks & Franklin.

ANTARCTIC CAMPAIGN '87

HON. RALPH M. HALL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. Hall of Texas. Mr. Speaker, one of the many benefits of my serving as chairman of the Subcommittee on International Scientific Cooperation of the Committee on Science, Space, and Technology, is the opportunity to hear testimony from noted scientist, engineers, education, and others relating to atmospheric changes brought about by both natural and man-made chemistry changes, and how such changes appear to them.

Astronauts viewing Earth from space describe a beautiful tranquil sphere in a vast black sea. From space a global sweep of clouds dominates Earth's surface. The atmosphere is unbounded by national or State borders and appears unaffected by events above or within its circumference. Yet, as we have discovered, the Earth is indeed fragile, its atmosphere affected by a wide range of natural and human-produced events. On the integrity of this thin envelop all life depends.

Earth's atmosphere is a complex chemical structure which has evolved over several billion years. Changes in its composition are a cause for serious international concern. For several decades, as acquisition and comparison of data have vastly improved, significant changes in the atmosphere have been observed, alerting scientists worldwide to potential trends and threats.

As long ago as 1975, when it became apparent that understanding atmospheric composition, specifically the effects of natural and man-made chemisty changes and the effects of dynamical air transfer, were critically important, the Congress directed the National Aeronautics and Space Administration [NASA] to—develop and carry out a comprehensive program of research, technology, and monitoring of the phenomena of the upper atmosphere so as to provide for an understanding of and to maintain the chemical and physical integrity of the Earth's upper atmosphere.

Accordingly, NASA implemented an upper-atmosphere science research program to acquire an organized base of knowledge which would permit an assessment of change and an understanding of causes. Because changes in the upper atmosphere affect global well-being, many national and international scientific groups have implemented research programs aimed at developing comprehensive knowledge of atmospheric processes. The United Nations Environment Program Governing Council, in 1981, decided to initiate work on a Global Framework Ozone Convention which would: First, harmonize regulatory control actions on ozone-modifying substances at the international level; second, increase coordination of ozone-related research; and third, increase the exchange of information on all scientific, economic, technical, and legal issues relevant to the ozone problem. Thirty nations have signed the Convention which provides that measures taken under the Convention be based on scientific and technical considerations and that the nations collaborate on scientific assessments. Scientists in the United States and abroad have moved to collect, share, and report data. A number of congressional hearings have been held on the subject of atmospheric changes, specifically, ozone depletion and the "greenhouse" warming effect.

Ozone, a form of oxygen, occurs naturally in the upper atmosphere, 15-50 kilometers above the Earth's surface in the stratosphere, where it acts to absorb the Sun's ultraviolet radiation, effectively preventing large amounts of harmful radiation from reaching Earth's surface. Since the mid-1970's scientists have been concerned about chemical destruction, specifically by chlorofluorocarbons, of atmospheric ozone. Ground, balloon, and satellite measurements have indicated that since 1975 the ozone layer in a wide region around the South Pole—from the South Pole to 45 degrees south—has become much thinner—a 50 percent reduction within 10 years—during the Austral spring, from mid August to November, with the deepest "hole" occurring in 1985. The thinning of ozone over Antarctica is particularly disturbing because it was completely unanticipated. Scientists do not know whether it is caused by human activities or whether by natural phenomena; whether it will always be localized over Antartica due to special atmospheric conditions or whether it is a precursor of future global changes. Reductions in the ozone layer of even a few percent are a cause for serious concern: the thinning of the ozone layer would result in a greatly increased risk of melanoma and nonmelanoma cancers. The Environmental Protection Agency estimates that a 1-percent decrease in global ozone could annually cause 20,000 additional skin cancers in the United States. In addition, ultraviolet radiation can cause suppression of the immune response system, affect crop yields, disrupt the aquatic food chain, and cause climate changes. The extent of the potential effect is unknown.

Theories to explain the decrease in ozone over Antarctica essentially number three, within the framework of natural variability and human activities:

First, the chlorofluorocarbon chemical theory: destruction of ozone catalyzed principally by halogens—chlorine and bromine. Many countries, including the United States have banned the use of chlorofluorocarbons as spray-can propellants.

Second, the solar-cycle theory: production of ozone-destroying nitrogen oxides by the Sun's rays. This theory has been generally downgraded with the findings in 1986 of low amounts of nitrogen oxides in the region.

Third, the dynamical theory: changes in air circulation patterns over the South Pole.

During the Antarctic Spring—August-November—of 1986, NASA, National Oceanic and Atmospheric Administration [NOAA], National Science Foundation [NSF], and Chemical Manufacturers Association [CMA] mounted a ground-based campaign at McMurdo Bay, obtaining a great deal of valuable data which have demonstrated that the chemical composition of the Antartica atmosphere is highly perturbed. High levels of active chlorine and low levels of oxides of nitrogen were observed. These observations support the chlorofluorocarbon theory but cast significant doubt on the solar therapy. It is widely believed that a combination of the effects of theories one and three will prove the likely cause of ozone depletion. However, experiments now being readied have been designed not only to test existing theories but to provide a wide base of high-quality data in the event that none of the hypotheses proves to be adequate.

This year, beginning in mid-August, a comprehensive campaign will be mounted which will include the use of aircraft to obtain measurements in and near the "hole," as well as the use of satellite and ground-based measurements. Two NASA research aircraft, an ER-2—(for high-altitude measurements)—and a DC-8—(for measurement at middle and lower altitudes)—will serve as platforms for instruments which will measure a wide range of gases. The aircraft data will be coordinated with real-time satellite observations. Sponsored by NASA, NOAA, NSF, and CMA, the cooperative program also involves scientists from Harvard University, the University of Denver, and the University of Washington, the United Kingdom, and France, and the Governments of Chile, Argentina, and New Zealand. Panama, Peru, and Ecuador also are cooperating by allowing aircraft overflights of their countries. Chile provide the operations base for NASA aircraft at Punta Arenas Airfield.

Among the imperatives in protecting Spaceship Earth is certainly the need for international cooperation in understanding, monitoring, and controlling insofar as possible the atmosphere on which we all vitally depend. In keeping with the critical nature of the problem, and with the expectation that this comprehensive campaign will yield decisive data, the investigators have decided to report the preliminary findings on October 1. This year's Antarctic campaign will greatly increase knowledge of atmospheric processes and lead toward an assessment of potential ozone depletion trends. Let us wish the explorers setting out on Antarctic Campaign '87, "God Speed".

DUBLIN WORLD TRADE CENTER

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. McDADE. Mr. Speaker, I would like to take this opportunity to bring to your attention an outstanding example of how the Irish people are striving to become important players in the international economic marketplace. I am pleased to be able to highlight the efforts of our democratic friends across the globe as they undertake badly needed domestic economic initiatives.

The Irish Government is currently embarking on the development of a world trade center in Dublin. This project would be the largest private development in Irish history, and would represent at least $240 million in economic development to a nation in the midst of domestic recession. Almost 11,000 new jobs would be created in a country besieged by chronic unemployment. I laud Prime Minister Haughey's efforts to address Ireland's economic problems head on, and to embark upon such a major undertaking.

The Dublin World Trade Center will focus on international financial services and will concentrate on the use of advanced telecommunications technology to provide those financial services with speed and efficiency. The center is being developed in conjunction with the World Trade Centers Association so that it will be compatible with the teleport program and will have swift and economical access to international telecommunications networks. This emphasis will link the center to publically available trade information from all over the world.

I urge the Congress to look into ways by which the U.S. Government can assist the Irish people in their efforts on this ambitious project. The Irish Government would welcome American participation in the world trade center. Congress could play a significant part merely by providing modest amounts of low-interest financing to business developers participating in the project.

Mr. Speaker, I am confident that my colleagues will be deeply interested in this important undertaking by our Irish friends, and look forward to exploring with them ways which the U.S. Congress can assist the Republic of Ireland in this vital economic development project.

FUNDS TO COMPLETE THE KICKAPOO RIVER IMPROVEMENT PROJECT

HON. STEVE GUNDERSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. GUNDERSON. Mr. Speaker, today I am introducing legislation to appropriate funds for the completion of the Kickapoo River Improvement project in Vernon County, WI.

This bill would appropriate a total of $56 million over 5 years, beginning in fiscal year 1989. The amounts would be spread equally—$11.2 million—over the 5 years.

Started in 1971, the Kickapoo River Improvement project was designed to end flooding in the Kickapoo River valley, increase fish and wildlife, and attract tourists to the area. Central to the river project was construction of the La Farge Dam, which would have created an 1,800-acre lake in the river valley. However, in 1975 after the project was nearly 40 percent completed, all construction on the project was halted. Reasons for the stalled project range from environmental concerns to cost-benefit shortcomings.

I am introducing this bill to renew debate on the stalled project. Recently, Vernon County has sued the Federal Government in Federal court in Madison, WI, on charges of breach of contract. This action clearly demonstrates that this issue is far from being over in Vernon County.

Given the interest in and concern over the Kickapoo River Valley Improvement project in my congressional district, I am now reopening debate on this project on the Federal level.

DURAND, MICHIGAN CELEBRATES ITS 100TH BIRTHDAY

HON. BILL SCHUETTE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. SCHUETTE. Mr. Speaker, I would like to take this opportunity to commend the people of Durand, MI for their successful centennial celebration.

To celebrate their 100th birthday, the city of Durand Centennial Committee chose to bury a time capsule to be opened by city inhabitants in the year 2037. This was a most creative and thoughtful way in which to share their joyous celebration of 100 years of progress with generations to come.

Buried under the gazebo in Trumble Park, I am sure the time capsule will provide Durand residents in the year 2037 with much insight into our world as it is today and what life in a small, rural community was like in 1987. I think this venture will serve to be educational in the future and demonstrates the eagerness of the people of Durand to share their experiences with those who will follow in their footsteps.

Mr. Speaker, I respectfully ask that you and our colleagues join in commending the people of Durand, MI on a most successful event, and wish them many more years of progress and success in their city.

UNCARING FOR PEOPLE WITH AIDS

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 5, 1987

Mr. STUDDS. Mr. Speaker, AIDS is one of the most devastating diseases in history. People with AIDS in the United States not only are obstracized by society and often family, they are also confronted with insurmountable medical costs that leave many literally homeless. The fact that our Nation cannot—or will not—provide the most basic care to those who cannot pay for it themselves is unconscionable.

I would like to take this opportunity to share with my colleagues the following article from today's Wall Street Journal which outlines the desperation of many with AIDS who have been left to fend for themselves in their last months of life.

[From the Wall Street Journal, Aug. 5, 1987]

WIPED OUT: AIDS VICTIMS FIND THAT A DEATH SENTENCE LEADS FIRST TO POVERTY

(Even those with insurance often face bankruptcy; some die awaiting help. Insurers and genetic testing)

(By Roger Ricklefs)

NEW YORK,—"If I live longer than three more months, I am in real trouble," the young lawyer says.

Until AIDS cut his brief career short last January, the 29-year-old New Yorker earned $62,000 a year and was rising fast. These days, insurance pays all of his medical expenses. But it doesn't pay his rent. Too weak to work, he is spending the last of his $15,000 in savings. "When it is gone, I will probably go on welfare," he says.

Acquired immune deficiency syndrome has a devastating side effect: Before AIDS kills people, it often makes them paupers. And their stories show the vulnerability of many Americans to financial ruin, not only from AIDS but also from cancer, heart disease and other catastrophic illnesses.

"AIDS has exposed in a very glaring way all the problems of the system," says Richard D. Dunne, the executive director of the Gay Men's Health Crisis here, the nation's largest AIDS-service organization. Indeed, the problems are getting worse in many ways.

SICK AND IMPOVERISHED

Of the GMHC's 1,600 clients, only 20 percent are "doing OK financially," mostly through insurance and their own assets, Mr. Dunne says. An additional 30 percent, largely intravenous drug users and their sexual partners, were poor to begin with, he adds. But AIDS impoverishes half of GMHC's clients.

"Right now, having AIDS isn't my main worry. Getting food stamps is my main worry," says Kevin Madden, a New Yorker with AIDS. Not so long ago, he was earning $43,000 a year as a fabric designer. Now he is thinking of filing for bankruptcy. "It's a whole new world I am being thrown into," he says.

It is a world of suffering beyond the power of doctors to relieve. Each year, illness impoverishes about a million Americans. Some 700,000 are elderly, according to the House Select Committee on Aging. And only about 25 million Americans are protected by long-term disability insurance beyond that provided by Social Security.

The number of Americans without health insurance has risen to 37 million, from 29 million in 1979. And breakthroughs in genetic testing may soon make it possible for insurance companies to deny health insurance coverage to additional Americans deemed susceptible to serious diseases—much as many carriers of the AIDS virus are denied insurance today.

RAPID DESCENT

Disaster can hit hard and fast. Robert J. Casey, the owner of a New York electronics business, says he has many friends with AIDS who have ended up on welfare. For a travel-agent friend, the progression from golf on weekends to "ward of the state" took less than six months, Mr. Casey says. With 40 acquaintances struck with AIDS, the businessman says he has given up holding his traditional Christmas party because "it had turned into a headcount."

Financial chaos devastates relatives and lovers as well as the sick themselves. After AIDS struck 31-year-old Paul Pryor several months ago, he became too weak to care for himself, so he moved into his older brother Peter's Brooklyn apartment. His weight eventually down to just 65 pounds, the emaciated patient lay on the living room couch day after day, staring blankly at the television set.

Before he died in late July, Paul could no longer stand up. "It took me half an hour to lift him into bed," Peter says. "He was very sensitive, and if you pulled the wrong way, he screamed." Once, when the building elevator broke down, Peter had to carry his brother up five flights of stairs. In addition, Peter says, his girlfriend's resentment of his obsession with Paul destroyed the couple's relationship of six years.

SIX SMALL MEALS

A former free-lance musician and carpenter, Paul depended on Medicaid to pay medical expenses. Peter earned a comfortable living as a carpenter and artist. But since his brother needed constant care, he stopped working in February. Because Paul could eat very little at a time, Peter had to be on hand to feed him six times a day. "I always hoped he would eat more, so a lot of food got wasted," he says.

Having depleted his $10,000 in savings, Peter is now $3,000 in debt. Once, when his brother was in the hospital and he was three months behind in his rent, Peter ran up to the roof of the building to avoid a marshal with an eviction notice. He had to borrow from friends to pay the rent.

A home health-care worker, requested weeks earlier, arrived four days before Paul died. "I felt angry because my life was consumed with this," Peter says. "But I saw his suffering, and that is what motivated me."

Self-employed people like the Pryor brothers are particularly vulnerable because they often lack adequate health and disability insurance. But the corporate payroll is a shrinking haven. The best health-benefit providers—companies with more than 10,000 employees—have actually cut their total employment during the 1980s.

Practically all of the net job growth in the decade has occurred in companies with fewer than 100 employees, the concerns most likely to have skimpy health plans or none. Of all Americans without health insurance, 60 percent are employed.

Joseph Bombardiere is a New Yorker with AIDS-related complex, a frequent precursor to AIDS that can itself be fatal. Until January, he managed a small bakery and delicatessen that afforded him no medical or disability insurance.

Now, while waiting for Medicaid, the federal health-care program for the poor, he has accumulated $5,000 in unpaid hospital bills. Until welfare approval comes, he depends entirely on gifts of canned goods and such from his friends and church. Not long ago, he still had $5.56 in a savings account. But then he needed the five dollars. "I actually have dreams of welfare checks coming in," he says.

NO COVERAGE FOR DRUGS

People lucky enough to have insurance often are less well covered than they had thought. Among GMHC clients with private health insurance, fewer than 30% have coverage for prescription drugs, says Anne Milano-Tedeschi, a GMHC financial counselor. That hurts more each year as scientists develop better—and costlier—drugs.

For instance, the new drug AZT, which has prolonged and improved the lives of many people with AIDS, costs a patient as much as $10,000 a year. Despite his AIDS, one GMHC client stayed healthy enough to continue earning $285 a week as a messenger-service dispatcher. But his company health insurance didn't cover drugs. To qualify for free AZT through Medicaid, he had to quit his job and go on welfare, Ms. Milano-Tedeschi says.

Nationally, about 40 percent of AIDS patients end up depending on Medicaid. For income, they commonly depend on federal Supplemental Security Income, Social Security Disability, food stamps and local welfare programs. Ms. Milano-Tedeschi says her typical client was earning $2,000 to $2,500 a month before AIDS struck. But the most one can get through the various support programs is a rent allowance of $485 a month plus about $200 in cash and food stamps, she adds. In many states, the benefits are lower.

Bureaucratic delays and errors often destroy even these benefits. Carl Bleiweiss, a company controller here, says the first Social Security disability check for his AIDS-stricken roommate arrived three months after the application was approved—and two months after the roommate had died.

DUNNED BY CREDITORS

When incomes are lost or sharply reduced, many patients also suffer the consequences of their typically American reliance on consumer debt. Assuming he would continue to earn a living for many years, a 35-year-old clothing store manager had piled up $4,000 in charges on MasterCard, Visa and other accounts. When he learned he had AIDS, he wrote to his creditors to explain that he was dying and couldn't work. He says "they wrote back saying, "We're sorry, but where is our money?" Lately, creditors have pressed him with increasingly threatening telephone calls, and he says he plans to declare bankruptcy.

Such problems enormously compound the mental anguish of AIDS. "Even the ones who start out strong get defeated by this," says GMHC's Ms. Milano-Tedeschi. "It saps their will to live."

Says Gary B. Brown, a teacher with AIDS who lived in New York until recently: "All that weighs on me is the financial worry. I deal with the disease." Mr. Brown says that he was "almost suicidal" when he was diagnosed three years ago. "I cried a lot. For two years, I waited to die, and it didn't happen," he adds. "Then I realized that what matters isn't dying: it is what you do until then." He plans to get involved in volunteer work.

But, he says, "When I went to Providence [R.I.] to visit my sister, she paid the train fare. I felt defeated."

SAVING THE TOKEN

Even in his weak condition, Mr. Brown had taken to walking almost everywhere he went in New York, just to save the $1 subway fare. Recently he moved in with an old friend in Wichita, Kan.—partly because he was "afraid to be alone," but largely because be could no longer afford $500 a month for a studio apartment.

"Financially, there is no way I can come back to the East to visit," he says. "There is a chance I will never see my family again."

Other large segments of the population are as financially vulnerable as people with AIDS. "I have been shocked by the parallels between the problems of people with AIDS and the elderly who are chronically ill," says Len McNally, an official of the Village Nursing Home in New York, which is starting a program for AIDS patients.

In a Gallup poll three years ago, 79 percent of the elderly surveyed thought they might need nursing-home care and believed that Medicare would pay all or part of their bills. But usually, neither Medicare nor the private "Medigap" policies that supplement it will pay anything at all.

THE REQUISITE POVERTY

Like those with AIDS, the elderly needing nursing-home care must "spend down" all but a few thousand dollars of their financial assets before Medicaid will pick up the bill.

Both for AIDS sufferers and other people, too, the situation seems likely to get worse. A survey by the Health Insurance Association of America shows that practically all insurers require at least some applicants for individual health policies to take a blood test for the AIDS virus. Some 91 percent of these companies say they consider a person who tests positive uninsurable under any condition, and most of the remaining companies restrict the policies issued.

Insurers say that a 34-year-old man who tests positive is about 26 times more likely to die within seven years than the average man his age. "If a company took all of its applicants, its rates would be too high to be competitive," a Health Insurance Association spokeswoman says.

Insurers say the average claim for AIDS care exceeds $36,000. And a new study for the industry by insurance risk experts finds that insurers will face $32 billion in claims by the year 2000 as a result of AIDS-related deaths of current policyholders.

Last year, the industry paid out about $200 million in AIDS claims, about 1 percent of the $19.6 billion paid in total claims in 1986. In contrast, the latest study estimates that by the year 2000, AIDs-related claims could account for more than 20 percent of total claims against some firms.

According to the study, the industry is expected to face claims totaling $14 billion involving people with life insurance who already are infected with the disease and another $18 billion in claims stemming from cases involving current policyholders who will become AIDS victims during the next few years.

WARY GROUP PLANS

The AIDS-virus testing currently conducted by health insurers applies mainly to applicants for individual policies, rather than for those covered by group plans. But even the large group plans are tightening access to coverage—with restrictions involving many conditions other than AIDS.

Some employers are adding to group plans or more strictly enforcing clauses that limit coverage for "pre-existing conditions," says Scott Ziemba, a consultant for Hewitt Associates, a large benefits-consulting concern. In the past, many companies have leniently enforced such clauses, which restrict coverage for such pre-existing conditions as diabetes.

In addition, Mr. Ziemba says, "half of our client companies in the last two or three years have at least expressed an interest in physical exams." Such examinations help companies to avoid hiring workers who seem likely to develop expensive illnesses. If companies weren't afraid physicals might lead to accusations of discrimination against the handicapped, "there would be a lot more action," he says.

"AIDS has increased employers' interest in the high-amount claim," Mr. Ziemba says. Companies are looking for new methods to cut health-care costs and "trying to detect future ailments is one of them," he adds.

PREDICTIVE TESTS

Beyond the AIDS-virus test, new tools may soon make such detection far more effective than ever before. In the past few years, scientists have discovered genetic "markers" for patterns of genes that show exceptional vulnerability to heart attacks; emphysema; cancer of the lung, breast and colon; diabetes; Alzheimer's disease and others.

The U.S. Public Health Service's Office of Disease Prevention and Control predicts that most Americans will be getting "genetic profiles" by the year 2000. These can help people avoid diseases to which they are most susceptible. But it could also make many people uninsurable.

Limited testing has already begun. Last spring, Chesapeake & Potomac Telephone Co. in Washington offered genetic testing to 1,000 employee volunteers. When the tests show susceptibility to specific diseases, counselors suggest changes in diet and other habits to minimize the risk. If the experimental testing works well, the Bell Atlantic Corp. unit "would consider" using it in preemployment screening, a spokesman says.

Some increased protection against financial ruin from health costs may be on the way. In the past several years, 13 states have started "risk pools" that provide health insurance—at premiums between 150 and 400 percent customary rates—for people who would otherwise be uninsurable because of pre-existing medical conditions. A bill in Congress would encourage other states to establish such pools. Other bills would give the elderly greater protection against catastrophic illness, alleviate "spend-down" requirements for nursing-home care and require companies to provide health insurance. But the proposals all face political opposition.

Meanwhile, millions of individuals simply don't bother buying insurance. Often they don't see the need until it is too late. Says Peter Pryor, the New Yorker who ran into debt caring for his dying brother: "I have no heath insurance, either. That's what's scary."

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, August 6, 1987, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

AUGUST 7

9:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for foreign assistance programs.
SD-192

9:30 a.m.
Joint Economic
To hold hearings to review the employment/unemployment statistics for July.
SD-628

10:00 a.m.
Banking, Housing, and Urban Affairs
Securities Subcommittee
To hold hearings on a proposal to define insider trading.
SD-538

Joint Economic
To hold hearings to examine the effects of the Office of Management and Budget's proposal to reduce the number of questions on the 1990 census.
SD-628

SEPTEMBER 10

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on proposed legislation to create an independent Federal Aviation Administration.
SR-253

SEPTEMBER 15

9:00 a.m.
Small Business
Government Contracting and Paperwork Reduction Subcommittee
To hold hearings to examine the impact of a series of amendments to the Small Business Act as contained in the Department of Defense Authorization Act for Fiscal Year 1987 (P.L. 99-661).
SR-428A

SEPTEMBER 17

10:00 a.m.
Small Business
To hold hearings on S. 818, to provide permanent authorization for White House conferences on small business.
SR-428A

SEPTEMBER 18

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on product liability.
SR-253

SEPTEMBER 22

10:00 a.m.
Small Business
To hold oversight hearings on the Small Business Administration small business development center program.
SR-428A

SEPTEMBER 29

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings in conjunction with the National Ocean Policy Study to review coastal zone management consistency provisions.
SR-253

SENATOR, STATE, AND CAPITOL OFFICE

(NOTE.—Suite numbers preceded by SD are in the Dirksen Senate Office Building; by SH, in the Hart Senate Office Building; and by SR, in the Russell Senate Office Building, Washington, D.C. 20510.)

[Democrats in roman (54), Republicans in italic (46)]

	Suite No.
Vice President Bush, George (Tex.)	SD-202
Adams, Brock (Wash.)	SH-513
Armstrong, William L. (Colo.)	SH-528
Baucus, Max (Mont.)	SH-706
Bentsen, Lloyd (Tex.)	SH-703
Biden, Joseph R., Jr. (Del.)	SR-489
Bingaman, Jeff (N. Mex.)	SH-502
Bond, Christopher S. (Mo.)	SH-321
Boren, David L. (Okla.)	SR-453
Boschwitz, Rudy (Minn.)	SH-506
Bradley, Bill (N.J.)	SH-731
Breaux, John B. (La.)	SD-104
Bumpers, Dale (Ark.)	SD-229
Burdick, Quentin N. (N. Dak.)	SH-511
Byrd, Robert C. (W. Va.)	SH-311
Chafee, John H. (R.I.)	SD-567
Chiles, Lawton (Fla.)	SR-250
Cochran, Thad (Miss.)	SR-326
Cohen, William S. (Maine)	SH-322
Conrad, Kent (N. Dak.)	SH-825A
Cranston, Alan (Calif.)	SH-112
D'Amato, Alfonse M. (N.Y.)	SH-520
Danforth, John C. (Mo.)	SR-497
Daschle, Thomas A. (S. Dak.)	SH-724
DeConcini, Dennis (Ariz.)	SH-328
Dixon, Alan J. (Ill.)	SH-316
Dodd, Christopher J. (Conn.)	SH-324
Dole, Robert (Kans.)	SH-141
Domenici, Pete V. (N. Mex.)	SD-434
Durenberger, David (Minn.)	SR-154
Evans, Daniel J. (Wash.)	SH-702
Exon, J. James (Nebr.)	SH-330
Ford, Wendell H. (Ky.)	SR-173A
Fowler, Wyche, Jr. (Ga.)	SH-320
Garn, Jake (Utah)	SD-505
Glenn, John (Ohio)	SH-503
Gore, Albert, Jr. (Tenn.)	SR-393
Graham, Bob (Fla.)	SH-313
Gramm, Phil (Tex.)	SR-370
Grassley, Charles E. (Iowa)	SH-135
Harkin, Tom (Iowa)	SH-317
Hatch, Orrin G. (Utah)	SR-135
Hatfield, Mark O. (Oreg.)	SH-711
Hecht, Chic (Nev.)	SH-302
Heflin, Howell (Ala.)	SH-728
Heinz, John (Pa.)	SR-277
Helms, Jesse (N.C.)	SD-403
Hollings, Ernest F. (S.C.)	SR-125
Humphrey, Gordon J. (N.H.)	SH-531
Inouye, Daniel K. (Hawaii)	SH-722
Johnston, J. Bennett (La.)	SH-136
Karnes, David K. (Nebr.)	SR-443
Kassebaum, Nancy Landon (Kans.)	SR-302
Kasten, Robert W., Jr. (Wis.)	SH-110
Kennedy, Edward M. (Mass.)	SR-315
Kerry, John F. (Mass.)	SR-362
Lautenberg, Frank R. (N.J.)	SH-717
Leahy, Patrick J. (Vt.)	SR-433
Levin, Carl (Mich.)	SR-459
Lugar, Richard G. (Ind.)	SH-306
Matsunaga, Spark M. (Hawaii)	SH-109
McCain, John (Ariz.)	SH-210
McClure, James A. (Idaho)	SH-309
McConnell, Mitch (Ky.)	SR-120
Melcher, John (Mont.)	SH-730
Metzenbaum, Howard M. (Ohio)	SR-140
Mikulski, Barbara A. (Md.)	SR-387
Mitchell, George J. (Maine)	SR-176
Moynihan, Daniel Patrick (N.Y.)	SR-464
Murkowski, Frank H. (Alaska)	SH-709
Nickles, Don (Okla.)	SH-713
Nunn, Sam (Ga.)	SD-303
Packwood, Bob (Oreg.)	SR-259
Pell, Claiborne (R.I.)	SR-335
Pressler, Larry (S. Dak.)	SR-407A
Proxmire, William (Wis.)	SD-530
Pryor, David (Ark.)	SR-264
Quayle, Dan (Ind.)	SH-524
Reid, Harry (Nev.)	SH-708
Riegle, Donald W., Jr. (Mich.)	SD-105
Rockefeller, John D., IV (W. Va.)	SD-241
Roth, William V., Jr. (Del.)	SH-104
Rudman, Warren (N.H.)	SH-530
Sanford, Terry (N.C.)	SH-716
Sarbanes, Paul S. (Md.)	SD-332
Sasser, Jim (Tenn.)	SR-363
Shelby, Richard C. (Ala.)	SH-516
Simon, Paul (Ill.)	SD-462
Simpson, Alan K. (Wyo.)	SD-261
Specter, Arlen (Pa.)	SH-303
Stafford, Robert T. (Vt.)	SH-133
Stennis, John C. (Miss.)	SR-205
Stevens, Ted (Alaska)	SH-522
Symms, Steven D. (Idaho)	SH-509
Thurmond, Strom (S.C.)	SR-218
Trible, Paul S., Jr. (Va.)	SH-517
Wallop, Malcolm (Wyo.)	SR-206
Warner, John W. (Va.)	SR-421
Weicker, Lowell P., Jr. (Conn.)	SR-225
Wilson, Pete (Calif.)	SH-720
Wirth, Timothy E. (Colo.)	SR-237

STANDING COMMITTEES OF THE SENATE

Committee on Agriculture, Nutrition, and Forestry

Mr. Leahy (chairman), Mr. Melcher, Mr. Pryor, Mr. Boren, Mr. Heflin, Mr. Harkin, Mr. Conrad, Mr. Fowler, Mr. Daschle, Mr. Breaux, Mr. Lugar, Mr. Dole, Mr. Helms, Mr. Cochran, Mr. Boschwitz, Mr. McConnell, Mr. Bond, Mr. Wilson, and Mr. Karnes.

Committee on Appropriations

Mr. Stennis (chairman), Mr. Byrd, Mr. Proxmire, Mr. Inouye, Mr. Hollings, Mr. Chiles, Mr. Johnston, Mr. Burdick, Mr. Leahy, Mr. Sasser. Mr. DeConcini, Mr. Bumpers, Mr. Lautenberg, Mr. Harkin, Ms. Mikulski, Mr. Reid, Mr. Hatfield, Mr. Stevens, Mr. Weicker, Mr. McClure, Mr. Garn, Mr. Cochran, Mr. Kasten, Mr. D'Amato, Mr. Rudman, Mr. Specter, Mr. Domenici, Mr. Grassley, and Mr. Nickles.

Committee on Armed Services

Mr. Nunn (chairman), Mr. Stennis, Mr. Exon, Mr. Levin, Mr. Kennedy, Mr. Bingaman, Mr. Dixon, Mr. Glenn, Mr. Gore, Mr. Wirth, Mr. Shelby, Mr. Warner, Mr. Thurmond, Mr. Humphrey, Mr. Cohen, Mr. Quayle, Mr. Wilson, Mr. Gramm, Mr. Symms, and Mr. McCain.

Committee on Banking, Housing, and Urban Affairs

Mr. Proxmire (chairman), Mr. Cranston, Mr. Riegle, Mr. Sarbanes, Mr. Dodd, Mr. Dixon, Mr. Sasser, Mr. Sanford, Mr. Shelby, Mr. Graham, Mr. Wirth, Mr. Garn, Mr. Heinz, Mr. Armstrong, Mr. D'Amato, Mr. Hecht, Mr. Gramm, Mr. Bond, Mr. Chafee, and Mr. Karnes.

Committee on the Budget

Mr. Chiles (chairman), Mr. Hollings, Mr. Johnston, Mr. Sasser, Mr. Riegle, Mr. Exon, Mr. Lautenberg, Mr. Simon, Mr. Sanford, Mr. Wirth, Mr. Fowler, Mr. Conrad, Mr. Dodd, Mr. Domenici, Mr. Armstrong, Mrs. Kassebaum, Mr. Boschwitz, Mr. Symms, Mr. Grassley, Mr. Kasten, Mr. Quayle, Mr. Danforth, Mr. Nickles, and Mr. Rudman.

Committee on Commerce, Science, and Transportation

Mr. Hollings (chairman), Mr. Inouye, Mr. Ford, Mr. Riegle, Mr. Exon, Mr. Gore, Mr. Rockefeller, Mr. Bentsen, Mr. Kerry, Mr. Breaux, Mr. Adams, Mr. Danforth, Mr. Packwood, Mrs. Kassebaum, Mr. Pressler, Mr. Stevens, Mr. Kasten, Mr. Trible, Mr. Wilson, and Mr. McCain.

Committee on Energy and Natural Resources

Mr. Johnston (chairman), Mr. Bumpers, Mr. Ford, Mr. Metzenbaum, Mr. Melcher, Mr. Bradley, Mr. Bingaman, Mr. Wirth, Mr. Fowler, Mr. Conrad, Mr. McClure, Mr. Hatfield, Mr. Weicker, Mr. Domenici, Mr. Wallop, Mr. Murkowski, Mr. Nickles, Mr. Hecht, and Mr. Evans.

Committee on Environment and Public Works

Mr. Burdick (chairman), Mr. Moynihan, Mr. Mitchell, Mr. Baucus, Mr. Lautenberg, Mr. Breaux, Ms. Mikulski, Mr. Reid, Mr. Graham, Mr. Stafford, Mr. Chafee, Mr. Simpson, Mr. Symms, Mr. Durenberger, Mr. Warner, and Mr. Pressler.

Committee on Finance

Mr. Bentsen (chairman), Mr. Matsunaga, Mr. Moynihan, Mr. Baucus, Mr. Boren, Mr. Bradley, Mr. Mitchell, Mr. Pryor, Mr. Riegle, Mr. Rockefeller, Mr. Daschle, Mr. Packwood, Mr. Dole, Mr. Roth, Mr. Danforth, Mr. Chafee, Mr. Heinz, Mr. Wallop, Mr. Durenberger, and Mr. Armstrong.

Committee on Foreign Relations

Mr. Pell (chairman), Mr. Biden, Mr. Sarbanes, Mr. Cranston, Mr. Dodd, Mr. Kerry, Mr. Simon, Mr. Sanford, Mr. Adams, Mr. Moynihan, Mr. Helms, Mr. Lugar, Mrs. Kassebaum, Mr. Boschwitz, Mr. Pressler, Mr. Murkowski, Mr. Trible, Mr. Evans, and Mr. McConnell.

Committee on Governmental Affairs

Mr. Glenn (chairman), Mr. Chiles, Mr. Nunn, Mr. Levin, Mr. Sasser, Mr. Pryor, Mr. Mitchell, Mr. Bingaman, Mr. Roth, Mr. Stevens, Mr. Cohen, Mr. Rudman, Mr. Heinz, and Mr. Trible.

Committee on the Judiciary

Mr. Biden (chairman), Mr. Kennedy, Mr. Byrd, Mr. Metzenbaum, Mr. DeConcini, Mr. Leahy, Mr. Heflin, Mr. Simon, Mr. Thurmond, Mr. Hatch, Mr. Simpson, Mr. Grassley, Mr. Specter, and Mr. Humphrey.

Committee on Labor and Human Resources

Mr. Kennedy (chairman), Mr. Pell, Mr. Metzenbaum, Mr. Matsunaga, Mr. Dodd, Mr. Simon, Mr. Harkin, Mr. Adams, Ms. Mikulski, Mr. Hatch, Mr. Stafford, Mr. Quayle, Mr. Thurmond, Mr. Weicker, Mr. Cochran, and Mr. Humphrey.

Committee on Rules and Administration

Mr. Ford (chairman), Mr. Pell, Mr. Byrd, Mr. Inouye, Mr. DeConcini, Mr. Gore, Mr. Moynihan, Mr. Dodd, Mr. Adams, Mr. Stevens, Mr. Hatfield, Mr. McClure, Mr. Helms, Mr. Warner, Mr. Dole, and Mr. Garn.

Committee on Small Business

Mr. Bumpers (chairman), Mr. Nunn, Mr. Sasser, Mr. Baucus, Mr. Levin, Mr. Dixon, Mr. Boren, Mr. Harkin, Mr. Kerry, Ms. Mikulski, Mr. Weicker, Mr. Boschwitz, Mr. Rudman, Mr. D'Amato, Mr. Kasten, Mr. Pressler, Mr. Wallop, Mr. Bond, and Mr. Karnes.

Committee on Veterans' Affairs

Mr. Cranston (chairman), Mr. Matsunaga, Mr. DeConcini, Mr. Mitchell, Mr. Rockefeller, Mr. Graham, Mr. Murkowski, Mr. Simpson, Mr. Thurmond, Mr. Stafford, and Mr. Specter.

OFFICERS OF THE SENATE

President Pro Tempore—John C. Stennis.
Secretary of the Senate—Walter J. Stewart.
Sergeant at Arms of the Senate—Henry Kuualoha Giugni.
Secretary for the Majority—C. Abbott Saffold.
Secretary for the Minority—Howard O. Greene, Jr.
Chaplain of the Senate—Reverend Richard C. Halverson, L.L.D., D.D.

UNITED STATES SUPREME COURT

Chief Justice Rehnquist, of Arizona.
Justice Brennan, of New Jersey.
Justice White, of Colorado.
Justice Marshall, of New York.
Justice Blackmun, of Minnesota.
Justice Powell, of Virginia.
Justice Stevens, of Illinois.
Justice O'Connor, of Arizona.
Justice Scalia, of Virginia.

OFFICERS OF THE SUPREME COURT

Clerk—Joseph F. Spaniol, Jr.
Librarian—Stephen G. Margeton.
Marshal—Alfred Wong.
Reporter of Decisions—Frank Wagner.
Administrative Assistant to the Chief Justice—Noel J. Augustyn.

Public Information Officer—Toni House.

UNITED STATES JUDICIAL CIRCUITS JUSTICES ASSIGNED TERRITORY EMBRACED

District of Columbia judicial circuit: Chief Justice Rehnquist.

First judicial circuit: Justice Brennan. Maine, Massachusetts, New Hampshire, Puerto Rico, Rhode Island.

Second judicial circuit: Justice Marshall. Connecticut, New York, Vermont.

Third judicial circuit: Justice Brennan. Delaware, New Jersey, Pennsylvania, Virgin Islands.

Fourth judicial circuit: Chief Justice Rehnquist. Maryland, North Carolina, South Carolina, Virginia, West Virginia.

Fifth judicial circuit: Justice White. Louisiana, Mississippi, Texas.

Sixth judicial circuit: Justice Scalia. Kentucky, Michigan, Ohio, Tennessee.

Seventh judicial circuit: Justice Stevens. Illinois, Indiana, Wisconsin.

Eighth judicial circuit: Justice Blackmun. Arkansas, Iowa, Minnesota, Missouri, Nebraska, North Dakota, South Dakota.

Ninth judicial circuit: Justice O'Connor. Alaska, Arizona, California, Idaho, Montana, Nevada, Oregon, Washington, Guam, Hawaii, Northern Mariana Islands.

Tenth judicial circuit: Justice White. Colorado, Kansas, New Mexico, Oklahoma, Utah, Wyoming.

Eleventh judicial circuit: Justice Powell. Alabama, Florida, Georgia.

Federal judicial circuit: Chief Justice Rehnquist.

REPRESENTATIVE, STATE, AND CAPITOL OFFICE

(As furnished by the Clerk of the House)

(NOTE.—Office numbers with 3 digits are in the Cannon House Office Building, 4 digits beginning with 1 are in the Longworth House Office Building, and 4 digits beginning with 2 are in the Rayburn House Office Building, Washington, DC 20515.)

[Democrats in roman (257), Republicans in italic (177), vacant (1), total 435]

	Office No.
Ackerman, Gary L. (N.Y.)	1725
Akaka, Daniel K. (Hawaii)	2301
Alexander, Bill (Ark.)	233
Anderson, Glenn M. (Calif.)	2329
Andrews, Michael A. (Tex.)	322
Annunzio, Frank (Ill.)	2303
Anthony, Beryl, Jr. (Ark.)	1117
Applegate, Douglas (Ohio)	2183
Archer, Bill (Tex.)	1135
Armey, Richard (*Dick*) (Tex.)	514
Aspin, Les (Wis.)	2336
Atkins, Chester G. (Mass.)	504
AuCoin, Les (Oreg.)	2159
Badham, Robert E. (Calif.)	2427
Baker, Richard H. (La.)	506
Ballenger, Cass (N.C.)	116
Barnard, Doug, Jr. (Ga.)	2227
Bartlett, Steve (Tex.)	1709
Barton, Joe (Tex.)	1225
Bateman, Herbert H. (Va.)	1527
Bates, Jim (Calif.)	1404
Beilenson, Anthony C. (Calif.)	1025
Bennett, Charles E. (Fla.)	2107
Bentley, Helen Delich (Md.)	1610
Bereuter, Doug (Nebr.)	2446
Berman, Howard L. (Calif.)	137
Bevill, Tom (Ala.)	2302
Biaggi, Mario (N.Y.)	2428
Bilbray, James H. (Nev.)	1431
Bilirakis, Michael (Fla.)	1530
Blaz, Ben [1] (Guam)	1130
Bliley, Thomas J., Jr. (Va.)	213
Boehlert, Sherwood L. (N.Y.)	1641
Boggs, Lindy (Mrs. Hale) (La.)	2353
Boland, Edward P. (Mass.)	2426
Boner, William Hill (Tenn.)	107
Bonior, David E. (Mich.)	2242
Bonker, Don (Wash.)	434
Borski, Robert A. (Pa.)	314
Bosco, Douglas H. (Calif.)	408
Boucher, Rick (Va.)	428
Boulter, Beau (Tex.)	124
Boxer, Barbara (Calif.)	307
Brennan, Joseph E. (Maine)	1428
Brooks, Jack (Tex.)	2449
Broomfield, Wm. S. (Mich.)	2306
Brown, George E., Jr. (Calif.)	2256
Brown, Hank (Colo.)	1424
Bruce, Terry L. (Ill.)	419
Bryant, John (Tex.)	412
Buechner, Jack (Mo.)	502
Bunning, Jim (Ky.)	1123
Burton, Dan (Ind.)	120
Bustamante, Albert G. (Tex.)	1116
Byron, Beverly B. (Md.)	2430
Callahan, H.L. "Sonny" (Ala.)	1232
Campbell, Ben Nighthorse (Colo.)	1724
Cardin, Benjamin L. (Md.)	507
Carper, Thomas R. (Del.)	131
Carr, Bob (Mich.)	2439
Chandler, Rod (Wash.)	223
Chapman, Jim (Tex.)	429
Chappell, Bill, Jr. (Fla.)	2468
Cheney, Dick (Wyo.)	104
Clarke, James McClure (N.C.)	217
Clay, William (Bill) (Mo.)	2470
Clinger, William F., Jr. (Pa.)	1122
Coats, Dan (Ind.)	1417
Coble, Howard (N.C.)	430
Coelho, Tony (Calif.)	403
Coleman, E. Thomas (Mo.)	2344
Coleman, Ronald D. (Tex.)	416
Collins, Cardiss (Ill.)	2264
Combest, Larry (Tex.)	1529
Conte, Silvio O. (Mass.)	2300
Conyers, John, Jr. (Mich.)	2313
Cooper, Jim (Tenn.)	125
Coughlin, Lawrence (Pa.)	2467
Courter, Jim (N.J.)	2422
Coyne, William J. (Pa.)	424
Craig, Larry E. (Idaho)	1034
Crane, Philip M. (Ill.)	1035
Crockett, Geo. W., Jr. (Mich.)	1531
Daniel, Dan (Va.)	2308
Dannemeyer, William E. (Calif.)	1214
Darden, George (Buddy) (Ga.)	1330
Daub, Hal (Nebr.)	1019
Davis, Jack (Ill.)	1234
Davis, Robert W. (Mich.)	2417
DeFazio, Peter A. (Oreg.)	1729
de la Garza, E (Tex.)	1401
DeLay, Tom (Tex.)	1039
Dellums, Ronald V. (Calif.)	2136
de Lugo, Ron [2] (V.I.)	2238
Derrick, Butler (S.C.)	201
DeWine, Michael (Ohio)	1705
Dickinson, William L. (Ala.)	2406
Dicks, Norman D. (Wash.)	2429
Dingell, John D. (Mich.)	2221
DioGuardi, Joseph J. (N.Y.)	325
Dixon, Julian C. (Calif.)	2400
Donnelly, Brian J. (Mass.)	438
Dorgan, Byron L. (N. Dak.)	238
Dornan, Robert K. (Calif.)	301
Dowdy, Wayne (Miss.)	240
Downey, Thomas J. (N.Y.)	2232
Dreier, David (Calif.)	410
Duncan, John J. (Tenn.)	2206
Durbin, Richard J. (Ill.)	417
Dwyer, Bernard J. (N.J.)	404
Dymally, Mervyn M. (Calif.)	1717
Dyson, Roy (Md.)	224
Early, Joseph D. (Mass.)	2349
Eckart, Dennis E. (Ohio)	1210
Edwards, Don (Calif.)	2307
Edwards, Mickey (Okla.)	2434
Emerson, Bill (Mo.)	418
English, Glenn (Okla.)	2235
Erdreich, Ben (Ala.)	439
Espy, Mike (Miss.)	216
Evans, Lane (Ill.)	328
Fascell, Dante B. (Fla.)	2354
Fauntroy, Walter E.[3] (D.C.)	2135
Fawell, Harris W. (Ill.)	318
Fazio, Vic (Calif.)	2433
Feighan, Edward F. (Ohio)	1124
Fields, Jack (Tex.)	413
Fish, Hamilton, Jr. (N.Y.)	2269
Flake, Floyd H. (N.Y.)	1427
Flippo, Ronnie G. (Ala.)	2334
Florio, James J. (N.J.)	2162
Foglietta, Thomas M. (Pa.)	231
Foley, Thomas S. (Wash.)	1201
Ford, Harold E. (Tenn.)	2305
Ford, William D. (Mich.)	239
Frank, Barney (Mass.)	1030
Frenzel, Bill (Minn.)	1026
Frost, Martin (Tex.)	2459
Fuster, Jaime B.[4] (P.R.)	427
Gallegly, Elton (Calif.)	1020
Gallo, Dean A. (N.J.)	1318
Garcia, Robert (N.Y.)	2338
Gaydos, Joseph M. (Pa.)	2186
Gejdenson, Sam (Conn.)	1410
Gekas, George W. (Pa.)	1519
Gephardt, Richard A. (Mo.)	1432
Gibbons, Sam (Fla.)	2204
Gilman, Benjamin A. (N.Y.)	2160
Gingrich, Newt (Ga.)	2438
Glickman, Dan (Kans.)	1212
Gonzalez, Henry B. (Tex.)	2413
Goodling, William F. (Pa.)	2263
Gordon, Bart (Tenn.)	1517
Gradison, Willis D., Jr. (Ohio)	2311
Grandy, Fred (Iowa)	1711
Grant, Bill (Fla.)	1331
Gray, Kenneth J. (Ill.)	2109
Gray, William H., III (Pa.)	204
Green, Bill (N.Y.)	1110
Gregg, Judd (N.H.)	308
Guarini, Frank J. (N.J.)	2458
Gunderson, Steve (Wis.)	227
Hall, Ralph M. (Tex.)	236
Hall, Tony P. (Ohio)	2448
Hamilton, Lee H. (Ind.)	2187
Hammerschmidt, John Paul (Ark.)	2207
Hansen, James V. (Utah)	1113
Harris, Claude (Ala.)	1009
Hastert, J. Dennis (Ill.)	515
Hatcher, Charles (Ga.)	405
Hawkins, Augustus F. (Calif.)	2371
Hayes, Charles A. (Ill.)	1028
Hayes, James A. (La.)	503
Hefley, Joel (Colo.)	508
Hefner, W.G. (Bill) (N.C.)	2161
Henry, Paul B. (Mich.)	215
Herger, Wally (Calif.)	1630
Hertel, Dennis M. (Mich.)	218
Hiler, John (Ind.)	407
Hochbrueckner, George J. (N.Y.)	1008
Holloway, Clyde C. (La.)	1207
Hopkins, Larry J. (Ky.)	2437
Horton, Frank (N.Y.)	2229
Houghton, Amo (N.Y.)	1217
Howard, James J. (N.J.)	2188
Hoyer, Steny H. (Md.)	1513
Hubbard, Carroll, Jr. (Ky.)	2182
Huckaby, Jerry (La.)	2421
Hughes, William J. (N.J.)	341
Hunter, Duncan (Calif.)	133
Hutto, Earl (Fla.)	2435
Hyde, Henry J. (Ill.)	2104
Inhofe, James M. (Okla.)	1017
Ireland, Andy (Fla.)	2416
Jacobs, Andrew, Jr. (Ind.)	1533
Jeffords, James M. (Vt.)	2431
Jenkins, Ed (Ga.)	203
Johnson, Nancy L. (Conn.)	119
Johnson, Tim (S. Dak.)	513
Jones, Ed (Tenn.)	108
Jones, Walter B. (N.C.)	241
Jontz, Jim (Ind.)	1005
Kanjorski, Paul E. (Pa.)	1518
Kaptur, Marcy (Ohio)	1228
Kasich, John R. (Ohio)	1133
Kastenmeier, Robert W. (Wis.)	2328
Kemp, Jack F. (N.Y.)	2252
Kennedy, Joseph P., II (Mass.)	1631
Kennelly, Barbara B. (Conn.)	1230
Kildee, Dale E. (Mich.)	2262
Kleczka, Gerald D. (Wis.)	226
Kolbe, Jim (Ariz.)	1222
Kolter, Joe (Pa.)	212
Konnyu, Ernest L. (Calif.)	511
Kostmayer, Peter H. (Pa.)	123
Kyl, Jon L. (Ariz.)	313
LaFalce, John J. (N.Y.)	2367
Lagomarsino, Robert J. (Calif.)	2332
Lancaster, H. Martin, 3d (N.C.)	1632
Lantos, Tom (Calif.)	1707
Latta, Delbert L. (Ohio)	2309
Leach, Jim (Iowa)	1514
Leath, Marvin (Tex.)	336
Lehman, Richard H. (Calif.)	1319
Lehman, William (Fla.)	2347
Leland, Mickey (Tex.)	2236
Lent, Norman F. (N.Y.)	2408
Levin, Sander M. (Mich.)	323
Levine, Mel (Calif.)	132
Lewis, Jerry (Calif.)	326
Lewis, John (Ga.)	501
Lewis, Tom (Fla.)	1216
Lightfoot, Jim Ross (Iowa)	1609
Lipinski, William O. (Ill.)	1032
Livingston, Bob (La.)	2412
Lloyd, Marilyn (Tenn.)	2266
Lott, Trent (Miss.)	2185
Lowery, Bill (Calif.)	225
Lowry, Mike (Wash.)	2454
Lujan, Manuel, Jr. (N. Mex.)	1323
Luken, Thomas A. (Ohio)	2368
Lukens, Donald E. "Buz" (Ohio)	117
Lungren, Dan (Calif.)	2440
McCandless, Alfred A. (*Al*) (Calif.)	435
McCloskey, Frank (Ind.)	127
McCollum, Bill (Fla.)	1507
McCurdy, Dave (Okla.)	409
McDade, Joseph M. (Pa.)	2370
McEwen, Bob (Ohio)	329
McGrath, Raymond J. (N.Y.)	205
McHugh, Matthew F. (N.Y.)	2335

---

[1] Delegate from Guam.

[2] Delegate from the Virgin Islands.

[3] Delegate from the District of Columbia.

[4] Resident Commissioner from Puerto Rico.

	Office No.
McKinney, Stewart B. (Conn.)	237
McMillan, J. Alex (N.C.)	401
McMillen, C. Thomas (Md.)	1508
Mack, Connie (Fla.)	228
MacKay, Buddy (Fla.)	330
Madigan, Edward R. (Ill.)	2312
Manton, Thomas J. (N.Y.)	327
Markey, Edward J. (Mass.)	2133
Marlenee, Ron (Mont.)	2465
Martin, David O'B. (N.Y.)	442
Martin, Lynn (Ill.)	1208
Martinez, Matthew G. (Calif.)	109
Matsui, Robert T. (Calif.)	2419
Mavroules, Nicholas (Mass.)	2432
Mazzoli, Romano L. (Ky.)	2246
Meyers, Jan (Kans.)	315
Mfume, Kweisi (Md.)	1107
Mica, Dan (Fla.)	2455
Michel, Robert H. (Ill.)	2112
Miller, Clarence E. (Ohio)	2208
Miller, George (Calif.)	2228
Miller, John (Wash.)	1224
Mineta, Norman Y. (Calif.)	2350
Moakley, Joe (Mass.)	221
Molinari, Guy V. (N.Y.)	208
Mollohan, Alan B. (W. Va.)	516
Montgomery, G.V. (Sonny) (Miss.)	2184
Moody, Jim (Wis.)	1721
Moorhead, Carlos J. (Calif.)	2346
Morella, Constance A. (Md.),	1024
Morrison, Bruce A. (Conn.)	437
Morrison, Sid (Wash.)	1434
Mrazek, Robert J. (N.Y.)	306
Murphy, Austin J. (Pa.)	2210
Murtha, John P. (Pa.)	2423
Myers, John T. (Ind.)	2372
Nagle, David R. (Iowa)	214
Natcher, William H. (Ky.)	2333
Neal, Stephen L. (N.C.)	2463
Nelson, Bill (Fla.)	2404
Nichols, Bill (Ala.)	2405
Nielson, Howard C. (Utah)	1229
Nowak, Henry J. (N.Y.)	2240
Oakar, Mary Rose (Ohio)	2231
Oberstar, James L. (Minn.)	2351
Obey, David R. (Wis.)	2217
Olin, Jim (Va.)	1238
Ortiz, Solomon P. (Tex.)	1524
Owens, Major R. (N.Y.)	114
Owens, Wayne (Utah)	1728
Oxley, Michael G. (Ohio)	1108
Packard, Ron (Calif.)	316
Panetta, Leon E. (Calif.)	339
Parris, Stan (Va.)	1526
Pashayan, Charles, Jr. (Calif.)	129
Patterson, Elizabeth J. (S.C.)	1022
Pease, Donald J. (Ohio)	1127
Penny, Timothy J. (Minn.)	436
Pepper, Claude (Fla.)	2239
Perkins, Carl C. (Ky.)	1004
Petri, Thomas E. (Wis.)	2443
Pickett, Owen B. (Va.)	1429
Pickle, J.J. (Tex.)	242
Porter, John Edward (Ill.)	1131
Price, David E. (N.C.)	1223
Price, Melvin (Ill.)	2110
Pursell, Carl D. (Mich.)	1414
Quillen, James H. (*Jimmy*) (Tenn.)	102
Rahall, Nick Joe, II (W. Va.)	343
Rangel, Charles B. (N.Y.)	2330
Ravenel, Arthur, Jr. (S.C.)	1730
Ray, Richard (Ga.)	425
Regula, Ralph (Ohio)	2209
Rhodes, John J., III (Ariz.)	510
Richardson, Bill (N. Mex.)	332
Ridge, Thomas J. (Pa.)	1714
Rinaldo, Matthew J. (N.J.)	2469
Ritter, Don (Pa.)	2447
Roberts, Pat (Kans.)	1314
Robinson, Tommy F. (Ark.)	1541
Rodino, Peter W., Jr. (N.J.)	2462
Roe, Robert A. (N.J.)	2243
Roemer, Buddy (La.)	103
Rogers, Harold (Ky.)	206
Rose, Charles (N.C.)	2230
Rostenkowski, Dan (Ill.)	2111
Roth, Toby (Wis.)	2352
Roukema, Marge (N.J.)	303
Rowland, J. Roy (Ga.)	423
Rowland, John G. (Conn.)	512
Roybal, Edward R. (Calif.)	2211
Russo, Marty (Ill.)	2233
Sabo, Martin Olav (Minn.)	2201
Saiki, Patricia F. (Hawaii)	1407
St Germain, Fernand J. (R.I.)	2108
Savage, Gus (Ill.)	1121
Sawyer, Tom (Ohio)	1338
Saxton, Jim (N.J.)	324
Schaefer, Dan (Colo.)	1317
Scheuer, James H. (N.Y.)	2466
Schneider, Claudine (R.I.)	1512
Schroeder, Patricia (Colo.)	2410
Schuette, Bill (Mich.)	415
Schulze, Richard T. (Pa.)	2369
Schumer, Charles E. (N.Y.)	126
Sensenbrenner, F. James, Jr. (Wis.)	2444
Sharp, Philip R. (Ind.)	2452
Shaw, E. Clay, Jr. (Fla.)	440
Shumway, Norman D. (Calif.)	1203
Shuster, Bud (Pa.)	2268
Sikorski, Gerry (Minn.)	414
Sisisky, Norman (Va.)	426
Skaggs, David E. (Colo.)	1723
Skeen, Joe (N. Mex.)	1007
Skelton, Ike (Mo.)	2453
Slattery, Jim (Kans.)	1440
Slaughter, D. French, Jr. (Va.)	319
Slaughter, Louise M. (N.Y.)	1313
Smith, Christopher H. (N.J.)	422
Smith, Denny (Oreg.)	1213
Smith, Lamar S. (Tex.)	509
Smith, Lawrence J. (Fla.)	113
Smith, Neal (Iowa)	2373
Smith, Robert C. (N.H.)	115
Smith, Robert F. (*Bob*) (Oreg.)	118
Smith, Virginia (Nebr.)	2202
Snowe, Olympia J. (Maine)	2464
Solarz, Stephen J. (N.Y.)	1536
Solomon, Gerald B.H. (N.Y.)	2342
Spence, Floyd (S.C.)	2113
Spratt, John M., Jr. (S.C.)	1118
Staggers, Harley O., Jr. (W. Va.)	1504
Stallings, Richard H. (Idaho)	1221
Stangeland, Arlan (Minn.)	2245
Stark, Fortney H. (Pete) (Calif.)	1125
Stenholm, Charles W. (Tex.)	1226
Stokes, Louis (Ohio)	2365
Stratton, Samuel S. (N.Y.)	2205
Studds, Gerry E. (Mass.)	1501
Stump, Bob (Ariz.)	211
Sundquist, Don (Tenn.)	230
Sunia, Fofo I.F.[5] (American Samoa)	1206
Sweeney, Mac (Tex.)	1713
Swift, Al (Wash.)	1502
Swindall, Patrick L. (Ga.)	331
Synar, Mike (Okla.)	2441
Tallon, Robin (S.C.)	432
Tauke, Thomas J. (Iowa)	2244
Tauzin, W.J. (Billy) (La.)	222
Taylor, Gene (Mo.)	2134
Thomas, Robert Lindsay (Ga.)	431
Thomas, William M. (Calif.)	2402
Torres, Esteban Edward (Calif.)	1740
Torricelli, Robert G. (N.J.)	317
Towns, Edolphus (N.Y.)	1726
Traficant, James A., Jr. (Ohio)	128
Traxler, Bob (Mich.)	2366
Udall, Morris K. (Ariz.)	235
Upton, Frederick S. (Mich.)	1607
Valentine, Tim (N.C.)	1510
Vander Jagt, Guy (Mich.)	2409
Vento, Bruce F. (Minn.)	2304
Visclosky, Peter J. (Ind.)	420
Volkmer, Harold L. (Mo.)	2411
Vucanovich, Barbara F. (Nev.)	312
Walgren, Doug (Pa.)	2241
Walker, Robert S. (Pa.)	2445
Watkins, Wes (Okla.)	2348
Waxman, Henry A. (Calif.)	2418
Weber, Vin (Minn.)	106
Weiss, Ted (N.Y.)	2442
Weldon, Curt (Pa.)	1233
Wheat, Alan (Mo.)	1204
Whittaker, Bob (Kans.)	2436
Whitten, Jamie L. (Miss.)	2314
Williams, Pat (Mont.)	2457
Wilson, Charles (Tex.)	2265
Wise, Robert E., Jr. (W. Va.)	1421
Wolf, Frank R. (Va.)	130
Wolpe, Howard (Mich.)	1535
Wortley, George C. (N.Y.)	229
Wright, Jim (Tex.)	1236
Wyden, Ron (Oreg.)	1406
Wylie, Chalmers P. (Ohio)	2310
Yates, Sidney R. (Ill.)	2234
Yatron, Gus (Pa.)	2267
Young, C.W. Bill (Fla.)	2407
Young, Don (Alaska)	2331

---

[5] Delegate from American Samoa.

OFFICERS OF THE HOUSE

Speaker—Jim Wright.
Clerk—Donnald K. Anderson.
Sergeant at Arms—Jack Russ.
Doorkeeper—James T. Molloy.
Postmaster—Robert V. Rota.
Chaplain—James David Ford.

OFFICIAL REPORTERS OF DEBATES

SENATE

G. Russell Walker, Editor in Chief

Official Reporters

William D. Mohr	Ronald Kavulick
C.J. Reynolds	Jerald D. Linnell
E. Frances Garro	Raleigh Milton
Frank A. Smonskey	

John M. Lacovara, Morning Business Editor

Scott M. Sanborn, Assistant Editor

Elizabeth Meyer, Staff Assistant

L.H. (Jim) Timberlake, Editor, Senate Daily Digest.
Thom G. Pellikaan, Assistant Editor, Senate Daily Digest.

HOUSE

Geraldine C. Lyda, Director.
Dennis A. Dinkel, Deputy Director.
Edward White, Lead Clerk.

JOINT ECONOMIC COMMITTEE

Senator Sarbanes (chairman), Representative Hamilton (vice chairman), Senator Proxmire, Senator Bentsen, Senator Kennedy, Senator Melcher, Senator Bingaman, Senator Roth, Senator Symms, Senator D'Amato, Senator Wilson, Representative Obey, Representative Hawkins, Representative Scheuer, Representative Stark, Representative Solarz, Representative Wylie, Representative Snowe, Representative Fish, and Representative McMillan of North Carolina.

JOINT COMMITTEE ON PRINTING

Representative Annunzio (chairman), Senator Ford (vice chairman), Representative Gaydos, Representative Panetta, Representative Badham, Representative Roberts, Senator DeConcini, Senator Gore, Senator Stevens, and Senator Hatfield.

JOINT COMMITTEE ON THE LIBRARY

Senator Pell (chairman), Representative Annunzio (vice chairman), Senator DeConcini, Senator Moynihan, Senator Hatfield, Senator Stevens, Representative Oakar, Representative Jones of Tennessee, Representative Gingrich, and Representative Roberts.

JOINT COMMITTEE ON TAXATION

Representative Rostenkowski (chairman), Senator Bentsen (vice chairman), Representative Gibbons, Representative Pickle, Representative Duncan, Representative Archer, Senator Matsunaga, Senator Moynihan, Senator Packwood, and Senator Dole.

HOUSE OF REPRESENTATIVES—*Thursday, August 6, 1987*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Help us, O God, to see more clearly the bonds that unite us and not only the diversions that separate us. As You have created us to be one people, so may Your love help us to see how we all share Your gifts and how we are all marked with Your image.

May we take hold of Your witness to us that we will so speak and act that we truly will be the people that we ought to be and so better follow in the paths of peace.

This we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 812. An act to amend the Stevenson-Wydler Technology Innovation Act of 1980 to establish a National Quality Award, with the objective of encouraging American business and other organizations to practice effective quality control in the provision of their goods and services;

H.R. 2309. An act to amend the Christopher Columbus Quincentenary Jubilee Act; and

H.R. 2971. An act to provide continuing authority to the Secretary of Agriculture for recovering costs associated with cotton classing services, and for other purposes.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 3. An act to enhance the competitiveness of American industry, and for other purposes; and

H.R. 1504. An act to provide for improvements in veterans' employment and education programs.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 3) entitled "An act to enhance the competitiveness of American industry, and for other purposes", and requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Leahy, Mr. Melcher, Mr. Pryor, Mr. Lugar, and Mr. Cochran, from the Committee on Agriculture, Nutrition, and Forestry; Mr. Glenn, Mr. Chiles, Mr. Bingaman, Mr. Roth, and Mr. Stevens, from the Committee on Governmental Affairs; Mr. Bentsen, Mr. Matsunaga, Mr. Moynihan, Mr. Baucus, Mr. Boren, Mr. Packwood, Mr. Chafee, Mr. Roth, and Mr. Danforth, from the Committee on Finance; Mr. Proxmire, Mr. Sarbanes, Mr. Dixon, Mr. Garn, and Mr. Heinz, from the Committee on Banking, Housing, and Urban Affairs; and solely for the consideration of sections 1029-1036 of title X, Mr. Cranston and Mr. Gramm; and solely for the consideration of title XIV, Mr. Exon and Mr. Danforth; Mr. Hollings, Mr. Inouye, Mr. Exon, Mr. Riegle, Mr. Danforth, Mr. Packwood, and Mr. Pressler, from the Committee on Commerce, Science, and Transportation; Mr. Kennedy, Mr. Pell, Mr. Metzenbaum, Ms. Mikulski, Mr. Adams, Mr. Hatch, Mr. Stafford, and Mr. Quayle, from the Committee on Labor and Human Resources; Mr. Bumpers, Mr. Sasser, and Mr. Weicker, from the Committee on Small Business; Mr. DeConcini, Mr. Leahy, and Mr. Hatch, from the Committee on the Judiciary; Mr. Pell, Mr. Sarbanes, Mr. Dodd, Mr. Helms, and Mr. Lugar, from the Committee on Foreign Relations to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 1591. An act to temporarily restrict the ability to document foreign-built fish processing vessels under the laws of the United States;

S. 1596. An act to extend the period for waivers of State eligibility requirements to enable certain States to qualify for child abuse and neglect assistance;

S. 1597. An act to amend the Farm Disaster Assistance Act of 1987 to extend the reporting date for the ethanol cost effectiveness study; and

S.J. Res. 175. Joint Resolution to recognize the efforts of the U.S. Soccer Federation in bringing the World Cup to the United States in 1994.

TRIBUTE TO THE LATE GUY BILLINGTON

(Mr. HUBBARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUBBARD. Mr. Speaker, I use this time to pay tribute to a long time dear friend—the late Guy Billington, a Murray, KY, businessman and civic leader who died at age 77 last Sunday afternoon at Murray-Calloway County Hospital.

Guy Billington, who served on the Murray City Council for 12 years, and his brother Owen Billington, who

NOTICE

An interim issue of the daily Congressional Record will be published during the adjournment for the August recess, in order to permit Members to revise and extend remarks.

All material for insertion must be signed by the Member and delivered to the respective offices of the Official Reporters of Debates, (Room HT-60 or S-220 of the Capitol), Monday through Friday, between the hours of 10:00 a.m. and 3:00 p.m., through August 20. The interim issue will be dated August 20, 1987 and will be delivered on August 21.

None of the material printed in the interim issue of the Congressional Record may contain subject matter, or relate to any event, that occurred after the adjournment date.

Members of Congress desiring to purchase reprints of material submitted for inclusion in the Congressional Record during the adjournment may do so by contacting the Congressional Printing Management Division, at the Government Printing Office, on 275-2226, between the hours of 8:00 a.m. and 4:30 p.m. daily.

By order of the Joint Committee on Printing.

FRANK ANNUNZIO, *Chairman.*

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

served 8 years in the Kentucky House of Representatives and 4 years in the Kentucky State Senate, formed a partnership—Murray Insurance Agency—in 1944. That insurance agency is known to be one of Kentucky's most successful.

Guy Billington was the developer, leasing agent, and general manager of the huge Murray Shopping Center.

Guy Billington was past president of the Murray Rotary Club of which he had been a very active member for 41 years. He was a long time deacon and Sunday school teacher at Murray's First Baptist Church.

My wife Carol and I extend to his wife Lurline Billington, daughter Anna Ruth Harris, sons Ted and Bob Billington, brother Owen Billington and other members of the Billington family our sympathy. We share with them the loss of an outstanding Kentuckian—Guy Billington.

END TELEPHONE PORNOGRAPHY

(Mr. BLILEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BLILEY. Mr. Speaker, each and every day, thousands of our Nation's children are being sexually abused through obscene and indecent telephone dial it services. Any child who knows how to use a phone can gain access to these illicit services.

Recently, Gloria Leonard, the owner of High Society magazine, made the claim that dial-a-porn numbers are only available to adults. That is patently untrue.

In June, a mailing was sent addressed to residents in Washington, DC. The envelope was marked "For Adults Only." Inside was a card which read, "Sexy Linda is what they call me. I want to make love to you," with a dial-a-porn number printed below.

In our society where many children have two working parents, teens or preteens are likely to be the first to see the mail. The envelopes aren't addressed to their parents, so they know it's not expected. Kids will open it, they will call the number, and they will hear explicit simulations of sodomy, group sex, defecation, you name it.

Mr. Speaker, telephone pornography is the sexual abuse of children in its most insidious form. It can come into any home, any time, to any child who knows how to use a phone. The question for Congress is: "Whom should we protect: the Children or the Pornographer?" I know where I stand and I urge my colleagues to stand with me in protecting our children.

AT LAST, A TRUE BIPARTISAN FOREIGN POLICY

(Mr. MICA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICA. Mr. Speaker, for 9 years on the Committee on Foreign Affairs I have always believed in a bipartisan foreign policy and I think today, this week, with your help and with the help of the President, the first step in the long road to a consensus on foreign policy in an important area may have been taken. The President, in bipartisan concert with congressional leaders and with you, our Speaker, has made a credible and I hope good faith effort and an offer that must be explored.

This is a new creative initiative and that is good, that is important that we are trying it.

It may or may not work, but more importantly it may lead to other areas for compromise and for solutions to a very difficult problem. And just as importantly, and I think this is very important, the Congress, the new Speaker has held out an olive branch to the President; the President has held out an olive branch to the Speaker, to the Congress on a very important and essential issue. And this may bode well for the balance of this Congress, this administration and the American people and again let foreign policy be a bipartisan issue that we can all work together on.

MR. SPEAKER, PLEASE DO NOT LEAVE, WE NEED YOU FOR THE CURTAIN CALL

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. Mr. Speaker, thank you for the privilege of addressing this House and thank you, Mr. Speaker, for your part in putting forth a truly fair, honest, prudent, and workable plan for peace and freedom for the people of Central America. But, Mr. Speaker, your part in this drama is not over, it has just begun. You must remain a key player on stage. You and the President must demonstrate to the Sandinistas that the proposal is an American proposal supported by both parties and not just an administration plan which you can support or ignore as you see fit.

If the Sandinistas suspect that there is weakness in your plan and division in our ranks, the plan can never succeed and the war will go on.

If you demonstrate by your words and your deeds, Mr. Speaker, that our proposal is truly bipartisan with you and the President being actively committed to its success, it can work.

If during this process you desire a Presidential cease-fire toward Congress, reciprocity is in order. Frankly, a cessation of hostilities here would be almost as welcome as it would be in Central America.

Mr. Speaker, thank you for your efforts so far. All of us greatly and deeply appreciate them. But please, Mr. Speaker, do not leave the stage. We all pray that the final act has finally begun but we need you to be there for the curtain call.

Mr. Speaker, thank you for all that you have done for us to this point and we look forward to continuing to work with you in a bipartisan manner to complete this process.

EXTENDING CERTAIN PROTECTIONS UNDER CHAPTER 11 OF THE BANKRUPTCY CODE

Mr. RODINO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1577) to extend certain protections under chapter 11 of the United States Code, the Bankruptcy Code.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

Mr. FISH. Mr. Speaker, reserving the right to object, I do so only to ask the chairman of the Committee on the Judiciary if he would explain the purpose of this bill.

Mr. RODINO. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield to the gentleman from New Jersey [Mr. RODINO].

Mr. RODINO. I thank the gentleman for yielding.

Mr. Speaker, this legislation is necessary to extend for 1 additional month the stopgap legislation that protects the health, life, and disability benefits of retired workers of companies currently in chapter 11 bankruptcy proceedings. Without this extension, this protection will expire on September 15, 1987—only 1 week after Congress returns from the August recess. This legislation will extend protection until October 15, 1987.

The additional month will provide more time to work out a bill that provides retirees with continuous benefits and still promotes successful reorganization of financially troubled companies.

Mr. FISH. Further reserving the right to object, Mr. Speaker, would the gentleman answer whether or not this measure has passed the Senate in identical form?

Mr. RODINO. This is the bill passed by the Senate in its identical form, not amended in the House.

Mr. FISH. Could the chairman tell me, in the House, for how long does this extend the current status?

Mr. RODINO. The extension will be until October 15, 1987. It will give us sufficient time to work on a matter that is very complex. We want to assure protection of the rights of the individual retirees as well as to assure that the company proceeds with its reorganization under chapter 11.

Mr. FISH. The gentleman does expect we will have hearings in September when we return?

Mr. RODINO. Yes, that is correct, when we return.

Mr. FISH. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

Mr. FROST. Mr. Speaker, reserving the right to object, I want to commend the gentleman strongly for bringing this matter to the attention of the House.

Mr. Speaker, I want to first of all thank and commend Chairman RODINO for moving to head off the loss of life and health insurance benefits for almost 80,000 retired Americans. Unless we act favorably upon the measure offered by the chairman, these retirees could face life threatening hardship as of September 15.

On that day, LTV Corp. and several other companies that have filed for reorganization under chapter 11 of the Bankruptcy Code would no longer be required to provide the group life and health insurance coverage promised to retirees during their working years. This means that retirees with chronic illnesses requiring regular medical attention will not have the resources to obtain the care they need. Vital medical prescriptions will go unfilled. Doctor bills will go unpaid. The LTV Aerospace Division is headquartered in my district in Texas, and approximately 8,000 LTV retirees live in the Dallas/Fort Worth area alone. I know first hand that even healthy retirees will be plagued by the fear of a severe, long-term illness striking themselves or a family member.

There is nothing controversial about the bill before us. It simply extends for 30 days—until October 15—the requirement that retiree health and life insurance benefits provided by companies before reorganization be continued. This 30-day extension will allow the House Judiciary Committee time to consider legislation to amend the Bankruptcy Code and protect retirees life and health insurance benefits permanently.

It is wrong for companies to use bankruptcy procedures to abandon their retirees. We must act today to ensure that retirees—those most vulnerable to debilitating illness and least able to withstand severe financial hardship—will continue to receive the benefits they earned during their most productive working years.

I again thank the chairman for his commitment to address this matter before October 15, and I strongly urge my colleagues to support the measure before us.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1577

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Public Law 100-41 is amended by striking out "September 15, 1987" and inserting in lieu thereof "October 15, 1987".

The Senate bill was ordered to be read a third time, was read a third time, and passed, and a motion to reconsider was laid on the table.

THE LATEST PEACE PLAN: HOPE OR SKEPTICISM?

(Mr. SCHUMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHUMER. Mr. Speaker, how does a Democrat who abhors the Sandinistas but believes the Contras are just as bad react to the President's peace plan? With hope and with increasing skepticism; with increasing skepticism because some in the administration are already throwing unworkable conditions on the plan; with hope because remarkably the President is reaching out for bipartisan support for the first time; with hope because we seem to be ready to work with, not against, our allies in the region; with hope because true democracy offers more hope for the Nicaraguan people than the Somosista-infested Contras.

But I react with skepticism because of this administration's sorry history of deception in Central Amercia, with skepticism because even Superman could not plan and implement a cease-fire and get all the foreign forces out and compel Nicaragua to implement civil liberties and sign a completed peace plan before September 30; and with skepticism most of all because some in the administration are already insisting on face to face negotiations between the Contras and the Sandinistas to obtain a cease-fire, something it knows will not happen, something not called for in the peace plan.

□ 1015

Mr. President, by proposing this new plan you have already admitted the policies of the last 6 years have failed. If you are really sincere, you will not impose conditions you know are unworkable upon this glimmer of potential peace in war-torn Central America.

A PROPOSED COMMISSION ON REVIEW OF CONGRESSIONAL ETHICS

(Mr. WALKER asked and was given permission to address the House for 1 minute.)

Mr. WALKER. Mr. Speaker, one of the responsibilities thrust upon Congress by the Constitution is that we discipline our own membership. In recent years that has proven to be a very difficult thing to do. Therefore, it appears that what we need to have is some outside help from some people who will tell us how we indeed should manage the ethics process in the House, how we can reform it, and how we can go about assuring that a high ethical standard is required of all who serve here.

Therefore, Mr. Speaker, I am introducing today a bill to establish a Commission on Review of Congressional Ethics. This particular Commission would be a bipartisan group that would include three Members picked by the Speaker and three Members picked by the minority leader. This particular Commission would take a look at ethical practices in the House, and it would recommend reforms for our consideration. It in no way changes the present pattern of how the House deals with these matters, but it simply gives us advice much as the Tower Commission gave advice to the President on the Iran-Contra matter.

Mr. Speaker, this is a bipartisan bill that has been sponsored by 60 Members, and I would commend it to the rest of my colleagues.

CENTRAL AMERICA PEACE INITIATIVE GAINS SUPPORT

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, I wish to lend my support for the new Central America peace initiative announced yesterday by the President in consultation with the Speaker.

I take this position without any predisposition about supporting either side on this violatile issue.

My support is based on the fact that it is far superior to the alternative which can best be characterized as a stalemate.

It is always wiser to give diplomacy a fighting chance to succeed instead of just relying on fighting.

It is obvious that neither the Sandanistas or the Contras are an especially effective military force.

It is also obvious that given their relative equity in power—that for one side to prevail—outside help will be needed. It appears that outside help may rest with this Nation and the Soviet Union. The prospects of us becoming more deeply involved militarily in this conflict trouble me deeply.

The United States should use its good offices—on a bipartisan basis to further a diplomatic solution in Nicaragua.

This new peace plan should have a greater degree of flexibility especially with respect to the 60-day deadline for progress on the diplomatic front. It may take some time to put a cease-fire in effect. It may take some time to develop proposals and have them evaluated. It would seem more reasonable to use the 60 days as a floor not a ceiling with respect to time.

This initiative may have another salient feature. It will result at least in a cooling off period in the rhetorical war between the various sides on this issue. We have a unique opportunity to show a united front in support of peace in Central America. We should proceed forward in good faith and with optimism.

PROPOSED LEGISLATION WOULD RELEASE TRANSPORTATION TRUST FUNDS

(Mr. HOPKINS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOPKINS. Mr. Speaker, I rise today to introduce legislation which will help reform the Federal budget process and release the transportation trust funds after 20 years of false imprisonment.

This bill removes the transportation trust funds from the general revenue budget and adjusts the Gramm-Rudman deficit targets accordingly.

The high priests of Federal budget-making have sacrificed the health of our transportation infrastructure in an attempt to manipulate the budget deficit.

Year after year, the ritual continues—the accounts of the highway, airport and airways, and inland waterways trust funds are held hostage in the name of deficit reduction.

Some $20 billion remains unspent in these trust funds. Of that, nearly $15 billion sits collecting interest for no reason other than deficit reduction.

Incredibly, the airport and airways trust fund has $5 billion which could be better used to improve air safety and alleviate passenger delays.

This money can only be spent for transportation-related purposes. I repeat: by law this money can be spent only for one purpose—transportation.

Nevertheless, while transportation safety continues its dangerous decline, Congress continues the deceitful practice of using these funds to hide portions of the deficit.

Thus, the American people have been deceived not once, but twice.

A few years ago, Congress increased excise taxes on gasoline by 5 cents per gallon, telling the traveling public this money would go to refurbish our deteriorating roads and bridges.

Four years later, billions of dollars remain arbitrarily locked up for the sole purpose of shielding a portion of the deficit.

The American people deserve to get what they pay for. I urge my colleagues to join me in restoring the "trust" in the transportation trust funds.

RAIL SAFETY IS THEME OF PROPOSED BILL

(Ms. SLAUGHTER of New York asked and was given permission to address the House for 1 minute.)

Ms. SLAUGHTER of New York. Mr. Speaker, today I am introducing legislation to improve the safety of Americans who travel by rail. Tragically, the Amtrak/Conrail accident earlier this year in Chase, MD, demonstrated the need for improved safety devices on trains, especially those operating in the heavily traveled Northeast corridor which runs from Boston to Washington, DC.

The Department of Transportation has stressed the need for trains to obey signals and has stated:

> The only system now capable of ensuring that a train is operated in conformity with signal indications is the automatic train control system.

Should an engineer fail to respond to a signal to slow down or stop, automatic train control, or ATC, will automatically bring the train to a safe stop. Mr. Speaker, it is acknowledged that ATC would have prevented the Chase, MD, accident.

The bill that I am introducing today would require that all trains operating in the Northeast corridor be equipped with ATC. In addition, it would mandate a study of other rail corridors to determine whether requiring ATC on those corridors would be advisable or feasible. The bill would also require that all trains, nationwide, be equipped with operable radios capable of train-to-train and train-to-fixed station communication.

Mr. Speaker, these are commonsense steps that ought to be taken. We must put Congress firmly on record establishing rail safety as a national priority.

AUGUST 6, 1787—AT INDEPENDENCE HALL IN PHILADELPHIA

(Mr. GEKAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEKAS. Mr. Speaker, today is August 6, 1787. The Constitutional Convention delegates have just returned to the floor of the Convention. I am reporting to you from the library which is right next to the main chamber of this hall where the Committee on Detail is putting the final touches on the presentation of a draft document to the full Convention.

This draft document was produced by this committee chaired by the gentleman from South Carolina, Delegate John Rutledge. It is made up of several articles covering the new Congress of the United States and the executive and judicial branches of the proposed new government. It starts off with a Preamble, as I see, looking over the shoulder of James Madison, who is taking furious notes as to the various provisions. Mr. Rutledge has now stood on the floor and explained preliminarily what the document contains and has asked for adjournment so the delegates can recess and review the document for the debate that is to ensue tomorrow.

One of the delegates, Alexander Hamilton of New York, has just come in and is anxious to get to work after having been absent for all these months.

Mr. Speaker, I am reporting to you 200 years ago today from the floor of the convention in Independence Hall in Philadelphia.

IN SUPPORT OF $35 MILLION AUTHORIZATION FOR SSC IN FISCAL YEAR 1988

(Mr FAWELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FAWELL. Mr. Speaker, well over 100 Members of Congress, will today or tomorrow, introduce a bill to authorize $35 million for the superconducting super collider in fiscal year 1988. As one of many cosponsors of this bill, I rise in support of this important piece of legislation.

Like landing a man on the Moon, the SSC will be the next great scientific leap for mankind. For centuries men and women have asked such simple yet fundamental questions as, What is this stuff called matter? What are we made of? What can we know of the universe in which we live? Questions such as these have been the driving force in mankind's scientific, technological, and even social progress.

Today we live in a world rich with the fruits of scientific research. Supercomputers, semiconductors, and now superconductors have become household words. All of these technologies are rooted in basic, fundamental research. We would not have semiconductors today if scientists some 30 years ago had not first learned how these materials worked. We would not even be discussing the breakthroughs in superconductivity if scientists had not first discovered this property some 70 years ago. The SSC itself can be traced back to the first crude accelerators constructed almost 100 years ago.

The bill we are introducing today is very simple, yet very important. Twenty-five million dollars will be authorized for continuing R&D for the SSC in fiscal year 1988 and $10 million for preconstruction nonsite specific activities. These funds are needed to keep the SSC on schedule so that it will be ready to replace existing accelerators when they have passed their peak of scientific usefulness in 10 years time. Just as important is the positive signal we will be sending to the international scientific community. When Congress demonstrates its commitment to the SSC, the Department of Energy will be in a good position to pursue meaningful cost-sharing agreements with foreign governments.

The SSC will continue mankind's centuries-old quest to understand the universe. Science and technology are becoming vitally important to our modern society, and I urge my colleagues to cosponsor and/or to support this legislation.

TRIBUTE TO SHIRLEY MAXINE PHELPS-CANNADY

(Mrs. COLLINS, asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. COLLINS. Mr. Speaker, I rise today to express my sorrow for the death of Shirley Maxine Phelps-Cannady. Shirley, a waitress in the dining room of the National Democratic Club since 1965, died of cancer on July 31 at the Bethesda Naval Hospital. She was 51.

Shirley Phelps-Cannady was born in North Carolina. Before moving to the Washington area in 1952, Shirley lived in Forest, VA. She was a member of Mount Airy Baptist Church in Washington and worked for several restaurants before joining the National Democratic Club dining room staff 22 years ago.

As a long-time member of the NDC, I knew Shirley through dining at the club. Always warm hearted and gracious, she was more than just a waitress—Shirley was a friend and inspiration to those who knew her. I speak for myself, and I believe for my colleagues, when I say that Shirley's good-natured affection was greatly appreciated, especially after a trying day. I offer my sympathy to her family, she will be missed.

THE ROMANIA PROBLEM

(Mr. WOLF asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLF. Mr. Speaker, I have a newspaper here showing President Ceausescu of Romania and Arafat, head of the PLO. The headline is: "Comrade Ceausescu Meets Comrade Yassar Arafat. A Dictator Smiles at a Laughing Terrorist."

Mr. Speaker, the Romanian Government sells arms to the PLO, they train the PLO, they have their advisers in Libya, they give arms to Syria and other terrorists, and they are a safe haven for terrorists. They have bulldozed churches, they have bulldozed synagogues, and yet, Mr. Speaker, the Reagan administration refuses to do anything about this. I am so disappointed.

Mr. Speaker, as we know, the House by an overwhelming bipartisan vote has supported suspending MFN and taking it away from the Romanian Government. The Senate in a bipartisan manner, with Senator ARMSTRONG and Senator DODD, came together and also voted to suspend. Yet this administration does nothing else.

Mr. Speaker, in closing, I want to read from a Wall Street Journal editorial which said this:

> Experience with the Soviets has shown that it's important not to let transgressions pass. On Romania there is no reason why President Reagan should continue to leave the high road on this issue to Congress. He has the right under existing law to suspend Romania's most-favored-nation status, as he had the right to act on Poland's trade status.

□ 1030

INTRODUCTION OF IMMIGRATION REFORM LEGISLATION

(Mr. DONNELLY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DONNELLY. Mr. Speaker, today I am introducing legislation with a number of my colleagues which will bring long needed reform to our immigration laws. The goal is to open our country to a number of immigrants, groups who were shortchanged by the 1965 law. Identical legislation is being introduced in the other body by the senior Senator from my State.

Our bill would separate the existing family reunification preferences from the employment and skill-related preferences by creating a new and expanded independent category. It creates 50,000 additional visas for older sources of immigration—especially for those from Ireland, Italy, the nations of Western Europe and Canada.

There are imbalances in current immigration laws which this bill will correct, by opening our doors to those who no longer have immediate family ties in the United States. It is based directly on the recommendations of the 1981 Commission on Immigration and Refugee Policy.

The time has come for Congress to pick up where we left off last year. Passage of this bill will continue and strengthen one of the oldest and most enduring themes in our Nation's history—America's immigrant heritage.

INTRODUCTION OF THREE-TERM MEMBERSHIP LIMITATION ON APPROPRIATIONS COMMITTEE

(Mr. SHAW asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHAW. Mr. Speaker, today I am introducing legislation which would require the term of service of any Member who is appointed to the Appropriations Committee starting with the next Congress be limited to three terms.

This proposed modification to the Rules of the House is, in my opinion, consistent with our other efforts, such as the passage of the Congressional Budget Act and Gramm, Rudman, Hollings, to gain greater control over fiscal spending.

Entrenchment of fabled autonomous decisionmakers with absolute authority, who divvy spending authority, publicly cry foul when "shortsheeted" and grouse at intervention, frustrates efforts to reign in spending.

Rotation of committee membership is a fundamentally sound principle which has been effectively used in the House Budget Committee.

The assignment of rotation rules would give a greater number of Members the opportunity to work in the appropriations process during some point in their careers and serve to help balance institutional power.

Intensive efforts and sacrifices are being made by all of us to bring spending under control and to reduce the deficit.

This is one more method by which this can be accomplished and I urge that it be given serious consideration by all Members.

PEACE INITIATIVE IN NICARAGUA

(Mr. KOLTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOLTER. Mr. Speaker, I rise today, with a feeling of cautious, optimism, over the recent attempts, by the administration, to launch a peace initiative in Nicaragua. I am hopeful of the prospect for peace, and the reinstitution of civil liberties in Nicaragua. However, I am concerned, that any attempt at peace, may lack, genuine conviction by parties, within the administration itself.

Peace should be more than a period of cheating between two periods of fighting. If the administration is indeed serious about peace, it should suspend all solicitation of funds for the armed conflict in Nicaragua during the 60-day period of negotiations.

War is the greatest failure of mankind. To offer peace and hope for failure, so that support will grow for the Contra forces in Nicaragua, is offensive to the ideal of democracy.

An immediate cease-fire and cessation of hostilities in Nicaragua would be most welcome, Mr. Speaker, and I congratulate you on your diplomatic resolve in dealing with the administration proposal. I only hope that administration efforts to secure peace in Central America are genuine and not a Machiavellian strategem to gain support for the Contra forces in Nicaragua.

GI BILL REFORMS

(Mr. SMITH of New Jersey asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of New Jersey. Mr. Speaker, earlier this year Members of the House joined in a bipartisan effort and unanimously supported the Montgomery GI bill and made the new GI bill educational assistance program permanent. The program has been enthusiastically endorsed by veteran groups and the Armed Forces alike.

Its success and popularity notwithstanding, the Montgomery GI bill is in need of some reform in order to suit the special needs of today's recruits and their families. Legislation I am introducing today to amend the Montgomery GI bill sets out to strengthen the program and make it an even more attractive and workable plan for our men and women in the Armed Forces.

The reforms embodied in the new legislation have been developed in consultation with recruits and veteran groups who have had the opportunity to participate in or to learn firsthand of the program. Under my legislation, transferability of the educational benefit to a participant's spouse or dependent would apply under certain conditions—including death of the participant. Also, the consideration period for a recruit's decision to participate in the program is extended, and a recruit is given the option to reduce his/her pay by $50/24 months rather than $100/12 months.

Under my proposal, the consideration period for participation in the program would be extended to the end of the individual's basic training period. Recruits interviewed during a Veterans' Affairs Committee field trip to recruit training centers stated that they had not been given sufficient time to consider their option to participate in the program. Extending consideration time to the end of basic training would allow the recruit time to discuss the option with their family, superiors, and peers.

Additionally, Mr. Speaker, many recruits today have outstanding financial responsibilities which make the current $100/12-month pay reduction—16.9 percent of their pay—extremely undesirable. Provisions in my proposal would enable the recruit to spread out the pay reduction over a 24-month period.

Reforms included in my new proposal have won the preliminary support of groups most closely affected by the GI bill. I urge my colleagues to join in my efforts to strengthen the GI bill by supporting this legislation.

HISPANIC HERITAGE MONTH

(Mr. TORRES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TORRES. Mr. Speaker, I am honored to be introducing a bill today that will designate a specific period of time as "National Hispanic Heritage Month."

Our Nation's history is rich with the contributions that Hispanic-Americans have provided us in the arts, sciences, culture, and defense of the country. This contribution does not go unrecognized. In September 1968, Congress passed, and President Johnson signed, a joint resolution authorizing the President to proclaim annually the week including September 15 and 16 as "National Hispanic Heritage Week." Every succeeding President has annually issued a similar proclamation.

The Hispanic community comprises over 18 million people in the United States. Our culture and population is as diverse as our ancestry. Our forefathers were native Americans, missionaries, conquistadors, and immigrants from every Latin-speaking country in the world. Our past includes colorful tales of Aztec, Mayan, and Inca kings; Spanish royalty, religious piety, and struggles against despotic rulers.

We want the American people to learn of our heritage. We want the public to know that we share a legacy with the rest of the country, a legacy that includes artists, writers, Olympic champions, and leaders in business, government, cinema, and science. We want people to remember that Hispanics make up the highest number of Congressional Medal of Honor winners of any ethnic group and have fought with valor in the Revolutionary War and every subsequent armed conflict involving the United States.

For these reasons, I strongly believe that Congress should extend Hispanic Heritage week to a month. This extra time will allow our Nation to properly observe and coordinate events and activities to celebrate Hispanic culture and achievement. A month provides our schools, universities, corporations, and journalists a longer period in which to plan and commemorate Hispanic participation in our Nation's history.

Mr. Speaker, we are approaching the quincentenary of Columbus' landing in this hemisphere. This will mark 500 years of Hispanic presence in the Americas. The time has come to extend the period of commemoration from 1 week to 1 month. I urge my colleagues to join me and support "National Hispanic Heritage Month."

TELEPHONE SOLICITATION PRIVACY PROTECTION ACT

(Mr. NIELSON of Utah asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NIELSON of Utah. Mr. Speaker, anyone who has ever been awakened in the night to receive an unsolicited phone call from a person or machine trying to sell them something has probably felt a lot of anger and frustration.

High technology is now being used to invade privacy in our own homes. While for some these phone calls provide an opportunity to purchase wanted products, for many they are a constant irritation.

Today, I am introducing legislation that would provide a needed balance between the rights of the telephone solicitors and those whose homes are being invaded.

The Telephone Solicitation Privacy Protection Act of 1987 would prohibit the making of any unsolicited phone calls to residential telephone customers between the hours of 9 p.m. and 10 a.m. It would direct the FCC to establish procedures for enforcement and filing and investigation of customer complaints. It would also direct the FCC to conduct an inquiry into the methods by which residential telephone customers may be afforded opportunities to refuse to accept or curtail the receipt of such phone calls.

FCC would be required to examine the feasibility of providing tonal or visual signals to the residential customer to indicate that an incoming call is from a solicitor as well as the feasibility of permitting customers to deny access to their phone by the telephone solicitor.

It is not the intent of this legislation to deny the telephone solicitors reasonable access to customers or to in any way prevent them from marketing their products. However, the privacy of our homes is also a very important right and my bill will provide the needed protection against undue invasion of privacy. I urge my colleagues to join with me in supporting the Telephone Solicitation Privacy Protection Act of 1987.

DISPLACED HOMEMAKERS LEGISLATION

(Mr. BILIRAKIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BILIRAKIS. Mr. Speaker, Mrs. Smith is a constituent of mine as well as yours. She has two children. Her husband, who was the sole financial support of the family, died when she was 45 years old. Mrs. Smith has never handled family finances. Furthermore, she has never worked outside of the home and, thus, has few job skills. Mrs. Smith is a displaced homemaker in need of an income-producing job. However, finding employment will be difficult in view of her lack of professional job skills.

The sad part, Mr. Speaker, is that Mrs. Smith is not alone. As the Washington Post recently pointed out, a study completed by the displaced homemakers network concludes that there are as many as 11.5 million Mrs. Smiths' in our society today.

My legislation, House Joint Resolution 139, would draw national attention and concern to their plight by proclaiming October 1988 as "Displaced Homemakers Awareness Month." My second bill, H.R. 1064, the subject of which received a hearing before the Ways and Means Select Revenue Measures Subcommittee in the last Congress, would assist them in finding employment by allowing employers a tax credit for hiring displaced homemakers under the Targeted Jobs Tax Credit Program.

My displaced homemakers legislation is fully supported by the national organization espousing the needs of all such women, the displaced homemakers network, and I ask all my colleagues to cosponsor these bills and thereby do their part to help these women "stand on their own" and reduce dependency on public assistance.

□ 1040

HOW TO IDENTIFY A WAR

(Mr. ATKINS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ATKINS. Mr. Speaker, American warships, minesweepers, and helicopters are in the Persian Gulf to give safe passage to oil tankers from Kuwait. They are there ostensibly to keep the Persian Gulf open, and advance the vital interests of the United States.

However, despite the 7-year war between Iran and Iraq which is the only reason the Persian Gulf would conceivably be threatened to begin with, the Reagan administration refuses to acknowledge that the Persian Gulf is a situation where hostilities are imminent, and abide by the provisions of the War Powers Act.

Well, if it looks like a war, it smells like a war, it walks like a war, and it kills like a war, it is a war. And that is why we are filing suit in Federal court today to ask that this administration obey the law, and report to the Congress under the provisions of the War Powers Act.

NEW HOPE FOR SECURITY AND DEMOCRACY IN CENTRAL AMERICA

(Mr. ANDREWS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANDREWS. Mr. Speaker, today there is new hope for security and democracy in Central America because of the bipartisan peace plan proposed this week. This important outline advances four goals for Central America:

Our Nation has a vital interest that there be no Soviet or Communist bases established on the mainland of Central America.

That Nicaragua pose no security threat to its neighbors and respect the basic human rights and political rights of its own people.

That the bloodshed end.

That our policy in Central America be broadened to address in a significant way the economic and social needs of the fragile democracies trying to grow there.

Mr. Speaker, let us go forward in good faith and with a clear resolve to negotiate a real and lasting peace for Central America.

KIDS AND GUNS IN NICARAGUA

(Mr. DORGAN of North Dakota asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORGAN of North Dakota. Mr. Speaker, viewed from the hills of Nicaragua, our country is still the beacon of hope and the light of freedom. All of us who have been to Nicaragua and have been to those hills have had an opportunity to see the kids. In a Contra camp you see kids with guns who fight and who die. Then you go to Managua and see the soldiers, the kids, with guns, who are drafted and they fight and die.

There are several winners in that struggle. The winners are poverty, despair, and hunger.

It seems to me that our light of freedom illuminates our responsibility in this hemisphere to search for peace. That is why in the last several days I have been encouraged by what I have heard. An initiative toward peace in Central America makes sense. It is what our responsibilities are in this hemisphere.

It is important to understand, however, Mr. Speaker, we have got some crazies in the crankcase of the foreign policy engine downtown who would love to derail this peace initiative. The "Nightline" program last night was an example of that.

If this is a genuine search for peace and if responsible people have control of foreign policy in this administration, then they will find bipartisan support in Congress, in my judgment, for that genuine search for peace. Let us hope that is the case so that those kids in Nicaragua can stop fighting and dying for adult disputes that we ought to be able to solve.

IS THE ADMINISTRATON TALKING OUT OF BOTH SIDES OF ITS MOUTH?

(Mr. BONIOR of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BONIOR of Michigan. Mr. Speaker, yesterday a historic opportunity for peace in Central America was launched. After 6 years of waging war, the Reagan administration has committed itself to 60 days of peace.

In response to this initiative, Nicaragua has accepted the offer to negotiate. But has the administration?

Last night, on the ABC news program "Nightline," Assistant Secretary of State Elliot Abrams stated that the new peace agreement included negotiations between the Nicaraguan Government and the Contras. This is patently untrue. It has never been the intention to include the Contras in direct peace talks with the Sandinistas. To do so would kill the plan outright. Speaker WRIGHT has been very firm on this

So the question remains, Is the administration talking out of both sides of its mouth? Does Elliot Abrams speak for the administration or George Shultz?

THE FACES OF AIDS

(Mr. GARCIA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GARCIA. Mr. Speaker, this past week Newsweek magazine ran on the front cover, "The Faces of AIDS, One Year in the Epidemic."

I would like to congratulate Newsweek, because I think of all the plagues that have faced mankind, this has the potential of being without a doubt the worst of all. People are fearful.

We read not too long ago that Northwest Airlines is fearful of AIDS; their policy reflects that fear and that policy came to light last month when it denied a passenger passage back to the United States from China, where he was vacationing when his AIDS condition worsened.

This incident only confirms the immediate and crucial need for more education on AIDS.

Besides the need for education, we must remember that AIDS patients are people. They should not be ostracized from society. They are people who should not be cast aside, but if anything, more help should be given to them.

Evidence shows that the HIV virus cannot be transmitted by causal contact. People with AIDS, AIDS related condition or a positive test present no danger to those with whom they go to class, share bathrooms, eat, work, or sit. Objects touched or handled by people with AIDS are not contaminated and need not be feared; the only exceptions are needles which might be shared. There is no need for concern about the safety of swimming pools, whirlpools, saunas, or telephone booths because of AIDS.

AIDS is transmitted by intimate—sexual—contact and by exposure to contaminated blood.

Besides the need for education, we must also remember that AIDS patient's are people. They should not be ostracized from society. They are not people to be shamed and cast aside. AIDS patients are our neighbors, our brothers and sisters, they are our children and they are our coworkers and friends. As a country that prides itself on compassion and believes so strongly in the human rights of all people, we cannot allow such atrocities to exist.

LEVEL OF FLOOD PROTECTION FOR LOCK HAVEN, PA

Mr. HOWARD. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 3085) to amend the Water Resources Development Act of 1986 relating to the level of flood protection provided by the flood control project for Lock Haven, PA.

The Clerk read the title of the bill.

THE SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

Mr. CLINGER. Reserving the right to object, and I will not object, Mr. Speaker, I would like to take this opportunity to explain the purpose of the bill and the amendment which I will offer at the appropriate time.

Mr. Speaker, H.R. 3085 and an amendment that I will offer momentarily makes a technical correction to Public Law 99-662, the Water Resources Development Act of 1986, by reducing the level of protection for a flood control project now in final planning stages for Lock Haven, PA.

The Corps of Engineers has done an indepth study of the need to protect portions of Lock Haven from recurrent flooding by the Susquehanna River. In their phase II general design memorandum, the corps recommended a 200-year level of protection. Unfortunately the Water Resources Development Act, in authorizing the project, erroneously incorporated a much higher and more expensive level of protection. H.R. 3085 revises this act by reducing the scope of the project to levels consistent with the corps recommendations.

I wish to emphasize that H.R. 3085 imposes no new additional costs to the Federal Government. To the contrary, H.R. 3085 will reduce the project scope and in the long run help save the Federal Government $15 million.

Finally, I wish to emphasize to Members that the leadership of the Public Works Committee has reviewed this legislation and supports its passage.

Mr. HOWARD. Mr. Speaker, will the gentleman yield?

Mr. CLINGER. Continuing under my reservation, Mr. Speaker, I yield to the gentleman from New Jersey.

Mr. HOWARD. Mr. Speaker, I am pleased to speak in support of the bill H.R. 3085, modifying the project for flood control at Lock Haven, PA.

The flood control project at Lock Haven, PA, was authorized by section 401(a) of the Water Resources Development Act of 1986. The project authorization calls for a level of protection 50 percent greater than the level of flooding incurred as a result of tropical storm Agnes in 1972. The bill would reduce the project scope to a 200-year level of protection.

The reduced level of protection is recommended in the phase II general design memorandum currently being completed by the Corps of Engineers. A reduced project scope is more in line with the local interests' support for the project, and is more consistent with local financial capabilities. Further, reducing the level of protection increases the benefit cost ratio to over 1.6, and reduces the estimated Federal cost by over $12 million.

This bill has the bipartisan support of the Public Works and Transportation Committee, and I urge my colleagues to give it their unanimous support.

Mr. Speaker, I would ask if the gentleman will yield to the chairman of the Surface Transportation Subcommittee, the gentleman from New York [Mr. Nowak].

Mr. CLINGER. Continuing under my reservation, Mr. Speaker, I yield to the gentleman from New York.

Mr. NOWAK. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, we have reviewed this matter and have no objection.

Mr. Speaker, I would add my thanks to the gentleman from Minnesota [Mr. Stangeland], who is our minority leader, and certainly the gentleman from Pennsylvania [Mr. Clinger] for bringing this matter to our attention. It is a matter that will really reduce for a change the amount of Federal dollars that will be spent on these types of projects, so we heartily endorse the project.

Mr. Speaker, the bill H.R. 3085 would amend the Water Resources Development Act of 1986, Public Law 99-662, to reduce the level of protection for the project for flood control at Lock Haven, PA.

The authorization currently provides for a level of protection 50 percent greater than the level of flooding which occurred as a result of tropical storm Agnes in 1972. The language which requires this greater level of protection would be stricken, so that the project could be constructed to provide a 200-year level of protection.

The 200-year level of protection is equal to the flood of record on the Susquehanna River and coincident flooding on Bald Eagle Creek. This level of protection is supported by local interests, and is less disruptive in terms of construction. It is also the level provided for in the phase II general design memorandum currently being completed by the Corps of Engineers. The 200-year level of protection is the national economic development plan with a benefit cost ratio over 1.6. In general terms, the scope of the project is reduced approximately 15 percent.

The reduction in the scope of the project also reduces the expected Federal cost of the project by approximately $12 million.

I urge my colleagues to support this legislation and vote for its passage.

Mr. CLINGER. Mr. Speaker, I thank my chairman very much and also thank him for his cooperation in the expeditious handling of this bill.

Continuing under my reservation, Mr. Speaker, I yield to the ranking member of the subcommittee, the gentleman from Minnesota [Mr. Stangeland].

Mr. STANGELAND. Mr. Speaker, I thank my friend for yielding.

Mr. Speaker, I rise in strong support of H.R. 3085, which amends the Lock Haven, PA, floor control project contained in the Water Resources Development Act of 1986. This small, but crucial bill will correct an error in last year's omnibus legislation so that the Lock Haven project is constructed according to plan and congressional intent.

First of all, let me thank Chairman Jim Howard of the Public Works Committee, ranking minority member John Paul Hammerschmidt, Chairman Henry Nowak of the Water Resources Subcommittee, and chief sponsor of the bill, Congressman Bill Clinger. With their strong leadership and bipartisan cooperation, we were able to recognize the problem, forge a solution, and move the legislation through committee in a remarkably swift, yet deliberate pace. I would particularly like to commend and congratulate Congressman CLINGER who first introduced the Lock Haven flood control project in the 97th Congress and, since then, has diligently shepherded it through the legislative process.

The bill before us today amends section 401(a) of the Water Resources Development Act by striking language in the authorization for the Lock Haven project. The current authorization provides for a level of protection 50 percent greater than the level of protection from flooding incurred as a result of tropical storm Agnes in 1972. H.R. 3085 would strike the language requiring this greater level of protection so that the project could provide a 200-year—rather than a 400-year—level of protection.

This change is consistent with congressional intent, has the support of local interests, and is less disruptive in terms of construction. It also reflects the level of protection provided for in the phase II general design memorandum currently under final review by the Corps of Engineers. The changed level of protection also represents the plan which maximizes national economic development benefits with a benefit-cost ratio of over 1.6 to 1.

For all of these reasons, Mr. Speaker, I urge my colleagues to support this important technical corrections bill.

Mr. CLINGER. Mr. Speaker, I thank the gentleman very much for his comments.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk read the bill, as follows:

H.R. 3085

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the undesignated paragraph under the heading "Lock Haven, Pennsylvania" in section 401(a) of the Water Resources Development Act of 1986 is amended by striking out "The project shall be constructed to provide protection at least sufficient to prevent any future flood losses to the city of Lock Haven, Pennsylvania, from flooding equivalent to a level of flooding 50 percent greater than the level of flooding which occurred as a result of tropical storm Agnes in 1972.".

AMENDMENT OFFERED BY MR. CLINGER

Mr. CLINGER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CLINGER: On the first page, strike out line 5 and all that follows through the second period on line 5 of page 2 and insert in lieu thereof the following:

sources Development Act of 1986 is amended by striking out ". The project shall be constructed to provide protection at least sufficient to prevent any future flood losses to the city of Lock Haven, Pennsylvania, from flooding equivalent to a level of flooding 50 percent greater than the level of flooding which occurred as a result of tropical storm Agnes in 1972." and inserting in lieu thereof the following: "with such modifications as are contained in the report of the District Engineer, Baltimore District, entitled 'General Design Memorandum, Phase II, Lock Haven Local Flood Protection Project, West Branch Susquehanna River and Bald Eagle Creek, Pennsylvania', dated May 1987.".

Mr. CLINGER (during the reading). Mr. Speaker, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. CLINGER. Mr. Speaker, I will certainly not take the 5 minutes time. I have already explained what the purpose of the amendment is. It is technical in nature. It will ensure that what the bill tries to accomplish, which is to reduce the level of flood protection from 400 years to 200 years for this specific project, will be accomplished, and that is precisely what the amendment does.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. CLINGER].

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILBUR J. COHEN FEDERAL BUILDING

Mr. HOWARD. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 2655) to designate the Federal Building located at 330 Independence Avenue SW, Washington, District of Columbia, as the "Wilbur J. Cohen Federal Building."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

Mr. MOLINARI. Reserving the right to object, Mr. Speaker, I will not object; I do not intend to object at all, but instead seek to have an explanation by the gentleman from North Carolina [Mr. LANCASTER].

Mr. Speaker, I yield to the gentleman from North Carolina.

Mr. LANCASTER. Mr. Speaker, H.R. 2655 would designate the Federal building located at 330 Independence Avenue SW., Washington, DC, as the "Wilbur J. Cohen Federal Building." Briefly, Wilbur J. Cohen, a renowned reformer in the field of health care for 50 years, served as Secretary of the Department of Health, Education and Welfare from 1968 to 1969. Throughout his career, Secretary Cohen devoted his life to public service, building and guiding our Nation's Social Security and Medicare systems.

Mr. HOWARD. Mr. Speaker, will the gentleman yield?

Mr. MOLINARI. I am glad to yield to the gentleman from New Jersey.

Mr. HOWARD. Mr. Speaker, I rise in support of H.R. 2655, a bill to designate the Federal building at 330 Independence Avenue SW., Washington, DC, as the "Wilbur J. Cohen Federal Building."

Mr. Speaker, the Honorable Wilbur J. Cohen served with distinction as Secretary of the Department of Health, Education and Welfare from 1968 to 1969. Through his outstanding accomplishments in the field of social welfare, Secretary Cohen improved the quality of life for virtually all Americans.

In 1934, Secretary Cohen came to Washington, DC, to work on President Franklin D. Roosevelt's Cabinet Committee on Economic Security. Subsequently, he was the first employee of the Social Security Board and continued to work for the Social Security Administration, an agency he helped create, for 21 years. In 1956, President John F. Kennedy appointed him to serve as Assistant Secretary for legislation for the Department of Health, Education and Welfare. His legacy with the Department continued when in 1965, President Lyndon B. Johnson appointed him to serve as Under Secretary, and in 1968 appointed him to serve as Secretary of the Department of Health, Education and Welfare. While with the Kennedy and Johnson administrations, Secretary Cohen was instrumental in the creation and passage of 65 New Frontier and Great Society proposals, including the Social Security and Medicare systems.

After retiring from the Federal service, he continued to share his vision as dean of the school of education at the University of Michigan from 1969 to 1978. In 1979, Cohen joined the Lyndon B. Johnson School of Public Affairs and served as professor of public affairs.

In view of his remarkable contributions as a public servant it is appropriate to honor Secretary Wilbur J. Cohen and inspire others to emulate him by naming the Federal building at 330 Independence Avenue SW., Washington, where he served as Secretary of the Department of Health, Education and Welfare, as the "Wilbur J. Cohen Federal Building."

Mr. MOLINARI. Further reserving the right to object, Mr. Speaker, I yield to the gentleman from Texas [Mr. PICKLE], who has been dogged in his determination to carry through this name project and who testified, not once, but twice, before our subcommittee and the full committee.

□ 1055

Mr. PICKLE. Mr. Speaker, on May 17, 1987, Wilbur J. Cohen passed away and America lost one of her truly great native sons.

At 21 Wilbur Cohen came to Washington to join the staff of President Roosevelt's Cabinet Committee on Economic Security, which drafted the original Social Security Act. He then became the very first employee of the newly created Social Security Board, and for the next 50 years he was intimately involved with every major change in our Nation's social insurance system—Social Security, Medicaid, Medicare and disability.

I know my colleagues would agree that there is not time enough, nor is there an orator skilled enough to pay full tribute to the multitude of good works Wilbur Cohen performed. Over the past 2 months those who knew him best have gathered here on several occasions to remember and honor this former HHS Secretary. I am continually struck at the diversity of his admirers; the great and the humble, young and old, rich and poor.

It has been my honor to join with the leaders of the House from both sides of the aisle to move forward legislation to name in Wilbur Cohen's honor the Federal building in which he gave his most distinguished service.

I want to commend Chairman JAMES HOWARD and Chairman SUNIA for their leadership in this effort. I also must mention the gracious and wholehearted support of my colleagues the Honorable GUY MOLINARI and JOHN PAUL HAMMERSCHMIDT. Furthermore, I know we all appreciate the support of Speaker JIM WRIGHT in moving this legislation forward. And, of course, as in all matters concerning Social Security, I acknowledge the unfailing efforts of my colleagues, CLAUDE PEPPER and ED ROYBAL.

As a result of their leadership and support, this legislation, which has already passed the Senate without opposition is before us today. I urge my colleagues to give it favorable consideration at this time.

Mr. MOLINARI. Mr. Speaker, continuing my reservation of objection, I yield to the gentleman from Arkansas [Mr. HAMMERSCHMIDT] the ranking Republican on the full committee.

Mr. HAMMERSCHMIDT. Mr. Speaker, I rise in strong support of H.R. 2655, a bill to name the building at 330 Independence Avenue SW, in Washington, DC, as the "Wilbur J. Cohen Federal Building."

For over 50 years, Wilbur Cohen devoted his life to public service, particularly in the areas of Social Security and health care. In fact, he was the first employee of the Social Security Board and is known as the architect of the Medicare/Medicaid amendments of 1965. Wilbur Cohen rose through the civil service ranks and eventually served as Assistant Secretary, Under Secretary and finally Secretary of the Department of Health, Education and Welfare. The building we are naming today is the building in which he served as Secretary.

Following his retirement from Federal service, Wilbur Cohen continued to pursue improvements in such areas as Social Security, health care, unemployment, poverty, and the elderly.

Wilbur Cohen is well known and respected by many Members of Congress. I myself witnessed the commitment, caring and energy of Wilbur Cohen when he would come to the Hill to testify on matters of concern to him. I am privileged to have considered Wilbur a friend.

It is certainly most fitting that we recognize the lifelong service and contributions of this outstanding public servant by naming the building at 330 Independence Avenue in honor of Wilbur Cohen.

Mr. MOLINARI. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. DONNELLY). Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk read the bill, as follows:

H.R. 2655

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION OF BUILDING.

The Federal Building located at 330 Independence Avenue SW, Washington, District of Columbia, shall be known and designated as the "Wilbur J. Cohen Federal Building".

SEC. 2. LEGAL REFERENCES.

Any reference to such building in any law, map, regulation, document, record, or other paper of the United States shall be deemed to be a reference to the "Wilbur J. Cohen Federal Building".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. HOWARD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1371) to designate the Federal building located at 330 Independence Avenue SW, Washington, District of Columbia, as the "Wilbur J. Cohen Federal Building," and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1371

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION OF BUILDING.

The Federal Building located at 330 Independence Avenue SW, Washington, District of Columbia, shall be known and designated as the "Wilbur J. Cohen Federal Building".

SEC. 2. LEGAL REFERENCES.

Any reference to such building in any law, map, regulation, document, record, or other paper of the United States shall be deemed to be a reference to the "Wilbur J. Cohen Federal Building".

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 2655) was laid on the table.

CELEBRATION OF CITIZENSHIP CEREMONY

Mr. HOWARD. Mr. Speaker, I ask unanimous consent for the immediate consideration of the concurrent resolution (H. Con. Res. 161) authorizing a public ceremony on the west lawn of the Capitol in honor of the bicentennial of the U.S. Constitution.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

Mr. MOLINARI. Reserving the right to object, Mr. Speaker, I do not object but would yield to the gentleman from New Jersey [Mr. HOWARD], the chairman of the full committee, for an explanation of the concurrent resolution.

Mr. HOWARD. Mr. Speaker, I rise in support of House Concurrent Resolution 161 authorizing the Commission on the Bicentennial of the U.S. Constitution to conduct a ceremony, entitled "Celebration of Citizenship," on the west terraces and lawns of the U.S. Capitol on September 16, 1987.

Mr. Speaker, the Commission on the Bicentennial of the U.S. Constitution was created for the purpose of recognizing the 200th anniversary of the establishment of one of the greatest documents in the history of this world—the Constitution of the United States of America.

The Commission is composed of a group of distinguished Americans. The Commission is doing an outstanding job in bringing to the American people the meaning of the Constitution.

Look back in history. Some two centuries ago the Founding Fathers of this Nation, farsighted statesmen indeed, brought into being a new form of government that guaranteed freedom to all. A government that fostered the democratic process and asked the best of all citizens under that government. Since those long-ago days we have seen the United States of America grow from coast to coast and from north to south to become one of the greatest countries of the world. A beacon for all who love freedom.

One of the basic foundations of that growth is the Constitution. To foster a full understanding of the Constitution's role in our history, the Congress enacted Public Law 98-101.

Public Law 98-101 directed the Commission to "plan and develop activities" which further "the important goals of scholarship and education;" to "encourage private organizations, and State and local governments" to develop bicentennial activities; to "coordinate generally, activities throughout all of the States;" and "to serve as a clearinghouse" for information on bicentennial plans and activities.

The Commission has announced as the commemorative theme for 1987 the writing of the Constitution; for 1988, the ratification and debate over the Constitution; and for 1989, the establishment of the Government by the First Congress. Congress has extended the life of the Commission through 1991 to add the writing and ratification of the Bill of Rights. Chairman Burger plans an additional emphasis during 1988, 1989, and 1990 on the creation, development, and needs of each of the three branches of government under the Constitution: article I, the Congress; article II, the Presidency; and article III, the Judiciary. The Commission's special recognition of the Congress in 1988 will help set the stage for Congress commemoration of its own 200th anniversary in 1989.

This broad and sweeping directive is one which the Commission is effectively meeting. At the conclusion of this work in the 1990's it is hoped and anticipated that all Americans will once again understand the importance of this major document.

For this reason, it is altogether right and fitting that one of the major beginnings of this long-range program should be a public ceremony on the west lawn of the Capitol in honor of the bicentennial of the U.S. Constitution. The audience of children and adults, with emphasis on the children, that will assemble on the west lawn for the ceremony will hear comments from distinguished leaders of the Congress and remarks of the President of the United States with a reaffirmation once again of the democratic history and foundation of the United States of America.

I urge passage of House Concurrent Resolution 161.

Mr. MOLINARI. Mr. Speaker, under my reservation of objection I yield to the gentleman from North Carolina [Mr. Lancaster] to also explain the concurrent resolution before us today.

Mr. LANCASTER. Mr. Speaker, House Concurrent Resolution 161 authorized the Commission on the Bicentennial of the U.S. Constitution to conduct a ceremony, entitled "Celebration of Citizenship," on the west terrace and lawns of the U.S. Capitol to honor the bicentennial of the U.S. Constitution on September 16, 1987. A "Celebration of Citizenship" is designed to encourage American citizens to rededicate themselves to the principles of the Constitution and will be broadcast from the Nation's Capitol for all Americans to enjoy.

Mr. MOLINARI. Mr. Speaker, further reserving the right to object, I yield to the gentleman from Arkansas [Mr. Hammerschmidt].

Mr. HAMMERSCHMIDT. Mr. Speaker, I rise in support of House Concurrent Resolution 161 which would authorize a public ceremony on the west lawn of the Capitol in honor of the bicentennial of the U.S. Constitution.

This ceremony, entitled "Celebration of Citizenship," will be conducted by the Commission on the Bicentennial of the Constitution on September 16, 1987. Broadcast live, citizens across the country will participate in this salute to our Constitution. A particular emphasis has been placed on our young people with President Reagan leading our Nation's schoolchildren in reciting the Pledge of Allegiance. Other participants include Members of Congress and Chief Justice Warren Burger, who has devoted so much of his time and energy to the work of the Commission.

This year, 1987, is just the first year in a 5-year observance of the bicentennial of our Constitution. This year the focus is on the writing of this historic document. Themes in future years include the ratification and debate over the Constitution, the First Congress and the Bill of Rights.

"Celebration of Citizenship" is a worthy ceremony deserving of our support. In this way, Americans across the country may come to a deeper appreciation and understanding of the importance of the U.S. Constitution.

Mrs. BOGGS. Mr. Speaker, I would like to thank the gentleman from New Jersey [Mr. Howard] and the members of the Committee on Public Works and Transportation for bringing this resolution before the House today. As the gentleman from North Carolina [Mr. Lancaster] has explained, House Concurrent Resolution 161 grants permission to the Commission on the Bicentennial of the U.S. Constitution to hold ceremonies on September 16, 1987, on the west lawn and terraces of the Capitol. These ceremonies will be part of a nationwide "Celebration of Citizenship," a prelude to the September 17 celebration of the 200th anniversary of the U.S. Constitution.

At 1 p.m. on September 16, the President of the United States, the Speaker of the House of Representatives, the majority leader of the Senate as well as other congressional leaders and the membership at-large, will join with Chief Justice Warren Burger, the Chairman of the Bicentennial Commission, and other dignataries at ceremonies on the west front of the Capitol. This ceremony will be broadcast throughout the country and will unite all citizens, students, parents, and workers in a patriotic salute to our Constitution.

An estimated 66 million students, teachers, and school administrators will participate in a day-long teach-in on the Constitution. Schools across the country and American schools abroad will design and develop unique activities to help young people celebrate the rights and responsibilities of citizenship. One hundred and ten thousand schools have been sent education curriculum kits on the Constitution.

A "Celebration of Citizenship" is more than a school program. It's a patriotic salute to all Americans wherever they are on September 16. The Bicentennial Commission is encouraging Federal, State, and local governments as well as those in the private sector to participate with their schools and communities. We hope they will develop their own special ceremonies for this historic commemoration of our Constitution, as well as tune into the broadcast program from the west front of the Capitol.

Those desiring more information on the "Celebration of Citizenship" should contact the Commission on the Bicentennial of the U.S. Constitution, 736 Jackson Place NW., Washington, DC 20503.

I support passage of the resolution.

Mr. MOLINARI. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. Con. Res. 161

Resolved by the House of Representatives (the Senate concurring),

SECTION 1. AUTHORIZATION TO CONDUCT A CEREMONY ON THE UNITED STATES CAPITOL GROUNDS.

On September 16, 1987, the Commission on the Bicentennial of the United States Constitution may conduct a ceremony, entitled "Celebration of Citizenship", on the West Terraces and Lawns of the United States Capitol to honor the Bicentennial of the United States Constitution. For the purposes of this resolution, the Commission on the Bicentennial of the United States Constitution is authorized to erect upon the United States Capitol Grounds, subject to the approval of the Architect of the Capitol, such stands, stages, sound amplification devices, and other related structures and equipment as may be required for the conduct of the ceremony.

SEC. 2. RESPONSIBILITY OF CAPITOL POLICE BOARD.

The Capitol Police Board shall take such action as may be necessary to carry out section 1.

SEC. 3 CONDITIONS RELATING TO PHYSICAL PREPARATIONS.

The Architect of the Capitol may prescribe conditions for physical preparations for the event authorized by section 1.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HOWARD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the several bills and resolutions just adopted.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

TEMPORARILY RESTRICTING ABILITY TO DOCUMENT FOREIGN-BUILT FISH PROCESSING VESSELS

Mr. STUDDS. Mr. Speaker, I ask unanimous consent to take from the

Speaker's table the Senate bill (S. 1591) to temporarily restrict the ability to document foreign-built fish processing vessels under the laws of the United States, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

Mr. YOUNG of Alaska. Mr. Speaker, reserving the right to object, I do so to allow the gentleman from Massachusetts [Mr. STUDDS] to explain the bill and the amendment that he will offer.

Mr. STUDDS. Mr. Speaker, will the gentleman yield?

Mr. YOUNG of Alaska. I yield to the gentleman from Massachusetts.

Mr. STUDDS. Mr. Speaker, the bill at the desk, S. 1591, was passed by the Senate yesterday as an emergency stop-gap measure and the members of the Committee on Merchant Marine and Fisheries want to move this bill before we adjourn.

Specifically, this bill freezes all applications for U.S. documentation of foreign-built fish processing vessels. Our committee is currently considering legislation that will prevent the documentation of foreign-built fish processing vessels, and require U.S. manning, ownership, and reconstruction of all fishing industry vessels in U.S. shipyards. The committee marked up H.R. 2598 on July 28 and is now drafting the report for the House.

We have received information that a number of applications have been received by the Coast Guard to document foreign-built fish processing vessels and that this could occur before a final bill is passed. While the other body is working on a companion bill to the House measure, they will not complete action prior to adjournment. Consequently, S. 1591 was introduced and passed as a temporary measure.

Mr. Speaker, the amendment which I will offer, simply shortens the life of this stop-gap measure from March 1, 1987 to October 15, 1987. Our committee fully intends to move a bill through the regular legislative process and we feel that our amendment will make it clear that we must take immediate action after adjournment. It is important that we move this bill, with an amendment, today because the other body will have to act again on it before sending the bill to the President.

We have checked with all Members who have shown an interest on both sides of the aisle and they support this request.

Mr. YOUNG of Alaska. Further reserving the right to object, Mr. Speaker, I will yield to the gentleman from Massachusetts [Mr. STUDDS] to answer the following: The Committee on Merchant Marine and Fisheries has marked up a comprehensive bill dealing with this subject. Under the terms of that bill, vessels owned by American citizens, operating under existing law, have their rights protected. This includes vessels which are of concern to those committee members from the east coast. Is it the gentleman's intent that, when we proceed with comprehensive legislation and confer with the other body, those east coast concerns will be recognized and addressed?

Mr. STUDDS. Yes, that is our intent.

Mr. YOUNG of Alaska. I thank the gentleman, and I wish to add my support for the bill we are passing today. This will resolve a problem that has occurred as our committee has tried to resolve the difficult issues involved with commercial fishing industry vessel reflagging.

I wish to point out that the amendment being added to this bill reflects concerns from the entire committee. We have worked for 8 months to pass a bill that fairly addresses problems pointed out to us through the hearing process. All members of the committee have cooperated in this effort. Unfortunately, the other body has not been as active. As a result, we are forced to pass this stop-gap measure using this unusual procedure. However, our amendment puts the other body on notice: It is time for them to act on a bill. We will not agree to another temporary bill. The other body should either pass a bill of their own when we return in September, or agree to take our committee bill.

Mr. Speaker, I urge adoption of this bill and the amendment.

Mr. BONKER, Mr. Speaker, last week the House Committee on Merchant Marine and Fisheries reported H.R. 2598, the Fishing Industry Vessel Anti-Reflagging Act of 1987.

The intent of this legislation is to prohibit the reflagging of foreign fish processing vessels operating within the U.S. exclusive economic zone. The legislation is further intended to provide maximum opportunity for U.S. interests to reap the economic benefits from harvesting, processing, and marketing our untapped fisheries resources. Clearly, the longer we wait to enforce the prohibition, the greater the chance for foreign vessels to reflag under the U.S. flag and undermine the point of this legislation.

And this, Mr. Speaker, is precisely what has happened.

Even as Congress has signaled its clear intention to prohibit reflagging of foreign fishing vessels, several vessels have filed for reflagging. During committee markup, Mr. MILLER and I added an amendment which advanced the effective date of the prohibition from the date of enactment to July 28, 1987, the date of the markup. Even this deadline was not sufficient to deter several foreign vessels who filed 11th-hour redocumentation applications.

Yesterday, the Senate approved the bill S. 1591, which would prohibit any redocumentation of foreign fishing vessels until March 1, 1988. This legislation is a positive step, for it further reinforces the clear intent of Congress to bar any reflagging of foreign processing vessels and to avoid any last-minute reflagging frenzies that would defeat the purpose of the bill.

Today, we are asking that the House act to tighten up this date to October 15, 1987, in order to send the clearest possible message to the other body. But this is only an interim measure. The quicker we pass our original bill, H.R. 2598, the better. And frankly, Mr. Speaker, there is no good reason not to pass legislation to prohibit reflagging of foreign fish processing vessels.

I appreciate the efforts of Mr. Studds and his staff who have worked diligently with the Northwest members to pass this important and timely legislation. I urge my colleagues to support this moratorium measure.

Mr. YOUNG of Alaska. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1591

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding chapter 121 of title 46 of the United States Code, the Secretary of the department in which the Coast Guard is operating shall not grant a certificate of documentation to any foreign-built vessel for use as a fish processing vessel. This restriction shall be effective until March 1, 1988. The Secretary may issue such regulations as the Secretary considers necessary to obtain information on the intended use of any vessel applying for a certificate of documentation in order to prevent the documentation of a foreign-built fish processing vessel.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. STUDDS

Mr. STUDDS. Mr. Speaker, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. STUDDS: Strike all after the enacting clause and insert:

Notwithstanding chapter 121 of title 46 of the United States Code, the Secretary of the department in which the Coast Guard is operating may not document a foreign-built vessel for which an application for documentation was submitted after July 20, 1987, for use as a fish processing vessel as defined in section 2101(11b) of title 46, United States Code. This prohibition is effective until October 15, 1987. The Secretary may issue regulations to obtain information about the intended use of a vessel for which an application for documentation has been submitted to prevent the documentation of a foreign-built fish processing vessel.

Mr. STUDDS (during the reading). Mr. Speaker, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the amendment in the nature of a substitute offered by the gentleman from Massachusetts [Mr. STUDDS].

The amendment in the nature of a substitute was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT AMENDMENTS OF 1987

Mr. FROST. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 241 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 241

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2686) to amend the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965 and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and which shall not exceed one hour, with thirty minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works and Transportation, and with thirty minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking, Finance and Urban Affairs, the bill shall be considered for amendment under the five-minute rule. In lieu of the amendments now printed in the bill, it shall be in order to consider an amendment in the nature of a substitute consisting of the text of the bill H.R. 3084 as an original bill for the purpose of amendment under the five-minute rule, said substitute shall be considered by titles instead of by sections, and each title shall be considered as having been read. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the amendment in the nature of a substitute made in order as original text by this resolution. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instruction.

The SPEAKER pro tempore. The gentleman from Texas [Mr. FROST] is recognized for 1 hour.

Mr. FROST. Mr. Speaker, I yield 30 seconds to the gentleman from Arkansas [Mr. ALEXANDER.]

(By unanimous consent, Mr. ALEXANDER was allowed to speak out of order.)

SPEAKER JIM WRIGHT'S INITIATIVE IN CENTRAL AMERICA

Mr. ALEXANDER. Mr. Speaker, I thank the gentleman for yielding and sought this time to publicly endorse the efforts of Speaker WRIGHT for his peace initiatives in Central America.

It is our sincere hope that Mr. Reagan and his men and Comandante Ortega and his men will engage in good faith negotiations for a resolution of the conflict in Central America.

That there has never been a bad peace or a good war. We extend our best wishes that all the parties in the hostility; the Sandinistas, the Contras, Nicaragua, and the United States use their best efforts to give peace a chance in Central America.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Tennessee [Mr. QUILLEN], pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 241 is an open rule providing for the consideration of H.R. 2686, the Public Works and Economic Development Act and Appalachian Regional Development Act Amendments of 1987. The rule provides for 1 hour of general debate. Because the bill was jointly referred to the Committee on Public Works and Transportation and the Committee on Banking, Finance and Urban Affairs, the rule provides that 30 minutes of the debate time shall be allocated to the Committee on Public Works, to be equally divided and controlled by the Public Works Committee chairman and ranking minority member, and 30 minutes shall be allocated to the Banking Committee, to be equally divided and controlled by the Banking Committee chairman and ranking minority member.

The rule provides that it shall be in order to consider an amendment in the nature of a substitute, the text of H.R. 3084, as original text, in lieu of the amendments now printed in the bill, for the purpose of amendment when the bill is considered for amendment under the 5-minute rule. H.R. 3084, introduced jointly by the Public Works and Banking Committees on August 4, is an amendment in the nature of a substitute which incorporates the amendments adopted by both committees and was agreed upon by both committees to serve as the amendment vehicle when the bill is considered for amendment under the 5-minute rule. The rule further provides that the substitute, H.R. 3084, shall be considered by titles, instead of by sections, and that each title shall be considered as having been read.

House Resolution 241 provides that at the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted, and provides that any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the amendment in the nature of a substitute which is made in order as original text by this resolution. Finally, the rule provides that the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except on motion to recommit with or without instructions.

Mr. Speaker, the provisions of H.R. 2686 are substantially the same as the provisions of H.R. 10, the reauthorization of the Economic Development Act, passed by the House in the 99th Congress by a vote of 260 to 96. Title I of H.R. 2686 reauthorizes and substantially revises the programs administered by the Economic Development Administration and title II of the bill reauthorizes the highway and nonhighway programs of the Appalachian Regional Commission. As my colleagues are aware, both the programs administered by the EDA and the Appalachian Regional Commission enjoy strong bipartisan support in the House of Representatives and while authorizations for these programs have not been enacted in recent years, funding has been provided through appropriations acts to continue providing economic assistance for economically distressed localities. H.R. 2686 continues the commitment of the Congress to providing assistance to distressed communities and insures that the private sector will be actively involved in the development of long-range strategies to deal with economic problems and job creation. In addition, H.R. 2686 continues the commitment of the Congress to Appalachia by recognizing the need to provide basic services for severely distressed and underdeveloped areas as well as to encouraging regionwide investment for economic growth and job creation.

Mr. Speaker, H.R. 2686 authorizes $276 million in each of the next 3 fiscal years for the Economic Development Administration programs contained in title I and $162.4 million for each of the next 3 fiscal years for the programs administered by the Appalachian Regional Commission. Even in these times of fiscal austerity, these Federal dollars, used to encourage private sector initiative and investment, are dollars well spent. I urge my colleagues to adopt House Resolution 241 in order that the House may proceed to the consideration of this most important economic development legislation.

□ 1110

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a straightforward open rule and it is one that deserves to be passed by this House.

I have been in the Congress now for a long time and I have seen the creation of both of these programs, the Economic Development Administration and the Appalachian Regional Commission. They have done trojan jobs in bringing economic development and progress to the areas that need to be opened up for an opportunity for economic development.

This request for funds has been honed down to the point that it is a realistic proposal, one that the Congress can go with.

Mr. Speaker, these programs in my district and I know in other districts of this Nation have contributed a great deal to the progress that has come about.

The chairman has done a good job in bringing the measure to the floor of the House.

Mr. Speaker, I urge adoption of the rule.

Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

Mr. FROST. Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mr. DONNELLY). Pursuant to House Resolution 241 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2686.

□ 1113

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2686) to amend the Publc Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965, with Mr. DORGAN of North Dakota in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Illinois [Mr. SAVAGE] will be recognized for 15 minutes, the gentleman from Florida [Mr. SHAW] will be recognized for 15 minutes, the gentlewoman from Ohio [Ms. OAKAR] will be recognized for 15 minutes, and the gentleman from California [Mr. SHUMWAY] will be recognized for 15 minutes.

The Chair recognizes the gentleman from Illinois [Mr. SAVAGE].

Mr. SAVAGE. Mr. Chairman, I yield such time as he may consume to the distinguished chairman of the Committee on Public Works and Transportation, the gentleman from New Jersey [Mr. HOWARD].

Mr. HOWARD. Mr. Chairman, I wish to express my strong support for H.R. 2686, a bill that is geared to helping our Nation's most economically distressed communities as they seek to develop their resources and move on toward economic growth and stability.

This bill has two titles. Title I, the National Development Investment Act, revises and vastly improves the programs of the Public Works and Economic Development Act by providing economic tools to local communities that need special assistance to resolve their economic problems. Title II amends the Appalachian Regional Development Act based on a modified version of policies endorsed by the Appalachian Governors.

H.R. 2686 is substantially the same as H.R. 10, the bill that passed the House 2 years ago in the 99th Congress by a bipartisan vote of 260 to 96 and the two bills which overwhelmingly passed the House in both the 98th and the 97th Congresses. Many Members of this body know from experience in their own districts the benefits that have been derived from successful economic development programs. They have seen firsthand the value of these regional and subregional programs to our overall national economy.

There is a continuing urgency to maintain a Federal role in targeting economic programs to those areas of the Nation that have been bypassed during periods of national economic expansion. A strong national economy depends on self-sufficient and productive local and regional economies. We need this economic strength now more than ever as we deal with the effects of changing world economies.

This legislation is the product of extensive legislative and oversight hearings, of indepth evaluations of existing programs. There have been many long hours of hard work over a period of several years by many people on both the Committee on Public Works and Transportation and the Committee on Banking, Finance and Urban Affairs. I especially want to commend the gentleman from Illinois, Congressman GUS SAVAGE, chairman of our Subcommittee on Economic Development, who guided H.R. 2686 through our committee.

Thanks is also owed to former chairmen of the Economic Development Subcommittee, Congressman JIM OBERSTAR of Minnesota whose dedicated leadership for several years was so instrumental in bringing about this carefully constructed economic development initiative, and Congressman HENRY NOWAK of New York who worked so hard in the 99th Congress to garner support for this legislation.

I also want to thank Representative CLAY SHAW, ranking Republican member of the subcommittee for his active cooperation in reporting out H.R. 2686, Representative JOHN PAUL HAMMERSCHMIDT of Arkansas, ranking Republican member of the full committee, and Representative BILL CLINGER of Pennsylvania, former ranking member of the subcommittee whose contributions to the legislation and whose constant support and effort helped make this bill possible.

I want also to express my special thanks to the members of the Banking, Finance and Urban Affairs Committee, especially to Chairman ST GERMAIN and to Congresswoman MARY ROSE OAKAR, who chairs the Subcommittee on Economic Stabilization, for their fine work in amending the legislation and for their support in moving this bill forward.

The National Development Investment Act reflects a new focus not found in existing law. It emphasizes a local leadership role, greater private sector and intergovernmental cooperation and coordination, and greater leveraging of the Federal dollars. The bill authorizes grants of up to 50 percent of basic public infrastructure, for locally administered revolving loan funds to assist small business, to set up employee stock ownership organizations, for other projects that promote small business development and job creation and for planning assistance with preparation of investment strategies, and technical assistance.

It limits the eligibility based on distress criteria, targeting funds to areas of great need where there is potential for success, and eliminates the long-term designation under existing law by requiring an applicant to demonstrate distress with each application.

The amendments to the Appalachian Regional Development Act would permit continuation of construction of the region's all-important highway system. It would also allow funds to be used to provide much needed services to the region's most underdeveloped areas and to initiate development activities directed toward encouraging regionwide private investment to create and retain jobs.

The bill authorizes grants of $276 million for the National Development Investment Act, and a total of $162.4 million for the Appalachian Regional Commission programs for fiscal years 1988, 1989, and 1990. These authorizations in this bill are at levels considerably reduced from pre-1982 authorizations. That reduction reflects the committee's strong commitment to helping reduce our Federal deficit while at the same time maintaining a Federal role in regional and subregional economic development. These regional programs provide the foundation for national growth and serve the national economic and social purpose.

I urge passage of H.R. 2686.

Mr. SHAW. Mr. Chairman, I yield such time as he may consume to the gentleman from Arkansas [Mr. HAMMERSCHMIDT].

Mr. HAMMERSCHMIDT. I thank the gentleman for yielding me the time.

Mr. Chairman, once again we have before us a bill to reauthorize the programs of the Economic Development Administration and the Appalachian Regional Commission.

The House has expressed strong support in the three previous Congresses for legislation reauthorizing these programs, and with each bill, the Public Works and Transportation Committee has worked diligently to address all legitimate concerns raised over either or both of the programs.

Before you is a bill with eligibility criteria sufficiently narrowed so that the very modest amount of Federal dollars authorized is specifically targeted to those most distressed areas of our nation and to those projects with the greatest potential for success. And this bill's authorization levels are considerably reduced from those prior to 1982, when we made the first of our three unsuccessful attempts at reauthorization.

Significant reforms are made in the EDA and ARC programs by this bill. Areas eligible for EDA assistance have been reduced from 80 percent of the Nation to roughly 40 percent. Limitations have been imposed on the grant and loan amount which can be awarded for an eligible EDA project. A Federal-share limitation of 50 percent has also been established for EDA and nonhighway ARC projects. And, the bill requires comprehensive coordinated planning between State and local officials to ensure that long-term, successful economic development is undertaken.

While one can argue over various provisions of an EDA reauthorization bill and over certain aspects of the Federal economic development program generally, there really should be no argument as to the validity of needs in distressed communities throughout our Nation. And, I submit, we cannot erase the many fine accomplishments of both the EDA and ARC. They have an outstanding track record in assisting these areas.

In fact, funds through these programs have leveraged billions of dollars in private capital and either created or retained some 3 million jobs in the all-important private sector.

National economic recovery is by no means all-encompassing. Many communities have seen their basic public facilities collapse or hover at the brink of collapse. There can be no economic growth or expansion under such circumstances.

H.R. 2686 represents an important effort toward the rebuilding of these local public facilities. It authorizes $1.3 billion over 3 years in grants that will cover 50 percent of the costs of construction, repair, rehabilitation, and improvement of those basic facilities.

That amount also includes grants of up to $1 million to create revolving loan funds to stimulate the growth of small businesses. The emphasis is on private sector involvement, because what these distressed communities need are permanent and meaningful jobs, and that is precisely what the private sector provides.

H.R. 2686 also extends the highway and nonhighway programs of the Appalachian Regional Commission, in line with the current request of the Appalachian Governors for continued economic development assistance to the region.

I commend Chairman JIM HOWARD, our Economic Development Subcommittee chairman GUS SAVAGE, and the subcommittee's ranking Republican member, CLAY SHAW, for their leadership in support of what I hope will be yet another strong vote of approval for this legislation in the House. We need to enact this legislation into law, and I hope that this will be the Congress in which we do just that.

Mr. SAVAGE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, it is significant for me, as chairman of the Subcommittee on Economic Development, to join with my colleagues on both the Committee on Public Works and Transportation and the Committee on Banking, Finance and Urban Affairs who have worked to bring the bill, H.R. 2686, to the House floor.

This bill has been redrafted and perfected, in terms of sharper focus and clarification, to better reflect the intent of the original legislation and to more precisely respond to our present special problems.

H.R. 2686 provides urgently needed Federal investment dollars to especially depressed areas—geographic, industrial and disadvantaged population segments—that have been bypassed during times of national economic growth.

Examples are the Midwest, the steel and auto industries, and Hispanics and blacks whose unemployment remains twice as high as that of others and whose subeconomies are falling further behind.

The bill is designed to assist those areas and industries and groups within those areas in their efforts to nurture existing resources, to promote economic growth and diversification and to create or retain permanent jobs in the private sector.

H.R. 2686 has two titles: Title I, known as the National Development Investment Act, completely revises and updates the existing programs under the Public Works and Economic Development Act and authorizes new economic development programs through fiscal year 1990. Title II extends the Appalachian Regional Development Act through fiscal year 1990 and is based on policies adopted by the Appalachian Governors in 1981 and modified in part by some of the policies adopted this year.

The National Development Investment Act itself contains three titles which provide for an economic development assistance program in title I, an investment strategy, planning and demonstration program in title II and for administration of the act in title III. It builds on the experience and capabilities gained over the years, drawing upon the positive elements of past development activities and dropping those elements of the existing programs which have been highly criticized.

This bill retains technical assistance provisions and grant programs for States, local governments, economic development districts, Indian tribes, and development organizations. Development assistance grants include those for site preparation, construction, or improvement of public facilities; for capitalizing locally administered revolving loan funds to provide loans for small business growth and to promote employee stock ownership organizations; and for commercial development organizations to reduce interest rates for small business development projects.

The Federal financial responsibility is reduced to 50 percent for public facilities grants, which can go up to 80 percent under existing law. The Federal match for the revolving loan funds is also 50 percent, and the fund for small business loans is limited to $1 million. The limit on grants to each applicant under the Economic Development Assistance Program has been increased to $4 million from the $2 million contained in the previously passed bills.

Funds are also available—up to 75 percent Federal share—for economic development planning, including preparation of development investment strategies; for universities and colleges to provide managerial and technical assistance; and for evaluations and demonstration programs.

Eligibility is determined by any one of three better focused distress criteria: First, unemployment of 1 percent above the national average for the previous 2-year period; or second, per capita income 80 percent of the national average; or third, sudden and severe economic distress due to loss of a major employer. This bill limits the eligibility criteria so that only areas with the greatest need will receive assistance.

Moreover, it does away with the long-term eligibility of existing law by requiring applicants to demonstrate distress with each new application. Under this bill, about 40 percent of the Nation's population would be eligible in contrast to existing legislation which covers about 80 percent.

In addition, each applicant is required to prepare a long-range development investment strategy which will be an important element in evaluating applications for eligibility.

It must be a realistic, action document that will analyze the economic problems involved, identify specific elements that will reflect cooperation and coordinated development efforts and mutually supporting projects in distress areas, and show active participation by the private sector and other non-Federal governmental units. Communities will prepare their own strategies, set their own priorities, and direct their own destinies.

The broader approach envisioned by the development investment strategy replaces the project-by-project approach of the existing legislation and could, in fact, include coordination with efforts of various jurisdictions. This is a major improvement which should permit the linking of several projects for a more comprehensive recovery and greater leveraging of the Federal dollar.

Annual authorizations for the National Development Investment Act for fiscal years 1988, 1989, and 1990 will be increased to $200 million for project grants, $50 million for planning, and $26 million for salaries and expenses.

Title II of H.R. 2686 extends for 3 years the Appalachian Regional Development Act. Despite the considerable economic improvements over the years as a result of development initiatives of the Appalachian Regional Commission, the region still lags behind most areas of the Nation in economic opportunity and quality of life. This is due in part to negative effects of the recession a few years ago, which was a setback to the region, and of changing national and international economies in recent years.

The amendments contained in this bill are designed to assist the Commission in its efforts to meet the new challenges of today's world economy. In addition to $2.4 million for salaries and expenses, $120 million is authorized annually through 1990 for up to 80 percent Federal share to construct additional miles in the Appalachian Highway System, which is an important catalyst for promoting and developing private sector business and industry.

For the area development programs, $40 million is authorized representing a 50-percent Federal share. Funds could be used for projects to provide basic needs in the region's most severely distressed and underdeveloped counties and areas. In addition, program funds will focus on economic and human resource development projects regionwide aimed at improving economic competitiveness, business development and community infrastructure, at providing worker training and retraining to enhance manpower skills, at encouraging industrial and enterprise development programs, and at promoting State and local government and private sector initiatives for developing and sustaining economic growth and stability.

The assistance provided by the Federal Government under this bill is not excessive. It requires substantially larger contributions by local communities than in the past. It represents an investment by the Federal Government in our Nation's depressed subregional areas and is an essential ingredient in increasing the ability of all regions of our Nation to be more productive and competitive in meeting the needs of a changing world economy.

We are hopeful that in this Congress, the other body will at last take action on this legislation. I urge my colleagues in the House to support and overwhelmingly pass H.R. 2686. In that way, we can send a strong signal to the other body that we continue to view these programs as having an important role in our national economy.

Mr. Chairman, a copy of highlights of H.R. 2686 follows my remarks:

HIGHLIGHTS OF H.R. 2686

Title I of the bill revises and extends Public Works and Economic Development Act of 1965; provides authorizations for Fiscal Years 1988, 1989 and 1990 at $250 million each year for programs and planning and $26 million for salaries and expenses.

To qualify, applicants must meet one of three distress criteria

(1) Unemployment 1 percent above national average, previous 24 months.

(2) Per capita income 80 percent of national average (latest statistics).

(3) Significant job loss due to sudden economic dislocation.

Qualified applicants:—States, counties, cities, towns, economic development districts, Indian tribes and development organizations

Program assistance provided:

Development Investment Assistance (Title I).

Grants for new construction and improvement of public facilities—up to 50 percent Federal share.

Grants to establish revolving loan funds to stimulate small business growth—$1 million limit and 50 percent Federal match.

Grants to establish revolving loan funds to set up employee stock ownership organizations—50 percent Federal match.

Grants to commercial development organizations to help small businesses by reducing interest rates for economic development project activities.

Technical Assistance by Secretary.

$4 million limit on grants under this title to each applicant, except for grants to promote employee ownership organizations.

Strategy, Planning, Evaluation and Demonstration (Title II)

Grants for economic development and strategy planning.

Grants to colleges, universities and other groups to provide management and assistance—75 percent Federal match of costs.

Authorizes evaluations and demonstration programs. Results to be reported to Congress within 90 days of completion.

Development Investment Strategy required, to include: inventory of community resources, industries and businesses; infrastructure available and needed; workforce skills; land available; showing of non-federal matching funds; showing of private sector willingness to invest; description of industry/business to be created or expanded; demonstration of participation by representative percentage of small business concerns owned and controlled by socially and economically disadvantaged individuals.

Application Procedure:

Submit to Secretary of Commerce with Development Strategy

Certify area meets distress criteria, and performance responsibilities.

Secretary reviews for approval/rejection based on consideration of several factors including severity of distress, anticipated increase in permanent employment, extent of private sector and non-federal involvement.

Subsequent applications must demonstrate new showing of distress.

Title II of the bill amends Appalachian Regional Development Act of 1965

Provides authorizations annually for fiscal years 1988, 1989, 1990.

For Development Highway and local access roads, $120 million (up to 80 percent Federal share); for non-highway programs, $40 million (up to 50 percent Federal share); for salaries and expenses, $2.4 million.

Allows funds to be used for projects and programs to assist the most severely distressed and underdeveloped counties; for revolving loan funds for business assistance loans; for establishing business incubators; for community infrastructure projects; for on-site employee training and programs to enhance manpower skills; and for other initiatives directed toward developing and sustaining economic growth and stability.

□ 1125

Mr. SHAW. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this bill, the Public Works and Economic Development Act Amendments of 1987, modifies and extends many of the programs currently administered by the Economic Development Administration and the Appalachian Regional Commission.

I would first, like to commend Chairman HOWARD, our ranking minority member JOHN PAUL HAMMERSCHMIDT, Chairman SAVAGE of the Economic Development Subcommittee, with whom I serve, and the leadership and members of the House Banking Committee for your efforts and cooperation in bringing this important legislation to the floor.

As has been explained, this measure is essentially the same as legislation which has passed the House by overwhelming margins in the 97th, 98th, and 99th Congresses.

Unquestionably, there is support for these programs in the Congress as these programs have helped provide jobs, rejuvenated cities and communities, and served as a catalyst for economic development and business revitalization across the country.

Time and time again, the House has rejected attempts to delete funding for these programs despite the administration's continued objections to their continuation.

If these programs are to be continued then I think it is incumbent upon us to enact legislation into law which provides for the most efficient use of Federal economic development funds and administers these programs effectively.

Both the Public Works and Transportation and the Banking Committees have worked diligently to address the concerns, criticisms, and objections which have been raised about the EDA and ARC programs.

A major objection which has been expressed is that EDA's eligibility criteria have been far too broad, making more than 80 percent of the country eligible for a very small reservoir of Federal funds.

Let me say that this is a valid concern and one which has been addressed in the bill.

The eligibility criteria have been tightened significantly so that the areas eligible for assistance have been reduced to about 40 percent, and assistance is directed to the most distressed areas.

Also, long-term designation and the current notification practices of advising communities of this designation have been eliminated.

Communities must certify distress eligibility criteria with each application they submit for assistance.

The bill should not be construed as another giveaway program but rather as one that is intended to produce stable, long-term sustained economic growth and permanent, private sector job creation in the Nation's economically distressed areas.

Clearly stated in the bill is the fact that "the private sector remains the ultimate generator of employment and economic growth".

"It is in the national interest to develop a partnership between the public and private sectors to plan and implement development and adjustment activities to alleviate such distress."

Very briefly, the bill is composed of two parts.

Title I, known as the "National Development Investment Act", completely revises the Public Works and Economic Development Act of 1965.

This title provides for an Economic Development Assistance Program including grants for public works projects and a revolving loan fund; funds for investment strategy, planning, evaluation and demonstration programs; and provisions for the administration of the act.

The sum of $250 million is appropriated annually for 3 years for the construction, repair, rehabilitation and improvement of public facilities; for revolving loans to provide the capital necessary to assist small businesses expand, continue or purchase needed equipment; for low-interest loans to small business through commercial development corporations; and for planning at the State and local level.

Another $26 million is authorized in each of these 3 years for administration purposes.

The second part of the bill or title II, known as the Appalachian Regional Development Act Amendments of 1987, continues the highway and nonhighway programs of the Appalachian Regional Commission.

This title is consistent with the finish-up program adopted by the Appalachian Governors in 1981 and authorizes the necessary funds to complete that program.

In fiscal years 1988, 1989, and 1990, $120 million is authorized annually for the highway programs, $40 million for the non-highway programs and $2.4 million for administrative expenses.

Mr. Chairman, in conclusion, this bill is the result of extensive hearings, many hours of work and represents an effort by all those involved to significantly reform the way Federal economic development assistance is provided.

Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. CLINGER], who has worked long and hard with this particular act and who was the ranking member of this subcommittee before me.

Mr. CLINGER. Mr. Chairman, I want to thank the gentleman very much for yielding time to me.

I would like to make one point as strongly as I can, and that is that whether Members believe that the Economic Development Administration and the Appalachian Regional Commission are the best things since sliced bread or whether they believe the Federal Government really has no role to play in economic development—and I know there are some who feel that way—they should vote for this bill. Why? Because I would remind my colleagues that we have already appropriated the funds through this body to keep this agency in operation. We have done that in every Congress for the last three Congresses. The Congress has appropriated funds for the Economic Development Administration and the Appalachian Regional Commission, and we are using that money under the existing law, the law which has been subject to so much criticism here. The reason Members need to support this bill is that it is going to reform the agencies, and it will target the funds much more effectively than we are presently able to do. So whether Members like the Economic Development Administration and the Appalachian Regional Commission or not, they really should vote for this bill.

H.R. 3084 reauthorizes the EDA and ARC for 3 years and it reforms these programs to make them more efficient and responsive. It simplifies eligibility criteria by establishing three simple tests based on level of unemployment, per capita income, or the sudden and severe loss of jobs. Communities applying for assistance must prove eligibility with each application submitted. And the bill eliminates loan and loan guarantee programs and instead relies solely on grants.

The Economic Development Administration and the Appalachian Regional Commission are unique to our Federal Government. They are the only two agencies whose sole missions are to promote economic growth and provide technical expertise to communities who seek such help.

Yes, there are a host of other Federal programs among our departments and agencies that provide similar assistance in one form or another. But the great majority of these provide assistance on either a categorical or entitlement basis. EDA and ARC are different; they are flexible; they evaluate application requests on a competitive basis; they stimulate the use of private capital, in addition to leveraging State and local funds; and most importantly, they are in the business of preserving and creating jobs.

Critics of these programs argue that they are wasteful, outdated, and serve no legitimate purpose in today's economy. I disagree. Agency performance figures show just the opposite to be true. Federal dollars invested in local community projects have been repaid many times over in the form of payroll and income taxes from newly created or preserved jobs, from private and local investment, and through the spinoff of retail jobs and purchases in the community.

I want to commend Chairman HOWARD, ranking Republican JOHN PAUL HAMMERSCHMIDT, Subcommittee Chairman SAVAGE, and subcommittee ranking Republican CLAY SHAW for their hard work getting this bill to the floor. It is an improved version of bills this House has overwhelmingly supported in years past, and I am optimistic that the 100th Congress will send it to the White House.

H.R. 3084 is long overdue. The EDA and ARC still have a place in our Federal Government so long as communities and regions of our country continue to suffer.

I urge all Members to vote for this bill and support the reforms needed to make good programs better.

Ms. OAKAR. Mr. Chairman, I yield such time as he may consume to the distinguished chairman of the Committee on Banking, Finance and Urban Affairs, the gentleman from Rhode Island [Mr. ST GERMAIN].

Mr. ST GERMAIN. Mr. Chairman, I rise in support of H.R. 2686, the Public Works and Economic Development Act Amendments of 1987.

I congratulate the gentlelady from Ohio [Ms. OAKAR], the distinguished chairman of the Subcommittee on Economic Stabilization, for bringing this bill to the floor of the House. Her persistence and dedication to this endeavor over the past several years is much appreciated by her colleagues who serve with her on the Banking Committee.

Mr. Chairman, the bill amends the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965.

The bill provides up to 50 percent Federal share in grants to States, economic development districts, Indian tribes, and local governments to encourage economic development, economic adjustment, and economic diversification.

It authorizes the funding for the construction, repair, rehabilitation and improvement of public facilities; establishes locally administered revolving loan funds to assist small business; and creates revolving loan funds to set up employee stock ownership programs [ESOP's].

It authorizes the funding for the basic economic development tools that were initially enacted, but places more emphasis on the leveraging of private funds and on developing long-range economic recovery programs. It maintains assistance for communities to address sudden or severe economic dislocation, including, for example, a major plant closing, or other factors resulting in subnational job loss.

Mr. Chairman, programs such as the Economic Development Administration and the Appalachian Regional Commission have demonstrated their viability and have shown that a subnational economic development policy is cost effective. There is no doubt that these programs need to be maintained and expanded, not disrupted and terminated. I strongly urge passage of this legislation and again compliment the distinguished gentlelady from Ohio, the distinguished chairman of the Public Works Committee, Mr. HOWARD, and Mr. SAVAGE for their leadership in bringing this legislation to the floor.

Ms. OAKAR. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to take this opportunity to congratulate my chairman, the gentleman from Rhode Island [Mr. ST GERMAIN], for really scheduling a markup shortly after we got this bill through our subcommittee. I want to also thank the minority members of the subcommittee, and I thank the minority leader because, even though he does not agree with the bill, he was most cooperative in assisting us and getting us the markup. I appreciate that.

I also want to thank the chairman of the full Committee on Public Works and Transportation, the gentleman from New Jersey [Mr. HOWARD], and my distinguished friend and colleague, the chairman of the subcommittee, the gentleman from Illinois [Mr. SAVAGE], for their total cooperation. This has been, I think, really one of the nicest bills we have had, and this was one of the quickest kinds of situations we have faced. When we have good legislation and everybody cooperates, I think that is the way it ought to be.

□ 1140

Mr. Chairman, I want to take this opportunity to urge my colleagues to support H.R. 2686, the Public Works and Economic Development Act Amendments of 1987. This legislation amends the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965.

Mr. Speaker, both of these programs have experienced success in stabilizing the economies of certain "pockets of poverty." They were initiated in the 1960's when, in spite of the country's rising prosperity, the Congress and the President recognized the need to correct certain regional disparities. The Economic Development Act [EDA] was created to develop long-term opportunities in areas experiencing severe unemployment and to encourage new industries to locate, and existing industry to expand, in underdeveloped rural and urban areas. It represents a cooperative effort in which the Federal Government joins with private industry and State and local governments in a maximum effort to improve and strengthen the economic climate of the affected communities. The Appalachian Regional Commission [ARC] was established based on findings that the 13-State Appalachian region, although abundant in natural resources and rich in potential, lagged behind the rest of the country in economic growth. The Commission promotes the economic, physical, and social development of the region. Since its establishment in 1965, the ARC has concentrated on community development, housing, education, the environment, health and child development, industrial development and management, tourism, and transportation.

The Economic Development Administration and the Appalachian Regional Commission have demonstrated their viability and have been cost effective. From 1965 to 1980, the EDA investment of $4.7 billion had generated 1.4 million jobs in the private sector, leveraged $9 billion in private capital, and returned $6.5 billion annually to Federal, State, and local treasuries. The ARC had generated 1.5 million jobs and brought increased prosperity and improved the well-being of a formerly isolated region. Between 1965, when the program was initiated, to 1986 ARC has had Federal investments of $5.3 billion; leveraged $1.4 billion from the private sector and $4.6 billion in matching funds from State and local governments; and has completed two-thirds of the Appalachian highway system. Furthermore, the poverty level has declined from 31 percent of the population to 14 percent, although it has been rising since 1981—the year Mr. Reagan targeted ARC for elimination.

H.R. 2686 was introduced on June 15, 1987, and was referred jointly to the Committee on Public Works and Transportation and the Committee on Banking, Finance and Urban Affairs. The bill is the product of extensive hearings held over the past 7 years and is similar to legislation passed with overwhelming and bipartisan support in the three previous Congresses.

H.R. 2686 would reauthorize the EDA and ARC programs through fiscal year 1990. It retains the basic economic development tools as initially enacted, but places more emphasis on the leveraging of private funds and on developing long-range economic recovery programs. It maintains assistance for communities to address sudden or severe economic dislocation, major plant closing, or other factors resulting in subnational job loss. It retains both the highway and nonhighway programs of the Appalachian Regional Commission.

Specifically, title I of the bill, known as the National Development Investment Act provides $200 million for grants for development investment assistance. It provides up to a 50-percent Federal share in grants to State and local governments, economic development districts, and Indian tribes to encourage economic development, economic adjustment, and economic diversification. It authorizes funding for the construction, repair, rehabilitation and improvement of public facilities; the establishment of locally administered revolving loan funds to assist small business or to retain existing business; and the establishment of revolving loan funds to create employee stock ownership programs. To be eligible for assistance, an applicant must meet one of three distress criteria—the area's unemployment level must be 1 percent above the national average for the previous 24 months, or its per capita income must be 80 percent or less of the national average, or the area must experience, or be about to experience, significant job loss due to sudden economic dislocation. Title I also provides $50 million for the development of an investment strategy, planning, evaluation, and demonstration programs including feasibility studies and technical assistance. Twenty-six million dollars is provided for administration of the program, including salaries and expenses.

Title II of the bill amends the Appalachian Regional Development Act of 1965. It provides a yearly authorization of $162.4 million through fiscal year 1990. It extends the focus of attention from infrastructure and human resource development to include economic diversification and competitiveness in national and world markets. It continues highway and nonhighway programs under the ARC and reduces the nonhighway maximum Federal share to 50 percent.

Mr. Speaker, I believe these programs have benefited our country tremendously. They are cost effective and have stood the test of time. The economic development administration programs have proven to be a responsible approach in stimulating economic growth and stability. The Appalachian Regional Commission has been a unique working model for an improved Federal-State partnership. The two agencies have contributed substantially to the overall economic growth of this Nation in the last two decades and have proven that the investment of seed money in communities and businesses with great potential, but located outside the economic mainstream, can strengthen the overall economy. I urge my colleagues to allow these programs to continue and to support H.R. 2686.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentlewoman from Ohio [Ms. OAKAR] has 11 minutes remaining.

The Chair recognizes the gentleman from California [Mr. SHUMWAY].

Mr. SHUMWAY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as the ranking minority member of the Economic Stabilization Subcommittee of the House Banking Committee, it has been my pleasure to work with my distinguished colleague, Ms. OAKAR, during the consideration of this year's EDA-ARC reauthorization.

Although the majority has been very cooperative throughout the course of debate on this matter, I must nevertheless object to the reauthorization contained in H.R. 2686.

This bill authorizes a total of $1.3 billion over the course of 3 years for the operation of the Economic Development Authority and the Appalachian Regional Commission.

Since the recognition by this administration of a need to make a dramatic impact in the national budget deficit, both of these programs have been specifically targeted for elimination. Neither one has been reauthorized since 1981, but have instead been funded through subsequent fiscal years by the use of continuing resolutions.

Despite the original and laudable intentions to which these programs were originally directed, they have become classic examples of government handouts gone awry.

Currently, 78 percent of Americans qualify for the receipt of EDA funding, despite the fact that the program was originally created to address isolated "pockets of poverty" scattered throughout the Nation. Needless to say, the program has been misused and misdirected to such an extent that the program as it exists today could have never been envisioned by those who initially fashioned the legislation.

Over the years, EDA has become a popular program and many Members of this body have worked hard to channel these funds to their districts. Much of this money has undoubtedly gone to good projects, but that is not the point.

The real point is that this program is not necessary, does not serve its intended purpose, and is one of the easiest starting points toward the kind of real spending cuts which are necessary if we are to balance the budget.

Mr. Chairman, 13 of my colleagues on the House Banking Committee joined in signing the dissenting views of the report on this matter. All of these members had EDA-eligible regions in their districts, and all have to oppose the program rather than let it continue on its freespending track.

Mr. Chairman, this is not a new matter. These issues have been debated at great length in past Congresses. As a result of these deliberations, the ARC began a 5-year phaseout program back in 1981. It was the intent of the Governor at that time to wrap up the program in the best interests of the American people. Nevertheless, because of continued funding through continuing resolutions, the program remains.

My constituents want a balanced budget. They expect me to do this without increasing their taxes. They are willing to accept program cuts. So are the constituents of my colleagues who joined me in opposing this bill in committee. I urge the Members of this body to look beyond the special interests of localized politics and to vote for a responsible step toward overall economic stability.

Mr. Chairman, I yield 4 minutes to the gentleman from Wisconsin [Mr. ROTH].

Mr. ROTH. I thank the gentleman for yielding me this time.

Mr. Chairman, I want to compliment the gentlewoman from Ohio [Ms. OAKAR], our subcommittee chairman, and the gentleman from California [Mr. SHUMWAY], our ranking member, and all the other members on our committee who have worked very hard on this program and on this bill.

We are often reminded here in Congress and in the national media that we are celebrating the bicentennial of our Constitution.

Many of the Members went to Philadelphia to honor that historic event. At that event, we know from reading the proceedings, that we had some sage advice.

The people that drafted our Constitution were brilliant people, and they were helped over the rough spots many times by Benjamin Franklin.

We are faced with a rough spot. We have over $200 billion worth of deficits staring us in the face, and I wish we had Benjamin Franklin here to help us over the rough spots.

Benjamin Franklin, if he were here, would quote from Poor Richard's and he says, "Little holes will sink big ships."

Here we have a little program, a little bill, a half billion dollars a year approximately; but it started in 1965 as a Great Society program. It is a failed program, a classic case of when Congress starts a program, the program will never end; and it will grow out of bounds as has been said here this morning already.

This program was started for pockets in rural areas especially. New York City, Los Angeles, many other urban areas throughout the country are now eligible. This is a congressional pork barrel.

In 1981 the President of the United States asked Congress to phase out these programs over a 5-year period.

Are we going to do that? I will wager to the Members, the Members that vote for this program today will come into the well of the House and lambaste, chastise the President for his deficits, but yet those Members will continue to vote for these programs.

If we cannot eliminate this unwarranted spending, if Congress cannot say no to this program, when is Congress going to say no to any program?

Yes, I know the argument that it is only a half a billion dollars; but I am also reminded of one of our forefathers, Benjamin Franklin, who said, "Little holes will sink a big ship."

Let us do our duty for this country. Let us vote against this boondoggle.

☐ 1150

Ms. OAKAR. Mr. Chairman, I yield 3 minutes to the gentleman from Arkansas [Mr. ALEXANDER].

Mr. ALEXANDER. Mr. Chairman, I rise in support of this bill to continue the Federal role as a partner in the efforts of State and local governments and organizations to multiply job opportunities in local communities and to help keep the jobs already existing there.

Twenty-one years ago I joined forces with other concerned citizens of the First Congressional District of Arkansas to help form a nonprofit, State-charted, federally recognized, multicounty economic planning and development district. Our goal was to make it possible for the county and municipal governments in our area to cooperate in gathering the technical assistance, expertise, and the other resources needed to bring new jobs to and save existing jobs in the communities, towns, cities, and counties of our area.

Across our whole State of Arkansas, elected leaders and other concerned citizens joined in forming multicounty economic planning and development districts. Their goal was the same as that of the group with which I was working. Keep Arkansans on payrolls in local communities. Bring in new jobs so local people needing jobs would find work in their home areas.

I am particularly pleased that the committee has taken care, in formulating its bill and its report, to recognize the importance of locally organized, locally managed, locally administered, multicounty, economic planning and development districts.

These are grassroots organizations. They provide local governments and organizations with a pool of technical knowledge and expertise they need for bringing locally identified and supported economic development projects from the planning stage to the job production stage.

Ours was then, and still is today, an economically distressed region. Unemployment was so high and job opportunities so low that thousands of people were being forced to abandon their hometowns to go to places like Memphis, Little Rock, St. Louis in search of work.

Local and State resources were so slim that even with the efforts to balance agriculture with industry we had been making, progress toward our goal was frustratingly slow.

But, in 1967 we had a new partner—the U.S. Economic Development Administration. And, we had new hope—in the form of a Federal partner willing to invest seed money in locally developed grassroots, private sector job generation projects.

Since the economic development assistance programs administered by the EDA came into being, more than 3 million American jobs have been created or saved by those seed money investments. Billions of dollars in private sector investment have been leveraged.

I listened carefully to the last two speakers. I do not question their sincerity or their opinions about this program, but my experience is different. I have followed EDA since its inception in 1965 and with closer observation since I became a Member of Congress in 1969. I have worked very closely with the Economic Development Administration, and while the performance may vary from State to State and from administration to administration, I am convinced that with good faith and good management, both are necessary, that government can help people help themselves.

With the help of the EDA in my home State of Arkansas, a foundation has been laid upon which poverty has been turned into progress; welfare has ended and jobs begun because of the Economic Development Administration. Job opportunities exist today where helpless desperation existed yesterday because of the helping hand of the Economic Development Administration in partnership with local participation.

In Arkansas, over 1,000 projects have been approved. In my district, there are 249 projects creating 78,000 jobs during the 22-year history of the Economic Development Administration.

The taxes that are generated annually by the income from the jobs created through the EDA have more than repaid the investment made by the Government time and time again. I am convinced that the Government has made money because of these investments and the people have benefited.

With good faith and good management, the EDA can extend its helping hand to other parts of our country as unemployment is rising, where desperation besets the people who hope for a government that will help them help themselves.

I supported EDA programs before I came to Congress. I have worked for EDA programs throughout my years in the Congress. And, whatever the future brings, I mean to keep these programs that bring jobs to and save jobs for the people of Arkansas. The programs are money makers, not only for the workers who hold them and the communities where they spend their paychecks, but for the Government.

During its history, EDA has benefited every county in First Congressional District. The following rollcall of 33 towns and cities includes just some of the places where Arkansans have gotten jobs because of EDA:

Ash Flat, Augusta, Batesville, Blytheville, Brinkley, Cave City, Clarendon, Corning, Cotton Plant, Earle, Forrest City, Heber Springs, Helena, Hughes, Imboden, Jonesboro, Manila, Mariana, Melborne, Mountain View, Newport, Parkin, Piggott, Pocahontas, Rector, Stuttgart, Trumann, Walnut Ridge, West Helena, Wheatley, and Wynne.

And, the EDA economic development assistance programs I believe in and work for are still helping Arkansas' First District. In the last 4 months alone, EDA has committed more than $1 million to five projects in the congressional district I have the honor of representing. Three of them—in Newport, Batesville, and Walnut Ridge—will directly generate 447 long-term jobs. The other two will help the local governments and private sector in 11 counties carry out economic development programs that will concentrate on attracting new business and industrial development, thus opening up the potential of attracting untold numbers of additional jobs.

The foundation of job development in Arkansas is EDA.

This bill would revise and extend the economic development assistance programs that have served this Nation well, despite the efforts of the current Presidential administration—for the past 6 years—to kill the programs.

The national economy is growing isn't it? Then, why is a program that was begun in 1965, needed today?

The national economy was growing rapidly in 1965. Today, its growing, slowly. The standard of living was rising in 1965. It is dropping today. The national unemployment rate was 4.5 percent. Now it is nearly 50 percent higher. In 1965, thousands of counties, communities, and towns and some cities across the Nation were suffering from chronic economic distress, if not actual depression. Today, chronic economic distress is crippling places all across the Nation.

Throughout the 1960's, our international trade balance ran in the black because we were exporting more than we were importing. Since 1981, the trade balance has been a sea of imported red ink that has drowned the jobs of millions of American workers. Thousands have been lost in Arkansas.

Unemployment hurts. It hurts individuals, families, and communities. It is not just about numbers; it is about people. Economic development assistance programs have helped to heal those hurts.

The people of the First District in Arkansas, where unemployment in nearly every county is higher than the national average and runs to double digits in most, a Federal helping hand in economic development assistance is sorely needed.

This bill before us is directed at insuring that the Federal Government continues to be a partner in grassroots economic development projects. Even if a Member of this House has more private sector jobs in his or her district than the people need, voting against this bill does not make sense.

The U.S. economy is the sum of its parts—the economies of every county, community, village, town, and city across the Nation. When thousands of parts of the national economy are in trouble—as they certainly are today in Arkansas and virtually every other State—the whole economy is less than it can be. Economic development assistance programs like those I am supporting now and have supported for a quarter of a century can make it the best it can be.

This bill recognizes the Federal interest in a healthy national economy by continuing the Federal role as a partner in local economic development efforts. And, I believe wisely, the committee has recognized and made a point of stating its expectation that the administration will make full and maximum use of the excellent knowledge and expertise that has been garnered within the professional staff of the Economic Development Administration.

I urge passage of this bill.

Mr. SHAW. Mr. Chairman, I yield 2 minutes to the gentleman from Kentucky [Mr. ROGERS].

Ms. OAKAR. Mr. Chairman, I would just like to inform my friend, the gentleman from Florida [Mr. SHAW] that I will be happy to yield 3 minutes of my time to him if he would like to have the time.

Mr. SHAW. Mr. Chairman, I thank the gentlewoman and based on that, I yield the gentleman from Kentucky [Mr. ROGERS] 3 minutes, instead of 2.

The CHAIRMAN. The gentleman from Kentucky [Mr. ROGERS] is recognized for a total of 6 minutes.

Mr. ROGERS. Mr. Chairman, I thank both the gentleman from Florida and the gentlewoman from Ohio.

Mr. Chairman, I rise in support of the bill. I do so because these programs, the EDA and the ARC are helping those pockets in this country that are being left behind by the longest and best economic expansion in the country since World War II. They are being left behind because they are isolated in many cases, or for a variety of other reasons.

Needless to say, there are parts of the country and Appalachia in general that are being left behind by the economic expansion that is taking place in most of the rest of the country.

I say to you that we dare not leave behind significant portions of the country as the rest of the Nation moves onward and upward.

My district has pockets with as severe poverty as anyone. It has pockets of prosperity beginning now to break out, but the EDA and the ARC have been essential parts of those pockets of prosperity arising amid poverty.

Those programs give our communities and our local volunteers a chance to lift themselves up with a little assistance from the Federal and matching State assistance.

Let me tell you just one. In my district we have a large dropout rate in our school system. We have poor test scores, education is suffering, a low percentage of high school graduate residents in the population have to leave there seeking work. We sought out the ARC and were able to receive a $50,000 seed money grant to allow us to start an education improvement program. That was about a year ago.

Today that organization has been formed of hundreds of volunteers working in every one of the 27 counties that I represent in one form or the other, improving education, forming volunteer groups to keep kids in school, raising local moneys to help with minigrants for teachers to take those kids on educational trips in their early grades, in career counseling to help those youngsters understand what occupations are available after they graduate, working to secure the equivalent degrees for thousands of people in my district who in earlier years had dropped out of high school.

That organization, called Forward in the Fifth, has now raised $270,000 of their own with the seed money that the Appalachian Regional Commission gave to them.

This is only an annual budget. They are raising their own money. You formed an organization with your seed money that is literally lifting thousands of people with hundreds of volunteers, assisting them to better educational achievement, which means better jobs and it will help us recruit the small industries and factories into that region which will relieve your rolls for welfare and the like.

I say to you, my colleagues, this program has worked. I cannot defend every portion of it. I am sure there have been abuses of this program, as there have been abuses of every program in the history of this country or any other, but I think I can say to you with confidence that this program overall, these programs, EDA for the country and ARC especially for the Appalachian region, are working in difficult circumstances.

The problem gets compounded in the Appalachian section because we are losing the coal jobs in those mines because machinery is replacing people and they are being laid off. We are losing jobs in the textile business because imports are driving these small textile and apparel factories away.

So those conditions that led to poverty in the first place, isolation, lack of job opportunites, are not getting much better. In fact, they are getting worse and it is going to require a redoubled effort on the part of all of us to recruit the volunteers, to recruit the manpower, to recruit private industry and foundations as they are giving money to this Forward in the Fifth educational movement. It is going to require more of that type of thing of all of us in the Appalachian section.

I beg of you, do not take away the only seed money that is available to us to allow us to reach up and lift ourselves up.

Mr. SHUMWAY. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. UPTON].

Mr. UPTON. Mr. Chairman, I rise in strong support of this reauthorization bill.

We all know that the authorization for the EDA and the ARC expired back in September 1982. We all know that the Congress has repeatedly passed appropriation bills funding both programs in spite of stong administration opposition.

In fact, these programs have already been funded for the fiscal year 1988 on a vote earlier this year on the Commerce, Justice, State appropriations bill which passed by an overwhelming vote of 292 to 102.

I acutally joined with 145 of my colleagues to delete the EDA. The votes were not there and they are not there today, but it is time, after 6 years, to improve and streamline this reauthorization, and that is why I rise in strong support.

H.R. 2686 offers a number of improvements to the programs. It reduces program eligibility, making eligibility in essence contingent upon need. It reduces Federal cost-sharing from 80 percent to 50 percent and it places a cap on the amount that any individual or organization can receive from this program.

The bottom line is that these programs will continue regardless whether we pass or defeat this authorization bill today; but let us make the effort to improve these programs by voting yes on this bill.

Mr. CLINGER. Mr. Chairman, will the gentleman yield?

Mr. UPTON. I yield to the gentleman from Pennsylvania.

Mr. CLINGER. Mr. Chairman, I think the gentleman has made a very good point, which is that the programs are going to go on whether or not we pass this reauthorization.

The opportunity we have today is to reform and target the programs more effectively.

The other point I wanted to make is that it has been suggested here that the program has become bloated, with ever increasing appropriations; that it has become this huge porkbarrell boondoggle.

The fact is the program is working exactly the way it should. As the economy has improved in the country, funding for the EDA and the ARC have been reduced. Actually we have cut back on funding over the years in response to the fact that there are fewer areas in the country that need the kind of special assistance which the EDA and the ARC promise; so I think we have been very responsible at the Federal level in fashioning these programs to reduce the costs as the need was reduced.

Mr. UPTON. Mr. Chairman, the gentleman from Pennsylvania is right on the mark.

Let us target these dollars to the areas that really need the assistance, the few dollars that are left remaining in this program.

Ms. OAKAR. Mr. Chairman, I yield 1 minute to the gentleman from Indiana [Mr. VISCLOSKY].

Mr. VISCLOSKY. Mr. Chairman, I rise in strong support of H.R. 2686. As a consponsor of this legislation, I strongly believe that the past successes of the Economic Development Administration warrant its reauthorization. I particularly wish to thank the gentleman from Illinois and the gentlelady from Ohio for their leadership on this important issue.

The development of our Nation's infrastructure is one of the most effective measures for economic development which we can implement as Federal legislators. The Economic Development Administration has fostered the development of public facilities such as road, ports, and community water and sewer systems which have positively benefited economically distressed communities. Although consistently targeted for elimination by the Reagan administration, the Economic Development Administration has proven to be a cost-effective program for job creation throughout the Nation.

I speak from local experience when I mention the good work of the EDA; the programs of this administration have been a major contributor to job creation and economic stabilization in the First District of Indiana which I represent. Northwest Indiana—a region heavily reliant upon the beleaguered steel industry—has undergone an economic transition in recent years which has challenged the very future of our community. The EDA has met this challenge with considerable success.

In the past 4 years the Economic Development Administration has invested $3.9 million in nine projects in northwest Indiana which have created 1,926 jobs. In Hammond, IN, a water and sewer extension was funded with $1.3 million in EDA funds for the development of an industrial park on abandoned industrial land. This development lead to the creation of 650 jobs. In Portage, IN, an EDA road building project will connect a new steel fabricating plant with a vital interstate highway. The project, costing $365,000 in EDA funding will lead to the creation of 325 jobs.

The cost efficiency of this program has been continually demonstrated in my district. The EDA funding necessary to create one job in northwest Indiana is only $2,000. This money is generally recouped through Federal taxes in a relatively short period of time.

The termination of Federal revenue sharing and the limited accessibility of community development block grants have made the EDA increasingly unique as a source of funding for public works projects necessary for private development. Today, local leaders throughout the Nation await the reauthorization of the program with great anticipation.

Mr. Chairman, H.R. 2686 represents an investment in the future of economically distressed communities throughout the Nation. I wholeheartedly support this investment and urge the passage of this legislation today.

Ms. OAKAR. Mr. Chairman, I yield 1 minute to the gentleman from West Virginia [Mr. WISE].

Mr. WISE. Mr. Chairman, I rise in strong support of this bill. I would like to speak about the Appalachian Regional Commission for a minute.

In this bill, it would be reauthorized and receive $40 million of funding for each of the next 3 years for area redevelopment. It would receive $120 million for each of the next 3 years to continue construction of the vital Appalachian Regional Commission highways; corridor G, for instance, going through southern West Virginia, opening up vast areas so that we can diversify our economy, 80 miles of 4-lane highway that is so vital for our economic rebuilding.

Indeed, the Appalachian Regional Commission will make it possible, as it has already, for people who are presently for instance in one community drinking water that is pumped out of an abandoned coal mine to get some help in building a water system there, or as has happened already in the city of Charleston, to build a small business incubator, which for the first time is permitting us to diversify our economy and small businesses and to create new jobs and new economies.

□ 1205

I urge overwhelming support of the Appalachian Regional Commission and the continuation of its efforts and all that it has done for the State of West Virginia.

Mr. SAVAGE. Mr. Chairman, I yield 2 minutes to the gentleman from West Virginia [Mr. RAHALL].

Mr. RAHALL. Mr. Chairman, I strongly support the legislation we have before us, the Public Works and Economic Development Act and Appalachian Regional Development Act Amendments of 1987. I would like to begin today by expressing my thanks to Chairman JIM HOWARD, Chairman GUS SAVAGE of the Economic Development Subcommittee and ranking members Congressman HAMMERSCHMIDT and Congressman SHAW for their fine work and leadership on this much needed legislation.

H.R. 2686 is very similar to legislation passed by the House during the last three Congresses by overwhelming majorities, which, unfortunately, the Senate failed to consider. However, I remain hopeful that the other body will act and that during this Congress we will bring this legislation before the President. H.R. 2686 is the product of these earlier legislative efforts and the exhaustive hearings which were held here in Washington and throughout the country. I was extremely pleased that one of the field hearings on the Appalachian Regional Commission was held in my congressional district at Huntington, WV, back in 1982.

Many, including those in the current administration, have advocated the termination of both the Economic Development Administration and the Appalachian Regional Commission and feel that our Federal dollars could be better spent elsewhere. I cannot express strongly enough the continued need for these programs for many communities throughout this Nation. We are all in agreement that we must work toward strengthening our country in many ways; I say that the way to ensure the strength of our Nation as a whole is to ensure that its foundation is solid and strong. This means that we must take care to see that this country's truly underdeveloped and less fortunate communities are nurtured to stimulate economic growth and development which in turn will allow them to be self-sufficient and capable of contributing to this Nation. The success of this kind of approach is borne out by the fact that the Federal funds provided through the ARC and EDA have leveraged billions of dollars in private capital, created or saved millions of jobs in the private sector and returned billions of dollars in tax moneys to local, State, and Federal Governments.

The diverse character of this Nation ensures that even in times of general economic growth, not all regions or industries will share or benefit from that new wealth. My home State of West Virginia is a prime example of a region left behind, as the unemployment level remains inordinately high and the industrial base continues to erode, while many areas in the country are enjoying a period of well-being. To areas such as West Virginia, the programs in H.R. 2686 are of paramount importance. In turn, these programs are vital to the well-being of the Nation as a whole as we work to strengthen its very foundations.

Specifically, H.R. 2686 authorizes a total of $276 million each of the fiscal years 1988 through 1990 for the EDA. Included in each year's amount is $200 million for economic development purposes, $50 million for investment strategy, planning, evaluation and demonstration programs and $26 million for administration. Additionally, the bill authorizes a total of $162.4 million in each of the same fiscal years for the ARC. Of that total, the measure provides $40 million in each of the fiscal years for nonhighway economic development programs, $120 million in each of the 3 years for ARC highway programs and $2.4 million for administrative expenses.

The importance of the EDA to this Nation's most needy communities cannot be overemphasized. The number one goal of the EDA is the creation of jobs, which in part explains its significance to my home State in view of West Virginia's continued high levels of unemployment.

Of special importance to communities such as those in southern West Virginia is EDA's focus on small business incubators. I am actively exploring the use of the business incubator in my congressional district with local leaders and business people; currently pending before the EDA is an application by the city of Huntington for assistance with such an incubator. An incubator provides for the collective use of clerical and accounting personnel, office machinery and warehouse space by fledgling businesses with little capital. By lowering the overhead costs for such businesses, this type of program ensures that many small businesses succeed in these economically trying times.

Another invaluable program administered by the EDA provides for the creation of industrial parks. The innovative concept of sharing resources is similar to the business incubator concept. Small industries share water, sewer and electrical facilities, thereby reducing costs and increasing their chances of long-term success. This program has been extremely successful in Mercer County in my congressional district and we in the State continue to push the option for other needy areas.

In addition, I am especially pleased that H.R. 2686 extends the highway and nonhighway programs of the Appalachian Regional Commission for 3 years. In the bill, the original Appalachian Act is amended in line with policies adopted by the Appalachian Governors to address the current problems of the Region and the need for expanded development activities. I strongly support a new provision which would allow funds to be used for establishing business incubators, such as those provided for by the EDA.

I would like to take this opportunity to address further the concerns expressed by many, including President Reagan, who feel that the ARC has long out-lived its original purpose. In 1981, in response to a request from the Congress, the Appalachian Governors submitted recommendation for a 5-year finish-up program for the ARC development programs and an 8-year program for highways. While the Congress has never formally adopted the 1981 recommendation, beginning in fiscal year 1983 the Governors have abided by them and have made progress toward their goals.

Unfortunately, appropriations during this period have averaged less than one-half of the 1981 recommended amounts, thereby making impossible the orderly completion of ARC development efforts in progress by the 5-year phaseout period. At the same time, these limited appropriations have left 1,016 miles of the 3,025 miles authorized for construction as of September, 1986. Clearly, completion of these remaining miles of highway is not feasible within the 8-year phaseout schedule.

Since the mid 1960's, some of the objectives of the area development program of the ARC have been fulfilled. Funds have been used to attack the problems of poverty and the migration of the population out of the region. Programs have been developed to address infant mortality, the lack of medical care and the large number of high school dropouts. The advent of the 1980's brought many adverse national and international forces which have altered the U.S. economy and have had a serious impact on Appalachia, especially in view of its traditional reliance on basic manufacturing and mining. Unfortunately, these factors have undermined some of the early achievements of the ARC.

The high rates of unemployment in many areas within Appalachia can be attributed to the fact that the region has a large number of the industries which have experienced a steep decline in employment over the past few years. Additionally, the region has small service and trade economies, two sectors which have accounted for much of the job growth nationwide.

The Nation's huge trade deficit has wreaked havoc on Appalachian production of primary and fabricated metals, wood products, chemicals, textiles and apparel, glass and coal. New construction in the region has been stymied by high interest rates, low levels of manufacturing activity and excess plant capacity. A final blow to the region has been the recent worldwide decline in oil prices which has altered the demand for coal and has depressed coal markets.

I believe that the changed economic circumstances facing Appalachia today, coupled with Congress' failure to appropriate adequate levels of funding for the phaseout of the ARC, make it imperative that no straitjacket be imposed by the Congress now for the sunsetting of the ARC. Clearly, we cannot abandon the ARC, and thereby the people of Appalachia, when we, in fact, have yet to live up to the original expectations and intent of both the Congress and the Commission. This legislation ensures that the ARC will be funded at viable levels for the next years so that its long-set goals can begin to be met.

In conclusion, I urge the support of my colleagues for this timely and much-needed authorization measure and reiterate my strongly held conviction that, until we ensure and maintain the strength of the foundation of this Nation, we cannot begin to attain new and higher goals as a nation as a whole.

Mr. SHAW. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. BOEHLERT].

Mr. BOEHLERT. Mr. Chairman, what is America all about? I think we all have our definitions, but if I were to come up with one word to best describe what the United States of America is all about, that word would be opportunity.

Think about it for a minute. Our proudest claim to fame is that ours is the land of unlimited opportunity. People can go as far as their ambition and their talent and their willingness to work will carry them if they have a job, if they have that opportunity to earn their way.

What we are talking about today is the preservation of two vital agencies that have as their primary missions the preservation of existing jobs and the creation of new job opportunities.

For those of my colleagues who oppose the continued funding for these programs and point to the early 1980's and the repeated history of the budget calling for elimination of EDA and the elimination of ARC, I would suggest to them that this body, the Congress of the United States, has done this administration a favor by refusing to eliminate these programs. When the first attempt came to eliminate EDA, our Nation's rate of unemployment stood at 11.2 percent. We had more people unemployed in this Nation than ever before in our history since the days of the Great Depression.

Now that unemployment rate that we are all proud of is going down. It is no longer 11.2 percent, it is only 6 percent. Still, too many Americans are unemployed and still too many Americans need a job. That is why we need agencies like EDA and ARC.

I would suggest, Mr. Chairman, that we make a wise investment when we invest in programs that allow people to earn their way, because if we do not invest in those programs we are going to have to pay an ever-increasing welfare bill. Ladies and gentleman of the House, people do not want to be on welfare. They want to earn their way.

Support these vital programs.

Mr. SHUMWAY. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Ohio [Mr. WYLIE], the ranking minority member of the

Committee on Banking, Finance and Urban Affairs.

Mr. WYLIE. Mr. Chairman, the EDA/ARC programs, although certainly well intended, miss their mark. Originally envisioned as deep pockets for the relief of a very few of the most economically disadvantaged regions of the country, these programs are now merely holding tanks for pork. For EDA funding in particular, political considerations have become much more of a factor in the receipt of program money than are statutory criteria for qualification of projects. The bill before you today contains several prime examples of what I am speaking about.

It contains special authorizations for a demonstration project on steel production.

It contains special provisions assuring that Federal funding can be used to tear down old buildings and for site preparation.

It contains language to assure that rural areas are entitled to funding, even in wealthy States like Connecticut which have little or no need for Federal funding.

And it contains a special provision which would authorize $5 million to be used for interest subsidies on commercially nonfeasible projects, without even a requirement that the area in question meet other EDA qualification requirements.

This is money from the American taxpayer's pocket which should not be channeled into programs and projects of this kind. The program should be eliminated, and the savings should be used to reduce the deficit.

These are tough choices, but they are choices that should be made. The administration has attempted to shut off funding for both EDA and ARC since 1981. But Congress has continued to spend on both programs—voting backdoor continuances through continuing resolutions each year. The choice to discontinue these programs may be difficult, but it is much easier than deciding to cut back on other, more valuable social programs.

Later today we will be addressing the issue of the debt ceiling. Each year we are forced to raise this figure, and each year we refuse to make real reductions in program spending. This bill represents a logical, practical beginning point for such reduction.

Budgetary constraint is becoming more critical to the fundamental economic strength of this country with each passing year. This program presents an ideal opportunity for the recognition of this fact, and a movement toward a constructive effort to stabilize the national economy.

The American people deserve the stability and economic prosperity which will come as a result of a reduced deficit. A vote against this bill is a vote for reduced spending, and a vote against increased taxes. It is obvious which way the vast majority of the citizens of this country would vote if given the opportunity, and I encourage my colleagues to do likewise.

Mr. SHAW. Mr. Chairman, I yield my 2 remaining minutes back to the gentlewoman from Ohio [Ms. OAKAR].

The CHAIRMAN. The gentlewoman from Ohio [Ms. OAKAR] who had 3 minutes remaining now has 5 minutes remaining.

Ms. OAKAR. Mr. Chairman, I thank the gentleman, and I yield 3 minutes to the gentleman from Ohio [Mr. APPLEGATE].

Mr. APPLEGATE. Mr. Chairman, I rise along with my colleagues as a long-time cosponsor and long-time supporter of H.R. 2686, the Appalachian Regional Commission and Economic Development Act amendments.

This is one of the truly great economic programs that I see that has materialized through the Congress since I have been here. Critics, led by the Reagan administration, have sought to destroy this program for a good many years. They say that it has been abused and it is missued.

I ask my colleagues to name me a program either in the private sector or the public sector that has not had some misuse or abuse, and I will eat these notes.

They will also say that the U.S. Government is not responsible for helping the local economies. That is a lot of hogwash. What is the Government here for if it cannot help its own people?

The economic development and the quality of life has deteriorated over the years in Appalachia until the inception of the ARC and the EDA. Now we have more jobs, we have higher literacy rates, we have a better quality of life overall, better transportation, a better infrastructure, we have a better health system, we have better child nutrition, we have more sustaining people, we have more taxpayers in Appalachia, and we have more pride. That is what is so important.

So I say do not deprioritize this direction. Do not blame the deficit on the illiterate, do not blame the deficit on the poor or the sick or the elderly. Blame the deficit on yourselves.

That is what America is all about, it is not? Is that not what we are here for?

I heard the gentleman from New York [Mr. BOEHLERT] say something about it offers opportunities, and it does offer opportunities. It makes them available, and it has made them available to so many people, and we are not asking for the stars. We are only asking for a little piece of the earth.

This has been cut considerably over the years, and since this time there has been so much money pumped into the Caribbean, there has been so much money pumped into the economy of Central America and there has been so much pumped into Southeastern Asia and all of these other places. At least let us help the Americans first. This is so very important.

The doctor has to be in good health before he can help the patient.

I want to give a great deal of credit to my great chairman, the gentleman from Illinois, GUS SAVAGE, of the Economic Development Subcommittee, as well as our chairman, the gentleman from New Jersey, Mr. HOWARD, and all of the others who have participated to bring this to the floor. It is a good piece of legislation and I ask your support.

Ms. OAKAR. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I simply want to counteract a few things Members have said about let us not keep spending more concerning this piece of legislation. The fact is that this legislation pays off in spades. The fact is that we get taxpayer dollars returned to the economy because people cannot afford to pay taxes if they do not have a job. This piece of legislation has generated almost 3 million jobs.

If my colleagues take EDA and ARC and combine them, out of that generation we have seen matching funds come from State and local governments, we have seen unemployment reduced and we have seen millions and millions of dollars returned to the tax base of those communities and to the Federal Government.

So how anyone could assume that this has not paid off, and that the dollars have not paid off is really an unfair criticism in my judgment. The fact is that this is one of the finest pieces of legislation. If any area needs it more, I cannot think of an area that needs it more, and I am not from that area, but the Appalachian area with the cuts that they have experienced from 1981 to 1986 has suffered severe economic distress.

We also have the problem of having the largest trade deficit in the history of this country. One of the areas that EDA addresses is targeting grants to loan assistance for economic adjustment for areas that have been unfavorably affected by the trade imbalance, by people who do not have a job.

This legislation pays back what it puts in. I hope we have a very, very resounding vote for this legislation. It affects all regions of the country, not just the States, because it targets pockets of poverty, tracks of poverty.

□ 1220

So it is not just a state with high employment; it might have pockets that have severe distress and it targets those pockets. So let us give this legislation an overwhelming voice of support.

Mr. SHUMWAY. Mr. Chairman, I recognize that it is not easy to undo a program once that program is in place and once a constituency in support of that program is developed, and certainly that is the case with these programs and this authorization bill today.

But I think at the same time all of us as Members of this body, trying to vote responsibly and do our job with reference to the fiscal crisis that has beset us, realize that we must begin somewhere.

Now just a few years ago we realized that revenue sharing which was a widely appreciated, often defended program here, revenue sharing had really run the course of providing benefits and sharing revenues that we did not have.

We wisely voted to reduce that program gradually and eventually to phase it out.

Mr. Chairman, I think that same kind of responsible view of these programs must be exercised by this body today. We must find areas in the budget where we can reduce spending. I would suggest to members that this is a typical kind of program, a very apt candidate for that kind of budgetary responsibility.

I would sincerely urge my colleagues to vote against this bill today and to demonstrate that we are going to take meaningful steps toward having a balanced budget in this country.

Mr. SAVAGE. Mr. Chairman, I yield the balance of my time to the gentleman from Minnesota [Mr. Oberstar].

The CHAIRMAN. The gentleman from Minnesota [Mr. Oberstar] is recognized for 2 minutes.

Mr. OBERSTAR. I thank the chairman and compliment him on the splendid job he has done in brining this legislation to the floor, and also Ms. Oakar, the chair of the Economic Stabilization Subcommittee and the two ranking members who have participated in bringing this legislation once again to the House floor for consideration.

I particularly want to extend my compliments to my colleague from Pennsylvania [Mr. Clinger], with whom I have worked diligently in establishing this legislation in its original form, H.R. 10; also the gentleman from New York [Mr. Boehlert], who along with me was a staff member when EDA was created some 22 years ago.

I want to address some myths about EDA. The first myth; 80 percent of the country, 80 percent of the population is covered by this program. That is not so. The program is administered in such a way that less than half of the population, less than 40 percent in fact of the population are actually receiving assistance. And if 40 percent of America, of our population lives in distressed areas that is a commentary on the economy in which we live not on the program which is designed to help the people.

The legislation we have before us is a deliberate conscious effort to reduce the scope of EDA because we recognize there were problems in the way the program was established, in the way it was being run and that the Congress so loved EDA that it set aside in the act, over a period of a year, certain distressed areas that could not be redesignated. We changed that. In this legislation we said those areas will be redesignated. We took them off the list. They do not deserve to be in the distressed category, if the economic indicators in a given area have risen to the point where the area no longer qualifies, then the area should be removed from the eligibility list.

Argument: That 42 percent of the borrowers are delinquent, $300 million of the $450 million in delinquent loans went to the steel areas.

What area in America, what economic sector has suffered more economic distress than steel? Granted, the previous administration tried to help the steel industry, used EDA which did not have adequate funds to do that kind of job, but it was pushed into the fray to try to help. That is where we got the problem of large scale delinquent loans. Of the $1.1 billion in EDA loans, only $103 million of EDA loans have been uncollectible, 9 percent, an extraordinary rate.

We have cured many of the problems of the EDA Program, we have brought you a program that can be administered within narrow limits.

Mr. GALLO. Mr. Chairman, today the House of Representatives is considering H.R. 2686, the Public Works and Economic Development Act Amendments of 1987. I would like to add my support to that of my colleagues on the Public Works Committee who have worked hard to put together a reasonable 3-year reauthorization of the Economic Development Agency [EDA] and the Appalachian Regional Commission [ARC].

Mr. Chairman, this bill authorizes $438.4 million in each of fiscal years 1988, 1989, and 1990 for national development investment assistance programs targeted to areas of economic distress by providing loans and grants to qualifying States and local communities for development projects such as road and highway construction, sanitation, water supplies, and electricity.

H.R. 2686 authorizes, under the EDA, $200 million for development investment grants, $50 million for planning and development assistance, and $26 million for administration for each of the next 3 fiscal years. Grants may be used to improve public facilities to encourage private development and establish a revolving loan fund to help eligible small businesses. Grant applicants must meet the distress requirements in the bill, certify performance of any responsibilities they agree to accept, and develop an investment strategy for the area concerned.

The bill also authorizes the appointment of an Assistant Secretary of Commerce to consult with appropriate departments and agencies and assist in administering the program.

In regard to Appalachian Regional Development, H.R. 2686 authorizes $120 million for highway projects—with an 80 percent maximum Federal share—$40 million for nonhighway projects—with a 50 percent maximum Federal share—and $2.4 million for administration in each of the 1988, 1989, and 1990 fiscal years. The bill authorizes the ARC to make grants for creating and retaining private-sector jobs; and, provide special assistance to severely distressed and underdeveloped areas to improve basic health and public services.

Mr. Chairman, the distressed areas of our country, especially the Appalachian region, need this program to develop the infrastructure which is necessary to attract private investment. I applaud the members of the Public Works Committee who worked so hard to bring this bill to the floor of the House for our consideration. I urge my colleagues to support this important economic development legislation.

Mr. NOWAK. Mr. Chairman, as the representative from Buffalo, NY, no one is more convinced that I of the necessity for EDA programs. Regardless of the status of our economy nationwide, there will always be communities that need help in the development of their resources before businesses can be established and jobs created. During this era of Reaganomics, we in the Congress have had to exert a great deal of energy to preserve worthwhile programs like EDA. Yet a strong healthy economy demands balanced economic development. I believe that local economic and regional development are essential for a healthy economy.

However, it has been my experience that, contrary to the administration's allegations, these EDA investments are not a burden to the taxpayers but serve a national purpose and have successfully stimulated job creation, leveraged billions in private sector money and returned billions of tax dollars to Federal, State, and local treasuries.

In recent years, EDA has provided assistance to the Erie County (NY) Industrial Development Agency, which has used these funds for a variety of purposes including establishing a revolving loan fund which was particularly helpful to small, growth-oriented firms lacking access to easy sources of investment capital.

The Economic Development Administration and its predecessor, the Area Redevelopment Administration, have built up over 20 years of experience in economic development. EDA was founded on the principle that local government sets the priorities, to be carried out with State and Federal support and encouragement. It has created jobs and maximized private investments which have revitalized and stimulated economic growth in communities throughout the country. This agency has demonstrated an ability to be responsible to a variety of economic problems in a diversity of situations and climates over the last two decades. The need for economic development will continue and these programs provide an ideal foundation on which to build.

For these reasons. I think it will be important to retain the Economic Development Administration to take advantage of the accomplishments, gains and expertise we have developed over the years.

Therefore, I strongly support H.R. 2686.

Mr. McDADE. Mr. Chairman, I can think of few Federal programs which have served this Nation as well as the Economic Development Administration and the Appalachian Regional Commission. Both programs have excellent records in bringing jobs, opportunity and development to distressed areas of the nation.

I am pleased to speak today in favor of legislation, the Public Works and Economic Development Act Amendments of 1987 which authorizes funds in each of the next 3 fiscal years for national development investment assistance programs administered by EDA and ARC.

This legislation authorizes needed funds for such vital projects as the development of roads, ports, community water and sewer systems, education and health facilities and grants for private economic development. The funding levels in the bill are not excessive, particularly in light of the need for EDA and ARC and the cuts absorbed in recent years by these programs.

Evidence of the effectiveness of these two programs can be found in my congressional district in northeastern Pennsylvania. During the past 6 years, the Northern Tier Regional Planning and Development Committee has prepared grant and loan applications that have resulted in $45 million in public infrastructure projects in a five-county region. Many existing sewer and water projects, nursing homes, industrial access roads, hospitals and highways would not be possible without the EDA and ARC. Another $25 million in public and private loans for job-creating business development was made possible in northeastern Pennsylvania because of these programs.

EDA assistance was instrumental in reopening a tannery in my congressional district which closed its doors in 1981 because it was unable to meet new environmental regulations. Today the tannery employs 109 people because EDA assisted in providing funds for a new sewer system and loan guarantees to reopen the plant.

The dividends from this Federal partnership with local government can be measured in jobs created and jobs retained. The program pays for itself several times over in taxes generated from jobs that are the result of an EDA investment.

EDA and ARC have earned strong support in the House because Members recognize that these programs have been effective in creating private sector employment in distressed areas and improving the quality of life in improverished regions of the country. As a member of the House Appropriations Committee, I have supported efforts to keep these programs alive and funded during the past few years when the Senate failed to act and the administration actively sought their termination. I urge my colleagues to do their part again this year in passing legislation to reauthorize EDA and ARC.

Mrs. LLOYD. Mr. Chairman, I rise in strong support of H.R. 2686, the Public Works and Economic Development Amendments of 1987, a bill to revise and reauthorize the Economic Development Administration [EDA] and the Appalachian Regional Commission [ARC] for 3 years.

I am a cosponsor of similar legislation, H.R. 10, the National Development Investment Act, and a strong proponent of its purposes and intent which are mirrored by the measure we are considering today.

The programs administered by the EDA and the ARC have been essential to the revitalization of economically distressed cities and towns throughout the Nation. These programs have made a tremendous difference to the economic vitality of my Third Congressional District of Tennessee, and, to the future survival of many small metropolitan and rural communities.

This legislation emphasizes our concern in Congress for those areas of the country which continue to face economic hardship, and will need continued assistance as they try to diversify their economies and rejoin the Nation's economic mainstream. Because EDA and ARC Programs have not been authorized since 1982 and these programs are operating under appropriations legislation, they are in danger of being eliminated unless the House passes this critical bill.

I urge my colleagues to join with me in voting for H.R. 2686 so that we can continue to demonstrate the Congress' continued, strong support for the EDA and ARC.

Mr. MOLLOHAN. Mr. Chairman, I rise in support of H.R. 2686 and request permission to revise and extend my remarks.

Mr. Chairman, the reauthorization of the Appalachian Regional Commission and the Economic Development Administration with the proposed adjustments to these programs is critical for our Nation's economic revitalization.

I have witnessed time after time the benefits of the ARC and EDA Programs to my congressional district in West Virginia, our State and the surrounding region. On many occasions, the industrial parks, water and sewer projects, computer literacy initiatives, and roadways funded by ARC and EDA would otherwise not be possible in distressed areas.

I would like to cite several projects in recent years that attest to the merits of these programs and give reason to continue them:

In Parkersburg, these programs have financed an access road at an airport which will make way for the location of additional industrial firms there as well as an expansion of an Army Air National Guard facility; the renovation of a downtown building for a Blennerhassett Museum to further promote local tourism; and two water storage tanks in the northern part of town to increase water pressure and availability for economic expansion.

In Weirton, the Mary H. Weir Library has established a successful computer literacy program with ARC moneys.

In Fairmont, ARC financed an access road which will result in the development of a new 100-room hotel by the private sector.

In rural Taylor County, ARC and Farmers Home Administration moneys helped local officials construct 20 miles of water line, build two booster stations and two water tanks.

In Ritchie County, improved water service funded by ARC and FMHA will benefit a Smithville defense contractor as well as Cairo residents.

In Marion County, septic tanks and package plants will be replaced with a new sanitary sewer system. The beneficiaries of this project are local residents and industrial firms planning to locate or expand in this area.

In Harrisville, a new water plant has been constructed with EDA "emergency jobs stimulus" dollars to serve local citizens and the city's major employer.

In St. Marys, new water storage tanks and larger water lines financed by ARC grant moneys will facilitate a new shopping center and improved firefighting capabilities.

In Ritchie County, the mid-Ohio Valley Health Department has been able to provide pre- and post-natal health services to Ritchie countians.

Revolving loan programs have been established in three regions of my district, providing low-interest financing for new and existing businesses. One of the three development corporations is seeking a grant this year to recapitalize its vibrant program.

All of these meaningful projects and programs are over and above the planning and development strategy activities being undertaken by local officials to ensure the coordination of efforts.

Through fical year 1986, ARC has provided my congressional district with over $40 million for 176 public works, health and education projects. The EDA, through fiscal year 1985, has awarded 510 grants or loans to West Virginia, totaling approximately $185 million.

One might think that is a lot of money—well it is—but there are considerable cost differences in building roads, water and sewer facilities, and schools in hilly West Virginia as opposed to other parts of the country. It costs 1½ times more to build public works projects in my home State, and I think that the Congress, EDA, ARC, and other agencies should take this fact into consideration.

The ARC and EDA programs have been a big help, but much remains to be done in my district and in my State. There is growing enthusiasm among my State, county, and municipal officials for EDA and ARC grants. That is partially because many of their other traditional government funding sources, such as the Federal revenue sharing and urban development action grant programs, have been drastically cut or eliminated altogether.

To cite this interest, there are some exciting ARC and EDA proposals from my district pending review this year:

Parkersburg Community College is seeking funds to build a job training and retraining facility for the mid-Ohio valley region's industries;

The city of Parkersburg needs money to reconstruct a street as an access road to a new hardware/lumber business;

Ritchie countians would like to expand their EDA-financed industrial park to accommodate additional tenants;

The Regional Education Service Agency would like to offer satellite teleconferencing opportunities to West Virginia students and senior citizens on education and to industrial employees on new technologies;

A new products center is proposed for my area to develop new and innovative uses for the glass, chemical, and ceramics industries located there; and

Several plant closings demand economic adjustment attention from ARC and EDA officials.

In addition, there are significant transportation projects that will ultimately need ARC and/or EDA funding, if they are to be accomplished and bring further economic benefits to our State. There are two pressing highway projects and another promising project—the completion of U.S. route 50 at Parkersburg, further development of Appalachian corridor H in central West Virginia, and a toll road linking Fairmont and Moundsville.

As you can see, the Appalachian Regional Commission and Economic Development Administration programs are alive and well in America, and the legislation we are considering today would find-tune them for the next 3 years. I encourage my colleagues to vote for H.R. 2686 and encourage the Senate to help us enact it.

Mr. BORSKI. Mr. Chairman, I rise in support of the Economic Development Administration authorization bill. The EDA authorization helps States and local governments to invest in public infrastructure. This public investment encourages job creation and growth which more than pays for this modest program.

Infrastructure is the lifeblood of our economy. Without regular investment in roads, water and sewer systems, bridges, and other structures, our national economy would stagnate.

But with a commitment to public works, we create a climate where economic development and jobs growth can occur. The EDA helps to create that climate of growth.

The city of Philadelphia, which I represent, has been the beneficiary of EDA funds. Since 1965, Philadelphia has received about $47 million in EDA funds. These funds have made a dramatic difference in our city. The projects that EDA has supported include the American Street corridor where EDA funds paid for new sewer and water lines in an old industrial neighborhood that had hit rock bottom. Today, the American Street corridor is filled with new, growing businesses. Hundreds of new jobs have been created, and an old neighborhood has been brought back to life. That project would not have happened without EDA support.

EDA has helped us build an industrial park in Northeast Philadelphia. We've been able to rehabilitate old, dilapidated city piers. In West Philadelphia, EDA dollars has enabled us to attract a small manufacturer and 600 new jobs to West Parkside. We have used EDA planning funds for a new convention center now being developed, and for the rebirth of the waterfront at Penn's Landing. With the help of EDA, we have created thousands of new jobs in Philadelphia.

Mr. Chairman, the EDA program is money well-spent. It is especially needed in view of the loss of Federal funds for so many other programs that help people. It is an investment in jobs in areas where we need jobs desperately. And it has worked for us in Philadelphia.

I strongly support this bill, and I urge the House to approve it.

Mr. VENTO. Mr. Chairman I rise in support of H.R. 2686, the Public Works and Economic Development Act Amendments of 1987. I want to congratulate the chairman of the Public Works Committee, Mr. HOWARD, and the chairman of the Banking Committee, Mr. ST GERMAIN, as well as the chairmen of the two subcommittees which reported the bill under consideration today, Mr. SAVAGE of the Public Works Subcommittee on Economic Development, and Ms. OAKAR of the Banking Subcommittee on Ecomomic Stabilization on which I serve. They have done an outstanding job in adopting important amendments which will improve the EDA Program and moving this legislation forward to the floor today.

The EDA program has been one of the most productive investments we have made in helping to reduce some of the economic disparities in our country. It has consistently produced a high rate of return compared to what we have invested. Since its creation, the Economic Development Administration has invested $4.7 billion, which has leveraged $9 billion in private investment. The EDA projects have created or saved 1.4 million jobs in the private sector, and are responsible for $6.5 billion in annual Federal, State, and local tax receipts. This is certainly an impressive performance by any measure.

Similarly, in the 15 years since the creation of the Appalachian Regional Commission, per capita income in the 13-State, 397-country area has risen 10 percent, from 78 percent of the national average to 86 percent of that figure. More than 1.5 million new jobs have been created, and the poverty level has declined by 54 percent, from 31 percent of the population to 14 percent. While progress has been made, much more must be done. It is still unfortunately true that one-third of the Appalachian population still lives in substandard housing.

Mr. Chairman, this legislation is significant because it realizes that small business is the backbone of economic recovery. Most of the new jobs created during the 1980s have been in small businesses. Over the past 5 years, the Economic Development Administration has channeled 90 percent of its loan money and 84 percent of its loan guarantees to small businesses. This legislation recognizes the economic importance of small businesses and directs important financial resources toward this sector of our economy.

Many small businesses in the district which I represent in St. Paul and Ramsey County, MN, have benefited from EDA loans and loan guarantees. These loans become even more urgent in areas which have recently experienced plant closings and serious economic dislocations. The "distress requirements" criteria in section 105 of the bill is generally broad enough to encompass most economic dislocations. I hope that there will be greater recognition of the fact that a series of small business closings can have just as devastating an effect upon a smaller community as a single large plant closing can have on a larger community. In St. Paul and in other cities across the country, we have experienced both of these events in recent years and we continue to live with the serious problems which result from these economic dislocations.

One of the most serious impediments to economic development often occurs when a community must contend with developing a site where the cost of demolishing existing structures to make way for new buildings is often very high. It is a distinct disincentive to economic development, or redevelopment, when either a local government or a private developer must contend with extremely high demolition costs. I am pleased that an amendment which I offered to section 102 of the bill in the Subcommittee on Economic Stabilization was adopted. This amendment simply specifies that demolition of existing structures and other site preparation measures are activities which are eligible for development investment assistance under EDA.

Mr. Chairman, it is ironic that while the administration continues to proclaim the fifth year of an economic recovery, we still have over 6 percent unemployment nationally and significant underutilization of our manufacturing capacity. Many American industries are facing increasing competition from abroad and yet must contend with outdated plants and equipment. The necessary investments which must be made to insure our future economic competitiveness are not being made or are being delayed until another day. As long as we continue to have these disparities in our economy and significant regional economic disparities, there will be a continuing need for the EDA Program. I urge my colleagues to join me in voting for this legislation.

Mr. BEVILL. Mr. Chairman, I rise today in support of this legislation to authorize funding for the Appalachian Regional Commission. The ARC continues to have a major impact in terms of helping develop rural North Alabama.

This spring, a 24,000-square-foot warehouse was opened on the Tennessee-Tombigbee Waterway at Pickensville. The warehouse is being used by the Wood Products Marketing Cooperative to help local wood producers market their products to other States and overseas. This cooperative is made up of small lumber mills which would have a difficult time on their own marketing their lumber on the international market.

The cooperative was the direct result of efforts by the Appalachian Regional Commission to encourage marketing of local wood products. The ARC also has helped build a small port facility at Pickensville.

These projects are among the many ways that the ARC works to support the economic development of some of the poorest areas in our Nation. And, this is just one of the many reasons why I think we should continue to support the ARC.

The administration does not agree with my position. It has failed to provide funding for the Commission's program in every budget since 1980.

My committee has continued to fund ARC because we know first hand how this region has struggled to catch up with the rest of the Nation in such basic necessities as health care, education, sanitary facilities, roads and housing.

The administration apparently does not know that the last two recessions have caused serious setbacks in Appalachia. The administration apparently does not know that unemployment in one-fourth of the Appalachian counties is twice the national rate of unemployment, primarily because of declining employment in coal mining and manufacturing.

The Appalachian region of our Nation still needs help. The Governors of these States know that. That's why they have repeatedly declared their support for the ARC.

Earlier this year, Republican Gov. Arch Moore of West Virginia presented my committee with a budget request for the ARC on behalf of all 13 States represented on the ARC.

This request emphasizes completion of the Appalachain Development Highway System, which has brought more jobs to the region than any other program. The budget calls for providing funds to the region's poorest counties to help provide clean drinking water and safe sewage disposal facilities.

The Governors' plan also emphasizes the creation of additional jobs—always a major ARC goal. They also support local health care projects as well as training and basic education projects which are so badly needed to upgrade the region's workforce.

I do not agree with the assertion that economic and community development programs in Appalachia—or in other disadvantaged regions—have served their purpose. The fact is that the interests of each State, region, and locality are of concern and importance to the national interest.

We do not simply write off regions that are economically underdeveloped; we invest in those areas so they will no longer be a drain on our national economic well-being.

I urge my colleagues to support this legislation.

The CHAIRMAN. All time has expired.

Pursuant to the rule, an amendment in the nature of a substitute consisting of the text of H.R. 3084 shall be considered by titles as an original bill for the purpose of amendment under the 5-minute rule in lieu of the amendments now printed in the reported bill, and each title shall be considered as having been read.

The Clerk will designate title I.

The text of title I is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—NATIONAL DEVELOPMENT INVESTMENT

SEC. 101. SHORT TITLE.

This title may be cited as the "Public Works and Economic Development Act Amendments of 1987".

SEC. 102. AMENDMENT TO PUBLIC WORKS AND ECONOMIC ACT OF 1965.

The Public Works and Economic Development Act of 1965 is amended to read as follows:

"SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

"(a) SHORT TITLE.—This Act may be cited as the 'National Development Investment Act'.

"(b) TABLE OF CONTENTS.—

"TITLE I—DEVELOPMENT INVESTMENT ASSISTANCE
"Sec. 101. Findings and purposes.
"Sec. 102. Development investment assistance.
"Sec. 103. Qualifying applicants and limitations on locations of projects.
"Sec. 104. Application for grant.
"Sec. 105. Distress requirements.
"Sec. 106. Development investment strategy.
"Sec. 107. Limitations on revolving loan funds.
"Sec. 108. Federal share.
"Sec. 109. Limitations.
"Sec. 110. Commercial development corporations.
"Sec. 111. Obligation of funds.
"Sec. 112. Authorization of appropriations.
"TITLE II—INVESTMENT STRATEGY, PLANNING, EVALUATION, AND DEMONSTRATION
"Sec. 201. Investment strategy and planning.
"Sec. 202. Evaluation and demonstration.
"Sec. 203. Federal share.
"Sec. 204. Obligation of funds.
"Sec. 205. Authorization of appropriations.
"TITLE III—ADMINISTRATION
"Sec. 301. Definitions.
"Sec. 302. Appointment of assistant secretary.
"Sec. 303. Consultation with other persons and agencies.
"Sec. 304. Administration of assistance.
"Sec. 305. Powers of the Secretary.
"Sec. 306. Certification.
"Sec. 307. Savings provisions.
"Sec. 308. Annual report.
"Sec. 309. Prevailing rate of wage.
"Sec. 310. Record of applications.
"Sec. 311. Records and audit.
"Sec. 312. Nondiscrimination requirements.
"Sec. 313. Authorization of appropriations.

"TITLE I—DEVELOPMENT INVESTMENT ASSISTANCE

"SEC. 101. FINDINGS AND PURPOSES.

"(a) FINDINGS.—The Congress finds and declares the following:

"(1) Historical and structural economic patterns in national and world markets have resulted in disparate economic conditions among various areas and communities in the United States.

"(2) Some areas and communities suffer from substantial and persistent unemployment and underemployment.

"(3) Economic distress caused by structural problems, severe dislocations, or cyclical downturns adversely affects communities and areas and their residents, industry sectors, and groups within the population. Among the most severely affected in distressed areas are socially and economically disadvantaged individuals from groups which suffer the effects of past and present discriminatory practices.

"(4) The changing national and global economies over the past decade have created new problems and challenges for the Nation. Our trade deficit has increased to serious proportions while our export of manufactured goods to other nations has dropped dramatically, and our export of industrial jobs to other nations has reached an alarming level.

"(5) The private sector remains the ultimate generator of employment and economic growth, but the public sector must reverse decades of infrastructure neglect as a necessary concomitant to private business stability and expansion.

"(6) It is in the national interest to develop a partnership between the public and private sectors to plan and implement development and adjustment activities to alleviate such distress.

"(7) Delivering and coordinating Federal assistance to economically distressed areas and industries and groups within those areas is crucial to the health of the national economy and the well-being of the Nation's citizens.

"(b) PURPOSES.—The Congress declares that the purposes of this Act are—

"(1) to promote balanced national growth and economic development by providing Federal aid to distressed areas in—

"(A) planning and financing public works,

"(B) promoting business assistance and other development activities to foster additional long-term employment opportunities for the unemployed and underemployed, and

"(C) benefiting the socially and economically disadvantaged,

through the stimulation of private investment through Federal assistance;

"(2) to make the Nation's industrial and commercial resources more competitive in national and international markets; and

"(3) to build, rehabilitate, and repair public infrastructure where it is inadequate to support and encourage private investment in the area;

"(4) to recognize and rely upon improved State and local governments' capacity to direct their own destinies; and

"(5) to link public and private funds to foster coordination of resources between these sectors, in order to leverage the maximum investment in the long-term economic vitality of all areas.

"SEC. 102. DEVELOPMENT INVESTMENT ASSISTANCE.

"(a) GRANTS.—Upon application of an applicant qualifying under section 103 and subject to the provisions of this title, the Secretary is authorized to make a grant to such applicant for one or more of the following:

"(1) CONSTRUCTING AND IMPROVING PUBLIC FACILITIES.—Construction, repair, rehabilitation, and improvement of public facilities, including demolition of existing structures and other site preparation measures, and the acquisition of land and other public works improvements to encourage and support private development.

"(2) REVOLVING LOAN FUNDS.—Establishment of revolving loan funds to promote establishment and growth of small businesses and to retain firms and entrepreneurs which contribute to the creation, retention, and expansion of private sector jobs.

"(3) EMPLOYEE STOCK OWNERSHIP PLANS.—Establishment of revolving loan funds to promote establishment of qualified employee ownership organizations which prevent economic dislocation, facilitate economic adjustment, or contribute to economic diversification and long-term economic vitality.

"(b) TECHNICAL ASSISTANCE.—Upon application of an applicant qualifying under section 103 and subject to the provisions of this title, the Secretary may provide technical assistance for improving and enhancing economic development.

"SEC. 103. QUALIFYING APPLICANTS AND LIMITATIONS ON LOCATIONS OF PROJECTS.

"(a) APPLICANTS FOR DISTRESSED LOCAL GOVERNMENTS.—The following entities may apply for assistance under section 102 for projects and activities to be carried out in the jurisdictional area of a unit of local government which meets the requirements of section 105:

"(1) State government.—The State in which the unit of local government is located may apply if—

"(A) such unit has a population of less than 50,000; and

"(B) such unit is located outside the boundaries of an economic development district.

"(2) Local government.—The unit of local government may apply; except that—

"(A) in any case in which the unit of local government has a population of less than 50,000 and is located outside the boundaries of an economic development district, such unit must consult the State in the preparation of the grant application; and

"(B) in any case in which the unit of local government is located within the boundaries of an economic development district, such unit must consult such district in the preparation of the grant application.

"(3) Economic development district.—The economic development district in which the unit of local government is located may apply.

"(4) Economic development organization.—A private or public nonprofit organization established for economic development purposes and representing an area within the jurisdictional area of the unit of local government may apply if—

"(A) such unit has a population of 50,000 or more;

"(B) such unit is located outside the boundaries of an economic development district; and

"(C) the grant application has been approved by such unit.

"(b) Applications for Indian Lands.—An Indian tribe may apply for assistance under section 102 for projects and activities to be carried out on lands owned by, or held in trust for, such tribe if such lands meet the requirements of section 105.

"(c) Applications for Pockets of Poverty.—The following entities may apply for assistance under section 102 for projects and activities to be carried out in an area which meets the requirements of section 105 and is located in the jurisdictional area of a unit of local government which has a population of 50,000 or more and does not meet such requirements:

"(1) Local government.—The unit of local government may apply; except that in any case in which the unit of local government is located within the boundaries of an economic development district, such unit must consult such district in the preparation of the grant application.

"(2) Development organization as applicant.—A private or public nonprofit organization established for economic development purposes and representing the area meeting the requirements of section 105 may apply if such organization consults the unit of local government in the preparation of the grant application.

"SEC. 104. APPLICATION FOR GRANT.

"(a) Contents.—An application for assistance under this title shall include, but need not be limited to—

"(1) a certification that the area over which the applicant has jurisdiction meets the requirements of section 105; except that—

"(A) in any case in which the applicant is a State, economic development district, or an organization described in section 103(a)(4), the certification must be for the area over which the concerned unit of local government has jurisdiction;

"(B) in any case in which the applicant is an Indian tribe, the certification must be for lands owned by, or held in trust for, such Indian tribe; and

"(C) in any case in which the applicant is an organization described in section 103(c)(2), the certification must be for the area such organization represents;

"(2) a certification relative to the performance of any responsibilities which the Secretary has agreed to accept under section 306; and

"(3) a development investment strategy prepared in accordance with section 106.

"(b) Factors To Be Considered in Approval Process.—In approving applications for assistance under this title, the Secretary shall give consideration to—

"(1) the severity of distress in the area for which the grant is to be made;

"(2) the extent to which the grant will result in increased, or more stabilized, permanent employment in such area;

"(3) the ratio of private sector investments committed in such area to the amount of the grant applied for;

"(4) the extent to which the appropriate State and local governments have undertaken or agree to undertake other related actions to encourage economic development and the expansion of employment opportunities;

"(5) the effectiveness of the development investment strategy and the degree to which the proposed project contributes to its implementation (including the strategy's relationship to economic problems identified in the strategy), expands employment opportunities in the existing labor market, provides incentives to retain private businesses, expands or improves public facilities, and encourages private investment; and

"(6) the extent to which the strategy and activities are consistent with State and local goals and contribute to long-term economic growth and private sector employment opportunities and establish an overall strengthened economic and business environment which will be self-sustaining.

"(c) Limitation on Assistance Facilitating Relocations.—No assistance may be provided under this title for projects intended to facilitate the relocation of industrial or commercial plants or facilities from one area to another, unless the Secretary finds that such relocation would not significantly and adversely affect employment in, or the economic base of, the area from which the industrial or commercial plant or facility would be leaving.

"SEC. 105. DISTRESS REQUIREMENTS.

"(a) Certification.—In order to be eligible for assistance under this title, the applicant must certify that the area which is required by section 103 to meet the requirements of this section meets one or more of the following criteria:

"(1) The area has a per capita income of 80 percent or less of the national average.

"(2) The area has an unemployment rate 1 percent above the national average percentage for the most recent 24-month period for which statistics are available.

"(3) The area has experienced or is about to experience a sudden economic dislocation resulting in job loss that is significant both in terms of the number of jobs eliminated and the effect upon the employment rate of the area.

"(b) Documentation of Distress.—Documentation of distress shall be supported by Federal data, when available, and in other cases by data available through the State government. Such documentation shall be accepted by the Secretary unless it is determined to be inaccurate. The most recent statistics available must be used.

"SEC. 106. DEVELOPMENT INVESTMENT STRATEGY.

"(a) Preparation and Contents.—Except as provided in subsection (b), an applicant for assistance under this title shall prepare a development investment strategy for the area which is required by section 103 to meet the requirements of section 105. The development investment strategy must—

"(1) identify the economic development problems sought to be addressed by the grant;

"(2) identify past, present, and projected future economic development investments in such area and public and private participants and sources of funding for such investments;

"(3) identify the extent to which the development investment strategy takes into account—

"(A) availability of developable land and space in the area;

"(B) public works, public service, and development facilities in the area;

"(C) availability of low-cost capital;

"(D) tax policy on investments in the area;

"(E) level of skill of the labor force; and

"(F) ability of State and units of local government to provide financial assistance in the management and implementation of the strategy;

"(4) set forth a strategy for addressing the economic problems identified in paragraph (1) and discusses the manner in which the strategy will solve such problems;

"(5) provide a description of the projects necessary to implement the strategy, an estimate and analysis of the costs and anticipated benefits of implementing the strategy, and an estimate of the timetables for completion of such projects;

"(6) provide a summary of public and private resources which are expected to be available for such projects; and

"(7) provide a comprehensive plan which demonstrates participation in all phases of the development and implementation of the development investment strategy by a representative percentage of small business concerns owned and controlled by socially and economically disadvantaged individuals, as defined by section 8(d) of the Small Business Act (15 U.S.C. 637(d)) and relevant subcontracting regulations promulgated pursuant thereto.

"(b) Consultation of State or Economic Development District.—In any case in which a unit of local government is the eligible applicant under section 103(a)(2), the unit of local government shall consult the State or economic development district, respectively, in the preparation of a development investment strategy.

"(c) Approval of Development Organization's Strategy.—In any case in which a private or public nonprofit development organization within a unit of local government is the eligible applicant under section 103(c)(2), the organization must consult the unit of local government in the preparation of the organization's development investment strategy.

"SEC. 107. LIMITATIONS ON REVOLVING LOAN FUNDS.

"(a) Purposes and Uses of Grants.—Grants under section 102(a) shall be for the purposes of stimulating small business development and promoting economic growth which contributes to an improved local tax base and the creation of permanent employment opportunities. Such grants may only be made to establish or recapitalize a revolving loan fund which will be used only—

"(1) for making loans or guaranteeing loans to small businesses for initial or working capital, or the purchase, rehabilitation or expansion of facilities or equipment; and

"(2) for making loans or guaranteeing loans to businesses if a relatively small amount of capital is needed to complete financing necessary to retain the business in the area.

"(b) DISTRESS REQUIREMENTS.—A grant made under section 102(a)(2) shall be made on the condition that the revolving loan fund established or recapitalized pursuant to such grant shall be used only for providing assistance described in subsection (a) in areas which meet the requirements of section 105.

"(c) LIMITATION ON AMOUNT OF GRANT.—No grant for the establishment or recapitalization of a revolving loan fund under section 102(a)(2) shall be made for more than $1,000,000.

"(d) CREDIT ELSEWHERE TEST.—No loan or guarantee shall be made from a revolving loan fund established or recapitalized pursuant to a grant under section 102(a)(2) unless the financial assistance applied for is not otherwise available from private lenders on terms which in the opinion of the administrator of the revolving loan fund will permit the accomplishment of the project.

"(e) TERMS OF GRANTS.—

"(1) USE ASSURANCES.—Any applicant for a grant for establishment or recapitalization of a revolving loan fund under section 102(a)(2) shall give assurances that amounts of any loan which are repaid to the fund will be available only for the purposes set forth in subsection (a).

"(2) REPAYMENT ASSURANCES.—No loan or guarantee may be made from a revolving loan fund established or recapitalized pursuant to a grant under section 102(a)(2) unless the applicant for such loan or guarantee provides reasonable assurance of repayment of the loan.

"(3) GRANTEE AS ADMINISTRATOR.—The grantee of any grant for establishment or recapitalization of a revolving loan fund under section 102(a)(2) shall administer the fund.

"(f) CONSIDERATION OF PAST PERFORMANCE.—In determining whether or not to make a grant for recapitalization of a revolving loan fund established or recapitalized pursuant to a grant under section 102(a)(2), the Secretary shall consider past performance of such fund.

"SEC. 108. FEDERAL SHARE.

"(a) CONSTRUCTION AND IMPROVEMENT PROJECTS.—The amount of any grant for a project described in section 102(a)(1) shall be that amount which when added to amounts available from all other sources is sufficient to complete such project, except that in no event shall the amount of any such grant exceed 50 percent of such cost of completing the project as determined at the time of the grant application. No additional funds shall be granted or otherwise made available under this Act for any project described in section 102(a)(1) for which a grant has been made under this Act.

"(b) ESTABLISHMENT OF REVOLVING LOAN FUNDS.—The amount of any grant for the establishment of a revolving loan fund under section 102(a) shall not exceed an amount which is equal to the amount of funds available from all other sources for the establishment of such revolving loan fund. The amount of any additional grant for the recapitalization of a revolving loan fund previously established with a grant under section 102(a)(2) shall not exceed an amount which is equal to ⅓ of the amount of funds available from all other sources for such recapitalization.

"(c) INDIAN TRIBES.—In the case of a grant to an Indian tribe under section 102(a), the Secretary may reduce or waive any non-Federal share required by this section.

"SEC. 109. LIMITATIONS.

"(a) OBLIGATIONS IN A STATE.—Except for expenditures to Indian tribes, not more than 15 percent of the appropriations made for a fiscal year pursuant to this title may be expended in any one State.

"(b) OBLIGATIONS TO A PERSON.—The Secretary shall not obligate more than $4,000,000 in any fiscal year to any person (including any State or local government or public organization) for grants under this title, other than grants for establishment of qualified employee ownership organizations.

"SEC. 110. COMMERCIAL DEVELOPMENT CORPORATIONS.

"(a) GRANTS.—Notwithstanding any other provision of this Act, the Secretary may make grants to commercial development corporations which are formed by one or more banks to assist small businesses by reducing the interest rates for economic development activities to be carried out by such businesses in areas meeting the distress requirements of section 105.

"(b) AGGREGATE AMOUNT.—The aggregate amount of grants under this section may not exceed $5,000,000 in any fiscal year.

"SEC. 111. OBLIGATION OF FUNDS.

"(a) BY MAY 31.—Not later than May 31 of each fiscal year, the Secretary shall obligate for grants under this title not less than 50 percent and not more than 60 percent of the funds appropriated for such fiscal year pursuant to this title.

"(b) BY SEPTEMBER 30.—Not later than September 30 of each fiscal year, the Secretary shall obligate for assistance under this title the remaining funds appropriated for such fiscal year pursuant to this title.

"SEC. 112. AUTHORIZATION OF APPROPRIATIONS.

"There is authorized to be appropriated to carry out this title, to be available until expended, $200,000,000 per fiscal year for each of fiscal years 1988, 1989, and 1990. Not more than 25 percent of the amount appropriated pursuant to this section for any fiscal year shall be expended to carry out section 102(a)(2).

"TITLE II—INVESTMENT STRATEGY, PLANNING, EVALUATION, AND DEMONSTRATION

"SEC. 201. INVESTMENT STRATEGY AND PLANNING.

"(a) GRANTS FOR ECONOMIC DEVELOPMENT PLANNING.—The Secretary is authorized to make grants for economic development planning, including the preparation of development investment strategies under section 106 and the payment of administrative expenses, to—

"(1) any State,

"(2) any economic development district,

"(3) any Indian tribe,

"(4) any county if the jurisdictional area of such county meets the requirements of section 105 and is located outside of the boundaries of an economic development district, and

"(5) any other unit of local government with a population of 50,000 or more if the jurisdictional area of such unit meets such requirements and is located outside of the boundaries of an economic development district.

The Secretary is also authorized to make grants for preparation of a development investment strategy under section 106 to any unit of local government with a population of 100,000 or more if the jurisdictional area of such unit meets the requirements of section 105 and, in any case in which such unit is located within the boundaries of an economic development district, such unit consults the district in the preparation of the investment strategy.

"(b) COMPREHENSIVE PLANNING REQUIREMENT.—Planning carried out under this section shall be a part of a comprehensive planning process and shall be a continuous process involving public officials and private citizens in analyzing local economies, defining development goals, determining project opportunities, and formulating and implementing a development program.

"(c) PREPARATION OF STATE PLANS.—Any State economic development plan prepared with assistance under this section shall be prepared by the State with the active participation of units of local government and economic development districts located in whole or in part within such State and shall set goals for economic development within such State.

"(d) ANNUAL STATE REPORTS.—Each State receiving assistance under this section shall submit to the Secretary an annual report on the planning process assisted under this section.

"(e) DISTRICT AND LOCAL PLANS CONSISTENT WITH STATE PLAN.—Any economic development planning by an economic development district or a unit of local government for which a grant is made under this section shall be consistent with the State economic development plan for the State in which such district or unit is located.

"(f) COORDINATION OF RESOURCES.—Grants under this section shall be used, to the maximum extent possible, to provide coordination of investment for community facilities, economic development, manpower training, and transportation services.

"(g) ENCOURAGEMENT OF ASSISTANCE.—Each applicant for assistance under this section is encouraged to provide project planning, financial analysis, marketing, management, feasibility studies, and other technical and financial assistance to communities and neighborhoods within its boundaries.

"SEC. 202. EVALUATION AND DEMONSTRATION.

"(a) EVALUATION OF DEVELOPMENT INVESTMENT EFFORTS.—The Secretary is authorized to conduct a program of evaluation of Federal, State, and local development investment efforts in order to—

"(1) assist in determining the causes of unemployment, underemployment, severe economic adjustment problems, and chronic distress in areas and regions of the United States; and

"(2) assist in formulating, implementing, or improving programs at the National, State, or local levels which are designed to increase employment in private firms, assist depressed industry sectors, or otherwise promote economic development or adjustment.

"(b) DEMONSTRATION PROGRAMS.—

"(1) IN GENERAL.—The Secretary is authorized to conduct demonstration programs to test the feasibility of new ways to increase productivity and growth designed to make the steel industry and related industries more competitive, to encourage the use and development of innovative technology and research in economic development, to match the labor force with projected labor markets, to improve United States competitiveness, and to encourage economic diversity and regional balance.

"(2) REPORTS.—Not later than 90 days after completion of each demonstration program conducted under this subsection, the Secretary shall transmit to Congress a report on the results of such program.

"(c) ADMINISTRATION.—Programs authorized under subsections (a) and (b) of this section may be carried out by the Secretary acting through the staff of the Department of Commerce, in cooperation with or by the provision of funding to other departments or agencies of the Federal Government, or by contract.

"(d) GRANTS FOR MANAGEMENT AND TECHNICAL ASSISTANCE.—The Secretary is authorized to make grants to colleges, universities, and other organizations to establish and support ongoing programs which provide to businesses and units of local government management and technical assistance for the purposes of promoting productivity, economic development, and employment opportunity.

"SEC. 203. FEDERAL SHARE.

"(a) ECONOMIC DEVELOPMENT PLANNING.—The amount of any grant under section 201 may not exceed 75 percent of the cost of economic development planning or of the preparation of a development investment strategy.

"(b) MANAGEMENT AND TECHNICAL ASSISTANCE.—The amount of any grant under section 202(d) may not exceed 75 percent of the cost of establishing and supporting the ongoing management and technical assistance program.

"(c) DETERMINATION OF NON-FEDERAL SHARE.—In determining the amount of the non-Federal share of costs under this section, the Secretary shall give consideration to all contributions both in cash and in kind, including space, equipment, and services.

"(d) INDIAN TRIBES.—In the case of a grant to an Indian tribe under section 201, the Secretary may reduce or waive any non-Federal share required by this section.

"SEC. 204. OBLIGATION OF FUNDS.

"Not later than December 31 of each fiscal year, the Secretary shall obligate for grants under section 201, 90 percent of the funds appropriated for such fiscal year pursuant to this title, other than those funds made available for purposes of section 202. The remainder of such funds shall be obligated during such fiscal year only for making grants under section 201 in areas meeting the criteria set forth in section 105(a)(3).

"SEC. 205. AUTHORIZATION OF APPROPRIATIONS.

"(a) IN GENERAL.—There is authorized to be appropriated to carry out this title, to be available until expended, $50,000,000 per fiscal year for each of fiscal years 1988, 1989, and 1990.

"(b) LIMITATION ON AMOUNT FOR SECTION 202.—Of sums authorized to be appropriated under subsection (a) of this section, not to exceed $13,000,000 in fiscal year 1988 and not to exceed $15,000,000 in each of fiscal years 1989 and 1990 shall be available for purposes of section 202.

"TITLE III—ADMINISTRATION

"SEC. 301. DEFINITIONS.

"For purposes of this Act—

"(1) ECONOMIC DEVELOPMENT DISTRICT.—The term 'economic development district' means—

"(A) an economic development district designated on or before January 1, 1987, under section 403(a)(1) of the Public Works and Economic Development Act of 1965; and

"(B) any district within a State which is designated by the Secretary, which district is of sufficient size or population and contains sufficient resources to foster economic development on a scale involving more than one county and does not contain within its boundaries any part of another economic development district designated under subparagraph (A) or under this subparagraph.

"(2) JURISDICTIONAL AREA.—The term 'jurisdictional area' means the area over which a unit of local government has jurisdiction.

"(3) INDIAN TRIBE.—The term 'Indian tribe' means the governing body of an Indian tribe, an Indian authority or tribal organization or entity, an Alaska Native village, or any Indian group which is recognized as an Indian tribe by the Secretary of the Interior, except that the term 'Indian tribe' shall also include those bodies, authorities, organizations, entities, or groups not recognized by the Secretary of the Interior, if such body, authority, organization, entity, or group is recognized as a tribe or other similar appropriate entity by the State in which it is located and such State holds land in trust on behalf of such tribe or other similar appropriate entity.

"(4) QUALIFIED EMPLOYEE OWNERSHIP ORGANIZATION.—The term 'qualified employee ownership organization' includes a qualified employee trust as defined in section 3(c)(2) of the Small Business Act, except that—

"(A) such term shall not be limited to plans maintained by small business concerns or to loans guaranteed under such Act;

"(B) in the case of any form of financial assistance, the principles of section 3(c)(2)(B) of such Act shall apply under regulations prescribed by the Secretary; and

"(C) there shall be periodic reviews of the role, in the management of the concern involved, of employees to whose account stock is allocated.

"(5) SECRETARY.—The term 'Secretary' means the Secretary of Commerce.

"(6) SMALL BUSINESS CONCERN.—The term 'small business' means a business that is independently owned and operated, is not dominant in its field of operations, and meets such other criteria as the Secretary, after consultation with the Administrator of the Small Business Administration, may by regulation establish, including numbers of employees and dollar volume of business by industrial classes.

"(7) STATE.—The term 'State' means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Marianas.

"(8) UNIT OF LOCAL GOVERNMENT.—The term 'unit of local government' means any city, county, town, parish, village, or other general purpose political subdivision of a State.

"SEC. 302. APPOINTMENT OF ASSISTANT SECRETARY.

"The Secretary shall administer this Act with the assistance of an Assistant Secretary of Commerce, established by section 601 of the Public Works and Economic Development Act of 1965. Such Assistant Secretary shall perform such functions as the Secretary may prescribe.

"SEC. 303. CONSULTATION WITH OTHER PERSONS AND AGENCIES.

"The Secretary is authorized from time to time to call together and confer with any persons, including representatives of labor, management, agriculture, and government, who can assist in meeting the problems of area and regional unemployment or underemployment. The Secretary may make provisions for such consultation with interested departments and agencies as he may deem appropriate in the performance of the functions vested in him by this Act.

"SEC. 304. ADMINISTRATION OF ASSISTANCE.

"No grant shall be approved under this Act unless the Secretary is satisfied that the project for which Federal assistance is granted will be properly and efficiently administered, operated, and maintained.

"SEC. 305. POWERS OF THE SECRETARY.

"(a) LIST OF POWERS.—In performing his duties under this Act, the Secretary is authorized to do the following:

"(1) Adopt, alter, and use a seal, which shall be judicially noticed.

"(2) Hold such hearings, sit and act at such times and places, and take such testimony, as the Secretary may deem advisable.

"(3) Request directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics needed to carry out the purposes of this Act. Each department, bureau, agency, board, commission, office, establishment or instrumentality is authorized to furnish such information, suggestions, estimates, and statistics directly to the Secretary.

"(4) Acquire, in any lawful manner, any property (real, personal, or mixed, tangible or intangible), whenever deemed necessary or appropriate to the conduct of the activities authorized by this Act.

"(5) Procure by contract the temporary or intermittent services of experts and consultants or organizations therefor as authorized by section 3109(b) of title 5, United States Code, and allow them, while away from their homes or regular places of business, travel expenses (including per diem in lieu of subsistence) in accordance with section 5703 of title 5, United States Code, for persons in the Government service employed intermittently, while so employed.

"(6) Sue and be sued in any court of record of a State having general jurisdiction or in any United States district court, and jurisdiction is conferred upon such district court to determine such controversies without regard to the amount in controversy; but no attachment, injunction, garnishment, or other similar process, mesne, or final, shall be issued against the Secretary or property of the Secretary.

"(7) Establish such rules, regulations, and procedures as the Secretary may deem appropriate in carrying out the provisions of this Act.

"(b) LIMITATION ON STATUTORY CONSTRUCTION.—Nothing in this Act (including subsection (a)(6)) shall be construed to except the activities under this Act from the application of sections 517, 547, and 2679 of title 28, United States Code.

"SEC. 306. CERTIFICATION.

"(a) ACCEPTANCE.—The Secretary may discharge any of his responsibilities relative to a project for which a grant may be made under title I of this Act by accepting a certification by the applicant of the applicant's performance of such responsibilities.

"(b) RESCISSION OF ACCEPTANCE.—Acceptance by the Secretary of an applicant's certification under this section may be rescinded by the Secretary at any time if, in the opinion of the Secretary, it is necessary to do so.

"(c) Regulation.—The Secretary shall issue such guidelines and regulations as may be necessary to carry out this section.

"SEC. 307. SAVINGS PROVISIONS.

"(a) Affect on Proceedings.—No suit, action, or other proceeding lawfully commenced by or against the Secretary or Assistant Secretary or any other officer in his or her official capacity or in relation to the discharge of his or her official duties under the Public Works and Economic Development Act of 1965, shall abate by reason of the taking effect of the amendment by section 102 of the Public Works and Economic Development Act Amendments of 1987, but the court may, on a motion or supplemental petition filed at any time within 12 months after the effective date of such amendment, showing a necessity for the survival of such suit, action, or proceeding to obtain a settlement of the questions involved, allow such suit, action, or proceeding to be maintained by or against the Secretary or Assistant Secretary or such other officer of the Department of Commerce as may be appropriate.

"(b) Existing Regulations and Proceedings.—All rules, regulations, orders, authorizations, delegations, or other actions duly issued, made, or taken by or pursuant to applicable law, before the effective date of such amendment, by any agency, officer, or office pertaining to any functions, powers, and duties under the Public Works and Economic Development Act of 1965 shall continue in full force and effect after such effective date until modified or rescinded by the Secretary or such other officer of the Department of Commerce as, in accordance with applicable law, may be appropriate.

"SEC. 308. ANNUAL REPORT.

"The Secretary shall make a comprehensive and detailed annual report to Congress of operations under this Act for each fiscal year beginning after the year ending September 30, 1987. Such report shall be printed and shall be transmitted to Congress not later than February 1 of the year following the fiscal year with respect to which such report is made.

"SEC. 309. PREVAILING RATE OF WAGE.

"(a) General Rule.—All laborers and mechanics employed by contractors or subcontractors on projects assisted by the Secretary under this Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931, commonly known as the Davis-Bacon Act (46 Stat. 1494; 40 U.S.C. 276a–276a-5).

"(b) Assurance.—The Secretary shall not extend any financial assistance under this Act for any project without first obtaining adequate assurance that the standards required by subsection (a) will be maintained upon the construction work.

"(c) Function of Secretary of Labor.—The Secretary of Labor shall have, with respect to the standards required by subsection (a), the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. App.), and section 2 of the Act of June 13, 1934 (48 Stat. 948; 40 U.S.C. 276c).

"SEC. 310. RECORD OF APPLICATIONS.

"The Secretary shall maintain as a permanent part of the records of the Department of Commerce a list of each application approved for a grant under this Act, which shall be kept available for public inspection during the regular business hours of the Department of Commerce. The following information shall be posted in such list as soon as each application is approved:

"(1) The name of the applicant.

"(2) The amount and duration of the grant for which application is made.

"(3) The purposes for which the proceeds of the grant are to be used.

"SEC. 311. RECORDS AND AUDIT.

"(a) General Rules.—

"(1) Records.—Each recipient of a grant under this Act shall keep such records as the Secretary shall prescribe, including records which—

"(A) fully disclose the amount and the disposition by such recipient of the proceeds of such grant, the total cost of the project or undertaking in connection with which such grant is given or used, and the amount and nature of that portion of the cost of the project or undertaking supplied by other sources; and

"(B) review the efficiency, economy, and effectiveness of the project carried out under this Act.

"(2) Reports to secretary.—Not later than January 11 and July 11 of each year, each recipient shall transmit a report to the Secretary containing all information prescribed under paragraph (1) which relates to all activities carried out during the preceding period relating to grants made to it under this Act. Each report submitted in January of each year shall include an audited statement of all funds spent on the project or undertaking during the preceding fiscal year prepared by an independent certified public accountant in accordance with the Standards for Audit of Governmental Organizations, Programs, Activities, and Functions issued by the Comptroller General of the United States.

"(b) Access to Information.—For the purpose of reviewing the efficiency, economy, and effectiveness of programs carried out under the provisions of the Act, including audit and examination, the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of any recipient, subrecipient, contractor, or subcontractor that are pertinent to assistance received under this Act.

"SEC. 312. NONDISCRIMINATION REQUIREMENTS.

"In administering this Act, the Secretary may not—

"(1) discriminate in favor of or against any qualified applicant based on the fact that the area in which the project would be located is either rural or urban in character;

"(2) create separate allocations of funds to provide assistance for urban and rural areas unless such allocations are based on objective findings of relative levels of distress in areas qualified for assistance under this Act; or

"(3) deny assistance to a qualified applicant based on the fact that the project area is located in a State which has a low level of unemployment.

"SEC. 313. AUTHORIZATION OF APPROPRIATIONS.

"There is authorized to be appropriated for salaries and administrative expenses to carry out the provisions of this Act $26,000,000 per fiscal year for each of fiscal years 1988, 1989, and 1990. Appropriations under this Act shall remain available until expended. Any contract entered into pursuant to this Act shall be effective only to such extent and in such amounts as may be provided in advance in an appropriation Act.".

Mr. RITTER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I take to the well to comment on the programs of the Economic Developemnt Administration. I wish to speak from my own experience with some of these programs. I know we are working in an atmosphere to reduce the deficit, cut the budget and I know it is important that we address each program with extreme scrutiny.

But I would like point out that there are responsibilities were government should be involved and one of those areas is the area of infrastructure. You do not have to be a genius, just go around the United States and see that so much of our road system, our sewerage systems, are falling apart.

An essential element for economic growth, whether you are a liberal or conservative is having good roads, good bridges, and good sewers. If you do not have them, you cannot bring in plants, you cannot go high technology and you cannot make these changes.

I want to tell you about changes in my district. We have gone from almost total dependence on very heavy manufacturing in steel and in cement and in trucks and industrial goods, to a mixed economy that has light manufacturing, high technology, new technology, services.

I want to just say that the Economic Development Administration has been in the middle of this transition. They have done an excellent job. Now maybe other people have different experiences with the Economic Development Administration, but this Republican who has a pretty substantial record on budget cutting has to look at the facts in his own district to see that our industrial parks—we have Lehigh Valley Industrial Park 1, Park 2, Park 3, and new Industrial Park 4. All have had a very creative relationship with the Economic Development Administration whereby the Economic Development Administration—they did not finance these parks because you are talking about hundreds of millions of dollars of private investment. But what they did was they seeded so much of what is there.

When the people got together initially to define what would be in these parks, define what the needs were, it really was not possible to get banks to support these sewerage and road improvements and the like, infrastructure which is Government's responsibility. Frankly, they fulfilled that responsibility very well.

Over the years, EDA has participated in this change in the Lehigh Valley of Pennsylvania with grants totalling about $2 million.

Now that is not so much by Washington standards, but from that investment officers of the Lehigh Valley Parks and EDA created 7,361 jobs, 136 companies, a payroll of $110 million, buildings valued at $230 million, 700 acres of development land, millions of dollars of real estate and payroll taxes with just greater benefits in the years ahead.

So, Mr. Chairman, I want to urge my colleagues to give careful consideration to what is important in these days of deficit reduction and budget cutting.

What are the real responsibilities of government? I say infrastructure is and I say EDA has done the job.

Mr. MORRISON of Connecticut. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of this legislation. I certainly commend the gentleman from Pennsylvania [Mr. RITTER] for speaking in favor of this very critical function of government which is to provide support for economic development.

I want to speak in particular about an amendment which I offered and which was adopted in the Committee on Banking during its consideration of the bill.

We all believe, I think, that in these times of deficits we have to see to it that our programs are carefully tailored to accomplish the goals that we are seeking to address. Of course, with limited resources we cannot do all we would like to do but we must see to it that we target our resources in ways that accurately reflect our priorities.

We have learned in testimony from the administrator of this program and others that EDA may have been taking some liberties with the statutory language in terms of setting priorities outside the scope of the statute and ignoring certain priorities on their own initiative rather than focusing on what the statute says.

One very real problem that has shown up particularly affects the State of Connecticut, where my district is located. The problem is that EDA has discouraged applications from communities for areas that meet the program's distress criteria, but are located in States with relatively low rates of unemployment. That approach effectively prevents Connecticut and a number of other States in New England from participating in the program, even though these States have areas that are very, very depressed economically.

I represent the city of New Haven. It has been recorded by Government statistics as the seventh poorest city in the United States among cities of 100,000 population or more.

Our capital city in Connecticut, Hartford, is the fourth poorest city in the United States. We have 2 other cities, our next 2 largest cities, which are among the top 25 in rate of poverty.

So despite the prosperity of a State like Connecticut, we have pockets of poverty that are in need of assistance to solve their economic problems.

Now just that concept, addressing pockets of poverty, is in this legislation. Yet in the administration of this program, cities and communities in Connecticut have been told, "Don't even bother applying. We are not going to allow you to be considered for eligibility because the State of Connecticut has a very low rate of unemployment."

Well, certainly that is not right and my amendment, which had the support of the gentlewoman from Ohio and became part of this legislation, would prevent that kind of discrimination.

The amendment declares that the Secretary of Commerce shall not be discriminate against areas that meet the standards of distress, just because they happen to be in a State which does not have high unemployment.

In addition, the amendment makes clear that, in making awards, the Secretary may not prefer rural communities over urban areas without regard to relative levels of distress. Finally, my amendment requires that the Secretary may not establish separate "pots" of money for rural and urban areas unless such an allocation is based on objective findings concerning relative levels of distress as defined in the bill.

Ms. OAKAR. Mr. Chairman, will the gentleman yield?

Mr. MORRISON of Connecticut. I would be happy to yield to the gentlewoman from Ohio.

Ms. OAKAR. I thank the gentleman for yielding.

Mr. Chairman, I want to simply compliment the gentleman for the thoughtful amendment that he added in committee. I thank the distinguished Member from Illinois for having the public works committee accept that concept. The State of the gentleman, Connecticut, is a perfect example and he brought an enlightened view to the committee. We were not aware of the problems that his communities were having until he brought them to the attention of the committee.

The gentleman's State has a low unemployment rate as a State, but you have areas that are distressed.

So there was a form, in the administration, of discrimination because all they looked at was the bottom line, the unemployment level of the State.

I want to compliment the gentleman. I am sure the people in his area are very grateful for that addition, because now there is a reinforcement of the law which I think is very, very important, not only in the gentleman's area, but across the country.

I thank the gentleman for yielding.

Mr. MORRISON of Connecticut. I thank the gentlewoman for her support and assistance in making this possible. I think it will strengthen the program.

I thank the gentleman from Illinois for his cooperation, and I commend the leadership of the Committee on Public Works for bringing us this legislation.

☐ 1235

Mrs. JOHNSON of Connecticut. Mr. Chairman, I move to strike the last word.

Mr. Chairman, EDA has certainly made some mistakes. It has taken some criticism on the floor today. Over the course of its history it has certainly made some mistakes, but part of the reason it has made mistakes is because the problems it has sought to address are difficult and large problems that we were not experienced in dealing with.

For example, in my State and in my district, towns whose traditional base of employment had been bearings, machine tools, and other basic industries, over the course of a very short number of years, saw in some cases a radical and in others almost a total erosion of that traditional economic base, and indeed no one had the confidence to come into those cities that were so hard hit by the change in the structure of our economy and of our industrial producers to provide the jobs that we needed for the future of the people in those areas.

I am proud to say that in towns that I represent it was often EDA dollars and the credibility that EDA brought to the projects being proposed in those cities that enabled them to be carried through and to provide the employment and the optimism that is so important to recovery in areas of high unemployment.

Recently an EDA loan guarantee made possible the rehabilitation of the oldest amusement park in the country, which is in the town of Bristol, CT. So the oldest continuously operating amusement park in this country was restored, and the restoration of that park resulted not only in a very vital tourist attraction but provided hundreds of jobs, and many of those jobs are jobs of a seasonal nature that healthy high school kids need to have available to them.

EDA has made mistakes, but on the whole it has been a national program that has given us at the Federal level the ability to be partners in the rehabilitation and the transition of communities from relying on some forms of industrial production to relying on those that will serve us as a Nation and as a people in the future.

Mr. CLINGER. Mr. Chairman, will the gentlewoman yield?

Mrs. JOHNSON of Connecticut. I yield to the gentleman from Pennsylvania.

Mr. CLINGER. Mr. Chairman, I think the gentlewoman has stressed something that I think deserves emphasis, and that is a portion of the EDA legislation that she has used in her district to address a very real need, and that is title IX. That addresses a situation where you have a sudden or severe rise in unemployment or a potential for a sudden and severe rise in unemployment because of changing economic conditions.

Some have argued here that the Federal Government really has no role in trying to promote economic development at the Federal level, but this particular title is addressing the sort of situation where you have a base closing, for example where the Federal Government has a military base and it closes. Does the Federal Government not have a responsibility there to provide some sort of redress for those people who are going to be suddenly thrown out of work because of a Federal action?

Mrs. JOHNSON of Connecticut. Mr. Chairman, the Federal Government certainly does have a responsibility in that situation, as the gentleman defines it, but I would go well beyond that.

Does the Federal Government have no obligation to people in the machine tool industry or the bearings industry where we see the lack of a national trade policy that could deal with targeting competition from Japan, the lack of a monetary policy that could deal with an irrational rise in the value of the dollar from abroad, and let that go on for 5 years to the great detriment of the strength of basic industry in America, and causing an enormous loss of jobs in those industries?

In many instances it is weaknesses in national policy that drive economic change in local communities. Yes, the Federal Government has a responsibility to look at job loss and job creation in the towns and villages throughout our Nation.

Mr. Chairman, I thank the gentleman for bringing to our attention the specific nature of the interplay of Federal policy in both job loss and job creation.

AMENDMENT OFFERED BY MR. WALKER

Mr. WALKER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALKER:

Page 19, strike out lines 3 through 13.

Page 19, line 14, strike out "111" and insert in lieu thereof "110".

Page 19, line 23, strike out "112" and insert in lieu thereof "111".

Conform the table of contents on page 2 accordingly.

Mr. WALKER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALKER. Mr. Chairman, I am not a great enthusiast for the programs addressed in this bill. In fact, I must say that I, along with some others, regard EDA as one of those palaces of pork in the administration that the Congress so dearly loves but that we could do without when all is said and done. But I have to congratulate the committees involved in this because I think they did make a sincere effort to reform these programs in a way that does make them work better. I think that this bill represents a step in the right direction toward making the programs work better.

That is the reason why I was somewhat confused when I got down in the bill and I found section 110. Now, section 110 seems to me to be one of those things that even members of the committee have to be uncomfortable with. Why? Because, as you look down through here, there are some things here that have to bother you if you are trying to reform the program.

For the first thing, it looks to me as though the funds completely bypass the State and local economic development organizations and are made directly available to big bank consortiums. I would like to get a little bit of explanation about this from some of the authors of the bill.

Is that correct? I would ask one of the two leaders or some of the Members who wrote this bill: Is that correct, that under section 110 we are going to bypass State and local economic development organizations and make the money directly available to big bank consortiums?

Ms. OAKAR. Mr. Chairman, will the gentleman yield?

Mr. WALKER. Yes, I am glad to yield to the gentlewoman.

Ms. OAKAR. Mr. Chairman, I think the gentleman is aware that there are many types of financial institutions. Right?

Mr. WALKER. Sure.

Ms. OAKAR. And the gentleman is certainly aware that the Federal Reserve and the Federal Home Loan Bank Board, particularly the Federal Reserve, have allowed certain larger institutions to have the subsidiaries of banks that are specifically charged with assisting community development, particularly in distressed areas.

Mr. WALKER. Mr. Chairman, if I may, I would reclaim my time.

Ms. OAKAR. Well, if I may, I would like to answer the question.

Mr. WALKER. Mr. Chairman, the gentlewoman is ignoring the fact that in section 110 it refers directly to "banks." It does not refer to "financial institutions"; it refers directly to banks. It is also banks that are involved in commercial development corporations, which, as I understand it, are bank consortiums.

Does the gentlewoman have information which is different than that?

Ms. OAKAR. Mr. Chairman, will the gentleman yield?

Mr. WALKER. Certainly, I am glad to yield to the gentlewoman.

Ms. OAKAR. Mr. Chairman, the umbrella word for "banks" is "financial institutions." That could include credit unions, banks, S&L's, and so on. A bank is a financial institution, so there is no discrepancy in the language.

Mr. WALKER. No. But let me say to the gentlewoman that her bill says specifically, "banks." It does not say, "financial institutions."

Ms. OAKAR. "Banks" is fine. It is the same language.

Mr. WALKER. All right.

Ms. OAKAR. There is no discrepancy.

Mr. WALKER. No. "Financial institutions" covers a broader scope, as the gentlewoman has pointed out. This specific language says, "banks." So we are talking about big bank consortiums that are going to get this money.

Ms. OAKAR. No. Will the gentleman yield?

Mr. WALKER. Yes, I yield to the gentlewoman.

Ms. OAKAR. Mr. Chairman, I am on the Banking Committee, and I would like to provide a little bit of education here.

Mr. WALKER. Certaintly.

Ms. OAKAR. You have independent banks. These are called banks, and they may be extraordinarily small. Very often they are smaller than some of the credit unions. You have banks that are large, you have banks that are middle sized, you have banks that are small, and you have the independent banks.

Mr. WALKER. Mr. Chairman, I would reclaim my time.

Ms. OAKAR. I do not think there is any discrepancy there.

Mr. WALKER. The gentlewoman certainly knows her bill better than that. We are talking about 18 bank consortiums in the country that this amendment applies to; is that not correct?

Ms. OAKAR. When you talk about the 18 institutions that this may or may not apply to, you are talking about consortiums that have subsidiaries that specifically relate to community development and poverty areas.

Mr. WALKER. No. Just a minute.

Ms. OAKAR. Let us not get the terminology mixed up here to use language that does not apply.

Mr. WALKER. I am trying to find out about the bill because I have the feeling that this is not the reform we are talking about. I understand this referes directly to commercial development corporations which are formed by one or more banks. Now, that is in fact a case where there are 18 of them in the country. There are 18 big bank consortiums that this money would go directly to. Is that correct or is that not correct?

Mr. TRAFICANT. Mr. Chairman, will the gentleman yield?

Mr. SHAW. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I am glad to yield to the gentleman from Florida.

Mr. SHAW. Mr. Chairman, this amendment got into the bill in the Committee on Public Works and Transportation, and that is my understanding of it.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. Walker] has expired.

(By unanimous consent, Mr. Walker was allowed to proceed for 5 additional minutes.)

Mr. TRAFICANT. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I am glad to yield to the gentleman from Ohio.

Mr. TRAFICANT. Mr. Chairman, first of all, relative to the statements made by the gentlewoman from Ohio [Ms. Oakar], chairman of the subcommittee, No. 1, the banks are not limited to strictly banks. There are also savings and loans, credit unions, and other financial organizations.

Mr. WALKER. No. Let me say to the gentleman, if he will allow me to reclaim my time, that that is not what the amendment says. The amendment says, "commercial development corporations which are formed by one or more banks * * *." It does not say, "financial institutions." It says, "banks."

So I would say to the gentleman that it is clear in the language there that we are not talking about a broad base of financial institutions.

Mr. TRAFICANT. Mr. Chairman, will the gentleman yield further?

Mr. WALKER. I yield to the gentleman from Ohio.

Mr. TRAFICANT. Mr. Chairman, if the gentleman would read the report, it calls for clarifying language, and on page 90 it states this in the first paragraph:

> Financial institutions involved in the formation of CDC's should not be limited to banks, but may include savings and loan institutions, credit unions, and other financial organizations.

Mr. WALKER. Mr. Chairman, let me reclaim my time and ask the gentleman, why does the language in the amendment not say, "financial institutions"? Why do we say, "banks," which is very specific? Why do we not say, "financial institutions" in the amendment or in the language of the bill?

Mr. TRAFICANT. Mr. Chairman, if the gentleman will yield further, the understanding of all the committees that had jurisdiction was that "banks" was an all-encompassing term which included those particular financial organizations.

Mr. WALKER. No, that is not the understanding. We have just heard from this side that that is not the understanding at all, let me say to the gentleman.

Let me say also to the gentleman that the wording in the amendment is very precise. It says, "may make grants to commercial development corporations which are formed by one or more banks * * *." It does not say, "financial institutions." It specifies "commercial development corporations," of which there are 18 in the country. So we are talking about some very specific bank corporations here. That is one little problem.

Let me ask the gentleman this: By what we are doing with this money, are we not subsidizing interest rates for those big banks?

Let me ask this first: Is the gentleman from Ohio one of the authors of this bill? I am trying to find answers from the Members who brought this bill to the floor.

Mr. TRAFICANT. Mr. Chairman, if the gentleman will yield, it is my amendment.

Mr. WALKER. All right. So this is not language that was developed by the committee; this is the gentleman's language. This is not language that came out of the hearings process of the committee?

Mr. TRAFICANT. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I am glad to yield to the gentleman from Ohio.

Mr. TRAFICANT. The amendment was adopted by the committee. The amendment was offered by a member of the committee, which I am, No. 1.

Mr. WALKER. Were any hearings held on this amendment?

Mr. TRAFICANT. No, there were no hearings held.

Mr. WALKER. There were no hearings held on the amendment. Was this a part of any comments that have been gathered from around the country, relating to support for this amendment?

Mr. TRAFICANT. Mr. Chairman, if the gentleman will further yield, when I have my time, I will explain that, and the committee will as well. I appreciate the gentleman's concerns which are usually right on target.

Mr. WALKER. Mr. Chairman, let me understand what we are talking about. Are we talking about the gentleman's language, or are we talking about the committee's language here? I understand that no hearings were held, and that no comments have been received about this. We do not know how the agencies feel about it, and we are kind of operating in the blind.

Let me see if I am right, and let me ask a couple more questions here. Does this or does this not subsidize interest rates for these bank consortiums? Does this subsidize interest rates?

Mr. HOWARD. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the chairman of the committee.

Mr. HOWARD. Mr. Chairman, we would like to hear the statement of the gentleman in support of his amendment, and then we will take our time and hope to cover the questions he asked here so we do not go on for 5 minutes, 10 minutes, and then another 5 minutes and another 5 minutes merely because questions are being asked.

Mr. WALKER. Mr. Chairman, do I understand that the chairman of the committee is not willing to answer this gentleman's questions?

Mr. HOWARD. Mr. Chairman, I will answer the gentleman's question to this extent, if the gentleman will yield.

In the report, on page 90, if the gentleman will read that, on about the fifth line it says:

> CDCs are local associations of residents and businesses organized to attack problems of unemployment and disinvestment by developing underutilized resources. Because of their resources and knowledge of local markets, banks are also uniquely qualified to participate in community development corporations.

Then, further down, about five more lines, it says this:

> Financial institutions involved in the formation of CDC's should not be limited to banks, but may include savings and loan institutions, credit unions, and other financial organizations.

Therefore, if the gentleman will yield further and let me continue, although we say, "banks" in the bill, when we explain the bill in the report, we have this additional language, and that should make it clear to anyone.

Mr. WALKER. Mr. Chairman, the gentleman did not answer my question. We have already established the fact that the language the gentleman is reading from is not language of the committee; it is language of one member of the committee who is making a comment. That does not have precedence, I would say to the gentleman, over the language that is in the bill. The language in the bill says, "banks." I am still seeking an answer to the question about what we are doing with this amendment.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. Walker] has again expired.

Mr. WALKER. Mr. Chairman, I ask unanimous consent that I may be allowed to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

□ 1250

Mr. HOWARD. Mr. Chairman, reserving the right to object, we do wish to have the gentleman's rights protected to discuss this, and at this time we will not object to the gentleman having an additional 5 minutes.

Mr. Chairman, I withdraw my reservation of objection.

Mr. WALKER. Mr. Chairman, I really sincerely appreciate that.

As far as I know, my amendment is the only amendment at the desk. It seems to me having a full discussion and understanding of what it means might be appropriate, and I would think we would not want to cut off debate of it.

It seems to me that this gentleman coming to the floor with this amendment has every right to ask questions of the people who bring this to the floor.

I am somewhat disturbed to hear people suggest that they do not want to answer any questions about this language.

I will ask my question again. Does this amendment, or does this language in the bill say that we are going to subsidize interest rates for bank consortia?

Mr. TRAFICANT. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Ohio.

Mr. TRAFICANT. Mr. Chairman, I thank the gentleman for yielding.

It reduces interest rates when a bank creates a community development corporation that targets a distressed community and levers against private-sector money that traditionally has been redlined and blacks out these types of things.

Mr. WALKER. The answer to my question is yes, that this language subsidizes big-bank interest rates?

Mr. TRAFICANT. Only under those conditions.

Mr. WALKER. We have an extremely significant departure from past EDA practice. Never before have we had EDA in the business of subsidizing the interest rates of big banks, and now all of a sudden, all of a sudden, what we are going to do is come along in this bill, which is supposedly a reformed bill and begin the process of subsidizing the interest rates of big-bank consortia.

Is there any cap on the amount of this subsidizing of big-bank interest rates that we can do? Is there any cap on it?

Mr. TRAFICANT. Mr. Chairman, if the gentleman will continue to yield, I appreciate the gentleman asking these questions.

I would wish that the gentleman would allow an opportunity for a reasonable answer that would not be subject to such animosity, it seems.

Mr. WALKER. I allowed the gentleman to answer each question.

Mr. TRAFICANT. If the gentleman that offered the amendment would have read the bill, it says up to $5 million per year may, may be used in this capacity.

If it is not used and there are no CDC's requested that would target low-income communities, then the $5 million is available for the entire EDA project.

Mr. WALKER. The $5 million is a cap over the overall amount that could be made available.

There is no cap between individual projects as there is in other areas.

If the gentleman goes back to section 107 on the loans, the gentleman will find that there we cap them at $1 million. There is no such cap on the loans or on the interest-rate subsidies that are to be made available under this particular section; and so, therefore, I would tell the gentleman that there is a $5 million cap overall, but that means that one project, or one bank, could get $5 million worth of interest subsidies out of this bill the way the language is now structured, is that not correct?

Mr. TRAFICANT. I disagree. The language says in the beginning, the Secretary shall determine.

Is the gentleman saying that the Secretary is going to make a $5 million grant to one specific source?

Mr. WALKER. The gentleman has said that the gentleman drafted this language.

The gentleman evidently drafted the language, I hope, carefully. The gentleman has now told this gentleman that indeed that is right, that the gentleman does not think the Secretary would do it; but nevertheless, we do have a situation where one big bank could get a $5 million interest subsidy under this bill. That really gets by the problem.

Let me ask another question. Are there any guidelines for implementation of this particular new provision?

This is something that EDA has never done before. It is a brandnew area.

It seems to me it is an area that is fraught with an awful lot of problems. Are there any guidelines at all for the implementation of this measure?

Mr. TRAFICANT. I believe the guidelines are quite clear and rather simplistic.

I would say that in order to target depressed communities, banks who have traditionally redlined would have to create an official community development corporation geared to reversing economic blight, and interest rates can be used for their borrowers as an incentive to improve the lot of those economically depressed communities.

The language is straightforward. I find it difficult to understand that the gentleman does not comprehend it.

Mr. WALKER. Page 19, where does it say what the gentleman just said?

Mr. TRAFICANT. Page 19 in the bill and page 90 in the report.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. WALKER] has expired.

Mr. WALKER. Mr. Chairman, I ask unanimous consent that I be allowed to proceed for 5 additional minutes.

Mr. HOWARD. Mr. Chairman, reserving the right to object, perhaps this time the gentleman would request 3 additional minutes?

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. HOWARD. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding.

I have some more questions about this. We have not exhausted my questions at all on this, and I would now say to the gentleman, I am now hearing that this particular page represents the official committee views.

Mr. HOWARD. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania be allowed to proceed for 3 additional minutes.

The CHAIRMAN. The gentleman from Pennsylvania requested 5 additional minutes. The gentleman from New Jersey requested that the gentleman from Pennsylvania be allowed to proceed for 3 additional minutes.

Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. WALKER] will be recognized for 3 additional minutes.

Mr. WALKER. Mr. Chairman, we have a longstanding pattern around here that Members in the well should be allowed to have their own time.

I certainly would hope that the gentleman would allow a full discussion of this amendment, because I will tell the gentleman that I think that we have a disturbing pattern here.

I am now hearing that the views of one Member of the committee represent the committee viewpoint, is that correct?

Mr. HOWARD. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from New Jersey.

Mr. HOWARD. Mr. Chairman, I thank the gentleman for yielding.

The gentleman had the 5 minutes usually allotted to a Member who offers an amendment.

The gentleman had an additional 5 minutes allotted. The gentleman, with the unanimous consent of the entire membership of the committee, had another 5 minutes allotted to the gentleman, and has 3 minutes more now and still has the floor and a chance to get more time.

Mr. WALKER. Mr. Chairman, it is not unusual for a Member in the well to get that kind of time. I am still trying to get an answer to this question.

Does this page in the report represent the views of the full committee?

Mr. TRAFICANT. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Ohio.

Mr. TRAFICANT. Mr. Chairman, I thank the gentleman for yielding.

Yes, it does. It was asked and given as qualifying language.

Mr. WALKER. This is in fact the full committee viewpoint. Every word in this, every word in this is the full committee viewpoint with regard to this amendment?

Mr. HOWARD. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from New Jersey.

Mr. HOWARD. Mr. Chairman, I thank the gentleman for yielding.

The language of the gentleman from Ohio [Mr. TRAFICANT] on an amendment that was adopted by the committee, I would not say necessarily by a unanimous vote of the committee, but the committee has by majority vote accepted and understood the amendment to mean what the gentleman put in the gentleman's views, and so the gentleman from Pennsylvania is correct, it is the gentleman's views.

Mr. WALKER. We keep referring back to this as being the guidelines that the Departments and everybody are going to work from; so, therefore, the committee has accepted what the gentleman wrote here as being the way in which we should proceed?

Mr. HOWARD. Yes, every member did not agree that this should not be in the bill, but should it be in the bill, every Member agrees this is what is meant by the gentleman's amendment.

Mr. WALKER. So we are now agreed that this sentence in fact reflects the committee viewpoints, that the board of directors of the specific CDC's would be responsible for determining the criteria based upon input and recommendations of CDC members, that the big banks themselves that are getting the money are going to be ones to determine the criteria on which they get the money.

Mr. TRAFICANT. Mr. Chairman, will the gentleman yield?

Mr. WALKER. Mr. Chairman, I will yield to the gentleman in just a moment.

One reason why I have had to request additional time is because I keep yielding.

Let me make my point. We have now had the gentleman from New Jersey [Mr. HOWARD], the chairman of the Committee on Public Works and Transportation, tell this House that the views of the gentleman from Ohio [Mr. TRAFICANT] are in fact the views by which we should operate.

I read down here we know that there are no criteria for these, no criteria in this bill, in the gentleman's report; and we now find out that criteria for getting the money is going to be——

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. WALKER] has again expired.

Mr. WALKER. Mr. Chairman, I ask unanimous consent that I be allowed to proceed for 3 additional minutes.

Mr. TRAFICANT. Mr. Chairman, reserving the right to object, my reservation is, if the gentleman is going to ask questions, the gentleman should give an opportunity for some discourse rather than assume a posture that may not necessarily reflect the true value of the legislative initiative.

Mr. Chairman, I withdraw my reservation of objection.

Mr. FRENZEL. Mr. Chairman, reserving the right to object, I would advise the gentleman from Ohio that the gentleman from Pennsylvania [Mr. WALKER] is going to get time one way or another, so we may as well let the gentleman get to the bottom of this.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Without objection, the gentleman from Pennsylvania [Mr. WALKER] is recognized for 3 additional minutes.

There was no objection.

Mr. WALKER. Mr. Chairman, I do want answers to the questions and have been extremely generous with the time.

To imply that I have not done that is to imply the ridiculous, but I do think I deserve a chance to make a point.

My point is that we have now been told that the views represented on page 90 of the report are in fact the official committee views of how this amendment would be implemented, and I read in those views that the criteria that are going to be used are in fact criteria to be developed by the big banks themselves.

□ 1300

So what we have is a situation where the big banks are going to determine the criteria by which they get the money. I will tell you that that is a standard that is absolutely ludicrous and will result in more waste to this Federal Government than can possibly be imagined.

Mr. TRAFICANT. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I am very glad to yield to the gentleman from Ohio.

Mr. TRAFICANT. Mr. Chairman, be advised that these big banks the gentleman is referring to traditionally turned their backs with their money on these areas. The gentleman is talking about a subsidiary of this big bank who makes its specific purpose to reverse the economic conditions, so the gentleman is really off base.

Mr. WALKER. I am simply talking about what the words are that the gentleman himself wrote. The gentleman himself has written that the criteria are to be established by the big banks themselves, so we now have a situation where we have an unlimited pool of $5 million per project, where the big banks are going to determine themselves how they get the money and where they get the money.

Mr. HAYES of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I am glad to yield to the gentleman from Louisiana.

Mr. HAYES of Louisiana. Mr. Chairman, I thank the gentleman.

Mr. Chairman, I say to the gentleman from Pennsylvania, I have been watching this debate, and as the gentleman from Pennsylvania knows, I happen to have cooperated with him on a great many matters. I have not come down to get embroiled in any of the more personal controversies; but I think it is important if I could back up a minute and clarify a question the gentleman previously asked and was answered.

The Community Development Corporations come into being not simply under this legislation, but through the banking acts. Many years ago it was decided that there were certain forms of investment that banks by their rigid criteria and their responsibility to shareholders could not enter into. As a consequence, we, meaning the Congress of the United States, suggested that we implement means by which higher risk programs could get legitimately funded.

We make very rigid requirements. The Federal Reserve is given the authority over the bank holding companies. The FDIC, of course, holds insurance authority over the banks and through those agencies we very carefully look at any kind of Community Development Corporations in which banks are involved, in addition to which enabling legislation is usually passed by State legislatures after lengthy hearings.

The point I am trying succinctly to make is that while the bill itself may not contain all those safeguards, I assure the gentleman that for the bank to enter into the CDC: First, it is not profit motivated; second, it will not benefit the shareholders of the bank; third, it will encourage higher risk lending; and fourth, it is extraordinarily carefully supervised by a multitude of different Federal agencies, sometimes examining all levels.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(By unanimous consent, Mr. WALKER was allowed to proceed for 2 additional minutes.)

Mr. WALKER. Well, Mr. Chairman, I thank the gentleman for his explanation. I am sure the gentleman is absolutely correct.

My problem is that what we are doing in this particular legislation is that we are moving out in a direction that the EDA has never gone before to subsidize the interest rates of those particular consortiums.

Mr. HAYES of Louisiana. Mr. Chairman, if the gentleman will yield, the word consortium does not apply. A consortium is a group of banks. This is an entity made up of a bank participating perhaps legally through Federal requirements with other banks, but it is not a consortium, absolutely not.

Mr. WALKER. But let me say to the gentleman, then the gentleman from Ohio has misdrafted that language that is in the bill, because the gentleman not only refers to the CDC's that he refers to, but he also extends it by saying, "which are formed by one or more banks." So he expands this, so when you talk about one or more banks, you are in fact talking about consortiums of banks.

Mr. HAYES of Louisiana. No, sir, you are not. If the gentleman will yield, a consortium is not an entity and a CDC might have more than one bank participate; for example, the State of Massachusetts with great improvement of the Bank of Boston is involved in community development loans as a pioneer, but that is not a bank consortium by any stretch of the imagination.

Mr. WALKER . Well, I would say to the gentleman that his definition and mine may differ on that, but I will say that all I see here is that we are talking about one or more banks that are in these corporations, which to this gentleman becomes a bank consortium.

We have established that we are subsidizing the interest rates. There is no doubt about that, that there are no guidelines for implementation.

The bottom line is that the criteria are going to be set by the banks themselves, and that to me is a problem.

What I am saying, and I will sum up now, let me say that what we have got is 18 areas that are going to be given super qualification status under this particular amendment, at the expense of all other areas in the country that ought to be getting some money, too.

Five million dollars is going to be setaside for super qualification status for a consortium of big banks that are going to decide for themselves how they should get the money. I think that is terribly wrong.

I think that the 12 projects around the country, 12 average sized projects that otherwise might get this money, ought to be the ones getting the qualifications, not the big banks.

Mr. TRAFICANT. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the gentleman's amendment.

Mr. HOWARD. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from New Jersey.

Mr. HOWARD. Mr. Chairman, I thank the gentleman for yielding.

We just had a discussion with the gentleman from Pennsylvania [Mr. WALKER] and the gentleman from Louisiana [Mr. HAYES] as to an interpretation of I guess some of the legal and technical aspects of the banking business. As the gentleman from Pennsylvania said, he disagreed with the interpretation of the gentleman from Louisiana.

So I would just like to ask the gentleman from Louisiana, a new member of our committee, what position he held before he came here to the Congress this year?

Mr. HAYES of Louisiana. Mr. Chairman, if the gentleman will yield, I was the commissioner of the financial institutions for the State of Louisiana.

Mr. HOWARD. Mr. Chairman, I thank the gentleman from Louisiana and I thank the gentleman from Ohio for yielding.

Mr. TRAFICANT. Mr. Chairman, traditionally, economically depressed communities have been known to be redlined by insurance companies and banks. I am not here today to indict insurance companies and banks.

What I am attempting to do is a new progressive step in economic development and that is leveraging the people's money in their own banks, in their own communities, to target blight and bring resources to bear where they have overlooked this needed aid.

Now, specifically in responding to certain allegations that were made, very erroneously, a Community Development Corporation is allowed under the banking laws whereby a bank would create a subsidiary that has a specific purpose. In this case, a bank would create a Community Development Corporation to reverse economic blight in a given area.

What the measure simply says is this. We encourage the banking community not to turn their back, but to become actively involved and engaged in helping these communities, No. 1.

No. 2, we are saying that as an incentive we are making available, and I want you to listen to this, $5 million that may be used by these Community Development Corporations with specific targeted goals.

Now, that particular money is used as an incentive for the borrower, where borrower Joe comes in and says, "I am going to create this plant that is going to create jobs. I want the bank to make a loan."

The EDA is saying, "Fine. We encourage that bank to make that loan in that depressed community and we further have money available to buy down the interest rate as an incentive."

Now, if this is not progressive new direction for economic development, then there is something woefully wrong in this Congress.

With the amount of money we have in the entire bill, it is not enough to blow your nose, $5 million per year for 3 years, $15 million, which may be used.

Yes, the committee wants to encourage Community Development Corporations to be chartered subsidiaries that would be directed to low income communities, not turning their backs, but facing them.

We want those banks' involvement. They understand the dollar. They understand risk. We want them in there as a participant.

Right now, Mr. Chairman, what we have is we provide economic development money for somebody with an idea. The banks are saying, "Let them get their money from Uncle Sam. Why should we get involved? They look like they are tentative. Get the money from SBA. Get the money from EDA. Go to Uncle Sam."

What we are saying, with the little bit of money that we have, let us use it as a lever and an incentive to get private sector money out there more involved in the economic plight of our country.

This is a reasonable, forthright, progressive policy statement.

Anyone who tries to denigrate the integrity of this legislation is misleading Congress.

I do not have a Community Development Corporation in my district, but in the city of Toledo they created Seagate, and Seagate was targeted toward the river front, and Toledo has enjoyed tremendous, tremendous success.

I am saying we need that innovative approach. We do not want red lines and blackouts. We want green line communications involvement, and you do that through a legislative remedy.

So I believe here also that when I was asked to offer my supplemental language, it was with the understanding that the committee leadership understood what that language was to mean.

Financial savings and loans, credit unions or other financial organizations, are actually eligible to create such CDC's. Without question, it is a step in the right direction.

I commend the new chairman of the Subcommittee on Economic Development, the gentleman from Illinois [Mr. SAVAGE], from Chicago, and to see that he was willing to undertake progressive leadership. That is what it will take, and our chairman, the gentleman from New Jersey [Mr. HOWARD], who so willingly listened to the views of others and is willing to open up and use what small amount, what meager amount of money we have, to get the private sector involved, and that is what we are doing.

So that marlarkey that we are trying to take care of the big banks, it might fly in someone's district, but the intent of this legislation cannot be deceived or denied, and anybody who can read can find that.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(At the request of Ms. OAKAR, and by unanimous consent, Mr. TRAFICANT was allowed to proceed for 5 additional minutes.

Ms. OAKAR. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentlewoman from Ohio.

Ms. OAKAR. Mr. Chairman, I want to thank the gentleman.

You know, let us just say for the record that some of the other aspects of the bill in limiting the focus of the bill are new to the bill. It certainly has changed since 1965, but the thrust of it is the same.

What this gentleman is trying to do with the portion that he wrote into the bill, to the Public Works Committee, is to add to the thrust and to make it more comprehensive, and that is to eliminate some poverty from distressed areas. That is the thrust and the intent.

I just wanted to clarify some things in the questioning. Nobody is trying to reduce interest rates for the big banks. I mean, that is, frankly, simply not true.

A CDC is not a bank. It is regulated, however, by the Federal Bank Regulatory Agencies. It does not provide the provision that the gentleman has. It does not provide for an interest subsidy.

A CDC is created as a subsidiary and it combines all the kinds of moneys that it is able to get through foundations, through possibly the EDA, through perhaps even contributions from private individuals to make loans affordable for people who really need to have a low-interest loan. So, it is not just the big bank that gets a subsidy. I mean, it is just totally not true. It takes all these resources as a Community Development Corporation, and resources it can get, complemented by private foundations, and indeed sometimes grants from business communities, and complemented possibly by this small leveraging mechanism, and then it is able to make and do one thing only. The only thing it is charged to do is to make loans, but it has to make loans to those individuals or businesses that indeed need the loans the most, and indeed they are the ones distressed.

I think typical loans, for example, made through CDC's are for urban and rural revitalization, for low-cost housing to house the poor, the homeless, and that is the kind of low-interest loan that CDC's can and do give.

So let us clarify that. It really is to create and assist low-cost Community Development lending. It is a wonderful tool, and what is nice about this kind of a corporation, I think, is that all segments of the community participate in its formation.

In other words, it gets its resources very often through foundations and through private individuals, private corporations, and all the gentleman was trying to do was say that the Government might want to play a role in assisting this kind of mechanism, but they are established. They have strict guidelines.

I think there was a little bit of misrepresentation, to say the least, about what the gentleman is attempting to do, and indeed what he has done in this bill.

I think it complements and enhances the bill. We are supposed to be not just creative as Members of Congress. Sometimes you have to keep up with the times and take a look at where the needs are in this country.

□ 1315

Take a look at where the needs are in this country. We cannot just remain pre-Victorian.

So I think it is very, very important that we support the gentleman. He has done a terrific job for his area, which is one of the most distressed areas in the country. I think he has that type of situation in mind, and I thank the gentleman for yielding.

Mr. TRAFICANT. I would like to say to the Members of the House that no money is lent from this CD unless it is lent to improve an economically depressed community, and no Government funds are expended until the private sector makes a loan. It involves the private sector and it makes the private sector become more involved in areas that traditionally we have turned our backs on.

Mr. RIDGE. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from Pennsylvania.

Mr. RIDGE. Mr. Chairman, I stand in support of H.R. 2686, the Public Works and Economic Development Administration Amendments Act of 1987. I want to thank the leadership of the Public Works and Transportation and the Banking, Housing and Urban Affairs Committee for their hard work on this important bill. I especially want to thank my friend and colleague, Mr. CLINGER, for his persistence in perfecting this program which has done so much for distressed communities in our State of Pennsylvania.

This bill does so much to foster economic growth in areas desperately looking for help. In my district, we have benefited from more than 20 projects in the past 5 years, creating hundreds of jobs in areas with unemployment far above the national average. These are communities that have not shared in the economic recovery of the 1980's and are, instead, facing the most difficult period in their history. The Economic Development Assistance Program has done much to alleviate the effects of plant closings and holds out a beacon of hope to a group of dedicated private sector and public sector leaders.

The infusion of Federal seed money often serves as the stimulus to enable a locality to assess its public and private resources, and direct new growth. This is especially true under the development investment strategy required in H.R. 2686 by forcing local governing bodies to evaluate their long-term resources and needs to develop mutually supportive projects and build sound and vital economic base. This requirement will put a stop to patchwork, Band-Aid approaches by mandating a comprehensive plan for economic development. The development investment strategy will promote economic stability and will help create regional and local economies capable of supporting investment and job creation in both urban and rural areas.

H.R. 2686 also has strict requirements on assistance from the EDA. A locality has to prove that it is economically distressed before it can receive Federal aid. The per capita income of the area cannot exceed 80 percent of the national average. Unemployment must have exceeded the national average by at least 1 percent over the last 2 years. Additionally, the assistance grant is confined to the distressed areas and cannot be used outside those areas.

The legislation also provides for Appalachian regional development. The programs of the Appalachian Regional Commission have done a great deal to promote economic development in probably the most depressed area of the United States. There is still so much to be done.

Finally, I am more than pleased to see the provision for steel demonstration projects designed to improve the competitiveness of the U.S. steel industry. While we deal with the issues of trade and investment in our manufacturing industries, I believe this is an intelligent program to see what could be done to improve competitiveness in an industry that helped build this country.

H.R. 2686 provides for a rational development strategy both for the Appalachian region and for distressed areas. There is a valid role for the Federal Government and I urge passage of this legislation today.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, just a couple of points. I have appreciated the comments of the gentlewoman from Ohio. Perhaps she would want to also comment on why the Committee on Banking, Finance and Urban Affairs struck this provision out when it went through her committee that has the expertise.

Ms. OAKAR. If the gentleman will yield on that point, we did not strike it.

Mr. WALKER. Will the gentleman let me make my point? Will the gentleman continue to yield to me?

Mr. TRAFICANT. Mr. Chairman, I reclaim my time.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. TRAFICANT] has again expired.

(By unanimous consent, Mr. TRAFICANT was allowed to proceed for 5 additional minutes.)

Mr. TRAFICANT. Mr. Chairman, I yield to the gentlewoman from Cleveland, OH [Ms. OAKAR].

Ms. OAKAR. Mr. Chairman, let me just say this never came up before the committee, and the jurisdiction of this bill is that it goes before more than one committee. We did not know. The gentleman from Ohio [Mr. TRAFICANT] unfortunately, in my judgment, is not a member of our committee. I wish he were. He would be a welcome addition. But he is a member of the Public Works and Transportation Committee, and that is where he put it in, so we never struck it out; we just never took it up.

So I think, you know, BOB, if I might say to you——

POINT OF ORDER

Mr. WALKER. Point of order, Mr. Chairman.

The CHAIRMAN. The gentleman from Pennsylvania will state his point of order.

Mr. WALKER. Mr. Chairman, I think it is improper to use first names.

Ms. OAKAR. Mr. Chairman, I apologize for using the gentleman's first name. If the gentleman from Pennsylvania wants to be straightforward, and I know he usually does want to be straightforward, he will just tell it like it is, and let us not try to misrepresent what took place in a committee that he was not in attendance.

I know the gentleman is not intentionally doing that, I would say to the gentleman from Pennsylvania, but the fact is, what I think is important is let us not try to discredit a section of the bill that really enhances the bill, and it is not a big portion of the bill. But it just really gives that vignette that might be very, very helpful, and that is all it is. That is all it is.

Mr. TRAFICANT. I would like to say, before I yield to the gentleman, that I particularly feel that there are Members that are just opposed to EDA. The administration wanted to throw it out. There are strong positions on certain sides here that would like just to throw all of EDA out, and I am sure they will look for something within the bill that they can make the milestone of their complete opposition to the Economic Development Agency and the proposals that we feel are very important for the country.

I would like to say I appreciate the strong support of the chairwoman, the gentlewoman from Ohio, and her committee, and I feel very strongly that if we allow this type of rating to continue because of overriding policy positions that we do ourselves a disservice.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, I would simply point out again that the gentlewoman knows more about the committee deliberations than I do, but their version of the bill did not include this amendment. I think it is safe to say that.

Second, I would say that we have heard an awful lot of language about community development corporations. In fact, the gentleman from Louisiana, in defending this point, was talking about community development corporations. This language in this bill does not talk about community development corporations, it talks about commercial development corporations. That is something which does not exist in Federal law, and I would say to the gentleman that we cannot use community development corporations as a standard because the language in the bill refers to commercial development corporations. There is no such thing, and we have had no language yet today that has told us anything about commercial development corporations.

Mr. TRAFICANT. Reclaiming my time, if the gentleman is saying he would drop his amendment by unanimous consent to replace the word "commercial" with that of "community," I would be very glad to accept the gentleman's improvement of the act.

Reclaiming my time, reclaiming my time, ladies and gentlemen, if we want to split words we can do that all day. The gentleman from Pennsylvania is saying that we should let the status quo exist. The banks send them to Uncle Sam and Uncle Sam, with our meager funds, tries to improve the blight of economically depressed communities.

What I am saying and what the committee is saying, and what the subcommittee of the committee is saying, is that we think it is time that the green line occur in America, all the private sector becomes involved, and we utilize what meager funds we have to leverage against those private funds to offer incentives to get them to be key players and participants.

If the gentleman from Pennsylvania wants us to continue on by letting the Government pay for it all, he can certainly vote "yes" on his amendment. But if the gentleman, after reconsidering the facts, after quite a long debate here in the House, after reviewing the facts would want to do what is best for the country, he would vote "no" on his own amendment. I sure am going to vote "no," and I yield back the balance of my time.

Mr. SHUMWAY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I realize this debate has ranged far across the field and has been at times very emotional. But I would like to make four simple points in support of the amendment which has been offered by the gentleman from Pennsylvania [Mr. WALKER].

One is, and I recognize the debate I think has fairly well disclosed this, but I think that the amendment as contained in the Public Works and Transportation version of this bill has ambiguities that really need to be resolved. For example, we do not know from reading the language of section 110 whether we are referring to all commercial development corporations or for commercial development corporations. I think that kind of ambiguity somehow must be taken out of the language of this particular amendment.

Second, I would like to make the point that there have been no hearings held on the subject of the Traficant amendment. Interest subsidies, as this amendment calls for, constitute a completely new expansion of the EDA program, and I think we have talked already this morning about the fact that our emphasis in this bill and in other legislation should be on restricting the program not expanding it to any new areas and broadening the horizon as we do by putting in an interest subsidy program.

It is also important to note that the commercial feasibility of projects that are funded under this amendment is really not considered. Banks would make their loans without Government subsidy if the projects indeed were feasible upon their own.

A third point I would like to make is that funding for programs under this amendment will not go for highway or infrastructure buildings because construction of this type is already specifically provided for by statutes and regulations and other programs that are in existence. This essentially leaves commercial projects which will be funded under this amendment, and there are, Mr. Chairman, many other Government programs such as the Small Business Administration, which exists specifically for this purpose and has funds available to fund worthy programs that qualify in this area.

Finally, Mr. Chairman, I would like to make the point that the Committee on Banking, Finance and Urban Affairs, on which I serve, specifically refused to adopt this amendment, and it is significant to me that all other amendments from the Committee on Public Works and Transportation were adopted in the Committee on Banking, Finance and Urban Affairs. This one was not.

We are dealing here with banks, and I think it would be appropriate that the subject of this amendment be addressed by the Committee on Banking, Finance and Urban Affairs, it should be the subject of hearings, should be considered more fully and should not be the subject of a rash adoption as part of this bill today.

For these reasons, Mr. Chairman, I would urge that the amendment offered by the gentleman from Pennsylvania [Mr. WALKER] be supported.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. SHUMWAY. I am happy to yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, the gentleman is the expert in these areas, and I will tell the gentleman that I am certainly not. But there is no such entity as a commercial development corporation, is that not correct?

Mr. SHUMWAY. That is my understanding.

Mr. WALKER. So in fact we have created in this section a new entity that does not now exist, and we have defined it as commercial development corporations which are formed by one or more banks, so that in fact what we are talking about is creating something altogether new, and despite the fact that there may be language that we have heard about for community development corporations, this particular amendment does not refer to community development corporations in any way; is that correct?

Mr. SHUMWAY. I think the gentleman is entirely correct, and I think should it be amended to reflect financial institutions rather than banks we are still going to be talking about these same 18 major banks that have them.

Mr. WALKER. I thank the gentleman very much.

Mr. TRAFICANT. Mr. Chairman, will the gentleman yield?

Mr. SHUMWAY. I am happy to yield to the gentleman from Ohio.

Mr. TRAFICANT. Mr. Chairman, the only thing I would like to say is let us be honest about it. I think the gentleman is opposed to the bill, and I believe he has now taken this thing 180 degrees from the intent and the merit. If there are any other questions the gentleman might have, I think it specifically is stated and the gentleman can read the amendment. The language and the intent are quite clear, and it should answer his questions. And if the gentleman is an expert on banking, he should so state.

Mr. SHUMWAY. Mr. Chairman, I just have 1 minute left so let me reclaim my time. I have spoken out against the bill, indeed, but I did not make reference in my speech to the gentleman's amendment. My opposition does not center around this amendment. There are many, many other reasons for which I oppose the bill.

But I have read the amendment. I think it does have ambiguities, it does have shortcomings, and I think they need to be addressed in a more responsible fashion.

Mr. SHAW. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I would like to cover one more of the small areas that the amendment seeks to strike, and I would like to at this time focus attention on a very few words that are the lead words in that particular provision.

I do not think anyone has thought of this before, but I think it is very important, and I think the gentleman from Illinois, the chairman of the subcommittee, and I, have worked very hard to try to craft our certain provisons that apply to EDA funding.

By taking the words at the beginning of this statement which says, "Notwithstanding any other provisions of this act, the Secretary may make grants to commercial development corporations which are formed by one or more banks to assist small businesses by reducing the interest rates for economic development activities to be carried out by such businesses in areas meeting the distress requirements of section 105," what we have done is taken all of the other provisions in the act, such as the State and local planning requirement, we have taken that out. We say notwithstanding any other provison in the act, and we have given only one set of requirements, and that is economic distress.

Caps, they are eliminated from this provision. Preparation of a development investment strategy is no longer required. That was carefully crafted into the bill and that has been taken out of this section. It even exempts the applicant from having to apply to the EDA for assistance.

Think for a minute what this does and the problem here. I do not criticize the gentleman from Ohio for what he has tried to do by putting this in. But I do say that there is no provision in a bill that I have ever seen that more firmly supports the need to have hearings by various committees or hearings period. This had no hearings. This came up at full committee markup for the first time.

I would like to join with the gentleman from Ohio in exploring further this particular avenue of financing. But this has not been thought out by any of the committees responsible for this bill, it has not gone through the hearing process and it completely strips all of the other requirements that we have been putting into EDA.

Mr. TRAFICANT. Mr. Chairman, will the gentleman yield?

Mr. SHAW. I am happy to yield to the gentleman from Ohio.

Mr. TRAFICANT. Mr. Chairman, I really appreciate the concerns of the gentleman from Florida. I would like to advise him though that this passed on a voice vote. I did not hear one Member of the committee in the full committee markup even ask for a vote.

Let us get serious. We have been studying things around here for years and years. This is a legislative initiative that indicates we are not going to have an opportunity to exist out where banks can turn their backs on low income communities and we are going to offer incentives. I think everybody at the committee level that had concerns brought those concerns and no one asked for a vote.

Mr. SHAW. Reclaiming my time, I would remind the gentleman that I spoke against his particular provision and his amendment at the full committee markup, and I can assure the gentleman that there will be a recorded vote on this particular amendment.

This is very dangerous, and I do not criticize what the gentleman is trying to do, but I think that we have put together a very shallow, not-thought-out amendment to this particular bill. We have not sent it to the Committee on Banking, Finance and Urban Affairs, and we have absolutely stripped out all of the safeguards that are involved.

Mr. TRAFICANT. Will the gentleman yield further?

Mr. SHAW. I yield to the gentleman from Ohio.

Mr. TRAFICANT. No. 1, I brought this up at the committee level where we should have taken action, where the gentleman should have made his concerns known. The problem is we take everything to the floor. This gentleman could have brought it to the floor and I think it would have passed with the way things are going in economic development in the country. But I took it to the committee so that I would not subject this House to this, and the committee, if we are going to throw the committee system out, then why have committees?

I yield back my time.

□ 1330

Mr. SHAW. I correct the gentleman, it is my time.

I think the question is this never went to the subcommittee and the gentleman would agree with me that it has never had a hearing, the gentleman would agree with me that it was never considered by the Banking Committee. Does the gentleman agree with me that these requirements are completely pushed aside by the beginning language that says, "notwithstanding other provisions of this act"? And only applies the provision of distressed areas.

Mr. TRAFICANT. Mr. Chairman, will the gentleman yield?

Mr. SHAW. Yes; I will be happy to if the gentleman will answer my question.

Mr. TRAFICANT. What the bill says is if there are no CDC's that apply for the funds, there is not one dime that would even go there. It leaves open that money for the other parts of the program. It only comes into focus if banks target a blighted area and then attempt as an incentive to use some of the meager funds that have been set aside.

Mr. SHAW. Would the gentleman yield? Do they have to comply with the other provisions of the act that say there is going to be State and local planning?

Mr. TRAFICANT. They would be subject to all the laws that exist relative to CDC's.

The CHAIRMAN. The time of the gentleman from Florida [Mr. SHAW] has expired.

(By unanimous consent, Mr. SHAW was allowed to proceed for 5 additional minutes.)

Mr. SHAW. I repeat my question: Does the gentleman state that the local and State planning applies and that the words "notwithstanding other provisions of this Act" does not blot that out?

Mr. TRAFICANT. It means that in the total amount of money that is authorized under the grant, under the bill and once appropriated that these community development corporations may, may receive up to $5 million from the total amount for such purposes. And if it is not used it would be used in other parts. But the language is quite clear, notwithstanding any other sections of the act, yes.

Mr. SHAW. So the gentleman agrees that State and local planning is not considered in this particular provision, which is, by the way, the first time it has appeared in the act.

Mr. TRAFICANT. But the act specifically states that the Secretary shall determine, and that would encompass those elements of the act itself.

Mr. SHAW. Reclaiming my time, then the gentleman is saying it shall be up to the Secretary. And would the gentleman also agree that there is no preparation of development investment strategy required here?

Mr. TRAFICANT. I apologize.

Mr. SHAW. Would the gentleman agree that the provision of the bill that requires the preparation of development of investment strategy, that is also stripped aside and does not apply here when we are dealing with these 18 banks?

Mr. TRAFICANT. Certainly, the gentleman understands like any other bill, No. 1; and No. 2, by getting the banks involved certainly they are going to have that type of investment planning consistent with the law that is on record, period.

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. SHAW. I yield to the gentleman from Minnesota [Mr. OBERSTAR].

Mr. OBERSTAR. I thank the gentleman for yielding.

Mr. Chairman, I think while the language is ambiguous it is clear that in the context of the concept of the gentleman's amendment, the gentleman from Ohio, that "notwithstanding any other provision of the Act" relates to investment, investment decisions and does not strip aside the requirement for a plan to be developed as provided in an overall development incentive strategy. I think that is very clear. But further, if I may, if the gentleman would yield further.

Mr. SHAW. I yield further.

Mr. OBERSTAR. It is discretionary authority.

Mr. SHAW. Let me comment that in my other life before coming to Congress I did practice law for almost 20 years and during that time represented as many as four banks at one time and I would certainly be delighted to enlighten anybody here as to what contract law says and what you do as far as interpreting various statutes and provisions of the Federal Code. And "notwithstanding any other provisions of the Act" simply means exactly that, you do not have to worry about anything else that is in the act except what is in this sentence.

Mr. OBERSTAR. I grant the language is imprecise, it needs clarification and the committee report also. But the central point is that this is discretionary language, the Secretary may or may not implement it at the Secretary's discretion. It does not require action.

Ms. OAKAR. Mr. Chairman, will the gentleman yield?

Mr. SHAW. I yield to the gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. I thank the gentleman for yielding.

I just want to say I do not think it is ambiguous in terms of what community development corporations do. They have charters and if you have had a chance to read the charter you know that in fact they are charged very specifically to assist, to revitalize communities in distressed areas.

So I think that by the very nature of the corporation, it is apparent that they are charged to do. They cannot do other things. They cannot go outside certain guidelines. So I think that may answer one of your concerns.

Mr. SHAW. Reclaiming my time, I would like to point out to the lady from Ohio that the very guidelines that we are trying to work out in this legislation and that we very carefully put in place here are absolutely stripped away. Now there may be others in community development corporations but that word does not even appear in the act, it does not appear in the language. Those restrictions are not what we are really talking about when we are talking about this type of legislation.

Now we have had a great deal of bipartisan support for this bill. I intend to vote for this bill. But I think this is a paragraph that was not well thought out, did not go through the committee process as it should, it takes away many of the restrictions and it brings about the first time that the EDA is going to do this type of financing.

I think the subcommittees of both banking and public works and transportation should have hearings on this, come up with a plan, come up with new language and perhaps we can have something that is going to work.

This is very dangerous. It only applies to 18 banks. We have lists of these banks if anybody cares to see them.

Mr. HOWARD. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto end in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. HOWARD. Mr. Chairman, I ask unanimous consent this time be distributed, half to the gentleman from Pennsylvania [Mr. WALKER] and half to the gentleman from Illinois [Mr. GRAY].

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey dividing the time as the gentleman from New Jersey has suggested?

The CHAIRMAN. The gentleman from Illinois [Mr. GRAY] will be recognized for 5 minutes and the gentleman from Pennsylvania [Mr. WALKER] will be recognized for 5 minutes.

The Chair recognizes the gentleman from Illinois [Mr. GRAY].

Mr. GRAY of Illinois. Mr. Chairman when a carpenter builds a house he always brings along with him all the tools that he can possibly get. The amendment that we have been talking about here for the past 30 minutes offered in our Committee on Public Works and Transportation by the distinguished gentleman from Ohio [Mr. TRAFICANT] is just another tool to help local communities raise up their social and economic well-being. There is nothing mysterious about it, there is nothing complicated about it. It is something we have been doing for longer than I have been in this body off and on and that is 33 years. The local communities through development corporations work with the Small Business Administration. All the gentleman from Ohio's amendment does is to allow the local banks to do what they should do anyway, that is lend money for local development and participate locally.

Now I understand my friend from Pennsylvania has concerns about the word "bank." I intend to offer, Mr. Chairman, as a perfecting amendment changing the word "banks" to "financial lending institutions." That way, that will take in everybody and eliminate the objection of the gentleman from Pennsylvania.

I also intend to offer a perfecting amendment changing the word to "community" instead of "commerical." That will also eliminate the objection raised by the distinguished gentleman from Pennsylvania.

Let me point out unequivocally, Mr. Chairman, that the Traficant language that we refer to here is the tool given to the administrator of the Economic Development Administration on a permissive basis, not mandatory. If you look on page 16 you will see the language says, "the administrator or the secretary may" and not "shall." That means if he does not see this as a workable program or the twiddle-dee or twiddle-dum that we have been arguing about from one side to the other is not feasible, then the Secretary will not put the program forward. It also was pointed out by the gentleman from Pennsylvania that theoretically the $5 million authorized per year could be used by one bank. Let me tell you that there are six, I repeat six EDA districts in the United States and I know from all the other programs administered under this act that the administrator tries to be fair by prorata allocations out to each one of those districts.

So that means that if you took the entire $5 million per year and allocated to each district for example such as in the Midwest where we have an office in Chicago which administers the program for six Midwestern States, would get less than $1 million per year for banks to loan. Think of that, $1 million for a whole year. Now you know that is not going to break any bank and it is certainly not going to break the Treasury.

You know, I have listened to this debate back and forth, Mr. Chairman. I ran across this little card and I think it explains explicitly how we are fiddling while Rome burns. Here we are, while we have been debating this bill the Pentagon has already spent over $60 million. They spend over $1 million a minute, $60 million an hour, $1,400,000,000 a day and on a 5-day week they spend almost $300 billion a year.

And we are debating here for the entire United States, for all American jobs, we are debating a pittance of $200 million per year.

Before we get this bill passed, we will have spent more money in the Pentagon than on this whole program for a year in the entire United States.

So I ran into this little article on a church marquee here a couple of days ago. It says, "Whose job is it?" I want you to listen to this now. We are arguing here whether banks ought to do this or EDA or the Secretary or somebody else. "Whose job is it?"

This is a story about four people, the gentleman from Pennsylvania, the gentleman from Illinois and we can name any two others here.

Let me read this:

WHOSE JOB IS IT?

This is a story about four people, named everybody, somebody, anybody and nobody. There was an important job to be done, and everybody was asked to do it. Everybody was sure somebody would do it. Anybody could have done it, but nobody did it. Somebody got angry about that because it was everybody's job. Everybody thought anybody could do it but nobody realized that everybody wouldn't do it. It ended up that everybody blamed somebody, when nobody did what anybody could have done—cooperate with each other.

Vote down the Walker amendment and vote for this bill and provide some badly needed jobs in southern Illinois and around the country. Thank you.

Mr. WALKER. Mr. Chairman, anybody could have offered this amendment. It fell to me to do it. But let me say that I appreciated what the gentleman from Illinois just said because what we now learn is that we have a seriously flawed provision in front of us, because the gentleman from Illinois says that he is going to offer an amendment that will make the changes that are very much necessary in this particular provision. He indeed will get back to community development corporations which is different from what the bill says. He indeed will do something about putting financial institutions in instead of banks. Those will be good improvements.

But there still remains the question of whether or not this is a provision we want to adopt.

Let me say to the gentleman I think he is right, that there has been an attempt by EDA to try to do that which was right with regard to allocations of the money. But we do know that under severe political pressure that they do succumb and large amounts of money do go to one area that knock out other people. We know for instance that 5 percent of the entire program for 1 year has been allocated to one city in Texas and that that is an amount well over $5 million.

So it is not absurd to suggest that one big bank under the language that we now have before us might get all $5 million of subsidized interest. I would suggest that if you want to keep the big banks from coming in and taking control of the EDA funding that you will support my amendment to knock out this language. I would suggest if you want legislative craftsmanship that assures that we move a program in the direction we think it really ought to go that you will vote for my amendment. This amendment or this language in the bill is seriously flawed. It should be thrown out.

Mr. Chairman, I yield back the balance of my time.

Mr. Chairman, All time has expired.

PERFECTING AMENDMENT OFFERED BY MR. SAVAGE

Mr. SAVAGE. Mr. Chairman, I offer a perfecting amendment.

The Clerk read as follows:

Perfecting amendment offered by Mr. SAVAGE: On page 19, line 7 insert "financial lending institutions" for the word "banks", and on page 19, line 5, change the word "commercial" to "community".

Mr. CHAIRMAN. The gentleman from Illinois [Mr. SAVAGE] is recognized for 5 minutes.

POINT OF ORDER

Mr. WALKER. Mr. Chairman, I have a point of order. A moment ago we had a time limitation, the time was up for the amendment and all amendments thereto. Do we now have a difference from the gentleman who proposed that? The time has expired.

Mr. CHAIRMAN. The Chair will advise the gentleman from Pennsylvania that the limitation was on the debate on the Walker amendment and all amendments thereto. The gentleman from Illinois is permitted to offer a perfecting amendment to the legislation, to this particular section on page 19, since the pending amendment is a motion to strike.

□ 1345

PARLIAMENTARY INQUIRY

Mr. WALKER. Mr. Chairman, I have a parliamentary inquiry.

Mr. CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. WALKER. Mr. Chairman, I must have misunderstood, so let me ask this: The amendment before us is not an amendment to the Walker amendment; it is in fact an amendment to the bill?

Mr. CHAIRMAN. The gentleman is correct. The gentleman from Illinois [Mr. SAVAGE] has offered a perfecting amendment to the bill.

The gentleman from Illinois [Mr. SAVAGE] is recognized for 5 minutes in support of his perfecting amendment.

Mr. SAVAGE. Mr. Chairman, what this simply does, in response to what I think I have heard from the other side, which is that they have commended the bill as a whole for its better targeting and its improved focusing on areas of distress and need, is this: there were some questions that were raised regarding words, and this perfecting amendment refers to the paragraph that had been proposed to be deleted by changing the word, "commercial" in "commercial development corporations" to "community," and to make this clear, also by changing the word, "banks," to "depository institutions." It would be not "financial institutions" but "depository institutions."

So the only thing I am really doing here, as the gentleman from Illinois indicated, is that I am proposing a change that anybody could propose but that nobody has proposed, although it is something that somebody should. So I hope that everybody will support it.

Mr. SHAW. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will in just a moment offer an amendment to the amendment. I say to the gentleman that one of the provisions we have been talking about in this particular bill is the provision, "Notwithstanding any other provision of this Act,". This is very dangerous language, and this is language which should be removed from the bill.

We have had a lot of conversation about this. There has been a lot of hard work done with regard to this bill. Many Members on both sides of the aisle have done yeoman service in preparing this bill, and they have also put in very important safeguards. The purpose of this bill is to help the economy of distressed areas of this country and to save jobs.

Mr. SAVAGE. Mr. Chairman, will the gentleman yield?

Mr. SHAW. I yield to the gentleman from Illinois.

Mr. SAVAGE. Mr. Chairman, let me ask the gentleman from Florida this: is he proposing in effect to add to the perfecting amendment the deletion of the words, "Notwithstanding any other provision of this Act,"?

Mr. SHAW. The gentleman is absolutely correct. We are busy writing it now.

Mr. SAVAGE. Mr. Chairman, let me just say to the gentleman from Florida, if you will, that as the sponsor of the perfecting amendment, I have no objection to that addition. I find it fully acceptable.

Mr. Chairman, I ask unanimous consent that we incorporate the suggestion of the gentleman from Florida [Mr. SHAW] in the perfecting amendment.

What the gentleman is proposing is that on line 4, page 19 of the bill, we delete "Notwithstanding any other provision of this Act,". That is to be deleted, and that is acceptable to the sponsor of the perfecting amendment.

The CHAIRMAN. Is there objection to the unanimous-consent request of the gentleman from Illinois to modify his amendment?

There was no objection.

The CHAIRMAN. The amendment is so modified.

The gentleman from Florida [Mr. SHAW] continues to control the time.

PARLIAMENTARY INQUIRY

Mr. SHAW. Mr. Chairman, I would ask the Chair, is the modification to the perfecting amendment now in the amendment, even though it is not sitting at the desk? Am I correct? Is that the parliamentary situation we have?

The CHAIRMAN. The gentleman is correct.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. SHAW. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, I am wondering if we could get one more modification here which would allow this gentleman to withdraw his amendment.

It seems to me that if the words, "community development corporations," which under the gentleman's amendment is what we would then have—you would have the words, "community development corporations"—that is then in fact a corporation which is defined by the Federal Government. There is no need then for the language, "which are formed by one or more banks," or as the gentleman's modification reads, "financial institutions."

Mr. SAVAGE. No, "depository institutions."

Mr. WALKER. Why can we not just take out that language and have it read: "* * * may make grants to commerical development corporations to assist small businesses * * *" We would just take out that language, and that would clear up a lot of the ambiguity.

Mr. SAVAGE. Mr. Chairman, will the gentleman yield?

Mr. SHAW. I yield to the gentleman from Illinois.

Mr. SAVAGE. Mr. Chairman, I just want to understand this from the gentleman from Pennsylvania: what are the exact words he is asking to be deleted?

Mr. WALKER. Mr. Chairman, if the gentleman will yield, on page 19 its says: " * * * which are formed by one or more banks * * * " and the gentleman would make the change to have it read " * * * which are formed by one or more depository institutions * * * ." If we would take out that language altogether, then the guidelines we would have would be the guidelines of the community development corporations, which would tighten the situation very substantially, it seems to this gentleman.

Mr. SAVAGE. Mr. Chairman, will the gentleman yield further?

Mr. SHAW. I am glad to yield to the gentleman from Illinois.

Mr. SAVAGE. Mr. Chairman, let me ask the gentleman from Pennsylvania, is it to be our understanding that this does not remove the leverage on the banking community, that is, the concept of encouraging development?

Mr. WALKER. Mr. Chairman, will the gentleman yield further?

Mr. SHAW. I am glad to yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, this gentleman is not in much of a position to determine policy. This gentleman, when he looked at this language, became concerned. The committees may want to address the policy questions whenever it gets to conference or wherever it goes from here, but my amendment would not change the policy question at all then. What you would have is this: "The Secretary may make grants to community development corporations to assist small businesses * * *."

It would not change the policy particularly, but it would clear up the problem.

Mr. SAVAGE. Mr. Chairman, will the gentleman yield further?

Mr. SHAW. I am glad to yield to the gentleman from Illinois.

Mr. SAVAGE. Mr. Chairman, I ask unanimous consent that we include the deletion proposed by the gentleman from Pennsylvania [Mr. WALKER] in the perfecting amendment that is now pending.

The CHAIRMAN. The gentleman from Florida [Mr. SHAW] has the time and he has yielded to the gentleman from Illinois [Mr. SAVAGE], who has once again offered a modification to the perfecting amendment. The Chair is in doubt as to exactly where we are in this perfecting amendment.

The Chair would inquire as to exactly what the request is. The gentleman from Florida [Mr. SHAW] continues to control the time.

Mr. SHAW. Mr. Chairman, will the gentleman yield further?

The CHAIRMAN. The Chair will inform the gentleman that the time of the gentleman from Florida [Mr. SHAW] has now expired.

The Chair recognizes the gentleman from Illinois [Mr. SAVAGE].

Mr. SAVAGE. Mr. Chairman, let me explain exactly where the perfecting amendment stands, if I may have the attention of the gentleman from Pennsylvania [Mr. WALKER].

The CHAIRMAN. The gentleman from Illinois [Mr. SAVAGE] is recognized for 5 minutes.

Mr. SAVAGE. Mr. Chairman, the perfecting amendment, which I understand now satisfies all concerned, reads as follows:

On line 4, on page 19, the words, "Notwithstanding any other provision of this Act." have been deleted. That phrase has been deleted.

No. 2, on line 5, the word, "commercial," has been changed to "community."

Mr. WALKER. Mr. Chairman, will the gentleman yield for just a moment on that point?

Mr. SAVAGE. Mr. Chairman, I would ask the gentleman to please let me finish this. Let me finish the explanation fully, and then I will yield to the gentleman.

Let me start over and make it clear. On page 19, line 4, the words deleted are: "Notwithstanding any other provision of this Act.".

On line 5, also, the word, "commercial," is changed to "community."

The words on lines 6 and 7, "which are formed by one or more banks," are deleted.

That is the perfecting amendment which we now offer.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. SAVAGE. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, it seems to me that if we are going to change the word, "commercial," on line 5, we will also want to change the word, "COMMERCIAL," to "COMMUNITY" in line 3 as it appears in the title.

Mr. SAVAGE. Yes, I agree. I agree with the gentleman from Pennsylvania. In the title, on line 3, the word, "COMMERCIAL" becomes "COMMUNITY."

Mr. SHAW. Mr. Chairman, will the gentleman yield to me?

Mr. SAVAGE. I yield to the gentleman from Florida.

Mr. SHAW. Mr. Chairman, I would also point out that the first word, "the," before "Secretary," should be capitalized. The letter, "T," should be capitalized, and that should be incorporated in the amendment.

Mr. SAVAGE. Mr. Chairman, by unanimous consent I ask for that correction. I ask unanimous consent that when we delete the words on lines 4 and 5, "Notwithstanding any other provision of this Act," the next word, "the," should start with a capital "T."

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. The amendment is further modified.

Mr. SAVAGE. Mr. Chairman, with that I yield back the balance of my time.

The CHAIRMAN. The Chair now believes that not only the Chair but other Members understand what the perfecting amendment is about. Is there further discussion on the perfecting amendment?

Does the gentleman from Pennsylvania [Mr. WALKER] withdraw his amendment?

Mr. WALKER. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. The amendment is withdrawn.

The text of the perfecting amendment, as modified, offered by Mr. SAVAGE is as follows:

Amendment offered by Mr. SAVAGE, as modified: On page 19, line 3 strike "commercial" and insert "community".

On page 19, line 5, strike "commercial" and insert community".

On page 19, lines 4 and 5 strike "notwithstanding any other provision of this Act, the" and insert "The".

On page 19 lines 6 and 7 strike "which are formed by one or more banks".

The CHAIRMAN. The question is on the perfecting amendment, as modified, offered by the gentleman from Illinois [Mr. SAVAGE].

The perfecting amendment, as modified, was agreed to.

The CHAIRMAN. Are there other amendments to the bill?

If not, the question is on the amendment in the nature of a substitute, as amended.

The amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Without objection, the action by which the amendment in the nature of a substitute was agreed to is vacated, and the Chair will continue to ask the Clerk to designate title II.

There was no objection.

The text of title II is as follows:

TITLE II—APPALACHIAN REGIONAL DEVELOPMENT

SEC. 201. SHORT TITLE.

This title may be cited as the "Appalachian Regional Development Act Amendments of 1987".

SEC. 202. FINDINGS AND PURPOSES.

Section 2 of the Appalachian Regional Development Act of 1965 is amended—

(1) in subsection (a) by striking out the period at the end of the 6th sentence and inserting in lieu thereof "and in severely distressed and underdeveloped counties and areas lacking resources for basic services."; and

(2) by adding at the end of such section the following new subsection:

"(c) The Congress further finds and declares that, while substantial progress has been made in fulfilling many of the objectives of this Act, rapidly changing national and global economics over the past decade have created new problems and challenges for rural areas throughout the Nation and especially for the Appalachian region. Thus, the problems of the region are not only to provide the infrastructure necessary to economic and human resource development, to develop its industry, and to generate a diversified regional economy, but to make the region's industrial and commercial resources more competitive in national and world markets. It is, therefore, also the purpose of this Act to provide a framework for coordinating Federal, State, and local initiatives to respond to the economic competitive challenge through improving the skills of the region's manpower, adapting and applying new technologies for the region's businesses, and improving the access of the region's businesses to the technical and financial resources necessary to their development while continuing to address the need to provide basic services for the more disadvantaged areas of the region so as to provide a fairer opportunity for the people of the region to share the quality of life generally enjoyed by citizens across this Nation.".

SEC. 203. AUTHORIZATIONS FOR ADMINISTRATIVE EXPENSES.

Section 105(b) of the Appalachian Regional Development Act of 1965 is amended by striking out the period at the end thereof and inserting in lieu thereof the following: ", and not to exceed $2,400,000 per fiscal year for each of fiscal years 1988, 1989, and 1990. Of amounts appropriated pursuant to the preceding sentence for each of fiscal years 1988, 1989, and 1990, not to exceed $550,000 shall be available for expenses of the Federal cochairman, his alternate, and his staff.".

SEC. 204. EXTENSION OF LEASE TERMS.

Section 106(7) of the Appalachian Regional Development Act of 1965 is amended by striking out "1982" and inserting in lieu thereof "1990".

SEC. 205. HIGHWAY SYSTEM.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 201(g) of the Appalachian Regional Development Act of 1965 is amended by striking out the period at the end thereof and inserting in lieu thereof the following: "; and $120,000,000 per fiscal year for each of fiscal years 1988, 1989, and 1990.".

(b) FEDERAL SHARE.—

(1) GENERAL RULE.—Section 201(h)(1) of such Act is amended by striking out "70 per centum" and inserting in lieu thereof "80 percent".

(2) APPLICABILITY.—The amendment made by paragraph (1) shall apply to projects approved after March 31, 1979.

SEC. 206. DEFINITIONS.

(a) UPDATING OF COVERED FEDERAL GRANT-IN-AID PROGRAMS.—The first sentence of section 214(c) of the Appalachian Regional Development Act of 1965 is amended by striking out "December 31, 1980" and inserting in lieu thereof "October 1, 1990".

(b) LIMITATION ON COVERED ROAD PROJECTS.—The second sentence of such section is amended by inserting "authorized by title 23, United States Code" after "road construction".

SEC. 207. PROGRAM DEVELOPMENT CRITERIA.

Section 224(a) of the Appalachian Regional Development Act of 1965 is amended by inserting before the semicolon at the end of paragraph (1) the following: "or in a severely distressed and underdeveloped county or area lacking resources for basic services".

SEC. 208. REMOVAL OF LIMITATION.

Section 224(b) of the Appalachian Regional Development Act of 1965 is amended—

(1) by striking out "(2) to finance" and all that follows through "(3)" and inserting in lieu thereof "(2)"; and

(2) by striking out "(4)" and inserting in lieu thereof "(3)".

SEC. 209. MAXIMUM FEDERAL SHARE.

Section 224 of the Appalachian Regional Development Act of 1965 is amended by adding at the end thereof the following new subsection:

"(d) MAXIMUM FEDERAL SHARE.—Notwithstanding any other provision of this Act, after October 1, 1987, grants made with funds authorized under this Act shall not exceed 50 percent of the costs of any project approved under this Act (except projects under section 201); except that, notwithstanding any limitation of any other Federal law, such grants may increase the Federal contribution to any project being carried out under such other law and eligible for financial assistance under this Act to such percentage as the Commission determines appropriate within the limitations of this Act.".

SEC. 210. GRANTS FOR ADMINISTRATIVE EXPENSES AND DEMONSTRATION PROJECTS.

(a) GENERAL RULE.—Section 302(a)(3) of the Appalachian Regional Development Act of 1965 is amended—

(1) by inserting after "technical assistance" the following: "(including technical assistance for business development and stabilization and application of technologies and productivity improvement)";

(2) by inserting after "training programs" the following: "(including on-site employee

training and programs to upgrade employability of the region's people)"; and

(3) by inserting after "demonstration" the following: "(including demonstrations of service consolidations and other methods of increasing efficiency of local governments, the establishment and operation by States, public agencies, or nonprofit development organizations of revolving funds for business assistance loans, the establishment and operation of business incubators and the provision of industrial facilities and equipment by public agencies and nonprofit organizations on such terms (including terms of reasonable recovery of grant funds upon resale) as are approved by the Commission, and the acquisition and development of land)".

(b) LIMITATIONS ON DEMONSTRATION GRANTS.—Subsection (b)(1) of such section is amended—

(1) by striking out ", (3), or (4)," and inserting in lieu thereof "or (4),";

(2) by inserting "or economic" after "energy"; and

(3) by striking out the second sentence and inserting in lieu thereof the following: "Funds in energy enterprise development loan funds established with grants previously approved by the Commission under this section may, upon approval of the Commission pursuant to section 303, after the date of the enactment of the Appalachian Regional Development Act Amendments of 1987, be made available for the purposes authorized in subsection (a)(3).".

SEC. 211. AUTHORIZATION OF APPROPRIATIONS FOR GENERAL PROGRAM.

Section 401 of the Appalachian Regional Development Act of 1965 is amended by adding at the end thereof the following: "In addition to the appropriations authorized in section 105 for administrative expenses and in section 201(g) for the Appalachian development highway system and local access roads, there is authorized to be appropriated to the Commission, to be available until expended, to carry out this Act, $40,000,000 per fiscal year for each of fiscal years 1988, 1989, and 1990.".

SEC. 212. EXTENSION OF TERMINATION DATE.

Section 405 of the Appalachian Regional Development Act of 1965 is amended by striking out "1982" and inserting in lieu thereof "1990".

Mr. HOWARD (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of the amendment in the nature of a substitute be open to amendment at any point, and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The CHAIRMAN. Are there other amendments to the bill?

If not, the question is now on the amendment in the nature of a substitute, as amended.

The amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. COELHO], having assumed the chair, Mr. DORGAN of North Dakota, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2686) to amend the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965, pursuant to House Resolution No. 241, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on the amendment to the amendment in the nature of a substitute adopted by the Committee of the Whole?

If not, the question is on the amendment in the nature of a substitute.

The amendment in the nature of a substitute was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HOWARD. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 330, nays 89, not voting 14, as follows:

[Roll No. 311]

YEAS—330

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Baker
Ballenger
Barnard
Bateman
Bates
Bennett
Bentley
Berman
Bevill
Biaggi
Bilbray
Boehlert
Boggs
Boland
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Broomfield
Brown (CA)
Bruce
Bryant
Bunning
Bustamante
Byron
Campbell
Cardin
Carper
Carr
Chandler
Chapman
Chappell
Clarke
Clay
Clinger
Coelho
Coleman (MO)
Coleman (TX)
Collins
Combest
Conte
Conyers
Cooper
Courter
Coyne
Crockett
Darden
Davis (IL)
Davis (MI)
de la Garza
DeFazio
Dellums
Derrick
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Dowdy
Downey
Duncan
Durbin
Dwyer
Dymally
Dyson
Eckart
Edwards (CA)
Edwards (OK)
Emerson
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Fish
Flake
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Frenzel
Frost
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gilman
Gingrich
Glickman
Gonzalez
Gordon
Gradison
Grandy
Grant
Gray (IL)
Gray (PA)
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Henry
Hertel
Hochbrueckner
Holloway
Horton
Houghton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Inhofe
Jeffords
Jenkins
Johnson (CT)
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Konnyu
Kostmayer
LaFalce
Lancaster
Lantos
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Lott
Lowry (WA)
Lujan
Luken, Thomas
Madigan
Manton
Markey
Martin (IL)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDade
McEwen
McGrath
McHugh
McMillen (MD)
Mfume
Mica
Miller (CA)
Miller (OH)
Mineta
Moakley
Molinari
Mollohan
Montgomery
Moody
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Nagle
Natcher
Neal
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Packard
Panetta
Parris
Pashayan
Patterson
Pease
Pelosi
Pepper
Perkins
Pickett
Pickle
Price (IL)
Price (NC)
Pursell
Quillen
Rahall
Rangel
Ravenel
Ray
Regula
Richardson
Ridge
Rinaldo
Ritter
Robinson
Rodino
Roe
Rogers
Rose
Rostenkowski
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Savage
Sawyer
Saxton
Scheuer
Schroeder
Schuette
Schulze
Schumer
Sharp
Shaw
Shuster
Sikorski
Sisisky
Skaggs
Skelton
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NJ)
Smith, Robert (OR)
Snowe
Solarz
Spence
Spratt
St Germain
Staggers
Stallings
Stangeland
Stark
Stratton
Studds
Swift
Synar
Tallon
Taylor
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weber
Weiss
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolpe
Wortley
Wyden
Yates
Yatron
Young (AK)
Young (FL)

NAYS—89

Archer
Armey
Badham
Bartlett
Barton
Bereuter
Bilirakis
Bliley
Boulter
Brown (CO)
Buechner
Burton
Callahan
Coats
Coble
Coughlin
Craig
Crane
Dannemeyer
Daub
DeLay
DeWine
DioGuardi
Dornan (CA)
Dreier
Fawell
Fields
Gallegly
Gibbons
Goodling
Gregg
Hansen
Hefley
Herger
Hiler
Hopkins
Hunter
Hyde
Ireland
Jacobs
Kasich
Kolbe
Kyl
Lagomarsino
Leach (IA)
Lewis (CA)
Lowery (CA)
Lungren
Mack
MacKay
Marlenee
McCandless
McCollum
McMillan (NC)
Meyers
Michel
Miller (WA)

Moorhead
Myers
Nielson
Oxley
Penny
Petri
Porter
Rhodes
Roberts
Roth
Schaefer
Schneider
Sensenbrenner
Shumway
Skeen
Slaughter (VA)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Solomon
Stenholm
Stump
Sundquist
Sweeney
Swindall
Tauke
Thomas (CA)
Vucanovich
Walker
Whittaker
Wolf
Wylie

NOT VOTING—14

Beilenson
Boner (TN)
Cheney
Daniel
Early
Gephardt
Kemp
Latta
Lukens, Donald
Roemer
Slattery
Smith (NE)
Stokes
Tauzin

□ 1410

Mr. ROBERT F. SMITH and Mr. UDALL changed their votes from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SAVAGE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous material, on H.R. 2686, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

THE 1988 OLYMPIC COMMEMORATIVE COIN ACT

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent that the Committee on Banking, Finance and Urban Affairs, be discharged from further consideration of the bill (H.R. 2741) to authorize the minting of commemorative coins to support the training of American athletes participating in the 1988 Olympic games.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

Mr. HILER. Reserving the right to object, Mr. Speaker, I wonder if the gentleman from Illinois might give us a 40-second explanation of what we are doing here.

Mr. ANNUNZIO. Mr. Speaker, will the gentleman from Indiana yield?

Mr. HILER. I am happy to yield to the gentleman from Illinois.

Mr. ANNUNZIO. Mr. Speaker, I appreciate the gentleman yielding.

The legislation would authorize the minting of up to 1 million gold $5 coins and 10 million $1 silver coins. These coins would be sold by the mint to the public with a surcharge on these coins. The surcharges would be given to the U.S. Olympic Committee to help train Olympic athletes to establish training centers throughout the United States.

If all the coins were sold, our Olympic athletes would receive $105 million toward their training.

The program will be run at no cost to the Government and, in fact, will result in a profit to the Government.

A similar program in 1984, as the gentleman knows, raised some $75 million to help our Olympic Program.

Mr. HILER. Mr. Speaker, I thank the gentleman for his explanation.

Mr. LOTT. Mr. Speaker, will the gentleman yield?

Mr. HILER. Further under my reservation, Mr. Speaker, I yield to the gentleman from Mississippi.

LEGISLATIVE PROGRAM

(By unanimous consent, Mr. LOTT was allowed to proceed out of order.)

Mr. LOTT. Mr. Speaker, I thank the gentleman for yielding and I apologize for the interruption, but if the gentleman will yield, I would like to take just a moment, if I could get the attention of the distinguished majority leader.

I think one of the reasons we have so much noise as we have and we are getting a lot of requests from people about what the schedule is going to be for the balance of the day and tomorrow, if we could get that information I think it would help us to get to the business at hand here.

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. HILER. Mr. Speaker, under my reservation of objection, I yield to the distinguished majority leader.

Mr. FOLEY. Mr. Speaker, I thank the distinguished gentleman for yielding.

Mr. Speaker, we will be considering commemoratives and other unanimous consent requests business for the remainder of the day. We do not anticipate any additional rollcall votes for today.

Tomorrow the House will meet at 10 a.m. and will consider the Armenian resolution. There is no other business scheduled for tomorrow. We had originally thought about the possibility of scheduling the textile legislation, but after conferring with the gentleman's side, it was thought better to schedule that for the period after the recess. That is one of the many accommodations that Members may not know are made on the schedule.

The conference on the debt ceiling is fully engaged, but has not reached a conclusion on key elements in the disagreeing views.

□ 1425

The result is that they will be meeting this afternoon and I would expect this evening in the hope to be able to bring some conference report to the floor sometime tomorrow. I would anticipate the possibility of requesting recess authority for tomorrow until such time as the conference committee's report is available. And we will have to go to the Rules Committee, of course, under the rule, for the consideration of the conference report, or it would be necessary to return next week, which I am sure most Members would not want to do.

Mr. LOTT. If I could try to clarify the situation for tomorrow and today, first of all, there is no further business or recorded votes expected today.

Mr. FOLEY. That is correct.

Mr. LOTT. With regard to tomorrow, the gentleman anticipates at this time rescheduling the Armenian genocide resolution?

Mr. FOLEY. The gentleman is correct.

Mr. LOTT. That will be at 10 o'clock, and that is a very restricted, tight rule and, therefore, should probably take not more than an hour or an hour and a half to complete the whole process, which would put us somewhere around noon, I presume.

Mr. FOLEY. The gentleman is correct.

Mr. LOTT. Then the gentleman would anticipate a recess subject to the call of the Chair?

Mr. FOLEY. We would entertain any unanimous consent request business, followed by a recess subject to the call of the Chair.

Mr. LOTT. Waiting to see if and when there might be some resolution of the debt ceiling conference or, in the alternative, some debt ceiling extension?

Mr. FOLEY. The gentleman is correct.

Mr. LOTT. So we really do not know what the timeframe would be in the afternoon. It just depends on what happens?

Mr. FOLEY. The gentleman is a Member of the conference committee, and I think he knows very well that we are in a state of disagreement for the moment on some of the key elements, and no one can predict when that will be resolved. We are obviously trying to get this essential legislation before the House in order to permit the recess to take place on or near schedule. We have no desire to interfere with the recess, and we are hoping and working to see that this absolutely vital, necessary legislation is passed by the House and the Senate to permit the recess to take place. That is our policy.

I might also take the opportunity, if the gentleman will yield further, to indicate to the House that the scheduled return of the House from the recess on Wednesday, September 9, is a day which will be a voting, legislative day. There will be no grace period on Wednesday and Thursday, September 9 and 10. We intend to make that week a week in which Friday will also be a legislative day.

Mr. LOTT. The gentleman expects major legislation to be scheduled on one or both of those days?

Mr. FOLEY. We expect legislation to be scheduled on Wednesday, Thursday, and Friday. Possibilities include an appropriation bill, the textile legislation, the Farm Credit Act. We are not in a position to advise Members at this time the specific bills that will be considered that week. But I wish to heavily underline that there will be no sort of grace period at the end of the recess. We will come back Wednesday, as scheduled, for a full working and voting day, and Friday of that week the House will be in session.

Mr. LOTT. And Members can expect to get out on time, as scheduled, for the beginning of the district work period?

Mr. FOLEY. With the gentleman's help, I am sure that will be possible.

Mr. LOTT. I thank the gentleman very much.

Mr. HILER. Mr. Speaker, further reserving the right to object, I am happy to yield to the gentleman from Rhode Island [Mr. St Germain], the chairman of the Committee on Banking, Finance and Urban Affairs.

Mr. ST GERMAIN. Mr. Speaker, I thank the gentleman for yielding. I would like to state that this legislation was marked up this morning in the full committee, on the Olympic Commerative Coin Act, a measure which will provide funds for training and support of our Olympic hopefuls at no cost to the taxpayer. Through the leadership of our colleague, Frank Annunzio, chairman of the Consumer Affairs Subcommittee, similar Olympic Coin legislation provided a big boost for the 1984 Olympics in Los Angeles.

Frank Annunzio's name will soon become as well known as that of some of the world-class athletes, synonomous with the International Olympics. I think we can all take pride in the leadership of Frank Annunzio and his subcommittee in this Olympic program.

Mr. HILER. Mr. Speaker, further reserving the right to object, I thank the chairman for his kind comments and yield to the ranking minority member of the Committee on Banking, Finance, and Urban Affairs, the gentleman from Ohio [Mr. Wylie].

Mr. WYLIE. Mr. Speaker, I would like to applaud Mr. Annunzio and his staff for the outstanding work they have done in promoting the 1988 Olympic Coin Program. Particularly commendable is Congressman Annunzio's tireless commitment to ensure, as his personal slogan states, that "all the profits from the sale of coins go to the athletes."

Unlike other countries our athletes participating in the Olympic games receive no direct Government support. Athletes representing the United States spend countless hours training at great personal sacrifice and expense. The Olympic Coin Program represents one mechanism by which the Congress can assist them in their efforts.

The Olympic Coin Program reaped great rewards for U.S. athletes in the 1984 Los Angeles games. The program raised over $73 million for the training of U.S. athletes participating in the 1984 games and is expected to raise approximately $105 million to train our athletes for the upcoming Seoul games. The United States won more medals than any other country in history in the 1984 games and I hope today's legislation will provide valuable assistance so that our athletes can equal or better that record in 1988.

Mr. Speaker, I would say that the gentleman from Illinois [Mr. Annunzio] put on one of the greatest shows I have ever seen during the markup on this bill last Tuesday when he had 10 Olympic gold medal winners before our committee as witnesses on this bill.

Mr. ANNUNZIO. Mr. Speaker, will the gentleman yield?

Mr. HILER. Under my reservation of objection, Mr. Speaker, I am happy to yield to the gentleman from Illinois.

Mr. ANNUNZIO. Mr. Speaker, I appreciate the gentleman yielding and want to express my deep appreciation to the gentleman from Ohio, Chalmers Wylie, and the gentleman from Indiana, John Hiler, for the kind words on my behalf. I want the full House to know that without the support of the gentleman from Indiana, John Hiler, and the gentleman from Ohio, Chalmers Wylie, this program that we passed 4 years ago would not have been possible and the program we are passing today would not have been possible. So I am deeply grateful for their help and support. And I want to thank the chairman of the full committee, the gentleman from Rhode Island [Mr. St Germain] for the expeditious manner in which he helped us with this legislation.

Mr. Speaker, this legislation authorizes the minting of gold and silver commemorative coins next year in commemoration of the participation of American athletes in the 1988 winter and summer Olympic games. Not only will these coins commemorate American participation, but they will also help raise badly needed funds for the training of our athletes.

Even today, across America thousands of athletes are training hard with a goal of being named to the 1988 U.S. Olympic team. Many of these athletes are making tremendous personal sacrifices in the hope of being able to represent their country in the contests at the pinnacle of sport. They are putting in thousands of hours of arduous and often lonely practice with the goal of being able to stand on the victory platform with a gold medal on their chest, while the American flag is raised, and our National Anthem is played and millions look on around the world.

In 1982, Congress authorized the minting of commemorative coins for the 1984 Los Angeles Olympic games. The sale of those coins raised $73.5 million for the U.S. Olympic Committee [USOC] and the Los Angeles Olympic Organizing Committee [LAOOC]. That money made it possible for the U.S. Olympic Committee in 1984 to distribute $6.4 million to the national governing bodies, which are the amateur sports organizations responsible for governing the conduct and promotion of particular amateur sports. That amount represented two-thirds of the amount the USOC gave to the national governing bodies in 1984. This money played no small role in enabling U.S. athletes to win more medals at the 1984 Los Angeles Olympics than any country ever won at a single Olympics.

In addition, the USOC used $31.7 million in coin money to help fund the U.S. Olympic Foundation, which it founded in 1984 to foster U.S. participation in national and international amateur sports competitions through the support of amateur sports organizations in this country. Another $10.8 million in coin money originally paid to the LAOOC was also paid into the foundation.

The Olympic coin money has been a tremendous boost to the USOC, but costs for U.S. participation in the games continue to rise at a rapid rate. This new coin program will help raise millions of badly needed dollars so that American athletes can have the types of training facilities necessary for them to fully realize their potential and perform at the peak of their abilities at the games.

The legislation authorizes the minting of 1 million gold coins and 10 million silver coins. The coins will be sold directly by the U.S. Mint to the public and will carry a surcharge that will be paid to the U.S. Olympic Committee solely to train U.S. Olympic athletes, to support local or community amateur athletic programs and to erect facilities for the training of such athletes. In addition, the legislation requires that the coins be sold at no net cost to the U.S. Government.

I am pleased to be the sponsor of this legislation, as a means of supporting our U.S. Olympic athletes.

Mr. HILER. Mr. Speaker, further reserving the right to object, I too would like to commend the chairman for his efforts in this area.

One of the most remarkable things about the show that was put on 2 days ago in our subcommittee was not just the great work that was being done on the parallel bars or the balancing beam or the wrestling exhibition that the championship wrestler had with Senator D'Amato, but I think one of the remarkable things was the testimony of these Olympians who told about the sacrifices they make, not only sacrifices of time and sacrifices when they are away from their families, but also the sacrifices they make monetarily. They contrasted that with what happens in many of the Socialist countries where young people are chosen at age 3, 4, and 5 and they are sent off to sports camp, and that is all they do for the rest of their lives until they can no longer be competitive.

I do not think we want to go to that extent in our country. But certainly our Government needs to create a vehicle that allows the American people to support the Olympic movement so that our athletes can get a little bit of assistance, so that the efforts they make in time and in being away from their families, and the heart they put into it can make up for some of the loss of the monetary resources that they might get directly from their Government.

I applaud the gentleman for his recognition.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. COELHO). Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the bill, as follows:

H.R. 2741

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "1988 Olympic Commemorative Coin Act".

SEC. 2. COIN SPECIFICATIONS.

(a) FIVE DOLLAR GOLD COINS.—

(1) ISSUANCE.—The Secretary of Treasury (hereinafter in this Act referred to as the "Secretary") shall issue not more than one million five dollars coins which shall weigh 8.359 grams, have a diameter of 0.850 inches, and shall contain 90 percent gold and 10 percent alloy.

(2) DESIGN.—The design of such five dollar coins shall be emblematic of the participation of American athletes in the 1988 Olympic Games. On each such coin there shall be a designation of the value of the coin, an inscription of the year "1988", and inscriptions of the words "Liberty", "In God We Trust", "United States of America", and "E Pluribus Unum".

(b) ONE DOLLAR SILVER COINS.—

(1) ISSUANCE.—The Secretary shall issue not more than ten million one dollar coins which shall weigh 26.73 grams, have a diameter of 1.500 inches, and shall contain 90 percent silver and 10 percent copper.

(2) DESIGN.—The design of such dollar coins shall be emblematic of the participation of American athletes in the 1988 Olympic Games. On each such coin there shall be a designation of the value of the coin, an inscription of the year "1988", and inscriptions of the words "Liberty", "In God We Trust", "United States of America", and "E Pluribus Unum".

(c) LEGAL TENDER.—The coins issued under this Act shall be legal tender as provided in section 5103 of title 31, United States Code.

SEC. 3. SOURCES OF BULLION.

(a) SILVER BULLION.—The Secretary shall obtain silver for the coins minted under this Act only from stockpiles established under the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98 et seq.).

(b) GOLD BULLION.—The Secretary shall obtain gold for the coins minted under this Act pursuant to the authority of the Secretary under existing law.

SEC. 4. SELECTION OF DESIGN.

The design for each coin authorized by this Act shall be selected by the Secretary after consultation with the United States Olympic Committee and the Commission of Fine Arts.

SEC. 5. SALE OF THE COINS.

(a) SALE PRICE.—Notwithstanding any other provision of law, the coins issued under this Act shall be sold by the Secretary at a a price equal to the face value, plus the cost of designing and issuing such coins (including labor, materials, dies, use of machinery, and overhead expenses).

(b) BULK SALES.—The Secretary shall make bulk sales at a reasonable discount to reflect the lower costs of such sales.

(c) PREPAID ORDERS AT A DISCOUNT.—The Secretary shall accept prepaid orders for the coins prior to the issuance of such coins. Sales under this subsection shall be at a reasonable discount to reflect the benefit of prepayment.

(d) SURCHARGE REQUIRED.—All sales shall include a surcharge of $35 per coin for the five dollar coins and $7 per coin for the one dollar coins.

SEC. 6. ISSUANCE OF THE COINS.

(a) GOLD COINS.—The five dollar coins authorized under this Act shall be issued in uncirculated and proof qualities and shall be struck at the United States Bullion Depository at West Point.

(b) SILVER COINS.—The one dollar coins authorized under this Act may be issued in uncirculated and proof qualities, except that not more than one facility of the United States Mint may be used to strike each such quality.

(c) SUNSET PROVISION.—No coins shall be minted under this Act after December 31, 1988.

SEC. 7. GENERAL WAIVER OF PROCUREMENT REGULATIONS.

No provision of law governing procurement or public contracts shall be applicable to the procurement of goods or services necessary for carrying out the provisions of this Act. Nothing in this section shall relieve any person entering into a contract under the authority of this Act from complying with any law relating to equal employment opportunity.

SEC. 8. DISTRIBUTION OF SURCHARGES.

All surcharges which are received by the Secretary from the sale of coins issued under this Act shall be promptly paid by the Secretary to the United States Olympic Committee. Such amounts shall be used by the United States Olympic Committee solely to train United States Olympic athletes, to support local or community amateur athletic programs, and to erect facilities for the training of such athletes.

SEC. 9. AUDITS.

The Comptroller General shall have the right to examine such books, records, documents, and other data of the United States Olympic Committee as may be related to the expenditure of amounts paid under section 8.

SEC. 10. COINAGE PROFIT FUND.

Notwithstanding any other provision of law—

(1) all amounts received from the sale of coins issued under this Act shall be deposited in the coinage profit fund;

(2) the Secretary shall pay the amounts authorized under this Act from the coinage profit fund; and

(3) the Secretary shall charge the coinage profit fund with all expenditures under this Act.

SEC. 11. FINANCIAL ASSURANCES.

(a) NO NET COST TO THE GOVERNMENT.—The Secretary shall take all actions necessary to ensure that the issuance of the coins authorized by this Act shall result in no net cost to the United States Government.

(b) ADEQUATE SECURITY FOR PAYMENT REQUIRED.—No coin shall be issued under this Act unless the Secretary has received—

(1) full payment therefor;

(2) security satisfactory to the Secretary to indemnify the United States for full payment; or

(3) a guarantee of full payment satisfactory to the Secretary from a depository institution whose deposits are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or the National Credit Union Administration Board.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 2741, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORT ON FOREIGN OPERATIONS APPROPRIATIONS, 1988

Mr. OBEY. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a report on a bill making appropriations for fiscal year 1988 for foreign operations, export financing, and related programs.

Mr. EDWARDS of Oklahoma reserved all points of order on the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1082

Mr. ROBINSON. Mr. Speaker, I ask unanimous consent that my name be withdrawn from the list of cosponsors of H.R. 1082.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

EXPRESSING SENSE OF HOUSE OF REPRESENTATIVES ON 25TH ANNIVERSARY OF INDEPENDENCE OF JAMAICA

Mr. CROCKETT. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from further consideration of the resolution (H. Res. 243) expressing the sense of the House of Representatives on the occasion of the 25th anniversary of the independence of Jamaica, and ask for its immediate consideration in the House.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

Mr. LAGOMARSINO. Reserving the right to object, Mr. Speaker, I yield to the gentleman from Michigan [Mr. CROCKETT] to explain the resolution.

Mr. CROCKETT. Mr. Speaker, I rise to support H.R. 243 commending the 25th anniversary of the independence of Jamaica. As chairman of the Subcommittee on Western Hemisphere Affairs, I believe the people of Jamaica share with us common ideals of democracy and freedom. Jamaica has always been and will continue to be a bulwark of stability in the vitally important Caribbean region. Their democratic traditions serve as a model for those nations struggling to develop the structures and traditions of a parliamentary democracy.

Jamaica has been a strong supporter of our Caribbean basin initiative and we look to their wisdom and experience to assist us in formulating plans to strengthen that legislation.

I thank my colleague from California, Mr. LAGOMARSINO, for his leadership on this issue, and once again, I salute the nation and people of Jamaica on its 25th year of independence.

Mr. LAGOMARSINO. Further reserving the right to object, Mr. Speaker, I rise today to urge my colleagues to give their unanimous support to House Resolution 243, expressing the sense of the House on the occasion of the 25th anniversary of the independence of Jamaica.

As one of our strongest and closest allies in the Caribbean, Jamaica merits the action by this House to call attention to its historic 25th anniversary of independence celebrated on August 1, 1987.

Although this resolution does not specifically mention Prime Minister Edward Seaga, I believe it is important to emphasize his own contribution to the recent history of Jamaica. Prime Minister Seaga's commitment to the free market system and his efforts to advance social progress and economic development through preserving and strengthening democratic institutions are cornerstones for Jamaican independence.

The responsibility Jamaica shares with the United States for preserving peace and security in the Caribbean was never more evident than in October 1983 at the time of the United States mission to Grenada.

This resolution congratulates the Government and people of Jamaica on their successful establishment of an independent and sovereign nation. It declares that Jamaica's development and independence are important for the stability of the entire Caribbean region.

This resolution also expresses the sense of the House that the United States should continue to support the efforts of the Government of Jamaica to develop its national economy through the application of free market principles and increased participation by the private sector. It further emphasizes the United States should continue to further the maintenance of peace, economic development, and security in the Caribbean region through close cooperation with the Government of Jamaica.

I urge my colleagues to give their unanimous support for this resolution.

Mr. BROOMFIELD. Mr. Speaker, I support this resolution which expresses the sense of the House of Representatives on the occasion of the 25th anniversary of the independence of Jamaica.

Earlier this month, the country of Jamaica celebrated its 25th birthday. The period of Jamaican independence has been characterized by domestic progress and valuable contributions to regional stability.

Jamaica has flourished through its consistent application of free market principles in the economy. This has been matched by serious concern for social and cultural development.

Overseas, Jamaica has made substantial contributions to international security through its participation in global and regional international organizations and by cooperative measures with other states including Caribbean nations and the United States.

Jamaica's commitment to regional security and free market economic development merit the support of democratic countries everywhere. The United States in particular should support Jamaican independence through programs for social, economic, and cultural development. The greatest external contributions to continued socioeconomic advancement in Jamaica will result from continued and expanded economic relations with the industrial democracies, especially the United States.

Mr. LAGOMARSINO. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 243

Whereas August 1, 1987 marked the twenty-fifth anniversary of the independence of Jamaica;

Whereas the government and people of Jamaica share with the government and people of the United States the same ideals of liberty, democracy, economic progress and protection of human rights;

Whereas Jamaica and the United States share a concern and responsibility for the maintenance of peace and security in the Caribbean region;

Whereas Jamaica has strived to advance social progress and economic development through cultivating a free market economic system and preserving a democratic political environment; and

Whereas relations between Jamaica and the United States have been and continue to be generally excellent: Now, therefore, be it

Resolved, That the House of Representatives—

(1) expresses its congratulations to the government and people of Jamaica on the successful establishment of an independent and sovereign nation which for the past quarter century has remained stable, at peace, and committed to political, economic and social development through a free and democratic political process;

(2) declares that the continued pursuit of economic and social development in Jamaica under circumstances insuring peace, freedom and full national sovereignty is extremely important for the stability of the entire Caribbean region as well as the interests of the United States;

(3) expresses its sense that the United States should continue to support to the maximum extent possible the efforts of the government of Jamaica to develop its national economy through the application of free market principles and increased participation by the private sector; and

(4) expresses its sense that the United States should continue to further the maintenance of peace, economic development and security in the Caribbean region through close cooperation with the government of Jamaica.

The resolution was agreed to.

AMENDMENT TO THE PREAMBLE OFFERED BY MR. CROCKETT

Mr. CROCKETT. Mr. Speaker, I offer an amendment to the preamble.

The Clerk read as follows:

Amendment to the preamble offered by Mr. CROCKETT: In the fourth paragraph of the preamble, strike out "under the leadership of Prime Minister Seaga".

The amendment to the preamble was agreed to.

A motion to reconsider was laid on the table.

□ 1440

GENERAL LEAVE

Mr. CROCKETT. Mr. Chairman, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution just adopted.

The SPEAKER pro tempore (Mr. COELHO). Is there objection to the request of the gentleman from Michigan?

There was no objection.

NATIONAL REYE'S SYNDROME AWARENESS WEEK

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 335) designating the week of September 13 through September 19, 1987, as "National Reye's Syndrome Awareness Week," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mrs. MORELLA. Mr. Speaker, reserving the right to object, I do not object but would like to inform the House that the minority has no objection to this legislation.

Further reserving the right to object, I yield to the gentleman from Michigan [Mr. SCHUETTE] who is the chief sponsor of House Joint Resolution 335 designating the week of September 13 through September 19, 1987 as "National Reye's Syndrome Awareness Week."

Mr. SCHUETTE. Mr. Speaker, I thank the gentlewoman from Maryland and I thank the gentleman from California for his support on this important legislation designating the week of September 13 through September 19, 1987, as "National Reye's Syndrome Awareness Week." We all know this deadly and tragic disease can strike and kill young people and I think it is important that with this resolution we increase the awareness and the cooperation of the public and the private sector in trying to find a cure for this disease.

I thank the gentlewoman for yielding and I thank the gentleman from California as well.

Mrs. MORELLA. Mr. Speaker, I commend the gentleman from Michigan for introducing this resolution.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 335

Whereas Reye's Syndrome is a disease of unknown cause that swiftly strikes children, adolescents and adults recovering from a viral illness;

Whereas because Reye's Syndrome has no cure, over 30 percent of its victims die and another 15-25 percent are left with brain damage;

Whereas recent medical research has proven a link between the use of aspirin (salicylate) and the development of Reye's Syndrome;

Whereas the Surgeon General, the Center for Disease Control, the American Academy of Pediatrics and the National Reye's Syndrome Foundation have issued warnings against the use of aspirin for children and young adults recovering from influenza-like illnesses and chicken pox;

Whereas the symptoms of Reye's Syndrome are unfamiliar to most citizens and health professionals, and this lack of knowledge often leads to misdiagnosis and improper treatment;

Whereas the current reporting of cases does not provide a true count of the incidence of the disease since comprehensive records are not maintained throughout the United States and more cases are annually reported to the National Reye's Syndrome Foundation than to the Center for Disease Control;

Whereas the National Reye's Syndrome Foundation is a volunteer organization with affiliates established throughout the continental United States and is supported by thousands of volunteers;

Whereas the goals of the National Reye's Syndrome Foundation are to assist in the communication of information on Reye's Syndrome to the general public and the medical community, to stimulate the scientific community by sponsoring symposiums, to support research that will identify the cause, develop a cure and lead to the prevention of Reye's Syndrome, to give families experiencing the personal trauma of Reye's Syndrome support and guidance, and to encourage the Federal Government to support and sponsor Reye's Syndrome research; and

Whereas there has been a lack of urgency to resolve the mystery of Reye's Syndrome at the Federal level: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of September 13 through September 19, 1987, is designated as "National Reye's Syndrome Awareness Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that week with appropriate ceremonies and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAYING SPECIAL TRIBUTE TO PORTUGUESE DIPLOMAT DR. DE SOUSA MENDES

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the resolution (H. Res. 162) paying special tribute to Portuguese diplomat Dr. de Sousa Mendes for his extraordinary acts of mercy and justice during World War II, and ask for its immediate consideration.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mrs. MORELLA. Mr. Speaker, reserving the right to object, I do not object but would like to inform this body that the minority has no objection.

Further reserving the right to object, I would like to have the House know that the gentleman from California, the Speaker pro tempore at this time, Mr. COELHO, is the chief sponsor of this very worthwhile resolution, House Resolution 162, because it does pay special tribute to the Portuguese diplomat Dr. de Sousa Mendes for his extraordinary acts of mercy and justice during World War II.

I would like to commend the Speaker on introducing this resolution. I would like at this time to yield to the chairman of our subcommittee, the gentleman from California [Mr. DYMALLY].

Mr. DYMALLY. I thank the gentlewoman for yielding.

Mr. Speaker, purely by accident I ended up in Lisbon, Portugal, last week and thought about you and thought about Dr. Mendes. I would like to commend the Speaker for his thoughtfulness and sensitivity in bringing this matter before the House and his effort to write a longstanding law.

Dr. Mendes, as a diplomat during World War II, signed hundreds of visas for Jews and others to escape through Spain and Portugal. These courageous acts were taken despite strict orders from his government not to give visas to those attempting to flee the Nazis.

Despite having saved 30,000 lives, Dr. Mendes was removed from his diplomatic office, forbidden to practice law, and forced into a life of poverty.

Recently, in a gesture of reconciliation, President Soares of Portugal presented the Order of Liberty to Dr. Mendes' children.

In further recognition of Dr. Mendes' valiant efforts, this resolution would express the sense of Congress that Dr. Mendes displayed extraordinary courage and integrity in the face of great personal risk.

In this small way, we perhaps can show Dr. Mendes' family the gratitude which was never afforded him during his lifetime.

I urge passage of this resolution.

Mrs. MORELLA. Mr. Speaker, further reserving my right to object, I would like to state that the gentleman from California, the chairman of the subcommittee, very eloquently stated the rationale behind his introducing this important resolution.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 162

Whereas during the early days of World War II, France became the home of European refugees from Nazi persecution;

Whereas following the collapse of the French Republic in June 1940, thousands of refugees fled south to Bordeaux, away from invading armies;

Whereas their only escape route from France was over the Pyrenees Mountains through Spain to neutral Portugal;

Whereas Portuguese diplomats were under specific orders by the government of Antonio de Oliveiria Salazar not to issue visas to Jews;

Whereas the Portuguese Consul to Bordeaux, Aristides de Sousa Mendes do Amaral e Abranches, remaining faithful to the dictates of his conscience, defied government orders and issued more than 30,000 Portuguese visas to stranded refugees, at least 10,000 of them Jews, saving them from almost certain death;

Whereas Portugal received international acclaim for its humanitarian treatment of Jews and other refugees during World War II;

Whereas Dr. de Sousa Mendes, the man responsible for saving more than 30,000 lives, was recalled to Lisbon, was dismissed from the Foreign Service, and, unable to practice law, died in poverty in 1954;

Whereas in 1967, Yad Vashem, the Martyrs and Heroes Remembrance Authority in Israel, posthumously awarded Dr. de Sousa Mendes a gold medal inscribed with the Talmudic dictum: "One who saves a human life saves, as it were, a whole world";

Whereas Israel's gratitude to Dr. de Sousa Mendes was again proclaimed in 1985 with the planting of a tree in his name in the Garden of the Righteous at Yad Vashem in Jerusalem; and

Whereas Dr. de Sousa Mendes served as Portuguese Consul to San Francisco in the 1920's, two of his children were born in California, and four of them are now residents and citizens of the United States; and

Whereas the Honorable Mario Soares, the President of Portugal, will confer posthumously on Dr. de Sousa Mendes the Ordem da Liberdade (the Order of Liberty), and will present this medal to the children of Dr. de Sousa Mendes at ceremonies at the Embassy of Portugal in the city of Washington, District of Columbia, on May 19, 1987: Now, therefore, be it

Resolved, That, the House of Representatives pays special tribute to Portuguese diplomat Dr. Aristides de Sousa Mendes do Amaral e Abranches for his extraordinary acts of mercy and justice during World War II.

SEC. 2. The Clerk of the House of Representatives shall transmit copies of this resolution to the President. The President is requested to transmit a copy of this resolution to the President of the Republic of Portugal and the President of the Assembly of the Republic of Portugal.

The resolution was agreed to.

AMENDMENT TO THE PREAMBLE OFFERED BY MR. DYMALLY

Mr. DYMALLY. Mr. Speaker, I offer an amendment to the preamble.

The Clerk read as follows:

Amendment to the preamble offered by Mr. DYMALLY: page 3, in the last clause of the preamble, strike "will confer" and insert in lieu thereof "conferred", and strike "will present" and insert in lieu thereof "presented.".

The amendment to the preamble was agreed to.

A motion to reconsider was laid on the table.

NATIONAL ADULT DAY CARE CENTER WEEK

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 268) designating the week beginning on the third Sunday of September in 1987 and 1988 as "National Adult Day Care Center Week," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from California?

Mrs. MORELLA. Mr. Speaker, reserving the right to object, I do not object but would like to inform the body that the minority has no objection to this legislation.

Mr. Speaker, the gentleman from Michigan [Mr. HERTEL] who is the chief sponsor of this resolution, is not here but I do commend him for introducing this resolution and as cosponsor of House Joint Resolution 268 I am pleased to rise in support of this resolution to designate the third week of September as "National Adult Day Care Center Week."

This legislation recognizes the importance of adult day care services to our elderly. According to a 1985 survey conducted by the National Council on Aging, there are at least 1,200 adult day care centers in this country. These services are vital to preventing the institutionalization of many elderly individuals.

At this time, Medicare does not provide coverage for adult day care. However, the House-passed Medicare Catastrophic Protection Act requires the Department of Health and Human Services to conduct a survey of adult day care services currently being provided in this country. Based on the findings of the study, the bill directs the department to report to Congress within 1 year on recommendations concerning appropriate standards for the coverage of adult day care services under Medicare. I supported the Medicare catastrophic legislation and I will be working with my colleagues on the Select Committee on Aging to review this study and its recommendations for providing coverages for adult day care services.

I commend the gentleman from Michigan for introducing this resolution, and I urge my colleagues to vote for its passage.

Mr. Speaker, I withdraw my reservation of objection.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from California?

There was no objecion.

The Clerk read the joint resolution, as follows:

H.J. RES. 268

Whereas more than 1,200 adult day care centers are in operation nationwide, providing safe and positive environments to functionally disabled adults and senior citizens who are in need of daytime assistance or supervision;

Whereas adult day care centers have comprehensive programs providing a variety of services related to health, including medical therapy, medication monitoring, counseling, and health education;

Whereas adult day care centers are operated by professional staffs which identify individual health needs and give appropriate advice;

Whereas adult day care centers assist functionally disabled adults and senior citizens in maintaining a maximum level of independence;

Whereas adult day care centers provide opportunities for social interaction to individuals who otherwise may be socially isolated; and

Whereas adult day care centers offer relief to families who otherwise must provide constant care to functionally disabled adults and senior citizens, including victims of Alzheimer's disease and other forms of dementia: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning on the third Sunday of September in 1987 and 1988 is designated as "National Adult Day Care Center Week". The President is requested to issue a proclamation calling on the people of the United States to observe such week with appropriate ceremonies and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL FAMILY CAREGIVERS WEEK

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 130) to designate the week beginning November 22, 1987, as "National Family Caregivers Week," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from California?

Mrs. MORELLA. Mr. Speaker, reserving the right to object, I do not object but would like to inform the House that the minority has no objection to this legislation.

Mr. Speaker, further reserving the right to object, I would like to yield to the gentlewoman from Maine who is the chief sponsor of House Joint Resolution 130, designating the week beginning November 22, 1987, as "National Family Caregivers Week."

Ms. SNOWE. Mr. Speaker, I thank the gentlewoman for yielding to me.

Mr. Speaker, I would like to thank Mr. DYMALLY, the chairman of the Subcommittee on Census and Population, and the ranking minority member of the subcommittee, Mrs. MORELLA, for bringing to the floor, House Joint Resolution 130, designating the week of November 22, 1987, as "National Family Caregivers Week." This bill, which is identical to Senate Joint Resolution 46, received the support of more than half the Members of the House. I appreciate the interest and support of my colleagues in recognizing the contribution made by families in maintaining frail and disabled family members in the home.

Last year, for the first time, Congress passed and the President signed this important bill into law. It is important because it recognizes and honors the work of families who provide a network of informal care in the community. Indeed, because it is one of the most critical factors in preventing or delaying the need for nursing home care, family care is not only humane, but also cost-effective.

Recent studies have shown that families provide between 80 percent and 90 percent of the medically related care, personal care, household maintenance, transportation, and shopping needed by older persons. Thus, while the myth has persisted that families have decreased the amount of care they provide, the reality is that the family remains committed to the care of the elderly, often at a great cost, both financially and emotionally.

Family caregiving is of particular importance to those of us who are concerned about the growing need for long-term care. Alzheimer's disease and other related disorders exemplify long-term care challenges that we will face in the future. In the management of dementia, as with other long-term illnesses, the family plays a crucial role. Generally, one or more family members assume the responsibility of providing care for the individual with the disease. In point of fact, the presence of a family caregiver is the principal reason that those who suffer from Alzheimer's and other related diseases can remain in the community as long as possible.

In 1986, when "National Family Caregivers Week" was introduced and signed into law, the outpouring of support was profuse. Excitement developed because caregivers finally were gaining national recognition for their important work. I am glad that we can, once again, reaffirm congressional support for the important work of the family in providing care to those who are frail and disabled.

If "National Family Caregivers Week" serves to help caregivers feel less alone, or if it serves to foster understanding in the general public, then it will, indeed, accomplish its goal. I hope that November 22d will begin a week of national celebration as we affirm the vital role of family caregivers and the important contribution that they make.

Again, Mr. Speaker, I thank the chairman and the ranking minority member for their support of this joint resolution and urge its adoption.

Mrs. MORELLA. Further reserving the right to object, Mr. Speaker, I would like to salute the gentlewoman from Maine for introducing this joint resolution.

Mr. Speaker, I rise in support of House Joint Resolution 130 designating the week beginning November 22, 1987, as "National Family Caregivers Week."

Modern medicine and health practices have given us a longer life expectancy. And, though we are blessed with family members being together for a longer time, there are many problems which accompany this phenomenon.

People, as they become older, become frail and disabled; 5.2 million of our elderly have disabilities which render them in need of basic daily care. Statistics show that between 80 and 90 percent of the families provide this care incurring additional expense and commitment in time and energy, often sacrificing personal advancement. This involvement of caregiving strengthens the family bonds and gives the younger generation an opportunity to know, respect and serve their elders.

House Joint Resolution 130 calls for greater public awareness of family care-givers and encourages support of these dedicated people. I am pleased to be a cosponsor of House Joint Resolution 130 and encourage all Members to support the bill.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 130

Whereas the number of Americans who are sixty-five or older is growing, with an unprecedented increase in the number of persons eighty-five or older;

Whereas the incidences of frailty and disability increase among persons of advanced age;

Whereas approximately 5.2 million older persons who reside in the community have disabilities that leave them in need of help with such daily tasks as food preparation, dressing, and bathing;

Whereas families provide older persons help with such tasks, in addition to between 80 and 90 percent of the medical care, household maintenance, transportation, and shopping needed by older persons;

Whereas families who give care to older persons face many additional expenses due to home modifications, equipment rental, and higher heating bills;

Whereas 80 percent of the disabled elderly receive care from family members, most of whom are wives, daughters, and daughters-in-law, who often must sacrifice employment opportunities to provide such care;

Whereas the role of the aged spouse as a principal caregiver has generally been understated;

Whereas family caregivers are often physically and emotionally exhausted from the time and stress involved in caregiving activities;

Whereas family caregivers need information about available community resources;

Whereas family caregivers need respite from the strains of their caregiving roles;

Whereas the contribution of family caregivers helps maintain strong family ties and assures support among generations; and

Whereas there is a need for greater public awareness of and support for the care that family caregivers are providing: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning November 22, 1987, is designated "National Family Caregivers Week". The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL POW/MIA RECOGNITION DAY

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 49) to designate September 18, 1987, as "National POW/MIA Recognition Day," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mrs. MORELLA. Mr. Speaker, reserving the right to object, I do not object but would like to inform the House that the minority has no objection to this legislation.

Mr. Speaker, further reserving the right to object, it gives me great honor to yield time to the gentleman from California [Mr. LAGOMARSINO].

Mr. LAGOMARSINO. I thank the gentlewoman for yielding.

Mr. Speaker, as the chairman of the House task force on the missing-in-action, I rise in strong support of House Joint Resolution 100, "National POW/MIA Recognition Day." Designating September 18 as a National Day of Remembrance is a very important signal to the Vietnamese and the rest of the world that we do care about the fate of our missing servicemen in Indochina and that we will not let this issue die.

I am encouraged by the positive results of General Vessey's mission to Hanoi. While the Vietnamese have made pledges to cooperate on this important humanitarian issue of our POW/MIA's before and while they have ignored these past commitments, their recent reaffirmation of this pledge does give me some reason to be hopeful. The Vietnamese have long sought a meeting with a high-level emissary like General Vessey. I believe that General Vessey's ability to concentrate on solely humanitarian issues, with the POW/MIA situation being the main focus, despite Vietnamese pressures to include broader, political matters is a positive step forward. Of course positive actions by the Vietnamese on behalf of our POW/MIA's would speak much louder than words. I eagerly look forward to being briefed by General Vessey and his delegation about their timely mission. While going forward with these diplomatic initiatives, we must continue with our intelligence and other activities and stand ready to take the appropriate actions resulting from our findings.

I believe progress toward bringing our brave missing servicemen home can be made, despite the numerous obstacles we have yet to surmount, so long as we provide the same solid determination we have already demonstrated. Patience is a difficult but necessary factor when dealing with the Vietnamese. However, I believe our patience and determination is beginning to pay off. The path ahead of us is clear and there is reason to hope for progress. As Senator Jeremiah Denton told the participants of the POW/MIA Recognition Day program at the Capitol last year, the worst feeling a family endures is that of "not knowing"—not knowing if their brother, son, or father is dead or alive, in captivity or in hiding. President Reagan has taken the lead on this issue, making the resolution of these questions a top national priority. I know the House task force and I have joined the President in our commitment to these missing servicemen's proud but longing families.

Officially designating September 18 as "National POW/MIA Recognition Day" provides concerned citizens with a foundation from which to plan programs and awareness projects on behalf of America's unaccounted for servicemen in Southeast Asia. On this day, America is officially broadcasting that it will remain steadfast with our courageous POW/MIA's and their families and will keep the faith. We will use the symbol of this day of recognition to underscore our commitment and reaffirm that "we will not forget."

□ 1455

Mrs. MORELLA. Mr. Speaker, further reserving the right to object, I would like to compliment the chairman of the task force, the gentleman from California [Mr. Lagomarsino], on his very eloquent and very hopeful statement.

Mr. Speaker, I yield under my reservation to the gentleman from New York [Mr. Gilman].

Mr. GILMAN. Mr. Speaker, I am pleased to rise in support of this important resolution, Senate Joint Resolution 49, establishing September 18, 1987, as "National POW/MIA Recognition Day." I wish to commend our distinguished colleague from New York, the distinguished subcommittee chairman, Mr. Solarz, as well as the chairman of our House task force on POW/MIA's, Mr. Lagomarsino, for shepherding this resolution onto the floor.

Mr. Speaker, 1987 marks the 15th consecutive year that I have either introduced or cosponsored this legislation. I earnestly hope that this is the last year that it will be necessary to do so—that, by this time in 1988, we will finally have achieved a full accounting of all our missing American heroes.

Many of us in this Chamber have fought the good fight for most of those 15 years. We have endured apathetic and disinterested bureaucrats, uncaring administrations, public apathy, and unawareness of the situation.

Today, we are closer to our goal than ever before. At long last, we have an administration that has pledged a top priority to this issue. The Defense Intelligence Agency is working diligently on a 24-hour basis to resolve this issue.

Even now, as we speak, retired Gen. John W. Vessey, Jr., is concluding his mission to Hanoi, where he and his nine-member mission were sent by the President in our latest efforts to obtain a full accounting of our missing.

General Vessey called the talks "detailed, candid and constructive." Although the details of the mission will not be known until after General Vessey reports to the President, we are at least heartened to know that progress is being made.

We must recognize that any final resolution of the POW/MIA issue must be brought about through government-to-government negotiations. Any suggestions that American prisoners may be released through paramilitary means are not only ill-conceived; they are counterproductive.

The best way that Americans can expedite a full accounting of our POW's and MIA's from Southeast Asia is to demonstrate that our Nation is strongly united on this issue. Accordingly, Mr. Speaker, the adoption of House Resolution 100 is an excellent way to demonstrate the concern that we all share for our missing American heroes, and will provide an excellent vehicle for educating the American people regarding our untiring efforts and dedication to bring them all home.

Mr. Speaker, let us observe September 18 as a day of solemn determination, all to do what we can to support our Government's efforts to reunite all Americans with their families and their loved ones. For those who gave so much or can do no less.

Mrs. MORELLA. Mr. Speaker, further reserving the right to object, I really want to compliment the gentleman from New York [Mr. Gilman] on his very moving and committed statement.

Mr. DYMALLY. Mr. Speaker, will the gentleman yield?

Mrs. MORELLA. I yield to the chairman of the subcommittee, the gentleman from California.

Mr. DYMALLY. Mr. Speaker, I rise in support of Senate Joint Resolution 49 and its House companion measure, House Joint Resolution 100, which designate September 18, 1987, as "National POW/MIA Recognition Day."

Our prisoners of war and our missing-in-action are constant reminders to us all of the price we must pay to secure our freedom and democracy. It is important that all Americans recognize and pay tribute to these fellow-citizens whose fates are now unknown because of their pledge to defend our country and its constitution.

Senate Joint Resolution 49 is also an appropriate salute to the families of our POW/MIA's, who have continued to maintain hope that their loved ones will return. It is their dedication to which we owe much of the effort undertaken by our Government to seek a resolution of this problem.

This measure also would encourage us, as policymakers, to continue seeking appropriate avenues to locate, and gain, the release of our POW/MIA's.

As a member of the House task force on POW/MIA's, I am aware of the difficulties surrounding this entire issue. It is my hope, however, that with the passage of Senate Joint Resolution 49, the celebrations and ceremonies held on this day will serve to remind us all that we must continue to do all we can to bring these soldiers home.

Mr. Speaker, I would like to commend the authors of both measures, and would particularly like to express my appreciation for the leadership taken by my good friends from New York, Mr. Solarz, and Mr. Gilman, Mr. Solomon, and Mr. Lagomarsino of California, on this matter.

I urge the adoption of Senate Joint Resolution 49.

Mr. SOLOMON. Mr. Speaker, it has been 14 long years since the signing of the Paris peace accords. The early part of this period was regrettably characterized in many quarters by a desire to look away from our national experience in Vietnam and the questions connected with it, but I have been happy to see that, in every year since this period began, an ever-growing number of Americans has insisted that we not overlook or forget one very important question: The fate of our missing men from that war in Southeast Asia.

We again this year take that important step that ensures that the efforts to resolve this question will receive the support of all Americans. That simple yet vital step is the designation of September 18, 1987, as "National POW-MIA Recognition Day." While the struggle to discover the fate of these men continues, this national day of recognition can and does provide a focus by which all Americans can keep alive their thoughts of these men, and, equally important, of their families and friends.

Today, as we consider this important resolution, we can also take note of the strength of those efforts being made by President Reagan on behalf of these men and their families. I know that all of us here today have the highest hopes for General Vessey's humanitarian mission and also hold the strong determination to continue those efforts necessary to resolve this matter of highest national priority.

Mr. BROOMFIELD. Mr. Speaker, I urge my colleagues to support Senate Joint Resolution 49, a resolution establishing December 18 as a day of remembrance for American POW's and MIA's in Southeast Asia.

Last week the House supported a resolution of optimism regarding the negotiations between Gen. John Vessey, President Reagan's special POW/MIA emissary to Vietnam, and the Vietnamese Government in Hanoi.

General Vessey is the highest ranking United States official to travel to Vietnam in an effort to resolve the problem of Americans missing in Southeast Asia. President Reagan's appointment of General Vessey is another indication of the high priority this administration has placed upon accounting for the 2,413 Americans missing in action during our involvement in Southeast Asia. The Vietnamese must understand that resolution of this issue is absolutely necessary before progress in other areas of our relationship can even be considered.

It is tragic that these problems persist more than a decade after the conclusion of the Vietnam war. I strongly urge my colleagues to support General Vessey's mission, and to join the sponsors of this resolution in calling for the full cooperation of the Vietnamese Government in these talks.

Mrs. MORELLA. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. COELHO). Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 49

Whereas the United States has fought in many wars;

Whereas thousands of Americans who served in such wars were captured by the enemy or are missing in action;

Whereas many American prisoners of war were subjected to brutal and inhuman treatment by their enemy captors in violation of international codes and customs for the treatment of prisoners of war and many prisoners of war died from such treatment;

Whereas many Americans are still listed as missing and unaccounted for and the uncertainty surrounding their fates has caused their families to suffer acute hardship; and

Whereas the sacrifices of American prisoners of war and Americans missing in action and their families are deserving of national recognition: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That September 18, 1987, shall be designated as "National POW/MIA Recognition Day", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TWENTIETH ANNIVERSARY OF ESTABLISHMENT OF THE ASSOCIATION OF SOUTHEAST ASIAN NATIONS [ASEAN]

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged for further consideration of the concurrent resolution (H. Con. Res. 174) expressing the sense of the Congress regarding the 20th anniversary of the establishment of the Association of Southeast Asian Nations [ASEAN], and ask for its immediate consideration in the House.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. LAGOMARSINO. Mr. Speaker, reserving the right to object, I rise in strong support of this concurrent resolution.

I think it is extremely appropriate that we recognize this 20th anniversary of ASEAN. Most of these countries have performed an economic miracle in that part of the world. The only one that has not, the Philippines, is well on its way. Recently, the chairman of the Subcommittee on Asian and Pacific Affairs and I and several other Members visited the Philippines for the celebration of the installation of the first democratically elected congress in that nation in many years, and we heard details of how the Philippines is coming back economically. So I think, with what is happening in the Philippines, all of ASEAN is making remarkable good progress.

Further reserving the right to object, Mr. Speaker, I yield to the ranking minority member of the subcommittee, the gentleman from Iowa [Mr. LEACH].

Mr. LEACH of Iowa. Mr. Speaker, I rise in support of House Concurrent Resolution 174, which commends the nations of ASEAN—the Association of Southeast Asian Nations—on the occasion of their 20th anniversary. ASEAN's success in establishing a model for regional cooperation has contributed to peace, progress, and stability in Southeast Asia.

The resolution, expresses the sense of the Congress that the United States should continue to support economic and social development in ASEAN-member states, explore ways to promote free and fair U.S.-ASEAN trade, and support ASEAN's efforts to achieve a just, negotiated political settlement to the Cambodian conflict.

Not only are the member states of ASEAN—Brunei, Indonesia, Malaysia, the Philippines, Singapore, and Thailand—closely bound together by regional ties of shared history, culture, and common objectives, but they share as well an affinity of interests and concerns with the United States.

Like the United States, the ASEAN states are committed to market-oriented policies; ASEAN countries rank seventh as trading partners of the United States and the United States has been the largest source of direct investment and technology transfer to these countries in recent years.

In areas of foreign policy, ASEAN has played the lead role in efforts to resolve the conflict in Cambodia and to bring an end to Vietnamese occupation. The United States firmly supports those efforts and commends ASEAN for its leadership in addressing this threat to regional stability.

ASEAN member states have also played a constructive role in international fora, like the United Nations and multilateral trade negotiations.

ASEAN stands as a testament to the necessity and practicability of regional cooperation. Diversity has lent a richness to their association as a group, rather than undercut it. And their cooperation can serve as a model for other regions where such well-developed collective ties have not yet been developed.

Apart from arms control, the most fundamental issue of world politics is the advancement of international law and the strengthening of international institutions. No country, in this 20th century, has the capacity to go it alone. Not only have leaders from ASEAN states contributed to the building up of international institutions and international law, their efforts over the last 20 years to show how international cooperation at the regional level can work to the benefit of all its members as well as the international community at large is reflected in the model which ASEAN represents today.

In closing, I would note that Secretary of State Shultz recently traveled to the region and met with ASEAN Foreign Ministers at the annual postministerial conference of dialog partners. I commend the administration for the high level attention it directs to our relations with ASEAN and its individual member states and hope that our fruitful relations with these countries will continue to strengthen in the decades ahead.

I believe it is important for us to offer our special congratulations to ASEAN on this special occasion and urge my colleagues to lend House Concurrent Resolution 174 their unanimous support.

Mr. DYMALLY. Mr. Speaker, will the gentleman yield?

Mr. LAGOMARSINO. Further reserving the right to object, Mr. Speaker, I yield to the gentleman from California.

Mr. DYMALLY. Mr. Speaker, I, too, want to congratulate my colleagues for the bipartisan support they have given to the Subcommittee on Asian and Pacific Affairs over the years as we have seen the development of full democracy in the countries of Asia. It is very appropriate that they have joined again in this bipartisan effort to observe the 20th anniversary of the ASEAN countries.

Mr. Speaker, I thank the gentleman for yielding to me.

Mr. LAGOMARSINO. Mr. Speaker, I thank the gentleman from California [Mr. Dymally], and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Califonrnia?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. Con. Res. 174

Whereas August 8, 1987, marks the twentieth anniversary of the establishment of the Association of Southeast Asian Nations (ASEAN);

Whereas the ASEAN nations—Brunei, Indonesia, Malaysia, the Philippines, Singapore, and Thailand—are bound together by ties of history and culture and have recognized the importance of mutual understanding and cooperation in the achievement of their common objectives;

Whereas during the past two decades, the ASEAN nations have endeavored to promote such cooperation in the spirit of equality and partnership for the purpose of promoting peace, progress, prosperity, and cultural development in their region;

Whereas the ASEAN nations have conducted their relations with other countries in accordance with justice, the rule of law, and the principles of the United Nations Charter;

Whereas the ASEAN nations share many common interests with the United States and have pursued a policy of dialogue and cooperation with the United States on international political and economic issues of common concern; and

Whereas ASEAN's contribution to the stability and development of Southeast Asia, and the ASEAN nations' mutually beneficial relations with the United States, have significantly contributed to United States interests: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress commends the governments and peoples of the member nations of the Association of Southeast Asia Nations (ASEAN) for their success in establishing a model for regional cooperation which has contributed to the peace, progress, and stability of Southeast Asia for the past two decades.

Sec. 2. It is the sense of Congress that—

(1) the United States should continue to support the economic and social development of the ASEAN nations, which is based on a commitment to the private enterprise system, and should continue to explore with the governments of those nations ways of promoting free and fair trade between the United States and the member nations of ASEAN; and

(2) the United States should continue to firmly support ASEAN's efforts to secure a just, negotiated political settlement of the conflict in Cambodia.

Sec. 3. The Clerk of the House of Representatives shall transmit a copy of this resolution to the President for transmission to the Chairman of the ASEAN Standing Committee.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

NATIONAL COMMUNITY EDUCATION DAY

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 87) to designate November 17, 1987, as "National Community Education Day," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mrs. MORELLA. Mr. Speaker, reserving the right to object, I do not object, but I would like the body to know that the minority has no objection to this legislation being considered.

Mr. Speaker, further reserving the right to object, I would like to complement the gentleman from Michigan [Mr. Kildee] who is the chief sponsor of House Joint Resolution 24, to designate November 17, 1987, as "National Community Education Day."

Mr. KILDEE. Mr. Speaker, I rise today in support of House Joint Resolution 24, which designates November 17, 1987, as "National Community Education Day."

Community education began in Flint, MI, in 1935. Its goal is to make educational resources in a community available to learners of all ages, and to encourage citizens to enrich themselves and their neighborhoods. Community education advocates a process through which citizens, schools, Government agencies, and local organizations work together to offer education, recreation, and human services. For years, Flint has served as such a model city, showing how effectively this creative process can work to promote interagency cooperation and community involvement. Success in Flint has led to the adoption of community education programs in an estimated 3,500 school districts in this country and around the world.

During the 99th Congress, a joint resolution designating November 18, 1986, as "National Community Education Day," was enacted into law. In addition, within the last 5 years, over 40 Governors have proclaimed Community Education Days in their States. These State observances have served as occasions to recognize and support strong relationship between public schools and the communities they serve. The day also provides cities and schools an opportunity to showcase collaborative programs and projects, as well as to develop new community partnerships in support of public education. Past State Community Education Day events have included school open houses, exhibits and demonstrations, school-community-business luncheons, interagency workshops and meetings, poster and essay contests, and school-community awards programs.

I urge my colleagues support for this measure.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. Res. 87

Whereas public education is a community enterprise, and everyone in the community has a stake in the mission of educating adults as well as the community's children;

Whereas local citizens have a right and a responsibility to be involved in deciding how the educational resources of the community should be used;

Whereas education reform should, in the words of A Nation at Risk, "focus on the goal of creating a Learning Society";

Whereas the goal of community education is to promote parental involvement, lifelong learning, and educational partnerships;

Whereas each community should promote the use of community resources in schools and colleges, citizens involvement in educational decisionmaking, the use of community resources to provide educational opportunities for learners of all ages and educational backgrounds, and interagency cooperation to assure effective use of limited resources; and

Whereas community education encourages the participation of all generations: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That November 17, 1987, is designated as "National Community Education Day", and the President is requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RECOGNIZING EFFORTS OF THE U.S. SOCCER FEDERATION IN BRINGING THE WORLD CUP TO THE UNITED STATES IN 1994

Mr. BOUCHER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate joint resolution (S.J. Res. 175) to recognize the efforts of the U.S. Soccer Federation in bringing the World Cup to the United States in 1994, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate joint resolution.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Virginia?

Mr. **BLILEY.** Mr. Speaker, reserving the right to object, I do so for the purposes of yielding to my colleague, the gentleman from Virginia [Mr. BOUCHER], for an explanation of this joint resolution.

□ 1510

Mr. **BOUCHER.** Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, Senate Joint Resolution 175 expresses congressional support for the efforts of the U.S. Soccer Federation to bring the world cup soccer matches to the United States in 1994 and directs the Secretary of Commerce to assist in that effort. It is companion legislation to a House measure which enjoys the sponsorship of 50 of our colleagues.

Soccer is flourishing at all levels in the United States. One need only drive by a public park or playground to know that soccer has experienced a remarkable increase in popularity among young people in America. Half of the 5-million athletes now playing in organized soccer leagues are under the age of 20, and the number of youngsters playing soccer has increased tenfold in the last 12 years.

Soccer has also become the fastest growing team sport in America's colleges. In fact, the number of colleges and universities which currently sponsor soccer programs exceeds the number which sponsor football programs.

The resolution affirms what millions of Americans already know: soccer is now an American sport.

Soccer is also a growing business, and the economic benefits of hosting the 1994 World Cup will be substantial. Gate receipts, advertising revenues, tourist dollars and other related expenditures add up to a tourism windfall for the cities that will host the 52 preliminary and final matches.

Mr. Speaker, Senate Joint Resolution 175, which sets out the USA's official "welcome mat" to the International Soccer Federation, is before us at a most propitious time. Next month, the U.S. Federation will make its initial presentation in the contest to host the 1994 games. By passing the resolution we can make the Congress an ally in this most worthwhile effort.

I urge my colleagues to support the resolution.

Mr. **BLILEY.** Mr. Speaker, further reserving the right to object, I yield to the gentleman from California [Mr. DYMALLY].

Mr. **DYMALLY.** Mr. Speaker, I thank the gentleman for yielding.

I have the privilege of serving with the gentleman on the Committee on the District of Columbia, and with the gentleman on the Committee on Energy and Commerce.

I want the gentleman to know that not only did I yield to the gentleman because of my great respect, but because more importantly, I am a big soccer fan.

Mr. **BLILEY.** Mr. Speaker, I thank the gentleman, and I thank the gentleman for his indulgence.

Mr. Speaker, with that, I state the minority has reviewed this. We wholeheartedly support it.

Mr. Chairman, I withdraw my reservation of objection.

The **SPEAKER** pro tempore (Mr. COELHO). Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 175

Whereas soccer is one of the world's most popular sports and the World Cup is the single most important event in that sport;

Whereas the 1986 World Cup games had a television audience of 12.8 billion with a live attendance of over 2.4 million;

Whereas the United States Soccer Federation is seeking to bring the World Cup games to the United States in 1994;

Whereas the United States is capable of meeting all of the requirements of a host country including financing, transportation, security, communications, and physical accommodations; and

Whereas the World Cup would serve as a tremendous impetus to national and international tourism, because the games would bring people from all nations together in friendly competition and permit these people to experience, first hand, the American way of life: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That Congress recognizes the efforts of the United States Soccer Federation to bring the World Cup to the United States in 1994, and the President of the United States is authorized and requested to designate the Secretary of Commerce as the official representative of the United States Government in any discussions with the Federation Internationale de Football Association.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. **BOUCHER.** Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate joint resolution just passed.

The **SPEAKER** pro tempore (Mr. KENNEDY). Is there objection to the request of the gentleman from Virginia?

There was no objection.

NATIONAL DIABETES MONTH

Mr. **DYMALLY.** Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 44) to designate November 1987, as "National Diabetes Month," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from California?

Mrs. **MORELLA.** Mr. Speaker, reserving the right to object, I do not object, but would like the body to know the minority has no objection to this legislation.

Further reserving the right to object, I would like to compliment the gentleman from Maryland [Mr. HOYER], who is the prime sponsor of this legislation.

Mr. HOYER. Mr. Speaker, I am extremely grateful for the expeditious consideration by the Committee on Post Office and Civil Service of Senate Joint Resolution 44, which designates November 1987 as "National Diabetes Month." On behalf of Congressman ALAN B. MOLLOHAN of West Virginia and the 217 Members of the House of Representatives who joined us in sponsoring the House version of this legislation, House Joint Resolution 254, I would like to thank Congressman MERVYN DYMALLY of California, the chairman of the Subcommittee on Census and Population, and Congresswoman CONSTANCE A. MORELLA of Maryland, the ranking minority member of the subcommittee. It should be noted that both are also among the cosponsors of House Joint Resolution 254.

This is the fifth consecutive year, I have had the privilege of working with the American Diabetes Association to promote the commemoration of "National Diabetes Month." The 100th Congress, by passing this legislation, has called public attention to the human and economic costs of diabetes. I am convinced that this public attention and awareness can only help to promote greater understanding of the challenges we face in mitigating the impact of the disease. It also provides a forum for seminars, speeches, workshops, and other educational and informational activities designed to help educate the public in diagnosing, treating, and dealing with diabetes. Finally, this commemorative underscores the urgent need for continuing to fund biomedical research.

Nearly 1 American in 20 has diabetes. However, despite the fact that this disease is the third leading cause of death in the United States, nearly half of the victims of diabetes do not even realize that they are diabetic. This year, 600,000 Americans will learn that they suffer from diabetes, and over $14 billion will be expended as a result of diabetes on health care, disability payments, and the costs associated with premature mortality. My colleagues may also be interested in knowing that diabetes is particularly prevalent among black Americans, Hispanic Americans, native Americans, and women. Indeed, women are twice as often victims as men and blacks are twice as often victims as whites.

Last year, the National Diabetes Advisory Board, which advises the Congress and the

Secretary of Health and Human Services on the implementation of the long-range plan to combat diabetes, issued an annual report that was an amalgam of good and bad news. On the distressing side, the report noted:

Diabetes is the leading cause of new blindness in adults between the ages of 20 and 74 and is responsible for higher rates of cataracts and glaucoma in people with diabetes;

Diabetes accounts for 25 percent of all new cases of end-stage renal disease;

After 20 years of diabetes, 45 percent of people with the disease have peripheral vascular disease, a rate four to seven times higher than in the general population;

People with diabetes are twice as likely as the general population to die of heart disease;

The incidence of strokes is two to six times higher in people with diabetes;

The perinatal death rate in infants of diabetic mothers is two to four times higher than in nondiabetic pregnancies; and

Diabetic ketoacidosis, an acute complication of uncontrolled diabetes, contributes to 10 percent of diabetes-related deaths each year.

On a more positive note, the National Diabetes Advisory Board added:

> Despite these rather bleak statistics, the future for people with diabetes appears promising. Major advances in biomedical research have greatly expanded our understanding of the pathogenesis of diabetes. Our ability to treat the disease and to prevent or reduce the severity of some of its complications has improved markedly.

Thus, the passage of Senate Joint Resolution 44 is particularly important. This legislation contributes to a greater understanding and awareness of diabetes and encourages enhanced efforts at treating and defeating it.

Once again, Mr. Speaker, I would like to thank my colleagues in the House for cosponsoring House Joint Resolution 254. Millions of Americans who suffer from diabetes are grateful for your support.

Mrs. MORELLA. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request the gentleman from California?

There was no objection.

The Clerk read the Senate joint resolution as follows:

S.J. Res. 44

Whereas diabetes is the third leading cause of death, killing more than all other diseases except cancer and cardiovascular diseases;

Whereas diabetes afflicts 11 million Americans and over five million of these individuals are not aware of their illness;

Whereas nearly $14,000,000,000 annually are spent on health care costs, disability payments and premature mortality costs due to diabetes;

Whereas up to 85 per centum of all cases of non-insulin dependent diabetes may be preventable through greater public understanding, awareness, and education;

Whereas diabetes is particular prevalent among black, Hispanic, and Native Americans, and women;

Whereas diabetes is the number one cause of new blindness in people between the ages of twenty and seventy-four, and is a leading cause of kidney disease, heart disease, strokes, birth defects, and lower life expectancy, the severity of which all may be reduced through greater patient and public understanding, awareness, and education: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the month of November 1987 is designated as "National Diabetes Month" and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that month with appropriate programs, ceremonies, and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LUPUS AWARENESS MONTH

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 157) to designate the month of October 1987, as "Lupus Awareness Month," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mrs. MORELLA. Mr. Speaker, reserving the right to object, I do not object, but would like the body to know that the minority has no objection to this legislation.

Mr. Speaker, further reserving the right to object, I yield to the gentleman from California, the chairman of the subcommittee.

Mr. DYMALLY. Mr. Speaker, I thank the gentlewoman for yielding to me.

Mr. Speaker, this malady, lupus, first came to my attention as a member of the California Senate by my very good friend, Assemblyman Bane and his wife, Dr. Marlene Rothstein.

I had known nothing about it, but these two dedicated people have given much of their time, energy, and money to finding a cure for this disease.

They have done considerable work in the California Legislature by securing funds and doing a number of community-oriented activities to bring this problem to the attention of the Californians in particular and Americans in general.

I want to take this opportunity to say to the Members, Assemblyman Bane and Dr. Rothstein, how very grateful I am to them for bringing this whole question to the attention of this country.

I want to pay tribute to them for their past contributions toward this effort.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I am delighted that we are able to bring House Joint Resolution 346 before the Congress today, legislation which will designate October 1987, as "Lupus Awareness Month."

On behalf of the bill's 223 cosponsors, the Lupus Foundation of America, and above all, the 500,000 Americans who suffer from this debilitating disease, I wish to say that the passage of this bill will help us to address some very basic needs of lupus victims, their families and friends. First, we will increase public knowledge. Second, increased awareness will spur research for a cure. Finally, the passage of this bill will provide a new sense of hope and resolve for those who suffer from it.

Lupus is a chronic inflammatory autoimmune disease. It can afflict any part of the body, and can strike anyone, although 90 percent of its victims are young women in their childbearing years. Its effects can be devastating, as it can cause the deterioration of internal organs. Lupus' symptoms are often similar to epilepsy, arthritis, and even psychosis, making this great impersonator difficult for physicians to diagnose and to treat.

The deceptive and incurable nature of this disease makes increased research an essential priority. In addition, we need to find therapies that allow lupus victims to lead normal, productive lives.

Lupus victims suffer enormously, not only from the disease, but from the side effects which can accompany treatment. These can include osteoperosis and deformations of the face and body. In one documented case, a victim fractured all her vertebrae because her bones were so weakened by a large dose of medication.

No less a priority is increased public awareness. Even those family members and friends of lupus victims often cannot fully comprehend the agony and suffering which its victims endure if the disease goes into remission.

Moreover, those who suffer from this disease often develop pyschological problems due to the fatigue and depression that lupus causes. As a result, victims become alienated from family and friends, at a time when their need for emotional support is crucial.

Mr. Speaker, I cannot emphasize enough the need for House Joint Resolution 346. This resolution will cost the Federal Government nothing, but it will provide a new sense of hope and resolve to those stricken with a terrible and mysterious malady.

Mrs. MORELLA. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. Res. 157

Whereas Lupus Erythematosus is a disease of unknown cause that affects over five-hundred thousand people in the United States, 90 percent of whom are women in their childbearing years;

Whereas Lupus Erythematosus, though not a rare disease, is unfamiliar even to some physicians which may result in the disease being misdiagnosed or diagnosed too late;

Whereas Lupus Erythematosus in the most severe form can be fatal;

Whereas The Lupus Foundation of America, Inc., its constituent chapters, and other voluntary health organizations are established throughout the United States to serve and support victims of lupus and their families, encourage funding for research, and increase public awareness; and

Whereas the public and the Federal Government are not sufficiently aware of the incidence of Lupus Erythematosus: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the month of October 1987, is designated as "Lupus Awareness Month" and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe the month with appropriate programs, ceremonies, and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mrs. MORELLA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate joint resolution just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

NATIONAL NEIGHBORHOOD CRIME WATCH DAY

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 121) designating August 11, 1987, as "National Neighborhood Crime Watch Day," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mrs. MORELLA. Mr. Speaker, reserving the right to object, I do not object, but would like the House to know the minority has no objection to the legislation being considered.

Mr. Speaker, further reserving the right to object, I would like to yield to the gentleman from New Jersey [Mr. HUGHES], who is the chief sponsor of House Joint Resolution 299.

Mr. HUGHES. Mr. Speaker, I thank the gentlewoman for yielding to me.

I want to thank the gentlewoman from Maryland [Mrs. MORELLA] and the chairman of the subcommittee for reporting out this resolution so expeditiously.

Mr. Speaker, I rise in support of House Joint Resolution 299, which seeks to designate August 11, 1987, as "National Neighborhood Crime Watch Day."

This resolution is intended to promote public awareness of the growing crime prevention organizations across this country, and their increased effectiveness in fighting crime. The central event of this day will be a "national night out," when an estimated 18 million people from 6,000 communities in all 50 States across this country will participate in an anticrime demonstration by gathering in front of their homes with their neighbors between 8 p.m. and 9 p.m. in a show of solidarity against crime.

The purpose of the "national night out" and other related programs, ceremonies and activities is to promote several goals, such as: Increasing cooperation between community watch programs and their local law enforcement authorities; heightening crime prevention awareness; generating support for and participation in local anticrime programs; strengthening neighborhood spirit in the crime prevention campaign; and sending a message to the community letting them know neighborhoods are organized to combat crime.

The National Association of Town Watch which is coordinating this program is a leader in crime prevention awareness, and last year received the prestigious National Crime Prevention Award from the National Crime Prevention Coalition and the U.S. Department of Justice. Crime watch organizations such as NATW are assisted in their laudable affairs by the Justice Assistance Act of 1984. It is the type of volunteer group program that I had in mind when I sponsored the Justice Assistance Act a number of years ago. They are the focal point for local community participation which is essential for an effective crime watch program.

In my own State, the National Association of Town Watch works closely with the New Jersey Crime Prevention Officers Association to promote neighborhood crime watch organizations and activities. In fact, as a result of their collective efforts, New Jersey is one of the leaders in community participation in the national night out. Communities throughout Altantic, Gloucester and Cape May counties, in my congressional district, are helping to make the fight against crime a winning battle by their active participation.

I commend the neighborhood watch groups of this Nation for their efforts to combat crime. Their activities demonstrate the growing effectiveness of crime watch and the increased unwillingness of Americans to allow the fear of crime to rule their every day lives. It is my hope that the valuable example of these citizens will encourage others to join in the fight against crime in their communities.

Mr. Speaker, I urge my colleagues to join me in supporting this important resolution to recognize the efforts of groups like NATW and citizens all across this country. I want to thank my colleague BILL MCCOLLUM of Florida for his support and leadership in bringing this resolution to the floor of the House of Representatives.

□ 1520

Mrs. MORELLA. Further reserving the right to object, Mr. Speaker, I would like to agree and salute the gentleman from New Jersey. The Neighborhood Crime Watch Program has made a difference in my State of Maryland and in the congressional district that I represent.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California [Mr. DYMALLY]?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 121

Whereas neighborhood crime is of continuing concern to the American people;

Whereas the fight against neighborhood crime requires people to work together in cooperation with law enforcement officials;

Whereas neighborhood crime watch organizations are effective at promoting awareness about, and the participation of volunteers in, crime prevention activities at the local level;

Whereas neighborhood crime watch groups can contribute to the Nation's war on drugs by helping to prevent their communities from becoming markets for drug dealers;

Whereas citizens across America will soon take part in a "National Night Out", a unique crime prevention event which will demonstrate the importance and effectiveness of community participation in crime prevention efforts by having people spend the period from 8 to 9 o'clock postmeridian on August 11, 1987, with their neighbors in front of their homes: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That August 11, 1987, is designated as "National Neighborhood Crime Watch Day", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate programs, ceremonies, and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

NATIONAL SCHOOL YEARBOOK WEEK

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 109) to designate the week beginning October 4, 1987, as "National School Yearbook Week" and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mrs. MORELLA. Mr. Speaker, reserving the right to object, I do not object, but I would like the House to know the minority has no objection to this legislation.

Mr. Speaker, further reserving the right to object, I would like to acknowledge that the gentlemen from Texas [Mr. BRYANT] is the chief sponsor of House Joint Resolution 231 to designate the week of October 4, 1987, as "National School Yearbook Week."

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 109

Whereas educating the young people of the United States is essential in ensuring that the United States continues to make economic and cultural progress;

Whereas the communication of the educational achievements of students and educational institutions in the United States has a vital impact on the people of the United States;

Whereas school yearbooks provide vivid pictorial and editorial insights into such educational achievements;

Whereas the thousands of young people who produce school yearbooks each year receive significant editorial, photographic, and business experiences;

Whereas a recent study conducted by the American College Testing Program has shown that college freshmen who worked on a yearbook staff in high school have higher ACT composite scores, perform better on standardized college writing tests, and achieve higher grade point averages during their first year of college than freshmen with no high school yearbook experience;

Whereas school yearbooks provide valuable historical documents for educational institutions; and

Whereas school yearbooks have been an important part of the culture of the United States for approximately 2 centuries: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning October 4, 1987, is designated "National School Yearbook Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL CHILD SUPPORT ENFORCEMENT MONTH

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 313) designating the month of August 1987 as "National Child Support Enforcement Month."

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mrs. MORELLA. Reserving the right to object, Mr. Speaker, I do not object, but would like the House to know the minority has no objection to the legislation being considered.

Mr. Speaker, further reserving the right to object, I yield to the gentleman from New York [Mr. BIAGGI], who is the chief sponsor of this legislation.

Mr. BIAGGI. Mr. Speaker, I thank the gentlewoman for yielding. Permit me to take the opportunity to commend and thank the chairman of the committee and the gentlewoman from Maryland for their kind and expeditious treatment of this legislation. It is very much appreciated.

Mr. Speaker, it is my privilege and pleasure to present for consideration House Joint Resolution 313, which would establish August as "National Child Support Enforcement Month."

Four years ago, I was fortunate to present this same legislation for congressional consideration. I am proud that child support enforcement month in August 1983 led to the monumental "child support enforcement amendments," which received unanimous congressional approval in 1984. It is my hope that today we can renew our effort to fight the national scandal of nonpayment of child support.

Today, there are approximately 8.7 million single parent families. Only 35 percent of these families receive any child support payments. Of those awarded child support payments, only half ever receive their full payment and one-quarter receive no payment at all. The most recent data, we have, figures from 1983, show $3 billion in unpaid child support. This left 3 million children without parental support.

Many of the families currently depending on public assistance need not be if support payments were made. In this decade alone, over 220,000 families were removed from public assistance due to child support enforcement. While much has been accomplished by increased enforcement, we must not rest until every child has the benefit of support from their parents.

"National Child Support Enforcement Month" will increase public awareness of this problem and will promote public concern for finding a solution. I call upon my colleagues to vote in favor of this resolution. As the number of children living with only one parent continues to rise, it is critical that we give national attention to child support enforcement.

Mrs. MORELLA. Further reserving the right to object, Mr. Speaker, I would like to commend the gentleman from New York for introducing this legislation. I think we all agree that it is the humane and appropriate thing to do to have child support enforcement.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 313

Whereas significant progress has been made toward improving laws and regulations dealing with child support enforcement by the States;

Whereas the provisions of part D of title IV of the Social Security Act have provided a needed response in alleviating problems that exist within and among States as to legal rights and financial needs of their citizens;

Whereas the child support program's ultimate goal is to reduce financial deprivation among America's children by ensuring that the responsibility of support rests with the responsible parent, thereby diminishing the need for welfare dependency by women and children;

Whereas the dedicated service of family support enforcement personnel, the judiciary, and the legal community has contributed to increased child support collections, paternity establishments, and the location of absent parents; and

Whereas the growth and success of child support programs have resulted from and continue to rely on increased cooperation of Federal, State, and local agencies: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the month of August 1987 is designated as "National Child Support Enforcement Month", and the President is authorized and requested to issue a proclamation calling upon all government agencies and the people of the United States to observe the month with appropriate programs, ceremonies, and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GERMAN-AMERICAN DAY

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 108) to designate October 6, 1987, as "German-American Day," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mrs. MORELLA. Reserving the right to object, Mr. Speaker, I do not object, but would like the House to know the minority has no objection to the legislation being considered.

Mr. Speaker, further reserving the right to object, I would like to acknowledge the gentleman from Ohio Mr. Thomas A. Luken, who is the chief sponsor of House Joint Resolution 180, which is comparable to Senate Joint Resolution 108, designating October 6, 1987, as "German-American Day."

Further reserving the right to object, Mr. Speaker, I am a cosponsor of this resolution.

Mr. DYMALLY. Mr. Speaker, if the gentlewoman will yield, I thank the gentlewoman from Maryland for her time and patience and consideration, her charm and eloquence, in responding to these 12 resolutions today.

Mrs. MORELLA. Mr. Speaker, further reserving the right to object, to the chairman of the subcommittee, I would like to say from Shakespeare's "Twelfth Night," "I can no other answer make but thanks and thanks and ever thanks."

Mr. DYMALLY. Mr. Speaker, I thank the gentlewoman.

Mrs. MORELLA. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. Res. 108

Whereas the tricentennial of the arrival of the first German immigrants to the United States was celebrated on October 6, 1983;

Whereas such day was proclaimed by the President to be German-American Day in honor of the contributions made by German immigrants to the life and culture of the United States;

Whereas such contributions should be recognized and celebrated every year; and

Whereas the German-American Friendship Garden, symbolic of friendly relations between West Germany and the United States, will be dedicated in the District of Columbia in the near future: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That October 6, 1987, is designated as "German-American Day", and the President is authorized and requested to issue a proclamation calling on the people of the United States to observe such day with appropriate ceremonies and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on these 12 resolutions just considered and passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

ELIMINATION OF IMPORTANT STATISTICAL DATA IN THE COMING CENSUS

(Mr. DYMALLY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DYMALLY. Mr. Speaker, we will proceed on our summer recess sometime on Saturday morning, during which time there will not be an adequate opportunity or forum to bring to the Members of this House an issue which I think is of great importance to all of us.

It appears 1990 is a long way off, but not really for the Census Bureau. The Census Bureau is in the process of developing the questionnaires, developing the modus operandi to take the 1990 census.

Recently, the OMB instructed the Census Bureau to eliminate a number of questions which have been used in the past to gather statistical data for housing, economic development, et cetera, et cetera.

We have received numbers of calls from affected and concerned organizations all across the country, concerned that the elimination of this statistical data will affect future planning for growth and development in this country.

Tomorrow the Joint Committee on the Economy will hold hearings on this very important subject.

The OMB, under the guise of paper reduction, is suggesting they ought not to gather these statistics. This will be the first time in the history of the census that such important data will be eliminated.

Additionally, the Census Bureau is suggesting to us that because part of their appropriation was cut in the House, they may not be able to do the trial run next year, or hopefully the adjustment; so I want to take this opportunity and this forum to bring this matter to the attention of the leadership of the House so that when we come back in September we can address this problem.

Mr. Speaker, I thank the Chair and the Members for giving me unanimous consent to address the House on this subject.

ASSESSING RESPONSIBILITY FOR TECHNOLOGY DIVERSION

(Mr. McCURDY asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. McCURDY. Mr. Speaker, a number of bills have been introduced in recent weeks arising from the diversion of sensitive manufacturing technology to the Soviet Union by Kongsberg Vaapenfabrikk of Norway and Toshiba Machine Co. of Japan.

I share my colleagues' anger and concern that this illegal diversion will aid the Soviet Union in putting more quiet submarines to sea. These sales also emphasize the need to strengthen enforcement of Cocom regulations relating to Western trade of sensitive items with the Eastern bloc.

At the same time, Mr. Speaker, I hope we will be careful in assessing responsibility for the diversion. I believe that the Governments of both Norway and Japan now recognize that great harm has been done to their vital security interests, as well as to our own.

The Kongsberg Trade subsidiary has been dissolved, and a new company has been created devoted solely to the production of armaments in accordance with Norway's strict regulations. The Norwegian Government, an important member of NATO, has taken a number of administrative actions to curb illegal exports, and a criminal investigation is in progress.

The Japanese Government has filed charges against Toshiba Machine, and last week the cabinet approved legislation to strengthen export controls and enhance Japan's role in Cocom.

Mr. Speaker, I know we all will be following our allies' actions in this area with interest, and I include for the Record, recent letters on this subject from the Norwegian Minister of Defense and the Japanese Ambassador to the United States.

That Technology Diversion: Norway Replies

I read with interest the editorial "They Deserved This One" [July 7], in which The Post comments on the diversion of sophisticated marine propeller milling machines and related computer technology and software by Toshiba Co. of Japan and Kongsberg Vaapenfabrik of Norway to the Soviet Union. The deplorable and unlawful diversion appears to have aided the Soviet Union in putting more quiet submarines to sea.

This is a matter of grave concern to the Norwegian people and the government of Norway. My country takes defense very seriously. It is a founding member of NATO and is one of the few countries in NATO that has delivered on the commitment to increase annual defense expenditures by 3 percent in real terms. Our defense expenditures per capita are second only to the United States in NATO.

Our strategically exposed position, bordering the Soviet Union, makes the security of Norway dependent on allied forward defense, open sea lines of communication for allied reinforcements and on early warning. Soviet submarines constitute a primary threat to all of them. The diversion of technology has thus done great harm to the vital Norwegian security interests. The Norwegian government is determined to prevent similar diversions.

The subsidiary of the Kongsberg company responsible for the illegal diversion has been dissolved and has ceased all operations. A new company has been created devoted solely to the production of armaments to OECD countries in accordance with Norway's strict regulations of arms exports.

The division of Kongsberg which forms the core of the new company has done no wrong. It has made an important and impressive contribution to Norwegian and allied defenses through participation in important cooperative projects like the F-16, the Sea Sparrow missile and most recently the highly successful Penguin missile program. It has a key role to play in the Norwegian system of military preparedness. Hitting the newly formed armaments factory would deal a serious blow to allied defenses in vital areas.

Allies cannot deal with the crimes of disloyal servants by claims for reparations. Norway proposes instead a constructive approach to common security. In response to the challenge for more quiet Soviet submarines, we have proposed that our experts on anti-submarine warfare meet their American counterparts to assess the damage caused by the diversion and to examine the requirements and options for remedial measures. Our two countries have a long-standing cooperation in this area. We should now examine ways of building on that tradition for purposes of meeting a common challenge.

Norway has taken effective action to strengthen its administrative and physical export controls. The criminal investigation into the diversion is still in progress and all aspects of the sales to the East bloc countries by the now-defunct company will be scrutinized. Those guilty will be prosecuted in accordance with the law. Naturally we have to stay within the laws of the land. The rule of law is one of the basic values we defend through our common defense effort. Our laws in some respects are too weak. They date back to 1946 and were not made to cope with illegal transfers of high technology. The Norwegian government will present an export bill to parliament as soon as it reconvenes in the fall asking for tougher penalties and extended statute of limitations. Norway will seek actively to strengthen and harmonize licensing and enforcement of the rules set by the coordinating committee of NATO countries and Japan.

Small countries depend on nations observing international rules and agreements. Norway's international record is a good one. The Norwegian government is determined to prevent another diversion by Norwegian firms.

JOHAN JOERGEN HOLST,
Norwegian Minister of Defense.

WASHINGTON.

EMBASSY OF JAPAN,
2520 MASSACHUSETTS AVE., NW.,
Washington, DC, July 31, 1987.

Hon. DAVE MCCURDY,
House of Representatives,
Washington, DC.

DEAR CONGRESSMAN MCCURDY: I have the honor of writing to you to explain today's Japanese Cabinet decision to strengthen Japanese security export controls, by amendment of the current law. The action is my Government's response to the apparent weaknesses of our security export control regime which came to be revealed by the Toshiba Machine diversion case, and has been decided upon in accordance with our most serious recognition that our very own security is an integral part of that of the Free World.

The bill to amend the current law, to be submitted to the ongoing session of the Diet (Japanese Parliment), has the following objectives:

(a) To introduce in fully explicit form the concept of "international peace and security" and to institute two-way consultations between the Foreign Minister (in charge of security affairs) and the MITI Minister (in charge of export control);

(b) To strengthen punishment and sanctions to deter future recurrences of illegal divisions; and

(c) To greatly enhance enforcement by extending the statute of limitations and by making "attempted crime" culpable. Details are attached.

In conjunction with these, my Government is in the process of instituting a ministerial level interagency consultation mechanism to deal with security export control matters on a "multi-dimensional" basis (i.e. with all relevant ministries and agencies represented), and we are prepared to launch Japan-U.S. COCOM Consultations for coordination and exchange of information with the United States.

I expect that the above overhaul of our system, together with our enhanced role to be played in COCOM, will be instrumental in the prevention of illegal diversions, and that our cooperation with the United States now underway in enhancing anti-submarine capabilities will help in regaining the lead in that field.

Yours sincerely,
NOBUO MATSUNAGA,
Ambassador of Japan.

FEDERAL PAY REFORM ACT OF 1987

(Mr. ACKERMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ACKERMAN. Mr. Speaker, today I am introducing the Federal Pay Reform Act of 1987—the first step toward restoring pay comparability between Federal jobs and similar positions in the private sector.

The pay gap between Federal and private jobs is wide, and growing. Last September, the President's pay agent reported that Federal pay lagged behind the private sector by an average of 23.79 percent. For many jobs, the gap is even worse. As a result, Federal agencies of all types are reporting extreme difficulty in attracting and keeping high-quality employees.

My bill proposes a three-part remedy: Additional tests of innovative methods of Federal compensation; reforms to guarantee that Federal workers keep pace with private sector changes in the cost of labor; and expanded authority for agencies to use special pay rates to solve acute problems in recruitment and retention.

It is often said that you get what you pay for. America deserves the best public servants, and will get them only by paying the salaries they deserve.

I invite and encourage my colleagues to join in sponsoring the Federal Pay Reform Act.

SECTION ANALYSIS OF THE FEDERAL PAY REFORM ACT OF 1987

(Prepared by the Subcommittee on Compensation and Employee Benefits)

SECTION 1. SHORT TITLE: "THE FEDERAL PAY REFORM ACT OF 1987"

SECTION 2. STATEMENT OF PURPOSE

The purpose of this bill is to improve the management of pay systems for Federal employees; increase the efficiency of agency operations; enhance the productivity of the Federal workforce; and promote the government's efforts in recruitment and retention of qualified career employees.

TITLE I. ALTERNATIVE COMPENSATION PROGRAMS

SECTION 101. DEFINITIONS

Provides definitions of terms to be used later in the bill.

SECTION 102. FEDERAL COMPENSATION BOARD

Section 102(a) establishes the Federal Compensation Board which shall consist of 13 members including the Directors of OMB and OPM, the Secretary of Labor, members of the Advisory Committee on Federal Pay, and representatives of Federal employee organizations. The Chairperson of the Board will be selected by the members and none of the Board members will be considered employees of the government by virtue of their service on the Board.

Section 102(b) requires the Board to establish within 12 months at least 5 but not more than 10 personnel demonstration projects covering between 15,000 and 25,000 full-time employees. One of each type of project outlined in section 103 shall be established and at least two of these projects will be similar in design to the Navy personnel demonstration projects at the Naval Ocean Systems Command in San Diego, California, and the Naval Weapons Center in China Lake, California. One of these projects shall cover government laboratories at NASA, DOE, and DOD. The minimum rates of pay for Federal employees covered by these projects will be no less than the pay to which they would otherwise be entitled. Pay for Federal employees covered by these projects shall not exceed pay for Executive Level V positions.

SECTION 103. ALTERNATIVE SYSTEMS

Section 103(a) describes the types of alternative compensation systems to be established by the Board. These systems shall include: a plan based on the comparison of total compensation for private sector jobs with similar jobs in the Federal government; a system of annual pay adjustments based on a survey of pay for similar private and public sector jobs within a set geographic region; a system of collective bargaining; a system of pay banding and performance incentives; and a system which combines elements of two or more of the above systems.

Section 103(b) provides that collective bargaining demonstration projects shall maintain a pay differential for supervisory employees and that only bargaining units that have been certified as exclusive representatives may participate in the demonstration projects under this act.

Section 103(c) requires the Board to prescribe any regulations necessary to carry out this act including commencement and termination of demonstration projects. This section also allows any agency to be excluded from, or stop participating in, a demonstration project upon request.

SECTION 104. COMMISSION ON FEDERAL PAY MANAGEMENT

Section 104(a) establishes the Commission on Federal Pay Management which shall consist of three members who are expert in the field of personnel management. The members shall be appointed by the President on recommendations of the Speaker of the House, the President Pro Tempore of the Senate, and the Comptroller General.

Section 104(b) The Commission is required to evaluate the alternative personnel systems described in section 103(a) and to make similar evaluations on the changes made by this act to sections 5303 and 5305 of Title 5 U.S.C.

Section 104(c) Commission members shall each be paid at the daily equivalent of Executive Level V for each day they are engaged in Commission business.

Section 104(d) allows the Commission to hire consultants in accordance with section 3109 of Title 5 U.S.C.

Section 104(e) requires the Office of Personnel Management to furnish the funds for the Commission from its general operating expenses.

Section 104(f) requires the Commission to cease to exist after submitting its report.

TITLE II. AMENDMENTS RELATING TO PAY COMPARABILITY

SECTION 201. ADHERENCE TO PREVIOUS METHODOLOGIES

This section amends section 5305(a) of Title 5 U.S.C. to require the Bureau of Labor Statistics and the President's Pay Agent to use the 1985 methcdology for determining the comparability adjustment for each year.

SECTION 202. ALTERNATIVE PLANS

Section 202(a) amends section 5305 of Title 5 U.S.C. to require the President to report the pay comparability gap as reported by the Pay Agent.

Section 202(b) amends section 5305(c)(1) of Title 5 U.S.C. and requires that an alternative pay plan transmitted to Congress shall not take effect unless the plan is approved by Congress. Congress has 30 days of continuous session to approve the President's alternative pay plan after it is submitted. If Congress approved the alternative pay plan, it becomes effective at the beginning of the first applicable pay period on or after the plan is approved, or on or after October 1, whichever is later. If an alternative pay plan is not approved, then pay rates shall be adjusted in accordance with the recommendation of the President's Pay Agent.

Section 202(c) amends section 5305(c)(2) of Title 5 U.S.C. and requires that any alternative plan transmitted by the President shall be at least equal to the Employment Cost Index (private industry wages and salaries for white-collar workers, excluding sales) as determined by the Bureau of Labor Statistics for the quarter ending June 30 of each year.

TITLE III. HIGHER MINIMUM RATES OF PAY, MISCELLANEOUS ALLOWANCES, AND OTHER MATTERS

SECTION 301. MODIFICATIONS IN THE AUTHORITY TO ESTABLISH HIGHER MINIMUM RATES OF PAY TO RECTIFY RECRUITMENT AND RETENTION PROBLEMS

Section 301(a) amends section 5303 Title 5 U.S.C. to allow an agency head to establish higher minimum rates of pay for one or more occupational groups if the agency finds that it is severely handicapped in its ability to recruit and retain qualified applicants for those positions. Additionally, agency heads may make corresponding increases for all steps in a pay range and may from time to time further increase pay previously established under this section. An agency head may increase salaries up to Executive Level V. This section applies to all statutory pay systems.

The circumstances under which an agency head may institute higher minimum rates include higher pay rates in the private sector for similar jobs; remoteness of location; undesirable working conditions including exposure to toxic substances and other occupational hazards; and any other circumstances identified by the agency head as contributing to recruitment and retention problems.

Section 301(b) requires agency heads to provide 30 days written notice to the Office of Personnel Management including the date of implementation of this authority, the positions and locations where the authority is needed, and written findings demonstrating the need for the authority.

Section 301(c) allows OPM to respond within 30 days to stop the proposed pay rates if OPM can determine in writing that the proposed action will not rectify the problems of the agency. Agencies may appeal an OPM decision.

Section 301(d) makes this authority available to agency heads for 12 months at a time and it can be renewed for 12 months upon request. OPM is required to establish regulations to carry out this section.

Section 301(e) states that employees covered by this section may not be paid any less than they would be entitled to if they were not subject to this section. When the authority under this section expires employees will not have their salaries reduced.

Section 301(f) states that employees covered by this section are entitled to comparability increases, as well as, special pay rates established by this section.

Section 301(g) states that pay raises given under this section are not step increases.

Section 301(h) requires OPM to establish regulations to preserve step increases for employees whose careers are interrupted by military duty or other public service.

Section 301 also creates a new section 5303(a) of Title 5 U.S.C. that makes employees and supervisors covered by section 5303 eligible for bonus payments of up to $10,000. Section 301 also adds a new section 5522(a) that allows agencies to advance basic pay for up to 30 days.

SECTION 302. ELIMINATION OF GS-11 THRESHOLD FOR NEW APPOINTEES TO BE PAID ABOVE MINIMUM RATES

This section amends section 5333(a) Title 5 U.S.C. to allow agencies to hire employees for jobs below GS-11 at other than step 1 of that grade. Current law requires agencies to hire at step 1 of a grade below GS-11.

SECTION 303. REMOTE WORKSITE ALLOWANCE

Section 303(a) amends section 5942 Title 5 U.S.C. to allow agencies to pay allowances for remote worksites as the agency sees fit.

Section 303(b) amends section 5901(a) Title 5 U.S.C. and requires agencies to pay the full cost of any uniform required to be worn during the performance of official duties.

SECTION 304. PAY FOR PREVAILING RATE EMPLOYEES

Section 304(a) amends section 5343(a) Title 5 U.S.C. and adds a new subsection (g) which freezes wage grade pay in the event that prevailing rate survey shows a decline in local wages.

Section 304(b) specifies that the effective date of this section is the same as in section 306 of the bill.

SECTION 305. TRAVEL AND TRNSPORTATION EXPENSES FOR CERTAIN INDIVIDUALS SEPARATING FROM THE GOVERNMENT

This section adds a new section 5724(d) to Title 5 U.S.C. that requires the government to move retiring Federal employees from their last duty station to an area from which they were uprooted by the Federal government.

SECTION 306. EFFECTIVE DATE

The act is effective on the first day of the first fiscal year beginning on or after the date of enactment.

PERSONAL EXPLANATION

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from New York [Mr. GILMAN] is recognized for 5 minutes.

Mr. GILMAN. Mr. Speaker, I was on the floor of the House yesterday, August 5, 1987, for a series of recorded votes which culminated in the vote of final passage of H.R. 3058, the Labor, Health and Human Services and Education appropriations bill for fiscal year 1988. I assumed my vote in favor of the bill had been duly recorded, but subsequently I have been informed by the tally clerk that this was not the case. I intended to vote "yea" on rollcall 307, on agreeing to final passage of H.R. 3058, and appreciate having this opportunity to address the House to reiterate my strong support for that measure.

OFF-SHORE OIL LEASING: WHERE WE HAVE BEEN AND WHERE WE ARE HEADED

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from California [Mr. PANETTA] is recognized for 5 minutes.

Mr. PANETTA. Mr. Speaker, I would like to take this opportunity to review the long history of my efforts—and those of numerous other Members of the House and Senate—to move the administration toward a balanced and responsible approach to off-shore oil development.

The process of determining which areas should be subjected to off-shore oil and gas development is a difficult one. It is made difficult, in part, by the governing statute—the Outer Continental Shelf Lands Act Amendments of 1978—which calls for both expedited development of offshore resources and for a balance between resource protection and exploitation.

Responding to the challenge of this statute, however, former Secretary of Interior Andrus proposed a 5-year plan in 1980 which deferred northern and central California areas from leasing and which deferred portions of southern California, as well. Unfortunately, the Andrus plan did not remain in place for very long. Upon taking office in 1981, former Secretary of Interior James Watt rejected the Andrus plan and presented a new plan which provided for leasing along the entire California coast.

CONGRESS ENACTS CALIFORNIA OCS LEASING MORATORIA

In response to the Watt plan, Congress enacted the first moratorium on offshore leasing, covering northern and central California during fiscal year 1982. Faced with the continuing refusal of the Interior Department to consider alternative approaches to the OCS issue, Congress adopted similar moratoria in fiscal years 1983, 1984, and 1985. In fiscal year 1984 and subsequently, the moratoria also included southern California. Throughout this period, Secretary Watt and his successor, William Clark, refused even to meet with Members of the California congressional delegation.

In 1985, Clark was replaced by Donald Hodel, who agreed to meet with Members of Congress concerned with the Department's approach to leasing. In July 1985, after a series of six negotiating sessions, Secretary Hodel accepted "a preliminary agreement" on California off-shore oil and gas leasing, which was announced to the press and the public. The agreement was to cover oil and gas leasing activities of the California coast through the year 2000 and would have permitted leasing activities in only a very small percentage of available tracts. In exchange for this agreement, congressional negotiators dropped requests for a moratorium to be included in the fiscal year 1986 appropriations bill.

During August 1985, Secretary Hodel held a series of town meetings along the coast to help develop the final details of the agreement. In September, however, he abruptly announced that he was rejecting the agreement to which he had already publicly committed himself.

CONGRESS APPOINTS SPECIAL NEGOTIATING TEAM TO WORK ON OCS ISSUE

Responding to this turnaround, Congress adopted a new approach. In December 1985, during consideration of the continuing resolution for fiscal year 1986, Congress directed the Secretary of the Interior to make every effort to resolve the OCS issue and to submit regular reports to Congress on the status of negotiations toward such a resolution. Most significantly, the legislation provided for the appointment of an 18-member negotiating team to work with the Department. The balanced team included both Republicans and Democrats, Members of both the House and Senate, representatives from California and from noncoastal States, and members of key congressional committees.

This team, which I cochaired, met regularly and worked hard to develop a responsible approach to off-shore oil leasing. Despite the efforts of the team to work with the Department to develop a responsible approach, the Department submitted a draft of the 5-year plan which proposed to offer large areas for leasing and which deferred only a few areas which were either already protected from drilling or which were in water too deep for drilling.

In an effort to persuade the Department to revise this inadequate proposal, the congressional negotiators met 16 times between January and June 1986. Although the team offered more than a dozen alternative proposals, Interior failed to offer any of its own. Indeed, Secretary Hodel failed to attend even a single negotiating session.

In June 1986, the Interior Subcommittee of the House Appropriations Committee agreed to attach another 1-year moratorium to the fiscal year 1987 appropriations bill. In an effort to head off the moratorium, the Interior Department offered to delay leasing in southern California by 1 year and in northern and central California by only a few months, in exchange for an agreement to drop the moratorium.

This proposal appeared to be intended to split the California delegation along geographic lines, thereby weakening it, and it was rejected by the negotiating team. Instead, Congress enacted a provision, which I authored, barring all leasing in offshore California until February 1989 at the earliest, and allowing advance review of the next draft of the 5-year plan by my office before it was released for public comment.

FLAWED 5-YEAR PLAN CRITICIZED BY NEW COASTAL COALITION

Pursuant to the terms of this statute, Secretary Hodel submitted the next draft of the 5-year plan on February 2, 1987. Despite the fact that Members of Congress had negotiated with the Department for some 22 months, the Secretary ignored virtually every recommendation offered by the bi-partisan negotiating team. More troubling, perhaps, the plan was presented to Congress in the form of a threat: the Secretary indicated that the minimal protections offered in the plan would be withdrawn if the delegation did not accept the plan.

The Secretary's intransigent position prompted 27 members of the California congressional delegation to join me in asking him to revise the proposal. With the assistance of comments provided by local government, State agencies, and other interest groups, we provided detailed comments on the proposal. Specifically, we made the following points: the proposal offered 82 percent of the areas of high interest to the oil companies for leasing, as well as more than 500 tracts of only medium- or low-industry interest. The proposal ignored recommended stipulations with regard to the protection of on-shore air quality, the fishing industry, oil spill response and cleanup, protection of rural on-shore areas from industrial development, and the regulation of toxic discharges produced by exploration and development activities. It failed to protect many particularly sensitive areas and to propose subarea deferrals which would limit some adverse effects of offshore development.

The proposal had other deficiencies, including its failure to require pipeline transportation of any petroleum produced, to require demonstrated capability to respond to oil spills in prevailing ocean and weather conditions, to value the environmental resources of the California coast adequately in weighing the costs and benefits of drilling and to consider alternatives to OCS leasing, such as conservation. The plan also suggested that supplemental sales of leases off the coast of California, especially in the Santa Barbara Channel-Santa Maria Basin area, might be offered, despite the fact that the onshore facilities in the region are already utilized to the limit.

In response to the plan's proposed leasing of sensitive coastal areas off other States, 66 Members of Congress from 10 States, and 9 U.S. Senators and 5 States, joined me in forming a coastal coalition to press the Department for a revision of its ill-considered approach. The coalition members wrote to Hodel to express their dismay with the Department's failure to respond to efforts of several State delegations to negotiate reasonable safeguards to protect coastal and ocean resources.

Despite these objections, the Department finalized the 5-year plan with only minimal adjustments, and it took effect on July 2, 1987. Under its terms, five lease sales off California would take place over the life of the plan. The first three, covering northern, southern and central California, are scheduled to take place in February 1989; September 1989; and November 1990, respectively.

The timing of these lease sales—required under the legislation which I authored in 1986—ensures that no lease sales will take place during the current administration. These timetables permit the people of California to make sure that this drilling plan is never implemented, by insisting that Presidential candidates of both parties make a specific commitment to protect the California coast and to revoke the 5-year plan before the sales take place.

OTHER IMPORTANT COASTAL ISSUES ALSO NEED ATTENTION

In the meantime, however, important issues remain to be addressed. First, I have introduced legislation to ensure the right of States to review oil and gas leasing activities for consistency with approved State coastal zone management plans. As a result of a 1984 Supreme Court decision and harsh interpretations of that decision by the administration, States have been left with little voice in evaluating oil and gas activities to ensure that they do not frustrate the achievement of important goals in the coastal zone, such as the improvement of air and water quality.

Second, I have cosponsored two bills which are designed to improve the regulation of air pollutants produced by offshore oil and gas activities. These bills would transfer responsibility for such regulation to EPA, from the Department of the Interior, and make air quality standards applicable to offshore oil and gas activities consistent with those applicable onshore.

Third, I have introduced legislation to designate Monterey Bay as a national marine sanctuary and to establish a management plan for the bay in accordance with the goals and purposes of the Marine Sanctuaries Act. Monterey Bay's unique physical and biological qualities, its economic productivity, and its national cultural and research significance clearly warrant marine sanctuary designation and protection from the threat of toxic contamination.

Finally, a number of related issues, such as improvement of oil spill liability and compensation programs, deserve action.

CONCLUSION

As this review of the long history of the debate on OCS leasing off the California coast illustrates, the effort to develop a reasoned approach to this issue has required constant vigilance. The Department's intransigence has, unfortunately, made it necessary for those who opposed irresponsible leasing to take strong steps to stop such leasing and to force the Department to the bargaining table. Although this is not the approach which I would prefer, it has been necessary and it has, in fact, saved the coast from environmentally dangerous leasing which might have otherwise taken place.

At the same time, however, we must recognize that confrontation is not in the long-term interest of either side in this dispute. I will continue to work with the coalition of Members of the House and Senate to advance these important goals and to move the administration toward a more responsible and balanced approach to offshore oil and gas development. My hope is that a new administration, committed to protection of sensitive coastal resources, will work with Congress, the coastal communities, and the public to develop a balanced approach. If that does not occur, however, we may need to continue to press for leasing moratoria and to consider legislation to define permanently those areas which will be protected and those in which development may continue.

OMNIBUS COURT REFORM ACT OF 1987

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin [Mr. KASTENMEIER] is recognized for 5 minutes.

Mr. KASTENMEIER. Mr. Speaker, today, I am introducing a major piece of court reform legislation. This bill is the continuation of a process begun more than 10 years ago. When the Subcommittee on Courts, Civil Liberties and the Administration of Justice held hearings in 1977 on the State of the judiciary and access to justice, the picture was bleak. Federal courts were overloaded with cases and access to justice suffered from an inadequate number of judges. In the intervening years the Congress has made modest steps to ameliorate these judicial problems. We have dramatically increased the number of judges. We have authorized the use of new forms of adjunct personnel—magistrates, bankruptcy judges, and various other support personnel. We have acted to alleviate the burden of appellate courts by creating a new circuit court—the Court of Appeals for the Federal Court. Despite these actions much remains to be done. The Supreme Court remains burdened with archaic mandatory appellate jurisdiction. The Federal court rule making process is similarly out of date. Alternative forms of dispute resolution such as arbitration are not sufficiently encouraged. Finally, some minor cases are heard in Federal court while major multi-party/multistate cases are excluded.

This bill is an attempt at furthering the agenda of court reform. It is my hope that a thorough and complete examination of the issues raised by the nine titles in the bill that we will be able to pay homage to the 200th anniversary of the Federal judiciary. Set forth below is a brief summary of each title of the bill.

Title I abolishes the mandatory appellate jurisdiction of the Supreme Court and substitutes a discretionary appellate process for a large number of cases. Similar legislation has passed the House unanimously in past Congresses. This title has the support of the Supreme Court and the Administration.

Title II modifies the process by which the Federal courts promulgate rules of practice and procedure. This provision has also passed the House on two previous occasions. This title has the support of the Judicial Conference of the United States and the American Bar Association.

Title III authorizes the federal courts to conduct court-annexed arbitration programs. This title sets forth rules for the conduct of such programs. This title also modifies the appeal process for arbitration cases.

Title IV modifies Federal court jurisdiction in three important ways. First, this title expands federal court jurisdiction to allow many multi-party/multi-forum cases to be heard in Federal court. This jurisdictional authorization will be helpful in consolidating mass disaster litigation. *See* Rowe and Sibley, *Beyond Diversity: Federal Multi-party, Multi-forum Jurisdiction*, 135 U. PA. L. REV. 7 (1986). Second, this title increases the amount in controversy (to $50,000 from $10,000) required to bring a case based on the diverse citizenship of the parties. This change responds to inflation and will serve to limit the number of small tort or accident cases heard in federal court. This modification has been suggested and endorsed by the American Bar Association. Third, this title modifies the definition of citizenship for diversity cases for corporations pursuant to a suggestion from Judge Charles Joiner (E.D. Michigan).

Title V makes amendments, suggested by the Judicial Conference of the United States, to create a Federal Judicial Center Foundation and for other purposes.

Title VI abolishes the Temporary Emergency Court of Appeals and replaces its jurisdiction with reference to the regional courts of appeal.

Title VII makes various amendments to the jurisdiction of the various courts of appeal. In large part, these amendments modernize appellate jurisdiction. *See* Carrington *Toward a Federal Civil Interlocutory Appeals Act*, 47 LAW AND CONTEMPORARY PROBLEM 165 (1984).

Title VIII makes procedural reforms to the statutory charter of the State Justice Institute.

Title IX makes various miscellaneous amendments including:

(1) expansion of court interpreters services to grand jury proceedings;

(2) modernized jury selection procedures;

(3) repeal of divisional venue in civil cases;

(4) improved registration system for foreign judgments;

(5) elimination of mandatory annual circuit judicial conferences; and

(6) a reduction in civil filing fees and a requirement that the United States pay such fees.

In sum, this bill is a significant and complex undertaking. Some of the bill's provisions are the product of previous congressional deliberations whereas other provisions are offered here for the first time. It is my hope that, through this legislative consolidation, that Members will have a sense of the gravity of the task that confronts us. I also hope that those marathon runners who are committed to court reform will stay with this effort long enough to develop the kind of consensus necessary to achieve enactment of meaningful reforms. Interested parties are encouraged to submit comments to the Subcommittee on Courts, Civil Liberties, and the Administration of Justice, 2137B Rayburn House Office Building, Washington, DC 20515 (Phone (202) 225-3926).

THE TRADE IMBALANCE

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland [Mrs. BENTLEY] is recognized for 60 minutes.

Mrs. BENTLEY. Mr. Speaker, for the last 6 years I have been speaking out about the growing dependence of the United States on foreign suppliers for strategic component parts of our defense base. Just this week—and last week—there have been hearings on the numbers of counterfeit bolts in the defense-industrial base threatening among other weaponry, the performance of the Abrams tank and its guns.

My initial fear of too much dependence on our allies went back to an experience I had during the Vietnam war when, for political reasons, foreign-flag ships refused to carry cargo to the war-zone in Southeast Asia. As chairman of the Federal Maritime Commission, I joined in the scramble to find other ships—which would sail for us—and actually see that the recalcitrant ships were off-loaded and the cargo placed with more cooperative shipping lines—American-flag naturally.

It was with a feeling of deja vu that I read the reports of this week that the Governments of Great Britain, France, West Germany, the Netherlands, and Italy all refused to send mine sweepers to help us in the effort to clear the Persian Gulf so that oil can move through to fuel not our industrial base, our economies, but to fuel theirs and the Japanese.

Every effort has been made by this Congress and the Congress in 1979 to give our allies "a piece of the action" in the production of war material—both for themselves and for us—and within that effort of cooperation there has developed a growing dependence on those allies for many necessary component parts.

In our eagerness to be fair and reasonable, we overlooked many factors which impacted our own economy reaching down in the grassroots of America to take away native manufacturing plants and skilled jobs and in the long term, wealth and tax revenues from our communities and our States.

The sharing of technology necessary for these joint—ventures has also meant that we are giving away proprietary information and technology which can and will be used by other countries in competition with us for other weapons sales to other countries. Civilian applications of the technology—once the basic technology has been shared—are "up-for-grabs." We are giving away the yeast of the future of the American manufacturing base.

But, more frightening than that is that these staunch allies are not dependendable. They are not staunch enough to send their mine sweepers when we need them. If there were not tankers our there operated by and for the Kuwaitis, would they be staunch enough to let their own flagships into the Persian Gulf?

I have watched the shrinking of the American merchant marine from 50 or 60 companies down to a half dozen who are struggling to stay alive. I have fought for the shipping on American-flag ships by the Department of Defense and the U.S. Government, not because I want to spend more money out of our tight budgets, but because the basic idea of defense is to always be ready. Recent actions by our allies prove the point I have been trying to make all these years—unless we have our own ships, our own weapons, our own healty on-shore defense-industrial base—we are in jeopardy.

The extent of that jeopardy grows with every new story out of Japan about yet another Japanese manufacturer being investigated for sales of strategic technology to the Soviets. But, Kazuo Kumagai, the official of the Japanese trading firm, who blew the whistle on the Toshiba sale says that "Toshiba is only the top of the iceberg." In other news stories he is quoted as saying that in his 22 years of handling Soviet trade, he had the impression that many firms, even some American firms, were involved in illegal sales to the Russians.

I hope we are investigating those allegations and I hope we can bring Mr. Kumagai to Capitol Hill to testify as to what he knows. He was courageous enough to tell what was going on and for much of the time, he was ignored.

If American firms have been involved in illegal sales, under our laws, they can be prosecuted. However, many of our allies—with whom we have shared top secret technology—upon whom we are dependent for many component items of our defense system, have no espionage laws at all.

They are beneficiaries of the trillion dollars for defense which we have spent over the last few years—they sleep under the umbrella of security provided by our sons and daughters, paid for by our people, and yet, they have no tough laws to protect our technology, our joint safety.

In other ways they also seem to be very lax. In the hearing on industrial fasteners (nuts, bolts and large screws) testimony brought forth by questioning pointed out that military-industrial sabotage is going on right now perpetuated out of many of the countries who are considered "dependable" allies. In too many instances, American importers have been involved, but our laws are taking care of them.

Beyond our reach, however, is the Japanese firm who asked which faked markings the importer of the fraudulant bolts wanted to be placed on his order. The U.S. industrial standard markings—not used in any of these exporting countries—were forged, but American manufacturers markings were also forged! These bolts, liable to disintegrate under stress, deliberately mismarked to garner a higher profit—are being used in weapons systems.

I may think in a particularly uncomplicated way, however—I see no difference between a Russian sabotaging a weapons system or a Japanese sabotaging a weapons system or an American importer sabotaging a weapons system. The results are the same! It is an act of espionage against the defense of the United States and I am urging that we re-examine our own espionage laws to mirror the true gravity of this type of damage.

The jeopardy of this kind of dependence is quite well documented. But the other dependencies which we have backed ourselves into whose effects are more subtle.

Much has been written about the amount of money we, as a nation, have borrowed from Japan. In 1986, over one-third of all U.S. Treasury bills was bought by one Japanese brokerage firm—Nomura. Estimates are that last year the Japanese were responsible for buying up at least 50 percent of the debt in the United States—from all sources.

Oh the power and the influence of the banker who owns your paper!

How tough can we get in negotiations with Japan if we need them so badly to fund the running of this country?

There are other signs of a timidity on the part of Americans to deal with the Japanese "up front."

On the story about Toshiba and the growing list of Japanese companies possibly involved in sales to the Soviets. From inside Japan—and I am getting reports two or three times a week about what is going on in the Japanese press—charges have been made that the Japanese Ministry of International Trade and Industry [MITI] was involved in the sale of the "silent submarine" technology to the Russians.

One story even reveals the name of a restaurant where MITI officials and agents of the Russian KGB allegedly met with officials of Toshiba. The Russian agents are identified. One is so notorious that he has been expelled from a European country for attempted industrial espionage.

Last week, some Japanese press were calling this MITI-gate—hinting at a coverup of the involvement of officials of the Government of Japan. Yet, there has been no allusion by the major U.S. media to this possible scandal inside Japan.

My sources say that a fierce internal battle is being waged in the Japanese Government over this and that some officials have been demanding the resignation of Mr. Tomura, who heads up MITI.

News? You bet it is! If you recall, allegations about U.S. Government officials being involved in cover-ups are frequently featured in headlines in America. But, not about the Japanese. Why?

If it is anywhere close to possible that officials of one of our major allies encouraged the sale of technology to our enemy, then—every effort must be made to see whether it is true or false.

Mr. Speaker, I was in the newspaper business for most of my adult life. I know as well as anyone in this city that the first amendment guarantee of freedom of speech protects the media from everyone but the advertisers.

If it is almost impossible to tell the banker who owns your debt "no," it is very hard for the accountants who control the media to ignore the best interests of major advertisers.

I have said it many times before, I will say it again—the basis of all freedom is economic. In the past, armies marched into territories to seize the wealth of the invaded nation and coopt its economy to work for the good of the foreign nation. The captured workers were put to work creating products and wealth for the invader. All of the wealth generated by the captive nation flowed back to the homeland increasingly draining the occupied nation of its strength and its will to fight.

Japan is reported to be spending $50 million a year in the city of Washington alone for top flight lobbyists, many of them major law firms. This does not include sums spent by other nations on lobbyists in and around Washington.

The number of foreign assembly plants which have moved inside this country is staggering and more on the way. Every one placed here to get around trade barriers which would have protected the American manufacturer and American market from being flooded by foreign products. And almost without exception, every one of them is assembling parts manufactured in their homeland—using practically none of our resources, none of our steel, none of our basic industries—sending all of the profit of the sales back offshore to build in a chronic balance of payments deficit draining off dollars, draining off U.S. capital into the future.

This does not address the profits flowing offshore from major real estate investments and U.S. taxpayers' dollars going abroad to pay off the interest on the Treaury bills and bonds.

Again, may be simplistic thought, but if we lose our independence as a nation to deal with foreign nations—if we are fearful about demanding what is fair for our people, our country, because we mustn't offend the people who lend us much needed money—are we still free? Are we still sovereign?

When the largest employers in a State are the companies representing foreign nations, how free will the elected representatives be to vote against the national interests of that country?

We also have seen foreign donations move on to our University campuses—especially in the fields where major break-throughs in technology are occurring. These "chairs" donated by foreign industrialists open up all the secrets of discovery to that foreign entity.

The same thing is happening with the prominent American "think tanks", those molders of public opinion on the op-ed pages of our major newspapers—those "experts" available for news shows and talk shows. Over the last few years, a study of their "tax-free" donations show increasing numbers of foreign donations—mainly Japanese.

I do not know how these groups work, but growing out of the University tradition, I would think that a large continuing donation is tantamount to the funding of a chair. And it is so interesting, that without exception, every one of these Washington-based "think tanks" have been the prime intellectual defenders of the notion of "free trade". Not fair trade, but free trade—which so far has only been practiced by the United States.

We are a great Nation and a diverse Nation and so far, we have been a totally open Nation. We have never controlled the flow of money in and out—or technology and ideas in and out—as long as it is kept in the Western-bloc nations or peoples in and out. But, we have done that among our allies with the understanding that they had the same priorities as we, the same goals as we do.

I think there are all kinds of signs that this may not in truth be so. I think there are all too many signs that we are "going it alone" in the job of defending the world from the Soviet threat and defending the world's oil supply from the threat of the Iranian Government in that Middle Eastern war.

And not only are we footing the bill and frequently sustaining the losses in manpower, we are so in debt that we are having to borrow the money—from them—to pay the bill not only for their defense, but for our own.

To show you the difference in priorities between two countries—Japan allows its industries to spend $24 billion on entertaining—while only $23 billion is spent on their defense budget.

Since that amount is so little—in the world of defense—they depend upon us for the rest. We borrow the money to supply the rest—frequently from them—and then we pay them interest on the loaned money for the privilege of defending them while they are out wining and dining industrial clients to take as much of our market away from us as they can.

Smart business out of Japan, Inc.

Mr. Speaker, it is late and we are all tired—physically from a long week in the Congress. But, Mr. Speaker, I am also tired—as an American—of being taken advantage of.

It is time to make our allies be dependable. It is time to challenge the "bankers" as to how much they identify the well being of this country with theirs. It is time to warn all foreign interests that we will not abide their involvement in the internal affairs of this country. And, it is time to get our own appetites for all of the "goodies" of the world in hand so that we are not out borrowing against the future of this great country just to satisfy our desires for televisions, VCR's and bright shiny autos.

If we don't, the history books may record that this country was sold and finally lost because we have been as vulnerable as any bunch of spoiled children to the lure of magic toys.

Pray God, Mr. Speaker, that the price of America is much higher than a shopping spree won on a television program—shown on a Japanese television set.

□ 1535

Mr. HUNTER. Mr. Speaker, will the gentlewoman yield?

Mrs. BENTLEY. I yield to the gentleman from California.

Mr. HUNTER. Mr. Speaker, I thank the gentlewoman for yielding and want to let her know that I appreciate, along with many other Members here, her efforts that have been made to stop the flow of American technology and Western technology into the Soviet Union and the Eastern bloc.

I was particularly interested when I listened to the gentlewoman talk about the most recent case with regard to Toshiba, a corporation which has supplied to the Soviet Union the milling machines that have allowed the Soviets to quiet their submarines, and thereby have a better chance of destroying American subs and surface ships should we at some point in the future have a conflict between the United States and the Soviet Union, a very serious, very critical thing. Again, I too listened to the gentlewoman talking about the fact that if you are a lawyer in Washington and Toshiba has not hired you, you should feel upset because they apparently have hired just about everybody.

Mrs. BENTLEY. All the big ones.

Mr. HUNTER. I am upset about their attempts to blunt the controversy and the criticism of this activity by hiring lobbyists to smooth things over with Congress and go back to business as usual with the United States.

Toshiba does about 3 billion dollars' worth of work a year and sells about 3 billion dollars' worth of products a year to America. I find it incredible and inconsistent that they would ask the same American families whose young service people, children who are in the Armed Services and have been endangered by Toshiba's treachery in transferring this critical military capability to our enemies, that they would expect those same families to continue to buy their television sets and transistor radios and other electronic goods.

I have here, and I do not want to dwell on it, but we now have a written statement by one of the principals in the Toshiba case. His name is Kazuo Kumagai, and please excuse my pronunciation, but he is the former Moscow office manager for the Wako Koeki Trading Co.

Mrs. BENTLEY. I referred to his name and I am delighted to hear the gentleman has a statement from him. Yes, Mr. Kumagai was the key on this whole thing. It was Wako Koeki I believe that was the name of the trading company.

Mr. HUNTER. Yes, and he was the manager of that trading company, and he is the person who got brought to the attention of the West this transfer of critical military technology.

The scary aspect of his testimony is that this is, in his words, the tip of the iceberg, that the Soviet war machine is now relying very heavily on Japanese technology, and the Japanese corporations are accommodating the Soviets by willingly selling anything that is not nailed down.

□ 1550

And let me just quote very briefly from page two of his statement that was taken out of a leading Japanese publication, and I quote:

> There are a little over 50 firms among our country's trading firms, which engage in trade with the Soviet Union. They range from big firms, like Mitsui and Mitsubishi, to very small firms with only two or three staff members. All kinds of trading firms take part in trade with the Soviet Union, and most of them have branch offices or resident staff members in Moscow. There is probably not a single company among them which has never violated the Japanese Government authorities' laws and ordinances pertaining to restrictions on exports. It is not that I have any definite evidence, but this is the actual feeling, close to a conviction, of a person who has been in the actual field of trade with the Soviet Union for many years. According to the US Defense Department's report, titled "Outflow of Military Technology to the Soviet Union—1985 Edition," about 5,000 items a year among the military research programs being pushed by the Soviet Union, are based on

> technology developed by the Western side, and this Report points out implicitly that Japan is becoming the window for the outflow of high technology, saying that the Soviet Union "is showing the tendency of gradually attaching greater importance to Asia," as the foothold for the Soviet acquisition of these technologies.
>
> It is Japanese MITI's Export Trade Control Ordinance which binds the Japanese people, engaging in trade with the Soviet Union. Under this "Trade Control Ordinance," exports to socialist nations, including the Soviet Union, must obtain the required approval and authorization. Especially in regard to manufactured products which come under the category of high technology, the prescribed application papers must be presented, in accordance with the provisions of "Item 44 of Paragraph 33 of Matters Requiring Attention in Regard to Exports," etc., of the "Outline for the Administrative Handling of Export Approval, Etc., for Strategic Goods," and obtain MITI's approval. After this, they must receive the inspection of Customs in charge. If these provisions are violated, it becomes a violation of the Foreign Exchange Law, as a matter of course.
>
> The probability is extremely small for items which are listed under the "Strategic Goods Provisions" or Items on the Attached List No. 1 of the Trade Control Ordinance (which trading firms call "Attachment 1 Items" and which correspond to the items of the so-called COCOM List), to pass the screening of MITI's International Trade Bureau Exports Division and to be given approval. There are cases where special permission is given for incorporating some restricted items into facilities, such as a continuous production facility for the production of goods for civilian use, which will not be operable unless those restricted items are used. However, even in this kind of case, an "application for special approval" in regard to these parts, must be presented to the COCOM Headquarters in France, through MITI, and its approval obtained. This screening by COCOM, which is called "transmission to Paris" in the circles concerned, takes time, and there are even cases where permission is refused, after being made to wait for as much as half a year.

Now this would tend to tell me or to show me why the Toshiba Corp. ultimately opted not even to go to Cocom. They took the heads off the milling machines and they called it a vertical lathe and they simply submitted it to MITI, never submitted it to Cocom for approval.

Mrs. BENTLEY. Would the gentleman like to explain what Cocom is about?

Mr. HUNTER. Cocom is the International—and again I think the gentlewoman is absolutely correct. We deal with these terms all the time and they are not readily appreciated by folks who do not deal with them. But Cocom is a coordinating committee for members of NATO and Japan, basically the Western Alliance, that supposedly protects high technology from going out to the Soviet Union. The problem with Cocom is that there are member nations like Japan and France which, as a matter of policy, want to sell anything to anybody, whose membership sits in the meeting, as Richard Perle says, with their industrial officials sitting next to them pushing constantly for liberalization of transport and shipment of high technology to the Eastern world, to the Warsaw Pact nations.

For that reason, Cocom has been an inadequate protection for the United States and our allies with regard to defense. In fact, I think the fact that the Soviets are engaged in 5,000 defense programs that involve American technology and Western technology, is proof positive that our shield against this transfer has in reality been a seive. It has not stopped anything. I think we are going to have to move very strongly toward barring our consumer market to companies which violate high technology transfer prohibitions especially in light of the recent report that I have received, and I am trying to confirm this right now, but I understand that the Japanese Diet has voted against establishing an espionage law in Japan. That means if the Walker sold secrets in Japan they would be told "Have a nice day, we are not going to prosecute you."

Mrs. BENTLEY. "Keep doing it."

Mr. HUNTER. I think it is absolutely incredible that the United States is proposing and in fact has completed some pacts with the Government of Japan regarding partnerships in SDI programs and that there are proposals in the Secretary of Defense's office right now regarding partnerships in submarine technology. I think if we share our technology with the Government of Japan and a country in which the KGB is making large cash payoffs to people who commit espionage and there is no punishment for espionage, we are going to see that information that right now has not been compromised, go directly to the Soviet Union through hundreds of KGB agents.

I spoke with one of the KGB agents who has come over to this side, defected, yesterday and he said in fact that the people who are in Japan operating for the KGB for the Soviet Union are extremely well-versed in technical and the political aspects of securing prohibited technology for the Soviet war machine. He said they are highly effective and they are right now carting off Western technology by the cartload so that the Russian war machine will be more able to effectively kill young Americans should we have a conflict with them.

I thank the gentlewoman for yielding.

Mrs. BENTLEY. Let us continue our colloquy. I think we should point out here that Toshiba did not sabotage the silent submarine by itself, that it was joined in this effort by Kongsberg of Norway and Kongsberg of Norway however does not happen to be a company that makes any consumer products. So therefore all of the focus has been on Toshiba. But there are two things about Kongsberg of Norway; namely, it did shut down its trading company altogether. It sort of regrouped and put everything under one head. However, it is a company that is solely a government concern and the Government of Norway is changing its laws, as I understand it, or has changed them so that there would be a 10-year statute of limitations should anything occur again, and that the penalties will be very severe should anybody ever engage in this again in Norway.

We have not seen that on the other side. Am I right or wrong on that?

Mr. HUNTER. That is true. Although I have been reading this gentleman's—and this is essentially the whistle-blower who turned in Toshiba—I am looking at that now at the paragraph "plan for using Norway." He describes how they decided to pull Norway into the picture in attempting to procure this high technology for quieting Soviet submarines.

He says this, and I quote:

> As the business talks proceeded, we came to face frontally the big problem of how to export these machines which infringed on the COCOM rules, to the Soviet Union. Again, please pardon the translation. This was translated from Japanese to English from one of the major publications in Japan.

Continuing on:

> It was at this stage that Kongsberg came into the picture. The Kongsberg Vaapenfabrikk Corp. which is located in the city of Kongsberg in Norway is a prestigious state operated munitions enterprise which adopts as its company name the Norwegian term Vaapenfabrikk which means weapons fabrication in English, or in other words, weapons manufacture. Besides weapons, it also manufactures computers, automatic designing machines, numerical control equipment, et cetera, and it had the actual record of delivering about 100 PC-150 programming centers to Elektronorgteknika, the Soviet Union's electronics technology import corporation.
>
> The exporting of metal-processing machine tools, which are capable of more than two-axis simultaneous control, to the Soviet Union is banned by the COCOM Rules, and also by our country's Trade Control Ordinance, and there was absolutely no possibility at all for the exporting of nine-axis simultaneous-control propeller milling machines being approved. Therefore, approval will be obtained as two-axis control machines, and importing numerical controls (NC's) for two-axis use from Norway, a third country, to Japan, and installing them into the machine, they will be exported to the Soviet Union. The machines naturally had nine-axis simultaneous-control capability, but even if the crates were opened at Customs, it would not be possible to assemble a machine, which weighs as much as 250 tons, and to check its performance.

In other words, by breaking down these machines which are as big as a room, they put the customs people in a position of having to put the machine together to test it as to whether or not it can cut on nine-axis simultaneously.

It goes on:

> On the other hand, a program for 9-axis simultaneous control will be exported to a third nation, or in other words, to Kongsberg, and it will be exported to the Soviet Union from Norway, where control is lenient, as a part of the documents for other machines.

Here is the key, this is why Kongsberg was so interested in selling out, selling the security of the Western world to the Russians: "Kongsberg was pushing business negotiations for the exporting of programming centers to the Technological Machinery Corp. and the Baltic Shipyard." In other words, Kongsberg, our ally in Norway, which is state-owned is doing big business with the Soviet Union and they wanted to keep the dollars coming in, which made it a still more desirable partner. "This programming center was for the purpose of analyzing the data of the original design of a propeller and for its input into the NC equipment of a nine-axis control propeller milling machine."

In other words, Kongsberg was helping the Soviet Union solve their problem of being able to destroy American submarines. Our allies, who are State Department people were meeting with, who were sitting around telling us how important it was for us as partners to handle the Soviet submarine threat because they see a great deal of it on a fairly regular basis, they detected these Soviet submarines, at the same time were over at the Baltic shipyard sitting down with Soviet engineers saying, "Let's figure out how we can kill these American boats should you go to war." That is the extent. I think the gentlewoman has made some strong points today in other areas about the real commitment of our American partners. Now that Mr. Carlucci is going around the world attempting to secure mine sweepers from our allies and finding doors are slammed in his face, even though most of the oil coming out of the Persian Gulf is going to them, not to us, I am reminded of this fine ally, Norway, which is in the business of selling the security of American sailors to the Soviet Union for money, even before they were approached on the Toshiba case.

I think one very interesting aspect of the Norwegian case, Kongsberg, is the fact that they found the one British national in the company and he is the guy who is getting indicted.

Mrs. BENTLEY. That is a very ironic thing. In fact, Norway really is the closest to Russia of any of the countries because in World War II it was the convoys of shipping coming from Murmansk in Russia going around the Norwegian coast that everybody was so concerned about the German submarines knocking them off. And there they are, the same country and its defense establishment is literally giving away the secrets to protect its coast.

Mr. HUNTER. Absolutely.

Mrs. BENTLEY. That is what is so difficult to understand in the whole operation.

Does Mr. Kumagai have any more interesting points that we should make known today?

Mr. HUNTER. Well, he has made one interesting point. He told one way that the Soviet Union acquires goods and acquires technology from Japan: Japan stages technology fairs in Moscow. And even if it is a banned good, you can go—even if it is banned for export by Cocom, you can go to a technology fair, if you are a Soviet KGB agent, and you can examine that particular technology at the Japanese technology fair.

The point is that the Japanese industry has attempted to circumvent Cocom regulations rather than adhere to them and they have been guided I think by the almighty yen. I believe that the only way to deter other Japanese corporations and other Western corporations whether they are Norwegian, French, or whatever, is to initiate very strong consumer action in this country. I would call it consumer action, banning their products where it is appropriate from this Nation's shelves. I think Toshiba made about $22 million on this deal. That was the total sale, in fact, with regard to the milling machines. They do $3 billion worth of domestic sales a year in the United States. We need to cut Toshiba off and never again let them sell to the American consumers whom they have endangered by their actions. That would, I think send a very strong signal to other companies, big companies like Mitsubishi who built the Zero, the Japanese Zero, incidentally, let them know if they continue to sell technology to the Soviets we are not going to allow them to bring their automobiles into this country.

□ 1605

I think in the case of Kongsberg which has no domestic market, but which has a substantial business with the Department of Defense, we should ban them from doing business with the Department of Defense. My hope is that our colleagues in the other body and our colleagues in this body are not going to allow themselves to be suckered by an army of $1,000-a-day lobbyists that Toshiba has unleashed on this city in Washington, DC.

I think if they do that, their constituents in their districts throughout the United States are going to be very, very upset.

Mrs. BENTLEY. I would hope so. Speaking of those fairs, after we revealed here in the Congress about the activities of the sales to the Russians by Toshiba and Kongsberg that the Japanese pulled out of the next scheduled fair in Moscow. I do not know how long that pullout will last, but I felt it was interesting that they felt they should not go.

Also of special note is the fact that in October there is going to be a fair over in Crystal City, VA, a few feet away from the Pentagon, and only foreign exhibitors including Kongsberg are allowed. No American defense manufacturers are going to be allowed.

Mr. Speaker, those are points I felt I should bring up since fairs were mentioned, and how people come and see what is being produced, and what they can get.

Mr. HUNTER. If the gentlewoman will yield further, since we are talking about fairs, I want to expand just a little bit on how the fairs are used because it is not just a matter of when the Japanese put on a technology fair in Moscow, it is not just a matter of letting the Moscow agents come and look at the technology. These are the words of the gentleman who was the manager of this trading company, Mr. Kazuo Kumagai. He says, "As one method for the acquisition of high technology, is the method of lending for a certain fixed period of time banned goods which were exhibited at sample fairs in Moscow to Soviet research institutes, and letting Soviet experts thoroughly dismantle and analyze them and exhaustively study the secrets of high technology is also resorted to."

What that means is if I have a computer I am not allowed to sell to Moscow, what I do is say, "Listen, I'm going to put this computer at the fair next week, and after the fair is over I want you to stop by the fair booth or our organization office at the fair, and I will give you the computer for a couple of weeks. You take it back to your university or to your laboratory in the Soviet Union's department of defense establishment, have your engineers and scientists disassemble it, photograph it, and analyze it, possibly back-engineer it if they want, and then return the computer to me at your leisure."

That is another way for the Soviet Union to acquire prohibited technology, and the Japanese Government appears to encourage that type of backdoor treachery.

Mrs. BENTLEY. Mr. Speaker, I am sure that the gentleman from California [Mr. HUNTER] has visited a number of our defense plants in this country as have I, and knows how much security is placed on each of the doors when one enters one of these plants and how each of the employees there is screened beforehand and clearances must be obtained before they are employed.

We go through all of this for security, for protection, so that our technology will be secure here, and then we give it away somehow to our allies. We let them take it. There is no concern apparently whatsoever whether our allies have an espionage law, whether they have any form of security, whether there is any protection whatsoever.

How do we account for this?

Mr. HUNTER. Mr. Speaker, the gentlewoman from Maryland [Mrs. BENTLEY] has asked an excellent question. I think the question can best be answered by pointing out the conflict between Commerce, and other agencies of the Government, between the agencies in this Government whose job is to sell, to make money, to increase exports, vis-a-vis Defense, whose job it is to secure the safety of this country. You have many cases where people, and I am talking about some American businesses in this case, but where people are involved in selling who get carried away and do not look at the defense aspects of these sales.

The gentlewoman is absolutely right. In some cases you will have less scrutiny applied to a computer that goes out the door for transfer to some phony company, a shadow company that has been established by the KGB in France, for example, than the same computer that is on the floor at General Dynamics. That same computer, if it is on the floor at General Dynamics, in one of their weapons facilities, may have a lot of security around it. It may be in a situation where you would have to have a platoon of infantrymen to get into that particular location, but that same computer can go right out to a phony trading company and divest itself of all of its security, and I will tell the gentlewoman, there is one other very, very troubling aspect of this Toshiba case that has come to my attention.

I have been told, and I am researching it so I do not want to state it as an absolute conclusion, but I have been told that at one point before Toshiba supplied this technology to the Soviet Union, these milling machines, that the Soviet Union attempted to get them in the United States from the United States and that at one point the Department of Commerce in the United States had issued tentative approval. I am checking that out. If that is the truth, that would be an absolute disaster and absolute proof that we have an inadequate system in this country, and that we have poeple who are focusing on the wrong things. They are not focusing on national security.

We have a lot of people, we have a major industrial base in this country, and we have a lot of people who have been put out of work by foreign industry.

Mrs. BENTLEY. Our work force is shrinking, yes.

Mr. HUNTER. We have a market here, and if we want to expand American production in a certain sector, I would much rather, although I am a member of the President's party, I am a Republican, I am not necessarily a free-trader, I am for smart trade.

Mrs. BENTLEY. Smart trade and fair trade.

Mr. HUNTER. Not free trade, which I consider to be dumb trade. I think some of our free trade is very dumb.

But I would rather preserve a portion of the American market to a particular industry and exclude a foreign corporation or foreign source for certain goods than to try to beat the trade deficit by selling high technology to our enemies.

Incidentally, the trade bill, H.R. 3, as I understand, has provisions that require or that remove the Department of Defense's capability of banning sales to a number of countries which are adversaries, including two of them that are unclassified, Iraq and Libya. Somebody someplace actually got provisions in the trade bill that will help militarily critical technology to flow to our worst enemies. It is absolutely unthinkable, yet it is manifested in legislation passed on this floor, I think, by a fairly overwhelming vote.

Mrs. BENTLEY. Unfortunately, that amendment did get into the trade bill and the effort that was made by the gentleman from New York [Mr. SOLOMON], the honorable Congressman from New York State, to try and squelch that, he was not even allowed to get it by the Rules Committee.

Mr. HUNTER. The Democrat majority on the Rules Committee would not allow the gentleman from New York [Mr. SOLOMON] to offer the proposal to eliminate Libya, and Iraq their access to major military technology.

Mrs. BENTLEY. And I would add that 13 of 17 countries are very questionable in that list and the fact is that I understand the version coming back from the Senate and going into the conference, that the lifting of that export control altogether there could open the door for 1,000 Toshiba cases, which is the way it was put to me this past week, which absolutely frightens me and may make me turn away from the trade bill altogether.

If we give all of that technology away, what we have left of our industrial base in this country we can just kiss goodbye.

Mr. HUNTER. If the gentlewoman would yield briefly, I need to leave this colloquy which I have enjoyed greatly, and I think I just want to tell the gentlewoman that I thank her for her actions and for her efforts to stop the technology flow, and I hope that our colleagues in the next several weeks will allow us to have a bill on this side of the Capitol that will ban trade permanently with Toshiba, ban Toshiba exports into the United States and also ban Department of Defense contracts between the Department of Defense and Kongsberg.

I want to leave this statement by this senior trading official from Japan who operated in cooperation with the KGB in transferring technology for many years, I want to leave this with the gentlewoman from Maryland [Mrs. BENTLEY], and if she has other provisions she would like to refer to, that will be fine.

Mrs. BENTLEY. I am very happy for that, and I appreciate the gentleman from California [Mr. HUNTER], who has devoted so much of his time to this whole project as well, and for all of his assistance and for being a leader in this cause.

What the gentleman from California [Mr. HUNTER] was pointing out to me right now was a statement by Mr. Kumagai that the close relationship between Wako Koeki, which is the Japanese trading company of Toshiba, and the Technology Machinery Import Corp. of the KGB, of Russia, started 22 years ago, so actually it has been going on for much longer than just these last 4 or 5 years that we have been made aware of.

These are some of the things that we are so concerned about. We have other material which we are going to be making public in the next few weeks about two or three other companies that also have been selling out to the Soviet Union from Japan and how they tried to snare in Singapore and some of the other Far Eastern countries as a conduit, which is why these items were stopped.

I would like to summarize by pointing out that what is happening at the same time that we are having these activities going on off shore, that we are having so many foreign assembly plants moving into the United States, but they are not, and I want to emphasize this, without exception each of these are coming in and they are assembling parts manufactured in their homeland. This means again that they are not using our resources, they are not using our steel, they are not using any of the items that are important, and they are continuing in this manner to build in a chronic balance-of-payments deficit draining off the dollars and draining off U.S. capital into the future, and these are just some of the points that we felt we wanted to make known to the American public today.

Mr. Speaker, I yield back the balance of my time.

ANNIVERSARY OF THE VOTING RIGHTS ACT OF 1965

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. Lewis] is recognized for 60 minutes.

Mr. LEWIS of Georgia. Mr. Speaker, 22 years ago today, on August 6, 1965, President Lyndon Johnson signed into law the Voting Rights Act of 1965. After the atrocities at Selma, as well as other locations throughout the South, the consciousness of the entire Nation was so moved by the injustice and brutality, which they had witnessed on their television screens, that many demanded action from their federally elected officials. The Congress exercised its authority under the 14th and 15th amendments to the Constitution to ensure the rights of minorities to register to vote, as well as protection against discriminatory election laws, such as the State and local poll taxes, and literacy tests.

As a result of this crowning achievement of the civil rights movement, the percentage of black registered voters in the South doubled between 1965 and 1980. Between 1965 and 1986, the total number of black elected officials in the South increased from less than 100 to over 4,000. These gains could not have been realized without the Voting Rights Act.

The Voting Rights Act of 1965 brought about a nonviolent revolution. Our country is a better country, a more humane country, a more caring country, as a result of the enactment of the Voting Rights Act.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 51

Mr. FAUNTROY. Mr. Speaker, I ask unanimous consent that the name of the gentleman from Maryland, Mr. Roy Dyson, be removed from the list of cosponsors of the bill, H.R. 51. His name was inadvertently listed as a cosponsor.

The SPEAKER pro tempore (Mr. Kennedy). Is there objection to the request of the gentleman from the District of Columbia?

There was no objection.

PEACEFUL APPROACH TO NICARAGUA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. Gonzalez] is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, I would like to say at the outset that I wish to salute, wish well and compliment my colleague presently serving as Speaker pro tempore, the distinguished gentleman from Massachusetts, Joseph P. Kennedy, Jr.

□ 1620

As I understand, this is the first occasion he has this heavy chore; and as can be readily seen, he does so with impressive dignity, a smiling countenance and in the great tradition of this great family that has given so much to our country.

Mr. Speaker, today the news seems to be a balloon that has been floated out of the White House and onto the Capitol, as to a stratagem that Ronald Reagan now says he is interested in and seems to be confirmed by the Secretary of State, George Shultz, that they will initiate a peaceful approach or suggestion to the Central American, specifically the Nicaraguan, situation.

Yesterday I had the privilege during our weekly Texas Democratic delegation luncheon to have given me the first mimeographed copy of an outline substantially delineating the approach.

The Speaker of the House, our great Mr. Wright, very generously provided a copy. In reading it over last night, I find that it seems too much to expect of a self-respecting sovereign nation and its duly elected leaders which, like it or not, is the case in Nicaragua today.

As a matter of fact, we ourselves give testimony worldwide that that is a fact, for we have a duly accredited plenipotentiary, our U.S. Ambassador in Managua, testifying to that fact, that he is there, received as such as a duly appointed envoy of the United States recognizing the legitimacy of that regime which we so derogatorily label the Sandinista regime, and has been rather unjustly and inaccurately labeled as a Marxist-Leninist complete takeover of the Nicaraguan Government.

I want the record to show that as of November 4, 1984 where the people in Nicaragua in a free, open election in which you had half a dozen different party candidates, including the Communists, the Socialists, the Marxist-Leninists, all vied for these national leadership positions.

I think we should know, and I think the American people are entitled to know that the combined vote garnered by the Socialists, which were a separate entity, the Marxist-Leninists and the Communists to some of us less enlightened minds, it seems like it is all one big package. I do not see much difference between a labeled National Socialist which, after all, was the name of the Hitlerian party, Adolf Hilter's party, the German National Socialist Labor Party.

Mussolini was in Italy and came up piggybacked on the workingman's shoulders and backs. In Russia we have had the United Soviet Socialist Republics.

I think the feature that is indistinguishable in all these forms is the authoritarian nature, the anti democratic nature of these regimes, the fact that you read in history about the open slogan and proclamation that the Soviet Socialist cause believed in the dictatorship of the proletariat.

Well, that in itself clearly contradicts the democratic principle. I for one resist any kind of any anti democratic exercise. Given my background, the inheritance that has enabled me more than perhaps the average American-born citizen to appreciate what we define as democracy really is, and now the word "democracy" is used very liberally and interchangeably in all of these countries.

It would hardly fit the day in and day out daily-life definition that we Americans give democracy.

Anytime, as I say, we reduce that decisionmaking power without, in the words of the Declaration of Independence, the just consent of governed, we do not have democracy.

We do not have participatory democracy. We do have representative or republican form of government. I used the word "republican" in the sense in its language-origin sense, not in the party-label identification that we are accustomed to hearing in our country, so that when we say that in a country such as Nicaragua where because of revolution, a revolution that had been ongoing before, during and after our Marines occupied that country for 9 years, when Calvin Coolidge ordered the invasion of Nicaragua in 1929, and remained there until the Somoza regime was imposed and the military force known as the Nationale Guardia, or the National Guard, was imposed in order to be able to keep the Somoza regime in.

I might say by way of addition that that invasion in 1929 had been preceded by eight others in less than 75 years on the part of the United States, as far as invading a sovereign people known as the Nicaraguans.

With this heritage of experience and background, we should keep in mind that astoundingly, even under the pressure of this vast Goliath which is our country, through the CIA attempting to kill its leaders, I myself saw fragments of explosives that had been attempted to be used to blow up public buildings in Nicaragua, and they were clearly stamped "For U.S. Army Use Only."

Through the CIA we have attempted to kill their leaders. We have perpetrated great destruction and pillaging of Nicaraguan sovereign territory and properties, while all the time we have maintained an ambassador in Managua, so that with this as the background and with the issuance of this so-called peace movement, it should be noted that what I saw as the summary of the proposal—in fact, it was rather explicit, it was not that much of a summary it was practically the full proposal.

In effect, my interpretation leads me to conclude that no self-respecting leader of a sovereign nation would accept it for the plain and simple reason that Mr. Reagan says once again, except a little more politely, "Drop dead or I'll kill you."

This has been his approach to Nicaragua since 1981. The so-called Sandinista revolution triumphed in the summer of 1979.

At no time during the course of that civil war was the American Embassy ever attacked, unlike the revolution in El Salvador where we proclaimed victory, because according to our leaders in and out of the Congress, in and out of the White House, we have imposed a legitimate, a very acceptable leader in Jose Napoleon Duarte, but who is no more, no less in power than he was two times before when he was finally kicked out by the military, and those who have murderously through their so-called Escuadrons de Glorius, literally translated, Glory Squads, but we have learned to know as the death squad were killing off thousands of Salvadorans and continue to do so, even under Duarte with a vengeance now.

There is more freedom in Nicaragua which we look down upon and which the President consistently says is a country shorn of liberty than there is in El Salvador right now as I am speaking which a lot of my colleagues, the White House, the State Department proclaim as being a legitimate government because of the results of the elections 3 years ago but which were far more controlled.

Our money financed the Salvadoran elections. You cannot say this was true in Nicaragua. You cannot say that you had on the ballot in El Salvador the hostile elements that had been in rebellion.

There are five factions in the revolutionary core of the Salvadoran revolutionary movement; and in the ballots in Nicaragua, for instance, all that the four so-called Socialist, Marxist-Leninist Party candidates could receive was a total of 6 percent of the vote.

That clearly should indicate that the attempt made on the part of those who have consistently attempted to destabilize as our first Secretary of State under Ronald Reagan, General Haig openly said he would do, for it was he who first introduced the Argentinian troops into Honduras in order to train what we now called the contras, in order to destabilize the then Sandinista junta.

Unless we are prepared to accept the facts of history and the traditions, we will continue to be duped as a public and as a Congress by a leader such as Ronald Reagan who, as President, has violated every principle for which America stands.

He has taken our country out of the World Court of Justice, plus we were one of the sovereign nations to help initiate decades ago, because we feared the verdict of the World Court in the face of the gravamen of charges that Nicaragua had brought against us in the World Court of Justice; and sure enough, Mr. Reagan pulls out.

I though he was for law and order, but lo and behold for the first time, he has pulled us out of the World Court of Justice, but subsequent to our pulling out, the World Court of Justice rules, found us guilty, convicted us and ordered compensation for what we now call acts of terrorism, attempts to assassinate the leaders, destruction of Nicaraguan property, and so at that point because I have seen at no point in no periodical, not even a summary in any newspaper of the International Court of Justice's judgment, known as a Judgment of the Court, filed on June 27, 1986.

□ 1635

Now, this judgment has not even been mentioned, but it has influenced world opinion. There is not one country of any substance, other than the eastern Caribbean countries, that are totally dependent on our largess, who are in sympathy with the actions of our Government in the last 6 years with respect to Central America generally and Nicaragua specifically.

There is not one European nation that sympathizes with us.

Even in the Far East, there is absolutely no adherence. We have become, without the American people fully realizing it, the laughing stock of the world; but what is more shockingly arrayed as an open contradiction to everything we say we stand for as Americans.

So that as President Ronald Reagan has violated very single principle that we have always held from the beginning as meaning and symbolizing what America is all about. He has acted without consulting Congress in the most calamitous of decisions and even as Commander in Chief, he has been a faithless leader.

This is why for 14 months I took this floor to inquire of the President, "What is the military mission, Mr. President, of the marines you have detailed to Lebanon? They are under the daily shadow of death, Mr. President."

But I also knew that the Joint Chiefs of Staff had unanimously advised the President, the Commander in Chief, if you please, against that diversion of troops.

Now, everybody throughout the world knew, all one had to do was read the European press, France, West Germany, Spain, England, the South American press, and you would realize that it was incongruous, it was inconsistent with what these diplomats in those countries, these editors of newspapers in these countries, could understand was a coherent, a logical, a reasonable decision.

So we had the calamitous slaughter of 241 of our warriors, the reason being that the President, as I said and recalled St. Paul by saying, "If the trumpet giveth an uncertain sound, who then can prepare for battle."

This Ronald Reagan trumpet is still uncertain and contradictory in its sounds and tones.

Even today as we are here and we are discussing this, the Central American issue is off the headlines, but in a few weeks it will be back on because of the Persian Gulf contradictions.

Even some of his staunchest supporters back in my home State of Texas have written and said, "Well, I have supported him, but I don't understand this. It's a bad decision. How come you fellows in Congress aren't doing something?"

It has yet to result in any input on the part of the Congress.

Has the President consulted with congressional leaders? Not to my knowledge.

So here is a President who has callously failed to consult with the congressional leaders. Even President Lincoln at the height of the Civil War would never have thought of failing to do that. President Franklin Roosevelt before he would make any kind of a pronunciomento he had on a bipartisan basis, summoned forth the leaders in the Congress and advised them. Even Lyndon Johnson before he would move, even in his invasion of Santo Domingo, which I felt was questionable, but nevertheless, he made sure he had the approval of the OAS, even as he told me at one time he had to kind of pressure them a little bit, but at least he paid respect to the decent opinion of mankind. That is another phrase from our Declaration of Independence.

The President has ordered military strikes that kill civilians. He attempts to kill foreign leaders, and without constitutional authority he embarked, as I say, while he has his Ambassador in Managua, military support for the so-called Contras, what I call the immoral equivalent of our Founding Fathers, knowing full well that they have murdered and raped and pillaged their own fellow nationals in Nicaragua.

So that the so-called peace initiative now is patently hypocritical on its face. It depends imperiously. It does not say, "Hey, let us come forth and discuss it in company with other nations," which have been called the Contadora nations.

As a matter of fact, if we had wanted to follow this advice, which incidentally is the only advice I have given the privileged orders consistently since April 1, 1980, and Ronald Reagan was not President, Jimmy Carter was.

The reason I did was that it was obvious that for whatever reason, somewhere in that vast maze of governmental bureaucracy or governmental setup, at that time under Jimmy

Carter, the State Department or whoever was responsible for those decisions was beginning to embark on a course of military, rather than other approaches.

The assassination of Archbishop Romero, the murder and rape of five American nuns, several American priests, an untold number of foreign missionaries, as well as reporters, four Scandinavians in El Salvador alone, all because the death squads were deadly effective at the time, and even such dastardly things as the murder of Archbishop Romero, not one time has General Duarte said, "Well, you know, we're going to try to do something about ascertaining responsibility."

The reason is that these great, great murderers, Duboson, the leader of the death squads, who was the one who dubbed them Esquadron Egloria, glory squads, and where over 55,000 Salvadorans have died.

One cannot in America understand the extent of our calamitous interventions, unless we are in touch with those who are themselves the reasonable minds, the moderates minds, but in countries such as these that after over 350 years of tyranny and exploitation, the worst ever that you can read about, are desperately realizing that the world does not have to be that way.

We have aided and abetted those who in the name of combating communism want to maintain in perpetuity their exploitation of these masses. They are not going to do it. We are not going to succeed. We do not have enough soldiers to succeed, and we should not.

It is calamitous to think that we have gone so far as we have in intervening in behalf and supporting and maintaining and feeding these despots, corrupt, and feeding off our largess with their secret Swiss accounts, with their beautiful jacuzzi equipped jets based in Miami. How many American tax dollars have gone to that? Well, ask Mr. Reagan. You will not get an answer, because the Congress itself has not even been so much as consulted, much less informed.

Since the Congress is a multiple body, it is very difficult to summon in quick rapid order unitary action that can countervail the unitary action of the mandatory, known as the President.

Unfortunately, as in the case of the assassination of Archbishop Romero, the CIA stationed in that area were in close contact, cheek by jowl, with the assassination of Romero.

There would never have been any problem about arresting and judging and trying the murderers and assassins, except for the fact that our country and through the CIA was in close alliance with those that in the name of anticommunism were murdering such free voices as Archbishop Romero.

We cannot stand the judgment of world opinion and certainly we are indicted by the world court of justice, much less a much higher and divine judgment.

So I introduced an impeachment resolution on March 5 last and I gave my recital of specifics, though actually they were not actually necessary to carry out a proper impeachment course on the House of Representatives level, but I did so because the acts were specific and each one an impeachable offense.

Certainly a willful flouting of our Constitution is one of the main reasons why the men who wrote that Constitution 200 years ago delved deep into the mother country's history in its struggle for freedom, to preserve in these articles and sections in our Constitution.

Impeachment, meaning if an agent of the people, appointive or elective, violates his oath of office—and what is that oath of office? The oath of office we all take is that we shall uphold, defend, and preserve the Constitution, against all enemies, both domestic as well as foreign.

When the American people saw this uniformed, but somewhat mendacious marine, Colonel North, in his military uniform, equipped with medals, bemedaled and all, and heard him say that his highest allegiance was to the Chief, he was saying the same thing all of the other lieutenants of the Nazi armies, those in the Mussolini corps, and those in these other countries were saying, because he did not take an oath to make the supreme being the Commander in Chief. His oath is the same as ours, to uphold the Constitution against all enemies, domestic as well as foreign. That means the President himself.

□ 1650

In the trials of Nuremberg, German ex-leader after German ex-leader rationalized and explained and tried to justify his decisions by saying I was carrying out orders as a faithful and dutiful officer of the Wehrmacht.

This is what Colonel North was telling us the other day. I did not hear anybody, even on the committee say, hey, wait a while, mister, your duty is to the Constitution, and that is the oath you take. Otherwise, there is no difference between our country and what history has shown as these lesser and benighted regimes that created so much havoc and misery and pain for humanity in the 20th century.

So certainly we here in America must speak. A great French mind who died in World War I at the Battle of Marne said he who knows the truth and does not proclaim it from every rooftop is in a conspiracy with liars and cheats, and that is very true. That French mind was Charles Peguy, a great thinker, great philosopher, great literator, and a soldier who died in the field of battle in a most sad way.

Certainly the Congress above all under our Constitution cannot at any time fail to respond to its very prime constitutional purpose for which it was created in article I of the Constitution. The executive branch is article II. And the reason was, as James Madison said, and I am going to quote:

> Of all of the evils to public liberty, war is perhaps the most to be dreaded because it comprises and develops every other. War is the parent of armies. From the proceeds debts and taxes, and armies and debts and taxes are the know instruments for bringing the many under the domain of the few. In war too the discretionary power of the Executive is extended. Its influence in dealing out offices, honors and emoluments is multiplied, and all of the means of seducing the minds are added to those of subduing the force of the people. No nation could preserve its freedom in the midst of continual warfare.

So in light of this history of this regime known as the Ronald Reagan administration, should we wonder that the decisions which I have labeled for 3 years now as irreversible, that is to intervene directly in Nicaragua, are not being changed one whit, not one whit. Why do I say this?

When some of us were recommending 6 years ago that we try diplomacy first, after all, we go to war, we go to battle, we summon the military only when diplomacy has failed, and this is why our record in post-World War II—I should not say post-World War II because my contention is World War II is not over yet. There is no peace treaty. We have 300,000 of our troops in Germany alone, 45,000 in Korea, and now we do not know how many will be sailoring around in the Mediterranean. We have quite a number that nobody can ascertain for sure in what would be questionable activities on the part of our regularly constituted services south of the border. We have had over 20 of our soldiers killed in that area alone, and yet nobody identifies them as such. So I doubt that President Reagan, being of the mind his actions clearly reveal, is going to reverse an investment of $4 billion, a policy of ultimate direct intervention because in this proposal an ultimatum is given. Either you accept this or if you do not we will proceed.

What do you mean by proceed? Well, the President has said several times, if not once, that he hopes the Congress will give him all of the funds necessary and military aid to the so-called Contras in Honduras which incidentally is a fundamental violation of the international law as long as we have the fully accepted and constituted plenipotentiary in Managua testifying to the world that we recognize that regime. I have said earlier this month and last month that the month of August, this month we are in, is the ideal month for operational activities in the area, particularly the north and in fact most of Nicaragua. It is the dry weather month, and it is only 1 month or so of duration that you can really count on this maximum operation.

I say that the die has been cast, that President Ronald Reagan is not the kind, being an ideologue, that is going to change his mind, that it is insulting to say that you are going to try a last minute ploy by seeming to accept a peace or diplomatic approach when five other nations, every one of them a sovereign independent nation, and very well respected from Mexico to Venezuela, have for 5½ years been conducting such attempts and had reached an agreement except for our undermining of that agreement. Our Government has obstructed and undermined every single attempt to find a peaceful solution by those nations among themselves. To me that is folly, it is criminal folly, because if at any time we can have the persuasive ability of some at least erstwhile friends and allies putting forth a condition that if accepted would mean that all of our so-called allegations and reasons for being hostile to this regime would be taken care of.

I have read the Contadora processes, and if I had thought I would have brought them with me and placed them in the RECORD because again, I have never seen them printed in any American publication. All we had to do was what Eisenhower did. President Eisenhower did not think it was demeaning to the United States in 1957. We joined the equivalent number of nations in reconciling the dispute between Honduras and Nicaragua, wide ranged for decades. And when those nations invited our Secretary of State, Eisenhower said, fine, and they made the American diplomat the leader, the chairman, and then all went to the World Court, the same one Mr. Reagan has taken us out of, and there it was settled, and it had remained settled until 1981 when Gen. Alexander Haig introduced Argentinan troops into Honduras with the determined purpose to destabilize the Sandinista junta at that time.

So what is wrong with that approach? What is wrong with finding victory by having more brains, as I was told once when I was starting out as a juvenile officer, and I heard screaming in the adjacent room while I was with the then county health official who was examining some of the young juveniles due to appear in the court next day, and the doctor known as Dr. Goodson said, for heavens sake, see what all of that banshee screaming is. So I go over and I see this woman on the floor hitting her head on the floor and screaming at the top of her lungs, and this very bewildered young female caseworker that had just been hired out of college, and a young girl. The girl was sobbing, and the woman was saying, "Oh, my daughter, my daughter." And I said, I went over and I said, "Lady, now come on, stop hitting your head on the floor, tell me what is the matter." She said, "Well, I know my daughter has been bad, but I don't think this woman has the right to call her a whore." So I said to the lady, "Well, lady you come over here and let's discuss this."

She subsided. I went to the chief and I said, hey, look, assign this case to somebody else. I came back and Dr. Goodson said, well, I can see that you have more brains than the dogs. I said what to you mean by that, doctor? He said, well, I am an oldtimer, and he was. At that time, this was 1946, he was already about 82 years old. And he said way back there we used to have a farmer out here, a rancher that wanted to train some dogs to retrieve, point and hunt and retrieve, he said, and he went to the best experts. And finally he went up to the East to look at some of these experts and consult them, and they could not train those hounds until one day this son of a slave family was called in, and they said do you think you can train them. And he said, well, give me a chance, we will see.

Well, sure enough, 2 weeks later he brought the dogs, they would point, they would run, they would retrieve, and this plantation owner or rancher said now tell me what was the secret of your success. This poor laborer scratched his head and he said, "Well, I guess the first requirement is that you have more brains than the dogs."

I believe the reason for that is that for the first time in our history we have an ideologue President, narrow in scope and breadth of vision, shallow in depth of understanding and knowledge and history, an ideologue which he revealed completely for 30 years that he served as a spokesman for the General Electric Corp. and went around the country making speeches. His utterances during the Watergate proceedings in which he clearly said I do not know what is the matter with President Nixon. He said, after all, there are times when a President must do things, and must make it perfectly all right for his aides and assistants to lie, if necessary. This is Mr. Ronald Reagan about 1974, 1975, trying to rationalize why nobody should get excited about what President Nixon was supposed to be in trouble about.

But I think that if we have, as I have painfully tried to since April 1 of 1980, and I spoke after 6 months of failing to reach some officials that would be reactive in the White House, in the State Department, and then I took to the floor because I felt as I have felt every time I have taken the floor, that that is my responsibility, for if I feel that what I say is the truth, and there is no rebuttal thereto, and being that I feel and I think my record shows that I am honest, that if I am shown to be in error I will be the first to admit it, and proclaim my error and correct either my utterances or my actions.

☐ 1705

But in the absence of that, I hold steadfastly as I have every day in the last 34½ years, that the people have given me the privilege to serve in a representative capacity, 3 years on the city council; difficult years, perhaps the most turbulent in municipal history in San Antonio in the 20th century, in which I faced everything from death threats, people shooting, from attempts to frame, to scare me off the city council.

As the city attorney then said at a bar, he said, "You wait, in the morning we are going to scare that little Mexican so bad he will wish he never heard of the city council." And all they did was insure that on this day in August I would be in this great forum in the hall of the House speaking forth under great privilege of special orders as a duly elected Member from the 20th District of Texas which I had never in my wildest fantasy dreamed I would be doing for, one, I had never planned, I never had the ambition, never though it would be possible to be immersed in politics. It took the war, and wars, as calamitous as they are and as "evils in their train are brought," nevertheless, sometimes do some things that help the cause of democracy and equality and justice.

The war did bring down some of the barriers that some people faced before the war but who, because of their patriotism and their heroism in the war clearly proved they should be and were entitled to be duly accepted into the mainstream of American life. And given the greatness and the vitality and the resiliency of our institutions up to now—and the reason I speak today is that I have been the most apprehensive in the last 3 years as to the durability, the resiliency of this constitutional form of government as ever before.

All during the time of Watergate, there was only one time I had equal apprehension and that was this month, 1965. My gosh, I cannot believe it is 22 years ago. We had a resolution calling for the 25th amendment to our Constitution. And so many, when I stood up, filibustered the race bills in my first session of the State Senate, held the floor for 30 hours, managed to kill 14 of those massive resistance bills that came out of the Confederate States, emanating from Virginia, 14 of the 16, and I would get up and I would say, "I am not here as a spokesman for my fellow Texan who happens to be a of black descent." And some of you who say well, what is my political mileage, I think you ought to know that in my county this great citizen does not comprise over 7½ percent of the total population.

I hope none of you think as amateurish as I am that I am that dumb a politician. But the thing that impels me, and these are the words I used, is that I am here like I would be nowhere else, even in my parents' country with all of the benefits of their affluence and richness would never have been able to offer the freedom, the chance, the opportunity, the education that we six in his family received free of charge. And for that I will fight to the bitter end to preserve. And since I have been a recipient of these privileges I will never act in such a way, I will never do such things as will diminish one iota the transmittal of this heritage to those who will follow, for it I cannot enlarge the horizon then I certainly will do nothing to diminish, for that I would consider the worst of treason. And I sincerely feel that way. That is no put on.

Even these special orders have gotten me as much condemnation as they have approval because, as in everything else, nobody is going to want to kill you because you are tall and they are short or you are short and they are tall. But if you think differently enough some people want to kill you. I have gone through that. But the beauty is that up to now I think the system is in danger more than ever because we have a dangerous personality with awesome power, and, unlike President Nixon, a charismatic personality. President Nixon, to even his strongest supporters, had some misgivings.

So when that 25th amendment or the resolution calling it forth came up, I went to the then chairman of the Committee on the Judiciary, the great jurist and expert, Manny Celler of New York and I said, "I just saw this, Mr. Chairman." At that time it was a lot easier-going. We had very few votes, very little business. I wondered why this was coming up. And he said, "Well, because first in the Senate there has been a lot of activity and this will resolve this question that we have just faced with Lyndon Johnson where he was President for a year without a Vice President, and Woodrow Wilson vegetated for about a year and a half or two." And I said, "Well, but the ship of state survived. I am troubled by this language here. For instance, section 4 here says that if the majority of the governing body," who is that? And he got real disgusted with me. He said, "Well everybody knows that is the Cabinet." I said, "But that is not constitutional language. The Cabinet is not a constitutional function. No where do you see that word." I said, "What do you mean?" He said, "Well, that is what it means." I said, "Well, but it cannot be. If a majority of the governing body decide that the President is incapable of functioning they shall declare him incapacitated and the Vice President becomes acting President?" I said, "In the United States, to our great Constitution you want to do this?" And with that he almost threw me across the aisle.

So I was one of the 26 or so that voted "no." But I was the only one that said, "Why?" But I never dreamed in my wildest nightmares that I would live to see some of those dreads become reality.

So there we had in 1974 Alexander Haig, Secretary of State Henry Kissinger coming to Mr. Nixon and saying, "If you don't quit, we are going to invoke the 25th amendment." Then you had Spiro Agnew who was proclaiming—he came right here to the Speaker's room one September day and I was here. There were just a few of us. He came to say that he was throwing himself on the mercy of the House and the Congress because something was happening over there.

Well, what was happening over there was—well, he later wrote in his book and what is the title of his book? "Go Quietly or Else."

What do you mean "or else"? That is what the gangsters do, "go quietly or else we bump you."

But that is what Mr. Spiro Agnew said; remember him? He was Vice President of the United States. That is the title of his book: "Go Quietly or Else."

And he attributes that phrase to Alexander Haig. So he did leave. Now the papers said he left because he was susceptible to some charges and what not and what not. But that is the reason they said Mr. Nixon left and obviously it was the reason why Mr. Ford gave him a pardon the moment he was sworn in as President.

But what happened, more significantly than ever in the history of our country since the first Congress and the adoption of the Constitution, we ended up with an unelected President and two unelected Vice Presidents. And that was because of the 25th amendment.

So I am asked, "Why do you want to get up there and talk? Why don't you just write and submit for the record?" Well, I have been doing this since the second week I came to the Congress, 25½ years ago. Of course, then there was no TV coverage, but then I always felt that the purpose of TV coverage was to allow the American people, who would, to view some of the proceedings, whatever was worthy of being carried. And that I would not divert from purpose and intent, the same purpose and intent I had for speaking out for some 20 years, and change that with the advent of TV coverage.

With one failure on my part as an exception, I have always addressed the colleagues which I am doing now, for the RECORD because my remarks, faithfully taken by these very competent reporters of debates—a Constitution word—will record and print for perusal by the Members and those who will be on the subscription list, that is who I am addressing and appealing to because I believe that, as never before, in the person of President Reagan, who as I have said and repeat, has taken every action that is inimical and contrary to every basic American principle, and yet is unchallenged. These I believe are reasons that would impel a Member charged with knowledge to formulate, as I have and I did—and it took me 6 months since last year—and finally on March 5 I introduced the resolution of impeachment. So in a manner of speaking I guess this could be called "The Impeachment of Ronald Reagan No. 9."

The fact remains that that is the impelling motive. Now the consequences. those you will always have. Back home it was brought forth the spiteful, the revengeful outbursts of those who are fanatic supporters of the President and the other party, on a partisan basis, that those who are responsible for disseminating of information and its use are in that category of dogmatic fanatic supporters of the President, it is no wonder that many citizens have requested that I furnish in greater detail either copies of House Joint Resolution 111, the impeachment resolution and whatever explanations I have given; so by xeroxing the proceedings of the House in which my special orders have been printed, I have been able to supply that request.

Mr. Speaker, what it boils down to is that the tendency, particularly during the advent of President Reagan is to label anybody who does not agree with the approach as one who is sympathetic to communism. This is so absurd.

All through my career I have had to face this dogmatic, fanatic approach, in Boulder, CO, believe it or not, of all places. On August 8, the day after tomorrow will be the 14th anniversary—it was 1973—that I was almost killed literally because I was not radical enough. Just a few years before that in Texas I was considered the leading radical integrationist labor union sympathizer in the State of Texas. And that was anathema in those days in Texas. After all, that was before Martin Luther King.

Mr. Speaker, I yield to the distinguished majority leader.

MAKING IN ORDER ON TOMORROW OR ANY DAY THEREAFTER CONSIDERATION OF A BILL EXTENDING THE PUBLIC DEBT LIMIT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that it shall be an order on Friday, August 7, 1987, or any day thereafter for the chairman of the Committee on Ways and Means, with the concurrence of the majority and minority leaders, to call up any bill reported from the Committee on Ways and Means extending the public debt limit, and all points of order against the consideration of such bill in the House and against its provisions are hereby waived. After debate, the previous question shall be considered as ordered on the passage of the bill without intervening motion.

□ 1720

The SPEAKER pro tempore (Mr. Kennedy). Is there objection to the request of the gentleman from Washington.

Mr. MICHEL. Mr. Speaker, reserving the right to object, and I certainly shall not object, I rise only to indicate for the Record that particularly since this request is being made by the majority leader interrupting a special order, that it is in complete concurrence and agreement with the minority leader. I do not think we want to establish any kind of precedent here for making requests of this significance without total agreement between both sides of the aisle, and the distinguished majority leader is good enough to inquire of our concurrence in this matter, and certainly after some considerably discussion we have agreed upon this request at this time.

Mr. Speaker, I withdraw my reservation of objection.

Mr. FOLEY. Mr. Speaker, I would like to amend the request, and I thank the distinguished minority leader. Inadvertently, I neglected to provide in the unanimous-consent request for a motion to recommit; so, Mr. Speaker, I ask unanimous consent that it shall be in order on Friday, August 7, 1987, or any day thereafter for the chairman of the Committee on Ways and Means, with the concurrence of the majority and minority leaders, to call up a bill reported from the Committee on Ways and Means extending the public debt limit, and all points of order against the consideration of such bill in the House and against its provisions are hereby waived. After debate, the previous question shall be considered as ordered on the passage of the bill without intervening motion, except one motion to recommit if offered by the minority leader.

Mr. MICHEL. Mr. Speaker, I have no objection to the request.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

The SPEAKER pro tempore. The time of the gentleman from Texas [Mr. Gonzalez] has expired.

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER AGAINST CONFERENCE REPORT ON HOUSE JOINT RESOLUTION 234, STATUTORY PUBLIC DEBT LIMIT

Mr. PEPPER, from the the Committee on Rules, submitted a privileged report (Rept. No. 100-277) on the resolution (H. Res. 247) waiving certain points of order against consideration of the conference report and any amendments reported from conference in disagreement on the joint resolution (H.J. Res. 324) increasing the statutory limit on the public debt, which was referred to the House Calendar and ordered to be printed.

COMMEMORATING THE 60TH ANNIVERSARY OF CENTRAL CATHOLIC HIGH SCHOOL IN PITTSBURGH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. Coyne] is recognized for 10 minutes.

Mr. COYNE. Mr. Speaker, this year marks the 60th anniversary of Central Catholic High School in Pittsburgh. Central Catholic was the first diocesan high school in Pittsburgh, and it is now the largest in the city.

Since the doors first opened to Central Catholic in 1927, commitment to education excellence and intellectual development have been the keystones of the educational experience it offers. This tenet has been reflected in the success of its more than 16,000 graduates in such fields as law, sports, banking, politics, theatre, religion, medicine, and education.

Each day the faculty of 63 lay and religious educators strives to challenge their students to attain their greatest potential in developing the values and skills necessary for responsible living.

Central Catholic provides its 1,115 students with a fully accredited college preparatory program of study in religion, language, social studies, mathematics, science, health, and physical education. Students are encouraged to take advantage of numerous educational and cultural programs offered by the University of Pittsburgh, Carnegie-Mellon University, Duquesne University, the Carnegie Institute, the International Poetry Forum, the World Affairs Council, and the Pittsburgh Public Theatre and Playhouse.

A wide range of extracurricular activities such as the school band and chorus, interscholastic and intramural sports, a debating team, literary and journalism publications, drama productions, and a photography club are offered to build such values as teamwork, dedication and sportsmanship.

Central Catholic's reputation, achievements and notable successes were recently recognized by the U.S. Department of Education, which named the school an "outstanding secondary school."

I congratulate Central Catholic High School on its 60-year history of providing an outstanding education experience to thousands of young men. As an alumnus I take special pride in the fact that I graduated from Central Catholic High School. In recognition of the 60th anniversary achievement, I am pleased to sponsor on behalf of my alma mater this congressional resolution designating September 11, 1987, as "Pittsburgh Central Catholic High School Day."

H.J. Res. 351

Whereas Central Catholic High School is the first and largest Catholic high school in Pittsburgh, Pennsylvania;

Whereas Central Catholic High School has over 16,000 graduates;

Whereas two bishops, over 200 priests, and almost 50 Christian Brothers are graduates of Central Catholic High School;

Whereas the Christian Brothers, a religious order that has been committed to providing a quality Catholic education in a formal academic setting for 300 years, has been associated with Central Catholic High School since its founding in 1927;

Whereas the Department of Education designated Central Catholic High School as an outstanding secondary school in 1987;

Whereas Central Catholic High School students are recipients of many local, State, and national awards for academic and extracurricular achievement;

Whereas the Pittsburgh History and Landmark Foundation designated the Central Catholic High School building as an historic landmark; and

Whereas in 1987 Central Catholic High School is celebrating the 60th anniversary of its blessing and dedication: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That September 11, 1987, the 60th anniversary of the blessing and dedication of Central Catholic High School in Pittsburgh, Pennsylvania, is designated as "Pittsburgh Central Catholic High School Day."

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mrs. Morella) to revise and extend their remarks and include extraneous material:)

Mr. Horton, for 60 minutes, on September 15.

Mr. DioGuardi, for 60 minutes, today.

Mr. Gilman, for 5 minutes, today.

(The following Members (at the request of Mr. Gray of Illinois) to revise and extend their remarks and include extraneous material:)

Mr. Annunzio, for 5 minutes, today.

Mr. Panetta, for 5 minutes, today.

Mr. Kastenmeier, for 5 minutes, today.

Mr. English, for 5 minutes, today.

Mr. Coyne, for 10 minutes, today.

Mr. Leland, for 60 minutes, on September 10.

Mr. Owens of New York, for 60 minutes, on September 10.

Mr. Hayes of Illinois, for 60 minutes, on September 10.

Mr. Stratton, for 60 minutes, on September 15.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mrs. Morella) and to include extraneous material:)

Mrs. Morella.
Mr. Crane in four instances.
Mr. Houghton.
Mr. Frenzel.
Mr. McEwen.
Mr. Lent.
Mr. Schulze.
Mr. Bliley in two instances.
Mr. Conte.
Mr. Saxton.
Mr. Lightfoot.
Mr. Gunderson.
Mr. Schuette in two instances.
Mr. Fish.
Mrs. Bentley in two instances.
Mr. Kemp.
Mr. Fields.
Mr. Gradison.
Mr. Wortley.

(The following Members (at the request of Mr. Gray of Illinois) and to include extraneous material:)

Mr. Coelho.
Mr. Panetta.
Mr. Hamilton.
Mr. Fascell in two instances.
Mr. Berman.
Mr. Howard.
Mr. Garcia in two instances.
Mr. Hoyer in three instances.
Mr. Florio.
Mr. Matsui.
Mr. Montgomery.
Mr. Bates.
Mr. Kanjorski.
Mr. Rahall.
Mr. Roybal.
Mr. Walgren.
Mr. Crockett.
Mr. Leland.
Mr. Manton.

SENATE BILL AND JOINT RESOLUTION REFERRED

A bill and joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1550. An act to complete the Federal Triangle in the District of Columbia, to construct a public building to provide Federal office space and space for an international cultural and trade center, and for other purposes; to the Committees on Public Works and Transportation and Interior and Insular Affairs.

S. 1597. To amend the Farm Disaster Assistance Act of 1987 to extend the reporting date for the ethanol cost effectiveness study; to the Committee on Agriculture.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 769. An act to provide grants to support excellence in minority health professions education.

ENROLLED BILLS SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 27. An act to regulate nonbank banks, impose a moratorium on certain securities and insurance activities by banks, recapitalize the Federal Savings and Loan Insurance Corporation, allow emergency interstate bank acquisitions, streamline credit union operations, regulate consumer checkholds, and for other purposes;

H.R. 318. An act to provide for the restoration of the Federal trust relationship and Federal services and assistance to the Ysleta del Sur Pueblo and the Alabama and Coushatta Indian Tribes of Texas, and for other purposes; and

H.R. 921. An act to require the Secretary of the Interior to conduct a study to determine the appropriate minimum altitude for aircraft flying over national park system units.

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 25 minutes p.m.), the House adjourned until tomorrow, Friday, August 7, 1987, at 10 a.m.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports and an amended report of various House committees concerning the foreign currencies and U.S. dollars utilized by them during the fourth quarter of calendar year 1986 and the second quarter of calendar year 1987 in connection with foreign travel pursuant to Public Law 95-384 are as follows:

AMENDED REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON THE JUDICIARY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1986

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Delegation to Italy and Switzerland, Nov. 29 to Dec. 7, 1986:											
Delegation expenses			Italy				43.92		571.38		615.30
			Switzerland				1,266.86		294.65		1,561.51
Rick Boucher, MC			Italy				290.00				290.00
Committee total							1,600.78		866.03		2,466.81

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

PETER RODINO, JR., Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1987

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Bill Chappell	4/11	4/15	Korea		656.00						856.00
	4/15	4/17	Thailand		294.00						294.00
	4/17	4/19	Hong Kong		372.00						372.00
Military transportation							[3] 4,673.00				4,673.00
Hon. Bill Chappell	6/12	1/16	France		936.00						936.00
Military transportation							[3] 3,766.00				3,766.00
Hon. William Lehman	4/10	4/12	United Kingdom		410.00						410.00
	4/12	4/13	West Germany		183.00						19(83.00
	4/13	4/17	East Germany		668.00						668.00
	4/17	4/19	France		438.00						438.00
Commercial transportation							3,192.00				3,192.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1987—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Bill Lowery	6/12	6/16	France		936.00						936.00
Military transportation							[3] 3,766.00				3,766.00
Hon Clarence Miller	4/11	4/15	Korea		656.00						656.00
	4/15	4/17	Thailand		294.00						294.00
	4/17	4/19	Hong Kong		372.00						372.00
Military transportation							[3] 4,673.00				4,673.00
Hon. Robert Mrazek	5/27	5/29	Thailand		294.00						294.00
	5/29	5/30	Vietnam		109.00						109.00
	5/30	6/4	Thailand		735.00						735.00
Commercial transportation							5,302.00				5,302.00
Hon. John Murtha	6/28	6/29	Angola				[3] 2,473.00				2,473.00
Hon. John Myers	4/11	4/15	Korea		656.00						656.00
	4/15	4/17	Thailand		294.00						294.00
	4/17	4/19	Hong Kong		372.00						372.00
Military transportation							[3] 4,673.00				4,673.00
Hon. Carl Pursell	6/4	6/7	Honduras		184.00						184.00
Hon. Martin Sabo	4/11	4/15	Korea		656.00						656.00
	4/15	4/17	Thailand		294.00						294.00
	4/17	4/19	Hong Kong		372.00						372
Military transportation							[3] 4,673.00				4,673.00
Hon. Charles Wilson	4/19	4/22	Egypt		528.00						528.00
	4/23	4/25	Pakistan								
Commercial transportation							6,172.00				6,172.00
George Allen	4/11	4/15	Korea		656.00						656.00
	4/15	4/17	Hong Kong		372.00						372.00
Military transportation							[3] 4,673.00				4,673.00
George Allen	6/12	6/16	France		936.00						936.00
Military transportation							[3] 3,766.00				3,766.00
Del Davis	6/12	6/16	France		936.00						936.00
Military transportation							[3] 3,766.00				3,766.00
Mark Murray	5/27	5/29	Thailand		294.00						294.00
	5/29	5/30	Vietnam		109.00						109.00
	5/30	6/4	Thailand		735.00						735.00
Commercial transportation							5,302.00				5,302.00
Terry Peel	4/13	4/17	East Germany		668.00				27.00		695.00
	4/17	4/18	France		219.00				26.00		245.00
Commercial transportation							3,192.00				3,192.00
Donald Richbourg	4/11	4/15	Korea		656.00						656.00
	4/15	4/17	Thailand		294.00						294.00
	4/17	4/19	Hong Kong		372.00						372.00
Military transportation							[3] 4,673.00				4,673.00
Committee total					17,250.00		68,735.00		53.00		86,038.00
Appropriations, surveys and investigations staffs:											
Sharon A. Cekala	3/29	4/3	Italy		513.00		2,502.00		41.15		3,056.15
	4/3	4/8	Germany		442.00						442.00
	4/8	4/9	England		235.00						235.00
Richard E. Chervenak	4/21	4/24	Marshall Islands		375.00		2,561.00		75.90		3,011.00
Arthur J. Filippino	4/21	4/24	Marshall Islands		375.00		2,561.00		19.70		2,955.70
John A. Friel	3/29	4/3	Italy		532.00		2,371.00		25.80		2,955.80
	4/3	4/16	Germany		1,265.00						1,265.00
	4/16	4/18	England		398.00						398.00
Yolanda C. Garcia	4/12	4/17	Germany		543.00		2,329.00		79.00		2,951.00
	4/17	4/21	England		800.00						800.00
William A. Hill	4/1	4/8	Germany		592.00		2,525.00		30.66		3,147.66
	4/8	4/11	England		394.00						394.00
Terrence E. Hobbs	3/29	4/3	Italy		513.00		2,371.00		17.68		2,901.68
	4/3	4/16	Germany		1,265.00						1,265.00
	4/16	4/18	England		398.00						398.00
Robert E. Jamison	4/12	4/17	Germany		670.00		1,877.00		92.44		2,639.44
Henry P. McDonald, Jr	4/12	4/17	Germany		543.00		2,329.00		25.05		2,897.05
	4/17	4/21	England		800.00						800.00
Robert J. O'Brien	4/12	4/17	Germany		670.00		1,877.00		52.40		2,599.40
A.M. Statham	4/30	5/3	New Zealand		240.00		3,580.58		24.49		3,845.40
Joseph M. Stehr III	3/29	4/8	Germany		937.00		2,525.00		44.12		3,506.12
	4/8	4/11	England		394.00						394.00
R.W. Vandergrift, Jr	4/30	5/3	New Zealand		277.00		3,003.00		111.43		3,391.43
Graham W. Van Note	3/31	4/4	Korea		456.00		2,111.00		44.42		2,611.42
Lawrence P. Walsh	4/30	5/3	New Zealand		240.00		3,580.58		39.20		3,859.78
Thomas F. Ward	3/26	4/8	Korea		1,370.00		2,056.96		43.70		3,470.66
	4/20	5/8	Germany		1,904.00		2,175.00		27.70		4,106.70
Vernon Westbrook, Jr	3/26	4/8	Korea		1,370.00		2,056.96		59.30		3,486.30
	4/20	5/8	Germany		1,904.00		2,175.00		40.30		4,119.30
Committee total					20,415.00		46,567.08		894.44		67,876.52

---

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Cost shown is comparable first class commercial rate.

JAMIE L. WHITTEN, Chairman, July 27, 1987.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ARMED SERVICES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1987

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Delegation to Mexico, Panama, Peru, Brazil, and Grenada, Apr. 10–20, 1987:											
Hon. Bill Nichols	4/10	4/13	Mexico		375.00						375.00
	4/13	4/15	Panama		194.00						194.00
	4/15	4/17	Peru		250.00						250.00
	4/17	4/19	Brazil		314.00						314.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ARMED SERVICES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1987—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
	4/19	4/20	Grenada		200.00						200.00
Military transportation							1,597.00				1,597.00
Hon. William L. Dickinson	4/10	4/13	Mexico		375.00						375.00
	4/13	4/15	Panama		194.00						194.00
	4/15	4/17	Peru		250.00						250.00
	4/17	4/19	Brazil		314.00						314.00
	4/19	4/20	Grenada		200.00						200.00
Military transportation							2,093.00				2,093.00
Hon. Solomon P. Ortiz	4/10	4/13	Mexico		375.00						375.00
	4/13	4/15	Panama		194.00						194.00
	4/15	4/17	Peru		250.00						250.00
	4/17	4/19	Brazil		314.00						314.00
	4/19	4/20	Grenada		200.00						200.00
Military transportation							1,452.00				1,452.00
Hon. Robert E. Badham	4/10	4/13	Mexico		375.00						375.00
	4/13	4/15	Panama		194.00						194.00
	4/15	4/17	Peru		250.00						250.00
	4/17	4/19	Brazil		314.00						314.00
	4/19	4/20	Grenada		200.00						200.00
Military transportation							1,597.00				1,597.00
Hon. Larry J. Hopkins	4/10	4/13	Mexico		375.00						375.00
	4/13	4/15	Panama		194.00						194.00
	4/15	4/17	Peru		250.00						250.00
	4/17	4/19	Brazil		314.00						314.00
	4/19	4/20	Grenada		200.00						200.00
Military transportation							1,597.00				1,597.00
Hon. David O'B. Martin	4/10	4/13	Mexico		375.00						375.00
	4/13	4/15	Panama		194.00						194.00
	4/15	4/17	Peru		250.00						250.00
	4/17	4/19	Brazil		314.00						314.00
	4/19	4/20	Grenada		200.00						200.00
Military transportaton							1,597.00				1,597.00
Ms. Alma B. Moore	4/10	4/13	Mexico		375.00						375.00
	4/13	4/15	Panama		194.00						194.00
	4/15	4/17	Peru		250.00						250.00
	4/17	4/19	Brazil		314.00						314.00
	4/19	4/20	Grenada		200.00						200.00
Military transportation							1,597.00				1,597.00
Archie D. Barrett	4/10	4/13	Mexico		375.00						375.00
	4/13	4/15	Panama		194.00						194.00
	4/15	4/17	Peru		250.00						250.00
	4/17	4/19	Brazil		314.00						314.00
	4/19	4/20	Grenada		200.00						200.00
Military transportation							1,597.00				1,597.00
Peter M. Steffes	4/10	4/13	Mexico		375.00						375.00
	4/13	4/15	Panama		194.00						194.00
	4/15	4/17	Peru		250.00						250.00
	4/17	4/19	Brazil		314.00						314.00
	4/19	4/20	Grenada		200.00						200.00
Military transportation							1,597.00				1,597.00
Stephen K. Conver	4/10	4/13	Mexico		375.00						375.00
	4/13	4/15	Panama		194.00						194.00
	4/15	4/17	Peru		250.00						250.00
	4/17	4/19	Brazil		314.00						314.00
	4/19	4/20	Grenada		200.00						200.00
Military transportation							1,597.00				1,597.00
Delegation expenses	4/10	4/13	Mexico							1,259.17	1,259.17
	4/17	4/19	Brazil							450.79	450.79
	4/19	4/20	Grenada							1,306.34	1,306.34
Visit to Thailand, Apr. 12–18, 1987: Hon. Patricia Schroeder.	4/12	4/18	Thailand		882.00						882.00
Visit to United Kingdom, Belgium, and Portugal, Apr. 13–21, 1987:											
Hon. Norman Sisisky	4/13	4/15	United Kingdom		630.00						630.00
	4/15	4/16	Belgium		192.00						192.00
	4/16	4/21	Portugal		972.00						972.00
Military transportation							1,740.03				1,740.03
Visit to Panama, Costa Rica, Nicaragua, and Honduras, May 14–17, 1987:											
Hon. Owen B. Pickett	5/14	5/15	Panama		97.00						97.00
	5/15	5/16	Costa Rica		82.00						82.00
	5/16	5/16	Nicaragua								
	5/16	5/17	Honduras		92.00						92.00
Military transportation							1,490.93				1,490.93
Hon. Arthur Ravenel, Jr.	5/14	5/15	Panama		97.00						97.00
	5/15	5/16	Costa Rica		82.00						82.00
	5/16	5/16	Nicaragua								
	5/16	5/17	Honduras		92.00						92.00
Military transportation							1,490.93				1,490.93
Hon. Jack Davis	5/14	5/15	Panama		97.00						97.00
	5/15	5/16	Costa Rica		82.00						82.00
	5/16	5/16	Nicaragua								
	5/16	5/17	Honduras		92.00						92.00
Military transportation							1,490.93				1,490.93
Hon. Edward J. Holton	5/14	5/15	Panama		97.00						97.00
	5/15	5/16	Costa Rica		82.00						82.00
	5/16	5/16	Nicaragua								
	5/16	5/17	Honduras		92.00						92.00
Military transportation							1,490.93				1,490.93
Visit to Canada, May 21–25, 1987:											
Mr. Peter C. Scrivner	5/21	5/25	Canada		632.00						632.00
Military transportation							106.33				106.23
Visit to United Kingdom and Italy, May 23 to June 2, 1987:											
Hon. Les Aspin	5/23	5/25	United Kingdom		420.00						420.00
	5/25	6/2	Italy		1,680.00						1,680.00
Military transportation							2,215.50				2,215.50
Commercial transportation							3,523.90				3,523.90

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ARMED SERVICES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1987—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Delegation to France, June 12–16, 1987:											
Hon. Melvin Price	6/12	6/16	France		936.00						936.00
Military transportation							1,281.59				1,281.59
Hon. Samuel S. Stratton	6/12	6/16	France		468.00						468.00
Military transportation							640.80				640.80
Commercial transportation							1,891.00				1,891.00
Hon. Bill Nichols	6/12	6/16	France		936.00						936.00
Military transportation							1,281.59				1,281.59
Hon. Robert E. Badham	6/12	6/16	France		936.00						936.00
Military transportation							1,281.59				1,281.59
Hon. Solomon P. Ortiz	6/12	6/16	France		936.00						936.00
Military transportation							1,281.59				1,281.59
Mr. Peter C. Scrivner	6/12	6/16	France		936.00						936.00
Military transportation							1,281.59				1,281.59
Mr. Edward J. Bauser	6/12	6/16	France		936.00						936.00
Military transportation							1,281.59				1,281.59
Mr. Carl T. Bayer	6/12	6/16	France		936.00						936.00
Military transportation							1,281.59				1,281.59
Mr. Peter C. Steffes	6/12	6/16	France		936.00						936.00
Military transportation							1,281.59				1,281.59
Visit to Norway, June 18–22, 1987:											
Mr. William D. Price	6/18	6/22	Norway		129.39						129.39
Commercial transportation							3,479.79				3,479.79
Committee total					10,664.00 38,571.39		11,530.00 57,664.69			3,016.30	22,194.00 99,252.38

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

LESS ASPIN, Chairman, July 31, 1987.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON THE BUDGET, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1987

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Denny Smith	6/12	6/16	France		936.00		[3] 3,766.00				4,702.00
Patricia A. Quealy	6/12	6/16	France		936.00		[4] 1,281.59				2,217.59
Peter M. Storm	6/8	6/13	Egypt		588.00		2,760.00				3,348.00
Committee total					2,460.00		7,807.59				10,267.59

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Transportation provided by military aircraft.

[4] Transportation provided by Department of the Air Force.

WILLIAM H. GRAY III, Chairman, July 23, 1987.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON EDUCATION AND LABOR, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1987

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Donald M. Baker	6/18	6/25	Switzerland		912.00		1,915.00				2,852.77
Local transportation						39.20	25.77				
Jefferson Fox	6/18	6/25	Switzerland		912.00		899.00				1,811.00
Committee total					1,824.00		2,839.77				4,633.77

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

AUGUSTUS F. HAWKINS, Chairman, July 15, 1987.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ENERGY AND COMMERCE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1987

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
John D. Dingell, MC	4/10	4/13	Brazil		628.00						628.00
	4/13	4/15	Argentina		405.00		30.00				435.00
	4/16	4/17	Netherlands Antilles		384.00						384.00
Military aircraft								4,741.24			4,741.24
Al Swift, MC	4/10	4/13	Brazil		628.00						628.00
	4/13	4/15	Argentina		405.00		30.00				435.00
	4/16	4/17	Netherlands Antilles		384.00						384.00
Military aircraft							4,741.24				4,741.24
John Bryant, MC	4/10	4/13	Brazil		628.00						628.00
	4/13	4/15	Argentina		405.00		30.00				435.00
	4/16	4/17	Netherlands Antilles		384.00						384.00
Military aircraft							4,741.24				4,741.24

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ENERGY AND COMMERCE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1987—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Codel expense (Brazil)									1,126.52		1,126.52
Jim Cooper, MC	4/10	4/13	Brazil		628.00						628.00
	4/13	4/15	Argentina		405.00		30.00				435.00
	4/16	4/17	Netherlands Antilles		384.00						384.00
Military aircraft							4,741.24				4,741.00
Terry Bruce, MC	4/10	4/13	Brazil		628.00						628.00
	4/13	4/15	Argentina		405.00		30.00				435.00
	4/16	4/17	Netherlands Antilles		384.00						384.00
Military aircraft							4,741.24				4,741.24
Norman F. Lent, MC	4/10	4/13	Brazil		628.00						628.00
	4/13	4/15	Argentina		405.00		30.00				435.00
	4/16	4/17	Netherlands Antilles		384.00						384.00
Military aircraft							4,741.24				4,741.24
Edward R. Madigan, MC	4/10	4/13	Brazil		628.00						628.00
	4/13	4/15	Argentina		405.00		30.00				435.00
	4/16	4/17	Netherlands Antilles		384.00						384.00
Military aircraft							4,741.24				4,741.24
Thomas J. Tauke, MC	4/10	4/13	Brazil		628.00						628.00
	4/13	4/15	Argentina		405.00		30.00				435.00
	4/16	4/17	Netherlands Antilles		192.00						192.00
Military aircraft							4,014.36				4,014.36
Commercial air fare (Congressman Tauke left the Codel 1 day early and returned via commercial aircraft).							362.01				362.01
Howard Nielson, MC	4/10	4/13	Brazil		628.00						628.00
	4/13	4/15	Argentina		405.00		30.00				435.00
	4/16	4/17	Netherlands Antilles		384.00						384.00
Military aircraft							4,741.24				4,741.24
Michael Bilirakis, MC	4/10	4/13	Brazil		628.00						628.00
	4/13	4/15	Argentina		405.00		30.00				435.00
	4/16	4/17	Netherlands Antilles		384.00						384.00
Military aircraft							4,741.24				4,741.24
Michael Barrett	4/10	4/13	Brazil		628.00						628.00
	4/13	4/15	Argentina		405.00		30.00				435.00
	4/16	4/17	Netherlands Antilles		384.00						384.00
Military aircraft							4,741.24				4,741.24
Sharon E. Davis	4/10	4/13	Brazil		628.00						628.00
	4/13	4/15	Argentina		405.00		30.00				435.00
	4/16	4/17	Netherlands Antilles		384.00						384.00
Military aircraft							4,741.24				4,741.24
Thomas Ryan	4/10	4/13	Brazil		628.00						628.00
	4/13	4/15	Argentina		405.00		30.00				435.00
	4/16	4/17	Netherlands Antilles		384.00						384.00
Military aircraft							4,741.24				4,741.24
Consuela Washington	4/10	4/13	Brazil		628.00						628.00
	4/13	4/15	Argentina		405.00		30.00				435.00
	4/16	4/17	Netherlands Antilles		384.00						384.00
Military aircraft							4,741.24				4,741.24
Rebecca Gould	4/10	4/13	Brazil		628.00						628.00
	4/13	4/15	Argentina		405.00		30.00				435.00
	4/16	4/17	Netherlands Antilles		384.00						384.00
Military aircraft							4,741.24				4,741.24
Gerry Sikorski, MC	11/13	11/15	Greece		[3] 216.00		[3] 29.41				[3] 245.41
	11/15	11/17	Bahrain		[3] 312.00		[3] 167.66				[3] 479.66
	11/17	11/20	India		[3] 333.00		[3] 48.85				[3] 381.85
	11/20	11/21	Austria		[3] 157.00						[3] 157.00
Codel expenses									[3] 230.03		[3] 230.03
Military Aircraft							[3] 5,711.31				[3] 5,711.31
Teresa Gorman	4/28	5/3	Switzerland		963.00		108.73				1,071.73
Commercial air fare							3,332.00				3,332.00
Paul C. Smith	4/29	5/3	Switzerland		769.00		108.72				877.72
Commercial air fare							3,332.00				3,332.00
Greg Wetstone	4/26	4/30	Switzerland		776.00						776.00
Commercial air fare							2,668.00				2,668.00
David Finnegan	4/28	5/1	Switzerland		582.00						582.00
Commercial air fare							3,415.00				3,415.00
Michael T. Woo	6/24	6/25	Canada		137.00		13.00				150.00
Comercial air fare	5/21	5/23					736.95				736.95
Russell Smith	5/21	5/23	Netherlands		351.00						351.00
	5/24	5/27	France		676.00		49.00				725.00
	5/28	5/30	United Kingdom		480.00		49.97				529.97
Commercial air fare							2,200.00				2,200.00
Stephen F. Sims	5/22	5/24	Netherlands		234.00						234.00
	5/24	5/28	France		676.00		31.66				707.66
	5/28	6/2	United Kingdom		640.00		72.60				712.60
Interpreter (France)									572.00		572.00
Commercial air fare							2,203.00				2,203.00
Edward Markey, MC	4/13	4/20	U.S.S.R		850.00						850.00
Commercial air fare							4,313.00				4,313.00
Jeffrey Duncan	4/13	4/20	U.S.S.R		850.00						850.00
Commercial air fare							4,313.00				4,313.00
Committee total					30,065.00		104,107.59	1,928.55			136,101.14

---

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Supplemental from 1986.

JOHN D. DINGELL, Chairman, July 27, 1987.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON FOREIGN AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1987

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
G. Ackerman	4/16	4/19	Romania		471.00				227.10		698.10
Commercial transportation							3,102.00				3,102.00
D. Bereuter	4/10	4/13	Spain		504.00		31.13		316.52		851.65
Military transportation							5,298.77				5,298.77
K. Bolognese	4/26	4/30	Switzerland		776.00						776.00
Commercial transportation							3,489.00				3,489.00
D. Bonker	4/11	4/13	Spain		336.00		31.13		316.52		683.65
Commercial transportation							3,902.00				3,902.00
R.K. Boyer	4/4	4/8	Soviet Union		500.00						500.00
Commercial transportation							4,497.00				4,497.00
	5/21	5/24	Austria		528.00						528.00
	5/24	5/26	Hungary		260.00		15.00				275.00
	5/26	5/27	Romania		107.00						107.00
	5/27	5/29	United Kingdom		420.00						420.00
Commercial transportation							4,448.00				4,448.00
Total					3,902.00		24,814.03		860.14		29,576.17
T. Bruce	4/5	4/8	Soviet Union		500.00						500.00
Commercial transportation							4,497.00				4,497.00
	5/21	5/24	Austria		528.00						528.00
	5/24	5/26	Hungary		260.00		15.00				275.00
	5/26	5/27	Romania		107.00						107.00
	5/27	5/29	United Kingdom		420.00						420.00
Commercial transportation							4,448.00				4,448.00
F.M. Chambers	6/24	6/28	Germany		752.00						752.00
Commercial transportation							3,470.00				3,470.00
G.W. Crockett	5/28	6/1	Haiti		[3] 370.00						370.00
Commercial transportation							417.00				417.00
Total					2,937.00		12,847.00				15,484.00
E. Daoust	4/9	4/16	Spain		1,176.00		31.13		316.52		1,523.65
	4/16	4/18	United Kingdom		420.00						420.00
Commercial transportation							3,175.00				3,175.00
Military transportation							2,322.58				2,322.58
M. Donovan	5/4	5/6	France		224.00						224.00
Commercial transportation							3,713.00				3,713.00
A. Dunn-Mouton	4/13	4/18	Mozambique		906.00		760.00				1,666.00
Commercial transportation							5,191.00				5,191.00
	6/28	6,29	Angola								
Military transportation							14,199.41				14,199.41
M.M. Dymally	4/12	4/14	Japan		508.00		471.43		205.95		1,185.38
	4/14	4/16	Korea		328.00				13.99		341.99
	4/16	4/17	Taiwan		160.00						160.00
	4/17	4/19	Singapore		246.00		12.00				258.00
	4/19	4/20	China (PRC)		384.00						384.00
Total					4,352.00		29,875.55		536.46		34,764.01
M.M. Dymally (continued):											
Commercial transportation							4,546.00				4,546.00
	6/19	6/21	France		468.00						468.00
	6/21	6/23	United Kingdom		288.00						288.00
Commercial transportation							4,669.00				4,699.00
R.M. Finley	4/26	4/30	Switzerland		[3] 518.99						518.99
Commercial transportation							3,489.00				3,489.00
B. Gilman	4/10	4/14	Spain		672.00		31.13		316.52		1,019.65
	4/14	4/15	France		219.00						219.00
	4/15	4/16	Bulgaria		161.00						161.00
	4/16	4/18	Hungary		260.00		147.00				407.00
Commercial transportation							2,393.95				2,393.95
Military transportation							4,165.95				4,165.95
Total					2,586.99		19,442.03		316.52		22,325.54
R.C. Harmon	4/12	4/18	Mozambique		906.00		760.00				1,666.00
Commercial transportation							5,191.00				5,191.00
R.T. Huber	4/15	4/16	Bulgaria		161.00						161.00
	4/16	4/18	Hungary		260.00		147.00				407.00
Commercial transportation							2,393.95				2,393.95
Military transportation							2,464.00				2,464.00
	5/27	6/6	Soviet Union		1,550.00						1,550.00
Commercial transportation							4,367.00				4,367.00
W.B. Inglee	5/26	6/6	Soviet Union		[3] 1,424.00						1,424.00
Commercial transportation							4,367.00				4,367.00
D. Jackson	4/10	4/16	Spain		1,008.00		31.13		316.52		1,355.65
	4/16	4/18	United Kingdom		420.00						420.00
Commercial transportation							4,261.00				4,261.00
Military transportation							5,906.11				5,906.11
Total					5,729.00		29,888.19		316.52		35,933.71
R.M. Jenkins	4/5	4/8	Soviet Union		500.00						500.00
Commercial transportation							4,497.00				4,497.00
	5/21	5/24	Austria		528.00						528.00
	5/24	5/26	Hungary		260.00		15.00				275.00
	5/26	5/27	Romania		107.00						107.00
Commercial transportation							4,448.00				4,448.00
W.B. Jones	5/26	6/1	Haiti		591.00						591.00
Commercial transportation							582.00				582.00
T. Lantos	4/10	4/14	Spain		672.00		31.13		316.52		1,019.65
	4/14	4/15	France		219.00						219.00
	4/15	4/16	Bulgaria		161.00						161.00
	4/16	4/20	Hungary		520.00		147.00				667.00
Commercial transportation							2,449.95				2,449.95
Military transportation							1,916.88				1,916.88
Total					3,558.00		14,086.96		316.52		17,961.48
R. McBride	4/5	4/8	Soviet Union		500.00						500.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON FOREIGN AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1987—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Commercial transportation							4,497.00				4,497.00
	5/21	5/24	Austria		528.00						528.00
	5/24	5/26	Hungary		260.00						260.00
	5/26	5/27	Romania		107.00						107.00
	5/27	5/29	United Kingdom		420.00						420.00
Commercial transportation							4,448.00				4,448.00
D.A. Mica	4/5	4/8	Soviet Union		500.00						500.00
Commercial transportation							4,497.00				4,497.00
S. Morrison	4/13	4/19	Mozambique	906.00			760.00				1,666.00
Commercial transportation							5,191.00				5,191.00
K.B. Moss	4/10	4/16	Spain		1,008.00		31.13		316.52		1,355.65
	4/16	4/18	United Kingdom		420.00						420.00
Commercial transportation							4,261.00				4,261.00
Military transportation							2,322.58				2,322.58
Total					4,649.00		26,007.71		316.52		30,973.23
K.L. Peel	4/4	4/8	Soviet Union		500.00						500.00
Commercial Transportation							4,497.00				4,497.00
	5/21	5/24	Austria		528.00						528.00
	5/24	5/26	Hungary		260.00		15.00				275.00
	5/26	5/27	Romania		107.00						107.00
	5/27	5/29	United Kingdom		420.00						420.00
Commercial transportation							4,448.00				4,448.00
R. Perugino	4/9	4/16	Spain		1,176.00		31.13		316.52		1,523.65
	4/16	4/18	United Kingdom		420.00						420.00
Commercial transportation							4,261.00				4,261.00
Military transportation							5,906.11				5,906.11
S. Roth	4/15	4/19	Korea		[3] 651.00				40.66		691.66
	4/19	4/20	Japan		254.00				69.67		323.67
Commercial transportation							3,859.00				3,859.00
Total					4,316.00		23,017.24		426.85		27,760.09
C. Smith	4/3	4/4	Costa Rica		132.00						132.00
	4/4	4/6	El Salvador		[3] 125.00						125.00
Commercial transportation							1,214.00				1,214.00
O.J. Snowe	4/4	4/8	Soviet Union		500.00						500.00
Commercial transportation							4,579.00				4.579.00
S.J. Solarz	4/15	4/19	Korea		656.00				40.66		696.66
	4/19	4/20	Japan		254.00				69.67		323.67
Commerical transportation							3,859.00				3,859.00
M. Tavlarides	4/3	4/4	Costa Rica		132.00						132.00
	4/4	4/6	El Salvador		[3] 125.00						125.00
Commercial transportation							1,214.00				1,214.00
T.G. Verstanding	4/10	4/14	Spain		672.00		31.13		316.52		1,019.65
Commercial transportation							3,938.00				3,938.00
Total					2,596.00		14,835.13		426.85		17,857.98
H. Weinberg	4/10	4/14	Spain		672.00		31.13		316.52		1,019.65
	4/14	4/15	France		219.00						219.00
	4/15	4/16	Bulgaria		161.00						161.00
	4/16	4/19	Hungary		390.00		147.00				537.00
Commercial transportation							5,064.95				5,064.95
H. Wolpe	6/28	6/29	Angola								
Military transportation							14,199.41				14,199.41
Total					1,442.00		19,442.49		316.52		21,201.01
Grand total for 2d quarter									Grand total for 2d quarter		253,857.22

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Represents refunds of unused per diem.

DANTE B. FASCELL, Chairman, June 30, 1987.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON GOVERNMENT OPERATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1987

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. William Clinger	4/10	4/14	Spain	86,016	672.00		347.65				1,019.65
	4/14	4/15	France		219.00						219.00
	4/15	4/16	Bulgaria		161.00						161.00
	4/16	4/20	Hungary	24,600.20	520.00		147.00				667.00
Committee total					1,572.00		494.65				2,066.65

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Note.—Travel performed by military aircraft with Foreign Affairs Committee.

JACK BROOKS, Chairman, July 15, 1987.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON THE JUDICIARY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1987

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hamilton Fish, Jr., MC	4/12	4/14	Nicaragua		50.00						50.00
	4/14	4/16	Honduras		302.00						302.00
	4/16	4/17	El Salvador		250.00						250.00
	4/17	4/21	Costa Rica		430.67						430.67
Commercial transportation							1,268.00				1,268.00
Bill McCollum, MC	4/12	4/14	Nicaragua		50.00						50.00
	4/14	4/16	Honduras		302.00						302.00
	4/16	4/18	El Salvador		250.00						250.00
Commercial transportation							780.00				780.00
Peter Regis, staff	4/12	4/14	Nicaragua		50.00						50.00
	4/14	4/16	Honduras		302.00						302.00
	4/16	4/17	El Salvador		250.00						250.00
	4/17	4/21	Costa Rica		430.67						430.67
Commercial transportation							1,217.00				1,217.00
Margaret Webber, staff	4/12	4/14	Nicaragua		50.00						50.00
	4/14	4/16	Honduras		302.00						302.00
	4/16	4/17	El Salvador		250.00						250.00
	4/17	4/21	Costa Rica		430.67						430.67
Commercial transportation							1,234.48				1,234.48
Committee total					3,700.01		4,499.48				8,199.49

---

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

PETER W. RODINO, JR., Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1987

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Norman Y. Mineta	6/12	6/16	France		936.00						936.00
Military air transportation							3,766.00				3,766.00
Hon. Jim Chapman	6/12	6/16	France		936.00						936.00
Military air transportation							3,766.00				3,766.00
Hon. William O. Lipinski	6/12	6/16	France		936.00						936.00
Military air transportation							3,766.00				3,766.00
Committee total					2,808.00		11,298.00				14,106.00

---

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

JAMES J. HOWARD, Chairman, July 28, 1987.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1987

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. F.J. Sensenbrenner	4/10	4/11	Germany		172.00						172.00
	4/11	4/16	Kenya		740.00				25.16		765.16
	4/16	4/19	Bottswana		625.00						625.00
Commercial air							5,191.00				5,191.00
Robert W. Maitlin	4/10	4/11	Germany		172.00						172.00
	4/11	4/16	Kenya		740.00				25.16		765.16
	4/16	4/19	Bottswana		625.00						625.00
Commercial air							5,191.00				5,191.00
David J. Beightol	4/10	4/11	Germany		172.00						172.00
	4/11	4/16	Kenya		740.00				25.16		765.16
	4/16	4/19	Bottswans		625.00						625.00
Commercial air							5,191.00				5,191.00
Nancy J. Jeffery	4/10	4/11	Germany		172.00				25.16		172.00
	4/11	4/16	Kenya		740.00				25.16		765.16
	4/16	4/19	Bottswana		625.00						625.00
Commercial air							5,191.00				5,191.00
Hon. George E. Brown, Jr.	4/10	4/17	U.S.S.R.		850.00						850.00
Commercial air							1,645.00				1,645.00
Hon. Claudine Schneider	4/10	4/14	U.S.S.R.		600.00						600.00
	4/14	4/19	France		0.00						0.00
Commercial air							1,802.00				1,802.00
Hon. David E. Skaggs	5/13	5/14	Panama		97.00						97.00
	5/14	5//15	Costa Rica		70.00						70.00
Military air	5/15	5/16	Honduras	184	92.00		5,812.10			184	5,904.00
Committee total					$7,857.00		30,023.10		100.64		37,980.74

---

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

ROBERT A. ROE, Chairman, July 27, 1987.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON WAYS AND MEANS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1987

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Dan Rostenkowski	4/12	4/15	England	389.46	630.00						630.00
	4/15	4/16	Belgium	7,190	192.00						192.00
	4/16	4/21	Portugal	135,080	972.00						972.00
Military transportation							4,606.99				4,606.99
	6/14	6/19	Poland	209.198	814.00						814.00
	6/19	6/20	France	2854.80	468.00						468.00
Military transportation							7,612.60				7,612.60
Hon. Barbara Kennelly	4/12	4/15	England	389.46	630.00						630.00
	4/15	4/16	Belgium	7,190	192.00						192.00
	4/16	4/21	Portugal	135,080	972.00						972.00
Military transportation							4,606.99				4,606.99
Hon. Marty Russo	4/12	4/15	England	389.46	630.00						630.00
	4/15	4/16	Belgium	7,190	192.00						192.00
	4/16	4/21	Portugal	136,080	972.00						972.00
Military transportation							4,606.99				4,606.99
Hon. William J. Coyne	4/12	4/15	England	389.46	630.00						630.00
	4/15	4/16	Belgium	7,190	192.00						192.00
	4/16	4/21	Portugal	136,080	972.00						972.00
Military transportation							4,606.99				4,606.99
Hon. Guy Vander Jagt	4/10	4/16	Spain	129,024	1,008.00		31.13		316.52		1,355.65
Military transportation							5,298.77				5,298.77
	4/16	4/21	Portugal	136,080	972.00						972.00
Military transportation							2,151.56				2,151.56
	4/12	4/15	England	389.46	630.00						630.00
	4/15	4/16	Belgium	7,190	192.00						192.00
	4/16	4/21	Portugal	136,080	972.00						972.00
Military transportation							4,606.99				4,606.99
Hon. Don Pease	4/10	4/14	Spain	86,106	672.00		31.13		316.52		1,019.65
	4/14	4/16	Switzerland	581.30	388.00						388.00
	4/16	4/18	England	259.64	420.00						420.00
Commercial transportation							546.00				546.00
Military transportation							8,882.30				8,882.30
Hon. Sam Gibbons	4/10	4/16	Spain	129,024	1,008.00		31.13		316.52		1,355.65
	4/16	4/18	England	259.64	420.00						420.00
Military transportation							11,204.88				11,204.88
	6/12	6/16	France	5616.00	936.00						936.00
Military transportation							3,766.00				3,766.00
Hon. Bill Frenzel	4/10	4/16	Spain	129,024	1,008.00		31.13		316.52		1,355.65
	4/16	4/18	England	259.64	420.00						420.00
Military transportation							11,204.88				11,204.88
M. Kenneth Bowler	6/14	6/19	Poland	209.198	814.00						814.00
	6/19	6/20	France	2854.80	468.00						468.00
Military transportation							9,482.58				9,482.58
Charles Brain	4/12	4/15	England	389.46	630.00						630.00
	4/15	4/16	Belgium	7,190	192.00						192.00
	4/16	4/21	Portugal	136,080	972.00						972.00
Military transportation							4,606.99				4,606.99
Rufus Yerxa	4/12	4/15	England	389.46	630.00						630.00
	4/15	4/17	Belgium	14,380	384.00						384.00
Commercial transportation							406.00				406.00
Military transportation							1,959.83				1,959.83
Charles Mellody	4/12	4/15	England	389.46	630.00						630.00
	4/15	4/16	France	7,190	192.00						192.00
	4/16	4/21	Escudos	136,080	972.00						972.00
Military transportation							4,606.99				4,606.99
	6/14	6/19	Poland	209.198	814.00						814.00
	6/19	6/20	France	2854.80	468.00						468.00
Military transportation							9,482.58				9,482.58
Thomas Sneeringer	6/14	6/19	Poland	209.198	814.00						814.00
	6/19	6/20	France	2854.80	468.00						468.00
Military transportation							9,482.58				9,482.58
Thelma Askey	5/17	5/19	Belgium	14,131	384.00						384.00
	5/19	5/23	Switzerland	857.85	582.00						582.00
Commercial transportation							1,787.00				1,787.00
Nancy Panzke	4/12	4/15	England	389.46	630.00						630.00
	4/15	4/16	Belgium	7,190	192.00						192.00
	4/16	4/21	Portugal	136,080	972.00						972.00
Military transportation							4,606.99				4,606.99
Committee total					28,712.00		120,248.00		1,266.08		150,226.08

---

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

DAN ROSTENKOWSKI, Chairman, July 23, 1987.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, PERMANENT SELECT COMMITTEE ON INTELLIGENCE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1987

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Richard H. Giza, staff	3/30	4/3	Europe		607.00		2,097.00				2,704.00
Bernard Raimo, Jr., staff	4/12	4/15	Central America		300.00		455.60				755.60
Diane S. Dornan, staff	4/12	4/15	Central America		300.00		455.60				755.60
John G. Keliher	5/17	5/20	Europe		1,091.00		2,721.00				3,812.00
Bernard R. Toon, II, staff	5/17	5/20	Europe		1,091.00		2,271.00				3,812.00
Martin C. Faga, staff	6/10	6/14	Central America		184.00						184.00

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Military aircraft							2,272.66				2,272.66
Duane P. Andrews, staff	6/10	6/14	Central America		184.00						184.00
Military aircraft							2,272.66				2,272.66
Stephen D. Nelson, staff	6/10	6/14	Central America		184.00						184.00
Military aircraft							2,272.66				2,272.66
Committee totals					3,941.00		15,268.18				19,209.18

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

LOUIS STOKES, Chairman, July 30, 1987.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, SELECT COMMITTEE TO INVESTIGATE COVERT ARMS TRANSACTIONS WITH IRAN, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1987

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
John W. Nields	3/31	4/2			438.00		791.00				1,229.00
George Van Cleve	3/31	4/2			438.00		791.00				1,229.00
Robert Bermingham	3/30	4/3			328.00						328.00
	4/3	4/8			454.50						454.50
	4/8	4/10			150.00		730.00				880.00
John W. Nields	4/20	4/20					2,097.00				2,097.00
George Van Cleve	4/20	4/20					2,097.00				2,097.00
Pamela Naughton	4/28	4/29			219.64		215.55				435.19
Pamela Naughton	5/6	5/8			438.00		791.00				1,229.00
Robert Genzman	5/6	5/8			438.00		791.00				1,229.00
Committee totals					2,904.14		8,303.55				11,207.69

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

LEE H. HAMILTON, Chairman, July 30, 1987.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1922. A letter from the Secretary of the Army, transmitting the annual report on U.S. Soldiers' and Airmen's Home for fiscal year 1985 and the report of the annual general inspection for fiscal year 1986, pursuant to 24 U.S.C. 59, 60; to the Committee on Armed Services.

1923. A letter from the Under Secretary of Defense for Acquisition, transmitting an extension from October 15 until January 15 as the due date for the fiscal year reports concerning a report on the progress toward entering into contracts with minority private sector entities, pursuant to Public Law 99-661, section 1207(g) (100 Stat. 3974); to the Committee on Armed Services.

1924. A letter from the Secretary of Education, transmitting a copy of the final regulations for the Jacob K. Javits Fellows Program, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

1925. A letter from the Secretary of State transmitting a report concerning the negotiations with the Government of Mexico on establishing a United States/Mexico Intergovernmental Commission on Narcotics and Psychotropic Drug Abuse and Control, pursuant to Public Law 99-570, section 2024(c) (100 Stat. 3207-71); to the Committee on Foreign Affairs.

1926. A letter from the Director, Office of Management Analysis, Department of the Interior, transmitting the Department's notice of a proposed new Federal records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1927. A letter from the Chairperson, Navy Resale and Services Support Office—Retirement Trust, transmitting the 1985 annual pension report for the Navy resale and services support office retirement plan, pursuant to 31 U.S.C. 9503(a)(i)(B); to the Committee on Government Operations.

1928. A letter from the Director, Office of Personnel Management, transmitting the agency's notice of a proposed new Federal records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1929. A letter from the Assistant Secretary of State (Congressional Relations) and Assistant Secretary of the Treasury (Legislative Affairs), transmitting a report on progress in enhancing human rights through U.S. participation in international financial institutions, pursuant to 22 U.S.C. 262d(c)(i); jointly to the Committees on Banking, Finance and Urban Affairs and Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 2224. A bill to authorize appropriations for fiscal year 1988 for the Panama Canal Commission to operate and maintain the Panama Canal, and for other purposes; with an amendment (Rept. 100-275). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROSTENKOWSKI: Committee on Ways and Means. H.R. 1154. A bill to remedy injury to the U.S. textile and apparel industries caused by increased imports; with amendments (Rept. 100-276). Referred to the Committee of the Whole House on the State of the Union.

Mr. DERRICK: Committee on Rules. House Resolution 247. Resolution waiving certain points of order against consideration of the conference report and any amendments reported from conference in disagreement on the joint resolution (H. J. Res. 324) increasing the statutory limit on the public debt (Rept. 100-277). Referred to the House Calendar.

Mr. RODINO: Committee on the Judiciary. H.R. 442. A bill to implement the recommendations of the Commission on Wartime Relocation and Internment of Civilians; with amendments (Rept. 100-278). Referred to the Committee of the Whole House on the State of the Union.

Mr. FRANK: Committee on the Judiciary. H.R. 1054. A bill to amend chapter 171 of title 28, United States Code, to allow members of the Armed Forces to sue the United States for damages for certain injuries caused by improper medical care; with amendments (Rept. 100-279). Referred to the Committee of the Whole House on the State of the Union.

Mr. OBEY: Committee on Appropriations. H.R. 3186. A bill making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1988, and for other purposes (Rept. 100-283). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FRANK: Committee on the Judiciary. H.R. 2139. A bill for the relief of John H. Teele (Rept. 100-280). Referred to the Committee of the Whole House.

Mr. FRANK: Committee on the Judiciary. H.R. 2293. A bill for the relief of William A. Cassity (Rept. 100-281). Referred to the Committee of the Whole House.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. HAWKINS: Committee on Education and Labor. H.R. 285. A bill to deny crewmember status in the case of certain strikes and lockouts; with amendments; referred to the Committee on the Judiciary for a period ending not later than October 7, 1987, for consideration of such provisions of the bill and amendments as fall within the jurisdiction of that committee pursuant to clause 1(m), rule X (Rept. 100-282, Pt. 1). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. JOHNSON of South Dakota (for himself, Mr. Penny, Mr. Miller of Washington, Mr. Solomon, Mr. Lagomarsino, Mr. Davis of Illinois, Mr. Packard, and Mr. Young of Florida):

H.R. 3129. A bill to amend the Congressional Budget and Impoundment Control Act of 1974 to require expeditious consideration by the Congress of a proposal by the President to rescind all or part of any item of budget authority if the proposal is transmitted to the Congress on the same day on which the President approves the bill or joint resolution providing such budget authority; to the Committee on Rules.

By Mr. ROYBAL (for himself, Mr. Waxman, and Mr. Stark):

H.R. 3130. A bill to improve the provision of services under the medicare and medicaid programs to individuals with Alzheimer's disease or related disorders and to amend the Public Health Service Act to provide assistance for education, research, and treatment programs relating to such disease and disorders; jointly, to the Committees on Energy and Commerce and Ways and Means.

By Mr. HUGHES:

H.R. 3131. A bill to amend the Airport and Airway Improvement Act of 1982, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. ACKERMAN (for himself and Ms. Oakar):

H.R. 3132. A bill to provide for the testing of alternative systems of compensation for Federal employees; to modify the pay comparability system for Federal employees; to modify the manner in which the authority to increase minimum rates of pay for certain Federal employees may be exercised; and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BATES (for himself, Mr. Waxman, Mr. Sikorski, Mr. Scheuer, Mr. Miller of California, Mrs. Collins, and Mr. Wyden):

H.R. 3133. A bill to amend the Public Health Service Act to improve emergency medical services and trauma care, and for other purposes; to the Committee on Energy and Commerce.

By Mr. BENNETT (for himself, Mr. Ridge, Mr. Dingell, Mrs. Boxer, Mr. Levine of California, Mr. Bryant, Mr. Moakley, Mr. Miller of California, Miss Schneider, Mr. Slattery, Mr. Wise, Mr. Moody, Mr. Dellums, Mr. Valentine, Mr. Wolpe, Mr. DeFazio, Mr. Johnson of South Dakota, Ms. Slaughter of New York, Mr. Towns, Mr. Martinez, Mr. Kildee, Mr. Bates, Mr. Ford of Michigan, Mrs. Collins, Mr. Murphy, Mr. Torres, Mr. Ackerman, Mr. Scheuer, Mr. Kolter, Mr. Savage, Ms. Kaptur, and Mr. Hughes):

H.R. 3134. A bill to amend title 10, United States Code, to improve accountability over profits made by large contractors under negotiated defense-related Federal contracts; to the Committee on Armed Services.

By Mr. BIAGGI (for himself, Mr. Lent, Mr. Jones of North Carolina, Mr. Davis of Michigan, and Mr. Anderson):

H.R. 3135. A bill to revise the laws pertaining to limitation of liability for maritime claims, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. BONER of Tennessee:

H.R. 3136. A bill to establish certain requirements relating to the identification, treatment, and prevention of child abuse on military installations; to the Committee on Armed Services.

By Mrs. BOXER (for herself, Mr. Rangel, Mr. Russo, Ms. Pelosi, and Mr. Kennedy):

H.R. 3137. A bill to establish a grant program for AIDS prevention among intravenous substance abusers seeking professional drug counseling; to the Committee on Energy and Commerce.

By Mr. CRAIG:

H.R. 3138. A bill to amend section 504(b)(1)(C) of title 5, United States Code, to provide that a proceeding conducted under section 13(c) of the Export Administration Act of 1979 shall be an adversary adjudication with respect to which fees and other expenses may be awarded; jointly, to the Committees on the Judiciary and Foreign Affairs.

By Mr. CRANE:

H.R. 3139. A bill to extend for 3 years the existing suspension of duty on certain brussels sprouts; to the Committee on Ways and Means.

By Mr. DANIEL (for himself, Mr. Kasich, Mr. Darden, Mr. Davis of Illinois, Mr. Hansen, Mr. Hochbrueckner, Mr. Hutto, Mr. Leath of Texas, Mr. Martin of New York, Mr. Nichols, Mr. Ray, Mr. Robinson, and Mr. Rowland of Connecticut):

H.R. 3140. A bill to require the Secretary of Defense to establish standards, based on recommendations of an advisory committee established by the Secretary, for inventory accounting systems used by Department of Defense contractors, and to require defense contractors to certify compliance with such standards; to the Committee on Armed Services.

By Mr. DERRICK (for himself, Mr. Conyers, Mr. Synar, Mrs. Schroeder, Mr. Frank, Mr. Morrison of Connecticut, Mr. Berman, Mr. Cardin, Mr. Ackerman, Mr. Atkins, Mr. Chapman, Mr. Clay, Mr. Dwyer of New Jersey, Mr. Dymally, Mr. Eckart, Mr. Fazio, Mr. Frost, Mr. Garcia, Mr. Gejdenson, Mr. Kostmayer, Mr. LaFalce, Mr. Lancaster, Mr. Leland, Mr. Levin of Michigan, Mr. Lewis of Georgia, Mr. McHugh, Mr. Markey, Mr. Martinez, Mr. Mrazek, Mr. Neal, Ms. Oakar, Mr. Oberstar, Mr. Owens of New York, Mr. Scheuer, Mr. Studds, Mr. Vento, Mr. Visclosky, Mr. Weiss, and Mr. Wolpe):

H.R. 3141. A bill to amend title 1 of the United States Code to define the type of adjournment that prevents the return of a bill by the President; to the Committee on the Judiciary.

By Mr. DioGUARDI (for himself, Mr. Boulter, Mr. Annunzio, Mr. Hyde, Mr. Houghton, Mr. Frank, Mr. Coble, Mr. Donald E. Lukens, Mr. Neal, Mr. Hiler, Mr. Roth, Mr. Hunter, Mr. Dornan of California, Mr. Crane, Mr. Craig, Mr. Walker, Mr. Denny Smith, Mr. Rhodes, Mr. Blaz, Mr. Lagomarsino, Mr. Fauntroy, Mr. Dreier of California, Mr. Gingrich, Mr. Hastert, Mr. Herger, Mr. Edwards of California, Mr. Ireland, Mr. Kemp, Mr. Kasich, Mr. Mack, Mr. Parris, Mr. Shaw, Mr. Smith of New Hampshire, Mr. Solomon, Mr. Traficant, Mr. Wyden, Mr. Chandler, Mr. Ackerman, Mr. Barnard, Mr. DeLay, Mr. Gallo, Mr. Gekas, Mr. Kyl, Mr. Leland, Mr. McDade, Mr. Martinez, Mr. Mavroules, Mr. Robinson, Mr. Smith of New Jersey, Mr. Torres, Mr. Towns, Mr. Wortley, Mr. Bustamante, Mr. Clinger, Mr. Conyers, Mr. Gilman, Mr. McEwen, and Mr. Saxton):

H.R. 3142. A bill to establish the Office of the Chief Financial Officer of the United States in the Executive Office of the President to direct and coordinate Federal financial management, and to establish an Office of the Assistant Secretary for Financial Management in each executive department and an Office of the Controller in each executive agency; to the Committee on Government Operations.

By Mr. DONNELLY (for himself, Mr. Foley, Mr. Perkins, Mr. Coyne, Mr. Dwyer of New Jersey, Mr. Moakley, Mr. Kennedy, Mr. Howard, Mrs. Morella, Mr. Lowry of Washington, Mr. Hertel, Mr. Murphy, Mr. Boland, Mrs. Kennelly, Mr. Early, Mr. McGrath, Mr. Traxler, and Mr. Towns):

H.R. 3143. A bill to amend the Immigration and Nationality Act to affect changes in the numerical limitation and preference system for the admission of immigrants; to the Committee on the Judiciary.

By Mr. FIELDS:

H.R. 3144. A bill to amend the Merchant Marine Act, 1936, to repeal the requirement that the Secretary of Transportation preserve the share of certain commodities exported from Great Lake ports; to the Committee on Merchant Marine and Fisheries.

By Mr. FOGLIETTA:

H.R. 3145. A bill to provide for the inclusion of the Washington Square area within Indpendence National Park, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FRANK (for himself, Mr. Brooks, Mr. Morrison of Connecticut, Mr. Swindall, Mrs. Vucanovich, Mr. Wortley, and Mr. Bilbray):

H.R. 3146. A bill to clarify certain restrictions on distribution of advertisements and other information concerning lotteries and similar activities; jointly, to the Committees on the Judiciary and Post Office and Civil Service.

By Mr. FRENZEL:

H.R. 3147. A bill to amend the Internal Revenue Code of 1986 to treat church self-funded death benefit plans as life insurance contracts; to the Committee on Ways and Means.

By Mr. GRADISON:

H.R. 3148. A bill to amend title IV of the Social Security Act to replace the AFDC program with a comprehensive program of mandatory child support and work training which provides for transitional child care and medical assistance, benefit improvement, and mandatory extension of coverage to two-parent families, and which reflects a general emphasis on shared and reciprocal obligation, program innovation, and organization renewal; jointly, to the Committees on Ways and Means, Education and Labor, and Energy and Commerce.

By Mr. HOPKINS (for himself, Mr. Bliley, Mr. Daub, Mr. Sundquist, Mr. Shumway, Mr. Wortley, Mrs. Boxer, Mr. Henry, Mr. Badham, Mr. Shaw, and Mr. Nielson of Utah):

H.R. 3149. A bill to provide that receipts and disbursements of the Highway Trust Fund, the Airport and Airway Trust Fund, and the Inland Waterways Trust Fund will not be included in the totals of the congressional budget or the budget of the U.S. Government as submitted by the President, and to adjust the maximum deficit amounts prescribed by the Balanced Budget and Emergency Deficit Control Act of 1985 to reflect the change in budget calculation; jointly to the Committees on Public Works and Transportation, Government Operations, and Rules.

By Mr. IRELAND:

H.R. 3150. A bill to amend title 10, United States Code, to authorize the Secretary of Defense to provide cover for Department of Defense foreign intelligence collection activities through the establishment and operation of commercial entities, and for other purposes; jointly, to the Committees on Armed Services and the Permanent Select Committee on Intelligence.

By Mr. JOHNSON of South Dakota (for himself and Mr. Dorgan of North Dakota):

H.R. 3151. A bill to amend the Consolidated Farm and Rural Development Act to provide for fairness in the Farmers Home Administration appeals process; to the Committee on Agriculture.

By Mr. KASTENMEIER:

H.R. 3152. A bill to amend title 28, United States Code, to make certain improvements with respect to the Federal judiciary, and for other purposes; to the Committee on the Judiciary.

By Mr. KOLBE:

H.R. 3153. A bill to authorize the President to award a Congressional Medal of Honor in honor of Lt. Charles B. Gatewood in recognition of the heroic service rendered by Lieutenant Gatewood in connection with the surrender of Geronimo in the fall of 1886; to the Committee on Armed Services.

By Mr. LEVINE of California:

H.R. 3154. A bill to establish a program of Federal grants to assist local educational agencies to establish and provide for a school year of not less than 240 days and to establish Federal grants to recognize achievement in education by local edcucational agencies; to the Committee on Education and Labor.

By Mr. LOWRY of Washington (for himself, Mr. Panetta, Mr. Ireland, Mr. Studds, Mr. Bonker, Mr. Hughes, Mr. Foglietta, Mr. Badham, Mr. Miller of California, Mr. Fascell, Mr. Stark, Mr. Shaw, Mr. Lowery of California, Mr. Beilenson, Mr. Lehman of California, Mr. Berman, Mr. Levine of California, Mr. Lantos, and Ms. Pelosi):

H.R. 3155. A bill to amend the Coastal Zone Management Act of 1972 regarding activities directly affecting the coastal zone; to the Committee on Merchant Marine and Fisheries.

By Mr. McGRATH:

H.R. 3156. A bill to designate the U.S. Courthouse located at the intersection of Uniondale Avenue and Hempstead Turnpike in Uniondale, NY, as the "John W. Wydler Courthouse"; to the Committee on Public Works and Transportation.

By Mr. MARLENEE:

H.R. 3157. A bill to direct the Secretary of Agriculture to formulate proposals to reduce recordkeeping and other paperwork required of agricultural producers for participation in Federal price support programs and other agriculturally related activities; to the Committee on Agriculture.

H.R. 3158. A bill to make available to consumers certain information on the performance records of air carriers operating in the United States; to the Committee on Public Works and Transportation.

By Mr. MARLENEE (for himself, Mr. Glickman, Mr. Roberts, Mr. Robert F. Smith, and Mrs. Smith of Nebraska):

H.R. 3159. A bill to provide that the determination of protein content in wheat for purposes of price support activities be determined on an "as-is" basis; to the Committee on Agriculture.

By Mr. MATSUI (for himself, Mr. Owens of Utah, Mr. Derrick, Mr. Frank, Mrs. Boxer, Mr. Martinez, Mrs. Collins, Mr. Smith of Florida, Mr. Scheuer, Mr. Mrazek, Mr. Wolpe, Mr. Sikorski, Mr. Kildee, and Mr. AuCoin):

H.R. 3160. A bill to provide consistency in the treatment of quality control review procedures and standards in the Aid to Families with Dependent Children, Medicaid and Food Stamp programs; to impose a temporary moratorium for the collection of penalties under such programs, and for other purposes; jointly to the Committees on Ways and Means, Energy and Commerce, and Agriculture.

By Mr. MONTGOMERY (by request):

H.R. 3161. A bill to amend title 38, United States Code, to authorize certain additional medical services for veterans with service-connected disabilities; to the Committee on Veterans' Affairs.

By Mr. MONTGOMERY (for himself and Mr. Solomon) (both by request):

H.R. 3162. A bill to amend title 38, United States Code, to authorize the Administrator of the Veterans' Administration to make direct low-interest loans to veterans eligible for specially adapted housing assistance; to the Committee on Veterans' Affairs.

H.R. 3163. A bill to amend title 38, United States Code, to provide for funeral expenses to veterans of any war who were recipients of the Purple Heart award; to the Committee on Veterans' Affairs.

H.R. 3164. A bill to amend title 38, United States Code, to extend educational assistance benefits to dependents of veterans with a service-connected disability of 80 percent or more; to the Committee on Veterans' Affairs.

H.R. 3165. A bill to amend title 38, United States Code, to provide for an increase in the amount of dependency and indemnity compensation paid to dependent parents of deceased veterans in the case of parents who are permanently housebound; to the Committee on Veterans' Affairs.

H.R. 3166. A bill to amend chapter 42 of title 38, United States Code, with respect to the definition of disabled veteran; to the Committee on Veterans' Affairs.

H.R. 3167. A bill to amend title 38, United States Code, to eliminate the delimiting date for spouses and surviving spouses eligible for benefits under chapter 35; to the Committee on Veterans' Affairs.

H.R. 3168. A bill to amend title 38, United States Code, with respect to the implementation of section 2014 of such title; to the Committee on Veterans' Affairs.

H.R. 3169. A bill to amend title 38, United States Code, to provide a presumption of service connection for the condition of non-Hodgkins Lymphoma arising in veterans who were exposed to the chemical defoliant known as Agent Orange during service in the Republic of Vietnam during the Vietnam era: to the Committee on Veterans' Affairs.

H.R. 3170. A bill to amend title 38, United States Code, to provide that recipients of the Purple Heart award be considered compensably disabled veterans for purposes of veterans' preference in Federal civil service; to the Committee on Veterans' Affairs.

By Mr. MRAZEK (for himself and Mr. Ridge):

H.R. 3171. A bill to permit the immigration of Vietnamese Amerasians to the United States; to the Committee on the Judiciary.

By Mr. NAGLE (for himself, Mr. Leach of Iowa, Mr. Evans, and Mr. Roberts):

H.R. 3172. A bill to provide for the increased use of motor fuel blended with ethanol in order to enhance the energy security of the United States and to expand markets for agricultural commodities; jointly, to the Committees on Ways and Means, Energy and Commerce, and Agriculture.

By Mr. NIELSON of Utah:

H.R. 3173. A bill to require the Federal Communications Commission to take actions to curtail the abuse of residential telephones for the making of business and charitable solicitations; to the Committee on Energy and Commerce.

By Mr. OBERSTAR:

H.R. 3174. A bill to prevent ground water contamination by pesticides; jointly, to the Committees of Agriculture, Energy and Commerce, and Public Works and Transportation.

By Mr. PEASE:

H.R. 3175. A bill to amend title 10, United States Code, in order to provide for certain cost savings related to commissaries and the closing or realignment of military installations; to the Committee on Armed Services.

H.R. 3176: A bill to implement three user fee recommendations of the Grace Commission respecting the Departments of Agriculture and Energy, and for other purposes; jointly, to the Committees on Agriculture and Interior and Insular Affairs.

By Mr. SCHULZE:

H.R. 3177. A bill to establish a Caribbean Basin Regional Development Commission, and for other purposes; to the Committee on Ways and Means.

By Mr. SHAW (for himself, Mr. Hammerschmidt, Mr. Shuster, Mr. Gray of Illinois, and Mr. Clinger):

H.R. 3178. A bill to allow a speed limit of 65 miles per hour on highways not on the National System of Interstate and Defense Highways which meet the construction standards applicable to highways on the System; to the Committee on Public Works and Transportation.

By Ms. SLAUGHTER of New York (for herself, Mr. McHugh, Mr. Scheuer, Mr. Rangel, Mr. Biaggi, Mr. Hoyer, Mrs. Morella, and Mr. McMillen of Maryland):

H.R. 3179. A bill to require automatic train control capabilities on the main line of the Northeast Corridor, and for other purposes; to the Committee on Energy and Commerce.

By Mr. SMITH of New Jersey:

H.R. 3180. A bill to amend chapter 30 of title 38, United States Code, with respect to the Montgomery GI bill; jointly, to the Committees on Armed Services and Veterans' Affairs.

By Mr. SMITH of New Hampshire:

H.R. 3181. A bill to prohibit a State from imposing a discriminatory income tax on income earned within such State by nonresidents of such State; to the Committee on the Judiciary.

By Mr. TORRES (for himself, Mr. Bustamante, Mr. Ortiz, Mr. de la Garza, Mr. Martinez, Mr. Richardson, Mr. Roybal, Mr. Dymally, Mr. Campbell, Mr. Towns, Mr. Rodino, Mr. Pepper, Ms. Oakar, Mr. Berman, Mr. Brown of California, Mr. Coleman of Texas, Mr. Dellums, Mr. Dornan of California, Mr. Fazio, Mr. Hoyer, Mr. Pashayan, Mr. Ackerman, Mr. Anderson, Mr. Crockett, Mr. Dwyer of New Jersey, Mr. Frank, Mr. Gephardt, Mr. Gray of Pennsylvania, Mr. Hunter, Mr. Lantos, Mr. Leland, Mr. Lowry of Washington, Mr. Rangel, Mr. Owens of Utah, Mr. Horton, Mr. LaFalce, Mr. Hawkins, Mr. Coelho, Mr. Lujan, Mr. Blaz, Mr. Garcia, Mr. Fascell, Mr. Foglietta, and Mr. Lehman of Florida):

H.R. 3182. A bill to amend Public Law 90-498 to provide for the designation of "National Hispanic Heritage Month"; to the Committee on Post Office and Civil Service.

By Mr. UDALL:

H.R. 3183. A bill to provide a governing constitution for the Pascua Yaqui Tribe of Arizona, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. OBEY:

H.R. 3186. A bill making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1988, and for other purposes.

By Mr. BEREUTER (for himself, Mr. Fascell, and Mr. Gejdenson):

H.J. Res. 349. Joint resolution in support of a transition to democracy in Chile; to the Committee on Foreign Affairs.

By Mrs. BOXER (for herself, Mr. Miller of California, Mr. Fazio, Mr. Lewis of California, Mr. Green, Mr. Weiss, Mr. Schumer, Ms. Pelosi, Mr. Downey of New York, Mr. de la Garza, Mr. Hamilton, Mr. Kostmayer, Mr. Dellums, Mr. Gibbons, Mr. Lowry of Washington, Mr. Frost, Mr. Gejdenson, Mr. Smith of Florida, Mr. Guarini, Mr. Mavroules, Mr. Moody, Mr. Ritter, Mr. Foglietta, Mr. Wyden, Mr. Hertel, Mr. Boucher, Mr. Bennett, Mr. Borski, Mr. Bustamante, and Mr. Hochbrueckner):

H.J. Res. 350. Joint resolution designating October 1987 as "AIDS Awareness Month"; to the Committee on Post Office and Civil Service.

By Mr. COYNE:

H.J. Res. 351. Joint resolution designating September 11, 1987, as "Pittsburgh Central Catholic High School Day"; to the Committee on Post Office and Civil Service.

By Mr. SOLARZ (for himself and Mr. Leach of Iowa);

H. Con. Res. 174. Concurrent resolution expressing the sense of the Congress regarding the twentieth anniversary of the establishment of the Association of Southeast Asian Nations [ASEAN]; to the Committee on Foreign Affairs.

By Mr. DORNAN of California:

H. Res. 248. Resolution expressing the sense of the House of Representatives in support of efforts to forge a political compromise in Fiji which preserves its traditions of parliamentary constitutional democracy and guarantees the rights of its citizens; to the Committee on Foreign Affairs.

By Mr. SENSENBRENNER:

H. Res. 249. Resolution concerning financial assistance from Japan to support United States naval forces in the Persian Gulf; to the Committee on Foreign Affairs.

By Mr. SHAW:

H. Res. 250. Resolution to amend the Rules of the House of Representatives to provide for the rotation of membership on the Committee on Appropriations; to the Committee on Rules.

H. Res. 251. Resolution expressing the sense of the House of Representatives regarding the enactment of an excise tax on sales of boats; to the Committee on Ways and Means.

By Mr. WALKER (for himself, Mr. Schaefer, Mr. Hefley, Mr. Coats, Mr. Ballenger, Mr. Coble, Mr. Gallo, Mr. Lagomarsino, Mr. Smith of New Hampshire, Mr. Dannemeyer, Mr. Mack, Mr. Gingrich, Mr. Hiler, Mr. Edwards of Oklahoma, Mr. Ireland, Mr. Barton of Texas, Mr. Hastert, Mr. Davis of Illinois, Mr. Kyl, Mr. Swindall, Mr. Brown of Colorado, Mr. Smith, of Texas, Mr. Solomon, Mr. Armey, Mr. Gekas, Mr. Frank, Mr. Kemp, Mr. DioGuardi, Mr. Weber, Mr. Stump, Mr. Moorhead, Mr. Lungren, Mr. Dornan of California, Mr. Gregg, Mr. Buechner, Mrs. Vucanovich, Mr. Shaw, Mr. Crane, Mrs. Martin of Illinois, Mr. Weldon, Mr. Sundquist, Mr. Sweeney, Mr. Stangeland, Mrs. Johnson of Connecticut, Mr. Frenzel, Mr. Denny Smith, Mr. Packard, Mr. Baker, Mr. Lujan, Mr. Ritter, Mr. Michel, Mr. Lott, Mr. Marlenee, Mr. Oxley, Mr. Roth, Mr. Herger, Mr. Gunderson, Mr. McEwen, Mr. Hunter, Mr. Wolf, and Mrs. Saiki):

H. Res. 252. Resolution to establish the Commission on Review of House Ethics; jointly, to the Committees on Standards of Official Conduct Rules, and House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CRAIG:

H.R. 3184. A bill for the relief of Raymond Shields Spitz; to the Committee on the Judiciary.

H.R. 3185. A bill for the relief of James P. Purvis; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 20: Mr. Davis of Illinois, Mr. Neal, Mr. Sawyer, and Mr. Clarke.

H.R. 21: Mr. Davis of Illiniois, Mr. Ray, Mr. Sawyer, and Mr. Clarke.

H.R. 44: Mr. Konnyu.

H.R. 303: Mr. Wolpe, Mr. Spence, Mr. Gekas, Mr. Mack, Mr. Yatron, Mr. Sundquist, Mr. Staggers, Mr. Ritter, Mr. Ravenel, Mr. Grant, Mr. Robinson, and Mr. Markey.

H.R. 382: Mr. Vento.

H.R. 387: Mr. Crockett.

H.R. 388: Mr. Davis of Illinois.

H.R. 416: Mr. Martinez.

H.R. 442: Ms. Oakar, Mr. Fascell, and Mr. Derrick.

H.R. 457: Mr. Bilbray.

H.R. 541: Mr. Jontz.

H.R. 592: Mr. Shaw.

H.R. 622: Mr. Porter, Mr. McGrath, and Mr. Schuette.

H.R. 672: Mr. Foglietta and Mr. Lantos.

H.R. 673: Mr. Foglietta and Mr. Lantos.

H.R. 674: Mr. Foglietta, Mr. Lantos, and Mr. Espy.

H.R. 675: Mr. Foglietta and Mr. Lantos.

H.R. 676: Mr. Foglietta and Mr. Lantos.

H.R. 677: Mr. Foglietta and Mr. Lantos.

H.R. 916: Mr. Bunning, Mr. Ballenger, and Mr. Lancaster.

H.R. 1038: Mr. Mack and Mr. Pursell.

H.R. 1096: Mr. Wolpe.

H.R. 1119: Ms. Pelosi.

H.R. 1201: Mr. Penny.

H.R. 1235: Mr. Towns, Mr. Lott, Mr. Lowry of Washington, Miss Schneider, Mr. Studds, and Mr. Vento.

H.R. 1347: Mr. Bevill, Mr. Bustamante, Mr. DeWine, Mr. Applegate, Mr. DeLay, Mr. Ford of Tennessee, Mr. Gilman, Mr. Gunderson, Mr. Hayes of Illinois, Mr. Herger, Mr. Hyde, and Mr. Kolbe.

H.R. 1417: Mrs. Morella, Mr. Atkins, and Mr. Borski.

H.R. 1430: Miss Schneider and Mr. Towns.

H.R. 1470: Mr. Sawyer and Mr. Price of Illinois.

H.R. 1580: Mr. Sikorski.

H.R. 1638: Mr. Martinez and Mr. Oberstar.

H.R. 1692: Mr. Gejdenson, Mr. Dyson, Mr. McMillan of North Carolina, Mr. Morrison of Washington, Mr. Yates, Mr. Flippo, Mr. Durbin, Mr. Sawyer, Mr. Pepper, Mr. Parris, Mr. Combest, Mrs. Smith of Nebraska, Mr. Kostmayer, Mr. Neal, Mrs. Lloyd, and Mr. Packard.

H.R. 1707: Mr. Annunzio, Mr. Yatron, Mr. Dicks, Mr. Mavroules, Mr. Savage, Mr. Ackerman, Mr. Murphy, Mr. Frank, Mr. Hawkins, Mr. Matsui, Mrs. Lloyd, and Mr. Stump.

H.R. 1720: Mr. Kolter, Mr. Crockett, Mr. Gejdenson, Mr. Lehman of California, Mr. Fazio, Mr. Tallon, Mr. Bates, Mr. Lancaster, Mr. Atkins, Mr. Florio, Mr. Sikorski, Mr. Edwards of California, Mr. Sawyer, and Mr. Ackerman.

H.R. 1734: Mr. Jontz.

H.R. 1782: Mr. Rahall, Mr. Bates, Mr. McEwen, Mr. Archer, Mr. Weiss, Mr. Livingston, Mr. Sawyer, Mr. Bereuter, and Mr. Bilirakis.

H.R. 1832: Mr. Oxley.

H.R. 1885: Mr. Smith of New Jersey.

H.R. 1905: Mr. Price of North Carolina, Mr. de Lugo, Mr. MacKay, Mr. Smith of Texas, Mr. Hughes, Mr. Houghton, Mr. Feighan, Mrs. Bentley, Mr. Smith of Iowa, Mr. Lancaster, Mr. Skaggs, Mr. Bruce, and Mr. Martinez.

H.R. 2116: Mr. Bruce, Mr. Campbell, Mr. Hochbrueckner, and Mr. Stump.

H.R. 2125: Mr. Fazio.

H.R. 2181: Mr. Oxley.

H.R. 2198: Mr. de la Garza.

H.R. 2248: Mr. DeFazio.

H.R. 2345: Mr. Howard.

H.R. 2348: Mr. Smith of New Hampshire.

H.R. 2476: Mr. Weiss.

H.R. 2508: Mr. Martinez.

H.R. 2537: Mr. Daub, Mr. Neal, and Ms. Oakar.

H.R. 2545: Mr. Watkins, Mr. Edwards of Oklahoma, Mr. Kleczka, Mr. Smith of Florida, Mr. Lewis of Georgia, Mrs. Collins, Mr. Bates, Mr. Fazio, Mr. Ackerman, and Mr. Yates.

H.R. 2570: Mr. Howard.

H.R. 2622: Miss Schneider, Mr. St Germain, and Mr. Lewis of Georgia.

H.R. 2624: Mr. Packard.

H.R. 2628: Mr. Leland.

H.R. 2666: Mr. Kastenmeier, Mr. Rowland of Connecticut, Mr. Moody, Mr. Mrazek, Mr. Lantos, Mr. Solomon, Mr. Leland, Mr. Weiss, Mr. Vento, Mr. Bosco, Mr. Atkins, Mrs. Boxer, Mr. Beilenson, Ms. Pelosi, and Mr. Brown of California.

H.R. 2676: Mr. Wise.

H.R. 2680: Mr. Lancaster, Mr. Lewis of Georgia, Mr. Hochbrueckner, and Mr. Towns.

H.R. 2690: Mr. Martinez, Mr. Goodling, Mr. Huckaby, Mr. Campbell, and Mr. Mfume.

H.R. 2694: Ms. Slaughter of New York.

H.R. 2707: Mr. Slattery, Mr. Badham, Mrs. Byron, Mr. Hoyer, and Mr. Gekas.

H.R. 2727: Mr. Hawkins.

H.R. 2734: Mr. Oxley, Mr. Dannemeyer, Mr. DeLay, Mr. Inhofe, Mr. Barton of Texas, and Mr. Callahan.

H.R. 2776: Mr. Gray of Illinois, and Mr. Savage.

H.R. 2794: Mr. Panetta, Mr. Lantos, Mr. Dymally, Mr. de Lugo, Mr. Murphy, Mr. Hayes of Illinois, Mr. Rodino, Mr. Kostmayer, Mr. Lujan, Mr. Young of Alaska, Mr. Mrazek, Mr. Torres, and Mr. Savage.

H.R. 2801: Mr. Schulze.

H.R. 2908: Mr. Schuette, Mr. Nielson of Utah, and Mr. Lancaster.

H.R. 2914: Mr. Boulter, Mr. Livingston, Mr. Schuette, Mr. Gunderson, and Mr. Emerson.

H.R. 2969: Mr. McCloskey.

H.R. 2990: Mr. Hyde, Mr. Badham, Mr. Hunter, Mr. Swindall, Ms. Kaptur, Mr. Smith of New Jersey, Mr. Rinaldo, Mr. Wortley, Mr. Lagomarsino, and Mr. Courter.

H.R. 3001: Mr. Slattery and Mr. Solomon.

H.R. 3002: Mr. Savage, Mr. Clay, and Mr. Bates.

H.R. 3011: Mr. Downey of New York, Mr. Ackerman, Mr. de Lugo, Mr. Savage, Mr. Wortley, Mr. Bryant, Mr. Owens of New York, Mr. Scheuer, Mr. Lancaster, Mr. Martinez, Mr. Mfume, Mr. Daub, Mr. Carper, Mr. McMillen of Maryland, and Mr. Frost.

H.R. 3039: Mr. Bustamante and Mr. Frost.

H.R. 3053: Mr. Montgomery and Mr. Lagomarsino.

H.R. 3069: Miss Schneider, Mrs. Bentley, Mr. Penny, and Mr. Sweeney.

H.R. 3112: Mr. Schumer, Mr. Savage, Ms. Pelosi, Mr. Smith of Florida, Mr. Foglietta, Mr. Wise, Ms. Kaptur, and Ms. Slaughter of New York.

H.J. Res. 43: Mr. Bevill, Mr. Biaggi, Mr. Tallon, Mr. Mfume, Mr. Yatron, Mr. Holloway, Mr. Rowland of Connecticut, Mr. Sisisky, Mr. Foglietta, Mr. Denny Smith, Mr. Wise, Mr. Regula, Mr. Stokes, and Mr. Lungren.

H.J. Res. 140: Mr. Coughlin and Mr. Kennedy.

H.J. Res. 171: Mr. Roberts and Mr. Borski.

H.J. Res. 180: Ms. Kaptur, Mr. Espy, Mr. Levine of California, Mr. Jeffords, Mr. Bereuter, Mr. Stump, and Mr. Grandy.

H.J. Res. 199: Mr. Boucher, Mr. Fauntroy, Mr. Biaggi, Mr. Dixon, Mr. Gray of Illinois, Mr. Vento, Mr. Espy, Mr. Murphy, and Mr. Mrazek.

H.J. Res. 208: Mr. Roth, Mr. Richardson, Mr. Lehman of Florida, Mr. Bilirakis, Mr. Coleman of Missouri, Mr. Gilman, Mr. Rinaldo, Mr. Nichols, Mr. Jones of North Carolina, Mr. Wheat, Mrs. Collins, Mr. Lujan, Mr. Foglietta, Mr. Fish, and Mr. Anthony.

H.J. Res. 213: Mr. Howard.

H.J. Res. 242: Mr. Lott, Mr. Kildee, Mr. Martinez, Mr. Weiss, and Mr. Nichols.

H.J. Res. 265: Mr. Roe, Mr. Price of North Carolina, Mr. de Lugo, Mr. Towns, Mr. Horton, Mr. Morrison of Connecticut, Mr. Gordon, Mrs. Boxer, Mr. Gray of Illinois, Mr. Anderson, Mr. Valentine, Mr. Hughes, Mr. Scheuer, Mr. Levin of Michigan, Mr. Fazio, Mr. Frost, Mr. Kolter, Mr. Volkmer, Mrs. Lloyd, Mr. Atkins, Mr. Pepper, Mr. Kennedy, Mr. Chapman, Mr. Boucher, Mr. Hayes of Louisiana, Mr. Nelson of Florida, Mr. Torricelli, and Mr. Traficant.

H.J. Res. 302: Mrs. Saiki.

H.J. Res. 313: Ms. Pelosi.

H.J. Res. 331: Mr. Conyers and Mr. Martinez.

H.J. Res. 337: Mr. Hertel, Mr. Kolbe, Mr. Dingell, and Mr. Kildee.

H.J. Res. 343: Mr. Fish, Mr. Richardson, Mr. McCloskey, Mr. Solarz, Mr. Dixon, Mr. Thomas of California, Mr. Kostmayer, Mr. Neal, Mr. Mrazek, Mr. Levin of Michigan, Mr. McEwen, Mr. Badham, Mr. Smith of Florida, Mr. Hefley, Mr. Frost, and Mr. Hayes of Louisiana.

H.J. Res. 346: Ms. Snowe.

H. Con. Res. 87: Mr. Lewis of California, Mrs. Bentley, Mr. Conyers, Mr. Wolf, Mr. Young of Alaska, Mrs. Collins, Mr. Sunia, Mr. Miller of Washington, Mr. Donald E. Lukens, Mr. DeFazio, Mr. Bevill, Mr. Coats, Mr. Olin, Mr. Volkmer, Mr. Donnelly, Mr. Bunning, Mr. Weldon, Mr. Foglietta, Mr. Towns, Mr. DioGuardi, Mr. Frost, and Mr. Savage.

H. Con. Res. 126: Mr. Wilson, Mr. Savage, Mr. Foglietta, and Mr. Davis of Illinois.

H. Con. Res. 166: Mr. Beilenson and Mr. Daub.

H. Res. 19: Mr. Coats, Mr. Young of Florida, Mr. Solomon, Mr. Lott, Mr. Jeffords, Mr. Hiler, Mr. Ballenger, Mr. Fields, and Mr. Upton.

H. Res. 131: Mr. Savage, Mr. Towns, Mr. Vento, and Mr. Brown of California.

H. Res. 144: Mr. Dellums and Mr. Savage.

H. Res. 168: Mr. Inhofe, Mr. Leland, Mr. Lightfoot, and Mr. Towns.

H. Res. 188: Mr. Goodling, Mr. Donald E. Lukens, and Mr. Hiler.

H. Res. 213: Mr. Morrison of Connecticut, Mr. Walgren, Mr. Mica, Mr. Lehman of Florida, and Mrs. Bentley.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 51: Mr. Dyson.

H.R. 1082: Mr. Robinson.

SENATE—*Thursday, August 6, 1987*

(Legislative day of Wednesday, August 5, 1987)

The Senate met at 12 noon, on the expiration of the recess, and was called to order by the Honorable KENT CONRAD, a Senator from the State of North Dakota.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

O Lord, Thou hast searched me and known me. Thou knowest my down sitting and my uprising; Thou understandest my thought afar off. Thou compassest my path and my lying down, and art acquainted with all my ways. For there is not a word in my tongue, but, lo, O Lord, Thou knowest it altogether.—Psalm 139:1-4.

Omniscient Lord, the words of the psalmist remind us that You know all things. You know us in every detail of our lives past, present, and future. We have no secrets from You, no surprises for You. You know the struggles, the frustrations, the disappointments—You know our desires, our hopes, our dreams, our ambitions—You know each of us and all of us in the total context of our being. Mighty God, work Your will in our personal and collective lives in these final hours in ways that will satisfy and fulfill the responsibilities of the Senate in the present situation and the needs of all of us with our families. To the glory of God and the honor of Your name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. STENNIS].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, August 6, 1987.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable KENT CONRAD, a Senator from the State of North Dakota, to perform the duties of the Chair.

JOHN C. STENNIS,
President pro tempore.

Mr. CONRAD thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the standing order the acting majority leader is recognized.

RESERVATION OF LEADER TIME

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the time of the majority and minority leaders both be reserved for their use later today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

HOW HUMAN FALLIBILITY WILL UNDERMINE SDI

Mr. PROXMIRE. Mr. President, when the young West German pilot flew his Cessna plane through the most heavily defensed air space in the world and landed right on target in Red Square, Moscow, he made a loud statement about the pitiful imperfection of 1987 military technology. Think about it. First, was this an isolated once in a million accident? No way. Less than a month earlier hadn't our own United States suffered an entirely different reminder of the same principle? It sure had. The attack on the U.S.S. *Stark* that killed 37 of our servicemen also reminded us of the limitations of what many regarded as red-hot, up-to-the-minute, cannot-go-wrong antimissile technology. The *Stark* was equipped to defend oil tankers that might have been miles away. We found that it couldn't even defend itself. Some may say that the Cessna that landed in Red Square just proves how inept, how antedated, how behind the technology curve is the Soviet military defense. The fact is that air defense is the one deployed and in full-effect military technology where the Soviets are far ahead of the United States. Does anyone doubt that a Cuban plane piloted by some Cuban hot-rod teenager could penetrate what we call our country's defense and land right outside this Capitol Building today. Frankly this Senator wouldn't be surprised if when I leave this building in a few minutes and walk back to the Dirksen Office Building a Castro special lands in the parking lot.

So here, Mr. President, is another reminder of the futility of the strategic defense initiative [SDI] or star wars. Just suppose we had star wars fully deployed. Conceivably it could smash into Soviet missiles that took 6 or 7 minutes to rise from their land-based, stationary launch pads at the pace of a sleepy snail, while giving off immense heat and blinding light. Maybe with many decades of improvements in lasers and particle beams, SDI could even succeed in finding and intercepting warheads in flight. The physicists, mathematicians, and engineers at the American Academy of Science don't believe this will happen. But they could be wrong. A top panel representing the American Physical Society and chaired by a Nobel Prize winning physicist tells us that the improvement required in our present technology for SDI to work will be virtually infinite. The panel also tells us that some of the future strategies on which SDI would rely may not even be based on sound scientific principles. But again they may be wrong. Maybe a marvelous new technology can someday solve all these problems. Maybe we can have a defense that can do the job. Let's assume we do. Doesn't the vulnerability of our superpower equipment on the U.S.S. *Stark* and the penetration of the world's most heavily defensed air space by a young German kid, flying a little old Cessna right through the most heavily defended air space on Earth and landing right at the very center of the Soviet's superpower government tell us something? Doesn't it tell us that no matter how many hundreds of billions we pour into a defense against nuclear attack that it can never be enough to protect us.

The ironic fact is that the more elaborate, the more complex, the more advanced and automatic the defensive military technology, the more certain it is that somewhere along the line human fallibility, some slip, some mistake in design, some error in deployment or in maintenance or in operation will make the system vulnerable. Mathias Rust, the German teenager, proved this with his Cessna gambit. The still unidentified Iraqi pilot did it with his missile. Can anyone really believe that the most complex military technology ever conceived, designed, deployed and operated by fallible, mistake-prone human beings that of course is SDI will not be subject to the same failings? Undoubtedly star wars will not be overcome by a vagrant missile or a Cessna. But the enormous variety of countermeasures open to the Soviets will certainly permit the development of an offense that can successfully penetrate SDI. Think of it the

Soviets can endlessly multiply the number of nuclear warheads to penetrate SDI at a cost far below what it will take our country to deploy SDI. The Soviets can go from 10,000 strategic warheads to 100,000. They can perfect decoys. They can send up endless chaff. They can fire cruise missiles flying at tree top level from submarines 4 or 5 miles off our thousands of miles of coastline. They can fire from bombers launching their nuclear warheads from anywhere in the vast air envelope of the Earth. They can equip commandos to carry nuclear warheads ashore. They can turn the onrushing technology of lasers and particle beams to offensive nuclear purposes. All this they can do for a fraction of the cost of a fully deployed and operating SDI.

But the final word is that SDI with all its elaborate, complex technology cannot defend against a determined attack even if it works perfectly. SDI with all its enormous complexity will face only one test: That one and only test would be an all-out preemptive nuclear attack from the Soviet Union. But isn't it clear that the kind of inevitable human fallibility so dramatically portrayed by the U.S.S. *Stark* and the West German Cessna will also undermine SDI. The answer, Mr. President, is that we cannot win a nuclear arms race with the Soviet Union. Continuation of the nuclear arms race like a nuclear war will leave only losers. The answer is not a trillion dollar SDI. It is arms control.

Mr. President, I ask unanimous consent that an article on this issue by John Ullmann a professor at Hofstra University and carried in the New York Times on June 2, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, June 2, 1987]

THE CESSNA LANDED IN EVERY CAPITAL

(By John E. Ullmann)

The flight of Mathias Rust's Cessna into Red Square is no occasion for finding comfort in the Soviet Union's discomfort. The young pilot sent a message to us about our defense system—especially about "Star Wars"—and to other nations about theirs, too.

Once again we see the dramatic failure of complex technological systems that rely at crucial points on humans. Once again, we see that the technology that is supposed to enhance national security fails, and thus diminishes it.

It is hardly news to the United States that a small plane can duck under a radar screen. Our drug enforcement agencies contend with such illicit flights every day—with limited success.

As the Cessna wended its way to Moscow, the Soviet and Finnish air-control systems demonstrated "blind spots." They received stimuli or alarms for which they were not prepared. The Soviet system was set up for military incursions by fast, high-flying objects; the Finnish one was simply run-of-the-mill.

So instead of looking at Mr. Rust's flight as a lark, let's consider it an urgent invitation to examine a whole string of similar failures—most recently, the frigate Stark's nonreaction to the Iraqi attack in the Persian Gulf.

The Stark's antimissile system also seems to have had a blind spot—like the one in a car's rear-view mirror. The ship, in a low state of alert, did not expect an attack even though it was sailing in a war zone.

Perhaps the Soviet air defense system was similarly relaxed. Why not? International tensions are at a low level.

And what about the other failures?

After the attack on Libya in May 1986, we learned that nearly one-third of our aircraft were unable to complete their missions. Furthermore, in spite of being fitted with so-called smart bombs, they failed to hit certain targets that had been carefully pinpointed by intelligence reports.

Moreover, this happened a few months after the Challenger disaster and a succession of failures of other rockets such as the Titan 34D and the Delta, and the grounding of the Atlas-Centaur rocket.

The inquiries into these events all demonstrated a common pattern—a combination of human and equipment failures. Taken together with the flight to the Kremlin, these malfunctions showed themselves independent of the political systems that produced them. In other words, it is crucial for both superpowers to recognize the limits of such systems.

There is a real danger that this lesson will not be learned. Rather, our reaction to the attack on the Stark was to escalate the Navy's role in the Gulf and to place our naval forces there on high alert.

Surely, we can expect that the defenders of Soviet airspace will also be placed on higher alert, with orders to shoot more quickly, as in the case of American ships in the Gulf.

In short, the Cessna and Stark affairs mean that trigger fingers will turn much more itchy—and that the world is placed in increased jeopardy.

Since the beginning of the machine age, the engineers' answer to human frailty has always been, "We'll automate human intervention away." They forget that machine systems are human creations and thus have limits of reliability. Their kind of "thinking" inevitably leaves life-and-death decisions to erratic computers, and encourages a propensity to take computers at their word.

Thus, in assessing the feasibility of the Strategic Defense Initiative—Star Wars—we must pay careful attention to the limits and reliability of technological systems. Predictably, proponents of Star Wars are dismissing the warning inherent in the Cessna incident.

But common sense tells us we cannot rely on their claims about the protection that Star Wars will provide. For example, the proponents of Star Wars have always excluded nonmissile delivery systems from their equations.

The bottom line of the Cessna incident is that with the ever-greater sophistication of weapons, ever-shorter reaction times and ever-increasing numbers of technology failures, the war system has come to a dead end.

Mr. PROXMIRE. Mr. President, I yield the floor.

RECOGNITION OF THE REPUBLICAN LEADER

The ACTING PRESIDENT pro tempore. The Republican leader is recognized.

Mr. DOLE. Mr. President, I thank the distinguished Senator from Wisconsin for reserving the time. I will use a minute or two of it now.

BICENTENNIAL MINUTE

AUGUST 6, 1789:

ESTABLISHMENT OF SENATE-HOUSE JOINT RULES

Mr. DOLE. Mr. President, on August 6, 1789, 198 years ago today, the Senate agreed to establish a set of joint rules with the House of Representatives. This came in response to questions of procedure that confronted both Houses from the very first day of their existence.

A special Senate committee took the lead in proposing many of the "joint rules" that were subsequently adopted. Here are several of the first joint rules:

That while bills are on their passage between the two Houses, they shall be on paper, and under the signature of the Secretary or Clerk of each House respectively.

When enacted bills are enrolled, they shall be examined by a joint committee of one from the Senate, and two from the House of Representatives, who shall carefully compare the enrollment with the engrossed bills, as passed in the two Houses, and correcting any errors that may be discovered in the enrolled bills, make their report forthwith to the respective Houses.

That when the Senate and House of Representatives shall judge it proper to make a joint address to the President, it shall be presented to him in his audience Chamber by the President of the Senate, in the presence of the Speaker and both Houses.

Over the following years, the joint rules were updated from time to time. In 1876, after questions arose concerning their legitimacy, the Senate agreed to a resolution adopting all former joint rules. Their last major revision occurred in 1884. Since 1889, there have been no further efforts to revise the joint code, and it has been replaced by statute law, by individual orders pertaining to the operation of each body, and by custom.

ETHANOL

Mr. DOLE. Mr. President, a bit later on, I will be introducing a bill with reference to ethanol. There are a number of cosponsors who I think wanted to speak on this. The distinguished Senate from South Dakota, Senator PRESSLER, is on the floor. We have notified the distinguished Senator from Montana, Senator MELCHER, and the Senator from Iowa, Senator GRASSLEY, so there may be a number of Members who wish to speak on that in morning business, perhaps maybe even the Presiding Officer.

But, in any event, it is a good piece of legislation.

I reserve the balance of my time.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

NO NATIONAL SECURITY WITHOUT ENERGY SECURITY

Mr. BYRD. Mr. President, as the situation in the Persian Gulf deteriorates and the American military involvement escalates, we are, once again, witnessing the disastrous consequences of the Reagan administration's refusal to develop an energy policy.

Once again, Iran appears to be threatening oil supply lines in the Persian Gulf. Just yesterday, Defense Secretary Weinberger told reporters that he did "not know when it—American military buildup in the Gulf—will be enough."

Once again, this great Nation, so blessed with energy producing resources is forced to rely upon our military might to secure the very lifeblood of our industrial society—energy.

This is not the first time we have done so. In May 1984, the Ayatollah Khomeini threatened to disrupt the oil supply lines at the Strait of Hormuz. To ensure that oil continued to flow from this strategic area, the United States was forced to rattle the saber.

President, Reagan declared that, "There's no way that we could allow that—Persian Gulf—channel to be closed." Accordingly, our Navy was moved into the area to insure that the much needed oil continued to flow.

How often must we be reminded that the national security of the United States rests upon our energy security? In other words, there is no national security if we do not have energy security. Why must the energy security of the United States be protected first with guns and not with brains or our homegrown natural resources?

Our Armed Forces should be a last resort, not an only option. That is a weak resort, if, indeed, we do not have the energy with which to operate our Armed Forces. Armed forces operate on energy.

At the time of that crisis 3 years ago, I called attention to the dangers of this administration's nonpolicy in energy. I warned:

> Nuclear weaponry and armed forces alone do not make a nation safe and secure. The United States must be able to sustain protracted wars, energy crises, and oil embargoes. * * * This administration is leaving us dangerously vulnerable to foreign transgressions.

At that time, 3 years ago, I pleaded for a return to a national energy policy that would put the United States on a path toward energy security.

No such policy came. Consequently, we have become even more, not less, dependent upon foreign oil.

Last year, the volume of imported oil increased 24 percent.

Last year, imported petroleum accounted for 37 percent of total U.S. demand, as compared to 31.5 percent in 1985. And more and more of that imported oil is coming from OPEC. In 1985, OPEC oil imports constituted 35 percent of total U.S. imported oil. Last year, it was 46 percent.

Furthermore, as Time magazine, March 16, 1987, has reported:

> The United States is doing little to defend itself against a revitalized [OPEC] cartel.

The once powerful American giant, the U.S. oil industry, is collapsing as U.S. production and exploration are rapidly declining. The Nation's production rate has fallen to 8.35 million barrels a day—the lowest level since 1977.

No wonder CBO, CRS, the Joint Economic Committee, the Energy Information Administration, the National Petroleum Council, and the Deputy Secretary of the Department of Energy, William F. Martin, have all said the same thing—American imports of oil could reach 50 percent of national consumption by the mid-1990's.

This situation should come as no surprise. National Security Adviser Frank Carlucci, Interior Secretary Donald Hodel, the Harvard University Energy and Environmental Policy Center, former Energy Secretary James Schlesinger, the World Resources Institute, and others have all voiced the same warning—the United States is on a one-way path toward another energy crisis as our dependency upon foreign oil grows.

Why must we continue to relive yesterday's misery? Unless the Reagan administration remembers the past—and learns from it—all Americans will be condemned to repeat it.

The drop in oil prices, while certainly a major factor, is not the sole culprit of our growing dependence on imported oil.

In response to the twin energy crisis of the 1970's, America undertook the development of an energy policy to ensure that the United States would never again be subjected to the vagaries of that highly unstable region or to international blackmail, as in 1973. Since 1973, there has been a bipartisan effort to set our sights on energy security by merging our technological genius with our abundant natural resources. The Reagan administration, however, did not stay the course.

In January 1981, the present administration took office and began dismantling those much needed policies. Uninhibited market forces, it claimed, would result in energy independence in just a matter of years. Believing that the best energy policy is no energy policy, the Reagan administration took a meat ax to America's domestic energy programs. It proceeded to take the Federal Government out of the energy picture

It emasculated the Department of Energy. It all but eliminated the Energy Department's fossil fuels and renewable energy programs.

It withdrew support for the development of alternative energy technologies, such as synthetic fuels from coal and oil shale.

It slashed spending for energy conservation programs.

It balked at filling the strategic petroleum reserve, even though an oil glut brought lower oil prices.

It vetoed legislation providing for emergency preparedness planning and establishing national appliance efficiency standards.

And it has proposed selling off federally owned energy resources and oil reserves.

The administration's continuing disinvestment in the Nation's energy future is revealed in its fiscal year 1988 budget. It reduces the budget for research and development for energy conservation by two-thirds. It drops the fill rate of the strategic reserve to 35,000 barrels per day—a full 40,000 barrels a day lower than the level mandated for this year.

The administration did produce a long-awaited, 300-page report, titled "Energy Security" in March. In excruciating detail, the study depicted the serious nature of our energy security problem. Yet it contained no recommendations as to what policy remedies we should employ. Thus, this long awaited document turned out to be just another example of this administration's failure to address one of the most vital problems of our time.

The Reagan administration's destruction of the Nation's long-term energy policies—policies that have been developed and promoted by every administration since President Nixon—is imperiling America's energy security. And, as Americans have learned from past events, when there is no energy security, National security is seriously jeopardized. The welfare and security of the United States stands in peril as long as we and our allies rely so heavily on imported oil.

Despite its massive arms buildup program, this administration has left us dangerously vulnerable to foreign transgressions.

The administration's energy shortsightedness has reduced our flexibility to respond to a threatened cutoff in our oil supplies. I repeat, our Armed Forces should be a last resort, not an only option.

That, indeed, is not even an option if we do not have petroleum if we do not have the energy with which to operate our planes, our tanks, our submarines, and our battleships.

Mr. President, free enterprise has always been, and always will be, a key to energy development in the United States. But in today's complex and shifting energy world, the administration's laissez-faire policy toward energy is too simplistic, too unrealistic and, as we are again learning, too dangerous.

The administration's support of my Clean Coal Technology Deployment Program is an important step in reducing our dependency on foreign oil. It is to be commended for its support of this much needed effort. But this is only one step. We must have an overall policy. We need a comprehensive national energy plan that will fully develop our massive coal reserves, as well as our oil, gas, and other energy resources.

The United States has the resources and the technology to develop the energy security that would free us from the despots and uncertainties of the Middle East. What we need is the leadership and determination to put in place a long-term, comprehensive, energy policy. There can be no real national security without energy security.

Mr. President, I ask unanimous consent that the special report to which I have alluded be printed in the RECORD.

There being no objection, the special report was ordered to be printed in the RECORD, as follows:

ENERGY INSECURITY . . . THE ADMINISTRATION IS PUTTING AMERICA OVER THE OPEC OIL BARREL, AGAIN!

Every American age 20 or over well remembers the energy crisis and Arab oil embargo of 1973. Soaring gasoline prices. The long waits in gas lines. OPEC using American dependency on foreign oil in an effort to dictate our foreign policy. Americans declaring that never again would this happen, and a string of presidents developing energy policies to insure that it would not.

Unfortunately, the United States is heading full speed into another energy crisis and its accompanying nightmares. The drop in oil prices is one factor in this developing situation, as low cost oil encourages consumption while rendering domestic production uneconomic.

But, price volatility is not the sole culprit. America is again becoming dangerously dependent upon foreign energy because the Reagan Administration has consistently sought to minimize the Federal government's role in energy security. The Administration's disinvestment in an energy-secure America has once more given the United States an energy policy dictated by OPEC pricing practices, with the looming potential for the same consequences we experienced in 1973 and 1979.

Six years ago, the Reagan Administration took office promising to reverse the energy security policies developed and promoted by every president from Nixon to Carter. To fulfill its promises, the Reagan Administration has—

emasculated the Department of Energy;[1]

cut Federal fossil fuels and renewable energy programs;

withdrawn Federal support for alternative energy technologies;

attempted to slice the energy conservation budget;

proposed stopping the filling of the Strategic Petroleum Reserve;

cut back Federal building temperature standards;

vetoed legislation providing for emergency preparedness planning and national appliance efficiency standard;

proposed selling Federally-owned energy resources, including hydroelectric assets[2] and oil reserves.[3]

This Administration's refusal to promote an energy security policy combined with its opposition to established, successful energy programs has not produced the energy self-sufficienty that Candidate Reagan and the Republican Party claimed they would in 1980. As in so many other areas, the Administration's performance in ensuring energy security has failed to match its promises.

Promise: "A Republican policy . . . will substantially reduce our dependence on imported oil."—1980 Republican Party Platform.

Performance: America's dependency upon foreign oil is increasing, not decreasing. Last year—

the volume of imported oil increased 24 percent. (Energy Department data cited in National Journal, January 17, 1987).

imported petroleum accounted for 37 percent of total U.S. demand in 1986 compared to 31.5 percent in 1985. (Independent Producers' Association of America and Joint Economic Committee, 1986 Annual Report);

At the time of the 1973 Arab oil embargo, imported oil constituted 35 percent of American oil consumption. As pointed out above, the United States passed that mark last year. "Last year, in effect, all the progress made since 1981 in reducing consumption of imported oil was canceled out," reports the Joint Economic Committee in its 1987 Annual Report.

Under this Administration's non-policy in energy, the future spells even deeper trouble: The Department of Energy, the Congressional Research Service, the National Petroleum Council, and the Congressional Budget Office have all concluded that unless present trends are changed, American dependency on foreign oil will climb to more than 50 percent in the 1990's.

Promise: "The answer to our having all we need and no more being dependent on OPEC is to turn the energy industry loose. . . ."—Candidate Reagan, New York Times April 14, 1980.

Performance: The United States is becoming more dependent on OPEC as imported OPEC oil is on the increase:

In 1986, OPEC oil constituted 46 percent of total U.S. imported oil, nearly the same level as in 1973! In 1985, it was 35 percent. As the Joint Economic Committee points out: "U.S. oil imports from OPEC countries last year increased at an even greater rate than oil imports in general." (Joint Economic Committee 1987 Annual Report).

Imports from Arab OPEC countries increased 186 percent through October, 1986, compared to the same period in 1985. (IPAA).

Interior Secretary Donald Hodel explains: "OPEC is being placed back in the driver's seat. The U.S. is being set up for a major oil-price shock." (Quoted in Time, March 16, 1987)

Senator Lloyd Bentsen (D-Tex.) explains: "The administration's energy policy is woefully inadequate. . . . It is a fair-weather policy, unfit for the perilous energy future we face. If the policy continues, the question is not whether we face a repetition of the 1973 OPEC embargo but when." (Congressional Record, April 9, 1987)

Promise: "Republicans believe that in order to address our energy problem we must maximize our domestic energy production capability. In the short term, therefore, the nation must move forward on all fronts simultaneously, including oil and gas, coal, and nuclear."—1980 Republican Party Platform.

Performance: America was moving forward on all fronts in the late 1970's. Conservation, coal and other fuels reduced oil's share of U.S. energy consumption from 47 percent in 1979 to 43 percent in early 1987. And imported oil's share of total U.S. energy consumption shriveled by almost one-half—from 23 percent in 1977 to 14 percent in 1983. (Fortune, March 16, 1987, and Joint Economic Committee)

But these trends are being reversed. American consumption of oil increased by 670,000 barrels a day from February 1986 to February 1987—the first time that American consumption of oil grew faster than the economy. Oil's share of total U.S. energy consumption increased from 14 percent in 1983 to 16.2 percent in 1986. (Energy Department data and Fortune, March 16, 1987)

Promise: "The government must continue supporting productive research to speed the development of renewable energy technology, including solar energy, geothermal, wind, nuclear fusion, alcohol synthesis, and biomass, to provide the next generation of energy sources."—1980 Republican Party Platform.

Performance: According to the General Accounting Office (GAO), energy's share of the Federal research and development budget tripled between 1971 and 1979. "However, under the present Administration, government support for many of these activities has decreased substantially." FY 1987 funding requests for fossil energy, renewable energy, conservation, and nuclear reactor research and development "decreased by a total of 76 percent below fiscal 1981 level." (GAO, Energy R&D: Changes in Federal Funding Criteria and Industry Response, February 1987, GAO/RCED-87-26)

Promise: "We must strive to maximize conservation and the efficient use of energy."—1980 Republican Party Platform.

Performance: The Administration's budgets would have sliced funding for energy conservation by a total of $2.4 billion by the end of FY 1986. Congress, however, refused to allow the destruction of energy conservation programs. The Administration's FY 1988 budget proposes to reduce the budget for research and development for energy conservation by two-thirds. (CRS, "Energy Impacts," IB87021, updated March 3, 1987;

---

[1] The Administration did request $12.0 billion for the Department of Energy in FY 1987. This was slightly more than the estimated budget authority for FY 1986. But the civilian portion of the budget would have been cut significantly (from $6.4 billion to $3.6 billion), while defense-related spending would have increased (from $7.2 billion to $8.2 billion). (CRS, "Energy Impacts")

[2] e.g., the Bonneville Power Administration.

[3] e.g., the Naval Petroleum Reserves.

Joint Economic Committee, 1986 Annual Report).

Promise: "The free world—indeed western civilization—needs a strong United States. That strength requires a prospering economy. That economy will be secure with a vigorous domestic energy industry."—1980 Republican Party Platform.

Performance: The domestic energy industry is hardly "vigorous" under this Administration:

During the past year, crude oil production dropped from 9.2 million barrels a day in February, 1986, to 8.3 million a day in February, 1987—the lowest level since 1977. (Joint Economic Committee, 1986 Annual Report; Energy Department data in New York Times, February 17, 1987)

75 percent of all American drilling rigs are now idle. (Time, March 16, 1987)

The Chairman of the American Petroleum Institute, George Keller, explains: "A significant part of the U.S. petroleum industry is struggling to survive after the worst year in our industry's modern history." (Quoted in National Journal, January 17, 1987)

And the future spells more trouble: The Congressional Research Service projects that the current 3 billion barrels per year of domestic production will fall to about 2.5 billion barrels per year by the year 2000. This 17 percent decline will drop domestic oil production to its lowest level since 1961. (CRS, "Domestic Oil Production Projected to Year 2000," Report No. 86-177SPR, November 1986).

Promise: Initiate an energy policy that will allow our economy to grow and our standard of living to rise.—Candidate Reagan, Television Address, October 24, 1980, DCCC, The 1980 Campaign Promises of Ronald Reagan.

Performance: The failure of the Administration's non-policy in energy is retarding, not encouraging, American economic growth. Imported oil, for example, accounted for $25 billion of last year's record-breaking trade deficit. Senator J. Bennett Johnston (D-La.) points out:

"Unless we take steps to decrease imports, that four million barrels a day [of foreign oil] will quickly become five, then six, then seven million barrels per day. Our trade balance will skyrocket, no matter what type of 'competitiveness package' Congress enacts." (Statements to Energy Committee Hearings on World Oil Outlook, March 11, 1987).

Furthermore, the standard of living in America's oil producing regions is declining dangeroulsy:

Over the last year, 150,000 American oil workers lost their jobs. (Joint Economic Committee);

Last year, oil-rich Texas suffered the largest year-to-year increase in state unemployment (from 7.0 percent to 8.9 percent). (BLS);

Last year, oil-rich Louisiana, with an unemployment rate of 13.1 percent, replaced coal-rich West Virginia as the state with the highest jobless rate. (BLS);

30 percent (42) of the nation's record breaking 138 bank failures in 1986 were in two of the nation's largest oil producing states. In Texas, 26 banks failed (only 6 were agricultural banks). In Oklahoma, 16 banks failed (only 5 were agricultural banks). (FDIC).

Promise: Boost energy supplies by several hundred thousand barrels a day by eliminating energy price controls.—Candidate Reagan, Philadelphia Bulletin, May 20, 1980, DCCC, The 1980 Campaign Promises, of Ronald Reagan.

Performance: Price controls have been eliminated. Rather than increasing by "several hundred thousand barrels a day," domestic oil production:

Plummeted by 833,000 barrels a day between February and December 1986. (Energy Department data cited in New York Times, February 17, 1987).

And the future, under this Administration's non-policy in energy, is bleak: The Department of Energy projects that U.S. oil production will fall by an additional 44,000 barrels a day through 1987. (Time, March 16, 1987).

Promise: "The truth is America has an abundance of energy. But the policies of this [Carter] Administration consistently discourage its discovery and production."—Candidate Reagan, Washington Post, September 11, 1980.

Performance: As pointed out above, domestic oil production is dangerously declining. The incentives for discovery and production are also dangerously declining:

Real investment in the oil and gas industry dropped more than $10 billion in the first half of 1986, and this accounted for more than half the decline in real business fixed investment. (Economic Report of the President: 1987, p. 25-26).

Last year, firms spent an estimated $16 billion in exploration and production, In 1983, they had spent $33 billion. (Time, March 16, 1987).

Promise: "The answer obvious to anyone except those in the administration it seems is more domestic production of oil and gas."—Candidate Reagan, Announcement Speech, November 13, 1979.

Performance: In 1981, the year this Administration took office, there were 4,530 oil and gas rigs in operation. Last year, 1986, there were only 964 rotary drilling rigs looking for new oil and natural gas reserves—the lowest number since World War II. (IPAA, Senate Committee on Energy and Natural Resources, and CRS)

Energy Secretary John Herrington has stated:—"There is nothing we can do as a government to stop domestic petroleum production from declining." (Quoted in Fortune, March 16, 1987).

Promise: Every available resource we have must be used to free us from OPEC domination."—Candidate Reagan, New York Times, September 11, 1980.

Performance: with more than 150,000 unemployed oil workers in the United States last year, and 75 percent of all American drilling rigs now idle, it is obvious that every available resource is not being used to free the country from OPEC domination.

The National Petroleum Council reports that by 1990, OPEC will be producing at 80 percent of its capacity as compared to 66 percent today. According to the Council, when OPEC has reached 80 percent of its capacity—as it did in 1973 and 1979—the cartel "has been able to increase world oil prices and maintain them." (Fortune, March 16, 1987).

Promise: "The coal industry has been virtually ignored by the Carter Administration. . . . [C]oal production has increased by only 11 percent to date [since 1977] and future prospects are dim."—1980 Republican Party Platform.

Performance: During the Carter Administration, coal production increased 21 percent; under the Reagan Administration, coal production has increased only 7 percent:

Coal production (tons millions)	Absolute	Difference (millions)	Percent	Difference
1976—685				
1980—829	1976-80	+144	1976-80	21
1986—885	1980-86	+56	1980-86	7

Promise: "The coal industry has been virtually ignored by the Carter Administration. . . . Today, thousands of coal miners are out of work."—1980 Republican Party Platform.

Performance: During the Carter Administration, employment in the American bituminous coal industry increased by 35,000; during the Reagan Administration, it has decreased by 83,000 and is currently below the level of ten years ago. (Bureau of Labor Statistics):

Employment in bituminous mining

1976	221,000
1980	256,000
1987	173,000

Promise: "The threat of the United States and its allies is not only a military one. . . . Our access to energy and raw material resources is challenged by civil unrest, Soviet sponsored subversion, and economic combination of restraint of free trade."

Performance: Despite the massive increase in defense spending during the past six years, this Administration is leaving this country's national security seriously vulnerable to foreign transgressions. Without energy security, national security is jeopardized.

Three years ago, when the Iran-Iraq war flared and the Ayatollah Khomeini threatened to stop oil shipments in the Persian Gulf, Senator Robert C. Byrd (D-W.VA.) warned:

"Nuclear weaponry and armed forces alone do not make a Nation safe and secure. The United States must be able to sustain protracted wars, energy crises, and oil embargoes. . . .This Administration is leaving us dangeously vulnerable to foreign transgressions." (Congressional Record, May 14, 1984).

Senator Byrd is not alone is pointing out the dangers to America's national security from dependency on foreign oil. According to a UPI Wire Story (March 4, 1987): "President Reagan's National Security Adviser, Frank Carlucci, views the rising level of imported oil as a threat to national security and will urge his boss to create a national energy policy to deal with the problem."

Promise: "We believe that it is necessary to resume rapid filling of strategic oil reserves to planned levels of 500 million barrels in the short-term and ultimately to the one-billion barrel level."—1980 Republican Party Platform.

Performance:

The Strategic Petroleum Reserve was created as a deterrent to oil supply disruptions. This large, operational reserve of crude oil is intended to help deter future oil cutoffs and discourage the of oil supply disruptions as a weapon against the U.S. By calming markets and mitigating sharp price hikes, it will protect the United States against a repetition of the economic dislocation caused by the 1973-74 oil embargo. Despite the Reserve's strategic and economic importance, for the past five years, the Reagan Administration has continuously attempted to undermine it:

On December 1, 1982, in a message to Congress, President Reagan stated: "I find it would not be in the national interest to fill the Strategic Petroleum Reserve at the rate of 300,000 per day in 1983." At that time, the law required the President to fill the reserve at 300,000 barrels per day unless he made this finding.

On May 5, 1983, the Comptroller General of the United States determined that the Reagan Administration had illegally impounded $800 million of funds that Congress had appropriated to fill the SPR, but which the Administration refused to spend.

In its FY 1987 budget request, the Administration proposed an indefinite moratorium on further development of SPR after it reached 500 million barrels. That is 250 million barrels less than the level required by law.

In its FY 1988 budget request, the Administration proposed to drop the fill rate to 35,000 barrels per day. This is 40,000 barrels a day lower than the level mandated in the FY 1987 Omnibus Budget Reconciliation Act, thus reducing purchases for the Strategic Petroleum Reserve by more than 50 percent.

The Administration's FY 1988 budget proposed an indefinite moratorium on SPR cavern development after 580 million barrels of capacity is reached.

If the fill rate is lowered to the level requested by the Administration, the Reserve will not reach the planned 750 million barrel level until the year 2004.

Promise: "We believe that the proven American values of individual enterprise can solve our energy problems." (1980 Republican Party Platform.)

Performance: After six years of non-policy in energy, it is obvious that the Federal government must be actively involved in securing America's energy future. In regard to Administration cutbacks in Federal funding for energy research and development, GAO reports: "There is little indication that the private sector has compensated for cutbacks in DOE R&D. Among the reasons are (1) market factors (such as low prices for oil and other conventional fuels) have generally reduced the potential profitability of technology development and (2) many of the activities curtailed by DOE have involved expensive demonstrations and other large-scale activities viewed as too risky to finance without government support." (GAO, Energy R&D).

The Energy Department's recent report, Energy Security, reveals the failure of this Administration's nonpolicy in energy as page after page warns of the risks of America's growing dependency on foreign oil:

"Growing dependence on Persian Gulf suppliers has important implications for the economic, foreign policy, and national security interests of the United States."

"[T]he projected increase in reliance on relatively few oil suppliers implies certain risks for the United States and the free world."

Yet, typical of this Administration, the report made no specific, concrete recommendations for what the United States should do to adopt an energy policy that will lead to energy security. Senate Energy Committee Chairman Bennett Johnston (D-La.) justifiably complained that the report contained no "meaningful" options or new information. (Energy Daily, March 18, 1987).

Senate Majority Leader Robert C. Byrd (D-W.Va.) has explained the necessity for a national energy policy leading toward American energy security: "Free enterprise has ever been a key to energy development in the United States. But in today's complex and shifting energy world, expecting the government to maintain a totally laissez-faire policy toward energy is unrealistic." (Speech to Independent Oil and Gas Association, February 11, 1987).

CONCLUSION

Addressing America's growing overdependence on imported oil, Senator BENTSEN warned: "This country, indeed, faces a serious threat to its national security. All the statistics point to it. All the trends are bad, and are getting worse." (Statement at Senate Finance Committee Hearing on the Impact of Imports and Foreign Investment on National Security, March 25, 1987).

Despite the statistics and the trends, however, as Time (March 16, 1987) pointed out: "The U.S. is doing little to defend itself against a revitalized [OPEC] cartel. . . . This much is certain: the oil shocks of the 1970's came as a complete surprise. The next one will not."

[Epilogue]

(Check me out. And do that with everyone who tries to bring a message to you. Don't become a sucker generation. It isn't insulting or anything, just make sure always that you're being told the truth. President Reagan, Remarks to National Association of Student Councils, June 29, 1983.)

CORRECTING THE FACTS ON WHO'S TO BLAME FOR THE ENERGY MESS

On May 6, 1987, the Administration issued a statement in which President Reagan asserted: I have already proposed a number of significant steps on which the Congress has failed to act. If these policies had been in place, our domestic oil industry would not be so seriously impaired today.

That statement prompted the Energy Daily on May 7, 1987 to headline: "President Blames Congress For Plight of Domestic Oil Industry."

The first part of this report shows that it is this Administration's non-policy in energy that is paving the road for the next energy crisis by wiping out successful, previously established energy programs. And Congress has prevented further deterioration of the domestic energy industry by fighting the Administration on many of its energy proposals.

The May 6 statement also contains more detailed erroneous or misleading statements that should be corrected. Those include the following:

May 6 statement: Pursuant to Section 3102 of the Consolidated Omnibus Budget Reconciliation Act of 1986 (Public Law 99-509: 100 Stat. 1889). I am transmitting my views and recommendations on the energy and national security concerns related to oil import levels.

Correction: The Administration's May 6, 1987, statement fails to comply with the requirements of that law. The President is required to identify what level of imports constitutes a threat to the nation's national security. The statement did not contain such an identification.—My Administration has done a great deal to build the Nation's foundation for long-term energy security.

Correction: As pointed out on page 2, the Reagan Administration has:

Emasculated the Department of Energy;

Withdrawn Federal support for alternative energy technologies;

Attempted to slice the energy conservation budget;

Pushed for a lower fill rate of the Strategic Petroleum Reserve;

Vetoed legislation providing for Emergency Preparedness Planning and national appliance efficiency standards;

Proposed selling Federally-owned energy resources, including hydroelectric assets and oil reserves.

May 6 statement: Price and allocation controls on oil have been eliminated.

Correction: This is accurate, but misleading. The first step toward removing controls began in 1976 with the Energy Policy and Conservation Act.

May 6 statement: [T]he Strategic Petroleum Reservce (SPR) has been increased nearly fivefold to more than 500 million barrels.

Correction: That level has been achieved over the objections of the Administration. The Administration has held the fill rate to a mere one-third of congressionally mandated levels for the past five years.

May 6 statement. I have recently forwarded to the Congress a $2.5 billion clean coal initiative.

Correction: This is accurate, and the Administration's support of this measure is welcomed. But it was an initiative developed and proposed by the Congress over the initial objections of the Administration: May 6 statement: My goal—[is to] maintain a strong domestic oil industry.

Correction: With the loss of 150,000 jobs in the oil industry over the past year, and 75 percent of all American drilling rigs now idle, the Administration is far short of this goal.

Furthermore, as pointed out in the first part of this report:

American domestic oil production dropped from 9.2 million barrels a day in February, 1986, to 8.3 million barrels a day in February, 1987—the lowest level since 1977.

Fixed investment in the oil and gas industry dropped more than $10 billion in the first half of 1986, and this accounted for more than half the decline in real business investment. (Economic Report of the President: 1987)

Under this Administration's non-energy policy, the United States will remain far short of this goal.

The Congressional Research Service projects that the current 3 billion barrels per year of domestic production will fall to about 2.5 billion barrels per year by the year 2,000. This 17 percent decline will drop domestic oil production to its lowest level since 1961. (CRS, "Domestic Oil Production Projected to Year 2000").

May 6 statement: My Administration has done a great deal. . .to strengthen the domestic oil industry.

Correction: The first part of this report shows how erroneous as well as misleading this statement is. Furthermore, it appears to be directly contradictory to the position stated by Energy Secretary John Herrington who has said—"There is nothing we can do as a government to stop domestic petroleum production from declining." (Fortune, March 16, 1987).

May 6 statement: "My goal—[is to] continue conservation."

Correction: The Administration's budgets would have sliced funding for energy conservation by $2.4 billion by the end of FY 1986. Congress, however, refused to allow this destruction of energy conservation programs. The Administration's FY 1988 budget proposes to reduce the budget for research and development for energy conservation by two-thirds.

May 6 statement: I again urge the Congress to act quickly in adopting my proposals [including]—approval of the Department of the Interior five-year offshore oil and gas leasing plan.

Correction: The Administration only submitted this proposal to Congress only nine days earlier on April 27, 1987.

Mr. FOWLER. Mr. President, will the leader yield for a moment?

Mr. BYRD. I yield.

Mr. FOWLER. Mr. Leader, I rise to commend you not only for your statement but being a clear, calm voice of prophecy over many years, linking our energy security with the national security of our country.

We talk about national security a lot, but we seem to always focus on the military aspects of our country's national strength and forget the national strength of our country is made up of the ability to feed ourselves, the strongest possible agricultural policy for our country, and the ability to produce and sustain our own energy needs. Without all three of those components, we cannot be safe, we cannot be secure, and we cannot look our fellow Americans in the eye and say that we are strong and we have policies in place to attest to the continued national strength of our country.

We know how to produce energy that is not subject to the whims of ayatollahs and sheikhs in far-off lands. We have spent, Mr. President, over $4 billion of the taxpayers' money in the last 20 years in developing technologies for biothermal, for fusion, for solar, and from the ocean. We know how to be self-sustaining.

We have cut off our nose to spite our face, as the leader pointed out, and abandoned the research technology of the United States of America and are now losing to the Middle East and to other parts of the world, the most dangerous parts of the world, the leadership in energy that our country and our countrymen developed.

I thank you as one Member of the U.S. Senate for your leadership in the past and for highlighting for the American people what we often forget, that military security depends on energy security, and without that energy policy, a comprehensive policy, we cannot say to our fellow countrymen that we are safe and secure from all threats.

Mr. BYRD. Mr. President, I thank my friend, the distinguished Senator from Georgia [Mr. FOWLER]. I also thank him and congratulate him on conducting studies and hearings in committee as to this problem. I look forward to his leadership as he develops legislation that will deal with this very serious threat to our energy security and to our national security. I thank him again.

Mr. FOWLER. I thank the leader very much.

Mr. BYRD. I welcome his continued efforts.

Mr. LEVIN. Mr. President, will the leader yield for another moment?

Mr. BYRD. Yes.

Mr. LEVIN. I happened to be on the floor when the leader gave his remarks a moment ago about energy security. I would like to add my thanks and gratitude for what you are doing to highlight what is happening with the dismantlement of an energy policy in this country. When the history of the 1980's is written, this will be a sad chapter indeed, the dismantlement of aa energy-independence policy.

Mr. President, we are now taking risks in the Persian Gulf to protect oil tankers. We are risking American boys' lives to protect those tankers. I will have more to say about that later today.

The point here is that what we are unwilling to do is to reduce the risk to American lives by reducing the number of tankers that have to come out of the Persian Gulf. By increasing our reliance on Middle East oil, which is what we are doing daily, by increasing the reliance on Persian Gulf oil, which is what we are doing hourly, we are increasing the number of tankers which come out of the Persian Gulf. That means risking the lives of our boys more and more every day.

We are not willing to take steps at home to reduce the dependence on that oil which would result in the reduction of the risk directly to American lives.

So I commend and thank the leader for making the point that he has this morning. You have done a great service to the Nation.

Mr. BYRD. Mr. President, I thank the distinguished Senator. He, too, is an astute observer of the Middle East and very cognizant of our energy needs. I look forward to hearing his subsequent remarks.

Mr. President, I thank all of my colleagues for their patience and forebearance.

MORNING BUSINESS.

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business of not to exceed 30 minutes, with Senators permitted to speak therein for not to exceed 5 minutes each.

The Senator from South Dakota.

Mr. PRESSLER. Mr. President, I thank the majority leader and minority leader.

TRIBUTE TO SENATOR THURMOND

Mr. PRESSLER. Mr. President, I wish to pay tribute to Senator THURMOND, the former President pro tempore of this body.

Two nights ago, Senator THURMOND spent part of an evening visiting with the Senate pages at a reception for them that my wife and I held in our home. I was amazed that Senator THURMOND took as much time as he did. He sat down for over an hour and talked about the old days and the new days in the Senate. He captured the attention of the pages. He told them tales of the Senate. They asked him questions.

With both Senator THURMOND and I recently returning from the reenactment of the Constitutional Convention in Philadelphia, the party's discussion centered around the 200th anniversary of our Nation's Constitution. Senator THURMOND explained to the pages the importance of the "Great Compromise" where the big States and little States reached a compromise which created the two Houses of Congress—the House of Representatives based on a State's population and the Senate based on equal representation. STROM stressed that without this compromise, the States may have never been united. Furthermore, he told how Gen. George Washington gave the Convention credibility.

In addition, Senator THURMOND told the young pages what a great program they were in and that he wishes he would have had such an opportunity when he was their age. STROM was amazed how these young men and women often changed after their page experience. He further advised them that earning a law degree was helpful in many different professions, whether it be business or government.

I am told by the Senate pages that Senator THURMOND is collectively their favorite Senator because he pays attention to them and he is interested in them, perhaps because he has children of his own that age.

But it was amazing to see a man of 85 years of age relating so well to young people. It was amazing to see a man who has great responsibilities, as the ranking member on the Judiciary Committee and other committees, spend that kind of time with the Senate pages.

I wanted to pay tribute to his dedication and to the unusual relationship he has had with the Senate pages. It was a wonderful thing to see.

The ACTING PRESIDENT pro tempore. The Senator from North Carolina.

Mr. SANFORD. I thank the Chair.

(The remarks of Mr. SANFORD appear in today's RECORD under Statements on Introduced Bills and Joint Resolutions.)

EXTENSION OF MORNING BUSINESS FOR 30 MINUTES

Mr. BYRD. Mr. President, I ask unanimous consent that morning business thereafter be extended to allow for six additional speakers at 5 minutes each, for 30 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Republican leader is recognized.

Mr. DOLE. Mr. President, do I have any leadership time remaining?

The ACTING PRESIDENT pro tempore. The Republican leader has 8 minutes remaining.

Mr. DOLE. I shall not use the 8 minutes. I apologize to my colleagues waiting on the floor.

RELYING ON ETHANOL FOR AMERICA PROGRAM

Mr. DOLE. Mr. President, since Senator MELCHER is here, I would like to introduce a bill we have both been working on, a bill which I believe is very, very important, that has also been cosponsored by Senators GRASSLEY, PRESSLER, CONRAD, and KARNES, and I hope by others. We have made contacts and phone calls with other offices, Republican and Democratic, because this is and should be bipartisan.

Mr. President, I am speaking about the bill we are calling "Relying on Ethanol for America Program," or REAP for short. There will be a companion bill introduced in the House today with a bipartisan group of sponsors, Republicans and Democrats, in the House that come from farm States, primarily corn-producing areas. There are many of us who have worked for a long time on trying to increase utilization of products we grow in rural areas.

Why ethanol? Well, there are more than a few of us in Congress and many more throughout our country who happen to believe—and some of us have believed it and worked for it for two decades or more—that using ethanol as a major fuel source is just good common sense.

One reason for a surplus is that we do not utilize the product. We have had difficulty with our exports. The result is that we have about $10 billion worth of surplus commodities, and we are paying huge storage costs every year. So we are looking for a better way to utilize the products farmers produce.

To date, there have been at least seven ethanol-related measures introduced in the Senate during the 100th Congress and there have been at least six measures introduced in the House, all geared to finding some way to increase the use of ethanol over the years. Each would, if enacted, be beneficial for the future of ethanol. Yet none of those measures goes as far as the legislation we introduce today.

Our legislation, REAP, can improve farm income by reducing our enormous grain surpluses. REAP can improve our air quality through increased use of clean-burning ethanol. REAP can make America less dependent on foreign oil imports and make us more energy secure domestically. And REAP can result in creating jobs here at home.

Not often do we have an opportunity to achieve so many worthy goals in a single act, and it is less often that we can do it with such simple logic in a measure founded in common sense.

REAP would establish an ethanol development fund making available $100 million in loan guarantees each year for 5 years to finance ethanol development projects that do not exceed 40 million gallon capacity. REAP dedicates 5 percent of that, or $25 million, in 5 years for selected research and development projects designed to develop marketable commercial or industrial crops that may be used in ethanol or food production.

These crops could be marketed internationally through a cooperative effort by the USDA and the U.S. Trade Representative.

In addition, several important provisions are included in REAP that will help promote the development of the domestic ethanol industry. One important provision is that only domestic commodities may be used in the production of ethanol under this legislation.

This legislation also would extend the 6-cent excise tax exemption for ethanol blenders until the year 2000. Some may say, "Why so long?" We need time to plan. People are going to invest their money, and they want to know that the exemption is going to be there for some time.

The combination of this provision with the other incentives REAP offers will significantly move ethanol into the reach of all citizens. It will greatly aid the efforts we are making to help those in rural America sell their abundant crops as well as help to solve the air pollution problem in our country.

REAP makes sense. It is one step we can and should take to help solve some of the problems we face both in rural America and in urban America.

I welcome the support of my colleagues and invite them to join Senators MELCHER, GRASSLEY, PRESSLER and me in cosponsoring this legislation, and I urge its prompt consideration and adoption.

Mr. President, I ask unanimous consent that the bill may remain at the desk for the remainder of the day, so that additional cosponsors may be added, and that the text of the bill may be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

S. 1598

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Relying on Ethanol for America Program Act".

SEC. 2. ETHANOL DEVELOPMENT FUND.

(a) IN GENERAL.—

(1) ESTABLISHMENT.—The Secretary of Agriculture shall establish (within the Commodity Credit Corporation) an Ethanol Development Fund (hereinafter referred to in this section as the "Development Fund") to guarantee loans made to finance eligible ethanol related projects.

(2) ADMINISTRATION OF FUND.—The Development Fund shall be administered by the Assistant Secretary of Agriculture for Science and Education (hereinafter referred to in this section as the "Assistant Secretary").

(b) FUNDING.—Subject to section 3, and section 407 of the Agricultural Act of 1949 (7 U.S.C. 1427), the Commodity Credit Corporation shall make available to the Development Fund not less than $100,000,000 in each of the next 5 fiscal years, in commodities at market prices, or an equivalent amount of funds, to enable the fund to finance ethanol development projects that do not exceed a 40,000,000 gallon capacity.

(c) PROJECTS.—

(1) ELIGIBLE PARTICIPANTS.—The Assistant Secretary may enter into agreements under this section with State, county, and municipal governments, and private entities to guarantee loans made to fund ethanol development projects.

(2) ELIGIBLE ACTIVITIES.—

(A) USE OF LOANS.—Loans guaranteed under this section may be used for—

(i) small business start-up costs;

(ii) construction of plants;

(iii) purchase of equipment; and

(iv) improvement of existing plants.

(B) DOMESTIC COMMODITIES.—Participants shall use only domestic commodities for the production of ethanol with funds provided under this section.

(d) COLLATERAL.—Collateral shall not be required to guarantee loans under this section in excess of ½ of the anticipated project cost.

(e) LOAN GUARANTEES.—

(1) AMOUNT OF GUARANTEE.—Subject to paragraph (2), a loan made to finance a project shall receive a 100 percent guarantee, of which—

(A) the share of a private lender shall be limited to 10 percent of the loan value;

(B) the share of a State shall be limited to 5 percent of the loan value; and

(C) the share of the Federal government shall be limited to 85 percent of the loan.

(2) DEFAULT.—If a borrower defaults on a loan—

(A) the assets of the borrower shall be utilized to pay off the loan to the extent practicable;

(B) the lender shall be liable for the next 10 percent of the value of the loan; and

(C) the State shall be liable for the next 5 percent of the value of the loan; and

(D) the Federal government shall be liable for the remainder of the loan up to 85 percent of the value of the loan.

(f) INFORMATION.—The Assistant Secretary shall issue regulations that require the private fuel industry to gather and develop existing information and data concerning ethanol research and production into a form that shall be usable by commercial ventures funded under this section.

(g) COORDINATION WITH CLEAN AIR ACT.—The Administrator of the Environmental Protection Agency shall consider projects funded by States under this section as contributing toward clean air standards prescribed for that State under the Clean Air Act (42 U.S.C. 7401 et seq.).

(h) Report.—Not later than 30 days after the end of the fiscal year after the 1st fiscal year to which this Act applies, and each fiscal year thereafter, the Assistant Secretary shall report to the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate, on—

(1) the status of the Development Fund program during the preceding fiscal year;

(2) the number and types of projects approved for loan guarantees by the Assistant Secretary during the preceding fiscal year;

(3) the amounts of collateral pledged during the preceding fiscal year; and

(4) the reasons for any shortfall in using maximum collateral during the preceding fiscal year.

SEC. 3. GOVERNMENT SPONSORED RESEARCH AND DEVELOPMENT PROJECTS.

(a) Authorization.—The Secretary of Agriculture (hereinafter in this section referred to as the "Secretary") shall select various research and development projects that are to receive funding under this section, for purposes of research to develop and produce marketable commercial or industrial crops that may be specifically used in the production of ethanol or food for export.

(b) Appropriate Projects.—Each project shall target research on, or development of, a new crop, or modification of an existing crop or crop material, that will create a marketable commercial or industrial crop that may be used specifically in the production of ethanol or food for export.

(c) Funding.—

(1) Purpose.—Funding shall only be provided under this section to those projects that have as the principal purpose the development of marketable commercial or industrial crops that may be used specifically in the production of ethanol or food for export.

(2) Consortia.—Unless the Secretary finds it appropriate for a single research entity to conduct a project, each project shall be conducted by a project group that may include a consortium of any of the following—

(A) public and private colleges and universities;

(B) private research facilities and personnel;

(C) State agricultural experiment stations; and

(D) Federal research laboratories.

(3) Period of funding.—Funding shall cover the proposed research necessary for not less than 5 years, or until a marketable product is developed or determined to be unattainable.

(4) Allotment.—The Secretary shall reserve no more than 5 percent of the amounts made available to the development fund under section 2(b) in each fiscal year to funds the projects selected by the Secretary under this section.

(d) Contracts.—The Secretary may sign contracts that assign research responsibilities to an appropriate consortia capable of conducting the appropriate research over the applicable research period.

(e) Export Agreements.—The Secretary and the United States Trade Representative shall coordinate activities concerning any export agreements that may be reached involving products developed under this section.

(f) Review and Reporting.—A project group shall report, on the progress of the group, to the Secretary annually or as may be otherwise required by the Secretary.

SEC. 4. EXTENSION AND MODIFICATION OF REDUCTION IN EXCISE TAXES ON ALCOHOL FUELS.

(a) 7-Year Extension.—Each of the following provisions of the Internal Revenue Code of 1986 are amended by striking out "1993" and inserting in lieu thereof "2000":

(1) Section 4041(b)(2)(C).

(2) Section 4041(k)(3).

(3) Section 4081(c)(4).

(b) Reduction Limited to Ethanol.—

(1)(A) Section 4041(b)(2)(B) of the Internal Revenue Code of 1986 (defining qualified methanol or ethanol fuel) is amended by striking out "methanol, ethanol, or other alcohol" and inserting in lieu thereof "ethanol".

(B) Section 4041(b)(2) of such Code is amended by striking out "qualified methanol and ethanol fuel" each place it appears in the text and headings thereof and inserting in lieu thereof "qualified ethanol fuel".

(2)(A) Section 4041(m)(2) of such Code is amended by striking out "methanol, ethanol, or other alcohol" and inserting in lieu thereof "ethanol".

(B) Section 4041(m) of such Code is amended by striking out "methanol or ethanol fuel" each place it appears in the text and heading thereof and inserting in lieu thereof "ethanol fuel".

(3) Section 4081(c)(3) of such Code is amended by striking out "includes methanol and ethanol but does not include alcohol" and inserting in lieu thereof "means ethanol other than ethanol".

(c) Effective Date.—The amendments made by this section shall apply to sales, uses, and removals after September 30, 1993.

Mr. MELCHER. Mr. President, will the Republican leader yield?

Mr. DOLE. I am happy to yield to my distinguished cosponsor.

Mr. MELCHER. I thank the Senator for yielding.

BLENDED ENERGY AND AGRICULTURE POLICY

Mr. President, God helps those who help themselves.

We can help ourselves by joining U.S. agriculture's abundance with our inadequate energy supplies by continuing to develop and use ethanol.

Montana is an energy State. We are blessed with huge supplies of coal, natural gas, oil, and we have very good hydroelectric sites. All are a source of energy.

Montana is also a wheat and barley State. And that, too, contributes to our status as an energy producer.

All of the traditional fossil fuel sources are important to the economy of Montana and the Nation. Ultimately, however, they are exhaustible. Alcohol fuels, based on grain production, are renewable.

At this time, however, the economics simply are not there. When oil prices tumbled, gasohol production also tumbled.

To put this potential energy source into a perpetual state of limbo would be penny wise and pound foolish. This is not new technology. It has been around for a long time. But it needs encouragement and support if it is to be economically viable.

We have provided this support in the past and we should continue to do so.

That is why I am pleased to sponsor legislation today that would expand our commitment to ethanol development.

The bill establishes an ethanol development fund which makes available $100 million in Federal loan guarantees in commodities or cash each year for 5 years. Five percent of the yearly funding shall be used to finance selected research and development projects designed to develop marketable crops that may be used for ethanol production. All commodities used must be domestically produced.

This aspect of the bill is important not only as a stimulus to ethanol production but also as a wise and effective use of the huge surpluses of grain that we have.

The legislation also requires that the projects under the bill shall be considered by EPA as contributing toward Clean Air Act standards. Denver, a major regional center of fossil fuel activity, will likely soon require the use of 10 percent grain alcohol in fuel as a means of controlling pollution.

Finally, the 6-cent exemption to the gasoline excise tax for ethanol blenders is extended from 1993 to 2000. This is important to assure those who are making long-term investments in this technology that our commitment is also long term.

Ethanol makes sense. This bill is an important step in continuing its growth and development. It deserves consideration and enactment.

Mr. DOLE. Mr. President, I thank particularly the distinguished Senator from Montana for his continuing efforts to help the American farmer and his continuing efforts to do precisely what we hope this legislation will do. There is no one on this floor I have known over the years who has spent more time focusing on the needs of the American farmer than the distinguished Senator from Montana.

Mr. MELCHER. I thank my friend.

Mr. DOMENICI. Mr. President, will the Senator add my name as a cosponsor of the bill?

Mr. DOLE. Mr. President, I ask unanimous consent that the name of the Senator from New Mexico [Mr. Domenici] be added as a cosponsor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PRESSLER. Mr. President, I am pleased to join today with the distinguished minority leader and some of my other colleagues in introducing legislation to create the Relying on Ethanol for American Program [REAP]. The importance of this bill can be seen not only in its bipartisan sponsorship in the Senate, but by the fact that a companion measure will be introduced today by a bipartisan group of eight of our colleagues in the House of Representatives.

While the major provisions of this legislation will be explained more fully later, I would like to briefly touch upon the sections I find most compelling. The ethanol development fund established by the bill would make $100 million in Federal loan guarantees available each year for 5 years. The guarantee funds would be provided by the Commodity Credit Corporation in the form of either commodities at market price or an equivalent amount of money. The development fund would then finance ethanol development projects which do not exceed a 40-million-gallon capacity.

Loans guaranteed by this program could be used for the startup costs associated with small businesses involved in ethanol production, the construction of plants, the purchase of equipment and the improvement of existing plants. Five percent of the yearly funding would be set aside to finance selected research and development projects designed to develop marketable commercial or industrial crops that may be used for ethanol or food production.

I think it is also important to note that only domestic commodities could be used for the production of ethanol under REAP. Finally, the ethanol blenders 6-cent exemption to the gasoline excise tax is extended from its current sunset date of 1993 to the year 2000.

Mr. President, I have advocated often the expanded use of alternative fuels such as ethanol and methanol during my 12½ years in Congress. In fact, earlier this year I submitted Senate Concurrent Resolution 36 which calls upon the U.S. Departments of Agriculture, Energy, Transportation, and the Environmental Protection Agency to work in conjunction with State, metropolitan and local governments to establish the use of ethanol blended and methanol fuels to reduce both pollution and surplus grain stocks and to more effectively utilize urban wastes.

There are numerous reasons for our colleagues to join us in cosponsoring this legislation. As a member of the Senate Environment and Public Works Committee I know that ethanol blended gasoline has been found to significantly reduce harmful auto emissions. The vital importance of this fact comes to light when you realize that currently over 70 of this Nation's metropolitan areas are out of compliance with clean air standards.

While we in South Dakota are not as directly affected by this problem as those living in other parts of the country, we do have a significant interest in the development of ethanol technology. The demand for corn in ethanol production significantly increases corn prices. Studies estimate that corn prices are increased by 10 cents per bushel due to demand for ethanol production. Obviously, increased production would further stimulate demand and raise the price even further.

I might add, Mr. President, that this is good news not only for the farmers of this country, but for every taxpayer. The 10 cents per bushel increase I just mentioned resulted in a savings of $623 million in farm program costs in 1985 alone. Thus, increased ethanol production actually decreases Federal budget deficits.

Finally, increased use of ethanol, a renewable source of energy, reduces our demand for imported oil. Currently the United States is importing a higher percentage of its oil than it did in 1973 when we experienced our first energy crisis. This is more than simply an unfortunate circumstance—it cuts right to the heart of our security as a nation.

So, Mr. President, this is much more than a bill to increase the production of ethanol. This legislation is aptly named as we would indeed REAP significant environmental, energy, farm, economic and national security benefits from its enactment.

So, Mr. President, in conclusion, let me say that I strongly support this increased development of ethanol. It will help our farmers. It will help our taxpayers. It will help our city people by reducing pollution.

We are now working on a bill in the Environment and Public Works Committee which would use scrubbers to clean up some of the coal that is burned which causes acid rain. We do have a pollution problem in our cities, but much of that pollution is also caused by gasoline and diesel-burning engines. This legislation would help to solve that problem.

It would help reduce our surplus of some agricultural commodities. It would help reduct our budget deficit. I am happy to join in this legislation because I think it is something we need to do in America and, indeed, in the entire Western World.

The ACTING PRESIDENT pro tempore. The Senator from Nebraska.

ETHANOL FOR AMERICA PROGRAM ACT

Mr. KARNES. Mr. President, I rise today as an original cosponsor of the Relying on Ethanol for America Program Act. I compliment the distinguished minority leader, Senator Dole, and others for their work on this important piece of legislation.

The ethanol industry has proven successful since its very beginnings. My State of Nebraska has been a leader in ethanol legislation. For example, State vehicles must use ethanol blended fuels. This accounts for nearly 900 vehicles driven 11 or 12 million miles annually in the State of Nebraska.

The ethanol industry is also a value added industry, the type of industry we want to encourage in our country. It used a domestic renewable resource, and ethanol use lessens our dependence on foreign oil and thus improves our balance of payments.

It is estimated that increased ethanol production could benefit agriculture by raising grain prices 6 to 15 cents per bushel in localities where ethanol plants are purchasing grain.

Also it is important to producers and to ethanol manufacturers and processors to know that they will have the support through the tax consideration that this bill includes.

Mr. President, I am proud to be an original cosponsor of this legislation. I emphasize that this is indeed a vitally important piece of legislation for not only my State of Nebraska but for our country.

Mr. President, I yield the floor.

Mr. CONRAD. Mr. President, I rise in support of the Relying on Ethanol for America Program of which I am an original cosponsor. It is an unusual opportunity to be able to support a measure that can offer to increase farm income, better air quality, provide jobs and make us less dependent on foreign supplies of crude oil, all in one measure. But that is what this program can do.

I think it is important to understand the specifics of what is being offered because there are five elements to the bill that we have introduced here this morning.

First, we extend the 6-cent exemption to the gasoline excise tax from 1993 to the year 2000.

Second, we make available $100 million in Federal loan guarantees for 5 years, each year for 5 years, to finance ethanol development projects.

Third, these projects will be considered by the EPA as contributing toward clean air standards.

Fourth, 5 percent of the yearly funding shall be used to finance research and development projects to develop marketable commercial or industrial crops that may be used for ethanol or food production.

Fifth, only domestic commodities may be used for the production of this ethanol.

Those are the elements of the bill that we have offered here today. I want to add that this is the thrid measure that I have now cosponsored to develop and enhance the use of ethanol in this country. Earlier I joined with my colleague, Senator Daschle, and others to support a bill that would require the use of ethanol in nonattainment areas of the country.

We now know that the EPA is about to require the use of ethanol or methanol blends in 80 cities next year that are nonattainment areas. We believe that ought to be spread to the other nonattainment areas of the country so we can improve and increase the use of ethanol, but also so that we are able to bring down the air pollutants in those cities and those regions that have not met the attainment standards.

Finally, I supported a measure that will make the District of Columbia a demonstration project. We believe that when the people come to visit our Nation's Capital they ought not only to be able to see the Supreme Court of the United States, the White House, the executive office buildings, the Capitol or our country, they ought also to be able to see a blue sky above and they ought to be able to have clean and healthy air to breathe.

That is not the case as those of us know who have suffered through July and August here in the Nation's Capital. We can relieve that situation by making the District of Columbia a demonstration project. We would not only be able to improve the air quality of our Nation's Capital, we would also be able to demonstrate that we can do something for the farmers of America, a partnership of the urban areas of this country and the rural areas. We would also be able to show the economic miracle that we could bring to industry—and also at the same time enhance our national security—by making us less dependent on foreign sources of crude oil.

Mr. President, I want to thank the Chair for the time and indicate to my colleagues that we have put before the body a bill that merits their support.

I yield the floor.

PEACE PLAN IN CENTRAL AMERICA

Mr. McCAIN. Mr. President, as we are all aware, in the last couple of days a comprehensive peace plan in Central America has been formulated in a bipartisan fashion and presented to the five Presidents who are meeting in Guatemala City as we speak, in another effort to bring about peace in that very unhappy region of the world.

I have noticed that this proposal has been greeted by both sides of the political spectrum with some derision, scorn, and a great deal of skepticism. I think it proves to a large degree that Adlai Stevenson's words were very applicable to this situation, when he said, "Making peace is harder than making war."

Mr. President, if I had written this proposal, I would have written it far differently. I think very few Members of this body agree with everything in that proposal.

I point out, however, that for the first time in the 7 years that we have been involved in this great tragic situation, we have obtained a degree of bipartisanship that we have not seen before on this issue.

I think it is an important point to be made here, as we discuss this issue, that the Speaker of the House was the person who wrote this proposal, a man who, in my opinion, showed great courage in assuming a leadership role on this issue.

It is important that we recognize that if there is any good that may have come from the Iran-Contra hearings, it is the absolute necessity for bipartisanship in the conduct of foreign policy, and we cannot conduct a consistent or legitimate policy in Central America if we have five separate foreign policies dictated by the Congress of the United States over 5 years.

I should like to address some of the criticism that has been leveled at this proposal.

One is that this is simply a ploy on the part of the President, that he will use this as a way to garner further support for aid to the Contras, and that he is not serious.

The President, of the United States, time after time, has reiterated his commitment to a peaceful settlement in the region. He has tried to make the American people aware of the threat of a Cuban-Soviet satellite in our hemisphere, but he has also reiterated his commitment to a peaceful settlement. I believe that the elements of this proposal can achieve that.

I also think it is important for us to recognize that this proposal can be a means for the five Presidents who are meeting in Guatemala City to use it as a framework. There is a question of timing. There has been criticism about the timing of this proposal. Should it have been at exactly the time the Presidents are meeting in Guatemala City, or should we have allowed them to come up with a proposal?

In my dealings with all those leaders, the one thing they have requested time after time in the last 7 years is a clear bipartisan voice on this issue. They get divided messages and different messages from Congress—from the House and the Senate—and various public figures throughout this country. For the first time, they may be receiving a proposal that has broad-based support.

My friends on the right are deeply concerned about the possibility that this will be used as a ploy to drag out negotiations while the Sandinistas continue to consolidate an oppressive government in Nicaragua.

I point out that there is a date on this proposal and it is September 30, 1987, which I think is entirely sufficient time for us to arrive at a negotiated settlement. Why is only 2 months sufficient? Every one of these issues has been discussed and rediscussed for the last 7 years. There is nothing new about the situation in Central America; and I believe that if there is seriousness on the part of the Sandinista government, that agreement can be arrived at by September 30. I believe there is a commitment on the part of Congress who support this proposal to declare that all bets are off as of September 30, 1987.

Let me also address the response that the Sandinistas have made in the last 24 hours; that they are ready to negotiate with the United States anywhere and at any time, under any circumstances.

I would say that the appropriate response to that is, yes, we will negotiate after there is a cease-fire and after there is a restoration of civil liberties which were promised to the people of Nicaragua and to the people of the United States and the Organization of American States when the Sandinista government came to power. If the Sandinistas refuse this proposal, then I think we have a very clear understanding and a very clear message.

Let us be frank: There has been great cynicism on the part of a lot of Americans as to the true intentions of this Government and this administration toward peace in Central America.

Mr. President, there is a lot more than I would like to say on this issue. But let me just close by saying there is an old song that I found rather offensive in previous years in a previous war, but I think the words of that song are as appropriate now as they have ever been and that song said "All we are saying is give peace a chance."

I would ask my colleagues to give peace a chance and give this proposal the bipartisan support that it needs if we are going to be successful and bring about peace in Central America.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota.

TRANSPORTATION INFRASTRUCTURE

Mr. BURDICK. Mr. President, the building and rebuilding of our transportation infrastructure is a major national concern. It is especially critical to the well-being of rural communities. The economic future of North Dakota and other rural States depends on our efforts today to maintain and plan for a sound highway system.

Rural economies continue to be heavily dependent on agriculture, and on the efficient movement of goods from farm to market. Several factors, however, are making it more difficult than ever to keep rural roads and bridges in good shape. First, the ongoing farm crisis has had a devastating impact on the property tax base in rural areas. And that, coupled with the loss of revenue sharing, has made it nearly impossible for many small governments to finance road construction and repairs.

Second, many rural roads and bridges are nearing the end of their design life. Third, as branch rail lines are eliminated, there is an increase in truck traffic and in the size and weight of those vehicles. This has led, particularly on lower system roads, to greater pavement damage and repair costs.

So we have a rural highway system that is in poorer condition, older, and in many instances unsuited to today's transportation demands. Last year, we observed the 30th anniversary of the Interstate Highway System, the largest public works project in history.

Now, as the interstate nears completion, it is time to reassess present transportation programs and begin the planning necessary to meet needs into the 21st century. During this period of reappraisal, I want to underscore the significant role our rural road network plays nationally and even internationally. Transportation of agricultural products and natural resources benefits the entire country. There must be a strong Federal commitment to funding the rural transportation system which moves essential products such as oil, coal, and wheat to the Nation and to world markets as well.

Last year, I directed the Department of Agriculture's Office of Transportation to analyze rural transportation needs and related highway financing issues. The study is now finished, and it shows that:

First: Rural residents pay a greater per capita tax to finance roads, yet their average per capita incomes are lower; second, they consume more gasoline, drive more miles, and are much more dependent on highways for travel; third, only about 20 percent of the roads they drive on are even eligible for Federal funding; and fourth, they receive fewer local benefits from the Federal-aid highway spending that does occur. To illustrate the predicament rural States are in, let me use North Dakota as an example.

On a per capita basis, North Dakotans use 669 gallons of gas and pay $147 in gas taxes annually, compared to someone here in Washington who is taxed $74 for using 302 gallons of gas on average. In North Dakota, we have 163 miles of road for every 1,000 people, and while that is the highest in the Nation, many other rural States have a similar situation. With so many lane miles and low population densities, there is not the financial capability locally to construct and maintain a road system, especially one suitable for heavier truck traffic.

Although North Dakota receives $1.79 for every $1 paid into the highway trust fund, only 17,000 miles of the States 86,000-mile road network are on the Federal-aid system. In total, 98 percent of the States road mileage is rural, and of those roads, 90 percent are the responsibility of local governments. The letters I receive from North Dakota's mayors, county commissioners, and township representatives indicate that rural highway financing is one of their most critical problems. I share those concerns.

Last year and again this year, there was intense debate over the factors used to distribute Federal-aid highway funds. Widespread differences existed between the Senate and House highway bills in funding levels for rural States.

House Members favored formula changes that would place greater weight on population factors, but that is only one measure of need. States with large land areas and extensive road mileage must receive a fair share of funding if there is to be an interconnected, national road network.

My fellow Senate conferees and I succeeded in retaining current formulas which strike a balance between urban and rural needs. If we had not, rural States would have lost millions in Federal highway funds.

For North Dakota alone, it would have meant a loss of $25 million annually, or one-third of its entire program. Clearly, equity questions will become even more pronounced in the future, particularly as financing becomes so critical for all levels of Government and all types of roads.

As chairman of the Committee on Environment and Public Works, I will be conducting a field hearing in North Dakota later this month to examine the highway transportation needs in small communities and rural areas.

We will hear testimony from the Federal Highway Administration, the U.S. Department of Agriculture's Office of Transportation, State and local officials, and other groups concerned about the ability of States with large land areas and small populations to fund their transportation needs.

Last month, the Environment and Public Works Committee held the first of a series of hearings on the Nation's infrastructure needs. This will be another good forum for discussion of the highway needs, and public works needs overall, of rural States such as North Dakota.

I am committed to assuring an equitable balance, and Federal interest in addressing those needs. Rural America is depending on fair policies and strong initiatives to make certain its transportation needs are met. I intend to make certain they are.

Thank you, Mr. President.

The PRESIDING OFFICER (Mr. ROCKEFELLER). The Senator from New Mexico is recognized.

CONSTITUTIONAL BICENTENNIAL

Mr. DOMENICI. Mr. President, we all know that this is our bicentennial anniversary with reference to our basic magnificent document called the Constitution.

I would like to share a few things with the U.S. Senate today that have occurred in my State that I think are rather interesting.

As we all know our Bicentennial Commission arranged to have a national essay contest for high school students. From that national contest there would be one winner from each of the States who would come to our Nation's Capital from which one national winner would be selected.

When I found out about that, it seemed to the Senator from New Mexico that it was a pity that only one high school student, probably a senior, from my State would have a chance to visit Washington and perhaps Philadelphia, Annapolis, other places where she or he could see the living history of our Constitution's beginnings.

So I asked 15 or 20 businessmen in my State if they would join me in funding a trust fund, and they did so willingly, and from that we broadened that contest and decided that we could have 15 winners in New Mexico as best we could; 5 from each of the 3 congressional districts.

Mr. President, I ask unanimous consent that the names of the 15 winners of the scholarship competition in my State be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WINNERS OF THE DOMENICI ESSAY CONTEST

Lynda Olman, Sandia High School, Albuquerque.

Timothy Shead, Manzano High School, Albuquerque.

Beverly Ann Bell, Corona High School, Corona.

Wanda Miller, Corona High School, Carrizozo.

Kien Huynh, Mayfield High School, Las Cruces.

Holly Norman, Mayfield High School, Las Cruces.

Mariam Shouman, Mayfield High School, Las Cruces.

Tanya Gallegos, Grants High School, Grants.

Phillip Goforth, Grants High School, Grants.

Veronica Griego, Grants High School, Grants.

Brent Hunsberger, McCurdy High School, Santa Cruz.

Kathleen Roybal, McCurdy High School, Espanola.

Sally Salas, McCurdy High School, Fairview.

Amy Leyba, Mora High School, Chacon.

Manuel Rodriguez, Santa Fe High School, Santa Fe.

Mr. DOMENICI. Mr. President, we judged these young people on the same basis that the National Commission was judging the essay winners. I am very pleased that this has worked out such that 15 of my New Mexico high school winners are here today, thanks to 20 businessmen in my State and to some teachers who were excited about encouraging our young people to know something about our Constitution. I decided that, while they were here and they were then going to visit Philadelphia to see what they could see about the hall where the delegates sat and look at that history and see some of the documents, I decided that I might take a few minutes and think about the Constitution as it applies, as I see it, and why we ought to revere it and what it means to be an American and free under that document. So permit me, Mr. President, for the young people from my State who are here and for the Senate and for the Senate's record to give you a few thoughts as I view this Constitution.

Mr. President, 80 years ago, my parents in Italy were making their plans to sail to this country. You know what they called this country—America—novo mondo—the new world. A new world where any one, regardless of his race, religion, or economic background, could make it. A new world where dreams could be made to come true.

And yet this new world has the oldest constitution in the world. We are the oldest freely elected government in the world.

I think even our Founding Fathers might be surprised by the durability of the charter they forged. Remember the lady who approached Benjamin Franklin as the convention ended two centuries ago this September? "What kind of government did you give us, Dr. Franklin?" she asked. "A republic," Franklin replied, "if you can keep it."

Well, the Founding Fathers underestimated their achievement; 80 years ago as my parents were planning to immigrate here, William Gladstone, the great British Prime Minister, called "the U.S. Constitution—the noblest document ever conceived by a group of men at a given time."

Well, what is it that makes it so great? Very simply, it is the balance between liberty and order. You see, if we had total liberty, it would be anarchy. But complete and total order would require a totalitarian state.

The difference is that in the Soviet Union and other totalitarian states like Nazi Germany, the government owns the people. But in ours—the people own the government.

And General Washington gave the assembling delegates in Philadelphia in April 1787 this summons. "Let us raise a standard", he said, "to which the wise and honest can repair."

What a splendid ideal—and the founding fathers did just that.

Yet with the rights of liberty there is a load of responsibility.

When Abraham Lincoln journeyed by train to Washington from Illinois to be inaugurated in 1861, he asked that the train make a detour to Philadelphia. On Washington's birthday he made a stop to visit Independence Hall where the Constitution was drafted. Lincoln delivered some brief remarks and ended saying:

> Finally, my fellow citizens, it is not with the presidents or with politicians, but with you, remains the question—shall the freedom forged by our founding fathers be preserved for posterity—for our children's children?

Lincoln knew that a democracy unlike a dictatorship is not reliant on extraordinary leaders—but on rather ordinary people—ordinary people who go about the ordinary tasks of citizenship extraordinarily well.

Benjamin Franklin in the closing day of debate in Philadelphia in September 1787 said something similar. He said that if the charter fails, it will not be because of what he and others had just written, but because of what we the people later did.

Our Constitution with its appended bill of rights and its guaranteed freedoms is based on an ideal—and ours is the only country in history that is based on an ideal. Other countries owe the reason for their existence to race, religion, or language. But ours is based on an ideal—that all men are created equal.

Oh, I know that there are some critics who say that we have not always lived up to that ideal—that we have not always lived up to those ideals our Founding Fathers wrote—well, if that's true—isn't that because no other country ever wrote higher ideals to live up to?

This ideal—that anyone regardless of racial, religious, or economic background—can find fulfillment. That is the ideal that Jefferson wrote in 1776—that is what Washington meant in his appeal to the Delegates in 1787 or that is what Lincoln said at Gettysburg in 1863—that "government of the people, by the people, and for the people should not perish from the Earth."

Oh, I know there are some who say that the ideal that anyone despite color, class or creed can seek his own destiny, shape his own future. They say it's a dream. They are right. It is a dream. The American dream—our unfinished dream.

You see, America is much more than a geographical fact—it is a political, spiritual, and moral fact. It is the only country in the world that has institutionalized freedom, responsible government and human equality. But that fact places an inescapable burden on you—on all of us.

Theodore Roosevelt is that other President besides Washington, Jefferson, and Lincoln who has his face carved on Mount Rushmore. President Theodore Roosevelt was once asked by a citizen after a speech, "Mr. President, you just spoke on the Constitution and about our duty as citizens. But I'm just an ordinary small-town businessman. What can I do?" And Theodore Roosevelt in that high staccato voice of his replied, "Do what you can—where you are—with all your heart, but do it."

Well, we honor the Constitution when we obey the law, when we vote, when we serve on jury duty, when we pay our taxes, and when we lay a wreath on a veteran's grave.

But reverence for our Constitution, love of our country is more than a series of acts—it's an attitude. It's more than a series of observances, it's an obligation. Patriotism is not just the sentiment of 1 day—it's the commitment of a lifetime.

And don't we honor the Constitution and don't we justify the confidence our Founding Fathers placed in us when we continue to build an America on the foundation they so nobly laid. It is our duty to reforge that faith. When we as parents make our house a home—when we as workers make our job our vocation—when we as citizens make our communities a neighborhood—and when we as members of a church or synagogue make our creed our life's work—we reforge that faith. We redeem that dream.

I believe in that dream—the American dream—because I saw it come true in my life, in my own father's and mother's life, who came here, as I indicated, from a foreign country. And I believe in that Constitution because it made possible that dream—freedom in a stable and secure society to pursue a dream.

When the Convention's work was completed and the Constitution written, an enfeebled Benjamin Franklin in his 82d year negotiated his way haltingly to the front table during the signing of the Constitution, using the desks as crutches. He scrawled his name and then as he watched the others sign, he said with broken voice and tears staining that benign face:

> Mr. President, I have often noticed the design on the back of the presiding chair—a design of the sun low on the horizon. I must confess there were days during the Convention when I thought it was a picture of a setting sun. But today I know for the first time it is a rising sun—a new day for America, a new dawn for freedom.

And I know with the invocation of God's blessing and the enlistment of your help, this Constitution will most assuredly celebrate a tricentennial.

I yield the floor.

EXECUTIVE SESSION

TIME FOR DEBATE ON MR. RUDER'S NOMINATION

Mr. BYRD. Mr. President, I make this request with the approval of the distinguished Republican leader. I ask unanimous consent as in executive session that the time for debate on the nomination of Mr. Ruder, which will occur at the close of morning business—Mr. Ruder is to be a member of the Securities and Exchange Commission, at least he is nominated for that position—I ask the time be limited to 1 hour equally divided between that of Mr. PROXMIRE and Mr. GARN.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

THE DEBT CEILING: KEEPING DEFICIT REDUCTION ON TRACK

Mr. KARNES. Mr. President, I take the floor today to offer some observations on the actions we took last week with regard to the debt ceiling and the budget process. I would like to commend the majority of my colleagues who demonstrated bipartisan leadership and voted in the best long-term interest of the Nation by putting in place the constitutionally sufficient revisions to the Gramm-Rudman-Hollings law.

The debate centering on the debt ceiling extension was very illuminating for this Senator. Obviously, the huge Federal deficit did not appear over night and was formed long before I arrived in the Senate. The deficit gap has dramatically widened over, over the past years, in my view, due to the failure of Congress to make the difficult budget decisions that the voters expect of their elected representatives. As a relatively recent arrival in the Senate, I take some personal comfort in the fact that the huge deficit problems we now must fix did not come about during my time in office.

I wasn't here to be part of the problem, but now that I am here I hope to be part of the solution.

Many of my colleagues have fought valiantly over the years to try to control spending, the single best way to reduce the deficit. On the other hand, there are those who have resisted efforts to put in place tough, effective controls of the congressional budget process. Even worse in my view, some talk in vague but disturbing terms of the "necessity" or the "wisdom" of raising taxes in order to cut the deficit. It is curious to me how many different terms people can invent to say "taxes" without sounding like they are saying "taxes." I have heard examples here on the floor of the Senate. Terms such as "boosting revenues," "revenue enhancement," or even references like "improving receipts" have been used to describe ways of cutting the deficit. Well, Mr. President, I agree with several of my colleagues who understand that the American people want deficit reduction and they want it without Uncle Sam taking a bigger chunk out of their paychecks.

Mr. President, I think we should call a horse a horse. Those who attack the Gramm-Rudman process but announce that the budget problem can be resolved in part by increasing receipts are talking about one thing—tax increases. You can call it whatever you want, but the end result is a tax increase with the American taxpayers footing the bill for our inability to handle the power of the purse responsibly. I feel we should be absolutely clear in the terms we use to describe that situation. It is possible that, at some point down the road, the American people will say that cutting spending is not the only way to cut the deficit, and that they want a tax increase. But I do not believe they have reached that point yet. They want us to try stringent, mandatory controls on spending first. That is precisely what Gramm-Rudman attempts to do.

Clearly, Congress has shown that it is unable to use the current budget process to effectively deal with the deficit unless it has hard targets to aim for. The mandatory controls of the Gramm-Rudman-Hollings approach appear to be the only way to bring a measure of fiscal discipline to the Hill.

Just last Friday the Senate adopted a tough but manageable Gramm-Rudman-Hollings fix. The new targets contained in the amendment will bring about timely deficit reductions through an orderly process over a period of time.

Anybody who doesn't think we need budget reform to introduce real discipline in our spending system hasn't taken a hard look at our deficit and the legislative dynamics that allowed the deficit to balloon to huge proportions.

Haven't we learned over the last several years that the institution of the Congress is simply unable to make the budget cuts necessary to bring spending under control? We need this country to go on a fiscal diet—an enforced but controlled diet. You don't feed a person more food if he already eats too much. You restrict his eating. Our only alternative to Gramm-Rudman is to go on with the old game Congress has played for years, the same game that got us here in the first place. All the efforts to use smoke and mirrors last Friday to short-circuit the only mandatory spending control system that shows any promise of being effective were only that—smoke and mirrors.

Of course, the debt ceiling had to be increased. This Senator played cards with the hand he was dealt. I heard a lot of talk about acting responsibly on the floor last week. Does anyone wish to make the case that it would have been more responsible to allow the Government to shut down for several days or a week before passing the ceiling increase? Does anyone want to have the country default on its obligations for the first time in 200 years? Does anyone argue that there was any realistic possibility of not increasing the debt ceiling without causing the greatest economic calamity since the Great Depression? The situation reminds me of the individual who goes to a restaurant with his appetite bigger than his wallet. He orders the best meal on the menu. He enjoys his dinner, but, when the check is brought he argues that he can't pay because it costs too much.

I was also perplexed by the amendment introduced to give a one-time reduction of the deficit by $36 billion. I think we all knew that this was really an effort to cut short the long-term approach that the Gramm-Rudman law provides. That fact was made apparent by the party-line vote on the matter. If this amendment had passed, we would have had 1 month or so to come up with $36 billion of cuts. Mr. President, pushing the panic button is no way to bring the deficit under control. Had the amendment passed, we would be in a panic right now to come up with the cuts, keeping in mind that the August recess would make it impossible to spend even a minimal amount of time on the matter. Of course, this would have been a one-time gimmick. What about future years? We would still be facing huge deficits in years to come with no comprehensive mechanism for dealing with the problem. I think the American people will recognize the wisdom of the Senate voting this one-time reduction down and continuing to direct in earnest our efforts at deficit reduction.

The key now is to forge ahead and look to the future, and keep in place a system of graduated spending controls, that people can plan for, to bring the deficit down to zero in the early 1990's. People will accept spending cuts if they are made in a way that treats everyone fairly and equally. That is what the people want, and that is what Congress should strive to achieve.

Mr. President, I thank the majority leader, and I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

FAMILY FARMER BANKRUPTCY LAW

Mr. GRASSLEY. Mr. President, it has been just 8 months since Congress responded to the needs of America's farmers through some very important changes that we made last year in the Federal bankruptcy laws, now referred to as the new chapter 12. This new law, which was authored by Congressman SYNAR of Oklahoma and myself on the part of the Senate, is designed to give family farmers a fighting chance at the restructuring of their debts. This is no less an opportunity than we have always provided big corporations, like recently LTV, Johns-Manville, A.H. Robins, and Continental Airlines. Over these 8 months since passage of chapter 12, I have followed very closely the evolution of the use of chapter 12. I have talked with farmers, bankers, judges, lawyers, among many others, who have given me their opinions and I have requested their views on this legislation.

On balance, I believe the evidence is that the law is working very much as we intended.

Of course, there has been some criticism of this law. Some say that it has unfairly hurt farm lenders, particularly some commercial bankers will say this. But in comparison with the hit these lenders would ultimately take even without chapter 12, the impact is very modest.

To a great extent, the write-down of debt authorized by chapter 12 only ratifies what has already occurred, the economic facts of life. Given the freefall in farmland values, secured lenders could never recover the full amount of their claims under any circumstances.

The newly restructured debt merely reflects economic reality. Chapter 12 does not guarantee anyone the right to farm. It does not guarantee any farmer profitability. And, of course, no bankruptcy law can or should do that.

What chapter 12 can do and has done is to act as an incentive to all parties to work together to reach compromise outside of the court. All sides now can avoid the legal expense and the uncertainty of litigation simply by being more cooperative.

With chapter 12, Mr. President, farmers now have some clout in these negotiations with their creditors. The resulting agreements between all parties is perhaps the greatest measure of chapter 12's success. In the end, when the American farmer rebounds to profitability, farmers can again be valued customers to their lenders.

This week, the Cedar Rapids Gazette, in my home State, published an article describing how chapter 12 is working in my State. I ask unanimous consent that a copy of this article appear in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Cedar Rapids Gazette, July 26, 1987]

EXCELLENT BANKRUPTCY LAW SAVING FAMILY FARMS: LAWYER

CHAPTER 12 LAW TRIES TO KEEP FARMERS FARMING

(By Vanesse Shelton)

Iowa farmers drowning in debt are grasping onto an eight-month-old bankruptcy law tailored to keep them financially afloat.

More than 282 farmers have filed in U.S. District Courts in Iowa to restructure their debts under the new law, referred to as Chapter 12 for its placement in the federal bankruptcy code.

Local authorities say the law is well suited for most of these financially troubled farmers.

Chapter 12, as opposed to other bankruptcy avenues, shields farmers in a speedy, yet simple, way from creditors wanting to repossess equipment or to sell off farmland in default actions.

"It's an excellent law," observed Cedar Rapids attorney Fred Dumbaugh, who testified to Congress about the need for special bankruptcy provisions for farmers before the law was passed.

"It works in saving the family farm," he said.

"Farming is capital intensive," he explained. "It costs a lot to operate and farmers have to borrow great sums of money. High interest rates or bad weather, both of which farmers have no control over, can kill a farmer's business."

So can the repossession of equipment or land when a farmer falls on hard times.

The new bankruptcy law allows a farmer to ride out the tide, holding on to tools needed to remain viable while revamping plans for a productive season.

Dumbaugh cautioned that not all farmers with financial difficulties can be saved by the bankruptcy law.

Good prospects for Chapter 12 resuscitation are farms with a reasonable potential for generating a profit, he said. They need the money to pay off what's left of debts after the bankruptcy judge, under the new law's guidance, reduces and reshapes them and spreading them out over longer periods.

Dumbaugh and other lawyers take inventory of a client's financial picture to determine the feasibility of a farm continuing to operate after getting help from bankruptcy court. This inventory generally is done free of charge.

He urges financially pressed farmers to take advantage of it early, before debts snowball to where there's no recourse but to liquidate and quit business.

"If I take a farmer through a (Chapter) 12, he can probably make it," Dumbaugh said.

Once the decision is made to file for Chapter 12 bankruptcy, he said, the process can last about four months compared to other bankruptcy actions with life spans measured in years.

A Chapter 12 filing can cost up to $14,000, although the average price is half that amount depending on the case, said Dumbaugh.

Since the law went into effect last November, clerks of bankruptcy courts in Iowa report 136 cases were filed in the Southern District court at Des Moines, and 148 petitioned in the Northern District court at Cedar Rapids through early July.

The number of farmers seeking relief in the Northern District peaked at 36 in February and 32 in March, according to Bankruptcy Clerk of Court Barbara Everly. As crops have progressed, the filings dwindled to eight in June.

She suggested farmers are trying to tough it out through one more season in hopes of a bountiful crop.

Dumbaugh frowns on this spirited diehard attitude because for 20 percent to 25 percent of financially distressed farmers, it meant they waited too long to get help under Chapter 12.

"Waiting ran them right down the tubes. They didn't get help soon enough," he said.

More than 250 farmers have turned to Dumbaugh's law firm in Cedar Rapids since December but bankruptcy petitions were filed for only 70 of them, who were deemed able to pull themselves up by their boot straps with the court's assistance.

An unknown number of those who did not seek court protection in reorganizing their debts, still could have used the law to work out their financial problems, Dumbaugh said.

The new law provides an incentive to businesses to work out an amicable agreement without the court's help, he pointed out. They can avoid paying attorney fees, court-related expenses and the whole array of legal entanglements.

"I think it's neat," Dumbaugh said of the law that expires in seven years. "It's designed to get us over what people say doesn't exist—the farm crisis.

"When Chapter 12 dies, I hope it can be said of it: Here lies Chapter 12. It did its job bringing the farmers and creditors together without having to file Chapter 12."

Otherwise, businesses are at the mercy of bankruptcy judges to set repayment terms in accordance with the new law, he said.

Judges under Chapter 12, for instance, can reduce the debt owed by the farmer to an amount equal in value to the collateral he put up in order to get the loan.

What that means is instead of paying a bank the $300,000 balance on a loan taken out to buy equipment, feed, seeds and fertilizer, through debt restructuring the farmer may wind up paying only $120,000 to buy back the land he put up for collateral plus a little extra to pay the banker back for use of the money.

Bankers have balked at this arrangement, since the remaining $180,000 is written off as what is called unsecured debt and will likely go unpaid.

However, Dumbaugh, while empathizing with financers, is quick to note the repayment arrangement under Chapter 12 is better than the no-win scenario between farmers and lenders under other bankruptcy laws.

Lenders come out about the same with the new law, receiving money by selling the collateral land, he said.

However, the farmer comes out in better shape now, instead of losing his land and livelihood, he's still in business. And if he rebounds to profitability, he can once again be a valued customer for the lender, Dumbaugh said.

Mr. GRASSLEY. This favorable report is not an isolated one. Last month, the Los Angeles Times published a similar article, this one focusing on the benefits to Nebraska farmers. I ask unanimous consent that this article also appear in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Los Angeles Times, June 23, 1987]

FARM SAGA: CHAPTER 12 TELLS OF HOPE

(By Larry Green)

WALTHILL, NEB.—Robert and Jan Stansberry got advice—not money—when they applied for a loan to operate their farm this year. Quit farming, liquidate, line up the machinery and have a farm sale, they were told.

That was last January, when the Farmers Home Administration turned down the couple's loan application. "They said it didn't look like we could pay them back the $225,000 we owed them," Jan Stansberry recalls.

But, the Stansberrys, farmers for 16 years, did not quit. They are fighting.

They are among the first in the nation to declare "Chapter 12 bankruptcy"—using a federal law from the Depression era aimed at helping family farmers save the family farm. The law, revived and revised by Congress last year in the wake of the prolonged weakness in agriculture, generally protects farmers from creditors and from foreclosure or forced liquidation.

MOST FILINGS IN NEBRASKA

This spring, amid faint signs that the national farm crisis may be bottoming out, thousands of farmers still faced with massive debts are expected to turn to Chapter 12 for protection. Early figures indicate that in the Midwest, the largest number of cases have been filed here, in Nebraska.

Saving their 440-acre hog and grain farm will be a rough row to hoe for the Stansberrys, even with Chapter 12.

The couple, who have three teen-age daughters, were $289,000 in debt before going into court. They now must pay back at least $66,800.

To do that they will not rely entirely on agriculture—a slender financial reed to lean on in recent years. Instead, both Jan and Robert are holding down full-time jobs off the farm. Jan is working as a secretary. Robert is fixing sewers and waterlines for the village of Walthill. He makes $1,150 a month. Jan earns less.

WORKS "NIGHTS, WEEKENDS"

That leaves "nights and weekends to get the crops planted," says Robert, who has just had his first free Sunday in 10 weeks. "This spring has been more hectic than any I've ever put in."

"I feel sure the farm can support the bankruptcy and what we make in town will support us," Jan said.

Chapter 12 bankruptcy gives farm families, "a fighting chance to reorganize their debts and stay on their land—a chance that they did not have before," says Sam Gerdano, a legal aide to Iowa Republican Sen. Charles E. Grassley, a sponsor of the Chapter 12 legislation.

"This is the most useful tool available to family farmers in a long time," says lawyer Nancy L. Thompson, who specializes in agricultural law in northeast Nebraska.

Considerably less enthusiastic are bankers and insurance companies, who lobbied against the legislation because it is weighted in favor of indebted farmers and, in almost all cases, will result in lowered, renegotiated debt balances and repayments.

"It increases the risks that lenders may not be repaid," says Curt Billhymer, a spokesman for the Farm Credit Banks in St. Louis. "Anything that does that makes lenders less willing to make the flow of capital to borrowers completely free."

"Farmers are using Chapter 12 as a tool, as a weapon to put pressure on to get lenders to be more accommodating," says Ronald C. Hanser, spokesman for the Omaha District of the Farm Credit System.

But farmers who have turned to Chapter 12 see no alternatives short of losing the farm.

"I'm struggling to beat heck trying to save this homestead," says Herman H. Lauck, who was $160,000 in debt before filing for bankruptcy. The 64-year-old Bloomfield, Neb., farmer lives on food stamps now. In a few weeks he will have to farm using borrowed machinery. His own is being sold to pay of a $34,000 bank debt.

"GOD BLESS THIS MESS"

"It just jerked my heart from me when they told me I had to sell my machinery," says Lauck, sitting under a sign in his kitchen that says, "God bless this mess."

Not far away, as distance is measured in the rolling northeastern Nebraska countryside, Gerald Herzinger, 56, is weighing the possibility of a Chapter 12 case to save his dairy and grain farm.

"We've been threatened by creditors," he says. "So far the lawyer has been able to hold them off. The bank came to a settlement when we threatened them with bankruptcy," says Herzinger, who has $341,000 in debts and has seen several neighbors turn to the law for protection. If Herzinger does file, it is likely that he will repay about $102,000 of his debt—assuming his farming operation can generate that much income over the next three to five years.

Herzinger's debt will drop because a major provision of the law—a provision that bankers do not like—allows a farmer's debt to be adjusted to reflect the current value of his collateral rather than what that collateral was worth at the time the loan was made. For example, a $200,000 loan secured by land that was worth $200,000 in 1979 might translate into a debt of less than $100,000 today because of the sharp drop in agricultural land values.

"This is a pro-debtor piece of legislation," says Barry M. Barash, a Galesburg, Ill., attorney who has filed 40 Chapter 12 cases this year. "I tell people that if you're a farmer, Chapter 12 is the best investment you'll make in 1987."

Other features of this special federal bankruptcy law—which will expire in 1993 unless renewed by Congress—are provisions that give farmers a chance to erase unsecured debts and that leave all major decisions about how the farmer will work out of his indebtedness in the hands of the farmer and the judge. Creditors have little to say about the process—another reason the banking industry does not care for the law.

"We opposed it," says Weldon Barton, a Washington spokesman for the Independent Bankers Assn. of America. "We supported voluntary incentives that would encourage voluntary workouts [of problems] because we thought it was a more workable situation for lenders and for farmers. Most lenders would rather [Chapter 12] was not out there."

However, David Aiken, an agricultural law specialist at the University of Nebraska, said that the law may, in fact, be acting as a legal incentive to bankers to negotiate settlements with indebted farmers.

"Now lenders know that if a farmer isn't able to get a satisfactory negotiated arrangement outside of bankruptcy, the farmer can file Chapter 12 and get significant debt write-down in most cases," Aiken says. "That's made private lenders more willing to accept write-downs outside of court. It's changed the rules of the game, and it has given farmers some clout in terms of these negotiations."

Although thousands of farmers are expected to file for bankruptcy under provisions of Chapter 12, it will be 1989 or 1990 before the success of the law can be assessed. Meanwhile, farmers who might otherwise have been forced into foreclosure or involuntary liquidations this spring are getting a chance to save their farms and their dreams.

"You don't want to give it up," Jan Stansberry says. "We think farming might be a good business again, and it is too expensive to start up again once you give it up."

Speaking of Chapter 12, Robert Stansberry says: "My first thought was I didn't want to use it. When you say 'bankruptcy' people look down on you. Or at least I think they do. But if I didn't do it I'd had probably had to go to complete liquidation."

"The word bankruptcy has a stigma attached to it," Jan says. "We didn't know how people would react, but nobody has said anything except for the local banker." He said: "It's the only chance you have to remain on the farm."

"It wasn't an easy thing for us to do," she adds. "But I'm sure we're going to survive it."

Mr. GRASSLEY. Mr. President, I appreciate the assistance and work that my colleagues in the House and Senate put forth in passing this chapter 12 legislation. I know that detractors still exist, and do not hesitate to pressure my colleagues about chapter 12.

For this reason, I wanted to share the good news about the positive impact chapter 12 has had, as well as thank my colleagues for their continued support.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, I ask unanimous consent that I be permitted to proceed as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

PEACE PROPOSALS IN CENTRAL AMERICA

Mr. LEVIN. Mr. President, all Americans want to see the troubled region of Central America at peace. The American people, and each of us in this Chamber, hope fervently that the current activities and proposals for peace in Central America achieve their goal of a secure and just settlement.

To the extent that the new proposal supports and helps the discussions of the Central American Presidents and Arias' proposal underway in Guatemala, I support it.

But, Mr. President, if this new proposal is viewed by our allies in the region as setting forth timetables that are unrealistic and which could not be achieved, and if its failure is used by this administration to call for continued Contra aid, I cannot support it.

While I share the hope that this is a sincere attempt to reach a negotiated settlement, I also share some skepticism. No settlement in Central America will succeed in the long run if it does not have the support, and is in the interest, of the peoples of the region. We cannot impose a peace. We should, instead, help and cooperate with those nations of the region which seek peace.

I am worried, because just a few weeks ago President Reagan's special envoy to Central America, Philip

Habib, came to Capitol Hill to meet with Members of this body.

Mr. Habib was reported to have said that if the administration felt its views and interests were not reflected in regional agreements, it would continue to fund the Nicaraguan Contra rebels despite agreements reached by the leaders of the region. That was a disturbing comment because it could only alienate our friends and also give fuel to our enemies.

And, just 2 days ago, in response to questions about the new plan, Presidential spokesman Marlin Fitzwater said President Reagan wants to "assure the uninterrupted flow of money" to the Contras. And, it was reported the same day that an administration official said the administration envisions a congressional vote on Contra aid at the end of the negotiating period, regardless of how diplomatic efforts turn out.

I hope that a just peace can be forged in Central America. I cling to the hope that the countries of Central America prevail in their struggle to maintain their sovereign dignity, and achieve a lasting peace based on true self-determination. I share the hope—and the conviction—that such a peace is possible. I share the cautious hope of all Americans that the current proposals succeed in assisting the parties to find common ground.

But in light of the comments which have been made by Phil Habib and Marlin Fitzwater, and others currently with the administration, the word cautious and the word hope are, I am afraid, inextricably connected in this instance. Also, given the history of this administration in Central America, we must also add some skepticism to the hopes that we all hold.

REFLAGGING OF KUWAITI OIL TANKERS

Mr. LEVIN. Mr. President, despite the urging of the Senate that the President pursue other alternatives, and despite the grave warnings of friends, and despite the lack of support from our allies, the administration has gone ahead with the reflagging of Kuwaiti oil tankers. Our Navy has escorted two such vessles into the Persian Gulf, and one such vessel safely out again, the other having struck a mine widely believed to have been laid by Iran.

In response to the mining and a variety of other Iranian threats, we are now engaged in a fairly large-scale buildup of U.S. military forces in and around the Persian Gulf. This military buildup is the inevitable result of the administration's decision to call Kuwaiti shipping American shipping, and to protect it as such. Since the day the first reflagged Kuwaiti vessel entered to the Gulf under our protection, a series of events has raised the political and military tensions in the Gulf dramatically.

Let me briefly explain why I believe the president's reflagging and escort policy has us headed straight for disaster in what is arguably the world's most dangerous political hotspot, the Persian Gulf.

Both the reflagging and the resultant military build up are based on a false premise: that the overt display and deployment of military force will deter Iranian attacks on us even though they perceive us as siding with their avowed enemy. In fact, increasing U.S. military presence in the Gulf for the purpose of escorting reflagged Kuwaiti tankers may well precipitate Iranian attacks on our forces.

The bottom line is that the administration's reflagging policy assumes the Iranians will react rationally when faced with American military forces capable of inflicting severe damage in retaliation for an attack on U.S. forces.

What evidence do we have that this is in fact the case? Very little.

What evidence do we have to the contrary? Consider these facts:

Iran absolutely refuses to dicuss an end to their war with Iraq, a war in which they have suffered hundreds of thousands of casualties and regained the territory they initially lost, plus some. They have resorted to the use of thousands of young boys in human-wave attacks in the war. The Iranian leadership has at their disposal large numbers of religious zealots, including the fanatical Revolutionary Guards who now control dangerous naval assets. Yet, the administration's policy assumes that a leadership capable of these policies and armed with political power based on radical beliefs will be deterred by the presence of American military power?

I think that is a dangerously false assumption on which to wager the lives of our young men, our position in one of the world's most strategically important regions, and our prestige.

And some of our closest allies agree with me.

British officials are reported as saying that the threat posed by Iran is not principally military, but rather one of political subversion of the fragile governments of our friends in the region. They are said to believe that overt confrontations tend to strengthen, not weaken, the Islamic fundamentalism that buoys the Ayatollah Khomeini's government, and I agree with them. The British Foreign Minister, Sir Geoffrey Howe, reportedly told our Ambassador in London that putting additional Western naval power in the gulf now would heighten the risk of a military conflict with Iran.

I think we should avoid such a conflict with Iran because I see no way in which to win, no way in which our use of military power against Iran will help us achieve our goals and protect our interests in the gulf.

On the contrary, I see a rapidly spiralling escalation of attack and counterattack that has no predictable conclusion. Such a military exchange would endanger not only our brave servicemen but the political and physical security of our friends in the region. The only sure winner from such an escalation will be the Soviet Union, the very power whose influence we seek to limit in the Persian Gulf and elsewhere.

In assessing the merit of the reflagging policy, we should not forget that not one U.S. ship was attacked by Iran prior to the reflagging of Kuwaiti vessels, even though U.S. ships were routinely escorted by our fleet in and out of the gulf.

It is when we are perceived as protecting the military vessels of Iraq's closest supporter, Kuwait, that the hornet's nest has been stirred up by Iran. Can anyone now realistically say that Iranian attacks on us—somewhere and soon—are unlikely? Can any of us now say, as President Reagan said in defense of his reflagging policy, that "I do not know how (a conflict) could possibly start."?

I am afraid not, Mr. President. I am afraid not.

A VITAL SPEECH, INDEED

Mr. HEFLIN. Mr. President, I recently read an outstanding speech that was delivered by one of my constituents, Mr. Jerry Weaver of Gadsden, AL, who is chairman of the board of Mid-South Industries, Inc., a highly diversified, technology-oriented company with facilities located in Gadsden; Manchester, KY; and Taipei, Taiwan. Mr. Weaver was speaking before the New York Rotary Club on April 16, of this year, and the speech was published in the July 1 edition of the journal, Vital Speeches of the Day. His speech was entitled "Making American Industry Competitive Again."

There has been much discussion in the last few weeks regarding what will make American industry competitive again. I believe that Mr. Weaver's remarks provide much food for thought.

Jerry Weaver was born in Clay County, KY, graduated from Annville Institute, a mission school in Jackson County, KY, and attended Union College in Barbourville. In 1951, he moved to Dayton, OH, where he served his tool and die apprenticeship with International Tool Co. In 1957, he was transferred by that company to their Gadsden facility, the Alabama Tool Co., to train others in the tool and die trade. Five years later he left Alabama Tool to start his own business, Dixie Tool and Die. Mid-South Industries has grown from this one man shop that Jerry Weaver founded in 1962.

Mid-South Industries and its 10 affiliated companies employs over 1,700 people and has sales in excess of $100 million. The customer base consists of many of the U.S. Fortune 500 companies, including IBM, Xerox, General Electric, Martin Marietta, Scovill, Clairol, and Sunbeam, as well as the U.S. Department of Defense. The companies are not only involved in domestic trade, but both import and export in the international market, as well.

Though Mr. Weaver has already achieved a great deal of success in the business world, he continues to seek new opportunities. His most recent creation is Weaver Diversified Industries, which is an organization that operates within the small shop concept.

Throughout his career, Jerry Weaver has been active in the associations which support the tool and die industry, and his great talents have been recognized by his colleagues. He is the past national president of the National Tooling and Machining Association [NTMA], and has served as both member and chairman of every major committee in the organization. He also played an instrumental role in organizing the Alabama Mountain Lakes Chapter of NTMA, which is the local chapter that serves the Gadsden/Huntsville area. He has also served as a United States delegate to the International Special Tooling Association, and has made trade missions to Brazil, Mexico, Germany, Switzerland, Taiwan, and the People's Republic of China.

In addition to his work in business at the national and international levels, Jerry Weaver has worked to encourage business activity in his community, as well. He is past president of the Gadsden-Etowah Chamber of Commerce, and has served as a member of the Rainbow City Planning Commission for the Alabama Technical College in Gadsden. He is also a member of the Gadsden Industrial Board, the Manufacturing Systems Engineering Graduate Program Committee for Auburn University, and the Alabama Certified Development Corp. A nonprofit State organization that assists in the financing of land, building, and equipment for small businesses.

Thus, as my colleagues can see, Jerry Weaver possesses great experience in business and trade. He has worked in almost every aspect of the business world—as the starter of a new business, the chairman of the board of a profiting business, an adviser, and a trade representative to increase trade. I believe that Mr. Weaver's remarks will be profitable for each of my colleagues, faced as we are with our Nation's trade deficit. The insight which Mr. Weaver provides will be tremendously helpful.

Mr. President, I ask unanimous consent that the attached speech be printed in the CONGRESSIONAL RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

[From the Vital Speeches of the Day, July 1, 1987]

MAKING AMERICAN INDUSTRY COMPETITIVE AGAIN

(By Jerry Weaver)

Initially, I'll be most honest—"I don't know the mechanics of the many how's and wherefor's of this challenge." However, not being alone with this conundrum gives me little sense of agreement with many of the theories and proposals currently in vogue and as expounded by many politicians, governmental committees, analysts or other self appointed experts—few of whom are company owners or wage earners in our industrial society.

You are familiar with our need for industrial competition. Competition is the current buzzword for the media, the non-profit specialists, our Congress—and we even have a President's Commission on Industrial Competition.

Each faction of the world's economy, I'm sure, has their own accepted definition of competition—here's the one I like:

"Competition means we should be determined to balance the trade deficit without lowering the standards of living of the American people."

I must state at this point that "the Market Place" is right here, first—the Global Place must be cultivated with the facts of our local success!

At $140 billion in 1986, with our economists agreeably projecting a total trade debt of $1 trillion by the early 1990's, we have a humongous and super human challenge facing every single American at or above elementary school age.

Everyone who can understand the basic arithmetic of cost and expense versus gain or loss readily agrees that we must do better—the burning questions center around how?

I do not, for example, agree with Senator Lloyd Bentsen's viewpoint that additional protective tariffs and trade regulations will result in improved competition of American industry, nor that the "loss of 1,000,000 high paying jobs," (as he states) "were lost to Japan" because of the lack of more restrictive tariffs.

I do not agree that protectionism is the magical answer to our problems in our American market place and in my viewpoint, tariff manipulation is a political tool and should not enter into any concepts towards industrial competition factors.

How could one really believe that "globalization" of American industry would in any long lasting substantial manner meet the challenges of competition?

Again, contrarily—deindustrialization of American industry has robbed us of manufacturing expertise, of utilization of our production base, of method improvements, of modernization, and of capital investments, with perhaps of ultimate importance—the loss of employment and skill training of our people—all of which is most vital to meet the challenges to our American industry.

While economists engage in detached debate about whether the U.S. is losing its industrial base—the facts are clear that one after another are, or have, become "hollow corporations" purchasing parts, components and products "off-shore" and slapping on their own labels for domestic markets.

Personally, I challenge this do nothing approach, as it offers no incentive to improve our competition and "business as usual" will not solve our problem of imbalances in trade. Continued off-shore procurement will not rebuild our American work force for our future prosperity.

On the other hand, hopes are high that the prospering service industries will keep the U.S. economy healthy.

Again, pure hog-wash—without a healthy and prosperous manufacturing industry there will be little to service!

What the devil does all this mean?

There is a public scalding, wringing of hands and some back woodshed diplomacy, however, where is the concerted effort to put it all together towards a solution? I question our "policymakers"—Perhaps, in the end, our policymakers are really you and I! We represent the broad spectrum of our communities. Why should we not make the policy?

Between us, we have somehow failed to maintain our position as the world's leading industrial nation with a financial system once believed to be unassailably the best in the world.

Success begets responsibility and as policymakers we have failed to communicate with our governmental and industrial representatives of our many misgivings about their actions in the past period of outsourcing and deletion of our manufacturing base—in equipment, brick and mortar and in trained manpower.

Not too many years ago, the American people led the world with the most efficient and profitable industrial nation in history.

We now must come together and put that yankee know-how and determination to be the best back to work in all areas of our national life.

As one policymaker, I have firm convictions that the following actions are not only required, but are mandatory, not in the future, but immediately—or the future may find me back on the farm behind a mule. What would bother me most about that is that I'd sure hate to find out it was a Japanese mule!

Cost reduction is constantly the first item on the list of every management symposium I've ever attended. It is simple, it is easy to understand and it is easy to monitor—but it's not so easy to get it accomplished!

People become entrenched, during the "good times," and are reluctant to change methods or habits, or to give up anything they have taken for granted.

The giant ITT has sold 100 businesses, cut its workforce by 100,000 and its headquarters staff from 850 to 350. ITT Chairman Rand Araskog says "Corporate executives have to learn to do things for themselves. Pick up the telephone if it rings, Draft their own memos." Damn, I never knew I wasn't supposed to do those things!

Communications between industry, labor, government and the financial institutions of our country and the world must be greatly improved to establish basic understandings of the circumstances that affect America's successful position in the constantly changing global environment.

We have a responsibility to each other to be honest and straightforward about our problems, our analysis, our recommendations, and about our success or failure in execution of improvements.

Confusion or uncertainties will not allow us, as a nation to make long range decisions that may have high risk impact on the daily lives of the American people.

Policymakers, again we are failing to press for a solution to this problem. We have not forced our local and national industrial, labor and governmental representatives to unite and formulate a plan for our collective future in world trade.

Would that we could get one clear, concise and mutually understandable two page publication of instructions for our personal income taxes—let's don't even suggest clarity for our businesses!

Personally, I don't need Ted Koppel or Tom Brokaw tinkering with the facts—I'd rather perform my own analysis of the situation—even if it turns our that I'm wrong!

Research and development investments are key to long term commercial product industrial independence from DOD budgetary restrictions.

Alarmed by the snakes that were devouring many of his kind, a young frog consulted the wise old owl. "What can I do to avoid being eaten by a snake?" asked the frog. The wise old owl pondered and then advised: "Fly away." The frog was delighted with this simple solution—until he tried to flee from an approaching snake. "Sorry" said the owl as the frog disappeared down the snakes gullet. "I only deal with concepts, not reality."

To a larger degree, this is one of the major problems industry must early overcome to change the competition of our future—many wise old owls have the concept of the factory of the future, but not the reality.

Most American companies are dragging their feet, however, adequate investment incentives for long range R&D in CIM could well be a major step towards American competition. Further, product development expenditures must be increased greatly to provide the new product impetus for competition world-wide.

Business is currently reluctant to fund R&D even at minimal levels, with the prospects that the products wind up being manufactured in Singapore or Korea.

R&D investment must be allowed to be handled for long term potential product innovation and current tax programs eliminated or more appropriately modified to encourage these endeavors.

I personally have a big hang up with the huge DOD R&D money being spent on duplication of effort, rather than more emphasis being given to commercial item development work.

We could be losing our trade base effectiveness due to excesses in DOD spending on conceptual blue sky items, the need of which may be very questionable.

I'm just like the young frog—I don't want to be eaten by the snakes either?

Long term capital is vital to our reindustrialization and technical advancement of our industrial America.

Washington soaks up the bulk of private savings to finance the federal debt, whereas a realistic budget program would relieve capital for private investment, as well as reduce interest rates.

Policymakers—we need some way to set aside government tax consideration for capital availability and for encouraging innovative small businesses.

Industrial long range financial decisions currently are too often made on the basis of tax considerations rather than on business sense for future competition.

Have you and I failed to invest sufficient of our personal gain in our manufacturing base?

For example, should my swimming pool be one half its size? Or not be there at all?

Enriched by their billions of dollars from huge trade surplus, Japanese financial institutions have invested billions in U.S. businesses—estimates total at 25-30 billion dollars last year.

Our own assets should be more fully exploited instead of the enchancement of international industries by the U.S.

Of particular interest to me, obviously, is the apparent avoidance of the potentials of the resources of the South! Its people still preach and practice the desire to be independent, to provide for themselves and to be dedicated for improvements in their positions in the world.

With modern research laboratories, advanced medical centers, highly accredited universities and colleges, an eager work force operating with a broad range of industrial skills and expertise—there exists the way and the will to produce quality goods within economic control.

It would be most interesting to experience the effect of a divergence of some U.S. foreign aid money for industrial development to the Southern part of America, other than food stamps!

The history of our growth from my first small tool ship in Gadsden, Alabama to the present diversified and mutually support oriented 11 companies is directly related to the industrial growth of the Gadsden area.

Gadsden's earlier industries were the cast iron pipe and cotton mills which abused the working people with deficiencies of wages, working hours, comfort, safety, health and personal dignity and the labor population became highly unionized.

There was little concern about the educational level or skill expertise of the workers and the investment in labor improvements was nil.

Gadsden has grown from the days of the pipe and mill industries to more progressive and modernized operations requiring better tools, more precise machines, automatic equipment and a higher skilled labor force.

The increased opportunities for the design, development and manufacture of precision tooling, gauges and special machine tools became more obvious as the changes and additions to Gadsden's industrial complex took place.

I started my first tool shop with a $5,000.00 personal loan from a local bank, not with several million dollars from Uncle Sam nor with guaranteed government contracts.

Raised in Kentucky, with six years in Dayton, Ohio learning the basis of the tool and die making profession, I have made Gadsden my home since 1957 and take much exception to Rand McNally's listing us at the bottom of any list that places Pittsburgh at the top!

I knew that an educated and trained work force would be required to support the anticipated area growth requirements and I set out to promote vocational and shop training for our people.

Local and state agencies have responded extremely well to our industrial training requirements in the Gadsden area with training areas equipped with modern equipments including computer controlled machinery, and with top notch instructor personnel.

Coming from a very tiny community in Kentucky, I feel very fortunate that people took the time and interest to invest in me, to teach and train me for a start in my adult life in the business world.

I've always felt strongly that one should put something back into society and my efforts are to provide training opportunities for our youth to prepare them for their future.

One success from our attention and investment in people is that from my first tool shop, 7 other tool and die shops have been incorporated in the Gadsden area by our former employees.

One most important element of our corporate organization is our training school, known as The Academy of Precision Arts, which provides our company organizations with the educational tools needed to teach and train our employees in a broad scope of skill levels.

New employees, trainees, senior technicians, lead personnel and all levels of our management are accommodated, both by classroom and shop practice, in our own little red school house.

We have invested nearly one million dollars of our own money in building renovations, machinery and equipment, computer hardware, system programs and audio visual teaching aids as an investment in our people—one of our investments for the future!

Our people like it—so do our customers!

With Gadsden's growth through changes in community attitudes with improved labor relations being fostered by labor, local government and new industry leaders, the increased relationships from our tool industry offered additional opportunities.

I learned very early to hire technically competent people who were not afraid to make decisions—and then let them!

We have grown from a single small tool and die shop to a closely held corporation with its 11 subsidiaries providing engineering product concept design, tool and machinery expertise, manufacturing know-how, equipment leasing, plus facility design and construction for a broad diversification of customer base for both the U.S. and foreign markets.

With $107,000,000 1987 booked sales forecast, our diversified companies will be providing goods and services for U.S. and foreign military programs, commercial items for I.B.M., Xerox, G.E., Sunbeam, Hamilton Beach and Nutone, tooling and special machines for Boeing, Ford Aerospace, Arvin, Xerox, I.B.M. and Martin-Marietta and 9 mm Walther pistols for Interarms International, as well as broad based prototype and production engineering programs for military and commercial requirements.

Looking ahead, we will dedicate a new $4.5 million modern state-of-the-art equipped manufacturing facility in Jackson County, KY in early July this year.

I am an optimist and enjoy the challenges of new opportunities—fortunately, I have been blessed with competent and understanding assistants and with magnificent employee response in our many corporate activities.

I still have faith in the American way and the American dream. I have faith in our people and I am convinced that we, as policymakers, when we all decide that enough is enough, will collectively put our minds and resources to it—and we'll get the job done!

I hate to quote a Japanese source, but—as Sony Corporation's Akio Morita says, "just do what you used to do so well—invest in American enterprise."

Thank you and I appreciate your interest.

GENERAL ABRAHAMSON'S PROMOTION

Mr. HEFLIN. Mr. President, recently, the distinguished Senator from Idaho, Senator SYMMS, made a statement in the Senate calling on the Armed Services Committee to report out the nomination of Lt. Gen. James A. Abrahamson for a promotion to general. I would like to commend the Senator from Idaho and to take a moment of the Senate's time to speak in the same regard.

Mr. President, time is running out for General Abrahamson's promotion. The meaning of that statement is simple. On December 18, 1986, the President nominated General Abrahamson for a fourth star. As I understand the situation, that nomination expires September 30 of this year. Yet, not only has the Senate Armed Services Committee not held hearings on the nomination, it has not even scheduled one.

There is no real reason for holding up or denying this nomination. General Abrahamson is an outstanding and distinguished military officer who has served his country well. His achievements and honors are well known to many of my colleagues. However, I would like to mention a few of his major accomplishments.

General Abrahamson is a 1955 graduate of the Massachusetts Institute of Technology in Cambridge. That same year, he was commissioned as a second lieutenant in the U.S. Air Force. Later, in 1961, he earned a master of science degree in aeronautical engineering through the Air Force Institute of Technology Program at the University of Oklahoma.

In August 1961, he was assigned as spacecraft project officer on the VLA Nuclear Detection Satellite Program at Los Angeles Air Force Station, and in March 1964, began F-100 upgrade training at Luke Air Force Base, AZ. From October 1964 to August 1965, while assigned to Cannon Air Force Base in New Mexico, the general served two temporary tours of duty in Southeast Asia where he flew 49 combat missions.

In July 1966, General Abrahamson graduated from the Air Command and Staff College as a distinguished graduate. He later attended the Aerospace Research Pilot School at Edwards Air Force Base. After graduation, in 1967, he was selected as an astronaut with the Air Force's Manned Orbiting Laboratory Program and served in that capacity until that program was canceled.

General Abrahamson was then selected to serve on the staff of the National Aeronautics and Space Council in the White House. In March 1971, he became director of the TV-guided, air-to-ground Maverick Missile Program. In March 1974, he was named inspector general for the Air Force Systems Command and was later assigned as the director for the F-16 Air Combat Fighter Program at Aeronautical Systems Division located at Wright-Patterson Air Force Base. I might add that the F-16 has been one of the Air Force's most successful programs. When the general directed the program, it came in under budget and ahead of schedule. This is almost unheard of today.

After a short tour of duty as the deputy chief of staff for systems at Air Force Systems Command Headquarters, he became the associate administrator for space transportation systems at NASA. In that position, he was responsible for the Space Shuttle Program and served in that capacity until 1984.

Among many other awards, the general has received the Distinguished Service Medal, Legion of Merit with oak leaf cluster, three meritorious service medals, Air Force Outstanding Unit Award ribbon, the Air Force Organizational Excellence Award ribbon, the NASA Commendation Medal, and the National Defense Medal.

As my colleagues know very well, General Abrahamson is currently the Director of the President's Strategic Defense Initiative Program. I must say that he is doing an outstanding job in this capacity. Mr. President, this is a program of awesome scope and one of which, many times here on the Senate floor, I have expressed my support. While I will not go into the merits of the SDI Program at this time, I am very concerned that because of General Abrahamson's present position as the Director of this program, his promotion is being delayed and maybe even denied. This officer should not be denied a promotion simply because he is serving his President to the best of his ability. This is the very reason we should confirm this nomination.

Mr. President, I, like the Senator from Idaho, take this opportunity to call on my distinguished colleagues who serve on the Senate Armed Services Committee to rise above politics and report out General Abrahamson's nomination to receive his fourth star, in order that this serviceman may be duly rewarded for more than 32 years of outstanding and distinguished service to seven Commanders in Chief and his country.

A TRIBUTE TO CONSUELLO "CONNIE" J. HARPER

Mr. HEFLIN. Mr. President, I am proud to rise today to pay tribute to Connie Harper of Montgomery, AL. Mrs. Harper is one of those rare individuals who, by fulfilling her own dreams, helps others to dream themselves, and to fulfill their dreams. Mrs. Harper is the founder and the director of the Central Alabama Opportunities Industrialization Center [OIC]. As the founder and director of the Central Alabama OIC, Mrs. Harper has greatly contributed to her community, our State, and our Nation. She has touched many lives, always striving to help others to help themselves.

During the early 1960's, when Mrs. Harper was teaching school in the Macon County Public School System, she became concerned that there were children attending school who could not read or write. So, she started an early childhood development program, held after school in an old church near her home in Shorter, AL. It was not long before Mrs. Harper began to have greater dreams. She wanted to begin a program which would help high school dropouts and the underprivileged learn work skills and find employment.

Luckily for my State, Mrs. Harper's enthusiasm and determination were recognized, and she was chosen to participate in the Ford Foundation's Leadership Fellow's Program. Beginning in September 1967, Mrs. Harper took a year's leave of absence and went to Philadelphia to study with the Reverend Leon Sullivan, who had started an Opportunities Industrial Center in an abandoned jailhouse. After examining Reverend Sullivan's OIC program, she returned to Alabama and decided to locate the hub of her center in Montgomery because that is where the jobs were, she said.

In the early days, Mrs. Harper had quite a struggle. Yet, she had her dream, her determination, and the strong support of her family. At that time, she had no office, but she frequented pool halls and alleyways, talking to drunks, prostitutes, and pimps trying to convince them that there were greater opportunities available. She says that her lucky day came during a thunderstorm when the sympathetic pool hall owner allowed her to use a cluttered storage room, which she later transformed into an office. Yet, she needed more money. Knowing nowhere else to turn, Mrs. Harper decided to visit former Gov. George C. Wallace. At that time, Wallace was between terms. Mrs. Harper asked the Governor for whatever help he could provide. He explained that he could not help the OIC because he was not in office. She persisted, and the Governor dug into his own pockets and gave her $40, the last money that was in his billfold.

Since that time, Mrs. Harper has taught more than 10,000 students basic work skills and has helped to find them jobs. Over the years, the Central Alabama OIC has provided skills training in many areas including, but not limited to, commercial sewing, commercial cooking, secretarial science, clerk typing, graphic technology, welding, carpentry, rough brick masonry, electricity, plumbing, cashier/

sales, as well as many others. In addition to the skills training, it has provided prevocational training in such subjects as communication skills, computational skills, consumer education, minority history, personal hygiene, and many others. A unique feature of the instructional program has been training in job survival skills. Counseling is another unique feature of the program. It is ongoing and includes the total person.

The program has been, through the years, one of the most successful in the Nation. In 1984, the center received the Distinguished Performance Award for the training and placement of youth in the area. Their placement rate is incredible; 98 percent of the people who participate in the program find jobs.

However, Mrs. Harper has said that, while they have crossed the river, the ocean lies ahead. Her present goal is to develop a community foundation that will provide technical and financial resources which will enable them to develop human talents of young people to their greatest potential. And the OIC always devises new ventures with which to help the citizens of Alabama. Among these are an early childhood development center, a nutritional enhancement program, and other economic ventures.

Mrs. Harper has received much recognition for her great efforts in the last few months. One of the most rewarding for her must be the Consuello "Connie" J. Harper Complex, a 10,000-square-foot job training center which was dedicated in July of last year. This is a long way from the office she had in a pool hall on Lawrence Street in 1968. Mrs. Harper was also named one of the Women of Achievement for 1986 by the Montgomery Advertiser and the Alabama Journal. In early July, of this year, she was cited by Newsweek magazine as one of Alabama's unsung heroes.

Yet, I believe that perhaps the greatest recognition which Connie Harper could ever receive is the thanks and the praise of the thousands of young people she has helped to help themselves. Mrs. Harper has done great deeds for the people of Alabama. Her tireless energy and work has helped both her community, and industry of the area. I commend Mrs. Harper for her dream. I admire her for her efforts. All of Alabama and America are in her debt, for she has helped others to participate in the American dream.

Mr. President, I ask unanimous consent that the attached newspaper and magazine articles appear in the CONGRESSIONAL RECORD. They describe the outstanding achievements that Mrs. Harper has made through her work over many years. I believe that each of my colleagues will find them inspiring.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From Newsweek, July 6, 1987]

FORTY DOLLARS AND A CAUSE

In 1968 a sharecropper's daughter named Consuello Harper made a visit to Gov. George Wallace. She asked his help in her crusade to preach self-help to poor Alabama blacks. Wallace fished $40 from his pocket—a gift that enabled her to move her "office" out of a ghetto pool hall. Today Harper, 57, operates a $600,000 job-training center in Montgomery, thanks to her ingenuity at wheedling funds from rightwing politicians. "If I thought I had a noble cause," she says, "I'd go to the Ku Klux Klan."

[From the Montgomery Advertiser, July 1, 1987]

NATIONAL MAGAZINE DUBS CONNIE HARPER ALABAMA'S "HERO"

(By Laurie Wood)

Although at times Connie Harper may have felt she would place last in a popularity contest, she held onto her beliefs.

In fact, making her dream of a self-help program a reality in Montgomery resulted in Harper being named Alabama's "unsung hero" in the July 6 edition of Newsweek, which went on sale Monday.

Harper, the founder and director of the Central Alabama Opportunities Industrial Center Inc. (OIC), was cited for her work in finding and operating the job training center for the unskilled and unemployed, Neil Hershberg, Newsweek's editorial communications manager, said.

The center was started in 1968 as a program to help black dropouts learn work skills and finding employment.

A teacher in the Macon County public school system in the 1960s, Harper was appalled that there were children attending school who could not read or write.

"There were children who lived on plantations, whose families were sharecroppers, and they didn't attend school until after the cotton was picked," she said.

"I didn't like that . . . Here I was, a teacher, talking about the school system. I wasn't too popular with my philosophy."

She started an early childhood development program, held after school in an old church near her home in Shorter.

Her interest in youth and the elderly led her to be selected to participate in the Ford Foundation's leadership fellows program in 1968.

The foundation was searching for individuals who possessed potential leadership qualities, but had a lack of skills, Harper said. Her fellowship allowed her to design a program and develop it.

She took a year's leave from the school system and, among other places, went to Philadelphia and visited the Rev. Leon Sullivan, who had started an Opportunities Industrial Center in an abandoned jailhouse.

Harper's dream was to found a rural OIC. She said Sullivan asked her how she could start a rural OIC.

"He said, 'You're rural and you have no industry,'" Harper said. "We have people,' she replied.

Harper broke her teaching contract and left in the middle of the school year to pursue her goal. She decided to locate the hub of her center in Montgomery because that's where the jobs were, she said.

She frequented poolhalls and alleyways, talking to drunks and pimps. Nine years later, the center is doing "fantastic" she said.

[From the Birmingham News, July 1, 1987]

ANTI-WELFARE WOMAN SALUTED FOR MOTIVATING 10,000 TO PRIDE AND WORK

MONTGOMERY.—Newsweek, in its July 6 edition, recognizes as an unsung hero a "very anti-welfare" Alabama woman who has taught more than 10,000 people a trade, motivation and pride.

The magazine is saluting one person from each state and the District of Columbia who has made significant contributions. Its choice from Alabama is Consuello "Connie" Harper, a former Macon County school teacher and wife of Macon County Commissioner Socrates Harper.

Mrs. Harper, one of 10 children of an illiterate sharecropper, has no use for welfare—a view that has put her at odds with black leaders.

"I'm very anti-welfare, and I've been threatened by civil rights groups that say you don't say these things, that the government does owe us. I don't believe this," she said in an interview Tuesday.

"I've always felt very strongly that from an economic standpoint, there would never be any civil rights unless they were based on economic stability."

Mrs. Harper said she is "really surprised" at being singled out by Newsweek. "I've enjoyed it all. You could say it was my mission."

In 1968, she started the Central Alabama Opportunities Industrialization Center in the back room of a Montgomery pool hall to teach poor blacks and farm workers in 10 counties.

Rejecting the theories of Great Society welfare, she has used state and federal funds to teach more than 10,000 people a trade. Her program's successes have been marked by a job-placement rate of 95 percent and the construction of a $900,000 training center last year across the street from a housing project in West Montgomery.

"The first day I walked into the pool hall and saw everybody high, I knew I had to do something," Mrs. Harper said. "It hasn't been easy, but I don't regret it because all these people are now making contributions."

Among her biggest supporters she counts several Republicans, including Montgomery Mayor Emory Folmar, who arranged $100,000 in city funds for her new building, and state Rep. Bob McKee of Montgomery.

"If we had more like her we'd all be better off. She has gotten thousands off welfare and the streets and turned them into taxpayers," McKee said.

[From the Montgomery Advertiser, July 1, 1987]

STATE HERO HONORED

An Alabama woman who has made a career of teaching the poor how to get jobs and get off welfare is being honored by Newsweek magazine as one of America's unsung heroes.

In its July 6 edition, Newsweek will recognize one person from each State and the District of Columbia who have made significant contributions. The magazine's choice from Alabama is Consuello "Connie" Harper, a former Macon County school teacher and the wife of Macon County Commissioner Socrates Harper of Shorter.

In 1968, she started the Central Alabama Opportunities Industrialization Center in the back froom of a Montgomery pool hall to teach poor blacks and farm workers in 10 counties.

[From the Birmingham Post-Herald, July 6, 1987]

SHE SOWS SEEDS OF HOPE

(By Debbie Kloha)

Connie Harper had been a Macon County schoolteacher for 12 years when she walked out of her classroom the last time.

"I knew those young people didn't need me as much as those kids who dropped out of school," Mrs. Harper said. She then began working to persuade young pool hustlers, prostitutes and drug addicts to get off welfare and join the work force.

Mrs. Harper began the Central Alabama Opportunities Industrialization Center in the back room of a Montgomery pool hall in 1968, and today she oversees a million-dollar job training center that was built with federal, state and local funds.

Mrs. Harper's efforts were recognized this week in a Newsweek magazine article praising the unsung heroes of America. The magazine selected an unsung hero from each state and the District of Columbia based on each one's efforts to improve his or her community or to overcome personal adversity.

"It's very exciting, very humbling to get this (award)," said Mrs. Harper, 57, in a telephone interview last week.

Mrs. Harper, whose father was a sharecropper, learned the work ethic at an early age. She tries to instill this work ethic—and a disdain for welfare abuses—in the young trainees who come to her center.

"Those government benefits are for the needy, not the greedy," Mrs. Harper says.

After a few months of preaching her message of self-help from a back storage room of one of the ghetto pool halls she so despised, Mrs. Harper expanded to a larger room in the Red Bell Cafe in Montgomery.

But she wanted more. That first year she went to former Gov. George Wallace for help.

Wallace was one of the first people in 1968 to donate money. "He pulled $40 out of his pocket and I grabbed it," she said.

She went to politicians all over the state, as well as national figures, stressing the need to build a strong job program in Alabama.

The 16- to 21-year-olds in the program learn how to fill out a job application, how to conduct themselves in an interview, and how to keep a job.

"We tell them the boss may not always be right, but he's still the boss," Mrs. Harper said.

So far this year the center has placed nearly 100 percent of its graduates. Their average starting wage, Mrs. Harper says, is a little more than $4 per hour.

Mrs. Harper's next goals are to help women who want to start their own businesses and to build housing for the elderly. She has applied to HUD for 30 housing units for the elderly, and expects a response by the end of September.

But for now, Mrs. Harper leaves no doubt about what her mission is.

"We want kids who want to be helped," she said. "We are motivating (them) by changing their attitudes.

"I tell them, 'No one owes you anything but an opportunity.' "

[From the Alabama Journal, June 30, 1987]

NEWSWEEK HONORS HARPER AS 1 OF NATION'S 51 UNSUNG HEROES

(By John Jackson)

A Shorter woman who has been teaching Montgomery's poor how to get and keep jobs for almost 20 years is being honored as one of 51 unsung American heroes in the July 6 edition of Newsweek magazine.

Consuello "Connie" Harper started the Central Alabama Opportunities Industrialization Center in 1968 in the back room of a pool hall in Montgomery to teach job skills to poor blacks and farm workers in 10 counties.

Now more than 10,000 people have been trained at the center, which has such an effective placement program that almost 100 percent of the people who attend classes at the center have gotten jobs.

Newsweek's "Celebration of Heroes" honors 51 Americans, one from each state and the District of Columbia. But the magazine also salutes "countless individuals across America who are similarly trying to improve their communities or help those less fortunate than themselves," according to a Newsweek press release.

Each of the honorees was chosen for "struggling against personal hardship or adversity," for "extraordinary courage to help others" and for performing "community service at some sacrifice to themselves," according to Newsweek.

"I'm really very surprised," Harper said in an interview today. "I've enjoyed it all. You could say it was my mission."

Harper, whose father was a sharecropper, grew up in a family of 10 children.

She attended Tuskegee Institute. Her husband, Socrates Harper, is also a Tuskegee alumnus.

Both became teachers, and her husband is now retired and a Macon County Commissioner.

She taught in Macon County schools for 12 years before starting Central Alabama OIC.

When she started the program, she taught job skills to the underprivileged in a pool hall, a beauty shop and churches.

Former Gov. George Wallace was one of the first people to donate money to the center.

"The first day I walked into the pool hall and saw everybody high, I knew I had to do something," Harper said. "It hasn't been easy, but I don't regret it because all these people are now making contributions."

The center's new building on Mobile Road opened last summer.

At the center, young people ages 16 to 21 are taught job survival skills, including how to fill out a job application, how to have an effective interview and how to keep a job after they've gotten one.

Harper was one of 10 Montgomery women chosen in March for the 1986 Women of Achievement Awards, sponsored by The Montgomery Advertiser and The Alabama Journal.

[From the Montgomery Advertiser, July 1, 1987]

NATIONAL HONOR

Consuello "Connie" Harper, the Shorter woman who has been teaching job-seeking skills to Montgomery area poor people for almost two decades, is receiving national recognition for her efforts.

Mrs. Harper, who was one of 10 Montgomery women who received in March a Montgomery Advertiser Women of Achievement Award, will be honored as one of 51 unsung American heroes in Newsweek magazine's July 6 edition.

More than 10,000 people have been trained at Mrs. Harper's Opportunities Industrialization Center. The operation which she began in the back of a Montgomery pool hall in 1968 teaches how to complete job applications, interview skills and job-retention techniques.

The center now has a new building on Mobile Road in Montgomery.

Newsweek chose an honoree from each state based on each one's effort to improve communities and help those less fortunate. Harper grew up in a family of 10 headed by a sharecropper, became a teacher, and worked in Macon County schools for 12 years before she started Central Alabama Opportunities Industrialization Center.

The job placement rate for OIC's 16 to 21-year-old clients has been near 100 percent.

Mrs. Harper richly deserves the national honor. Montgomery should be proud of her work to make useful, working citizens of a generation of young people who otherwise might never have become productive residents of the city.

WALLACE'S GIFT HELPED WOMAN START JOB PROGRAM

(By Nick Lackeas)

It was drizzling rain outside as Connie Harper waited in the small corridor to see the governor.

It was a Friday afternoon, former Gov. George C. Wallace's last working day. She had come to say goodbye.

An aide appeared in the doorway, wheeling Wallace into his office. He stopped.

"Good to see you, Connie," Wallace said, smiling. He took her hand.

Harper replied: "I just wanted to holler at you, darling."

They chatted and then she watched, her eyes moist, as Wallace was wheeled away.

Wallace had given her the first $40 in donations in 1968 to start a program to help train black dropouts how to get and hold jobs. A few years later her program became the Central Alabama Opportunities Industrialization Center Inc., of which she is founder and executive director.

Other donations followed, including $35,000 Wallace gave her in the early 1970's at the national OIC conference in Atlanta, prompting her to kiss him on the cheek—a kiss that northern blacks criticized her for when the picture ran in newspapers across the country.

Harper refused to apologize. Her governor was her friend.

A decade later in 1985 she built her school on Mobile Road from donations.

The building was the dream of Harper, who was born Consuello Jenkins in Baldwin County and grew up in Loxley. Her parents, John Wesley Jenkins and Amelia Taylor Jenkins, were sharecroppers who later owned their land.

Her father arrived in the county when the century was young. He was running away from a plantation in Sugar Lock, Miss.

"That was down in the delta. The white land owners had other blacks catch you and whip you if you tried to leave. They would gang-slang you—whip you with chains. There were 10 of us children. My father told us how they beat him and threw him on a train."

He was thrown off the freight train in Baldwin County.

"He was found in the woods by Mr. Malbis, a Greek immigrant," she said. Jason Malbis, a Greek Orthodox monk, had come to Mobile in 1906 and started the Malbis Plantation across the bay near Daphne.

"Mr. Malbis sneaked food to my father and built a little shelter in the brush for him until he got his strength back."

It was dangerous to aid a black runaway.

"I remember putting my hands on the big whelps on his back where they had whipped him with the chains. He said: 'You are never to hate people for this.' "

Her father died when she was 5, and her mother ran their farm.

In the early 1950s, Harper attended Tuskegee Institute, where she met her husband, Socrates Harper. They both became teachers. She taught third and sixth grades in Macon County for 12 years, quitting in 1968 to drive to Montgomery every day to help black dropouts.

"I started out on Monroe Street, talking to pimps, prostitutes and winos."

She talked to blacks on "the streets" until a pool hall manager let her use the back room for self-help classes. She later used other locations, such as Dexter Avenue King Memorial Baptist Church and Dorothy's Beauty Shop on Monroe Street.

That first year she went to Wallace for help.

"He was not governor then, but he had an office on Norman Bridge Road. The receptionist wouldn't let me see him, but he overheard me and said, 'I'll see her," He gave me two $20 bills. He said it was the last $40 that he had with him. That was my start."

[From the Montgomery Advertiser and the Alabama Journal, Mar. 22, 1987]

TEN WHO HELPED SHAPE OUR COMMUNITY

"Beyond the norm."

That phrase, used in letters from Montgomery Advertiser-Alabama Journal Publisher Dick Amberg when announcing the newspapers' 10 Women of Achievement for 1986, describes the single similar element among that diverse group.

The honorees are Ellen I. Brooks, Mary Ann Neeley, Nellie Weil, Alice Reynolds, Joyce Hobbs, Margaret Carpenter, Arthur Mae Norris, Connie Harper, Faye Baggiano and Anita Folmar.

While they often represent the best in their particular business or interest, they were chosen because they went "beyond the norm."

They are educators, lawyers, volunteers, public servants and businesswomen. Many of them are mothers and wives. During interviews with Montgomery Advertiser staff reporters, several themes recurred as they discussed what makes them successful. In many cases, they also explained why they are willing to work 10 and 12 hour days each day to see that the Montgomery community is all it can be.

One of the winners says, "It would be a mistake to ever be satisfied."

A second is often strained by the demands on her, but doesn't believe in "closing doors."

A third agrees that being an achieving woman is a draining task, but said the personal rewards and the benefits for the community are worth it. "Everything you do in life prepares you for something else later," she said.

Perhaps the best indicator of why the Advertiser-Journal's Women of Achievement have been winners in all facets of their lives comes in a comment from one of the 10:

"When you help your community," she said, "you help yourself."

To find out more about this year's honorees, please see pages 6G and 7G.

[From the Montgomery Advertiser and Alabama Journal, Mar. 22, 1987]

CONNIE J. HARPER: INSTRUCTOR IN SELF-HELP

(By Amy Herring)

It was shortly before 9 a.m. on March 17 and Connie Harper was trying to help an unemployed, 18-year-old Lowndes County mother who couldn't depend on the luck of the Irish to find her a job.

Harper ricocheted through the Opportunities Industrialization Center and silenced an employee who was trying to explain that the woman had no transportation to Montgomery and no one to keep her baby while she went on the job interview.

"We'll just have to go and get her, and tell her she can keep her baby here," Harper said. "Call and tell them she is coming, but will be a little late. She has no visible means of support. She needs this job."

Consuello "Connie" J. Harper has changed little since 1968, when she began teaching and preaching self help to blacks from a smoke-filled pool room on the corner of Monroe Street.

"I was telling the drunks, the pimps and the winos they could be somebody—that they didn't have to be prostitutes, they didn't have to be on welfare," the 58-year-old Harper said.

In the middle of the 1969 school year, Harper's obsession with finding work for others led her to quit her Macon County teaching job.

"My husband thought I was crazy—we had two small children to feed," Harper said. "But I knew I either had to quit or get fired because the superintendent in Macon County didn't agree with my philosophy."

Harper said her lucky day came during a downpour when the sympathetic pool hall owner allowed her to use a cluttered storage room, which she later transformed into an office.

Harper then faced her second problem—money.

The year was 1969 and, in what was considered a useless if not dangerous move, Harper decided to visit former Gov. George C. Wallace. At the time, Wallace was between terms and gearing up for what would become one of the most racially divided gubernatorial races in the state's history.

Wallace saw Harper and said he understood her dilemma, but he explained that he couldn't help OIC because he wasn't in office.

Harper persisted, and the governor dug into his own pockets and gave her $40.

When Wallace returned to office in 1970, Harper made another visit.

"And from that day on I was able to get appropriations," Harper said.

Harper's dream came true last year when the Consuello "Connie" J. Harper Complex of the Central Alabama Opportunities Industrialization Center, Inc. opened its doors.

"This was my dream," Harper said as she gave a guided tour of the multipurpose center, pointing proudly to certain areas much like a grandmother showing pictures of her grandchildren.

The center, according to Harper, would not have been built without the support of local, state and federal officials.

The Alabama OIC, with or without the complex, is a success story that often goes unnoticed in a society where people would rather talk about the number of winos loitering at the pool hall than the number of kids for whom Harper and OIC have found a job.

Currently, the center's success rate stands at 98 percent, one of the highest in the nation and significantly higher than any other similar program in Alabama.

JESSE COOKE

Mr. DOLE. Mr. President, in 1938 Congress passed the Javits-Wagner-O'Day Act to provide employment opportunities for blind, multihandicapped blind and other severely handicapped individuals throughout the United States. This program still continues and provides many individuals who either cannot work competitively or who require a transitional work environment before moving into competitive employment an opportunity to test their skills and gain some measure of self-sufficiency.

Each year the national industries for the blind, a central nonprofit agency for workshops participating in the Javits-Wagner-O'Day Program, selects one outstanding blind worker as the Peter J. Salmon National Blind Worker of the Year.

This year I am happy to announce that Mr. Jesse Cooke of Wichita, KS has won the award. Mr. Cooke presently works at Wichita Industries and Services for the Blind, Inc. where he helps assemble over 45 varieties of pens, and binds and boxes paper towels. Mr. Cooke became blind during his teenage years because of hydrocephalus. Jesse had to battle back from the results of the hydrocephalus and the subsequent surgeries. Because of his personal courage and the support of his loved ones and colleagues at the Wichita facility today he is a highly productive and motivated young man who is working his way into competitive employment.

Jesse is now married and very active in his local church where he and his wife, Diane, help when they can. They especially enjoy Saturdays and Sundays when they have a chance to babysit children whose parents are volunteers in other church activities.

While recognizing Jesse I cannot forget Linda Merrill, president of Wichita Industries and Services for the Blind, Inc., and her staff and the other employees of the facility who worked hard to help Jesse become the young man he is today. Their continuous care and concern for Jesse and all the Jesses of the Wichita area have made a difference.

UNIVERSITY OF NEVADA SCHOOL OF MEDICINE

Mr. HECHT. Mr. President, the University of Nevada School of Medicine is a young, dynamic institution which offers diverse educational opportunities to Nevadans. The school conducts premiere scientific investigations, contributing to the quality of health care delivery in Nevada. The Medical school works with State and private agencies to enhance the overall quality of health care delivery in Nevada and the overall quality of life of Nevada's citizens.

With a visionary look to the future, the School of Medicine had developed progressive programs in nutrition and geriatrics and has incorporated the teaching of ethical decision making into many aspects of its curriculum. On the scientific front, the school has gained a national reputation for its faculties work in smooth muscle physiology and pharmacology and in virology and immunology. The school offers the State's only program in speech pathology and audiology and has a well developed program in medical technology.

Nevada's School of Medicine is proud of its affiliations with hospitals statewide. These hospitals provide the clinical resources necessary in planning high-quality, diverse educational opportunities.

Its students are the school's greatest resource. They are capable, talented men and women who have demonstrated not only their academic talents but also their ability to relate to people as compassionate care givers. It is this releationship—the doctor/patient relationship—which the University of Nevada School of Medicine sees as tantamount in the preservation of medicine as the noblest and most exciting of all professions.

FEDERAL TRIANGLE DEVELOPMENT ACT

(Note: In the Record of August 3, 1987 on page S11174, the name of Mr. Gramm was inadvertantly listed as cosponsor of the committee substitute for S. 1550, the Federal Triangle Development Act, in lieu of the name of Mr. Graham. The permanent Record will be corrected accordingly.)

Mr. SANFORD. Mr. President, I think the order now is to proceed with the nominations.

Mr. LEVIN. Then I think we had better put in a quorum call.

Mr. SANFORD. I have a remark or two to make while we are getting the necessary parties here.

The PRESIDING OFFICER. The Chair recognizes the Senator from North Carolina.

Mr. SANFORD. Mr. President, I ask unanimous consent that I be permitted to proceed as in morning business.

THE PURSUIT OF PEACE

Mr. SANFORD. Mr. President, we have heard this week of a new Central American peace proposal put forth by the Reagan administration. It is encouraging to see the administration join the call for a negotiated settlement in Central America, and I am hopeful that their involvement will hasten the peace process already underway.

It is essential, however, that we not divert our attention and our support from the important peace initiative that the Central Americans themselves have launched and are actively pursuing. This peace process will advance tomorrow, as the five Central American Presidents hold a summit meeting in Guatemala City, Guatemala. I am firmly convinced that this initiative is our best hope for peace in the region. It deserves our complete and unwavering support.

The Arias initiative has already had its first success: it has brought the Nicaraguans to the diplomatic table. The United States spent 5 years and hundreds of millions of dollars in aid to the Contras, with the ostensible purpose of pressuring the Sandinistas to come to the negotiating table. Now they are there.

Earlier this year, President Oscar Arias of Costa Rica, came forward with a peace initiative, one that calls on his Central American neighbors to join together to seek a regional solution to their regional problems. Now, only a few months later, the Nicaraguans have come to the diplomatic table. Last week, Nicaraguan Foreign Minister Miguel d'Escoto joined his colleagues for preliminary talks, and tomorrow, President Ortega will join the other Central American Presidents in a summit meeting to discuss the Arias initiative.

Sitting down to talk is a long way from reaching an agreement, but it is an essential and much desired first step. That President Arias and the other Central American democracies were able to achieve this crucial first step is much to their credit. They have done in a matter of months what a purely military policy could not achieve in years.

This initial progress has further convinced me that the Arias plan can work, that it can succeed where other initiatives have failed. Why? First and foremost, because it is an indigenous Central American initiative. The Central Americans themselves have taken charge of their own destiny and are working to resolve their own conflicts.

Frankly, their obstacles are large. The roots of the conflicts are deep. These Central American leaders must overcome decades of armed conflicts and political struggles. They must resolve tense and difficult questions about the role of the military in society, about amnesty for former combatants, and about competing claims for land, scarce resources, and political representation.

We need to be respectful of the task facing these heads of state. We need to remember that the path to peace is long and rocky, that it requires determination and patience. We hope to see real progress from this week's summit, but we must realize that peace and democracy cannot be achieved overnight. A successful summit is one that establishes areas of agreement, makes real progress toward achieving a cease-fire, and paves the way for further productive talks.

The most important thing that we ask of the Central American Presidents is that they show a sincere commitment to a peaceful resolution of their internal and regional conflicts; that they make their best-faith efforts to achieve the objectives that they adopted in the Arias plan; and that they move forward, without undue delay, to the next phase of the peace process.

I wish the Central American Presidents the best of luck as they undertake their negotiations. I will be watching with great hope for good news from Guatemala.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

Mr. BYRD. Mr. President, I ask that morning business be closed.

The PRESIDING OFFICER. Without objection, morning business is closed.

EXECUTIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now go into executive session to proceed to the consideration of the nomination of David S. Ruder of Illinois to be a member of the Securities and Exchange Commission.

Time for debate is limited to 1 hour and is equally divided between and controlled by Senator Proxmire and Senator Garn.

SECURITIES AND EXCHANGE COMMISSION

The PRESIDING OFFICER. The clerk will report the nomination.

The legislative clerk read the nomination of David S. Ruder, of Illinois, to be a member of the Securities and Exchange Commission.

Mr. PROXMIRE. I yield myself 3 minutes.

Mr. President, David Ruder was born and grew up in Wisconsin. He is in Illinois temporarily, for the present.

But I oppose the confirmation of the nomination of David Ruder to be Chairman of the SEC, and here is why:

Mr. Ruder brings to the office no record of administration of any Government agency or any private business. He was the dean of a fine law school at Northwestern University. He has written with impressive understanding about the securities laws. He has taught securities law at the Northwestern University Law School. He is an academic and a very good one.

The SEC is the country's principle enforcement agency with respect to the Nation's securities markets. Insider trading and securities fraud plague our securities markets today more severely than any time in the past 50 years. The success of our capital markets relies squarely on the public perception of their integrity. The obvious public perception today is that fraud and deception driven by manipulative hostile takeovers and insider trading are rife. Officials of some of the country's most respective and prestigious securities firms have been led off to prison in handcuffs. We have seen those pictures on the front page of the New York Times. The evidence indicates that our capital markets are awash in securities crime.

A scholarly professor of securities law with little or no experience in the capital markets in any capacity would have trouble restoring public confidence in the market under any circumstances. But when that professor brings to the chairmanship in this year 1987 no record of any concern about securities fraud or the abuses involved in insider trading, it is impossible for this Senator to vote to confirm his nomination. What the SEC needs as Chairman is a tough, no nonsense enforcer. A law professor who had demonstrated support for vigorous enforcement would deserve consideration. But a professor who has written about the securities laws for years without expressing support for vigorous enforcement will not have this Senator's confirming vote. Indeed, Mr Ruder has criticized the SEC for being too zealous in their enforcement. This is not the kind of enforcement chief we need under the present circumstances, and I will vote to oppose the nominee.

I must say, in all fairness, that his nomination was reported by our committee with a 17-to-3 favorable vote. I was in a small minority; but, as I believe John Steward Mill once said, "One in the right is a majority." Some people say that one in the right who is wrong is, I guess, a nut. But in this case I am sure I am a majority. I will let it settle right there.

Mr. GARN. Mr. President, I support David Ruder for this very important position.

I remind the chairman that he may think he is in the majority now. But in the confirmation hearings for the new Chairman of the Federal Reserve Board, Alan Greenspan, the chairman—as he has always been—was very forthright, very direct, and very honest. In these hearings, he stated that he had voted against Mr. Greenspan to be Chairman of the Council of Economic Advisers but, by looking backward, he had made a mistake.

I have always appreciated in my friend from Wisconsin that when he makes a mistake, he is willing to admit it; and I would expect that in the future, after Mr. Ruder has performed very well, Chairman PROXMIRE will once again have to stand up and say he made a mistake.

I rise to enthusiastically support David S. Ruder, who has been nominated by the President to succeed John Shad as the Chairman of the Securities and Exchange Commission. I believe that a review of Mr. Ruder's academic and professional accomplishments recommend him to the position for which he has been nominated.

The issues confronting the SEC at this point in time are numerous and complex. The Senate Banking Committee, like the SEC, must also grapple with these issues. In the upcoming months Congress will address legislative proposals which will affect battles for corporate control, corporate governance, insider trading and a host of other less publicized issues. The SEC will similarly be faced with increasingly complex regulatory issues, and the decisions made by the Commission are vitally important to our Nation's economic well being. I hope and fully expect that Mr. Ruder will provide Congress with the input it shall need to enact carefully crafted securities legislation and will provide the SEC the leadership which it needs to ensure that the American capital markets are the safest, soundest and most liquid in the world.

We are fortunate to have an individual of Mr. Ruder's caliber make a commitment to public service. I look forward to his confirmation and to his future appearances before the Banking Committee.

Mr. President, I repeat what the chairman has said—that it was a rather overwhelming vote in the committee, certainly a bipartisan vote, 17 voting in favor of his confirmation and only 3 against. I expect that he will do an excellent job in this position, although John Shad's shoes are hard to fill. I think everybody would agree that John Shad had a remarkable record in the 6 years he was Chairman of the Securities and Exchange Commission. I expect that Mr. Ruder will do equally as well.

Mr. PROXMIRE. Mr. President, I yield 5 minutes to the Senator from North Carolina.

IS DAVID RUDER TOUGH ENOUGH TO BE CHAIRMAN OF THE SEC?

Mr. SANFORD. Mr. President, I rise in opposition to David Ruder's nomination to be Chairman of the Securities and Exchange Commission. I have entitled my statement "Is David Ruder Tough Enough to be Chairman of the SEC?" While Mr. Ruder does have respected academic credentials and an extensive record of publications on the securities laws, he is simply not the right person for the SEC in this era of rampant hostile takeovers and constantly unfolding scandals of insider trading.

Indeed, before January 1984, there had been only 12 insider trading cases brought since our securities laws were written. But since January 1984, over 50 insider trading prosecutions have been brought, and we are told that this is only the tip of the iceberg. At a time when insider trading has become so widespread on Wall Street, we need to bring to the helm of the SEC someone with a clear record of commitment to tough enforcement of our securities laws.

But what do we find when we examine David Ruder closely? We find a man who has written numerous articles criticizing the SEC for its "zealous" use of rule 10(B)(5), the principal legal tool used to attack securities fraud. We find a man who has criticized the SEC for its use of the "misappropriation theory," which provides a cause of action based on a misappropriation of the proprietary information of a corporation. This misappropriation theory has been the key to some of the prosecutions of impermissible insider trading. We find a man who, when asked whether he would support U.S. Attorney Rudolph Giuliani's recommendation that stiffer sentences and harsher fines be imposed for insider trading, states that the current 5 year maximum sentence is "a long sentence by white collar crime standards."

Certainly, at a time when the SEC desperately needs a strong enforcer, the White House has instead put forward a man whose commitment to enforcement can only be called wanting.

And what do we find when we examine Mr. Ruder's views of the takeover mania that has been sweeping the country? We find a man who thinks it is acceptable to place corporations in so much debt that they cannot fund research and development activities or capital improvements essential to keeping our industries competitive, leaving thousands of workers out of a job, and stealing funds from their pensions. We find a man who believes that if the price per share is up, all must be right with the world. We find a man who favors virtually no change to our takeover laws, who when asked about the huge short-swing profits made by raiders like Boone Pickens and Carl Icahn replies that they deserve to make millions, even in unsuccessful bids, for their part in identifying corporations whose stock may be undervalued in the market. That is a high fee for identifying something that any junior accountant can see.

Indeed, our prime concern must be with Mr. Ruder's philosophy. He clearly lacks a broad view of our corporate world. He appears to believe that the only rights that need to be considered are those of the shareholder. That view is no longer legally valid or realistic, if it ever was. It is quite clear that corporations and the capital markets surrounding them serve a broader purpose than enriching the shareholders. Corporations have a responsibility to a wide constituency—employees, customers, the communities in which they are located, and the competitiveness of corporate America. They serve, and are, the financial backbone of the country.

Dean Ruder is a splendid gentleman. He has an excellent reputation in the academic world. He was considered to be a very fine law school dean. I liked him very much on first meeting him, and I have great respect for him. But he is not the man for the job. We need a tough and activist SEC Chairman.

I do not expect his nomination to be rejected. I certainly have not intended to mount an all out effort to defeat his appointment, but I do hope he will reexamine his stance on insider trading and takeovers. And I would be very happy, as the ranking member of the Banking Committee suggested, to admit that I am wrong. I hope I do turn out to be wrong. I hope he does reexamine his stance. I hope he does take an up-to-date view of the corporate world.

At a time when our capital markets are damaged by ever unfolding stories of insider trading, and our corporations as a result of unwarranted takeovers are increasingly transferring equity to debt, the SEC and corporate America deserve a tougher Chairman. We need a Chairman willing to protect this Nation's businesses from the ravages insider trading and hostile takeovers have wrought.

Thank you, Mr. President.

I yield.

Mr. PROXMIRE. Mr. President, I yield 5 minutes to the Senator from Alabama.

The PRESIDING OFFICER (Mr. HARKIN). The Senator from Alabama is recognized.

Mr. SHELBY. Mr. President, I rise today to ask my colleagues to support the nomination of Mr. David Ruder as Chairman of the Securities and Exchange Commission.

Mr. Ruder, I believe, and it is unquestioned, has excellent academic credentials, and I am impressed with his theories and a lot of his writings concerning the regulation of securities trading. He is a man of unquestioned integrity. He has a brilliant academic record. As the former dean and now a professor at Northwestern Law School in Chicago, he is well respected in his field. I believe that he will bring to the Securities and Exchange Commission some new blood and some new ideas.

But, as he said in the Banking hearings when we had hearings on his confirmation before the Banking Committee that I serve on with some of my colleagues who have just spoken here, he will vigorously pursue the insider trading scandals that have crowded Wall Street in the past several years. He also said he will work vigorously with the U.S. attorney who has done a tremendous job in ferreting out a lot of these abuses here.

I believe that Mr. Ruder, although he has big shoes to fill, can fill these shoes and that he can show that you can adapt some practicality to a lot of the theories that he has been teaching.

I believe that the SEC led by its Chairman has to be the dominant force in enforcing insider trading and other securities laws.

I trust and I believe by my support of Mr. Ruder that he will bring this new dimension an added dimension to the Securities and Exchange Commission because of so many problems that are going on in the securities field.

I urge my colleagues to join me in confirming Mr. Ruder.

I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. GARN. Mr. President, I am happy to yield 7 minutes to the distinguished Senator from Tennessee.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. SASSER. Mr. President, I thank my friend from Utah and the ranking member of the committee for yielding to me.

Mr. President, as a member of the Securities Subcommittee of the Banking Committee, I rise today in opposition to the nomination of David Ruder to be Chairman of the Securities and Exchange Commission. I believe that Mr. Ruder's nomination to be our top securities regulator is quite clearly grounded in his laissez-faire ideology.

Prior to Mr. Ruder's nomination, there was considerable discussion about other candidates. It is my view this Mr. Ruder emerged as the leading candidate and ultimately got the nomination because he was viewed as the one who was less inclined to use the regulatory authority of the Securities and Exchange Commission.

Mr. President, I believe that a man who propounds such a laissez-faire ideology is simply not right for this particular job at this time.

There are two major issues before the SEC today: They are insider trading No. 1, and No. 2, corporate takeovers. On both of these critical issues Mr. Ruder is simply off the mark.

As we all know and as the distinguished chairman of the Banking Committee has so eloquently stated here this afternoon, Wall Street is currently beset by the most massive insider trading scandal in the Nation's history. The U.S. attorney in New York, Rudolph Giuliani, who is prosecuting the insider cases, and was thought to be a candidate for the Chairmanship of the SEC, believes that the scandal is much, much more pervasive than the indictments to date indicate. He advocates a drastic increase in penalties for insider trading violations as a deterrent to future insider crimes.

As Chairman of the SEC, Mr. Ruder will have direct responsibility for the SEC's enforcement action on insider trading. Yet, Mr. Ruder has told the Banking Committee that he believes that existing penalties are sufficient and that additional deterrents simply are not necessary, to use his words. Even more disturbingly, Mr. Ruder has written in ideological opposition to the legal theory on which the SEC has based many of its recent insider trading cases. I ask my colleagues at this time in history is this man the best choice to be our Nation's top securities law enforcer? I think not.

What about the question of corporate takeovers? The most important aspect for Mr. Ruder is that as far as he is concerned corporate takeovers result in shareholders being paid a premium price for their stock.

He maintained before the Banking Committee—and I think a fair reading of the transcript will indicate this—that all that matters is profit to the shareholders because a corporation's only duty is to its shareholders.

He does not consider the devastated communities, the layoffs, the debt, and the truncated research and development programs that have become commonplace as a result of corporations to either fight off takeovers or as a result of the actual takeover, attempt to be successful.

Mr. President, I would submit that Mr. Ruder's view of corporate takeover simply does not make policy sense, nor does it make legal sense. It has long been accepted and well settled in American law that corporations have a duty to others besides their shareholders. The Supreme Court held in the 1978 case of First National Bank of Boston versus Bellotti that "Corporations * * * are created by the State as a means of furthering the public welfare." That is their reason for being.

Indeed, in a celebrated case involving Wrigley Field in Mr. Ruder's hometown of Chicago—and I dare-say, as a distinguished dean of the Northwestern Law School, he referred to this case in his courses—a court upheld a decision of the corporation that owned the Chicago Cubs baseball team not to install lights at Wrigley Field. And why was the Cubs decision upheld not to install lights at Wrigley Field, even though it was shown that the shareholders of the corporation would have benefited by the income that night games would bring to the Cubs corporation? Because the directors of the corporation thought that the neighborhood, in their view, a constituency of the Chicago Cubs Corp., would deteriorate and would be harmed if the lights were installed. The court said, in what is considered one of the leading corporate responsibility cases, that it was appropriate to consider the corporation's duty to its community.

Mr. President, I submit that Mr. Ruder would do well to heed the reasoning of such cases. National security policy, in this Senator's view, should not be driven simply by stock prices. Clearly, the rights of shareholders do matter and they matter greatly. But communities have rights also, and so do employees and so do pensioners. Indeed, the country as a whole has an interest in the health, the vitality, and the competitiveness of our corporations. Corporations in this country control the lion's share of the means of production. They determine how effectively this country is going to compete, both domestically and internationally. They determine how well our economy will function and, in the final analysis, in large measure, they determine the quality of life of our citizens.

Yet, in the last 2 years, corporations have added almost 400 billion dollars' worth of debt, largely as a result of takeovers. Over the same period, Business Week, a noted business magazine, estimates that takeovers have resulted in 500,000 jobs being lost. Indeed, Dr. Alan Greenspan, the new Chairman of the Federal Reserve Board, among other noted economists, has expressed concern about the number of well-managed companies that have been subject to takeovers and about the enormous debt that that is building in the economy.

To think that takeovers are beneficial simply because stockholders are benefited with a high price for their stock, I think, obviously ignores the other effects of takeovers—effects that courts say should be considered in the context of good corporate governance; effects that certainly should be considered in the context of prudent national policymaking. To dismiss the broader issues and hide behind the so-called deficient market theory on stock prices indicates an ideological bent, a worshiping at the altar of the free market concept, that is not in keeping with what the times demand, and certainly is not in keeping with the mandate of the Securities and Exchange Commission.

The Williams Act, the Federal securities law governing the tender offer process, has been subject to much abuse in recent years. The Senate Banking Committee currently is considering reform legislation. But Mr. Ruder testified in opposition to nearly every provision of the takeover bill that is cosponsored by 10 members of the Banking Committee.

Mr. President, we need to send a strong signal to the administration and to the Securities and Exchange Commission that we are serious about legislating a takeover bill and, after we legislate it, seeing that it is enforced.

Even more importantly, we need to send a signal that Congress is serious about the enforcement of our existing securities laws. Public confidence has been seriously shaken by both the insider trading scandals and the takeover craze that have swept the corporate world. What we need now is rigorous enforcement by the Securities and Exchange Commission and not laissez-faire, do-nothing policies.

Mr. President, it is the perception of many of my colleagues on the Banking Committee that Mr. Ruder was chosen for ideological reasons. He was nominated because he agrees with the hands-off approach of this administration to hostile takeovers.

Mr. President, there is no doubt that Mr. Ruder is a distinguished scholar, that he does have superior academic credentials, but he was nominated primarily because of his ideology that dictates that he be a laissez-faire head of the SEC. And that is precisely the reason that I feel compelled to vote against him.

Mr. President, I yield the floor and I thank the distinguished chairman of the committee and the ranking member.

Mr. D'AMATO. Mr. President. I rise to support enthusiastically David S. Ruder as a nominee to the position of Chairman of the SEC. He will come to the SEC at a time when insider trading cases are threatening public confidence in Wall Street and Congress is considering new legislation that would impede corporate takeovers. He will also be asked to provide leadership during the Commission's consideration of a myriad of complex regulatory matters including, among others, one share/one vote, the internationalization of the securities markets and the structure of our own securities and options markets.

While the Commission will face many issues during Mr. Ruder's tenure, the Commission's most important function is to maintain investor confidence and safe and sound securities markets. These twin goals can be best accomplished through vigorous enforcement of the antifraud provisions of the Federal securities laws rather than through the promulgation of new rules and regulations. The vigorous prosecution of the antifraud sections of the securities laws—especially insider trading—was the hallmark of the SEC under John Shad's stewardship. I hope Mr. Ruder will share his strong commitment to come down with hobnail boots on fraudulent activity because John Shad's boots will be hard to fill.

I stress the enforcement aspects of the SEC because, quite frankly, his detractors have been critical of him for seeming to be less than a regulatory Rambo. Incidentally, these same critics voiced the same concerns about John Shad prior to his confirmation. I think such criticisms may be unfair in light of his distinguished academic and professional careers. I believe a fair reading of his prolific legal writings would lead any reasonable reader to conclude that he will be tough on those who seek to undermine the securities markets of this country. Hopefully he will continue to promote the tough cop image of the SEC.

Mr. PROXMIRE. Mr. President, I yield 5 minutes to the Senator from Michigan.

Mr. RIEGLE. Mr. President, I rise as the chairman of the Securities Subcommittee of the Banking Committee, and so I have given this nomination considerable thought, as my colleagues who have spoken have, as well.

During the Senate Banking Committee hearings on David Ruder's nomination, three Senators—Senator PROXMIRE, Senator SANFORD, and Senator SASSER—all expressed serious misgivings about the confirmation of Mr. Ruder as the Chairman of the SEC and voted against his being confirmed. Their concerns fall into two categories.

First, Mr. Ruder has virtually no enforcement background at a time in the Commission's history when the Commission needs a very knowledgeable and tough cop on the beat.

Second, on the subject of corporate takeovers, with both the securities industry and the corporate community each telling us that legislation is needed in this area, Mr. Ruder has taken a hard line that nothing should be done expcept to close the 10-day window period. Even the opposing sides on this issue are agreed that more than that should be done.

And I must say that personally I am concerned that when he was asked his views on Glass-Steagall and whether or not he supported allowing banks additional securities powers, he had no views whatsoever on that subject.

So I share many of the reservations that have been expressed by Senators PROXMIRE, SANFORD, and SASSER as well as other Senators who have spoken with me about the confirmation of Mr. Ruder to be the Chairman of the SEC at this very important time in its history.

Weighing these things and other things which I will shortly mention, I, nevertheless, reached the judgment to vote for Mr. Ruder in committee. I have sought to have this nomination brought before the full Senate today before the recess and I plan to vote for him today. I do so for a number of reasons.

Most importantly, the Commission badly needs a Chairman at this time to give the agency greater direction. There are simply too many important issues before the Commission to have the SEC without a sitting Chairman.

Furthermore, Mr. Ruder is an eminently qualified, highly regarded securities law professor. People may legitimately agree or disagree with his views on certain policy issues. I find myself in disagreement with some. But I think it is fair to say that his intelligence and his integrity are well recognized and widely respected.

As chairman of the Securities Subcommittee I believe that I will be able to work well with Mr. Ruder over the next year and a half on issues which we both recognize are extremely important and may include, first, preparation for regulatory initiatives to meet problems associated with internationalization of the securities markets; second, vigorous enforcement of the tender offer laws now on the books and any new ones that might be added; third, vigorous enforcement of insider trading regulation; fourth, increased protection for broker-dealer customers; fifth, continuation of a strong and effective disclosure system, including implementation of EDGAR, and there are others that I might list.

Finally, I have introduced, together with Senator D'AMATO, S. 1380, the Insider Protection Proscription Act of 1987. Tomorrow we are holding additional hearings on this subject during which the SEC will testify and submit their views officially.

The next step will be to work out and incorporate the differences between these proposals.

Mr. Ruder has written in response to a question that I submitted to him at his confirmation hearing, of his concern, and I quote, that "the reach of the law as it currently exists should not be reduced but be expanded in certain respects and that fairness considerations be used."

I share those sentiments of Mr. Ruder's, and I am confident that we can work together within the context of S. 1380 to pass meaningful legislation in this Congress on insider trading; a step that I think is badly needed.

So, for these reasons I plan to vote for Mr. Ruder, and I am glad we are acting on this nomination before the recess.

I yield the floor.

The PRESIDING OFFICER. The time of the Senator has expired. Who yields time?

Mr. GARN. I would be happy to yield such time as the Senator from Illinois desires.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DIXON. Mr. President, I rise in support of the nomination of David Ruder, to be Chairman of the Securities and Exchange Commission. He has been a distinguished professor at Northwestern University Law School since 1973 and was dean of the school between 1977 and 1985. Mr. Ruder has a strong securities background.

He has published over 40 articles on corporate and securities issues, and he has had significant securities litigation experience. He has been a member of the Securities Law Committees of the American and the Chicago Bar Associations, Legal Advisory Committee of the New York Stock Exchange, and the group of consultants to the American Law Institute's Federal securities law project.

In short, Mr. President, David Ruder is well qualified for the position of Chairman of the Securities and Exchange Commission. He has the experience. He has the expertise. And he has the qualities of judgment that are needed to succeed in that very difficult post.

He has an excellent reputation in Illinois and in legal circles generally.

Mr. President, I can say without reservation or hesitation that everyone in Illinois I have talked to about David Ruder enthusiastically supports his nomination.

I share the view expressed by some others that he will make a first-rate Chairman, and I am delighted to be able to support him today on the floor of the U.S. Senate, and I just want to say this briefly in conclusion.

I have heard some of my friends and colleagues I greatly respect expressing concerns about how forceful he will be as Chairman of the SEC.

I want to tell all my colleagues I am satisfied that they will be delighted with the advice of this man as Chairman of the SEC. He has personally told me that he expects to move on insider trader violations with great dispatch, and I support with all the enthusiasm at my command, Mr. President, the nomination of David Ruder to be Chairman of the Securities and Exchange Commission. I yield back such additional time as might have been accorded me, and I thank my colleagues.

Mr. PROXMIRE. Mr. President, I yield 5 minutes to the distinguished Senator from Colorado.

Mr. WIRTH. I thank the Senator for yielding me 5 minutes and appreciate the opportunity to say a few words in support of Dr. Ruder. I do not think anyone in the Chamber is questioning the academic credentials or the integrity of the nominee to be head of the SEC nor does anybody question the fact that this is a gentleman who is an expert in the law. He has worked through a vast number of the securities issues and is obviously a very distinguished scholar.

What we have here is some question about the role that Mr. Ruder apparently believes that the SEC ought to take. I am convinced from my own conversations privately and from the testimony that we received from Dr. Ruder during his confirmation hearings, that this is somebody who will, as he said he would, continue the vigorous enforcement program of the Securities and Exchange Commission.

From our perspective with oversight of the SEC is very good news.

We have had a long-term partnership between the Congress and the SEC in fashioning the direction in which the SEC goes.

In 1981, when the new SEC came in following the election of President Reagan they came and told us they could do more with less. They came in to deregulate and many of us thought that they were in much too much of a rush; they were giving away too much and the Congress came back and said: "Hey, wait a minute." We had the other Commissioners in here and had a discussion of their budgets in 1981 and 1982 and got them back into what I think is a very favorable and productive balance. That is the balance we have now between the changing nature of the marketplace and the traditional commitments to various ways of enforcement at the SEC. I think that balance is serving us well now, and I believe that Dr. Ruder will continue to carry out that mandate which I believe we have given him from the Congress.

Now, the question has arisen, is Dr. Ruder too protakeover.

I think it is very clear from his statement, from his testimony and from his record, that Dr. Ruder believes that his first responsibility is to protect the shareholder. That is, after all, the first and foremost responsibility of whoever is Chairman of the Securities and Exchange Commission. That is the basis and the most important responsibility that anybody at the SEC has.

The SEC was created with the mandate of instilling investor confidence. It started out with the purpose of assuring safety and soundness of our financial institutions. Most importantly, it was started out to assure that investors would believe that the market was honest, that it was a place in which they could safely put their money and they would be given a fair shake. So I believe that is the first and foremost responsibility.

Mr. PROXMIRE. Will the distinguished Senator yield? I hesitate to interrupt the Senator. Maybe he is coming to a second or third responsibility. But would not the Senator agree this is not the only responsibility of the SEC? It has responsibility to the community, employees, customers, and so forth?

Mr. WIRTH. I appreciate the chairman bringing those up. They are responsibilities. But, in terms of the history of the SEC and the charge that we have historically given to the SEC is, first and foremost, shareholder protection.

We are now reviewing other areas where the SEC, like other Federal agencies, also has responsibilities. We are now trying to define, in the legislation which the distinguished chairman of the committee has crafted and of which I am a cosponsor, and to begin to identify what those other areas of responsibility are. It is not always clear what those responsibilities are.

Where there is agreement and where there is clearly defined law, I think Dr. Ruder meets that test and meets it very well.

The Chairman has suggested other areas of responsibility: the impact of what may happen in communities during a takeover battle and what should be the role of the SEC.

What is the SEC's responsibility toward policies of a targeted company? What is its responsibility in looking at the international markets, the changes in the structure of American industry, and how that might impact on our global competitiveness? Should the SEC look at debt structure and its impact upon our ability to compete internationally but also maintain our traditional capital markets?

Mr. President, all those areas—community impact, international marketplace, competitiveness, market structure—are all new areas for review. Mr. Ruder has said he looks forward to a discussion of that but has not made up his mind as to exactly what we ought to do. I think there are very few of us and very few other people who have dealt with this area who have a clear and explicit definition of exactly what they believe the SEC responsibility is today.

Let me make two other quick and final points. One of those relates to Dr. Ruder's reluctance, as I understood his testimony, to get us into precluding within the takeover law what ought to be done on the whole array of defense and attack possibilities. I happen to agree with him that it would be a bad idea for us to try to write each one of these into the law because it would serve to open new loopholes.

I also think we have to be very careful of writing a very specific definition of insider trading. I think it may be preferable to let case law serve as the definition.

A final note, if I might, Mr. President.

I was encouraged by Dr. Ruder's statement that he was very concerned with the Municipal Securities Act. I think he is exactly right in saying so and it indicates his concern about tough enforcement.

The Municipal Securities Act, was a major problem when the WPPS bonds went down some years ago. I believe the distinguished chairman of the committee, at that time the ranking minority member, wrote to the SEC alerting them to the kinds of problems that existed in the municipal securities market. When I was in the other body, Chairman DINGELL and I also wrote.

We have had a recent scandal that indicates a similar problem is emerging in the area of municipal securities.

I was encouraged that Dr. Ruder raised that issue, and I think that indicates that he is not, as some have suggested, a deregulator, but is somebody who aggressively forges ahead.

Mr. President, I hope he will be confirmed today. I look forward to working with him in meeting our responsibilities.

(By request of Mr. BYRD, the following statement was ordered to be printed in the RECORD:)

● Mr. GORE. Mr. President, I must oppose the nomination of Mr. David Ruder as Chairman of the Securities and Exchange Commission [SEC]. Mr. Ruder's appointment comes at a crucial time in the history of America's capital markets—the SEC is currently in the midst of the most extensive investigation into fraud and abuse on Wall Street ever conducted. With insider trading scandals undermining public confidence in the securities market and with Congress considering major legislation in the area of hostile corporate takeovers, the SEC needs a Chairman committed to strong and vigorous enforcement of securities laws.

Throughout his academic career, Mr. Ruder has advocated a narrow definition of insider trading and a hands-off policy toward policing the corporate takeover process. He has criticized the SEC for its ambitious efforts to prosecute insider traders and has recommended abandonment of the so-called "misappropriation theory," one of the SEC's most effective legal weapons against insider trading.

Regarding hostile takeovers, Mr. Ruder espouses the view that shareholder wealth is the only legitimate concern in evaluating the takeover process. While shareholders certainly deserve protection from abusive practices, Mr. Ruder's narrow view ignores the devastating effects hostile takeovers can have on workers and communities and neglects the long-term costs of merger mania, such as staggering corporate debt and lagging research and development.

Thus, Mr. Ruder's philosophy regarding the two most important and urgent securities issues of the 1980's—insider trading and hostile corporate takeovers—is clearly out of step with the demands of today's capital markets. Perhaps more than at any other time in American economic history, we need a person at the helm of the SEC who will take an active role in combating abuses on Wall Street and in the corporate world. While Mr. Ruder's academic credentials are impressive, I must nevertheless join my distinguished colleagues, Senators PROXMIRE, SASSER, and SANFORD of the Banking Committee in voicing my opinion that David Ruder is the wrong man for the Chairmanship of the Securities and Exchange Commission.●

Mr. PROXMIRE. Mr. President, there are no other requests for time.

Mr. GARN. Mr. President, I yield back the remainder of my time.

Mr. PROXMIRE. Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have been ordered.

All time having been yielded back, the question is, Will the Senate advise and consent to the nomination of David S. Ruder, of Illinois, to be a Member of the Securities and Exchange Commission? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Tennessee [Mr. GORE] is necessarily absent.

I further announce that, if present and voting, the Senator from Tennessee [Mr. GORE] would vote "nay."

Mr. SIMPSON. I announce that the Senator from Oregon [Mr. HATFIELD] is necessarily absent.

The PRESIDING OFFICER (Mr. ADAMS). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 81, nays 17, as follows:

[Rollcall Vote No. 228 Ex.]

YEAS—81

Armstrong
Bentsen
Biden
Bond
Boren
Boschwitz
Bradley
Breaux
Bumpers
Burdick
Chafee
Cochran
Cohen
Conrad
Cranston
D'Amato
Danforth
Daschle
DeConcini
Dixon
Dodd
Dole
Domenici
Durenberger
Evans
Exon
Garn
Glenn
Graham
Gramm
Grassley
Hatch
Hecht
Heflin
Heinz
Helms
Hollings
Humphrey
Inouye
Johnston
Karnes
Kassebaum
Kasten
Lautenberg
Leahy
Lugar
Matsunaga
McCain
McClure
McConnell
Melcher
Mitchell
Moynihan
Murkowski
Nickles
Nunn
Packwood
Pell
Pressler
Pryor
Quayle
Reid
Riegle
Roth
Rudman
Sarbanes
Shelby
Simon
Simpson

Specter
Stafford
Stennis
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Weicker
Wilson
Wirth

NAYS—17

Adams
Baucus
Bingaman
Byrd
Chiles
Ford
Fowler
Harkin
Kennedy
Kerry
Levin
Metzenbaum
Mikulski
Proxmire
Rockefeller
Sanford
Sasser

NOT VOTING—2

Gore
Hatfield

So the nomination was confirmed.

Mr. BYRD. Mr. President, I ask unanimous consent that the motion to reconsider be laid on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

The majority leader.

UNANIMOUS CONSENT REQUEST—S. 328

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 132, S. 328, a bill by Mr. SASSER and others to require the Federal Government to pay interest on overdue payments. And why should it not?

The PRESIDING OFFICER. Is there objection?

The Republican leader.

Mr. DOLE. Mr. President, reserving the right to object, and I hope we do not have to object, I would just as soon take up the bill. I think there are two Senators, maybe one on this side, who might be talking, maybe one on the other side, about one amendment. The distinguished Senator from Indiana [Mr. QUAYLE] I think is working with the distinguished Senator from Michigan [Mr. LEVIN] on an amendment, and he indicated to me he does not think there has been enough time to gin up support for that particular amendment. But I have suggested that if he wishes to object that he should do so.

Would it be the intention of the majority leader if there is an objection to move to the consideration of that matter?

Mr. BYRD. It would be my intention if there is an objection, and I hope there will not be—if Senators have problems with amendments this is the place to work them out—in response to the Republican leader I would ask unanimous consent to take up the State Department authorization bill.

The PRESIDING OFFICER. Is there objection?

Mr. HEINZ. Mr. President, reserving the right to object, and I do not intend to object, I would like to ask the majority leader, there are some remarks—and I cannot characterize them totally as brief; they will run between 5 and 10 minutes—I would like to make on a subject unrelated to the bill the majority leader intends to call up, but I would like to make those remarks, if possible, before the debate on that measure begins.

Could that be accommodated?

Mr. BYRD. Yes, I think that could be accommodated. I would like, if we could first, to get something up, and then as soon as we get it up, we will try to accommodate the distinguished Senator.

Mr. HEINZ. I withdraw my objection.

The PRESIDING OFFICER. The Republican leader.

Mr. DOLE. Mr. President, we cannot locate the Senator from Indiana right now. I do not want to frustrate the efforts of the majority leader, but I feel constrained to object at least for the moment.

It is my understanding he is conferring with Senator LEVIN, trying to get together with Senator LEVIN on one amendment. I understand every other thing has been disposed of. There is no objection on either side.

So at least for the time being, I object.

The PRESIDING OFFICER. Objection is heard.

The majority leader.

UNANIMOUS CONSENT REQUEST—S. 1394

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 173, S. 1394. This is the State Department authorization bill.

The PRESIDING OFFICER. Is there objection to the request?

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Republican leader.

Mr. BYRD. Mr. President, I withdraw my request for the moment while the distinguished Republican leader is making some inquiries.

In the meantime, I ask unanimous consent that the distinguished Senator from—where is the Senator from?

Mr. LEAHY. Vermont; the beautiful green hills of Vermont.

Mr. BYRD. Now, where have I heard that before?

The green hills of West Virginia.

Mr. HEINZ. Which are just adjacent to southwestern Pennsylvania; I think that it is probably the other way around.

Mr. LEAHY. Mr. President, if the Senator will let me say, we are getting on dangerous ground when we start talking about those green hills. I recall about this time a week ago, we got into a half an hour discussion about beautiful green hills.

I might tell the distinguished Senator from West Virginia, I have gotten all kinds of mail from people who tell me now their most difficult choice is whether to go to West Virginia, having heard him tell how beautiful it was there, or Vermont, having heard me tell how beautiful it was there.

Mr. HEINZ. The Senator is treading on very dangerous ground because between West Virginia and Vermont is beautiful Pennsylvania.

Mr. LEAHY. I suggest they go to all three, because the States are so beautiful.

I would ask the majority leader if he might yield to me for 7 or 8 minutes for a statement.

Mr. BYRD. Mr. President, I ask unanimous consent that the distinguished Senator from Vermont may proceed for not to exceed 10 minutes and the distinguished Senator from Pennsylvania may proceed for not to exceed 10 minutes and that, in the meantime, if the distinguished Republican leader returns and is able to clear our going to the State Department authorization bill, that I may be recognized to get the Senate on track and then these gentlemen may continue and complete their remarks.

The PRESIDING OFFICER. Is there objection to the unanimous consent request? Hearing no objection, it is so ordered.

The Senator from Vermont is recognized.

Mr. LEAHY. Mr. President, I thank the distinguished majority leader for his usual courtesy and help.

NOMINATION OF ROBERT BORK

Mr. LEAHY. Mr. President, all of us are getting inundated with mail on the nomination of Judge Robert H. Bork to be a Justice of the U.S. Supreme Court, and much will be said about it. But I wanted to make a couple of points before we leave on recess.

For when the Senate returns from its August recess, it is going to turn to one of the most important and most difficult of its constitutional responsibilities. The Senate's consideration of the nomination of Robert Bork is going to test our fidelity to the obligations that the Constitution imposes on us. The American people are going to be watching closely to see that we meet that test.

I am speaking for a limited purpose here today, Mr. President. I am not here to announce how I am going to vote on the nomination. I am not here to try to persuade other Senators on how they should vote. Among other reasons, I do not know how I am going to vote. I have not yet decided.

My purpose is simply to present the views of one Vermont Senator on how the Senate ought to go about performing its constitutional duty with respect to this extraordinarily important nomination.

When the Constitution was written 200 summers ago, the framers of the Constitution intended there to be two players in judicial nominations: the President and the Senate. And they intended very clearly that the roles that they were going to have would be of equal responsibility. The 100 Members of this body, just like the President, have been elected by all the people of this country and all of the people have the right to expect that each of us will approach our role with equal care and equal concern for the importance of the decision at hand.

The President has made his decision. He has played his role in the constitutional drama of selecting a new Justice of the Supreme Court. Now it is time for the U.S. Senate. Our job is neither to rubber stamp the President's choice nor to make the nomination a litmus test of our partisan relationship to the President. Our job is to make our own independent judgment about whether Robert Bork is the right person for this crucial position.

And we must look at a number of factors. Everyone agrees that his professional competence, integrity, and character are important factors. The harder question seems to be whether ones ideology is the proper subject for the Senate's consideration. I believe it is.

It makes no difference to me, as one Senator, whether Judge Bork is Democrat, Republican, liberal, or conservative, how he has voted in past elections, or how he would vote on controversial issues if he were a legislator.

And if by "ideology" we mean the judicial philosophy that Judge Bork would bring with him to the Supreme Court—his approach to the Constitution and to the role of the courts in discerning and enforcing its demands—then we are talking about an issue that goes right to the heart of the Senate's role.

Let us remind ourselves why this question of judicial philosophy is so important. The authors of our Constitution and of the Bill of Rights recognized that certain fundamental liberties cannot safely be entrusted entirely to the good intentions of the legislative and executive branches. For that reason, the drafters and ratifiers of the Constitution established an independent judiciary. They wanted it to serve, as James Madison said, as "an impenetrable bulwark against every assumption of power in the legislative or executive."

Time and again throughout our history, when the other branches of Government were unwilling and unable to protect these fundamental rights, Americans turned to the courts, and ultimately to the Supreme Court, to bring the written words of the Constitution to life.

Mr. President, that essential role of the Supreme Court is the cornerstone of our constitutional system. It has helped to liberate black Americans from the shackles of official segregation. It protects not only the right to vote, but the right to have every vote counted equally. And in cases too numerous to mention, it enforces the constitutional commands that fence Government out of aspects of our private lives in which it has no legitimate business.

The preservation and vitality of this role of the Supreme Court as the ultimate arbiter of our constitutional rights and responsibilities is the standard by which the judicial philosophy of this nominee must be measured.

The President has described Judge Bork as "an intellectually powerful advocate of judicial restraint." Those words "judicial restraint, mean a lot of different things to a lot of different people. What they mean to Judge Bork—how they are embodied in his judicial philosophy—is the issue before the Senate.

All the circumstances leading up to this nomination make it very clear that the President gave great weight to judicial philosophy when he decided to nominate Judge Bork. The President did not just nominate the best lawyer or judge he could find. He made it very clear that he nominated a skilled and experienced lawyer and judge who also happens to be a prominent and forceful advocate of a particular judicial philosophy—a philosophy that President Reagan says he shares.

I have not heard a single convincing argument that one actor in the process of advice and consent may legitimately consider a nominee's judicial philosophy but the other cannot.

The President is perfectly within his rights to consider the philosophy of a person that he nominates. But we, every one of the 100 Members of the Senate, have just as much of a right to consider that same judicial philosophy when we determine whether we are going to consent to this nomination. We are equal partners in it. And if the President wants a particular judicial philosophy in the judges he nominates, the equal partners in this process, the U.S. Senate, can also say we want a particular judicial philosophy in those people we are willing to confirm.

Now, Mr. President, there is a lot to know about Judge Bork. He has written extensively in law review articles and opinions of the court of appeals. In fact, I asked my staff, "Would you please bring me the materials that Judge Bork has written so I can read them?" The 3,000 or so pages that they presented to me changed my recess plans quite a bit. I have already called my wife and said: take that shelf full of books in our farmhouse in Vermont—you know that history of World War I that I keep saying that I am going to read—and clear them out because we have got something that takes up a lot more room and something I am going to have to read.

It is a whole series of binders which are going to be put up in a couple of boxes that will travel with me to Vermont this weekend.

I look forward to the relative quiet of the recess so I can take advantage of the solitude of my tree farm in Vermont and give this critical written record of Judge Bork's judicial philosophy the careful attention it deserves.

Because what I read there will determine to a great deal how I am going to vote on this nomination. I have heard from hundreds and hundreds of people, not only in Vermont but throughout the country. They have written me letters. They have called me on the telephone. They have come up to me in civic and social events in Vermont to offer their views.

All are deeply concerned about the outcome of this confirmation process. Many express opinions that are extraordinarily thoughtful and thought-provoking, and I appreciate their advice. They have given me much to think about that will help me as my own views take shape in the weeks ahead.

The time we choose new Justices of the Supreme Court is a moment which joins the interests of all three branches of the Government established by the people. It is a moment when the guardianship of the Constitution has to be safely conveyed. It is a moment that explains a great deal about the way the American system of government works.

At this moment in history it seems to me that our system is working exactly the way the authors of the Constitution intended.

Of course, the framers could not imagine life in 1987. They could not imagine all the changes in our life, in our laws, in science, in society. The controversy over the nomination of Robert Bork is no exception.

We all have read about the massive war chests that are being raised by both the proponents and opponents of this nomination. America's mailboxes already are filling with the computer printed copies of the call to arms. The proponents inspire their troops with the battle cry that the success of the Reagan revolution depends on the outcome of this struggle. The opponents rally their forces around a banner proclaiming that the fate of decades of expanding constitutional rights and perhaps even those rights themselves hang in the balance.

Well, of course the stakes are high. But I would say to those on one side who say that everything that the President stood for will fall if Judge Bork is not confirmed, and those on the other side who say the Constitution will fall if he is: Wait a minute. Quiet down. Watch the hearings. Listen with the rest of us.

Do what so many of us are going to do during the August recess. Study the record and then rely on the Senate's ability to rise to the occasion.

Of course the stakes are high. This is the most critical Supreme Court nomination in many years. But the Senate's ability to rise to the occasion might be better served by moderating the apocalyptic rhetoric that thus far has played an excessive role in the public debate. As the din of clashing interests reaches an uncomfortable volume, it will get harder and harder to find the space and time for the quiet reflection and searching analysis that is needed if the Senate is to give a responsible answer to the ultimate question: Will it consent to this nomination?

Those clashing interests will be heard. They will be heard in full and fair hearings by the Senate Judiciary Committee. Their advocates will be heard on this Senate floor, where I believe the fate of this nomination ultimately will be decided. But ultimately it will, I hope, be decided on the basis of whether, on all the evidence available to us, the Senate believes that Robert Bork is the right choice for this most important post.

Alexander Hamilton wrote of the constitutional process of advice and consent that "it is not easy to conceive a plan better calculated than this to promote a judicious choice of men for filling the offices of the Union." As I play my part, as 1 of 100 Senators, in the execution of this plan, I will seek to make a judicious choice. Because the post of Justice of the Supreme Court is one of the most important of the "offices of the Union," my responsibility to the Constitution demands no less.

The PRESIDING OFFICER. The time of the Senator from Vermont has expired. The Chair recognizes the Senator from Pennsylvania.

STEEL INDUSTRY PENSION PLANS

Mr. HEINZ. Mr. President, I rise to address an issue that only nominally affects a particular industry, but in fact affects practically every industry. I refer to a crisis that we face today with pensions in the steel industry in this country.

As most people know, the industries have recent financial woes and those financial woes have led, in turn, to serious underfunding in some steel pension plans. As a result, that underfunding is now threatening the future of the Pension Benefit Guaranty Corporation, the PBGC, as we refer to it, an authority, an agency that insures all the ERISA sanctioned pension plans in the United States.

As one measure of the threat to the PBGC, the administration has asked us to raise revenues this year in order to save the Pension Benefit Guaranty Corporation from insolvency and perhaps extinction. Since 80 percent, fully 80 percent of that agency's current deficit, and I might add much of its potential future deficit, comes solely from steel pension plans, I believe the best solution is to tackle the steel pension problems head on. As soon as the Senate reconvenes after the recess that we expect next week, I will introduce legislation that will help the steel industry keep its promises to its own retirees and even more importantly, protect the pension benefit guarantees program of benefit guarantees to other industries.

Steel's pension problems are the direct result of the industry's recent financial troubles. Domestic steel producers have been forced to cut production in response to declining demand and a flood of cheap foreign steel. In the last 6 years, steelmaking capacity has been reduced by 27 percent and steel employment has been cut in half. Over 250,000 steel workers have left the industry since 1981, many of them on early retirement. This huge, unanticipated flow of workers into early retirement has dramatically eroded funding in many of the steel pension plans. Today, more than $6.3 billion in steel pension benefits guaranteed by the Pension Benefit Guaranty Corporation [PBGC] are not funded.

This crisis came to a head last year when two of our largest steel producers—LTV and Wheeling-Pitt—filed for bankruptcy and dumped $2.8 billion in unfunded pension liability on the PBGC—tripling—in 1 year—the deficit the PBGC had been accumulating over its previous 12 years. Let me observe that this could be just the beginning for the PBGC. The steel companies that turned to chapter 11 bankruptcy to cut their costs are blazing a trail that other steel companies may be forced to follow. A bankruptcy filing by just one other steel producer would add another $2.5 billion to PBGC's deficit.

Legislation the Congress is now considering may make this problem worse. The administration has asked us to respond to PBGC's problems by raising its employer-paid premiums and tightening minimum funding standards for pensions. While the latter change may help prevent steel's problems from developing in other industries, they could make matters worse in the steel plans. The former—namely, raising premiums and doubling required pension contributions for the steel companies—could easily force the more troubled companies into bankruptcy. Merely exempting the steel plans from these tougher rules will not improve the funding of these plans. In both cases, PBGC would remain at risk, and we could be back next year trying to double the PBGC premium.

We cannot afford to merely scratch our heads over this problem—we need to tackle it head on. The remaining steel companies have to be given a chance to reduce their costs without going through chapter 11. They need to be encouraged to keep the promises they have made to their workers and retirees. And we need to avoid saddling the PBGC with $6 or $7 billion of steel pension liabilities that will be financed by all the other nonsteel employers in the United States.

The legislation I will introduce next month would provide an opportunity for steel companies to refinance their pension liabilities, meet their obligations to retirees, and stay out of chapter 11. In developing this legislation there are five principles that I have followed, and which I believe any reasonable approach to this problem should follow.

First, as I have said, companies that are going to restructure should be able to do so without having to file for bankruptcy. Bankruptcy requires companies to dump the lion's share of their total liabilities and not just reduce their costs enough to become profitable. It is an all or nothing proposition. All the obligations to retirees and creditors are dumped by companies in bankruptcy and none by others. The least efficient and most financially troubled producers are helped first. The most efficient producers then find it getting harder to compete. Assistance to the companies should be related to their costs and not to the aggressiveness of their bankruptcy lawyers.

Second, any solution should give retirees better benefit protection than they now get in chapter 11. I find the huge cutbacks in retiree benefits absolutely the worst result of a reliance on bankruptcy. Right now, retirees are paying most of the cost of a shutdown when companies go into bankruptcy. As little as one-third of steel retirement benefits may actually be insured by the Federal Government. The rest is owed to the retirees as unprotected health or supplemental pension benefits and is totally at risk when companies go into bankruptcy. A final settlement may leave retirees with only 20 cents on every dollar owed them. To the extent the Federal Government plays a role in restructuring, it should be to help meet these human costs. Retirees should not have to bear the burden themselves for benefits promised by the companies.

Third, any Federal role should cost the Federal Government less—preferably a lot less—than doing nothing. And I must emphasize that doing nothing is expensive. Already two steel companies have dumped over $3 billion in unfunded pension obligations on the financially troubled Pension Benefit Guaranty Corporation. Terminations by two more steel companies would more than double this amount. If more steel companies go into bankruptcy, total costs to the Federal Government could run into the tens of billions of dollars.

Fourth, companies should stand behind the commitments they have made. It is unfair to allow some companies to dump their retirement obligations on the Federal Government and retirees, while others honor their commitments and end up paying for their competitors' pension liabilities as well. Companies that return to profitability should make good on their promises to retirees and not expect someone else to do it for them.

In particular, and above all, any financial aid directly or indirectly supported or subsidized by the Federal Government used to help defray the human costs I have mentioned should be paid back when profits return in the future.

Fifth, companies should not be encouraged to make any adjustments they would not otherwise be inclined to make. Companies will need to weigh the costs and benefits of each of their operations. Federal assistance should help make it possible to restructure where needed. It should not encourage companies to take actions that would not be necessary in the absence of subsidies. The Federal Government's support may enable some companies to make changes they want to make but cannot afford. It should not become an incentive to shut down potentially profitable facilities and lay off workers.

I am now drafting legislation consistent with these principles to refinance the added pension costs that have resulted from steel capacity reduction. In general, the legislation would establish a steel retirement authority that would assume the responsibility for paying special supplemental and shutdown benefits in the steel industry and would be backed by assets, debt or equity from the steel companies. Any supplemental pension obligations created within the last 5 years or within the next 2 in connection with a reduction in capacity in the steel industry could be transferred to the authority. Participating companies would be required to continue paying their normal pension and health benefits to retirees.

Specifically, the steel pension bill would create an authority to receive liabilities for shutdown pensions from steel companies, negotiate agreements with steel companies to annually transfer assets, equity or debt instruments to the authority, create a fund and issue convertible bonds to private investors, and contract with the companies to issue shutdown benefit checks—for which the authority would annually transfer cash to the companies.

Participating companies would transfer liability to the authority equal to the present value of all future "qualified benefit payments" to retirees who began receiving "70/80" or "rule of 65" pensions after 1981 and before a date 2 years after enactment. Qualified benefit payments are: First, the early retirement subsidy portion of "70/80" or "rule of 65" pensions—for the life of the retiree—plus second, the $400 supplements paid to age 62.

The authority would assume the full liability for all future "qualified benefit payments" and would contract with the companies to issue checks to the beneficiaries. The total amount to be paid to beneficiaries would be transferred to the companies over 10 years. Companies would be required to use the money to fund their pension plans. However, companies that have fully funded plans and cannot make additional contributions would be permitted to use the funds for retirement health benefits.

Participating companies would be required to continue operating their pension and retiree health plans and to transfer annually an amount of assets, equity, or debt with sufficient value to cover the annual cash payment to the company. Remaining liabilities will be returned to the company in the event of a chapter 11 filing or the sale or transfer of assets in a shutdown facility.

The authority would annually raise funds to make the cash payments to the company—plus debt service and administrative costs—by issuing shares of a convertible bond fund to private investors. The fund will consist of stock warrants or other equity or asset from the companies and federally backed bonds issued at par but at a rate below the current Treasury rate. The bonds would be redeemed by converting them to company stock as the warrants are called. If all the equity proves valuable, the principal and interest on the bonds would be paid from the fund.

The cost of this plan would be reasonable—far less than the costs we could face from doing nothing. In the worst case—if the whole steel industry defaulted—the cost of this plan to the Federal Government would not exceed PBGC's liability from all steel plans. I estimate that if all steel companies participate, the liability for current retirees would not exceed $3.6 billion and the maximum cash payments would be $500 million a year in any year. There could be some additional cost from shutdowns in the next 2 years. I estimate that this additional liability would not exceed $1.4 billion, at an added annual cost of $200 million.

Mr. President, this is a plan that would protect workers and retirees, help make the PBGC a viable program, and discourage the potentially disastrous use of chapter 11 bankruptcy to restructure the industry. It is a plan that will make the PBGC legislation we will be considering this year workable. I urge my colleagues to seriously consider this proposal and join me in introducing this legislation in September.

SENATORIAL ELECTION CAMPAIGN ACT

The PRESIDING OFFICER. The majority leader.

Mr. BYRD. Mr. President, I call for regular order.

The PRESIDING OFFICER. The clerk will report the unfinished business.

The legislative clerk read as follows:

A bill (S. 2) to amend the Federal Election Campaign Act of 1971 to provide for a voluntary system of spending limits and partial public financing of Senate general election campaigns, to limit contributions by multicandidate political committees, and for other purposes.

The Senate resumed consideration of the bill.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, I hope I can get consent to take up the prompt payment legislation or the State Department authorization. I would urge Senators not to postpone acting on measures at this time in the hope that these can wait until after the August break.

When the Senate returns in September, the platter is going to be full and running over. There will be the senatorial campaign finance reform bill. There will be the DOD and State authorization bills. There will be reconciliation. There will be 13 appropriations bills; 8 of them are over here from the House already. The Senate Appropriations Committee is preparing to report those bills out early in September.

Mr. President, I would urge Senators that if they really want to get action on some of these other measures that are on the calendar, now is a good time to get it done.

Also, I say to Senators that, with respect to morning business speeches, we are taking up the best part of the afternoon in morning business speeches. I am going to come in in the morning at 8 o'clock. We will have a couple of hours for morning business. We do have to get on with the other business of the Senate, and we cannot afford to spend the better part of each day on morning business.

I also should state that the conferees on the debt limit extension have been making progress. It is hoped that the Senate and the House can act on that debt limit extension conference report today or tomorrow.

I have already indicated to Senators that we may have to erode the August recess a bit in order to complete action thereon. I hope the conferees will continue with renewed effort to get the work done on the conference report so that the Senate and the House can dispose of that business before we go home for the August break.

Mr. President, within a few minutes, I shall renew my unanimous-consent request on prompt payment. I understand there is an amendment that there may be some problems on, but the way to resolve these is to get the matters up before the Senate and let resolve them here, on the floor. If we continue to wait until we work out all our differences on amendments off the floor—and sometimes that is the best way to proceed. But I call attention to the fact that this bill has been on the calendar since May 20. That is over 2½ months. If we have not been able to work out an amendment in 2½ months off the floor, we ought to just go at it and have it out on the floor. So I shall shortly renew my request on that matter.

THE DANGEROUS CLIFF OF CAMPAIGN SPENDING

Mr. BYRD. Mr. President, campaign finance reform is needed in this country and needed now. There can be no genuine campaign finance reform without a limitation on spending. The Republican conference went on record sometime ago as being against any limitation on campaign spending. I do not think we are going to fool anybody if we say we passed a bill that constitutes campaign finance reform if it does not have a limitation on spending.

Last year, there was on the average of $3 million spent on each successful Senate campaign. How long does it take to raise $3 million? It takes 6 years to raise $3 million at $10,000 per week. Three million, we will say, in 6 years if a Senator is able to raise $10,000 a week. That is $10,000 a week for 52 weeks a year, times 6 years. Ten thousand dollars a week. That should reveal the immensity of the problem that confronts Senators who seeks to run for reelection. It should reveal the immensity of the appetite for money in the course of campaigns. And it is getting worse and worse and worse. Senators and House Members are both victims of the system, a system which is current and is requiring more and more money every year.

We must revise the system so as to eliminate this inordinate appetite for money, money, money and remove Senators and House Members from this money chase that we continue to have to engage in, those of us who want to continue to be active in public service. We must come to grips with the matter now. It is not going to get any better; it is not going to go away.

What we have here is the aristocracy of the moneybag, the aristocracy of the moneybag—$10,000 a week—think of it—for 312 weeks—6 years, 52 weeks a year—312 weeks, $10,000 a week. That is $3,120,000.

Think of the time that Senators, the freed-up time that Senators would have in which to attend committees, engage in debate on the floor, be with their families, attend to their office work, work for their constituents with agencies downtown. Think of the additional time that Senators would have for productive work if they could be freed from the chains that the present system places around us. If we could throw off those shackles and chains, we would have more time to study, time to work, more to show for our work.

As it is, many Senators have to begin immediately upon election or reelection to raise money—not just for the campaign that is 6 years away, but money to pay off the campaign debts of the past campaign. Senators come here in January of a new Congress and are sworn into office. They have just been elected or reelected, and they immediately have to begin raising money to pay off the debts that were run up in the course of a victorious campaign.

They have to raise money to pay off those debts and then they are into the money chase all over again looking to the next election 6 years away.

This is getting worse and worse. There is a great scandal out there waiting to happen and we are getting closer and closer—and closer—to that happening, closer to the edge of the cliff.

I am reminded of a poem by Joseph Malins titled "A Fence or an Ambulance" which is apropos of my subject:

'Twas a dangerous cliff, as they freely confessed,
Though to walk near its crest was so pleasant;
But over its terrible edge there had slipped
A duke and full many a peasant.
So the people said something would have to be done,
But their projects did not at all tally;
Some said, "Put a fence around the edge of the cliff,"
Some, "An ambulance down in the valley."
But the cry for the ambulance carried the day,
For it spread through the neighboring city;
A fence may be useful or not, it is true,
But each heart became brimful of pity
For those who slipped over that dangerous cliff;
And the dwellers in highway and alley
Gave pounds or gave pence, not to put up a fence,
But an ambulance down in the valley.
"For the cliff is all right, if you're careful," they said,
"And, if folks even slip and are dropping,
It isn't the slipping that hurts them so much,
As the shock down below when they're stopping."
So day after day, as these mishaps occurred,
Quick forth would these rescuers sally
To pick up the victims who fell off the cliff,
With their ambulance down in the valley.
Then an old sage remarked: "It's a marvel to me
That people give far more attention
To repairing results than to stopping the cause,
When they'd much better aim at prevention.
Let us stop at its source all this mischief," cried he,
"Come, neighbors and friends, let us rally;
If the cliff we will fence we might almost dispense
With the ambulance down in the valley."
"Oh, he's a fanatic," the others rejoined,
"Dispense with the ambulance? Never!
He'd dispense with all charities, too, if he could;
No! No! We'll support them forever.
Aren't we picking up folks just as fast as they fall?
And shall this man dictate to us? Shall he?
Why should people of sense stop to put up a fence,
While the ambulance works down in the valley?"
But a sensible few, who are practical too,
Will not bear with such nonsense much longer;
They believe that prevention is better than cure,
And their party will soon be the stronger.
Encourage them then, with your purse, voice, and pen,
And while other philanthropists dally,
They will scorn all pretense and put up a stout fence
On the cliff that hangs over the valley.
Better guide well the young than reclaim them when old,
For the voice of true wisdom is calling,
"To rescue the fallen is good, but 'tis best
To prevent other people from falling."
Better close up the source of temptation and crime
Than deliver from dungeon or galley;
Better put a strong fence round the top of the cliff
Than an ambulance down in the valley."

So, Mr. President, let us put a fence around the edge of that cliff. Let's change the system. We are being pushed more and more, as though by some invisible force, some unseen hand, toward the edge of the cliff. Are we going to go over it? If so, who is going to suffer? The Senate and the House of Representatives—this institution. Who else? The people from whom the consent to govern originates.

The people of America are being shortchanged by the present system; the people of this country are being shortchanged. The perception is that those of us who have to live under this system, who are the victims of this system, who have to go out and cry "Give me more, more, more of your money"—are beholden to our campaign benefactors. People are going to have less and less and less of faith in this institution.

We are talking about our constitutional system of representative government here. How many people out there in the country truly believe that this is a representative government? How many of them believe that they are represented fairly and evenhandedly? How many of them believe that they have an even chance with the special interests?

The perception is that we who go out and have to raise these sums of money are beholden to the special interests. It is time to put a stop to it.

Mr. President, I call on those who continue to stand against action on this measure to vote for cloture, and let us vote this measure.

I hope that the American people, during this recess, will ask Senators when they come back home: "Where do you stand? Where do you stand on the money chase? Why won't you vote for cloture, so that the Senate can act on that bill?"

Mr. President, I have been in the Senate 29 years. I will not be here 29 more. If I had not come to the Senate when I came, I would not be able to come to the Senate today. The odds would be too much against me. The average guy like ROBERT BYRD will not even dream of coming to the U.S. Senate in the future, if something is not done about the present campaign finance system. He will not even dream of it because of the prospect of having to raise and spend millions of dollars to get here.

If all those hills of West Virginia could be flattened out, West Virginia's 24,000 square miles would reach to Oklahoma, or beyond, perhaps. But it is a small State from the standpoint of population—less than 2 million people.

I had to raise about $2 million 4 years ago when I ran for reelection. That is $1 for every man, woman, boy, and girl in West Virginia. I cannot raise that kind of money in West Virginia. Mine is a State that is economically very hard hit right now. I cannot raise $2 million in the State.

The average, as I said a moment ago, last year was $3 million. What is it going to be next year when I run? Many other Senators will have to raise even more.

Four years ago, I had to go the width and breadth of this great land, "from sea to shining sea," "from the mountains to the prairies, to the oceans white with foam," with my hand out: "Give me, give me, give me." How demeaning it is.

Why should we not instead be going out to our constituents and talking about the issues? That is the way representative democracy should work. But, instead of that, we have to spend our time going hither, thither, and yon, from the Canadian border to the Gulf of Mexico and from the Atlantic to the Pacific, with our hats in our hands and our hands out saying: "Give me, give me, give me."

Those who contribute to us do so because they believe in our party. They believe in the Democratic Party. They want to see it continue in control of the Senate. But they are not my constituents. They are not the people who vote to send me here.

Senators are required to take off from this floor and live inside and outside of suitcases, running in and out of airports, catching flights to all the States of the Union, coming back at all hours of the evenings and mornings, being away from their families, going out to raise $15,000 here, $30,000 there, $50,000 somewhere else; or going in the evenings here in town, raising $10,000 tonight, $15,000 tomorrow night, $25,000 the next morning at a breakfast, in order to try to remain in public service. Some of us feel that we want to contribute more to public service and still have something to contribute.

We are trying to change the system but while we are trying to change that system we cannot ignore our own reelection. I cannot ignore my reelection. I do not expect to be like Tennyson's brook and go on and on forever. No.

The Psalms only promised us 70 years. Some of us are fortunate to reach that span.

"Man that is born of a woman is of few days and full of trouble. He cometh forth like a flower and is cut down."

So here we are. Some of us feel we have got a little fire in the boiler yet, so we cannot ignore our own reelection.

But we need to change the system. Some of our friends who continue to refuse to budge one centimeter on this legislation are the people who are going to look back one day and say, "Why did I not listen?" Let me say that in the future, there are not many Senators going to be here 30 years, because the very fact that we have to increasingly go out and raise money is intimidating, intimidating. That is why that butcher boy, that welder, or that produce salesman down there on the streets in West Virginia or in Baltimore in the shipyards is going to say. "That is not for me. You tell me you have to raise $2 million. Man, how will I ever do that? How will I ever be able to do that?" So he pushes out of mind not only the dream but also the thought that he would ever stand a chance of coming to the U.S. Senate because he has to raise millions of dollars, and he can't do it. It is demeaning and it is creating a cloud over this institution—the Senate and the House.

There sits in the Presiding Officer's chair today the distinguished Senator from Washington [Mr. ADAMS]. I have heard him tell about his election campaign for the Senate and how last fall he had to spend so much time on the telephone trying to raise money, trying to raise money, not out discussing the issues, not out finding out what the people had on their minds but having to raise money hour after hour on the telephone in order to come here, in order to serve. What a burden just to be able to get to the U.S. Senate. What an obstacle just to be able to serve in this institution. What an obstacle it is that will deprive this body of able men and women who cannot afford to be elected, who cannot afford the expensive campaigns that are required in these days to be elected to the U.S. Senate. What IQ's there may be out there working in a butcher's apron or peering through the visor of a welder's shield, but who cannot come here to serve in this body in the future.

Future Senators can only come if they have inordinate wealth or if they have the means to go out and raise millions of dollars—money hand over fist. It is enough to intimidate the most courageous soul.

Mr. President, let us get rid of this ambulance at the foot of the cliff. Oh, yes, "Are we not picking up folks just as fast as they fall? Shall this man dictate to us, shall he? Why should people of sense stop to put up a fence while the ambulance works in the valley?"

That ambulance, that rock is coming toward us. It is going to come crashing down upon us, and I plead with my colleagues, let us put a fence around the edge of that cliff—the cliff of the money chase.

I love this institution. I would have to love it because I have lived with it and in it and as a part of it for these 29 years. For almost 21 years I have been right here on this floor just about every hour of every day of every session. I have a rollcall voting record over these 29 years of 98.27 percent, over 11,000 rollcall votes I have cast in this institution during my service here.

I have given it the best part of my life and I have done it gladly. The Senate has been the best part of my life.

I do not expect to run again and again and again, but I am going to run next year, the Lord willing, but I am thinking of the institution. It is going on and on, and those who come after us are going to have to contend with this money chase unless we stop it.

As I told a young Member of this body yesterday, "You are going to be here a long time and you are going to have to go through this demeaning obstacle course year after year, not just every sixth year, but year after year. It is going to become more and more binding, and you are going to be ground down more and more."

"I am trying to stop that stone that is coming down so that it does not crush you and crush this Senate."

Mr. President, it is going to crush the Senate, and it is going to crush the House, likewise, because the people are not going to tolerate this forever. Now is the time they ought to be asking questions.

During this break when Senators go back home, let those who appear in the civic organizations be asked, "Why don't you vote for cloture? Is there something wrong with the bill? What are you afraid of? Offer an amendment. Why is it, Senator, why is it that you do not want to take that load off your shoulders of having to go out and raise money and be involved in the money chase?"

There may be Senators who can answer that question and who are not concerned about it.

But suppose the question comes like this: "Senator, you may not mind the money chase, but what about me? You are up there to represent me. Why don't you spend your full time representing me? That is what we elected you for. I am a coal miner. I have to work every day. I am a welder. I am a meatcutter. I am a farmer. I do not put aside my plow in the springtime. I do not put aside my scythe in the harvest. I stay on the job. I have to. Why don't you? Why are you not spending your time on the floor or in the committee or in the office? You are representing me, or do you represent me? Or do you represent those names on the list at the office of the Federal Election Commission?"

The Senator says, "Well, it is legal. I have not violated any law."

That is true. Nobody is questioning that. It is perfectly legal. This is no criticism of PAC's or people who work with PAC's or these individuals who contribute large sums. This is the system. That is what we have to live with and if we ever are to clean it up, we have to clean it up while we are living with it.

But I hope that the people ask the question:

> Why do you want to continue the aristocracy of the moneybag? Think about me a little. I'm a poor farmer. I'm a school teacher. I'm an elderly person. I have worked out my days. I am a veteran. I gave my best days to my country. I was wounded. I voted for you. I want to continue to vote for you, but I'm beginning to wonder why is it that you won't vote on this bill? Are you my Senator or do you belong to somebody else?

Mr. President, we have had five cloture votes. We have been able to get only two Senators from the Republican side of the aisle to vote for cloture. We are going to have more cloture votes in the days ahead.

I do not question the sincerity of any Senator. I know that Senators make their own judgments based on matters as they see them.

But the Republican conference decided and proclaimed that it would not vote for any legislation that had a limitation on campaign spending. Now, I think that was a mistake. I know that there are Members on the other side of the aisle who do not feel that way about it, and who truly want to vote to limit campaign spending.

I hope that, in the future, we will see more Senators vote for cloture and that we can act on this bill.

Mr. President, I yield the floor.

Mr. McCONNELL addressed the Chair.

The PRESIDING OFFICER (Mr. LAUTENBERG). The Senator from Kentucky.

Mr. McCONNELL. Mr. President, I listened with interest to the remarks of the distinguished majority leader, both yesterday and today, about this measure which has been circulating in the Senate for some 2 months. The majority leader has been in the Senate a long time as well, and there is no doubt that politics have changed considerably over the last 30 years.

The majority leader spoke wistfully about the good old days, when a candidate could go down to the courthouse and have a meeting where a lot of people would show up. You could go out and work a plant gate or have a town meeting, and people would be interested and attend, ask questions and shake hands.

But a lot has changed in the last 30 years, Mr. President. We have seen the advent of the television era. Perhaps more importantly, people don't have the time they used to, in order to go to old-fashioned political meetings and events.

We have such an event in Kentucky, by the way, that occurs on the first Saturday in August every year. It's called the "Fancy Farm Picnic," and is widely described as a throwback to an earlier era. It used to be a terribly significant event, perhaps the most politically important day of the election cycle. Years ago, it took place just before the primary for the Democrats and the Republicans. And, of course, on the Democratic side, the primary usually determined the election. People would come from miles around to test, analyze, and be entertained by the oratorical skills of the participants in Fancy Farm.

But in the last 30 years since the distinguished majority leader joined the Senate, much has changed; some for the better, some for the worse. But we are in the television era, and that makes for some vast differences in the way campaigns are run. It also changes the way money is spent in campaigns—and, by the way, as the distinguished majority leader knows, there has always been a lot of money in politics. The difference between money in politics today and money in politics years ago is that we now know much more about how much is being spent, where it comes from, and what it pays for, because candidates are complying with the strict disclosure laws on the books. There is a strict accounting, at least in terms of cash contributions, of what is raised, what is spent, and who it comes from, so that if the press or an opponent wants to make an issue out of it, they can.

But in those good old days back when the speakers on the courthouse steps had people show up for their speeches, when you went to the plant gate and people had questions to ask, there still was a lot of money spent on politics, but one never knew how much.

I am told—this was before I was involved in politics—that in those mountains of Kentucky, Tennessee and West Virginia, there was a lot of money floating around on election day. And a lot of liquor. And a lot of other things, all very close to the ballot boxes. Mr. President, those good old days weren't all good. There wasn't a more informed electorate; it was a less informed electorate, voting on familiarity, personality, personal favors, or much worse.

What the television age has done for politics is give people a chance to make an independent judgment about candidates, right there in their own homes. They don't have to depend on the precinct leader or the union boss or the corporate president to tell them how to cast their votes. They make their own informed, independent judgment.

The cash contributions being raised and spent in politics today all are fully reported. Only "soft money" is not reported. Soft money is the only old-fashioned remnant of those not-so-good old days, when votes were bought with a wink, a promise, and a flask of liquor.

Cash contributions, reported, limited and monitored by law, pay for campaign commercials—with the voters directly in their homes.

While the good old days may be fun to hark back to, it is the opinion of the Senator from Kentucky that the politics practiced in those days were not necessarily more enlightening, did not lead to the voter casting a more informed vote, nor did they necessarily encourage higher voter turnout.

What has marched forward in time is the communications revolution. And politicians, like everyone else in society, want to use the most effective means of communicating their ideas to the voter. That's why money is raised and spent: It is being spent on communication with the people, the average citizen back home. And if you do not like what your opponent is saying to the voters, you can communicate back.

We candidates frequently beat on each other a little bit, just like hamburger chains and rent-a-car companies. That is part of the rough and tumble of American politics. That is the same thing that went on by the courthouse steps years ago, and in Kentucky at the Fancy Farm Picnics years ago. It's politics; it's the American way: everyone trying their best to be the best, to be No. 1.

Our distinguished leader has suggested that too many people are spending too much time raising money early. But the FEC reports just do not back that up, Mr. President. Take the Senate class of 1990, of which this Senator is a member. Of 33 incumbents who may run in 1990, 17 of the thirty-three have raised less than $100,000 as of the first of the year (the June 30 report is not yet available): not exactly an aggressive effort to go out and get money early, I would say. Twenty-four of the 33 have raised less than $200,000; this is not a particularly aggressive effort. Only 9 of the 33 who might be running in 1990 have raised more than $200,000. And a good many of those, I know from my personal discussions with them, have that amount only because they carried it over from their previous election, because they had no competition and were not required to spend their money.

Our distinguished leader has talked about the need to go, as he put it, "from sea to shining sea" to raise money for his last election. I would suggest that was only because he had an opponent. He was not accustomed to that. He has been a very skillful politician over the years and an excellent leader. The people of West Virginia have sent him back to the Senate time and time again, without much of a contest. I congratulate him for that. I look forward to that someday; I hope I will have that kind of reelection one day.

But, in 1982, at least in the beginning, he may have felt that he had an opponent who was aggressive and was coming after him. It did not turn out that way; the majority leader won by his usual whopping margin, and I commend him for that. But he did what candidates have to do in tough races: when they think they are going to face stiff competition, they get to work. They revisit their constituencies, and ask for their strong support—in both votes and small contributions.

We do not own these seats. I run into Senators frequently who seem to be offended by the work it takes to keep a seat. They are offended that we have to work hard to stay here if we want to. We also have to go home a lot. We have to have town meetings. We have to work plant gates. We have to communicate with our constituents, on top of all of the legislative work that we have to attend to here. This is not an easy life.

When we choose this life, we know that we are going to be working up here during the week and working in our States on the weekends. You have to have a pretty high energy level to come in here and work until all hours of the night and get up for the breakfast meetings the next morning and keep on going.

It is not easy and nobody told us it would be, but we do not own these seats. In America, political office is not an aristocratic privilege, it is something we have to earn every day of the year.

When we have an opponent, even if we wish we didn't—we may wish that everybody out there appreciated our efforts so much that they would say: "I am just not going to run against my Senator this year, because he is so very wonderful—but often people believe they can do a better job, and that is their right. It is also the public's right to have strong competition for political office. Some people want a seat in the greatest deliberative body in the world, and they go out and compete for it.

When that happens, we have to work hard to keep it. That means using the most modern means of communication with our people. That means finding the best way to let the people know what we stand for.

Our people get most of their information from television. We may wish that they would come to the courthouse square and listen to us hold forth, but frankly they don't have a lot of time for that. They're busy people; their free time is when they get home from working hard and turn on the television, which is their right and their prerogative.

So, to send our message effectively in these days, we must use mass communication, and that requires, obviously, raising and spending some money.

As I have said frequently, and will repeat today, we do not as a Nation spend very much on politics. It is not scandalous that a lot of people are contributing to register their views, and a lot is being spent to educate and stimulate the voters. In fact, we spent less in Senate races in 1986 than the American public spent on bottled water. We spent less on Senate and House races combined than was spent advertising dog food. Remember, we are talking about the use of modern means of communication in 1986—not the fifties.

To do that we must, be aware of and familiar with the importance of television.

We invited television into this body and the distinguished majority leader advocated it. Why? Because we all knew that television was the single most effective means of communication in the modern era; because it would give people all across America a chance to watch us do the business of America, while they observe it all in their homes, on their television sets.

The reason we did that is because we know people are interested in television; they watch it; they make judgments as a result of it. That is why we ought to use television, and why we should continue to use it. You cannot put that genie back in the bottle.

I said yesterday, and repeat again today, I fully understand the frustration the leader has in trying to schedule the Senate. He is an expert on the rules of this body. Everyone pales in comparison with him when it comes to understanding this body, the rhythm of this body, and the rules by which we live.

Surely he must share my view that most of our problems here are not because Senators are going off to raise money. The Senate has scheduling problems because Senators may raise legitimate objections, because a single Senator can keep things from coming up; it has got to be maddening to the majority leader, but that is the way the greatest deliberative body in this country has operated for a long time.

That is what is slowing us down, because it is pretty clear that the class of 1990 is not out raising much money.

As the Senator from Kentucky just pointed out, 24 of the 33 have less than $200,000, not exactly an indication of any aggressive efforts to raise early money.

As this debate has unfolded, a reference was made to a couple of Members of my party who have supported the cloture. I would commend certain Members of the other party who have opposed cloture on this unfortunate measure.

There was an editorial in the Mobile Register about Alabama's fine Senators, Senators HEFLIN and SHELBY, praising their decision not to support cloture on this measure.

I would like, Mr. President, to ask unanimous consent that that editorial be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Mobile Register, June 18, 1987]

HEFLIN, SHELBY PRAISED ON VOTE

Alabama Sens. Howell Heflin and Richard Shelby are to be highly commended for voting against their fellow Senate Democrats on an ill-conceived Democratic plan to overhaul Senate campaign finance rules.

Their votes came Tuesday when the Democratic leadership tried to end a Republican filibuster over the plan, but failed.

The legislation is sponsored by Majority Leader Robert Byrd of West Virginia and Sen. David Boren, D-Okla., and would provide partial public financing of Senate general election campaigns for candidates who agree to voluntary limits on campaign spending and contributions from political action committees.

Heflin said he opposes the public financing aspect of the Byrd-Boren proposal but would support a constitutional amendment to allow Congress to impose mandatory limits on campaign spending.

"Urgent reform of federal elections is crucial and I have voted for every campaign finance effort that has been proposed since I was elected," Heflin said. "But I do not believe that more government spending is an appropriate solution to campaign spending excesses."

We agree.

Shelby said last week that he would support a constitutional amendment to limit campaign spending but opposes taxpayer-financing of Senate elections—another good position.

It is obvious that liberal Democrats, with their traditional blocs of solid support such as organized labor, want to minimize the growing impact of campaign financial support from business-oriented political action committees. These Democrats, with the backing of such liberal lobbying organizations as Common Cause, want to maintain unfair advantages in politicking.

We are pleased that our two senators are refusing to go along with their majority leadership on this issue.

Byrd has nonetheless said he intends to keep the Senate engaged on this issue indefinitely, despite the fact that Tuesday's 49-46 vote was 11 short of the 60 needed to shut off debate—an increase of three votes for the opposition over an earlier count.

Surely the Senate has more important matters on its agenda.

Mr. McCONNELL. Some discussion yesterday was had about the distinguished Senator from Oklahoma, Senator BOREN's article in the Washington Post entitled, inappropriately, I might add, "It Is Time To Cut PAC Power." The Senator from Kentucky had a "Taking Exception" response to that editorial a week later.

I would like to ask unanimous consent that those appear in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 30, 1987]

IT'S TIME TO CUT PAC POWER

(By David L. Boren)

After three weeks of passionate debate on the complex issue of campaign finance reform, the smoke has finally started to clear. We have come to understand where the battle lines are drawn. The real issue is whether candidates for the highest offices of public trust should compete on the basis of ideas, issues, and qualifications or on the basis of which candidate can raise the most money.

In the beginning rounds of debate, opposition to acting on S.2, the comprehensive campaign finance reform bill before the Senate, seemed to center around the notion that public financing was an unacceptable way to enforce a voluntary system of spending limits. It has now become more evident that a number of opponents are in fact philosophically opposed to any limit on the amount of money candidates can spend in getting elected.

Many senators engaged in the current debate may not remember that in 1974, when Congress set up the public financing system for presidential campaigns, it also set mandatory spending limits for House and Senate candidates. Even 13 years ago, when the average cost of a winning Senate campaign was in the moderate range of a half-million dollars. Congress acted to put the reins on what it saw as the growing problem of candidates' spending more time raising campaign dollars than debating the issues.

But in the 1976 landmark case of Buckley versus Valeo, the Supreme Court found that: (1) Congress cannot set mandatory spending limits, and (2) if Congress sets voluntary limits, it must provide some inducement, as the presidential system does with partial public financing, to encourage compliance with the limits.

Many of the sponsors of S.2, including myself, have had reservations about public financing of campaigns. Because of the court's decision, however, we included partial public financing only as a means to obtain voluntary spending limits. It is a reasonable price to pay to restore a system of grass-roots democracy. It would help us return to a time when a candidate solicited support from home-state contributors instead of from Washington-based PACs, spent time debating issues rather than on developing a fund-raising strategy, and stood on his record and qualifications rather than on mounds of campaign cash.

Senate Majority Leader Robert Byrd and I have sent a strong signal to opponents of S.2 that if public funding is the source of their opposition, we will meet them more than halfway. We offered a compromise amendment that would have reduced the maximum amount of public funds to not more than 24 percent of the total spending allowed for each election cycle. Now a new package has been developed that provides effective voluntary spending limits with no direct public financing. It merits strong bipartisan support.

This proposal would offer significant benefits to those party nominees who accept voluntary spending limits. These benefits would include lower mailing rates and the "lowest unit rate" for broadcast advertising. Candidates who refused such limits would not get these benefits. In addition, candidates who refused limits would be required to place a disclaimer on all their advertising and materials indicating that they decline to accept spending limits.

Protection against negative attacks financed by "independent expenditures" would be available to participants in the form of matching funds to counter such attacks. This should serve as a strong deterrent to independent groups that may consider trying to exert influence on elections through expensive media campaigns.

Participating candidates whose opponents exceeded the spending limits would be eligible for offsetting funds from the voluntary tax checkoff. There would be no public financing of the funds raised and spent by the candidates within the limits. The only time public financing would be triggered is when a nonparticipating opponent spends more than the limit in an attempt to "buy" the election. It would be used solely as a standby mechanism to maintain sufficient leverage for compliance with spending limits. Potentially no public funds would be expended.

Further, the cost of a preferred mail rate could be covered by limiting the number of newsletters sent by members of Congress and by no longer providing lower mailing rates to all political parties.

In the bicenntennial year of this country's independence, the average cost of winning a seat in the U.S. Senate was about $600,000. In this bicentennial year of our Constitution, 11 years later, that figure has grown fivefold to over $3 million. If current trends continue at the same rate, 12 years from now, when this year's graduating high school students are eligible to run for the Senate, the average cost could easily be $15 million. We must not allow this devastating projection to come true. Nor can we allow partisan bickering to keep Congress from acting in the national interest to protect the integrity of our election process.

As the debate continues on this reform proposal, I challenge its opponents to make their case that it is good for Congress to spend more and more time raising millions of campaign dollars; that it is good for challengers to be increasingly closed out of the system; that it is good for business and labor groups and their representatives to be increasingly victimized by escalating fund-raising requests; and finally, that it is good to allow even the appearance that the most important offices of public trust in our country are being placed on the auction block.

We must not settle for less than reform. The Senate has a rare opportunity to further the goal of political competition based on issues, ideas and qualifications, not on money, money and more money.

[From the Washington Post, July 8, 1987]

DON'T MAKE TAXPAYERS FINANCE CAMPAIGNS

(By Mitch McConnell)

The Post's headline on Sen. David Boren's op-ed piece on campaign reform [June 30] reads, "It's Time To Cut PAC Power." But in the piece itself PACs are mentioned only once, in passing.

Instead, the article focuses on spending limits and taxpayer financing of campaigns. It envisions an elaborate scheme to limit what candidates can spend communicating their ideas to the public and how much individuals can contribute to support those ideas. It says that Americans spend too much on political communication and on choosing the best candidates. Finally, it urges Congress to freeze overall political activity, and supplant individual contributions with government subsidies. Astonishingly, these measures are advanced in the name of "restoring grass-roots democracy."

Most people agree that special interests—particularly political action committees (PACs)—have too much clout. Yet the bizarre response is to cut individuals out of the process, institute government financing, and merely slap the wrists of special interests. If we don't clear away these clouds and address real problems directly, the Senate's three-week-old deadlock on campaign finance reform will only harden.

Yet Sen. Boren's latest proposal launches an all-out, unconstitutional attack on campaign spending and contributions by using the power of the federal government to punish candidates whose spending and support exceed government-set limits. In the landmark case of *Buckley* v. *Valeo,* the Supreme Court held that the "First Amendment denies government the power to determine that spending to promote one's political views is . . . excessive. In the free society ordained by our Constitution, it is not the government but the people . . . who must retain control over the quantity and range of debate . . . in a political campaign."

Nonetheless, *Buckley* allowed the government to provide taxpayer financing of campaigns, and to condition acceptance of such funds on adherence to spending limits. This public funding "incentive" is used to control spending in presidential races, even though taxpayer support of the program seems to be waning.

In the presidential system, however, there is no penalty on nonparticipating candidates; they just have to work harder than their government-funded opponents. The Boren proposal, on the other hand, would punish candidates who asserted their right to unlimited support and spending by requiring them to "disclose" their constitutionally protected activity in content-regulated campaign ads. Further, if the candidates exceeded the spending limit, his opponent would receive a huge check from the government. Thus, popular candidates who refused government control over their campaigns would be punished by having their popular support and vigorous spending trigger entitlements to their opponents.

This proposal seriously misconstrues the Supreme Court decision in *Buckley* v. *Valeo* and ignores the free-speech values protected in that decision. Congress can spend taxpayer money to encourage spending limits, if the public is willing to pay for it. But it is flatly unconstitutional for the government to punish candidates and citizens for exercising First Amendment rights.

Fortunately, there are ways to address the public's concerns about campaign financing without violating the Constitution or dipping into the public till. If Congress wants to eradicate special-interest influence in politics, it can pass a bill that reduces or eliminates PAC contributions to candidates and political parties, and clamps down on the "bundling" and "soft money" activities of special interests.

Cleansing the system of special interest money also would make public figures rely on people back home for support, especially small individual contributors. This change would sow new seeds of grass-roots democracy. By comparison, preempting local contributions with federal entitlements would only insulate Washington lawmakers from their constituents. As David Broder recently noted about the presidential system, "[p]ublic financing . . . has meant a virtual shutdown of local headquarters financed by small contributions. Grass-roots democracy has died."

Without special-interest money, candidates would have less to spend on campaigns. To make up the difference, Congress could cut campaign costs by providing a meaningful broadcast rate discount. From 1978 to 1986, both PAC contributions and campaign spending for television ads increased by $100 million. A worthy campaign finance compromise would cut back these two primary causes of spending increases, and leave individual contributors and taxpayers alone.

People contribute when there is strong competition between candidates and when they get interested in the issues. The vigorous spending this allows pays for heightened political activity and better voter education. The obvious result is that for voter turnout increases dramatically. In 1986 voter turnout was highest in states where the most was spent per voter, while nearly every low-spending state suffered extremely low turnout. Reviewing similar findings in 1979, the John F. Kennedy School of Government at Harvard concluded that "most campaigns spend too little money, not too much". This was after campaign spending had increased 70 percent in two years; recent increases have been far more modest.

Clearly, it's time to cut PAC power. But in doing so, let's put the people back in control, and leave the government out of it.

Mr. McCONNELL. Finally, there was an excellent article by Robert Samuelson which appeared both in Newsweek and in the Washington Post entitled "The Campaign Reform Fraud."

I want to read certain portions of that, Mr. President. Then I will ask that all of it appear in the RECORD.

In his article, under the headline "The Campaign Reform Fraud," Mr. Samuelson said:

> For starters, money doesn't determine who wins elections. Winning candidates are often outspent.

I might say, Mr. President, that was certainly the case in the 1986 Senate elections, much to the chagrin of this Senator. Many Democratic Senators were elected who did not spend the most money.

> In last year's Senate election, says political scientist Michael Malbin, six of the seven Democrats who ousted incumbent Republicans were outspent by an average of about 75 percent. There are too many other influences to make money decisive: the economy, party loyalties, personalities, issues, national mood. The 1986 election results, Brooks Jackson of The Wall Street Journal wrote later, suggested "that much . . . money was spent with little practical effect."
>
> Paradoxically, campaign reform could make it tougher for challengers to unseat incumbents. If money doesn't settle elections, serious challengers need adequate minimums to gain name recognition and project campaign themes. It's these threshold amounts that campaign reform threatens. The spending limits in the bill before the Senate are below what five of the winning Senate Democratic challengers spent. In North Carolina, Terry Sanford spent $4.17 million to beat former senator James T. Broyhill. The bill would have allowed Sanford $2.95 million.
>
> No one is smart enough to set "correct" spending limits based on population or anything else. States and congressional districts differ radically in political characteristics. California races require lots of media spending. That's less true in Chicago. Spending in hotly contested races is typically higher than average. Because Congress—that is, incumbents—would control spending limits, the bias would be against challengers.

Later on in the article, Mr. President, Samuelson talks about free speech:

> About half the rise in campaign spending since 1978 reflects inflation. Much of the rest stems from the emergence of younger politicians who use expensive campaign consultants, television and direct mail. In 1984 Democratic House Speaker Thomas P. O'Neill Jr. of Massachusetts spent $213,000 winning re-election. In 1986 Democrat Joseph P. Kennedy II spent $1.8 million to win the same seat. But the expense of modern communciations makes it no less vital for free speech.
>
> That's why the Supreme Court held in 1976 that mandatory campaign-spending limits on candidates violate the First Amendment. Public financing of election spending aims to make "voluntary" limits more acceptable. But even if voluntary limits on candidates were enacted, the problem of "independent spending" remains: if I want to buy TV time to support Joe Blow, the Supreme Court says that's my right. Candidate spending limits would prompt special interests to raise independent spending. The Senate bill tries to deter this by subsidizing responses: my $10,000 praising Joe Blow would entitle his opponent to $10,000 of public money to answer me.
>
> Suppose this were judged constitutional (unlikely), what's the point? In our diverse society, one role of politics is to allow the venting of different opinions and pent-up frustrations. Groups need to feel they can express themselves and participate without colliding with obtuse rules intended to shut them out. Our politics is open and free-wheeling. Its occasion excesses are preferable to arbitrary restraints. Wertheimer's brand of reform is misconceived. The Senate would dignify the Founding Fathers by rejecting it.

Mr. President, I ask unanimous consent the entire article appear in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE CAMPAIGN REFORM FRAUD—MONEY IS A NECESSARY EVIL IN POLITICS, SPENDING LIMITS WOULD CREATE GREATER EVILS

(By Robert J. Samuelson)

The Founding Fathers are growling in their graves. The Senate is now debating campaign-finance "reform": a respectable-sounding idea that's a fraud. Campaign reform would cure problems that don't exist with solutions that would restrict free speech, smother elections in bureaucratic rules and hurt candidates' chances of beating incumbents. It's an odd way to celebrate the Constitution's 200th brithday.

Blame that on Fred Wertheimer of Common Cause. His crusade for reform—campaign-spending restrictions and public financing—is built on half-truths. He says that campaign contributions of "special interests" have corrupted politics. They haven't. The Founding Fathers knew that special interests were inevitable. Their government of checks and balances requires compromise; competing groups check each other. The system isn't perfect, but it curbs the undue influence of campaign contributors.

Wertheimer is a genius at obscuring this. He harps on the huge rise in congressional campaign spending—up from $195 million in 1978 to $450 million in 1986—and its simplest implication: because congressmen need more money, they're more beholden to donors. The obvious answer is to limit dependence on the donors. The logic fits popular prejudices about special interests, and most editorialists and journalists accept Common Cause's claims uncritically. They shouldn't.

For starters, money doesn't determine who wins elections. Winning candidates are often outspent. In last year's Senate election, says political scientist Michael Malbin, six of the seven Democrats who ousted incumbent Republicans were outspent by an average of about 75 percent. There are too many other influences to make money decisive: the economy, party loyalties, personalities, issues, national mood. The 1986 election results, Brooks Jackson of The Wall Street Journal wrote later, suggested "that much . . . money was spent with little practical effect."

Paradoxically, campaign reform could make it tougher for challengers to unseat incumbents. If money doesn't settle elections, serious challengers need adequate minimums to gain name recognition and project campaign themes. It's these threshold amounts that campaign reform threatens. The spending limits in the bill before the Senate are below what five of the winning Senate Democratic challengers spent. In North Carolina, Terry Sanford spent $4.17 million to beat former senator James T. Broyhill. The bill would have allowed Sanford $2.95 million.

No one is smart enough to set "correct" spending limits based on population or anything else. States and congressional districts differ radically in political characteristics. California races require lots of media spending. That's less true in Chicago. Spending in hotly contested races is typically higher than average. Because Congress—that is, incumbents—would control spending limits, the bias would be against challengers.

Likewise, Wertheimer's assertion that campaign contributions corrupt the legislative process is similarly weak. You hear lots of talk about the dangers of political-action committees (PAC's). What you don't hear is:

PAC's remain a minority of all contributions. In 1986 they were 21 percent for the Senate (up from 17 percent in 1984) and 34 percent for the House (level with 1984).

The diversity of the 4,157 PAC's dilutes their power. There are business PAC's, labor PAC's, pro-abortion PAC's, anti-abortion PAC's, importer PAC's and protectionist PAC's. Contributions are fairly evenly split between Democrats ($74.6 million in 1986) and Republicans ($57.5 million).

PAC's give heavily to senior, powerful congressmen, who are politically secure and not easily intimidated. According to Common Cause, Democratic Rep. Augustus Hawkins of California is the most dependent on PAC contributions (92 percent). First elected in 1962, he won last year with 85 percent of the vote.

Of course special interests mob Congress. That's democracy. One person's special interest is another's crusade or livelihood. To be influential, people organize. As government's powers have grown, so has lobbying by affected groups: old people, farmers, doctors, teachers. The list runs on. But PAC's are only a minor influence on voting. Political scientist Frank Sorauf of the University of Minnesota reports that in 1984 the average PAC contribution to House incumbents was less than one-third of 1 percent of the average congressman's total receipts. Congressmen vote according to their political views, constituents' interests, party wishes and—yes—their consciences. Special interests were supposed to block tax reform. They didn't.

Free speech: About half the rise in campaign spending since 1978 reflects inflation. Much of the rest stems from the emergence of younger politicians who use expensive campaign consultants, television and direct mail. In 1984 Democratic House Speaker Thomas P. O'Neill Jr. of Massachusetts spent $213,000 winning re-election. In 1986 Democrat Joseph P. Kennedy II spent $1.8 million to win the same seat. But the expense of modern communications makes it no less vital for free speech.

That's why the Supreme Court held in 1976 that mandatory campaign-spending limits on candidates violate the First Amendment. Public financing of election spending aims to make "voluntary" limits more acceptable. But even if voluntary limits on candidates were enacted, the problem of "independent spending" remains: if I want to buy TV time to support Joe Blow, the Supreme Court says that's my right. Candidate spending limits would prompt special interests to raise independent spending. The Senate bill tries to deter this by subsidizing responses: my $10,000 praising Joe Blow would entitle his opponent to $10,000 of public money to answer me.

Suppose this were judged constitutional (unlikely), what's the point? In our diverse society, one role of politics is to allow the venting of different opinions and pent-up frustrations. Groups need to feel they can express themselves and participate without colliding with obtuse rules intended to shut them out. Our politics is open and free-wheeling. Its occasional excesses are preferable to arbitrary restraints. Wertheimer's brand of reform is misconceived. The Senate would dignify the Founding Fathers by rejecting it.

Mr. McCONNELL. Mr. President, this "evil" money that we have been talking about here in politics, which has always been there, is for the first time in history totally out in the open; at least the cash contributions are. Those indirect contributions, the so-called "soft money," are still under the table, unreported, and unlimited. They buy influence on the black market, and it is time to bring a stop to this sandalous multimillion-dollar political operation.

S. 2 in its various forms does not address that issue.

But, again, making our observations just from individual cash contributions, what does all this money spent in politics get us? It gets us a real contest, real competition, heightened interest, more voters deciding they want to get involved. There is a clear correlation between the money spent in campaigns and voter turnout.

For example, the South Dakota race, which has been mentioned frequently on the floor because it involved the highest spending per capita of all Senate races in 1986, also happened to have the highest voter turnout. It was a hotly contested race, people were extremely interested in it, and there was a lot of spending. Both candidates were excellent, and they were able to raise a lot of money. As a result of that, a lot of people came out to vote. My home State of Kentucky, where about 45 cents was spent per voter, had the lowest turnout in the Nation, a mere 25 percent, compared to nearly 60 percent in South Dakota.

Was the South Dakota Senate campaign a scandal, Mr. President? Hardly; it was a triumph, a triumph in our democratic system.

You can track it, Mr. President, right on down: The less money spent, typically defined as a "no-contest race," the lower the turnout. The races in which there was good competition, two well-supported candidates, a good rough and tumble, plenty of money spent and raised, with a lot of communications, turnout was up. I do not think promoting turnout is bad for American politics; I think it should be the foundation for any system of campaign financing. It is clear that those who effectively used the modern means of communication, television and radio, were able to stimulate the electorate and generate high turnout in 1986.

It seems to me, Mr. President, that is the sort of thing we ought to be encouraging.

Having made that point, Mr. President, I think there is no question that there are some things wrong with the existing law; there are some real problems. But not the fact that some candidates are doing a very good job of raising a whole lot of money from a whole lot of little people. No one can make a big contribution to a Federal race any more, not for the last 12 years.

The only people who can make a big contribution to a race are those who have a lot of money and who contribute to their own races, through the so-called millionaire's loophole. None of the proposals emanating from the other side of the aisle would do anything about that, nor any of the proposals emanating from this side, because it cannot be solved by statute. It requires a constitutional amendment.

We ought to pass that constitutional amendment, Mr. President, and give to the House and the Senate—the Congress—an opportunity to level the playing field between millionaires and the kind of folks the distinguished majority leader was talking about, the factory workers, the meatcutters—whoever aspires to high office in America. Those people should have just as much opportunity to go out and raise money from others as anyone else.

The people who have the unfair advantage are those who have a lot of personal wealth, because one of the unfortunate aspects of Buckley versus Valeo, an essentially sound decision, was that it allowed people of great personal wealth to put all of it into a race, and that is an opportunity that regular folks do not have.

I have a constitutional amendment, Senate Joint Resolution 166, and I ask unanimous consent that it appear at this point in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 166

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission to the States by the Congress:

"ARTICLE —

"SECTION 1. The Congress may enact laws regulating the amounts of expenditures a candidate may make from his personal funds or the personal funds of his immediate family or may incur with personal loans, and Congress may enact laws regulating the amounts of independent expenditures by any person, other than by a political committee of a political party, which can be made to expressly advocate the election or defeat of a clearly identified candidate for Federal office.

"SECTION 2. The several States may enact laws regulating the amounts of expenditures a candidate may make from his personal funds or the personal funds of his immediate family or may incur with personal loans, and such States may enact laws regulating the amounts of independent expenditures by any person, other than by a political committee of a political party, which can be made to expressly advocate the election or defeat of a clearly identified candidate for State and local offices.".

Mr. McCONNELL. This would give to the Congress an opportunity to level the playing field, eliminate the millionaire's loophole, put everybody on the same footing, so that the meatcutter and the coal miner and the taxicab driver, and anybody else in American society who can go out and get a lot of support from a lot of people, could still raise the money, use the television, get into the race and build the contest.

The fellow who inherited it or who is shrewd enough to go out and get it, could not use his personal money to buy political office. He would have to get the same broad-based support that the rest of us who are not millionaires must do. That is a problem we can cure immediately.

There was about $11 million spent in 1978 by candidates of great wealth on their own behalf. By 1986, this had gone up to $40 million.

The other thing we can do something about, Mr. President, is the special interest contribution. When people across America think of "campaign reform," they think of doing something about PAC contributions. They are not talking about spending limits; they are not thinking about negative ads; they are thinking about the perception, real or imagined, that special interests have too much influence on politics.

The Senator from Kentucky does not feel that that is necessarily true. PAC contributions are limited just like individual contributions. But if that is the perception out in the land, and if that is indeed what is driving the public's interest in campaign finance reform, then why do we not say goodbye to political action committees?

The Senator from Kentucky and the Senator from Oregon have introduced a bill to eliminate them altogether. PAC contributions to candidates would simply be eliminated. We would be happy to expand that to parties. We could say good-bye to the PAC's.

The PAC's, were, of course considered a progressive experiment 12 years ago. Some of them are working properly, it seems to this Senator, encouraging people to contribute, getting a broad base of support, electing a board to set standards for the PAC and then contribute to the candidates of their choice. But there are some who feel that the PAC system is not working; so let us bid adieu to the political action committees by simply eliminating them.

There is a third thing we can do that would be real campaign reform. One of the things that has driven up the cost of campaigns is the cost of television, yes, the most effective means of communication. There is clear evidence that in some markets, some that this Senator is aware of in particular, there is an effort to raise the rates as we move toward the prime time for campaigning. Television stations are required to sell us time at the lowest unit rate available to any other advertiser during that period. By simply raising the lowest unit rate charged during the relevant period, the stations can make lots of money on the candidates in the last 45 days before the primary and the last 60 days before the general election.

We could, by statute, Mr. President, do something like this: We could require stations to sell candidates time at the lowest unit rate available at any point during the previous year. That would be a meaningful discount. They would still make money off of it, but they would not be ripping us and the public off going down the homestretch.

Thus, there are three things we could do, Mr. President, that would be real reform. We could close the millionaires' loophole and level the playing field, so that the coal miner, butcher, and taxicab driver could get support from his fellow citizens and get into the game. We could eliminate special interests by zeroing out PAC contributions altogether. And we could require television stations to give us truly reasonable broadcast rates. All of those things would make the system better, without telling a candidate for the U.S. Senate how much support he could get—because, after all, that is what a spending limit is all about. It is saying to the popular candidate, "This is all the support you can have. You may not have any more, and if you get any more, under the various schemes that have been suggested on the other side, public money is triggered for your own opponent."

Now, let me say in closing that we have not talked much about taxpayer financing lately, because the various proposals have involved less and less taxpayer money. That is probably because the American people do not want an entitlement program for politicians. I will bet you that it is the very last thing anybody in America wants tax dollars spent on: our reelection campaigns. I have not seen any survey results lately, Mr. President, but I will bet that if we asked the American people, considering the fact that we have tripled the national debt in the last 10 years, whether they want us to start a new entitlement program for politicians the answer would be a resounding no, a loud no, an emphatic and certain no—keep the hand of Congress out of my pockets.

We ought not to even be thinking about spending the taxpayers' money on political campaigns, whether it is for mail subsidies or for a punitive payment that comes into a campaign only when a candidate of principle says, "I will not reach into the public till, I will work for my Senate seat," and passes the spending limit: his opponent then gets a large check from the Treasury. That is not the kind of thing the American people want this Congress to be doing.

I also humbly suggest, Mr. President, that the American public probably wonders why we have spent 14 days on an issue of such low priority to the American people. We have a number of serious issues before us. The majority leader has to deal with all of these and try to schedule them. I am very sympathetic with that problem. But it is the opinion of this Senator that we do not need to take up any more time on this issue on the floor. We could sit down off the floor of the Senate at any point—we could have done it any time over the last 2 months—and write a bipartisan campaign finance reform bill. We could write a meaningful bipartisan campaign finance reform bill and have it pass this place by a vote of 90 to 10. But that is not what has been offered us by the other side.

What has been presented, with all due respect, Mr. President, is a proposal that is extremely bad for the Republicans and very good for the Democrats. It is also anathema to our democratic system. If we are trying to rewrite the rules in a way that maximizes our advantages and punishes the other fellow's advantages, that kind of measure is not going to go through this body.

We need to sit down and write a bill to deal with some of the real problems the Senator from Kentucky has been describing, in a way that doesn't work to anybody's advantage or disadvantage, in a way that truly improves the system, rather than construct a bill that does nothing about soft money, and instead puts a limit on the small individual contributor.

It is a fact that we all know, it has been alluded to a number of times in this debate, that one of the great ironies in modern politics is it has been Republicans who have benefited from the post-Watergate reforms in terms of the base of small contributors out in America. We have done a fine job of winning middle America. These are people who contribute to us because they're busy: They are running a business or taking care of patients. They do not have time to work on a telephone bank; they do not have time to go door to door, but they have a right to participate in the process just like anybody else—the coal miner, the taxicab driver, or the butcher.

For the American businessman, who is carrying a heavy load, a way to participate in the American political process is through small contributions. They have to be small contributions because the old, big contribution is not allowed any more. It is not possible any more to make a big contribution to anybody's race but your own. We have talked about that in this debate. Busy Americans have the same right to contribute to the process as anybody else, and it is those people who have been the base of contributions to our party.

So the intention, however good it may be, of the other side has the practical effect of working a heavy hardship on the Republican Party. Thus my concluding point: Let us write a bill that is real campaign reform, that does not tilt the process in either direction. Let us write a bill that deals with the real problems—the millionaire's loophole, the influence of special interests, the cost of television, the disclosure and limitation of soft money. Let us write a real campaign finance reform bill.

If we do that, Mr. President, we can do it on a bipartisan basis, and make a contribution to the political process in America.

Mr. President, I yield the floor.

PROMPT PAYMENT ACT AMENDMENTS

Mr. BYRD. Mr. President, I am not taking advantage of the fact that the distinguished Republican leader is off the floor. The acting Republican leader, Mr. HECHT, is prepared and knows in advance that I am going to make this request. The distinguished Republican leader indicated that there would be someone who would stand in his stead later in the day if I sought consent to take up the prompt payment bill.

Mr. President, I have discussed this matter briefly a number of times in the last day or so and I hope that Senators will allow the Senate to get on with the measure. There is an amendment, I understand, that is being worked on by some Senators. But I call attention to the fact that this bill has been on the calendar since May 20. That means that it has been on the calendar 2½ months—more than 2½ months. That is ample time in which to resolve differences on an amendment off the floor if such differences can be resolved. If they cannot be resolved in that time, why not let us get the bill up and let us all go at it?

So, Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 132, S. 328, to require the Federal Government to pay interest on overdue payments. And why should it not?

Mr. HECHT. Mr. President, we have an objection. We are in the process of clearing consent to turn to that on Thursday, September 10, following morning business; but as of today, I have to object.

Mr. BYRD. Mr. President, I thank the distinguished acting Republican leader. May I say with regard to the proposal that this bill be made the pending business—when?

Mr. HECHT. Thursday, September 10, following morning business.

Mr. BYRD. Mr. President, when the Senate returns in September, on Wednesday, September 9, the Senate is going to have other business to transact. We have our platter full and running over. Some of the measures that are on this calendar are not going to be acted on this year if they are not acted on soon. I say to the chairmen that it may be well to keep that in mind as they continue to hold hearings and report out bills: some of the bills simply are not going to be called up this year. We are not going to be able to get to them. The calendar is going to be glutted with appropriations bills down the road, plus the DOD authorization bill, reconciliation, campaign finance reform, and various and sundry other measures—Grove City for one.

So if Senators are really interested in prompt payment legislation, it seems to me this would be a good time to get it done.

I thank the distinguished acting leader.

SENATORIAL ELECTION CAMPAIGN ACT

The Senate continued with consideration of the bill.

Mr. BYRD. Mr. President, I simply remark briefly with regard to the comments by the distinguished junior Senator from Kentucky [Mr. MCCONNELL], who spoke of the value of television advertising in informing the people of this country during election campaigns; he also referred to putting the Senate on TV. As the prime mover in putting the Senate on TV, I believe that the action the Senate took has gone a long way toward truly informing the American poeple on the issues. They can tune in and watch to their hearts' content. They can turn it on, they can turn it off; they can listen or they can decline to listen. If they listen, they can hear in considerable depth the arguments in respect of the various pieces of legislation that come up before the Senate and the issues of the day. It is beneficial.

It is beneficial to our constitutional form of government that we have an informed electorate. Talleyrand said that there was more wisdom in public opinion than in Napoleon, Voltaire, and all the ministers of state present and to come. An informed electorate is vital to the strength of our constitutional system and to representative democracy. But 30-second spots and slick advertising do not inform the public. They mislead the public, so often.

If we did not have these gobs of money floating around that people try to find ways to spend, there would not be so much negative advertising. The people were turned off, just the opposite of what the distinguished Senator from Kentucky would have us believe. The people were turned off by the negativism in campaign advertising last year. There were media stories about the way the people were being sickened, turned off by the negative, below-the-belt advertising.

That is not good for the American system. That is not healthy for representative democracy. That does not inform anybody. That merely misleads people. The issues are not even discussed. The voting records of Senators are distorted.

I say that we should put an end to selling candidates like soap. That is what we are doing with all this money, all this negative advertising. The people are not being informed. We are selling candidates like soap. We should put an end to that and get back to a real discussion of the issues, back to working for our constituents, back to solving the problems of this country.

I thank the distinguished Senator. I congratulate him on being here on the floor to debate this issue. I know he is very sincere about the matter. He gives his time to debating this particular bill, and I am delighted to see that there is some attention being given to the bill. I think the more attention this bill gets, the more likely it will be that cloture will be invoked in due time and that the Senate will be able to act on the bill.

Mr. President, I again thank the acting Republican leader. Even though he objected to the request, he was not objecting on his own part, I am sure. He was objecting because another Senator on the other side of the aisle objects.

I yield the floor.

ORDER OF PROCEDURE

Mr. HECHT. Mr. President, I ask unanimous consent to proceed out of order for not to exceed 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

TREATMENT OF SENATOR HELMS ON NEWS PROGRAM

Mr. HECHT. Mr. President, it was with surprise and disappointment this morning that I observed, as an uninvited guest, U.S. Senator JESSE HELMS, was treated in what I consider to be a rude and disrespectful manner on a morning news program.

On this particular program, Senator HELMS was interviewed at length on his legislative effort to combat the abuse of diplomatic immunity. I found it to be a very insightful and professional job on the part of the interviewer, typical of the high caliber of the program's news coverage.

After the interview was over, however, another commentator chose to ridicule the Senator's assertion that the U.S. Government has the duty—and the capability—to defend our diplomats abroad against any retaliation to the Helms bill. I found these remarks to be shallow, unprofessional, and beneath the dignity to which the program has always ascribed. At the very least, if the comments had to be made, they should have been made while Senator HELMS was there to respond.

Obviously, I strongly support Senator HELMS' legislation. Whether it is a diplomat, his son, or a reigning monarch, no one of any nationality should be free to rape, steal, and wreak havoc on society while hiding beneath the shroud of diplomatic immunity. Beyond the merits of the issue, however—or my close relationship with Senator HELMS—is the issue of respect and professionalism between the media and elected representatives of the people of the United States, which I strongly feel must be protected. A free society, Mr. President, must be an informed one.

JESSE HELMS is an honorable, dedicated public servant, and I am proud to call him both my friend and my colleague. He showed this network the courtesy of appearing on their program, and I believe he deserves nothing less than having that courtesy returned.

ORDER OF PROCEDURE

Mr. PRYOR. Mr. President, I ask unanimous consent that I may speak as in morning business, for not to exceed 12 minutes.

The PRESIDING OFFICER (Mr. BREAUX). Without objection, it is so ordered.

THE TIME FOR ACTION ON TAXPAYERS' RIGHTS HAS COME

Mr. PRYOR. Mr. President, today I want to discuss S. 604, the taxpayers' bill of rights, and the issue of taxpayers' rights in America. Once Congress returns from its August recess, I will work to include this legislation as part of the Omnibus Budget Reconciliation Act.

I will be happy to discuss the taxpayers' bill of rights with any of my colleagues in the Senate who are interested in this proposition, and I encourage my colleagues to cosponsor this very important legislation. Many recent positive signs leave me very hopeful that our reconciliation bill, in which we fight our annual war against the deficit, can also include a victory for taxpayers' rights.

I have become aware in the past week of other taxpayers' rights packages that may be in the works in response to our initiative. While I welcome these new efforts, I want to caution my colleagues that the American people will not stand for watered-down legislation that merely pays lipservice to taxpayers' rights. The taxpayers' bill of rights is strong and meaningful. It is clear. It is legislation which has been cosponsored by 34 Senators, 129 Members of the House, and enjoys overwhelming public support.

Mr. President, continuing stories of taxpayer abuse have been making their way to Congress for several years now, and for many years they have been dismissed as isolated incidents. The time has now come for Congress to recognize that taxpayer abuse is a serious and widespread problem and that something is terribly wrong with the IRS bureaucracy, which consists of 102,000 individuals. What was possibly the exception two decades ago about isolated incidents in the relationship of the IRS to the American taxpayer has now, I fear, become the rule.

Senator LEVIN's hearings in 1980 conclusively proved that the problem of taxpayer abuse existed and was widespread, but Congress failed to act. Several taxpayers' rights bills have been proposed over the years, and yet Congress has failed to act. And now, in this historic 100th Congress the 200th anniversary of our Constitution, we have had to reprove what should have been recognized years ago.

On February 26, 1987, Senators REID and GRASSLEY joined with me in introducing S. 604, the taxpayers' bill of rights. Since then I have chaired three hearings on this bill in the Senate Finance Subcommittee on Oversight of the IRS. In the first hearing on April 10, 1987, Thomas Treadway testified that the IRS ruined his business and harassed his friend Shirley Lojeski over an assessment that later proved to be incorrect. Joseph Smith, a former IRS revenue officer, testified during this hearing that during his IRS employment of many years revenue officers were promoted on the basis of the number of seizures and collections that they made. Mr. Smith also testified that the goal in collection was "to put as little space between the taxpayer's back and the wall as possible."

In a hearing on April 21, Lawrence Gibbs, Commissioner of Internal Revenue, testified on behalf of the IRS. Commissioner Gibbs admitted that day that problems do exist at the IRS, but he said that these problems could be handled internally and did not require legislation. He announced a new policy at the IRS whereby taxpayers would be treated as customers. Commissioner Gibbs also assured us that promotions are not based in IRS today on statistical indicators such as the number of seizures made by revenue officers. In fact Commissioner Gibbs cited an IRS policy that specifically forbids such a practice.

Mr. President, I ask unanimous consent that a copy of the relevant portion of Commissioner Gibbs' testimony on that day be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

> I would like to note here that enforcement personnel are not evaluated on a quota system. In fact, we have a policy statement, P-1-20, which states that tax enforcement results tabulations shall *not* be used to evaluate such personnel or to impose any production quotas or goals. I have attached a copy of that policy statement to my testimony.

Mr. President, as I said before, I have a great deal of respect for this fine man, Commissioner Gibbs of the Internal Revenue Service. The goals that he has for the IRS and the policies that he wants to implement are all well intended. But the fact is that he, Commissioner Gibbs, will only be at the IRS for a very short time.

If my figures are correct, Mr. President, I think that the average IRS Commissioner only stays at the IRS for some 2½-year period.

I have learned that there are actually also, Mr. President, two IRS's. There is a political IRS consisting of the national office here in Washington that is the one that puts out the policy, the regulation, the goals and also many of those billboards that we see today that say if you have a problem with IRS simply dial 1-800 and then the number. But there is also a real IRS, Mr. President, consisting of entrenched bureaucracy in local district and regional office that the average taxpayer comes in contact with. Commissioners come and go, but the bureaucracy stays forever. This is precisely the reason why legislation is needed to protect taxpayers' rights.

In the final hearing on June 22, five current revenue officers, all very courageous and brave people, all contradicted Commissioner Gibbs before our committee. All of them testified that revenue officers are under tremendous pressure from their managers to seize assets and close cases. In addition, all of them testified that promotions and pay raises are directly connected to the number of seizures made and the number of cases closed. Two IRS internal memorandums, one of which I introduced into evidence as exhibit 2 during the hearing recently prove that in some offices this is not merely an implied policy. In one memorandum from the IRS to a revenue officer group, the group manager set out the group's seizure performance for the past month. He then stated:

> These figures indicate one of two possibilities:
>
> Most seizures are in the hands of only a few; or
>
> Only a few are willing to effect seizure. My itenerary (sic) reflected my availability to assist you on seizures and sales. Keep in mind that you can not make errors when the boss is the assisting revenue officer!

The final paragraph of this memorandum stated:

> Our goal should continue to be to make every seizure in every inventory every month. With WPSS driving inventory levels down, now is the time for seizure action.

Another witness, Mr. President, on June 22, who was from the San Francisco IRS office stated that in their particular office in San Francisco, CA, on the bulletin board it stated in these words, "Seizure fever. Catch it."

Finally, Mr. President, I have another IRS internal memorandum that I would like to make a part of the RECORD at this point. I am going to read just a short part of this particular statement. It is an IRS memo dated February 17 as recently as 1987.

> To: All Group Managers, Field Branch II.
> From: Chief, Field Branch II.
> Subject: Monthly Report—January 1987.
>
> I am sure each of you has analyzed and evaluated the January monthly report for your group. Personally, for a five week period, it is a sorry report. Not one manager has come forward to explain the poor performance statistical indicators. Example: one (1) CID Referral, four groups had zero (0); seven (7) seizures for the Branch, one group with zero (0) and two groups with one (1) each; and the number of low closures.

I continue in this memo, Mr. President, in reading a portion of it. The next to the last paragraph.

> It appears the fewer cases that the revenue officers have assigned to them, the less work they do. WPSS has not helped at all in the performance or quality areas. I still see Forms 5942 from SPS with the same old findings. I realize that in January we experienced two snow storms, but the first one did not take place until January 22nd. Furthermore, field time was disasterous, some revenue officers did not even turn in travel vouchers for January because they did not have any travel.
>
> Where are you as managers? What are you doing, and is it effective? As managers, you must become actively involved by doing your follow-ups, performing timely reviews (formal and informal), reviewing Forms 795 (daily reports), making field and office visits, reviewing field time, etc. The revenue officers that are performing above a satisfactory level will be rewarded, and the ones that are not will be documented with corrective action taken.

Finally, Mr. President, the final sentence, this is once again from the field branch 2, chief IRS to his collection agents:

> Your mid-year evaluations will be prepared in approximately one and one-half months. You will be evaluated on your accomplishments or lack or accomplishments. Need I say more?

Mr. President, I ask unanimous consent that this particular IRS memorandum be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

INTERNAL REVENUE SERVICE MEMORANDUM

Date: February 17, 1987.
To: All Group Managers Field Branch II.
From: Chief, Field Branch II.
Subject: Monthly Report—January 1987.

I am sure each of you has analyzed and evaluated the January monthly report for your group. Personally, for a five week period, it is a sorry report. Not one manager has come forward to explain the poor performance statistical indicators. Example: one (1) CID Referral, four groups had zero (0); seven (7) seizures for the Branch, one group with zero (0) and two groups with one (1) each; and the number of low closures.

It appears the fewer cases that the revenue officers have assigned to them, the less work they do. WPSS has not helped at all in the performance or quality areas. I still see Forms 5942 from SPS with the same old findings. I realize that in January we experienced two snow storms, but the first one did not take place until January 22nd. Furthermore, field time was disasterous, some revenue officers did not even turn in travel vouchers for January because they did not have any travel.

Where are you as managers? What are you doing, and is it effective? As managers, you must become actively involved by doing your follow-ups, performing timely reviews (formal and informal), reviewing Forms 795 (daily reports), making field and office visits, reviewing field time, etc. The revenue officers that are performing above a satisfactory level will be rewarded, and the ones that are not will be documented with corrective action taken.

Your mid-year evaluations will be prepared in approximately one and one-half months. You will be evaluated on your accomplishments or lack of accomplishments. Need I say more?

WILBUR E. MCKEAN.

Mr. PRYOR. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The time is expiring as we speak.

Mr. PRYOR. Mr. President, I ask unanimous consent that I may proceed for 5 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator is recognized for 5 minutes.

Mr. PRYOR. Mr. President, at the June 22 hearing we also addressed problems that small businessmen have in connection with employment tax assessments and collections. I find it very interesting to note that based on statistics in the 1984, 1985, and 1986 IRS annual reports, between 25 percent and 30 percent of all employment tax assessments are later withdrawn by the IRS because they are excessive, because they are made after the expiration of the statute of limitations, because they are illegally or erroneously made, or because of a clerical error.

Two small businessmen testified before our committee that the IRS has a policy of not entering into installment payment agreements with small businesses, especially in employment tax cases. These two taxpayers testified that if the IRS had entered into a reasonable payment agreement with them, they could have paid their assessments and saved their businesses. The IRS refused to work with either of these small businessmen and demanded immediate payment and one today is under chapter 11 and one is closed because the IRS auctioned off all of his property.

In the case of Alan Tucker from Denver, CO, he discovered his own error. He reported it to the IRS. The IRS, on that day, seized his bank account within a few hours of his first meeting with a revenue officer. Following President Reagan's call for the private sector to help the poor, Alan Tucker was involved in restoring slum housing in Denver, CO. IRS actions put Alan Tucker and 31 other employees out of business.

In the case of Danny Maestri, the IRS gave him only 10 days to pay his entire delinquency. He, too, was one who had found his own error. He reported that error to the IRS. Mr. Maestri was ultimately forced to put his 60-year-old family restaurant into chapter 11 bankruptcy to avoid having it taken and seized entirely by the Internal Revenue Service. Maestri's restaurant has suffered and his credit rating has been damaged, but he has managed to save his business.

I might add that the IRS does not have this money yet, because they refused to enter into a negotiated settlement.

The taxpayers' bill of rights, Mr. President, applies very specifically to the facts set out and the issues illustrated in these two particular cases. I encourage my colleagues to read the transcripts from these three previous hearings.

Further proof that taxpayer abuse is a widespread and serious problem has come from taxpayers all across the country. My office has been flooded with mail and phone calls from taxpayers wanting to tell their stories of abuse, and I am sure many of my colleagues have had a similar response. This issue has touched a nerve in the country and the people are saying, I think, very loud and clear that it is time that Congress performed its duty and passed legislation containing meaningful protections.

Yes, Mr. President, there are those in this country who are tax protesters and who simply do not want to pay any taxes. The taxpayers' bill of rights is not intended to protect those people or help them cheat the IRS. I feel very strongly that taxes are the price that we pay for a free society and that all taxes owed should be collected. The taxpayers' bill of rights simply grants basic protections to taxpayers who are willing to pay what they owe, and nothing in the bill is intended to handcuff the IRS in its collections efforts.

In summary, the American taxpayer wants meaningful taxpayers' rights legislation. In a recent letter, an Arkansas attorney told of a friend who called the IRS to ask a question about taxes. He stated:

> During the conversation he, upon receiving information from the IRS, made the statement "why, that doesn't seem fair." The IRS official responded "we don't deal in fair."

The American taxpayer wants to pay his fair share, but he wants to be dealt with fairly by the IRS. It has been proven beyond doubt that IRS abuse of taxpayers is a widespread and serious problem. It is time for us to stop merely talking about the issue and passing it on to the next Congress. It is time for this Congress, it is time for all of us to do our duty to protect the American taxpayer. And it is time for action on the taxpayers' bill of rights.

We will seek that action on the reconciliation bill come September or October or November, whenever that opportunity presents itself.

I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, thank you very much.

I am here today to talk about the taxpayers' bill of rights. I compliment and applaud the Senator from Arkansas for his work on this legislation. Without his leadership and guidance, as a member of the Finance Committee, this bill would not be where it is today.

Two hundred years ago in Philadelphia, in the hot, sultry summer, our Founding Fathers set forth to develop a constitution. They worked through that sultry, hot summer and into the fall to write a constitution. A short time later, of course, came the Bill of Rights.

It is unusual that, some 200 years later, with the many freedoms that have been established in this country, we would have to come forward with legislation entitled "The Taxpayers' Bill of Rights." The people who provide for the very essence of this Government—that is by paying the bills—you would think would enjoy the basic protections found in the Bill of Rights and that there would not need to be special legislation for taxpayers. But the fact of the matter is, Mr. President, that legislation is needed to give taxpayers fundamental rights.

The Senator from Arkansas spoke a great truth when he said that the American people are behind the taxpayers' bill of rights. There are those in both bodies who have understood the effect of the abusive behavior of IRS agents. It is only a small number of IRS agents, but that small number has created a bad taste in the mouths of the American public. Something has to be done to control that small number of abusive IRS agents, because the effect that these agents have had on law-abiding citizens is not good.

People have understood in this body and the other body for over a decade that something must be done. Their efforts, however, to legislate a solution to these abuses have generally been dismissed as mere demagoguery.

While in the House of Representatives, Mr. President, this Senator introduced legislation to correct what I believe to be some of the abuses. I thought at the time that it was legislation that would be effective in my home State, that would apply only to my home State.

I had the good fortune to appear on a national television program called "Night Watch" with Charlie Rose. After having appeared on that program, which airs at some time like 3 o'clock in the morning, not knowing that many people would be watching that program, I received a tremendous response. The next day my office received spates of telegrams, numerous telephone calls, and subsequently lots and lots of letters. I came to realize very quickly that it was not a problem unique to Nevada.

After coming to this body, I joined with Senator PRYOR and Senator GRASSLEY and introduced this legislation. This is a bill that, I believe, is well crafted. It has the support now of 34 Senators. It has the support of 130 House Members. This bill is on the move. It is on the legislative fast track in both Houses of Congress.

I also underline what the Senator from Arkansas said regarding the fact that we want money collected. We do not want anyone that owes money to this Government to get out of paying that money. What we want is for that money to be collected fairly and squarely. And the evidence simply is it has not.

After years of seeking relief from the highhanded tactics of the IRS, the U.S. Congress is moving to put the word "service" back into the IRS.

Lest any of my colleagues still doubt the need for this kind of legislation, I invite you to read the transcripts from the three hearings held in Senator PRYOR's subcommittee. The evidence presented to that subcommittee is overwhelming. Senator PRYOR has mentioned a number of things that were brought out in that subcommittee—"Seizure fever—Catch it." Can you imagine a boss having that on his window so that all the employees there could see it, indicating that it is good to seize people's property. The evidence is clear, not in one case, but in many cases.

There are many examples of small business people who simply were run out of business by the IRS. One example that comes to my mind is a business in operation 14 years. They owed taxes. They employed over 100 people. The owner said, "We will pay 60 percent of it today and we want to work out the balance with you." "No thanks replied the IRS." The result: the business was closed; 100 people out of work; and the Government collected no taxes.

If you are not interested in looking at the transcript of the hearings from that subcommittee, then I invite you to pick up a handful of your mail. You will find stories from your own constituents describing the incredible stories of abuse and discourteous behavior of the IRS that come in the mail every day. Unfortunately these stories are routine and they are real. No lobbying group composes these letters. They come from real people. Every letter I have received is handwritten. And every letter I received is composed by a person.

Letters from small business people come in as well. They all are real. They are all from people who are telling a story from the heart.

Every letter supports S. 604, the omnibus taxpayers' bill of rights.

This measure will be approved by the Senate and the House this year.

I urge my colleagues to join Senators PRYOR, GRASSLEY, myself, and 32 other Senators to cosponsor this historic measure and bring to the American public a new part of the bill of rights that should always be in existence but that will come with passage of this legislation: the taxpayers' bill of rights.

I yield the balance of my time.

ORDER OF PROCEDURE

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. PRYOR. Mr. President, I ask unanimous consent that I may proceed for a period of time not to exceed 5 minutes as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator is recognized.

FOUR POSSIBLE RULES CHANGES

Mr. PRYOR. Mr. President, I thank you for recognizing me.

During the course of the legislative day I will introduce on behalf of myself and on behalf of Senator DANFORTH, of Missouri, four possible rules changes that will be going to the Rules Committee.

Mr. President, one of these rules changes that Senator DANFORTH and I would present will relate to the sense-of-the-Senate resolutions, requiring 20 cosponsors, 20 cosponsors of each sense-of-the-Senate resolution.

Second, one of our proposals will be to change the motion to proceed to limit debate on the motion to proceed to 1 hour, equally divided, that time being allocated by the majority and minority leaders, up-or-down vote, and a simple majority, the Senate deciding whether or not to proceed to the legislation.

The third change, Mr. President, relates to the 15-minute rollcall vote which is now a standing order of the Senate. We will elevate it to a rule. We will also charge the Rules Committee with establishing a system in this body whereby we will be signaled at the time when the 15-minute period expires.

The fourth change, Mr. President, is the most complex. It relates to how we as Members of the Senate amend legislation. It will be an attempt to keep the majority and minority leaders, the managers of specific legislation, from standing on this floor, literally begging and pleading with Senators to bring their amendments to the floor for offering and debate. We will propose a change that we hope will be effective and we hope will be efficient, and certainly which we hope to be adopted. It will be a system whereby we have to amend a bill by section or title.

Tomorrow, given the proper opportunity, I will have the opportunity, together with Senator DANFORTH, to explain these four proposals in which we attempt to change the rules by which we operate in the Senate.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator yields back his time.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Nevada is recognized.

Mr. REID. Mr. President, what is the business before the Senate?

The PRESIDING OFFICER. The Chair states the pending business is S. 2.

Mr. REID. Mr. President, I ask unanimous consent that I may proceed as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I am not going to object, but I wish we would stay on the business of the Senate. We are getting into a situation here where the whole day is being spent on morning business.

Mr. REID. Mr. President, I shall be happy to speak on the matter before the Senate, S. 2.

Mr. BYRD. Is the Senator going to speak on S. 2, Mr. President?

Mr. REID. Yes, Mr. President. I shall do that rather than morning business.

Mr. BYRD. Mr. President, I am thankful.

I yield the floor.

FEC REGULATION AMENDMENTS

Mr. REID. Mr. President, too often we, as those who exercise oversight, see only that which is wrong with the entities we review. We raise those matters which we think need correction and enact legislation to resolve the problems. We are often ready to criticize, but too rarely do we recognize efforts by an agency to resolve its own problems.

Since the introduction of S. 2 and other legislation, including a bill that I introduced, S. 780, I have spoken on this floor repreatedly about the need for campaign reform. I have testified on a number of occasions regarding the repeated and consistent delays encountered by those who seek redress before the FEC for violations of Federal election laws. I am delighted today to be able to tell my colleagues in this body that the Federal Election Commission has taken some steps to resolve its problems of delay. I also submit, Mr. President, that I believe the reason for the action of the FEC—and I respect them for doing so—is some of the conversation that has taken place on this floor, some of the criticism that has taken place on this floor, some of the talk that has taken place on this floor regarding campaign reform.

The Federal Election Commission has seen that they can do something on their own to resolve some of the problems that have caused the confusion, the extended delays in proceedings before FEC, and the problems with campaigns generally.

The Federal Election Commission today, I am happy to report, is in a position now where they are going to speed up their own process. The actions are represented in the reform that I talked about by the FEC itself, in new procedures adopted by the Commission policy on granting extensions of time in enforcement matters.

Those people that have had problems and have filed complaints or been parties to complaints or had actions that are of interest to them before the Federal Election Commission, have found that most often, nothing ever happens. It is one delay, it is another delay, it is delay after delay. They simply recognize now, the Federal Election Commission, that they must do something about it. They have adopted new procedures that relate to enforcement. They were adopted on June 4 and discussed in this month's FEC Record, a publication put out by the Federal Election Commission.

In essence, the new regulations place some restrictions on the granting of extensions at various stages of the enforcement process, and even some of those are limited to "exceptional circumstances." Discretion to grant such extensions is granted to FEC counsel, with guidance as to time and criteria provided by the regulations.

Mr. President, what the FEC has done is certainly not enough and the talk that has taken place on this floor with regard to campaign reform is still a valid judgment. But I commend the FEC for doing something. While maybe not enough, it is a step in the right direction and constitutes a recognition by the FEC that a problem in delay exists and something must be done to resolve it. I am very much a believer in the maxim that recognition of the existence of a difficulty is half the battle in finding a solution.

Now that the FEC has acknowledged the problem of delay, I hope that the Commission will focus even more attention on what has been taking place on this floor, that the delays which have taken place in proceedings before the Election Commission cannot be resolved only by a change in their internal rules. More needs to be done. S. 2 would certainly be a vast improvement, as we talked about on the Senate floor.

I also would like the Members of this body to look at legislation I have introduced which is a companion to S. 2, which will streamline the procedures of the Federal Election Commission.

I am certainly applauding today the legislation that has been introduced by Senator BOREN and the majority leader, which I think rightfully has focused attention on what has taken place in the elections in the past several years in this country. I think the American public has responded. It is seen in the editorials in all the major newspapers, saying that there must be some election reform. The editorials have appeared not only in major newspapers but also in the hometown newspapers that come from the various congressional districts throughout the country. So I commend Senator **Boren** and the majority leader for the work they have done on this issue.

I ask my colleagues on the other side of the aisle to join in this effort to reform the campaign laws of this country, to make campaigns more meaningful, so that the people of this country will be involved more in elections than they have been, so that voter registration will pick up, so that people need not be wealthy to be involved in a political campaign.

I yield back the remainder of my time.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, I hope shortly to be able to take up another measure on which some problem is being resolved. For the time being, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

OLDER AMERICANS ACT AUTHORIZATION

Mr. BYRD. Mr. President, the distinguished Republican leader and I have been discussing this request.

I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 285, provided that, with the exception of the committee amendments from the Indian Affairs Committee and the committee substitute from the Labor Committee, only the following amendments be in order: An amendment by Mr. **Matsunaga**, an amendment by Mr. **Hatch** and Mr. **Inouye**, three amendments on behalf of Mr. **Melcher**.

I also ask unanimous consent that there be no motion to recommit, either with or without instructions, and that there be a time limitation of not to exceed 15 minutes.

The PRESIDING OFFICER. Is there objection to the request of the majority leader? The Chair hears none, and it is so ordered.

Mr. BYRD. Mr. President, I ask unanimous consent that the agreement be in the usual form with respect to the division and control of the time.

The PRESIDING OFFICER (Mr. **Sanford**). Without objection, it is so ordered.

The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 887) to extend the authorization of appropriations for and to strengthen the provisions of the Older Americans Act of 1965, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Human Resources, with an amendment to strike all after the enacting clause and insert in lieu thereof the following:

SHORT TITLE; TABLE OF CONTENTS

Section 1. This Act may be cited as the "Older Americans Act Amendments of 1987".

TABLE OF CONTENTS

Sec. 1. Short title; table of contents.

TITLE I—AMENDMENTS TO THE OLDER AMERICANS ACT OF 1965

Part A—Objectives and Administration

Sec. 101. Objectives.
Sec. 102. Establishment of Administration on Aging.
Sec. 103. Data collection; reports.
Sec. 104. Veterans' programs.
Sec. 105. Mental health.
Sec. 106. Older individuals with disabilities.
Sec. 107. Older Native Americans.
Sec. 108. Federal Council on Aging.
Sec. 109. Regulations.
Sec. 110. Publication of goals.

Part B—Grants for Supportive Services, Nutrition, and Other Activities

Sec. 121. Purpose.
Sec. 122. Administration of State grants program.
Sec. 123. Reauthorization for State and community programs on aging.
Sec. 124. Administrative expenses of area agencies on aging.
Sec. 125. Area agencies on aging as separate units.
Sec. 126. Area plans.
Sec. 127. Daycare and respite services provided by volunteers.
Sec. 128. Coordination of certain programs relating to older victims of Alzheimer's disease.
Sec. 129. Ombudsman office and program.
Sec. 130. Flexibility of services; legal assistance.
Sec. 131. Documentation regarding minority participation.
Sec. 132. Targeting of services.
Sec. 133. Coordination relating to mental health services.
Sec. 134. Services to older Native Americans.
Sec. 135. Services to individuals with disabilities.
Sec. 136. Confidentiality of information relating to legal assistance provided.
Sec. 137. Coordination of community-based services.
Sec. 138. Payments.
Sec. 139. In-home services for frail older individuals.
Sec. 140. State plan information regarding services to older individuals residing in rural areas.
Sec. 141. Health education and promotion for older Americans.
Sec. 142. Prevention of abuse of older individuals.
Sec. 143. Assistive technology services.

Part C—Demonstration Grants

Sec. 151. Demonstration projects; purpose.
Sec. 152. Multidisciplinary centers.
Sec. 153. Volunteer opportunities.
Sec. 154. Special projects in comprehensive long-term care.
Sec. 155. Demonstration program of outreach to elderly SSI, medicaid, and food stamp eligibles.
Sec. 156. Demonstration grants for individuals with disabilities.
Sec. 157. Home-care quality assurance demonstration projects.
Sec. 158. Authorization of appropriations for training, research, and discretionary projects and programs.

Part D—Community Service Employment

Sec. 161. Administrative costs of employment projects.
Sec. 162. Community service employment for older Indians.
Sec. 163. Definition of community services.
Sec. 164. Authorization of appropriations for community service employment for older Americans.
Sec. 165. Employment assistance and other programs.

Part E—Native American Programs

Sec. 171. Native American programs.

Part F—Miscellaneous and Technical Amendments

Sec. 181. Personal health education and training programs.
Sec. 182. Technical amendments.

TITLE II—1991 WHITE HOUSE CONFERENCE ON AGING

Sec. 201. White House Conference authorized.
Sec. 202. Authorization of the Conference.
Sec. 203. Conference administration.
Sec. 204. Conference committees.
Sec. 205. Report of the Conference.
Sec. 206. Definitions.
Sec. 207. Authorization of appropriations.

TITLE III—ALZHEIMER'S DISEASE RESEARCH

Sec. 301. Requirement for clinical trials.
Sec. 302. Authorization of appropriations.

TITLE IV—GENERAL PROVISIONS

Sec. 401. Effective date; application of amendments.

TITLE I—AMENDMENTS TO THE OLDER AMERICANS ACT OF 1965

PART A—OBJECTIVES AND ADMINISTRATION

OBJECTIVES

Sec. 101. Section 101 of the Older Americans Act of 1965 (42 U.S.C. 3001) (hereafter in this title referred to as "the Act") is amended—

(1) in the matter preceding paragraph (1)—

(A) by striking "United States and" and inserting "United States,", and

(B) by inserting ", and of Indian tribes" after "subdivisions",

(2) in paragraph (3)—

(A) by striking "Suitable" and inserting "Obtaining and maintaining suitable", and

(B) by inserting "and functional limitations" after "special needs",

(3) in paragraph (7) by striking "Pursuit of" and inserting "Participating in and contributing to", and

(4) in paragraph (10)—

(A) by striking "lives and" and inserting "lives,", and

(B) by inserting ", and protection against abuse, neglect, and exploitation" before the period at the end.

ESTABLISHMENT OF ADMINISTRATION ON AGING

SEC. 102. Section 201(a) of the Act (42 U.S.C. 3011(a)) is amended in the third and fourth sentences by striking "the Office of".

DATA COLLECTION; REPORTS

SEC. 103. (a) COLLECTION REQUIRED.—Section 202(a) of the Act (42 U.S.C. 3012(a)) is amended—

(1) by striking "and" in paragraph (17) at the end,

(2) by striking out the period at the end of paragraph (18) and inserting a semicolon, and

(3) by adding at the end the following:

"(19) collect for each fiscal year for fiscal years beginning after September 30, 1988, directly or by contract, statistical data regarding programs and activities carried out with funds provided under this Act, including—

"(A) with respect to each type of service provided with such funds—

"(i) the aggregate amount of such funds expended to provide such service;

"(ii) the number of individuals who received such service; and

"(iii) the number of units of such service provided;

"(B) the number of senior centers which received such funds; and

"(C) the extent to which each area agency on aging designated under section 305(a) satisfied the requirements of paragraphs (2) and (5)(A) of section 306(a).".

(b) REPORTS.—The last sentence of section 207(a) of the Act is amended to read as follows: "Such annual reports shall include—

"(1) statistical data reflecting services and activities provided to individuals during the preceding fiscal year;

"(2) statistical data collected under section 202(a)(19);

"(3) statistical data on legal services collected pursuant to section 202(a)(19) and an analysis of the information received under section 307(a)(15)(E) by the Commissioner; and

"(4) statistical data and an analysis of information regarding the effectiveness of the State agency and area agencies on aging in targeting services to older individuals with the greatest economic or social needs, with particular attention to low-income minority individuals, low-income individuals, and frail individuals (including individuals with any physical or mental functional impairment).".

(c) REPORT ON OMBUDSMAN PROGRAM TO CONGRESS.—Section 207 of the Act is amended by adding at the end the following:

"(c)(1) Not later than January 15 of each year, the Commissioner shall compile a report—

"(A) summarizing and analyzing the data collected under section 307(a)(12)(C) for the then most recently concluded fiscal year;

"(B) identifying significant problems and issues revealed by such data (with special emphasis on problems relating to quality of care and residents' rights);

"(C) discussing current issues concerning the long-term care ombudsman programs of the States; and

"(D) making recommendations regarding legislation and administrative actions to resolve such problems.

"(2) The Commissioner shall submit the report required by paragraph (1) to—

"(A) the Select Committee on Aging of the House of Representatives;

"(B) the Special Committee on Aging of the Senate;

"(C) the Committee on Education and Labor of the House of Representatives; and

"(D) the Committee on Labor and Human Resources of the Senate.

"(3) The Commissioner shall provide the report required by paragraph (1), and make the State reports required by section 307(a)(12)(I)(i) available, to—

"(A) the Administrator of the Health Care Finance Administration;

"(B) the Office of the Inspector General of the Department of Health and Human Services;

"(C) the Office of Civil Rights of the Department of Health and Human Services;

"(D) the Administrator of the Veterans' Administration; and

"(E) the public agencies and private organizations designated under section 307(a)(12)(A).".

VETERANS' PROGRAMS

SEC. 104. (a) CONSULTATION.—Section 203(b) of the Act (42 U.S.C. 3013(b)) is amended—

(1) by striking "and" in paragraph (13) at the end,

(2) by striking the period at the end of paragraph (14) and inserting ", and", and

(3) by adding at the end the following:

"(15) parts II and III of title 38, United States Code.".

(b) TECHNICAL ASSISTANCE AND COOPERATION UNDER TITLE III.—Section 301(b)(2) of the Act is amended by inserting ", the Veterans' Administration," after "Office of Community Services".

(c) AREA PLANS.—Section 306(a)(6)(F) of the Act is amended by inserting "providers of veterans' health care (if appropriate)," after "elected officials,".

(d) TECHNICAL ASSISTANCE AND COOPERATION UNDER TITLE IV.—Section 402(b) of the Act is amended by inserting "the Veterans' Administration," after "National Institutes of Health,".

MENTAL HEALTH

SEC. 105. (a) FUNCTIONS OF COMMISSIONER.—Section 202(a)(5) of the Act (42 U.S.C. 3012(a)(5)) is amended by inserting "(including mental health)" after "health".

(b) FEDERAL AGENCY CONSULTATION.—Section 203(b)(10) of the Act is amended by inserting ", including block grants under title XIX of such Act" before the comma.

(c) ADMINISTRATION OF TITLE III.—Section 301(b)(2) of the Act, as amended by section 104(b), is amended by inserting ", the Alcohol, Drug Abuse, and Mental Health Administration," after "Veterans' Administration,".

(d) ADMINISTRATION OF TITLE IV.—Section 402(b) of the Act, as amended by section 104(d), is amended by inserting "Alcohol, Drug Abuse, and Mental Health Administration," after "Veterans' Administration,".

(e) EDUCATION AND TRAINING.—(1) Section 411(a)(1) of the Act is amended by inserting "(including mental health)" after "health".

(2) The first sentence of section 412(a) of the Act is amended by inserting "(including mental health)" after "health".

(f) SPECIAL PROJECTS IN COMPREHENSIVE LONG-TERM CARE.—The second sentence of section 423(a)(3) of the Act is amended by inserting "mental health services;" after "in-home services;".

OLDER INDIVIDUALS WITH DISABILITIES

SEC. 106. (a) CONSULTATION FUNCTION.—Section 202(a) of the Act (42 U.S.C. 3012(a)), as amended by section 103(a), is amended—

(1) by striking "and" at the end of paragraph (18);

(2) by striking out the period at the end of paragraph (19) and inserting in lieu thereof a semicolon and the word "and"; and

(3) by adding at the end thereof the following new paragraph:

"(20) consult with national organizations representing the interests of individuals with severe disabilities (A) to develop and disseminate information on population characteristics and needs, and training of personnel; and (B) to provide technical assistance designed to assist State and area agencies to provide services in collaboration with other State agencies to older individuals with disabilities and severely impairing conditions.".

(b) PLANNING.—Section 202(b)(1) of the Act is amended—

(1) by striking "and" and inserting a comma; and

(2) by inserting after "Act" at the end thereof a comma and the following: "with the Alcohol, Drug Abuse, and Mental Health Administration and the Administration on Developmental Disabilities".

(c) AGENCY CONSULTATION.—(1) Section 203(b) of the Act, as amended by section 104(a), is amended—

(A) by striking out "and" at the end of paragraph (14);

(B) by striking out the period at the end of paragraph (15) and inserting in lieu thereof a comma; and

(C) by adding after paragraph (15) the following new paragraphs:

"(16) the Rehabilitation Act of 1973, and

"(17) the Developmental Disabilities and Bill of Rights Act.".

(2) Section 203 of the Act is amended by adding at the end thereof the following:

"(c) In carrying out section 341, the Commissioner shall consult with the Federal Advisory Panel on Alzheimer's Disease established under section 921 of the Alzheimer's Disease and Related Dementias Services Research Act of 1986.".

(d) EVALUATION.—The second sentence of section 206(c) of the Act is amended by inserting before the period the following: "and older individuals with disabilities".

OLDER NATIVE AMERICANS

SEC. 107. (a) IMPROVED ADMINISTRATION FOR NATIVE AMERICAN PROGRAMS.—Section 201 of the Act (42 U.S.C. 3011) is amended by adding at the end the following:

"(c)(1) There is established in the Administration on Aging an Office for Native American Programs.

"(2) The Office shall be headed by an Associate Commissioner on Native American Aging appointed by the Commissioner.

"(3) The Associate Commissioner on Native American Aging shall—

"(A)(i) evaluate the adequacy of outreach under title III and title VI for older Native Americans and recommend to the Commissioner necessary action to improve service delivery, outreach, coordination between title III and title VI services, and particular problems faced by older Indians and Hawaiian Natives; and

"(ii) include a description of the results of such evaluation and recommendations in the annual report required by section 207(a) to be submitted by the Commissioner;

"(B) serve as the effective and visible advocate in behalf of older Native Americans within the Department of Health and Human Services and with other departments and agencies of the Federal Government regarding all Federal policies affecting older Native Americans;

"(C) coordinate activities between other Federal departments and agencies to assure a continuum of improved services through memoranda of agreements or through other appropriate means of coordination;

"(D) administer and evaluate the grants provided under this Act to Indian tribes, public agencies and nonprofit private organizations serving Hawaiian Natives;

"(E) recommend to the Commissioner policies and priorities with respect to the development and operation of programs and activities conducted under the Act relating to older Native Americans;

"(F) collect and disseminate information related to problems experienced by older Native Americans;

"(G) develop research plans, and conduct and arrange for research, in the field of American Native aging with a special emphasis on the gathering of statistics on the status of older Native Americans; and

"(H) develop and provide technical assistance and training programs to grantees under title VI.".

(b) Federal Council on Aging.—The third sentence of section 204(a)(1) of the Act (42 U.S.C. 3015(a)(1)) is amended by inserting "Indian tribes" after "minorities".

(c) Contracting Authority.—Section 212 of the Act (42 U.S.C. 3020c) is amended by inserting after "State agency" the following: "(or in the case of a grantee under title VI, subject to the recommendation of the Associate Commissioner on Native American Aging and the approval of the Commissioner)".

FEDERAL COUNCIL ON AGING

Sec. 108. (a) Membership.—The fourth sentence of section 204(a)(1) of the Act (42 U.S.C. 3015(a)(1)) is amended by striking out "two" and inserting in lieu thereof "three".

(b) Reauthorization.—Section 204(g) of the Act (42 U.S.C. 3015) is amended to read as follows:

"(g) There are authorized to be appropriated to carry out the provisions of this section $210,000 for the fiscal year 1988, $221,000 for the fiscal year 1989, $232,000 for the fiscal year 1990, $243,000 for the fiscal year 1991, and $255,000 for the fiscal year 1992.".

REGULATIONS

Sec. 109. Section 205(c) of the Act (42 U.S.C. 3016(c)) is amended by striking "1984" and inserting "1987".

PUBLICATION OF GOALS

Sec. 110. Section 205 of the Act (42 U.S.C. 3016) is amended—

(1) by redesignating subsection (d) as subsection (e), and

(2) by inserting after subsection (c) the following:

"(d) Not later than September 1 of each fiscal year, the Commissioner shall publish in the Federal Register, for the purpose of facilitating informed public comment, proposed specific goals to be achieved by implementing this Act in the first fiscal year beginning after the date of such publication.".

Part B—Grants for Supportive Services, Nutrition, and Other Activities

PURPOSE

Sec. 121. Section 301(a) of the Act (42 U.S.C. 3021(a)) is amended by inserting "with Indian tribes, tribal organizations, and Hawaiian Native organizations," after "agencies," the second place it appears.

ADMINISTRATION OF STATE GRANTS PROGRAM

Sec. 122. Section 301(b)(2) of the Act is amended—

(1) by inserting "(a)" after the paragraph designation; and

(2) by adding at the end thereof the following new subparagraph:

"(b) In carrying out the provisions of this title, the Commissioner may request technical assistance and cooperation of other agencies and units of the Department of Health and Human Services, including the National Institute on Aging, the Health Care Financing Administration, and the Social Security Administration.".

REAUTHORIZATION FOR STATE AND COMMUNITY PROGRAMS ON AGING

Sec. 123. (a) Supportive Services and Senior Centers.—Section 303(a) of the Act is amended to read as follows:

"(a) There are authorized to be appropriated $379,575,000 for the fiscal year 1988, $398,554,000 for the fiscal year 1989, $418,481,000 for the fiscal year 1990, $439,406,000 for the fiscal year 1991, and $461,376,000 for the fiscal year 1992 for the purpose of making grants under part B of this title (relating to supportive services and senior centers).".

(b) Nutrition Services.—Section 303(b) of the Act is amended to read as follows:

"(b)(1) There are authorized to be appropriated $414,750,000 for the fiscal year 1988, $435,488,000 for the fiscal year 1989, $457,262,000 for the fiscal year 1990, $480,125,000 for the fiscal year 1991, and $504,131,000 for the fiscal year 1992 for the purpose of making grants under subpart 1 of part C of this title (relating to congregate nutrition services).

"(2) There are authorized to be appropriated $79,380,000 for the fiscal year 1988, $83,349,000 for the fiscal year 1989, $87,516,000 for the fiscal year 1990, $91,892,000 for the fiscal year 1991, and $96,487,000 for the fiscal year 1992 for the purpose of making grants under subpart 2 of part C of this title (relating to home delivered nutrition services).".

(c) Surplus Commodities Program.—(1) Section 311(a)(4) of the Act is amended—

(A) by striking "fiscal year 1986 and during each fiscal year thereafter" and inserting "fiscal years 1986 through 1992", and

(B) by striking the second and third sentences.

(2) The matter preceding the parenthetical in section 311(c)(1)(A)(i) of the Act is amended to read as follows:

"(c)(1)(A)(i) There are authorized to be appropriated $151,000,000 for the fiscal year 1988, $166,000,000 for the fiscal year 1989, $183,000,000 for the fiscal year 1990, $201,000,000 for the fiscal year 1991, and $221,100,000 for the fiscal year 1992 to carry out the provisions of this section.".

ADMINISTRATIVE EXPENSES OF AREA AGENCIES ON AGING

Sec. 124. Section 304(d)(1)(A) of the Act (42 U.S.C. 3024(d)(1)(A)) is amended by striking "8.5" and inserting "10".

AREA AGENCIES ON AGING AS SEPARATE UNITS

Sec. 125. Section 305(c) of the Act (42 U.S.C. 3025(c)) is amended—

(1) in paragraph (2) by inserting "to function only" after "designated",

(2) in paragraph (3) by inserting "only" after "act", and

(3) in paragraph (4)—

(A) by inserting ", or any separate organizational unit within such agency," after "area" the first place it appears, and

(B) by striking "engage" and inserting "and will engage only".

AREA PLANS

Sec. 126. Section 306(a)(6)(A) of the Act (42 U.S.C. 3026(a)(6)(A)) is amended by inserting ", and public hearings on," after "evaluations of".

DAYCARE AND RESPITE SERVICES PROVIDED BY VOLUNTEERS

Sec. 127. Section 306(a)(6)(E) of the Act (42 U.S.C. 3026(a)(6)(E)) is amended—

(1) by inserting "or adults, and respite for families," after "for children", and

(2) by inserting ", adults, and families" after "to children".

COORDINATION OF CERTAIN PROGRAMS RELATING TO OLDER VICTIMS OF ALZHEIMER'S DISEASE

Sec. 128. Section 306(a)(6) of the Act (42 U.S.C. 3026(a)(6)) is amended—

(1) in subparagraph (J) by striking "and" at the end;

(2) in subparagraph (K) by striking out the period at the end and insert a semicolon and "and"; and

(3) by adding at the end the following:

"(L) coordinate the categories of services specified in paragraph (2) for which the area agency on aging is required to expend funds under part B, with activities of community-based organizations established for the benefit of victims of Alzheimer's disease and the families of such victims.".

OMBUDSMAN OFFICE AND PROGRAM

Sec. 129. (a) Technical Assistance.—Section 301 of the Act (42 U.S.C. 3021) is amended by adding at the end the following:

"(c) The Commissioner shall provide technical assistance and training (by contract, grant, or otherwise) to State long-term care ombudsman programs established under section 307(a)(12), and to individuals designated under such section to be representatives of a long-term care ombudsman, in order to enable such ombudsmen and such representatives to carry out the ombudsman program effectively.".

(b) Study of Ombudsman Program.—(1) The Commissioner shall conduct a study concerning involvement in the ombudsman program established under section 307(a)(12) and its impact upon issues and problems affecting—

(A) residents of board and care facilities and other similar adult care homes who are older individuals (as defined in section 302(10)), including recommendations for expanding and improving ombudsman services in such facilities; and

(B) the effectiveness of recruiting, supervising and retaining volunteer ombudsmen.

(2) The Commissioner shall prepare and submit a report to the Congress on the findings and recommendations of the study described in paragraph (1) not later than December 31, 1989.

(c) Authorization of Appropriations.—Section 303(a) of the Act (42 U.S.C. 3023), as amended by section 123, is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end the following:

"(2) There are authorized to be appropriated an additional $20,000,000 for fiscal year 1988 and such sums as may be necessary for each of the fiscal years 1989, 1990, 1991, and 1992 for such part B to be available for section 307(a)(12).".

(d) State Plans.—Section 307(a)(12) of the Act (42 U.S.C. 3027(a)(12)) is amended to read as follows:

"(12) The plan shall provide assurances, with respect to a long-term care ombudsman program, that—

"(A) the State agency will establish and operate, either directly or by contract or other arrangement with any public agency or other appropriate private nonprofit organization, other than an agency or organization which is responsible for licensing or certifying long-term care services in the State or which is an association (or an affiliate of such an association) of long-term care facilities (including any other residential facility for older individuals), an Office *of the State Long-Term Care Ombudsman (in this paragraph referred to as the 'Office') and shall carry out through the Office a long-term care ombudsman program which provides an individual who will, on a full-time basis—*

"(i) investigate and resolve complaints made by or on behalf of older individuals who are residents of long-term care facilities relating to action, inaction, or decisions of providers, or their representatives, of long-term care services, of public agencies, or of social service agencies, which may adversely affect the health, safety, welfare, or rights of such residents;

"(ii) provide for training staff and volunteers and promote the development of citizen organizations to participate in the ombudsman program; and

"(iii) carry out such other activities as the Commissioner deems appropriate;

"(B) the State agency will establish procedures for appropriate access by the ombudsman to long-term care facilities and patients' records, including procedures to protect the confidentiality of such records and ensure that the identity of any complainant or resident will not be disclosed without the written consent of such complainant or resident, or upon court order;

"(C) the State agency will establish a statewide uniform reporting system to collect and analyze data relating to complaints and conditions in long-term care facilities for the purpose of identifying and resolving significant problems, with provision for submission of such data to the agency of the State responsible for licensing or certifying long-term care facilities in the State and to the Commissioner on a regular basis;

"(D) the State agency will establish procedures to assure that any files maintained by the ombudsman program shall be disclosed only at the discretion of the ombudsman having authority over the disposition of such files, except that the identity of any complainant or resident of a long-term care facility shall not be disclosed by such ombudsman unless—

"(i) such complainant or resident, or his legal representative, consents in writing to such disclosure; or

"(ii) such disclosure is required by court order;

"(E) the State agency will establish a statewide toll-free hotline to facilitate communication of complaints to the ombudsman by residents of long-term care facilities, by any person on behalf of such residents and recipients, and by any other person;

"(F) in planning and operating the ombudsman program, the State agency will consider the views of area agencies on aging, older individuals, and provider agencies;

"(G) the State agency will—

"(i) ensure that no individual involved in the designation of the long-term care ombudsman (whether by appointment or otherwise) or the designation of the head of any subdivision of the Office is subject to a conflict of interest;

"(ii) ensure that no officer, employee, or other representative of the Office is subject to a conflict of interest; and

"(iii) ensure that mechanisms are in place to identify and remedy any such or other similar conflicts;

"(H) the State agency will—

"(i) ensure that adequate legal counsel is available to the Office for advice and consultation and that legal representation is provided to any representative of the Office against whom suit or other legal action is brought in connection with the performance of such representative's official duties; and

"(ii) ensure that the Office has the ability to pursue administrative, legal, and other appropriate remedies on behalf of residents of long-term care facilities;

"(I) the State agency will require the Office to—

"(i) prepare an annual report containing data and findings regarding the types of problems experienced and complaints received by or on behalf of individuals residing in long-term care facilities, and to provide policy, regulatory, and legislative recommendations to solve such problems and resolve such complaints and improve the quality of care and life in long-term care facilities;

"(ii) analyze and monitor the development and implementation of Federal, State, and local laws, regulations, and policies with respect to long-term care facilities and services in that State, and recommend any changes in such laws, regulations, and policies deemed by the Office to be appropriate;

"(iii) provide information to public agencies, legislators, and others, as deemed necessary by the Office, regarding the problems and concerns, including recommendations related to such problems and concerns, of older individuals residing in long-term care facilities;

"(iv) provide for the training of the Office staff, including volunteers and other representatives of the Office, in—

"(I) Federal, State, and local laws, regulations, and policies with respect to long-term care facilities in the State;

"(II) investigative techniques; and

"(III) such other matters as the State deems appropriate;

"(v) coordinate ombudsman services with the protection and advocacy systems for individuals with developmental disabilities and mental illness established under part A of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001 et seq.) and under the Protection and Advocacy for Mentally Ill Individuals Act of 1986 (Public Law 99-319); and

"(vi) include any area or local ombudsman entity designated by the State Long-Term Care Ombudsman as a subdivision of the Office. Any representative of an entity designated in accordance with the preceding sentence (whether an employee or an unpaid volunteer) shall be treated as a representative of the Office for purposes of this paragraph;

"(J) the State will ensure that no representative of the Office will be liable under State law for the good faith performance of official duties;

"(K) the State will—

"(i) ensure that willful interference with representatives of the Office in the performance of their official duties (as defined by the Commissioner) shall be unlawful;

"(ii) prohibit retaliation and reprisals by a long-term care facility or other entity with respect to any resident or employee for having filed a complaint with, or providing information to, the Office; and

"(iii) provide for appropriate sanctions with respect to such interference, retaliation, and reprisals; and

"(iv) ensure that representatives of the Office shall have—

"(I) access to long-term care facilities and their residents; and

"(II) with the permission of a resident or resident's legal guardian, have access to review the resident's medical and social records or, if a resident is unable to consent to such review and has no legal guardian, appropriate access to the resident's medical and social records;

"(L) the State agency will prohibit any officer, employee, or other representative of the Office to investigate any complaint filed with the Office unless the individual has received such training as may be required under subparagraph (H)(iv) and has been approved by the long-term care ombudsman as qualified to investigate such complaints; and

"(M) the State agency will carry out the provisions of section 308(d);".

(e) ADMINISTRATION.—Section 308 of the Act (42 U.S.C. 2028) is amended by inserting at the end thereof the following new subsection:

"(d)(1) Each State agency shall, in any fiscal year in which amounts appropriated for part B of this title is equal to or less than the amount appropriated for such part in fiscal year 1987, carry out the requirement of sections 307(a)(12) and 307(a)(21) as in effect prior to the date of enactment of the Older Americans Act Amendments of 1987.

"(2) In any fiscal year in which the appropriations for part B of this title are greater than the appropriations for such part for fiscal year 1987, the State agency shall carry out the provisions of section 307(a)(12), as amended by the Older Americans Act Amendments of 1987. In any such fiscal year, the provisions of section 307(a)(21) shall not apply.

"(3) Amounts appropriated and available under part B of this title for ombudsman services under section 307(a)(12) may not be used to supplant State or local funds available for that purpose.".

FLEXIBILITY OF SERVICES; LEGAL ASSISTANCE

SEC. 130. (a) AREA PLANS.—(1) Section 306(a)(2) of the Act (42 U.S.C. 3026(a)(2)) is amended to read as follows:

"(2)(A) provide assurances that adequate services associated with access to services (transportation, outreach, information, and referral) are provided in the planning and service delivery area; and

"(B) provide assurances that an adequate proportion (as described in section 307(a)(22)) of the amount allotted for part B to the planning and service area will be expended for the delivery of legal assistance for older individuals;".

(2) Section 306(b)(1) of the Act is amended to read as follows:

"(b)(1) Each State, in approving area agency plans under this section, shall waive the requirement described in clause (2)(B) of subsection (a) if the area agency has demonstrated that the legal assistance services being furnished to older individuals are sufficient to meet the need for such services after taking into account services provided by the Legal Services Corporation, the private bar or groups within the private bar furnishing services to older individuals on a pro bono and established reduced fee basis in that planning and service delivery area.".

(3) Section 306(b)(2) of the Act is amended by adding at the end the following:

"(C) Whenever the State agency proposes to grant a waiver to an area agency under this subsection, the State agency shall publish the intention to grant such a waiver together with the justification for the waiver at least 30 days prior to the effective date of the decision to grant the waiver. An individual or a service provider from the area with respect to which the proposed waiver applies is entitled to request a hearing before the State agency on the request to grant such

waiver. If, within the 30-day period described in the first sentence of this subparagraph, an individual or service provider requests a hearing under this subparagraph, the State agency shall afford such individual or provider an opportunity for a hearing.".

(b) State Plan.—Section 307(a)(15) of the Act (42 U.S.C. 3027(a)(15)) is amended—

(1) by striking "and" at the end of subparagraph (C),

(2) by inserting "and" after the semicolon in subparagraph (D), and

(3) by adding at the end the following:

"(E) the plan contains assurances that if the State agency waives the requirement described in section 307(a)(22), the State agency will provide to the Commissioner—

"(i) a report regarding such waiver that details the demonstration made by the area agency on aging to obtain such waiver;

"(ii) a copy of the record of the public hearing conducted pursuant to section 306(b)(2)(A); and

"(iii) a copy of the record of any public hearing conducted pursuant to section 306(b)(2)(C).".

(c) Minimum Expenditure of Funds.—Section 307(a) of the Act (42 U.S.C. 3027(a)) is amended by adding at the end the following:

"(22) The plan shall specify a minimum percentage of the funds received by each area agency for part B that will be expended, in the absence of the waiver granted under section 306(b)(1), by such area agency to provide legal assistance.".

DOCUMENTATION REGARDING MINORITY PARTICIPATION

Sec. 131. (a) Area Plans.—Section 306(a)(5) of the Act (42 U.S.C. 3026(a)(5)) is amended—

(1) by inserting "(i)" after "(5)(A)", and

(2) in subparagraph (A)(i), as so redesignated—

(A) by striking out "and" at the end, and

(B) by inserting after clause (i) the following:

"(ii) provide assurances that the area agency will include in each agreement made with a provider of any service under this title, a requirement that such provider will—

"(I) specify how the provider intends to satisfy the service needs of low-income minority individuals in the area served by the provider; and

"(II) will attempt to provide services to low-income minority individuals in at least the same proportion as the population of low-income minority older individuals bears to the population of older individuals of the area served by such provider; and

"(iii) with respect to the fiscal year preceding the fiscal year for which such plan is prepared—

"(I) identify the number of low-income minority older individuals in the planning and service area; and

"(II) describe the methods used to satisfy the service needs of such minority older individuals; and".

(b) State Plan.—Section 307(a) of the Act (42 U.S.C. 3027(a)), as amended by section 130(c), is amended by adding at the end the following:

"(23) The plan shall, with respect to the fiscal year preceding the fiscal year for which such plan is prepared—

"(A) identify the number of low-income minority older individuals in the State; and

"(B) describe the methods used to satisfy the service needs of such minority older individuals.".

TARGETING OF SERVICES

Sec. 132. (a) Organization.—(1) Section 305(a)(1)(E) of the Act (42 U.S.C. 3025(a)(1)(E)) is amended—

(A) by striking "the distribution of older individuals who have low incomes residing in such areas", and

(B) by inserting after "legal services," the following: "the distribution of older individuals who have greatest economic need (with particular attention to low-income minority individuals) residing in such areas, the distribution of older individuals who have greatest social need (with particular attention to low-income minority individuals) residing in such areas,".

(2) Section 305(a)(2) of the Act is amended—

(A) by striking "and" at the end of subparagraph (D),

(B) by striking the period in subparagraph (E) and inserting a semicolon and "and", and

(C) by inserting after subparagraph (E) the following:

"(F) assure the use of outreach efforts that will identify individuals eligible for assistance under this Act, with special emphasis on older individuals with the greatest economic or social needs (with particular attention to low-income minority individuals) and inform such individuals of the availability of such assistance.".

(b) Area Plans.—Section 306(a) of the Act (42 U.S.C. 3026(a)) is amended—

(1) by inserting after "residing in such area" in paragraph (1) the following: ", the number of older individuals who have greatest economic need (with particular attention to low-income minority individuals) residing in such area, the number of older individuals who have greatest social need (with particular attention to low-income minority individuals) residing in such area,",

(2) by inserting after "rural elderly," in paragraph (5)(B) the following: "older individuals who have greatest economic need (with particular attention to low-income minority individuals), and older individuals who have greatest social need (with particular attention to low-income minority individuals),", and

(3) by inserting before the semicolon at the end of paragraph (6)(A) the following: "and an annual evaluation of the effectiveness of outreach conducted under paragraph (5)(B)".

(c) State Plan.—Section 307(a) of the Act (42 U.S.C. 3027(a)), as amended by sections 130(c) and 131(b), is amended—

(1) by inserting before the semicolon in paragraph (8) a comma and the following: "including an evaluation of the effectiveness of the State agency in reaching older individuals with the greatest economic or social needs, with particular attention to low-income minority individuals", and

(2) by adding at the end the following:

"(24) The plan shall provide assurances that the State agency will require outreach efforts that will—

"(A) identify older individuals who are eligible for assistance under this title, with special emphasis on older individuals with greatest economic need (with particular attention to low-income minority individuals), older individuals with greatest social need (with particular attention to low-income minority individuals), and older individuals who reside in rural areas; and

"(B) inform such individuals of the availability of such assistance.".

COORDINATION RELATING TO MENTAL HEALTH SERVICES

Sec. 133. Section 306(a)(6) of the Act (42 U.S.C. 3026(a)(6)), as amended by section 128, is amended—

(1) by striking out "and" in subparagraph (K); and

(2) by striking out the period at the end of subparagraph (L) and inserting in lieu thereof a semicolon and "and"; and

(3) by adding at the end the following:

"(M) coordinate any mental health services provided with funds expended by the area agency on aging for part B with the mental health services provided by community health centers and by other public agencies and nonprofit private organizations.".

SERVICES TO OLDER NATIVE AMERICANS

Sec. 134. (a) Organization.—(1) Section 305(a)(1)(E) of the Act (42 U.S.C. 3025(a)(1)(E)), as amended by section 132(a), is amended by inserting "the distribution of older Indians residing in such areas," after "such areas," the second place it appears.

(2) Section 306(a)(1) of the Act, as amended by section 132(b), is amended by inserting ", and the number of older Indians," before "and" the last time it appears in the parenthetical.

(b) Area Plans.—Section 306(a)(6) of the Act (42 U.S.C. 2026(a)(6)), as amended by sections 128 and 133, is amended—

(1) by striking out "and" at the end of subparagraph (L);

(2) by striking out the period at the end of subparagraph (M) and inserting in lieu thereof a semicolon and "and"; and

(3) by adding at the end the following:

"(N) if there is a significant population of older Indians in the planning and service area of the area agency, the area agency shall conduct outreach activities to identify older Indians in such area and shall inform such older Indians of the availability of assistance under this Act.".

(c) Education and Training.—(1) Section 402 of the Act (42 U.S.C. 3030bb) is amended by adding at the end the following:

"(c) The Commissioner shall ensure that grants and contracts under this title are equitably awarded to agencies, organizations, and institutions representing minorities.".

(2) Section 410(5) of the Act is amended by inserting "(including centers of gerontology to improve, enhance, and expand minority personnel and training programs)" after "gerontology".

(3) Section 411(a) of the Act is amended by adding at the end the following:

"(4) To provide in-service training opportunities and courses of instruction on aging to Indian tribes through public and nonprofit Indian aging organizations.".

(4) The matter in parentheses in the first sentence of section 412(a) of the Act is amended by striking out "and" and inserting "and minority populations" after "services".

(5) Section 423(a) of the Act is amended by adding at the end the following:

"(4) The Commissioner shall ensure that grants and contracts under this section are equitably awarded to agencies, organizations, and institutions representing minorities.".

(6) Section 425(a) of the Act is amended—

(A) by striking "(1)" and "(2)" and inserting "(A)" and "(B)", respectively,

(B) by inserting "(1)" after "(a)", and

(C) by adding at the end the following:

"(2) The Commissioner shall carry out, directly or through grants or contracts, special *training programs and technical assistance designed to improve services to minorities.".*

(d) TASK FORCE.—(1) The Commissioner on Aging shall establish a permanent interagency task force that is representative of departments and agencies of the Federal Government with an interest in older Indians and their welfare and is designed to make recommendations with respect to facilitating the coordinations of services and the improvement of services to older Indians.

(2) The task force shall be chaired by the Associate Commissioner on Native American Aging and shall submit its findings and recommendations to the Commissioner at 6-month intervals beginning after the date of the enactment of this Act. Such findings and recommendations shall be included in the annual report required by section 207(a) to be submitted by the Commissioner.

(e) SPECIAL REPORT ON SERVICES FOR OLDER INDIANS.—(1) The Commissioner on Aging shall enter into a contract with a public agency or nonprofit private organization, to conduct a thorough study of the availability and quality of services under the Act to older Indians. The study shall include—

(A) an analysis of how many Indians now participate in programs under titles III and VI of such Act as compared to how many older Indians are eligible to participate in such programs,

(B) a description of how grants under titles III and VI of such Act are made to Indian tribes and how services are made available to older Indians, and

(C) a determination of what services are currently provided through title VI of such Act to older Indians and how well the Administration on Aging assures that supportive services under title VI of such Act to Indians are commensurate with supportive services under title III of such Act with special consideration to information and referral services, legal services, transportation services, and the ombudsman services.

(2) Not later than December 31, 1988, the Commissioner on Aging shall prepare and submit to the Congress a report on the study required by this subsection, together with such recommendations, including recommendations for legislation, as the Commissioner considers to be appropriate.

SERVICES TO INDIVIDUALS WITH DISABILITIES

SEC. 135. (a) DEFINITIONS.—(1) Section 302(11) of the Act (42 U.S.C. 3022) is amended by inserting after "health" the following: "(including mental health)".

(2) Section 302 of the Act is amended by adding at the end thereof the following:

"(13) The term 'individual with disabilities' means an individual—

"(A) who has a disability attributable to mental or physical impairment or a combination of mental and physical impairments that result in substantial functional limitations in one or more of the following areas of major life activity: (i) self-care, (ii) receptive and expressive language, (iii) learning, (iv) mobility, (v) self-direction, (vi) capacity for independent living, (vii) economic self-sufficiency, (viii) cognitive functioning, and (ix) emotional adjustment; and

"(B) who has one or more physical or mental disabilities resulting from amputation, arthritis, autism, blindness, burn injury, cancer, cerebral palsy, cystic fibrosis, deafness, head injury, heart disease, hemiplegia, hemophilia, respiratory or pulmonary dysfunction, mental retardation, mental illness, multiple sclerosis, muscular dystrophy, musculoskeletal disorders, neurological disorders (including stroke, epilepsy, Parkinson's disease, Alzheimer's disease and related dementia), paraplegia, quadriplegia, and other spinal cord conditions, sickle cell anemia, specific learning disability, end-stage renal disease, or another disability or combination of disabilities determined to cause comparable substantial functional limitation.

"(14) The term 'severe disability' means a severe, chronic disability of an individual that—

"(A) is likely to continue indefinitely;

"(B) results in substantial functional limitation in three or more of the major life activities specified in paragraph (13)(A) (i) through (vii); and

"(C) reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services which are of lifelong or extended duration and are individually planned and coordinated.".

(b) ORGANIZATION.—Section 305(a)(2) of the Act, as amended by section 132(a)(2), is amended—

(1) by striking out "and" at the end of subparagraph (E);

(2) by striking out the period at the end of subparagraph (F) and inserting in lieu thereof a semicolon and the word "and"; and

(3) by adding at the end thereof the following new subparagraph:

"(G) provide assurances that the State agency will consult with State and area agencies with primary responsibility for individuals with disabilities, including severe disabilities, and develop collaborative programs, where appropriate, to meet the needs of older individuals with disabilities.".

(c) AREA PLANS.—Section 306(a)(5)(B) of the Act, as amended by section 132(b)(2), is amended by inserting after "individuals)," the second time it appears the following: "elderly with severe disabilities,".

(d) STATE PLANS.—(1) Section 307(a)(3)(A) of the Act is amended by inserting after "legal assistance" in the parenthetical the following: "and mental health services".

(2) Section 307(a)(13)(I) of the Act is amended by inserting before the semicolon at the end thereof a comma and the following: "and to individuals with disabilities who reside with and accompany older individuals who are eligible under this Act".

(3) Section 307(a) of the Act, as amended by sections 130(c), 131(b), and 132(c), is amended by adding after paragraph (24) the following new paragraph:

"(25) The plan shall provide, with respect to the needs of older individuals with severe disabilities, assurances that the State will—

"(A) coordinate planning, identification, assessment of needs, and service for older individuals with disabilities with particular attention to individuals with severe disabilities with the State agencies with primary responsibility for individuals with disabilities, including severe disabilities, and develop collaborative programs, where appropriate, to meet the needs of older individuals with disabilities; and

"(B) with respect to the needs of older individuals with developmental disabilities, coordinate planning with the State developmental disabilities planning council designated under section 124(a)(1) of the Developmental Disabilities Act.".

(e) SUPPORTIVE SERVICES.—(1) Section 321(a)(1) of the Act is amended by inserting after "health" the following: "(including mental health)".

(2) Section 321(a)(4)(B) of the Act is amended by striking out "suffering from physical disabilities" and inserting in lieu thereof "who have physical disabilities".

(3) Section 321 is amended by redesignating subsection (b) as subsection (c) and by inserting after subsection (a) the following new subsection:

"(b) The Commissioner shall encourage area agencies on aging to enter into interagency or other formal agreements with public agencies or private organizations furnishing mental health services to ensure a coordinated approach in meeting the mental health and psychosocial needs of older individuals.".

CONFIDENTIALITY OF INFORMATION RELATING TO LEGAL ASSISTANCE PROVIDED

SEC. 136. (a) AREA AGENCY ON AGING.—Section 306 of the Act (42 U.S.C. 3026), as amended by section 130(b), is amended by adding at the end the following:

"(d) An area agency on aging may not require any provider of legal assistance under this title to reveal any information that is protected by the attorney-client privilege.".

(b) STATE AND STATE AGENCY.—Section 307 of the Act (42 U.S.C. 3027) is amended by adding at the end the following:

"(g) Neither a State, nor a State agency, may require any provider of legal assistance under this title to reveal any information that is protected by the attorney-client privilege.".

COORDINATION OF COMMUNITY-BASED SERVICES

SEC. 137. Section 307(a) of the Act (42 U.S.C. 3027(a)), as amended by sections 130(c), 131(b), 132(c), and 135(d), is amended by inserting after paragraph (25) the following:

"(26) The plan shall provide assurances that area agencies on aging will conduct efforts to facilitate the coordination of community-based, long-term care services, pursuant to section 306(a)(6)(I), for older individuals who—

"(A) reside at home and are at risk of institutionalization because of limitations on their ability to function independently;

"(B) are patients in hospitals and are at risk of prolonged institutionalization; or

"(C) are patients in long-term care facilities, but who can return to their homes if community-based services are provided to them.".

PAYMENTS

SEC. 138. Section 309(c) of the Act (42 U.S.C. 3029(c)) is amended—

(1) by inserting "average annual" after "less than its", and

(2) by striking "preceding fiscal year" and inserting "period of 3 fiscal years preceding such year".

IN-HOME SERVICES FOR FRAIL OLDER INDIVIDUALS

SEC. 139. (a) AUTHORIZATION OF APPROPRIATIONS.—Section 303 of the Act (42 U.S.C. 3023), as amended by section 123, is amended by adding at the end the following:

"(d) There are authorized to be appropriated $25,000,000 for fiscal year 1988, $26,250,000 for fiscal year 1989, $27,563,000 for fiscal year 1990, $28,941,000 for fiscal year 1991, and $30,388,000 for fiscal year 1992 for the purpose of making grants under part D of this title (relating to in-home services).".

(b) AREA PLANS.—Section 306(a) of the Act (42 U.S.C. 3026(a)) is amended—

(1) by striking out the period at the end of paragraph (6) and inserting in lieu thereof a semicolon and "and"; and

(2) by inserting after paragraph (6) the following:

"(7) provide assurances that any amount received under part D will be expended in accordance with such part.".

(c) STATE PLANS.—(1) Section 307(a)(10) of the Act (42 U.S.C. 3027(a)(10)) is amended by inserting "and in-home services (as defined in section 342(1))" after "nutrition services".

(2) Section 307(a) of the Act (42 U.S.C. 3027(a)), as amended by sections 130(c), 131(b), 132(c), 135(d), and 137, is amended by inserting after paragraph (26) the following:

"(27) Each such plan shall provide assurances of consultation and coordination in planning and provision of in-home services under section 341 with State and local agencies and private nonprofit organizations which administer and provide services relating to health, social services, rehabilitation, and mental health services.".

(d) PROGRAM.—Title III of the Act is amended by adding at the end the following:

"PART D—IN-HOME SERVICES FOR FRAIL OLDER INDIVIDUALS

"PROGRAM AUTHORIZED

"SEC. 341. (a) With funds appropriated to carry out this part, the Commissioner shall carry out a program for making grants to States under State plans approved under section 307 to provide in-home services to frail older individuals, relating to the individual's environment and functional support needs, including in-home supportive services for older individuals who are victims of Alzheimer's disease and related disorders with neurological and organic brain dysfunction, and to the families of such victims.

"(b) In carrying out the provisions of this part, each area agency shall coordinate with other community agencies and voluntary organizations providing counseling and training for family caregivers and support service personnel in management of care, functional and needs assessment services, assistance with locating, arranging for, and coordinating services, case management, and counseling prior to admission to nursing home to prevent premature institutionalization.

"DEFINITIONS

"SEC. 342. For purposes of this part—

"(1) the term 'in-home service' includes—

"(A) homemaker and home health aides;

"(B) visiting, telephone reassurance, and personal emergency response;

"(C) chore maintenance;

"(D) respite care for families, including adult day care; or

"(E) minor remodeling of homes necessary to facilitate the ability of older individuals to remain at home, and not covered by other programs; and

"(2) the term 'frail' means having a physical or mental disability, including having Alzheimer's disease or related disorders with neurological or organic brain dysfunction, that restricts the ability of an individual to perform normal daily tasks or which threatens the capacity of an individual to live independently.

"STATE CRITERIA

"SEC. 343. The State agency shall develop eligibility criteria for providing in-home services to frail older individuals which shall take into account—

"(1) age;

"(2) greatest economic need;

"(3) noneconomic factors contributing to the frail condition; and

"(4) noneconomic and nonhealth factors contributing to the need for such services.

"MAINTENANCE OF EFFORT

"SEC. 344. Funds made available under this part shall be in addition to, and may not be used to supplant, any funds that are or would otherwise be expended under any Federal, State, or local law by a State or unit of general purpose local government (including area agencies on aging which have in their planning and services areas existing services which primarily serve older individuals who are victims of Alzheimer's disease and related disorders with neurological and organic brain dysfunction, and the families of such victims).".

STATE PLAN INFORMATION REGARDING SERVICES TO OLDER INDIVIDUALS RESIDING IN RURAL AREAS

SEC. 140. Section 307(a) of the Act (42 U.S.C. 3027(a)), as amended by sections 130(c), 131(b), 132(c), 135(d), 137, and 139(c)(2), is amended by adding after paragraph (27) the following:

"(28) The plan shall, with respect to the fiscal year preceding the fiscal year for which such plan is prepared, describe the methods used to satisfy the service needs of older individuals who reside in rural areas.".

HEALTH EDUCATION AND PROMOTION FOR OLDER AMERICANS

SEC. 141. (a) AUTHORIZATION OF APPROPRIATIONS.—Section 303 of the Act (42 U.S.C. 3023), as amended by sections 123 and 139(a), is amended by adding at the end thereof the following:

"(e) There are authorized to be appropriated $5,000,000 for fiscal year 1988 and such sums as may be necessary for each of the fiscal years 1989, 1990, 1991, and 1992 for the purpose of making grants under part E of this title (relating to periodic preventive health, health education, and promotion services).".

(b) AREA PLANS.—Section 306(a) of the Act, as amended by section 139, is amended—

(1) by striking out "and" at the end of paragraph (6);

(2) by striking out the period at the end of paragraph (7) and inserting in lieu thereof a semicolon and "and"; and

(3) by inserting after paragraph (7) the following:

"(8) provide assurances that any amount received under part E will be expended in accordance with such part; and".

(c) PROGRAM.—Title III of the Act, as amended by section 139, is further amended by adding at the end thereof the following:

"PART E—PREVENTIVE HEALTH SERVICES

"PROGRAM AUTHORIZED

"SEC. 351. (a) The Commissioner shall carry out a program for making grants to States under State plans approved under section 307 for periodic preventive health services to be provided at senior centers or alternative sites as appropriate.

"(b) Preventive health services under this part may not include services eligible for reimbursement under Medicare.

"(c) The Commissioner shall, to the extent possible, assure that services provided by other community organizations and agencies are used to carry out the provisions of this part.

"DISTRIBUTION TO AREA AGENCIES

"SEC. 352. The State agency shall give priority, in carrying out this part, to areas of the State—

"(1) which are medically underserved; and

"(2) in which there are a large number of other individuals who have the greatest economic need for such services.

"DEFINITIONS

"SEC. 353. For the purpose of this part and section 307 the term 'preventive health services' means—

"(1) routine health screening, which may include hypertension, glaucoma, cholesterol, cancer, vision and hearing screening;

"(2) group exercise programs;

"(3) home injury control services, including screening of high-risk home environments and educational programs on injury protection in the home environment;

"(4) nutritional counseling and educational services;

"(5) screening for the prevention of depression, coordination of community mental health services, educational activities, and referral to psychiatric and psychological services;

"(6) educational programs on the benefits and limitations of Medicare and various supplemental insurance coverage, including individual policy screening and health insurance-needs counseling; and

"(7) counseling regarding followup health services based on any of the services provided for above.".

PREVENTION OF ABUSE OF OLDER INDIVIDUALS

SEC. 142. (a) DEFINITIONS.—Section 302 of the Act (42 U.S.C. 3022), as amended by section 135(a), is amended by adding at the end the following:

"(15) The term 'abuse' means the willful—

"(A) infliction of injury, unreasonable confinement, intimidation, or cruel punishment with resulting physical harm or pain or mental anguish; or

"(B) deprivation by a caretaker of goods or services which are necessary to avoid physical harm, mental anguish, or mental illness.

"(16) The term 'elder abuse' means abuse of an older individual.

"(17) The term 'caretaker' means an individual who has the responsibility for the care of an older individual, either voluntarily, by contract, receipt of payment for care, as a result of family relationship, or by order of a court of competent jurisdiction.

"(18) The term 'exploitation' means the illegal or improper act or process of a caretaker using the resources of an older individual for monetary or personal benefit, profit, or gain.

"(19) The term 'neglect' means the failure to provide for oneself the goods or services which are necessary to avoid physical harm, mental anguish, or mental illness or the failure of a caretaker to provide such goods or services.

"(20) The term 'physical harm' means bodily pain, injury, impairment, or disease.".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 303 of the Act, as amended by sections 123, 139(a), and 141(a), is amended by adding at the end the following:

"(f) There are authorized to be appropriated $5,000,000 for fiscal year 1988 and such sums as may be necessary for each of the fiscal years 1989, 1990, 1991, and 1992 to carry out part F (relating to abuse, neglect, and exploitation of older individuals)."

(c) AREA PLANS.—Section 306(a) of the Act, as amended by section 139(b), is amended—

(1) by striking out "and" at the end of paragraph (6);

(2) by striking out the period at the end of paragraph (7) and inserting in lieu thereof a semicolon and "and", and

(3) by inserting after paragraph (7) the following:

"(8) provide assurances that any amount received under part F will be expended in accordance with such part.".

(d) STATE PLAN.—(1) Section 307(a)(16) of the Act is amended by striking "provide" the second time it appears and inserting ", if funds are not appropriated under section 303(f) for a fiscal year, provide that for such fiscal year".

(2) Section 307(a) of the Act, as amended by sections 130(c), 131(b), 132(c), 135(d), 137, 139(c)(2), and 140, is amended by adding at the end the following:

"(29) The plan shall provide assurances that if the State receives funds appropriated under section 303(f), the State agency and area agencies on aging will expend such funds to carry out part F.".

(e) Abuse, Neglect, and Exploitation of Older Individuals.—Title III of the Act is amended by adding at the end the following:

"Part F—Abuse, Neglect, and Exploitation of Older Individuals

"PROGRAM AUTHORIZED

"Sec. 361. The Commissioner shall carry out a program for making grants to States under State plans approved under section 307 to carry out a program with respect to the prevention of abuse, neglect, and exploitation of older individuals. The program shall—

"(1) be consistent with relevant State law and coordinated with State adult protective service activities and other State and local elder abuse prevention and protection;

"(2) provide for—

"(A) public education and outreach services to identify and prevent abuse, neglect, and exploitation of older individuals;

"(B) receipt of reports of such abuse, neglect, and exploitation;

"(C) active participation of older individuals participating in programs under this Act through outreach, conferences, and referral of such individuals to other social service agencies or sources of assistance if appropriate and with the consent of the older individuals to be referred; and

"(D) the referral of complaints and other reports of abuse, neglect, or exploitation of older individuals to law enforcement agencies, public protective service agencies, licensing and certification agencies, ombudsman programs, or protection and advocacy system if appropriate;

"(3) not permit involuntary or coerced participation in such program by alleged victims, abusers, or their households; and

"(4) require that all information gathered in the course of receiving such a complaint or report, and making such a referral, shall remain confidential unless—

"(A) all parties to such complaint or report consent in writing to the release of such information; or

"(B) the release of such information is to a law enforcement agency, public protective service agency, licensing or certification agency, ombudsman program, or protection or advocacy system.".

ASSISTIVE TECHNOLOGY SERVICES

Sec. 143. (a) Functions of the Commissioner.—Section 202(a)(5) of the Act (42 U.S.C. 3012(a)(5)) is amended by inserting after "supportive services" the following: "(including assistive technology services)".

(b) General Rule.—Section 302(a) of the Act, as amended by section 135 and 142, is amended by adding at the end thereof the following:

"(21) The term 'supportive services' includes assistive technology services.

"(22) The term 'assistive technology services' means services designed to apply technology, engineering methodologies, or scientific principles to meet the needs of and address the barriers confronted by individuals with functional limitations.".

Part C—Demonstration Grants

DEMONSTRATION PROJECTS; PURPOSE

Sec. 151. Section 401(1) of the Act (42 U.S.C. 3030aa) is amended by inserting the following before the semicolon a comma and the following: "with special emphasis on minority individuals, low-income individuals, frail individuals, and individuals with disabilities".

MULTIDISCIPLINARY CENTERS

Sec. 152. Section 412(a) of the Act (42 U.S.C. 3032(a)) is amended by striking "may" and inserting "shall".

VOLUNTEER OPPORTUNITIES

Sec. 153. Section 422(b) of the Act (42 U.S.C. 3035a) is amended—

(1) by striking out "and" at the end of paragraph (7);

(2) by striking out the period at the end of paragraph (8) and inserting a semicolon and the word "and"; and

(3) by adding at the end thereof the following:

"(9) provide expanded, innovative volunteer opportunities to older individuals which are designed to fulfill unmet community needs, while at the same time avoiding duplication of existing volunteer programs, which may include—

"(A) projects furnishing intergenerational services by older individuals addressing the needs of children, such as—

"(i) tutorial services in elementary and special schools;

"(ii) after school programs for latch key children;

"(iii) voluntary services for day care center programs; and

"(B) volunteer service credit projects operated in conjunction with ACTION, permitting elderly volunteers to earn credits for services furnished, which may later be redeemed for similar volunteer services.".

SPECIAL PROJECTS IN COMPREHENSIVE LONG-TERM CARE

Sec. 154. Section 423(a)(1) of the Act (42 U.S.C. 3035b(a)(1)), as amended by section 134(c)(5), is amended by striking "may" and inserting "shall".

DEMONSTRATION PROGRAM OF OUTREACH TO ELDERLY SSI, MEDICAID, AND FOOD STAMP ELIGIBLES

Sec. 155. (a) Demonstration Program Authorized.—Part B of title IV of the Act is amended by adding at the end thereof the following new section:

"DEMONSTRATION PROGRAM OF OUTREACH TO ELDERLY SSI, MEDICAID, AND FOOD STAMP ELIGIBLES

"Sec. 427. (a) The Commissioner is authorized to make grants to, or enter into contracts with, State agencies on aging and area agencies on aging for the conduct of demonstration projects designed to demonstrate the feasibility of conducting outreach activities for older individuals who are eligible for but not receiving benefits under title XVI of the Social Security Act (or assistance under a State plan program under title XVI of that Act) relating to supplemental security income benefits, under title XVIII of the Social Security Act, relating to medical assistance benefits, and benefits under the Food Stamp Act of 1977, in order to assist such individuals in applying for such benefits.

"(b) Grants and contracts under this section may be used for—

"(1) identifying older individuals with the greatest economic need who may be eligible for assistance described in subsection (a);

"(2) for outreach activities for planning in service in area agencies on aging for such individuals; and

"(3) for application assistance for such individuals.

"(c) No grant may be made and no contract may be entered into under this section unless an application is made to the Commissioner at such time, in such manner, and containing such information as the Commissioner may reasonably require. Each such application shall—

"(1) describe the activities for which assistance is sought;

"(2) provide for an evaluation of the activities for which assistance is sought; and

"(3) assurances that the applicant will prepare and submit to the Commissioner a report of the activities conducted with assistance under this section and the evaluation of that assistance.

"(d) In approving applications under this section, the Commissioner shall assure a geographic equitable distribution of assistance.

"(e) The Commissioner shall, as part of the annual report submitted under section 207, prepare and submit a report on the evaluations submitted under this section, together with such recommendations as the Commissioner may deem appropriate. In carrying out this section, the Commissioner shall consider—

"(1) the number of older individuals reached through outreach activities supported under this section;

"(2) the dollar amount of benefits to older individuals;

"(3) the cost of the activities in terms of the number of individuals reached and the benefit dollars involved; and

"(4) the effect on supportive services and nutrition services furnished under title III of this Act.".

(b) Authorization of Appropriations.—Section 431(a) of the Act is amended—

(1) by inserting "(1)" after the subsection designation;

(2) by inserting "(other than section 427)" after "title"; and

(3) by adding at the end thereof the following new paragraph:

"(2) There are authorized to be appropriated $3,000,000 for the fiscal year 1988 and such sums for each of the 4 succeeding fiscal years to carry out the provisions of section 427.".

(c) Outreach and Application Assistance Functions of Administration on Aging.—Section 202(a) of the Act, as amended by sections 103(a) and 106(a), is amended—

(1) by striking out "and" at the end of paragraph (19);

(2) by striking out the period at the end of paragraph (20) and inserting in lieu thereof a semicolon and "and"; and

(3) by adding at the end the following:

"(21) obtain from—

"(A) the Department of Agriculture information explaining the requirements for eligibility to receive benefits under the Food Stamp Act of 1977; and

"(B) the Social Security Administration information explaining the requirements for eligibility to receive supplemental security income benefits under title XVI of the Social Security Act (or assistance under a State plan program under title XVI of that Act);

and distribute such information, in written form, to State agencies, for redistribution to area agencies on aging, to carry out outreach activities and application assistance.".

DEMONSTRATION GRANTS FOR INDIVIDUALS WITH DISABILITIES

Sec. 156. (a) Training.—Section 411(c) of the Act (42 U.S.C. 3031(c)) is amended—

(1) by striking out "custodial and skilled care for older individuals who suffer from" and inserting in lieu thereof "services to individuals with disabilities and to individuals with", and

(2) by striking out "other neurological and organic brain disorders of the Alzheimer's type" and inserting in lieu thereof "and related disorders with neurological and organic brain dysfunction".

(b) Multidisciplinary Centers.—(1) Section 412(a) of the Act, as amended by sections 105(e) and 134(c)(4), is amended by inserting before "income maintenance" the following: "disabilities (including severe disabilities),".

(2) Section 412(a) of the Act, as amended by sections 105(e) and 134(c) in paragraph (1) of this subsection is further amended by inserting after "supportive services" the following: "(including assistive technology services),".

(c) Special Project.—Part A of title IV of the Act is amended by adding at the end thereof the following new section:

"SPECIAL DISABILITIES TRAINING PROJECT

"Sec. 413. The Commissioner is authorized to make grants to any public agency or private nonprofit organization and may enter into contracts with any public agency or private nonprofit organization to develop and provide training programs to service providers under title III of this Act and nursing home care providers to meet the special service needs of older individuals with disabilities and who are residing either in the community or in nursing care facilities.".

(d) Demonstration Grants.—(1) Section 422(b)(2)(A) of the Act is amended by inserting after "mental health services" the following: "or who have severe disabilities".

(2) Section 422(b)(2) of the Act is amended—

(A) by striking out "and" at the end of subclause (C); and

(B) by adding after subclause (D) the following new subclauses:

"(E) the identification and provision of services to elderly individuals with severe disabilities; and

"(F) the provision of rehabilitation services, and communication aids and devices to assist older individuals with severe disabilities.".

(3) Section 422(b) of the Act, as amended by section 153, is amended—

(A) by striking out the "and" at the end of paragraph (8),

(B) by striking out the period at the end of paragraph (9) and inserting in lieu thereof a semicolon and "and", and

(C) by adding after paragraph (9) the following new paragraph:

"(10) address the needs of older individuals through the use of assistive technology services by studying and demonstrating methods of increasing the awareness of, the access to, and the use of assistive technology services for older individuals designed to increase their functional independence;".

(e) Long-Term Care Special Projects.—Section 423(a)(3) of the Act is amended by inserting after "geriatric health maintenance organizations" a semicolon and the following: "services to older individuals with severe disabilities residing in nursing homes".

(f) Additional Special Projects.—(1) Part B of title IV of the Act, as amended by section 155, is further amended by adding at the end thereof the following:

"OMBUDSMAN AND ADVOCACY DEMONSTRATION PROJECTS

"Sec. 428. (a) The Commissioner is authorized to make grants to not less than three nor more than ten States to demonstrate and evaluate cooperative projects between the State long-term care ombudsman program and the State protection and advocacy systems for developmental disabilities and mental illness, established under part A of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001 et seq.) and under the protection and Advocacy for Mentally Ill Individuals Act of 1986 (Public Law 99-319).

"(b) The Commissioner on Aging shall prepare and submit to the Congress after each fiscal year a report of the study and evaluation required by paragraph (1) of this section. Each such report shall contain such recommendations as the Commissioner on Aging deems appropriate.".

(2) Section 431(a) of the Act, as amended by section 154(b), is amended by—

(A) by striking out "section 427" in the parenthetical and inserting in lieu thereof "sections 427 and 428"; and

(B) by adding at the end thereof the following:

"(3) There are authorized to be appropriated $1,000,000 for each of the fiscal years 1988 and 1989 to carry out the provisions of section 428. The funds appropriated pursuant to this subsection shall remain available for expenditure for the succeeding fiscal year.".

HOME-CARE QUALITY ASSURANCE DEMONSTRATION PROJECTS

Sec. 157. (a) Demonstration Program Authorized.—Part B of title IV of the Act, as amended by sections 155 and 156, is further amended by adding at the end thereof the following:

"HOME-CARE QUALITY ASSURANCE DEMONSTRATION PROJECTS

"Sec. 429. (a)(1) The Commissioner is authorized to make grants to not less than six nor more than ten States to demonstrate and evaluate the effectiveness of a home-care quality assurance program for in-home care services for older individuals furnished under this Act.

"(2) For the purposes of this section 'quality assurance program' includes quality assurances with respect to in-home care services and may include the availability of consumer education services, services involving the use of consumer hotlines, ombudsman services, legal assistance services, protection and advocacy services, and the use of community service agencies.

"(b) No grant may be made and no contract may be entered into under this section unless an application is made to the Commissioner at such time, in such manner, and containing such information as the Commissioner may reasonably require. Each such application shall—

"(1) describe activities for which assistance is sought;

"(2) provide for an evaluation of the activities for which assistance is sought; and

"(3) provide assurances that the applicant will prepare and submit a report to the Commissioner on the activities conducted with assistance under this section and the evaluation of that assistance.

"(c) In approving applications under this section, the Commissioner shall assure equitable geographic distribution of assistance.

"(d) The Commissioner shall, as part of the annual report submitted under section 207, prepare and submit a report on the evaluation submitted under this section together with such recommendations as the Commissioner may deem appropriate. In carrying out this section, the Commissioner shall include in the report—

"(1) a description of the demonstration projects assisted under this section;

"(2) an evaluation of the effectiveness of each such project; and

"(3) recommendations of the Commissioner with respect to the desirability and feasibility of carrying out on a nation-wide basis the home-care consumer quality assurance program.".

(b) Authorization of Appropriations.—Section 431(a) of the Act, as amended by sections 154(b) and 155(f)(2), is amended—

(1) by striking out "sections 427 and 428" in the parenthetical and inserting in lieu thereof "section 427, 428, and 429"; and

(2) by adding at the end thereof the following:

"(3) There are authorized to be appropriated $2,000,000 for each of the fiscal years 1989 and 1990 to carry out the provisions of section 429.".

AUTHORIZATION OF APPROPRIATIONS FOR TRAINING, RESEARCH, AND DISCRETIONARY PROJECTS AND PROGRAMS

Sec. 158. Section 431(a)(1) of the Act, as amended by sections 154(b), 155(f)(2), and 156(b), is amended to read as follows:

"Sec. 431. (a)(1) There are authorized to be appropriated to carry out the provisions of this title $32,970,000 for the fiscal year 1988, $34,619,000 for the fiscal year 1989, $36,349,000 for the fiscal year 1990, $38,167,000 for the fiscal year 1991, and $40,075,000 for the fiscal year 1992.".

Part D—Community Service Employment

ADMINISTRATIVE COSTS OF EMPLOYMENT PROJECTS

Sec. 161. Paragraph (3) of section 502(c) of the Act (42 U.S.C. 3056(c)(3)) is amended to read as follows:

"(3) Of the amount for any project to be paid by the Secretary under this subsection, not more than 13.5 percent for fiscal year 1987 and each fiscal year thereafter shall be available for paying the costs of administration for such project, except that—

"(A) whenever the Secretary determines that it is necessary to carry out the project assisted under this title, based on information submitted by the public or private nonprofit agency or organization with which the Secretary has an agreement under subsection (b), the Secretary may increase the amount available for paying the cost of administration to an amount not more than 15 percent of the cost of such project; and

"(B) whenever the public or private nonprofit agency or organization with which the Secretary has an agreement under subsection (b) demonstrates to the Secretary that—

"(i) major administrative cost increases are being incurred in necessary program components, including liability insurance, payments for workmen's compensation, costs associated with achieving unsubsidized placement goals, and other operation requirements imposed by the Secretary;

"(ii) the number of employment positions in the project or the number of minority eligible individuals participating in the project will decline if the amount available for paying the cost of administration is not increased; or

"(iii) the size of the project is so small that the amount of administrative expenses incurred to carry out the project necessarily exceed 13.5 percent of the amount for such project;

the Secretary shall increase the amount available for the fiscal year for paying the cost of administration to an amount not more than 15 percent of the cost of such project.".

COMMUNITY SERVICE EMPLOYMENT FOR OLDER INDIANS

Sec. 162. (a) Program Assurance.—Section 502(b)(1)(M) of the Act (42 U.S.C. 3056) is amended to read as follows:

"(M) will assure, that to the extent feasible, such project will serve the needs of minority, limited English-speaking, and Indian eligible individuals in proportion to their numbers in the State and take into consideration their rates of poverty and unemployment;".

(b) Reservation of Funds.—Section 506(a)(1)(A) of the Act is amended by inserting after the first sentence the following: "The Secretary shall next reserve such sums as may be necessary for national grants or contracts with public or nonprofit national Indian aging organizations with the ability to provide employment services to older Indians and with national public or nonprofit Pacific/Asian organizations, but only in a fiscal year in which the amount available under this title exceeds the amount appropriated for fiscal year 1987.".

DEFINITION OF COMMUNITY SERVICES

Sec. 163. Section 507(3) of the Act (42 U.S.C. 3056e(3)) is amended by inserting "(particularly literacy tutoring)" after "educational services".

AUTHORIZATION OF APPROPRIATIONS FOR COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

Sec. 164. Section 508(a)(1) of the Act (42 U.S.C. 3056f(a)(1)) is amended to read as follows:

"(1) $386,715,000 for the fiscal year 1988, $406,051,000 for the fiscal year 1989, $426,353,000 for the fiscal year 1990, $447,671,000 for the fiscal year 1991, and $470,055,000 for the fiscal year 1992; and".

EMPLOYMENT ASSISTANCE AND OTHER PROGRAMS

Sec. 165. Title V of the Act (42 U.S.C. 3056-3056f) is amended by adding at the end the following:

"EMPLOYMENT ASSISTANCE AND FEDERAL HOUSING AND FOOD STAMP PROGRAMS

"Sec. 509. Funds received by eligible individuals from projects carried out under the program established in this title shall not be considered to be income of such individuals for purposes of determining the eligibility of such individuals, or of any other persons, to participate in any housing program for which Federal funds may be available or for any income determination under the Food Stamp Act of 1977.".

Part E—Native American Programs

NATIVE AMERICAN PROGRAMS

Sec. 171. Title VI of the Act (42 U.S.C. 3057-3057g) is amended to read as follows:

"TITLE VI—GRANTS FOR NATIVE AMERICANS

"STATEMENT OF PURPOSE

"Sec. 601. It is the purpose of this title to promote the delivery of supportive services, including nutrition services to American Indians, Alaskan Natives, and Hawaiian Natives that are comparable to services provided under title III.

"FINDINGS; SENSE OF CONGRESS

"Sec. 602. (a) The Congress finds that the older Indians of the United States—

"(1) are a rapidly increasing population;

"(2) suffer from high unemployment;

"(3) live in poverty at a rate estimated to be as high as 61 percent;

"(4) have a life expectancy between 3 and 4 years less than the general population;

"(5) lack sufficient nursing homes, other long-term care facilities, and other health care facilities;

"(6) lack sufficient Indian area agencies on aging;

"(7) frequently live in substandard and over-crowded housing;

"(8) receive less than adequate health care;

"(9) are served under this title at a rate of less than 19 percent of the total national Indian elderly population living on Indian reservations; and

"(10) are served under title III of this Act at a rate of less than 1 percent of the total participants under that title.

"(b) The Congress finds the elderly Hawaiian Natives—

"(1) have a life expectancy 10 years less than any other ethnic group in the State of Hawaii;

"(2) rank lowest on 9 of 11 standard health indicies for all ethnic groups in Hawaii;

"(3) are often unaware of social services and do not know how to go about seeking such assistance; and

"(4) live in poverty at a rate of 34 percent.

"(c) It is the sense of the Congress that older Indians, older Alaskan Natives, and older Hawaiian Natives are a vital resource entitled to all benefits and services available and that such services and benefits should be provided in a manner that preserves and restores their respective dignity, self-respect, and cultural identities.

"Part A—Indian Program

"ELIGIBILITY

"Sec. 611. (a) A tribal organization of an Indian tribe is eligible for assistance under this part only if—

"(1) the tribal organization represents at least 50 individuals who have attained 60 years of age or older; and

"(2) the tribal organization demonstrates the ability to deliver supportive services, including nutritional services.

"(b) For the purposes of this part the terms 'Indian tribe' and 'tribal organization' have the same meaning as in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

"GRANTS AUTHORIZED

"Sec. 612. The Commissioner may make grants to eligible tribal organizations to pay all of the costs for delivery of supportive services and nutrition services for older Indians.

"APPLICATIONS

"Sec. 613. (a) No grant may be made under this part unless the eligible tribal organization submits an application to the Commissioner which meets such criteria as the Commissioner may by regulation prescribe. Each such application shall—

"(1) provide that the eligible tribal organization will evaluate the need for supportive and nutrition services among older Indians to be represented by the tribal organization;

"(2) provide for the use of such methods of administration as are necessary for the proper and efficient administration of the program to be assisted;

"(3) provide that the tribal organization will make such reports in such form and containing such information, as the Commissioner may reasonably require, and comply with such requirements as the Commissioner may impose to assure the correctness of such reports;

"(4) provide for periodic evaluation of activities and projects carried out under the application;

"(5) establish objectives consistent with the purposes of this part toward which activities under the application will be directed, identify obstacles to the attainment of such objectives, and indicate the manner in which the tribal organization proposes to overcome such obstacles;

"(6) provide for establishing and maintaining information and referral services to assure that older Indians to be served by the assistance made available under this part will have reasonably convenient access to such services;

"(7) provide a preference for Indians aged 60 and older for full or part-time staff positions wherever feasible;

"(8) provide assurances that either directly or by way of grant or contract with appropriate entities nutrition services will be delivered to older Indians represented by the tribal organization substantially in compliance with the provisions of part C of title III, except that in any case in which the need for nutritional services for older Indians represented by the tribal organization is already met from other sources, the tribal organization may use the funds otherwise required to be expended under this clause for supportive services;

"(9) contain assurances that the provisions of sections 307(a)(14)(A) (i) and (iii), 307(a)(14)(B), and 307(a)(14)(C) will be complied with whenever the application contains provisions for the acquisition, alteration, or renovation of facilities to serve as multipurpose senior centers;

"(10) provide that any legal or ombudsman services made available to older Indians represented by the tribal organization will be substantially in compliance with the provisions of title III relating to the furnishing of similar services; and

"(11) provide satisfactory assurance that fiscal control and fund accounting procedures will be adopted as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid under this part to the tribal organization, including any funds paid by the tribal organization to a recipient of a grant or contract.

"(b) For the purpose of any application submitted under this part, the tribal organization may develop its own population statistics, with certification from the Bureau of Indian Affairs, in order to establish eligibility.

"(c) The Commission shall approve any application which complies with the provisions of subsection (a).

"(d) Whenever the Commissioner determines not to approve an application submitted under subsection (a) the Commission shall—

"(1) state objections in writing to the tribal organization within 60 days after such decision;

"(2) provide to the extent practicable technical assistance to the tribal organization to overcome such stated objections; and

"(3) provide the tribal organization with a hearing, under such rules and regulations as the Commissioner may prescribe.

"(e) Whenever the Commissioner approves an application of a tribal organization under this part, funds shall be awarded for not less than 12 months.

"SURPLUS EDUCATIONAL FACILITIES

"Sec. 614. (a) Notwithstanding any other provision of law, the Secretary of the Interior through the Bureau of Indian Affairs shall make available surplus Indian educational facilities to tribal organizations, and nonprofit organizations with tribal approval, for use as multipurpose senior centers. Such centers may be altered so as to provide extended care facilities, community center facilities, nutrition services, child care services, and other supportive services.

"(b) Each eligible tribal organization desiring to take advantage of such surplus facilities shall submit an application to the Secretary of the Interior at such time and in such manner, and containing or accompanied by such information, as the Secretary of the Interior determines to be necessary to carry out the provisions of this section.

"PART B—HAWAIIAN NATIVES PROGRAM

"ELIGIBILITY

"SEC. 621. A public or nonprofit private organization having the capacity to provide services under this part for Hawaiian Natives is eligible for assistance under this part only if—

"(1) the organization will serve at least 50 individuals who have attained 60 years of age or older; and

"(2) the organization demonstrates the ability to deliver supportive services, including nutrition services.

"GRANTS AUTHORIZED

"SEC. 622. The Commissioner may make grants to public and nonprofit private organizations to pay all of the costs for the delivery of supportive services and nutrition services to older Hawaiian Natives.

"APPLICATION

"SEC. 623. (a) No grant may be made under this part unless the public or nonprofit private organization submits an application to the Commissioner which meets such criteria as the Commissioner may by regulation prescribe. Each such application shall—

"(1) provide that the organization will evaluate the need for supportive and nutrition services among older Hawaiian Natives to be represented by the organization;

"(2) provide for the use of such methods of administration as are necessary for the proper and efficient administration of the program to be assisted;

"(3) provide assurances that the organization will coordinate its activities with the State agency on aging;

"(4) provide that the organization will make such reports in such form and containing such information as the Commissioner may reasonably require, and comply with such requirements as the Commissioner may impose to ensure the correctness of such reports;

"(5) provide for periodic evaluation of activities and projects carried out under the application;

"(6) establish objectives, consistent with the purpose of this title, toward which activities described in the application will be directed, identify obstacles to the attainment of such objectives, and indicate the manner in which the organization proposes to overcome such obstacles;

"(7) provide for establishing and maintaining information and referral services to assure that older Hawaiian Natives to be served by the assistance made available under this part will have reasonably convenient access to such services;

"(8) provide a preference for Hawaiian Natives age 60 and older for full or part-time staff positions wherever feasible;

"(9) provide that any legal or ombudsman services made available to older Hawaiian Natives represented by the nonprofit private organization will be substantially in compliance with the provisions of title III relating to the furnishing and similar services; and

"(10) provide satisfactory assurances that the fiscal control and fund accounting procedures will be adopted as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid under this part to the nonprofit private organization, including any funds paid by the organization to a recipient of a grant or contract.

"(b) The Commissioner shall approve any application which complies with the provisions of subsection (a).

"(c) Whenever the Commissioner determines not to approve an application submitted under subsection (a) the Commissioner shall—

"(1) state objections in writing to the nonprofit private organization within 60 days after such decision;

"(2) provide to the extent practicable technical assistance to the nonprofit private organization to overcome such stated objections; and

"(3) provide the organization with a hearing under such rules and regulations as the Commissioner may prescribe.

"(d) Whenever the Commissioner approves an application of a nonprofit private or public organization under this part funds shall be awarded for not less than 12 months.

"DEFINITION

"SEC. 624. For the purpose of this part, the term 'Hawaiian Native' means any individual any of whose ancestors were natives of the area which consists of the Hawaiian Islands prior to 1778.

"PART C—GENERAL PROVISIONS

"ADMINISTRATION

"SEC. 631. In establishing regulations for the purpose of part A the Commissioner shall consult with the Secretary of the Interior.

"PAYMENTS

"SEC. 632. Payments may be made under this title (after necessary adjustments, in the case of grants, on account of previously made overpayments or underpayments) in advance or by way of reimbursement in such installments and on such conditions, as the Commissioner may determine.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 633. (a) There are authorized to be appropriated $13,000,000 for the fiscal year 1988, $15,600,000 for the fiscal year 1989, $18,720,000 for the fiscal year 1990, $22,464,000 for the fiscal year 1991, and $26,956,800 for the fiscal year 1992 to carry out the provisions of this title other than section 614.

"(b) Whenever the amount appropriated for subsection (a) is equal to or more than 110 percent of the amount appropriated for this title in fiscal year 1987, not more than 10 percent of the amount appropriated for such fiscal year shall be available for part B.".

PART F—MISCELLANEOUS AND TECHNICAL AMENDMENTS

PERSONAL HEALTH EDUCATION AND TRAINING PROGRAMS

SEC. 181. Section 706(a) of the Act is amended to read as follows:

"(a) There are authorized to be appropriated to carry out this title, such sums as may be necessary for each of the fiscal years 1988 through 1992.".

TECHNICAL AMENDMENTS

SEC. 182. (a) Section 102(1) of the Act (42 U.S.C. 3002(1)) is amended by striking "other than for purposes of title V" and inserting "except that for purposes of title V such term means the Secretary of Labor".

(b)(1) Section 102 of the Act (42 U.S.C. 3002) is amended—

(A) in paragraph (3)—

(i) by striking "includes" and inserting "means any of the several States,", and

(ii) by striking "Puerto Rico" and inserting "the Commonwealth of Puerto Rico", and

(B) by adding at the end the following:

"(8) The term 'Trust Territory of the Pacific Islands' includes the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.".

(2) Section 302 of the Act (42 U.S.C. 3022), as amended by section 135(a), is amended—

(A) by striking paragraph (6), and

(B) by redesignating paragraphs (7) through (20) as paragraphs (6) through (19), respectively.

(3) Section 506(a)(4)(A) of the Act (42 U.S.C. 3056d(a)(4)(A)) is amended by striking "Puerto Rico" and inserting "the Commonwealth of Puerto Rico".

(4) Section 507 of the Act (42 U.S.C. 3056e) is amended—

(A) by striking paragraph (1), and

(B) by redesignating paragraphs (2), (3), and (4) as paragraphs (1), (2), and (3), respectively.

(c) Section 201(a) of the Act (42 U.S.C. 3011(a)) is amended by striking "his functions" and inserting "the functions of the Commissioner".

(d) Section 204(d)(3) of the Act (42 U.S.C. 3015(d)(3)) is amended by inserting "to" after "Secretary,".

(e)(1) Section 302 of the Act (42 U.S.C. 3022), as amended by subsection (b)(2) and sections 135 and 143, is amended by adding at the end the following:

"(23) The term 'greatest economic need' means the need resulting from an income level at or below the poverty levels established by the Office of Management and Budget.

"(24) The term 'greatest social need' means the need caused by noneconomic factors which include physical and mental disabilities, language barriers, and cultural, social, or geographical isolation including that caused by racial or ethnic status which restricts an individual's ability to perform normal daily tasks or which threatens such individual's capacity to live independently.".

(2) Section 305(d) of the Act (42 U.S.C. 3025(d)) is amended—

(A) by striking "(d)(1)" and inserting "(d)", and

(B) by striking paragraph (2).

(3) Section 306(a) of the Act (42 U.S.C. 3026(a)) is amended by striking the last sentence.

(f) Section 304(c) of the Act is amended to read as follows:

"(c) The provisions of section 307(d) shall apply to a State's failure to qualify under the State planning requirements of section 307.".

(g) Section 304(d)(1) of the Act (42 U.S.C. 3024(d)(1)) is amended in the matter preceding subparagraph (A) by inserting a comma after "section 308(b)".

(h) Section 305(a)(1)(E) of the Act (42 U.S.C. 3025(a)(1)(E)) is amended by striking "legal services" and inserting "legal assistance".

(i) Section 305(a)(2)(C) of the Act (42 U.S.C. 3025(a)(2)(C)) is amended by inserting "in accordance with subsection (d)" before the semicolon at the end.

(j) Section 306(a)(5)(B) of the Act (42 U.S.C. 3016(a)(5)(B)) is amended by inserting "and" at the end.

(k) Section 306(a)(6)(G) of the Act (42 U.S.C. 3026(a)(6)(G)), as amended by section 137(b), is amended by striking "and" at the end.

(l) Section 307(a) of the Act (42 U.S.C. 3027(a)) is amended—

(1) by striking "Each such plan shall—" and inserting "Each such plan shall comply with all of the following requirements:",

(2) in paragraph (1)—

(A) by inserting "The plan shall" after "(1)", and

(B) by striking the semicolon at the end and inserting a period,

(3) in paragraph (2)—

(A) by inserting "The plan shall" after "(2)", and

(B) by striking the semicolon at the end and inserting a period,

(4) in paragraph (3)—

(A) in subparagraph (A) by inserting "The plan shall" after "(3)(A)", and

(B) in subparagraph (B)—

(i) by inserting "The plan shall" after "(B)", and

(ii) by striking the semicolon at the end and inserting a period,

(5) in paragraph (4)—

(A) by inserting "The plan shall" after "(4)", and

(B) by striking the semicolon at the end and inserting a period,

(6) in paragraph (5)—

(A) by inserting "The plan shall" after "(5)", and

(B) by striking the semicolon at the end and inserting a period,

(7) in paragraph (6)—

(A) by inserting "The plan shall" after "(6)", and

(B) by striking the semicolon at the end and inserting a period,

(8) in paragraph (7)—

(A) by inserting "The plan shall" after "(7)", and

(B) by striking the semicolon at the end and inserting a period,

(9) in paragraph (8)—

(A) by inserting "The plan shall" after "(8)", and

(B) by striking the semicolon at the end and inserting a period,

(10) in paragraph (9)—

(A) by inserting "The plan shall" after "(9)", and

(B) by striking the semicolon at the end and inserting a period,

(11) in paragraph (10)—

(A) by inserting "The plan shall" after "(10)", and

(B) by striking the semicolon at the end and inserting a period,

(12) in paragraph (11)—

(A) by inserting "The plan shall" after "(11)", and

(B) by striking the semicolon at the end and inserting a period,

(13) in paragraph (13)—

(A) by inserting "The plan shall" after "(13)", and

(B) in subparagraph (I) by striking the semicolon at the end and inserting a period,

(14) in paragraph (14)—

(A) by inserting "The plan shall" after "(14)", and

(B) in subparagraph (E) by striking the semicolon at the end and inserting a period,

(15) in paragraph (15) by inserting "The plan shall" after "(15)",

(16) in paragraph (16)—

(A) by inserting "The plan shall" after "(16)", and

(B) in subparagraph (C) by striking the semicolon at the end and inserting a period,

(17) in paragraph (17)—

(A) by inserting "The plan shall" after "(17)", and

(B) by striking the semicolon at the end and inserting a period,

(18) in paragraph (18)—

(A) by inserting "The plan shall" after "(18)", and

(B) by striking the semicolon at the end and inserting a period,

(19) in paragraph (19)—

(A) by inserting "The plan shall" after "(19)", and

(B) by striking the semicolon at the end and inserting a period,

(20) in paragraph (20)—

(A) by inserting "The plan shall" after "(20)", and

(B) in subparagraph (B)(ii) by striking "; and" at the end and inserting a period, and

(21) in paragraph (21)—

(A) by inserting "The plan shall" after "(21)", and

(B) by striking "an amount equal to an amount".

(m) Section 308(b) of the Act (42 U.S.C. 3028(b)) is amended—

(1) by striking "(b)(1)(A)" and inserting "(b)(1)",

(2) in paragraph (1)—

(A) by striking "(i)" and inserting "(A)", and

(B) by striking "(ii)" the second place it appears and inserting "(B)",

(3) in paragraph (2)—

(A) by striking "(2)(A)" and inserting "(2)",

(B) by striking "(i)" and inserting "(A)", and

(C) by striking "(ii)" the second place it appears and inserting "(B)",

(4) in paragraph (3)(C) by striking "he" and inserting "the Commissioner",

(5) in subparagraphs (A) and (B) of paragraph (5) by striking "appropriated" each place it appears and inserting "allotted", and

(6) in paragraph (5)(B) beginning with the dash strike out all through the period and insert in lieu thereof: "not more than 30 percent of the funds allotted for any fiscal year.".

(n) Section 321(a)(10) of the Act is amended by inserting "for" after "advocate".

(o) Section 337 of the Act (42 U.S.C. 3030g) is amended by striking "Association of Area Agencies on Aging" and inserting "National Association of Area Agencies on Aging".

(p) Section 507(2) of the Act is amended by striking out "the Bureau of Labor Statistics" and inserting in lieu thereof "the Office of Management and Budget".

TITLE II—1991 WHITE HOUSE CONFERENCE ON AGING

WHITE HOUSE CONFERENCE AUTHORIZED

SEC. 201. (a) FINDINGS.—The Congress finds that—

(1) the number of individuals 55 years of age or older was approximately 51,400,000 in 1986, and will, by the year 2040, be approximately 101,700,000;

(2) more than 1 of every 6 persons age 55 or older will be hospitalized during the next year;

(3) persons 55 years of age or older have a higher average out-of-pocket medical cost burden than younger persons; approximately 17 percent of individuals age 55 to 64 experience out-of-pocket costs in excess of 20 percent of their family income and the average per capita out-of-pocket cost of persons 65 years of age or older is expected to equal 18.5 percent of income by 1991;

(4) there is a great need to ensure access and the quality of affordable health care to all older individuals;

(5) the need for a comprehensive and responsive long-term care delivery system is great;

(6) the availability and cost of suitable housing, together with suitable services needed for independent or semi-independent living, still cause concern to older individuals;

(7) the ability to lead an independent or semi-independent life is contingent, in many cases, upon the availability of a comprehensive and effective social service system for older individuals;

(8) the availability and access to opportunities for continued productivity and employment is of great importance to middle-aged and older individuals who want or need to work;

(9) the fulfillment, dignity, and satisfaction of retirees still depend on the continuing development of a consistent national retirement policy;

(10) there is a continuing need to maintain and preserve the national policy with respect to increasing, coordinating, and expediting biomedical and other appropriate research directed at determining the causes and effects of the aging process;

(11) false stereotypes about aging and the process of aging continue to be prevalent throughout the United States and policies should be nurtured to overcome such stereotypes; and

(12) the talents and experience of older individuals represent a valuable community resource which should be developed and more widely shared within the local community.

(b) POLICY.—It is the policy of the Congress that—

(1) the Federal Government should work jointly with the States and their citizens to develop recommendations and plans for action to meet the challenges and needs of older individuals, consistent with the objectives of this section; and

(2) in developing programs for the aging pursuant to this section emphasis should be directed toward individual, private, and public initiatives and resources intended to enhance the economic security and self-sufficiency of elder Americans.

AUTHORIZATION OF THE CONFERENCE

SEC. 202. (a) AUTHORITY TO CALL CONFERENCE.—The President may call a White House Conference on Aging in 1991 in order to develop recommendations for additional research and action in the field of aging which will further the policy set forth in subsection (b).

(b) PLANNING AND DIRECTION.—The Conference shall be planned and conducted under the direction of the Secretary in cooperation with the Commissioner on Aging and the Director of the National Institute on Aging, and the heads of such other Federal departments and agencies as are appropriate. Such assistance may include the assignment of personnel.

(c) PURPOSE OF THE CONFERENCE.—The purpose of the Conference shall be—

(1) to increase the public awareness of the essential contributions of older individuals to society;

(2) to identify the problems of the older individuals;

(3) to develop recommendations for the coordination of Federal policy with State and local needs and the implementation of such recommendations;

(4) to examine the well-being of older individuals;

(5) to develop such specific and comprehensive recommendations for executive and legislative action as may be appropriate for maintaining and improving the well-being of older individuals; and

(6) to review the status of recommendations adopted at previous White House Conferences on Aging.

(d) CONFERENCE PARTICIPANTS AND DELEGATES.—

(1) PARTICIPANTS.—In order to carry out the purposes of this section, the Conference shall bring together—

(A) representatives of Federal, State, and local governments;

(B) professional and lay people who are working in the field of aging; and

(C) representatives of the general public, particularly older individuals.

(2) SELECTION OF DELEGATES.—The delegates shall be selected without regard to political affiliation or past partisan activity and shall, to the best of the appointing authority's ability, be representative of the spectrum of thought in the field of aging.

CONFERENCE ADMINISTRATION

SEC. 203. (a) ADMINISTRATION.—In administering this section, the Secretary shall—

(1) request the cooperation and assistance of the heads of such other Federal departments and agencies as may be appropriate in the carrying out of this section;

(2) furnish all reasonable assistance, including financial assistance, to State agencies on the aging and to area agencies on the aging, and to other appropriate organizations, to enable them to organize and conduct conferences in conjunction with the Conference;

(3) prepare and make available for public comment a proposed agenda for the Conference which will reflect to the greatest extent possible the major issues facing older individuals consistent with the provisions of subsection (a);

(4) prepare and make available background materials for the use of delegates to the Conference which the Secretary deems necessary; and

(5) engage such additional personnel as may be necessary to carry out the provisions of this section without regard to provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(b) DUTIES.—The Secretary shall, in carrying out the Secretary's responsibilities and functions under this section, assure that—

(1) the conferences under subsection (a)(2) will—

(A) include a conference on older Indians to identify conditions that adversely affect older Indians, to propose solutions to ameliorate such conditions, and to provide for the exchange of information relating to the delivery of services to older Indians, and

(B) be so conducted as to assure broad participation of older individuals;

(2) the proposed agenda for the Conference under subsection (a)(3) is published in the Federal Register not less than 180 days before the beginning of the Conference and the proposed agenda is open for public comment for a period of not less than 60 days;

(3) the final agenda for the Conference under subsection (a)(3), taking into consideration the comments received under paragraph (2), is published in the Federal Register and transmitted to the chief executive officers of the States not later than 30 days after the close of the public comment period provided for under paragraph (2);

(4) the personnel engaged under subsection (a)(5) shall be fairly balanced in terms of points of views represented and shall be appointed without regard to political affiliation or previous partisan activities;

(5) the recommendations of the Conference are not inappropriately influenced by any appointing authority or by any special interest, but will instead be the result of the independent judgment of the Conference; and

(6) current and adequate statistical data, including decennial census data, and other information on the well-being of older individuals in the United States are readily available, in advance of the Conference, to the delegates of the Conference, together with such information as may be necessary to evaluate Federal programs and policies relating to aging. In carrying out this subparagraph, the Secretary is authorized to make grants to, and enter into cooperative agreements with, public agencies and nonprofit private organizations.

CONFERENCE COMMITTEES

SEC. 204. (a) ADVISORY COMMITTEE.—The Secretary shall establish an advisory committee to the Conference which shall include representation from the Federal Council on Aging and other public agencies and private nonprofit organizations as appropriate.

(b) OTHER COMMITTEES.—The Secretary may establish such other committees, including technical committees, as may be necessary to assist in the planning, conducting, and reviewing the Conference.

(c) COMPOSITION OF COMMITTEES.—Each such committee shall be composed of professionals and public members, and shall include individuals from low-income families and from minority groups. A majority of the public members of each such committee shall be 55 years of age or older.

(d) COMPENSATION.—Appointed members of any such committee (other than any officers of employees of the Federal Government), while attending conferences or meetings of the committee or otherwise serving at the request of the Secretary, shall be entitled to receive compensation at a rate to be fixed by the Secretary, but not to exceed the daily prescribed rate for GS-18 under section 5332 of title 5, United States Code (including travel time). While away from their homes or regular places of business, such members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized under section 5703 of such title for persons employed intermittently in Federal Government service.

REPORT OF THE CONFERENCE

SEC. 205. (a) PROPOSED REPORT.—A proposed report of the Conference, which shall include a statement of comprehensive coherent national policy on aging together with recommendations for the implementation of the policy, shall be published and submitted to the chief executive officers of the States not later than 60 days following the date on which the Conference is adjourned. The findings and recommendations included in the published proposed report shall be immediately available to the public.

(b) RESPONSE TO PROPOSED REPORT.—The chief executive officers of the States, after reviewing and soliciting recommendations and comments on the report of the Conference, shall submit to the Secretary, not later than 180 days after receiving the report, their views and findings on the recommendations of the Conference.

(c) FINAL REPORT.—The Secretary shall, after reviewing the views and recommendations of the chief executive officers of the States, prepare a final report of the Conference, which shall include a compilation of the actions of the chief executive officers of the States and take into consideration the views and findings of such officers.

(d) RECOMMENDATIONS OF SECRETARY.—The Secretary shall, within 90 days after submission of the views of the chief executive officers of the States, publish and transmit to the President and to the Congress recommendations for the administrative action and the legislation necessary to implement the recommendations contained within the report.

DEFINITIONS

SEC. 206. For the purposes of this title—

(1) the term "area agency on aging" means the agency designated under section 305(a)(2)(A) of the Act;

(2) the term "State agency on aging" means the State agency designated under section 305(a)(1) of the Act;

(3) the term "Secretary" means the Secretary of Health and Human Services;

(4) the term "Conference" means the White House Conference on Aging authorized in subsection (b); and

(5) the term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, or the Commonwealth of the Northern Mariana Islands.

AUTHORIZATION OF APPROPRIATIONS

SEC. 207. (a) AUTHORIZATION.—There are authorized to be appropriated such sums as may be necessary, for each of the fiscal years 1989, 1990, and 1991, to carry out this section. Sums appropriated under this paragraph shall remain available until the expiration of the 1-year period beginning on the date the Conference is adjourned. New spending authority or authority to enter into contracts as provided in this section shall be effective only to the extent and in such amounts as are provided in advance in appropriations Acts.

(b) RETURN OF UNEXPENDED FUNDS.—Any funds remaining upon the expiration of such 1-year period shall be returned to the Treasury of the United States and credited as miscellaneous receipts.

TITLE III—ALZHEIMER'S DISEASE RESEARCH

REQUIREMENT FOR CLINICAL TRIALS

SEC. 301. (a) GENERAL AUTHORITY.—(1) The Director of the National Institute on Aging shall provide for the conduct of clinical trials on the efficacy of the use of such promising therapeutic agents as have been or may be discovered and recommended for further scientific analysis by the National Institute on Aging and the Food and Drug Administration, like tetrahydroaminoacridine, to treat individuals with Alzheimer's disease, to retard the progression of symptoms of Alzheimer's disease, or to improve the functioning of individuals with such disease.

(2) Nothing in this title shall be construed to affect adversely any research being conducted as of the date of enactment of this Act.

(b) RULES FOR CONDUCT OF CLINICAL TRIALS.—The clinical trials required by subsection (a) shall be conducted for a period beginning on such date as the Director of the National Institute on Aging considers appropriate and ending on—

(1) September 30, 1990; or

(2) such date as such Director determines that such trials have provided sufficient data to determine the efficacy of the use of such drugs to treat individuals with Alzheimer's disease, to retard the progression of symptoms of Alzheimer's disease, or to improve the functioning of individuals with such disease,

whichever is earlier.

AUTHORIZATION OF APPROPRIATIONS

SEC. 302. There are authorized to be appropriated $2,000,000 for each of the fiscal years 1988, 1989, and 1990 to carry out this title.

TITLE IV—GENERAL PROVISIONS

EFFECTIVE DATE; APPLICATION OF AMENDMENTS

SEC. 401. (a) EFFECTIVE DATE.—Except as provided in subsection (b), this Act and the amendments made by this Act shall take effect on October 1, 1987.

(b) APPLICATION OF AMENDMENTS.—The amendments made by title I of this Act shall not apply with respect to—

(1) any area plan submitted under section 306(a) of the Older Americans Act of 1965, or

(2) any State plan submitted under section 307(a) of such Act,

and approved for any fiscal year beginning before the date of the enactment of this Act.

And from the Select Committee on Indian Affairs, with amendments; as follows:

On page 9, in the table of contents, insert the following:

TITLE V—NATIVE AMERICAN PROGRAMS

Sec. 501. Short title.
Sec. 502. Review of applications for assistance.
Sec. 503. Procedural requirements.
Sec. 504. Inclusion of Native American Pacific Islanders.
Sec. 505. Authorization of appropriations.
Sec. 506. Revolving loan fund for Native Hawaiians.
Sec. 507. Effective date.

At the end of the reported amendment of the Committee on Labor and Human Resources, insert the following:

TITLE V—NATIVE AMERICAN PROGRAMS

SHORT TITLE

SEC. 501. This title may be cited as the "Native American Programs Amendments Act of 1987".

REVIEW OF APPLICATIONS FOR ASSISTANCE

SEC. 502. The Native American Programs Act of 1974 (42 U.S.C. 2991-2992d) is amended—

(1) in the first sentence of section 803(a) by inserting ", on a single year or multiyear basis," after "financial assistance",

(2) by redesignating sections 813 and 814 as sections 815 and 816, respectively,

(3) by redesignating sections 806 through 812, as sections 807 through 813, respectively, and

(4) by inserting after section 805 the following new section:

"PANEL REVIEW OF APPLICATIONS FOR ASSISTANCE

"SEC. 806. (a)(1) The Secretary shall establish a formal panel review process for purposes of—

"(A) evaluating applications for financial assistance under sections 803 and 805, and

"(B) determining the relative merits of the projects for which such assistance is requested.

"(2) Members of review panels established under paragraph (1) shall be appointed by the Secretary from among individuals who are not officers or employees of the Administration for Native Americans. In making appointments to such panels, the Secretary shall give preference to American Indians, Hawaiian Natives, and Alaskan Natives.

"(b) Each review panel established under subsection (a)(1) that reviews any application for financial assistance shall—

"(1) determine the merit of each project described in such application;

"(2) rank such application with respect to all other applications it reviews for the fiscal year involved, according to the relative merit of all of the projects that are described in such application and for which financial assistance is requested; and

"(3) submit to the Secretary a list that identifies all applications reviewed by such panel and arranges such applications according to rank determined under paragraph (2).

"(c) Upon the request of the chairman of the Select Committee on Indian Affairs of the Senate or of the chairman of the Committee on Education and Labor of the House of Representatives made with respect to any application for financial assistance under section 803 or 805, the Secretary shall transmit to the chairman written notice—

"(1) containing a copy of the list submitted to the Secretary under subsection (b)(3) in which such application is ranked;

"(2) specifying which other applications ranked in such list have been approved by the Secretary under sections 803 and 805; and

"(3) if the Secretary has not approved each application superior in merit, as indicated on such list, to the application with respect to which such notice is transmitted, containing a statement of the reasons relied upon by the Secretary for—

"(A) approving the application with respect to which such notice is transmitted; and

"(B) failing to approve each pending application that is superior in merit, as indicated on such list, to the application described in subparagraph (A).".

PROCEDURAL REQUIREMENTS

SEC. 503. (a) The Native American Programs Act of 1974 (42 U.S.C. 2991-2992d) is amended by inserting after section 813, as so redesignated by section 502, the following new section:

"ADDITIONAL REQUIREMENTS APPLICABLE TO RULE MAKING

"SEC. 814. (a) Notwithstanding subsection (a) of section 553 of title 5, United States Code, and except as otherwise provided in this section, such section 553 shall apply with respect to the establishment and general operation of any program that provides loans, grants, benefits, or contracts authorized by this title.

"(b) The exception provided in subparagraph (A) of the last sentence of section 553(b) of title 5, United States Code, shall not apply with respect to any rule (including any general statement of policy) that is—

"(1) proposed under this title;

"(2) applicable exclusively to any program, project, or activity authorized by, or carried out under, this title; or

"(3) applicable to the organization, procedure, or practice of an agency (as defined in section 551(1) of title 5, United States Code) and that would solely affect the administration of this title.

"(c) The exceptions provided by paragraphs (1) and (2) of section 553(d) of title 5, United States Code, shall not apply to any rule (or general statement of policy) that—

"(1) is issued to carry out this title;

"(2) applies exclusively to any program, project, or activity authorized by, or carried out under, this title; or

"(3) is applicable to the organization, procedure, or practice of an agency (as defined in section 551(1) of title 5, United States Code) and that will solely affect the administration of this title.

"(d) Each rule to which this section applies shall contain after each of its sections, paragraphs, or similar textual units a citation to the particular provision of statutory or other law that is the legal authority for such section, paragraph, or unit.

"(e) Except as provided in subsection (c), if as a result of the enactment of any law affecting the administration of this title it is necessary or appropriate for the Secretary to issue any rule, the Secretary shall issue such rule not later than 180 days after the date of the enactment of such law.

"(f) Whenever an agency publishes in the Federal Register a rule (including a general statement of policy) to which subsection (c) applies, such agency shall transmit a copy of such rule to the Select Committee on Indian Affairs of the Senate and to the Committee on Education and Labor of the House of Representatives.".

(b) Section 815 of the Native American Programs Act of 1974 (42 U.S.C. 2992c), as so redesignated by section 502, is amended—

(1) in paragraph (3) by striking out "and" at the end thereof,

(2) by redesignating paragraph (4) as paragraph (5), and

(3) by inserting after paragraph (3) the following new paragraph:

"(4) the term 'rule' has the meaning given it in section 551(4) of title 5, United States Code, as amended from time to time; and".

INCLUSION OF NATIVE AMERICAN PACIFIC ISLANDERS

SEC. 504. (a) Subsection (a) of section 803 of the Native American Programs Act of 1974 (42 U.S.C. 2991b(a)) is amended by inserting the following sentence after the first sentence thereof: "The Secretary is authorized, subject to the availability of funds appropriated under the authority of section 816(c), to provide financial assistance to public and nonprofit private agencies serving Native American Pacific Islanders (including American Samoan Natives) for projects pertaining to the purposes of this Act.".

(b)(1) Section 802 of the Native American Programs Act of 1974 (42 U.S.C. 2991a) is amended by inserting ", Native American Pacific Islanders (including American Samoan Natives)," after "Hawaiian Natives".

(2) Paragraph (2) of section 806(a) of the Native American Programs Act, as added by section 502(4) of this Act, is amended by inserting "Native American Pacific Islanders (including American Samoan Natives)," after "Hawaiian Natives,".

(3) Section 808 of the Native American Programs Act of 1974 (42 U.S.C. 2991f), as redesignated by section 502, is amended by inserting "or Territory" after "State" each place it appears.

AUTHORIZATION OF APPROPRIATIONS

SEC. 505. Section 816 of the Native American Programs Act of 1974 (42 U.S.C. 2992d(a)), as redesignated by section 502 of this Act, is amended—

(1) by striking out "1979 through 1986" in subsection (a) and inserting in lieu thereof "1987, 1988, 1989, 1990, and 1991", and

(2) by adding at the end thereof the following new subsection:

"(c) There are authorized to be appropriated $500,000 for each of the fiscal years 1987, 1988, 1989, 1990, and 1991 for the purpose of providing financial assistance to Native American Pacific Islanders (including American Samoan Natives) under section 803(a).".

REVOLVING LOAN FUND FOR NATIVE HAWAIIANS

SEC. 506. The Native American Programs Act of 1974 (42 U.S.C. 2991) is amended by inserting immediately after section 803 the following new section:

"LOAN FUND; DEMONSTRATION PROJECT

"SEC. 803A. (a)(1) In order to provide funding that is not available from private sources, the Secretary, acting through an appropriate State agency, or a community-based Native Hawaiian organization whose purpose is economic and social self-sufficiency, shall establish and carry out, in the State of Hawaii, a 60-month demonstration project involving the establishment of a revolving loan fund—

"(A) from which the Secretary, acting through such agency or community-based Native Hawaiian organization, shall make loans to Native Hawaiian organizations and to individual Native Hawaiians for the purpose of promoting economic development,

"(B) into which all payments, interest, charges, and other amounts collected from loans made under subparagraph (A) shall, notwithstanding any other provision of law, be deposited.

"(2) The Secretary may make loans under paragraph (1)(A) only if the Secretary determines that—

"(A) the borrower is unable to obtain financing from other sources on reasonable terms and conditions, and

"(B) there is a reasonable prospect that the borrower will be able to repay the loan.

"(3)(A) Loans made under paragraph (1)(A) shall be—

"(i) for a term that does not exceed 5 years, and

"(ii) at a rate of interest determined by the Secretary of the Treasury on the basis of the market yield on municipal bonds at the time the loan is made.

"(B) Notwithstanding subparagraph (A)(ii), the rate of interest on loans made under paragraph (1)(A) shall not exceed the average yield on marketable obligations of the United States of comparable maturity that are outstanding at the time the loan is made.

"(4) The Secretary is authorized to require any borrower of a loan under paragraph (1)(A) to provide such collateral as the Secretary determines to be necessary to secure the loan.

"(5)(A) The Secretary may cancel, adjust, compromise, or reduce the amount of any loan made under paragraph (1)(A), or release or subordinate any collateral securing payment of such amount, if the Secretary determines that—

"(i) such amount is uncollectable or collectable only at an unreasonable cost, or

"(ii) such action would be in the best interests of the United States.

"(6) The Secretary, out of funds available in the revolving loan fund established under paragraph (1), shall—

"(A) pay expenses incurred by the Secretary in administering the revolving loan fund, and

"(B) provide competent management and technical assistance to borrowers for loans made under paragraph (1)(A) to assist the borrower in meeting the objectives of the loan.

"(7) The Secretary, in consultation with such State agency or community-based Native Hawaiian organization, shall prescribe regulations which set forth the procedures and criteria to be used in making loans under paragraph (1)(A). The Secretary is authorized to prescribe such other regulations as may be necessary to carry out the purposes of this subsection, including regulations involving reporting and auditing.

"(8) No loan shall be made from the fund upon the expiration of the 60-month period following the date of the enactment of this Act.

"(9)(A) Notwithstanding any other provision of this Act, there is authorized to be appropriated to the fund established pursuant to this section the sum of $3,000,000, to remain available until expended.

"(B) Moneys in the fund shall be available for expenditure by the Secretary without fiscal year limitation for the purpose of carrying out the provisions of this title.

"(10) All moneys in the fund following the termination of the demonstration project under this section, not otherwise needed, as determined by the Secretary, to carry out this section, shall be deposited in the Treasury of the United States as miscellaneous receipts. All amounts thereafter deposited in the fund pursuant to subsection (a)(1)(B) of this section following such termination shall be transferred to the Treasury as miscellaneous receipts.

"(b) On or before the expiration of the 48-month period following the date of the enactment of this section, the Secretary, in consultation with the State agency or contracting community-based Native Hawaiian organization referred to in paragraph (1) of subsection (a) of this section, shall report to the Congress concerning the administration of this section, together with the views and recommendations of the Secretary as to the effectiveness of the demonstration program, and whether it should be expanded to other groups eligible for assistance under this section, and extended.".

EFFECTIVE DATE

SEC. 507. Notwithstanding the provisions of section 401 of this Act, the amendment made by section 506 of this Act shall take effect upon the expiration of the 90-day period following the date of the enactment of this Act.

Mr. BYRD. Mr. President, I should announce, before Senators get away, that at the moment it appears probable that there will be a rollcall vote yet today.

The PRESIDING OFFICER. The question recurs on the first committee amendment from the Committee on Indian Affairs. Is there further debate?

Mr. BYRD. Mr. President, Senator MATSUNAGA, I believe, has an amendment.

The PRESIDING OFFICER. Without objection, the first committee amendment is agreed to.

Mr. BYRD. These are committee amendments from the Indian Affairs Committee, am I correct?

The PRESIDING OFFICER. Yes.

Mr. BYRD. Have we gotten down to the committee substitute for the Labor Committee?

The PRESIDING OFFICER. We have an additional committee amendment from the Committee on Indian Affairs.

The question is on the second committee amendment.

Without objection, the committee amendment is agreed to.

Mr. BYRD. Is the question on the committee substitute?

The PRESIDING OFFICER. The Senator is correct.

Mr. MATSUNAGA. Mr. President, as I understand it, the committee amendment has been agreed to?

The PRESIDING OFFICER. The Senator is correct.

AMENDMENT NO. 661

(Purpose: To make certain technical corrections)

Mr. MATSUNAGA. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Hawaii [Mr. MATSUNAGA] proposes an amendment numbered 661.

Mr. MATSUNAGA. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 18, line 7, strike out "Federal" and insert in lieu thereof "National".

On page 62, line 15, strike out "section 139(b)" and insert in lieu thereof "sections 139(b) and 141(b)".

On page 62, line 17, strike out "(6)" and insert in lieu thereof "(7)".

On page 62, line 19, strike out "(7)" and insert in lieu thereof "(8)".

On page 62, line 21, strike out "(7)" and insert in lieu thereof "(8)".

On page 62, line 22, strike out "(8)" and insert in lieu thereof "(9)".

On page 75, lines 8 and 9, strike out "section 154(b)" and insert in lieu thereof "section 155(b)".

On page 78, line 3, strike out "(3)" and insert in lieu thereof "(4)".

Mr. MATSUNAGA. Mr. President, this is purely a technical amendment which corrects the numbering in the bill in two places and which corrects the title of the National Advisory Panel on Alzheimer's Disease. I ask for its adoption.

The question is on agreeing to the amendment.

The amendment (No. 661) was agreed to.

Mr. MATSUNAGA. Mr. President, I rise to urge my colleagues to give their full support to S. 887, the Older Americans Act Amendments of 1987. Mr. President, it has been said by sages of past that the greatness of any society can be accurately measured by the degree to which it cares for its elderly citizens. I fully subscribe to this age-old maxim of wisdom.

Since 1965, the Older Americans Act has provided the bedrock for constructing a vast network of supportive services for our Nation's senior citizens. I am proud to have been involved in the development of the original bill in 1965, and I am proud to bring these amendments, which strengthen and enhance the programs and services of the Older Americans Act, to the Senate floor today.

Mr. President, in 1965, Congress enacted this landmark legislation, which created a relatively small service program but also established the framework for a national policy on aging. The original act set forth 10 national policy objectives aimed at improving the lives of older people in the areas of income, health, housing, employment, retirement, and community services. Congress also created the Administration on Aging, which was directed to stimulate more effective use of existing resources for the elderly.

As the act has evolved through successive reauthorizations and amendments, it has become the cornerstone for the development and delivery of a broad array of social services for older persons. While older individuals may receive services under a multiplicity of other Federal programs, the act is viewed as the major vehicle for the organization and delivery of services to older Americans. Major amendments in 1972 and 1973 created the national nutrition program for the elderly and the network of area agencies on aging. The 1973 amendments folded authority for the community service employment program for low-income older people under the auspices of the act, and the 1978 amendments streamlined the various service programs and added a new service program for older Indians. Subsequent amendments have expanded the authority and responsibilities of State and area agencies on aging.

During the 22 years since enactment, the act has evolved from a program of small grants to one that now supports 57 State agencies on aging and over 660 area agencies on aging.

Mr. President, we are all familiar with the demographic facts about the aging of the Nation's population. The elderly population has grown more rapidly in this century than has the remainder of the population, and the trend is predicted to continue into the 21st century. Between 1980 and the year 2020, the total population in the United States is projected to increase by slightly more than 30 percent, while the elderly population is projected to increase by more than 200 percent.

One of the more critical demographic factors which has influenced the development of these amendments is the startling pace of increase among the oldest segment of our society. Those 85 years of age and older are now the fastest growing age group. This factor has prompted the committee to include a new subpart in title III in order to provide nonmedical, in-home services which will assist frail, older persons to remain in their own homes.

The increased number of people in the oldest age group is also expected to dramatically affect demand for nursing home care. The need for the services of long-term care ombudsmen is expected to rise substantially, and the requirement for additional services will be matched by the need for additional protections for both nursing home residents and ombudsmen, as well as the need for additional training of ombudsmen. The committee has created a separate authorization for State long-term care ombudsmen programs, and has required States to guard against conflict of interest, reprisals against residents, and liability for good faith performance of duties by ombudsmen. In addition, the bill requires that all ombudsmen, whether paid staff or volunteers, be properly trained to perform their job.

Mr. President, other characteristics of the older population are important also to consider as we plan for the future of these programs. Over the last two decades, we have seen dramatic improvements in the economic status of the elderly in terms of overall poverty rates. However, there are certain groups of the elderly who are at substantially greater risk of poverty, including older minorities, older women, and the very old.

Mr. President, the committee has reaffirmed the original intent of the Older Americans Act to provide services to all older Americans, but, at the same time, we have recognized that the aging network must continue to reach out to those most in need. In particular, the committee has added language which emphasizes services to older individuals who are minorities, low-income, disabled, mentally ill, or who have debilitating diseases such as Alzheimer's. In addition, in light of the vast unmet needs of older Indians, the committee has eliminated several provisions that inhibited closer coordination of services for older Indians under title VI with services provided under title III the committee also authorized a substantial increase in funding for title VI, and, as we have done in many measures over the past 10 years, expanded the definition of native Americans to include Hawaiian natives.

The committee also has taken the steps necessary to ensure that we know who is receiving services and what types of services are being provided. In future years, this data base will provide both Congress and the administration with the information needed to make informed policy decisions.

Mr. President, I would like to particularly thank the ranking minority member of the Subcommittee on Aging, the Senator from Mississippi, Mr. Cochran, for his dedication to the success of this legislation and his fair and balanced approach to its development.

In closing, Mr. President, I strongly urge unanimous approval of S. 887, the Older Americans Act Amendments of 1987.

The PRESIDING OFFICER. Who yields time?

AMENDMENT NO. 660

(Purpose: To amend the Public Health Service Act to establish a program for the provision of health care services in the home for individuals who are suffering from a catastrophic or chronic illness)

Mr. DOLE. Mr. President, I send an amendment to the desk on behalf of Senator Hatch and Senator Inouye and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Kansas (Mr. Dole), on behalf of Mr. Hatch, Mr. Inouye, Mr. Garn, and Mr. Bradley proposes an amendment numbered 660.

Mr. DOLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 126, after line 14, add the following:

TITLE VI—HEALTH CARE SERVICES IN THE HOME

SHORT TITLE

Sec. 601. This title may be cited as the "Health Care Services in the Home Act of 1987".

PROGRAM AUTHORIZED

Sec. 602. (a) In General.—Part A of title XIX of the Public Health Service Act is amended by adding at the end thereof the following:

"Subpart 2—Health Care Services in the Home

"AUTHORIZATIONS OF APPROPRIATIONS

"Sec. 1910C. For the purpose of allotments to States to carry out the activities described in section 1910F, there are authorized to be appropriated $100,000,000 for fiscal year 1988, $100,000,000 for fiscal year 1989, and $100,000,000 for fiscal year 1990.

"ALLOTMENTS

"Sec. 1910D. (a)(1) Except as provided in paragraph (2), the Secretary shall allot to each State for each fiscal year from the amounts appropriated under section 1910C for such fiscal year an amount equal to the product of—

"(A) the population of the State, multiplied by

"(B) the relative per capita income of the State.

For purposes of subparagraph (B), the term 'relative per capita income' has the same meaning as in the last sentence of section 1913(a)(1).

"(2) Notwithstanding paragraph (1)—

"(A) the total amount of the allotment for each of the several States, the District of Columbia, and Puerto Rico for each fiscal year shall not be less than one-half of 1 percent of the total amount appropriated under section 1910C for such fiscal year;

"(B) the total amount of the allotment for each of the Virgin Islands, Guam, and the Trust Territory of the Pacific Islands for each fiscal year shall not be less than one-fourth of 1 percent of the total amount appropriated under section 1910C for such fiscal year; and

"(C) the total amount of the allotment for each of American Samoa and the Commonwealth of the Northern Mariana Islands for each fiscal year shall not be less than one-sixteenth of 1 percent of the total amount appropriated under section 1910C for such fiscal year.

"(b) To the extent that all the funds appropriated under section 1910C for a fiscal year and available for allotment in such fiscal year are not otherwise allotted to States because—

"(1) one or more States have not submitted an application or description of activities in accordance with section 1910G for such fiscal year;

"(2) one or more States have notified the Secretary that they do not intend to use the full amount of their allotment; or

"(3) some State allotments are offset or repaid under section 1906(b)(3) (as such section applies to this subpart pursuant to section 1910G(d)),

such excess shall be allotted among each of the remaining States in proportion to the amount otherwise allotted to such States for such fiscal year without regard to this subsection.

"(c)(1) If the Secretary—

"(A) receives a request from the governing body of an Indian tribe or tribal organization within any State that funds under this subpart be provided directly by the Secretary to such tribe or organization, and

"(B) determines that the members of such tribe or tribal organization would be better served by means of grants made directly by the Secretary under this subpart,

the Secretary shall reserve from amounts which would otherwise be allotted to such State under subsection (a) for a fiscal year the amount determined under paragraph (2).

"(2) The Secretary shall reserve for the purpose of paragraph (1) from amounts that would otherwise be allotted to such State under subsection (a) an amount equal to the amount which bears the same ratio to the State's allotment for the fiscal year involved under subsection (a) as the population of the Indian tribe or tribal organization bears to the population of the State.

"(3) The amount reserved by the Secretary on the basis of a determination under this subsection shall be granted to the Indian tribe or tribal organization serving the individuals for whom such a determination has been made.

"(4) In order for an Indian tribe or tribal organization to be eligible for a grant for a fiscal year under this subsection, it shall submit to the Secretary a plan for such fiscal year which meets such criteria as the Secretary may prescribe.

"PAYMENTS UNDER ALLOTMENTS TO STATES

"SEC. 1910E. (a) For each fiscal year, the Secretary shall make payments, as provided by section 6503(a) of title 31, United States Code, to each State from its allotment under section 1910D (other than any amount reserved under subsection (c) of such section) from amounts appropriated for that fiscal year.

"(b) Any amount paid to a State for a fiscal year and remaining unobligated at the end of such year shall remain available for the next fiscal year to such State for the purposes for which it was made.

"USE OF ALLOTMENTS

"SEC. 1910F. (a)(1) Except as provided in subsections (b), (c), and (d), amounts paid to a State under section 1910E from its allotment under section 1910D for any fiscal year may be used to provide health care services in the home for eligible individuals. Such amounts may be used to—

"(A) pay compensation for the services of physicians, nurses, and social workers who plan, manage or provide or arrange for the provision of, health care services in the home for eligible individuals;

"(B) identify and locate eligible individuals needing the provision of health care services in the home;

"(C) develop proper standards and quality assurance mechanisms for the provision of health care services in the home for eligible individuals;

"(D) coordinate health care services provided in the home for eligible individuals under this subpart with other supportive social services provided for such individuals;

"(E) coordinate other long-term care services provided for eligible individuals by public and private institutions and voluntary organizations in order to ensure the provision of such services and to maximize the use of funds provided under this subpart and under other Federal laws; and

"(F) provide training to health professionals (other than physicians, nurses, and social workers), particularly training for health professionals who work within hospitals to educate individuals who may benefit from the provision of health care services in the home, and training in advanced discharge planning.

"(2) A State may use amounts paid to it under section 1910E to provide health care services in the home for eligible individuals through grants to health care organizations. In making such grants, a State shall give priority to home care programs, including home care programs based in hospitals. As a condition of receipt of a grant under this paragraph, a State shall require a health care organization to use amounts provided under such grant only for the provision of health care services in the home for eligible individuals.

"(b) Of the total amount paid to a State under section 1910E for a fiscal year—

"(1) at least 85 percent of such total amount shall, in the case of fiscal year 1988, be used by the State to pay compensation under subsection (a)(1)(A);

"(2) not more than 10 percent of such total amount may, in the case of fiscal year 1988, be used by the State for activities under this subpart other than the payment of compensation under subsection (a)(1)(A); and

"(3) not more than 5 percent may, in the case of a fiscal year beginning after September 30, 1988, be used by the State for activities under this subpart other than the payment of compensation under subsection (a)(1)(A).

"(c) Not more than $2,500 per year may be used by a State, with respect to any eligible individual, to pay compensation for the services of physicians, nurses, and social workers under subsection (a)(1)(A).

"(d) A State may not use amounts paid to it under section 1910E to—

"(1) provide inpatient services, except services involving advanced discharge planning;

"(2) make cash payments to intended recipients of services;

"(3) purchase or improve land, purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or purchase major medical equipment;

"(4) satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds;

"(5) provide services under this subpart to an individual if the total cost to the Federal Government of providing such services would exceed the total cost of institutionalization of such individual;

"(6) provide reimbursement for services performed by any individual other than a physician, nurse, or social worker; or

"(7) provide supportive social services for which planning and management is conducted under subsection (a)(1)(D).

"(e) The Secretary, if requested by a State, shall provide technical assistance to the State in planning and operating activities to be carried out under this subpart.

"APPLICATION AND DESCRIPTION OF ACTIVITIES; REQUIREMENTS

"SEC. 1910G. (a)(1) In order to receive an allotment for a fiscal year under section 1910D, each State shall submit an application to the Secretary. Each such application shall be in such form and submitted by such date as the Secretary shall require.

"(2) Each application required under paragraph (1) for an allotment under section 1910D for a fiscal year shall contain assurances that the State will meet the requirements of subsection (b).

"(b) As part of the annual application required by subsection (a) for an allotment for any fiscal year, the chief executive officer of each State shall—

"(1) certify that the State agrees to use the funds allotted to it under section 1910D in accordance with the requirements of this subpart;

"(2) provide assurances that such chief executive officer will designate or establish a State agency to administer funds provided under this subpart;

"(3) certify that the State will coordinate the provision of health care services in the home with funds provided under this subpart with activities conducted to provide such services by voluntary, religious, and community organizations and local governments;

"(4) provide assurances that the State will make reasonable efforts to provide health care services in the home under this subpart through home care programs in the State, including home care programs based in hospitals; and

"(5) provide assurances that the State will, to the maximum extent feasible, provide health care services in the home under this subpart to individuals who are low income individuals and who are not receiving equivalent home health care services under the State's medicaid plan approved under title XIX of the Social Security Act.

"(c) The chief executive officer of a State shall, as part of the application required by subsection (a) for any fiscal year, also prepare and furnish the Secretary (in accordance with such form as the Secretary shall provide) with a description of the intended use of the payments the State will receive under section 1910E for the fiscal year for which the application is submitted, including information on the programs and activities to be supported and services to be provided. The description shall be made public within the State in such manner as to facilitate comment from any person (including any Federal or other public agency) during development of the description and after its transmittal. The description shall be revised (consistent with this section) throughout the year as may be necessary to reflect substantial changes in the programs and activities assisted by the State under this subpart, and any revision shall be subject to the requirements of the preceding sentence.

"(d) Except where inconsistent with the provisions of this subpart, the provisions of section 1903(b), section 1906(a), paragraphs (1) through (5) of section 1906(b), and sections 1907, 1908, and 1909 shall apply to this subpart in the same manner as such provisions apply to subpart 1 of this part.

"(e) Each report submitted by a State to the Secretary under section 1906(a)(1) (as such section applies to this subpart pursuant to subsection (d) of this section) shall include an analysis of the cost effectiveness of providing health care services in the home for eligible individuals under this subpart.

"EVALUATIONS

"SEC. 1910H. The Secretary shall conduct, or arrange for the conduct of, evaluations of services provided and activities carried out with payments to States under this subpart.

"DEFINITIONS

"SEC. 1910I. For purposes of this subpart—

"(1) The term 'eligible individual' means an individual who—

"(A) resides at home and is at risk of institutionalization because of medical limitations on the ability of such individual to function independently;

"(B) is a patient in a hospital who is at risk of prolonged hospitalization, and who could be cared for in a long-term care institution or who could return to the community if health care services in the home are available; or

"(C) is a patient in a skilled nursing facility or an intermediate care facility who could return to the community if health care services in the home are available.

"(2) The terms 'Indian tribe' and 'tribal organization' have the same meaning given such terms in section 4(b) and section 4(c) of the Indian Self-Determination and Education Assistance Act.".

(b) TECHNICAL AMENDMENTS.—Such part is further amended—

(1) by striking out the heading of such part and inserting in lieu thereof the following:

"PART A—PREVENTIVE HEALTH SERVICES, HEALTH SERVICES, AND HEALTH SERVICES IN THE HOME";

(2) by inserting after the heading of such part the following:

"Subpart 1—Preventive Health and Health Services"; and

(3) by striking out "this part" and inserting in lieu thereof "this subpart" each place it appears in sections 1902(d)(1)(A), 1902(d)(1)(B), 1904(a)(1), 1904(a)(3), 1904(b), 1905(c)(1), 1905(c)(3), 1905(c)(2), 1905(c)(4), 1905(c)(6), and 1905(d).

EFFECTIVE DATE

SEC. 603. This title and the amendments made by this title shall take effect on October 1, 1988.

On page 10, after item "Sec. 507", insert the following:

"TITLE VI—HEALTH CARE SERVICES IN THE HOME

"Sec. 601. Short title.
"Sec. 602. Program authorized.
"Sec. 603. Effective Date.".

HOME CARE BLOCK GRANT

Mr. BRADLEY. Mr. President, I rise as a cosponsor of the amendment offered by my colleague from Utah, Mr. HATCH, to authorize $100 million for home care services for low-income individuals who are not eligible for other Federal programs.

Mr. President, the Federal Government funds home care services through a variety of programs, including Medicare, Medicaid, the Older Americans Act, and title XX. Each of these programs has separate eligibility criteria for services. Ofttimes, elderly persons in need of services are ineligible for services and fall through the cracks. The block grant funds authorized by this amendment would be used by States to fill these gaps and meet the needs of these persons.

These funds can be used to pay for the services of physicians, nurses, and social workers who manage or provide for the provision of health care services in the home and to coordinate other long-term care services provided for eligible individuals by public and private institutions and voluntary organizations. I urge my colleagues to support this amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 660) was agreed to.

Mr. BYRD. Mr. President, I suggest the absence of a quorum and I ask that the time not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. COCHRAN. Mr. President, will the distinguished managers yield me time for a 5-minute statement?

The PRESIDING OFFICER. The minority leader controls the time.

Mr. DOLE. Mr. President, I yield my time to the distinguished Senator from Mississippi.

Mr. COCHRAN. I thank the distinguished manager.

Mr. President, it has been a pleasure to work this year as the senior Republican member on the subcommittee on aging with my good friend and colleague from Hawaii, the chairman of the subcommittee. We began the year knowing that in September the Older Americans Act would expire and it was going to be our responsibility to recommend to the Senate any changes that ought to be made in the act and to recommend the reauthorization.

Knowing that, we had a series of hearings. We heard from witnesses from all over the country, beneficiaries of the Older Americans Act, as well as those who were involved in administering the programs. I think we got a very good view of how this program is benefiting many of our senior citizens and some changes that should be made to improve the sensitivity of the law and the programs that are administered under it.

Let me just cite a couple of examples of changes that have been made in this bill if the Senate goes along with it and approves it.

One is that the membership of the Federal Council on Aging will now be made up by a majority of those who are old enough to be served by the programs under the act. I think that is an important change. It was brought to our attention by testimony in one of the hearings by a witness from my State.

Another change is some in-home non-health-care services that will be made available through grants to the States under the Older Americans Act. This is important because of the need for respite care, homemaker services, chore services for the elderly who would like to stay in their homes and are physically able to, but they need assistance in order to do that. I think this change in the law is going to help make it possible for many of our older citizens to avoid unnecessary institutional care.

I think, by and large, Mr. President, this is a piece of legislation the Senate can be very proud of. I hope it is approved, and I am sure it will be, by the vast majority of the Senate.

There are other changes. Senators have been very helpful in suggesting changes to the act. I think it has been strengthened by reason of the bill that we are presenting to the Senate today.

I thank the chairman of the subcommittee for being cooperative with me and with Senators on this side in fashioning a bipartisan proposal that will strengthen the Older Americans Act.

I yield the floor, Mr. President.

I reserve the remainder of the time that is allocated to this side.

The PRESIDING OFFICER. Who yields time?

Mr. MATSUNAGA. Mr. President, we have a time limitation, as I understand it, of 15 minutes, equally divided; am I correct?

The **PRESIDING OFFICER.** The Senator is correct.

Mr. **MATSUNAGA.** Before I yield to the Senator from Florida, I wish to commend the Senator from Mississippi. He has been very, very cooperative. The speed with which this bill has moved through the subcommittee hearings, the markups, in both the subcommittee and the full committee, and the floor has been largely due to the cooperation given by the Senator from Mississippi.

I wish, as chairman of the Aging Subcommittee, to thank the ranking Senator of that subcommittee.

How much time do I have remaining on this side?

The **PRESIDING OFFICER.** The Senator has 5 minutes remaining.

Mr. **MATSUNAGA.** I yield 2 minutes to the Senator from Florida.

The **PRESIDING OFFICER.** The Senator from Florida.

Mr. **GRAHAM.** I thank the Senator very much.

I express my appreciation to the Senator from Hawaii and the Senator from Mississippi for their outstanding work on this legislation and would like to speak to one provision that represents a new dimension for the Older Americans Act, that is the emphasis on preventive strategies and particularly the use of States as the instrument to shape appropriate community-based programs that promote optimal health in the older population.

Mr. President, most Federal Government programs for older Americans have been crisis oriented—after you are sick enough to go into the hospital, then a range of services become available. I believe that one of the new directions that this bill starts us toward is that of prevention. How do we keep people well enough so that they do not go into the hospitals, so they do not have to incur both the great personal pain and financial costs to themselves and to the Federal Government?

The preventive health services part of this bill will, for the first time, provide grants to the States to initiate a range of preventive health services. These will include routine health screening so that most of those conditions that are the most likely to mature into serious illnesses can be identified early and remediated.

The bill includes group exercise programs and a very creative program for home injury control so that people can keep themselves at the highest possible level of good health.

Many older Americans suffer an injury which eventually leads to a fundamental catastrophic change in the quality of their life because of a condition in their own home, for example, a fall as a result of an inadequately equipped bathroom or an otherwise hazardous home environment, nutritional counseling, mental health screening, and Medicare benefits education are additional programs under this new preventive health initiative of the Older Americans Act which will help redirect our Nation's efforts toward health promotion and disease prevention.

I commend the Senators from Hawaii and Mississippi for their leadership.

I am very enthusiastic as to what consequences in terms of improving the lives of many thousands of older Americans will come as a result of your work and of these new initiatives and I look forward to working with you over the years ahead to see that these initiatives fulfill their very bright promise. Thank you very much.

Mr. **MATSUNAGA.** I thank the Senator, if the Senator will yield, for the great interest he has shown in this bill and in matters pertaining to healthy Americans.

I commend him for it.

Mr. **COCHRAN.** Mr. President, does the distinguished Senator not choose to use any further time?

Mr. **MATSUNAGA.** I reserve the remainder of my time.

Mr. **COCHRAN.** I yield myself such time as I may consume.

Mr. President, let me at this time take advantage of the opportunity to thank the staff members of our subcommittee. We had a lot of witnesses, a lot of hearings, a lot of staff work that was going on in the background in the development of this bill that was very professional and reflected credit on the Senate.

I particularly would like to commend Jackie Knox and Anne Cherry of the subcommittee staff on this side of the aisle who worked very, very hard to develop suggested changes and improvements in the Older Americans Act, and to try to get the witnesses who could best help us understand the programs administered under this act to attend hearings.

I also, of course, would like to commend those who worked with Senator MATSUNAGA for their work. They all did an outstanding job.

I reserve the remainder of my time, Mr. President.

AMENDMENT NO. 662

(Purpose: To require furnishing information on age discrimination prohibitions for enrollees under title V of the Act.)

Mr. **BYRD.** Mr. President, I offer an amendment on behalf of Mr. MELCHER.

The **PRESIDING OFFICER.** The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD], for Mr. MELCHER, proposes an amendment numbered 662.

Mr. **BYRD.** Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

The amendment is as follows:

On page 80, after line 24, insert the following:

INFORMATION ON AGE DISCRIMINATION PROHIBITIONS

SEC. 163. Section 503(b) of the Act is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by inserting at the end thereof the following:

"(2) The Secretary shall distribute to grantees under this title, for distribution to program enrollees, and at no cost to grantees or enrollees, informational materials developed and supplied by the Equal Employment Opportunity Commission and other appropriate Federal agencies which the Secretary detemines are designed to help enrollees identify age discrimination and understand their rights under the Age Discrimination in Employment Act.".

On page 81, line 2, strike out "SEC. 163." and insert in lieu thereof "SEC. 164.".

On page 81, line 7, strike out "SEC. 164." and insert in lieu thereof "SEC. 165.".

On page 81, line 15, strike out "SEC. 165." and insert in lieu thereof "SEC. 166.".

Amend the table of contents accordingly.

Mr. **MELCHER.** Mr. President, among the most important functions of the Older Americans Act is providing unemployed, low-income older persons with community service employment opportunities. The Senior Community Service Employment Program under title V of the act has been an extremely effective and valuable tool for providing seniors with needed jobs and income.

Contractors under title V do a commendable service in finding jobs for older Americans, especially with the limited resources they have. One problem which still hinders their placement of seniors, however, is age discrimination in the workplace.

Last year, Congress amended the Age Discrimination in Employment Act to eliminate mandatory retirement for all but a few designated professions. In eliminating the age cap, we recognized that older Americans are among this country's most valuable resources. We acknowledged that age alone has nothing to do with a person's desire or ability to work. This is important to recognize at a time of such rapid growth in our country's elderly population.

While many industries are also beginning to recognize the value of the older worker, many are not. More must be done to educate people about age discrimination at a time when many industries are becoming increasingly savvy at getting around the law. While the ADEA provides recourse for those who have been discriminated against, many people still do not know what those rights are. On top of that, older employees and job seekers are often unaware that they are being discriminated against.

Today I am introducing an amendment to change that. My amendment would require the Labor Department, which administrates the overall SCSEP, to provide title V contractors with information about age discrimination. The contractors could then distribute this information to program participants so they would know what their rights are under the law.

I want to make it clear that I am not offering this amendment because of any problems with title V contractors. To the contrary, because these groups have been so effective, they will serve as an excellent vehicle for getting this information into the hands of people who need it. For age discrimination law to be effective, the people who it's intended to protect must understand how it affects them.

The amendment I'm offering today is supported by the National Council on the Aging, as well as such title V contractors as the American Association of Retired Persons, Green Thumb, the National Caucus and Center on Black Aged, and the Urban League. I urge all my colleagues to join with me and these organizations in supporting this important amendment.

Mr. MATSUNAGA. Mr. President, I rise in support of the amendment offered by the Senator from Montana [Mr. MELCHER], which would require the Secretary of Labor to distribute information on individual rights with respect to age discrimination to Senior Community Service Employment Program grantees for subsequent distribution to participants. In my view, this provision will ensure that participants in Older Americans Act employment programs understand how to identify age discrimination and what to do if they believe that they have been discriminated against on the basis of age. I urge my colleagues to support this amendment.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 662) was agreed to.

AMENDMENT NO. 663

(Purpose: To require the Secretary of Labor to develop a consumer price index which reflects the impact of inflation on elderly Americans)

Mr. BYRD. Mr. President, I send to the desk on behalf of Mr. MELCHER another amendment.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from West Virginia [Mr. BYRD], for Mr. MELCHER and Mr. PRESSLER, proposes an amendment numbered 663.

Mr. BYRD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 101, after line 23, insert the following:

PART G—CONSUMER PRICE INDEX FOR OLDER AMERICANS

INDEX AUTHORIZED

SEC. 191. The Secretary of Labor shall, through the Bureau of Labor Statistics, develop, from existing data sources, a reweighted index of consumer prices which reflects the expenditures for consumption by retired Americans aged 62 and over. The Secretary shall furnish to the Congress the index within 180 days after the date of enactment of this Act. The Secretary shall include with the index furnished a report which explains the characteristics of the reweighted index, the research necessary to develop and measure accurately the rate of inflation affecting older Americans, and provides estimates of time and cost required for additional activities necessary to carry out the objectives of this section.

On page 9, in the table of contents, after item "Sec. 182." insert the following:

"PART G—CONSUMER PRICE INDEX FOR OLDER AMERICANS

"Sec. 191. Index authorized.".

Mr. MELCHER. Mr. President, on May 27, the full Senate expressed its will on the amendment I am offering again today by voting unanimously—95-0—to require the Department of Labor to develop a separate Consumer Price Index [CPI] for the elderly. Despite this overwhelming vote, the amendment was dropped in the joint Senate/House conference.

In 1986, the cost of prescriptions, doctors fees, hospital costs, and other medical costs increased about 8 percent. Residential phone service increased over 20 percent during the past 3 years. Public transportation and even funerals were up an estimated 6 percent in 1986. Financing a new car or house was down in 1986, but older Americans do not buy these items as much as the general population. None of these differential spending patterns of the elderly could have been reflected in the Consumer Price Index that is used for the formulation of retirees cost-of-living adjustments [COLA's] because this index—the CPI—does not even survey one retired person.

To address this situation, I believe it is essential that we develop an index which specifically focuses on what goods and services the elderly purchase. My amendment would not tie future COLA's to this new index, but would require the Department of Labor to develop an index to give Congress and older Americans a more accurate picture of the costs and inflation the elderly face.

The major reason why my amendment was deleted in the Senate/House supplemental appropriations conference appears to be due to the fact that the Department of Labor's Bureau of Labor Statistics [BLS] had raised concerns about the language within the amendment and its 90-day reporting requirement. As chairman of the Senate Special Committee on Aging, I felt it was important that BLS have the opportunity to outline their concerns with the amendment. Therefore, I held an Aging Committee hearing on June 29 to give them such an opportunity.

During the hearing and in followup discussions, BLS stated that they could not meet the 90-day reporting requirement outlined in the original amendment and indicated that it would take 180 days to complete the study mandated by the amendment. In addition, BLS informed us that they felt they needed a better working definition of the elderly population they would be studying. Last, BLS informed me that they would like to include in their report an analysis of the reweighting I am requesting, along with information regarding alternative approaches to obtaining an accurate measure of the inflation the elderly face.

The purpose of my amendment was not to give the Department of Labor an impossible or unwanted task. Rather, my main concern was to obtain information that I, and very obviously the rest of the Senate, believe is important.

In an attempt to accommodate all affected parties, I have modified my amendment to give BLS the time they need to complete this study—180 days. Further, I have tightened the definition of the elderly to be surveyed to include those "retired Americans aged 62 and over." Last, I am adding language which requires the Secretary of Labor to include with the data furnished their suggestions for alternative methods to obtain an accurate measure of inflation affecting older Americans, and to provide time and cost estimates for such alternatives.

With these modifications, BLS has informed me that I have "alleviated the major concerns raised by BLS Commissioner Janet Norwood." It is my hope that the Senate will once again give this amendment its strong endorsement, and that I also have satisfied the initial objections of the House of Representatives.

At a time when the most recent medical inflation statistics from June show that overall medical prices are nearly doubling the rise in overall consumer prices, and nonprescription drugs and prescription drugs are respectively tripling and doubling the general inflation rate, I believe it is particularly important that the Congress has a more accurate measure of the inflation older Americans face.

I urge all my colleagues to join with me once again in sending a strong message about our desire to have this essential information and I ask that this amendment be incorporated into the Older Americans Act.

Mr. MATSUNAGA. Mr. President, I rise in support of the amendment offered by the Senator from Montana, Mr. MELCHER, which would require the Department of Labor to develop a Consumer Price Index based on the spending patterns of older Americans. It is important to note that this amendment does not require the use of a new index for cost-of-living allowances for Social Security or any other programs which specifically serve the elderly, but it will give Congress, the administration, and the elderly a better sense of how price changes are affecting their purchasing power.

Mr. President, I urge my colleagues to support this amendment.

The PRESIDING OFFICER. If there be no further debate on the amendment, the question is on agreeing to the amendment.

The amendment (No. 663) was agreed to.

AMENDMENT NO. 664

(Purpose: To provide for participation of older persons and chronically impaired disabled persons in child care food program)

Mr. BYRD. Mr. President, I send to the desk an amendment on behalf of Mr. MELCHER.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD], for Mr. MELCHER, proposes an amendment numbered 664.

Mr. BYRD. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 114, strike out lines 1 through 14 and insert the following:

TITLE IV—NATIONAL SCHOOL LUNCH ACT AMENDMENT

PARTICIPATION OF OLDER PERSONS AND CHRONICALLY IMPAIRED DISABLED PERSONS IN CHILD CARE FOOD PROGRAM

SEC. 401. Section 17 of the National School Lunch Act (42 U.S.C. 1766) is amended by adding at the end the following:

"(p)(1) For purposes of this section, adult day care centers shall be considered eligible institutions for reimbursement for meals or supplements served to persons 60 years of age or older or to chronically impaired disabled persons, including victims of Alzheimer's disease or other neurological and organic brain disorders of the Alzheimer's type. Reimbursement provided to such institutions for such purposes shall supplement, not supplant, funds provided for such purposes on the effective date of this subsection, unless the quality of meals or level of services provided is improved through participation in the program.

"(2) For purposes of this subsection—

"(A) the term 'adult day care center' means any public agency or private nonprofit organization, or any proprietary title XIX or title XX center, which—

"(i) is licensed or approved by Federal, State, or local authorities to provide adult day care services to chronically impaired disabled adults or persons 60 years of age or older in a group setting outside their homes on a less than 24-hour basis; and

"(ii) provides for such care and services directly or under arrangements made by the agency or organization whereby the agency or organization maintains professional management responsibility for all such services; and

"(B) the term 'proprietary title XXIX or title XX center' means any private, for-profit center providing adult day care services for which it receives compensation from amounts granted to the States under title XIX or XX of the Social Security Act and which title XIX or title XX beneficiaries were not less than 25 per cent of enrolled eligible participants in a calendar month preceding initial application or annual reapplication for program participation.

"(3)(A) The Secretary of Agriculture, in consultation with the Commissioner on Aging, may establish separate guidelines for reimbursement of institutions described in this subsection.

"(B) The guidelines shall contain provisions designed to assure that reimbursement under this subsection shall not duplicate reimbursement under part C of title III of the Older Americans Act of 1965, for the same meal served.".

On page 126, after line 14, insert the following:

TITLE VI—GENERAL PROVISIONS

EFFECTIVE DATE; APPLICATION OF AMENDMENTS

SEC. 601. (a) EFFECTIVE DATE.—Except as provided in subsection (b), this Act and the amendments made by this Act shall take effect on October 1, 1987.

(b) APPLICATION OF AMENDMENTS.—The amendments made by title I of this Act shall not apply with respect to—

(1) any area plan submitted under section 306(a) of the Older Americans Act of 1965, or

(2) any State plan submitted under section 307(a) of such Act.

and approved for any fiscal year beginning before the date of the enactment of this Act.

Amend the table of contents accordingly.

Mr. MELCHER. Mr. President, this amendment extends meal assistance under the Child Care Food Program of the School Lunch Act to eligible persons participating in adult day care programs.

This amendment would simply extend supplemental assistance on a means tested basis for two meals and a snack per day to qualified programs. It would be limited to public and private nonprofit adult day care centers or to for-profit centers only if they receive payment under Medicaid or title XX. At least 25 percent of the participants in for-profit centers must also be eligible for Medicaid or title XX benefits. Programs must also be licensed or approved by Federal, State, or local authorities to provide adult day care services to chronically impaired disabled adults or persons 60 years or older in a group setting outside their homes on a less than 24-hour basis.

Like the School Lunch Program, free meals would be available to adult day care participants with incomes below 130 percent of the poverty line—$595 per month for an individual. Reduced price meals would be available to those whose incomes ranged from 130 to 185 percent of poverty—$847 per month. As the average income of adult day care participants is below the poverty line, the need for this meal assistance is very obvious.

Many adult day care centers now get assistance under the Meals Program of the Older Americans Act. Adoption of this amendment would free up that funding to meet the increasing demand for these meals, particularly home-delivered. Many home-delivered meals programs have waiting lists, have tightened eligibility and some are struggling to raise money from other sources.

In addition, it is estimated from a recent study by the national association of nutrition and aging services programs that as many as 2,000 communities are waiting for meal sites. Also, some States estimate tens of thousands of elderly that could and should be served under the Meals Program of the Older Americans Act.

By extending child care food assistance to adult day care centers, nutritional standards would be improved through minimum requirements and greater use would be made of commodities as well.

Providing this meal assistance also wouldn't cost very much. CBO estimates are for $5 million in direct spending in 1988, $6 milion in 1989, and $7 million in 1990.

In the past few years, there has been a tremendous growth of adult day care programs throughout all 50 States and the District of Columbia. This movement has been very successful in helping our Nation's senior citizens stay in their own communities, in their own homes, and with family caregivers.

Most adult day care programs are nonprofit and provide a wide range of individualized services under medical supervision. These include health assessment and monitoring, personal care, meals, nutrition counseling and often physical, speech and/or physical therapy. Several studies have shown that adult day care services not only prevent or reduce the need for nursing home and hospital care but is very cost effective as compared to other forms of health services.

This amendment is supported by a broad intergenerational coalition including the Children's Defense Fund, the Food Research and Action Center, the Leadership Council on Aging, the National Council of Senior Citizens, and Villers Advocacy Associates.

I strongly believe that it is vital to extend this meal assistance to eligible frail elderly and disabled individuals in America's adult day care centers. I urge your support of this amendment.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter I received from Jack Ossofsky, chairman, Leadership Council of Aging Organizations.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

LEADERSHIP COUNCIL OF AGING ORGANIZATIONS,
July 14, 1987.

Hon. JOHN MELCHER,
U.S. Senate,
Washington, DC.

DEAR MR. MELCHER: On behalf of the Leadership Council of Aging Organizations, I want to express our support of your proposed amendment to the Older Americans Act that would extend to adult day care participants eligibility for meals through the USDA child care food program without reducing food available to children.

Such an amendment, already included in the House version of the OAA amendments, will assist financially struggling adult day care centers to provide nutritious meals and snacks to many more older Americans and younger disabled adults and to provide additional services. Your recognition of adult day care as a viable service for functionally impaired people that warrants financial aid from various Federal sources is greatly appreciated.

Sincerely,

JACK OSSOFSKY, *Chair.*

LEADERSHIP COUNCIL OF AGING ORGANIZATIONS

American Association for International Aging
American Association of Homes for the Aging
American Association of Retired Persons
AFL-CIO Department of Occupational Safety, Health and Social Security
AFSCME Retiree Program
American Society on Aging
Asociacion Nacional Pro Personas Mayores
Association for Gerontology in Higher Education
Catholic Golden Age
Gerontological Society of America
Gray Panthers
National Association of Area Agencies on Aging
National Association of Foster Grandparents Program Directors
National Association of Mature People
National Association of Meal Programs
National Association of Nutrition and Aging Services Program
National Association of Older American Volunteer Program Directors
National Association of RSVP Directors, Inc.
National Association of Retired Federal Employees
National Association of Senior Companion Project Directors
National Association of State Units on Aging
National Caucus and Center on Black Aged, Inc.
National Council of Senior Citizens
National Council on the Aging, Inc.
National Interfaith Coalitions on Aging
National Pacific/Asian Resource Center of Aging
National Senior Citizens Law Center
Older Women's League
United Auto Workers/Retired Members Department
Villers Advocacy Associates

Mr. MATSUNAGA. Mr. President, I rise in support of the amendment offered by the senior Senator from Montana, Mr. MELCHER, which would extend what is currently a child care food program authorized under the National School Lunch Act to adult day care centers which serve older and disabled individuals.

Mr. President, I understand that the administration had raised some objections to a similar provision in the House bill which reauthorizes the Older Americans Act. One concern was that the provision might allow double subsidies to occur. I wish to commend Senator MELCHER for accommodating this concern by adding a provision which explicitly prohibits dual subsidies.

The other objection involved the potential cost of the program, based on an assumption that many senior centers and congregate meal sites would qualify and apply for status as adult day care centers in order to receive this subsidy. I understand that the Congressional Budget Office reexamined its cost estimate in light of this concern, but ultimately decided that its original $5 million estimate is correct. I believe that this represents a rather small investment in better nutrition for the elderly, and urge my colleagues to support the amendment.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 664) was agreed to.

The PRESIDING OFFICER. The question is now on the Labor Committee substitute.

Mr. COCHRAN. Mr. President, if there is time remaining, how much time is remaining for this side?

The PRESIDING OFFICER. The Senator has 3 minutes.

Mr. COCHRAN. Mr. President, let me say, in conclusion, that the changes that have been made and the reauthorization of this program, in my judgment, will help meet the changing needs and circumstances of senior citizens and older Americans throughout the country. The amendments that have been offered by Senators while we were in the markup phase of developing the bill and in final form, the amendments which have been added here on the floor of the Senate today I think are improvements in the bill and will help us meet the challenge that we face in maintaining programs that are efficiently operated, that are sensitive to these changing needs, and that all go toward the goal of improving the opportunities of senior citizens for fuller and happier lives and improve the standard of living and opportunities for our senior citizens.

I thank the distinguished leader for his indulgence and I have no requests for any time on this side.

Mr. President, I yield the remainder of our time.

Mr. MATSUNAGA. Mr. President, how much time do I have remaining on this side?

The PRESIDING OFFICER. The Senator has 45 seconds.

Mr. MATSUNAGA. I ask unanimous consent, Mr. President, that Senator GRASSLEY of Iowa be added as a cosponsor of the measure now pending.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. Mr. President, today we are considering S. 887, the Older Americans Act Amendments of 1987. I am pleased to have been involved in the process of fine tuning this important piece of legislation.

I have been an active participant during the past two reauthorizations of the Older Americans Act—both as chairman of the Labor and Human Resources Committee and as a conferee. During these deliberations, we made changes in the structure of the law to give State agencies more flexibility in the management of the grants that pay for supportive services, senior citizen centers and nutrition programs.

Until the law was modified, we found that many senior centers were forced to leave money unspent in one account while other accounts had run out of money. Many centers, especially in rural States such as Utah, had to close their doors, turning away older people who needed nutritional hot meals. They had no money for the vehicle that brought the people to the centers to eat, although there was sufficient funds in other accounts. Specific language to expand the ability to transfer funds between titles was not incorporated in the bill reported out of committee, but it is my understanding that the transferability provisions in current law will remain unchanged.

Although the Older Americans Act has provided necessary social services, the demand on title III—B funds has increased dramatically as a result of number of factors including population growth.

During the past few years, the Older Americans Act and its services have automatically become targeted to the "old old" and the frail populations. In the 1970's, Federal funds primarily supported the development of community services such as senior centers, transportation and congregate meals. The elderly population aged in the last decade, and today their needs are quite different. They now require services to help them remain independent and in their own homes. The bill we are voting on today will address these needs and ensure that the Older Americans Act continues to address today's problems.

There is, however, an additional issue facing the elderly which the Older American's Act should address—the issue of health care in the home. Often, treatment at home can provide more compassionate health care and, at the same time, save money. We need to realize that there are viable alternatives to hospital based care, especially given the mounting medical costs in our Nation. Since 1978, I have been working with the citizens from my State to implement a program that will enable States to provide health care in the home.

The amendment we are offering today will provide $100 million for States to provide health care services in the home. This will reimburse a professional health care team to help in the home during an illness. Let a doctor and nurse develop the treatment plan; and let them work on providing quality health care services in a cost-effective way. I truly believe that this approach will demonstrate how to provide effective health care services within a home.

It is our intent that home and community based services established or supported under this amendment will consist of team oriented, managed care coordinated with the full spectrum of home and community based services necessary to maintain ailing individuals outside the hospital. This managed care approach will enable the team to pay for other care and treatment services deemed appropriate such as, respiratory therapy, physical therapy, and occupational therapy.

I hope this proposal will become law, because Americans want health care in the home. A recent poll asked the American public where they would like to see more health care provided. The result was a resounding majority in favor of home health care. Americans, by a margin of 9 to 1, prefer home care to any other kind of care.

I want to give special thanks to the Senator from Hawaii, Senator INOUYE, who has been a champion of home health care and a true leader in this field. In addition, much credit must go to Senator GARN and Senator BRADLEY who have worked hard to make home health care a reality. I also want to thank Senator KENNEDY and Senator MATSUNAGA for their courtesy and assistance in getting this important piece of legislation through the Senate.

Special thanks should also go to Shauna O'Neil, who is the director of the Salt Lake County Aging Services, Jan Tremmel, with the Utah Visiting Nurses Association, and Grant Howarth, president of Utah Home Care Association for their dedication and efforts on behalf of those who will benefit from home health care.

But most importantly, I want to thank Mrs. Cleo Boyer and my other friends in Utah. They know what home health care means and they know what this legislation means for them and their families. They will not have to be alone again.

Finally, I want to commend Senator MATSUNAGA, Senator COCHRAN, and the rest of the Subcommittee on Aging for taking the time to look at this amendment to the Older Americans Act. As we know, the Older Americans Act funds programs very dear to our seniors—supportive services, nutrition programs both congregate and home delivered meals, senior centers, transportation, and employment programs. Our seniors would definitely feel a void in their lives without these essential services provided by the act. By adding health care in the home to these services, we will provide the elderly with the variety of services they need and deserve. I urge my colleagues to expedite its passage through Congress.

Mr. WEICKER. Mr. President, I rise in support of S. 887, the 5-year reauthorization of the Older Americans Act. This legislation will continue to build upon the established partnership among Federal, State, and local governments to further the independence and self-sufficiency of our Nation's senior citizens.

Since 1965, the Older Americans Act has guided the Nation's efforts to respond to the changing needs and increasing diversity of a growing elderly population, and reflects our commitment to meeting the unique needs of our Nation's elderly citizens by providing quality social service programs in transportation, health care, employment, counseling, adult day care, information and referral, and nutritional services.

I am particularly pleased that this legislation incorporates several provisions to address the needs of an increasing population of elderly individuals with disabilities. Currently, of the 9 million elderly individuals in this country, approximately 4 percent, or between 200,000 and 500,000, are developmentally disabled. The initiatives that have been included will ensure that the needs of elderly persons with disabilities will not fall through the cracks of a system that fails to recognize the unique problems of this population.

In many respects, elderly individuals with disabilities are like any other elderly individual, needing adequate and appropriate housing, activities to occupy their day, a range of support services, available and accessible health care, transportation and nutritional assistance. However, older individuals with disabilities additionally face a number of difficult problems. Some of these individuals, particularly those with severe disabilities receive services from the network of developmental disability service providers. However, for the majority who are less impaired, the state-of-the-art has changed so that their needs can, and should, be met by the same service network that provides services for older persons.

Therefore several amendments have been included to the act to begin to address the needs of the elderly disabled.

First, in order to foster greater interaction between professionals in both the developmental disabilities system and the aging network, authority was added to permit one of the multidisciplinary gerontology centers to engage in research and training regarding the needs of elderly individuals with disabilities. Increasingly, gerontological educators are beginning to work with service providers to develop crossdisciplinary curricula for those in the aging network who are serving developmentally disabled persons, and those in the developmental disability service agencies whose clientele are aging.

Second, the act has been amended to establish a collaborative working relationship between two existing programs designed to assist individuals in residential facilities: the Ombudsman Program under the Older Americans Act, and the Protection and Advocacy Program for Disabled Individuals. Recognizing that clients residing in long-term care facilities comprise a diverse population of frail elderly, elderly who are mentally ill, persons who are developmentally disabled and persons with severe physical disabilities, an authorization of $1 million has been added to demonstrate and evaluate cooperative projects between State long-term care ombudsman programs and State protection and advocacy agencies in meeting the needs of this diverse population residing in long-term care facilities.

Under current law, elderly individuals who are mentally ill and persons with developmental disabilities are entitled to advocacy services under the protection and advocacy systems for these individuals. The Nursing Home Ombudsman Program provides advocacy services for the entire population residing in long-term care facilities; however, the lack of adequate resources limits the ability of all three programs to provide comprehensive, coordinated advocacy services. The Ombudsman Program, created to facilitate the resolution of complaints made by or on behalf of residents of such facilities, and the protection and advocacy agencies which exist to advocate for clients' rights and to investigate incidents of abuse and neglect, will now begin to work together to ensure that quality services are provided to those residing in long-term care facilities.

In addition, several new requirements for State and area agencies on aging to coordinate planning and activities with agencies and organizations providing services to persons with disabilities has been incorporated in order to expand coordination of activities of the aging network and the disability community.

The Reauthorization of the Older Americans Act reflects the Nation's commitment to enhancing the quality of life for our elderly citizens. I believe we have a responsibility to the elderly of this country to ensure that they are not deprived of their dignity and independence by unnecessary—and costly—reliance on institutional care. By expanding the availability of needed health, social and nutritional services, and creating a new emphasis on the needs of the disabled elderly, I believe the reauthorization before the Senate today will enhance the ability of elderly Americans to continue to live independently. Finally, I commend Senator MATSUNAGA and Senator COCHRAN for their leadership on this legislation, and I would also like to thank Senator HARKIN for his work on the provisions addressing the needs of the disabled elderly.

Mr. GRASSLEY. Mr. President, I congratulate Senators MATSUNAGA, COCHRAN, KENNEDY, and HATCH, the Senators principally responsible for this year's reauthorization of the Older Americans Act on bringing before the Senate a bill that Members will be able to support with pleasure.

The Older Americans Act, as I am sure my colleagues are well aware, is one of the major statutes authorizing programs designed to assist older Americans. Over the years since its inception, the Older Americans Act has been supported virtually unanimously by the Congress. The Older Americans Act network of State units on aging and area agenices on aging administers a popular program of meals programs, social services, and community service employment that has served well older Americans in need of those services.

The Senate bill this year begins a new program of in-home services for the frail elderly, a new program of elder abuse prevention, and strengthens the ombudsman and health promotion features of title III. The addition of a well-defined home health component to the act will be welcome throughout the network and by those who depend on services in the home to avoid institutionalization. The Older Americans Act has always provided authority to provide such home health services, but the addition of a separate subpart with a separate authorization will greatly enhance the network's already extensive involvement in the provisions of such services. I welcome this new addition to the title III family of programs.

The strengthening of the Ombudsman Program follows a period of considerable discussion, prompted by the Institute of Medicine's report on nursing home reform, about ways in which the Ombudsman Program could be strengthened. Bills to accomplish this were introduced last year, and again this year, and hence, have been available and had ample opportunity to be discussed by all interested parties. I think the changes incorporated into the bill improve the program and can be lived with by all affected parties.

In like manner, the new Elder Abuse Program follows considerable experience since the last reauthorization with this problem and programmatic activity to deal with it. When last we reauthorized the act, in 1984, I was chairman of the subcommittee of orginal jurisdiction in the Senate, and I well remember the resistance in certain quarters to incorporating stiff elder abuse provisions in the bill. We did incorporate at that time, and after lengthy negotiations, some provisions dealing with elder abuse. After passage of the act, the National Association of State Units on Aging undertook a major project on elder abuse. I think we have come some way in the 3 years since the last reauthorization with respect to this problem, and am pleased to see a specific subtitle developed on elder abuse.

Mr. President, one last word on the addition in this bill of Senator HATCH's amendment to the Public Health Service Act establishing a home and community-based Care Program for Older People at risk of institutionalization. I followed this legislation carefully during my years on the Labor Committee during the 98th and 99th Congresses. In the 98th Congress, I had problems with the bill, principally because it; at that time, was to cost around $2.5 billion over 3 years, and also because it seemed to me that there were several important design problems with the programs the bill would have established. In the last Congress, I became a cosponsor of the bill when the funding authorized was reduced to $100 million, which struck me as a more appropriate level at which to start an untested program, and when the bill was redrafted to become much tighter and focused more closely on only those elderly who were at risk of institutionalization. It seems to me that a program such as this deserves endorsement by the Senate. It is a block grant, not a categorical program; hence, States will have maximum flexibility to develop the program in a way which suits their particular circumstances. It is not an entitlement program, so the Congress will retain control over the growth, if there is growth, in the program. It is targeted on those elderly most at risk of institutionalization, so, if it works as intended, it should help forestall costly nursing home care for a significant portion of the 5 percent of the elderly who, in any year, need nursing home care.

With that, Mr. President, I urge my colleagues to support the bill.

Mr. HARKIN. Mr. President, I am proud to be a cosponsor of S. 887, the bill to reauthorize and strengthen the Older Americans Act of 1965. The Older Americans Act is highly significant legislation that serves as the cornerstone for the development and delivery of a broad array of services for older persons. The bill we are considering today will strengthen existing programs and authorize some critical new ones.

The issues of older Americans are increasingly the issues of all Americans. The elderly population has grown more rapidly in this century than has the rest of the population. The older population—persons 65 or older—numbered 28.5 million in 1985. They represented 12 percent of the U.S. population, about 1 in every 8 Americans. The number of older Americans increased by 2.8 million or 11 percent since 1980, compared to an increase of 4 percent for the under 65 population.

Older Americans constituted 12 percent of the national population in 1985. Yet in my home State, Iowa, the elderly represented more than 13 percent of the total State population. This growth in the older population is predicted to become even more pronounced in the 21st century. Between 1980 and 2020, the total population is projected to increase by more than 200 percent. American population statistics will continue to show this trend as people live longer and members of the baby boom generation reach retirement age in the coming decades. In Iowa we are likely to see an even greater impact on population statistics if the "negative out-migration" trend in the State continues. State demographers report that older Iowans migrate out of the State at a rate of 1 percent, but this is offset by a 1.5 percent migration of older people into the State.

One of the more critical demographic factors to consider is the startling pace of increase among the oldest segment of our society. Persons 85 years of age and older are now the fastest growing age group. These factors will have significant implication for continued and expanded need for services authorized and funded under the Older Americans Act and for the other services coordinated through the act.

The Older Americans Act has become the cornerstone for the development and delivery of a broad array of services for older persons. Although older persons may benefit under a multiplicity of other Federal programs, the Older Americans Act is a major vehicle for the organization and delivery of services.

This bill includes provisions of particular importance to older individuals residing in rural areas. The bill before us today would require outreach efforts to identify older individuals who are eligible for assistance with emphasis on individuals with the greatest economic and social needs and those residing in rural areas.

A new requirement would be added for State plans to include a description of methods used to satisfy the service needs of older individuals residing in rural areas. This provision requires documentation, by the Administration on Aging, of the amount of service provided to rural areas and nonrural areas. The purpose of this provision is simple. It will provide the data we need to assure that resources are allocated appropriately to guarantee an adequate level of service in rural areas as well as in urban areas.

We who know rural areas, know that because of high transportation costs and a reduced number of people for the services provided, rural areas have higher per capita costs in their programs. I would like to see increases in funding for rural areas, but the data needed to justify these increases simply are not available. These new reporting requirements will yield the needed data to help us draw conclusions about the future needs of rural and urban areas.

The bill would create new authorizations for appropriations under the Older Americans Act for in-home services, health promotion services and for ombudsman services for older Americans.

The long-term care ombudsman program has been very important in improving the quality of care for residents of long-term care facilities. This bill includes provisions to strengthen this important program by clarifying certain functions, assuring training and legal protection for ombudsmen, and improving procedures for reporting complaints of facility residents. The bill also requires a study of the impact of the ombudsman program on issues affecting residents of board and care facilities.

I am pleased that the bill includes amendments I offered with Senator WEICKER to require the State agency to coordinate ombudsman activities with the protection and advocacy systems established under the Developmental Disabilities Assistance and Bill of Rights Act and under the Protection and Advocacy for Mentally Ill Individuals Act of 1986. The coordination of these three programs will result in more effective advocacy services for the full range of residents of nursing homes and long care facilities.

The bill adds a new authorization for grants to States for nonmedical in-home services for frail older person. This will allow individuals with disabilities, including those with Alzheimer's disease or related disorders, to receive in-home services such as, homemaker services, home health aides, and minor remodeling or environmental modification of homes if necessary to enable the individual to remain at home. Also included in this part would be the provision of respite care for families, including adult day care. These and similar in-home services can greatly increase the capacity of individuals to remain in their own homes rather than enter an institution.

A new authorization for the provision of health education and promotion services for older Americans would also be provided by this bill. The program is intended to provide health screening, education and other health promotion services primarily in congregate settings. This is just plain good sense. There is a vital need for promoting good health and preventing illness or disability and the potential long-range savings in health care costs is great.

I am pleased that my suggestions and amendments were accepted by the Labor and Human Resources Committee and I am proud to have contributed to the development of these important provisions.

I am also very pleased that the bill incorporates amendments I crafted with Senator WEICKER which ensure that individuals with disabilities receive the benefits of the programs under the act, that mental health services are included and coordinated, that the long-term care ombudsman program is strengthened and is coordinated with the protection and advocacy system for individuals with disabilities, that training programs for providers of services to older individuals with disabilities will be authorized, and that multidisciplinary centers of gerontology will be supported and will include an emphasis on disability. These amendments will improve access to needed programs for older individuals with disabilities.

I am pleased that my additional amendments concerning assistive technology have also been included in the committee substitute. The inclusion of assistive technology is an extremely significant action and it is one that will surely increase the effectiveness of the programs and services with minimal or no increased spending.

Technology has been a major factor in the growth of the older population and its increased longevity. Technology can also have a significant impact on the functional ability and the vitality of older Americans and assist them to maintain their independence, maximize their options, and improve the quality of their lives. My amendments assure that assistive technology and related services be included as an integral part of the full range of services coordinated and provided under the act.

Assistive technology services is a systematic approach for enabling older individuals to obtain the products, services and information they need in order to appropriately use technology to compensate for functional limitations or disabilities. These assistive technologies can be effectively applied in such areas as employment, recreation, independent living, and other community living arrangement. Assistive technology services can make a significant contribution to the lives of older individuals through increasing independent functioning, postponing or eliminating the need for institutionalization, reducing the difficulty of care giving, and improving the quality of life.

Assistive technology services may include: information referral, assessment, evaluation, device fitting, modification of commercial equipment, design and fabrication of customized equipment, installation, usage training, repair and maintenance. It is this integration of assistive devices and related services that provides the basis of individualized and comprehensive assistive technology services.

There is a wide range in the assistive technology services any one older individual with functional limitations may need. The majority may need little beyond information on the availability of a simple assistive device. Most technological interventions are simple, and include things like: a magnifying lens for reading small print, assistive listening devices, bathroom safety grab bars, adapted gardening tools, a seat that facilitates standing up, or an access ramp. A few individuals will need more comprehensive technological support systems such as motorized wheelchairs and mechanical lifts. Increasing awareness of the availability and applicability of both simple and complex technological solutions is one of the main components of assistive technology services.

My amendments would include assistive technology services as a part of all supportive services provided or coordinated under the act, would include assistive technology services as a focus in gerontology centers funded under the act, and would give priority to demonstration projects designed to increase older individuals' awareness of and access to assistive technology services.

I strongly support S. 887 and am gratified that I was able to help to shape these provisions over the last several months.

Mr. METZENBAUM. Mr. President, I add my wholehearted support to the reauthorization of the Older Americans Act. I am pleased to be a cosponsor of the Older Americans Act Amendments of 1987.

Mr. President, my colleagues and their staffs have worked hard to strengthen and update the act. I commend the chairman, Senator MATSUNAGA, and his staff who have labored long hours to incorporate meritorious recommendations and build bipartisan consensus.

This bill adds important new provisions to the Older Americans Act. It includes special programs for elderly persons who are developmentally disabled. It imposes greater accountability for targeting services with respect to economic and social needs, especially for low-income minority individuals. It strengthens the ombudsman program, and promotes outreach and assistance efforts, preventive health care, and programs for the prevention of elderly abuse.

I am especially pleased, Mr. President, that many of the provisions of my bill, S. 81, dealing with Alzheimer's disease victims and their families could be incorporated into the Older Americans Act reauthorization.

This addition to the act provides for adult day care and a range of in-home services and respite care for family caregivers. It requires area agency coordination with other community and voluntary agencies which provide counseling and training for support personnel and family caregivers. It authorizes counseling prior to admission to nursing homes to prevent premature institutionalization. It requires the Commissioner of Aging to consult with the national Alzheimer's disease advisory panel, as authorized and established in my bill of last year.

In addition, this committee saw fit to address another urgent concern of Alzheimer families. It included a provision for clinical trials of potentially useful drugs to be administered by the centers I and others helped to establish.

We all hope that a breakthrough is near, whether through drugs or brain-cell implants, preventive measures, or genetic breakthroughs. But until that time, mental health and supportive social services must be better adapted to meet the needs of dementia patients and their families who suffer now and bear so great a burden.

This legislation takes another giant step in addressing the changing needs of our elderly citizens. But there is more that Congress must do to assure those needs are met effectively. As a followup measure, Senator KENNEDY and I have requested the Office of Technology Assessment to conduct a study of how best to ensure quality home and community-based care, as well as effective strategies for locating, arranging for, and coordinating in-home and community-based services for our elderly. I hope the results of this study will assist us in meeting the needs of senior citizens more compassionately and effectively.

Mr. BINGAMAN. Mr. President, the distinguished chairman of the Subcommittee on Aging and his staff should be commended for their diligent work in completing action on the reauthorization of the Older Americans Act. The bill that has been brought to the floor not only reauthorizes this important act but it strengthens its provisions in a number of significant ways.

This Senator is pleased to have played a small role in shaping this legislation through the addition of key provisions of S. 1069, the Older American Indian Services Improvement Act.

My legislation attempts to strengthen the current Indian Grant Program under title VI and to increase coordination between title VI and other portions of the Older Americans Act. In particular, title III—State grants and title V—employment services. This would mean that old Indians would be eligible for title III services and that they would have an Indian contractor to provide employment opportunities. Title VI has been underfunded since its inception and this would allow greater access to more prominent program.

This legislation strengthens, expands, and clarifies pertinent titles of the Older Americans Act to ensure better access and delivery of services for older American Indians.

The Subcommittee on Aging during the last reauthorization of the Older Americans Act directed in report language that it join with the Special Committee on Aging to hold oversight hearings on title VI, the Indian Grant Program under the Older Americans Act. Through testimony developed at two hearings sponsored by the Special Committee on Aging, one on the health concerns of Indian elderly, and a second, on the delivery of title VI services, a substantial record has been laid to justify this legislation.

These two hearings confirm that older American Indians remain among our country's most impoverished citizens. They live at a rate of poverty between 33 percent to as high as 83 percent, varying from reservation to reservation. Inadequate and inaccessible health care, lack of transportation, dilapidated housing, and the rural environment of the majority of older reservation Indians add to an already difficult way of life.

Title VI of the Older Americans Act was added in 1978 as a way of delivering services to the American Indian population, but it did not get underway until 1980. Since that time it has grown from 85 to 124 grantees. What has become increasingly evident is the lack of coordination with other sections of the act, inattention to Indian grantees by the Office of State and Tribal Programs, and ambiguity about tribal eligibility for other titles in the Older Americans Act.

My legislation has largely been included in the Older Americans Act to address some of these issues. The committee has made certain changes to expand the scope of coverage of the tribal programs. Where my legislation was directed solely at Indian elderly, the committee bill has been expanded in several areas to provide coverage to Native Americans. Primarily the committee has sought to include Native Hawaiians within the scope of these programs to be consistent with other actions taken by the committee on similar statutes.

The major addition to title VI is the creation of an Office for Native American Programs which will administer and oversee the title VI program. Currently, that program comes under the Office of State and Tribal Programs. This legislation merely separates out an Indian office and designates an Associate Commissioner on Native American Aging—an "Indian desk," if you will. Unless such an office is established improvements to the title VI program will not take place. The Administration on Aging [AOA] has been given the opportunity to establish this office and to make corrections on their own and it has yet to do so. During the last reauthorization of the Older Americans Act, I agreed to withdraw my "Indian desk" amendment on the assurance by AOA that it would create such a position with advice and support from Indian tribes. Much to my dismay this did not happen as agreed. For this reason, I believe that Congress should designate an office to assure greater accountability from AOA to the Indian grantees.

Title VI is further amended to specify that the Associate Commissioner on Native American Aging also establish an interagency task force on older American Indians and produce a study of the availability and quality of services for older American Indians.

One of the major roadblocks for Indians in gaining access to services under the Older Americans Act is the lack of coordination between title III, State grants, and title VI, Indian grants. With the Indian population fairly evenly divided—52 percent living on the reservation and 48 percent in urban areas—service providers need to know who are eligible. Therefore, this bill deletes the condition that title VI grantees are not to serve persons eligible for title III services. I can understand the original intent of this language—to avoid "double dipping". As was brought out very clearly in a Special Committee on Aging hearing held by Senator NICKLES, and echoed at the field hearing I chaired in New Mexico on health issues facing older Indians, greater coordination needs to take place between title III and title VI. Therefore, opening up access to title III allows equity for those off the reservation who may be eligible for such services.

To further ensure increased coordination a new section is added to title III to clarify and require improved monitoring of services between these two titles. Additions include specifying that Indian elders will not be denied title III services, and that area agencies on aging with a significant Indian population shall conduct outreach activities to identify older American Indians living within their planning and service area. Further, the newly designated Associate Commissioner on Native American Aging shall have some oversight to recommend to the Commissioner the delivery of services and coordination between title III and title VI.

Because older American Indians suffer from chronic unemployment, this legislation also calls for targeting of employment services to older Native Americans under title V, Community Service Employment. A recent survey conducted by the National Indian Council on Aging shows that only 1.6 percent of the total positions available by the national contractors and State agencies on aging were filled by older Indians. Older American Indians have the lowest rate among all ethnic groups to access employment services under title V. This bill mandates that at the next available opportunity for national grants or contracts, that older American Indians be emphasized.

This legislation also amends title IV, Training and Research, to open up grants and contracts to agencies and organizations representing minorities. Adequate inservice training and instruction on the particular needs of older Americans of ethnic backgrounds remains a priority that will hopefully be addressed by a more equitable distribution of title IV funding.

The bill provides for an increase in authorization providing $13 million for fiscal year 1988. I am hopeful with this increased authorization that the quality of service will improve and that more older Indians will be served.

Mr. President, I would be remiss if I did not say I have some serious concerns about the changes made in the bill as reported with respect to the expanded coverage and the implications for title VI and Indian elderly. I agree that the special needs of the Native Hawaiian elderly should be addressed but I have serious reservations about doing so under title VI. Title VI was originally included by Congress to look at the problems facing American Indian elderly. The program developed after national meetings on the problems concluded that "Among racial and ethnic minorities in this country, Indians are unique in that the Constitution, numerous court decisions, and Federal law clearly reserve to federally recognized Indian tribes powers of self-government." Only by this recognition did Congress allow Indian tribes to obtain their own title VI grant program. The Federal policy is toward a trust relationship between Federal tribes and I believe that Native Hawaiians more appropriately come under the State which has a "trust" relationship and deserve to be a separate title. I am sorry this suggestion could not have been accommodated and I hope the issue can be addressed in conference.

Thank you, Mr. President.

Mr. DASCHLE. Mr. President, as a cosponsor of S. 887, the Older Americans Act Amendments of 1987, I strongly urge the support of my colleagues for this important legislation.

The Older Americans Act programs have grown dramatically since their enactment 22 years ago. In 1965, the Older Americans Act was established as a small program of grants for the aged. As it has evolved through 10 reauthorizations, it has become the major vehicle for delivery of social and nutrition services for the elderly. While S. 887 provides for continuation of essential services including nutrition, health care, transportation, employment, and legal assistance, it does not merely maintain the status quo. The Older Americans Act Amendments of 1987 call for further refinements and improvements in this landmark legislation.

Traditionally, the Older Americans Act has been instrumental in allowing senior citizens to maintain their independence through the services it provides. One of the most important new provisions of S. 887 is the addition of part D to title III, authorizing grants to States for nonmedical, inhome services for frail seniors, including victims of Alzheimer's disease. Through assistance with activities such as meal preparation, household chores, and personal hygiene, the elderly will be better able to remain in their own homes and avoid or delay costly nursing home care.

In order to address the needs of older Americans currently residing in institutions, the Labor and Human Resources Committee acted to improve the Long-Term Care Ombudsman Program. This program, established in the 1978 Older Americans Act Amendments, has played an increasingly vital role in identifying and addressing concerns about the quality of care received by nursing home residents. However, the Institute of Medicine's study "Improving the Quality of Care in Nursing Homes" recommended strengthening the Older American's Act ombudsman program. Many of the study's recommendations have been embodied in these amendments and will prove to be a valuable protection for long-term care facility residents.

In this same vein, a critical measure has been included to provide assistance to the 1.1 million older individuals suffering from abuse, neglect and exploitation. This long-needed provision would complement existing efforts by urging States take a more active role in the development of programs to prevent elder abuse and improve adult protection. Elder abuse is a growing national problem and I strongly believe that program is evidence of Congress' commitment to combat this disgrace.

In addition, older Native Americans are not overlooked in the 1987 reauthorization. The major addition to title VI is the creation of an Office of Tribal progams which will administer and oversee the title VI program. It also clarifies that Indians are eligible for services under both titles III and VI. By enacting this provision, Indian elderly will be placed on a level comparable with the rest of the elderly population.

In summary, a vote in favor of the Older Americans is simply the best way we can say to our senior citizens that we believe they are valuable citizens and can still make significant contributions to society.

Mr. HEINZ. Mr. President, I rise today to lend my support for passage of S. 887, the legislation reauthorizing the Older Americans Act. The programs under this act have proved their worthiness time and again and I am pleased to join as an original cosponsor of this bill.

Part of America's strength rests in the interdependence of her generations—meshing the vitality and openness of our youth with the energy and wisdom of our elderly. The committee's amendment includes a provision I requested which builds on this strength by amending the Older Americans Act to encourage intergenerational volunteer opportunities for older citizens through senior centers.

The Older Americans Act deserves special applause for a Federal program that accomplishes its goal. Since its enactment in 1965, the OAA has targeted hundreds of millions of dollars to this country's senior citizens.

Most of these dollars fuel the drive of senior citizens to participate in activities that advance the quality of life in their communities. These activities include title V jobs, the Foster Grandparents Program, and the Senior Companion Program. Participating seniors provide tutoring and guidance to youth, maintain the beauty of local and national parks, and serve their home-bound contemporaries. Dollars used to administer these programs—and to pay modest stipends to low-income participants in some cases—are dollars invested in vital services to young and old alike.

The amendment of section 422 of the act would greatly expand the ability of seniors to nurture and assist children in their area through volunteer programs in senior centers. Projects could include tutoring in schools, providing day care for the children of low-income parents, and conducting supervised activities for latchkey children. Because they will be operated through senior centers, these activities will give many more seniors the opportunity to participate in volunteer activities, as often as they choose.

Intergenerational projects like these foster mutual understanding and respect between generations. Children gain confidence and security from contact with caring, patient adults with a lifetime of experience to share. Seniors reconfirm their sense of worth and their self-esteem and recharge their health and sense of community from their contributions.

These projects could be funded from the total funds designated for demonstration projects under the Older Americans Act and would not reduce the funds available to any existing programs. This special designation reemphasizes our commitment that children and senior citizens receive the highest priorities in the Federal budget.

I would like to add that the projects funded under this bill would not take away from another important program already in existence today—the Retired Senior Volunteer Program—commonly known as RSVP. It is my intention that wherever possible, these demonstration projects be coordinated with existing RSVP programs so that we do not duplicate efforts, but expand our available pool of senior volunteers and increase the effectiveness of the contributions they make.

Many seniors are willing and able to give of themselves. By uniting senior centers with local child-serving organizations, this bill will provide our elderly with the opportunity to make a difference in a child's life. I thank the distinguished members of the Aging Subcommittee for including this very important provision.

Mr. MATSUNAGA. Mr. President, I strongly support title V of S. 887—the Older Americans Act—which would reauthorize the Native Americans Programs Act, and I want to compliment the senior Senator from Hawaii [Mr. INOUYE] and the members of the Select Committee on Indian Affairs for their expeditious action on this measure as well as for the many improvements which they made in the Native American Programs Act.

The Native American Programs Act, enacted in 1975 during the 93d Congress, is designed to promote the economic and social self-sufficiency of American Indians, Alaskan Natives and native Hawaiians, and to reduce their dependency on various forms of public assistance. Assistance in the form of grants and contracts is provided to a broad range of Indian tribes, Alaskan Native villages, and native Hawaiian organizations.

The pending legislation would authorize similar assistance to a new group of indigenous peoples—native American Pacific Islanders residing in Guam, American Samoa, and the Northern Mariana Islands. American Samoans who have emigrated to Hawaii and the continental United States also would be eligible for assistance through their nonprofit, private and public organizations. These population groups have characteristics which are very similar to those of the native Americans already covered by the Native American Programs Act, and, like other native Americans, they tend to suffer a high rate of unemployment, and lack adequate educational opportunities, employment training, and health care.

In addition, title V authorizes a new 60-month demonstration project for native Hawaiians—a revolving loan program through which native Hawaiian organizations and individuals unable to obtain credit for the establishment and expansion of business projects through conventional means could borrow funds. Native Hawaiians are not eligible to participate in the existing Bureau of Indian Affairs loan programs, which are limited to American Indians. Moreover, recent studies have shown that Hawaiians have not been very successful in obtaining loans through the traditional minority business development programs. The proposed demonstration project, funded at $3 million, seeks to determine whether or not Hawaiians would benefit from more innovative types of assistance.

In closing, Mr. President, I wish to say that the Native American Programs Act has during its relatively short existence provided some much needed aid to one of our Nation's neediest minority groups. It is a good act which should be reauthorized, and I urge my colleagues to support it.

Mr. MELCHER. Mr. President, today the Senate is considering S. 887, legislation to reauthorize the Older Americans Act, an effective and enduring piece of legislation, that has helped many of our elderly.

The Committee on Labor and Human Resources has reported many very good amendments to the Older Americans Act and I commend the managers for their efforts. I had hoped that a bill I introduced on May 12, 1987, the Volunteer Service Promotion Act of 1987 (S. 1189), would have been included as an amendment to S. 887, as reported. I was joined by Senators BOND, BURDICK, DECONCINI, and INOUYE as cosponsors of this legislation.

I do acknowledge and appreciate that an effort was made to include language in S. 887, providing for "expanded innovative, volunteer opportunities . . . which may include volunteer service credit projects operated in conjunction with action," which is a step in the right direction, but I don't believe it goes far enough.

The Volunteer Service Promotion Act represents a new and imaginative idea that could help millions of our elderly population remain self-sufficient in their own homes, where they want to be, rather than spending their final years in an institution isolated from family and friends.

Service credit projects are designed to help fulfill the unmet needs of millions of America's senior citizens, through an innovative program of volunteer service credits, which offers incentives for voluntarism, while giving seniors the opportunity and the dignity to earn credits that they may draw upon later. It also gives volunteers of any age the capability of earning credits by helping one individual and donating those same credits to others to be redeemed, thus helping twice as many people, while at the same time, promoting intergenerational cooperation.

It is estimated by the year 2000, 7.2 million elderly people will need some kind of limited assistance because of chronic ailments and the nursing home population is expected to reach over 2 million. Statistics indicate that the absence of informal support from spouse or family members is the most critical factor in the institutionalization of an older person.

For countless families, who are caring for loved ones suffering from Alzheimer's disease, just a few hours of respite care is all they need to keep their lives in perspective. That's not much, but to someone who needs it, it's the difference between just existing and living a quality life.

As public policymakers we must begin to find additional cost-effective ways of addressing the demand being made on our resources. I see volunteer service credit programs as doing just that.

In light of this impending crisis in our society, I had intended to offer the Volunteer Service Promotion Act of 1987 as an amendment during consideration of S. 887. This amendment would authorize annual grants over a 5-year period to designated States for demonstration projects testing the feasibility of volunteer service credit projects. It is not intended to serve as a substitute for other social service programs or older American volunteer services that are already in place.

However, because I am aware of the questions surrounding this concept of volunteerism, I am going to withhold offering this amendment with the understanding that the Subcommittee on Aging, at the direction of Senator MATSUNAGA, will conduct a hearing in the fall of the Volunteer Service Credit Promotion Act, where it may be given further consideration. I believe, under the circumstances, there needs to be a greater dialog and clarification of this program and an opportunity to alleviate the concerns that have been expressed.

Mr. MATSUNAGA. Mr. President, I appreciate the sincerity of the distinguished Senator from Montana in his efforts to increase services to the elderly through a new concept in voluntarism. And I can assure the Senator that the subcommittee is committed to ensuring that older Americans and their families receive the assistance they need to live as independently as possible.

As the Senator knows, the Subcommittee on Aging explicitly considered the inclusion of S. 1189 in the Older Americans Act, but decided against including it in that form for several reasons. First, there are several demonstration programs currently underway which do precisely what S. 1189 would have proscribed. Oregon and Missouri have tried such programs with foundation grants, and the State of Florida has operated such a demonstration program with grant money from the Administration on Aging. So the concept is currently being tested.

The second reason is simply a question of feasibility. There was substantial concern among subcommittee and committee members that such a program could create entitlement situations which would disrupt the planning and operations of area agencies, and which could prove to be very cost ineffective.

Finally, there was concern that, in its broader form, the provision more properly belongs in the Domestic Volunteer Service Act, which authorizes such programs as ACTION, Retired Senior Volunteer Programs [RSVP], and Foster Grandparents, rather than the Older Americans Act. It is important that we utilize the administrative structure that can most appropriately and effectively implement the program.

As the Senator knows, the subcommittee did include a specific reference to allow the Health and Human Services Secretary to fund such demonstration programs under title IV of the act. However, I believe it is appropriate that the Subcommittee on Aging take a closer look at the results of the demonstration programs which have already been funded by the Administration on Aging and private foundations, and, as chairman of the subcommittee, I will be pleased to hold a hearing on the issue in the fall.

Mr. LAUTENBERG. Mr. President, I rise today to support the passage of this bill reauthorizing the Older Americans Act. The Older Americans Act has been a valuable resource for senior citizens all over the country. For over 20 years, older Americans have received community and social services through OAA funding. I am pleased to be a cosponsor of this legislation.

I am also very pleased that the Labor and Human Resources Committee has included in this bill provisions that were in a bill that I introduced in April. The first proposal from my bill is for in-home services for frail older individuals. In fiscal year 1988, $25 million would be authorized for grants to States to provide in-home services, such as homemaker aides, visiting and telephone reassurance, chore maintenance, or in-home respite care for families.

My second proposal authorizes periodic preventive health services, to be offered at senior centers or other convenient locations. These preventive services would be those not covered by Medicare, such as routine physicial examinations, immunizations, vision and hearing screening, and counseling and referral for followup health services.

These proposals would make a start in dealing with some important unmet needs of our older constituents. We all know that people are living longer lives. Men reaching age 85 now can expect to live 15 percent longer than an 85 year old man in 1960. For women the increase is twice as much—33 percent longer.

The question to ask is whether longer lives mean better lives. Are people staying healthy and vigorous as they live longer? A Canadian study covering 1951 to 1978 found that life expectancy increased by an average of 6 years, but for almost 5 of those years a person's activity was limited.

But that does not mean an older person needs to be in a nursing home or other institution. Often people can stay in their own homes if they receive some assistance. They may have chronic conditions which threaten their independence, but not their lives. These conditions include arthritis, hypertension, heart conditions, and hearing disorders. About 41 percent of people age 65 to 74 and 53 percent of people age 75 and over had some limitation in activity due to chronic conditions. But only 15 percent of the younger group and 22 percent of the older were unable to carry on any major activity. Most of the group with a limitation could remain independent with some assistance.

In 1985, about 5.2 million senior citizens required some assistance to maintain their independence. The assistance needed falls into different categories. Less than half need assistance in some or all basic physical activities, sometimes called activities of daily living. This category includes getting in and out of bed, dressing, eating, bathing, and using the toilet.

A slightly larger group needs assistance with home management activities, also called instrumental activities of daily living. These include shopping, cooking, and cleaning.

Some activities are more difficult than others for senior citizens. Some of the activities which cause the most difficulty for older people are as follows: heavy work around the house—3.8 million people; shopping for groceries—2.9 million; going places outside—2.4 million; bathing—2.1 million; doing laundry—2.1 million; preparing meals—1.5 million; getting in or out of bed—1.3 million; managing one's own money—1.3 million.

Many of these older Americans receive assistance in their homes, primarily from family and friends. The 1984 National Health Interview Survey found that nearly one-third of the people age 65 and over who were living in the community had trouble with basic physical or home management activities. However, only about one-quarter of the over 65 population received assistance with these activities. This means that nearly 10 percent of the over-65 population needs help at home and is not receiving it.

Included in the legislation being considered today is my proposal, which is based on a recommendation of the National Governors' Association and supported by the National Council of Senior Citizens, to authorize a program of grants to provide these much needed in-home services. The services will help many older Americans to continue living in their homes or in the homes of others without having to give up their independence by going into a nursing home. The services also will assist the family and friends who already provide much of this help, giving them a deserved respite or helping hand.

Many of the health problems of senior citizens, as well as all the rest of us, can be avoided or kept in check by early detection. Preventive medicine is the most cost-effective medicine. However, many people do not have regular checkups and health screenings. There are a variety of explanations for this, including the fact that Medicare and many other health insurance plans do not pay for these routine services. Also, physicians are not readily accessible in many areas.

This bill includes an authorization of grants for preventive health services to be provided at senior centers or other sites. These services would be provided periodically, perhaps three or four times a year. Perhaps a health fair format would be used, providing informal health education as well as examinations and screening. These screenings should identify the early stages of diseases and disabling conditions so that the individual can receive timely treatment and advice from physicians. The proposal specifically excludes services which would be paid for by Medicare. Priority in services would be given to areas which are medically underserved and which have a concentration of economically needy individuals.

Mr. President, I am very gratified that the committee included my proposals in the reauthorization of the Older Americans Act. It was a great pleasure for me to work with the distinguished chairman of the Aging Subcommittee, Mr. MATSUNAGA, as he shepherded this important bill through the legislative process. The passage of this bill is a significant landmark for our Nation's senior citizens.

Mr. PELL. Mr. President, I am extremely pleased that the Senate will today consider the reauthorization of the Older Americans Act, S. 887. For over 20 years now, the Older Americans Act has been an invaluable source of community and social support for our country's most precious resource—our senior citizens. Under the leadership of the distinguished chairman of the Subcommittee on Aging, the able Senator from Hawaii, and that of the Senator from Mississippi, the ranking minority member of that subcommittee, those vital services that the Older Americans Act provides to our elderly will not only continue, but will indeed flourish for the next 5 years.

The act has been so much improved during this reauthorization cycle that it would be to time consuming for me to mention every area of improvement. I would like to mention briefly, however, some matters that have been of special concern to me.

The new program under title III, section (d) is a major accomplishment and is welcome news for frail older individuals in need of homecare and daycare. I support it wholeheartedly. The new and improved ombudsman program is also welcome news for individuals in nursing homes. With these two major expansions of programs, this committee has demonstrated compassion and caring for the most vulnerable of our elderly.

Alzheimer's disease and related dementia is probably the most cruel of diseases threatening our elderly and their families. It is a disease that takes the minds of its victims while leaving their bodies intact. It often progresses to the point of leaving only a shell of a human being, and memories are all that is left for families and loved ones to hold.

The congressional mandate in the Older Americans Act for the National Institute of Aging to conduct clinical trials of promising new drugs for the treatment of Alzheimer's offers hope where there has been none before. Because of these clinical trials, we will have a definitive answer on whether the drug THA is as effective as early indications promise. If it is, I intend to move forward to ensure that it is available to all who need it. If it is not, we can then use our resources in another area, until we do find some hope for the millions of Americans and their families for whom Alzheimer's is a living nightmare.

Prevention is the most sadly neglected health need in our Nation. With some very few exceptions, America's system of health care is one of disease treatment, not disease prevention. I am pleased, Mr. Chairman, that this committee has taken one small step in the area of health promotion and disease prevention.

Section (e) of title III will now, when this bill becomes law, provide local communities with the means and guidance to administer health promotion activities for older Americans. These activities, such as screening for hypertension, cancer, vision problems, depression, and others, group exercise, nutritional counseling and education, home injury prevention, and so forth, will hopefully serve as model for others to follow. Prevention is the most humane, cost effective and vital of our health care needs. I believe that this committee shows great leadership with its health promotion amendment to title III. I wish to thank not only the chairman and members of the Subcommittee on Aging for working with me on this provision, but also the Senator from New Jersey, Mr. LAUTENBERG and the able Senator from Florida, Mr. GRAHAM, for the important roles they have played in drafting this amendment.

With this reauthorization of the Older Americans Act, we have made it easier for seniors employed under title V to qualify for subsidized housing and food stamps. I think that this amendment simply clarifies what Congress originally intended when it created these programs, but this amendment puts to rest any further questions of interpretation. Older Americans who receive small incomes from community-based employment should not thereby be shut out of programs designed to help them. We have brought seniors with mental health problems and developmental disabilities into the mainstream of the act. That is the way it should be.

Mr. President, I could not be more pleased that the Senate will today consider and pass this important legislation. The hard work of all involved in this bill has been exceptional and our Nation's senior citizens will be the beneficiaries of those labors.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute.

The committee amendment was agreed to.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The majority leader.

Mr. BYRD. Mr. President, do we have the number of the House companion bill?

The PRESIDING OFFICER. It is H.R. 1451, but the bill is not available at the desk.

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Indian Affairs be discharged from further consideration of H.R. 1451 and the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I ask unanimous consent that all after the enacting clause be stricken and that the text of S. 887, as amended, be inserted in lieu thereof.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, may we proceed to third reading on that measure?

The PRESIDING OFFICER. Without objection, the bill will be deemed to have been read the third time.

Mr. BYRD. Mr. President, I ask for the yeas and nays on final passage of H.R. 1451.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BYRD. Mr. President, has all time been yielded back?

Mr. MATSUNAGA. Yes.

Mr. COCHRAN. All time has been yielded back on this side, I say to the distinguished majority leader.

Mr. MATSUNAGA. All time has expired.

Mr. BYRD. Mr. President, before we proceed with this rollcall vote, the distinguished Republican leader and I discussed a calling up of a nomination, it being the nomination of Mr. McPherson.

There is a request for a rollcall vote on that nomination also. I shall suggest the absence of a quorum so as to inquire of the Republican leader if we might proceed with both rollcall votes.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I have the approval of the distinguished Republican leader to make the following request.

I ask unanimous consent that upon the disposition of the pending matter on which a rollcall vote has been ordered the legislation having to do with the Older Americans Act, that immediately upon the disposition of that legislation the Senate go into executive session and that the Senate proceed forthwith to consider the nomination of M. Peter McPherson, of Virginia, to be Deputy Secretary of the Treasury, vice Richard G. Darman, resigned; that there be no time for debate thereon; that any Senators who may wish to insert statements in the RECORD may do so; and that a vote occur immediately on the nomination of Mr. McPherson.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

ORDER FOR ROLLCALL VOTE ON MC PHERSON NOMINATION

Mr. **BYRD**. Mr. President, I ask unanimous consent that there be an order at this time for the yeas and nays on the nomination of Mr. McPherson.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **BYRD**. Mr. President, I ask for the yeas and nays as in executive session.

The **PRESIDING OFFICER**. Is there a sufficient second?

There is a sufficient second.

Mr. **BYRD**. Mr. President, there will be two rollcall votes back to back. This may be catching some Senators on short notice. I shall suggest the absence of a quorum shortly so as to give Senators a little further notice. There will be two rollcall votes, one in legislative session.

Let me be exact as to the bill number. That would be on H.R. 1451, which is the companion measure to S. 887, a bill to extend the authorization of appropriations for and to strengthen the provisions of the Older Americans Act of 1965.

The vote will occur on passage of that measure whereupon the Senate will then go into executive session and a rollcall vote will occur on the nomination of Mr. Peter McPherson. Following those two rollcall votes I anticipate no more rollcall votes today.

ORDERS FOR TOMORROW

ORDER FOR RECESS UNTIL 8 A.M.

Mr. **BYRD**. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 8 o'clock tomorrow morning.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. **BYRD**. Mr. President, I ask unanimous consent that following the orders for the recognition of the two leaders on tomorrow morning there be a period for the transaction of morning business not to extend beyond the hour of 10 o'clock a.m. and that Senators be permitted to speak during that period for morning business.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **BYRD**. Mr. President, in this way we will get the morning business speeches and introduction of bills and resolutions out of the way early tomorrow and then hopefully we can get on with other business.

Several Senators have indicated a need to speak on tomorrow. This will give them an opportunity early in the day.

Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER**. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. **BYRD**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection it is so ordered.

OLDER AMERICANS ACT AUTHORIZATION

The **PRESIDING OFFICER**. The question is on the engrossment of the amendments and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read a third time.

The **PRESIDING OFFICER**. The bill having been read a third time, the question is, Shall it pass?

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. **CRANSTON**. I announce that the Senator from Tennessee [Mr. GORE] is necessarily absent.

Mr. **SIMPSON**. I announce that the Senator from Oregon [Mr. HATFIELD] is necessarily absent.

The **PRESIDING OFFICER**. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 98, nays 0, as follows:

[Rollcall Vote No. 229 Leg.]

YEAS—98

Adams
Armstrong
Baucus
Bentsen
Biden
Bingaman
Bond
Boren
Boschwitz
Bradley
Breaux
Bumpers
Burdick
Byrd
Chafee
Chiles
Cochran
Cohen
Conrad
Cranston
D'Amato
Danforth
Daschle
DeConcini
Dixon
Dodd
Dole
Domenici
Durenberger
Evans
Exon
Ford
Fowler
Garn
Glenn
Graham
Gramm
Grassley
Harkin
Hatch
Hecht
Heflin
Heinz
Helms
Hollings
Humphrey
Inouye
Johnston
Karnes
Kassebaum
Kasten
Kennedy
Kerry
Lautenberg
Leahy
Levin
Lugar
Matsunaga
McCain
McClure
McConnell
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Murkowski
Nickles
Nunn
Packwood
Pell
Pressler
Proxmire
Pryor
Quayle
Reid
Riegle
Rockefeller
Roth
Rudman
Sanford
Sarbanes
Sasser
Shelby
Simon
Simpson
Specter
Stafford
Stennis
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Weicker
Wilson
Wirth

NOT VOTING—2

Gore
Hatfield

So the bill (H.R. 1451), as amended, was passed, as follows:

H.R. 1451

Strike out all after the enacting clause and insert:

SHORT TITLE; TABLE OF CONTENTS

SECTION 1. This Act may be cited as the "Older Americans Act Amendments of 1987".

TABLE OF CONTENTS

Sec. 1. Short title; table of contents.

TITLE I—AMENDMENTS TO THE OLDER AMERICANS ACT OF 1965

PART A—OBJECTIVES AND ADMINISTRATION

Sec. 101. Objectives.
Sec. 102. Establishment of Administration on Aging.
Sec. 103. Data collection; reports.
Sec. 104. Veterans' programs.
Sec. 105. Mental health.
Sec. 106. Older individuals with disabilities.
Sec. 107. Older Native Americans.
Sec. 108. Federal Council on Aging.
Sec. 109. Regulations.
Sec. 110. Publication of goals.

PART B—GRANTS FOR SUPPORTIVE SERVICES, NUTRITION, AND OTHER ACTIVITIES

Sec. 121. Purpose.
Sec. 122. Administration of State grants program.
Sec. 123. Reauthorization for State and community programs on aging.
Sec. 124. Administrative expenses of area agencies on aging.
Sec. 125. Area agencies on aging as separate units.
Sec. 126. Area plans.
Sec. 127. Daycare and respite services provided by volunteers.
Sec. 128. Coordination of certain programs relating to older victims of Alzheimer's disease.
Sec. 129. Ombudsman office and program.
Sec. 130. Flexibility of services; legal assistance.
Sec. 131. Documentation regarding minority participation.
Sec. 132. Targeting of services.
Sec. 133. Coordination relating to mental health services.
Sec. 134. Services to older Native Americans.
Sec. 135. Services to individuals with disabilities.
Sec. 136. Confidentiality of information relating to legal assistance provided.
Sec. 137. Coordination of community-based services.
Sec. 138. Payments.
Sec. 139. In-home services for frail older individuals.
Sec. 140. State plan information regarding services to older individuals residing in rural areas.
Sec. 141. Health education and promotion for older Americans.
Sec. 142. Prevention of abuse of older individuals.
Sec. 143. Assistive technology services.

PART C—DEMONSTRATION GRANTS

Sec. 151. Demonstration projects; purpose.
Sec. 152. Multidisciplinary centers.
Sec. 153. Volunteer opportunities.
Sec. 154. Special projects in comprehensive long-term care.
Sec. 155. Demonstration program of outreach to elderly SSI, medicaid, and food stamp eligibles.
Sec. 156. Demonstration grants for individuals with disabilities.
Sec. 157. Home-care quality assurance demonstration projects.

Sec. 158. Authorization of appropriations for training, research, and discretionary projects and programs.

PART D—COMMUNITY SERVICE EMPLOYMENT

Sec. 161. Administrative costs of employment projects.
Sec. 162. Community service employment for older Indians.
Sec. 163. Information on age discrimination prohibitions.
Sec. 164. Definition of community services.
Sec. 165. Authorization of appropriations for community service employment for older Americans.
Sec. 166. Employment assistance and other programs.

PART E—NATIVE AMERICAN PROGRAMS

Sec. 171. Native American programs.

PART F—MISCELLANEOUS AND TECHNICAL AMENDMENTS

Sec. 181. Personal health education and training programs.
Sec. 182. Technical amendments.

PART G—CONSUMER PRICE INDEX FOR OLDER AMERICANS

Sec. 191. Index authorized.

TITLE II—1991 WHITE HOUSE CONFERENCE ON AGING

Sec. 201. White House Conference authorized.
Sec. 202. Authorization of the Conference.
Sec. 203. Conference administration.
Sec. 204. Conference committees.
Sec. 205. Report of the Conference.
Sec. 206. Definitions.
Sec. 207. Authorization of appropriations.

TITLE III—ALZHEIMER'S DISEASE RESEARCH

Sec. 301. Requirement for clinical trials.
Sec. 302. Authorization of appropriations.

TITLE IV—NATIONAL SCHOOL LUNCH ACT AMENDMENT

Sec. 401. Participation of older persons and chronically impaired disabled persons in child care food program.

TITLE V—NATIVE AMERICAN PROGRAMS

Sec. 501. Short title.
Sec. 502. Review of applications for assistance.
Sec. 503. Procedural requirements.
Sec. 504. Inclusion of Native American Pacific Islanders.
Sec. 505. Authorization of appropriations.
Sec. 506. Revolving loan fund for Native Hawaiians.
Sec. 507. Effective date.

TITLE VI—HEALTH CARE SERVICES IN THE HOME

Sec. 601. Short title.
Sec. 602. Program authorized.
Sec. 603. Effective date.

TITLE VII—GENERAL PROVISIONS

Sec. 701. Effective date; application of amendments.

TITLE I—AMENDMENTS TO THE OLDER AMERICANS ACT OF 1965

PART A—OBJECTIVES AND ADMINISTRATION

OBJECTIVES

SEC. 101. Section 101 of the Older Americans Act of 1965 (42 U.S.C. 3001) (hereafter in this title referred to as "the Act") is amended—

(1) in the matter preceding paragraph (1)—

(A) by striking "United States and" and inserting "United States,", and

(B) by inserting ", and of Indian tribes" after "subdivisions",

(2) in paragraph (3)—

(A) by striking "Suitable" and inserting "Obtaining and maintaining suitable", and

(B) by inserting "and functional limitations" after "special needs",

(3) in paragraph (7) by striking "Pursuit of" and inserting "Participating in and contributing to", and

(4) in paragraph (10)—

(A) by striking "lives and" and inserting "lives,", and

(B) by inserting ", and protection against abuse, neglect, and exploitation" before the period at the end.

ESTABLISHMENT OF ADMINISTRATION ON AGING

SEC. 102. Section 201(a) of the Act (42 U.S.C. 3011(a)) is amended in the third and fourth sentences by striking "the Office of".

DATA COLLECTION; REPORTS

SEC. 103. (a) COLLECTION REQUIRED.—Section 202(a) of the Act (42 U.S.C. 3012(a)) is amended—

(1) by striking "and" in paragraph (17) at the end,

(2) by striking out the period at the end of paragraph (18) and inserting a semicolon, and

(3) by adding at the end the following:

"(19) collect for each fiscal year for fiscal years beginning after September 30, 1988, directly or by contract, statistical data regarding programs and activities carried out with funds provided under this Act, including—

"(A) with respect to each type of service provided with such funds—

"(i) the aggregate amount of such funds expended to provide such service;

"(ii) the number of individuals who received such service; and

"(iii) the number of units of such service provided;

"(B) the number of senior centers which received such funds; and

"(C) the extent to which each area agency on aging designated under section 305(a) satisfied the requirements of paragraphs (2) and (5)(A) of section 306(a).".

(b) REPORTS.—The last sentence of section 207(a) of the Act is amended to read as follows: "Such annual reports shall include—

"(1) statistical data reflecting services and activities provided to individuals during the preceding fiscal year;

"(2) statistical data collected under section 202(a)(19);

"(3) statistical data on legal services collected pursuant to section 202(a)(19) and an analysis of the information received under section 307(a)(15)(E) by the Commissioner; and

"(4) statistical data and an analysis of information regarding the effectiveness of the State agency and area agencies on aging in targeting services to older individuals with the greatest economic or social needs, with particular attention to low-income minority individuals, low-income individuals, and frail individuals (including individuals with any physical or mental functional impairment).".

(c) REPORT ON OMBUDSMAN PROGRAM TO CONGRESS.—Section 207 of the Act is amended by adding at the end the following:

"(c)(1) Not later than January 15 of each year, the Commissioner shall compile a report—

"(A) summarizing and analyzing the data collected under section 307(a)(12)(C) for the then most recently concluded fiscal year;

"(B) identifying significant problems and issues revealed by such data (with special emphasis on problems relating to quality of care and residents' rights);

"(C) discussing current issues concerning the long-term care ombudsman programs of the States; and

"(D) making recommendations regarding legislation and administrative actions to resolve such problems.

"(2) The Commissioner shall submit the report required by paragraph (1) to—

"(A) the Select Committee on Aging of the House of Representatives;

"(B) the Special Committee on Aging of the Senate;

"(C) the Committee on Education and Labor of the House of Representatives; and

"(D) the Committee on Labor and Human Resources of the Senate.

"(3) The Commissioner shall provide the report required by paragraph (1), and make the State reports required by section 307(a)(12)(I)(i) available, to—

"(A) the Administrator of the Health Care Finance Administration;

"(B) the Office of the Inspector General of the Department of Health and Human Services;

"(C) the Office of Civil Rights of the Department of Health and Human Services;

"(D) the Administrator of the Veterans' Administration; and

"(E) the public agencies and private organizations designated under section 307(a)(12)(A).".

VETERANS' PROGRAMS

SEC. 104. (a) CONSULTATION.—Section 203(b) of the Act (42 U.S.C. 3013(b)) is amended—

(1) by striking "and" in paragraph (13) at the end,

(2) by striking the period at the end of paragraph (14) and inserting ", and", and

(3) by adding at the end the following:

"(15) parts II and III of title 38, United States Code.".

(b) TECHNICAL ASSISTANCE AND COOPERATION UNDER TITLE III.—Section 301(b)(2) of the Act is amended by inserting ", the Veterans' Administration," after "Office of Community Services".

(c) AREA PLANS.—Section 306(a)(6)(F) of the Act is amended by inserting "providers of veterans' health care (if appropriate)," after "elected officials,".

(d) TECHNICAL ASSISTANCE AND COOPERATION UNDER TITLE IV.—Section 402(b) of the Act is amended by inserting "the Veterans' Administration," after "National Institutes of Health,".

MENTAL HEALTH

SEC. 105. (a) FUNCTIONS OF COMMISSIONER.—Section 202(a)(5) of the Act (42 U.S.C. 3012(a)(5)) is amended by inserting "(including mental health)" after "health".

(b) FEDERAL AGENCY CONSULTATION.—Section 203(b)(10) of the Act is amended by inserting ", including block grants under title XIX of such Act" before the comma.

(c) ADMINISTRATION OF TITLE III.—Section 301(b)(2) of the Act, as amended by section 104(b), is amended by inserting ", the Alcohol, Drug Abuse, and Mental Health Administration," after "Veterans' Administration,".

(d) ADMINISTRATION OF TITLE IV.—Section 402(b) of the Act, as amended by section 104(d), is amended by inserting "Alcohol, Drug Abuse, and Mental Health Administration," after "Veterans' Administration,".

(e) EDUCATION AND TRAINING.—(1) Section 411(a)(1) of the Act is amended by inserting "(including mental health)" after "health".

(2) The first sentence of section 412(a) of the Act is amended by inserting "(including mental health)" after "health".

(f) Special Projects in Comprehensive Long-Term Care.—The second sentence of section 423(a)(3) of the Act is amended by inserting "mental health services;" after "in-home services;".

OLDER INDIVIDUALS WITH DISABILITIES

Sec. 106. (a) Consultation Function.—Section 202(a) of the Act (42 U.S.C. 3012(a)), as amended by section 103(a), is amended—

(1) by striking "and" at the end of paragraph (18);

(2) by striking out the period at the end of paragraph (19) and inserting in lieu thereof a semicolon and the word "and"; and

(3) by adding at the end thereof the following new paragraph:

"(20) consult with national organizations representing the interests of individuals with severe disabilities (A) to develop and disseminate information on population characteristics and needs, and training of personnel; and (B) to provide technical assistance designed to assist State and area agencies to provide services in collaboration with other State agencies to older individuals with disabilities and severely impairing conditions.".

(b) Planning.—Section 202(b)(1) of the Act is amended—

(1) by striking "and" and inserting a comma; and

(2) by inserting after "Act" at the end thereof a comma and the following: "with the Alcohol, Drug Abuse, and Mental Health Administration and the Administration on Developmental Disabilities".

(c) Agency Consultation.—(1) Section 203(b) of the Act, as amended by section 104(a), is amended—

(A) by striking out "and" at the end of paragraph (14);

(B) by striking out the period at the end of paragraph (15) and inserting in lieu thereof a comma; and

(C) by adding after paragraph (15) the following new paragraphs:

"(16) the Rehabilitation Act of 1973, and

"(17) the Developmental Disabilities and Bill of Rights Act.".

(2) Section 203 of the Act is amended by adding at the end thereof the following:

"(c) In carrying out section 341, the Commissioner shall consult with the National Advisory Panel on Alzheimer's Disease established under section 921 of the Alzheimer's Disease and Related Dementias Services Research Act of 1986.".

(d) Evaluation.—The second sentence of section 206(c) of the Act is amended by inserting before the period the following: "and older individuals with disabilities".

OLDER NATIVE AMERICANS

Sec. 107. (a) Improved Administration for Native American Programs.—Section 201 of the Act (42 U.S.C. 3011) is amended by adding at the end the following:

"(c)(1) There is established in the Administration on Aging an Office for Native American Programs.

"(2) The Office shall be headed by an Associate Commissioner on Native American Aging appointed by the Commissioner.

"(3) The Associate Commissioner on Native American Aging shall—

"(A)(i) evaluate the adequacy of outreach under title III and title VI for older Native Americans and recommend to the Commissioner necessary action to improve service delivery, outreach, coordination between title III and title VI services, and particular problems faced by older Indians and Hawaiian Natives; and

"(ii) include a description of the results of such evaluation and recommendations in the annual report required by section 207(a) to be submitted by the Commissioner;

"(B) serve as the effective and visible advocate in behalf of older Native Americans within the Department of Health and Human Services and with other departments and agencies of the Federal Government regarding all Federal policies affecting older Native Americans;

"(C) coordinate activities between other Federal departments and agencies to assure a continuum of improved services through memoranda of agreements or through other appropriate means of coordination;

"(D) administer and evaluate the grants provided under this Act to Indian tribes, public agencies and nonprofit private organizations serving Hawaiian Natives;

"(E) recommend to the Commissioner policies and priorities with respect to the development and operation of programs and activities conducted under the Act relating to older Native Americans;

"(F) collect and disseminate information related to problems experienced by older Native Americans;

"(G) develop research plans, and conduct and arrange for research, in the field of American Native aging with a special emphasis on the gathering of statistics on the status of older Native Americans; and

"(H) develop and provide technical assistance and training programs to grantees under title VI.".

(b) Federal Council on Aging.—The third sentence of section 204(a)(1) of the Act (42 U.S.C. 3015(a)(1)) is amended by inserting "Indian tribes" after "minorities".

(c) Contracting Authority.—Section 212 of the Act (42 U.S.C. 3020c) is amended by inserting after "State agency" the following: "(or in the case of a grantee under title VI, subject to the recommendation of the Associate Commissioner on Native American Aging and the approval of the Commissioner)".

FEDERAL COUNCIL ON AGING

Sec. 108. (a) Membership.—The fourth sentence of section 204(a)(1) of the Act (42 U.S.C. 3015(a)(1)) is amended by striking out "two" and inserting in lieu thereof "three".

(b) Reauthorization.—Section 204(g) of the Act (42 U.S.C. 3015) is amended to read as follows:

"(g) There are authorized to be appropriated to carry out the provisions of this section $210,000 for the fiscal year 1988, $221,000 for the fiscal year 1989, $232,000 for the fiscal year 1990, $243,000 for the fiscal year 1991, and $255,000 for the fiscal year 1992.".

REGULATIONS

Sec. 109. Section 205(c) of the Act (42 U.S.C. 3016(c)) is amended by striking "1984" and inserting "1987".

PUBLICATION OF GOALS

Sec. 110. Section 205 of the Act (42 U.S.C. 3016) is amended—

(1) by redesignating subsection (d) as subsection (e), and

(2) by inserting after subsection (c) the following:

"(d) Not later than September 1 of each fiscal year, the Commissioner shall publish in the Federal Register, for the purpose of facilitating informed public comment, proposed specific goals to be achieved by implementing this Act in the first fiscal year beginning after the date of such publication.".

Part B—Grants for Supportive Services, Nutrition, and Other Activities

PURPOSE

Sec. 121. Section 301(a) of the Act (42 U.S.C. 3021(a)) is amended by inserting "with Indian tribes, tribal organizations, and Hawaiian Native organizations," after "agencies," the second place it appears.

ADMINISTRATION OF STATE GRANTS PROGRAM

Sec. 122. Section 301(b)(2) of the Act is amended—

(1) by inserting "(a)" after the paragraph designation; and

(2) by adding at the end thereof the following new subparagraph:

"(b) In carrying out the provisions of this title, the Commissioner may request technical assistance and cooperation of other agencies and units of the Department of Health and Human Services, including the National Institute on Aging, the Health Care Financing Administration, and the Social Security Administration.".

REAUTHORIZATION FOR STATE AND COMMUNITY PROGRAMS ON AGING

Sec. 123. (a) Supportive Services and Senior Centers.—Section 303(a) of the Act is amended to read as follows:

"(a) There are authorized to be appropriated $379,575,000 for the fiscal year 1988, $398,554,000 for the fiscal year 1989, $418,481,000 for the fiscal year 1990, $439,406,000 for the fiscal year 1991, and $461,376,000 for the fiscal year 1992 for the purpose of making grants under part B of this title (relating to supportive services and senior centers).".

(b) Nutrition Services.—Section 303(b) of the Act is amended to read as follows:

"(b)(1) There are authorized to be appropriated $414,750,000 for the fiscal year 1988, $435,488,000 for the fiscal year 1989, $457,262,000 for the fiscal year 1990, $480,125,000 for the fiscal year 1991, and $504,131,000 for the fiscal year 1992 for the purpose of making grants under subpart 1 of part C of this title (relating to congregate nutrition services).

"(2) There are authorized to be appropriated $79,380,000 for the fiscal year 1988, $83,349,000 for the fiscal year 1989, $87,516,000 for the fiscal year 1990, $91,892,000 for the fiscal year 1991, and $96,487,000 for the fiscal year 1992 for the purpose of making grants under subpart 2 of part C of this title (relating to home delivered nutrition services).".

(c) Surplus Commodities Program.—(1) Section 311(a)(4) of the Act is amended—

(A) by striking "fiscal year 1986 and during each fiscal year thereafter" and inserting "fiscal years 1986 through 1992", and

(B) by striking the second and third sentences.

(2) The matter preceding the parenthetical in section 311(c)(1)(A)(i) of the Act is amended to read as follows:

"(c)(1)(A)(i) There are authorized to be appropriated $151,000,000 for the fiscal year 1988, $166,000,000 for the fiscal year 1989, $183,000,000 for the fiscal year 1990, $201,000,000 for the fiscal year 1991, and $221,100,000 for the fiscal year 1992 to carry out the provisions of this section.".

ADMINISTRATIVE EXPENSES OF AREA AGENCIES ON AGING

Sec. 124. Section 304(d)(1)(A) of the Act (42 U.S.C. 3024(d)(1)(A)) is amended by striking "8.5" and inserting "10".

AREA AGENCIES ON AGING AS SEPARATE UNITS

Sec. 125. Section 305(c) of the Act (42 U.S.C. 3025(c)) is amended—

(1) in paragraph (2) by inserting "to function only" after "designated",

(2) in paragraph (3) by inserting "only" after "act", and

(3) in paragraph (4)—

(A) by inserting ", or any separate organizational unit within such agency," after "area" the first place it appears, and

(B) by striking "engage" and inserting "and will engage only".

AREA PLANS

SEC. 126. Section 306(a)(6)(A) of the Act (42 U.S.C. 3026(a)(6)(A)) is amended by inserting ", and public hearings on," after "evaluations of".

DAYCARE AND RESPITE SERVICES PROVIDED BY VOLUNTEERS

SEC. 127. Section 306(a)(6)(E) of the Act (42 U.S.C. 3026(a)(6)(E)) is amended—

(1) by inserting "or adults, and respite for families," after "for children", and

(2) by inserting ", adults, and families" after "to children".

COORDINATION OF CERTAIN PROGRAMS RELATING TO OLDER VICTIMS OF ALZHEIMER'S DISEASE

SEC. 128. Section 306(a)(6) of the Act (42 U.S.C. 3026(a)(6)) is amended—

(1) in subparagraph (J) by striking "and" at the end;

(2) in subparagraph (K) by striking out the period at the end and insert a semicolon and "and"; and

(3) by adding at the end the following:

"(L) coordinate the categories of services specified in paragraph (2) for which the area agency on aging is required to expend funds under part B, with activities of community-based organizations established for the benefit of victims of Alzheimer's disease and the families of such victims.".

OMBUDSMAN OFFICE AND PROGRAM

SEC. 129. (a) TECHNICAL ASSISTANCE.—Section 301 of the Act (42 U.S.C. 3021) is amended by adding at the end the following:

"(c) The Commissioner shall provide technical assistance and training (by contract, grant, or otherwise) to State long-term care ombudsman programs established under section 307(a)(12), and to individuals designated under such section to be representatives of a long-term care ombudsman, in order to enable such ombudsmen and such representatives to carry out the ombudsman program effectively.".

(b) STUDY OF OMBUDSMAN PROGRAM.—(1) The Commissioner shall conduct a study concerning involvement in the ombudsman program established under section 307(a)(12) and its impact upon issues and problems affecting—

(A) residents of board and care facilities and other similar adult care homes who are older individuals (as defined in section 302(10)), including recommendations for expanding and improving ombudsman services in such facilities; and

(B) the effectiveness of recruiting, supervising and retaining volunteer ombudsmen.

(2) The Commissioner shall prepare and submit a report to the Congress on the findings and recommendations of the study described in paragraph (1) not later than December 31, 1989.

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 303(a) of the Act (42 U.S.C. 3023), as amended by section 123, is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end the following:

"(2) There are authorized to be appropriated an additional $20,000,000 for fiscal year 1988 and such sums as may be necessary for each of the fiscal years 1989, 1990, 1991, and 1992 for such part B to be available for section 307(a)(12).".

(d) STATE PLANS.—Section 307(a)(12) of the Act (42 U.S.C. 3027(a)(12)) is amended to read as follows:

"(12) The plan shall provide assurances, with respect to a long-term care ombudsman program, that—

"(A) the State agency will establish and operate, either directly or by contract or other arrangement with any public agency or other appropriate private nonprofit organization, other than an agency or organization which is responsible for licensing or certifying long-term care services in the State or which is an association (or an affiliate of such an association) of long-term care facilities (including any other residential facility for older individuals), an Office of the State Long-Term Care Ombudsman (in this paragraph referred to as the 'Office') and shall carry out through the Office a long-term care ombudsman program which provides an individual who will, on a full-time basis—

"(i) investigate and resolve complaints made by or on behalf of older individuals who are residents of long-term care facilities relating to action, inaction, or decisions of providers, or their representatives, of long-term care services, of public agencies, or of social service agencies, which may adversely affect the health, safety, welfare, or rights of such residents;

"(ii) provide for training staff and volunteers and promote the development of citizen organizations to participate in the ombudsman program; and

"(iii) carry out such other activities as the Commissioner deems appropriate;

"(B) the State agency will establish procedures for appropriate access by the ombudsman to long-term care facilities and patients' records, including procedures to protect the confidentiality of such records and ensure that the identity of any complainant or resident will not be disclosed without the written consent of such complainant or resident, or upon court order;

"(C) the State agency will establish a statewide uniform reporting system to collect and analyze data relating to complaints and conditions in long-term care facilities for the purpose of identifying and resolving significant problems, with provision for submission of such data to the agency of the State responsible for licensing or certifying long-term care facilities in the State and to the Commissioner on a regular basis;

"(D) the State agency will establish procedures to assure that any files maintained by the ombudsman program shall be disclosed only at the discretion of the ombudsman having authority over the disposition of such files, except that the identity of any complainant or resident of a long-term care facility shall not be disclosed by such ombudsman unless—

"(i) such complainant or resident, or his legal representative, consents in writing to such disclosure; or

"(ii) such disclosure is required by court order;

"(E) the State agency will establish a statewide toll-free hotline to facilitate communication of complaints to the ombudsman by residents of long-term care facilities, by any person on behalf of such residents and recipients, and by any other person;

"(F) in planning and operating the ombudsman program, the State agency will consider the views of area agencies on aging, older individuals, and provider agencies;

"(G) the State agency will—

"(i) ensure that no individual involved in the designation of the long-term care ombudsman (whether by appointment or otherwise) or the designation of the head of any subdivision of the Office is subject to a conflict of interest;

"(ii) ensure that no officer, employee, or other representative of the Office is subject to a conflict of interest; and

"(iii) ensure that mechanisms are in place to identify and remedy any such or other similar conflicts;

"(H) the State agency will—

"(i) ensure that adequate legal counsel is available to the Office for advice and consultation and that legal representation is provided to any representative of the Office against whom suit or other legal action is brought in connection with the performance of such representative's official duties; and

"(ii) ensure that the Office has the ability to pursue administrative, legal, and other appropriate remedies on behalf of residents of long-term care facilities;

"(I) the State agency will require the Office to—

"(i) prepare an annual report containing data and findings regarding the types of problems experienced and complaints received by or on behalf of individuals residing in long-term care facilities, and to provide policy, regulatory, and legislative recommendations to solve such problems and resolve such complaints and improve the quality of care and life in long-term care facilities;

"(ii) analyze and monitor the development and implementation of Federal, State, and local laws, regulations, and policies with respect to long-term care facilities and services in that State, and recommend any changes in such laws, regulations, and policies deemed by the Office to be appropriate;

"(iii) provide information to public agencies, legislators, and others, as deemed necessary by the Office, regarding the problems and concerns, including recommendations related to such problems and concerns, of older individuals residing in long-term care facilities;

"(iv) provide for the training of the Office staff, including volunteers and other representatives of the Office, in—

"(I) Federal, State, and local laws, regulations, and policies with respect to long-term care facilities in the State;

"(II) investigative techniques; and

"(III) such other matters as the State deems appropriate;

"(v) coordinate ombudsman services with the protection and advocacy systems for individuals with developmental disabilities and mental illness established under part A of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001 et seq.) and under the Protection and Advocacy for Mentally Ill Individuals Act of 1986 (Public Law 99-319); and

"(vi) include any area or local ombudsman entity designated by the State Long-Term Care Ombudsman as a subdivision of the Office. Any representative of an entity designated in accordance with the preceding sentence (whether an employee or an unpaid volunteer) shall be treated as a representative of the Office for purposes of this paragraph;

"(J) the State will ensure that no representative of the Office will be liable under State law for the good faith performance of official duties;

"(K) the State will—

"(i) ensure that willful interference with representatives of the Office in the performance of their official duties (as defined by the Commissioner) shall be unlawful;

"(ii) prohibit retaliation and reprisals by a long-term care facility or other entity with respect to any resident or employee for having filed a complaint with, or providing information to, the Office; and

"(iii) provide for appropriate sanctions with respect to such interference, retaliation, and reprisals; and

"(iv) ensure that representatives of the Office shall have—

"(I) access to long-term care facilities and their residents; and

"(II) with the permission of a resident or resident's legal guardian, have access to review the resident's medical and social records or, if a resident is unable to consent to such review and has no legal guardian, appropriate access to the resident's medical and social records;

"(L) the State agency will prohibit any officer, employee, or other representative of the Office to investigate any complaint filed with the Office unless the individual has received such training as may be required under subparagraph (H)(iv) and has been approved by the long-term care ombudsman as qualified to investigate such complaints; and

"(M) the State agency will carry out the provisions of section 308(d);".

(e) ADMINISTRATION.—Section 308 of the Act (42 U.S.C. 2028) is amended by inserting at the end thereof the following new subsection:

"(d)(1) Each State agency shall, in any fiscal year in which amounts appropriated for part B of this title is equal to or less than the amount appropriated for such part in fiscal year 1987, carry out the requirement of sections 307(a)(12) and 307(a)(21) as in effect prior to the date of enactment of the Older Americans Act Amendments of 1987.

"(2) In any fiscal year in which the appropriations for part B of this title are greater than the appropriations for such part for fiscal year 1987, the State agency shall carry out the provisions of section 307(a)(12), as amended by the Older Americans Act Amendments of 1987. In any such fiscal year, the provisions of section 307(a)(21) shall not apply.

"(3) Amounts appropriated and available under part B of this title for ombudsman services under section 307(a)(12) may not be used to supplant State or local funds available for that purpose.".

FLEXIBILITY OF SERVICES; LEGAL ASSISTANCE

SEC. 130. (a) AREA PLANS.—(1) Section 306(a)(2) of the Act (42 U.S.C. 3026(a)(2)) is amended to read as follows:

"(2)(A) provide assurances that adequate services associated with access to services (transportation, outreach, information, and referral) are provided in the planning and service delivery area; and

"(B) provide assurances that an adequate proportion (as described in section 307(a)(22)) of the amount allotted for part B to the planning and service area will be expended for the delivery of legal assistance for older individuals;".

(2) Section 306(b)(1) of the Act is amended to read as follows:

"(b)(1) Each State, in approving area agency plans under this section, shall waive the requirement described in clause (2)(B) of subsection (a) if the area agency has demonstrated that the legal assistance services being furnished to older individuals are sufficient to meet the need for such services after taking into account services provided by the Legal Services Corporation, the private bar or groups within the private bar furnishing services to older individuals on a pro bono and established reduced fee basis in that planning and service delivery area.".

(3) Section 306(b)(2) of the Act is amended by adding at the end the following:

"(C) Whenever the State agency proposes to grant a waiver to an area agency under this subsection, the State agency shall publish the intention to grant such a waiver together with the justification for the waiver at least 30 days prior to the effective date of the decision to grant the waiver. An individual or a service provider from the area with respect to which the proposed waiver applies is entitled to request a hearing before the State agency on the request to grant such waiver. If, within the 30-day period described in the first sentence of this subparagraph, an individual or service provider requests a hearing under this subparagraph, the State agency shall afford such individual or provider an opportunity for a hearing.".

(b) STATE PLAN.—Section 307(a)(15) of the Act (42 U.S.C. 3027(a)(15)) is amended—

(1) by striking "and" at the end of subparagraph (C),

(2) by inserting "and" after the semicolon in subparagraph (D), and

(3) by adding at the end the following:

"(E) the plan contains assurances that if the State agency waives the requirement described in section 307(a)(22), the State agency will provide to the Commissioner—

"(i) a report regarding such waiver that details the demonstration made by the area agency on aging to obtain such waiver;

"(ii) a copy of the record of the public hearing conducted pursuant to section 306(b)(2)(A); and

"(iii) a copy of the record of any public hearing conducted pursuant to section 306(b)(2)(C).".

(c) MINIMUM EXPENDITURE OF FUNDS.—Section 307(a) of the Act (42 U.S.C. 3027(a)) is amended by adding at the end the following:

"(22) The plan shall specify a minimum percentage of the funds received by each area agency for part B that will be expended, in the absence of the waiver granted under section 306(b)(1), by such area agency to provide legal assistance.".

DOCUMENTATION REGARDING MINORITY PARTICIPATION

SEC. 131. (a) AREA PLANS.—Section 306(a)(5) of the Act (42 U.S.C. 3026(a)(5)) is amended—

(1) by inserting "(i)" after "(5)(A)", and

(2) in subparagraph (A)(i), as so redesignated—

(A) by striking out "and" at the end, and

(B) by inserting after clause (i) the following:

"(ii) provide assurances that the area agency will include in each agreement made with a provider of any service under this title, a requirement that such provider will—

"(I) specify how the provider intends to satisfy the service needs of low-income minority individuals in the area served by the provider; and

"(II) will attempt to provide services to low-income minority individuals in at least the same proportion as the population of low-income minority older individuals bears to the population of older individuals of the area served by such provider; and

"(iii) with respect to the fiscal year preceding the fiscal year for which such plan is prepared—

"(I) identify the number of low-income minority older individuals in the planning and service area; and

"(II) describe the methods used to satisfy the service needs of such minority older individuals; and".

(b) STATE PLAN.—Section 307(a) of the Act (42 U.S.C. 3027(a)), as amended by section 130(c), is amended by adding at the end the following:

"(23) The plan shall, with respect to the fiscal year preceding the fiscal year for which such plan is prepared—

"(A) identify the number of low-income minority older individuals in the State; and

"(B) describe the methods used to satisfy the service needs of such minority older individuals.".

TARGETING OF SERVICES

SEC. 132. (a) ORGANIZATION.—(1) Section 305(a)(1)(E) of the Act (42 U.S.C. 3025(a)(1)(E)) is amended—

(A) by striking "the distribution of older individuals who have low incomes residing in such areas", and

(B) by inserting after "legal services," the following: "the distribution of older individuals who have greatest economic need (with particular attention to low-income minority individuals) residing in such areas, the distribution of older individuals who have greatest social need (with particular attention to low-income minority individuals) residing in such areas,".

(2) Section 305(a)(2) of the Act is amended—

(A) by striking "and" at the end of subparagraph (D),

(B) by striking the period in subparagraph (E) and inserting a semicolon and "and", and

(C) by inserting after subparagraph (E) the following:

"(F) assure the use of outreach efforts that will identify individuals eligible for assistance under this Act, with special emphasis on older individuals with the greatest economic or social needs (with particular attention to low-income minority individuals) and inform such individuals of the availability of such assistance.".

(b) AREA PLANS.—Section 306(a) of the Act (42 U.S.C. 3026(a)) is amended—

(1) by inserting after "residing in such area" in paragraph (1) the following: ", the number of older individuals who have greatest economic need (with particular attention to low-income minority individuals) residing in such area, the number of older individuals who have greatest social need (with particular attention to low-income minority individuals) residing in such area,",

(2) by inserting after "rural elderly," in paragraph (5)(B) the following: "older individuals who have greatest economic need (with particular attention to low-income minority individuals), and older individuals who have greatest social need (with particular attention to low-income minority individuals),", and

(3) by inserting before the semicolon at the end of paragraph (6)(A) the following: "and an annual evaluation of the effectiveness of outreach conducted under paragraph (5)(B)".

(c) STATE PLAN.—Section 307(a) of the Act (42 U.S.C. 3027(a)), as amended by sections 130(c) and 131(b), is amended—

(1) by inserting before the semicolon in paragraph (8) a comma and the following: "including an evaluation of the effectiveness of the State agency in reaching older

individuals with the greatest economic or social needs, with particular attention to low-income minority individuals", and

(2) by adding at the end the following:

"(24) The plan shall provide assurances that the State agency will require outreach efforts that will—

"(A) identify older individuals who are eligible for assistance under this title, with special emphasis on older individuals with greatest economic need (with particular attention to low-income minority individuals), older individuals with greatest social need (with particular attention to low-income minority individuals), and older individuals who reside in rural areas; and

"(B) inform such individuals of the availability of such assistance.".

COORDINATION RELATING TO MENTAL HEALTH SERVICES

SEC. 133. Section 306(a)(6) of the Act (42 U.S.C. 3026(a)(6)), as amended by section 128, is amended—

(1) by striking out "and" in subparagraph (K); and

(2) by striking out the period at the end of subparagraph (L) and inserting in lieu thereof a semicolon and "and"; and

(3) by adding at the end the following:

"(M) coordinate any mental health services provided with funds expended by the area agency on aging for part B with the mental health services provided by community health centers and by other public agencies and nonprofit private organizations.".

SERVICES TO OLDER NATIVE AMERICANS

SEC. 134. (a) ORGANIZATION.—(1) Section 305(a)(1)(E) of the Act (42 U.S.C. 3025(a)(1)(E)), as amended by section 132(a), is amended by inserting "the distribution of older Indians residing in such areas," after "such areas," the second place it appears.

(2) Section 306(a)(1) of the Act, as amended by section 132(b), is amended by inserting ", and the number of older Indians," before "and" the last time it appears in the parenthetical.

(b) AREA PLANS.—Section 306(a)(6) of the Act (42 U.S.C. 2026(a)(6)), as amended by sections 128 and 133, is amended—

(1) by striking out "and" at the end of subparagraph (L);

(2) by striking out the period at the end of subparagraph (M) and inserting in lieu thereof a semicolon and "and"; and

(3) by adding at the end the following:

"(N) if there is a significant population of older Indians in the planning and service area of the area agency, the area agency shall conduct outreach activities to identify older Indians in such area and shall inform such older Indians of the availability of assistance under this Act.".

(c) EDUCATION AND TRAINING.—(1) Section 402 of the Act (42 U.S.C. 3030bb) is amended by adding at the end the following:

"(c) The Commissioner shall ensure that grants and contracts under this title are equitably awarded to agencies, organizations, and institutions representing minorities.".

(2) Section 410(5) of the Act is amended by inserting "(including centers of gerontology to improve, enhance, and expand minority personnel and training programs)" after "gerontology".

(3) Section 411(a) of the Act is amended by adding at the end the following:

"(4) To provide in-service training opportunities and courses of instruction on aging to Indian tribes through public and nonprofit Indian aging organizations.".

(4) The matter in parentheses in the first sentence of section 412(a) of the Act is amended by striking out "and" and inserting "and minority populations" after "services".

(5) Section 423(a) of the Act is amended by adding at the end the following:

"(4) The Commissioner shall ensure that grants and contracts under this section are equitably awarded to agencies, organizations, and institutions representing minorities.".

(6) Section 425(a) of the Act is amended—

(A) by striking "(1)" and "(2)" and inserting "(A)" and "(B)", respectively,

(B) by inserting "(1)" after "(a)", and

(C) by adding at the end the following:

"(2) The Commissioner shall carry out, directly or through grants or contracts, special training programs and technical assistance designed to improve services to minorities.".

(d) TASK FORCE.—(1) The Commissioner on Aging shall establish a permanent interagency task force that is representative of departments and agencies of the Federal Government with an interest in older Indians and their welfare and is designed to make recommendations with respect to facilitating the coordinations of services and the improvement of services to older Indians.

(2) The task force shall be chaired by the Associate Commissioner on Native American Aging and shall submit its findings and recommendations to the Commissioner at 6-month intervals beginning after the date of the enactment of this Act. Such findings and recommendations shall be included in the annual report required by section 207(a) to be submitted by the Commissioner.

(e) SPECIAL REPORT ON SERVICES FOR OLDER INDIANS.—(1) The Commissioner on Aging shall enter into a contract with a public agency or nonprofit private organization, to conduct a thorough study of the availability and quality of services under the Act to older Indians. The study shall include—

(A) an analysis of how many Indians now participate in programs under titles III and VI of such Act as compared to how many older Indians are eligible to participate in such programs,

(B) a description of how grants under titles III and VI of such Act are made to Indian tribes and how services are made available to older Indians, and

(C) a determination of what services are currently provided through title VI of such Act to older Indians and how well the Administration on Aging assures that supportive services under title VI of such Act to Indians are commensurate with supportive services under title III of such Act with special consideration to information and referral services, legal services, transportation services, and the ombudsman services.

(2) Not later than December 31, 1988, the Commissioner on Aging shall prepare and submit to the Congress a report on the study required by this subsection, together with such recommendations, including recommendations for legislation, as the Commissioner considers to be appropriate.

SERVICES TO INDIVIDUALS WITH DISABILITIES

SEC. 135. (a) DEFINITIONS.—(1) Section 302(11) of the Act (42 U.S.C. 3022) is amended by inserting after "health" the following: "(including mental health)".

(2) Section 302 of the Act is amended by adding at the end thereof the following:

"(13) The term 'individual with disabilities' means an individual—

"(A) who has a disability attributable to mental or physical impairment or a combination of mental and physical impairments that result in substantial functional limitations in one or more of the following areas of major life activity: (i) self-care, (ii) receptive and expressive language, (iii) learning, (iv) mobility, (v) self-direction, (vi) capacity for independent living, (vii) economic self-sufficiency, (viii) cognitive functioning, and (ix) emotional adjustment; and

"(B) who has one or more physical or mental disabilities resulting from amputation, arthritis, autism, blindness, burn injury, cancer, cerebral palsy, cystic fibrosis, deafness, head injury, heart disease, hemiplegia, hemophilia, respiratory or pulmonary dysfunction, mental retardation, mental illness, multiple sclerosis, muscular dystrophy, musculoskeletal disorders, neurological disorders (including stroke, epilepsy, Parkinson's disease, Alzheimer's disease and related dementia), paraplegia, quadriplegia, and other spinal cord conditions, sickle cell anemia, specific learning disability, end-stage renal disease, or another disability or combination of disabilities determined to cause comparable substantial functional limitation.

"(14) The term 'severe disability' means a severe, chronic disability of an individual that—

"(A) is likely to continue indefinitely;

"(B) results in substantial functional limitation in three or more of the major life activities specified in paragraph (13)(A) (i) through (vii); and

"(C) reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services which are of lifelong or extended duration and are individually planned and coordinated.".

(b) ORGANIZATION.—Section 305(a)(2) of the Act, as amended by section 132(a)(2), is amended—

(1) by striking out "and" at the end of subparagraph (E);

(2) by striking out the period at the end of subparagraph (F) and inserting in lieu thereof a semicolon and the word "and"; and

(3) by adding at the end thereof the following new subparagraph:

"(G) provide assurances that the State agency will consult with State and area agencies with primary responsibility for individuals with disabilities, including severe disabilities, and develop collaborative programs, where appropriate, to meet the needs of older individuals with disabilities.".

(c) AREA PLANS.—Section 306(a)(5)(B) of the Act, as amended by section 132(b)(2), is amended by inserting after "individuals)," the second time it appears the following: "elderly with severe disabilities,".

(d) STATE PLANS.—(1) Section 307(a)(3)(A) of the Act is amended by inserting after "legal assistance" in the parenthetical the following: "and mental health services".

(2) Section 307(a)(13)(I) of the Act is amended by inserting before the semicolon at the end thereof a comma and the following: "and to individuals with disabilities who reside with and accompany older individuals who are eligible under this Act".

(3) Section 307(a) of the Act, as amended by sections 130(c), 131(b), and 132(c), is amended by adding after paragraph (24) the following new paragraph:

"(25) The plan shall provide, with respect to the needs of older individuals with severe disabilities, assurances that the State will—

"(A) coordinate planning, identification, assessment of needs, and service for older individuals with disabilities with particular attention to individuals with severe disabilities with the State agencies with primary responsibility for individuals with disabil-

ities, including severe disabilities, and develop collaborative programs, where appropriate, to meet the needs of older individuals with disabilities; and

"(B) with respect to the needs of older individuals with developmental disabilities, coordinate planning with the State developmental disabilities planning council designated under section 124(a)(1) of the Developmental Disabilities Act.".

(e) Supportive Services.—(1) Section 321(a)(1) of the Act is amended by inserting after "health" the following: "(including mental health)".

(2) Section 321(a)(4)(B) of the Act is amended by striking out "suffering from physical disabilities" and inserting in lieu thereof "who have physical disabilities".

(3) Section 321 is amended by redesignating subsection (b) as subsection (c) and by inserting after subsection (a) the following new subsection:

"(b) The Commissioner shall encourage area agencies on aging to enter into interagency or other formal agreements with public agencies or private organizations furnishing mental health services to ensure a coordinated approach in meeting the mental health and psychosocial needs of older individuals.".

CONFIDENTIALITY OF INFORMATION RELATING TO LEGAL ASSISTANCE PROVIDED

Sec. 136. (a) Area Agency on Aging.—Section 306 of the Act (42 U.S.C. 3026), as amended by section 130(b), is amended by adding at the end the following:

"(d) An area agency on aging may not require any provider of legal assistance under this title to reveal any information that is protected by the attorney-client privilege.".

(b) State and State Agency.—Section 307 of the Act (42 U.S.C. 3027) is amended by adding at the end the following:

"(g) Neither a State, nor a State agency, may require any provider of legal assistance under this title to reveal any information that is protected by the attorney-client privilege.".

COORDINATION OF COMMUNITY-BASED SERVICES

Sec. 137. Section 307(a) of the Act (42 U.S.C. 3027(a)), as amended by sections 130(c), 131(b), 132(c), and 135(d), is amended by inserting after paragraph (25) the following:

"(26) The plan shall provide assurances that area agencies on aging will conduct efforts to facilitate the coordination of community-based, long-term care services, pursuant to section 306(a)(6)(I), for older individuals who—

"(A) reside at home and are at risk of institutionalization because of limitations on their ability to function independently;

"(B) are patients in hospitals and are at risk of prolonged institutionalization; or

"(C) are patients in long-term care facilities, but who can return to their homes if community-based services are provided to them.".

PAYMENTS

Sec. 138. Section 309(c) of the Act (42 U.S.C. 3029(c)) is amended—

(1) by inserting "average annual" after "less than its", and

(2) by striking "preceding fiscal year" and inserting "period of 3 fiscal years preceding such year".

IN-HOME SERVICES FOR FRAIL OLDER INDIVIDUALS

Sec. 139. (a) Authorization of Appropriations.—Section 303 of the Act (42 U.S.C. 3023), as amended by section 123, is amended by adding at the end the following:

"(d) There are authorized to be appropriated $25,000,000 for fiscal year 1988, $26,250,000 for fiscal year 1989, $27,563,000 for fiscal year 1990, $28,941,000 for fiscal year 1991, and $30,388,000 for fiscal year 1992 for the purpose of making grants under part D of this title (relating to in-home services).".

(b) Area Plans.—Section 306(a) of the Act (42 U.S.C. 3026(a)) is amended—

(1) by striking out the period at the end of paragraph (6) and inserting in lieu thereof a semicolon and "and"; and

(2) by inserting after paragraph (6) the following:

"(7) provide assurances that any amount received under part D will be expended in accordance with such part.".

(c) State Plans.—(1) Section 307(a)(10) of the Act (42 U.S.C. 3027(a)(10)) is amended by inserting "and in-home services (as defined in section 342(1))" after "nutrition services".

(2) Section 307(a) of the Act (42 U.S.C. 3027(a)), as amended by sections 130(c), 131(b), 132(c), 135(d), and 137, is amended by inserting after paragraph (26) the following:

"(27) Each such plan shall provide assurances of consultation and coordination in planning and provision of in-home services under section 341 with State and local agencies and private nonprofit organizations which administer and provide services relating to health, social services, rehabilitation, and mental health services.".

(d) Program.—Title III of the Act is amended by adding at the end the following:

"Part D—In-Home Services for Frail Older Individuals

"PROGRAM AUTHORIZED

"Sec. 341. (a) With funds appropriated to carry out this part, the Commissioner shall carry out a program for making grants to States under State plans approved under section 307 to provide in-home services to frail older individuals, relating to the individual's environment and functional support needs, including in-home supportive services for older individuals who are victims of Alzheimer's disease and related disorders with neurological and organic brain dysfunction, and to the families of such victims.

"(b) In carrying out the provisions of this part, each area agency shall coordinate with other community agencies and voluntary organizations providing counseling and training for family caregivers and support service personnel in management of care, functional and needs assessment services, assistance with locating, arranging for, and coordinating services, case management, and counseling prior to admission to nursing home to prevent premature institutionalization.

"DEFINITIONS

"Sec. 342. For purposes of this part—

"(1) the term 'in-home service' includes—

"(A) homemaker and home health aides;

"(B) visiting, telephone reassurance, and personal emergency response;

"(C) chore maintenance;

"(D) respite care for families, including adult day care; or

"(E) minor remodeling of homes necessary to facilitate the ability of older individuals to remain at home, and not covered by other programs; and

"(2) the term 'frail' means having a physical or mental disability, including having Alzheimer's disease or related disorders with neurological or organic brain dysfunction, that restricts the ability of an individual to perform normal daily tasks or which threatens the capacity of an individual to live independently.

"STATE CRITERIA

"Sec. 343. The State agency shall develop eligibility criteria for providing in-home services to frail older individuals which shall take into account—

"(1) age;

"(2) greatest economic need;

"(3) noneconomic factors contributing to the frail condition; and

"(4) noneconomic and nonhealth factors contributing to the need for such services.

"MAINTENANCE OF EFFORT

"Sec. 344. Funds made available under this part shall be in addition to, and may not be used to supplant, any funds that are or would otherwise be expended under any Federal, State, or local law by a State or unit of general purpose local government (including area agencies on aging which have in their planning and services areas existing services which primarily serve older individuals who are victims of Alzheimer's disease and related disorders with neurological and organic brain dysfunction, and the families of such victims).".

STATE PLAN INFORMATION REGARDING SERVICES TO OLDER INDIVIDUALS RESIDING IN RURAL AREAS

Sec. 140. Section 307(a) of the Act (42 U.S.C. 3027(a)), as amended by sections 130(c), 131(b), 132(c), 135(d), 137, and 139(c)(2), is amended by adding after paragraph (27) the following:

"(28) The plan shall, with respect to the fiscal year preceding the fiscal year for which such plan is prepared, describe the methods used to satisfy the service needs of older individuals who reside in rural areas.".

HEALTH EDUCATION AND PROMOTION FOR OLDER AMERICANS

Sec. 141. (a) Authorization of Appropriations.—Section 303 of the Act (42 U.S.C. 3023), as amended by sections 123 and 139(a), is amended by adding at the end thereof the following:

"(e) There are authorized to be appropriated $5,000,000 for fiscal year 1988 and such sums as may be necessary for each of the fiscal years 1989, 1990, 1991, and 1992 for the purpose of making grants under part E of this title (relating to periodic preventive health, health education, and promotion services).".

(b) Area Plans.—Section 306(a) of the Act, as amended by section 139, is amended—

(1) by striking out "and" at the end of paragraph (6);

(2) by striking out the period at the end of paragraph (7) and inserting in lieu thereof a semicolon and "and"; and

(3) by inserting after paragraph (7) the following:

"(8) provide assurances that any amount received under part E will be expended in accordance with such part; and".

(c) Program.—Title III of the Act, as amended by section 139, is further amended by adding at the end thereof the following:

"Part E—Preventive Health Services

"PROGRAM AUTHORIZED

"Sec. 351. (a) The Commissioner shall carry out a program for making grants to States under State plans approved under section 307 for periodic preventive health services to be provided at senior centers or alternative sites as appropriate.

"(b) Preventive health services under this part may not include services eligible for reimbursement under Medicare.

"(c) The Commissioner shall, to the extent possible, assure that services provided by other community organizations and agencies are used to carry out the provisions of this part.

"DISTRIBUTION TO AREA AGENCIES

"SEC. 352. The State agency shall give priority, in carrying out this part, to areas of the State—

"(1) which are medically underserved; and

"(2) in which there are a large number of other individuals who have the greatest economic need for such services.

"DEFINITIONS

"SEC. 353. For the purpose of this part and section 307 the term 'preventive health services' means—

"(1) routine health screening, which may include hypertension, glaucoma, cholesterol, cancer, vision and hearing screening;

"(2) group exercise programs;

"(3) home injury control services, including screening of high-risk home environments and educational programs on injury protection in the home environment;

"(4) nutritional counseling and educational services;

"(5) screening for the prevention of depression, coordination of community mental health services, educational activities, and referral to psychiatric and psychological services;

"(6) educational programs on the benefits and limitations of Medicare and various supplemental insurance coverage, including individual policy screening and health insurance-needs counseling; and

"(7) counseling regarding followup health services based on any of the services provided for above.".

PREVENTION OF ABUSE OF OLDER INDIVIDUALS

SEC. 142. (a) DEFINITIONS.—Section 302 of the Act (42 U.S.C. 3022), as amended by section 135(a), is amended by adding at the end the following:

"(15) The term 'abuse' means the willful—

"(A) infliction of injury, unreasonable confinement, intimidation, or cruel punishment with resulting physical harm or pain or mental anguish; or

"(B) deprivation by a caretaker of goods or services which are necessary to avoid physical harm, mental anguish, or mental illness.

"(16) The term 'elder abuse' means abuse of an older individual.

"(17) The term 'caretaker' means an individual who has the responsibility for the care of an older individual, either voluntarily, by contract, receipt of payment for care, as a result of family relationship, or by order of a court of competent jurisdiction.

"(18) The term 'exploitation' means the illegal or improper act or process of a caretaker using the resources of an older individual for monetary or personal benefit, profit, or gain.

"(19) The term 'neglect' means the failure to provide for oneself the goods or services which are necessary to avoid physical harm, mental anguish, or mental illness or the failure of a caretaker to provide such goods or services.

"(20) The term 'physical harm' means bodily pain, injury, impairment, or disease.".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 303 of the Act, as amended by sections 123, 139(a), and 141(a), is amended by adding at the end the following:

"(f) There are authorized to be appropriated $5,000,000 for fiscal year 1988 and such sums as may be necessary for each of the fiscal years 1989, 1990, 1991, and 1992 to carry out part F (relating to abuse, neglect, and exploitation of older individuals)."

(c) AREA PLANS.—Section 306(a) of the Act, as amended by section 139(b) and 141(b), is amended—

(1) by striking out "and" at the end of paragraph (7);

(2) by striking out the period at the end of paragraph (8) and inserting in lieu thereof a semicolon and "and", and

(3) by inserting after paragraph (8) the following:

"(9) provide assurances that any amount received under part F will be expended in accordance with such part.".

(d) STATE PLAN.—(1) Section 307(a)(16) of the Act is amended by striking "provide" the second time it appears and inserting ", if funds are not appropriated under section 303(f) for a fiscal year, provide that for such fiscal year".

(2) Section 307(a) of the Act, as amended by sections 130(c), 131(b), 132(c), 135(d), 137, 139(c)(2), and 140, is amended by adding at the end the following:

"(29) The plan shall provide assurances that if the State receives funds appropriated under section 303(f), the State agency and area agencies on aging will expend such funds to carry out part F.".

(e) ABUSE, NEGLECT, AND EXPLOITATION OF OLDER INDIVIDUALS.—Title III of the Act is amended by adding at the end the following:

"PART F—ABUSE, NEGLECT, AND EXPLOITATION OF OLDER INDIVIDUALS

"PROGRAM AUTHORIZED

"SEC. 361. The Commissioner shall carry out a program for making grants to States under State plans approved under section 307 to carry out a program with respect to the prevention of abuse, neglect, and exploitation of older individuals. The program shall—

"(1) be consistent with relevant State law and coordinated with State adult protective service activities and other State and local elder abuse prevention and protection;

"(2) provide for—

"(A) public education and outreach services to identify and prevent abuse, neglect, and exploitation of older individuals;

"(B) receipt of reports of such abuse, neglect, and exploitation;

"(C) active participation of older individuals participating in programs under this Act through outreach, conferences, and referral of such individuals to other social service agencies or sources of assistance if appropriate and with the consent of the older individuals to be referred; and

"(D) the referral of complaints and other reports of abuse, neglect, or exploitation of older individuals to law enforcement agencies, public protective service agencies, licensing and certification agencies, ombudsman programs, or protection and advocacy system if appropriate;

"(3) not permit involuntary or coerced participation in such program by alleged victims, abusers, or their households; and

"(4) require that all information gathered in the course of receiving such a complaint or report, and making such a referral, shall remain confidential unless—

"(A) all parties to such complaint or report consent in writing to the release of such information; or

"(B) the release of such information is to a law enforcement agency, public protective service agency, licensing or certification agency, ombudsman program, or protection or advocacy system.".

ASSISTIVE TECHNOLOGY SERVICES

SEC. 143. (a) FUNCTIONS OF THE COMMISSIONER.—Section 202(a)(5) of the Act (42 U.S.C. 3012(a)(5)) is amended by inserting after "supportive services" the following: "(including assistive technology services)".

(b) GENERAL RULE.—Section 302(a) of the Act, as amended by section 135 and 142, is amended by adding at the end thereof the following:

"(21) The term 'supportive services' includes assistive technology services.

"(22) The term 'assistive technology services' means services designed to apply technology, engineering methodologies, or scientific principles to meet the needs of and address the barriers confronted by individuals with functional limitations.".

PART C—DEMONSTRATION GRANTS

DEMONSTRATION PROJECTS; PURPOSE

SEC. 151. Section 401(1) of the Act (42 U.S.C. 3030aa) is amended by inserting the following before the semicolon a comma and the following: "with special emphasis on minority individuals, low-income individuals, frail individuals, and individuals with disabilities".

MULTIDISCIPLINARY CENTERS

SEC. 152. Section 412(a) of the Act (42 U.S.C. 3032(a)) is amended by striking "may" and inserting "shall".

VOLUNTEER OPPORTUNITIES

SEC. 153. Section 422(b) of the Act (42 U.S.C. 3035a) is amended—

(1) by striking out "and" at the end of paragraph (7);

(2) by striking out the period at the end of paragraph (8) and inserting a semicolon and the word "and"; and

(3) by adding at the end thereof the following:

"(9) provide expanded, innovative volunteer opportunities to older individuals which are designed to fulfill unmet community needs, while at the same time avoiding duplication of existing volunteer programs, which may include—

"(A) projects furnishing intergenerational services by older individuals addressing the needs of children, such as—

"(i) tutorial services in elementary and special schools;

"(ii) after school programs for latch key children;

"(iii) voluntary services for day care center programs; and

"(B) volunteer service credit projects operated in conjunction with ACTION, permitting elderly volunteers to earn credits for services furnished, which may later be redeemed for similar volunteer services.".

SPECIAL PROJECTS IN COMPREHENSIVE LONG-TERM CARE

SEC. 154. Section 423(a)(1) of the Act (42 U.S.C. 3035b(a)(1)), as amended by section 134(c)(5), is amended by striking "may" and inserting "shall".

DEMONSTRATION PROGRAM OF OUTREACH TO ELDERLY SSI, MEDICAID, AND FOOD STAMP ELIGIBLES

SEC. 155. (a) DEMONSTRATION PROGRAM AUTHORIZED.—Part B of title IV of the Act is amended by adding at the end thereof the following new section:

"DEMONSTRATION PROGRAM OF OUTREACH TO ELDERLY SSI, MEDICAID, AND FOOD STAMP ELIGIBLES

"SEC. 427. (a) The Commissioner is authorized to make grants to, or enter into contracts with, State agencies on aging and area agencies on aging for the conduct of demonstration projects designed to demonstrate the feasibility of conducting outreach activities for older individuals who are eligible for but not receiving benefits under title XVI of the Social Security Act (or assistance under a State plan program under title XVI of that Act) relating to supplemental security income benefits, under title XVIIII of the Social Security Act, relating to medical assistance benefits, and benefits under the Food Stamp Act of 1977, in order to assist such individuals in applying for such benefits.

"(b) Grants and contracts under this section may be used for—

"(1) identifying older individuals with the greatest economic need who may be eligible for assistance described in subsection (a);

"(2) for outreach activities for planning in service in area agencies on aging for such individuals; and

"(3) for application assistance for such individuals.

"(c) No grant may be made and no contract may be entered into under this section unless an application is made to the Commissioner at such time, in such manner, and containing such information as the Commissioner may reasonably require. Each such application shall—

"(1) describe the activities for which assistance is sought;

"(2) provide for an evaluation of the activities for which assistance is sought; and

"(3) assurances that the applicant will prepare and submit to the Commissioner a report of the activities conducted with assistance under this section and the evaluation of that assistance.

"(d) In approving applications under this section, the Commissioner shall assure a geographic equitable distribution of assistance.

"(e) The Commissioner shall, as part of the annual report submitted under section 207, prepare and submit a report on the evaluations submitted under this section, together with such recommendations as the Commissioner may deem appropriate. In carrying out this section, the Commissioner shall consider—

"(1) the number of older individuals reached through outreach activities supported under this section;

"(2) the dollar amount of benefits to older individuals;

"(3) the cost of the activities in terms of the number of individuals reached and the benefit dollars involved; and

"(4) the effect on supportive services and nutrition services furnished under title III of this Act.".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 431(a) of the Act is amended—

(1) by inserting "(1)" after the subsection designation;

(2) by inserting "(other than section 427)" after "title"; and

(3) by adding at the end thereof the following new paragraph:

"(2) There are authorized to be appropriated $3,000,000 for the fiscal year 1988 and such sums for each of the 4 succeeding fiscal years to carry out the provisions of section 427.".

(c) OUTREACH AND APPLICATION ASSISTANCE FUNCTIONS OF ADMINISTRATION ON AGING.—Section 202(a) of the Act, as amended by sections 103(a) and 106(a), is amended—

(1) by striking out "and" at the end of paragraph (19);

(2) by striking out the period at the end of paragraph (20) and inserting in lieu thereof a semicolon and "and"; and

(3) by adding at the end the following:

"(21) obtain from—

"(A) the Department of Agriculture information explaining the requirements for eligibility to receive benefits under the Food Stamp Act of 1977; and

"(B) the Social Security Administration information explaining the requirements for eligibility to receive supplemental security income benefits under title XVI of the Social Security Act (or assistance under a State plan program under title XVI of that Act);

and distribute such information, in written form, to State agencies, for redistribution to area agencies on aging, to carry out outreach activities and application assistance.".

DEMONSTRATION GRANTS FOR INDIVIDUALS WITH DISABILITIES

SEC. 156. (a) TRAINING.—Section 411(c) of the Act (42 U.S.C. 3031(c)) is amended—

(1) by striking out "custodial and skilled care for older individuals who suffer from" and inserting in lieu thereof "services to individuals with disabilities and to individuals with", and

(2) by striking out "other neurological and organic brain disorders of the Alzheimer's type" and inserting in lieu thereof "and related disorders with neurological and organic brain dysfunction".

(b) MULTIDISCIPLINARY CENTERS.—(1) Section 412(a) of the Act, as amended by sections 105(e) and 134(c)(4), is amended by inserting before "income maintenance" the following: "disabilities (including severe disabilities),".

(2) Section 412(a) of the Act, as amended by sections 105(e) and 134(c) in paragraph (1) of this subsection is further amended by inserting after "supportive services" the following: "(including assistive technology services),".

(c) SPECIAL PROJECT.—Part A of title IV of the Act is amended by adding at the end thereof the following new section:

"SPECIAL DISABILITIES TRAINING PROJECT

"SEC. 413. The Commissioner is authorized to make grants to any public agency or private nonprofit organization and may enter into contracts with any public agency or private nonprofit organization to develop and provide training programs to service providers under title III of this Act and nursing home care providers to meet the special service needs of older individuals with disabilities and who are residing either in the community or in nursing care facilities.".

(d) DEMONSTRATION GRANTS.—(1) Section 422(b)(2)(A) of the Act is amended by inserting after "mental health services" the following: "or who have severe disabilities".

(2) Section 422(b)(2) of the Act is amended—

(A) by striking out "and" at the end of subclause (C); and

(B) by adding after subclause (D) the following new subclauses:

"(E) the identification and provision of services to elderly individuals with severe disabilities; and

"(F) the provision of rehabilitation services, and communication aids and devices to assist older individuals with severe disabilities.".

(3) Section 422(b) of the Act, as amended by section 153, is amended—

(A) by striking out the "and" at the end of paragraph (8),

(B) by striking out the period at the end of paragraph (9) and inserting in lieu thereof a semicolon and "and", and

(C) by adding after paragraph (9) the following new paragraph:

"(10) address the needs of older individuals through the use of assistive technology services by studying and demonstrating methods of increasing the awareness of, the access to, and the use of assistive technology services for older individuals designed to increase their functional independence;".

(e) LONG-TERM CARE SPECIAL PROJECTS.—Section 423(a)(3) of the Act is amended by inserting after "geriatric health maintenance organizations" a semicolon and the following: "services to older individuals with severe disabilities residing in nursing homes".

(f) ADDITIONAL SPECIAL PROJECTS.—(1) Part B of title IV of the Act, as amended by section 155, is further amended by adding at the end thereof the following:

"OMBUDSMAN AND ADVOCACY DEMONSTRATION PROJECTS

"SEC. 428. (a) The Commissioner is authorized to make grants to not less than three nor more than ten States to demonstrate and evaluate cooperative projects between the State long-term care ombudsman program and the State protection and advocacy systems for developmental disabilities and mental illness, established under part A of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001 et seq.) and under the protection and Advocacy for Mentally Ill Individuals Act of 1986 (Public Law 99-319).

"(b) The Commissioner on Aging shall prepare and submit to the Congress after each fiscal year a report of the study and evaluation required by paragraph (1) of this section. Each such report shall contain such recommendations as the Commissioner on Aging deems appropriate.".

(2) Section 431(a) of the Act, as amended by section 155(b), is amended by—

(A) by striking out "section 427" in the parenthetical and inserting in lieu thereof "sections 427 and 428"; and

(B) by adding at the end thereof the following:

"(3) There are authorized to be appropriated $1,000,000 for each of the fiscal years 1988 and 1989 to carry out the provisions of section 428. The funds appropriated pursuant to this subsection shall remain available for expenditure for the succeeding fiscal year.".

HOME-CARE QUALITY ASSURANCE DEMONSTRATION PROJECTS

SEC. 157. (a) DEMONSTRATION PROGRAM AUTHORIZED.—Part B of title IV of the Act, as amended by sections 155 and 156, is further amended by adding at the end thereof the following:

"HOME-CARE QUALITY ASSURANCE DEMONSTRATION PROJECTS

"SEC. 429. (a)(1) The Commissioner is authorized to make grants to not less than six nor more than ten States to demonstrate and evaluate the effectiveness of a home-care quality assurance program for in-home care services for older individuals furnished under this Act.

"(2) For the purposes of this section 'quality assurance program' includes quality assurances with respect to in-home care services and may include the availability of consumer education services, services involving the use of consumer hotlines, ombudsman services, legal assistance services, protection and advocacy services, and the use of community service agencies.

"(b) No grant may be made and no contract may be entered into under this section unless an application is made to the Commissioner at such time, in such manner, and containing such information as the Commissioner may reasonably require. Each such application shall—

"(1) describe activities for which assistance is sought;

"(2) provide for an evaluation of the activities for which assistance is sought; and

"(3) provide assurances that the applicant will prepare and submit a report to the Commissioner on the activities conducted with assistance under this section and the evaluation of that assistance.

"(c) In approving applications under this section, the Commissioner shall assure equitable geographic distribution of assistance.

"(d) The Commissioner shall, as part of the annual report submitted under section 207, prepare and submit a report on the evaluation submitted under this section together with such recommendations as the Commissioner may deem appropriate. In carrying out this section, the Commissioner shall include in the report—

"(1) a description of the demonstration projects assisted under this section;

"(2) an evaluation of the effectiveness of each such project; and

"(3) recommendations of the Commissioner with respect to the desirability and feasibility of carrying out on a nation-wide basis the home-care consumer quality assurance program.".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 431(a) of the Act, as amended by sections 154(b) and 155(f)(2), is amended—

(1) by striking out "sections 427 and 428" in the parenthetical and inserting in lieu thereof "section 427, 428, and 429"; and

(2) by adding at the end thereof the following:

"(4) There are authorized to be appropriated $2,000,000 for each of the fiscal years 1989 and 1990 to carry out the provisions of section 429.".

AUTHORIZATION OF APPROPRIATIONS FOR TRAINING, RESEARCH, AND DISCRETIONARY PROJECTS AND PROGRAMS

SEC. 158. Section 431(a)(1) of the Act, as amended by sections 154(b), 155(f)(2), and 156(b), is amended to read as follows:

"SEC. 431. (a)(1) There are authorized to be appropriated to carry out the provisions of this title $32,970,000 for the fiscal year 1988, $34,619,000 for the fiscal year 1989, $36,349,000 for the fiscal year 1990, $38,167,000 for the fiscal year 1991, and $40,075,000 for the fiscal year 1992.".

PART D—COMMUNITY SERVICE EMPLOYMENT

ADMINISTRATIVE COSTS OF EMPLOYMENT PROJECTS

SEC. 161. Paragraph (3) of section 502(c) of the Act (42 U.S.C. 3056(c)(3)) is amended to read as follows:

"(3) Of the amount for any project to be paid by the Secretary under this subsection, not more than 13.5 percent for fiscal year 1987 and each fiscal year thereafter shall be available for paying the costs of administration for such project, except that—

"(A) whenever the Secretary determines that it is necessary to carry out the project assisted under this title, based on information submitted by the public or private nonprofit agency or organization with which the Secretary has an agreement under subsection (b), the Secretary may increase the amount available for paying the cost of administration to an amount not more than 15 percent of the cost of such project; and

"(B) whenever the public or private nonprofit agency or organization with which the Secretary has an agreement under subsection (b) demonstrates to the Secretary that—

"(i) major administrative cost increases are being incurred in necessary program components, including liability insurance, payments for workmen's compensation, costs associated with achieving unsubsidized placement goals, and other operation requirements imposed by the Secretary;

"(ii) the number of employment positions in the project or the number of minority eligible individuals participating in the project will decline if the amount available for paying the cost of administration is not increased; or

"(iii) the size of the project is so small that the amount of administrative expenses incurred to carry out the project necessarily exceed 13.5 percent of the amount for such project;

the Secretary shall increase the amount available for the fiscal year for paying the cost of administration to an amount not more than 15 percent of the cost of such project.".

COMMUNITY SERVICE EMPLOYMENT FOR OLDER INDIANS

SEC. 162. (a) PROGRAM ASSURANCE.—Section 502(b)(1)(M) of the Act (42 U.S.C. 3056) is amended to read as follows:

"(M) will assure, that to the extent feasible, such project will serve the needs of minority, limited English-speaking, and Indian eligible individuals in proportion to their numbers in the State and take into consideration their rates of poverty and unemployment;".

(b) RESERVATION OF FUNDS.—Section 506(a)(1)(A) of the Act is amended by inserting after the first sentence the following: "The Secretary shall next reserve such sums as may be necessary for national grants or contracts with public or nonprofit national Indian aging organizations with the ability to provide employment services to older Indians and with national public or nonprofit Pacific/Asian organizations, but only in a fiscal year in which the amount available under this title exceeds the amount appropriated for fiscal year 1987.".

INFORMATION ON AGE DISCRIMINATION PROHIBITIONS

Sec. 163. Section 503(b) of the Act is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by inserting at the end thereof the following:

"(2) The Secretary shall distribute to grantees under this title, for distribution to program enrollees, and at no cost to grantees or enrollees, informational materials developed and supplied by the Equal Employment Opportunity Commission and other appropriate Federal agencies which the Secretary determines are designed to help enrollees identify age discrimination and understand their rights under the Age Discrimination in Employment Act.".

DEFINITION OF COMMUNITY SERVICES

SEC. 164. Section 507(3) of the Act (42 U.S.C. 3056e(3)) is amended by inserting "(particularly literacy tutoring)" after "educational services".

AUTHORIZATION OF APPROPRIATIONS FOR COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

SEC. 165. Section 508(a)(1) of the Act (42 U.S.C. 3056f(a)(1)) is amended to read as follows:

"(1) $386,715,000 for the fiscal year 1988, $406,051,000 for the fiscal year 1989, $426,353,000 for the fiscal year 1990, $447,671,000 for the fiscal year 1991, and $470,055,000 for the fiscal year 1992; and".

EMPLOYMENT ASSISTANCE AND OTHER PROGRAMS

SEC. 166. Title V of the Act (42 U.S.C. 3056-3056f) is amended by adding at the end the following:

"EMPLOYMENT ASSISTANCE AND FEDERAL HOUSING AND FOOD STAMP PROGRAMS

"SEC. 509. Funds received by eligible individuals from projects carried out under the program established in this title shall not be considered to be income of such individuals for purposes of determining the eligibility of such individuals, or of any other persons, to participate in any housing program for which Federal funds may be available or for any income determination under the Food Stamp Act of 1977.".

PART E—NATIVE AMERICAN PROGRAMS

NATIVE AMERICAN PROGRAMS

SEC. 171. Title VI of the Act (42 U.S.C. 3057-3057g) is amended to read as follows:

"TITLE VI—GRANTS FOR NATIVE AMERICANS

"STATEMENT OF PURPOSE

"SEC. 601. It is the purpose of this title to promote the delivery of supportive services, including nutrition services to American Indians, Alaskan Natives, and Hawaiian Natives that are comparable to services provided under title III.

"FINDINGS; SENSE OF CONGRESS

"SEC. 602. (a) The Congress finds that the older Indians of the United States—

"(1) are a rapidly increasing population;

"(2) suffer from high unemployment;

"(3) live in poverty at a rate estimated to be as high as 61 percent;

"(4) have a life expectancy between 3 and 4 years less than the general population;

"(5) lack sufficient nursing homes, other long-term care facilities, and other health care facilities;

"(6) lack sufficient Indian area agencies on aging;

"(7) frequently live in substandard and over-crowded housing;

"(8) receive less than adequate health care;

"(9) are served under this title at a rate of less than 19 percent of the total national Indian elderly population living on Indian reservations; and

"(10) are served under title III of this Act at a rate of less than 1 percent of the total participants under that title.

"(b) The Congress finds the elderly Hawaiian Natives—

"(1) have a life expectancy 10 years less than any other ethnic group in the State of Hawaii;

"(2) rank lowest on 9 of 11 standard health indicies for all ethnic groups in Hawaii;

"(3) are often unaware of social services and do not know how to go about seeking such assistance; and

"(4) live in poverty at a rate of 34 percent.

"(c) It is the sense of the Congress that older Indians, older Alaskan Natives, and older Hawaiian Natives are a vital resource entitled to all benefits and services available and that such services and benefits should be provided in a manner that preserves and restores their respective dignity, self-respect, and cultural identities.

"PART A—INDIAN PROGRAM

"ELIGIBILITY

"SEC. 611. (a) A tribal organization of an Indian tribe is eligible for assistance under this part only if—

"(1) the tribal organization represents at least 50 individuals who have attained 60 years of age or older; and

"(2) the tribal organization demonstrates the ability to deliver supportive services, including nutritional services.

"(b) For the purposes of this part the terms 'Indian tribe' and 'tribal organization' have *the same meaning as in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).*

"GRANTS AUTHORIZED

"SEC. 612. The Commissioner may make grants to eligible tribal organizations to pay all of the costs for delivery of supportive services and nutrition services for older Indians.

"APPLICATIONS

"SEC. 613. (a) No grant may be made under this part unless the eligible tribal organization submits an application to the Commissioner which meets such criteria as the Commissioner may by regulation prescribe. Each such application shall—

"(1) provide that the eligible tribal organization will evaluate the need for supportive and nutrition services among older Indians to be represented by the tribal organization;

"(2) provide for the use of such methods of administration as are necessary for the proper and efficient administration of the program to be assisted;

"(3) provide that the tribal organization will make such reports in such form and containing such information, as the Commissioner may reasonably require, and comply with such requirements as the Commissioner may impose to assure the correctness of such reports;

"(4) provide for periodic evaluation of activities and projects carried out under the application;

"(5) establish objectives consistent with the purposes of this part toward which activities under the application will be directed, identify obstacles to the attainment of such objectives, and indicate the manner in which the tribal organization proposes to overcome such obstacles;

"(6) provide for establishing and maintaining information and referral services to assure that older Indians to be served by the assistance made available under this part will have reasonably convenient access to such services;

"(7) provide a preference for Indians aged 60 and older for full or part-time staff positions wherever feasible;

"(8) provide assurances that either directly or by way of grant or contract with appropriate entities nutrition services will be delivered to older Indians represented by the tribal organization substantially in compliance with the provisions of part C of title III, except that in any case in which the need for nutritional services for older Indians represented by the tribal organization is already met from other sources, the tribal organization may use the funds otherwise required to be expended under this clause for supportive services;

"(9) contain assurances that the provisions of sections 307(a)(14)(A) (i) and (iii), 307(a)(14)(B), and 307(a)(14)(C) will be complied with whenever the application contains provisions for the acquisition, alteration, or renovation of facilities to serve as multipurpose senior centers;

"(10) provide that any legal or ombudsman services made available to older Indians represented by the tribal organization will be substantially in compliance with the provisions of title III relating to the furnishing of similar services; and

"(11) provide satisfactory assurance that fiscal control and fund accounting procedures will be adopted as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid under this part to the tribal organization, including any funds paid by the tribal organization to a recipient of a grant or contract.

"(b) For the purpose of any application submitted under this part, the tribal organization may develop its own population statistics, with certification from the Bureau of Indian Affairs, in order to establish eligibility.

"(c) The Commission shall approve any application which complies with the provisions of subsection (a).

"(d) Whenever the Commissioner determines not to approve an application submitted under subsection (a) the Commission shall—

"(1) state objections in writing to the tribal organization within 60 days after such decision;

"(2) provide to the extent practicable technical assistance to the tribal organization to overcome such stated objections; and

"(3) provide the tribal organization with a hearing, under such rules and regulations as the Commissioner may prescribe.

"(e) Whenever the Commissioner approves an application of a tribal organization under this part, funds shall be awarded for not less than 12 months.

"SURPLUS EDUCATIONAL FACILITIES

"SEC. 614. (a) Notwithstanding any other provision of law, the Secretary of the Interior through the Bureau of Indian Affairs shall make available surplus Indian educational facilities to tribal organizations, and nonprofit organizations with tribal approval, for use as multipurpose senior centers. Such centers may be altered so as to provide extended care facilities, community center facilities, nutrition services, child care services, and other supportive services.

"(b) Each eligible tribal organization desiring to take advantage of such surplus facilities shall submit an application to the Secretary of the Interior at such time and in such manner, and containing or accompanied by such information, as the Secretary of the Interior determines to be necessary to carry out the provisions of this section.

"PART B—HAWAIIAN NATIVES PROGRAM

"ELIGIBILITY

"SEC. 621. A public or nonprofit private organization having the capacity to provide services under this part for Hawaiian Natives is eligible for assistance under this part only if—

"(1) the organization will serve at least 50 individuals who have attained 60 years of age or older; and

"(2) the organization demonstrates the ability to deliver supportive services, including nutrition services.

"GRANTS AUTHORIZED

"SEC. 622. The Commissioner may make grants to public and nonprofit private organizations to pay all of the costs for the delivery of supportive services and nutrition services to older Hawaiian Natives.

"APPLICATION

"SEC. 623. (a) No grant may be made under this part unless the public or nonprofit private organization submits an application to the Commissioner which meets such criteria as the Commissioner may by regulation prescribe. Each such application shall—

"(1) provide that the organization will evaluate the need for supportive and nutrition services among older Hawaiian Natives to be represented by the organization;

"(2) provide for the use of such methods of administration as are necessary for the proper and efficient administration of the program to be assisted;

"(3) provide assurances that the organization will coordinate its activities with the State agency on aging;

"(4) provide that the organization will make such reports in such form and containing such information as the Commissioner may reasonably require, and comply with such requirements as the Commissioner may impose to ensure the correctness of such reports;

"(5) provide for periodic evaluation of activities and projects carried out under the application;

"(6) establish objectives, consistent with the purpose of this title, toward which activities described in the application will be directed, identify obstacles to the attainment of such objectives, and indicate the manner in which the organization proposes to overcome such obstacles;

"(7) provide for establishing and maintaining information and referral services to assure that older Hawaiian Natives to be served by the assistance made available under this part will have reasonably convenient access to such services;

"(8) provide a preference for Hawaiian Natives age 60 and older for full or part-time staff positions wherever feasible;

"(9) provide that any legal or ombudsman services made available to older Hawaiian Natives represented by the nonprofit private organization will be substantially in compliance with the provisions of title III relating to the furnishing and similar services; and

"(10) provide satisfactory assurances that the fiscal control and fund accounting procedures will be adopted as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid under this part to the nonprofit private organization, including any funds paid by the organization to a recipient of a grant or contract.

"(b) The Commissioner shall approve any application which complies with the provisions of subsection (a).

"(c) Whenever the Commissioner determines not to approve an application submitted under subsection (a) the Commissioner shall—

"(1) state objections in writing to the nonprofit private organization within 60 days after such decision;

"(2) provide to the extent practicable technical assistance to the nonprofit private organization to overcome such stated objections; and

"(3) provide the organization with a hearing under such rules and regulations as the Commissioner may prescribe.

"(d) Whenever the Commissioner approves an application of a nonprofit private or public organization under this part funds shall be awarded for not less than 12 months.

"DEFINITION

"SEC. 624. For the purpose of this part, the term 'Hawaiian Native' means any individual any of whose ancestors were natives of the area which consists of the Hawaiian Islands prior to 1778.

"PART C—GENERAL PROVISIONS

"ADMINISTRATION

"SEC. 631. In establishing regulations for the purpose of part A the Commissioner shall consult with the Secretary of the Interior.

"PAYMENTS

"SEC. 632. Payments may be made under this title (after necessary adjustments, in the case of grants, on account of previously made overpayments or underpayments) in advance or by way of reimbursement in such

installments and on such conditions, as the Commissioner may determine.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 633. (a) There are authorized to be appropriated $13,000,000 for the fiscal year 1988, $15,600,000 for the fiscal year 1989, $18,720,000 for the fiscal year 1990, $22,464,000 for the fiscal year 1991, and $26,956,800 for the fiscal year 1992 to carry out the provisions of this title other than section 614.

"(b) Whenever the amount appropriated for subsection (a) is equal to or more than 110 percent of the amount appropriated for this title in fiscal year 1987, not more than 10 percent of the amount appropriated for such fiscal year shall be available for part B.".

PART F—MISCELLANEOUS AND TECHNICAL AMENDMENTS

PERSONAL HEALTH EDUCATION AND TRAINING PROGRAMS

SEC. 181. Section 706(a) of the Act is amended to read as follows:

"(a) There are authorized to be appropriated to carry out this title, such sums as may be necessary for each of the fiscal years 1988 through 1992.".

TECHNICAL AMENDMENTS

SEC. 182. (a) Section 102(1) of the Act (42 U.S.C. 3002(1)) is amended by striking "other than for purposes of title V" and inserting "except that for purposes of title V such term means the Secretary of Labor".

(b)(1) Section 102 of the Act (42 U.S.C. 3002) is amended—

(A) in paragraph (3)—

(i) by striking "includes" and inserting "means any of the several States,", and

(ii) by striking "Puerto Rico" and inserting "the Commonwealth of Puerto Rico", and

(B) by adding at the end the following:

"(8) The term 'Trust Territory of the Pacific Islands' includes the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.".

(2) Section 302 of the Act (42 U.S.C. 3022), as amended by section 135(a), is amended—

(A) by striking paragraph (6), and

(B) by redesignating paragraphs (7) through (20) as paragraphs (6) through (19), respectively.

(3) Section 506(a)(4)(A) of the Act (42 U.S.C. 3056d(a)(4)(A)) is amended by striking "Puerto Rico" and inserting "the Commonwealth of Puerto Rico".

(4) Section 507 of the Act (42 U.S.C. 3056e) is amended—

(A) by striking paragraph (1), and

(B) by redesignating paragraphs (2), (3), and (4) as paragraphs (1), (2), and (3), respectively.

(c) Section 201(a) of the Act (42 U.S.C. 3011(a)) is amended by striking "his functions" and inserting "the functions of the Commissioner".

(d) Section 204(d)(3) of the Act (42 U.S.C. 3015(d)(3)) is amended by inserting "to" after "Secretary,".

(e)(1) Section 302 of the Act (42 U.S.C. 3022), as amended by subsection (b)(2) and sections 135 and 143, is amended by adding at the end the following:

"(23) The term 'greatest economic need' means the need resulting from an income level at or below the poverty levels established by the Office of Management and Budget.

"(24) The term 'greatest social need' means the need caused by noneconomic factors which include physical and mental disabilities, language barriers, and cultural, social, or geographical isolation including that caused by racial or ethnic status which restricts an individual's ability to perform normal daily tasks or which threatens such individual's capacity to live independently.".

(2) Section 305(d) of the Act (42 U.S.C. 3025(d)) is amended—

(A) by striking "(d)(1)" and inserting "(d)", and

(B) by striking paragraph (2).

(3) Section 306(a) of the Act (42 U.S.C. 3026(a)) is amended by striking the last sentence.

(f) Section 304(c) of the Act is amended to read as follows:

"(c) The provisions of section 307(d) shall apply to a State's failure to qualify under the State planning requirements of section 307.".

(g) Section 304(d)(1) of the Act (42 U.S.C. 3024(d)(1)) is amended in the matter preceding subparagraph (A) by inserting a comma after "section 308(b)".

(h) Section 305(a)(1)(E) of the Act (42 U.S.C. 3025(a)(1)(E)) is amended by striking "legal services" and inserting "legal assistance".

(i) Section 305(a)(2)(C) of the Act (42 U.S.C. 3025(a)(2)(C)) is amended by inserting "in accordance with subsection (d)" before the semicolon at the end.

(j) Section 306(a)(5)(B) of the Act (42 U.S.C. 3016(a)(5)(B)) is amended by inserting "and" at the end.

(k) Section 306(a)(6)(G) of the Act (42 U.S.C. 3026(a)(6)(G)), as amended by section 137(b), is amended by striking "and" at the end.

(l) Section 307(a) of the Act (42 U.S.C. 3027(a)) is amended—

(1) by striking "Each such plan shall—" and inserting "Each such plan shall comply with all of the following requirements:",

(2) in paragraph (1)—

(A) by inserting "The plan shall" after "(1)", and

(B) by striking the semicolon at the end and inserting a period,

(3) in paragraph (2)—

(A) by inserting "The plan shall" after "(2)", and

(B) by striking the semicolon at the end and inserting a period,

(4) in paragraph (3)—

(A) in subparagraph (A) by inserting "The plan shall" after "(3)(A)", and

(B) in subparagraph (B)—

(i) by inserting "The plan shall" after "(B)", and

(ii) by striking the semicolon at the end and inserting a period,

(5) in paragraph (4)—

(A) by inserting "The plan shall" after "(4)", and

(B) by striking the semicolon at the end and inserting a period,

(6) in paragraph (5)—

(A) by inserting "The plan shall" after "(5)", and

(B) by striking the semicolon at the end and inserting a period,

(7) in paragraph (6)—

(A) by inserting "The plan shall" after "(6)", and

(B) by striking the semicolon at the end and inserting a period,

(8) in paragraph (7)—

(A) by inserting "The plan shall" after "(7)", and

(B) by striking the semicolon at the end and inserting a period,

(9) in paragraph (8)—

(A) by inserting "The plan shall" after "(8)", and

(B) by striking the semicolon at the end and inserting a period,

(10) in paragraph (9)—

(A) by inserting "The plan shall" after "(9)", and

(B) by striking the semicolon at the end and inserting a period,

(11) in paragraph (10)—

(A) by inserting "The plan shall" after "(10)", and

(B) by striking the semicolon at the end and inserting a period,

(12) in paragraph (11)—

(A) by inserting "The plan shall" after "(11)", and

(B) by striking the semicolon at the end and inserting a period,

(13) in paragraph (13)—

(A) by inserting "The plan shall" after "(13)", and

(B) in subparagraph (I) by striking the semicolon at the end and inserting a period,

(14) in paragraph (14)—

(A) by inserting "The plan shall" after "(14)", and

(B) in subparagraph (E) by striking the semicolon at the end and inserting a period,

(15) in paragraph (15) by inserting "The plan shall" after "(15)",

(16) in paragraph (16)—

(A) by inserting "The plan shall" after "(16)", and

(B) in subparagraph (C) by striking the semicolon at the end and inserting a period,

(17) in paragraph (17)—

(A) by inserting "The plan shall" after "(17)", and

(B) by striking the semicolon at the end and inserting a period,

(18) in paragraph (18)—

(A) by inserting "The plan shall" after "(18)", and

(B) by striking the semicolon at the end and inserting a period,

(19) in paragraph (19)—

(A) by inserting "The plan shall" after "(19)", and

(B) by striking the semicolon at the end and inserting a period,

(20) in paragraph (20)—

(A) by inserting "The plan shall" after "(20)", and

(B) in subparagraph (B)(ii) by striking "; and" at the end and inserting a period, and

(21) in paragraph (21)—

(A) by inserting "The plan shall" after "(21)", and

(B) by striking "an amount equal to an amount".

(m) Section 308(b) of the Act (42 U.S.C. 3028(b)) is amended—

(1) by striking "(b)(1)(A)" and inserting "(b)(1)",

(2) in paragraph (1)—

(A) by striking "(i)" and inserting "(A)", and

(B) by striking "(ii)" the second place it appears and inserting "(B)",

(3) in paragraph (2)—

(A) by striking "(2)(A)" and inserting "(2)",

(B) by striking "(i)" and inserting "(A)", and

(C) by striking "(ii)" the second place it appears and inserting "(B)",

(4) in paragraph (3)(C) by striking "he" and inserting "the Commissioner",

(5) in subparagraphs (A) and (B) of paragraph (5) by striking "appropriated" each place it appears and inserting "allotted", and

(6) in paragraph (5)(B) beginning with the dash strike out all through the period and insert in lieu thereof: "not more than 30 per-

cent of the funds allotted for any fiscal year.".

(n) Section 321(a)(10) of the Act is amended by inserting "for" after "advocate".

(o) Section 337 of the Act (42 U.S.C. 3030g) is amended by striking "Association of Area Agencies on Aging" and inserting "National Association of Area Agencies on Aging".

(p) Section 507(2) of the Act is amended by striking out "the Bureau of Labor Statistics" and inserting in lieu thereof "the Office of Management and Budget".

PART G—CONSUMER PRICE INDEX FOR OLDER AMERICANS

INDEX AUTHORIZED

SEC. 191. The Secretary of Labor shall, through the Bureau of Labor Statistics, develop, from existing data sources, a reweighted index of consumer prices which reflects the expenditures for consumption by retired Americans aged 62 and over. The Secretary shall furnish to the Congress the index within 180 days after the date of enactment of this Act. The Secretary shall include with the index furnished a report which explains the characteristics of the reweighted index, the research necessary to develop and measure accurately the rate of inflation affecting older Americans, and provides estimates of time and cost required for additional activities necessary to carry out the objectives of this section.

TITLE II—1991 WHITE HOUSE CONFERENCE ON AGING

WHITE HOUSE CONFERENCE AUTHORIZED

SEC. 201. (a) FINDINGS.—The Congress finds that—

(1) the number of individuals 55 years of age or older was approximately 51,400,000 in 1986, and will, by the year 2040, be approximately 101,700,000;

(2) more than 1 of every 6 persons age 55 or older will be hospitalized during the next year;

(3) persons 55 years of age or older have a higher average out-of-pocket medical cost burden than younger persons; approximately 17 percent of individuals age 55 to 64 experience out-of-pocket costs in excess of 20 percent of their family income and the average per capita out-of-pocket cost of persons 65 years of age or older is expected to equal 18.5 percent of income by 1991;

(4) there is a great need to ensure access and the quality of affordable health care to all older individuals;

(5) the need for a comprehensive and responsive long-term care delivery system is great;

(6) the availability and cost of suitable housing, together with suitable services needed for independent or semi-independent living, still cause concern to older individuals;

(7) the ability to lead an independent or semi-independent life is contingent, in many cases, upon the availability of a comprehensive and effective social service system for older individuals;

(8) the availability and access to opportunities for continued productivity and employment is of great importance to middle-aged and older individuals who want or need to work;

(9) the fulfillment, dignity, and satisfaction of retirees still depend on the continuing development of a consistent national retirement policy;

(10) there is a continuing need to maintain and preserve the national policy with respect to increasing, coordinating, and expediting biomedical and other appropriate research directed at determining the causes and effects of the aging process;

(11) false stereotypes about aging and the process of aging continue to be prevalent throughout the United States and policies should be nurtured to overcome such stereotypes; and

(12) the talents and experience of older individuals represent a valuable community resource which should be developed and more widely shared within the local community.

(b) POLICY.—It is the policy of the Congress that—

(1) the Federal Government should work jointly with the States and their citizens to develop recommendations and plans for action to meet the challenges and needs of older individuals, consistent with the objectives of this section; and

(2) in developing programs for the aging pursuant to this section emphasis should be directed toward individual, private, and public initiatives and resources intended to enhance the economic security and self-sufficiency of elder Americans.

AUTHORIZATION OF THE CONFERENCE

SEC. 202. (a) AUTHORITY TO CALL CONFERENCE.—The President may call a White House Conference on Aging in 1991 in order to develop recommendations for additional research and action in the field of aging which will further the policy set forth in subsection (b).

(b) PLANNING AND DIRECTION.—The Conference shall be planned and conducted under the direction of the Secretary in cooperation with the Commissioner on Aging and the Director of the National Institute on Aging, and the heads of such other Federal departments and agencies as are appropriate. Such assistance may include the assignment of personnel.

(c) PURPOSE OF THE CONFERENCE.—The purpose of the Conference shall be—

(1) to increase the public awareness of the essential contributions of older individuals to society;

(2) to identify the problems of the older individuals;

(3) to develop recommendations for the coordination of Federal policy with State and local needs and the implementation of such recommendations;

(4) to examine the well-being of older individuals;

(5) to develop such specific and comprehensive recommendations for executive and legislative action as may be appropriate for maintaining and improving the well-being of older individuals; and

(6) to review the status of recommendations adopted at previous White House Conferences on Aging.

(d) CONFERENCE PARTICIPANTS AND DELEGATES.—

(1) PARTICIPANTS.—In order to carry out the purposes of this section, the Conference shall bring together—

(A) representatives of Federal, State, and local governments;

(B) professional and lay people who are working in the field of aging; and

(C) representatives of the general public, particularly older individuals.

(2) SELECTION OF DELEGATES.—The delegates shall be selected without regard to political affiliation or past partisan activity and shall, to the best of the appointing authority's ability, be representative of the spectrum of thought in the field of aging.

CONFERENCE ADMINISTRATION

SEC. 203. (a) ADMINISTRATION.—In administering this section, the Secretary shall—

(1) request the cooperation and assistance of the heads of such other Federal departments and agencies as may be appropriate in the carrying out of this section;

(2) furnish all reasonable assistance, including financial assistance, to State agencies on the aging and to area agencies on the aging, and to other appropriate organizations, to enable them to organize and conduct conferences in conjunction with the Conference;

(3) prepare and make available for public comment a proposed agenda for the Conference which will reflect to the greatest extent possible the major issues facing older individuals consistent with the provisions of subsection (a);

(4) prepare and make available background materials for the use of delegates to the Conference which the Secretary deems necessary; and

(5) engage such additional personnel as may be necessary to carry out the provisions of this section without regard to provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(b) DUTIES.—The Secretary shall, in carrying out the Secretary's responsibilities and functions under this section, assure that—

(1) the conferences under subsection (a)(2) will—

(A) include a conference on older Indians to identify conditions that adversely affect older Indians, to propose solutions to ameliorate such conditions, and to provide for the exchange of information relating to the delivery of services to older Indians, and

(B) be so conducted as to assure broad participation of older individuals;

(2) the proposed agenda for the Conference under subsection (a)(3) is published in the Federal Register not less than 180 days before the beginning of the Conference and the proposed agenda is open for public comment for a period of not less than 60 days;

(3) the final agenda for the Conference under subsection (a)(3), taking into consideration the comments received under paragraph (2), is published in the Federal Register and transmitted to the chief executive officers of the States not later than 30 days after the close of the public comment period provided for under paragraph (2);

(4) the personnel engaged under subsection (a)(5) shall be fairly balanced in terms of points of views represented and shall be appointed without regard to political affiliation or previous partisan activities;

(5) the recommendations of the Conference are not inappropriately influenced by any appointing authority or by any special interest, but will instead be the result of the independent judgment of the Conference; and

(6) current and adequate statistical data, including decennial census data, and other information on the well-being of older individuals in the United States are readily available, in advance of the Conference, to the delegates of the Conference, together with such information as may be necessary to evaluate Federal programs and policies relating to aging. In carrying out this subparagraph, the Secretary is authorized to make grants to, and enter into cooperative agreements with, public agencies and nonprofit private organizations.

CONFERENCE COMMITTEES

SEC. 204. (a) ADVISORY COMMITTEE.—The Secretary shall establish an advisory committee to the Conference which shall include representation from the Federal Council on

Aging and other public agencies and private nonprofit organizations as appropriate.

(b) OTHER COMMITTEES.—The Secretary may establish such other committees, including technical committees, as may be necessary to assist in the planning, conducting, and reviewing the Conference.

(c) COMPOSITION OF COMMITTEES.—Each such committee shall be composed of professionals and public members, and shall include individuals from low-income families and from minority groups. A majority of the public members of each such committee shall be 55 years of age or older.

(d) COMPENSATION.—Appointed members of any such committee (other than any officers of employees of the Federal Government), while attending conferences or meetings of the committee or otherwise serving at the request of the Secretary, shall be entitled to receive compensation at a rate to be fixed by the Secretary, but not to exceed the daily prescribed rate for GS-18 under section 5332 of title 5, United States Code (including travel time). While away from their homes or regular places of business, such members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized under section 5703 of such title for persons employed intermittently in Federal Government service.

REPORT OF THE CONFERENCE

SEC. 205. (a) PROPOSED REPORT.—A proposed report of the Conference, which shall include a statement of comprehensive coherent national policy on aging together with recommendations for the implementation of the policy, shall be published and submitted to the chief executive officers of the States not later than 60 days following the date on which the Conference is adjourned. The findings and recommendations included in the published proposed report shall be immediately available to the public.

(b) RESPONSE TO PROPOSED REPORT.—The chief executive officers of the States, after reviewing and soliciting recommendations and comments on the report of the Conference, shall submit to the Secretary, not later than 180 days after receiving the report, their views and findings on the recommendations of the Conference.

(c) FINAL REPORT.—The Secretary shall, after reviewing the views and recommendations of the chief executive officers of the States, prepare a final report of the Conference, which shall include a compilation of the actions of the chief executive officers of the States and take into consideration the views and findings of such officers.

(d) RECOMMENDATIONS OF SECRETARY.—The Secretary shall, within 90 days after submission of the views of the chief executive officers of the States, publish and transmit to the President and to the Congress recommendations for the administrative action and the legislation necessary to implement the recommendations contained within the report.

DEFINITIONS

SEC. 206. For the purposes of this title—

(1) the term "area agency on aging" means the agency designated under section 305(a)(2)(A) of the Act;

(2) the term "State agency on aging" means the State agency designated under section 305(a)(1) of the Act;

(3) the term "Secretary" means the Secretary of Health and Human Services;

(4) the term "Conference" means the White House Conference on Aging authorized in subsection (b); and

(5) the term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, or the Commonwealth of the Northern Mariana Islands.

AUTHORIZATION OF APPROPRIATIONS

SEC. 207. (a) AUTHORIZATION.—There are authorized to be appropriated such sums as may be necessary, for each of the fiscal years 1989, 1990, and 1991, to carry out this section. Sums appropriated under this paragraph shall remain available until the expiration of the 1-year period beginning on the date the Conference is adjourned. New spending authority or authority to enter into contracts as provided in this section shall be effective only to the extent and in such amounts as are provided in advance in appropriations Acts.

(b) RETURN OF UNEXPENDED FUNDS.—Any funds remaining upon the expiration of such 1-year period shall be returned to the Treasury of the United States and credited as miscellaneous receipts.

TITLE III—ALZHEIMER'S DISEASE RESEARCH

REQUIREMENT FOR CLINICAL TRIALS

SEC. 301. (a) GENERAL AUTHORITY.—(1) The Director of the National Institute on Aging shall provide for the conduct of clinical trials on the efficacy of the use of such promising therapeutic agents as have been or may be discovered and recommended for further scientific analysis by the National Institute on Aging and the Food and Drug Administration, like tetrahydroaminoacridine, to treat individuals with Alzheimer's disease, to retard the progression of symptoms of Alzheimer's disease, or to improve the functioning of individuals with such disease.

(2) Nothing in this title shall be construed to affect adversely any research being conducted as of the date of enactment of this Act.

(b) RULES FOR CONDUCT OF CLINICAL TRIALS.—The clinical trials required by subsection (a) shall be conducted for a period beginning on such date as the Director of the National Institute on Aging considers appropriate and ending on—

(1) September 30, 1990; or

(2) such date as such Director determines that such trials have provided sufficient data to determine the efficacy of the use of such drugs to treat individuals with Alzheimer's disease, to retard the progression of symptoms of Alzheimer's disease, or to improve the functioning of individuals with such disease,

whichever is earlier.

AUTHORIZATION OF APPROPRIATIONS

SEC. 302. There are authorized to be appropriated $2,000,000 for each of the fiscal years 1988, 1989, and 1990 to carry out this title.

TITLE IV—NATIONAL SCHOOL LUNCH ACT AMENDMENT

PARTICIPATION OF OLDER PERSONS AND CHRONICALLY IMPAIRED DISABLED PERSONS IN CHILD CARE FOOD PROGRAM

SEC. 401. Section 17 of the National School Lunch Act (42 U.S.C. 1766) is amended by adding at the end the following:

"(p)(1) For purposes of this section, adult day care centers shall be considered eligible institutions for reimbursement for meals or supplements served to persons 60 years of age or older or to chronically impaired disabled persons, including victims of Alzheimer's disease or other neurological and organic brain disorders of the Alzheimer's type. Reimbursement provided to such institutions for such purposes shall supplement, not supplant, funds provided for such purposes on the effective date of this subsection, unless the quality of meals or level of services provided is improved through participation in the program.

"(2) For purposes of this subsection—

"(A) the term 'adult day care center' means any public agency or private nonprofit organization, or any proprietary title XIX or title XX center, which—

"(i) is licensed or approved by Federal, State, or local authorities to provide adult day care services to chronically impaired disabled adults or persons 60 years of age or older in a group setting outside their homes on a less than 24-hour basis; and

"(ii) provides for such care and services directly or under arrangements made by the agency or organization whereby the agency or organization maintains professional management responsibility for all such services; and

"(B) the term 'proprietary title XIX or title XX center' means any private, for-profit center providing adult day care services for which it receives compensation from amounts granted to the States under title XIX or XX of the Social Security Act and which title XIX or title XX beneficiaries were not less than 25 per cent of enrolled eligible participants in a calendar month preceding initial application or annual reapplication for program participation.

"(3)(A) The Secretary of Agriculture, in consultation with the Commissioner on Aging, may establish separate guidelines for reimbursement of institutions described in this subsection.

"(B) The guidelines shall contain provisions designed to assure that reimbursement under this subsection shall not duplicate reimbursement under part C of title III of the Older Americans Act of 1965, for the same meal served.".

TITLE V—NATIVE AMERICAN PROGRAMS

SHORT TITLE

SEC. 501. This title may be cited as the "Native American Programs Amendments Act of 1987".

REVIEW OF APPLICATIONS FOR ASSISTANCE

SEC. 502. The Native American Programs Act of 1974 (42 U.S.C. 2991-2992d) is amended—

(1) in the first sentence of section 803(a) by inserting ", on a single year or multiyear basis," after "financial assistance",

(2) by redesignating sections 813 and 814 as sections 815 and 816, respectively,

(3) by redesignating sections 806 through 812, as sections 807 through 813, respectively, and

(4) by inserting after section 805 the following new section:

"PANEL REVIEW OF APPLICATIONS FOR ASSISTANCE

"SEC. 806. (a)(1) The Secretary shall establish a formal panel review process for purposes of—

"(A) evaluating applications for financial assistance under sections 803 and 805, and

"(B) determining the relative merits of the projects for which such assistance is requested.

"(2) Members of review panels established under paragraph (1) shall be appointed by the Secretary from among individuals who are not officers or employees of the Administration for Native Americans. In making appointments to such panels, the Secretary shall give preference to American Indians, Hawaiian Natives, and Alaskan Natives.

"(b) Each review panel established under subsection (a)(1) that reviews any application for financial assistance shall—

"(1) determine the merit of each project described in such application;

"(2) rank such application with respect to all other applications it reviews for the fiscal year involved, according to the relative merit of all of the projects that are described in such application and for which financial assistance is requested; and

"(3) submit to the Secretary a list that identifies all applications reviewed by such panel and arranges such applications according to rank determined under paragraph (2).

"(c) Upon the request of the chairman of the Select Committee on Indian Affairs of the Senate or of the chairman of the Committee on Education and Labor of the House of Representatives made with respect to any application for financial assistance under section 803 or 805, the Secretary shall transmit to the chairman written notice—

"(1) containing a copy of the list submitted to the Secretary under subsection (b)(3) in which such application is ranked;

"(2) specifying which other applications ranked in such list have been approved by the Secretary under sections 803 and 805; and

"(3) if the Secretary has not approved each application superior in merit, as indicated on such list, to the application with respect to which such notice is transmitted, containing a statement of the reasons relied upon by the Secretary for—

"(A) approving the application with respect to which such notice is transmitted; and

"(B) failing to approve each pending application that is superior in merit, as indicated on such list, to the application described in subparagraph (A).".

PROCEDURAL REQUIREMENTS

SEC. 503. (a) The Native American Programs Act of 1974 (42 U.S.C. 2991–2992d) is amended by inserting after section 813, as so redesignated by section 502, the following new section:

"ADDITIONAL REQUIREMENTS APPLICABLE TO RULE MAKING

"SEC. 814. (a) Notwithstanding subsection (a) of section 553 of title 5, United States Code, and except as otherwise provided in this section, such section 553 shall apply with respect to the establishment and general operation of any program that provides loans, grants, benefits, or contracts authorized by this title.

"(b) The exception provided in subparagraph (A) of the last sentence of section 553(b) of title 5, United States Code, shall not apply with respect to any rule (including any general statement of policy) that is—

"(1) proposed under this title;

"(2) applicable exclusively to any program, project, or activity authorized by, or carried out under, this title; or

"(3) applicable to the organization, procedure, or practice of an agency (as defined in section 551(1) of title 5, United States Code) and that would solely affect the administration of this title.

"(c) The exceptions provided by paragraphs (1) and (2) of section 553(d) of title 5, United States Code, shall not apply to any rule (or general statement of policy) that—

"(1) is issued to carry out this title;

"(2) applies exclusively to any program, project, or activity authorized by, or carried out under, this title; or

"(3) is applicable to the organization, procedure, or practice of an agency (as defined in section 551(1) of title 5, United States Code) and that will solely affect the administration of this title.

"(d) Each rule to which this section applies shall contain after each of its sections, paragraphs, or similar textual units a citation to the particular provision of statutory or other law that is the legal authority for such section, paragraph, or unit.

"(e) Except as provided in subsection (c), if as a result of the enactment of any law affecting the administration of this title it is necessary or appropriate for the Secretary to issue any rule, the Secretary shall issue such rule not later than 180 days after the date of the enactment of such law.

"(f) Whenever an agency publishes in the Federal Register a rule (including a general statement of policy) to which subsection (c) applies, such agency shall transmit a copy of such rule to the Select Committee on Indian Affairs of the Senate and to the Committee on Education and Labor of the House of Representatives.".

(b) Section 815 of the Native American Programs Act of 1974 (42 U.S.C. 2992c), as so redesignated by section 502, is amended—

(1) in paragraph (3) by striking out "and" at the end thereof,

(2) by redesignating paragraph (4) as paragraph (5), and

(3) by inserting after paragraph (3) the following new paragraph:

"(4) the term 'rule' has the meaning given it in section 551(4) of title 5, United States Code, as amended from time to time; and".

INCLUSION OF NATIVE AMERICAN PACIFIC ISLANDERS

SEC. 504. (a) Subsection (a) of section 803 of the Native American Programs Act of 1974 (42 U.S.C. 2991b(a)) is amended by inserting the following sentence after the first sentence thereof: "The Secretary is authorized, subject to the availability of funds appropriated under the authority of section 816(c), to provide financial assistance to public and nonprofit private agencies serving Native American Pacific Islanders (including American Samoan Natives) for projects pertaining to the purposes of this Act.".

(b)(1) Section 802 of the Native American Programs Act of 1974 (42 U.S.C. 2991a) is amended by inserting ", Native American Pacific Islanders (including American Samoan Natives)," after "Hawaiian Natives".

(2) Paragraph (2) of section 806(a) of the Native American Programs Act, as added by section 502(4) of this Act, is amended by inserting "Native American Pacific Islanders (including American Samoan Natives)," after "Hawaiian Natives,".

(3) Section 808 of the Native American Programs Act of 1974 (42 U.S.C. 2991f), as redesignated by section 502, is amended by inserting "or Territory" after "State" each place it appears.

AUTHORIZATION OF APPROPRIATIONS

SEC. 505. Section 816 of the Native American Programs Act of 1974 (42 U.S.C. 2992d(a)), as redesignated by section 502 of this Act, is amended—

(1) by striking out "1979 through 1986" in subsection (a) and inserting in lieu thereof "1987, 1988, 1989, 1990, and 1991", and

(2) by adding at the end thereof the following new subsection:

"(c) There are authorized to be appropriated $500,000 for each of the fiscal years 1987, 1988, 1989, 1990, and 1991 for the purpose of providing financial assistance to Native American Pacific Islanders (including American Samoan Natives) under section 803(a).".

REVOLVING LOAN FUND FOR NATIVE HAWAIIANS

SEC. 506. The Native American Programs Act of 1974 (42 U.S.C. 2991) is amended by inserting immediately after section 803 the following new section:

"LOAN FUND; DEMONSTRATION PROJECT

"SEC. 803A. (a)(1) In order to provide funding that is not available from private sources, the Secretary, acting through an appropriate State agency, or a community-based Native Hawaiian organization whose purpose is economic and social self-sufficiency, shall establish and carry out, in the State of Hawaii, a 60-month demonstration project involving the establishment of a revolving loan fund—

"(A) from which the Secretary, acting through such agency or community-based Native Hawaiian organization, shall make loans to Native Hawaiian organizations and to individual Native Hawaiians for the purpose of promoting economic development,

"(B) into which all payments, interest, charges, and other amounts collected from loans made under subparagraph (A) shall, notwithstanding any other provision of law, be deposited.

"(2) The Secretary may make loans under paragraph (1)(A) only if the Secretary determines that—

"(A) the borrower is unable to obtain financing from other sources on reasonable terms and conditions, and

"(B) there is a reasonable prospect that the borrower will be able to repay the loan.

"(3)(A) Loans made under paragraph (1)(A) shall be—

"(i) for a term that does not exceed 5 years, and

"(ii) at a rate of interest determined by the Secretary of the Treasury on the basis of the market yield on municipal bonds at the time the loan is made.

"(B) Notwithstanding subparagraph (A)(ii), the rate of interest on loans made under paragraph (1)(A) shall not exceed the average yield on marketable obligations of the United States of comparable maturity that are outstanding at the time the loan is made.

"(4) The Secretary is authorized to require any borrower of a loan under paragraph (1)(A) to provide such collateral as the Secretary determines to be necessary to secure the loan.

"(5)(A) The Secretary may cancel, adjust, compromise, or reduce the amount of any loan made under paragraph (1)(A), or release or subordinate any collateral securing payment of such amount, if the Secretary determines that—

"(i) such amount is uncollectable or collectable only at an unreasonable cost, or

"(ii) such action would be in the best interests of the United States.

"(6) The Secretary, out of funds available in the revolving loan fund established under paragraph (1), shall—

"(A) pay expenses incurred by the Secretary in administering the revolving loan fund, and

"(B) provide competent management and technical assistance to borrowers for loans made under paragraph (1)(A) to assist the borrower in meeting the objectives of the loan.

"(7) The Secretary, in consultation with such State agency or community-based Native Hawaiian organization, shall prescribe regulations which set forth the procedures and criteria to be used in making loans under paragraph (1)(A). The Secretary

is authorized to prescribe such other regulations as may be necessary to carry out the purposes of this subsection, including regulations involving reporting and auditing.

"(8) No loan shall be made from the fund upon the expiration of the 60-month period following the date of the enactment of this Act.

"(9)(A) Notwithstanding any other provision of this Act, there is authorized to be appropriated to the fund established pursuant to this section the sum of $3,000,000, to remain available until expended.

"(B) Moneys in the fund shall be available for expenditure by the Secretary without fiscal year limitation for the purpose of carrying out the provisions of this title.

"(10) All moneys in the fund following the termination of the demonstration project under this section, not otherwise needed, as determined by the Secretary, to carry out this section, shall be deposited in the Treasury of the United States as miscellaneous receipts. All amounts thereafter deposited in the fund pursuant to subsection (a)(1)(B) of this section following such termination shall be transferred to the Treasury as miscellaneous receipts.

"(b) On or before the expiration of the 48-month period following the date of the enactment of this section, the Secretary, in consultation with the State agency or contracting community-based Native Hawaiian organization referred to in paragraph (1) of subsection (a) of this section, shall report to the Congress concerning the administration of this section, together with the views and recommendations of the Secretary as to the effectiveness of the demonstration program, and whether it should be expanded to other groups eligible for assistance under this section, and extended.".

EFFECTIVE DATE

SEC. 507. Notwithstanding the provisions of section 401 of this Act, the amendment made by section 506 of this Act shall take effect upon the expiration of the 90-day period following the date of the enactment of this Act.

TITLE VI—HEALTH CARE SERVICES IN THE HOME

SHORT TITLE

SEC. 601. This title may be cited as the "Health Care Services in the Home Act of 1987".

PROGRAM AUTHORIZED

SEC. 602. (a) IN GENERAL.—Part A of title XIX of the Public Health Service Act is amended by adding at the end thereof the following:

"SUBPART 2—HEALTH CARE SERVICES IN THE HOME

"AUTHORIZATIONS OF APPROPRIATIONS

"SEC. 1910C. For the purpose of allotments to States to carry out the activities described in section 1910F, there are authorized to be appropriated $100,000,000 for fiscal year 1988, $100,000,000 for fiscal year 1989, and $100,000,000 for fiscal year 1990.

"ALLOTMENTS

"SEC. 1910D. (a)(1) Except as provided in paragraph (2), the Secretary shall allot to each State for each fiscal year from the amounts appropriated under section 1910C for such fiscal year an amount equal to the product of—

"(A) the population of the State, multiplied by

"(B) the relative per capita income of the State.

For purposes of subparagraph (B), the term 'relative per capita income' has the same meaning as in the last sentence of section 1913(a)(1).

"(2) Notwithstanding paragraph (1)—

"(A) the total amount of the allotment for each of the several States, the District of Columbia, and Puerto Rico for each fiscal year shall not be less than one-half of 1 percent of the total amount appropriated under section 1910C for such fiscal year;

"(B) the total amount of the allotment for each of the Virgin Islands, Guam, and the Trust Territory of the Pacific Islands for each fiscal year shall not be less than one-fourth of 1 percent of the total amount appropriated under section 1910C for such fiscal year; and

"(C) the total amount of the allotment for each of American Samoa and the Commonwealth of the Northern Mariana Islands for each fiscal year shall not be less than one-sixteenth of 1 percent of the total amount appropriated under section 1910C for such fiscal year.

"(b) To the extent that all the funds appropriated under section 1910C for a fiscal year and available for allotment in such fiscal year are not otherwise allotted to States because—

"(1) one or more States have not submitted an application or description of activities in accordance with section 1910G for such fiscal year;

"(2) one or more States have notified the Secretary that they do not intend to use the full amount of their allotment; or

"(3) some State allotments are offset or repaid under section 1906(b)(3) (as such section applies to this subpart pursuant to section 1910G(d)),

such excess shall be allotted among each of the remaining States in proportion to the amount otherwise allotted to such States for such fiscal year without regard to this subsection.

"(c)(1) If the Secretary—

"(A) receives a request from the governing body of an Indian tribe or tribal organization within any State that funds under this subpart be provided directly by the Secretary to such tribe or organization, and

"(B) determines that the members of such tribe or tribal organization would be better served by means of grants made directly by the Secretary under this subpart,

the Secretary shall reserve from amounts which would otherwise be allotted to such State under subsection (a) for a fiscal year the amount determined under paragraph (2).

"(2) The Secretary shall reserve for the purpose of paragraph (1) from amounts that would otherwise be allotted to such State under subsection (a) an amount equal to the amount which bears the same ratio to the State's allotment for the fiscal year involved under subsection (a) as the population of the Indian tribe or tribal organization bears to the population of the State.

"(3) The amount reserved by the Secretary on the basis of a determination under this subsection shall be granted to the Indian tribe or tribal organization serving the individuals for whom such a determination has been made.

"(4) In order for an Indian tribe or tribal organization to be eligible for a grant for a fiscal year under this subsection, it shall submit to the Secretary a plan for such fiscal year which meets such criteria as the Secretary may prescribe.

"PAYMENTS UNDER ALLOTMENTS TO STATES

"SEC. 1910E. (a) For each fiscal year, the Secretary shall make payments, as provided by section 6503(a) of title 31, United States Code, to each State from its allotment under section 1910D (other than any amount reserved under subsection (c) of such section) from amounts appropriated for that fiscal year.

"(b) Any amount paid to a State for a fiscal year and remaining unobligated at the end of such year shall remain available for the next fiscal year to such State for the purposes for which it was made.

"USE OF ALLOTMENTS

"SEC. 1910F. (a)(1) Except as provided in subsections (b), (c), and (d), amounts paid to a State under section 1910E from its allotment under section 1910D for any fiscal year may be used to provide health care services in the home for eligible individuals. Such amounts may be used to—

"(A) pay compensation for the services of physicians, nurses, and social workers who plan, manage or provide or arrange for the provision of, health care services in the home for eligible individuals;

"(B) identify and locate eligible individuals needing the provision of health care services in the home;

"(C) develop proper standards and quality assurance mechanisms for the provision of health care services in the home for eligible individuals;

"(D) coordinate health care services provided in the home for eligible individuals under this subpart with other supportive social services provided for such individuals;

"(E) coordinate other long-term care services provided for eligible individuals by public and private institutions and voluntary organizations in order to ensure the provision of such services and to maximize the use of funds provided under this subpart and under other Federal laws; and

"(F) provide training to health professionals (other than physicians, nurses, and social workers), particularly training for health professionals who work within hospitals to educate individuals who may benefit from the provision of health care services in the home, and training in advanced discharge planning.

"(2) A State may use amounts paid to it under section 1910E to provide health care services in the home for eligible individuals through grants to health care organizations. In making such grants, a State shall give priority to home care programs, including home care programs based in hospitals. As a condition of receipt of a grant under this paragraph, a State shall require a health care organization to use amounts provided under such grant only for the provision of health care services in the home for eligible individuals.

"(b) Of the total amount paid to a State under section 1910E for a fiscal year—

"(1) at least 85 percent of such total amount shall, in the case of fiscal year 1988, be used by the State to pay compensation under subsection (a)(1)(A);

"(2) not more than 10 percent of such total amount may, in the case of fiscal year 1988, be used by the State for activities under this subpart other than the payment of compensation under subsection (a)(1)(A); and

"(3) not more than 5 percent may, in the case of a fiscal year beginning after September 30, 1988, be used by the State for activities under this subpart other than the payment of compensation under subsection (a)(1)(A).

"(c) Not more than $2,500 per year may be used by a State, with respect to any eligible individual, to pay compensation for the

services of physicians, nurses, and social workers under subsection (a)(1)(A).

"(d) A State may not use amounts paid to it under section 1910E to—

"(1) provide inpatient services, except services involving advanced discharge planning;

"(2) make cash payments to intended recipients of services;

"(3) purchase or improve land, purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or purchase major medical equipment;

"(4) satisfy and requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds;

"(5) provide services under this subpart to an individual if the total cost to the Federal Government of providing such services would exceed the total cost of institutionalization of such individual;

"(6) provide reimbursement for services performed by any individual other than a physician, nurse, or social worker; or

"(7) provide supportive social services for which planning and management is conducted under subsection (a)(1)(D).

"(e) The Secretary, if requested by a State, shall provide technical assistance to the State in planning and operating activities to be carried out under this subpart.

"APPLICATION AND DESCRIPTION OF ACTIVITIES; REQUIREMENTS

"SEC. 1910G. (a)(1) In order to receive an allotment for a fiscal year under section 1910D, each State shall submit an application to the Secretary. Each such application shall be in such form and submitted by such date as the Secretary shall require.

"(2) Each application required under paragraph (1) for an allotment under section 1910D for a fiscal year shall contain assurances that the State will meet the requirements of subsection (b).

"(b) As part of the annual application required by subsection (a) for an allotment for any fiscal year, the chief executive officer of each State shall—

"(1) certify that the State agrees to use the funds allotted to it under section 1910D in accordance with the requirements of this subpart;

"(2) provide assurances that such chief executive officer will designate or establish a State agency to administer funds provided under this subpart;

"(3) certify that the State will coordinate the provision of health care services in the home with funds provided under this subpart with activities conducted to provide such services by voluntary, religious, and community organizations and local governments;

"(4) provide assurances that the State will make reasonable efforts to provide health care services in the home under this subpart through home care programs in the State, including home care programs based in hospitals; and

"(5) provide assurances that the State will, to the maximum extent feasible, provide health care services in the home under this subpart to individuals who are low income individuals and who are not receiving equivalent home health care services under the State's medicaid plan approved under title XIX of the Social Security Act.

"(c) The chief executive officer of a State shall, as part of the application required by subsection (a) for any fiscal year, also prepare and furnish the Secretary (in accordance with such form as the Secretary shall provide) with a description of the intended use of the payments the State will receive under section 1910E for the fiscal year for which the application is submitted, including information on the programs and activities to be supported and services to be provided. The description shall be made public within the State in such manner as to facilitate comment from any person (including any Federal or other public agency) during development of the description and after its transmittal. The description shall be revised (consistent with this section) throughout the year as may be necessary to reflect substantial changes in the programs and activities assisted by the State under this subpart, and any revision shall be subject to the requirements of the preceding sentence.

"(d) Except where inconsistent with the provisions of this subpart, the provisions of section 1903(b), section 1906(a), paragraphs (1) through (5) of section 1906(b), and sections 1907, 1908, and 1909 shall apply to this subpart in the same manner as such provisions apply to subpart 1 of this part.

"(e) Each report submitted by a State to the Secretary under section 1906(a)(1) (as such section applies to this subpart pursuant to subsection (d) of this section) shall include an analysis of the cost effectiveness of providing health care services in the home for eligible individuals under this subpart.

"EVALUATIONS

"SEC. 1910H. The Secretary shall conduct, or arrange for the conduct of, evaluations of services provided and activities carried out with payments to States under this subpart.

"DEFINITIONS

"SEC. 1910I. For purposes of this subpart—

"(1) The term 'eligible individual' means an individual who—

"(A) resides at home and is at risk of institutionalization because of medical limitations on the ability of such individual to function independently;

"(B) is a patient in a hospital who is at risk of prolonged hospitalization, and who could be cared for in a long-term care institution or who could return to the community if health care services in the home are available; or

"(C) is a patient in a skilled nursing facility or an intermediate care facility who could return to the community if health care services in the home are available.

"(2) The terms 'Indian tribe' and 'tribal organization' have the same meaning given such terms in section 4(b) and section 4(c) of the Indian Self-Determination and Education Assistance Act.".

(b) TECHNICAL AMENDMENTS.—Such part is further amended—

(1) by striking out the heading of such part and inserting in lieu thereof the following:

"PART A—PREVENTIVE HEALTH SERVICES, HEALTH SERVICES, AND HEALTH SERVICES IN THE HOME";

(2) by inserting after the heading of such part the following:

"Subpart 1—Preventive Health and Health Services"; and

(3) by striking out "this part" and inserting in lieu thereof "this subpart" each place it appears in sections 1902(d)(1)(A), 1902(d)(1)(B), 1904(a)(1), 1904(a)(3), 1904(b), 1905(c)(1), 1905(c)(3), 1905(c)(2), 1905(c)(4), 1905(c)(6), and 1905(d).

EFFECTIVE DATE

SEC. 603. This title and the amendments made by this title shall take effect on October 1, 1988.

TITLE VII—GENERAL PROVISIONS

EFFECTIVE DATE; APPLICATION OF AMENDMENTS

SEC. 701. (a) EFFECTIVE DATE.—Except as provided in subsection (b), this Act and the amendments made by this Act shall take effect on October 1, 1987.

(b) APPLICATION OF AMENDMENTS.—The amendments made by title I of this Act shall not apply with respect to—

(1) any area plan submitted under section 306(a) of the Older Americans Act of 1965, or

(2) any State plan submitted under section 307(a) of such Act,

and approved for any fiscal year beginning before the date of the enactment of this Act.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MATSUNAGA. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, I ask unanimous consent to proceed for 2 minutes, if we may have order.

Mr. MATSUNAGA. Mr. President, the Senate is not in order.

The PRESIDING OFFICER. Senators will please clear the well. The Senate will be in order.

The majority leader is recognized.

Mr. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Mr. BYRD. Mr. President, there will shortly be another rollcall vote, and I am sure that some Senators who are talking right now will ask later what is going to happen later in the day and tomorrow.

May we have order, so that we might answer the question once?

The PRESIDING OFFICER. The Senate will be in order.

Mr. BYRD. Mr. President, it is my understanding that the conferees on the debt limit extension are making progress. They are continuing to work.

As I have indicated all along, the Senate might have to be in session on Saturday. This being late Thursday, I thought we should renew that indication, so that Senators would schedule their own daily programs accordingly.

I hope we can complete action on this debt limit by Saturday. Otherwise, there will have to be another extension, or the August break will suffer an erosion.

So I would urge all conferees to proceed as they have been doing. They are working hard. But I think that other Senators ought to know that there is a fairly good prospect that action will be taken on that debt limit, if not tomorrow, then on Saturday. I have heard that the House is putting out the same word and that there is a good indication over there that House Members might have to stay around

Saturday to vote on the debt limit extension.

Does the distinguished Republican leader have anything he wishes to add?

Mr. DOLE. I inquire of the distinguished majority leader: After the vote on the McPherson nomination, is it the intention of the majority leader to wait to see if there might be some final conference action? Are there any plans for additional votes after the next vote?

Mr. BYRD. Mr. President, I have conferred with the distinguished Senator from Texas, Mr. Bentsen. There is no indication from him that the Senate will be acting this evening on the debt limit extension. It will go back to the House first. There are still some problems to be resolved in the conference; and I think it would be well, inasmuch as there are no more rollcall votes today, to free the conferees to talk among themselves.

I thank all Senators for their patience and courtesy. I thought this might be the best opportunity, while we had a great number of Senators on the floor, to renew to them the indications that there very likely will be a Saturday session. If it requires a Saturday session to complete action on the debt limit extension, there will be a Saturday session; and if it means that we will have to be in session on Monday in order to complete it and then go out for the break, there will be a Monday session.

I hope we will be able to continue on tomorrow to do the business of the Senate and make progress. We have made considerable progress in the last day or so, perhaps to the surprise of some Senators. I think there were over 20 bills passed yesterday, and these have taken a good many hours and days on the part of our floor staffs.

The next rollcall vote will be on the nomination of Mr. McPherson, and that will be the last rollcall vote today.

The Senate will come in at 8 o'clock a.m. for morning business, and Senators who have morning business can be ready early to make their speeches and transact morning business.

EXECUTIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now go into executive session to vote on the nomination of M. Peter McPherson.

The clerk will report the nomination.

DEPARTMENT OF THE TREASURY

The assistant legislative clerk read the nomination of M. Peter McPherson, of Virginia, to be Deputy Secretary of the Treasury.

Mr. BENTSEN. Mr. President, I rise in support of the nomination of Peter McPherson to be Deputy Secretary of the Treasury.

Let me report to the Senate the procedures taken by the Committee on Finance to report this nomination to the full Senate.

First, Mr. McPherson was appointed on April 22 of this year. The appointment would fill a vacancy created by the April 10 resignation of Richard Darman.

Following receipt of the nominee's answers to our standard committee questionnaire, the committee held a hearing on the nomination on May 20. Following that hearing, the nominee provided responses to written questons submitted by several committee members.

On June 16, the committee met off the Senate floor following a rollcall vote, and approved the nomination by voice vote. However, a request for unanimous consent to authorize that afternoon meeting was denied.

Accordingly, the nomination was returned to the committee for further action. In a morning session on Wednesday, August 5, the committee again approved the nomination by voice vote. This meeting took place in the morning, prior to the beginning of the Senate session; accordingly, this action of the committee is fully authorized by the rules of the Senate.

Mr. President, Secretary Baker has had to operate without a deputy for almost 4 months. Mr. McPherson is a qualified nominee with a long history of valuable public service, and I urge the Senate to confirm his nomination so that he can begin his work in this important position.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of M. Peter McPherson, of Virginia, to be Deputy Secretary of the Treasury? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Tennessee [Mr. Gore] and the Senator from Illinois [Mr. Simon] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from Oregon [Mr. Hatfield] is necessarily absent.

The PRESIDING OFFICER (Mr. Reid). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 95, nays 2, as follows:

[Rollcall Vote No. 230 Ex.]

YEAS—95

Adams
Armstrong
Baucus
Bentsen
Biden
Bingaman
Bond
Boren
Boschwitz
Breaux
Bumpers
Burdick
Byrd
Chafee
Chiles
Cochran
Cohen
Conrad
Cranston
D'Amato
Danforth
Daschle
DeConcini
Dixon
Dodd
Dole
Domenici
Durenberger
Evans
Exon
Ford
Fowler
Garn
Glenn
Graham
Gramm
Grassley
Harkin
Hatch
Hecht
Heflin
Heinz
Hollings
Humphrey
Inouye
Johnston
Karnes
Kassebaum
Kasten
Kennedy
Kerry
Lautenberg
Leahy
Levin
Lugar
Matsunaga
McCain
McClure
McConnell
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Murkowski
Nickles
Nunn
Packwood
Pell
Pressler
Proxmire
Pryor
Quayle
Reid
Riegle
Rockefeller
Roth
Rudman
Sanford
Sarbanes
Sasser
Shelby
Simpson
Specter
Stafford
Stennis
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Weicker
Wilson
Wirth

NAYS—2

Bradley
Helms

NOT VOTING—3

Gore
Hatfield
Simon

So the nomination was confirmed.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOMINATION OF MELISSA WELLS

Mr. BYRD. Mr. President, if the Chair will indulge me momentarily.

Mr. President, while the Senate is in executive session, I have discussed with the distinguished Senator from North Carolina [Mr. Helms] the cloture motion that I want to send to the desk on the nomination of Melissa Wells.

I do not want the vote on this cloture motion until the day the Senate returns following the holiday.

I think there may be a good chance that the Senate will still be in session Saturday on the debt limit extension. I would not want to vote on the cloture motion on Saturday. But if the Senate completes its business tomorrow on the debt limit and we go out, the Senate would then be in position to vote on the cloture motion when we return, and the distinguished Senator from North Carolina has very kindly and graciously suggested that I ask unanimous consent that the vote occur on Wednesday when the Senate comes back following the recess; if the Senate is indeed in session on this coming Saturday, that vote would not occur on this Saturday.

I thank the able Senator, Mr. Helms, for his courtesy in that regard.

So, Mr. President, before I send a cloture motion to the desk, I ask unanimous consent that the vote on the cloture motion occur on the first day of the return of the Senate following the recess.

Mr. President, I ask unanimous consent that even though the Senate is not presently on the nomination of Melissa Wells, I be permitted to offer the cloture motion thereon notwithstanding, and that notwithstanding the requirements of rule XXII, the vote occur on the first day of the return of the Senate following the break. It will occur on that day in the event the Senate is not in this Saturday. But if the Senate is in Saturday in any event, then rule XXII would be waived to that extent and that the Senate would not vote on the cloture motion until Wednesday, September 9.

The PRESIDING OFFICER. Is there objection to the majority leader's request?

Without objection, it is so ordered.

Mr. BYRD. Mr. President, I thank the distinguished Senator from North Carolina, Mr. Helms.

CLOTURE MOTION

Mr. BYRD. Mr. President, I send to the desk a cloture motion.

The PRESIDING OFFICER. The clerk will report the cloture motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the nomination of Melissa Foelsch Wells, of New York, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the People's Republic of Mozambique.

Senators Wyche Fowler, Jr., Tom Daschle, Dennis DeConcini, David Boren, Frank Lautenberg, Jeff Bingaman, Howard M. Metzenbaum, Timothy Wirth, Wendell Ford, Christopher Dodd, Spark Matsunaga, Jim Sasser, J.J. Exon, John F. Kerry, Kent Conrad, and Claiborne Pell.

Mr. BYRD. Mr. President, again I thank the able Senator from North Carolina, Mr. Helms.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, I should ask the distinguished Republican leader if he would feel that overnight it might be possible to call upon tomorrow the prompt payment bill, the State Department authorization bill, and the catastrophic illness bill.

Mr. DOLE. If the majority leader will yield, as I understand there is one holdout on this side on prompt payment. Everything else has been resolved. As the majority leader knows, earlier there was a suggestion that that Senator would agree that it be brought upon September 10, but as you indicated quite properly there might be 10 other things they want to bring up on September 10.

There is still some discussion going on between the Senator on your side and the Senator on my side.

The reference to the State Department authorization, I guess there is still discussion between two Senators on this side, one Senator wanting to bring the bill up, trying to urge the other Senator to remove his hold.

If that were done that could be brought up for, as I understand it, two amendments. Then it would go back on the calendar—one relating to Cuba, one relating to Panama.

I think that discussion is to take place between the Senator from New York, Senator D'Amato, and the Senator from Utah, Senator Garn.

On the catastrophic, I just have too many. We were down to one, now it is back up to three.

Mr. BYRD. Well, I thank my colleague.

Mr. DOLE. We will do what we can to find some other business if we are going to be waiting tomorrow for the conference report, hopefully. There are probably other things that may be disposed of.

I know there is at least one AIDS bill we are trying to get some agreement on.

Mr. BYRD. I thank the Republican leader for his very conscientious and sincere efforts to be helpful. He has been helpful in securing clearance of a good many bills on yesterday and today.

I think I should say in all sobriety and seriousness to Senators who may be holding up measures thinking that by waiting until after the break that they may be able to resolve an amendment here or there, they are taking a chance. They are running a risk that the legislation will not be called up at all this year because as soon as we get back I am going to talk to the Republican leader and we are going to take a good look and decide on what measures we think this Senate can dispose of. There may be one or two or three that the distinguished Republican leader and I cannot agree on, by virtue of problems on our respectives sides, in which case we may just have to go at it and try for cloture.

I hope there will not even be bills of that kind, but if there are, that is in the normal course of things. We can expect those moments to come.

But other than those, I want to see if the Republican leader and I cannot sit down and agree that there are certain measures we are going to try to pass. Appropriation bills, for example. And some others. We will go at them and we are going to try to get those done.

If it is October, mid-October, or the end of October, or mid-November, whatever it is, that is it.

When those are done, we are going out. We are going out.

So a lot of the little bills that have been on this calendar for 2 months, 2½ months or longer, have had plenty of time to be worked out. Those bills may still be on the calendar next year when we return.

Senators who are holding up these bills run the risk of bearing the onus for not having action taken on them.

Let me ask the distinguished acting Republican leader, Mr. Wilson, if the nomination of Sherman M. Funk, of Maryland, to be inspector general, Department of State, Calendar Order No. 245, page 2 of the Executive Calendar, has been cleared.

Mr WILSON. Yes, it has, Mr. President, there is no objection on the Republican side.

DEPARTMENT OF STATE

Mr. BYRD. Mr. President, I thank the acting leader. I ask unanimous consent that the Senate proceed to the consideration of Sherman M. Funk.

The PRESIDING OFFICER. Without objection, it is so ordered.

The legislative clerk read the nomination of Sherman M. Funk, of Maryland, to be inspector general, Department of State.

The Senate proceeded to consider the nomination.

The PRESIDING OFFICER. Is there further debate on the nomination? If not, the question is on the nomination.

The nomination was confirmed.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. WILSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE CALENDAR

Mr. BYRD. Mr. President, I inquire of the acting leader if the following nominees have been cleared on his side of the aisle.

The following nominations under Air Force: Calendar No. 291; on page 5, Calendar Order No. 293 and Calendar Order No. 294; and on page 7, under Navy, Calendar Order No. 303; and Calendar Order No. 303 on page 8.

On page 9, under Postal Rate Commission, Calendar Order No. 315; under Fededral Labor Relations Authority, Calendar 316; under National Science Foundation, Calendar 319; under National Council on Educational Research and Improvement, page 10, Calender Order No. 320; and under National Advisory Council on Educational Research and Improvement, Calendar Order No. 321.

Mr. **WILSON**. Mr. President, all of the nominations read by the majority leader have been cleared on the Republican side.

Mr. **BYRD**. Mr. President, I thank the distinguished Senator.

Mr. President, I ask unanimous consent that all the nominations enumerated be considered en bloc and confirmed en bloc; a motion to reconsider be laid on the table; the President to be immediately notified that all nominations have been confirmed today; and that the Senate return to legislative session.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

In the Air Force

The following-named officer for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 1370:

Lt. Gen. Philip C. Gast, [redacted]FR, U.S Air Force.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Hansford T. Johnson, [redacted]FR, U.S. Air Force.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be reassigned in his current grade to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Lt. Gen. Harry A. Goodall, [redacted]FR, U.S. Air Force.

In the Navy

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370.

To be vice admiral

Vice Adm. James E. Service, [redacted] 1310, U.S. Navy.

Postal Rate Commission

John W. Crutcher, of Kansas, to be a commissioner of the Postal Rate Commission for the term expiring October 16, 1992, reappointment.

Federal Labor Relations Authority

Jerry Lee Calhoun, of Washington, to be a member of the Federal Labor Relations Authority for a term of 5 years expiring July 29, 1992, reappointment.

National Science Foundation

Kenneth Leon Nordtvedt, Jr., of Montana, to be a member of the National Science Board, National Science Foundation, for the remainder of the term expiring May 10, 1990, vice Simon Ramo, resigned.

National Council on Educational Research and Improvement

James L. Usry, of New Jersey, to be a member of the National Council on Educational Research and improvement for a term expiring September 30, 1989, vice J. Floyd Hall, term expired.

National Advisory Council on Educational Research and Improvement

Ruth Reeve Jenson, of Arizona, to be a member of the National Advisory Council on Educational Research and Improvement for the term expiring September 30, 1989, vice Donna Helene Hearne, resigned.

LEGISLATIVE SESSION

The **PRESIDING OFFICER**. Under the previous order, the Senate will now return to legislative session.

BILL INDEFINITELY POSTPONED—S. 887

Mr. **BYRD**. Mr. President, I ask unanimous consent that S. 887 be indefinitely postponed.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

THE CALENDAR

Mr. **BYRD**. Mr. President, I inquire of the acting Republican leader, have the following Calendar Order Nos. 272, 275, 277, and 282 been cleared on the Republican side?

Mr. **WILSON**. Mr. President, they have been cleared.

Mr. **BYRD**. Mr. President, I ask unanimous consent that the calendar orders which I have read be considered en bloc and that where amendments to measures or to preambles are shown they be considered and agreed to, and that the measures be agreed to en bloc, that a motion to reconsider en bloc be laid on the table.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

SETTLEMENT OF INDIAN LAND CLAIMS IN GAY HEAD, MA

The Senate proceeded to consider the bill (H.R. 2855) to settle Indian land claims in the town of Gay Head, MA, and for other purposes.

Mr. **KENNEDY**. Mr. President, I rise in support of H.R. 2855, the Wampanoag Tribal Council of Gay Head, Inc., Indian Claims Settlement Act of 1987 and ask for its immediate consideration.

This bill is the culmination of nearly 15 years of negotiation between the Wampanoag Tribal Council of Gay Head, Inc., the Town of Gay Head, the Gay Head Taxpayers Association and the Commonwealth of Massachusetts.

It will extinguish a claim brought by the Wampanoag Tribal Council in 1974, against the Town of Gay Head in Federal district court seeking to recover land in this small community on Martha's Vineyard. The claim was based on the Non-Intercourse Act, which prohibits the alienation of tribal lands without congressional consent. In an effort to avoid costly, time-consuming litigation, and alleviate the financial burdens of clouded property title on Gay Head, the parties entered into extensive negotiations which resulted in the adoption of a settlement agreement in November 1983. This legislation would carry out the terms of the agreement.

Congressman GERRY STUDDS is the sponsor of this bill and it is similar to the legislation that I introduced earlier this year with my colleague Senator KERRY. The only difference between the two bills are minor, technical amendments that were added during the markup by the House Interior and Insular Affairs Committee.

There are several unique features of this bill that deserve special recognition.

Last year, the bill that I introduced made the transfer of property contingent on the recognition of the tribe. That provision is no longer necessary because on February 4, 1987, the Secretary of Interior recognized the Wampanoag Indians of Gay Head as a tribe.

Second, this bill calls for 418 acres of land to be held in trust for the benefit and use of the tribe for housing and business enterprises. Under the agreement, the Commonwealth of Massachusetts will transfer 238 acres of public land to the tribe. The authority for the transfer of the property has already been approved by the State legislature. The remaining 180 acres of land will be purchased jointly by the Federal Government and the State of Massachusetts—each will finance one-half of the $4.5 million land cost. This bill establishes a $2.25 million Gay Head Indian Claims Settlement Fund representing the Federal share of the land purchase.

The most important reason for expeditious action on this bill is the problem of escalating land prices on Martha's Vineyard. This beautiful island off the coast of Massachusetts—longtime home to the Wampanoag Gay Head Indians—is also one of the most popular vacation spots on the east coast. The availability of affordable property on Martha's Vineyard is diminishing. Through this unique arrangement, the parties to this settlement have had access to a block of land that would accommodate the Indians' needs. But the longer we delay, the price of the land increases and we potentially jeopardize subdivision of the private property by its current owners into smaller lots for sale.

This legislation recognizes that in a time of fiscal restraint it is important for Congress to ensure that Indian land claims settlements meet certain broadly applicable standards.

The Wampanoag Tribe of Gay Head Indians has persevered to meet these standards, which include: Federal recognition of the tribe, which the Gay Head Indians achieved February 4, 1987; payment by Massachusetts of 50 percent of the settlement costs; and documentation of the validity of the land claim, which the Gay Head Indians have produced. Furthermore, the current value of the settlement property is based on an independent appraisal.

I ask my colleagues in the Senate to act favorably and finalize this agreement which represents the final step in a long, arduous negotiation process.

It is time to conclude an issue that has finally reached an amicable resolution and allow the Wampanoag Indian Tribe of Gay Head to provide long overdue opportunities for their members.

The bill (H.R. 2855) was ordered to a third reading, read the third time, and passed.

CREATION OF "SENATORS' OFFICIAL PERSONNEL AND OFFICE EXPENSE ACCOUNT"

The Senate proceeded to consider the bill (S. 1574) to combine the Senator's Clerk Hire Allowance Account and the Senator's Official Office Expense Account into a combined single account to be known as the Senators' Official Personnel and Office Expense Account, and for other purposes.

Mr. D'AMATO. Mr. President, would the chairman of the Senate Rules and Administration Committee respond to a question? In section 1(b)(1) of S. 1574, does expense category 3, "costs incurred in the preparation of required official reports, and the acquisition of mailing lists to be used for official purposes, and in the mailing, delivery, or transmitting of matters relating to official business," authorize a Member to be reimbursed for expenses incurred for any official Senate mailing which is in excess of authorized allocations that limit the amount of appropriated funds available in the appropriation—official mailing costs?

Mr. FORD. I would be happy to respond to my good friend from New York. The answer is yes! Expense category 3 could be used to reimburse the costs incurred for any official Senate mailing which is in excess of authorized allocations that limit the amount of appropriated funds available to the appropriations—official mailing costs. I would like to confirm with the ranking member of our committee, TED STEVENS, that my response is consistent with his understanding.

Mr. STEVENS. Yes! Absolutely! The whole point of this legislation consolidating office accounts is to allow Members more control and flexibility on how they can allocate the resources the Senate provide to meet their individual office needs so they can best respond to the residents in their States. The chairman's answer to my friend from New York's question is how I understood the new consolidated account could assist Members in their mailings. In fact, I had ventured that opinion in a private conversation with Senator D'AMATO. I commend the Senator from New York for bringing the question to the floor so the chairman could put to rest, on the record, any doubt that any other Senator may have on that point.

The bill was ordered to be engrossed for a third reading, read the third time, and passed; as follows:

S. 1574

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)(1) effective January 1, 1988, there shall be, within the contingent fund of the Senate, a separate appropriation account to be known as the "Senators' Official Personnel and Office Expense Account" (hereinafter in this section referred to as the "Senators' Account").

(2) The Senators' Account shall be used for the funding of all items, activities, and expenses which, immediately prior to January 1, 1988, were funded under either (A) the Senate appropriation account for "Administrative, Clerical, and Legislative Assistance Allowance to Senators" (hereinafter in this section referred to as the "Senators' Clerk Hire Allowance Account") under the headings "SENATE" and "SALARIES, OFFICERS AND EMPLOYEES", or (B) that part of the account, within the contingent fund of the Senate, for "Miscellaneous Items" (hereinafter in this section referred to as the "Senators' Official Office Expense Account") which is available for allocation to Senatorial Official Office Expense Accounts. In addition, the Senators' Account shall be used for the funding of agency contributions payable with respect to compensation payable by such account, but moneys appropriated to such account for this purpose shall not be available for any other purpose. The account, which in clause (A) of the first sentence of this paragraph is identified as the "Senators' Clerk Hire Allowance Account" and the account, which in clause (B) of such sentence is identified as the "Senators' Official Office Expense Account" shall, when referred to in other law, rule, regulation, or order (whether referred to by such name or any other) shall on and after January 1, 1988, be deemed to refer to the "Senators' Official Personnel and Office Expense Account".

(3)(A) Effective on January 1, 1988, there shall be transferred to the Senators' Account from the Senators' Clerk Hire Allowance Account all funds therein which were available for expenditure or obligation during the fiscal year ending September 30, 1988, and from the Senators' Official Office Expense Account so much of the funds therein as was available for expenditure or obligation for the period commencing January 1, 1988, and ending September 30, 1988; except that the Senators' Official Office Expense Account shall remain in being solely for the purpose of being available to pay for any authorized item, activity, or expense, for which funds therein had been obligated, but not paid, prior to such transfer.

(B) Any of the funds transferred to the Senators' Account from the Senators' Clerk Hire Allowance Account pursuant to subparagraph (A) which, prior to such transfer, had been obligated, but not expended, for any authorized item, activity, or expense, shall be available to pay for such item, activity, or expense in like manner as if such transfer had not been made.

(4) On January 1, 1988, there shall be transferred to the Senators' Account, from the appropriation account for "Agency Contributions", under the headings "SENATE" and "SALARIES, OFFICERS AND EMPLOYEES", so much of the moneys in such account as was appropriated for the purpose of making agency contributions for administrative, clerical, and legislative assistance to Senators with respect to compensation payable for the period commencing January 1, 1988, and ending September 30, 1988; and the moneys so transferred shall be available only for the payment of such agency contributions with respect to such compensation.

(5) Vouchers shall not be required for the disbursement, from the Senators' Account, of salaries of employees in the office of a Senator.

(b)(1) Effective January 1, 1988, section 506(a) of the Supplemental Appropriations Act, 1973 (2 U.S.C. 58(a)) is amended to read as follows:

"SEC. 506. (a) The contingent fund of the Senate is made available for payment to or on behalf of each Senator, upon certification of the Senator, for the following expenses incurred by the Senator and his staff:

"(1) telecommunications equipment and services subject to such regulations as may be promulgated by the Committee on Rules and Administration of the Senate;

"(2) stationery and other office supplies procured for use for official business;

"(3) reimbursement to each Senator for costs incurred in the preparation of required official reports, and the acquisition of mailing lists to be used for official purposes, and in the mailing, delivery, or transmitting of matters relating to official business;

"(4) reimbursement to each Senator for official office expenses incurred (other than for equipment and furniture and expenses described in paragraphs (1) through (3)) for an office in his home State;

"(5) reimbursements to each Senator for expenses incurred for publications printed or recorded in any way for auditory and visual use (including subscriptions to books, newspapers, magazines, clipping, and other information services);

"(6) subject to the provisions of subsection (e) of this section, reimbursement of travel expenses incurred by the Senator and employees in his office;

"(7) reimbursement to each Senator for expenses incurred for additional office equipment and services related thereto (but not including personal services), in accordance with regulations promulgated by the Committee on Rules and Administration of the Senate;

"(8) reimbursement to each Senator for charges officially incurred for recording and photographic services and products; and

"(9) reimbursement to each Senator for such other official expenses as the Senator determines to be necessary, but only (A) in the case of expenses for the period commencing January 1, 1988, and ending with the close of September 30, 1988, to the extent that such expenses do not exceed ten percent of the total amount of expenses authorized to be paid to or on behalf of such Senator under this section (excluding any amount so authorized by subsection (b)(2)(A)(iv) of this section), and (B) in the case of expenditures for periods commencing on or after October 1, 1988, to the extent such expenses do not exceed ten percent of the total amount of expenses authorized to be paid to or on behalf of such

Senator under this section (excluding any amount so authorized by subsection (b)(3)(A)(iv) of this section for the fiscal year involved).

Reimbursement to a Senator and his employees under this section shall be made only upon presentation of itemized vouchers for expenses incurred and, in the case of expenses reimbursed under paragraphs (6) and (9), only upon presentation of detailed itemized vouchers for such expenses. Vouchers presented for payment under this section shall be accompanied by such documentation as is required under regulations promulgated by the Committee on Rules and Administration of the Senate. No reimbursement shall be made under paragraph (4) or (9) for any expense incurred for entertainment or meals.".

(2) Effective January 1, 1988, section 506(b) of the Supplemental Appropriations Act, 1973 (2 U.S.C. 58(b)) is amended—

(A) in paragraph (1), by striking out "Except as otherwise provided in paragraph (2) of this subsection," and inserting in lieu thereof the following: "(A) Except as is otherwise provided in the succeeding paragraphs of this subsection and subject to subparagraph (B) of this paragraph,",

(B) by redesignating paragraph (2) as subparagraph (B) of paragraph (1), and

(C) by adding at the end thereof the following new paragraphs:

"(2)(A) In the case of the period which commences January 1, 1988, and ends September 30, 1988, the total of—

"(i) the expenses paid to or on behalf of a Senator under this section for such period, plus

"(ii) the aggregate amount of gross compensation which is paid to employees in the office of such Senator for such period (as determined for purposes of section 105(d) of the Legislative Branch Appropriation Act, 1968),

shall not exceed the aggregate of—

"(iii) subject to subparagraph (B), an amount equal to 75 percent of the amount of the authorized expenses under this section for the calendar year ending December 31, 1987, as determined in the case of a Senator, who represents the State which such Senator represents, whose term of office included all of such calendar year, plus

"(iv) the amount by which (I) the aggregate of the gross compensation which may be paid to employees in the office of such Senator for the fiscal year ending September 30, 1988, pursuant to the limitations imposed by section 105(d) of the Legislative Branch Appropriation Act, 1968 (as determined without regard to paragraph (1)(B) thereof), exceeds (II) the aggregate amount of gross compensation which is paid to employees in the office of such Senator for that part of such fiscal year which precedes January 1, 1988.

"(B) In the event that the term of office of a Senator begins after the first month of the period which commences January 1, 1988, and ends September 30, 1988, or ends (except by reason of death, resignation, or expulsion) before the last month of such period, the amount computed pursuant to subparagraph (A)(iii) of this paragraph (but before application of this subparagraph) shall be recalculated as follows: such amount, as computed under subparagraph (A)(iii) of this paragraph, shall be divided by 9, and multiplied by the number of months in such period which are included in the Senator's term of office, counting any fraction of a month as a full month.

"(3)(A) In the case of the fiscal year beginning October 1, 1988, or any fiscal year thereafter, the total of—

"(i) the expenses paid to or on behalf of a Senator under this section for such fiscal year, plus

"(ii) the aggregate amount of gross compensation which is paid to employees in the office of such Senator for such fiscal year (as determined for purposes of section 105(d) of the Legislative Branch Appropriation Act, 1968),

shall not exceed the aggregate of—

"(iii) subject to subparagraph (B), in case the Senator represents Alabama, $53,000, Alaska, $137,000, Arizona, $63,000, Arkansas, $54,000, California, $95,000, Colorado, $59,000, Connecticut, $44,000, Delaware, $36,000, Florida, $56,000, Georgia, $53,000, Hawaii, $156,000, Idaho, $62,000, Illinois, $71,000, Indiana, $53,000, Iowa, $55,000, Kansas, $55,000, Kentucky, $52,000, Louisiana, $56,000, Maine, $48,000, Maryland, $40,000, Massachusetts, $51,000, Michigan, $59,000, Minnesota, $56,000, Mississippi, $54,000, Missouri, $57,000, Montana, $62,000, Nebraska, $56,000, Nevada, $64,000, New Hampshire, $45,000, New Jersey, $48,000, New Mexico, $60,000, New York, $76,000, North Carolina, $50,000, North Dakota, $55,000, Ohio, $64,000, Oklahoma, $58,000, Oregon, $66,000, Pennsylvania, $63,000, Rhode Island, $43,000, South Carolina, $48,000, South Dakota, $56,000, Tennessee, $53,000, Texas, $79,000, Utah, $62,000, Vermont, $44,000, Virginia, $45,000, Washington, $68,000, West Virginia $44,000, Wisconsin, $55,000, Wyoming, $58,000, plus

"(iv) the aggregate of the gross compensation which may be paid to employees in the office of such Senator for such fiscal year, under the limitations imposed by section 105(d) of the Legislative Branch Appropriation Act, 1968, but without regard to the provisions of paragraph (1)(C)(iv) thereof.

"(B) In the event that the term of office of a Senator begins after the first month of any such fiscal year or ends (except by reason of death, resignation, or expulsion) before the last month of any such fiscal year, the amount referred to in subparagraph (A)(iii) shall be recalculated as follows: such amount, as computed under subparagraph (iii), shall be divided by 12, and multiplied by the number of months in such year which are included in the Senator's term of office, counting any fraction of a month as a full month.".

(3) Effective January 1, 1988, section 506(h) of the Supplemental Appropriations Act, 1973 (2 U.S.C. 58(h)) is amended—

(A) by striking out paragraph (2) thereof and by striking out "(1)" where it appears immediately after "(h)"; and

(B) by striking out "(a)(5)" and inserting "(a)(4)".

(4) Effective January 1, 1988, subsection (e) of section 506 of such Act (2 U.S.C. 58e) is amended to read as follows:

"(e) Subject to and in accordance with regulations promulgated by the Committee on Rules and Administration of the Senate, a Senator and the employees in his office shall be reimbursed under this section for travel expenses incurred by the Senator or employee while traveling on official business within the United States. The term 'travel expenses' includes actual transportation expenses, essential travel-related expenses, and, where applicable, per diem expenses (but not in excess of actual expenses). A Senator or an employee of the Senator shall not be reimbursed for any travel expenses (other than actual transportation expenses) for any travel occurring during the sixty days immediately before the date of any primary or general election (whether regular, special, or runoff) in which the Senator is a candidate for public office (within the meaning of section 301(b) of the Federal Election Campaign Act of 1971), unless his candidacy in such election is uncontested. For purposes of this subsection and subsection (a)(6) of this section, an employee in the Office of the President pro tempore, Deputy President pro tempore, Majority Leader, Minority Leader, Majority Whip, Minority Whip, Secretary of the Conference of the Majority, or Secretary of the Conference of the Minority shall be considered to be an employee in the office of the Senator holding such office.".

(5) Effective January 1, 1988, the first sentence of subsection (j) of section 506 (2 U.S.C. 58(j)) of such Act is amended by striking out "(a)(8)" and inserting in lieu thereof "(a)(6)".

(c)(1) Effective January 1, 1988, section 105(d)(1) of the Legislative Branch Appropriation Act, 1968 (2 U.S.C. 61-1(d)(1)) is amended—

(A) by striking out "The" at the beginning of paragraph (1) and inserting in lieu thereof "(A) Except as is otherwise provided in subparagraphs (B) and (C), the", and

(B) by adding at the end of paragraph (1) the following new subparagraphs:

"(B) In the case of gross compensation paid to employees in the office of a Senator for the period commencing January 1, 1988, and ending September 30, 1988, the total of—

"(i) the aggregate amount of gross compensation which is paid to employees in the office of such Senator for such period, plus

"(ii) the expenses paid to or on behalf of such Senator under authority of section 506 of the Supplemental Appropriations Act, 1973 (as determined after application of subsection (b) of such section, but without regard to paragraph (2)(A)(iv) thereof),

shall not exceed the aggregate of—

"(iii) subject to the next sentence, the amount by which (I) the aggregate of the gross compensation which may be paid to employees in the office of such Senator for the fiscal year ending September 30, 1988, as determined under this subsection (but without regard to this subparagraph), exceeds (II) the aggregate amount of gross compensation which is paid to employees in the office of such Senator for that part of such fiscal year which precedes January 1, 1988, plus

"(iv) the amount described in section 506(b)(2)(A)(iii) of the Supplemental Appropriations Act, 1973.

In the event that the term of office of a Senator begins after the first month of the period which commences January 1, 1988, and ends September 30, 1988, or ends (except by reason of death, resignation, or expulsion) before the last month of such period, the amount computed pursuant to clause (iii) of this subparagraph (but before application of this sentence) shall be recalculated as follows: such amount, as so computed, shall be divided by 9, and multiplied by the number of months in such period which are included in the Senator's term of office, counting any fraction of a month as a full month.

"(C) In the case of gross compensation paid to employees in the office of a Senator for the fiscal year beginning October 1, 1988, or any fiscal year thereafter, the total of—

"(i) the aggregate amount of gross compensation which is paid to employees in the office of such Senator for such year, plus

"(ii) the expenses paid to or on behalf of such Senator under authority of section 506 of the Supplemental Appropriations Act, 1973 (as determined after application of subsection (b) of such section, but without regard to paragraph (3)(A)(ii) and (iv) thereof),

shall not exceed the aggregate of—

"(iii) the amount determined under subparagraph (A) for such year, plus

"(iv) the amount described in section 506(b)(3) of the Supplemental Appropriations Act, 1973 (as determined without regard to subparagraph (A)(ii) and (iv) thereof).".

SEC. 2. Section 110 of the Supplemental Appropriations and Rescission Act, 1981 (Public Law 97-12; 2 U.S.C. 58b) is repealed effective January 1, 1988.

SEC. 3. Subsection (b) of section 111 of the Legislative Appropriations Act, 1978 (Public Law 95-94) is repealed, effective as of the first day of the 100th Congress.

CORRECTIONS TO THE MILITARY RETIREMENT REFORM ACT

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar 277, H.R. 2974.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 2974) to amend title 10, United States Code, to make technical corrections in the provisions of law enacted by the Military Retirement Reform Act of 1986.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration.

The Senate proceeded to consider the bill.

AMENDMENT NO. 665

(Purpose: To make a technical correction to H.R. 2974)

Mr. BYRD. Mr. President, I send an amendment to the desk on behalf of Mr. NUNN and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from West Virginia (Mr. BYRD), for Mr. NUNN, proposes an amendment numbered 665.

Mr. BYRD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 3, line 9, strike out "1410(a)" and insert in lieu thereof "1410".

Mr. BYRD. Mr. President, this is a technical amendment. I urge that the Senate agree to the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 665) was agreed to.

The PRESIDING OFFICER. The bill is before the Senate and open to further amendment. If there be no further amendment, the question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed for a third reading and the bill to be read a third time.

The bill (H.R. 2974) was read the third time and passed.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. WILSON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PUBLIC HEALTH SERVICE ACT INFANT MORTALITY AMENDMENTS

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order 282.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 1441) to reduce the incidence of infant mortality.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration.

The Senate proceeded to consider the bill which had been reported from the Committee on Labor and Human Resources with an amendment:

On page 4, line 8, after "303(g)", insert "of such Act".

The PRESIDING OFFICER. The question is on agreeing to the committee-reported amendment.

The committee-reported amendment was agreed to.

AMENDMENT NO. 666

Mr. BYRD. Mr. President, I send an amendment on behalf of Mr. KENNEDY to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD], for Mr. KENNEDY, proposes an amendment numbered 666.

Mr. BYRD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 5, line 15, insert "in areas of the Pacific Basin Region," before "and in".

On page 7, line 9, insert ", public health, or medicine" before "for the".

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 666) was agreed to.

Mr. KENNEDY. Mr. President, I rise to speak on the Public Health Service Act Infant Mortality Amendments of 1987. S. 1441 was introduced in the Senate on June 26, 1987, and reported unanimously by the Committee on Labor and Human Resources on July 1, 1987. This legislation amends titles II, VII, and VIII of the Public Health Service Act, concerning migrant and community health centers, the Area Health Education Centers Program, and training of nurse practitioners and nurse midwives, and authorizes appropriation for fiscal year 1988.

That the United States ranks 17th in the world in infant mortality, behind Singapore and Hong Kong, is an embarrassment. The very large disparities in infant mortality and the incidence of low birth weight infants among subsets of our population is shameful evidence of the need for greater health care resources. Two-thirds of all infant mortality can be attributed to low birth weight. These infants are 40 times more likely to die in the first month of life and 20 times more likely to die in the first year. The relatively high incidence of low birth weight in the United States is especially deplorable because it is largely preventable. Early prenatal care can reduce the number of low birth weight infants by two-thirds. The Institute of Medicine has estimated that $3.38 can be saved in the total cost of caring for low birth weight infants for every $1 spent for prenatal care.

Community and migrant health centers have proven to be a very successful in improving access to high quality health care for many low income families and those living in rural areas. Over the past 20 years the network of centers has grown to nearly 800, caring for nearly 6 million poor and underserved Americans in 50 States, Puerto Rico, and the District of Columbia. Of those served by the community and migrant health centers, 48 percent lack any form of health insurance, over one-third are children below the age of 14, and over one-fourth are women of child-bearing age. Effective, high quality prenatal care is provided in these centers of vital importance.

S. 1441 increases the authorization for community health centers by $35 million, and for migrant health centers by $3 million, for fiscal year 1988. These additional resources are to be directed toward improving maternal and child health services. The bill also requires that fiscal year 1988 appropriations which exceed $418 million for the Community Health Centers Program shall be utilized for grants to support special perinatal coordination projects.

The bill also increases the fiscal year 1988 authorization for the Area Health Education Centers Program by $3 million and requires that, of fiscal year 1988 appropriations, $3 million shall be utilized to support programs that will train health care personnel to offer maternal and child health services in medically underserved areas. Working with Senator BENTSEN, this provision was included to utilize the existing network of AHEC programs to increase the number of health care personnel providing maternal and child health care services. Priority shall be given to programs which will train personnel for areas along the United States-Mexican border, for frontier areas and Southern States, including Florida, and for areas with disproportionately high infant mortality and incidence of low birth weight.

A new program will be established, authorized at $4 million for fiscal year 1988, to support fellowship programs to train nurse practitioners and nurse midwives. Nurse practitioners and nurse midwives have proven to provide high quality health care services, especially in the area of maternal and child health, in a cost efficient manner. Priority must be given to applicants who are employed by community or migrant health centers, or by the Indian Health Service or native Hawaiian migrant health centers.

Even during times of fiscal restraint, the investment of Federal dollars toward the health of mothers and children represents wise economic policy. I would like to thank the members of the Committee on Labor and Human Resources for their support of this legislation, and the many other cosponsors. I urge the House of Representatives to hasten their consideration of this important measure.

Mr. HATCH. Mr. President, I am pleased to join Senator KENNEDY and Senator QUAYLE in supporting S. 1441, the Public Health Service Act Infant Mortality Amendments, in this legislation. Infant mortality continues to be a problem in this country, but it is one that can be prevented if we do a better job of coordinating and providing prenatal and perinatal care to women.

The good news is that the United States is first in the world in birth weight specific infant survival rates yet, at the same time, our Nation ranks behind other western countries in infant mortality rates. How can we explain those two conflicting facts? First, we have the best health-care system in the world. An infant has a better chance of survival if born in a hospital in this country than they would if born anywhere else in the world. Second, we also have, unfortunately, too many babies born at low birth weights. The simple fact is that a baby born at a low birth weight is not as likely to survive as one born at a normal weight.

Low birth weights can be corrected, however, by providing proper nutrition, and prenatal care and, at the same time, decreasing alcohol abuse, drug use, tobacco use, the incidence of AIDS, and the number of teenage pregnancies.

The Public Health Service Act Infant Mortality Amendments of 1987, S. 1441, addresses several of these issues. It establishes a new program to coordinate prevention efforts—prevention efforts which should reduce the number of low birth weight babies in this country.

It provides increased funding for community health centers and migrant health centers which provide prenatal and perinatal care to women. And it also increases funding for area health care and nurse, midwife, and practitioner training.

S. 1441 is especially important to my home State of Utah, which has witnessed an increase in its infant mortality rate. The legislation specifically targets resources for those States which have suffered recent increases.

In addition, the bill recognizes that some areas of our country—frontier areas—have health care problems which are different from urban or rural areas. The bill will increase the availability of health care provided through community health centers for these areas of the United States, where many health needs are being left unaddressed.

I am pleased to have worked with Senator KENNEDY and Senator QUAYLE on this legislation and I look forward to its expeditious enactment. Infant mortality is a health problem that affects our entire Nation but it is one problem for which the cure already exists. It is my hope that S. 1441 will help us achieve an objective we all share—the healthy birth of babies in this country.

The PRESIDING OFFICER. Are there further amendments to the bill? If not, the question is on the engrossment and the third reading of the bill.

The bill (S. 1441) was ordered to be engrossed for a third reading, and to be read the third time.

The bill was read the third time and passed as follows:

S. 1441

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Health Service Act Infant Mortality Amendments of 1987".

FINDINGS

SEC. 2. The Congress finds that—

(1) the United States has made far less progress than other industrialized nations in reducing the infant mortality rate;

(2) the Surgeon General in 1980 established the 1990 Health Objectives for the Nation concerning the provision of prenatal care early in pregnancy and for reducing the incidence of low birthweight babies and infant mortality;

(3) the incidence of low birthweight, which is one leading cause of infant mortality and handicapping conditions (such as retardation, cerebral palsy, epilepsy, and autism) has been reduced only marginally;

(4) insufficient progress has been made in the reduction of the overall infant mortality rate;

(5) despite a declining infant mortality rate, black infants remain twice as likely as white infants to die in the first year of life;

(6) it now appears that the Nation will fail to meet the objectives of the Surgeon General described in paragraph (2);

(7) it is well established that appropriate and timely prenatal care and primary care for infants can reduce infant mortality and improve infant health and are essential if the Nation is to meet objectives of the Surgeon General described in paragraph (2);

(8) it is well established that inadequate prenatal care and infant mortality and disability are highest for those individuals who are poor and are without health insurance;

(9) recent statistics indicate that 1 out of every 3 poor children and 1 out of every 3 women of child bearing age does not have health insurance;

(10) community and migrant health centers were established to provide primary health care to poor individuals and individuals without health insurance;

(11) of the individuals served by such centers, 60 percent are poor, 48 percent lack any form of health insurance, over one-third are children under the age of 14, and over one-fourth are women of child bearing age; and

(12) the services of community and migrant health centers should be expanded to provide increased prenatal care and infant care, including an expansion of the number of health professionals providing such services.

MIGRANT HEALTH CENTERS

SEC. 3. Section 329(h)(1) of the Public Health Service Act is amended by striking out "$45,400,000" the second place it appears and inserting in lieu thereof "$48,400,000".

COMMUNITY HEALTH CENTERS

SEC. 4. (a) Section 330(g)(1) of the Public Health Service Act is amended by striking out "$400,000,000" the second place it appears and inserting in lieu thereof "$435,000,000".

(b) Section 330(c) of such Act is amended by adding at the end thereof the following new paragraph:

"(4) In making grants under this subsection and subsection (d), the Secretary shall give special consideration to the unique needs of frontier areas.".

(c) Section 330(g) of such Act is amended by adding at the end thereof the following new paragraph:

"(4) In any case in which the amounts appropriated under paragraph (1) for fiscal year 1988 exceed $418,000,000, the total amount of any such excess shall be available for grants under subsections (c) and (d) to community health centers to support special prenatal services to decrease infant mortality and special perinatal coordination projects to develop and coordinate referral arrangements between community health centers and other agencies, institutions, and organizations that are crucial to the successful management of pregnant women and infants. In making grants from amounts available under the preceding sentence, the Secretary shall give priority to community health centers in areas in which there is a high incidence of infant mortality or in which there is an increased incidence of infant mortality.".

AREA HEALTH EDUCATION CENTERS

SEC. 5. (a) Section 781(a)(1) of the Public Health Service Act is amended—

(1) by inserting "(A)" before "The"; and

(2) by adding at the end thereof the following new subparagraph:

"(B) Under subparagraph (A), the Secretary shall enter into contracts to establish and support area health education center programs which include training of personnel to offer maternal health services and child health services in underserved areas. In entering into contracts under the preceding sentence, the Secretary shall give priority to programs which will train personnel to provide such services in areas along the border between the United States and Mexico, in frontier areas, in areas of the Pacific Basin Region, and in areas in which the rate of infant mortality and low birthweight are disproportionately higher than such rates for the State in which such an area is located.".

(b) Section 781(c)(1) of such Act is amended by inserting before the semicolon a comma and "except that a program described in subsection (a)(1)(B) shall only be required to provide for the active participation in such program of individuals who are associated with the administration of the school and each of the departments (or specialties if the school has no departments) of pediatrics, obstetrics and gynecology, and family medicine".

(c) Section 781(c)(2) of such Act is amended by inserting "except in the case of a program described in subsection (a)(1)(B)," before "provide".

(d) Section 781(d)(2)(C) of such Act is amended—

(1) by inserting "(i) except as provided in clause (ii)," before "provide";

(2) by inserting "or" after the semicolon; and

(3) by adding at the end thereof the following new clause:

"(ii) in the case of a program described in subsection (a)(1)(B), provide for or conduct a medical residency program in obstetrics and gynecology in which no fewer than six individuals are enrolled in first year positions in such program;".

(e) Section 781(d)(2)(F) of such Act is amended by striking out "and nurse practitioners" and inserting in lieu thereof ", nurse practitioners, and nurse midwives".

(f) Section 781(g) of such Act is amended—

(1) by striking out "$18,000,000" the last place it appears and inserting in lieu thereof "$21,000,000"; and

(2) by adding at the end thereof the following new sentence: "Of the amounts appropriated under this subsection for fiscal year 1988, $3,000,000 shall be available for contracts under subsection (a)(1)(B).".

FELLOWSHIPS FOR NURSE PRACTITIONERS AND NURSE MIDWIVES

SEC. 6. Part A of title VIII of the Public Health Service Act is amended by adding at the end thereof the following new section:

"FELLOWSHIPS FOR NURSE PRACTITIONERS AND NURSE MIDWIVES

"SEC. 823. (a) The Secretary shall make grants to public or nonprofit private schools of nursing, public health, or medicine for the establishment and operation of fellowship programs for the education of nurse midwives and pediatric, family, obstetric, and gynecologic nurse practitioners. Such programs shall meet the guidelines prescribed by the Secretary under subsection (b).

"(b) After consultation with appropriate educational organizations and professional nursing and medical organizations, the Secretary shall prescribe guidelines for fellowship programs for the education of nurse midwives and pediatric, family, obstetric, and gynecologic nurse practitioners. Such guidelines shall, as a minimum, require that such a program—

"(1) extend for at least one academic year; and

"(2) consist of—

"(A) supervised clinical practice; and

"(B) at least four months (in the aggregate) of classroom instruction,

directed at preparing nurses to deliver pediatric, family, obstetrical, and gynecological services, particularly prenatal care and other services designed to reduce infant mortality.

"(c) A fellowship funded under this section shall include, for each year for which the fellowship is awarded, 100 percent of the costs of tuition, books, fees, reasonable living expenses (including stipends), reasonable moving expenses, and necessary transportation.

"(d)(1) In order to receive a fellowship funded under this section, an individual must be a registered nurse.

"(2) In awarding fellowships funded under this section, a school of nursing shall give priority to any applicant who—

"(A) is employed by a facility providing health services to medically underserved populations, such as a community health center, a migrant health center, a facility operated by the Indian Health Service, or a Native Hawaiian health center; and

"(B) has been recommended for the fellowship by the facility described in subparagraph (A).

"(e) No grant may be made for the establishment and operation of a fellowship program under this section unless this application for the grant contains assurances satisfactory to the Secretary that the program meets or will meet the guidelines which are in effect under subsection (b).

"(f) For grants under this section, there are authorized to be appropriated $4,000,000 for fiscal year 1988.".

Mr. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. WILSON. I move to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

JOINT REFERRAL—S. 1598

Mr. WILSON. Mr. President, I ask unanimous consent that S. 1598, introduced by Senator DOLE and other Senators, be jointly referred to the Committees on Finance and Agriculture.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AUTHORIZATION OF TESTIMONY OF SENATE EMPLOYEES AND REPRESENTATION BY SENATE LEGAL COUNSEL IN CRIMINAL PROCEEDING

Mr. BYRD. Mr. President, on behalf of Mr. DOLE and myself, I send to the desk a resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A Senate resolution (S. Res. 272) authorizing testimony of Senate employees and representation by Senate legal counsel in criminal proceedings.

Mr. BYRD. Mr. President, three employees on Senator BUMPERS' staff have been subpoenaed to testify at a trial in a criminal proceeding currently pending in the Municipal Court, City of Little Rock, AR. The defendants were arrested and charged with disorderly conduct and obstruction of Government operations earlier this year when they refused to leave Senator BUMPERS' Little Rock office at the Federal building's closing time. The subpoenaed employees, Don Floyd, Martha Perry, and Beverly Stover, witnessed the events that led to the prosecutions.

Consistent with Senator BUMPERS' wishes and previous actions on the Senate in similar circumstances, this resolution would authorize Mr. Floyd, Ms. Perry, and Ms. Stover to testify at the trial and authorize the Senate legal counsel to represent them in connection with their testimony. Mr. President, I move adoption of the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 272) was agreed to.

The preamble was agreed to.

The resolution with its preamble, is as follows:

S. RES. 272

Whereas, in *State of Arkansas* v. *Christopher Kupper, et al.*, Case Nos. 87-3404 through 87-3413, now pending in the Criminal Division of the Municipal Court, City of Little Rock, Arkansas, three employees of the Senate, Don Floyd, Martha Perry, and Beverly Stover, have been subpoenaed on behalf of the defendants to appear and to testify at the trial;

Whereas, the three employees have information which may be relevant to that trial;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§ 288b(a) and 288c(a) (1982), the Senate may direct its counsel to represent employees of the Senate with respect to subpoenas issued to them in their official capacities;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by the administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that testimony by Senate employees in their official capacities may be needed in any forum for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it

Resolved, That the Senate Legal Counsel is directed to represent Don Floyd, Martha Perry, and Beverly Stover in connection with their testimony in *State of Arkansas* v. *Christopher Kupper, et al.*

SEC. 2. That Don Floyd, Martha Perry, and Beverly Stover are authorized to testify at proceedings in *State of Arkansas* v. *Christopher Kupper, et al.,* except concerning matters which are privileged.

Mr. BYRD. I move to reconsider the vote by which the resolution was agreed to.

Mr. WILSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

RESTRICTIONS ON DOCUMENTATION OF FOREIGN-BUILT FISH PROCESSING VESSELS

Mr. BYRD. Mr. President, is there a message from the House on S. 1591 on the desk?

The PRESIDING OFFICER. The message is at the desk.

Mr. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 1591.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 1591) entitled "An Act to temporarily restrict the ability to document foreign-built fish processing vessels under the laws of the United States", do pass with the following amendment:

Strike out all after the enacting clause, and insert: Notwithstanding chapter 121 of title 46 of the United States Code, the Secretary of the department in which the Coast Guard is operating may not document a foreign-built vessel for which an application for documentation was submitted after July 20, 1987 for use as a fish processing vessel as defined in section 2101(11b) of title 46, United States Code. This prohibition is effective until October 15, 1987. The Secretary may issue regulations to obtain information about the intended use of a vessel for which an application for documentation has been submitted to prevent the documentation of a foreign-built fish processing vessel.

Mr. BYRD. Mr. President, I move that the Senate concur in the House amendment.

The motion was agreed to.

Mr. BYRD. I move to reconsider the vote by which the motion was agreed to.

Mr. WILSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, yesterday the Senate passed S. 1591, legislation designed to prevent the documentation of foreign-built fish processing vessels under the laws of the United States. S. 1591 would prevent foreign control of our domestic offshore fish processing industry.

The House has made some constructive modifications to the Senate version, and S. 1591 as amended is currently pending in the Senate. I would like to stress that this legislation in no way attempts to prejudge the issues currently before the Senate Commerce Committee and the House Merchant Marine and Fisheries Committee. We are merely preserving the status quo until after the August recess, at which time we will seek to resolve the controversy.

UNANIMOUS-CONSENT AGREEMENT—HOUSE JOINT RESOLUTION 216

Mr. BYRD. Mr. President, I ask unanimous consent that on Calendar Order No. 287, House Joint Resolution 216, a joint resolution to support a cease-fire in the Iran-Iraq War and a negotiated solution to the conflict, there be a time limitation of not to exceed 1 hour, to be equally divided and controlled between the two leaders or their designees; that there be no amendments in order thereto; and that there be no motion to recommit, with instructions or without instructions, in relation to that resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I ask unanimous consent that it be in order at any time to order the yeas and nays on passage of House Joint Resolution 216.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. So that when the two leaders are on the floor, that request will be made.

There will be a yea-and-nay vote on that measure, to occur tomorrow. When the Republican leader is on the floor, we will make a decision, after conferring with our colleagues, as to what time the vote should occur on the resolution.

As I understand it, no amendments will be in order; no motion to recommit, with or without instructions, will be in order.

The PRESIDING OFFICER. That is the order.

Mr. BYRD. Time for debate thereon will be limited to 1 hour, equally divided.

The PRESIDING OFFICER. That is the order.

Mr. BYRD. I thank the Chair.

TOSHIBA/KONGSBERG: "A CHAIN OF CONSPIRACY"

Mr. HELMS. Mr. President, the case of treachery, known as the Toshiba/Kongsberg case, was a KGB operation from the beginning and all of the principals knew it.

That is the inescapable conclusion of a stunning Japanese magazine article which has just become available in English. Written by Mr. Hitori Kumagai for the August edition of the highly respected Japanese magazine Bungei Shunju it is entitled, "These Are the Methods for Illegal Trade With the Soviet Union, Confession of a Principal in Toshiba Machine Case, COCOM is Powerless in Face of Japanese Trading Firms' Methods, Exclusive Contribution by Professional Smuggler."

Mr. Kumagai should know his subject well. For 22 years he was in the Japan-Soviet trade field with his last 10 years as Moscow office manager for the Japanese trading firm Wako Koeki. In 1985 he tried, in vain, to warn the west of what Toshiba and the others, including his own company, were engaged but Japanese Government officials did not want to listen.

Mr. Kumagai calls this a "crime." It was a crime.

A CHAIN OF CONSPIRACY

Mr. Kumagai argues that there was a "chain of conspiracy" involving Wako, Toshiba, C. Itoh, Kongsberg and, most importantly, the KGB. Again, his analysis is correct. At the core of this chain of conspiracy lay at least three known KGB officers, all of whom had been publicly expelled from Western countries before this operation began. No one could have been under any illusions. They knew precisely what they were doing and with whom they were dealing. As Mr. Kumagai notes, the KGB officers "can be easily detected" because of their obvious interest in obtaining forbidden Western strategic technology.

It is worth noting that the KGB has had a long, and unfortunately successful, link with Japan. Even before World War II, Stalin's agent Richard Sorge directed a net of agents who had sources and influence in the Japanese Government.

Nor was the propeller milling equipment sale a one-time error for Wako. According to Mr. Kumagai, his firm began its association with the KGB at least 22 years ago with the illegal export of a large instrument to artificially create the vacuum of deep space in laboratory conditions. He says that even today that device is still being used at a Moscow physics lab.

It is difficult to say which is the most important element of this extraordinary confession. Perhaps its most significant contribution is the description, in sickening detail, of just how easy it is to ship illegally Western strategic technology out of Japan. He explains eight methods of diversion from phoney contracts to technology transfers at the Moscow trade fairs.

The most controversial element of the piece is his assertion that the Toshiba/Kongsberg case in essence was part of the normal business practice in East-West trade. He claims this case is just "the tip of the iceberg" and of Japan's 50 or so firms trading with the Soviets, "There is probably not a single company among them which has never violated the Japanese Government authorities' laws and ordinances pertaining to restrictions on exports." If he is correct, he will have confirmed the suspicions a lot of us have harbored about East-West trade for years.

Mr. President, the Congress and the Japanese Government are going to have to address the challenge posed by Mr. Kumagai. His statements to the English-language press and his Japanese magazine article raise a series of questions for which answers must be sought. These questions are long and detailed, and I will state them here for the record:

KUMAGAI QUESTIONS

First. In late 1985 Mr. Hitori Kumagai, then Moscow office manager for the Japanese firm Wako Koeki wrote a letter to Cocom warning of what Toshiba, Kongsberg, Wako, C. Itoh, and the KGB were intending. What precisely happened to that letter? Was it passed to the Japanese Ministry of International Trade and Industry [MITI]? Did MITI officials investigate? What were the results of their investigation? Which MITI officials handled that investigation? Where are they now? Have they been retained? Has MITI investigated its own handling of the Kumagai letter? If so, why have the results not been made public? If not, why not? If not, how can the United States trust MITI to keep United States strategic defense initiative technology out of Soviet hands? What new procedures has MITI instituted to respond to other unsolicited information similar to the Kumagai letter?

Second. Mr. Kumagai asserts that he and his colleagues were engaged in a "chain of conspiracy" with the KGB and he identifies at least three known KGB officers who had been previously expelled. He also claims that his firm has had an association with the KGB for 22 years. Is the Japanese National Police Agency interviewing Wako officials to see what other deals they were engaged in with the KGB? Why is the Japanese Government not treating this case as an espionage case? Does this not argue persuasively for the need for an espionage law in Japan?

Third. The United States has in place a program of education for American businessmen who wish to deal with the Soviets. Does the Japanese Government contemplate a similar program? If not, why not?

Fourth. Mr. Kumagai claims that of Japan's 50 or so trading firms which trade with the Soviets, "There is probably not a single company among them which has never violated the Japanese Government authorities' laws and ordinances pertaining to restrictions on exports." Is the Japanese Government investigating these charges? If not, why not?

Fifth. Mr. Kumagai describes the method of diversion known as "secret contracts and side letters." What changes are the Japanese Government considering to deal with this threat?

Sixth. Is the Japanese Government considering changes to its customs procedures to allow performance checks on high technology exports? Is the Japanese Customs Service being retrained to check for export control diversions?

Seventh. Mr. Kumagai charges that small and medium Japanese enterprises in the metal plate business have been "cultivated" through lucrative contracts to get them to manufacture panels for disguise. Is the Japanese Government investigating this charge? If so, when do they intend to issue their report? If not, why not?

Eighth. Mr. Kumagai states that "There is absolutely no case of the—Japanese—customs officials removing the outside cover and inspecting all the component units inside it." Is this true? If it is even partially correct, what new procedures does the Japanese Government contemplate to deal with this problem?

Ninth. Mr. Kumagai states that Japanese Customs officials do not check hand baggage for export control violations. Does the Japanese Customs intend to remedy this defect?

Tenth. Mr. Kumagai states that on some occasions delivery of forbidden technology has been made to the Soviet Trade Representative's Office and the goods exported under diplomatic cover. What new procedures does the Japanese Government intend to take to tighten up on this practice?

Eleventh. Mr. Kumagai states that sometimes strategic goods are broken down into small parts and exported under the "pretext" of spare parts for goods which have already been shipped. What plans does MITI have to discourage this practice?

Twelfth. Mr. Kumagai states that diverters aim at local Japanese Customs offices such as Niigata. What plans does the Japanese Customs Service have to improve its training for customs officials in local ports?

Thirteenth. Mr. Kumagai states that the inspectors of air cargo are experienced at looking for certain kinds of contraband but not export control violations. What charges in procedures does the Japanese Govenment contemplate to correct this problem?

Fourteenth. Mr. Kumagai describes shipments through third countries. When does the Japanese Government intend to begin requiring delivery verification for East-West deliveries of controlled items?

Fifteenth. Mr. Kumagai charged that Switzerland, Austria, Hong Kong, and Singapore are used as transhipment points for illegal diversions. Are officials of those countries investigating this charge? If not, why not?

Sixteenth. Mr. Kumagai indicates that samples sent to trade fairs in Moscow are dismantled and analyzed. What new procedures does MITI propose to deal with this threat?

Seventeenth. Mr. Kumagai charges that the Soviets are totally dependent upon compact, high performance air conditions manufactured by Hitachi, Sanyo, Toshiba, Daikin, et cetera, to keep critical electronic warfare equipment in Soviet tanks functioning. Are these manufacturers aware of this? What do they intend to do about it?

Eighteenth. Mr. Kumagai charges that "a major Japanese manufacturer" of antirust paper knowingly exported an entire manufacturing plant for Soviet military use. Is this true? Which firm engaged in this practice? Are Japanese authorities investigating? If not, why not? Is the firm cooperating with Japanese authorities? In what other trade with the Soviets is this firm engaged? What plans does this firm have to make redress? Are the officials of this firm who knew about the sale still employed by the firm?

Ninteenth. What did officials of the Japanese trading firm C. Itoh know about this case and when did they know it? Which C. Itoh officials were assigned to C. Itoh's Moscow branch office on April 24, 1981? Are they still employed by the firm? Have they been disciplined? If not, why not? Has C. Itoh considered an outside audit of its export control procedures and history of dealing with the Soviets? If not, why not? What actions does C. Itoh plan to take to make up for this failing?

Twentieth. According to Mr. Kumagia, Toshiba Machine's export department chief, project manager, export section chief, and designing section chief were present at the Moscow signing ceremony on April 24, 1981. In its full page advertisement in American newspapers at the end of July 1987 Toshiba Corp. pledged to the American people that "We will discharge all officers and employees found to have knowingly participated in this wrongful export sale." Have the above named officials been discharged? Why not? If they have been discharged, does Toshiba intend to pay their complete pension? If so, why? What is the status of other officials who participated?

Twenty-first. According to Mr. Kumagai a number of Wako officials knew about this illegal sale. Have they been disciplined? If not, why not? Does Wako still have a Moscow office? What business is it now doing with the Soviets? What Japanese or other Western firms are customers of or suppliers to Wako? What does Wako intend to do to make up for this failing? Is the Japanese Government investigating Wako's alleged 22 years of dealing with the KGB? If not, why not? How do Japanese firms explain their continued dealings with an alleged KGB conduit?

Twenty-second. Mr. Kumagai has charged that the Toshiba/Kongsberg case was only the "tip of the iceberg." Of what other Japanese or Western cases is he aware?

Twenty-third. Mr. Kumagai charges that "in the long history of trade with the Soviet Union, there is not a single case of a banned item being discovered through papers sent through the mail." Is this true? Even if it is only partly true, what does the Japanese Ministry of Posts and Telecommunications intend to do to close this avenue of diversion?

CONCLUSION

Mr. President, Mr. Kumagai has asked to testify before the Congress. Based on his articles and interviews, he may be able to make a valuable contribution to our understanding of the problem of strategic technology diversion to the Soviets. Should we decide to grant his request to testify, ex-KGB Maj. Stanislav Levchenko would make an excellent cowitness to explain how strategic technology diversion works from the Soviet angle. Mr. Levchenko has been invaluable in our efforts to alert American businessmen to the dangers of trade with the Soviets.

Mr. President, I ask unanimous consent that the following materials be printed in the RECORD at the conclusion of my remarks: An article in the August 1987 edition of the Japanese magazine Bungei Shunju by Mr. Hitori Kumagai; a page 1 article of August 4, 1987, from the Wall Street Journal; and a page 28 article from the July 22, 1987, Christian Science Monitor.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THESE ARE THE METHODS FOR ILLEGAL TRADE WITH THE SOVIET UNION, CONFESSION OF A PRINCIPAL IN TOSHIBA MACHINE CASE, COCOM IS POWERLESS IN FACE OF JAPANESE TRADING FIRM'S METHODS, EXCLUSIVE CONTRIBUTION BY PROFESSIONAL SMUGGLER

(Full Translation)

[From Bungei Shunju]

(By Hitori Kumagai)

Shibaura Pier, surrounded by huge container yards. The machine is packed in sturdy wooden boxes, which are placed on trucks and are carried into the ship, one after another. The machine which surprised me by its huge size, when I saw it close at hand, at the time of the first-hand inspection by a Soviet inspector, its dismantling and its crating, did not appear so big, when placed in the midst of the surrounding mammoth loading facilities.

The "Stariy Bolshevik," a more than 10,000-ton ro-ro [TN: phonetic] ship of Soviet registration, swallowed up the propeller milling machine, dismantled and packed into several dozen boxes, in its hold, and the loading work was over very quickly. This was how the "case of illegal exports in violation of the COCOM Rules" by Toshiba Machine, which are now causing a big public uproar, came to take shape, right in front of my eyes.

Almost two years had passed since the contract was concluded in Moscow.

The "Old Communist Party Member" (Stariy Bolshevik), the newest and best Soviet freighter, cast off its moorings as soon as the propeller milling machine was taken on board, and slipping away from the pier, it started on its long voyage to the naval port of Leningrad in the land of the midnight sun.

It was around the early spring of 1983.

When the ship left port, a "crime" had been committed.

As you know through newspaper reports, etc., it was I who brought the charge against the case this time to COCOM. Why did I come to wish to confess my own "crime"? It will probably be difficult for the people in general, who do not know Moscow, to understand.

In Japan, the "bringing of a charge" is apt to be taken as "secretly informing on others in a betrayal of trust." It tends to be taken as an act stemming from low-down motives or stemming from the person's own character. In actual fact, the persons who were arrested or were questioned are ordinary salaried workers, who were merely working for their families, following company orders. All the more for this reason, I feel deeply pained. I do not wish to give excuses about my own sentiments, pretending to be a man with a strong sense of justice.

PERFORMANCE OF A MONSTER ROBOT

On the other hand, however, to look at the records of the case, they are too wide of the mark. They are full of mistakes, as to the motives for my turning informant, the actual substance of the "banned item trade," etc. If I do not set forth the whole picture, my informing against the case will lose meaning. What the Soviet Union is doing, and what the Soviet Union is doing in Japan, are too horrifying. After much agonizing, I made up my mind. I decided to set forth in writing, for the time being, the entire picture of the case and all its factual relations, and leave the judgment to the readers.

A propeller milling machine for the processing of large-size propellers for ship use, capable of nine-axis simultaneous control. This is the name of the machine which was exported to the Soviet Union in violation of the Foreign Exchange Control Law, in the case of Toshiba Machine's violation of the COCOM Rules.

The specifications for the propellers for ship use (screws, to use a more generally used term), which can be processed with this machine, are roughly as follows:

Maximum diameter of the propeller which it can process: 11 meters;

Maximum weight of the propeller: 130 tons;

Number of blades: Maximum of 11.

As to how big this is, its size can be understood if one brings to mind a three-room plus a dining-kitchen (3DK) apartment.

We will consider that the average size of a 3DK apartment is 11 meters by 7 meters, or a floor space of 77 square meters. The diameter of the propeller is a maximum of 11 meters. Therefore, in order to process both sides of the blades, the size will be equivalent to several 3DK apartments, in the case of an 11-blade propeller. The surface of these blades will be milled by an average of 10 millimeters and they are made into a smooth-surface propeller. A rough idea can be obtained as to how great a task this will be if carried out by human beings.

If this machine, which is capable of simultaneously controlling nine axes, is used, a propeller which has the most ideal curve, which comes infinitely close to the logical value, can be made, based on data obtained from the computer.

The size of the machine itself is about 10 meters high, and about 22 meters wide, and it weighs 250 tons. It means that a giant, which has a width of 20 meters, when it spreads out its arms, carries out a super-precise milling of screw propellers, with a maximum diameter of 11 meters, at very high speed, working with both its hands at the same time. it is exactly what one can call a monster robot. It was the power of the Japanese which gave birth to this "Frankenstein monster" in a Soviet munitions plant, and I also helped to create it.

The violation of COCOM was touched off by a cold-wave in the Soviet Union. From the end of 1978 to early 1979, the Soviet Union was visited by an unprecedented cold-wave. It was at this time that the temperature of minus 40 degrees was recorded in the suburbs of Moscow. Pravda reported that "Pear trees have cracked, and apple trees have died." This cold-wave also became the cause of a food shortage in the Soviet Union, which later became chronic. For many years after this, the Soviet Union had no choice but to import grain, and it came to suffer from a shortage of foreign currencies. Soviet imports came to be limited to items which were urgently needed and were indispensable, and in order to save foreign currencies, inquiries with Japanese enterprises, especially inquiries on machine facilities, etc., came to show a strong tendency of being limited to very limited products in limited fields. The amount of business decreased, and the scramble for the "pie" among the various firms became extremely severe, and it also resulted in spurring on the tendency to even dare the risk of exporting contraband goods.

It was exactly at such a time, when the contracts for trade concluded with the Soviet Union were steadily decreasing, that Wako Koeki secured an inquiry for propeller milling machines.

There are a little over 50 firms among our country's trading firms, which engage in trade with the Soviet Union. They range from big firms, like Mitsui and Mitsubishi, to very small firms with only two or three staff members. All kinds of trading firms take part in trade with the Soviet Union, and most of them have branch offices or resident staff members in Moscow. There is probably not a single company among them which has never violated the Japanese Government authorities' laws and ordinances pertaining to restrictions on exports. It is not that I have any definite evidence, but this is the actual feeling, close to a conviction, of a person who has been in the actual field of trade with the Soviet Union for many years. According to the U.S. Defense Department's report, titled "Outflow of Military Technology to the Soviet Union—1985 Edition," about 5,000 items a year among the military research programs being pushed by the Soviet Union, are based on technology developed by the Western side, and this Report points out implicitly that Japan is becoming the window for the outflow of high technology, saying that the

Soviet Union "is showing the tendency of gradually attaching greater importance to Asia," as the foothold for the Soviet acquisition of these technologies.

It is Japanese MITI's Export Trade Control Ordinance which binds the Japanese people, engaging in trade with the Soviet Union. Under this "Trade Control Ordinance," exports to socialist nations, including the Soviet Union, must obtain the required approval and authorization. Especially in regard to manufactured products which come under the category of high technology, the prescribed application papers must be presented, in accordance with the provisions of "Item 44 of Paragraph 33 of Matters Requiring Attention in Regard to Exports," etc., of the "Outline for the Administrative Handling of Export Approval, Etc., for Strategic Goods," and obtain MITI's approval. After this, they must receive the inspection of Customs in charge. If these provisions are violated, it becomes a violation of the Foreign Exchange Law, as a matter of course.

The probability is extremely small for items which are listed under the "Strategic Goods Provisions" or Items on the Attached List No. 1 of the Trade Control Ordinance (which trading firms call "Attachment 1 Items" and which correspond to the items of the so-called COCOM List), to pass the screening of MITI's International Trade Bureau Exports Division and to be given approval. There are cases where special permission is given for incorporating some restricted items into facilities, such as a continuous production facility for the production of goods for civilian use, which will not be operable unless those restricted items are used. However, even in this kind of case, an "application for special approval in regard to these parts, must be presented to the COCOM Headquarters in France, through MITI, and its approval obtained. This screening by COCOM, which is called "transmission to Paris" in the circles concerned, takes time, and there are even cases where permission is refused, after being made to wait for as much as half a year.

COCOM is the Co-ordinating Committee for Export Control (to the Soviet bloc) and it is made up of 15 nations, including the NATO member nations (excepting Iceland) and Japan. The Committee Headquarters is located in the annex of the US Embassy in Paris. The list drawn up by this Committee under its secret agreement is the so-called COCOM List, and its details have not been made public. 178 items, including machines, chemicals and metals, which have the danger of being diverted to military use, besides weapons and atomic energy-related facilities and equipment, are generally known as items restricted by the COCOM List. However, they are, to the last, nothing more than a list, drawn up with the Security Export Control List, which was carried by the British Business Journal, and our country's Items on the Attached List No. 1 of the Trade Control Ordinance, as reference. Consequently, the so-called COCOM List does not officially exist.

The Attachment 1 Items List of the Trade Control Ordinance sets forth in extremely great detail provisions concerning strategic goods. The persons in charge of enterprises, engaging in trade with the Soviet Union, read these provisions very carefully and carry out thorough studies and research in advance as to what high-technology products that they wish to export to the Soviet Union infringe on the COCOM Rules in what points and in what way. Among technologies which are possible of conversion to military use and which the Soviet Union especially desires, there are semi-conductors, such as IC's and LSI's, computers and software, memory devices, sensors, fine ceramics, robots, hyper-vacuum technology, biotechnology, compound materials, aviation- and navigation-connected instruments and equipment and propulsion technology, etc. The various enterprises' staff members in charge of the Soviet Union are racking their brains as to how to export these high-technology products to the Soviet Union, and what they must do to survive in this fiercely competitive world of trade with the Soviet Union, and are contriving to work out every possible method.

BUSINESS TALKS PROPOSED BY KGB

"We want a robot which manufactures large-size screws for ship use. Japan, which is a shipbuilding kingdom, should be making this kind of robots."

This is what Technological Machinery Import Corporation Vice President Igor Aleksandrovich Oshipov asked of a Wako Koeki leader who happened to be visiting Moscow on business at the time, and who was present at a drinking party to entertain the Soviet Corporation side. I was also present, as a matter of course.

"If an estimate can be formulated on the robot desired by the Soviet Union, we would like to start business talks quickly."

Incidentally, the name Oshipov is listed in the list, titled "Soviet citizens who are engaging in secret activities," attached to the end of "KGB," written by American writer John Baron, who has deep knowledge of the Soviet secret police.

This secret police is the KGB, which is at times called "the next-door neighbor" or simply the "Komitet," which means committee, or by the nickname "Komitechik." It is a fact well known by all the resident staff members in Moscow that KGB members are taking part in foreign trade as members of the Soviet Trade Corporation. They do not wear their KGB ID cards on their breast, but if one watches their words and actions carefully, they can easily be detected by persons who have been working for many years in Moscow. This is because the objects toward which they show interest are completely removed from those of ordinary business.

This Vice President Oshipov is also a typical example of a Komitechik, who can be detected even at a glance. To use the code word among the trading firms' resident staff members in Moscow, he was a member of the "K group."

He was one of the Vice Presidents of the Soviet Trade Corporation, which deals with enterprises of various nations of the world, and also a high-ranking official who is vested with the right to sign official papers, such as contracts. It was proper to think that this inquiry from this Vice President was business material, which had a high degree of realizability, even though mentioned orally at a drinking party.

A telex message was sent immediately to the head office in Tokyo, saying "Find screw robots."

Based on this one telex message, Toshiba Machine staff members in charge of exports came to Moscow and presenting catalog data, started concrete technical negotiations. This was in the middle of December of 1980, at a time when preparations for the winter festival, which corresponds to Christmas in West Europe, were seen on the streets of Moscow.

Through the course of technical negotiations, it gradually became clear that the model, demanded by the Soviet Union, was a nine-axis simultaneous-control milling machine, that the object to be processed by this machine would have a diameter of 11 meters, and that the purpose was the milling of large-size propellers for ship use.

From the first round of the business talks in the technical negotiations, the official in charge from the Soviet Corporation was changed to Anatoliy Petrovich Troyitsky (also a member of the KGB), and from the user side, Propeller Manufacturing Plant Manager Filskov, Chief Engineer Gusev and program engineer Suichov from the "Sergo (TN: sic) Orzhanikidze Memorial Baltic Shipyard" took part in the talks.

The "Baltic Shipyard" which bore the name of the Georgian hero Sergo Orzhanikidze, is a famous munitions plant with a long history, and it built the main naval ships which were sent to the naval Battle of the Sea of Japan; and it is one of the leading shipbuilding yards of the Soviet Union, which built the nuclear-powered ice-breakers "Arctika" and the "Sivilia," nuclear-powered crusiers and electronic trawlers for ELINT use. However, in the course of the business negotiations, they of the user side only introduced themselves as "coming from Leningrad," and they completely refrained from making known their identity or status. It was only through our later visiting Leningrad for the installment of the machines that the location of the plant, its name, the official titles of the users, etc., became known.

The business talks proceeded smoothly, and the stage of signing the contract was reached in April of the following year.

There was a reason for Wako Koeki's being unable to turn down the business proposal. In order to open a branch office or a resident staff office in Moscow for the conducting of business activities in the Soviet Union, it is necessary to obtain the approval of the Soviet Foreign Trade Ministry. Permission for the opening of an office is granted only after passing a very strict screening of documents.

It is not that major trading firms are necessarily permitted to have a large number of resident staff members. Also, the increase or the reduction of the number of personnel is all decided by the judgment of the Soviet officials concerned.

Basically, based on the principle of reciprocity, the same number as that of the staff members of the Office of the Soviet Trade Representative in Japan, is approved as resident staff members of Japanese enterprises. However, if a member of the Office of the Soviet Trade Representative in Japan is ordered out of the country by the Japanese Government "as persona non grata," there are cases where the same number of the Japanese side's resident staff members is reduced in retaliation. Also, in the case of companies which are viewed as not friendly by the Soviet side, the number of their personnel may be reduced, or in some cases, they may be notified that the approval for the opening of the branch office has been cancelled.

The losing of a branch or an office which had finally been approved after repeatedly filing applications and after waiting for three years, or at times even five years, would mean the complete withdrawal from trade with the Soviet Union. This approval system, which is called the "accreditatia," is voiceless coercion toward all companies which have branches or offices in Moscow.

The business inquiry came from the Vice President directly, and furthermore, for Wako Koeki, which had only obtained official approval for its Moscow Branch about two years before then, it was absolutely impossible to decline the business proposal at that stage, even after it became known that the machine demanded by the Soviet Union was a nine-axis simultaneous-control machine, which was a COCOM banned item. Rather, it decided to devote its entire efforts to tackling this business offer, in cooperation with the manufacturer side, as a business proposition which had the smell of huge profits.

PLAN FOR "USING" NORWAY

As the business talks proceeded, we came face to face frontally with the big problem of how to export these machines, which infringed on the COCOM Rules, to the Soviet Union. It was at this stage that "Kongsberg" came into the picture.

The "Kongsberg Vaapenfabrikk Corporation," which is located in the city of Kongsberg in Norway, is a prestigious State-operated munitions enterprise, which adopts as its company name the Norwegian term Vaapenfabrikk, which means weapons fabrication in English (TN: sic), or in other words, weapons manufacture. Besides weapons, it also manufactures computers, automatic designing machines, numerical control equipment, etc., and it had the actual record of delivering about 100 PC150 programming centers to "Elektronorgteknika"—the Soviet Union's Electronics Technology Import Corporation.

The exporting of metal-processing machine tools, which are capable of more than two-axis simultaneous control, to the Soviet Union is banned by the COCOM Rules, and also by our country's Trade Control Ordinance, and there was absolutely no possibility at all for the exporting of nine-axis simultaneous-control propeller milling machines being approved. Therefore, approval will be obtained as two-axis control machines, and importing numerical controls (NC's) for two-axis use from Norway, a third country, to Japan, and installing them into the machine, they will be exported to the Soviet Union. The machines naturally had nine-axis simultaneous-control capability, but even if the crates were opened at Customs, it would not be possible to assemble a machine, which weighs as much as 250 tons, and to check its performance.

On the other hand, a program for nine-axis simultaneous control will be exported to a third nation, or in other words, to Kongsberg, and it will be exported to the Soviet Union from Norway, where control is lenient, as a part of the documents for other machines. Kongsberg was pushing business negotiations for the exporting of programming centers to the Technological Machinery Corporation and the Baltic Shipyard, which made it even a still more desirable partner. This programming center was for the purpose of analyzing the data of the original design of a propeller and for its input into the NC equipment of a nine-axis control propeller milling machine.

The NC equipment for two-axis use can easily be re-modelled into NC equipment for nine-axis control. The work, which consists of the changing of wiring and the number of print discs, can be completed easily in one hour. At the point of the completion of this complicated pattern of from "Japan" to "Norway" to the "Soviet Union," and from "Norway" to "Japan" to the "Soviet Union," prospects for the signing of the contract were secured.

At this point, I will touch upon the methods which trading firms resort to. There are several methods for exporting strategic goods to the COMECON nations, including the Soviet Union, evading the COCOM Rules and the Trade Control Ordinance. I will describe some typical methods which are used by trading circles engaging in trade with the Soviet Union. There are other variations, but basically, they can be classified into the following eight patterns. If the readers look at these patterns, they will be able to see how the vairous companies are endeavoring to "evade the restrictions" in various ways. The case this time is really nothing more than the tip of an iceberg.

1. *Secret Contracts and Side-Letters*

A contract is signed for machines and facilities, in which the specifications, the performance and capability are made far lower than those for the machines and facilities which are actually to be delivered to the Soviet side, or on a level which will not infringe on the restrictions, for the record, and a secret contract is concluded separately with the Soviet side and products with higher performance and capability are delivered. For this purpose, two contracts, that is, the ostensible contract and the secret contract, are concluded. Only the ostensible contract is shown to third parties, such as the Government offices concerned, Customs, banks, etc., and export approval is obtained and procedures are taken for customs clearance and shipment, and the receiving of payments. The seller and the purchaser each keep one original of the secret contract, and they are kept in utmost secrecy as the original to be used in the case of the arising of a difference in views between the two parties in regard to the quality of the manufactured product, etc., and in the case of joint on-the-spot inspection of the specifications, the quality, etc., of the products by the two parties concerned. This secret contract sets forth clearly and correctly the specifications and the quality of the products agreed upon.

"Secret contracts" and "side-letters" are used mainly in the case of exports of plants and large-size machines. Even if the crates are opened and the contents are checked at the time of customs clearance, there is no danger of its being discovered, as long as the customs clearance documents, such as invoices and packing lists agree with the goods themselves. It is impossible to specifically pinpoint the performance of the plant as a whole from the parts which have been dismantled and packed into several dozens or several hundred cases.

The normal practice is to pack the same kinds of parts together, such as to pack together steel frames in one case, or electric wire and cables in another case, and that is how they are set forth in the customs clearance documents, too. The biggest matter of concern for the Customs officers in charge is the formulation of customs clearance statistics, and their biggest purpose is to classify and enter the kinds and amount, and the monetary value of the export goods correctly into the statistical chart. They have their hands full with this work, and unless there is very special reason, they do not conduct a performance check. It is also physically impossible to assemble and test plants and large-size machines, first hand, at Customs.

2. *Masking*

The products to be exported are hidden under a cover, which does not infringe on the restrictions. In other words, the products are masked with such outside camouflage as power source panels, etc., which have no problems whatsoever, no matter how one looks at them. The camouflage panel, which has nothing to do with the actual contents, is equipped with signal lights, switches, and various meters, for example, and they are made in such a way that if the switch is turned on, they operate. For this reason, it is necessary to cultivate medium and small enterprises in the metal place business, for example, with a certain amount of knowledge of electrical apparatuses, and after becoming their good customer by purchasing small items of goods, sold on the market, at high prices, form normal times, request them to manufacture panels for disguise.

Even if the Customs official becomes suspicious, opens the crate, and checks the equipment by turning on the switch, the disguised equipment, used as a cover, will operate. There is absolutely no case of the Customs official's removing the outside cover and inspecting all the component units inside it.

This method, called masking, is used as a method for the illegal clearing of Customs for comparatively compact machinery. Facilities for experiments and tests, which are included in the banned list of strategic goods, have flowed out to the Soviet Union almost free of any checks, by this method.

TAKEN IN AS HAND BAGGAGE

In order to avoid disclosure through the checking of documents at Customs inspections, blueprints and explanations on wiring and handling etc., are not put in the crates and they are sent separately by mail.

There have been no cases of the opening and inspection of mail sent to the Soviet Union, and even if they were to be inspected, it is not thought that the Postal Services Ministry has the technological capability to judge whether they concern strategic goods or not. At any rate, in the long history of trade with the Soviet Union, there is not a single case of a banned item being discovered through papers sent through the mail. Even so, however, in order to be doubly secure, top secret documents from which it can be seen immediately that they are high-technology products, are entrusted to staff members who go to Moscow on business, and they are hand-delivered directly to the Soviet side in Moscow.

Products which are exported in this way, include equipment for the testing of integrated circuits, facilities for the testing of magnetic materials, optical instruments, etc., and they are so numerous as to be beyond listing.

3. *Hand-Carrying*

This is the method of taking them out as the hand baggage of persons going to the Soviet Union.

In the case of using airplanes, Customs inspection at the airports or city terminals is almost nil, even though the security check is strict.

The taking out of small-size high-technology products from this country to other countries is simple, and a considerable number of restricted items have flowed out to the Soviet Union through this channel.

As regards electronic parts, which come under strategic goods, there are detailed provisions in the COCOM List. However, as for electronic parts, which become the objects of restrictions, there is a tendency that the higher the technology, the smaller they become in size. The smaller their size becomes, the easier it is to carry them around.

There are all kinds of small-size electronic parts, which are placed under restriction as strategic goods, and they include semi-conductors, diodes, optic devices, condensers, opto-electronic amplifiers, image amplifiers, print bases, integrated circuits, elastic wave devices, memory devices, etc. These electronic parts are all very small, both in size and weight. Even in one case of hand-carrying, an amount which can meet a considerable amount of demand can be carried in. They differ, according to the kinds of parts, but in the case of integrated circuits, there would still remain considerable room: even several thousand units are put into an ordinary-size suitcase. In weight, too, it would be less than 20 kilograms, for which no excess baggage charge needs to be paid.

If one suitcase full of IC's which are indispensible for missile-guidance devices is carried in, they would be enough to equip all Soviet missiles with them. Furthermore, one can leave the country without any check at all, in the case of adoptng this method.

It is also possible to carry in considerably large-size machines by using this method.

First, the machine is dismantled into parts, as small as possible. Then they are divided up, and taken out as air-travel hand baggage on a number of trips. They are then kept temporarily in the Moscow office.

When the parts have been accumulated to a certain extent, they are handed over to the Soviet side. By repeating this process a number of times, the machine is delivered to the Soviet side as a finished product. The Soviet side will gladly pay the excess baggage charge.

As for the receiving of payment, consultations are held in advance with the Soviet corporation to have the price included in the payments for goods which were exported in the normal way under a separate contract, so that it will not infringe on the Exchange Control Law. The price of the machine will be added on to the payments for regular exports, and it is received formally through regular bank channels. If carried out in this way, there is hardly any possibility of its being discovered.

4. Delivery to Office of the Soviet Trade Representative

The banned goods are carried into the Office of the Soviet Trade Representative in Japan, and payments for the goods are received in cash, in exchange for the goods.

The goods are exempted from customs inspection as diplomatic cargo of the Embassy, and are shipped to the Soviet Union. In this case, the form of transaction is domestic transaction, to the last. There is a possibility of the places where the goods were purchased and to whom they were sold being found out through the tracing of vouchers for the purchase of the goods, documents concerning sales, etc. There is also the problem of taxes, and this is a method which trading firms are not very happy to use.

AIM AT LOCAL CUSTOMS

5. Breakdown

The manufactured product which one aims at exporting to the Soviet Union is broken down into as small units as possible.

It is possible to break down even a plant for the manufacturing of IC's, for example, into such units as measuring instruments, valves, furnaces, conveyor belts, meters, etc., which are much more easily passed by Customs. If they are divided into several batches and are shipped by freighters, separately, a number of times, under separate contracts, approval for exports can be obtained for them, so long as the goods under each contract do not infringe on the restrictions.

In the case of this method, there may be parts, such as the central parts of the facilities, for which approval for exports will not be given, for the reason that they are strategic goods. In such a case, those parts are exported separately by the masking method explained in 2, or by resorting to the methods set forth in 3 and 4.

There is also the method of exporting the various parts, broken down into small units, by obtaining approval under the pretext of spare parts for plants which had been contracted for in the past and which have already been delivered.

The delivering of a huge amount and spare parts items (which are not spare parts but are actually the parts of banned goods, broken down into small units) by obtaining approval officially, the assembling of these parts in the Soviet Union, and delivering them to the Soviet side as manufacturing facilities and testing facilities, which are banned goods, are also being resorted to.

6. Clearing the Goods at Local Customs

Avoiding such Customs as Yokohama or the Kobe Customs, the goods are taken to local Customs, such as Niigata Customs, and are cleared through them. There are shipping services between Niigata and Nakhodka, and export cargo is accepted for inspection at Niigata Customs. Inspection is comparatively simple at local Customs, and it is also easier to camouflage technical explanations. If the documents are in order on the surface, it is easy to obtain Customs clearance approval. As regards important banned goods, which must be handled with still greater care, they are vacuum-packed, and the packing method in which the packing itself will become unusable, once it is opened, is adopted. Generally speaking, there is no local Customs which will forcibly carry out inspection by opening the packed goods, when it is known that re-packing will cost a great deal of money.

If the goods are not heavy-weight goods like machine tools, they are handled as air cargo, and Customs clearance at the bonded warehouses of enterprisers handling air cargo is requested. It seems that the inspectors of air cargo have a sharp instinct for and experience in smuggling in of such goods as narcotics, pistols, rare metals, gems, etc., but that they do not have much interest in whether high-technology products will infringe on the COCOM Rules or not.

7. Shipment Via Third Countries

Goods destined for the Soviet Union are shipped via non-COCOM member nations.

Suitable companies, which will not be averse to taking the risk of selling banned goods to the Soviet Union, if it is for the sake of making a profit, are sought out in advance in countries which are not members of COCOM, such as Switzerland, Austria, Hong Kong and Singapore, or a dummy company is temporarily established in these countries, in advance, and banned goods are exported from Japan to those companies.

8. Sample Fairs in Moscow

As one method for the acquisition of high technology, the method of lending for a certain fixed period of time banned goods which were exhibited at sample fairs in Moscow, to Soviet research institutes and letting Soviet experts thoroughgoingly dismantle and analyze them, and exhaustively study the secrets of high technology, is also resorted to.

AIR-CONDITIONERS ARE ALSO IMPORTED AS WEAPONS

There are cases where MITI approves the exhibiting of COCOM banned goods at sample fairs, on the condition that they will be brought back to Japan, in the name of publicizing Japan's technology. In this case, they are not exports, and therefore, claims will not be raised by COCOM.

The true purpose of the "External Technology Co-operation Corporation," which was established ostensibly for the purpose of testing and evaluating the performance of foreign products, the introducing of other countries' most sophisticated products to Soviet users, and promoting imports, lies precisely in this kind of piracy of other countries of high technology.

Toward trading firms which co-operate in the exhibiting of this kind of products at sample fairs, the Soviet side compensates them by granting them privileges, such as the Soviet side's buying up all other general products which were exhibited, without any discount in prices.

As for Toshiba Machine's exporting propellor milling machines this time, it adopted a method which skillfully combined together the "side-letter" and the "shipment via a third country" method and still another method called "docking."

Even most ordinary goods, which are not entered on the restriction list as strategic goods, can become closely linked with military use, depending on for what purpose they are used.

Several hundred units of wind-type air-conditioners are exported from Japan to the Soviet Union every year. They are the most ordinary export goods, no matter how one looks at them, and they are nothing more than household electric appliances for non-military use. These air-conditioners are high-quality products of high performance, compact in size, and with outstanding cooling capacity.

The Soviet Industrial Machinery Import Corporation imported an air-conditioner manufacturing plant from Toshiba about 10 years ago, and it is domestically manufacturing air-conditioners in Baku City in Azerbaydzhan SSR. Therefore, they are not goods which must be imported, using valuable foreign currencies. Despite this fact, the Soviet Union imports several hundred units every year. Furthermore, the number of units does not show any sharp increase or decrease, and it unfailingly places orders for and imports several hundred units. Moreover, it designates high-performance, small-size models, manufactured by Hitachi, Sanyo, Toshiba, Daikin, etc., for its purchases.

To what purpose are they put to use?

The temperature inside a tank rises, even when running at normal speed. In time of combat, the temperature becomes unbearably high. This has adverse effects, not only on the morale of the soldiers but also on the machines and instruments, which use many electronic parts and which have been highly automatized, and it greatly lessens their combat capability. For this reason, it needs high-performance air-conditioners. The air-conditioners which the Soviet Union manufactures itself are large in size and their performance is also inferior, and they cannot be used for this kind of purpose. To begin with, the Soviet Union, which is a cold country, does not have the basis of air-cooling technology, and it relies entirely on Japan for the imports of these air-conditioners.

Anti-rust paper, in which chemicals for the preventing of the rusting of metals have been soaked, are commonly sold on the market. There was a case of our exporting an "anti-rust paper manufacturing plant" to the Soviet Union, for the production of this kind of paper.

This was still a new technology in those days, and especially, the preparation of anti-rust chemicals was an enterprise secret. The price of the facilities as a whole, including the chemical know-how, was more than four million dollars, even at prices in those days.

The purpose of this plant was not the manufacturing of anti-rust paper for the wrapping of general tools and knives for household use. It was for the manufacture of anti-rust paper for the long-term storing of weapons in peace-time, protecting them from rusting.

If oil and fats, such as grease, are used to prevent the rusting of weapons, it will take time to remove the anti-rust preparation in the case of using the weapons in a time of emergency, and they are unsuited for immediate response in a time of emergency. If they are just wrapped in paper, it only requires the time to tear off the wrapping to become combat-ready.

The view of a major Japanese manufacturer's view is that "To judge from its huge production capacity, it is impossible to consider it as for civilian use. It is for military use, and it is clearly for the purpose of storing weapons."

I personally had the following experience. Soon after the invasion of Afghanistan by Soviet Forces toward the end of 1979, I received a strange inquiry from the Soviet Technology and Machinery Import Corporation.

It was an inquiry concerning "coffins for the refrigerated preservation of corpses." They were probably for shipping back the bodies of the war dead from Afghanistan to the Soviet homeland.

I sent a telex message to the head office. I found out that this kind of coffins was being manufactured in Japan, too, and that they could be exported. In Japan, however, the refrigerated preservation of dead bodies is limited to extremely special cases, and the production amount was also small. Furthermore, they were specially ordered coffins of dignified make and decoration.

However, what the Soviet Union wanted was a low-priced simple wooden box with no unnecessary decoration, but with refrigeration equipment attached to it. The Soviet side's request was that it wanted these coffins quickly in a large amount. The negotiations fell through, in the end, as agreement could not be reached on the price and the time of delivery, but these coffins can also be said to be military goods, in a certain sense. There are also many other cases of business negotiations for goods, which seem to be for civilian use, at first glance, but are actually for military use, in trade with the Soviet Union.

INTERVENTION OF ITO-CHU

At the stage of drawing up a draft contract, with all technical problems settled, Toshiba Machine suddenly made a representation to Wako Koeki, saying that "We wish to appoint Ito-Chu as the seller's representative."

It said as follows: "Toshiba Machine has been using Ito-Chu from a long time ago as the window for exports to the Soviet Union, and if we use Wako Koeki as the window for this case alone, there will be strong complaints from Ito-Chu. Also, Ito-Chu is familiar with the obtaining of export permits, and they can be cleared by Customs in a very normal way as one of Toshiba Machine's products, several dozens of which are exported to the Soviet Union every year. If we were to carry out exports through Wako Koeki for this case alone, all of a sudden, it will draw attention needlessly, not only of the Government offices concerned, but also within Toshiba Machine itself and industrial circles, and there is the danger of various problems arising. We fully appreciate the achievements of Wako Koeki and we will also pay a fully adequate commission, and it is earnestly hoped that you will agree to it."

The participation of Ito-Chu was proposed by the Toshiba Machine side. It seems that the main purpose was to repay its debts to it over the Ataka Case. Consequently, it was not "intervention" in the strict sense of the term. However, whatever the reason, it was intervention, when viewed from the Wako Koeki side, and Wako's Soviet Department Chief made a strong protest. In the end, however, Wako decided to take the substance, and cede the title of the seller's representative to Ito-Chu.

It was also not that the Ito-Chu side snapped up this proposition immediately. It seemed to have had the awareness that there may be some special circumstances, as they were business negotiations which the "Technological Machinery Import Corporation," instead of the Machine Tool Import Corporation," which was the Soviet side's normal window for the imports of Toshiba Machine's machine tools, was pushing with Wako Koeki, which is a company specializing in trade with the Communist bloc and which is strong in the special machine sector. Its reply was that "We cannot say immediately that it is fine and that we will take it up. We will give a reply after consulting with our proper superiors. Please give us two or three days time."

Ito-Chu's conclusion was transmitted to the persons concerned the following day. It was that "It has been decided that Ito-Chu will be glad to accept the offer."

Agreement was reached among the three companies—Toshiba Machine, Wako Koeki and Ito-Chu Shoji—as to their respective roles. In other words, it was agreed that Toshiba Machine will take charge of the manufacture of the goods for the sales-purchase transaction, that Wako Koki will take charge of liaison and interpreting work with the Soviet side, and that Ito-Chu will take charge of the procedures for the export and shipment of the machines.

When the conclusion of the three Japanese companies was transmitted to the Soviet side, we immediately received a stern protest from the "Technological Machinery Import Corporation" Senior Vice President Arabertov [TN: phonetic].

"We will transmit the Corporation's views toward your decision of the Japanese side to appoint Ito-Chu as the seller's representative."

There is an independent sector as the Technological Machinery Import Corporation's special branch, called the "Commercial Department." It is strange that there is a "Commercial Branch" in a trade corporation, but this is a department which engages in the collection of information, the obtaining of samples and other work which is not directly connected with business. This Araberdov had recently been promoted to the post of Senior Vice President all of a sudden, from the post of Director of this Commercial Department.

"We pushed negotiations with Wako Koeki, with which we have been working together as a partner of this Corporation for more than 20-odd years, as the representative of the seller. However, even if you suddenly tell us that you have named Ito-Chu, which we do not know well, as the agent for the seller, it is difficult for us to agree to it easily. Ito-Chu is certainly a big all-round trading company, and we know that it has strength as an enterprise. However, it is not possible for us, the buyer, to agree to having the staff members of Ito-Chu, with whom we are not acquainted, take part in the business negotiations this time, which contain delicate problems. We request your re-consideration."

After much haggling, we finally obtained the consent of Senior Vice President Araberdov, and completed the chain of conspiracy, consisting of five organizations, that is, Toshiba Machine, Wako Koeki, Ito-Chu Shoji, the Soviet Trade Corporation's "Technological Machinery Import Corporation" and the "Kongsberg Corporation."

ASSOCIATION WITH THE KGB FROM 22 YEARS AGO.

The close relationship between Wako Koeki and the Technological Machinery Import Corporation started 22 years ago—from 1965.

In 1969, the "Odantara Case," in which a member of the Office of the Soviet Trade Representative in Japan, who had been collecting technological information, using a student from Indonesia, studying in Japan, was expelled, was brought to light. Four years before this incident, V.A. Sedov, who was the principal in this case, approached Wako Koeki with a "special inquiry."

It was an inquiry on a "large size hyper-vacuum chamber for temperature control." This is a facility for creating a degree of vacuum and temperature which correspond to that in outer space, within a box-shaped facility, for the testing of the properties and durability of the parts and living things within the chamber by controlling it freely. It was installed in the "Physics Research Institute," which is located at a place turning left from Leningrad Boulevard, which leads to Sheremetyevo Airport in a suburb of Moscow, at the subway station of Sokor, and it is being used for research for studying the changes in properties in outer space, even today.

The persons in charge at the Technological Machinery Import Corporation at the time were Sedov of the "Odantara Case" and Anatoly Maksimov, who assumed a post in the Soviet Trade Representative's Office in Japan, as the representative of the Technological Machinery Import Corporation, as Sedov's successor.

These two persons were the sponsors for Wako Koeki in actual substance, and they "took care" of the Wako Koeki staff members in various ways, in regard to visa support for them and assisting them in their business negotiations from the side. It goes without saying that their true aim was to establish a "big pipeline" between the Soviet Union and Wako Koeki.

This relationship continued up to immediately before the starting of the business negotiations with Toshiba Machine. Toward the end of 1978, Sedov was promoted to and assumed the post of the Head of the Soviet Trade Representative's Office in East Germany. With the arising of the Iranian Revolution, just about the same time, Maksimov also left suddenly for Teheran as an agent for the carrying out of local operations. It was Vice President Oshipov and Anatoly Petrovich Troyitsky who were introduced to us as the succeeding persons to take charge of Wako Koeki, just before Vice President Sedov's departure for East Germany.

Almost all enterprises which have offices or branches in Moscow have these kinds of "pipelines," and it is not that Wako Koeki alone was a special case. So long as there is the Soviet "will" to seek them, it is possible to establish such pipelines. If an enterprise were to resist this, such as enterprise will graudally come to lose business opportunities and will be forced to withdraw from the Soviet market.

"20- or 30-percent discount in prices is a matter of course, and the price is reduced to less than half, depending on the goods concerned." This is a part of a song which trading firm staff members, engaging in trade with the Soviet Union, hum to themselves, partly in self-derision. From the very beginning of the business talks for propeller milling machines, the Japanese side intended to withdraw immediately, if the demand for a price discount is severe. If the Soviet side were to demand a price discount which it normally demands at business negotiations in general, it was not a business transaction which could be carried out, to consider the risk.

In transactions with the Soviet Union, the deciding of prices is carried over to the very end of the negotiations. If refuses to discuss prices until other general terms, such as technological problems, the time of delivery, the payments terms, etc., are definitely decided.

In the case of the propeller milling machines this time, the offer was 5 million dollars per machine. To calculate this price at the exchange rate at the time, which was about 200 yen to one dollar, the price was about one billion yen per machine.

After the holding of price negotiations a number of times, the Soviet side demanded a 20 percent discount in the price, saying that it will order four machines and that it will also increase its orders for spare parts. It was an almost unbelievably generous demand, as a demand for a price reduction for machinery and facilities. The Japanese side held down its impulse to break out into laughter, and rejected this demand. That was because we knew that there did not exist any company in capitalist nations which would dare to sell nine-axis-control propeller milling machines to the Soviet side.

The Soviet side would probably have brough them, even if we insisted that we will not offer even a one-dollar discount. However, honoring the face of Anatoly Troyitsky and Plant Manager Filskov, who persistently pressed for a price discount, we reached the compromise settlement of a unit price of 4.35 million dollars per machine, or the total price of 17.43 million dollars for the four machines. It was a discount of about 13 percent.

As admitted by Toshiba Machine itself later, about 3.5 billion yen for the four machines is an exhorbitant price. The Soviet Union may have been forced to make the purchase at a high price, as its vulnerability was known. However, if thought is given to the purpose and use of these machines, and also to the time and cost it would probably have had to spend for the development of this system itself, there remain doubts as to whether it was really a costly purchase or not.

For the ceremony of the concluding of the contract, all persons concerned gathered at Ito-Chu Shoji's Moscows Branch Office.

Ito-Chu Shoji's Moscows Branch Office is located in the office building of the Trade Center, in the same way as other Japanese enterprises which have offices or branches in Moscow. The concept for the construction of this grand building was proposed by President Armand Hammer of U.S. Occidental Petroleum Corporation, and which the Soviet Union built, devoting all-out efforts, in time for its completion for the Moscow Olympics. In actual fact, it is also very convenient for gathering together all foreigners at one place and keeping them under surveillance as a group.

Also, it made it possible to hold heated negotiations as much as one liked, without being chased out partway through the business negotiations, because of the limited time for talks and the schedule for the next appointment, which had been the case in the Corporation Office in Smolenskaya Square. At the same time, however, the Soviet side's Corporation-connected persons come to stay forever in the branch office and demand food and drinks.

A total of 20 persons were present at the ceremony for the signing of the contract.

From the Technological Machinery Import Corporation on the Soviet side:

Senior Vice President Araberdov, Vice President Oshipov (KGB), official in charge Troyitsky (KGB) (after the contract was signed, he was promoted to the post of Vice President of the Industrial Machinery Import Corporation), Department Chief Kotomin, administrative official in charge Jarlov and Corporation Secretary Olga Mironova.

It was also attended by Foreign Trade Ministry Technical Officer Zakharov, and from the Baltic Shipyard, by Propeller Plant Manager Filskov, Chief Engineer Gusev and Computer Programmer Suichov.

As for the Japanese side, the Export Department Chief, the Project Manager, the Export Section Chief, and the Designing Section Chief from Toshiba Machine, the Moscow Branch Manager, the Moscow Branch Deputy Manager and the staff in charge from Ito-Chu Shoji, and the Vice President, the Soviet Department Chief and the Moscow Branch Manager from Wako Koeki attended.

The selling side and the buying side initialled each page of the contract, which consisted of a total of 120 pages, broken down into 33 pages of main text and 87 pages of the attached document, and the full signature at the end of the contract was signed by Vice President Araberdov and Ito-Chu's Moscow Branch Manager. From this moment, the contract went into effect. It was on April 24, 1981.

FALSITY OF JAPAN-BASHING

Blessed with the applause of all persons present, as required by formality, the Japanese and Soviet signers shook hands with each other, and then a celebration party was held. At his point, however, no crime had yet been committed.

It is only when the actual act of implementation is taken that it becomes an infringement of laws and regulations. The contract, which was signed, did not have any nature of being illegal, so far as the documents were concerned, no matter how one looked at it.

Almost none of the people who gathered together on this occasion, at least on the part of the Japanese side's persons concerned, had any ideological bias, and they were all ordinary salaried workers, who are very interested in their work, of the type seen in any Japanese company. With their families, they were probably serious-minded and kindly fathers and husbands who could be depended on.

For what reason and in what way did these average company employees of average Japanese companies come to lend a hand in "selling to us the technology which we lack, and making it possible for us to achieve military reconstruction, which is indispensable for us to attack those persons, who offered those technologies and products to us, and for us to win victory," exactly as prophesized by Vladimir Ilich Lenin, who is revered in the Soviet Union as the Father of the Socialist Revolution? If a person reads about the case which took place in the "Baltic Shipyard," the munitions plant in the old capital of Leningrad, under the midnight sun, he will understand how greatly removed from the actual facts it is to grasp the case this time as a part of the United States' "Japan-bashing" and to doubt even the existence of the COCOM Rules, as is being done by some "men of culture," scholars and media organs.

However, I will not write about these circumstances this time. There is my position that indictment against me has been suspended. However, there are also other things which I think I must write about, eventually.

As for the purpose to which those screw milling-machines were put to use, I have doubts as to whether they were really for screws for submarines, as reported.

There is something more dreadful which is proceeding, and no one understands it correctly. Those who know just smile thinly and keep their mouths shut. I even felt at the time that a scene in an SF horror film had become a reality.

All that I can do at present is to earnestly pray that this author's apprehensions are nothing more than foolish imaginings born of fear.

[From the Wall Street Journal, Aug. 4, 1987]

THE TOSHIBA CASE: JAPANESE FIRMS' PUSH TO SELL TO SOVIETS LED TO SECURITY BREACHES—MANY TENDED TO IGNORE RULES AND THE NATIONAL INTEREST; AUTHORITIES SEEMED LAX—BUT ATTITUDES ARE CHANGING

(By Damon Darlin)

TOKYO.—Every business day, teams of Soviet trade officials would visit a Moscow office tower housing a lot of foreign trading firms, sometimes drinking and eating their way down, floor by floor.

"They liked the raw fish we served," recalls Kazuo Kumagai, who worked on the 18th floor as a representative for Wako Koeki Co., a Japanese company trading exclusively with Communist countries.

The Soviets liked Japanese technology even more. On most days, they presented lists of items they wanted to buy. Often mixed in with the mundane construction cranes and squid catchers on those lists were items that the Japanese businessmen suspected might be illegal to export, such as scientific testing equipment, high-tech composite fibers, even armored vehicles.

GOING ALONG

So, one day in late autumn of 1980, when a Soviet official asked Wako Koeki to find a sophisticated robotized milling machine capable of making large ship propellers, Mr. Kumagai and his bosses didn't think it unusual. Despite their suspicions, Wako Koeki went ahead and, along with C. Itoh & Co., a giant Japanese trading house, helped Toshiba Machine Co. sell milling machines that, the U.S. believes, the Soviets used to make their submarines quieter and thus harder to track.

"Sometimes we had to break the regulations," says Mr. Kumagai, who, five years later, quit Wako Koeki in a tiff with his boss and informed authorities of the transaction. His revelations have ignited intense anger in the U.S. and gut-wrenching apologies and soul-searching in Japan. They may temporarily dry up trade with the Communist bloc but also may force Japanese companies to think twice about putting sales ahead of national security.

Although the Japanese government's laxity in policing Communist-bloc trade played a major role in the scandal, the Japanese companies' tendency to ignore security issues in the pursuit of deal-making is as much, if not more, to blame. "Japanese have considered it a taboo since World War II to think about national defense and have grown accustomed to thinking that the U.S. will defend the country," a Foreign Ministry official explains. "National security simply is never thought about by businessmen."

WHY SOVIETS SUCCEED

Indeed, the reasons Wako Koeki pursued the sale tell a lot about why the Soviets seem to score such coups in Japan.

"It was as if they dangled a delicious fruit in front of a hungry man," says Mr. Kumagai in Russian-accent English. "My company demanded results. I have a conscience, but I also have a family on my shoulder.

"Other companies were under the same pressures. Others were doing that, too," adds the unemployed 51-year-old, who learned Russian in college and then spent almost 22 years handling Soviet trade and pinning his hopes for advancement on Soviet largesse. "Toshiba is only the tip of the iceberg."

U.S. authorities, and a growing number of Japanese investigators, suspect that Mr. Kumagai is right. The whistle-blower has told police of other incidents, although he concedes that he has little evidence because he didn't save documents. And in many cases, Japan's three-year statute of limitations has expired.

However, a U.S. official says that in the past year, the Americans have gone to Japanese authorities with as many as half a dozen cases of export violations by Japanese companies. One, the official adds, is "almost as significant as Toshiba." In Washington, rumors are circulating that five giant Japanese companies are thought to have violated the rules in the past.

The Japanese government denies that the problem is that big, but, when pushed, the Ministry of International Trade and Industry admits to cracking down on two export violations in May, after the Toshiba case broke. In addition, Japanese police have expelled Poles suspected of stealing computer software secrets and have linked Soviet trade officials with illegal sales of aircraft instrument technolgoy.

The Japanese government, which at first sent out a hodgepodge of statements waffling on the importance of the Toshiba case to national security, now is closer to speaking with one voice. It is beefing up the staff that scrutinizes export licenses, although the staff remains small by U.S. standards and still isn't expected to pursue rigorously diversions of technology to third countries. And Japan is considering proposed legislation that would increase the maximum fines and prison terms for people convicted of exporting restricted technology to the Soviet bloc.

Japanese companies also are reacting to the scandal involving Toshiba Machine, which is 50.1%-owned by Toshiba Corp. They are more cautious about exports to the Soviet Union, which in the first five months of 1986 had already dropped 67% from a year before. Matsushita Electric Trading Co. says three deals that it had been negotiating with Soviet Union have been suspended. Japan's beleaguered machine-tool makers say exports to the Communist bloc could slump as much as 70% this year.

However, the Soviets deny being worried about any trade slowdown. "I don't believe this incident will have a great effect on Soviet trade," says Yurii P. Tchegodar, the director of the economic department of the U.S.S.R. trade office. What can't be bought in Japan, "we will buy from West Germany, England, Italy or the U.S.," he says, adding, in regard to one of the deals canceled by Matsushita, "We bought it from France already."

Perhaps more worrisome to the Soviets in the long term is that company attitudes seem to be slowly changing here, toward a broader view of the world. "We Japanese who put our companies' fortunes in front of our country's are beginning to realize that the security of our nation is the security of our company," says an executive of a major machine-tool maker.

BACKLASH FEARED

The shift apparently isn't entirely for altruistic reasons. Many fear that the backlash will hurt their business with the U.S. Toshiba faces the threat of tough sanctions prescribed by Congress with only a few dissenting votes. An amendment to the Senate trade bill would give President Reagan the option of banning imports from Toshiba or any of its subsidiaries for as long as five years if he deems such punishment suitable. The House has voted to ban the sale of all Toshiba products at U.S. military stores all over the world.

"Companies can't risk losing 100 yen for one additional yen," Mr. Kumagai says.

Japan's trade with Communist nations isn't large compared with its trade with the West. Exports to the Communist bloc, including China, totaled about $16.5 billion last year, about 7% of Japan's total exports. The outlook for growth looks pallid, although Japanese executives continue to harbor high hopes for China. The problem is that the Communist bloc is short of foreign currency, and the Soviets, especially, don't want a trade deficit with Japan; thus, trade is choked back because they have few goods that Japan needs.

The Soviets say their imports from Japan are down only 25%, mainly because they are buying less steel pipe and because two major trade agreements have lapsed and are being negotiated. The Toshiba case appears to have little bearing on the negotiations, say some parties involved.

Nor is it straining Soviet-Japanese relations, which seem to be warming up. Last January, Japanese Prime Minister Nakasone invited Mikhail Gorbachev, the Soviet leader, for a visit, and although the invitation was turned down then, talk of a visit has recently revived. Meanwhile, Soviet proposals to reduce nuclear missiles have been warmly received in Japan. The only nettlesome issues are, for the Japanese, the Soviet refusal to return several northern islands that the Soviets seized from Japan at the end of World War II and, for the Soviets, Japan's attempts to improve relations with China.

MOSTLY DRAB GOODS

There aren't any trade disputes. That's because much of what Japan sells the Soviets is dull fare—steel pipe, drilling equipment, bulldozers and dump trucks for construction and mining. But a partial list of legal exports last year also includes scientific testing equipment, super-cooling devices and even noise-measuring gear along with the machine tools.

"There will be a lot more" crackdowns on Communist-bloc trade, says a U.S. official in Tokyo. "The Japanese now know they have been too lax."

Soviet trade officials in Tokyo, who refer to the Toshiba case as the "notorious incident," say they think that they are being made scapegoats in an economic war being waged by the U.S. to weaken Japan's economy. And they make no apologies, for seeking high technology in Japan.

Even news reporters from Communist countries keep an eye on high-tech. Whenever the Japanese government press center organizes a tour of a high-tech factory or research facility, the reserved spots are quickly snatched up by Communist-bloc reporters.

"Naturally, every country is interested in modern equipment. We don't buy machines that are no good," Mr. Tchegodar says.

SOVIET REACTION

The Soviets scoff at Japanese and American allegations that many Soviet trade officials in Japan work for the Soviet secret police. Mr. Tchegodar says sardonically that trade officials don't know what is on the Cocom list, the agreement between Japan and several Western nations that restricts high-tech exports to Communist countries. "That is not our function. We are free to ask for everything," Mr. Tchegodar says. A. Rodionov, another Soviet official, says, shrugging, "If the Japanese companies want to send us such things. * * *

Little distinction is drawn between commercial and military applications. "I believe all machinery can be used for military use," Mr. Tchegodar explains.

Few manufacturers want to talk about their trade with Communist nations. No trading house would agree to an interview, not even the giants whose Soviet trade accounts for less than 1% of their revenues. And an organization of 150 companies that deal with the Soviet bloc refuses to disclose its membership. "There are no Japanese stupid enough to take the trouble to speak out at a time like this," says an official of the small Kurimoto Trading Co.

But some manufacturers did say it is hard to pass up Soviet orders. The National Policy Agency, Japan's Federal Bureau of Investigation, says the Soviets paid triple Toshiba's list price for the propeller-milling machine.

OTHER LURES

Even when the Soviets aren't raising the price to get what they want, the trade looks good. The Japanese companies don't have to set up service networks, as they do in the U.S. and Europe. Sales costs are low because few companies need to have large staffs in Moscow. The Soviets know what they want and when they want it. Japanese find the 74 Soviet trade people here easy to deal with because almost all of them, unlike Americans and Europeans, are fluent in Japanese, and most know English, too. And payment is guaranteed.

"There is a lot of profit" in Soviet sales, says Masaya Tsuchiya, an expert on Soviet-bloc trade with the Japan External Trade Organization.

So, while the high yen and trade friction are impeding trade with the West, Japanese companies, especially in declining industries such as shipbuilding, steel and machine tools, find that market appealing. Mr. Kumagai, the Wako Koeki whistle-blower, says the Soviets have exploited that by offering lucrative deals to small, weak trading concerns only if they helped them with more difficult projects.

The toughest problems are posed by legal commercial goods that the Soviets divert for military use. In such cases, the companies are supposed to police themselves. But there are a lot of diversions.

Japanese press reports say the Soviets used special ball bearings in the Toshiba-milled propellers. And Toshiba Machine has admitted that it sold two other propeller-milling units to the Soviet Union as early as 1974, but it says these didn't violate existing Cocom laws. MITI acknowledges that it is investigating the sales.

SOME OTHER CASES

In addition, Nissan Diesel Motor Co., an affiliate of Nissan Motor Co., stopped shipments of flatbed trucks to North Korea after reports that the trucks were being converted to mobile missile launchers. According to other reports, Japanese room air conditioners are being used in Soviet tanks, automobile air conditioners are going into military vehicles, and computer chips purchased in Tokyo's Akihabara electronics district are being carried to the Soviet Union.

Ishikawajima-Harima Heavy Industries Co. had a bad experience with a major diversion some years ago, and the huge shipbuilder and industrial-products company has changed its attitude toward Soviet trade. In 1978, it sold the Soviet Union a dry dock, a gigantic floating repair yard capable of lifting 80,000-ton ships out of the water. No one at the company heard anything about it for several years. Then, a U.S. spy photo spotted it repairing an aircraft carrier.

"We were shocked," says Koki Kinoshita, an IHI spokesman. "We had dealt with the Soviets for 30 years. We thought the dry dock was another routine matter."

Although IHI hadn't broken any laws, the incident touched off an internal debate on how to deal with the Soviets. The company decided to keep trading with them—it still sends them ships and other products—but every sale is considered in light of alternative uses of the product. "Anything can happen when you deal with the U.S.S.R." Mr. Kinoshita says.

And when the U.S.S.R. asked for a second dry dock, IHI politely said it was too busy. An order for computer controls for an aluminum-rolling machine in Hungary also was turned down, but IHI later learned that the Hungarians managed to get the system elsewhere.

"Our company now considers the broad principles of Cocom rather than narrow particulars" of the trade-regulating agreement. "You can be free from legal restrictions but still have moral responsibilities," Mr. Kinoshita says, adding: "Perhaps you need a bad experience, but now we think we have more self-control."

[From the Christian Science Monitor, July 22, 1987]

TOSHIBA WHISTLE-BLOWER DEFENDS DECISION TO EXPOSE COMPANY

HIS MOTIVE, HE SAYS, WAS TO PROTECT SECURITY OF JAPAN AND FREE WORLD

(By Takashi Oka)

TOKYO.—The man who blew the whistle on Toshiba says he would be willing to testify before the United States Congress or the Japanese Diet (parliament).

"The US Congress seems intent on bashing Toshiba," said Kazuo Kumagai. "They may do that. But to me, what is most important is how to stop illegal sales to the Soviet Union of high technology products that endanger the security of the free world."

Punishing Toshiba, Mr. Kumagai said, puts the emphasis on retribution for what has already been done. The US, Japan, and the other principle Western countries, he says, should be getting together to see how they can prevent future Toshiba-like incidents.

Toshiba Machine and the Norwegian firm Kongsberg Vaapenfabrikk have admitted selling to Moscow a special type of milling machine and its computer controls that have enabled the Soviet Union to dramatically reduce the noise level of its submarine propellers.

Drafts of laws now before Congress would deny Norwegian and Japanese companies concerned access to the American market for specified periods of time, particularly for the giant Toshiba Corporation, the parent of Toshiba Machine.

Kumagai exposed what Toshiba and the Norwegian firm had done in a letter to Cocom, the Paris-based coordinating committee of Western allies that makes rules for what may or may not be exported to Soviet-bloc countries.

A man of craggy visage and of somewhat saturnine expression, Kumagai has the air of someone who knows he has caused controversy; and yet is at peace with himself.

"Which is the greater patriotism," Kumagai asks, "not to expose something that is harmful to Japan's prestige, or to expose it because it endangers Japan's security and that of the whole free world?"

He was responding to an accusation that a number of Japanese have made, questioning his motives.

"To expose a case like this at this time, when Japan is already being bashed by Congress for its huge trade surpluses, is clearly against the national interest," said an editorial writer of a leading newspaper here. "Why did Kumagai do it? He must have had some compelling personal reason—some huge grudge against his employer."

The comment in turn shows one aspect of Japanese society an inclination to close ranks against a perceived threat from the outside, a reluctance to break ranks and to be seen pointing accusatory fingers at each other. People like Kumagai, who break these unspoken rules, must be prepared to face social ostracism and to have any skeletons they may have in their closet pitilessly exposed.

Kumagai, in this sense, is both vulnerable and not. He is vulnerable because he himself participated in the kind of rule-breaking he exposes. He is invulnerable because he has already been through this crise de conscience and made his decision to go public, come what may.

In a Monitor interview earlier this week with Daniel Sneider, Kumagai explained the kind of work that his company Wako Koeki did in Moscow, his growing uneasiness over its flouting of Cocom rules and the consequences for Western security, and his final decision to take action.

In Tuesday's interview with this correspondent, he reiterated that what originally impelled him was anger—anger with his company that, after years of doing "dirty work" for it, he had not been promoted as he thought he deserved. This anger in turn led him to reexamine what he had already been uneasy about—the kind of life he had led and why, and what satisfaction he had obtained.

Kumagai freely admits that he was one of the culprits, but he angrily denies that he was motivated by greed or that he tried to blackmail anyone. "Can't people believe that it's possible to expose something that may harm Japan's prestige in the short run, and still be a patriot?" he said.

Kumagai also points out that Wako was far from being the only company that flouted Cocom rules. Many other companies, Japanese and Western, did the same. He says he has mentioned some names other than Toshiba in his letter to Cocom as well as in his statements to the Japanese police when they investigated him following the letter.

"In quantity it's quite correct to say that the Toshiba case was only the tip of the iceberg," he said. "In quality, it was by far the most serious case."

Now that Toshiba is out in the open, what about these other cases? "The police are investigating them," he said. He did not want to mention names because he had no proof.

In that sense, Kumagai feels, his exposure of Toshiba has been a success. In the changed climate brought about by his action, Japan is now hurrying to tighten its Cocom-related laws and procedures. Other countries may be doing the same.

"But to be effective, there must be a coordinated effort," Kumagai said. That is what he very much hopes will be the next stage in this unfolding story.

FUNDING FOR THE INTERAMERICAN DEVELOPMENT BANK

APPROPRIATIONS COMMITTEE CLOSELY WATCHING ACRE PROJECT

Mr. KASTEN. Mr. President, yesterday, the Interamerican Development Bank informed me that it was reversing its position on the environmental performance of the Acre Construction Project.

Before yesterday, the Interamerican Development Bank (IDB) has always insisted that the environmental components of this $58.5 million loan were being complied with. Yesterday, however, the IDB decided to notify the Brazilians that a major environmental component of this loan, the demarcation of indigenous reserves, is not being adequately fufilled.

If this shortcoming is not corrected in 60 days, the IDB has indicated it will formally suspend further disbursements for this road.

Senator INOUYE and I have worked very closely to see that the environmental components of this loan are implemented. We will continue this close cooperation to see that these critical environmental provisions are implemented.

Yesterday's decision by the IDB was a good first step. We will be carefully watching progress on bringing this loan into compliance with the environmental provisions in the loan contract. We will pay special attention to the adoption of the "definitive action plan" which provides for the implementation of these environmental provisions. This plan is currently scheduled to be presented in mid-September.

The Appropriations Committee has previously indicated that environmental reform is a necessary condition for our financial support. We will closely watch the progress on the Acre Project in preparing this year's appropriation bill.

U.S. LEADERSHIP IN SPACE

Mr. GLENN. Mr. President, earlier this year Mr. Robert Anderson, chairman and chief executive officer of Rockwell International, spoke to the Harvard Business School Club of Cleveland concerning the U.S. Space Program. Mr. Anderson addressed the imperative of maintaining—and in some cases, restoring—U.S. leadership in space.

The question he endeavored to answer was why the United States should make the commitment of resources to assure its space leadership. Mr. Anderson emphasized three main points:

First, the American people strongly support the goal of U.S. leadership in space; second, our competitors are certainly prepared to overtake the United States if we fail to grasp the initiative; and third, space exploration is a major driver of new technologies critical to U.S. international competitiveness.

Mr. President, I believe the first point speaks for itself. Public opinion polls consistently demonstrate broad, bipartisan support for the U.S. Space Program. A national poll taken last summer, for example, found:

That 89 percent said the United States should resume shuttle operations while recognizing that there will always be risks associated with manned space flight; 69 percent support proceeding with the Space Station Program; and, 56 percent support significant increases in the NASA budget.

America's space program is faced with an increasingly serious challenge from both our friends and adversaries abroad. Clearly, the Soviets are solidifying their position in manned space operations with their Mir Space Station Program. In the critical area of space launch capabilities, there is a growing list of countries competing in an effort to dominate this important business market. The range of nations involved in this competition now includes France, Brazil, Japan, the PRC, and the Soviet Union. There is clearly a requirement to get the space shuttle operating again safely and to build up a fleet of unmanned expendable launch vehicles to assure our Nation's access to space and our ability to compete internationally.

Space exploration has proven to be a significant driver of new technologies. Spinoffs from the space program that have benefited the everyday lives of all Americans are numerous. Among these are: traffic control devices, highway safety systems, and smoke detectors. In addition, medical spinoffs in terms of heart pacemakers and surgical tools, for example, are also among the technological benefits deriving from the space program.

Finally, Mr. Anderson provides a clear explanation for the requirement for a balanced space program that maximizes the potential of manned and unmanned missions. He cites several specific examples of manned space flight that underscore the importance of man's ability to work with the sophisticated space machines of today. I concur with his judgment that, "man turns the unexpected into discovery, discovery into knowledge and knowledge into leadership."

Mr. President, our Nation's aerospace community is actively engaged in the work of assuring America's leadership in space. Mr. Anderson's remarks stand as a compelling reminder of why this work is so important. I would, therefore, ask unanimous consent that his speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

U.S. LEADERSHIP IN SPACE: THREE REASONS WHY

(Robert Anderson)

For nearly three decades, one of our country's most important sources of new technologies—new companies—new products and services to improve our standard of living—has been the space program.

Today the promise for future advances from space is greater than ever.

But their realization will depend on some very down to earth decisions to be made in Washington, DC in the name of the American people.

These decisions involve both the scope and the cost of our national space effort.

The basic decision to be made is—will the United States of America invest in its future to assure continued leadership in space?

There are those who would argue we have already lost that leadership to the Soviet Union.

Personally I don't think we are quite to that point yet—but the course we plot now and in the months just ahead will determine whether we ultimately lose it.

It was almost exactly fourteen months ago that the space program took an unexpected and tragic turn as the shuttle Challenger exploded just 73 seconds into what was to have been the space transportation system's 25th operational flight.

The seven Americans who perished aboard Challenger cannot be replaced.

But the spirit with which they faced the dangers of space can be renewed in their names and in the name of the country which they served.

After the tragedy, events at first seemed to move very slowly.

In retrospect, however, they really moved fast for an event of such magnitude.

Just over four months after the accident the President's Commission delivered its report.

It contained nine recommendations for changes in NASA management and flight operations and concluded with the following words:

"The commission urges that NASA continue to receive the support of the Administration and the nation. The agency constitutes a national resource that plays a critical role in space exploration and development.

"It also provides a symbol of national pride and technological leadership. . . .

"The findings and recommendations of this report are intended to contribute to the future NASA successes that the nation both expects and requires as the 21st century approaches."

On August 15th the President approved building a fifth shuttle orbiter, to bring the fleet back up to four operational vehicles, and shortly thereafter NASA set February, 1988, as the target month for the next launch.

From the events of 1986 I believe the nation has learned some important lessons.

The first lesson is simply that space flight is inherently hazardous and probably always will be.

In space, routine is not a synonym for relaxed.

The second lesson brought strongly home by the events of 1986 is that this country needs a mixed fleet of launch vehicles.

As the result of the Challenger tragedy and several unrelated accidents with expendable launchers, for about four months last year every one of our large launch systems was grounded.

Even more serious is the backup and rescheduling that is underway as a result of losing at least two years out of what was an accelerating shuttle launch schedule.

This is affecting virtually every aspect of our usage of space—scientific experiments like the space telescope, bold new advances like the NAVSTAR global positioning system, many classified projects and a number of civilian communications satellites for United States owners and nations around the world.

Closely tied to our current situation is the third big lesson, which is the need to push on with development of new launch vehicles to support our long-range space goals.

The experience curve in space development has trended toward larger and larger satellites and other payloads. This trend will be extended as construction of the space station begins.

Just as with airplanes, ships or trucks, the more you can carry on each trip, or the simpler your operations are, the lower your costs per pound or ton will be.

Two approaches to this are now being studied: the heavy lift vehicle for the 1990's and the National Aerospace Plane for the 21st century.

The former would be a huge expendable launch vehicle capable of boosting payloads of 50 to 75 tons into orbit.

This compares roughly with the five-ton payloads of current U.S. rockets, 21 tons for the Soviet Proton and 32 tons for the shuttle.

The National Aerospace Plane is what President Reagan has called the "Orient Express," emphasizing its terrestrial role as an ultra fast intercontinental transport plane.

But, there is a potentially larger role for this craft, as a space transport capable of taking off from conventional type runways, attaining escape velocity and transporting people and cargo into orbit.

Its return to earth would reverse the process.

The aerospace plane offers the potential for much simpler space launch operations.

The final lesson learned from the events of 1986 is the critical need for this nation to get its act together with regard to supporting our space policy and plans.

Orderly development of space will be the work of decades, ultimately even generations.

It is an undertaking which requires a national commitment and a national will.

If the program cannot be structured to transcend the two-, four- and six-year cycles of American politics it is doomed to mediocrity.

Such a structure does not have to require unlimited access to the public till.

It does require a plan and a willingness to commit a percentage of our gross national product, at a predictable level, year in and year out no matter which way the political winds may blow.

For me, a person who has spent close to two decades managing businesses on the forefront of technology, the national need to maintain space leadership is obvious.

Why should we strive for leadership in space?

I see three good reasons.

And the first is simply that the American people want to.

Opinion polls show that national support for the space program is at an all-time high, even higher than during the years America was putting men on the Moon.

One recent poll showed that 9 out of every 10 Americans think we should resume flying the shuttle, even at some risk, and 8 out of 10 support the space station.

But not only do Americans support national space programs, they also perceive the threat to our leadership—which brings me to my second reason for keeping our space leadership.

If we don't stay in front, others will pass us.

That same opinion poll I just cited revealed that 7 out of 10 Americans believe it is important to stay ahead of the Soviet Union in space technology, and 6 out of 10 are even willing for our government to spend whatever it takes to keep our leadership position.

The Soviets are clearly the front runners among other nations in space activity, but they are not alone.

Europe's Ariane satellite launcher has a backlog of 59 launch contracts, the Europeans are developing their own shuttle-type vehicle and the British have a concept for an unmanned aerospace plane.

Both Japan and China have unmanned launch capability and the Chinese reportedly have a contract to launch the Westar 6S communications satellite next year with plans for launching two more Westars and a Swedish satellite over the next few years.

Our international competitors in high technology products recognize the tremendous contributions space programs make to their efforts to maintain global competitiveness.

But it remains the Soviet Union that is our major competitor in space.

Cosmonauts have flown in space more than twice the hours of U.S. astronauts.

The Soviets operate three cosmodromes and launch 100 rockets a year on average, five times what we do, and they, too, are now offering to provide commercial launch services.

The depth of their national commitment involves an estimated 600,000 people, compared with under 200,000 in the U.S., and expenditures estimated at 22 to 34 billion U.S. dollars.

This is two to three times our civilian space expenditures and represents perhaps twice as much of their gross national product.

This very minute, while U.S. astronauts are grounded for close to another year at best, Soviets are orbiting the earth in what is in fact a space station.

Modest, by our intentions for the future, but still a space station.

They have achieved mankind's first space station crew rotation and regularly resupply their orbiting cosmonauts using unmanned vehicles.

Their heaviest operational booster already outlifts our Titan 34D, and reported to be in advanced development is one that will approach the capacity of Saturn V which lifted Americans to the Moon.

The first Soviet shuttle may well fly this year. Some experts believe that by 1994 they could have five active space stations and 35 to 40 people in orbit.

That's the year NASA has targeted to have our station operational with a crew of only 5 to 8.

There can be no doubt that the Soviets are already more spacewise than we.

Yet our technical edge remains sharper—so far.

But that brings me to my third reason for maintaining space leadership—space exploration is a driver of new technologies.

NASA can identify tens of thousands of spin-offs from its research that enhance the everyday lives of most Americans.

These include traffic control devices, highway safety systems and smoke detectors.

Many additional spinoffs are found in medicine.

An estimated 12,000 life-saving and health enhancing devices and processes have sprung from aerospace research including programmable heart pacemakers, implants that dispense medication or control blood pressure, and surgical tools.

Yet, bear in mind that these advances are only those derived from the process of just getting men and machines into space for relatively short periods of time.

Our next step must be to prolong the length of that stay and provide the environment and equipment which will launch truly space-based research.

The space station is the foundation of that next step.

And any discussion of the space station should start with the question of manned versus unmanned space exploration.

Obviously unmanned spacecraft offer one major cost and weight advantage—there is no need to protect and nurture that fragile living organism called a human being.

Unmanned craft can perform many tasks, gather information, even conduct experiments.

With coming advances in computers and artificial intelligence, factories and laboratories operating for long periods untended will be possible.

But our experience to date clearly shows the need and effectiveness of men working with machines.

Let me give you three examples.

In April of 1984 U.S. astronauts operating from the Space Shuttle flew to the nonoperating scientific satellite of the so-called Solar Maximum Mission, retrieved it, repaired it and put it back into orbit to continue its mission.

In November, that same year, the shuttle retrieved and returned to earth two satellites, PALAPA-B2 and WESTAR 6, which had been launched earlier but failed to go into their correct orbits.

During that mission an A-frame device designed to secure one of the satellites could not be attached to the spinning satellite.

Undaunted, Astronaut Dr. Joseph Allen mounted the shuttle arm and grappled the satellite by hand, eventually bringing it into the orbiter's cargo bay.

My final example took place in 1985, but this time it was a Soviet accomplishment.

The Salyut 7 space station, while orbiting unmanned, had lost all electrical power and was tumbling through space in a decaying orbit.

Two cosmonauts flew a Soyuz spacecraft to the station, manually docked with it as it tumbled, entered and restored power.

Thus the Soviets salvaged through human effort what would otherwise have been a major loss because of machine failure.

Humans, then, have a material role to play in space.

Man turns the unexpected into discovery, discovery into knowledge and knowledge into leadership.

But once there how should we house them and how should they spend their time?

Although the Soviets are orbiting in space stations already, their approach and ours differs markedly.

They have opted so far for stations which are little more advanced than our Skylab of the 1970s.

At NASA planners are seeking a far more elegant solution.

The NASA station will include linked modules for living and work, capable of being expanded for decades—ports for docking shuttles and future launch vehicles—and advanced large power systems—all linked by a latticework of trusses.

It might be said that the Russian stations are oriented toward the present, while ours, built with our partners in Europe, Canada and Japan, will be oriented toward the future.

President Reagan has termed the space station our "gateway to the universe" and Dr. James Fletcher, the NASA administrator, has described it as the central focus of all our efforts to expand commerce, industry and science in space through the end of the 21st century and beyond.

It will evolve into far more than a place for a few men and women to conduct experiments and grow crystals.

From the station unmanned orbital transfer vehicles will place commercial and scientific spacecraft in higher orbits.

Nearby orbital construction and service stations will be capable of building, launching, maintaining and refueling a variety of manned and unmanned craft; craft to be used in exploring and developing the moon, the asteroids and Mars, or for probing deep into our solar system and beyond.

Meanwhile orbiting factories will be developed, and scientists will continue to expand their knowledge of our own planet, the planets near us and the universe itself.

And for the majority of us who will never make that high journey there will be very direct and tangible benefits.

Two such potentials come right back here to this room, to Cleveland.

As we have progressed in developing the concept and specifications for the space station it has become clear that a high level of artificial intelligence will be needed.

To keep the station running smoothly—in the correct orbit and in contact with Earth—using crew members alone would require so much of their time that little would be left for their primary work.

So the station itself will be required to do much of this.

The systems developed for these purposes will pave the way for major strides forward at companies which are building products to make industry more productive.

Indeed it may be said a few years hence that our factories of the future were born in space.

As I mentioned, the U.S. station will probably utilize advanced large scale systems to generate electricity from the sun.

One system will be an array of solar cells five times as powerful as the traditional systems which now power most orbiting spacecraft. As you probably know these cells are composed of a material which turns sunlight into electric power.

But NASA has asked its contractors to look also at what is called solar dynamic power. In this approach a reflector focuses the sunlight on a heat exchanger which turns the resulting heat into energy to run a alternator.

Some of this heat also is stored and continues to produce electricity when the station is in the earth's shadow.

For the station, solar dynamic offers the potential of higher efficiency with reduced drag, lower hardware costs and longer useful life.

For mankind generally, it offers the promise of relatively small sunpowered electric stations that could be set up in any remote area with enough sunlight.

So just within the scope of what we have discussed today, there are two readily identifiable benefits which will most likely result from space station development and construction.

Expanding out into other systems, materials, software programs, computer development, the need for food storage and preparation, just to name a few, station spin offs seems sure to begin soon and continue indefinitely.

For me, obviously, there is no question about the need to maintain U.S. space leadership.

But for those who doubt, I hope that I have offered strong and compelling arguments.

It would seem to be difficult to justify not making the investment if the American people are willing to make it.

I would hope that few Americans really care so little about their country and their way of life that they could accept the idea of living cooped up under a sky dominated by any foreign nation, but especially the Soviet Union.

And we already are feeling the hot breath of technology competition across both oceans.

How can we fail to fuel one of the two primary drivers of advanced technology, space, especially at a time when there is growing restraint on funding the other one, national defense?

Although it seems difficult to realize in the heart of downtown Cleveland, this pleasant land of the Western Reserve was once a frontier.

A frontier that was subsequently settled and folded into the fabric of a nation.

Space, too, has been termed a frontier.

Some have called it the "The Endless Frontier" and others the "Final Frontier."

My own view is that mankind does not yet know enough about the universe to term space either "endless" or "final."

But it is clearly the "Next Frontier."

I hope you will agree with me that there are solid, pragmatic reasons to commit both the national will, and a portion of our national treasure, to developing that frontier.

And ultimately folding it also into the scientific and economic fabric, not just of this nation, but of all nations.

Thank you.

SHAKESPEARE IN THE PARK

Mr. WIRTH. Mr. President, I would like to draw the attention of my colleagues to Murray Ross of Colorado Springs, CO, and his efforts to bring Shakespeare's plays to Coloradans. Murray has directed and produced the Colorado Springs Shakespeare-in-the-Park festivities since its beginning 4 years ago.

In that short period of time, the troupe has grown in size and expertise so that it now creates first-rate performances for the people of Colorado Springs. Thanks to Murray's vision and dedication, Colorado Springs can now claim to be the home of one of the finest Shakespeare-in-the-Park productions in the State.

Murray, his wife Betty, and son Orion have succeeded in presenting superb theater to Coloradans free of charge. The troupe's unique interpretations of William Shakespeare's work, coupled with his innovative approaches to set design and production, have captured the imagination of scores of audiences in the past 4 years.

I am enclosing a recent article from the Colorado Springs Gazette-Telegraph, which I hope will help inspire other communities across the Nation to follow the example of Murray Ross and his family.

[From The Colorado Springs (CO) Gazette-Telegraph, Aug. 4, 1987]

Shakespeare Moves Inside—PPC To Host Park Production

(By Deborah Belgum)

It had become a tradition to stage the annual Shakespeare in the Park productions in a large tent in Monument Valley Park.

But, as Shakespeare aptly stated: "All the world's a stage." Shakespeare in the Park organizers have taken that statement to heart by moving the outdoor theater indoors.

Rain and hail, along with noisy trains, have forced the troupe to move to the Pikes Peak Center this summer, where a theater-in-the-round will be formed right on stage. The production this year is "Twelfth Night," sponsored in part by the Gazette-Telegraph.

"While the park has its charms, it also has its limitations," says artistic director Murray Ross. "I don't think it matters very much in a play like 'Taming of the Shrew,' last year's production, which is a robust, knockabout farce. But I do think it matters in a play that is a little more delicate and a little more sophisticated, like 'Twelfth Night.' "

In keeping with the spirit of theater in the park, however, the city and county have declared that the center stage of the Pikes Peak Center will be the park during the play's Aug. 7–22 run.

"I want people to understand that we're not using the Pikes Peak Center in a way that it has never been used before," Ross says. "One of the things that really concerned us was to keep a lot of the qualities that we value in Shakespeare in the Park and to make sure that they successfully survived the migration to the Pikes Peak Center.

"And among those we count intimacy and informality and a sense of a magical place. . . . So what we are going to do is take the stage towers that are three tiers and try to circle those around the stage three-quarters of the way, so we will have an approximation of Shakespeare's own Globe Theatre."

"Twelfth Night" is one of Shakespeare's most popular comedies. It takes place in the seaport city of Illyria.

Duke Orsino falls in love with the wealthy Lady Olivia, who is in love with a young man named Cesario. But Cesario is actually a young woman named Viola disguised as a young man. Disguised as Cesario, Viola works for Duke Orsino, with whom she falls in love. The duke, of course, doesn't know she is a young lady.

Shakespeare untangles his amorous mess as the play draws to a close.

The most famous character in the play, however, is Malvolio. He is a servant in Olivia's household, and through a cruel trick is made to believe that Olivia is madly in love with him. This idea appeals to Malvolio, a pompous social climber eager to elevate his social status.

This year's cast is a mixture of area residents and out-of-state actors.

Duke Orsino will be played by Harry Blackman of New York, Lady Olivia will be played by Claudette Buelow, also of New York. Myra Platt of Colorado Springs has the part of Viola.

Malvolio will be played by English actor Gregory de Polnay, who is in town for six weeks through a grant from the University of Colorado at Colorado Springs.

The Park is able to bring together the geographically disparate group of actors largely because of a hefty budget increase, from $35,000 last year to $55,000 this year. The money comes from the city, county, UCCS and several corporations.

Shakespeare in the Park is known not only for its unusual settings but for performing Shakespeare with a difference. The difference in this year's production will be that the Da Vinci String Quartet, from Colorado Springs, will be on stage with the actors, playing music not normally associated with string quartets.

In the four years that Shakespeare in the Park has been around, it has grown in sophistication and popularity—a fact not lost on director Murray Ross, who started the troupe.

His aspirations were to present Shakespeare to the people of Colorado Springs at no cost. But his aspirations have grown.

"Our goal is to be the best small Shakespeare that we can possibly be," he said. "Not just in Colorado Springs but in the region and in the West. We think we are ready to rumble with Boulder's Shakespeare Festival and with the big kids up the road."

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Emery, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 12:07 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 1418. An act for the relief of Rick Hangartner, Russell Stewart and David Walden.

ENROLLED BILLS SIGNED

The message also announced that the Speaker has signed the following enrolled bills:

S. 769. An act to provide grants to support excellence in minority health professions education;

H.R. 318. An act to provide for the restoration of the Federal trust relationship and Federal services and assistance to the Ysleta del Sur Pueblo and the Alabama and Coushatta Indian Tribes of Texas, and for other purposes; and

H.R. 921. An act to require the Secretary of the Interior to conduct a study to determine the appropriate minimum altitude for aircraft flying over national park system units.

The enrolled bills were subsequently signed by the President pro tempore [Mr. STENNIS].

At 3:50 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bills, without amendment:

S. 1371. An act to designate the Federal building located at 330 Independence Avenue SW., Washington, District of Columbia, as the Wilbur J. Cohen Federal Building"; and

S. 1577. An act to extend certain protections under title 11 of the United States Code, the Bankruptcy Code.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 161. Concurrent resolution authorizing a public ceremony on the West Lawn of the Capitol in honor of the Bicentennial of the United States Constitution.

At 4:52 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following joint resolutions, without amendment:

S.J. Res. 44. Joint resolution to designate November 1987, as "National Diabetes Month";

S.J. Res. 49. Joint resolution to designate September 18, 1987, as "National POW/MIA Recognition Day";

S.J. Res. 87. Joint resolution to designate November 17, 1987, as "National Community Education Day"; and

S.J. Res. 175. Joint resolution to recognize the efforts of the United States Soccer Federation in bringing the World Cup to the United States in 1994.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 3058. An act making appropriations for the Department of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1988, and for other purposes.

At 5:32 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following joint resolutions, without amendment:

S.J. Res. 108. Joint resolution to designate October 6, 1987, as "German-American Day";

S.J. Res. 109. Joint resolution to designate the week beginning October 4, 1987, as "National School Yearbook Week";

S.J. Res. 121. Joint resolution to designate August 11, 1987, as "National Neighborhood Crime Watch Day"; and

S.J. Res. 157. Joint resolution to designate the month of October 1987, as "Lupus Awareness Month".

The message also announced that the House has passed the following bill, with an amendment, in which it requests the concurrence of the Senate:

S. 1591. An act to temporarily restrict the ability to document foreign-built fish processing vessels under the laws of the United States.

ENROLLED BILL SIGNED

The message also announced that the Speaker has signed the following enrolled bill:

H.R. 27. An act to regulate nonbank banks, impose a moritorium on certain securities and insurance activities by banks, recapitalize the Federal Savings and Loan Insurance Corporation, allow emergency interstate bank acquisitions, streamline credit union operations, regulate consumer checkholds, and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore [Mr. STENNIS].

At 5:50 p.m., a message from the House of Representatives, delivered, by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 3085. An act to amend the Water Resources Development Act of 1986 relating to the level of flood protection provided by the flood control project for Lock Haven, Pennsylvania.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 1418. An act for the relief of Rick Hangartner, Russell Stewart, and David Walden; to the Committee on the Judiciary.

H.R. 3058. An act making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1988, and for other purposes; to the Committee on Appropriations.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1706. A communication from the Administrator of the Panama Canal Commission, transmitting, pursuant to law, a report on a violation of law relating to an overobligation of an expense item subject to congressional limitation; to the Committee on Appropriations.

EC-1707. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Budget Issues—the use of Spending Authority and Permanent Appropriations Is Widespread"; to the Committee on the Budget.

EC-1708. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Budget Issues—Inventory of Accounts With Spending Authority and Permanent Appropriations, 1987"; to the Committee on the Budget.

EC-1709. A communication from the Administrator of the National Oceanic and Atmospheric Administration, transmitting, pursuant to law, the fiscal year 1986 report on Ocean Thermal Energy Conversion; to the Committee on Commerce, Science, and Transportation.

EC-1710. A communication from the Vice President (Adult Learning and Elementary/Secondary Services) of the Public Broadcasting System, transmitting, pursuant to law, a report on the first 5 years of the Adult Learning Service; to the Committee on Commerce, Science, and Transportation.

EC-1711. A communication from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend the Second Supplemental Appropriation Act, 1961, relating to the lease of certain lands from the Isleta Indian Tribe for a seismological laboratory; to the Committee on Energy and Natural Resources.

EC-1712. A communication from the Assistant Secretary of Energy (Conservation and Renewable Energy), transmitting, pursuant to law, notice of a delay in the submission of an update of the Comprehensive Ocean Thermal Technology Application and Market Development Plan; to the Committee on Energy and Natural Resources.

EC-1713. A communication from the Secretary of Transportation, transmitting, pursuant to law, reports on "Methane Conversion for Highway Use"; to the Committee on Energy and Natural Resources.

EC-1714. A communication from the presiding officer of the National Ocean Pollution Board, National Oceanic and Atmospheric Administration, transmitting, pursuant to law, a review of the fiscal year 1988 Agency Requests for Appropriations to Support Marine Pollution Research, Development, and Monitoring; to the Committee on Environment and Public Works.

EC-1715. A communication from the Assistant Secretary of the Treasury, transmitting, pursuant to law, notice that in the absence of a debt limit increase the Treasury will be uanble to invest or roll over maturing investments of trust funds and other Government accounts; to the Committee on Finance.

EC-1716. A communication from the President of the Overseas Private Investment Corporation, transmitting, pursuant to law, a copy of the development report of the Corporation for fiscal year 1986; to the Committee on Foreign Relations.

EC-1717. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, notification of the provision of emergency military assistance to Honduras; to the Committee on Foreign Relations.

EC-1718. A communication from the Plan Administrator of the Eighth Farm Credit District Employee Trust Fund, transmitting, pursuant to law, the annual reports for the Eighth Farm Credit District Pension Plans for calendar year 1986; to the Committee on Governmental Affairs.

EC-1719. A communication from the Director of the Administrative Office of the United States Courts, transmitting a draft of proposed legislation to amend the Comprehensive Crime Control Act of 1984 to provide for an orderly transition into sentencing with guidelines and for other purposes; to the Committee on the Judiciary.

EC-1720 A communication from the Secretary to the Railroad Retirement Board, transmitting, pursuant to law, notice of the award of contracts to the two low responsive and responsible bidders for certain services; to the Committee on Labor and Human Resources.

EC-1721. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for the Assistance for School Construction in Areas Affected by Federal Activities Program; to the Committee on Labor and Human Resources.

EC-1722. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the report of the Lupus Erythematosus Coordinating Committee; to the Committee on Labor and Human Resources.

EC-1723. A communication from the Secretary of Education, transmitting, pursuant to law, notice of Final Annual Funding Priority—Educational Media Research, Production, Distribution, and Training Program; to the Committee on Labor and Human Resources.

EC-1724. A communication from the Administrator of the Small Business Administration, transmitting, pursuant to law, a report on the advisability and feasibility of implementing section 921 of Public Laws 99-591 and 99-661; to the Committee on Small Business.

EC-1725. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report concerning the new emergency service provisions that Medicare participating hospitals which have emergency departments must meet; to the Committee on Finance.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-287. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Agriculture, Nutrition, and Forestry.

House Concurrent Resolution No. 221

"Whereas, food stamps were designed and implemented to offer aid to citizens whose economic situation is such that they need additional financial assistance to feed their families; and

"Whereas, the reality of the economic condition of the American farmer has changed radically in recent years due to many factors, particularly the industrial and technological advancements of the twentieth century, and this has had a dramatic effect on the ability of individual farmers to continue to own and operate their farms and to meet the needs of their families; and

"Whereas, many other unemployed Americans also need jobs to provide the financial ability to feed and clothe their families; and

"Whereas, the adoption of policies to encourage the purchase of American products rather than foreign products would result in a stronger national economy and would improve our balance of payments with foreign nations, which would also tend to improve the nation's economic condition; and

"Whereas, a national policy to restrict the use of food stamps for the purchase of American products only would, therefore, benefit the farmer, the unemployed, others needing financial assistance to purchase food, and the overall economy.

"Therefore, Be it Resolved, that the Legislature of Louisiana does hereby memorialize the Congress of the United States, and in particular the members of the Louisiana congressional delegation, to limit the use of food stamps, in the case of the purchase of American agricultural products which face competition from foreign products, to the purchase of American products; and

Be it Further Resolved, That certified copies of this Resolution shall be forwarded to the secretary of the Senate and the clerk of the House of Representatives of the Congress of the United States, and to each member of the Louisiana congressional delegation."

POM-288. A resolution adopted by the Senate of the State of Alaska; to the Committee on Energy and Natural Resources:

"Senate Resolution No. 18

"Be it resolved by the Senate:

"Whereas the development of the state's mineral resources is important to the future of the state; and

"Whereas it is critical that the development be planned and carried out in a manner that minimizes the effects on the environment; and

"Whereas it is equally critical that the development be planned and carried out in a manner that maximizes the economic benefits and minimizes the socioeconomic disadvantages; and

"Whereas the Quartz Hill molybdenum deposit near Ketchikan, Alaska, contains over 10 percent of the world's supply of molybdenum; and

"Whereas the U.S. Borax and Chemical Corporation has invested over $100,000,000 in the project since the ore deposit was discovered in 1974 without asking for financial support or guarantees from the state; and

"Whereas development of the Quartz Hill mine would stabilize the economy of Southeast Alaska by providing thousands of construction, development, and production jobs for an estimated 70 years while creating an additional tax base for the entire state;

"Be it Resolved That the Senate encourages the development of environmentally responsible mineral resource projects to ensure sound and secure sources of employment and state revenue; and be it

"Further Resolved, That the Senate supports cost-effective and environmentally responsible construction, development, and operation of the Quartz Hill molybdenum project.

"Copies of this resolution shall be sent to the Honorable George Bush, Vice-President of the United States and President of the U.S. Senate; the Honorable Jim Wright, Speaker of the U.S. House of Representatives; the Honorable Lee M. Thomas, Administrator of the U.S. Environmental Protection Agency; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress."

POM-289. A resolution adopted by the House of Representatives of the State of Michigan; to the Committee on Energy and Natural Resources:

House Resolution No. 318

"Whereas, The amount of low level radioactive waste projected to be generated in 1990 will be approximately one-third of the amount generated in 1980; and

"Whereas, Serious questions have been raised regarding the Low Level Radioactive Waste Policy Act (42 USC 2021b et seq.) This statute places no limit on the number of low level waste disposal sites or compacts that can be created under the act, and as many as thirteen facilities are currently under consideration by compacts and "go-it-alone" states. In addition, differing safe construction costs from one region of the country to another may create substantial economic inequities in utility costs and rates; and

"Whereas, There are also serious liability questions regarding these sites. The act makes no provision for liability coverage for sites constructed under the act, and private liability coverage is not currently available; and

"Whereas, The law also does not address the complex issue of the disposal of mixed wastes, and the Nuclear Regulatory Commission and the Environmental Protection Agency have been unable to reconcile their regulatory schemes; and

"Whereas, The act actually discourages source and volume reduction of low level radioactive wastes by generators; and

"Whereas, The act provides no funding mechanism for the construction of low level waste sites nor for the long-term care or maintenance of the sites, thus placing host state taxpayers at substantial economic risk; and

"Whereas, In light of these many concerns, it would be in the public interest to make a thorough review of this law and recommend appropriate changes. Moreover, until this review is completed and acted on, it would be inappropriate to proceed with the low level radioactive waste site selection process due to current deficiencies in the federal law; now, therefore, be it

"Resolved by the House of Representatives, That we hereby memorialize the United States Congress to review the Low Level Radioactive Waste Policy Act of 1980; and be it further

"Resolved, That the members of his legislative body request that an immediate and total moratorium be established on the low level radioactive waste site selection process until this review is completed and current deficiencies corrected; and be it further

"Resolved, That the United States Congress be urged to:

"(1) Consider the inclusion of the environmental impact of a low level radioactive waste facility as a critical factor in its siting.

"(2) Review the liability problems and the availability of liability insurance coverage.

"(3) Address the issue of the disposal of mixed wastes.

"(4) Consider providing a funding mechanism for the construction and long-term maintenance of low level radioactive waste facilities. and be it further

"Resolved, That a copy of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the Michigan congressional delegation.

POM-290. A joint resolution adopted by the Legislature of the State of Colorado; to the Committee on Finance:

"House Joint Resolution No. 1031

"WHEREAS, The Congress of the United States is presently considering an increase in the federal motor fuel tax as a means to reduce the federal deficit; and

"WHEREAS, Revenue raised by such an increase would be diverted from the Highway Trust Fund and would instead be used for deficit reduction purposes; and

"WHEREAS, The creation of the Highway Trust Fund in 1956 established the relationship between fees collected from highway users and the dedication of these revenues to meet state transportation construction, rehabilitation, and maintenance needs; and

"WHEREAS, Recent delays and reductions in the apportionment of federal funds to the states have seriously impaired state highway construction and maintenance efforts; and

"WHEREAS, Any increase in the federal excise tax will constrain state efforts to raise revenue for state transportation programs and will impair the ability of states to match the federal share in federal-aid highway programs; now, therefore,

"Be It Resolved By the House of Representatives of the Fifty-sixth General Assembly of the State of Colorado, the Senate concurring herein:

"That the General Assembly hereby urges the Congress of the United States to refrain from consideration of increased federal fuel taxes as a means to reduce the federal deficit, and to preserve the historic relationship between highway user frees and the Highway Trust Fund.

"Be It Further Resolved, That copies of this Resolution be transmitted to the Speaker of the United States House of Representatives, the President of the United States Senate, and the members of the Colorado delegation to the Congress of the United States."

POM-291. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Governmental Affairs:

"House Concurrent Resolution No. 40

"Whereas, this nation is a government of the people, by the people, and for the people; and

"Whereas, this government is founded upon the principle of participatory democracy; and

"Whereas, this principle is fully realized in every qualified citizen's paramount right to vote; and

"Whereas, the deprivation of this right without just cause shown can and should not be tolerated by any person in this country; and

"Whereas, it is the ministerial duty of the registrars of voters to preserve and maintain the most current records possible, especially as they relate to the registration of voters; and

"Whereas, such records cannot be kept current without the cooperation of many others, including the voters themselves and the United States Postal Service.

"Therefore, be it resolved, That the Legislature of Louisiana does hereby memorialize the Congress of the United States to direct the United States Postal Service to cooperate to the fullest extent with the registrars of voters in the updating of voters' addresses.

"Be it further Resolved, That a copy of this Resolution be forwarded to the secretary of the Senate and the clerk of the House of Representatives of the Congress of the United States and to each member of the Louisiana congressional delegation."

POM-292. A joint resolution adopted by the Legislature of the State of California; to the Committee on Labor and Human Resources:

"Assembly Joint Resolution No. 16

"Whereas, Congress, in 1986, enacted and the President signed Public Law 99-457, which authorizes an early intervention program under the Education of the Handicapped Act for handicapped infants and toddlers and their families, and for handicapped preschoolers; and

"Whereas, Congressional testimony and research indicate that early intervention and preschool services help enhance intelligence in children; produce substantial gains in physical development, cognitive development, language, and speech development, psychosocial development and self-help skills; prevent the development of secondary handicapping conditions; reduce family stress; reduce societal dependency and institutionalization; reduce the need for special class placement in special education programs once the children reach school age; and save society and our nation's schools substantial costs; and

"Whereas, Congress has made findings that there are urgent and substantial needs '(1) to enhance the development of handicapped infants and toddlers and to minimize their potential for developmental delay, (2) to reduce the educational costs to our society, including our nation's schools, by minimizing the need for special education and related services after handicapped infants and toddlers reach school age, (3) to minimize the likelihood of institutionalization of handicapped individuals and maximize the potential for their independent living in society, and (4) to enhance the capacity of families to meet the special needs of their infants and toddlers with handicaps,' and that an overwhelming case exists for expanding and improving the provision of early intervention and preschool programs for these young individuals with exceptional needs; and

"Whereas, The Federal Department of Education in its Seventh Annual Report to the Congress has found that studies of the effectiveness of preschool education for the handicapped have demonstrated beyond doubt the economic and educational benefits of programs for young handicapped children, and the studies have also shown that the earlier intervention is started, the greater is the ultimate dollar savings and the higher the rate of educational attainment by these handicapped children; and

"Whereas, It is the policy of the United States to provide financial assistance to states to develop and implement a statewide, comprehensive, coordinated, multidisciplinary, interagency program of early intervention services for all handicapped infants and toddlers and their families; and provide a preschool grant program with enhanced incentives for states to serve all three- to five-year-old handicapped children by school year 1990-91 or 1991-92, depending on the level of funds appropriated under the preschool program by Congress; and

"Whereas, The California Legislature is concerned that Congress, since 1979, has not given states the full amount of financial assistance necessary to achieve its goal of ensuring handicapped pupils, under Public Law 94-142, equal protection of the laws; and that in 1986, the federal government's share of the cost of special education was only 9 percent of the average per pupil expenditure, although the law authorizes a 40 percent federal share; and

"Whereas, California currently has a partial mandate to make early educational opportunities available to all children younger than three years of age who require intensive special education and services and their parents, and a mandate to serve all handicapped children between the ages of three and four years and nine months who require intensive special education and services; and

"Whereas, California is exploring the feasibility of implementing the infant and toddler, and preschool provisions of Public Law 99-457; now, therefore, be it

"Resolved by the Assembly and the Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and Congress of the United States to provide funding for the new federal programs for handicapped infants, toddlers, and preschoolers to the maximum amount authorized under Titles I and II of Public Law 99-457, in the 1988 federal budget, and in each subsequent budget year, so that states participating in these critical programs will not have to eliminate funding from other vital state and local programs to fund underfunded federal financial commitments; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to the Majority Leader of the Senate, to the Chair of the Senate Budget Committee, and the Chair of the House Committee on the Budget, and to each Senator and Representative from California in the Congress of the United States."

POM-293. A concurrent resolution adopted by the Legislature of the State of Texas; to the Committee on Labor and Human Resources:

"House Concurrent Resolution No. 10

"Whereas, The recent 13th annual seven-nation economic summit of industrialized nations meeting in Venice, Italy, made it first policy statement on a public health issue by unanimously declaring acquired immune deficiency syndrome to the "one of the biggest potential health problems in the world" and agreeing to fully cooperate in seeking a cure for AIDS; and

"Whereas, No other industrialized nation has been as vulnerable to or as threatened by the disease AIDS as the United States of America, as evidenced by the fact that Americans account for three-fourths of the total AIDS cases reported in the seven industrialized nations that participated in the 1987 Venice economic summit; and

"Whereas, Conservative estimates place the number of Americans who would test antibody positive for the human immunodeficiency virus today at roughly 1.5 million people; and

"Whereas, The State of Texas has the fourth-largest AIDS population in the nation; and

"Whereas, Local government costs for treating AIDS will soon exceed local government's ability to tax citizens to raise necessary revenue for treatment, as evidenced by Harris County's projected cost increases for drug treatments for Texans with AIDS from $117,000 last year to $1.5 million this year; and

"Whereas, the total economic cost of AIDS to our nation has more than doubled in the last two years to an estimated $10 billion in 1987; and

"Whereas, the total economic cost of AIDS to Americans is conservatively estimated at nearly $56 billion annually in 1991; and

"Whereas, A new Rand Corporation study estimates that the total number of medically diagnosed AIDS cases in America will reach 400,000 by 1991, and such an estimate, if accurate, would increase our nation's annual total economic loss from AIDS to $84 billion in 1991; and

"Whereas, the health-care-related costs alone of treating Americans with AIDS between 1986 and 1991 will skyrocket to between $37 billion and $112 billion, according to the Rand Corporation; and

"Whereas, More than 270 community-based AIDS programs and 21,000 volunteers in AIDS-related service organizations will soon be stretched to the limits of their economic, social, and physical resources; and

"Whereas, The AIDS crisis threatens to overwhelm, cripple, or bankrupt the American health care delivery system, the American mental health care delivery system, the American life insurance industry, the American health insurance industry, the federal Social Security system, federal and state Medicaid programs, federal, state, and local indigent health care programs and services, and private, nonprofit, and voluntary social and support services for persons with AIDS and ARC, as well as the American tax system itself; and

"Whereas, Worsening of the AIDS crisis threatens the very social fabric of our nation, while depressing our national productivity and wealth; and

"Whereas, Such catastrophic projections can only be averted through astute leadership that will focus and prioritize the resources of our nation into accelerating efforts to find a vaccine against the human immunodeficiency virus and a cure for the millions of Americans who have been exposed to this deadly virus; now, therefore, be it

"Resolved, That the 70th Legislature of the State of Texas hereby request the Congress of the United States to enact legislation to establish and fund the Medical Manhattan Project on AIDS; and, be it further

"Resolved, That the 70th Legislature of the State of Texas further request the congress to include provisions in such legislation to establish a national goal and timetable for finding a vaccine against the human immunodeficiency virus and a cure for acquired immune deficiency syndrome; and, be it further

"Resolved, That the 70th Legislature of the State of Texas further request the Congress of the United States to enact accompanying legislation to allow Americans with medically diagnosed terminal diseases access to experimental and nonapproved drugs, medications, and therapies; and, be it further

"Resolved, That the Texas secretary of state forward official copies of this resolution to the president of the United States, to the speaker of the house of representatives and the president of the senate of the 100th Congress of the United States, and to each member of the Texas delegation to the 100th Congress of the United States, with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BIDEN, from the Committee on the Judiciary, without amendment:

S. 1397: A bill to recognize the organization known as the Non Commissioned Officers Association of the United States of America.

By Mr. BIDEN, from the Committee on the Judiciary, without amendment and with a preamble:

S.J. Res. 155: Joint resolution to designate the period commencing on September 13, 1987, and ending on September 19, 1987, as "National Reye's Syndrome Week."

By Mr. STENNIS, from the Committee on Appropriations:

Special Report of the Committee on Appropriations on Allocation to Subcommittees of Budget Totals from the Concurrent Resolution for Fiscal Year 1988 (with minority views) (Rept. No. 100-144).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. BIDEN, from the Committee on the Judiciary:

John Daniel Tinder, of Indiana, to be U.S. district judge for the Southern District of Indiana; and

Philip N. Hogen, of South Dakota, to be U.S. attorney for the District of South Dakota for the term of 4 years.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DOLE (for himself, Mr. Melcher, Mr. Grassley, Mr. Pressler, Mr. Conrad, Mr. Karnes, Mr. Durenberger, Mr. Domenici, Mr. Exon, Mr. Simon, Mr. Harkin, and Mr. Daschle):

S. 1598. A bill to provide for the increased use of motor fuel blended with ethanol in order to enhance the energy security of the United States and to expand markets for agricultural commodities; to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Finance, jointly by unanimous consent.

By Mr. LEVIN:

S. 1599. A bill to recognize the organization known as the American Philatelic Society; to the Committee on the Judiciary.

By Mr. FORD (for himself, Mrs. Kassebaum, Mr. Byrd, and Mr. Lautenberg):

S. 1600. A bill to enhance the safety of air travel through a more effective Federal Aviation Administration, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. McCAIN (for himself and Mr. Bumpers):

S. 1601. A bill to permit the immigration of Vietnamese Amerasians to the United States; to the Committee on the Judiciary.

By Mr. PROXMIRE:

S. 1602. A bill to declare that certain lands are held in trust for Potawatomi Indian communities in Wisconsin and Michigan; to the Committee on Energy and Natural Resources.

By Mr. QUAYLE:

S. 1603. A bill to require the Secretary of Housing and Urban Development to develop regulations that would provide transitional relief from the application of the rent formula under the United States Housing Act of 1937; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. SANFORD (for himself, Mr. Adams, Mr. Conrad, Mr. Simon, and Mr. Fowler):

S. 1604. A bill to require the President to submit to the Congress a study on the reduction of the public debt of the United States; to the Committee on Finance.

By Mr. HATFIELD:

S. 1605. A bill to establish a reservation for the Confederated Tribes of the Grand Ronde Community of Oregon, and for other purposes; to the Select Committee on Indian Affairs.

S. 1606. A bill to establish a reservation for the Confederated Tribes of the Grand Ronde Community of Oregon, and for other purposes; to the Select Committee on Indian Affairs.

By Mr. ROTH (for himself and Ms. Mikulski):

S. 1607. A bill to prohibit the burning and dumping of toxic and hazardous waste in certain areas off the coast of Delaware, Maryland, and Virginia; to the Committee on Environment and Public Works.

By Mr. THURMOND:

S. 1608. A bill to amend title 28 of the United States Code as it pertains to the structure of the United States Claims Court; to the Committee on the Judiciary.

By Mr. McCLURE (for himself, Mr. SYMMS, Mr. EVANS, and Mr. ADAMS):

S. 1609. A bill for the relief of James P. Purvis; to the Committee on the Judiciary.

By Mr. PRYOR (for himself and Mr. HEINZ):

S. 1610. A bill to amend the Internal Revenue Code of 1954 to eliminate the retroactive certification of employees for purposes of the work incentive jobs credit; to the Committee on Finance.

By Mr. KENNEDY (for himself and Mr. MOYNIHAN):

S. 1611. A bill to amend the Immigration and Nationality Act to effect changes in the numerical limitation and preference system for the admission of immigrants; to the Committee on the Judiciary.

By Mr. HATCH:

S. 1612. A bill to provide for the disposition of unclaimed property in the custody of the United States; to the Committee on Governmental Affairs.

By Mr. HATFIELD:

S. 1613. A bill to authorize the Secretary of the Interior to construct, operate and maintain the Umatilla Basin Project, Oregon, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. D'AMATO (for himself, Mr. HELMS, Mr. CRANSTON, Mr. KERRY, Mr. DURENBERGER, Mr. MURKOWSKI, Mr. SYMMS, Mr. DECONCINI, Mr. KENNEDY, Mr. MCCAIN, and Mr. WILSON):

S. 1614. A bill to restrict United States assistance for Panama; to the Committee on Foreign Relations.

By Mr. BURDICK (for himself and Mr. CONRAD):

S. 1615. A bill to authorize the establishment of the Fort Totten National Historic Site; to the Committee on Energy and Natural Resources.

By Mr. SIMON:

S. 1616. A bill to amend title XVIII of the Social Security Act and the Internal Revenue Code of 1986 to provide long-term home care benefits under the medicare program for chronically ill individuals and children, to provide quality assurance for home care services, and for other purposes; to the Committee on Finance.

By Mr. WALLOP (for himself, Mr. BAUCUS, Mr. DANFORTH, Mr. MOYNIHAN, Mr. CHAFEE, Mr. ROTH, Mr. PRYOR, Mr. BOREN, Mr. HEINZ, Mr. DURENBERGER, Mr. ARMSTRONG, Mr. RIEGLE, Mr. ROCKEFELLER, Mr. SYMMS, Mr. COCHRAN, Mr. MCCAIN, Mr. WILSON, Mr. GRASSLEY, Mr. ADAMS, and Mr. GLENN):

S. 1617. A bill to amend the Internal Revenue Code of 1986 with respect to the allocation of research and experimental expenditures; to the Committee on Finance.

By Mr. LAUTENBERG:

S. 1618. A bill to amend the Airport and Airway Improvement Act of 1982, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. KENNEDY (for himself and Mr. KASTEN):

S. 1619. A bill to amend the copyright law to secure the rights of authors of pictorial, graphic, or sculptural works to prevent the distortion, mutilation, or other alteration of such works, to provide for resale royalties, and for other purposes; to the Committee on the Judiciary.

By Mr. PELL (for himself, Mr. EXON, Ms. MIKULSKI, Mr. HATCH, Mr. DASCHLE, and Mr. PRESSLER) (by request):

S. 1620. A bill to reauthorize and revise the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) relating to Federal impact aid, and for other purposes; to the Committee on Labor and Human Resources.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. LAUTENBERG (for himself and Mr. PELL):

S. Res. 270. A resolution paying special tribute to Portuguese diplomat Dr. de Sousa Mendes for his extraordinary acts of mercy and justice during World War II; to the Committee on Foreign Relations.

By Mr. KASTEN (for himself, Mr. DOLE, Mr. HELMS, Mr. BINGAMAN, Mr. WILSON, and Mr. HEINZ):

S. Res. 271. A resolution expressing the sense of the Senate with respect to Japanese trade with the Socialist Republic of Vietnam; to the Committee on Foreign Relations.

By Mr. BYRD (for himself and Mr. DOLE):

S. Res. 272. A resolution authorizing testimony of Senate employees and representation by Senate Legal Counsel in criminal proceeding; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DOLE (for himself, Mr. MELCHER, Mr. GRASSLEY, Mr. PRESSLER, Mr. CONRAD, Mr. KARNES, Mr. DURENBERGER, Mr. DOMENICI, Mr. EXON, Mr. SIMON, Mr. HARKIN, and Mr. DASCHLE):

S. 1598. A bill to provide for the increased use of motor fuel blended with ethanol in order to enhance the energy security of the United States and to expand markets for agricultural commodities; by unanimous consent, referred jointly to the Committee on Finance and the Committee on Agriculture, Nutrition, and Foresty.

(The remarks of Senators on this legislation and the text of the bill appear earlier in today's RECORD.)

By Mr. LEVIN:

S. 1599. A bill to rcognize the organization known as the American Philatelic Society; to the Committee on the Judiciary.

FEDERAL CHARTER FOR THE AMERICAN PHILATELIC SOCIETY

● Mr. LEVIN. Mr. President, I am introducing legislation today to grant a Federal charter to the American Philatelic Society, a nonprofit corporation headquarted in State College, PA. An identical bill, H.R. 2796, has been introduced by Representative SID MORRISON.

The American Philatelic Society observed its 100th anniversary last year. It is the largest organization of stamp collectors in the United States, with 53,000 members. Philatelic Society members collect postage and revenue stamps, first day covers, and participate in other philatelic activities. The Philatelic Society supports educational efforts to spread awareness about stamp collecting in the United States and abroad, and encourages communication between stamp collectors, dealers, postal authorities and the general public.

As a stamp collector, I am pleased to be able to sponsor this legislation, and I urge my colleagues to support granting this well-deserved Federal charter.

Mr. President, I ask unanimous consent that a copy of this legislation be inserted in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1599

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

CHARTER

SECTION 1. The American Philatelic Society, a nonprofit corporation organized under the laws of the State of Pennsylvania, hereby is recognized as such and is granted a Federal charter.

POWERS

SEC. 2. The corporation shall have only the powers granted to it through its articles of incorporation and bylaws filed in the States in which it is incorporated and subject to the laws of such States.

PURPOSES

SEC. 3. The purposes of the corporation are those provided in its articles of incorporation and shall include—

(1) advancing and supporting philatelic education and awareness of the collecting of stamps and postal material in the United States and abroad;

(2) encouraging and supporting communication among philatelists, stamp dealers, postal authorities, and the general public;

(3) establishing and fostering ethical standards of philately;

(4) aiding in the establishment of international philatelic communications and recognition of American philatelists in the international community; and

(5) providing, operating, and publishing such communications as may be useful, necessary, or of interest to philatelists, stamp dealers, collectors, and the general public.

SERVICE OF PROCESS

SEC. 4. With respect to service of process, the corporation shall comply with the laws of the States in which it is incorporated and the States in which it carries on its activities in furtherance of its corporate purposes.

MEMBERSHIP

SEC. 5. Eligibility for membership in the corporation, and the rights and privileges of such membership, shall be as provided in the articles of incorporation and bylaws of the corporation.

BOARD OF DIRECTORS

SEC. 6. The composition of the board of directors of the corporation and the responsibilities of such board shall be as provided in the articles of incorporation and bylaws of the corporation and shall be in conformity with the laws of the States in which it is incorporated.

OFFICERS

SEC. 7. The officers of the corporation and the election of such officers shall be as provided in the articles of incorporation and bylaws of the corporation and shall be in conformity with the laws of the States in which it is incorporated.

RESTRICTIONS

SEC. 8. (a) No part of the income or assets of the corporation may inure to the benefit of any member, officer, or director of the corporation or be distributed to any such person during the life of this charter. Nothing in this subsection may be construed to prevent the payment of reasonable compensation to the officers of the corporation or reimbursement for actual and necessary expenses in amounts approved by the board of directors.

(b) The corporation may not make any loan to any officer, director, or employee of the corporation.

(c) The corporation, and any officer or director of the corporation acting as such officer or director, may not contribute to, support, or otherwise participate in any political activity or attempt in any manner to influence legislation.

(d) The corporation may not issue any share of stock or declare or pay any dividend.

(e) The corporation may not claim the approval of the Congress or the authorization of the Federal Government for any of its activities.

LIABILITY

SEC. 9. The corporation shall be liable for the acts of its officers, directors, employees, and agents whenever such officers, directors, employees, and agents have acted within the scope of their authority.

BOOKS AND RECORDS; INSPECTION

SEC. 10. The corporation shall keep correct and complete books and records of account and minutes of any proceeding of the corporation involving any of its members, the board of directors, or any committee having authority under the board of directors. The corporation shall keep at its principal office a record of the names and addresses of all members having the right to vote in any proceeding of the corporation. All books and records of the corporation may be inspected by any member having the right to vote in any proceeding of the corporation, or by any agent or attorney of such member, for any proper purpose and at any reasonable time. Nothing in this section may be construed to contravene any applicable State law.

AUDIT OF FINANCIAL TRANSACTIONS

SEC. 11. The first section of the Act entitled "An Act to provide for audit of accounts of private corporations established under Federal law", approved August 30, 1964 (36 U.S.C. 1101), is amended by adding at the end thereof the following:

"(68) American Philatelic Society.".

ANNUAL REPORT

SEC. 12. The corporation shall report annually to the Congress concerning the activities of the corporation during the preceding fiscal year. Such annual report shall be submitted on the same date as the report of the audit of the corporation required by reason of the amendment made in section 11. Such annual report may not be printed as a public document.

RESERVATION OF RIGHT TO AMEND OR REPEAL CHARTER

SEC. 13. The right to amend or repeal this Act is expressly reserved to the Congress.

DEFINITIONS

SEC. 14. For purposes of this Act—

(1) the term "corporation" means the American Philatelic Society; and

(2) the term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.

TAX-EXEMPT STATUS

SEC. 15. The corporation shall maintain its status as an organization exempt from taxation as provided in the Internal Revenue Code of 1986.

TERMINATION

SEC. 16. If the corporation fails to comply with any of the provisions of this Act, the charter granted in this Act shall expire.●

By Mr. FORD (for himself, Mrs. KASSEBAUM, Mr. BYRD, and Mr. LAUTENBERG):

S. 1600. A bill to enhance the safety of air travel through a more effective Federal Aviation Administration, and for other purposes; to the Committee on Commerce, Science, and Transportation.

FEDERAL AVIATION ADMINISTRATION INDEPENDENT ESTABLISHMENT ACT

Mr. FORD. Mr. President, I am introducing legislation today which I believe provides the starting point for coming to terms with our current "crisis in confidence" in air transportation. In taking this first step, I am also putting out a call to all facets of the aviation industry, the executive branch, and the public at large to work with the Congress in adding further definition to this legislation so as to better assure its efficacy well into the next century.

It is my intention over the coming months to hold a series of hearings before the Aviation Subcommittee to more fully understand the problems confronting the Federal Aviation Administration and its ability to ensure aviation safety. Out of these hearings, it is my intention to bring forth a bill significantly more developed than the one which I am introducing today, and one which will reflect the combined best efforts of the aviation community and those associated with it. Even more importantly, I expect that the final bill will result in an FAA better equipped to identify those areas in need of aviation safety enhancements—and more importantly, an agency better equipped to address them.

Before I explain in more detail what this bill will do, as well as chart the course of the subcommittee's hearings, it is important that I make clear my absolute commitment to moving forward to resolve what I referred to earlier as the "crisis in confidence." This crisis, of course, has its origins in the dominant public perception that our air transportation system is not functioning at an optimum level of safety and efficiency. This perception relates to the intolerable level of airline service and air traffic control deficiencies we are currently witness to. We must stem this lack of confidence in the system by getting at the root causes of these deficiencies. In this manner we will, most importantly, enhance the margin of safety in the system and, as an added benefit, restore public confidence in the system.

While we have learned through economic deregulation of the airline industry that there is a tremendous reservoir of public demand for air service, it is increasingly clear that we have not designed a fully dynamic system capable of responding to that demand. On the one hand, we have an extremely fluid situation insofar as the aviation industry is concerned. For example, the airlines operating in a competitive environment are forced by necessity to move quickly to capitalize on advantage or cut losses. On the other hand, we have a very static FAA—an organization that has changed little since being moved into the Department of Transportation in 1966.

I would emphasize at this time that we still have the luxury of dealing with this so-called crisis through a period of thoughtful and careful study. The timeframe with which we have to work, however, is not without limitation. The Federal Aviation Act of 1958, which led to the creation of the FAA as an independent agency, was in large measure, driven by a series of air disasters which created an atmosphere of urgency in the legislative process. I sincerely hope and pray that it does not require a similar set of circumstances to serve as a catalyst for new legislation. The time for us to deal with this matter is now, when we have the symptoms of a system in need of repair—not when those systems have been permitted to grow into a true disaster.

The bill which I am introducing today would take the first step in this process. It would remove the FAA from the Department of Transportation and reestablish it as an independent governmental agency. I propose to do this because it is absolutely and fundamentally clear to me that this Nation must have a revitalized and responsible FAA—attributes which are currently lacking. The FAA needs strong, consistent, and high quality leadership for the long term. The debilitating pattern of frequent changes needs to be corrected. Within the framework of an independent FAA, we must also see that the Administrator is given greater independence and assured tenure. Probably the best example of how this can work is at the FBI, where the Director serves a term that provides the needed insulation from the whimsical changes of the political process.

The current relationship of having the FAA under the Secretary of Transportation has, over the past 21 years, proven unworkable. Particularly in the recent past, every important decision—and indeed some seemingly less important decisions, made by the Administrator of the FAA—have been run through the political sieve by the Secretary and the departmental staff. This has gone on, unfortunately, not as the result of any regard for the wisdom or merit of the decision, but simply to test its political benefit or detriment. The results have been decisions characteristically mushy, lacking in clear direction and always delayed.

By this comment, I do not mean to suggest that under my proposal, the FAA should be or would be removed from the political and budgetary process. Obviously, it will continue to require macrolevel, policy oversight from both the Congress and the White House. What has proven intolerable, and what can be eliminated only through the action I am proposing, is the misguided effort by the Department to manage and approve what are really operating decisions by the FAA. If the FAA is to function effectively in the extraordinarily fast moving world of air transportation, it must be equipped exclusively with the power to make its own decisions, as well as the responsibility for those decisions. The absence of this fundamental attribute from the current FAA arrangement has contributed immeasurably to its inability to respond to fast changing demands of our current environment.

My effort is to cement the fact that aviation is the primary responsibility for an independent FAA. This bill would remove the requirement that the agency be responsible for promoting the development of the civil aviation industry, leaving that to the Secretary of Transportation. Years ago, when the Federal Aviation Act was enacted, the fledgling civil aviation industry needed the support of Federal regulators to ensure its survival. Today, however, this billion dollar industry represents one of the largest segments of our economy and hardly needs the FAA to act as its cheerleader. More importantly, by removing this apparent contradiction, I strongly believe the FAA will be better situated to devote all of its energies to aviation safety, which is and must remain our No. 1 priority.

Mr. President, in introducing this bill to establish an independent FAA, I am assuming that there are a significant number of ways in which the safety of the flying public would benefit. One that comes immediately to mind is the system for funding desperately needed airport expansion projects and air traffic control facilities and equipment improvements. We must find a way to guarantee a continuous stream of necessary funding more consistent with congressionally approved authorizations in order to correct a historic deficiency. There are a variety of alternative proposals currently under scrutiny which attempt to address this issue. These run the gamut from simply removing the airport and airway trust fund from the budget process—which I endorse—to full privatization of the air traffic control system. In this series of hearings, I intend to explore these and other concepts for funding the FAA, and again, I call upon all parties to consider the available alternatives and make appropriate recommendations.

On a related subject, it is also my intention to focus our hearings on the procedures followed by the FAA in determining current and future system requirements—and in acting to fulfill those requirements. The past instability of the funding process has rendered the procurement of badly needed new updated air traffic control equipment extraordinarily difficult. Equally important is the process through which new acquisitions are made. It is vital that we simplify the procurement process and related procedures. Traditional practices are cumbersome and ill-suited to meet present needs. Through these hearings, I intend to explore the possibility of adapting the current procurement process to the highly specialized needs of the FAA so that it can better fulfil its mission of ensuring safety in a dynamically changing technological aviation environment.

Yet another matter demanding attention is the state of FAA personnel issues. In hearings earlier this year, I learned that with the current civil service structure, the FAA is limited in its ability to meet air traffic controller staffing needs at many of the busiest, and often, least desirable facilities. Without increased incentives to place people where the demand exists, the FAA will continue to be unable to adequately ensure aviation safety or allow continued growth in the capacity of the air traffic control system.

Mr. President, I have briefly outlined some of the areas in which I expect to solicit testimony at these hearings. There are, no doubt, considerably more issues which I have not mentioned that need our review. In the coming months, I intend to ensure that the Aviation Subcommittee explores each of them—doing our best to find answers. And in this regard, I look forward to working with other groups also searching for long-term solutions to our current aviation situation—the newly formed professional users group and, more importantly, the Byrd Aviation Safety Commission.

In conclusion, the bill I am introducing today is intended to simply provide a frame work upon which we will build solutions to our air transportation problems. They are long-term solutions—ones badly needed to carry us into the 21st century.

Answers to these issues will not come easily. But I am committed to finding them. And with the hard work of dedicated professionals from all interested sectors, we will succeed in ensuring continued air safety for the traveling public.

Mr. President, I urge my colleagues to join me in supporting this measure, and I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1600

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Aviation Administration Independent Establishment Act of 1987."

FINDINGS

SEC. 2. The Congress finds that—

(1) the civil aviation industry in the United States has, over the past decade, experienced an unprecedented period of rapid development and expansion;

(2) during this period of development and expansion, the Federal Aviation Administration, the administration within the Department of Transportation charged by Congress with the responsibility for overseeing the safe operation of this essential segment of the national economy, has performed its responsibilities in a professional and competent manner, albeit under an organizational structure which substantially predates this period of rapid development and expansion;

(3) the Federal Aviation Administration can perform more effectively within a more streamlined and consistent organizational structure, possessed of the essential management tools necessary to fulfill its mission of ensuring improved and enhanced safety of civil air operations;

(4) if the Federal Aviation Administration is provided with greater managerial autonomy and consistent leadership, the Federal Aviation Administration can be expected to exercise vigorously its prerogatives under the ongoing oversight of the Congress and with the assistance and guidance of the President.

DEFINITIONS

SEC. 3. For the purposes of this Act—

(1) the term "Administrator" means the Federal Aviation Administration established under section 4; and

(2) the term "Administration" means the Administrator of the Federal Aviation Administration appointed under section 5(a).

ESTABLISHMENT

SEC. 4. There is established as an independent establishment of the Government the Federal Aviation Administration. The Administration shall succeed the Federal Aviation Administration of the Department of Transportation in existence on the day before the effective date of this Act.

OFFICERS

SEC. 5. (a) The Administration shall be administered by an Administrator, who shall be appointed by the President to a seven-year term of office, by and with the advice and consent of the Senate. The Administrator shall carry out all functions transferred to the Administrator by this Act and shall have authority and control over all personnel, programs, and activities of the Administration. The Administrator shall be compensated at the rate prescribed for level II of the Executive Schedule Pay Rates.

(b) There shall be in the Administration a Deputy Administrator, who shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Administrator shall perform such functions, duties and powers as the Administrator shall prescribe. The Deputy Administrator shall act for and perform the functions of the Administrator when the Administrator is absent or unable to serve, or when the office of the Administrator is vacant. The Deputy Administrator shall be compensated at the rate prescribed for level III of the Executive Schedule Pay Rates.

(c) There shall be in the Administration seven Associate Administrators, who shall be appointed by the Administrator. The Associate Administrators shall perform such functions as the Administrator shall prescribe. The Administrator shall designate the order in which the Associate Administrators shall act and perform the functions of the Administrator when the Administrator, or in the Administrator's place the Deputy Administrator, is absent or unable to serve, or when either the office of the Administrator or the office of the Deputy Administrator is vacant. An Associate Administrator shall be compensated at the rate prescribed for level IV in the Executive Scheule Pay Rates.

(d) There shall be in the Administration a Chief Counsel, who shall be appointed by the Administrator. The Chief Counsel shall be the chief legal officer for all legal matters arising from the conduct of the functions of the Administration. The Chief Counsel shall be compensated at the rate prescribed for level IV of the Executive Schedule Pay Rates.

(e)(1) Each of the officers referred to in this section must be a citizen of the United States; must be a civilian; and must have experience in a field directly related to aviation.

(2) Such officers may not have a pecuniary interest in, or own stock in or bonds of, an aeronautical enterprise, or engage in another business, vocation, or employment.

POWERS

SEC. 6. (a) The Administrator shall be responsible for the exercise of all powers and the discharge of all duties of the Administration.

(b) In carrying out the functions of the Administration under this Act, the Administrator shall be governed by all applicable statutes, including the policy standards set forth in the Federal Aviation Act of 1958 (49 App. U.S.C. 1301 et seq.).

(c) Decisions of the Administrator made pursuant to the exercise of the functions enumerated in the Federal Aviation Act of 1958 (49 App. U.S.C. 1301 et seq.) shall be administratively final, and appeals as currently authorized by law shall be taken directly to the National Transportation Safety Board or to any court of competent jurisdiction, as appropriate.

(d) The Administrator shall not submit decisions for the approval of, nor be bound by the decisions or recommendations of any committee, board, or other organization created by executive order.

TRANSFERS AND INCIDENTAL PROVISIONS

SEC. 7. (a) The following are transferred to the Federal Aviation Administration, the independent agency:

(1) All functions vested by law in the Federal Aviation Administration in the Department of Transportation or its Administrator, and all functions vested by law in the Secretary of Transportation or the Department of Transportation which are administered through the Federal Aviation Administration or are related to the Federal Aviation Administration, including those exercised under the following laws and provisions of law:

(A) the Federal Aviation Act of 1958 (49 App. U.S.C. 1301 et seq.), except for those functions exercised under section 305 of that Act relative to fostering the development of civil aeronautics and air commerce, exercised by the Secretary of Transportation under Title IV of that Act as successor to the Civil Aeronautics Board, and exercised by the Secretary under titles XI or XII of that Act relative to international air commerce;

(B) section 6(c) of the Department of Transportation Act (49 U.S.C. 1655(c)) along with all functions, duties, and powers which at any time has been vested in the Administrator of the Federal Aviation Administration prior to the revision of Title 49, United States Code by Public Law 97-449 (96 Stat. 2413);

(C) the Airport and Airway Improvement Act of 1982 (49 App. U.S.C. 2201 et seq.);

(D) the Hazardous Materials Transportation Act (49 U.S.C. App. 1801 et seq.), to the extent that such Act pertains to the transportation of hazardous materials by air;

(E) the Independent Safety Board Act of 1974 (49 App. 1901 et seq.) insofar as it relates to transportation by air; and

(F) the Aviation Safety and Noise Abatement Act of 1979 (49 App. U.S.C. 2101 et seq.).

(2) The functions of the Department of Transportation or the Federal Aviation Administration in the Department of Transportation incidental to, helpful to, or necessary for, the performance of the functions transferred by subsection (a)(1) or which relate primarily to those functions.

(3) So much of the personnel, property, records, funds, accounts, and unexpended balances of appropriations, allocations, and other moneys of the Department of Transportation as are employed, used, held, available, or to be made available in connection with the functions transferred by subsections (a)(1) and (a)(2).

(b) The personnel transferred under this section shall be so transferred without reduction in classification or compensation, except that after such transfer, such personnel shall be subject to changes in classification or compensation in the same manner, to the same extent, and according to the same procedure, as provided by law.

(c) The Administrator of the Federal Aviation Administration, an independent agency, shall exercise all functions transferred by subsection (a) of this section or any other function vested in the Federal Aviation Administration or the Administrator of the Federal Aviation Administration by any law subsequent to enactment of this Act. The Administrator may from time to time make such provisions as the Administrator shall deem appropriate authorizing the performance by any other officer, employee, or office of the Federal Aviation Administration of such functions.

RULES; REGULATIONS

SEC. 8. In the performance of the functions of the Administrator and the Administration, the Administrator is authorized to make, promulgate, issue, rescind, and amend rules and regualtions. The promulgation of such rules and regulations shall be governed by the provisions of chapter 5 of title 5, United States Code.

DELEGATION

SEC. 9. Except as otherwise provided in this Act, the Administrator may delegate any function to such officers and employees of the Administration as the Administrator may designate, and may authorize such successive redelegations of such functions in the Administration as may be necessary or appropriate. No delegation of functions by the Administrator under this section or under any other provision of this Act shall relieve the Administrator of responsibility for the administration of such functions.

PERSONNEL AND SERVICES

SEC. 10. (a) In the performance of the functions of the Administrator and in addition to the officers provided for by section 5, the Administrator is authorized to appoint, transfer, and fix the compensation of such officers and employees, including attorneys, as may be necessary to carry out the functions of the Administrator and the Administration. Except as otherwise provided by law, such officers and employees shall be appointed in accordance with the civil service laws and compensated in accordance with title 5, United States Code.

(b) The Administrator is authorized to obtain the services of experts and consultants in accordance with section 3109 of title 5, United States Code.

(c) The Administrator is authorized to pay transportation expenses, and per diem in lieu of subsistence expenses, in accordance with chapter 57 of title 5, United States Code.

(d) The Administrator is authorized to utilize, on a reimbursable basis, the services of personnel of any Federal agency.

(e)(1)(A) The Administrator is authorized to accept voluntary and uncompensated services without regard to the provisions of section 1342 of title 31, United States Code, if such services will not be used to displace Federal employees employed on a full-time, part-time, or seasonal basis.

(B) The Administrator is authorized to accept volunteer service in accordance with the provisions of section 3111 of title 5, United States Code.

(2) The Administrator is authorized to provide for incidental expenses, including transportation, lodging, and subsistence for such volunteers.

(3) An individual who provides voluntary services under subsection (e)(1)(A) shall not be considered a Federal employee for any purpose other than for purposes of chapter 81 of title 5, United States Code, relating to compensation for work injuries, and chapter 171 of title 28, United States Code, relating to tort claims.

CONTRACTS

SEC. 11. The Administrator is authorized, without regard to the provisions of section 3324 of title 31, United States Code, to enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary to carry out the functions of the Administrator and the Administration. The Administrator may enter into such contracts, leases, agreements, and transactions with any Federal agency or any instrumentality of the United States, or with any State, territory, or possession, or with any political subdivision thereof, or with any person, firm, association, corporation, or educational institution, on such terms and conditions as the Administrator may consider appropriate. The authority of the Administrator to enter into contracts and leases under this section shall be to such extent or in such amounts as are provided in appropriation Acts.

USE OF FACILITIES

SEC. 12. With their consent, the Administrator may, with or without reimbursement, use the services, equipment, personnel, and facilities of Federal agencies and other public and private agencies, and may cooperate with other public and private agencies and instrumentalities in the use of services, equipment, personnel, and facilities. The head of each Federal agency shall cooperate fully with the Administrator in making the services, equipment, personnel, and facilities of the Federal agency available to the Administrator. The head of a Federal agency is authorized, notwithstanding any other provision of law, to transfer to or to receive from the Administration, without reimbursement, supplies and equipment other than administrative supplies or equipment.

ACQUISITION AND MAINTENANCE OF PROPERTY

SEC. 13. (a) The Administrator is authorized—

(1) to acquire (by purchase, lease, condemnation, or otherwise), construct, improve, repair, operate, and maintain—

(A) air traffic control facilities and equipment;

(B) research and testing sites and facilities; and

(C) such other real and personal property (including office space and patents), or any interest therein within and outside the continental United States,

as the Administrator considers necessary;

(2) to lease to others such real and personal property; and

(3) to provide by contract or otherwise for eating facilities and other necessary facilities for the welfare of employees of the Administration at its installations and to purchase and maintain equipment for such facilities.

(b) Title to any property or interest therein acquired pursuant to this section shall be in the United States.

(c) The authority granted by subsection (a) shall be available only with respect to facilities of a special purpose nature that cannot readily be reassigned from similar Federal activities and are not otherwise available for assignment to the Administration by the Administrator of General Services.

(d) The authority of the Administrator to enter into contracts and leases under this section shall be to such extent or in such amounts as are provided in appropriation Acts.

FACILITIES AT REMOTE LOCATIONS

SEC. 14. (a) The Administrator is authorized to provide, construct, or maintain for employees and their dependents stationed at remote locations as necessary and when not otherwise available at such remote locations—

(1) emergency medical services and supplies;

(2) food and other subsistence supplies;

(3) meeting facilities;

(4) audiovisual equipment, accessories, and supplies for recreation and training;

(5) reimbursement for food, clothing, medicine, and other supplies furnished by such employees in emergencies for the temporary relief of distressed persons;

(6) living and working quarters and facilities; and

(7) transportation for school-age dependents of employees to the nearest appropriate educational facilities.

(b) The furnishing of medical treatment under subsection (a)(1) and the furnishing of services and supplies under subsection (a)(2) shall be at prices reflecting reasonable value as determined by the Administrator.

(c) Proceeds derived from reimbursements under this section shall be deposited in the Treasury and may be withdrawn by the Administrator to pay directly the cost of work or services provided under this section, to repay or make advances to appropriations of funds which do or will bear all or a part of such cost, or to refund excess sums when necessary, except that such payments may be credited to a service or working capital fund otherwise established by law, and used under the law governing such funds if the fund is available for use by the Administrator for performing the work or services for which payment is received.

TRANSFERS OF FUNDS FROM OTHER FEDERAL AGENCIES

SEC. 15. The Administrator is authorized to accept transfers from other Federal agencies to funds which are available to carry out functions transferred by this Act to the Administrator or functions assigned by law to the Administrator after the date of enactment of this Act.

SEAL OF ADMINISTRATION

SEC. 16. The Administrator shall cause a seal of office to be made for the Administration of such design as the Administrator shall approve. Judicial notice shall be taken of such seal.

STATUS OF ADMINISTRATION UNDER CERTAIN LAWS

SEC. 17. For purposes of section 551 of title 5, United States Code, the Administration is an agency. For purposes of chapter 9 of such title, the Administration is an independent regulatory agency.

SAVINGS PROVISIONS

SEC. 18. (a) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges—

(1) which have been issued, made, granted, or allowed to become effective by the President, any Federal department or agency or official thereof, or by a court of competent jurisdiction, in regard to functions which are transferred under this Act to the Administration on or after the date of enactment of this Act, and

(2) which are in effect at the time this Act takes effect,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, the Administrator or other authorized officials, a court of competent jurisdiction, or by operation of law.

(b) The provisions of this Act shall not affect any proceedings or any application for any license, permit, certificate, or financial assistance pending at the time this Act takes effect; and such proceedings and applications, to the extent that they relate to function so transferred, shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this Act had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law. Nothing in this subsection shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this Act had not been enacted.

(c)(1) The provisions of this Act shall not affect suits commenced prior to the date this Act takes effect.

(2) In all such suits, proceedings shall be had, appeals taken, and judgment rendered in the same manner and effect as if this Act had not been enacted.

(d) In any case involving one or more officers required by this Act to be appointed by and with the advice and consent of the Senate who shall not have entered upon office on the effective date of this Act, the President may designate any officer whose appointment was required to be made by and with the advice and consent of the Senate, and who was such an officer immediately prior to the effective date of this Act, to act in such office until the office is filled as provided in this Act. While so acting, any such person shall receive compensation at the rates provided by this Act of the respective office in which he or she acts.

AUTHORIZATION OF APPROPRIATIONS

SEC. 19. There are authorized to be appropriated such sums as are necessary to carry out the purposes and provisions of this Act. Notwithstanding any other provision of law, there are authorized to be appropriated, for any fiscal year beginning after September 30, 1987, for use of the Administration, such sums as are specifically authorized to be appropriated as of the date of enactment of this Act.

LAWS AND REGULATIONS

SEC. 20. Except to the extent otherwise provided in this Act, all laws, rules, and regulations in effect and applicable to the Federal Aviation Administration of the Department of Transportation and to the Administrator of such Administration on the date immediately preceding the effective date of this Act shall, on and after such effective date, be applicable to the Federal Aviation Administration and the Administrator established by this Act, until such law, rule, or regulation is repealed or otherwise modified or amended.

REPEALS

SEC. 21. Section 106 of title 49, United States Code, is repealed.

EFFECTIVE DATE

SEC. 22. The provisions of this Act shall take effect upon the expiration of the 180-day period following the date of enactment of this Act.

● Mr. LAUTENBERG. Mr. President, I rise today to join in introducing legislation that cuts to the heart of one of most serious issues facing this body—the state of our national aviation system.

I'm pleased to join Senator FORD, chairman of the Commerce Committee's Aviation Subcommittee, and Senator KASSEBAUM, ranking minority member of the Aviation Subcommittee. As chairman of the Transportation and Related Agencies Appropriations Subcommittee, I look forward to working closely with my distinguished colleagues to address the problems facing our aviation system today. The Federal Aviation Administration Independent Establishment Act would take a major step in that direction.

The problems in our air traffic system are numerous. We don't have enough controllers manning the towers and centers. Inspection and maintenance forces have been inadequate. The multibillion dollar, multiyear national airspace system plan is years behind schedule and billions of dollars over budget. We're still reacting to potentially threatening air congestion problems, rather than being able to predict and avoid them.

There's a common thread that runs through the problems we're facing. That problem is one of management. And that is what this legislation would address.

The FAA is charged with a tremendous task—ensuring the safe passage of the approximately 450 million air passengers using our skies each year. Unfortunately, the FAA's job has been complicated by the political pressures that exist within the Department of Transportation. Making the FAA an independent entity would help to depoliticize the FAA, and allow the professionals at the agency to do their job correctly.

Designing and operating a national air traffic system is a unique challenge. To effectively manage such a system, there must be long-range planning and budgeting. What we've seen over the last 6 years is short-sighted, closed-minded policy guiding the FAA. That has to change. Today, our air traffic system is being stretched to the limits. The margin of safety is being reduced to an unacceptable level.

There has been a revolving door in the Office of the FAA Administrator. We're now on our third Administrator since the beginning of the Reagan administration. That in itself has been part of the problem. The FAA is a vast agency. There are over 15,000 people in the air traffic control work force alone. Mr. President, I came to this body from the private sector, where I headed a corporation of over 15,000 employees. From firsthand experience, I know what it takes to make a group that size run. Without consistent, stable management at the top, no entity, be it a corporation or a Government agency, can function over the long run.

The FAA Administrator should have a long-term appointment, not subject to changes in the political winds at the White House. I also believe that we should look at the possibility of a commission or board to direct the agency. I hope to see this need addressed in this legislation as it proceeds through the committee process.

This bill is a starting point. It's the frame upon which more comprehensive legislation will be built. The distinguished Aviation Subcommittee chairman, Senator FORD, will hold hearings on the bill in the coming months. I intend to play an active role in the development of this bill, and look forward to participating in those hearings. In addition, the Aviation Safety Commission is looking into the idea of an independent FAA. I look forward to hearing the Commission's views on the matter.

I would also note that it is not the intention of this Senator to use this bill as a means of privatizing the air traffic control system, or any part of it. The aviation system is a public concern, using public resources. While changes can be made to improve the system, taking it from the public domain is not, at this point, the way to do it.

Mr. President, those of us who have had a chance to look closely at the air traffic system have come to appreciate how complex and cumbersome it is. We know that there are a number of proposals to improve the system. Allowing the FAA to operate free of the daily political pressures at DOT should be a priority among those proposals. Our skies are already crowded. There's no room for politics.

Mr. President, I commend Senator FORD for his work in developing this legislation, and look forward to continuing to work with him in efforts to enhance our Nation's aviation system.●

By Mr. McCAIN (for himself and Mr. BUMPERS):

S. 1601. A bill to permit the immigration of Vietnamese Amerasians to the United States; to the Committee on the Judiciary.

IMMIGRATION OF VIETNAMESE AMERASIANS

● Mr. BUMPERS. Mr. President, I rise today to introduce legislation along with my distinguished colleague, Senator McCAIN, entitled the "Amerasian Homecoming Act of 1987." Passage of this legislation will allow the remaining children fathered by United States soldiers during the Vietnam war, termed "Amerasians," to come to the United States. Companion legislation is being introduced in the House of Representatives today by Representatives MRAZEK and RIDGE.

Vietnamese "Amerasian" children are defined by the bill we introduce today as those living in Vietnam who were fathered by United States servicemen between 1962 to 1976. There is no question that these children have ties to the United States. They are a lingering legacy of the longest war in our history. Because of their prominent physical features in an extremely homogeneous society, these children are often harshly ostracized. Their families, especially the mothers, face severe discrimination and shame. Mothers often respond by disassociating themselves with the children and casting them out on the street to fight for survival or perish.

Congressman MRAZEK recently returned from a trip to Vietnam during which he was given assurances by the Vietnamese Foreign Minister, Nguen Co Thach, that they are ready and willing to resolve this outstanding issue. Congressman MRAZEK made the journey to rescue from the streets of Ho Chi Mihn city—formerly Saigon—a young 15-year-old Amerasian boy, Le Van Mihn. Mihn, who suffers from polio, was forced to live a life of desperate survival after his mother cast him out on his own at age 11. There are other children like Le Van Mihn that need to be rescued from their miserable plight.

While Congress passed the Amerasian Act—Public Law 97-359—in 1982 to address this issue, that legislation has proved unworkable with respect to Vietnamese Amerasians. That law was designed to facilitate the immigration to the United States of the thousands of offspring of U.S. servicemen living throughout Asia. In sum, the act worked relatively well for Amerasians living in some Asian countries, such as South Korea and the Philippines, but the strict requirements of the act have virtually prevented its use for those in Vietnam.

Some progress on this issue has been made in recent years, but has unfortunately stalled. Since 1982, some 9,000 Vietnamese Amerasians and their family members have come to the United States through the auspices of the Orderly Departure Program [ODP] administered by the United Nations High Commissioner on Refugees [UNHCR]. However, in January 1986, the Vietnamese Government effectively suspended the ODP program, leaving the fate of Amerasians in question. While the breakdown of the ODP had little to do with the specific question of Amerasians, it has had a prohibitive effect on their emigration from Vietnam.

Several problems prevented further inclusion of Vietnamese Amerasian children in the ODP. The suspension of onsite interviews by ODP officials has meant that only a trickle of Amerasians has been able to leave Vietnam since the end of 1985. The Vietnamese have never been pleased with using the ODP process for the emigration of Amerasians. Because the ODP designates these children as refugees, which is the United States point of view, the Vietnamese reject this term because it implies official persecution in Vietnam. Also, the ODP addresses the question through the United Nations, when it is in fact a bilateral issue. Third, the ODP lumps the Amerasian children with the thousands of other refugees who seek to emigrate from Vietnam, which traps them in the slow, cumbersome bureaucracy and offers them little hope of immediate freedom.

Persistent diplomatic efforts, including Congressman Mrazek's recent mission, have hopefully resolved the dispute on this issue between our country and Vietnam. Most recently, Gen. John Vessey is returning at this moment from a mission on behalf of President Reagan to Vietnam to discuss a number of pressing humanitarian issues such as the continuing question of possible United States prisoners of war and missing in action in Vietnam, and the Amerasian issue.

Both Houses of Congress passed resolutions of support on July 28 for General Vessey's mission. The short joint communique issued at the end of his trip suggests that the time is ripe for the resolution of the latter issue this bill addresses. The process of determining which children of U.S. soldiers wish to come to the United States has been preliminarily agreed to by both countries, as well as the conditions for their departure.

Accord between the United States and Vietnam has been reached on several issues: First, the issue must be resolved bilaterally; second, the Amerasians must be given nonrefugee status; third, the Amerasians must be eligible for the benefits normally afforded to refugees; fourth, the Vietnamese must allow Americans to conduct preliminary face-to-face interviews; fifth, family unity must be preserved; and sixth, the issue must be resolved quickly.

According to the Department of State, temporary statutory authority for the final resolution of this problem should now be enacted by Congress. The legislation Senator McCain and I introduce today provide the necessary legal authority for the program to go forward. In sum, our legislation calls for a waiver of numerical limitation of immigrant admissions under the Immigration and Nationality Act and waives other grounds for exclusion for Vietnamese Amerasians for 2 years. It allows immigrant status as required by the Vietnamese, but authorizes all of the language training and assimilation assistance provided refugees under chapter 2 of title IV of the Immigration and Nationality Act. It requires face-to-face interviews in Vietnam. It defines Amerasians in the Vietnamese context. It provides for family unity. And it requires the State Department to report to Congress every year for 3 years on the program.

Congress should not delay on the passage of the Amerasian Homecoming Act. Thousands of destitute children, many of them outcasts in the land of their birth, are waiting on our action. I ask my colleagues to lend their support for this humanitarian effort, and urge that hearings be held as early as possible. Mr. President, I urge adoption of this legislation at the first possible opportunity, and I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1601

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Amerasian Homecoming Act".

SEC. 2. ADMISSION OF VIETNAMESE AMERASIANS AND CLOSE FAMILY MEMBERS.

(a) In General.—

(1) Waiver of numerical limitations.—Notwithstanding any numerical limitations specified in the Immigration and Nationality Act, the Attorney General may admit aliens described in subsection (b) to the United States as immigrants if—

(As) they are admissible (except as otherwise provided in paragraph (2)) as immigrants, and

(B) they are issued an immigrant visa and depart from Vietnam during the 2-year period beginning 90 days after the date of the enactment of this Act.

(2) Waiver of certain grounds for exclusion.—The provisions of paragraphs (14), (15), (20), (21), (25), and (32) of section 212(a) of the Immigration and Nationality Act shall not be applicable to any alien seeking admission to the United States under this section, and the Attorney General on the recommendation of a consular officer may waive any other provision of such section (other than paragraph (27), (29), or (33) and other than so much of paragraph (23) as relates to trafficking in narcotics) with respect to such an alien for humanitarian purposes, to assure family unity, or when it is otherwise in the public interest. Any such waiver by the Attorney General shall be in writing and shall be granted only on an individual basis following an investigation by a counsular officer.

(3) Period of Validity of Visas.—Notwithstanding section 221(c) of the Immigration and Nationality Act, immigrant visas issued to aliens under this section shall be valid for a period of 8 months.

(b) Aliens Covered.—

(1) In general.—An alien described in this subsection is an alien who, as of the date of the enactment of this Act, is residing in Vietnam and who establishes to the satisfaction of a consular officer after a face-to-face interview, that the alien—

(A)(i) was born in Vietnam after January 1, 1962, and before January 1, 1976, and (ii) was fathered by a citizen of the United States (such an alien in this subsection referred to as a "principal alien");

(B) is the spouse or child of a principal alien and is accompanying, or following to join, the principal alien; or

(C) subject to paragraph (2), either (i) is the principal alien's natural mother (or is the spouse or child of such mother), or (ii) has acted in effect as the principal alien's mother, father, or next-of-kin (or is the spouse or child of such an alien), and is accompanying, or following to join, the principal alien.

(2) Limitations on approval for certain aliens.—An immigrant visa may not be issued to an alien under paragraph (1)(C) unless the principal alien involved is unmarried and the consular officer has determined, in the officer's discretion, that (A) such an alien has a bona fide relationship with the principal alien similar to that which exists between close family members and (B) the admission of such an alien is necessary for humanitarian purposes or to assure family unity. If an alien described in paragraph (3)(A)(ii) is admitted to the United States, the natural mother of the principal alien involved shall not, thereafter, be accorded any right, privilege, or status under the Immigration and Nationality Act by virture of such parentage.

(3) Child defined.—For purposes of this subsection, the term "child" has the meaning given such term in section 101(b)(1) (A), (B), (C), (D), and (E) of the Immigration and Nationality Act.

(c) Assistance for Immigrants.—Any alien admitted (or awaiting admission) to the United States under this section shall be eligible for benefits under chapter 2 of title IV of the Immigration and Nationality Act to the same extent as individuals admitted (or awaiting admission to) the United States under section 207 of such Act are eligible for benefits under such chapter.

(d) Reports.—The Attorney General, in cooperation with the Secretary of State, shall report to Congress 1 year, 2 years, and 3 years, after the date of the enactment of this Act on the implementation of this section. Each such report shall include the number of aliens who are issued immigrant visas and who are admitted to the United States under this Act and number of waivers granted under subsection (a)(2) and the reasons for granting such waivers.

(e) Application of Immigration and Nationality Act Provisions.—Except as otherwise specifically provided in this section, the definitions contained in the Immigration and Nationality Act shall apply in the administration of this section and nothing contained in this section shall be held to repeal, amend, alter, modify, effect, or restrict the powers, duties, functions, or authority of the Attorney General in the administration and enforcement of such Act or any other law relating to immigration, nationality, or naturalization. The fact that an alien may be eligible to be granted the status of having been lawfully admitted for permanent residence under this section shall not preclude the alien from seeking such status under any other provisions of law for which the alien may be eligible.●

By Mr. PROXMIRE:

S. 1602. A bill to declare that certain lands are held in trust for the Potawatomi communities in Wisconsin and Michigan; to the Committee on Energy and Natural Resources.

LANDS OF THE FOREST COUNTY POTAWATOMI COMMUNITY

Mr. PROXMIRE. Mr. President, today I introduce a bill to correct an administrative error which placed the title of the lands owned by the members of the Forest County Potawatomi Community, residing in the States of Wisconsin and Michigan, in trust in the name of the United States only. Technically, the lands should be in the tribe's name and held in trust by the U.S. Government.

Historical record supports the Potawatomic Tribe's position. The Department of the Interior agrees that the deed was recorded in error.

This bill does not change or alter existing law but corrects that oversight in the deed.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1602

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. (a) All rights, title, and interests of the United States in the surface and mineral estate of approximately 11,300 acres of land located in Forest County and Oconto County, Wisconsin that was acquired by the United States by reason of section 24 of the Act of June 30, 1913 (38 Stat. 102), including any improvements on such land, are hereby declared to be held by the United States in trust for the benefit and use of the Forest County Potawatomi Community of Wisconsin and such land is hereby declared to be the reservation of the Forest County Potawatomi Community of Wisconsin.

(b) All rights, title, and interests of the United States in the surface and mineral estates of approximately 3,359 acres of land located in Menominee County, Michigan, that was acquired by the United States by reason of section 24 of the Act of June 30, 1913 (38 Stat. 102), including any improvements on such lands, are hereby declared to be held by the United States in trust for the benefit and use of the Hannahville Indian Community of Michigan, and such land is hereby declared to be the reservation of the Hannahville Indian Community of Michigan.

SEC. 2. The Secretary of the Interior shall publish in the Federal Register a detailed description of the lands referred to in section 1.

SEC. 3. Nothing in this Act shall deprive any person (other than the United States) of any lease, right-of-way, mining claim, grazing permit, water right, or other right or interest which such person may have in the surface or mineral estate of any land referred to in section 1 on the day before the date of enactment of this Act.

By Mr. QUAYLE:

S. 1603. A bill to require the Secretary of Housing and Urban Development to develop regulations that would provide transitional relief from the application of the rent formula under the U.S. Housing Act of 1937; to the Committee on Banking, Housing, and Urban Affairs.

TRAINING PROGRAM RENT RELIEF ACT

● Mr. QUAYLE. Mr. President, a lot of attention has been paid this year to the idea of welfare reform. Legislation is being prepared and debated in the House and in the Senate based on the principle that we should do more to help welfare recipients who want to help themselves. This is an idea whose time has come, and I think that the ongoing debate is an extremely important one.

There is general agreement that job training must be a key element of welfare reform. Welfare recipients must have the opportunity to learn skills that will help them get meaningful jobs and increase their earning power. A two-pronged approach is necessary to achieve this objective: we must provide incentives to State job training agencies to focus their efforts on long-term welfare recipients, and we must provide incentives to welfare recipients to seek training. As the former chairman of the Labor and Human Resources Subcommittee on Employment and Productivity, and coauthor of the Job Training Partnership Act [JTPA] in 1982, I have taken a special interest in this element of welfare reform.

To address the first of these objectives, on April 2, the Senate unanimously approved S. 514, the Jobs for Employable Dependent Individuals Act [JEDI]. I offered several key amendments to the JEDI bill during markup in the Labor and Human Resources Committee to bolster JTPA's title II-B summer youth employment and training program for teenagers living in welfare households.

JEDI, which was introduced by the chairman of the Labor Committee, the distinguished Senator from Massachusetts, is designed to target JTPA services to dependents in welfare households. It would pay bonuses to State job-training agencies that successfully train long-term welfare recipients and place them in jobs, removing them from the welfare rolls. The bonuses paid to the States would be a percentage of the Federal welfare expenditures saved in the process.

In addition to strengthening the foundations of the State bonus program, my amendments would give States the flexibility to convert their JTPA summer youth employment programs into year-round remedial skill training programs targeted at youths aged 14 to 21 living in welfare households. Under the revamped program, local private industry councils [PIC's] could provide disadvantaged teenagers with year-round remedial education, summer jobs, or a combination of both, as determined by local needs. While the initial provisions of the JEDI would achieve their worthy objectives at a fairly low cost to the Government, the Congressional Budget Office has estimated that my amendments would yield savings of up to $50 million per year in aid to families with dependent children [AFDC] outlays over a 3-year period by helping to remove people from the welfare rolls.

I believe that early remedial education and skills training is crucial to breaking the chain of welfare dependency for young adults. JEDI, with my amendments, would give States the tools and flexibility they need to help young adults find good jobs and increase their earning power throughout their lives. I hope the House of Representatives will act this session to approve this legislation.

To complement the JEDI bill, I am today introducing the Training Program Rent Relief Act of 1987. This bill is designed to meet our second objective of providing welfare recipients with incentives to enter job training programs and find employment. Specifically, this bill directs the Secretary of Housing and Urban Development [HUD] to study alternatives to HUD's current rules for assessing public housing rents that often deter tenants from seeking employment opportunities. The Secretary would be required to present a proposal to Congress for a program of phased-in rent increases for tenants who find better paying jobs or enter training programs that supply new sources of income.

HUD's formula for determining fair monthly rents paid by public housing residents is based on the premise that tenants should contribute a fair portion of their income to rent. As their finances improve, residents are required to pay more in rent for their unit. This is a sound premise.

Under HUD's current formula, a tenant's monthly income is annualized. Then $480 is deducted for each dependent living in the household. One-third of this adjusted yearly income must be paid in rent. This amount is divided by 12 to determine the monthly payments.

The problem with this formula is that a tenant who achieves a higher level of income faces an immediate rent increase that is often of dramatic proportions. This is true even though the tenant is confronted with new employment-related expenses such as transportation or child care, and will only receive a first paycheck after a 2- to 3-week delay. In addition, newly employed individuals often face the loss of other welfare benefits and have previously incurred debts to pay. The cash flow problems created by these large rent increases and other factors in the first few months of employment create a tremendous obstacle to seeking new employment.

A public housing tenant who finds a better paying job and cannot cope with the numerous new bills that must be paid is faced with a real Hobbesian dilemma: Either quit the job that caused the budget crunch in the first place, or leave the family home so that the new income does not cause a rent increase. This is a choice that no one should be forced to make, least of all a welfare recipient struggling to get on his or her feet financially. The Federal Government should not be in the business of breaking up families or discouraging people from finding good jobs.

I recently asked the Indianapolis Housing Authority in my home State to provide me with a sample of cases in which rental increases were incurred due to increased income. The information I received provides a clear illustration of this problem. In eight randomly selected households in which a higher level of income was achieved, the average rental increase in the first month was 663 percent. In one case, the rent increased a staggering 1,063 percent. While some of these families survived the difficult first several months, others did not, and still others were doubtlessly discouraged from even trying.

One case in point: A man aged 25, his 22-year-old wife and their 3-year-old daughter lived in $126-a-month two bedroom apartment. Both parents found jobs, the husband's paying $13,500, the wife's, $9,858. Their new combined income of $23,358 caused their rent to be recalculated to $546—a 330-percent increase. While $23,358 is not a fortune for a family of three, it is enough to live on. Unfortunately, because of the dramatic jump in rent, the husband was forced to move out of the household so that his wife and daughter could stay.

I ask unanimous consent to insert in the RECORD a table of vital statistics provided by the Indianapolis Housing Authority on the eight randomly selected families whose rent increased due to increased earnings. This table demonstrates how dramatic and sudden these rent increases can be.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Family	Age	Sex	Relationship	Source/income	Annual amount	Total amount	Apartment size
No. 1 [1]	25	Male	Head	Wages	$13,500.00		2 bedroom.
	22	Female	Spouse	Wages	$9,858.00	$23,358.00	
	3	Female	Daughter				
No. 2 [2]	48	Male	Head	Wages	$27,913.00		4 bedroom.
	20	Male	Son	SS	1,728.00		
	16	Female	Daughter	SS	1,728.00		
	11	Male	Son	SS	1,728.00	33,097.60	
No. 3 [3]	72	Female	Head	SS	4,068.00		5 bedroom
	23	Male	Grandson	Wages	7,592.00	24,972.00	
	20	Male	Grandson	Wages	13,312.00		
No. 4 [4]	40	Female	Head	Wages	6,630.00		5 bedroom.
				Support	5,214.00		
	21	Male	Son	Wages	15,891.00	27,735.00	
	19	Female	Daughter				
	18	Female	Daughter				
	16	Female	Daughter				
	15	Male	Son				
	14	Male	Son				
	12	Female	Daughter				
	11	Female	Daughter				
	9	Male	Son				
	8	Male	Son				
	2 mo	Female	Granddaughter				
No. 5 [5]	40	Male	Head	Wages	17,222	17,222.00	3 bedroom.
	43	Female	Spouse				
	4	Female	Granddaughter				
	3	Male	Grandson				
No. 6 [6]	50	Female	Head	Wages	14,701	14,701.00	3 bedroom.
	12	Male	Son				
No. 7 [7]	51	Female	Head	SS	4,032.00		4 bedroom.
				SSI	288		
	26	Male	Son				
	25	Female	Daughter	AFDC	1,140.00		
	23	Male	Son	Wages	13,520.00	18,980.00	
No. 8 [8]	55	Female	Head				4 bedroom.
	23	Female	Daughter	Wages	12,300.00	12,300.00	
	23	Male	Son				
	18	Male	Son				

[1] The rent increased from $126 per month to $546 per month, a 330-percent increase. Husband moved out.
[2] The rent increased from $68 per month to $791 per month, a 1,063-percent increase. They moved.
[3] The rent increased from $58 per month to $614 per month, a 959-percent increase. Grandson moved out.
[4] The rent increased from $91 per month to $597 per month, a 556-percent increase. They moved.
[5] The rent increased from $63 per month to $407 per month, a 546-percent increase. Still renting the unit.
[6] The rent increased from $48 per month to $356 per month, a 642-percent increase. Still renting unit.
[7] The rent increased from $100 per month to $452 per month, a 352-percent increase. Still renting unit.
[8] The rent increased from $32 per month to $307 per month, a 859-percent increase. Still renting the unit.

Mr. QUAYLE. Mr. President, there are numerous social and economic factors that tend to reinforce the negative self-image of public housing tenants and discourage them from seeking to improve their lot in life. It is essential that the rules established by HUD not add to these negative influences. Our housing policies must act to promote the efforts of individuals and families to become self-supporting. At present, they do not.

A rent-relief program would have the double blessing of being both responsive to the needs of welfare recipients and fiscally prudent. By making it possible for welfare recipients to get job training or accept a job offer, we would be assisting people who want to work get off the welfare rolls. By enabling public housing residents to increase their earning power, we would be helping families get out of public housing and making room for other families on waiting lists.

Enactment of this pair of legislative initiatives—JEDI and the Training Program Rent Relief Act—would increase the utilization of JTPA programs and enhance their efficiency. JEDI would help focus the efforts of State job-training agencies on welfare recipients, while the Training Program Rent Relief Act would improve the incentives for public housing tenants to seek participation in job training programs. By approaching this problem from both angles, I believe these bills will help increase job opportunities for welfare recipients and lower costs to the Federal Government.

Mr. President, I ask unanimous consent that the full text of the Training Program Rent Relief Act be printed in the RECORD following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1603

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of Housing and Urban Development (hereinafter referred to as the "Secretary") shall develop a proposed regulation to provide a phased-in rental increase for public housing tenants whose incomes increase substantially as a result of their participation in job training programs.

(b) In developing the regulation under this section, the Secretary shall consider past experience in training programs and the response of public housing tenants to sudden and substantial increases in rent as a result of training income. The Secretary shall utilize data from a statistically significant number of public housing agencies in developing the regulation under this section.

(c) The Secretary shall make an estimate of the cost of such a regulation. If the Secretary finds that a majority of public housing tenants move out of public housing or forgo participation in training programs in order to avoid rent increases, the Secretary shall consider that finding in determining the cost estimate of the regulation developed under this section. If the Secretary finds that rent increases have no impact on a public housing tenant's decision whether to participate in a job training program or to remain in occupancy in a public housing unit, then the cost estimate shall reflect that finding.

(d) Not later than ———, 1988, the Secretary shall transmit to the Congress a report containing the findings and the Secretary's recommendation regarding the regulation developed under this section.●

By Mr. SANFORD (for himself, Mr. ADAMS, Mr. CONRAD, Mr. SIMON, and Mr. FOWLER):

S. 1604. A bill to require the President to submit to the Congress a study on the reduction of the public debt of the United States; to the Committee on Finance.

REQUIREMENT FOR A STUDY ON REDUCTION OF THE FEDERAL DEBT

Mr. SANFORD. Mr. President, I am today introducing a measure to require the President to submit to the Congress a plan to rid the United States of its enormous national debt.

Mr. President, the joint resolution scheduled to be voted on by the Senate before we recess tomorrow focuses our attention once again on the most serious economic problem our Nation has ever faced.

For the second time in as many weeks we are going to vote to raise the statutory debt limit and, in so doing, will grant our tacit approval to this administration's continuing failure to curb its voracious appetite for borrowing.

Our national debt has mushroomed, as in atomic mushroom—out of sight—since this administration has taken office, at a rate unparalleled in history. Publicly held Federal debt has more than doubled since this President has taken office, and has risen substantially as a share of GNP—from 26.8 percent in 1980 to 41.9 percent of GNP in 1986. And interest rates, although they have declined, remain high relative to today's low rate of inflation.

This madness has got to stop.

We cannot turn our debt problem around tomorrow. We probably can't even do it in the next several years. But until we agree to begin looking seriously at this problem, studying it carefully, we will just end up returning here to this Chamber, 1 year after the next, and voting again to raise the limit without giving any consideration to the problem we are creating for our Nation's long-term economic future.

For this reason, I am proposing that this President, who in his term alone has done more to add to our Nation's debt problems than all of his predecessors combined, be charged with coming up with a plan for putting us back on a path to fiscal responsibility. It would require the President to devise a strategy for leaving the Nation's economy for the next generation in at least as good a shape as it was in ours.

This legislation gives the President 90 days after its enactment to report to Congress on a method of reducing the national debt by fiscal year 2000 to the same level as a percentage of the gross national product as it was in fiscal year 1980, which was approximately 27 percent. This would require approximately a 1-percent drop annually in the percentage amount the debt represents as a share of the gross national product.

This measure would also require the plan to disclose whatever changes in fiscal policy the President would propose adopting in order to reduce our Federal debt and to provide the economic assumptions upon which these proposed changes would be based. This will give the President the chance, which he already has, to be specific in what he thinks Congress can do to help him return to fiscal responsibility.

Finally, the President would be required in this report to describe those historical events that have caused unanticipated increases in the Federal debt during his two terms in office and the prospects of their reoccurring anytime during the remainder of his Presidency.

Mr. President, we can't simply go on raising the debt limit without having some idea of how or when we're going to get our national debt problem under control. We've got to stop and take stock of where we are—and of more importance, of where we are headed. We simply must have a plan. I believe it only fair that this President, having had so much to do with getting us into the mess we're in right now, have first crack at figuring out how we get ourselves out.

It is time that we reestablish fiscal responsibility as a national policy.

Thank you, Mr. President, and I ask unanimous consent that the bill be printed following these remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1604

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That within 90 days after the date of enactment of this Act, the President shall prepare and transmit to the Congress a plan to reduce by fiscal year 2000 the total public debt of the United States such that the percentage determined by dividing the amount of such public debt for such fiscal year by the amount of the gross national product of the United States for such fiscal year does not exceed the percentage determined by dividing the amount of the total public debt of the United States in fiscal year 1980 by the amount of the gross national product of the United States in fiscal year 1980.

(b) The plan required by subsection (a) shall include—

(1) recommendations for changes in fiscal policy to achieve the reduction required by subsection (a);

(2) an analysis of current and projected economic conditions; and

(3) a description of historical events since January 20, 1981, which have caused unanticipated increases in the deficit and a projection of the likelihood of the reoccurrence of such events prior to January 20, 1989.

By Mr. HATFIELD:

S. 1605. A bill to establish a reservation for the Confederated Tribes of the Grand Ronde Community of Oregon, and for other purposes; to the Select Committee on Indian Affairs.

S. 1606. A bill to establish a reservation for the Confederated Tribes of the Grand Ronde Community of Oregon, and for other purposes; to the Select Committee on Indian Affairs.

GRAND RONDE INDIAN RESERVATION

● Mr. HATFIELD. Mr. President, today I am introducing two bills which would establish a reservation for the Confederated Tribes of the Grand Ronde Community of Oregon. These bills are identical except for the amount of acreage set aside for the reservation. The different versions are intended to spur public discussion on the proposal in an effort to assist Congress in crafting legislation that takes into consideration the needs of the tribe as well as those of the affected communities.

In accordance with Public Law 98-165, the Grand Ronde Indians have submitted to Congress a proposal for a reservation and have completed the requirements for such a request as established by the Department of the Interior. The tribe has submitted a lengthy report which examines in detail the history and socioeconomic status of the tribe as well as the planning objectives and the impacts of establishing a reservation. The report delves into these subjects through scrupulous questioning of tribal members, public viewpoint, and dialog with public officials in the area. In the weeks ahead, Congressman LES AUCOIN, coauthor of companion measures in the House of Representatives, and I will be reviewing the tribe's report and soliciting comments from interested constituents and affected community leaders. In addition, a public hearing on these bills will be chaired by Congressman AUCOIN on August 10, 1987, in Oregon.

The information gathered in these efforts will assist us and our colleagues in the Congress as we consider legislation to establish a reservation for the Grand Ronde Indians.●

By Mr. ROTH (for himself and Ms. MIKULSKI):

S. 1607. A bill to prohibit the burning and dumping of toxic and hazardous waste in certain areas off the coast of Delaware, Maryland, and Virginia; to the Committee on Environment and Public Works.

DELAWARE BAY AND CHESAPEAKE BAY SANCTUARY ACT

● Mr. ROTH. Mr. President, I rise today to introduce legislation with my distinguished colleague from Maryland, Ms. MIKULSKI, that would designate the Delaware Bay, the Delaware and Chesapeake Canal and the Chesapeake Bay as sanctuaries. We must do all we can to protect these beautiful and valuable waterways.

I have always been a strong proponent of a healthy environment and this bill reinforces my strong posture on the environmental issues that confront us. Of immediate concern is how we should proceed with the disposal of our hazardous wastes. One method that has been proposed is to burn certain types of wastes at specially designated sites in our oceans.

And now the ports of Wilmington, DE, Philadelphia, PA, and Baltimore, MD, are all considered to be candidates for a waste transfer, collection and/or storage facility by the ocean incineration industry to ferry the wastes to the burn site.

Mr. President, this activity is regulated by the Environmental Protection Agency, and I find it hard to believe that the Federal agency so involved in the restoration of the Delaware and Chesapeake Bays would even consider jeopardizing these beautiful pristine environments. I feel the EPA was ill-advised to pursue this waste management option, as do most Delawareans. Delaware's coastal zone, wetlands, and natural resources are one part of Delaware's environment that makes it such a pleasant and unique place to live and visit. They must be protected.

In my view we must not pursue this out of mind out of sight activity. Our bill gives us a chance to prevent possible catastrophies, pursue alternatives, and thus help keep the oceans off limits to unnecessary, unwarranted, and irresponsible intrusions. We must keep those unique qualities intact that warrant the special protection we bestow on our oceans and which they so richly deserve.

Specifically our legislation would prohibit ocean incineration and the dumping of hazardous wastes in the bays, it would bar any Federal agency from licensing onshore facilities that exist to facilitate ocean incineration or ocean dumping, and it would prohibit travel through the sanctuaries of vessels en route to or from ocean incineration sites.

Mr. President, I would like to ask unanimous consent that a brief chronology of events and my involvement in the Environmental Protection Agency's attempts to promulgate ocean incineration regulations be included in the RECORD in its entirety. I also ask unanimous consent that the bill be printed in the RECORD in its entirety.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1607

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION. 1. SHORT TITLE.

This Act may be cited as the "Delaware Bay and Chesapeake Bay Sanctuary Act of 1987".

SEC. 2. FINDINGS.

The Congress finds that—

(1) the Delaware Bay and Chesapeake Bay possess unique historical, ecological, educational, recreational, and other research values and resources which are appropriate under Federal law; and

(2) there is an existing and mounting threat to this sensitive national treasure in the form of burning and dumping of toxic and hazardous wastes, which could result in irreparable damage to these coastal resources.

SEC. 3. DESIGNATION.

The areas comprising the Delaware Bay, the Chesapeake Bay, and the Chesapeake and Delaware Canal are designated as the Delaware Bay-Chesapeake Bay Sanctuary (hereinafter in this Act referred to as the "Sanctuary").

SEC. 4. RESTRICTIONS.

(a) Notwithstanding any other provision of Federal law, no Federal agency shall issue a lease, permit, or license—

(1) for ocean incineration or dumping of toxic or hazardous waste within the Sanctuary; or

(2) for an onshore facility which exits to facilitate ocean incineration or ocean dumping of toxic or hazardous waste within the Sanctuary.

Notwithstanding any other provision of Federal law, a vessel may not travel within the Sanctuary while en route to or from ocean incineration.

CHRONOLOGY

Mr. ROTH. Mr. President, first, in November 1983 the largest public hearing in EPA history—6,400 people—was held in Brownsville, TX, to consider EPA's proposal to issue two special permits and one research permit to Chemical Waste Management, Inc., to incinerate hazardous wastes in the Gulf of Mexico.

Second, in May 1984 EPA denied the permits and stated that it would not issue any more operating permits until specific regulations had been promulgated, and the scientific research had been completed.

Third, by February 1985 the Agency issued a final research strategy which included the possibility of conducting a research burn at sea. Draft ocean incineration regulations were also issued for public comment and review.

Fourth, in April 1985 EPA's Science Advisory Board issued a report on the current knowledge about ocean incineration. The report indicates that much more research is needed on several technical questions, such as incinerator capacity, capability to measure destruction efficiency, and emission characteristics. In addition, the report questions the effects on human health and marine environment.

Fifth, in July 1985 I submitted my comments to the EPA, and questioned: the protection it afforded the citizens of Delaware and the Nation; the transportation risks; the need for this technology as required by the London Dumping Convention and the Marine Protection Research and Sanctuary Act; the scientific risks associated with this technology; past performance of the operator of the incinerator vessel.

Sixth, in December 1985 the EPA made a decision to issue a research burn permit to Chemical Waste Management, Inc. Wastes would be loaded onto the vessel in Philadelphia, PA, shipped down the Delaware Bay out to a burn site in the North Atlantic Ocean and incinerated.

Seventh, after several—five—more public hearings, one of which took place in Wilmington, DE, on May 1, 1986, the EPA hearing officer issued his report. On the basis of that report, the EPA denied the research burn permit, and announced it would not issue any ocean incineration permits until specific ocean incineration regulations had been promulgated.

Eighth, on December 5, 1986, Chemical Waste Management, Inc., filed suit in Federal district court against the EPA. The suit relates to EPA's decision on May 1986 to defer considering applications for ocean incineration until final regulations had been promulgated. The suit claims that the EPA violated its mandatory duty under the Marine Protection Research and Sanctuary Act to consider applications for ocean dumping and ocean incinerations activities. Chem Waste seeks an order that the EPA abandon the decision it made in May 1986, and consider ocean incineration permits under existing regulations, or, that the EPA be ordered to finalize ocean incineration regulations within 30 days from the day of judgment. The court has not ruled on this suit, and a decision is expected shortly.●

● Ms. MIKULSKI. Mr. President, today I am pleased to join with my colleague from Delaware, Senator ROTH, in introducing the Delaware Bay and Chesapeake Bay Sanctuary Act of 1987.

Both Maryland and Delaware enjoy the benefits of two of the Nation's great estuaries—the Delaware and Chesapeake Bays. Both bodies of water offer many ecological, recreational, and economic opportunities, and both have played an important role in the history and well-being of the two States.

Because of the unique resources of the two estuaries, and because people from all over the country enjoy their benefits, I believe it appropriate to provide them with Federal protection.

This legislation therefore designates the areas comprising the Delaware Bay, the Chesapeake Bay, and the Chesapeake-Delaware Canal as the Delaware Bay-Chesapeake Bay Sanctuary.

This designation will restrict Federal agencies from issuing a lease, permit, or license for ocean incineration or dumping toxic or hazardous waste within the sancturary, or for any onshore facility which exists to facilitate ocean incineration or dumping of toxic or hazardous waste within the sanctuary. In addition, vessels may not travel within the sanctuary. In addition, vessels may not travel within the sanctuary while en route to or from ocean incineration.

I believe that this legislation compliments other actions taken by the Federal Government and both States to protect and preserve these estuaries, as well as the Maryland and Delaware ocean shoreline.●

By Mr. THURMOND:

S. 1608. A bill to amend title 28 of the United States Code as it pertains to the structure of the U.S. Claims Court; to the Committee on the Judiciary.

U.S. CLAIMS COURT IMPROVEMENT ACT

Mr. THURMOND. Mr. President, today, by request, I am introducing the U.S. Claims Court Improvement Act of 1987. The purpose of this legislation is to remove the existing article I Claims Court from the authority of the Administrative Office of the U.S. Courts and to establish the Claims Court in the executive branch of the Federal Government. The effect of the legislation would be to make the Claims Court similar to the Tax Court in operational and administrative aspects as well as the benefits and salaries of the judges.

This proposal is a comprehensive response to the problems the Claims Court has experienced since its reorganization under the Federal Courts Improvement Act of 1982, Public Law 97-164. As my colleagues will recall, the main focus of that act was to improve the adjudication of complex issues by combining the appellate functions of the former Court of Claims with the complex intellectual property cases formerly considered by the Federal Courts of Appeals. The remaining Court of Claims jurisdiction was set aside for the Claims Court. Although the Claims Court has a proud history dating back to 1855, the impact of the 1982 law upon it was not the primary consideration of the Congress in creating that law, and many key issues were not addressed by the Congress at that time.

The recent experiences of the Claims Court should now be a priority for congressional review. Issues such as—why this article I court, which is not represented on the Judicial Conference, is nonetheless administered and bound by the policy decisions of that distinguished body, and why there is such disparity in the salaries and other benefits of the various groups of judges—are deserving of our prompt and careful attention.

I believe we need a review of the entire judicial structure. Such a comprehensive review could enable us to establish one set of guidelines to assist our consideration of these requests relating to administration, salaries, and benefits. We would then have one consistent approach that would result in a more equitable rationale for any differing treatment we might adopt. I would be pleased if the U.S. Claims Court Improvement Act of 1987 could be the basis for not only the needed review of the recent Claims Court structure and concerns, but also as a focal point for the review of the entire panoply of judicial administration issues and requests.

Mr. President, because the U.S. Claims Court Improvement Act of 1987 is a lengthy and comprehensive bill, I ask unanimous consent to insert into the RECORD at this time a copy of the bill. I urge my colleagues to carefully consider this legislation.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1608

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "United States Claims Court Improvement Act of 1987".

SEC. 2. Section 172 of title 28, United States Code, is amended to read as follows:

"§ 172. Tenure and salaries of judges

"(a) Each judge of the United States Claims Court shall be appointed for a term of 15 years. Any such judge so appointed may be reappointed for a term of 15 years and if reappointed shall continue in office until reappointed or until a successor has been appointed and taken office. If a judge is not reappointed, such judge shall continue in office until a successor has been appointed and taken office.

"(b) Each such judge shall receive a salary at the rate of pay received by judges of the United States Tax Court.".

SEC. 3. Section 173 of title 28, United States Code, is amended by inserting "at the National Courts Building" after "Columbia".

SEC. 4. Section 176 of title 28, United States Code, is amended to read as follows:

"§ 176. Removal from office

"The provisions regarding the manner of and causes for removal of judges of the United States Tax Court shall apply to judges of the United States Claims Court.".

SEC. 5. Section 376 of title 28, United States Code, is amended—

(1) in subparagraph (a)(1)(B) by—

(A) striking "or"; and

(B) inserting before the semicolon at the end thereof the following: ", or a judge of the United States Claims Court who files an election under section 797 of this title";

(2) in subsection (a)(1) by—

(A) striking out "; or" in the last clause and inserting in lieu thereof ", or"; and

(B) adding before the semicolon at the end thereof the following: ", or in the case of a judge of the United States Claims Court, who so notifies the Director on or before the date of an election to retire under section 797 of this title"; and

(3) in subsection (a)(2)(B) by—

(A) striking out "title or" and inserting in lieu thereof "title,"; and

(B) inserting before the semicolon at the end thereof the following: "or in the case of a judge of the United States Claims Court, an annuity paid under section 797 of this title".

SEC. 6. Section 460 of title 28, United States Code, is amended—

(1) in subsection (a) by striking out "to the United States Claims Court,"

(2) by redesignating subsection "(b)" as subsection "(c)"; and

(3) by adding a new subsection (b) to read as follows:

"(b) Sections 452 through 455, and sections 458, 459, and 463 shall also apply to the United States Claims Court.".

SEC. 7. Section 520(a) of title 28, United States Code, is amended by inserting "or complaint" after "petition".

SEC. 8. Section 610 of title 28, United States Code, is amended by striking out "the United States Claims Court".

SEC. 9. Section 791 of title 28, United States Code, is amended—

(1) in subsection (a) by striking out "Director of the Administrative Office of the United States Courts" and inserting in lieu thereof "court"; and

(2) in subsection (b) by striking out the second sentence.

SEC. 10. (a) Chapter 51 of title 28, United States Code, is amended by inserting between section 791 and section 794 the following new sections:

"§ 792. Retirement; employee benefits

"The clerk, court executive, and all employees of the United States Claims Court shall be deemed to be officers and employees of the judicial branch of the United States Government within the meaning of subchapter III of chapter 83 and chapter 84 (relating to civil service retirement), chapter 87 (relating to Federal employees' life insurance program), and chapter 89 (relating to Federal employees' health insurance) of title 5. The grade and salary of such employees, where appropriate, shall be that generally applicable to like employees in the judicial branch.

"§ 793. Court executive

"The chief judge of the United States Claims Court, with the approval of the court, may appoint a court executive who shall be subject to removal by the court.".

(b) The table of sections for chapter 51 of title 28, United States Code, is amended by inserting between the item relating to section 791 and the item relating to section 794 the following new items:

"792. Retirement; employee benefits.
"793. Court executive.".

SEC. 11. Section 794 of title 28, United States Code, is amended to read as follows:

"§ 794. Law clerks and secretaries

"The judges of the United States Claims Court may appoint necessary law clerks and secretaries in such numbers as needed, subject to the availability of appropriated funds.".

SEC. 12. Section 795 of title 28, United States Code, is amended to read as follows:

"§ 795. Other employees

"The chief judge, with the approval of the court, may appoint such other employees as may be necessary to execute efficiently the functions vested in the court. Each such employee shall be subject to removal by the chief judge, with the approval of the court.".

SEC. 13. Section 796 of title 28, United States Code, is amended to read as follows:

"§ 796. Authority to contract and make expenditures

"(a) The United States Claims Court is authorized to contract for the reporting of all proceedings had in open court, and in such contract to fix the terms and conditions under which such reporting services shall be performed, including the terms and conditions under which transcripts shall be supplied by the contractor to the court and to other persons, departments and agencies.

"(b) The court shall have the authority to obtain by contract, purchase or otherwise, such support services, supplies, equipment, and furnishings from any private organization or governmental agency, as it finds appropriate to carry out its functions.

"(c) Personnel of the court shall be deemed to be personnel of the judicial branch for the purposes of section 620(b)(3) of this title.

"(d) The court shall have the authority to accept and utilize voluntary and uncompensated services, including services authorized by section 3102(b) of title 5, and to accept, hold, administer, and utilize gifts and bequests of personal property for the purpose of aiding or facilitating the work of the court, but gifts or bequests of money shall be remitted to the Treasury of the United States.

"(e) The court is authorized to make such expenditures (including expenditures for personal services and rent at the seat of Government and elsewhere, and for law books, books of reference, and periodicals), as may be necessary to execute efficiently the functions vested in the court. Except as otherwise provided, all expenditures of the court shall be allowed and paid, out of any moneys appropriated for purposes of the court, upon presentation of itemized vouchers therefor signed by the certifying officer designated by the chief judge.".

SEC. 14. Section 797 of title 28, United States Code, is amended to read as follows:

"§ 797. Retirement and recall of judges

"(a) The provisions regarding the eligibility of judges of the United States Tax Court, as judges of such Tax Court, for retirement, retired pay and recall shall apply to judges of the Claims Court, as judges of such court in the same manner and under the same provisions as they apply to judges of the United States Tax Court. To carry out the purposes of this section, when the provisions which govern the retirement, retired pay, and recall of judges of the Tax Court are applied to judges of the Claims Court—

"(1) the term "Tax Court" shall be deemed to mean the Claims Court;

"(2) the term "judge" shall be deemed to mean a judge or chief judge of the Claims Court;

"(3) the term "chief judge" shall be deemed to mean the chief judge of the Claims Court;

"(4) in any determination of length of service as a judge there shall be included all periods (whether or not consecutive) during which an individual served as judge of the United States Claims Court, or as a commissioner (trial judge) of the United States Court of Claims; and

"(5) the non-government services performed such as to cause a permanent forfeiture of retired pay shall consist of legal services in a claim against the United States within the jurisdiction of the United States Claims Court.

"(b) In addition to retirement and recall as provided in subsection (a), any judge or former judge of the United States Claims Court not in active service who is receiving an annuity, or who will upon reaching the required age be entitled to receive an annuity, under subchapter III of chapter 83, or chapter 84, of title 5, shall be eligible for recall to perform judicial duties. When so recalled such judge shall be known and designated as a senior judge.

"(c) The chief judge of the Claims Court, whenever he deems it advisable, may recall any person eligible to serve as a senior judge, with the consent of such person, to perform such duties as a senior judge and for such period of time as the chief judge may specify.

"(d) Any senior judge performing duties pursuant to this section, shall not be counted as a judge for purposes of the number of judgeships authorized by section 171 of this title.

"(e) Any senior judge, while performing duties pursuant to this section, shall receive the same pay, allowances for travel and other expenses as a judge in active service. Such senior judge if receiving an annuity pursuant to subchapter III of chapter 83, or chapter 84, of title 5 shall receive supplemental pay in an amount sufficient, when added to the amount of such annuity, to equal the salary of a judge in active service for the same period or periods of time. Such pay or supplemental pay shall be paid in the same manner as the salary of a judge in active service.".

SEC. 15. Section 798(a) of title 28, United States Code, is amended to read as follows:

"(a) The United States Claims Court is hereby authorized to utilize facilities and hold court in Washington, District of Columbia, and throughout the United States as is necessary for compliance with sections 173 and 2503(c) of this title. The facilities of the Federal courts, as well as other appropriate facilities which are administered by the General Services Administration, shall be made available for trials outside of the District of Columbia.".

SEC. 16. Title 28, United States Code, is amended by adding at the end thereof a new section 799 to read as follows:

"§ 799. Expenses for travel and subsistence

"(a) Judges of the United States Claims Court shall receive necessary travel expenses and actual expenses for subsistence while traveling on duty away from their designated station, subject to the same limitations in amount as apply to the judges of the United States Tax Courts.

"(b) The employees of the court shall receive necessary travel expenses and actual expenses for subsistence while traveling on duty away from their designated station in an amount equivalent to that provided for comparable employees in the judicial branch.".

SEC. 17. (a) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of chapter 51 of title 28, United States Code, as amended by this Act. Estimates thereof shall be approved by the United States Claims Court before presentation to the Office of Management and Budget;

(b) Until such time as there is a separate appropriation for the United States Claims Court, funds appropriated and designated for the "Courts of Appeals, District Courts, and other Judicial Services" shall be made available, in the required amount, for the operation of the United States Claims Court. Such amounts shall be determined by the Director of the Administrative Office of United States Courts and the chief judge of the Claims Court.

SEC. 18. The table of sections for chapter 51 of title 28 is amended by striking out the items relating to sections 795 through 798 and inserting in lieu thereof the following:

"795. Other employees.

"796. Authority to contract and make expenditures.

"797. Retirement and recall of judges.

"798. Places of holding court; appointment of special masters.

"799. Expenses for travel and subsistence.".

SEC. 19. (a) Section 963 of title 28, United States Code, is amended by inserting ", United States Claims Court, except for purposes of section 961," after "States".

(b) Section 961 of title 28, United States Code, is amended by inserting ", except any clerk of the United States Claims Court," after "court".

SEC. 20. Chapter 123 of title 28, United States Code, is amended—

(1) by repealing section 1926; and

(2) in the table of sections by striking out the item relating to section 1926.

SEC. 21. Section 2503 of title 28, United States Code, is amended by adding at the end thereof the following:

"(d) The Claims Court shall be deemed to be a court of the United States for the purposes of sections 1252, 1821, 1915, 1920 and 1927 of this title.

"(e) The records of the Claims Court shall be kept at its principal office, the National Courts Building, Washington, District of Columbia. Records which have become obsolete and are no longer necessary or useful may be disposed of, with the approval of the court, in the manner provided in chapter 33 of title 44.".

SEC. 22. Section 2520 of title 28, United States Code, is amended by—

(1) striking out "$60" and inserting in lieu thereof "$120"; and

(2) striking out "petition" and inserting in lieu thereof "complaint, and shall prescribe from time to time such other fees to be charged and collected".

SEC. 23. (a) Section 2521 of title 28, United States Code, is amended by—

(1) amending the title to read as follows:

"§ 2521. Subpoenas and incidental powers";

(2) inserting "(a)" before "Subpoenas requiring"; and

(3) adding at the end thereof the following:

"(b) The United States Claims Court shall have the same incidental powers as are provided to the Tax Court.".

(b) The table of sections for chapter 165 of title 28, United States Code is amended by amending the item relating to section 2521 to read as follows:

"2521. Subpoenas and incidental powers.".

SEC. 24. Section 308(9) of title 28, appendix II, United States Code, is amended by striking out "Court of Claims" and inserting in lieu thereof "Claims Court".

SEC. 25. (a) Any provisions relating to the United States Claims Court not amended by this Act shall remain in effect.

(b) Nothing in this Act shall be construed to change or affect the jurisdiction of the United States Claims Court.

SEC. 26. This Act and the amendments made by this Act shall take effect 60 days after the date of enactment.

By Mr. McCLURE (for himself, Mr. SYMMS, Mr. EVANS, and Mr. ADAMS):

S. 1609. A bill for the relief of James P. Purvis; to the Committee on the Judiciary.

RELIEF OF JAMES P. PURVIS

● Mr. McCLURE. Mr. President, I am today introducing legislation for the relief of James P. Purvis of Coeur d'Alene, ID. Senators SYMMS, EVANS, and ADAMS join me in cosponsoring this bill, which has become necessary to correct a gross miscarriage of justice suffered by Mr. Purvis at the hands of the Federal Government. Let me explain.

James P. Purvis was a successful building contractor in the State of Washington for many years. In 1961, Purvis Construction Co., was awarded a contract by the General Services Administration to construct six buildings for the 1962 Seattle World's Fair.

Because of internal GSA funding problems and the lack of experience of the agency's contracting officer, the Government stopped construction work on numerous occasions to belatedly correct Government design errors. The GSA not only refused to compensate Purvis for the extra costs resulting from these work stoppages, but compounded his difficulties by withholding portions of his contract earnings that were due. When the case eventually came to trial, the U.S. Court of Claims characterized the GSA's actions as "a veritable breakdown in the administration of this contract."

As a result of GSA's unreasonable and unjustified actions, Purvis was forced to initiate litigation against the Government. Due to the continued intransigence of the General Services Adminstration and the Justice Department, this litigation lasted nearly two decades, an outrageous period of time by anyone's reckoning. Although Purvis was at all times willing to settle the case, the Government kept him in court from 1963 to 1981. The cost of that litigation and the delay in payment of his claim were the financial ruin of his construction firm, and he was consequently forced out of business.

Mr. Purvis finally prevailed before the Claims Court in 1981 and was awarded $390,248. Unfortunately, the court could not adjust the award to account for interest and the effects of inflation during the intervening years. The court recognized that this was grossly unfair, but was legally unable to take those factors into consideration, and suggested that Purvis turn to Congress for relief, which he did.

During the 98th Congress, the late Senator Henry Jackson introduced S. 413 for the relief of Mr. Purvis. On April 25, 1984, the Senate passed Senate Resolution 48, which referred the bill to the U.S. Claims Court under the so-called congressional reference procedures of 28 U.S.C. 1492. Under the terms of Senate Resolution 48, the court was asked to determine "the amount, if any, legally or equitably due from the United States to James P. Purvis."

On January 30, 1986, Judge Philip R. Miller, the hearing officer for the Claims Court, filed his report on this matter which states that:

> . . . Claimant (Purvis) has an equitable claim against the United States in the sum of $700,000 representing interest on the judgment . . . as well as reasonable attorney's fees.

The three-judge Claims Court review panel reviewed Judge Miller's report, and in their own report filed March 7, 1986, adopted the findings, opinions, and conclusions of the hearing officer. Subsequently, this report and the bill were sent to the Senate. Unfortunately, the bill was not valid because it had been sent to the court during the 98th Congress and returned during the 99th Congress, and a new private relief bill could not be introduced and approved before the 99th Congress adjourned sine die.

To ensure that the legislative process initiated by Senator Jackson is now concluded as rapidly as possible, all four of the Senators from Idaho and Washington have joined together in sponsoring this bill.

Mr. President, to say that the job of a U.S. Senator is multifaceted is, of course, an understatement. Every day of every week we are called upon to do a multitude of things some of which are very momentous and some of which are quite mundane. However, in my 14 years in the Senate I have always felt that one of the most important things we do is keeping faith with the citizens of our respective States and the Nation as a whole. This legislation is an attempt to restore the faith of one citizen who answered the call of his Government to help out with an important task and received as a reward for his efforts over 20 years of shameful mistreatment. Hopefully, enactment of this legislation will—at long last—make James Purvis whole and, perhaps, begin to restore his faith in our system of government.

Mr. President, I ask unanimous consent that the bill, the reports from the U.S. Court of Claims in this case and an article and editorial from the Spokesman Review from Spokane, WA, be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1609

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that

SECTION 1. SATISFACTION OF CLAIM AGAINST THE UNITED -TATES

Pursuant to the report of the United States Claim Court in Congressional Reference No. 1-84 (filed on March 7, 1986), the Secretary of Treasury shall pay, out of any money in the Treasury not otherwise appropriated, the sum of $700,000 to James P. Purvis of Coeur d'Alene, Idaho. The payment of this sum shall be full satisfaction of any claim of such person, and of Purvis Construction Company, against the United States arising out of a contract between Purvis Construction Company and the United States for construction of the Federal Exhibit Buildings for the Century 21 Exposition at the World's Fair in Seattle, Washington, in 1962.

SEC. 2. LIMITATION ON ATTORNEYS' AND AGENTS' FEES.

It shall be unlawful for more than 33.3 percent of the sum appropriated in Section 1 to be paid to or received by any agent or attorney for any service rendered in connection with enactment of this Act. Any person who violates this Section shall be fined not more than $1,000.

JAMES P. PURVIS, PLAINTIFF, V. THE UNITED STATES, DEFENDANT

(This Report will not be published in the U.S. Claims Court Reporter, because it does not add significantly to the body of law and is not of widespread interest.)

Patrick A. Sullivan, Spokane, Washington, attorney of record, for plaintiff. Winston U. Cashatt, Spokane, Washington, Paul L. Waldron and Hudson, Creyke, Koehler & Tacke, Washington, D.C. of counsel.

Charles R. Gross, Washington, D.C. with whom was Assistant Attorney General Richard K. Willard, for defendant. David M. Cohen, Director, and Sandra P. Spooner, Assistant Director, of counsel.

REPORT OF THE REVIEW PANEL

Before Yannello, Presiding Judge, and Mayer and Tidwell, Judges.

On January 30, 1986, Judge Miller, the hearing officer, filed findings, an opinion, and conclusions of law in the above-entitled matter. Both parties to this action have filed Notices of Acceptance of the hearing officer's Report.

The hearing officer has found that plaintiff has preserved an equitable claim as a result of a settlement previously entered into in connection with an award made to him by the United States Court of Claims in *Purvis* v. *United States,* 216 Ct. Cl. 398 (1978). Hearings before that court and the General Services Administration Board of Contract Appeals resulted in a delay of 18 years from the date of the filing of his claims until the date of payment. The hearing officer recommended that plaintiff in this Congressional Reference case receive the sum of $700,000 representing interest on the judgment ($390,248), as well as reasonable attorney fees, based on the stipulations of the parties. The hearing officer and the parties offer no opinion as to the tax year or years over which this sum should be apportioned. No further amount is legally or equitably due from the defendant to the plaintiff.

The Review Panel, having considered the record and the report of the hearing officer, adopts the findings, opinion, and conclusion of the hearing officer.

This report is filed with the Clerk of the Court pursuant to RUSCC App. D, paragraph 10.

James P. Purvis, Plaintiff, v. the United States, Defendant

(This Report will not be published in the U.S. Claims Court Reporter because it does not add significantly to the body of law and is not of widespread interest.)

Patrick A. Sullivan, Spokane, Washington, attorney of record, for plaintiff. *Winston U. Cashatt,* Spokane, Washington, *Paul L. Waldron* and *Hudson, Creyke, Koehler & Tacke,* Washington, D.C., of counsel.

Charles R. Gross, Washington, D.C., with whom was *Assistant Attorney General Richard K. Willard,* for defendant. *David M. Cohen, Director,* and *Sandra P. Spooner, Assistant Director,* of counsel.

REPORT OF HEARING OFFICER

MILLER, *Judge:*

On April 25, 1984, Sen. Res. No. 48, 98th Cong. 2d Sess., referred Senate bill S. 413, 98th Cong. 1st Sess., to the Chief Judge of the United States Claims Court and requested the Chief Judge to proceed with the same in accordance with the provisions of 28 U.S.C. §§ 1492 and 2509, notwithstanding the bar of any statute of limitations, laches or sovereign immunity, and report thereon to the Senate at the earliest practicable date, giving such findings of fact and conclusions thereof as shall be sufficient to inform the Congress of the nature and character of the demand of the claim, legal or equitable, against the United States, or a gratuity, and the amount, if any, legally or equitably due from the United States to James P. Purvis.

S. 413, the bill which is the subject of this referral is entitled "A Bill for the Relief of James P. Purvis." It proposes that the Secretary of the Treasury be authorized and directed to pay to Mr. Purvis of Spokane, Washington, out of any money in the Treasury not otherwise appropriated, a sum of money, in an amount to be substantiated, representing the amount to which James P. Purvis equitably is entitled in order to make him whole, for any damage, loss, cost, and expense not otherwise recoverable at law, sustained by Mr. Purvis as president and sole owner of Purvis Construction Company on account of the construction of the federal exhibit buuilding of the Century 21 Exposition, the 1962 Seattle World's Fair, and the litigation of claims resulting therefrom. The payment of said sum is to be in full satisfaction of any claims that James P. Purvis or Purvis Construction Company may have against the United States with respect to the losses described in this bill.

Mr. Purvis filed his complaint with the clerk of the United States Claims Court on May 23, 1984, and the United States filed its answer to the complaint on August 22, 1984. The complaint was then assigned by the Chief Judge to the undersigned. Thereafter, pursuant to court order, the parties filed pretrial submissions and engaged in extensive negotiations to arrive at a stipulation of the pertinent facts and an amicable disposition of the controversy.

Such a stipulation was filed on January 17, 1986. The stipulation recites in pertinent part that:

1. Jurisdiction is vested in this court under 28 U.S.C. §§ 1492 and 2509.

2. Purvis does not have any legal claim against the government but has preserved an equitable claim as a result of a settlement previously entered into in connection with an award made to Purvis by the United States Court of Claims in *Purvis v. United States,* 216 Ct. Cl. 398 (1978). That settlement provided that it compensated plaintiff only to the extent permitted by law and was not intended to prejudice or affect plaintiff's application for or receipt of private relief.

3. Purvis' claims underwent five hearings by the General Services Administration Board of Contracts Appeals and six hearings at the Court of Claims, resulting in a delay of 18 years from the date of filing of his claims until the date of payment.

4. Pursuant to the Congressional reference, Purvis submitted six counts to this Court, alternatively alleging it was entitled to recovery based upon losses at the result of increase in the Consumer Price Index and costs of borrowing; loss of interest on the judgment of $390,248, compounded annually, in the amount of $1,409,197 in interest; attorney fees of $206,707; loss from the sale of real estate and other assets in the amount of $579,335; and reasonable attorney fees and expert witness costs in the prosecution of this action for Congressional relief.

5. In view of the fact that in 1978 the Court of Claims determined that Mr. Purvis was entitled to recover the sum of $390,248, Mr. Purvis lost the use of that money and the United States government had the benefit and use thereof for the period 1962 through January 1981, when said sum was finally paid.

6. Predicated upon the foregoing, Mr. Purvis, in order to be made whole, is entitled to receive the sum of $700,000. This sum represents simple interest on the judgment amount, $390,248, from the time Mr. Purvis' claim was submitted until payment was received, as well as reasonable attorney fees. However, the government offers no opinion here as to the tax year or years over which this sum should be apportioned.

7. The parties recommend to the United States Claims Court that it adopt the stipulation of the parties as to such amount in its report to the Senate.

The hearing officer accepts and approves the stipulation of the parties as his findings of fact in this matter; and in accordance therewith the concludes that:

(a) claimant has no legal claim against the United States;

(b) claimant has an equitable claim against the United States in the sum of $700,000, representing interest on the judgment in its favor entered by the Court of Claims in the sum of $390,248, from the time Mr. Purvis' claim was submitted until payment was received as well as reasonable attorney fees. However, the hearing officer offers no opinion as to the tax year or years over which this sum should be apportioned; and

(c) no further amount is legal or equitably due from the United States to the claimant.

PHILIP R. MILLER,
Hearing Officer.

[From the Spokane (WA) Spokesman-Review, July 26, 1987]

Losing It All When Injustice Sours Success

WORLD'S FAIR BUILDER DRAGGED DOWN BY GOVERNMENT'S ABUSE

(By Michael Murphy)

Pat Purvis figures it would all be worth about $50 million today—the land, the hotels, the buildings, the company.

Somehow, he's managed not to become a bitter man.

Still, during the grueling hours on the road at age 69, hauling suitcases full of clothing samples to retailers in four states, he admits he can't help but think now and again of what might have been.

"I know I think about it," said Dorothy, his wife of 26 years. She got in on just a couple of years of the good life before the bureaucrats started dismantling everything. "I think about it," she said, "every time I bend over to pick up one of these suitcases."

In Seattle this year, they're making a big deal about the 25th anniversary of the 1962 World's Fair.

The celebration is deserved. The fair gave Seattle and the Northwest a national identity. It revitalized the city's present and shaped its future no less significantly than Expo '74 did for Spokane a decade later.

Among the fair's physical legacies, the Space Needle may have become the symbol of the city. But the Pacific Science Center—still startling in its architectural beauty after a quarter century—remains the popular centerpiece of the fair. It continues as a symbolic showcase of science, technology, and regional prosperity.

But the man who built the science center hasn't done so well.

The Pacific Science Center cost James P. "Pat" Purvis everything.

His story is an almost unbelievable litany of injustice imposed by the U.S. government on one of its citizens. Every court Purvis has appeared before over the past 25 years has agreed. The courts have ordered that Purvis be compensated for the huge losses he suffered.

But he's still waiting.

"A lot of people have told me that most men in my situation would have killed themselves," Purvis said last week in the living room of his modest home in Coeur D'Alene. "But I never even thought of that. I always figured that I could come back."

Purvis was 42 in 1960. He was in the process of amassing the kind of wealth and success that puts a person in the position to profoundly influence the world around him.

Certainly, he was putting his mark on Spokane.

Socially and politically he was at the heart of the community. His civic involvement was extensive. His picture was frequently in newspapers and trade journals. He loved the pace and the attention.

He had taken a pride in workmanship instilled by his father, a consuming drive and gambler's fearless instincts and parlayed them into a personal worth close to $3 million "back when that was real money."

I owned so much property, you see," Purvis explained. "I owned the Davenport property on 8th Avenue where they built Sacred Heart Hospital. I owned Bing Crosby's house at Hayden Lake. I owned the Sillman Hotel. I owned half-interest at the Avondale Golf Course at Avondale and Hayden."

He was on the boards of other country clubs. He was on the Spokane County Fair

Board. He was president of the local chapter of the Association of General Contractors and on the organization's national board.

He was a confidant of local politicians. There were trips to Europe and elegant homes. He raised quarter horses. He raced boats. He collected antique buggies and automobiles. He was even a local boxing promoter.

It wasn't bad for the son of a laborer who came of age in the teeth of the Great Depression.

Purvis' father was a craftsman, an ornamental plaster, who came to Spokane from the Midwest in the first decade of the century work on the ornate plaster ceilings in the Davenport Hotel.

Here, he met Purvis' mother, an Irish immigrant, and they married in 1909.

Purvis began learning his father's trade at the age of 12, just before the Depression forced the family to separate. Purvis and a brother were left alone to work the family dairy farm near Cheney when Purvis was 13. His parents moved to Medical Lake to work.

When he finished high school Purvis went to work with his father and brother. World War II took him to the Navy. After the war, he tried his hand at tending bar, selling cars, and selling real estate.

In 1948, he built and sold a couple of houses, put together a little capital and made a bid to build Medical Lake High School.

"We won that bid by $117," he said, smiling at the recollection. "From there on, we were landing jobs left and right."

He built numerous buildings at Gonzaga University, including the Crosby Library. He built the first addition to Deaconess Hospital. He remodeled a thousand homes at Fairchild Air Force Base. He built the Cathedral of the Rockies in Boise, a major defense department installation in Wyoming and the State of Washington Archives Building in Olympia.

He built Connell High School, Sprague High School, Moses Lake High School, West Valley High School, Cusick High School. He built apartments, grocery stores and government buildings in six states.

At one time, according to news accounts, his company employed 700 people on construction jobs scattered throughout the West. And Purvis was in the middle of them all. His company pilot flew him from job to job in Purvis' new twin-engine Aero Commander.

"I took a lot of pride in what we did," Purvis said. "We had a reputation for doing good work and we were very successful. In 13 years before the World's Fair project, we never had a single job that didn't pay a profit."

In his early 40s, with enough money to make him comfortable for the rest of his life, there was never a thought of slowing down.

"No, I pushed all the time," Purvis said. "I expanded my company. I took a lot of chances. I loved the work. I just ate it up."

The bid for the United States Science Pavilion at the World's Fair was something Purvis craved. He saw in the project professional prestige and a chance to display his country to the world.

Purvis won with a bid of $3 million, and began work on the complicated five-building complex in early 1961. The fair was scheduled to open May 1, 1962.

Problems with the project were immediate. A Seattle World's Fair had been on the drawing board for years before federal funding came through and the plans for the pavilion had actually been drawn in 1948.

Building technology changed dramatically in the ensuing decade, but the U.S. General Services Administration, which was in charge of the project, hadn't up-dated the plans.

Before Purvis could even begin, the government issues a stop-work order so that the plans could be altered. Over the course of the project, there were a half-dozen stop work orders and 59 changes orders, each causing a delay.

In a normal government contract, the delays would extend the time Purvis had to complete the job. But the pavilion had to be furnished by opening day.

Crews were doubled and tripled. Overtime drove up labor costs. With each change order, Purvis went to the GSA and warned of the costs. GSA officials ordered Purvis to continue, and said price adjustments would be determined later.

Records show it cost Purvis $600,000 of his own money to pay the increased labor costs and keep the job on schedule.

"The negotiations went back and forth to the point I'd say we couldn't continue unless we got paid, and the contracting officer threatening me with taking the job away," Purvis said.

"But I never would have walked away from it. No one else could have come in and gotten it done on time. I wanted to finish it because I knew they needed it for the fair.

"Besides, I thought I'd have my money 90 days after we finished."

When the job was finally done—in time for the opening—Dorothy Purvis commented to the GSA contracting officer, "Thank God Pat's problems are finally over."

The contracting officer, whom Purvis had frequently battled, replied, "Pat's problems are just beginning."

After considering the cost overruns, GSA officials told Purvis they would pay for the equipment and hardware required by the change ordered. But, they said, there was no provision in the contract allowing for increased labor payments.

They refused to pay the $600,000. Purvis appealed to the GSA's Board of Contract Appeals. That began a process of delays and entanglements that continue today.

While Purvis apparently had no legal authority to make the government pay him, the law clearly required him to pay his subcontractors. In 1963, the subcontractors began suing him.

During the pavilion project and beyond, Purvis' company had other jobs going throughout the West. The loss of the $600,000 devastated his working capital, forcing him to borrow to finance his other jobs. Interest payments ate up his profits and left him with no cash.

So his bonding company agreed to give him a $1.8 million loan to pay the subcontractors, with his property as collateral. As long as the loan was outstanding, though, Purvis could not be bonded. That meant he could not take on new construction projects.

He had three years to pay back the loan, but it was the end of 1964 before the GSA appeals board even heard the case. After hearing upon hearing, the appeals board finally ruled that GSA owed Purvis nothing.

In the meantime, Purvis finished the projects in progress, honoring all his contracts. He completed Deaconess Hospital in Great Falls in 1966. It was the last construction job he would ever work.

He was broke, and the three years on his loan from the bonding company was up. He deeded all his property to the bonding company, which sold it at auction for a fraction of its market value.

Purvis succeeded in taking his appeal to the U.S. Court of Claims, and in 1972 the court held that he was entitled to payment. The case was sent back to the GSA appeals board to determine the amount. The board ruled Purvis was entitled to $62,500.

After more lengthy arguments, an angry claims court finally said it would determine the amount because GSA had not acted fairly. One June 30, 1980, the court ruled that GSA owed Purvis $390,000.

"We are wholly unable to defend the system this case exemplifies," the court said in its ruling.

The case had dragged on so long, that by 1980, even GSA officials agreed that their predecessors had treated Purvis shamefully.

"We submit that the Purvis litigation well may constitute the classic situation where justice delayed resulted in justice denied," GSA officially commented for the court record.

Even though the court had awarded the money, Congress still had to pass a bill authorizing payment. Purvis enlisted the help of Sen. Henry Jackson and Congress produced a check for $390,000.

But Purvis never saw a dime.

In taking his property, the bonding company had assumed the obligation of legal fees in the Purvis case. The entire $390,000 went to pay it back.

When Purvis originally signed the contract in 1961, federal law didn't allow government contractors to recover interest or legal fees on awards resulting from contract disputes.

The law, however, was changed in 1968. And because the Court of Claims believed the government's handling of the Purvis case was so unfair, it made a rare ruling reserving the right for Purvis to pursue additional claims.

That took another round of congressional approval, so Purvis and his attorneys called on Jackson again. In 1983, Congress passed a bill authorizing further payment to Purvis, with the Court of Claims to determine the amount.

Patrick Sullivan, Purvis' attorney, sought to recover compound interest on the $390,000 that the government had held for more than 20 years. Given the difference between the value of 1962 and 1983 dollars and interest compounded annually, the figure was $2.5 million.

In 1986, the Justice Department said it would settle if Purvis would agree to accept simple interest on the $390,000. That came to $700,000.

"We could have gone through the trial process which would take five or 10 years," Sullivan said, "and we probably could have won. But Pat is 69, and I just don't know if he has 10 more years to wait. I want him to get this money in his lifetime."

The settlement was agreed on, but again it took a bill from Congress to authorize payment—and Jackson, Purvis's best advocate in Congress, had died in 1983.

Purvis and Sullivan turned to Sen. Slade Gorton for help. Gorton introduced a bill, but it lost all momentum when he was defeated for re-election by Brock Adams.

Last week, Sullivan got an agreement with Adams. Sen. Dan Evans, Sen. James McClure, Rep. Tom Foley and Rep. Larry Craig to introduce or support bills in the Senate and House this year to pay Purvis his $700,000. But congressional assistants are not optimistic that such a bill will succeed.

An aide to Foley said private relief bills seldom pass, and only two such bills in the $700,000-range have passed in the entire history of the House.

Stephanie Solien, legislative assistant to Adams said: "We are very sympathetic to the problems Mr. Purvis has incurred in trying to get fair reimbursement from the federal government, and we are willing to work on it. We feel it's still going to be uphill, though.

"Clearly the courts have ruled in favor of Mr. Purvis, but there are a number of private relief bills before Congress, and this is a very large amount of money.

After losing everything, Purvis worked for a couple of other companies before settling into his clothing sales business 15 years ago. He has 600 customers in four states. He and his wife travel together on the road three or four days each week.

While he loved construction, the clothing business is "a living. A comfortable living," he granted. "But you can't get rich at it. Your savings account sure doesn't grow."

Incredibly, he's spent little energy on anger and a lot on optimism.

"I wasn't bitter because I always anticipated getting my money out of the government," Purvis said. "If not this month, then next month. I knew we could stay alive, and I figured I could always start over again any time the money came through."

And when did he give up on that expectation?

"Never," he said. "I still expect it today. I'm going to get my money. I have it coming."

Dorothy Purvis says it hasn't been quite as simple as her husband suggests.

"There have been times when it really got him down," she confided. "But not for long. Such faith in a human being I have never seen."

If—make that when, Purvis says—he gets the money: "I'll probably stop carrying these suitcases, that's for sure. And I'd like to get back into building. Home development or selling real estate."

There's no plan to retire, though, not if he could get his hands back on a construction operation.

"I still think I can start over," he said with a grin. "I never filed bankruptcy. I paid all the debts. I have good credit."

But he could have been a multimillionaire. He could have been right in the middle of everything, making things happen. He could have been the epitome of the American dream.

While seated at his basement desk for photographs to accompany this story, Purvis was asked by the photographer to do some paperwork—"Pretend you're writing to someone. Pretend you're writing to Tom Foley."

Purvis wrote:

Dear Congressman Foley, having all these pictures taken is good for my morale. It's just like the old days.

[From the Spokane (WA) Spokesman-Review, July 29, 1987]

After 25 Years, Will Justice Finally Prevail?

Century 21, theme of the 1962 Seattle world's fair, shimmered like a distant dream during the heady days of the exposition that transformed Washington's largest city.

Fair-goers marveled at the House of Tomorrow, floated past visions of the future in the Bubbleator and dreamed about flights to the moon on warm summer nights beneath the soaring arches of the U.S. Science Pavilion.

Today, as Seattle celebrates the 25th anniversary of the fair, we enjoy a clearer vision of the good things the 21st century may bring. Technology, the focus of the fair, has indeed bettered our lot and promises further benefits yet unimagined. But the nuclear arms race, a space-shuttle crash and environmental pollution have tempered our enthusiasm for technology and have reminded us of other equally important goals for the 21st century—justice, for example.

We Americans have learned much of justice since 1962. Only a year after the fair, the Rev. Martin Luther King Jr. enunciated his dream of brotherhood and touched off a social revolution. Like the technological dreams that thrilled fair-goers 25 years ago, dreams of justice remain partly unfulfilled—and remain at the top of the agenda for century 21.

But Pat Purvis, whose construction firm built those famous arches that still inspire visitors to the science center, would rather not wait until the 21st century for the justice that has been denied him for the 25 years since the world's fair opened.

Purvis was one of the unsung heroes who made the world's fair a success. A quarter century ago, he was flying high, the owner of a Spokane-based construction firm deploying hundreds of workers at dozens of major projects throughout the West.

The U.S. General Services Administration awarded him the contract to build the fair's science pavilion, partly on the strength of his well-earned reputation as a can-do contractor whose savvy catapulted him from building houses to building high schools, hospitals, libraries, grocery stores, a cathedral and major government buildings.

The General Services Administration took this all-American success story and single-handedly destroyed it.

The GSA repeatedly altered plans for the science pavilion, issuing a half-dozen stop-work orders and 59 change-orders. Each delay made the project more costly and made it more difficult for Purvis to complete the pavilion in time for the fair's opening day.

Purvis spent $600,000 of his own money on overtime labor and other costs caused by the GSA's vacillation and tinkering. He got the job done on time, and the fair proceeded. But GSA refused to pay Purvis the $600,000; Purvis appealed, and appealed, and appealed again, hacking his way through dense jungles of governmental red tape, procrastination, rebuffs, delays, arrogance and inefficiency.

Twenty-five years later, despite court rulings that say he is entitled to compensation, despite an admission by the GSA itself that Purvis was mistreated, despite two acts of Congress calling for Purvis to be compensated, he still has not received one cent.

GSA's refusal to pay—and its delaying action in the face of rulings that it should pay—forced Purvis out of business. That $600,000 he took out of his own pocket for the sake of presenting the world's fair with a finished science pavilion drained his working capital, left him without cash to pay subcontractors and ultimately led to the auctioning of his company.

Now, at age 69, this man who would have been a multimillionaire, a pillar of his community and a major employer lives in a modest home in Coeur d'Alene and works as a traveling clothing salesman.

Several members of the Northwest congressional delegation hope to win approval for yet another bill that would give Purvis an agreed-upon $700,000 settlement from the government that ruined him. But they are not sure Congress will agree to spend so much on what might seem to be a small case.

Justice, however, is a large principle.

If the government can abuse even one citizen in the manner Purvis was abused—and get away with it—is anyone safe? How can anyone celebrate the hope and the progressive spirit embodied in Seattle's fair without seeing to it that this old wrong finally is righted?●

By Mr. PRYOR (for himself and Mr. HEINZ):

S. 1610. A bill to amend the Internal Revenue Code of 1954 to eliminate the retroactive certification of employees for purposes of the work incentive jobs credit; to the Committee on Finance.

ELIMINATION OF RETROACTIVE CERTIFICATION FOR WORK INCENTIVE JOBS CREDIT

● Mr. PRYOR. Mr. President, today I am introducing a bill to eliminate prospectively the ability of employers to claim a tax credit for hiring certain employees if the employer did not certify those workers as eligible employees when such individuals began to work for the employer. An identical bill (H.R. 2111) was introduced in the other body on April 22, 1987 by the Chairman of the Ways and Means Committee, DAN ROSTENKOWSKI.

As I understand the problem, which was brought to my attention by a submission for the record on the technical corrections legislation, before 1982 a tax credit (WIN credit) was available to an employer who hired a member of a family receiving assistance under aid to families with dependent children [AFDC], or an individual placed in employment under the Work Incentive Program [WIN]. To obtain the WIN credit, the employer was required to request certification by the Secretary of Labor or the appropriate State or local government agency that the employee was an eligible employee. The special credit for WIN and AFDC employees was terminated for years after December 31, 1981. The Economic Recovery Tax Act of 1981 [ERTA] provided that, for years beginning on or after January 1, 1982, eligible work incentive employees were included in the list of targeted groups for whom an employer may claim a targeted jobs tax credit [TJTC]. ERTA provided that, generally, the TJTC may not be claimed for an individual unless the employer has requested or obtained certification on or before the date the individual begins to work for the employer.

On February 26, 1987, the Internal Revenue Service issued General Counsel Memorandum [GCM] 39604 providing that employers may not claim a credit for eligible AFDC and WIN recipients hired before 1982 unless the employer certified those employees on or before the date the employees commenced service for the employer. However, the public was not put on notice regarding GCM 39604 until it was first published on March 11, 1987.

The bill I am introducing today upholds the position of the Internal Revenue Service taken in GCM 39604. For WIN credits first claimed after March 11, 1987, the credit is not available for an individual for whom the employer did not request or obtain certification on or before the date the individual commenced work for the employer. In the case of WIN credits claimed on or before March 11, 1987, the employer is not required to have obtained or requested certification on or before the date the individual commenced work for the employer.

The requirement that certification be requested on or before the date the employee commenced work with the employer is applied only to credits first claimed after March 11, 1987, because the position of the Internal Revenue Service was not publicly known until the publication of GCM 39604 on that date. Taxpayers who claimed the credit on or before March 11, 1987, were acting in reliance on the availability of the credit for workers for whom certification was requested at a later time. Taxpayers who first claimed the credit after March 11, 1987, were put on notice by publication of the GCM, and cannot claim to have acted in such reliance.

The bill I am introducing today upholds the principle that retroactive certification is an inefficient use of a tax credit, yet in fairness to taxpayers who acted in reliance on the availability of the WIN credit, applies this principle only to those taxpayers who have received adequate notice of its application.●

By Mr. KENNEDY (for himself and Mr. MOYNIHAN):

S. 1611. A bill to amend the Immigration and Nationality Act to effect changes in the numerical limitation and preference system for the admission of immigrants; to the Committee on the Judiciary.

IMMIGRATION ACT

Mr. KENNEDY. Mr. President, today I am joining with Senator MOYNIHAN in introducing the Immigration Act of 1987. Identical legislation is being introduced in the House of Representatives by Congressman BRIAN DONNELLY.

This bill will bring long needed reform to our existing system of admitting immigrants to the United States. Our goal is to make the system more flexible and generous, and to open it up to a fairer number of immigrants from nations shortchanged by current law.

We accomplish these goals without curtailing the traditional priority given to family reunification, and without departing from the principles of equity and fairness established in the 1965 reforms. Our proposals also reflects the 1981 recommendations of the Select Commission on Immigration and Refugee Policy, on which I served.

Unfortunately, in recent years, needed reforms of our legal immigration system have taken a back seat to proposals to deal with illegal migration. Now, after last year's resolution of that controversial issue, there is no justification for further delay.

This is particularly so given the growing evidence that our immigration laws are out of balance. In redressing years of discriminatory immigration policy, the 1965 law has inadevertently created a pattern of reverse discrimination.

The 1965 act was a fundamental reform—a major step toward a fair and nondiscriminatory immigration policy that we must not abandon. But its details were not to be frozen in stone.

For example, it was anticipated at that time that a further assessment of the reforms was to be guaranteed by the creation of the Western Hemisphere Commission. But that Commission met, filed its report, and nothing happened.

As the recent history of immigration legislation makes clear, Congress deals with the issue only rarely, and then only after extraordinary pressure and intense debate.

However, with the creation of the select commission and its report in 1981, and with the work which Senator SIMPSON, Congressman RODINO and the Senate and House Judiciary Committees have done over the past 6 years, we are now at a point where we can make progress on reforming the system of admitting legal immigrants.

The bill we are introducing today accomplishes this reform by separating the existing family reunification preference system from the employment and skill-related category with 50,000 additional visas for older sources of immigration—especially the traditional ethnic flows from Ireland, Italy, other nations of Western Europe, Canada, and other countries. At the same time, we protect the newer sources of immigrants who have rightly benefited from the reforms enacted in 1965.

By redressing some of the imbalances in immigration which have developed in recent years, we will open our doors again to those who no longer have immediate family ties in the United States, and are, therefore, unable to use the annual ceiling of 20,000 visas theoretically available for their country. we estimate, for example, that some nations which use only a few hundred of their current places might be able to eventually reach the maximum number of visas possible under this reform.

Although our bill follows the structure and substance of similar legislation adopted twice by the Senate, in 1982 and 1983, we have added some important new features. Attached is a detailed summary of the bill, but the key provisions are:

The family reunification system is reformed along the lines of the select commission's recommendations, to give higher priority to certain categories, such as spouses and children of permanent resident aliens;

An entirely separate new independent category is created, combining the current third and sixth preferences and adding 50,000 additional visas;

Part of the numbers in the independent category will be apportioned according to a new point system, similar to the systems currently used in other nations;

The point system gives an advantage to countries adversely affected by the 1965 reforms and to the skills needed for immigrants to work and contribute to U.S. society;

The individual labor certification procedure under current law is eliminated for the 50,000 additional visas, but points are given for needed skills and jobs; and

A sunset provision is included to assure that Congress will review these reforms after 5 years and take whatever corrective action may be needed.

The time has come for Congress to pick up where we left off last year and address the unfinished agenda of immigration—to reform our system of welcoming immigrants to our shores.

Our bill is balanced; it protects the principle of family reunification; it stimulates immigration from the older sources of immigration that have contributed so much to America in the past; and it promotes the entry of those who can contribute their skills and talents to the future development of our country. In doing so, we will be continuing and strengthening one of the oldest and most enduring themes in our Nation's history—America's immigrant heritage.

Mr. President, I ask that a summary of the bill's provisions be printed in the RECORD as well as the text of the bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1611

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; REFERENCES IN ACT.

(a) SHORT TITLE.—This Act may be cited as the "Immigration Act of 1987".

(b) AMENDMENTS TO IMMIGRATION AND NATIONALITY ACT.—Whenever in this Act an amendment or repeal is expressed as an amendment to, or repeal of, a provision, the reference shall be deemed to be made to the Immigration and Nationality Act.

SEC. 2. NUMERICAL LIMITATIONS.

Subsection (a) of section 201 (8 U.S.C. 1151) is amended to read as follows:

"(a) Exclusive of special immigrants defined in section 101(a)(27), immigrants born to permanent resident aliens during a temporary visit abroad, immediate relatives specified in subsection (b) of this section, immigrants admitted under section 211(a) on the basis of a prior issuance of a visa to their accompanying parent who is such an immediate relative, aliens who are admitted or granted asylum under section 207 or 208, aliens provided records of permanent residence under section 214(d), and aliens whose status is adjusted to permanent resident status under section 245A, aliens born in a foreign state or dependent area who may be issued immigrant visas or who may otherwise acquire the status of an alien lawfully admitted to the United States for permanent residence are limited to—

"(1) family reunification immigrants described in section 203(a) and immigrants admitted under section 211(a) on the basis of a prior issuance of a visa to their accompanying parent under section 203(a), in a number not to exceed in any fiscal year the number equal to (A) 216,000, plus (B) the difference (if any) between the maximum number of visas which may be issued under paragraph (2) during the prior fiscal year and the number of visas issued under that paragraph during that year, and not to exceed in any of the first three quarters of any fiscal year 27 per centum of the numerical limitation for all of such fiscal year, and

"(2) independent immigrants described in section 203(b) and immigrants admitted under section 211(a) on the basis of a prior issuance of a visa to their accompanying parent under section 203(b), in a number not to exceed in any fiscal year the number equal to (A) 104,000, plus (B) the difference (if any) between the maximum number of visas which may be issued under paragraph (1) during the prior fiscal year and the number of visas issued under that paragraph during that year, and not to exceed in any of the first three quarters of any fiscal year 27 per centum of the numerical limitation for all of such fiscal year.".

SEC. 3. REVIEW AND REVISION OF NUMERICAL LIMITATIONS.

Section 201 of the Immigration and Nationality Act (8 U.S.C. 1151) is amended by adding at the end thereof the following:

"(c)(1) Beginning two years after the effective date of the Immigration Act of 1987, and at intervals of five years thereafter, the Secretary of State, the Attorney General, the Secretary of Labor, and the Secretary of Health and Human Services, shall jointly prepare and transmit to the President and to the Judiciary Committees of the Congress a report discussing the need to revise the numerical limitations contained in subsection (a). In preparing such report, the Secretary of State, the Attorney General, the Secretary of Labor, and the Secretary of Health and Human Services shall consider—

"(A) the family reunification requirements of citizens of the United States and of aliens admitted for permanent residence in the United States;

"(B) the impact of immigration on employment and other economic and domestic conditions in the United States;

"(C) the impact of immigration with respect to demographic and fertility rates and resources and environmental factors; and

"(D) the foreign policy and national security interests of the United States.

"(2) Not later than 60 days after receipt of such report, the President shall transmit to the Congress a certification on whether the numerical limitations contained in paragraphs (1) and (2) of subsection (a) should be changed, and if so, what the new numerical limitations should be. Before transmittal of such certification, the President shall, to the maximum extent practicable, solicit the views of individuals from the private sector and from appropriate Members of Congress.

"(3) Notwithstanding the provisions of subsection (a), unless the Congress within 30 calendar days after receiving such certification enacts a joint resolution prohibiting the numerical limitations contained in such certification from taking effect, any reference in this Act to the numerical limitations contained in subsection (a)(1) or subsection (a)(2) for a period of five consecutive fiscal years beginning with the first fiscal year after the close of such 30-day period shall be deemed to refer to numerical limitations contained in such certification with respect to reunification immigrants or independent immigrants, respectively. Any such joint resolution shall be considered in the Senate in accordance with subsection (e).

"(d) For the purpose of expediting the consideration and adoption of joint resolutions under subsection (c)(3), a motion to proceed to the consideration of any such joint resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.

"(e)(1) For purposes of subsection (c)(3), the continuity of a session of Congress is broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the period indicated.

"(2) Paragraphs (3) and (4) of this subsection are enacted—

"(A) as an exercise of the rulemaking power of the Senate and as such they are deemed a part of the rules of the Senate, but applicable only with respect to the procedure to be followed in the Senate in the case of joint resolutions referred to in subsection (c)(3), and supersede other rules of the Senate only to the extent that such paragraphs are inconsistent therewith; and

"(B) with full recognition of the constitutional right of the Senate to change such rules at any time, in the same manner and to the same extent as in the case of any other rule of the Senate.

"(3)(A) If the committee of the Senate to which has been referred a joint resolution relating to a certification has not reported such resolution at the end of ten calendar days after its introduction, not counting any day which is excluded under paragraph (1) of this subsection, it is in order to move either to discharge the committee from further consideration of the joint resolution or to discharge the committee from further consideration of any other joint resolution introduced with respect to the same certification which has been referred to the committee, except that no motion to discharge shall be in order after the committee has reported a joint resolution with respect to the same certification.

"(B) A motion to discharge under subparagraph (A) of this paragraph may be made only by a Senator favoring the joint resolution, is privileged, and debate thereon shall be limited to not more than 1 hour, to be divided equally between those favoring and those opposing the joint resolution, the time to be divided equally between, and controlled by, the majority leader and the minority leader or their designees. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(4)(A) A motion in the Senate to proceed to the consideration of a joint resolution shall be privileged. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(B) Debate in the Senate on a joint resolution, and all debatable motions and appeals in connection therewith, shall be limited to not more than 10 hours, to be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

"(C) Debate in the Senate on any debatable motion or appeal in connection with a joint resolution shall be limited to not more than 1 hour, to be equally divided between, and controlled by, the mover and the manager of the joint resolution, except that in the event the manager of the joint resolution is in favor of any such motion or appeal, the time in opposition thereto shall be controlled by the minority leader or his designee. Such leaders, or either of them, may, from time under their control on the passage of a joint resolution, allot additional time to any Senator during the consideration of any debatable motion or appeal.

"(D) A motion in the Senate to further limit debate on a joint resolution, debatable motion, or appeal is not debatable. No amendment to, or motion to recommit, a joint resolution is in order in the Senate.".

SEC. 4. PREFERENCE AND NONPREFERENCE ALLOCATION SYSTEMS.

(a) IN GENERAL.—(1) Section 203 (8 U.S.C. 1153) is amended—

(A) by redesignating subsections (b) through (e) as subsections (e) through (h), respectively, and

(B) by striking out subsection (a) and inserting in lieu thereof the following:

"(a) PREFERENCE ALLOCATION FOR FAMILY REUNIFICATION IMMIGRANTS.—Aliens subject to the numerical limitation specified in section 201(a)(1) for family reunification immigrants shall be allotted visas as follows:

"(1) UNMARRIED SONS AND DAUGHTERS OF CITIZENS.—Qualified immigrants who are the unmarried sons or daughters of citizens of the United States shall be allocated visas in a number not to exceed 15 percent of such numerical limitation, plus any visas not required for the class specified in paragraph (4).

"(2) SPOUSES AND CHILDREN OF PERMANENT RESIDENT ALIENS.—Qualified immigrants who are the spouses or children of an alien lawfully admitted for permanent residence or who—

"(A) as of the date of enactment of the Immigration Act of 1987, had a petition filed on their behalf for preference status by reason of the relationship described in this paragraph as in effect on such date and such petition was subsequently approved, and

"(B) continue to qualify under the terms of the Act as in effect on such date,

shall be allocated visas in a number not to exceed 65 percent of such numerical limitation, plus any visas not required for the class specified in paragraph (1).

"(3) MARRIED SONS AND DAUGHTERS OF CITIZENS.—Qualified immigrants who are the married sons or married daughters of citizens of the United States shall be allocated visas in a number not to exceed 10 percent of such numerical limitation, plus any visas not required for the classes specified in paragraphs (1) and (2).

"(4) Unmarried brothers and sisters of citizens and previous fifth preference.—

"(A) qualified immigrants who are the unmarried brothers or sisters of citizens of the United States, if such citizens are at least 21 years of age, and

"(B) qualified immigrants who—

"(i) as of the date of enactment of the Immigration Act of 1987 had a petition filed on their behalf for preference status by reason of the relationship described in paragraph (5) of section 203(a) of this Act as in effect on the day before such date and such petition was subsequently approved, and

"(ii) continue to qualify under the terms of this Act as in effect on the day before such date,

shall be allocated visas in a number not to exceed 10 percent of such numerical limitation, plus any visas not required for the classes specified in paragraphs (1) through (3).".

"(b) Preference and Nonpreference Allocation for Independent Immigrants.—Aliens subject to the numerical limitation specified in section 201(a)(2) for independent immigrants shall be allocated visas as follows:

"(1) Aliens who are members of the professions holding doctoral degrees or aliens of exceptional ability.—Qualified immigrants who are members of the professions holding doctoral degrees (or the equivalent degree) or who because of their exceptional ability in the sciences, arts, or business, will substantially benefit prospectively the national economy, cultural or educational interests, or welfare of the United States, and whose services in the sciences, arts, professions, or business are sought by an employer in the United States, shall be allocated visas, except that not more than 27,000 visas in a fiscal year may be allocated under this paragraph. The Attorney General may, when he deems it to be in the national interest, waive the requirement of the preceding sentence that an alien's services in the sciences, arts, professions, or business be sought by an employer in the United States. In determining under this paragraph whether an immigrant has exceptional ability, the possession of a degree, diploma, certificate, or similar award from a college, university, school, or other institution of learning or a license to practice or certification for a particular profession or occupation shall not by itself be considered sufficient evidence of such exceptional ability.

"(2) Skilled workers.—Qualified immigrants who are capable of performing skilled labor, not of a temporary or seasonal nature, for which qualified workers are not available in the United States, shall be allocated in any fiscal year not more than 27,000 visas.

"(3) Nonpreference aliens.—(A)(i) Visas authorized in any fiscal year under section 201(a)(2), less those required for issuance to the classes specified in paragraphs (1) and (2), shall be made available to other qualified immigrants selected at random by the Secretary of State from among aliens at least 18 years of age who qualify to be registered for a visa under subparagraph (C).

"(ii) The Secretary of State shall prescribe such regulations as may be necessary to provide a means for the selection of the qualified immigrants under this paragraph.

"(B) Beginning with the effective date of the Immigration Act of 1987, each alien applying for a visa under this paragraph shall be accorded units of assessment based on eligibility criteria as follows:

"(i) for aliens coming from any country adversely affected by the enactment of Public Law 89-236, as determined by the Secretary of State, 30 units of assessment;

"(ii) for aliens whose employment in the United States has already been arranged, 20 units;

"(iii) for aliens having successfully completed grade school through high school or its educational equivalent, 12 units;

"(iv) for aliens who were awarded bachelors' degrees or their equivalent, 10 units;

"(v) for aliens who were awarded graduate degrees, a number of units up to 5 units to be determined by the Secretary of Education based on the level of the degree;

"(vi) to the extent that the aliens have vocational preparation, the number of units for such preparation to be determined by the Secretary of Labor up to 10 units;

"(vii) for aliens not less than 18 years of age or more than 40 years of age, 10 units, except that 2 units shall be deducted for every year in excess of 40;

"(viii) to the extent that the aliens have skills determined by the Secretary of Labor to be needed in the United States, up to 20 units;

"(ix) to the extent the aliens have work experience relating to the skills described in clause (viii), the number of units to be determined by the Secretary of Labor up to 10 units;

"(x) for aliens who are the married brothers or sisters of citizens of the United States, if such citizens are at least twenty-one years of age, 10 units; and

"(xi) aliens speaking and reading the English language, 10 units.

"(C) No alien shall be qualified to be registered for a visa under this paragraph unless such alien has been accorded at least 70 units of assessment under subparagraph (B).

An immigrant visa shall not be issued to an immigrant under paragraph (1) or (2) until the consular officer is in receipt of a determination made by the Secretary of Labor pursuant to the provisions of section 212(a)(14). The provisions of sections 212(d)(11) shall apply with respect to any alien petitioning to be classified as a preference immigrant under paragraph (1).

"(c) Guide for Allocation Between Preference Systems.—Where it is determined that the maximum number of visas will be made available under section 202(a)(2) to natives of any single foreign state (defined in section 202(b)) or any dependent area (defined in section 202(c)) in any fiscal year, in determining whether to provide for visas to such natives under the preference system described in subsection (a) or that described in subsection (b), visa numbers with respect to natives of that state shall be allocated (to the extent practicable and otherwise consistent with this section) in a manner so that the ratio of—

"(1) the sum of (A) the number of family reunification immigrants described in subsection (a), and (B) the number of immigrants born to permanent residents during a temporary visit abroad, immigrants admitted under section 211(a) on the basis of a prior issuance of a visa to their accompanying parent who is such an immediate relative or under section 203(a), and aliens provided records of permanent residence under section 214(d), who are natives of such state and who are issued immigrant visas or otherwise acquire the status of aliens lawfully admitted to the United States for permanent residence in that fiscal year, to

"(2) the sum of (A) the number of independent immigrants described in subsection (b), and (B) the number of special immigrants defined in section 101(a)(27) (other than those described in subparagraph (A) thereof) and immigrants admitted under section 211(a) on the basis of a prior issuance of a visa to their accompanying parent under section 203(b), who are natives of such state and who are issued immigrant visas or otherwise acquire the status of aliens lawfully admitted to the United States for permanent residence in that fiscal year,

is equal to 4 to 1.

"(d)(1) A spouse or child as defined in subparagraph (A), (B), (C), (D), or (E) of section 101(b)(1) shall, if not otherwise entitled to an immigrant status and the immediate issuance of a visa under subsection (a) or (b), be entitled to the same status, and the same order of consideration provided in the respective subsection, if accompanying or following to join, his spouse or parent.

"(2) Waiting lists of applicants for visas under this section shall be maintained in accordance with regulations prescribed by the Secretary of State.".

(2) Subsection (e) of such section, as so redesignated, is amended—

(A) by inserting "or under subsection (b)" after "subsection (a)" the first place it appears, and

(B) by striking out "subsection (a)" the second place it appears and inserting in lieu thereof "the respective subsection".

(b) Eliminating Intra-country Preference System.—Section 202 (8 U.S.C. 1152) is amended by striking out subsection (e), section 204 (8 U.S.C. 1154) is amended by striking out subsection (f), and section 245(b) (8 U.S.C. 1255(b)) is amended by striking out "202(e) or".

(c) Conforming Amendments.—(1)(A) Subsection (f) of section 203 (8 U.S.C. 1153), as redesignated by subsection (a)(1), is amended by striking out "paragraphs (1) through (6) of subsection (a)" and inserting in lieu thereof "subsection (a) or pursuant to paragraphs (1) through (3) of subsection (b)".

(B) Subsection (g) of such section, as so redesignated, is amended by striking out "paragraphs (1) through (6) of subsection (a)" and inserting in lieu thereof "subsection (a) or paragraphs (1) through (3) of subsection (b)" each place it appears.

(2)(A) Subsection (a) of section 204 (8 U.S.C. 1154) is amended—

(i) by striking out "paragraph (1), (4), or (5) of section 203(a)" and inserting in lieu thereof "paragraph (1), (3), or (4) of section 203(a)",

(ii) by striking out section 203(a)(3)" and inserting in lieu thereof "paragraph (1), of section 203(b)", and

(iii) by striking out "203(a)(6)" and inserting in lieu thereof "203(b)(2) or 203(b)(3)".

(B) Subsection (b) of such section is amended by striking out "section 203(a) (3) or (6)" and inserting in lieu thereof "paragraph (1), (2), or (3) of section 203(b)".

SEC. 5. LABOR CERTIFICATION.

(a) Change in Determination.—Paragraph (14) of section 212(a) (8 U.S.C. 1182(a)) is amended by striking out "(A)" and all that follows through the end and inserting in lieu thereof the following: "(A) there are not sufficient qualified workers (or equally qualified workers in the case of aliens (i) who are members of the teaching profession or who have exceptional ability in the sciences or arts) available in the United States in the occupations in which the aliens will be employed; and (B) the employment of aliens in such occupations will not adversely affect the wages and working conditions of workers in the United States who are similarly employed. In making such determinations the Secretary of Labor may use labor market information without reference to the specific job opportunity for which certification is requested. Except as provided in subsection (d)(11), an alien on behalf of whom a certification is sought must have an offer of employment from an employer in the United States. The exclusion of aliens under this paragraph shall only apply to preference immigrants described in section 203(b) (1) and (2). Decisions of the Secretary of Labor made pursuant to this paragraph, including the issuance and content of regulations and the use of labor market information under this paragraph, shall be reviewable by an appropriate district court of the United States, but the court shall not set aside such a decision unless there is compelling evidence that the Secretary made such decision in an arbitrary and capricious manner;".

(b) WAIVER OF OFFER OF EMPLOYMENT REQUIREMENT.—Section 212(d) (8 U.S.C. 1181(d)) is amended by adding at the end the following new paragraph:

"(11) The requirement in paragraph (14) of subsection (a) relating to an offer of employment from an employer in the United States may be waived with respect to any alien seeking to enter the United States as an immigrant under section 203(b)(1), if the Attorney General deems it to be in the national interest.".

(c) STUDY.—The Secretary of Labor shall conduct a study to determine the means by which the process for obtaining a labor certification under section 212(a)(14) of the Immigration and Nationality Act may be streamlined.

(d) REPORT.—Not later than 6 months after the date of enactment of this Act, the Secretary of Labor shall prepare and transmit to the Congress a report setting forth the findings of the study required by subsection (c), together with recommendations for carrying out such findings.

SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Secretary of State such sums as may be necessary in order to implement section 203(b)(3) of the Immigration and Nationality Act, as amended by this Act.

SEC. 7. EFFECTIVE DATES AND TRANSITION.

(a) EFFECTIVE DATE.—The amendments made by this Act shall apply to the admission of aliens to the United States on and after the first day of the first fiscal year beginning at least 180 days after the date of enactment of this Act (hereafter in this Act referred to as the "effective date").

(b) TRANSITION.—(1) In the case of a petition filed under section 204(a) of the Immigration and Nationality Act before the effective date, such petition shall be deemed, as of such date, to be a petition for the new corresponding preference or nonpreference status (as defined in paragraph (2)), and the priority date for such petition shall remain in effect.

(2) For purposes of paragraph (1), the term "new corresponding preference or nonpreference status" means, in the case of a petition for a—

(A) preference status described in section 203(a)(1) of the Immigration and Nationality Act (as in effect on the day before the effective date), the preference status described in such section as in effect after such date;

(B) preference status described in section 203(a)(2) of such Act (as in effect on the day before the effective date), the preference status described in such section as in effect after such date;

(C) preference status described in section 203(a)(3) of such Act (as in effect on the day before the effective date), the preference status described in paragraph (1) of section 203(b) of such Act as in effect after such date;

(D) preference status described in section 203(a)(4) of such Act (as in effect on the day before the effective date), the preference status described in section 203(a)(3) of such Act as in effect after such date;

(E) preference status described in section 203(a)(5) of such Act (as in effect on the day before the effective date), the preference status described in section 203(a)(4) of such Act as in effect after such date;

(F) preference status described in section 203(a)(6) of such Act (as in effect on the day before the effective date), the preference status described in section 203(b)(2), in the case of skilled labor, or the nonpreference status described in section 203(b)(3), in the case of unskilled labor, of such Act as in effect after such date; and

(G) nonpreference status described in section 203(a)(7) of such Act (as in effect on the day before the effective date), the nonpreference status described in section 203(b)(3) of such Act (as in effect after such date).

(c) ADMISSIBILITY STANDARD.—When an immigrant, in possession of an unexpired immigrant visa issued before the effective date, makes application for admission, his admissibility under paragraphs (20) and (21) of section 212(a) shall be determined under the provisions of law in effect on the date of the issuance of such visa.

SUMMARY OF KENNEDY/DONNELLY "IMMIGRATION ACT OF 1987"

GENERAL

Raises the annual ceiling on numerically limited immigration from 270,000 to 320,000 (Immediate Relatives of U.S. citizens—parents, spouses and minor children—remain outside this ceiling).

The 50,000 new numbers are assigned to a new "independent" category separate from the family reunification system. (Currently the family reunification and employment-related preferences are combined, and the percentages assigned to each preference compete with one another. Under the bill there will be two, separate preference systems.) The 50,000 additional numbers under the "independence" category will be apportioned through a newly established point system.

Reforms the current family reunification preferences to give higher priority to more immediate family members of permanent residents.

I. FAMILY REUNIFICATION

Maintains current number of family preference visas (216,000 a year).

Allocates a higher percentage of these visa numbers to spouses and children of legal permanent residents (65 percent compared to 26 percent today); this will deal with the heavy backlog that exists today in 2nd preference—which, in some countries is 7 to 9 years.

Eliminates the portion of the current second preference for adult sons and daughters of legal permanent residents.

The fifth preference for brothers and sisters of U.S. citizens is retained, but limited to unmarried brothers and sisters; pending claims under the current system are grandfathered in.

The above changes were all recommended by the Select Commission on Immigration and Refugee Policy.

II. INDEPENDENT IMMIGRANTS

The existing 3rd (professional) and 6th (skilled/unskilled) preferences, with 54,000 places, are combined with the new 50,000 nonpreference numbers to create an "independent" system of 104,000 visas annually.

The additional 50,000 visas are for applicants who qualify on the basis of a new point system and, once qualified, will be selected by whatever means are most equitable for the registrants and most easily administered, probably by random computer selection. Individual labor certification will not be required for this new nonpreference category.

ADVANTAGES OF THE BILL

More visa numbers become available to "independent" immigrants who do not have the immediate family ties to the U.S. necessary to qualify for the current family preferences.

Registration for the new nonpreference visas is world-wide, but the point system gives an advantage to applicants from the 36 countries adversely affected by the Immigration Act of 1965. The annual ceiling of 20,000 visas per country under current law is retained; countries may use their limitation for family reunification or for the independent category, or both.

The 50,000 new visa numbers of the "independent" category do not require individual labor certification, which has been a major obstacle to "independent" immigrations until now.

The bill reorganizes family reunification classes to make more visas available to spouses and children of legal permanent residents, in order to reduce the huge backlogs for these immediate relatives of persons living in the U.S.

A modified "sunset" provision is included to assure all those affected by these changes that Congress must review their implementation after five years. The review would study future family reunification requirements, the impact of immigration on employment and domestic conditions in the U.S., and other relevant concerns. If changes are needed, under the modified "sunset" provisions, Congress can act constructively and swiftly.

COMPARISON OF VISA NUMBERS UNDER CURRENT LAW AND KENNEDY/DONNELLY BILL

	Current law	Kennedy/Donnelly	Changes in definition of category
I. FAMILY PREFERENCES			
Immediate relatives (spouses and minor children; outside preference system).	(1)	(1)	Same.
1st Pref. (unmarried adult sons and daughters of U.S. citizens).	54,000	32,400	Same.
2nd Pref. (spouses and unmarried sons and daughters of residents).	70,200	140,400	Limited to spouses and unmarried children under 21.

COMPARISON OF VISA NUMBERS UNDER CURRENT LAW AND KENNEDY/DONNELLY BILL—Continued

	Current law	Kennedy/ Donnelly	Changes in definition of category
4th Pref. (married sons and daughters of U.S. citizens).	27,000	21,600	Same.
5th Pref. (brothers and sisters of adult U.S. citizens).	64,800	21,600	Limited to unmarried siblings and pending 5th pref.
Total family preferences.	216,000	216,000	
II. INDEPENDENT			
3rd Pref. (professions and exceptional ability).	27,000	27,000	Same.
6th Pref. (skilled and unskilled).	27,000	27,000	Limited to skilled.
Nonpreference	0	50,000	Adds 50,000 administered according to new point system.
Total independent	54,000	104,000	

[1] No limit.

Point system for nonpreference visas

	Maximum points
Age	10
Education	12
Higher education	15
Vocational preparation	10
Desired skill	20
Experience in desired skill	10
Arranged employment	20
Adversely affected country	30
U.S. citizen sibling	10
Speak and read English	10
Total	147
Needed to apply	70

CRITERIA

Age: Minimum age is 18. Ten points for persons ages 18–40; deduction of 2 pts. for every year over 40.

Education: One point for each year of grade school through high school or equivalent.

Higher education: 10 points for college or equivalent; up to 5 additional points for post-graduate education.

Vocational preparation: The points needed for a particular job or skill would be determined by the administration, up to 10 points.

Desired skill: The administration would determine areas of shortages in skilled workers.

Experience: Up to 10 points for work experience in desired skill.

Arranged employment: Not subject to labor certification.

Adversely affected country: Determined by Department of State (36 countries are on the current list).

U.S. citizen sibling: Brother or sister of adult U.S. citizen.

Mr. MOYNIHAN. Mr. President, I rise today to join Senator KENNEDY in introducing a bill to correct inequities in our immigration laws which have existed since 1965. This bill, the Immigration Act of 1987, would change the numerical limitation and preference system for the admission of immigrants to this country.

Fairness is at issue here. One need only look at a country such as Ireland with strong historical roots in America to see how the Immigration and Nationality Act Amendments of 1965 radically changed the balance of immigration. The 1965 act established a limit of 270,000 new visas per year to be issued under a preference system that strongly favors individuals that have close relatives who recently emigrated to the United States.

The system works to the disadvantage of individuals in countries like Ireland, which sent the first waves of immigrants to America. The countries which sent our grandparents and great-grandparents to America are penalized because citizens of those countries who want to emigrate to the United States do not have close enough relatives here to qualify under the 1965 preference categories.

I am most personally familiar with immigration from Ireland. One hundred and one years ago, my grandfather Jack Moynihan left County Kerry in search of opportunity and a new life—a search which led him to Jamestown, NY. Yet, under our current immigration laws, my grandfather would not have been so fortunate. Permit me to explain why. In his book, "The Irish Americans," Andrew M. Greeley states that about one quarter of the Irish in America are descendants of families who migrated before 1870, another two-fifths are descendants of those who came between 1870 and 1900, and another quarter are descendants of those who came between 1900 and 1925. Only 7 percent of Irish Americans are descendants of immigrants who came after 1925. Seventy-one percent of Irish Catholics in America are third or fourth generation. As a result of this situation, of 270,152 preference visas issued worldwide in 1986, only 730 were issued to Irish citizens. This is directly attributable to the advantage given to visa applicants with immediate family in the United States.

Economic conditions have scarcely improved since the days when my grandfather Jack lived in Ireland. In fact, the unemployment rate is over 30 percent for young people. Yet, it is doubtful that today my grandfather would be eligible to enter this country under our existing laws. Our present immigration policy functions at the expense of countries, like Ireland, which sent our earliest settlers—the forefathers of many Americans today.

From the travels and discoveries of St. Brendan—another native of County Kerry—in the fifth century to the early explorers of the Colonies, the tales of these first pioneers are fascinating indeed. Michael J. O'Brien, historiographer of the American Irish Historical Society at the turn of this century, in his collection of 132 articles, lists no fewer than 25,000 17th and 18th century Irish pioneers and settlers—even before the "green wave" of Irish immigration hit our shores during the 19th century. O'Brien chronicled the early expeditions to the New World stating that, "It seems that in all of the early voyages of the English to the American Continent, the adventurous Irishman was present."

This included Sir Walter Raleigh's first and subsequent voyages to this country. In his article entitled "A Glance at Some Pioneer Irish in the South," (1907) O'Brien writes, "In the charter which Raleigh received from the English Crown on March 27, 1585, empowering him to hold the lands which he had colonized in America and apportion them among the colonists, reference is made to persons from England and Ireland, thus showing that Irishmen were among the first white settlers of the Western World."

The O'Brien article also tells the tale of Capt. John White, believed to be a native of County Kerry, and his return journey from Virginia in 1587. "One of his vessels encountered a great storm. The crew and passengers were in sore straits on account of the lack of food and water, expecting to perish by famine at sea. When they had almost given up in despair, they sighted land which proved to be the coast of Kerry. The whole company was brought ashore, where the sick sailors and passengers were taken care of by the local doctor. They stayed there for nearly 2 weeks."

The significance of this tale is even greater than at first glance, for according to O'Brien, "Captain White distributed some potato plants among the people, the first ever seen in Europe. It is generally supposed that it was Raleigh who first brought the potato plant to Europe, but according to White's account, it was he who introduced it, and that it was the inhabitants of County Kerry who were the first Europeans to taste the esculent tuber."

While many of us may not be familiar with the story of the introduction of potatoes to Ireland, most schoolchildren can recite the tale of devastation and famine in that country when the potato crop failed. The mass waves of Irish immigration to this country during the 1800's are directly linked to the potato famines of that time. In "Beyond the Melting Pot," (1963) I wrote that "the basis of Irish hegemony in New York City was the famine emigration of 1846–50. By 1890, a full quarter of the city's population were Irish."

And indeed, this country has prospered because of the unique qualities and contributions of the Irish. As President Kennedy said during his historic address to the Parliament of the Republic of Ireland on June 28, 1963, "It is the quality of the Irish, the remarkable combination of hope, confidence, and imagination that is needed now more than ever today * * *. We need men who can dream of things that never were, and ask why not."

But now, because the Irish presence in country began so long ago, the citizens of this and other similarly situated countries are finding the once welcoming shores of America closed to them. In the interest of fairness, something must be done. That is why I join Senator KENNEDY in introducing the Immigration Act of 1987. In brief, this bill would increase the number of nonpreference visas, which would be available on a point system, which among other things, would allow additional points for being from a country which was adversely affected by the 1965 Immigration Act.

The purpose is simple, that is, to rectify the legal inequity which keeps the ancestors of the early voyagers and immigrants to this country from being accorded equal treatment under our immigration laws. The solution is simple, and I urge my colleagues to support this essential proposal.

By Mr. HATCH:

S. 1612. A bill to provide for the disposition of unclaimed property in the custody of the United States; to the Committee on Governmental Affairs.

UNCLAIMED PROPERTY ACT

● Mr. HATCH. Mr. President, I rise to introduce the Unclaimed Property Act of 1987. The bill relates to the matter of escheat, the succession of abandoned property of the State. It results from the failure of a person legally entitled to the property to make a valid claim against the holder of the property within a prescribed period of time. Property is also escheated from the estate of a person dying intestate or partially intestate without any known or discoverable heirs.

The principal of escheat originated in the elaborate feudal landholding system which existed in England during the Middle Ages. The basic premise was that property which remained without an owner or upon failure to make claim by a descendent's heirs, reverted to the sovereign from whom all property rights were derived. This concept was brought to the American Colonies by the English settlers and was included in the instrument by which the lords proprietors governed the Colonies.

The bill that I am submitting actually applies to either escheat or unclaimed property depending upon the specific law within the State. There is a distinction that needs to be made between the terms escheat and unclaimed property. Escheat refers to money that actually belongs to the government, which they can keep after a specified amount of time. Whereas, unclaimed property is money that the State is holding in its custody; however, an owner or legal heir may come back at any time to reclaim it.

The majority of the States have enacted uniform unclaimed property statutes which empower the States to collect and hold abandoned property, pending the submission of claims by the owners or their heirs to recover this property. Before a State executes its power of escheat, each State must establish a mechanism for locating lost owners through newspaper advertising and letters. A number of States have staff members whose sole duty is to track down lost owners. The last known address of the owner would be in the State receiving possession of the funds. The success rate in various States varies, but some claim having returned 50 percent of the funds initially reported by the holders. With the Unclaimed Property Act of 1987, the States would only begin their search after the Federal agencies have ceased to look. Thus, after the Federal agency has declared itself unable to locate the lost owner, they would turn over the funds to the States rather than the U.S. Treasury.

The States have formed the National Uniform Law Commission, which is a national group composed of all the individual State agencies whose job it is to find the owners of this unclaimed property. In 1954, they held their first meeting at which they prepared the initial unclaimed property law. Many States subsequently adopted this legislation. It has been reviewed and altered twice since this time, once in 1966 and most recently in 1981. The majority of all States have adopted the current law, in most instances with respect to unclaimed property rather than escheat.

For nearly 50 years, the States have been involved in an ongoing controversy with agencies of the Federal Government with regards to the right of escheat. Historically, the right of escheat was considered a State prerogative. Congress, however, has passed escheat laws which increasingly supersede this right. I am submitting this legislation in order to restore the right to escheat to the States.

There have been too many instances in which the Federal Government has refused to comply with State agencies when they have asked for various types of unclaimed property. California is now holding more than $1 million in U.S. bonds which the U.S. Treasury will not cash. I am compelled to conclude the Federal agencies will insist on continuing to hold such funds and will refuse to turn them over to the States so that the rightful owners can be sought and will neither negotiate nor moderate their stand without compelling legislation, such as the present bill.

Among the various types of property involved in this controversy are: the cashing of U.S. savings bonds turned over to States as unclaimed or escheated property through bank safe deposit boxes, savings bonds purchased and never delivered to owners, uncashed U.S. tax refund checks, unclaimed wages collected by the Department of Labor, uncashed postal money orders, uncashed unemployment compensation checks, unclaimed Federal retirement contributions including pension and military checks, unclaimed funds held by HUD, for a variety of examples.

I urge my colleagues to join me in restoring this traditional right to the State government. I ask unanimous consent that the text of the proposed bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1612

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Unclaimed Property Act of 1987".

DECLARATION OF POLICY

SEC. 2. It is the policy of Congress that—

(1) notwithstanding any other provision of law, States may escheat or otherwise take possession of unclaimed property in the custody of Federal agencies whenever the provisions of this Act have been complied with;

(2) if a State escheats or otherwise takes possession of unclaimed property pursuant to this Act, a Federal agency may not assert an interest in the unclaimed property by reason of any delay in the presentation of claims or demands for payment or delivery by or on behalf of the owners;

(3) nothing in this Act shall apply to any claim filed with a State pursuant to State law for any property paid or delivered to a State pursuant to this Act; and

(4) the United States shall assist the States in discovering and recovering such property.

DEFINITIONS

SEC. 3. As used in this Act:

(1) The term "Administrator" means the Administrator of General Services of the United States.

(2) The term "authorized officer" means a State officer or employee who is expressly authorized under State law to escheat or otherwise take possession of unclaimed property on behalf of the State.

(3) The term "Comptroller General" means the Comptroller General of the United States of America.

(4) The term "Federal agency" means—

(A) any executive or military department, agency, or independent establishment in the executive branch of the United States;

(B) any corporation wholly-owned by any entity referred to in subparagraph (A); and

(C) any establishment in the legislative or judicial branch of the Government (except the Senate, the House of Representatives, the Architect of the Capitol, and any activities under the direction of the Architect of the Capitol).

(5) The term "owner" means any person who has a legal or equitable interest in unclaimed property. For the purposes of this Act, the owner shall be conclusively presumed to be the person to whom unclaimed property is payable or returnable according to the records of the Federal agency which delivers the property to the Administrator pursuant to this Act. If two or more persons are interested in the property, and the extent of the respective interests of each is

unknown, it shall be presumed that the interests of such persons in such property are equal.

(6) The term "person" means any individual, partnership, corporation, unincorporated association, or other legal entity.

(7) The term "State" means any State of the United States, including the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and any other territory or possession of the United States.

(8) The term "unclaimed property" means any intangible personal property, including, but not limited to, money, liquidated obligations, choses in action, accounts, entrusted funds, deposits, evidences of debt or instruments held by any Federal agency, officer or employee thereof (except bonuses, gratuities, and sums held by the Social Security Administration), which has remained unclaimed by the owner or the heirs, successors, or assigns of the owner for five years—

(A) from the date of maturity or call for payment, if arising from a transaction under the public debt;

(B) after the last transaction concerning principal or interest, if deposits are in the postal savings system; or

(C) after the property first became payable, demandable, or returnable, if arising from any other transaction.

DISCOVERY OF UNCLAIMED PROPERTY

SEC. 4. (a) The Comptroller General shall conduct annually an examination of all records in possession of or relating to the accounts of each Federal agency concerning unclaimed property in the custody of such agency. From such records, the Comptroller General shall determine and record, with respect to all such property—

(1) the name and, if available, last known address of each owner;

(2) the dates essential to determine, under section 3(a) of this Act, when the property became unclaimed property;

(3) the monetary value of the property; and

(4) the nature of the transaction in which the Federal agency obtained custody of the property.

(b) Except as otherwise provided in section 2575 of title 10, United States Code, all unclaimed property in the custody of any Federal agency shall be transferred, under such regulations as the Comptroller General shall prescribe, to the custody of the Administrator, who shall retain custody thereof pending disposition pursuant to the provisions of this Act.

REPORTS TO STATES

SEC. 5. (a)(1) The authorized officer shall—

(A) certify in writing that such officer is authorized under State law to escheat or otherwise acquire unclaimed property on behalf of a State; and

(B) request in writing that the Comptroller General provide a report of all unclaimed property to which the State may be entitled to recover pursuant to section 6.

(2) A request under paragraph (1)(B) shall remain in effect until terminated in writing by the authorized officer.

(3) The Comptroller General shall annually report to the authorized officer of each State all information obtained pursuant to section 4(a) concerning all unclaimed property to which the State may be entitled to recover pursuant to section 6.

(b) The Comptroller General shall annually report to the authorized officer of each State the aggregate monetary value of all unclaimed property identified pursuant to section 4(a) for which no address of any owner is available according to records of the Federal agency that delivers the property to the Administrator pursuant to this Act.

RECOVERY OF UNCLAIMED PROPERTY BY STATES

SEC. 6. (a) The authorized officer shall—

(1) file a written demand for the property with the Administrator identifying the owner, the last known address of the owner as disclosed in the report of the Comptroller General, and the value or description of the unclaimed property; and

(2) certify in writing that the State shall relieve from liability the United States and any Federal agency, official and employee thereof from any claim arising from the delivery of any property to the State pursuant to this Act.

(b) The Administrator shall deliver unclaimed property for which only one owner is identified by the Comptroller General to the State in which the last known address of the owner is located.

(c) The Administrator shall deliver any unclaimed property for which two or more owners are identified by the Comptroller General in the following manner:

(1) If the last known address of all owners are located in one State, such State shall be entitled to claim the property.

(2) If the last known address of the owners are located in two or more States, each State shall be entitled to claim a proportion of the total value of the unclaimed property equal to the ratio between—

(A) the number of owners with a last known address in a State; and

(B) the total number of owners.

(3) If the address of any owner is unknown and the last known address of all other owners are located in one State, such State shall be entitled to claim the total value of the property.

(4) If the address of any owner is unknown and the last known address of the other owners are located in two or more States, each State shall be entitled to claim a proportion of the total value of the unclaimed property equal to the ratio between—

(A) the number of owners with a last known address in a State; and

(B) the total number of owners with last known address.

(d) The Administrator shall deliver to the authorized officer of each State a proportion of the aggregate monetary value of all unclaimed property reported pursuant to section 5(b) equal to the ratio between the population of each State and the total population of all States combined, as determined by the most recent census, if—

(1) the authorized officer of a State files a written demand for the proportionate monetary value of property to which the State is entitled under this subsection; and

(2) the authorized officer certifies in writing that the State shall relieve from liability the United States and any Federal agency, official and employee thereof from any claim arising from the delivery of any property to the State pursuant to this Act.

(e) Notwithstanding any other provision in this section, the Administrator shall deliver unclaimed property to the heirs, successors or assigns, or a legal representative of the owner upon receipt of a certified copy of an order or judgment of a State court of competent jurisdiction declaring the right of the party requesting delivery to obtain possession of the unclaimed property.

(f) The expiration of any period of time specified by Federal or State statute, court order, or contract, during which an action or proceeding may be commenced or enforced to obtain payment of a claim for funds or recovery of property shall not affect the right of a State to escheat, acquire custody, or obtain possession of unclaimed property in accordance with the provisions of this Act.

(g) For the purposes of this Act, the last known address of an owner shall be conclusively presumed to be the last known address of such owner according to the records of the Federal agency which delivers the unclaimed property to the Administrator pursuant to this Act.

RULES AND REGULATIONS

SEC. 7. The Comptroller General may delay implementation of sections 5 and 6 of this Act within one year after enactment, if the Comptroller General determines that such a delay is necessary in order to permit Federal agencies to comply with this Act. The Comptroller General shall give notice of any such delay in the Federal Register.

AUTHORIZATION OF APPROPRIATION

SEC. 8. There is authorized to be appropriated to the Comptroller General and to the General Services Administration, out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary to carry out the provisions of this Act.

EFFECTIVE DATE

SEC. 9. This Act shall take effect ninety days after the date of enactment and shall apply to any unclaimed property which matured or was called, or regarding which the last transaction concerning interest or principal occurred, or which otherwise became payable, demandable or returnable as provided in section 3(8), at any time during the five years immediately preceding the effective date of this Act.●

By Mr. HATFIELD:

S. 1613. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Umatilla Basin Project, Oregon, and for other purposes; to the Committee on Energy and Natural Resources.

UMATILLA BASIN PROJECT

● Mr. HATFIELD. Mr. President, today I am introducing legislation authorizing the Umatilla Basin project in my home State. This bill is similar to one I introduced during the 99th Congress, S. 2931, and represents a solution to a longtime water distribution conflict between the agricultural community in the Umatilla River Basin and the Confederated Tribes of the Umatilla Indian Reservation.

This dispute stems from conflicting commitments made by the Federal Government over the last 132 years. In 1855, the U.S. Government, in exchange for vast areas of the Umatilla Indians' tribal land, promised to protect Indian hunting and fishing rights within the reservation and at the "usual and accustomed" places outside the reservation. However, at the turn of the century, the Department of the Interior's Reclamation Service, now the Bureau of Reclamation, began an irrigation project in the Umatilla

Basin which strained the water resources of the area and reduced severely the salmon and steelhead runs which were guaranteed to the Umatilla Indians by the Federal Government.

This legislation embodies years of effort by the Confederated Tribes and the broader nontribal community of northeastern Oregon to develop a pragmatic, least-cost approach to meeting the Federal Government's treaty obligations in the Umatilla Basin without devastating the area's valuable agricultural economy. In addition, the project would provide badly needed tribal economic development, stimulate and diversify the local nontribal economy, and annually contribute millions of dollars in catches of anadromous fish to marine and freshwater in Alaska, Washington, and Oregon. In effect, the Umatilla Basin Project presents the Federal Government with a rare opportunity to meet its treaty obligations in a way which will turn a substantial economic profit to the local area, the region and the Nation.

The bill I am introducing today essentially is a consensus product of negotiations conducted by local, State, Federal, and tribal water interests in the Umatilla Basin. While it may be necessary to amend portions of this bill, I believe it represents a good starting point for discussion on this subject.

Mr. President, I ask unanimous consent that a copy of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1613

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Umatilla Basin Project Act."

SEC. 2. AUTHORIZATION OF PROJECT.

(a) For purposes of mitigating losses to anadromous fishery resources and continuing water service to the Hermiston, West Extension, Westland, and Stanfield Irrigation Districts, or any other entity which participates in the project water exchange, the Secretary of the Interior, acting pursuant to the Federal reclamation laws (Act of June 17, 1902, and Acts amendatory thereof and supplementary thereto), is authorized to construct, operate, and maintain the Umatilla Basin Project, Oregon, substantially in accordance with the report of the Secretary. The principal works of the project shall consist of:

(1) Pumping plants and related diversion, conveyance, and distribution features;

(2) Works incidental to the rehabilitation or modification of existing irrigation systems necessary to accomplish a water exchange;

(3) Fish passage and protective facilities and other necessary mitigation measures;

(4) A program to monitor and regulate project operations; and

(5) A program to evaluate fishery resource mitigation measures.

SEC. 3. INTEGRATION AND OPERATION OF PROJECT.

Project facilities and features authorized by this Act shall be integrated and coordinated, from an operational standpoint, into other features of the Umatilla Project, and shall be operated in a manner consistent with Federal reclamation laws and water rights established pursuant to State law including the contract rights of water users. Prior to the initiation of project construction, the Secretary shall secure the necessary State and local permits and other authorities for the operation of project facilities, and through the conclusion of appropriate agreements with the State of Oregon, the relevant irrigation districts, and the Confederated Tribes of the Umatilla Indian Reservation provide for the monitoring and regulation of project related water supplies for the purposes herein identified.

SEC. 4. POWER FOR PROJECT PUMPING.

The Administrator of the Bonneville Power Administration, in accordance with provisions of the Columbia River Basin Fish and Wildlife Program established pursuant to the Pacific Northwest Electric Power Planning and Conservation Act (94 Stat. 2697), shall provide for project power needed to effect the water exchange with irrigation districts for purposes of mitigating anadromous fishery resources. The cost of power shall be credited to fishery restoration goals of the Columbia River Basin Fish and Wildlife Program.

SEC. 5. RATE FOR CONSTRUCTION CHARGES.

The rate used for computing interest during construction, and where appropriate, interest on the unpaid balance of the reimbursable costs of the project shall be determined by the Secretary of the Treasury as of the beginning of the fiscal year in which funds for construction of the project are first disbursed, taking into consideration the computed average market yields on outstanding marketable obligations of the United States which are neither due nor callable for 15 years from date of issue.

SEC. 6. FISHERY RESOURCE FACILITIES.

Facilities and any other project features which furnish fishery resource benefits in connection with the project shall be constructed, operated, and maintained in accordance with the Federal Water Project Recreation Act (Public Law 89-72, 79 Stat. 213), as amended, except that costs allocated to the mitigation of anadromous fish species shall be nonreimbursable.

SEC. 7. NON-FEDERAL OBLIGATIONS.

The Secretary shall negotiate and enter into agreements which specify appropriate non-Federal obligations of the operation and maintenance of project facilities authorized in this Act. The Federal responsibility for operation and maintenance shall be limited to those costs in excess of non-Federal obligations as established by such agreements.

SEC. 8. INTERIM FLOW AUGMENTATION.

Until the facilities authorized in this Act are constructed and in operation, and as an interim measure to provide flow augmentation in the Umatilla River for anadromous fishery resources, funds are authorized to be appropriated to the Secretary to provide for interim operation and maintenance of existing pumps or other facilities for the purpose of providing flow augmentation for anadromous fish, except that pumping power shall be provided in accordance with section 4 of this Act.

SEC. 9. NON-FEDERAL COSTS.

(a) CREDIT FOR NON-FEDERAL FISHERY RESOURCE IMPROVEMENTS.—The Umatilla Basin Project authorized by this Act is a Federal action to improve streamflow and fish passage conditions and shall be considered part of a comprehensive program to restore the Umatilla River basin anadromous fishery resource. Related fishery resource improvement facilities which utilize funding sources under the Pacific Northwest Electric Power Planning and Conservation Act of 1980 (94 Stat. 2697) and programs of the State of Oregon and other entities shall be consolidated in any final calculation of required cost sharing.

(b) TREATMENT OF NON-FEDERAL COSTS INCURRED IN IMPLEMENTING PROJECT FEATURES BEFORE APPROPRIATIONS.—Where a public or private entity shares in the cost of or constructs any feature of the project or portion thereof prior to the appropriation of funds for construction of such feature, the costs incurred shall be credited to the total amount of any cost sharing required for the project. The Secretary is authorized to accept title to facilities appropriate to the project without compensation and thereafter to operate and maintain such facilities.

SEC. 10. CONJUNCTIVE USE OF PUMPING FACILITIES.

When project pumping capacity is available in excess of that needed for fishery resource benefits, such capacity shall be available to lands eligible for service from the irrigation districts that participate in the project authorized in this Act, provided that such use shall be considered as secondary to the purpose of providing water for fishery resource purposes. Pumping power for this purpose shall be provided from the Federal Columbia River Power System at charges applicable to the Federal Reclamation projects in the Pacific Northwest, and the cost of power for such pumping shall be borne by irrigation districts receiving the benefit of such water, and the districts shall also bear that portion of the cost of transmitting power from the Federal Columbia River Power System to the Project pumping facilities allocated to this use.

SEC. 11. REHABILITATION AND BETTERMENT AUTHORIZATION.

For purposes of encouraging water conservation and improvements to water supply systems of the irrigation districts participating in the project authorized by this Act, such districts shall be eligible to receive financial assistance, as deemed appropriate by the Secretary, under provisions of the Rehabilitation and Betterment Act of October 7, 1949 (73 Stat. 724), as amended.

SEC. 12. LEASE AND PURCHASE OF WATER

The Secretary is authorized to acquire from willing parties land, water rights or interests therein for benefit of fishery resources consistent with the purposes of this Act; provided that acquisition of water rights shall be in accordance with applicable State law. There is hereby authorized to be appropriated such sums as required to accomplish the purposes of this section.

SEC. 13. AUTHORIZATION OF APPROPRIATIONS.

(a) There is hereby authorized to be appropriated for construction of the Umatilla Basin Project the sum of $42,200,000 (April 1987 prices), plus or minus such amounts as may be required by reasons of changes in the cost of construction work of the types involved therein as shown by applicable engineering cost indexes and exclusive of facilities indicated in Section 13(b) of this Act. There are also authorized to be appropriated such sums as may be required for the operation and maintenance of the project, including the monitoring and evaluation of project accomplishments.

(b) Related fish passage and protective facilities that are features of the Columbia River Fish and Wildlife Program established pursuant to the Pacific Northwest Electric Power Planning and Conservation Act (94 Stat. 2697) shall be consolidated into calculations of project costs and benefits; provided that the Secretary shall not request an appropriation of funds to construct any facilities which are approved to be or are constructed as part of the Columbia River Basin Fish and Wildlife Program.●

By Mr. D'AMATO (for himself, Mr. Helms, Mr. Cranston, Mr. Kerry, Mr. Durenberger, Mr. Murkowski, Mr. Symms, Mr. DeConcini, Mr. Kennedy, Mr. McCain, and Mr. Wilson):

S. 1614. A bill to restrict United States assistance to Panama; to the Committee on Foreign Relations.

RESTRICTIONS ON UNITED STATES ASSISTANCE TO PANAMA

Mr. D'AMATO. Mr. President, I rise today with the support of Senators Helms, Cranston, Kerry, Murkowski, Kennedy, DeConcini, Wilson, and McCain to introduce legislation to assure those Panamanians risking their lives and livelihoods for true democracy, that the United States still stands with them.

Mr. President, for nearly 2 months the brave people of Panama have been demonstrating to the world that General Noriega must leave. To date this body and our Government have been instrumental in supporting the people of Panama. We must, if anything, strengthen our resolve, and speak clearly so as to leave no doubt where we stand.

This legislation prohibits further economic and military aid to Panama. To lift these restrictions, four conditions must be met:

First. The Government of Panama must demonstrate substantial progress in the effort to assure civilian control of the military and remove the Panama Defense Forces and its leaders from nonmilitary activities and institutions;

Second. The Government of Panama must commence an independent investigation into allegations of illegal actions by members of the Panama Defense Forces;

Third. A nonmilitary transitional government must be in power; and

Fourth. Freedom of the press and all other constitutional guarantees to the Panamanian people must be restored.

Mr. President, I commend Senators Dodd and Lugar and others who recently wrote Secretary of State Shultz urging him to continue the suspension of aid to Panama. The legislation introduced today would continue this suspension indefinitely.

Notably, this bill exempts from the prohibition humanitarian assistance and nongovernmental development aid. It also does not affect our obligations under the Panama Canal Treaty.

For fiscal year 1987, Panama was scheduled to receive over $19 million in developmental assistance and over $6 million in military assistance. For fiscal year 1988, Panama is scheduled to receive $19 million in developmental assistance, $10 million in cash transfers, and $3.5 million in military assistance.

Of the amount of aid remaining for fiscal year 1987, $10.1 million would be suspended under this legislation. Of the amount requested for fiscal year 1988, at least $13.5 million would be suspended by this legislation.

We must ensure that no aid goes to Panama unless a democratic civilian government, free from military control, is in power in Panama. Admittedly, Mr. President, our bilateral aid program is more symbolic than vital. Frankly, the aid we give the Government of Panama is pocket change for Noriega. But resumption of aid to Panama while Noriega remains in power can only be viewed as a sign of support, or acquiescence, in his desperate—and, I believe, doomed—struggle to continue as Panama's dictator.

Remember with whom we are dealing with in Panama. On Tuesday, Mr. President, it was reported in the Baltimore Sun and the Miami Herald that General Noriega is under investigation by a Federal grand jury in Miami for providing protection to cocaine trafficking and money-laundering operations in return for lucrative payoffs. The articles tell of a sordid operation where Noriega allegedly received a 1.5-percent cut of all transactions. With estimations that up to $200 million a month is laundered through Noriega's banks, the personal profits he reaps are tremendous.

I ask unanimous consent that these articles be included into the Record at this point.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Baltimore Sun, Aug. 4, 1987]

PANAMANIAN STRONG MAN TIED TO DRUG TRADE

Washington.—Panamanian strong man Manuel Antonio Noriega is the focus of a major federal drug-conspiracy investigation and is suspected of providing protection to cocaine trafficking and money-laundering operations in return for hefty payoffs, federal law enforcement sources said yesterday.

The probe by a federal grand jury in Miami is being pursued despite a split within the Reagan administration about whether to press for General Noriega's ouster, with CIA and Pentagon officials reportedly maintaining that the fall of the Panamanian defense chief could endanger U.S. military bases in Panama.

Investigators charge that General Noriega allegedly has been skimming as much as 1.5 percent of the value of drug shipments and drug-related money transfers passing through Panama for several years. They say that attempts by General Noriega to increase his percentage prompted people with knowledge of the scheme to come to U.S. authorities and contribute to the case being built by Drug Enforcement Administration agents.

One law enforcement source familiar with the matter said the evidence gathered so far was "very strong," but acknowledged that there were problems in corroborating some details provided by single sources. Another official, also close to the investigation, said "don't hold your breath," when asked whether an indictment was imminent.

Officials who refused to be identified by name or agency said the investigation almost certainly would cause further strain to the United States' increasingly tense relations with the Noriega regime. There have been widespread demonstrations against the military chief, and the State Department has called for new elections and a return to civilian rule in Panama.

While the officials conceded that there was little possibility that Panama would agree to extradite General Noriega to face federal charges in Florida, where much of the cocaine allegedly entered this country, they said that allegations formally returned by a grand jury could intensify pressures inside and outside Panama to reduce corruption and the flourishing drug trade there.

Two sources familiar with a congressional investigation of narcotics in Latin America said that several witnesses had directly implicated General Noriega in money-laundering and drug-protection schemes.

The chief witness, Ramon Milian-Rodriguez, told a Senate subcommittee in private testimony last month that General Noriega had negotiated a commission of up to 1.5 percent on all money transfers by a major Colombia cocaine cartel through banks in Panama, the sources said.

Milian-Rodriguez, a Cuban-American who allegedly helped manage the Colombian drug cartel's finances and who is now serving a 35-year sentence on a federal racketeering conviction, testified under oath that he personally had negotiated the commission arrangement with General Noriega in 1979, they said.

Milian-Rodriguez said that the Colombia traffickers had moved as much as $200 million a month through Panamanian banks—all subject to General Noriega's commission, the sources said.

According to Milian-Rodriguez's account of the deal, General Noriega offered government protection for the trafficker's money laundering and for cocaine-processing plants in Panama in exchange for commissions on both operations, the sources said.

In 1983, Milian-Rodriguez reportedly testified General Noriega began pressing the Colombians to increase his commission on money-laundering transactions to 3 percent, the sources said. It was not clear whether the payments to General Noriega were increased that steeply, they said.

Last year, General Noriega, commander of the Panama Defense Forces, the nation's sole military and police organization, contended that U.S. press reports linking him to drug trafficking were part of a "dirty war" to prevent his country from taking over the Panama Canal in the year 2000 as scheduled.

The congressional investigation is being conducted by the Senate Foreign Relations subcommittee on terrorism and narcotics, chaired by Sen. John F. Kerry, D-Mass.

In an unusual political alliance, the liberal Kerry has teamed up with conservative Sen.

Jesse A. Helms, R-N.C., to press the congressional investigation of General Noriega and other Latin American officials suspected of involvement in drug trafficking.

The disclosure that General Noriega, is the target of a federal drug-conspiracy investigation comes only two months after Attorney General Edwin W. Meese III and other Justice Department officials praised Panamanian law enforcement officials for seizing millions of dollars of drug profits deposited in Panama banks by major Colombian drug traffickers.

"When Meese talks about the cooperation he's gotten from Panama, it's basically busting the Colombian cartel's competitors," a source familiar with the Senate investigation said.

The Colombian cartel allegedly linked to General Noriega is run by drug kingpins Jorge Ochoa and Pablo Escobar and is suspected of supplying as much as 75 percent of the cocaine sold in the United States.

Milian-Rodriguez, who was convicted of racketeering and sentenced to 35 years in prison in 1985, told the Senate panel that the cartel owns majority interests in seven banks in Panama, the sources said.

Senate sources said that General Noriega has neither State Department nor National Security Council support and little Justice Department support, but is still backed by the Pentagon and CIA.

[From the Miami Herald, Aug. 4, 1987]

MIAMI JURY PROBES NORIEGA DRUG LINK

(By Ronald J. Ostrow and Doyle McManus)

WASHINGTON.—Panamanian strongman Gen. Manuel Antonio Noriega is the focus of a major federal drug conspiracy investigation based on testimony he provided protection to Colombia's cocaine trafficking cartel and money laundering operations in return for hefty payoffs, federal law enforcement sources said Monday.

The probe by a federal grand jury in Miami is being pursued despite a split within the Reagan administration about whether to press for Noriega's ouster, with CIA and Pentagon officials reportedly maintaining that the fall of the Panamanian defense chief could endanger U.S. military bases in Panama.

"The State Department has abandoned Noriega, and so has the National Security Council," a Senate source said. "But the Pentagon and the CIA believe we have more important interests in Panama than fostering democracy and cutting off the drug traffic," referring to concerns that a new regime might evict U.S. military forces stationed in the country.

Investigators charge that Noriega has been skimming as much as 1.5 percent of the value of drug shipments and drug-related money transfers passing through Panama for several years. They say that attempts by Noriega to increase his percentage prompted people to go to Drug Enforcement Administration agents.

Officials who refused to be identified said that while the investigation may not lead to an indictment, it almost certainly would cause further strain to the United States' increasingly tense relations with Noriega's regime.

Officials also said the investigation could intensify pressures inside and outside Panama to reduce corruption and the flourishing drug trade there.

Two sources familiar with a congressional investigation of narcotics in Latin America said that several witnesses have directly implicated Noriega.

The chief witness, Ramon Milian-Rodriguez, told a Senate subcommittee in private testimony last month that Noriega negotiated a commission of up to 1.5 percent of all money transfers by the Colombian cartel through banks in Panama, the sources said.

Milian-Rodriguez, a Cuban-American who allegedly helped manage the cartel's finances and who is now serving 35 years for racketeering, testified under oath that he negotiated the commission arrangement with Noriega in 1979, they said.

Milian-Rodriguez, arrested in Fort Lauderdale in 1983, said that the Colombian traffickers have moved as much as $200 million a month through Panamanian banks—all subject to Noriega's commission, the sources said.

According to Milian-Rodriguez, Noriega offered government protection for the trafficker's money laundering and for cocaine-processing plants in Panama in exchange for commissions.

In 1983, Milian-Rodriguez reportedly testifed, Noriega began pressing the Colombians to increase his commission on money laundering transactions to 3 percent, the sources said. It was not clear whether the payments to Noriega were increased that steeply, they said.

Last year, Noriega, commander of the Panama Defense Forces, the nation's sole military and police organization, contended that U.S. press reports linking him to drug trafficking were part of a "dirty war" to prevent his country from taking over the Panama Canal in the year 2000 as scheduled.

Disclosure that Noriega is the target of the investigation comes only two months after Attorney General Edwin Meese III and other Justice Department officials praised Panamanian law enforcement officials for seizing millions of dollars of drug profits deposited in Panama banks by major Colombian drug traffickers.

The Senate passed a resolution of disapproval earlier this year against the administration's certification that Panama was making good faith efforts to halt drug traffic. Such certification is a step in the release of U.S. foreign aid funds to countries with a history of drug trafficking.

The Colombian cartel allegedly linked to Noriega is run by drug kingpins Jorge Ochoa and Pablo Escobar, and is suspected of supplying up to 75 percent of the cocaine sold in the U.S.

Last month, when a former deputy chief of staff accused Noriega of corruption, election fraud and complicity in a political assassination, demonstrations broke out across Panama.

Noriega later arrested former deputy, Col. Roberto Diaz Herrera. The government released a deposition Monday in which Diaz Herrera retracted his charges while under detention. His attorney, Alvin Weeden, later said the statement was made under duress.

Mr. D'AMATO. Mr. President, General Noriega's activities go well beyond drug trafficking. He has developed an elaborate process of selling Panamanian visas for huge personal gains. He has also been implicated in fixing election results and is accused of beheading Dr. Spadafora, an opposition leader. Most recently, Noriega raided the house of Colonel Diaz and arrested him; imposed censorship on radio and television stations; shut down three opposition newspapers; and, on Tuesday, Noriega's agents raided the headquarters of his opposition, the National Civic Crusade, and has ordered six opposition leaders arrested.

Despite this blatant attempts at intimidation, the opposition in Panama are expecting one of their biggest anti-Noriega rallies today.

The protests in Panama have been remarkably peaceful; only one student has died so far. Yet, reprisals have been severe. The human rights situation is rapidly deteriorating. Jails in Panama City are brimming over. The Panamanian Defense Forces are working overtime to intimidate, detain, and torture.

Regrettably, Noriega's tactics will only become more brutal.

No tactic too vile, no scheme too unscrupulous, and no reprisal is too severe for Noriega and his henchmen. By any standard, Noriega is a ruthless despot. The United States of America cannot be associated with him in any manner.

There is nothing Noriega and his henchmen can do about the eroding popular confidence in Panama's Government. It is the rapid decline of Panama's economy that, with a 14-percent unemployment rate and one of the highest per capita debts in the world, will dictate the downfall of military rule in Panama. Panama's banks are experiencing a run on their deposits. Noriega can use brutal force to keep the people in line, but he is powerless against the forces of economics.

Mr. President, this legislation is both timely and important. The Panamanian people closely watch the actions of our Government. By making aid to that nation conditional on true democracy, then we send a clear and unmistakable signal to all Panamanians that we stand with them, and with the cause of democracy.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1614

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) unless the President certifies to Congress that—

(1) the Government of Panama has demonstrated substantial progress in the effort to assure civilian control of the armed forces and that the Panama Defense Forces and its leaders have been removed from nonmilitary activities and institutions;

(2) the Government of Panama has established an independent investigation into allegations of illegal actions by members of the Panama Defense Forces;

(3) a nonmilitary transitional government is in power; and

(4) freedom of the press and all other constitutional guarantees to the Panamanian people are restored;

then—

(A) no funds appropriated for United States assistance for fiscal year 1987 may be obligated, and no United States assistance may be furnished in any fiscal year thereafter, for Panama, and

(B) for purposes of subsection (a), the term "United States assistance" means assistance of any kind which is provided by grant, sale, loan, lease, credit, guaranty, or insurance, or by any other means, by any agency or instrumentality of the United States Government to any foreign country, including—

(1) assistance under the Foreign Assistance Act of 1961 (including programs under title IV of chapter 2 of part I of such Act);

(2) sales, credits, and guaranties under the Arms Export Control Act;

(3) sales under title I or III and donations under title II of the Agricultural Trade Development and Assistance Act of 1954 of nonfood commodities;

(4) other financing programs of the Commodity Credit Corporation for export sales of nonfood commodities;

(5) financing under the Export-Import Bank of 1954; and

(6) assistance provided by the Central Intelligence Agency or assistance provided by any other entity or component of the United States Government. If such assistance is carried out in connection with, or for purposes of conducting, intelligence or intelligence-related activities;

except that the term "United States assistance" does not include (A) assistance under chapter 1 of part I of the Foreign Assistance Act of 1961 insofar as such assistance is provided through private and voluntary organizations or other nongovernmental agencies, (B) assistance which involves the donations of food or medicine, (C) disaster relief assistance (including any assistance under chapter 9 of part N of the Foreign Assistance Act of 1961) (D) assistance for refugees, (E) assistance under the Inter-American Foundation Act, or (F) assistance necessary for the continued financing of education for Panamanians in the United States.

Mr. CRANSTON. Mr. President, I am pleased today to introduce, together with Senators D'AMATO, KENNEDY, HELMS, and KERRY, legislation to cut off all United States assistance to Panama until the Government of Panama is in the hands of a nonmilitary transitional authority. Under our bill, all United States aid would be barred until the President can certify that civil liberties have been restored in Panama, solid progress toward democracy is evident, and an independent investigation into allegations of illegal actions by members of the Panama Defense Forces is undertaken. I am also introducing legislation I have authored—which is also cosponsored by Senators D'AMATO, KENNEDY, and HELMS—which would suspend Panama's sugar quota until the same certification conditions are met.

The people of Panama are prepared to make sacrifices for democracy. They have demonstrated their determination, and I believe they want concrete evidence from Washington that the American people support their efforts.

This bill is a clear, unmistakable message of support to the Panamanian people. And it should be a clear signal to the venal, corrupt leadership of Panama's Defense Forces that we in the United States Congress will act against the oppression and the abuse of the Panamanian people. It is a message that we are siding with the Panamanian people and their right to free expression and free elections.

The legislation will not affect United States obligations under the Panama Canal treaties, despite General Noriega's attempts to convince the Panamanian people that we are trying to undermine the treaties and retain total control over the canal. As one of the leaders in the effort to get the Senate to ratify the Panama Canal treaties in 1978, I can assure the Panamanian people and the American people that that is simply not true.

For weeks now, the people of Panama have shown us that they want democracy despite General Noriega's ham-handed efforts to repress and discredit his opposition. In reaction to the strikes and demonstrations and the general unrest that have taken place in Panama, General Noriega has arrested members of the opposition, shut down La Prensa and two other opposition papers and imposed de factor censorship on radio and television news programs. He has sent his thugs against his opponents, against his fellow officers, against the Chamber of Commerce, against the American Embassy. The time has come to say "enough."

Mr. President, the current dictator in Panama is something right out of Conrad's "Heart of Darkness." Panamanians know this. White House and Congress agree on it. As evidenced by the extraordinary cosponsorship on these measures, liberals and conservatives in the Senate agree on it. Panamanians deserve democracy. They want it. They are ready for it. It is not for the United States to intervene. But we do want to send a strong signal. And the best signal is no business as usual with a truly vile dictator. Thus we in the Senate will get a vote as soon as possible to secure suspension of all aid, including even development assistance in the pipeline. We don't want Noriega's forces—who control these U.S. taxpayer dollars—to be able to exploit these funds in the weeks ahead.

I am also introducing legislation today which I intend to offer at an appropriate time as an amendment to the aid cut-off legislation. This measure would suspend all imports of sugar from Panama. At present, the Panamanian sugar quota is used to enrich the corrupt few who sit astride the Panamanian Government. We in the United States Senate want to make sure that these individuals understand that there will be no business as usual so long as Panama is ruled by a ruthless dictator.

Mr. President, I want to also indicate that the attempts by General Noriega's thugs to intimidate American diplomats in our embassy—especially personnel like Ambassador Davis and Deputy Chief of Mission Maisto—will not be tolerated. We are watching developments in Panama very closely. And we are prepared to take even stronger measures if the current despotism in Panama City continues.

Mr. HELMS. Mr. President, it is especially meaningful to me to join with Senator D'AMATO and others in introducing legislation on behalf of the people of Panama. I say that without any hesitation whatsoever because that is what it is. This proposal, as Senator D'AMATO has emphasized, would cut off military and economic aid to Panama until the President certifies the following: that there is civilian control over the Panama Defense Forces; that the Government of Panama has established an independent commission to investigate drug-related crimes by senior members of the military; that the Government of Panama has restored constitutional guarantees to its people, and that a nonmilitary transitional government is in power in Panama.

These are things, Mr. President, that the President must certify before military and economic aid to Panama can even be considered.

It is noteworthy that this proposal has attracted wide bipartisan support. At last count, in addition to Senator D'AMATO and this Senator from North Carolina, cosponsors included Senators CRANSTON, KERRY, DURENBERGER, MURKOWSKI, SYMMS, DECONCINI, KENNEDY, MCCAIN, and WILSON. There may be others, and I hope there will be.

I share the opinion expressed by the distinguished Senator from New York that it is regrettable that the Senate cannot vote on this matter today and thereby send an immediate message to Mr. Noriega in Panama.

I said at the outset, Mr. President, that this legislation is especially meaningful to me because for 10 years I have been pointing out as best I could the activities of members of the Panama Defense Forces that can be described only as criminal.

As early as February 1978, I stood in this Chamber and identified a list of names of high-ranking officials of the Panamanian Government who were then implicated in illegal dealings, primarily related to narcotics trafficking.

At the time we were debating the Panama Canal Treaty. I got out a copy of the CONGRESSIONAL RECORD of that time and I shall quote myself—I said:

> The American people will be justifably angered if it turns out that the Panamanian Government is controlled by international gangsters.

Of course, I meant the gangsters in the Panamanian military.

In that statement on this floor in 1978, I presented evidence, including sworn statements and indictments, that the Panama Defense Forces were aiding, abetting and protecting the drug traffic in Panama.

Then, Mr. President, in October of 1979 in this Chamber, I advocated a prohibition on assistance to Panama. I recall saying that it was unthinkable to ask the American taxpayers to fund the "gangster leaders of Panama—men who have not held a free election in 15 years, men who have engaged in dope peddling, gunrunning, prostitution, and the skimming of profits from gambling enterprises for all that time."

Then almost 8 years later, to this day, I believe even more strongly than ever that the United States cannot and should not support, with either military or economic aid, that gang of thugs in Panama who have seized control from the Panamanian people. I have been long convinced that we must have strong solidarity with the people of Panama in this time of crisis.

Just this week, Mr. President, the Los Angeles Times revealed that Gen. Manuel Antonio Noriega, commander-in-chief of the Panama defense forces, is the focus of a major Federal drug conspiracy investigation.

I wish I could go into some of the classified information that has been made available to me in a series of hearings on Panama and on narcotics, but I cannot and will not. In any case, the revelation by the Los Angeles paper should not come as a great surprise to those of us who have watched Panama closely for a dozen years or more.

Unfortunately, drug trafficking is not the only problem confronting the Panamanian people. For more than 2 months now, the people of Panama have been fighting actively to overthrow General Noriega and his cronies. The people of Panama are accusing Noriega and other members of the Panama defense forces of complicity in murder—such as the Hugo Spadafora case in which a distinguished citizen was beheaded and his body dumped over the border; complicity in election fraud, complicity in money laundering, complicity in illegal business deals, and complicity in repressive measures against the people of Panama. Not surprisingly, the people of Panama have had enough of this corrupt dictatorship.

It is obvious, Mr. President, that the situation in Panama is deteriorating daily. Just yesterday the Government issued a warrant for the arrest of the six major leaders of the opposition Civic Crusade. All six have had to go underground. Of course, this is an obvious attempt to intimidate General Noriega's opposition on the eve of a well-organized rally, at which time protests against General Noriega and his cronies would have been emphasized once more.

The government, that is to say, the Noriega regime, restated that a decree was still in effect banning all rallies and all gatherings of people.

Nevertheless, the pro-Noriega forces, meanwhile, are holding rallies virtually every day promoting General Noriega and his regime.

There is no official state of siege in effect in Panama, but all the elements of such a state of siege are in place. All opposition newspapers and radio stations are closed. Even the Noriega-controlled television stations are under strict censorship regulations.

Col. Diaz Herrera, Noriega's former second in command, was arrested violently and jailed for speaking out against General Noriega. Nobody knows what fate awaits Col. Dave Herrera.

Mr. President, I am in regular contact with Panamanians from almost every sector, as has been the case for a long time. The Panamanian people are aware, I believe and certainly hope, that I am their friend. They are pleading, often through me, for the United States to help them by making it clear that the United States will not support General Noriega in any way. This Senator certainly will not share responsibility for propping up General Noriega's brutal dictatorship, nor will I share the responsibility for delaying an expression by the U.S. Senate in this regard. It is time for the Senate to go on record and say to those Panamanians who yearn for freedom that we stand with them.

I do hope, Mr. President, that, somehow, the legislation sponsored by Senator D'AMATO and me and others can be voted on tomorrow, if not this evening. However, I am convinced that the United States must cut off all aid to Panama until a civilian and democratic transitional government is in power.

By Mr. SIMON:

S. 1616. A bill to amend title XVIII of the Social Security Act and the Internal Revenue Code of 1986 to provide long-term home care benefits under the Medicare Program for chronically ill individuals and children, to provide quality assurance for home care services, and for other purposes; to the Committee on Finance.

MEDICARE LONG-TERM HOME CARE FAMILY PROTECTION ACT

● Mr. SIMON. Mr. President, I rise today to introduce legislation sponsored by our distinguished colleague and respected advocate of the Nation's elderly and their families, Representative CLAUDE PEPPER.

This legislation addresses what we believe is one of the true catastrophic needs facing our Nation's families—long-term care.

A common misconception is that large numbers of older Americans live in nursing homes. In fact, 1.3 million Americans—fewer than 5 percent of those over age 65—live there. Among the 95 percent who do not, 1 in 5 needs help performing at least one daily activity—dressing, bathing, walking, shopping. After age 85, at least 1 in 3 Americans needs help with the basic tasks of daily living.

Older Americans and their families spent $3.5 billion in 1984 for visiting aides, therapists and housekeepers—more than twice the $1.7 billion spent in personal outlays for hospital care. Eighty percent of catastrophic health care expenses are for long-term care provided outside of hospitals. More than 85 percent of Americans are uninsured or under-insured for long-term care.

Although most Americans do not realize it, Medicare has extremely limited coverage for long-term care. Not only are the benefits themselves limited, but recent trends indicate a tremendous denial rate for benefits. Before Medicaid can help, individuals or couples must exhaust their own resources, becoming poor enough to qualify by spending down their income, savings and other assets. Long-term care usually saps the life savings of even the thriftiest middle and lower income families with brutal speed and forces countless seniors to close out their lives as paupers.

Harvard Law School researchers, studying the issue of long-term care in nursing homes, found in 1985 that nursing home costs would bankrupt 46 percent of a sample of single 75-year-olds in Massachusetts in just 13 weeks. By the end of a year in a nursing home, 72 percent would have nothing left.

Of married Alzheimer's patients getting care at home, 47 percent are impoverished within the first year. And millions of seniors with crippling arthritis or other chronic conditions requiring long-term care at home get no protection. Simply stated, the costs of long-term care at home are beyond the reach of the typical working or retired household.

In a typical case, a Jackson, MS couple went through $49,000 in savings during the husband's 7 years of illness, including seven strokes and a heart attack. He died 5 weeks after entering a nursing home and his wife was left penniless. She had to sell his gardening tools and a small tractor to pay for his $1,600 funeral. Caring for chronically ill or disabled working age adults or children presents similarly impossible burdens on countless families.

Let us be honest with the American people about the catastrophic legislation pending Senate action. It is a much needed and necessary step. But it simply will not provide the services most needed. We must continue our efforts in this area.

The Long-Term Home Care Family Protection Act tackles this huge unmet need by offering a new, self-financing, "Long-Term Home Care" benefit under part A of the Medicare Program to aid chronically ill seniors and disabled adults and children, while also relieving severe financial burdens on their families.

The Long-Term Home Care Family Protection Act defends families against the catastrophic costs of chronic illness for seniors, working-age Americans and children needing home care. The plan recognizes that long-term catastrophic home care costs are not simply a problem for the elderly but also for millions of young families crushed by debt in caring for parents or other family members. Home care assistance would be available under the act only when prescribed as essential by a physician and would be closely monitored and managed to assure efficiency and cost effectiveness. Such care could include:

Nursing care; homemaker/home health aide services; personal therapy/rehabilitation; physical therapy/rehabilitation; speech therapy/rehabilitation; respiratory therapy/rehabilitation; medical social services; personal care services; patient and family education and training; medical supplies and durable medical equipment.

Help would also be available to chronically ill seniors, disabled persons and children who have been certified by a doctor to require significant assistance with normal activities (eating, bathing, dressing, home mobility and toileting). Children dependent upon medical equipment would also be eligible for long-term home care.

Many of those eligible would need costly nursing home or hospital care in the absence of proper home health care. Examples of individuals who should benefit: Frail elderly persons with advanced Alzheimer's disease or Parkinson's disease, children born with chronic lung ailments, stroke victims, working-age Americans left paralyzed by accident, injury or disease, children and older Americans with long-term, debilitating cancer.

The strong quality assurance components of the Long-Term Home Care Family Protection Act include mandatory training and regular review of caregivers, a home care consumer bill of rights, community review boards and effective enforcement mechanisms to ensure compliance with quality of care standards.

Costs would be tightly controlled by holding monthly payments to 75 percent of the monthly Medicaid rate for skilled nursing facility services. Payments for children needing medical technology could not exceed the cost of providing similar services in a hospital or nursing home. Numerous national and State studies have shown the value of providing case-managed home and community-based care services that cost a fraction of the cost of institutional care.

The Long-Term Home Care Family Protection Act is fully self-financed. The new home care benefit would be completely financed by eliminating the cap ($45,000 in 1988) on income subject to the Medicare payroll tax of 1.45 percent. This change would affect only those 5 percent of workers who earn more than $45,000 in individual income (not family income). The change would generate approximately $6 billion each year over 5 years. The bill specifically prohibits use of any general revenue funds or other Medicare trust fund moneys to pay for long-term home care.

This legislation is a start toward a health care system that recognizes functional impairment, not just medical illness. It is a bill that recognizes the mental and social well-being of the person, as well as the family.

I am proud to be a part of it and I urge the support of my colleagues in this positive endeavor.●

By Mr. WALLOP (for himself, Mr. BAUCUS, Mr. DANFORTH, Mr. MOYNIHAN, Mr. CHAFEE, Mr. ROTH, Mr. PRYOR, Mr. BOREN, Mr. HEINZ, Mr. DURENBERGER, Mr. ARMSTRONG, Mr. RIEGLE, Mr. ROCKEFELLER, Mr. SYMMS, Mr. COCHRAN, Mr. MCCAIN, Mr. WILSON, Mr. GRASSLEY, Mr. ADAMS, and Mr. GLENN):

S. 1617. A bill to amend the Internal Revenue Code of 1986 with respect to the allocation of research and experimental expenditures; to the Committee on Finance.

ALLOCATION OF RESEARCH AND EXPERIMENTAL EXPENDITURES

● Mr. WALLOP. Mr. President, to achieve greater economic competitiveness we must foster, not impede, U.S. investment in research and development. We must expand, not export, our technological base. With these goals in mind, Mr. BAUCUS, Mr. DANFORTH, and I are introducing legislation today which we are confident will permanently resolve the longstanding controversy surrounding suspended Treasury regulation section 1.861-8, which requires U.S. companies with foreign operations to allocate a percentage of their domestic research and development expenses to income earned abroad.

We are joined in this effort by a majority of our Finance Committee colleagues: Mr. MOYNIHAN, Mr. CHAFEE, Mr. ROTH, Mr. PRYOR, Mr. BOREN, Mr. HEINZ, Mr. DURENBERGER, Mr. ARMSTRONG, Mr. RIEGLE, AND Mr. ROCKEFELLER. We are also pleased to have Mr. SYMMS, Mr. COCHRAN, Mr. MCCAIN, Mr. WILSON, Mr. GRASSLEY, Mr. ADAMS, and Mr. GLENN join us as original cosponsors of this bill.

Mr. President, I have argued for many years that this regulation acts as a penalty on U.S. firms conducting research and development activities in the United States by effectively denying them a full deduction for domestic R&D expenses. No other industrialized nation imposes this penalty on R&D. On the contrary, other nations offer significant incentives for R&D. Section 1.861-8 provides firms with an incentive to move R&D overseas at a time when our drive for increased competitiveness demands that we do all we can to encourage domestic R&D initiatives.

Congress has long recognized the potentially harmful effect of section 1.861-8 on the economy. Until now, however, we have been unable to reach a consensus on the best long-term solution to the problem. As a result, we have repeatedly imposed temporary moratoria on implementation of the regulation. Most recently, a partial moratorium was included in the Tax Reform Act of 1986. That measure expired on July 31, 1987, and so we must once again take action on this issue.

Personally, I favor total elimination of the regulation. Together with Mr. BAUCUS and Mr. DANFORTH, I introduced legislation in March of this year which would do exactly that. In the interest of reaching a permanent solution to this difficult issue, and in recognition of severe fiscal constraints, we entered into compromise discussions with the Treasury Department beginning in late March of this year.

The bill I am introducing today embodies the agreement we reached through extensive negotiations with Treasury Department officials and other interested Members of Congress. I believe the agreement strikes an appropriate balance between our urgent need to maintain and expand our R&D infrastructure and the revenue constraints we are facing.

This compromise agreement is similar to the partial moratorium agreed to during tax reform. There are, however, several differences. First, the amount of U.S. R&D expenses companies may allocate exclusively to U.S. income has been increased from 50 to 67 percent. Second, companies will be forced to report on a consolidated basis rather than a company-by-company basis. This restricts the ability of companies to avoid the impact of the regulation through tax planning. The most significant aspect of the agreement, however, is that it is permanent. The stop-gap measures we have relied on until now have made it difficult for U.S. firms to implement long-range R&D plans.

Mr. President, this compromise enjoys bipartisan support in this Chamber, as reflected by the list of my Senate colleagues that are cosponsors of this legislation. The compromise also has the backing of the administration and strong support in the House, where similar legislation will be introduced by Mr. ANTHONY and Mr. FRENZEL.

I am, of course, delighted that so many of my colleagues have helped us reach this compromise. Unfortunately, reaching the compromise is only the beginning. We now must redouble our efforts to see that the compromise is enacted into law. I therefore urge my colleagues to work for passage of this legislation, and to thereby send a strong message to American firms that they may now rely upon stable and supportive public policy in the R&D field.

I wish to commend the Treasury Department officials involved in this issue for their cooperation in reaching this responsible and effective compromise agreement. I look forward to continuing to work with them to see that our agreement is properly enacted into law.

I now ask unanimous consent that the text of this legislation be printed in the RECORD.

I also ask unanimous consent that the statement of Senator BAUCUS appear in the RECORD immediately following the text of the bill.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1617

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ALLOCATION OF RESEARCH AND EXPERIMENTAL EXPENDITURES.

(a) RULES FOR ALLOCATING RESEARCH AND EXPERIMENTAL EXPENDITURES.—Section 864 of the Internal Revenue Code of 1986 is amended by inserting at the end thereof the following new subsection:

"(f) ALLOCATION OF QUALIFIED RESEARCH AND EXPERIMENTAL EXPENDITURES.—

"(1) IN GENERAL.—For purposes of sections 861(b), 862(b), and 863(b)—

"(A) 67 percent of qualified research and experimental expenditures (other than expenditures to which paragraph (2) applies) shall be allocated and apportioned to income from sources within the United States and deducted from such income in determining the amount of taxable income from sources within the United States; and

"(B) the remaining portion of such qualified research and experimental expenditures shall be apportioned, at the annual election of the taxpayer, on the basis of gross sales or gross income.

For purposes of subparagraph (B), no limitation related to apportionment on the basis of gross sales (or otherwise) shall be imposed on apportionment on the basis of gross income.

"(2) SPECIAL RULE FOR CERTAIN EXPENDITURES REQUIRED BY GOVERNMENTAL ENTITY.—

"(A) IN GENERAL.—In the case of any qualified research and experimental expenditures which—

"(i) are paid or incurred solely to meet legal requirements imposed by a governmental entity within or without the United States with respect to the improvement or marketing of specific products or processes, and

"(ii) are not reasonably expected to generate income (other than de minimis amounts) outside the jurisdiction of such governmental entity,

paragraph (1) shall not apply and such expenditures shall be apportioned to income from sources within or without the United States on the basis of where such governmental entity is located.

"(B) GOVERNMENTAL ENTITY.—For purposes of this paragraph, the term 'governmental entity' means—

"(i) the government of the United States, any State, or any foreign government, or political subdivision thereof, or

"(ii) any instrumentality of an entity described in clause (i).

"(3) AFFILIATED GROUP.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), in determining the taxable income of each member of an affiliated group (as defined in subsection (e)(5)) from sources within and without the United States, qualified research and experimental expenditures shall be allocated and apportioned under paragraph (1) as if all members of such group were a single corporation.

"(B) SPECIAL RULES FOR TREATMENT OF INCOME FROM POSSESSIONS.—

"(i) IN GENERAL.—For purposes of the allocation and apportionment required by paragraph (1), there shall not be taken into account—

"(I) sales by an electing corporation (within the meaning of section 936(h)(5)(E)) (or gross income attributable thereto) from products produced in whole or in part in a possession and with respect to which an election is in effect under section 936(h)(5)(F); and

"(II) dividends from an electing corporation attributable to sales described in subclause (I).

"(ii) EXPENDITURES USED FOR COMPUTING COST-SHARING AMOUNT.—The qualified research and experimental expenditures taken into account for purposes of paragraph (1) shall be adjusted to reflect the amount of such expenditures included in computing the cost-sharing amount (determined under section 936(h)(5)(C)(i)(I)).

"(iii) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary to carry out the purposes of this subparagraph, including regulations providing for the source of gross income and the allocation and apportionment of deductions to take into account the adjustments required by clause (ii).

"(4) QUALIFIED RESEARCH AND EXPERIMENTAL EXPENDITURES.—For purposes of this section, the term 'qualified research and experimental expenditures' means amounts—

"(A) which are research and experimental expenditures within the meaning of section 174, and

"(B) which are attributable to activities conducted in the United States.

For purposes of this paragraph, rules similar to the rules of subsection (c) of section 174 shall apply."

(b) CONFORMING AMENDMENTS.—

(1) Sections 861 and 863 of the Internal Revenue Code of 1986 are each amended by adding at the end thereof the following new subsection:

"(f) CROSS REFERENCE.—

"For the allocation and apportionment of qualified research and experimental expenditures, see section 864(f)."

(2) Section 862(c) of such Code is amended by inserting "(1)" before "For" and by adding at the end thereof the following new paragraph:

"(2) For the allocation and apportionment of qualified research and experimental expenditures, see section 864(f)."

(3) Section 864(e)(6) of such Code is amended by inserting "and qualified research and experimental expenditures (within the meaning of subsection (f)(4))" after "interest".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after August 1, 1987.●

● Mr. BAUCUS. Mr. President, I am pleased to join with Senator WALLOP in introducing legislation which will finally resolve the longstanding controversy over the proper allocation of domestic research and development expenses under section 1.861-8 of the Tax Code.

The bill we are introducing today is the product of extensive negotiations between interested Members of Congress and Treasury Department officials. It represents strong efforts by those on both sides of the issue to reach a responsible compromise agreement which recognizes the need to enhance our economic competitiveness while remaining within legitimate fiscal constraints.

The controversial tax provision which this legislation seeks to modify requires U.S. companies with foreign operations to allocate a portion of their domestic R&D expenses to their foreign income. While the technical details of this provision are somewhat complex, the practical impact of its application is simple: Companies would be penalized for conducting research here in the United States, providing them with an incentive to move their R&D overseas.

Section 1.861-8 therefore does exactly the opposite of what we need to be doing to maintain our technological leadership in the international marketplace, and threatens to offset whatever advances we made in improving our economic competitiveness.

Rather than removing the provisions entirely, which would be an ideal solution, the compromise legislation we are introducing establishes a formula which will significantly reduce the impact of the regulation on the R&D operations of American companies, by requiring them to allocate a smaller percentage of their domestic R&D expenses to foreign source income than would be required under the original regulation.

This compromise is similar in many ways to the temporary compromise which took effect with the Tax Reform Act of 1986, but which expired on August 1 of this year. The most significant difference is that the compromise we are proposing would be permanent. Our bill would put an end to the unacceptable pattern that has developed of dealing with this issue on a year-by-year basis.

The year-by-year approach not only consumes an inordinate amount of time in Congress, but also sends the wrong message to the R&D community. If we are to encourage R&D planners to make the long-term commitment of resources which is so essential to successful research, we must be willing to provide the stable and supportive tax treatment of R&D expenses which is critical to R&D planning.

Mr. President, I see passage of this compromise legislation as a first step in providing coherent and stable public policy in the R&D field. Moreover, I believe boosting research and development is one of the most crucial tasks we must undertake to improve our competitive position among the industrialized nations. Therefore, although enacting this permanent solution to the section 1.861-8 controversy is but one of the many steps we must take to realize our goals, it is a very important step.

This legislation enjoys widespread support in this Chamber, in the House, and in the administration. I urge my colleagues to take advantage of the momentum that the compromise has generated and to work with us for quick passage of this bill.

I would like to commend Senator WALLOP, in particular, for his consistent leadership on this issue. I look forward to working with him to see that the compromise is enacted into law, and thereby providing a permanent research allocation rule that promotes America's international competitiveness.●

By Mr. LAUTENBERG:

S. 1618. A bill to amend the Airport and Airway Improvement Act of 1982, and for other purposes; to the Committee on Commerce, Science, and Transportation.

AIRPORT AND AIRWAY IMPROVEMENT ACT AMENDMENTS

● Mr. LAUTENBERG. Mr. President, I rise today to introduce a bill of great importance to southern New Jersey.

This legislation, which would amend the Airport and Airway Improvement Act of 1982, would break a political stalemate in south Jersey, and set the region on a path to significant economic growth. I am pleased to note that my distinguished and able colleague from New Jersey, Congressman BILL HUGHES, is today introducing the House companion to this bill.

The intent of this legislation is simple: To get the long process of planning, designing and constructing an enhanced, expanded regional airport in south Jersey off the ground.

Currently, the Atlantic City International Airport is an underutilized facility, located on 5,000 acres in an area of untapped potential. For some time now, there have been discussions and tentative plans to expand the airport into a modern facility capable of supporting significant commercial service. Those plans, however, have been stalemated while the city of Atlantic City and Atlantic County have been unable to work out a plan for managing the airport.

This legislation would break that stalemate. It would withhold fiscal year 1988 Federal funds, except those which are safety related, from the airport until such time as a regional authority is created to manage the airport. The pubic authority would have representation from Atlantic City, Atlantic County, the municipalities impacted by the airport, and other appropriate parties.

A developed airport will be a regional facility. It should be governed by the regional authority. This legislation would ensure that this takes place.

Mr. President, there is considerable basis for Federal action at this point. The majority of the property to be used is federally owned. The airport is on the grounds of the FAA's technical center, the Nations premiere aviation research facility. The Federal Government has a major stake in the future of the airport, and has a right to see that an authority is in place that will manage the airport, and manage the millions of dollars of Federal funds that are likely to flow to the facility in the years to come.

Mr. President, this morning Congressman HUGHES and I were in south Jersey, and flew over the airport. What we saw there was tremendous potential, waiting to be tapped. Adoption of this legislation would lay the groundwork to see this potential realized. I urge my colleagues to support the measure.

Mr. President, I ask unanimous consent that the text of this bill be included in the RECORD. I also ask unanimous consent that the text of editorials supporting a regional authority be included in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1618

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Airport and Airway Improvement Act of 1982 (Title V of Public 97-248, 96 Stat. 677), as amended, is amended by adding at the end thereof the following new section:

"Sec. 530. Atlantic City Airport.

"(a) LIMITATION ON FUNDING OR TRANSFER OF PROPERTY.—

"Notwithstanding any other provision of law, with regard to the Atlantic City Airport, at Pomona, New Jersey, the Federal Aviation Administration shall not convey any interest in property (pursuant to section 516 of this title) to any municipality or any other entity operating such airport, nor shall any funds authorized by this Act be available to such municipality or entity for any planning, study, design, engineering, or construction of a runway extension, new runway, new passenger terminal, or improvements to or expansion of the existing passenger terminal at such Airport, until such time as:

"(1) the Master Plan Update for Atlantic City Airport and Bader Field, prepared pursuant to Federal Aviation Administration Contract FA-EA-2656, is completed and released; and

"(2) the Administrator of the Federal Aviation Administration finds that a public entity has been created to operate and manage the Atlantic City Airport, which entity has the following characteristics:

"(A) the authority to enter into contracts and other agreements, including contracts, leases, cooperative agreements, or other transactions with any agency or instrumentality of the United States;

"(B) the standing to sue and be sued in its own name;

"(C) the authority to hire and dismiss officers and employees;

"(D) the power to adopt, amend and repeal bylaws, rules, regulations governing the manner in which its business may be conducted and the powers vested in it may be exercised;

"(E) the authority to acquire, in its own name, an interest in such real or personal property as is necessary or appropriate for the operation and maintenance of the Airport;

"(F) the power to acquire property by the exercise of the right of eminent domain;

"(G) the power to borrow money by issuing marketable obligations, or such other means as is permissible for public authorities under the laws of the State of New Jersey;

"(H) adequate financial resources to carry out all activities which are ordinarily necessary and appropriate to operate and maintain an Airport;

"(I) a governing board which includes (but need not be limited to) voting representatives of the City of Atlantic City, the County of Atlantic, and the municipalities which are adjacent to or are directly impacted by the Airport;

"(J) a charter which includes (i) a requirement that members of the governing board have expertise in transportation, finance, law, public administration, aviation, or such other qualifications as would be appropriate to oversee the management, planning and operation of an airport; and (ii) procedures which protect the research and development mission of the Federal Aviation Technical Center at Pomona, New Jersey, and the defense functions of the Air National Guard; and

"(K) the authority to carry out comprehensive transportation planning to minimize traffic congestion and facilitate access to and from the Airport.

"(b) SAFETY FUNDS NOT SUBJECT TO LIMITATION.—

"The limitation on funds set forth in subsection (a) shall not apply to any expenditure which the Administrator of the Federal Aviation Administration determines is needed for safety purposes.

"(c) EFFECTIVE DATE.—

"The restriction set forth in subsection (a) shall be applicable only to funds which are authorized for the fiscal year beginning October 1, 1987. Notwithstanding any other provision of law, the funds restricted under subsection (a) shall become available at such time as the conditions set forth in subsection (a) are satisfied."

[From the Philadelphia Inquirer, July 20, 1987]

GET AIRPORT OFF THE GROUND

Until recently, Newark International Airport led the nation in the number of delays incurred by commercial aircraft. (A federally imposed schedule reorganization has alleviated the problem for the time being.) Philadelphia International Airport also ranks high on the list of the nation's overloaded air terminals, and delays there are frequent as well.

Late planes are not the only problem caused by the crowded conditions, however. The potential for major accidents increases as well.

Expansion of the Philadelphia and Newark airports is next to impossible. They don't have the land needed to grow. Unless there is some relief, however, delays will rise dramatically by the mid-1990s, according to the Federal Aviation Administration. The region needs another major airport. But where? Ideally, it should be located in an area accessible to large populations. Realistically, it can't be too near neighborhoods because of the noise and traffic. Pragmatically, it would have to be on a large tract of land, preferably one already used as an airport to keep costs under control.

South Jersey officials believe they've got the spot right in their backyard. The Atlantic City International Airport, located 12 miles west of the city in Egg Harbor Township, boasts the following: Spacious runways, including one long enough to handle a landing by the Concorde or the spaceshuttle; a 5,000-acre tract of undeveloped land surrounding the runways; easy access to highways; a location only an hour from Philadelphia.

At present, Atlantic City owns 83 acres there as well as the present terminal, which serves charter and freight flights. The FAA owns the remainder of the land and the runways, which it uses for flight testing. Those activities wouldn't be affected by major commercial development at the site, according to the agency. Atlantic County officials and others want the jetport there, believing it would boost casino business—most of which now arrives by car or bus—and help attract other business.

Atlantic City officials, however, have been unwilling to relinquish control over the airport, maintaining that the city can operate an expanded facility just as well or better than a regional authority. A recent report, prepared by the New Jersey Department of Transportation for Gov. Kean, finds differently. It recommends that the state operate the airport until a regional authority can take over.

The city's position is not a realistic one. It has done a poor job of providing adequate services within its own borders and has compiled a less than impressive management record. The new airport would serve the region, and therefore it ought to be managed by a regional agency.

Gov. Kean, who to-date has kept out of this jurisdictional dispute, ought to step in and help resolve it promptly. Delay now only ensures many more delays in the future.

[From the Atlantic City Press, May 13, 1987]

THE TIME AND PLACE

Atlantic City's municipal politicians have made themselves obsolete. That's the message in a four-part series by associate editorial page editor Michael Pollock on the changing power structure in Atlantic County.

By refusing to tackle tough problems, either from fear that some voters might be alienated or from sheer incompetence, local politicians forfeited the right to solve those problems. The tough tasks in Atlantic City—redevelopment, housing, transportation, convention facilities—are being solved by capable technocrats on independent authorities.

It is a welcome trend. Authorities have drawbacks, but they do attack problems, with money and expertise. The solutions probably won't please everyone, but there will at least be solutions.

Properly created, authorities are effective vehicles of change. They are goal-oriented, with a limited agenda. Success in achieving goals is measurable.

Local politicians have lost the initiative and the power to implement solutions to many of the problems facing the resort. But they haven't lost the ability to block the solutions being advanced by various authorities.

The powers left to Atlantic City government are primarily negative powers, the power to insert vetoes or delays over proposals. And there is, among most politicians, fear of success by others. They have an interest in making sure no one succeeds where they have failed. But exercising their veto powers out of such petty spitefulness may be a quick way to commit political suicide; who needs a government structure that exists only to stop other agencies from solving problems?

The trend to use authorities to solve specific problems is a welcome one, and one that should continue. The next specific problem is the city's airport in Pomona, which is going nowhere under the city's auspices. City officials, in fact, have a plan for building a new terminal that calls for "waiting" until 1998 or 1999.

Once again, the city isn't interested in solving a problem. An authority should now get the job. Once again, city politicians will watch as an authority goes around them and leaves them choking on the dust of their ineffectiveness.

There is a time and a place for authorities. Clearly, Atlantic City is the place and this is the time.

[From the Atlantic City Press, June 14, 1987]

AIRPORT DESERVES A UNITED EFFORT

Atlantic City isn't the easiest place to get to. Sure, 30 million people make it every year, almost all of them coming by bus or car. But what's missing is regular airline service aside from limited commuter flights.

Ever since the first casino opened in 1978, the city administrations of Mayors Joseph Lazarow, Michael Matthews and James Usry have talked about bringing regularly scheduled service into Atlantic City International Airport in Egg Harbor Township. Their efforts have been futile, but Usry and his administration still resist any attempt to take control of the airport away from the city.

An air traveler from anywhere outside the nation's Northeast corridor still has to come by way of Philadelphia, Newark or Washington.

Everyone involved acknowledges that good airline service is a must if Atlantic City is to continue its economic health. Yet, like virtually everything else, politics and fighting over turf have dominated the issue and blocked progress.

Every hint of progress seems like a major step, and one emerged last week. The Press learned that the New Jersey Department of Transportation will recommend to Gov. Thomas H. Kean that state government take over development of the airport. That puts Kean in a tough spot politically. He is close to both Usry and state Sen. William Gormley, who has pushed for control by the state or a regional authority.

Yet, considering the city's failure to move ahead, the governor's choice should be obvious.

Kean recognizes the importance of the airport to the entire state and has discussed development of it in recent months with both Gormley and Usry. He said in an Atlantic City appearance more than a year ago that development of the airport "is not moving the way I'd like to see it move." There's certainly been nothing since then to make him happy about the situation.

A $200,000 study to develop an airport master plan has been under way for months under joint sponsorship of Atlantic City, Atlantic County and the Federal Aviation Administration. There's a possibility that it will recommend continued control by the city, but the arguments against it appear overwhelmingly strong.

Usry's major objection to giving up control is that the city would lose a revenue producer. It's questionable whether the airport itself would make money for the city, no matter how it's run. But the city would gain revenue from an increase in visitors, not just those going to casinos but those attending conventions that now shy away from the city because of difficult air travel

The economic impact of the airport goes beyond Atlantic City, and its future should not be hindered by parochial viewpoints such as those now being expressed in City Hall.

If the state does take over the airport, as the Department of Transportation has recommended, it should not be looked upon as either a defeat for Usry or a victory for Gormley. It would be an attempt to get moving on a vital ingredient in Atlantic City's rebirth after nearly a decade of inaction.●

By Mr. KENNEDY (for himself and Mr. KASTEN):

S. 1619. A bill to amend the copyright law to secure the rights of authors of pictorial, graphic, or sculptural works to prevent the distortion, mutilation, or other alteration of such works, to provide for resale royalties, and for other purposes; to the Committee on the Judiciary.

VISUAL ARTISTS RIGHTS ACT

Mr. KENNEDY. Mr. President, today I am pleased to reintroduce the visual artists rights amendment. I first sponsored this legislation to improve copyright protections for visual artists last fall. In November the Subcommittee on Copyrights, Patents, and Trademarks held a field hearing in New York City to receive testimony on the bill.

Witnesses at that hearing offered compelling testimony substantiating the need for this legislation. We heard from artists, art historians, art lawyers, art dealers as well as service organizations representing thousands of visual artists, including the AFL-CIO, Artists Equity, New York Artists Equity, New Volunteers for the Arts, Graphic Artists Guild, Society of Illustrators and the Society of Magazine Photographers.

The issues addressed in the visual arts legislation are not new. Artists have waited too long for the Congress to respond to their legitimate aesthetic and economic needs and interests.

The visual arts bill addresses three major sources of concern for artists: copyright notice, moral rights and resale royalties.

The bill provides full copyright protection to all works of fine art without any requirement that a copyright notice be affixed to the work. Elimination of the notice requirement will guarantee artists the copyright protection they need; it will deter violators; and it will encourage artists to register their works more frequently.

The second component of the legislation recognizes the so-called moral rights of artists which include the right to be recognized as the creator of a work of art, and the right to prevent unauthorized alteration, destruction on mutilation of the art at the hand of future owners. Those who take such actions against works of art would be subject to full civil penalties available under copyright laws.

The bill also addresses the economic exploitation of art and permits artists to share in the commercial value of their work; other artists in the performing and literary arts benefit from such increasing value. The bill would provide visual artists with a royalty payment when their works are resold.

Although many other countries around the world guarantee these basic rights, the United States has been slow to embrace them. It is time for Congress to begin this debate and acknowledge America's responsibility to its creative artists.

In our country, as in every other country and civilization, artists are the recorders, and preservers of the national spirit. The creative arts are an expression of the character of the Nation—they mirror its accomplishments, warn of its failings, and anticipate its future.

This legislation will be a test of the value we as a nation place on the arts. With its passage, our laws will more faithfully reflect our commitment to the creative arts as an essential part of our heritage.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1619

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Visual Artists Rights Act of 1987".

SEC. 2. Section 101 of title 17, United States Code, is amended by—

(1) inserting between the paragraph defining "pictorial works" and the paragraph defining "pseudonymous work", the following:

" 'Price' as used herein, is the aggregate of all installments paid in cash or in-kind for a work.";

(2) inserting between the paragraph defining "publicly" and the paragraph defining "sound recordings", the following:

" 'Sale' and 'resale' as used herein, shall include transactions essentially equivalent to a sale including long-term lease, lease-purchase arrangements, and the like."; and

(3) inserting between the paragraph defining "widow" and "widower" and the paragraph defining "work of the United States Government", the following:

"A 'work of fine art' is a pictorial, graphic or sculptural work of recognized stature. In determining whether a work is of recognized stature, a court or other trier of fact may take into account the opinions of artists, art dealers, collectors of fine art, curators of art museums, restorers and conservators of fine art, and other persons involved with the creation, appreciation, history, or marketing of fine art. Evidence of commercial exploitation of a work as a whole or of particular copies, does not preclude a finding that the work is a work of fine art.".

SEC. 3. Section 106 of title 17, United States Code, is amended by adding "(a)" before "Subject" at the beginning of the section and adding at the end thereof the following:

"(b)(1) Independent of the copyright owner's exclusive right provided in subsection (a), the author of a pictorial, graphic, or sculptural work of fine art, whether or not he is the copyright owner, shall have the right during his life to claim authorship of any of his works which are publicly displayed or to disclaim authorship of any of his works which are publicly displayed because of any distortion, mutilation, or other alteration thereof.

"(2) Upon the death of an author, his estate shall have the exclusive right, up to 50 years after his death, to exercise the rights granted to the author in paragraph (1) of this subsection.

"(c)(1) Subject to the limitation in section 113(d), the significant or substantial distortion, mutilation, or other alteration to a pictorial, graphic, or sculptural work, which is publicly displayed, caused by an intentional act or by gross negligence is a violation of the exclusive rights of the copyright owner where the author of the work is the copyright owner. Where the author is not the copyright owner, he shall still have the exclusive right during his lifetime, and the estate of such author shall have the exclusive right for up to 50 years after the death of such author, to assert infringement of the copyright, as described in this subsection.

"(2) Subject to the limitations in section 113(d), the destruction, by an intentional act or gross negligence, of a work of fine art is a violation of the exclusive rights of the author of the work. Where the author is not the copyright owner he shall still have the exclusive right during his lifetime, and the estate of such author shall have the exclusive right for up to 50 years after the death of such author, to assert infringement of the copyright, as described in this subsection.

"(d)(1) Whenever a pictorial, graphic, or sculptural work is sold, the seller shall pay a royalty to the author. Where the author is deceased at the time of the sale, and the sale occurs within fifty years after the death of the author, such royalty shall be paid to the estate of the author. Such royalty shall be equal to 7 percent of the difference between the seller's purchase price and the amount the seller receives in exchange for the work. The right of the author to receive this royalty may not be waived. An author may assign the right to collect this royalty payment, provided however, such assignment shall not have the effect of creating a waiver prohibited by this subsection. Failure of a seller to pay the author a royalty due under this section shall constitute an infringement of the copyright.

"(2) Paragraph (1) shall not apply to the following:

"(A) The resale of a work for a gross sales price of less than $1,000, or in exchange for property with a fair market value of less than $1,000.

"(B) The resale of a work where the seller receives less than 150 percent of the purchase price paid by the purchaser.

"(C) Any author who has not registered as an author with the Copyright Office prior to that resale.

"(e) The Register of Copyrights is directed to establish registration procedures, for subsection (d)(2)(C), by regulation.

"(f) All sales or other transfers of pictorial, graphic, or sculptural works by registered authors for which a royalty is due must be registered by the seller or transferor with the Copyright Office. The Register of Copyrights is directed to establish such registration procedures by regulation. Such registration may be limited to the name of the artist, the title of the work, name and address of the seller, the date of sale, and the fair market value of any property received in exchange for the work.

"(g) Failure of a transferor or a seller of a pictorial, graphic, or sculptural work by a registered author to register such transfer or sale with the Copyright Office within 90 days shall constitute an infringement of copyright and shall subject the seller to a penalty equal to treble the amount of the royalty owed.".

SEC. 4. Section 113 of title 17, United States Code, is amended by adding at the end thereof the following:

"(d)(1) If a pictorial, graphic, or sculptural work of fine art cannot be removed from a building without distortion, mutilation, or other alteration of such work, the author's rights under subsections (b) and (c) of section 106, unless expressly reserved by an instrument in writing signed by the owner of such building and the author of the work of fine art and properly recorded, in the applicable State real property registry for such building, prior to the installation of such work, shall be deemed waived. Such instrument, if recorded, shall be binding on subsequent owners of such building.

"(2) If the owner of a building wishes to remove a pictorial, graphic, or sculptural work of fine art which is a part of such building but which can be removed from the building without substantial harm to such work, the author's rights under subsections (b) and (c) of section 106 shall apply unless the owner has diligently attempted without success to notify the author, or, if the author is deceased, his heir, legatee, or personal representative, in writing of his intended action affecting the work of fine art, or unless he did provide notice and that person failed within ninety days either to remove the work or to pay for its removal. If such work is removed at the expense of the author, his heir, legatee, or personal representative, title to such work shall be deemed to be in such person.".

SEC. 5. Section 401 of title 17, United States Code, is amended by adding at the end thereof the following:

"(d) The provisions of this section shall not apply to pictorial, graphic, or sculptural works.".

SEC. 6. The criminal penalties provided by section 506 of title 17, United States Code, shall not apply to infringement of the rights created in section 106 (b), (c), and (d) of such title.

SEC. 7. There are hereby authorized to be appropriated such sums as are necessary to carry out the provisions of this Act.

SEC. 8. Nothing in this Act, or the amendments made by this Act, shall be construed to apply to a work made for hire as defined in section 101 of title 17, United States Code.

By Mr. PELL (by request) (for himself, Mr. EXON, Ms. MIKULSKI, Mr. HATCH, Mr. DASCHLE, and Mr. PRESSLER):

S. 1620. A bill to reauthorize and revise the act of September 30, 1950 (Public Law 874, Eighty-first Congress) relating to Federal impact aid, and for other purposes; to the Committee on Labor and Human Resources.

IMPACT AID REAUTHORIZATION ACT

● Mr. PELL. Mr. President, the measure Senators EXON, MIKULSKI, HATCH, DASCHLE, PRESSLER and I are introducing today would make important changes in the impact aid law. This bill was developed by the National Association of Federally Impacted Schools and I introduce it at their request. The association represents a broad cross-section of those who receive funds under this program. They should be commended for their efforts to forge a consensus proposal on how best to distribute the limited resources available through impact aid.

Impact aid provides important assistance to school districts that assume unusual financial burdens because of activities by the Federal Government in their area. For example, in my home State of Rhode Island, nearly 6,000 students from federally connected families are educated in our classrooms. These students' parents either live or work on Federal land, thus reducing the local property tax revenues available to the schools.

If enacted, this proposal would greatly simplify the categories of students served under impact aid. It would also establish a payment schedule for the program when it is funded below entitlement levels.

Mr. President, a hearing on this important proposal has already been held by the Subcommittee on Education, Arts, and Humanities. I am hopeful that we will be able to act favorably on major elements of this proposal when we reauthorize the impact aid law, which I anticipate we will do as part of the Elementary and Secondary Education Act reauthorization on which we are now working.

I ask unanimous consent that the full text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1620

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Impact Aid Reauthorization Act of 1987".

ADMINISTRATIVE AMENDMENTS

SEC. 2. (a) The first section of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) (hereafter referred to in this Act as the "Act") is amended by striking out "assistance" and inserting in lieu thereof "reimbursement".

(b) The heading of title I of the Act is amended by striking "ASSISTANCE", and inserting in lieu thereof "REIMBURSEMENT".

(c) The Act is further amended by striking out "the Commissioner" each time it appears and inserting in lieu thereof "the Secretary".

REAUTHORIZATION

SEC. 3. (a) The Act is amended by striking out "October 1, 1988" each place it appears in sections 2(a), 3(b), 4(a), and 7(a)(1) and inserting in lieu thereof "October 1, 1993".

(b) Section 3(d)(2)(E) of such Act is amended by striking out "1983 through 1983" and inserting in lieu thereof "1989 through 1993".

(c) There are authorized to be appropriated $760,000,000 for fiscal year 1989, $800,000,000 for fiscal year 1990, $840,000,000 for fiscal year 1991, $880,000,000 for fiscal year 1992, and $925,000,000 for fiscal year 1993, to carry out the provisions of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress).

PAYMENTS

SEC. 4. (a) Section 3(d)(1)(A) of the Act is amended to read as follows:

"(A) in the case of any local educational agency with respect to which the number of children is determined under subsection (a) an amount equal to 100 per centum of the local contribution rate multiplied by the number of children determined under such subsection plus the product obtained with respect to such agency under subparagraph (B); and".

(b) Section 3(d)(1)(B) of the Act is amended to read as follows:

"(B) in any other case, an amount equal to the sum of the product obtained by multiplying 25 per centum of the local contribution rate by the number of children determined with respect to such agency for such fiscal year under subsection (b).".

(c)(1) Section 3(d)(2)(B)(i) of the Act is amended to read as follows:

"(i) the amount of payment resulting from paragraph (1), as is otherwise provided in this subsection with respect to any local educational agency for any fiscal year, together with the funds available including capital outlay funds, determined in accordance with subparagraph (E), to such agency from State and local sources and from other sections of this title, is less than the amount necessary to enable such agency to provide a level of education equivalent to the State average or to that maintained in three or more of the school districts of the State which are generally comparable to the school district of such agency, whichever is higher;".

(2) Section 3(d)(2)(B) of the Act is amended by inserting after the first sentence the following new sentences: "The increase computed under this subparagraph shall be sufficient to allow the school district of the local educational agency to have an operating cost (calculated in accordance with subparagraph (F)) no greater than the average of comparable school districts in the State, or if there are no comparable school districts, the State average operational cost. For the purpose of clause (ii), the Secretary shall determine that a reasonable tax effort has been made if the tax effort of the agency in the year for which the determination is made is an amount that is at least equal to 80 percent of the average taxes levied for operational purposes by not more than 3 comparable school districts for that year. Payments made to an agency under this subparagraph in any fiscal year shall be reduced by the percentage that the average operational tax rate of the comparable school districts, or, if none, the State average operational tax rate exceeds the actual tax levied by the school district of the agency.".

(3) Section 3(d)(2)(E) of the Act is amended to read as follows:

"(E) For the purpose of subparagraph (B)(i) of this paragraph, capital outlay funds qualify if such funds are accounted for separately in State payments to local educational agencies, but such funds may not include any cash balance at the end of a year allowed under State law, or, whenever no State law governing cash balance exists, may not include 30 percent of the local educational agency's operating costs.".

(4) Section 3(d)(2) of the Act is amended by adding at the end thereof the following:

"(F) For the purpose of the second sentence of this paragraph, the Secretary shall calculate the operating cost using the most recent data available at the time of calculation, adjusted for appropriate economic factors."

(d) Section 3(h) of the Act is amended by adding at the end the following sentence: "For the fiscal year beginning October 1, 1987, and for each year thereafter, the local contribution rate for such coterminous agencies shall be not less than 70 per centum of the average per pupil expenditure in all States during the second preceding year prior to the fiscal year for which the determination is made.".

(e) Section 3 of the Act is amended by adding at the end the following new subsection:

"(i) Any local educational agency which is eligible under section 3(d)(2)(B) shall receive 100 per centum of the amount to which such agency is entitled under subsections (a) and (b).".

METHOD OF PAYMENT

SEC. 5. (a) The first sentence of section 5(b) of the Act is amended by inserting after "agency" a comma and the following: "rounded to the nearest whole dollar,".

(b) Section 5(c)(1) of the Act is amended to read as follows:

"(1)(A) The Secretary shall first allocate to each local educational agency which is entitled to a payment under section 2 an amount equal to 100 per centum of the amount to which it is entitled as computed under that section for such fiscal year.

"(B) The Secretary shall reserve from the remainder of the sums appropriated for this Act (other than amounts needed for section 7) for such fiscal year—

"(i) 80 per centum for the purpose of allocating sums under paragraph (2) for entitlements made under section 3(a); and

"(ii) 20 per centum for the purpose of allocating sums under paragraph (3) for entitlements made under section 3(b).".

(c)(1) Section 5(c)(2) of the Act is amended to read as follows:

"(2)(A) For the purpose of allocating that part of such sums which remain after the allocation required by paragraph (1) and any allocation required by sections 5(e) and 3(h) for any fiscal year, and available for section 3(a) for such fiscal year, the Secretary shall determine the category to which a local educational agency belongs as follows:

"(i) Each local educational agency in which the number of children determined under section 3(a) amounts to at least 20 per centum of the total number of children who were in average daily attendance in the schools of such agency is in category (i).

"(ii) Each local educational agency in which the number of children determined under section 3(a) amounts to at least 15 per centum, but less than 20 per centum of the total number of children who were in average daily attendance in the schools of such agency is in category (ii).

"(iii) Each local educational agency in which the number of children determined under section 3(a) amounts to less than 15 per centum of the total number of children who were in average daily attendance in the schools of such agency is in category (iii).

"(B) The Secretary shall allocate the amounts described in subparagraph (A) according to the following schedule:

"(i) A first allocation shall be made as follows:

"(I) 80 per centum of entitlement to local educational agencies described in category (i);

"(II) 60 per centum of entitlement to local educational agencies described in category (ii); and

"(III) 40 per centum of entitlement to local educational agencies described in category (iii).

"(ii) Any sums remaining after the allocation pursuant to clause (i) shall be allocated as follows:

"(I) 20 per centum of entitlement to local educational agencies described in category (i);

"(II) 15 per centum of entitlement to local educational agencies described in category (ii); and

"(III) 10 per centum of entitlement to local educational agencies described in category (iii).

"(iii) Any sums remaining after the allocation pursuant to clause (ii) shall be allocated as follows:

"(I) 25 per centum of entitlement to local educational agencies described in category (ii); and

"(II) 50 per centum of entitlement to local educational agencies described in category (iii).

"(3)(A) For the purpose of allocating that part of such sums which remain after the allocation required by paragraph (1) for any fiscal year, and available for section 3(b), the Secretary shall determine the category to which a local educational agency belongs as follows:

"(i) Each local educational agency in which the number of children determined under section 3(b) amounts to at least 20 per centum of the total number of children who were in average daily attendance in the schools of such agency is in category (i).

"(ii) Each local educational agency in which the number of children determined under section 3(b) amounts to less than 20 per centum of the total number of children who were in average daily attendance in the schools of such agency is in category (ii).

"(B) The Secretary shall allocate the amounts described in subparagraph (A) according to the following schedule:

"(i) A first allocation shall be made as follows:

"(I) 20 per centum of entitlement to local educational agencies described in category (i); and

"(II) 10 per centum of entitlement to local educational agencies described in category (ii).

"(ii) Any sums remaining after the allocation pursuant to clause (i) shall be allocated as follows:

"(I) 30 per centum of entitlement to local educational agencies described in category (i); and

"(II) 5 per centum of entitlement to local educational agencies described in category (ii).

"(iii) Any sums remaining after the allocation pursuant to clause (ii) shall be allocated as follows:

"(I) 50 per centum of entitlement to local educational agencies described in category (i); and

"(II) 85 per centum of entitlement to local educational agencies described in category (ii).

"(4)(A) Whenever the additional amounts described in paragraphs (2)(A) and (3)(A) in each fiscal year are insufficient to provide the required percent of entitlement under clause (ii) or (iii) of paragraph (2)(B), or clause (ii) or (iii) of paragraph (3)(B), respectively, the Secretary shall allocate such additional amounts according to the following schedule for each such clause:

"(i) 72 per centum under clause (ii)(I) of paragraph (2)(B), 3 per centum under clause (ii)(II) of paragraph (2)(B), and 25 per centum under clause (ii)(III) of paragraph (2)(B), of the amount which the Secretary determines is available for clause (ii) of paragraph (2)(B);

"(ii) 75 per centum under clause (iii)(I) of paragraph (2)(B), and 25 per centum under clause (iii)(II) of paragraph (2)(B) of the amount which the Secretary determines is available for clause (iii) of paragraph (2)(B);

"(iii) 75 per centum under clause (ii)(I) of paragraph (3)(B), and 25 per centum under clause (ii)(II) of paragraph (3)(B) of the amount which the Secretary determines is available for clause (ii) of paragraph (3)(B); and

"(iv) 75 per centum under clause (iii)(II) of paragraph (3)(B), and 25 per centum under clause (iii)(II) of paragraph (3)(B) of the amount which the Secretary determines is available for clause (iii) of paragraph (3)(B).

"(B) For the purpose of subparagraph (A), the amount available in each fiscal year for each clause is the amount which bears the same ratio to the amount available in that fiscal year for subparagraph (A) for paragraph (2)(B) or paragraph (3)(B), as the case may be, as the full entitlement for each such clause bears to the full entitlement under paragraph (2) or (3), as the case may be.

"(C) Whenever the additional amounts allocated under subparagraph (A) are insufficient to meet the required per centum of entitlement under any clause in paragraph (2)(B) or (3)(B), the Secretary shall allocate the amount available in the manner prescribed under subparagraph (A).".

(2)(A) Section 5(c)(3) of the Act is repealed.

(B) The last sentence of section 5(c) of the Act is repealed.

(d)(1) Section 5(d)(2)(A)(ii) of the Act is amended by inserting before the period at the end a comma and the following: "and only if the formula used by the State ensures that the local educational agency will have sufficient funds available to that agency to equal or exceed the average per pupil expenditure for the State or the average per pupil expenditure for comparable districts, whichever is greater.".

(2) Section 5(d)(2)(A) of the Act is amended by inserting after the first sentence the following flush sentence: "The amount received under section 2, and the increase in payments described in sections 3(d)(2)(B), 3(d)(2)(C), 3(d)(2)(D), and 3(d)(3)(B)(ii) shall not be taken into consideration by the State for the purpose of this subparagraph.".

(e)(1) The first sentence of section 5(e)(1) of the Act is amended to read as follows: "For any fiscal year after September 30, 1987, the Secretary shall allocate to any local educational agency which received a payment under section 3(a) in fiscal year 1987, an amount which is not less than the product of 100 per centum of the per pupil amount paid to such agency in fiscal year 1987 and the number of children in average daily attendance for the fiscal year for which the determination is made under such subsection.".

(2) Section 5(e) of the Act is amended—

(A) by striking out "(1)" after the subsection designation; and

(B) by striking out paragraph (2).

CHILDREN FOR WHOM LOCAL AGENCY IS UNABLE TO PROVIDE EDUCATION

SEC. 6. Section 6 of the Act is amended by adding at the end thereof the following new subsection:

"(i) Notwithstanding any other provision of law, a local educational agency receiving funds under section 3 may also receive funds under section 6.".

REGULATION REVIEW PANELS

SEC. 7. The Act is amended by adding at the end thereof the following:

"REGULATION REVIEW PANELS

"SEC. 8. (a) The Secretary shall, before publication of proposed regulations for this Act in the Federal Register, establish regional panels to review the proposed regulations. Each regional panel required by this section shall be composed of Federal, State, and local education administrators, parents of elementary and secondary students, elementary and secondary teachers, and members of local educational agencies involved with implementing programs under this Act.

"(b) Whenever the Secretary needs to issue regulations in an emergency situation within a very limited time to assist State and local educational agencies with the operation of the program under this Act, the Secretary may issue a regulation without complying with subsection (a), but the Secretary shall immediately thereafter convene regional panels to review the emergency regulation prior to issuing such regulation in final form.".●

ADDITIONAL COSPONSORS

S. 303

At the request of Mr. BRADLEY, the name of the Senator from Massachusetts [Mr. KENNEDY] was added as a cosponsor of S. 303, a bill to establish a Federal program to strengthen and improve the capability of State and local educational agencies and private nonprofit schools to identify gifted and talented children and youth and to provide those children and youth with appropriate educational opportunities, and for other purposes.

S. 437

At the request of Mr. METZENBAUM, the names of the Senator from North Dakota [Mr. CONRAD], and the Senator from South Dakota [Mr. PRESSLER] were added as cosponsors of S. 437, a bill to amend the Small Business Investment Act of 1958 to permit prepayment of loans made to State and local development companies.

S. 450

At the request of Mr. ARMSTRONG, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of S. 450, a bill to recognize the organization known as the National Mining Hall of Fame and Museum.

S. 466

At the request of Mr. METZENBAUM, the name of the Senator from Hawaii [Mr. MATSUNAGA] was added as a cosponsor of S. 466, a bill to provide for a waiting period before the sale, delivery, or transfer of a handgun.

S. 566

At the request of Mr. KARNES, his name was added as a cosponsor of S. 566, a bill to amend the Tax Reform Act of 1984 to provide a special rule for mutual life insurance companies and to amend the Internal Revenue Code of 1986 to provide depositors in insolvent financial institutions the option of a one-time ordinary loss deduction.

S. 604

At the request of Mr. PRYOR, the name of the Senator from Kentucky [Mr. FORD] was added as a cosponsor of S. 604, a bill to promote and protect taxpayer rights, and for other purposes.

S. 840

At the request of Mr. THURMOND, the names of the Senator from Delaware [Mr. BIDEN], the Senator from Rhode Island [Mr. CHAFEE], and the Senator from Arizona [Mr. MCCAIN] were added as cosponsors of S. 840, a bill to recognize the organization known as the 82nd Airborne Division Association, Incorporated.

S. 887

At the request of Mr. MOYNIHAN, his name was added as a cosponsor of S. 887, a bill to extend the authorization of appropriations for and to strengthen the provisions of the Older Americans Act of 1965, and for other purposes.

At the request of Mr. KARNES, his name was added as a cosponsor of S. 887, supra.

At the request of Mr. MATSUNAGA, the names of the Senator from New Mexico [Mr. DOMENICI], the Senator from New Jersey [Mr. BRADLEY], and the Senator from Iowa [Mr. GRASSLEY] were added as cosponsors of S. 887, supra.

S. 1085

At the request of Mr. GLENN, the name of the Senator from Delaware [Mr. ROTH] was added as a cosponsor of S. 1085, a bill to create an independent oversight board to ensure the safety of U.S. Government nuclear facilities, to apply the provisions of OSHA to certain Department of Energy nuclear facilities, to clarify the jurisdiction and powers of Government agencies dealing with nuclear wastes, to ensure independent research on the effects of radiation on human beings, and for other purposes.

S. 1159

At the request of Mr. INOUYE, the name of the Senator from New Hampshire [Mr. HUMPHREY] was added as a cosponsor of S. 1159, a bill to establish the National Aviation Authority as an independent user-fee supported government corporation to operate, maintain and enhance an efficient and responsive national system for airways management and air traffic control, and for other purposes.

S. 1181

At the request of Mr. PRYOR, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of S. 1181, a bill to amend the Federal Salary Act of 1967 and title 5 of the United States Code to provide that the authority to determine levels of pay for administrative law judges be transferred to the Commissions on Executive, Legislative, and Judicial Salaries.

S. 1203

At the request of Mr. GRASSLEY, the name of the Senator from Louisiana [Mr. BREAUX] was added as a cosponsor of S. 1203, a bill to amend title 22, United States Code, to make unlawful the establishment or maintenance within the United States of an office of the Palestine Liberation Organization, and for other purposes.

S. 1220

At the request of Mr. KENNEDY, the names of the Senator from Michigan [Mr. RIEGLE], and the Senator from Texas [Mr. BENTSEN] were added as cosponsors of S. 1220, a bill to amend the Public Health Service Act to provide for a comprehensive program of education, information, risk reduction, training, prevention, treatment, care, and research concerning acquired immunodeficiency syndrome.

S. 1239

At the request of Mr. KARNES, his name was added as a cosponsor of S. 1239, a bill to amend the International Revenue Code of 1986 with respect to the treatment of certain short-term loans.

S. 1346

At the request of Mr. MATSUNAGA, the name of the Senator from Nevada [Mr. REID] was added as a cosponsor of S. 1346, a bill to amend the National Labor Relations Act to give employers and performers in the performing arts rights given by section 8(e) of such act to employers and employees in similarly situated industries, to give employers and performers in the performing arts the same rights given by section 8(f) of such act to employers and employees in the construction industry, and for other purposes.

S. 1368

At the request of Mr. HEFLIN, the name of the Senator from Alabama [Mr. SHELBY] was added as a cosponsor of S. 1368, a bill for the relief of Meenakshiben P. Patel.

S. 1397

At the request of Mr. CRANSTON, the name of the Senator from Nebraska [Mr. KARNES] was added as a cosponsor of S. 1397, a bill to recognize the organization known as the Non Commissioned Officers Association of the United States of America.

S. 1440

At the request of Mr. EVANS, the names of the Senator from Minnesota [Mr. DURENBERGER], the Senator from Nebraska [Mr. EXON], and the Senator from Georgia [Mr. FOWLER] were added as cosponsors of S. 1440, a bill to provide consistency in the treatment of quality control review procedures and standards in the Aid to Families with Dependent Children, Medicaid and Food Stamp programs; to impose a temporary moratorium for the collection of penalties under such programs, and for other purposes.

S. 1464

At the request of Mr. CRANSTON, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of S. 1464, a bill to amend title 38, United States Code, to provide eligibility to certain individuals for beneficiary travel payments in connection with travel to and from Veterans' Administration facilities.

S. 1479

At the request of Mr. BOSCHWITZ, the name of the Senator from North Dakota [Mr. BURDICK] was added as a cosponsor of S. 1479, a bill to provide funds and assistance to Farm Credit System institutions, to protect borrower stock, and for other purposes.

S. 1485

At the request of Mr. Ford, the names of the Senator from New Mexico [Mr. Bingaman], and the Senator from Nebraska [Mr. Exon] were added as cosponsors of S. 1485, a bill to amend the Federal Aviation Act of 1958 to provide various protections for passengers traveling by aircraft, and for other purposes.

S. 1501

At the request of Mr. Cranston, the name of the Senator from New Jersey [Mr. Lautenberg] was added as a cosponsor of S. 1501, a bill to amend title 38, United States Code, to eliminate the requirement that the Administrator of Veterans' Affairs carry out a transition under which community-based Vet Centers would be moved to Veterans' Administration medical facilities and to provide standards and procedures governing any closures or moves of Vet Centers, and for other purposes.

S. 1511

At the request of Mr. Moynihan, the names of the Senator from North Dakota [Mr. Burdick], the Senator from Arizona [Mr. DeConcini], the Senator from New Jersey [Mr. Lautenberg], the Senator from Ohio [Mr. Glenn], and the Senator from Louisiana [Mr. Breaux] were added as cosponsors of S. 1511, a bill to amend title IV of the Social Security Act to replace the AFDC program with a comprehensive program of mandatory child support and work training which provides for transitional child care and medical assistance, benefits improvements, and mandatory extension of coverage to two-parent families, and which reflects a general emphasis on shared and reciprocal obligation, program innovation, and organizational renewal.

S. 1518

At the request of Mr. Rockefeller, the names of the Senator from Michigan [Mr. Riegle], the Senator from Arkansas [Mr. Bumpers], the Senator from North Dakota [Mr. Conrad], and the Senator from Texas [Mr. Bentsen] were added as cosponsors of S. 1518, a bill to amend the Motor Vehicle Information and Cost Savings Act to provide for the appropriate treatment of methanol and ethanol, and for other purposes.

S. 1519

At the request of Mr. Lautenberg, the names of the Senator from New Mexico [Mr. Bingaman], and the Senator from Michigan [Mr. Riegle] were added as cosponsors of S. 1519, a bill to authorize the President of the United States to award congressional gold medals to Lawrence Doby and posthumously to Jack Roosevelt Robinson in recognition of their accomplishments in sport and in the advancement of civil rights, and to authorize the Secretary of the Treasury to sell bronze duplicates of those medals.

S. 1520

At the request of Mr. Karnes, his name was added as a cosponsor of S. 1520, a bill to amend the Internal Revenue Code of 1986 to allow certain entities to elect not to make changes in their taxable years required by the Tax Reform Act of 1986, and for other purposes.

S. 1554

At the request of Mr. Fowler, the names of the Senator from West Virginia [Mr. Byrd], the Senator from Massachusetts [Mr. Kennedy], and the Senator from Massachusetts [Mr. Kerry] were added as cosponsors of S. 1554, a bill to provide Federal assistance and leadership to a program of research, development and demonstration of renewable energy and energy conservation, and for other purposes.

SENATE JOINT RESOLUTION 11

At the request of Mr. Thurmond, the name of the Senator from Minnesota [Mr. Boschwitz] was added as a cosponsor of Senate Joint Resolution 11, a joint resolution proposing an amendment to the Constitution relating to Federal balanced budget.

SENATE JOINT RESOLUTION 59

At the request of Mr. Thurmond, the name of the Senator from Oregon [Mr. Packwood] was added as a cosponsor of Senate Joint Resolution 59, a joint resolution to designate the month of May 1987 as "National Foster Care Month".

SENATE JOINT RESOLUTION 106

At the request of Mr. Bingaman, the names of the Senator from New Jersey [Mr. Lautenberg], the Senator from Virginia [Mr. Warner], the Senator from Maine [Mr. Cohen], and the Senator from Alaska [Mr. Stevens] were added as cosponsors of Senate Joint Resolution 106, a joint resolution to recognize the Disabled American Veterans Vietnam Veterans National Memorial as a memorial of national significance.

At the request of Mr. D'Amato, his name was added as a cosponsor of Senate Joint Resolution 106, supra.

SENATE JOINT RESOLUTION 111

At the request of Mr. Heinz, the name of the Senator from New Jersey [Mr. Lautenberg] was added as a cosponsor of Senate Joint Resolution 111, a joint resolution to designate each of the months of November, 1987, and November 1988, as "National Hospice Month".

SENATE JOINT RESOLUTION 148

At the request of Mr. D'Amato, the names of the Senator from North Dakota [Mr. Burdick], the Senator from Rhode Island [Mr. Chafee], the Senator from Missouri [Mr. Danforth], the Senator from Connecticut [Mr. Dodd], the Senator from Massachusetts [Mr. Kerry], the Senator from Hawaii [Mr. Matsunaga], the Senator from Rhode Island [Mr. Pell], and the Senator from California [Mr. Wilson] were added as cosponsors of Senate Joint Resolution 148, a joint resolution designating the week of September 20, 1987, through September 26, 1987, as "Emergency Medical Services Week".

SENATE JOINT RESOLUTION 172

At the request of Mr. Bradley, the names of the Senator from Hawaii [Mr. Inouye] and the Senator from Hawaii [Mr. Matsunaga] were added as cosponsors of Senate Joint Resolution 172, a joint resolution to designate the period commencing February 21, 1988, and ending February 27, 1988, as "National Visiting Nurse Association Week".

SENATE JOINT RESOLUTION 173

At the request of Mr. Reid, the names of the Senator from Oklahoma [Mr. Boren] and the Senator from Florida [Mr. Graham] were added as cosponsors of Senate Joint Resolution 173, a joint resolution to commemorate the 200th anniversary of the signing of the United States Constitution.

SENATE JOINT RESOLUTION 181

At the request of Mr. Wilson, the name of the Senator from California [Mr. Cranston] was added as a cosponsor of Senate Joint Resolution 181, a joint resolution designating the week beginning February 1, 1988, as "National VITA Week".

SENATE CONCURRENT RESOLUTION 23

At the request of Mr. Cranston, the names of the Senator from Michigan [Mr. Riegle], and the Senator from Georgia [Mr. Fowler] were added as cosponsors of Senate Concurrent Resolution 23, a concurrent resolution designating jazz as an American national treasure.

AMENDMENT NO. 591

At the request of Mr. Danforth, the names of the Senator from Illinois [Mr. Dixon], the Senator from Vermont [Mr. Leahy], the Senator from Texas [Mr. Bentsen], the Senator from Kansas [Mr. Dole], the Senator from Idaho [Mr. Symms], and the Senator from Minnesota [Mr. Durenberger] were added as cosponsors of amendment No. 591 intended to be proposed to S. 328, a bill to amend chapter 39, United States Code, to require the Federal Government to pay interest on overdue payments, and for other purposes.

SENATE RESOLUTION 270—PAYING SPECIAL TRIBUTE TO PORTUGUESE DIPLOMAT DR. DE SOUSA MENDES

Mr. LAUTENBERG (for himself and Mr. Pell) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 270

Whereas during the early days of World War II, France became the home of European refugees from Nazi persecution;

Whereas following the collapse of the French Republic in June 1940, thousands of refugees fled south to Bordeaux, away from invading armies;

Whereas their only escape route from France was over the Pyrenees Mountains through Spain to neutral Portugal;

Whereas Portuguese diplomats were under specific orders by the government of Antonio de Oliveria Salazar not to issue visas to Jews;

Whereas the Portuguese Consul to Bordeaux, Aristides de Sousa Mendes do Amaral e Abranches, remaining faithful to the dictates of his conscience, defied government orders and issued more than 30,000 Portuguese visas to stranded refugees, at least 10,000 of them Jews, saving them from almost certain death;

Whereas Portugal received international acclaim for its humanitarian treatment of Jews and other refugees during World War II;

Whereas Dr. de Sousa Mendes, the man responsible for saving more than 30,000 lives, was recalled to Lisbon, was dismissed from the Foreign Service, and unable to practice law, died in poverty in 1954.

Whereas in 1967, Yad Vashem, the Martyrs and Heroes Remembrance Authority in Israel, posthumously awarded Dr. de Sousa Mendes a gold medal inscribed with the Talmudic dictum: "One who saves a human life saves, as it were, a whole world";

Whereas Israel's gratitude to Dr. de Sousa Mendes was again proclaimed in 1985 with the planting of a tree in his name in the Garden of the Righteous at Yad Vashem in Jerusalem; and

Whereas Dr. de Sousa Mendes served as Portuguese Counsul to San Francisco in the 1920's, two of his children were born in California, and four of them are now residents and citizens of the United States; and

Whereas the Honorable Mario Soares, the President of Portugal, conferred posthumously on Dr. de Sousa Mendes the Ordem da Liberdade (the Order of Liberty), and presented this medal to the children of Dr. de Sousa Mendes at ceremonies at the Embassy of Portugal in the city of Washington, District of Columbia, on May 19, 1987: Now, therefore, be it

Resolved, That, the Senate pays special tribute to Portuguese diplomat Dr. Aristides de Sousa Mendes do Amaral e Abranches for his extraordinary acts of mercy and justice during World War II.

SEC. 2. The Clerk of the Senate shall transmit copies of this resolution to the President. The President is requested to transmit a copy of this resolution to the President of the Republic of Portugal and the President of the Assembly of the Republic of Portugal.

● Mr. LAUTENBERG. Mr. President, today, Senator PELL and I are submitting a resolution to pay special tribute to Portuguese diplomat Dr. Aristides de Sousa Mendes do Amaral e Abranches for his extraordinary acts of mercy and justice during World War II. I greatly appreciate the support of the chairman of the Senate Foreign Relations Committee in joining me in introducing this resolution.

This resolution would honor Dr. de Sousa Mendes for his service to humanity during the war, and it would request the President of the United States to transmit a copy of the resolution to the President of the Republic of Portugal and the President of the Assembly of the Republic of Portugal. It is similar to a resolution introduced in the House of Representatives, House Resolution 162, by Representative TONY COELHO.

Dr. de Sousa Mendes was the Portuguese Consul General in Bordeaux, France between 1938 and 1940 when the German armies were conquering Europe. At that time, France became the home of European refugees fleeing Nazi persecution. When the French Republic collapsed in June 1940, thousands of refugess fled invading armies by going south to Bordeaux. Many of those refugees were Jews. The only escape route for these individuals was over the Pyrenees Mountains through Spain to neutral Portugal.

As a Portuguese diplomat, Dr. de Sousa Mendes was given specific orders by the government of Antonio de Oliveira Salazar not to issue visas to refugees. But in defiance of his government's orders, Dr. de Sousa Mendes issued more than 30,000 Portuguese visas to stranded refugees. At least 10,000 of these refugees were Jews who were saved from almost certain death by Dr. de Sousa Mendes' humanitarian gesture.

Although Portugal later received international praise for its humanitarian treatment of Jewish and other refugees during World War II, Dr. de Sousa Mendes suffered for his acts of kindness and graciousness. For issuing these visas, he was recalled to Lisbon and was dismissed from the Foreign Service. Unable to practice law and barred from diplomatic service, he died in poverty in 1954.

Dr. de Sousa Mendes was a man of rare courage. Recognizing that the lives of thousands of desperate refugees were in his hands, he dared to help. At great personal risk and sacrifice, he followed his conscience and issued visas for these stranded individuals. He is one of the few righteous who stands out in that dark period in world history as a hero. A hero who stood for humanity, dignity, and respect.

Mr. President, in 1967, Yad Vashem, the Martyrs and Heroes Remembrance Authority in Israel awarded Dr. de Sousa Mendes a gold medal inscribed with a phrase from the Talmud: "One who saves a human life saves, as it were, a whole world." Israel again expressed its gratitude to Dr. de Sousa Mendes in 1985 by planting a tree in his name in the Garden of the Righteous at Yad Vashem.

The President of Portugal, the Honorable Mario Soares, has also honored Dr. de Sousa Mendes. President Soares awarded Dr. de Sousa Mendes with the Portuguese Ordem da Liberdade, the Order of Liberty, in recognition of his bold efforts to save thousands of lives during the war. On May 19 of this year, that award was presented to Dr. de Sousa Mendes' children at the Embassy of Portugal in Washington, DC.

The Senate should also join in honoring Dr. de Sousa Mendes for his courage and service to humanity. I urge my colleagues to join me in cosponsoring this resolution to honor Dr. de Sousa Mendes.●

● Mr. PELL. Mr. President, I am very pleased to join Senator LAUTENBERG in introducing this legislation paying tribute to Dr. de Sousa Mendes for his extraordinary efforts during World War II to help refugees escape Nazi persecution. Following the collapse of the French Republic in June 1940, thousands of European refugees fled south to Bordeaux to escape the Nazi armies. From there they tried to make their way over the Pyrenees Mountains through Spain to neutral Portugal.

At that time, Dr. de Sousa Mendes was the Portuguese consul in Bordeaux and found himself under strict orders from the Salazar government not to issue visas to escaping refugees, particularly Jews. He defied those orders and issued more than 30,000 visas to stranded refugees, including at least 10,000 visas to Jewish refugees. When the Salazar government learned that de Sousa Mendes had followed the dictates of his conscience rather than the demands of the regime, it closed Portugal's borders to anyone carrying a visa issued in Bordeaux. De Sousa Mendes then personally guided 500 refugees through a Portuguese border post that had not yet learned of the ban on visas issued in Bordeaux.

Ordered home by the Salazar government, Dr. de Sousa Mendes was dismissed from the Foreign Service and stripped of his right to practice law. He died in poverty in 1954.

Dr. de Sousa Mendes' extraordinary acts of courage and mercy have already been recognized by the Martyrs and Heroes Remembrance Authority in Israel and by the planting of a tree in his name in the Garden of the Righteous at Yad Vashem in Jerusalem. And on his recent trip to the United States, Portuguese President Mario Soares posthumously awarded de Sousa Mendes the Ordem da Liberdade—the Order of Liberty—and presented the medal to de Sousa Mendes' children during ceremonies at the Portuguese Embassy.

The time has come for the U.S. Congress to pay special tribute to Dr. de Sousa Mendes for the tens of thousands of lives which he saved during World War II. Representative COELHO has introduced companion legislation on the House side and I hope that the Congress will adopt this resolution in a timely manner.●

SENATE RESOLUTION 271—SENSE OF THE SENATE WITH RESPECT TO JAPANESE TRADE WITH VIETNAM

Mr. KASTEN (for himself, Mr. Dole, Mr. Helms, Mr. Bingaman, Mr. Wilson, and Mr. Heinz) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. Res. 271

Whereas 140,000 Vietnamese troops invaded Cambodia in early 1978;

Whereas for the past 9 years, the vast majority of Western powers have pledged to maintain embargoes on developmental aid to Vietnam until these troops are removed;

Whereas Japan initially participated in this embargo, freezing some $135,000,000 in grants and concessionary loans, and reducing trade levels from $220,000,000 in 1978 to $120,000,000 the following year;

Whereas despite the fact that 140,000 Vietnamese troops continue to occupy Cambodia, Japan's economic ties with Vietnam have grown steadily since 1982, reaching a present day trade level of $230,000,000, and this includes developmental trade;

Whereas the Japanese government has consistently refused to take any action against its private business sector which initiates this trade;

Whereas the Honda Motor Company plans to build motorcycles in Vietnam and such motorcycles may enhance the mobility of the Vietnamese army; and

Whereas Vietnam's 65 million people are a tempting lure for investors seeking low wages and for traders seeking new markets: Now, therefore, be it

Resolved, That the Senate hereby—

(1) renews its condemnation of the continued Vietnamese occupation of the sovereign state of Cambodia, an activity which violates all standards of conduct befitting a responsible nation and contravenes all recognized principles of international law,

(2) condemns the trading policies of the Japanese government which—

(A) allow its private business sector to engage in developmental trade with the Socialist Republic of Vietnam, and

(B) previously granted a similar allowance enabling Japanese corporations to trade with the Republic of Cuba, and

(3) condemns specific Japanese trading practices with Vietnam which provide long-term credits and developmental equipment, including equipment for—

(A) oil and exploration development,

(B) forestry and fishery production,

(C) development of commodities for light industries, and

(D) the upgrading of production capacities for export purposes.

Mr. KASTEN. Mr. President, I rise today to submit a resolution on behalf of myself and Senators Dole, Helms, Bingaman, Wilson, and Heinz, which condemns certain trading policies of the Japanese Government.

Nine years ago, 140,000 Vietnamese soldiers invaded Cambodia. In response, Japan immediately joined in a Western embargo of Vietnam, and froze all official economic aid to that country.

Similarly, Japanese exports to Vietnam fell from $220 million in 1978 to $120 million in 1979. Like its Western allies, Japan vowed to retain this embargo until Vietnamese troops left Cambodia.

Although these efforts to pressure a Vietnamese withdrawal from Cambodia have continued for 9 years, those troops still remain. Yet, in direct violation of their previously stated intent, Japan's exports levels to Vietnam have recently risen to a level of $230 million, while Japanese business ties with Hanoi have grown substantially.

The Japanese have become Vietnam's largest non-Communist trading partner. Japan provides developmental equipment and long-term credits. The areas of development include:

First, oil exploration and development;

Second, forestry and fishery production;

Third, development of commodities for light industries, and

Fourth, upgrading of production capacities for export purposes.

A prime example of Japanese corporate investment in Vietnam is the Honda Motor Co. plan to manufacture motorcycles there. A Vietnamese cooperative will receive from Japan all the necessary parts and assembly equipment for producing the motorcycles.

Not only will this provide jobs for Vietnamese citizens and capital for Vietnam's economy, but it will also involve the production of vehicles that will increase the mobility of the Vietnamese Army.

The Japanese Government disclaims reports that it supports these activities—yet Japanese foreign ministry officials have repeatedly visited Vietnam. In fact, a consortium representing 90 Japanese business firms has announced that it will build a trading center in Hanoi.

Reports of Japanese violations of trading agreements are not new to the Senate. Recent disclosures on the sale of sophisticated milling machines from a Japanese business firm to the Soviet military led to the ban of Toshiba imports into the United States.

Yet, it has become clear that these trading violations are not restricted to a specific firm, but in fact reflect the current mentality of many Japanese business firms.

Some of my colleagues have been reluctant to support this legislation because of concern that the Senate is overly engaged in "Japan bashing." However, Mr. President, the fact of the matter is that the Japanese are breaking a mutual agreement made with their Western allies.

Vietnam's 65 million people are a tempting lure for investors seeking low wages and for traders seeking new markets. Yet, while Japanese firms reap the benefits of an economy prime for the taking, such efforts break the embargoes we are trying to foster against Vietnam.

This resolution does not include sanctions against Japan—there are already existing legislative efforts to apply such sanctions. However, it sends a strong message to Japan, that they still have much to do in getting their house in order regarding trade.

I support free trade. I do not support a government which irresponsibly vies for untapped markets at the expense of its allies.

I ask my colleagues to join me in cosponsoring in this sense of the Senate resolution.

I ask unanimous consent that an article from the Journal of Commerce be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Journal of Commerce, June 16, 1987]

Vietnam To Make Honda Motorcycles

Tokyo.—Honda Motor Co., Japan's major motorcycle maker, said Monday it has signed a contract with an enterprise cooperative in Vietnam to produce small-sized motorcycles on a knock down basis there.

Honda spokesman Toru Nakauchi said the contract was recently signed between a Japanese trading company representing Honda Motor and a group of bicycle and motorcycle makers in Ho Chi Minh City formerly Saigon.

Under the contract, the Vietnamese cooperative will produce 2,000 Honda Super Cub models 50cc and 70cc, Mr. Nakauchi said. He said the date of motorcycle production and its future production target have yet to be fixed.

The Vietnamese cooperative will receive supplies of all necessary parts and assembly equipment for producing motorcycles in the first knock down production of motorcycles in Vietnam, Mr. Nakauchi said. Honda's latest move was taken to "reduce its export cost" of motorcycles to Vietnam because of the yen's appreciaton against the dollar, he said.

Mr. Nakauchi said Honda exported 12,410 small motorcycles to Vietnam on a spot-contract basis last year compared to 5,882 motorcycles shipped to Vietnam in 1985. In Vietnam, some home electrical appliance products, including television sets, are being assembled in cooperation with Japanese and South Korean companies, according to a local news report.

Last month, officials from the United States and the six-member Association of Southeast Asian Nations protested Japan's increasing trade with Vietnam. The United States said it feared an improved Vietnamese economy could hamper efforts to settle the question of U.S. servicemen still missing as a result of the Vietnam war.

SENATE RESOLUTION 272—AUTHORIZING TESTIMONY BY CERTAIN SENATE EMPLOYEES AND REPRESENTATION BY THE SENATE LEGAL COUNSEL

Mr. BYRD (for himself and Mr. Dole) submitted the following resolution; which was considered and agreed to:

S. Res. 272

Whereas in State of Arkansas v. Christoper Kupper, et al., Case Nos. 87-3404 through 87-3413, now pending in the Criminal Division of the Municipal Court, City of Little Rock, Arkansas, three employees of the Senate, Don Floyd, Martha Perry, and Beverly Stover, have been supoenaed on behalf of the defendants to appear and to testify at the trial;

Whereas the three employees have information which may be relevant to that trial;

Whereas pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§ 288b(a) and 288c(a) (1982), the Senate may direct its counsel to represent employees of the Senate with respect to subpoenas issued to them in their official capacities;

Whereas by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by the administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas when it appears that testimony by Senate employees in their official capacities may be needed in any forum for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it

Resolved, That the Senate Legal Counsel is directed to represent Don Floyd, Martha Perry, and Beverly Stover in connection with their testimony in State of Arkansas v. Christopher Kupper, et al.

Sec. 2. That Don Floyd, Martha Perry, and Beverly Stover are authorized to testify at proceedings in State of Arkansas v. Christopher Kupper, et al., except concerning matters which are privileged.

AMENDMENTS SUBMITTED

OLDER AMERICANS ACT AUTHORIZATION

HATCH (AND OTHERS) AMENDMENT NO. 660

Mr. DOLE (for Mr. Hatch, for himself, Mr. Inouye, Mr. Garn, and Mr. Bradley) proposed an amendment to the bill (S. 887) to extend the authorization of appropriations for and to strengthen the provisions of the Older Americans Act of 1965, and for other purposes; as follows:

On page 126, after line 14, add the following:

TITLE VI—HEALTH CARE SERVICES IN THE HOME

SHORT TITLE

Sec. 601. This title may be cited as the "Health Care Services in the Home Act of 1987".

PROGRAM AUTHORIZED

Sec. 602. (a) In General.—Part A of title XIX of the Public Health Service Act is amended by adding at the end thereof the following:

"Subpart 2—Health Care Services in the Home

"authorizations of appropriations

"Sec. 1910C. For the purpose of allotments to States to carry out the activities described in section 1910F, there are authorized to be appropriated $100,000,000 for fiscal year 1988, $100,000,000 for fiscal year 1989, and $100,000,000 for fiscal year 1990.

"allotments

"Sec. 1910D. (a)(1) Except as provided in paragraph (2), the Secretary shall allot to each State for each fiscal year from the amounts appropriated under section 1910C for such fiscal year an amount equal to the product of—

"(A) the population of the State, multiplied by

"(B) the relative per capita income of the State.

For purposes of subparagraph (B), the term 'relative per capita income' has the same meaning as in the last sentence of section 1913(a)(1).

"(2) Notwithstanding paragraph (1)—

"(A) the total amount of the allotment for each of the several States, the District of Columbia, and Puerto Rico for each fiscal year shall not be less than one-half of 1 percent of the total amount appropriated under section 1910C for such fiscal year;

"(B) the total amount of the allotment for each of the Virgin Islands, Guam, and the Trust Territory of the Pacific Islands for each fiscal year shall not be less than one-fourth of 1 percent of the total amount appropriated under section 1910C for such fiscal year; and

"(C) the total amount of the allotment for each of American Samoa and the Commonwealth of the Northern Mariana Islands for each fiscal year shall not be less than one-sixteenth of 1 percent of the total amount appropriated under section 1910C for such fiscal year.

"(b) To the extent that all the funds appropriated under section 1910C for a fiscal year and available for allotment in such fiscal year are not otherwise allotted to States because—

"(1) one or more States have not submitted an application or description of activities in accordance with section 1910G for such fiscal year;

"(2) one or more States have notified the Secretary that they do not intend to use the full amount of their allotment; or

"(3) some State allotments are offset or repaid under section 1906(b)(3) (as such section applies to this subpart pursuant to section 1910G(d)),

such excess shall be allotted among each of the remaining States in proportion to the amount otherwise allotted to such States for such fiscal year without regard to this subsection.

"(c)(1) If the Secretary—

"(A) receives a request from the governing body of an Indian tribe or tribal organization within any State that funds under this subpart be provided directly by the Secretary to such tribe or organization, and

"(B) determines that the members of such tribe or tribal organization would be better served by means of grants made directly by the Secretary under this subpart,

the Secretary shall reserve from amounts which would otherwise be allotted to such State under subsection (a) for a fiscal year the amount determined under paragraph (2).

"(2) The Secretary shall reserve for the purpose of paragraph (1) from amounts that would otherwise be allotted to such State under subsection (a) an amount equal to the amount which bears the same ratio to the State's allotment for the fiscal year involved under subsection (a) as the population of the Indian tribe or tribal organization bears to the population of the State.

"(3) The amount reserved by the Secretary on the basis of a determination under this subsection shall be granted to the Indian tribe or tribal organization serving the individuals for whom such a determination has been made.

"(4) In order for an Indian tribe or tribal organization to be eligible for a grant for a fiscal year under this subsection, it shall submit to the Secretary a plan for such fiscal year which meets such criteria as the Secretary may prescribe.

"payments under allotments to states

"Sec. 1910E. (a) For each fiscal year, the Secretary shall make payments, as provided by section 6503(a) of title 31, United States Code, to each State from its allotment under section 1910D (other than any amount reserved under subsection (c) of such section) from amounts appropriated for that fiscal year.

"(b) Any amount paid to a State for a fiscal year and remaining unobligated at the end of such year shall remain available for the next fiscal year to such State for the purposes for which it was made.

"use of allotments

"Sec. 1910F. (a)(1) Except as provided in subsections (b), (c), and (d), amounts paid to a State under section 1910E from its allotment under section 1910D for any fiscal year may be used to provide health care services in the home for eligible individuals. Such amounts may be used to—

"(A) pay compensation for the services of physicians, nurses, and social workers who plan, manage or provide or arrange for the provision of, health care services in the home for eligible individuals;

"(B) identify and locate eligible individuals needing the provision of health care services in the home;

"(C) develop proper standards and quality assurance mechanisms for the provision of health care services in the home for eligible individuals;

"(D) coordinate health care services provided in the home for eligible individuals under this subpart with other supportive social services provided for such individuals;

"(E) coordinate other long-term care services provided for eligible individuals by public and private institutions and voluntary organizations in order to ensure the provision of such services and to maximize the use of funds provided under this subpart and under other Federal laws; and

"(F) provide training to health professionals (other than physicians, nurses, and social workers), particularly training for health professionals who work within hospitals to educate individuals who may benefit from the provision of health care services in the home, and training in advanced discharge planning.

"(2) A State may use amounts paid to it under section 1910E to provide health care services in the home for eligible individuals through grants to health care organizations. In making such grants, a State shall give priority to home care programs, including home care programs based in hospitals. As a condition of receipt of a grant under this paragraph, a State shall require a health care organization to use amounts provided under such grant only for the provision of health care services in the home for eligible individuals.

"(b) Of the total amount paid to a State under section 1910E for a fiscal year—

"(1) at least 85 percent of such total amount shall, in the case of fiscal year 1988, be used by the State to pay compensation under subsection (a)(1)(A);

"(2) not more than 10 percent of such total amount may, in the case of fiscal year 1988, be used by the State for activities under this subpart other than the payment of compensation under subsection (a)(1)(A); and

"(3) not more than 5 percent may, in the case of a fiscal year beginning after September 30, 1988, be used by the State for activities under this subpart other than the payment of compensation under subsection (a)(1)(A).

"(c) Not more than $2,500 per year may be used by a State, with respect to any eligible individual, to pay compensation for the services of physicians, nurses, and social workers under subsection (a)(1)(A).

"(d) A State may not use amounts paid to it under section 1910E to—

"(1) provide inpatient services, except services involving advanced discharge planning;

"(2) make cash payments to intended recipients of services;

"(3) purchase or improve land, purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or purchase major medical equipment;

"(4) satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds;

"(5) provide services under this subpart to an individual if the total cost to the Federal Government of providing such services would exceed the total cost of institutionalization of such individual;

"(6) provide reimbursement for services performed by any individual other than a physician, nurse, or social worker; or

"(7) provide supportive social services for which planning and management is conducted under subsection (a)(1)(D).

"(e) The Secretary, if requested by a State, shall provide technical assistance to the State in planning and operating activities to be carried out under this subpart.

"APPLICATION AND DESCRIPTION OF ACTIVITIES; REQUIREMENTS

"SEC. 1910G. (a)(1) In order to receive an allotment for a fiscal year under section 1910D, each State shall submit an application to the Secretary. Each such application shall be in such form and submitted by such date as the Secretary shall require.

"(2) Each application required under paragraph (1) for an allotment under section 1910D for a fiscal year shall contain assurances that the State will meet the requirements of subsection (b).

"(b) As part of the annual application required by subsection (a) for an allotment for any fiscal year, the chief executive officer of each State shall—

"(1) certify that the State agrees to use the funds allotted to it under section 1910D in accordance with the requirements of this subpart;

"(2) provide assurances that such chief executive officer will designate or establish a State agency to administer funds provided under this subpart;

"(3) certify that the State will coordinate the provision of health care services in the home with funds provided under this subpart with activities conducted to provide such services by voluntary, religious, and community organizations and local governments;

"(4) provide assurances that the State will make reasonable efforts to provide health care services in the home under this subpart through home care programs in the State, including home care programs based in hospitals; and

"(5) provide assurances that the State will, to the maximum extent feasible, provide health care services in the home under this subpart to individuals who are low income individuals and who are not receiving equivalent home health care services under the State's medicaid plan approved under title XIX of the Social Security Act.

"(c) The chief executive officer of a State shall, as part of the application required by subsection (a) for any fiscal year, also prepare and furnish the Secretary (in accordance with such form as the Secretary shall provide) with a description of the intended use of the payments the State will receive under section 1910E for the fiscal year for which the application is submitted, including information on the programs and activities to be supported and services to be provided. The description shall be made public within the State in such manner as to facilitate comment from any person (including any Federal or other public agency) during development of the description and after its transmittal. The description shall be revised (consistent with this section) throughout the year as may be necessary to reflect substantial changes in the programs and activities assisted by the State under this subpart, and any revision shall be subject to the requirements of the preceding sentence.

"(d) Except where inconsistent with the provisions of this subpart, the provisions of section 1903(b), section 1906(a), paragraphs (1) through (5) of section 1906(b), and sections 1907, 1908, and 1909 shall apply to this subpart in the same manner as such provisions apply to subpart 1 of this part.

"(e) Each report submitted by a State to the Secretary under section 1906(a)(1) (as such section applies to this subpart pursuant to subsection (d) of this section) shall include an analysis of the cost effectiveness of providing health care services in the home for eligible individuals under this subpart.

"EVALUATIONS

"SEC. 1910H. The Secretary shall conduct, or arrange for the conduct of, evaluations of services provided and activities carried out with payments to States under this subpart.

"DEFINITIONS

"SEC. 1910I. For purposes of this subpart—

"(1) The term 'eligible individual' means an individual who—

"(A) resides at home and is at risk of institutionalization because of medical limitations on the ability of such individual to function independently;

"(B) is a patient in a hospital who is at risk of prolonged hospitalization, and who could be cared for in a long-term care institution or who could return to the community if health care services in the home are available; or

"(C) is a patient in a skilled nursing facility or an intermediate care facility who could return to the community if health care services in the home are available.

"(2) The terms 'Indian tribe' and 'tribal organization' have the same meaning given such terms in section 4(b) and section 4(c) of the Indian Self-Determination and Education Assistance Act.".

(b) TECHNICAL AMENDMENTS.—Such part is further amended—

(1) by striking out the heading of such part and inserting in lieu thereof the following:

"PART A—PREVENTIVE HEALTH SERVICES, HEALTH SERVICES, AND HEALTH SERVICES IN THE HOME";

(2) by inserting after the heading of such part the following:

"Subpart 1—Preventive Health and Health Services"; and

(3) by striking out "this part" and inserting in lieu thereof "this subpart" each place it appears in sections 1902(d)(1)(A), 1902(d)(1)(B), 1904(a)(1), 1904(a)(3), 1904(b), 1905(c)(1), 1905(c)(2), 1905(c)(3), 1905(c)(4), 1905(c)(6), and 1905(d).

EFFECTIVE DATE

SEC. 603. This title and the amendments made by this title shall take effect on October 1, 1988.

On page 10, after item "Sec. 507", insert the following:

"TITLE VI—HEALTH CARE SERVICES IN THE HOME

"Sec. 601. Short title.
"Sec. 602. Program authorized.
"Sec. 603. Effective Date.".

MATSUNAGA AMENDMENT NO. 661

Mr. MATSUNAGA proposed an amendment to the bill S. 887, supra; as follows:

On page 18, line 7, strike out "Federal" and insert in lieu thereof "National".

On page 62, line 15, strike out "section 139(b)" and insert in lieu thereof "section 139(b) and 141(b)".

On page 62, line 17, strike out "(6)" and insert in lieu thereof "(7)".

On page 62, line 19, strike out "(7)" and insert in lieu thereof "(8)".

On page 62, line 21, strike out "(7)" and insert in lieu thereof "(8)".

On page 62, line 22, strike out "(8)" and insert in lieu thereof "(9)".

On page 75, lines 8 and 9, strike out "section 154(b)" and insert in lieu thereof "section 155(b)".

On page 78, line 3, strike out "(3)" and insert in lieu thereof "(4)".

MELCHER AMENDMENT NO. 662

Mr. BYRD (for Mr. MELCHER) proposed an amendment to the bill S. 887, supra; as follows:

On page 80, after line 24, insert the following:

INFORMATION ON AGE DISCRIMINATION PROHIBITIONS

SEC. 163. Section 503(b) of the Act is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by inserting at the end thereof the following:

"(2) The Secretary shall distribute to grantees under this title, for distribution to program enrollees, and at no cost to grantees or enrollees, infomational materials developed and supplied by the Equal Employment Opportunity Commission and other appropriate Federal agencies which the Secretary determines are designed to help enrollees identify age discrimination and understand their rights under the Age Discrimination in Employment Act.".

On page 81, line 2, strike out "Sec. 163." and insert in lieu thereof "Sec. 164.".

On page 81, line 7, strike out "Sec. 164." and insert in lieu thereof "Sec. 165.".

On page 81, line 15, strike out "Sec. 165." and insert in lieu thereof "Sec. 166.".

Amend the table of contents accordingly.

MELCHER (AND PRESSLER) AMENDMENT NO. 663

Mr. BYRD (for Mr. Melcher, for himself and Mr. Pressler) proposed an amendment to the bill S. 887, supra; as follows:

On page 101, after line 23, insert the following:

Part G—Consumer Price Index for Older Americans

INDEX AUTHORIZED

Sec. 191. The Secretary of Labor shall, through the Bureau of Labor Statistics, develop, from existing data sources, a reweighted index of consumer prices which reflects the expenditures for consumption by retired Americans aged 62 and over. The Secretary shall furnish to the Congress the index within 180 days after the date of enactment of this Act. The Secretary shall include with the index furnished a report which explains the characteristics of the reweighted index, the research necessary to develop and measure accurately the rate of inflation affecting older Americans, and provides estimates of time and cost required for additional activities necessary to carry out the objective of this section.

On page 9, in the table of contents, after item "Sec. 182." insert the following:

"Part G—Consumer Price Index for Older Americans

"Sec. 191. Index authorized.".

MELCHER AMENDMENT NO. 664

Mr. BYRD (for Mr. Melcher) proposed an amendment to the bill S. 887, supra; as follows:

On page 114, strike out lines 1 through 14 and insert the following:

TITLE IV—NATIONAL SCHOOL LUNCH ACT AMENDMENT

PARTICIPATION OF OLDER PERSONS AND CHRONICALLY IMPAIRED DISABLED PERSONS IN CHILD CARE FOOD PROGRAM

Sec. 401. Section 17 of the National School Lunch Act (42 U.S.C. 1766) is amended by adding at the end the following:

"(p)(1) For purposes of this section, adult day care centers shall be considered eligible institutions for reimbursement for meals or supplements served to persons 60 years of age or older or to chronically impaired disabled persons, including victims of Alzheimer's disease or other neurological and organic brain disorders of the Alzheimer's type. Reimbursement provided to such institutions for such purposes shall supplement, not supplant, funds provided for such purposes on the effective date of this subsection, unless the quality of meals or level of services provided is improved through participation in the program.

"(2) For purposes of this subsection—

"(A) the term 'adult day care center' means any public agency or private nonprofit organization, or any proprietary title XIX or title XX center, which—

"(i) is licensed or approved by Federal, State, or local authorities to provide adult day care services to chronically impaired disabled adults or persons 60 years of age or older in a group setting outside their homes on a less than 24-hour basis; and

"(ii) provides for such care and services directly or under arrangements made by the agency or organization whereby the agency or organization maintains professional management responsibility for all such services; and

"(B) the term 'proprietary title XIX or title XX center' means any private, for-profit center providing adult day care services for which it receives compensation from amounts granted to the States under title XIX or XX of the Social Security Act and which title XIX or title XX beneficiaries were not less than 25 per cent of enrolled eligible participants in a calendar month preceding initial application or annual reapplication for program participation.

"(3)(A) The Secretary of Agriculture, in consultation with the Commissioner on Aging, may establish separate guidelines for reimbursement of institutions described in this subsection.

"(B) The guidelines shall contain provisions designed to assure that reimbursement under this subsection shall not duplicate reimbursement under C of title III of the Older Americans Act of 1965, for the same meal served.".

On page 126, after line 14, insert the following:

TITLE VI—GENERAL PROVISIONS

EFFECTIVE DATE; APPLICATION OF AMENDMENTS

Sec. 601. (a) Effective Date.—Except as provided in subsection (b), this Act and the amendments made by this Act shall take effect on October 1, 1987.

(b) Application of Amendments.—The amendments made by title I of this Act shall not apply with respect to—

(1) any area plan submitted under section 306(a) of the Older Americans Act of 1965, or

(2) any State plan submitted under section 307(a) of such Act,

and approved for any fiscal year beginning before the date of the enactment of this Act.

Amend the table of contents accordingly.

MILITARY RETIREMENT REFORM ACT AMENDMENTS

NUNN AMENDMENT NO. 665

Mr. BYRD (for Mr. Nunn) proposed an amendment to the bill (H.R. 2974) to amend title 10, United States Code, to make technical corrections in the provisions of law enacted by the Military Retirement Reform Act of 1986; as follows:

On page 3, line 9, strike out "1410(a)" and insert in lieu thereof "1410".

PUBLIC HEALTH SERVICE ACT

INFANT MORTALITY AMENDMENTS

KENNEDY AMENDMENT NO. 666

Mr. BYRD (for Mr. Kennedy) proposed an amendment to the bill (S. 1441) to reduce the incidence of infant mortality; as follows:

On page 5, line 15, insert "in areas of the Pacific Basin Region," before "and in".

On page 7, line 9, insert ", public health, or medicine" before "for the".

NOTICES OF HEARING

SUBCOMMITTEE ON MINERAL RESOURCES DEVELOPMENT AND PRODUCTION

Mr. MELCHER. Mr. President, I would like to announce for the information of the Senate and the public that an oversight hearing has been scheduled before the Subcommittee on Mineral Resources Development and Production of the Committee on Energy and Natural Resources on Friday, September 18, 1987, at 10 a.m. in room 366 of the Dirksen Senate Office Building. The purpose of the oversight hearing is to discuss the National Coal Council's Reserve Data Base Report and the state of information relating to the quality and recoverability of U.S. coal reserves.

Those wishing to submit written testimony should address it to the Committee on Energy and Natural Resources, room 364, Dirksen Senate Office Building, Washington, DC 20510.

For further information, please contact Patricia Beneke at (202) 224-2383.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JOHNSTON. Mr. President, I would like to announce for the information of the Senate and the public that a hearing has been scheduled before the full Committee on Energy and Natural Resources on Thursday, September 10, 1987, at 9:30 a.m. in room 366 of the Dirksen Senate Office Building. The purpose of the hearing is to consider S. 801, the Coal Distribution and Utilization Act of 1987.

Those wishing to submit written testimony should address it to the Committee on Energy and Natural Resources, room 364, Dirksen Senate Office Building, Washington, DC 20510.

For further information, please contact Patricia Beneke at (202) 224-2383.

SUBCOMMITTEE ON WATER AND POWER

Mr. BRADLEY. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a field hearing before the Subcommittee on Water and Power of the Senate Committee on Energy and Natural Resources.

The subcommittee would welcome testimony from State and local officials, as well as interested citizens regarding ground water resources and related management and regulatory activities in the State of New Jersey. The hearing will be held on September 14, 1987, in the vicinity of Camden, NJ. The time and exact location have yet to be determined but will be announced as soon as possible for the information of the Senate.

For further information regarding the hearing, you may wish to contact Russell R. Brown of the subcommittee staff at 224-2366. Those wishing to testify or who wish to submit a written statement for the hearing record should write to the Subcommittee on Water and Power, Room SD-364, Dirksen Senate Office Building, Washington, DC 20510.

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

Mr. FORD. Mr. President, I would like to announce for the Senate and the public that a hearing has been scheduled before the Senate Subcommittee on Energy Research and Development.

The purpose of this hearing is to receive testimony concerning S. 1480, the "Department of Energy National Laboratory Cooperative Research Initiatives Act."

The hearing will take place on Tuesday, September 15, 1987, at 2 p.m. and Thursday, September 17, at 2 p.m. in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

Those wishing to submit written statements should write to the Committee on Energy and Natural Resources, Subcommittee on Energy Research and Development, U.S. Senate, Washington, DC 20510.

If you have any questions concerning this hearing, please contact Teri Curtin on 224-7569.

AUTHORITY FOR COMMITTEES TO MEET

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. BYRD. Mr. President, I ask unanimous consent that the Select Committee on Indian Affairs, be authorized to meet during the session of the Senate on Thursday, August 6, 1987, to hold a hearing on S. 1475, a bill to establish an effective clinical staff recruitment and retention program, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. BYRD. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, August 6, 1987, at 4:00 p.m. to hold a hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Energy Research and Development of the Committee on Energy and Natural Resource be authorized to meet during the session of the Senate on Thursday, August 6, 1987, to receive testimony concerning S. 1320, the Solar Development Initiative Act of 1987; and S. 1554, the Renewable Energy and Energy Conservation Technology Competitiveness Act of 1987.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on August 6, 1987, to hold a hearing on judicial nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be allowed to meet during the session of the Senate Thursday, August 6, 1987, to conduct hearings on the nomination of Deborah Gore Dean to be an Assistant Secretary of Housing and Urban Development.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE 100TH ANNIVERSARY OF JAMESBURG

● Mr. BRADLEY. Mr. President, I am pleased to offer my congratulations to the Borough of Jamesburg as it celebrates its 100th anniversary.

Jamesburg was incorporated in 1887 by James Buckelew, a major landowner in the area, and during the early 1900's, it was a prosperous railroad town, with more than half of the men employed by the railroad. Although Jamesburg is only 1 square mile in size, it served as a major crossroads between the north, south, east, and west rail lines. Today, Jamesburg remains a hub in southern Middlesex County, offering its 7,000 residents easy access to the New Jersey Turnpike and other major routes in the State. Jamesburg continues to share in the tremendous growth that has enveloped Middlesex County in the last few years, bringing many valuable services to the town.

Jamesburg will be celebrating its 100th anniversary on August 15 with a series of special events. I join the residents of Jamesburg in celebrating 100 years of progress, and I extend my best wishes to them for continued success in the future.●

RETIREMENT OF THEODORE J. SAENGER

● Mr. WILSON. Mr. President, on September 1, 1987, Theodore J. Saenger will retire as president and chief executive officer of Pacific Bell, and vice chairman of the Bell Operating Cos., of the Pacific Telesis Group, after a distinguished 25-year career.

Mr. Saenger, a native Californian, was born in Pomona in 1928, and received his bachelor of science degree in business from the University of California at Berkeley in 1951.

Mr. Saenger's career at Pacific Bell has been marked by a series of increasingly responsible management positions. Joining the company in 1953, Mr. Saenger rose from various line and staff positions until his election as vice president in 1974. He became president and chief operating officer in 1977, and assumed the vice chairmanship in 1984.

In addition to his stellar professional career, Mr. Saenger has been active in educational and community activities. He serves on the board of trustees of both Occidental College and the University of California at Berkeley Business School, as well as the Charles R. Drew Medical School Foundation, the San Francisco Theology Seminary, the California Economic Development Corp., and the United Way of the Bay Area.

Through his innovation, imagination, and steady leadership, Mr. Saenger successfully guided Pacific Bell through the aftermath of the AT&T divestiture. His stewardship has allowed Pacific Bell to thrive in the waters of increased competition while maintaining the company's tradition of efficiency and dependability. His diligence, integrity, and durability has helped set high standards of professionalism in the communications industry. His career has been exemplary, and one that has demonstrated the opportunities provided by the free market for those bright enough to capitalize on it. In addition, he is astute enough to have encouraged his son, Jeff, to be an intern in my Washington, DC office this summer.

I want to express my personal thanks to him for a job well done. I know that my colleagues join me in wishing Mr. Saenger well as he retires from Pacific Bell.●

THE BICENTENNIAL ADMISSION CEREMONY

● Mr. BRADLEY. Mr. President, in this year of the bicentennial anniversary of the Constitution of the United States and as the historical date of September 17, 1987, approaches, governmental, business, civic, and community entities are embarking on initiatives commemorating this special event.

In this regard, I would like to share with you, and extend congratulations to members of the legal profession from across the Nation who participated in a bicentennial admission ceremony sponsored by the National Conference of Women's Bar Associations at the Supreme Court of the United States in Washington, DC, on Monday, May 18, 1987. This special event was highlighted by a personal appearance and greetings from the Honorable William J. Brennan, Jr., Associate Justice of the Supreme Court, who served in a presiding capacity on May 18, in the absence of Supreme Court Chief Justice William H. Rehnquist. The more than 100 attorneys also received personal greetings from Associate Justice Sandra Day O'Connor.

The Honorable Marilyn Loftus, judge in the Superior Court of New Jersey and chair of the New Jersey Supreme Court Task Force on Women in the Courts, a first in the Nation, had the distinction of sponsoring 37 bar candidates in open court. Participants represented the judiciary, governmental, business and private sectors of the legal profession and included male colleagues. Admitted to the bar of the Supreme Court of the United States were the following candidates, and their respective States:

Linda Susann Perry of Alabama; Diane Jeanne Dykema, Christina Bemko Littlefield, Nancy Wallace Page and Barbara J. Paulson of California; Linda Ellen Christenson of Colorado; Barbara David Solomon of the District of Columbia; Patricia Ann Ash, Susan Clasrk Durré, Theresa Bland Edwards, Hon. Lynn Tepper and Teresa Cooper Ward of Florida; Emily Arnow Alman, Grissele Camacho-Pagan, Virginia Class-Matthews, Colette A. Coolbaugh, Hon. Sheryl A. DeSantis, Margarita Echevarria, Susan Lynne Goldring, Bonnie Blume Goldsamt, James A. Key, Jr., Beth Toni Kruvant, Patricia K. Nagle, Janice Marie Newman, Judith Maureen Donnelly-O'Leary, E. Joan Oliver, Ruth Rabstien, Danielle Ellen Reid, Phoebe Williams Seham, Pamela Ann Spinelli, Stafford Wington Thompson, and Joyce Madeline Usiskin of New Jersey; Eve Baer of New York; Mary Godfrey Nash of Ohio; Maryda Swanstrom Colowick of Tennessee and Lisa C. Germano and Judy Raye Moats of Virginia. Other candidates who responded to this bar admission initiative, but did not appear in open court included an associated justice of a State Supreme Court and candidates from the States of Louisiana and Massachusetts. In short, over 50 candidates responded to this initiative.

Welcoming the candidates and their guests to this auspicious occasion in Washington, DC, were Dolores Pegram Wilson, Esquire, president of the National Conference of Women's Bar Associations, from the firm of Lomurro and Eastman in Freehold, NJ, and ceremony chairpersons Carol Rabenhorst and Susan Ellis Wild, esquires, from the firm of Sachs, Greenebaum and Tayler in Washington, DC. Also present to extend greetings to the candidates were Irene Redstone, president of the National Association of Women Lawyers, and one of its former presidents, Hon. Mattie Belle Davis (retired), both from the State of Florida.●

THE AGRICULTURAL NITROGEN MANAGEMENT ACT OF 1987

● **Mr. KARNES.** Mr. President, I rise today to state my intention to introduce legislation immediately after the Senate reconvenes in September regarding agricultural nitrogen in our Nations water supplies.

The title of this bill will be "The Agricultural Nitrogen Management Act of 1987." This is a companion bill to H.R. 3069 which was introduced in the House by Congressman STANGELAND on July 30, 1987.

Mr. President, this bill will require the U.S. Department of Agriculture to establish an Agricultural Nitrogen Best Management Practices Task Force. This task force will be composed of various agency heads—Agricultural Research Service, Soil Conservation Service, Extension Service, Environmental Protection Agency, Tennessee Valley Authority, and so forth—and a farmer representative to: First, identify best management production and conservation practices which maximize agricultural nitrogen utilization and minimize leaching and runoff; second, develop educational and training materials outlining use of these practices; and third, disseminate these educational materials to producers through county soil conservation service and extension service field offices.

The thrust of this effort is to work toward assuring future supplies of safe water by preventing nitrates from entering ground and surface water through informed producers using the most efficient, effective nitrogen application techniques combined with the best soil and water conservation practices to minimize nitrogen leaching and runoff into ground water supplies.

It is our intention to not have this bill embroiled in the FIFRA debate. This bill is designed to be a voluntary, preventive measure, and not a regulatory measure. The central theme of this bill could be most clearly labeled "technology transfer." This legislation requires the development of technology and the transfer of this technology to producers.

I believe this to be a very constructive, reasoned approach to one aspect of assuring future supplies of safe water. While the Senate is in recess, I will be working with many of you to explain and develop a broad base of support for this legislation. I look forward to introducing this legislation and to working with my colleagues toward successful passage of this most important legislative initiative.●

CUMBERLAND, MD, CELEBRATES ITS BICENTENNIAL

● **Mr. SARBANES.** Mr. President, it is a great pleasure to bring to the attention of my colleagues in the U.S. Senate the celebration of the 200th anniversary of the city of Cumberland, MD, particularly during "Cumberland 'Gateway to the Promised Land' Week" as proclaimed by Maryland's Governor Schaefer. A picturesque mountain town of some 25,000 people situated on the upper reaches of the Potomac River in Allegany County, Cumberland has a history important to that of our Nation and today remains the economic center for its entire area.

For 200 years the city of Cumberland has served as a remarkable example of a community working together for the common good. Cumberland has not only created an outstanding environment in which hardworking citizens raise their families, but also a pleasant quality of life. American Demographics magazine recently listed Cumberland as the best place to live in the country. A recent poll of 226 readers by Money magazine, ranked Cumberland 15th among 300 U.S. cities on the basis of livability. These surveys pay well-deserved tribute to its many impressive attributes.

Although Cumberland was chartered in 1787, its history goes back even further. While George Washington was at Fort Cumberland, a frontier outpost during the French and Indian War, he wrote in 1755 to Governor Sharpe:

> * * * to the right of our camp * * * is a wondrous site for a city and as I muse by the campfire, I imagine that here will be the metropolis of His Excellency's Lord Baltimore's Colony.

Thomas Beall purchased and cleared the land, and in 1785 laid out the village he called Washington Town. Settlers purchased the lots and in 1787, 35 heads of family petitioned for incorporation. On January 20, 1787, the Maryland Legislature passed "an act for erecting a town at or near the mouth of Will's Creek." The town was to be called Cumberland.

In the 1800's Cumberland prospered greatly as a major transportation center, so much that it was second only to Baltimore as the largest city in Maryland. The home of the western Maryland railroad station, Cumberland played an instrumental role in our Nation's railroad industry. The "Narrows", a natural 1,000 foot breach in Will's Mountain near Cumberland, began as a trader's trail, was converted to a military wagon road in 1806, and became the national road, the first federally financed highway in the United States. Later, in the mid-19th century, the Narrows became the passage for America's first east-west railroad. This transportation route, known as the "Gateway to the West", has played a major role in the development of the area west of Allegany County. Although replaced by modern freeways, this spectacular break in the Allegheny Mountains remains one of the most picturesque sites in our State.

Cumberland played another significant role as the terminus for the C&O Canal, in operation from 1850 to 1924 and reaching from western Maryland to the tidewater at Georgetown. The canal, which is designated a national historical park, was an important part of the country's transportation system in the last half of the 19th century. This delightful park is today a national treasure enjoyed by thousands of visitors to the Cumberland area.

Mr. President, Cumberland not only enjoys natural scenic beauty, but a rich architectural heritage made possible through the wise stewardship of the city's citizens, local government, and private industry. The beginnings of Cumberland's Washington Street Historic District can be traced back to the construction of Fort Cumberland, with the stockade encompassing the eastern end of what is now Washington Street and Prospect Square. Washington Street was named in 1973 to the National Register of Historic Places and boasts building styles spanning American architectural history from the Federal style through Georgian revival. Cumberland has successfully revitalized the downtown area where city residents enjoy beautiful fountains, open mall areas, and parks while shopping or strolling. George Washington's cabin in Fort Cumberland has been made accessible to the public through preservation efforts of the city and Daughters of the American Revolution. The old western Maryland railroad station is being restored to its original place of prominence in the community and will function as a transportation museum, a cultural resource center, and a visitor's center for the C&O Canal National Historical Park. The community is warmly welcoming steam railroading which will return to Allegany County, operating from Cumberland along the old western Maryland main line to its end in Frostburg. These are only a few examples of how Cumberland's citizens work together in the name of history to keep alive symbols of their city's important past.

I am confident that the next 200 years will prove to be years of further great achievement for the city of Cumberland. Mr. President, I ask my colleagues to join in saluting this great city during its bicentennial year as its citizens celebrate this significant milestone in their town's history.●

THE NEED FOR FEDERAL TAKEOVER LEGISLATION

● Mr. BOSCHWITZ. Mr. President, when the 100th Congress convened at the beginning of this year, "competitiveness" seemed to be the catchword of the day and for the future. The emphasis was going to be on making American business more competitive in a global economy. Certainly that is a worthwhile goal, which I very much support. In fact, "competitiveness" is like mom and apple pie—it's not something you can easily be against.

Unfortunately, 7 months into the 100th Congress, the goal may still be competitiveness but the practice has become protectionism. Both Houses of Congress have passed protectionist trade legislation. Under the guise of protecting some workers the Senate has enacted plant closing legislation which will hurt American competitiveness and cost jobs. On the horizon looms minimum wage and mandated benefits legislation which will protect relatively few workers at the expense of many jobs, and, American competitiveness.

Mr. President, I have spoken against such protectionist measures in the past, and will continue to do so. Today, I would like to talk about protectionism of a different kind which occurs at a different level of government—State legislation designed to protect in-State corporations from unwanted takeover bids.

The issue involved here is not whether mergers and acquisitions are good or bad. That is an entirely different debate. My own view is that mergers and acquisitions are generally good for the economy. The available evidence seems to indicate that such transactions, even when hostile, can improve efficiency, transfer scarce resources to more productive uses and help stimulate effective corporate management. It is obviously better to restructure inefficient operations through mergers than through bankruptcy.

But again, that is not the debate. The issue I am addressing is the increasing tendency of State legislatures to protect in-State corporations from unwanted takeovers.

My own State of Minnesota presents the classic example. Earlier this summer when the Dayton Hudson Corp. was under an unwelcome attack a special session of the legislation was quickly called and in no time—I believe there was only 1 day of hearing—a harsh antitakeover law which will help protect Dayton Hudson and other Minnesota businesses from unwanted takeovers was pushed through. The same thing is happening in other States. Everyone wants to protect local industry. I can understand the motivation of Minnesota legislators as Daytons is such a well managed company and active community participant.

At the current pace we will soon have 50 different antitakeover laws to contend with. Conflict and confusion will be the order of the day. Investors will not only have to study the income statement and balance sheet of the corporation, but the takeover laws of its State of incorporation and the States in which it does business as well.

Mr. President, the States have a conflict of interest in passing antitakeover legislation. They want to protect jobs and preserve tax dollars, even if it means protecting bad management or is otherwise not in the best interests of national economic growth.

Because the States cannot always be objective in this area, it is time for the Federal Government to get involved and preempt State laws. In that way only will there be consistency and fairness which will address abuses but yet not disrupt markets and national economic growth.

Mr. President, I am aware that there are several proposals now pending before the Banking Committee which touch on this issue. I am also trying to develop a reasonable solution to the problem. I understand and do not want to disrupt the current system of allowing each State to set its own rules of corporate governance. But in this area, where the States have a conflict of interest, the Federal Government does need to step in to protect American competitiveness and the American economy.●

NAUM MEIMAN

● Mr. SIMON. Mr. President, once again, I would like to speak out on behalf of the many Soviet refuseniks wishing to emigrate from the Soviet Union. Repeatedly, their hopes are raised upon application for exit visas, but then quickly lowered with yet another denial from the Soviet Government.

These talented and worthwhile lives are being wasted as they wait, in vain, for permission to leave. These Soviet Jews have committed no crime, yet they are continually subjected to political harassment and religious persecution. These people are forced to endure severe injustice simply because they have chosen to live elsewhere.

Naum Meiman is a Soviet refusenik. He has been subjected to extreme emotional hardship for the past 11 years. He is an elderly man with one wish left—to emigrate to Israel. Naum poses no threat to the Soviet Government, yet his requests for an exit visa are denied repeatedly and only vague reasons for his refusal are provided.

The Soviet Government speaks of improved relations between our two countries and promises of glasnost, but we have seen no evidence of this. The emigration rates today are lower than ever.

Something must be done to increase these low emigration levels. I strongly urge the Soviet Union to take action and allow Naum Meiman and other refuseniks to emigrate. These human rights violations must not be allowed to continue.●

FARMERS AND THE CIVIL RIGHTS ACT

● Mr. KARNES. Mr. President, I take the floor today to send a warning signal to farmers across the country. I fear that the Senate may be preparing to pass legislation that could, perhaps unwittingly, establish new regulations affecting the day-to-day operations of most farms in America.

The Senate soon may turn to consideration of S. 557, the Civil Rights Restoration Act of 1987. A number of questions have been raised about the effects of this legislation. There is widespread belief that it will expand the scope of coverage beyond that which existed before the Grove City decision—to the fields and farmsteads of the Nation.

Of particular concern to me is the possibility that individual farmers would be brought under the broad civil rights laws simply because they participate in Federal farm programs. The Department of Agriculture administers a number of programs involving Federal payments or other aid to farmers and ranchers, such as loan guarantees, commodity loans, deficiency payments, disaster payments, price supports, and so forth. Significant questions have been raised as to what the effect of the legislation would be on the recipients of these benefits.

Section 7 of the bill states that none of its amendments shall be construed to extend the application of the civil rights laws to ultimate beneficiaries of Federal financial assistance excluded from coverage before enactment. It does not, however, make clear which ultimate beneficiaries are now excluded, nor does it address the issue of exclusion of those persons receiving benefits from programs that may be enacted in the future. Comments in the committee report are not adequate to address these concerns because the bill substantially rewrites the statutes and adds a new definition of programs and activities covered by the statutes.

What that means to me is that there is no guarantee that S. 557 might not ultimately have a dramatic impact on farming.

Mr. President, what sort of effect could the new legislation have on the operations of a farmer? We have no way of knowing all the impacts, but if we pause a moment to think about it, the possibilities are varied and quite disturbing. A recent court decision found that persons with infectious diseases are handicapped. Therefore, farmers might have to attempt to accommodate persons with TB or AIDS as employees. Under existing regulations, they might have to restructure jobs, modify or install equipment to make it usable by handicapped persons, modify work schedules, provide readers or interpreters, and similar actions. New buildings or additions to existing structures would have to comply with physical accessibility standards.

Many farmers are also employers who exceed the definition of "small providers"—entities with fewer than 15 employees. It is entirely possible that these farmers would have to comply with a whole new set of demands that they never dreamed of. Their operations could be subject to requirements such as making structural alterations to facilities, like installing ramps or widening doors, or any number of other physical changes that seem bizarre in a farm setting.

What about the possibility of requiring farmers to establish grievance procedures that incorporate appropriate due process standards? Would a farmer have to give an employee notice and a hearing before letting a worker go if he simply doesn't do the job? Mr. President, as somebody who has personal experience with farming, I can tell you that things just don't work that way on a farm. Requiring a farmer to implement formal grievance procedures is as ridiculous to him as standing out in the rain—it isn't necessary and it just doesn't make sense.

How about the concept of a farmer hiring an interpreter? I wouldn't want to be the one who had to explain to a farmer that he has to hire an interpreter to accommodate his employees.

Even small operations could be subject to increased Federal paperwork requirements, random onsite compliance reviews, and numerous other regulatory burdens. Mr. President, the last thing farmers need is more regulation and more paperwork to take them away from their principal activity—farming. It is getting to the point where farmers will need to spend money on secretaries and Xerox machines instead of tractors.

What all this means is that we really don't know for certain what impact S. 557 could have on farmers. Until someone can tell this Senator otherwise, I have to assume the possibility exists that passage of this bill could make farming a whole new ballgame, a game that I know Nebraska farmers do not want to play. The impact that these provisions could have on the average farm operation border on the bizarre when you consider the current customs and practices on farms.

It is not enough just to say that the bill does not alter or affect who is a recipient of Federal financial assistance. The language must be modified to erase all doubts. The belief that the bill expands civil rights coverage is so widespread that it should not be ignored.

It would be a mistake to believe that those who are opposed to this bill are opposed to civil rights or want to turn back the clock to the times and the events that necessitated the enactment of these laws. Such is not the case. However, if these predictions prove to be true, it would be disastrous for agriculture. The goal of the 1985 farm bill was to reduce Government involvement in the life of the American farmer. An unnecessary expansion of the civil rights requirements would be in direct contravention of that goal. Farmers are experiencing the most devastating farm crisis in history. They are already overburdened with low commodity prices, excess surplus stocks, and the lack of affordable financing. To be faced with additional statutory and regulatory requirements could jeopardize their continued existence as economic entities.

Mr. President, I think we should think long and hard before bringing this bill to the floor in its present form.●

HIROSHIMA DAY

● Mr. SIMON. Mr. President, today is the 42d anniversary of the atomic destruction of Hiroshima. Three days later, on August 9, 1945, Nagasaki was destroyed by the second nuclear weapon and the world was forever changed.

The anniversary of Hiroshima is an important symbolic reminder of the overwhelming power and destructiveness of a single nuclear weapon. Today, in the United States and Soviet arsenals, the average nuclear weapon is 30 times more powerful than the one bomb dropped from the *Enola Gay* that leveled the entire city of Hiroshima. Hasn't the time come to stop the arms race and give the human race a chance to survive?

On this day we ought to rededicate ourselves to securing peace. It is our responsibility to make sure we don't get into a situation where we contemplate using these horrible weapons. To this end we must negotiate a verifiable end to nuclear weapons testing for all time. We have to greatly reduce the huge numbers of nuclear weapons in the world's arsenals.

We also have to get serious about the spread of nuclear weapons, and here the first step is to acknowledge the proliferation problem as an urgent threat to our national security. And we have to lay the basis for genuine peace by improving the United States-Soviet relationship wherever it makes sense to do so. If we do these things, America will become a much stronger nation and commemorating Hiroshima Day will not be in vain.●

AGRICULTURAL PRODUCER AND FARM CREDIT SYSTEM BORROWER ACT OF 1987

● Mr. KARNES. Mr. President, I have joined as an original cosponsor of S. 1486, the Agricultural Producer and Farm Credit System Borrower Act of 1987, which was introduced on July 10, 1987. This legislation would create a mechanism for providing Federal assistance to the Farm Credit System and would establish a secondary market for agricultural mortgages.

The comprehensive approach taken in this bill is designed to provide assistance to System institutions within existing Federal budget realities.

One of the issues of great concern to farmers who borrow from the System is the safety of the stock they own in System associations. The bill would provide a guaranty of existing borrower stock, to be paid out in 5 years. This should relieve much of the concern that has contributed to farmers leaving the System. In addition, the bill would assure that those farmers holding stock in associations which were recently put into liquidation would receive full value on their stock. In my State, this would mean that farmers of production credit associations in Valentine and O'Neill, NE, would not suffer approximately $6 million of losses which would otherwise result on their stock as a result of the liquidation of those associations.

The bill addresses the issue of financial assistance through the establishment of a reserve fund, as a vehicle to channel and target assistance to System institutions. The reserve fund would operate under the direction of a Reserve Fund Board, which would have broad authority to administer assistance, and to oversee recovery plans for System institutions. The members of the Board would be the Secretary of the Treasury, the Secretary of Agriculture, the Chairman of the Federal Reserve Board and two public members appointed by the President of the United States. The fund would replace the existing Farm Credit System Capital Corporation, and would be capitalized with assets of the Capital Corporation.

Additional resources for providing assistance to System institutions would come from several sources. The Reserve Fund would be authorized to issue bonds backed by the guaranty of the United States. The Fund would also have the authority to issue guaranteed bonds backed by a pool of real estate transferred to the Fund from the Farmers Home Administration. Those bonds could include provisions which would let investors participate in any appreciation realized on the disposition of the real estate. The bill would also provide a way to deal with the most pressing problem facing the System—the ability of banks to continue to collateralize their own bond obligations. The Reserve Fund would have access to $2 billion of CCC-owned commodities which could be used to issue net worth certificates to any under collateralized bank.

An important role of the Reserve Fund Board would be to oversee loan restructurings by institutions. The legislation would require that institutions prepare plans for restructuring problem loans. It sets standards on which restructurings would be done. It provides a method for assuring the necessary expertise for restructuring would be available at the district level. And the Reserve Fund Board would have authority to assure that restructuring programs are carried out in businesslike manner. The restructuring of loans would serve to return assets to performing status and thus strengthen the condition of System institutions.

This legislation would also create a Farm Credit System Insurance Corporation to insure the obligations of System banks and credit enhancement provided for mortgage backed securities by a new Federal Agricultural Insurance Corporation. The Insurance Corporation would be modeled after the Federal Deposit Insurance Corporation and the Federal Savings and Loan Insurance Corporation. It would have broad powers to deal with defaults on obligations and credit enhancements, and to liquidate and assist defaulting institutions.

Title V of the bill would create a secondary market in agricultural mortgages through the chartering of the Federal Agricultural Mortgage Corporation. The Mortgage Corporation, which would be an insured institution within the System, would be authorized to provide credit enhancement to pools of qualified agricultural mortgages. The Mortgage Corporation would have a board of directors comprised of representatives of commercial banks, insurance companies, loan originators, Farm Credit System institutions, and the public. The board would be balanced to assure that no group of lenders dominate. A secondary market for agricultural mortgages can provide many benefits to farmers and bring to the agricultural sector many of the innovative financing approaches that have benefited residential housing in our Nation.

Mr. Chairman, I commend Senator RICHARD LUGAR for his leadership in putting this legislation together. He has taken the initiative in dealing with the need for financial assistance to the System, but to do so with a clear vision of existing budget realities. I have been using my experience in private business, at the Federal Home Loan Bank System and at the Federal Home Loan Bank Board to contribute in efforts to resolve the issues Congress faces in connection with the System. I have been privileged to work with Senator LUGAR in these efforts and I will continue to work to bring this legislation to enactment.

It is important to the farmers of Nebraska, and farmers across our Nation, that they continue to have access to credit at market terms from competitive sources. This legislation will further that objective in a number of significant ways.●

TOO MANY WHITE HOUSE ADVISERS

● Mr. ADAMS. Mr. President, as we conclude the public phase of the Iran-Contra hearings, people are busy "drawing conclusions from" and "learning the lessons of" this tragic affair. Clearly one conclusion and one lesson relate to the power assumed by the President's staff, particularly the staff of the National Security Council and the National Security Adviser. As the Iran-Contra Committees develop their final report, I assume that they may make some suggestions designed to curb the power of staff.

In that context, I would call to their attention, and the attention of my colleagues, a recent op-ed piece written by James W. Symington. As a former member of the House, Jim has a sense of the role that staff should—and should not—play; and as a long time "insider" in Washington, he certainly has a sense of how power can be used and abused in this city. My personal experience convinces me that his assessment of the tension between staff and Cabinet is correct. I ask that the text of his article appear in the RECORD at this point so that my colleagues may review it.

The article follows:

[From the St. Louis Post-Dispatch, Feb. 12, 1987]

A TRIMMER, BETTER WHITE HOUSE—TOO MANY ADVISERS WITH TOO MUCH POWER HURT PRESIDENT AND COUNTRY

(By James W. Symington)

President Abraham Lincoln had two private secretaries, John G. Nicolay and John Hay. Nearly two decades later President-elect James Garfield asked Hay to serve as secretary to the president. He declined, observing that no man takes the same job twice.

Garfield offered to upgrade the title to assistant to the president with policy implications. Hay respectfully declined again, noting that in such a capacity he might get between the president and members of his Cabinet, creating uncertainty and antagonism. Hay concluded, "There are some problems you must face alone."

In subsequent years the reluctance of presidents to face problems alone or in the company of their Senate-confirmed Cabinet officers has caused them to bring into the White House confidants of one kind or another with or without portfolio. The portfolios in general ascendance over the past few presidencies have been those of chief of staff and national security adviser. Each has expanded from an individual to a well-staffed office.

Whatever the advantages and disadvantages of such arrangements, they have certainly become fixtures of presidential governance. And inasmuch as "executive privilege," the cloak of presidential immunity from testifying before Congress, extends (unless he removes it) over the entire apparatus, the opportunities for concealment of executive initiatives are grealty multiplied.

That some people, especially persons of imagination and daring, might take advantage of such opportunities is understandable in the light of their several determinations to bring success to the broadly defined goals of the president they serve. Nor are their interrelationships structured or predictable. Not long after the president's men have gotten to know one another they develop an instinct for selective information sharing based on the capacity for trust they perceive in each colleague. Thus, the impulse of a single presidential mind—such as could cause Lincoln to wake Hay in the small hours of the morning to share an idea, grief or a joke—is multiplied by the number of surrogate "presidents," who are less inclined to share misgivings.

Each is, in fact, secure in his allocated portion of the presidential conscience to manage his allocated portion of presidential policy without disturbing the sleep of the president. A comforting anonymity stimulates the spirit of adventurism.

Of course, the power they have derives explicitly as well as inferentially from the president himself. The key to the manner in which they use that power might be discoverable in their private conversations with the president as they embark on their duties. This would include the parameters of accountability he outlines, the cross-checking among colleagues and the personal updating he requires.

Like other mysteries, these will not be revealed to us in this life. But at long last we've come out from under the illusion that great matters of state and of peace and war are always the exclusive province—on the executive side—of the president. Yet we do hold our president responsible for such matters. How can we then satisfy ourselves that the responsibility is met?

The power to review the presidential state of mind—what he knows, when he knew it, what he thought—resides nowhere on this side of the veil. Were he only the head of government we might get some of it. But he is also head of state, and the pain of inquiry we inflict on him comes back to us. Preempted then by law and awe from formally interrogating the president, we join the rest of mankind on the edge of our chairs when the president meets the press.

We have traded the illusion of the take-charge president for the wistful hope that his office arrangements, plus his own inclinations and requirements, will enable him to know the kind of things he ought to know, in time to prevent gross error. If the hope is modest, the expectation surely is.

There is absolutely no way to determine if the growing stable of presidential horses is in check. Nor is there any constitutional limit on the presidential prerogative to select and maintain advisers outside the loop of Senate-confirmed departmental officers.

Congress routinely approves appointments for presidential staff as a matter of comity. Nor are such private advisers subject, unless voluntarily, to formal congressional inquiry. Those who are so subject—Cabinet and subcabinet officials—cannot bring to congressional hearings understandings and initiatives of which they know nothing.

An informed citizenry is the first requirement of any democracy. And as confidence in our own government is rooted in our perception of being properly informed, it remains very sensitive to that perception. The arrangements stemming from the Constitution's confirmation process—the continuing accountability to Congress of the resulting appointees—have been our way of assuring ourselves that we had the information necessary to make sound political and other relevant judgments.

It was presumed that a close congresssional watch over the operations of their administrations would hold presidents to a satisfactory degree of accountability. Their tendency then to circumvent that original framework by assigning equivalent tasks to individuals, and now entire offices with no such obligation to report to Congress has inevitably resulted in a diminution of the public's perception of being kept informed.

Lt. Col. Oliver North's escapades are not the first of their kind, but they provide the opportunity to review the problem, not from a constitutional perspective exactly but a political one with the Constitution in mind.

Much has been said of the duty to support and defend the Constitution. We might welcome a candidate for president who proposes to do just that by elevating his Cabinet secretaries to their former and intended status as keepers of his conscience in the departments they run and as a corollary, reducing the White House staff in both authority and numbers.

I do not think government would suffer by more frequent and intimate contact between the president and his Cabinet, individually, as well as collectively. Nor do I think the public would feel deprived by any such arrangement.

The president does need someone to help him with the traffic, a private secretary, with an office and sufficient staff. He will always need political confidants, friends and advisers both in and out of office whom he can see whenever he wishes. But to set any one or more of them up as persons of such power and authority that a visit with them is tantamount to a visit with him is a mistake Lincoln seldom, if ever, made.●

TOWARD DEMOCRACY ON TAIWAN

● Mr. PELL. Mr. President, the lifting of martial law on Taiwan on July 14 removed the most prominent symbol of repression and represented an important step toward greater democratization. We must now do what we can to encourage continued progress toward democracy in Taiwan.

Further progress will require the enactment of political reforms which ensure that the people of Taiwan can freely and fairly choose their representatives. At present, the President of Taiwan is chosen by the National Assembly, a thoroughly undemocratic institution where only 9 percent of the members are periodically elected. The people of Taiwan have never had any say in choosing the remaining 91 percent of the members of that body and therefore have never had an opportunity to freely choose their own President.

There are several different ways the existing system might be changed to ensure a democratic outcome in Taiwan. One approach would be to ensure that the members of the National Assembly, who ultimately elect the President, are themselves freely and fairly elected. Another approach would be a system of direct Presidential elections. Either of these approaches could bring representative democracy to Taiwan.

In a recent article in the Christian Science Monitor, Dr. Trong Chai, a professor of political science at the City University of New York, outlines the defects in the existing structure of the National Assembly and proposes a system of direct Presidential elections. Without supporting one particular approach to political reform over another, I ask that a copy of that article appear in the RECORD.

The article follows:

[From the Christian Science Monitor, July 23, 1987]

TAIWAN NEEDS DIRECT PRESIDENTIAL ELECTIONS, TOO

(By Trong R. Chai)

Last year, Taiwan's southern neighbor, the Philippines, overthrew dicator Ferdinand Marcos through a popular presidential election. On July 1 of this year, Taiwan's northern neighbor, South Korea—after three weeks of fierce street fights between riot police and students in major cities—finally decided to let its people directly elect their next president. In light of these new developments in the Pacific region, it is time to call for direct presidential elections in Taiwan.

Since its retreat from China in 1949, the Kuomintang (KMT), the ruling party in Taiwan, has continued to proclaim itself the sole legitimate government of China; its fundamental policy is the recovery of the Chinese mainland. Thus, political institutions established in China in 1947 are all maintained in Taiwan. Members of the National Assembly, whose major function is to elect the president of Taiwan once every six years, were elected by the people on the Chinese mainland four decades ago and still remain in office in Taiwan today.

According to the Constitution, there are 3,136 members of the National Assembly. Because of the civil war between Chinese Nationalists and Communists, only 2,841 members were actually elected in November 1947. Two years after the election, the KMT was defeated by the Communists and 1,576 members came to Taiwan, while the rest either remained on the Chinese mainland or went abroad. Through a 1954 interpretation of the Constitution by Taiwan's rubber-stamp supreme court, these members have lifetime tenure.

At present, because of natural deaths, the number of Assembly members has decreased to 984. Nine hundred of them (or 91 percent), including those who replaced the deceased members, have a life term. Only 84 members (or 9 percent) are periodically elected by the people on Taiwan through a complicated, inequitable system of occupational, gender, and areas representations.

The argument often made by the KMT to justify the methods employed to retain and select Assembly members is not tenable, for the following elements:

Original representatives (498 in number, or 51 percent). It is false to argue that these original members still represent the Chinese people on the mainland. The people who elected them 40 years ago are now at least 60 years old and constitute less than 5 percent of the present-day Chinese population. In addition, since 1949 the KMT has cut off communication with the Chinese mainland, so these legislators could hardly know the wishes of their "constituents" on the other side of the Taiwan Strait. Moreover, most members are more than 80 years old and in poor health. It is physically difficult, if not impossible, for them to assume legislative responsibilities.

Replacing representatives (402 in number, or 41 percent). When an original member dies, the candidate from his district who lost the election in 1947 is selected to replace the deceased member with lifetime tenure. The number of votes a replacement received was so low that he does not even represent the small percentage of mainlanders his predecessor claimed to represent. For example, Mao Song-nien, the former ambassador from Taiwan to Tokyo, lost his election to Wang Chu-wan by receiving only 2,500 votes, but last year, when Wang died, Mao replaced him as an Assembly member.

Occupational representation (16 in number, or 1.6 percent). Today, no major democratic government uses this system, by which members of various occupational groups elect their own congressmen. The KMT chose this electoral system largely because it tightly controls occupational associations and can thus send more representatives to the Assembly.

This system, however, violates the one-man, one-vote rule. One and a half million members of occupational groups elect 16 representatives, while 10 million citizens of Taiwan who do not belong to any occupational association elect only 61 members. The ratio between voters and representatives for occupational groups is twice as high as that for the people not belonging to any occupational group. Such an unequal representation was declared unconstitutional in the United States when, in 1964, the Supreme Court ruled that "as nearly as possible" congressional districts must be so drawn that district populations are approximately equal.

Gender representatives (7 in number, or 0.7 percent). The Chinese Women's Association, founded by Mme. Chiang Kai-shek, is highly supportive of the KMT. With a membership of a quarter million, it elects seven representatives—a ratio twice as high as the disproportional occupational ratio. This again violates the one-man, one-vote rule.

Area representatives (61 in number, or 6 percent). Area representation in Taiwan's elections is closer to the democratic principle than any previously discussed approach. Unfortunately, the election law prevents candidates from launching effective campaigns. For example, the use of mass media is prohibited, and the candidate is allowed to campaign for only 15 days in a district with a population of several million—a far cry from the free and fair campaign characterizing congressional elections in the US.

From the above analysis, it is clear that the National Assembly is now atrophied and unrepresentative. Both its members and the president they elect represent neither China nor Taiwan. Unless the existing system of indirect elections of the president by the Assembly is changed to direct elections by the people on Taiwan, there will be no democracy and representative government on the island.●

PARK OVERFLIGHT LEGISLATION

● Mr. DeCONCINI. Mr. President, the House of Representatives recently sent to the White House H.R. 921, legislation to require a study of the effects of aircraft flights over certain of our national parks. Included in that legislation is a separate section which requires the implementation of an aircraft management plan for flights over the Grand Canyon National Park. I support the legislation as passed by the Congress and believe we need to set in motion a plan for the management of aircraft over the Grand Canyon.

The longstanding conflict over aircraft use and environmental concerns must be resolved. While I do not and would not support any legislation requiring an outright prohibition on aircraft flights over the Grand Canyon, I am convinced that there are legitimate concerns over the safety risks and the environmental experience due to these flights. The emotions and feelings of those who treasure the magnificent canyon should not be spoiled by the noise of helicopters and fixed wing aircraft. At the same time, those who choose to view the Canyon from aircraft should be afforded the opportunity to do so.

One of the major concerns expressed throughout the consideration of this legislation was the need to ensure the appropriate role of the National Park Service and the Federal Aviation Administration with respect to the formulation of a plan for aircraft management. The bill, as passed by the Senate, would require the Secretary of the Interior to develop recommendations for inclusion in an aircraft management plan. Those recommendations would include a plan for the restoration of substantial quiet within the canyon, prohibit the flight of aircraft below the rim of the canyon, and require the establishment of flight-free zones. The Federal Aviation Administration would define the rim of the canyon and then implement the Park Service recommendations unless it found that the Park Service recommendations would have an adverse impact on aviation safety. Mr. President, this is the proper role for both of these Federal agencies. The Park Service should not be in the business of regulating airspace—that is the responsibility of the FAA. And, the FAA should not be expected to develop a plan which responds to the environmental consequences of overflights in our national parks.

With H.R. 921, we now have a framework for the agencies to develop a management plan which addresses safety and environmental concerns, for all types of aircraft. Once enacted, it will allow all interests to have input into the Park Service recommendations. Mr. President, I would have preferred to see both the Department of the Interior and the Department of Transportation work out a responsible solution to overflights. Unfortunately, this has not been possible and the need for the legislation has become critical to resolving the continuing use conflicts.

H.R. 921 is a responsible approach to the overflight issue. It is my hope that the President will sign H.R. 921 at the earliest possible date.●

LONG-TERM REFUSENIKS IN THE SOVIET UNION

● Mr. DeCONCINI. Mr. President, during my 11 years as a U.S. Senator, I have spoken many times in this Chamber about the plight of thousands of Soviet citizens who are struggling to exercise their right to basic human freedoms. For some of these thousands, freedom means an end to unfounded and unjust incarceration in the inhumane underworld of the Gulag. For others, it means freedom of expression without fear of cruel reprisals such as being abused by a sadistic use of "psychiatric treatment." Today I am going to speak about those who ask nothing more than to be reunited with their families.

Earlier this week I was visited by the families of four refuseniks who have been given the sad label of "Families of long-term refuseniks". A long-term refusenik is a Soviet citizen who has been denied permission to emigrate for more than 10 years. These cases are unfortunately not new to me. I have met personally in Moscow with two of the people whom I speak of today.

I would like to review the specific cases of these four to illustrate the type of mindless persecution which the Soviet Union is still engaging in despite Mr. Gorbachev's much publicized glasnost.

Grigory and Natalia Rozenshtein were refused an exit visa in 1974 based on Grigory's alleged access to "state secrets" in 1965—9 years earlier. It is now 22 years later and the Rozenshteins are still being denied the right to emigrate. Grigory's so-called sensitive work was the use of computer applications in his research on the structure of the human brain. His work, however, has been allowed to be published in scientific journals in both the Soviet Union and the West.

The Rozenshteins are two of Moscow's leading Jewish activists and, over the years, despite never-ending harassment have continued to raise their children as Orthodox Jews. I met Grigory in Moscow in 1983 and came away from our meeting with tremendous admiration for his spirit and refusal to compromise his beliefs.

Kim Fridman has been denied permission to leave since 1973. On what grounds? Alleged classified work in the Kiev Radio Plant which was conducted almost 15 years ago. Kim has been arrested several times and harrassed by the authorities for teaching Hebrew and the history of Russian Jews.

I first met Vladimir Prestin in 1978 in Moscow and again in 1985 and his extraordinary courage had not diminished in spite of the fact that he and his wife have been consistently denied permission to emigrate because Vladimir worked on computers.

Computers which became obsolete in 1969. The information to which he had access was also published in 1975. This Alice in Wonderland logic would be laughable if it were not being applied in real life to real people by a major world power. One has to question the superpower status of a country that considers technologies which are 10, 20 and even 30 years old so advanced that they still need protecting.

Vladimir Prestin is also a Jew and he speaks of the psychological effects of being a long-term Jewish refusenik:

> * * * There are several levels in this isolation: first of all, we do not believe we are free; the main feeling of every Jew is fear. It is an illness, a serious sickness * * * we suffer from phobias and paranoias and it destroys our minds.

This attempt to destroy the human spirit has perhaps reached the ultimate in cynicism in the case of Ilya Vaitsblit. Mr. Vaitsblit retired from his job as a radio engineer in 1973 because of declining health due to multiple sclerosis. He and his family applied for an exit visa but were refused because of his access to "classified" material. This is now 1987 and Mr. Vaitsblit's disease has rendered him deaf, dumb, blind and completely paralyzed and yet he cannot leave because he is considered a security risk. What kind of a government would deny Ilya Vaitsblit and his wife the only source of strength and love left to them, the right to be with their son in Israel?

Twelve years ago the Soviet Union along with the United States and 33 other countries signed an agreement known as the Helsinki Final Act. By doing so it pledged to resolve humanitarian problems and respect human rights and fundamental freedoms. For several months now delegates from the 35 signatory nations have been engaged in multilateral talks in Vienna to review the implementation record of the participating states in relation to these principles. In September they will begin drafting a document aimed at reinforcing and strengthening the Helsinki Final Act.

As Cochairman of the Helsinki Commission which was established by Congress to monitor compliance with the Helsinki Accords, I have been following the Vienna meeting very closely. Our Ambassador to the talks, Warren Zimmerman, has repeatedly challenged the Soviets to honor its Helsinki commitments. I second this challenge and pledge to make every effort to see that before a concluding document is signed in Vienna, sustained measureable progress is evident in the Soviet Union's human rights performance. In particular, there must be a significant resolution of outstanding emigration cases, a release of all prisoners of conscience and a reunification of divided families.

The Soviet Union would like to bypass these issues and place greater emphasis on the military security aspects of the Helsinki accords. But we must not accept any negotiation which permits security issues to overshadow the foundation of the Helsinki accords, human rights and fundamental freedoms. I intend to monitor this next critical phase in the Vienna talks carefully to ensure that the promotion of these freedoms which constitute the heart of the Helsinki process is not sacrificed for any reason. We must remain committed to our central focus on human rights until I no longer have a reason to stand in this Chamber and relate tales of suffering and oppression as I have today.●

RECOGNIZING DONALD AND DUDLEY WEBB

● Mr. McCONNELL. Mr. President, I rise today to recognize two outstanding Kentucky business leaders—Donald and Dudley Webb of Lexington, KY. The Wall Street Journal recently ran an article describing the real estate activities of these two brothers.

Donald and Dudley direct the Webb Companies, which, according to the Journal article, is the Nation's third largest diversified real estate development firm. It is certainly an honor for Kentucky that the Webb Companies are located in our Commonwealth.

The success of Donald and Dudley demonstrates that vision, dedication, and determination can have positive results. They come from a small community in eastern Kentucky and attended Georgetown College and the University of Kentucky Law School, where I was fortunate to have first met them. Both worked during college to help finance their education. Their record of accomplishment epitomizes the rewards of hard work in our free enterprise system.

Mr. President, I hope my colleagues share my sentiments in congratulating and recognizing Donald and Dudley Webb for their business and civic leadership. I ask that the Wall Street Journal article to which I have referred be printed in the RECORD for the benefit of my colleagues.

The article follows:

[From the Wall Street Journal, July 15, 1987]

TWO KENTUCKY BROTHERS MINE REAL ESTATE

(By Dana Canedy)

LEXINGTON, Ky.—Dudley Webb pushes a button and the boardroom curtains close. A huge screen appears from behind mahogany and brass walls. It's time for the slide show.

With the excitement of someone showing scenes from last summer's vacation, the 44-year-old Mr. Webb flips through slide after slide of real estate projects his firm has completed or begun. "This is like a big toy," he says as he operates the slide projector.

The large stack of slides explains why Webb Cos., run by Dudley and his 48-year-old brother Donald, has emerged in the past decade as the nation's third largest diversified real estate developer, according to the ranking of an industry magazine. Last year, Webb had projects under way valued at $908.3 million.

Because major U.S. markets are overbuilt, an increasing number of developers like the Webbs have been concentrating on midsized metropolitan markets. The Webb empire is in markets such as Winston-Salem, N.C.; Toledo, Ohio; Springfield, Mass.; Riverside, Calif.; and Raleigh, N.C.

The profits can be impressive, but so can the problems. The Webbs currently are negotiating to sell half of their real estate interests for an estimated $100 million to a pension management firm. But as bulldozers edge more and more into farmland and residential areas, such developers find themselves spending more time facing angry groups at public meetings.

To make the way smoother, the Webbs try to link up with local partners who know particular markets, says Dudley. These "second-tier markets are still good ol' boy networks" where local contacts "are very important," he adds.

In Toledo, for example, the Webbs linked up with SeaGate Community Development Corp. on a $32 million office and retail complex. In Charleston, W.Va., when the city's largest law firm needed new offices and wanted to own a portion of the space it occupied, the Webbs leveraged the firm's lease into a bigger building, established a development company, and sought out deals. The result: the $35 million Laidley Towers, the largest office building in town.

The Webbs, says Dudley, a high-spirited, soft-spoken bachelor, are themselves "good ol' boys" who grew up in Hot Spot, Ky., a coal mining camp (population 200) in the mountains of eastern Kentucky that was owned by the company that employed their father as office manager. "I had a shoeshine box when I was six," recalls Donald, whose first taste of currency was coal-mine company script. Donald is married and has one son.

Their parents scrimped to send the brothers to college. Both attended Georgetown College in Georgetown, Ky., and both later graduated from law school at the University of Kentucky. To pay for law school, Donald took a job in state government, while Dudley worked in the tire department of Montgomery Ward & Co. and also made extra money on weekends as a little league football referee.

A $3,000 LOAN

After working separately as lawyers for a few years, they began their real estate pursuits. It was a modest beginning: with a $3,000 loan and a mortgage from the owners, they bought a $32,000 single-family house and sold it for $37,000 four months later. They soon graduated from purchasing small houses to building duplexes, warehouses and eventually office buildings.

"When we paid the first $3,000 loan back, we showed the lender we would do what we said, and the next time they gave us a $10,000 loan, and the next a $100,000 loan." says Donald.

The Webbs moved into the industry's big leagues when they developed the Radisson Hotel and Vine Center in this city of 220,000.

Their fervent support of the University of Kentucky basketball team helped spark that project. In 1980, before the National Collegiate Athletic Association selection committee arrived here to review the city as a possible site for the 1985 NCAA basketball finals, the brothers moved to dispel any doubts that the city couldn't provide enough hotel rooms. "We accelerated our schedule a little bit, rented a bulldozer, put up a sign that said, 'Coming Soon, 400-Room Radisson' and started pushing dirt around," says Dudley.

CITY LANDS NCAA FINALS

Lexington landed the NCAA finals, and the Webbs soon seemed to land every pending development project in the city. Their slogan—"Building Tomorrow's Landmarks"—became familiar. In 1980, Dudley also decided to expand outside Lexington because, he says, "you start to step on your own toes in a small town."

Dudley became the firm's national partner, arranging projects throughout the country, while Donald focused his attention on further development in Kentucky. Their projects are now in 64 cities.

The Webbs' operations hub is the top floors of the new 30-story, $60 million Lexington Financial Center that they developed—plush quarters that include a winding brass staircase and brass elevators with viewing screens that display the date, day of the week, time, latest stock market report, weather, and the top news stories.

While few take issue with the Webbs' contribution to a once-lackluster downtown Lexington, some residents say the brothers are building too much too fast. They worry that development will begin to adversely affect the region's renowned thoroughbred horse farms. At a recent public hearing, residents protested the proposed location of a Webb shopping center project on a largely residential road where horses still graze.

"We're just running out of good farm land," asserts Alice Hadley Chandler, who along with her husband, owns Mill Ridge Farm. "One of our great tourist attractions is horses, and 20 years from now I wonder if we're going to have any place to put them." William Thomason Jr., Mill Ridge's financial officer, contends Lexington doesn't fit typical development trends and says the Webbs had better take note of that.

In response, Dudley says, "You're always going to have your doubting Thomases, but obviously the market speaks for itself. If there weren't demand for the projects, we wouldn't do them."

Some residents also say the Webbs have forgotten their humble roots. They cite a letter Donald Webb wrote to the Salvation Army responding to its request for advice on expanding their downtown facility for the homeless. The local newspaper later printed the letter in which Donald advised, "move them out to a rural site where they can raise vegetables and get fresh air."

Dudley says that having to account publicly for business decisions "isn't desirable" and that the Webbs intend to stay privately owned.

"I have enough accountability problems to my brother without taking on the world at large," he says.●

MONEY SAYS NASHUA IN NEW HAMPSHIRE IS BEST

● Mr. HUMPHREY. Mr. President, I was very pleased to see the August issue of Money. The financial magazine had been conducting a survey of metropolitan areas in order to determine which were the "most livable." Not surprisingly, at least to this Senator, the No. 1 area is located in the State of New Hampshire. The winner? Nashua, NH.

Money states that Nashua came out on top primarily because of the area's strong economy, first-rate schools, and proximity to both Boston and the bountiful recreation spots in New Hampshire's White Mountains.

Mr. President, the strength of the New Hampshire economy can be seen in the unemployment rate. At 2.5 percent, New Hampshire has had the lowest unemployment rate in the entire Nation for the past several months. The quality of education in my State is testament to local control over our schools. In fact, again in 1986, New Hampshire students ranked No. 1 in the Nation in overall SAT scores. Our quality of life is enhanced by the White Mountain National Forest, just one of the many jewels among New Hampshire's natural resource treasures.

Mr. President, in addition to Nashua coming out on top, southeastern New Hampshire was ranked No. 27 out of the 300 areas surveyed. I congratulate the Nashua area and the Southeastern Triangle, and I am certain that the areas will remain among the top of the "most livable metropolitan areas."

Mr. President, I ask that the article from Money detailing the results of its study, entitled "The Best Places to Live in America," appear in the RECORD.

The article follows:

[From Money, August 1987]

THE BEST PLACES TO LIVE IN AMERICA

(By Richard Eisenberg and Debra Wishik Englander)

If you could live anywhere in the U.S., where would it be? San Francisco? New York City? Plains, Ga.? Various surveys, such as Rand McNally's Places Rated Almanac, have attempted to identify the most livable metropolitan areas. But those previous lists have a serious flaw: they do not give extra weight to the key characteristics—such as safety, the weather, the local economy—that are most important to the public. Instead, they assume everyone cares equally about all factors.

In reality, of course, different factors do matter more to different people. With that in mind, Money's editors set out to determine what characteristics our readers prize. We then ranked 300 metropolitan areas by their preferences. Specifically, Money's poll asked a representative sample of 226 readers (median age: 42; median household income: $56,000) to score each of 60 variables on a scale of 1 to 10. Their three most important variables: safety of property, personal safety and the likelihood that houses will appreciate in value. The three least important: proximity to an Amtrak station, availability of household help and closeness to a bus terminal.

We then gathered data about the largest Metropolitan Statistical Areas, as the Census Bureau calls them, using both government and private sources. Working closely with Bert Sperling, a Portland, Ore. researcher who designed a computer software package called Places, U.S.A., we awarded the appropriate amount of points to each area.

The winner was Nashua, N.H. and its neighboring towns, primarily because of the area's strong economy, first-rate schools, and proximity to both Boston and the bountiful recreation spots in New Hampshire's White Mountains. Only one criterion required a subjective judgment: the definition of good weather. We decided the ideal was in San Diego, where the sun shines about 270 days a year, and it never snows. Undoubtedly, this choice helped boost two California areas into our top 10 list: Oxnard/Ventura and Anaheim/Santa Ana.

A strong local economy mattered enormously to our respondents. Therefore, it was no surprise that seven of our best 10 places are in the booming Northeast, in or near large metropolitan areas. Unemployment is 3% to 4% in many northeastern cities. And house prices appreciated 10% to 25% in 1986 in most of the area, compared with 7.4% nationwide.

Our two top 10 surprises are Wheeling, W.Va. and Scranton, Pa., where the local economies are sluggish at best. Both areas, however, boast low crime rates (fewer than three murders per 100,000 residents annually) and inexpensive houses ($20,000 to $80,000 for typical three-bedroom units).

NO. 1—NASHUA, NH

Attractions: growth economy, proximity to Boston and the White Mountains, no state income or sales taxes, high house-price appreciation, safety from crime.

Detractions: cold weather, lack of arts, high house prices.

Typical three-bedroom house: $100,000 to $250,000.

Paradise for Dennis and Nancy Daly and their three children is this New England family community, located just over the Massachusetts border, that 10 years ago people just drove through to get somewhere else. In 1979, when Mazda Motors Corp, transferred Dennis, a district manager, the Dalys had the choice of moving from Middletown, NY to Maine, New Hampshire or Vermont. "We wanted New Hampshire because of its central location," says Dennis, 43. "We quizzed people in New Hampshire hotels where we stayed, Mazda dealerships and real estate offices, and began hearing a lot about the well-regarded youth programs in Merrimack." That town is eight miles west of Nashua. Sports buffs, the Dalys became hooked after they realized that the area was an hour from Boston Garden, home of the basketball Celtics and hockey Bruins.

"I'd never move back to New York. I'm here to stay," says Nancy, 38, a teacher's aide for learning-disabled students. Or at least she is until Mazda calls Dennis for his next regional assignment.

Many people associate New Hampshire with great skiing and rustic charm. Nashua (pop. 75,000) and its neighboring towns offer that—and a great deal more.

Practically anyone who wants a well-paying job can have one. The unemployment rate is a mere 3% and has been among the nation's lowest consistently since 1980, through salaries are 5% below those of comparable jobs in Boston, 35 miles away.

Nashua is the second largest city in the only U.S. state without an income tax or a sales tax. Now that sales taxes are no longer deductible on federal income tax returns, New Hampshire is that much more attractive. Nashua's new million-square-foot Pheasant Lane Mall, the state's biggest, acts as a magnet to Massachusetts shoppers escaping their state's 5% sales tax. The mall's parking lot is in Massachusetts but its 150 stores are safely over the line.

Nashua is only an hour's drive from White Mountain skiing and outlet-store shopping to the north and Boston and Atlantic Ocean resorts to the east.

Area house prices have doubled since 1982 and are expected to increase another 12% this year, says Jim Drivick, who runs two local ERA real estate offices. The priciest houses—typically $200,000 to $250,000 for three bedrooms—are in the outlying rural towns of Amherst and Hollis. Condominiums generally sell for $75,000 to $150,000.

Nashua is the 20th safest metropolitan area in the country, according to the U.S. Justice Department. Residents cheer the lack of crime. Nancy Daly says, "I'll leave my pocketbook overnight in my unlocked car in the driveway and never think of anything happening."

The cost of living is low. A pay-phone call still costs a dime, and you can lunch on, say, a plate of scallops in a downtown restaurant for $6. A yearlong war for market share by two grocery chains is keeping food prices down. The average daily charge for a semi-private room in the 188-bed Nashua Memorial Hospital is $166, roughly 10% below the national average, according to the American Chamber of Commerce Researchers Association.

And few areas can compete for sheer beauty and outdoor activities. Says martha Oxner, 36 a credit-card representative who skis and hikes near her family's mountain cabin two hours from their Merrimack home: "There is everything but surfboarding."

A former textile-mill town that all but shut down in the late 1940s, Nashua has been on a slow, steady comeback ever since. Technology companies, aided in large measure by President Reagan's defense buildup, now propel the local economy. Today, 40% of local jobs are in high-tech.

The region's job stability was further enhanced last year when Lockheed, the enormous defense contractor, bought Sanders Associates, the biggest employer in Nashua and the state. Sanders, based in Nashua, has 7,600 workers. Says Roger Brown, vice president of human resources at Sanders: "We doubled or tripled our career opportunities for employees the day we became a member of the Lockheed family." Other big regional employers include Digital Equipment, Kollsman and the Nashua Corp.

Electronics firms also dot Routes 495 and 128 in nearby Massachusetts, giving area residents various job choices. For example, Sue Will, 28, left her position as a program administrator at Sanders in January to become a manager at Sof-Tech, an MIT spin-off computer software company in Waltham, Mass. A 10 percent raise lifted her annual salary to about $38,000. Sue's husband, Eric, 29, is a Sanders electrical engineer earning roughly $45,000 a year.

No place is perfect, of course. Property taxes eat up about 5.6 percent of personal income compared with a 3.5 percent take nationwide. Arts enthusiasts will find no galleries in Nashua, and the two movie theaters rarely show anything but the latest stuff aimed at local teenagers. Local mass transit does not exist, unless you count the mass of cars on Route 101A that can turn a 20-minute trip into a 50-minute drag during rush hour. Low annual starting salaries of $13,000 three years ago deterred some teachers from moving in. But a new contract that raised starting pay to $18,000 this year has begun attracting teachers.

Nature sometimes gets revenge too. The ground is blanketed by three or four snowstorms annually (about 15 inches per winter month), and winter temperatures often stay in the teens and 20s for days. A toxic-waste dump near the Nashua River is the first Superfund site—part of the federally established hazardous-waste cleanup program. Fortunately, Nashua's drinking water is considered safe from the small, contained toxic site.

Summing up the Nashua area, parents there say it's a spectacular place to raise a family. Says Nancy Daly: "I don't think my kids would have all the options for skiing, swimming and playing other sports without crowds if we lived in a bigger area. We've got a lot of space to enjoy ourselves."

NO. 2: NORWALK, CT

Attractions: growth economy, health care, waterfront, no state income tax, community spirit, abundant arts, proximity to New York City.

Detractions: high house prices, property taxes, cost of living.

Three-bedroom house: $250,000 to $400,000.

For years, snooty neighbors called Norwalk (pop. 78,000) "the hole in the doughnut" because it lacked the cachet of the tony southern Connecticut towns that surrounded it—Greenwich, Darien and Westport. But seldom is heard a disparaging word about Norwalk these days. The local economy is humming, and a new tourist attraction called the Maritime Center, with an aquarium, a museum and restaurants on Long Island Sound, will open next spring. Roughly 10 percent of residents brave the 58-minute one-way train commute to New York City's Grand Central Terminal.

The future looks promising. Sales and Marketing Management magazine forecasts that in 1990 the average household income in Norwalk, Danbury and nearby Fairfield County cities will reach $71,628, the highest in the U.S. and a 41 percent increase from the 1985 figure. The latest company considering moving its headquarters to the area from New York City: the national accounting firm Deloitte Haskins & Sells.

Another strength is community spirit. City planners, residents and local business owners are converting a rundown former South Norwalk slum into a chic, artsy neighborhood dubbed SoNo. Last August, the 10th annual SoNo Art Celebration, featuring 135 local and national artists, attracted 30,000 people, many from the New York City metropolitan area and eastern Connecticut. In addition, some 45 local companies, including Pepperidge Farm and Richardson-Vicks, actively urge employees to join Norwalk's Adopt-a-School program and teach classes in the public schools.

The lack of affordable housing is the biggest drawback in Norwalk and the nearby ritzy three W's—Wilton, Weston and Westport. Even one-bedroom condos, the typical starter homes, usually go for $175,000. Shrewd investors snapped up the first SoNo studio condos in 1982 for about $80,000; prices since have more than doubled.

NO. 3: WHEELING, WV

Attractions: safety, diverse leisure activities, low house prices

Detractions: chronic unemployment, deteriorated downtown

Three-bedroom house: $20,000 to $80,000

Wheeling is still feeling the slowdowns at Wheeling-Pittsburgh and Weirton Steel companies along with diminished production in local coal mines. Unemployment remains at 9.5%, about three percentage points higher than the national average. So how does it rank third on Money's survey? There is no safer place to live in the U.S., and safety was the most important factor among the readers we polled. Wheeling (pop. 43,000) has topped the Justice Department's list of safe cities for the past two years. The low crime rate is primarily because of effective community watch programs, says police chief Edward Weith, Jr. Weith adds that the criminals are often young, out-of-work repeat offenders, who are well known to local police.

Wheeling's appeal is enhanced by its magnificent parks. Some 3 million tourists and locals a year visit the 1,500-acre Oglebay Park, about a 10-minute drive from downtown. Its lush rolling acres offer vistas and accommodations few other public parks can rival. For minimal fees as low as 50¢, you can picnic, hike, play tennis, or golf. In addition, other leisuretime offerings include: Wheeling Park, the other city park; Jamboree USA, a country-and-western show held at Capitol Music Hall every Saturday night; and Wheeling Downs, a popular dog-racing track.

Hoping to capitalize on its many Victorian homes, Wheeling has petitioned the state historic preservation office to declare certain additional sections of the city as historic districts. This would let the city get federal and matching state funds. Such support, along with private investments, would be used to redevelop the downtown Ohio River waterfront and—some residents hope—eventually turn the city into another Williamsburg.

Local business leaders are working to boost the economy in other ways too. Patrick Lyle, marketing director of the Ohio Valley Industrial & Business Development Corp., a group trying to attract industry, says, "Our future growth lies in light manufacturing, distribution, service industries and tourism." Two first steps: a joint project between Wheeling-Pittsburgh Steel and the Nisshim Steel Co. of Japan is expected to provide some 100 assembly-line and office jobs next year; and HessCo Industries, a La Habra, Calif. bathtub and shower manufacturer, expects to expand to an abandoned steel factory within a year, creating 400 jobs over three years. It will take five to 10 years to see if Wheeling's strides continue and produce a boomtown. Meantime, patient real estate investors could be richly rewarded. Some downtown Victorian homes are for sale for as little as $10,000.

NO. 4: BEAVER COUNTY, PA

Attractions: safety, low house prices, proximity to Pittsburgh

Detraction: chronic unemployment

Three-bedroom house: $30,000 to $100,000

Even people who hate sports know that Joe Namath hails from Beaver Falls, a town in an area so football crazy that it closes down for Friday night high school games. What else happens in Beaver County (pop. 190,300)? Not much. But the Ohio River area, with its charming small towns and farmland, is evolving into nearby Pittsburgh's back bedroom. The city and all it offers—the Pirates, Steelers, symphony, universities, museums, large shopping centers and jobs—is a one-hour highway drive away.

Ultimately, Beaver County would like to lure away some of the 640 high-tech companies that have helped revitalize Steeltown, U.S.A. since 1981. Several economic organizations have been spawned to find service and manufacturing companies as well. The Southwest Pennsylvania Economic Development District created a new-business incubator in Vanport Township two years ago.

Unemployment has fallen to about 9%. "It's very difficut to lose a major industry like steel," says Clair Searfoss, president of the Beaver County Corp. for Economic Development. The hope for the future is the expanding Pittsburgh International Airport, the 15th busiest in the country. Beaver County is building several industrial parks within 15 minutes of the airport to attract major new employers keen on buying land some 20% cheaper than at the airport or in Pittsburgh.

The slow times have kept house prices about 25% lower than those in nearby Allegheny County. For less than $100,000, you can get a five-bedroom Spanish-style house or a remodeled farmhouse with 10 acres.

NO. 5: DANBURY, CT

Attractions: strong economy, scenic beauty, public schools, no state income tax, health care.

Detractions: high house prices, property taxes, cost of living, long commute to New York City.

Three-bedroom house: $175,000 to $400,000.

For the past five years, corporate executives and managers have been migrating to the rolling hills surrounding Danbury, 25 miles north of Norwalk and a two-hour car and train trip to Manhattan. The flight to Danbury (pop. 67,000) began when Union Carbide moved its 3,000-person headquarters there from New York. As the starched-shirt crowd has settled into the nearby towns, a mix of Chinese, Cambodians, and South and Central Americans have moved into downtown Danbury and filled jobs largely at small businesses.

The population growth has produced a vibrant local economy. "If you drive down the street and don't see a help-wanted sign, you need glasses," said local real estate agent Fred Koontz. Continued low unemployment of around 4% and high job growth of 2.5% a year appear likely. Even the local hangout is a cafe called Rosy Tomorrows.

House price appreciation has been phenomenal—25% a year, on average, in 1985 and 1986—before cooling to the national average of 7% to 10% this year. You can still get a small three-bedroom colonial for $200,000, roughly $30,000 more than a comparable home 10 miles west in high-tax New York's Putnam County.

Area school systems and medical care are exceptional. The public schools are especially noteworthy in the Danbury suburbs of Ridgefield, New Fairfield and Bethel. The 450-bed Danbury Hospital is pioneering for a medical center its size. For example, it is one of only three in Connecticut allowed by the Food and Drug Administration to give heart-attack patients Genentech's experimental pain-killer called t-PA, designed to stop damage to heart tissue.

Leisure activities feature beauty and the beast. The 11-mile Candlewood Lake delights families who swim, sail and fish in the summer and skate and ice-fish in winter. Fans of jazz, country and other American music need not travel to New York City to tap their toes. Danbury's three-year-old, 39-acre, outdoor Charles Ives Center for the Arts has booked Ray Charles, jazz greats Miles Davis and Chick Corea and Broadway star Barbara Cook.

NO. 6: LONG ISLAND, NY

Attractions: well-regarded schools and colleges, health care, waterfront, strong economy, proximity to New York City.

Detractions: high house prices, cost of living, commute to New York City, taxes.

Three-bedroom house: $140,000 to $250,000.

The world's biggest suburb—the 120-mile stretch east of New York City, comprising Nassau and Suffolk counties—appears routinely in surveys of great places to live. For example, American Demographics magazine recently chose Long Island as the best metropolitan area for blacks, largely because of Long Island's high median black income ($18,826) and home ownership rate (61%).

Many towns on the island remain as affluent as Jay Gatsby's East Egg. Three of the 10 wealthiest U.S. locales (medium income: about $70,000) are on Long Island's North Shore—Great Neck, Roslyn and Manhasset. The price of affluence is steep. House prices rose an average of 15% to 30% last year. The owner of a $200,000 house might have to pay $3,000 a year in property taxes. Long Island's auto insurance rates are among the nation's highest, averaging about $650 a year. And the 38 hospitals, including some noteworthy ones, charge nosebleed rates: a semiprivate room at Nassau County Medical Center in East Meadow costs $345 a day.

The quality of life depends mostly on whether residents work on the island or commute to New York City. Long Island, which has no central city, houses more residents (2.6 million) than 21 other states, and nearly 80% of them work in Nassau and Suffolk counties, many at 1,000-odd high-tech companies. The unlucky 20% who commute to New York suffer endless aggravation. Some drive in on the Long Island Expressway, often called "the world's largest parking lot." Other take the Long Island Railroad, usually a 1½-hour trip door to door at 30 miles an hour each way.

Education gets high marks. Since 1984, the U.S. Department of Education has cited six Long Island public elementary and secondary schools for excellence; most are on the North Shore. Long Island also has 19 colleges, including intimate Adelphia and striving Hofstra.

Long Island is fun suburb to New York's fun city. The island's 1,600 miles of shoreline, featuring the Hamptons, Fire Island and other beach communities earned Long Island its designation as the 21st best vacation spot in the U.S., according to *Vacation Places Rated* (Rand McNally, $12.95). Other entertainment includes Belmont racetrack and the Nassau Coliseum, home of the New York Islanders hockey team. Newsday, considered one of the nation's best newspapers, is the local paper.

NO. 7: OXNARD/VENTURA, CA

Attractions: sunny weather, diverse leisure activities, proximity to Los Angeles.

Detractions: high house prices, cost of living.

Three-bedroom house: $120,000 to $200,000.

Who would like to enjoy prosperity on the Pacific coast, in sunny 70° weather, about an hour's drive north of Los Angeles? Some 639,000 residents do now, and the Southern California Association of Governments predicts that the Oxnard/Ventura population will grow by 70% to hit 1 million in 20 years as people move from cities south of the area.

The economy seems strong enough to withstand the growth. The Woods & Poole economics firm says the metropolitan region is only one of 16 in the country that has not suffered a recession since 1969. Tourism is the big business. The Channel Islands National Park, along with the other beaches, parks and boating facilities, generate enough visitors to fill nearly 196,000 rooms each year. In addition, two naval facilities, Port Hueneme Naval Construction Battalion and the Pacific Missile Test Center at Point Magu, employ more than 18,000. Several downtown industrial sites are being developed for offices and malls.

Growth is so rapid that the largely rural residents are worrying about urbanization and its byproducts, traffic jams and air pollution. Oxnard officials rejected a business park near the city airport recently that would have added traffic, despite the fact that all new developers must already pay a tax based on estimates of increased road use.

Still, many area leaders keep plugging away for growth. The cities of Oxnard, Ventura and Port Hueneme have asked the America's Cup Defense Committee to consider the area to host the America's Cup Yacht Race in 1990. Jack Stewart, director of economic development for Oxnard, says: "We want to be the Fremantle of the future. We have the winds, the hotels and the boat slips." And the booster spirit.

NO 8: BOSTON'S NORTH SHORE

Attractions: scenic beauty, safety, waterfront, proximity to Boston.

Detractions: high house prices, property taxes.

Three-bedroom house: $150,000 to $200,000.

Few places in America combine waterfront charm and an easy train commute to a great city as well as the surprisingly unheralded 20 miles of coastline north of Boston. The towns from Salem to a few knots beyond Gloucester, once primarily fishing villages, now largely attract Back Bay defectors and retirees. Most outsiders know Salem (pop. 38,000) only for its witch trials and Gloucester (pop. 28,000) as home of the Gorton's sea captain with his familiar yellow slicker.

Prices of the area's handsome 18th- and 19th-century clapboard houses are expensive and getting pricier. Massachusetts Bay waterfront homes in Marblehead, Manchester and Gloucester generally start at $400,000. Average appreciation last year was 20% to 25%; another 10% to 15% increase is expected this year.

Proximity to Boston gives North Shore residents access to some of the country's finest medical care. Best known of Boston's 27 hospitals is Massachusetts General, the largest hospital in New England and a pioneer in treating heart patients as well as burn and stroke victims. Well-regarded specialty medical centers include the Joslin Diabetes Clinic, the Massachusetts Eye and Ear Infirmary and the Dana Farber Cancer Institute.

Leisure activities shine. Rockport's artist colony is world renowned, and Cape Ann offers some of the country's best whale watching. Museums celebrate Salem's maritime history and witch lore, as well as native author Nathaniel Hawthorne. Seafood lovers feast on what may be the best fresh lobster in the U.S., netted off Gloucester's shore.

NO. 9: SCRANTON/WILKES-BARRE, PA

Attractions: safety, low house prices, short commute to jobs, cost of living, many nearby colleges.

Detractions: high unemployment, far from big cities.

Three-bedroom house: $35,000 to $80,000.

These two quiet northeastern Pennsylvania cities, 20 miles apart, in the heart of the coal region are truly underrated treasures. This region—and Wheeling, W.Va.—boasts the lowest crime rate in the country. Housing prices, though slowly rising, are still a steal; they are about 65% less than in Philadelphia and 75% less than in New York City. The average commute to work is less than 20 minutes. And the lush Pocono mountains and lakes are only 45 minutes away.

Northeastern city dwellers eager for a slower pace are starting to discover the area. One former Philadelphia resident said, in amazement: "Being stuck in traffic here for 10 minutes is considered a big deal." And Francois Ysambart, who opened Le Paris, a French restaurant, in the town of Kingston about a year ago, says he is willing to work hard to make his business go because "I want my children raised in the fresh air."

The drawback: unemployment is about 7% in Scranton (pop. 82,000) and Wilkes-Barre (pop. 50,000), though that's down from around 13% four years ago. New employers are gradually compensating for the loss of the old coal producers. For instance, Martin Holdrich, an economist with the forecasting firm Woods & Poole, says: "The area's service industry, helped by the boom in recreational facilities, has grown from 12% in 1970 to 19% in 1983."

Tourist developments remain strong. Montage, a three-year-old $14 million ski center and office park that is just five minutes from downtown Scranton, offers year-round recreation for tourists as well as quick lunchtime runs down its slopes for the local office workers. The abandoned Erie Lackawanna Railroad Station was converted into a $13 million Hilton in 1983. Steamtown USA, a historic park, features train rides to the Poconos, as well as a railroad museum.

A dozen nearby colleges, led by the University of Scranton and Wilkes College, offer undergraduate, graduate and technical degrees. And Wilkes-Barre, once considered devoid of culture, got a boost in 1986 when community leaders raised $3 million to create the F.M. Kirby Center for the Performing Arts, a restored 1930s movie house that now features Broadway road companies, orchestras and dance companies such as the Ballet Gran Folklorico de Mexico.

NO. 10: ANAHEIM/SANTA ANA, CA

Attractions: sunny weather, diverse leisure activities, booming economy.

Detractions: high house prices, congestion, health-care costs.

Three-bedroom house: $100,000 to $200,000.

Sunny weather and Mickey Mouse mean jobs. This region (pop. 2,317,800) will have the third largest increase in employment, behind Los Angeles and Washington, DC., by the year 2010, according to the National Planning Association. Anaheim's major attractions remain Disneyland and Anaheim Stadium, home of the California Angels and Los Angeles Rams. In addition, last year, 10% of California's entrepreneurs, mainly in high-tech and light manufacturing, opened businesses or announced plans to do so in Orange County.

Some 800 acres of industrial area near Anaheim Stadium are being converted to office space. Development in Santa Ana's ethnically diverse downtown (44% Hispanic) is booming: half a dozen major projects are under way, including Main-Place, a $400 million 100-store mall, hotel and office complex; and MacArthur Place, a $600 million urban village of homes, hotels, offices and public areas.

Orange County offers terrific weather, though its annual average rainfall of 12 inches tops San Diego's by three inches. (By contrast, Seattle's annual rainfall is 39 inches.)

It's increasingly difficult to find affordable housing. In some areas such as posh Newport Beach, three-bedroom homes can cost as much as $500,000. And the roads are often jammed. The area, known as the Golden Triangle, is surrounded by Interstate 5 and Freeways 57 and 91, all suffer chronic congestion. Accidents happen. The average annual auto insurance rate of $663 is one of the highest nationwide.

One other worry: some experts say there is a 50% chance of a major earthquake within the next 30 years.

THE BOTTOM 10

These places, dominated by five in Michigan, scored worst in Money's survey of 300 areas, largely due to their high crime rates, weak economies and relatively few arts and leisure activities.

300. Flint, Mich.
299. Muskegon, Mich.
298. Benton Harbor, Mich.
297. Atlantic City
296. Rockford, Ill.
295. Odessa, Texas
294. Jackson, Mich.
293. Wilmington, N.C.
292. Saginaw, Mich.
291. Mansfield, Ohio

THE TOP 100 PLACES TO LIVE

1. Nashua, N.H.
2. Norwalk, Conn.
3. Wheeling, W.Va.
4. Beaver County, Pa.
5. Danbury, Conn.
6. Long Island, N.Y.
7. Oxnard/Ventura, Calif.
8. Boston's North Shore, Mass.
9. Scranton/Wilkes-Barre, Pa.
10. Anaheim/Santa Ana, Calif.
11. Houma/Thibodaux, La.
12. San Francisco.
13. Central New Jersey.
14. Rochester, Minn.
15. Cumberland, Md.
16. Johnstown, Pa.
17. Los Angeles.
18. Burlington, Vt.
19. Johnson City/Kingsport, Tenn.
20. Binghamton, N.Y.
21. San Jose.
22. San Diego.
23. Monmouth/Ocean counties, N.J.
24. Danville, Va.
25. Stamford, Conn.
26. Lancaster, Pa.
27. Southeastern New Hampshire.
28. Fargo, N.D.
29. Riverside/San Bernardino, Calif.
30. St. Cloud, Minn.
31. Altoona, Pa.
32. Wausau, Wis.
33. Santa Cruz, Calif.
34. Utica-Rome, N.Y.
35. Manchester, N.H.
36. Bismarck, N.D.
37. Bridgeport/Milford, Conn.
38. Orange County, N.Y.
39. Bergen/Passaic counties, N.J.
40. Eau Claire, Wis.
41. York, Pa.
42. Lafayette, Ind.
43. Pittsburgh.
44. Santa Rosa/Petaluma, Calif.
45. Boston.
46. Oakland, Calif.
47. Duluth, Minn.
48. Chicago.
49. Parkersburg, W.Va.
50. Sioux Falls, S.D.
51. Green Bay
52. Vallejo/Fairfield/Napa, Calif.
53. Appleton/Oshkosh, Wis.
54. Williamsport, Pa.
55. Philadelphia.
56. Steubenville, Ohio.
57. Bangor, Maine.
58. Honolulu.
59. Provo/Orem, Utah.
60. Seattle.
61. Fort Walton Beach, Fla.
62. Florence, Ala.
63. Minneapolis/St. Paul.
64. La Crosse, Wis.
65. Harrisburg, Pa.
66. Fayetteville, Ark.
67. Olympia, Wash.
68. Newark, N.J.
69. Milwaukee.
70. Washington, D.C.
71. Asheville, N.C.
72. Lowell, Mass.
73. Allentown/Bethlehem, Pa.
74. Knoxville, Tenn.
75. Reading, Pa.
76. Lorain/Elyria, Ohio.
77. Madison, Wis.
78. Kenosha, Wis.
79. State College, Pa.
80. Albany/Schenectady, N.Y.
81. Dallas.
82. New York City.
83. Cleveland.
84. Ann Arbor.
85. Lake County, Ill.
86. Raleigh/Durham, N.C.
87. Bremerton, Wash.
88. Lawrence, Mass.
89. Charlottsville, Va.
90. Worcester, Mass.
91. Jersey City, N.J.
92. Gary/Hammond, Ind.
93. Aurora/Elgin, Ill.
94. Santa Barbara.
95. New Orleans.
96. Buffalo.
97. Fort Meyers, Fla.
98. Atlanta.
99. Lafayette, La.
100. Wilmington.●

AIR TRANSPORTATION

● Mr. BURDICK. Mr. President, I rise today to bring my colleagues' attention to some very informative material recently released by the Air Transport Association.

We all know that there has been tremendous growth in air transportation over the past decade. Unfortunately, spending for improved air traffic handling capabilities has not kept pace with this growth, even though the aviation trust fund has an uncommitted surplus of almost $6 billion.

As frequent travelers, we are well aware of problems associated with airline service. Certainly, the airlines need to take prompt action to improve consumer service. But, that is only part of the problem. The airlines do not own or operate the country's airports or airways. To obtain improvements in these areas, Congress should see to it that the aviation trust fund revenue is spent for its intended purpose.

I ask that the attached materials be printed in the RECORD.

The materials follow:

[Charts not reproducible for the RECORD.]

CHART 1

From 1976 to 1986 the number of passengers increased from 223 million to 418 million—an 87% increase in demand.

This increase in passenger demand was accommodated with a 30% increase in the number of aircraft departures.

Departures increased from 4.8 million in 1976 to 6.4 million in 1986.

The airlines also purchased larger aircraft to satisfy demand. The average aircraft in the 1986 fleet is now 18% larger than those in service in 1976.

U.S. air carriers have placed firm orders for over 400 additional aircraft and have options on 500 more. This commitment to capital investment will cost the airlines more than $30 billion.

In addition, the number of filled seats increased from 55.4% in 1976 to 60.4% in 1986.

There were economic recessions in 1980, 1981, and 1982. Passenger demand and the number of aircraft operations declined during this period. It was not until 1984 that the number of passengers and departures increased to above the record levels established in 1979.

CHART 2

During the '81-'82 pause in growth of the number of passengers and aircraft departures, the FAA began to rebuild the air traffice control system following the 1981 controllers strike.

The number of controllers, however, remains 12 percent below 1976 levels even though the number of aircraft departures has increased 30 percent.

At the end of 1986 there were 14,800 controllers. Of these, about 10,000 were fully qualified and the remaining were at various stages of training. By May, 1987, the number of controllers had grown to 15,100.

The growth in the number of controllers since the strike has not kept pace with the growth in the number of departures since that time. Since 1982 the number of controllers has increased 18 percent and the number of departures increased 29 percent.

CHART 3

In addition to shortfalls in air traffic control manpower, capital spending has not been adequate.

Aviation Trust Fund committed funds have grown slowly to the $4 billion level while payments to the fund from passengers and shippers continued to grow.

The uncommitted trust fund balance is expected to stand at nearly $6 billion by the end of FY87.

Since FY83, National Airspace System (NAS) appropriations have fallen nearly $2 billion short of authorized funding of over $7 billion.

CHART 4

An 87 percent growth in passenger demand was met efficiently and productively by a 30 percent increase in the number of flights.

However, funding for airports and airways facilities and operations have not kept pace with the growth in the system.

The result has been a disappointing increase in the number of air traffic control delays.

ATC delays in 1986 averaged 1,144 per day, an increase of 154 percent over the level estimated for 1976.

The level of delays in 1986 was only slightly less than the peak level established in 1981, the year of the controllers strike.

It has been estimated that these delays cost the airlines over $1 billion per year in direct operating expenses and, in addition, cost travellers and shippers $1 billion per year.

CHART 5

Passenger complaints, although increasing, are still considerably below levels established when the airlines were regualted.

Complaints per 100,000 passengers have been slowly increasing since 1983, but are still less than half the 1976-1979 levels.

Complaints in the first half of 1987 continued to rise. However, it is felt that, as in 1979, this was due in part to a heightened awareness of the DOT's complaint services.

During the past year, almost 70 percent of the industry was involved in mergers or acquisitions. Such action appears to have resulted in at least a temporary increase in service problems and a steady rise in consumer complaints during this transition period.

In 1986, four airlines accounted for 46 percent of the complaints.

In the first half of 1987, four airlines accounted for 66 percent of the complaints received.●

NATIONAL MINING HALL OF FAME CHARTER

● Mr. D'AMATO. Mr. President, I rise today in support of legislation to grant a Federal charter to the National Mining Hall of Fame and Museum, Inc. This Nation owes a great deal to the mining industry and I thank my colleague from Colorado, Mr. ARMSTRONG, for introducing S. 450.

Mining is one of the earliest and most basic industries in the United States. We are, and have always been, dependent on the raw materials derived from the earth. Minerals are the foundation of all manufacturing and they are the materials on which all modern technology is based. Mining is an important part of our American heritage as well as an important part of America's future.

The National Mining Hall of Fame and Museum, Inc., is an organization which has as its chief objective the education of the American public to the historical role that mining has played in the development of our country and its importance today in maintaining a healthy and secure economy in the United States.

The National Mining Hall of Fame and Museum, Inc., is organized exclusively for charitable, educational, and scientific purposes. It will promote and encourage a better understanding of the origins and growth of mining in the United States, it will offer a comprehensive library on the mining industry, and it will honor the memory of the men and women who participated actively in the founding and development of the American mining industry.

Granting a Federal charter for the National Mining Hall of Fame and Museum, Inc., will codify the importance of the organization and its goals. Furthermore, a Federal charter will enable it to be a site specific tourist attraction which is noted on road maps and tourist information. This will give the National Mining Hall of Fame and Museum, Inc., the exposure necessary to make it the foremost showcase and literary center for the mining world.

The headquarters for the National Mining Hall of Fame and Museum, Inc., will be in Leadville, CO. Leadville is known throughout the Nation as one of the richest mining camps ever developed. The facility will be accessible for use by the general public, scholars, and mining professionals.

The National Mining Hall of Fame and Museum, Inc., is an organization worthy of recognition. I am pleased to support this legislation. I encourage my colleagues to take note of the significance of the National Mining Hall of Fame and Museum, Inc., and to join me in supporting S. 450.●

POLISH REFUGEES IN CONNECTICUT

● Mr. DODD. Mr. President, about 2 weeks ago, I joined several of my colleagues in cosponsoring S. 1424, the Polish Permanent Resident Adjustment Act of 1987. In my statement made on that occasion I mentioned the fact that approximately 300 of the Polish refugees who got stranded in our country as martial law was declared in Poland reside in my State, Connecticut. I also paid tribute to the rich contributions of the Polish-American community of Connecticut to the economic, cultural, and social life of our State.

In response, yesterday I received a heartwarming thank you letter from the president of the Connecticut district of the Polish American Congress, Mr. Stanley Zebzda. I ask that Mr. Zebzda's letter be printed in the RECORD following my remarks.

The letter follows:

AUGUST 4, 1987.

Hon. CHRISTOPHER J. DODD,
U.S. Senator, Senate Office Building, Washington, DC.

DEAR SENATOR DODD: As the Statue of Liberty came into view, tear-welled eyes and tingled sensations were inspired within the refugees who fled to the United States from communist-dominated Poland before and during the period of Martial Law in Poland.

Characteristic of their Polish religiosity, the refugees silently recited divine thanksgiving for their arrival in America.

This typifies the experience of about 7,000 Polish refugees who found new hope; job opportunities; and untrammeled liberties. They became solid residents.

The indecision of their status in the United States has been a deep concern to them. The possibility of their new lives and new freedom being shattered by deportation back to oppression always uppermost in their minds.

The Polish American Congress, District of Connecticut, commends you, Senator Dodd, for co-sponsoring S. 1424, the Polish Permanent Resident Adjustment Act of 1987.

As you so eloquently stated in your remarks in the United States Senate on July 21, 1987, the legislation "will provide an orderly way for this group to become permanent residents and eventually U.S. citizens if they so desire."

Please accept our appreciation for your concern and active support of this humanitarian legislation. Be assured of our continued interest and support.

Respectfully,

STANLEY ZEBZDA,
State President,
Polish American Congress,
District of Connecticut, Inc.●

DAV VIETNAM VETERANS NATIONAL MEMORIAL

● **Mr. DOMENICI.** Mr. President, I would like to take this opportunity to commemorate the Disabled American Veterans Vietnam Veterans National Memorial in Angel Fire, NM. This breathtaking memorial was the subject of a cover article entitled "Where Eagles Soar" in the August issue of the Retired Officer.

This monument was constructed by Dr. and Mrs. Victor Westphall and their younger son, Douglas, following the tragic death of their first born son and brother, 1st Lt. David Westphall, in the Southeast Asian conflict. Construction was begun in 1968, and the chapel was opened in 1971 as a memorial to all Vietnam veterans: the living, the dead, and the maimed in body and spirit.

It consists of a chapel and a visitor's center which stand at the base of the Sangre de Cristo Mountains in the Moreno Valley of northern New Mexico. Architecturally inspiring and beautiful, and with a silhouette that points dramatically skyward, the DAV Vietnam Veterans Memorial's design and its serene location evoke internal reflection and an unmistakable feeling of pride.

While the view from the chapel overlooks the fertile Moreno Valley, the chapel interior provides a quiet, uncomplicated atmosphere where thousands have come to pause for a time and remember. Next to the chapel is a visitor's center containing photographs, maps, murals, poems, and banners which represent the different units that fought in the Vietnam war.

There can be no more fitting tribute to the fallen men and women and the brave survivors of the war in Southeast Asia. All who have visited the memorial join together in the feeling of awe and compassion for what this memorial represents. We in Congress may not each have the opportunity to visit the DAV National Vietnam Veterans National Memorial, but we owe it to the thousands of veterans of this Nation and we owe it to ourselves to take a moment and contemplate the meaning behind such a magnificent monument.

Mr. President, I ask that the article be printed in the RECORD.

WHERE EAGLES SOAR

By Shanti K. Khalsa

The sound of chopper blades beat the air in a familiar cadence of "whappa whappa whappa." The two men in green camouflaged uniforms abruptly stopped their conversation and cringed slightly.

"Man, that brings it all back, doesn't it?" His friend smiled at him and shook his head, "Way it was, my friend, way it was."

We all looked skyward as three medical evacuation helicopters did a flyover for the Memorial Day ceremonies at the Disabled American Veterans Vietnam Veterans National Memorial in Eagles Nest, N.M. With inspired architectural lines that rise 50 feet to a double peak, the memorial chapel a newly constructed visitor's center form a special sanctuary set in an environment of unparalleled beauty. At the base of the monument lies the Moreno Valley, a green band of fields running off to the mountains on the horizon. Behind it rises the Sangre de Cristo Mountains, capped with snow and shrouded with clouds. But what makes this truly a sanctuary is not only the physical beauty that surrounds it but the spirit that flows through it. It is not simply a memorial to the fallen but a tribute to all the soldiers of Southeast Asia. It is a quiet and deep symbol of honor and respect to the soldier of Vietnam—the living, the dead and the maimed in body and spirit.

DESIGN EVOKES REFLECTION

The chapel is architecturally beautiful in its sweeping lines and commanding nature. Inside, the walls curve inward to form a triangular shape, enclosing the chapel itself. At its tip is a narrow window extending from floor to ceiling looking out across the valley. Although devoid of any traditional religious symbols, its simplicity and serenity evokes internal reflection; there is no question why this memorial building is called a chapel.

In front of the window is a simple array of flowers and candles. The special memory held deep inside of a lost loved one comes floating into mind here, bidden or unbidden. After that first aching emotion of loss passes comes the knowledge of how empty life would be without that remembering.

Outside the chapel to the left is the visitor's center. It is thoughtfully designed and skillfully constructed. When you enter this subterranean building, you come upon a map of Vietnam and a brief written history on an artistic latex display. Directly below is a small table with an enormous collection of photographs filed alphabetically of young soldiers who died in the war. Not just names carved on a black marble wall, these pictures speak of hope, promise and brave youth cut short. These are boys loved by the families who brought the pictures to the center, and it is difficult to keep a dry eye as you scan through them.

To the left is a gallery full of pictures. Large murals on the four walls depict the war, the life of the soldier, Vietnam and its people. Suspended from the ceiling are banners of the different units that fought in the war, more photographs and poems about the Vietnam experience. Amidst the banners and pictures are seats where you can sit and become absorbed by the emotions that the room evokes. Surrounded by friends of a common experience and philosophy, there is a special combination of brotherhood, serenity and shared grief.

Vietnam was a war that brave soldiers fought and died in, but it was also a war that equally brave soldiers fought and came home from. Home to a country that didn't understand their sacrifice and didn't share their pride. As I sat in the visitor's center, I could feel the powerful sentiments of the veterans, their families and friends as they moved through the pictures, the banners, the poems. "Here in this room I can show my family with pride what I did in Vietnam. . . . Here I can see pictures of the life of my son whom I will never see again. . . . Here I can show my child the war his dad died in and make his memory really come to life. . . . Here I can share with my friends the memory of the good times and the bad times."

ONE FAMILY'S EFFORTS

Part of what makes the memorial so special is that it was not built by an organization, a government committee or a city council. The chapel was constructed single-handedly by the efforts of Victor Westphall, his wife and younger son, Douglas, after their first-born son and brother, David, was killed in an enemy ambush in Con Thien, South Vietnam, on May 22, 1968. Lt David Westphall was the rifle platoon commander, Bravo Company, 1st Battalion, 4th Marines. At the end of the last day of a sweep around the Con Thien area, Lieutenant Westphall's platoon was walking point through waist-high grass. The terrain was broken by rolling ridges and patches of heavy brush and hedgerow. After a few of David's men crossed over a long low rise, an L-shaped ambush was unleashed under them followed by an assault of more than 100 North Vietnamese Army soldiers. Bravo Company opened fire and aggressively moved up into position. The officers and non-commissioned officers quickly formed a firing line to break the momentum of the assault. Exposed to the enemy fire, the line was cut to pieces but effectively bought precious time for the company, saving it from heavier losses. The engagement was quickly terminated, but in those 10 long minutes, 27 were wounded and 13 were killed, including David.

With the proceeds from David's military life insurance policy, the Westphall family was determined to build a structure to honor his spirit and that of the 12 others killed in the ambush. "If those who died can, in any measure, become a symbol that will arouse all mankind and bring about a rejection of the principles that defile, debase and destroy the youth of this world, perhaps they will not have died in vain," David's father said. Knowing that it would take much more money than they had in their personal resources, the Westphalls sought grants and government support but were shut out at every turn. Vietnam memorials were not a popular cause in 1968, so they struck out on their own. Ted Luna, a talented architect from Santa Fe, N.M., skillfully designed the building. In the summer of 1968, the family completed the walls and added the roof the following year. The project was completed in 1971 and named the Vietnam Veterans Peace and Brotherhood Chapel. On the wall were the pictures of David and his 12 brothers in arms, but its message reached out clearly to honor all soldiers.

Because of the tremendous financial burden the memorial had placed on the Westphall family, there came the time that they simply could not go it alone with the meager contributions received from the public. In 1982, the DAV formed a separate non-profit organization, the DAV Vietnam Veterans National Memorial Inc., which assumed full ownership and financial responsibility for maintaining the memorial as a national landmark. Since that time, they have added a guest house, visitor's center and handicapped access to the buildings. People in growing numbers visit the memorial from all parts of the country.

CEREMONY UNITES VISITORS

May 26, 1986, marked the dedication of the visitor's center and a Vietnam vets reunion as part of Memorial Day services. More than 1,000 people from throughout the United States came to share in the reunion. They came to renew acquaintances not only with the living but also with the dead. They came to share with their families this symbolic place of pride in the midst of a public that still doesn't realize the sacrifice that was made. "As I look out, I see wives, girlfriends, children and vets. We are friends of the heart, the mind and the soul. . . . [This chapel] is a focal point of all that is good. It belongs to anyone who ever has said to a Vietnam vet, 'my life is your life,'" said Dennis Joyner, president of the DAV Vietnam Veterans National Memorial Inc.

During the service, the smiling support of new friends and the deep affection of old ones wove a tight fabric of proud strength through those who attended. As Diane Evans, a Vietnam vet and a coordinator for the Vietnam Women's Memorial Project, put it, "You were the boys on my ward who would not stay in bed with your wounds but hobbled around helping your buddies who could not help themselves. You were the kids who pleaded with me not to let you die there. . . . I am the one who cried when my first boy died but thereafter held my tears. . . . We feel this common bond, and we all draw strength from it."

For all who still hold a strong view on the war in Vietnam, here is a place to make a statement and actively show support. There is still a lot to do before the memorial is complete and that, like all things, takes money. Through this beautiful shrine, a symbol of one father's love for his fallen son," perhaps our country will come to a fuller understanding of who its Vietnam veterans are . . . why they fought and why so many died . . . that these men and women are heroes, just as truly as the veterans of all America's wars."

Tax-deductible contributions may be sent to: DAV Vietnam Veterans National Memorial Inc., 3725 Alexandria Pike, Cold Spring, KY 41076. For information about visiting the shrine, write: DAV Vietnam Veterans National Memorial, P.O. Box 608, Angel Fire, NM 87710.

And for all touched by the Vietnam War in any way, don't miss this opportunity to spend some time "where eagles soar" and share in the proud brotherhood of the Vietnam vet.●

DIGITAL AUDIO TAPE

● Mr. KERRY. Mr. President, I rise to alert my colleagues to an issue that must receive our high-priority attention when we return from recess: the Digital Audio Tape problem. DAT technology presents a grave threat to American music, and all who rely on it for employment and entertainment because DAT recorders are capable of cloning prerecorded music. That displaces sales, and undermines the whole foundation of compensation and incentives upon which the American music industry is built.

The DAT manufacturers' insistence upon introducing their machines into the United States without effective protection for copyrighted American music makes the problem an urgent one. We must act promptly upon our return on S. 506, a bill that would require DAT machines sold in the United States to contain circuitry that would provide for our music the protection from unauthorized copying to which it is entitled under U.S. law.

Our colleagues in the House recently reported out of subcommittee H.R. 1384, which is S. 506's companion bill. As noted in a recent Wall Street Journal article "House Panel Approves Measure to Block Sale of Digital Audio Tape Recorders", August 4, 1987, the Members were spurred to action in part by the manufacturers' refusal to comply with the subcommittee's request that they delay marketing their machines in the United States pending completion of a technical study by the National Bureau of Standards. The NBS study is expected to be completed by the end of the year, so the subcommittee was asking for a delay of only a few weeks.

In the face of this glaring evidence that the manufacturers share no interest in working toward a solution, the subcommittee decided it was time to act. I agree with that judgment, and I will be quick off the blocks when we return to urge swift action on S. 506.

I might add that I intend, when I go home to Massachusetts, to talk with my constituents about this issue. The DAT manufacturers claim to be consumer spokesmen, but I think it's fairly apparent that it is their own economic interests that they truly represent. This is, above all, an issue of fairness. It's about the right of women and men who make music for a living to receive compensation for their efforts. I would urge my colleagues to keep in mind the deep equities that run with this issue.●

S. 1438, MEDICARE RURAL HOSPITAL PAYMENT EQUITY ACT OF 1987

Mr. DOMENICI. Mr. President, I am pleased to cosponsor S. 1438, the Medicare Hospital Payment Equity Act of 1987. It will help prevent the financial decline of many hospitals in rural America. I applaud Senator DURENBERGER's fine work and leadership in this area.

Many of the 2,700 rural hospitals in this country are in severe financial distress; some to the point of anticipated closure. The problem is most severe among small hospitals with less than 50 beds. These facilities serve nearly 95 million people. About 345 of them are their communities' sole source of health care.

New Mexico is representative of this situation. Nearly 40 percent of the hospitals in the State have been identified as their communities' only source of health care. Half of them are located in "frontier" areas with populations of less than 6 persons per square mile. If one of these facilities were to close, the residents would be greatly disadvantaged in their access to needed health services.

There are various reasons for the plight of rural hospitals. One is the continued economic recession in rural America and the effect that it has had on indigent care and lost tax revenue. Another is the decline in the demand for inpatient hospital services and the shift to outpatient care. Still another is the tough, competitive challenges that rural hospitals face from urban and multihospital systems.

I have been quite concerned about this issue. That's why I became a member of the Senate rural health caucus. Over the past several years Congress, through budget reconciliation, has tried to correct the situation. Those attempts, which I supported, have helped but have not totally eliminated the problem.

A few months ago I met with members of the hospital community in my home State. They informed me that one of their goals for this year was to help rural hospitals who are experiencing severe financial distress. They later sent me a list of recommended congressional actions. Many of their suggestions are contained in this bill.

Senator DURENBERGER's bill attempts to correct the inequitable Medicare payment policies which hurt rural hospitals. These facilities depend on Medicare revenues to successfully operate. Some of the important changes are: Providing a higher Medicare payment increase for rural hospitals in 1988; putting urban and rural hospitals on the same payment plan by 1991; improving the Medicare area wage index to rectify situations where rural hospitals compete with urban hospitals in similar labor market areas but are reimbursed at lower labor rates; and expanding the eligibility criteria for sole community hospitals and improving Medicare outlier expenditures.

S. 1438 is an important first step to improve the rural hospital payment situation and to help these struggling facilities survive. As an original member of the Senate rural health caucus, I am pleased to support it.

IMPLEMENTATION OF THE EQUAL ACCESS TO JUSTICE ACT

● Mr. DOMENICI. Mr. President, in the 95th Congress, I introduced the Equal Access to Justice Act to ensure that individuals and small businesses that challenge arbitrary and capricious Government action and win can recover their legal fees from the Government. This bill was enacted into law with a sunset provision in 1980. When the act was reauthorized and made a permanent part of our Federal statutes in 1985, it was extended to cover actions by the IRS.

A recent story in the Wall Street Journal highlights the wisdom of Congress in including the IRS under the Equal Access to Justice Act. It tells about a case where the Equal Access to Justice Act was used successfully by four farmers to recover their legal costs after they beat the IRS in court.

We live in the age of Federal regulation, and there are very few elements of life, commercial or otherwise, where the Federal Government does not play some role. Sometimes, this Government action is arbitrary and capricious. Prior to the Equal Access to Justice Act, a large number of individuals and small businesses who were faced with unreasonable Government actions could not afford to go to court to challenge the Government's actions. It is no wonder, therefore, that they just gave up right away and didn't challenge the Government action, because the cost of proving that they were right was more than they could afford.

The purpose of the Equal Access to Justice Act is to reimburse individual Americans who successfully litigate against the Federal bureaucracy. This forces Government agencies to be responsible for their conduct and provides those with modest means with access to the courthouse door.

The Equal Access to Justice Act ensures that individuals and small business will not be deterred from challenging unjustified Governmental action because of the expense involved. It reduces the disparity in resources between individuals and small business with limited resources and the Federal Government. Under the act, the Government is liable to a prevailing party for attorney's fees and certain other adjudication costs unless the position of the Government is substantially justified or unless special circumstances would make an award unjust.

Mr. President, they say that "You can't fight city hall," but the Equal Access to Justice Act is working to reverse that. Thanks to the Equal Access to Justice Act, individuals and small businesses faced with unreasonable Government action can fight back and win, even against the IRS.

Mr. President, I ask that the Wall Street Journal article to which I referred be printed in the RECORD immediately following my remarks.

The article follows:

[From the Wall Street Journal, July 29, 1987]

These dairy farmers may cash in and carry on, the Tax Court says.

Farmers may use either cash or accrual accounting, if they are consistent. The IRS audited Roy C. Kennedy Sr. and three other dairy farmers who consistently used the cash method. It said they should use the accrual method and billed them for $260,000 in taxes. After the farmers appealed to the Tax Court, the IRS dropped nearly all its claims. Having prevailed, the farmers asked the court for legal costs.

The IRS objected. It argued that the farmers hadn't exhausted the administrative process before going to court and hadn't proved that its litigation stand was unreasonable. Now Judge Williams has awarded the farmers the maximum $25,000 (treating the combined cases as one): Their refusal to accept a second extension of the statute of limitations wasn't a failure to exhaust administrative remedies.

More notably, the farmers used cash accounting properly; the IRS's attempt to change their method was without support and unreasonable.—Scott R. Schmedel.●

POTASH UPDATE

● Mr. DOMENICI. Mr. President, by the time the Congress reconvenes in September, the Commerce Department will have made its preliminary determination on whether Canadian industry has been selling potash in the United States at "less than fair value."

This is the second step in a dumping case filed in February 1987 by two potash companies from New Mexico. It is a proceeding that has gathered interest and support from nearly every citizen of Eddy County, which is in southeastern New Mexico.

Eddy County, Mr. President, is potash country. Potash is the lifeblood of Eddy County.

Earlier this year, the International Trade Commission ruled unanimously that the potash workers and companies at Carlsbad in Eddy County had been injured by the Canadian competitors.

Potash Corporation of Saskatchewan [PCS] has pursued policies that not only have devastated the Carlsbad producers, but we now find has also caused severe financial distress to the Canadian company and to the provincial government, which owns it.

Let me describe some of the current problems these misguided Canadian policies have produced:

The PCS has shaken up its management. This resulted in the dismissal of the six most senior executives.

The PCS reported a loss of 103.4 million Canadian dollars during 1986. It is interesting that the company postponed disclosing this fact as long as legally possible for fear that its credit rating would plummet. This loss dwarfs last year's loss of $68.7 million (Canadian).

Widely circulated reports say that the provincial government will sell off all or part of the potash company, selling the individual mines, the entire operation, or publicly traded company shares to obtain a cash infusion.

About 175 employees have already been laid off, and Canadian newspapers report that up to 70 percent of the corporation's 400 nonunionized employees—plant managers, supervisors, and head office staff—will be laid off. Earlier, the company announced that about a third of its 1,000 unionized workers would be laid off.

The Finance Minister of Saskatchewan announced that the government would soon undertake a major "initiative" with respect to PCS, perhaps "privatizing" it.

The provincial government of Saskatchewan has "written off" the $810 million (Canadian) debt that PCS has incurred. Much of this deficit was long-term loans the provincial government made to the company.

Think about that last item.

That is almost a billion-dollar first-aid package that the provincial government prescribed for PCS; well over half a billion U.S. dollars. I wish the provincial government of Saskatchewan would pay off the debts that its lousy policies inflicted on our Carlsbad companies during the same period.

Eight hundred and ten million dollars (Canadian) worth of government aid is a lot of subsidy. To put it in perspective, our Federal Government subsidizes Amtrak at about the same annual rate.

It is close to the amount our Federal Government spends on vocational and adult education; it is more than we spend on the Bureau of Reclamation's annual construction program.

It is more than we spend on the Mineral Management Service. It is more than we spend on the Bureau of Mines and the Geological Service combined. It is about the same amount of money as we spend operating our National Park Service.

Even with all of this Government support, Potash Corporation of Saskatchewan may not survive. And in the process, the misguided Canadian policies came close to having a similar impact on the mines in Carlsbad.

Fortunately, the new management at PCS has charted a revised course. Prices this quarter are up 10 to 15 percent. This is good news for Carlsbad because it means that potash will be priced at a level where everyone can make a little money.

Historically business decisions at PCS had to be made within the political constraints imposed on management by the ruling provincial party. Part of the corporation's mandate was to protect employment in the province, a social consideration that prevented layoffs when the previous management team proposed them.

According to a May 4, 1987, report in a trade journal, Green Markets:

> There are indications that price strengthening will be a priority and that sales will be foregone if prices do not cover costs. In the U.S., market pricing programs will be simplified and special deals will fall by the wayside.

The article concluded:

> Disciplined, consistent pricing policies will only work if production is cut back when sales or prices sag, and the leaner PCS is expected to look long and hard at cutback options. . . . Production adjustments are likely to be evaluated in the coming months.

I welcome these changes in the management and pricing policies. It is my hope—and the hope of the people of Eddy County—that this means PCS and the other Canadian companies will now compete fairly.

If the province's initiative provides a reasonable basis to believe that the fair pricing practices will hold, perhaps the dumping case can be settled, and the industry, on both sides of the border, can get on with the business of selling potash. It seems so unfortunate that our companies had to file a dumping case to get the Canadians to realize the terrible mistake they were making.

The situation of government subsidized excess capacity prompted me to offer an amendment to the trade bill to make such actions a basis for a section 301 unfair practices case. I was pleased when the Senate voted 71 to 28 to adopt this amendment. I hope my remarks further reinforce the importance of this amendment and the problem that it is designed to address.

I am now going to give you the background in a history I compiled earlier this year. It tells how the potash industry arrived at this state of affairs.

THE POTASH STORY

The Potash industry story is about Carlsbad, NM, and Canada. It is the story of neighborly competition that has turned into a struggle for survival by several small Carlsbad companies, as a result of unconscionable mismanagement and massive unfair trade practices of government-owned Canadian companies

To understand the potash story, one needs only to look at the story of the Canadian industry as told by those running it. It has been pieced together from newspaper reports, trade periodicals and testimony given in a dumping case filed in Washington, DC. The outcome of the case and the future of the industry in Carlsbad will be decided by the Commerce Department and the International Trade Commission sometime this year.

The first major decision in the case was handed down on March 26, 1987, when the International Trade Commission voted unanimously in favor of the Carlsbad, NM producers. Other deadlines will rapidly follow on a strict statutory timeline.

Cross-border ties between operations in Canada and Carlsbad, and common origins of the major North American potash producers gave way to a feud when a significant proportion of the Canadian industry was "nationalized" by the Government of Saskatchewan beginning in 1976.

The Canadian legislature authorized the takeover through the expropriation and through the purchase of private potash mines. The entity used to bring about this "nationalization" or more appropriately, "provincialization" was the creation of a Canadian Crown Corp., the Potash Corp. of Saskatchewan [PCS].

As the private Canadian companies will tell you, a Crown Corp. enjoys the distinct advantage of being exempt from Federal income taxes. This is a significant advantage at least, when the Crown Corp. is profitable.

PCS, which now accounts for over 40 percent of Canadian production and clearly sets the standard for Canadian pricing policies, was born of this forced sale of private companies to the government, and it continues substantially to reflect government's management policies.

The industry's nationalization in 1976 manifested the government's policy toward "democratic" socialism. The party in power, the New Democratic Party ["NDP"] had three goals: First, to expand productive capacity; second, to maintain for the industry a substantial share of what it predicted would be an expanding world market and third, to guarantee for the government a generous flow of revenue.

The New Democratic Party also wanted to insure maximum employment for the people in the province. At that time the privately owned companies stood in the party's way. The companies recognized the realities of the market, and the companies objected to the party's effort to expand the province's revenue base by raising taxes. The companies challenged the tax rates in court alleging that they were so high that they were confiscatory. Rather than fight it out in court the provincial government responded by taking over the property.

From the beginning, the government made clear that its control of the industry was necessary to insure the implementation of its vision of socialism. As Premier Blankeney stated, "If a province can't find revenue on the basis of regulation taxation, if that basis for revenue can be successfully attacked in our federal system as confiscatory, then our provinces are going to have to look for another basis. And that basis will turn out to be ownership."

The government further stressed the social benefits it saw resulting from government ownership of the mines. Premier Blankeney predicted that "control of the potash industry through the government-owned PCS will minimize the possibility of layoffs and other uncertainties and will move hundreds of highly paid and highly skilled managerial research and engineering jobs to Saskatchewan." The NDP's ideology demanded that the government wrest control of the industry from large companies not headquartered in Saskatchewan.

As stated by one of the Premier's colleagues: "The era of concentration of all wealth and power in the hands of an unscrupulous few is almost over."

As soon as the government took over several private mines, and in keeping with the government's policies, PCS lead an aggressive expansion of the Canadian industry. Most dramatically, PCS announced in 1980 a $2.5-billion expansion program, with the goal of producing over 11 million tons of potash by the 1990's.

The program commenced with a nearly 1-million-ton-a-year expansion at Rocanville mine in 1981. This was followed soon thereafter by construction of a 3.5-million-ton-a-year facility at Bradenberry.

PCS set its specific objectives as having production of 4.2 million short tons of potash as of July 1, 1981; 5.3 million short tons by July 1, 1985 and 8.3 million short tons by July 1, 1990.

Nor was PCS alone in its expansion plans. The governments of Manitoba and New Brunswick also entered the sweepstakes. In 1985, Manitoba announced its intention to spend $2 to $5 million (Canadian dollars) exploring for potash near the Russell mines. In the January 26, 1987, issue of Green Markets, it is reported that work may begin on the mine early in 1988.

Three new mines alone opened in Canada in 1985.

In 1986, it was reported that Saskatchewan producers intended to increase their capacity to 10.5 million tons equivalent by 1990.

Even Canadians recognized the consequences of this wildly expansionist program. In 1981, Douglas Carnover, vice president of corporate development at PCS, stated: "At some point there will be overcapacity. But everybody has to keep an eye on it." In Carlsbad, we wish that he had.

Peter Jack, vice president of Potash Corporation of America, stated: "One should approach the question of Saskatchewan production with some caution. It's not going to be unlimited."

Indeed, when the inevitable downturn in demand occurred in 1982, the increasing supply had dramatic and adverse effects on the industry. Since the most recent peak demand year of 1984, prices have plummeted by virtue of the unrestrained growth in Canadian productive facilities which began pouring product into the United States market.

PCS and the provincial government that runs it seem to be oblivious to the realities of that market. The expansion plans of Saskatchewan and other provinces have continued untamed, notwithstanding the huge losses recently incurred by the companies and the expansion of facilities elsewhere in the world, such as Israel, Jordan, and Brazil.

PCS alone reported losses of $68.7 million (Canadian dollars) for 1985.

In its 1985 annual report, the President of PCS stated: "We believe that the huge supply and demand imbalance existing in our industry could keep prices depressed for the next 5 years. The oversupply, to which our Lanigan expansion will be a contributor in 1986, was brought about by optimistic forecasts in the 1980s. The growth in demand foreseen at that time has not occurred. As a result, producers worldwide are fighting to maintain market share in a stagnant and, in some cases, declining market."

A recent IMC annual report summarizes the disastrous consequences of this expansionistic policy. "From a near-sold-out position in 1980-81, fertilizer shipments expressed as a share of production potential declined severely in 1981-82 and 1982-83, recovered partially in 1983-84 and 1984-85, and fell sharply again last fiscal year. Currently competitive pressures are extreme and margins very low or negative. The North American industry is operating at a loss."

Although the political party in power has changed in Saskatchewan, the politics of potash apparently have not. In 1986, it was reported that faced with a provincial election, the conservative government of Premier Devine ruled out proposals to close one of PCS's mines or to layoff any more of the company's employees.

Only recently have the government officials in Saskatchewan become aware that there is a relationship between their legacy of socialism and the cold reality of the marketplace.

As a result of the avalanche of losses suffered the past 2 years by PCS, the government seems to be considering getting out of the business. But as Mr. Ekita, president of Canpotex, recently stated: "There is a serious oversupply problem worldwide and business is going to be tough for 5 years at a minimum."

Focusing on the United States, the numbers tell a devastating story. U.S. potash production has decreased nearly 50 percent since 1981. Production decreased nearly 50 percent in 1985 from 1984 alone. All indications are that capacity utilization fell again in 1986.

In 1981, nearly 3,300 people were potash workers in Carlsbad. Employment now stands at about 2,100. The situation is actually worse than the numbers suggest. Many of those still employed in the industry wonder from day to day if, and when, the mine will be shut down. Some mines have been closed for months at a time. For example, the Lundberg mine recently reopened after being shut from November through February. Those workers still employed in the Potash industry often work less than full time due to the shutdowns.

It is sometimes argued by the Canadians that the potash industry in New Mexico is a sunset industry. This is simply not true.

The inefficiently operated producers selling in the United States market are not the mines run by the United States industry in Carlsbad, but those operated in Canada. A large amount of the capacity in Canada is new, and there have been widely published reports of significant problems in some mines with water damage running up costs and closing down production.

The capital investment and fixed cost of of those new Canadian mines, are far higher than that now represented by the United States industry. Transportation costs to a reasonable market area for the Carlsbad producers appear to be competitive with Canadian costs. In short, while the Carlsbad producers cannot supply U.S. demand for potash, they clearly remain capable of serving some segment of that market.

The potash market in the United States has long been characterized by unfair competition and government-influenced pricing policies involving imports. Canadian producers were subject to antidumping orders throughout the 1970's, and if all goes well, the Canadians will come under a dumping order again.

The Carlsbad companies in this case are alleging that the Canadians have been selling potash at less than fair value. That is to say that they are selling it at less than their cost of production.

If successful, a tax in the form of a tariff could be imposed on Canadian potash of up to 43 percent of the value on those shipments coming in at less than their cost of production.

The case is divided into two parts and two main issues. The International Trade Commission determines first, in a preliminary ruling, and later as a final ruling whether the United States industry has been injured because of Canada violating our trade laws. The Commerce Department undertakes to determine if, and which, Canadian companies have been selling potash in the United States at less than fair value.

Likewise, they issue preliminary findings and final determinations. The preliminary findings should be made by the end of June, and the tax could begin at that time.

It has taken a long time to get to this point. In February 1979 Senator DOMENICI met with potash industry manager and union members in Carlsbad to discuss the problem. In 1983 the Ad Hoc Potash Group was established with members from the community, labor, and the potash companies as well as the mayor and city and county commissioners. In 1986, Senator DOMENICI introduced legislation to enforce the assurances against dumping, given by the Canadians in the 1970's, and hosted the ad hoc group in Washington, DC, to review ways of addressing the Canadian dumping problem.

Others have worked diligently to resolve this problem. The mayor of Carlsbad, Bob Forrest, has headed local efforts to help the potash industry. Other leaders including former Mayor Gerrells, Bill Hunt, Jack Skinner, Eddie Lyons, Stan Doyle, Tom Lundberg, J.R. Tomblin, John Bumpers, Nivan Morgan, Lloyd Harerow, Paul Jolly, and many others.●

THE DISABLED AMERICAN VETERANS VIETNAM VETERANS NATIONAL MEMORIAL

● Mr. D'AMATO. Mr. President, I rise today to add my wholehearted support to Senate Joint Resolution 106, legislation to recognize the Disabled American Veterans Vietnam Veterans National Memorial at Angel Fire, NM, as a memorial of national significance.

The memorial chapel was begun in 1968 by the Westphall family in tribute to their son and brother, David, who was killed in Vietnam. The Westphall's had dedicated all of their available funds to the project, but ran out of money to complete the memorial. In 1977, after hearing of the plight of the Westphall family, the Disabled American Veterans began supplying the necessary funds to complete the project.

The memorial chapel rises nearly 50 feet above a hill in Angel Fire overlooking the Moreno Valley in northern New Mexico. It has been recognized for its architectural uniqueness and was declared a State memorial before being rededicated on Memorial Day, 1983, as the DAV Vietnam Veterans' Memorial.

The chapel offers veterans, family members, and others a serene place to come to grips with the emotional complexities of the Vietnam war. Those who visit are invited to pray, meditate, or simply enjoy the peacefulness of the surroundings.

David Westphall fought and died for the beliefs of peace and freedom. I feel that the memorial and its surroundings exemplify the beliefs of our country—beliefs defended by David and thousands of his comrades—and deserves to be designated a national memorial. I am pleased and proud to join my friend from New Mexico, Senator BINGAMAN, in cosponsoring this legislation, and I urge my colleagues to support and pass this resolution.●

FAIRNESS DOCTRINE

● Mr. HOLLINGS. Mr. President, yesterday the Federal Communications Commission told the American people, if you have the money, your views can be heard on television and radio. With the FCC's repeal of the 38-year-old fairness doctrine, we are now presented with the specter that freedom of speech on the airwaves is available at a price, and an expensive one at that.

The fairness doctrine simply states: "* * * a broadcast licensee shall afford reasonable opportunity for the discussion of conflicting views on issues of public importance."

In a democratic society, one has a difficult time finding the controversy in this. The fairness doctrine, very simply, protects and preserves freedom of speech by providing the only means for many to be heard.

The FCC claims the doctrine has had a chilling effect on broadcasters, inhibiting coverage of controversial issues. On its face, the argument is invisible. And in light of the greater concentration of media ownership, the argument is ridiculous.

In the coming months, those of us who find diversity of ideas and public opinion essential to our form of government, will seek to reverse the FCC's wrongheaded decision. For now, I would like to call the attention of my colleagues to an article in this morning's Washington Post written by Tom Shales, "The FCC, on the Attack Against Fairness."

Mr. Shales is a master of writ and wit, whose articles, though confined to the Post's "Style" section, often require our front-page attention. His writing here, as always, is delightful, but most importantly, insightful.

Mr. President, I ask to have Mr. Shales' article printed in the RECORD.

The article follows:

THE FCC, ON THE ATTACK AGAINST FAIRNESS

(By Tom Shales)

Yesterday the Federal Communications Commission (FCC) proved it does know something about obscenity after all. It committed one. The Fairness Doctrine, which has operated to the salutary and statutory benefit of American broadcasting and its audience for 38 years, was thrown out by the commission in a gesture of colossally arrogant gall.

Four commissioners, as if beset by some exotic ideological influenza, decided the doctrine was "unconstitutional" even though the Supreme Court has previously ruled otherwise and a majority of the Congress has expressed its support for the doctrine. The rule requires TV and radio stations to give balanced treatment to controversial issues; the FCC says that is simply too great a burden for broadcasters to bear.

"I knew those lickspittles down there would do something like this," said Rep. John Dingell (D-Mich.), chairman of the House Energy and Commerce Committee. "Where this FCC is concerned, I am never surprised as to substance, procedure or timing." Dingell and Ernest Hollings (D-S.C.), chairman of the Senate Commerce Committee, are expected to attempt to get the doctrine reinstated by attaching it to legislation President Reagan can't veto when they return in September from their upcoming recess.

Dingell said the FCC is acting "at very substantial peril" and termed the decision, among other things, "a plain and simple outrage" and "a craven attempt to curry favor with a group that doesn't need help over an issue that doesn't exist."

With its repeal of the doctrine, the FCC abdicates another of its mandates to safeguard the public interest. This decision is not a free speech decision. It is a bought-and-paid-for speech decision. It aims to protect broadcasting companies still further from the public they are supposed to serve.

"They did the dirty deed," lamented consumer activist Ralph Nader yesterday after returning from the FCC's briefing. "The ghost of Goebbels would be chuckling. They totally ignored the First Amendment rights of the audience who owns the airwaves, airwaves that are only leased by broadcasters.

"Broadcasters already had an exclusive license. Now they have the exclusive power to shut out the audience altogether," Nader said. He called the commissioners "a bunch of lightweights like I've never seen before."

Nader said rules relating to the Fairness Doctrine—like the personal attack rule that gives the victim of a broadcast broadside the right to respond, and the equal time provision, which requires stations to treat candidates in an election equitably—are also doomed if the commission continues on its present nutty course.

On Capitol Hill, legislators were furious at what was seen as a foolhardy attempt at an "end run" around Congress, which earlier this summer attempted to codify the Fairness Doctrine. The effort was shot down by presidential veto. The FCC was created as an independent agency that reports to Congress, but now it is clearly acting as an agent of the White House.

Of all the potential calamities visited on the republic by the Reagan administration, the fumblings and bumblings of its FCC—first under Chairman Mark Fowler and now under the equally misguided Dennis Patrick—will get special chapters in history books.

Why trash the Fairness Doctrine now? The FCC claims the doctrine was initiated when there was a scarcity of broadcast outlets and that this no longer exists. That's gibberish; scarcity still exists, and the record selling prices for TV stations prove it. The concentration of media ownership is greater than at any time in American history, so the larger number of TV and radio stations is offset by the relatively smaller number of owners.

There is also the specious claim by supporters of the repeal that the doctrine has had a "chilling effect" on broadcasters, inhibiting them from tackling controversial issues. No such effect has ever been proven. The issue is bogus. Nader finds it laughable.

"A chilling effect? Well then," he says, "the next few months should see an absolute explosion of Athenian creativity and daring on radio and television—now that the yoke of Fairness Doctrine has been lifted by the 20th-century Minutemen of Ronald Reagan."

The chilling effect is the deregulators' Big Lie. Joseph Sitta, who has been in broadcast journalism for 21 years—the last six months as news director of WTTG-TV here—was asked yesterday if he has ever in his career felt any constraint from the Fairness Doctrine. "No, not that I can recall," he said. "I can't think of an instance where it's impacted negatively."

Lawrence K. Grossman, president of NBC News, was asked the same question. While Grossman feels the Fairness Doctrine to be "a bad doctrine in theory" he had to concede, "The answer, as far as I am concerned, is no, not really. The direct and honest answer to the question is no."

Andrew Jay Schwartzman, director of the Media Access project, says the Reagan FCC's problem is that "they just will not recognize who's serving whom" and that "they just don't care" about "the public interest, convenience and necessity" that the commission was established to oversee.

"This decision is the embodiment of the FCC turning the asylum over to the lunatics," Schwartzman said.

Legislators and their staffs are so incensed about what they see as a "double-cross" by the FCC, that there is talk of immediate retaliation, like, perhaps, eliminating the commission's travel budget.

"I say, let them keep the travel budget. Just insist that all tickets be one-way," said Schwartzman. He was cheered by a vision of an FCC commissioner being stranded in Las Vegas after journeying there to make a speech for throngs of grateful broadcasters.

Somewhere along the line, the FCC completely reversed the roles of broadcaster and public so that the public is now deemed the servant of the broadcaster. The FCC has taken us through the looking glass. We have entered the flip-flop world on the other side. "Orwellian" is an overused adjective, but when dealing with the FCC, there is no way to avoid it.

PROMPT PAYMENT ACT AMENDMENTS

● Mr. DANFORTH. Mr. President, I understand that the Senate will not turn to S. 328, the Prompt Payment Act Amendments of 1987, until we return from recess in September. I would like to take this opportunity to reiterate that Senators PRYOR, BUMPERS, and I intend to offer an amendment that would require penalty interest on late payments to farmers and farm-related businesses that participate in CCC programs. The following Senators have announced their intention to cosponsor the amendment: Senators EXON, KARNES, BOND, HEFLIN, CONRAD, NICKLES, GRASSLEY, DASCHLE, HARKIN, MATSUNAGA, DIXON, LEAHY, BENTSEN, DOLE, SYMMS, and DURENBERGER.●

TRIBUTE TO COL. GEORGE G. JACUNSKI, USA, FOR HIS SERVICE AS DIRECTOR OF SENATE AFFAIRS IN THE OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE FOR LEGISLATIVE AFFAIRS

● Mr. NUNN. Mr. President, recently Col. George G. Jacunski of the U.S. Army completed a tour of duty as Director of Senate Affairs in the Office of the Assistant Secretary of Defense for Legislative Affairs.

On behalf of the Committee on Armed Services, I want to publicly express our sincere appreciation for the outstanding assistance that Colonel Jacunski has provided the committee while serving in this capacity. When duties are performed as professionally as was the case with Colonel Jacunski, special recognition and commendation are highly deserved.

Throughout his service as Director of Senator Affairs, Colonel Jacunski worked hard and effectively to ensure a meaningful dialog between the committee and the Department of Defense. He ensured that the views of the Department were fully understood and that all relevant information was brought to the committee's attention.

Congressional oversight and review of the national defense program, Mr. President, have become exceedingly complex and demanding. Successful performance of this constitutional responsibility increasingly requires professional assistance and wise counsel. Colonel Jacunski provided both. All of us who have benefited from Colonel Jacunski's work salute his dedicated efforts.

Colonel Jacunski has assumed new responsibilities as the senior Army legal officer for the Western Command in Hawaii. We wish him every success in his assignment.●

LONDONDERRY, NH, MARKS THE BICENTENNIAL OF THE CONSTITUTION

● Mr. HUMPHREY. Mr. President, this year, as we celebrate the bicentennial of the U.S. Constitution, we are reminded of the values and traditions which, set in writing 200 years ago, have transcended time. To survive as a nation of free people, we must adhere to these values: honor, dignity, respect for one's family and others, pride in one's self, and belief in something greater than one's self.

Members of the Londonderry, New Hampshire, United States Constitution Committee have composed a resolution which the Parent Teacher Association [PTA] has endorsed calling for public emphasis on the values contained in the Constitution and recognizing the institution of the family as the tie that binds together the people of this Nation. I fully endorse this resolution and encourage my colleagues to join me in voicing their support of these sentiments.

Mr. President, I ask that the text of this resolution be inserted into the RECORD.

The text follows:

BICENTENNIAL OF THE CONSTITUTION

Whereas, the PTA believes "that all children and youth should understand that the privilege of American citizenship demands the acceptance of its responsibilities" and

Whereas, PTA principles state "that individual freedom, individual rights, individual responsibility and individual dignity are indispensable components of a democracy" and

Whereas, the Bicentennial of the Constitution of the United States of America will be celebrated on September 17, 1987 and

Whereas, the celebration of the Bicentennial of the Constitution is an ideal opportunity to assure that the youth of America understand and appreciate the basic morals, ethics and values upon which this country was founded, therefore, be it

Resolved, that local PTA units be encouraged to support programs that emphasize and promote traditional values; and be it further

Resolved, That the N.H. Congress of Parents and Teachers offer their support and assistance to the N.H. Bicentennial of the Constitution Committee; and be it further

Resolved, That the National PTA be encouraged to develop planning guides to assist local units with the celebration of the Bicentennial of the Constitution.●

INFORMED CONSENT: IDAHO

● Mr. HUMPHREY. Mr. President, this letter from a woman in Idaho poignantly points to the need for discussion of fetal development when a woman is considering aborting the prenatal child she is carrying. I urge my colleagues to read this letter carefully and to consider cosponsoring my informed consent legislation, S. 272 and S. 273.

I ask unanimous consent that the text of the letter be inserted in the CONGRESSIONAL RECORD.

The letter follows:

August 5, 1987.

DEAR SENATOR HUMPHREY: I am writing in support of an informed consent bill because I have experienced myself the harm that can be done by withholding vital information from a woman contemplating abortion.

In 1976, at the age 17, I became pregnant. The pregnancy ended three months later at a local clinic by means of a suction abortion. A nurse explained the abortion procedure to a group of five or six of us, that is, what method and instruments would be used. She didn't tell us anything about our babies, about how big they were or how developed. She didn't explain how a suction abortion killed the baby. I knew absolutely nothing about fetal development. When she told us how small the tube was that was used for the abortion I remember being a little surprised and relieved that the "product of conception" was still tiny enough to fit through that narrow tube. It didn't seem like anything that small could really be human. I didn't realize that the baby was actually quite large already and the reason it could fit through the tiny tube was because the powerful suction tore it to pieces.

No one discussed any potential risks and complications before the procedure; afterward, however, each of us was given a list of danger signals: "Call the doctor immediately if you experience any of the following . . . ."

After the abortion I tried to put the whole thing out of my mind and forget about it. I was fairly successful most of the time until the spring of 1981 when I became pregnant again under very different circumstances. This time I was married and delighted to be pregnant. I was anxious to learn as much as possible about the tiny person growing within me, so I began reading everything I could find about fetal development. I discovered that the victim of my abortion years before was not just a little blob of cells, he was already a small boy, about three inches long, weighing about one ounce. I learned that his heart had already been beating for two months before he died. He already had perfectly formed hands and feet, right down to the nails and fingerprints. I learned that my baby had already been able to move and swim within my womb, that his or her sex was already evident, and that he was sensitive to touch. I learned that my baby had been developed enough to experience pain since my sixth week of pregnancy. I also learned he had been torn to pieces.

The memory of that first aborted baby clouded my joy as I awaited the birth of my son. After Steven was born, the remorse really hit me. I was overwhelmed with love for my son, and consumed by a desire to protect him from every possible danger. The thought of anyone harming him sickened me, but the thought of me, his own mother, hurting him, let alone killing him, was unbearable. And I had to face the fact that this was my second child—I had had the first one killed. It was an awful thought, but it kept coming back again and again to haunt me during those first few weeks, bringing sadness and depression at a time when there should have been only joy. I still feel a great sorrow, regret for a terrible mistake which can never be undone.

Certainly an unmarried pregnant woman faces a difficult decision. But the only way she has a chance of making the best possible decision is if she is given all the facts. Women considering a serious, irreversible procedure like abortion should have a right to be informed of exactly what the long range effects might be. I am convinced it is best to have everything out in the open at the time the decision is being made, instead of withholding information, leaving the woman to discover the truth for herself when it's too late, as I did.

I will never know for sure whether I would have chosen differently had there been an informed consent law in effect when I was faced with unwed motherhood years ago, but I am convinced that making this information available to all women considering abortion will save many a lifetime of regret.

Thank you for your attention,

PAT HARDER,
Boise, Idaho.●

PROGRAM

Mr. BYRD. Mr. President, on tomorrow, following the recognition of the two leaders under the standing order, there will be morning business until 10 o'clock, and Senators may speak therein, under the order previously entered.

RECESS UNTIL 8 A.M. TOMORROW

Mr. BYRD. Mr. President, does the able acting Republican leader have any further business he would like to have transacted today, or does he have any further statement to make?

Mr. WILSON. Mr. President, I thank the majority leader. I have not.

Mr. BYRD. I thank the Senator.

Mr. President, seeing no other Senator seeking recognition, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 8 o'clock tomorrow morning.

The motion was agreed to, and at 7:40 p.m. the Senate recessed until tomorrow, Friday, August 7, 1987, at 8 a.m.

NOMINATIONS

Executive nominations received by the Senate August 6, 1987:

DEPARTMENT OF LABOR

David M. Walker, of Virginia, to be an assistant secretary of labor, vice Dennis Miles Kass, resigned.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

Joy Cherian, of Maryland, to be a member of the Equal Employment Opportunity Commission for the remainder of the term expiring July 1, 1988, vice Fred William Alvarez, resigned.

DEPARTMENT OF JUSTICE

Daniel F. Lopez Romo, of Puerto Rico, to be U.S. attorney for the district of Puerto Rico for the term of 4 years, reappointment.

William D. Breese, of Georgia, to be U.S. Marshal for the middle district of Georgia for the term of 4 years, vice John W. Stokes, Jr., resigned.

IN THE NAVY

The following-named U.S. Naval Reserve officer, to be appointed permanent captain in the line of the U.S. Navy, pursuant to title 10, United States Code, section 531:

U.S. NAVAL RESERVE, LINE, CAPTAIN

Abbot, James Lloyd III.

The following-named U.S. Naval Reserve officer, to be appointed permanent commander in the line of the U.S. Navy, pursuant to title 10, United States Code, section 531:

U.S NAVAL RESERVE, LINE, COMMANDER

DuBois, William G.

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant commander in the line of the U.S. Navy, pursuant to title 10, United States Code, section 531:

U.S NAVAL RESERVE, LINE, LIEUTENANT COMMANDER

Corser, Jack
Gallaher, Robert David
Miller, Robert K.
Northam, Donald R.
Pegler, Randall E.
Poole, Russell John
Sarao, John F.
Short, Gerald Sheffield
Wayman, Harold Austin, Jr.

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant in the line of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Ackerson, Judith L. Cromwell
Aiello, Lawrence Stephen
Allison, John Michael
Ammons, Dan Lee
Andersen, Roy Louis
Anglin, William Duane
Armstrong, James Joseph, III
Axelson, Paul Edwin
Bailey, Bradley A.
Bannon, Christopher Terrence
Baron, Timothy Rosso
Bartch, Dianne Elizabeth
Baxter, Harry T.
Beaumont, Frederick James
Bergin, David Joseph
Berley, Fred Victor
Berryman, Paul
Birklund, Gilmore Nunn
Blalock, Homer G., III
Blevins, William Joseph
Bodamer, Ronald W.
Bouffard, Mary E.
Boursier, Michel Rene
Bowman, Keith Paul
Bradfield, Cedric Antonio
Brady, William Michael
Bridges, Clennon W.
Bridgewater, William Lloyd
Brown, Vern Arthur
Brundage, Donald Joseph, Jr.
Buchy, Vicki Sue
Bumgarner, James Lowel
Burker, Kenneth James
Butler, Peter Beloat
Cahill, Steven Charles
Call, Steven Verdell
Cameron, William Howard
Campbell, Michael Carlos
Campbell, Stephen Scott
Caps, John C.
Carlos, Elizabeth Anne
Carter, Nancy Joann
Cassano, Curtis Andrian
Castleberry, Jerry T.
Caulfield, Catherine Leslie
Cavazos, Odilon V., Jr.
Cease, Katherine Leann
Cerutti, William James
Cimellaro, John A.
Clark, David J.
Clifford, Mary Beth
Coleman, Michael Thomas, Sr.
Colon, Luis Alberto
Connor, Michael Joseph
Cook, Herman Charles, III
Correa, Hector Luis
Corso, Bruce John
Cortes, Lourdes Maria
Crafton, Thomas S.
Crago, Pamala Marline
Crain, Paul Daniel
Cristiani, Ralph Dean
Cullen, William Patrick
Dagnall, Barry Francis
Daill, Kurt Franklin
Daly, Regina Miriam
Dean, Robert Eric
Decker, Nancy Ann
Decrescentis, Dominic Anthon
Degennaro, Eugene Steven
Doll, Dennis Allen
Douglas, Frederick Michael
Dubberly, Rickey Lynn
Duffy, Gerard
Dunne, Paul Alfred, II
Earl, Martin S.
Egan, Richard Thomas
Ekelund, Kenneth Oscar, III
Engle, Peter Lawrence
Ewigleben, Robert Steven
Faley, Tim Paul
Fanelty, Steven Michael
Fellows, Joel Dean
Field, Robert Marshall
Fields, William Alexander
Flanders, Alice Anoel Randal
Ford, Jennifer Porter
Freeman, George Kirby, III
Frye, Charles Robert
Fuller, Robert B.
Gabiou, Paul A.
Gaduette, Charles McAlister
Gilbride, Timothy James
Gile, Richard Charles
Gillette, Karl Lee
Gillis, Larry Matthew
Glasgow, Fred Blaire
Gordon, Algernon Pope, Jr.
Grambling, Mark Steven
Gray, Daniel Raymond
Green, Benny Goldman
Green, William Fearl
Greife, Carolyn Louise
Gridley, Stanley Thomas
Grossman, Robert E., Jr.
Gruber, Anthony Mark
Guerin, Lewis Sage
Haberthur, Michael Troy
Halferty, James Patrick
Hall, Larry D.
Hamilton, Stephanie Ward
Hamm, Jerry Wayne
Harned, Robert Lachlan
Harten, Thomas Francis
Hastings, Scott Albert
Hattery, David Wilber
Hayes, Kenneth Frederick
Haynes, Larry J.
Henry, George Wayne, Jr.
Hensel, Bruce W.
Hertz, Eli E.
Herzog, Andrew S.
Hess, Murray Alan
Hills, Thomas Walter
Holtzman, Joshua P.
Hughes, Richard Cannon, III
Hunt, Robert Alfriend
Hurry, Francis Donelin
Idle, James Patrick
Imle, William F.
Jacobs, William Howard
James, Joseph Phillip
James, Steven David
Johnson, Eric H.
Johnson, Gordon Anthony
Jones, Jeffrey Scott
Jongens, Herman Peter
Karolides, Paul Phillip
Keas, Isaac Franklin, Jr.
King, Nancy Stanmore
Kingery, Michael Edward
Kirk, Robert Michael
Kirkland, Walter Paul, III
Klemstine, Bradford Michael
Knight, Lendall S.
Knowles, Douglas Keith
Koerner, Dennis Kurt
Koromhas, Mark Stephen
Krise, James Anderson
Kruse, James Henry
Kunimura, Hollis Heide
Labarre, John David
Lally, Robert Arthur

Lauff, Jeffrey Joseph
Lauria, Frank A.
Laurie, Craig M.
Lee, David Alan
Leppla, Robert Bradford
Linardos, John Nickolas
Livingston, Charles Michael
Long, James D.
Lyddon, Peter
Lyle, Deborah Ann
Mabie, Kevin Ted
MacDonald, Guy Allan
Mahony, Michael James
Manley, Dolores Ruth
Manning, John Kenneth
Markam, Stephanie Ann
Markiewicz, Pamela Ann
Marks, Lee Fergus
Marnane, Janet Kathleen
Martens, James Mark
Mathers, David B.
Mathis, John Richard
McChesney, Robert Newman, Jr.
McClintock, Lowell V.
McDaniel, Mark Alden
McLeod, Michael R.
Melesky, James Michael
Miller, Janis Rae
Miller, Mark Steven
Mills, William J., Jr.
Moody, Deborah Jane
Moore, Arthur Robert, Jr.
Moran, Michael Louis
Moser, Jeffrey A.
Muha, Barry Ryan
Munger, Daniel Vanausdal
Nance, Marlin Gene, Jr.
Nelson, Lloyd H.
Neuberger, Jerry Van
Nicholls, Jonathon Robert
Nichols, Bruce Walter
Noble, Christopher David
Nobles, Joseph A.
Norris, Gregory Swift
Odonnell, John Robert
Ourand, William Carl
Overs, Michael Edward, III
Overstreet, Virginia
Parmenter, Tighe Stedman
Pautsch, David Scott
Payne, Richard Harvey
Peppe, Patrick Kevin
Phillips, David Taylor
Pierce, Charles James, Jr.
Pilkington, Robb Louis
Plasse, James Robert
Porter, Connie Mae
Powell, Danny Ray
Powers, David Gary
Proctor, Daniel William
Ramos, Jude Nelson Datu
Real, Christopher Scott
Reilly, Kevin Dunham
Reinhart, Gary Steven
Renfro, Dennis Dana
Riehl, Robert Francis
Rippee, Robert Homer
Robertson, Sue Frances
Rodgers, David Scott
Rogero, Philip F.
Rojek, Fredric Walter
Rooker, Brian Mitchell
Roots, Mary Beth
Rosandich, Steven P.
Rush, Peter Blake
Rutherford, Theodore Allen J.
Sachleben, John Paul
Sanderson, Joseph Thompson J.
Schaede, Franklin Lamar
Schetky, Luann Dorothy
Schiffer, Michael John
Schoch, John Jacob, II
Schorr, George Graeber, Jr.
Schuman, Walter E.
Scott, Holly
Seeland, Eric David Luke
Seeley, Larry Franklin, Jr.
Sellers, Clay William
Shaar, Gary Barth
Shanks, James W.
Sharp, Susan Barbara
Sicz, Jeffrey Mark
Siegal, Paul Vivian
Simmons, John Ballard
Simpson, Virginia Renee
Smallwood, Donald Everett, Jr.
Smith, Danny Joe
Smith, Gary Wayne
Smith, Jack Erwin
Smith, Paul Christopher
Smith, Royce Emerson
Smoot, Melissa Cannon
Sorensen, Sean Douglas
Spagnuolo, John Michael
Spencer, Edith Ann
Steckel, James P.
Steigerwald, James Edward
Stemrich, Patrick John
Stewart, David Creston
Stinson, Nora Kathleen
Sutyak, Keith Michael
Tener, Richard D.
Thill, Adlin Sanchez
Thomas, William Franklin
Thompson, Douglas Alan
Tierney, John James, Jr.
Tierney, Thomas William
Tochterman, Christopher M.
Todd, David W.
Toth, Bruce Jeffrey
Transue, William Edward
Treadway, William David
Tyson, Stephen C
Upchurch, Robert Burton
Vanalstine, Dayle Kevin
Vanderpoll, Andrew
Viera, Gilbert R.
Walker, Michael Scott
Ward, William Earnest
Waterford, Cheri Denise
Watson, Nancy Herriman
Wehrwein, Robert William
West, Wilk Otis, III
Wheatley, Richard Tudor
Whitehead, Ray Lynn
Williams, Cathy Mae
Williams, Stephen Gary
Wilson, Richard R.
Yelton, Harold Mitchell, Jr.
Zamesnik, Michael Eugene
Zimmerman, David Oakley

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant (junior grade) in the line of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Ainsworth, William Thomas
Allbrandt, Benjamin Leroy
Araya, Pablo
Armstrong, Steven Lloyd
Baker, Sharrill Diane
Ball, Ronald Clark
Barnesgray, Diane Arline
Barrett, Sharon Leigh
Benjamin, Shari Lynn
Bifoss, John Walter, Jr.
Bizzell, Diane Therese
Bodenstedt, Debra Ann
Bolduc, Steven James
Botonis, Julie Shaine
Bradberry, Joel Pressley
Braymer, Theresa Mary
Butler, Richard Wallace
Campitelli, Kenneth Ralph
Carling, Leo Joseph, IV
Chapin, Thomas Henry
Chartier, Dennis Wayne
Clark, William Isaac
Cole, Daniel Garth
Comerford, Barry Michael
Conant, Thomas Lee, Jr.
Cutchen, Bryan Porter
Dallman, Cheryl Rene
Darrigo, Christine Mary
Devault, Richard H.
Doherty, Ruth
Dukes, Gary Louis
Dunham, Sandra Lee
Dyer, Michael Allen
Edens, Jim Ben, III
Edwards, Laurie Ann
Evans, Michael Eugene
Exner, Eric Douglas
Feter, Linda Ann
Ford, Jimmie Barlow
Foster, Douglas Frederick
Foy, Brian O'Neill
Freese, Gerald Stanley
Frink, Ron L.
Gaiser, Alfred Otto
Gardner, Robbie Lee
Gilmore, James Douglas
Gomez, Julio Alejandro
Green, John A.
Greer, Susan Nancy
Haemer, Robert Budd
Hagstrom, Anne Katherine
Henderson, Donald Ray
Herrmann, Mark David
Higginson, Robert Joseph
Howes, Randall Stephen
Jackson, Mark Allen
John, Michael
Jordan, Michael Wayne
Kearns, William Anselm, III
Kendrick, Jacqueline Ann
Kenlon, Edward George, III
Kern, Jeffrey William
Killingsworth, Thomas A.
King, Jeffrey David
Knapp, James Errol, Jr.
Kochman, Steven George
Kondzella, Stephen Tobias
Kreft, Gerald Paul
Lee, Hugo Clyde
Lesh, Mary Susan
Lewellyn, Sherie Lee
Liggett, Linda Lorane
Logsdon, Mary Jones
Lones, John Rudge, Jr.
Lugar, Michael Dewayne
Lull, Scott Martin
MacDonald, Robert Duncan
MacDougall, Karen Marie
MacKay, Melissa J.
Magee, Blane Michael
Marinacci, Louis Gene
Martin, Cynthia Anne
Mayfield, Terry Edward
McCabe, Patrick Orvin
McGowin, Barbara Shaneyfelt
McVey, Ann Elizabeth
Miller, Robert Warren
Mills, Candace Marie
Mitchell, Stephen Raymond
Morrison, Mark Edward
Murphy, Mary Catherine
Nashold, Andrea Gale
Neighbors, Mark Douglas
Nelson, David Andrew
Newbill, Michelle Lynn
Nilsson, Ingrid Susanne
Oakes, Kevin William
O'Brien, Kenneth Gerard
Olivarez, Victor Rene
Ondeck, John Louis
Owens, Vicky Jean
Perry, Cynthia Lavin Rodgers
Pringle, Mathew James
Purdy, Alan Wynn
Rand, Alice Louise
Rawson, Scott Sherard

Reed, Sheena Lopino
Richards, Paul Randall
Rivette, Clarence Michael
Robelen, Aldona Inge
Robertson, William John
Robinson, Teresia Ann
Roesch, Patric Karl
Rowlands, James Edwin
Sanford, John Merritt
Sanford, Reid Matthew
Scheibner, Stephen Paul
Scott, Raymond Gerald
Seaton, George David
Sewell, Rose Marie
Sherer, Catharine Marie
Shoen, Stephen Christopher
Simone, Donna Bambina
Snodgrass, Gary Louis
Snow, Jeannine Elizabeth
Spanier, Jerome Lyle
Springer, Jeffrey Mark
Sullivan, Patrick Thomas
Thomas, Ross Baker
Toombs, Matthew Alan
Tulip, Steven Craig
Ulander, Brett Nelson
Vanover, Kenneth Charles
Waldron, Jack L.
Warwick Jerry Leroy
Wasko, Kathleen Ann
Wasson, Ann C.
Webber, Diane Elizabeth H.
Weiss, Robin Jane
Whitney, Mark Richardson
Wilcox, Paul Cyril, Jr.
Williams, James Edward
Williams, Mark Hardee
Worlein, Cheryl Kay
Yeabower, Virginia Beatrice
Young, Eugenia Ann
Zalamea, Ulysses Oca

The following-named U.S. Naval Reserve officers, to be appointed permanent ensign in the line of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Adamski, Michael A.
Antonelli, John N.
Bashor, John F.
Bell, Jeffrey C.
Bentley, William J.
Birosh, Dale A.
Blackmore, Brian S.
Blythe, Mark G.
Bolkcom, Thomas W.
Brown, Michael S.
Bucy, Derrick R.
Buffington, James E., Jr.
Burkeen, Frank E.
Capshaw, Stephen D.
Carnagey, Walter J.
Carr, Franklin E., Jr.
Carson, Scott D.
Cermak, John D.
Clarke, Brent R.
Cockrell, Jerry W., Jr.
Cohen, Adam B.
Collar, Craig W.
Crandall, Edward T.
Drake, Bruce F.
Dunnington, Scott T.
Duwell, Ronald A., II
Elder, Chris D.
Faerman, Edwin M.
Featherston, Matthew W.
Gayer, Kenneth S.
Gemmell, Scott L.
Giaquinto, Joseph M.
Hagemann, Jon A.
Halsne, Eric G.
Hartung, Philip R.
Herbst, Brian G.
Herold, John P.
Herrmann, Hans W.
Hines, J. Wesley
Holbrook, Mark C.
Horn, John A.
Iwanski, Joseph S.
Jackson, Aubrey L.
Jackson, Donald E.
James, Robert W.
Jermusyk, Matthew
Johnson, William C.
Kamalu, Darren K.
Kean, F. Patrick, Jr.
Kelly, Sean T.
Kemege, Vance E.
Kingg, Jesse B.
Kiziah, Todd E.
Kleinmeyer, James R., Jr.
Klos James J.
Kraske, Richard J.
Kruse, Robert M.
Kunkel, Norman E.
Lackner, Steven M.
Langlois, Kenneth J.
Larm, Arthur W.
Larsen, Paul J.
Larson, David M.
Lee Kyle E.
Lieb, Raymond A.
Lineberger, Jeffrey G.
Mackovjak, David P.
Malmquist, Kenneth A.
Manthy, Robert S.
Manz, Julius N.
Martin Nathan J.
Moody, John D.
Nelson, Jeffrey M.
Neubert, Donald E., Jr.
Newman, Aaron W.
O'Connor, Patrick G.
Ogg, Daniel G.
Ott, Gregory M.
Parsons, Philip D.
Pascual, Christopher C.
Perry, Martin J.
Powell, Alwilliadenise
Rhea, William G., III
Roushdy, Rafik A.
Sanford, Walter T.
Schunk, Michael J.
Semones, Donald A.
Sena, Peter P.
Smith, Mark P.
Spaugh, David D.
Stanley, Thomas P.
States, David C.
Switzer, Christopher C.
Taylor, Mitchell W.
Terry, Kevin B.
Thompson, Gary A.
Tollefson, Scott R.
Trice, Kelly D.
Trimble, Richard D.
Trussler, Jeffrey E.
Walker, Kenneth H.
Ward, Jason K.
Wenck, Thomas E., Jr.
White, Joseph E.
Wilder, Andrew E.
Wilharm, Michael W.
Wincheski, Richard A.
Wong, Monty M.
Wronka, Thomas J.
Yeo, Douglas F.

The following-named U.S. Naval Reserve officers, to be appointed permanent commander in the Medical Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Morales, Judith
Robinson, Donald B.

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant commander in the Medical Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Clemons, Peter Michael
Ricciardi, Michael T.

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant commander in the Medical Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Baxley, Michael Neal
Canning, Douglas A.
Cox, Gerard R.
Croasdale, Terry Lee
Curtin, Timothy Joseph
Dalton, Warren Rich
Fetter, John Edgar
Floyd, Randall Calvin
Heil, John Randall
Hudak, Gary Russell
Keating, Richard Michael
Koffman, Robert Lewis
Mondschein, Joseph Fran
Posnak, Edward Joseph
Thomas, Hugh Wesley
Trezza, Scott A.
Triana, Mark

The following-named regular officers to be reappointed permanent lieutenant to the supply corps of the U.S. Navy, pursuant to title 10, United States Code, section 5582(b):

Reynolds, Timothy Allen
Scolpino, Anthony James

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant in the supply corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Austin, Tab Erie
Avcalade, Christopher John A.
Grey, Dennis Tharon
Hertig, Donald Lewis
Hixon, Raymond Lex
Houglan, Gary Douglas
Jackson, Michele Renee Dalla
Joy, Elizabeth Ann
Morelli, Joseph Anthony
Neumiller, Michael John
Romano, Steven James
Stephens, Roy Glynn, Jr.
Underkoffler, James Milton

The following-named regular officer, to be reappointed permanent lieutenant (junior grade) in the supply corps of the U.S. Navy, pursuant to title 10, United States Code, section 5582(b):

Brannon, Troy Eugene

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant (junior grade) in the supply corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Adams, John Michael
Armstrong, Alden David
Brooker, Charles Edward
Cain, Steven Martin
Cantu, Jesus Vasquez
Cash, David Willis
Chase, Thomas Daniel
Chenier, Robert Wayne
Couture, Jeffrey William
Cox, Jeffrey James, Sr.
Cruz, Leslie Donovan
Davis, Randall Lloyd
Dennis, Ricky Carl
Desjarlais, Georgia Kathrine
Domenech, Jose Pedro
Donaldson, Cynthia Rasch
Ehrhard, Keith William
Elauria, Reynaldo Paner
Fabish, Michael Keith
Flaherty, Joseph Kevin
Fullen, Guy David
Gardnerbrown, Matthew Tacon
Gorgone, Russell Salvatore
Green, Frederick
Greene, Timothy Michael
Gross, Paul Bryan

Guerra, Julio Cesar, III
Hayden, Kenneth Edward
Hicks, David Michael
Horrigan, William Christopher
Hughes, Arthur David
Jackson, Jonathan Andrew
Jones, William Richard
Keller, Joseph Allan
Kostecke, Joseph Anthony
Kubiak, Joseph Charles, Jr.
Laird, Terry Wayne
Lamm, Carl Hans
Lentz, James Michael
Lepp, Richard Alan
Lynn, John Francis
Marler, James Erwin, Jr.
Marsh, Michael Robert
Martin, Leslie Dean
Miedzinski, Robert Francis
Perrett, John William, Jr.
Persinger, Ben Paul
Pirmann, John Charles
Schergen, Thomas Samuel
Smith, Brian Joseph
Smith, Daniel Joseph
Stmoritz, Mark Elbert
Wallner, Michael Hafer
Wenger, Brian Lee
Yohnka, Scott Leslie
Yudiski, Joseph Bernard, Jr.

The following-named U.S. Naval Reserve officer, to be appointed permanent lieutenant in the chaplain corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Quiles, Rafael Joseph

The following-named regular officers, to be reappointed permanent lieutenant in the civil engineer corps of the U.S. Navy, pursuant to title 10, United States Code, section 5582(B):

Bensinger, William Harry
Smith, Charles Scott

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant in the civil engineer corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Arn, Peter Morris
Crebbin, Cory John
Doyle, Michael P.
Ham, Philip Floyd
Pondelick, R. Martin
Punsalan, Romeleo Nonato
Racanelli, Vincent
Simonson, Roy A.
Smith, Gregory Douglas
Souba, James Reynold
Teahan, James Edward, III

The following-named regular officers to be reappointed permanent lieutenant (junior grade) in the civil engineer corps of the U.S. Navy, pursuant to title 10, United States Code, section 5582(b):

Babchyck, Bruce Courtney
Gibbs, Robert John
Morgan, Roger Philip
Openshaw, Mark Falge
Preble, Terence Gordon
Thomas, Lynn Anne
Washington, Julius Calvin

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant (junior grade) in the civil engineer corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Amidon, Bruce Douglas
Beebe, Matthew Richard
Bell, Stephen Spencer
Brewer, Scott Alan
Crum, Mason
Foust, Thomas Jones
Hamilton, Shawn Keith
Hodges, Gary Lee
Johnson, Brian David
Lasater, Darin Von
Puntenney, Michael Craig
Shirk, William Henry
Siegfried, Robert William
Vandevoorde, James Rene

The following-named regular officers, to be reappointed permanent ensign in the civil engineer corps of the U.S. Navy, pursuant to title 10, United States Code, section 5582(b):

Carey, Jacquelyn Beth
Robinson, Robert R.

The following-named U.S. Naval Reserve officers, to be appointed permanent commander in the dental corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Dembinski, Thomas H., III
Johnson, James D.

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant commander in the dental corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Pringle, Robert S.
Serkies, Stephen Francis

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant in the dental corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Babinec, Rocco Michael
Baransky, Thomas Michael
Bishop, David Scott
Brenyo, Michael Roderic
Brosy, Paul Robert
Cade, Thomas Alan
Cohen, David Andrew
Crawford, Brian Robert
Debry, Philip Henry
Dickinson, James
Edwards, Charles L.
Foss, Robert Douglas
Fucini, Stephen Enrico
Garrett, Michael Creed
Hanks, Roger Edward
Hernandez, Arthur Joel
Hunter, Kenneth
Jensen, Scott Albert
Kenney, Robert Lee
Loeffler, Paul Mark
Lundgren, John Paul
Madden, Paul Michael
Metzler, David Grant
Moos, Heidi Lee
Mowrey, Blaine Earl
O'Brien, David Allan
Parreira, Francis Rober
Pastuovic, Milan Nichol
Ragain, James Carlton J.
Rearden, Cathy Lynn
Routier, Donald Delroy
Short, Kenneth Dewayne
Smith, Paul Russell
St. Germain, Michael Roch
Sutton, David Frederick
Tilson, Thomas Frederic
Waskewicz, Gregory Alan

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant in the medical service corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Anderson, Thomas J.
Annis, Barry Alan
Arrants, Celia Ann
Baker, Florence Marie
Baker, Richard Lee
Barber, William Brent
Berg, Steven Allen
Boenecke, Clayton A.
Broad, Janis Debby
Brown, John Anthony, III
Burr, Donald Harry
Burton, Lyndle Rieke
Butler, Ronald Patrick
Carlson, Erin Hope
Case, Samuel Perry, Jr.
Dunn, David Jerod
Ferrara, Jean Marie
Francis, Joseph Paul
Fulcher, Larry Matthews
Hammond, William Jeffer
Hartmann, Kathleen Gail
Helton, Milford Roy, Jr.
Henderson, William Mich
Howze, Charles Edward
Jacocks, Henry Morgan, I
Jones, Norma Gray
Lewis, Robert Boyd, IV
Lucas, Jeannette
McKeon, Joseph Thomas
McNees, Glenn Elmer
Medina, Steven Robert
Moe, Mickey Alan
Nace, Heidi Ann
Neri, David Francis
O'Donnell, Mary Yvonne
Pasley, Robin Fessler
Patten, Thomas Gerald
Perry, William Courtnay
Queen, Joan Renee
Rockford, Richard Gerar
Rouillier, Leon H.
Savoy, Richard Steven
Smith, Michael Jacoby
Stover, William Reish
Stratton, David Bentley
Swindall, Victor Arthur
Trudel, Stephen Joseph
Ward, Patrick Clair
Watson, Larry Dale
Werking, Rex Dean
Whitmeyer, Antionette A.
Zubritzky, Desider Paul

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant (junior grade) in the medical service corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Hoff, Melinda Jean
Hoover, Diane Lynn
Ponak, Dana Lynn
Powell, Kenneth Victor
Riahi, Sandy Jo
Sawyer, Thomas Joseph
Schauer, David Alan
Smith, Melvin Dennis

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant in the nurse corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Barlett, Alica Kelly
Baudler, Alan J.
Beaver, Krista Lou Wint
Boundy, Jo Ann Marie
Bovington, Mary Martha
Connell, Brenda Kay
Connelly, Kathleen Mari
DeCrescenzo, Diane Jose
Eishenhardt, Anne Lucill
Goins, Brenda Cheryl
Hackley, Sally Jane
Higgins, Sheila Ann
Howard, Christina Lynn
Kalinowski, Barbara Lyn
Kelmeckis, Carolyn Ann
Kerbs, Nancy Elaine Has
McEncroe, Virginia Mari
McGloon, Elizabeth Brad
Murphy, Mary Margaret
Parker, Kaye Eileen
Porter, Sarah Jane Broo
Premo, Nina Marie
Rael, Edna Ann
Runzel, Albert Richard

Samson, Mark Warren
Simpson, Peggy Faye
Topping, Kelli Ann
Vandrossem, Anne Elizabe
Wiley, Kristiane Mae

The following-named U.S. Naval Reserve Officers, to be appointed permanently lieutenant (junior grade) in the nurse corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Andrusisian, Beth Ann
Baker, James Duane
Brennan, Kristi Brown
Burkes, Patricia Ann
Cuff, Susan Elizabeth
Fields, Bonnie Lwyn
Haddock, Allen Houston
Haugen, Mary Beth Hudki
Hoeger, Lynn Ann
Hutchinson, Sonia Elain
Johnson, Deborah McCart
Knievel, Eric Stephen
Long, Robert Paul
Mauro, Loretta Ann
Mclarnon, Colleen Ohara
Mouwdy, Curtis Darrel
Procuniar, Charles Euge
Ralph, Mary Kathryn
Reynolds, Paula Mary
Sarratt, Richard Seaman
Stacy, Michael Dewain
Tysor, Patrick William
Wehling, Timothy Stewar

The following-named U.S. Naval Reserve Officer, to be appointed permanent ensign in the Nurse Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Sanders, Susanne Marie

The following-named limited duty officers to be reappointed permanent lieutenant as regular officers in the line of the U.S. Navy, pursuant to title 10, United States Code, section 5589(e):

Blake, Michael Jerome
Troyer, Daane Lee
Waits, John David
Worthington, Michael Allen

The following-named limited duty officers, to be reappointed permanent lieutenant as regular officers in the line of the U.S. Navy, pursuant to title 10, United States Code, section 5589(e):

Barton, David Bruce
Chambers, Danny Alvin
Edmondson, Paul Ernest

The following-named limited duty officer, to be reappointed permanent lieutenant in the supply corps of the U.S. Navy, pursuant to United States Code, section 5589(e):

Tumaliuan, Anniano T.

The following-named limited duty officers, to be reappointed permanent lieutenant (junior grade) as regular officers in the line of the U.S. Navy, pursuant to title 10, United States Code, section 5589(e):

Collins, Alfred
Hill, Daniel Lee
Huotari, Brad Matthew
Robinson, Andrew William
Strickland, Cary James
Tolle, Joel Kregg

The following-named temporary limited duty officers, to be appointed permanent lieutenant (junior grade) in the line of the U.S. Navy, pursuant to title 10, United States Code, section 5589(a):

Mugrage, David Jose
Pappas, Troy Cecil

The following-named permanent limited duty officer, to be reappointed permanent lieutenant as a limited duty officer in the line of the U.S. Navy, pursuant to title 10, United States Code, section 5589(a):

McCall, Michael W.

The following-named temporary limited duty officers, to be appointed permanent lieutenant as limited duty officers in the line of the U.S. Navy, pursuant to title 10, United States Code, section 5589(a):

Brannan, Charles E.
Brown, Daniel G.
Gutshall, Redgie L.
Harris, Lemaul R.
Huffman, Robert J.
Jones, Lloyd L.
Kelch, David W.
Leonard, Jay A., Jr.
Loonam, Barry M.
Medders, Gerald D.
Neary, James P
Rowen, James D.
Santos, Dioscoro C.
Sauer, Arthur R.
Tees, Raymond W.
Williamson, Paul D.

CONFIRMATION

Executive nomination confirmed by the Senate August 6, 1987:

SECURITIES AND EXCHANGE COMMISSION

David S. Ruder, of Illinois, to be a member of the Securities and Exchange Commission for the term of 5 years expiring June 5, 1991.

DEPARTMENT OF THE TREASURY

Mr. Peter McPherson, of Virginia, to be Deputy Secretary of the Treasury.

DEPARTMENT OF STATE

Sherman M. Funk, of Maryland, to be inspector general, Department of State.

POSTAL RATE COMMISSION

John W. Crutcher, of Kansas, to be a commissioner of the Postal Rate Commission for the term expiring October 16, 1992.

FEDERAL LABOR RELATIONS AUTHORITY

Jerry Lee Calhoun, of Washington, to be a member of the Federal Labor Relations Authority for a term of 5 years expiring July 29, 1992.

NATIONAL SCIENCE FOUNDATION

Kenneth Leon Nordtvedt, Jr., of Montana, to be a member of the National Science Board, National Science Foundation, for the remainder of the term expiring May 10, 1990.

NATIONAL COUNCIL ON EDUCATIONAL RESEARCH AND IMPROVEMENT

James L. Usry, of New Jersey, to be a member of the National Council on Education Research and Improvement for a term expiring September 30, 1989.

NATIONAL ADVISORY COUNCIL ON EDUCATIONAL RESEARCH AND IMPROVEMENT

Ruth Reeve Jenson, of Arizona, to be a member of the National Advisory Council on Educational Research and Improvement for the term expiring September 30, 1989.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE AIR FORCE

The following-named officer for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 1370;

Lt. Gen. Philip C. Gast [redacted]FR, United States Air Force.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Hansford T. Johnson, [redacted]FR, U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 601, to be reassigned in his current grade to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Lt. Gen. Harry A. Goodall, [redacted]FR, U.S. Air Force.

IN THE NAVY

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be vice admiral

Vice Adm. James E. Service, [redacted]/1310, U.S. Navy.

EXTENSIONS OF REMARKS

INTRODUCTION OF ALZHEIMER'S "CARE" LEGISLATIVE PACKAGE

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1987

Mr. ROYBAL. Mr. Speaker, I, along with my esteemed colleagues, Mr. WAXMAN and Mr. STARK, are today introducing a major new Alzheimer's legislative initiative, the CARE [Comprehensive Alzheimer's Assistance, Research, and Education Act] legislative package.

As a major step toward overcoming the terrible tragedy faced by as many as 6 million victims of Alzheimer's disease and related disorders, I urgently call upon the American people to join me in a major new Alzheimer's initiative. Today I join with the Alzheimer's Disease and Related Disorders Association in pressing for a new Alzheimer's initiative—the CARE package, the Comprehensive Alzheimer's Assistance, Research, and Education Act.

Today, we also hail a potential step forward in the war against Alzheimer's and for the millions of Alzheimer's victims and their families. With the newly available National Institute on Aging research funds, which I and the Alzheimer's Disease and Related Disorders Association helped shepherd through the Appropriations Committee, we will for the first time know whether or not the drug THA can benefit millions of Alzheimer's victims. However, this is at best a small first step.

No longer can we settle for tens of millions of dollars for Alzheimer's research and support when hundreds of millions of dollars are needed to eliminate the ominous burden of Alzheimer's from millions of Americans. With as many as 6 million Alzheimer's victims at an annual economic cost of $48 billion and with dramatic breakthroughs in genetic and drug research, we must move immediately to enact a new and ambitious Alzheimer's initiative such as the CARE legislative package.

The Comprehensive Alzheimer's Assistance, Research, and Education Act, my CARE package of bills, will greatly expand Alzheimer's research and demonstration projects and will create new Alzheimer's supportive services and education programs for victims and their families. This major Alzheimer's CARE initiative, developed in close partnership with and strongly endorsed by the Alzheimer's Disease and Related Disorders Association, takes the following major steps:

Provides $175 million to triple Alzheimer's related biomedical research funding, including funding for THA drug and genetic research;

Adds five new federally financed Alzheimer's Disease Research Centers;

Adds $80 million to create new State Alzheimer's programs with matching grants for diagnosis, treatment, care management, legal counseling, education, and respite care—including home health, day, and companion care;

Expands family support and service delivery research and demonstration projects;

Expands Medicare and Medicaid research and demonstration projects on how to provide better financial assistance to victims in the form of community based and in home care, alternative methods of health care delivery, and improved nursing home care; and

Expands training of health care professionals and paraprofessionals to improve the diagnosis, treatment, and management of Alzheimer's and related diseases.

Alzheimer's disease and related disorders are special diseases which deserve special handling. Even in these times of tight budgets, victims and their families and caregivers must be assured that they can count on the support of the entire Nation to combat the catastrophe of Alzheimer's disease and to help the nearly 6 million Alzheimer's victims.

Finally, I want to extend my special appreciation to the Alzheimer's Disease and Related Disorders Association for its diligent and caring efforts on behalf of millions of Alzheimer's disease victims and their families. I also want to extend my deep appreciation to the National Institute on Aging and the National Institute on Mental Health for their dedication in leading the research war against this dreaded disease.

Mr. Speaker, I ask that a summary of the CARE bill be introduced into the RECORD.

SUMMARY OF H.R. 3130: COMPREHENSIVE ALZHEIMER'S ASSISTANCE, RESEARCH, AND EDUCATION ACT (CARE)

PURPOSE

To provide improved care and assistance for Alzheimer's and related disorders victims and their families.

SUMMARY

Alzheimer's disease is one of a number of degenerative neurological disorders that affect over 3 million middle age and elderly individuals. The symptoms of Alzheimer's disease and these related disorders (AD) are primarily psychological in nature. They include debilitating changes in personality, memory deterioration, disorientation, and impaired impulse control and judgment. As the disease progresses, changes in intellectual functioning take place with even more severe changes. Victims may wander, develop erratic moods, become difficult to manage and become incontinent. The disease eventually renders its victims helpless.

Although Congress has directed much research toward Alzheimer's Disease and related disorders, inadequate dissemination of information to the medical community and the public has resulted in misdiagnosis and lack of access to treatment management options for many patients. In addition, the nature of these disorders has left families with an extreme psychological, physical and economic burden that warrants a systematic examination of models of care and reimbursement policies. Moreover, recent critical research breakthroughs relative to causes of and treatment for Alzheimer's Disease and related disorders make it apparent that the research, treatment and management of these disorders have reached a point where a coordinated effort, including the states, the federal government and private groups, is warranted.

Responding to the overwhelming need to assist the victims of Alzheimer's disease and related disorders, the CARE legislative package, developed in partnership with the Alzheimer's Disease and Related Disorder Association (ADRDA) and on behalf of its more than 120 Chapters nationwide, proposes the following initiatives:

Provides $175 million to triple Alzheimer's related biomedical research funding, including funding for THA drug and genetic research.

Adds 5 new AD research centers and provides full funding for all centers.

Funds research on services to promote the health and well-being of AD victims and their families by encouraging care in the home and reducing the stress on the families.

Establishes a National Alzheimer's Education Program.

Creates state programs with education and supportive services, including respite care, for AD victims. Adds new funding of up to $80 million/year.

Modifies Medicare and Medicaid to better support AD victims and families.

Funds Medicare and Medicaid research to examine potential changes in eligibility, benefits and reimbursement.

Increases training of health care providers for AD victims and families.

Modifies ADAMHA Block Grant to better support AD victims and families.

PROVISIONS

Biomedical research on Alzheimer's Disease and related disorders and family support and service delivery research and demonstration projects

Requires that the Department of Health and Human Services develop a plan of AD related research and implement it through the National Institutes of Health (including the National Institute on Aging) and the National Institute of Mental Health.

Expands NIH and NIMH biomedical research programs by funding basic research related to AD at a combined level of $175 million per year with increments for inflation. Of the total biomedical research funding, 80 percent goes to NIH, 10 percent goes to NIMH, and 10 percent is to be distributed between NIH and NIMH according to priorities developed by the DHHS Secretary.

Extends the current Centers program by allowing for an increase in the number of Alzheimer's Centers to 15 and setting an initial funding level of $20 million per year with increments for inflation. The Centers are to be administered by the National Institute on Aging in collaboration with NIMH, NINCDS and NIAID. Responsibilities of the Centers include: Conducting research into cause, prevention, diagnosis, treatment and management of AD; training health care personnel; disseminating clinical

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

information; conducting community education on AD; and coordinating with other Centers and related public/private facilities.

Provides for coordination and dissemination of research both within DHHS and to other relevant agencies.

Establishes research and demonstration programs to develop methods of service delivery that will promote the health and well-being of AD victims and their families by encouraging care in the home and reducing the stress on the families of AD patients.

NIMH Family Support and Stress Research: $25 million per year with increments for inflation to support joint research and demonstration projects with public and private organizations.

NIA Long Term Care Research: $12 million per year with increments for inflation to support long term care research on Alzheimer's Disease and related disorders and on the coordination of long term care.

NCHSR Model Delivery Systems Research: $5 million per year with increments for inflation to conduct research on models for improving the delivery of supportive services to AD patients and their families, with particular attention to ethnic and cultural groups.

AoA Family Support Demonstrations: $12 million per year with increments for inflation to support joint demonstration projects with public and private organizations examining innovative family support and service delivery approaches with special emphasis on stress inducing disorders such as AD.

National Alzheimer's Education Program

Establishes a national program (similar to the successful National High Blood Pressure Education Program) that creates a national focus on the problem of AD and the care of its victims.

Brings together public and private organizations to develop better ways to provide care to AD patients and assist their families.

Provides technical assistance to public and private organizations delivering services to AD patients and providing information (including the rights of and sources of assistance for AD victims and their families) to the public and health care providers.

Incorporates the Clearinghouse on Alzheimer's Disease which collects information from research and treatment programs and makes this information available to victims of AD and their families, to health care professionals and to the general public.

Fosters and coordinates research, training, and education programs relating to AD cause, treatment and diagnosis.

Funding is set at $1 million in the first year, $1.5 million in the second year, and $2 million in the third year.

State Alzheimer's programs

Establishes a joint federal and state effort to develop services and policies to assist victims of AD and their families. All 50 States and territories may receive grants to create State Alzheimer's Programs.

Develops diagnostic, treatment, care management, legal counseling, and educational services for care providers, victims, and their families.

Makes available respite care services (including, but not limited to, home health, day care, companion, short term stay in health facilities) for the AD patient. (Between 25% and 50% of the grant is to be used for this purpose.)

Reviews state policies on the financing and reimbursement of the costs of health care for patients with AD and identifies other policy changes that would improve the care of patients with AD.

Disseminates information to victims, their families, health care providers, organizations established for patients with AD and to the general public on services available to AD victims as well as on rights of and sources of assistance for AD victims and their families.

Makes initial grants available for 3 years with funding at a minimum of $250,000 per year and subject to an annual evaluation by the Department of Health and Human Services.

Total program funding is set at $30 million in the first year, $50 million in the second year, and $80 million in the third year.

States are required to provide matching funds at a 50-50 rate.

Medicare and Medicaid Program Modifications and Research and Demonstration Projects

Improves Medicare and Medicaid access, quality and reimbursement with respect to Medicare and Medicaid covered AD victims.

Directs HCFA to modify the Medicare and Medicaid programs to: review and, as needed, modify reimbursement for home health services, extended care services and inpatient hospital services to reflect more accurately the cost of caring for advanced stages of AD: upgrade quality of care and utilization reviews for heavy care patients such as AD patients; and ensure that access to nursing home and health care for AD victims is not being limited by the practices of nursing home and home health agencies.

Mandates that the Department of Health and Human Services conduct AD related research, demonstrations, and waiver projects in order for Medicare and Medicaid to better assist AD victims. Projects include at least the following:

Provision of community-based care (including day care) and in-home care, as well as improved nursing home and home health staffing and training.

Provision of alternative methods of health care delivery systems for AD patients, including services designed to maintain patients in the home.

Alternative methods of payment for long term care (including home health care and nursing facility services) for AD and other heavy care patients.

Coverage of nursing home care without regard to prior hospitalization or the need for skilled nursing care. (Current reimbursement policy precludes reimbursement by Medicare until medical management of the condition is warranted and unless nursing home and home health care are skilled. It precludes reimbursement by Medicaid until the victim's resources are depleted.)

Funding is set at $5.0 million in the first year, $6.0 million in the second year, and $7.0 million in the third year.

Improve access to community mental health centers

Improves access to Community Mental Health Centers by the elderly and by AD victims and their families.

Directs ADAMHA to require that Community Mental Health Centers (CMHCs) receiving ADAMHA Block Grant funds increase their efforts to reach the elderly and to reach AD victims and their families. Authorized $50 million per year with increments for inflation. CMHCs provide increased services and outreach to the elderly and to AD victims and their families. CMHs report annually to ADAMHA on their services and outreach for the elderly and for AD victims and their families.

Training of health professionals and research on manpower

Increases training of health care professionals and paraprofessionals to improve the diagnosis, treatment and management of AD.

Provides NIA Grants to medical, psychology, nursing, social work, gerontology, and health administration schools, to training programs for home health, homemaker, and other home care providers, and to AD research centers for training and continuing education on health and long term care using AD as an illustrative case. Authorizes $10 million/year with increments for inflation. Grantees shall coordinate their programs with AD research centers. Grantees shall make training and education programs available to family caregivers as well as to health care professionals and paraprofessionals. Grants shall be awarded so as to ensure appropriate geographic coverage.

Provides NIA Grants to AD Research Centers to assist schools in developing curricula for training and continuing education and to ensure transfer of the most up-to-date research information. Authorizes $2 million per year with increments for inflation.

Requires that HRSA conduct a manpower study to determine the adequacy of health manpower for meeting the ongoing care needs of AD and other long term care patients as well as the adequacy of training, of geographic distribution by discipline, and of minority and ethnic personnel and to determine mechanisms for coordinating its manpower efforts with those of other relevant federal agencies. Authorizes $200,000 per year.

NOTE.—While the CARE legislative package addresses the Alzheimer's problem directly, Congressman Roybal has introduced several other bills which also address the needs of Alzheimer's victims and their families. The "U.S. Health Program Act" (H.R. 200) is a broad health care reform package which would provide long term care protection for all Alzheimer's victims. The "Medicare and Medicaid Catastrophic and Acute Transitional Care Act" (H.R. 1930) would better protect the income and assets of spouses of Alzheimer's victims in the Medicaid program and would provide limited respite care. The Home Care Quality Assurance Act" (H.R. 1700) would better protect the quality of home care services provided to Alzheimer's victims under certain federal programs.

SUMMARY OF AUTHORIZED SPENDING UNDER COMPREHENSIVE ALZHEIMER'S ASSISTANCE, RESEARCH, AND EDUCATION ACT (CARE)

[In millions of dollars]

	Fiscal year—		
	1988	1989	1990
Biomedical research on Alzheimer's disease and related disorders and family support and service delivery research/demonstrations:			
NIH and NIMH biomedical research [1]	175.0	182.5	190.4
Alzheimer's centers	20.0	20.9	21.8
Total biomedical research on Alzheimer's disease	195.0	203.4	212.2
NIMH family support and stress research	25.0	26.1	27.2
NIA long term care research	12.0	12.5	13.1
NCHSR model delivery system research	5.0	5.2	5.4
AOA family support demonstrations	12.0	12.5	13.1
Total family support and service delivery R/D	54.0	56.3	58.7
National Alzheimer's Education Program	1.0	1.5	2.0

SUMMARY OF AUTHORIZED SPENDING UNDER COMPREHENSIVE ALZHEIMER'S ASSISTANCE, RESEARCH, AND EDUCATION ACT (CARE)—Continued

[In millions of dollars]

	Fiscal year—		
	1988	1989	1990
State Alzheimer's programs	30.0	50.0	80.0
Medicare and Medicaid Program:			
Modifications	(2)	(2)	(2)
Research and demonstrations	5.0	6.0	7.0
Improved CMHC access	50.0	52.2	54.4
Training of health care professionals:			
NIA Health and Long Term Care Grants	10.0	10.4	10.9
NIA Curriculum Development Grants	2.0	2.1	2.2
HRSA Manpower Studies	0.2	0.2	0.2
Total training of health care professionals	12.2	12.7	13.3
Total "CARE" authorization	347.2	382.2	427.6

[1] Triples existing funding and provides specific AD authorization.

[2] Existing funding sufficient for "CARE" provisions.

THE JURISDICTION OF THE ABORTION ISSUES

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1987

Mr. CRANE. Mr. Speaker, I have introduced H.R. 104, to restrict the jurisdiction of the U.S. Supreme Court on the abortion issue.

H.R. 104 would correct the problem of the Supreme Court overstepping its constitutional powers. Moral issues, such as abortion, are better handled at the State level. The job of the Supreme Court is to interpret law, not to mandate national policy. In 1973 the Supreme Court rendered the Roe versus Wade decision, which essentially legalized abortion in the United States. This decision touched off a continuing series of national debates on the right to life and the usurpation of States' rights by the Supreme Court.

The Supreme Court exceeded its judicial authority in its finding of a previously unrecognized right to abortion. The framers of the U.S. Constitution and the 14th amendment did not intend to create a right to abortion. Prior to Roe versus Wade, abortion laws differed from State to State. However, the Court concluded that prenatal life was and is beyond the power of States to protect.

While we celebrate the bicentennial of the Constitution this year, we should consider the original purpose of the Constitution. The framers purposely omitted sensitive moral issues from the jurisdiction of the Federal Government. They realized that moral issues should be handled by State and local governments, who better know the wants of the people. Furthermore, the framers gave each branch of Government limited responsibilities and powers. In recent years, however, the Court has virtually ignored the Constitution. The Court has interpreted its power much too broadly by continually abusing its power of judicial review. By overstepping its powers, the Supreme Court has eroded the deliberative process of Congress. The Supreme Court is no longer allowing Congress to make legislative decisions, but handing down rulings that essentially change the laws of our country. This responsibility belongs to Congress, not the Supreme Court. Thus, the system of checks and balances has been impaired. Why is the Supreme Court abusing the document for whose protection they are responsibile?

If H.R. 104 were to become law, the Supreme Court's interpretation of the Constitution would no longer mandate a single national policy. The abortion issue would rightfully be returned to the jurisdiction of the States. Thus, States would be free to deal with the abortion issue as they see fit.

Obviously, abortion laws would vary from State to State, as they did before the Roe versus Wade decision. Variances in State law are often beneficial because they allow States to experiment with different approaches and solutions to the same problems. Furthermore, as State legislatures deliberate on the abortion issue, they can look at and learn from experiences of other States. This process ensures respect for community consensus and the virtue of diversity, which have been a vital aspect of the strength of our Federal system.

States already have jurisdiction to rule on a myriad of important moral and ethical issues that the Federal Government has not yet usurped. These include such controversial issues as mandatory seat-belt laws, legal drinking ages, blue laws, gambling, compulsory education laws, and many others. Furthermore States, through ballot referendum and initiatives, are able to execute the true wants of their citizens. The Federal Government is not able to do the same.

Thus, States might choose to have no policy restricting abortion or might substantially restrict it. It is common knowledge that whenever the National Government decides on a moral issue, it sets a precedent for future decisions at lower court levels. On the other hand, when a State makes a decision, we have the choice to move to another State or attempt to change the law through a new referendum or initiative if we disagree. However, we have little recourse but to take up arms or flee the country if the Federal Government becomes tyrannical.

In conclusion, the Supreme Court should return the right to decide on the abortion issue to the States, where it rightfully belongs. Only the States can know the true wants of the people. When States are allowed to determine basic issues, they may arrive at different conclusions. This diversity and community consensus should be respected since the examination of varied alternatives in practice leads to more effective decisions over time.

It is for these reasons that I urge my colleagues to cosponsor H.R. 104 and join me in my attempt to remove the abortion issue from the jurisdiction of the Supreme Court.

CHURCH OF ST. ANN'S CELEBRATES 125TH ANNIVERSARY

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1987

Mr. KANJORSKI. Mr. Speaker, it is my pleasure to bring to your attention the 125th anniversary of the Church of St. Ann in Freeland, PA. I am proud to join in the celebration of this important milestone and I am glad to have the opportunity to share this event with my colleagues in the House of Representatives.

St. Ann's Parish was established in 1862 in the coal-mining town of Eckley in Luzerne County, PA, to serve the needs of the Irish Catholic immigrants who came to northeastern Pennsylvania to work in the coal fields. Rev. Patrick Mullen founded the parish under the name Immaculate Conception, built a wood-frame church, and served as pastor from 1862 to 1868. Rev. Michael A. Falihee was the next pastor, serving until his death in 1917. During Father Falihee's pastorate, the parish was renamed St. Ann's and moved from Eckley to the Woodside section of Drifton. A convent and school were opened in 1886, staffed by the Religious Sisters of Mercy.

The parish continued to grow, and in 1922 the bishop of the Scranton diocese, Most Rev. Michael Hoban, suggested that land be purchased in the borough of Freeland for the home of a new church. On November 24, 1924, the new church was dedicated and served the parish until 1966.

In 1966 Rev. John C. Gilloegly was appointed pastor and immediately began construction of a new church, which was dedicated by Most Rev. J. Carroll McCormick on October 15, 1967. The church was recently renovated to bring it into conformity with the decrees of the Second Vatican Council by the present pastor, Rev. E. Francis Kelly, who has been pastor since September 9, 1982.

Religious faith has played an important role in the development of our Nation, and the 125-year-old history of St. Ann's Church is testament to the continuing importance religion has in the lives of Americans. Mr. Speaker, I am honored to commemorate the distinguished history of the Church of St. Ann before my colleagues in the House of Representatives.

TRIBUTE TO VINCENT ARTUSO—THE AMERICAN DREAM IN ACTION

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1987

Mr. BIAGGI. Mr. Speaker, today, I rise to pay tribute to a very dear friend of mine, and a true example of the American dream—Vincent Artuso. Vincent passed away recently, but he left behind a legacy for his children and all Americans.

I called him "the philosopher." He had a philosophy for humanity, a love of humanity in its truest and simplest sense. Vincent was surrounded by an aura of kindness. His special qualities enriched the lives of those he met. Although our paths didn't cross so frequently, the memory of each meeting was an experience of unending duration.

His presence on Earth enhanced the world of all who had the good fortune to know him. The memory of Vincent will endure beyond our own days.

Vincent Artuso was born in 1919, in Calabria, Italy. By the age of 12, his father had saved enough money to send Vincent, with his mother, two sisters and brother to the United States. They settled in the Belmont community of the Bronx, where they were later joined by Vincent's father. At the age of 16, Vincent began working in a bakery located on East 187th in the Bronx—a job that would change his future.

He worked in this bakery until 1941, when he joined our Army Forces serving in World War II. Five years later Vincent returned to the Bronx and purchased the bakery he had worked in prior to entering the Army.

Under his ownership, the Artuso bakery grew from a small retail bakery to a major national wholesale bakery, with four branches. However, this was not an easy task. Ten years after he purchased the store, Vincent had saved enough money to begin the renovations he needed to enlarge the bakery. Three years after the renovations were complete, the store caught fire and was completely destroyed. Vincent had to start from scratch, completely rebuilding the store.

The Artuso bakery was the first bakery to wholesale Italian pastries on a major scale. Vincent has left to his family a bakery which has customers nationwide and four branches—the original Bronx branch, and one in Yonkers, Mount Vernon, and Harrison, NY.

His wife Betty and four sons, Anthony, Joseph, John, and Vincent, now manage the business, with assistance from Joanne, Linda, and Arlene, his daughter-in-law.

Vincent Artuso is a model of the American dream. A native Italian, arrived in this country and started working in a business at a very young age. After serving in the U.S. Army, he was able to buy that business and has watched it grow from a small Bronx bakery to a National business. However, the original bakery still has the atmosphere of a small business—fresh pastries, good and courteous service and family employees.

I will miss Vincent and I send my condolences to his wife and children and grandchildren: Anthony, Theresa, Concetta, Michelle, Joseph, Phyllis, and John.

I call upon my colleagues to join with me in recognizing a great citizen and a great foreign-born American. May he shine as an example for others in pursuit of the American dream.

MICHIGAN FARMER'S HALL OF FAME HONORS BASIL McKENZIE

HON. BILL SCHUETTE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1987

Mr. SCHUETTE. Mr. Speaker, I wish to take this opportunity to congratulate one of my constituents for being inducted into the Michigan Farmer's Hall of Fame. Mr. Basil McKenzie, of Breckenridge, MI, will be inducted into the Hall of Fame on September 4 of this year.

Founded in 1982, the Michigan Farmer's Hall of Fame honors farmers for their contributions to their community and to Michigan's agriculture industry. Eleven families will be inducted next month, and I am pleased to learn that Basil, a Gratiot County farmer, will be included on this prestigious list.

Basil was an active farmer for 30 years before retiring from hybrid corn and certified seed production. Basil finished his education at Michigan State College and began working as a vocational agriculture teacher and eventually became superintendent of schools and a vocational agriculture teacher at the Hartland Consolidated School. After 7 years at the school, Basil left to become a full-time farmer with his father.

Basil's list of achievements and awards from the agriculture community is most impressive. Between 1968 and 1969, he served as chairman of the Michigan Bean Commission; was a member of a bean seminar trip to Europe in 1969, and served as president of the Michigan Agriculture Conference in 1974. In addition to his commitment to the agriculture industry, Basil was an active member of his community, serving as a past president of the Breckenridge Rotary Club, a member of the Mason Lodge of Breckenridge, and a recipient of the Gratiot County Minuteman award.

While a most talented and dedicated farmer, Basil has never taken his successes for granted, nor disregarded the help he has received from others. On his questionnaire submitted to the Hall of Fame, Basil credits his success to "hard work, good soil, great ancestors, and a good wife."

Mr. Speaker, I hope you and our colleagues will join me in commending and congratulating Basil McKenzie upon his induction into the Michigan Farmer's Hall of Fame. As our State's third largest industry, agriculture plays a significant role in the economy and social structure of our communities, and this recognition is a most prestigious honor and one that Basil and his family should always be proud to hold.

MARYLAND'S MEMORIAL TO ITS VIETNAM VETERANS

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1987

Mr. HOYER. Mr. Speaker, I would like to commend the Maryland Vietnam Veterans Memorial Fund, Inc., which has launched a drive to raise the remaining funds needed to pay for a memorial to Marylanders who died or who are still missing in Southeast Asia. This memorial will be located on Federal Hill in Baltimore, a site overlooking the Inner Harbor and the downtown of Maryland's largest city.

It is entirely fitting that this memorial will also overlook Fort McHenry. There has been criticism from some quarters that the national memorial to Vietnam's dead, in Washington, DC, is somehow lacking in patriotism. However, no one can doubt that a memorial can be anything less than patriotic and noble when it sits high above the garrison that in the face of an assault by British warships in 1814 continued to fly defiantly and proudly the Star-Spangled Banner immortalized by Francis Scott Key.

Of course, this memorial is not to war, but to the costs and sacrifices of war. In the course of the conflict in Southeast Asia, some 158,000 men and women from Maryland served. Some volunteered and some were drafted. Maryland lost 1,010 dead and 68 who are still missing in action.

Beginning on August 10, eight Vietnam veterans will walk 200 miles through St. Mary's, Calvert, Charles, Prince Georges, Montgomery, and Anne Arundel counties. They are attempting, through pledges and donations, to raise the funds necessary to construct a lasting and fitting tribute to the men and women of Maryland who served in Vietnam.

I salute the participants of "Last Patrol II." These men are truly dedicated and committed. Every resident of Maryland should be quite proud of them.

In addition, I would like to note that William Donald Schaefer, the Governor of Maryland, has added greatly to this effort by creating the "Maryland Memorial Platoon." This is a group of 125 volunteer fundraisers committed to building the memorial.

In closing, Mr. Speaker, I commend all the members of the Maryland Vietnam Veterans Memorial Fund, Inc., in their efforts to recognize the many Marylanders who made the ultimate sacrifice in serving our Nation during the Vietnam war.

SCARING THE PUBLIC

HON. THOMAS J. BLILEY, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1987

Mr. BLILEY. Mr. Speaker, on July 7 the Wall Street Journal ran an editorial entitled "Scaring the Public." That editorial properly noted that "[h]orror stories make bad public policy." I wholeheartedly agree.

The Environmental Protection Agency [EPA] is currently in the process of deciding what regulatory action should be taken with regard to formaldehyde. I hope EPA will take the time to obtain a sensible analysis of formaldehyde risk before acting in haste. I commend the editorial to my colleagues and the EPA. I trust we can all agree with the final sentence of the editorial: "Most people have enough to worry about without EPA discovering new scares."

SCARING THE PUBLIC

Horror stories make bad public policy. Take formaldehyde, a too common example of how federal bureaucrats misjudge public health risks. Staffers at the Environmental Protection Agency are calling this widely used medical and industrial chemical a "probable human carcinogen," supposedly endangering the health of thousands of Americans. Some EPA officials are therefore urging strict federal regulations on formaldehyde.

To support this claim, the EPA recently produced some seemingly shocking—and highly publicized—statistics on the alleged cancer risks from formaldehyde exposure. The agency purports that three out of every 10,000 garment workers exposed to formaldehyde fumes risk getting cancer. For mobile-home dwellers exposed to formaldehyde-treated pressed wood, the cancer risk over 10 years is said to be two in 10,000. And for residents of conventional homes, the perceived risk is one in 10,000. Given the current widespread fear of cancer, these numbers were certain to scare many people.

Before this horrifying scenario goes too far, however, EPA might explain why more effort wasn't made to place these numbers in more perspective. For example, these risk assessments are based on what EPA calls the statistical "upper bound"—the most extreme scenario. But the agency has another, more reasonable standard of cancer risk known as the "maximum likelihood estimate." A look at these figures tells a much less frightening tale.

EPA's "likely estimate" for cancer risks from formaldehyde exposure among garment workers is actually 4 in 1 billion. Similarly, for mobile-home dwellers the "likely" estimate is 2 in 10 billion, and for conventional-home residents 6 in 100 billion.

The agency's exaggerated claims are primarily based on laboratory experiments on rats exposed to extreme doses of formaldehyde. These test animals inhale concentrations of formaldehyde up to 15 parts per million (ppm) for long durations throughout their confined lifetimes. In some cases, these test rats have contracted nasal cancer. Thus EPA worries that humans, too, may develop cancer due to formaldehyde exposure.

But that extreme assessment doesn't square with EPA's own report on formaldehyde. It admits that humans won't tolerate the noxious chemical fumes above 3 ppm for "more than short periods" because of eye, nose and throat irritation. It adds that "these acute effects are usually reversible." The EPA report goes on to say that its evidence of cancer risk is "limited," meaning that "a causal interpretation is credible, but that alternative explanations, such as [statistical] chance, bias or confounding, could not adequately be excluded."

A recent Harvard School of Public Health analysis criticized harshly the federal government's handling of formaldehyde risk assessment. It said that "the true extent of uncertainty about the magnitude of estimated cancer risk is not conveyed to policy makers." As a result, it concluded, "policy guidelines are substituted for scientific judgment in the governmental risk-assessment process."

Yet EPA continues to frighten the public. It has pushed its standard of cancer risk to such an extreme that even ambient air in rural regions of the U.S. would have to be classified as carcinogenic due to the natural presence of formaldehyde. Do we need "Don't Breathe Deeply" signs in Yellowstone National Park?

The EPA's administrator, Lee Thomas, will soon make a decision on proposed formaldehyde regulations. Before any regulatory action is taken, we'd suggest that Mr. Thomas get a sensible review of formaldehyde risk. Most people have enough to worry about without EPA discovering new scares.

TRIBUTE TO BRIAN J. HESSLER

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1987

Mrs. MORELLA. Mr. Speaker, on June 29, Brian J. Hessler of Potomac, MD, died suddenly in Baltimore after suffering a stroke. He was 60 years of age.

After his retirement from a long and distinguished career in public service, Brian devoted many hours working to provide a life of dignity and worth for the mentally retarded.

In 1981, he was elected to the board of directors of the Montgomery County Association of Retarded Citizens [MCARC]. He served from 1981 to 1984 as treasurer, and from 1984 to 1986 as president. He also served on the board of the A.R. Bancroft Development Corp., an organization that helps provide housing for the retarded. At the time of his death, Brian was vice president of Bancroft.

Brian actively sought high-quality residential and vocational placement for those with mental retardation. He was deeply concerned about making a commitment to these special people.

Mr. Speaker, it has been said that "if we do not lay out ourselves in the service of mankind, whom should we serve?" Through Brian's selfless efforts, hundreds of mentally retarded citizens were able to live as productive members of the community.

On behalf of the Congress of the United States, I would like to extend our heartfelt gratitude to Brian's wife, Lois, and to his children, Kevin and Tracey, for all that he did for his community and fellow man.

A CONGRESSIONAL SALUTE TO VERLY AND LOUISE BRANN WOSEPKA

HON. TIM JOHNSON

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1987

Mr. JOHNSON of South Dakota. Mr. Speaker, it brings me great pleasure to be joined by my colleagues in saluting the 50th wedding anniversary of two of my constituents.

I am honored to pay tribute to Verly and Louise Brann Wosepka on this wonderful occasion in their lives. Through their 50 years of life and love together, they have become well known in their community for dedication to civic activity and unselfish contribution to their hometown of Pierre, SD.

I am proud and pleased to congratulate Verly and Louise Brann Wosepka and their family, Col. Jim and Nora Wosepka.

CONGRESS SUPPORTS THE SECOND AMENDMENT RIGHT

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1987

Mr. CRANE. Mr. Speaker, I have sponsored legislation, House Concurrent Resolution 6, to reaffirm that it is the sense of Congress to support the second amendment right to the Constitution of the United States. Because this is the 200th Bicentennial of our Constitution, I feel it is imperative that we reaffirm our belief in the rights that all Americans are entitled to through the Constitution. The purpose of House Concurrent Resolution 6 is to ensure that our Founding Fathers' intentions on the second amendment remain intact.

The second amendment states: "A well regulated Militia, being necessary to the security of a free State, the right of the people to keep and bear Arms, shall not be infringed."

It would be a grave injustice to compromise or surrender the rights for which our Founding Fathers fought so hard. There are few issues in this country that are more emotional or less understood than an individual's right to keep and bear arms, and it is disheartening to see any erosion of these rights when the framers of our Constitution clearly intended to guarantee an individual's freedom to protect himself. Our criminal justice system has far higher priority pursuits, especially given the excessive Federal budget deficit, than to spend its time and money depriving people of the right to use a gun for hunting, target shooting, and lawfully protecting themselves against trespass.

We must reject any attempts to restrict American citizens from defending themselves and their property. This is a severe threat to one of our basic freedoms as citizens of the United States. Currently police protection is reactive and is only guaranteed in broad terms. There is nothing in the law that guarantees personal protection to any particular person. Since the U.S. criminal justice system has obviously not demonstrated the ability to provide adequate public safety, we simply cannot in all good conscience prevent individuals from protecting themselves.

Gun control advocates believe that taking away everybody's guns will reduce crime. If everybody's guns were confiscated, crime might go down, just as it might if all knives were confiscated. However, it would be an impossible task to get "everybody" to turn in his gun. Why would a criminal, who breaks the law by using a gun on someone else, comply with this law, especially if he wants to use the gun again. If we deny anyone his second amendment rights, we will only be creating a bigger black market. Furthermore, if people cannot protect themselves, there will be an increase rather than a decrease in crime. Take away from the law-abiding citizen his right to that protection and the criminals will have a field day. Moreover, our law-enforcement agencies would be so busy checking up on guns they would have little time to do much about it.

Let's face the facts. Guns do not kill people, people kill people. An inanimate object should not be blamed for the crime of a human. After all, do we blame the automobile or the driver in a hit-and-run accident?

Criminals will have access to guns no matter what we legislate. The innocent, law-abiding citizen gets hurt the most with gun control for he would become easy prey. Criminals, in turn, should be given harsher mandatory sentences when committing a crime with a gun. I suggest that States implement "Use a gun, go to prison" and other similar legislation to punish those who abuse their second amendment rights by committing crimes with a gun.

In this the year of the bicentennial of our Constitution, it is very important that we reaffirm our Nation's belief in the second amendment right to keep and bear arms. I welcome my colleagues cosponsoring my legislation.

THE FUTURE OF NATO

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1987

Mr. GARCIA. Mr. Speaker, I would like to draw the attention of my colleagues to a series of articles by Elizabeth Pond which appeared recently in the Christian Science Monitor examining the future of the NATO Alliance.

The current arms negotiations between the United States and the Soviet Union hold ramifications far beyond the immediate concerns of these superpowers. Landmark proposals for the complete elimination of nuclear missiles from Europe have raised questions about the future strategic policy of NATO. Speculation about a reduced United States nuclear and conventional presence on the continent have prompted the Europeans to explore alternative means of defending themselves.

As chairman of the Civilian Affairs Committee of the North Atlantic Assembly, I have come to realize the vital importance of our longstanding commitment to our European allies. Our contribution to NATO is crucial to the security of the free world. Europe remains the focal point of East-West relations, thus, the ongoing arms negotiations must consider not only the interests of the United States and the Soviet Union, but those of the European nations as well.

I am submitting the first two installments of this series for my colleague's perusal:

EUROPE QUESTIONS AMERICA'S PROMISE

(By Elizabeth Pond)

LONDON.—Western Europe has now enjoyed, for two generations, its longest period of peace in this century. By next year it will have surpassed even the 1871-1914 hiatus between wars and enjoyed its longest peace in history. And this in a nuclear era that as never before threatens to make mankind extinct.

This unprecedented peace, European governments believe, is no paradox of the nuclear age. It is instead a direct result of the unprecedented destructiveness of the atom bomb.

The very threat of nuclear war—and the risk that a conventional war might escalate uncontrollably into nuclear conflict—is so terrible that war as a whole is seen as suicidal and no longer a rational means of executing policy in those regions that are most vital to the superpowers.

Hence the advent of what has become known as nuclear "deterrence," or prevention even of conventional war in Europe. This is the one spot on earth where Western policy calls for first use of nuclear weapons, should NATO forces face defeat by the Soviet block's superior conventional forces.

Yet now the American nuclear guarantee of Europe's security—and with it the robustness of deterrence of war—is being called into question in Europe. This is so for three reasons. First is a perceived trend toward "denuclearization" of Europe as Euromissile arms control begins a possible slide down the slippery slope of doing away with more nuclear weapons. Second and third are political and financial pressures in America to withdraw its GIs from Europe and reduce United States engagement there so as to cut costs, free America's hand for unilateral interventions elsewhere in the world—and, for some American politicians, teach European ingrates to pay for their own defense instead of freeloading off the US.

In Bonn, the conservatives' deputy parliamentary leader, Volker Rühe, terms this the end of one strategic era and the beginning of another.

The profound uncertainty that this transition arouses is perhaps the major stimulus to today's resurrection of the moribund idea of joint European security.

The shock that Europeans felt in the wake of the superpower summit in Iceland last October and that they now feel from the Euromissile arms control deal that is in view is helping to some extent to drive West Germany, France, and Britain into more cooperative defense. The principle is the same one that drove the squabbling American states together 200 years ago: If you don't hang together, you are apt to hang separately.

This series, based on some two dozen interviews with senior diplomats, military officers, politicians, and academics in London, Paris, Bonn, and Brussels, explores the causes and prospects of the present jerky efforts to hang together.

Europe's nuclear predicament is a result of a number of factors like geography, the total vulnerability of all nations in the nuclear age, and the widely perceived insanity of any conceivable use of nuclear weapons. It also comes from the Soviet acquisition of nuclear superiority in the European theater in the early 1980s on top of Moscow's strategic parity of the '70s—and Soviet leader Mikhail Gorbachev's flexibility and his acknowledgment of the failure of the destructive potential of nuclear weapons to translate into specific political influence.

In raw military terms, once the Soviets attained nuclear superiorty in the European theater, NATO lost "escalation dominance," or the ability to control the course of and limits on nuclear escalation.

This made irrational NATO's two-decade-old policy of "flexible response" to any Soviet attack by either conventional or nuclear weapons; both common sense and computer projections suggest that any NATO resort to nuclear weapons at this stage would only make things worse for the West, at a more destructive level.

That's all in the context of "war-fighting," though. Aiming at deterring war (as distinct from actually fighting and winning it), NATO continued its policy of flexible response without change in the 1980s. And however much this might violate conventional logic, it made sense in the topsy-turvy nuclear world.

As David Abshire, former US ambassador to NATO explains it, deterrence by "uncertainty"—if no longer by assured retaliation—is still very much alive. So long as the Soviets fear that in the passion and fog of war the West might commit the irrational act of nuclear escalation, this effectively deters any conventional attack, or even any attempt to convert Soviet conventional superiority into political intimidation.

The Europeans subscribed to this reasoning—until the Iceland summit and the Euromissile arms control deal now being negotiated by the superpowers revived European fears of Soviet-American condominium at the possible expense of Europe. The summit alarmed Europeans because of President Reagan's willingness, with no prior consultation with European allies, to contemplate scrapping all nuclear ballistic missiles, the very weapons that the Europeans regard as the most reliable guardians of their peace. Although British Prime Minister Margaret Thatcher helped get Mr. Reagan to bury the suggestion shortly after the summit, the fact that an American president could even float such an idea shocked the Europeans especially the conservative bulwark of pro-American politicians there.

Suddenly the American Strategic Defense Initiative ("star wars") no longer looked to its initial supporters in Europe like the welcome protection that would stiffen American backbone to risk Chicago in order to save Hamburg. It looked instead like the unwelcome protection that would turn the two superpowers into sanctuaries and leave Europe, and especially Germany, as the "limited" but razed nuclear battlefield.

Suddenly the Pentagon hard-liners no longer appeared to West German hardliners as fellow crusaders against Soviet empire in Europe. Rather, they appeared to be unilateralists, who wanted to write off an encumbering Europe.

And suddenly the complaint of a Georgetown University strategist, Edward Luttwak, that the American lack of will to use nuclear weapons has already created a "postnuclear" world took on the aura of reality.

If the current Euromissile deal is clinched, NATO will rely more heavily on land-based nuclear missiles in the under-500-kilometer (under 300 miles) category. This projected shift to dependence on weapons that would devastate only Germany has fanned in Bonn the beginnings of a reluctance ever to use nuclear weapons. Within a surprisingly short time it became a common assumption in the West German center right that the Euromissile deal would "decouple" the US from Europe and invalidate flexible response.

Dismissing European fears, Washington contends that only a tiny part of the spectrum of nuclear weapons would be removed in any Euromissile arms control, and that this would not erode the still quite sturdy nuclear deterrence of conventional war in Europe.

French President François Mitterand reasons along the same lines. So does Sir James Eberle, NATO's former commander in chief of the English Channel and present director of the Royal Institute of International Affairs in London. Admiral Eberle says he regards present arsenals as excessive in any case and views the "complex theory of deterrence" that has been "woven" around them as unnecessarily complicated. He challenges this view, saying:

"I have always entirely accepted [ex-Defense Secretary] Harold Brown's [thesis] that the likely result of limited nuclear exchange would be unlimited nuclear exchange." This, he suggests, scares the Russians as much as it scares the West.

But the notion that uncertainty is enough to deter hardly reassures governments that perceive the US as moving away from the deterrent threat of first use of nuclear weapons in Europe. West German parliamentarian Rühe comments: "I think the trend in the US is—and that is very serious—that nuclear weapons in the future will only be used to deter nuclear use. That would be the end of NATO 'first use' strategy. I think that is at the doorstep of [both] American parties."

It's a "historical trend, . . . this philosophy to render nuclear weapons obsolete."

John Roper, a former Labour member of Parliament in Britain and now a senior research fellow at the Royal Institute of International Affairs, concurs: "Reduced emphasis on nuclear weapons is now the conventional wisdom in the United States."

And even a serving official as circumspect as the British foreign secretary, Sir Geoffrey Howe, bluntly told the Belgian Institute of International Relations this spring: "A distaste for reliance on nuclear weapons is not a new phenomenon in America. . . . Some have long questioned whether the US would ever be prepared to use nuclear weapons in response to a Warsaw Pact conventional attack in Europe."

Yet Europeans with a memory of Adolf Hitler's blitzkrieg attacks with inferior numbers of tanks in World War II fear that, without significant nuclear deterrence, even an unattainable conventional balance would be fragile and inadequate to ensure prevention of war. "No one can conceive of conventional deterrence alone," asserts Mr. Rühe.

Nor does the standard American assurance in recent weeks that US linkage to Europe rests not on groundbased missiles, but on its 326,000 troops committed to Europe, provide much comfort when Europeans see go-it-alone political and financial pressures building in the US. Former national-security advisers Henry Kissinger and Zbigniew Brzezinski have been leading the chorus to reduce American troops in Europe for some time, and American colunnist William Safire's comments on European "parochialism," miserliness in defense, and reluctance to help the US in Central America are familiar reading in Europe.

Rühe warns, "If there were a withdrawal of [US] troops on top of [the perceived trend toward denuclearization], it would really be disastrous and give the wrong signals."

Roper adds, "One of the things that is worrying is what may well be [US-European] strains in all three dimensions simultaneously," political and economic as well as military.

The former British parliamentarian also speaks of America's difficulties with the huge budget and trade deficits and the problem of both the trend to denuclearization [and] deemphasis on nuclear weapons in European defense, at a time in which anyone looking from now till the end of the century who predicts that there will be the same numbers of US troops in Europe [then] must be either a fool or a knave."

All this requires some very fundamental rethinking within the alliance about what actually constitutes deterrence.

The questions include which mix of moral and strategic contradictions in nuclear policy is the least worst; what the conventional imbalance in Europe really requires in nuclear offset against a cautious Soviet evaluator of risks who is currently preoccupied with domestic affairs; and how support for Western nuclear policy can be maintained in a public that perceives a dwindling Soviet threat.

This period requires as well some fundamental rethinking about how the Europeans can maximize their contributions to defense in order to maintain stability and manage the pending reduction of American troops in Europe—without offering targets of opportunity to Moscow.

For a growing number of West German, French, and even British officials, part of the answer lies in renewing the quest for the kind of European defense cooperation that France so unceremoniously vetoed in the '50s by killing off the European Defense Community.

This doesn't come easily. But the urgency of Europe's present nuclear dilemma is certainly giving it fresh impetus.

One American diplomat notes the irony "that we could be forcing the Europeans to take some of the tough decisions" they would otherwise avoid.

In London, King's College Professor of war studies Lawrence Freedman, agrees that, unintentionally, the Reagan administration has been giving a boost to European cooperation by the anxieties it arouses. He does not expect dramatic steps forward.

But he concludes: "I think it will be much more a process of drift and changes over time, so you suddenly realize 10 years on that it's all quite different. But if you ask when it happened, you can't quite figure it.

"I think this [evolution toward European cooperation] is happening, slowly. There is a greater readiness to recognize that you can't assume the security system of the last 20 or 30 years will continue" this way forever.

FRANCE AND GERMANY: EUROPE'S ODD COUPLE

(By Elizabeth Pond)

PARIS.—There are "irreducible differences" between the French and American commitment to European defense, says Dominique David, secretary-general of the Foundation for National Defense Studies in Paris.

"France takes risks at home. The US takes risks in Europe—in its own interest, but not on its own territory." The United States can therefore decide to opt out, he concludes; France cannot.

Going on to describe the French-West German cooperation that Paris cannot opt out of, he says, "The majority of French public opinion today thinks that French arms should help Germany if it is attacked. . . . I think we made a lot of progress since '80, '81, '82—progress more political than military. Today it is possible in France to say things about Germany and the alliance which could not have been said 20 years ago [when Paris withdrew from NATO's integrated military command]. There has been an important evolution in the political class and public opinion, and in Germany too there has been an evolution."

Karl Kaiser, director of studies at the German Society for Foreign Policy (DGAP) in Bonn and co-publisher of a new book on French-West German security coordination, would not disagree with this assessment. But he stresses the limitations and sees the bilateral relationship as "a case of unrequited love—on both sides."

Both views are valid. Once again the odd couple of France and West Germany are being pushed together, by their fears of American disengagement from Europe. Once again they are encountering some "irreducible differences" of their own. But however troubled, the security partnership between two nations that for a century and a half were arch enemies is already one of the great achievements of the 20th century.

That partnership, as Mr. David suggests, is as much psychological as military. That makes it especially tricky for observers to sort out substance from image—and also makes it deceptively easy to belittle the substance that the deliberate image itself creates. An American diplomat describes the approach of President Francois Mitterrand thus: "The thing that is important is not the military reality, but the political symbol. That becomes reality."

The latest bilateral flurry is a case in point. Alfred Dregger is chairman of the West German conservative parliamentary group, a longtime supporter of the US, and, until recently, a fan of President Reagan's Strategic Defense Initiative ("star wars"). Last month Mr. Dregger recoiled from US pressures on Bonn to endorse superpower arms control by calling for a security union between Paris and Bonn, with French nuclear weapons pledged to defend West Germany.

Three years ago ex-Chancellor Helmut Schmidt had similarly proposed integrating the French and West German armed forces under a French commander, but in 1984 the time was not yet ripe. By this year, however, it was an idea whose time had almost come. Former Prime Minister Laurent Fabius declared himself in favor of a "type of German-French confederation" in which Bonn would take the lead in economics and Paris would take the lead in defense and foreign policy—and might actually extend that sacrosanct nuclear protection to West Germany.

Chancellor Helmut Kohl, in what some Bonn observers regarded as a splashy initiative to undercut Dregger's radical proposal, immediately broached the more modest idea of forming a joint French-West German brigade. President Mitterrand in turn immediately suggested that such a unit could form the "embryo of a European conventional defense."

The military technocrats grumbled about the problems of issuing orders in English, but started groping for ingenious ways to build a single unit whose German soldiers would be subject to NATO command and whose French members most emphatically would not.

What the technocrats missed was the enormous symbolic value of combining forces of the two largest European countries, nations whose mutual suspicions lingered long after their last war ended in 1945. It looks as though the brigade will come into being, and its promoters stress that the key tactical operational concepts of the French and West German Armies are quite compatible.

A bilateral brigade may not commit French ports and airfields to receive essential American reinforcements in time of war. It may not guarantee the crucial depth of field to the front-line country that is a perilously narrow 150 miles wide. It surely will not build up the numbers of soldiers declining from sheer demography in West Germany and from the diversion of conventional budgets to nuclear programs in France. But it will send a powerful signal of enhanced French commitment to defend West Germany to the one audience that matters most, in the Kremlin.

Certainly the movement in bilateral relations is striking. Back in the 1960s the much-heralded French-West German rapprochement actually led to a standoff as President Charles de Gaulle pressed Chancellor Konrad Adenauer to choose between America and France, and Adenauer, not surprisingly, chose superpower America.

There things stood until the early 80s, when controversy over new Euro-missile deployments broke out in West Germany and a cultural upheaval in Paris led the intelligentsia there to abandon its fasination with Marxism and turn to belated abhorrence of the Soviet gulag and repressions in Poland and Afghanistan.

The shift in France coincided in West Germany with the rise of a popular antinuclear movement, a recoiling from the hard-line rhetoric in the early Reagan White House, fresh realization by West Germans that they were living in the land with the world's highest concentration of nuclear weapons per capita—and Social Democratic skittishness about adding new American Pershing and cruise missiles to this arsenal.

This divergence between the two countries aroused French concern that the Soviet Union might dangle reunification before the Germans and tempt them into neutralism—and thus remove the glacis, or military buffer zone between France and the potential aggressor of the Soviet Union. Paris therefore strove for closer security cooperation with Bonn that would dampen West German enthusiasm for detente, "anchor" West Germany in Europe, and avoid its "drift" to the East, thus minimizing the dangers of the "German uncertainties" and lack of full national identity.

Ironically, the French alarm was expressed by the Socialists, who had finally come into office and toned down their out-of-power radicalism—and chided their West German comrades not, as in the 1970s, for being too bourgeois and anticommunist, but for being too radical and gullible toward Moscow.

President Mitterrand, having recently brought the French Socialists to love the French bomb, now lectured the Bundestag and the West German Social Democrats that they should love the new NATO missiles.

Dominique Moisi, deputy director of the French Institute of International Relations (IFRI), DGAP's sister organization in Paris, terms the French fears "fantasies" about what was actually a "German return to adopt a normal attitude to national identity."

But however exaggerated they may have been, they impelled Paris to abandon old taboos and act in ways that would have been unthinkable only a few years ago. On the one hand, Paris still sought to some extent to win Bonn over to "Eurogaullism" against the US—but on the other hand it let West Germany draw France closer to unannounced pragmatic cooperation with the NATO military command.

With considerable fanfare, the proviso for security cooperation in the 1963 Elysee Treaty of reconciliation was dusted off in the early '80s. The two countries' foreign and defense ministers began meeting several times a year and organized exchanges and joint training for young officers.

France saw to it that the remaining restrictions on West German conventional armament under the soporific Western European (defense) Union were lifted by 1984 (though West Germany wanted to and did remain bound to nonpossession of atomic, biological, and chemical weapons).

Various French officials and ex-officials floated trial balloons suggesting that France's "vital interests" could not be confined to soil west of the Rhine (the French-West German border) but really began at the Elbe (the East-West German border), and talked about Western Europe as a common "defense theater" that must be embedded in NATO. The biggest bilateral exercises ever staged since France left the NATO military alliance brought 150,000 troops together in West Germany last year, with even larger maneuvers planned for this coming fall.

What Bonn wants out of the relationship at this point is to restore as much automaticity as possible to France's commitment to help defend West Germany in case of Soviet attack; that automatically vanished when France left NATO's military wing in Gaullist independence in 1967.

Concretely, Bonn wants Paris to discipline its nuclear dreams, return to the drudgery of Europe's urgent conventional requirements, and provide early in any war the operational reserves for counterattack that NATO's thin front line would need. Bonn would especially like to see a strengthening of the French Second Army Corps and First French Army in West Germany, and replacement of their antiquated or nonexistent tanks, fighting vehicles, artillery, and logistical support.

By contrast, what Paris wants to do is to shield its glacis of West Germany from even the temptation to go neutralist, while still guarding France's nuclear independence and reserving its decision even on common conventional defense until the last minute.

Further, Paris wants to hold open the option of leaping from France's "splendid isolation" today to French leadership in an integrated Europe tomorrow. That feat would require the support of the West Germans, the most powerful Western Europeans, but ones who are themselves barred from leadership because of the remaining memory of Adolf Hitler.

Moreover, in 1986 France promised publicly to consult with West Germany (time permitting) before firing any of its "pre-strategic" nuclear weapons that would land only in Germany. And following last fall's superpower summit in Iceland, one French presidential adviser even told an IFRI conference, according to an astonished fellow participant, that while ambiguity must be maintained in nuclear weapons, in the conventional area the time has come to take big steps toward an integrated command with West Germany along the lines proposed by Mr. Schmidt.

A French officer comments, "De Gaulle was good for France in 1960. Now I think it's another position that we have to take."

For the moment the impetus to further French-German rapprochement is there in the German elite's sense of crisis about the American guarantee and the French elite's sense of crisis about potential German neutralism. But is this double urgency enough to make Europe's heartland "hang together"?

"The dialogue on the political level has become more active than ever before," says Bruno Racine, a foreign policy adviser in the office of French Prime Minister Jacques Chirac.

"Relations between both armies have also reached a degree [of closeness] never attained in the past. We have built the basis for further progress."

But Ingo Kolboom, West German coeditor of the DGAP-IFRI study of German-French relations, says it's a "delicate tightrope walk between French autonomy and German integration."

MARYLAND'S MEMORIAL TO ITS VIETNAM VETERANS

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1987

Mr. HOYER. Mr. Speaker, I would like to commend the Maryland Vietnam Veterans Memorial Fund, Inc., which has launched a drive to raise the remaining funds needed to pay for a memorial to Marylanders who died or who are still missing in Southeast Asia. This memorial will be located on Federal Hill in Baltimore, a site overlooking the Inner Harbor and the downtown of Maryland's largest city.

It is entirely fitting that this memorial will also overlook Fort McHenry. There has been criticism from some quarters that the national memorial to Vietnam's dead, in Washington, DC, is somehow lacking in patriotism. However, no one can doubt that a memorial can be anything less than patriotic and noble when it sits high above the garrison that in the face of an assault by British warships in 1814 continued to fly defiantly and proudly the "Star-Spangled Banner" immortalized by Francis Scott Key.

Of course, this memorial is not to war, but to the costs and sacrifices of war. In the course of the conflict in Southeast Asia, some 158,000 men and women from Maryland served. Some volunteered and some were drafted. Maryland lost 1,010 dead and 68 who are still missing in action.

Beginning on August 10, eight Vietnam veterans will walk 200 miles through St. Mary's, Calvert, Charles, Prince Georges, Montgomery, and Anne Arundel counties. They are attempting, through pledges and donations, to raise the funds necessary to construct a lasting and fitting tribute to the men and women of Maryland who served in Vietnam.

I salute the participants of "Last Patrol II." These men are truly dedicated and committed. Every resident of Maryland should be quite proud of them.

In addition, I would like to note that William Donald Schaefer, the Governor of Maryland, has added greatly to this effort by creating the "Maryland Memorial Platoon." This is a group of 125 volunteer fundraisers committed to building the memorial.

In closing, Mr. Speaker, I commend all the members of the Maryland Vietnam Veterans Memorial Fund, Inc. in their efforts to recognize the many Marylanders who made the ultimate sacrifice in serving our Nation during the Vietnam war.

BALANCED BUDGET CONSTITUTIONAL AMENDMENT

HON. THOMAS J. BLILEY, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1987

Mr. BLILEY. Mr. Speaker, without a doubt, the greatest challenge facing our Nation today is the Federal budget deficit. The simple fact is that we cannot continue to pile deficit on deficit.

Today, our national debt stands well over $2 trillion. That's a hard number to comprehend, but to put it in perspective, $2 trillion represents a stack of $100 bills over 126 miles high. Make no mistake, it isn't simply the size of the national debt that threatens our Nation's fiscal and economic stability, the interest charges to carry that debt are astronomical. This year alone, we will spend more than $190 billion to pay the interest on the national debt. We are spending as much in interest on the national debt as the entire Federal Government spent in 1972. Mr. Speaker, if it were not for those interest payments we are making on the congressional excesses of the past, we would have a balanced budget today.

It is our duty as Members of Congress to make the difficult choices necessary to put our fiscal House in order. It is not merely enough to decide what programs are important—we must decide which are most important. Just like any American family determines its priorities in spending its hard-earned wages, we must determine our priorities in spending the taxpayers' dollars.

I want to make it clear that controlling spending is the only effective way to balance the budget. Simply and plainly, Mr. Speaker, raising taxes is not the answer. The American people are already forced to pay too much of their hard-earned paychecks to support an overgrown and wasteful Federal bureaucracy. It is our duty to do everything in our power to protect the hard-earned paychecks of our constituents from the pickpockets in this Congress who want to raise taxes.

A balanced budget/tax limitation amendment is essential to balancing the Federal budget—and keeping it in balance. Experience has clearly demonstrated that unless Congress is forced to exercise its responsibility in this area, it will not do so. I am proud to be a cosponsor of House Joint Resolution 321 with more than 230 of my colleagues from both sides of the aisle. Mr. Speaker, this is not a partisan issue. The American people overwhelmingly support a balanced budget amendment to our Constitution. We owe it to our children and grandchildren to put our fiscal House in order. Let's listen to the voices back home and submit this amendment to the States for ratification.

POSSIBLE CONTRA DRUG SMUGGLING AND U.S. AGENCY ACQUIESCENCE

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1987

Mr. RANGEL. Mr. Speaker, recent articles in the press inaccurately reported that the House Select Committee on Narcotics Abuse and Control, which I chair, has concluded that there is no evidence linking the Nicaraguan Contras to drug smuggling. A Washington Post headline of July 22, 1987, read, "Hill Panel Finds No Evidence Linking Contras to Drug Smuggling," referring to a closed briefing our committee held on this subject.

On July 21, 1987, the Select Committee on Narcotics conducted a closed briefing on alleged links between the Nicaraguan Contras and drug smuggling. We heard from individuals and organizations who have spent a tremendous amount of time and effort researching these charges. The purpose of the briefing was to review allegations that elements of the Contras may have knowingly used drug money and cooperated with drug traffickers, as well as allegations that those involved in Contra support and resupply activities smuggled drugs into the United States with at least the knowledge, if not the acquiescence, of Federal agencies.

These charges are very troublesome. Our efforts to control the smuggling of illicit drugs into the United States are seriously undermined if political groups our Government supports, and those the Government recruits to assist them, are involved in drug trafficking with the acquiescence of Federal agencies.

The Post article wrongly conveys the impression that the select committee found no evidence of Contra involvement in drug smuggling and that this finding was based on "reams of testimony from hundreds of witnesses." In fact, on the basis of information available to the committee, we reached a very different conclusion.

In order to clarify the committee's involvement in this issue, I am inserting into the RECORD at this point a letter I wrote to the Washington Post correcting the Post's story.

HOUSE OF REPRESENTATIVES,
SELECT COMMITTEE ON NARCOTICS
ABUSE AND CONTROL,
Washington, DC., July 22, 1987.

EDITOR,
The Washington Post,
Washington, DC.

TO THE EDITOR: Four aspects of your story of July 22 regarding our Committee's July 21 briefing on possible Contra-drug smuggling relationships concern me because they wrongly convey the impression that the Committee reached the conclusion that no evidence exists linking the Contras to drug smuggling.

First, your headline "Hill Panel Finds No Evidence Linking Contras to Drug Smuggling," is misleading because it says we drew one conclusion, while in fact we reached quite a different one. It is true, as you quote me, that we did not receive "any evidence that would show the Contra leadership was involved in drug smuggling." However, we did not conclude that there was no evidence of Contra involvement in drug smuggling. Rather, based on the information presented, the Committee agreed that there was a strong need for further congressional investigation into the allegations made. The Committee agreed to turn over all the material we have gathered to the House Judiciary Subcommittee on Crime, which has jurisdiction and has been conducting an extensive investigation of these charges. The Members agreed to cooperate in any way possible to further the Crime Subcommittee's inquiry.

Second, the opening paragraph of the story says we have been investigating allegations that the Contra leaders were involved in drug smuggling. Like the headline, this, too, is inaccurate, but here by omission. We have been investigating whether any elements of the Contras, not just the leadership, have been involved in drug smuggling. Equally important, we have been investigating the possibility of U.S. federal agencies' acquiescence in or knowledge of Contra drug smuggling links and the use of any proceeds of drug trafficking to support the Contra cause.

Third, the article inaccurately says we have received "reams of testimony from hundreds of witnesses." The Committee has received a great deal of information from various sources, and we have received hundreds of phone calls and letters, some with substantial information and others simply urging us to investigate the issue. However, the Committee has held no formal hearings, and the only "witnesses" to appear before the Committee were those individuals who briefed us on July 21 and May 28.

My fourth concern follows from the third. Our meeting was a "briefing," as our Committee announcement stated in advance, not a formal "hearing" which the Post article asserted. We purposely had a closed briefing rather than a hearing because we were concerned that if the names of some individuals who have made allegations on Contra-drug smuggling links became known, their safety, or even their lives could be in jeopardy.

I request that you print these clarifications of the Committee's involvement in this issue.

Sincerely,

CHARLES B. RANGEL,
Chairman.

TO HONOR SISTER CITIES: PINNEBERG, FEDERAL REPUBLIC OF GERMANY, AND ROCKVILLE, MD

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1987

Mrs. MORELLA. Mr. Speaker, 1987 marks the 30th anniversary of the Rockville, MD sister city relationship with Pinneberg, Federal Republic of Germany. Citizens from both these cities have participated in mutually enriching exchanges. Aeschylus wrote, "What is pleasanter than the tie of host and guest?" A major part of the sister city program is the youth exchanges which have given these cities the opportunity to serve as both host and quest. Rockville welcomed groups of students from Pinneberg on three recent occasions and the first group of Rockville students visited Pinneberg this July. In addition, Gunther Tierch, a Pinneberg artist, has exhibited his paintings in Rockville. Rockville held its first Oktoberfest and has a Pinneberg Room in the civic center mansion.

Both these cities are local centers of government and both have extended themselves to strengthen cultural, educational, and commercial ties across the Atlantic. Pinneberg, whose roots date to the 14th century, is the district town in the State of Schleswig-Holstein and 19th century Rockville is the county seat of Montgomery County, MD. Citizens in each city think that time and effort are well spent in getting to know the customs and culture of the other. It is my pleasant duty today to congratulate both Rockville, MD, and Pinneberg in the Federal Republic of Germany and to wish them well in their joint venture in the years ahead.

LIMITING SUPREME COURT JURISDICTION OVER SCHOOL PRAYER

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1987

Mr. CRANE. Mr. Speaker, I have introduced legislation, H.R. 103, to restrict the jurisdiction of the U.S. Supreme Court and the Federal district courts in the school prayer issue.

Passage of H.R. 103 would correct the pressing problem of judicial intervention. The Supreme Court has been overstepping its bounds and consequently dealing with issues that would be better dealt with at State levels. The structure of our judicial system distributes powers to the various judicial levels. Unfortunately, the Supreme Court has impeded the natural process when considering issues such as school prayer.

There is a need to break the school prayer issue away from the politics of the Federal Government. Our Founding Fathers had the foresight to leave such sensitive moral questions to local governments. As they conceived it, the Court was given limited responsibilities and powers. However, in recent years, the Court has interpreted its role far too broadly by continually abusing its power of judicial review. This excess has eroded the deliberative process of Congress. The Supreme Court is no longer allowing Congress to make legislative decisions, but handing down rulings that essentially change the laws of our country. This responsibility belongs to Congress, not the Supreme Court. Thus, the system of checks and balances has been impaired.

If H.R. 103 is enacted into law, the Supreme Court's interpretation of the Constitution would no longer mandate a single national policy. States would be free to deal with the school prayer issue as they see fit. Voluntary school prayer would be among the many subjects not specifically delegated to the Federal Government by the Constitution and thus left to the States and the people themselves. School prayer would be restored to its proper place with other subjects regulated by the powers reserved to the States.

It is likely that policies would vary from State to State. However, these variances are often beneficial because it allows the States to experiment with different approaches to a legal problem. Thus, as the State legislatures deliberate, a consensus will form around the best solution to the problem. Respect for community consensus and the virtues of diversity have been a vital aspect of the strength of our Federal system.

Under H.R. 103, States would have plenary power to legislate with respect to school prayer. In their best judgment, the States might choose to have no policy restricting prayer or might substantially restrict it. It is common knowledge that whenever the National Government decides on a religious or moral issue, it sets a precedent for future decisions that inevitably affects lower court actions. When a State, on the other hand, makes a decision, we at least have the choice to move to another State if we disagree. We have little recourse but to take up arms or flee the country if our Federal Government becomes tyrannical.

To reiterate, each community and locality should be free to practice its own values. When States are allowed to determine these basic issues, they may arrive at different conclusions. This diversity and community consensus should be respected since the examination of varied alternatives in practice leads to more effective decisions over time.

It is for these reasons that I urge my colleagues to cosponsor and support H.R. 103 and join me in this effort to remove the school prayer issue from the jurisdiction of the Supreme and Federal Courts.

LINE-ITEM RESCISSION ACT OF 1987

HON. TIM JOHNSON

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1987

Mr. JOHNSON of South Dakota. Mr. Speaker, today I am joined by a bipartisan group of our concerned colleagues in introducing the Line-Item Rescission Act of 1987. This bill would give the President a modified version of a line-item veto without having to amend the Constitution, and without imposing on Congress a two-thirds vote obligation in order to override the rescission.

In the past, traditional line-item veto proposals have had a difficult time acquiring needed congressional support, in large part out of concern that the difficult burdens of producing a two-thirds majority to override the veto would result in an imbalance of power between the executive and legislative branches of Government. Nonetheless, many Members of Congress recognize that there should be a process by which individual budget lines may be considered on their own merits. Further, with enactment of the Line-Item Rescission Act, the President could play a more direct role in determining the contents of appropriations bills and share in the credit, or blame, for their contents.

Our bill would give the President the ability to determine which projects and programs included in an appropriation bill, a supplemental appropriation bill, or a continuing resolution, should receive individual scrutiny by the Congress and the American public. Under our bill, the President could issue a rescission notice to the Congress on the day he signs the appropriation bill into law. Each rescission notice would be accompanied by a draft bill or joint resolution that would, if enacted, effectuate the proposed rescission. If the bill or joint resolution is not approved by a majority of Congress, the rescission would not take effect. Our bill would also require that these rescission bills be automatically discharged after a certain period of time for the full House or Senate's consideration.

Finally, our bill requires expedited action on all rescissions so that we have a prompt answer as to whether the project or program will be rescinded or remain in place.

It is time we stopped talking about balanced budgets and begin doing something. This proposal is a step in that direction and I urge quick action on this measure.

RUDOLPH VANDERWAL INDUCTED INTO MICHIGAN FARMERS HALL OF FAME

HON. BILL SCHUETTE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1987

Mr. SCHUETTE. Mr. Speaker, I would like to take this opportunity to congratulate one of my constituent's, Rudolph Vanderwal, for his acceptance into the Michigan Farmer's Hall of Fame. Rudy will be inducted into this prestigious organization on September 4 of this year along with 11 other Michigan farmers who have demonstrated their commitment to the agriculture community of their State.

Established in 1982, the Michigan Farmer's Hall of Fame honors farmers for their contributions to their community and to the agriculture industry of the State. Being inducted into the Hall of Fame is a high honor and Rudy has evidently demonstrated his talents and commitment to be worthy of acclamation.

Rudy is a resident of Lake City, MI, and was an active farmer for 50 years before retiring. During his career, Rudy owned nearly 600 acres, and consistently farmed between 160 and 1,000 acres.

Raised on a farm, Rudy finished his eighth grade education in 1930 and worked with his father on their 220-acre farm until his father's death in 1942. Rudy took over the farm until 1945 when it was sold. The following year, Rudy married Betty Hunsberger and moved into their home on what was then his newly purchased 160-acre farm at Star City, MI.

Rudy's list of honors and achievements is impressive and includes an award as Farm Manager of the Year in 1966 from Michigan State University. He also received the Missaukee Area Farm Bureau's "Good Neighbor Award" in 1975. In addition to his achievements in the agriculture industry, Rudy has also been a very active community member, serving on the local school board for 13 years, the church consistory for 30 years, and a county commissioner for 1 year.

I ask you, Mr. Speaker, and our colleagues in the House to join me in congratulating Rudy Vanderwal upon his induction into the Michigan Farmer's Hall of Fame next month. Agriculture is a vital industry in our State and to be recognized as a leader in the agriculture community, by your peers, and your community is a high honor. Please join me in offering our congratulations and best wishes to Rudy Vanderwal and his family on this joyous occasion.

GENTLEMAN JOE McDADE

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1987

Mr. KANJORSKI. Mr. Speaker, I am pleased to call to the attention of my colleagues the major feature article in today's Washington Post recognizing the great contribution that the dean of the Pennsylvania delegation, JOE McDADE, has made to the Congress, the country as a whole, and most particularly to northeastern Pennsylvania.

It is a tribute to JOE McDADE's mastery of the legislative process that after a quarter of a century in the Congress he has no enemies, and many friends. The bipartisan esteem in which he is held by his colleagues was demonstrated last month when the Pennsylvania Congressional delegation unanimously chose JOE to represent them in Philadelphia at the ceremonies honoring the 200th anniversary of our Constitution.

One of the things I have enjoyed most about my 2½ years service in the U.S. Congress has been working with Joe McDade. Although we belong to different parties, we share a common border, have similar constituencies, and agree far more often than we disagree. Above all, we share a common love for the natural beauty of northeastern Pennsylvania, a common faith in the resources and abilities of the people of northeastern Pennsylvania, and a common determination to help the area reach its full potential.

Today's Post article, although quite lengthy, only touches on a few of the many contributions Joe McDade has made to his State and Nation. Those contributions continue today, both as ranking member of the Defense Appropriations Subcommittee and the Small Business Committee, and in the economic development of northeastern Pennsylvania. Just recently Joe McDade's tireless efforts succeeded in bringing together the developers of downtown Scranton and the developers of Steamtown in a creative effort to revitalize the center city and all of northeastern Pennsylvania.

Throughout his 25 years of service in the Congress Joe McDade has been a quintessential "work horse" and not a "show horse." I'm pleased that the Washington Post has recognized his unsung contributions and I join my colleagues in the House in congratulating Joe McDade for a job well done.

[From the Washington Post, Aug. 6, 1987]

The Consensus of Representative Joe McDade

A 13-TERM REPUBLICAN, QUIETLY WORKING THE SYSTEM—AND WINNING SOLID REVIEWS

(By Jim Naughton)

The town of Nelson, Pa., sat right in the flood plain. Or what was about to become the flood plain.

"The town was like a corner grocery store and a gas pump or two, a Civil War burial spot and some magnificent houses," Rep. Joe McDade remembers. "And here comes the [Army] Corps [of Engineers] and they say, 'well, we're sorry, but the water is going to back up and we're going to have to move these people out of here.'"

The people of Nelson didn't much care for this plan. When they found out that most of the available housing was across the state line in New York, the people of Nelson called their congressman.

"Ila Wiley," McDade says, enjoying the musicality of the name. "She was the mayor of the town. Ila. Isn't that wonderful? She's a marvelous lady."

McDade brought the marvelous lady to Washington where, together, they persuaded the House Public Works Committee that Nelson deserved to endure.

So, in July of 1979, the United States Congress moved the tiny town lock, stock and cemetery, to the top of a nearby hill. "The New Nelson," McDade says. "They've got their original buildings and they're thrilled."

The congressman leans back a bit in the chair behind his desk in his third-floor office in the Rayburn Building. He is beaming and he wants you to beam, too. The story has been told in response to a question about the greatest accomplishment in his 25-year congressional career.

Imagine that Mr. Smith came to Washington—and stayed. That's Joe McDade. He is a short, almost stocky man with a cherubic face, a wave of receding white hair and a soothing voice. Given to "gosh" and "golly," he seems altogether too sunny to be taken seriously by his peers. But the 13-term Republican representative from northeastern Pennsylvania has, with scarcely a whisper, become one of the most popular and most efficient members of the House.

"He is one of those guys who is very effective by learning the ropes and being a nice guy," says Rep. Morris Udall (D-Ariz.). "I don't know anybody who doesn't like him."

One of those guys. For every celebrity congressman who sees the House as a chance to campaign for higher office or ideological sainthood, there are a score, like McDade, who go unnoticed by all but their colleagues and constituents. They don't Face the Nation. They never Meet the Press. You won't find them sitting in the Crossfire. As a result they are all but invisible on major national issues.

"I don't get satisfaction or jollies out of being on the network or the evening news or Page 1," says McDade, who initially refused to be interviewed for this story. "I don't ever remember passing out a press release in the press gallery in the 25 years that I've been here."

McDade is a model casework congressman, the kind who sometimes seems to function as little more than an ambassador for his district. His low profile leads people to underestimate him.

"They are important guys on committees," says James Lengle, associate professor of political science at Georgetown University. "Because they are nonideological, they can be swayed. They are the guys who form the consensus."

In describing McDade's tenure, "Politics in America" notes that he spent "years as an inconspicuous Appropriations 'specialist' . . . lobbying for money to help the coal industry . . . Outside the energy field McDade's only consistent specialty has been small business . . . [he] has played no real political role within his party."

Yet his career represents a triumph for humble-pie politics. As older members retire and others pursue more glamorous positions, he remains one of the few minority party members who can make the cantankerous, compromise-oriented subcommittee system work.

Now, after dwelling for years in the dark forest of anonymity, McDade has ventured into the tall grass of obscurity. He is in his third year as the ranking member on the House Appropriations subcommittee on defense, a post he says "draws you inevitably into national affairs."

Americans, the saying goes, hate Congress and love their congressmen. A representative is expected to serve the national interest, but he is also expected to be a procurement officer for his district. Everyone is in favor of fiscal responsibility, but everyone wants his slice of the pie. Joe McDade, the model casework congressman, works at the difficult trick of serving two masters.

And at 55, with one of the safest seats in the country, he will have the levers of power within his grasp for at least another decade.

CONSENSUS AND CONSISTENCY

When the coal was gone there wasn't much left and what was left was ugly. Sections of Scranton stank from the sulfurous fumes that drifted off burning piles of a coal byproduct known as culm. Merchants were evacuating the downtown. The river was gray and inhospitable to fish.

"I hate to even go back into it," Joe McDade says. "When I first came here, we had burning culm dumps, we had mine subsidences all over the place. We had a very high rate of unemployment and we had an awful lot of people who were suffering. Literal economic suffering. And I think that has shaped everything I've tried to do since I got here."

McDade, the city's solicitor, first sought office in 1962 as soon-to-be-governor William Scranton's hand-picked congressional successor. His Irish Catholic background played well in Scranton, while his Republican principles appealed to a large rural population. He was elected with relative ease.

In Washington, McDade set about doing what he could to pump life, and federal funds, into his corner of Pennsylvania. He was aided and overshadowed in this endeavor by Dan Flood, the powerful and flamboyant Democrat who represented neighboring Wilkes-Barre. The years of living invisibly had begun.

"Down here [in Harrisburg, the state capital] they still think Dan Flood is my congressman and he's been out of office for six years," says Robert Mellow, a Democratic state senator from Lackawanna County.

McDade's beatitudes then, as now, began with: Blessed are the consensus builders. A moderate Republican in a predominantly Democratic district, he dispensed early with ideology. The conservative Americans for Constitutional Action like about half his votes, while the liberal Americans for Democratic Action have given him about a 40 percent approval rate. His highest marks, roughly 66 percent, come from organized labor, but he scores almost as well with the Chamber of Commerce.

"I'm not the kind of person who cannot see two sides of an issue," he says. "That's what I try to do. Not try to take a side of an issue and say, 'Well, hey, that's it,' and go proselytize it, put out a press release, go make speeches."

A publicity-free style masked his growing influence with colleagues. Until he left the Appropriations subcommittee on the interior subcommittee three years ago, he and subcommittee Chairman Sidney Yates (D-Ill.) were regarded as one of the best legislative teams in recent House history. "I don't think we ever lost a floor amendment that we worked together on," McDade says.

"He has the ability to put together packages that are acceptable to every man," says Rep. Don Young (R-Alaska).

But McDade has not shunned confrontations with the powerful. Jordan Clark, a former chief aide, remembers the early years of the Reagan administration as particularly combative. "[Former budget director David] Stockman would sit on the couch and tell him why he was going to get rid of Economic Development and the Appalachian Regional Commission and the Small Business Administration and Joe would get exercised and frankly tell him he wasn't going to do it," Clark says.

The programs were saved, but their funding was slashed. Supporters in Pennsylvania's 10th congressional district count the budget battle as one of McDade's victories. They also credit him with securing federal funds to clean up the environment in the aftermath of the collapse of the coal industry, luring developers into Scranton's downtown and coaxing a variety of businesses to locate in the district.

McDade's effectiveness, his relationship with William Scranton and his knack for winning easy reelection made him an attractive candidate for higher office. The governorship bored him, but the Senate didn't. "I had my shots," he says. But he never made the run.

Some friends say he didn't want to sacrifice his seniority in the House. Others say he didn't want to give up a quiet family life for an arduous statewide campaign. Critics suggest he lacked ambition.

"The key thing was the money," he says somewhat wistfully. "I can remember sitting in a room when they were trying to get Governor Scranton to run for governor and I know it was always in his mind that some of the pols were going to try to roll him because he was a wealthy guy. And there was a guy named Tom McCabe who was a Republican National Committee man.

"He was the chairman of the board of Scott Paper. Wonderful, beautiful man and his antenna could sense that issue with Governor Scranton and so he said to him, 'Look, Bill, you are a substantial citizen, we would expect you and your wife to make a substantial contribution, but we're not going to ask you to finance the campaign. I'll raise the money.'

"Now that was a beautiful thing for him to do. I didn't have a similar experience, so that was the end of my Senate aspirations."

He says it didn't sting so much. Or that he didn't remember it stinging.

THE WORLD AND THE DISTRICT

In the House of Representatives, good things come to those who wait. What came to McDade in 1985 was the role of ranking Republican on the Appropriations defense subcommittee.

"I had to manage the bill on nonlethal aid [to the contras]," he says. "I had to manage the bill on the MX missile. You are inevitably thrust into world-shaking issues. I don't have as much time to be on the phone to the agencies arguing for a grant for my constituents. There's no question about that."

But with increased responsibility came increased influence. As Jordan Clark points out, "There are few districts in the country that don't have some kind of defense activity."

Now, instead of two masters, McDade serves three: a Congress that wants to trim the defense budget, an administration that doesn't and a district that wants a piece of the military-industrial complex to call its own.

"There are those who feel explicitly that I am a mail carrier, or a courier, if you will, for whatever they [the Reagan administration] want done," he says. "I'm not, nor will I be and I make that clear to them. Gosh, last year there was no question that I had a lot of people at the Pentagon angry over the defense appropriations bill."

Making enemies doesn't worry McDade. Making decisions on a project as mysteriously technical as the Strategic Defense Initiative does.

"You can have the scientific community come in one day and say, 'Yes, the United States can do this and they can do it in a cost-effective way.' And the following day you can have eminent scientists come in who disagree," he says.

"And increasingly in my experience around here, that's the world today in Washington, where you get the experts on both sides and you find disagreement among people where you think there might be commonality of opinion. Increasingly there are judgmental calls on complex scientific questions that certainly very few members, if any, can deal with themselves."

After a few weeks lost in space, there is a certain appeal to something as basic as a little legislative muscle-flexing on behalf of the folks at home.

Last October—over the objections of the Reagan administration, the National Park Service and most experts in the field—McDade secured a $25 million authorization to build a railroad museum out of a struggling theme park in Scranton's sagging downtown.

His maneuvering meant the site did not have to undergo a lengthy Park Service study that usually precedes any designation. As a result Steamtown, a railroad memorabilia collection of dubious worth, will soon be counted as a National Historical Site, a category that includes Lincoln's birthplace and Martin Luther King Jr's, grave.

President Reagan proposed that the initial $7.9 million scheduled to be appropriated in 1988 be withheld until the "historical character" is established, but Congress took no action on the proposal.

"On the basis of place in American history, no competent historian in my opinion would [choose] the Scranton and the Steamtown collection as, in effect, the national railroad museum," wrote John C. White, transportation curator and senior historian at the Smithsonian Institution in a letter to Interior Secretary Donald Hodel.

Said John Roberts, who runs the prestigious St. Louis Museum of Transport: "Of all the collections they could have picked out, this was the weakest."

In many ways, the Steamtown vote was the crowning achievement of McDade's career to date. As Don Young puts it: "He was able to come up to me and say, 'Don, this is very important to me and important to my district and what can you do?' That couldn't have happened if he hadn't developed that relationship over the years."

Park Service officials estimate privately that Steamtown will cost $70 million to rehabilitate and $5 million a year to operate.

"That was a tough push," McDade says. "Not everybody in the world was in favor of us having Steamtown in Scranton, Pennsylvania."

The people of northeastern Pennsylvania know this and they are grateful. They have bestowed on their congressman every accolade they know. There is a McDade Park and there is a McDade Homes, a middle-income housing development. Every two years there are McDade Opponents, lambs who go gently to the electoral sacrifice after attracting about 30 percent of the vote. McDade's seat is so safe that he doesn't get home much anymore. He and his wife Mary have raised four children and live near Arlington.

It's hard to find anyone who doesn't have something nice to say about Joe McDade, except maybe that he hasn't cut quite the figure that he could have.

"He has not, for sure, exercised the kind of leadership a guy could exercise with that kind of experience in Congress," says James Haggerty , secretary of the Commonwealth of Pennsylvania. Haggerty nearly unseated McDade in 1964, the congressmen's only close race.

"Forget national exposure," says Robert Mellow, who is occasionally mentioned as a prospective opponent. "He doesn't have state exposure. I think it would be healthy for our area if he exerted the kind of national influence he could have."

McDade has heard this before, from critics and from students of Congress. "I remember one time picking up a journal of politics and I was reading about myself," he says. "I was kind of upset that a lot of the things that I thought were national issues were not getting any attention by the people who were writing the report . . . as they critiqued 25 years of my life."

This hits him where he lives, this idea that he's been effective, but not on anything that matters much. It is not an opinion his colleagues share.

"There is a misconception," says Rep. Jack Murtha (D.-Pa.). "With his position on Appropriations, unless he were to run for the executive branch, it would be difficult to have much more influence."

The portrait of Joe McDade is a variation on the portrait of Dorian Gray. The fruits of his success are visible on the landscape of the district, not in the perception of the man. By enhancing his limitations he has, on occasions, transcended them.

"I . . . spend a huge amount of my time on kind of trying to do what I can to preach about the area," he says. "Preach about its people, preach about what it has to offer. That for me is the full banquet the full platter."

CARLETON GRANVILLE BEALL

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1987

Mr. HOYER. Mr. Speaker, on Monday, July 17, my county lost one of its most distinguished citizens with the death of Carleton G. Beall.

Those of us who are Members of this House know more than most, that the backbone of public service in our country is the thousands of people who actually make Government run. One of the most capable of these individuals in my own area over the past 40 years has been Carleton G. Beall.

Mr. Beall was a ninth generation member of one of Prince Georges County's most well-known and civic-minded families.

Following in his father's footsteps, Carleton Beall became a member of the Prince Georges Republican Central Committee in 1947. He was elected our county's sheriff in 1950, and with his typical integrity and thorough style, he set about cleaning up gambling and corruption.

Carleton Beall's ability did not go unnoticed, and in 1954, President Dwight Eisenhower, whom he had supported at the 1952 Republican Convention, appointed him to be Chief U.S. Marshal for the District of Columbia. Again, Mr. Beall brought professionalism to his office, clearing up a years-old 3,000-case backlog in a matter of months.

President Eisenhower continued to show his respect for Mr. Beall's ability by appointing him in 1958 to be Postmaster of Washington, DC. As we know, the population of this area increased over the next decade more than it ever had in history. Mr. Beall handled the resulting increased burden on the Postal Service with ability and aplomb. When, in 1971, the U.S. Postal Service was created, he became the manager of the Washington District. In 1976, he retired from the Postal Service.

Although two of his bids for elective office, for Prince Georges County Executive and Maryland Governor, did not meet with success, Mr. Beall has always been a popular and respected figure in our county. It is no wonder, for he has embodied all that we expect from our most outstanding citizens who grace us with their public service.

Mr. Speaker, I ask you and our colleagues to join me in sending condolences to Mr. Beall's wife Jeanne Traband Beall, and to the rest of his family.

WHAT FREEZING THE 1987 TAX RATES MEANS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1987

Mr. CRANE. Mr. Speaker, the Tax Reform Act of 1986 [TRA-86] was the most comprehensive piece of tax reform legislation to pass Congress in decades. It was a promise to the American people of new tax rates which were equitable and long overdue. But with Speaker WRIGHT's recent suggestion of freezing the 1987 rate structure, this much needed reform would be postponed another year. Consequently, 1988, not 1987, would be the transitional year when the top rate would be 38.5 percent with the new preferential rates of 15 percent and 28 percent—3 percent with the 5 percent surcharge added on certain income brackets—going into effect in 1989. The following table is the Joint Committee on Taxation's preliminary analysis of what a tax freeze means to individual income brackets. It clearly shows that more than just the "wealthy" are affected.

DISTRIBUTIONAL EFFECTS RESULTING FROM APPLYING 1987 TAX RATES IN TAX YEAR 1988

Income class (Thousands of 1986 dollars)	Change in average income tax liability (dollars)	Percentage change in average income tax liability
0 to $10	−42	−51.2
10 to 20	−71	−8.9
20 to 30	−86	−4.1
30 to 40	−80	−2.4
40 to 50	10	0.2
50 to 75	194	2.3
75 to 100	974	6.7
100 to 200	2,264	8.3
$200+ $	17,953	13.2
Total	149	3.5

Speaker WRIGHT and his colleagues suggest this delay as a means to raise revenue from the "wealthy" in order to reduce the deficit. However, this delay is, in reality, a tax increase—not the tax decrease we promised the American people. The CBO, in an optimistic projection, estimates that $16.8 billion will be raised from this tax freeze. However, the JCT foresees a tax increase for taxpayers with incomes over $40,000.

The only option available to us as the representatives of millions of taxpayers is to deliver what we promised and not completely discredit our august body by agreeing to freeze the tax rates, thereby victimizing the American people.

The following article by Robert C. Brown, president of the Tax Foundation, emphasizes the importance of following through on our promise to cut taxes and not allow a tax increase of any sort in any form whatsoever.

A BACKDOOR TAX HIKE

(By Robert C. Brown, President, Tax Foundation)

It is a commonplace of constitutional law that no U.S. Congress can bind another. Before the 100th Congress even left the starting blocks, this became apparent once more, as part of the congressional leadership floated the idea of reneging on the rate cuts written into the Tax Reform Act of 1986 (TRA-86) by the 99th Congress.

Under TRA-86 the top individual rate is scheduled to drop to 38.5 percent in 1987 and 28 percent in 1988. Congress is manifestly incapable of reaching the 1988 Gramm-Rudman-Hollings deficit reduction target of $108 billion. So part of the leadership wants to lock in the 1987 top rate "temporarily" to reduce the deficit.

Freezing the top rate at 1987 levels, we are told, affects only "the wealthiest people of our country." Apparently, $54,000 of taxable income now ranks an unmarried American worker among the "wealthiest." In fact, if the 35 percent rate were kept, too, this group would include those with incomes as low as $27,000. To make a real dent in the deficit, Congress would have to extend both the 38.5 percent and the 35 percent rates. There is also a lot of vagueness about how long this "moratorium" will last.

There are many sound reasons for opposing this fiscal shell game, no matter how many taxpayers at whatever income levels are affected:

TRA-86 cancelled an enormous number of tax preferences in the name of simplification and in exchange for rate reductions. Freezing the rates at 1987 levels would be a *de facto* tax hike that betrays that compact.

Withholding the rate cuts is the crassest king of bait and switch tactic. It would seriously erode what little credibility the U.S. Congress has.

TRA-86 survived the legislative grist mill largely because lower rates were perceived as compensating for the loss of tax preferences, making the bill revenue neutral. Locking in the '87 rates will destroy any pretentions TRA-86 may have to neutrality.

Tax uncertainty has been a millstone around the neck of the U.S. economy for a decade. Such a quick about-face on a bill that was supposed to see us at least through the end of this decade will only aggravate uncertainty. If the moratorium is in fact a moratorium, how long will it last? What will be the final rate? Who will believe Congress, no matter what answer it gives?

The U.S. Congress has no monopoly on bad ideas. However, proposing to hold back the rate cuts of what Congress has been vaunting as the greatest piece of tax reform legislation of this generation almost before the ink was dry on the President's signature on TRA-86 has to rank as a world-class blunder.

OPPOSITION TO THE PROPOSED HUD TAKEOVER OF THE CHICAGO HOUSING AUTHORITY

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1987

Mr. GARCIA. Mr. Speaker, today I rise in opposition to the proposed takeover of the Chicago Housing Authority by the U.S. Department of Housing and Urban Development. The city of Chicago—the city council, the congressional delegation, the CHA, and the tenants—is unified in its opposition to the intended HUD takeover. As past experience has shown, local entities are far better equipped to address the needs and concerns of tenants in housing matters.

The Chicago Housing Authority has undeniably fallen on troubled times. Over the past few years, chronic budget deficits and organizational mismanagement have crippled the CHA, and have made it increasingly difficult for it to provide for the housing needs of the community. Although concerns for the furture of the CHA are justified, the city, under the leadership of Mayor Harold Washington, has responded to these concerns by appointing a new and highly respected board and management team from the private sector. To aid in the effort to put the CHA back on its feet, the Chicago City Council recently pledged $25 million in loans as well as an additional grant of $5.6 million. These are among the most important changes which Mayor Washington has instituted, and his progress continues to be very encouraging.

What is needed at this juncture is assistance and cooperation by HUD in addressing the housing needs of Chicago's tenants, not an unwanted and undesirable assumption of control. The Federal Government must recognize and respect the local control of public housing authorities.

The city of Chicago has made great strides in its efforts to effectively focus on the heart of the problem. This crisis can only be overcome through cooperation not confrontation. HUD should work to assist the city of Chicago's admirable good-faith efforts to tackle the problems which plague the housing authority. A solid program designed to aid the CHA while continuing to recognize and respect its autonomy will go far to assure that the only "winners" will be the people of Chicago.

ROLE PLAYED BY MARONITES IN LEBANON

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1987

Mr. RAHALL. Mr. Speaker, from time to time, I have shared many articles, pamphlets, and so forth with my colleagues on the Middle East issue. I have done so because I think it is very important for them, and the American people, to be exposed to all sides and players of this conflict. I have always maintained that there are more sides to this conflict than there are on a Rubik's Cube, and I know that it can be very confusing at times.

I would like to take this opportunity to bring to the attention of my colleagues a commentary on the pamphlet, "The Maronites, Lebanon and the United States: Issues and Answers." Authored by Chor-Bishop Seely Beggiani, chairman of the Diocese of Saint Maron—U.S.A., the pamphlet offers an insight into the role played by the Maronites in Lebanon. I feel it will be very helpful reading and I would like to insert it at this point into the RECORD:

COMMENTARY

The pamphlet, The Maronites, Lebanon, and the United States: Issues and Answers, has been prepared by the Commission for Lebanon of the Diocese of St. Maron, which has jurisdiction over American Maronite Catholics living in all fifty states. It attempts to provide information and to discuss some of the significant issues facing Lebanon and its people. It hopes to counteract the distorted impression that many people have of this tiny democracy, and to highlight what is at stake in Lebanon. While written from a Christian point of view, it strives to be positive and constructive.

The pamphlet begins with an exposition of Lebanon's national identity. It affirms that the Lebanese people and nation have their own identity and basis for autonomy. Throughout its history, Lebanon has never been considered a part of its neighbors. In contrast to the recency of its neighbors, it has had a distinct political and administrative status for five centuries.

Lebanon's autonomy under Ottoman rule was achieved because there was a common desire among all Lebanese to have a nation where all religious communities could live together side by side. The pamphlet points out that in the establishment of modern Lebanon, the consensus of the leaders of all communities was that Lebanon would be a pluralistic nation and that the religious freedom of all was to be vigorously defended and advanced.

The internal problems facing Lebanon are recognized. The competition within and among the communities, within and among political generations, within and among geographic regions—all these have played a role in the country throughout history. The decisive element today that changes everything and that physically prevents resolution of Lebanese differences is the occupation and domination of Lebanon by foreign forces supremely indifferent to the fate of Lebanon and the Lebanese.

The question of reform and national reconciliation is addressed. It has long been evident that reform of the national political, economic, and social institutions is necessary. It is evident to all that the benefits of society must be more equitably distributed. However, rather than being a purely sectarian question, it is more a regional one. The Christians of the south of Lebanon, for example, have been just as systematically neglected by the government as the Shi'as or Druze.

The problem remains that Lebanon is an occupied country unable to explore freely and fully the means to resolve disputed issues among the Lebanese. Whenever progress has been made toward the resolution of conflicts among the Lebanese and without foreign pressure, foreign governments have intervened to block or overturn the resulting agreements.

The pamphlet goes on to say that the continued presence of foreign forces in Lebanon is not only a violation of international law but also quite counterproductive. The security of Israel was far greater when only Lebanese armed forces ensured security in Lebanon. The chances of an Israeli attack against Syria were far less when no Syrian troops were occupying the country.

Regarding terrorism in Lebanon, it is noted that no one accuses the Lebanese government of abetting terrorism, and no one doubts that the Lebanese people are the victims rather than the supporters of terrorism.

The bond between Lebanon and the United States has traditionally been very strong. Politically, Lebanon has been an ally of the United States. The people and state of Lebanon are bound to the ideals of freedom, democracy, and human rights as a way of life.

THE MARONITES, LEBANON, AND THE UNITED STATES: ISSUES AND ANSWERS

(Diocese of Saint Maron-U.S.A. Commission for Lebanon March, 1987)

PREFACE

Today, the name "Lebanon" evokes images of terrorism, war, hostages, hunger, ruin, invasion, occupation. After all of this, do we need to hear more to understand Lebanon? Yes, we do, because we must always seek the Truth.

For twelve years Lebanon has been the victim of terrorism and all those terrible afflictions we mentioned above. However, Lebanon has been and wants to be the Land of the Bible, that is, a land of beauty; of brotherhood; a society of freedom, tolerance, peace, culture, and openness; a refuge for the persecuted; a friend of the United States and the West, where many of her children now live.

This is the land we want you to know about, so that you, in your own way and according to your own means, might work for peace, freedom and democracy in Lebanon. We must disentangle Lebanon from all the regional and international forces which have created so many factions in this small country, each fighting for foreign interests.

This booklet, "The Maronites, Lebanon and the United States: Issues and Answers" is prepared by the Lebanon Commission of the Diocese of Saint Maron. My sincere thanks and commendation goes to Chor-Bishop Seely Beggiani and all who have contributed to the preparation of this informative work.—(Archbishop Francis M. Zayer, Bishop of Saint Marion-USA)

I. LEBANON'S NATIONAL IDENTITY

The Lebanese people and nation have their own identity and basis for autonomy. Throughout history, while they have been ruled often by foreign powers, and have seen portions of their land placed under various jurisdictions, the nation of Lebanon has never been considered a part of any of its neighbors.

Lebanon has never been a part of Syria. From 1516 until 1918, the Ottomans ruled the territory of present-day Syria, Iraq, Israel, Jordan, and Lebanon. They administered the area by establishing "Walis" in the larger cities, namely, officials who represented and reported directly to the Sultan in Istanbul; and through other political accommodations. The political entity today referred to as "Syria" never enjoyed a separate political existence prior to the end of World War I. Israel, of course, was not created until after World War II.

By contrast with the recency of Israel and Syria, Lebanon has had a distinct political or administrative status for five centuries. Mount Lebanon constituted an exception to the Ottoman administrative establishment. This autonomous region was governed by a Lebanese Emir who had sole responsibility for the area. The Emir Fakhreddin II ruled all of present-day Lebanon and Damascus as well. After the massacres of the Christians in the 1840's and 1860, the major powers (Britain, France, Turkey, Austria, Russia, Prussia, and Italy) intervened and established an autonomous Muttasarifiah in 1861.

After World War I, Lebanon was included under French mandate. The Maronite Patriarch Elias Hoyek took part in the discussions of Versailles which resulted in an enlarged Lebanon under French protection in 1920. Lebanon became a constitutional republic on May 23, 1926. The country became fully independent in 1943, and was a founding member of the United Nations in 1945.

II. LEBANON'S IMPORTANCE TO THE CHRISTIANS

Christianity was of course born in the Middle East twenty centuries ago and predates the beginning of Islam by over six centuries. The Christian presence in Lebanon can be traced to Jesus Christ himself. The Bible tells us that Jesus journeyed to Tyre and Sidon. When the wave of Islamic conquest moved through the Middle East the continued existence of Christianity was threatened, but the faith survived. Lebanon has long been a haven for Christianity, and yet the essence of Christian teachings in Lebanon has always been tolerance of religious diversity and the respect of individual rights to practice one's faith, whatever that faith.

Throughout the time of Ottoman rule, the Maronites and other Christians were active participants in the building of an autonomous Lebanese nation. They worked to establish the economic, educational, and cultural character of what became known as Mt. Lebanon. Lebanon's autonomy under Ottoman rule was achieved because there was a common desire among all Lebanese to have a nation where all religious communities could live together side by side.

The establishment of Lebanon in its current boundaries by the French after World War I created new problems for the Lebanese Christian community which had been demographically predominant in Mt. Lebanon. Now, Muslims roughly equal in number to the Christians were included in the newly expanded boundaries. From the outset it was understood, however, that Muslim, Christian, and Druze might all benefit from the union as long as religious tolerance was practiced. Lebanon championed "pluralism," that is, free diversity, and all benefited.

Prior to the independence of Lebanon, the leaders of all communities exchanged views about the nature of the future commonwealth in which they wished to live. Again, they agreed that Lebanon must be and remain a land in which religious freedom was vigorously defended and advanced. As mentioned above, a foremost defender of Lebanon's freedoms was Maronite Patriarch Hoyek. Recognizing the concern of the Christian community about the size of the surrounding Muslim world, and about some of the doctrines of Islam impeding the sort of religous freedom they sought, political agreements were reached to reassure the Christians that they would not be swamped by a Muslim political tidal wave in the future. The form of these assurances was to produce a unique set of government institutions guaranteeing each major community a specific set of positions that could constitute its first line of defense against attack by other communities.

These institutions worked very well for many years. Lebanon came to be the principal symbol of the continuity and vitality of Christianity in the Middle East, a home, so to speak, for Christians and Christian values, but a home made even more vital by the vigorous practice of religious divesity both within the Christian community and by the other religious in Lebanon. Indeed, it can be said that this diversity was itself one of the highlights of the Christian contribution to the region.

III. THE GOVERNMENT OF LEBANON IS NOT CHRISTIAN-DOMINATED

A favorite claim of those who have sought to undermine the Lebanese government has been that it is "Christian-dominated". The implicit or explicit accusation is that Christians, and particularly the Maronites, have established a government in which they hold all key positions and have systematically excluded members of other religions from real power. The accusation is a cynical attempt to exploit the nature of the Lebanese constitutional system—which was established as a compromise to protect the rights and interests of all groups in Lebanon—for narrow political purposes.

Lebanon is a pluralist democracy. The president, who is Maronite, is elected by a chamber of deputies (parliament) representing all Lebanese. The current president, like his predecessors, was elected by Sunnis, Druze, Shi'as, Maronites, Orthodox, Melkites, and other communities, all of whom are represented in parliament.

The prime minister, who is the head of government, is a Sunni Muslim. His support for and commitment to any decision his government takes is absolutely necessary. Recent events have shown as well how key a role the speaker of the parliament plays in Lebanese politics; this position is filled by a Shi'a Muslim. The chief of staff of the army, without whose support no army strategy or initiative may be taken, is a Druze.

Since the creation of the Republic of Lebanon in 1926, each and every cabinet has had an equal number of Muslims (Sunni, Shi'a and Druze) and Christians (Maronite, Melkite, Orthodox, and Armenian). The present cabinet continues that tradition.

IV. CONFLICT IN LEBANON IS NOT A CIVIL WAR

There is no doubt that the Lebanese are divided. Their political system did not accommodate the demographic changes that were taking place inside Lebanon or the increasingly conflictual region in which Lebanon existed. Lebanon's economic success, and its image of religious, political, and personal freedom and tolerance undoubtedly produced a complacency and a tendency to "avoid rocking the boat." As long as the system seemed to be working, very few felt any need to alter it significantly. Those who did call for changes usually did so in the context of such controversial or divisive principles, dangerous proposals, and extremist ideas and philosophies that constructive dialog was in any case out of the question.

The inability of the Lebanese system to adapt to internal and regional changes was not the fault of the Lebanese alone, however. It is impossible to prove that they would have resolved the challenges of change, left to their own devices; but it is just as impossible to prove that they would not have. The influx of Palestinian refugees certainly altered the domestic situation, and unquestionably produced heavy strains on the system that was not sufficiently flexible in the first place. There is not one Arab country in the Middle East more affected than Lebanon by the unforeseen and rapid entry of Palestinians in 1948, for among other problems the confessional balance of residents of newly independent Lebanon, which was the essence of its political system, was utterly changed, even though the refugees were not Lebanese citizens. Nevertheless, no country's citizens (regardless of denomination) did more for the homeless Palestinians than those of Lebanon, the Palestinian refugees in Lebanon led a freer and physically more comfortable existence than in any other country in the Arab world.

Yet, by the late 1960's foreign elements were arming many Palestinian groups, which had begun to launch raids against Israel through and even from Lebanese territory. For the first time, Lebanon was dragged into the Middle East conflict against the will of its citizens, against any realistic assessment of its interest, and in utter disregard of its sovereignty. From this period to the present, the dominant fact of Lebanon is not its domestic divisions—which certainly exist—but the cynical and deadly manipulation of Lebanese groups, often small, by foreign governments and movements.

The Lebanese are far more horrified by what has happended to their country than anyone else. There are no truly new Lebanese problems. The competition within and among the communities, within and among political generations, within and among geographic regions—all these have played a role in the country throughout history. The decisive element that changes everything and that physically prevents resolution of Lebanese differences is the occupation and domination of Lebanon by foreign forces supremely indifferent to the fate of Lebanon and the Lebanese.

V. REFORM AND NATIONAL RECONCILIATION

No one denies the necessity for reform in Lebanon. That reform of national political, economic, and social institutions is necessary has been evident for years. It is abundantly evident to all, and denied by none, that the benefits of society must be more equitably distributed. This is not really a sectarian question; it is more regional. The Christians of the south, for example, have been just as systematically neglected by government as the Shi'as or Druze. Reflecting the dominant laissez-faire philosophy of Lebanon prior to the 1970's, that government which governed least was believed to govern best. Certainly, there is widespread consensus today that is no longer an adequate approach to governance.

In the political realm, too, there is accord on the need for reform. It is widely believed that major demographic changes have taken place and that the Shi'a, in particular, are underrepresented in access to political power. To a great extent, while this has been presented in the media as a Christian-muslim conflict it is really an intra-Muslim conflict, because the most powerful impetus for change has been the fear that a redistribution of power would produce an increase in Shi'a leverage at the expense of the Sunni community.

It should be kept in mind that the essence of the Lebanese National Pact was not a recognition of Christian numerical superiority, but was a guarantee to the Christian community that its identity and autonomy would not be endangered by Lebanese independence or Lebanese associations with the rest of the Arab world. These were assurances to the Lebanese Christians, no more nor less.

The recognition that reform is in order is a recognition that the formulas of 1943 are no longer adequate; that they no longer permit the country sufficient flexibility to adapt to the challenges Lebanon faces. The issue is not whether reform and reconciliation are necessary, nor certainly whether they are desirable; it is how they can be achieved.

The problem remains that Lebanon is an occupied country unable to explore freely and full the means to resolve disputed issues among the Lebanese. Whenever progress has been made toward the resolution of conflicts among the Lebanese and without foreign pressure, foreign governments have intervened to block or overturn the resulting agreements.

Outside observers have called for the abolition of the Lebanese system of confessionalism and secularism in Lebanon. These observers frequently call on the Christians to abandon their "intransigent attachment to confessionalism". Ironically, it is not the Christians who defend confessionalism, but rather those who rhetorically ask for the most sweeping changes in the Lebanese system. All the Christians ask is that if the system is going to be secular, it must be secular, if confessional, then confessional. It is unreasonable to ask any community, Christian or Muslim, to abandon all its interests and protections while reinforcing the protections of another community and providing it all the benefits. Indeed, Christians have for over a decade said that they favor a secular system in Lebanon, but a truly secular system, not one that removes only Christian protections.

The absence of cohesive leadership within the Shi'a community and the fear on the part of the Sunnis that any reform will automatically reduce Sunni prerogatives, which are out of all proportion with Sunni power or population in Lebanon today, have prevented these communities from grappling productively with these important problems and from coming to any conclusion as to alternatives that would safeguard each community's vital security interests while at the same time providing all the people of Lebanon with a system that will be more responsible to their needs.

VI. ILLEGITIMACY OF THE PRESENCE OF FOREIGN FORCES

Lebanon is a sovereign state. Its sovereignty is nowhere in question. Yet, Lebanon has been occupied by PLO, Israeli, Syrian, and Iranian fighters for periods of up to and over fifteen years. All of these forces have been asked to leave.

One of the problems Lebanon has faced, and one of the reasons it sought for so long to remain outside the Arab-Israeli conflict is the relationship of the various forces to each other. Israel states that it has a security interest in southern Lebanon to prevent PLO incursions. Syria insists that it has a security interest in Lebanon because of the Israeli role in the south and because Lebanon's position make it a natural Israeli path to attack Syria.

Israel and Syria are enemies. Israel and the PLO are enemies. (Indeed, even the PLO and Syria are hardly friends.) It is true everywhere in the world that one country's security is affected by what transpires in and around its neighbors. However, it is totally unacceptable that Israel or Syria demand to have a say, and occupy or control Lebanon to ensure themselves a say, inside Lebanon.

The means developed by the international community to provide the most reasonable safeguards to the security interests of all countries has been rigid respect of the territorial integrity and political sovereignty of each state. Unfortunately, neither Israel nor Syria sincerely accepts the application of the doctrine of sovereignty in Lebanon.

VII. FOREIGN FORCES' PRESENCE COUNTERPRODUCTIVE

The continued presence of foreign forces in Lebanon is not merely a violation of international law and morality; it is also quite counterproductive. The violation of Lebanese sovereignty by Israel, Syria, and the PLO has not bought any one of them more security or a fuller realization of its objectives; on the contrary, it has dminished real and psychological security, materially increased the chance of potential war, contributed to the outbreak of actual hostilities, and undermined the achievement of the principal goals of all of them.

Lebanon could be what it was—a buffer between two hostile states. In better times, it might even serve to bridge the way toward a settlement, but this is a hope, not a reality, and certainly not on the horizon. The security of Israel was far greater when only Lebanese armed forces ensured security in Lebanon. The chances of an Israeli attack against Syria were far less when no Syrian troops were occupying the country.

In fact, the proximity of Israeli and Syrian forces and the tension between the two governments has made Lebanon, where both armies play active roles, one of the world's leading powderkegs. A major enhancement of the security of all parties would result from the withdrawal of Syrian and Israeli forces from Lebanon, and the disarmament of PLO and Iranian militias and groups.

VIII. LEBANON AND THE UNITED STATES

The bond between Lebanon and the United States has traditionally been very strong. Lebanon throughout its history, has maintained a close relationship with the United States, which, for its part, figured prominently in the Lebanese struggle for independence.

Politically, Lebanon has been an ally of the United States; and U.S. policy has always favored a united, sovereign, and independent Lebanon. The American University of Beirut and other U.S. schools in Lebanon have served to strengthen the existing educational and cultural ties between the two countries. These institutions have reflected, and have helped spread an understanding, of the special role and unique value to all the region of the pluralist traditions and tolerance of Lebanon.

The presence of over two million Americans of Lebanese descent in the United States has also influenced and strengthened the bond between the two countries. American-Lebanese play a prominent role in American life, contributing significantly to the fields of science, business, literature, entertainment, and government.

The people and state of Lebanon are intrinsically bound to the ideals of freedom, democracy, and human rights as a way of life, the same ideals that have made the United States a vibrant democratic republic for over 200 years.

IX. CHRISTIAN FACTIONALISM IN LEBANON

One of the most difficult issues for non-Lebanese to understand and for Christians to accept is the factionalism within the Christian community of Lebanon. If the threat to Christian survival in Lebanon is so great, how then can we explain the struggle among Christians?

As long as Lebanon is occupied, foreign forces will continue to try to acquire support in all communities. Sometimes this support is produced through threats, or impled threats, to families or loved ones. In other cases, the threat is even more direct. And certainly, venality is not unknown among Christians any more than it is among other groups. But it is not only, not even primarily, a question of Christians who act as agents for foreign powers. A major reason for factionalism among Christians in Lebanon is simply the tradition of freedom that the country has known. The Lebanese, and particularly the Christians among them, have prided themselves on their openness, the liberty to express and defend different views.

X. LEBANON AND TERRORISM

As another result of the occupation of Lebanon, extremist and terrorist groups have free rein in several areas. In some cases, it is quite clear that these groups work on behalf of foreign governments. In other cases, they represent movements that are not Lebanese, but are in Lebanon because the occupying forces refuse to permit the central government to extend its authority to the whole of the country. The resulting vacuum the occupiers cannot fill, but still they do not let the Lebanese government fill it either.

The international community has recognized the tragedy and danger posed by terrorism, but has been unable to come to agreement on effective, concerted actions to bring it to an end. Unfortunately, even though Lebanon has been more victimized by terrorism than any other country, some governments have chosen to satisfy the domestic political pressures for "action against terrorism" by acting instead against Lebanon . . . and calling it "action against terrorism." The Lebanese government has been consistently in the forefront of those warning about the dangers of terrorism and urging the international community to develop practicable steps to control and eliminate it. No one accuses the Lebanese government of abetting terrorism, and no one doubts that the Lebanese people are the victims rather than the supporters of terrorism.

The marriage of terrorist tactics with Muslim fundamentalism creates a singularly potent and dangerous form of political violence in Lebanon. The campaign of attacks against the West reflect quite clearly the determination of some groups to eradicate both Christian religious and Western cultural influence in the region.

XI. THE CATHOLIC CHURCH IN THE UNITED STATES AND LEBANON

The Catholic Church in the United States as represented by its Bishops has spoken out strongly regarding Lebanon. Its position is that Lebanon's autonomy, freedom, and pluralistic character must be preserved. The Catholic bishops have declared that Christians in Lebanon must continue to exercise freedom of worship and all other civil rights. American Catholics are also aware that what happens to Christians in Lebanon has an effect on Christians in all the countries of the Middle East. The Catholic seminaries in Lebanon educate many of the priests who serve in the Middle East. Many of the liturgical and catechetical books used by Catholics in the Middle East where Christianity and Islam have been able to encounter each other on an equal footing.

On November 12, 1986 the National Conference of Catholic Bishops unanimously adopted the following resolution which had been drafted by Archbishop Francis Zayek of the Diocese of St. Maron—U.S.A.;

After eleven years of war, the people of Lebanon are tired of death and destruction. They yearn for peace. The persistence of the conflict and its complexity have combined to produce in the wider international community a sense of frustration and a pattern of neglect. It is to resist this trend that we speak again about Lebanon.

The Lebanese are the first to acknowledge that they must be the architects of their destiny; they must find the solution to their conflict. But they cannot do it alone. Without the interest and assistance of the international community—moral, humanitarian and diplomatic interest—the Lebanese cannot move beyond the present tragic impasse.

As Catholic Bishops in the United States, we have the double interest in and relationship to the Lebanese question. First, we share bonds of faith with the Christian communities in Lebanon; these create specific responsibilities and obligations for us. Second, we are concerned for the welfare of Lebanon as a whole—all of its people and its future status as a free sovereign state in the community of nations. We know the policy of the United States can be decisive for Lebanon; this fact also creates obligations for us as bishops in this country.

To respond to both these responsibilities, we speak again about Lebanon and our concern for it. The fate and future of Lebanon is at stake. In a particular way the survival and welfare of the Christian community in Lebanon is at stake. The Christians of Lebanon hold a special significance for all the Christians of the Middle East. As bishops, we must stand in defense and speak for their legitimate interests.

We intend by this resolution to call the attention of the international community to the fragile status of Lebanon and its need for help. We intend to speak to the Christians of Lebanon: we will advocate their rights to remain a free Christian community independent of Islamic law, to worship freely, educate their own and participate fully in the life of the Lebanese Society.

We encourage the continuing dialogue and the peaceful coexistence of all Lebanese and we reject violence against innocent people. We look for the day that people of all religious persuasions will again be able to live in harmony and freedom in accord with the great religious heritage of Lebanon.

Finally, we call upon the United States government to shape a policy which will assist all the Lebanese to guarantee the freedom, territorial integrity and sovereignty of their nation.

LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION APPROPRIATIONS BILL, FISCAL YEAR 1988

HON. STEVE GUNDERSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1987

Mr. GUNDERSON. Mr. Speaker, yesterday, the House of Representatives adopted H.R. 3058, the labor, health and human services, and education appropriations bill for fiscal year 1988. I would like to commend the efforts of Chairman NATCHER, Vice Chairman CONTE and members of the Labor/HHS/Education Subcommittee in formulating an appropriations bill that carefully balances our Nation's educational, health care, employment and training needs with our Federal budget constraints.

Joining 335 Members of the House of Representatives in support of final passage of this appropriations bill, I would also like to address my support of the amendment offered by the gentleman from Minnesota [Mr. PENNY]. This amendment would have reduced by 2 percent the $2.95 billion increase in discretionary spending for programs included in this bill. The increase in discretionary spending from fiscal year 1987—$33.3 billion—to the fiscal year 1988 level—$36.2 billion—recommended in this bill reflects an overall increase of 8.8 percent. In an effort to get a handle on our Federal budget, I believe a 2-percent reduction was reasonable.

As a member of the Education and Labor Committee, I believe H.R. 3058 responds to priorities of this House in the areas of competitiveness, employment, educational access and quality. It is a sound investment in America's human capital.

This appropriations bill adds new funding in the areas of chapter 1 for disadvantaged youngsters, vocational and adult education with special attention focused on literacy, Pell grants, college-work study, SEOG, and Perkins loans—providing access to our higher education institutions.

I proudly serve with our distinguished colleague from Michigan [Mr. BONIOR] as a congressional member of the board of trustees for Gallaudet University. Therefore, I am pleased that this special institution, which offers educational programs for hearing impaired individuals, is provided a $3,925,000 increase over the fiscal year 1987 level. A majority of this appropriation will assist in providing competitive compensation for the faculty and staff of Gallaudet University. The remaining $1 million is for Gallaudet's annual matching endowment grant program. This funding increase clearly represents our commitment to quality education for our Nation's hearing impaired individuals.

While reviewing this bill, however, I noted with concern that the committee chose not to fund title I, postsecondary programs for nontraditional students, of the Higher Education Act [P.L. 99-498]. My interest in title I is twofold.

First, as a coauthor of title I, I want to point out that this is the only section of the act that can provide direct Federal support to our colleges and universities to assist them in serving displaced workers, rural Americans, and older working adults who seek educational opportunities enabling them to adapt successfully to new and changing economic conditions.

Second, our higher education community and Congress must address the educational and retraining needs of our aging society. Title I responds to the educational needs of today—needs that will continue as the makeup of our higher education student population changes. Statistics indicate that part-time, nontraditional student enrollments are increasing faster than those of full-time, traditional students, and consist of nearly half of our higher education student population.

Currently, the private sector recognizes the importance of investing in continuing education for their employees. Annually, business and industry invests over $50 billion in employee education, training, and retraining. The Federal Government should invest in our colleges and universities to help them respond to the needs of nontraditional students. It is time for us to move beyond our traditional focus for postsecondary education programs.

Investment in programs for nontraditional students by the Federal Government will indicate our commitment to our higher education system by allowing them to respond to the changing student population, and our need to enhance a competitive work force. I will continue to work for funding of title I in future fiscal years.

This brings me to the Labor Department provisions in the bill. There are a couple of items I would like to highlight. Under the Job Training Partnership Act [JTPA], the committee bill provides a $40 million increase in the basic grant program serving economically disadvantaged adults and youth. This is 2.17 percent over the fiscal year 1987 figure. Funding for the Summer Youth Employment Program funding has been maintained at the fiscal year 1987 level of $750 million. It is assumed that this funding level will continue to meet the needs of this program and its participants.

The committee, in this bill, has deferred funding for title III, the Dislocated Workers Program. I understand that this action was taken in anticipation of the enactment of the new Worker Readjustment Assistance Program—initially proposed by the administration and included in both the House of Representative's and Senate's trade legislation. Therefore, I urge the committee and Congress to act promptly in providing funds for this new program upon its enactment.

One other program on which the committee deferred action was the Work Incentive Program [WIN]. Again, I understand the committee's action in this case is in anticipation of enactment of welfare reform legislation, which will significantly restructure the work component of welfare. If for some reason a welfare reform package does not become reality this year, let me urge the committee and Congress to stand ready to quickly provide proper funding for the WIN Program through fiscal year 1988.

DEFENSE INTELLIGENCE COMMERCIAL ENTITIES ACT

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1987

Mr. IRELAND. Mr. Speaker, I have introduced the Defense Intelligence Commercial Entities Act to provide for improvements in cover for the foreign intelligence collection activities of the Department of Defense. The legislation is substantially similar to H.R. 3963 of the 99th Congress, which was introduced by our former colleague Bill Whitehurst of Virginia.

For the past 3 years, the Secretary of Defense and the Director of Central Intelligence have requested legislation to permit the Department of Defense to establish commercial entities to provide cover for defense foreign intelligence collection activities, particularly for use in those areas of the world in which other types of cover are either not available or not effective.

The legislation I have introduced provides the authority requested by the executive branch, with addition of appropriate safeguards to ensure effective and proper use of the authority and effective oversight of its use.

The section-by-section explanation of the legislation follows:

DEFENSE INTELLIGENCE COMMERCIAL ENTITIES ACT—SECTION-BY-SECTION EXPLANATION

The bill consists of two sections. Section 1 provides that the short title of the Act is the "Defense Intelligence Commercial Entities Act." Section 2(a) enacts a new subchapter II in chapter 21 of Title 10 of the United States Code to provide cover for Department of Defense foreign intelligence collection activities through the establishment and operation of commercial entities. Section 2(b) provides that amendments to Title 10 made by the legislation take effect ninety days after enactment of the legislation, except for the provision for implementing regulations, which takes effect upon enactment.

The provisions of subchapter II of chapter 21 of Title 10 of the United States Code (consisting of Sections 431 through 439) enacted by Section 2(a) of the bill are explained below.

SECTION 431

Section 431(a)(1) grants to the Secretary of Defense the authority to establish and operate commercial entities to provide cover for foreign intelligence collection activities of the Department of Defense (DOD) in accordance with the provisions of the subchapter. Such commercial entities will conceal foreign intelligence collection activities under cover of the overt function of the commercial entity. The legislation refers to such a DOD entity as an "intelligence commercial entity."

The legislation authorizes establishment of intelligence commercial entities only to provide cover for and to engage in DOD foreign intelligence activities, and does not authorize establishment of such entities to provide cover for or to engage in any intelligence activities other than foreign intelligence collection activities. Thus, for example, DOD may not establish such entities to provide cover for or to engage in counterintelligence operations (as distinguished from the collection of counterintelligence information) or covert action, or to provide cover for or to engage in non-intelligence DOD activities.

Section 431(a)(2) provides that the Secretary of Defense may initially authorize the establishment and operation of an intelligence commercial entity for any period not to exceed two years. At the expiration of a previously authorized period for operation of such an entity, the Secretary may renew the authority to operate the entity for an additional period not to exceed two years. The number of successive periods for which the Secretary may authorize operation of such an entity is not limited.

Section 431(b) provides that the Secretary may not authorize establishment and operation of an intelligence commercial entity, or renew authority to operate such an entity, unless the Attorney General and the Director of Central Intelligence concur and the Secretary certifies in writing that operation of the entity is essential to the conduct of an authorized foreign intelligence collection activity of the Department of Defense.

The requirement for the concurrence of the Attorney General ensures an independent high-level legal review of plans for establishment and operation of an intelligence commercial entity, and ensures the harmony of the plans with the intelligence, counterintelligence, and law enforcement functions of components of the Department of Justice. The requirement for the concurrence of the Director of Central Intelligence ensures that the plans will be consistent with national intelligence needs and ensures the harmony of the plans with the intelligence, counterintelligence, and special activities of other elements of the U.S. intelligence community.

To authorize establishment and operation of an intelligence commercial entity, or to renew authority to operate such an entity, the Secretary of Defense must certify in writing that operation of the entity is essential to the conduct of an authorized foreign intelligence collection activity of the Department of Defense. Thus, the Secretary may authorize establishment and operation of an entity, or renew authority to operate an entity, only when no reasonable and effective alternative method exists for carrying out an authorized DOD foreign intelligence collection activity.

Section 431(c) provides that the Secretary of Defense may terminate an intelligence commercial entity at any time. The Secretary's authority to terminate an entity is not conditioned upon any concurrence or certification.

The grant of authority to the Secretary of Defense to establish intelligence commercial entities to provide cover for DOD foreign intelligence collection activities does not affect any authority for the Department of Defense to obtain cover or other support for its foreign intelligence collection activities from other Federal agencies.

SECTION 432

Section 432 grants to the Secretary of Defense authority to acquire, use, and dispose of property and services needed in the establishment, operation, and termination of intelligence commercial entities. The broad authority granted ensures that the Secretary can provide the necessary administrative support for such entities.

In addition to requiring administrative support common to any government instrumentality, such as workspace, equipment, and personal services, an intelligence commercial entity will require special administrative support due to its commercial function and appearance. Thus, for example, such an entity may require private legal services, commercial and occupational licenses, private liability insurance, and private banking services. Section 432 ensures that the Secretary can meet the full range of administrative support needs of an intelligence commercial entity, including its unusual needs that stem from its ostensibly commercial status.

The authority granted by Section 432 is independent of, and in addition to, any other acquisition, use, or disposal authority available to the Secretary of Defense.

SECTION 433

Section 433 ensures that the handling and use of funds in connection with intelligence commercial entities will be consistent with the ostensible commercial status of those entities.

Section 433(a) permits the Secretary of Defense to establish and maintain commercial banking accounts in the establishment, operation, and termination of intelligence commercial entities. The authority to use commercial banking services applies both with respect to appropriated funds used in connection with an intelligence commercial entity and with respect to funds generated by the commercial activities of that entity.

Section 433(b) permits use of funds generated by the commercial activities of an intelligence commercial entity to offset the necessary and reasonable expenses incurred by that entity. The funds generated by a particular entity may only be used to offset the expenses of that particular entity.

Section 433(c)(1) provides that funds generated by an intelligence commercial entity that are no longer needed for the conduct of the intelligence or commercial activities of that entity shall be remitted to the Treasury as miscellaneous receipts.

Section 433(c)(2) provides for the disposition of the proceeds which result from the termination of an intelligence commercial entity. After all outstanding obligations of the entity are met, the remaining proceeds shall be deposited in the Treasury as miscellaneous receipts.

Section 433 displaces several limitations contained in Section 3302 of Title 31 of the United States Code on governmental use of funds. Observance of those limitations would be inconsistent with the ostensible commercial status of intelligence commercial entities.

SECTION 434

Section 434(a) provides that establishment, operation, and termination of an intelligence commercial entity; acquisition, use, or disposition of property and services with respect to such an entity; and deposit, withdrawal, and use of funds with respect to an entity shall be carried out in accordance with prevailing commercial practices, consistent with the protection of intelligence sources, methods, and activities from unauthorized disclosure.

To maintain its usefulness as a cover for foreign intelligence collection activities, an intelligence commercial entity must maintain commercial credibility. The entity must appear to anyone who scrutinizes it to be a bona fide commercial entity, rather than an instrumentality of the United States Government. Accordingly, the entity must conduct its commercial activities in the same manner as would a private sector commercial entity. Circumstances may arise, however, in which observing prevailing commercial practices would not be consistent with the protection of intelligence sources, methods, and activities from unauthorized disclosure, and in such cases prevailing commercial practices would not be observed, because the protection of intelligence sources, methods, and activities is of paramount importance.

Section 434(b) provides that establishment, operation, and termination of an intelligence commercial entity; acquisition, use, or disposition of property and services with respect to such an entity; and deposit, withdrawal or use of funds with respect to such an entity, may be carried out without regard to certain requirements of Federal statutes to the extent necessary to protect intelligence sources, methods, and activities from unauthorized disclosure. The provision grants to the Secretary of Defense extraordinary authority to waive the applicability to an intelligence commercial entity of requirements in a broad spectrum of Federal statutes to the extent necessary to protect intelligence sources, methods, and activities from unauthorized disclosure. Without the waiver authority, an intelligence commercial entity would be obliged to observe Federal statutes that normally apply to U.S. Government instrumentalities but do not apply to a bona fide commercial entity. Such inconsistency between the conduct of an entity and its ostensible private commercial status might reveal to an interested observer, such as an intelligence or security service of a foreign power, that the entity is not what it claims to be, risking the compromise of commercial cover and of the foreign intelligence collection activities of the entity.

Section 434(c) enumerates the categories of statutes subject to the waiver authority, which are those related to Federal appropriations, Federal receipt and use of funds other than appropriated funds, Federal acquisitions, Federal property management, Federal services management, Federal information management, Federal tort claims, Federal employment, or Federal government corporations. A statute within those categories ceases to apply if, and to the extent that, the Secretary of Defense certifies that compliance with the statute would be inconsistent with the protection of intelligence sources, methods, or activities from unauthorized disclosure. A statute is waived only to the extent that compliance would be inconsistent with such protection. Thus, the Secretary's authority extends not to blanket waiver of the applicability of the statute, but only to waiver of the applicability of the particular requirements of that statute which would be inconsistent with the protection of intelligence sources, methods, or activities from unauthorized disclosure (which may, in some cases, amount to waiver of the applicability of the entire statute).

Section 434 makes clear that the Secretary's waiver authority does not apply with respect to the subchapter enacted by this legislation (subchapter II of chapter 21 of Title 10 of the United States Code), with respect to Title V of the National Security Act of 1947 (which relates to congressional oversight of intelligence activities), or with respect to the War Powers Resolution. Nothing in the legislation in any way limits the role in the Congress in oversight of intelligence activities and military activities.

SECTION 435

Section 435(a) makes clear that the subchapter enacted by the legislation (subchapter II of chapter 21 of Title 10 of the United States Code) does not constitute authority for the conduct of intelligence activities other than those expressly authorized by the subchapter. Thus, the subchapter provides authority for establishment and use of intelligence commercial entities to provide cover for DOD foreign intelligence collection activities, but does not provide the authority for those underlying foreign intelligence collection activities.

Section 435(b) establishes clear limitations on the activities of intelligence commercial entities and their personnel within the United States. They may engage within the United States only in training, administration, and recruitment of non-U.S. persons to serve subsequently outside the United States in foreign intelligence collection activities as sources of intelligence information or of operational assistance. Administration which intelligence commercial entities may conduct within the United States includes the full range of support activities necessary to establish, operate, and terminate a commercial entity, such as finance, logistics, and procurement. The limitation of domestic activity to training, administration, and recruitment of sources for service abroad ensures that intelligence commercial entities within the United States will have strictly a foreign focus and will not engage in domestic intelligence activities.

Section 435(c) provides that no intelligence commercial entity may have as its overt activity communications media activity, religious activity, munitions production or marketing, or security-related services.

The prohibition against the overt activity of an intelligence commercial entity being communications media activity protects against the possibility of media activity by an entity having an accidental or intentional effect on U.S. domestic political processes. The prohibition prevents establishment of intelligence commercial entities to engage in commercial radio or television broadcasting; newspaper, book or magazine publishing; or wire services. The prohibition does not prevent incidental commercial use of comunications media by an entity if prevailing commercial practices so require. Thus, for example, if an entity is engaged in a cover business of a type in which one would normally place commercial advertisements or solicitations in a local newpaper, the entity may do so.

The prohibition against the overt activity of an intelligence commercial entity being religious activity protects the integrity of religious freedom and religious institutions.

The prohibitions against the overt activity of an intelligence commercial entity being production or marketing of munitions, or being security-related services, prevent the possibility of use of such an entity to circumvent United States arms transfer policies or to implement those policies. The Arms Export Control Act, the Foreign Assistance Act, and the statutory mechanisms for covert arms transfers govern the transfer of defense articles and services. The prohibitions do not in any way prohibit the personnel of an intelligence commercial entity fropm defending themselves.

Section 435(d) requires that every U.S. person employed by, or assigned or detailed to, an intelligence commercial entity be informed prior to employment, assignment, or detail that the entity is an instrumentality of the United States engaged in foreign intelligence collection activities. The provision thus prohibits unwitting employment, assignment, or detail of United States persons.

Section 435(e) defines U.S. persons for purposes of Section 435 as U.S. citizens and aliens admitted to permanent residence in the United States.

SECTION 436

Section 436(a) requires the Secretary of Defense, after consultation with the Attorney General and the Director of Central Intelligence, to prescribe regulations to implement the legislation and specifies a number of requirements which those regulations must satisfy.

The Secretary's regulations must provide for effective centralized oversight by the Office of the Secretary of Defense of the use of the authority for intelligence commercial entities granted by the legislation. The requirement for centralization of the internal oversight role promotes consistency among DOD components in establishing policies and practices concerning intelligence commercial entities and facilitates effective oversight of intelligence commercial entities by appropriate non-DOD entities, such as the Congress. The requirement that the internal oversight role occur at the departmental level, rather than at the lower level of the individual military departments, defense agencies, or other components which may use intelligence commercial entities, ensures appropriate high-level attention within the Department of Defense to any problems which may come to light in the course of internal oversight activities.

The Secretary's regulations must provide management, operational, security, legal, and accounting controls for all matters relating to intelligence commercial entities. The Secretary's careful design and establishment of strict controls will be of critical importance, especially given that such controls often may replace statutory controls which the legislation authorizes the Secretary to waive in certain circumstances.

The Secretary's regulations must provide for appropriate coordination of the activities of intelligence commercial entities with the Department of State, the Federal Bureau of Investigation, and the Central Intelligence Agency, which have primary responsibility for foreign policy, counterintelligence and law enforcement within the United States, and intelligence and counterintelligence outside the United States, respectively.

The Secretary's regulations must ensure compliance with the subchapter enacted by the legislation (subchapter II of chapter 21 of Title 10 of the United States Code), with Title V of the National Security Act of 1947 (relating to Congressional oversight of intelligence activities), and with the War Powers Resolution.

Section 436(b) requires the Inspector General of the Department of Defense to conduct, at least annually, a review of activities undertaken under the subchapter enacted by the legislation (subchapter II of chapter 21 of Title 10 of the United States Code). Each such review must include, but is not limited to, the programs and operations of intelligence commercial entities and a financial audit of the activities of such entities. The Inspector General must report on the reviews to the Secretary of Defense and the intelligence committees of the Congress.

SECTION 437

Section 437(a) provides that intelligence commercial entities are instrumentalities of the United States. As such, they enjoy within the constitutional scheme the same immunities and privileges enjoyed by other Federal instrumentalities. Thus, for example, they share in the sovereign immunity to suit of the United States Government to the same extent as other Federal instrumentalities.

Section 437(b)(1) explicitly preempts the applicability of State laws to, and the jurisdiction of State courts over, intelligence commercial entities. Thus, intelligence commercial entities will be subject exclusively to Federal law and court jurisdiction.

Section 437(b)(2) provides that, although intelligence commercial entities are not subject to State law and State court jurisdiction, they may engage in conduct which appears to comply with State laws and State court jurisdiction, if the Secretary of Defense certifies that doing so is necessary to protect intelligence sources, methods, or activities from unauthorized disclosure or is necessary in the interests of justice.

Under the authority, with the appropriate certification, an intelligence commercial entity may engage in conduct which appears to comply with State laws in the same manner as would a bona fide commercial entity. Thus, for example, if the Secretary certifies that protection of intelligence sources, methods, or activities requires doing so, an intelligence commercial entity could incorporate in a State in the same manner as a bona fide commercial entity, even though that State's incorporation laws do not actually apply to the entity and even though those laws do not provide for incorporation by Federal instrumentalities. Similarly, even though Federal instrumentalities are not subject to State taxation, if the Secretary makes the appropriate certification, an intelligence commercial entity may file State tax returns and remit State taxes.

With the appropriate certification, an intelligence commercial entity may engage in conduct which appears to submit to State court jurisdiction in the same manner as would a bona fide commercial entity. Thus, for example, if the Secretary certifies that protection of intelligence sources, methods, or activities, or the interests of justice, require doing so, an intelligence commercial entity might participate in a lawsuit in State court based on breach of a commercial contract in the same manner as would a bona fide commercial entity.

The Department of Defense may well make substantial use of the authority for intelligence commercial entities to engage in conduct appearing to comply with State commercial laws, since it may become the Department's practice to establish such entities by incorporation or registration under the laws of the several States. In contrast, the Department should only rarely need to use the authority for intelligence commercial entities to engage in conduct appearing to submit to the jurisdiction of a State court, because the authorized activities of such entities within the United States are quite restricted, and thus are not likely to give rise to many situations in which appearing to submit to State court jurisdiction would be appropriate.

Section 437(c) provides that, for the purposes of Section 437, the term "State" means any State, the District of Columbia, and any territory, commonwealth, or possession of the United States.

SECTION 438

Section 438 provides that the Secretary of Defense may delegate his authority, functions, and duties under sections 431(a), 434(b), 436(a), and 437(b) of Title 10 of the United States Code, as enacted by the legislation, only to the Deputy Secretary of Defense. By requiring that only the Secretary or the Deputy Secretary of Defense may exercise the authority, functions, and duties set forth in these subsections, the legislation ensures high-level attention to particularly sensitive decisions involving intelligence commercial entities.

Under Section 438, the Secretary may delegate only to the Deputy Secretary the authority to authorize establishment and operation of an intelligence commercial entity, or to renew authorization for operation of such an entity (Sec. 431(a)); the authority to waive the applicability of certain Federal statutes based upon the requisite certification (Sec. 434(b)); the authority to issue implementing regulations (Sec. 436(a)); and the authority to permit intelligence commercial entities to appear to comply with State laws and to appear to submit to State court jurisdiction (Sec. 437(b)). Authorities, duties, and functions provided in the legislation, other than those specifically cited in Section 438, are subject to delegation in accordance with Section 113(d) of Title 10 of the United States Code.

The limitation on delegation of certain specified authorities, duties, and functions will not place an inordinate administrative burden on the Secretary and the Deputy Secretary. Exercise of the authority establishment and operation of an intelligence commercial entity will occur only once for each entity, and subsequent renewals of authority to operate such entities will occur only when the previously authorized period of operation expires. Exercise of the authority to waive various Federal statutory requirements applicable to an entity, to authorize apparent compliance with State laws, and to authorize apparent submission to State court jurisdiction, will often accompany the authorization to establish and operate the entity, although changes with respect to an entity may be necessary from time to time. Exercise of the authority to issue implementing regulations should occur only once, with changes to such regulations thereafter occurring only occasionally, as experience demands. The greatest administrative burden upon the Secretary and the Deputy Secretary will thus occur at the time of creation of an intelligence commercial entity, when the nature and the scope of its activities and the legal regime governing it are established. Cabinet-level involvement in decisions of such sensitivity at that time is appropriate.

SECTION 439

Section 439 defines the terms "commercial entity," "foreign intelligence collection activities," and "intelligence activities" as used in subchapter II of chapter 21 of Title 10 of the United States Code, as enacted by the legislation.

The definition of "commercial entity" comprehends all forms of legal entities, whether within or outside the United States, that are non-governmental in appearance. The term is used in Section 431.

The definition of "foreign intelligence collection activities" comprehends only collection by Department of Defense components, such as the military departments or defense agencies, of foreign intelligence or counterintelligence information, and related support activities. It does not include any other types of intelligence activities, such as counterintelligence operations or covert action. The legislation authorizes establishment and authorization of intelligence commercial entities only to provide cover for foreign intelligence collection activities. The term is used in Sections 431 and 435.

The definition of "intelligence activities" comprehends all intelligence and intelligence-related activities of the United States Government. The term is used in Section 435.

CHICK DONOHUE GOES TO HARVARD

HON. THOMAS J. MANTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1987

Mr. MANTON. Mr. Speaker, we are all familiar with the 19th century mythical character, Horatio Alger. Alger became an image for generations of Americans as he successfully climbed the economic ladder in American society. Now, in the latter half of the 20th century, many sociologists claim Horatio Alger is dead. These pundits point out that the American success story of local boy or girl making good does not happen very often any more. They claim those born of modest means are destined to remain that way, while those of the privileged class continue to perpetuate themselves.

Mr. Speaker, I am here today to tell my colleagues the professors and polltakers are wrong. Horatio Alger is alive and well, and his name is Chick Donohue.

Chick Donohue was born in Manhattan of Irish immigrant parents. He attended Rice High School, run by the Christian Bros. at 124th Street and Lenox Avenue in Harlem, but dropped out to join the Marine Corps. After leaving the service, Chick worked as a merchant seaman. For the past 10 years he has worked as a sandhog. Sandhogs such as Chick are tunnelworkers who are currently building the third water tunnel between Manhattan and Long Island.

The sandhogs are hardworking, honest but unassuming guys. Chick is no exception. Now, however, Chick is about to embark on a new career which is far removed from the water tunnel: Chick Donohue is going to Harvard to get a masters in public administration at the Kennedy School of Government.

How does a high school dropout make it to Harvard? Chick, in addition to his tunnelwork duties, also serves as the union's political director. During the past decade he has come to know a lot of influential people in New York and Washington. Many of them know that although Chick has no high school or college degree he is a very smart man. They were happy to serve as references and Harvard was wise to listen to Chick's references rather than to look soley at his academic record.

Mr. Speaker, anyone who knows Chick understands that Chick will more than hold his own with the young intellectuals in his class. In fact, we all know that Chick's education in the real world will permit him to teach those youngsters a thing or two about life outside the Ivory Tower.

Mr. Speaker, Dennis Duggan, who writes the New York diary column in the New York Daily News, devoted his Sunday column to Chick's departure from the tunnel to Harvard Yard. The column catches a small glimpse of my good friend Chick Donohue's wit and wisdom. I strongly recommend my colleagues take a moment to read about one of America's true success stories. Horatio Alger would be proud.

Mr. Speaker, I include the article in the RECORD at this point:

CAMBRIDGE WILL NEVER BE THE SAME AGAIN

It doesn't surprise the 24th Precinct's Lt. Richard Duggan, who grew up in the Inwood section of Manhattan with sandhog Chickie Donohue, that Chickie is going to Harvard University starting tomorrow morning.

Nothing he does could ever surprise me," says Duggan, who still talks about how Donohue showed up at his foxhole in the jungles of the Quang Tri province in Vietnam in 1968 with a six pack of beer.

"What in the hell are you doing here?" Duggan, who was with the First Cavalry, asked Donohue, who had begun his long journey after a night at an Irish bar in Inwood. Someone had said there ought to be a way of showing support for Duggan and some other neighborhood men who were fighting in Vietnam.

"I'll do it!" shouted Donohue, who was then a merchant marine.

The next night everyone kept asking Donohue when he was leaving. It was then he realized that to save face he had to at least make an attempt.

He boarded a munitions ship, the S.S. Victory in Leonard, N.J., and 30 days later arrived in Vietnam. The story gets involved, but Donohue hitching rides on helicopters and mail planes from incredulous officers and pilots, finally made it to Duggan's unit.

"I thought I was in the twilight zone when I saw Chickie," says Duggan. "When I asked him what he was doing in the middle of the jungle, he said, 'I was in the neighborhood and I thought I'd drop in.' "

Later, after he had been given a 45-cal. pistol and he realized he was going to have to sleep in a foxhole for a few days, Donohue said to himself, "Chickie, this was a dumb thing to do."

Donohue lives now in the Woodlawn section of the Bronx with his wife. Theresa, and their two children. He dropped out of Rice High School, run by the Christian Brothers at 124th Street and Lenox Avenue in Harlem, to join the U.S. Marine Corps, and has been a sandhog in the third water tunnel for the past 10 years.

But work in the tunnel has been slow lately and when Chickie heard about Harvard's mid-career degree program for a master's in public administration he decided that's what he wanted to do.

He knew that the competition would be fierce and that an Irish high school dropout wasn't perhaps high on the school's list. But Donohue began calling friends and politicians he had met as head of the sandhog union's political action arm for help.

"I thought, why the hell should I let some unknown at Harvard decide my fate," said Donohue at a party last week celebrating his admission to the Ivy League school.

"I called in all my chits." said Donohue at the party at Rumm's on East 46th Street, where priests, politicians, sandhogs, actors, bartenders and cops ate and drank and told Chickie Donohue stories.

"He'll be the only guy up there without some sort of a degree," said Tommy Kelly, 25, a sandhog and a protege of Donohue's, who is already studying at Harvard and who will be Chickie's roommate for the next year.

Kelly, who worked nights as a "hog" and went to Fordham where he graduated last year, is studying for a master's degree at the Kennedy School of Government at Harvard. He says of Donohue, whom he met several years ago, "He's one the smartest guys I've ever met.

Paul Delaney, a cousin says, "Chickie is the kind of guy who after you meet him you'd find you're working for him.

"It's not that he uses people," says Delaney, "it's just that he makes you use yourself."

The people at Harvard must have wondered who the hell Chickie Donohue was when letters of recommendation began pouring in from Sen. Daniel Moynihan, former Represenative Geraldine Ferraro, and George A. Fox, president of the board of trustees at Cooper University and also president of the Grow Tunneling Corp., for whom Chickie worked.

"In my opinion John Donohue is an ideal candidate for admission" to Harvard, wrote Fox, who described Donohue as "likable and personable." His admission to Harvard, Fox wrote, "will greatly enhance his ability for effective leadership in the labor movement and to the community of New York City."

His wife, Theresa, formerly O'Neill, had a flier printed last week that read "Chickie Donohue Goes to Harvard," inviting his friends to come to Chickie's going-away party.

He had been accepted into the one-year program which includes a four-week transitional course starting tomorrow. The letter noted that competition is "extremely rigorous," and that "your selection by the Admissions Committee attests to our confidence in your outstanding ability and potential for leadership in public service."

The Rev. Keith Fennesay, now with the Sacred Heart Church in Suffern, said of his longtime friend Chickie that "If I had to predict that anyone from the old neighborhood would go to Harvard I would have said Chickie Donohue. There are a lot of plastic people in the labor movement and in politics, but Chickie is the real thing."

"He's a pistol," said Bronx City Councilman June Eisland. "He's got street smarts and he has a conscience."

Chickie's friends have been kidding him, and writing notes addressed to "Professor Donohue" But Chickie has had to take out a second mortgage on his home to pay for the $14,000 tuition and expenses; friends like Wall street broker William Mutrow say they plan a fund raising party to help him defray expenses.

"My wife and I and the kids see this as an opportunity and a statement to the kids that they can go to Harvard, too," says Chickie, who often cites how a plumber from the Bronx named George Meany became president of the American Federation of Labor.

"Hey," asks Chickie, "if he could do it why can't Chickie Donohue?"

TRAGEDY STRIKES TWO YOUTHS

HON. HELEN DELICH BENTLEY

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1987

Mrs. BENTLEY. Mr. Speaker, America is a country of bountiful resources, yet no resource is as precious as its young people. They will be tomorrow's legislators, tomorrow's work force, and tomorrow's decision-makers. Whether or not America survives to see the tricentennial of its Constitution is a burden which rests largely upon their shoulders.

Yet no resource is unlimited; 1985 statistics indicate that over 19,000 people between the ages of 15 and 24 die as a result of accidents, with 14,000 deaths being the result of accidents involving automobiles. A number of tragedies in my district have made me keenly aware of the fact that America is losing its most precious resource, one which can never be replaced.

I would like to introduce you to two of these people. Both had bright minds and promising futures, and both left impressions on the minds of those they loved that will never die. The great promise they displayed makes them worthy of our remembrance. Their immense potential makes them deserving of a classification more than that of a "victim" or "statistic." These were two of my people, and I feel that it is right that their story be told here.

Ceres Millicent Horn was the type of girl about whom the word "brilliant" seemed to have been created. She breezed through McDonough School in 3 years, leaving behind a transcript showing nothing but "A's." At the age of 16 she was a freshman at Princeton University majoring in astrophysics. She had dreams of becoming an astronaut, a dream which I am sure would have come true if the Amtrak train on which she had been riding back to school after the holidays had not collided with a Conrail locomotive.

Ceres was indeed something special. Her wit, intellect, and energy illuminated the lives of all her teachers, schoolmates and friends. She combined her intellectual gifts with a sincere desire to get involved with her school through such extracurricular activities as theater and sports. Her true and sincere concern for her family, however, is probably her greatest legacy.

On her high school senior yearbook page she wrote to her sister Corinne, "I hope you'll never forget how much I love you. I'll always be there for you." Unfortunately Ceres can't be there for her sister anymore, yet the memory of the love she had for her and for the rest of her family endures. In her short life Ceres was able to reach out to others and make known her feelings to them. Though she was taken away abruptly Ceres' life was not an empty one, for the person who is able to show the love and concern that they have for others has lived a rich life indeed.

Kimberlee Joy Abbott is another young lady whose full and promising life came tragically to an end in an auto accident. She was an honor student at Franklin Senior High School, and she, too, left behind a loving family and many loving friends whose lives she enriched immeasurably.

The story of Kim's life is one of leadership and voluntarism. She was a longtime member of her school's student council throughout both junior and senior high school. Her abilities were recognized, and she moved up to the Baltimore County Student Council, where she served on the executive board. She was appointed to the Maryland Association of Student Councils, where she served as State membership cochairperson. In addition, Kim was named Franklin High School's 1986 Ambassador to the Hugh O'Brian Youth Foundation Program. In each case Kim worked to encourage support and involvement among her peers. Her input and activities were always positive, and she demonstrated that, in her youth, she had the makings of a true leader.

Kim also reached out to her community through her volunteer activities. She was Baltimore County's youngest volunteer worker in 1984. She did extensive work with Pets on Wheels, a program in which she traveled to nursing homes with her cat Butterscotch and became a friend to the friendless. She and her cat spent over 350 hours sharing photos, playing games, and chatting with senior citizens whose lives were brightened by her youthful energy and her genuine concern. She also volunteered her time as a Junior Naturalist at Piney Run Park's Nature Center.

Kim Abbott accomplished many different things in her 17 years, and her willingness to give her time and effort to help others is what really made her special. The legion of memorial tributes and awards that have been established in her memory reflect the extreme sense of loss felt by all who were close to her. Her passing has indeed left a void which shall forever remain unfilled.

Accidents take the lives of more young people than any disease, and Ceres and Kim are but two examples of the massive losses that are incurred each year. The truly sad thing is that some of these accidents may very well have been avoided if more attention were paid to safety.

The old saying "An ounce of prevention is worth a pound of cure" still rings true, for once a life is lost it can never be regained. The only hope for the future is if there are young people—our greatest resource—who will work to improve America's future.

To all of those who Ceres and Kim loved I would like to say this: Remember the times that you did have with them, and let this serve as your own personal tribute. Carry on in your life strengthened by the memories of the love and caring that they felt. As long as you keep this in mind, all that they stood for while they lived shall never die.

INTRODUCTION OF THE FAMILY SECURITY ACT OF 1987

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1987

Mr. GRADISON. Mr. Speaker, today I am introducing a major welfare reform bill, the Family Security Act of 1987. The identical bill was recently introduced as S. 1511 by Senator MOYNIHAN of New York. No one in Congress is more respected and well known for his scholarship and work in the area of welfare over the years than Senator MOYNIHAN. It was after many months of analysis and hard work that Senator MOYNIHAN introduced this act and I am pleased to introduce it today for consideration by the House.

For the past two decades, we have worked to develop effective strategies for providing assistance to needy families. The sentiment underlying the majority of these strategies has been that Americans who are able to work should work rather than remain indefinitely on the welfare rolls. Under the present welfare system, we only provide low-income persons with cash benefits and health care; very little is done to enable welfare recipients to support themselves and leave poverty behind.

The Family Security Act addresses the problems of the present system head on without incurring excessive expense. The purpose of this bill is to replace the Aid to Families with Dependent Children (AFDC) Program with a national system of child support, the Child Support Supplement (CSS) Program. By concentrating on helping needy children without weakening parental responsibility and by focusing on education and job training, the Family Security Act addresses the recent changes in the structure of the American family along with the current economic realities of American life.

For perhaps the first time in approximately 50 years of welfare debate, all parties appear to be prepared to work toward a compromise on reforming the welfare system. I regret that, in the past, the House has been highly polarized on the issue of welfare reform. For example, during the Carter administration, I was a member of the Special Committee on Welfare Reform chaired by Representative Jim Corman, unfortunately nothing ever came of our efforts.

Today it appears that a consensus may be possible. President Reagan, in his February State of the Union Address, expressed support for "a new national welfare strategy." Senator MOYNIHAN and his Family Security Act has attracted significant bipartisan support in the Senate. This support may help establish a framework by which the various sides can be brought together to reach a consensus on the very important issue of welfare reform. I offer the Family Security Act today as a realistic approach to improving upon the inherent problems associated with the current AFDC Program, to encourage further debate on the complex problems associated with welfare reform, and as a vehicle to "test the waters" on another approach to welfare reform that may be capable of generating significant bipartisan support and to finally resolve the impasse that has developed in the welfare reform debate.

The Family Security Act stresses family responsibility and obligation, and to this end, places primarily responsibility for children where it rightly belongs: on parents. Under this bill, absent parents, who are required to pay court-ordered child support after this provision takes effect, will have this support automatically deducted from their paychecks by their employers. Employers will be informed how much the absent parent owes and will send that amount to the appropriate State agency who will then forward it to the family. Parents, who can agree on an alternative arrangement, may have the automatic deduction waived.

Child support payments are difficult to collect without knowing the identity of an absent parent. To deal with this, the Family Security Act would create a system of establishing paternity. States will need to meet new performance standards for establishing paternity or risk a reduction of Federal funding. To aid States, the Federal Government will pay 90 percent of the costs of performing laboratory tests to determine paternity. And to further enhance establishing paternity, States will be required to develop computerized tracking systems, to collect social security numbers from both parents at the birth of child, and to improve interstate cooperation in the collection of child support payments. Federal financial assistance will be made available for the development of computerized tracking systems.

One of the major goals of any welfare reform effort should be to provide opportunities and incentives for welfare recipients, especially potentially long-term recipients, to finish their education and locate gainful employment. The Family Security Act addresses these goals through the development of a Job Opportunities and Basic Skills (JOBS) Program.

The JOBS Program will require States to create and operate education, training and employment programs for CSS recipients. States will work closely with the private sector in JOBS planning and program design in order to best prepare recipients for private sector employment. JOBS Programs would be required of all recipients, with the exception of certain groups including parents with children under the age of 3, or at State option, under the age of 1. Parents 21 years of age or under who have not completed high school will be required to attend high school or participate in equivalency training.

The Family Security Act allows States great flexibility in designing their JOBS Programs. To assure targeting of high priority recipients, however, States are required to direct 60 percent of JOBS funds to priority recipients. Priority recipients include those who have received welfare payments for more than 2½ years; those who have received welfare for any 30 of the last 60 months; and those recipients 21 or under who lack a high school degree. States cannot require recipients to accept positions in which there will be a net loss of income to the family, including the value of food stamps and health insurance benefits, unless the State provides the family with a supplemental cash payment.

In the past, a major deterrent to accepting employment under the current welfare system has been the recipients' fear that accepting employment means loss of health care benefits. The Family Security Act responds to this issue through the provision for extended eligibility for medical assistance. Families that lose CSS eligibility due to increased earnings will remain eligible for medical assistance for at least 4, but not more than 9, months. To qualify for this assistance, the family must have received CSS payments for at least 3 of the 6 months preceding the month when eligibility was lost. Families can only receive such assistance for a total of 9 months in any 36-month period.

A second major deterrent to accepting employment in the past has been the difficulty of obtaining childcare. As with transitional medical assistance, families losing CSS eligibility due to increased earnings will, under the Family Security Act, receive 9 months of transitional childcare assistance, provided the State determines childcare is necessary to assure continuing employment.

Mr. Speaker, the issue of how to best reform America's deplorable welfare system is plagued by complex problems and a long history of failed attempts at reform. These obstacles should not, however, keep us from making diligent efforts to improve the present system which has so clearly proven itself incapable of meeting America's current welfare needs.

These obstacles also should not keep us from forgetting the most vulnerable members of our society, children born into poverty. Recent statistics indicate that the proportion of American children born into poverty now exceeds 20 percent; nearly half of all black children are born into poverty. Children who spend their entire lives in poverty cannot be expected adequately to prepare themselves for the future; those who spend their entire childhood without an employed role model cannot be expected to pursue education and employment as they grow up. In this respect, the Family Security Act addresses more than the current problems of America's welfare system, it also addresses the shap of America's future.

DEFENSE CONTRACTOR PROFITS REVIEW ACT

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1987

Mr. BENNETT. Mr. Speaker, I am today introducing the Defense Contractor Profits Review Act, along with Mr. RIDGE, Mr. DINGELL, Mrs. BOXER, Mr. LEVINE, Mr. BRYANT, Mr. MOAKLEY, Mr. MILLER of California, Miss SCHNEIDER, Mr. SLATTERY, Mr. WISE, Mr. MOODY, Mr. DELLUMS, Mr. VALENTINE, Mr. WOLPE, Mr. DEFAZIO, Mr. JOHNSON of South Dakota, Ms. SLAUGHTER of New York, Mr. TOWNS, Mr. MARTINEZ, Mr. KILDEE, Mr. BATES, Mr. FORD of Michigan, Mrs. COLLINS, Mr. MURPHY, Mr. TORRES, Mr. ACKERMAN, Mr. SCHEUER, Mr. KOLTER, Mr. SAVAGE, Ms. KAPTUR, and Mr. HUGHES.

This legislation, drafted by myself and Congressman TOM RIDGE as cochairman of the military reform caucus, is in my opinion a significant bill. The General Accounting Office reported last year that profits on defense contracts had been 120 percent higher than profits on comparable commercial work. These findings were supported by a recent Navy profits study, which also found significant variations between defense and commercial profits. These data indicate the urgent need for this legislation.

This bill is greatly needed because I believe it can be a vital first step toward increasing accountability over defense profits, and in restoring public confidence in the defense budget. As someone who has supported higher defense spending ever since World War II, it pains me that many Americans believe big defense contractors are making unconscionable profits by ripping off the Government. This moderate and reasonable bill is intended to: First, find out if there really is a problem; and second, give the defense agencies the specific authority and direction to do something about it. The bill is even more modest in its aims than the bill proposed by the GAO. However, I am pleased that it has already received broad and bipartisan support, and hope that such support will continue to grow after the bill has been examined in further detail by the proper committees.

The bill would require about 100 big contractors with more than $100 million annually in negotiated contracts with the Department of Defense [DOD], NASA, and the Coast Guard to report their profits annually to the Defense Contract Audit Agency [DCAA] at DOD. This profit-reporting provision is similar to legislation proposed by the U.S. General Accounting Office.

The bill also contains a provision that I have crafted that would authorize the heads of the three covered agencies to determine whether individual contractor's profits are excessive relative to those on comparable commercial work. If agency heads find excessive profits, they would then recommend actions to be taken in negotiations on future contracts with that contractor in order to prevent continued excessive profits.

A summary of the bill's provisions follows:

DEFENSE PROFITS REVIEW AND REPORTING ACT—SUMMARY OF MAJOR PROVISIONS

Policy.—Contractors should receive a reasonable profit, and such procurement should be economical and efficient. When the government negotiates contracts in the absence of adequate price competition, it is necessary that it be informed of the level of profits actually made. The bill's purpose is to give procuring agencies information on profits necessary to develop profit policies, and to negotiate profit levels that encourage investment and that are reasonable.

Coverage.—The bill would apply only to contractors with more than $100 million in negotiated contracts with the DOD, NASA and/or the Coast Guard. Advertised-bid, competitive-type contracts would not count for purposes of determining which firms meet the $100 million threshold. There are approximately 100 firms that do meet this threshold, and they receive more than 60 percent of defense procurement dollars. Obviously, small businesses and medium-sized businesses would not be covered.

Reporting.—Negotiated contracts with the covered agencies would require that covered contractors comply with this bill. Covered contractors would submit an annual profits information report to the Defense Contract Audit Agency (DCAA), which would develop a uniform reporting system. The DCAA would analyze the profits reports to see whether any segment of the contractor has made excessive profits.

Profits information to be reported.—Balance sheet and income statement information reflecting the financial position and operations of each segment of the contractor which contributes to revenues received under negotiated defense-related contracts. Segments are defined in the same manner as for Cost Accounting Standards purposes. Information would be submitted in a manner that distinguishes between the contractor's negotiated government contracts and the contractor's other business. The information reported would include a reconciliation with the contractor's regular SEC report. An independent CPA must certify the reliability of the profits report.

Profits review by agency head.—The head of the agency (this would be the Under Secretary of Defense for Acquisition in the case of DOD, Army, Navy and Air Force) would review the profits reports compiled by the DCAA in order to determine whether a segment of a contractor has made excessive profits on past contracts. If the head of the agency proposes to make such a determination, he would notify the contractor and give it a reasonable chance to respond. If the head of the agency determines that a contractor segment has made excessive profits, he would (1) notify in writing the agency's principal contracting activities; and (2) recommend actions to be taken in future dealings with that contractor in order to prevent the recurrence of excessive profits by that contractor on future negotiated contracts.

Definition of excessive profits.—The bill defines excessive profits as profits that are unjustified, in light of: returns on assets made by companies in the private sector on similar and comparable goods and services; the efficiency; risk and investment of the contractor; the character of the business; and other factors. The agency head would set forth detailed definitions in regulations.

Comprehensive profit policy studies.—In addition to the reviews of profits of individual contractors, the head of the agency would conduct at least once every three years a study of profits made by covered defense contractors. This study would be used in formulating agency-wide profit policies.

Access to information.—The head of the agency would have access to all papers of the covered contractor and its independent accountant relating to the profits reports. The Comptroller would have access to all papers of the contractor, its independent accountant and the DCAA used in providing the profits information reports.

Confidentiality.—An officer or employee of the government who discloses any information provided under this bill would be subject to the usual penalties under section 1905 of title 18.

Reports to Congress.—The agency head shall report annually to the President, Congress and the GAO on the findings of any profit studies and on any actions taken.

The complete text of the bill as introduced follows:

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Defense Contractor Profits Review Act".

SEC. 2. DECLARATION OF PURPOSE.

(a) POLICY.—It is the policy of Congress that firms contracting with the Federal Government to provide goods and services for the national defense should receive a reasonable profit, and that such goods and services should be procured in an economical, efficient, and effective manner. When the Government negotiates contracts with major contractors, in the absence of adequate price competition this policy can be fulfilled only if the Congress and the appropriate executive agencies are informed of the level of profits actually made.

(b) PURPOSE.—The purpose of this Act is to provide the Federal Government with the information needed to develop profit policies, and to assist procuring agencies in negotiating contracts, which (1) provide profits that encourage related capital investment to increase efficiency and decrease total costs; and (2) are reasonable in light of (among other factors) the profits contractors earn on other Government business and similar private sector business.

SEC. 3. CONTRACTOR PROFITS REVIEW.

(a) IN GENERAL.—(1) Chapter 137 of title 10, United States Code, is amended by inserting after section 2313 the following new section:

"§ 2313a. Major defense contractors: review of profits

"(a) REVIEW OF PROFITS TO ASCERTAIN EXCESSIVE PROFITS.—(1) If, based upon information in profits information reports under subsection (b) and analyses under subsection (c) (and on whatever other information and analyses may be available), the head of an agency named in section 2303(a) of this title determines that a segment of a covered defense contractor, during the period covered by such profits information report, made excessive profits (as defined in subsection (k)(3)) from contracts subject to section 2306a of this title, the head of the agency—

"(A) shall notify in writing principal contracting activities and officers of the agency of that determination; and

"(B) shall recommend actions to be taken in future dealings with that contractor or segment in order to prevent the recurrence of excessive profits by that contractor or segment on contracts with that agency subject to section 2306a of this title.

"(2) If the head of an agency proposes to make a determination under paragraph (1), the head of the agency, before making such determination, shall notify the contractor concerned that the head of the agency proposes to make such a determination and shall give the contractor an opportunity to respond within 45 days.

"(b) REPORTING BY COVERED CONTRACTORS.—(1) Each business concern that is a covered defense contractor shall submit to the Defense Contract Audit Agency, not later than 120 days after the end of the contractor's annual financial reporting period, a profits information report.

"(2) For purposes of this section, a profits information report is a report showing balance sheet and income statement information reflecting the financial position and operations of each segment of the contractor which contributes to the revenues the contractor received during the preceding year from contracts and contract modifications subject to section 2306a of this title. Such report shall include such accompanying information as may be required by the head of the agency, including information concerning investment data and labor expenses.

"(3) Information submitted in a profits information report shall be submitted for each segment of the contractor in a manner that distinguishes between—

"(A) the information related to the contractor's Government contracts that are subject to a requirement to submit cost or pricing data; and

"(B) the information related to all of the contractor's other business.

"(4) The information submitted in the report shall include a reconciliation with the most recent annual financial statement the contractor filed with the Securities and Exchange Commission and such information as may be necessary to explain the reconciliation.

"(5) A contractor required to submit a profits information report shall have an independent certified public accountant submit to the contractor a report on the reliability of the information furnished under paragraph (1). The contractor shall include with the report required by paragraph (1) a copy of the report by the independent certified public accountant.

"(c) RESPONSIBILITIES OF DCAA.—(1) The Defense Contract Audit Agency (hereinafter in this section referred to as 'DCAA') shall review each report under subsection (b) and shall analyze the financial status of each segment of the defense contractor submitting the report in order to determine if any such segment has made excessive profits.

"(2) The DCAA shall develop a uniform reporting system to govern the submission of information by defense contractors under this section.

"(d) ACCESS TO INFORMATION.—The head of the agency and the DCAA shall have access to all papers, documents, and records of a covered contractor and its independent certified public accountant relating to the information furnished under subsection (b) (including the report furnished under paragraph (5) of that subsection). The covered contractor and its independent certified public accountant shall permit the DCAA to make and retain copies of such papers, documents, and records and shall make available such officers and employees as the DCAA requests.

"(e) Confidentiality.—An officer, employee, or contractor of the United States who publishes or otherwise discloses any information provided by a covered defense contractor under this section shall be subject to section 1905 of title 18.

"(f) Review by Comptroller General.—The Comptroller General shall have access to all papers, documents, and records of the contractor and of its certified public accountant used in providing the information required under subsection (b) (including the report furnished under paragraph (5) of that subsection). The DCAA, covered defense contractor, and independent certified public accountant shall permit the Comptroller General to make and retain copies of such papers, documents, and records and shall make available such officers and employees as the Comptroller General requests.

"(g) Required Contract Provisions.—The head of each agency named in section 2303 of this title shall require that compliance with this section is a condition of each contract with the agency subject to section 2306a of this title.

"(h) Profit Study Requirements.—(1) The head of the agency shall conduct at least once every three years a study of profits made by covered defense contractors under contracts and contract modifications subject to section 2306a of this title.

"(2) Based on an aggregation of the information provided under subsection (b), each such study shall include a determination of the profitability of segments of covered defense contractors providing the United States with goods and services under contracts and contract modifications subject to 2306a of this title. Profitability shall be determined by calculating the return on assets of such segments and by such other measures of profitability as the head of the agency determines to be appropriate to achieve the purposes of this section.

"(3) Each such study shall provide a comparison of the profitability of the segments, as determined under paragraph (2), with—

"(A) the profitability of such segments under all of their other business; and

"(B) the general profitability, as reported in publicly available documents (filed with the Securities and Exchange Commission), of other companies in the private sector for similar and comparable goods and services.

"(4) Each such study shall include an analysis of—

"(A) whether variations between the levels of profitability are reasonable under the circumstances;

"(B) capital investment and the relative investment between the Government business and the commercial business of the covered defense contractors;

"(C) the use of pricing to motivate cost efficiency and the relative efficiency between the Government business and the commercial business of the covered defense contractors;

"(D) the relationship of payment policy and contract pricing; and

"(E) any other information useful to understanding the comparisons ,required by paragraph (3).

"(5) In addition to the information provided under subsection (b), a covered defense contractor shall provide to the head of the agency any additional information the head of the agency determines is necessary to make the determinations and perform the analysis required by this section.

"(i) Profit Study Reporting.—No later than December 31 of each year, the head of the agency shall transmit a report to the President, the Congress, and the Comptroller General of the United States. The report shall identify any studies conducted in the preceding fiscal year, the relationship of the findings resulting from such studies to existing profit policies, and any actions taken or to be taken relating to the responsibilities of the head of the agency under this section.

"(j) Regulations.—The head of the agency shall prescribe regulations to carry out this section. Such regulations shall include—

"(1) standards for the determination of what constitutes excessive profits; and

"(2) standards and procedures for submission of the profits information reports required by subsections (b).

"(k) Definitions.—In this section:

"(1) The term 'head of the agency', with respect to any contracting activity of the Department of Defense (including the military departments), means the Secretary of Defense, acting through the Under Secretary of Defense for Acquisition.

"(2) The term 'covered defense contractor' means a contractor which is awarded contracts and contract modifications subject to section 2306a of this title, or which receives payments from the United States under such contracts, in a total amount of at least $100,000,000 in any 12-month period.

"(3) The term 'excessive profits', with respect to a contractor or segment of a contractor, means profits that are unjustified, giving due consideration to—

"(A) returns on assets made by companies in the private sector on similar and comparable goods and services;

"(B) the efficiency of the contractor or segment;

"(C) its ability to meet contract requirements in terms of quantity and quality;

"(D) its economy in the use of materials, facilities, and manpower;

"(E) the amount of assets and capital required;

"(F) the extent of the risk assumed;

"(G) the character of the business; and

"(H) other relevant factors.

"(4) The term 'segment', with respect to a covered defense contractor, means a division, product department, plant, or other subdivision of the contractor—

"(A) that is usually identified with responsibility for profit or with producing a product or service; and

"(B) that reports directly to an office of the contractor which (i) is responsible for directing or managing two or more such divisions, product departments, plants, or subdivisions, and (ii) typically provides policy and guidance to such divisions, product departments, plants, and subdivisions in their operations.

A covered defense contractor which does not have such a division, product department, plant, or other subdivision shall for purposes of this section be treated as a single segment.".

(2) The table of sections at the beginning of chapter 137 of such title is amended by inserting after section 2313 the following new item:

"2313a. Major defense contractors: review of profits.".

(b) Deadline for Regulations.—Regulations under section 2313a of title 10, United States Code, as added by subsection (a), shall be prescribed not later than the end of the 120-day period beginning on the date of the enactment of this Act.

(c) Applicability to New Contracts and Contract Modifications.—Subsection (f) of such section shall apply with respect to contracts entered into under solicitations issued after the end of such 120-day period and to modifications entered into after that date with respect to existing contracts.

UNITED STATES-SOVIET GENEVA TALKS: HEADWAY AND STANDSTILL

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1987

Mr. FASCELL. Mr. Speaker, the Foreign Affairs Committee, under my chairmanship, has monitored the United States-Soviet Geneva Arms Control Talks since they began in March 1985. Periodically, I have inserted in the Congressional Record updates on the status of the talks with accompaning charts that describe United States and Soviet positions in the three areas of discussion: Strategic, INF [intermediate-range nuclear forces] and defense and space. The last update appeared on page 15107 of the Congressional Record of June 9, 1987. My remarks today will be followed by two background papers based on published sources that describe "Areas of Agreement at the Geneva Arms Control Talks" and "Unresolved Issues at the Geneva Arms Control Talks."

Headway has been made recently at the United States-Soviet Geneva Arms Control Talks with United States and Soviet agreement on the "global double zero" approach, for example, global elimination of long-range intermediate nuclear forces [LRINF] and global elimination of short-range intermediate nuclear forces—SRINF, and United States and Soviet agreement on a meeting between Secretary of State Shultz and Soviet Foreign Minister Shevardnadze in mid-September.

The United States removed a stumbling block to an INF agreement when it recently agreed to a Soviet position that all missiles and launchers to be eliminated under an INF agreement be destroyed. Previously, the United States has wanted to retain the option to convert these missiles to systems of shorter range or to a different basing mode.

Obstacles, however, do remain to the conclusion of an INF agreement. Primary among these at this point is West Germany's 72 Pershing IA missiles. The Soviets contend that these missiles must be eliminated under a global double zero agreement. The United States, on the other hand, considers its cooperative arrangements with its allies as out of the bounds of bilateral United States-Soviet agreements in Geneva. In addition, an adequate verification regime consistent with a global double zero agreement must be developed in Geneva.

While the prospect of an INF agreement is welcome, I share the administration's view, that of the three areas under discussion at the Geneva Arms Control Talks, an INF agreement is of least importance to us in terms of United States national security. Reductions in the strategic nuclear arsenals of both superpowers resulting in greater stability and resolution of differences in the defense and space area are of far greater importance.

The United States had been waiting for the Soviets to respond to the United States proposal for strategic reductions tabled in Geneva in May. Last week, on July 31, the Soviets responded by tabling a draft treaty on strategic reductions. It resembles the previous Soviet position in that that there are no provisions for warhead sublimits. However, this new proposal is reported to call for a ceiling of 400 on sea-launched cruise missiles [SLCM's] that each side could deploy with a range of more than 400 miles. The United States has not addressed the SLCM issue in detail, but has a proposal on the table to discuss limits on SLCM's separately.

The defense and space talks remain at a standstill given Soviet insistence on linking agreement in strategic reductions to agreement in the defense and space area, and given United States refusal to discuss in specific terms limitations on space testing and what is permitted and prohibited by the ABM Treaty.

The Soviets tabled their latest proposal in this area on July 29 which retains much of what they had previously tabled. It is reported, however, to contain an important new element: a comprehensive list of weapons to be barred from space testing. Given this new element of the Soviet proposal, it remains to be seen whether or not our negotiators will be given the flexibility to discuss limitations on space testing as they relate to the ABM Treaty. Without such a development, we will be standing still, not negotiating toward a strategic arms control agreement.

The Subcommittee on Arms Control, International Security and Science held a hearing last week on an "Overview of U.S. Arms Control Policy." The point was made by several of our witnesses, including John Steinbruner, of the Brookings Institution, that unless our negotiators are given the flexibility to examine in detail what is permitted and prohibited by the ABM Treaty and what is meant by the traditional interpretation of the treaty, the deadlock in this area of the talks cannot be broken. On this point, Major General Burns, Deputy Assistant Secretary for Arms Control, Bureau of Politico-Military Affairs, at the Department of State, testified before the subcommittee that,

> The administration at the present time has stated publicly that it is prepared to stay within the narrow interpretation of the Treaty. The administration believes that is has every right at the time and place of its own choosing to move toward a broader interpretation. Our negotiating strategy in Geneva is based on not only the current administration position, but on the specific narrow interpretation.

On the one hand it is reassuring that the administration has again confirmed the traditional interpretation of the treaty as current U.S. policy. It is disturbing, however, to hear the administration continue to promote the broad interpretation, which in the view of past negotiators to the treaty, former Secretaries of State and Defense, and a bipartisan majority in Congress, including myself, remains devoid of legal justification and common sense.

As chairman of the Foreign Affairs Committee and its Subcommittee on Arms Control, International Security and Science, I will continue to work with this administration to achieve a verifiable agreement in the one area where we have made headway, INF, and to encourage movement in those areas where we remain at a standstill, the strategic and defense and space areas.

At this point, I am inserting in the RECORD two background papers based on public sources that describe "Areas on Agreement at the Geneva Arms Control Talks" and "Unresolved Issues at the Geneva Arms Control Talks."

AREAS OF AGREEMENT AT THE GENEVA ARMS CONTROL TALKS

STRATEGIC

General Approach.—50 percent reduction in strategic offensive forces.

Strategic Nuclear Delivery Vehicles.—1,600 ceiling on the number of SNDVs which includes ICBMs, SLBMs and heavy bombers.

Warheads.—6,000 warhead ceiling to include ICBM warheads, SLBM warheads, and ALCMs (air-launched cruise missiles), with each heavy bomber equipped for gravity bombs and SRAMS (short-range attack missiles), counting as one warhead.

Heavy Bombers.—Each heavy bomber counts as one SNDV. All bombs and SRAMs on one bomber count as one warhead under the 6,000 ceiling, and each ALCM would count as one warhead in the 6,000 ceiling.

INF

Global elimination of U.S. and Soviet LRINF (Long-Range Intermediate Nuclear Forces) and SRINF (Short-Range Intermediate Nuclear Forces).

Destruction of missiles and launchers which are eliminated.

No conversion of missiles and launchers to other types of weapons systems.

LRINF warheads in Europe reduced to zero for each side by the end of 1991 (4 to 5 years).

Agreement on INF reduction is not contingent upon resolution of other issues outside the INF negotiations. General Secretary Gorbachev agreed to this at the November 1985 Geneva summit.

DEFENSE AND SPACE

While both sides propose a different formula and duration for adherence to the ABM Treaty, both sides make a Defense and Space agreement contingent upon agreement in the Strategic area.

For the U.S., a Defense and Space agreement is contingent upon implementation of 50 percent reductions to 1,600 SNDVs/6,000 warheads in strategic offensive arms over 7 years from entry into force of a Strategic agreement. For the Soviets, a Defense and Space agreement is a precondition for strategic offensive force reductions.

(Based on administration and Congressional Research Service sources—August 1987.)

UNRESOLVED ISSUES AT THE GENEVA ARMS CONTROL TALKS

STRATEGIC

General Approach

United States.—50 percent reduction in strategic offensive arms to equal levels carried out in a phased manner over 7 years from the date the treaty comes into force. A second phase for elimination of all offensive ballistic missiles has been deemphasized.

Soviet Union.—50 percent reduction in strategic offensive arms within 5 years, with subsequent negotiations for additional reductions. If the United States wants, all strategic nuclear weapons or all offensive ballistic missiles to be eliminated in second five years.

Linkage

United States.—Agreement not contingent upon the resolution of Defense and Space issues. General Secretary Gorbachev agreed to this at the November 1985 Geneva Summit.

Soviet Union.—Agreement contingent upon (1) agreement of Defense and Space issues and (2) commencement of negotiations on a comprehensive test ban (CTB).

Warhead Sublimits

United States.—Sublimits of 4800 ballistic missile warheads; 3300 of the 4800 total can be ICBM warheads. Of the 3300, no more than half (1650 warheads) can be on ICBMs that are not silo-based (i.e. mobile), or are heavy, or which possess more than 6 warheads (this would include the Soviet SS-18 and SS-24 and the U.S. MX).

Soviet Union.—No subceilings and the Soviets have withdrawn their earlier proposals for sublimits of 80–85% of warheads on ballistic missiles and 60% of warheads on one leg of the triad.

Heavy ICBMs

United States.—There must be substantial reductions in heavy ICBMs. Heavy ICBMs would be included in the 1650 sublimit.

Soviet Union.—The Soviets have agreed to a 50% reduction in the warheads on the SS-18 from 3080 to 1540.

SLCMs (Sea-Launched Cruise Missiles)

United States.—Limits on SLCMs to be negotiated separately.

Soviet Union.—Ceiling of 400 on SLCMs that each side could deploy with a range of more than 600 kilometers, or about 400 miles.

Mobile ICBMs and New Systems

United States.—Mobile ICBMs banned unless agreement on verification can be reached. Ban on new or modernized heavy missiles.

Soviet Union.—Mobile ICBMs permitted. Ban on new types of strategic delivery systems.

Verification of Compliance

United States.—Exchange of data both before and after the reductions take place, on-site inspection to verify data exchange and to observe elimination of weapons, and an effective on-site monitoring arrangement for facilities following the elimination of weapons. Use of and non-interference with national technical means of verification.

Negotiations on the details of verification should take place in parallel with negotiations on reductions of weapons.

Soviet Union.—Agreement in principle to many aspects of the U.S. proposal for verification of compliance, but the Soviets appear to be more restrictive in terms of access for on-site inspection.

Defer negotiating details.

INF

LRINF (Long-Range Intermediate Nuclear Forces)

Verification: (The following verification information may be modified to reflect the potentially less stringent verification requirements of a global double zero LRINF and SRINF agreement.)

United States—The U.S. has three basic verification objectives for an INF agreement; (1) to ensure confidence in the agreement; (2) to deter violations by increasing the risk of detection; and (3) to permit quick and unambiguous detection of any violations, thereby providing timely warning of a potential or actual threat to allied security.

The U.S. has proposed 6 elements of a verification regime to achieve these objectives:

(1) No interference with NTM. Broadcast of engineering measurements on missile flights, a ban on encryption and a ban on concealment measures that impede verification.

(2) Specification of areas and facilities where treaty-limited systems may be located (called Designated Deployment Areas and declared facilities), and prohibitions on their presence elsewhere unless in authorized transit.

(3) Reciprocal exchange of a specified, comprehensive set of baseline data related to treaty-limited systems and their facilities and equipment.

(4) Reciprocal updating of these data.

(5) Specialized procedures for destruction, dismantlement and conversion of LRINF systems, including on-site inspection. On-site inspection will be required at the specified destruction sites to confirm the elimination of missiles, launchers, and specified launch-related support equipment.

(6) On-site inspection/monitoring initially to verify baseline data and subsequently to ensure continuing compliance with the treaty limitations. This element is supported by four types of on-site inspection plus monitoring provisions included in the U.S. draft treaty:

(a) an initial comprehensive inspection to confirm the baseline data;

(b) inspections to verify the elimination of systems reduced under the provisions of the Treaty;

(c) short-notice inspections at U.S. and Soviet "declared" facilities; and

(d) short-notice inspections at other U.S. and Soviet facilities and continuous presence to monitor the permitted residual levels of treaty-limited systems. This last set of measures includes continuous monitoring of certain critical U.S. and Soviet facilities for the production, final assembly, repair and storage of treaty-limited systems.

The administration makes the point that no verification regime can provide complete assurance that the permitted residual missile inventory is not exceeded. However, supplementing our National Technical Means of verification with a comprehensive verification regime with clearly delineated, stringent verification obligations would help make it more difficult for the Soviets to have an illegal inventory.

Soviet Union.—The Soviet Union has agreed in general terms on strict and intrusive inspection, including:

(1) Exchange of date before and after reductions of missiles.

(2) On-site monitoring of destruction of missiles.

(3) On-site inspections of remaining weapon systems and associated facilities.

SRINF (Short-Range Intermediate Nuclear Forces)

United States.—Prohibition of development and deployment of missiles in the 1000-1800 kilometer range. There are no U.S. or Soviet missiles in this range band at this time.

These negotiations are bilateral and it is inappropriate to include third country systems or to affect U.S. patterns of cooperation with its allies, i.e. the 72 West German Pershing 1A's would not be included. (The Pershing 1A warheads are controlled by the U.S.)

Soviet Union.—U.S. warheads on West German Pershing 1A missiles would have to be eliminated.

Verification of Compliance:

United States.—Exchange of data both before and after the reductions take place.

On-site inspection to verify data exchange and to observe elimination of weapons.

Effective on-site monitoring arrangement for facilities following the elimination of weapons.

Use of, and non-interference with, NTM.

Negotiations on the details of verification should take place in parallel with negotiations on reduction of weapons.

Soviet Union.—Agreement in principle to many aspects of the U.S. proposal for verification of compliance, including exchange of data and on-site inspection to confirm elimination of systems and residual levels. There is no provision for on-site inspection of undeclared or suspect sites.

Earlier the Soviets wanted negotiation on verification details to be deferred. Now the Soviets have begun to discuss their verification approach.

DEFENSE AND SPACE

Strategic Defenses and the ABM Treaty

United States.—Mutual commitment through 1994 (7 years) not to withdraw from the ABM Treaty for the purpose of deploying strategic defenses not permitted by the ABM Treaty.

During that period, strictly observe all ABM Treaty provisions while continuing research, development and testing, which are permitted by the ABM Treaty. (U.S. Negotiators are not authorized to discuss limitations on space testing, or what is permitted and prohibited by the ABM Treaty.)

Soviet Union.—Mutual commitment not to withdraw from the ABM Treaty for 10 years from entry into force of this agreement.

During that period, strictly observe all of the Treaty's provisions. Space-related ABM research permitted only at ground-based laboratories, ABM test ranges and factories.

Both sides would agree on a list of space-based devices which would not be allowed to be put into space in the course of strategic defense research.

The Soviets included in their July 29 Defense and Space proposal a comprehensive list of weapons to be barred from space testing.

Agreement Contingency

United States.—This commitment would be contingent upon implementation of 50 percent reductions to 1600 SNDVs/6000 warheads in strategic offensive arms over 7 years from entry into force of a Strategic agreement.

Soviet Union.—Agreement in Defense and Space is a precondition for strategic offensive force reductions.

Deployment of Strategic Defenses

United States.—Acknowledgement that either side shall be free to deploy advanced strategic defenses after 1994 if it so chooses, unless the parties agreed otherwise.

Soviet Union.—Before the end of the 10-year commitment of non-withdrawal, the sides would begin negotiations to reach a mutually acceptable decision on how to proceed further.

The Soviet position does not provide for the right to deploy in the absence of an agreement.

Exchange of Data and Observation of Testing

To enhance predictability in the area of strategic defenses, the United States proposed an annual exchange of data on planned strategic defense activities, reciprocal briefings on respective strategic defense efforts, visits to associated research facilities, and establishment of procedures for reciprocal observation of strategic defense testing.

Previous U.S. Positions that Remain on the Table

(1) At Reykjavik, the President proposed a mutual commitment, through 1996 not to withdraw from the ABM Treaty. This commitment would be contingent upon 50% reductions in strategic offensive arms by the end of 1991 and the total elimination of all remaining U.S. and Soviet offensive ballistic missiles by the end of 1996. Either side would be free to deploy advanced strategic defenses after 1996 if it so chooses, unless the parties agreed otherwise; or

(2) In his July 25, 1986 letter to General Secretary Gorbachev, President Reagan proposed that the sides agree not to deploy advanced strategic defenses for a period through 1991. Thereafter, if either side wished to deploy such defense, it would present a plan for sharing the benefits of strategic defense and eliminating ballistic missiles. The plan would be subject to negotiation for two years. If, at the end of two years, the sides were unable to reach agreement, either side would be free to deploy defenses after giving 6 months notice.

(Based on administration and Congressional Research Service sources—August 1987.)

A TRIBUTE TO THOMAS W. GLEASON: A LIFETIME OF ACCOMPLISHMENT AND DEDICATION WORKING FOR THE DIGNITY OF WORKERS EVERYWHERE

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1987

Mr. KEMP. Mr. Speaker, a man's work is a monument to his life. Teddy Gleason's lifework is the International Longshoreman's Association, and the ILA is a monument to the inalienable rights of economic justice and equal opportunity for all Americans.

This year, Teddy Gleason is stepping down as president of the International Longshoreman's Association. He has been a loyal, lifetime member of the ILA, a leader and a legend in this union going on 68 years. His grandfather was a dockworker. His father was a dockworker. He began working on the docks of New York's West Side when he was still a boy.

Now, in this twilight year of service, he stands a giant of American labor—I am proud to salute Teddy Gleason and honored to call him my friend. Today, along with my colleagues Representatives HELEN BENTLEY and JACK FIELDS, I am asking that the tribute to

Thomas Gleason "24 Years of Progress," be reprinted in three separate parts.

Godspeed Teddy Gleason to you and your dear family from all your friends.

THE GLEASON ERA: 24 YEARS OF INSPIRED LEADERSHIP—A TRIBUTE

The International Longshoremen's Association, AFL-CIO has enjoyed a number of landmark occasions but none probably more so than Monday, July 18, 1983.

It was the opening session of the 46th ILA Quadrennial Convention and it proved to be one of the most historic days in the 91-year-old union's history.

Ronald W. Reagan, the President of the United States, at the personal request of ILA President Thomas W. "Teddy" Gleason, came to address the convention. It marked the first time a U.S. President attended an ILA Convention.

"It's a pleasure to be here at this gathering of the International Longshoremen's Association, and it's always a pleasure to be with Teddy Gleason," President Reagan said at the opening of his remarks. "I'll tell you what I've always liked about Teddy. He sticks by his union, he sticks by his friends and he sticks by his country; the kind of integrity and loyalty that is hard to come by today.

"And one reason I wanted to come here was to thank Teddy and you members of the ILA for your generous support and encouragement," President Reagan continued. "Having the support of union members like yourselves has meant a great deal to me. I hope I've returned that support."

President Reagan's gracious remarks to Teddy Gleason and the ILA are clearly a reflection of what so many other Americans have come to know over nine decades. The ILA remains one of the most influential unions in the country and Teddy Gleason has carved out a very large place in the history of the American Trade Union Movement as one of its most powerful and dynamic leaders.

When Thomas W. "Teddy" Gleason, Sr., steps down as President of the International Longshoremen's Association, AFL-CIO, in July 1987, it will mark the conclusion of a remarkable era in the history of the ILA, as well as of all organized labor in the United States. Over the course of the preceding 24 years under Gleason's baton, the ILA attained unprecedented heights of financial and organizational stability, of respectability as a determined and forthright labor union, in the working conditions of its members, in protecting its members' work jurisdiction and in servicing their needs on national as well as local bases. Under his capable direction, and with the assistance of dedicated fellow officers and a supportive rank and file, Teddy Gleason projected the ILA onto the international scene, whether as an ambassador of American labor or as a leader on fundamental issues of trade unionism and human rights that touched upon the welfare of working men and their spokesmen around the globe.

President Gleason's crown of accomplishments on behalf of his members is studded with the farsighted wisdom and major victories for which he is now a legend. They are visible in the landmark wage and benefit packages that Gleason-led teams have won at the bargaining table, advances that have been the envy of labor everywhere. They were the hard-sought, imaginative answer to the types of problems and dilemmas faced by workingmen throughout our nation in the second half of this century. The very survival of whole industries employing organized workers have succumbed to automation, foreign competition, recessions and anti-union basis.

Teddy's response to the ravages of automation upon the job opportunities of his members was the Guaranteed Annual Income ("GAI") program. It is timing, scope and magnitude made it more than a simple innovation. It effectively prevented the wholesale gutting of the longshore workforce; it forestalled the dismemberment of long-established units and of family structures tied to waterfront employment. While creating a cushion for the beleaguered longshoremen's income, it also served—and still served—to remind management: "your employees, upon whose backs this industry has grown and prospered, most not be taken for granted. They will not be left to bear alone the costs of increased productivity or progress from which you most handsomely profit".

Rivaling GAI in prominence among President Gleason's many feats in securing his member's job were the embodiment of work preservation provisions, known as "The Rules on Containers," in industry collective bargaining agreements, and the landmark judicial decisions which upheld the Rules in their entirety. These were the culmination of forceful and determined struggles by Teddy and his teammates throughout four successive administrations to oppose the syphoning-away of the vestiges of cargo-handling activity retained by the ILA as containerized cargo surpassed and superseded break-bulk shipments through U.S. ports. The ILA pursued the unrelenting fight for thirteen long and difficult years, buffeting stormy arguments and smokescreens put up by truckers and off-pier consolidators before administrative agencies and through the courts, until the sun finally shone through. Though the fires still are smoldering, the point nevertheless has been made that ILA deepsea longshoremen have the *right* to preserve their traditional work of handling ocean cargo.

Teddy Gleason followed through with this recurring theme that dominated his presidency when he seized the opportunity between contracts to propose a "Job Security Program (JSP) to protect his members' fringe benefit funds from shortfalls at a time when they were barred from enforcing the Rules. The resulting losses of work compounded the impact of galloping containerization on the man-hours used to gauge employer contributions to the funds. The idea that the carriers, who caused as well as benefitted from these developments, should be accountable for their effects by not just making, but also by backing up, their supplemental commitments, was a creative and fitting accompaniment to GAI. During the suspension of the Rules. JSP served a very important role, which unions in this and other industries undoubtedly can turn to when the situation is appropriate.

A further illustrious triumph achieved by President Gleason, and a high point of his ongoing legislative programs, are in 1972 amendments to the Longshoremen's and Harborworkers' Compensation Act. After close to four decades of financial inequities to longshoreman who were injured in what has been termed the second most accident-prone industry in the nation, were finally given compensation in line with vastly changed economic realities. The federal statue that resulted far outstripped grossly deficient, widely varying state compensation laws, which bore no resemblance to the effects on the livelihoods of injured longshoremen and their families from accidents in their line-of-work. Moreover, longshoremen, whose shoreside worksite had greatly expanded over the years, were covered virtually wherever they worked.

President Gleason again rallied his forces when these amendments came under attack in 1983-84, in order to prevent their disembowelment. When the final chapter was rewritten, not only was the hemorrhaging stopped; ambiguities in coverage were clarified and the longshoremen's protections and benefits were reasserted and shored-up.

Despite the enormity of all of these accomplishments, the resignation that normally would follow such victories were not to be savored by the ILA's leadership. To the contrary! Challenges by longshore employers who traditionally bargained with the ILA and confrontations with those who sought to wrest work away from its members, have raged with increasing tempo and boldness. Once again, Teddy Gleason's mettle was tested and not found wanting.

Together with John Bowers, his trusted second-in-command, and their associates, Gleason never wavered or gave any quarter. He again marshalled his Executive Council to face and repel the onslaughts from every direction.

True to his upbringing and reputation, the feisty, eternal dockworker has always known where he was going and whom he was leading. His name had become synonymous with boundless energy, integrity and achievement. His legacies to his flock are the products of his life's work. In his eyes, his rewards are in seeing them stand tall and enjoying the rightful fruits of their labor. He revels not only in their contributions to the domestic and worldwide transportation industries but also to the communities in which they live and work.

A man of Teddy's stature and drive might be perceived as too busy or above-it-all to be concerned with the everyday problems of rank-and-file members. Teddy Gleason's ways contradict this traditional image! The door to his office has always been wide open to whoever has sought his counsel or help, and whether or not they agreed with him. Members'—even strangers'—questions and letters have always been timely answered, and politely, too. For Teddy, all men are created in God's image; he sees and deals with them not only as workers but as human beings with human strengths and frailties. Rarely, if ever, were they disappointed.

Teddy's good works and missions as a vibrant, frontranking official of the AFL-CIO and of the International Transport Workers Federation ("ITF") have brought him personal renown while reflecting great credit upon the ILA. They reverberate in the hearts of downtrodden laborers in South Africa, Chile, Poland, Nicaragua, occupied Northern Ireland and from wherever else the cry is heard. They are harbored in the consciousness of persecuted Afghans and of depressed seamen, whose causes he has championed.

Equally, if even not more pronounced, is his celebrated devotion to his country, as the standard-bearer of the "I Love America" Union. He has always set the example for his men of patriotism over self-concern, principle over gain, characteristics that President Reagan so eloquently expressed at the 1983 ILA Convention.

These, then, are the measures of this great worker, leader, and human being, to whom we bid farewell after a record 24 years in the highest office that could be bestowed by his brethren. But it is only a pause for him. Still more greatness is expected from him in the years ahead, as the respected dean of America's organized labor movement. It is anticipated that he will assume other unique tasks within and beyond the longshore and transportation industries, both at home and abroad. This little giant of a man is owed a huge debt of gratitude as he is wished Godspeed and good health for the future.

THE FIRST ADMINISTRATION (1963-1967)

When Teddy Gleason assumed the ILA's Presidency at the 40th ILA convention in July 1963, the union was still in the process of recovery and consolidation. The struggle to keep its identity during the years while it was ousted from the AFL-CIO left it with major debts; automation was already over the horizon; the organization's administration needed a thorough face-lifting. With his new team, consisting of John Bowers as Executive Vice President, Fred Field, Jr. as General Organizer and Harry Hasselgren as Secretary-Treasurer, the new ILA team brought a fresh, almost surgical approach to the problems at hand.

Their first step towards placing the union's house in order was to change the house. It moved to 17 Battery Place, a prestigious location facing the harbor, where its members made their living. The staff was beefed up in order to serve the members properly. Debts were eliminated and financial resources were rebuilt by raising the *per capita* tax, extending the check-off, and businesslike fiscal planning and budgeting. A Washington office was opened as a direct line of communication with the country's nerve center, where legislation and policies affecting the union's members could be initiated and monitored. Communications between the leadership and the rank and file were vastly improved. Teddy and the International's officers personally visited ILA ports to study local issues and problems and to get to know the men better. An ILA newspaper was created to keep the membership informed on what was going on in New York and elsewhere throughout the Union's jurisdiction. The Union once again became a dynamic, cohesive force, of which every member could be proud.

The effects become evident in the 1964-1965 negotiations. Experience, insight and intuition sparked the ILA leaders to insist upon a major innovation in American labor practices. They grasped the severe implications of containization and other forms of automation upon the jobs of their members. The solution, following eleven months of negotiations and a difficult two-month strike, was the Guaranteed Annual Income, an annuity-type program that brought security and stability to working men who faced job extinction at the cost of "progress."

In one great move, the now unified longshoremen reversed their fate and took control of their future. Every dockworker in the port of New York who worked over seven hundred hours in the previous year was guaranteed up to 1600 hours of work or pay after April, 1966. Though members in other ports received somewhat lower guarantees, they all saw their wages and fringe benefits rise steadily. The employers' strategy of attempting to placate northern members at the expense of their southern brethren also was foiled. Southern gang sizes were increased and other differences between longshoremen working in the south and in the north were substantially reduced.

Gleason forged this program and led the fight for its adoption. Bowers, equally able, persuasive and pragmatic, presented it to the membership for their acceptance. All in all, it symbolized a momentous turnaround in the ILA's effectiveness and image. It opened the way to eliminating wage disparities throughout the Union's jurisdiction.

The ILA's leaders also were called upon to take a more active part in international, just as in local and national, affairs. Teddy Gleason and other ILA officers played important roles: Vietnam, Nigeria, and other spots around the globe, whether helping out the military to clear port bottlenecks or to survey port facilities in friendly countries. In 1967, President Gleason was elected to the General Council of the International Transport Worker's Federation (ITF), an active worldwide organization in all areas of cargo and passenger movements. During this period, Gleason also demonstrated his commitment to maintaining a strong, self-sufficient American merchant marine. In the first of many such episodes through the course of his Presidency, Gleason took an early stand to enforce the Congressional policy of carrying American cargo (grain) in American bottoms by locking arms with other unions in the maritime industry. The initial effort succeeded, confirming Gleason's characteristic attitude that where there is a will there is a way. The great need for that will was not long in coming.

THE SECOND ADMINISTRATION (1967-1971)

By the time that the 41st ILS convention rolled around in July 1967, the handwriting on the wall was becoming increasingly clear to President Gleason and his colleagues. Neither GAI nor container royalties could compensate for millions of manhours lost to waterfront employment due to containerization. Gigantic sophisticated vessels were being constructed to haul containers. Gleason and Bowers railed at the vessel owners, who were moving the container consolidation and deconsolidation work to off-pier stations and warehouses, by all manner of subterfuge. The ILA raised the clarion call for industrywide bargaining and tighter, more effective policing of container movements in order to protect and preserve their members' work. Their worst fears were being realized and they knew that something drastic had to be done if the tide of disappearing jobs was to be stemmed.

When the 1968 negotiations arrived, they threw down the gauntlet. With the membership solidly behind them, the union stood firm in demanding that the employers give written recognition to their rights to handle certain cargo moving in less-than-container loads or nonconsolidated full container loads within a reasonable distance of any ILA port. It was a first, but necessary and difficult step, that only came about after a long and bitter strike and Presidential intervention.

These provisions, known as the "Rules on Containers," eventually came to represent a most important feature of industry collective bargaining and of the longshore employers' commitments to its workforce. Capped with a non-arbitration clause, the Rules provided the testing ground for the viability of that relationship in the face of repeated violations, governmental attacks and close to a decade and a half of widespread, yet intensive, litigation that has not yet fully subsided.

Incorporation of the Rules was a highlight in the history of ILA bargaining, but it was far from the only victory in those negotiations. Wages and benefits rose to unprecedented highs, while GAI was increased to a maximum of 52 weeks a year, or 2080 hours in the Port of New York. Other port areas similarly saw increases in benefits. Pension benefits were substantially increased and eligibility liberalized in all ports as part of the renewed emphasis on the importance of these features in longshore compensation. Annual ILA-Employer Conferences were inaugurated to educate fund administrators, trustees and others to the changing and expanding laws that pertained to these programs. Meanwhile, membrers' vacations and holidays were also increased in 1969 and 1970, including the Atlantic Coast District honoring Martin Luther King by celebrating his birthday as a recognized holiday.

Numerous other improvements in the well-being of longshoremen and their families marked President Gleason's second administration. A "Joint Safety Committee" developed the first comprehensive safety code in the industry for both conventional and containerized operations. It served as a model for adoption in many ports throughout the ILA's jurisdiction. Medical centers were established in some ports and expanded into others to give a full range of coverage to meet the members' and their dependents' needs. A wide range of insurance policies was introduced to protect them from financial disasters in times of illness, accidents and death, giving members greater peace of mind.

It was also a time of phenomenal growth and vigor. The 12,500 licensed deck officers of the International Organization of Master Mates & Pilots joined the ILA as its International Marine Division, raising the union's membership to close to 130,000 workers. The ILA thus expanded its role as a credible spokesman for all sectors of the American maritime industry that was rapidly deteriorating. At the same time, the outreach program in organizing successfully encompassed a wide range of related industries and occupations, including warehousemen, packers and refinery workers. Cooperation between the Districts, Locals and the International reached unknown heights during this period.

President Gleason's great leadership abilities and his Union's unrivaled successes did not go unnoticed. The ILA obtained representation on the AFL-CIO's Executive Council when Teddy Gleason was elected as a Vice President. This paralleled Gleason's many travels as an AFL-CIO and ITF representative to congresses and to countries around the globe in a continuing crusade to improve the economic and social conditions of less fortunate and oppressed workers who were organized labor's and Teddy's special concern. His designation to the AFL-CIO's African-American Labor Center and to the Executive Council of the Interamerican Regional Organization of Workers, his inspection tour of Mexico, his constructive suggestions respecting African port facilities, all of which occurred during this administration, set the pattern for the broad range of interests and problem-solving in which Gleason and the ILA engaged—not only then but in the years that followed. This extended to concern and involvement by the ILA and its members in disputes involving sister unions both within and outside of the ILA's fold. No cause was too small or problem too large to tackle.

The ILA led the way in prompting passage of the Merchant Marine Act of 1970 that fostered subsidies for the construction and operation of the U.S. merchant marine. It campaigned for a strong maritime program to restore our nation's leadership at sea and in international commerce. It was a time when the ILA's officers and rank and file turned their attention to participating in ever greater numbers in national, community and charitable programs and institutions, where they served with great honor that reflected upon the ILA's good name and credit. The ILA's scholarship funds blossomed and increased in size and participation. Teddy and his team could be proud of what they had achieved over such a relatively short span of time in office.

A TRIBUTE TO THOMAS W. GLEASON—THE LONGSHOREMAN OF ALL TIME

HON. HELEN DELICH BENTLEY

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1987

Mrs. BENTLEY. Mr. Speaker, it has been one of my fortunes to have known on a professional basis for some 25 years the man who will go down in history as the one holding an all-time record both as a union member and union official.

As a newspaper editor for the Baltimore Sun, I became acquainted with Teddy Gleason at the 1953 Convention of the International Longshoremen's Association in Philadelphia. Our paths crossed many times in succeeding years—usually on a friendly basis, but there were times when I was Chairman of the Federal Maritime Commission that we almost were tossing swords—not sharp ones—at each other.

I feel grateful that I was able to learn so much at the feet of the man who proudly turned the initials of his union to say "I Love America." This remarkable 88-year-old leader is indeed an outstanding American. I am proud to join with my colleagues JACK KEMP and JACK FIELDS in honoring him.

THE GLEASON ERA: 24 YEARS OF INSPIRED LEADERSHIP—A TRIBUTE

THE THIRD ADMINISTRATION (1971-1975)

Teddy Gleason's third term of office found him and the ILA pitted against very sinister forces within and without the industry. These sought to undo their hard-won agreements to preserve and protect their work jurisdiction. Investigators, as well as lawsuits, exposed carriers in the Puerto Rican and other trades which bypassed their agreements by giving containers to off-pier consolidators and warehousemen for stuffing and stripping. These practices were camouflaged by false and misleading documentation, which permitted the empty and loaded containers to move over the piers without detection by the Union or control by the container committees set up by the Rules.

A new agreement was negotiated in an atmosphere of tension and distrust. Essentially, it continued the pattern of upward improvements in wages and benefits and included an additional container royalty for fringe benefit purposes other than cash supplemental benefits. However, greatest attention was paid to the details of longshore employment. The Container Rules were expanded to encompass LASH vessels; a 30-day cancellation clause was incorporated; and the container committees were given more authority to police violations. However, violations persisted to the point where, in January, 1983, the parties met in Dublin, Ireland to negotiate implementing provision known as the "Dublin Rules." Among other things, they prohibited carriers from giving containers to off-pier consolidators and distributors who operate off-pier facilities in violation of the Rules.

Teddy and his associates appeared relieved that the solution that they so diligently pursued finally appeared at hand. Unfortunately, they hardly had time to toast their achievement before it was challenged by two New Jersey consolidators who sought to strike down the Dublin Rules by using the National Labor Relations Board as their vehicle. In the summer of 1973, the Board obtained an injunction against enforcement of the Rules. An administrative law judge thereafter found that the ILA was using them not to engage in a "secondary boycott," but as valid work preservation provisions. The case was immediately appealed to the Board where it lingered for close to a year.

It was a time for closing ranks. Under the sword of a pending Board decision, the ILA and management concluded their first agreement without a strike. This feat was a master stroke for Teddy Gleason, but not at the expense of rank and file. Wages were increased $2.72 an hour over a three-year period, pensions rose as well. The Dublin Rules were included and reaffirmed in the agreement. And Teddy's dream of a nationwide agreement came closer to realization.

Characteristically, President Gleason could not be overwhelmed or lulled into complacency by all that the ILA had achieved to that time through litigation and negotiations, Mindful of what was over his shoulder and where he stood, his thoughts were always to the future. His words were not of smug, self satisfaction and applause; they were warnings and prophecies of the growing menace of "mini-bridge" and "landbridge" being used by the major operators to bypass East Coast ports and longshore handling via the West Coast by rail. He foresaw the losses of further millions of manhours and of industry dollars. He rallied his troops to be prepared for further adversity.

Gleason's concerns and activities did not stop at the shoreline. He was elected as one of three Vice Presidents of the ITF, representing more than six million transport workers in 78 countries of the free world. He participated in White House conferences on serious economic problems; was part of an AFL-CIO mission to Israel during a crisis; and gave comfort and support to trade unionists in South American and other countries. He visited countries far and wide to protest repressions and restrictions of trade unionists and to plead on their behalf. He pledged the ILA's humanitarian assistance wherever and whenever natural disasters occurred around the globe.

Gleason's and the ILA's voices were now being heard not just from New York but also from Washington and around the world wherever its interests lay. It was ready to undertake still greater roles and commitments as the consistency of longshore labor. This consciousness came to full fruition over the course of the years that followed, as Gleason and Bowers led the ILA in waging major battles of principle and conscience, not just for the ILA and its members' interests, but of great importance to all labor in this country and to suppressed laborers and their kin thousands of miles away and for maritime interests throughout the free world.

THE FOURTH ADMINISTRATION (1975-1979)

In December, 1975, the National Labor Relations Board set off an avalanche of litigation when it issued a legally erroneous opinion which overruled its astute Judge and declared the Rules invalid. In a series of wrongful rulings, unfortunately upheld by the courts, the Board ruled that the ILA could not enforce on-pier stripping and stuffing, or the 30-day warehousing provision or prohibit the off-pier "shortstopping" of full-shipper-load containers. In the rulings' wake followed lawsuits brought by the supposedly affected parties in the millions of dollars against the ILA and the carriers under antitrust, secondary boycott and other federal laws. Meanwhile, the Federal Maritime Commission struck down the Rules under the Shipping Act and required collective bargaining agreements to be filed for its approval.

The ILA did not sit idly by. It put the pressure where it belonged, namely, upon the automated carriers whose container-handling processes prompted and encouraged the litigation.

In April 1977, the ILA cancelled the Rules and conducted a selective strike against the carriers. Renegotiation of the contract resulted, requiring an additional royalty payment and agreement from the carriers and the Department of Labor to support the ILA's effort before the NLRB and the FMC. As the contract neared its end, the ILA officials become increasing concerned that the turn of events, which meant severely reduced cargo tonnage and reduced manhours for ILA longshoremen, would jeopardize the solvency of the waterfront workers' fringe benefit funds. Teddy Gleason declared a selective strike against the carriers. It proved to be a bold and very successful move.

At the ILA leaders' insistence, the carriers adopted a new, innovative concept called the Job Security Program ("JSP") between the International and signatory carriers to insure that the fringe benefit funds in 34 ports from Maine to Texas would be protected. JSP provided guarantees for local funds negotiated in each of the ports and would be triggered in the event of a shortfall of funds. JSP assured the payment of local benefits negotiated by the employers with the ILA and its affiliates.

JSP was the highlight of a historical agreement that, by virtue of its inclusion and the terms of the Master Agreement, effectively become the first coast-wide contract between Management and the ILA. To their great credit, this long-sought goal by the ILA's leadership-and by Teddy in particular-came about under the most difficult conditions and outside pressures. It was all the more admirable in view of the 32 percent wage/benefit package, including the largest wage increases ever negotiated between the parties. ILA members soon earned $10.40 an hour, with welfare contributions of $1.50 and pension of $2.25 per hour. This brought the ILA to new heights in job security benefits and prominence in the entire labor movement.

These accomplishments alone would more than satisfy most labor unions, even those in more advantageous circumstances. However, the accomplishments of this ILA administration exceeded all expectations.

Longshoremen everywhere in the nation were now benefitting from the ILA's fight in 1972 to amend the scope of coverage and compensation for injured longshoremen and others under the Longshoremen's & Harborworkers' Compensation Act. Longshoremen no longer had to be concerned with precisely where on ship or shore they were injured in order to discover whether they were covered by the vastly improved federal rates or by the antiquated provisions of state statutes. At the same time, Joseph Leonard, the ILA's renowned Safety Director and National Safety Council Honoree, was moving on many fronts. He prompted OSHA, the Department of Labor, and industry officials to take effective measures to ensure the safe handling of hazardous cargo and the replacement of damaged containers, introduced and oversaw safety and instruction programs, and took measures to prevent further disasters involving grain elevators. Leonard had the full backing of President Gleason and the ILA's Executive Council in carrying out his programs.

ILA members also took the initiative in challenging the Soviet Union's freewheeling, injurious inroads into free world shipping that threatened the U.S.'s and our allies' merchant marines. ILA members boycotted Russian grain ships in Baltimore, Houston and elsewhere in 1976 and refused to discharge buses from a Soviet vessel in 1978, that contravened federal policies designed to encourage the use of U.S. bottoms. In 1979, the ILA-Employers Educational Foundation, Inc. convened a major conference in London and Ireland to discuss the containment of Soviet practices at sea. Participants also looked into the effects of automation in countries around the globe and other topics of concern to industry representatives of this and other countries.

Russia was not the only target of the ILA members' protests. In 1977—and again in 1978—Gleason and other AFL-CIO representatives interceded with the President of Chile to put a halt to the harassment, imprisonment and restriction upon trade unionists in that country. When urgings did not succeed, the ILA rallied labor unions in this country to refuse to handle Chilean-bound military cargo and to refuse to handle other cargo destined for that country. As a result, the Chilean government lifted the restrictions and other repressive measures. Pressure was brought upon the Nicaraguan government with similar effect.

As stated earlier, Gleason and his fellow officers were very conscious of the ILA's fiscal stability as a modern, active labor union. They foresaw that the extensive litigation, legislative programs, negotiations and services to the membership had to be funded on a viable, realistic basis, accounting for inflation and vastly expanded responsibilities. Accordingly, in November 1976, Gleason called a Special Convention, which approved an increase in the *per capita* dues (1% per man-hour for each hour paid for, at the regular straight-time rate of pay), in line with the vastly improved financial benefits which the members were enjoying. This assured the union's continued solvency and prepared it for the great challenges that lay ahead.

During this period, the ILA's ranks grew even wider with the addition of the United Marine Division and its Local 333 (Tugboat Workers). The Uniformed Court Officers of the Supreme Court of the State of New York, a public employee group, also recognized the benefits of joining forces with the ILA to promote its legislative and other programs. Meanwhile, the ILA organized warehouses in Virginia, new locals on the Great Lakes, and opposed incursions on the jurisdiction of its affiliates by other unions, always in recognition of the principles of representation involved, rather than on the basis of the size of the locals or work units. This further enhanced the ILA's reputation as a steadfast, conscionable and loyal organization to be reckoned with.

THE FIFTH ADMINISTRATION (1979–1983)

Shortly after President Gleason and Executive Vice President Bowers were sworn in for their fifth successive term of office, the ILA achieved a tremendous break in the litigation over the Rules on Containers. An appellate court ruled that the Board committed a serious legal error in striking down the Rules. It found that the Rules represented a "reasoned response to the difficult problem of technological innovation" to be worked out through the collective bargaining process. As the case moved on to the Supreme Court for review, the parties proceeded to their second, now coast-wide, Master Contract without any interruption in work. It reaffirmed the Rules and the Containerization Agreement, and extended the JSP Program which was proving so successful in protecting the fringe benefits funds from shortfalls. ILA wages were pegged to reach a peak of $14.00 an hour (by October 1982) and substantial increases were made in the pension and welfare programs as well as in other benefits for retired members. Capping this agreement and in gratitude and acknowledgement of their leader's accomplishments on their behalf, the rank and file chose to celebrate Teddy Gleason's birthday as a new industry holiday.

This roll of upward movement and good fortune was topped by the June 1980, Supreme Court decision which denounced the NLRB's erroneous ruling and returned the case to the Board for further deliberation. The issue, as newly-framed by the High Court, was whether the stuffing and stripping work reserved by the Rules was equivalent to the longshoremen's former work of handling breakbulk cargo at the piers and controlled by their employers, or whether that work had been completely eliminated.

As a result, the ILA and the carriers entered into a new phase of litigation before the Board. Additional legal skirmishes ensued and the case was put before an administrative law judge in April 1981. In September, the administrative law judge issued a decision essentially upholding the Rules with respect to off-pier stuffing and stripping, over which he found that the ILA employers exercise a "right of control." The decision however, permitted the continued shortstopping of full-shipper-load containers and struck the warehousing rules, in direct contravention of the letter as well as the spirit of the ILA agreements.

In March 1983, the Board accepted its judge's conclusions. The ILA lawyers, as well as those for the truckers and consolidators, immediately appealed. Nevertheless, the Board decision set the stage for an unprecedented early settlement of the ILA Master Contract, which was due to expire in September 1983. In April of that year, Teddy Gleason led the union in arriving at a contract with the seven major waterfront employer groups who signed a Master Contract after only four days of negotiations and five and a half months before the deadline. This complete turnabout from the strike of earlier times, in achieving still further gains in wages, pension, welfare and other benefits, was hailed throughout the country as a model of effective bargaining and astute leadership. It further enabled the ILA's officers to attend to other momentous developments on the national and international scenes.

As earlier noted, President Gleason was the spokesman for the ILA's opposition to the Soviet Union's ongoing attempts to monopolize world shipping and international commerce. These sentiments were heightened when, in the summer of 1979, Russia violated its borders with Afghanistan, a peaceful neighboring country which it proceeded to overrun, ravage and lay desolate. The ILA's members refused to service Russian ships and cargo and pressed their International's executive officers to boycott the Russians. Ironically, this instinctive reaction was opposed by the President of the United States, who had initiated such activities. He unleashed his Department of Justice and the NLRB, which entertained secondary boycott charges by various entities doing business with and for the Soviets.

Patriotism, defense of the oppressed, and grass-roots outrage notwithstanding, in 1982 the U.S. Supreme Court and the Labor Board sympathized with the morality of the ILA's actions, but nevertheless found them to be beyond permissible political activity for unions. Like the battle to uphold the doctrine of work preservation exemplified by the Rules on Containers—a right that would benefit all labor unions in this country if it were to succeed—the ILA and its leaders had the fortitude and patience to carry on a solitary struggle to vindicate principles beyond its immediate concerns, because it appeared to be the right thing to do or that had to be done. It is this sort of courage and integrity that has characterized the Gleason administrations and which will be recorded in the annals of American labor history.

The reluctance of the government and the courts—even of other unions—to follow the ILA's lead, did not stop its members from further supporting their repressed and imprisoned brethren in Poland, when called upon to demonstrate their solidarity. Nor, for that matter, did it intimidate the ILA from engaging in other political activity where it could benefit its members and those who were the objects of its concern. Indeed, it had the opposite effect.

The ILA launched a vigorous lobbying effort to counteract a major onslaught by certain legislators against the historical coverages and benefits achieved by the ILA a decade earlier under the 1972 Amendments to the Longshoremen's and Harborworkers' Compensation Act. Elements in the longshore and insurance industries spurred on reactionary legislators to introduce bills reducing compensation and coverage, and thus turn back the clock in one of the most sensitive areas for the ILA and its members. Working through its New York and Washington offices, the ILA launched a careful, coordinated campaign to neutralize these attacks. In the end, the most ominous and serious threats were removed through negotiation and compromise. The result was a watered-down series of amendments that eliminated imbalances but preserved—and in certain respects even improved upon—the prime achievements in the 1972 legislation.

In addition, the ILA's efforts also succeeded in withdrawing the FMC's right to its prior approval of collective bargaining agreements. President Gleason and Executive Vice President Bowers also stepped up their visibility and voices in opposing protectionist legislation which would have the effect of undermining longshore employment, in supporting bills to regulate and control the diversion of cargo from U.S. to non-U.S. ports, to require the use of properly labeled and constructed containers in international commerce, and in giving the ILA's position on proposed laws affecting maritime movements and protection for the U.S. Merchant Marine.

As ever before, Gleason, Bowers, and the other officers in this forward-looking union determined to move with the times and the trends. As labor came under attack from the Administration and Congress and with the downturn in the U.S. economy, they recognized that efforts would have to be expanded on the legislative front where the action was taking place. The time had come for them to approach the membership to obtain the necessary financial and moral support, so that the union's political efforts on behalf of its constituency and that of labor as a whole could be sustained in the years ahead. They therefore called a Special Convention in March 1982, where the delegates authorized an amendment to the ILA's Constitution. It provided for the voluntary designation of ⅒ per cent of hourly per capita dues to be set aside for the activities of a Committee on Political Education, to be known as ILA-COPE. It would be the ILA's answer to the political action committees established by corporate and other interests that opposed ILA's and labor's goals. It provided the wherewithal to monitor and advance favorable legislation and to oppose legislative measures that threatened to put longshoremen and other laborers at a disadvantage.

A TRIBUTE TO THOMAS W. GLEASON: 24 YEARS OF PROGRESS

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1987

Mr. FIELDS. Mr. Speaker, it is a great pleasure and honor to join with my colleagues Congressman JACK KEMP and Congresswoman HELEN BENTLEY in paying tribute to Mr. Thomas W. (Teddy) Gleason.

Teddy Gleason is a truly remarkable man who has dedicated himself for nearly three-quarters of a century to the goal of improving the quality of life for the thousands of men and women who have proudly joined the International Longshoremen's Association.

Since coming to Congress in 1981, I have had many opportunities to work closely with the ILA and I have received the benefit of the invaluable counsel of President Gleason.

I remember in particular his efforts, which I strongly supported, to defeat "domestic content" legislation which would have required car manufacturers to use more parts produced here in the United States in their automobiles. The goal of "domestic content" was to protect the jobs of domestic auto workers by encouraging foreign automakers to locate their plants in, and use parts manufactured in, the United States. But in protecting the jobs of Detroit auto workers, the legislation, and the protectionist principle on which it is based, would have threatened other jobs in Houston and other ports throughout this Nation.

During the debate on that legislation, President Gleason so accurately noted that "if this bill actually came to pass, we foresee extensive loss of international cargo which our members handled, to be followed by raised tariffs, cuts in foreign shipments of American products, and other retaliatory measures. These will further erode whatever work remains in the already hard-pressed longshore and shipping industries."

Fortunately, because of Teddy's efforts and those of others, this ill-conceived and dangerous piece of protectionist legislation did not become law.

While Teddy Gleason may have retired as president of the 116,000-member International Longshoremen's Association, I am confident that we will continue to receive the benefit of his wisdom and guidance for many years to come.

Mr. Speaker, Teddy Gleason is one of the truly great labor leaders in our Nation's history and I am proud to participate in this effort to pay tribute to him.

The text of this document follows:

THE GLEASON ERA: 24 YEARS OF INSPIRED LEADERSHIP—A TRIBUTE

THE SIXTH AND FINAL ADMINISTRATION (1983-1987)

The firm footing and solid gains achieved by President Gleason and his colleagues over the preceding two decades—financially, administratively, legally, legislatively contractually and in all other respects—enabled the ILA to confidently face, withstand and react to the almost inevitable adversities that befell the country, the industry, and unions generally over the next four years. Though buffeted by the winds of change in cargo patterns, industry fortunes, carrier bankruptcies, jurisdictional disputes, adverse judgments, and difficult negotiations, the ILA's leaders refused to succumb to any of these in a decidedly "anti-organized-labor" atmosphere.

To the contrary! Their strategy was to reverse and contain all actual and foreseeable threats to ILA jurisdiction and their members' livelihoods and gains over the past twenty years, to the fullest possible extent. At the same time, they moved forward in many important directions in exploiting their gains and preparing for the future.

Teddy Gleason's final term began on a great, upbeat note. President Ronald Reagan was the honored guest at the International's Convention, where he praised Teddy Gleason and the ILA, stating:

"[Teddy] sticks by his union. He sticks by his friends. And he sticks by his country, the kind of integrity and loyalty that is hard to come by today."

Referring to the ILA, the President declared:

"I don't think America has a more patriotic union than this one. This union is great for the same reason America is great—because so many different groups are working together, pulling together toward a common goal. The cultural diversity of this union and this country made us both strong and free."

Shortly thereafter the ILA scored a series of successful victories in its litigation. It first prevented the FMC from obtaining an injunction against domestic carriers applying the Rules on Containers. In May of 1984, the United States Court of Appeals for the Fourth Circuit determined that the Rules on Containers in their entirety were valid work preservation provisions under the Federal labor laws. It reversed the portion of the Board's ruling regarding "shortstopping" and warehouse practices, and held that the Rules could be lawfully applied. As a result, Management and the ILA agreed to once again implement the Rules, effective July 1, 1984, to the full extent permitted by law, and issued guidelines for that purpose. The ILA then moved with the New York Shipping Association to bar the NLRB from initiating any further litigation against the Rules on Containers when an appeal by the NLRB to the entire Court of Appeals failed.

Next, in February 1985, a Federal Maritime Commission administrative law judge ruled that the Rules on Containers did not violate the Shipping Acts of 1916 or of 1984. He recommended that the FMC dismiss its legal proceeding challenging the Rules.

Subsequently, in July 1985, the ILA's long struggle before the NLRB finally came to an end. The U.S. Supreme Court, in a second, six to three ruling, declared that all of the Rules on Containers are valid work preservation provisions and can be enforced. This was a personal triumph as well for Teddy Gleason, John Bowers and Walter Sullivan, who had doggedly pursued this difficult and often discouraging battle to protect their members' job. Justice Brennan, who wrote the majority opinion, noted that at the time that the Rules were first negotiated in the late 1960's, the ILA relinquished 80% of containerized cargo work. In turn, the ILA retained the stuffing and stripping of consolidated containers and could apply the Rules to warehousing and shortstopping of consolidated containers and could apply the Rules to warehousing and shortstopping as well.

While litigation over the Rules was still in progress, other threats to the ILA's contracts appeared on the horizon.

In January 1984, in negotiations with the employers, agreement was arrived at with the carriers, not only on the Master Agreement covering the 36 ILA ports on the North Atlantic, South Atlantic and Gulf Coasts of the United States, but also on local agreements to which some had not yet subscribed. This was immediately followed by a move by Delta Steamship Lines to renege on its collective bargaining agreements with the ILA. Delta then engaged in a wholesale abandonment of ILA facilities with the connivance of the Seafarers International Union and the Teamsters in Philadelphia, Florida and Texas ports. The ILA filed grievances before the Management-ILA Emergency Hearing Panel and proceeded in court to confirm awards in excess of $6 million. Meanwhile, President Gleason filed charges against the SIU before the AFL-CIO in support of the ILA's historic jurisdiction. When the Federation failed to act, Teddy pledged to continue the fight in the courts and wherever else ILS's jurisdiction would be challenged.

Ultimately, the Federal District Court in Manhattan upheld the ILA's Complaint and confirmed the awards. It held that Delta, like other carriers, is an employer of ILA longshoremen and must meet their obligations under their agreements. As of this writing, this matter is under appeal by Delta to the Federal appellate court in New York and challenges to the ILA's jurisdiction continue from other quarters as well. Thus, in 1986, an affiliated company filed charged before the National Labor Relations Board in Philadelphia challenging its status as an industry employer. Again, Teddy and his team authorized ILA's General Counsel to go to the full limit in upholding their right to apply and enforce ILA agreements and to leave no stone unturned in the effort.

The foregoing triumphs were somewhat tempered by the outcome of the Russian cargo litigation, in which ILA members were asked to pay a price for their patriotism, humanitarianism, and conscience. The point remains that under Teddy Gleason, the ILA acted on what it believed to be its members' rights, and obligations. Thus, time and again during this final administration, Gleason, Bowers and the other executive officers have authorized organizing efforts and litigation to expand and protect the ILA's jurisdiction under the most trying circumstances and no matter how long it would take. This included undersea divers in the south, bus drivers in New Jersey, driver-owners who haul containers, liquor salesman, and whoever else knocked at the ILA's door for assistance in obtaining fair and firm representation in dealing with their employers. When ILA locals and their members came under attack from other unions, such as seamen aboard tug boats, MM&P members, or Philadelphia longshoremen whose work was given away, Teddy pursued their cause before the AFL–CIO and at the bargaining table.

However, the most difficult problem that arose during this period, already exemplified by the Delta situation, was the diversion of ILA work to non-union and other union companies and workers, principally in southern and Gulf ports. Such efforts by non-union employers that sprung up, particularly following the upholding of the Rules on Containers, were frontally opposed by Gleason before the Labor Board, in the courts and through contract enforcement.

President Gleason also followd an aggressive legislative program, supported by ILA-COPE. Thus, in 1983, President Gleason led a vigorous lobbying effort with the support of the U.S. Departments of Labor and Transportation which caused the Department of Agriculture to agree to uphold the cargo preference laws in a multimillion-dollar sale of wheat to Egypt. He has continuously been in the forefront in supporting legislation affecting U.S. flag vessels for construction, subsidies and uses. The ILA, along with other maritime unions, successfully blocked proposals by the two carriers to terminate their operational differential subsidies, with the encouragement and connivance of the Maritime Administration, in what President Gleason called "the Great American Maritime Windfall."

President Gleason successfully opposed an auto parts bill that would have drastically curtailed the import of automobile parts to the United States through ILA ports. He supported the legislation which established Martin Luther King National Holiday and the Shipping Act of 1984, which encouraged the development of an economically sound U.S. merchant marine, responsive to international shipping practices. He collaborated with other AFL–CIO unions in the enactment of legislation to overturn a damaging Supreme Court case. Employers filing for bankruptcy must now request the permission of the court before rejecting their labor contracts. Gleason moved to stymie proposed tariffs against Canadian lumber and other foreign products that would have invited retaliatory measures and strifle international trade.

Gleason, Bowers and others testified on bills affecting port development and maintenance, on Canadian cargo diversion, and on other bills impacting on the movement of cargo and the U.S. maritime industry. They kept the Washington office on its toes: monitoring and screening legislation and along with ILA lobbyists elsewhere, touching base with legislators wherever they might act on member or labor interests. ILA-COPE expanded its influence to numerous states in which ILA members are employed.

Gleason and the ILA continued to support their foreign brethren, especially those who suffer under the communist yoke. It joined forces with several Congressmen in a lawsuit before the U.S. Court of International Trade to prohibit the importing of goods produced in the Soviet Union by convict and forced labor. When Chile was struck by an earthquake in March 1985, ILA donated its members services in loading and unloading all manner of cargo to allay the suffering. When famine struck the Sudan, ILA longshoremen on the Great Lakes similarly supported the effort to move shipments of food and supplies to the starving victims of drought.

Time and again Teddy Gleason and the ILA were commended for servicing vessels with military cargo during work stoppages and on other occasions when time was of the essence. This is the type of cooperation that Teddy and his administration have always encouraged by word and by example, which has served to enhance the ILA's image at home and throughout the world. Teddy's reputation on account of his own work and that of his members undoubtedly led to his appointment in 1983 by President Lane Kirkland as chairman of the AFL–CIO's Committee on International Affairs. It also certainly stood him in good stead in being chosen as the Grand Marshal of the St. Patrick's Day Parade in New York City, in March 1984, when ILA contingents proudly marched behind their leader. Teddy led a quarter of a million fellow marchers up Fifth Avenue.

In March 1985, Teddy Gleason led a delegation of ILA officials in sharing their expertise with their brethren to the south. At the First Inter-American Conference of Maritime and Port Unions, held in Buenos Aires, Argentina, the ILA officials addressed maritime and longshore representatives from seven South American countries on containerization, fringe benefit programs and other aspects of longshore employment. At the conclusion, the participants resolved to continue their communications on a regular basis and to provide mutual help and assistance. This landmark achievement was followed by an alliance with Caribbean maritime unions in the Spring of 1986, in an effort to assist Caribbean dock workers who are first experiencing the effects of automation and containerization in their industry and who need ILA's experience and counsel. Meanwhile, at the urging of President Gleason and other maritime unions, the ITF appointed nine inspectors for the purpose of organizing flag-of-convenience crews, with the ILA acting as the program's coordinator.

This panorama of initiative, action and results inaugurated, encouraged, or participated in by President Gleason will leave indelible marks on the ILA's and on maritime labor's future. They constitute a pattern of conduct for others to follow and emulate.

Ironically, the extraordinary circumstances surrounding the negotiation of the 1986–1989 collective bargaining agreements served to emphasize, rather than detract from, the unifying character that Teddy Gleason has exerted over the union. They are something that more likely than not will occur in times of threats and stress from without the industry, as well as from within. In the end it was a job well done.

The employers sought to take advantage of the competition brought on by non-ILA stevedores, many of which had newly risen in Southern and Gulf ports. Carriers were also under extreme pressures, brought on by overcapacity of their vessels in international trades, to cut their costs, including labor expenses. Many of them sought to make their own deals with non-ILA as well as ILA employers, by dealing directly with local ILA affiliates. These practices portended rifts and divisions within the ILA's ranks. The pessimists thought this would threaten the ILA's unity at negotiations, as carrier associations disbanded and employers sought to withdraw their bargaining authorizations.

Teddy remained undaunted. He knew his people well, and that when push came to shove, they would pull together. Despite the most difficult negotiations in over a decade, the numerous "give back" demands of employers from Maine to Texas and whiplash-type tactics by management negotiators, the ILA stood firm. Following a brief, three-day strike, the parties came to terms on contracts that put to rest the fears and concerns of both union and management. Though they may not have repeated the immense gains of past years, in their own ways these contracts were great successes.

The final product, consisting of a series of agreements in the most complex negotiations in many a longshoremen's memory, conferred on the parties a livable, manageable state of affairs while the industry continues its belated recovery from local and worldwide adverse economic conditions. It is a tribute to the realism, pragmatism and negotiating skills which only labor leaders like Gleason, Bowers and their brother negotiations could bring to bear on what many had seen as the impossible. It is a testament to their talents, tenacity and credibility in dealing with their astute counterparts across the table. Moreover, the very fact that the membership recognized and accepted the final pacts for what they were should serve as ample evidence that the negotiators acted wisely in understanding the needs of their members and the limits of the employers. It stands as one of Teddy Gleason's final and finer works as the ILA's leader.

EPILOGUE

The ILA that Teddy Gleason leaves as President at the end of a near quarter century of productive work is far different from the one he started with. Its challenges are no longer those that result from impoverishment, dishevelment and disrepute. Instead, they are the kinds that, in a changing world, stem from breakthrough successes at the bargaining table; breakthrough in automation and other forms of innovation: financial and organization stability; respect as a vibrant, patriotic and homogeneous group of workers, at home and abroad; bold activism and leadership of free-world trade unions; and a well-earned reputation for pursuing all avenues—in the courts, in the legislatures and in labor's own houses—to defend and project its members interests and needs.

This is President Gleason's legacy—the fruits of his realized and still-to-be-completed visions as a master at his trade and of his consummate skills as the standard bearer, as the one who urges his followers to march forward through the momentum of his inspiration and with his sage views on future challenges as a beacon for guidance.

TOXIC WASTES FROM MUNICIPAL INCINERATORS

HON. JIM SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1987

Mr. SAXTON. Mr. Speaker, I wish to bring to the attention of our colleagues in Congress a problem of national proportions—toxic wastes from municipal incinerators. Across the country, communities are struggling with the necessity of disposing of solid wastes at the same time that they must deal with the health risks posed by disposal.

As our communities grow, our waste disposal problem grows as well. Today, 150 million tons of municipal solid wastes are created each year. By the year 2000, our wastes will increase substantially. With that increase, we will need more and better methods to dispose of those wastes.

But what happens when the land available for disposal no longer exists? New Jersey will have filled up all its landfill capacity in 2 years. And New Jersey is not alone in this shortage of places to put the solid wastes. Within the next 10 years, most States will have nowhere to put their wastes.

An example of what happens to this surplus waste is Mobro garbage barge, recently plying up and down the east coast in search of a place to unload its cargo. The fate of our Nation's wastes should not be the same as that of the garbage barge.

In response to the amount of solid wastes, the incineration of wastes is on the increase. By the turn of the century, one-third of our solid wastes will go to incinerators. And in the process of incineration, toxic emissions are produced.

There are no communities that will go unaffected by this demand for disposal. Within the next 10 years, the number of incinerators in our communities will quadruple.

Now is the time to set standards for those incinerators. Legislation, of which I am an original cosponsor, has been introduced to require the Environmental Protection Agency to set and enforce standards for about two dozen pollutants. The legislation, H.R. 2787 and H.R. 2517, requires the EPA to set standards for emmissions and for the treatment of ash generated by incineration.

These pollutants, generated by process incineration are well known for their toxic and carcinogenic effects. A partial list includes lead and PBC's.

The same communities that are now growing toward the 21st century are also calling for standards that will protect them from the wastes that our society generates. I am including a recent editorial from the Burlington County Times of New Jersey which addresses this important issue.

Industry and prosperity generate wastes. By setting standards now, we are protecting our futures.

INCINERATORS—NATIONAL STANDARDS ARE NEEDED

Solve one problem, create another.

Congressman Jim Florio, who represents three towns in Burlington County, is hoping to avoid that dilemma with two new bills designed to impose controls on emission and ash generated by municipal incinerators, trash-to-steam plants and the like.

Florio has more than a passing interest. People in his First Congressional District are involved in a dispute over a proposed incinerator at the Pennsauken (Camden County) landfill. Residents of Cinnaminson, Palmyra and Riverton are protesting the facility. They are concerned about its proximity to these dense residential areas, downwind from the site.

And Florio is, too. According to the congressman, the federal government provides no regulation of emissions and ash generated by municipal incinerators. "There are literally no national standards," he said.

Currently, about 4 percent of the nation's trash and garbage finds its way into incinerators, but by the year 2000 the EPA estimates about one-third of the nation's refuse will be burned. The reason is simple. Landfills are full, and they are dangerous. Burying trash and toxic waste is not an intelligent or a safe option.

Recently, the Environmental Defense Fund notified 100 of the nation's municipal solid waste incinerator operators that ash generated by incineration was found to have high levels of toxic metals. Of particular concern, said EDF, is the level of lead being found in incinerator ash. "Incinerator ash is as dangerous as lead-based paint, the same paint banned in the U.S. in 1973," said an EDF spokesman.

Incineration as a mode of trash disposal will become more and more prevalent. But because regulation of emissions and ash is now so lax, the hazards of incineration could easily outstrip efforts to protect the public health.

One of Florio's bills would amend the Clean Air Act to regulate more than two dozen pollutants not now controlled under the law. The second would amend the Resource Conservation and Recovery Act (RCRA) to provide for ash management, testing and treatment of its pollutants. Under the legislation, new facilities would have to meet new standards and existing operations would be given a period of time in which to comply.

Florio's legislation should be passed by Congress, not only because residents in his district are worried about the incinerator in their "backyard," but because people in many thousands more backyards across the nation could be at risk if incinerator regulation is allowed to sift through the fine screen of congressional inertia.

TRIBUTE TO STARS AND STRIPES, STAR OF DAVID

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1987

Mr. FISH. Mr. Speaker, I would like to share with my colleagues the following article written by Rabbi Barry L. Schwartz, a native of my district from Westchester County, that appeared in the Jewish Week, Inc, July 3, 1987. It is a very sensitive and patriotic article, which I am sure you will enjoy.

[From the Jewish Week, Inc., July 3, 1987]

TRIBUTE TO STARS AND STRIPES, STAR OF DAVID

(By Barry L. Schwartz)

HAIFA—Today, about a year shy of my 30th birthday, married and the father of two small children, I received a draft notice. I am a fourth-generation American, born and raised in New York. My draft notice is for induction in the Israeli army.

I belong to a rather sparse breed of Americans known as dual nationals. Quite legally, I am an American and an Israeli. I intend to keep it that way. If moving to Israel had meant giving up American citizenship, I never would have done it. If serving in the Israeli army was grounds for revoking my special status, I'd be packing my bags. Since I am being involuntarily drafted into a foreign army, my U.S. citizenship is secure. Not so my dual identity. Certain dormant questions have broken through the surface of my coolly rational veneer starkly put: What kind of American am I, about to fight for a foreign army? What kind of an Israeli am I, clinging to foreign citizenship? By chance, both my countries are friends. What if they weren't?

A dual citizen like myself is not an expatriate. I did not leave America for any negative reason. Quite the contrary. My years away have taught me that most Americans take for granted. America is the greatest country in the world. Nowhere are its two most precious gifts as evident and abundant: liberty and opportunity. Sometimes one must step outside to appreciate fully what is inside. My great-grandmother framed her American citizenship papers and put them on the wall. Now I understand why.

Voltaire once remarked that every man has two homelands: his country of origin and France. I subscribe to a similar chauvinism in a different context. Every Jew has two homelands: his country of origin and Israel. Judaism, as exclusively a religion, transcends nationalism. Judaism as a civilization implies rootedness in a land. The modern Jewish state, embodiment of the ancestral, had been tugging at my heart since my first visit as an adolescent. In the words of one Israeli poet, to plan anew "and reap the harvest of ancient seed."

Two hundred years ago, a group of men conceived the boldest experiment in democratic government in human history. Forty years ago, a group of men established the boldest experiment in Jewish history. Privileged to have been nurtured in the former, how could I not take part in the latter? The more I live here in Israel, the more I see it in need of America's fundamental values.

Unlike the rest of my family, my second child was not born in the United States. As a child of two American citizens, she was automatically entitled to American citizenship, but we had to go through a complicated registration procedure. We insisted on completing the procedure as soon as possible. Entering the American embassy in Tel Aviv was a bit strange but not uncomfortable or alien. It was our first time in an embassy. I was proud of the American marine on duty.

I share the same outrage as my fellow citizens when an American hostage is taken or an American institution attacked. That is not the case with my other fellow citizens. They are America's close allies and abhor terror, but my conversations with Israelis reveal that they don't feel the way I do. Nor should they, I suppose. When the Challenger went up in flames, I cried alone.

In fact, when in Israel, I always feel American. A dark complexion does nothing to hide an American accent, even though my Hebrew is fluent. Politically, I am liberal enough to arouse suspicion as an outsider (although there are a few native liberals as well). The same goes for religion. The fact that I am neither religious nor secular means I must be Western, probably one of those Reform types (which I am). Such is the sorry state of liberalism in Israel today that it is looked upon as an imported item.

When in America, on the other hand, I feel most Israeli. Not because of my accent—my speech gives me away only as a New Yorker—but because of my perspective, in subtle ways different than it once was. First of all, size. Everything is bigger than it once was. Cars, houses, parks and basketball players. Second, my fellow Americans. Of course, I was always aware that the vast majority are not Jewish. Now I am even more aware of it. Living in a Jewish state filled with Jews soon becomes something taken for granted. In other words, my culture shock now runs East to West, rather than West to East.

Most American Jews read about Israel with keen interest. On my visits back to America, I open the paper every morning and automatically search for any news about my home. I mentioned that Israelis can't really understand what I feel toward America and Americans. The converse is also true.

To leave Israel, I must secure permission from the army, like every other Israeli male. To enter the United States, I need not produce a visa, unlike every other Israeli male. Yet I no longer have a permanent address in America other than my parents' residence. The four of us in my family travel with eight passports. Sometimes we forget which document to present at which side. This is, in a sense, symbolic of the confusion, or flux, of a dual citizen.

By some ironic twist of fate, my draft notice came the same day that an American Jew was sentenced to life imprisonment for spying on behalf of Israel. The Pollard affair has really torn people like myself apart. As an American, I am ashamed of what he did. His punishment is justified. Moreover, as an American Jew, I am especially angry. He and his handlers have damaged our hard-won status as loyal Americans. In one fell swoop, the ugly head of dual loyalty has reared again. And, as an American, I feel that Israel's handling of the affair is plain insulting.

As an Israeli, I am not so much ashamed of what he did, but what we did—spying on a friend, our best one at that, running an American Jew and, worst of all, botching the operation. Like my fellow citizens here, I have learned to cover my mouth when it comes to criticizing national security issues (although I arouse the consternation of congregants by giving an occasional sermon on the matter).

Isn't the Pollard affair proof that American and Israeli interests are not always in concert? As much as America supports its ally, there are secrets between friends. As close as Israel is to its benefactor, some decisions must be unilateral. On what side, then, does the dual citizen fall?

Neither side, I stubbornly maintain. Is it trite or wrong to respond by asking if one must choose between one's mother and father? I love them both, even when they disagree. Whether I side with one or the other depends on the specific issue at hand. In no circumstance would I support one in such a way that the other is ashamed or compromised. In almost every instance, there should be a common good and a common goal. An apparent conflict of interest may, upon reflection, only be a symptom of misunderstanding or faulty communication. So, in reading the secretary of defense's comment on the Pollard affair that a too-strong Israel upsets the balance of power in the Middle East, as an American and as an Israeli, I beg to differ.

When these ruminations are published, I will already be in uniform. The call to bear arms is perhaps a citizen's highest expression of patriotic duty, I will salute the Star of David. I would likewise salute the Stars and Stripes. I pray for the peace of both.

SPENDING CUTS ARE MEMBER'S TOP PRIORITY

HON. ERNEST L. KONNYU

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1987

Mr. KONNYU. Mr. Speaker, as you know there is a great deal of debate over how or where or even if Federal spending can be cut. As one of those Members of Congress who believes we must cut the Federal budget deficit, I noted an article printed on August 1 in the Congressional Quarterly which discussed the attempts by some Members to implement Federal spending cuts. For the information of the taxpayers, who are forced to pay for the bills that we pass in Congress, I would like to request that the Congressional Quarterly article be made a part of the RECORD:

Bill Frenzel wishes some Republicans would act more like, ah, Republicans.

So do Vin Weber, Ernie Konnyu and 30 or more other GOP House members, mostly from that chamber's junior ranks. Their beef is with the senior Republicans on the House Appropriations Committee. They say the Republican barons are more loyal to the committee than to their party.

Specifically, they want ranking Republicans on Appropriations to stop fighting floor amendments, from a bipartisan coalition of younger members, to cut spending from this year's crop of money bills.

But for the season for individual appropriations is nearly done, and the GOP appropriators show no inclination to change their ways.

The criticisms are part of a broad attack on the independence of House Appropriations. Already, House Democratic leaders, a faction of Democrats within Appropriations and the bipartisan coalition of budget-cutters have pressured committee members into reluctant compliance with budget limits they would prefer to ignore. (Weekly Report p. 1572)

In return, the Democratic leaders promised to help defeat floor amendments offered by the bipartisan group to cut more than the 1988 budget resolution requires.

WHOSE SIDE ARE YOU ON?

Members exasperated with deficits and with this year's budget resolution seized on the appropriations bills to make their point. That galls appropriators, who say they are besieged with requests, from members of both parties, for funding and that they broker the most thrifty of compromises within committee.

Then, however, they unite fiercely to beat back outsiders' amendments. It is the Republicans' role in that defense that angers Konnyu, a blunt first-termer from California, Frenzel, the dean of the Minnesota delegation, and Weber, another Minnesotan who is serving his first term on Appropriations. "It really is the club," Weber marvels. "You're expected to operate by consensus."

The clash among Republicans erupted into bitter public exchanges during House debate on the 1988 Energy and Water (HR 2700) and Interior (HR 2712) appropriations bills. (Weekly Report pp. 1378, 1374)

House GOP Whip Trent Lott of Mississippi tried to soothe the roiled Republicans, telling appropriators, "We love you . . . you are nice guys, and we appreciate the heck out of you. . . . We know it is a tough job."

But, Lott wondered, "can we not do a little bit" of cutting?

Republicans then met privately July 1 but reached no conclusion on how to proceed.

THREATS, WORRIES

For their challenges to Appropriations, Konnyu and Weber expect some grief. Appropriators prize loyalty, perhaps beyond all other virtues. Periodically, rumors of retaliation shadow those who cross the committee.

"One of the guys said to me, 'Ernie, you are gonna be on dog committees as long as you're here,' " Konnyu says. "Well, if that's the price of glory. . . ."

This year, John T. Myers, R-Ind., ranking Republican on the energy and water subcommittee, is said to have threatened the massive Central Arizona Project (CAP) if two of that state's freshman GOP representatives supported spending cuts in the Energy and Water bill on June 24.

Konnyu says rumors of the threat shot through his freshman class, provoked much of the unpleasantness during debate on the Interior bill and led to the July 1 session.

One of Myers' reported targets, Jon Kyl, prefers not to discuss the subject, according to an aide. The second, John J. Rhodes, says firmly that he and Myers "had a disagreement, which is resolved."

But Konnyu says the meeting ended with GOP appropriators still wedded to "unholy alliances" with committee Democrats.

The peppery Myers says he spoke to Kyl and Rhodes about the Arizona water project. "I didn't scare them. I just warned them that the Senate takes all our projects out of [appropriations] bills and puts theirs in."

When the final version is written in conference, Myers continued, House members would find it very difficult to restore projects of colleagues who voted against the bill. "It isn't a threat. It's just a fact of life."

Rhodes says rumors of threats against CAP projects miss the mark. He says that he voted against a spending-cut amendment to the Energy and Water bill because the measure included an important compromise that canceled a dam project environmentalists opposed in return for their dropping a lawsuit challenging the legal underpinnings of key parts of the huge Arizona water project.

HAVING PORK, AND EATING IT

According to Frenzel, members of the GOP Committee on Committees, on which Frenzel sits, told Weber that they "have been nervous about the ways that Republicans cooperate, rather than resist" on Appropriations.

And Weber reports that just before the first appropriations bill came to the floor this year, the committee "nicely let me know that they didn't think I'd get co-opted—too soon."

Weber concedes that Republicans are in a difficult spot. They want to burnish their budget credentials but not risk home district projects—or items such as the CAP compromise.

The way the GOP appropriators see it, the Republican upstarts want to have their pork and eat it too.

With compelling decision, appropriations bills record what members of both parties want most for their constituent. Frenzel scoffs that the GOP members win no more than "crumbs" in these bills. They "defend Republican boondoggles. But at the same time, they're defending useless Democratic projects."

Others say Republicans make out well, with concessions at least in proportion to their numbers.

Bill Green of New York, the senior Republican on the housing subcommittee, told the House June 25 that Republicans ask him to add things to his subcommittee bill, not subtract. When his panel thought it might make ends meet by not funding the Urban Development Action Grant program, "I did not have lots of people rushing up to me and saying, 'Isn't that a marvelous idea!' "